— BENCHMARK REPORT

How We Build Now

Technology and industry trends shaping **Canadian** construction in 2023

PROCORE | CENSUSWIDE THE RESEARCH CONSULTANTS | Canadian Construction Association

— FOREWORD

How we build now

Construction is both inspiring confidence and driving new opportunities across the industry.

We've seen massive strides in both digital and cultural transformation, spurred on by new technologies arriving every day and talented people who are building for the future. In Canada, changes in construction are happening across all regions with an ever-improved focus on delivering the best projects.

To get a pulse on the current construction climate in Canada, Procore commissioned Censuswide to determine how business owners, general contractors and subcontractors feel about the industry today. Surveyed respondents dove into a variety of topics, from digitization and workforce wellbeing to labour challenges and sustainability.

In the Canadian construction market, confidence levels in the industry are high. Despite challenges, there is significant digital transformation underway, led by owners. As construction management platforms start to become more and more ubiquitous, the industry is noticing the benefits of a single source of truth for all their project and workforce data.

Procore is committed to helping the industry gain never-before-seen insights, unlock data-driven decision making, and create a culture of safety and well-being for their teams. Better access to real-time and historic data means that organizations can work proactively instead of reactively. Procore wants to help raise performance levels and support the industry as it undergoes transformation.

Read on to explore how we build now – and how we can build better in the future.

Anthony Frattali
Head of Region, North America, Procore

KEY HIGHLIGHTS

Business confidence is high.

44%

say they are very confident about market conditions over the next 12 months.

Rework is a major issue.

27%

of time spent on a project is rework and 48% go over budget and over schedule.

Usage of construction management platforms on the rise.

56%

are either currently using or plan to adopt a construction management platform over the next 12 months.

Economic volatility is leading to increased tech investment.

30%

say they need new technology to achieve greater efficiencies.

Project costs can come down.

12%

of total spend on projects could be saved by capturing, integrating and standardizing data more efficiently.

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CHAPTER ONE

Business Outlook and Challenges on the Horizon

Business Sentiment and 12 Month Outlook

Strong industry confidence is consistent across business types and sizes.

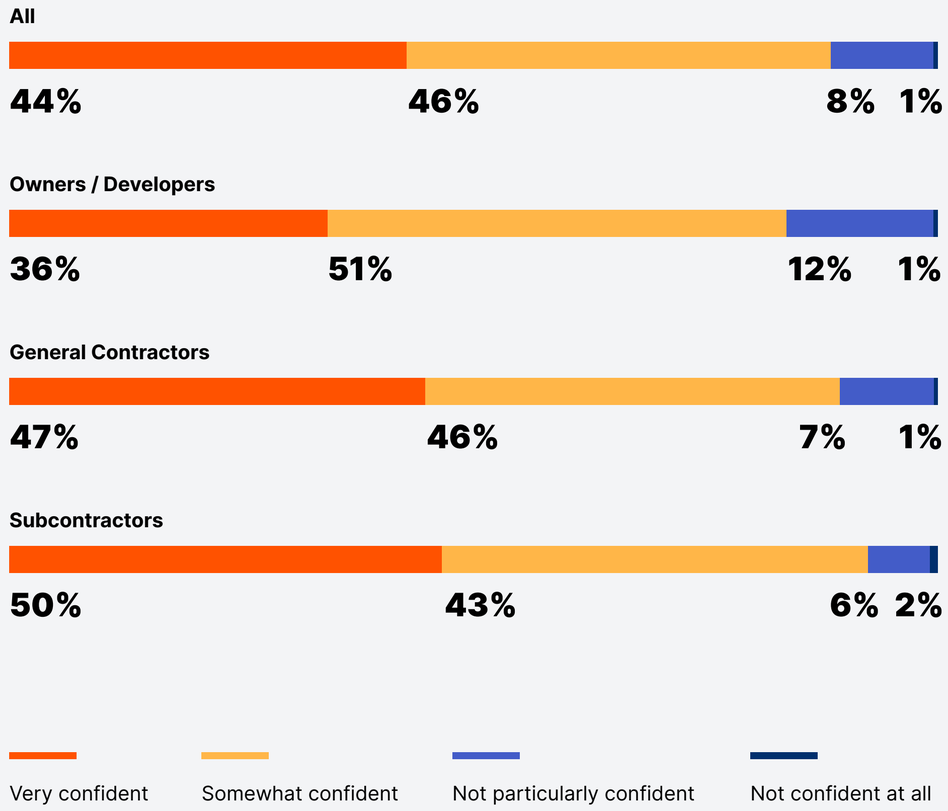
Like much of the world, Canada is experiencing the repercussions of the pandemic. Canada's GDP growth from late 2021 to late 2022 has been the highest of the G7 countries and the economy is now 2.7% bigger than it was before COVID-19. However, like other developed countries, Canada has been experiencing high inflation, rising interest rates and slowing growth.

The consensus among economists is that Canada's economy will expand by just 0.3% in 2023, with growth improving to 1.5% in 2024. This means that in 2023, Canada is experiencing economic stagnation. Despite these statistics, it is heartening to see the construction industry express cautious optimism as it looks to consolidate and build on post-pandemic progress.

Nine in ten (90%) of respondents feel confident about market conditions over the next 12 months, with **44%** feeling very confident.

In line with this finding, **70%** of respondents expect the number and value of projects completed by their organization to increase during this period.

Confidence around construction industry market conditions

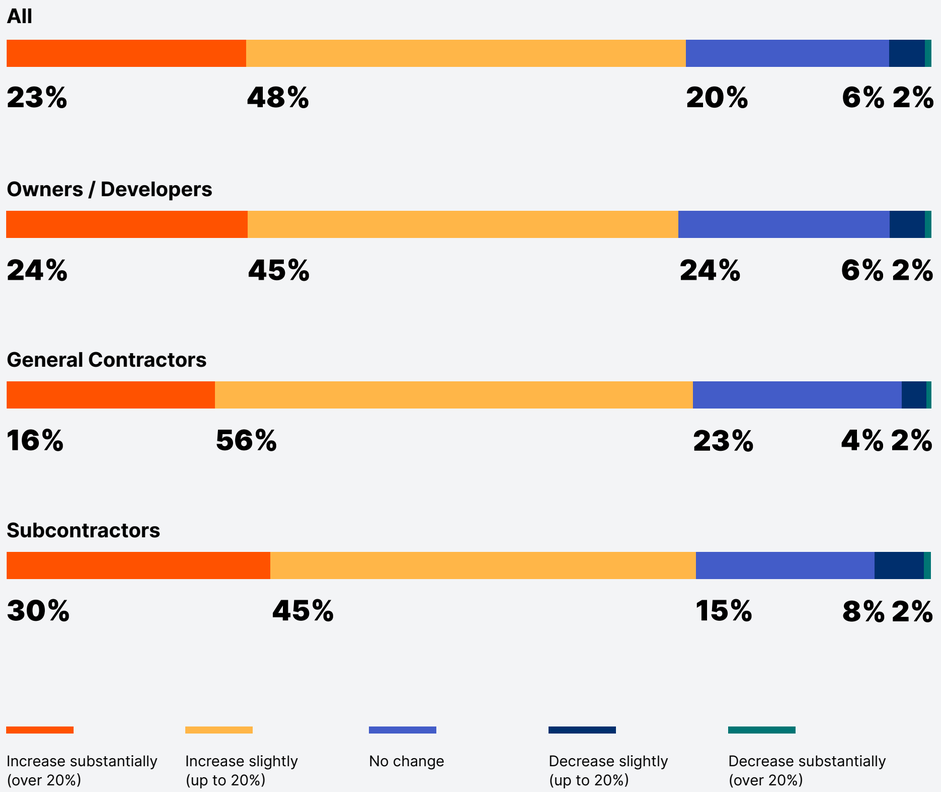


Some of this confidence rests on multiple large infrastructure projects currently underway or in the pipeline. The government's 'Investing in Canada' program – estimated to be worth $180 billion over the next decade – will see upgrades in public transportation, ongoing nuclear refurbishments and new wastewater projects. To date, 85,000 projects across all sectors have been approved, with a total value of $131 billion.

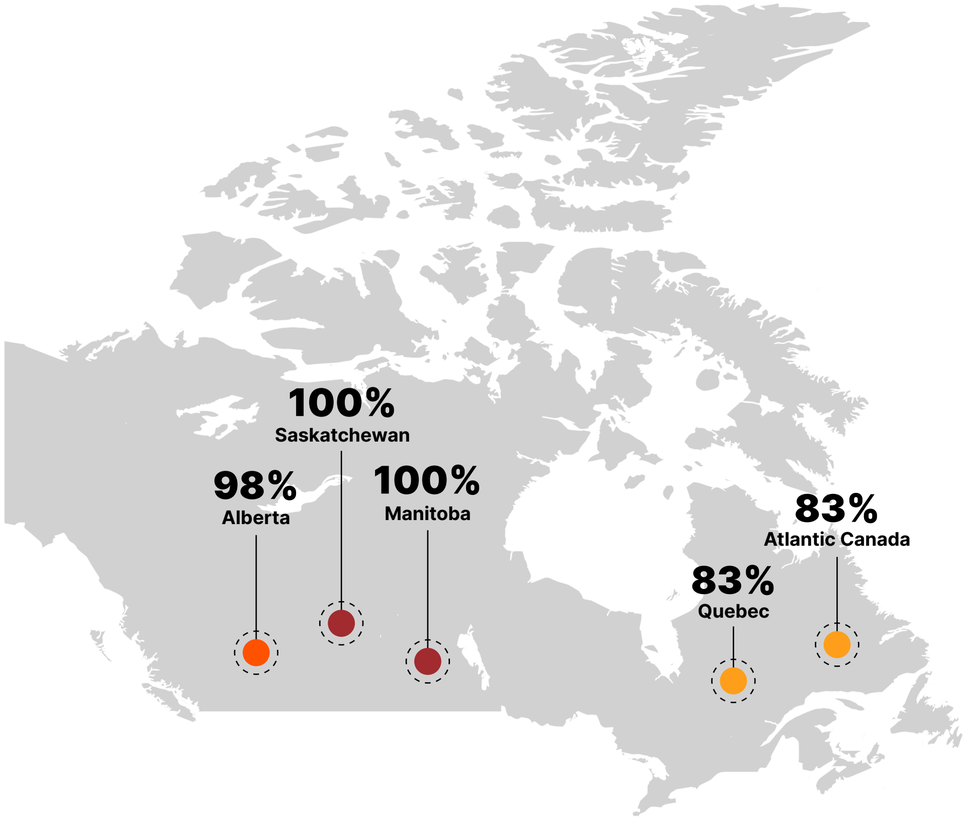
Canada's green building strategy will also generate many work opportunities for the construction sector. The housing sector will grow too as the country adjusts to a large immigration influx and ongoing population growth from January 2022 to January 2023. This was the first 12-month period in Canadian history where population grew by over 1 million, the highest annual population growth rate since 1957.

Owners are more conservative about construction outlook than general contractors and subcontractors. More than seven in ten (72%) of subcontractors and general contractors expect the number and value of projects completed by their organization to increase in the next 12 months, compared to 65% of owners.

Expectations around value of future projects completed



Canadian Prairies most confident about market conditions.

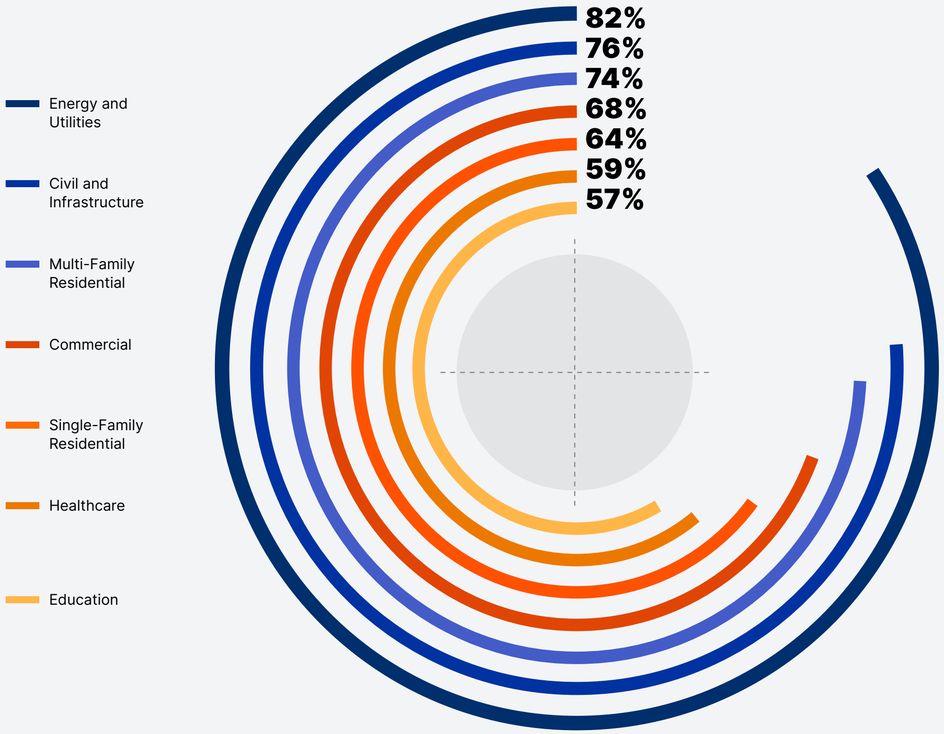


This confidence is perhaps buoyed by ongoing projects such as Manitoba's North End Sewage Treatment Plant upgrades ($1.854 billion) and Saskatchewan's Great Plains Power Station ($760 million).

