

# 2026 CONTRACTOR SURVEY

## FINAL REPORT

March 2026



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# Methodology

Ipsos was commissioned by the Ontario Construction Secretariat to conduct a representative survey of ICI contractors in Ontario.

Sampling included elements of the construction industry, with representation among both union and non-union firms, a mix of firms by employee and revenue size, and both trade and general contractors included.

Regional quotas were applied to ensure geographic representation across the province.

A total of 400 surveys were completed by telephone with firms across all five regions of Ontario.

The survey was conducted between December 23<sup>rd</sup> and January 26<sup>th</sup>, 2026. The margin of error for this sample is +/- 4.9%, 19 times out of 20.

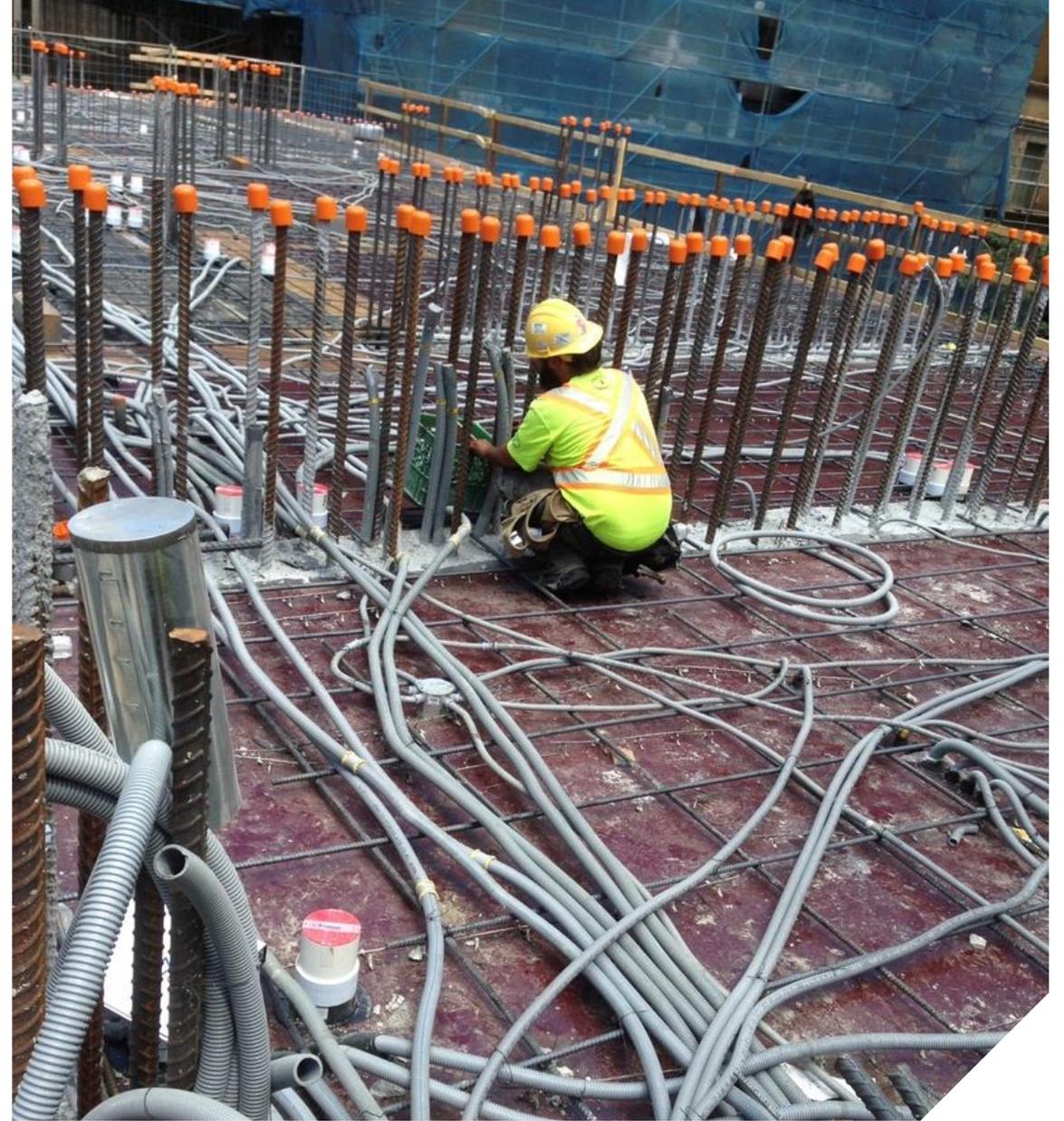


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# Key Findings

(1 of 2)

1

## **Contractor's Business Outlook Remains Resilient Despite Broader Concerns for the Overall Market:**

Half (49%) of contractors expect the Ontario construction market to be either stable (35%) or grow (14%) in 2026, while a similar proportion (46%) expect it to decline.

However, contractors are notably more optimistic about their own firms – 36% expect higher revenues and 33% expect to conduct more business than 2025. This disconnect suggests individual firms feel that their own business will be better able than the industry to manage broader construction market headwinds.

2

## **Construction Labour Market Remains Tight Despite Slowdown:**

Despite economic uncertainty and expectations for an industry slowdown, half of contractors (50%) expect hiring skilled labour to become more difficult in 2026. This is especially pronounced in Northern Ontario (83% anticipate greater difficulty).

Additionally, seven in ten firms now employ apprentices – a steady increase from 58% in 2024 and 64% in 2025 – indicating continued investment in workforce development despite market concerns.

3

## **Project Cancellations and Postponements Are Widespread:**

As many as half (58%) of contractor's report that one or more of their projects have been either delayed or cancelled. The primary drivers are: Escalating material costs (66%), Lack of financing (59%), Uncertainty from the trade war (45%), and High interest rates (45%). This represents a significant increase from previous years.

# Key Findings

(2 of 2)

4

## Competition Intensifying in a Shrinking Market:

An overwhelming 89% of contractors rate their competitors as strong (50% somewhat strong, 38% very strong), and 34% expect competition to intensify further in 2026.

Notably, firms with negative outlooks are significantly more likely to anticipate increased competition:

- 45% of those expecting industry decline anticipate more competition vs. only 14% of those expecting growth.
- Firms in institutional (35%) and commercial (33%) sectors expect heightened competition compared to industrial (29%). This is occurring in a market where 56% of work is won through competitive bidding (vs. 44% private/sole source), and repeat customers account for 73% of business – suggesting that protecting existing client relationships while competing aggressively for new work will be critical to growth.

5

## Supply Chain Pressures Are Easing, but Trade Risks Persist:

Supply chain disruptions have decreased significantly – 34% of contractors experienced disruptions in the past year compared to 58% in 2024 and 38% in 2025. However, material costs remain the top reason for project cancellations (66%), and trade policy uncertainty introduces potentially new supply chain risks. Smaller firms are disproportionately affected by supply disruptions.

# BUSINESS OUTLOOK



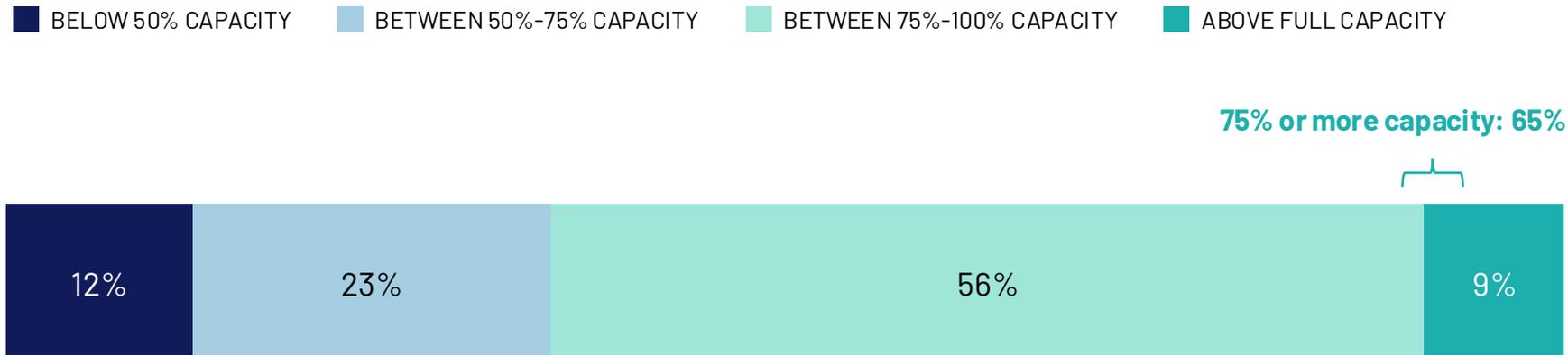
# Operating Capacity in 2025

Two-thirds (65%) of contractors indicate that their firm was running at either '75% - 100% capacity' (56%) or 'above full capacity' (9%) in 2025. One in ten (12%) have been operating at below 50% capacity in 2025.

Significant differences:

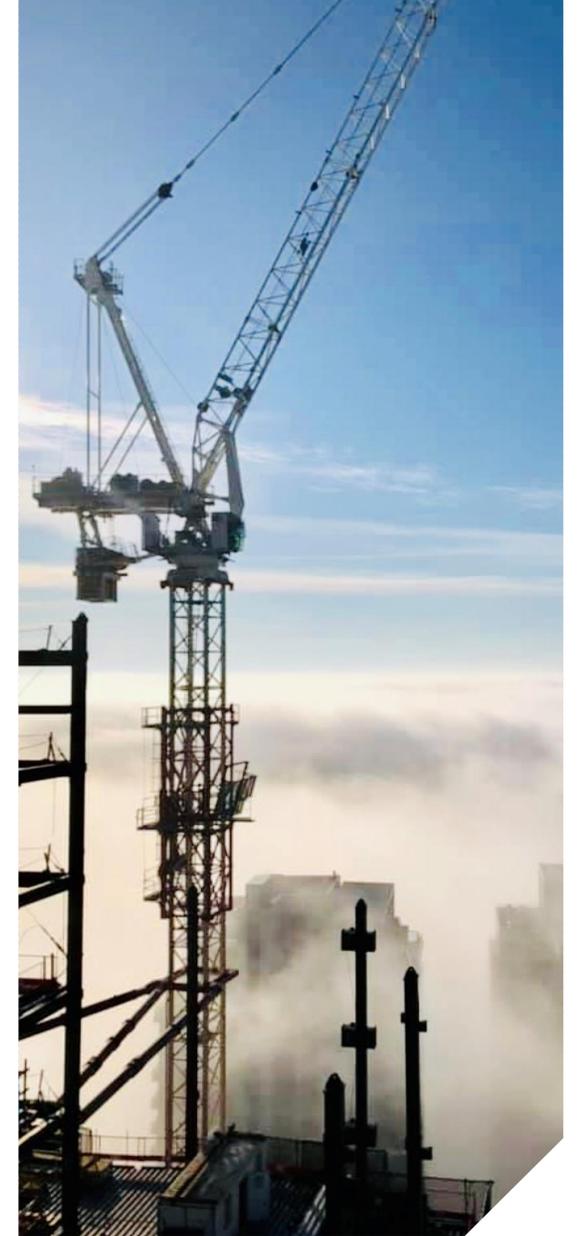
- Firms with a 75% or more operating capacity in 2025 are more likely to: have revenue of \$2 million or more (74%) and believe that the 2026 Ontario construction market will be growing or stable (both 75%).

## Capacity to Conduct Business in the Past Year



Base: All contractors (n=400)

Q5. Thinking about your capacity to conduct business, meaning the amount of work you can conduct considering resources that you have available, at what level of capacity would you say that you have been operating at for the past year in 2025. Would you say that you have been operating ....





# Expected Operating Capacity in 2026

Two-thirds (66%) of contractors expect their firm to run at either '75% - 100% capacity' (54%) or 'above full capacity' (12%) in 2026, which means that firms expect to run at a similar capacity as in 2025 66%, compared to 65% in 2025).

Significant differences:

- Firms anticipating a 75% or more operating capacity in 2026 more likely to: expect higher (85%) revenue in 2026, expect to conduct more business in 2026 (83%), expecting an increase (82%) in the number of employees.

## Capacity to Conduct Business Next Year

■ BELOW 50% CAPACITY   ■ BETWEEN 50%-75% CAPACITY   ■ BETWEEN 75%-100% CAPACITY   ■ ABOVE FULL CAPACITY



Base: All contractors (n=400)

Q6. Now thinking about the next 12 months into 2026, at what level of capacity do you expect to operate at? Would you say that you expect to operate at ...

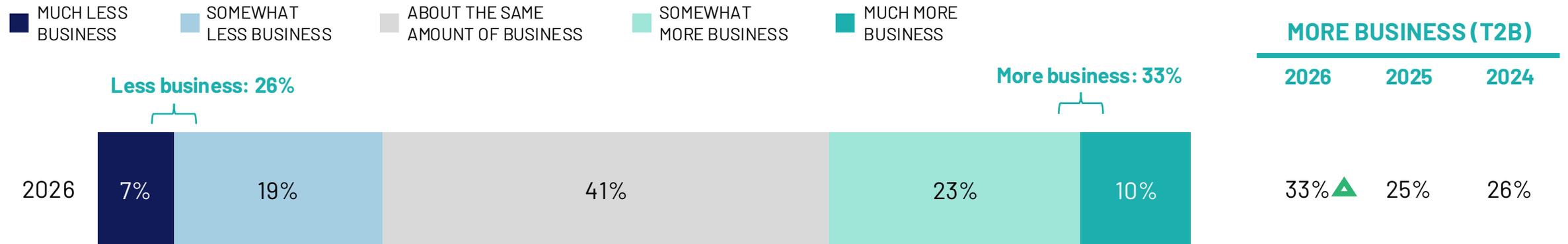
# Business Outlook for 2026

One-third (33%) of contractors expect their business volume to increase in 2026 compared to 2025; this represents a significant increase compared to 25% in 2025. Four in ten (41%) expect about the same amount of business compared to the previous year.

Statistically significant differences:

- Four in ten (41%) firms with 25 or more employees are more likely to believe that business volume will grow compared to those working for firms with 1 – 4 employees (26%).
- Contractors who believe the Ontario construction industry will grow in 2026 (61%) are more likely to believe they will get more business compared to those who think the industry will be stable (39%) or decline (19%).

