The Forecast Issue

Check out the top projects and top trends that will hit our market in 2018, and hear straight from local purchasers about their spending plans for the year ahead.
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MESSAGE FROM THE CHAIR

It Was a Pleasure to Serve

If there’s one thing I will take away from my experiences as your Chair this past year, it’s the knowledge that GVCA is a great organization. I always knew that. You probably do too. But it was especially rewarding to hear that same message expressed by the staff and leaders of associations like CCA, COCA, OSWCA, OGCA, ORBA and other mixed-trade and local construction associations throughout Ontario and across the country.

GVCA is at the table for the tough conversations, the lobbying and the action items. We help move the ball down the field. Not only that, but we are also a player in the education industry through our connections with Conestoga College and the University of Waterloo, and an advisor to the Waterloo Region Economic Development Corporation. Outreach and partnerships with organizations such as these help us make the industry better.

Seeing GVCA staff in action was an eye opener. I was amazed at their in-depth knowledge of industry issues and their commitment to our members through GVCA’s events, education courses, specialty groups like WinC, LinC and HR in Construction, and of course, our WSIB Safety Groups program.

It was an honour and privilege to serve you all.

Thank you.

MESSAGE FROM THE PRESIDENT

Here’s to the Year Ahead!

I’m excited for 2018. It’s going to be a great year.

And by the way, it’s not just me saying this. The industry is too. Optimism is everywhere.

If you attended our annual Industry Outlook event in November, you heard from buyers throughout the public sector that spending in 2018 will outpace anything they’ve done recently. That’s good news. Also good news is the fact that the private sector is spending again, and our region is getting an injection of foreign investment cash.

Of course no one’s ointment is ever entirely fly-free. There are always issues to be dealt with — the impact of the new Fair Wages Act, the legalization of pot, changes to the Lien Act, the College of Trades, WSIB and accreditation, and mental health issues in the workplace that as of January 2018, will allow claims retroactive to as far back as April 2014 — but if we tackle them together, as partners, we will succeed.

If and when you need help navigating issues like these, or even ones no one’s thought of yet, turn to GVCA for advice. We’re experts. Think of us as your conduits for information.

Construction is hard enough by itself. Count on us for help and advice so you can get on with doing what you do best.
Crystal Ball Report: Unmatched Construction Intelligence

GVCA’s Crystal Ball Report is a unique and insightful member service. Updated daily by GVCA staff, the report tracks planned projects during the pre-bidding phases, following them from concept to design to prequalification, construction and completion.

Guelph Lake Nature Centre
The Nature Centre at Guelph Lake Conservation Area is getting closer to reality.

The Grand River Conservation Area recently agreed to contribute $100,000 to the project, which brings the total money raised for the project to $1.82 million. The new centre is projected to cost between $2 million and $2.5 million. The fundraising goal is $2.5 million.

The existing nature centre, located in a former house on Conservation Road, will remain open and offer programming until the new facility is built. The facility has been used since 1980. The GRCA approved moving ahead with construction drawings, detailed design and the specifications that are needed to send the project out for tender.

Market Snapshot Q4 2017
Waterloo Region & Guelph

Waterloo Region & Guelph is home to the 6th largest Industrial, and 7th largest Office markets in Canada. There is currently 517,454 SF of space under construction in 11 buildings across the 4 cities. Over the past quarter, there have been 8 new construction buildings completed.

<table>
<thead>
<tr>
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<th>TOTAL BLDGS</th>
<th>SF UNDER CONST</th>
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<td></td>
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</table>

For more market statistics and information please contact: Jessica McCabe, Research Analyst, jessica.mccabe@cushwakewr.com
After much debate about the proposed federal tax changes this summer, the province decided to add to the mix. During Ontario’s economic update on November 14, the Minister of Finance announced that the small business tax rate for Ontario would decrease by 0.5 percent effective in 2018 with further reductions in 2019 which correspond with federal reductions. The small-business rate in Ontario to the end of 2017 was 15 percent, reducing to 13.5 percent for 2018 and 12.5 percent for 2019. After the upheaval over the negative changes proposed by the federal government, this sounds like great news!

However, with any reduction to the small-business corporate tax rate comes an increase in the personal tax rates for ineligible dividends (i.e., dividends paid from funds after corporate tax is paid at the small business rate). This is due to integration in the Canadian tax system to ensure earnings through a corporation and then taken personally are taxed at the same amount overall as funds earned personally. So how does this affect you and your business? If your business is just starting, has low retained earnings, or all the retained earnings need to be reinvested in the business annually, this change should have a positive effect. As you are building up your retained earnings at the lower small business rate, the increased personal ineligible dividend rate should be offset by tax savings corporately.

However, if your business has sizeable retained earnings that have been accumulated at the 15 percent (or higher) small-business rate in previous years, then you will be paying higher overall tax to pull out those funds in 2018 and later. If dividends were taken in 2017, assuming the top personal bracket, you would pay tax at 45.3 percent. However, in 2018 that tax will be at 46.84 percent and 47.78 percent in 2019.

What does that mean? An ineligible dividend of $100,000 paid to someone in the highest personal tax bracket in 2019 will trigger $2,480 more personal tax than the same paid in 2017. This means the system is no longer integrated for companies with retained earnings created prior to 2017 that are paid out to shareholders in 2018 or later.

