

# ESCALATION WATCH FOURTH QUARTER 2021

Statistics Canada's 2021, Fourth Quarter, Non-residential Building Construction Price Indices were released February 4<sup>th</sup>. First Quarter indices for 2022 will be available in May.

Non-residential building construction costs rose 2.7% in the fourth quarter. Ottawa (+3.7%), Toronto (+3.4%), and Edmonton (+3.3%) reported the largest increases.

The 11-city composite increased 6.9% in 2021 compared with 2020. This was the highest yearly increase since 2008. Factories and bus depots with maintenance and repair facilities saw their construction costs rise the most on an annual basis.

Increases in the costs to construct of non-residential buildings was mostly due to a rise in prices for metal fabrication products and concrete elements, largely due to supply constraints, and rising labour costs as a result of skilled labour shortages.

Year over year, Non-residential construction building costs rose 11.2%, the largest increase since the third quarter of 2008. Ottawa (+17.2%) and Toronto (+15.3%) recorded new year-over-year highs, with Ottawa registering the largest annual growth since the beginning of the index in 1981.

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			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	108.1	108.7	108.8	109.3	109.4	110.9	115.2	118.5	121.7
Year / Year					1.2%	2.0%	5.9%	8.4%	11.2%
Quarterly		0.6%	0.1%	0.5%	0.1%	1.4%	3.9%	2.9%	2.7%
Q. Cumulative	0.0%	0.6%	0.6%	1.1%	1.2%	2.6%	6.6%	9.6%	12.6%

St. John's	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	102.5	102.8	102.3	102.6	102.8	104.5	109.4	111.8	114.4
Year / Year					0.3%	1.7%	6.9%	9.0%	11.3%
Quarterly		0.3%	(0.5%)	0.3%	0.2%	1.7%	4.7%	2.2%	2.3%
Q. Cumulative	0.0%	0.3%	(0.2%)	0.1%	0.3%	2.0%	6.7%	9.1%	11.6%

Halifax	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	106.2	106.8	107.2	107.9	108.7	110.1	114.5	117.5	120.2
Year / Year					2.4%	3.1%	6.8%	8.9%	10.6%
Quarterly		0.6%	0.4%	0.7%	0.7%	1.3%	4.0%	2.6%	2.3%
Q. Cumulative	0.0%	0.6%	0.9%	1.6%	2.4%	3.7%	7.8%	10.6%	13.2%

Moncton	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	106.9	107.3	107.8	108.3	107.9	108.0	110.2	114.0	116.5
Year / Year					0.9%	0.7%	2.2%	5.3%	8.0%
Quarterly		0.4%	0.5%	0.5%	(0.4%)	0.1%	2.0%	3.4%	2.2%
Q. Cumulative	0.0%	0.4%	0.8%	1.3%	0.9%	1.0%	3.1%	6.6%	9.0%

Montreal	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	110.8	111.6	112.2	113.8	114.2	116.5	121.8	124.8	128.0
Year / Year					3.1%	4.4%	8.6%	9.7%	12.1%
Quarterly		0.7%	0.5%	1.4%	0.4%	2.0%	4.5%	2.5%	2.6%
Q. Cumulative	0.0%	0.7%	1.3%	2.7%	3.1%	5.1%	9.9%	12.6%	15.5%

Ottawa	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	111.1	112.0	112.9	114.2	114.8	117.2	124.6	129.8	134.6
Year / Year					3.3%	4.6%	10.4%	13.7%	17.2%
Quarterly		0.8%	0.8%	1.2%	0.5%	2.1%	6.3%	4.2%	3.7%
Q. Cumulative	0.0%	0.8%	1.6%	2.8%	3.3%	5.5%	12.2%	16.8%	21.2%

Toronto	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	109.7	110.6	111.1	111.9	112.1	114.2	119.9	125.0	129.2
Year / Year					2.2%	3.3%	7.9%	11.7%	15.3%
Quarterly		0.8%	0.5%	0.7%	0.2%	1.9%	5.0%	4.3%	3.4%
Q. Cumulative	0.0%	0.8%	1.3%	2.0%	2.2%	4.1%	9.3%	13.9%	17.8%

Winnipeg	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	105.8	106.0	106.0	106.3	106.1	107.4	111.8	114.8	116.4
Year / Year					0.3%	1.3%	5.5%	8.0%	9.7%
Quarterly		0.2%	0.0%	0.3%	(0.2%)	1.2%	4.1%	2.7%	1.4%
Q. Cumulative	0.0%	0.2%	0.2%	0.5%	0.3%	1.5%	5.7%	8.5%	10.0%

Saskatoon	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	104.0	104.1	103.9	104.0	103.7	104.3	107.1	108.7	111.9
Year / Year					(0.3%)	0.2%	3.1%	4.5%	7.9%
Quarterly		0.1%	(0.2%)	0.1%	(0.3%)	0.6%	2.7%	1.5%	2.9%
Q. Cumulative	0.0%	0.1%	(0.1%)	0.0%	(0.3%)	0.3%	3.0%	4.5%	7.6%

Calgary	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	104.2	104.8	104.5	104.5	104.6	105.3	107.9	109.7	112.2
Year / Year					0.4%	0.5%	3.3%	5.0%	7.3%
Quarterly		0.6%	(0.3%)	0.0%	0.1%	0.7%	2.5%	1.7%	2.3%
Q. Cumulative	0.0%	0.6%	0.3%	0.3%	0.4%	1.1%	3.6%	5.3%	7.7%

Edmonton	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	105.6	105.9	105.4	105.5	105.5	107.0	111.7	115.2	119.0
Year / Year					(0.1%)	1.0%	6.0%	9.2%	12.8%
Quarterly		0.3%	(0.5%)	0.1%	0.0%	1.4%	4.4%	3.1%	3.3%
Q. Cumulative	0.0%	0.3%	(0.2%)	(0.1%)	(0.1%)	1.3%	5.8%	9.1%	12.7%

Vancouver	2019	2020				2021			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	110.1	110.5	110.4	110.5	110.3	111.3	114.1	116.2	118.5
Year / Year					0.2%	0.7%	3.4%	5.2%	7.4%
Quarterly		0.4%	(0.1%)	0.1%	(0.2%)	0.9%	2.5%	1.8%	2.0%
Q. Cumulative	0.0%	0.4%	0.3%	0.4%	0.2%	1.1%	3.6%	5.5%	7.6%

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	2.7%
St. John's, NL	2.3%
Halifax, NS	2.3%
Moncton, NB	2.2%
Montreal, QC	2.6%
Ottawa, ON	3.7%
Toronto, ON	3.4%
Winnipeg, MB	1.4%
Saskatoon, SK	2.9%
Calgary, AB	2.3%
Edmonton, AB	3.3%
Vancouver, BC	2.0%

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Value Management	Applied Research		