Organizations involved in civil and infrastructure, energy and utilities (defined as those which do 40% or more of their work in a construction area) are more likely to be confident about an increase in the number of projects completed by their organization in the next 12 months compared to organizations involved in single-family residential, education and healthcare.

Throughout the year, numerous civil contractors will be tendering for new projects and hitting key milestones on mega schemes such as the Metrolinx/IO – Ontario Line subway, British Columbia's (B.C.) Site C Clean Energy scheme and the Bruce Power generating station refurbishment.

Percentage of respondents who expect the number of projects completed by their organization to increase over the next 12 months.



Of the respondents who report working in the residential sector, just 43% expect to build more housing units in 2023 than they did in 2022, though this does vary across the regions.

Over half of respondents from B.C. and Alberta who work in the residential sector expect to build and deliver fewer housing units in 2023 compared to 2022.

55%↓

of respondents from Alberta who work in the residential sector expect to build and deliver fewer housing units in 2023 compared to 2022.

51%↓

of respondents from B.C. who work in the residential sector expect to build and deliver fewer housing units in 2023 compared to 2022.

60%↑

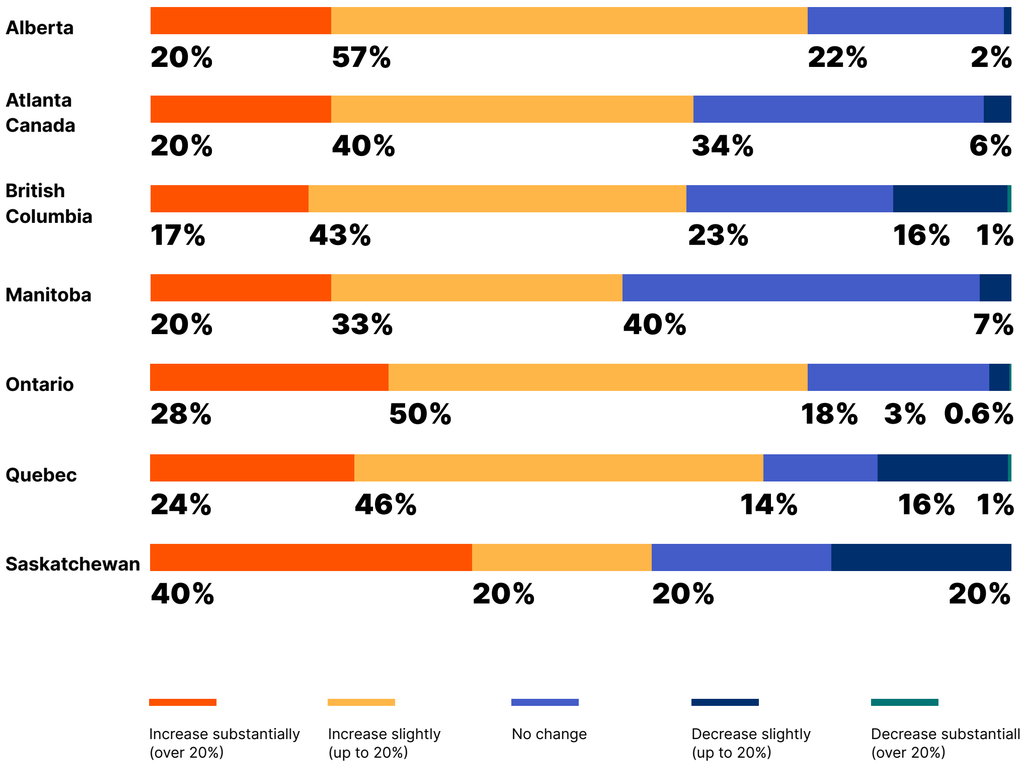
of respondents from Ontario who work in the residential sector expect to build and deliver more housing unites in 2023.

Companies in Ontario are more positive in their outlook than their counterparts in B.C., Alberta and Quebec.

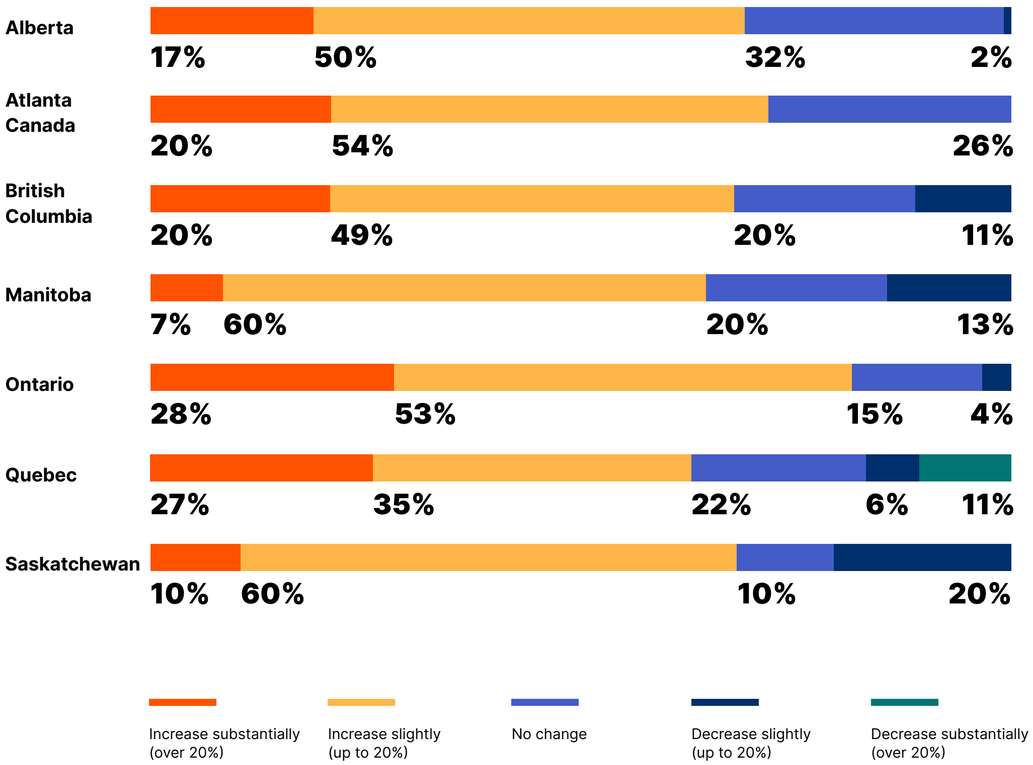
Just under eight in ten (78%) of respondents in Ontario expect an increase in the number of projects over the next 12 months. This sentiment drops to 69% for Quebec and 60% for B.C.

Similarly, 80% of respondents from Ontario expect an increase in the value of projects over the next 12 months. This number falls to 67% for Alberta and 61% for Quebec.

Number of Projects



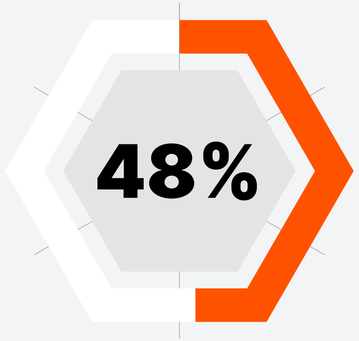
$ Value of Projects



Navigating Top Challenges on the Horizon

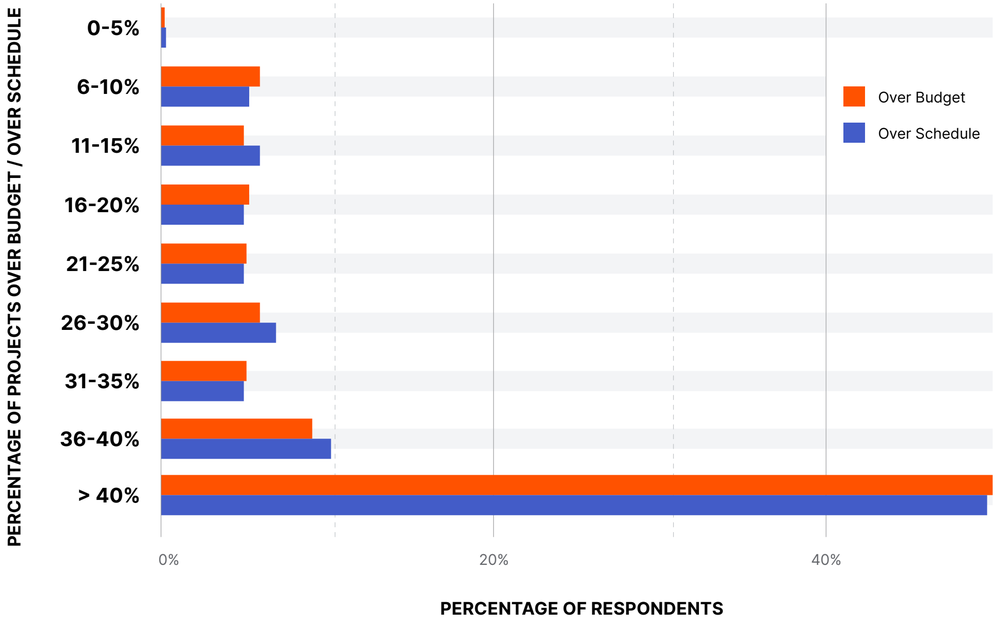
Performance remains a cause for concern with nearly half of all projects going over budget and over schedule.

As an industry, construction has inherent challenges that can inhibit peak performance. The sheer complexity of many projects is one factor. Cost-inflation's impact on materials and labour is another. In a nutshell, the operating environment for construction is constantly in flux.



of projects, on average, go **over budget and over schedule**, according to respondents.

Average percentage of projects going over budget and over schedule



Organizations in B.C. are likely to see slightly better performance than their counterparts in some of the other provinces. Respondents in B.C. said that on an average, 40% of their projects went **over budget** compared with 48% in Ontario, 50% in Alberta and 51% in Quebec.

In terms of schedule, respondents from Quebec again report slightly worse performance with over 52% of their projects going **over schedule** as compared to 51% in Alberta, 47% in Ontario and 45% in B.C.

Building sustainably is increasingly emphasized.

Tackling climate change and becoming more sustainable are some of the construction industry's top challenges over the next few decades. This will involve increasing the resilience of the nation's infrastructure, improved use of recycled building materials, installing sustainable energy systems and the repurposing rather than demolition of existing buildings. A way to minimize the amount of rework is also required — high levels of waste are currently a major impediment to improving sustainability. A data-driven transformation in construction, drawing on new technologies like prefabrication, AI and robotics, will be the catalyst for change.

The Canadian government has committed the country to achieving net-zero emissions by 2050, combined with an even more ambitious target of reducing emissions by 40-50% by the end of this decade. As the construction industry is responsible for around 8% of Canada's total greenhouse gas emissions, the sector is well-placed to make a major contribution to meeting these targets by reducing its annual carbon dioxide emissions.

Sustainability and rework are in focus across projects.

50%

of owners and nearly half of general contractors **(48%)** and subcontractors **(47%)** report having started to focus on strategies like prefabrication and improved material selection to reduce the carbon footprint of projects.

41%

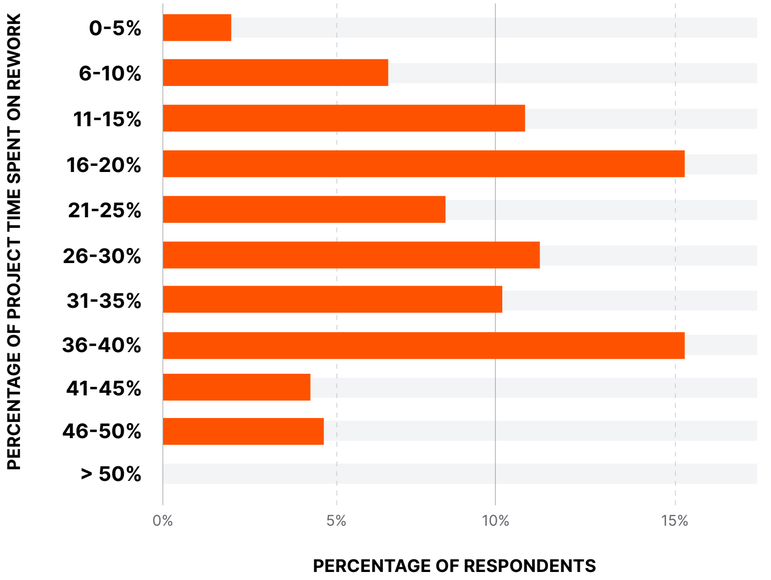
of all respondents are either tracking or plan to start tracking carbon emissions on their projects within the next 12 months.

