

Hanscomb

Escalation Fourth Quarter 2013

The mid-November 2013 Non-residential Construction Price Indices were released by Statistics Canada on February 11th. The first quarter indices for 2014 will be available mid-May 2014.

The very slow, almost imperceptible, growth in the national composite index continued again this quarter. The index advanced only slightly, moving to 152.5, an increase of 0.1% over the past quarter and 0.7% over the same period last year. This modest increase extends the weak but positive trend to three consecutive quarters. The year over year national growth rate of less than 1%, however, does not indicate the return to a robust market.

Across the country, the modest positive national composite quarterly trend is virtually identical in most of the cities tracked by Statscan. At the higher end of the spectrum, Calgary (0.3%) and Edmonton (0.2%) were marginally higher than the national rate. Toronto (0.1%) matched the national trend and Ottawa reported no movement at all from the previous quarter.

On a year over year basis, the national rate of 0.7% is being led by the West, with Calgary (1.4%), Edmonton (1.1%) and Vancouver (2.9%) being the only three Cities reporting growth above the national average. As mentioned in previous reports, it bears noting that much of the increase in Vancouver is 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. Ottawa (-0.5%) actually lost ground during 2013.

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. 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.

- Paul Westbrook

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

Services

Cost Planning & Control
Value Management

Litigation Support
Construction Monitoring

Feasibility Studies
Time Management

Loan Monitoring
Applied Research

Canadian Offices and Service Contacts

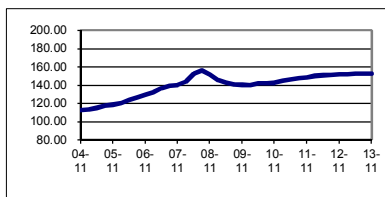
Vancouver	Thilak Bandara Ken King	604 - 685 - 1241	Value Management	Paul Westbrook	416 - 487 - 3811
Edmonton	Mike Swick	780 - 426 - 7980	Loan Monitoring	Raymond Murray	902 - 422 - 3620
Calgary	Paul Weatherby	403 - 234 - 9490		Grant Mercer	613 - 234 - 8089
Winnipeg	Isaac Gwendo	204 - 775 - 3389		Dale Panday	416 - 487 - 3811
Hamilton	Susan Neil Craig Bye	905 - 525 - 5777			
Ottawa	Art Maw Grant Mercer	613 - 234 - 8089	Applied Research	Paul Westbrook	416 - 487 - 3811
Toronto	Paul Westbrook Dale Panday	416 - 487 - 3811			
Halifax	Raymond Murray	902 - 422 - 3620			

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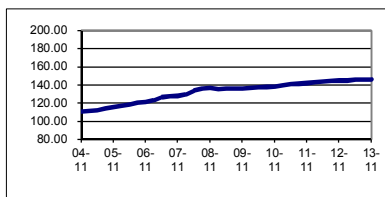


STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

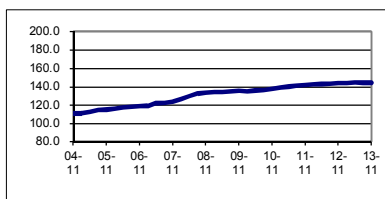
COMPOSITE 7 CITY	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	146.2	147.4	148.3	149.8	150.7	151.0	151.4	151.4	152.1	152.3	152.5
Year / Year					3.1%	2.4%	2.1%	1.1%	0.9%	0.9%	0.7%
Quarterly		0.8%	0.6%	1.0%	0.6%	0.2%	0.3%	0.0%	0.5%	0.1%	0.1%
Q. Cumulative	0.0%	0.8%	1.4%	2.5%	3.1%	3.3%	3.6%	3.6%	4.0%	4.2%	4.3%



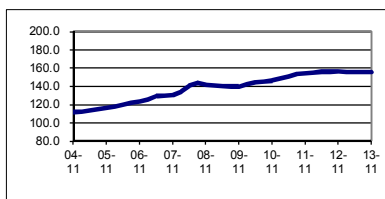
HALIFAX	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	140.7	141.1	141.7	142.6	143.4	144.4	144.6	144.8	145.6	145.7	145.8
Year / Year					1.9%	2.3%	2.0%	1.5%	1.5%	0.9%	0.8%
Quarterly		0.3%	0.4%	0.6%	0.6%	0.7%	0.1%	0.1%	0.6%	0.1%	0.1%
Q. Cumulative	0.0%	0.3%	0.7%	1.4%	1.9%	2.6%	2.8%	2.9%	3.5%	3.6%	3.6%