## General Business Volume Expectations for 2026



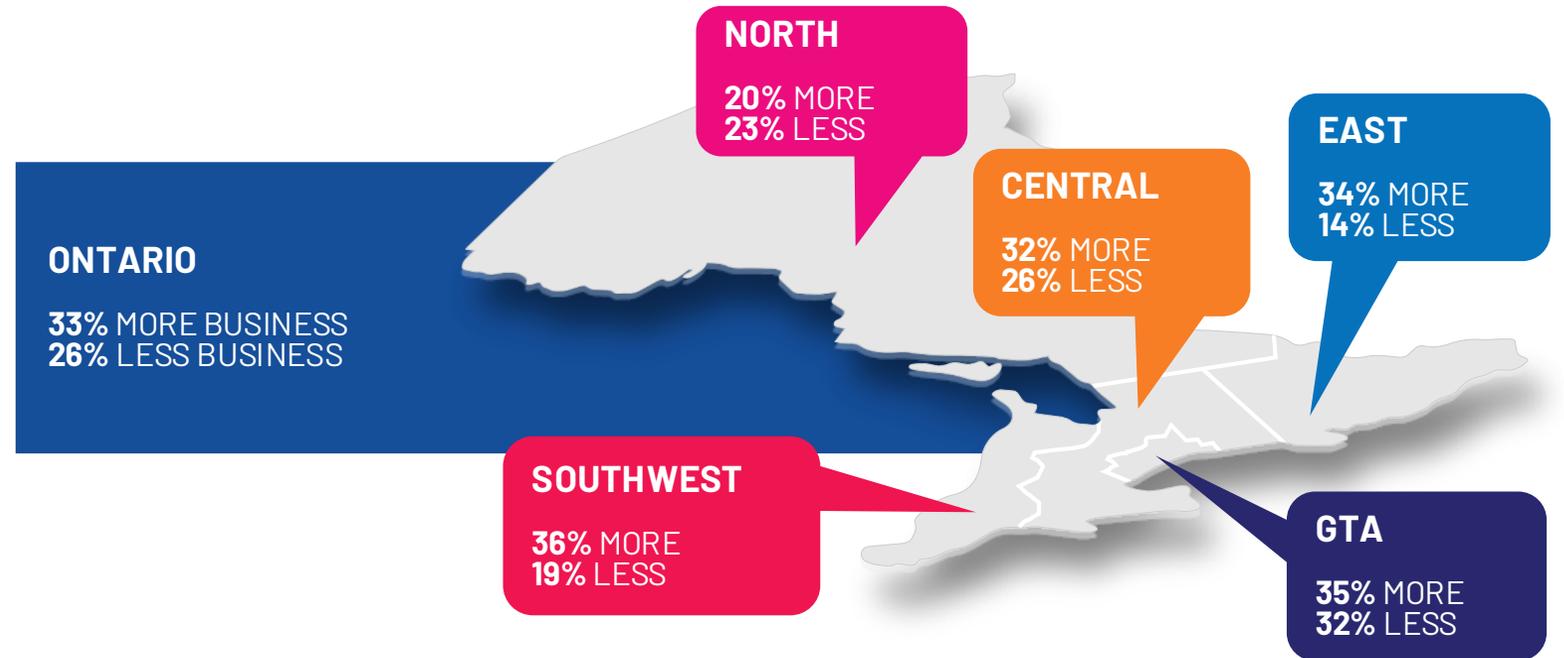
Base: All contractors 2024 (n=400); 2025 (n=400); 2026 (n=400).

Q7. Looking forward, how much business do you expect to conduct in 2026 compared to 2025, would you say...

▲ Significant increase  
▼ Significant decrease

# Regional Business Outlook:

With the exception of the North (20%), roughly one third of contractors in other regions of Ontario expect their business to grow in 2026.



Base: All contractors (n=400).

07. Looking forward, how much business do you expect to conduct in 2026 compared to 2025, would you say...

# Reasons For Expecting More Business in 2026

Contractors cite a number of reasons why they think their firm will have more business in 2026: contracts and projects (15%), market conditions improvement (12%), increased demand and opportunities (12%) increased marketing/advertising efforts (10%) and expansion and growth (10%).

## Level of Business in 2026 Will Increase Because....



### Quotes:

"We have brought on more staff and are working with contractors and the work is out there and the relationships we have are moving forward."

"There has been more tenders out early this year compared to last year."

"We continually do a little better each year. We have a fantastic marketing person."

"We're just getting more phone calls and emails, and more request."

"We are very aggressive on getting projects."

Base: Contractors who expect their firms to get more business in 2026 (n=133)  
Q8. Why would you say that you expect to conduct more business in 2026?

# Reasons For Expecting The Same Business in 2026

Contractors most frequently give the following reasons to explain why they think their firm will have the same amount of business in 2026: economic challenges (22%), steady business/contracts (20%), market trends/changes (16%) and historical stability (15%).

## Level of Business in 2026 Will Stay the Same Because....



### Quotes:

"Basically, they say the economy is going in a recession and people not spending as much."

"I have a high volume of recurring customers and maintenance contracts."

"It seems to be the trend in the past few years."

"It's the economy and the jobs we have lined up"

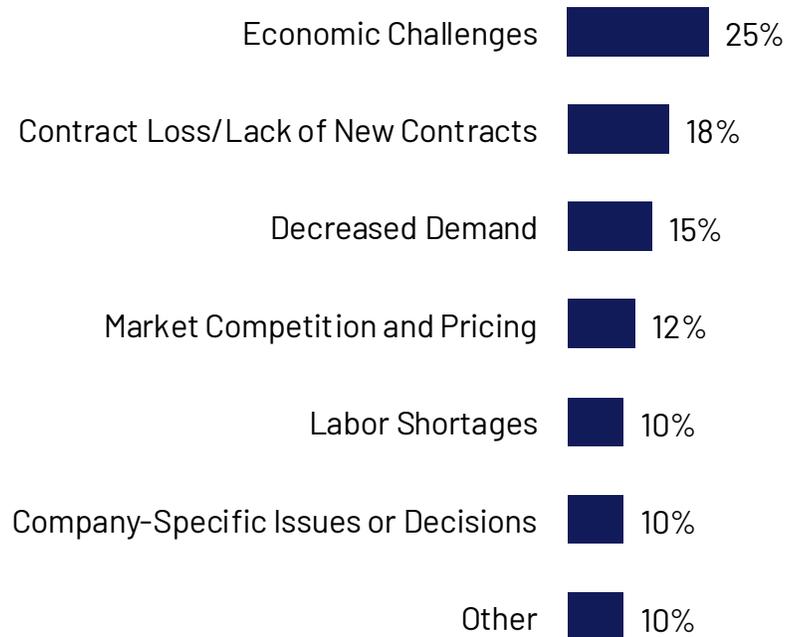
"Just because of the work I have in my order books right now."

Base: Contractors who expect their firms to get the same amount of business in 2026 (n=164)  
Q8. Why would you say that you expect to conduct the same amount of business in 2026?

# Reasons For Expecting Less Business in 2026

Contractors most frequently give the following reasons to explain why they think their firm will have less business in 2026: economic challenges (25%), contract loss/lack of new contracts, decreased demand (15%) and market competition and pricing (12%).

## Level of Business in 2026 Will Decline Because...



### Quotes:

"A lot of our contracts are ending, and we have not replaced them."

"Just the job market is, there's not much to quote where we live, pretty quiet."

"Unreasonable Liberal taxation, poor trading on account of Liberal trading policies. Low consumer confidence on the economy."

"Tariffs having an impact, and the economy"

"We are in transition. We are not going to be doing much work by choice."

Base: Contractors who expect their firms to get more business in 2026 (n=100)  
Q8. Why would you say that you expect to conduct less business in 2026?

# Expected Annual Revenue vs. Previous Year

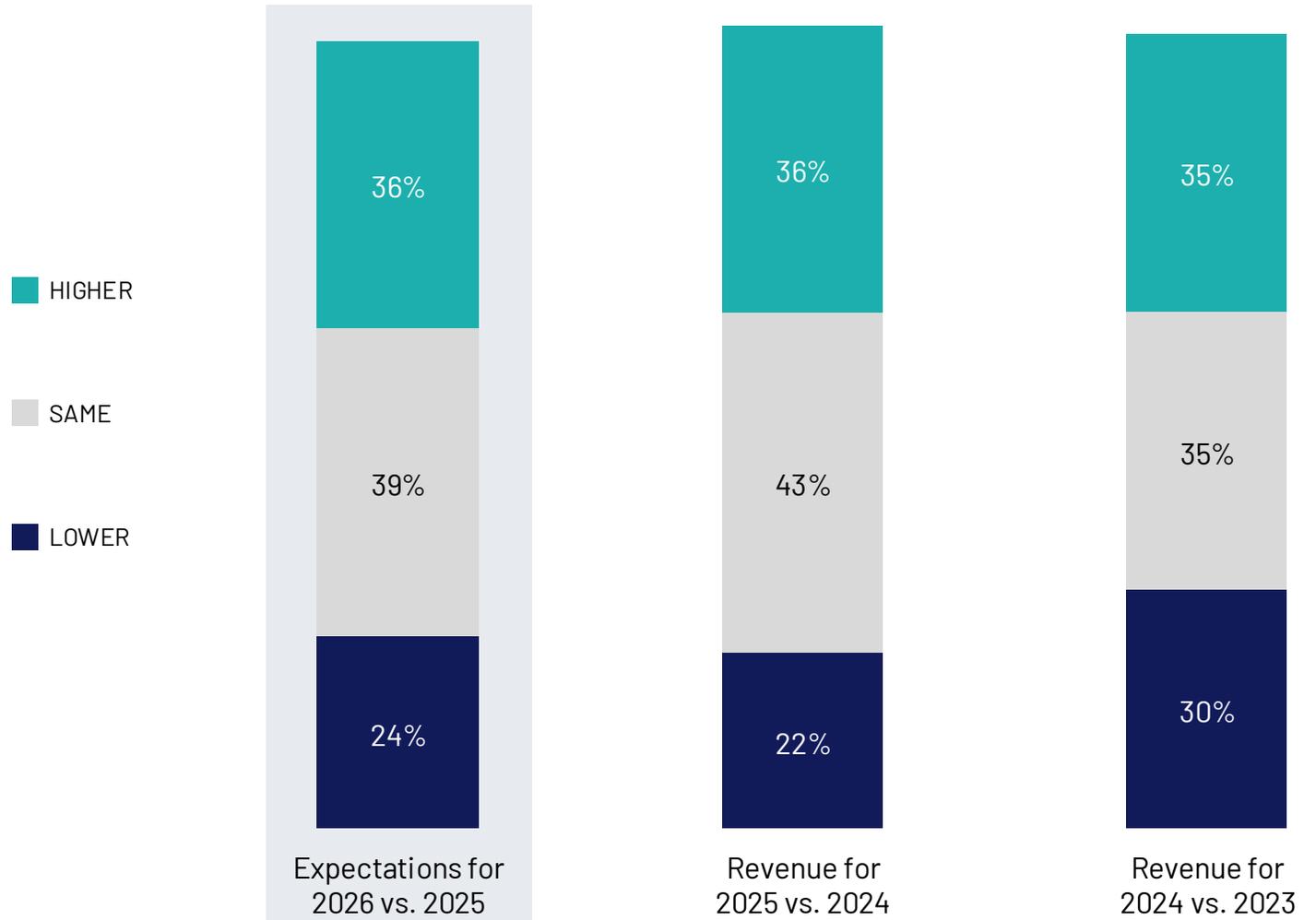
Contractors' expectations for revenue remain unchanged, despite the economic uncertainty today.

Statistically significant differences:

- Those in firms working in the industrial sector are more likely to believe their firms revenue will be higher (39% vs. 36% of those in the commercial buildings sector).
- Firms with 5-9 and 25 or more employees are significantly more likely to indicate they expected higher revenues in 2026 compared to those representing firms with 10-24 employees (48% and 42% vs. 27% respectively).
- Those believing the Ontario construction industry will grow in 2026 are significantly more likely to project higher revenues for their own firms (68% vs. 47% stable or 16% declining revenues).

Base: All respondents 2024 (n=400); 2025 (n=400); 2026 (n=400).  
Q9. Looking ahead to 2026, do you expect your firm's annual revenue to be higher, lower, or about the same compared to 2025?

## 2026 Revenue Expectations & Recent Trends



# Rating of Competitors in 2025

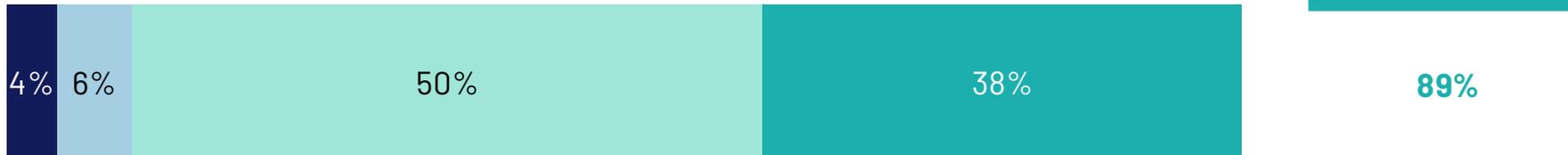
The vast majority (89%) of contractors rate their competitors as either somewhat (50%) or very (38%) strong.

Statistically significant differences:

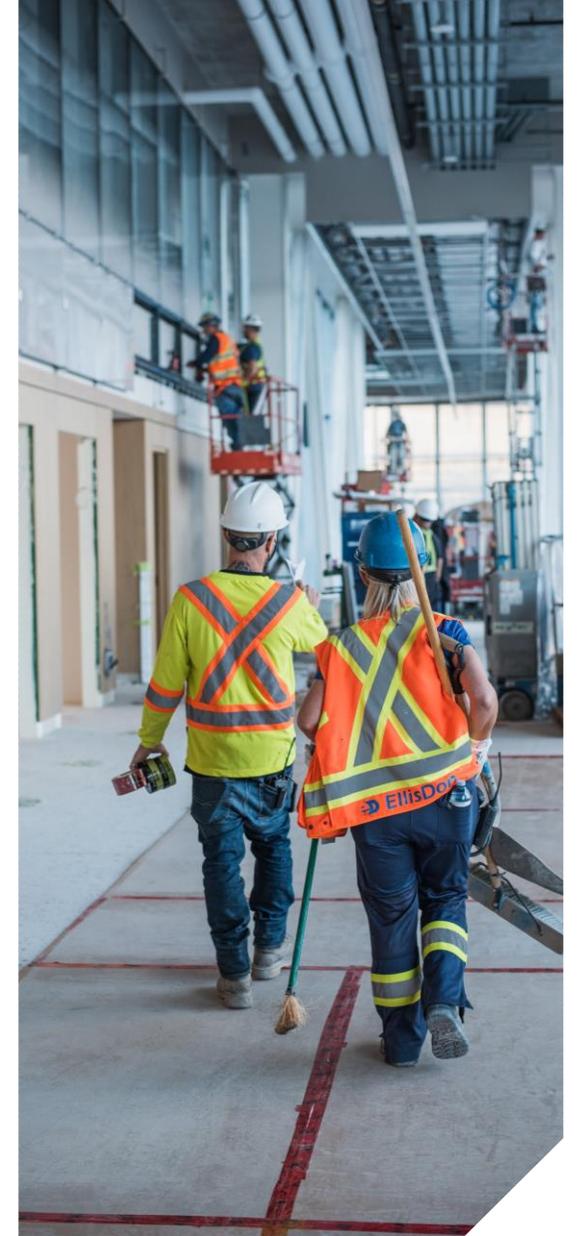
- Firms with 10 to 24 employees are more likely to view their competition as strong compared to those with 1 to 4 employees (94% vs. 80%), those representing firms with anticipated revenues of \$2 million or more are more likely to view their competition as strong compared to those representing firms with less than \$500k in projected revenue (92% vs. 79%).

