

Hanscomb

Page 1:
Escalation Watch

Escalation Watch Third Quarter 2010

The mid-August 2010 Non-residential Construction Price Indices were released by Statistics Canada on November 16th. The fourth quarter indices for 2010 will be available mid-February 2011.

The national composite index is virtually unchanged from the previous quarter, moving up only two tenths of a point from 141.7 to 141.9 or 0.1%. Expressed year over year, the national composite is up only 1% over the third quarter of 2009.

With only one exception, the composite indices for all cities tracked by Statscan reported quarterly gains of less than 1% quarter over quarter mirroring the movement in the national composite. The exception this quarter is Calgary where the index actually dropped from 161.1 to 160.4 or -0.4%. Calgary remains the only major construction market in the country where the index has fallen from the same period last year.

Halifax (+1.4%), Ottawa (+4.2%) and Edmonton (+4.1%) are the only three cities where annual increases (third quarter 2009 to third quarter 2010) have exceeded 1%.

In light of this report, it would seem reasonable to expect a continuance of competitive bidding nationwide for most sectors of the construction industry well into the new 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.

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

Page 2:
Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities,
Third Quarter
2010

Services

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

Canadian Offices and Service Contacts

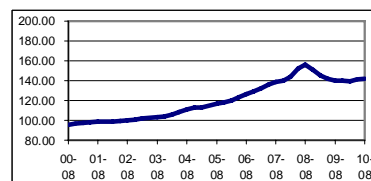
Vancouver	Peter Moore	604 - 685 - 1241	St. John's	Wayne Fitzpatrick	709 - 722 - 0505
Edmonton	Mike Swick	780 - 426 - 7980	Value Management	Paul Westbrook	416 - 487 - 3811
Calgary	David Crane	403 - 234 - 9490	Loan Monitoring	Raymond Murray	902 - 422 - 3620
Winnipeg	Isaac Gwendo	204 - 775 - 3389		Grant 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				

**Orders for the 2011 Edition of
Hanscomb Yardsticks for Costing
are now being accepted**

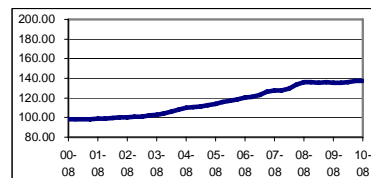
Orders can be made by calling RSMMeans (1-800-334-3509) and requesting item number 62011, or by submitting the order form available at www.yardsticks.ca

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

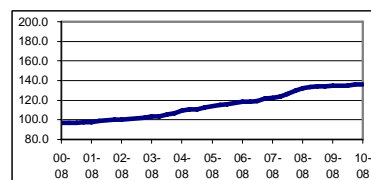
COMPOSITE 7 CITY	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	143.7	152.3	155.9	151.5	145.1	142.4	140.5	140.0	139.8	141.7	141.9
Year / Year					1.0%	(6.5%)	(9.9%)	(7.6%)	(3.7%)	(0.5%)	1.0%
Quarterly		6.0%	2.4%	(2.8%)	(4.2%)	(1.9%)	(1.3%)	(0.4%)	(0.1%)	1.4%	0.1%
Q. Cumulative	0.0%	6.0%	8.5%	5.4%	1.0%	(0.9%)	(2.2%)	(2.6%)	(2.7%)	(1.4%)	(1.3%)



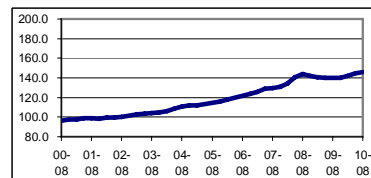
HALIFAX	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	129.3	133.6	136.1	136.3	135.5	136.1	135.6	135.7	136.3	137.4	137.5
Year / Year					4.8%	1.9%	(0.4%)	(0.4%)	0.6%	1.0%	1.4%
Quarterly		3.3%	1.9%	0.1%	(0.6%)	0.4%	(0.4%)	0.1%	0.4%	0.8%	0.1%
Q. Cumulative	0.0%	3.3%	5.3%	5.4%	4.8%	5.3%	4.9%	4.9%	5.4%	6.3%	6.3%



