COVID-19 Crisis – Special Coverage
Perspectives of Leaders and Professionals

1. If you are outside of Canada, can you explain how the construction industry is impacted where you are?

Although we are a Canadian based company we definitely do work for clients all over the globe. As such, they have been asking us for our opinion on the potential impact of the COVID-19 pandemic on their projects and studies. This has created an additional factor in our calculations for our overseas clients as they look to Canada as an island of calm in the storm.

2. What has the COVID-19 crisis meant for you and or your business?

The recent pandemic has indeed been a great challenge for both management and staff. In a very short period of time, we all have had to adapt to many internal and external pressures to ensure our clients retain the confidence in our abilities to maintain our current commitments while we all adapt to a new way of doing business. First and foremost, it has provided a greater understanding of the importance of strong leadership, effective planning and concise communication throughout our organization. Although we have many hurdles yet to face, we are very confident that our ongoing planning and positive attitude of our staff will ensure our clients continue to receive the most accurate and up to date information possible.

3. How are you dealing with working remotely or away from the office?

We have adapted very seamlessly to the work at home scenario, with very little downtime in the transition. Our IT group was very responsive to ensuring complete connectivity throughout our eight offices and our 60+ staff. Many of our clients have also adapted very quickly, but notwithstanding the lack of face to face meetings, we have fundamentally remained business as usual.

4. Will the COVID-19 crisis change how business is carried out in the future?

Many of the measures that we have implemented to ensure a smooth transition, from work at home, to client EFT (Electronic Funds Transfer), to on-line meetings, will certainly take hold once we see businesses and the economy open up. We are demonstrating that, in spite of all of the challenges, business must and does
go on. The biggest challenge in the near future will be how we deal with the need and ability to hold face-to-face meetings. Whether these are group project meetings or one-on-one meetings with clients. Some things still need that personal touch. That will likely be the biggest change we will likely encounter in how we do business in future.

5. **How long do you think it will take to return to the pre-COVID-19 state after the crisis is over?**

Difficult question. In terms of society, even after a vaccine is developed it could be a very long time before people feel comfortable in large group settings. In terms of the economy, this too could take years before the various sectors of Canada’s economy fully recovers. Many governments will be deep in debt and this could potentially hamper future infrastructure spending and private investment confidence across all needed sectors of our vital construction industry. We are confident however that with industry working collectively with the government and private sectors that all aspects of infrastructure construction will be the engine that restarts Canada’s economy. The timeline is still the greatest uncertainty.

6. **What do you think that the construction sector can learn from the COVID-19 crisis?**

With any crisis there are many lessons to be learned, and how companies adapt to the new way of doing business will help shape their future. Although we are still in the very early stages, the successful firms will build on their experience of ‘crisis’ planning and how that can be applied in their day-to-day operations. Many will hopefully learn the truth in the old adage; “Hope for the best, but plan for the worst.”

7. **Do you think that there are things that trade associations could have done better?**

At this point, it’s not fair to say if things could have been done better. The world has had to react to an unprecedented situation, and many government and industry leaders have never dealt with this level of adversity. Although various sectors of construction are deemed an essential service in many parts of the country, at its core are the trades people themselves. We cannot lose sight of the fact that many people around the world are still very scared of this pandemic, and rightfully so, and they are relying on their leadership to help ensure their safety. Trade associations with strong leadership will play a pivotal role in
working with government and the private sector to ensure the safety and well being of their membership, but some people will always demand ‘better’. Patience will become our most vital virtue.

8. **How do you think that health and safety will improve on construction sites in the future?**

In most construction sectors, health and safety has come a long way over the last number of years and Canada is amongst the leaders in the world in providing safe worksites for our trades. But there’s always room for improvement. As more cost and science effective COVID-19 testing becomes available, it could potentially introduce a more rigorous screening program for construction workers that enter the jobsite. “BRASSING IN” to job sites may take on a whole new meaning in the near future. If done cost and time effectively, physically distancing may not be a requirement for the actual workers on-site. This could also extend to delivery drivers, etc. that show up on site.

9. **Do you think that the COVID-19 crisis will encourage innovation in construction?**

Throughout history, innovation has been a mainstay in construction, and many innovations in construction that we take for granted today were born out of opportunity and necessity. COVID-19 will be no different. Contractors will be forced to adapt to new safety protocols, and potentially new ‘rules’ related to how the global supply chain may evolve. Managing and coordinating the scheduling of a project on-site may take on a new look. Far greater importance to strict adherence to the schedule as the prime contractors may be required to choreograph a more detailed coordination of the specific trades on site at any given time.

10. **Do you think that the government has done enough to help the construction industry?**

The Canadian government has done an amazing job so far in taking care of Canadians throughout all sectors of our economy. Although retrospect will likely uncover many things the various levels of government could have done better, this is an unprecedented situation. Simply looking at other countries around the world, it’s easy to see that Canadians are very fortunate. But at the end of the day, all industries including the construction industry, can only rely on the government to a point, after that it must take care of itself. Collectively Canada
will grow stronger as a result of this pandemic, and we are confident that the construction industry will lead the way.

11. How do you think that social distancing will impact day to day activities on construction sites?

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12. What steps have you taken as a business to mitigate the impacts of the crisis on your day to day operations?

Planning began very early within our firm and we reacted almost immediately after the WHO declared the pandemic to move to a work-home scenario to protect our staff and management. Within a couple days, we were fundamentally business as usual with minimal impact to our backlog of production. Utilizing tools such as Microsoft Office-Teams, Zoom, and GoToMeeting, to name a few, we have adapted to the nuances of on-line communication both internally and externally. We are still learning new ways of working, and interacting with our clients, but we believe that we are better suited than many to continue to provide our services seamlessly in this current environment.

