

# Hanscomb

Page 1:  
Escalation Watch

## Escalation Watch Fourth Quarter 2010

The mid-November 2010 Non-residential Construction Price Indices were released by Statistics Canada on February 15<sup>th</sup>. The fourth quarter indices for 2011 will be available mid-May 2011.

The national composite index has edged up only marginally from the previous quarter, rising only one half of a point from 141.9 to 142.4 or 0.4%. Expressed year over year, the national composite is up only 1.7% over the fourth quarter of 2009.

For the first time in more than a year, the composite indices for all cities tracked by Statscan reported positive quarterly gains. With only one exception – Calgary (-0.3%) – all cities are also now reporting year over year gains as well, regaining most if not all of the ground lost during 2009. Although Calgary remains the only major construction market in the country where the index has fallen from the same period last year, it appears that the downward trend may have bottomed out. Curiously, the Edmonton index has rebounded sharply over the past year. Up 5.8% year over year, Edmonton is currently leading the nation.

In central Canada a similar juxtaposition is evident between Ottawa, up 4.8% year over year and Toronto where the annual increase is only 1.6%.

In light of this report, and as suggested in our last newsletter, it would still seem reasonable to expect a continuance of competitive bidding nationwide for most sectors of the construction industry well into the new year.

It bears remembering that the indices prepared for Statistics Canada are intended only to track cost changes in a given city. The index *cannot* be used to compare costs between cities.

The source data used to prepare the charts in this newsletter is drawn from Statistics Canada's Capital Expenditures Price Statistics publication – catalogue 62-007-XWE. Specifically, we used the Non-residential Building Construction Price Indexes for the national composite and each surveyed city indicated on tables 7.2 through 7.9. Readers are cautioned that Statistics Canada does, on occasion, restate indices from previous quarters. Individual city and national composite indices reported in this newsletter reflect these changes. Restated indices are highlighted for ease of reference.

More information about this and other construction related indices published by Statistics Canada are available on line at [www.statcan.gc.ca](http://www.statcan.gc.ca).

- Paul Westbrook

Page 2:  
Statistics Canada  
Non-Residential  
Construction Cost  
Indices for 7 Cities,  
Fourth Quarter  
2010

## Services

Cost Planning & Control  
Value Management

Litigation Support  
Construction Monitoring

Feasibility Studies  
Time Management

Project Loan Monitoring  
Applied Research

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	Grant Mercer				
Toronto	Paul Westbrook	416 - 487 - 3811			
	Dale Panday				
Halifax	Raymond Murray	902 - 422 - 3620			
	Renaud Francoeur				

### Hanscomb Ottawa is Moving!

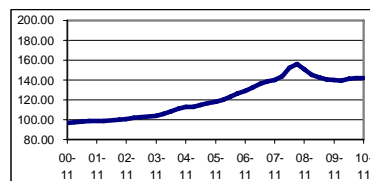
As of March 31, 2011, our Ottawa Office's **new address** will be:

**Hanscomb Limited**  
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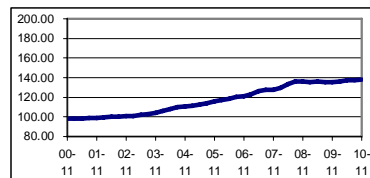
Telephone and fax numbers, along with email addresses, will remain the same.

# STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

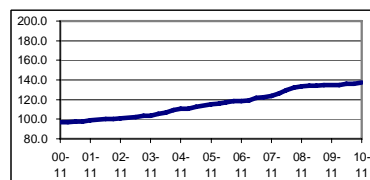
COMPOSITE 7 CITY	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	152.3	155.9	151.5	145.1	142.5	140.5	140.0	139.8	141.7	141.9	142.4
Year / Year					(6.4%)	(9.9%)	(7.6%)	(3.7%)	(0.6%)	1.0%	1.7%
Quarterly		2.4%	(2.8%)	(4.2%)	(1.8%)	(1.4%)	(0.4%)	(0.1%)	1.4%	0.1%	0.4%
Q. Cumulative	0.0%	2.4%	(0.5%)	(4.7%)	(6.4%)	(7.7%)	(8.1%)	(8.2%)	(7.0%)	(6.8%)	(6.5%)



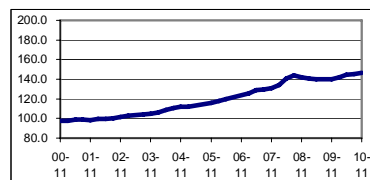
HALIFAX	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	133.6	136.1	136.3	135.5	136.1	135.6	135.7	136.3	137.4	137.5	137.9
Year / Year					1.9%	(0.4%)	(0.4%)	0.6%	1.0%	1.4%	1.6%
Quarterly		1.9%	0.1%	(0.6%)	0.4%	(0.4%)	0.1%	0.4%	0.8%	0.1%	0.3%
Q. Cumulative	0.0%	1.9%	2.0%	1.4%	1.9%	1.5%	1.6%	2.0%	2.8%	2.9%	3.2%