31%

of respondents report that sustainability is not a key issue for them on their projects.

As noted previously, rework is the bane of sustainability but it is rife across the construction sector. Poor quality building work is not the only factor at play here in creating such alarming levels of wastage. Improper planning, coordination issues and scope changes all impact these statistics.

Proportion of the total time spent on rework or rectifying issues.



27%

is the average total project time **spent on rework** or rectifying issues.

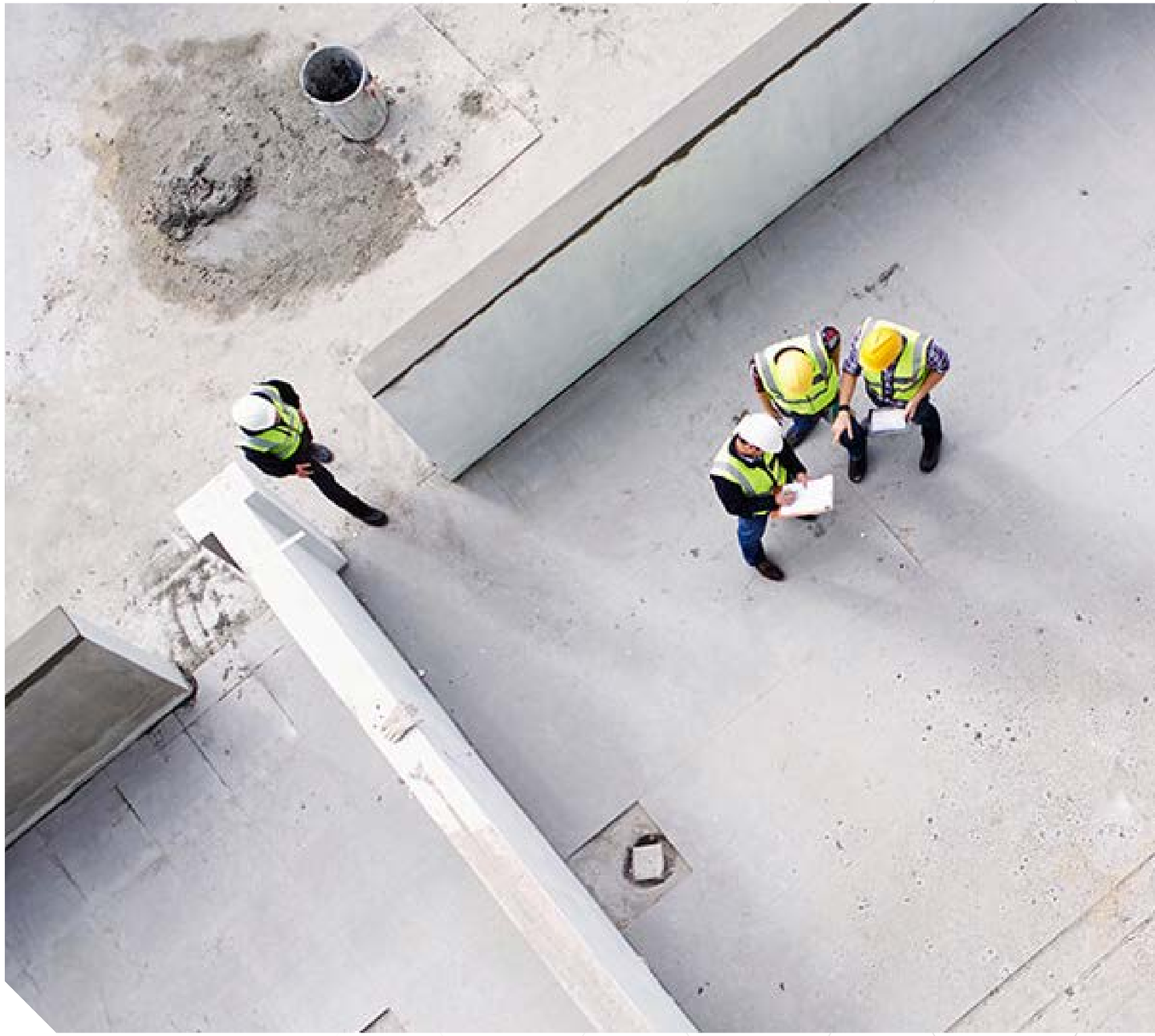
With so much rework pushing projects over schedule and budgets, thereby degrading construction's overall performance, contractors are keenly assessing technology's potential to offer a transformative solution to these systemic problems. This is exemplified by the impact technology has on productivity and profitability, as covered later in the report.

Advanced material purchasing and localized supply chains are on the rise.

With inflation running at 6.8% in the Canadian economy in 2022, construction input costs also rose – sometimes even more sharply because of specific supply chain issues. Material price pressures are being felt right across the construction sector.

Just over a third (34%) of general contractors and 32% of subcontractors report being unable to pass materials price increases onto owners, which has eaten into their margins. That said, it seems many contractors have been able to pass on these rising costs as 30% of owners report higher project costs driven by materials pricing inflation.

Supply chain problems are impacting respondents to a different extent across the country. Quebec-based respondents report the highest impact, with 41% reporting significant delays due to supply chain issues, compared to 35% respondents from Ontario and just 25% of respondents in B.C.



To counter price fluctuations, shortages and other supply chain problems, general contractors and subcontractors are considering or have considered advanced purchasing of materials.

52%

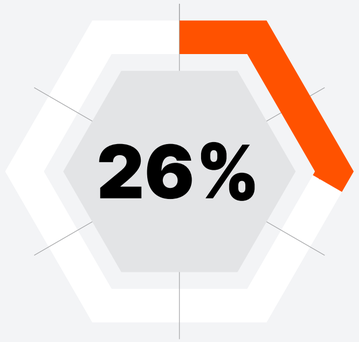
of general contractors

46%

of subcontractors

Strengthening ties with local supply chains is another strategy being pursued by contractors looking to reduce input costs. **More than four in ten (41%) of general contractors** have started to look at more local material suppliers, and **46% of subcontractors** are doing the same. **Nearly half of owners (49%)** also report developing stronger links with local suppliers.

Red tape is a barrier to progression and competitiveness.



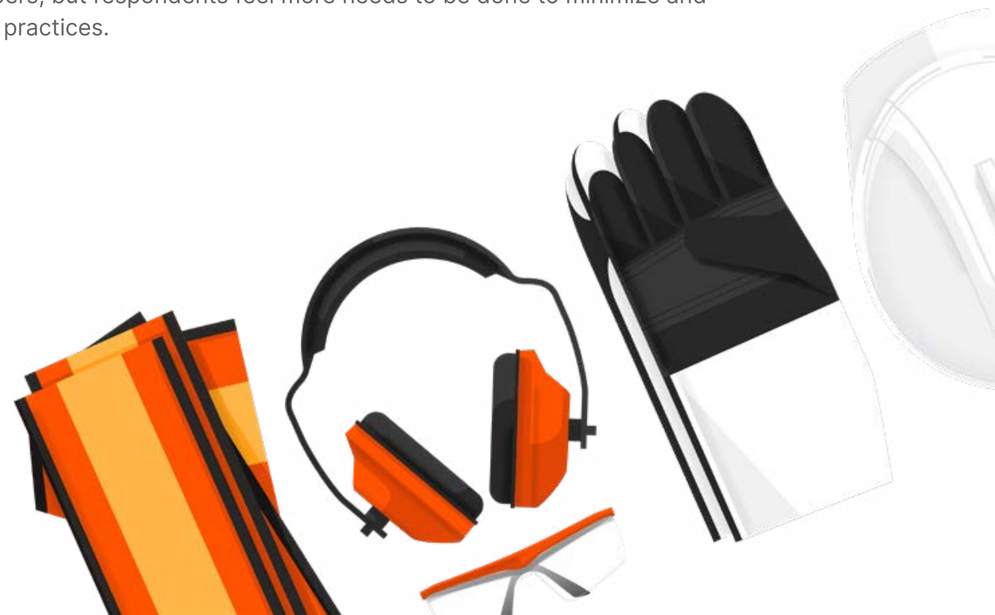
of respondents say delays in obtaining construction permit approvals and associated red tape are hampering the competitiveness of the Canadian construction industry.

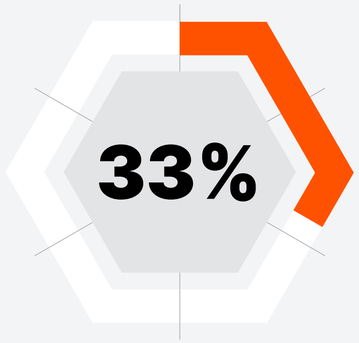
For example, it now takes nearly 250 days to obtain a building permit—three times longer than in the U.S., and ranks Canada 34 out of 35 OECD (Organisation for Economic Cooperation & Development) countries in building permission times.

As well as speeding up construction permits, the government also needs to address problems with health and safety in the sector, say respondents.

Construction has always been a potentially hazardous occupation, with an average of 20.2 fatalities per 100,000 workers each year in Canada and many serious injuries incurred.

Federal, provincial and territorial safety associations are working hard to reduce these numbers, but respondents feel more needs to be done to minimize and outlaw bad practices.

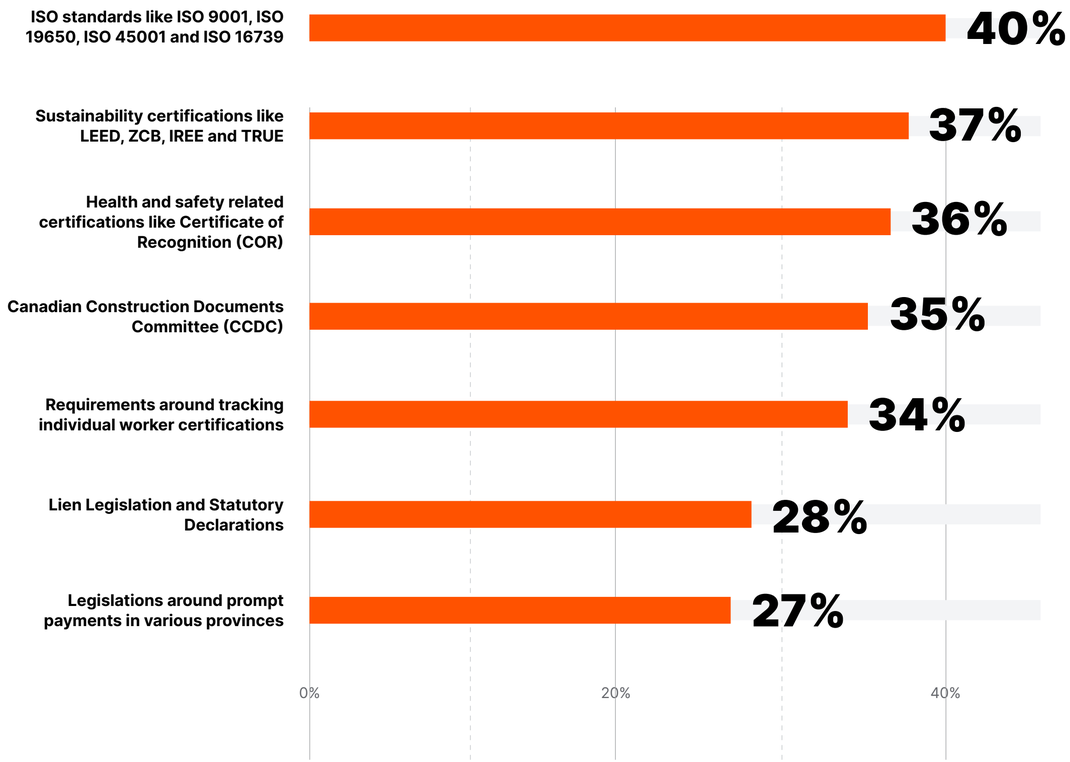




Around one third of respondents feel the government should introduce regulations to **improve quality and safety standards** in the construction industry.

With regard to other regulations, top of mind for 40% of respondents are ISO standards like ISO 9001, ISO 19650, ISO 45001 and ISO 16739. These are followed by sustainability certifications like LEED, ZCB, IREE and TRUE and health and safety related certifications like COR.

What legislations, accreditations, certifications and or regulations are top of mind for you?



A Case for Optimizing Delivery of Financial Services

Improving insurance and payment processes is a necessity.

Over half of respondents feel the industry can do a better job of using existing data to simplify the way payments and insurance are managed.

