

ESCALATION WATCH THIRD QUARTER 2022

Statistics Canada's 2022 Third Quarter, Non-residential Building Construction Price Indices were released on November 1st. Fourth Quarter indices for 2022 will be available in February.

Non-residential building construction costs grew (+2.1%) at a slower pace during the third quarter, following a peak in the previous quarter. Construction costs rose the most in Toronto (+2.6%), followed by St. John's (+2.3%).

Cost increases continued to be largely driven by price growth in cement and concrete. Higher prices for these and other materials are linked to continued demand for construction materials along with supply challenges due to labour shortages, and temporary shutdowns at major plants early in the summer.

Non-residential construction building costs rose 12.5% year over year in the third quarter. Toronto (+15.6%), Montréal (+13.0%) and Ottawa (+12.6%) reported the largest increases of the census metropolitan areas surveyed.

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
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		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index	109.3	109.4	110.9	115.2	118.5	121.9	125.6	130.6	133.3	111.9	112.1	114.2	119.9	125.0	129.3	134.2	140.9	144.5	
Year / Year					8.4%	11.4%	13.3%	13.4%	12.5%					11.7%	15.3%	17.5%	17.5%	15.6%	
Quarterly		0.1%	1.4%	3.9%	2.9%	2.9%	3.0%	4.0%	2.1%		0.2%	1.9%	5.0%	4.3%	3.4%	3.8%	5.0%	2.6%	
Q. Cumulative	0.0%	0.1%	1.5%	5.4%	8.4%	11.5%	14.9%	19.5%	22.0%	0.0%	0.2%	2.1%	7.1%	11.7%	15.5%	19.9%	25.9%	29.1%	
St. John's	2020		2021				2022			Winnipeg	2020		2021				2022		
Index	102.6	102.8	104.5	109.4	111.8	114.6	116.0	118.2	120.9	106.3	106.1	107.4	111.8	114.8	116.6	119.0	121.7	123.7	
Year / Year					9.0%	11.5%	11.0%	8.0%	8.1%					8.0%	9.9%	10.8%	8.9%	7.8%	
Quarterly		0.2%	1.7%	4.7%	2.2%	2.5%	1.2%	1.9%	2.3%		(0.2%)	1.2%	4.1%	2.7%	1.6%	2.1%	2.3%	1.6%	
Q. Cumulative	0.0%	0.2%	1.9%	6.6%	9.0%	11.7%	13.1%	15.2%	17.8%	0.0%	(0.2%)	1.0%	5.2%	8.0%	9.7%	11.9%	14.5%	16.4%	
Halifax	2020		2021				2022			Saskatoon	2020		2021				2022		
Index	107.9	108.7	110.1	114.5	117.5	120.4	123.2	126.4	128.1	104.0	103.7	104.3	107.1	108.7	112.0	114.6	117.6	118.8	
Year / Year					8.9%	10.8%	11.9%	10.4%	9.0%					4.5%	8.0%	9.9%	9.8%	9.3%	
Quarterly		0.7%	1.3%	4.0%	2.6%	2.5%	2.3%	2.6%	1.3%		(0.3%)	0.6%	2.7%	1.5%	3.0%	2.3%	2.6%	1.0%	
Q. Cumulative	0.0%	0.7%	2.0%	6.1%	8.9%	11.6%	14.2%	17.1%	18.7%	0.0%	(0.3%)	0.3%	3.0%	4.5%	7.7%	10.2%	13.1%	14.2%	
Moncton	2020		2021				2022			Calgary	2020		2021				2022		
Index	108.3	107.9	108.0	110.2	114.0	116.8	118.6	125.3	127.7	104.5	104.6	105.3	107.9	109.7	112.4	115.4	118.3	120.0	
Year / Year					5.3%	8.2%	9.8%	13.7%	12.0%					5.0%	7.5%	9.6%	9.6%	9.4%	
Quarterly		(0.4%)	0.1%	2.0%	3.4%	2.5%	1.5%	5.6%	1.9%		0.1%	0.7%	2.5%	1.7%	2.5%	2.7%	2.5%	1.4%	
Q. Cumulative	0.0%	(0.4%)	(0.3%)	1.8%	5.3%	7.8%	9.5%	15.7%	17.9%	0.0%	0.1%	0.8%	3.3%	5.0%	7.6%	10.4%	13.2%	14.8%	
Montreal	2020		2021				2022			Edmonton	2020		2021				2022		
Index	113.8	114.2	116.5	121.8	124.8	128.2	132.8	138.4	141.0	105.5	105.5	107.0	111.7	115.2	119.1	122.1	127.1	129.3	
Year / Year					9.7%	12.3%	14.0%	13.6%	13.0%					9.2%	12.9%	14.1%	13.8%	12.2%	
Quarterly		0.4%	2.0%	4.5%	2.5%	2.7%	3.6%	4.2%	1.9%		0.0%	1.4%	4.4%	3.1%	3.4%	2.5%	4.1%	1.7%	
Q. Cumulative	0.0%	0.4%	2.4%	7.0%	9.7%	12.7%	16.7%	21.6%	23.9%	0.0%	0.0%	1.4%	5.9%	9.2%	12.9%	15.7%	20.5%	22.6%	
Ottawa	2020		2021				2022			Vancouver	2020		2021				2022		
Index	114.2	114.8	117.2	124.6	129.8	134.7	137.8	143.1	146.1	110.5	110.3	111.3	114.1	116.2	118.6	121.3	125.4	127.6	
Year / Year					13.7%	17.3%	17.6%	14.8%	12.6%					5.2%	7.5%	9.0%	9.9%	9.8%	
Quarterly		0.5%	2.1%	6.3%	4.2%	3.8%	2.3%	3.8%	2.1%		(0.2%)	0.9%	2.5%	1.8%	2.1%	2.3%	3.4%	1.8%	
Q. Cumulative	0.0%	0.5%	2.6%	9.1%	13.7%	18.0%	20.7%	25.3%	27.9%	0.0%	(0.2%)	0.7%	3.3%	5.2%	7.3%	9.8%	13.5%	15.5%	

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	2.1%
St. John's, NL	2.3%
Halifax, NS	1.3%
Moncton, NB	1.9%
Montreal, QC	1.9%
Ottawa, ON	2.1%
Toronto, ON	2.6%
Winnipeg, MB	1.6%
Saskatoon, SK	1.0%
Calgary, AB	1.4%
Edmonton, AB	1.7%
Vancouver, BC	1.8%

CANADIAN OFFICES AND SERVICE CONTACTS

Office	Contact	
Vancouver, BC	Ken King	604-685-1241
Edmonton, AB	Mike Swick	780-426-7980
Winnipeg, MB	Isaac Gwendo	204-775-3389
London, ON	Bob Picken	226-378-4920
Hamilton, ON	Craig Bye	905-525-5777
	Melissa Trautmann	
Ottawa, ON	Arthur Maw	613-234-8089
	Dominic Kiema	
Toronto, ON	Susan Neil	416-487-3811
	Dale Panday	
	Nathan Thinagaripillai	
Halifax, NS	Raymond Murray	902-422-3620

SERVICES

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