



For Immediate Release

2012 a great year to start major construction projects in B.C.

Mild price escalation, moderate wage increases make coming year a good time to buy

(January 6, 2012 - Vancouver) The New Year is shaping up to be the right time to get new construction projects off the ground according to a pair of reports released today by the Independent Contractors and Businesses Association of B.C. and Vancouver-based BTY Group.

“The story of B.C. this year is balance – with a seven per cent increase in housing starts and similar jumps in commercial construction offsetting a slowing in government infrastructure investments,” said Joe Rekab, managing partner with BTY Group. “It means cost escalation of about one to two per cent in 2013-14. That adds up to 2012 being a great time for developers, commercial and industrial clients, and even governments to get construction projects off the ground.”

BTY’s analysis looks at cost pressures across the country. Escalation will be much lower in B.C. this year compared to the rest of the West. Construction prices are getting upward pressure from high oil prices, major investments in energy and mining, and demand stimulated by low mortgage rates. Escalation would be higher if it wasn’t for the downward pressures from slower economic growth forecasts, declining commodity prices, and lower import costs thanks to the strong Loonie.

ICBA also looked at costs in the New Year with its annual survey of how its 1,100 members feel about the coming year. Overall the story is ‘cautious optimism.’ We see 39 per cent of companies expecting their volume of work to increase in 2012, while 48 per cent expect it to stay the same. All but one of the 13 sectors surveyed have more than 75 per cent of respondents expecting their volume of work to stay the same or grow.

“Trucking and excavation lead the optimism with 56 per cent of companies saying this year will be busier than 2011,” said ICBA President Philip Hochstein. “These two sectors are early indicators of what’s to come in construction because they’re the first ones working on any project. When things look good to them, it’s a sign of what’s coming in the industry.”

ICBA’s survey also looks at wage expectations for the construction industry. They’re expected to rise 2.4 per cent in 2012, and by 3.4 per cent in 2013. For Hochstein it’s an indication, along with BTY’s report, that 2012 is the year to move ahead with construction projects.

“The value window for construction services is continuing this year – but increases are just over the horizon,” Hochstein said. “Simply put, this makes it a great year to move ahead with projects and get the biggest bang for your construction dollar.”

You can download the entire 2012 BTY report at bty.com.

About ICBA (www.icba.ca) *The Independent Contractors and Businesses Association of B.C. services and represents B.C.'s construction sector. ICBA's 1,100 members build in the multi-family residential and Industrial, Commercial and Institutional (ICI) construction sectors and are involved in virtually all major capital projects in British Columbia.*

About BTY (www.bty.com) *BTY Group is one of Canada's most successful and experienced Cost Management and Project Management consultancies offering Cost, Project and Program Management; Project Monitoring; Lenders Advisor and Risk & Value Analysis.*

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