



Altus Group

**Concurrent Session C1
Construction Costs:
How Much Lower Will Costs Go Before
It Makes Sense to Build Again?**

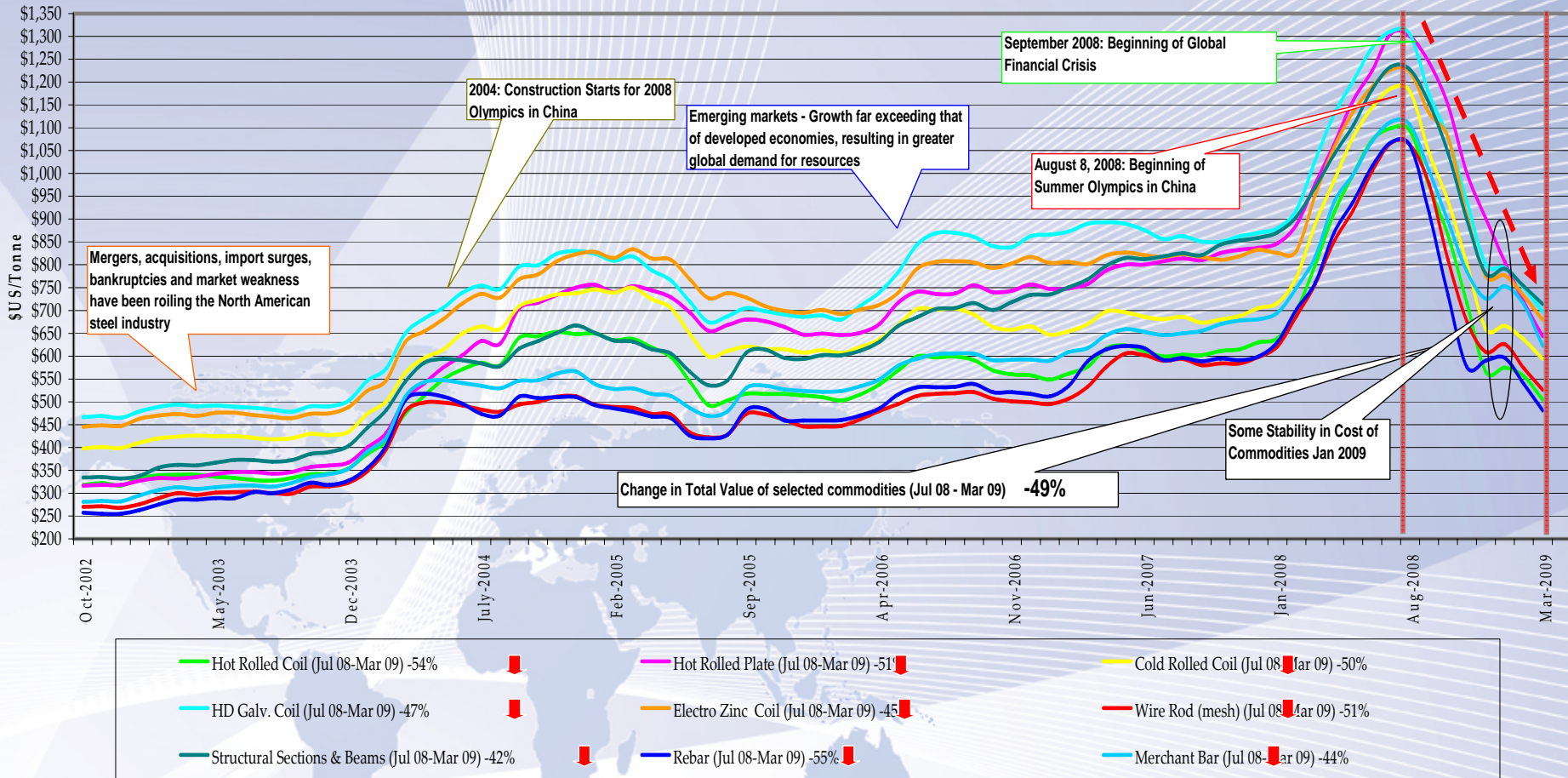
April 23, 2009

+ Peter Norman, MA, PLE

Senior Director, Altus Group Economic Consulting

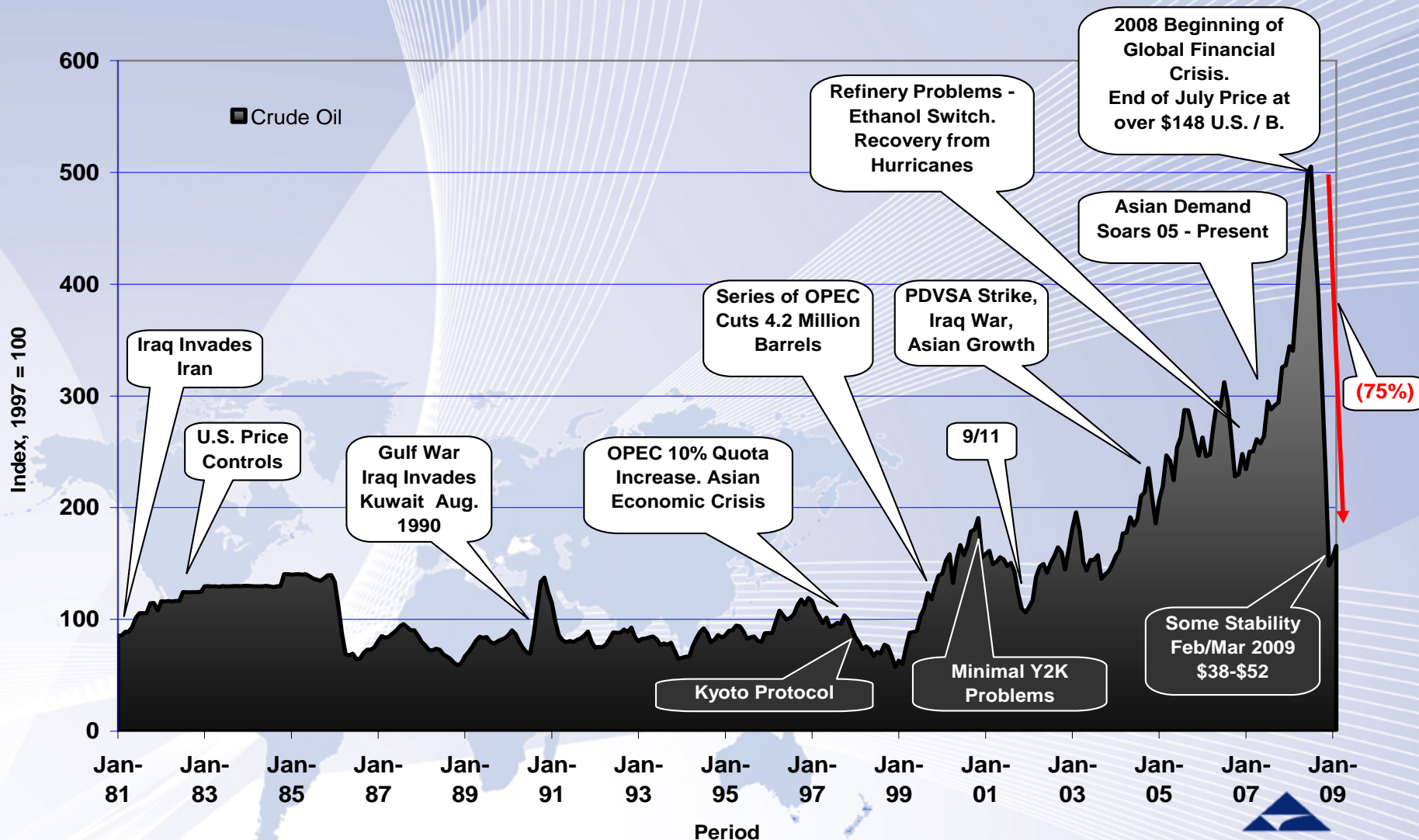
Metals Prices

World Carbon Steel Product Prices (October 2002 – March 2009) \$US/Tonne



