



Q1 2015 Market Intelligence Report

More people, more investment, more projects

BTY.COM

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Canada: a continuing success story



Joe Rekab
Managing Partner

WELCOMING 2015 WITH CONFIDENCE

It’s an ill wind that blows no good – so goes the old saying. The drop in the price of oil may be painful for oil producing provinces, but it is blowing plenty of good across other sectors of the Canadian economy. Consider the growth drivers in this time of lower-cost oil, lower value Canadian dollar, and now even lower interest rates:

- Intensive energy users such as manufacturing, mining, agriculture, and forestry are enjoying huge cost savings.
- Demand for their output is rising as the U.S. economy continues to post impressive gains.
- The lower Canadian dollar makes their exports more affordable – and Canada a more attractive place for foreign investment.

The lower cost of energy and borrowing primes the pump for business to expand with capital investment in commercial and industrial projects. Consumers (especially car owners) have more to spend on goods and services, including homes.

We expect the construction industry to share in the good with lower costs for transportation, easing demand for skilled trades, and stronger competition (and weaker margins) among contractors. All of these factors will help keep cost escalation in check. These benefits strengthen our already positive outlook based on the strong construction pillars of immigration, investment and infrastructure detailed in the Overview on the facing page.

The Canadian construction industry is highly adaptable. It shifted smoothly to public infrastructure after the financial crisis, then to private sector mega projects as growth drivers. We believe it will adapt again. It’s why we call the Canadian construction industry a continuing success story – and are welcoming 2015 with confidence.



Toby Mallinder
Partner

EXPORTING OUR EXPERTISE

Resurgent U.S. and overseas economies are also creating opportunity for the Canadian construction industry. Many of Canada’s leading builders have taken on large Public Private Partnerships (P3) infrastructure projects in the U.S. BTY has been there to assist them (and U.S. builders) with our P3 advisory services. See more about the burgeoning U.S. P3 market on page 19.

The growing U.S. market is also fertile ground for developing new markets for our Cost Management and Project Monitoring services lines. In fact, we have opened two new offices – in Los Angeles and Phoenix – to serve the industry across the U.S. More on that on page 18.

BTY has also been leveraging the international expertise, experience and global networks of many of our team members. And the reputation for excellence that our firm enjoys. We’ve been building new relationships with authorities, agencies, and lenders in Europe, Asia, and Africa to provide services on projects in growing economies overseas. They, too, are discovering the benefits of P3 procurement. Many around the world now regard the Canadian P3 model as best in class for innovation in delivering projects most cost effectively.

The potential for the construction industry we see in Canada is mirrored by perhaps even greater opportunity overseas – more good reason to welcome 2015 with confidence.



Gord Smith
Partner

CELEBRATING P3 ACCOMPLISHMENTS

The continuing success of the Canadian construction industry is due in no small measure to the projects procured using the P3/AFP models. And the Canadian P3 model’s reputation as best in class is well grounded in the numbers.

The value of projects that have reached financial close exceeds \$70 billion – and the models have a nearly impeccable record of projects completed on-time and on-budget. Over the past decade The AFP/P3 model has delivered an estimated \$9.9 billion in cost savings for taxpayers over the traditional procurement method. That may help explain why P3s are also becoming more popular across the U.S. See page 19 for more on that.

Today, there are 220 P3/AFP projects in operation, under construction, or in procurement across Canada. The P3/AFP model has been used successfully for transportation, transit, healthcare, justice, education, sports venues, and recreation projects.

Ontario leads the way with more than 100 AFP projects. BC has more than 40 P3 projects in procurement, under construction or in operation. Alberta, Quebec and New Brunswick have all used the model, and the government of Saskatchewan has mandated that procurement be prioritized through P3 where possible.

The performance of P3/AFP projects to date – and their prospects for even wider adoption and use – are part of the continuing success story of Canada’s construction industry.

OVERVIEW

More people, more investment, more projects

A lower oil price notwithstanding, the continuing flow of people to, and investment in Canada will help keep workloads stable in 2015. Sustained investment in the energy sector in particular – hydro, oil and gas, and renewables – will combine with a steady stream of immigrants that supports residential demand to power steady growth in the construction industry. An estimated \$675 billion worth of projects – 75% of them in the energy sector – are underway or planned over the next decade. The lower oil price and legal and environmental challenges may cause delays, but long-term, the tide is rising for oil and gas, liquid natural gas, and hydroelectric as well as renewable energy projects. About half of the foreign direct investment in Canada – an estimated \$343 billion in 2013 – went to manufacturing, oil and gas and mining. The lower loonie will only increase Canada’s appeal to foreign investors.

Continuing high levels of immigration targeted at 285,000 in 2015 – and a total of more than 2 million since 2006 – are also supporting Canada’s position as a construction powerhouse. These newcomers drive our 1.2% annual population growth, almost double that of the U.S., and support robust residential construction, especially in the core of large urban centres as more and more people move downtown. The projections for stable

housing starts reflect the steady influx: 189,000 units in 2014 and 189,500 in 2015.

Construction will remain strong in BC, while activity levels settle back from record levels of prior years in Alberta and Saskatchewan. The silver lining there is much lower cost escalation and easing labour demand for skilled trades.

Bolstered by increasing demand from a strengthening U.S. economy, a lower loonie that favours manufacturing exports, continued infrastructure and other non-residential spending, and resilient residential sectors in their big cities, Ontario and Quebec will see accelerated growth, as will Manitoba. Atlantic Canada is again seeing record investment in major projects, but the lower oil price in Newfoundland and Labrador, and population losses elsewhere, sap the vitality of overall construction activity.

The consensus view among major banks is that Canada’s GDP growth in 2015 will be closer to 2.1% than earlier forecasts of 2.5%. The Bank of Canada is expected to continue to keep interest rates at or near the historic lows of the past half-decade, at least until the second half of 2015. The lower rate serves to dampen inflation, which should also help to keep overall construction escalation low in 2015.

ESCALATION FORECAST 2015	
Ontario	2%-4%
British Columbia	1%-2%
Alberta	0%-2%
Saskatchewan	0%-2%
Manitoba	1%-2%
Quebec	1%-3%
Atlantic Region	0%-2%

2015 Escalation Summary

- Downward pressure is coming from:

 - Forecast for continued modest economic growth
 - Lower oil prices
 - Softer commodity prices (except lumber) that could cause a decrease in materials costs
 - Tighter restrictions on mortgage lending
- Upward pressure on pricing is coming from:

 - A weakening Canadian dollar, raising the cost of imported goods
 - Sustained spending on infrastructure
 - Continuing strong immigration
 - Low interprovincial migration of skilled trades to meet regional demand

ESCALATION
SUMMARY

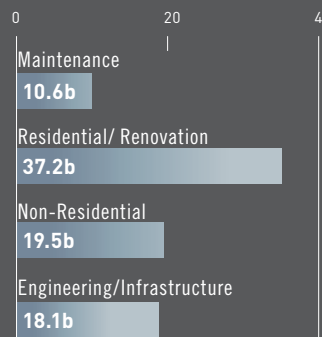
2014 : 1-2%
2015 : 2-4%
2016 : 2-4%

Ontario

Ontario set to surge with boost from lower loonie

Preliminary Construction Investment Projection for 2015 in \$ billions

Source: Buildforce



Ontario will be the big winner with lower priced oil, a lower dollar and interest rates, and its location close to major U.S. markets as the U.S. economy revs up. Expect these factors to work together to boost the province’s manufacturing and exports and make it Canada’s growth leader.

