

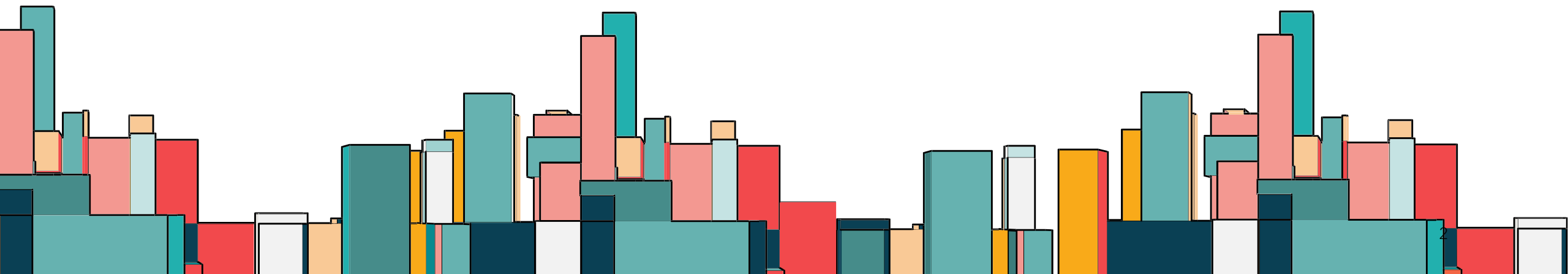
CONCRETE ONTARIO: HOUSING, LABOUR SUPPLY, AND SAFETY UPDATE

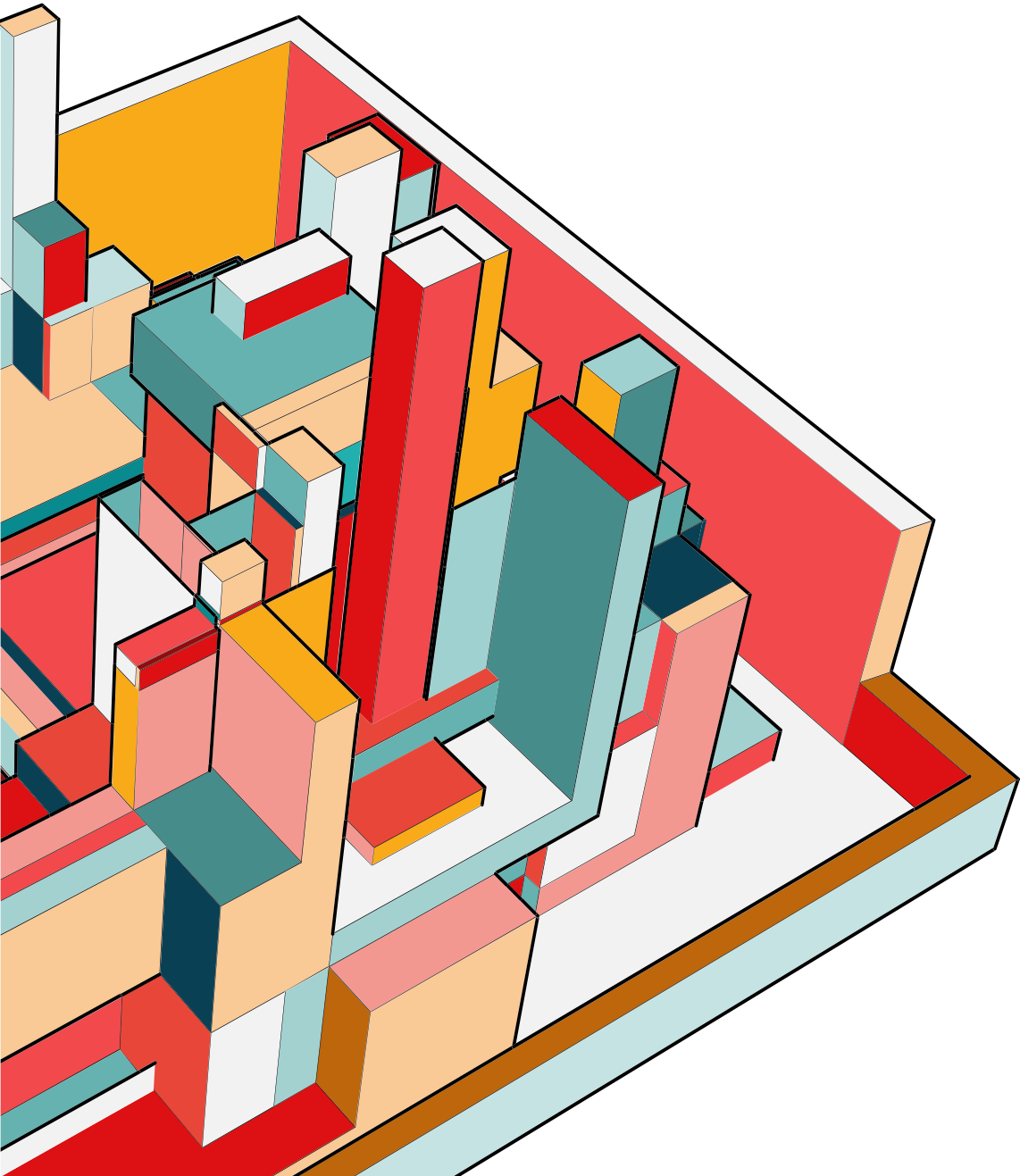
Andrew Pariser
Vice President, RESCON
March 24th, 2022

ABOUT US

RESCON represents over 200 professional residential builders of high-, mid-, and low-rise buildings in the province, with a focus on the GTA. Our members build Ontario's communities and homes.

We are committed to providing leadership and fostering innovation in the industry through the following six core focuses: Training and Apprenticeship; Government Relations; Labour Relations; Health and Safety; Building Science & Innovation; and Regulatory Reform.