Source: Altus Group Cost Consulting based on data from MEPS

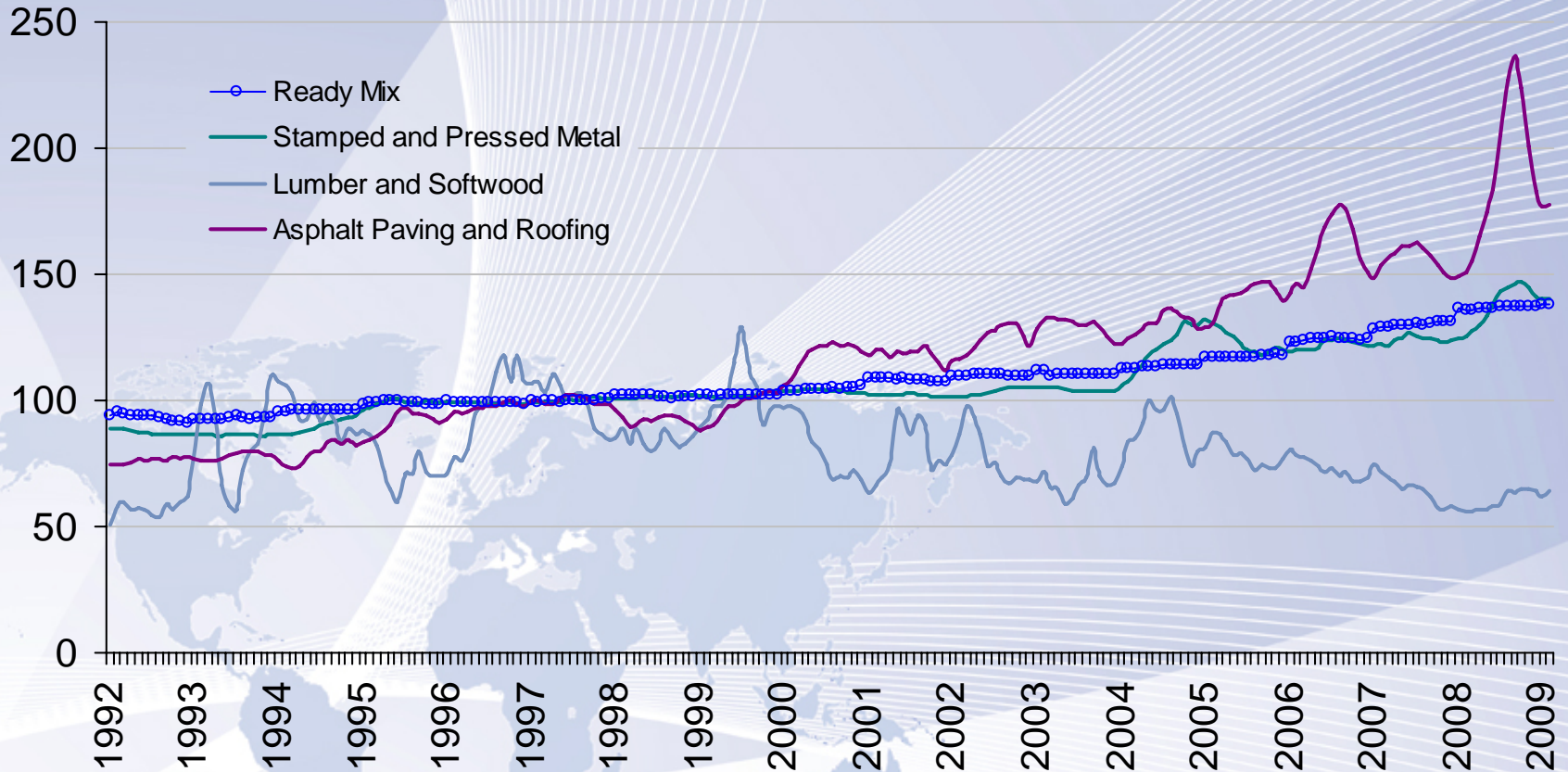
Crude Oil Prices



Source: Altus Group Cost Consulting based on data from Statistics Canada

Building Product Price Monitor

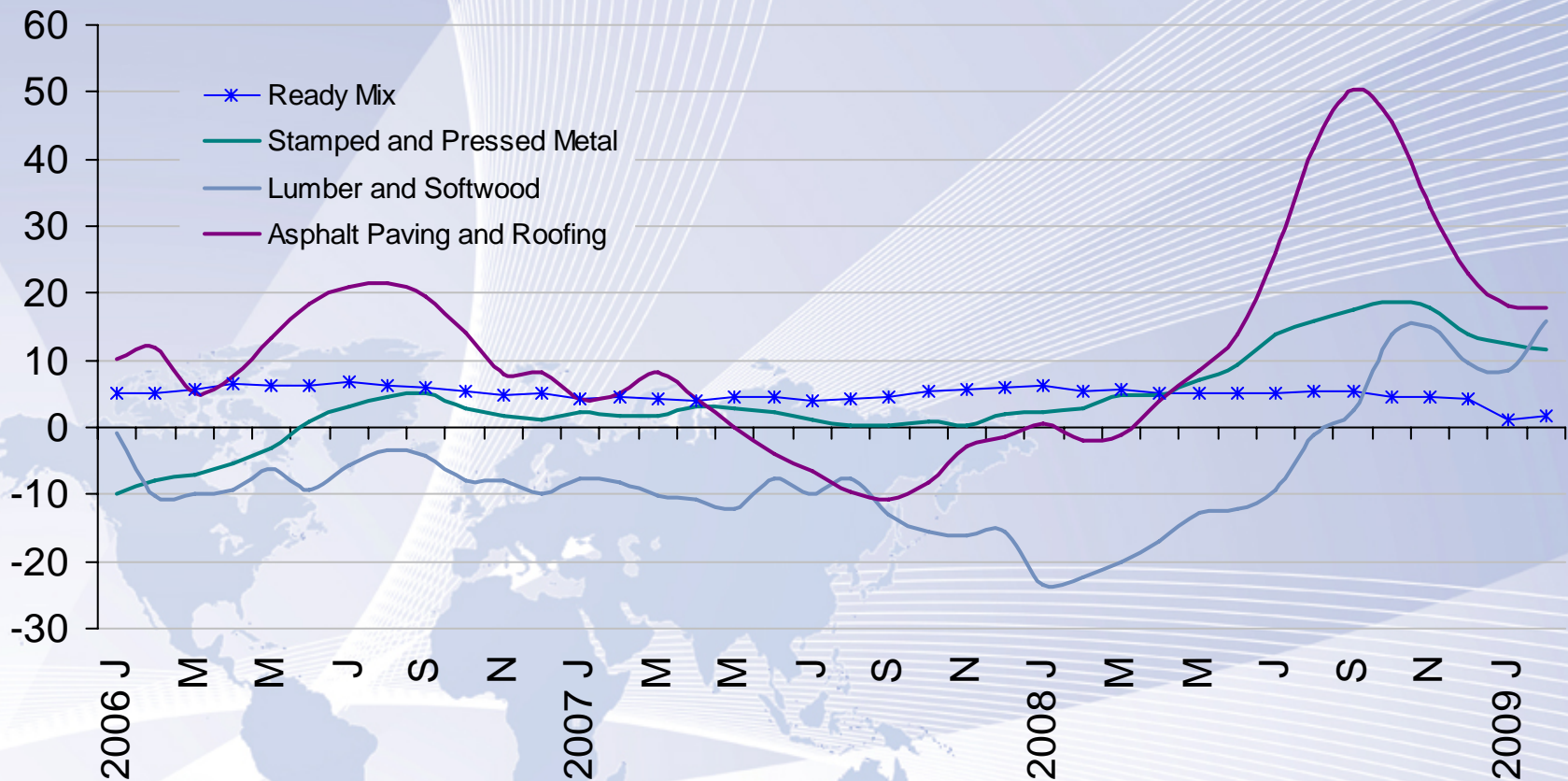
1997=100



Source: Altus Group Economic Consulting based on data from Statistics Canada

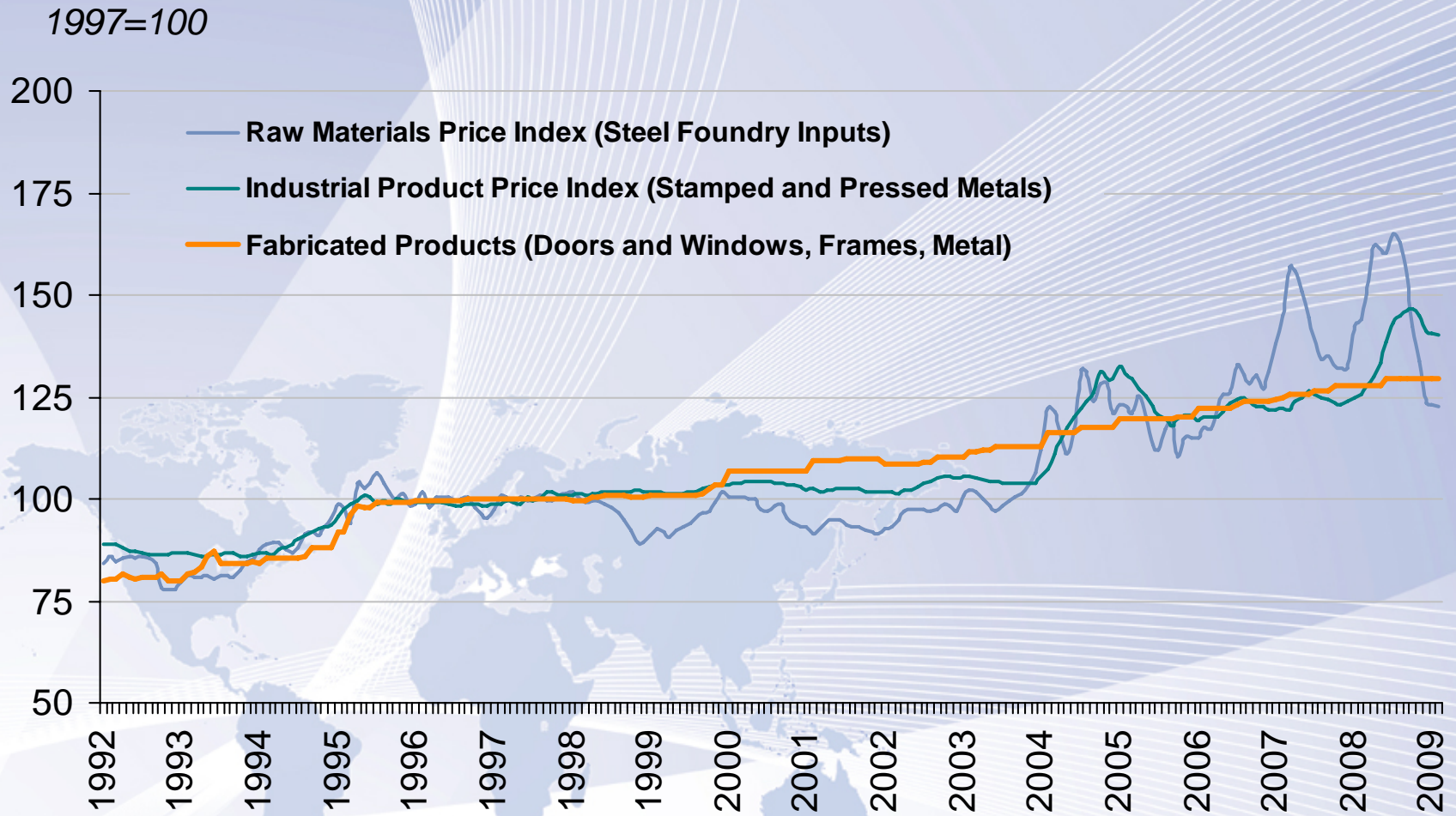
Building Product Price Monitor

