

YOUR INFRASTRUCTURE EXPERTS

RIDER LEVETT BUCKNALL

At Rider Levett Bucknall (RLB), our approach allows us to deliver successful outcomes to property and construction projects by tailoring our services to match client goals and needs. Our team specializes in creating, evaluating, and managing project controls that address the critical issues of time, cost, scope, and quality in the built environment.

Let's connect!

E: info@us.rlb.com

[RLB.com](https://www.rlb.com)

DON'T MISS OUT ON FUTURE INSIGHTS!

SCAN TO SUBSCRIBE



INFRASTRUCTURE MARKET INSIGHT THINGS TO WATCH OUT FOR



LABOUR & MATERIALS

The infrastructure sector, like many others in the construction industry, will continue to face challenges because of the Canadian labour shortage. According to the Canadian Construction Association¹, 22 percent of the construction workforce in Canada will be retiring by 2028. A major worry is the loss of that expertise and knowledge. In the short term, according to Statistics Canada², 52% of construction firms in Canada are anticipating obstacles recruiting and retaining skilled employees over the next 3 months.

Moreover, the infrastructure market is facing supply chain issues and volatility in the post-pandemic age. Supply chain and budgetary constraints have put pressure on the industry. However, the increase in use of Integrated Project Delivery (IPD) models will accelerate in order to improve efficiency, streamline collaboration among stakeholders, and reduce waste.

¹ Canadian Construction Association

² Statistics Canada

³ Government of Canada

⁴ Canada Investment Bank

⁵ Infrastructure Canada



STATE OF THE MARKET

Electricity, roads, water systems, public utilities, airports, railways, and telecommunications are the most important infrastructure market segments. The Canadian government's projected infrastructure investments are expected to help the construction industry grow.

The infrastructure sector has expanded, with significant projects driving demand to a near-term peak between 2024 and 2026.

Once the pandemic was under control in 2022, in-person meetings resumed, projects were completed, and consumers began spending. Then the industry was confronted with a severe labour shortage, rising inflation, and ongoing supply chain disruption, all of which resulted in procurement issues and elevated business risk. What distinguishes this year's construction outlook is anxiety about a possible 2023 recession and determining how any downturn would affect construction firms and the economic conditions of the local markets.



TRENDING

A federal Crown corporation called the Canada Infrastructure Bank (CIB)³ was created to ensure that Canadians profit from cutting-edge, environmentally friendly infrastructure through partnerships between governments and the private sector. The CIB's initial investment priorities include major, transformative projects such as regional transit systems, transportation networks (roads and bridges), and electricity grid interconnections in the public interest.

The Government authorized the Bank to invest in private-sector-led infrastructure projects that accelerate Canada's transition to a low-carbon economy in the Budget 2022 Plan, such as small modular reactors, hydrogen and clean fuel production, transportation and distribution, and carbon capture, utilization, and storage.

The CIB has committed \$8.3B in capital and attracted \$7.8B in private and institutional investment to support projects across Canada, encompassing all of its priority sectors⁴.

Having an Environmental, Social, and Governance (ESG) strategy, committing to and adhering to specific international standards of ESG, and doing so with reporting, tracking, and monitoring, is now considered standard practice to attract investment.



+1M

kilometres of public
road assets in Canada



97M

average passenger bus
and urban transit trips
per month in Canada in 2022



114,000

increase in employment positions
in construction across Canada
YOY at the end of 2022

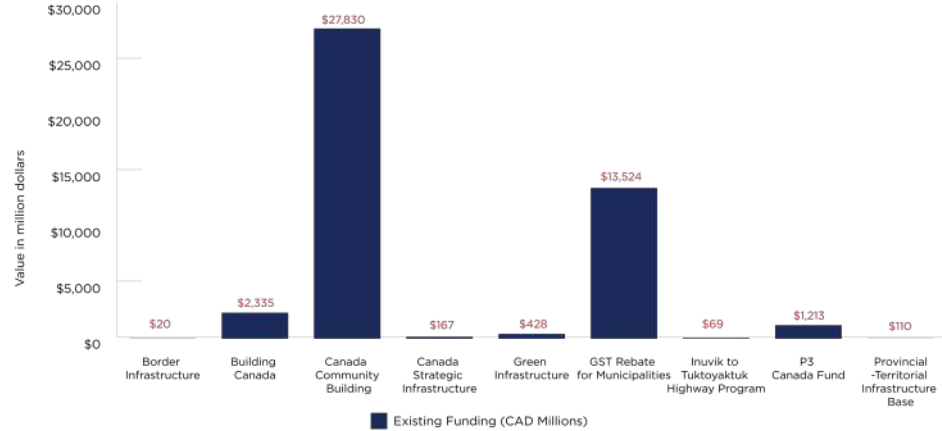


INFRASTRUCTURE MARKET INSIGHT



ABOUT THE CHART

This chart represents the funding update for the Infrastructure Canada Department.



WHAT THIS MEANS FOR YOU

Through the Investing in Canada Plan, the Government of Canada is investing over \$180B over 12 years in infrastructure projects across Canada. These investments are being made by 21 federal departments and agencies. Building on the first phase of the Plan, \$81.2B in additional funding was made available in the federal Budget to support five priority areas over the next decade: public transit, green, social, trade and transportation, and rural and northern communities' infrastructure and provides predictable funding and focus on large-scale transformational projects.

Those programs and projects are identified in the chart above to demonstrate the focus areas with reserved spending allocations. The clear heaviest spending has been allocated to the federal Canada Community-Building Fund which supports approximately 4,000 infrastructure projects in 3,600 communities across the country each year⁵.

INFRASTRUCTURE CONSTRUCTION COST DRIVERS

SELECT MATERIALS	APPROX. CHANGE FROM Q4 2022
Asphalt	▼ -0.4%
Sand/Gravel/Crushed Stone	■ 0.0%
Ready-Mix Concrete	▲ 0.1%
Rebar	▼ -5.6%
Structural Steel	▼ -0.1%
Lumber	▼ -15.5%
Diesel	▼ -2.8%
Precast Concrete	▲ 0.1%
PVC Pipe	▲ 0.3%
RCP Pipe	▲ 0.1%
Ductile Iron Pipe	▼ -5.6%

