

# Canadian Construction Overview

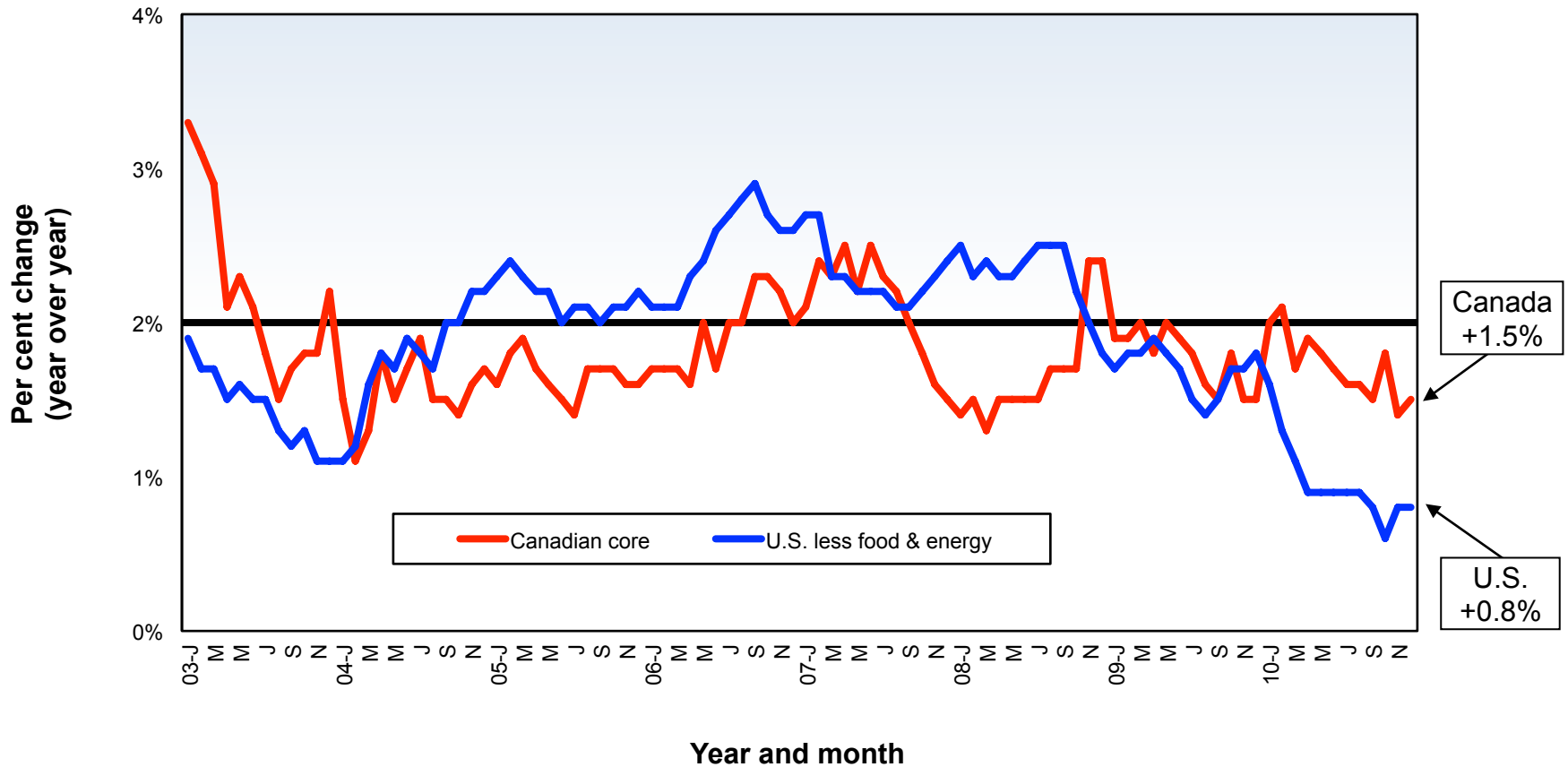
Reed Construction Data – Canada

# CANADIAN ECONOMIC OUTLOOK – JAN. 2011

	ACTUALS				FORECASTS		
	2007	2008	2009	2010 est	2011	2012	2013
	(year-over-previous-year percent change in annual average value)						
Real GDP:	2.2	0.5	-2.5	3.2	2.6	2.8	3.0
Consumer Expenditures	4.6	2.9	0.4	3.4	2.6	2.8	2.8
Exports (goods)	1.3	-5.1	-15.3	7.0	5.0	5.0	6.0
Imports (goods)	5.5	1.0	-15.2	11.0	5.5	3.5	4.0
	(year-over-previous-year percent change in annual average value)						
Consumer Price Index – All Items	2.2	2.3	0.3	1.6	2.0	2.2	2.4
	(annual average percent level)						
Unemployment Rate	6.0	6.1	8.3	8.1	7.5	6.9	6.7
	(based on annual average level)						
Employment Change (000s of jobs – household survey)	382	259	-277	260	220	230	240
	(year-over-previous-year percent change in annual average value)						
Corporate Profits (pre-tax)	1.9	8.0	-32.3	18.0	8.0	5.0	5.0
	(annual average)						
Inventory-to-shipments Ratio - Manufacturing	1.30	1.34	1.52	1.32	1.30	1.29	1.28
	(thousands of units)						
Housing Starts	228	211	149	190	170	190	210
	(annual average percent level)						
Bank of Canada Overnight Rate	4.35	2.96	0.40	0.52	1.75	3.00	3.50
	(annual average percent level)						
Prime Rate	6.10	5.00	2.40	2.52	3.75	5.00	5.50
	(annual average)						
U.S. cents to buy \$1 Canadian	93.0	93.8	87.6	96.0	99.0	1.02	1.04

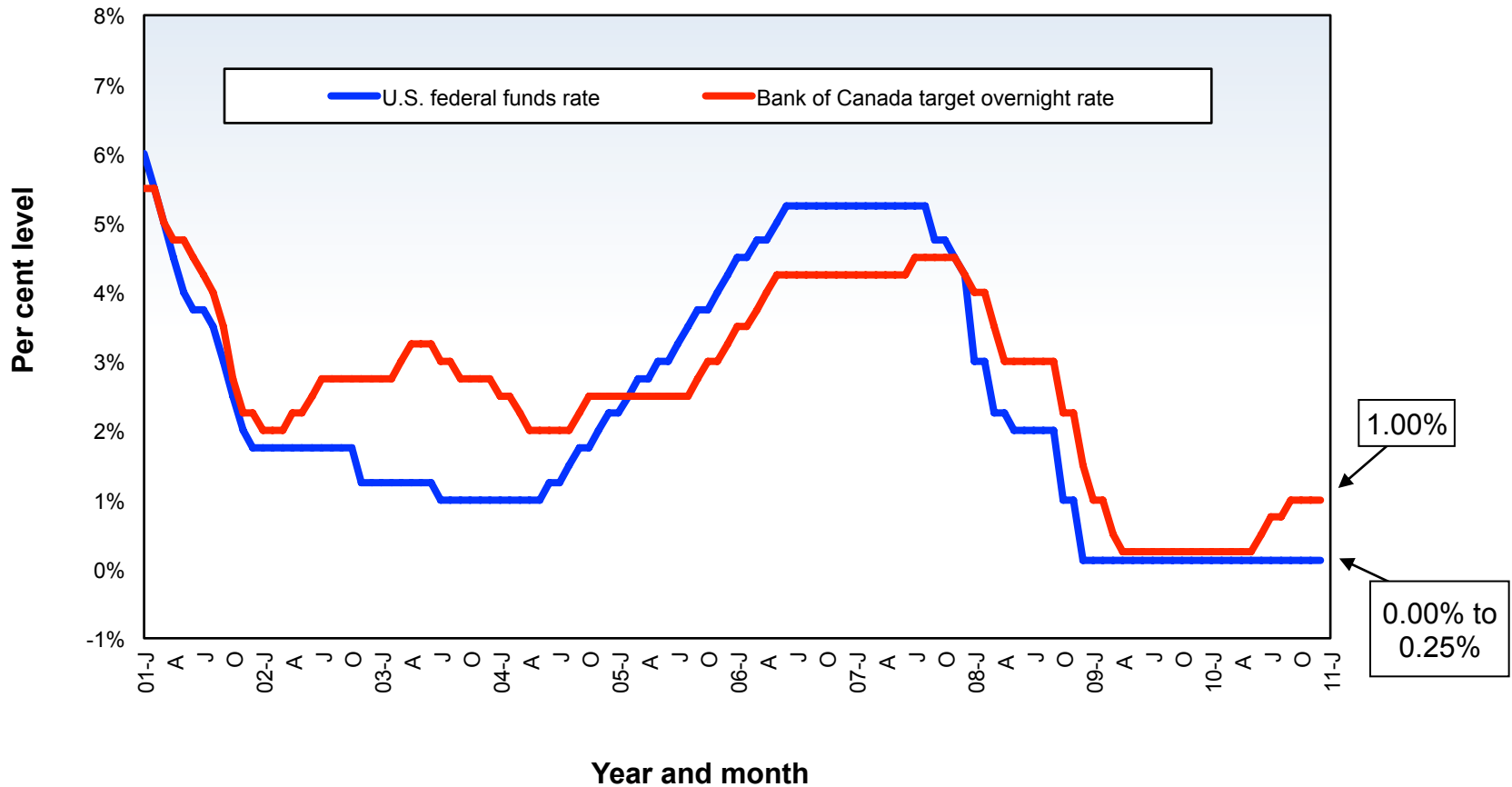
Table and forecasts: Reed Construction Data – CanaData.

