

ESCALATION WATCH FIRST QUARTER 2021

Statistics Canada's 2021, First Quarter, Non-residential Building Construction Price Indices were released May 6th. Second Quarter indices for 2021 will be available in August.

Non-residential building construction prices rose 1.5%, led primarily by higher construction costs for factories and warehouses.

Higher construction costs were mostly attributable to a shortage of construction materials. Softwood lumber (+118.9%) prices rose at their fastest year-over-year pace on record in March. The demand for materials continued to be high as building materials and supplies sold by wholesalers were up 19.1% year over year in February.

Non-residential building costs were up in every city surveyed, with prices rising at the fastest pace in Ottawa (+2.4%) and Montréal (+2.0%).

Year over year, Non-residential building construction costs rose 2.1%, led by Ottawa (+4.9%) and Montréal (+4.4%).

Readers are cautioned that Indices track growth from a given city's initial base

price. They cannot be used to compare relative costs between cities. In addition, readers are warned about comparing Indices released prior to Q1 2017 with those issued after as the use of new models and cities are not the same.

More information about this and other construction related indices published by Statistics Canada are available on line at www.statcan.gc.ca.

COVID-19 and Construction Costs

As the effects of COVID-19 continue to make themselves known, Hanscomb is taking steps to stay abreast of the potential impacts to the Canadian construction industry. We remain in close contact with building trade and material supplier contacts in effort to better understand the impacts to the Canadian construction market in terms of pricing, labour, material, capacity and risk to our local markets.

If you have questions or would like to speak someone, please contact us.

- Susan Neil, PQS(F), MRICS
Executive Vice President

STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2017 = 100 (TABLE 18-10-0137-01)

COMPOSITE 11 CITY	2019				2020				2021	Toronto	2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Index	106.6	107.2	107.7	108.1	108.7	108.8	109.3	109.4	111.0	Index	107.4	108.3	109.2	109.7	110.6	111.1	111.9	112.1	114.0		
Year / Year					2.0%	1.5%	1.5%	1.2%	2.1%	Year / Year					3.0%	2.6%	2.5%	2.2%	3.1%		
Quarterly					0.6%	0.5%	0.4%	0.6%	1.5%	Quarterly					0.8%	0.8%	0.5%	0.8%	0.2%	1.7%	
Q. Cumulative					0.0%	0.6%	1.0%	1.4%	4.1%	Q. Cumulative					0.0%	0.8%	1.7%	2.1%	3.0%	6.1%	
	2019				2020				2021		2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
St. John's	101.9	102.0	102.2	102.5	102.8	102.3	102.6	102.8	104.5	Index	104.9	105.0	105.4	105.8	106.0	106.0	106.3	106.1	107.4		
Year / Year					0.9%	0.3%	0.4%	0.3%	1.7%	Year / Year					1.0%	1.0%	0.9%	0.3%	1.3%		
Quarterly					0.1%	0.2%	0.3%	0.3%	1.7%	Quarterly					0.1%	0.4%	0.4%	0.2%	0.3%	1.2%	
Q. Cumulative					0.0%	0.1%	0.3%	0.6%	2.6%	Q. Cumulative					0.0%	0.1%	0.5%	0.9%	1.0%	2.4%	
	2019				2020				2021		2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Halifax	105.4	105.7	105.9	106.2	106.8	107.2	107.9	108.7	110.1	Index	104.1	104.0	104.0	104.0	104.1	103.9	104.0	103.7	104.5		
Year / Year					1.3%	1.4%	1.9%	2.4%	3.1%	Year / Year					0.0%	(0.1%)	0.0%	(0.3%)	0.4%		
Quarterly					0.3%	0.2%	0.3%	0.6%	1.3%	Quarterly					(0.1%)	0.0%	0.0%	0.1%	(0.3%)	0.8%	
Q. Cumulative					0.0%	0.3%	0.5%	0.8%	4.5%	Q. Cumulative					0.0%	(0.1%)	(0.1%)	(0.1%)	0.0%	0.4%	
	2019				2020				2021		2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Moncton	105.8	106.2	106.7	106.9	107.3	107.8	108.3	107.9	108.1	Index	103.9	104.1	104.2	104.2	104.8	104.5	104.5	104.6	105.4		
Year / Year					1.4%	1.5%	1.5%	0.9%	0.7%	Year / Year					0.9%	0.4%	0.3%	0.4%	0.6%		
Quarterly					0.4%	0.5%	0.5%	(0.4%)	0.2%	Quarterly					0.2%	0.1%	0.0%	0.6%	0.1%	0.8%	
Q. Cumulative					0.0%	0.4%	0.9%	1.0%	2.2%	Q. Cumulative					0.0%	0.2%	0.3%	0.3%	0.9%	1.4%	
	2019				2020				2021		2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Montreal	107.8	109.0	109.8	110.8	111.6	112.2	113.8	114.2	116.5	Index	104.8	104.9	105.3	105.6	105.9	105.4	105.5	105.5	107.2		
Year / Year					3.5%	2.9%	3.6%	3.1%	4.4%	Year / Year					1.0%	0.5%	0.2%	(0.1%)	1.2%		
Quarterly					1.1%	0.7%	0.9%	0.7%	2.0%	Quarterly					0.1%	0.4%	0.3%	0.3%	(0.5%)	0.1%	1.6%
Q. Cumulative					0.0%	1.1%	1.9%	2.8%	8.1%	Q. Cumulative					0.0%	0.1%	0.5%	0.8%	1.0%	2.3%	
	2019				2020				2021		2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Ottawa	109.1	110.0	110.7	111.1	112.0	112.9	114.2	114.8	117.5	Index	109.1	109.6	109.8	110.1	110.5	110.4	110.5	110.3	111.6		
Year / Year					2.7%	2.6%	3.2%	3.3%	4.9%	Year / Year					1.3%	0.7%	0.6%	0.2%	1.0%		
Quarterly					0.8%	0.6%	0.4%	0.8%	2.4%	Quarterly					0.5%	0.2%	0.3%	0.4%	(0.1%)	1.2%	
Q. Cumulative					0.0%	0.8%	1.5%	1.8%	7.7%	Q. Cumulative					0.0%	0.5%	0.6%	0.9%	1.3%	2.3%	
	2019				2020				2021		2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Vancouver	109.1	109.6	109.8	110.1	110.5	110.4	110.5	110.3	111.6	Index	109.1	109.6	109.8	110.1	110.5	110.4	110.5	110.3	111.6		
Year / Year					2.7%	2.6%	3.2%	3.3%	4.9%	Year / Year					1.3%	0.7%	0.6%	0.2%	1.0%		
Quarterly					0.8%	0.6%	0.4%	0.8%	2.4%	Quarterly					0.5%	0.2%	0.3%	0.4%	(0.1%)	1.2%	
Q. Cumulative					0.0%	0.8%	1.5%	1.8%	7.7%	Q. Cumulative					0.0%	0.5%	0.6%	0.9%	1.3%	2.3%	

Indices track growth from a given city's initial base price. They cannot be used to compare relative costs between cities. Statistics Canada has restated selected values subsequent to their original publication.

QUARTERS AT GLANCE	
CITY	CHANGE
Composite	1.5%
St. John's, NL	1.7%
Halifax, NS	1.3%
Moncton, NB	0.2%
Montreal, QC	2.0%
Ottawa, ON	2.4%
Toronto, ON	1.7%
Winnipeg, MB	1.2%
Saskatoon, SK	0.8%
Calgary, AB	0.8%
Edmonton, AB	1.6%
Vancouver, BC	1.2%

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