Year-to-Year % Change



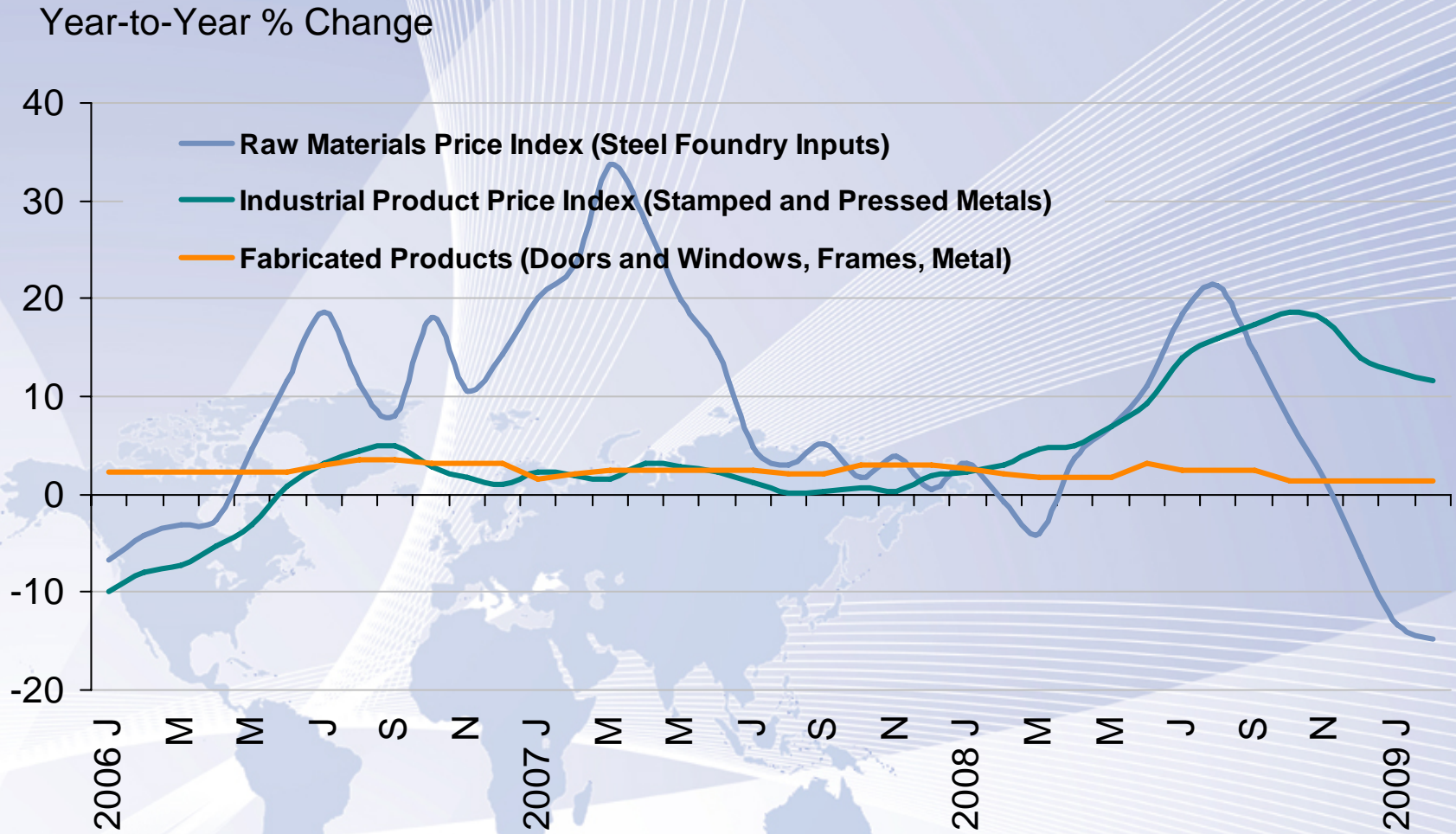
Source: Altus Group Economic Consulting based on data from Statistics Canada

Construction Costs are Traditionally More Stable than Commodities



Source: Altus Group Economic Consulting based on data from Statistics Canada

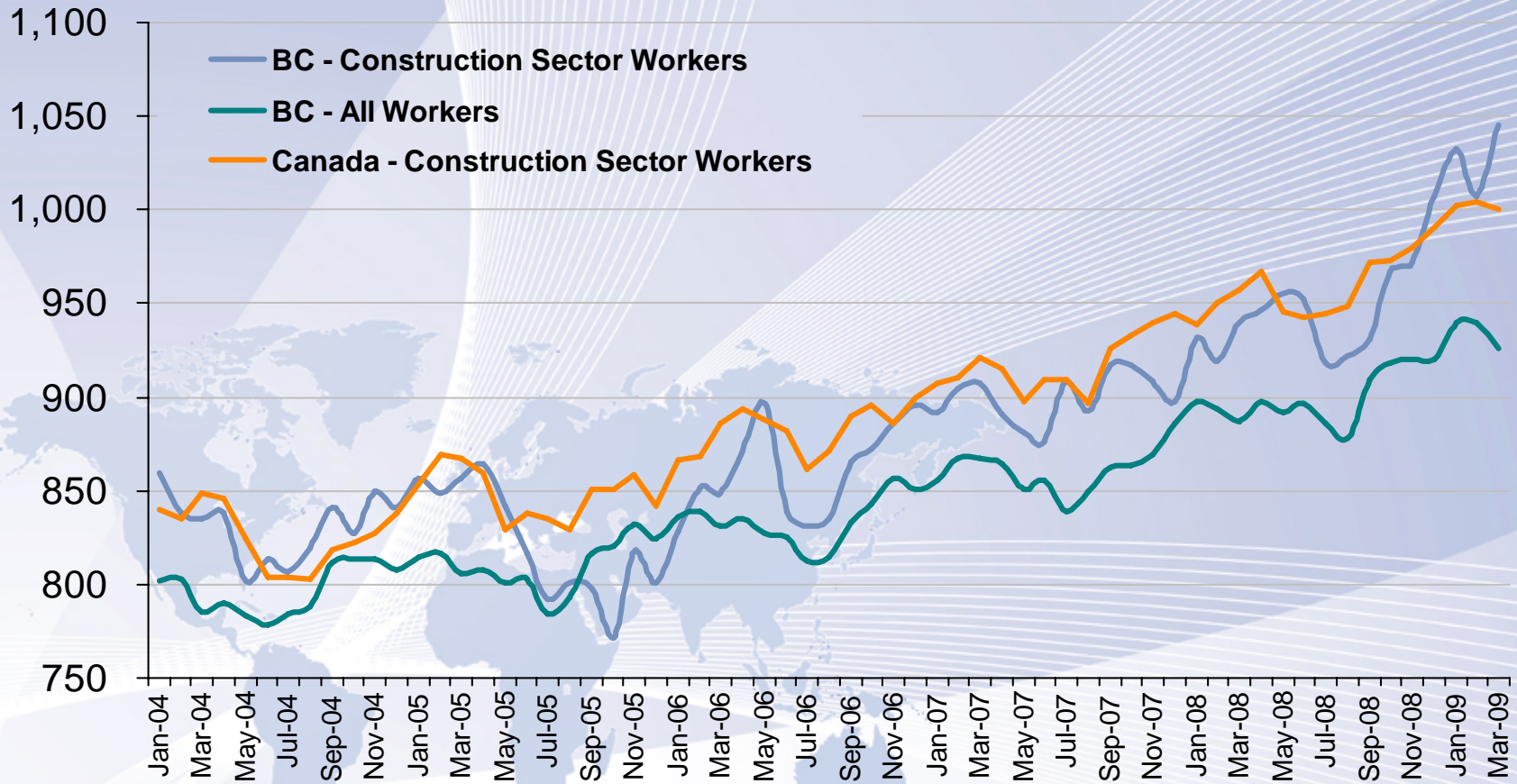
Construction Costs are Traditionally More Stable than Commodities



