

ESCALATION WATCH FOURTH QUARTER 2023

Statistics Canada's 2023 Fourth Quarter, Non-residential Building Construction Price Indices were released on February 1st. First Quarter indices for 2024 will be available in May 2024.

Non-residential building construction costs rose 0.7% in the fourth quarter, following a 1.3% increase in the previous quarter, marking the slowest quarterly growth since the fourth quarter of 2020. Costs to construct non-residential buildings increased the most in Winnipeg and Saskatoon, each reporting a 1.0% increase, while Montreal (+0.5%) reported the least growth.

Year over year, construction costs for non-residential buildings in the 11-census metropolitan area (CMA) composite rose 5.4% in the fourth quarter of 2023. Costs increased across all CMAs surveyed in 2023, with Moncton (+9.4%) experiencing the largest increase, followed by Ottawa (+7.8%) and Vancouver (+7.7%).

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 online at www.statcan.gc.ca.

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.

- 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			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	121.9	125.6	130.6	133.3	135.4	137.7	139.9	141.7	142.7	Index	129.3	134.2	140.9	144.5	148.1	150.6	152.3	155.3	156.2
Year / Year					11.1%	9.6%	7.1%	6.3%	5.4%	Year / Year					14.5%	12.2%	8.1%	7.5%	5.5%
Quarterly		3.0%	4.0%	2.1%	1.6%	1.7%	1.6%	1.3%	0.7%	Quarterly		3.8%	5.0%	2.6%	2.5%	1.7%	1.1%	2.0%	0.6%
Q. Cumulative	0.0%	3.0%	7.1%	9.4%	11.1%	13.0%	14.8%	16.2%	17.1%	Q. Cumulative	0.0%	3.8%	9.0%	11.8%	14.5%	16.5%	17.8%	20.1%	20.8%

St. John's	2021	2022				2023				Winnipeg	2021	2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	114.6	116.0	118.2	120.9	121.1	121.8	123.4	124.1	125.2	Index	116.6	119.0	121.7	123.7	124.8	125.8	127.7	127.9	129.2
Year / Year					5.7%	5.0%	4.4%	2.6%	3.4%	Year / Year					7.0%	5.7%	4.9%	3.4%	3.5%
Quarterly		1.2%	1.9%	2.3%	0.2%	0.6%	1.3%	0.6%	0.9%	Quarterly		2.1%	2.3%	1.6%	0.9%	0.8%	1.5%	0.2%	1.0%
Q. Cumulative	0.0%	1.2%	3.1%	5.5%	5.7%	6.3%	7.7%	8.3%	9.2%	Q. Cumulative	0.0%	2.1%	4.4%	6.1%	7.0%	7.9%	9.5%	9.7%	10.8%

Halifax	2021	2022				2023				Saskatoon	2021	2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	120.4	123.2	126.4	128.1	129.6	131.5	134.1	134.4	135.4	Index	112.0	114.6	117.6	118.8	119.7	120.5	122.4	124.6	125.8
Year / Year					7.6%	6.7%	6.1%	4.9%	4.5%	Year / Year					6.9%	5.1%	4.1%	4.9%	5.1%
Quarterly		2.3%	2.6%	1.3%	1.2%	1.5%	2.0%	0.2%	0.7%	Quarterly		2.3%	2.6%	1.0%	0.8%	0.7%	1.6%	1.8%	1.0%
Q. Cumulative	0.0%	2.3%	5.0%	6.4%	7.6%	9.2%	11.4%	11.6%	12.5%	Q. Cumulative	0.0%	2.3%	5.0%	6.1%	6.9%	7.6%	9.3%	11.3%	12.3%

Moncton	2021	2022				2023				Calgary	2021	2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	116.8	118.6	125.3	127.7	132.4	135.6	141.0	143.5	144.8	Index	112.4	115.4	118.3	120.0	120.7	122.1	123.9	125.0	125.7
Year / Year					13.4%	14.3%	12.5%	12.4%	9.4%	Year / Year					7.4%	5.8%	4.7%	4.2%	4.1%
Quarterly		1.5%	5.6%	1.9%	3.7%	2.4%	4.0%	1.8%	0.9%	Quarterly		2.7%	2.5%	1.4%	0.6%	1.2%	1.5%	0.9%	0.6%
Q. Cumulative	0.0%	1.5%	7.3%	9.3%	13.4%	16.1%	20.7%	22.9%	24.0%	Q. Cumulative	0.0%	2.7%	5.2%	6.8%	7.4%	8.6%	10.2%	11.2%	11.8%

Montreal	2021	2022				2023				Edmonton	2021	2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	128.2	132.8	138.4	141.0	142.7	144.6	146.3	146.9	147.6	Index	119.1	122.1	127.1	129.3	130.6	132.0	133.0	134.4	135.3
Year / Year					11.3%	8.9%	5.7%	4.2%	3.4%	Year / Year					9.7%	8.1%	4.6%	3.9%	3.6%
Quarterly		3.6%	4.2%	1.9%	1.2%	1.3%	1.2%	0.4%	0.5%	Quarterly		2.5%	4.1%	1.7%	1.0%	1.1%	0.8%	1.1%	0.7%
Q. Cumulative	0.0%	3.6%	8.0%	10.0%	11.3%	12.8%	14.1%	14.6%	15.1%	Q. Cumulative	0.0%	2.5%	6.7%	8.6%	9.7%	10.8%	11.7%	12.8%	13.6%

Ottawa	2021	2022				2023				Vancouver	2021	2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Index	134.7	137.8	143.1	146.1	148.1	151.0	154.9	158.1	159.6	Index	118.6	121.3	125.4	127.6	129.3	132.6	136.2	138.0	139.3
Year / Year					9.9%	9.6%	8.2%	8.2%	7.8%	Year / Year					9.0%	9.3%	8.6%	8.2%	7.7%
Quarterly		2.3%	3.8%	2.1%	1.4%	2.0%	2.6%	2.1%	0.9%	Quarterly		2.3%	3.4%	1.8%	1.3%	2.6%	2.7%	1.3%	0.9%
Q. Cumulative	0.0%	2.3%	6.2%	8.5%	9.9%	12.1%	15.0%	17.4%	18.5%	Q. Cumulative	0.0%	2.3%	5.7%	7.6%	9.0%	11.8%	14.8%	16.4%	17.5%

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	0.7%
St. John's, NL	0.9%
Halifax, NS	0.7%
Moncton, NB	0.9%
Montreal, QC	0.5%
Ottawa, ON	0.9%
Toronto, ON	0.6%
Winnipeg, MB	1.0%
Saskatoon, SK	1.0%
Calgary, AB	0.6%
Edmonton, AB	0.7%
Vancouver, BC	0.9%

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