

Economy at a Glance

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Canada no slouch when it comes to construction material cost hikes



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In recent weeks, I've written several articles dealing with U.S. outsized construction material cost increases.

Contractors north of the border, though, I'm sure would like similar data on the Canadian experience. Table 1 is the response.

The U.S. figures on percentage changes in building materials and related cost climbs are derived from the Producer Price Index (PPI) data set calculated and published by the Bureau of Labor Statistics (BLS).

The best means to achieve Canadian equivalency is to draw on the Industrial Product Price Index (IPPI) data set from Statistics Canada.

The most dramatic price increases in Table 1, both year over year and during the last three months for which numbers are available, have been pointed out with red arrows.

Basically, it's the prices attached to the same components in Canada as in the U.S. that are rapidly sprinting upwards — lumber, plywood and other forestry products; steel and its inputs; gasoline and diesel fuel; and wire and cable made of copper.

For more articles by Alex Carrick on the Canadian and U.S. economies, please visit: www.constructconnect.com/blog.

The most dramatic construction material cost price increases in Canada, year over year, have been: softwood lumber (+169.4%); motor gasoline (+128.5%); veneer and plywood (+126.5%); and waste and scrap of iron and steel (+59.9%).



For more economic charts and articles, visit: <https://canada.constructconnect.com/canadata/forecaster>

Table 1: Canadian Construction Material Costs Based on Industrial Product Price Index (IPPI) Series from Statistics Canada

	Year over Year Apr 2021/Apr 2020	Latest 3 Months Apr 2021/Jan 2021
Paints, coatings, and adhesive products	-1.6%	-0.1%
Plastic and foam building and construction materials	3.8%	5.7%
Hardwood lumber	16.2%	8.0%
Softwood lumber	➔ 169.4%	➔ 30.5%
Wood trusses and engineered wood members	27.4%	➔ 26.8%
Veneer and plywood	➔ 126.5%	➔ 38.1%
Wood windows and doors	6.3%	3.3%
Wood cabinets and counter tops	-0.6%	-1.0%
Coke and other coke oven products (for steelmaking)	15.4%	16.5%
Motor gasoline	➔ 128.5%	➔ 22.6%
Diesel and biodiesel fuels	➔ 63.4%	9.6%
Asphalt (except natural) and asphalt products	22.5%	16.8%
Iron or steel pipes and tubes	➔ 38.5%	➔ 22.8%
Waste and scrap of iron and steel	➔ 59.9%	10.3%
Metal building and construction materials	19.6%	15.3%
Fabricated steel plate & other fabricated structural metal	17.8%	16.0%
Metal windows and doors	11.4%	5.6%
Hardware	-1.7%	1.1%
Heating & cooling equipment (except home fridges & freezers)	-6.5%	-6.1%
Industrial & commercial fans, blowers, air purification equipment	0.8%	0.1%
Communication and electric wire and cable	➔ 43.4%	16.3%
Electric lamps & lighting fixtures (except bulbs and tubes)	-7.7%	9.1%
Glass and glass products (except automotive glass)	4.5%	0.0%
Cement	0.2%	5.9%
Ready-mixed concrete	0.3%	0.5%
Lime and gypsum products	-16.6%	-4.2%

Data source: Statistics Canada's Industrial Product Price Index (IPPI) series, Table 18-10-0266-01. Table: ConstructConnect — CanaData.