## Competitors in 2025 Were...

■ VERY WEAK COMPETITION   ■ SOMEWHAT WEAK   ■ SOMEWHAT STRONG   ■ VERY STRONG COMPETITION



Base: All contractors (n=400)  
Q10. How would you rate the level of competition you faced in 2025? Would you say...



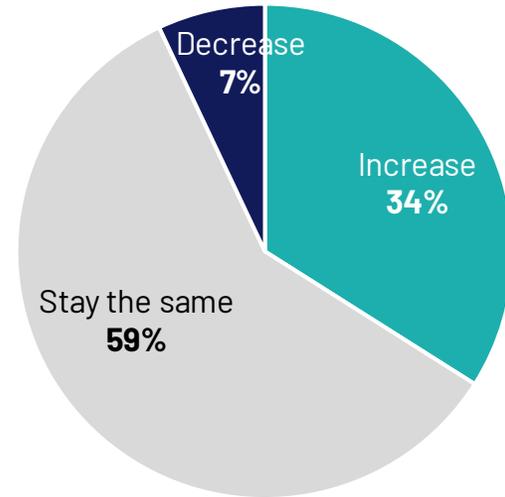
# Expectations for Competition in 2026

One-third (34%) of contractors believe their firm's competition will increase in 2026 compared to 2025, six in ten (59%) believe it will stay the same and only one in ten (7%) believe competition it will decrease.

Statistically significant differences:

- Firms in the institutional and commercial buildings sectors are more likely than those in the industrial sector to believe their competition will increase (35% and 33% vs. 29% respectively).
- Firms with positive outlooks on business, revenue and employment levels are less likely to think their competition would increase.
- Those firms who have a positive outlook and believe the Ontario Construction sector will grow (14%) are less likely to think their competition will increase, compared to those who think the industry will be stable (28%) or decline (45%).

Competition  
in 2026 Will...



Base: All contractors (n=400)

Q11. Looking ahead to 2026, do you expect competition to...



# CONSTRUCTION INDUSTRY OUTLOOK

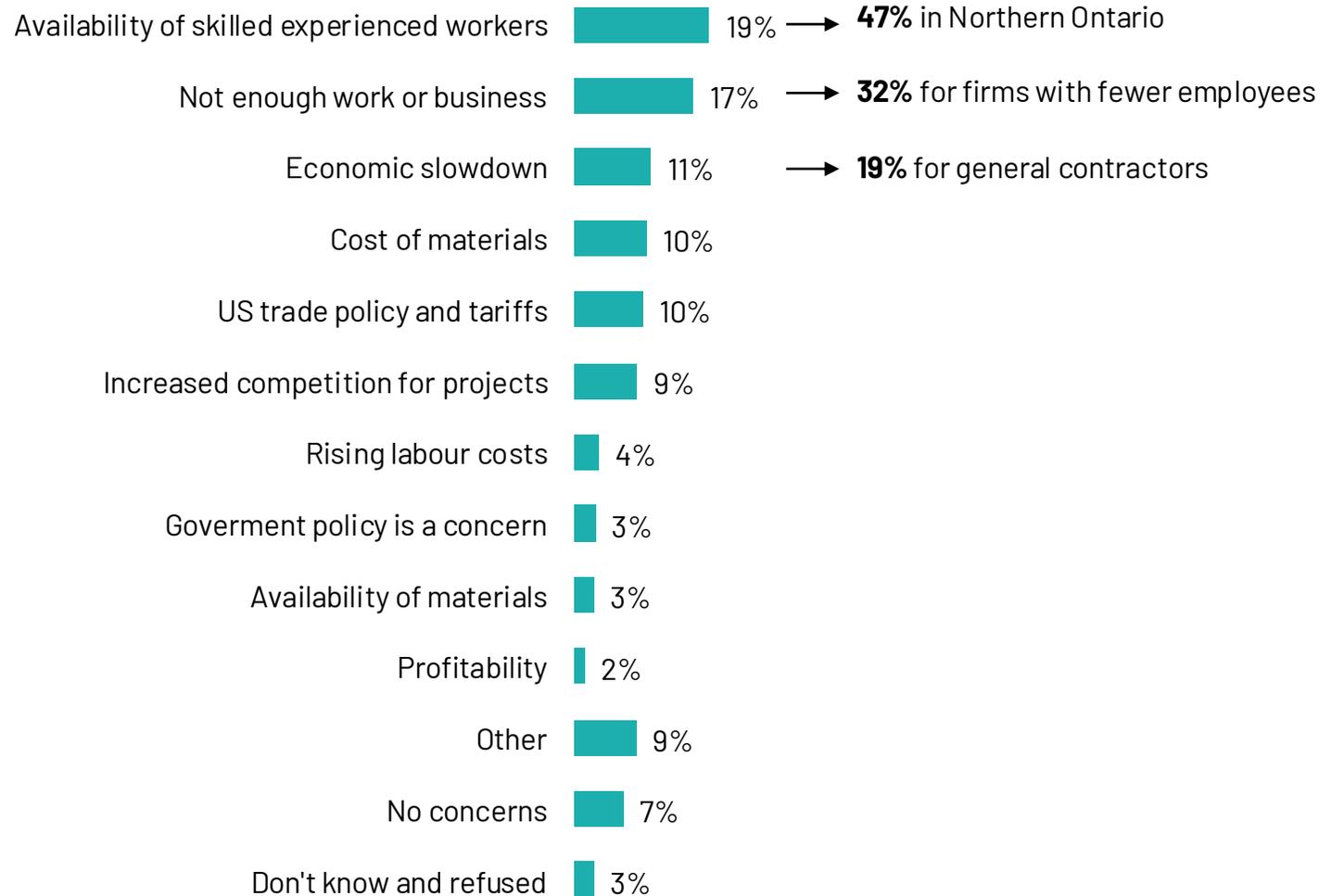
# Ontario Construction Market Concerns or Challenges in 2026

Availability of skilled experienced workers (19%) and not enough work or business (17%) are the concerns/ challenges for 2026 most frequently mentioned.

Base: All contractors (n=400)

Q17. What, if anything, is your biggest concern or challenge for the construction market in 2026?

## Top Concerns and Challenges

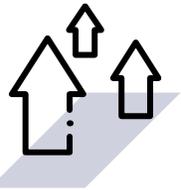


# Ontario Construction Market Outlook for 2026

Equal proportions of firms expect Ontario's construction market to be stable or grow (49%) as expecting it to decline (46%).

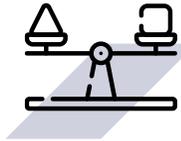
Statistically significant differences:

- Firms with revenue from \$500k to <\$2 million are more likely to believe the market will grow compared to those representing firms with revenue of \$2 million or more (19% vs. 10%).
- Firms are more likely to be positive about the prospects for the industry if they are positive about the prospects for their own firm. For example, 26% of those who believe their business outlook is better than 2025 believe the market will grow; 27% of those who believe their revenue outlook is better than 2025 believe the market will grow; and 24% of those who think their employee numbers will increase believe the market will grow.



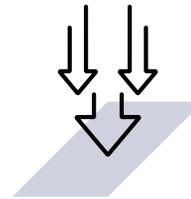
**14%**

Growing



**35%**

Stable



**46%**

Declining



**4%**

Unsure

Base: All contractors (n=400)

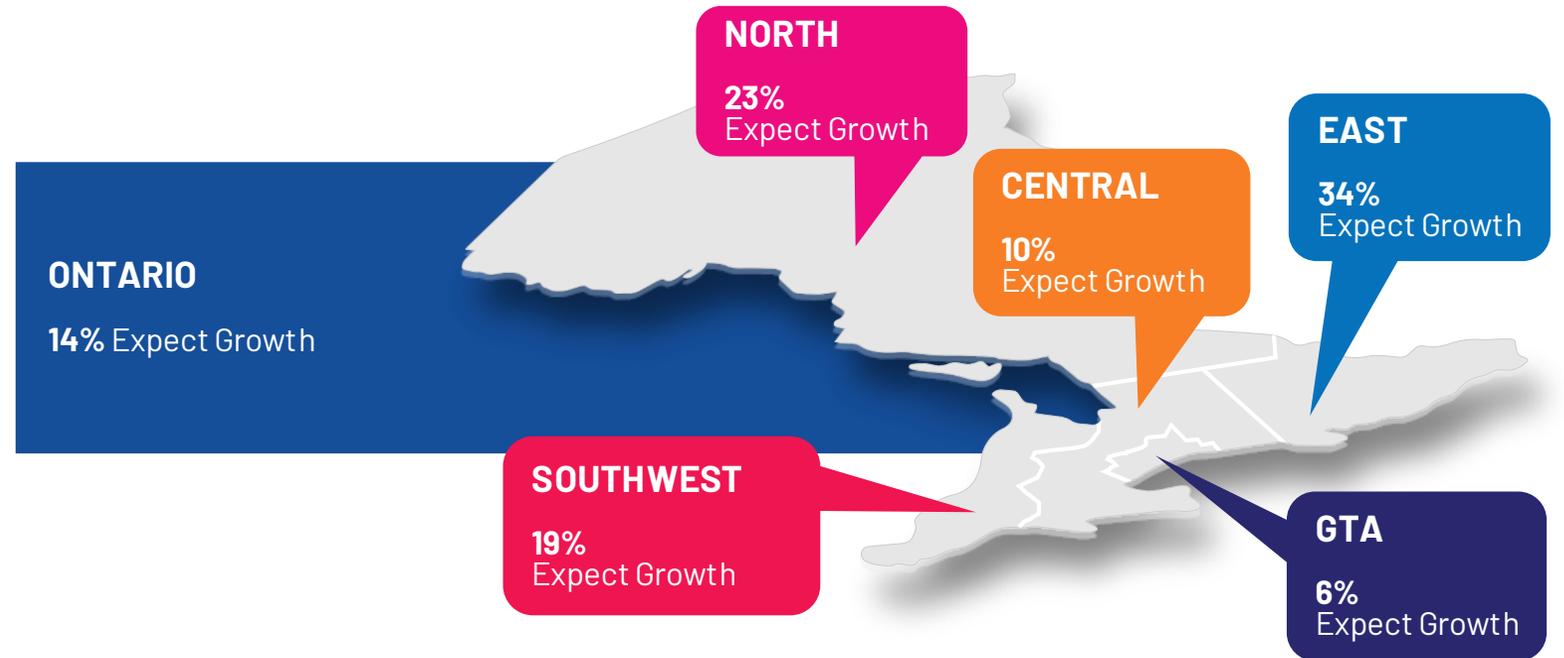
Q15. Looking ahead to 2026, how would you describe Ontario's construction market? Would you say it is...

# Regional Growth Expectations:

Contractors in the GTA are significantly less likely to expect the Ontario construction market will grow in 2026 compared to other regions of the province.

Base: All contractors (n=400)

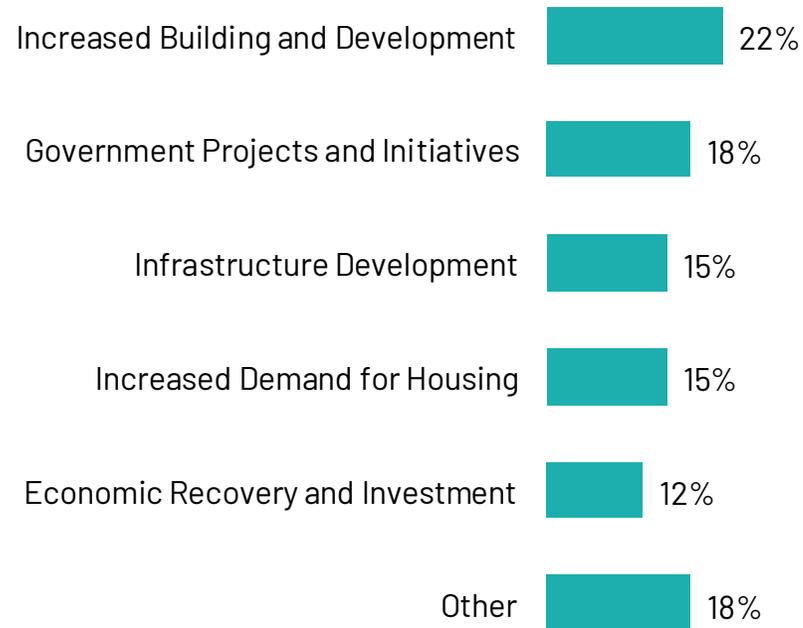
Q15. Looking ahead to 2026, how would you describe Ontario's construction market? Would you say it is...



# Reasons Expecting Growth in Ontario Construction Market

Among firms who think the Ontario construction market will grow in 2026, the most frequently mentioned reasons are: increased building and development (22%), government projects and initiatives (18%), infrastructure development and increased demand for housing (both 15%).

## State of Ontario Construction Market is Due to grow...



### Sample Quotes:

“Because it is growing, there are projects going forward in Northwestern Ontario.”

“For us and our business, I think people are becoming more aware of annual service, like maintenance.”

“We do a lot of schools and long-term care facilities. Civil infrastructure is growing.”

“Simply due to the mega projects”

“Government is green lighting a lot of projects.”

Base: Contractors who think the Ontario Construction Market will grow in 2026 (n=57)  
Q16. Why do you think that the current state of Ontario's construction is market is growing?

# Reasons For Expecting Stability in Ontario Construction Market

Among contractors who think the Ontario construction market will remain stable in 2026 the most frequently mentioned reasons are: existing contracts (20%), past performance and recovery (18%), market demand and opportunities (15%) and company strategic initiatives (15%).

## State of Ontario Construction Market is Stable...



### Sample Quotes:

"Again, just different sectors go up and down. It kind of balances."

"Based on the business that I do, it just keeps coming in."

"Because I'm a boiler mechanic. And there's a whole of people retiring and less coming in. My work opportunity is very stable."

"Depends on the areas you work in if it not tariff related its good if not your clients will be hit with it."

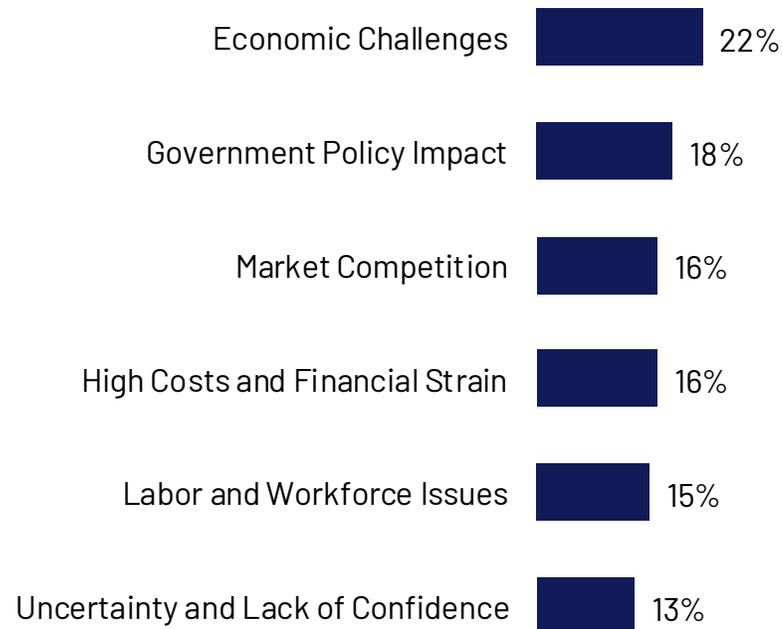
"Government; budgets to spend for infrastructure."

