

2025 Contractor Survey

CONTRACTORS' INSIGHTS ON THE
ICI CONSTRUCTION INDUSTRY

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Two-thirds of Contractors Have a Positive Outlook

**Business confidence
is high**

67% 

say they are positive about
the future of Ontario's
construction industry

Stronger contractor positivity

- Outside the GTA (73%)
- Larger contractors (73%)
- Union contractors (69%)

The Back Story

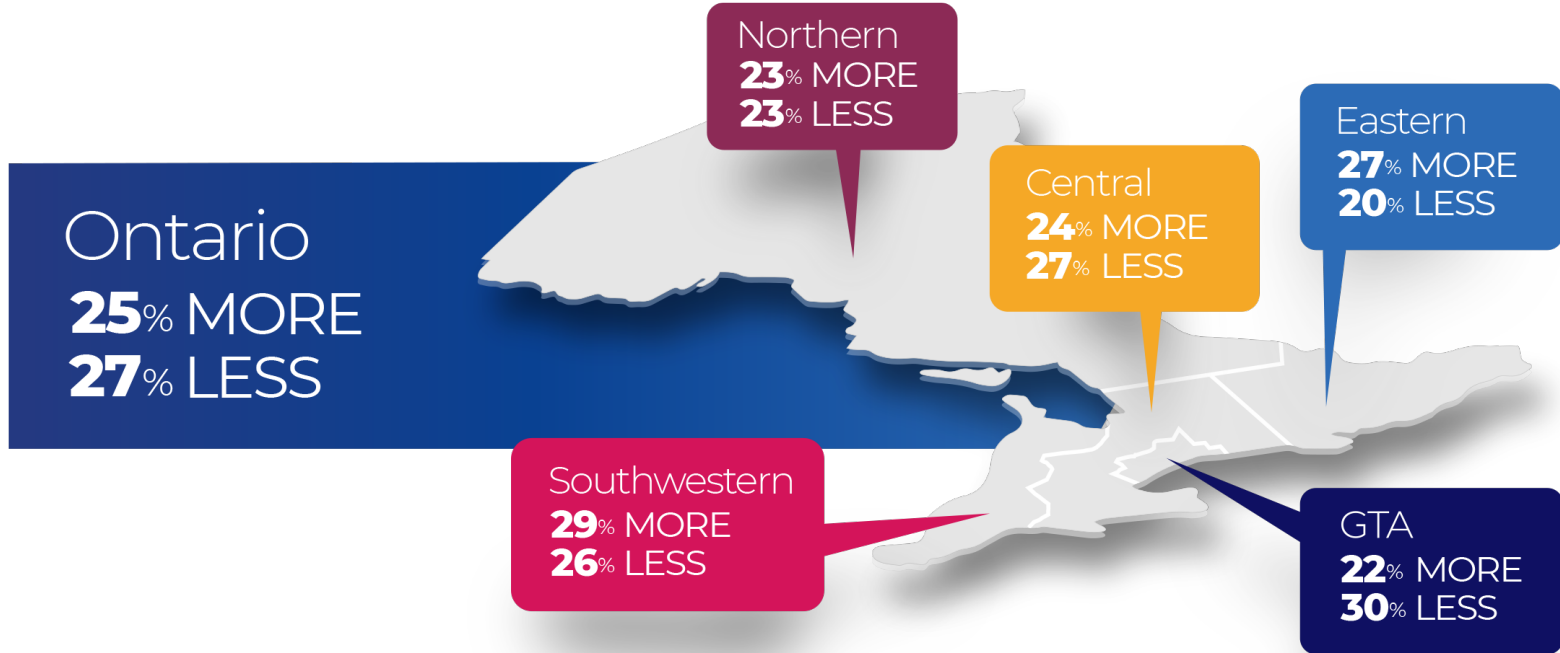
Positivity Drivers

- Strong pipeline of projects
- Need to replace aging infrastructure
- Economic factors trending in the right direction (interest rates, inflation)
- Skilled labour force
- Technological advancements and diversification
- Industry resilience and adaptability

Yet, Risks Remain

- Economic and political uncertainty
- High costs (materials, labour, permits)
- Labour shortages
- Slow permit processes / government bureaucracy

Business Volume Expectations



Q Looking forward, how much business do you expect to conduct in 2025 compared to last year, on a 5-point scale where 5 means that 2025 will have much more business than 2024 and 1 meaning much less?

