The Groundwork

America's homebuilders hit a 14-year low

China's building bust deepens

Steel and copper: up a quarter in a year

Silence, software and the schedule

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CONSTRUCTION · PROPERTY · CLAIMS

CANADIAN HOUSING

The housing target goes quiet



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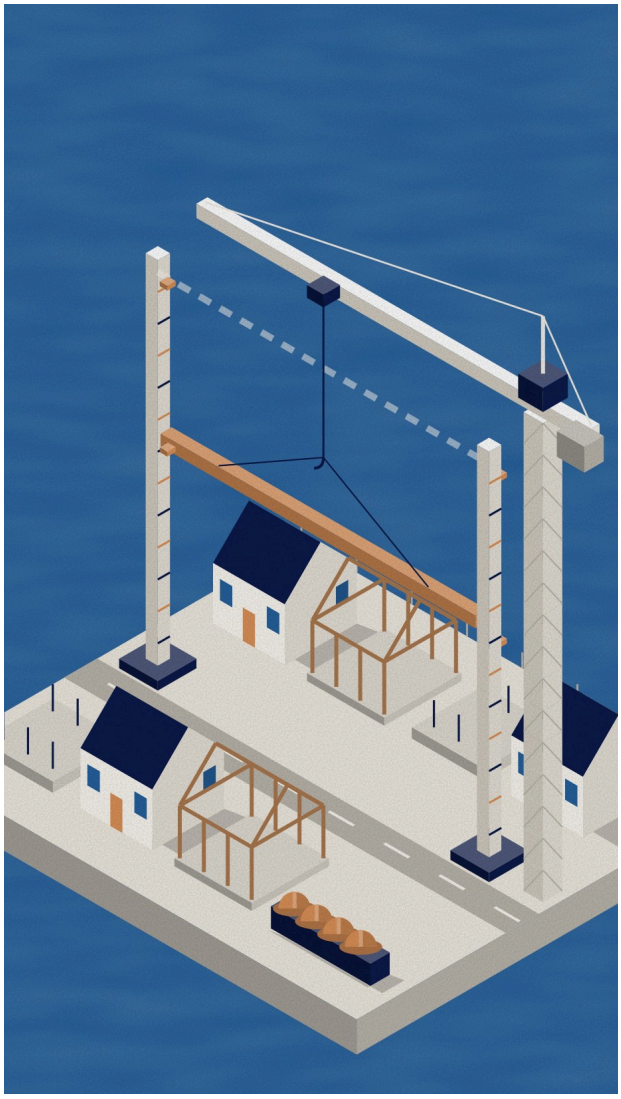
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The week in five numbers

Canadian housing starts, annual rate, October	244,558
US builder sentiment, lowest since April 2012	25
Rise in US iron and steel prices, year to October	25.1%
Fall in China's property investment, Jan–Oct	21.6%
US local governments with data-centre moratoriums	500+
Saudi Arabia's contract awards so far in 2026	US$68.8bn
US commercial-property deal volume, Q3, y/y	+20.3%

Sources: CMHC; NAHB; BLS via ABC; China NBS; Interconnected Capital via Construction Dive; MEED; Altus Group



ON THE COVER

Canada's housing minister declined this week to reaffirm the pledge to double home building, a goal the budget had already dropped. Starts slipped in October and are running at less than half the old target. What it means for the whole project team: leader, page 5. The numbers behind the shift: page 7. City by city: page 18.

ABOUT THE GROUNDWORK

A weekly briefing on construction, architecture, real estate and construction claims across Canada, the United States and the world, written for the whole project team: owners, contractors and the consultants who work with them. Published every Saturday by Benjamin R. Consulting Inc., Toronto.

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Illustrations and charts: The Groundwork.

The week in building · *Policy and politics*

Gregor Robertson, Canada's housing minister, declined on November 18th to reaffirm the Liberal pledge to double the pace of home building, telling reporters the government was focused on supply overall for now. Budget 2026, tabled on November 5th, had already dropped the target, which implied roughly 500,000 starts a year. Its new goal is to triple non-market housing construction to 24,000 starts a year over a decade. *See Leader and Canada.*

Housing starts slowed in October. CMHC put the seasonally adjusted annual rate at 244,558, down 2% from 250,072 in September; the six-month trend fell 1.7% to 246,231. Actual starts in centres of 10,000 people or more were 6% higher than a year earlier, at 21,059, but are down 3% so far this year. The decline in the trend was led by Ontario, British Columbia and the Atlantic provinces.

The approved-but-not-started backlog shrank. In centres of 50,000 or more, 139,592 homes had permits but no shovels in the ground, 3% fewer than in September. Completions jumped 24.3% to 21,621, and 369,569 homes were under construction. *See Graphic detail.*

Municipalities issued $12.9bn of building permits in September, 4.1% less than in August, said Statistics Canada. Multi-family permits fell by $529.3m. In the third quarter non-residential permits dropped by $1.7bn, the steepest quarterly fall since the spring of 2020.

Inflation held at 3.1% in October. Dearer petrol, groceries and clothing offset cheaper mobile plans and slower rent growth, Statistics Canada reported on November 16th.

The Bank of Canada's policy rate stands at 2.5% after a quarter-point rise on October 28th, its first increase in three years; the bank said inflation was running hotter and lasting longer than expected. Its next decision is on December 9th.

Canadian factory-gate prices kept rising. The industrial product price index rose 0.3% in October and was 12.6% higher than a year earlier; raw-materials prices were up 23.5% on the year.

The Canadian Construction Association said costs in steel-intensive divisions had risen by more than 8%, and that announced investment must turn into active construction before the industry sees the gains. It flagged "Buy Canadian" procurement rules as a new test for contractors.

America's central bankers are lining up a rise. Minutes of the Federal Reserve's October meeting, released on November 18th, showed nearly all officials expect a quarter-point increase in December; two floated half a point. Core inflation has run at about 3.5% annualised over three months. The committee meets on December 8th–9th.

The US Senate voted 73-25 to advance a bipartisan energy and infrastructure bill that would narrow historic-preservation reviews for many federally backed housing projects and streamline Clean Water Act permits, which housing groups say could save up to US$425,000 a project.

Three bills in Congress would curb the president's authority to impose tariffs, Construction Dive reported, as tariff-hit metals keep pushing building costs up.

The Labour Department proposed the first comprehensive overhaul in nearly 20 years of the PERM programme, through which employers sponsor permanent immigrant workers. Employers would be barred from filing within two years of a relevant layoff, up from 180 days.

America's mayors published a playbook for data centres. A model local law from Climate Mayors would ban non-disclosure agreements between cities and developers and steer projects to brownfields and industrial land. More than 500 local governments in 46 states have imposed moratoriums. *See Leaders.*

New York's buildings department widened a safety sweep to more than 160 sites after a building in Flatbush, Brooklyn, collapsed into an adjacent construction site on November 11th, killing eight people. The cause is under investigation. *See United States.*

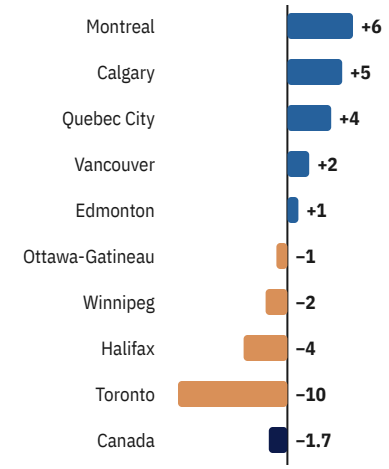
China's fixed-asset investment fell 8.1% in the first ten months of the year, with property down 21.6% and infrastructure down 5.1%, according to the National Bureau of Statistics. *See The world.*

Britain's builders had a better September. Output rose 0.8%, ending four monthly falls, though it was 0.7% lower over the third quarter. Construction output prices were 3.2% higher than a year earlier, the Office for National Statistics said.

Abu Dhabi's public capital spending lifted its contract awards by 35% this year, while Saudi Arabia's fell 13%, MEED reported. Tendering has slowed across the Gulf since hostilities resumed after an April ceasefire.

Momentum fades in Toronto

Six-month trend in housing starts, October vs September 2026, % change



Source: CMHC, November 17th 2026

Policy
Latest re
Canadia
Canada
Canadia
Industr
US build
Fed offi
rise
US loca
Sources:
AP; Inter

The week in building · *Business*

VINCI won a contract worth about €400m to engineer, procure and build a 225,000-cubic-metre liquefied-natural-gas storage tank for the second phase of LNG Canada at Kitimat, British Columbia. The client is the JGC Fluor BC LNG II joint venture. *See Canada.*

ADF Group, a Quebec steel fabricator, said it had won a $602m contract (the report did not state the currency), the largest in its 70-year history, for a technology-sector manufacturing complex in the north-eastern United States. Fabrication at Terrebonne starts within weeks and will run for just over 18 months; its order backlog now tops $1bn.

