



State
of the Industry
& Outlook
Conference

2024

2023 CONSTRUCTION SNAPSHOT



8.0% 

OF ONTARIO'S
GDP (2022)



596,025 

EMPLOYMENT



5.0% 

UNEMPLOYMENT
RATE



**BUILDING CONSTRUCTION
PRICE INDEX**



8.4% 

OTTAWA



8.2% 

TORONTO

2023 CONSTRUCTION SNAPSHOT



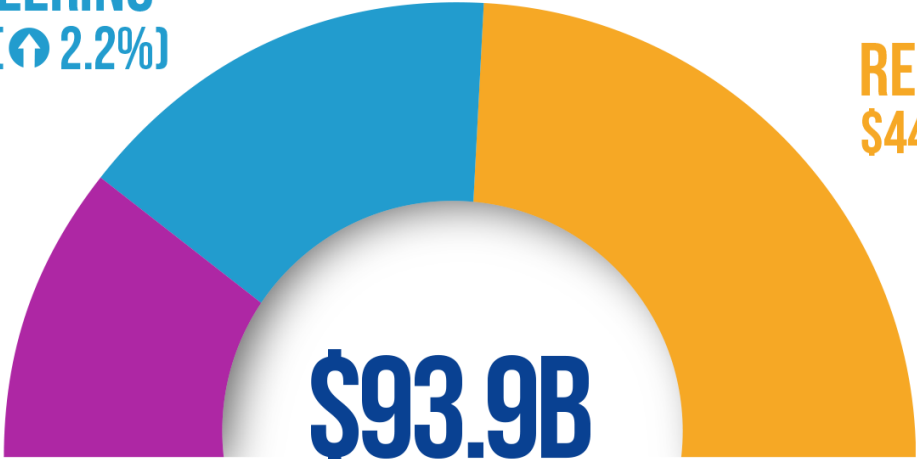
ENGINEERING
\$29.2B (↑ 2.2%)



RESIDENTIAL
\$44.4B (↓ -9.0%)



ICI BUILDING
\$20.3B (↑ 6.1%)



