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Escalation Watch

Escalation Watch Fourth Quarter 2014

The mid-November 2014 Non-residential Building Construction Price Indices were released by Statistics Canada on February 10th. The first quarter indices for 2015 will be available mid-May.

Continuing for a third quarter, the composite price index continued to rise, albeit slightly slower than previous reports, with a 0.1% increase. This change was mainly the result of a slight increase in material prices.

Of the seven cities surveyed, Toronto (0.5%) and Montréal (0.3%) reported quarterly increases. These gains were offset by declines in Vancouver and Ottawa (both down 0.3%).

Year over year, the composite price index was up 1.4%. Of the cities measured, Halifax (2.0%) and Toronto (1.9%) recorded the largest year-over-year increases, while Calgary (0.7%) recorded the smallest gain from the fourth quarter of 2013.

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.

- Susan Neil, PQS, MRICS
Executive Vice-President

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**Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities
Fourth Quarter 2014**

Services

Cost Planning & Control
Value Management

Litigation Support
Construction Monitoring

Feasibility Studies
Time Management

Loan Monitoring
Applied Research

Canadian Offices and Service Contacts

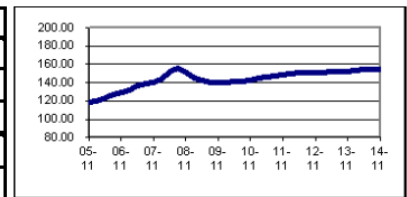
Vancouver	Ken King	604 - 685 - 1241	Applied Research	Art Maw	613 - 234 - 8089
Edmonton	Mike Swick	780 - 426 - 7980			
Calgary	Mike Swick	403 - 234 - 9490	Loan Monitoring	Raymond Murray	902 - 422 - 3620
Winnipeg	Isaac Gwendo	204 - 775 - 3389		Dale Panday	416 - 487 - 3811
Hamilton	Craig Bye	905 - 525 - 5777			
Ottawa	Art Maw	613 - 234 - 8089			
	Brian McBurney				
Toronto	Susan Neil	416 - 487 - 3811			
	Dale Panday				
Halifax	Raymond Murray	902 - 422 - 3620			
	Deanne Bain				

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Hanscomb's Escalation Watch
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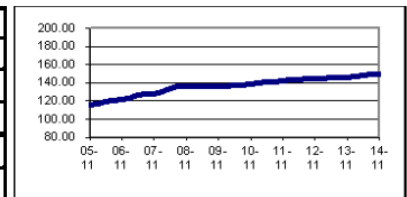


STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

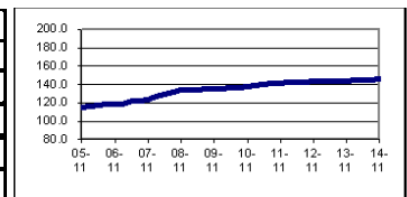
COMPOSITE 7 CITY	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	150.7	151.0	151.4	151.4	152.1	152.3	152.5	153.3	154.2	154.5	154.7
Year / Year					0.9%	0.9%	0.7%	1.3%	1.4%	1.4%	1.4%
Quarterly		0.2%	0.3%	0.0%	0.5%	0.1%	0.1%	0.5%	0.6%	0.2%	0.1%
Q. Cumulative	0.0%	0.2%	0.5%	0.5%	0.9%	1.1%	1.2%	1.7%	2.3%	2.5%	2.7%



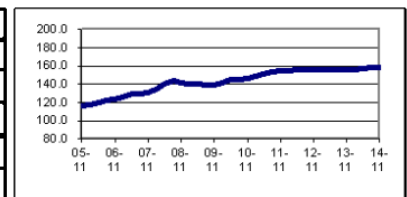
HALIFAX	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	143.4	144.4	144.8	144.8	145.8	145.7	145.8	146.8	148.4	148.8	148.7
Year / Year					1.5%	0.9%	0.8%	1.2%	1.9%	2.0%	2.0%
Quarterly		0.7%	0.1%	0.1%	0.6%	0.1%	0.1%	0.5%	1.2%	0.1%	0.1%
Q. Cumulative	0.0%	0.7%	0.8%	1.0%	1.5%	1.6%	1.7%	2.2%	3.5%	3.6%	3.7%



