

CORONAVIRUS

CONTRACTOR SURVEY: IMPACTS AND ACTIONS

MAY 5, 2020

Survey Highlights & Methodology

Impact of Coronavirus on Construction Activity

- 98% of contractors have been impacted by the coronavirus to some extent, with more than half (52%) reporting that most or all of their work has stopped
- When it comes to how much of their work has been impacted, contractors report on average that 64% of their existing work has stopped, and 65% of their upcoming work has been delayed
- Supply chains have also been affected by the coronavirus, with 63% of contractors reporting medium to high impact

Top Contractor Concerns

- Contractors' biggest concern right now is ensuring the health and safety of their workers and staff, followed by global recession and workforce productivity
- Other prominent concerns include supply chain disruptions, keeping their firms in business, and their ability to meet contractual deadlines

Impact of April 3rd Provincial Shutdown Order

- Contractors report on average that Ontario's April 3rd shutdown order impacted 62% of their construction activity
- 63% of contractors agreed with the Province's decision to shut down parts of the construction industry, 22% disagreed

Financial Impact of Coronavirus

- Under current restrictions and with current government supports, 16% of construction firms expect they would go out of business within 3 months, another 28% would go out of business within 3 to 6 months
- So far this year, 83% of contractors report that their revenue is down compared to the same point last year
- On average, revenue has declined by 42%
- The majority of construction firms (56%) expect that to stay in business they will need government support

Actions Taken by Contractors

- The most common actions taken to lower risk of coronavirus spread on construction sites include: encouraging more-frequent hand washing (88%), increasing availability of hand sanitizer and hand-washing stations (85%) and establishing a procedure that allows workers to call attention to unsanitary conditions (84%)
- About three-quarters (74%) of contractors have laid off construction site workers, while 42% have laid off office staff
- 55% of contractors have applied for government assistance, and 30% have taken out loans as a result of the coronavirus economic disruption

Methodology

This survey was conducted via telephone with a sample of 200 ICI (Industrial, Commercial and Institutional) contractors from across Ontario between April 22-April 29, 2020. The margin of error for a sample of 200 is +/-6.9 percentage points, 19 times out of 20. Seventy-two percent (72%) of the contractors surveyed were trade contractors and 26% were general contractors.

Note: On May 1st the Ontario government [announced a partial reopening](#) of certain categories of construction under strict safety guidelines to take effect May 4th. As this survey data was collected between April 22-29 any reference to work restrictions is based on the [April 3rd shutdown conditions](#).

Impact of Coronavirus on Construction Activity

How individual construction firms report being impacted by the coronavirus



Q "Which of the following best describes the impact of the coronavirus on your firm's construction activities?"

On average, how much of individual firms' work has been impacted by the coronavirus

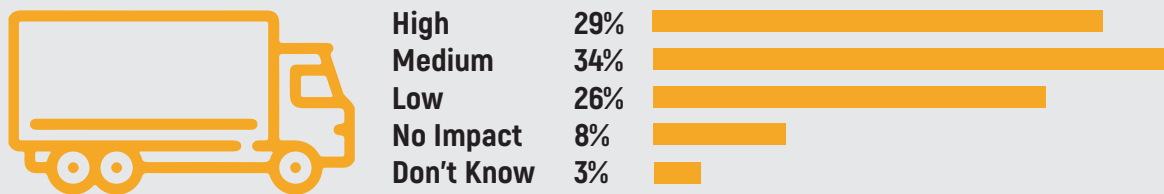


Q "What percentage of your firm's construction activity has stopped because of the coronavirus?"



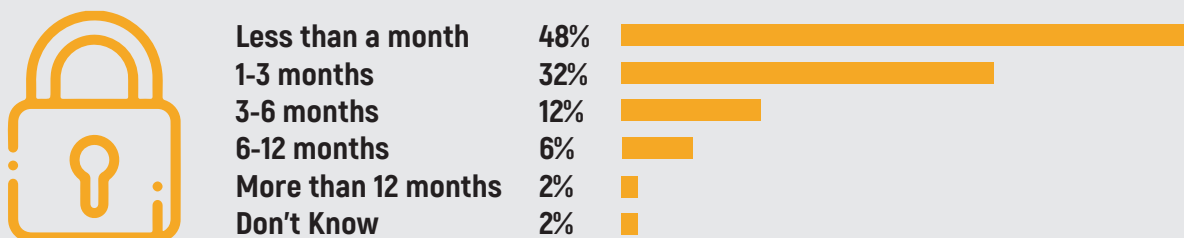
Q "Thinking of work that you were scheduled to start between now and the end of the year, what percentage of this work has now been delayed because of the coronavirus?"

Impact of coronavirus on supply chains



Q "How much of an impact has the coronavirus economic disruption had on your firm's supply chains?"