INVESTMENT IN RESIDENTIAL AND NON-RESIDENTIAL CONSTRUCTION

2024

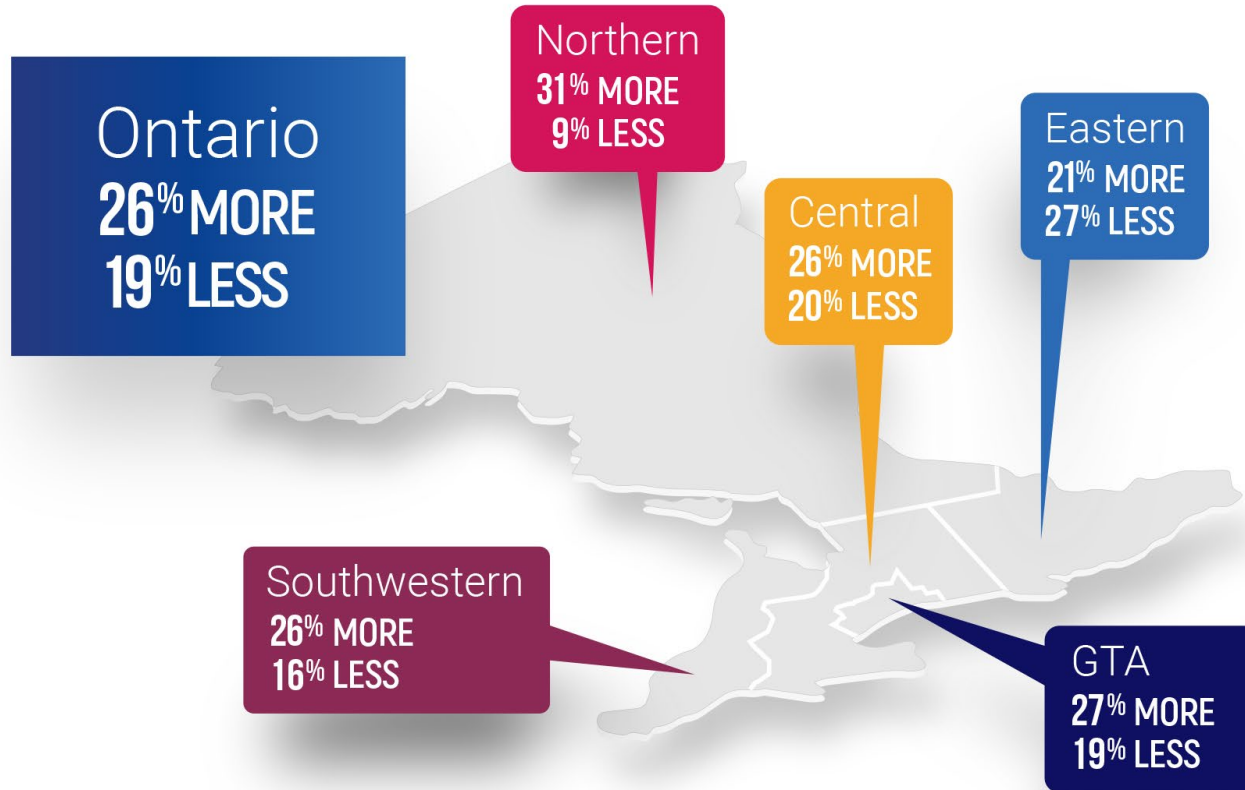
Contractor Survey

CONTRACTORS' INSIGHTS ON
THE ICI CONSTRUCTION INDUSTRY



Contractors' 2024 Outlook

(% of contractors expecting more or less work compared to 2023)