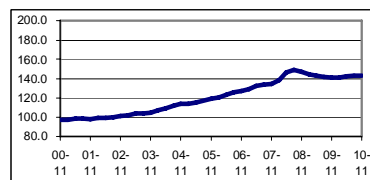
MONTREAL	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	129.3	132.2	133.6	134.1	134.0	134.9	135.1	134.6	135.9	136.2	137.5
Year / Year					3.6%	2.0%	1.1%	0.4%	1.4%	1.0%	1.8%
Quarterly		2.2%	1.1%	0.4%	(0.1%)	0.7%	0.1%	(0.4%)	1.0%	0.2%	1.0%
Q. Cumulative	0.0%	2.2%	3.3%	3.7%	3.6%	4.3%	4.5%	4.1%	5.1%	5.3%	6.3%



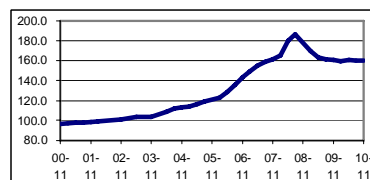
OTTAWA	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	140.6	143.8	141.8	140.7	140.2	139.6	139.6	141.9	144.6	145.3	146.2
Year / Year					(0.3%)	(2.9%)	(1.6%)	0.9%	3.1%	4.1%	4.7%
Quarterly		2.3%	(1.4%)	(0.8%)	(0.4%)	(0.4%)	0.0%	1.6%	1.9%	0.5%	0.6%
Q. Cumulative	0.0%	2.3%	0.9%	0.1%	(0.3%)	(0.7%)	(0.7%)	0.9%	2.8%	3.3%	4.0%



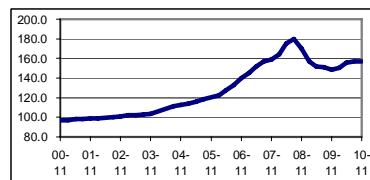
TORONTO	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	146.5	149.2	147.0	144.6	142.9	141.6	140.9	141.1	142.5	142.9	143.2
Year / Year					(2.5%)	(5.1%)	(4.1%)	(2.4%)	(0.3%)	0.9%	1.6%
Quarterly		1.8%	(1.5%)	(1.6%)	(1.2%)	(0.9%)	(0.5%)	0.1%	1.0%	0.3%	0.2%
Q. Cumulative	0.0%	1.8%	0.3%	(1.3%)	(2.5%)	(3.3%)	(3.8%)	(3.7%)	(2.7%)	(2.5%)	(2.3%)



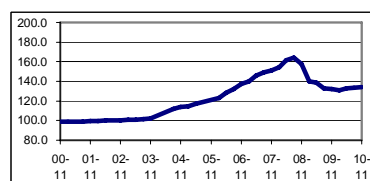
CALGARY	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	179.9	186.6	178.1	169.9	163.7	161.2	160.9	159.5	161.1	160.2	160.4
Year / Year					(9.0%)	(13.6%)	(9.7%)	(6.1%)	(1.6%)	(0.6%)	(0.3%)
Quarterly		3.7%	(4.6%)	(4.6%)	(3.6%)	(1.5%)	(0.2%)	(0.9%)	1.0%	(0.6%)	0.1%
Q. Cumulative	0.0%	3.7%	(1.0%)	(5.6%)	(9.0%)	(10.4%)	(10.6%)	(11.3%)	(10.5%)	(11.0%)	(10.8%)



EDMONTON	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	175.1	179.7	170.2	156.7	151.4	150.8	148.4	150.6	155.6	156.8	157.0
Year / Year					(13.5%)	(16.1%)	(12.8%)	(3.9%)	2.8%	4.0%	5.8%
Quarterly		2.6%	(5.3%)	(7.9%)	(3.4%)	(0.4%)	(1.6%)	1.5%	3.3%	0.8%	0.1%
Q. Cumulative	0.0%	2.6%	(2.8%)	(10.5%)	(13.5%)	(13.9%)	(15.2%)	(14.0%)	(11.1%)	(10.5%)	(10.3%)



VANCOUVER	2008			2009			2010				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	161.9	164.6	157.3	140.4	138.7	132.6	132.3	130.9	132.8	133.4	134.2
Year / Year					(14.3%)	(19.4%)	(15.9%)	(6.8%)	(4.3%)	0.6%	1.4%
Quarterly		1.7%	(4.4%)	(10.7%)	(1.2%)	(4.4%)	(0.2%)	(1.1%)	1.5%	0.5%	0.6%
Q. Cumulative	0.0%	1.7%	(2.8%)	(13.3%)	(14.3%)	(18.1%)	(18.3%)	(19.1%)	(18.0%)	(17.6%)	(17.1%)



The above noted **cells** indicate values that have been restated by Statistics Canada subsequent to their original publication