Strong non-residential building and a still robust housing sector – undergirded by major transportation and social infrastructure projects – will further contribute to Ontario’s healthy construction levels as the economy gains momentum.

The condominium market in the GTA remains strong, driven in part by the high cost of single-family homes in and around the core and a very robust condo rental market. The need for affordable housing is driving a growing number of purpose-built, multi-unit residential rental developments.

Retail is expected to perform well in the core as developers look for opportunities to provide residents with services and amenities that they demand. High-end retailer Nordstrom figures prominently in mall expansion and redevelopment across the GTA; it will have new stores in four out of six major mall renewal projects now underway.

Some \$15 billion in provincial funding for transit infrastructure in the GTHA, and \$14 billion for transportation infrastructure outside the GTHA, are the construction industry mainstays.

Big-ticket items include Eglinton Crosstown Light Rail Transit, Spadina Subway Extension, and the Union Station Revitalization. The Mayor of Toronto’s vision for SmartTrack, a 53km surface subway, 90% of which will be on existing GO Train tracks, will also be a significant investment within the GTA over the next few years. Other major transportation projects include Ottawa Light Rail, Kitchener Waterloo Cambridge Rapid Transit and the International Trade Crossing between Windsor and Detroit.

The new \$810 million Providence Care Hospital in Kingston leads the list of projects underway in social infrastructure, which includes the \$2 billion Oakville and \$1.75 billion Humber River Hospitals as well as funding for dozens of projects at colleges and universities.

Net migration to Ontario is expected to rise from 82,500 in 2014 to 93,200 in 2015 and 98,800 net migrants by 2016. That increase, spurred by growth in net international migration that is expected to double from 5% in 2014 to 10% in 2015, should help sustain demand for new housing and the prevailing urbanization of the downtown core. Even with the moderating effect of rising higher interest rates projected for late 2015, housing starts are expected to increase from 59,200 in 2014 to 63,000 in 2015.

The multi-year Buttonville Redevelopment and the West Don Lands in the GTA exemplify the continuing strengths of the commercial and residential sectors.

Buttonville comprises 9 million to 10 million square feet of mixed-use space, while the West Don Lands will have 6,000 residential units.

Office projects such as 1 York, 100 Adelaide West, and the Bay Adelaide East Tower are some of the more high profile projects of the more than 5.9 million square feet of commercial space under construction in downtown Toronto. Tenants continue to search for a way to reduce their office footprint as more collaborative working environments are designed and implemented on new fit-out projects. As tenants continue to move to new buildings in the downtown core, a high vacancy rate may affect older office stock. But as businesses start moving back to the core, it is expected that this added capacity will be soaked up.

New wind power projects are making Ontario a global leader in renewable energy generation. Major new efforts include Kingston Solar Park, the latest in Samsung’s \$5 billion investment in solar and wind energy, and the \$580 million Armow Wind Project, in which Samsung is partnering with Pattern Energy Group. Longer term nuclear and natural gas energy projects are working their way through the approvals process. The development of the mineral-rich Ring of Fire in northern Ontario has also stalled as financing and approvals for roads to remote mine sites have yet to be finalized.

Overall, the province’s economy is forecast to grow from between 2.8% and 3.1% in 2015.



“Ontario manufacturers and exporters can expect a bump from the lower loonie and lower oil prices that could boost investment in commercial and industrial building sectors.”

MARIE FOLEY
DIRECTOR



“Massive infrastructure projects, still strong residential and commercial sectors – bolstered by Canada’s highest international in-migration, and a recovering U.S. economy that drives manufacturing and business investment will keep Ontario busy through 2015.”

DARREN CASH
DIRECTOR

ESCALATION
SUMMARY

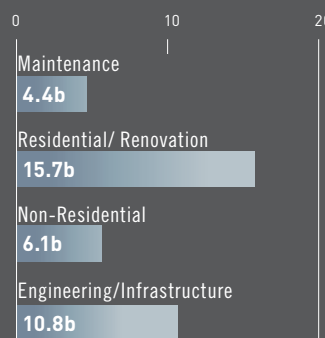
2014 : 1-2%
2015 : 1-2%
2016 : 2-4%

British Columbia

Major energy projects power upswing in BC

Preliminary Construction
Investment Projection for 2015
in \$ billions

Source: Buildforce



Major utility, mining, LNG terminal, and pipeline projects are expected to ramp up over the next two years, ushering in an upswing in construction. Many of the projects, such as the newly approved Site C dam and proposed LNG projects, are located in northern BC and valued in the billions. They are expected to generate significant demand for skilled labour, putting upward pressure on labour costs.

The optimistic outlook remains despite uncertainty over the timing of specific projects such as proposed LNG plants, and potential implications for pipeline and resource developments following the Supreme Court’s June ruling on native land claims.

At the same time, major new provincial infrastructure projects are either underway or in the planning stages. These include major airport and port expansions, two new hospitals valued at \$600 million in northern Vancouver Island, a new \$200 million correctional centre in the Okanagan, a new bridge to replace the George Massey tunnel, and a new Pattullo Bridge.

Rising net migration that pushed BC’s population growth in 2014 to its fastest annual rate (1.2%) in almost four years further supports BC’s momentum. Total net migration is forecast at 42,400 people in 2014 and 41,600 people in 2015. And that population growth is, in turn, helping to sustain residential construction levels. Projected population growth of just over 1% a year is expected to add approximately 30,000 households

annually. New housing starts are forecast at 28,300 units across the province in 2015.

Metro Vancouver continues to see healthy commercial and retail construction, with more than \$1 billion worth of projects in downtown, and three major mall renewals planned or underway. Major projects include the \$398 million Trump Tower, which will be the city’s second tallest, and the \$200 million Exchange tower. Strong demand for larger industrial spaces in suburban Metro Vancouver, driven in part by improved port and transportation infrastructure, will see sustained activity despite high land and development costs.

Overall, there are some 20 major commercial developments in the planning or rezoning stages in the region. The Surrey City Centre expansion alone will see 10 more towers over the next decade, as well as a five-star hotel and performing arts centre.

Exports to international markets and other Canadian provinces will also drive healthy near-term expansion. The favourable Canadian dollar and U.S. growth are forecast to give exports a significant boost, and drive industrial and commercial investment. Buoyed by the U.S. housing market expansion and continuing growth in exports to Asian markets, BC’s forestry and wood-products sector, in particular, will be a significant engine for the provincial economy. Bank forecasts are for economic growth from between 2.7% and 2.9% in 2015.