# CANADA VS U.S INFLATION — CORE RATE



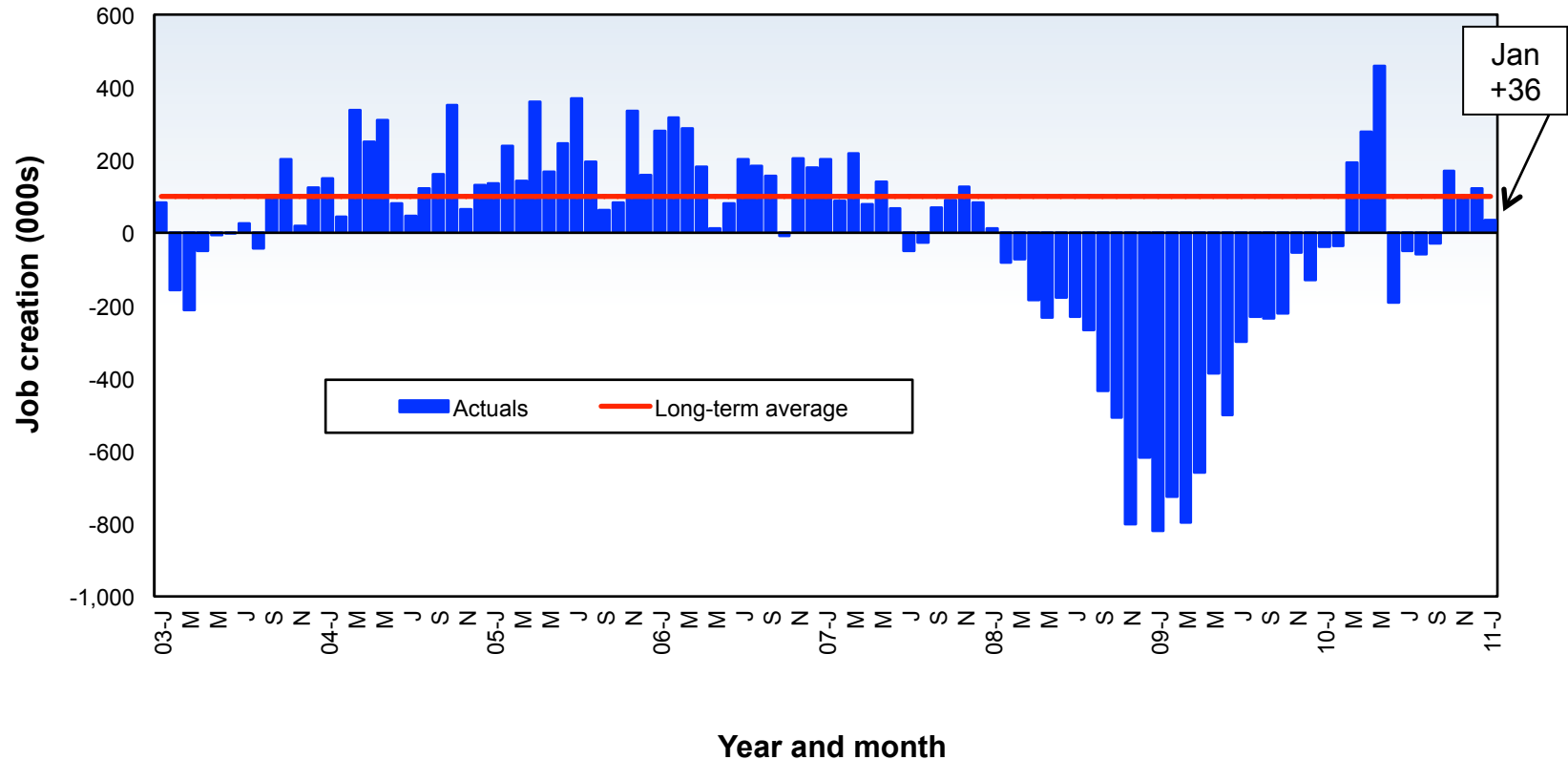
Sources: Statistics Canada and U.S. Bureau of Labor Statistics/Chart: Reed Construction Data – CanaData.

# CANADIAN & U.S. POLICY-SETTING INTEREST RATES



Data sources: Bank of Canada and U.S. Federal Reserve Board.

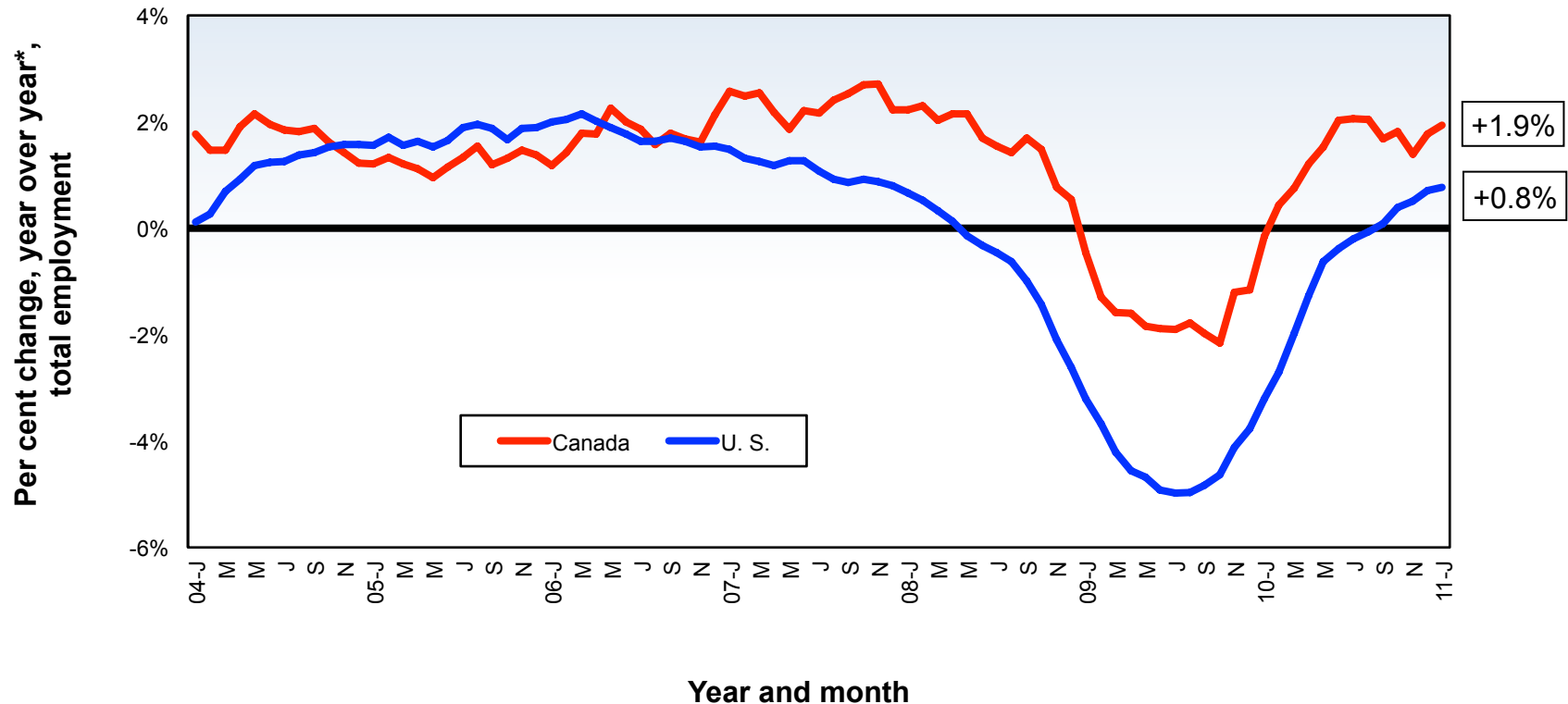
# U. S. MONTH-TO-MONTH TOTAL JOB CREATION



U.S. employment fell by 8.4 million jobs in the recession.

Source: U.S. Bureau of Labor Statistics (Dept. of Labor)/Chart: Reed Construction Data – CanaData.

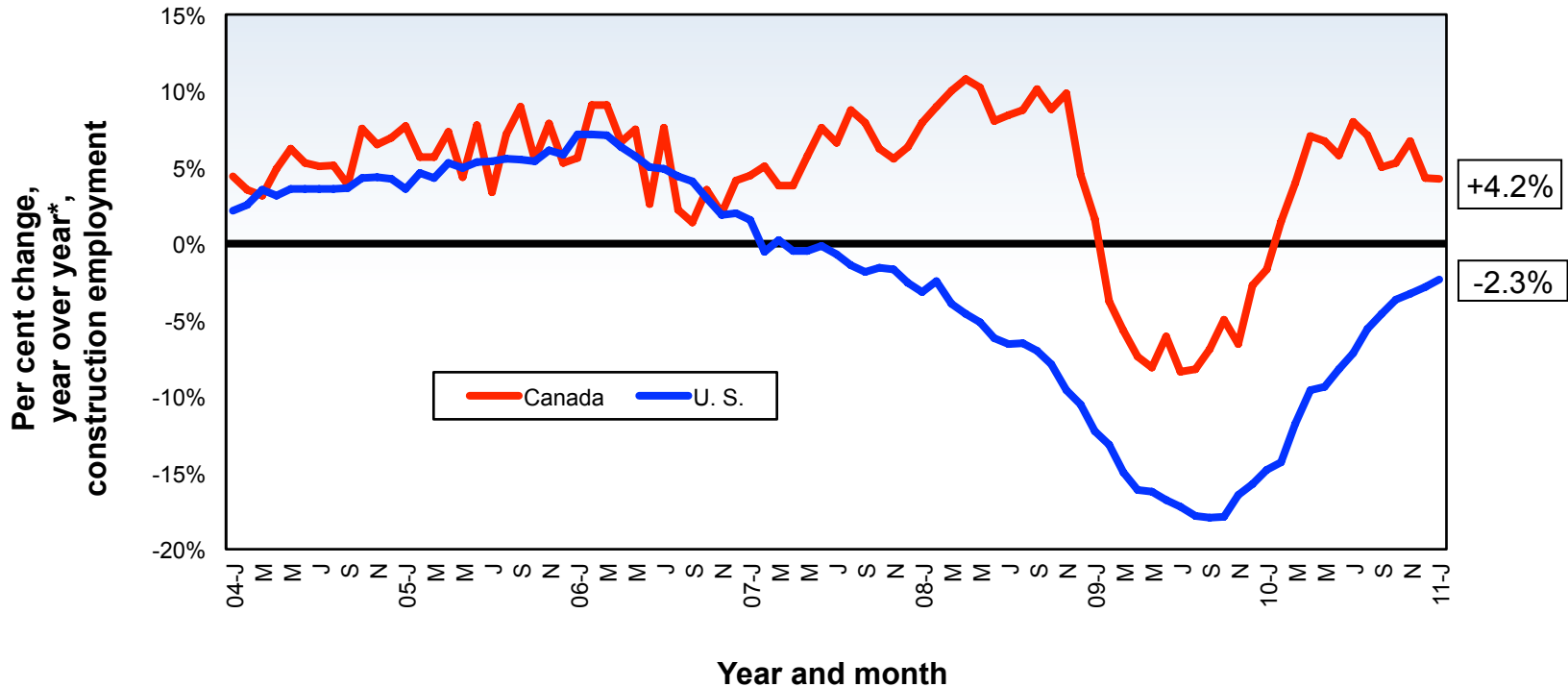
# CHANGE IN TOTAL EMPLOYMENT – CANADA VERSUS UNITED STATES



Sources: Statistics Canada & U.S. Department of Labor/Chart: Reed Construction Data – CanaData.