OVERVIEW

1. State of the Industry
2. Housing Demand (Short and Long Term)
3. Focus on Toronto
4. Labour Relations
5. Labour Supply
6. RESCON Care Committee
7. Health and Safety

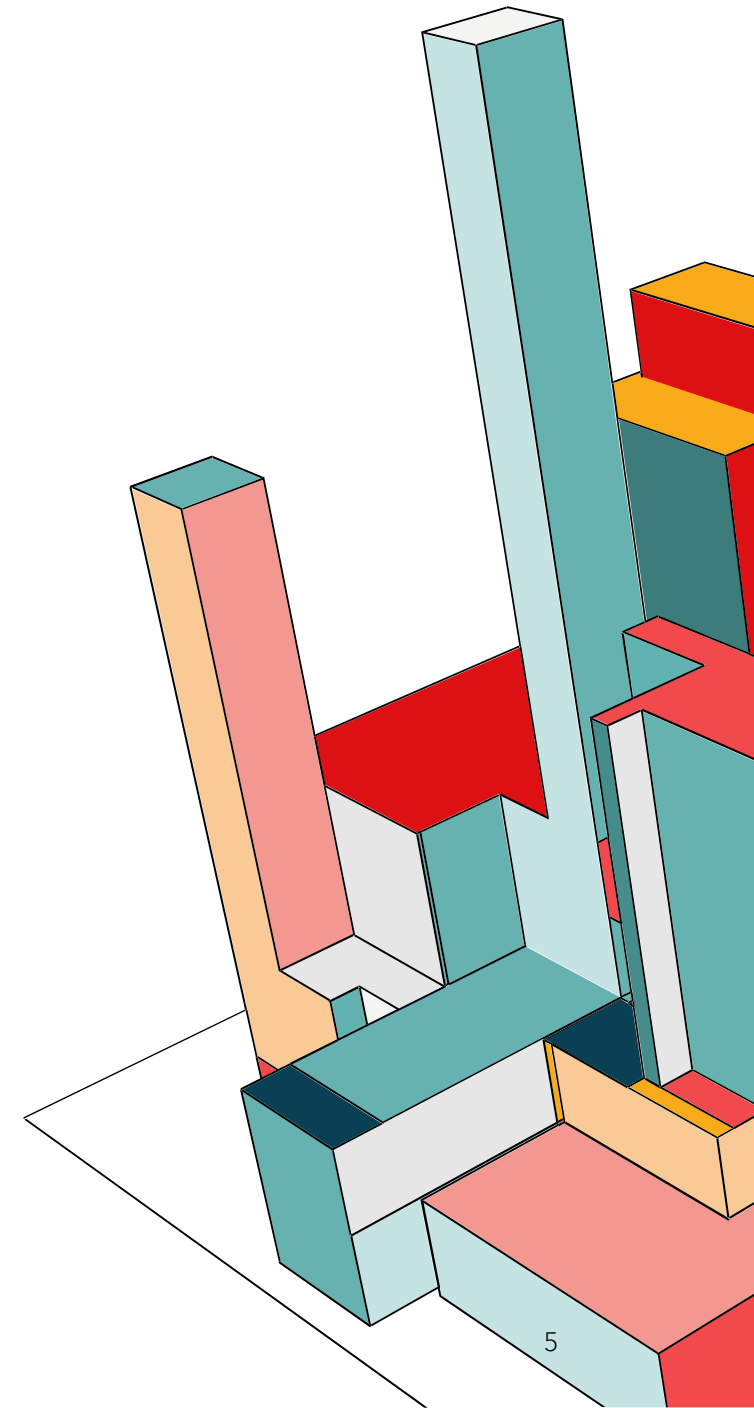
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STATE OF THE INDUSTRY

STATE OF THE INDUSTRY

Will we ever get back to normal?

- Pandemic
- Supply Chain Issues
- Spiralling Costs
- Record Low rates
- Record High raising of rates

