

# Hanscomb

## Escalation Watch Third Quarter 2013

The mid-August 2013 Non-residential Construction Price Indices were released by Statistics Canada on November 12<sup>th</sup>. The fourth quarter indices for 2013 will be available mid-February 2014.

The gradual, almost imperceptible, growth in the national composite index continued this quarter. The index advanced only slightly, moving to 152.3, an increase of 0.1% over the past quarter and 0.9% over the same period last year. This modest increase extends a positive trend to two consecutive quarters, but it is far from a conclusive indication that the downward trend experienced over five of the past seven quarters has ended.

Across the country, the modest positive trend is similar in most of the cities tracked by Statscan with the exception of Montreal and Toronto. Montreal bucked the trend by posting a 0.1% drop from the previous quarter but still managed positive growth (0.7%) on a year over year basis. Toronto was flat this quarter and only 0.3% ahead of the same period last year. At the other end of the spectrum, the Calgary index jumped from 171.1 to 173.4 this quarter (0.7%) and 1.3% expressed annually. Expressed on an annual basis, only Vancouver has moved up appreciably, advancing 3.1% year over year. As noted in our last report, this increase is, in large part, due to the recent change in tax structure from HST to GST / PST. Under this new tax arrangement, PST is embedded in the construction cost and reflected in the index.

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 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. Indices restated from the previous report are highlighted for ease of reference where appropriate.

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

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Cost Planning & Control Value Management	Litigation Support Construction Monitoring	Feasibility Studies Time Management	Loan Monitoring Applied Research
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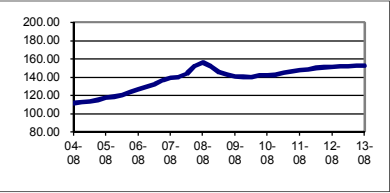
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Escalation Watch

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Statistics Canada  
Non-Residential  
Construction Cost  
Indices for 7 Cities  
Third Quarter 2013

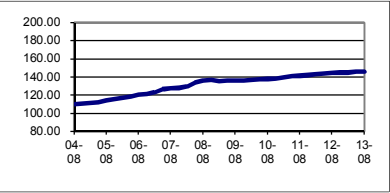
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# STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

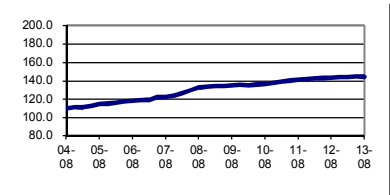
COMPOSITE 7 CITY	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	144.4	146.2	147.4	148.3	149.8	150.7	151.0	151.4	151.4	152.1	152.3
Year / Year					3.7%	3.1%	2.4%	2.1%	1.1%	0.9%	0.9%
Quarterly		1.2%	0.8%	0.6%	1.0%	0.6%	0.2%	0.3%	0.0%	0.5%	0.1%
Q. Cumulative	0.0%	1.2%	2.1%	2.7%	3.7%	4.4%	4.6%	4.8%	4.8%	5.3%	5.5%



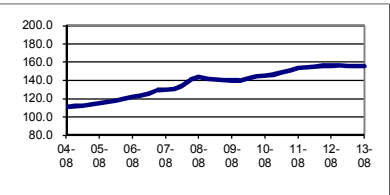
HALIFAX	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	139.4	140.7	141.1	141.7	142.6	143.4	144.4	144.6	144.8	145.6	145.7
Year / Year					2.3%	1.9%	2.3%	2.0%	1.5%	1.5%	0.9%
Quarterly		0.9%	0.3%	0.4%	0.6%	0.6%	0.7%	0.1%	0.1%	0.6%	0.1%
Q. Cumulative	0.0%	0.9%	1.2%	1.6%	2.3%	2.9%	3.6%	3.7%	3.9%	4.4%	4.5%