Source: Altus Group Economic Consulting based on data from Statistics Canada

No Slow Down in Construction Wages

Average Wages, \$/Week, Full Time

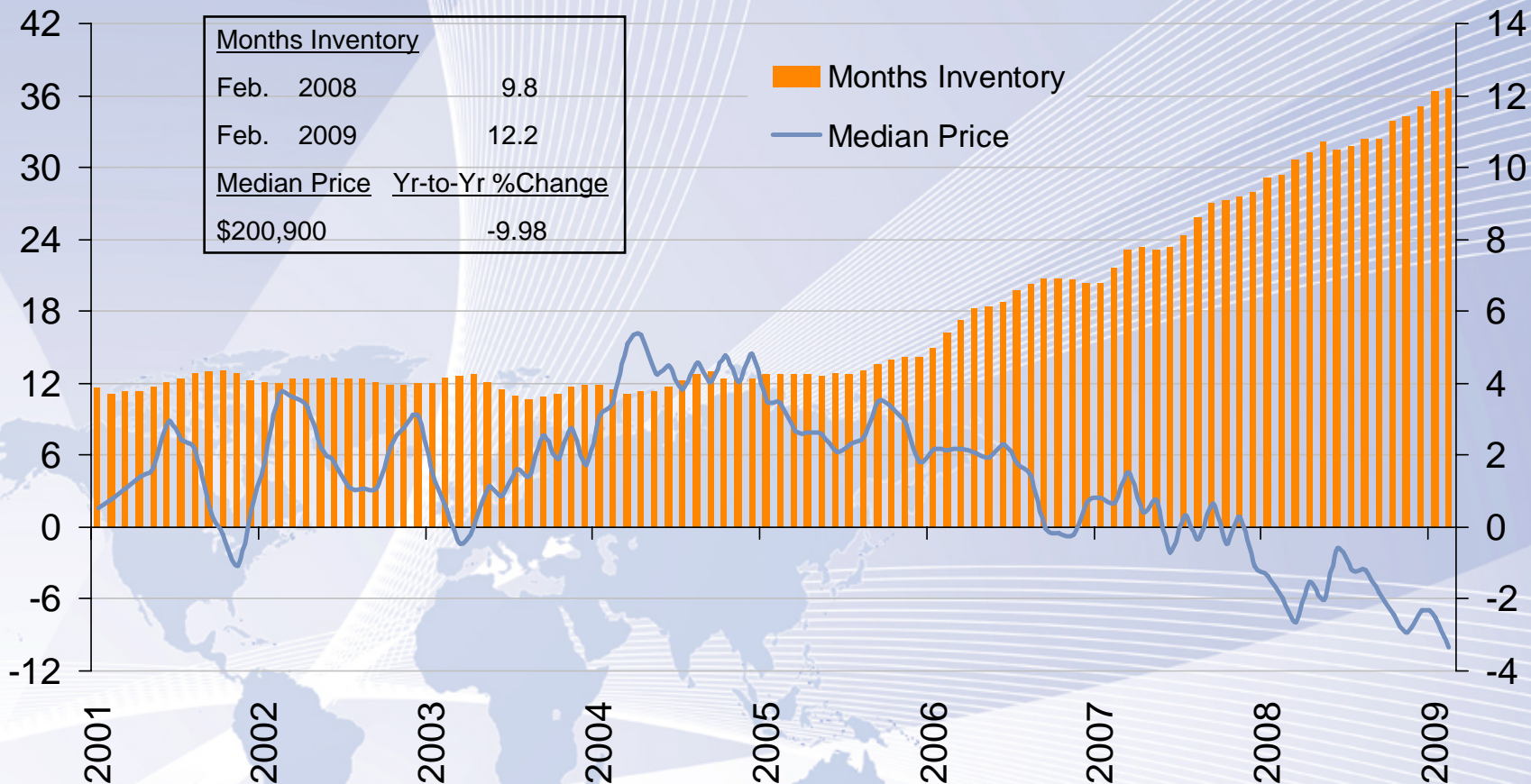


Source: Altus Group Economic Consulting based on data from Statistics Canada

Median Price and Months Inventory of New Home Sales, United States

Yr.-to-Yr. % Change in Median Home Price

Months Inventory



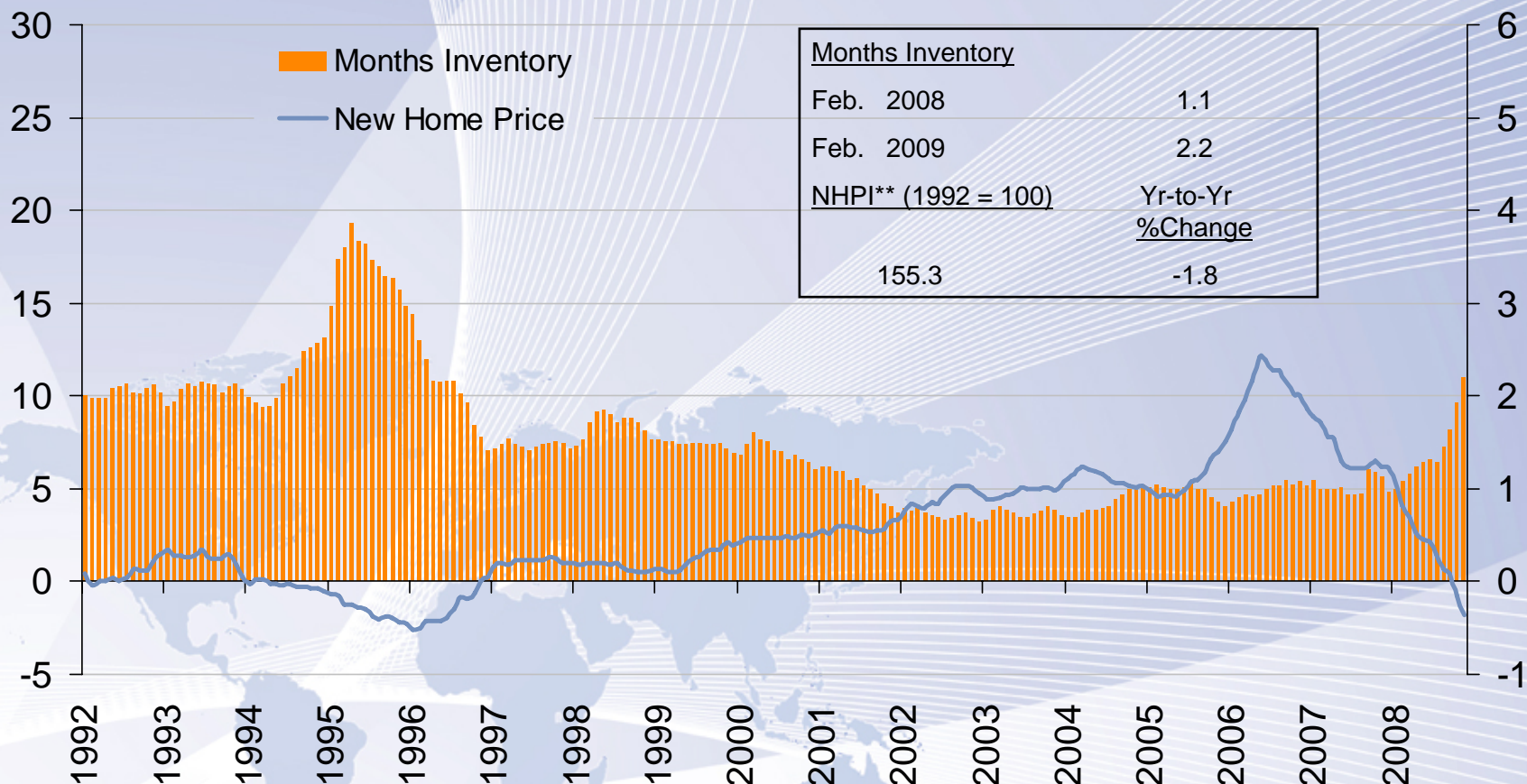
Note: Data are three-month moving averages

Source: Altus Group Economic Consulting based on data from U.S. Census Bureau

New Home Price and Months Inventory of New Homes*, Canada

Yr.-to-Yr. % Change in Median Home Price

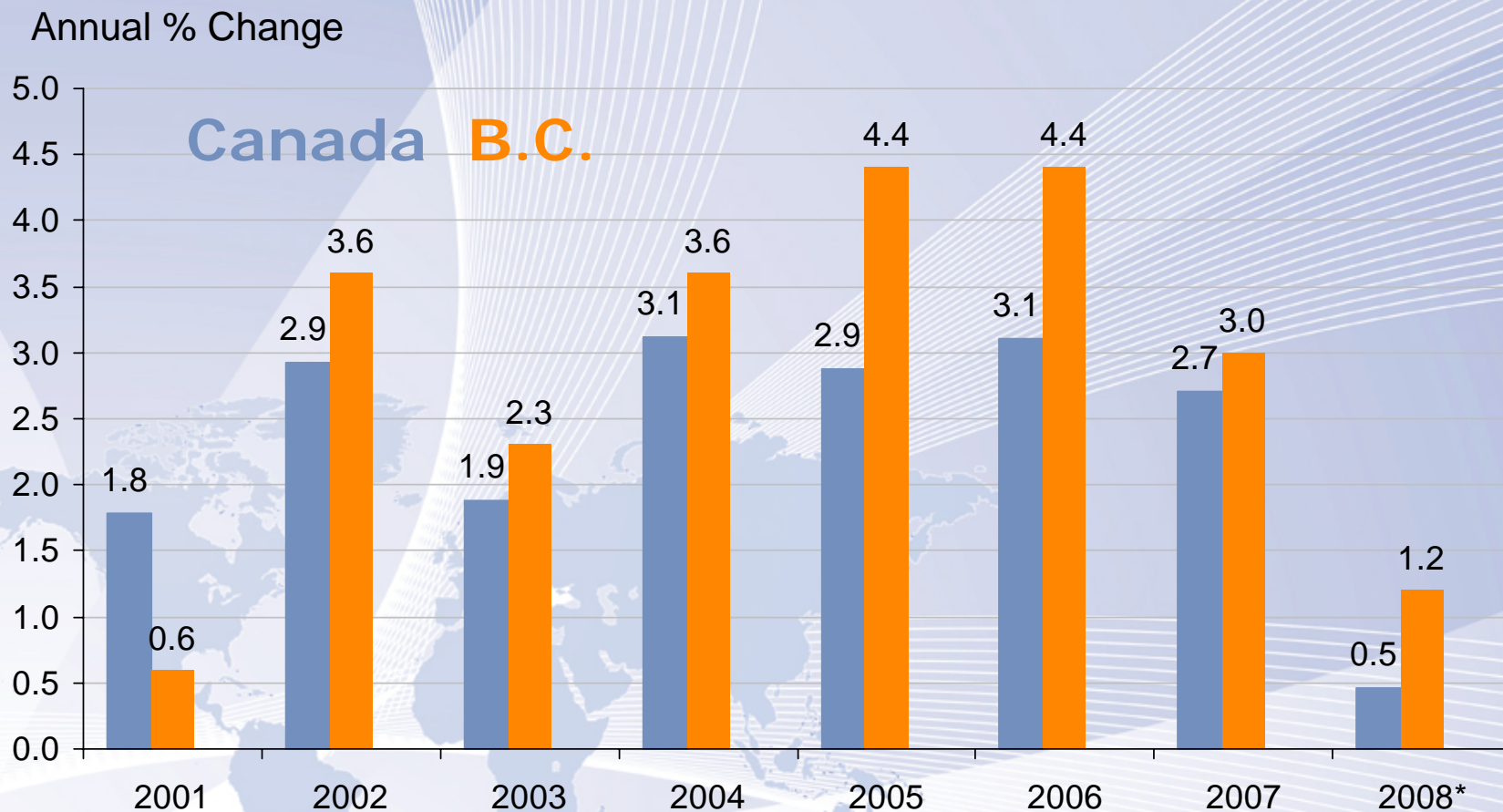
Months Inventory



*Completed but unabsorbed homes compared with monthly starts (SA), All Centres of 50,000 population and over; ** New House Price Index

Source: Altus Group Economic Consulting based on data from CMHC and Statistics Canada

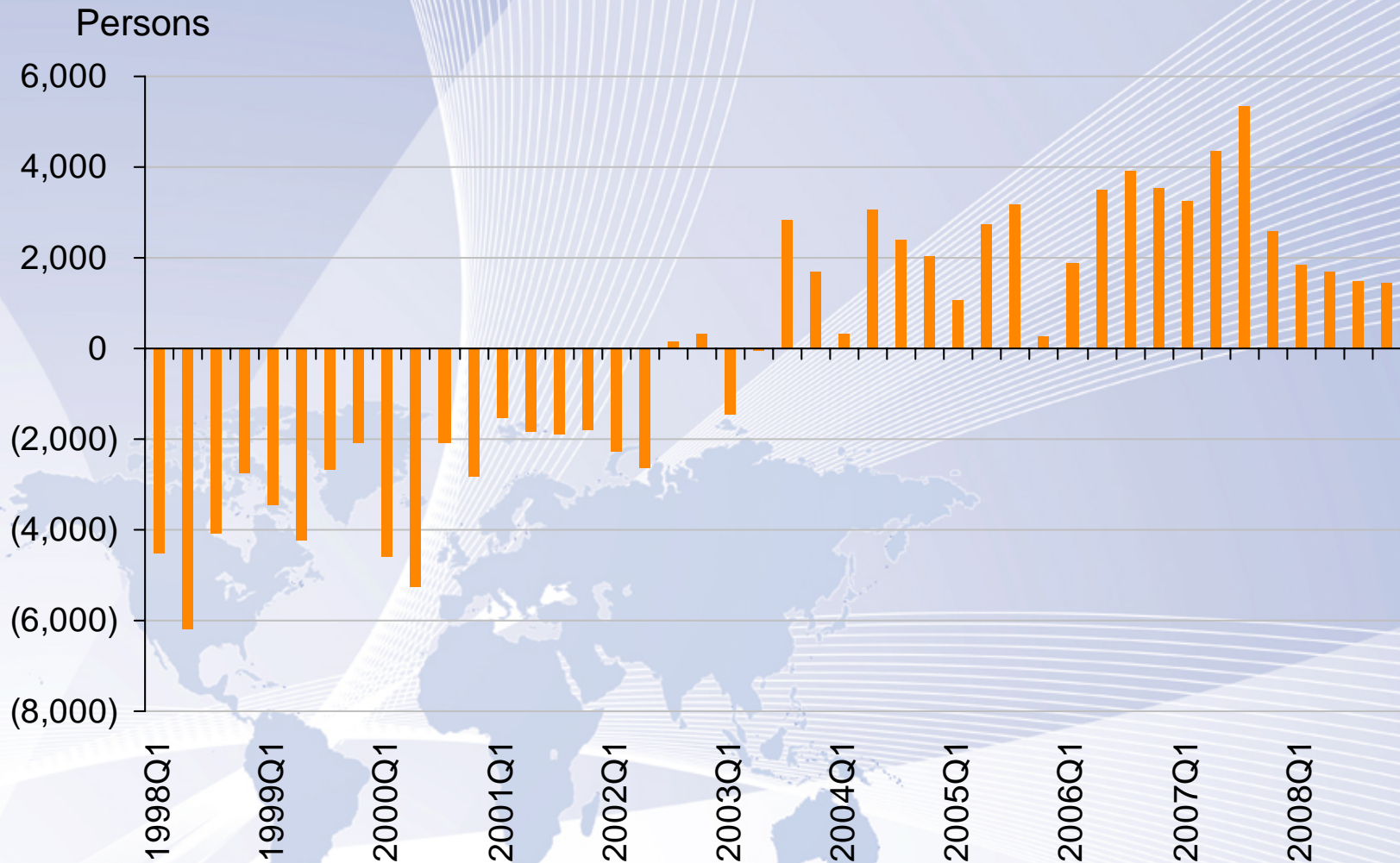
Real GDP Growth



* Estimate for B.C.