Base: Contractors who think the Ontario Construction Market will be stable in 2026 (n=139)  
Q16. Why do you think that the current state of Ontario's construction is market is stable?

# Reasons For Expecting Decline in Ontario Construction Market

Among those who think the Ontario construction market will decline in 2026 the most frequently mentioned reasons are: economic challenges (22%), government policy impact (18%), market competition (16%) and high costs and financial strain (16%)

## State of Ontario Construction Market is in Decline...



### Sample Quotes:

"At some point I heard on the news that our provincial work. The residential sector. The work has been stopped. And the residential contractors are moving in the ICI sector. Giving the lowest price. And making the competition tougher. As well as the municipality work such as the City of Brampton, city of Toronto are permitting the tenders of public works. So, from this I observe the ICI from public works are limited to the clients."

"All the uncertainty. People are scared to spend money."

"Basically, because of our mixed-up political system. Between Trump and Carney. I think Mr. Carney has got a lot more to do to get this country going."

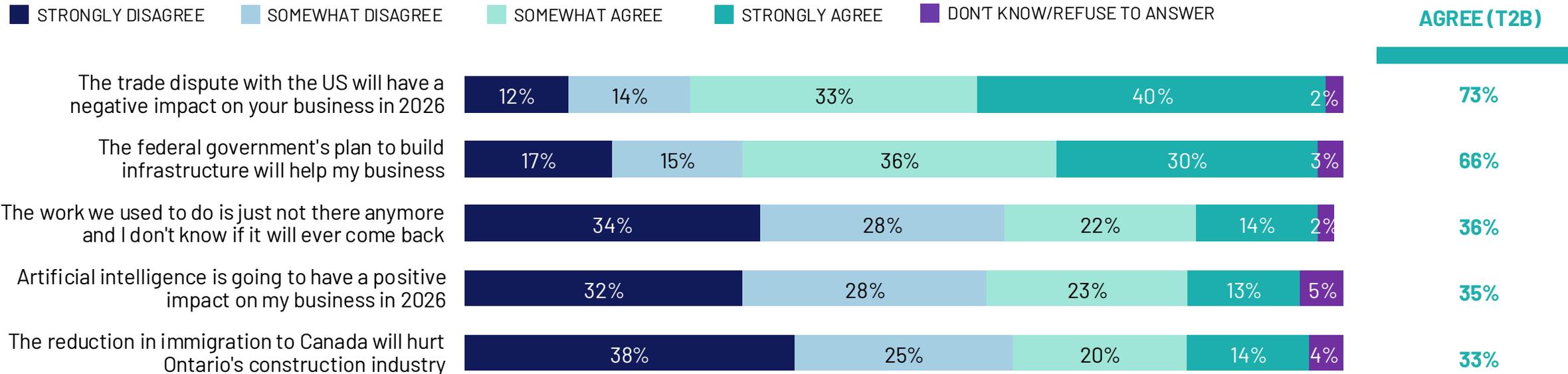
"I believe there is a lot more competition for less work"

Base: Contractors who think the Ontario Construction Market will decline in 2026 (n=185)  
Q16. Why do you think that the current state of Ontario's construction is market is declining?

# Perceptions of Trade Disputes, Policy, and Artificial Intelligence

- Three in four (73%) contractors agree that their firm’s business will be negatively impacted by the Canada-U.S . trade dispute in 2026, while two-thirds (66%) agree that the federal government’s infrastructure plan will help their firm.
- Roughly a third believe that work they used to previously do no longer exists (36%), artificial intelligence will positively impact their business in 2026 (35%) and that the reduction in immigration to Canada will hurt the Ontario construction industry (33%).

## % Agree With Each Statement

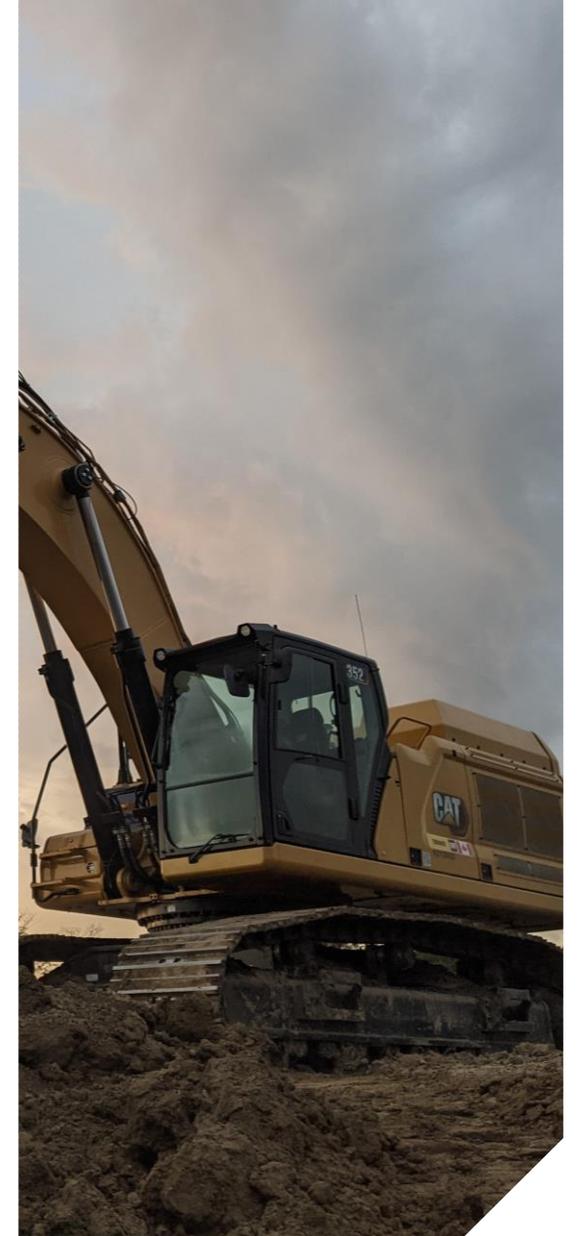


Base: All contractors (n=400)  
 Q26. To what extent would you agree or disagree with the following statements?



# Perceptions of Trade Disputes, Policy, and Artificial Intelligence – Significant Differences

- **The federal government’s plan to build infrastructure will help my business:** Firms in Northern Ontario the most likely to benefit (90%, compared to 61% in the GTA). Institutional (69%) more likely than commercial (65%) sector to agree, large employers (78% for 25+ employees) are more likely than small employers (58% for 1-4, 59% 5-9) to agree, union employers more likely to agree (75% vs. 60% among non-union), those who think the Ontario construction sector outlook is to grow (79%) or be stable (71%) are more likely compared to those who think the sector will decline (57%), firm business outlook will improve compared to 2025 (77%) compared to those whose outlook is stable (63%) or lower (55%), higher firm revenue outlook are more likely to agree (76%) compared to those who have a stable (63%) or lower (55%) outlook,
- **The work we used to do is just not there anymore and I don’t know that if it will ever come back:** employers with under 5 employees (50%) more likely to agree compared to 5-9 (30%) and 25+ (27%) employee firms, firms with \$500k to <\$2 million in revenue (46%) more likely than those with \$2 million or more to agree (28%), those who think the Ontario construction sector outlook is going to decline (44%) are more likely to agree compared to those who think the outlook is stable (30%) or growing (25%).
- **Artificial intelligence is going to have a positive impact on my business in 2026:** Engineering/civil (44%) more likely than commercial sector (36%) to agree, large employers (43%) more likely than those with 10-24 employees (30%) to agree, general contractors more likely to agree that artificial intelligence is going to have a positive impact on their business in 2026 (47% vs. 32% of trade contractors), business outlook will improve more likely to agree (45% vs. 28% of those who think it will be stable), those who think their employment outlook will increase are more likely to agree (48% vs. 29% who think employment will stay the same), those who think the Ontario construction sector is going to grow in 2026 are more likely to agree compared to those who think it will decline (47% vs. 32%),
- **The reduction in immigration to Canada will hurt Ontario’s construction industry:** Engineering/civil (40%) and institutional (36%) sectors are more likely than those in the commercial sector (33%) to agree



# TYPE OF WORK & PREQUALIFICATION

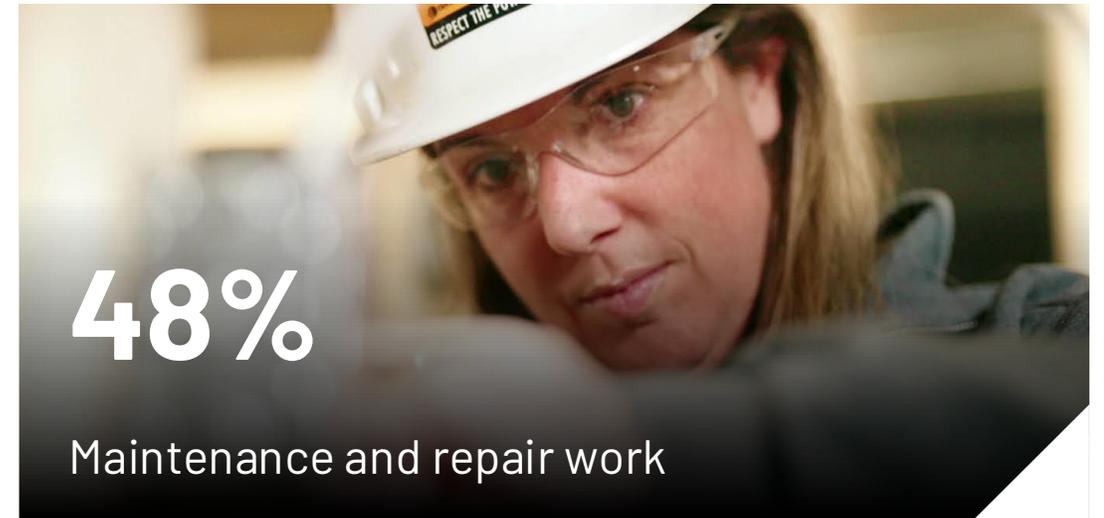
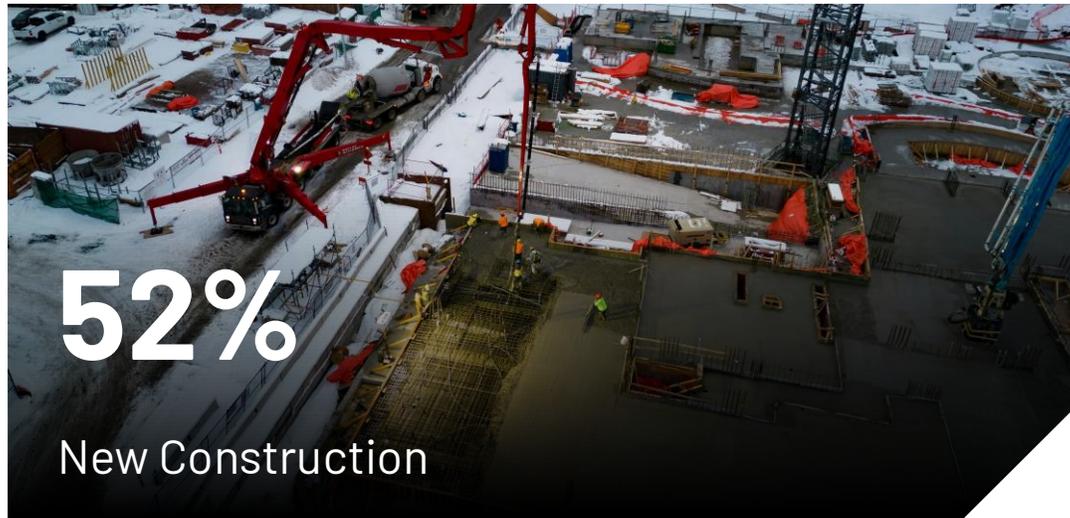


# Type of Work Distribution

On average, contractors indicate that the work their firms conduct is evenly split between new construction (52%) and maintenance and repair work (48%).

Statistically significant differences:

- New construction work is more likely to be done by firms with the following characteristics: \$2 million or more in revenue (63% vs. 43% \$500k - <\$2 million and 42% <\$500k), have union employees (64% vs. 45% non-union), have 10 or more employees (57% 10 - 24, 65% 25+ vs. 43% 5-9, 38% 1-4) and those who work in the institutional (57%) and engineering/civil (56%) sectors compared to those in the high-rise residential (50%) sector.
- Maintenance and repair work is more likely to be done by firms with the following characteristics: non-union (55% vs. 36% union), lower projected revenue (58% among less than \$500k, 57% among \$500k - <\$2 million vs. 37% \$2 million or more), fewer number of employees: 62% among those with 1-4 employees, 57% among those with 5-9 employees, 43% among with 10-24 employees vs. 37% among those with 25 or more employees) and more likely to be in high-rise residential (50%), commercial building (49%) and industrial (48%) sectors compared to the institutional (43%) sector.

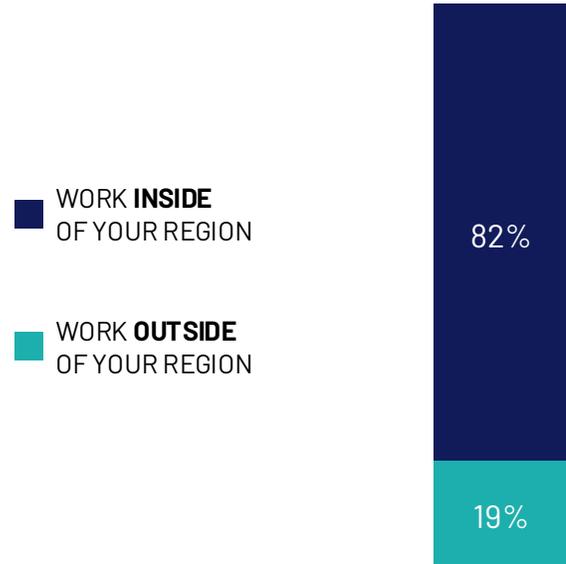


Base: All contractors (n=400)  
Q12. What percentage do you expect for:

# Additional Type of Work Distribution

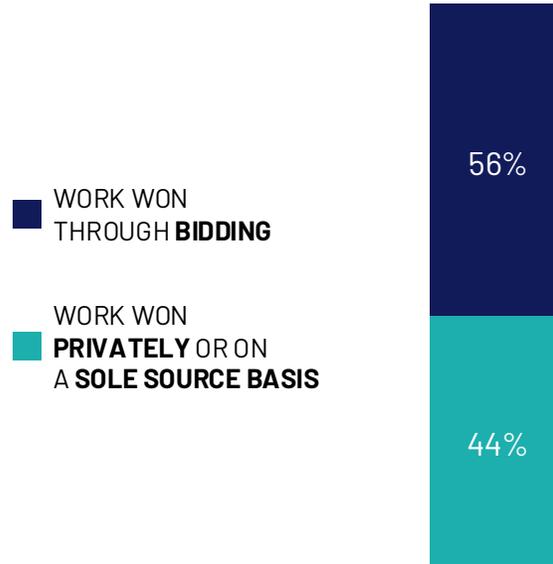
- **Inside vs. Outside of Region:** On average, contractors indicate the firms they represent obtain the vast majority (82%) of their work in their region.
- **Bidding vs. Private:** On average, contractors indicate the firms they represent obtain the majority (56%) of their work through bidding.
- **Repeat vs. New Customers:** On average, contractors indicate the firms they represent obtain three quarters (73%) of their work from repeat customers.

