

# ESCALATION WATCH SECOND QUARTER 2020

Statistics Canada's 2020, Second Quarter, Non-residential Building Construction Price Indices were released July 29<sup>th</sup>. Third quarter indices for 2020 will be available mid-November.

New construction projects slowed considerably due to COVID-19 from March to April resulting in increased competition among contractors.

Projects that may have been approved and started in the first quarter may have also been delayed due to mandated shutdowns, supply chain disruptions and labour shortages.

Productivity was down as physical distancing requirements limited the number of workers at a site at a given time.

Construction activity had resumed in every jurisdiction nationally by May 19. Labour and materials demand increased following the shutdown period. Market uncertainty, supply chain disruptions and the ongoing adjustment to the new normal way of working may continue to impact building prices in the future.

Non-residential buildings construction costs edged up 0.1% in the second quarter.

Costs decreased the most in St. John's and Edmonton (both -0.5%) followed by Calgary (-0.2%). Lower prices for building permits and concrete materials contributed to these de-

clines. Ottawa (+0.8%) and Montréal (+0.6%) reported the largest increases.

Montréal (+3.0%) and Ottawa (+2.6%) also had the largest year-over-year price increases.

Readers are cautioned that Indices track growth from a given city's initial base price. They cannot be used to compare relative costs between cities. In addition, readers are warned about comparing Indices released prior to Q1 2017 with those issued after as the use of new models and cities are not the same.

More information about this and other construction related indices published by Statistics Canada are available on line at [www.statcan.gc.ca](http://www.statcan.gc.ca).

### COVID-19 and Construction Costs

As the effects of COVID-19 continue to make themselves known, Hanscomb is taking steps to stay abreast of the potential impacts to the Canadian construction industry. We remain in close contact with building trade and material supplier contacts in effort to better understand the impacts to the Canadian construction market in terms of pricing, labour, material, capacity and risk to our local markets.

If you have questions or would like to speak someone, please contact us.

- Susan Neil, PQS(F), MRICS  
Executive Vice President

## STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2017 = 100 (CANSIM TABLE 327-0060)

### COMPOSITE 11 CITY

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	103.1	104.7	105.8	106.6	107.2	107.7	108.1	108.7	108.8
Year / Year					4.0%	2.9%	2.2%	2.0%	1.5%
Quarterly					1.6%	1.1%	0.8%	0.6%	0.1%
Q. Cumulative					0.0%	1.6%	2.6%	3.4%	5.5%

### St. John's

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	100.9	101.8	101.9	101.9	102.0	102.0	102.5	102.8	102.3
Year / Year					1.1%	0.2%	0.6%	0.9%	0.3%
Quarterly					0.9%	0.1%	0.0%	0.1%	(0.5%)
Q. Cumulative					0.0%	0.9%	1.0%	1.0%	1.4%

### Halifax

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	102.5	104.1	105.0	105.4	105.7	105.9	106.2	106.8	107.3
Year / Year					3.1%	1.7%	1.1%	1.3%	1.5%
Quarterly					1.6%	0.9%	0.4%	0.3%	0.5%
Q. Cumulative					0.0%	1.6%	2.4%	2.8%	4.7%

### Moncton

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	101.8	103.3	105.6	105.8	106.2	106.7	106.9	107.3	107.8
Year / Year					4.3%	3.3%	1.2%	1.4%	1.5%
Quarterly					1.5%	2.2%	0.2%	0.4%	0.5%
Q. Cumulative					0.0%	1.5%	3.7%	3.9%	5.9%

### Montreal

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	103.8	105.6	106.9	107.8	109.0	109.8	110.8	111.6	112.3
Year / Year					5.0%	4.0%	3.6%	3.5%	3.0%
Quarterly					1.7%	1.2%	0.8%	1.1%	0.6%
Q. Cumulative					0.0%	1.7%	3.0%	3.9%	8.2%

### Ottawa

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	104.0	106.6	108.0	109.1	110.0	110.7	111.1	112.0	112.9
Year / Year					5.8%	3.8%	2.9%	2.7%	2.6%
Quarterly					2.5%	1.3%	1.0%	0.8%	0.8%
Q. Cumulative					0.0%	2.5%	3.8%	4.9%	8.6%

### Toronto

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	104.1	105.7	106.6	107.4	108.3	109.2	109.7	110.6	111.1
Year / Year					4.0%	3.3%	2.9%	3.0%	2.6%
Quarterly					1.5%	0.9%	0.8%	0.8%	0.5%
Q. Cumulative					0.0%	1.5%	2.4%	3.2%	6.7%

### Winnipeg

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	102.4	103.4	104.4	104.9	105.0	105.4	105.8	106.0	106.1
Year / Year					2.5%	1.9%	1.3%	1.0%	1.0%
Quarterly					1.0%	1.0%	0.5%	0.1%	0.1%
Q. Cumulative					0.0%	1.0%	2.0%	2.4%	3.6%

### Saskatoon

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	101.8	102.9	103.7	104.1	104.0	104.0	104.0	104.1	104.0
Year / Year					2.2%	1.1%	0.3%	0.0%	0.0%
Quarterly					1.1%	0.8%	0.4%	(0.1%)	(0.1%)
Q. Cumulative					0.0%	1.1%	1.9%	2.3%	2.2%

### Calgary

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	101.4	102.6	103.4	103.9	104.1	104.2	104.2	104.8	104.6
Year / Year					2.7%	1.6%	0.8%	0.9%	0.5%
Quarterly					1.2%	0.8%	0.5%	0.2%	(0.2%)
Q. Cumulative					0.0%	1.2%	2.0%	2.5%	3.2%

### Edmonton

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	101.9	103.2	104.0	104.8	104.9	105.3	105.6	105.9	105.4
Year / Year					2.9%	2.0%	1.5%	1.0%	0.5%
Quarterly					1.3%	0.8%	0.8%	0.1%	(0.5%)
Q. Cumulative					0.0%	1.3%	2.1%	2.8%	3.4%

### Vancouver

	2019				2020				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Index	104.3	106.5	107.9	109.1	109.6	109.8	110.1	110.5	110.4
Year / Year					5.1%	3.1%	2.0%	1.3%	0.7%
Quarterly					2.1%	1.3%	1.1%	0.5%	(0.1%)
Q. Cumulative					0.0%	2.1%	3.5%	4.6%	5.8%

### QUARTERS AT GLANCE

CITY	CHANGE
Composite	0.1%
St. John's, NL	-0.5%
Halifax, NS	0.5%
Moncton, NB	0.5%
Montreal, QC	0.6%
Ottawa, ON	0.8%
Toronto, ON	0.5%
Winnipeg, MB	0.1%
Saskatoon, SK	-0.1%
Calgary, AB	-0.2%
Edmonton, AB	-0.5%
Vancouver, BC	-0.1%

### CANADIAN OFFICES AND SERVICE CONTACTS

Office	Contact	
Vancouver, BC	Ken King	604-685-1241
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### SERVICES

Cost Planning + Control	Scheduling
Value Management	Financial Analysis
Applied Research	Project Loan Monitoring

Indices track growth from a given city's initial base price. They cannot be used to compare relative costs between cities. Statistics Canada has restated selected values subsequent to their original publication.