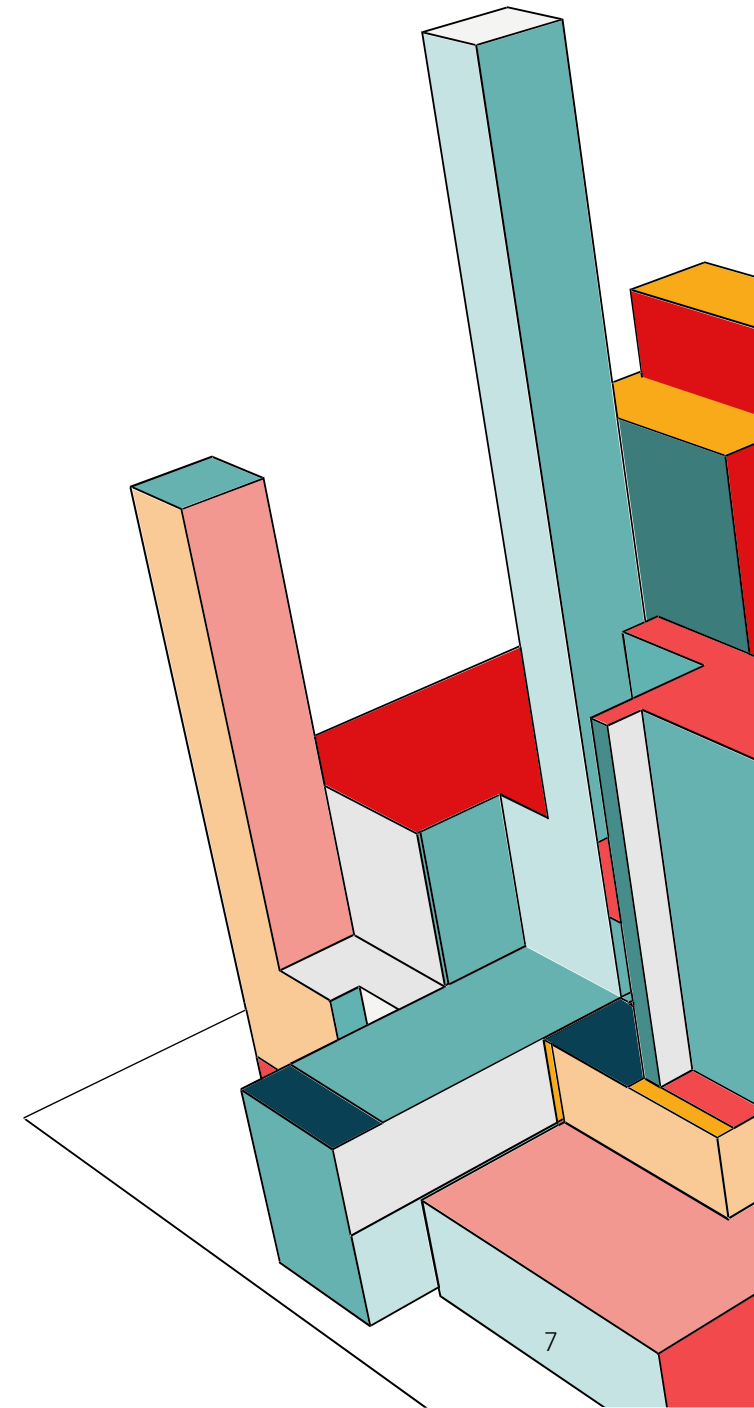


RISING RATES

Issue

- Cost of financing (borrowing) has increased ALOT.
- Bank of Canada rate has gone from 0.25% in March 2020 to 4.5% in Feb 2022.
- Major increase in borrowing costs for new homebuyers. % on a \$500,000 mortgage is an extra \$416/month in interest. 4% is more than \$1650.00
- Builders' costs of financing will increase too - 1% increase on a \$100 million project will increase borrowing costs by \$1 million/year.

HOUSING DEMAND (SHORT AND LONG TERM)



HOUSING DEMAND – SHORT AND LONGER-TERM

Factors

- 1.5 million unit shortage
- Demographics and immigration – 500,000 a year by 2025
- Interest rates and long-term bond rates
- Inflation
- Spring Market and pent-up demand
- Role of investors
- Bottom Line – **We need more concrete**

INDUSTRY CHALLENGES AND CONCERNS

1) PROBLEM: High cost of building

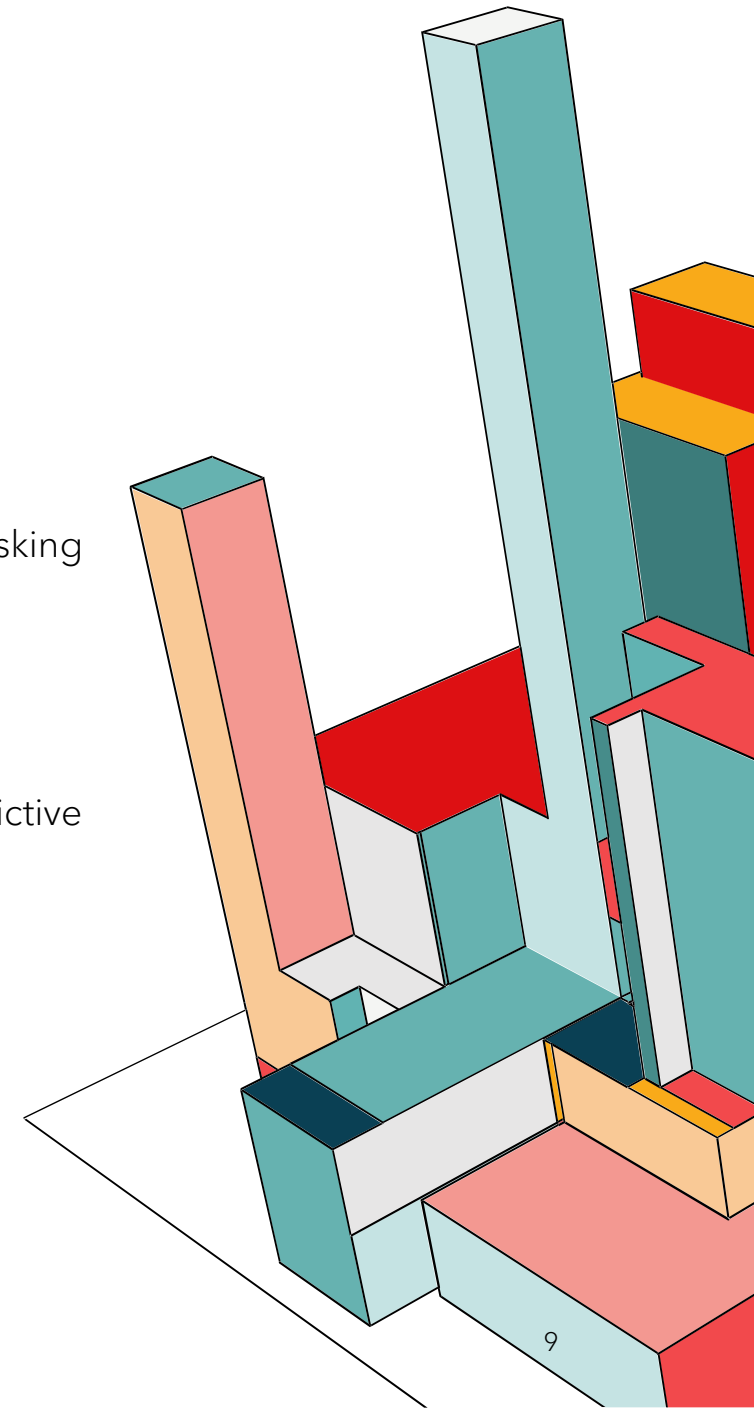
High municipal fees, supply of labour and material costs, coupled with rising interest rates are risking developers ability to build new homes and threaten the viability of projects.

