

# ESCALATION WATCH FIRST QUARTER 2022

Statistics Canada's 2022, First Quarter, Non-residential Building Construction Price Indices were released on May 5<sup>th</sup>. First Quarter indices for 2022 will be available in August.

Non-residential building construction costs rose 2.6% in the first quarter. Toronto (+3.6%) and Montreal (+3.0%) reported the largest increases. St. John's (+1.0%) experienced the smallest quarterly price increase, followed closely by Moncton (+1.2%). St. John's recorded its smallest increase since the fourth quarter of 2020.

Increases in non-residential building construction costs continued to slow or stabilize in most of the CMAs covered by the survey. Rising non-residential construction costs remained largely driven by continued price growth in structural metal products, which have been impacted by supply chain constraints.

Non-residential construction building costs rose 12.8% year over year in the first quarter, also surpassing the previous high (+11.4%) of the last quarter. The largest increases were reported in Toronto (+17.3%), Ottawa (+17.2%) and Edmonton (+13.9%).

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](http://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	2020				5	2021				2022	Toronto	2020				2021				2022
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	108.7	108.8	109.3	109.4	110.9	115.2	118.5	121.9	125.1	110.6	111.1	111.9	112.1	114.2	119.9	125.0	129.3	133.9		
Year / Year					2.0%	5.9%	8.4%	11.4%	12.8%					3.3%	7.9%	11.7%	15.3%	17.3%		
Quarterly		0.1%	0.5%	0.1%	1.4%	3.9%	2.9%	2.9%	2.6%		0.5%	0.7%	0.2%	1.9%	5.0%	4.3%	3.4%	3.6%		
Q. Cumulative	0.0%	0.1%	0.6%	0.6%	2.0%	6.0%	9.0%	12.1%	15.1%	0.0%	0.5%	1.2%	1.4%	3.3%	8.4%	13.0%	16.9%	21.1%		
St. John's	2020				5	2021				2022	Winnipeg	2020				2021				2022
Index	102.8	102.3	102.6	102.8		104.5	109.4	111.8	114.6	115.7		106.0	106.0	106.3	106.1	107.4	111.8	114.8	116.6	118.7
Year / Year					1.7%	6.9%	9.0%	11.5%	10.7%					1.3%	5.5%	8.0%	9.9%	10.5%		
Quarterly		(0.5%)	0.3%	0.2%	1.7%	4.7%	2.2%	2.5%	1.0%		0.0%	0.3%	(0.2%)	1.2%	4.1%	2.7%	1.6%	1.8%		
Q. Cumulative	0.0%	(0.5%)	(0.2%)	0.0%	1.7%	6.4%	8.8%	11.5%	12.5%	0.0%	0.0%	0.3%	0.1%	1.3%	5.5%	8.3%	10.0%	12.0%		
Halifax	2020				5	2021				2022	Saskatoon	2020				2021				2022
Index	106.8	107.2	107.9	108.7		110.1	114.5	117.5	120.4	122.7		104.1	103.9	104.0	103.7	104.3	107.1	108.7	112.0	114.3
Year / Year					3.1%	6.8%	8.9%	10.8%	11.4%					0.2%	3.1%	4.5%	8.0%	9.6%		
Quarterly		0.4%	0.7%	0.7%	1.3%	4.0%	2.6%	2.5%	1.9%		(0.2%)	0.1%	(0.3%)	0.6%	2.7%	1.5%	3.0%	2.1%		
Q. Cumulative	0.0%	0.4%	1.0%	1.8%	3.1%	7.2%	10.0%	12.7%	14.9%	0.0%	(0.2%)	(0.1%)	(0.4%)	0.2%	2.9%	4.4%	7.6%	9.8%		
Moncton	2020				5	2021				2022	Calgary	2020				2021				2022
Index	107.3	107.8	108.3	107.9		108.0	110.2	114.0	116.8	118.2		104.8	104.5	104.5	104.6	105.3	107.9	109.7	112.4	115.1
Year / Year					0.7%	2.2%	5.3%	8.2%	9.4%					0.5%	3.3%	5.0%	7.5%	9.3%		
Quarterly		0.5%	0.5%	(0.4%)	0.1%	2.0%	3.4%	2.5%	1.2%		(0.3%)	0.0%	0.1%	0.7%	2.5%	1.7%	2.5%	2.4%		
Q. Cumulative	0.0%	0.5%	0.9%	0.6%	0.7%	2.7%	6.2%	8.9%	10.2%	0.0%	(0.3%)	(0.3%)	(0.2%)	0.5%	3.0%	4.7%	7.3%	9.8%		
Montreal	2020				5	2021				2022	Edmonton	2020				2021				2022
Index	111.6	112.2	113.8	114.2		116.5	121.8	124.8	128.2	132.1		105.9	105.4	105.5	105.5	107.0	111.7	115.2	119.1	121.9
Year / Year					4.4%	8.6%	9.7%	12.3%	13.4%					1.0%	6.0%	9.2%	12.9%	13.9%		
Quarterly		0.5%	1.4%	0.4%	2.0%	4.5%	2.5%	2.7%	3.0%		(0.5%)	0.1%	0.0%	1.4%	4.4%	3.1%	3.4%	2.4%		
Q. Cumulative	0.0%	0.5%	2.0%	2.3%	4.4%	9.1%	11.8%	14.9%	18.4%	0.0%	(0.5%)	(0.4%)	(0.4%)	1.0%	5.5%	8.8%	12.5%	15.1%		
Ottawa	2020				5	2021				2022	Vancouver	2020				2021				2022
Index	112.0	112.9	114.2	114.8		117.2	124.6	129.8	134.7	137.4		110.5	110.4	110.5	110.3	111.3	114.1	116.2	118.6	121.1
Year / Year					4.6%	10.4%	13.7%	17.3%	17.2%					0.7%	3.4%	5.2%	7.5%	8.8%		
Quarterly		0.8%	1.2%	0.5%	2.1%	6.3%	4.2%	3.8%	2.0%		(0.1%)	0.1%	(0.2%)	0.9%	2.5%	1.8%	2.1%	2.1%		
Q. Cumulative	0.0%	0.8%	2.0%	2.5%	4.6%	11.3%	15.9%	20.3%	22.7%	0.0%	(0.1%)	0.0%	(0.2%)	0.7%	3.3%	5.2%	7.3%	9.6%		

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		CANADIAN OFFICES AND SERVICE CONTACTS		
CITY	CHANGE	Office	Contact	
Composite	2.6%	Vancouver, BC	Ken King	604-685-1241
St. John's, NL	1.0%	Edmonton, AB	Mike Swick	780-426-7980
Halifax, NS	1.9%	Winnipeg, MB	Isaac Gwendo	204-775-3389
Moncton, NB	1.2%	London, ON	Bob Picken	226-378-4920
Montreal, QC	3.0%	Hamilton, ON	Craig Bye	905-525-5777
Ottawa, ON	2.0%	Ottawa, ON	Arthur Maw	613-234-8089
Toronto, ON	3.6%	Toronto, ON	Dominic Kiema	
Winnipeg, MB	1.8%	Toronto, ON	Susan Neil	416-487-3811
Saskatoon, SK	2.1%		Dale Panday	
Calgary, AB	2.4%	Halifax, NS	Nathan Thinagaripillai	
Edmonton, AB	2.4%		Raymond Murray	902-422-3620
Vancouver, BC	2.1%	SERVICES		
		Cost Planning + Control	Project Loan Monitoring	
		Value Management	Applied Research	