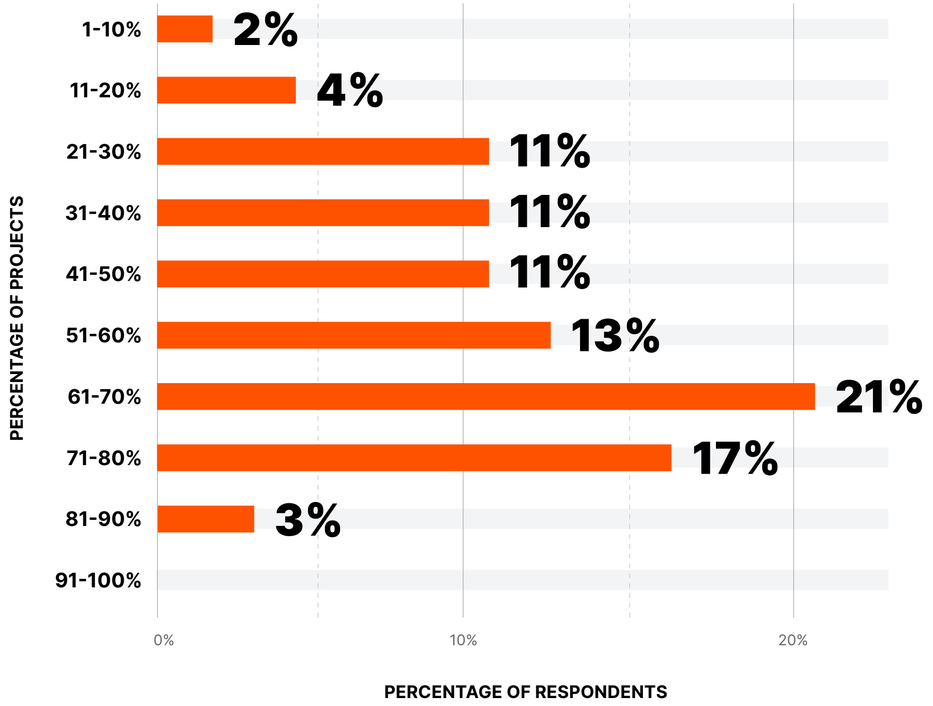
Prompt payment legislation was introduced in Ontario in 2019. Alberta and Saskatchewan have followed suit and other provinces are considering doing the same.

However, there is still clear dissatisfaction with the way the systems are working as **52%** of subcontractors report having experienced cash flow problems arising from delayed payments. General contractors are also affected with **37%** reporting having experienced cash flow problems arising from delayed payments.

53%

Contractors who reported **experiencing cash flow problems** due to delayed payments received payments on time on just 53% of their projects.

Percentage of your projects on which payments are received on time.



*Out of respondents who reported experiencing cash flow problems arising from delayed payments. Don't know responses not shown here.

These delays can be catastrophic for subcontractors, who pay for materials and labour before being paid themselves for their project work. Many go out of business while waiting to be paid what they are owed.

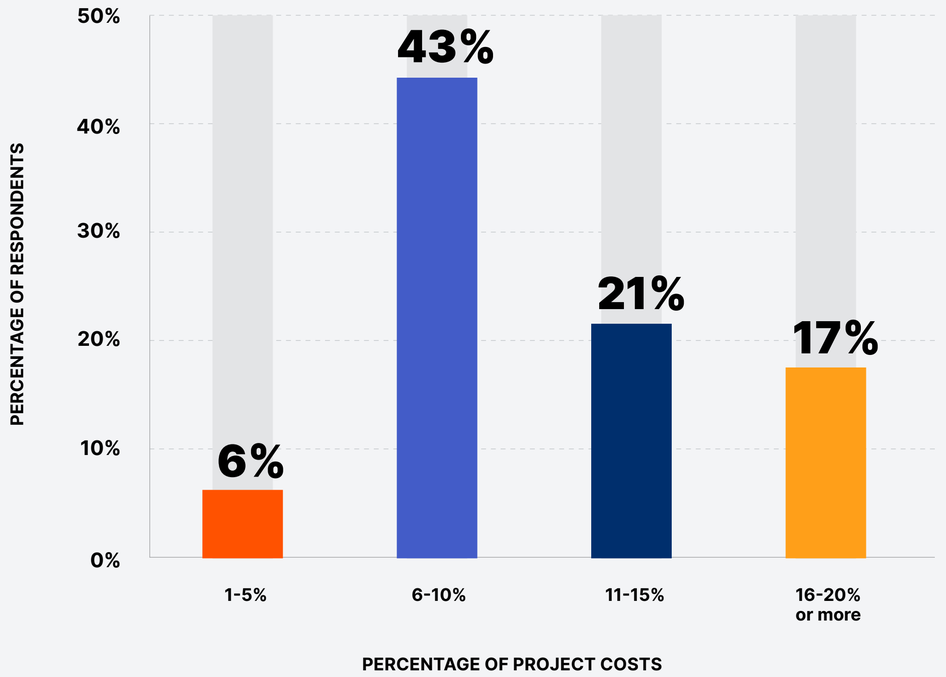
This can impact a subcontractor's risk profile, which means banks are often reluctant to lend to them. The difficulty of obtaining finance to keep afloat while awaiting payment means many subcontractors use non-traditional lending sources, which may expose them to greater risks and higher interest rates.

Nearly half **(48%)** of the subcontractors surveyed reported experiencing trouble obtaining approval for financing from traditional lending institutions.

Owners face a different set of payment-related problems with almost four in ten **(39%)** reporting that invoiced amounts do not match the amount of work completed.

Nearly four in ten **(37%)** of respondents report frustration with the time it takes to get construction insurance quotes. They say that, on average, **11%** of their total project costs are attributable to insurance-related expenses.

Average total project costs that can be attributed to insurance-related expenses.



*Out of respondents who reported get frustrated with the time it takes to get construction insurance quotes. Don't know responses not shown here.

— CHAPTER TWO

Technology, Data and Digital Transformation

Current State of Digital Transformation

Owners lead the construction industry when it comes to digital transformation, with 28% considering themselves to be a digital first business and another 47% stating they are well on their way to adopting digital formats and workflows.

This compares with around one in six (17%) of general contractors and about one in five (19%) subcontractors who consider themselves to be a digital-first business.

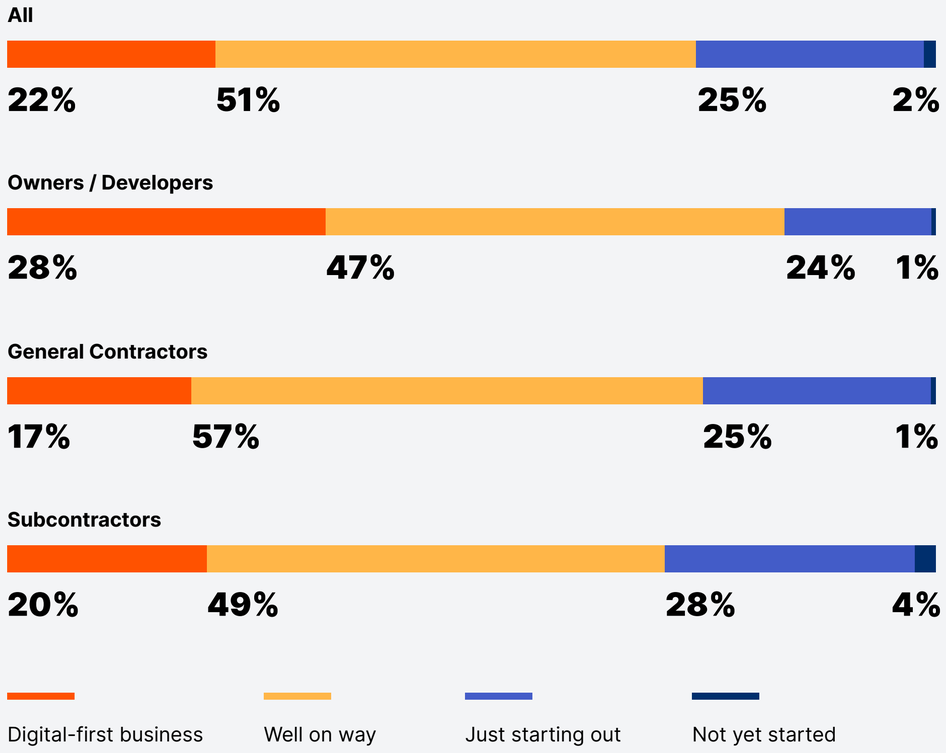
Around **one quarter (26%)** of general contractors are either just starting out or have not yet started their journey towards digital transformation.

Subcontractors lag slightly further behind, with 31% either just starting out or not yet started towards digital transformation.

Alberta leads the way when it comes to digital transformation with 82% businesses reporting themselves as either a digital first business or one that's well on the way to adopting digital formats and workflows. B.C. and Quebec lag with around 33% of respondents reporting either just starting out or not having started towards digital transformation.

Journey Towards Digital Transformation

Thinking about the process of digital transformation (i.e. shifting from paper-based records into digital formats, adopting digital construction solutions, automating construction management processes), which of the following best describes your organization?



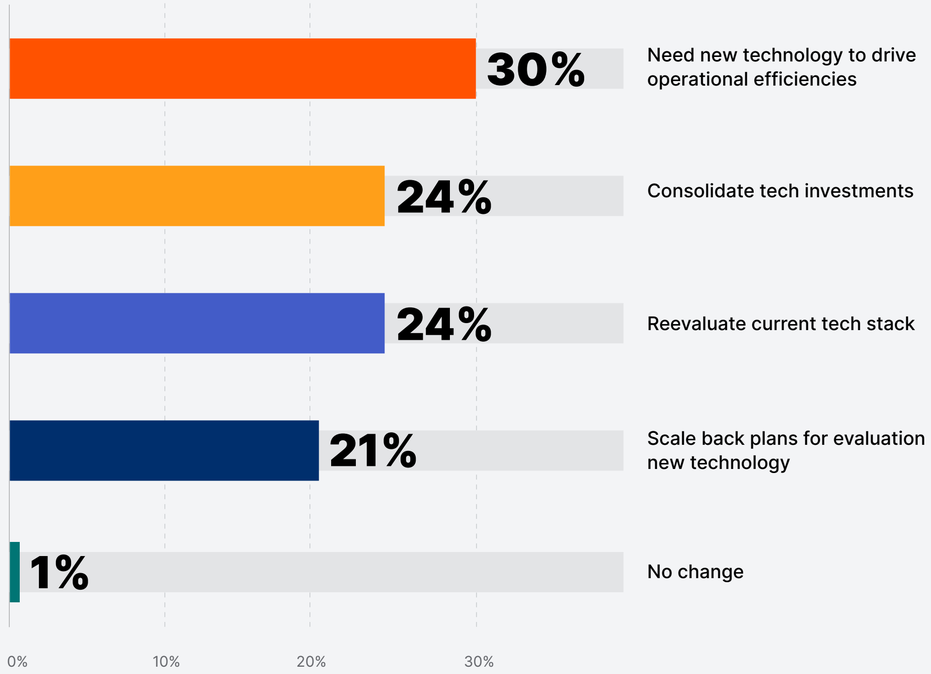
Understanding the impact of economic volatility on digital transformation.

Economic and industry volatility has been prompting businesses to seek greater efficiencies through digital transformation. Three in ten (30%) respondents reported they need new technology that will help drive operational efficiencies and cost controls.

This volatility is also prompting a fresh reevaluation of companies' technology, with many companies carrying out financial audits and effectiveness-testing of their current systems. Nearly one quarter (24%) said they feel they need to start looking at existing technology to understand what's working and what's not. A similar number (23%) want to consolidate their investments in tech.

Just over one in five (21%) respondents report they need to scale back plans for evaluation and rollout for new tech. All this could potentially lead to reduced tolerance for poorly adopted tools and solutions that are leveraged by siloed teams to solve smaller point problems.

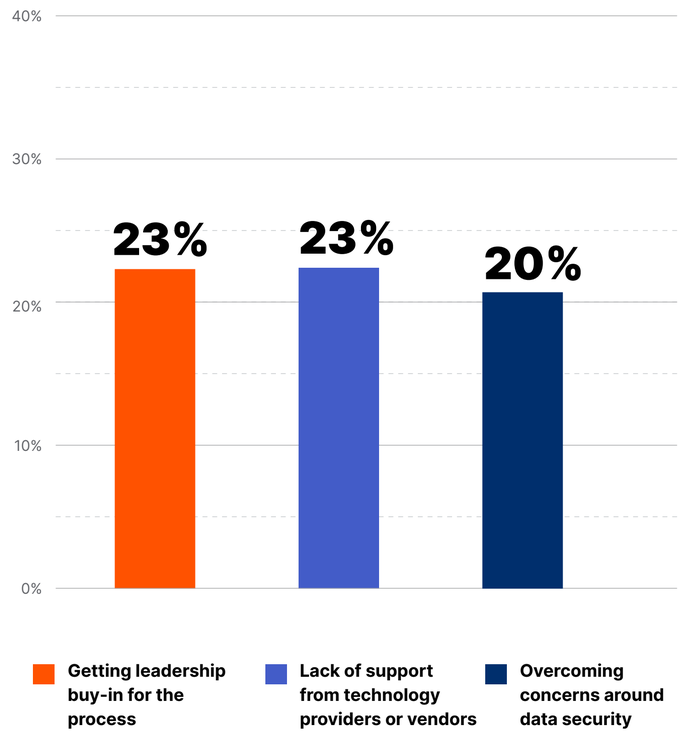
What impact has the economic / industry volatility had on the way your company thinks about digital transformation over the past 3-6 months?



