

ESCALATION WATCH THIRD QUARTER 2018

Statistics Canada's 2018, third quarter, Non-residential Building Construction Price Indices were released November 15th. The fourth quarter indices for 2018 will be available mid-February.

Increases in prices were observed for all types of new non-residential buildings and in all 11 surveyed census metropolitan areas (CMAs). The largest increases were seen in Ottawa (+2.5%), Vancouver (+1.8%) and Montréal (+1.7%).

Nationally, prices for the construction of factory buildings and warehouses (+1.9% for both) rose the most. These increases were mainly due to the higher cost of metal fabrication. Structural steel products also pushed up the construction costs of factory buildings.

Year over year, prices for new non-residential buildings were up 4.3%. The gain was mostly due to higher construction costs in Ottawa (+6.3%) and Vancouver (+5.8%).

In the first quarter of 2018 Statistics Canada made a number of changes to increase the relevance of the building construction price indexes, including updated building models to reflect newer construction technologies and materials and four new census metropolitan areas (CMAs). These additions provide a more comprehensive representation of construction activity across Canada.

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.

- 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	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.10	99.80	100.30	100.90	101.8	103.1	104.6
Year / Year							2.7%	3.3%	4.3%
Quarterly			0.0%	0.7%	0.5%	0.6%	0.9%	1.3%	1.5%
Q. Cumulative			0.0%	0.7%	1.2%	1.8%	2.7%	4.0%	5.5%

St. John's	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.8	99.9	99.9	100.3	100.8	100.9	101.7
Year / Year							1.0%	1.0%	1.8%
Quarterly			0.0%	0.1%	0.0%	0.4%	0.5%	0.1%	0.8%
Q. Cumulative			0.0%	0.1%	0.1%	0.5%	1.0%	1.1%	1.9%

Halifax	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			98.8	99.5	100.6	101.1	101.5	102.5	103.7
Year / Year							2.7%	3.0%	3.1%
Quarterly			0.0%	0.7%	1.1%	0.5%	0.4%	1.0%	1.2%
Q. Cumulative			0.0%	0.7%	1.8%	2.3%	2.7%	3.7%	5.0%

Moncton	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.7	99.9	99.9	100.4	100.7	101.8	103.3
Year / Year							1.0%	1.9%	3.4%
Quarterly			0.0%	0.2%	0.0%	0.5%	0.3%	1.1%	1.5%
Q. Cumulative			0.0%	0.2%	0.2%	0.7%	1.0%	2.1%	3.6%

Montreal	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			98.5	99.6	100.5	101.4	102.5	103.8	105.6
Year / Year							4.1%	4.2%	5.1%
Quarterly			0.0%	1.1%	0.9%	0.9%	1.1%	1.3%	1.7%
Q. Cumulative			0.0%	1.1%	2.0%	2.9%	4.1%	5.4%	7.2%

Ottawa	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			98.9	99.7	100.3	101.1	102.0	104.0	106.6
Year / Year							3.1%	4.3%	6.3%
Quarterly			0.0%	0.8%	0.6%	0.8%	0.9%	2.0%	2.5%
Q. Cumulative			0.0%	0.8%	1.4%	2.2%	3.1%	5.2%	7.8%

Toronto	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			98.9	100.0	100.4	100.8	102.1	104.1	105.6
Year / Year							3.2%	4.1%	5.2%
Quarterly			0.0%	1.1%	0.4%	0.4%	1.3%	2.0%	1.4%
Q. Cumulative			0.0%	1.1%	1.5%	1.9%	3.2%	5.3%	6.8%

Winnipeg	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.5	99.8	100.2	100.5	101.1	102.4	103.4
Year / Year							1.6%	2.6%	3.2%
Quarterly			0.0%	0.3%	0.4%	0.3%	0.6%	1.3%	1.0%
Q. Cumulative			0.0%	0.3%	0.7%	1.0%	1.6%	2.9%	3.9%

Saskatoon	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.5	99.7	100.0	100.8	100.9	101.8	102.9
Year / Year							1.4%	2.1%	2.9%
Quarterly			0.0%	0.2%	0.3%	0.8%	0.1%	0.9%	1.1%
Q. Cumulative			0.0%	0.2%	0.5%	1.3%	1.4%	2.3%	3.4%

Calgary	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.5	99.9	100.1	100.4	100.8	101.4	102.6
Year / Year							1.3%	1.5%	2.5%
Quarterly			0.0%	0.4%	0.2%	0.3%	0.4%	0.6%	1.2%
Q. Cumulative			0.0%	0.4%	0.6%	0.9%	1.3%	1.9%	3.1%

Edmonton	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			99.7	99.8	100.1	100.5	100.9	101.9	103.1
Year / Year							1.2%	2.1%	3.0%
Quarterly			0.0%	0.1%	0.3%	0.4%	0.4%	1.0%	1.2%
Q. Cumulative			0.0%	0.1%	0.4%	0.8%	1.2%	2.2%	3.4%

Vancouver	2016		2017				2018		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Index			98.3	99.5	100.4	101.8	102.9	104.3	106.2
Year / Year							4.7%	4.8%	5.8%
Quarterly			0.0%	1.2%	0.9%	1.4%	1.1%	1.4%	1.8%
Q. Cumulative			0.0%	1.2%	2.1%	3.6%	4.7%	6.1%	8.0%

QUARTERS AT GLANCE		CANADIAN OFFICES AND SERVICE CONTACTS		
CITY	CHANGE	Office	Contact	
Composite	1.5%	Vancouver, BC	Ken King	604-685-1241
St. John's NL	0.8%	Edmonton, AB	Mike Swick	780-426-7980
Halifax, NS	1.2%	Winnipeg, MB	Isaac Gwendo	204-775-3389
Moncton, NB	1.5%	Hamilton, ON	Craig Bye	905-525-5777
Montreal, QC	1.7%	Ottawa, ON	Arthur Maw	613-234-8089
Ottawa, ON	2.5%	Toronto, ON	Susan Neil	416-487-3811
Toronto, ON	1.4%		Dale Panday	
Winnipeg, MB	1.0%		Nathan Thinagaripillai	
Saskatoon, SK	1.1%	Halifax, NS	Raymond Murray	902-422-3620
Edmonton, AB	1.2%	SERVICES		
Calgary, AB	1.2%	Cost Planning + Control	Scheduling	
Vancouver, BC	1.8%	Value Management	Financial Analysis	
		Applied Research	Project Loan Monitoring	
		Project Management	Litigation Support	

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