



# Hanscomb

## Escalation Watch - Second Quarter 2009

The mid-May 2009 Non-residential Construction Price Indices were released by Statistics Canada on August 18th. The third quarter indices for 2009 will be available mid-November 2009.

Nationally, the composite has continued to fall, down 1.9% from the previous quarter resulting in a year over year change to -6.5% over the same period in 2008. Of the seven cities surveyed only Halifax (+0.4%) posted a quarterly rate increase. Montreal (-0.1%), Ottawa (-0.4%), Toronto (-1.2%) and Vancouver (-1.2%) were down less than the national quarterly average, while Calgary (-3.6%) and Edmonton (-3.4%) showed the largest decreases, down more than the quarterly national average.

In our last two newsletters, we noted that this price correction is not unexpected given recent conditions. Generally, the pace of decline seems to be slowing in most regions and there remains a belief that the index will begin to show at least moderate growth late this year or early next year.

It bears remembering that the indices prepared for Statistics Canada are intended only to track cost changes in a given city. The index *cannot* be used to compare costs between cities. Further, as noted in the last issue, Statistics Canada has rebased the indices from 1997 to 2002. Accordingly, care should be taken when comparing index values from previous newsletters. Year over year, quarterly and cumulative changes indicated in the following chart are expressed in percentage terms and are unaffected by the rebasing.

The source data used to prepare the charts in this newsletter is drawn from Statistics Canada's Capital Expenditures Price Statistics publication – catalogue 62-007-XWE. Specifically, we used the Non-residential Building Construction Price Indexes for the national composite and each surveyed city indicated on tables 7.2 through 7.9.

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).

Paul Westbrook

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Statistics Canada  
Non-Residential  
Construction Cost  
Indices for 7 Cities,  
Second Quarter  
2009

### Services

Cost Planning & Control	Litigation Support	Feasibility Studies	Project Loan Monitoring
Value Management	Construction Monitoring	Time Management	Applied Research

### Canadian Offices and Service Contacts

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Calgary	David Crane	403-234-9490		Grant Mercer	613-234-8089
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	Dale Panday				
Halifax	Raymond Murray	902-422-3620			
St. John's	Wayne Fitzpatrick	709-722-0505			

### Hanscomb's Edmonton Office is moving!

Beginning September 12th our Edmonton Office will be working from its new Offices located at:

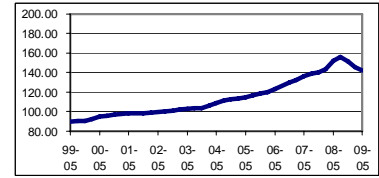
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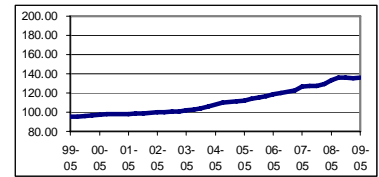


# STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

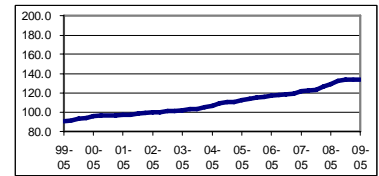
COMPOSITE 7 CITY	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	129.5	132.1	136.5	138.7	140.0	143.7	152.3	155.9	151.5	145.1	142.4
Year / Year					8.1%	8.8%	11.6%	12.4%	8.2%	1.0%	(6.5%)
Quarterly		2.0%	3.3%	1.6%	0.9%	2.6%	6.0%	2.4%	(2.8%)	(4.2%)	(1.9%)
Q. Cumulative	0.0%	2.0%	5.4%	7.1%	8.1%	11.0%	17.6%	20.4%	17.0%	12.0%	10.0%



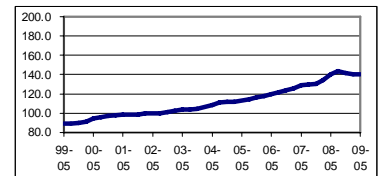
HALIFAX	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	121.1	123.0	126.3	127.3	127.7	129.3	133.6	136.1	136.3	135.5	136.1
Year / Year					5.5%	5.1%	5.8%	6.9%	6.7%	4.8%	1.9%
Quarterly		1.6%	2.7%	0.8%	0.3%	1.3%	3.3%	1.9%	0.1%	(0.6%)	0.4%
Q. Cumulative	0.0%	1.6%	4.3%	5.1%	5.5%	6.8%	10.3%	12.4%	12.6%	11.9%	12.4%