American housing starts rose 9.9% in October to an annual rate of 1.309m, the Census Bureau said, but permits fell 7.4% to 1.295m. The rise in starts was within the survey's margin of error. *See United States.*

Builder confidence fell to its lowest since April 2012. The NAHB/Wells Fargo index dropped four points to 25; 46% of builders cut prices in November.

Construction input prices rose 11.5% in the year to October, according to Associated Builders and Contractors. The Associated General Contractors' wider measure, which includes services, rose 13.3%, its fastest in more than four years. Iron and steel were up 25.1% and copper wire and cable 25.5%. *See Prices.*

Contractors' backlogs shortened. ABC's indicator fell 0.6 months to 8.1 months in October. Data-centre contractors had 11.5 months of work booked; everyone else had 7.6.

A Clark Construction and AECOM joint venture will build the Kansas City Chiefs' 70,000-seat stadium in Wyandotte County, Kansas. The venue is worth about US$3bn within a US$4.5bn plan; site work starts in 2027 and the stadium is due to open in 2031.

Jacobs, WSP and Millstone Weber won a US$583m contract to add a lane each way along 44 miles of Interstate 70 in Missouri. Ferrovial won a US$538m water-reclamation job in Fort Worth, its biggest American water project to date. Jacobs and TYLin will carry out US$150m of upgrades at Dulles and Reagan National airports.

Gilbane won a US$114m contract to replace more than eight miles of water lines and upgrade four storage tanks for the Coast Guard at Kodiak, Alaska. Honda will invest US$3bn in a hybrid-vehicle plant in Ohio, creating about 2,000 jobs, and Granite is buying materials businesses in Utah and Tennessee.

The Port Authority of New York and New Jersey proposed a US$10.3bn budget for 2027, including US$4bn of capital spending on JFK's new Terminal 1, Newark's AirTrain replacement and the George Washington Bridge. Its board votes on December 17th.

American commercial-property deals are back. Dollar volume in the third quarter was 20.3% higher than a year earlier, according to preliminary figures from Altus Group; industrial deals rose 39.3% and office deals 37.4%. *See Property.*

Canadian home sales were 10.6% lower in October than a year earlier, though up 0.3% on September, the Canadian Real Estate Association said. The national average price was $678,584, down 1.6%. Over the first ten months sales are down 6.1%, according to Ratehub's analysis, with Alberta down 9.9%, British Columbia 6.5% and Quebec 6.1%.

Saudi Arabia has awarded US$68.8bn of contracts so far this year, 13% less than in 2025, MEED reported. Gigaproject awards have fallen to US$9.4bn from US$31.7bn in 2023. *See The world.*

The Gulf's pipeline is still vast. MEED counts more than US$3.4trn of known, planned and unawarded projects across the region over the next 10-15 years, about half of them in Saudi Arabia. UAE government capital spending was AED18.6bn in the first quarter, against AED2bn a year earlier.

New construction starts in China, measured by floor area, were 24.4% lower in the first ten months than a year earlier. Floor space sold fell 13.7%.

The World Architecture Festival named its first-day winners in Fort Lauderdale, including Brooks Scarpa Huber's Rose Apartments in Venice, California, for housing and Foster + Partners' The Whiteley in London for retrofit. *See Architecture.*

A Johnson Controls executive told Facilities Dive that waterless cooling could save an AI-scale data centre about 12m gallons of water on a hot July day, removing one of residents' main objections.

The US Green Building Council published a decarbonisation blueprint for existing buildings drawn from nearly 11,000 LEED-certified projects in 90 countries.

Toronto's Real Estate Forum meets on December 2nd–3rd and The Buildings Show on December 2nd–4th, both at the Metro Toronto Convention Centre. *See Diary.*

The week's big tickets

Selected awards and plans, as reported

Project	Firm	Value
LNG Canada Phase 2 tank, Kitimat	VINCI	c.€400m
US tech manufacturing complex, steel	ADF Group	$602m*
Chiefs stadium, Kansas	Clark-AECOM JV	US$3bn
Missouri I-70 widening	Jacobs, WSP, Millstone Weber	US$583m
Fort Worth water reclamation	Ferrovial	US$538m
Dulles and Reagan airport works	Jacobs, TYLin	US$150m
Kodiak Coast Guard water lines	Gilbane	US$114m

*Currency not specified in the report. Sources: VINCI; ADF Group via SMM; Construction Dive

The week in numbers

US housing starts, annual rate, October	1.309m
US building permits, change on September	−7.4%
US construction input prices, y/y	+11.5%
Saudi contract awards so far in 2026	US$68.8bn
China property investment, Jan–Oct, y/y	−21.6%
UK construction output, September	+0.8%
US commercial property deal volume, Q3, y/y	+20.3%

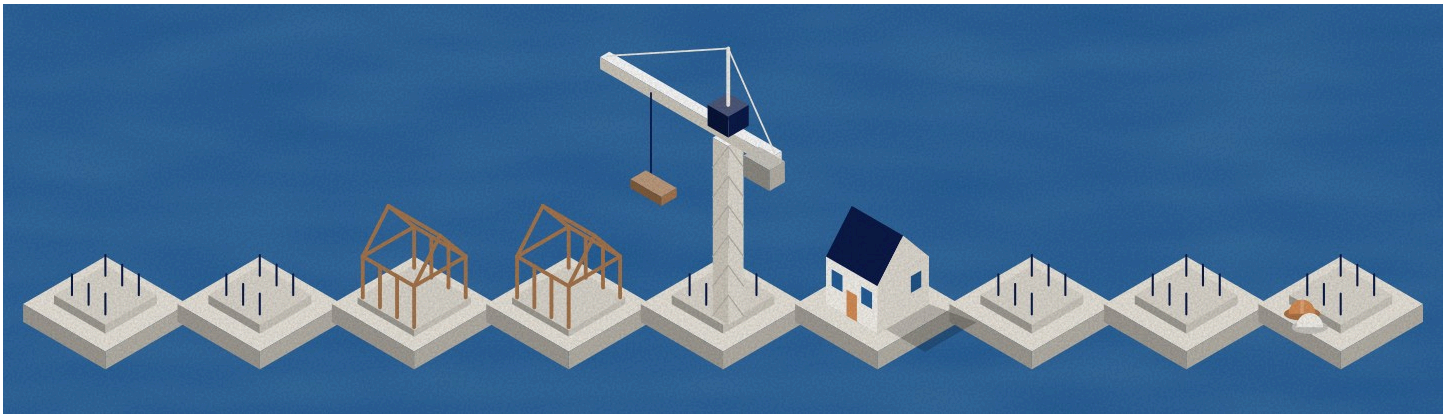
Sources: US Census Bureau; ABC; MEED; China NBS; ONS; Altus Group

Leaders

CANADIAN HOUSING

Count the starts, not the promises

Ottawa has gone quiet on doubling home building. Owners, builders and lenders should plan for the market as it is



More foundations than frames · Illustration: The Groundwork

TARGETS ARE USEFUL things. They focus minds, organise budgets and give voters a yardstick. But a target that drifts too far from what is happening on site stops being a plan and becomes a slogan. This week Canada's housing minister, Gregor Robertson, declined to reaffirm the Liberal pledge to double the pace of home building, a promise that implied roughly 500,000 starts a year. Budget 2026 had already left it out. In its place is a narrower goal: to triple the construction of non-market housing to 24,000 starts a year over a decade.

The numbers explain the retreat. CMHC reported on November 17th that starts ran at an annual rate of 244,558 in October, down 2% on September. The six-month trend is falling, led by Ontario, British Columbia and Atlantic Canada, and in Toronto it dropped by 10% in a single month. CMHC reckons that restoring 2019 levels of affordability by 2036 would need 417,000-469,000 starts a year. Its business-as-usual forecast is 231,000.

Reasonable people disagree about what to make of this. The minister argues that Ottawa cannot force Canadians to build and that the government has cut GST on many new homes and offered cities incentives to trim development charges. Mike Moffatt of the Missing Middle Institute says the doubling goal was probably too high from the start. The Conservative critic, Scott Aitchison, says tripling non-market building is still far too slow. All three can be partly right. What matters for the industry is not who wins the argument but where the work will actually be.

Follow the money, and the rent

The answer is increasingly in rental and non-market housing. CMHC says purpose-built rentals now make up about two-thirds of apartment starts in the big markets, and that condominium launches in Toronto have largely stalled. Build Canada Homes has $13bn over ten years. Non-market and rental projects are financed differently from condominiums: by public agencies, pension funds and government-backed lenders who care about cost certainty, delivery dates and repeatable designs far more than about pre-sales.

That shift rewards different skills. Owners and housing agencies who package projects into programmes, with standard designs and a predictable pipeline, will get better prices than those who tender one-off buildings. Contractors who can show a lender a credible cost and schedule, and hold to it, will win the work; those whose business model rested on pre-sold condominium towers will have to adapt. Consultants who can turn a concept into a bankable budget and programme quickly are now part of how projects get financed, not just how they get built.