This article was written by Kimberly Aitken, CPA, CA, Co-Leader of RLB LLP’s Construction Team. Contact her at 519-822-9933 or visit rlb.ca.
Update on the federal changes

The federal tax changes have been a hot topic since they were proposed in July 2017. As at the time of writing this article in early December 2017, here is an update on the proposed changes to passive income.

There has been talk of grandfathering balances already in corporations. This is good news for business owners with sizeable investments in their holding companies. The one wrinkle here is that we do not yet know what the date will be for grandfathering. It could be December 31, 2017 or at the time the budget is announced, likely in March 2018, or some other effective date. The unknowns here make tax planning around passive income difficult.

There will also likely be a “safe harbour” limit on passive income. This amount of passive income will not trigger the proposed higher tax rate. The government has proposed a $50,000 limit which would be the equivalent of a 5 percent return on a $1,000,000 portfolio. This “safe harbour” is being introduced to manage concerns of business owners that their passive holdings were cushions to plan for downturns or parental leaves.

With all the unknowns and questions that still exist surrounding the federal proposals, effective tax planning for 2017 and beyond was difficult. It will be important to keep in contact with your professional advisors in the coming months as more information is known. We remain hopeful that the government will provide time to plan before the proposals come into effect.
Your Cybersecurity Strategy for 2018

The summer of 2017 was a season to forget for cybersecurity. In May, the WannaCry ransomware attack infected more than 200,000 computers around the world. In June, Petya malware spread across the Ukraine, disabling ATMs and shutting down the monitoring system at the Chernobyl nuclear power plant. In September, over 140 million Equifax customers learned that their credit card numbers, social security numbers, and home addresses had been leaked. Even Deloitte, a company that consults with organizations to prevent cyberattacks, had its client and employee data breached by failing to deploy a simple two-factor authentication procedure.

A cyber-attack can severely damage your business’ reputation. Over 45 percent of Canadians would stop making online purchases from a vendor that suffered a data breach. Compare that to the 76 percent of Canadian executives who expect the number of data breaches to increase in 2018, but do not expect their organizations to invest in IT security.

Traditional thinking has been to invest in the basics like firewalls and anti-virus software, and if these fail, deal with the repercussions as best you can.

The problem with this approach is that it applies a technical solution to a knowledge-based problem. Hackers use known exploits and social engineering tactics, not superior hardware, to gain access to data.

Fortunately, 2018 promises several IT security advances that will allow your company to identify and mitigate potential breaches before they affect your bottom line.
**Customized solutions**

Increased demand for IT security has brought many new vendors into the market, expanding the range of solutions available to enterprise customers. This means a more tailored approach to security with experts who understand your infrastructure’s size and complexity.

**Cloud security**

With more organizations moving their IT infrastructure to the cloud, it has become an increasingly attractive target for hackers. As such, cloud services providers like Microsoft Office 365 have embedded security in every stage of their services, from software development to license procurement. Your programs are continuously updated to eliminate potential exploits.

**Insights from big data**

As your organization adds pieces to solve the IT security puzzle, the vast amount of data generated by each system can cause analysis paralysis. Cybersecurity experts have identified this problem and are using advanced tools like user and entity behaviour analytics to better understand weak points in IT infrastructures, strategically patch holes, and alert administrators to irregular activity.

These advances in customizability, software updates, and data analysis will enable real-time assessments and informed decision making for your company. Of course, developing and implementing an IT security strategy is easier said than done, which is why many organizations are looking to cybersecurity consultants to bridge the knowledge gap. A trusted cybersecurity consultant can assist in several ways:

- Perform an infrastructure review and gap analysis, and provide recommendations.
- Test current systems to determine potential problems or security threats.
- Conduct cloud security reviews and network security assessments.
- Prepare reports for senior management and regulatory bodies.
- Provide guidance on the selection of a cybersecurity insurance policy.
- Formulate an incident response and notification strategy.
- Keep you up to date, and prepared to overcome, the latest cybersecurity threats.

Good luck!
Prevent the spread of germs

Snifffing. Snee...ing. Coughing. Tis the season for those telltale signs of the flu to strike our homes, community, and workplaces. Encourage workers to adopt healthy hygiene habits to help prevent the spread, from washing hands thoroughly to keeping a safe distance from others when not feeling well.

This infographic from the Canadian Centre for Occupational Health and Safety outlines good practices for workers and tips for employers to help reduce the spread of infections.

For more information, see the CCOHS Flu and Infectious Diseases Outbreaks website: ccohs.ca/outbreaks.

Editor’s note: this infographic was created by the Canadian Centre for Occupational Health and Safety. For more information, visit www.ccohs.ca
Prevent the Spread

5 Healthy Hygiene Habits to protect against viruses

- Cover your mouth and nose with a tissue when you cough or sneeze, or cough into your sleeve.
- Throw used tissues immediately.
- Wash your hands, especially after using tissues.
- Avoid touching your eyes, nose or mouth.
- Cover your mouth when sneezing.

How to wash your hands

- Wet your hands and apply soap.
- lather for 15-20 seconds.
- Rinse and dry your hands thoroughly.

