

## MEET YOUR TRUSTED ADVISOR



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*Mel manages the Calgary office. With over 30 years of industry experience, Mel is responsible for business development, client relations, and project leadership for both public and private sector clients across Canada. He is a Fellow of the Canadian Institute of Quantity Surveyors.*

*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**OIL & GAS** The oil and gas sector will gain from increased export capacity when the Transmountain pipeline commences operations in late 2023. The pipeline is forecasted to generate \$73 billion in additional revenue for producers and an additional \$46 billion for the Canadian government. This should fund more work for the construction industry to increase producer capacity, as well as the transitions to low-carbon means for the future.



**LABOUR SUPPLY** Throughout 2022, Alberta saw the highest net inflow of inter-provincial migrants across Canada as well as immigration additions. This is welcome news for the province's business community, which has identified labour shortages as a source of concern in 2023.



**HOSPITALITY & TOURISM** The tourism and hospitality industries have seen a recovery, according to the province. The province reports that hotel occupancy rates have largely recovered to pre-pandemic levels. The city of Calgary is quickly developing into a hub for innovation and technology. Alberta has created a climate that motivates companies to expand and invest.

### CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE FROM Q3 2021
Softwood Lumber	▼ - 9.5%
Cement, Glass, Non-metallic	▲ 4.4%
Rebar	▼ - 12.4%
Lumber & Wood Products	▼ - 4.3%
Energy & Petroleum	▼ - 20.4%
Copper	▼ - 7.4%

### CITY COST INDEX



### PROJECTED MARKET TRENDS

**0.61%**  
Calgary Q3 to Q4  
escalation rate

**9.46%**  
Calgary YOY  
escalation rate



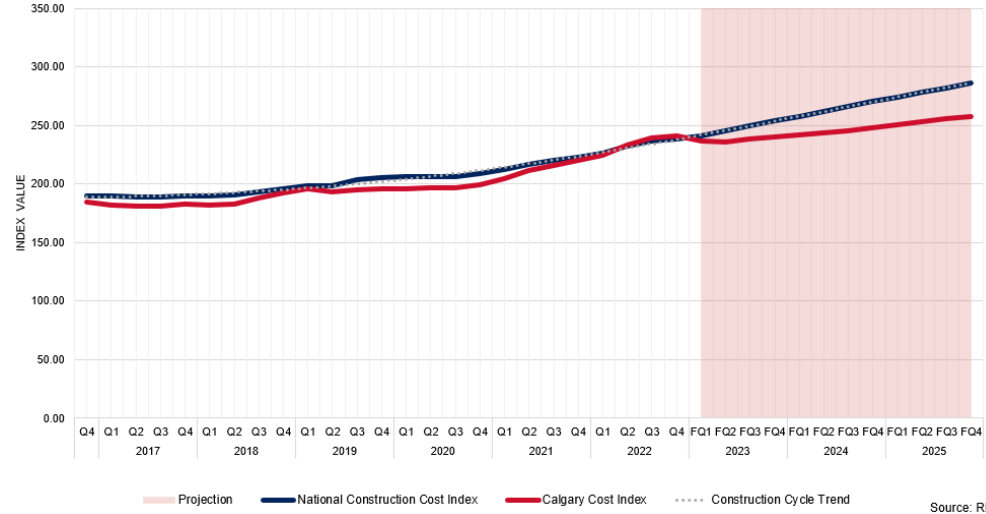
**DON'T MISS OUT ON FUTURE INSIGHTS!**



For more than 20 years, we have published a quarterly construction cost report to provide you with the most accurate and up-to-date construction pricing information in the market.

**SCAN TO SUBSCRIBE**

**CONSTRUCTION COST INDEX, ESCALATION, AND TRENDS**



**ABOUT THE CHART**

The above chart provides a comparison between the overall changes in North American key cities' cost index versus Calgary's index, as well as tracked against the construction cycle trend. Finally, the pink area represents the projected results based on research.

**WHAT THIS MEANS FOR YOU**

Despite predictions of a global recession, Calgary and Alberta will be propelled in 2023 by growth driven by commodity prices and momentum in the long-term diversification of the economy, according to economists. According to a statement from the province, the construction sector in Edmonton and Calgary is expanding, with building permits up 44% year over year. Although the Alberta economy is benefiting from strong commodity prices, consumers and businesses in the province will be more vulnerable to the global negative effects of high inflation and rising interest rates.

Source: RLB