Taller wood buildings gain ground across Canada

When the 95.9 foot (29.25 metre) high \$25 million Wood Innovation and Design Centre (WIDC) in downtown Prince George, BC was completed this fall, it instantly became North America’s tallest modern all-wood building. Although only six storeys, the WIDC’s high ceilings make it as tall as most 10-storey high-rises.

The WIDC building is part of a wave of new Tall Wood buildings all over the world – and challenging the conventional wisdom of how high wooden buildings can rise. Tall Wood structures rely on engineered wood products called “mass timber,” which features multiple thin layers of wood that are glued to form solid panels and beams.

The WIDC pilot project received permission to work outside the provisions of BC’s building code, which five years ago upped the limit for conventional “stick-built” wood frame construction from four to six storeys. Today there are nearly 80 multi-unit six-storey projects under construction across BC. In September 2014, Ontario announced it would enact code changes to allow the use of wood-frame construction in buildings of up to six-storeys. Although they are conventional wood frame and not Tall Wood structures, they reflect an increasing move to using wood for its environmental benefits.

While concrete emits nearly its own weight in carbon dioxide during production, the raw material for tall wood buildings literally grows on trees, absorbing carbon from the atmosphere as it does so. Responsibly harvested wood is naturally renewing and, when a building is finally torn down, can be recycled or burned for energy.

There are many more innovative Tall Wood structures higher than six storeys in the works for Canada. In 2013, the Canadian Wood Council invited Canadian developers, institutions, organizations and design teams to propose new approaches to



Rendering by Michael Green Architecture

designing and building high-rise wood demonstration projects. The CWC and Natural Resources Canada are currently reviewing short-listed submissions.

The successful proponents can get a helping hand from the recently released Technical Guide for the Design and Construction of Tall Wood Buildings in Canada (2014) commissioned by FP Innovations, a not-for-profit organization that specializes in creating scientific solutions in support of the Canadian forest sector’s global competitiveness.

The Guide was created to support experienced design and construction teams in undertaking Tall Wood projects. It provides the concepts and background to questions that inevitably arise when designing beyond the height and area limits prescribed by the National Building Code of Canada. The section of the guide dealing with Project and Construction costing was prepared by BTY Group.

We have also contributed to multiple studies on costing Tall Wood projects as well as conducting cost comparisons on Tall Wood vs. comparable concrete and steel construction.



“A wave of major new energy and infrastructure projects in the pipeline and resilient residential and commercial sectors are setting up for an upswing in construction for British Columbia.”

CONNOR FALLS
DIRECTOR

ESCALATION
SUMMARY

2014 : 1-2%
2015 : 0-2%
2016 : 0-2%

Alberta

Oil price impact to ripple across province

The impact of lower oil price will be felt most deeply here, but the momentum of years of massive investment in the oilsands, record in-migration and a more diversified economy should help the provincial construction industry ride out the storm. Expect GDP growth in 2015 to fall short of earlier estimates of 3.0%.

Work is currently underway on projects worth more than \$55 billion in the oil sands alone. With other oil and gas and pipeline projects added, the value is close to \$63 billion, according to Alberta Innovation and Advanced Education. That's in addition to multiple multibillion-dollar transmission line projects and large wind power projects.

There should be some easing of the tight labour market that saw Alberta's unemployment drop to 4.9% in 2014. Oil patch workers may migrate to other energy, resource and infrastructure projects ramping up elsewhere in Canada.

The new workers are part of the steady inflow of migrants, which is expected to moderate after two years of record in-migration to 79,000 in 2014 and 64,000 in 2015. They will help keep demand for new housing high, with starts projected at 40,400 for 2014, 37,400 for 2015.

The influx of investment and people is also fuelling sustained building booms in Calgary, Edmonton and Ft. McMurray. Seven major new office towers are

underway in Calgary, with Brookfield Place expected to be Western Canada's tallest when completed in 2017. Plans for an additional five major commercial as well as fifteen residential towers may be scaled back, depending on oil prices.

Edmonton has three major new office projects underway, the Stantec tower, the Kelly Ramsey Building and the City of Edmonton building, as well as the \$480 million Rogers Place and the \$340 million Royal Alberta Museum, and several new residential towers.

The expansion is even more dramatic in Fort McMurray, where a \$258 million airport expansion and surging residential market are the warm-up for a planned civic centre, public square, arena, and multiple high-rise residential towers in the downtown.

The surging non-residential sector is expected to experience a steady demand for trades involved in oil sands, pipeline, utility and manufacturing construction while demand will be more moderate in the residential sector.

Ongoing major infrastructure projects will also put pressure on the labour supply. Spending commitments on healthcare facilities, new schools, highway expansion, the \$2 billion Calgary Airport, and the \$3.2-billion Edmonton LRT Valley Line promise to stretch construction industry capacity to the limit.



Major mining prospects north (and south) of 60

BTY's previous Market Intelligence reported on the \$778 million being invested in the north for roads, ports, geomapping and research north of 60 as part of the public and private investment supporting mineral resource development. That infrastructure investment is paying off with a rising tide of projects north – and south – of 60.

Despite the current cyclic downturn in commodity prices and associated financing hurdles, it is expected that mining north of 60 will double by 2020, with a forecast annual growth rate of nearly 7.5% in the Yukon, the Northwest Territories and Nunavut compared to 2.2% in the rest of Canada.

At the start of 2014, there were more than 30 major projects either entering or moving through the environmental assessment and permitting processes across the three territories, with an estimated capital investment of over \$25 billion.

Some of the leading projects include the largest new diamond mine under development globally, as well as projects for gold, copper, zinc, iron, cobalt, and rare earth minerals.

South of 60, the development of the Ring of Fire, Ontario's mineral rich district in the province's northwest, has been stymied by delays in the construction of infrastructure and power supply. The region is estimated to hold deposits worth \$60-billion worth of minerals, with chromite being the most important. The government of Ontario has pledged \$1 billion to build a road that would provide access.

Similarly, the Quebec government has revived its commitment to the Plan du Nord, the province's ambitious plan to make natural resources the centerpiece of its economic development, with funding for road infrastructure and improvements as a feasibility study for a new rail line.



"While the oil price drop will slow growth, there is still considerable momentum from long-term investment in energy, infrastructure, office and commercial projects to support workloads in Alberta."