# Residential Construction

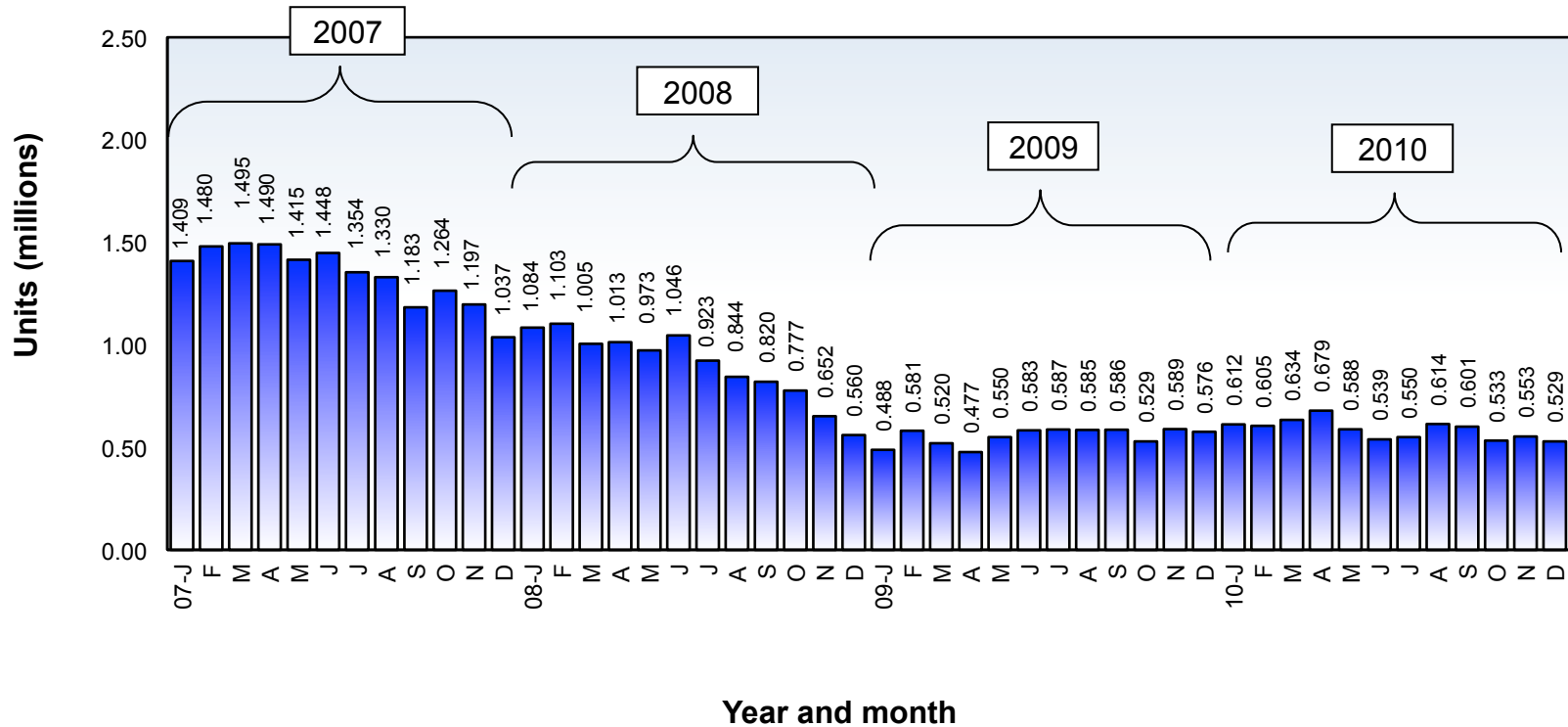
# CHANGE IN CONSTRUCTION EMPLOYMENT – CANADA VERSUS UNITED STATES



- Residential dominates total construction (40% to 45% of total \$s);
- Engineering usually a little less and non-res bldg/ICI the rest.

Sources: Statistics Canada & Department of Labor/Chart: Reed Construction Data – CanaData.

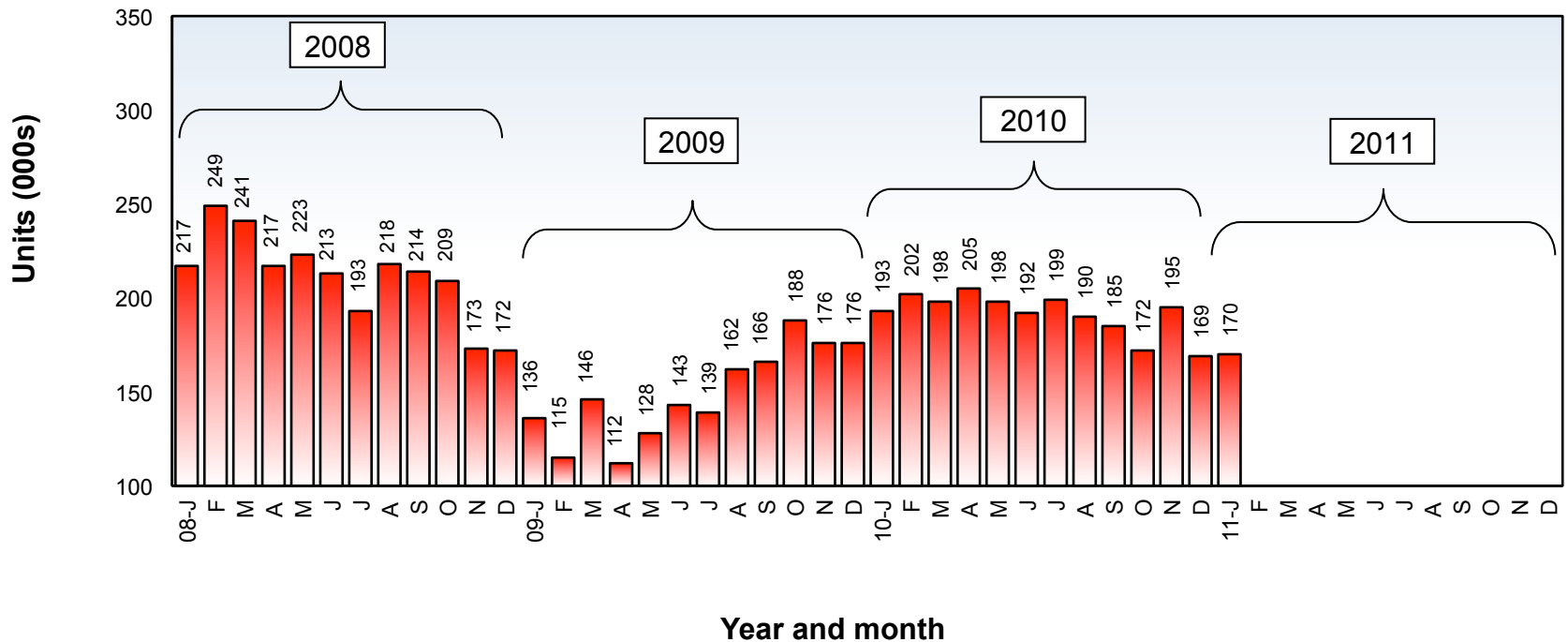
# HOUSING STARTS IN THE UNITED STATES



A decline of nearly 80% from peak in Jan 06 to trough.

Source: U.S. Census Bureau (Dept. of Commerce)/Chart: Reed Construction Data – CanaData.

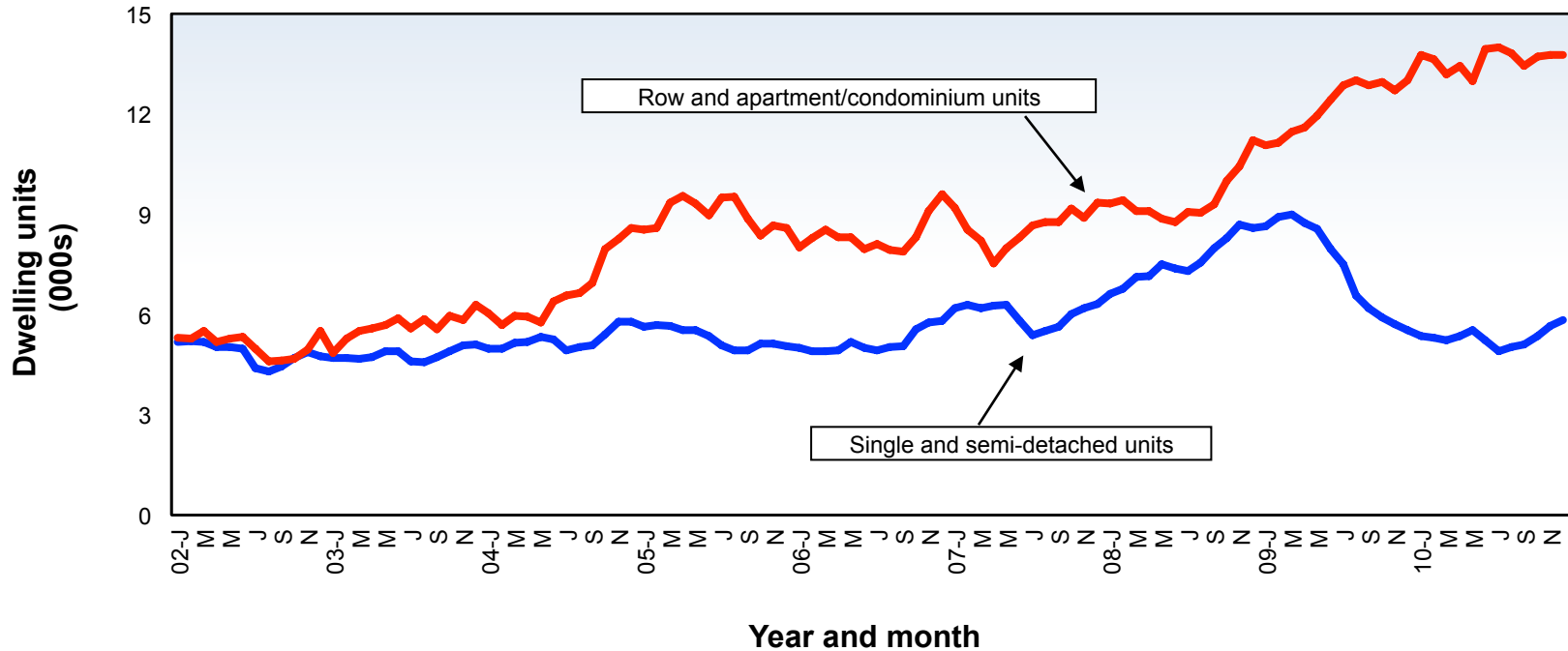
# HOUSING STARTS IN CANADA



Over the seven years 2002 to 2008, housing starts in Canada averaged 222,000 units per year; in the 1990s, they averaged 150,000 units per year.

Source: Canada Mortgage & Housing Corp./Chart: Reed Construction Data – CanaData.

# CANADA: INVENTORY OF COMPLETED BUT UNOCCUPIED DWELLING UNITS



The unsold inventory of multiples is too high by 150%.  
The unsold inventory of singles is too high by only 17%.

Source: Statistics Canada/Chart: Reed Construction Data – CanaData.

# HOUSING STARTS IN CANADA

(thousands of units)

	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	10.9	11.5	10.5	12.0	13.0
Québec	43.4	50.0	45.0	48.0	55.0
Ontario	50.3	62.5	52.5	60.0	67.5
Manitoba	4.2	5.0	4.5	5.5	6.0
Saskatchewan	3.9	5.5	5.5	6.0	6.5
Alberta	20.3	28.5	26.5	28.5	30.0
British Columbia	16.1	27.0	25.5	30.0	32.0
Total Canada	149.1	190.0	170.0	190.0	210.0

Actuals: Canada Mortgage and Housing Corp. (CMHC)/Forecasts and Table: Reed Construction Data – CanaData.

