



# Acoustical Association Ontario

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*Provincial in scope ...*

*Provincial in outlook*

## ICI Construction Outlook



In its recent report on the status of ICI Construction, the Ontario Construction Secretariat (OCS) indicated that 2013 will show an increase in the level of construction activity in the Province of Ontario. This increase will be driven by the Commercial and Industrial sectors whereas their analysis indicates that that investment in the Institutional sector will decline this year.

In the Industrial sector the data showed that investment rose by 5% in 2012, the highest since 2008, as a result of significant investments in Toronto and, in particular, Oshawa where it was driven by the Go Transit east rail maintenance facility. The outlook continues to be positive for 2013 as indicated by the 19% increase in industrial permits issued in 2012.

Commercial investment declined by 5% in 2012 which was primarily concentrated in the Grand Valley area where investment in 2011 reached record levels and where office building vacancy rates have sky rocketed. Notwithstanding this decline OCS maintains that there are some positive signs for the sector. Investment in this sector outpaced a five year average showing that the market was still robust. Further, investment in the fourth quarter increased at an annualized rate of 9%, the largest quarterly increase in two years. Over the next several years, investment in this sector is expected to experience continued growth. Steady improvement of the Canadian economy and labour market and continued population growth will fare well for the sector. These factors coupled with a 17% increase in issued building permits will bode well for 2013.

In contrast to the positive outlooks for the Industrial and Commercial sectors is the recent experience outlook for the Institutional sector. Investment in this sector dropped by 6% in 2012 which was consistent with the wind down of the government's stimulus spending programs. On a go forward basis, Institutional investment is expected to weaken in 2013 as governments tighten their purse strings and reign in their spending. Notwithstanding these less positive signals, the level of activity will be relatively strong in the next several years with hospitals are being built in Toronto and Oakville and given that Infrastructure Ontario has indicated that they are working on plans for 29 major Institutional projects.

The following chart summarizes the percentage changes in the value of construction permits issued in 2012 over 2011 by sector and region. The value of construction permits issued is a good indicator of the level of activity that can be expected in the very near future. For example, the total percentage increase in the value of ICI permits issued in 2012 were positive in all regions other than South Western Ontario where there was a 21.7% decline. Eastern and Central Ontario are expected to have improved activity in 2013 given the respective 18.3% and 15.9% increase in the value of issued permits. The level of activity in the Greater Toronto Area (GTA) will be dragged down by the 31.7% decline in issued Institutional permits in 2012 but overall the outlook continues to look favourable for the region.

2011 - 2012 Percentage Change In Permit Values

Sector/Region	South				
	Northern	Eastern	GTA	Central	Western
Industrial	73.9%	116.4%	7.6%	27.5%	-5.7%
Commercial	-25.8%	19.2%	26.8%	6.9%	7.9%
Institutional	6.4%	-8.0%	-31.7%	20.1%	-49.2%
Total ICI	2.8%	18.3%	0.2%	15.9%	-21.7%

### *The Mathews Dinsdale Minute*



#### CARPENTER NEGOTIATION UPDATE

Earlier, we wrote about the 2013 "no strike-no lock-out" protocol and hoped that we would not have to avail ourselves of it. It turned out that the Toronto wage package increase could not be achieved by direct negotiations and the protocol had to be invoked. The parties agreed to hold the arbitration before Arbitrator McKee on March 8, 2013. All aspects of the Toronto Carpenters Wage Schedules, general carpenters, drywall, caulking and resilient were before the arbitrator. Each side presented its brief and made argument relying on its view of the past, current, and expected economic climate and the then current ICI settlements as well as those from other sectors. The general carpenters (including resilient and caulking) were asking for \$4.70 over 3 years and drywall was asking for \$4.85. The Employers position was an offer of \$3.90 over three years for General and drywall carpenters and 80% of the settlement for resilient and caulking.

Mr. McKee awarded \$3.95 over 3 years being the highest settlement in the ICI to the date of the award (I am advised the Electrical just settled for \$4.10) but one which had been settled at by a number of trades.

It is important to note that this resolution was reached without any work disruption and that the rest of the provincial carpenter settlements were achieved through across the table negotiations.



### *Carpenters' Provincial Settlements*



The table to the right outlines the Acoustic & Dry-wall settlements for all the geographic areas of the Province. The distribution of the settlements, between wages and benefits, are not available at this time, however, we will advise everyone once the Union Locals make them available. In the interim we trust this to be satisfactory.

Local 18	Hamilton	\$3.35
Local 249	Kingston	\$3.30
Local 397	Oshawa	\$3.35
Local 494	Windsor	\$3.35
Local 785	Cambridge	\$3.40
Local 1256	Sarnia	\$3.45
Local 1669	Thunder Bay	\$3.45
Local 1946	London	\$3.25
Local 2041	Ottawa	\$3.35
Local 2486	Sudbury/Sault Ste. Marie	\$3.45
Local 675	Toronto	\$3.95