NATHAN GERBRECHT
ASSOCIATE DIRECTOR

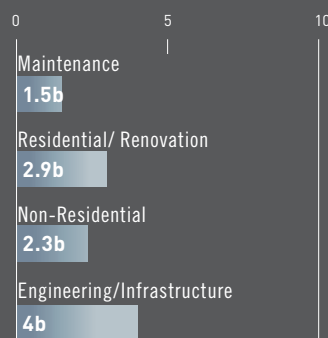
ESCALATION
SUMMARY

2014 : 1-2%
2015 : 0-2%
2016 : 1-2%

Saskatchewan

Mining, infrastructure and residential activity create balanced workloads

Preliminary Construction Investment Projection for 2015 in \$ billions Source: Buildforce



After a modest 2014 following a string of high growth years, Saskatchewan is expected to rebound in 2015, with healthy crop yields expected to offset the squeeze from lower oil prices. A lacklustre performance in agriculture (following bumper crops in 2013) and low potash prices slowed the pace in 2014, but ongoing mining, pipeline and infrastructure projects will help keep construction levels steady this year. Growing global demand for potash will add momentum to the non-energy mining sector.

At 4.3%, the province’s unemployment will continue to be the lowest of any province. There are 15 projects valued at more than \$30 billion underway in the mining sector, and another 20 projects valued at \$5 billion in oil and gas and pipeline expansion. Some major projects have already peaked and are starting to wind down.

Major infrastructure projects underway include the Children’s Hospital of Saskatchewan, the Regina Football Stadium, Regina Highway Bypass Project and the \$1 billion Boundary Dam coal power station. Construction on the new

Regina Wastewater Treatment Plant started over the summer; it’s slated for completion at the end of 2016.

Overall, the government will spend \$2.9 billion on infrastructure projects, ranging from power generation facilities to telecommunications networks to schools to highways to hospitals. SaskTel will spend \$355 million to expand its wireless network in rural areas. Another \$200 million is marked for highway and bridge projects.

Net in-migration of 12,900 people is projected in 2014, before slowing to 11,300 in 2015. Housing starts will follow a similar downward trend with 8,400 forecast for 2014 and 7,700 in 2015. Bank projections call for GDP to range from 2.6% to 2.8% in 2015.

Mobility is key for meeting rising labour demand

2015 will provide respite before competition for skilled trades ratchets up.

Canada’s construction industry has been phenomenally successful. It has hired 600,000 new workers over the past 18 years – a growth rate of 86%. Now a record 1.3 million Canadians – 1 in 14 – make their living working in the construction industry.

But forecasts say that won’t be enough to meet the anticipated demand for labour as up to 210,000 older, more experienced workers leave the workforce for retirement over the next decade. This exodus will contribute to a projected shortfall of more than 100,000 new workers.

The combination of this shortfall with a fat pipeline of massive projects in energy, mining and infrastructure underway or in the planning stages across the country will intensify competition as projects progress over the next decade. For 2015, cyclical dampening of commodity prices, uncertainty over land claims, and the dip in oil prices will see some projects delayed or scaled back. These recalibrations and the general pullback in residential building will provide some respite over the next year, with a limited recovery in non-residential building starting in 2016.

Here’s a preview of where and when labour demand will shift in 2015 and beyond:

- Ontario’s massive infrastructure projects drive current demand; longer-term resource and power projects will accelerate demand as up to 25% of the province’s workforce retires.
- BC is facing the retirement of 34,000 workers – and the arrival of major resource and infrastructure projects that will drive employment along with a surge in housing – and competition for skilled trades – to an all time high by 2017.



- Alberta needs to replace 37,000 retiring workers in the long term even though demand for skilled trades – and the need for non-resident labour -- should ease in the short term.
- Saskatchewan will see a shift away from big projects and housing to commercial and institutional building; 19% of the workforce heading for retirement needs to be replaced.
- Manitoba’s major hydro projects are generating high demand for select skilled trades – and after a pause in 2015, that will increase with a new round of projects after 2016. Up to 21% of the province’s construction workforce is retiring.
- Quebec is seeing a pause in labour employment after an extended boom. The pause is due to reduced residential demand, completion of major infrastructure projects, and major hydro projects passing their peak labour demand.
- Atlantic Canada can expect weak demand in New Brunswick and Prince Edward Island, with Nova Scotia and Newfoundland and Labrador seeing higher requirements from ongoing oil and gas and shipbuilding projects.

In addition to trades training, a key to meeting the longer-term demand for skilled labour will be the mobility of the workforce. Labour requirements will shift back and forth across different geographic markets and sectors over the next decade.



“After a modest 2014 following several years of record growth in nearly every sector, Saskatchewan will rebound in 2015 despite the squeeze from low oil prices. Growing global demand for potash and continuing growth in agricultural production will help spur expansion.”

MICHAEL GABERT
DIRECTOR

ESCALATION
SUMMARY

2014 : 1-2%
2015 : 1-3%
2016 : 2-3%

Quebec

Lower oil and loonie boost Quebec’s prospects

Quebec is another beneficiary of lower oil prices and a lower loonie. They will be a shot in the arm to what has been sluggish growth and sweeten the outlook for both residential and non-residential building for industrial, commercial, and institutional sectors in 2015. Ongoing and proposed major engineering projects, including bridges, roadwork, port infrastructure, transit, mines, and electric power generation, will provide a solid base on which construction can expand.

The Quebec government has maintained the overall level of investment in the Quebec Infrastructure Plan, with infrastructure spending increasing to \$11.5 billion in 2014-2015, from \$10.7 billion in 2013-2014. Major transportation projects moving forward include the \$5 billion St. Lawrence Crossing to replace the crumbling Champlain Bridge, the \$3.7 billion rebuild of the Turcot Interchange, and a \$1.5 billion extension of the Métro in Montréal’s east end, as well as port and river infrastructure in various locations.

Plan Nord, which aims to stimulate the economic, social and environmental development of northern Quebec, is also moving ahead with work on road infrastructure to improve access for resource development. Major new mine developments include the \$752 million Stornoway diamond mine, two iron ore mines, Aupaluk and Kemag valued at \$7 billion.

In the energy sector, the ongoing \$6.5

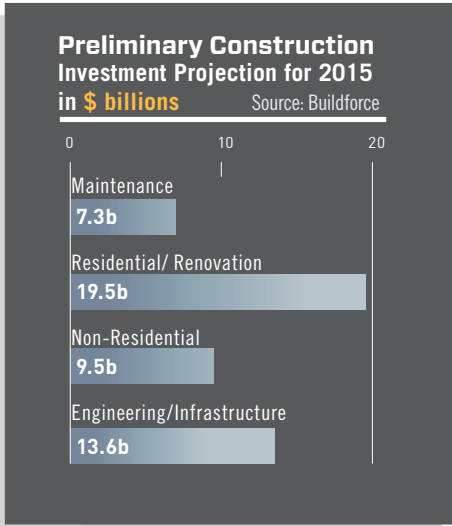
billion Romaine hydro project Complex (hydroelectric) leads the way, with a planned new power line – valued at \$1.1 billion – to meet the growing demand for electricity north of Montréal.

Total net migration is expected to reach 34,262 people in 2014 and rise to 39,000 people in 2015. This increase will have a positive impact on demand in Quebec’s rental market as well as support the residential building sector, with housing starts projected to rise slightly from 38,200 in 2014 to 39,000 in 2015.