2) PROBLEM: Slow approvals process

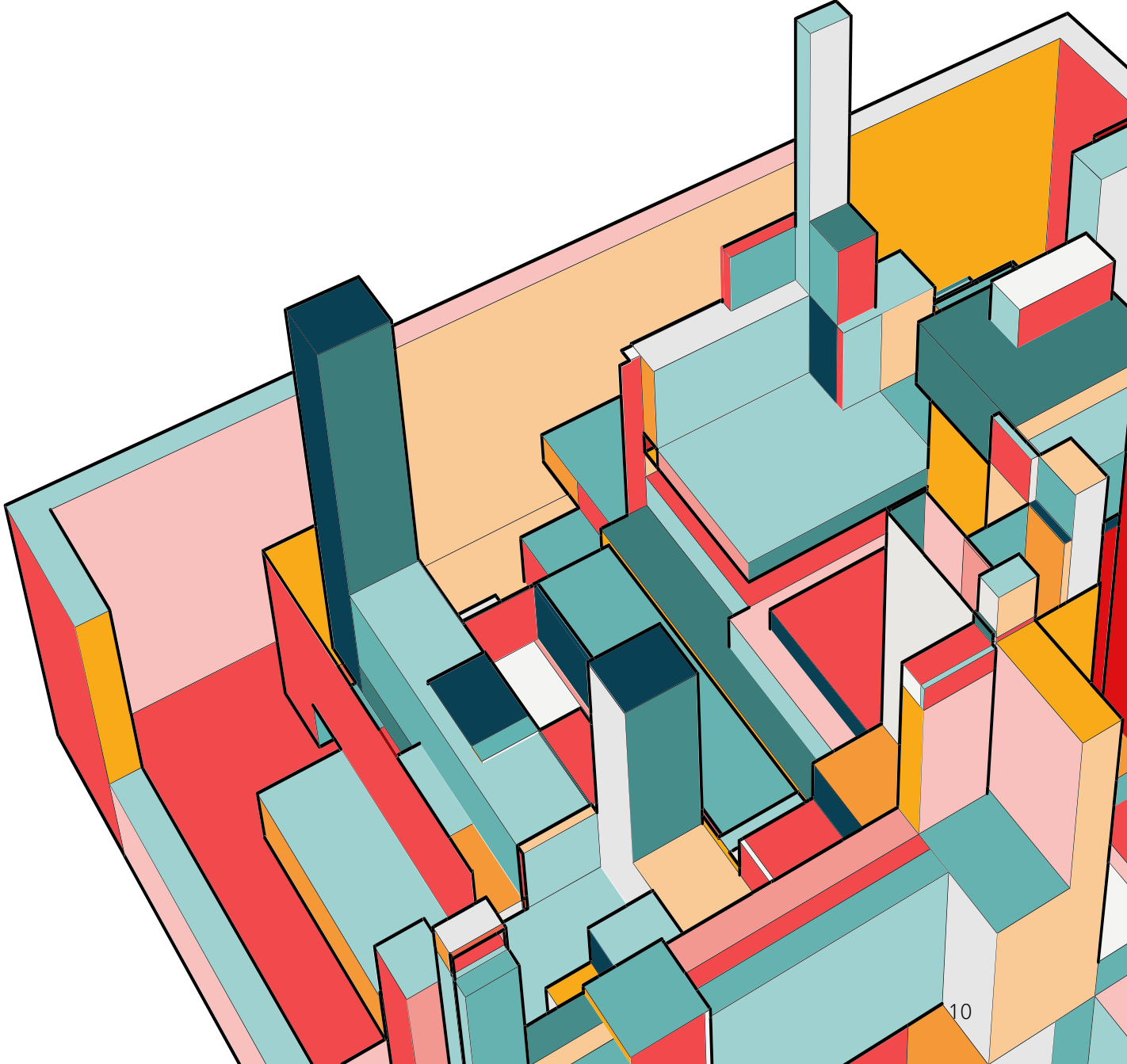
Antiquated approvals process, coupled with chronic staff vacancies in many municipalities, restrictive zoning rules, and siloed municipal departments.

3) PROBLEM: Many municipal and regulator policies are adding to cost of new housing supply

All regulators are adding time and cost.