Measure what gets built

Governments, too, have a part to play. A target counted in announcements and approvals is easy to hit and means little. One counted in starts and completions, published city by city every month, would tell builders where to invest and voters what they are getting. CMHC already collects the data. The approved-but-not-started backlog in big cities fell by 3% in October, which may mean some stalled projects are moving. It may also mean permits are lapsing. Knowing which would be worth more than any headline number. The Parliamentary Budget Officer notes that starts so far this year are running about 4% below 2025's pace.

The industry can do its bit without waiting for the politics to settle. Owners should plan on today's pace, not yesterday's promises. Builders should line up for the rental and non-market pipeline that is funded. Everyone on the team, owners, contractors and consultants alike, should treat schedule and cost certainty as the product they are selling, because in this market that is what unlocks the money. The target may have gone quiet. The need for homes has not. ■

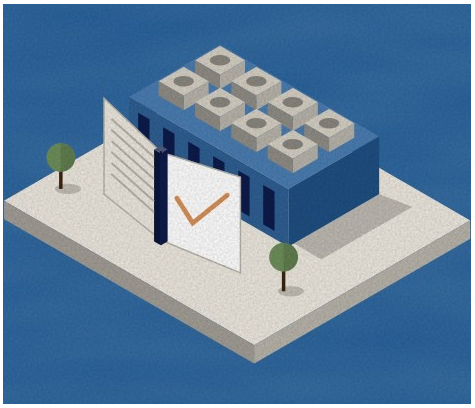


Illustration: The Groundwork

DATA CENTRES

Rules before the rush

American cities are writing their own data-centre codes. Developers should welcome clear rules, and help write them

More than 500 local governments in 46 states have now imposed moratoriums on data centres, according to Interconnected Capital's tracker. A moratorium is a blunt tool: it stops good projects along with bad ones, and it usually means a town has run out of patience before it has worked out what it wants. So it is welcome that America's mayors are trying to write down what they want instead. A model local law from Climate Mayors, drafted with the Sabin Center at Columbia Law School and others and reported by Construction Dive on November 13th, sets out rules on siting, permitting, community benefits and operations.

Its provisions are sensible. It steers data centres towards brownfields, industrial zones and under-used land, and away from land set aside for housing, parks and transit. It asks for community-benefit agreements that cover jobs and wages, environmental mitigation and money for eventual decommissioning. It sets standards for power sourcing, back-up generation and noise. And it recommends banning the non-disclosure agreements that have let some councils approve projects whose owners residents could not name, a practice the group's director says erodes public trust.

Developers may grumble at another layer of rules. They should not. The cost of the present uncertainty is far higher: projects stalled for months, sites lost at referendums, community benefits negotiated under siege. Clear, published standards let an owner price compliance into a business case before buying land, let contractors schedule approvals as an activity with a known duration, and let engineers design for the noise and water limits they will be held to. Technology helps: a Johnson Controls executive says waterless cooling could save an AI-scale campus about 12m gallons of water on a hot day, removing one of the commonest objections.

For project teams the model law reads like a scope document. Its operational standards on power sourcing, back-up generation, noise and building materials become design criteria, test requirements and commissioning milestones, and they should be priced at tender rather than discovered at the planning hearing. Community-benefit agreements with money set aside for decommissioning belong in the owner's business case from the first feasibility study. Denser equipment, the same executive notes, means smaller footprints, which can keep buildings farther from property lines and neighbours.

Canadian cities have yet to face this test at scale, but the CCA lists a proposed Meta data centre in Sturgeon County, Alberta, among the projects to watch. Provinces and municipalities would do well to write their rules now, with developers and builders at the table, rather than reach for a moratorium later. The cheapest time to agree the rules is before anyone has bought the land. ■

CHINA'S PROPERTY BUST

A pre-sale is a promise, not a building

China's slump shows what happens when the money behind pre-sold homes dries up

China's property slump is still deepening. Investment in real-estate development fell 21.6% in the first ten months of 2026, the National Bureau of Statistics said on November 16th; in the first nine months completions fell by a quarter and domestic loans to developers by a third. The lesson for builders elsewhere is not that China's model will be repeated, but that any market built on pre-sales is only as sound as the cash that flows from buyer to developer to contractor.

Canada's condominium market works on a similar principle, with deposits and pre-sales underwriting construction loans. When launches stall, as CMHC says they have in Toronto, the pipeline thins years later. Owners and lenders should insist on cost-to-complete reporting that would survive a downturn. Contractors should watch their payment security and the health of their clients as closely as their margins. Ontario's Court of Appeal has just reminded trades on a Barrie townhouse project in receivership that their priority over the lender is limited to the actual shortfall in the holdback.

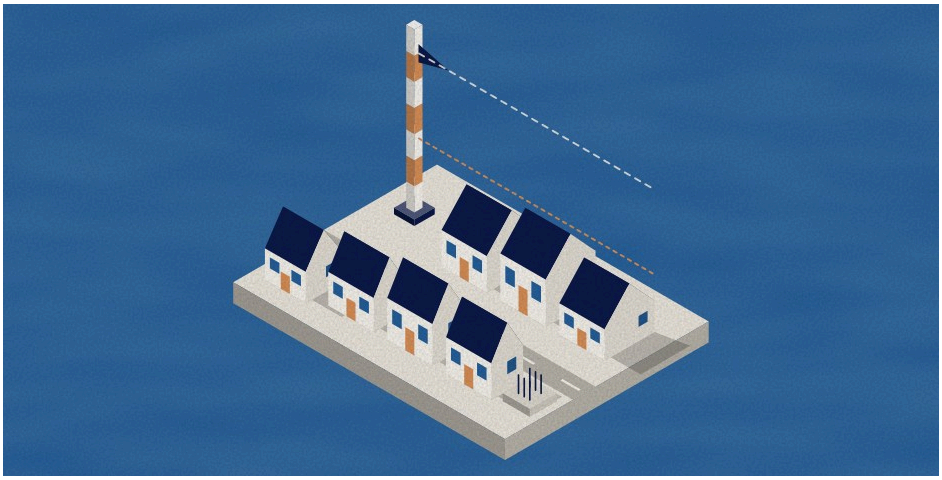
China's figures show how the strain travels down the chain. Funds available to developers fell 21.6% in the first nine months; mortgage lending fell 22.1%, and the deposits and advance payments that buyers hand over before a building is finished fell 14.8%. Fewer sales mean less cash to finish homes already sold, and fewer new starts. In Toronto, CMHC says, only 156 condominium units were started in the first half of 2026. Today's missing launches are the missing completions of the late 2020s. In a pre-sale market, the schedule is also a financing document. ■

Canada

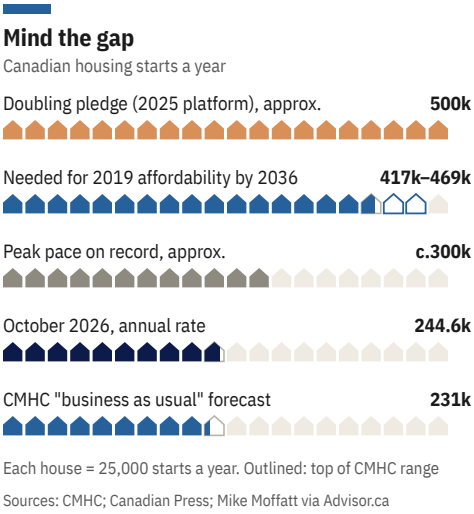
HOUSING POLICY

The doubling that went quiet

Ottawa has stopped promising 500,000 homes a year. Starts, permits and prices show why, and where the work is moving



The mark and the reality · Illustration: The Groundwork



When Gregor Robertson walked into a Liberal caucus meeting on November 18th, reporters asked him a simple question: is the government still committed to doubling the pace of home building? He would not say yes. "We're just focused on supply overall for the time being," the housing minister replied, according to the Canadian Press. He noted that the target had been based on CMHC's estimate of the supply gap needed to restore 2019-level affordability, and argued that getting there needs the private sector to build at scale, because the government cannot force Canadians to build housing.

> *"We're just focused on supply overall for the time being*
>
> GREGOR ROBERTSON, HOUSING MINISTER, NOVEMBER 18TH

The exchange confirmed what the budget had signalled two weeks earlier. The Liberals campaigned in 2025 on doubling the annual pace of home building over a decade, to roughly 500,000 starts a year, and repeated the goal in last year's budget. Budget 2026, tabled on November 5th, dropped any mention of it. Instead it set out a goal of tripling non-market housing construction to 24,000 starts a year over the next decade and of ending homelessness, backed by $13bn over ten years for Build Canada Homes. Asked about the doubling goal after the budget, the minister's office pointed to a statement in May that the government was still working towards it.

What the numbers say

The data published this week show how far the market is from the old goal. CMHC said on November 17th that starts ran at a seasonally adjusted annual rate of 244,558 in October, 2% lower than September's 250,072. The six-month trend, which smooths out monthly noise, fell 1.7% to 246,231. "October's results signal reduced momentum for housing construction," said Kevin Hughes, CMHC's deputy chief economist, who added that under-building during a downturn is a risk for future affordability.

