

ESCALATION WATCH FOURTH QUARTER 2019

Statistics Canada's 2019, fourth quarter, Non-residential Building Construction Price Indices were released February 6th. First quarter indices for 2020 will be available mid-May.

Quarterly, prices for construction rose 0.4%. For the third quarter, Montréal reported a 0.9% increase. Higher material prices and labour shortages were noted by builders in Toronto (+0.5%) and Ottawa (+0.4%).

Annually, construction costs rose 2.2% nationally. The largest increases were Toronto (+2.9%), Ottawa (+2.9%) and Montréal (+3.6%). After cresting in the first quarter of 2019, the year-over-year growth slowed in all of the census metropolitan areas surveyed.

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.

COVID-19 and Construction Costs

As the effects of the global pandemic 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 current and future impacts to the Canadian construction market in terms of pricing, labour, material, capacity and risk to our local markets.

As trusted advisors, we remain committed to providing clients the tools to control costs and help ensure the successful completion of their projects during, and after, this time of uncertainty.

If you have questions or would like to speak someone, please contact us.

- Susan Neil, PQS(F), MRICS
Executive Vice President

QUARTERS AT GLANCE

CITY	CHANGE
Composite	0.4%
St. John's, NL	0.5%
Halifax, NS	0.3%
Moncton, NB	0.0%
Montreal, QC	0.9%
Ottawa, ON	0.4%
Toronto, ON	0.5%
Winnipeg, MB	0.5%
Saskatoon, SK	0.1%
Calgary, AB	0.1%
Edmonton, AB	0.3%
Vancouver, BC	0.3%

CANADIAN OFFICES AND SERVICE CONTACTS

Office	Contact	
Vancouver, BC	Ken King	604-685-1241
Edmonton, AB	Mike Swick	780-426-7980
Winnipeg, MB	Isaac Gwendo	204-775-3389
Hamilton, ON	Craig Bye	905-525-5777
Ottawa, ON	Arthur Maw	613-234-8089
Toronto, ON	Susan Neil	416-487-3811
	Dale Panday	
	Nathan Thinagaripillai	
Halifax, NS	Raymond Murray	902-422-3620

SERVICES

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

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

COMPOSITE 11 CITY	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.90	101.7	103.1	104.7	105.8	106.6	107.1	107.7	108.1				
Year / Year					4.9%	4.8%	3.9%	2.9%	2.2%				
Quarterly					0.8%	1.4%	1.6%	1.1%	0.8%	0.5%	0.6%	0.4%	
Q. Cumulative					0.0%	0.8%	2.2%	3.8%	4.9%	5.6%	6.1%	6.7%	7.1%

St. John's	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.3	100.6	100.9	101.8	101.9	101.9	102.0	102.0	102.5				
Year / Year					1.6%	1.3%	1.1%	0.2%	0.6%				
Quarterly					0.3%	0.3%	0.9%	0.1%	0.0%	0.1%	0.0%	0.5%	
Q. Cumulative					0.0%	0.3%	0.6%	1.5%	1.6%	1.6%	1.7%	1.7%	2.2%

Halifax	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	101.1	101.4	102.5	104.1	105.0	105.4	105.7	105.9	106.2				
Year / Year					3.9%	3.9%	3.1%	1.7%	1.1%				
Quarterly					0.3%	1.1%	1.6%	0.9%	0.4%	0.3%	0.2%	0.3%	
Q. Cumulative					0.0%	0.3%	1.4%	3.0%	3.9%	4.3%	4.5%	4.7%	5.0%

Moncton	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.4	100.6	101.8	103.3	105.6	105.8	106.2	106.7	106.7				
Year / Year					5.2%	5.2%	4.3%	3.3%	1.0%				
Quarterly					0.2%	1.2%	1.5%	2.2%	0.2%	0.4%	0.5%	0.0%	
Q. Cumulative					0.0%	0.2%	1.4%	2.9%	5.2%	5.4%	5.8%	6.3%	6.3%

Montreal	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	101.4	102.4	103.8	105.6	106.9	107.8	108.8	109.8	110.8				
Year / Year					5.4%	5.3%	4.8%	4.0%	3.6%				
Quarterly					1.0%	1.4%	1.7%	1.2%	0.8%	0.9%	0.9%	0.9%	
Q. Cumulative					0.0%	1.0%	2.4%	4.1%	5.4%	6.3%	7.3%	8.3%	9.3%

Ottawa	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	101.1	102.0	104.0	106.6	108.0	109.1	109.9	110.7	111.1				
Year / Year					6.8%	7.0%	5.7%	3.8%	2.9%				
Quarterly					0.9%	2.0%	2.5%	1.3%	1.0%	0.7%	0.7%	0.4%	
Q. Cumulative					0.0%	0.9%	2.9%	5.4%	6.8%	7.9%	8.7%	9.5%	9.9%

Toronto	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.8	102.1	104.1	105.7	106.6	107.4	108.3	109.2	109.7				
Year / Year					5.8%	5.2%	4.0%	3.3%	2.9%				
Quarterly					1.3%	2.0%	1.5%	0.9%	0.8%	0.8%	0.8%	0.5%	
Q. Cumulative					0.0%	1.3%	3.3%	4.9%	5.8%	6.5%	7.4%	8.3%	8.8%

Winnipeg	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.5	101.1	102.4	103.4	104.4	104.9	105.0	105.4	105.9				
Year / Year					3.9%	3.8%	2.5%	1.9%	1.4%				
Quarterly					0.6%	1.3%	1.0%	1.0%	0.5%	0.1%	0.4%	0.5%	
Q. Cumulative					0.0%	0.6%	1.9%	2.9%	3.9%	4.4%	4.5%	4.9%	5.4%

Saskatoon	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.8	100.9	101.8	102.9	103.7	104.1	104.0	104.0	104.1				
Year / Year					2.9%	3.2%	2.2%	1.1%	0.4%				
Quarterly					0.1%	0.9%	1.1%	0.8%	0.4%	(0.1%)	0.0%	0.1%	
Q. Cumulative					0.0%	0.1%	1.0%	2.1%	2.9%	3.3%	3.2%	3.2%	3.3%

Calgary	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.4	100.8	101.4	102.6	103.4	103.9	104.1	104.2	104.3				
Year / Year					3.0%	3.1%	2.7%	1.6%	0.9%				
Quarterly					0.4%	0.6%	1.2%	0.8%	0.5%	0.2%	0.1%	0.1%	
Q. Cumulative					0.0%	0.4%	1.0%	2.2%	3.0%	3.5%	3.7%	3.8%	3.9%

Edmonton	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	100.5	100.9	101.9	103.2	104.0	104.8	104.9	105.3	105.6				
Year / Year					3.5%	3.9%	2.9%	2.0%	1.5%				
Quarterly					0.4%	1.0%	1.3%	0.8%	0.8%	0.1%	0.4%	0.3%	
Q. Cumulative					0.0%	0.4%	1.4%	2.7%	3.5%	4.3%	4.4%	4.8%	5.1%

Vancouver	2017				2018				2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	101.8	102.9	104.3	106.5	107.9	109.1	109.6	109.8	110.1				
Year / Year					6.0%	6.0%	5.1%	3.1%	2.0%				
Quarterly					1.1%	1.4%	2.1%	1.3%	1.1%	0.5%	0.2%	0.3%	
Q. Cumulative					0.0%	1.1%	2.5%	4.6%	6.0%	7.2%	7.7%	7.9%	8.2%

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.