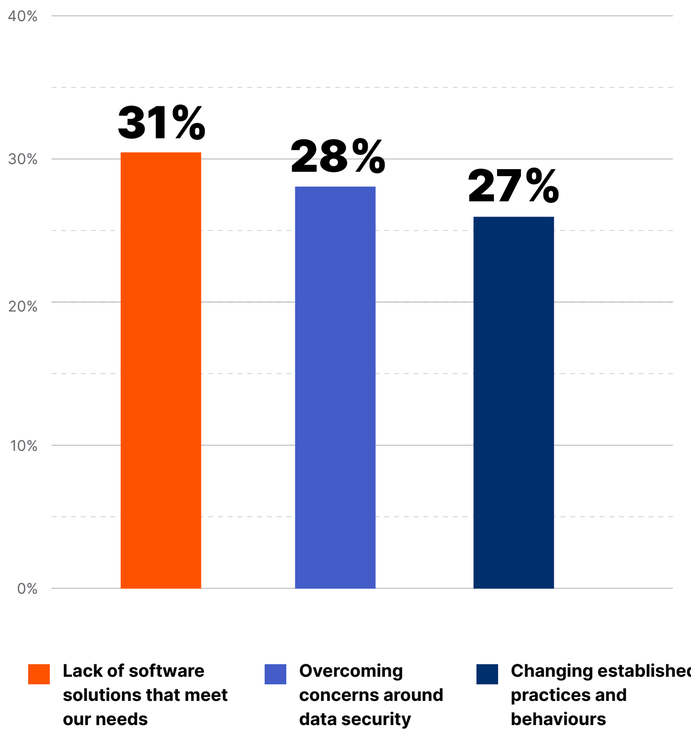
It's no surprise that in 2022, the Canadian government launched $4B Canada Digital Adoption Program. The goal of the program is to support up to 160,000 small and medium businesses grow their online presence and upgrade or adopt digital technologies.

Internal and external challenges when it comes to digital transformation.

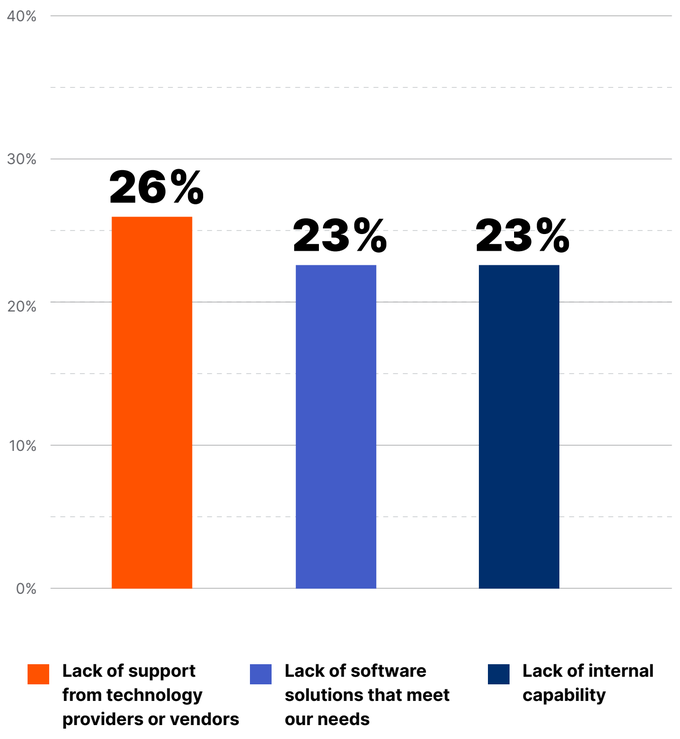
Owners / Developers



General Contractors



Subcontractors



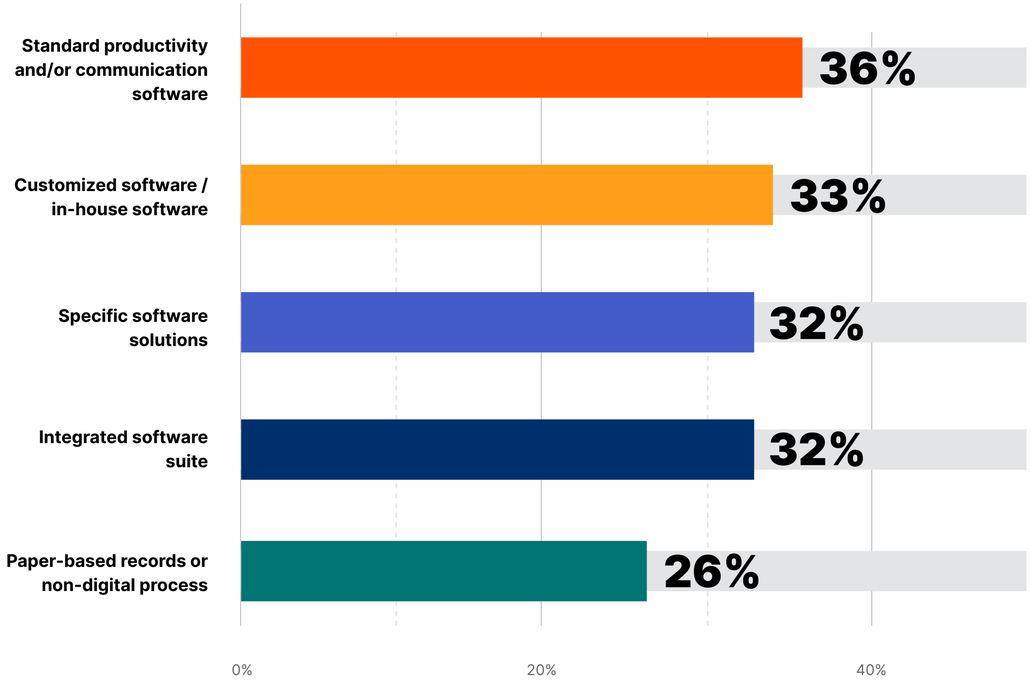
*Based on the highest percentage of respondents to choose this answer as one of their top three choices

Non-digital workflows are not a thing of the past.

Around one quarter of respondents (23% to 28%, depending on the workflow) still use paper-based records or non-digital processes as part of their workflows.

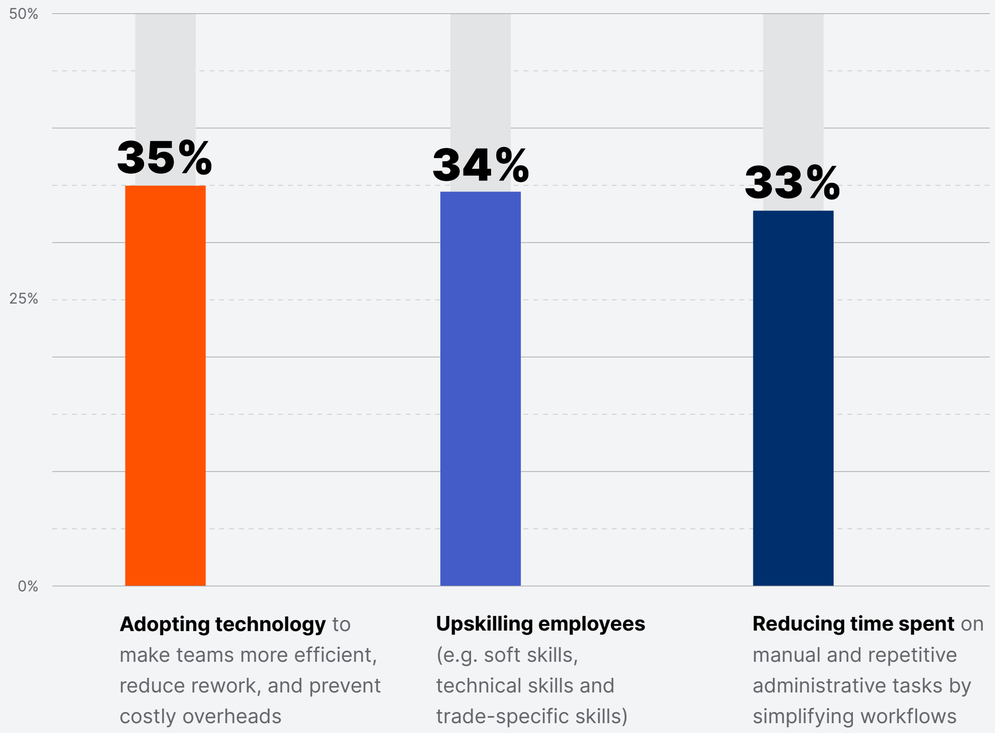
Key Workflows and State of Digitization

Responses are averaged across 13 software areas surveyed.



*Software asked about include 13 categories, ranging from estimating, invoicing, document management, quality, safety to production tracking.

Which of the following would improve productivity within your organization?

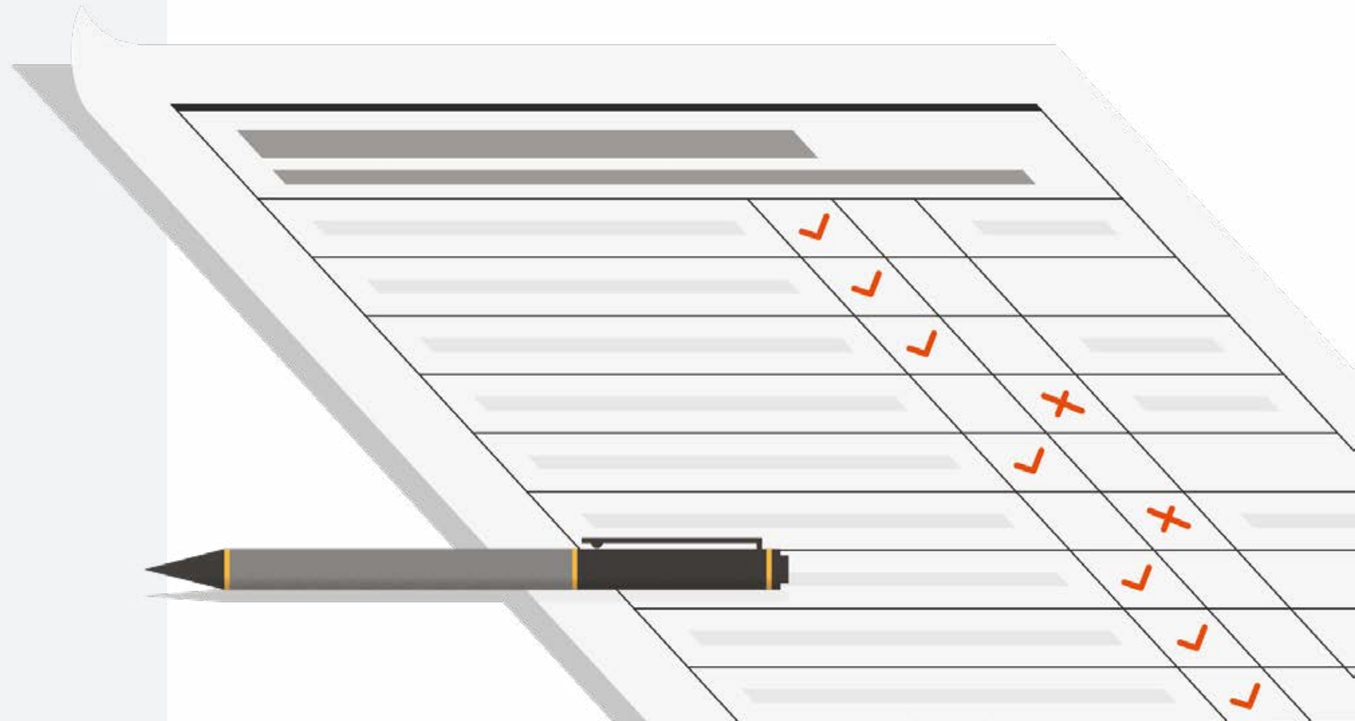


*Based on the highest percentage of respondents to choose this answer as one of their top three choices

