

## A sign of things to come, or just a short breather?

The construction industry has been very buoyant for close to two decades, but recently? Not so much. Investment in the first quarter of 2022 in Ontario was down in all three ICI sectors compared to the first quarter of 2021. Commercial investment in Ontario fell by 9.6% in the first quarter of this year over Q1 2021, although the Q1 2022 total of \$2.53 billion is on par with the average of the previous eight quarters (Q1 2020-Q4 2021). Ontario's industrial investment in Q1 2022 was down by 6.2% compared to Q1 2021. The 2022 first quarter total of \$764.7 million was the lowest in the sector for any quarter since Q2 2017.

	Q1 2022	% Change
Total ICI	\$4,210.6 M	-7.1%
Industrial	\$764.7 M	-6.2%
Commercial	\$2,530.5 M	-9.6%
Institutional	\$915.4 M	-0.4%

So, it is a blip? Or are we glimpsing the future?

## A negotiation round of firsts

First among bargaining round firsts was at a construction labour conference in Fall 2021 where an economist used fuzzy logic to assert that productivity in the construction industry had risen by 14%, implying that the reputed gain was due to the construction workforce, and they should reap the rewards of this increase. The economist also used cherry-picked data, advising the construction union workforce that their yearly increases had fallen behind the rate of inflation and that they were entitled to a significant wage increase. It can certainly be argued that this single event provided a backdrop for this round of construction contract negotiations. A climate of entitlement and an unprecedented level of expectation appeared to permeate through the construction labour force. Not wanting to negotiate through the press, management took no action to dispel the perceived myth created by the economist. In hindsight an error, perhaps?

Second among firsts? The devastating trifecta of unprecedented labour requirements, the dramatic rise in the cost of living and rising interest rates.



Third among firsts was the number of tentative agreements signed off by experienced labour and management negotiating committees that did not get ratified by membership. Individuals who know and understand the complexities of the industry, the market and market share met across the bargaining table, discussed the issues extensively, and agreed to tentative settlements that both labour and management could live with.

Fourth among firsts, and possibly the most critical to the long-term health of the unionized construction industry, was social media. It appears that a cohort of the union membership became social media influencers, taking both senior labour officials and management representatives off-guard. These influencers lacked an understanding of what it takes to make the unionized industry successful and hijacked the negotiating process for short term gain, possibly causing permanent damage to the industry.

It is imperative that experienced labour and management representatives come together at the conclusion of this round of negotiations to discuss how we move forward to ensure the well-being of our industry.

## Union and Management working together

Like other industries, issues with substance abuse and mental health are present within the unionized Industrial, Commercial and Institutional construction industry's workforce. But unlike other industries, labour moved forward a number of years ago to meet the issue head-on, forming a partnership with the DeNovo Treatment Centre. They ensured their members got the assistance and treatment they needed. Through discussion, labour brought management on board and now a number of the industry's collective agreements contain funding designated to the support of DeNovo.



Questions or comments? Ideas for a future issue of **As we see it**? We want to hear from you! Email us anytime at [admin@cecco.org](mailto:admin@cecco.org).

