

Construction materials price index to decline by 5% in first half of 2009.



Cost Consultants

Newsletter
Volume 3
February 15, 2009

Construction materials price index to decline by 5% in first half of 2009.

The CanaData's construction materials cost index, based on weightings of Statistics Canada's Industrial Product Price Index is expected to decline by 5% year-over-year at some time during the first half of 2009. However, the government infrastructure projects will contribute to the material prices raising again by the end of the year, and in 2010.

Lumber Markets

The price of lumber has been decreasing over the past few years and will continue modest decline of the prices (0-2%)

New members
welcomed to
eManagePro team :

Karen Smith

Fred Burgess

Hugo Haslaar

Catherine Chiffert

Cement and Steel Prices

The cement price index remains at a record high and the year-over-year percentage change has softened slightly, to about +2.5%. It is most likely that the year-over-year price change will drop to 0.0%. Rebar has been declining steadily (-5.5%) on a year-over-year basis. Structural steel prices, however, remain high and on a year-over-year basis (nearly +30.0%) but may come down slightly.

Iron and Coal (Inputs into Steel)

Year-over-year iron ore prices increases are still in excess of +50%. The majority of iron ore production is shipped outside the country, to the United States and China. As a result, the drop in the value of the Canadian dollar is also contributing to the increase in prices in this category. Decrease in coal prices should help to mitigate some of this input cost problems for the steel industry.

Products with base metal components

Copper prices have been on the decline since the middle of last year. As a consequence, the electric wire and cable price index has been decreasing its year-over-year change is close to -5.0%. The metal plumbing fixture price index has continued to climb and the year-over-year gain now exceeds +10.0%.

Products with a Fossil Fuel Component.

Asphalt and diesel prices, follow the price of oil. Asphalt prices have dropped by 40.0% but still remain 50% ahead of their year-ago level. Diesel prices have similarly fallen by 40.0%, but are actually flat when compared with their year-previously figure.

For further information please contact info@emanagepro.com

Source: Reed Construction Data