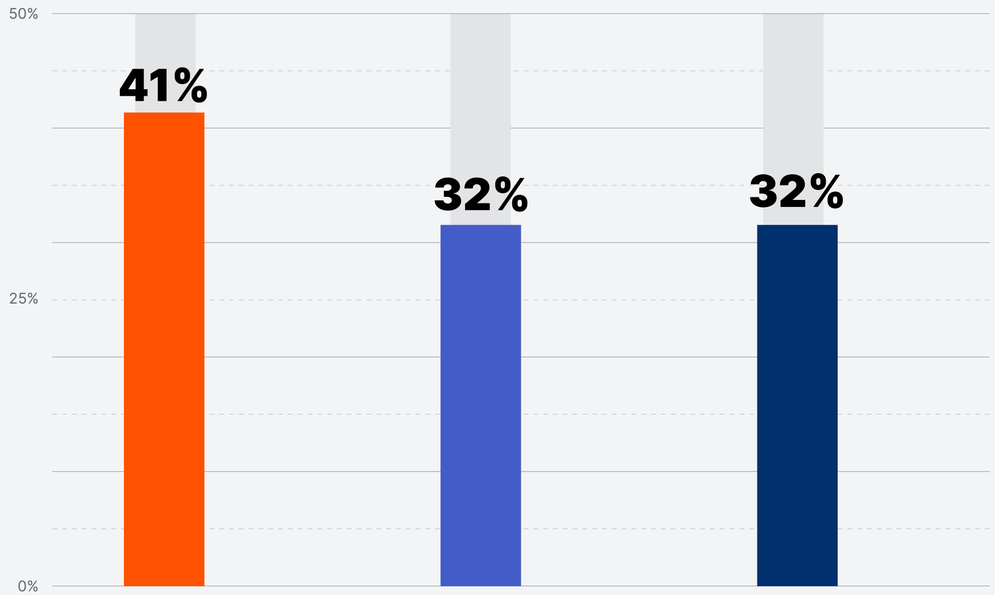
Technology is a key performance enabler across the board.

When asked what is most likely to improve productivity in their organization, respondents cite upskilling employees, reducing time spent on manual admin tasks and adopting tech to make teams more efficient.

Asked what is most likely to improve their profitability, respondents list maintaining an inventory of commonly used materials to manage price fluctuations, simplifying existing tech and processes and adopting tech to make teams more efficient. It's clear that technology is seen as offering the ability to act as a common lever that can raise productivity and profitability.



Which of the following would improve **profitability** within your organization?



Adopting technology to make teams more efficient, reduce rework, and prevent costly mistakes and overheads

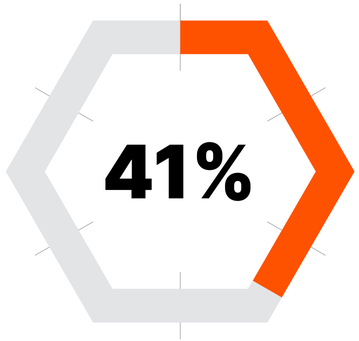
Simplifying existing technology and processes to reduce time spent on manual, repetitive and low value administrative work

Maintaining an inventory surplus for commonly used materials to manage price fluctuations and delays

*Based on the highest percentage of respondents to choose this answer as one of their top three choices

Access to real-time information and improved collaboration is a must.

Almost half of respondents feel the industry must embrace greater collaboration (including virtually) among stakeholders (owners, developers, general contractors, subcontractors, engineers and consultants) in projects.



Over four in ten (41%) respondents feel they **would make better decisions** if they had greater access to real-time and historic information on project performance.

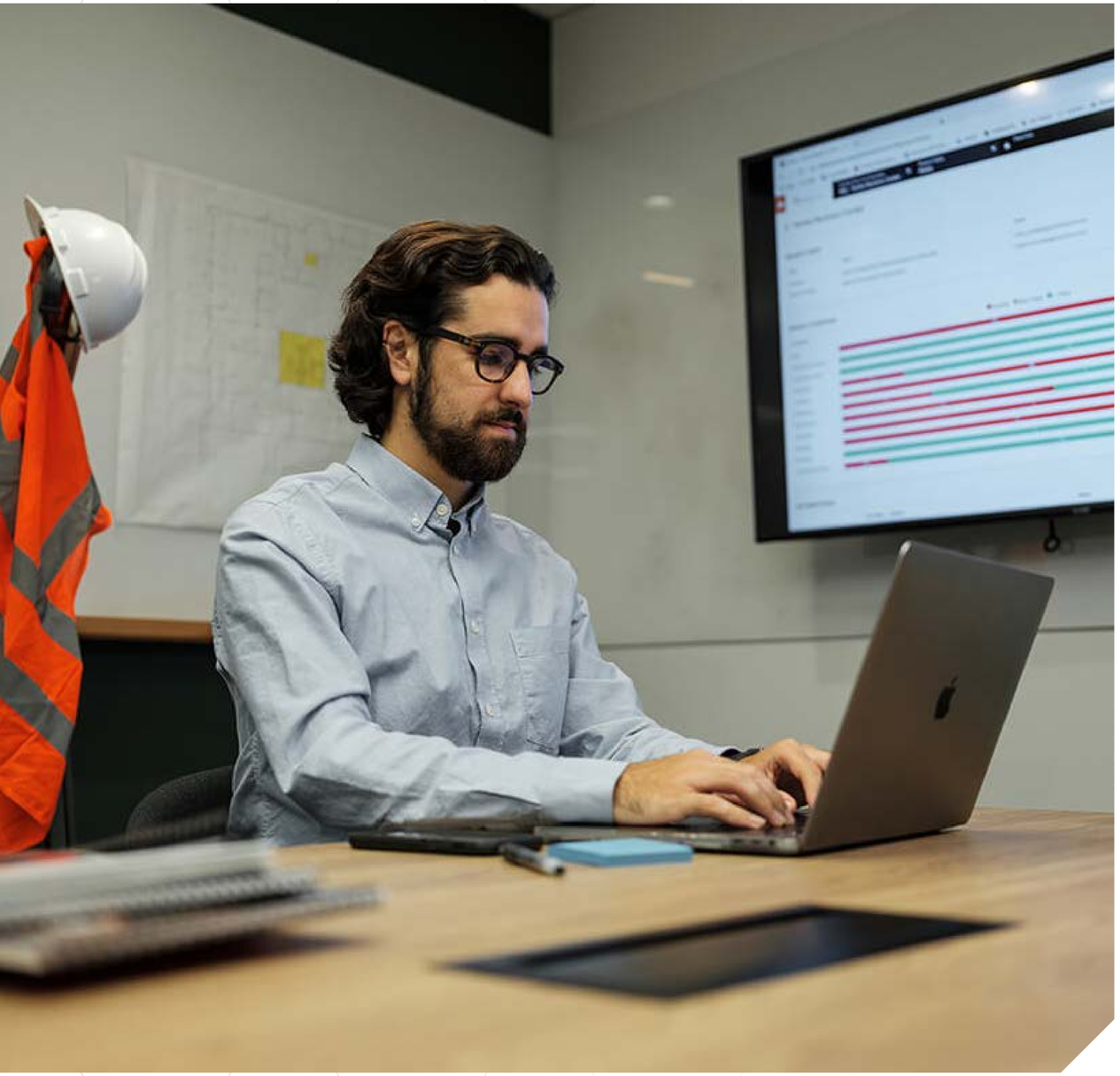
Future of Construction is Data-Driven

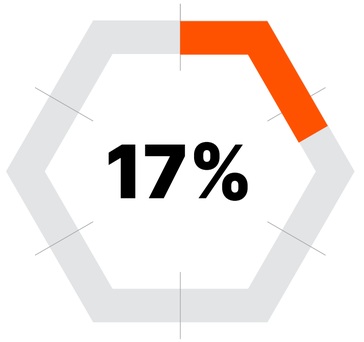
Up to **12%** of total spending on projects can be saved by capturing and standardizing data more efficiently.

Owners report enhanced security, improved employee experience and improved decision making on current and future projects as the top benefits they expect by investing in capturing, integrating and standardizing data from different parts of their business.

General contractors report improved visibility, reduced costs and improved decision-making on current and future projects as the top benefits of investing in capturing, integrating and standardizing data from different parts of their business.

Subcontractors report increased productivity, better regulatory compliance, enhanced security and reduced costs as the top benefits they expect by investing in capturing, integrating and standardizing data from different parts of their business.

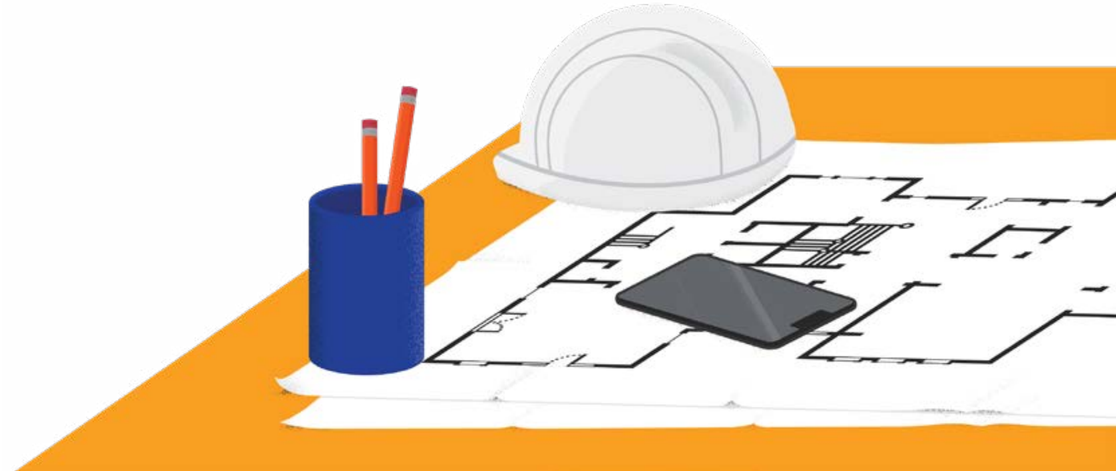




of time on a typical project is spent **searching for data or information.**

It is clear that the industry realizes the value of data. Yet, how accessible is this data and how is it being utilized to deliver the kind of benefits the industry expects it to deliver.

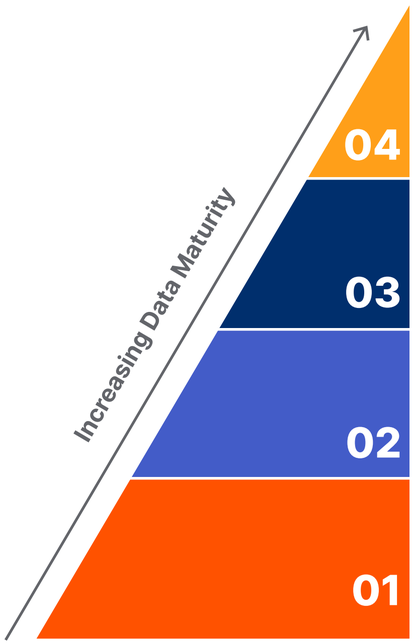
When asked about the time, on average, they spend just searching for data or information, respondents reported spending 17% of their time on a typical project searching for data or information – clearly a significant amount of time to invest in low productivity tasks.



Data maturity is a function of size for builders.

The level of data maturity varies by company size when it comes to general contractors and subcontractors (builders), with small businesses more likely to be at Level 1. Around three in ten (29%) respondents from these small builders reported being at Level 1, compared to just 19% from mid-size businesses and 8% from large enterprises. Large builders are by far the most data mature, with 51% at Level 3 or 4.

Data Maturity Levels



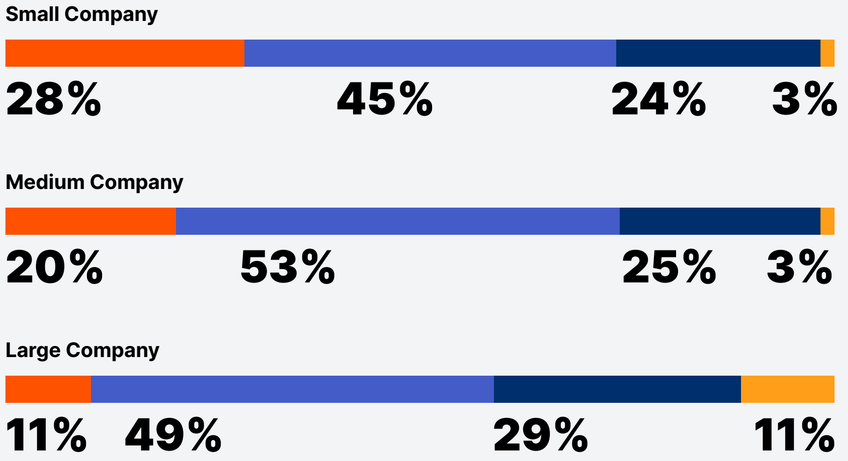
Level 4: Optimized
At this level, the organization is gaining insights from data that are differentiators for their business. Continual process improvement initiatives spawn from insights found in data.