Approximately 50% of contractors anticipate the same level of business in 2024

One-third of Contractors Expect to Hire More Workers



34%

OF CONTRACTORS
EXPECT TO **HIRE MORE
EMPLOYEES** IN 2024
COMPARED TO 2023

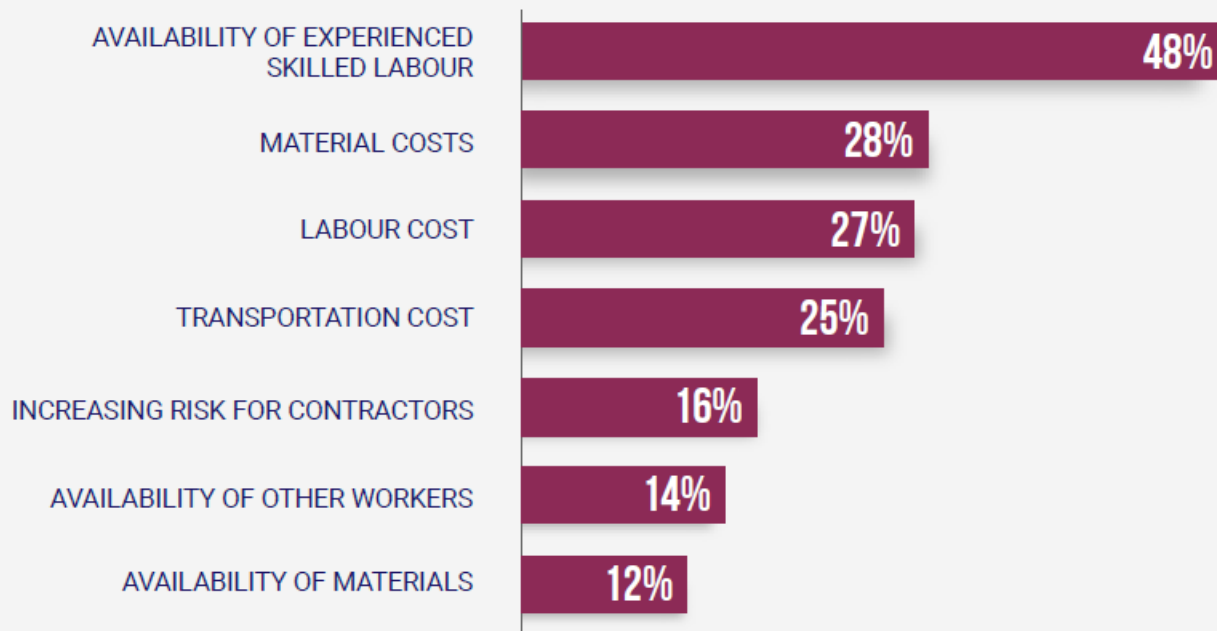


65%

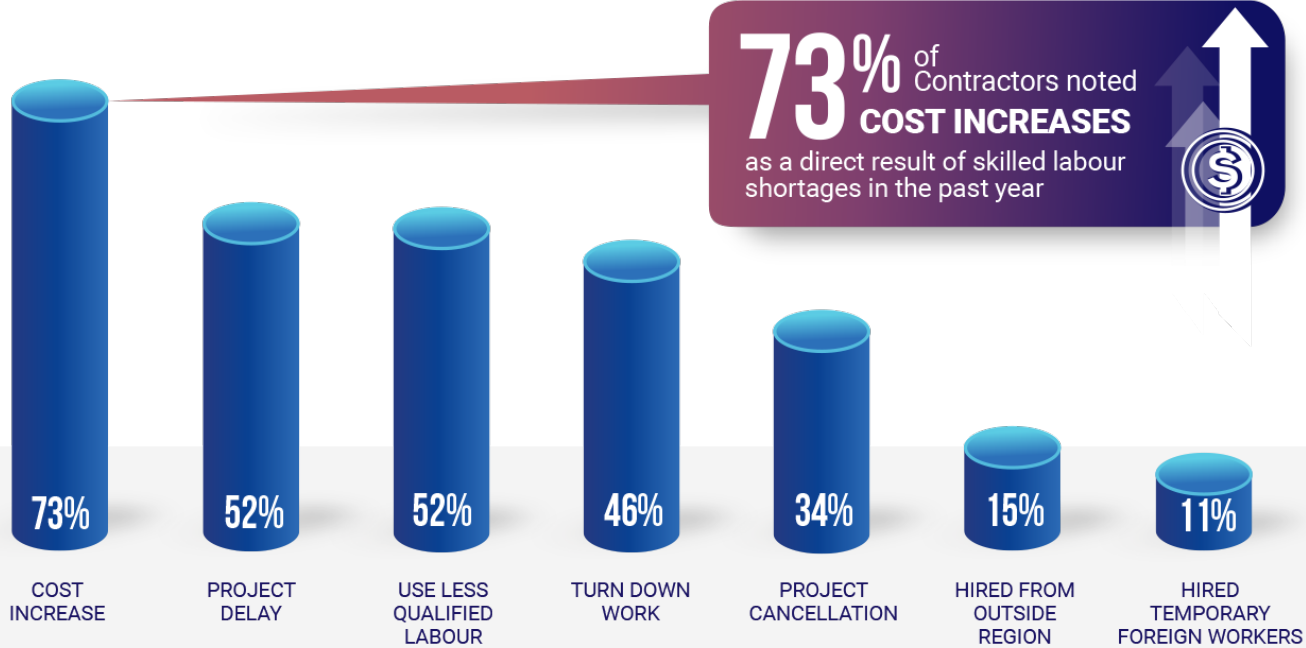
OF CONTRACTORS
ANTICIPATE LABOUR
WILL BE **MORE DIFFICULT
TO ACCESS** IN 2024

Availability of Skilled Labour Tops Contractors' Concerns

Top Concerns (% of contractors assigning highest score)



Consequences of Skilled Labour Shortages



Q The following is a list of potential consequences of skilled labour shortages. Has your firm experienced any of the following as a direct result of skilled labour shortages in the past year?

Union Contractors Continue to Lead in Apprenticeship



78%



50%



KEY TAKEAWAY

Union Contractors
Continue to Lead in
Employing Apprentices

Contractors Note an Easing in Supply Chain Disruptions

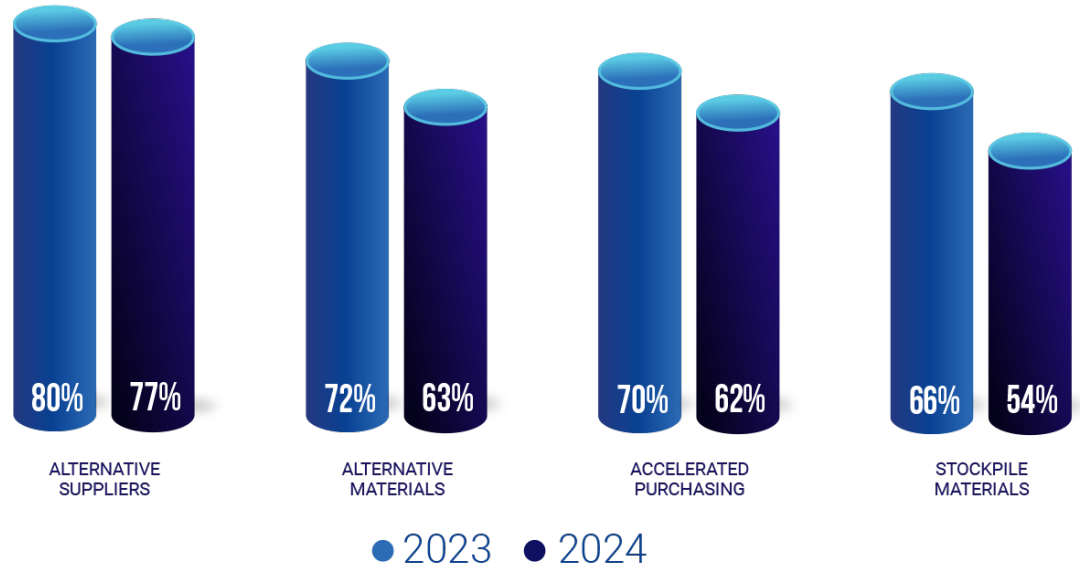


15% DOWN
FROM 2023 SURVEY

58% of contractors reported experiencing significant supply disruptions in the past year.

