

# THE PRIORITY SHIFT IN CANADIAN CONSTRUCTION

From Housing to Infrastructure and Industry



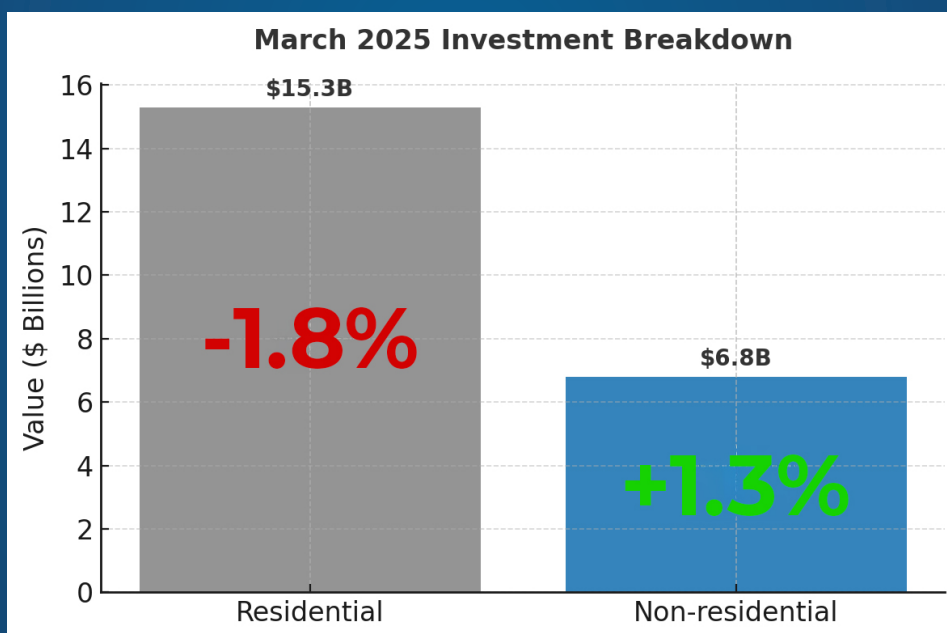


# A NEW CHAPTER

After two years of contraction, Canada's construction sector is forecast to expand by 2.6% in 2025 — but growth is uneven.

In June 2025, **building permits dropped by \$1.2B (-9.0%), falling to \$12.0B**. The decline signals market caution, with softer demand in both residential and non-residential sectors.

Yet investment data tells a more nuanced story. In March 2025, **total construction spending slipped 0.9% to \$22.2B**. Residential fell 1.8% (\$15.3B), while non-residential grew 1.3% (\$6.8B). Within that, institutional (+2.4%), commercial (+1.0%), and industrial (+0.3%) all posted gains — highlighting where confidence remains.



# WHAT'S DRIVING THE SHIFT?



## **Affordability Pressures**

Slowing housing demand



## **Policy & Demographics**

Urgency infrastructure (roads, transit, hospitals)



## **Energy & Industrial Strategy**

Investment in data centres, clean energy

*Together, these dynamics are reshaping what gets built, and where firms place their bets.*





# IMPLICATIONS FOR STAKEHOLDERS

## Developers

The time has come to re-evaluate existing portfolios. Diversifying into non-residential markets could help find new opportunities and mitigate housing-related risk.



## Engineering and Design Firms

Coordinating civil, structural, mechanical, and electrical inputs from the outset will be key to providing the timelines and cost certainty public and industrial clients expect.

## Communities

There could be an influx of investment into assets that directly shape long-term prosperity—from hospitals and schools to infrastructure that underpins growth.





# A WORD FROM OUR CEO



***"This shift is a reminder that resilience in construction comes from adaptability."***

As housing faces constraints, we're seeing opportunity in infrastructure and industry—sectors that demand integrated, multidisciplinary solutions.

At Design Works, we've built our practice around that collaboration, so our clients are ready not just for today's projects, but for the economy we're building for tomorrow."

**Haydar Al Dahhan**, P.Eng., P.E., IntPE, APEC, MIET  
**President & CEO of Design Works Engineering**

## THE BOTTOM LINE

Canadian construction is **not shrinking — it's recalibrating.**

The sector's future will be built less on single-family housing starts, and more on the infrastructure, industrial, and institutional projects that define resilient economies.







# COLLABORATION THAT ANTICIPATES CHANGE

At Design Works Engineering, we've built our model around multidisciplinary collaboration that anticipates these shifts.

If you're a developer, builder, or architect navigating this changing landscape, let's talk about how to bring your next project to life.



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