



**RESCON Presentation to the Standing Committee on Finance and Economic
Affairs
Tuesday, July 14, 2020, 3PM
Virtual Appearance**

Good afternoon Chair Sandhu and esteemed members of the Finance and Economic Affairs Committee.

My name is Richard Lyall, President of the RESCON and I am joined by my colleague Paul De Berardis, Director of Building Science and Innovation.

We are delighted to have the opportunity to provide you with insight into how the residential construction industry was impacted by the COVID19 pandemic.

RESCON represents over 200 residential builders of high-rise, mid-rise and low-rise buildings in the province. Our goal is to work in cooperation with governments and related stakeholders to offer realistic solutions to a variety of challenges facing the industry which also have wider societal benefits. The focus of RESCON's work is on technical standards; labour relations; industry research and innovation; health and safety; regulatory reforms; training and apprenticeship.

When COVID-19 hit, our industry had to pivot and address the pandemic's impacts swiftly, decisively and comprehensively. We did just that.

Since the start of the pandemic in Ontario, the construction sector has been a leader in the province. An example of an essential sector that was able to remain largely open while preventing the spread of COVID-19 in the workplace.

RESCON and its members have always considered the health and safety of workers a top priority. RESCON led the early development and implementation of COVID-19 protocols for residential construction sites in partnership with our networks such as the CDAO and in collaboration with our subtrades ORCCA.

Our sector was the first one in Ontario to produce sector-specific guidance documents to prevent the spread of COVID-19. Those guidance documents were approved by both labour and management and served as a blueprint for the development of the Province's 170 sector-specific guidance resources.

As part of our response to COVID-19, the industry also implemented additional health and safety parameters to ensure that construction operations are maintained in a



properly controlled work environment, including staggering shifts, maintaining physical distancing and other measures implemented through on-site joint health and safety committees that are necessary to meet the COVID-19 guidelines set by the Ministry of Labour.

Our efforts have continued including a focus on contact tracing. Through this holistic health and safety approach and collaboration with the Provincial Government and organized labour, the industry was able to stay working and keep workers safe.

Our success in addressing COVID-19 is in no small part due to the government's swift and methodical approach to the pandemic. From the beginning, the government took the necessary approach and made difficult choices, always with an eye to Ontarians' well being as a top priority.

Due to these actions and sacrifices by millions of Ontarians, we are now fortunate to be on the road of slow recovery and return to a new type of normal.

Since our industry stayed largely open, that mitigated the impacts. A long-term shut down would have been a disaster – time lost is not time you can make up.

Although our sector is now fully reopened, the site impacts of COVID-19 will be with our industry for some time based on supply chain considerations and current industry forecasts.

Currently, most builders are running at 75% to 90% productivity in general from a low of 40% – 50%.

Some factors impacting productivity include social distancing measures as well as staggered shifts, clearance to get on site, lining up and limiting people on site.

Generally, we expect productivity to be impacted until a vaccine is found, or safety measures evolve.

The lower productivity will have a direct impact on housing supply. For example, statistics for residential construction show that:

- 97% of pre-construction projects are delayed, with 32% delayed over six months;
- 83% of projects under construction below grade; and
- 85% of projects under construction above grade are delayed 3-6 months.



These statistics reflect the fact that although industry has bounced back, there is still room for improvement before things return to pre-pandemic productivity levels.

The legislative and regulatory policies that the government has put in place, such as extending construction hours, must remain, as they are necessary for the health and safety of workers and advancement of construction projects.

Specifically, extending construction hours has enabled worksite managers more flexibility to stagger shifts, limiting the number of people in close proximity, such as hoists, and ensuring that the government's construction health and safety guidelines are adhered to.

Research shows that in times of a challenging recovery such as the one we are experiencing, it is critical for the construction sector to be working as efficiently as possible and look for ways to streamline the approvals process.

Thus, we are also encouraged by last week's introduction of Bill 197, *the COVID-19 Economic Recovery Act*. The proposed changes within the Bill are necessary to expedite building approvals and cut unnecessary red tape, which will go a long way in addressing and stimulating Ontario's housing supply.

Additionally, the harmonization of the national and provincial building codes within Bill 197 are essential for the building industry. Uniform standards provide consistency and predictability, as opposed to the current reality of often varying municipal requirements, which add redundancy, delays and add to the cost of housing borne by new homebuyers and renters.

RESCON supports the notion of adhering to the already high standards of the Ontario Building Code, which regulates construction requirements at the provincial level, and municipalities need not develop their own unique construction requirements.

Streamlining approvals can also be further facilitated by the modernization and digitization of the current paper-based processes, moving towards an electronic permitting system as exists in other jurisdictions. A properly implemented e-permitting system can remove bottlenecks, increase transparency, accountability and link all necessary approval agencies.



Prior to COVID-19, our research consistently found that building approvals timelines are significantly longer than they should be:

- Residential site plan approvals take two years, based on the 2017 RESCON-Ryerson report. The Planning Act says it should take one month.
- The World Bank puts Toronto (representing Canada) at 64th place out of 190 countries in the ranking for dealing with construction permits. The United States ranks 24th.
- A rezoning application in the City of Toronto took over 3 years on average in 2016, based on a University of Toronto study of 172 high-rise building applications received from 2006 to 2016.

These timelines were unacceptable prior to COVID-19 and negatively lengthened the housing supply timelines for Ontario.

Timelines can and must be improved in a post-COVID-19 landscape. Failure will have a devastating impact on Ontario's housing supply and Ontario's economy and recovery.

As such the proposed legislative changes in Bill 197 make sense and are a step in the right direction to create a more streamlined, modernized and transparent building process in Ontario.

We need to ensure that we are building necessary housing for Ontarians, facilitating economic competitiveness, investment and job creation.

Thank you very much for your attention this afternoon and we would be happy to take questions from the Committee at this time.