Source: Altus Group Economic Consulting based on data from Statistics Canada

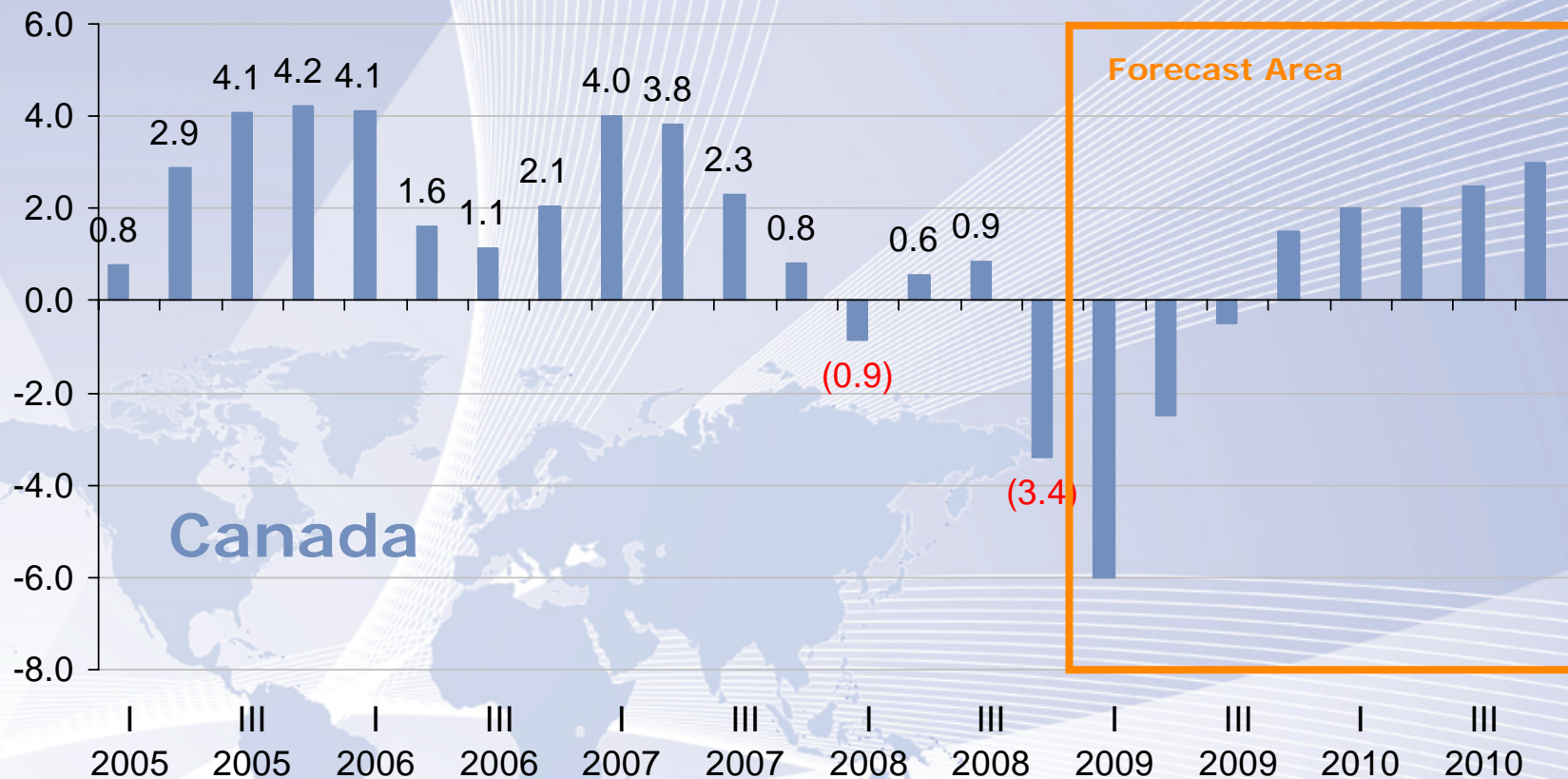
Net Interprovincial Migration, British Columbia 1998-2008



Source: Altus Group Economic Consulting based on data from Statistics Canada

Real GDP Growth

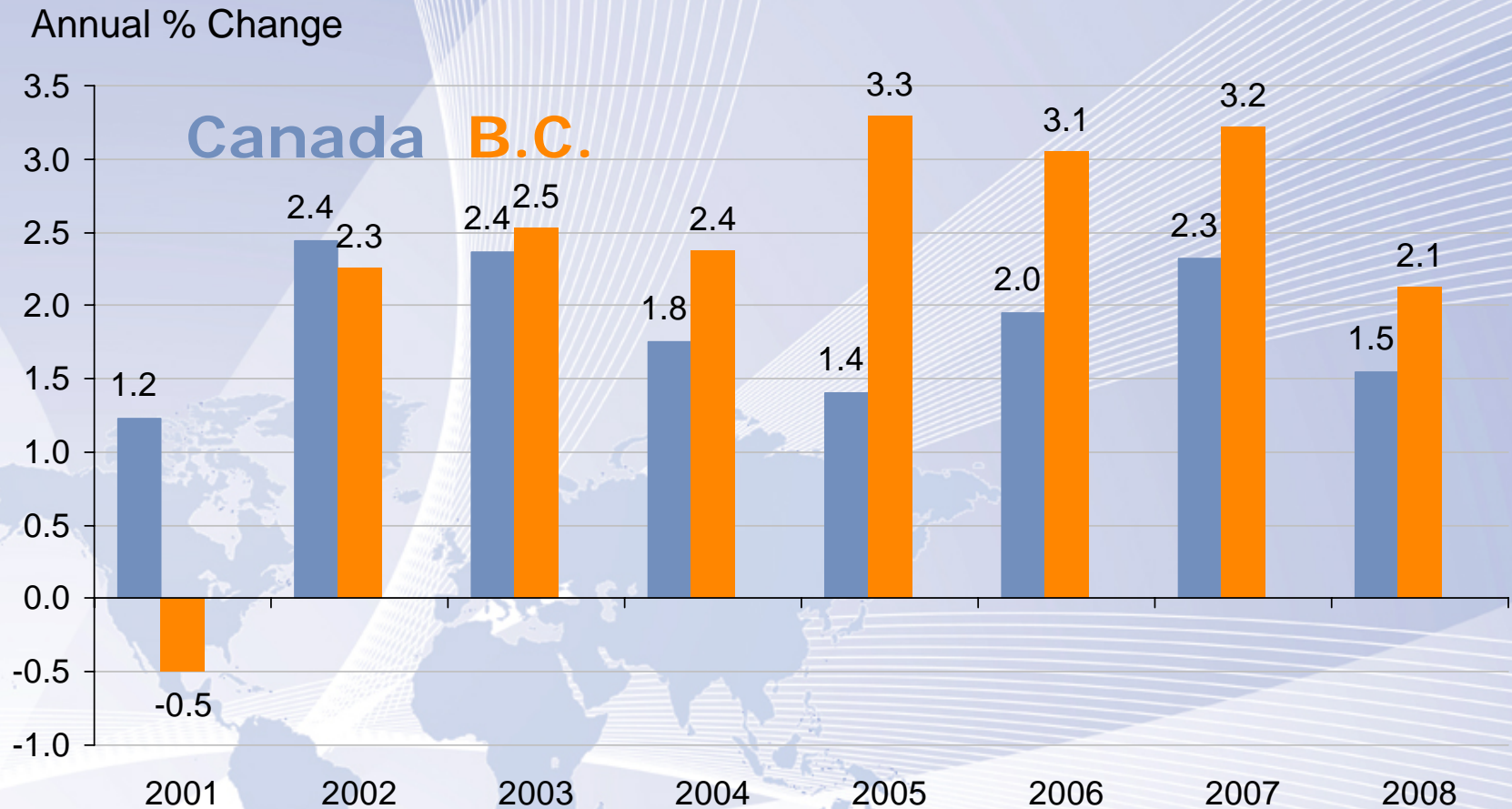
Quarterly % Change at Annual Rates



* Estimate for B.C.

Source: Altus Group Economic Consulting based on data from Statistics Canada

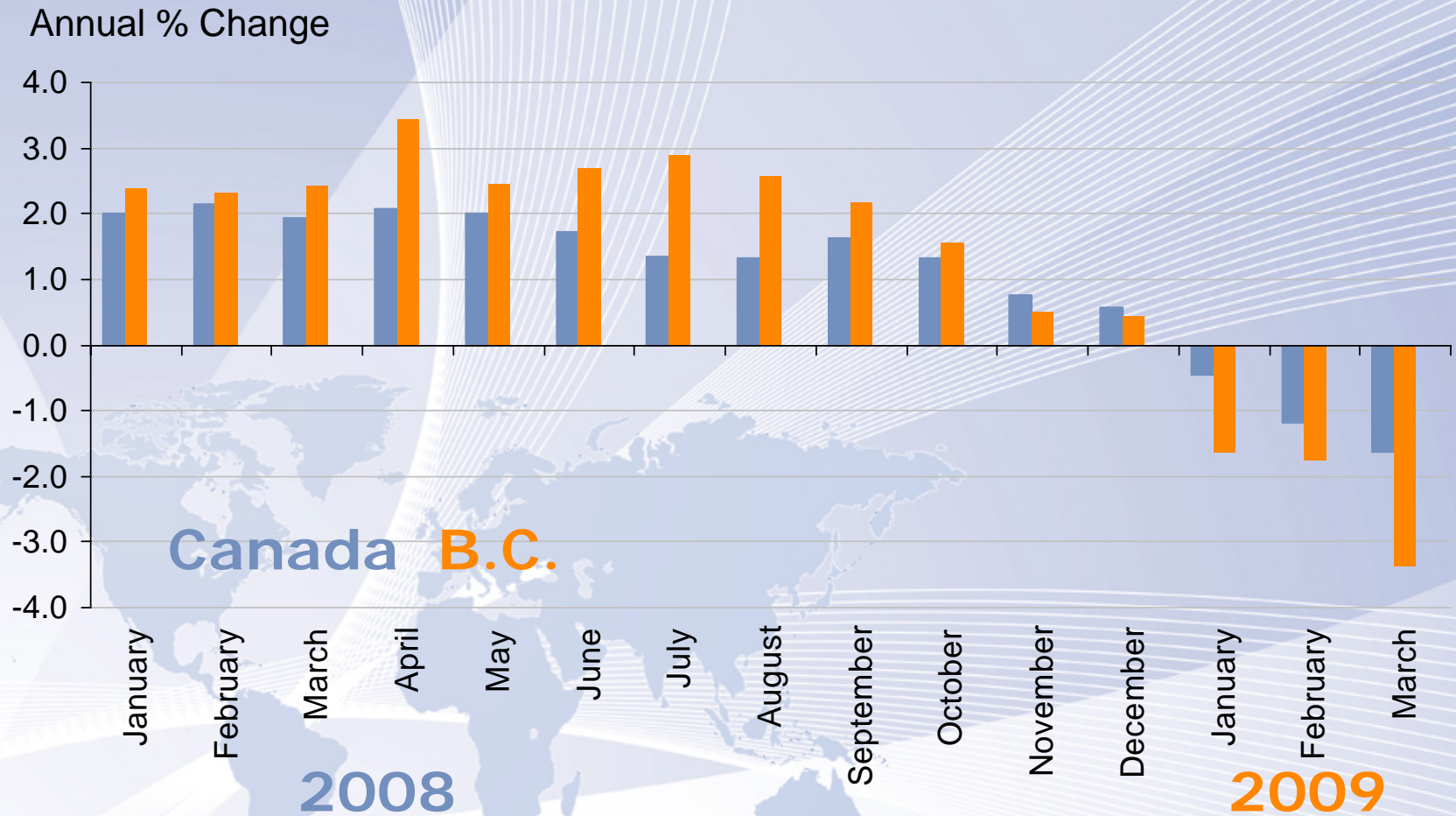
Job Growth



* Estimate for B.C.