13. If you are working on essential construction sites, what does it mean for you?

As Quantity Surveyors, we are relying on more detailed contractor photographs being provided in lieu of some site visits required for Payment Certification and Loan Monitoring. For other projects we are coordinating times and/or areas of the project site that we can have access to that maintains safe physical distancing.

14. What is your message to government policy holders for future planning of such a crisis?

We can only hope we never see this type of crisis again, but it can’t be stressed enough, “Hope for the best, but always plan for the worst.”
15. Whilst working from home, did you participate in professional development?

Yes. We strongly believe that the only primary difference between working at home and working in the office is the physical environment. All other aspects of being a professional have not and should not change.

16. Do you believe that construction executives should take a reduction in salaries in response to the crisis?

This question depends a lot on the financial health of the company itself, but fundamentally no, the executives should not necessarily be singled out. If a firm needs to resort to salary reductions to remain viable in the hopes of returning to a more solid financial foundation, all employees and management should share equal burden in the success of the firm. One percent for all and all for one.

17. Do you see the possibility after the crisis there will be a proliferation in COVID-19 related construction disputes?

The effects of a force majeure type event of this magnitude are rare, and with or without contractual validity, claims will be made on both sides of the table as a result of losses or potential losses as a result of COVID-19. Whether or not the claim is indeed valid, Quantity Surveyors will play a vital role in determining the potential effects and impacts of this pandemic on numerous construction projects.

18. How long do you think that it will take for the construction industry to return to normal state and why so long?

The economic effects of this pandemic are widespread and will impact different sectors of construction and different regions of Canada for years to come. Canada has benefited greatly not only on the revenue generated by the oil and gas sector, but also the construction investment the O&G industry has contributed to all of Canada. This industry has been decimated by the pandemic. It will recover, but it will take some time. Also, governments at all levels will also be forced to re-evaluate their infrastructure planning and reprioritize various projects as a result of the massive spending that has been required to simply sustain our social support of the nation. We are confident however that they truly understand the vital importance the construction industry is to our economy.
19. **Do you see an opportunity for construction professionals from around the globe to co-operate to a greater extent?**

Global cooperation has become quite commonplace, and yes, events such as this will bring in even closer cooperation. We all have a lot of questions, but not everyone has the same answer. Sharing experience helps us all.

20. **Do you see change in the approach to future in preparing future cost estimates?**

Fundamentally, no. The basics of an estimate should not change. Measure the box and estimate how much it will cost to build the box. What will likely change, especially in the short term as we restart the economy, will be providing the confidence to our clients that the expected degree of accuracy of said level of estimate is rational and defensible for the current market conditions.

21. **What do you think will be the impact on the prices of construction materials?**

This will likely vary depending on the source of the material. Canadian made products may see an impact based on supply and demand, but we are at greater risk to products and commodities that require global sourcing, and our reliance on other countries to meet their commitments. Determining these impacts will be one of the more challenging aspects that the Quantity Surveyor will be dealing with in the coming months.

22. **Do you see any emerging opportunities coming out of this crisis for Quantity Surveyors?**

Certainly, in the short term, the impact of claims will provide Quantity Surveyors that are conversant with claim disputes with potential opportunities. The ability to facilitate risk management programs will also become a key opportunity. Also, there is a great opportunity for the QS industry to lobby a stronger role in providing independent cost control and planning with all levels of government. Stimulus funding will be required, and taxpayers should have greater peace of mind that the public money being allocated is subject to greater oversight by independent QS review. Government may also rely more on P3 procurement to support shovel-ready and unfunded infrastructure projects. So yes, we remain very confident in the numerous opportunities for our profession as we recover from this pandemic.
23. What do you see as the impact on the various industry cost guides?

Many cost guides rely on historical data that is updated based on current market conditions. Depending on the nature of the cost guides, updates to certain components or elements are also done on a basket-of-goods approach. The effects of COVID-19 will be no different but will be a far greater challenge for the Quantity Surveyor to ensure the cost data published accurately reflects the current market as it unfolds.

24. Do you think that people's behaviours will change to resolving current and ongoing construction disputes?

Yes, but it's likely to occur on both sides of the table. Some will realize that the best outcome for all parties is to simply negotiate in good faith, while others will simply try to take advantage of the situation. Although our world may have changed, human nature remains constant.

25. How will remote working impact the demand on the commercial property sector?

As companies and employees alike, see the benefits of a work-home solution, many firms will seize the opportunity. Some will embrace the work-home scenario, while others will feel more productive in a physical office setting. Either way, it's likely to reduce the need for large office spaces. Although the bricks and mortar offices will still be a requirement for many firms, as time goes on in the current lockdown, we are proving not only to ourselves, but to our clients, that we do not necessarily need large office spaces to provide the professionalism and service they've come to expect.

26. What is your most positive memory coming out of this crisis that you would like to share with the readers?

The human spirit never ceases to amaze. Facing adversity through these unique, trying times, it has been truly remarkable to see how the world, communities, businesses, and families come together to adapt and transition to the new “normal”. Balancing work and home life has always presented some challenges, but then combining the two as we set-up mini offices at our kitchen tables, living rooms, and basements, all while quarantined with our loved ones, has formed some special bonds and experiences that we will remember for our lifetime.
Thank you to the Hanscomb management team for answering all of our questions.

Look out for the Summer edition of the Construction Economist, coming soon, for more insights!