# HOUSING STARTS IN CANADA'S SIX LARGEST CITIES

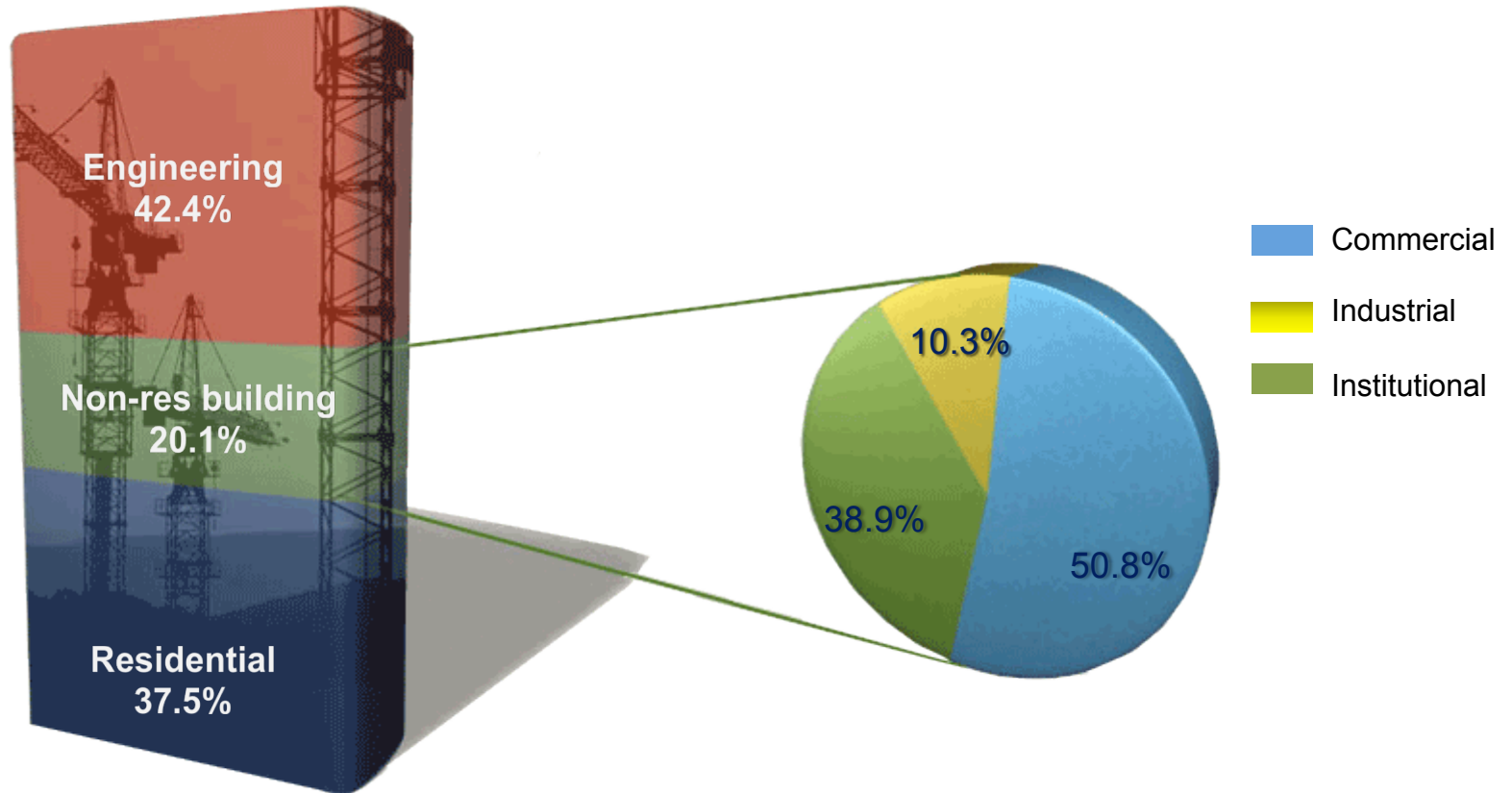
(thousands of units)

	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Montréal	19.3	22.0	21.0	23.0	25.0
Ottawa-Gatineau	8.9	9.1	7.5	8.0	9.0
Toronto	25.9	29.2	26.0	32.0	35.0
Calgary	6.3	9.3	8.5	9.5	10.5
Edmonton	6.3	10.0	9.0	9.5	10.5
Vancouver	8.3	15.2	14.0	16.0	19.0

Actuals: Canada Mortgage and Housing Corp. (CMHC)/Forecasts and Table: Reed Construction Data – CanaData.

# Commercial Construction

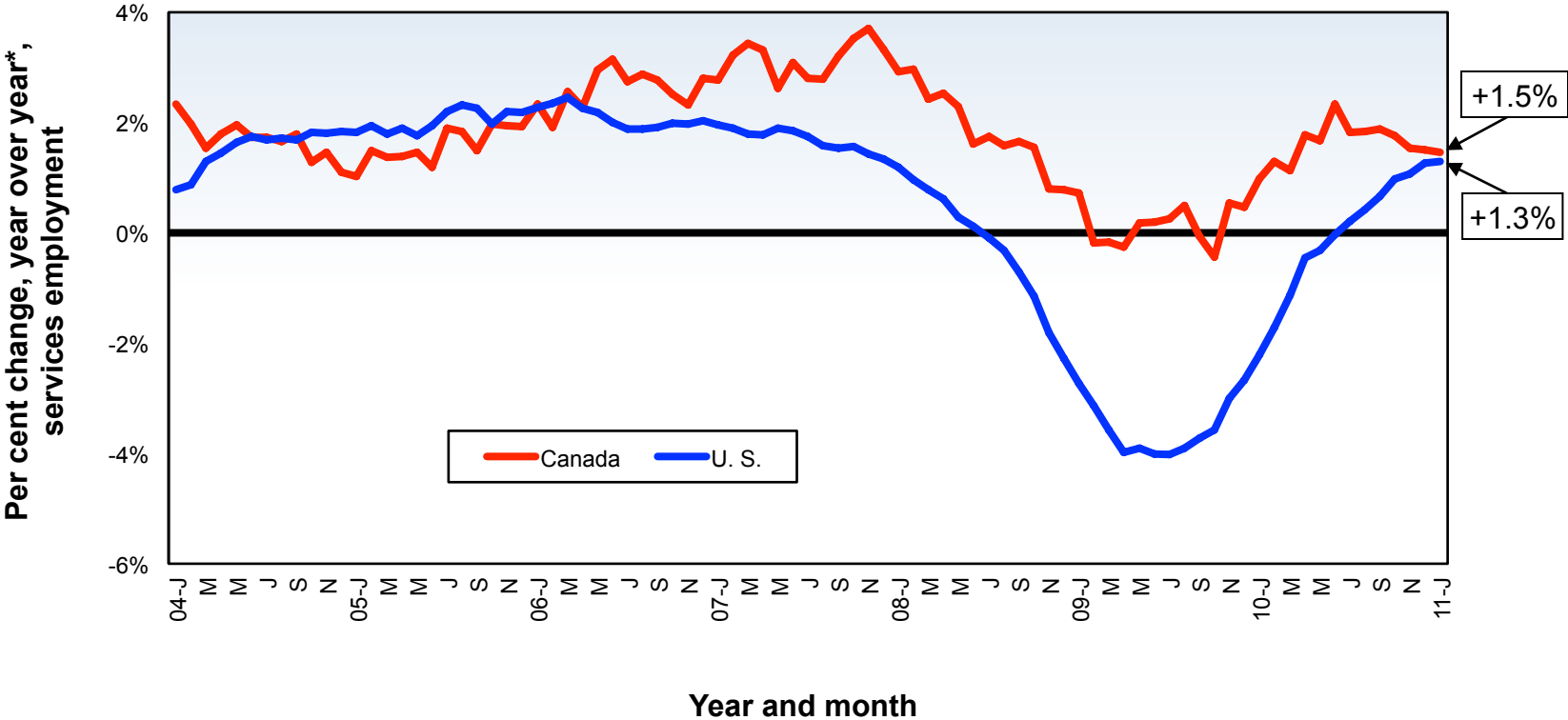
# PERCENT OF TOTAL CANADIAN PUT-IN-PLACE CONSTRUCTION - 2010



Based on current \$s

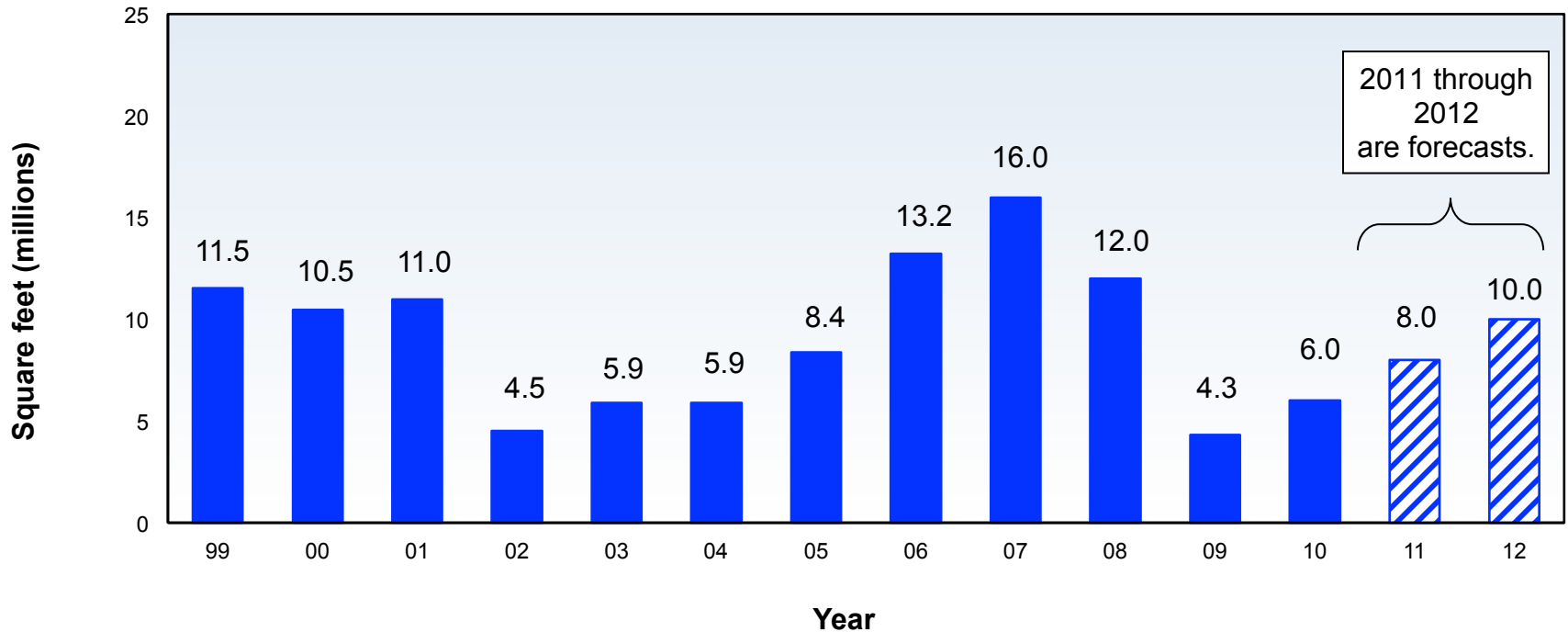
Source: CanaData estimates based on a Statistics Canada survey.

# CHANGE IN SERVICE SECTOR EMPLOYMENT – CANADA VERSUS UNITED STATES



Sources: Statistics Canada & U.S. Dept. of Labor/Chart: Reed Construction Data – CanaData.