Major commercial projects underway in Montréal include the \$800-million Deloitte Tower, scheduled for completion in 2015, and the 50-storey Tour des Canadiens, due in 2016. Over the next five years, however, the retail sector in Montréal is expected to undergo a significant transformation in the downtown core with St. Catherine Street forecast to be completely transformed over the next five years.

Overall, Quebec’s diversified export sector is expected to strengthen significantly with a lower loonie and stronger demand from the United States resurgence in manufacturing and exports should translate to greater business investment and increased investment in non- residential construction after 2015.

Bank forecasts for Quebec’s 2015 economic growth range from 1.5% to 2%.



“New transportation and ongoing energy projects will keep Quebec on an even keel. Expect a boost in other non-residential building from new business investment spurred by increased exports to the U.S.”

ANTONIO NIRO
DIRECTOR

Making the most of modular construction

There has been a growing expansion in the use of modular construction methods across Canada for homes – especially rental homes, and other residential applications such as employee housing, student accommodation and budget hotels. The need for employee housing for large energy and resource projects in remote areas across Canada — especially in the North — has been a particularly strong driver of modular construction.

Factory-built homes alone accounted for 11% of all the single-family homes started in 2012 , up from roughly 3% to 4% in 2000. Part of the reason is that advances in technology have enabled more innovative designs on the factory floor that have helped to make modular building more attractive – and more competitive.

While the names may differ, the methods all involve off-site fabrication of building components, from window frames right up to pre-cast concrete structural elements. The items manufactured off-site are then delivered when work on site has progressed to the installation stage. An entire modular unit can even be delivered to site, complete from framing to internal finishes, including mechanical and electrical installations and mounted cabinets and millwork.

The key advantages of the modular approach are:

- Decreased construction time on site, on-site running costs, and material waste.
- Increased quality – and cost control from fabrication in a controlled environment.
- A safer work environment.



As with any construction method, there are some issues, such as:

- Size limitations of modular units due to transportation.
- Cost savings from labour efficiency gains can be offset by transportation costs.
- Potential for construction delay from damage during delivery and on-site installation.
- Large volumes of manufacturing for both individual projects and greater industry adoption needed to realize higher cost savings.
- Need for strict control of tolerances on site.
- Less flexible design compared to traditional construction.
- Need for design teams to be familiar with the method and process, and to be involved as early as possible.

There are also financial considerations when undertaking a modular building project:

- Cashflow varies significantly from the standard construction project.
- Modular suppliers can require deposits prior to final design and again prior to manufacture.

- Modular construction is best suited where unit absorption rates are expected to be high.
- Depending on the procurement method, lenders may require additional security, information, coverages, and measures to be in place due to deposits and storage of units off site.

The modular method has shown itself to be particularly well suited to student accommodation or budget hotels, which are typically built when a high occupancy absorption rate is more or less assured.

High-rise residential apartments or commercial spaces have an absorption rate or a timeline to get to full occupancy. Since both contain some element of tenant customization, creating a standard unit only slows down the absorption rate.

More widespread adoption of modular construction will require volume orders that will enable the economics of scale that will reduce costs. Developers and building contractors working with traditional methods will need to adapt their business models to deliver the full benefits of modular building to their clients.

ESCALATION SUMMARY

2014 : 1-2%
2015 : 1-2%
2016 : 2-3%

Manitoba

Manitoba powers up with massive energy projects

A number of major energy and mining projects are the driving force in construction in Manitoba. Altogether, investment in engineering construction is projected to rise 26% from 2014 to 2015. Both engineering and ICI construction – especially industrial – remain well above historical levels of activity.

The major energy projects include the \$6.2 billion Keeyask Generating Station, the \$3.5 billion Bipole Transmission Line, and the \$1.6 billion Wuskwatim hydroelectric dam. However, other economic mainstays such as metal mining will see little growth and crop production is expected to decline this year.

Manitoba's increased public infrastructure spending is providing stimulus to the economy, supporting bank growth forecasts of between of 2.1% and 2.8% for 2015. In spring 2014, the Manitoba government announced details of its five-year, \$5.5 billion infrastructure-spending plan.

The province will spend \$3.7 billion over five years on highways, bridges, and critical transportation infrastructure, and more than \$300 million on flood protection and water quality projects. Municipal infrastructure investment will average over \$300 million a year for five years, for a total of \$1.5 billion.

One of the province's longer-term infrastructure projects is the \$3 billion East Side Transportation Initiative that will see 1,028 km of all-season road built connecting the east side of Lake Winnipeg, and eastern Manitoba in general, with the wider road network.

Leading the way in downtown commercial projects are the \$180 million RBC Convention Centre expansion, the 21-storey Glasshouse Lofts residential tower, and the proposed \$150 million, 54-storey SkyCentre office tower, which would be the city's tallest.

The province's economic growth should get a boost from the lower loonie that reduces the cost of exports to a strengthening U.S. economy. A rebound in manufacturing will spur construction – as will continued positive net in-migration, which is projected to moderate to 9,200 in 2014 and 9,100 in 2015. Housing starts are expected to decline slightly from 6,700 for 2014 to 6,500 for 2015.



"A 26% jump in investment in engineering construction from 2014 to 2015, a surging industrial sector, multiple major new infrastructure projects and strong commercial activity will give construction in Manitoba a power surge for several years."

ALISTAIR DEARIE
PARTNER

Atlantic Region

Slower economic growth lowers expectations for building

Atlantic Canada set another investment record in 2014 with 439 projects worth \$122 billion, a 7% increase over the previous year. Annual spending on major projects in the region was also on the rise, up about 8% to a record \$15 billion for the year, with Newfoundland and Labrador leading the pack. Even with the increase, overall slower economic growth in the region has led to a fall off in forecast construction spending for 2015. Net in-migration in the region – except for Newfoundland and Labrador – is projected to come in at or near zero, and expectations for growth in new residential building are equally weak.

The impact of workers returning to the region from Alberta and Saskatchewan in the wake of oil patch project cancellations may generate housing demand – and swell the construction workforce.

New Brunswick

Construction levels across the board will dip slightly in 2015 and are then expected to rebound sharply in 2016, lifted by the Energy East Pipeline and associated marine facilities. Overall GDP growth is forecast at between 1.0% and 1.9% in 2015 as the natural resource sector, a major economic driver, waits for the U.S. recovery to gain strength.

Prince Edward Island

The Atlantic Provinces Economic Council has identified \$2.1 billion dollars worth of upcoming investment projects in the province for 2015, up 10% over 2014. Public investment will get a boost from the New Building Canada Fund and the

Gas Tax Fund, which together will deliver \$440 million to the province to improve infrastructure. Bank GDP growth forecasts for 2015 range from 0.8% to 1.2%.