Source: Altus Group Economic Consulting based on data from Statistics Canada

Job Growth



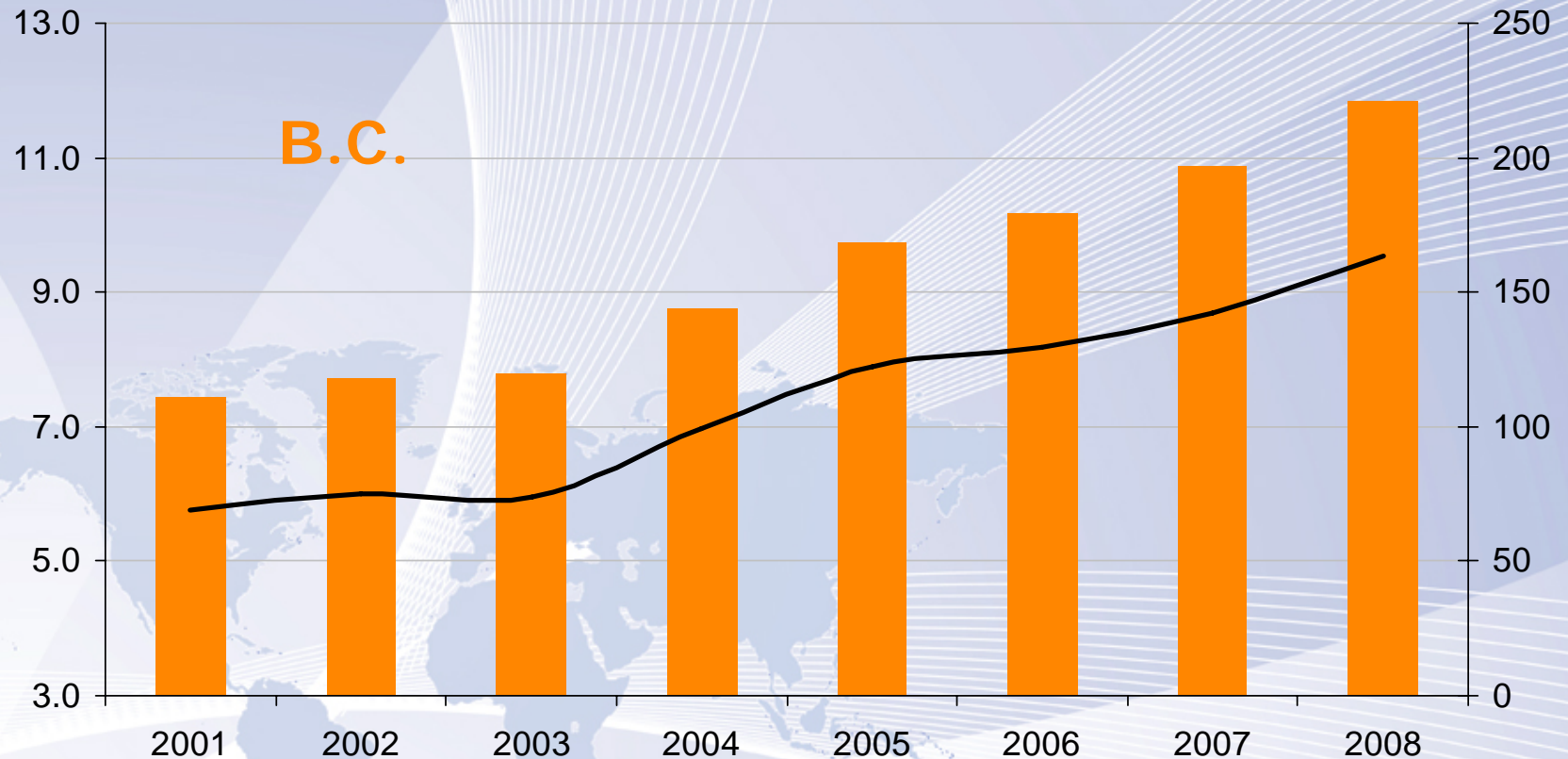
* Estimate for B.C.

Source: Altus Group Economic Consulting based on data from Statistics Canada

Construction Jobs

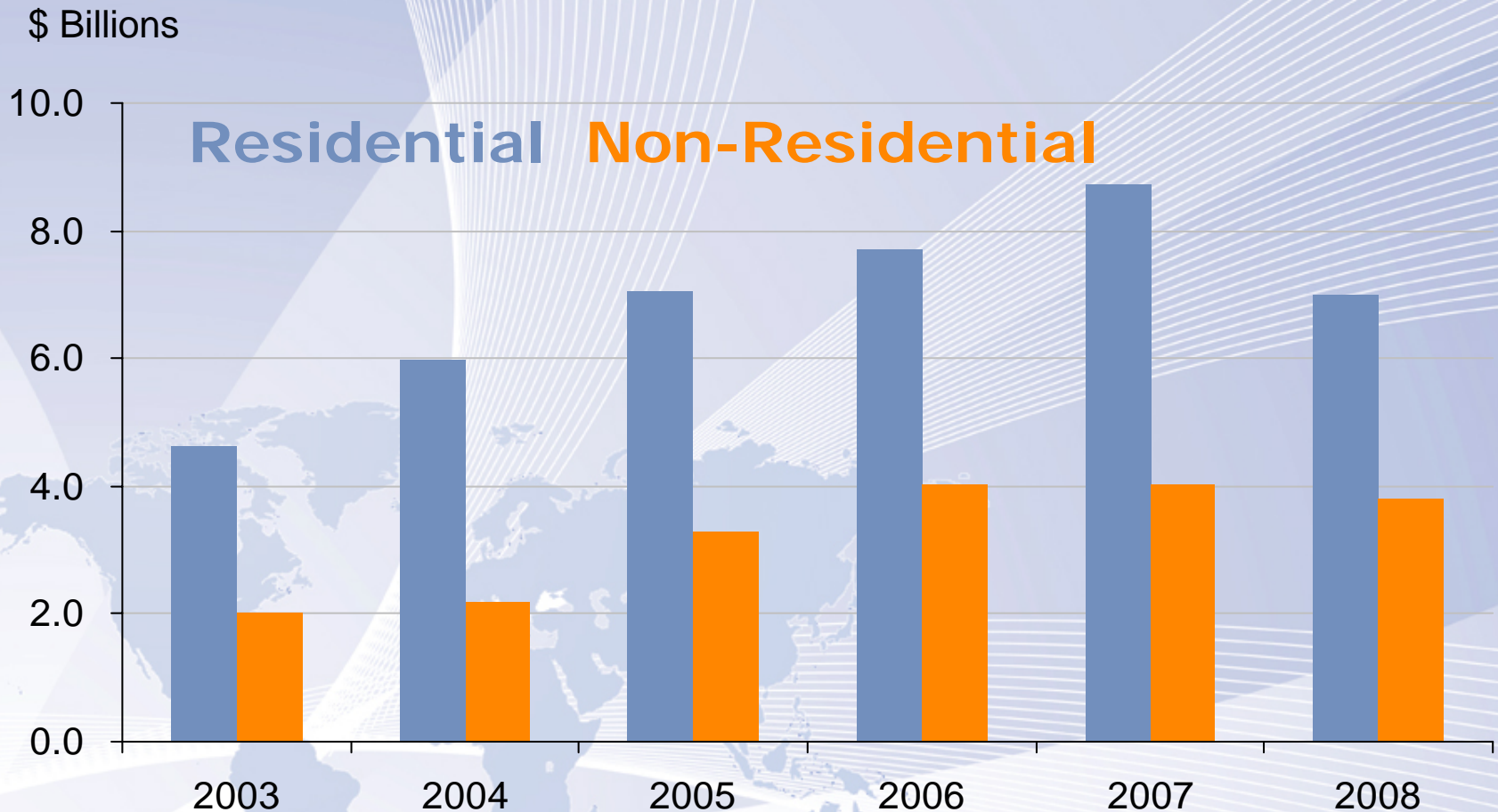
Percentage of Total Employment (line)