10 Tips for Employers

- Provide hand washing facilities and extra sanitizing products in key locations.
- Make sure work surfaces are kept clean including doorknobs and hand railings as well as shared telephones, keyboards, and boardroom tables.
- Increase the distance between workstations.
- Make sure ventilation systems are working properly.
- Allow working from home where possible.
- Develop corporate policies that let workers know what to expect in terms of sick leave and leave to care for families. Make sure workers know that they can — and should — stay home if they are not feeling well.
- Encourage workers to get a seasonal flu shot.
- Create a business continuity plan that details how you will continue to function during or after a flu and infectious disease outbreak.
- Cross train workers so that others can cover job duties if necessary.

www.ccohs.ca/outbreaks/

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Bill 142
Royal Assent
Proclamation Coming In 2018

The holidays have come early with a little gift from the Attorney General. On December 12, Bill 142, the Construction Lien Act Amendment Act, 2017 received Royal Assent and is now law. However, most of the substantive changes will not come into force until proclamation sometime in 2018.

While many provisions of Bill 142 are now in force and incorporated into the Construction Lien Act, the significant and substantial changes to the Construction Lien Act in Bill 142 will not come into force until those particular provisions are proclaimed in force by the Lieutenant Governor. Proclamation is expected early in 2018, pending finalization and approval of regulations and prescribed forms upon which those provisions rely.

So when will Bill 142 be fully in force? It depends on the section as the bill will come into force at different times. Note that most of the significant amendments to the Construction Lien Act will only come into force upon proclamation, so we are not there yet. This includes prompt payment, adjudication, change in the lien preservation and perfection periods, mandatory payment of holdback, trust accounting rules, and so on. It is likely that the balance of the Construction Lien Act Amendment Act, 2017 will be proclaimed fairly early into 2018.

For prompt payment and adjudication, these will be in force when proclaimed.
Various groups have asked for a long transition and education period. So we really do not know the timing yet.

Improvement was commenced before that day by the owner of the premises (including the making of a request for qualifications, a request for proposals or a call for tenders); or

- the premises is subject to a leasehold interest, and the lease was first entered into before that day.

Parts I.1 (prompt payment) and II.1 (adjudication) apply in respect of contracts entered into on or after the day subsection 11 (1) of the Construction Lien Amendment Act, 2017 (i.e. the adjudication provisions) comes into force, and in respect of subcontracts made under those contracts.

Gowling WLG has been deeply immersed in the reform process. We have held several events and published several articles since the first reading of Bill 142, and will continue to monitor its progress as it becomes the new construction act.

We are planning several educational events and workshops, and additional analysis of the impact of the amendments introduced by Bill 142 over the coming months to help educate and inform parties about these changes to our industry. This includes a work shop program on adjudication at which some of our UK partners will discuss the UK experience with adjudication.

This article was written by Edward (Ted) G. Betts, a partner with Gowling WLG. He can be reached at 416-369-7106 and ted.betts@gowlingwlg.com.
Lucinda Wallace, director of marketing and communications for the Waterloo Region Economic Development Corporation (WREDC), the investment promotion agency for the Waterloo Region, welcomed attendees to GVCA’s third annual Economic Forecast event, and focused on what the WREDC does for the region. They are all about investment sales, retention and expansion for the region.

“We are the first point of contact and we work in collaboration with the economic development offices of the eight municipalities of the Waterloo Region and with all levels of government to bring successful companies to our region,” she said. “The depth and breadth of the region’s academic investments and industrial talents are globally known.”

After more than a year in operation, the WREDC has more than 31 deals in the pipeline. They closed nine in 2017. Most of these deals have been in manufacturing, and about half are in Cambridge. By the end of 2017, they conducted as many as 80 outbound missions.

“The keen interest from abroad has always been about our talent, value proposition and culture,” commented Wallace. “The interest has mostly been from companies in Germany, the United Kingdom and Japan wanting to establish a presence here.”

Retention is a big aspect of the WREDC’s job. They want successful companies to stay and expand their footprint in the region. Are there any hurdles? Of course there are, namely proposed controversial federal tax changes, NAFTA and Ontario’s rising minimum wage.

The good news is that the outlook for 2018 is very positive. The WREDC will continue to work with new and established companies to educate them about the risks and rewards of investing in our region.
Cushman & Wakefield Waterloo Region: strong growth opportunities

Michael Polzl, president of Cushman & Wakefield Waterloo Region, indicated that there will be continued strong growth and opportunities for the region. The region’s economy is expected to grow by 2 percent. Its industrial vacancy rate is 4.3 percent, which is very low.

“There simply is not enough available space for large occupiers looking for spaces larger than 2,000 square feet,” he said. “Right now, there is an interesting trend for office space whereby tenants are looking for high-quality buildings and these tenants are willing to pay significantly more for these class A buildings.”

Overall there is currently 360,315 square feet of industrial space under construction, which is a slight increase over last year. The industry is also seeing three times the activity in office space sector over last year, with 742,500 square feet under construction.

The low vacancy rate in the industrial and office space sectors will drive new construction in the new year simply because demand is strong and supply is short.

