

The BC CONSTRUCTION MONITOR

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SUMMER 2020

Building Through a Pandemic

B.C. Construction Provides a Model for Recovery



Chris Gardner
ICBA President

The COVID-19 pandemic has had tragic health consequences for some and devastating financial consequences for many, and it has been deeply unsettling for everyone. Here in

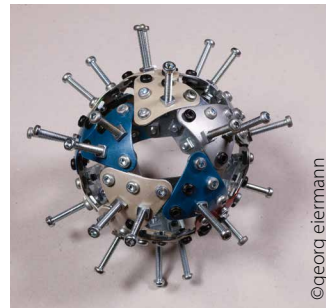
B.C., we've had considerable success and flattened the curve, but we now need to safely restart our economy with the virus still at large.

As we tackle that challenge, the B.C. construction industry can serve as a model. Designated essential, construction activity largely carried on in this province, and the industry fully recognized the

grave responsibility that represented. It operated with a collaborative spirit, a careful adherence to public health guidelines, and a determination to effectively pivot to dramatically different worksite practices.

At the time of writing (late-May 2020), WorkSafeBC tracking shows only a single case of workplace transmission of COVID-19 across the B.C. construction sector.

Clearly, our sector's pandemic response was effective, and can be instructive as the urgently needed economic re-opening and recovery process proceeds. The financial devastation of COVID-19 has been



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immense and risks getting even worse. We must apply the same sense of purpose to economic revival that we brought to bear on pandemic control.

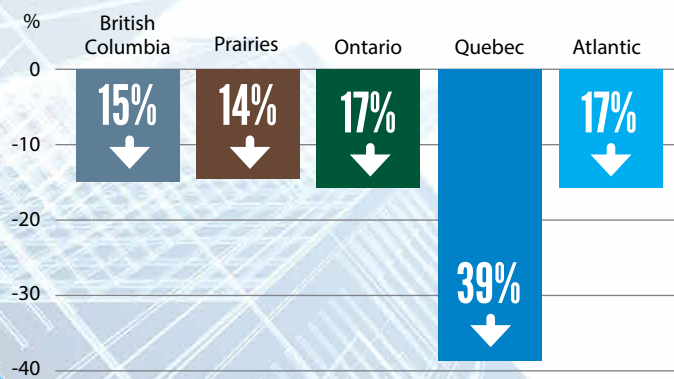
Unprecedented public spending is helping keep a lot of individuals and businesses afloat for now, but with that comes the

added and massive challenge of managing exponentially larger public debt. Changed operating realities will pose challenges for many businesses, but those challenges must be met. Because we've never needed revitalized private sector wealth creation as badly as we do right now, given that we are perhaps at the "end of the beginning".

Construction Employment Took a Hit

A healthy construction sector is directly linked to a healthy economy, so even in B.C. – where construction was designated an essential service – construction employment dropped during the pandemic. However, there were much bigger hits in other jurisdictions. National construction employment was virtually unchanged from February to March of this year, but dropped by a fifth – or 314,000 jobs – from March to April.

Decline in Construction Employment, March to April



Source: Statistics Canada, Labour Force Survey, April 2020



Physically Distanced and Safe Construction

Construction carried on in B.C. this spring – in contrast to some other parts of the country where it was either largely shutdown or operated on a restricted basis – although with significantly revised safety protocols and practices to protect employee health.

Changed Worksite Practices

Communication and Caution

- Every employer developed a COVID-19 safety plan, and deployed signage and (at larger sites) a COVID safety compliance officer
- Temperature checks and health-screen questionnaires were used at some client-owned sites for all workers upon entry



Jacob Bros

Numbers Down, Distances Up

- Schedules were revised, work re-prioritized, meetings moved outdoors, and transportation arrangements adjusted
- With fewer and more dispersed workers at any given spot, the 2 metre distance guideline was largely maintained



Hall Constructors



Jacob Bros

Doing the Work Differently

- Masks and other personal protective equipment were used when distancing wasn't feasible
- Sites were split into separate zones when practical, stairs became one-way only, and occupancy of elevators and hoists was limited
- Sharing of tools – and even touch-points with common items like pens and coffee machines – were all minimized



Colwin Electric

Stepped-up Health & Hygiene Practices

- Employers expanded handwashing facilities, ensured easy access to sanitizer, and stepped up cleaning of common areas and surfaces
- Special guidance and protocols applied at construction camps, to protect resident-workers both on their jobs and in their accommodations, and to limit interaction with nearby communities

Workers Went Home Healthy

The B.C. construction industry recognized that with the right to continue operating came the responsibility to safeguard employees and avoid contributing to any community spread of the virus. Workers compensation data indicate that that responsibility was taken seriously by contractors and workers alike.

WorkSafeBC COVID Claims Data (as of May 20)



Total "ALLOWED CLAIMS" in all industries



Average "ALLOWED CLAIMS" per Sector Outside of Construction and Health Care



"ALLOWED CLAIMS" in Construction

Claims are "allowed" when there has been work-related exposure, with sufficient evidence that the risk in the workplace was significantly higher than the ordinary exposure risk.