# CANADA OFFICE BUILDING STARTS

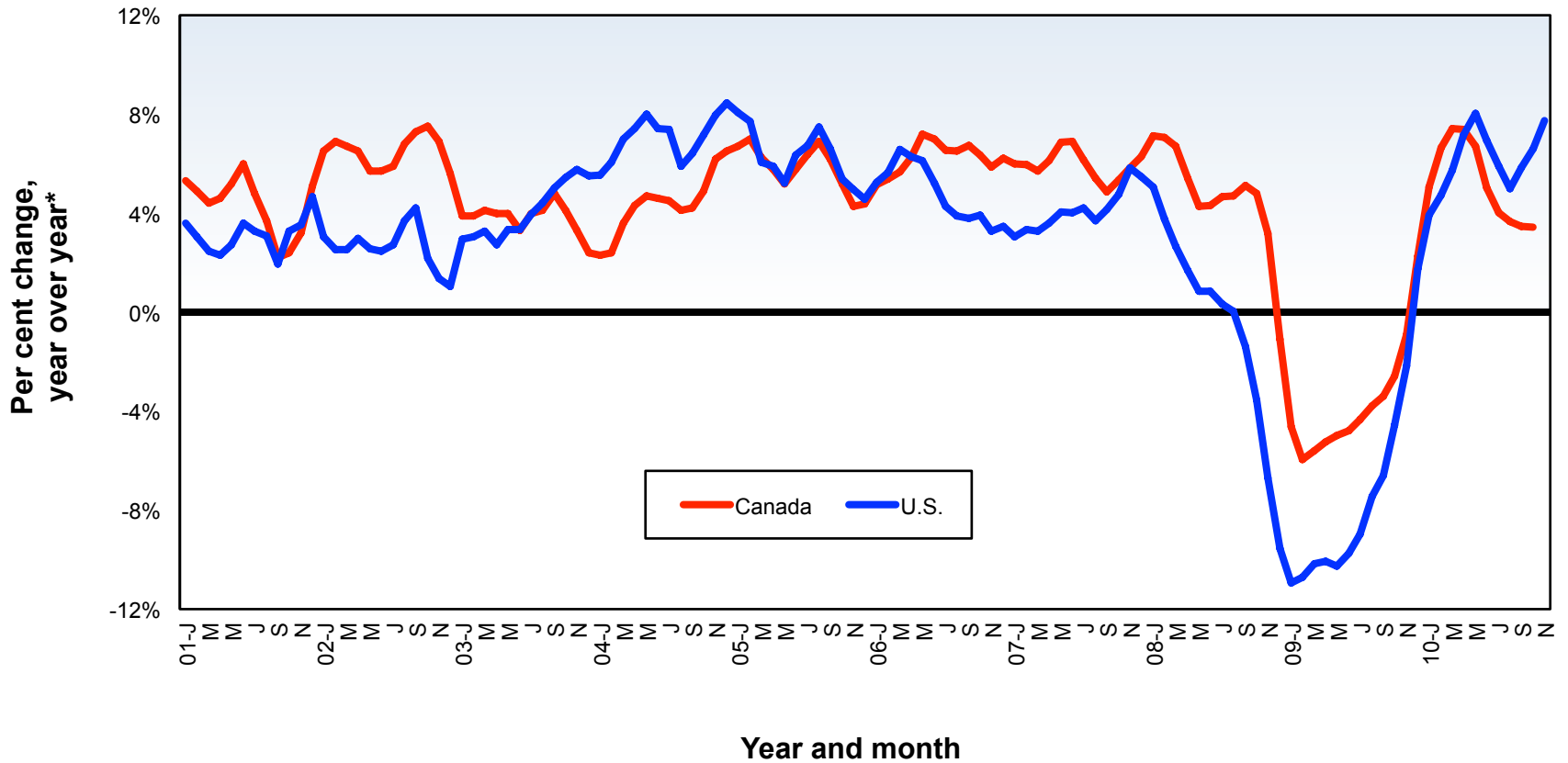


## Office-based employment – Jan 11/Jan 10:

- Finance, insurance and real estate (FIRE) -4.2%
- Professional, scientific and technical +5.8%
- Information, culture and recreation +1.4%

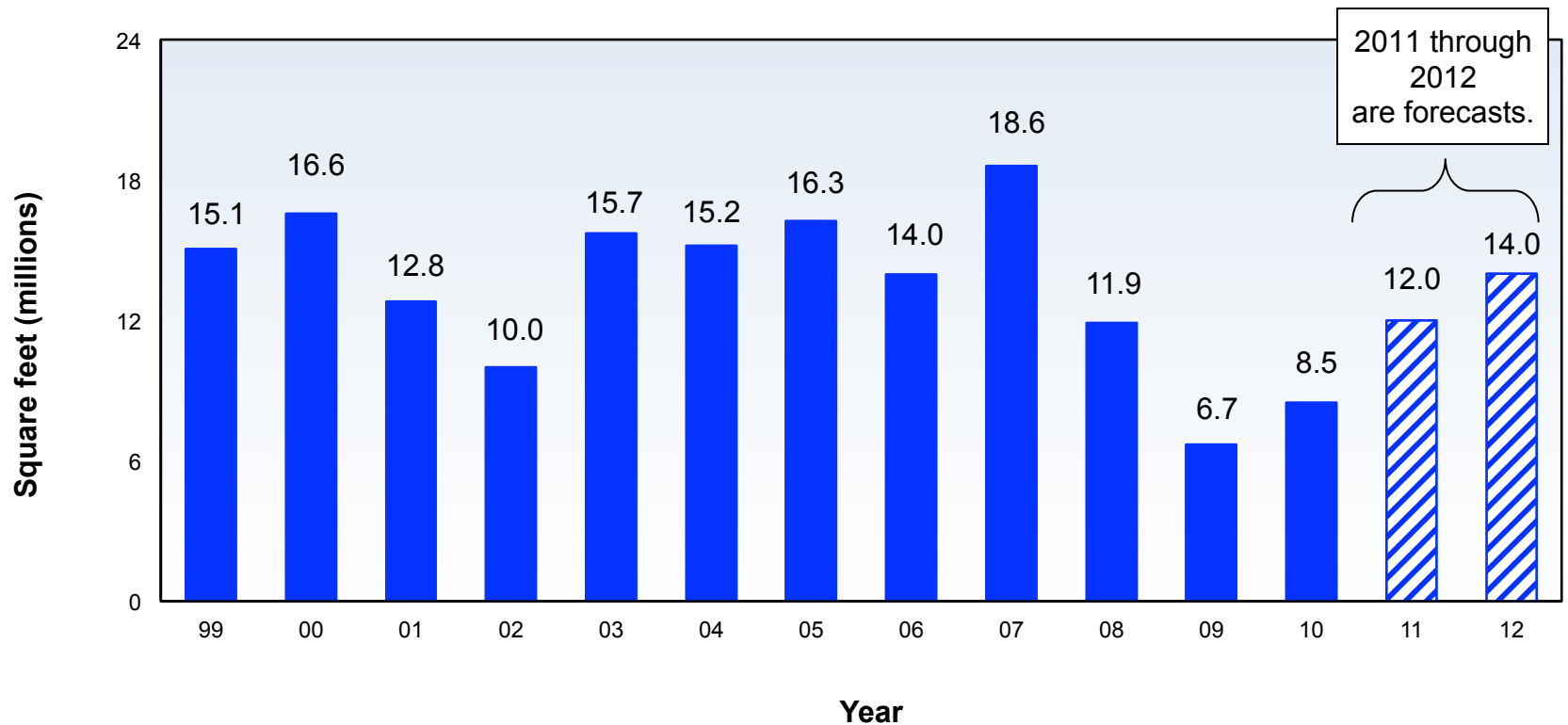
Source of actuals and forecasts: Reed Construction Data – CanaData.

# CANADA vs U.S. RETAIL SALES TOTAL



Source: Statistics Canada/Chart: Reed Construction Data – CanaData.

# CANADA RETAIL AND MALL STARTS



Trade employment (Jan 11/Jan 10) = -0.6%

Source of actuals and forecasts: Reed Construction Data – CanaData.

# COMMERCIAL STARTS

(millions of square feet)

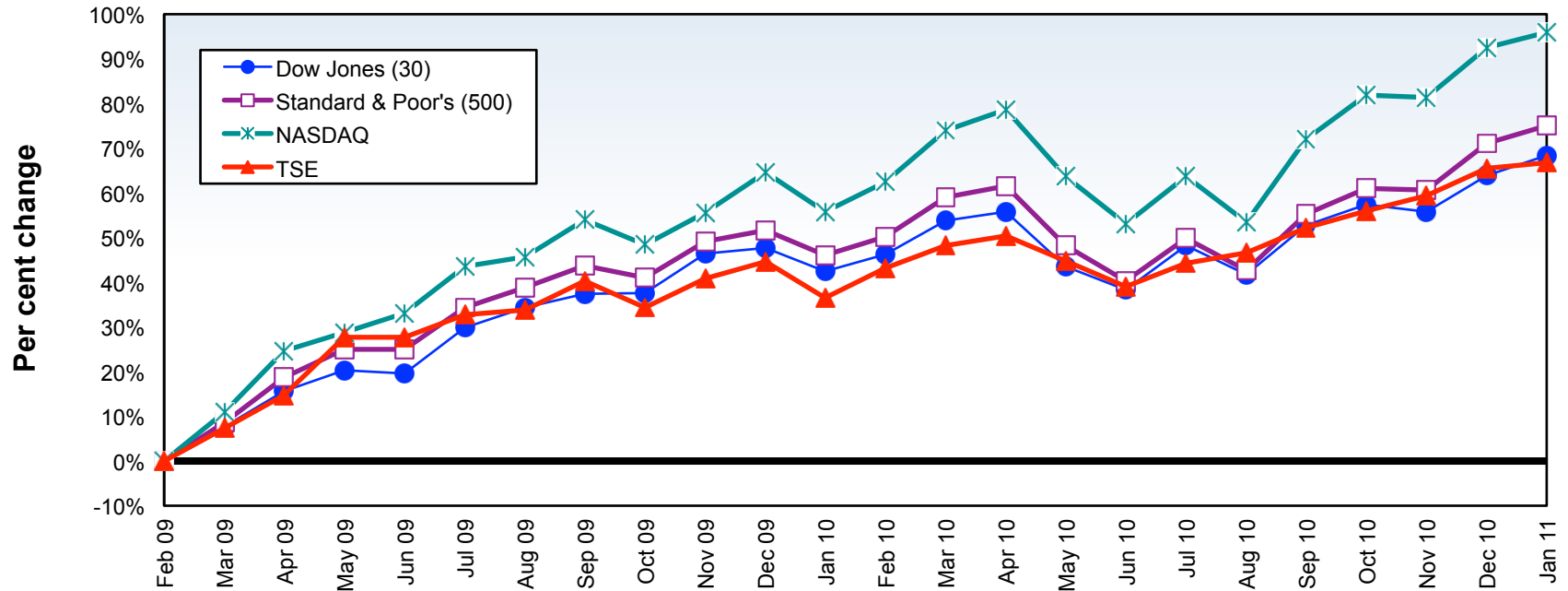
	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	0.8	0.3	0.5	0.8	0.9
Québec	2.4	3.7	4.5	6.5	6.8
Ontario	12.3	14.0	18.0	22.5	25.0
Man. + Sask.	2.3	1.9	2.5	3.2	3.5
Alberta	3.1	3.9	4.5	5.8	6.3
B.C.	4.4	5.7	6.5	8.2	8.5
<b>Total</b>	<b>25.3</b>	<b>29.5</b>	<b>36.5</b>	<b>47.0</b>	<b>51.0</b>

- 58.0 in 2007 the highest since 64.3 in 1990 (1998 almost as high at 53.8).

Source: Actuals, Forecasts and Table: Reed Construction Data – CanaData.

# Industrial Construction

# PERFORMANCES OF KEY STOCK MARKET INDICES SINCE FEBRUARY 2009 TROUGH – JANUARY 31, 2011



Month-end closing figures

\* Each month's closing figure versus the February, 2009 trough figure for the index.

Sources: NYSE, NASDAQ, TSE and Reuters/Chart: Reed Construction Data – CanaData.

