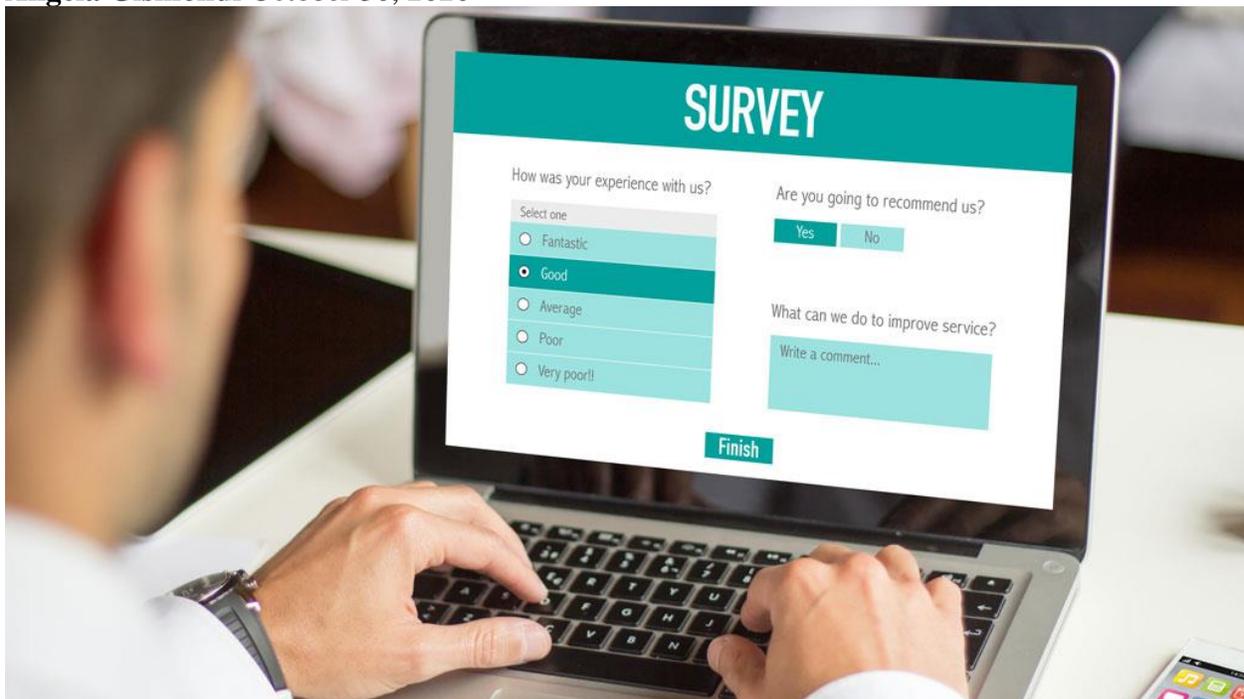


Latest OCS survey reveals ‘it’s not back to normal by any stretch of the imagination’

Angela Gismondi October 30, 2020



The latest survey by the Ontario Construction Secretariat (OCS) finds the top four contractor concerns in the ICI, civil and engineering sectors are the uncertainty around the second wave of COVID-19, ensuring health and safety of workers, supply chain disruptions and the ability to get skilled labour.

The survey, The Coronavirus Contractors Survey 4: Stability & Anxiety, released at the beginning of October, was the fourth survey in a series of independent studies conducted by the OCS. Between Sept. 8 and 18, the OCS surveyed 300 ICI contractors from across the province, 100 of which do civil and engineering work.

“We called it stability and anxiety because the situation has stabilized,” explained Katherine Jacobs, director of research for OCS.

“Contractors are working. It’s not back to normal by any stretch of the imagination. It’s stable now but there is still some anxiety in the contracting community about their revenue, their ability to keep working, will their business grow, will they survive, will there be government funding and will there be work for them to do in subsequent years.”

The OCS’s last survey, released in July, also indicated the threat of the second wave was the primary concern among ICI contractors. However, since that time, there has been a significant decline in concern regarding project cost overruns due to sanitization, safety and social distancing protocols. In survey three one of the top concerns was maintaining productivity while meeting physical distancing requirements but that didn’t make the top priorities in the most recent survey.

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— **Katherine Jacobs**

Ontario Construction Secretariat

“Health and safety initially was the number one concern by far because it was so new and they didn’t know what to do and how to do it,” Jacobs said. “It’s still there in their minds but it’s not a number one concern anymore because they think they’ve got a pretty good handle on how they are managing their sites now. Almost 100 per cent of contractors think they are meeting the enhanced standards that are legislated right now and standards to keep workers safe.”

The ability to get skilled labour has been a growing concern in the last few surveys, she added.

The survey also asked respondents about the trajectory of their business before the pandemic compared to today.

“More than half of them said their businesses were growing before this pandemic,” said Jacobs.

“Now only 13 per cent of contractors are saying that, so that’s a pretty big drop. Of those contractors who said their businesses were in decline only three per cent said their businesses were declining before this pandemic started and now a third of contractors are saying their businesses are in decline.”

While previous surveys indicated concerns with the amount of work in the last quarter of the year, the most recent survey showed contractors are more concerned about the outlook for 2021 and beyond. Fifty-one per cent of contractors expect to do less work from September to December this year compared to last year where 19 per cent of contractors expected more work.

“They’re basically saying we’re not going to do as much work in the last quarter of this year than we expected but we have a sufficient amount of work,” said Jacobs. “A lot of work did get deferred early on so there was that shut down for a period of time on some construction sites.

They are still playing catch up on some of that, but they are concerned, as was evident in their comments about what is coming for next year and into 2022.”

Contractors also reported that on average, 23 per cent of their work has stopped because of the coronavirus, down from 28 per cent from the third survey. They state 29 per cent of work is delayed, down from 41 per cent in survey three. Up from the previous survey, 56 per cent of contractors say most or all of their work has now resumed.

Contractors are also feeling the financial impacts from the pandemic, with 54 per cent saying their business was growing before the pandemic and now only 13 per cent report growth. Pre-pandemic, merely three per cent said their business was in decline, whereas 33 per cent report a current drop.

Approximately 66 per cent of firms expect less revenue in 2020 compared to 2019, which is an improvement from earlier surveys where close to three-quarters of contractors anticipated lower revenues. The magnitude of revenue loss also continues to improve with contractors now expecting an average of 16 per cent decline.

Supply chain disruptions have not improved since the pandemic began in March, with 64 per cent reporting high or medium impacts on business. Building permit processing has been reported lower than pre-pandemic by 52 per cent of contractors, and 46 per cent had difficulty getting skilled labour.