## Inside vs. Outside of Region



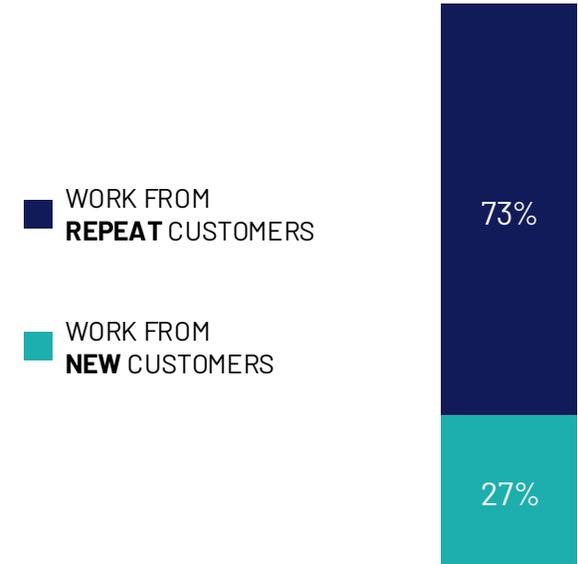
Base: All contractors (n=400)  
Q12a. Thinking about where your work will be done, what percentages do you expect for:

## Bidding vs. Sole Source



Base: All contractors (n=400)  
Q12b. Thinking about how your work will be won, what percentages do you expect for:

## Repeat vs. New Customers

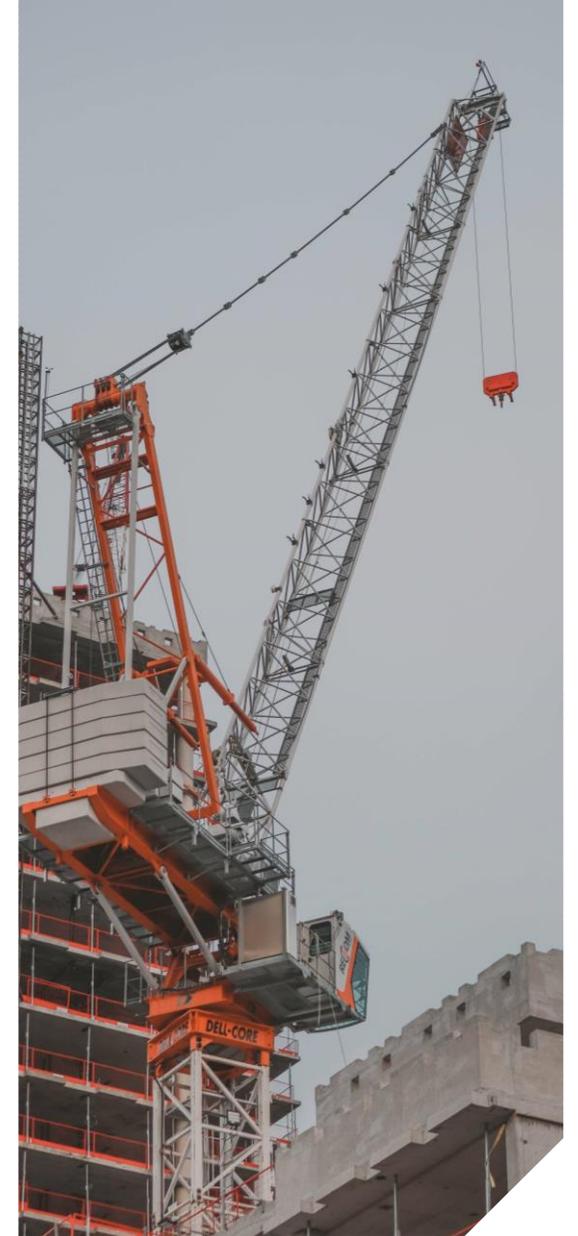


Base: All contractors (n=400)  
Q12c. Thinking about who your work will come from, what percentages do you expect for:

# Additional Type of Work Distribution

## – Significant Differences

- **Inside vs. Outside of Region:** Firms based in the Eastern region (92%) are more likely to indicate a higher proportion of work from inside their region compared to those in the GTA (79%) and Central (78%) regions. Those expecting their firms' key metrics to be stable have a higher proportion of work within their region compared to those who expect their outlook to weaken: stable business outlook (86% vs. 78% of those expecting business outlook to weaken), those firms with a stable revenue outlook (86% vs. 76% of those expecting revenue outlook to weaken) and stable a employment outlook (84% vs. 70% of those expecting employment outlook to weaken). In addition, those indicating they expect the Ontario construction outlook to grow in 2026 have a higher proportion of business within their region (87% vs. 79% of those who expect sector to weaken in 2026).
- **Bidding vs. Sole Source:** Firms represented in the institutional sector are more likely to indicate a higher proportion of work won through bidding (61%) compared to those in the commercial buildings or industrial (both 55%) sectors. Firms represented with 25 or more employees (69%) are more likely to have a higher proportion of work won through bidding compared to other sized employers (58% of 10-24, 49% of 5-9 and 43% of employers with 1-4 employees). Firms with \$2 million or more in projected revenue are more likely to have a higher proportion of work won through bidding (65% vs. 46% for medium, and 49% for small revenue firms). Employers with a unionized workforce are more likely to have a higher proportion of bid work (66% vs. 50% of non-unionized employers). Firms expecting a weakening business outlook (61% vs. 52% strengthening outlook) or decreasing employment outlook (68% vs. 55% stable and 52% increasing employment outlook) are more likely to have a higher proportion of bid work.
- **Repeat vs. New Customers:** Trade contractors are more likely to have a higher proportion of their work from repeat customers (75% vs. 67% of general contractors), those in the institutional and industrial (both 75%) are significantly more likely to obtain business from repeat customers compared to those in the engineering/civil (70%) or high-rise residential (71%) sectors. Firms with a stable business outlook (77% vs. 71% of those projecting more business) and revenue outlook (76% vs. 72% of those project more revenue) are more likely to have a higher proportion of their work from repeat customers.

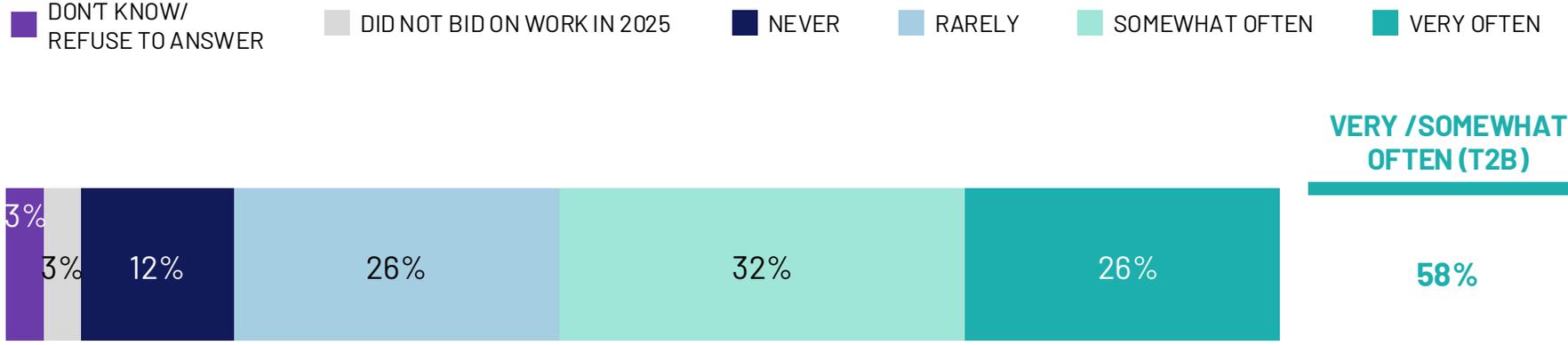


# Frequency of Prequalification Requirements

Six in ten (58%) contractors indicate the firm they represent is very or somewhat often required to be prequalified.

Statistically significant differences: Firms that indicate prequalification is required are more likely to be mentioned by general (70%) than trade (55%) contractors, as well as by those in the institutional (62%) sector, compared to those in the commercial buildings (57%) and industrial (55%) sectors.

## Prequalification Required...



Base: All contractors (n=400)  
 Q13. Thinking about projects your firm has bid on in 2025, how often did owners require prequalification?



# Effect of Prequalification on Competitive Environment

Most contractors (85%) agree that prequalification improves the competitive environment by ensuring all bidders are qualified.

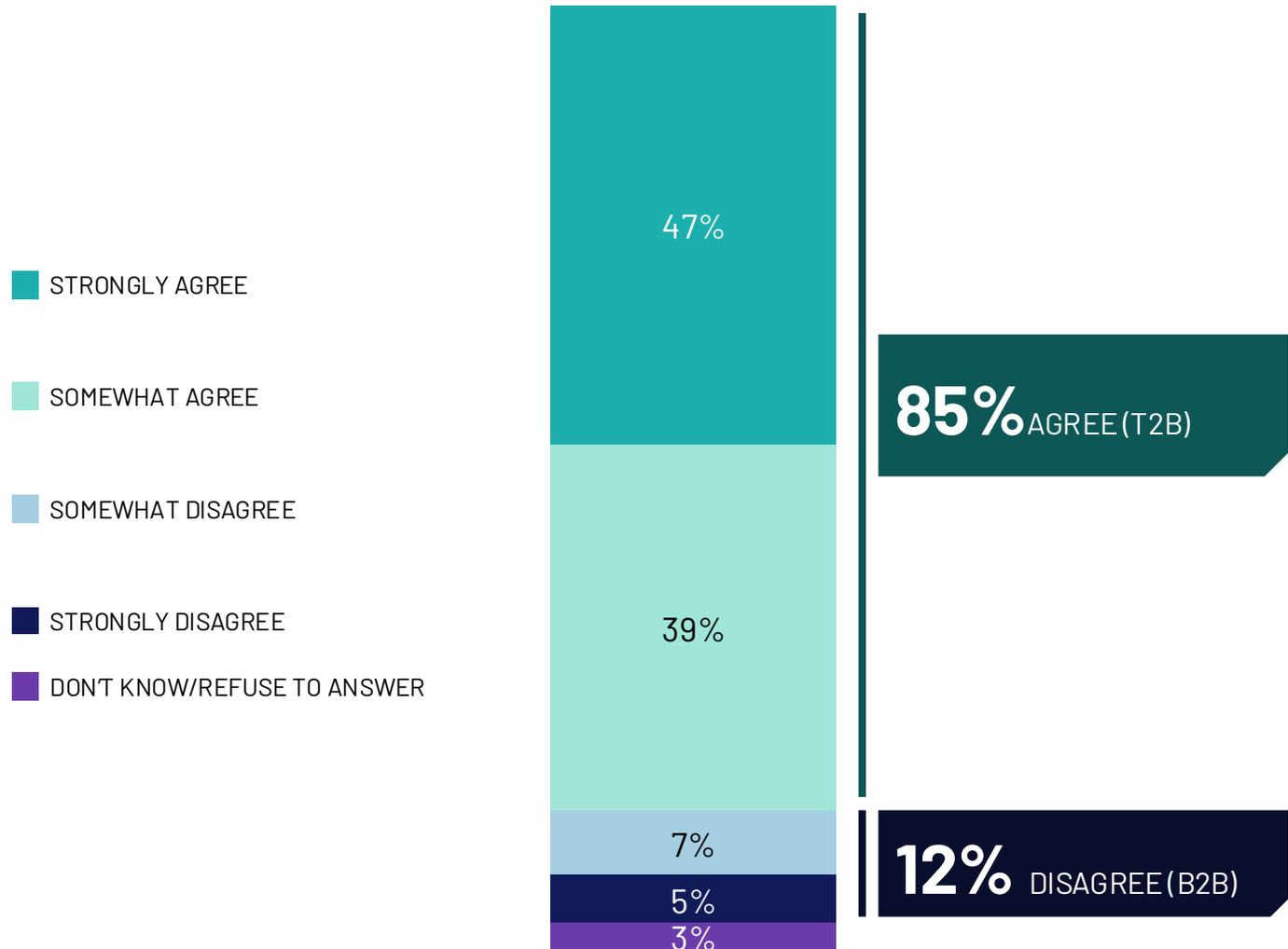
Statistically significant differences:

- Firms who believe their firm's outlook is better in 2026 are more likely to agree (92%) compared to those representing firms who say their firms outlook is about the same (84%) or worse (79%).
- Those who say the outlook for the Ontario Construction industry is stable are more likely to agree compared to those the outlook is declining (90% vs. 81%).

Base: All contractors (n=400)

Q14. To what extent do you agree or disagree that prequalification improves the competitive environment by ensuring all bidders are qualified?