Construction Employment in Thousands



Source: Altus Group Economic Consulting based on data from Statistics Canada

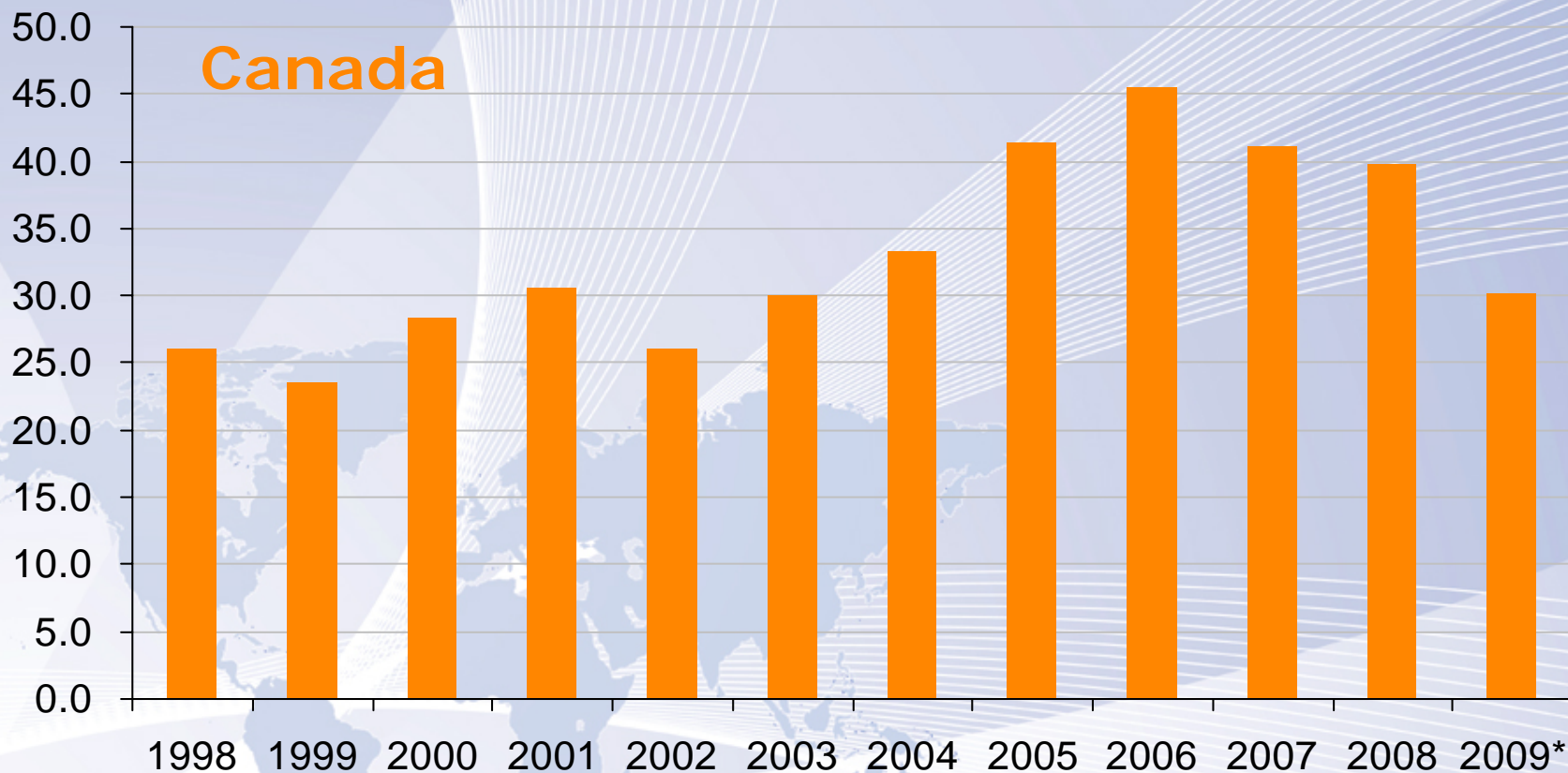
Building Permits By Sector, British Columbia



Source: Altus Group Economic Consulting based on data from Statistics Canada

Oil and Gas Capital Engineering Investment

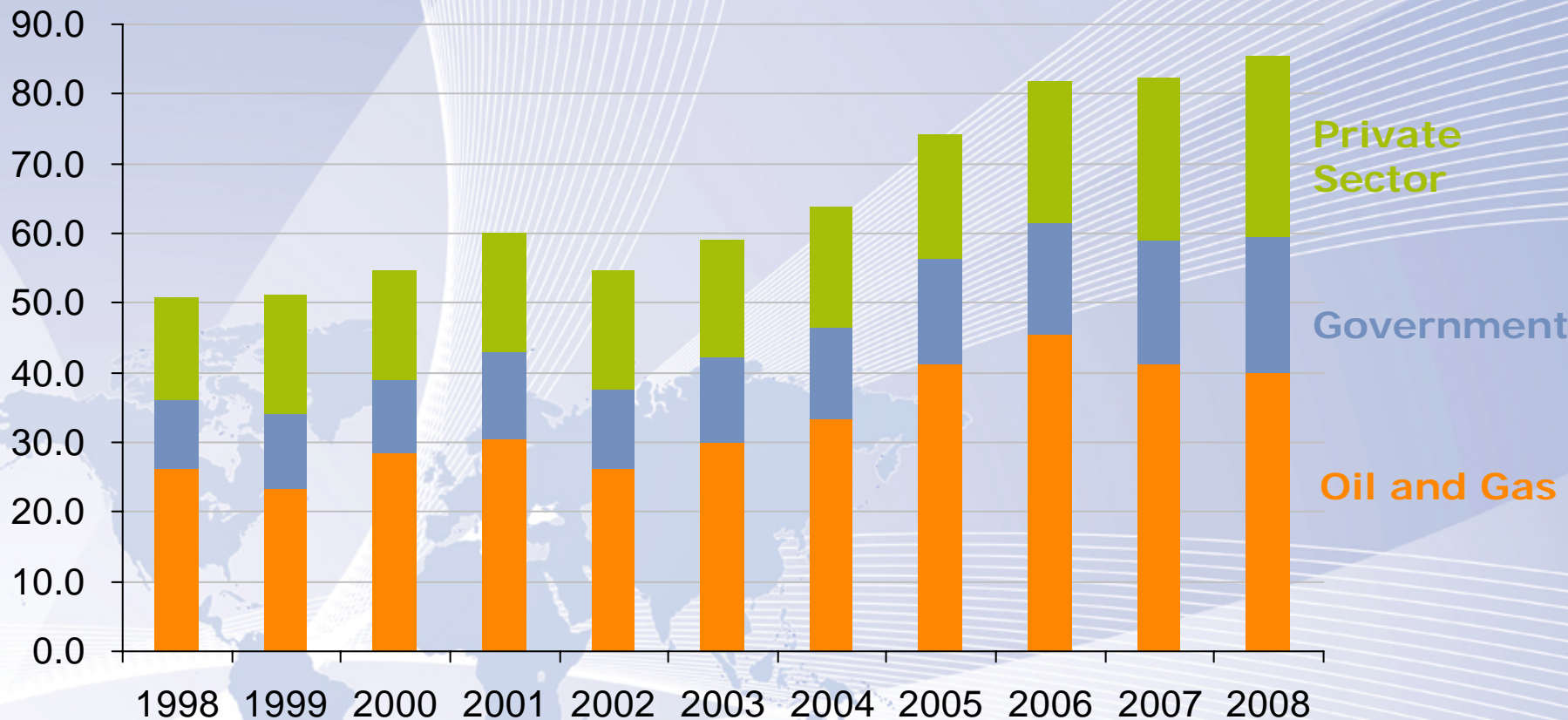
2007\$ Billions



* Statistics Canada Private and Public Investment Intentions Survey
Source: Altus Group Economic Consulting based on data from Statistics Canada

