

Page 1:

Escalation Watch

Page 2:

**Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities
Third Quarter 2014**

Escalation Watch Third Quarter 2014

The mid-August 2014 Non-residential Building Construction Price Indices were released by Statistics Canada on November 12th. The fourth quarter indices for 2014 will be available mid-February.

As seen in the previous two survey periods, the third quarter of 2014 has again showed improvement, albeit at a slower rate. The national composite index moved up this quarter from 154.2 to 154.5. Expressed year over year, the national composite is up by 1.4%. Statistics Canada has attributed this increase to a slight rises in material prices.

Six of the seven cities tracked by Statistics Canada showed improved quarterly growth with Ottawa (0.4) and Vancouver (0.6) reporting results higher than the national composite (0.2). Calgary (-0.1) was the one city that lost ground this quarter. Viewed year over year, similar results can be seen with Halifax (2.0), Ottawa (1.9), Toronto (1.5), Edmonton (1.9) and Vancouver (1.5) reporting gains above the national composite (1.4), with Montreal (0.9) and Calgary (1.0) continuing to show growth however at a marginally slower rate.

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.

- Susan Neil, PQS, MRICS
Executive Vice President

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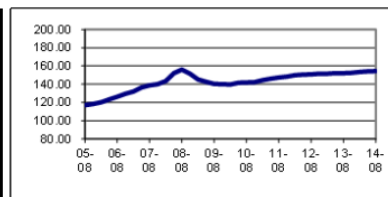
Vancouver	Ken King	604 - 685 - 1241	Applied Research	Art Maw	613 - 234 - 8089
Edmonton	Mike Swick	780 - 426 - 7980			
Calgary	Paul Weatherby	403 - 234 - 9490	Loan Monitoring	Raymond Murray	902 - 422 - 3620
Winnipeg	Isaac Gwendo	204 - 775 - 3389		Dale Panday	416 - 487 - 3811
Hamilton	Craig Bye	905 - 525 - 5777			
Ottawa	Art Maw	613 - 234 - 8089			
	Brian McBurney				
Toronto	Susan Neil	416 - 487 - 3811			
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Hanscomb's Escalation Watch
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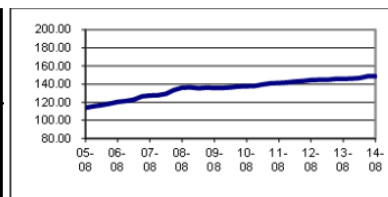


STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (Cat. No. 62-007-XWE)

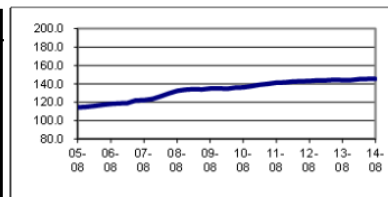
COMPOSITE 7 CITY	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	149.8	150.7	151.0	151.4	151.4	152.1	152.3	152.5	153.3	154.2	154.5
Year / Year					1.1%	0.9%	0.9%	0.7%	1.3%	1.4%	1.4%
Quarterly		0.8%	0.2%	0.3%	0.0%	0.5%	0.1%	0.1%	0.5%	0.8%	0.2%
Q. Cumulative	0.0%	0.8%	0.8%	1.1%	1.1%	1.5%	1.7%	1.8%	2.3%	2.9%	3.1%



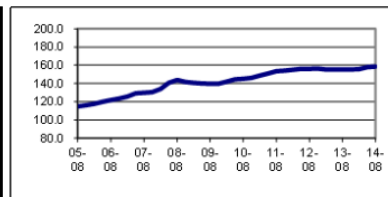
HALIFAX	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	142.8	143.4	144.4	144.6	144.8	145.6	145.7	145.8	148.8	148.4	148.6
Year / Year					1.5%	1.5%	0.9%	0.8%	1.2%	1.9%	2.0%
Quarterly		0.8%	0.7%	0.1%	0.1%	0.8%	0.1%	0.1%	0.5%	1.2%	0.1%
Q. Cumulative	0.0%	0.8%	1.3%	1.4%	1.5%	2.1%	2.2%	2.2%	2.8%	4.1%	4.2%