The picture is not uniformly gloomy. Actual starts in centres of 10,000 people or more were 21,059 in October, 6% more than a year earlier, although for the year to date they are down 3%, at 192,023. Completions in larger centres jumped by almost a quarter, as projects started in busier years were finished. And the backlog of homes with permits but no start fell by 3% to 139,592.

Permits point the same way. Statistics Canada said on November 12th that municipalities issued $12.9bn of permits in September, down 4.1% on August. Residential permits fell 5.8% to $7.8bn, dragged down by a $529.3m drop in multi-family projects, led by British Columbia and Alberta. Over the third quarter 71,300 homes were authorised, against 78,500 a year earlier. Non-residential permits fell by $1.7bn in the quarter, the largest drop since the second quarter of 2020, as institutional work came off a record set by a new Ontario hospital.

The gap, and the argument

CMHC's own arithmetic frames the debate. Its autumn supply report estimated that Canada would need 417,000-469,000 starts a year to bring affordability back to 2019 levels by 2036. On current trends it expects about 231,000 a year, leaving a shortfall of up to 238,000 homes a year. Mike Moffatt, an economist at the Missing Middle Institute, notes that Canada's annual starts have peaked at around 300,000. "I never loved the target," he said, arguing it was probably too high and missed nuances about the mix of homes needed.

Critics see it differently. Scott Aitchison, the Conservative housing critic, accused the government of quietly moving the goalposts and said that tripling non-market construction was still far too slow to restore affordability. The minister, for his part,

describes the removal of GST on many new homes and federal incentives for cities to cut development charges as unprecedented interventions. The Parliamentary Budget Officer has noted that starts this year are running about 4% below 2025.

Many of the levers that matter most sit outside Ottawa's direct control: interest rates, material costs, municipal approvals and the appetite of lenders and buyers. Statistics Canada said industrial product prices were 12.6% higher in October than a year earlier, and the Canadian Construction Association reports cost increases above 8% in steel-intensive divisions.

Where the work is moving

Beneath the totals, the mix is changing fast. CMHC says purpose-built rentals make up about two-thirds of apartment starts in key markets. In Toronto, where the six-month trend fell 10% in October, rental apartment starts in the first half of the year outpaced condominium starts for the first time since 1994, and only 156 condominium units were started. In Vancouver rentals account for about 60% of starts this year. Montreal and Calgary, by contrast, picked up speed in October, with trends up 6% and 5%.

City by city

CMHC's autumn supply report shows how uneven the gap is. Toronto would need at least 50% more starts, or 21,000-26,000 additional homes a year, to restore affordability by 2036; its population-adjusted starts in the first half were among the lowest since 1996, and ground-oriented freehold starts are at record lows. Its stock of permitted but unstarted projects is half its 2023 peak. Vancouver's gap was steady: softer resale prices and stronger-than-expected construction helped, but condominium starts fell 40% in the first half, the weakest since 2011, and unsold inventory is building in Surrey, the City of Vancouver and Burnaby. The gap narrowed in Calgary, widened in Ottawa and Montreal, and in Edmonton, the most affordable big market, there is virtually none.

The cost of money

Financing is moving the wrong way for builders. Inflation held at 3.1% in October, and the Bank of Canada raised its policy rate to 2.5% on October 28th, its first increase in three years, saying inflation was running hotter and lasting longer than expected. Construction loans priced off that rate are dearer just as rental projects, which depend on long-term financing and modest yields, are expected to carry more of the market. Every month of delay now costs more in interest, which makes schedule certainty worth more to lenders and owners alike.

For builders, that means a market paid for by different people. Rental and non-market projects are financed by pension funds, institutional landlords, non-profits and government programmes, often with CMHC-backed loans. They tend to favour repeatable mid-rise designs, firm prices and reliable delivery dates over the amenity-heavy towers of the condominium boom.

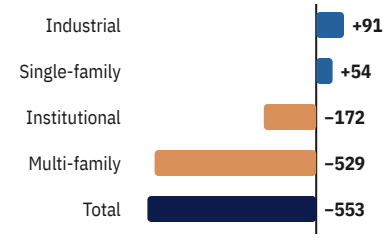
What it means for the project team

Owners and housing agencies can get more from a thinner market by packaging projects into programmes with standard designs, so that contractors can invest in prefabrication and keep crews busy. Contractors who want this work should be ready to show lenders open-book estimates, credible schedules and a record of finishing on time. Consultants can help most by turning concepts into bankable budgets and programmes quickly, and by tracking costs against published indices so that escalation is discussed early, not fought over at the end.

Everyone should watch the approved-but-not-started backlog. If it keeps shrinking because projects are breaking ground, the slowdown may be bottoming out. If it is shrinking because permits are lapsing, the decline in starts has further to run.

Where September's permits slipped

Change in value of Canadian building permits, September vs August 2026, $m



Navy: total. Source: Statistics Canada, November 12th 2026

INDUSTRIAL WORK

Big jobs in the west

While housing slows, energy and industrial contracts keep coming

Big jobs, big tanks

Industrial work in the news this week

VINCI LNG tank, Kitimat	c.€400m
Tank capacity	225,000m³
ADF Group contract, its largest	$602m
ADF backlog after the award	>$1bn
Steel-heavy cost rises, Canada	>8%

Sources: VINCI; ADF Group via SMM; Canadian Construction Association

LNG Canada's second phase took a step forward on November 20th, when VINCI said it had won a contract worth about €400m to build a 225,000-cubic-metre storage tank at Kitimat for the JGC Fluor joint venture. The CCA lists a possible second phase among the projects to watch in 2027, alongside GO Expansion and a proposed Meta data centre in Sturgeon County, Alberta.

Canadian fabricators are winning south of the border too. ADF Group's $602m steel contract for an American technology plant is the largest in its history and lifts its backlog above $1bn.

For contractors, the lesson is that capacity is moving towards energy, industrial and infrastructure work, with its own safety, quality and procurement rules, including new "Buy Canadian" requirements. Firms that can staff it will find steadier work than in housing this winter.

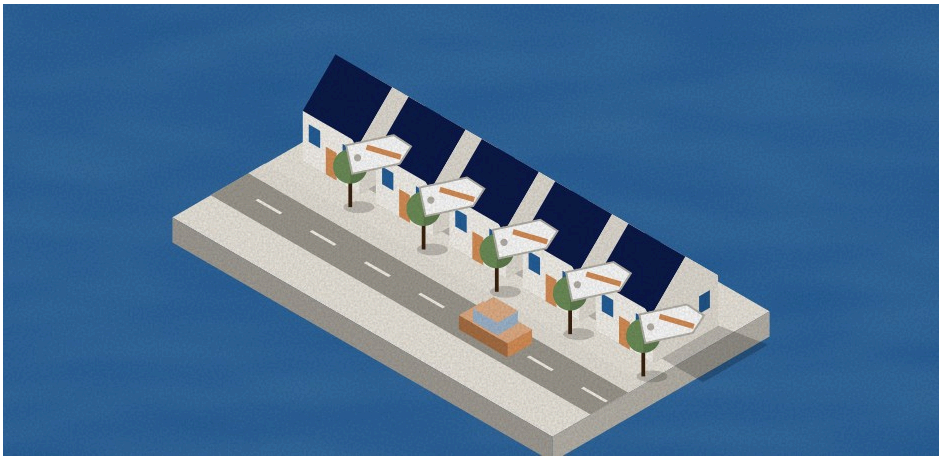
The wider economy is helping. The CCA says real GDP grew at a 3.3% annualised rate in the second quarter and construction GDP rose 1% after two quarterly declines. It also points to the planned $51bn Build Communities Strong Fund and the Productivity Mega Deduction as drivers for 2027, though it warns that announcements must still turn into work on site.

United States

HOUSING

Homebuilders' gloom hits a 14-year low

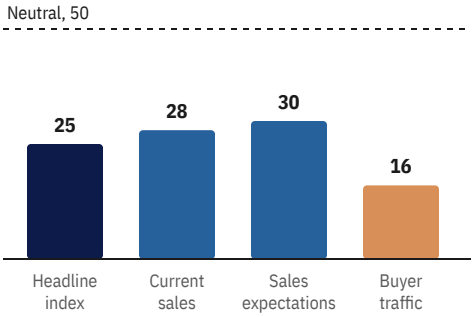
Mortgage rates above 7%, a Fed poised to tighten again and buyers who will not budge. Builders are cutting prices to keep moving



Discounts on every corner · Illustration: The Groundwork

Gloom on the building site

NAHB/Wells Fargo housing market index, November 2026 (50 = neutral)



Headline: lowest since April 2012. Source: NAHB, November 17th 2026

America's homebuilders have not been this downbeat since the spring of 2012. The National Association of Home Builders' housing market index, compiled with Wells Fargo, fell four points to 25 in November, the association said on November 17th. All three components fell: current sales to 28, expected sales over the next six months to 30, and traffic of prospective buyers to 16, its lowest in 15 years outside the first months of the pandemic.