“With respect to investment sales, there continues to be a big appetite for big real estate deals in this region,” said Polzl. “From an investment perspective, we are now an extension of the GTA in terms of overall return on investment. We also continue to be the beneficiaries of investment from abroad. We expect to see construction activity in every sector in 2018: office, retail, industrial and multifamily residential.”

Economic forecast event: buyers share their plans

Several local buyers of construction services spoke to the GVCA Economic Forecast event about their spending plans for 2018 and beyond.

City of Kitchener

Brian Bennet, director of economic development with the City of Kitchener, said the city has 15 mixed-use projects in the works. These should commence in 2018. There will be 1,000 new residential units, 425,000 square feet of new office space and 110,000 square feet of new retail space. The total construction value is expected to be $900 million.
“We also have 25 acres available for industrial development which represents $120 million and 900,000 square feet in new industrial space,” he added.

On the residential side of the ledger, Bennet indicated the city is seeing a trend toward more apartments and townhouse developments, and fewer single-family units.

**University of Waterloo**

Harry Bakker, executive director of facilities at the University of Waterloo, explained that the university will work on the development of the Field House in September 2018. It also plans to expand its student life centre and physical education complex in 2019.

“The biggest item on our wish list is to develop the Science Centre for Innovation, which will be the second phase of the existing phase which is attached to Biology One,” he said. “This project is planned to be up to 150,000 square feet with a budget of $60 million.”

**City of Cambridge**

James Goodram, director of economic development and corporate strategy with the City of Cambridge, spoke about the construction of the new fire station 6 in the Boxwood area and a digital library project. Additionally, four property sales are happening in the Boxwood area. In total, these sales represent about 200,000 square feet of new industrial development.

“We are really excited about what is happening in our downtown with the development of phase 1 of the Gaslight District,” he said. “Tenders are going out for $7 million in construction projects in the core areas of Galt and Preston. We are also looking at developing 750 acres north of Toyota and the airport.”

**Wilfrid Laurier University**

Mark Dettweller, director of planning, design and construction at Wilfrid Laurier University, explained that the largest project the university has in the works is the development of a campus in Milton. With government funding of $90 million in its pocket, the university is looking to build a $100-million, 200,000-square foot campus focusing on science, technology, engineering and math. It will partner with Conestoga College for some of the programs.

“At the Waterloo campus, we will do a renewal of the Turret student night club, and we will be looking to do some refurbishment of our office building at 202 Regina Street,” he said. “At the Brantford campus, we will be completing the Athletic Centre in 2018 and focusing on the development of Market Square.”

Dettweller added that the university has a number of initiatives around energy conservation planned and will partner with Johnson Controls to build a co-generation plant with a micro grid.

**City of Guelph**

Peter Cartwright, the City of Guelph’s general manager of business development and enterprise services, spoke about the huge opportunities in Guelph. Emphasizing the importance of the downtown area, he said the city is looking for an investor to develop the Baker Street district as a mixed residential and commercial area. This district is also a potential location for Guelph’s main branch library.

Another significant development is that the Co-operators will relocate to the city’s south end. The move is expected to free up quite a bit of new office space in the downtown area.

The city has been developing the 600-acre Hanlon industrial area for the last 12 years. Phases 1 and 2 are 65 percent complete. The development of the 120 acres in phase 3 is still 18 months away.

There will also be redevelopment of the Guelph Innovation District on York Road, which are lands owned by Infrastructure Ontario and the Province of Alberta.
Region of Waterloo
Phil Bauer, director of design and construction at the Region of Waterloo, indicated that the region has a 10-year approved capital budget of $3.7 billion for the period of 2015 to 2024. Of that total, more than $2.5 billion has been allocated for construction.

“We are basically on schedule with this program and the picture for 2018 will be very similar to 2017,” he said. “There are 50 large projects on the go and we initiated an e-bidding system in 2017 which has been going very well.”

The region plans to build its largest transit facility on Northfield Drive at a value of $100 million. It also plans as many as 40 construction projects in 2018, including three large wastewater projects.

University of Guelph
John Vanos, manager in the University of Guelph’s design, engineering and construction group, indicated that they have several projects under construction and are about to begin the second phase of the Guelph Turfgrass Institute.

The university is planning several road improvements around the campus, and will tender a $5 million exterior cladding renovation on the south campus residence.

Conestoga College
Jacinta Teitsma, vice-president of finance and corporate services at Conestoga College, explained that renovations at the Guelph campus are still underway, and that the college will work with the City of Cambridge in the Gaslight District.

The college has experienced an increase in international students. With this, there has been an increased demand for facilities and services for these students. The college is therefore focused on meeting these needs.

City of Waterloo
Tracy Bell, the City of Waterloo’s manager of purchasing, said the city is in the design stage for the Carnegie Library, and that there are smaller projects underway at RIM Park. The Eastside Library construction will not be until 2019 or 2020.

There is upwards of $30 million in road construction in the Beaver Creek Road area and staggered construction of new pumping stations.
Market analysts from Dodge Data & Analytics suggest that after a small bump in 2017, the overall value of building permits issued by municipalities for construction in 2018 will drop by 4 percent in 2018.