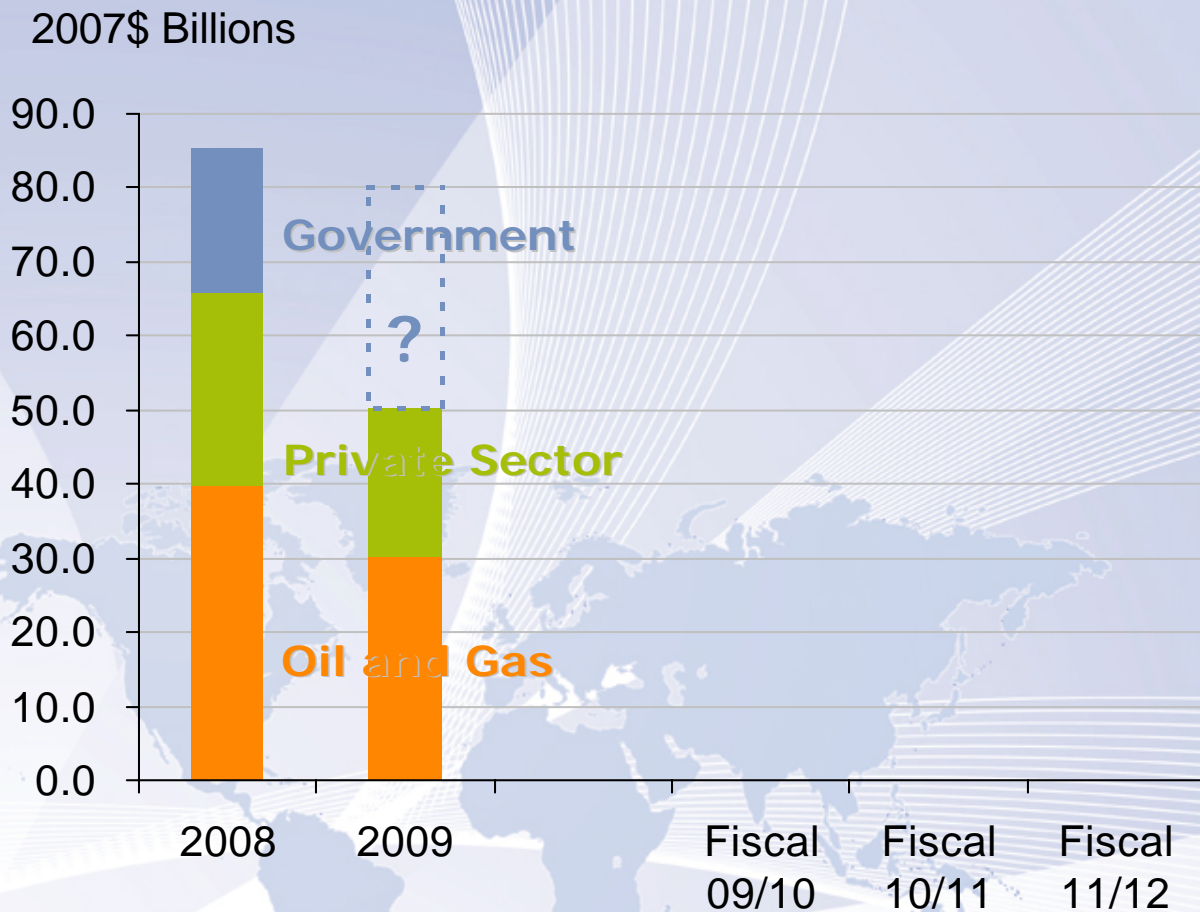
Engineering Construction Investment

2007\$ Billions



Source: Altus Group Economic Consulting based on data from Statistics Canada

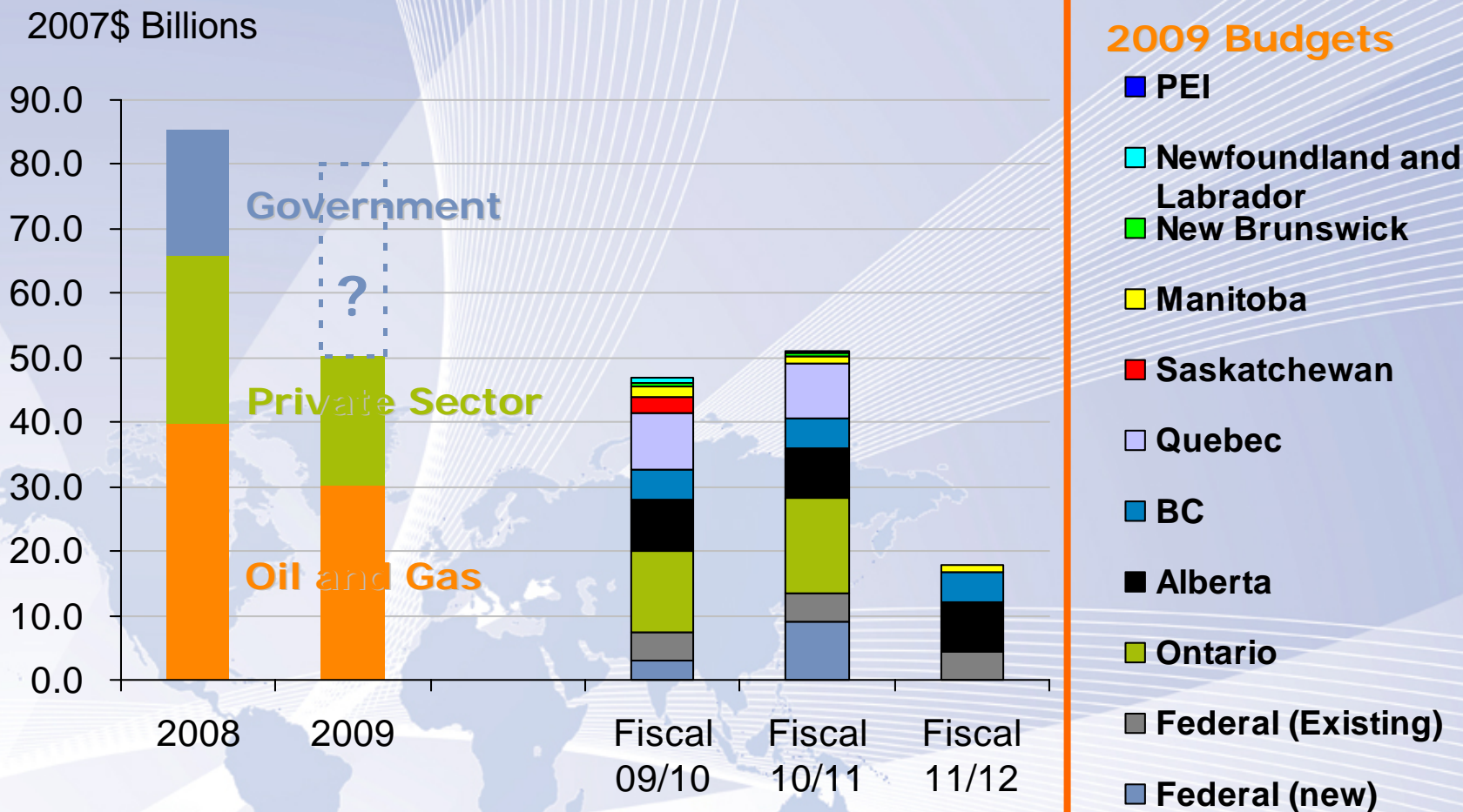
“Stimulus” Infrastructure Spending



Note: Nova Scotia 2009 budget not out yet

Source: Altus Group Economic Consulting based on data from Statistics Canada

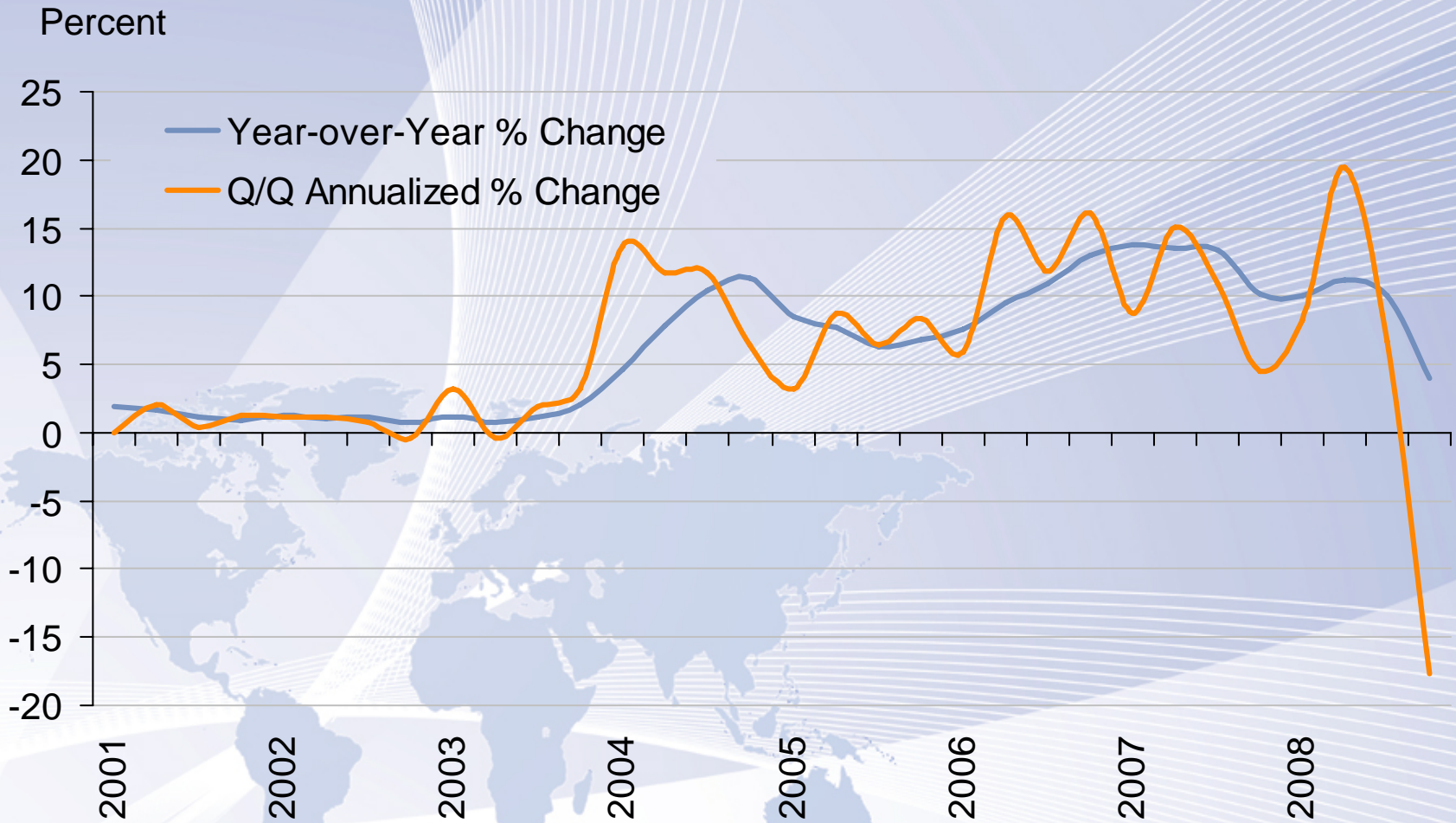
“Stimulus” Infrastructure Spending



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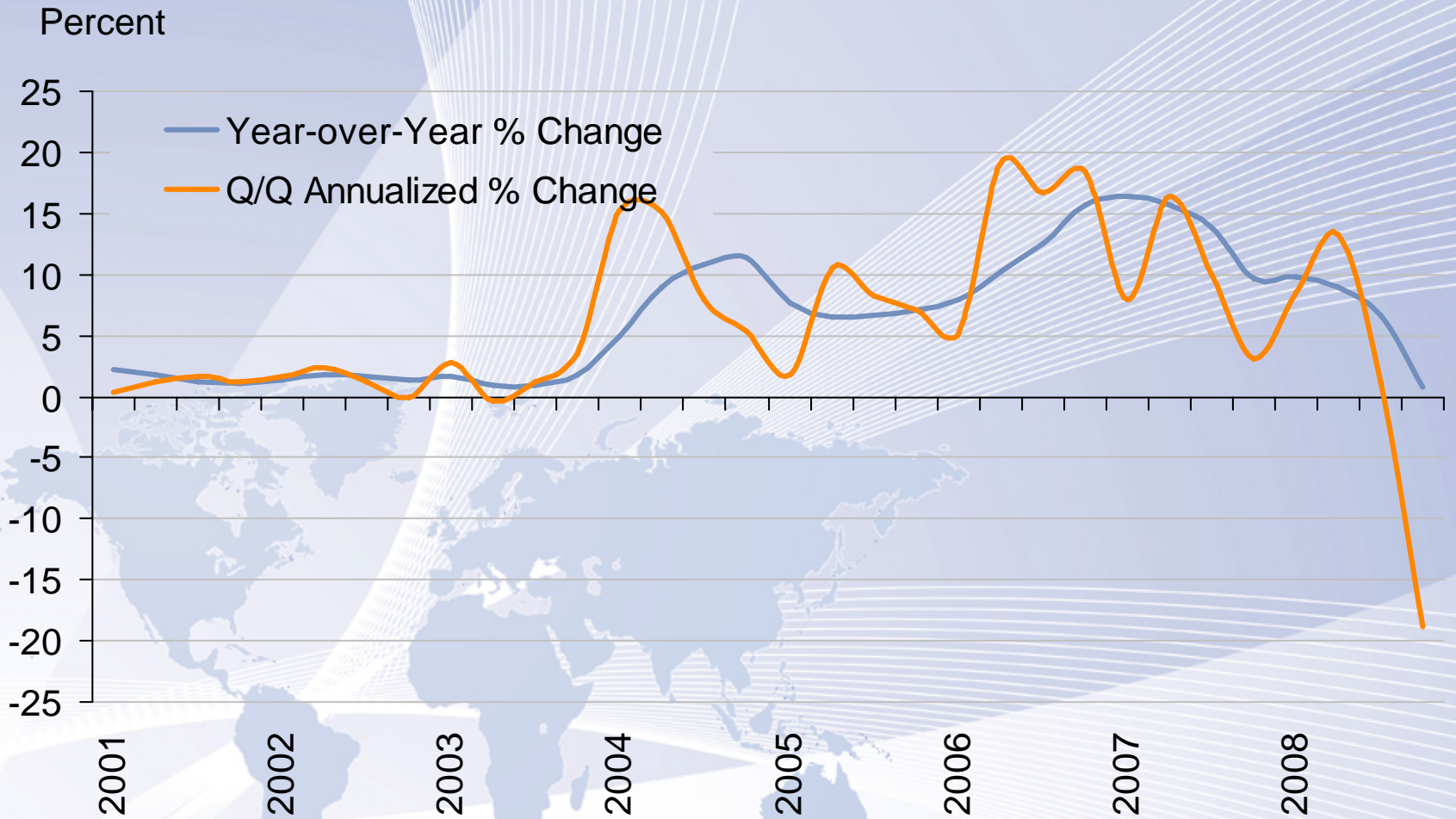
Source: Altus Group Economic Consulting based on data from Statistics Canada

Non-Residential Building Price Index, Vancouver



Source: Altus Group Economic Consulting based on data from Statistics Canada

Apartment Building Price Index, Vancouver



Source: Altus Group Economic Consulting based on data from Statistics Canada

PANEL DISCUSSION

