

Hanscomb

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Escalation Watch

Escalation Watch First Quarter 2012

The mid-February 2012 Non-residential Construction Price Indices were released by Statistics Canada on May 15th. The second quarter indices for 2012 will be available mid-August 2012.

The national composite index has risen again this quarter by 1.0%, up 1.5 points from 148.3 to 149.8. Expressed year over year the national composite index is up 3.7% over the same period in 2011.

The composite indices for all cities tracked by Statscan continue to report healthy quarterly and year over year gains. This quarter, the growth rate in eastern Canada (Halifax, Montreal, Ottawa and Toronto) hovered around 0.5% while in the west (Calgary, Edmonton and Vancouver) to rate was about three times as high at about 1.6%.

As noted in previous issues, the trend toward recovering all the ground lost since mid-2008 is continuing. In eastern Canada, Halifax, Montreal, Ottawa and Toronto are all back in the black. In western Canada, the recovery continues, but with much more ground to cover, we still believe that Calgary, Edmonton and Vancouver will not likely see mid-2008 values for another year. In this regard, it is worth noting that these three cities are all experiencing growth rates significantly above the national average and are catching up quickly.

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 where appropriate.

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
2012

Services

Cost Planning & Control Value Management	Litigation Support Construction Monitoring	Feasibility Studies Time Management	Project Loan Monitoring Applied Research
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Ottawa	Art Maw Grant Mercer	613 - 234 - 8089			
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Halifax	Raymond Murray Renaud Francoeur	902 - 422 - 3620			

Hanscomb Calgary has Moved!

As of January 19, 2012 our Calgary Office's **new address** is:

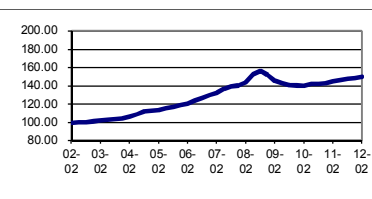
Hanscomb Limited
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T. 403-234-9490 F. 403-233-9408
E. calgary@hanscomb.com

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

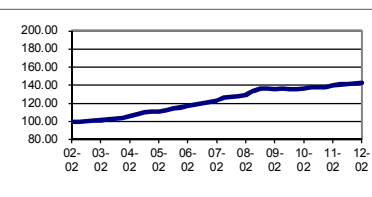


STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

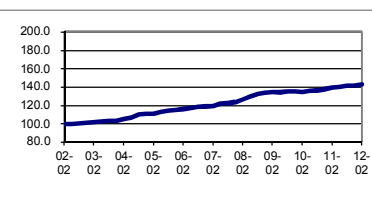
COMPOSITE 7 CITY	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	140.5	140.0	139.8	141.7	141.9	142.4	144.4	146.2	147.4	148.3	149.8
Year / Year					1.0%	1.7%	3.3%	3.2%	3.9%	4.1%	3.7%
Quarterly		(0.4%)	(0.1%)	1.4%	0.1%	0.4%	1.4%	1.2%	0.8%	0.6%	1.0%
Q. Cumulative	0.0%	(0.4%)	(0.5%)	0.9%	1.0%	1.4%	2.8%	4.1%	4.9%	5.6%	6.6%



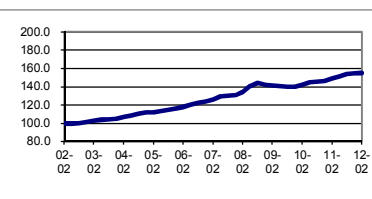
HALIFAX	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	135.6	135.7	136.3	137.4	137.5	137.9	139.4	140.7	141.1	141.7	142.6
Year / Year					1.4%	1.6%	2.3%	2.4%	2.6%	2.8%	2.3%
Quarterly		0.1%	0.4%	0.8%	0.1%	0.3%	1.1%	0.9%	0.3%	0.4%	0.6%
Q. Cumulative	0.0%	0.1%	0.5%	1.3%	1.4%	1.7%	2.8%	3.8%	4.1%	4.5%	5.2%



