



Hanscomb

Page 1:
Escalation Watch

Escalation Watch Third Quarter 2009

The mid-August 2009 Non-residential Construction Price Indices were released by Statistics Canada on November 17th. The fourth quarter indices for 2009 will be available mid-February 2009.

Although the pace of decline has slackened, the national composite has continued its slide into the 3rd quarter, falling another 1.5% this period or 10% on a year over year basis. The national index currently stands at 140.3 or 15.6 points below the peak of 155.9 recorded in August of 2008.

Vancouver led the way down this quarter falling 4.4%. Although still in negative territory, Edmonton (-0.4%), Calgary (-1.5%) Toronto (-0.9%) and Ottawa (-0.4%) are all showing signs of stabilising. Of the seven cities reported, only Montreal managed to show any forward momentum at a modest 0.7%. On the east coast, Halifax gave up 0.4%, erasing the gains made in the 2nd quarter.

With the possible exception of Vancouver, it appears the worst may be over across the country. We remain hopeful that the national fourth quarter results will show a return to positive growth and that a modest steady growth trend will continue into 2010.

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.

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

- Paul Westbrook

Page 2:
Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities,
Third Quarter 2009

Services

Cost Planning & Control
Value Management

Litigation Support
Construction Monitoring

Feasibility Studies
Time Management


Project Loan Monitoring
Applied Research

Canadian Offices and Service Contacts

Vancouver	Peter Moore	604 - 685 - 1241	Value Management	Paul Westbrook	416 - 487 - 3811
Edmonton	Mike Swick	780 - 426 - 7980	Loan Monitoring	Raymond Murray	902 - 422 - 3620
Calgary	David Crane	403 - 234 - 9490		Grant Mercer	613 - 234 - 8089
Winnipeg	Isaac Gwendo	204 - 775 - 3389		Dale Panday	416 - 487 - 3811
Hamilton	Susan Neil	905 - 525 - 5777	Applied Research	Jason Gallant	416 - 487 - 3811
	Craig Bye				
Ottawa	Art Maw	613 - 234 - 8089			
	Grant Mercer				
Toronto	Paul Westbrook	416 - 487 - 3811			
	Dale Panday				
Halifax	Raymond Murray	902 - 422 - 3620			
St. John's	Wayne Fitzpatrick	709 - 722 - 0505			

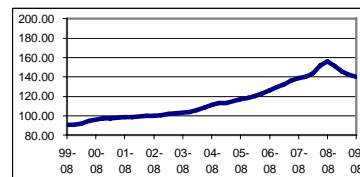
Orders for the 2010 Edition of Hanscomb Yardsticks for Costing are now being accepted

Orders can be made by calling RSMears (1-800-334-3509) and requesting item number 62010, or by submitting the order form available at www.yardsticks.ca

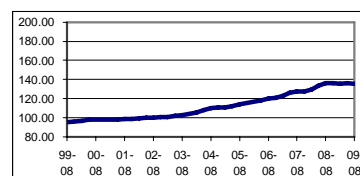


STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

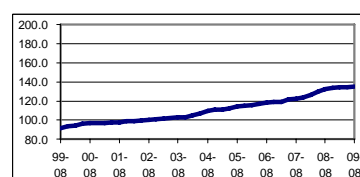
COMPOSITE 7 CITY	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	132.1	136.5	138.7	140.0	143.7	152.3	155.9	151.5	145.1	142.4	140.3
Year / Year					8.8%	11.6%	12.4%	8.2%	1.0%	(6.5%)	(10.0%)
Quarterly		3.3%	1.6%	0.9%	2.6%	6.0%	2.4%	(2.8%)	(4.2%)	(1.9%)	(1.5%)
Q. Cumulative	0.0%	3.3%	5.0%	6.0%	8.8%	15.3%	18.0%	14.7%	9.8%	7.8%	6.2%



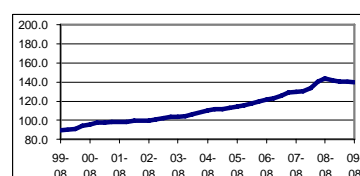
HALIFAX	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	123.0	126.3	127.3	127.7	129.3	133.6	136.1	136.3	135.5	136.1	135.6
Year / Year					5.1%	5.8%	6.9%	6.7%	4.8%	1.9%	(0.4%)
Quarterly		2.7%	0.8%	0.3%	1.3%	3.3%	1.9%	0.1%	(0.6%)	0.4%	(0.4%)
Q. Cumulative	0.0%	2.7%	3.5%	3.8%	5.1%	8.6%	10.7%	10.8%	10.2%	10.7%	10.2%