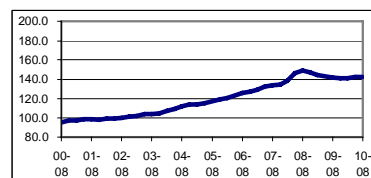
MONTREAL	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	126.3	129.3	132.2	133.6	134.1	134.0	134.9	135.1	134.6	135.9	136.1
Year / Year					6.2%	3.6%	2.0%	1.1%	0.4%	1.4%	0.9%
Quarterly		2.4%	2.2%	1.1%	0.4%	(0.1%)	0.7%	0.1%	(0.4%)	1.0%	0.1%
Q. Cumulative	0.0%	2.4%	4.7%	5.8%	6.2%	6.1%	6.8%	7.0%	6.6%	7.6%	7.8%



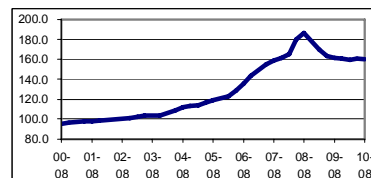
OTTAWA	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	134.0	140.6	143.8	141.8	140.7	140.2	139.6	139.6	141.9	144.6	145.5
Year / Year					5.0%	(0.3%)	(2.9%)	(1.6%)	0.9%	3.1%	4.2%
Quarterly		4.9%	2.3%	(1.4%)	(0.8%)	(0.4%)	(0.4%)	0.0%	1.6%	1.9%	0.6%
Q. Cumulative	0.0%	4.9%	7.3%	5.8%	5.0%	4.6%	4.2%	4.2%	5.9%	7.9%	8.6%



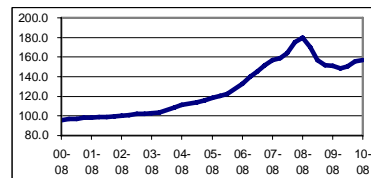
TORONTO	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	138.4	146.5	149.2	147.0	144.6	142.9	141.6	140.9	141.1	142.5	142.8
Year / Year					4.5%	(2.5%)	(5.1%)	(4.1%)	(2.4%)	(0.3%)	0.8%
Quarterly		5.9%	1.8%	(1.5%)	(1.6%)	(1.2%)	(0.9%)	(0.5%)	0.1%	1.0%	0.2%
Q. Cumulative	0.0%	5.9%	7.8%	6.2%	4.5%	3.3%	2.3%	1.8%	2.0%	3.0%	3.2%



CALGARY	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	165.5	179.9	186.6	178.1	169.9	163.7	161.2	160.9	159.5	161.1	160.4
Year / Year					2.7%	(9.0%)	(13.6%)	(9.7%)	(6.1%)	(1.6%)	(0.5%)
Quarterly		8.7%	3.7%	(4.6%)	(4.6%)	(3.6%)	(1.5%)	(0.2%)	(0.9%)	1.0%	(0.4%)
Q. Cumulative	0.0%	8.7%	12.7%	7.6%	2.7%	(1.1%)	(2.6%)	(2.8%)	(3.6%)	(2.7%)	(3.1%)



EDMONTON	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	164.4	175.1	179.7	170.2	156.7	151.4	150.8	148.4	150.6	155.6	157.0
Year / Year					(4.7%)	(13.5%)	(16.1%)	(12.8%)	(3.9%)	2.8%	4.1%
Quarterly		6.5%	2.6%	(5.3%)	(7.9%)	(3.4%)	(0.4%)	(1.6%)	1.5%	3.3%	0.9%
Q. Cumulative	0.0%	6.5%	9.3%	3.5%	(4.7%)	(7.9%)	(8.3%)	(9.7%)	(8.4%)	(5.4%)	(4.5%)



VANCOUVER	2008				2009				2010		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	154.4	161.9	164.6	157.3	140.4	138.7	132.6	132.3	130.9	132.8	133.3
Year / Year					(9.1%)	(14.3%)	(19.4%)	(15.9%)	(6.8%)	(4.3%)	0.5%
Quarterly		4.9%	1.7%	(4.4%)	(10.7%)	(1.2%)	(4.4%)	(0.2%)	(1.1%)	1.5%	0.4%
Q. Cumulative	0.0%	4.9%	6.6%	1.9%	(9.1%)	(10.2%)	(14.1%)	(14.3%)	(15.2%)	(14.0%)	(13.7%)