Builders are buying sales with discounts. Some 46% cut prices in November, the highest share since the pandemic, and the average cut has stayed at 6% for eight months running. Sixty-eight per cent offered incentives, the 20th month in a row that the share has been at least 60%. NAHB's chief economist, Robert Dietz, blamed mortgage rates above 7%, softer consumer confidence and an uncertain outlook. Every region weakened, with the West the weakest at 23.

Starts up, permits down

A day later the Census Bureau offered a mixed picture. Housing starts rose 9.9% in October to a seasonally adjusted annual rate of 1.309m, 2.8% higher than a year earlier. But the bureau's 90% confidence interval for the monthly change was plus or minus 16.8%, so the jump was not statistically significant. Most of the rise came from apartments: starts in buildings of five or more units climbed 25.5% to 433,000.

Single-family starts rose 4% to 864,000 but were 3.2% lower than a year earlier. The forward-looking numbers were weaker. Building permits fell 7.4% to an annual rate of 1.295m, and single-family permits dropped 8.7% to 772,000, almost 13% below their level a year ago. Completions rose 6.5% to 1.272m but were down 10.4% on the year. "The monthly gain should be viewed cautiously," said Danushka Nanayakkara-Skillington, the NAHB's forecasting chief, citing affordability and economic uncertainty.

The Fed turns the screw

Relief from interest rates is not coming soon. Minutes of the Federal Reserve's October meeting, released on November 18th, showed that nearly all officials expect to raise rates by a quarter-point in December, after holding its key rate at about 3.9% in October. Two floated a half-point move, and Christopher Waller, a governor, has publicly backed the larger step, warning that inflation is "headed in the wrong direction". Core inflation has run at about 3.5% annualised over the past three months. Markets put the chance of a December rise at nearly 95%, according to CME's FedWatch, and expect another early next year.

For homebuilders that means mortgage rates are likely to stay high into the spring selling season. For developers of rental housing, whose starts are rising, it means construction loans will cost more just as projects reach the market, and lease-up assumptions will be tested.

Washington tries to help supply

Congress is trying to ease the regulatory side. On November 16th the Senate voted 73-25 to advance the Bipartisan American Affordability and Jobs Act, a mainly energy and infrastructure bill with housing provisions attached. It would narrow federal historic-preservation reviews for many housing projects backed by HUD and the Department of Agriculture, and streamline Clean Water Act permits; housing groups say that could save up to US$425,000 a project across about US$10bn a year of federal housing programmes. The National Apartment Association, the NAHB and YIMBY groups support it. The bill was introduced by two Senate committees on September 30th, and Senators Lee, Capito, Heinrich and Whitehouse released a substitute amendment days before the vote.

Labour supply may tighten instead. The Department of Labor proposed on November 16th a sweeping overhaul of the

PERM programme for sponsoring permanent immigrant workers, adding electronic recruitment requirements and barring employers from filing within two years of a relevant layoff. An immigration lawyer quoted by Construction Dive expects a slower and costlier process for employers sponsoring green cards. Comments are open for 60 days. The roughly 300-page proposal would also scrap Schedule A, which lets employers skip the process for nurses and physical therapists.

Who is still building

The split between houses and apartments runs through every number. NAHB calculates that multifamily starts were 17.1% higher than a year earlier in October, while single-family starts are down 4.6% so far this year. Some 691,000 apartments are under construction, against 581,000 single-family homes. By region, combined starts for the year are up 3.8% in the Northeast and roughly flat in the South and Midwest, but down 6.7% in the West, where builder sentiment is also weakest. Mortgage rates have topped 7% and home sales have fallen, the Associated Press reports.

Away from housing, public and institutional work keeps flowing. This week brought a US$583m contract to widen 44 miles of Interstate 70 in Missouri, a US$538m water-reclamation job in Fort Worth for Ferrovial and US$150m of airport upgrades near Washington. A Clark-AECOM joint venture will build the Kansas City Chiefs' US$3bn stadium in Kansas, due to open in 2031. The Port Authority of New York and New Jersey has proposed US$4bn of capital spending for 2027, with public comment open until December 15th. For trades leaving residential work, these are the projects to chase.

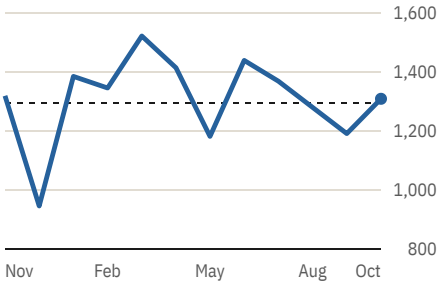
What it means for the project team

For builders and their clients, three things follow. First, the market has split: apartments are starting again while single-family construction retreats, so trades and suppliers should follow the multifamily pipeline. Second, discounts are eroding margins, and builders will push back on costs; owners and developers should expect harder bargaining on subcontracts and change orders. Third, with rates rising and permits falling, projects that have not broken ground by spring may not do so in 2027. Teams should use the winter to settle design, approvals and procurement so that they are ready to move when financing allows.

None of this means the market has collapsed. Starts are 2.8% higher than a year ago and builders are still selling homes, at a price. But the gap between what buyers can afford and what it costs to build is widening, with input prices up 11.5% in a year and mortgage rates above 7%. Firms that control costs through standard plans, early procurement and fewer change orders will hold their margins longest; owners and lenders should favour them. ■

Starts bounce, permits fall

US housing starts, seasonally adjusted annual rate, '000; dashed line: October permits, 1,295k



October preliminary; change not statistically significant. Source: US Census Bureau

The builders' discount

NAHB survey, November 2026

Builders cutting prices	46%
Average price cut	6%
Builders offering incentives	68%
Single-family starts, y/y	−3.2%
Multifamily (5+) starts, y/y	+22.0%
Single-family permits, y/y	−12.9%

Sources: NAHB; US Census Bureau

The regional picture

Builder sentiment and housing starts by region

Region	HMI*	Starts, YTD
Northeast	34	+3.8%
Midwest	35	−0.7%
South	27	+0.2%
West	23	−6.7%

*Three-month average, November. Source: NAHB

SITE SAFETY

Collapse in Brooklyn

A building fell into the site next door. New York has started checking 160 others

After the collapse

Flatbush, Brooklyn, November 11th

Deaths, including two construction workers	8
Sites in the city's safety sweep	160+
Entities covered by the sweep	6
Fine for demolition protections, March	$2,500
Fine for breaching stop-work order, April	$10,000

US dollars. Source: NYC Department of Buildings via Construction Dive

On November 11th a building in Flatbush, Brooklyn, collapsed into an adjacent construction site, killing eight people, two of them construction workers. New York's Department of Buildings says it is too early to know the cause; an independent engineering firm will report. Crews are removing debris and shoring the area.

The department has disclosed that it had approved only below-grade work on the neighbouring site: earthwork, foundations and support of excavation for a three-storey structure. Plans for a nine-storey, 64-unit building had been returned with objections. The site was fined in March for inadequate protection of neighbouring properties and in April for breaching the stop-work order that followed. Both fines were paid.

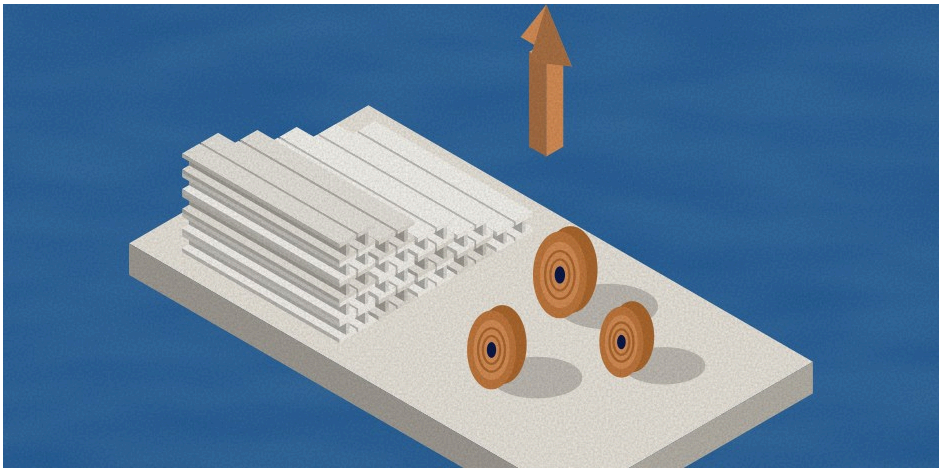
After the mayor's announcement, the department widened its sweep to six entities and more than 160 sites, without naming them.