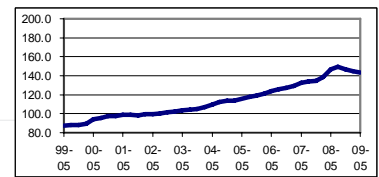
MONTREAL	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	118.6	118.9	122.0	122.2	123.4	126.3	129.3	132.2	133.6	134.1	134.0
Year / Year					4.0%	6.2%	6.0%	8.2%	8.3%	6.2%	3.6%
Quarterly		0.3%	2.6%	0.2%	1.0%	2.4%	2.4%	2.2%	1.1%	0.4%	(0.1%)
Q. Cumulative	0.0%	0.3%	2.9%	3.0%	4.0%	6.5%	9.0%	11.5%	12.6%	13.1%	13.0%



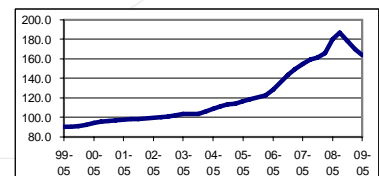
OTTAWA	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	123.5	125.7	129.1	129.8	130.4	134.0	140.6	143.8	141.8	140.7	140.2
Year / Year					5.6%	6.6%	8.9%	10.8%	8.7%	5.0%	(0.3%)
Quarterly		1.8%	2.7%	0.5%	0.5%	2.8%	4.9%	2.3%	(1.4%)	(0.8%)	(0.4%)
Q. Cumulative	0.0%	1.8%	4.5%	5.1%	5.6%	8.5%	13.8%	16.4%	14.8%	13.9%	13.5%



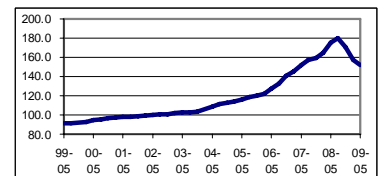
TORONTO	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	127.0	129.1	132.7	133.7	134.7	138.4	146.5	149.2	147.0	144.6	142.9
Year / Year					6.1%	7.2%	10.4%	11.6%	9.1%	4.5%	(2.5%)
Quarterly		1.7%	2.8%	0.8%	0.7%	2.7%	5.9%	1.8%	(1.5%)	(1.6%)	(1.2%)
Q. Cumulative	0.0%	1.7%	4.5%	5.3%	6.1%	9.0%	15.4%	17.5%	15.7%	13.9%	12.5%



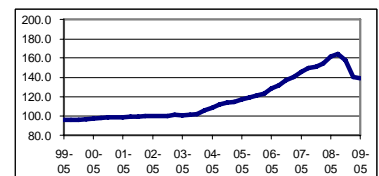
CALGARY	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	143.6	149.2	155.0	158.8	161.3	165.5	179.9	186.6	178.1	169.9	163.7
Year / Year					12.3%	10.9%	16.1%	17.5%	10.4%	2.7%	(9.0%)
Quarterly		3.9%	3.9%	2.5%	1.6%	2.6%	8.7%	3.7%	(4.6%)	(4.6%)	(3.6%)
Q. Cumulative	0.0%	3.9%	7.9%	10.6%	12.3%	15.3%	25.3%	29.9%	24.0%	18.3%	14.0%



EDMONTON	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	140.3	144.9	151.8	156.8	158.9	164.4	175.1	179.7	170.2	156.7	151.4
Year / Year					13.3%	13.5%	15.3%	14.6%	7.1%	(4.7%)	(13.5%)
Quarterly		3.3%	4.8%	3.3%	1.3%	3.5%	6.5%	2.6%	(5.3%)	(7.9%)	(3.4%)
Q. Cumulative	0.0%	3.3%	8.2%	11.8%	13.3%	17.2%	24.8%	28.1%	21.3%	11.7%	7.9%



VANCOUVER	2006	2007				2008				2009	
	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May
Index	137.3	140.3	145.6	149.6	151.3	154.4	161.9	164.6	157.3	140.4	138.7
Year / Year					10.2%	10.0%	11.2%	10.0%	4.0%	(9.1%)	(14.3%)
Quarterly		2.2%	3.8%	2.7%	1.1%	2.0%	4.9%	1.7%	(4.4%)	(10.7%)	(1.2%)
Q. Cumulative	0.0%	2.2%	6.0%	9.0%	10.2%	12.5%	17.9%	19.9%	14.6%	2.3%	1.0%



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