



# Hanscomb

## Escalation Watch Third Quarter 2011

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Escalation Watch

The mid-August 2011 Non-residential Construction Price Indices were released by Statistics Canada on May 15<sup>th</sup>. The fourth quarter indices for 2011 will be available mid-February 2012.

Continuing a trend that began in the first quarter of this year the national composite index has risen again this quarter by 0.8%, up 1.2 points from 146.2 to 147.4. Expressed year over year the national composite index is up 3.9% over the same period in 2010.

Similar to the previous quarter, the composite indices for all cities tracked by Statscan have reported quarterly and year over year gains. Again this quarter, the largest increases have been recorded in central Ontario. Ottawa leads the nation (5.6% annually and 1.6% quarterly) followed by Toronto (4.3% annually and 0.7% quarterly).

As reported last quarter, the index has still not quite recovered all of the ground lost since mid-2008, but it now appears to be headed to a break-even point early next year if the current trend continues. In eastern Canada, Halifax, Montreal, Ottawa began reporting indices above pre-recession levels last quarter and, this quarter, Toronto is back in the black. In Western Canada, the recovery continues, but with much more ground to cover, Calgary, Edmonton and Vancouver will not likely see mid-2008 values for another year or two.

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. Readers are cautioned that Statistics Canada does, on occasion, restate indices from previous quarters. Individual city and national composite indices reported in this newsletter reflect these changes. Indices restated from the previous report are highlighted for ease of reference where appropriate.

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).

- Paul Westbrook

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Statistics Canada  
Non-Residential  
Construction Cost  
Indices for 7 Cities,  
Third Quarter  
2011

### Services

Cost Planning & Control Value Management	Litigation Support Construction Monitoring	Feasibility Studies Time Management	Project Loan Monitoring Applied Research
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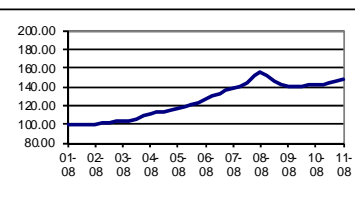
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Orders can be made by calling RSMean (1-800-334-3509) and requesting item number 62012, or by submitting the order form available at [www.yardsticks.ca](http://www.yardsticks.ca)

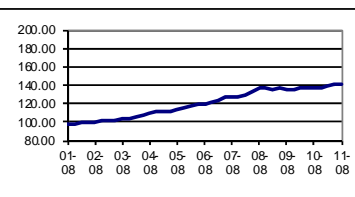


# STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

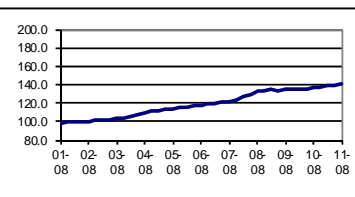
COMPOSITE 7 CITY	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	145.1	142.5	140.5	140.0	139.8	141.7	141.9	142.4	144.4	146.2	147.4
Year / Year					(3.7%)	(0.6%)	1.0%	1.7%	3.3%	3.2%	3.9%
Quarterly		(1.8%)	(1.4%)	(0.4%)	(0.1%)	1.4%	0.1%	0.4%	1.4%	1.2%	0.8%
Q. Cumulative	0.0%	(1.8%)	(3.2%)	(3.5%)	(3.7%)	(2.3%)	(2.2%)	(1.9%)	(0.5%)	0.8%	1.6%



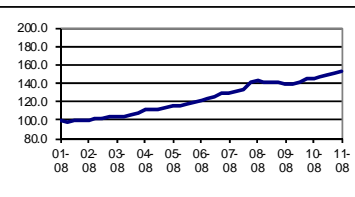
HALIFAX	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	135.5	136.1	135.6	135.7	136.3	137.4	137.5	137.9	139.4	140.7	141.1
Year / Year					0.6%	1.0%	1.4%	1.6%	2.3%	2.4%	2.6%
Quarterly		0.4%	(0.4%)	0.1%	0.4%	0.8%	0.1%	0.3%	1.1%	0.9%	0.3%
Q. Cumulative	0.0%	0.4%	0.1%	0.1%	0.6%	1.4%	1.5%	1.8%	2.9%	3.8%	4.1%



