

Update on Construction Industry in Canada 2020

Update on the construction industry in Canada and the effects of covid-19 pandemic

- Lockdown in Canada began in mid-March
- To date there has been roughly 126,000 cases of COVID-19 and almost 9100 deaths.
- Most provinces have moved to stage 3 of re-opening plan
- At this time, land borders between Canada and the United States of America remain closed to non-essential travel
- In early 2020, prediction of continued economic growth in the Canadian construction sector was off to a great start. Mid March, at the onset of COVID-19 pandemic, most active construction projects we put on hold.
- Each project was assessed to determine its viability to continue safely and productively based on the new health authority guidelines.

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- Essential projects relating to healthcare and infrastructure projects adapted quickly. New project starts were considered minimal risk. Construction projects underway in the residential and commercial sector found owners and contractors committed to carrying on with a reduced work force and phased work schedules. Projects where public interactions could not be safely isolated were placed on hold, until capable of complying with social distancing guidelines.
- From March to May, the on-site workforce saw a reduction of 15% to 25%. From June to August, the on-site work force is down by 5% to 10%.
- Most of the current loss of workforce is associated with the Canada Emergency Response Benefit which gives financial support to employed and self-employed Canadians who are directly affected by COVID-19, which is currently in effect until October 2020.

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- Most of the success in the Canadian construction sector in dealing with COVID-19, comes from the support of the government, consultant groups, owner's, contractors, trade unions, construction associations, subtrades and workers coming together to collectively work on viable solutions to comply with health authority guidelines.
- Many of our industry leaders provided freely (at no charge) guidelines for best practices, on-site safety protocols, and online training programs to comply with health authority guidelines.
- In March through to April 2020, roughly 3 million Canadian's found themselves unemployed due to COVID-19, however, since then roughly 1.6 million Canadians are back to work (compared to pre-COVID-19 stats).

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- Our government is discussing the future for finding employment for these out of place workers. One of Canada's largest issues with economic growth in the as-built environment is a lack of skilled trades; many trade unions and trade schools are being asked to investigate adapting their courses to online programs and "in the field" work training. The idea is to fill the gap as quickly as possible with entry level trade workers so they can learn in the field to become future skilled trades people.
- Currently, the cost of construction in Canada has seen some issues with supply chains and the escalation in some commodities.
- A key commodity in Canada is dimensional lumber which has increased two to three times the previous market rates of early 2020. Generally, tender prices appear to be in line with anticipated project budgets, although census would suggest prices are slightly lesser than anticipated, almost unmeasurable. This may suggest the construction sector is more driven to stay competitive and maintain a steady or reduced baseline to ensure economic survival in a tense market.