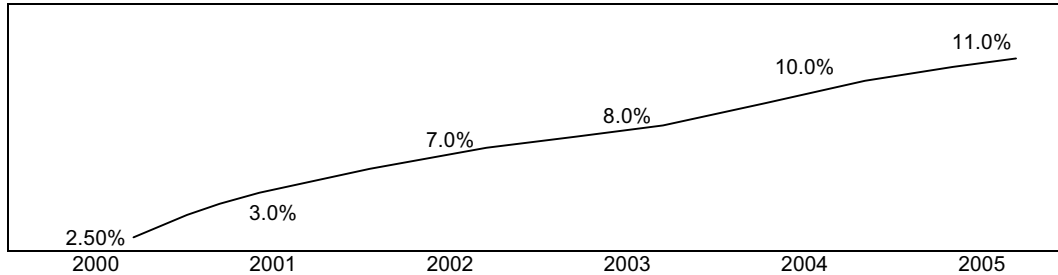


**APPENDIX B: CONSTRUCTION ESCALATION RATES
STAFF REPORT TO THE PLANNING & PROTECTIVE SERVICES COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 22, 2006**

A. Recorded Escalation 2000 – 2005

TABLE 1. RECORDED ESCALATION TO 2005¹

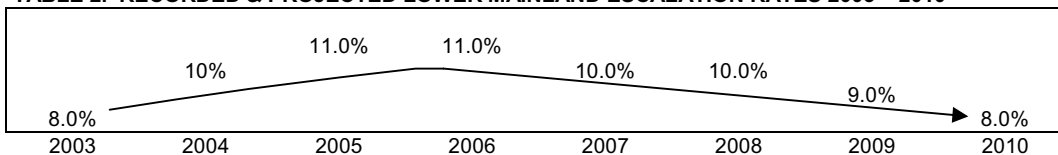


NOTES:

1. Lower Mainland
2. The broad average of escalation rates in the Lower Mainland shows a cumulative, compounded increase of 45% across all projects
3. Informed sources suggest a close parallel between Lower Mainland and Greater Victoria markets

B. Projected Escalation Rates – Lower Mainland

TABLE 2. RECORDED & PROJECTED LOWER MAINLAND ESCALATION RATES 2003 – 2010¹



NOTES:

1. Informed sources suggest a close parallel between Lower Mainland and Greater Victoria markets
2. Informed sources believe that the 11% rate for 2006 is conservative in relation to actual price experience

¹ Market Intelligence Report, 4th Quarter, BTY Group; December 2005