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ACTIVITY IN ONTARIO'S CONSTRUCTION INDUSTRY TO REMAIN STRONG IN 2018

An Ontario-wide survey of contractors finds 83% expect to conduct more or the same amount of business in 2018 compared to last year.

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Toronto, ON. – The Ontario Construction Secretariat's (OCS) 2018 Contractor Survey shows that 32 percent of respondents forecast they will be busier in 2018 than they were last year. More than half of contractors expect to conduct the same amount of work as they did in 2017. Although the outlook is positive, contractors entered 2018 with slightly less optimism than they had at this time last year.

The 2018 Contractor Survey is released as part of the 18th Annual State of the Industry and Outlook Conference, being held today at the Metro Toronto Convention Centre. This half-day event will explore the theme "Technology and Innovation: Changing the Way We Build".

According to detailed regional data from the survey, more than a third of the contractors in each of four regions in the province forecast an increase in business in 2018. In both the southwest and eastern regions of the province, 34% of contractors are optimistic of added business with Central Ontario (33%) and the GTA (32%) right behind. The only region to show a drop in business confidence for 2018 is Northern Ontario, where 22% expect more business in 2018 and almost a quarter are forecasting less work.

Sector analysis reveals the engineering sector is the most optimistic with 47% of contractors in the sector predicting increased activity. The institutional and high-rise residential sectors share in the optimism with 39% of contractors in each of the sectors expecting increased activity. Ontario's commercial and industrial sectors are less optimistic with 35% and 27% respectively expecting increased activity.

The 2018 Contractor Survey also sheds light on anticipated challenges over the next three years. Not surprisingly, labour market issues topped the list with recruitment of skilled workers and an aging workforce amongst contractors' concerns.

Narrowing in on contractors' perceptions of new technologies in the construction industry, the survey reveals that almost three-quarters of contractors believe that new technology is important to the future of their business. One survey respondent commented that "*technology can help us improve every aspect of our company,*" while another said "*if we don't adopt new technologies, customers won't be interested in hiring us*".

The survey identifies which technologies have a high and low potential for adoption and impact for the construction industry. The top three technologies identified by contractors as having both a high likelihood of adoption and high impact on their business are: jobsite data collection, advanced building materials, and automated technology.

“We are excited that so many contractors are looking at the opportunities presented by new technologies and starting to adopt them in their construction process”, says OCS Director of Research Katherine Jacobs. “We hear a lot about 3D printing and drones in the media, but it seems the new tools providing high value to contractors are those with more immediate application.”

Delivering the economic keynote address at the Conference is Peter Hall, Vice President and Chief Economist for Export Development Canada. In his pre-conference comments, he observes the survey findings are in line with his crystal ball.

“Both the Canadian and Ontario economies are moving into a period of transition and the outlook for the construction sector is currently bright but will be shifting”.

In addition to presentations by Peter Hall and OCS Director of Research Katherine Jacobs, other conference speakers will include:

- Hon. Kevin Flynn, Ontario Minister of Labour
- Dr. Carl Haas, Interim Chair, Professor at the University of Waterloo and Canada Research Chair
- Contractor Technology Panel exploring how the industry is adapting to new technology
- John Ibbitson, Sr. Political Correspondent, The Globe and Mail

To view the full agenda and learn more about the Conference, visit www.iciconstruction.com.

About the Ontario Construction Secretariat (OCS)

The OCS was formed in 1993 as a joint labour/management organization representing 25 unionized construction trades and their contractor partners in Ontario’s industrial, commercial and institutional (ICI) construction sector. Its mandate is to enhance Ontario’s ICI construction industry by developing relationships, facilitating dialogue, providing value-added research, disseminating important information to client groups and promoting the value of ICI unionized construction across Ontario.

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