For every project beside an occupied building, the lesson is to treat the neighbour as part of the site: survey it, monitor it and stop when the readings say so. ■

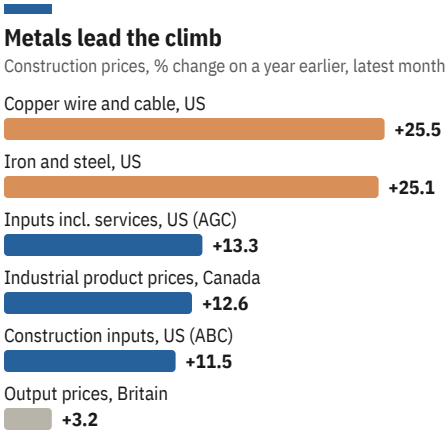
CONSTRUCTION PRICES

Metals lead the climb

Iron, steel and copper are up by a quarter in a year. Contractors still feel relaxed about margins. Their clients may not



The dearest part of the building · Illustration: The Groundwork



US and Canada: October; Britain: year to September. Sources: BLS via ABC and AGC; Statistics Canada; ONS

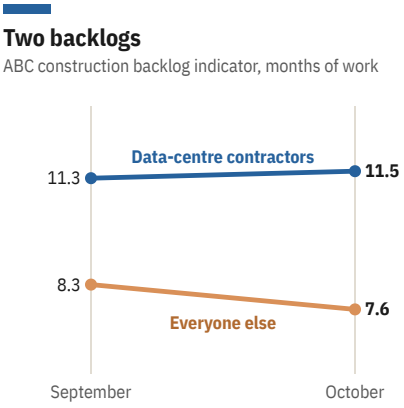
THE PRICE OF BUILDING in America is rising at a pace not seen in years. Construction input prices were 11.5% higher in October than a year earlier, according to an analysis of producer-price data by Associated Builders and Contractors. The Associated General Contractors' broader measure, which includes services, rose 13.3%, its biggest annual increase in more than four years. Non-residential inputs rose a further 0.2% in October alone.

Metals are doing most of the damage. Iron and steel prices were 25.1% higher than a year earlier and copper wire and cable 25.5%, according to the Bureau of Labor Statistics. Both are subject to tariffs. The AGC also notes that diesel fuel has more than doubled in price over 12 months, although two of ABC's three energy sub-categories fell in October.

Yet contractors seem calm. ABC's chief economist, Anirban Basu, says that despite rising materials prices, contractors remain "relatively sanguine about their profit margins". About one in four still expects margins to shrink over the next six months.

Two backlogs

One reason for the calm is that the busiest contractors have pricing power. ABC's backlog indicator fell to 8.1 months in October from 8.7 in September. But the 12% of contractors working on data centres, most with revenues above US$100m, had 11.5 months of work booked, up from 11.3. Everyone else had 7.6, down from 8.3. Infrastructure backlog fell to 8.7 months, its lowest since May 2025.



All contractors: 8.7 to 8.1. Source: Associated Builders and Contractors

Designers see little relief ahead. In the American Institute of Architects' October survey, only commercial and industrial firms reported billings above the break-even mark of 50; institutional and multifamily practices were in the low 40s, and every region except the West softened.

Who carries the cost

For owners, the gap between soaring metal prices and relaxed contractors is a warning. Contractors with full books can pass costs on, or decline work that does not cover them. Contractors chasing scarcer work outside data centres are more likely to absorb increases in a bid and recover them later through claims. Neither outcome is good for a project.

The fix is to deal with metals explicitly. Owners can buy structural steel, rebar, switchgear and cable early, or name a published index and a base date for adjustment. Contractors should show their escalation allowances and the dates their supplier quotes expire. Cost consultants should carry metals as a separate line in every estimate, built from the latest monthly data rather than last year's averages. Canadian teams should note that their own industrial product prices were 12.6% higher in October, and that the CCA reports increases above 8% in steel-intensive trades.

The design pipeline

AIA/Deltek billings indices, October 2026 survey (50 = no change)

Segment	Index
Commercial/industrial	51.0
Multifamily residential	42.7
Institutional	42.5
West	49.8
South	44.3
Midwest	43.0
Northeast	40.1

Source: American Institute of Architects

What to watch

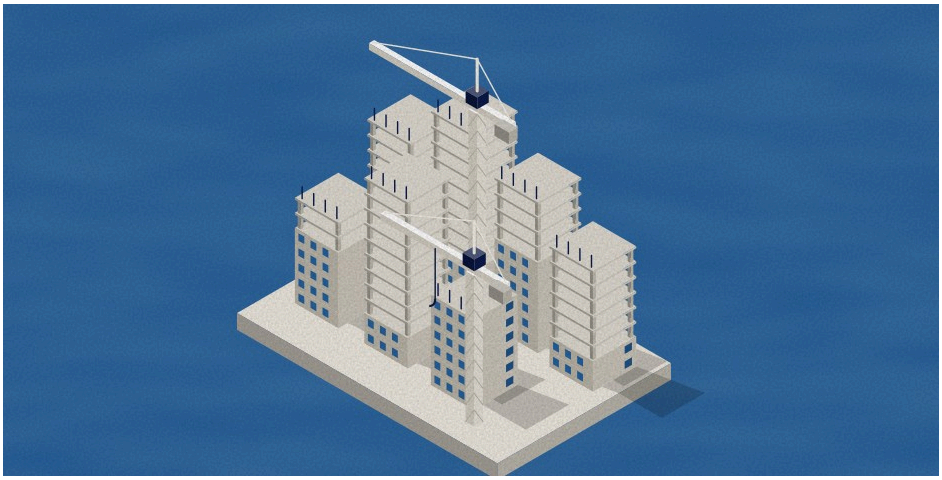
Three things will set the path. Tariff policy is one: three bills in Congress would curb the president's power to impose them. Interest rates are another: a December rise by the Fed would cool demand across much of the market. The third is the data-centre pipeline itself, which keeps the busiest trades and suppliers stretched while the rest of the market softens.

The world

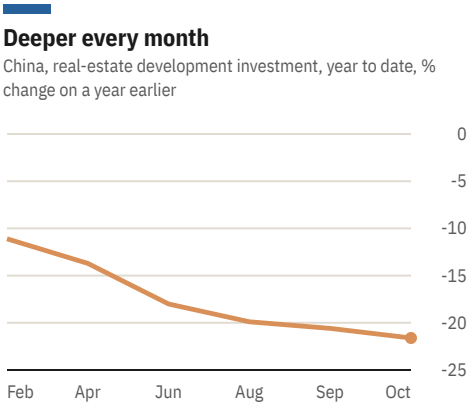
CHINA

China's building bust deepens

Property investment is down by more than a fifth this year, and the slide is accelerating. The world's biggest construction market is still shrinking



Towers waiting for buyers · Illustration: The Groundwork



China's property downturn is not bottoming out. It is getting worse. Investment in real-estate development fell 21.6% in the first ten months of 2026 compared with a year earlier, the National Bureau of Statistics said on November 16th. In the first nine months the decline was 20.6%; in the first two it was 11.1%. Each monthly release this year has been worse than the last.

Construction is bearing the brunt. New starts, measured by floor area, were 24.4% lower in January-October than a year before, and floor space under construction was down 13%. Sales of new commercial buildings by floor area fell 13.7%. In the first nine months completions dropped by a quarter, a sign that unfinished projects remain a problem for buyers who paid in advance.

The wider economy is feeling it. Total fixed-asset investment, 36.48trn yuan (about US$5.5trn), fell 8.1% in January-October, steeper than the 7.2% contraction to September. Infrastructure investment, Beijing's traditional shock absorber, was down 5.1%; manufacturing investment fell 2.9% and private investment 11.4%.

Follow the cash

The money tells the story. Funds available to developers in the first nine months were 21.6% lower than a year earlier. Domestic bank loans to developers fell by a third, and the deposits and advance payments that buyers hand over before construction were down 14.8%. Individual mortgage lending fell 22.1%. In a system where pre-sales pay for construction, fewer buyers mean less money to finish the homes already sold, and fewer new starts.

The statistics bureau never publishes single-month investment figures, but the cumulative data leave little doubt that the decline sped up through the year: from 13.7% to April, to 18% to June, 19.9% to August and 21.6% to October.

Why it matters elsewhere

China's slump reaches builders far from Beijing. It shapes global demand for steel, cement, copper and glass, and how hard Chinese contractors and suppliers compete for work abroad. Developers short of cash at home have less to spend on overseas projects; equipment makers and material suppliers with idle capacity look for export markets instead.

The deeper lesson concerns the pre-sale model itself. Wherever buyers' deposits pay for construction, the health of a project depends on a chain of promises: from buyer to developer, developer to lender and developer to contractor. When sales slow, every link is tested at once. Contractors working in pre-sale markets, including Canada's condominium sector, should check how they will be paid if sales stall, and owners and lenders should demand cost-to-complete reports they would trust in a downturn.

Britain picks up, just

In Britain the news was slightly better. Construction output rose 0.8% in September, the Office for National Statistics said on November 12th, ending four monthly declines. Infrastructure work, up 3.3%, did most of the lifting. Over the third quarter, however, output was 0.7% lower than in the second, with new work down 1.6% and private new housing down 4.7%. New orders rose 1.2% in the quarter, driven by public and private commercial work, and construction output prices were 3.2% higher than a year earlier, far below the double-digit increases now seen in North America. The next figures are due on December 11th.