While Dodge expects the value of non-residential construction to remain unchanged at $32 billion nationally in 2017 and 2018, next year's drop will be attributed to a tail-off of 6 percent (from $55 billion to $52 billion) in the residential sector.

**Single-family homes less in demand**

A closer look explains the slowdown in residential construction. Demand for single-family homes has been declining nationally since 2004. The market reached its peak of more than 130,000 units that year, and has lost ground nearly every year since. Dodge projects demand of about 71,300 units in 2017 and fewer than 68,000 units in 2018. One of the key drivers of this downward trend is tightening mortgage rules, which are forcing more first-time and low-equity buyers to consider other options. Affordability is further complicating matters. Home prices have risen 11 percent since last year.

The picture for multifamily intentions is less dark. Demand for those units has been rising, or stayed flat, since 2009. Dodge projects that 2017's total of 136,000 units (which is only 2,000 off the all-time high set in 2015) will be nearly unchanged from 2016's total. It expects a 10-percent reduction in demand in 2018 due again to new mortgage rules, as well as higher-than-average prices in Toronto and Vancouver.

**Commercial permits flat**

On the non-residential side of the ledger, the value of commercial-sector building permits – including hotels, recreation facilities, labs, offices, service stations, retail and warehouse properties – is expected to drop by 3 percent to just under $17 billion in 2017, but creep back up by 2 percent to $17.2 billion in 2018.

Demand for warehouse facilities is expected to contribute in part to this trend. Reduced vacancy rates in this sector are leading to more construction opportunities, which is why Dodge forecasts growth rates of 4 percent and 6 percent in 2017 and 2018. Surprisingly, demand for office buildings is expected to hit a nine-year low in 2018. Vacancy rates in that sector remain high, and employers are increasingly trying to reduce the size of their workspaces. Dodge expects a 4-percent permit value drop in 2017 (to $4.5 billion) and a further drop of 1 percent in 2018.

One of the commercial sectors that Dodge expects will grow this year and next is the manufacturing sector. Although NAFTA renegotiations may crimp plans for some, Dodge forecasts growth of 31 percent in this sector in 2017 and a further 3-percent bump in 2018.

**Industrial gains projected**

Overall performance in the institutional sector – which includes education, healthcare, dormitories, public facilities, religious properties and welfare buildings – is expected to jump by 10 percent in 2017 before retreating slightly (by 1 percent) in 2018. In both years, permit values are expected to exceed $9 billion.

Looking closer at the subsectors, demand for education facilities is trending upwards – and has been since 2011. Dodge expects growth of 6 percent in 2017 and a further 8 percent in 2018 due to not just positive demographic
trends, but also provincial governments' willingness to invest in such properties.

Starts in the healthcare sector will continue to fluctuate. In 2017, Dodge expects a jump in permit value of 47 percent before the market drops off again in 2018 by 27 percent. Several large healthcare sector projects spurred demand for such buildings this year, but it’s unlikely the worth of these projects will extend into 2018.

Longer term, Dodge expects demand for healthcare projects will continue to trend upwards. Canadians over the age of 60 accounted for more than one in five of the overall population in 2015. This group is expected to become the largest single age cohort in the country by 2030. Demand for accommodating and caring for these people will only continue to grow.
Want some insight into the biggest projects coming up in our region in 2018? We looked into our Crystal Ball (Report) to find the top projects planned for the new year. Sharpen your pencils!

1. **Baker District redevelopment, Guelph**
   The Baker District redevelopment aims to transform the parking lot and properties along the north end of Wyndham Street into a mixed-use development.
   The city’s downtown secondary plan envisions the Baker District redevelopment becoming a model of urban intensification that drives visitors to the downtown and combines residential and commercial spaces.

2. **South end recreation centre, Guelph**
   The south end community centre will be approximately 150,000 square feet in area and will include:
   - two ice rinks with seating and change room facilities, team rooms and storage, and accessible viewing areas,
   - an aquatic complex including one 25-metre, eight-lane pool, a therapy pool, universal change rooms, office space and storage areas,
   - a double gymnasium with seating and storage,
   - an indoor track,
   - vending areas and multipurpose rooms, and
   - supporting spaces such as reception, lobby and staff offices.

   The project aims to achieve at least LEED Silver certification, and the construction budget is approximately $56 million.

3. **Southeast Cambridge elementary school, Cambridge**
   A new junior kindergarten to Grade 8 school with a capacity of approximately 520 pupils. The project is currently in pre-design and funding has been received. The estimated budget is $13 million.

4. **New design for Kitchener City Hall**
   The new design is expected to cost $5.7 million, about $4.5 million of which is budgeted for repairs to the garage roof and paving in the square.
   A second phase to repair the Young Street section of the garage roof and redesign the gardens on the north side of city hall along Duke Street is pegged at $3.3 million, but may be done at a later date.
   Construction of the first phase could take a year. The city’s goal is to keep city hall open to the public during this time, but staff suggest that some events might have to move. Construction is expected in 2019 or 2020.

5. **Multi-sports complex, Cambridge**
   At a special council meeting on October 2, the option to divide the multiplex into two components (aquatic and non-aquatic) was brought forward.
   Council directed staff to further investigate this option and potential partnership opportunities.
Aquatic components of the recreation complex include:

- a 25-metre, 10-lane competition pool,
- a warm water therapy pool,
- a leisure/learning pool, and
- change room facilities, office, storage and administrative space.

