

# ESCALATION WATCH FIRST QUARTER 2020

Statistics Canada's 2020, First Quarter, Non-residential Building Construction Price Indices were released April 29<sup>th</sup>. Second quarter indices for 2020 will be available mid-August.

As the collection period for this survey ended on March 20<sup>th</sup>, the impact of COVID-19 on construction prices was only partly captured. All provinces except Quebec included construction in their list of essential services.

Supply chain disruptions resulted in slower receipt of construction materials. Availability of trades were affected by illness or people choosing not to work for health and safety reasons. The impact of this was eased by an anticipated decrease in demand in the non-essential sectors of construction and slower receipt of materials. These factors will continue to affect costs into the second quarter. In addition, delays in construction projects are expected due to the partial or full closure of government facilities responsible for approving and issuing permits.

Quarterly, construction costs rose for all building types, with bus depots (+0.6%) reporting the highest gain. Toronto (+0.7%), Ottawa and Montréal (both up 0.6%) reported increases above the eleven census metropolitan area composite (+0.5%)

Increases in construction costs slowed over the 12-month period ending in the first quarter

(+1.8%), compared with 2.2% rise in construction costs in the fourth quarter of 2019.

The largest year-over-year increases were in Montréal (+3.4%), followed by Toronto (+2.9%).

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](http://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  
Executive Vice President

## STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2017 = 100 (CANSIM TABLE 327-0060)

### COMPOSITE 11 CITY

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	101.7	103.1	104.7	105.8	106.6	107.1	107.7	108.1	108.6
Year / Year					4.8%	3.9%	2.9%	2.2%	1.9%
Quarterly					0.8%	0.5%	0.6%	0.4%	0.5%
Q. Cumulative	0.0%	1.4%	2.9%	4.0%	4.8%	5.3%	5.9%	6.3%	6.8%

### St. John's

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	100.6	100.9	101.8	101.9	101.9	102.0	102.0	102.5	102.7
Year / Year					1.3%	1.1%	0.2%	0.6%	0.8%
Quarterly					0.0%	0.1%	0.0%	0.5%	0.2%
Q. Cumulative	0.0%	0.3%	1.2%	1.3%	1.3%	1.4%	1.4%	1.9%	2.1%

### Halifax

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	101.4	102.5	104.1	105.0	105.4	105.7	105.9	106.2	106.6
Year / Year					3.9%	3.1%	1.7%	1.1%	1.1%
Quarterly					0.4%	0.3%	0.2%	0.3%	0.4%
Q. Cumulative	0.0%	1.1%	2.7%	3.6%	3.9%	4.2%	4.4%	4.7%	5.1%

### Moncton

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	100.6	101.8	103.3	105.6	105.8	106.2	106.7	106.9	107.2
Year / Year					5.2%	4.3%	3.3%	1.2%	1.3%
Quarterly					0.2%	0.4%	0.5%	0.2%	0.3%
Q. Cumulative	0.0%	1.2%	2.7%	5.0%	5.2%	5.6%	6.1%	6.3%	6.6%

### Montreal

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	102.4	103.8	105.6	106.9	107.8	108.8	109.8	110.8	111.5
Year / Year					5.3%	4.8%	4.0%	3.6%	3.4%
Quarterly					0.8%	0.9%	0.9%	0.9%	0.6%
Q. Cumulative	0.0%	1.4%	3.1%	4.4%	5.3%	6.3%	7.2%	8.2%	8.9%

### Ottawa

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	102.0	104.0	106.6	108.0	109.1	109.9	110.7	111.1	111.8
Year / Year					7.0%	5.7%	3.8%	2.9%	2.5%
Quarterly					1.0%	0.7%	0.7%	0.4%	0.6%
Q. Cumulative	0.0%	2.0%	4.5%	5.9%	7.0%	7.7%	8.5%	8.9%	9.6%

### Toronto

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	102.1	104.1	105.7	106.6	107.4	108.3	109.2	109.7	110.5
Year / Year					5.2%	4.0%	3.3%	2.9%	2.9%
Quarterly					0.8%	0.8%	0.8%	0.5%	0.7%
Q. Cumulative	0.0%	2.0%	3.5%	4.4%	5.2%	6.1%	7.0%	7.4%	8.2%

### Winnipeg

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	101.1	102.4	103.4	104.4	104.9	105.0	105.4	105.8	105.9
Year / Year					3.8%	2.5%	1.9%	1.3%	1.0%
Quarterly					0.5%	0.1%	0.4%	0.4%	0.1%
Q. Cumulative	0.0%	1.3%	2.3%	3.3%	3.8%	3.9%	4.3%	4.6%	4.7%

### Saskatoon

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	100.9	101.8	102.9	103.7	104.1	104.0	104.0	104.0	104.0
Year / Year					3.2%	2.2%	1.1%	0.3%	(0.1%)
Quarterly					0.4%	(0.1%)	0.0%	0.0%	0.0%
Q. Cumulative	0.0%	0.9%	2.0%	2.8%	3.2%	3.1%	3.1%	3.1%	3.1%

### Calgary

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	100.8	101.4	102.6	103.4	103.9	104.1	104.2	104.2	104.6
Year / Year					3.1%	2.7%	1.6%	0.8%	0.7%
Quarterly					0.5%	0.2%	0.1%	0.0%	0.4%
Q. Cumulative	0.0%	0.6%	1.8%	2.6%	3.1%	3.3%	3.4%	3.4%	3.8%

### Edmonton

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	100.9	101.9	103.2	104.0	104.8	104.9	105.3	105.6	105.8
Year / Year					3.9%	2.9%	2.0%	1.5%	1.0%
Quarterly					0.8%	0.1%	0.4%	0.3%	0.2%
Q. Cumulative	0.0%	1.0%	2.3%	3.1%	3.9%	4.0%	4.4%	4.7%	4.9%

### Vancouver

	2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Index	102.9	104.3	106.5	107.9	109.4	109.6	109.8	110.1	110.3
Year / Year					6.3%	5.1%	3.1%	2.0%	0.8%
Quarterly					1.4%	0.2%	0.2%	0.3%	0.2%
Q. Cumulative	0.0%	1.4%	3.5%	4.9%	6.3%	6.5%	6.7%	7.0%	7.2%

### QUARTERS AT GLANCE

CITY	CHANGE
Composite	0.5%
St. John's, NL	0.2%
Halifax, NS	0.4%
Moncton, NB	0.3%
Montreal, QC	0.6%
Ottawa, ON	0.6%
Toronto, ON	0.7%
Winnipeg, MB	0.1%
Saskatoon, SK	0.0%
Calgary, AB	0.4%
Edmonton, AB	0.2%
Vancouver, BC	0.2%

### CANADIAN OFFICES AND SERVICE CONTACTS

Office	Contact	
Vancouver, BC	Ken King	604-685-1241
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### SERVICES

Cost Planning + Control	Scheduling
Value Management	Financial Analysis
Applied Research	Project Loan Monitoring

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.

