

ESCALATION WATCH FIRST QUARTER 2023

Statistics Canada's 2023 First Quarter, Non-residential Building Construction Price Indices were released on May 8th. Second Quarter indices for 2023 will be available in August.

Non-residential building construction costs rose 1.7% in the first quarter, following a 1.6% increase in the previous quarter. Costs to construct non-residential buildings increased the most in Vancouver (+2.6%), followed by Moncton (+2.4%) and Ottawa (+2.0%).

Contractors reported skilled labour shortages and the availability and cost of materials as critical issues across the construction sector.

Year over year, construction costs for non-residential buildings in the 11-census metropolitan area composite rose 9.6% in the first quarter. Moncton (+14.3%) and Toronto (+12.2%) were the only areas to report an increase above the 11-census metropolitan area composite. Saskatoon (+5.1%) and St. John's (+5.0%) reported the least growth.

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 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
President

STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2017 = 100 (TABLE 18-10-0137-01)

COMPOSITE 11 CITY	2021				2022				2023	Toronto	2021				2022				2023				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1				
Index	110.9	115.2	118.5	121.9	125.6	130.6	133.3	135.4	137.7	Index	114.2	119.9	125.0	129.3	134.2	140.9	144.5	148.1	150.6				
Year / Year					13.3%	13.4%	12.5%	11.1%	9.6%	Year / Year					17.5%	17.5%	15.6%	14.5%	12.2%				
Quarterly					3.9%	2.9%	2.9%	3.0%	4.0%	1.7%	Quarterly					5.0%	4.3%	3.4%	3.8%	5.0%	2.6%	2.5%	
Q. Cumulative					0.0%	3.9%	6.9%	9.9%	13.3%	24.2%	Q. Cumulative					0.0%	5.0%	9.5%	13.2%	17.5%	23.4%	26.5%	29.7%
St. John's	2021				2022				2023	Winnipeg	2021				2022				2023				
Index	104.5	109.4	111.8	114.6	116.0	118.2	120.9	121.1	121.8		Index	107.4	111.8	114.8	116.6	119.0	121.7	123.7	124.8	125.8			
Year / Year					11.0%	8.0%	8.1%	5.7%	5.0%	Year / Year					10.8%	8.9%	7.8%	7.0%	5.7%				
Quarterly					4.7%	2.2%	2.5%	1.2%	1.9%	0.6%	Quarterly					4.1%	2.7%	1.6%	2.1%	2.3%	1.6%	0.9%	
Q. Cumulative					0.0%	4.7%	7.0%	9.7%	11.0%	16.6%	Q. Cumulative					0.0%	4.1%	6.9%	8.6%	10.8%	13.3%	15.2%	16.2%
Halifax	2021				2022				2023	Saskatoon	2021				2022				2023				
Index	110.1	114.5	117.5	120.4	123.2	126.4	128.1	129.6	131.5		Index	104.3	107.1	108.7	112.0	114.6	117.6	118.8	119.7	120.5			
Year / Year					11.9%	10.4%	9.0%	7.6%	6.7%	Year / Year					9.9%	9.8%	9.3%	6.9%	5.1%				
Quarterly					4.0%	2.6%	2.5%	2.3%	2.6%	1.5%	Quarterly					2.7%	1.5%	3.0%	2.3%	2.6%	1.0%	0.8%	
Q. Cumulative					0.0%	4.0%	6.7%	9.4%	11.9%	19.4%	Q. Cumulative					0.0%	2.7%	4.2%	7.4%	9.9%	12.8%	13.9%	14.8%
Moncton	2021				2022				2023	Calgary	2021				2022				2023				
Index	108.0	110.2	114.0	116.8	118.6	125.3	127.7	132.4	135.6		Index	105.3	107.9	109.7	112.4	115.4	118.3	120.0	120.7	122.1			
Year / Year					9.8%	13.7%	12.0%	13.4%	14.3%	Year / Year					9.6%	9.6%	9.4%	7.4%	5.8%				
Quarterly					2.0%	3.4%	2.5%	1.5%	5.6%	2.4%	Quarterly					2.7%	2.5%	1.4%	0.6%	1.2%			
Q. Cumulative					0.0%	2.0%	5.6%	8.1%	9.8%	25.6%	Q. Cumulative					0.0%	2.5%	4.2%	6.7%	9.6%	12.3%	14.0%	14.6%
Montreal	2022				2022				2023	Edmonton	2021				2022				2023				
Index	116.5	121.8	124.8	128.2	132.8	138.4	141.0	142.7	144.6		Index	107.0	111.7	115.2	119.1	122.1	127.1	129.3	130.6	132.0			
Year / Year					14.0%	13.6%	13.0%	11.3%	8.9%	Year / Year					14.1%	13.8%	12.2%	9.7%	8.1%				
Quarterly					4.5%	2.5%	2.7%	3.6%	4.2%	1.3%	Quarterly					4.4%	3.1%	3.4%	2.5%	4.1%	1.7%	1.0%	
Q. Cumulative					0.0%	4.5%	7.1%	10.0%	14.0%	24.1%	Q. Cumulative					0.0%	4.4%	7.7%	11.3%	14.1%	18.8%	20.8%	22.1%
Ottawa	2021				2022				2023	Vancouver	2021				2022				2023				
Index	117.2	124.6	129.8	134.7	137.8	143.1	146.1	148.1	151.0		Index	111.3	114.1	116.2	118.6	121.3	125.4	127.6	129.3	132.6			
Year / Year					17.6%	14.8%	12.6%	9.9%	9.6%	Year / Year					9.0%	9.9%	9.8%	9.0%	9.3%				
Quarterly					6.3%	4.2%	3.8%	2.3%	3.8%	2.0%	Quarterly					2.5%	1.8%	2.1%	2.3%	3.4%	1.8%	1.3%	
Q. Cumulative					0.0%	6.3%	10.8%	14.9%	17.6%	28.8%	Q. Cumulative					0.0%	2.5%	4.4%	6.6%	9.0%	12.7%	14.6%	16.2%

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.

QUARTERS AT GLANCE	
CITY	CHANGE
Composite	1.7%
St. John's, NL	0.6%
Halifax, NS	1.5%
Moncton, NB	2.4%
Montreal, QC	1.3%
Ottawa, ON	2.0%
Toronto, ON	1.7%
Winnipeg, MB	0.8%
Saskatoon, SK	0.7%
Calgary, AB	1.2%
Edmonton, AB	1.1%
Vancouver, BC	2.6%

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SERVICES		
Cost Planning + Control	Project Loan Monitoring	
Value Management	Applied Research	