Non-aquatic amenities include:

- a double gymnasium,
- an indoor track,
- four NHL-sized ice pads,
- multi-use program rooms/meeting space,
- capacity to accommodate the Sport Hall of Fame displays, and
- conditioning room, dressing rooms, change rooms and office, storage and administrative space.

6. Sixo Midtown, Kitchener

Sited at the corner of Wellington and King streets, Sixo Midtown is located across the street from Google Canada’s new development office, and steps from the region’s future transit hub.

The design includes a large outdoor area with fountains, patios and an amphitheater. The building will add 227,000 square feet of office space, 69,000 square feet of commercial space and 990 residential units. Zehr Group estimates it will take about a year to work through planning and other approvals. Construction could start as early as June 2018. It would be another two years at least before the first occupants move in, and the project will be completed in phases. The development will include five buildings clustered around the 1897 Kaufman mansion, including a 14-storey apartment, three condo towers ranging from 26 to 30 storeys, and a mid-rise office/retail building. The project value is estimated at $450 million to $500 million.

7. Renovations and addition to the Doon Pioneer Park Community Centre, Kitchener

The addition will be a one-storey structure of approximately 9,100 square feet. It is proposed to be constructed of masonry load-bearing walls and steel columns with exposed steel deck/open web steel joist roof system. Renovations will include updated washrooms, including a universal washroom. The addition will include a commons area, community rooms, offices, a gym and associated storage.
8. **Grey Bruce Hospital, Markdale**

The proposed facility is 68,000 square feet, with flex space for future growth. The project cost is estimated at $63 million, but may be adjusted at the time of construction. Work on the project is expected to begin in 2019 and will take approximately two years. The stage 2 submission included a request for a palliative care room.

9. **Manulife building, Kitchener**

Manulife Financial has big plans for the parking lot at the corner of Charles Street and Water Street in downtown Kitchener. It has filed a site plan application with the City of Kitchener for a 25-storey building, which details a ground-floor retail space, five storeys of offices and topping off with 20 storeys of residential space.

### 10. Breithaupt Block 3

The proposed Breithaupt Block 3 includes 651 parking spaces, 9,500 square feet of retail space, and a small public park at Moore and Wellington that will act as a transition between the office tower and the adjacent low-rise residential neighbourhood.

Google’s Canadian development team is looking to almost double its office space with a proposed third phase that includes a 12-storey office tower across the street from the award-winning development. The office complex, which would include a five-storey parking garage and street-level stores, would roughly double the office space in the block.

### Bonus!

Other projects going through site plan applications include:

- **345 King St. W.**: a six-storey office building
- **114 Victoria St. S**: an office and residential property
- **24 Gaukel St.**: a 31-storey residential building with ground floor commercial
- **1 Queen St N.**: a 3-storey addition to the existing building
- **334 King St. W.**: a 2-storey building with ground floor retail and upper floor office
- **51 David St.**: a 6-storey residential building
- **112 Benton St.**: a 15-storey residential building
- **399 Queen St. S.**: a 6-storey residential building
- **64 Margaret Ave.**: 3- and 6-storey residential buildings
Top Trends for 2018

What are the top trends affecting GVCA members in the year ahead? Our scan shows eight, from issues as broad-reaching as corporate social responsibility to ones focused just on your business, like building a strong brand and securing your cyber assets.

Experts suggest that 2018 will be a strong year for local construction output, with a variety of projects underway, nearing completion or soon to be tendered. Among these is, of course, the ION Light Rail line and all the development it’s spurring. So too are projects throughout the region: including several planned by the various colleges and universities in town, as well as at the Region of Waterloo and its constituent municipalities.

Undercutting these, however, are all the business trends in play. Here are the big issues that will affect constructors across Ontario in 2018.

1. Lien act reform
It’s done. Bill 142, the Construction Lien Amendment Act, was voted into law unanimously by the members of Ontario’s legislature on December 5. The act represents the largest change to laws in our industry in more than 30 years. When it comes into force, it will ring in sweeping changes to the province’s lien system and, down the road, introduce a prompt payment regime – Canada’s first.

So what’s next? Given the scope of the changes it will bring about, the law will likely come into effect in two phases. Those provisions that change the lien act regime could be adopted and put into place quickly – as soon as six months after royal assent, which means June or July of this year. The prompt payment and adjudication provisions are far more complex and will therefore take much longer – as many as 18 to 24 months – to come into effect.

Watch for updates in the early part of this year.

2. Legalized marijuana
There’s been a lot of hot air blown in regard to the federal government’s plan to legalize marijuana this summer. And whether you’re a supporter of recreational drug use or an opponent, the fact of the matter is that the change will shake up workplaces across the country.

Most people agree that what workers do in their own homes is their own business, but what happens when a construction worker smokes weed just before his or her shift, or sneaks away for a quick toke at lunch? Technology so far doesn’t allow for a completely accurate test to determine intoxication from marijuana, a fact that makes its use in or around the workplace especially worrisome.