Level 3: Leveraging
The organization's decision making is highly driven by data. There is investment in BI tools and dedicated data engineering and analytics groups to enable data-driven decision making.

Level 2: Learning
The organization has a foundation in place to begin learning from data. There are no dedicated data professionals on the team, but individuals are leveraging data to drive metrics for their own role/team.

Level 1: Foundation
At this level, the organization is early in its data journey. Much of the data currently exists in spreadsheets or paper form and is not leveraged to drive business outcomes.

Overall, half of respondents (50%) consider themselves at Level 2 in their use of data. About one fifth (21%) are at Level 1, where much of their data exists in spreadsheets and on paper. Just 25% report having highly data-driven decision making, made possible by dedicated data teams at Level 3. Only 4% are at Level 4, gaining insights from data that they consider to be of significant value to their business.



Large businesses are by far the **most data mature**, with 51% at Level 3 or 4.

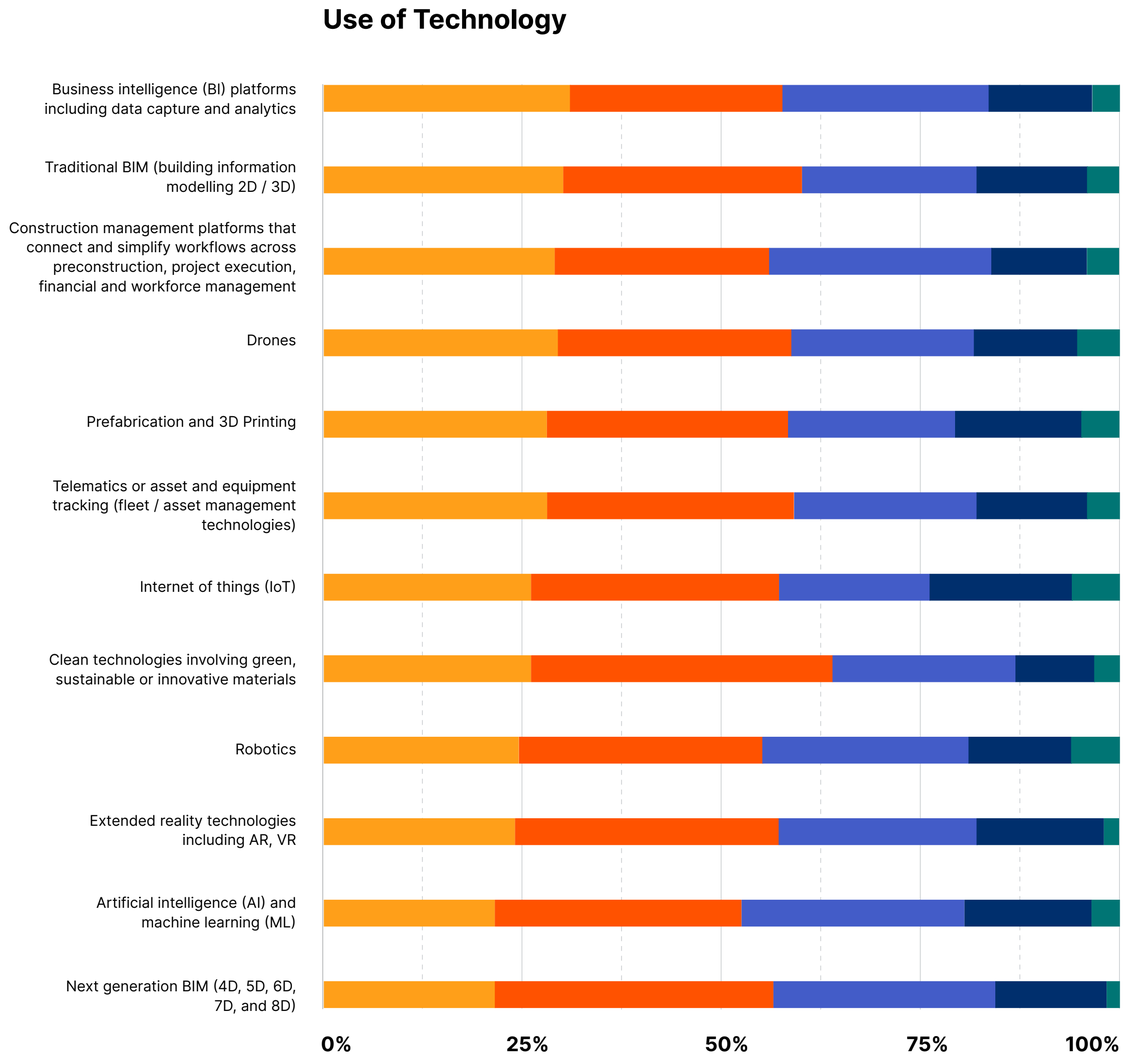
Construction Technologies on the Horizon

Construction management platforms are an agent of change for the industry.

Respondents rate construction management platforms, clean technologies involving green, sustainable or innovative materials, and next generation BIM as the top technologies that will drive change in the construction industry over the next three years.

This emphasis on construction management platforms as a key lever for change is also visible when it comes to adoption. Well over half of respondents (56%) are either currently using (29%) or plan to adopt a construction management platform (27%) over the next 12 months.

Next generation BIM and AI/ML are the two technologies that are most likely to take the longest time to be adopted throughout the sector, with 42% of respondents stating that they are neither currently using nor planning to adopt these technologies within the next 12 months.



Currently using
Planning to adopt within the next 12 mos
Considering adoption but not within the next 12 mos
Have not adopted / not under consideration
Unsure

How will these technologies impact the construction industry as a whole?

OWNERS

- Improve construction efficiency
- Lead to tighter alignment between owners, GCs and trades
- Reduce build times

GENERAL CONTRACTORS

- Improve construction efficiency
- Improve overall build quality
- Require people in the industry to develop broader skills

SPECIALTY CONTRACTORS

- Improve construction efficiency
- Reduce human labour requirements in some construction functions
- Lead to tighter alignment between owners, GCs and trades

*Based on the highest percentage of respondents to choose this answer as one of their top three choices.

Owners and GCs see value in tech consolidation—subcontractors (35%), not so much.

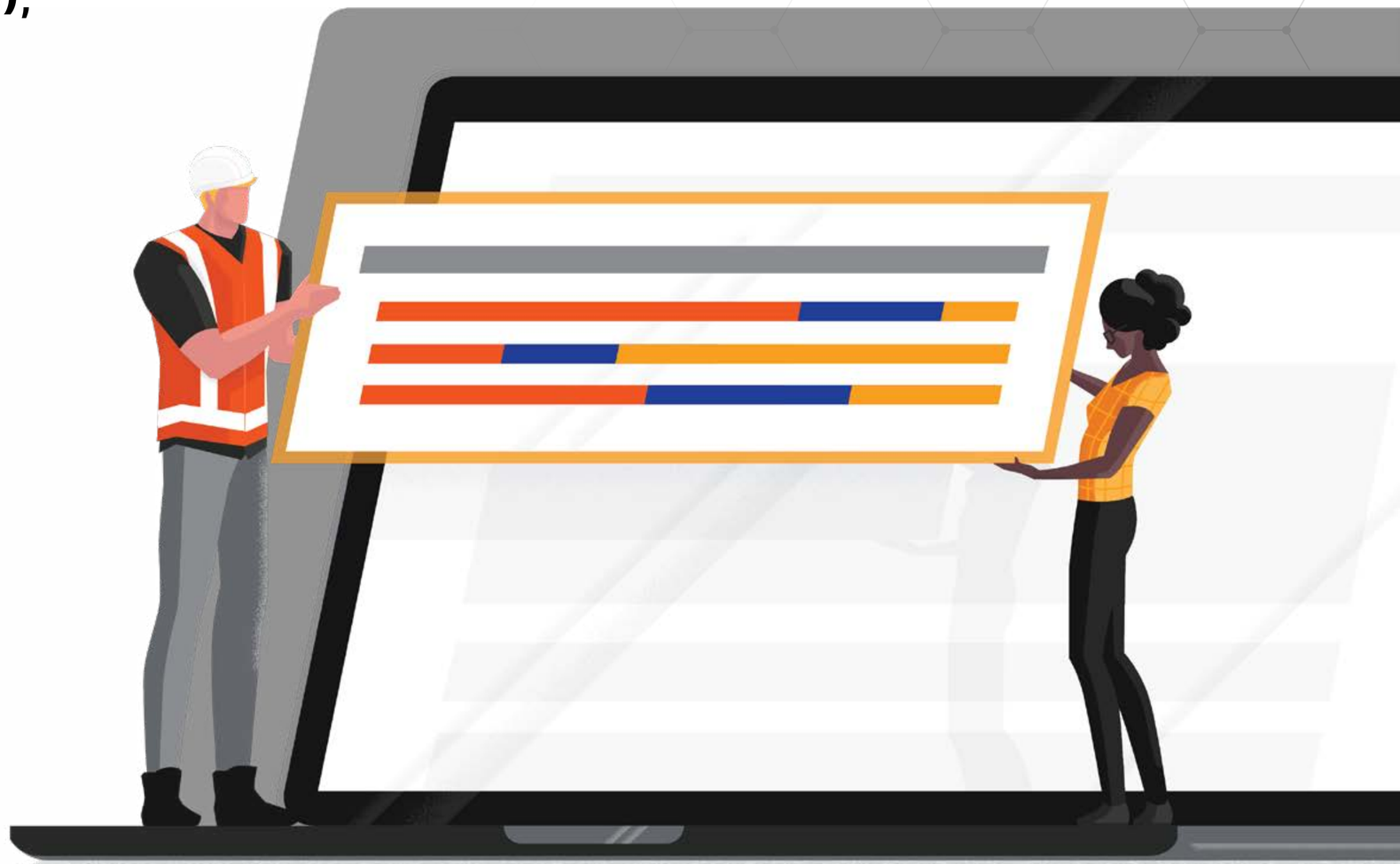
51%
of owners

50%
of general contractors

Half of general contractors (50%) and just over half of owners (51%) say they prefer an integrated solution, compared to just 35% of subcontractors. Just over half of all respondents in BC (52%) and Alberta (55%) and half (50%) in Ontario prefer point solutions or individual software that meets specific needs.

Of the respondents who reported preferring an individual solution, the top three reasons for doing so are:

+ Less likelihood of impacting other business systems
+ Access to specialized expertise from the technology provider
+ Faster or easier implementation



— CHAPTER THREE

Reacting to a Rapidly Evolving Labour Marketplace

Labour and productivity are top of mind for respondents.

Canada has a well-documented labour shortage, and construction – which according to Statistics Canada employs 1.5 million people across the country – has been particularly badly hit. In 2022, on average there were around 80,000 job vacancies in the sector each quarter, all of them proving difficult to fill. Some provinces are hit worse than others, placing even more pressure on their local construction scene. Skills shortages also drive wage growth, which forces up building costs.

The situation may well worsen as approximately 124,300 workers (20% of the 2022 construction workforce) are expected to retire by 2032, according to BuildForce Canada.

The ongoing labour shortage could leave the Canadian construction **61,400 workers short by 2032**.

The loss of so much experience and knowledge is a significant concern, and is exacerbated by construction's perennial struggle to attract sufficient numbers of new entrants.

Staff and skills shortages have a knock-on effect on all aspects of company performance. They damage productivity and profitability, create work backlogs and make it harder to maintain a safe working environment onsite.

In fact, 29% of respondents have been unable to take on more projects in the past three to six months as a result of the labour crisis.

It’s no surprise that labour markets are a major concern for organizations, with respondents considering hiring and retaining skilled labour as one of the top challenges they face over the next 12 months.

One reason for this shortfall could be other industries holding greater attraction for new employees when compared to construction.

27%

That seems to be true for 27% of respondents who agree that it is hard for construction to compete with other industries for good employees.

27%

With businesses struggling to recruit, employers are vying for the best talent within a limited pool. Just over a quarter (27%) of respondents agree that there is too much competition in construction for talent.

32%

The problem could worsen. Just over three in ten (32%) respondents fear that some of their most experienced people will retire within the next few years and take valuable knowledge with them.

Fostering workforce wellbeing through an inclusive, diverse and safe environment can help fight labour challenges.