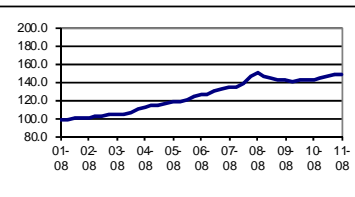
MONTREAL	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	134.1	134.0	134.9	135.1	134.6	135.9	136.2	137.5	139.0	139.9	141.2
Year / Year					0.4%	1.4%	1.0%	1.8%	3.3%	2.9%	3.7%
Quarterly		(0.1%)	0.7%	0.1%	(0.4%)	1.0%	0.2%	1.0%	1.1%	0.6%	0.9%
Q. Cumulative	0.0%	(0.1%)	0.6%	0.7%	0.4%	1.3%	1.6%	2.5%	3.7%	4.3%	5.3%



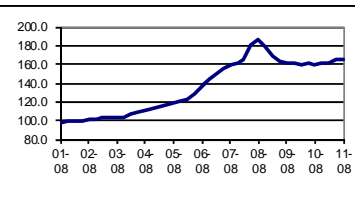
OTTAWA	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	140.7	140.2	139.6	139.6	141.9	144.6	145.3	146.2	148.8	151.0	153.4
Year / Year					0.9%	3.1%	4.1%	4.7%	4.9%	4.4%	5.6%
Quarterly		(0.4%)	(0.4%)	0.0%	1.6%	1.9%	0.5%	0.6%	1.8%	1.5%	1.6%
Q. Cumulative	0.0%	(0.4%)	(0.8%)	(0.8%)	0.9%	2.8%	3.3%	3.9%	5.8%	7.3%	9.0%



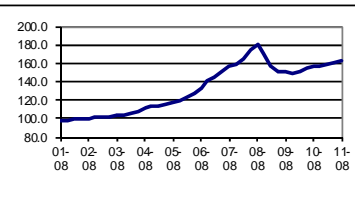
TORONTO	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	144.6	142.9	141.6	140.9	141.1	142.5	142.9	143.2	145.9	148.0	149.0
Year / Year					(2.4%)	(0.3%)	0.9%	1.6%	3.4%	3.9%	4.3%
Quarterly		(1.2%)	(0.9%)	(0.5%)	0.1%	1.0%	0.3%	0.2%	1.9%	1.4%	0.7%
Q. Cumulative	0.0%	(1.2%)	(2.1%)	(2.6%)	(2.4%)	(1.5%)	(1.2%)	(1.0%)	0.9%	2.4%	3.0%



CALGARY	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	169.9	163.7	161.2	160.9	159.5	161.1	160.2	160.4	162.1	164.2	165.3
Year / Year					(6.1%)	(1.6%)	(0.6%)	(0.3%)	1.6%	1.9%	3.2%
Quarterly		(3.6%)	(1.5%)	(0.2%)	(0.9%)	1.0%	(0.6%)	0.1%	1.1%	1.3%	0.7%
Q. Cumulative	0.0%	(3.6%)	(5.1%)	(5.3%)	(6.1%)	(5.2%)	(5.7%)	(5.6%)	(4.6%)	(3.4%)	(2.7%)



EDMONTON	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	156.7	151.4	150.8	148.4	150.6	155.6	156.8	157.0	158.9	160.7	162.2
Year / Year					(3.9%)	2.8%	4.0%	5.8%	5.5%	3.3%	3.4%
Quarterly		(3.4%)	(0.4%)	(1.6%)	1.5%	3.3%	0.8%	0.1%	1.2%	1.1%	0.9%
Q. Cumulative	0.0%	(3.4%)	(3.8%)	(5.3%)	(3.9%)	(0.7%)	0.1%	0.2%	1.4%	2.6%	3.5%



VANCOUVER	2009				2010				2011		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	140.4	138.7	132.6	132.3	130.9	132.8	133.4	134.2	136.0	137.5	138.6
Year / Year					(6.8%)	(4.3%)	0.6%	1.4%	3.9%	3.5%	3.9%
Quarterly		(1.2%)	(4.4%)	(0.2%)	(1.1%)	1.5%	0.5%	0.6%	1.3%	1.1%	0.8%
Q. Cumulative	0.0%	(1.2%)	(5.6%)	(5.8%)	(6.8%)	(5.4%)	(5.0%)	(4.4%)	(3.1%)	(2.1%)	(1.3%)