Q "Has your firm experienced significant supply chain disruptions in the past year?"

Approaches taken to avoid supply chain disruptions



Q "Has your firm taken any of the following approaches to respond to or avoid supply chain disruptions?"

Project Disruptions Appear to be Stabilizing



36%

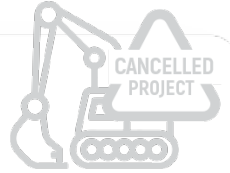
OF CONTRACTORS
HAVE HAD PROJECTS
CANCELLED BY
THE OWNER



56%

OF CONTRACTORS
HAVE HAD PROJECTS
POSTPONED BY
THE OWNER

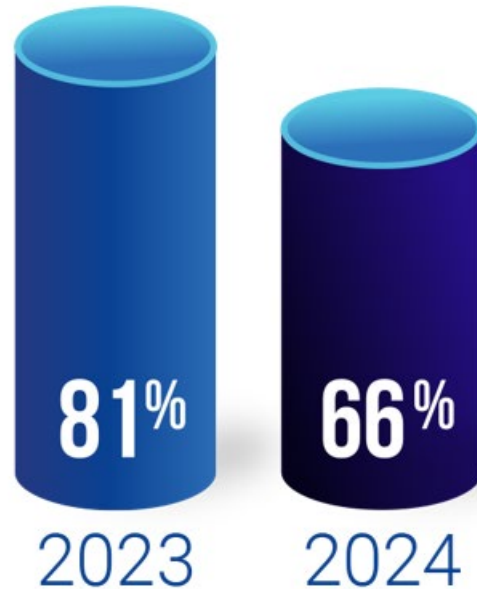
Reasons for Project Cancellations




- Escalating material costs
- High interest rates
- Labour costs

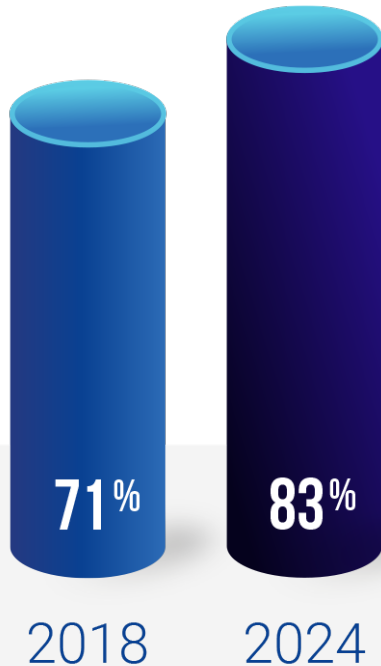
Contractor Outlook for Construction Industry Upbeat

Percentage
of Contractors
with Positive
Outlook



71% 
of unionized
contractors had
a positive outlook,
compared to 64% of
non-union contractors