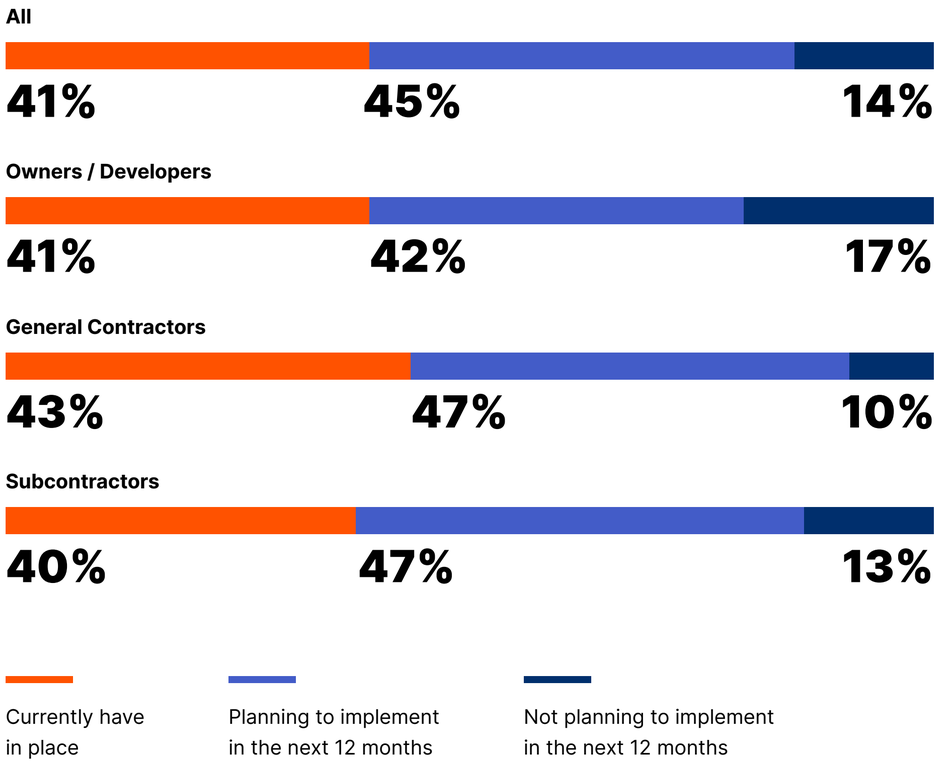
Opening up the industry to a more diverse range of people will help increase the pool of available talent and ease the labour challenges. Organizations recognize this, with 38% of respondents saying they need to improve diversity and inclusion in construction workplaces to attract women, minorities and historically underrepresented groups.

In fact, just over four in ten (41%) of respondents have a diversity and inclusion policy in place with another 45% planning to implement one in the next 12 months.

24%

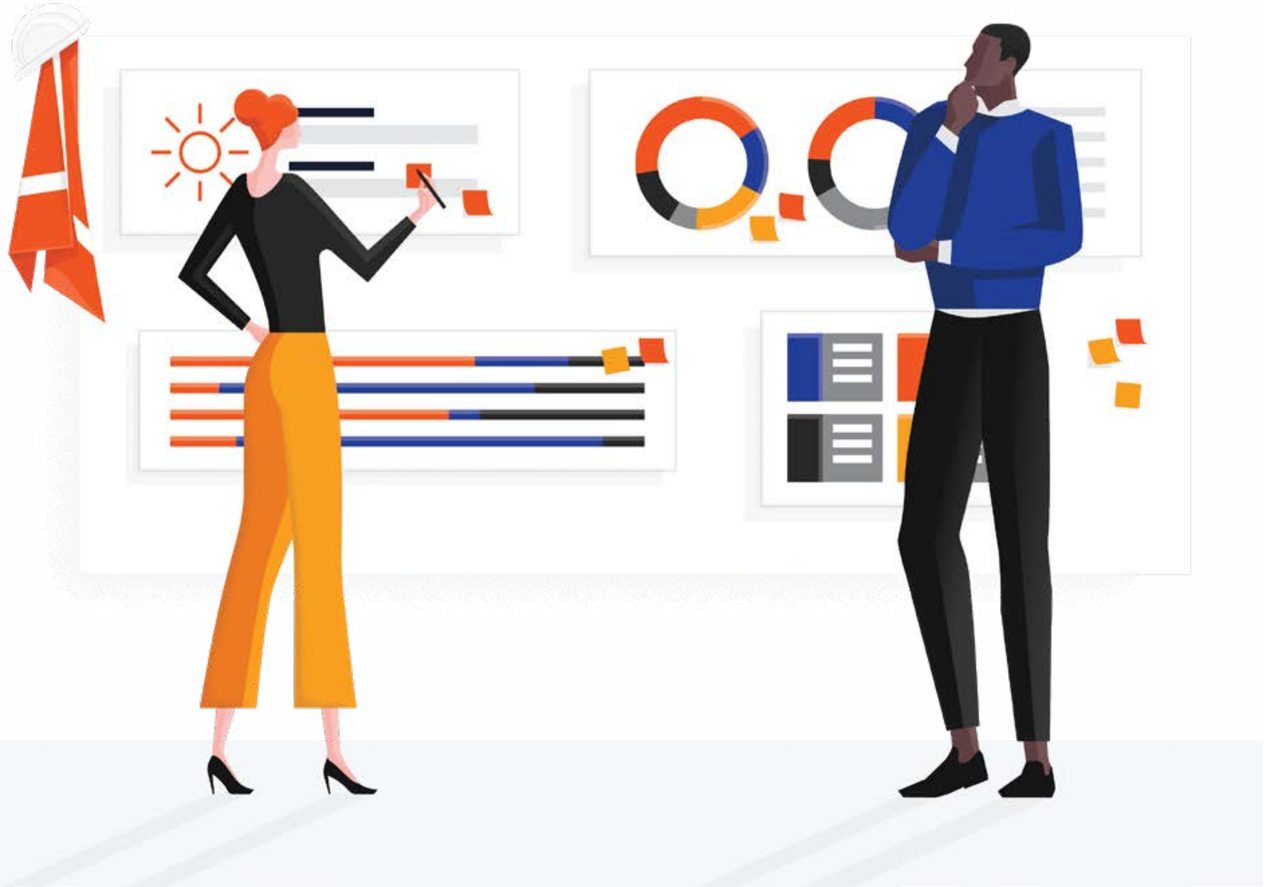
Despite these efforts, according to respondents on an average 24% of the executive staff and leadership at their organizations **is female**.

Diversity and inclusion policy/plans to improve workforce diversity



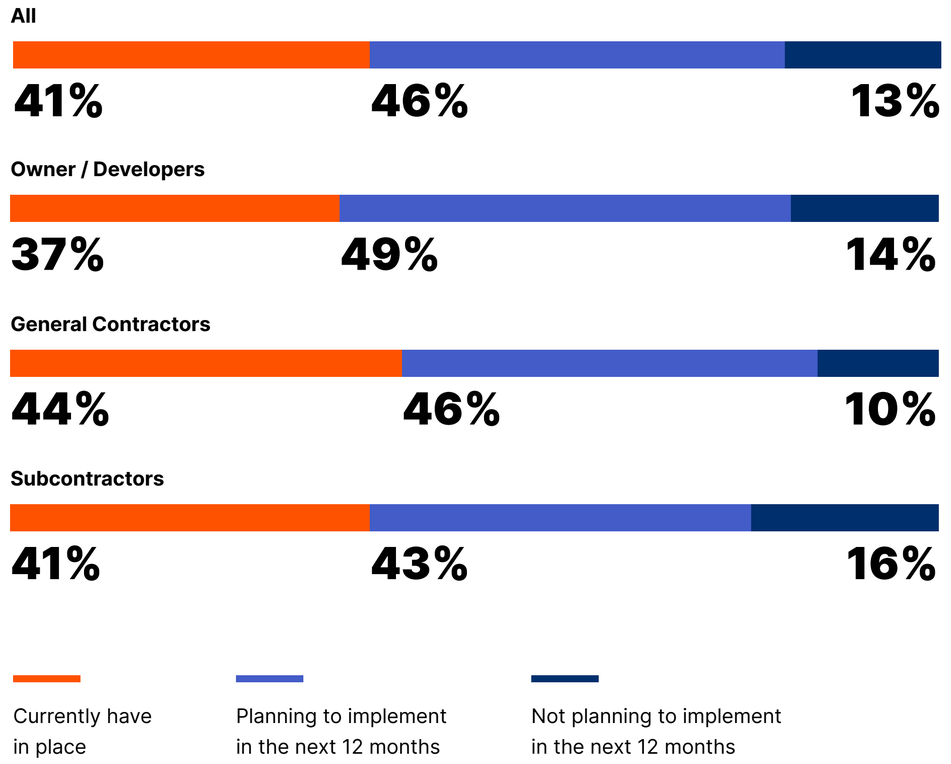
Subcontractors have the worst ratio when it comes to having female members on staff.

Just 22% of executive staff at subcontractors are female, compared with around 25% at owners and general contractors. Subcontractors similarly report the lowest numbers of women across trade and site staff.



Organizations are also focused on improving the wellbeing of their workforce. Over four in ten (41%) of respondents report having a wellness and mental health practice or policy in place to reduce the likelihood of burnout. Forty-six percent plan to implement a process in the next 12 months.

Wellness and mental health practices and/or policies to improve staff wellbeing and reduce the likelihood of burnout



Despite some fundamental labour challenges, respondents say they are optimistic about the future.

Nearly eight in ten (79%) are confident they will have enough people to meet their organizational needs over the next 12 months. A further 80% report confidence that their workforce will have the necessary skills to meet demand over the next 12 months.

Increased usage of technology like construction management platforms can help teams attract and upskill traditionally underrepresented groups in construction through streamlined training, certifications and better managed schedules. Additionally, construction management platforms help organizations increase the safety of their jobsites through reporting and standardizing safety procedures. Increasing the physical and mental safety of jobsites is just one way to make construction a more attractive career for novice workers.

80%

Report confidence that their workforce will have the necessary **skills to meet demand** over the next 12 months.

Project management is one of the top skills likely to be in demand.

With regard to skills, respondents consider data analytics, project management, commercial/ financial management and trade skills as the top skills that are likely to be in demand in the construction industry over the next 12 months.

Organizations are preparing their workforces for these new demands.

44% of respondents say they currently have in place employee training programs for **upskilling and reskilling**.

42% are planning to implement one in the next 12 months.

5 Steps Forward

How can you and your organziation take action on these learnings? Here are five ways to work towards a better business based on the findings in this report.

01 Leverage technology to drive performance, productivity and profitability
With 48% of respondents reporting their projects go over budget and over schedule, it's critical to find ways to deliver better outcomes across projects. By helping to standardize processes, reduce barriers to collaboration and improve information flow, technology can have a direct impact on an organization's bottom line.

02 Minimize rework for a sustainable future
As builders focus on sustainable development, one area of potential wastage that stands out is rework. As 27% of total project time is spent on rework, reducing this can have significant sustainability impact. Early and improved collaboration between all key stakeholders can be a good way to get started.

03 Eliminate data siloes to unlock data-driven insights
Currently, 17% of time on a typical project is spent searching for data. Often, this information is inaccessibly located in silos. Having a single source of truth that removes accessibility barriers can improve decision-making and reduce time spent on low-value tasks.

04 Proactively manage financial risk to avoid surprises
Risk data generated by construction technology platforms are currently not evaluated in risk decisions. Over half of respondents feel the industry can improve the way they leverage data to simplify payments and improve the way contractors view insurance.

05 Leverage construction management platforms for competitive advantage
Respondents consider construction management platforms to be one of the top technologies that will drive change over the next three years. It's no wonder, then, that many owners, general contractors and subcontractors already are or plan to implement such a platform within their own business to stay ahead.

Methodology

In early 2023, Procore partnered with Censuswide to survey 502 construction industry stakeholders in Canada across owners, general contractors and subcontractors. Questions provided to the participants were focussed on market conditions, top challenges, digital transformation and technology adoption.

Please note that Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles.

Company Size Designations Used in This Report

To provide a comprehensive perspective, survey respondents include companies that range from the local equivalent of $5 million to over $1 billion (USD) in annual construction volume. For analysis purposes in the report, these are grouped into three categories:

- **Small companies: $5 million to $50 million**
- **Medium companies: $51 million to $250 million**
- **Large companies: $251 million and above**

Demographics

Nature of Firm

33%
Owners

34%
General Contractors

33%
Subcontractors

Regional Diversity

12% Alberta
7% Atlantic Canada — New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island
20% British Columbia
3% Manitoba
36% Ontario
20% Quebec
2% Saskatchewan

Company Size by Revenue

35%
$5 million – $50 million

47%
$51 million – $250 million

18%
$251 million and above

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PROCORE TECHNOLOGIES, INC.

Procore is a leading global provider of construction management software. Over one million projects and more than $1 trillion USD in construction volume have run on Procore's platform. Procore's platform connects key project stakeholders to solutions Procore has built specifically for the construction industry—for the owner, the general contractor, and the subcontractor. Procore's App Marketplace has a multitude of partner solutions that integrate seamlessly with Procore's platform, giving construction professionals the freedom to connect with what works best for them. Headquartered in Carpinteria, California, Procore has offices around the globe. Learn more at Procore.com.

Disclaimer: Some percentages throughout report may not sum up to 100% due to rounding.

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