

Hanscomb

Page 1:
Escalation Watch

Escalation Watch Second Quarter 2012

The mid-May 2012 Non-residential Construction Price Indices were released by Statistics Canada on August 14th. The third quarter indices for 2012 will be available mid-November 2012.

The national composite index continues to show growth, rising again this quarter by 0.6%, up 0.9 points from 149.8 to 150.7. Expressed year over year the national composite index is up 3.1% over the same period in 2011. The national composite has slowed from a year over year increase last quarter of 3.7% to the current rate of 3.1%. This could be an indicator of a general, if moderate, slowdown.

The composite indices for all cities tracked by Statscan continue to report quarterly and year over year gains although the growth rate in each city has slowed somewhat from the previous report.

As noted in previous issues, the trend toward recovering all the ground lost since mid-2008 is continuing, even if at a slower pace. In eastern Canada, Halifax, Montreal, Ottawa and Toronto are all back in the black. In western Canada, the recovery continues, but with much more ground to cover, we still believe that Calgary, Edmonton and Vancouver will not likely see mid-2008 values for another year. In this regard, it is worth noting that these three cities are all experiencing growth rates significantly above the national average and are catching up quickly.

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.

- Paul Westbrook

Page 2:
Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities,
Second Quarter
2012

Services

Cost Planning & Control Value Management	Litigation Support Construction Monitoring	Feasibility Studies Time Management	Project Loan Monitoring Applied Research
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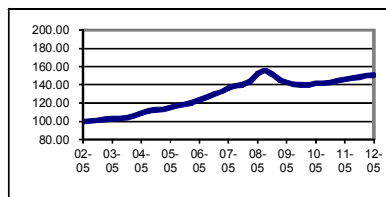
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Winnipeg	Isaac Gwendo	204 - 775 - 3389			
Hamilton	Susan Neil Craig Bye	905 - 525 - 5777			
Ottawa	Art Maw Grant Mercer	613 - 234 - 8089			
Toronto	Paul Westbrook Dale Panday	416 - 487 - 3811			
Halifax	Raymond Murray Renaud Francoeur	902 - 422 - 3620			

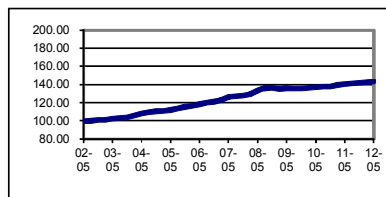
**The current issue of
Hanscomb's Escalation Watch,
along with previous releases, are
available for download at
Hanscomb.com**

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

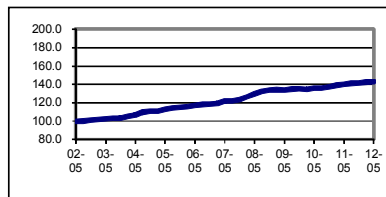
COMPOSITE 7 CITY	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	140.0	139.8	141.7	141.9	142.4	144.4	146.2	147.4	148.3	149.8	150.7
Year / Year					1.7%	3.3%	3.2%	3.9%	4.1%	3.7%	3.1%
Quarterly		(0.1%)	1.4%	0.1%	0.4%	1.4%	1.2%	0.8%	0.6%	1.0%	0.6%
Q. Cumulative	0.0%	(0.1%)	1.2%	1.4%	1.7%	3.1%	4.4%	5.3%	5.9%	7.0%	7.6%



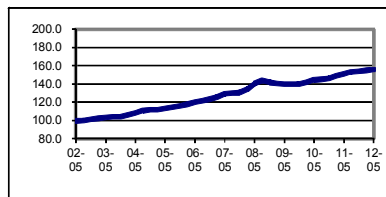
HALIFAX	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	135.7	136.3	137.4	137.5	137.9	139.4	140.7	141.1	141.7	142.6	143.4
Year / Year					1.6%	2.3%	2.4%	2.6%	2.8%	2.3%	1.9%
Quarterly		0.4%	0.8%	0.1%	0.3%	1.1%	0.9%	0.3%	0.4%	0.6%	0.6%
Q. Cumulative	0.0%	0.4%	1.3%	1.3%	1.6%	2.7%	3.7%	4.0%	4.4%	5.1%	5.7%



