

ESCALATION WATCH FOURTH QUARTER 2020

Statistics Canada's 2020, Fourth Quarter, Non-residential Building Construction Price Indices were released February 4th. First Quarter indices for 2021 will be available in May.

Non-residential construction prices increased at a slower pace in every census metropolitan area (CMA) except Moncton (0.0%), where they were flat. The largest increases were reported in Halifax (+1.1%), Ottawa (+0.9%) as well as in Montréal and St. John's (both up +0.6%).

The slower price growth in non-residential buildings was in part due to lower construction costs in this building type, which requires less lumber, as well as to business uncertainty and a reintroduction of stricter physical distancing measures in certain regions of the country during the recent increase in the number of COVID-19 cases.

Year over year, non-residential construction costs rose the most in Montréal (+3.4%), Ottawa (+3.0%) and Toronto (+2.6%). Saskatoon (+0.1%) reported the least amount of growth in in 2020.

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.

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 (TABLE 18-10-0137-01)

COMPOSITE 11 CITY	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	105.8	106.6	107.2	107.7	108.1	108.7	108.8	109.3	109.7	
Year / Year						2.2%	2.0%	1.5%	1.5%	
Quarterly						0.8%	0.6%	0.5%	0.4%	
Q. Cumulative	0.0%	0.8%	1.3%	1.8%	2.2%	2.7%	2.8%	3.3%	3.7%	

St. John's	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	101.9	101.9	102.0	102.2	102.5	102.8	102.3	102.6	103.2	
Year / Year						0.6%	0.9%	0.3%	0.4%	
Quarterly						0.0%	0.1%	0.2%	0.3%	
Q. Cumulative	0.0%	0.0%	0.1%	0.3%	0.6%	0.9%	0.4%	0.7%	1.3%	

Halifax	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	105.0	105.4	105.7	105.9	106.2	106.8	107.2	107.9	109.1	
Year / Year						1.1%	1.3%	1.4%	1.9%	
Quarterly						0.4%	0.3%	0.2%	0.3%	
Q. Cumulative	0.0%	0.4%	0.7%	0.9%	1.1%	1.7%	2.1%	2.8%	3.9%	

Moncton	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	105.6	105.8	106.2	106.7	106.9	107.3	107.8	108.3	108.3	
Year / Year						1.2%	1.4%	1.5%	1.3%	
Quarterly						0.2%	0.4%	0.5%	0.2%	
Q. Cumulative	0.0%	0.2%	0.6%	1.0%	1.2%	1.6%	2.1%	2.6%	2.6%	

Montreal	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	106.9	107.8	109.0	109.8	110.8	111.6	112.2	113.8	114.5	
Year / Year						3.6%	3.5%	2.9%	3.6%	
Quarterly						0.8%	1.1%	0.7%	0.9%	
Q. Cumulative	0.0%	0.8%	2.0%	2.7%	3.6%	4.4%	5.0%	6.5%	7.1%	

Ottawa	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	108.0	109.1	110.0	110.7	111.1	112.0	112.9	114.2	115.2	
Year / Year						2.9%	2.7%	2.6%	3.2%	
Quarterly						1.0%	0.8%	0.6%	0.4%	
Q. Cumulative	0.0%	1.0%	1.9%	2.5%	2.9%	3.7%	4.5%	5.7%	6.7%	

Toronto	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	106.6	107.4	108.3	109.2	109.7	110.6	111.1	111.9	112.4	
Year / Year						2.9%	3.0%	2.6%	2.5%	
Quarterly						0.8%	0.8%	0.8%	0.5%	
Q. Cumulative	0.0%	0.8%	1.6%	2.4%	2.9%	3.8%	4.2%	5.0%	5.4%	

Winnipeg	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	104.4	104.9	105.0	105.4	105.8	106.0	106.0	106.3	106.6	
Year / Year						1.3%	1.0%	1.0%	0.9%	
Quarterly						0.5%	0.1%	0.4%	0.4%	
Q. Cumulative	0.0%	0.5%	0.6%	1.0%	1.3%	1.5%	1.5%	1.8%	2.1%	

Saskatoon	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	103.7	104.1	104.0	104.0	104.0	104.1	103.9	104.0	104.1	
Year / Year						0.3%	0.0%	(0.1%)	0.0%	
Quarterly						0.4%	(0.1%)	0.0%	0.0%	
Q. Cumulative	0.0%	0.4%	0.3%	0.3%	0.3%	0.4%	0.2%	0.3%	0.4%	

Calgary	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	103.4	103.9	104.1	104.2	104.2	104.8	104.5	104.5	105.0	
Year / Year						0.8%	0.9%	0.4%	0.3%	
Quarterly						0.5%	0.2%	0.1%	0.0%	
Q. Cumulative	0.0%	0.5%	0.7%	0.8%	0.8%	1.4%	1.1%	1.1%	1.5%	

Edmonton	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	104.0	104.8	104.9	105.3	105.6	105.9	105.4	105.5	105.8	
Year / Year						1.5%	1.0%	0.5%	0.2%	
Quarterly						0.8%	0.1%	0.4%	0.3%	
Q. Cumulative	0.0%	0.8%	0.9%	1.3%	1.5%	1.8%	1.3%	1.4%	1.7%	

Vancouver	2018		2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Index	107.9	109.1	109.6	109.8	110.1	110.5	110.4	110.5	110.7	
Year / Year						2.0%	1.3%	0.7%	0.6%	
Quarterly						1.1%	0.5%	0.2%	0.3%	
Q. Cumulative	0.0%	1.1%	1.6%	1.8%	2.0%	2.4%	2.3%	2.4%	2.6%	

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.

QUARTERS AT GLANCE	
CITY	CHANGE
Composite	0.4%
St. John's, NL	0.6%
Halifax, NS	1.1%
Moncton, NB	0.0%
Montreal, QC	0.6%
Ottawa, ON	0.9%
Toronto, ON	0.4%
Winnipeg, MB	0.3%
Saskatoon, SK	0.1%
Calgary, AB	0.5%
Edmonton, AB	0.3%
Vancouver, BC	0.2%

CANADIAN OFFICES AND SERVICE CONTACTS			
Office	Contact		
Vancouver, BC	Ken King	604-685-1241	
Edmonton, AB	Mike Swick	780-426-7980	
Winnipeg, MB	Isaac Gwendo	204-775-3389	
London, ON	Bob Picken	226-378-4920	
Hamilton, ON	Craig Bye	905-525-5777	
Ottawa, ON	Arthur Maw	613-234-8089	
Toronto, ON	Brian McBurney		
	Susan Neil	416-487-3811	
	Dale Panday		
	Nathan Thinagaripillai		
Halifax, NS	Raymond Murray	902-422-3620	
SERVICES			
Cost Planning + Control	Scheduling		
Value Management	Financial Analysis		
Applied Research	Project Loan Monitoring		

