

**While Ontario Contractors' Outlook is Cautious for 2009,  
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to Weather Economic Storm**

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But Just Two in Ten (20%) Predict Growth in 2009, According to a Survey  
Conducted for the Ontario Construction Secretariat*

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**Toronto ON** - According to a ground breaking survey of more than 1000 non-residential contractors in Ontario conducted by Ipsos Reid on behalf of the Ontario Construction Secretariat, Ontario's contractors benefited from another strong year in construction in 2008 with nearly one half (45%) reporting they conducted more business in 2008, compared to 2007. The record-breaking year for many firms across the province has the majority of firms in a good financial position to weather the current economic situation, as two-thirds (75%) of firms rate their overall financial health as 'very strong' (29%) or 'strong' (46%) in early 2009.

That said, the data reveals that contractors do expect the current downturn to have an impact on the amount of work they will conduct in the coming year as the vast majority (70%) of contractors expect that the current economic situation will have a 'negative' impact on their business, while about one-in-five (19%) feel the downturn will have no impact at all on the amount of business they conduct in 2009.

As a result, 38% of firms expect to conduct less work in 2009, compared to 2008. About the same proportion (40%) expect to conduct the same amount of work and only 20% expect to conduct more work this year compared to last year, a net score of -18 points. Currently less

than half (43%) rated the amount of new business opportunities available to them as 'good', however almost the same proportion (49%) of firms expect this to decrease throughout 2009.

Not all of Ontario's regions, sectors and trades are feeling the effects of the current economic slowdown to the same degree. Looking forward in 2009, firms are most optimistic that they will conduct more work in the institutional sector (+12, net: more – less work), namely in the education and healthcare segments, while firms are the least optimistic that they will conduct more work in the industrial segment (-10 net), primarily in the construction of new manufacturing and processing plants (-12 net).

Contractor's outlooks also varied by region of the province. Firms located in Ottawa, Kingston-Pembroke, and Kitchener-Waterloo-Barrie are the most likely to feel they will conduct more business in 2009, while those located in Hamilton-Niagara and Sarnia-Windsor are the most likely to feel they will conduct less business.

With the anticipated decrease in business opportunities, 30% of contractors expect to employ fewer people in 2009, compared to 16% who expect to employ more people. However, even as construction may shed jobs many contractors still report shortages of a number of skilled trades. The survey found Roofers and Shinglers, Refrigeration and Air conditioning Mechanics, Bricklayers are among some of the trades reported in short supply by contractors across the province.

Other findings from the survey include:

- One-in-five (19%) firms expect the current economic situation to have 'no impact' on their business, while 10% feel it will have a 'positive impact'.

- Half of contractors rate the availability of financing and credit as 'good' (52%), one-third (32%) expects this to decrease throughout 2009.
- The majority (58%) of firms expect the price they charge to remain the same in 2009, with an equal proportion expecting their price to increase or decrease (21%). Firms located in Eastern and Northern Ontario are the most likely to increase their price, while firms located in the GTA are the most likely to decrease the price they charge.

### **About the Ontario Construction Secretariat (OCS):**

The Ontario Construction Secretariat (OCS) was established in 1993 under provincial legislation to represent the collective interests of the organized building trades unions and their signatory contractors in the Industrial, Commercial and Institutional (ICI) construction industry. The OCS works, with our labour - management - government partners, to enhance Ontario's unionized ICI construction industry by developing relationships, facilitating dialogue, providing value-added research, disseminating information and promoting the value of unionized ICI construction.

*These are the findings of an Ontario Construction Secretariat (OCS) survey conducted by Ipsos Reid between January 29<sup>th</sup> and February 10<sup>th</sup>, 2009. In total, 1043 interviews were conducted among non-residential firms working in the Industrial, Commercial, and Institutional sectors. Interviews were conducted across the province with detailed quotas administered according to economic regions throughout the province. With a sample of this size, the results are considered accurate to within  $\pm 3.0$  percentage points, 19 times out of 20, of what they would have been had the entire business population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. The data was statistically weighted according to the latest Statistics Canada data according to the number of non-residential construction firms within in each region of the province to*



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ensure the sample's regional composition reflects that of the actual number of firms located throughout Ontario.

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