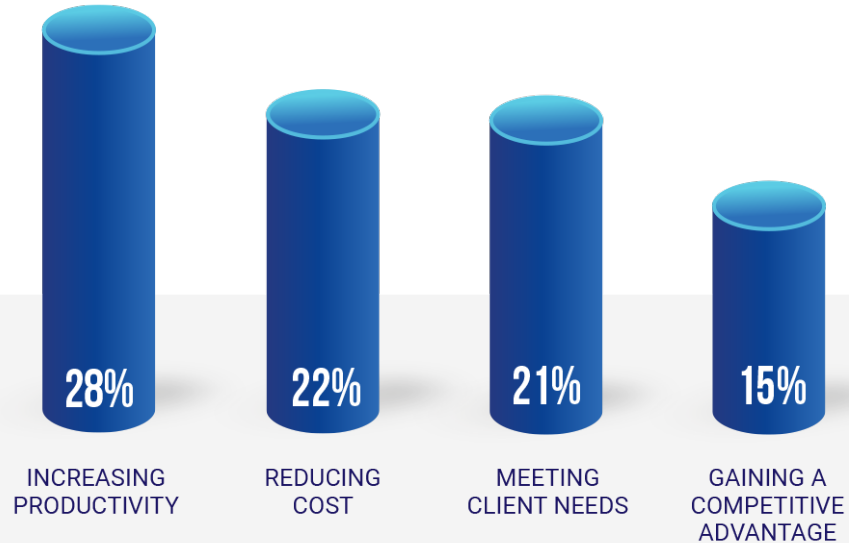
Contractors' Technology Report



15% of contractors budget for technology

Motivators for Adopting New Technology

Top Four Motivators for Adopting New Tech

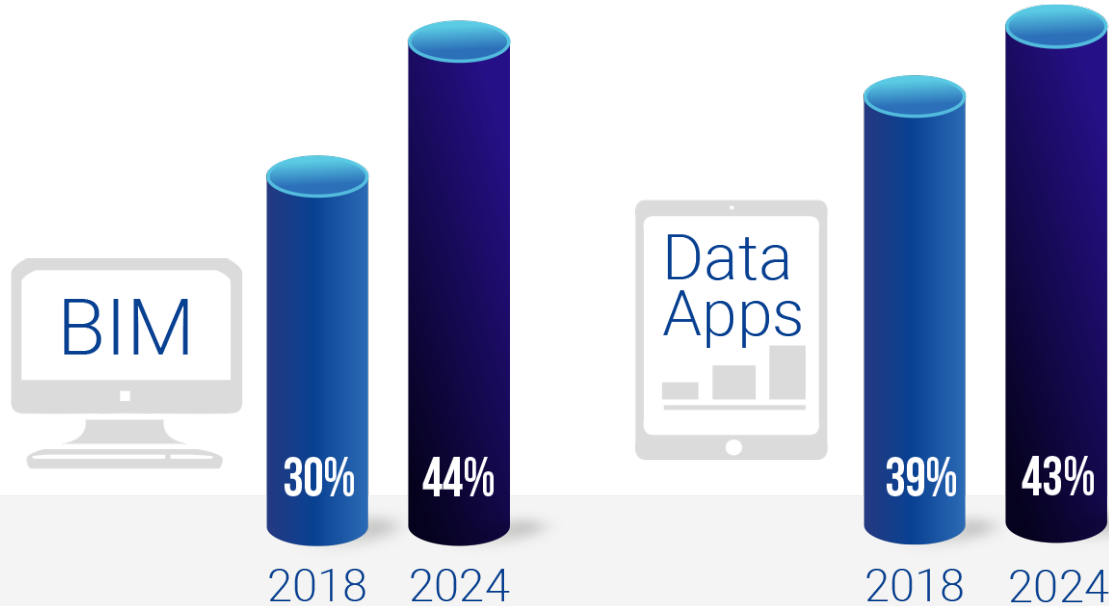


Barriers to Adopting New Technology

Top Four Barriers to Adopting New Tech



Most Commonly Used Technologies



Other Top Technologies