The question becomes an issue of balancing an individual’s right to privacy (on-the-job drug testing is a thorny issue) against the public’s right to safety (should workers be forced to work alongside someone who’s high?). Some organizations, including the Canadian Construction Association, are lobbying for the federal law to be amended to include a fit-for-work provision that includes random drug testing for safety-sensitive work such as construction.

3. Your brand
If you haven’t thought about your company’s brand, it’s time. Most of our industry is made up of small companies that struggle with this aspect of business development.

If you’re among them, consider hiring
professionals to help you build out not just your company logo and branded apparel, but also the strategic messaging behind your company that identifies who your target audiences are and what they need to hear about your company to make the sale. Use those concepts to build out new marketing collateral (such as your website) and improve the quality of the RFP responses you write. Money spent on brand development is seldom wasted.

4. Corporate social responsibility

Corporate social responsibility (CSR) is the set of voluntary activities your company performs to improve its standing in the eyes of the people you serve and the people that work for you. It’s about contributing to social and environmental causes to show that your company cares about more than just its bottom line.

CSR is becoming increasingly important as the labour supply market tightens. Young people in particular want to know what your business is doing outside its walls to make the community a better place.

The Canadian Construction Association (CCA) is advancing the case for CSR in construction. It has published a guide to CSR that suggests ways companies of all sizes – small and large – can build and execute on CSR plans. Learn more about CSR by visiting CCA’s website, and then put a plan in place to make these actions part of your regular activities.

5. Increased collaboration

Can we finally agree that the days of design-bid-build as the dominant method of construction procurement are numbered?

There’s a strong case to be made for bringing designers, builders and owners together at a table in the pre-construction stages to make the end product for delivery a far better thing, and make the process that leads to that finished product more efficient for everyone.

Across North America, more owners are leaning toward design-build, integrated project delivery and public-private partnerships as their preferred construction methodologies. And why not? When everyone pulls in the same direction, conflicts are reduced, costs are saved and the quality of the finished building is far greater.

If your firm isn’t already, it needs to be considering ways of bringing these kinds of expertise in house so it can capitalize on this important trend.

6. Cyber security

The greatest mistake anyone in business can make these days is to assume that their digital assets are perfectly secure. They are not. Even if you’re the smallest company in town, you’re at risk for a cyber attack. Indeed, for every high-profile, headline-grabbing attack on a major corporation, thousands more go unreported.

Cyber attacks can take many forms. Although your company may not hold sensitive information like personal data, credit card numbers or plans for high-security sites, it does have to worry about malware attacks that will shut down access to the files you use every day.

The problem with cyber security is that it’s time-consuming, difficult to measure and yields no obvious return on investment. That doesn’t make it unimportant. If your company doesn’t have the time or the in-house resources to develop and execute on a strong cyber-security plan, then consider outsourcing.

7. Safety

Ontario is proud to be one of the strictest regimes when it comes to occupational health and safety in the country, and its safety laws are always changing. Even the new Working at Heights standard which came into
effect in 2015 is currently under review for effectiveness. That’s to say nothing of emerging issues around violence and harassment in the workplace, enhancing the rights of new and young workers on construction sites, and the pending impacts of the legalization of marijuana. Expect to hear about these and other issues throughout 2018.

Programs like GVCA’s Safety Groups can help your company stay on top of changing workplace health and safety legislation, and prepare you for the major changes that are coming to the Workplace Safety and Insurance Board’s rate-setting framework model next January.

8. Infrastructure spending

It’s no secret that one of the ways governments curry favour with the electorate is by announcing large-scale infrastructure spending programs. With that—and a June election—in mind, the Ontario government recently announced plans to spend $190 billion on infrastructure over the next 13 years.

The plan includes a focus on climate-change considerations to promote environmental sustainability, linking infrastructure investments to social policy concerns, and improving access to infrastructure in rural and remote areas of the province.

Across this region, the government has nearly 100 projects planned across a variety of sectors: education, community improvements, transit, recreation, road, healthcare and more. A complete list of planned projects is available at www.ontario.ca/page/building-ontario.

Stay tuned

These are just a few of the trends we see ahead for 2018—and we haven’t even touched on issues such as technology in the workplace, labour supply, material costs, diversity and inclusion programs and tax law. Undoubtedly more issues will emerge with time.

Good luck in what promises to be a busy and exciting year ahead!
Hi, there!

What Project Will You Enter in the 2018 BE Awards?

Built anything great lately? Of course you have!
So why not tell your fellow GVCA members about it?

GVCA’s 2018 Building Excellence Awards are just around the corner – on April 27 at Bingeman’s. And although that day is still a few months away, the deadline for awards submissions in coming up fast. All entries must be received in the GVCA offices by 4 p.m. on February 28.

Don’t delay! Show ‘em you’re a star

This year’s BE Awards are themed on the Golden Age of Hollywood. There will be glitz and glamour and possibly guest appearances from your favourite movie celebs of years gone by.

The awards celebrate the best work done by GVCA members in the past two years. They’re the perfect opportunity to not only get some important recognition for your hard work, but also to show off the contributions of the other members of the construction team that don’t always get the profile they deserve.

How to enter

BE Awards submissions are prepared and delivered to GVCA by each project’s prime contractor. If you’re a subtrade or a supplier that wants to enter a project, reach out to the prime contractor you worked with and encourage them to submit. Or call GVCA directly and we’ll do what we can to help.