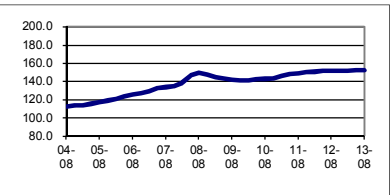
MONTREAL	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	139.0	139.9	141.2	141.6	142.5	142.9	143.0	143.8	143.8	144.2	144.0
Year / Year					2.5%	2.1%	1.3%	1.6%	0.9%	0.9%	0.7%
Quarterly		0.6%	0.9%	0.3%	0.6%	0.3%	0.1%	0.6%	0.0%	0.3%	(0.1%)
Q. Cumulative	0.0%	0.6%	1.6%	1.9%	2.5%	2.8%	2.9%	3.5%	3.5%	3.7%	3.6%



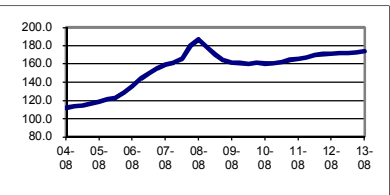
OTTAWA	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	148.8	151.0	153.4	154.1	154.9	155.9	156.0	156.3	155.5	155.4	155.5
Year / Year					4.1%	3.2%	1.7%	1.4%	0.4%	(0.3%)	(0.3%)
Quarterly		1.5%	1.6%	0.5%	0.5%	0.6%	0.1%	0.2%	(0.5%)	(0.1%)	0.1%
Q. Cumulative	0.0%	1.5%	3.1%	3.6%	4.1%	4.8%	4.8%	5.0%	4.5%	4.4%	4.5%



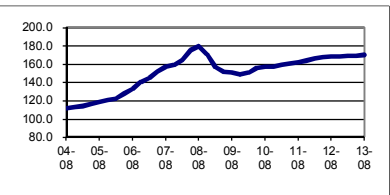
TORONTO	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	145.9	148.0	149.0	150.0	150.7	151.5	151.7	152.0	151.9	152.1	152.1
Year / Year					3.3%	2.4%	1.8%	1.3%	0.8%	0.4%	0.3%
Quarterly		1.4%	0.7%	0.7%	0.5%	0.5%	0.1%	0.2%	(0.1%)	0.1%	0.0%
Q. Cumulative	0.0%	1.4%	2.1%	2.8%	3.3%	3.8%	4.0%	4.2%	4.1%	4.2%	4.2%



CALGARY	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	162.1	164.2	165.3	166.7	169.4	170.8	171.1	171.6	171.7	172.2	173.4
Year / Year					4.5%	4.0%	3.5%	2.9%	1.4%	0.8%	1.3%
Quarterly		1.3%	0.7%	0.8%	1.6%	0.8%	0.2%	0.3%	0.1%	0.3%	0.7%
Q. Cumulative	0.0%	1.3%	2.0%	2.8%	4.5%	5.4%	5.6%	5.9%	5.9%	6.2%	7.0%



EDMONTON	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	158.9	160.7	162.2	163.5	166.2	167.5	168.0	168.4	168.6	169.1	169.9
Year / Year					4.6%	4.2%	3.6%	3.0%	1.4%	1.0%	1.1%
Quarterly		1.1%	0.9%	0.8%	1.7%	0.8%	0.3%	0.2%	0.1%	0.3%	0.5%
Q. Cumulative	0.0%	1.1%	2.1%	2.9%	4.6%	5.4%	5.7%	6.0%	6.1%	6.4%	6.9%



VANCOUVER	2011				2012				2013		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	136.0	137.5	138.6	139.5	141.7	142.7	142.9	143.3	143.5	146.9	147.3
Year / Year					4.2%	3.8%	3.1%	2.7%	1.3%	2.9%	3.1%
Quarterly		1.1%	0.8%	0.6%	1.6%	0.7%	0.1%	0.3%	0.1%	2.4%	0.3%
Q. Cumulative	0.0%	1.1%	1.9%	2.6%	4.2%	4.9%	5.1%	5.4%	5.5%	8.0%	8.3%

