

ESCALATION WATCH FOURTH QUARTER

Statistics Canada's 2018, fourth quarter, Non-residential Building Construction Price Indices were released February 20th. The first quarter indices for 2019 will be available mid-May.

Non-residential building construction costs increased 0.8% in the fourth quarter. Construction costs were up for all types of non-residential buildings in 10 of the 11 census metropolitan areas (CMA) surveyed. Ottawa (+1.2%) reported the largest increase. St. John's (0.0%) reported no grow.

Nationally, prices for the construction of factory buildings and warehouses led the way, both being up +1.0%. These increases are seen to be due to the higher cost of metal fabrication and concrete products. Higher structural steel framing helped increase the construction costs of factory buildings.

Year over year, the composite rose 4.6%. This gain was mostly due to higher construction costs in Ottawa (+6.7%), Vancouver and Toronto (both +5.7%).

In the first quarter of 2018 Statistics Canada made a number of changes to increase the relevance of the building construction price indexes, including updated building models to reflect newer construction technologies and materials and four new CMAs. These additions provide a more comprehensive representation of construction activity across Canada.

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.

- 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	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.10	99.80	100.30	100.90	101.7	103.1	104.7	105.5				
Year / Year						2.6%	3.3%	4.4%	4.6%				
Quarterly			0.7%	0.5%	0.6%	0.8%	1.4%	1.6%	0.8%				
Q. Cumulative		0.0%	0.7%	1.2%	1.8%	2.6%	4.0%	5.7%	6.5%				

St. John's	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.8	99.9	99.9	100.3	100.6	100.9	101.8	101.8				
Year / Year						0.8%	1.0%	1.9%	1.5%				
Quarterly			0.1%	0.0%	0.4%	0.3%	0.3%	0.9%	0.0%				
Q. Cumulative		0.0%	0.1%	0.1%	0.5%	0.8%	1.1%	2.0%	2.0%				

Halifax	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		98.8	99.5	100.6	101.1	101.4	102.5	104.1	104.8				
Year / Year						2.6%	3.0%	3.5%	3.7%				
Quarterly			0.7%	1.1%	0.5%	0.3%	1.1%	1.6%	0.7%				
Q. Cumulative		0.0%	0.7%	1.8%	2.3%	2.6%	3.7%	5.4%	6.1%				

Moncton	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.7	99.9	99.9	100.4	100.6	101.8	103.3	104.2				
Year / Year						0.9%	1.9%	3.4%	3.8%				
Quarterly			0.2%	0.0%	0.5%	0.2%	1.2%	1.5%	0.9%				
Q. Cumulative		0.0%	0.2%	0.2%	0.7%	0.9%	2.1%	3.6%	4.5%				

Montreal	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		98.5	99.6	100.5	101.4	102.4	103.8	105.6	106.4				
Year / Year						4.0%	4.2%	5.1%	4.9%				
Quarterly			1.1%	0.9%	0.9%	1.0%	1.4%	1.7%	0.8%				
Q. Cumulative		0.0%	1.1%	2.0%	2.9%	4.0%	5.4%	7.2%	8.0%				

Ottawa	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		98.9	99.7	100.3	101.1	102.0	104.0	106.6	107.9				
Year / Year						3.1%	4.3%	6.3%	6.7%				
Quarterly			0.8%	0.6%	0.8%	0.9%	2.0%	2.5%	1.2%				
Q. Cumulative		0.0%	0.8%	1.4%	2.2%	3.1%	5.2%	7.8%	9.1%				

Toronto	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		98.9	100.0	100.4	100.8	102.1	104.1	105.7	106.5				
Year / Year						3.2%	4.1%	5.3%	5.7%				
Quarterly			1.1%	0.4%	0.4%	1.3%	2.0%	1.5%	0.8%				
Q. Cumulative		0.0%	1.1%	1.5%	1.9%	3.2%	5.3%	6.9%	7.7%				

Winnipeg	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.5	99.8	100.2	100.5	101.1	102.4	103.4	104.3				
Year / Year						1.6%	2.6%	3.2%	3.8%				
Quarterly			0.3%	0.4%	0.3%	0.6%	1.3%	1.0%	0.9%				
Q. Cumulative		0.0%	0.3%	0.7%	1.0%	1.6%	2.9%	3.9%	4.8%				

Saskatoon	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.5	99.7	100.0	100.8	100.9	101.8	102.9	103.5				
Year / Year						1.4%	2.1%	2.9%	2.7%				
Quarterly			0.2%	0.3%	0.8%	0.1%	0.9%	1.1%	0.6%				
Q. Cumulative		0.0%	0.2%	0.5%	1.3%	1.4%	2.3%	3.4%	4.0%				

Calgary	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.5	99.9	100.1	100.4	100.8	101.4	102.6	103.2				
Year / Year						1.3%	1.5%	2.5%	2.8%				
Quarterly			0.4%	0.2%	0.3%	0.4%	0.6%	1.2%	0.6%				
Q. Cumulative		0.0%	0.4%	0.6%	0.9%	1.3%	1.9%	3.1%	3.7%				

Edmonton	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		99.7	99.8	100.1	100.5	100.9	101.9	103.2	103.8				
Year / Year						1.2%	2.1%	3.1%	3.3%				
Quarterly			0.1%	0.3%	0.4%	0.4%	1.0%	1.3%	0.6%				
Q. Cumulative		0.0%	0.1%	0.4%	0.8%	1.2%	2.2%	3.5%	4.1%				

Vancouver	2016				2017				2018				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index		98.3	99.5	100.4	101.8	102.9	104.3	106.5	107.6				
Year / Year						4.7%	4.8%	6.1%	5.7%				
Quarterly			1.2%	0.9%	1.4%	1.1%	1.4%	2.1%	1.0%				
Q. Cumulative		0.0%	1.2%	2.1%	3.6%	4.7%	6.1%	8.3%	9.5%				

QUARTERS AT GLANCE		CANADIAN OFFICES AND SERVICE CONTACTS		
CITY	CHANGE	Office	Contact	
Composite	0.8%	Vancouver, BC	Ken King	604-685-1241
St. John's, NL	0.0%	Edmonton, AB	Mike Swick	780-426-7980
Halifax, NS	0.7%	Winnipeg, MB	Isaac Gwendo	204-775-3389
Moncton, NB	0.9%	Hamilton, ON	Craig Bye	905-525-5777
Montreal, QC	0.8%	Ottawa, ON	Arthur Maw	613-234-8089
Ottawa, ON	1.2%	Toronto, ON	Susan Neil	416-487-3811
Toronto, ON	0.8%		Dale Panday	
Winnipeg, MB	1.0%		Nathan Thinagaripillai	
Saskatoon, SK	0.9%	Halifax, NS	Raymond Murray	902-422-3620
Edmonton, AB	0.6%	SERVICES		
Calgary, AB	0.6%	Cost Planning + Control	Scheduling	
Vancouver, BC	1.0%	Value Management	Financial Analysis	
		Applied Research	Project Loan Monitoring	
		Project Management	Litigation Support	

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.