How long to get back to business-as-usual if restrictions are lifted



Q "If physical distancing measures and construction work restrictions were to be lifted today, how long would it take your firm to get back to business as usual?"

Impact of April 3rd Provincial Shutdown Order

How much of individual firms' work was impacted by shutdown order

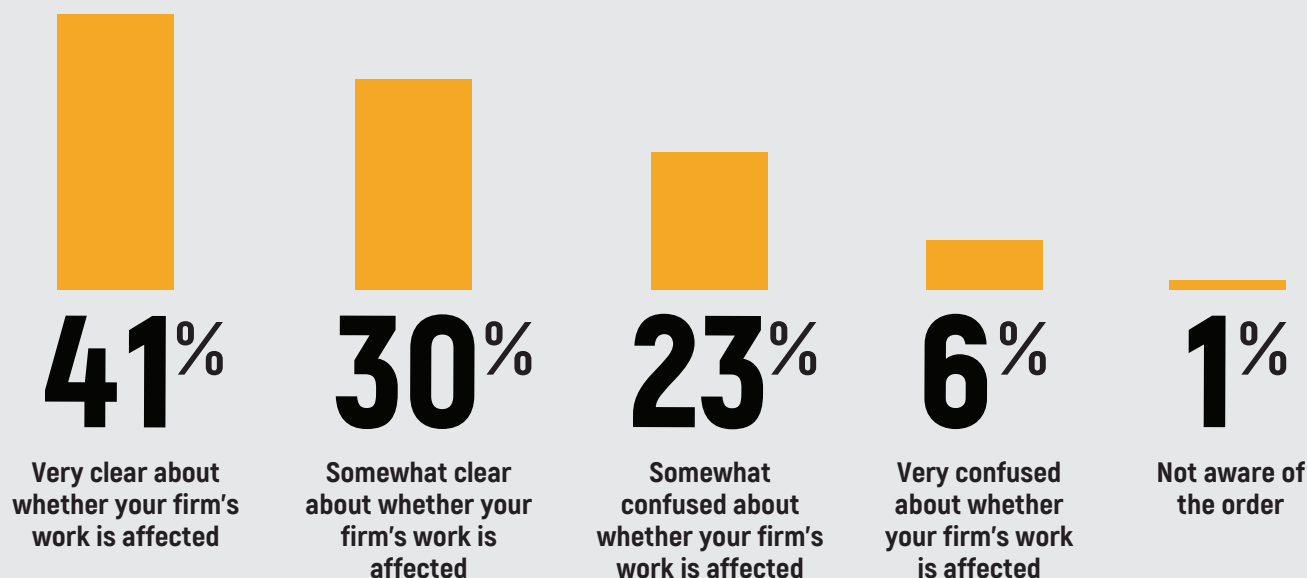


62%

On average, Ontario's shutdown order impacted 62% of firms' construction activity

Q "On April 3rd, the Ontario government ordered the shutdown of many categories of construction, but allowed some activities to continue. What percentage of the construction work your firm would normally be doing at this time was impacted by the order?"

Awareness and understanding of Ontario's April 3rd shutdown order



Q "Which of the following best describes your firm's understanding of the April 3rd order to shut down parts of the construction industry?"

Support for Ontario's April 3rd shutdown order



Q "How much did you agree or disagree with the government's decision to shut down parts of the construction industry?"

Financial Impact of Coronavirus



83%

of firms have less revenue than last year

Q "Thinking of the revenue generated by your business from January 1st up to today's date, is your firm's revenue higher, lower, or the same compared to the same time period in 2019?" (Lower: 83%, Same: 11%, Higher: 7%)



56%

of firms will need government support to stay in business

Q "Do you expect your firm will need government support to stay in business?"



-42%

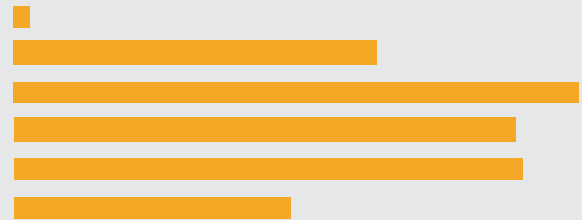
revenue down 42% on average

Q "Approximately how much higher/lower as a percentage?"

How long until firms go out of business under current restrictions



Less than a month	1%
1-3 months	15%
3-6 months	28%
6-12 months	24%
More than 12 months	25%
Don't Know	9%



Q "Assuming current physical distancing measures, construction work restrictions and government business assistance stays in place, for how long could your firm sustain itself before going out of business?"