Nova Scotia

Natural gas production will fuel expansion of Nova Scotia's economy forecast to grow at between 1.2% and 2% in 2015. The ongoing \$300 million expansion at the Halifax shipyard will see it ready to start building navy combat ships in mid-2015, giving the construction industry, and the economy, a welcome boost. Construction continues at a mixed-use development at King's Wharf on the Dartmouth waterfront, and the \$500 million Nova Centre is scheduled for completion in 2015.

Newfoundland and Labrador

Newfoundland and Labrador's economic – and construction -- growth slowed substantially in 2014 as capital spending levels eased and oil production remained steady. Lower oil prices may reduce the previous GDP growth forecast of 1.5% for 2015. The oil price impact may have a ripple effect that leads to lower overall construction levels.

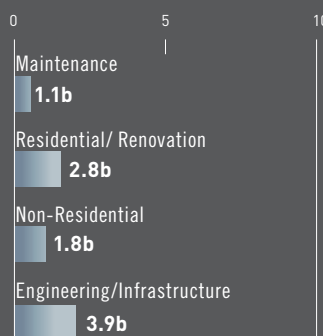
REGIONAL SNAPSHOTS

ESCALATION SUMMARY

2014 : 1-2%
2015 : 0-2%
2016 : 0-2%

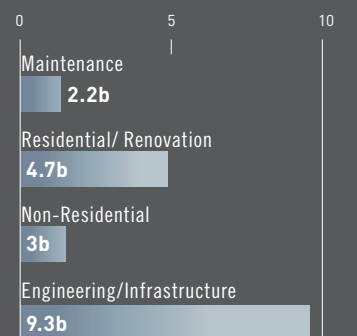
Preliminary Construction Investment Projection for 2015 in \$ billions

Source: Buildforce



Preliminary Construction Investment Projection for 2015 in \$ billions

Source: Buildforce



"Even with record investment, the lower oil price, slower economic growth and near zero in-migration will see Atlantic Canada experience an overall fall-off in construction spending in 2015."

DAVID LAI
DIRECTOR

United States



BTY expansion into U.S. has only just begun

Five years ago BTY made what some might call a risky bet. It committed to entering the U.S. market by offering its services on P3 projects, then a relative rarity there compared to the Canadian industry, and did so at the height of the financial crisis.

Careful risk analysis and patience have proved it to be a well-timed investment. Today the firm has 15 major infrastructure assignments live in nine states (two of which achieved financial close in the last year), two offices (Los Angeles and Phoenix), and a healthy appetite for further expansion.

At first BTY partnered with other Canadian firms participating in US P3s. Now we are developing relationships directly with major US construction firms and project proponents. Most projects have been in the transportation sector, as they are often the most attractive for public agencies entering the P3 market for the first time. Highway and transit developments have led the way, with aviation developments gaining momentum.

As the P3 model also gains favour for building new social infrastructure, BTY is finding that its proven track record in justice and public safety is helping it win new projects in this sector, most frequently in the role of Lenders' Technical Advisor. In fact, no other firm in either the U.S or Canada has fulfilled the role of Technical Advisor on more P3 projects since 2013.

Leading BTY's operations and the new office in Phoenix, AZ is Director Ryan Brady. He brings 16 years of U.S. and international experience in the industry, with expertise in project and construction management, cost and risk management, and technical advisory services for P3 projects.

Supporting Ryan, and working out of the Los Angeles office, is BTY's Business Development Manager for the U.S., Janine Fisher. She has 15 years of experience providing Lenders' Services for residential and commercial developments.

BTY aims to build on Ryan's and Janine's expertise – and its successes in P3s – to seek out new projects and partners in new sectors as part of its planned expansion. The expectation is that the investment made in the trough of the crisis will bear healthy dividends as the U.S. construction industry embraces the P3 model, and the industry overall continues to recover and return to full strength.



“With 37 states having passed legislation enabling P3s, expect to see more projects in both transportation and social infrastructure across the country.”

RYAN BRADY
DIRECTOR

U.S. has potential to become world's largest market for P3 projects

A fall 2014 report from Moody's Investors Service says the U.S. has strong potential to become the world's largest market for P3 projects. The firm's Global P3 Landscape report notes the sheer size of the country's infrastructure and growing urban population – in conjunction with an increased willingness of state governments to use the P3 model – are creating strong momentum for the procurement model. The strong resurgence of the U.S. economy – spurred in part by becoming the world's top oil producer – also supports the availability of the financial resources needed to undertake the kinds of large infrastructure projects that are so well suited for the P3 model.

There are now 37 states that have passed enabling legislation for P3s. Colorado, Florida, Texas and Indiana have the most robust P3 programs, with multiple projects in each state. California, Pennsylvania, Kentucky, Maryland, Michigan, Nevada, Arizona, and Oregon all have P3 Projects at varying stages of procurement.

While New York and New Jersey do not have P3 legislation, the Port Authority of New York & New Jersey does have special dispensation to use the model, and is using it for the Goethals Bridge and LaGuardia Airport Central Terminal Building Replacement Projects.

The report explains that there are two inter-related trends at work that could cause P3 activity to expand even

more rapidly. The first is the need to upgrade, replace or build out essential infrastructure assets; the second is the inability of governments to finance these current and future infrastructure investments entirely on their balance sheets.

The use of the P3 model has been steadily increasing in the U.S. over the last five years, with a strong history of using the toll, or demand-risk model. In this P3 type, the private developer is paid back through user fees it has been granted to collect. This fee-for-service model transfers performance risk to the private developer.

More states are authorizing the use of P3s for transportation projects, which are typically the first type of P3 project in a new market. Over the past 12 months, traction in the social infrastructure project space has also started to take hold, with projects such as the Long Beach Civic Centre, the Indianapolis Justice Complex and Houston Justice Facility hitting the street.

But the market for availability-payment P3s in the US is also expanding, according to The Moody's report. In this type of P3, payment to the private developer is made as long as the asset is available and meets specific performance criteria. The payments cover operating and maintenance costs, as well as debt service on borrowings to pay for construction costs. More P3 availability payment projects are reaching financial close or are in procurement than ever before.



“The strengthening recovery in the U.S. is driving strong growth in both residential and non-residential building sectors, with 12 of the 20 fastest growing types of companies tied to the construction industry.”

JANINE FISHER
BUSINESS DEVELOPMENT MANAGER

Cost Data Parameters Comparison

BTY Group has been publishing the annual Market Intelligence Report and a comparison of Cost Data Parameters since 2003. The Cost Data includes unit rates for select project categories, based on in-house data surveyed on a provincial level, and tendered data where available. The comparison provides actual data for 2014 and forecast data for 2015, using escalation levels generated by BTY Group.

Note: The unit rates reflect hard construction costs, including general requirements and fees, and excluding site works and tenant improvements. Variances in unit rates and escalation will occur due to the remoteness of some regions and prevailing local market conditions. Construction costs can also be affected by a multitude of factors that may not be limited to market conditions.

BTY Group strongly recommends that readers seek the advice of a Professional Quantity Surveyor (PQS) prior to establishing a budget for their specific projects.

