

Hanscomb

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Escalation Watch

Escalation Watch First Quarter 2010

The mid-February 2010 Non-residential Construction Price Indices were released by Statistics Canada on May 18th. The second quarter indices for 2010 will be available mid-August 2010.

Nationally, the first quarter national composite results have continued to give up ground, albeit at a reduced quarterly rate of 0.1%. Expressed year over year, the national composite is off 3.7% compared with the same period in 2009. Most of the damage occurred in early 2009, as the national composite has now been, for all intents and purposes, flat for three straight quarters.

On the positive side, Halifax (+0.4%) continues to show modest gains. Ottawa (+1.6%) and Toronto (+0.1%) have finally returned to an upward trend after reporting four and five consecutive quarters of decline respectively. On the negative side, Montreal (-0.4%), Calgary (-0.9%) and Vancouver (-1.1%) all gave up ground. Again, the most notable city this quarter is Edmonton with a quarterly gain of 1.5%, enough to recover virtually all of the ground lost in the last quarter of 2009 but not enough to erase an annual 3.9% drop.

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.

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.

- Paul Westbrook

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Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities,
First Quarter
2010

Services

Cost Planning & Control Value Management	Litigation Support Construction Monitoring	Feasibility Studies Time Management	Project Loan Monitoring Applied Research
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Canadian Offices and Service Contacts

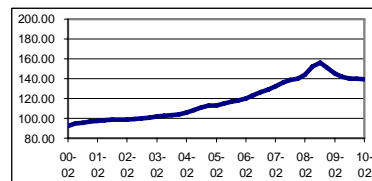
Vancouver	Peter Moore	604 - 685 - 1241	St. John's	Wayne Fitzpatrick	709 - 722 - 0505
Edmonton	Mike Swick	780 - 426 - 7980	Value Management	Paul Westbrook	416 - 487 - 3811
Calgary	David Crane	403 - 234 - 9490	Loan Monitoring	Raymond Murray	902 - 422 - 3620
Winnipeg	Isaac Gwendo	204 - 775 - 3389		Grant Mercer	613 - 234 - 8089
Hamilton	Susan Neil	905 - 525 - 5777		Dale Panday	416 - 487 - 3811
	Craig Bye		Applied Research	Jason Gallant	416 - 487 - 3811
Ottawa	Art Maw	613 - 234 - 8089			
	Grant Mercer				
Toronto	Paul Westbrook	416 - 487 - 3811			
	Dale Panday				
	Raymond Murray	902 - 422 - 3620			
Halifax	Renaud Francoeur				

Hanscomb Appointment

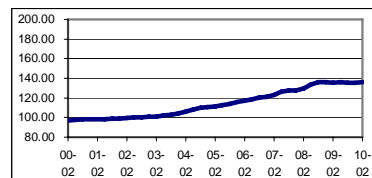
Hanscomb is pleased to announce the appointment of Mr. Renaud Francoeur as Manager of Hanscomb's Halifax Office. As Production Manager, Mr. Francoeur will be responsible for coordinating the delivery of our Project Control Services in and around Halifax.

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

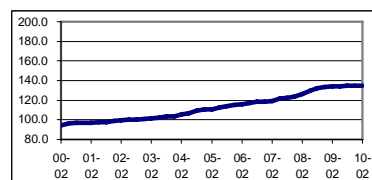
COMPOSITE 7 CITY	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	138.7	140.0	143.7	152.3	155.9	151.5	145.1	142.4	140.3	140.0	139.8
Year / Year					12.4%	8.2%	1.0%	(6.5%)	(10.0%)	(7.6%)	(3.7%)
Quarterly		0.9%	2.6%	6.0%	2.4%	(2.8%)	(4.2%)	(1.9%)	(1.5%)	(0.2%)	(0.1%)
Q. Cumulative	0.0%	0.9%	3.6%	9.8%	12.4%	9.2%	4.6%	2.7%	1.2%	0.9%	0.8%



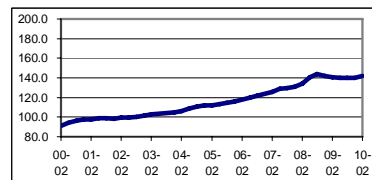
HALIFAX	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	127.3	127.7	129.3	133.6	136.1	136.3	135.5	136.1	135.6	135.7	136.3
Year / Year					6.9%	6.7%	4.8%	1.9%	(0.4%)	(0.4%)	0.6%
Quarterly		0.3%	1.3%	3.3%	1.9%	0.1%	(0.6%)	0.4%	(0.4%)	0.1%	0.4%
Q. Cumulative	0.0%	0.3%	1.6%	4.9%	6.9%	7.1%	6.4%	6.9%	6.5%	6.6%	7.1%



