

Hanscomb

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Escalation Watch

Escalation Watch Fourth Quarter 2017

Statistics Canada's 2017, fourth quarter, Non-residential Building Construction Price Indices were released February 12th. The first quarter indices for 2018 will be available mid-May.

Prices for new non-residential building construction were up in all seven census metropolitan areas surveyed, led by Vancouver (+1.6%) and Montréal (+1.2%). Contractors reported rising costs for lumber, concrete formwork, plastic, copper and fuel-related inputs. Rebuilding activities in the United States after an active 2017 hurricane season contributed to higher prices for these materials. Contractors' prices for new non-residential building construction rose 0.8% in the fourth quarter. Higher prices to build industrial (+0.9%), commercial (+0.7%) and institutional (+0.9%) structures all contributed to the gain.

Year over year, the national composite price index rose 3.1%, with Vancouver (+5.9%) and Montréal (+4.4%) reporting the largest increases for the second quarter in a row.

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 CANSIM, specifically table 327-0043. 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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**Statistics Canada
Non-Residential
Construction Cost
Indices for 7 Cities
Fourth Quarter 2017**

Services

Cost Planning & Control
Value Management

Litigation Support
Construction Monitoring

Feasibility Studies
Time Management

Loan Monitoring
Applied Research

Canadian Offices and Service Contacts

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Toronto	Susan Neil	416 - 487 - 3811			
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Halifax	Raymond Murray	902 - 422 - 3620			



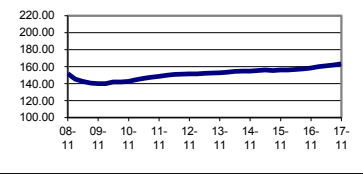
Yardsticks 2018 is available!

Yardsticks 2018 features updated cost data for the Canadian construction industry, with costs for 8 major regions coast-to-coast. It's the only book of its kind.

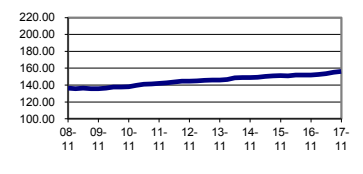
Call 1-800-334-3509 and request item 62018!

STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 2002 = 100 (CANSIM: Table 327-0043)

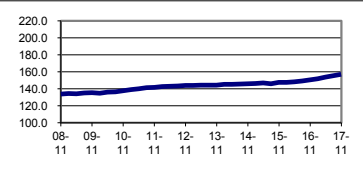
COMPOSITE 7 CITY	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	155.2	155.9	155.3	155.8	156.0	156.7	157.3	158.3	159.7	160.9	161.9	163.2
Year / Year					0.5%	0.5%	1.3%	1.6%	2.4%	2.7%	2.9%	3.1%
Quarterly		0.5%	(0.4%)	0.3%	0.1%	0.4%	0.4%	0.6%	0.9%	0.8%	0.6%	0.8%
Q. Cumulative	0.0%	0.5%	0.1%	0.4%	0.5%	1.0%	1.4%	2.0%	2.9%	3.7%	4.3%	5.2%



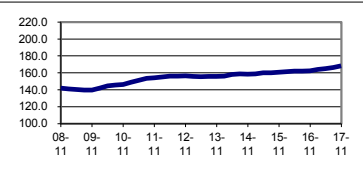
HALIFAX	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	149.2	150.2	150.6	151.1	150.8	151.6	151.6	151.6	152.4	153.5	154.9	156.1
Year / Year					1.1%	0.9%	0.7%	0.3%	1.1%	1.3%	2.2%	3.0%
Quarterly		0.7%	0.3%	0.3%	(0.2%)	0.5%	0.0%	0.0%	0.5%	0.7%	0.9%	0.8%
Q. Cumulative	0.0%	0.7%	0.9%	1.3%	1.1%	1.6%	1.6%	1.6%	2.1%	2.9%	3.8%	4.6%