# AGRICULTURAL COMMODITIES PRICE INDEX

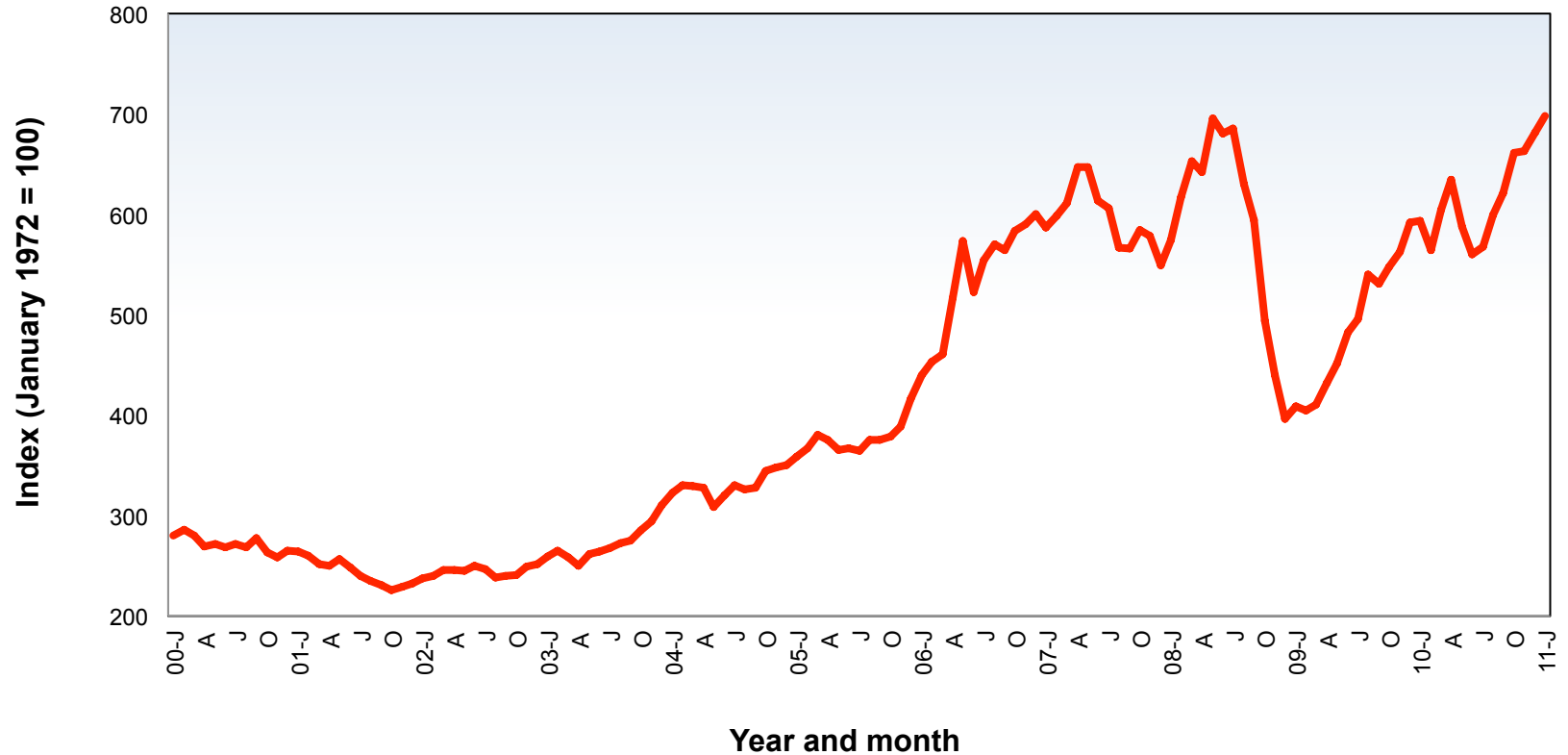
(as calculated by the Bank of Canada – January 1972 = 100.0)



Data source: Bank of Canada/Chart: Reed Construction Data – CanaData.

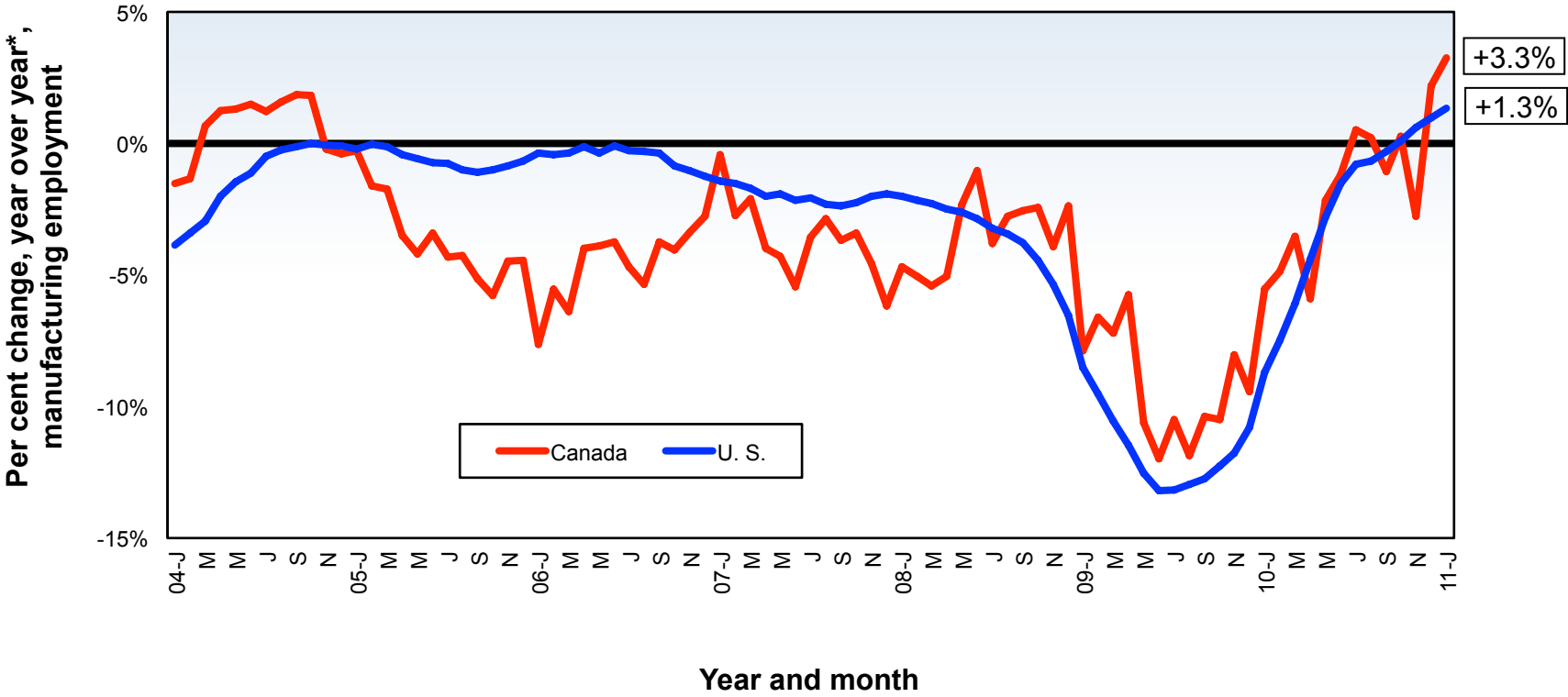
# METALS AND MINERALS COMMODITIES PRICE INDEX

(as calculated by the Bank of Canada – January 1972 = 100.0)



Data source: Bank of Canada/Chart: Reed Construction Data – CanaData.

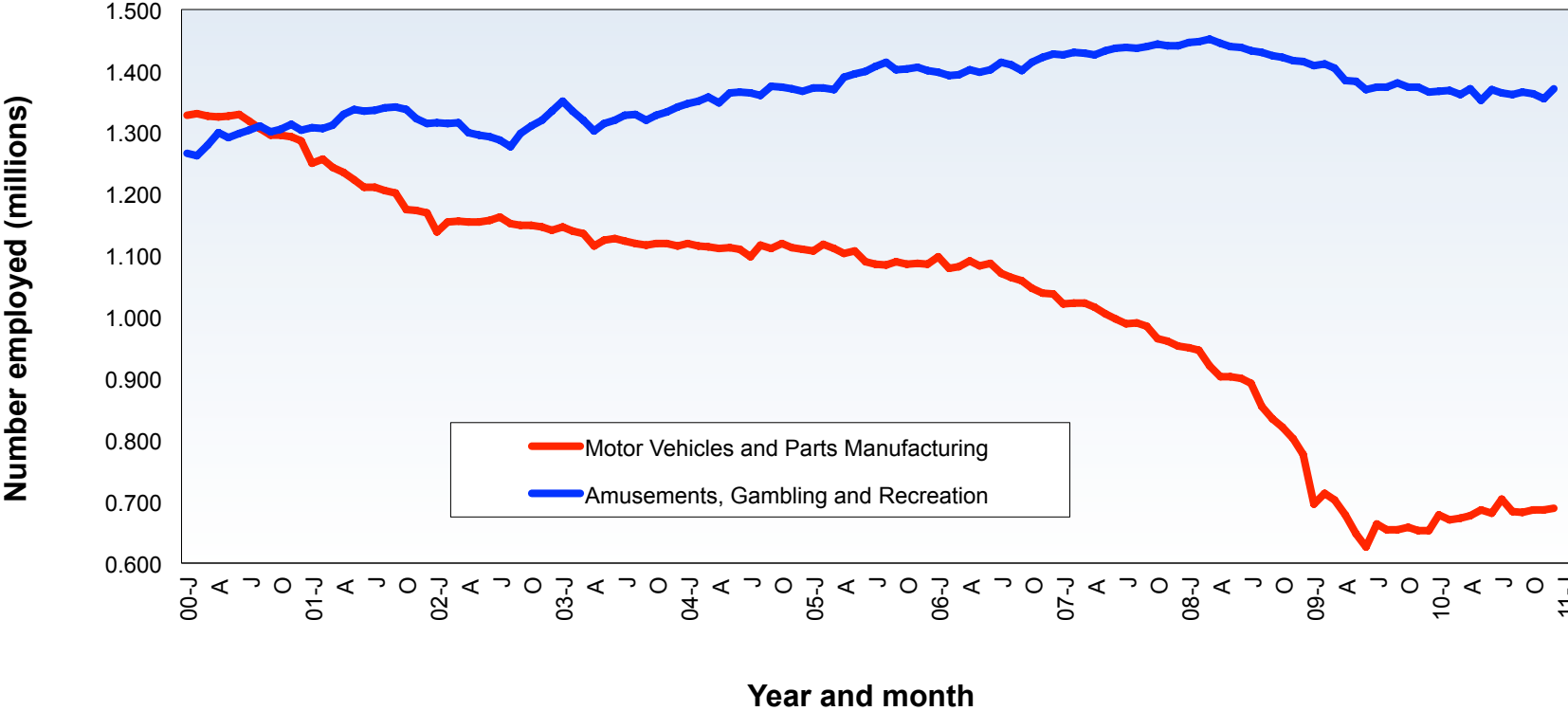
# CHANGE IN MANUFACTURING EMPLOYMENT – CANADA VERSUS UNITED STATES



Sources: Statistics Canada & Department of Labor/Chart: Reed Construction Data – CanaData.