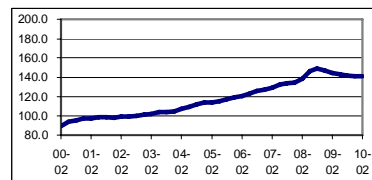
MONTREAL	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	122.2	123.4	126.3	129.3	132.2	133.6	134.1	134.0	134.9	135.1	134.6
Year / Year					8.2%	8.3%	6.2%	3.6%	2.0%	1.1%	0.4%
Quarterly		1.0%	2.4%	2.4%	2.2%	1.1%	0.4%	(0.1%)	0.7%	0.1%	(0.4%)
Q. Cumulative	0.0%	1.0%	3.4%	5.8%	8.2%	9.3%	9.7%	9.7%	10.4%	10.6%	10.1%



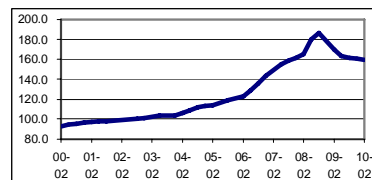
OTTAWA	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	129.8	130.4	134.0	140.6	143.8	141.8	140.7	140.2	139.6	139.6	141.9
Year / Year					10.8%	8.7%	5.0%	(0.3%)	(2.9%)	(1.6%)	0.9%
Quarterly		0.5%	2.8%	4.9%	2.3%	(1.4%)	(0.8%)	(0.4%)	(0.4%)	0.0%	1.6%
Q. Cumulative	0.0%	0.5%	3.2%	8.3%	10.8%	9.2%	8.4%	8.0%	7.6%	7.6%	9.3%



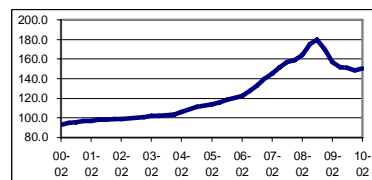
TORONTO	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	133.7	134.7	138.4	146.5	149.2	147.0	144.6	142.9	141.6	140.9	141.1
Year / Year					11.6%	9.1%	4.5%	(2.5%)	(5.1%)	(4.1%)	(2.4%)
Quarterly		0.7%	2.7%	5.9%	1.8%	(1.5%)	(1.6%)	(1.2%)	(0.9%)	(0.5%)	0.1%
Q. Cumulative	0.0%	0.7%	3.5%	9.6%	11.6%	9.9%	8.2%	6.9%	5.9%	5.4%	5.5%



CALGARY	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	158.8	161.3	165.5	179.9	186.6	178.1	169.9	163.7	161.2	160.9	159.5
Year / Year					17.5%	10.4%	2.7%	(9.0%)	(13.6%)	(9.7%)	(6.1%)
Quarterly		1.6%	2.6%	8.7%	3.7%	(4.6%)	(4.6%)	(3.6%)	(1.5%)	(0.2%)	(0.9%)
Q. Cumulative	0.0%	1.6%	4.2%	13.3%	17.5%	12.2%	7.0%	3.1%	1.5%	1.3%	0.4%



EDMONTON	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	156.8	158.9	164.4	175.1	179.7	170.2	156.7	151.4	150.8	148.4	150.6
Year / Year					14.6%	7.1%	(4.7%)	(13.5%)	(16.1%)	(12.8%)	(3.9%)
Quarterly		1.3%	3.5%	6.5%	2.6%	(5.3%)	(7.9%)	(3.4%)	(0.4%)	(1.6%)	1.5%
Q. Cumulative	0.0%	1.3%	4.8%	11.7%	14.6%	8.5%	(0.1%)	(3.4%)	(3.8%)	(5.4%)	(4.0%)



VANCOUVER	2007		2008				2009				2010
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	149.6	151.3	154.4	161.9	164.6	157.3	140.4	138.7	132.6	132.3	130.9
Year / Year					10.0%	4.0%	(9.1%)	(14.3%)	(19.4%)	(15.9%)	(6.8%)
Quarterly		1.1%	2.0%	4.9%	1.7%	(4.4%)	(10.7%)	(1.2%)	(4.4%)	(0.2%)	(1.1%)
Q. Cumulative	0.0%	1.1%	3.2%	8.2%	10.0%	5.1%	(6.1%)	(7.3%)	(11.4%)	(11.6%)	(12.5%)

