

# ESCALATION WATCH SECOND QUARTER 2022

Statistics Canada's 2022 Second Quarter, Non-residential Building Construction Price Indices were released on July 28<sup>th</sup>. Third Quarter indices for 2022 will be available in November.

Non-residential building construction costs rose 3.5% in the second quarter. Moncton (+5.1%), Toronto (+4.5%) and Edmonton (+3.7%) all reported growth above the Eleven census metropolitan area (CMA) composite.

Non-residential price growth continued to be largely driven by the increased price of concrete and metal fabrications. Cement prices continued to climb following the record-high increase in February 2022.

Along with increased labour and material costs, contractors noted the growth in fuel prices as a key driver in the second quarter price movements.

Non-residential construction building costs rose again by 12.8% year over year in the second quarter. The largest increases were reported in Toronto (+17.0%) and Ottawa (+14.4%).

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](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  
President

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

COMPOSITE 11 CITY	2020			2021			2022		Toronto	2020			2021			2022			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q2	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	108.8	109.3	109.4	110.9	115.2	118.5	121.9	125.6	130.0	111.1	111.9	112.1	114.2	119.9	125.0	129.3	134.2	140.3	
Year / Year				5.9%			8.4%	11.4%	13.3%	12.8%				7.9%	11.7%	15.3%	17.5%	17.0%	
Quarterly		0.5%	0.1%	1.4%	3.9%	2.9%	2.9%	3.0%	3.5%		0.7%	0.2%	1.9%	5.0%	4.3%	3.4%	3.8%	4.5%	
Q. Cumulative	0.0%	0.5%	0.6%	1.9%	5.9%	8.9%	12.0%	15.4%	19.5%	0.0%	0.7%	0.9%	2.8%	7.9%	12.5%	16.4%	20.8%	26.3%	
<b>St. John's</b>	2020			2021			2022		<b>Winnipeg</b>	2020			2021			2022			
Index	102.3	102.6	102.8	104.5	109.4	111.8	114.6	116.0	117.7	106.0	106.3	106.1	107.4	111.8	114.8	116.6	119.0	121.3	
Year / Year				6.9%			9.0%	11.5%	11.0%	7.6%				5.5%	8.0%	9.9%	10.8%	8.5%	
Quarterly		0.3%	0.2%	1.7%	4.7%	2.2%	2.5%	1.2%	1.5%		0.3%	(0.2%)	1.2%	4.1%	2.7%	1.6%	2.1%	1.9%	
Q. Cumulative	0.0%	0.3%	0.5%	2.2%	6.9%	9.3%	12.0%	13.4%	15.1%	0.0%	0.3%	0.1%	1.3%	5.5%	8.3%	10.0%	12.3%	14.4%	
<b>Halifax</b>	2020			2021			2022		<b>Saskatoon</b>	2020			2021			2022			
Index	107.2	107.9	108.7	110.1	114.5	117.5	120.4	123.2	125.5	103.9	104.0	103.7	104.3	107.1	108.7	112.0	114.6	117.0	
Year / Year				6.8%			8.9%	10.8%	11.9%	9.6%				3.1%	4.5%	8.0%	9.9%	9.2%	
Quarterly		0.7%	0.7%	1.3%	4.0%	2.6%	2.5%	2.3%	1.9%		0.1%	(0.3%)	0.6%	2.7%	1.5%	3.0%	2.3%	2.1%	
Q. Cumulative	0.0%	0.7%	1.4%	2.7%	6.8%	9.6%	12.3%	14.9%	17.1%	0.0%	0.1%	(0.2%)	0.4%	3.1%	4.6%	7.8%	10.3%	12.6%	
<b>Moncton</b>	2020			2021			2022		<b>Calgary</b>	2020			2021			2022			
Index	107.8	108.3	107.9	108.0	110.2	114.0	116.8	118.6	124.7	104.5	104.5	104.6	105.3	107.9	109.7	112.4	115.4	117.7	
Year / Year				2.2%			5.3%	8.2%	9.8%	13.2%				3.3%	5.0%	7.5%	9.6%	9.1%	
Quarterly		0.5%	(0.4%)	0.1%	2.0%	3.4%	2.5%	1.5%	5.1%		0.0%	0.1%	0.7%	2.5%	1.7%	2.5%	2.7%	2.0%	
Q. Cumulative	0.0%	0.5%	0.1%	0.2%	2.2%	5.8%	8.3%	10.0%	15.7%	0.0%	0.0%	0.1%	0.8%	3.3%	5.0%	7.6%	10.4%	12.6%	
<b>Montreal</b>	2020			2022			2022		<b>Edmonton</b>	2020			2021			2022			
Index	112.2	113.8	114.2	116.5	121.8	124.8	128.2	132.8	137.5	105.4	105.5	105.5	107.0	111.7	115.2	119.1	122.1	126.6	
Year / Year				8.6%			9.7%	12.3%	14.0%	12.9%				6.0%	9.2%	12.9%	14.1%	13.3%	
Quarterly		1.4%	0.4%	2.0%	4.5%	2.5%	2.7%	3.6%	3.5%		0.1%	0.0%	1.4%	4.4%	3.1%	3.4%	2.5%	3.7%	
Q. Cumulative	0.0%	1.4%	1.8%	3.8%	8.6%	11.2%	14.3%	18.4%	22.5%	0.0%	0.1%	0.1%	1.5%	6.0%	9.3%	13.0%	15.8%	20.1%	
<b>Ottawa</b>	2020			2021			2022		<b>Vancouver</b>	2020			2021			2022			
Index	112.9	114.2	114.8	117.2	124.6	129.8	134.7	137.8	142.6	110.4	110.5	110.3	111.3	114.1	116.2	118.6	121.3	124.8	
Year / Year				10.4%			13.7%	17.3%	17.6%	14.4%				3.4%	5.2%	7.5%	9.0%	9.4%	
Quarterly		1.2%	0.5%	2.1%	6.3%	4.2%	3.8%	2.3%	3.5%		0.1%	(0.2%)	0.9%	2.5%	1.8%	2.1%	2.3%	2.9%	
Q. Cumulative	0.0%	1.2%	1.7%	3.8%	10.4%	15.0%	19.3%	22.1%	26.3%	0.0%	0.1%	(0.1%)	0.8%	3.4%	5.3%	7.4%	9.9%	13.0%	

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	3.5%
St. John's, NL	1.5%
Halifax, NS	1.9%
Moncton, NB	5.1%
Montreal, QC	3.5%
Ottawa, ON	3.5%
Toronto, ON	4.5%
Winnipeg, MB	1.9%
Saskatoon, SK	2.1%
Calgary, AB	2.0%
Edmonton, AB	3.7%
Vancouver, BC	2.9%

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