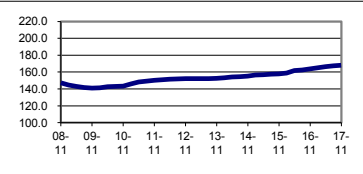
MONTREAL	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	146.0	146.6	145.7	147.4	147.5	147.9	148.9	150.4	151.7	153.5	155.1	157.0
Year / Year					1.0%	0.9%	2.2%	2.0%	2.8%	3.8%	4.2%	4.4%
Quarterly		0.4%	(0.6%)	1.2%	0.1%	0.3%	0.7%	1.0%	0.9%	1.2%	1.0%	1.2%
Q. Cumulative	0.0%	0.4%	(0.2%)	1.0%	1.0%	1.3%	2.0%	3.0%	3.9%	5.1%	6.2%	7.5%



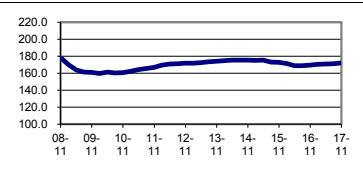
OTTAWA	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	158.6	160.0	160.0	160.6	161.3	161.8	161.8	162.3	163.9	164.8	166.3	168.0
Year / Year					1.7%	1.1%	1.1%	1.1%	1.6%	1.9%	2.8%	3.5%
Quarterly		0.9%	0.0%	0.4%	0.4%	0.3%	0.0%	0.3%	1.0%	0.5%	0.9%	1.0%
Q. Cumulative	0.0%	0.9%	0.9%	1.3%	1.7%	2.0%	2.0%	2.3%	3.3%	3.9%	4.9%	5.9%



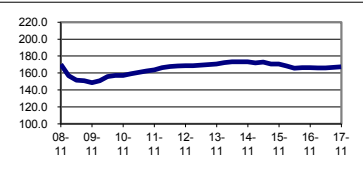
TORONTO	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	156.2	156.8	157.2	157.7	158.8	161.6	162.3	163.5	165.0	166.3	167.1	167.9
Year / Year					1.7%	3.1%	3.2%	3.7%	3.9%	2.9%	3.0%	2.7%
Quarterly		0.4%	0.3%	0.3%	0.7%	1.8%	0.4%	0.7%	0.9%	0.8%	0.5%	0.5%
Q. Cumulative	0.0%	0.4%	0.6%	1.0%	1.7%	3.5%	3.9%	4.7%	5.6%	6.5%	7.0%	7.5%



CALGARY	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	174.8	175.3	173.1	172.7	171.3	168.6	168.7	169.4	170.3	170.7	171.1	172.0
Year / Year					(2.0%)	(3.8%)	(2.5%)	(1.9%)	(0.6%)	1.2%	1.4%	1.5%
Quarterly		0.3%	(1.3%)	(0.2%)	(0.8%)	(1.6%)	0.1%	0.4%	0.5%	0.2%	0.2%	0.5%
Q. Cumulative	0.0%	0.3%	(1.0%)	(1.2%)	(2.0%)	(3.5%)	(3.5%)	(3.1%)	(2.6%)	(2.3%)	(2.1%)	(1.6%)



EDMONTON	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	171.9	172.8	170.5	170.4	168.0	165.5	166.0	166.0	165.9	165.9	166.5	167.3
Year / Year					(2.3%)	(4.2%)	(2.6%)	(2.6%)	(1.3%)	0.2%	0.3%	0.8%
Quarterly		0.5%	(1.3%)	(0.1%)	(1.4%)	(1.5%)	0.3%	0.0%	(0.1%)	0.0%	0.4%	0.5%
Q. Cumulative	0.0%	0.5%	(0.8%)	(0.9%)	(2.3%)	(3.7%)	(3.4%)	(3.4%)	(3.5%)	(3.5%)	(3.1%)	(2.7%)



VANCOUVER	2015				2016				2017			
	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov	Mid-Feb	Mid-May	Mid-Aug	Mid-Nov
Index	150.3	151.1	151.5	151.5	153.9	156.2	158.6	160.3	163.3	165.5	167.2	169.8
Year / Year					2.4%	3.4%	4.7%	5.8%	6.1%	6.0%	5.4%	5.9%
Quarterly		0.5%	0.3%	0.0%	1.6%	1.5%	1.5%	1.1%	1.9%	1.3%	1.0%	1.6%
Q. Cumulative	0.0%	0.5%	0.8%	0.8%	2.4%	3.9%	5.5%	6.7%	8.6%	10.1%	11.2%	13.0%

