

# ESCALATION WATCH SECOND QUARTER 2023

Statistics Canada's 2023 First Quarter, Non-residential Building Construction Price Indices were released on July 31<sup>st</sup>. Second Quarter indices for 2023 will be available in November.

Non-residential building construction costs rose 1.5% in the first quarter, following a 1.7% increase in the previous quarter. Costs to construct non-residential buildings increased the most in Moncton (+3.9%), followed by Vancouver (+2.7%) and Ottawa (+2.5%).

Skilled labour shortages, cost of materials and labour rate changes were reported by contractors as key factors impacting the construction sector.

Year over year, construction costs for non-residential buildings in the 11-census metropolitan area composite rose 7.0% in the first quarter. Moncton (+12.5%), Vancouver (+8.6%), Ottawa (+8.2%) and Toronto (+8.1%) were the only areas to report an growth above the 11-census metropolitan area composite.

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  
President

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

COMPOSITE 11 CITY	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	115.2	118.5	121.9	125.6	130.6	133.3	135.4	137.7	139.8
Year / Year				13.4%	12.5%	11.1%		9.6%	7.0%
Quarterly		2.9%	2.9%	3.0%	4.0%	2.1%	1.6%	1.7%	1.5%
Q. Cumulative	0.0%	2.9%	5.8%	9.0%	13.4%	15.7%	17.5%	19.5%	21.4%

  

St. John's	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	109.4	111.8	114.6	116.0	118.2	120.9	121.1	121.8	123.3
Year / Year				8.0%	8.1%	5.7%		5.0%	4.3%
Quarterly		2.2%	2.5%	1.2%	1.9%	2.3%	0.2%	0.6%	1.2%
Q. Cumulative	0.0%	2.2%	4.8%	6.0%	8.0%	10.5%	10.7%	11.3%	12.7%

  

Halifax	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	114.5	117.5	120.4	123.2	126.4	128.1	129.6	131.5	133.9
Year / Year				10.4%	9.0%	7.6%		6.7%	5.9%
Quarterly		2.6%	2.5%	2.3%	2.6%	1.3%	1.2%	1.5%	1.8%
Q. Cumulative	0.0%	2.6%	5.2%	7.6%	10.4%	11.9%	13.2%	14.8%	16.9%

  

Moncton	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	110.2	114.0	116.8	118.6	125.3	127.7	132.4	135.6	140.9
Year / Year				13.7%	12.0%	13.4%		14.3%	12.5%
Quarterly		3.4%	2.5%	1.5%	5.6%	1.9%	3.7%	2.4%	3.9%
Q. Cumulative	0.0%	3.4%	6.0%	7.6%	13.7%	15.9%	20.1%	23.0%	27.9%

  

Montreal	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	121.8	124.8	128.2	132.8	138.4	141.0	142.7	144.6	146.2
Year / Year				13.6%	13.0%	11.3%		8.9%	5.6%
Quarterly		2.5%	2.7%	3.6%	4.2%	1.9%	1.2%	1.3%	1.1%
Q. Cumulative	0.0%	2.5%	5.3%	9.0%	13.6%	15.8%	17.2%	18.7%	20.0%

  

Ottawa	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	124.6	129.8	134.7	137.8	143.1	146.1	148.1	151.0	154.8
Year / Year				14.8%	12.6%	9.9%		9.6%	8.2%
Quarterly		4.2%	3.8%	2.3%	3.8%	2.1%	1.4%	2.0%	2.5%
Q. Cumulative	0.0%	4.2%	8.1%	10.6%	14.8%	17.3%	18.9%	21.2%	24.2%

Toronto	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	119.9	125.0	129.3	134.2	140.9	144.5	148.1	150.6	152.3
Year / Year				17.5%	15.6%	14.5%		12.2%	8.1%
Quarterly		4.3%	3.4%	3.8%	5.0%	2.6%	2.5%	1.7%	1.1%
Q. Cumulative	0.0%	4.3%	7.8%	11.9%	17.5%	20.5%	23.5%	25.6%	27.0%

  

Winnipeg	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	111.8	114.8	116.6	119.0	121.7	123.7	124.8	125.8	127.6
Year / Year				8.9%	7.8%	7.0%		5.7%	4.8%
Quarterly		2.7%	1.6%	2.1%	2.3%	1.6%	0.9%	0.8%	1.4%
Q. Cumulative	0.0%	2.7%	4.3%	6.4%	8.9%	10.6%	11.6%	12.5%	14.1%

  

Saskatoon	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	107.1	108.7	112.0	114.6	117.6	118.8	119.7	120.5	122.3
Year / Year				9.8%	9.3%	6.9%		5.1%	4.0%
Quarterly		1.5%	3.0%	2.3%	2.6%	1.0%	0.8%	0.7%	1.5%
Q. Cumulative	0.0%	1.5%	4.6%	7.0%	9.8%	10.9%	11.8%	12.5%	14.2%

  

Calgary	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	107.9	109.7	112.4	115.4	118.3	120.0	120.7	122.1	123.9
Year / Year				9.6%	9.4%	7.4%		5.8%	4.7%
Quarterly		1.7%	2.5%	2.7%	2.5%	1.4%	0.6%	1.2%	1.5%
Q. Cumulative	0.0%	1.7%	4.2%	7.0%	9.6%	11.2%	11.9%	13.2%	14.8%

  

Edmonton	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	111.7	115.2	119.1	122.1	127.1	129.3	130.6	132.0	132.9
Year / Year				13.8%	12.2%	9.7%		8.1%	4.6%
Quarterly		3.1%	3.4%	2.5%	4.1%	1.7%	1.0%	1.1%	0.7%
Q. Cumulative	0.0%	3.1%	6.6%	9.3%	13.8%	15.8%	16.9%	18.2%	19.0%

  

Vancouver	2021			2022				2023	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	114.1	116.2	118.6	121.3	125.4	127.6	129.3	132.6	136.2
Year / Year				9.9%	9.8%	9.0%		9.3%	8.6%
Quarterly		1.8%	2.1%	2.3%	3.4%	1.8%	1.3%	2.6%	2.7%
Q. Cumulative	0.0%	1.8%	3.9%	6.3%	9.9%	11.8%	13.3%	16.2%	19.4%

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	1.5%
St. John's, NL	1.2%
Halifax, NS	1.8%
Moncton, NB	3.9%
Montreal, QC	1.1%
Ottawa, ON	2.5%
Toronto, ON	1.1%
Winnipeg, MB	1.4%
Saskatoon, SK	1.5%
Calgary, AB	1.5%
Edmonton, AB	0.7%
Vancouver, BC	2.7%

CANADIAN OFFICES AND SERVICE CONTACTS		
Office	Contact	
Vancouver, BC	Indu Elapatha	604-685-1241
	Ken King	
Edmonton, AB	Mike Swick	780-426-7980
	Dominic Kiema	
Winnipeg, MB	Isaac Gwendo	204-775-3389
	Irene Malang	
London, ON	Bob Picken	226-378-4920
Hamilton, ON	Craig Bye	905-525-5777
	Melissa Trautmann	
Ottawa, ON	Arthur Maw	613-234-8089
	Nicolas Serge	
Toronto, ON	Susan Neil	416-487-3811
	Dale Panday	
	Nathan Thinagarippillai	
Halifax, NS	Raymond Murray	902-422-3620
	Erin Brownlow	