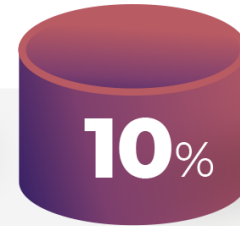
Hiring Expectations Remain Strong

Almost three times as many contractors expect their number of employees to increase compared to those who expect a decrease.

- Q Looking forward to 2025, do you expect the number of employees in your firm to increase, decrease, or stay the same? [all staff including onsite skilled labour and salaried office staff]



Increase



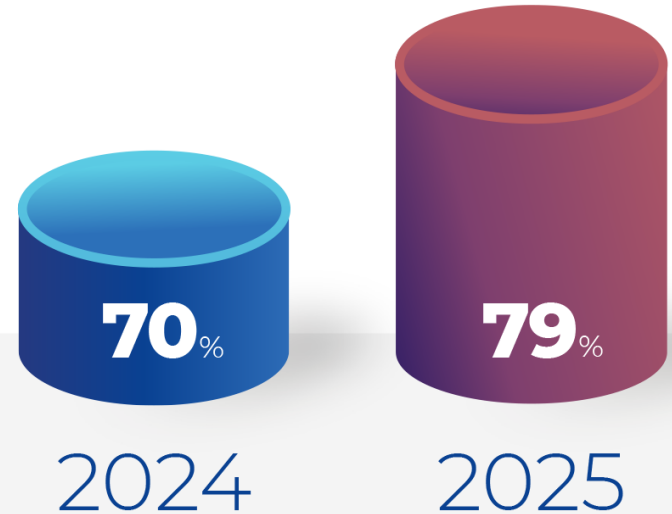
Decrease



Revenues Are Stable to Improving

8 in 10 contractors noted stable to improving revenues for 2025

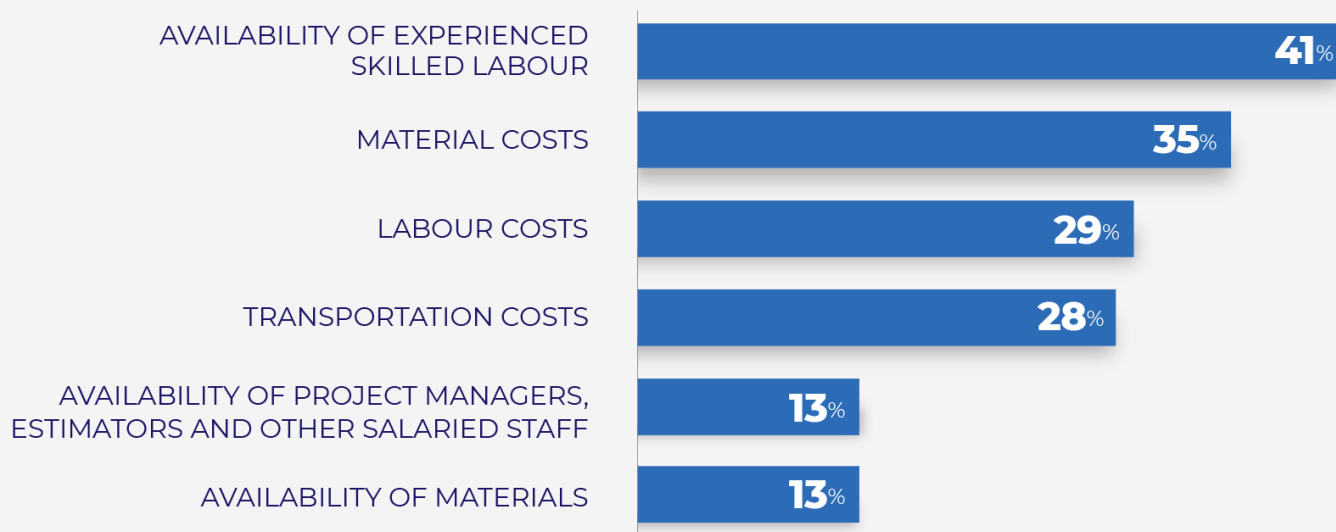
- Q Thinking of your anticipated annual revenue for 2024, was it higher, lower, or about the same compared to 2023?
- Q Looking forward to 2025, do you expect your firm's annual revenue to be higher, lower, or about the same compared to 2024?