- Smart Sensors
- Advanced Materials
- Clean Tech
- Prefabrication/Modular

Drones & Wearables



Drones



10%



19%



Wearables

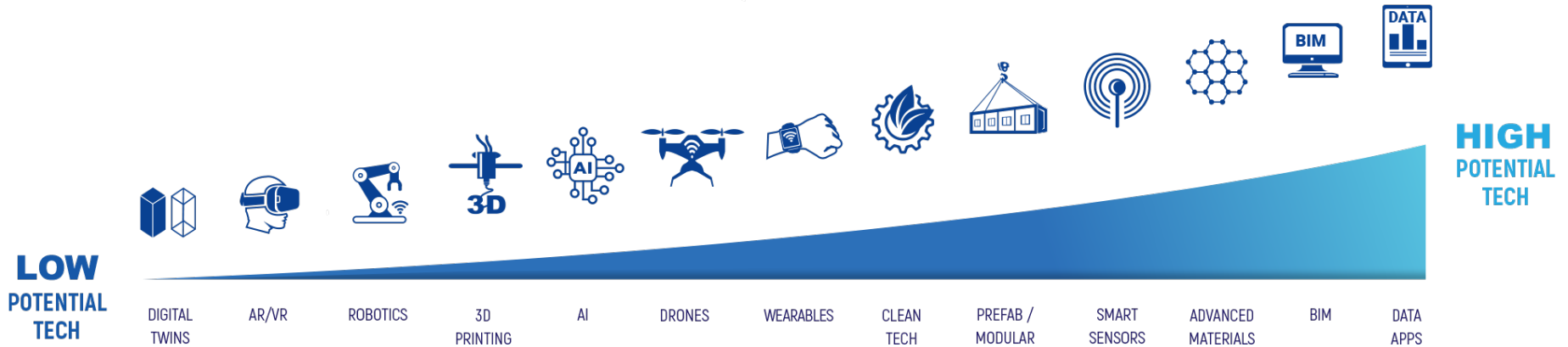


28%



20%

Contractors' Perspectives on Technology Potential



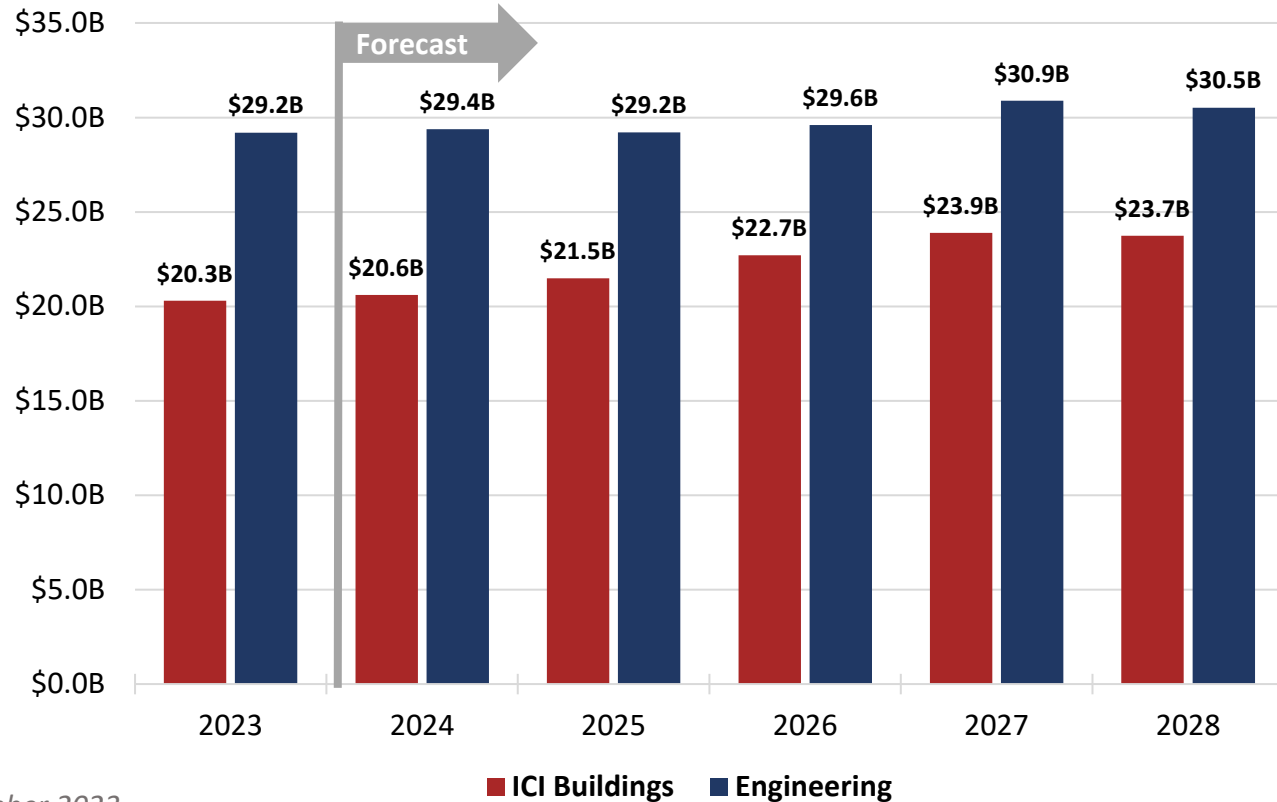


CONSTRUCTION SECTOR OUTLOOK

Non-Residential Construction Investment Outlook, Ontario

(\$2012 billions)