PROJECT CATEGORY

	BRITISH COLUMBIA				ALBERTA			
	2014		2015		2014		2015	
	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft
Health Care								
Residential Care	2,300 - 2,530	214 - 235	2,330 - 2,570	216 - 239	2,550 - 3,080	237 - 286	2,590 - 3,130	241 - 291
Ambulatory Care	4,510 - 4,680	419 - 435	4,580 - 4,750	425 - 441	4,580 - 5,000	425 - 465	4,650 - 5,080	432 - 472
Acute Care	5,400 - 6,000	502 - 557	5,480 - 6,090	509 - 566	5,900 - 6,890	548 - 640	5,990 - 6,990	556 - 649
Laboratories								
Research Laboratories	5,680 - 6,310	528 - 586	5,770 - 6,400	536 - 595	6,150 - 6,810	571 - 633	6,240 - 6,910	580 - 642
Teaching Laboratories	4,420 - 4,900	411 - 455	4,490 - 4,970	417 - 462	5,020 - 5,840	466 - 543	5,100 - 5,930	474 - 551
Animal Research	7,200 - 8,000	669 - 743	7,310 - 8,120	679 - 754	7,310 - 8,000	679 - 743	7,420 - 8,120	689 - 754
High-rise Residential								
Rental Units	2,050 - 2,610	190 - 242	2,070 - 2,640	192 - 245	2,100 - 2,650	195 - 246	2,120 - 2,680	197 - 249
Market Units Mid End Specifications	2,370 - 3,010	220 - 280	2,390 - 3,040	222 - 282	2,420 - 3,100	225 - 288	2,440 - 3,130	227 - 291
Market Units High End Specifications	2,830 - 3,600	263 - 334	2,860 - 3,640	266 - 338	2,790 - 3,620	259 - 336	2,820 - 3,660	262 - 340
Low & Mid-rise Residential								
Rental Units	1,270 - 1,650	118 - 153	1,280 - 1,670	119 - 155	1,290 - 1,700	120 - 158	1,300 - 1,720	121 - 160
Market Units Mid End Specifications	1,420 - 2,000	132 - 186	1,430 - 2,020	133 - 188	1,500 - 2,100	139 - 195	1,520 - 2,120	141 - 197
Market Units High End Specifications	1,850 - 2,280	172 - 212	1,870 - 2,300	174 - 214	1,950 - 2,400	181 - 223	1,970 - 2,420	183 - 225
Townhouses (Wood Frame)								
Rental Units	1,100 - 1,350	102 - 125	1,110 - 1,360	103 - 126	1,100 - 1,400	102 - 130	1,110 - 1,410	103 - 131
Market Units Mid End Specifications	1,300 - 1,610	121 - 150	1,310 - 1,630	122 - 151	1,350 - 1,650	125 - 153	1,360 - 1,670	126 - 155
Market Units High End Specifications	1,510 - 2,200	140 - 204	1,530 - 2,220	142 - 206	1,600 - 2,200	149 - 204	1,620 - 2,220	151 - 206
Shopping Centres								
Strip Plaza	950 - 1,600	88 - 149	960 - 1,620	89 - 151	1,250 - 2,000	116 - 186	1,270 - 2,030	118 - 189
Enclosed Mall	2,260 - 3,030	210 - 281	2,290 - 3,080	213 - 286	2,300 - 3,000	214 - 279	2,330 - 3,050	216 - 283
Anchor/Department Store	1,990 - 2,420	185 - 225	2,020 - 2,460	188 - 229	2,200 - 2,850	204 - 265	2,230 - 2,890	207 - 268
Supermarket	1,450 - 1,940	135 - 180	1,470 - 1,970	137 - 183	1,740 - 2,150	162 - 200	1,770 - 2,180	164 - 203
Discount Store	1,200 - 1,540	111 - 143	1,220 - 1,560	113 - 145	1,400 - 1,800	130 - 167	1,420 - 1,830	132 - 170
Office								
Under 5 Storeys	1,510 - 1,790	140 - 166	1,530 - 1,820	142 - 169	1,850 - 2,800	172 - 260	1,880 - 2,840	175 - 264
5 - 10 Storeys	1,840 - 2,390	171 - 222	1,870 - 2,430	174 - 226	2,210 - 2,780	205 - 258	2,240 - 2,820	208 - 262
10 - 20 Storeys	2,100 - 2,620	195 - 243	2,130 - 2,660	198 - 247	2,280 - 2,950	212 - 274	2,310 - 2,990	215 - 278
20 - 30 Storeys	2,420 - 3,020	225 - 281	2,460 - 3,070	229 - 285	2,590 - 3,560	241 - 331	2,630 - 3,610	244 - 335
Educational								
Elementary Schools	1,950 - 2,270	181 - 211	1,980 - 2,300	184 - 214	2,140 - 2,790	199 - 259	2,170 - 2,830	202 - 263
Secondary Schools	2,090 - 2,590	194 - 241	2,120 - 2,630	197 - 244	2,250 - 2,860	209 - 266	2,280 - 2,900	212 - 269
Higher Education	2,500 - 3,030	232 - 281	2,540 - 3,080	236 - 286	2,600 - 3,520	242 - 327	2,640 - 3,570	245 - 332
Light Industrial								
Warehouse	850 - 1,130	79 - 105	860 - 1,140	80 - 106	1,020 - 1,400	95 - 130	1,030 - 1,410	96 - 131
Hotels								
Low Rise	1,750 - 2,500	163 - 232	1,770 - 2,530	164 - 235	1,800 - 2,500	167 - 232	1,810 - 2,510	168 - 233
Roads - Paving								
Paved Highway - Linear Roadworks	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km
	900,000 -- 1,140,000	920,000 -- 1,160,000	920,000 -- 1,180,000	940,000 -- 1,200,000				
Road Overpass Bridge Structure								
Highway Overpass Structures	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²
	3,500 -- 4,900	3,600 -- 5,000	3,600 -- 5,900	3,800 -- 6,200				