FOCUS ON TORONTO

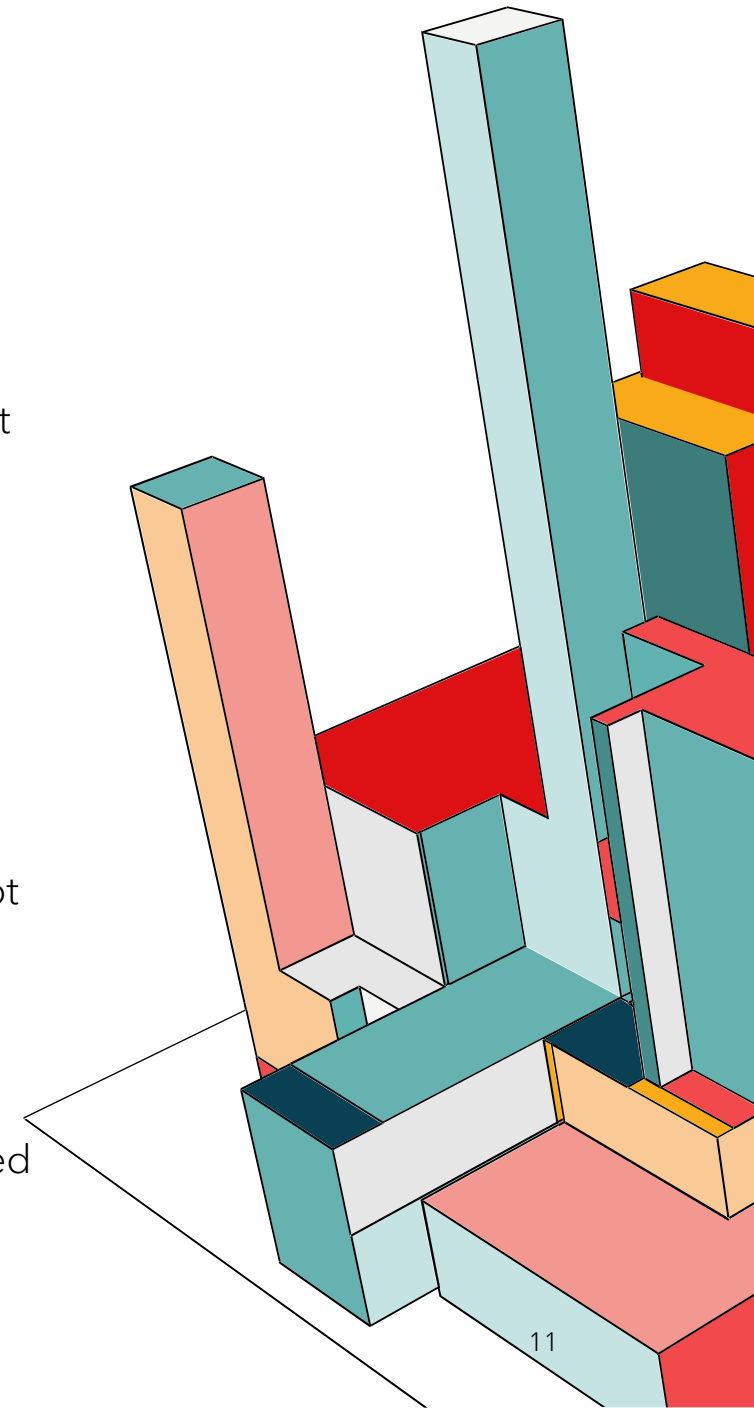


CITY OF TORONTO – C2K (CONCEPT TO KEYS)

Concept 2 Keys (C2K) was established by the City of Toronto to improve the development application process. It was designed to operate under the City Manager’s Office. C2K transforms organizational structures, processes and technology and creates bridges between City divisions, staff and applicants.

The City in releasing its workplan for the 2023 Housing Action Plan included C2K by recommending its inclusion as they work to “revisit planning regulations and policies to identify areas for streamlining and flexibility (and) evaluate implementation of the Concept to Keys initiative and refine streamlining reforms as necessary.

The inclusion of C2K is a welcome development as their innovative approaches will be welcome parts of the new Housing Action Plan implementation process and the associated creation of the new Development and Growth Division.

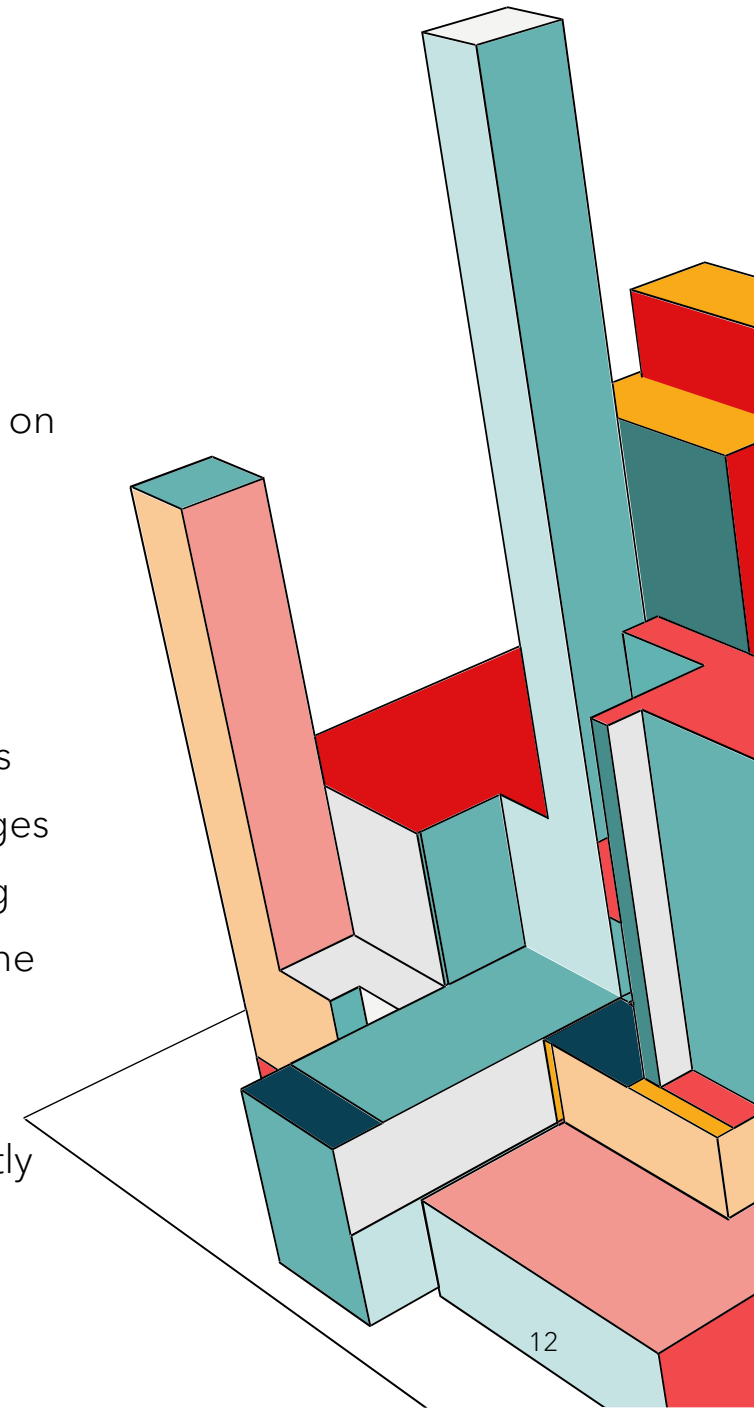


CITY OF TORONTO – 2023 HOUSING ACTION PLAN

The City has advanced its Housing Action Plan 2023 at the Executive Committee meeting on March 21. The more detailed review and implementation plans will come to the Planning and Housing Committee at the end of April and from there the HAP will advance rapidly within the prescribed timelines included in the work plan.