"The construction industry has been doing phenomenally well, adapting, switching and working with the health authorities to implement the new health and safety rules."

– Kerkhoff Construction President Leonard Kerkhoff, on Global BC

ICBA Operated Remotely but Resolutely

ICBA employees around the province worked remotely through most of the spring – using digital tools to keep association business moving forward, and member- and client-service standards high.

Online Training Proves Popular, Effective

ICBA's remote learning options were significantly expanded during the pandemic. While this was a necessity, it was also well received. It made training more accessible while expanding the range of available trainers. Many new digital offerings will therefore be retained even once in-person training is possible again.

~1,800

Total Participants in ICBA Remote Training Options, April and May

530

Participants in the Best-Attended Training Townhall to Date*



DAILY Frequency of ICBA Training Webcasts Being Offered by Late-May

*"Re-Building BC: Real Estate and Construction in the Covid-19 World"

Adapting Phenomenally Well

High-rise and other large construction projects were rare bastions of continued activity in major urban centres at the peak of the pandemic. On May 8, for example, ICBA member Kerkhoff Construction successfully poured over 2,000 cubic metres of concrete and installed 430 MT of rebar, to create the transfer slab for the west tower of its One Water Street development in Kelowna – proving that with the right accommodations, even the largest of projects could proceed.

Advocacy for an Effective Recovery

While we must remain vigilant regarding pandemic control, B.C. and Canada now need to bring their best and most collaborative efforts to bear on the equally important challenge of economic recovery. ICBA has worked to ensure the B.C. construction industry's voice is heard as the strategy is developed.

B.C. COVID-19 Business Cabinet
<https://bit.ly/2zbkKRb>

We were among >30 B.C. industry associations that founded this organization, to provide a point-of-contact for government as it creates policies, programs and measures to support business and workers.

Pan-B.C. and Pan-Canadian Construction Recommendations
<https://bit.ly/2ZtoQi0>

Together with other construction industry associations, ICBA made recovery-related recommendations to the premier and prime minister, including such matters as types of infrastructure projects to prioritize and optimal tendering-value range.

"Team B.C. Recovery"
<https://bit.ly/2XfPEQg>

Together with the seven other leading B.C. business associations, ICBA made a public call for a collective effort to address unemployment, minimize permanent business closures, and restore government revenues.

Staunching the Economic Bleeding, at a Cost

The economic pain that Canadians are experiencing as a result of pandemic control measures can hardly be overstated. The employment drop far exceeds previous downturns, and is reflected in massive take-up on government support programs. It will also be reflected in massively increased public debt, which underscores the importance of getting the economy back on track as quickly as can safely be achieved.



The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the B.C. construction industry and issues relevant to it.

Canadian Emergency Response Benefits (as of May 28)

8.29M Number of Canadians Who Have Applied

25 % of All Canadians 15-years-old +

\$41.4B Total Benefits Paid Out

Source: www.canada.ca/en/services/benefits/ei/claims-report.html

Canadian Emergency Wage Subsidy (as of May 25)

289,525 Applications Received from Employers

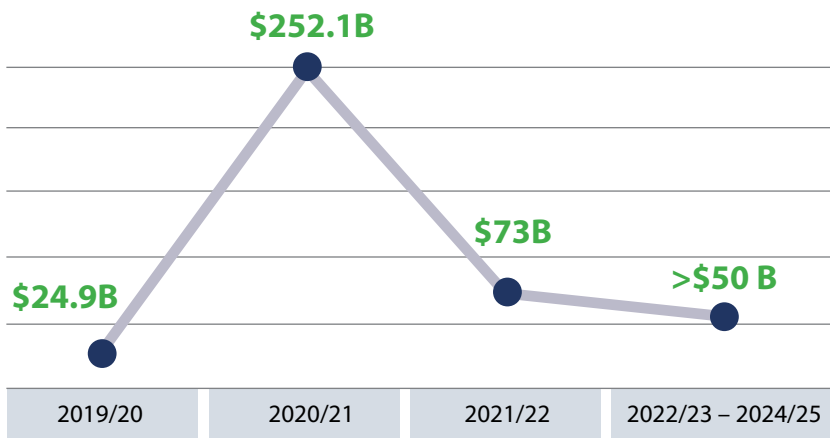
3.7M Employees Whose Wages Will be Supported¹

\$7.9B Value of Subsidies Paid So Far

¹For claim periods to May 9 only.

Source: www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-statistics.html

Projected Federal Deficits



Federal Debt-to-GDP Ratio in 2025
49.1%

Sources: Parliamentary Budget Officer (1st two figures), based on measures announced to April 24; C.D. Howe Institute baseline scenario (final three figures), May 13.

“Ottawa’s net debt is headed for the previously inconceivable level of \$1 trillion.” – C.D. Howe Institute

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