



Hanscomb

Escalation Watch First Quarter 2011

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Escalation Watch

The mid-February 2011 Non-residential Construction Price Indices were released by Statistics Canada on May 17th. The second quarter indices for 2011 will be available mid-August 2011.

For the first time in several years, the national composite index has risen significantly from the previous quarter, up 2 points from 142.4 to 144.4 or 1.4%. Expressed year over year, the national composite is up 3.3% over the first quarter of 2010.

Continuing a trend that began last quarter, the composite indices for all cities tracked by Statscan reported positive quarterly and year over year gains. With a 5.5% annual increase, Edmonton leads the pack followed closely by Ottawa at 4.9%. Of all cities reported, only Halifax (2.3%) and Calgary (1.6%) posted annual increases below the national composite.

Nationally, the index has still not recovered all of the ground lost since mid-2008, but it is well on its way. On a city by city basis, the story is much different. Halifax, Montreal, Ottawa and, to a lesser extent, Toronto do not appear to have suffered as badly as western Canada and are now reporting index levels at or above pre-recession levels. Calgary (-13.1%), Edmonton (-11.6%) and Vancouver (-17.4%), on the other hand, are still well below their mid 2008 marks. Having said that, the current quarterly results are a positive sign of renewed growth.

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. Readers are cautioned that Statistics Canada does, on occasion, restate indices from previous quarters. Individual city and national composite indices reported in this newsletter reflect these changes. Indices restated from the previous report are highlighted for ease of reference.

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
2011

Services

Cost Planning & Control Value Management	Litigation Support Construction Monitoring	Feasibility Studies Time Management	Project Loan Monitoring Applied Research
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Hanscomb Ottawa has Moved!

As of March 31, 2011, our Ottawa Office's **new address** is:

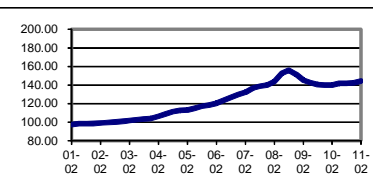
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Telephone and fax numbers, along with email addresses remain the same.

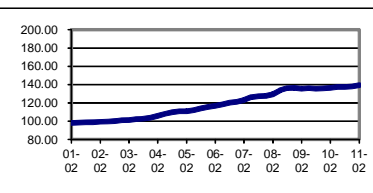


STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

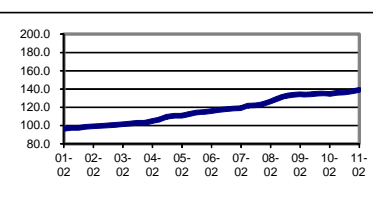
COMPOSITE 7 CITY	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	155.9	151.5	145.1	142.5	140.5	140.0	139.8	141.7	141.9	142.4	144.4
Year / Year					(9.9%)	(7.6%)	(3.7%)	(0.6%)	1.0%	1.7%	3.3%
Quarterly		(2.8%)	(4.2%)	(1.8%)	(1.4%)	(0.4%)	(0.1%)	1.4%	0.1%	0.4%	1.4%
Q. Cumulative	0.0%	(2.8%)	(6.9%)	(8.6%)	(9.9%)	(10.2%)	(10.3%)	(9.1%)	(9.0%)	(8.7%)	(7.4%)



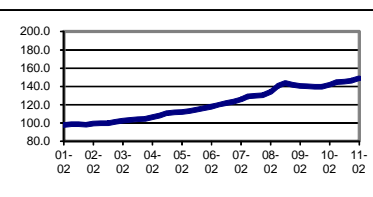
HALIFAX	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	136.1	136.3	135.5	136.1	135.6	135.7	136.3	137.4	137.5	137.9	139.4
Year / Year					(0.4%)	(0.4%)	0.6%	1.0%	1.4%	1.6%	2.3%
Quarterly		0.1%	(0.6%)	0.4%	(0.4%)	0.1%	0.4%	0.8%	0.1%	0.3%	1.1%
Q. Cumulative	0.0%	0.1%	(0.4%)	0.0%	(0.4%)	(0.3%)	0.1%	1.0%	1.0%	1.3%	2.4%