The HAP report was 31 pages long with stated timelines to implement significant changes to bolster residential construction and to expedite the building of new homes. The changes ranged from as of right permissions being expanded to land use transformation including the long standing “missing middle” or exclusionary zoning areas which make up 66% of the City’s land mass

The HAP has the potential when fully implemented in the stated time frames to significantly modernize City processes and approval timelines.

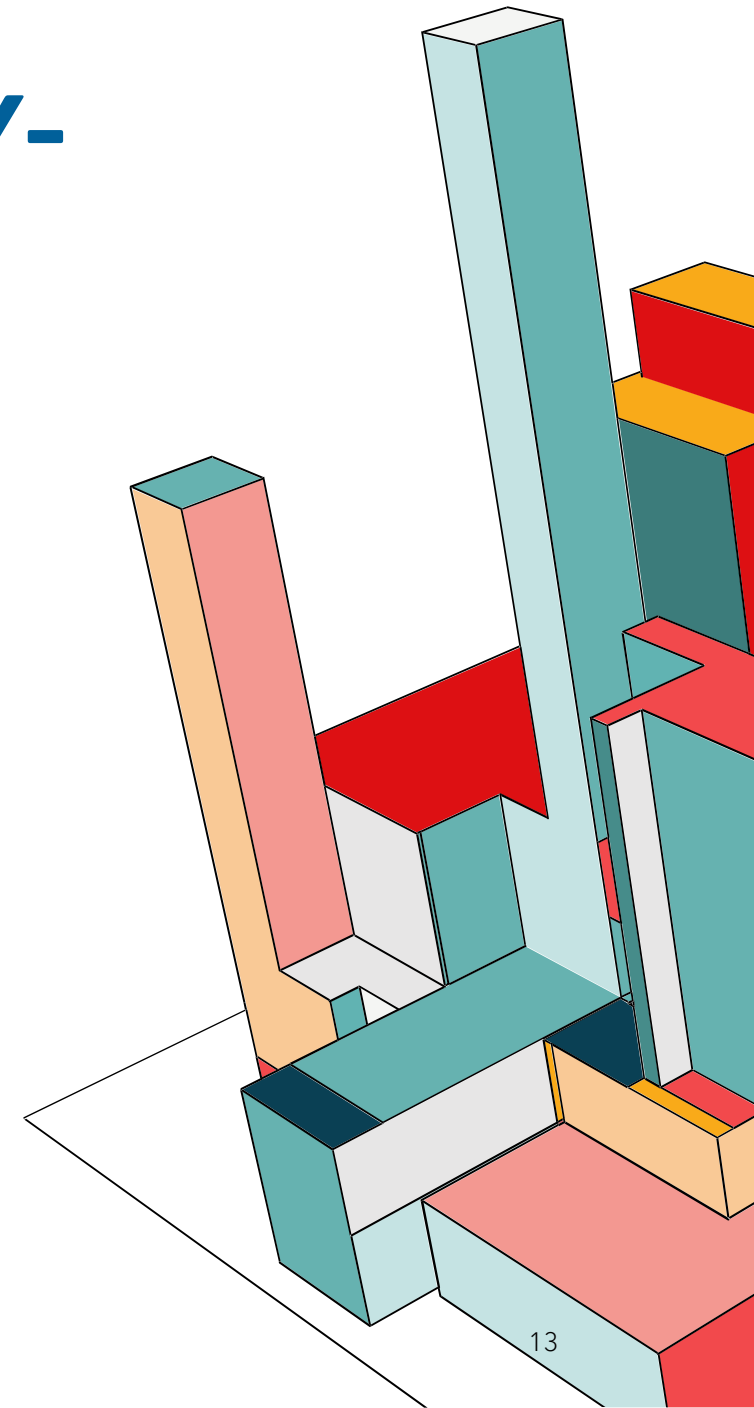


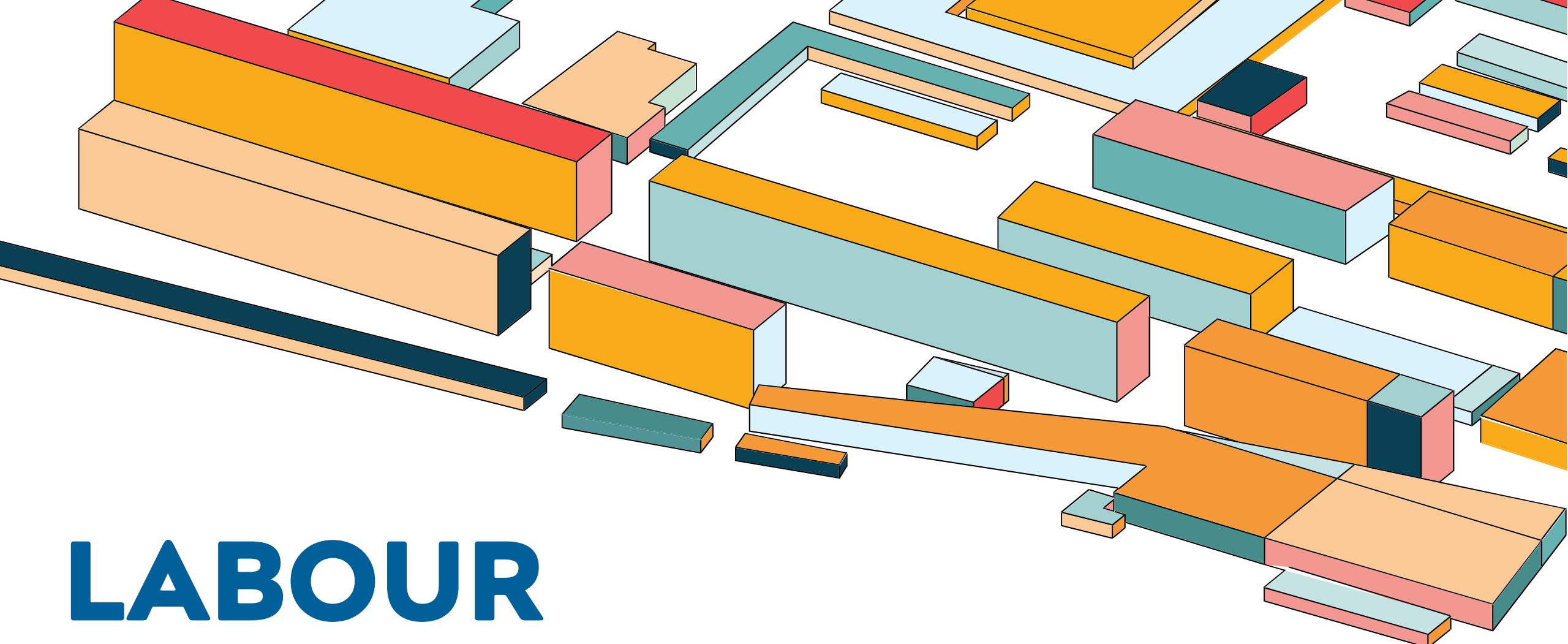
CITY OF TORONTO – MAYORAL BY-ELECTION (JUNE 26TH, 2023)

With the resignation of Mayor John Tory taking effect February 17th, 2023 the City of Toronto is now required to hold a by-election to replace him. The City Clerk is recommending an election date of June 26th, 2023 which City Council is expected to approve at their March 29th, 2023 meeting.

The election is expected to be one of most unpredictable in decades with a number of very high-profile candidates on board to register. For the residential construction sector the results of this election are important.

With strong mayor powers now in place along with other changes, major advances like the Housing Action Plan must be supported by the next mayor to ensure transformation of the planning and development process, updates to zoning including as it relates to the “missing middle,” and all measures necessary to support the building of much needed homes in the City.





LABOUR RELATIONS