Beneath the headline, five of nine sectors shrank in the quarter, and private new housing, down 4.7%, was the biggest drag. Repair and maintenance grew 0.5%, the kind of steady work that sustains firms when new projects are scarce, and that rewards contractors who are good at working in occupied buildings. In September alone new work rose 0.9% and repair and maintenance 0.6%, while the

statisticians revised August to a 0.5% fall and July to a 0.2% fall.

The Gulf's long pipeline

The Gulf is a different kind of test. MEED estimates that the region has more than US$3.4trn of known, planned and unawarded projects over the next 10-15 years, about half of them in Saudi Arabia. But since hostilities resumed after an April ceasefire, tendering has slowed, especially in real estate, and awards in recent months have fallen well short of the same months of 2025. In Saudi Arabia most sectors are up except power and water, while gigaproject awards have shrunk to US$9.4bn so far this year from US$31.7bn in 2023.

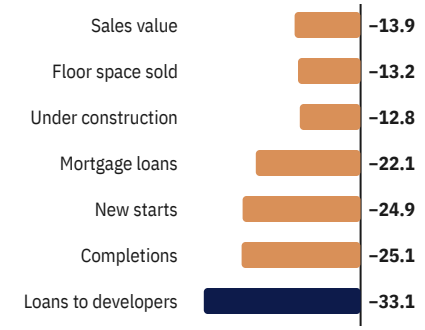
Governments are filling some of the gap. UAE consolidated government capital spending was AED18.6bn in the first quarter, against AED2bn a year earlier, and Abu Dhabi's awards are up 35%. Private developers are retrenching: Dubai launched about 50,000 homes in the first nine months, roughly 64% fewer than a year earlier, according to MEED, and off-plan sales fell to AED45.7bn in the third quarter from AED61.3bn in the second, while sales of ready homes rose. Fewer launches mean fewer construction contracts, which is why residential awards have fallen so fast. MEED expects reconstruction and repair work once the fighting ends; Bahrain's Gateway Gulf forum in early November promised more than 110 announcements worth over US$20bn across logistics, manufacturing, tourism and technology.

The project team's view

For contractors with international exposure, these markets demand different strategies. In China, competition for a shrinking pool of work keeps prices low and payment risk high. In Britain, a recovery led by public infrastructure rewards firms with framework places and a record on public jobs. Owners buying materials and equipment globally, from steel sections to façade systems, may find more willing suppliers and sharper prices, but should check the financial strength of anyone whose factory depends on a weak home market. In the Gulf, contractors should price the risk of tenders that slip and favour state-backed clients whose budgets are rising, while keeping careful, dated records of any work disrupted by the conflict, because those records will decide who pays when the strait reopens. ■

A bust in every column

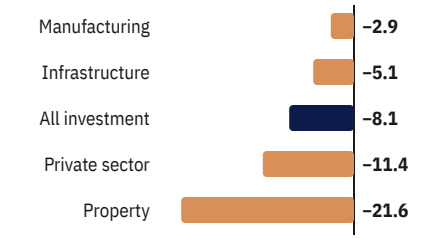
China real estate, January–September 2026, % change on a year earlier



Navy: credit to developers. Source: National Bureau of Statistics of China

Not just property

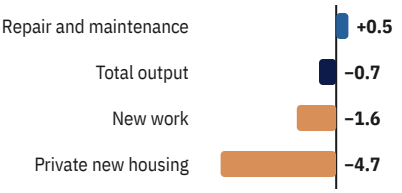
China, fixed-asset investment, January–October 2026, % change on a year earlier



Source: National Bureau of Statistics of China via Business Today

Britain: repairs hold up

Construction output, Q3 vs Q2 2026, % change



Source: Office for National Statistics, November 12th 2026

China's money

Funds for real-estate development, Jan–Sep 2026, change on a year earlier

All funds for development	−21.6%
Domestic loans	−33.1%
Self-raised funds	−21.4%
Deposits and advance payments	−14.8%
Individual mortgage loans	−22.1%
Investment in residential buildings	−20.5%

Source: National Bureau of Statistics of China

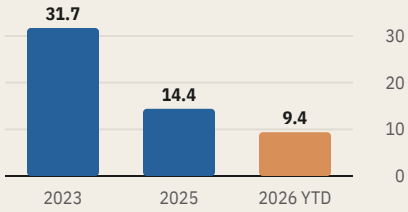
THE GULF

Building around Hormuz

War has slowed tendering, but states are spending on routes that avoid the strait

Giga, then less so

Saudi gigaproject contract awards, US$bn



Source: MEED, November 1st 2026

THE GULF'S PROJECTS market has absorbed almost eight months of conflict better than its economies, MEED says. The IMF expects every Gulf economy except Oman's to shrink this year, Kuwait's by 16.7% and Qatar's by 15.6%.

Saudi Arabia has awarded US$68.8bn of contracts so far this year, 13% less than in 2025. The UAE leads the region, with awards up 6.1%; Abu Dhabi's are up 35% on higher public capital spending. Both countries are prioritising ports, pipelines and transport links that bypass the Strait of Hormuz.

Private developers are finishing projects rather than launching them. Dubai's third-quarter home sales fell 38% by number, Savills says. "Much will depend on when the strait reopens," writes Colin Foreman, MEED's editor. ■

Gulf ledger

Awards so far in 2026 vs same period of 2025

Saudi Arabia, awards	US$68.8bn
Saudi change	−13%
UAE change	+6.1%
Abu Dhabi change	+35%
Dubai home sales value, Q3, y/y	−46%

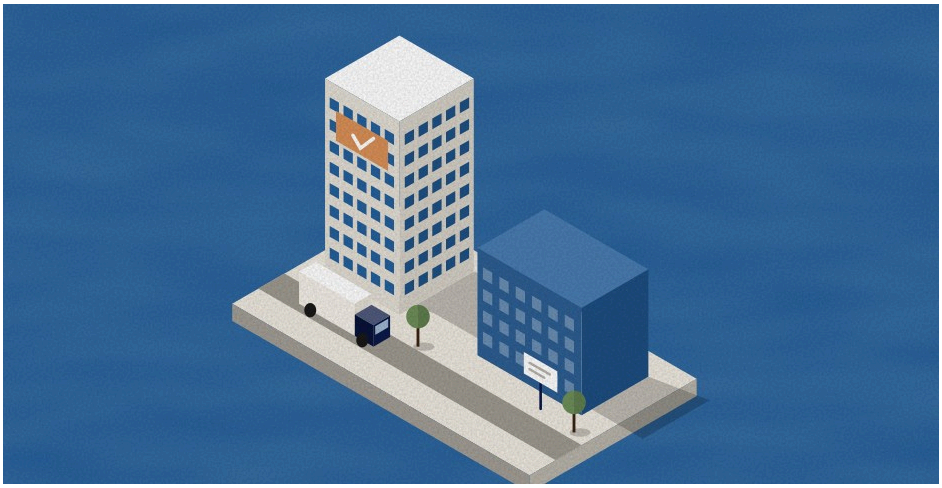
Sources: MEED; Savills via MEED

Property

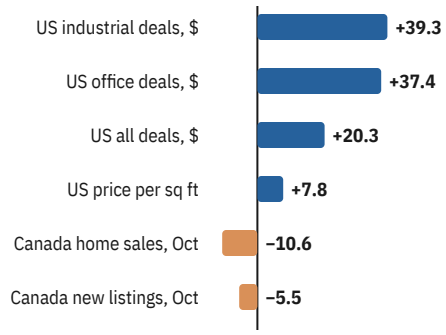
REAL ESTATE MARKETS

Dealmakers return, buyers wait

American commercial-property deals are up a fifth on last year. Canadian homebuyers are holding back



Two markets, two moods · Illustration: The Groundwork



America's commercial property market has found its feet. Dollar volume of transactions in the third quarter was 19.7% higher than in the second and 20.3% higher than a year earlier, Altus Group said on November 18th in preliminary figures. The number of properties sold rose 6.9% on the year and the square footage sold 14.6%. Deals of US$10m or more made up over two-thirds of the money, and the number of office properties sold rose 13.4% on the year. Cole Perry of Altus called it "continued momentum in U.S. CRE investment", while warning that the fourth quarter will be critical to watch.

Industrial and office led. Industrial dollar volume rose 39.3% on the year, lifting its share of the market to 26.6%, and the median industrial price per square foot was up 12.5%, the strongest of any type. Office dollar volume rose 37.4%. Multifamily remains the biggest sector at 30.1% of the total, though its share fell 5.4 points. The median price per square foot across all types rose 7.8%.