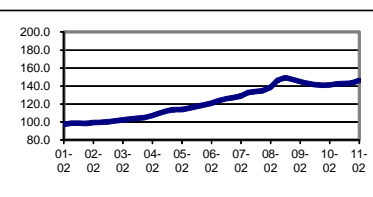
MONTREAL	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	132.2	133.6	134.1	134.0	134.9	135.1	134.6	135.9	136.2	137.5	139.0
Year / Year					2.0%	1.1%	0.4%	1.4%	1.0%	1.8%	3.3%
Quarterly		1.1%	0.4%	(0.1%)	0.7%	0.1%	(0.4%)	1.0%	0.2%	1.0%	1.1%
Q. Cumulative	0.0%	1.1%	1.4%	1.4%	2.0%	2.2%	1.8%	2.8%	3.0%	4.0%	5.1%



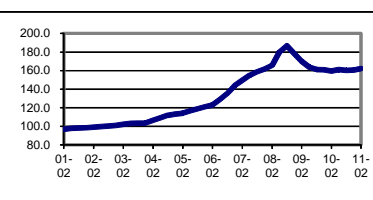
OTTAWA	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	143.8	141.8	140.7	140.2	139.6	139.6	141.9	144.6	145.3	146.2	148.8
Year / Year					(2.9%)	(1.6%)	0.9%	3.1%	4.1%	4.7%	4.9%
Quarterly		(1.4%)	(0.8%)	(0.4%)	(0.4%)	0.0%	1.6%	1.9%	0.5%	0.6%	1.8%
Q. Cumulative	0.0%	(1.4%)	(2.2%)	(2.5%)	(2.9%)	(2.9%)	(1.3%)	0.6%	1.0%	1.7%	3.5%



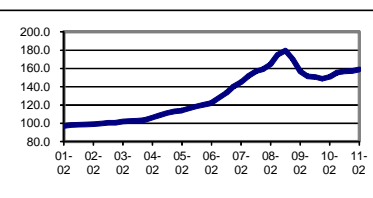
TORONTO	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	149.2	147.0	144.6	142.9	141.6	140.9	141.1	142.5	142.9	143.2	145.9
Year / Year					(5.1%)	(4.1%)	(2.4%)	(0.3%)	0.9%	1.6%	3.4%
Quarterly		(1.5%)	(1.6%)	(1.2%)	(0.9%)	(0.5%)	0.1%	1.0%	0.3%	0.2%	1.9%
Q. Cumulative	0.0%	(1.5%)	(3.1%)	(4.2%)	(5.1%)	(5.6%)	(5.4%)	(4.5%)	(4.2%)	(4.0%)	(2.2%)



CALGARY	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	186.6	178.1	169.9	163.7	161.2	160.9	159.5	161.1	160.2	160.4	162.1
Year / Year					(13.6%)	(9.7%)	(6.1%)	(1.6%)	(0.6%)	(0.3%)	1.6%
Quarterly		(4.6%)	(4.6%)	(3.6%)	(1.5%)	(0.2%)	(0.9%)	1.0%	(0.6%)	0.1%	1.1%
Q. Cumulative	0.0%	(4.6%)	(8.9%)	(12.3%)	(13.6%)	(13.8%)	(14.5%)	(13.7%)	(14.1%)	(14.0%)	(13.1%)



EDMONTON	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	179.7	170.2	156.7	151.4	150.8	148.4	150.6	155.6	156.8	157.0	158.9
Year / Year					(16.1%)	(12.8%)	(3.9%)	2.8%	4.0%	5.8%	5.5%
Quarterly		(5.3%)	(7.9%)	(3.4%)	(0.4%)	(1.6%)	1.5%	3.3%	0.8%	0.1%	1.2%
Q. Cumulative	0.0%	(5.3%)	(12.8%)	(15.7%)	(16.1%)	(17.4%)	(16.2%)	(13.4%)	(12.7%)	(12.6%)	(11.6%)



VANCOUVER	2008		2009				2010				2011
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	164.6	157.3	140.4	138.7	132.6	132.3	130.9	132.8	133.4	134.2	136.0
Year / Year					(19.4%)	(15.9%)	(6.8%)	(4.3%)	0.6%	1.4%	3.9%
Quarterly		(4.4%)	(10.7%)	(1.2%)	(4.4%)	(0.2%)	(1.1%)	1.5%	0.5%	0.6%	1.3%
Q. Cumulative	0.0%	(4.4%)	(14.7%)	(15.7%)	(19.4%)	(19.6%)	(20.5%)	(19.3%)	(19.0%)	(18.5%)	(17.4%)