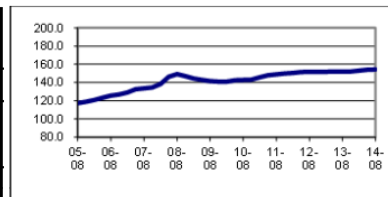
MONTREAL	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	142.5	142.9	143.0	143.8	143.8	144.2	144.0	144.1	145.0	145.2	145.3
Year / Year					0.9%	0.9%	0.7%	0.2%	0.8%	0.7%	0.9%
Quarterly		0.3%	0.1%	0.8%	0.0%	0.3%	(0.1%)	0.1%	0.6%	0.1%	0.1%
Q. Cumulative	0.0%	0.3%	0.4%	0.9%	0.9%	1.2%	1.1%	1.1%	1.8%	1.9%	2.0%



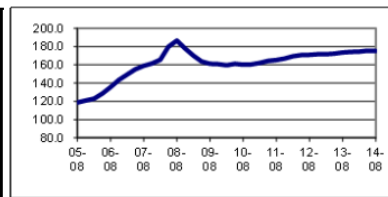
OTTAWA	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	154.9	155.9	156.0	158.3	155.5	155.4	155.5	155.5	155.8	157.8	158.5
Year / Year					0.4%	(0.3%)	(0.3%)	(0.5%)	0.2%	1.5%	1.9%
Quarterly		0.6%	0.1%	0.2%	(0.5%)	(0.1%)	0.1%	0.0%	0.2%	1.3%	0.4%
Q. Cumulative	0.0%	0.8%	0.7%	0.9%	0.4%	0.3%	0.4%	0.4%	0.6%	1.9%	2.3%



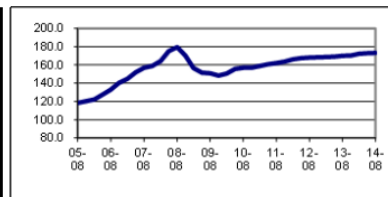
TORONTO	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	150.7	151.5	151.7	152.0	151.9	152.1	152.1	152.2	153.0	154.1	154.4
Year / Year					0.8%	0.4%	0.3%	0.1%	0.7%	1.3%	1.5%
Quarterly		0.5%	0.1%	0.2%	(0.1%)	0.1%	0.0%	0.1%	0.5%	0.7%	0.2%
Q. Cumulative	0.0%	0.5%	0.7%	0.9%	0.8%	0.9%	0.9%	1.0%	1.5%	2.3%	2.5%



CALGARY	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	169.4	170.8	171.1	171.6	171.7	172.2	173.4	174.0	174.5	175.3	175.1
Year / Year					1.4%	0.8%	1.3%	1.4%	1.6%	1.8%	1.0%
Quarterly		0.8%	0.2%	0.3%	0.1%	0.3%	0.7%	0.3%	0.3%	0.5%	(0.1%)
Q. Cumulative	0.0%	0.8%	1.0%	1.3%	1.4%	1.7%	2.4%	2.7%	3.0%	3.5%	3.4%



EDMONTON	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	166.2	167.5	168.0	168.4	168.8	169.1	169.9	170.3	172.1	172.9	173.1
Year / Year					1.4%	1.0%	1.1%	1.1%	2.1%	2.2%	1.9%
Quarterly		0.8%	0.3%	0.2%	0.1%	0.3%	0.5%	0.2%	1.1%	0.5%	0.1%
Q. Cumulative	0.0%	0.8%	1.1%	1.3%	1.4%	1.7%	2.2%	2.5%	3.5%	4.0%	4.2%



VANCOUVER	2012				2013				2014		
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug
Index	141.7	142.7	142.9	143.3	143.5	146.9	147.3	147.4	147.8	148.6	149.5
Year / Year					1.3%	2.9%	3.1%	2.9%	3.0%	1.2%	1.5%
Quarterly		0.7%	0.1%	0.3%	0.1%	2.4%	0.3%	0.1%	0.3%	0.5%	0.6%
Q. Cumulative	0.0%	0.7%	0.8%	1.1%	1.3%	3.7%	4.0%	4.0%	4.3%	4.9%	5.5%