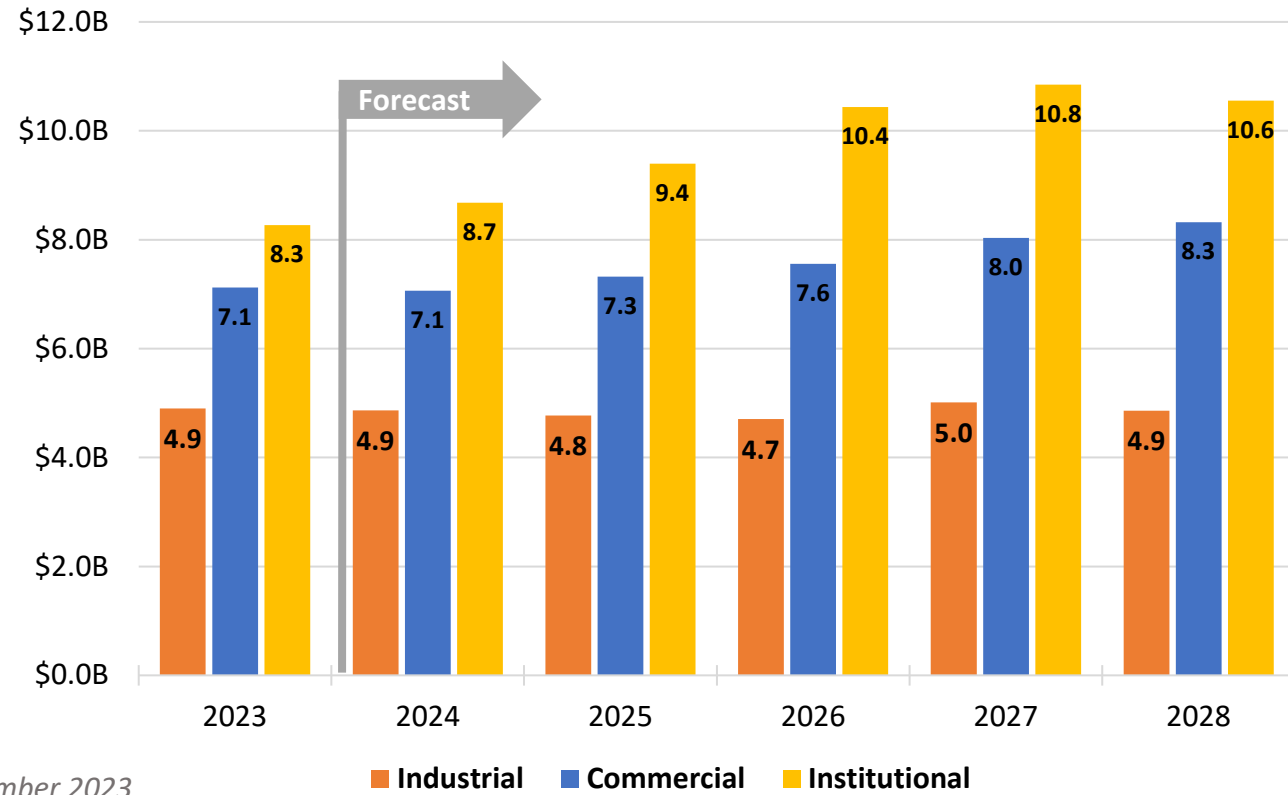
- **Total ICI Building** investment is expected to increase over the next five years led by growth in the Institutional sector
- **Engineering** investment stabilizes at a high level over the mid-term and peaks at \$31 billion in 2027



Source: BuildForce Canada, Preliminary, December 2023

ICI Buildings Investment Outlook, Ontario (\$2012 billions)

- **Institutional** experiences strong growth to peak at \$10.8B in 2027
- **Commercial** resumes growth in 2025
- **Industrial** investment remains stable experiencing stronger growth in 2027

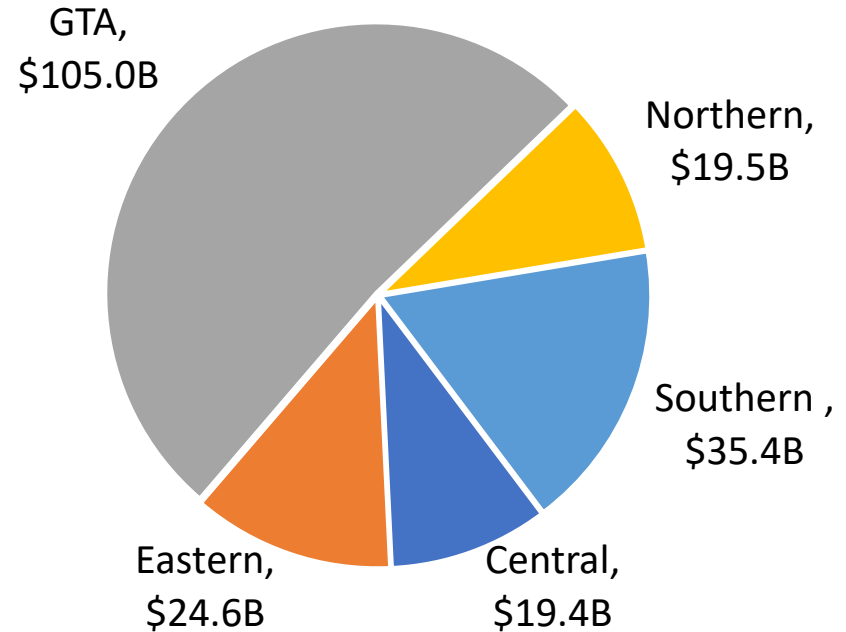


Source: BuildForce Canada, Preliminary, December 2023

Over \$200 Billion Project Pipeline in Ontario

Project Type	Value
Transit	\$64.1B
Power Generation / Transmission	\$32.5B
Healthcare	\$29.8B
Industrial	\$28.6B
Other Institutional Buildings	\$13.6B
Mining	\$12.7B
Roads / Bridges	\$9.8B
Other Misc. Projects	\$5.2B
Water / Wastewater	\$4.9B
Warehouses, Distribution Centres	\$2.6B

Total Project Value by Region



A Glimpse into the Regions – Central Ontario

Investment Outlook

ICI Buildings – Trending UP

Engineering – Trending UP

Non-Residential Labour Market

Relatively balanced until 2027 when several trades will start to experience tighter conditions.