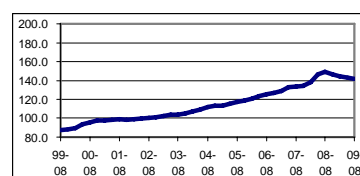
MONTREAL	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	118.9	122.0	122.2	123.4	126.3	129.3	132.2	133.6	134.1	134.0	134.9
Year / Year					6.2%	6.0%	8.2%	8.3%	6.2%	3.6%	2.0%
Quarterly		2.6%	0.2%	1.0%	2.4%	2.4%	2.2%	1.1%	0.4%	(0.1%)	0.7%
Q. Cumulative	0.0%	2.6%	2.8%	3.8%	6.2%	8.7%	11.2%	12.4%	12.8%	12.7%	13.5%



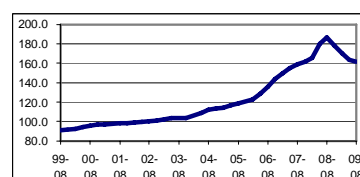
OTTAWA	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	125.7	129.1	129.8	130.4	134.0	140.6	143.8	141.8	140.7	140.2	139.6
Year / Year					6.6%	8.9%	10.8%	8.7%	5.0%	(0.3%)	(2.9%)
Quarterly		2.7%	0.5%	0.5%	2.8%	4.9%	2.3%	(1.4%)	(0.8%)	(0.4%)	(0.4%)
Q. Cumulative	0.0%	2.7%	3.3%	3.7%	6.6%	11.9%	14.4%	12.8%	11.9%	11.5%	11.1%



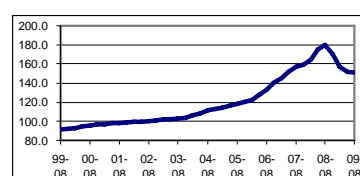
TORONTO	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	129.1	132.7	133.7	134.7	138.4	146.5	149.2	147.0	144.6	142.9	141.6
Year / Year					7.2%	10.4%	11.6%	9.1%	4.5%	(2.5%)	(5.1%)
Quarterly		2.8%	0.8%	0.7%	2.7%	5.9%	1.8%	(1.5%)	(1.6%)	(1.2%)	(0.9%)
Q. Cumulative	0.0%	2.8%	3.6%	4.3%	7.2%	13.5%	15.6%	13.9%	12.0%	10.7%	9.7%



CALGARY	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	149.2	155.0	158.8	161.3	165.5	179.9	186.6	178.1	169.9	163.7	161.2
Year / Year					10.9%	16.1%	17.5%	10.4%	2.7%	(9.0%)	(13.6%)
Quarterly		3.9%	2.5%	1.6%	2.6%	8.7%	3.7%	(4.6%)	(4.6%)	(3.6%)	(1.5%)
Q. Cumulative	0.0%	3.9%	6.4%	8.1%	10.9%	20.6%	25.1%	19.4%	13.9%	9.7%	8.0%



EDMONTON	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	144.9	151.8	156.8	158.9	164.4	175.1	179.7	170.2	156.7	151.4	150.8
Year / Year					13.5%	15.3%	14.6%	7.1%	(4.7%)	(13.5%)	(16.1%)
Quarterly		4.8%	3.3%	1.3%	3.5%	6.5%	2.6%	(5.3%)	(7.9%)	(3.4%)	(0.4%)
Q. Cumulative	0.0%	4.8%	8.2%	9.7%	13.5%	20.8%	24.0%	17.5%	8.1%	4.5%	4.1%



VANCOUVER	2007				2008				2009		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	140.3	145.6	149.6	151.3	154.4	161.9	164.6	157.3	140.4	138.7	132.6
Year / Year					10.0%	11.2%	10.0%	4.0%	(9.1%)	(14.3%)	(19.4%)
Quarterly		3.8%	2.7%	1.1%	2.0%	4.9%	1.7%	(4.4%)	(10.7%)	(1.2%)	(4.4%)
Q. Cumulative	0.0%	3.8%	6.6%	7.8%	10.0%	15.4%	17.3%	12.1%	0.1%	(1.1%)	(5.5%)