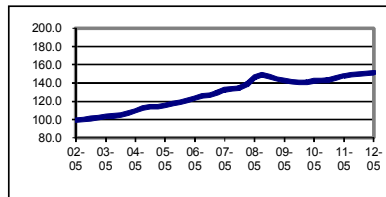
MONTREAL	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	135.1	134.6	135.9	136.2	137.5	139.0	139.9	141.2	141.6	142.5	142.9
Year / Year					1.8%	3.3%	2.9%	3.7%	3.0%	2.5%	2.1%
Quarterly		(0.4%)	1.0%	0.2%	1.0%	1.1%	0.6%	0.9%	0.3%	0.6%	0.3%
Q. Cumulative	0.0%	(0.4%)	0.6%	0.8%	1.8%	2.9%	3.6%	4.5%	4.8%	5.5%	5.8%



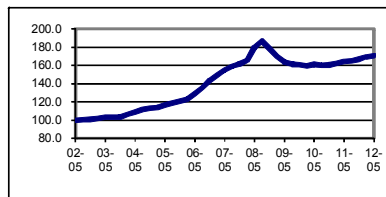
OTTAWA	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	139.6	141.9	144.6	145.3	146.2	148.8	151.0	153.4	154.1	154.9	155.9
Year / Year					4.7%	4.9%	4.4%	5.6%	5.4%	4.1%	3.2%
Quarterly		1.6%	1.9%	0.5%	0.6%	1.8%	1.5%	1.6%	0.5%	0.5%	0.6%
Q. Cumulative	0.0%	1.6%	3.6%	4.1%	4.7%	6.6%	8.2%	9.9%	10.4%	11.0%	11.7%



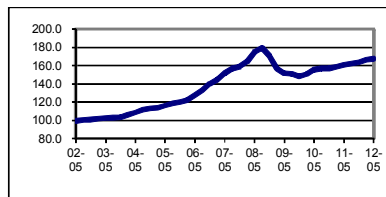
TORONTO	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	140.9	141.1	142.5	142.9	143.2	145.9	148.0	149.0	150.0	150.7	151.5
Year / Year					1.6%	3.4%	3.9%	4.3%	4.7%	3.3%	2.4%
Quarterly		0.1%	1.0%	0.3%	0.2%	1.9%	1.4%	0.7%	0.7%	0.5%	0.5%
Q. Cumulative	0.0%	0.1%	1.1%	1.4%	1.6%	3.5%	5.0%	5.7%	6.5%	7.0%	7.5%



CALGARY	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	160.9	159.5	161.1	160.2	160.4	162.1	164.2	165.3	166.7	169.4	170.8
Year / Year					(0.3%)	1.6%	1.9%	3.2%	3.9%	4.5%	4.0%
Quarterly		(0.9%)	1.0%	(0.6%)	0.1%	1.1%	1.3%	0.7%	0.8%	1.6%	0.8%
Q. Cumulative	0.0%	(0.9%)	0.1%	(0.4%)	(0.3%)	0.7%	2.1%	2.7%	3.6%	5.3%	6.2%



EDMONTON	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	148.4	150.6	155.6	156.8	157.0	158.9	160.7	162.2	163.5	166.2	167.5
Year / Year					5.8%	5.5%	3.3%	3.4%	4.1%	4.6%	4.2%
Quarterly		1.5%	3.3%	0.8%	0.1%	1.2%	1.1%	0.9%	0.8%	1.7%	0.8%
Q. Cumulative	0.0%	1.5%	4.9%	5.7%	5.8%	7.1%	8.3%	9.3%	10.2%	12.0%	12.9%



VANCOUVER	2009	2010				2011				2012	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	132.3	130.9	132.8	133.4	134.2	136.0	137.5	138.6	139.5	141.7	142.7
Year / Year					1.4%	3.9%	3.5%	3.9%	3.9%	4.2%	3.8%
Quarterly		(1.1%)	1.5%	0.5%	0.6%	1.3%	1.1%	0.8%	0.6%	1.6%	0.7%
Q. Cumulative	0.0%	(1.1%)	0.4%	0.8%	1.4%	2.8%	3.9%	4.8%	5.4%	7.1%	7.9%

