

# NEW HOME CONSTRUCTION A WORK IN PROGRESS

Industry still catching up after last year's trades strike



By Louie Morizio, Geranium

Last May, four unionized trades in Ontario went on strike: framing, trim, drywall and tile. On June 6, lowrise electricians joined them. Many workers were out for 46 days, essentially bringing the residential construction industry to a halt. It was the worst strike in the GTA and surroundings in 18 years, and caused unprecedented, unexpected delays.

Although the strike ended in mid-June, its effects were far reaching across the lowrise residential sector. Now, 10 months later, homebuilders are still trying to get caught up on the backlog and, unfortunately, homebuyers are the ones most impacted.

We spoke with Andrew Pariser, vice president of the Residential Construction Council of Ontario (RESCON), who has been involved in the dialogue between representatives of the Ontario Home Builders' Association (OHBA), the Tarion Warranty Corporation and RESCON to explore the issues and work on a communication

program that will help set expectations for everyone affected.

At the end of the strike, RESCON recommended to Tarion that, under these unusual circumstances, builders should be able to extend possession dates from 12 to 24 weeks. Based on these guidelines and using best estimates from industry experience, builders gave their buyers new dates.

The industry's supply chain has become increasingly complicated, and the strike affected it in direct and indirect ways. For example, a major window manufacturer laid off its workforce during the strike. When it was over, the company was inundated with orders but did not have the labour to fulfill them.

Market demand continued to be robust, so builders continued work on homes that were unaffected by striking workers. When the strike ended, there was a glut of homes at the same stage of completion and demand spiked for the pool of workers to finish them. As construction workers are specialized and follow where the work takes them,

many had gone on to other things during and after the strike.

Builders have been encouraged to address individual situations with homebuyers to discuss various options and realistic timelines. On one hand, homebuyers want their new residences as quickly as possible; on the other, builders want to avoid jeopardizing quality through rushing.

While workers put in long hours last summer, which helped mitigate the problem, RESCON points out that the return-to-work process was slow – it finally reached 100 per cent by September.

The great news is that Ontario has one of the most efficient building industries in North America, if not the world. To make the best of a difficult situation, our industry is researching and documenting the supply chain, the effects of the strike on buyers and builders, and evaluating communications channels.

We're also addressing enrolment in the skilled trades and young people's desire for construction jobs, which have been on the decline for the past decade. Good work is being done by RESCON and other industry associations to attract more young people to what are stable and high-paying careers in the construction industry.

All of these efforts will ensure the industry is better prepared for 2019, or any other future years, when there will be other rounds of bargaining with unionized trades. For now, residential construction is working full force, and today's homebuyers enjoy the best quality ever in new homes.

Communication with buyers achieves better understanding.



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*Geranium has built more than 8,000 homes in fine neighbourhoods and communities throughout Ontario. Geranium.com*