

# ESCALATION WATCH SECOND QUARTER 2021

Statistics Canada's 2021, Second Quarter, Non-residential Building Construction Price Indices were released July 28<sup>th</sup>. Third Quarter indices for 2021 will be available in November.

Non-residential building construction prices (+3.7%) grew at their fastest pace since the second quarter of 2008 with construction prices rising in every census metropolitan area (CMA) surveyed. Ottawa (+6.0%) lead the way with the largest increase, followed by Toronto (+4.7%), St. John's (+4.5%), and Montreal (+4.4%).

The continued demand for warehouse space, as a result of retail e-commerce sales increasing (+4.8%), combined with supply shortages, particularly of concrete and structural steel, raised costs for non-residential construction.

Year over year, Non-residential construction building prices rose 5.7% — the largest increase since the fourth quarter of 2008. The greatest increases were seen in Ottawa (+10.1%), Montréal (+8.4%) and Toronto (+7.7%). Saskatoon, SK (+2.9%) and Moncton, NB (2.0) reported the smallest gains.

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 (TABLE 18-10-0137-01)**

COMPOSITE 11 CITY	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	107.2	107.7	108.1	108.7	108.8	109.3	109.4	110.9	115.0
Year / Year				1.5%	1.5%	1.2%	2.0%	5.7%	
Quarterly				0.5%	0.4%	0.6%	0.1%	0.5%	0.1%
Q. Cumulative	0.0%	0.5%	0.8%	1.4%	1.5%	2.0%	2.1%	3.5%	7.3%

St. John's	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	102.0	102.2	102.5	102.8	102.3	102.6	102.8	104.5	109.2
Year / Year				0.3%	0.4%	0.3%	1.7%	6.7%	
Quarterly				0.2%	0.3%	0.3%	(0.5%)	0.3%	0.2%
Q. Cumulative	0.0%	0.2%	0.5%	0.8%	0.3%	0.6%	0.8%	2.5%	7.1%

Halifax	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	105.7	105.9	106.2	106.8	107.2	107.9	108.7	110.1	114.3
Year / Year				1.4%	1.9%	2.4%	3.1%	6.6%	
Quarterly				0.2%	0.3%	0.6%	0.4%	0.7%	0.7%
Q. Cumulative	0.0%	0.2%	0.5%	1.0%	1.4%	2.1%	2.8%	4.2%	8.1%

Moncton	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	106.2	106.7	106.9	107.3	107.8	108.3	107.9	108.0	110.0
Year / Year				1.5%	1.5%	0.9%	0.7%	2.0%	
Quarterly				0.5%	0.2%	0.4%	0.5%	0.5%	(0.4%)
Q. Cumulative	0.0%	0.5%	0.7%	1.0%	1.5%	2.0%	1.6%	1.7%	3.6%

Montreal	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	109.0	109.8	110.8	111.6	112.2	113.8	114.2	116.5	121.6
Year / Year				2.9%	3.6%	3.1%	4.4%	8.4%	
Quarterly				0.7%	0.9%	0.7%	0.5%	1.4%	0.4%
Q. Cumulative	0.0%	0.7%	1.7%	2.4%	2.9%	4.4%	4.8%	6.9%	11.6%

Ottawa	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	110.0	110.7	111.1	112.0	112.9	114.2	114.8	117.2	124.3
Year / Year				2.6%	3.2%	3.3%	4.6%	10.1%	
Quarterly				0.6%	0.4%	0.8%	0.8%	1.2%	0.5%
Q. Cumulative	0.0%	0.6%	1.0%	1.8%	2.6%	3.8%	4.4%	6.5%	13.0%

Toronto	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	108.3	109.2	109.7	110.6	111.1	111.9	112.1	114.2	119.6
Year / Year				2.6%	2.5%	2.2%	3.3%	7.7%	
Quarterly				0.8%	0.5%	0.8%	0.5%	0.7%	0.2%
Q. Cumulative	0.0%	0.8%	1.3%	2.1%	2.6%	3.3%	3.5%	5.4%	10.4%

Winnipeg	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	105.0	105.4	105.8	106.0	106.0	106.3	106.1	107.4	111.6
Year / Year				1.0%	0.9%	0.3%	1.3%	5.3%	
Quarterly				0.4%	0.4%	0.2%	0.0%	0.3%	(0.2%)
Q. Cumulative	0.0%	0.4%	0.8%	1.0%	1.0%	1.2%	1.0%	2.3%	6.3%

Saskatoon	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	104.0	104.0	104.0	104.1	103.9	104.0	103.7	104.3	106.9
Year / Year				(0.1%)	0.0%	(0.3%)	0.2%	2.9%	
Quarterly				0.0%	0.0%	0.1%	(0.2%)	0.1%	(0.3%)
Q. Cumulative	0.0%	0.0%	0.0%	0.1%	(0.1%)	0.0%	(0.3%)	0.3%	2.8%

Calgary	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	104.1	104.2	104.2	104.8	104.5	104.5	104.6	105.3	107.8
Year / Year				0.4%	0.3%	0.4%	0.5%	3.2%	
Quarterly				0.1%	0.0%	0.6%	(0.3%)	0.0%	0.1%
Q. Cumulative	0.0%	0.1%	0.1%	0.7%	0.4%	0.4%	0.5%	1.2%	3.6%

Edmonton	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	104.9	105.3	105.6	105.9	105.4	105.5	105.5	107.0	111.5
Year / Year				0.5%	0.2%	(0.1%)	1.0%	5.8%	
Quarterly				0.4%	0.3%	0.3%	(0.5%)	0.1%	0.0%
Q. Cumulative	0.0%	0.4%	0.7%	1.0%	0.5%	0.6%	0.6%	2.0%	6.3%

Vancouver	2019			2020				2021	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	109.6	109.8	110.1	110.5	110.4	110.5	110.3	111.3	113.9
Year / Year				0.7%	0.6%	0.2%	0.7%	3.2%	
Quarterly				0.2%	0.3%	0.4%	(0.1%)	0.1%	(0.2%)
Q. Cumulative	0.0%	0.2%	0.5%	0.8%	0.7%	0.8%	0.6%	1.6%	3.9%

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.

### QUARTERS AT GLANCE

CITY	CHANGE
Composite	3.7%
St. John's, NL	4.5%
Halifax, NS	3.8%
Moncton, NB	1.9%
Montreal, QC	4.4%
Ottawa, ON	6.1%
Toronto, ON	4.7%
Winnipeg, MB	3.9%
Saskatoon, SK	2.5%
Calgary, AB	2.4%
Edmonton, AB	4.2%
Vancouver, BC	2.3%

### CANADIAN OFFICES AND SERVICE CONTACTS

Office	Contact	Phone
Vancouver, BC	Ken King	604-685-1241
Edmonton, AB	Mike Swick	780-426-7980
Winnipeg, MB	Isaac Gwendo	204-775-3389
London, ON	Bob Picken	226-378-4920
Hamilton, ON	Craig Bye	905-525-5777
Ottawa, ON	Arthur Maw	613-234-8089
Toronto, ON	Brian McBurney	
	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