Share of contractors with stable to growing revenue expectations

Availability of Skilled Labour Tops Contractors' Concerns

Top Concerns (% of contractors assigning highest score)



Q Thinking of the challenges that your firm may be facing in the next year, how much of a concern are the following on a 5-point scale, where 5 means a major concern, and 1 means not a concern at all?

One-third of Contractors Expect to Hire More Workers



28%

OF CONTRACTORS
EXPECT TO **HIRE MORE
EMPLOYEES** IN 2025
COMPARED TO 2024



58%

OF CONTRACTORS
ANTICIPATE LABOUR
WILL BE **MORE DIFFICULT
TO ACCESS** IN 2025

Consequences of Skilled Labour Shortages



SIGNIFICANT
COST
INCREASES



USED LESS
QUALIFIED
LABOUR



SIGNIFICANT
PROJECT
DELAYS



TURNED DOWN
WORK



PROJECTS
CANCELLATION



RECRUITED FROM
OUTSIDE
THE REGION



UTILIZED
TEMPORARY
FOREIGN WORKERS

Q The following is a list of potential consequences of skilled labour shortages. Has your firm experienced any of the following?

Union Contractors Continue to Lead in Apprenticeship



80%



NON-UNION

58%



KEY TAKEAWAY

Union Contractors
Continue to Lead in
Employing Apprentices

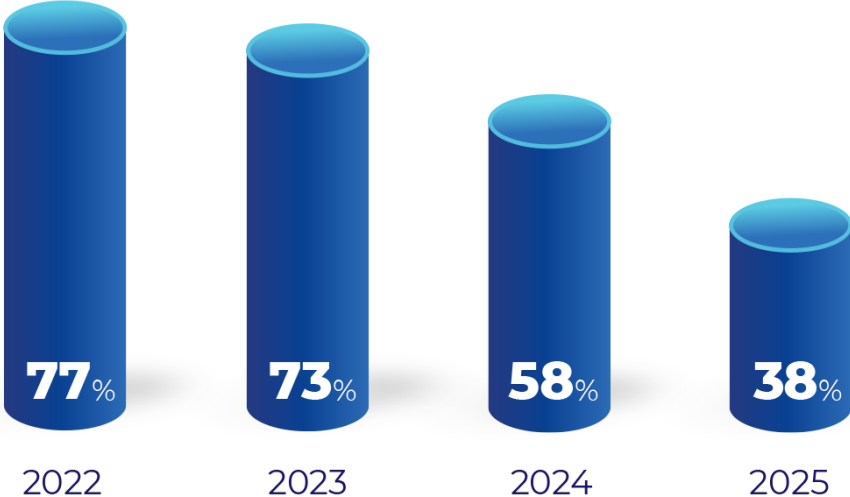
Contractors Note an Easing in Supply Chain Disruptions



38%

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

Percentage of Contractors Reporting Supply Chain Disruptions



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

Project Disruptions Continue



43%

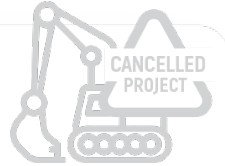
OF CONTRACTORS
HAVE HAD PROJECTS
CANCELLED BY
THE OWNER



54%

OF CONTRACTORS
HAVE HAD PROJECTS
POSTPONED BY
THE OWNER

Reasons for Project Cancellations



- Escalating material costs
- High interest rates
- Labour costs
- Labour supply challenges

Technology Adoption



8 in 10 (85%) say the adoption of new technology is important to the future of their business (unchanged from 2024).



