

# Non-residential Building Construction Price Index, fourth quarter 2016

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The Non-residential Building Construction Price Index (NRBCPI) was up 0.6% in the fourth quarter compared with the previous quarter. This was the fifth consecutive quarterly increase and the largest gain since the second quarter of 2014.

Contractors reported quarterly increases in six of the seven census metropolitan areas (CMAs) surveyed. Vancouver (+1.1%) and Montréal (+0.9%) posted the largest advances, which mainly reflected higher material prices for contractors in the architectural and structural trades. The composite index for Edmonton was unchanged in the fourth quarter.

Year over year, the NRBCPI rose 1.6%, with Vancouver (+5.8%) and Toronto (+3.7%) reporting the largest increases. Edmonton (-2.6%) and Calgary (-1.9%) reported the only year-over-year declines.

## The evolution of construction prices in Canada

As 2017 marks the 150th anniversary of Confederation, we take a look back at an aspect of construction prices in Canada.

Information on wholesale building material prices dates back to 1871. Data collection to produce a non-residential material input price index started in 1926. Back then, prices were collected for materials used in projects such as shipbuilding, bridge building and woodworking plants, projects that differ greatly from construction projects today.

In 1970, Statistics Canada adopted model pricing to measure the price changes of construction projects. Using this approach, representative cost components for each building model are weighted according to their relative importance, and then priced through time. These components include the costs of materials, labour and equipment, and contractors' overhead and profit.

The model approach was first applied to representative models of an office building and a high school, which were then priced in Montréal, Toronto, Ottawa and Vancouver. A light factory building was subsequently added, and the agency began to publish data for all three models as part of the NRBCPI in 1972.

The NRBCPI currently includes five representative models priced in seven CMAs, and data are available back to the first quarter of 1981.

### Note to readers

*The Non-residential Building Construction Price Index is a quarterly series that measures the changes in contractors' selling prices of new non-residential building construction in seven census metropolitan areas: Halifax, Montréal, Ottawa–Gatineau (Ontario part), Toronto, Calgary, Edmonton and Vancouver. Three classes of structures are covered: commercial, industrial and institutional.*

*Selling prices include the costs of materials, labour and equipment, provincial sales taxes where applicable, and contractors' overhead and profit. The costs of land, land assembly, design and development, as well as real estate fees, are excluded. Value added taxes such as the federal Goods and Services Tax and the harmonized sales tax are excluded.*

*With each release, data for the previous quarter may have been revised. The index is not seasonally adjusted.*



**Table 1**  
**Non-residential Building Construction Price Index<sup>1</sup> – Not seasonally adjusted**

	Relative importance <sup>2</sup>	Fourth quarter 2015	Third quarter 2016 <sup>r</sup>	Fourth quarter 2016 <sup>p</sup>	Third quarter to fourth quarter 2016	Fourth quarter 2015 to fourth quarter 2016
	%	(2002=100)			% change	
<b>Composite index</b>	<b>100.0</b>	<b>155.8</b>	<b>157.3</b>	<b>158.3</b>	<b>0.6</b>	<b>1.6</b>
Halifax	1.0	151.1	151.6	151.7	0.1	0.4
Montréal	20.3	147.4	148.9	150.3	0.9	2.0
Ottawa–Gatineau, Ontario part <sup>3</sup>	3.5	160.6	161.8	162.3	0.3	1.1
Toronto	29.8	157.7	162.3	163.5	0.7	3.7
Calgary	17.4	172.7	168.7	169.4	0.4	-1.9
Edmonton	14.4	170.4	166.0	166.0	0.0	-2.6
Vancouver	13.6	151.5	158.6	160.3	1.1	5.8

<sup>r</sup> revised

<sup>p</sup> preliminary

1. Go online to view the census subdivisions that make up the [census metropolitan areas](#) (CMAs).

2. The relative importance is calculated using a price adjusted three-year average of the value of building permits for each CMA.

3. For the Ottawa–Gatineau metropolitan area, only Ontario contractors are surveyed for the Non-residential Building Construction Price Index because of different provincial legislation and construction union contracts.

Source(s): CANSIM table [327-0043](#).

Available in CANSIM: tables [327-0043](#) and [327-0044](#).

Definitions, data sources and methods: survey number [2317](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)) or Media Relations (613-951-4636; [STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca](mailto:STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca)).