If your project is chosen as an award winner, everyone takes home awards. Construction projects are always team efforts, and the BE Awards celebrate the contributions of everyone on the team—designers, prime contractors, subtrades and suppliers.

What are you waiting for? Start thinking about those submissions!
Why Not Sponsor the 2018 BE Awards?

GVCA’s bi-annual Building Excellence Awards are coming soon. If you haven’t already, mark the date in your calendar: April 27.

Events such as these succeed only with the generous support of sponsors of members such as you. So why not contribute?

GVCA has a series of sponsorship opportunities open for this year’s awards ceremony, which is themed on the Golden Age of Hollywood.

Every sponsor earns the following bonuses during or after the event:

- Recognition on all GVCA e-newsletters and targeted event emails, and on our Plans on Display website
- Signage at the Awards Gala
- Recognition throughout the evening
- Special recognition in the GVCA Journal Building Excellence Awards spread
- Acknowledgement in GVCA’s post-event award winners’ announcement
- A stately wall plaque to commemorate your generous support

See your name in lights!

Want to learn more? Reach out to GVCA directly by calling 519–622–4822, x. 123 or emailing mgeorge@gvca.org. Or register online at www.gvca.org/be-awards-2018/

See you in the movies!

For $5,000, our Lead Role sponsors get:

- Four event tickets (plus beverage tickets)
- Recognition on attendees’ nametags
- Reserved event seating
- Full page, full colour advertisement in the BE Awards Program
- Permission to use the Building Excellence Award sponsor logo for one year in corporate promotional collateral
- First right of refusal on sponsorship for the 2020 Building Excellence Awards

For $3,000, our Supporting Role sponsors get:

- Two event tickets (plus beverage tickets)
- Supporting Role sponsor recognition on attendees’ nametags
- Reserved event seating
- Half-page, full colour advertisement in the BE Awards Program

For $2,500, our Guest Actor sponsors get:

- One event ticket (plus beverage tickets)
- Guest Actor sponsor recognition on attendees’ nametags
- Reserved event seating
- One quarter-page, full colour ad in the BE Awards Program
EDUCATION CALENDAR

January 16
Managing Multiple Priorities

January 22
Working at Heights

January 25
Fundamentals of Design-Build Tutorial

January 25 & 26
Construction Best Practices: Handling Workplace Violence and Harassment

January 29 & 30
Microsoft Project (Basic)

January 31
Building & Managing Customer Relationships: The Superintendents Role

February 5
Working at Heights

February 5
Construction Industry Ethics

February 12, 13, 19 & 20
Construction Project Management 201

February 14
Social Networking in Construction (Basic)

February 15
NEW Using Technology to Maximize your cash flow WEBINAR

February 19
Working at Heights

February 20
Traffic Control: Book 7

February 22
Construction Best Practices: Impact of your attitude on Employees

Note
All education & training will be held at GVCA - 25 Sheldon Drive (unless noted otherwise).

EVENTS CALENDAR

January 18
Leaders in Construction (LinC) Axe Throwing – BATL Axe Throwing, Kitchener

January 20
GVCA 4th Annual Curling – Westmount Golf & Country Club

February 27
Annual General Meeting, Business Heritage Awards and Hall of Fame Award – Holiday Inn, Fairway Rd. Kitchener

April 27
Building Excellence Awards Gala

Note:
To view a complete list of upcoming events and to register, please visit www.gvca.org/eventscalendar

REGISTRATION REQUIRED
for all courses and events. To register, or request additional information please contact admin@gvca.org or call 519-622-4822 X120 or go to: www.gvca.org/eventscalendar.

ATTENTION CONSULTANTS, PROCUREMENT OFFICIALS, AND FACILITIES MANAGEMENT PERSONNEL.

Construction is Complicated!

Whether you are in the public, or private sector, GVCA is here to help.

We’ll help you unpack issues like various procurement methods, contractor selection, calling bids and awarding contracts, and in-depth understanding of the New Lien Act.

If you have a procurement issues you need tackled, just ask.

GVCA WILL FACILITATE A SESSION FOR YOU AT NO CHARGE.

We will organize, facilitate, and even provide the coffee.

CONTACT MARTHA GEORGE AT 519-622-4822 X 123, or mgeorge@gvca.org
Highly trained, safety-conscious and skilled, LIUNA members are the right people for the job.

Employers know that LIUNA provides more comprehensive, advanced training for its members than any other union in Canada. LIUNA is committed to training and has created partnerships with employers including investments by our pension fund in P3 projects.

Hands-on training through the Construction Craft Worker (CCW) Apprenticeship Program is available for all LIUNA members to ensure a safe, productive workforce. Members are ready to work safely from their first day on the job, making them a valuable asset to employers.

LIUNA represents more than 80,000 members in all sectors of the construction industry in Ontario including; industrial, commercial and institutional (ICI), residential, roads, gas pipeline, sewer and watermain, electrical power systems, demolition, utilities and heavy engineering.

Visit liunaopdc.org/affiliated-local-unions to find a LIUNA local affiliate near you.
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- Bid Results
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