## Level of Agreement that Prequalification Improves Competitive Environment



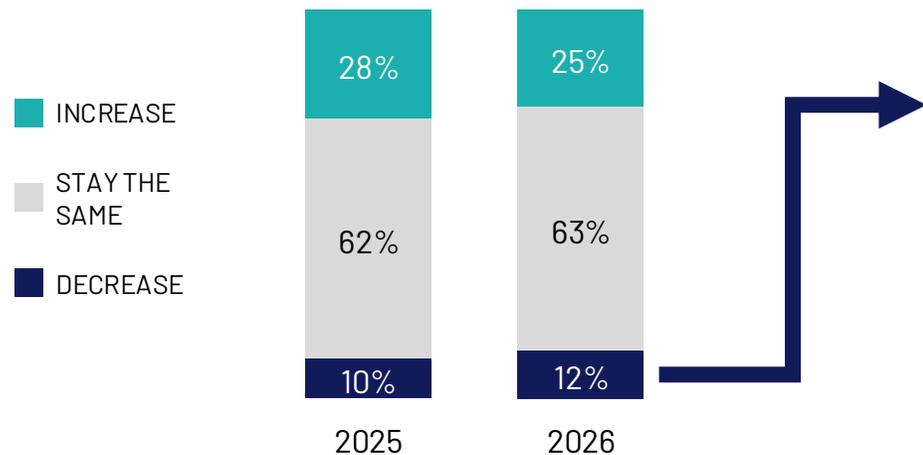
# LABOUR



# Employee Hiring Outlook

- One in four (25%) firms anticipate they will increase their workforce in 2026 directionally lower compared to 2025 (28%). Six in ten (63%) predict the firm's workforce will remain unchanged, with the remaining (12%) believing it will decrease. Of those thinking their firm's workforce will decrease, seven in ten (72%) point to less work anticipated due to slowing conditions as the primary reason. One in ten (11%) cite an inability to find skilled workers and the remaining two in ten (17%) indicate another reason.
- Characteristics among firms more likely to project an increase in employee numbers: have 5-9 (30%) or 25+ (31%) employees compared to 10 to 24 employee firms (18%), project more business in 2026 (53% vs. 14% for the same, and 5% for less), project higher revenue outlook (52%) compared to stable (10%) and lower (6%) outlook.
- Those who believe the Ontario construction industry will grow or be stable are more likely to think that their employee numbers will increase (42% and 31% vs. 14% respectively).

## Expectations for # of Employees



## Primary Reason For Expected Decrease in Workforce in 2026\*



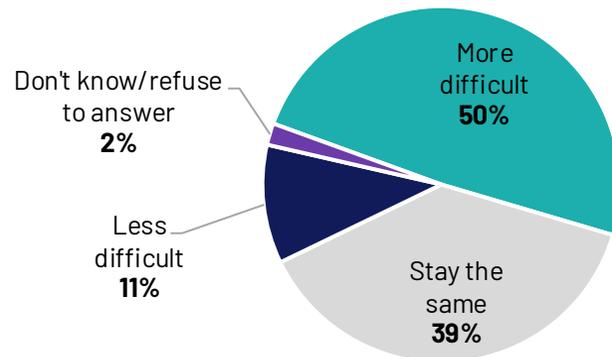
Base: All contractors 2025 (n=400); 2026 (n=400).  
Q18. Looking forward to 2026, do you expect the number of employees in your firm to increase, decrease, or stay the same?

Base: Expect # of employees at firm to decrease in 2026 (n=47)  
Q19. What is the primary reason for expecting a decrease in your workforce in 2026? Would you say its because of...  
\*Note: due to reduced base sizes for the question no significant differences can be shown.

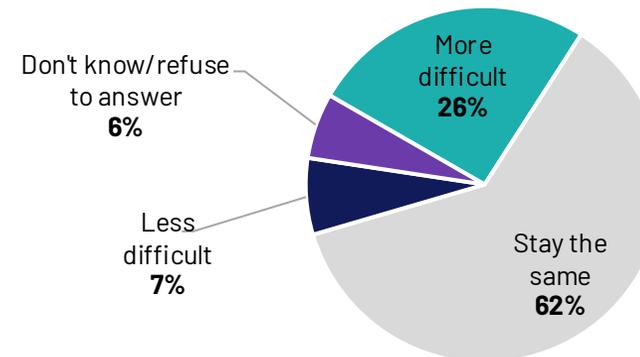
# Accessing Experienced Workers

- Half of firms (50%) believe it will become more difficult to recruit skilled labour in 2026, while one in four (26%) believe it will become more difficult to obtain salaried staff. The majority of the remaining firms believe there will be no change: skilled labour (39% unchanged), salaried staff (62% unchanged).
- **Skilled labour:** Contractors from the North (83%) are significantly more likely to believe it will become more difficult (44% - 54% in other regions), those representing firms with an improved business outlook were significantly more likely to believe it will become more difficult (57% vs. 38% for worse business outlook), those with a higher (59%) or stable (49%) revenue outlook are significantly more likely to believe it will become more difficult compared to those with a lower revenue outlook (36%) and those with increased employee projection are significantly more likely to think it will become more difficult to recruit skilled employees (68%) compared to those with stable (46%) and decreased (32%) employee projections.
- **Salaried staff:** Firms with 10 or more employees are significantly more likely to believe obtaining salaried staff will become more difficult (10-24 29%, 25+ 33% vs. 1-4 24%), General contractors are more likely to believe it will become more difficult (35% vs. 24% of trade contractors). Those with a stable business outlook are more likely to believe it will be more difficult to recruit salaried staff (31% vs. 17% among lower business outlook) and those with an increase business outlook are more likely to think it will become more difficult to recruit salaried staff (33% vs. 22% among those whose employment outlook will be stable).

## Skilled Labour Will Become...



## Salaried Staff Such As Project Manager Or Estimators Will Become...

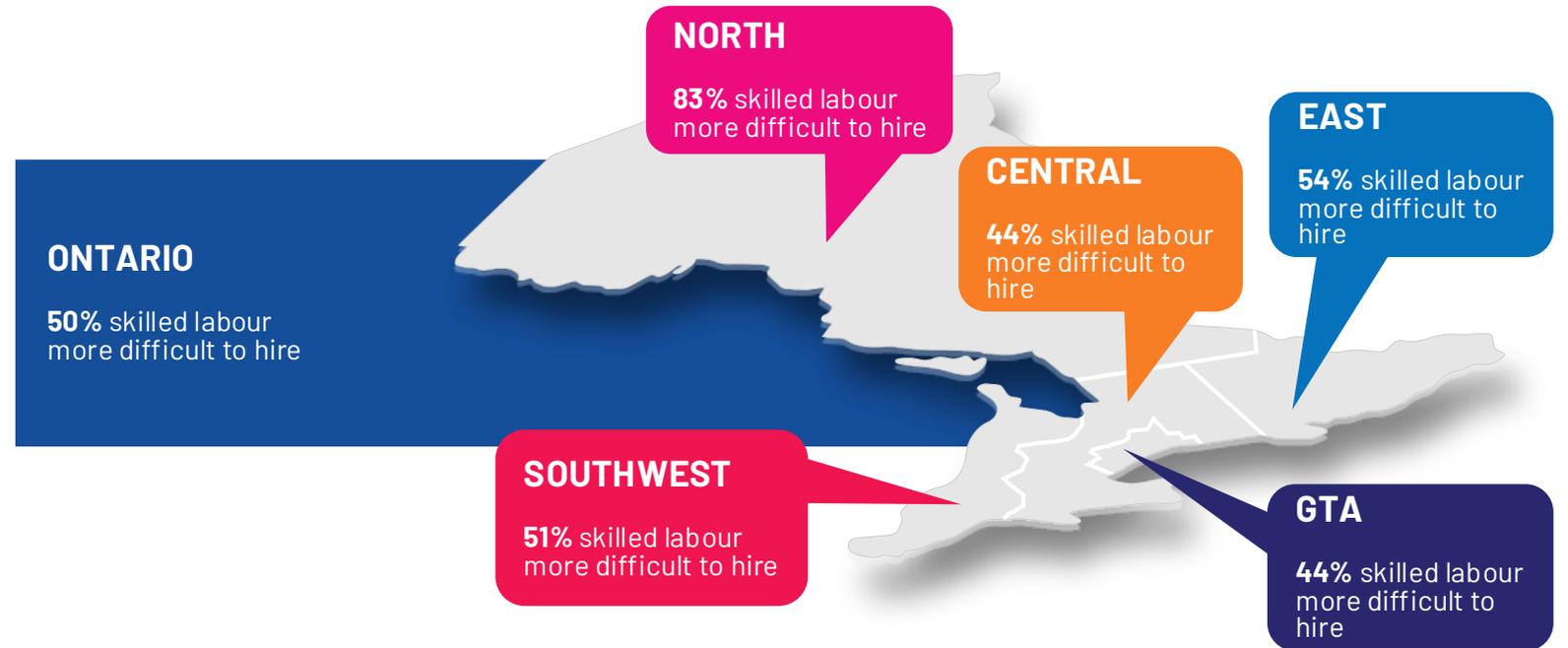


Base: All contractors (n=400)

Q20. Looking forward to 2026, do you expect that accessing experienced [INSERT ITEM]

# Accessing Experienced Workers by Region:

Hiring expected to be more difficult in Northern Ontario compared to other regions.



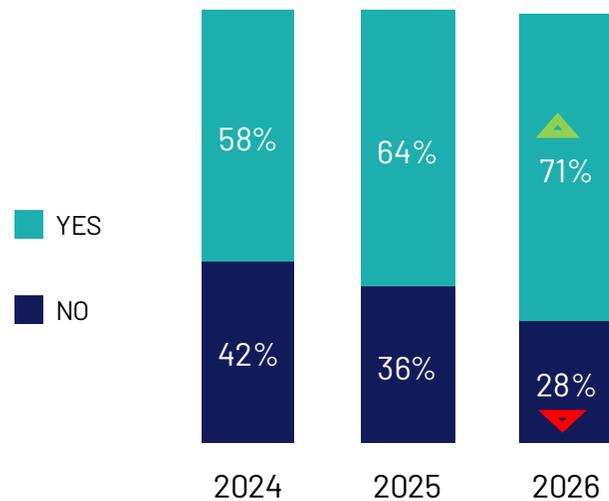
Base: All contractors (n=400)

Q20. Looking forward to 2026, do you expect that accessing experienced [INSERT ITEM]

# Apprenticeship Employment

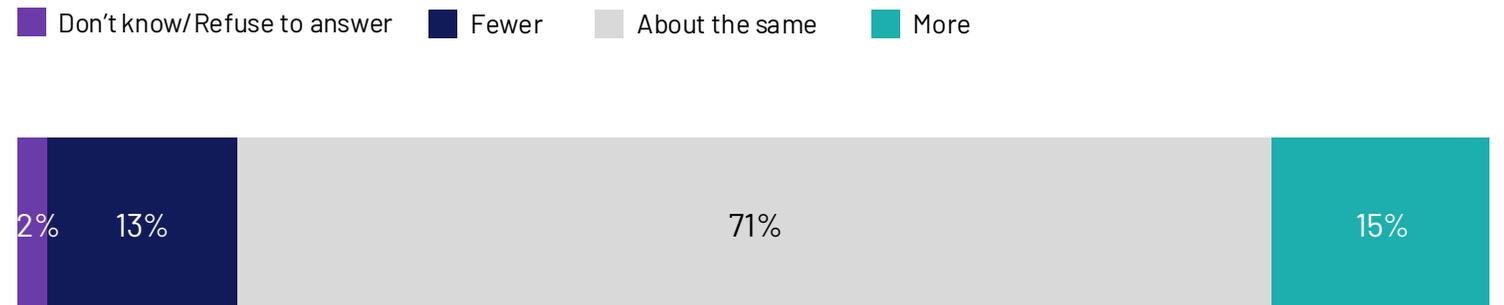
- Seven in ten (71%) contractors indicate their firm employs apprentices, representing a steady increase in the past three years (2024 58%, 2025 64%). Of those with apprentices, seven in ten (71%) expect to have the same number of apprentices this year, while the remaining are roughly split between hiring more (15%) and fewer (13%).
- Characteristics of firms with apprentices: significantly more likely to be in the institutional (78%) or industrial (76%) sectors compared to engineering/civil or high-rise residential (both 69%), more likely to have 25+ employees (80% vs. 5-9 67%), have union employees (82% vs. 65% for non-union employees), or be a trade contractor (78% vs. 45% for general contractor).
- Characteristics of firms expecting to hire more apprentices: in high-rise residential sector (20% vs. commercial buildings 14% or industrial 13%), believe business outlook will improve (23% vs. 11% the same) or employment outlook will improve (31% vs. 9% the same, 11% decrease).

## Employment of Apprentices



Base: All contractors 2024 (n=400); 2025 (n=400); 2026 (n=400).  
Q21. Does your firm employ apprentices?

## Expected Change in # of Apprentices Hired



Base: Firm employs apprentices (n=285)  
Q22. In 2026, do you expect to hire more, less, or about the same number of apprentices?

▲ Significant increase  
▼ Significant decrease

# SUPPLY CHAIN AND MATERIAL AVAILABILITY

# Supply Chain Disruptions

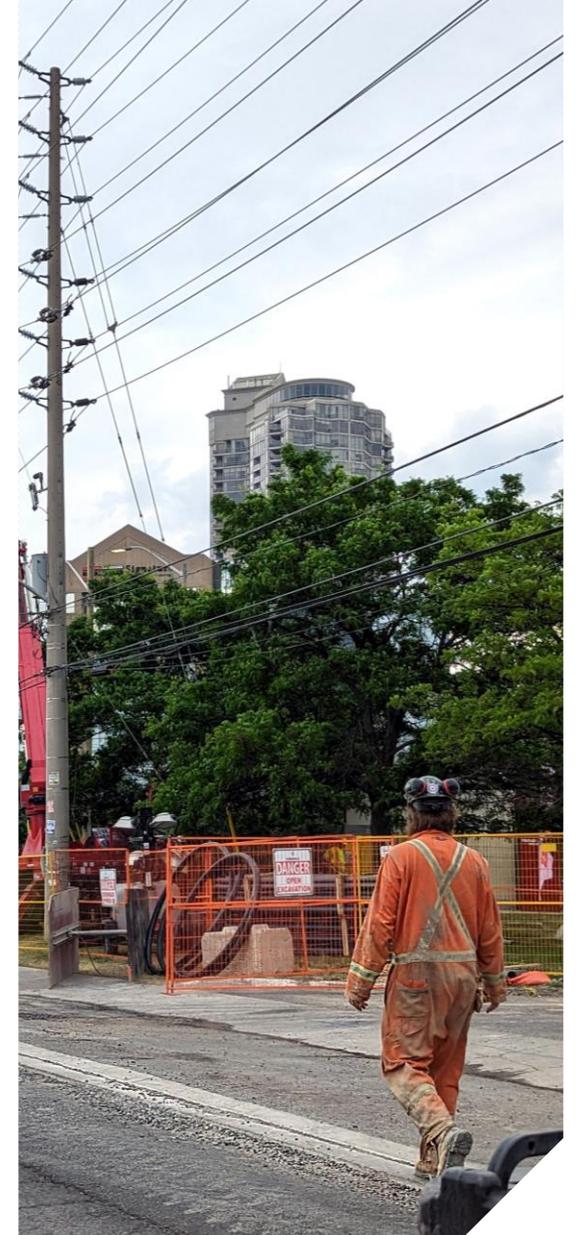
- One-third (34%) of firms indicate their firm has experienced supply chain disruptions in the past year, directionally lower compared to 2025 (38%).
- **Revenues:** Low and mid-revenue firms (<\$500k 45%, \$500k - <\$2 million 41%) are significantly more likely to indicate having experienced a disruption compared to firms with a projected revenue of \$2 million or more (26%).
- **Sectors:** High-rise residential (36%), industrial (35%) and commercial buildings (34%) sector firms are significantly more likely to indicate having experienced a supply chain disruption in the past year than those in the engineering/civil sector (27%).