LABOUR RELATIONS UPDATE

Strikes

- Majority of strikes started May 2nd and ended around the May 24th
- Example:
 - High-Rise Forming (May 2nd – May 24th)
 - Demolition (May 11th – May 26th)
 - Railing (May 2nd – May 9th)
- Very few strikes outside of drywall went into June.

Settlements

- Majority of settlements saw a 15-25% increase from previous rates.
- Example:
 - TRCLB/DRCLB/MTABA - \$6.40
 - Settlements continuing outside of the GTA – Hamilton and Kitchener Waterloo

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LABOUR SUPPLY

RECRUITMENT & RETENTION IN THE SKILLED TRADES

Domestic Supply

- By 2030 in the GTA alone, 42,840 construction workers, or nearly one-quarter (23%) of the current labour force is set to retire.
- Clear opportunity exists in recruiting domestic and international labour pools.
- Domestic efforts:
 - from groups not traditionally represented in construction: women, people from BIPOC communities.
 - Focus on retention, onboarding and mentorship
 - Can't hire someone without a job posting

RECRUITMENT & RETENTION IN THE SKILLED TRADES

Immigration Supply

- Immigration
- Doubling of the OINP to 18,000 in 2025
- Focus on pathways to permanent citizenship
- Not one silver bullet.
- Focus on NOC codes (C and D)
- Focus on better LMI

LABOUR SUPPLY – DON'T REINVENT THE WHEEL

Programs that work!

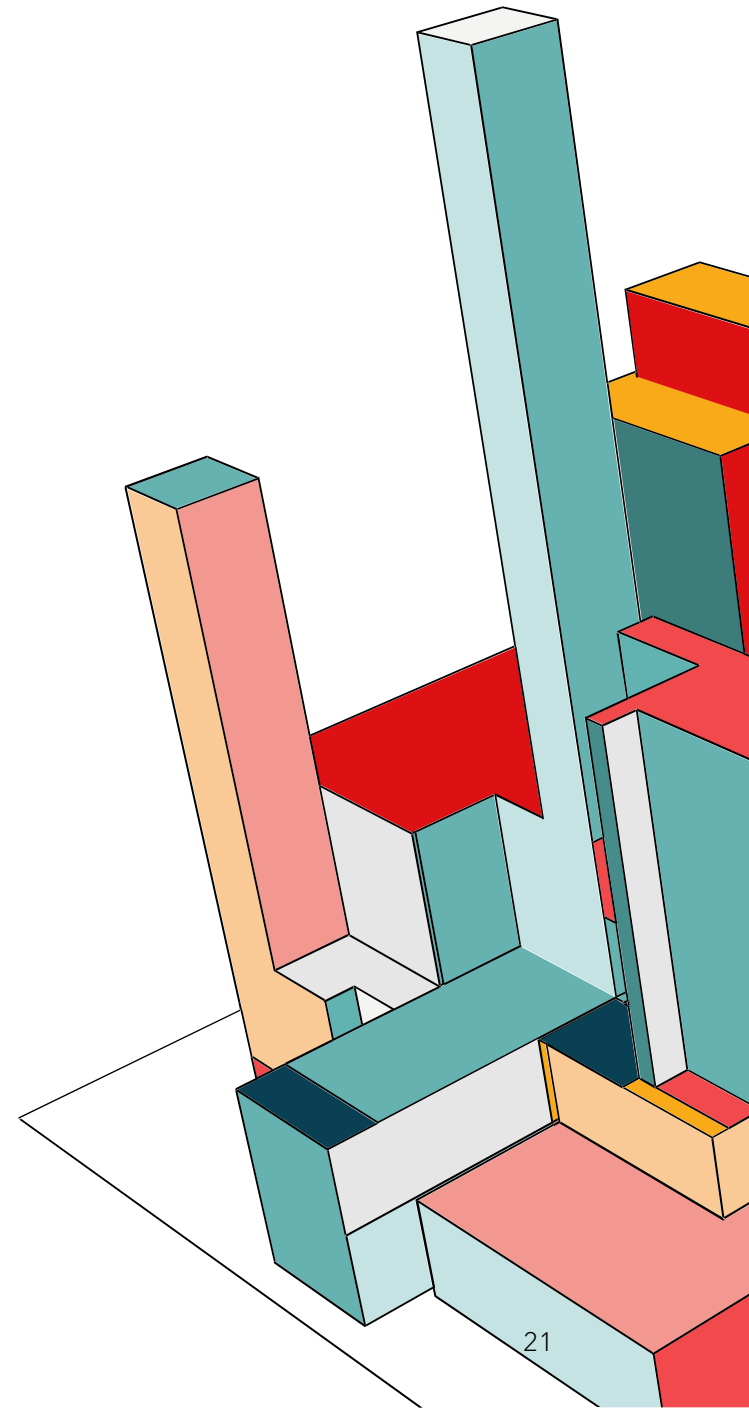
- Skills Ontario - <https://www.skillsontario.com/>
- BOLT (Building Opportunities for Life Today) <https://boltonline.org/>
- OYAP – STEP to Construction