14% of contractors budget for technology

Motivators for Adopting New Technology

Key Motivators for Adopting New Tech

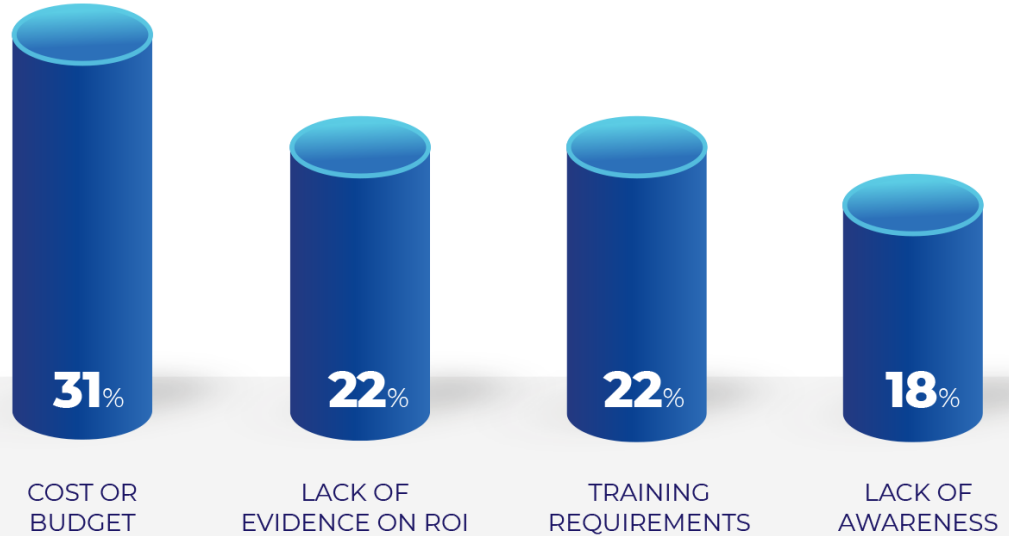
Q Which of the following factors is the most significant motivator to your business when it comes to adopting new technologies?



Barriers to Adopting New Technology

Top Barriers to Adopting New Tech

Q Which of the following is the most significant barrier to your business when it comes to adopting new technologies?



Most Commonly Used Technologies

Top technologies used by contractors*

* 30% – 50% of contractors indicated they used these technologies.



JOBSITE DATA
COLLECTION APPS



BIM / PROJECT
MANAGEMENT
SOFTWARE



ADVANCED
BUILDING
MATERIALS

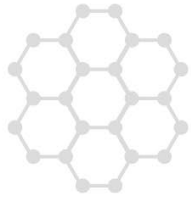


SMART SENSORS /
REMOTE
MONITORING

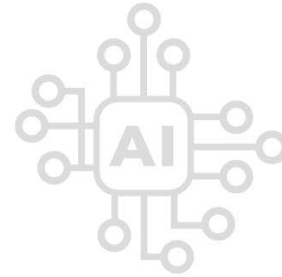
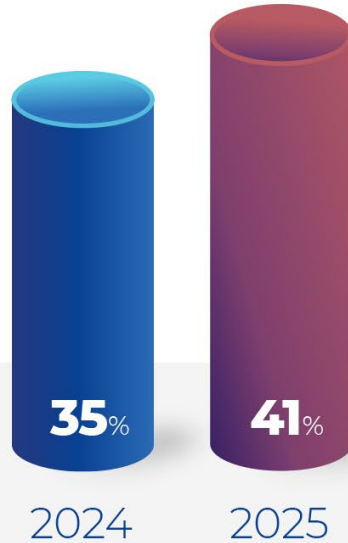


PREFAB /
MODULAR BUILDING
COMPONENTS

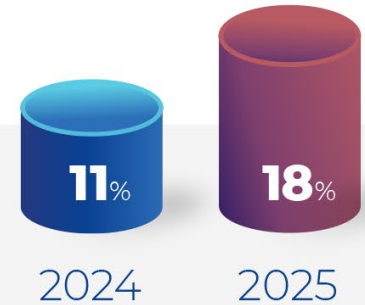
Advanced Building Materials & Artificial Intelligence on the Rise



Advanced Building Materials



Artificial Intelligence



Technology Adoption



KEY TAKEAWAY

As with the adoption of any new technologies, the largest firms will lead the way.

Key Takeways

- Contractors remain positive given the significant amount of work underway or in the pipeline
- Technology use in construction continues to grow
- Tariffs have layered a large question mark over the economy and to some extent the construction outlook
- Fundamentals of the sector remain strong (large pipeline of work, skilled workforce) but economic risks loom
- Stay tuned for more insights and updates

THANK YOU

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