## Experienced Supply Chain Disruptions in the Past Year



Base: All contractors 2024 (n=400); 2025 (n=400); 2026 (n=400).

Q23. Has your firm experienced significant supply chain disruptions in the past year?



▲ Significant increase  
▼ Significant decrease

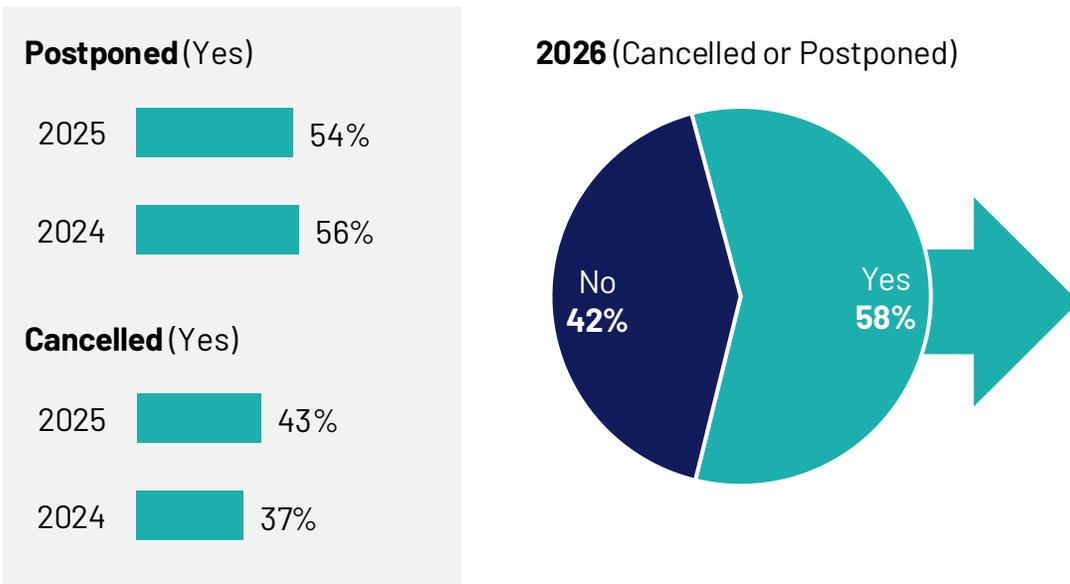


# PROJECT PIPELINE

# Cancelled / Postponed Projects

- Six in ten (58%) firms indicate that they have had at least some projects scheduled to start in 2025 or 2026 either cancelled or postponed by the owner.
- Of those who have had projects cancelled or postponed, the most frequently mentioned reasons are escalating material costs (66%), lack of financing (59%), uncertainty from trade war (45%), high interest rates (45%) or escalating labour costs (44%).

## Cancelled or Postponed Projects?\*

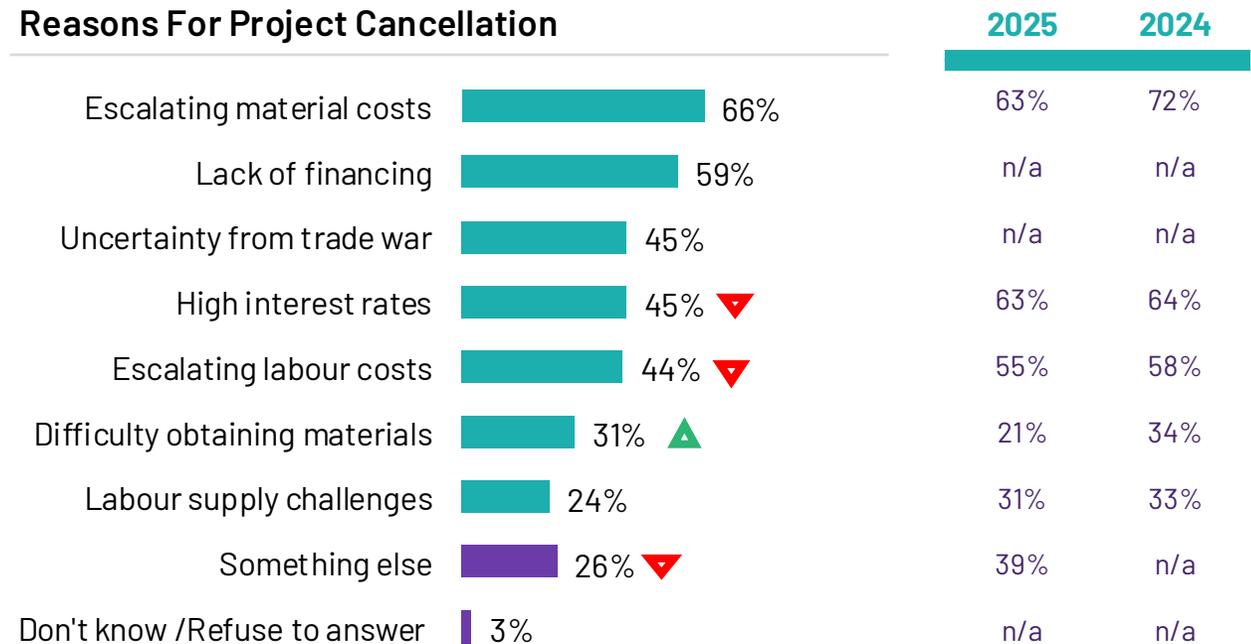


Base: All contractors 2024 (n=400); 2025 (n=400); 2026 (n=400).

Q24. Have any of your projects scheduled to start in 2025 or 2026 been cancelled or postponed by the owner?

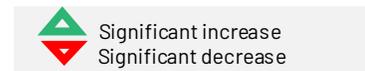
\*Note that due to a wording change in 2026 it is not possible to compare 2025 and 2026 results.

## Reasons For Project Cancellation



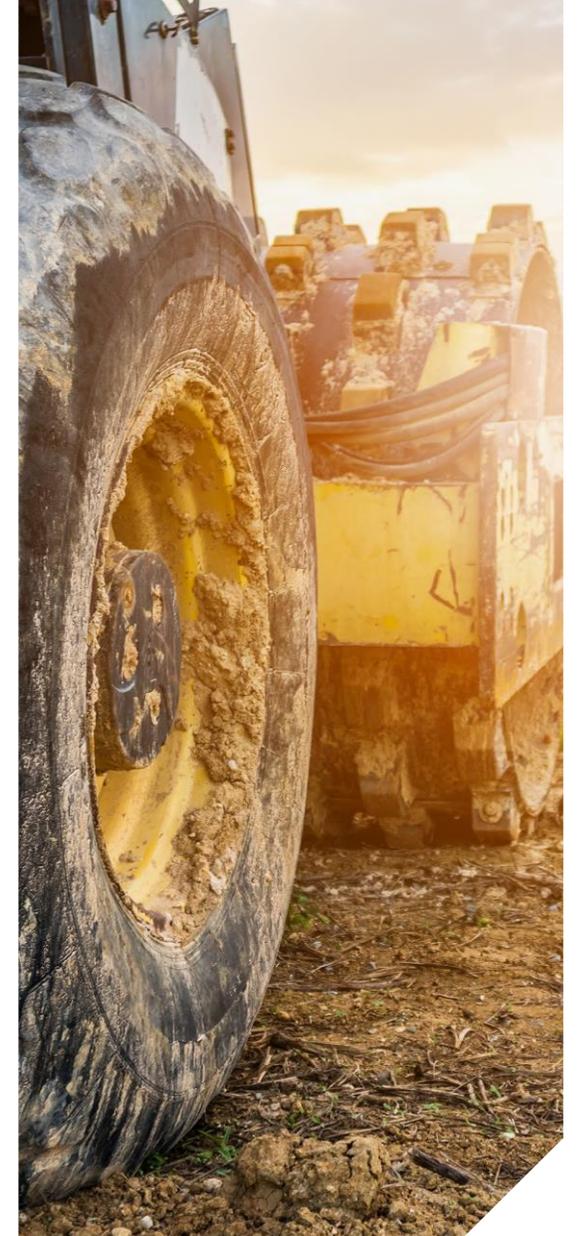
Base: Have had projects cancelled / postponed 2024 (n=224); 2025 (n=216); 2026 (n=231).

Q25. Which of the following were reasons for the project cancellations? Please respond yes or no to each.



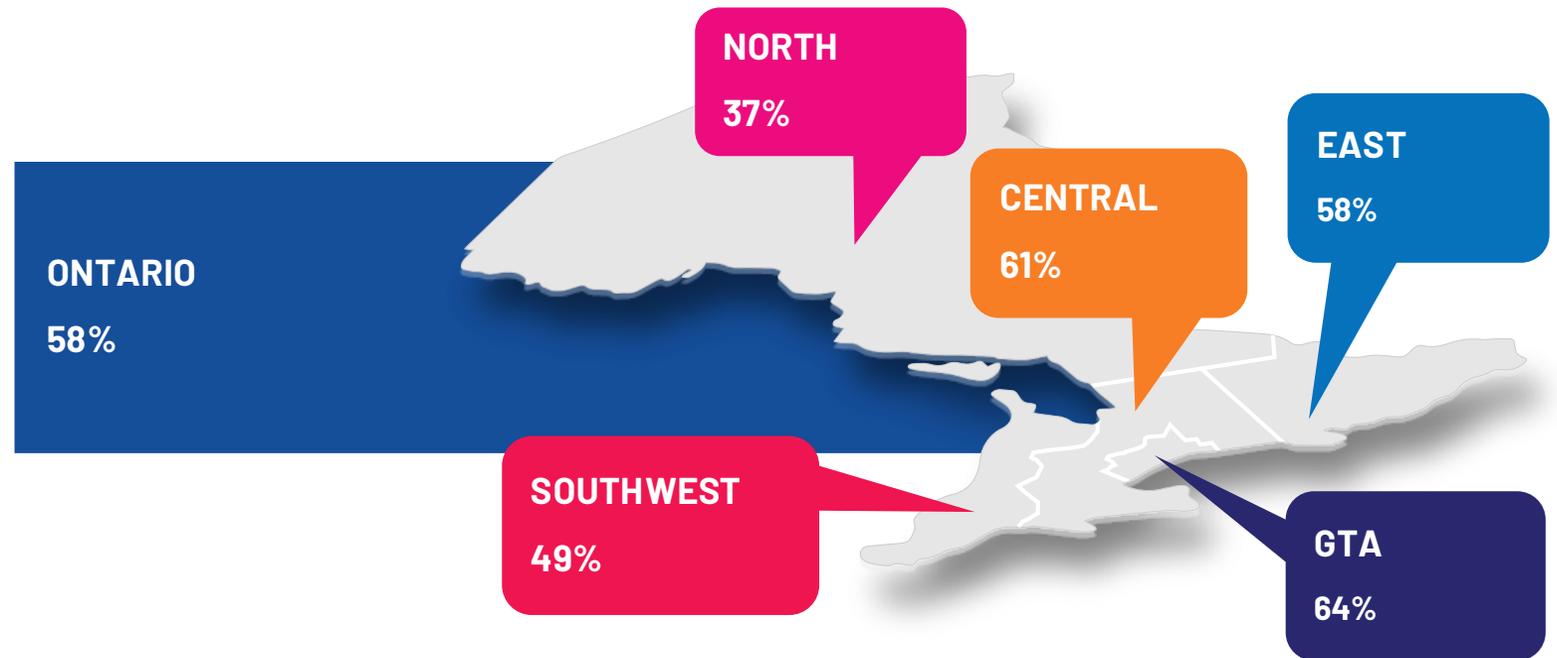
# Cancelled / Postponed Projects – Significant Differences

- **Year over year:** Compared to 2025, firms are significantly less likely to mention high interest rates and escalating labour costs as reasons for cancellation/postponement, and significantly more likely to mention difficulty obtaining materials.
- **Likelihood of a cancellation/postponement:** more likely among high-rise residential (64%) compared to commercial buildings (57%) or industrial (55%) sectors, business outlook anticipated to worsen (74%) compared to those who project stable (48%) or improved (56%), revenue outlook anticipated to worsen (75%) compared to those who project stable (51%) or improved (54%) revenue outlook, employment outlook anticipated to worsen (79%) compared to those who project stable (58%) or improved (46%) employment outlook, projected construction sector decline (71%) in 2026 compared to those who project a stable (49%) or improved (46%) sector outlook.
- **Escalating material costs:** more likely in commercial buildings sector (66%) compared to institutional and industrial (both 61%).
- **Lack of financing:** more likely in 1-4 employee firms (73%) compared to those with 5-9 (49%) and 10-24 (52%).
- **Uncertainty from the trade war:** more likely among 10-24 employee firms (53%) compared to those with 5-9 employees (35%), more likely in \$2 million + revenue firms (54% vs. 35% for \$500k - <\$2 million revenue firms), more likely among firms that expect their business outlook to weaken (55% vs. 37% in those expecting outlook to strengthen).
- **High interest rates:** more likely in high-rise residential (52%) compared to institutional (43%) and industrial (39%), among 1-4 (60%) and 25+ (56%) employee size firms compared to those with 5-9 (29%) and 10-24 (37%) employees, firms with weakening business (53% vs. 33% improving) and employment (62% vs. 41% stable) outlooks. It is also more likely to be mentioned by those with firms whose revenue outlook is lower (55%) or stable (49%) compared to those who see it as higher (32%) and those who believe the Ontario construction sector outlook will decline (54% vs. 35% of those who think it will be stable).
- **Escalating labour costs:** more likely among those in the high-rise residential sector (52%) compared to those in the institutional (38%), commercial buildings (44%) and industrial (41%) sectors), among those in firms with \$500k - <\$2 million revenue (53% vs. 37% in \$2 million or more revenue).
- **Difficulty obtaining materials:** more likely among firms with 10-24 employees (44% vs. 19% of 25+).



# Regional variations:

Cancelled/  
postponed projects  
are highest in the  
GTA (64%) and  
lowest in Northern  
Ontario (37%).



Base: All contractors (n=400)

Q24. Have any of your projects scheduled to start in 2025 or 2026 been cancelled or postponed by the owner?