Select Major Projects

Niagara Falls Hospital

Hamilton Health Sciences (Juravinski)

ArcelorMittal Dofasco Hamilton Steel Works (2 projects)

Alliston Assembly Plant Upgrade/Retooling

Hamilton Light Rail Transit

Stage 2 ION - LRT from Kitchener to Cambridge

Garden City Skyway Twinning (St. Catharine's)

Niagara Region Wastewater Replacement / Expansion

A Glimpse into the Regions – Eastern Ontario

Investment Outlook

ICI Buildings – Trending UP

Engineering – Moderating

Non-Residential Labour Market

Strained labour market conditions for many trades through 2026

Select Major Projects

Centre Block, Parliament Hill (Phase 1 & 2)

Ottawa LRT Stage 2 Extension

Ottawa Civic Hospital

Innovate Energy Modernization of District Energy System

Umicore Electric Vehicle Battery Materials Plant

Defence Construction Canada - Eastern Ontario Campus

Kingston General Hospital

Supreme Court of Canada, Heritage Building Rehabilitation

A Glimpse into the Regions – Greater Toronto

Investment Outlook

ICI Buildings – Trending UP

Engineering – Trending UP

Non-Residential Labour Market

Labour market conditions remained tight for most trades in 2023 and there is no immediate relief in sight. Project activity will continue to strain labour markets until 2027/28.

Select Major Projects

OPG Darlington Refurbishment

OnCorr: GO RER Electrification

Subway Extensions (Yonge & Scarborough Lines)

Eglinton Crosstown West Extension

Ontario Line - Southern & Northern Sections

Mississauga Health Trillium

Finch LRT West

Gardiner Expressway Rehabilitation

Ford Oakville Retooling (Oakville Electric Vehicle Complex)

A Glimpse into the Regions – Northern Ontario

Investment Outlook

ICI Buildings – Trending UP, then stabilizing

Engineering – Trending DOWN through 2024, followed by UPWARD trend to 2028

Non-Residential Labour Market

Tight labour market conditions experienced in 2023 are expected to ease for some trades in 2024/25. Labour markets will continue to tighten and ease as major projects commence and others complete.

Select Major Projects

Waasigan Transmission Line

Thunder Bay Correctional Complex

Agnico-Eagle Atikokan Hammond Reef Gold Mine & Processing Plant

Red Lake Springpole Gold Mine & Mill

Marathon PGM Open Pit Mine

Frontier Lithium hydroxide processing plant (Nairn Centre)

Weeneebayko Hospital replacement

Avalon Advanced Materials Lithium processing plant (Thunder Bay)

A Glimpse into the Regions – Southwestern Ontario

Investment Outlook

ICI Buildings – Dip in 2024, then trending UP

Engineering – Pause in 2024, declines in 2025, then trends UP

Non-Residential Labour Market

Labour market conditions were tight in 2023 for most trades. As major projects start and complete, various trades will experience tightness and easing across the forecast period.

Select Major Projects

Bruce Power Refurbishment

Volkswagen EV Battery Gigafactory (St Thomas)

Stellantis-LG Energy EV Battery Manufacturing Facility (Windsor)

Gordie Howe Bridge (completion expected 2024/25)

Windsor Acute Care Hospital

St. Clair Transmission Line

Crown Royal Distillery

London Nitrile Glove Manufacturing Plant

Non-Residential Construction Labour Markets

- Non-residential labour markets are expected to remain tight over the medium term given the current strong investment outlook
- 20,800 workers are expected to retire over the next five years
- Total recruitment requirements are expected to increase to 47,600 workers
- High levels of demand and tighter labour markets are projected to exist in most regional construction markets across the province



**+47,600
WORKERS**

Strategies to Address Construction Labour Market Challenges

- Additional local recruitment and training, particularly of individuals from groups traditionally underrepresented in the construction labour force
- Hiring workers from other industries with the required skills sets
- Recruitment of surplus workers from the construction labour forces of neighbouring provinces
- Recruitment of immigrants to Canada with skilled trades training and/or construction experience

Key Takeaways

- Contractors remain positive given the significant amount of work underway or in the pipeline
- Ontario's major project pipeline is valued at over \$200 billion
- Labour market challenges are top of mind and a majority of contractors anticipate increased difficulty in accessing experienced skilled labour
- Labour supply will continue to be challenged at peak times in various markets across the province
- Technology use in construction continues to grow but barriers remain

THANK YOU

Visit our website at
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