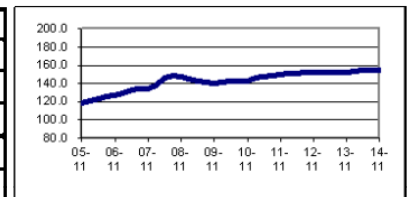
MONTREAL	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	142.9	143.0	143.8	143.8	144.2	144.0	144.1	145.0	145.2	145.3	145.7
Year / Year					0.9%	0.7%	0.2%	0.8%	0.7%	0.9%	1.1%
Quarterly		0.1%	0.6%	0.0%	0.3%	(0.1%)	0.1%	0.8%	0.1%	0.1%	0.3%
Q. Cumulative	0.0%	0.1%	0.6%	0.6%	0.9%	0.8%	0.8%	1.5%	1.6%	1.7%	2.0%



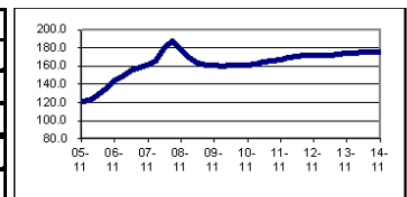
OTTAWA	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	155.9	158.0	156.3	155.5	155.4	155.5	155.5	155.8	157.8	158.5	158.1
Year / Year					(0.3%)	(0.3%)	(0.5%)	0.2%	1.5%	1.9%	1.7%
Quarterly		0.1%	0.2%	(0.5%)	(0.1%)	0.1%	0.0%	0.2%	1.3%	0.4%	(0.3%)
Q. Cumulative	0.0%	0.1%	0.3%	(0.3%)	(0.3%)	(0.3%)	(0.3%)	(0.1%)	1.2%	1.7%	1.4%



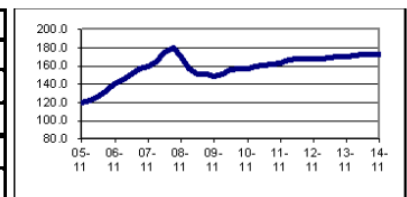
TORONTO	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	151.5	151.7	152.0	151.9	152.1	152.1	152.2	153.0	154.1	154.4	155.1
Year / Year					0.4%	0.3%	0.1%	0.7%	1.3%	1.5%	1.9%
Quarterly		0.1%	0.2%	(0.1%)	0.1%	0.0%	0.1%	0.5%	0.7%	0.2%	0.5%
Q. Cumulative	0.0%	0.1%	0.3%	0.3%	0.4%	0.4%	0.5%	1.0%	1.7%	1.9%	2.4%



CALGARY	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	170.8	171.1	171.8	171.7	172.2	173.4	174.0	174.5	175.3	175.1	175.2
Year / Year					0.8%	1.3%	1.4%	1.8%	1.8%	1.0%	0.7%
Quarterly		0.2%	0.3%	0.1%	0.3%	0.7%	0.3%	0.3%	0.5%	(0.1%)	0.1%
Q. Cumulative	0.0%	0.2%	0.5%	0.5%	0.8%	1.5%	1.9%	2.2%	2.6%	2.5%	2.6%



EDMONTON	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	167.5	168.0	168.4	168.6	169.1	169.9	170.3	172.1	172.9	173.1	172.9
Year / Year					1.0%	1.1%	1.1%	2.1%	2.2%	1.9%	1.5%
Quarterly		0.3%	0.2%	0.1%	0.3%	0.5%	0.2%	1.1%	0.5%	0.1%	(0.1%)
Q. Cumulative	0.0%	0.3%	0.5%	0.7%	1.0%	1.4%	1.7%	2.7%	3.2%	3.3%	3.2%



VANCOUVER	2012			2013			2014				
	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	142.7	142.9	143.3	143.5	146.9	147.3	147.4	147.8	148.8	149.5	149.0
Year / Year					2.9%	3.1%	2.9%	3.0%	1.2%	1.5%	1.1%
Quarterly		0.1%	0.3%	0.1%	2.4%	0.3%	0.1%	0.3%	0.5%	0.6%	(0.3%)
Q. Cumulative	0.0%	0.1%	0.4%	0.6%	2.9%	3.2%	3.3%	3.6%	4.1%	4.8%	4.4%