SASKATCHEWAN				ONTARIO				QUEBEC			
2014		2015		2014		2015		2014		2015	
\$/m²	\$/sq.ft	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft	\$/m²	\$/sq.ft
2,600 - 3,000	242 - 279	2,640 - 3,050	245 - 283	2,430 - 2,760	226 - 256	2,500 - 2,840	232 - 264	2,500 - 2,840	232 - 264	2,550 - 2,900	237 - 269
4,690 - 5,560	436 - 517	4,760 - 5,640	442 - 524	4,470 - 5,030	415 - 467	4,600 - 5,180	427 - 481	4,600 - 5,120	427 - 476	4,690 - 5,220	436 - 485
5,560 - 6,600	517 - 613	5,640 - 6,700	524 - 622	5,810 - 6,250	540 - 581	5,980 - 6,440	556 - 598	5,000 - 6,390	465 - 594	5,100 - 6,520	474 - 606
6,400 - 7,400	595 - 687	6,500 - 7,510	604 - 698	6,040 - 6,820	561 - 634	6,220 - 7,020	578 - 652	6,090 - 6,990	566 - 649	6,210 - 7,130	577 - 662
5,200 - 5,780	483 - 537	5,280 - 5,870	491 - 545	5,100 - 5,860	474 - 544	5,250 - 6,040	488 - 561	5,050 - 6,010	469 - 558	5,150 - 6,130	478 - 569
8,300 - 8,700	771 - 808	8,420 - 8,830	782 - 820	6,020 - 7,870	559 - 731	6,200 - 8,110	576 - 753	6,190 - 8,110	575 - 753	6,310 - 8,270	586 - 768
2,100 - 2,650	195 - 246	2,120 - 2,680	197 - 249	2,000 - 2,300	186 - 214	2,050 - 2,360	190 - 219	1,800 - 2,300	167 - 214	1,820 - 2,320	169 - 216
2,420 - 3,100	225 - 288	2,440 - 3,130	227 - 291	2,300 - 2,800	214 - 260	2,360 - 2,870	219 - 267	2,200 - 2,800	204 - 260	2,220 - 2,830	206 - 263
2,790 - 3,620	259 - 336	2,820 - 3,660	262 - 340	2,800 - 4,120	260 - 383	2,870 - 4,220	267 - 392	2,700 - 4,000	251 - 372	2,730 - 4,040	254 - 375
1,290 - 1,700	120 - 158	1,300 - 1,720	121 - 160	1,200 - 1,420	111 - 132	1,220 - 1,450	113 - 135	1,200 - 1,420	111 - 132	1,210 - 1,430	112 - 133
1,500 - 2,100	139 - 195	1,520 - 2,120	141 - 197	1,300 - 1,650	121 - 153	1,330 - 1,680	124 - 156	1,300 - 1,650	121 - 153	1,310 - 1,670	122 - 155
1,950 - 2,400	181 - 223	1,970 - 2,420	183 - 225	1,760 - 2,100	164 - 195	1,800 - 2,140	167 - 199	1,700 - 2,100	158 - 195	1,720 - 2,120	160 - 197
1,100 - 1,400	102 - 130	1,110 - 1,410	103 - 131	1,000 - 1,350	93 - 125	1,020 - 1,380	95 - 128	1,000 - 1,350	93 - 125	1,010 - 1,360	94 - 126
1,350 - 1,650	125 - 153	1,360 - 1,670	126 - 155	1,300 - 1,610	121 - 150	1,330 - 1,640	124 - 152	1,300 - 1,610	121 - 150	1,310 - 1,630	122 - 151
1,600 - 2,200	149 - 204	1,620 - 2,220	151 - 206	1,500 - 2,100	139 - 195	1,530 - 2,140	142 - 199	1,500 - 2,100	139 - 195	1,520 - 2,120	141 - 197
1,250 - 2,000	116 - 186	1,270 - 2,030	118 - 189	950 - 1,600	88 - 149	970 - 1,630	90 - 151	900 - 1,500	84 - 139	920 - 1,530	85 - 142
2,300 - 3,000	214 - 279	2,330 - 3,050	216 - 283	2,200 - 3,000	204 - 279	2,240 - 3,060	208 - 284	2,100 - 2,900	195 - 269	2,140 - 2,960	199 - 275
2,200 - 2,850	204 - 265	2,230 - 2,890	207 - 268	1,900 - 2,400	177 - 223	1,940 - 2,450	180 - 228	1,800 - 2,400	167 - 223	1,840 - 2,450	171 - 228
1,740 - 2,150	162 - 200	1,770 - 2,180	164 - 203	1,400 - 1,940	130 - 180	1,430 - 1,980	133 - 184	1,200 - 1,650	111 - 153	1,220 - 1,680	113 - 156
1,400 - 1,800	130 - 167	1,420 - 1,830	132 - 170	1,200 - 1,540	111 - 143	1,220 - 1,570	113 - 146	1,150 - 1,500	107 - 139	1,170 - 1,530	109 - 142
2,018 - 2,390	187 - 222	2,050 - 2,430	190 - 226	1,450 - 1,750	135 - 163	1,480 - 1,790	137 - 166	1,450 - 1,750	135 - 163	1,480 - 1,790	137 - 166
2,260 - 3,450	210 - 321	2,290 - 3,500	213 - 325	1,760 - 2,200	164 - 204	1,800 - 2,240	167 - 208	1,750 - 2,200	163 - 204	1,790 - 2,240	166 - 208
2,330 - 2,970	216 - 276	2,360 - 3,010	219 - 280	1,990 - 2,430	185 - 226	2,030 - 2,480	189 - 230	1,800 - 2,430	167 - 226	1,840 - 2,480	171 - 230
2,680 - 3,370	249 - 313	2,720 - 3,420	253 - 318	2,420 - 3,020	225 - 281	2,470 - 3,080	229 - 286	2,280 - 2,930	212 - 272	2,330 - 2,990	216 - 278
2,200 - 2,800	204 - 260	2,230 - 2,840	207 - 264	1,660 - 1,980	154 - 184	1,710 - 2,040	159 - 190	1,600 - 1,900	149 - 177	1,630 - 1,940	151 - 180
2,300 - 2,900	214 - 269	2,330 - 2,940	216 - 273	1,760 - 2,200	164 - 204	1,810 - 2,270	168 - 211	1,700 - 2,150	158 - 200	1,730 - 2,190	161 - 203
2,600 - 3,600	242 - 334	2,640 - 3,650	245 - 339	2,500 - 4,000	232 - 372	2,580 - 4,120	240 - 383	2,500 - 4,000	232 - 372	2,550 - 4,080	237 - 379
1,020 - 1,560	95 - 145	1,030 - 1,580	96 - 147	800 - 1,100	74 - 102	820 - 1,120	76 - 104	800 - 1,100	74 - 102	810 - 1,110	75 - 103
1,800 - 2,500	167 - 232	1,820 - 2,530	169 - 235	1,700 - 2,300	158 - 214	1,730 - 2,350	161 - 218	1,700 - 2,300	158 - 214	1,720 - 2,320	160 - 216
\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km	\$/Lane km
1,080,000 -- 1,250,000	1,100,000 -- 1,280,000			900,000 -- 1,030,000	940,000 -- 1,070,000			1,130,000 -- 1,280,000	1,150,000 -- 1,300,000		
\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²	\$/m²
4,200 -- 6,100	4,400 -- 6,400			3,600 -- 5,600	3,700 -- 5,800			4,400 -- 6,400	4,600 -- 6,600		



“Adequate capacity in the non-residential sector – with increased competition and lower margins among contractors – will make for modest price increases in 2015.”

NEILL MCGOWAN
PARTNER



“On the residential side, continued strong U.S. recovery could generate an uptick in material prices in Canada.”

IAN WILKINSON
PARTNER



Q1 2015 Market Intelligence Report

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