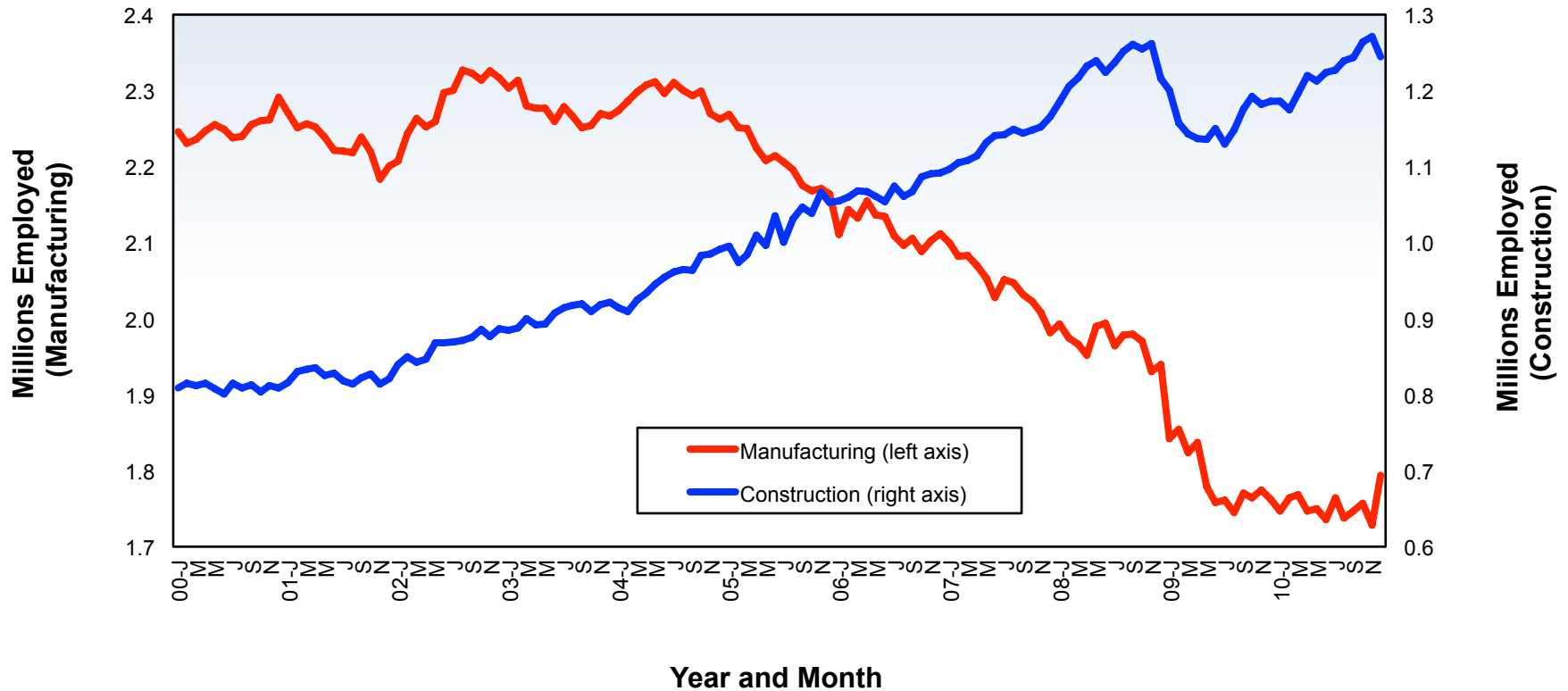
# U.S. EMPLOYMENT: AUTOS AND PARTS MANUFACTURING VERSUS THE GAMING INDUSTRY

(based on seasonally adjusted data)



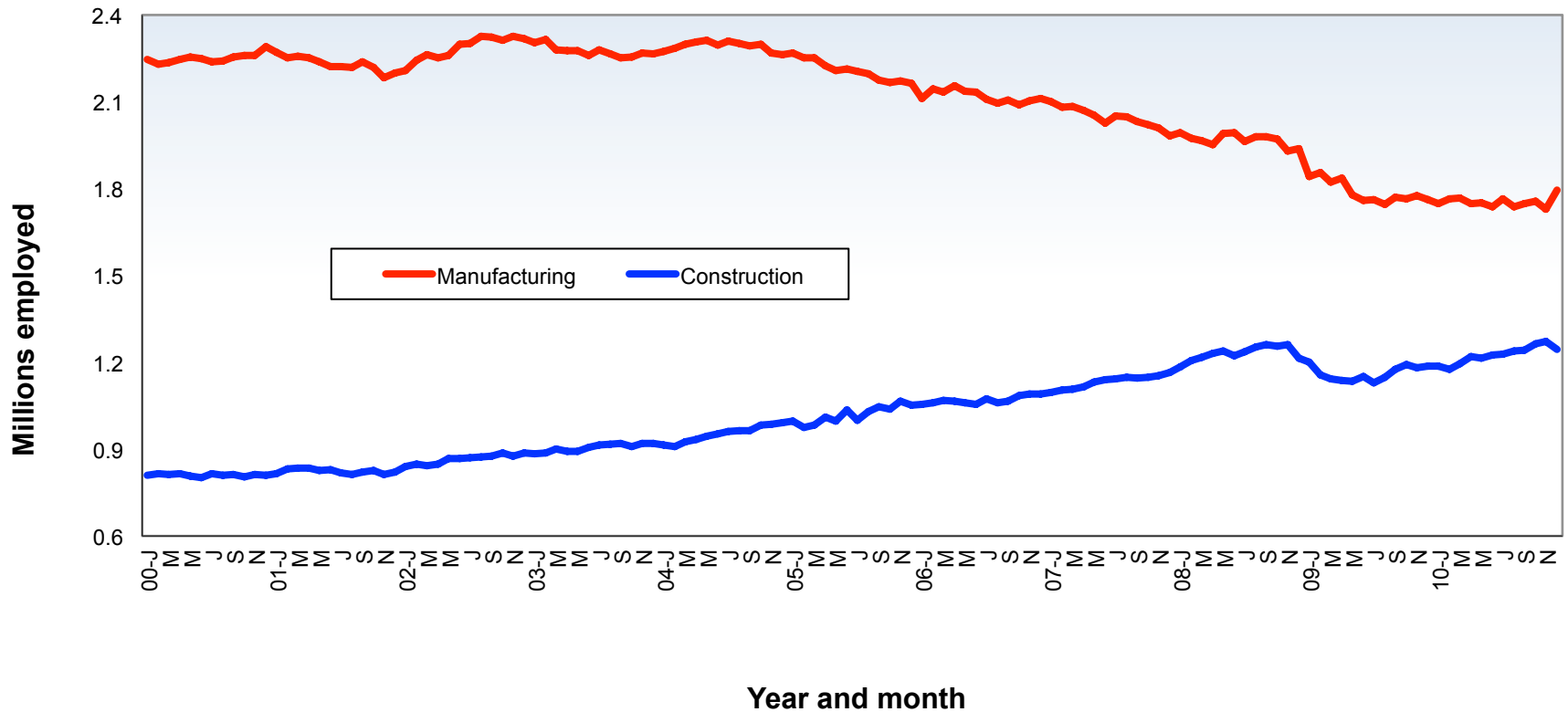
Source: Payroll Survey, Bureau of Labor Statistics (U.S. Department of Labor)/Chart: Reed Construction Data – CanaData.

# MANUFACTURING VERSUS CONSTRUCTION EMPLOYMENT IN CANADA



Source: Statistics Canada/Chart: Reed Construction Data – CanaData.

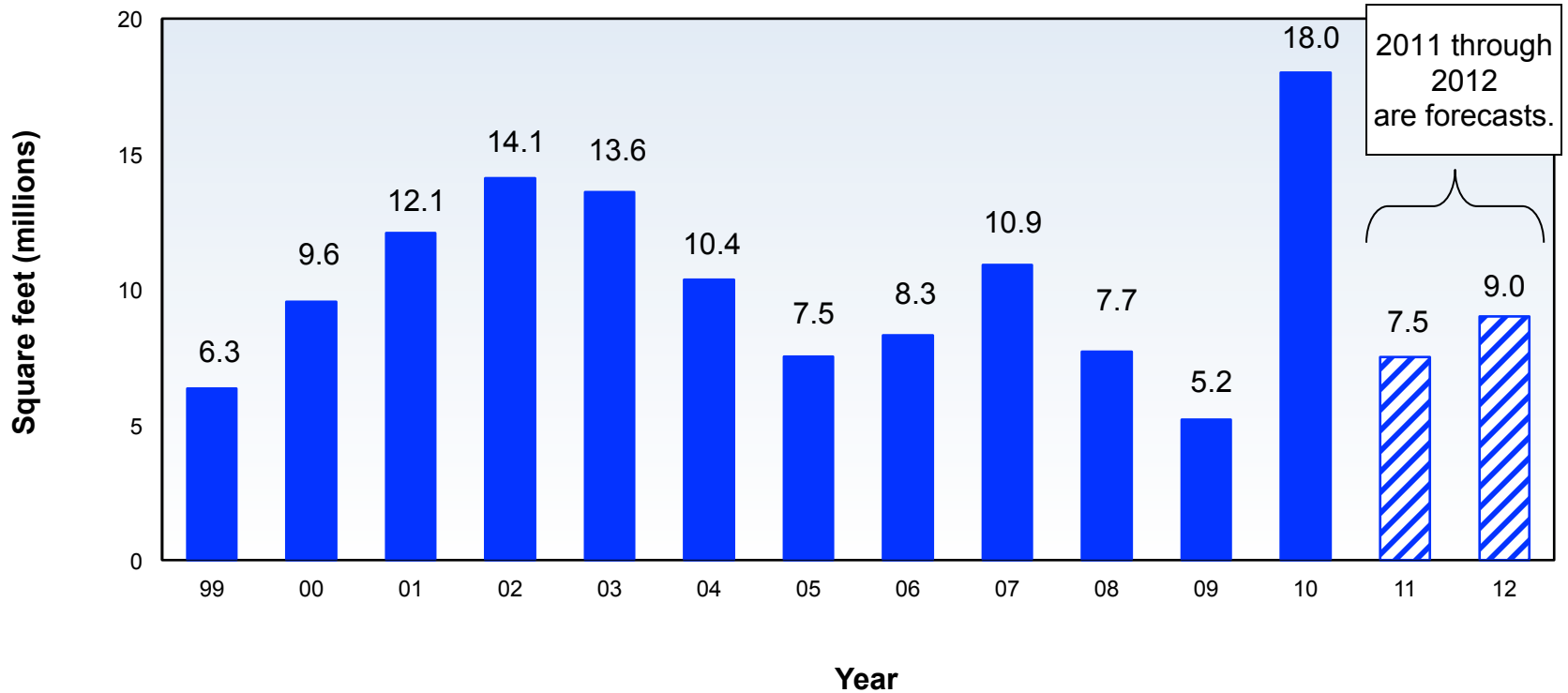
# MANUFACTURING VERSUS CONSTRUCTION EMPLOYMENT IN CANADA



Source: Statistics Canada/Chart: Reed Construction Data – CanaData.