GOVERNMENT ANNOUNCEMENTS AND PROGRAMS

Grants

- Skilled Trades Development Fund (Round Three)
- Apprenticeship Grants
 - <https://www.ontario.ca/page/financial-supports-apprentices>
 - Tools / completion / red seal / supports
- Skilled Trades Ontario

RESCON CARE COMMITTEE



RESCON CARE COMMITTEE

The RESCON CARE Anti-Racism Roundtable brings together Builders, Sub-Trades, Education Stakeholders, Employment Agencies, the Provincial and Municipal Government, and Unions to develop short- and long-term goals surrounding racism in construction.

Our Commitment

The RESCON Anti-Racism Roundtable will provide a forum for leading industry associations to work together to address the immediate challenges of systemic and overt anti-Black racism in the construction industry while consistently fostering diversity, equity, and inclusion of all underrepresented minorities within our workforce for the long term.

CARE ROUNDTABLE AND SUBCOMMITTEES

Training and Education Subcommittee

Focused on removing barriers for BIPOC youth to enter the skilled trades through specialized training programs.

Launch of BIPOC Youth Advisory Committee.

Engagement with Guidance Counsellor Associations, community and employment agencies.

Workplace Policies Subcommittee

Amended 4-Step and 5-Step Training (MLITSD).

Implementation and enforcement of standalone anti-racism and anti-discrimination policies.

Data collection on industry uptake of DEI initiatives and race-based data (demographic data).

Best Practice Guide

Marketing and Communication Subcommittee

Leveraging the collective influence of Roundtable members to raise awareness of Roundtable initiatives.

Raising awareness of issues, promotion of industry

RESCON CARE COMMITTEE – KEY INITIATIVES

- Launch of CARE campaign – Construction Against Racism Everywhere (hardhat stickers, social media, masks)
- To date, held six RESCON-hosted events with 350+ participants (awareness building, information sharing)
- Signatory of the Toronto Declaration of Inclusive Workplaces and Communities
- Creation of the RESCON Anti-Discrimination and Anti-Racism Employer Policy template for all RESCON members to incorporate and implement
- Launched BIPOC Youth Advisory Committee
- Launched the #BIPOCinConstruction campaign to highlight the diverse and racialized workers in our industry, promote careers in construction to BIPOC youth
- RESCON staff completed DEI training
 - 50 people have been assigned the BuildForce modules, and 45 have either completed or started them (in progress).
- Conducted annual surveys of RESCON members, Roundtable members and the broader industry to a benchmark level of engagement and activity of DEI initiatives
- **SOON: Launch of Best Practice Guide for employers – focus on IMPLEMENTATION**

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HEALTH AND SAFETY

HEALTH & SAFETY

- **Events:** Check out RESCON webinars at <https://rescon.com/media/videos>
- **Partnerships:** IHSA, RespectRX Pharmacies, WSIB, Chief Prevention Office
- **Construction Hub Coalition** (Transportation Services led group) on all safety issues as it relates to development heavy areas in Toronto.
- **Truck Safety:** Worked with 8+ associations including Concrete Ontario to develop two safety campaigns focused pedestrian awareness and driver education.
- **Crane Safety:** A joint committee of builders and reps from the high-rise forming sector developed a best practice guide.

HEALTH & SAFETY – MAJOR ISSUES

- Raised Boxes, backing up, and Truck Safety
- Naloxone, Opioids, Fit for Duty:
- **Working for Workers**
 - Expanded Reserve Leave (access to leave after 2 months and expanded leave for injuries)
 - Mass Termination (notice and severance)
 - Fines (\$1.5m max to \$2m)
 - Passport Protection (\$500,000 / individual - \$1m / corp + 1 year in jail)
- WSIB

MENTAL HEALTH & ADDICTIONS

- Mental Health is getting worse and governments are paying attention
- Starting June 1, 2023 naloxone kits will be required in certain workplaces and requirement that someone be trained to administer naloxone
- RESCON holds an annual symposium on mental health and addictions in November
- Focus on efforts has been three pronged:
 1. Awareness building and removing the stigma (changing the culture)
 2. Training (naloxone, mental health first aid)
 3. Resources and support (member benefit plans, resources for health and safety reps, etc)

THANK YOU

Andrew Pariser
Vice President, RESCON