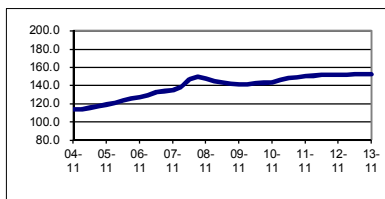
MONTREAL	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	139.9	141.2	141.6	142.5	142.9	143.0	143.8	143.8	144.2	144.0	144.1
Year / Year					2.1%	1.3%	1.6%	0.9%	0.9%	0.7%	0.2%
Quarterly		0.9%	0.3%	0.6%	0.3%	0.1%	0.6%	0.0%	0.3%	(0.1%)	0.1%
Q. Cumulative	0.0%	0.9%	1.2%	1.9%	2.1%	2.2%	2.8%	2.8%	3.1%	2.9%	3.0%



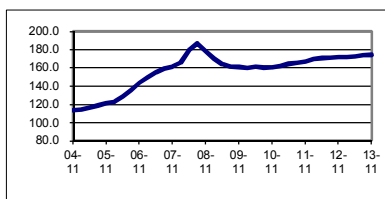
OTTAWA	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	151.0	153.4	154.1	154.9	155.9	156.0	156.3	155.5	155.4	155.5	155.5
Year / Year					3.2%	1.7%	1.4%	0.4%	(0.3%)	(0.3%)	(0.5%)
Quarterly		1.6%	0.5%	0.5%	0.6%	0.1%	0.2%	(0.5%)	(0.1%)	0.1%	0.0%
Q. Cumulative	0.0%	1.6%	2.1%	2.6%	3.2%	3.3%	3.5%	3.0%	2.9%	3.0%	3.0%



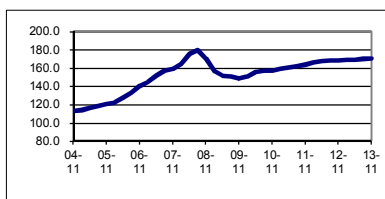
TORONTO	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	148.0	149.0	150.0	150.7	151.5	151.7	152.0	151.9	152.1	152.1	152.2
Year / Year					2.4%	1.8%	1.3%	0.8%	0.4%	0.3%	0.1%
Quarterly		0.7%	0.7%	0.5%	0.5%	0.1%	0.2%	(0.1%)	0.1%	0.0%	0.1%
Q. Cumulative	0.0%	0.7%	1.4%	1.8%	2.4%	2.5%	2.7%	2.6%	2.8%	2.8%	2.8%



CALGARY	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	164.2	165.3	166.7	169.4	170.8	171.1	171.6	171.7	172.2	173.4	174.0
Year / Year					4.0%	3.5%	2.9%	1.4%	0.8%	1.3%	1.4%
Quarterly		0.7%	0.8%	1.6%	0.8%	0.2%	0.3%	0.1%	0.3%	0.7%	0.3%
Q. Cumulative	0.0%	0.7%	1.5%	3.2%	4.0%	4.2%	4.5%	4.6%	4.9%	5.6%	6.0%



EDMONTON	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	160.7	162.2	163.5	166.2	167.5	168.0	168.4	168.6	169.1	169.9	170.3
Year / Year					4.2%	3.6%	3.0%	1.4%	1.0%	1.1%	1.1%
Quarterly		0.9%	0.8%	1.7%	0.8%	0.3%	0.2%	0.1%	0.3%	0.5%	0.2%
Q. Cumulative	0.0%	0.9%	1.7%	3.4%	4.2%	4.5%	4.8%	4.9%	5.2%	5.7%	6.0%



VANCOUVER	2011			2012			2013				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	137.5	138.6	139.5	141.7	142.7	142.9	143.3	143.5	146.9	147.3	147.4
Year / Year					3.8%	3.1%	2.7%	1.3%	2.9%	3.1%	2.9%
Quarterly		0.8%	0.6%	1.6%	0.7%	0.1%	0.3%	0.1%	2.4%	0.3%	0.1%
Q. Cumulative	0.0%	0.8%	1.5%	3.1%	3.8%	3.9%	4.2%	4.4%	6.8%	7.1%	7.2%