# Institutional Construction

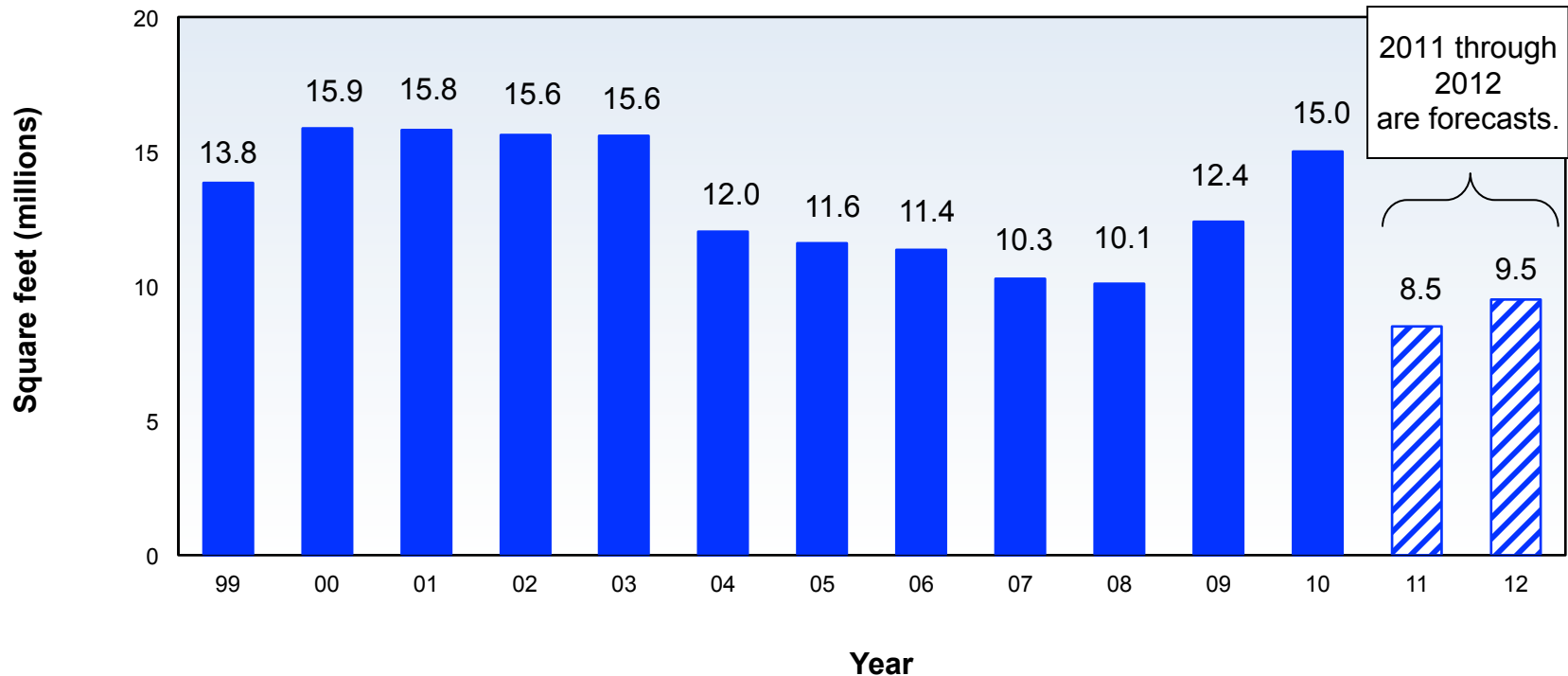
# CANADA MEDICAL BUILDING STARTS



- Health care and social assistance employment (Jan 11/Jan 10) = +4.3%

Source of actuals and forecasts: Reed Construction Data – CanaData.

# CANADA EDUCATION BUILDING STARTS



- Educational services employment (Jan 11/Jan 10) = -0.6%

Source of actuals and forecasts: Reed Construction Data – CanaData.

# INSTITUTIONAL STARTS

(millions of square feet)

	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	1.1	1.0	0.5	0.6	0.8
Québec	3.2	13.5	2.0	2.4	4.0
Ontario	11.6	19.1	13.0	14.0	15.0
Man. + Sask.	1.7	1.1	0.5	0.6	1.2
Alberta	1.6	3.2	2.0	2.2	3.0
B.C.	3.9	4.6	3.0	3.2	5.0
<b>Total</b>	<b>23.1</b>	<b>42.5</b>	<b>21.0</b>	<b>23.0</b>	<b>29.0</b>

Actuals, Forecasts and Table: Reed Construction Data – CanaData.

# TOTAL NON-RES BUILDING (ICI) STARTS

(millions of square feet)

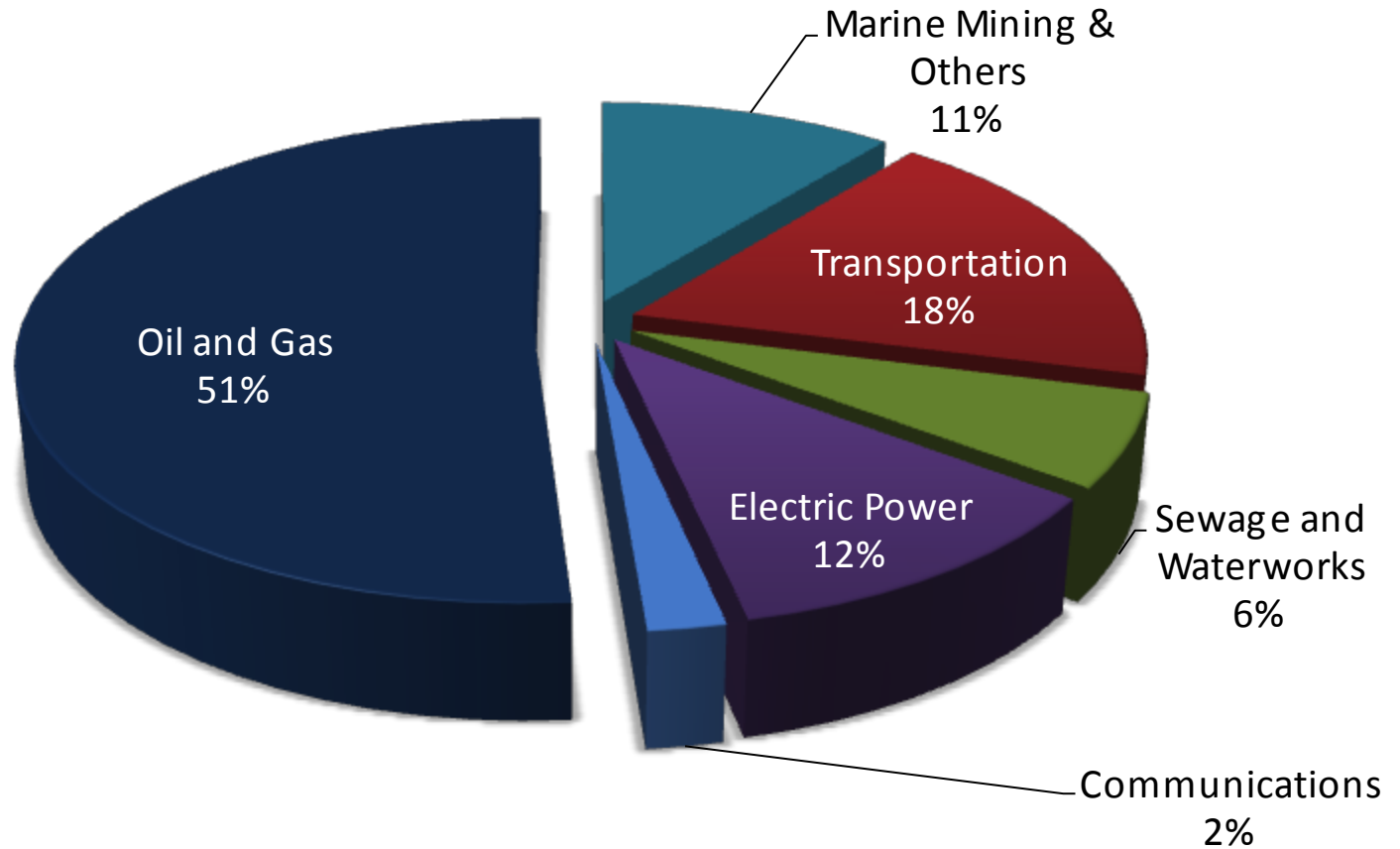
	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	2.2	1.4	1.2	1.6	2.0
Québec	6.1	17.5	7.4	10.3	12.7
Ontario	24.5	34.4	33.3	39.7	44.0
Man. + Sask.	4.1	3.1	3.3	4.1	5.2
Alberta	4.8	7.2	6.8	8.3	9.8
B.C.	8.6	10.4	10.0	12.0	14.3
Total	50.3	74.0	62.0	76.0	88.0

- Total ICI was over 100 million square feet in 2000.

Source: Actuals, Forecasts and Table: Reed Construction Data – CanaData.

# Engineering Construction

# TOTAL ENGINEERING INVESTMENT IN CANADA – HISTORY



Source: Statistics Canada/Chart: Reed Construction Data – CanaData.

# NEW ENGINEERING CONSTRUCTION BY REGION

(constant \$ millions of put-in-place investment figures, 2002=100)

	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	3,649	4,160	4,077	4,403	4,624
Québec	9,312	10,189	10,087	9,986	10,436
Ontario	11,042	13,306	13,638	13,707	14,323
Manitoba	2,498	2,380	2,440	2,513	2,601
Saskatchewan	4,441	4,604	4,743	4,909	5,080
Alberta	19,867	21,945	22,932	24,079	25,283
British Columbia	9,826	10,740	10,740	11,223	11,728
<b>Total</b>	<b>60,636</b>	<b>67,324</b>	<b>68,657</b>	<b>70,820</b>	<b>74,075</b>
Year vs Previous Year % Change	-15.2%	11.0%	2.0%	3.1%	4.6%

Source: CanaData estimates and forecasts based on Statistics Canada private and public investment survey.

# ALL NEW CONSTRUCTION BY REGION

(current \$ millions)

	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	13,071	14,418	14,468	15,761	17,162
Québec	41,935	44,151	44,867	47,439	51,449
Ontario	58,723	64,440	65,537	69,647	76,578
Manitoba	7,679	7,466	7,748	8,207	8,935
Saskatchewan	10,423	10,977	11,588	12,402	13,499
Alberta	47,549	51,006	53,264	57,435	63,106
British Columbia	32,226	34,779	36,049	38,805	42,521
<b>Total</b>	<b>211,606</b>	<b>227,237</b>	<b>233,521</b>	<b>249,696</b>	<b>273,252</b>
Year vs Previous Year % Change	-10.1%	7.4%	2.8%	6.9%	9.4%

Source: CanaData estimates and forecasts based on Statistics Canada private and public investment survey.

# ALL NEW CONSTRUCTION BY REGION

(constant \$ millions)

	ACTUALS		FORECASTS		
	2009	2010 est.	2011	2012	2013
Atlantic	9,361	10,186	9,971	10,482	10,908
Québec	30,081	31,270	30,991	31,659	32,854
Ontario	42,125	45,621	45,251	46,460	48,873
Manitoba	5,486	5,265	5,330	5,444	5,662
Saskatchewan	7,430	7,717	7,948	8,194	8,510
Alberta	33,905	35,872	36,534	37,950	39,786
British Columbia	23,056	24,559	24,837	25,800	27,021
<b>Total</b>	<b>151,443</b>	<b>160,490</b>	<b>160,862</b>	<b>165,989</b>	<b>173,614</b>
Year vs Previous Year % Change	-10.9%	6.0%	0.2%	3.2%	4.6%

Source: CanaData estimates and forecasts based on Statistics Canada private and public investment survey.

# THE END

Reed Construction Data – CanaData