Top 3 Contractor Concerns



Ensuring health and safety of workers and staff



Global Recession



Workforce Productivity

Intensity of Concern (Mean score on 7-point scale)



- 5.5 Ensuring health and safety of workers and staff
- 5.4 Global recession
- 5.1 Workforce productivity
- 5.0 Supply chain disruptions
- 4.9 Keeping your firm from going out of business
- 4.9 Ability to meet contractual deadlines
- 4.8 Ability to get skilled labour
- 4.7 Having enough information to make good decisions
- 4.6 Access to capital or debt / financial liquidity / cash flow
- 4.6 Getting government assistance

Q "How much of a concern are the following on a 7-point scale where 7 means a major concern, and 1 means not a concern at all?"

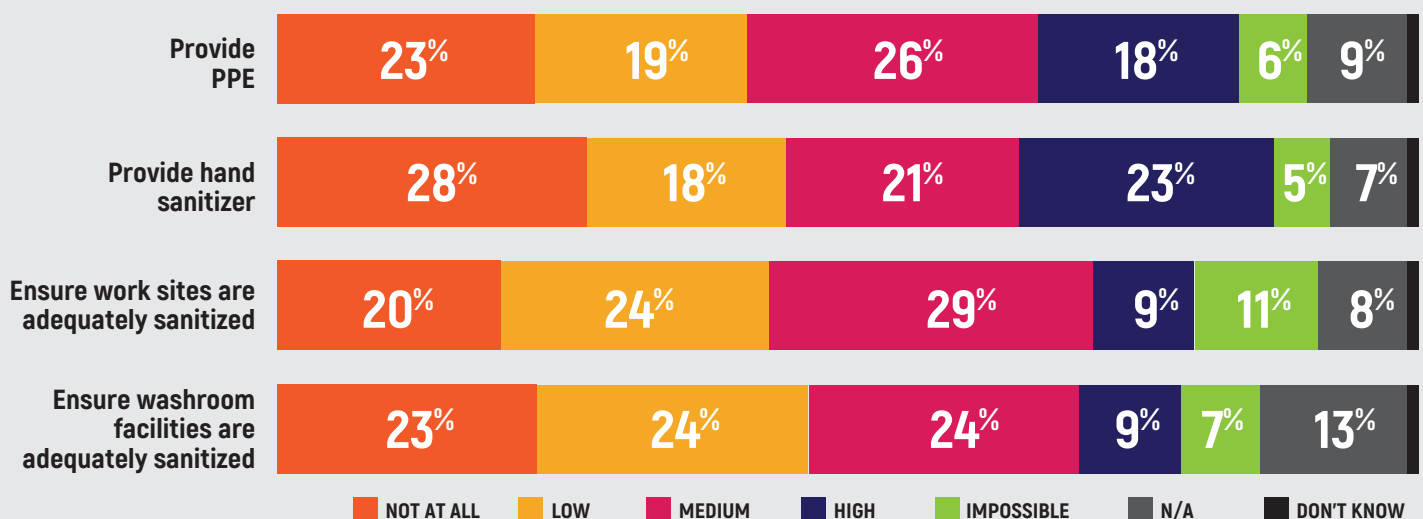
Actions Taken by Contractors

Actions taken by firms as a result of the coronavirus



Q "Which of the following actions has your firm taken as a result of the coronavirus economic disruption?" (% who said "yes" displayed)

Level of difficulty in meeting sanitation requirements on construction sites



Q "How difficult has it been for your firm to fulfill following safety and sanitation requirements on work sites?"

Actions taken to lower risk of coronavirus spread on construction sites



Contractor Comments on Coronavirus Impact and the Future of Construction

"It's made us more aware about keeping sites clean and social distancing. Even with the flu it will be mandatory for our firm that if you are sick, don't come to work."

"We are expecting a lot of changes to the construction industry and are looking forward to the new guidelines that will help keep our staff happy and healthy."

"Every major project has been pushed back and delayed. So it's left a big gap in work available and project planning."

"I'm worried that my clients will no longer be in business. The economy as a whole will take a big hit. It is going to be a lot worse than they are forecasting."

"It has changed everything."

"It's going to change the construction industry dramatically. It's going to be a new world after this is done."

"Biggest concern is the health and well-being of workers onsite."

"Blue collar workers will realize they can have sanitary bathroom facilities if they choose. Gone are the days of those outhouse-like stalls without running water. They should be having proper sanitary bathroom facilities with running water."

"I'm expecting that there will be supply chain issues for the next 12 months"

"I'm sure that in the future social distancing and washing and PPE equipment will be pretty active in the construction industry"

"Moving forward, there will be additional costs associated with ensuring the health and well-being of workers onsite but whose burden will it be, the contractors or the owners? It's not a fair situation but it shouldn't be the contractor who pays the entire cost. The level of productivity is a concern. Less productivity means more cost moving forward and that is a great concern."

"In our discussions with subcontractors, we are coming up with a plan to work on sites that stay isolated and not mixing different companies. Just one trade on site at a time, which is going to be hard but has to be done."

Q "Do you have any comments you'd like to add about how the coronavirus has affected your business, or how you expect it to change the construction industry in the future?"

