

## MEET YOUR TRUSTED ADVISOR



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*Mel manages the Toronto office. With over 30 years of industry experience, Mel is responsible for business development, client relations, and project leadership for both public and private sector clients across Canada. He is a Fellow of the Canadian Institute of Quantity Surveyors.*

*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



### MAJOR IMPACTS TO INDUSTRY & MARKET

1. Ontario has a very narrow window of opportunity to complete critical infrastructure projects. Ontario's One Call "Dial before you dig" long waiting time approval process is creating a massive financial burden to construction companies and can heavily impact the outcome of the project and the community's ability to encourage new investment in the future;
2. Union Strikes with negotiations resulting in wage increases;
3. Supply chain problems and inflation pushing up costs; and
4. The availability of skilled trades workers.



**EMERGING SECTORS** The Ontario government is investing about \$14B in capital grants over ten years to support school infrastructure. This includes \$1.4B to renew and maintain schools for the 2022-23 school year. Moreover, the provincial government plans to spend \$20B this fiscal year with a focus on transit, hospitals, and highway construction.

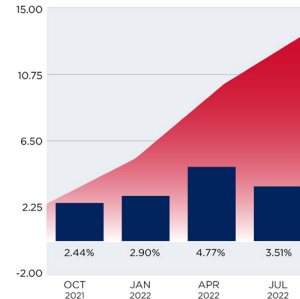


**COVID-19** Ontario's economy appears to have been more significantly impacted by the Omicron variant in 2022. However, the boost to second-quarter growth from re-openings this winter appears to be stronger, as the economy accelerates. Indeed, job growth in the second quarter has outpaced the national average, owing to re-openings, professional services, and the public sector.

### CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE FROM Q2 2022
Softwood Lumber	▼ -38.2%
Cement, Glass, Non-metallic	▲ 2.0%
Rebar	▲ 12.9%
Lumber & Wood Prod.	▼ -24.7%
Energy & Petroleum	▲ 20.8%
Copper	▼ -13.0%

### CITY COST INDEX



### PROJECTED MARKET TRENDS

**14.33%**

Annual % Change  
(Toronto)



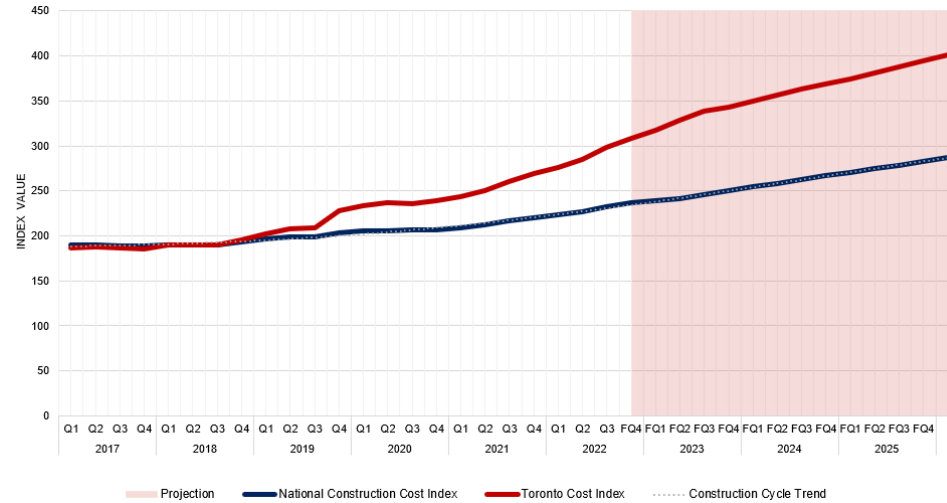
**DON'T MISS OUT ON  
FUTURE INSIGHTS!**



For more than 20 years, we have published a quarterly construction cost report to provide you with the most accurate and up-to-date construction pricing information in the market.

**SCAN TO SUBSCRIBE**

## CONSTRUCTION COST INDEX, ESCALATION, AND TRENDS



### ABOUT THE CHART

The above chart provides a comparison between the overall changes in North American key cities' Cost Index versus Toronto's index, as well as tracked against the construction cycle trend. Finally, the pink area represents the projected results based on research.

### WHAT THIS MEANS FOR YOU

The economy of Ontario is expected to grow by 4.0% this year, and 3.2% next year. During the second half of the year, higher interest rates and declining asset values will have a negative impact on spending and housing activity, however cooling housing market will be partially offset by strong increases in non-residential business investment. Real consumer spending will continue to grow, but there is a significant risk due to persistent inflationary pressures. Many positive factors should help counteract these negative forces and maintain Ontario's economy's growth including population growth, which should continue to strengthen as a result of strong immigration and a decrease in the number of people moving from Ontario to other provinces as the demand for remote work decreases.