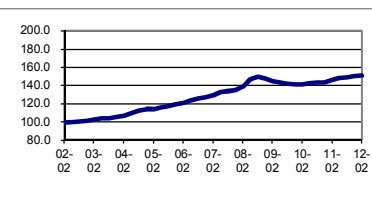
MONTREAL	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	134.9	135.1	134.6	135.9	136.2	137.5	139.0	139.9	141.2	141.6	142.5
Year / Year					1.0%	1.8%	3.3%	2.9%	3.7%	3.0%	2.5%
Quarterly		0.1%	(0.4%)	1.0%	0.2%	1.0%	1.1%	0.6%	0.9%	0.3%	0.6%
Q. Cumulative	0.0%	0.1%	(0.2%)	0.7%	1.0%	1.9%	3.0%	3.7%	4.7%	5.0%	5.6%



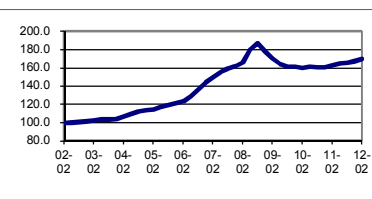
OTTAWA	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	139.6	139.6	141.9	144.6	145.3	146.2	148.8	151.0	153.4	154.1	154.9
Year / Year					4.1%	4.7%	4.9%	4.4%	5.6%	5.4%	4.1%
Quarterly		0.0%	1.6%	1.9%	0.5%	0.6%	1.8%	1.5%	1.6%	0.5%	0.5%
Q. Cumulative	0.0%	0.0%	1.6%	3.6%	4.1%	4.7%	6.6%	8.2%	9.9%	10.4%	11.0%



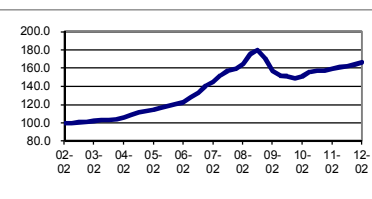
TORONTO	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	141.6	140.9	141.1	142.5	142.9	143.2	145.9	148.0	149.0	150.0	150.7
Year / Year					0.9%	1.6%	3.4%	3.9%	4.3%	4.7%	3.3%
Quarterly		(0.5%)	0.1%	1.0%	0.3%	0.2%	1.9%	1.4%	0.7%	0.7%	0.5%
Q. Cumulative	0.0%	(0.5%)	(0.4%)	0.6%	0.9%	1.1%	3.0%	4.5%	5.2%	5.9%	6.4%



CALGARY	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	161.2	160.9	159.5	161.1	160.2	160.4	162.1	164.2	165.3	166.7	169.4
Year / Year					(0.6%)	(0.3%)	1.6%	1.9%	3.2%	3.9%	4.5%
Quarterly		(0.2%)	(0.9%)	1.0%	(0.6%)	0.1%	1.1%	1.3%	0.7%	0.8%	1.6%
Q. Cumulative	0.0%	(0.2%)	(1.1%)	(0.1%)	(0.6%)	(0.5%)	0.6%	1.9%	2.5%	3.4%	5.1%



EDMONTON	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	150.8	148.4	150.6	155.6	156.8	157.0	158.9	160.7	162.2	163.5	166.2
Year / Year					4.0%	5.8%	5.5%	3.3%	3.4%	4.1%	4.6%
Quarterly		(1.6%)	1.5%	3.3%	0.8%	0.1%	1.2%	1.1%	0.9%	0.8%	1.7%
Q. Cumulative	0.0%	(1.6%)	(0.1%)	3.2%	4.0%	4.1%	5.4%	6.6%	7.6%	8.4%	10.2%



VANCOUVER	2009		2010				2011				2012
	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb
Index	132.6	132.3	130.9	132.8	133.4	134.2	136.0	137.5	138.6	139.5	141.7
Year / Year					0.6%	1.4%	3.9%	3.5%	3.9%	3.9%	4.2%
Quarterly		(0.2%)	(1.1%)	1.5%	0.5%	0.6%	1.3%	1.1%	0.8%	0.6%	1.6%
Q. Cumulative	0.0%	(0.2%)	(1.3%)	0.2%	0.6%	1.2%	2.6%	3.7%	4.5%	5.2%	6.9%