# CLASSIFICATION

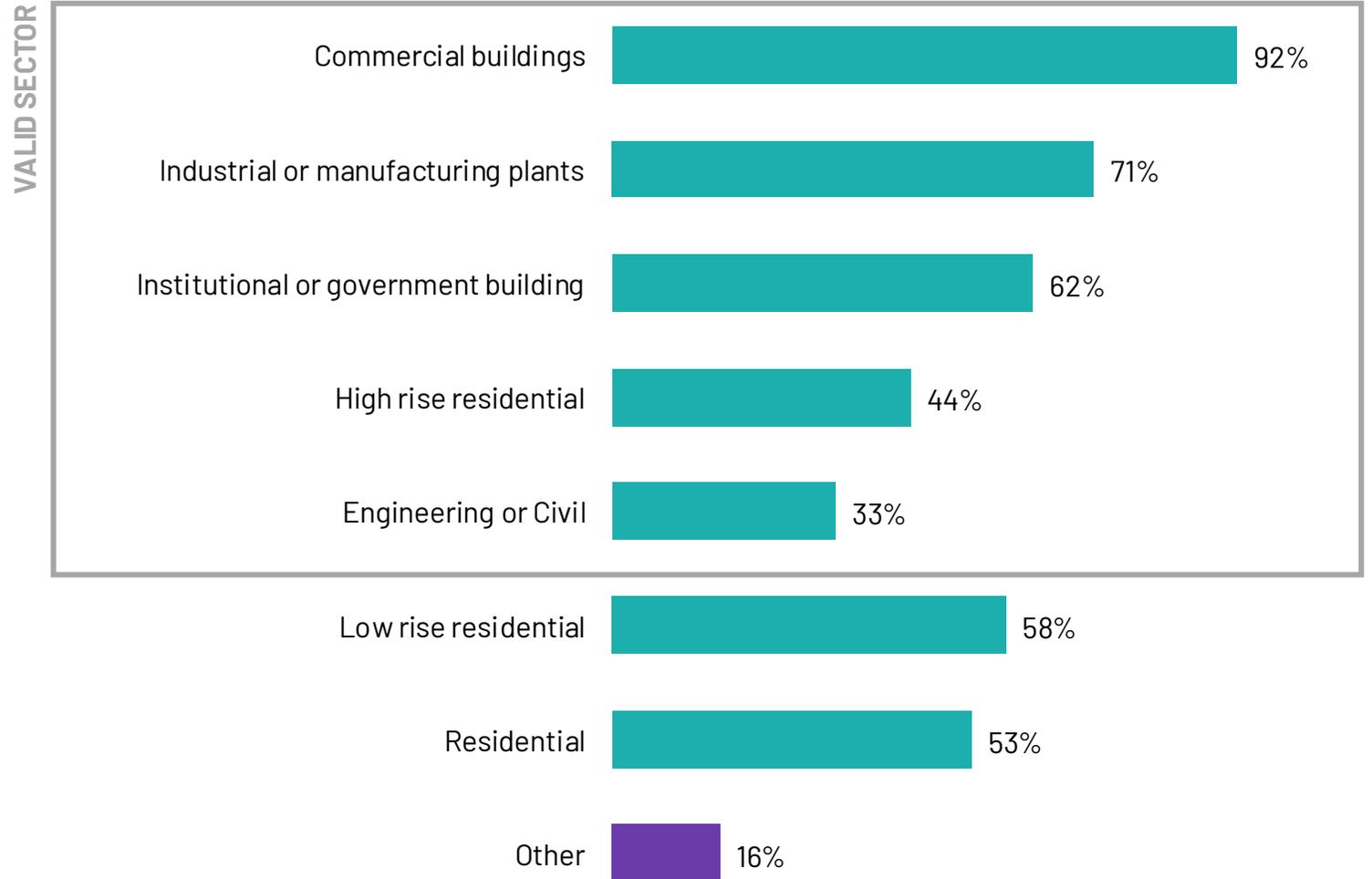
# Sectors

- Almost all contractors have worked in the commercial buildings sector (92%), with the following proportions working in the key sectors: industrial or manufacturing plants (71%), institutional or government building (62%), high-rise residential (44%) or engineering/civil (33%).
- Over one half have worked in the residential (53%) or low-rise residential (58%) sectors.
- *In order to qualify for the survey, these firms would have to conduct at least 50% of their business in ICI sectors.*

Base: All contractors (n=400)

Q1. Which of the following sectors do you conduct work in?

## Have Worked in...

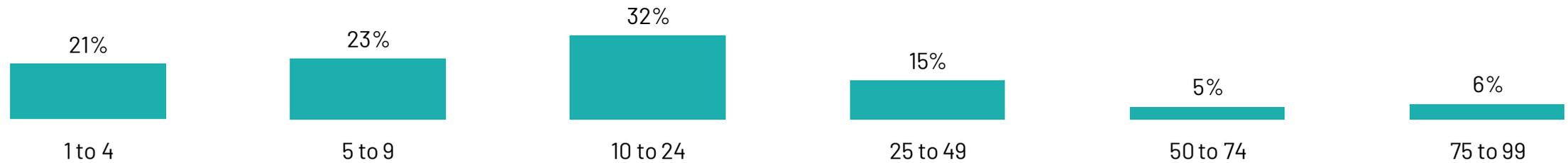


# Full-Time Employees

- Nine in ten (89%) contractors work for firms with under 50 employees.

## # of Full Time-Employees at Firm

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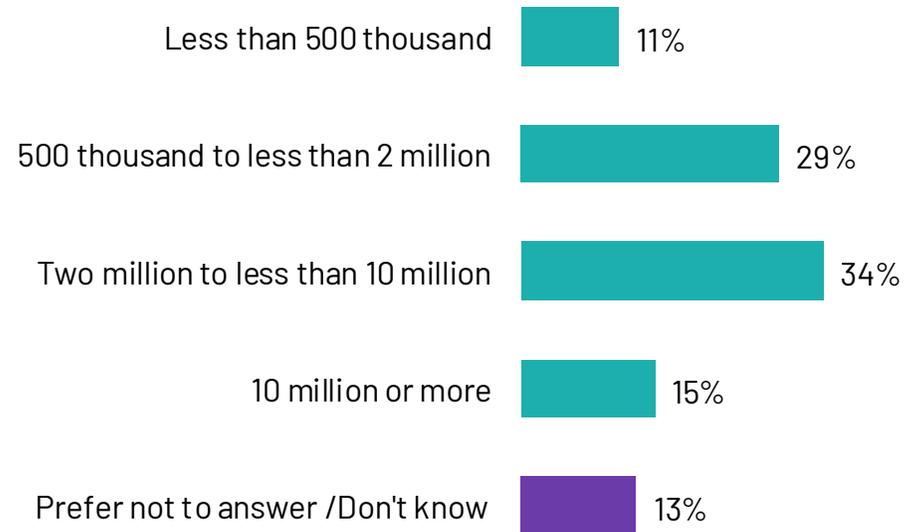
Base: All contractors (n=400)

Q3. In a typical year, how many full-time employees do you have in your firm? If you are an owner operator and do not employ any additional employees, please say so.

# Revenue

- Roughly half work for firms that estimate 2025 revenue of two million or more (34% two million to less than 10 million, 15% ten million or more).

## Firms Estimated Total Revenue For 2025



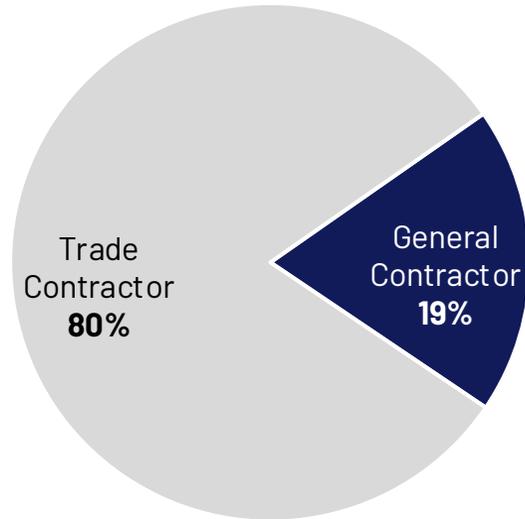
Base: All contractors (n=400)

Q29. The final question I have is what was your firm's total revenue for 2025? Your best estimate is fine. Was it...

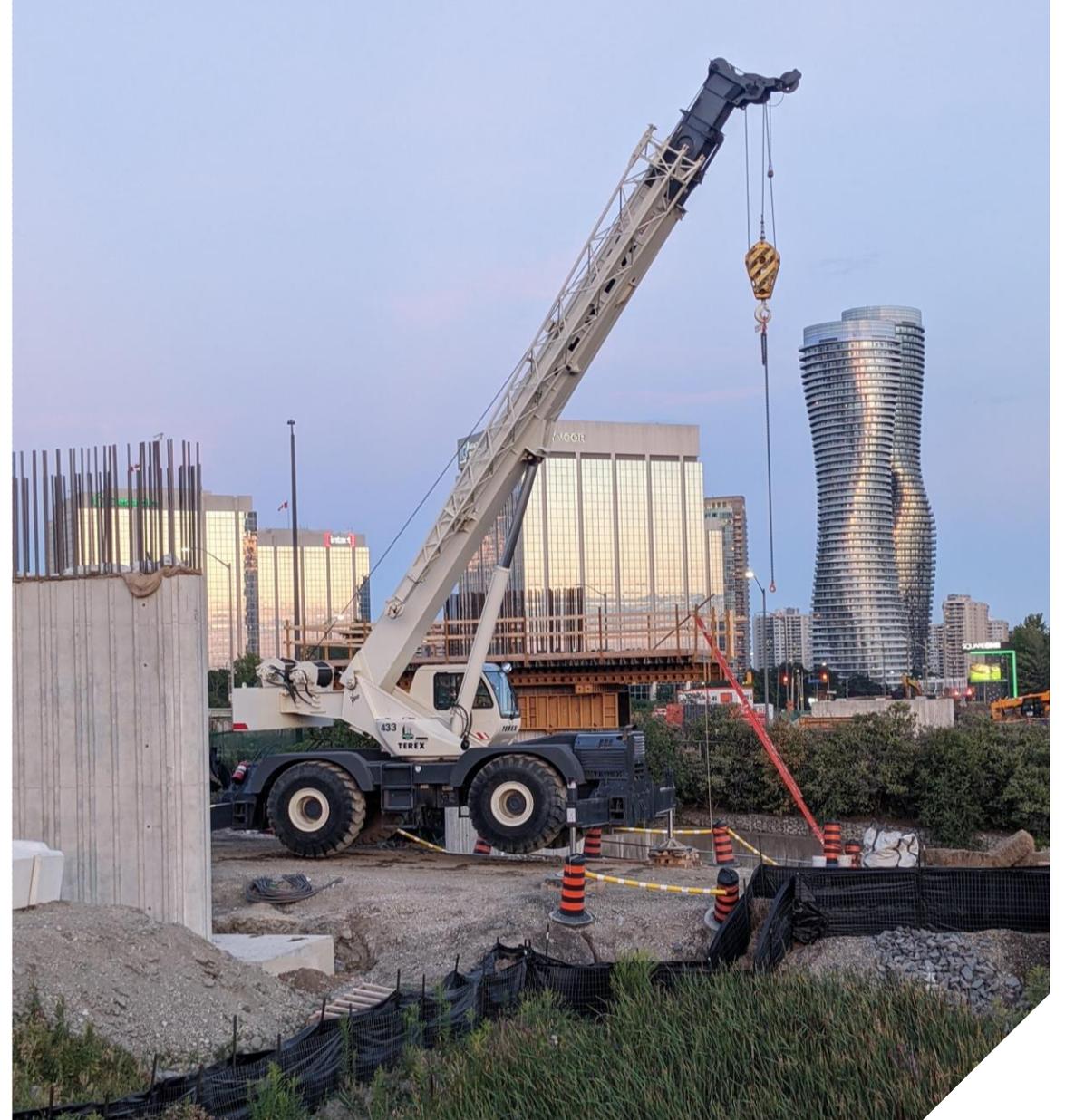
# Contractor Type

Four in five (80%) contractors are trade contractors, with the remaining one in five (19%) general contractors.

## The Role of the Contractor

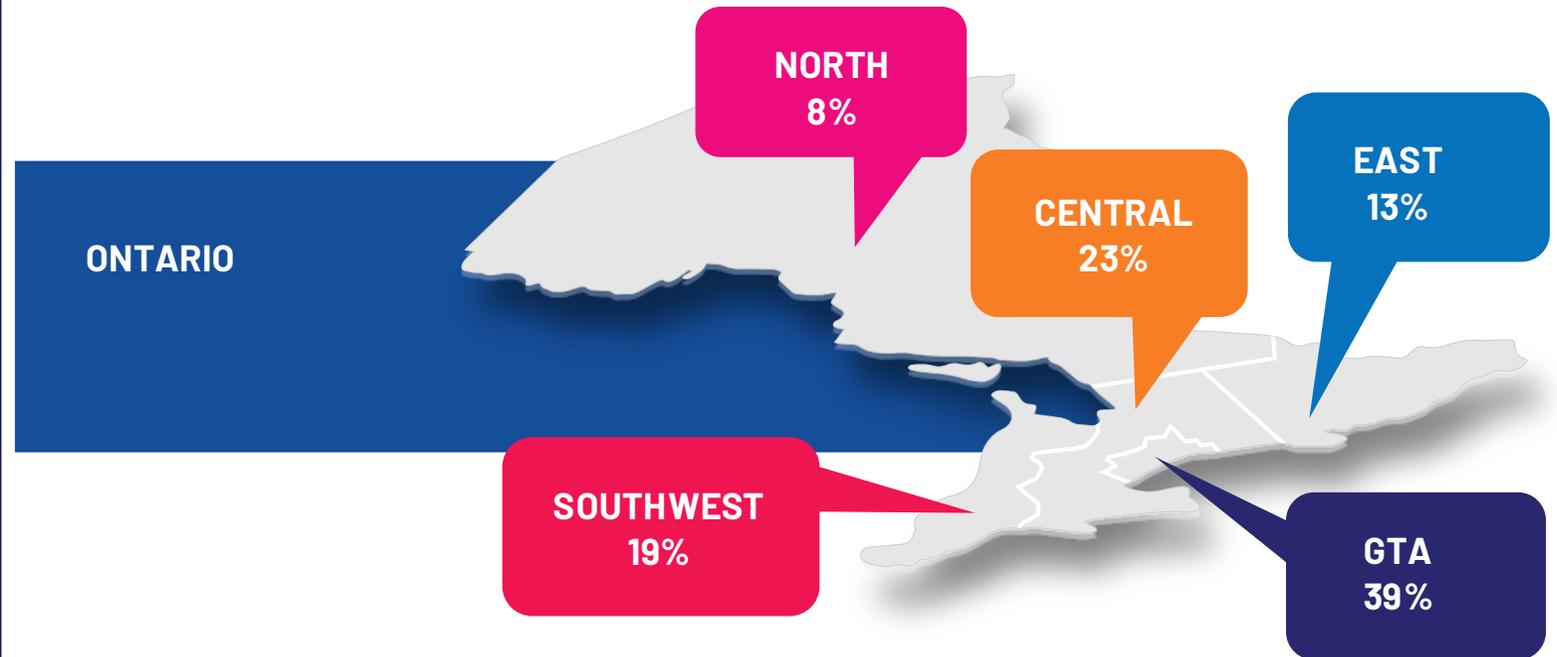


Base: All contractors (n=400)  
Q28. Are you a GENERAL CONTRACTOR or TRADE CONTRACTOR?



# Regional Sample Distribution

Four in ten (39%) contractors work for businesses based in the Greater Toronto Area, followed by one in four (23%) in Central Ontario, one in five (19%) in Southwestern Ontario, just over one in ten (13%) in Eastern Ontario and 8% in Northern Ontario.



Base: All contractors (n=400)

Q4. What are the first three letters and numbers of your business postal code.

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