Canada's quieter autumn

North of the border, homebuyers are cautious. The Canadian Real Estate Association said on November 17th that 37,827 homes changed hands in October, 10.6% fewer than a year earlier, though sales edged up 0.3% from September on a seasonally adjusted basis. New listings fell 5.5% on the year. About 197,000 properties were listed at the end of October, slightly above the long-term average, or five months of supply. The national average price was $678,584, down 1.6%. One economist, Michael Davenport of Oxford Economics, expects the market to go into "hibernation" for the winter.

New condominium prices are drifting down in the biggest markets. Statistics Canada's new condo apartment price index, published on November 3rd, fell 0.6% across nine cities in the third quarter. Toronto slipped 0.8%, Vancouver 1% and Victoria 1.8%, while Ottawa-Gatineau rose 1.6% and Montreal 0.7%.

What it means for builders

The American rebound is in buying and selling existing buildings, not commissioning new ones, but it matters for construction all the same. New owners of offices and warehouses tend to spend on repositioning: lobbies, amenities, energy upgrades, loading docks and tenant fit-outs. Contractors and consultants who specialise in occupied-building work, phasing and fast fit-outs should see more of it in 2027.

In Canada, the message is patience and preparation. With resale prices soft and new condo prices sliding in Toronto and Vancouver, developers will hold off launching projects that need pre-sales. Rental and non-market projects will carry more of the load. Owners with sites in hand can use the lull to finish approvals and design, and to build relationships with contractors and lenders, so that they are ready to move when demand returns. Contractors can help by offering early cost and schedule advice that makes those projects easier to finance. Altus stresses that its American figures are preliminary and may be revised, so the rebound is worth confirming before anyone builds a strategy on it. ■

Price check

New condo apartment price index, Q3 2026, change on Q2

Ottawa-Gatineau	+1.6%
Montreal	+0.7%
Nine-city composite	−0.6%
Toronto	−0.8%
Vancouver	−1.0%
Victoria	−1.8%

Source: Statistics Canada via Canadian Mortgage Professional

Architecture

WORLD ARCHITECTURE FESTIVAL

From Oslo to Durham, the winners

The festival's first North American edition named 23 category winners on its opening day. Retrofit, housing and schools stood out



Old buildings, new lives · Illustration: The Groundwork

The World Architecture Festival, meeting in Fort Lauderdale, Florida, for its first North American edition, announced its Day One winners on November 19th: 23 prizes across completed buildings, future projects and interiors, chosen after live presentations to judges at the Broward County Convention Center. The festival expects more than 400 live pitches before more than 130 judges over three days. Category winners compete on the final day, November 20th, for World Building of the Year, Future Project of the Year and World Interior of the Year. We will report the overall winners next week.

Two themes ran through the list. The first was giving old buildings new lives. Foster + Partners won the retrofit category for The Whiteley in London, and The Beguinage of Hasselt in Belgium, by Bovenbouw Architectuur and David Kohn Architects, took creative re-use. The civic and community prize went to Oslo's New Government Quarter by Nordic Office of Architecture with Haptic Architects.

The second was public and social buildings done well on ordinary budgets. Brooks Scarpa Huber's Rose Apartments in Venice, California, won the housing category. EVOKE Studio Architecture's Murray-Massenburg Elementary School in Durham, North Carolina, won the school prize, and Studio Lotus took culture for its visitor centre at Mehrangarh Fort in Jodhpur, India.

Why the project team should care

Awards are easy to dismiss as architects talking to architects. But live judging forces teams to explain how a building performs and how it was delivered, not just how it looks. Retrofit winners in particular offer evidence on a question that owners, contractors and engineers argue about constantly: when to keep a structure and when to replace it. Owners briefing a design team can ask how a shortlisted project solved the same problem, at what cost and on what schedule. Contractors can learn which details made complex re-use buildable.

Elsewhere this week

The first Ambasz–MoMA prize for architecture that reconciles building with nature went to Kashef Chowdhury of URBANA for the Friendship Centre in Gaibandha, Bangladesh, shared with a reforestation effort in Argentina, ArchDaily reported. BIG unveiled a masterplan for the Bidi Bidi refugee settlement in Uganda for about 385,000 people, built from 250-square-metre family plots and local materials such as sun-dried earth brick; the concept has drawn local criticism. And the US Green Building Council released a decarbonisation blueprint for existing buildings based on data from nearly 11,000 LEED projects, with procurement and policy guides for corporate owners. ■

Day One, selected

World Architecture Festival 2026 category winners, completed buildings

Category	Project	Designer	Place
Civic	**New Government Quarter**	Nordic Office with Haptic	Oslo
Retrofit	**The Whiteley**	Foster + Partners	London
Creative re-use	**The Beguinage of Hasselt**	Bovenbouw, David Kohn	Hasselt
Housing	**Rose Apartments**	Brooks Scarpa Huber	Venice, CA
School	**Murray-Massenburg Elementary**	EVOKE Studio	Durham, NC
Culture	**Mehrangarh Fort Visitor Centre**	Studio Lotus	Jodhpur
Office	**Inspire Office**	Batlleiroig	Barcelona
Sport	**Klaff Family Sports Centre**	Hubo Studio	Johannesburg

Sources: ArchDaily; Bustler; World Architecture Festival

Claims & disputes

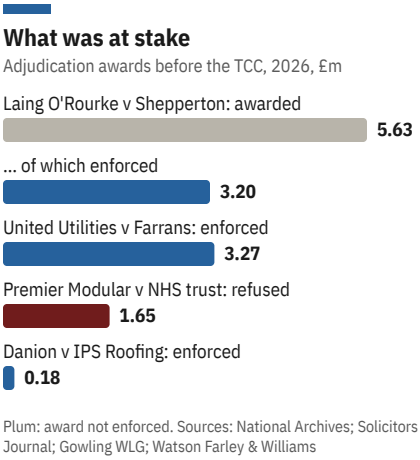
CONTRACT ADMINISTRATION

Silence, software and the schedule

Five judgments from 2026 turned on who said what, when and in which format. The lessons apply to every party on a project



The programme is evidence · Illustration: The Groundwork



CONSTRUCTION DISPUTES are rarely about engineering alone. More often they turn on contract administration: whether a programme was accepted, whether a payment notice said enough, whether a deadline was met. Five judgments from this year, four from England's Technology and Construction Court and one from Ontario's Court of Appeal, show how. Each has a lesson for owners, contractors and the consultants who administer contracts for them.

The programme nobody accepted

In Premier Modular v Maidstone and Tunbridge Wells NHS Trust, [2026] EWHC 1404 (TCC), the contractor built a new theatre under an amended NEC Option 4 contract. It claimed a compensation event because a permanent mains water supply was not available in time. Both parties told the adjudicator that the only accepted programme was the original one, and that a later revision had never been accepted. The adjudicator nevertheless decided that a revised programme had become an accepted programme by default, even though the contract's acceptance procedure had not been followed, found a compensation event on a basis neither side had argued, and awarded the contractor £1.65m.

> *"Very much like an adjudicator going off on a frolic of his own*
>
> THE JUDGE IN PREMIER MODULAR, AS SUMMARISED BY GOWLING WLG

The court refused to enforce the award. Deciding the central issue on a basis neither party had advanced, without inviting comment, was a breach of natural justice. The judge's description of the adjudicator's approach is quoted above.

The case is rare; courts enforce adjudicators' decisions in the great majority of cases. But it is a reminder that the status of a programme matters. If a revised programme has been submitted, everyone should know whether it was accepted, rejected or left unanswered, because a contract may give silence a meaning of its own.

When the platform and the contract disagree

In United Utilities v Northstone (NI), trading as Farrans Construction, [2026] EWHC 1057 (TCC), the dispute concerned a 32km aqueduct in West Cumbria. The contract had been varied from NEC3 Option C to Option A with a 15-day payment cycle and a value of £131.6m. But CEMAR, the cloud platform used to administer it, still displayed automatic dates based on the old terms. The employer issued a payment notice assessing about minus £3.27m; the contractor's pay-less notice came six days late if the contractual date applied, and it argued that the platform's conflicting date made the notice ambiguous.

The court enforced the adjudicator's award of £3.27m in the employer's favour. Payment notices are read objectively, as a reasonable recipient would understand them in context, and the contractor's evidence did not answer the employer's case that everyone knew the platform's dates did

not reflect the amended terms. Interest runs at 8.1% from April 2025. The lesson for all parties: when a contract is amended, update the software or record clearly that its automatic dates no longer govern.

Show your working

In Laing O'Rourke v Shepperton Studios, [2026] EWHC 612 (TCC), the employer's payment notice stated a gross valuation of about £367m without showing how it was built up. The court held that notice invalid, because the contract required the build-up; spreadsheets already in the contractor's hands did not cure it. But the employer's pay-less notice, which itemised deductions of £2.43m for liquidated damages, utilities and catering, was valid. Of an adjudicator's award of £5.63m, the court enforced £3.2m. The employer could not use five other adjudications to cut the sum further, and a parent-company guarantee meant the contractor's insolvency did not justify a stay.

Object early, or not at all

In Danion v IPS Roofing, [2026] EWHC 2364 (TCC), a scaffolding subcontractor won about £176,000 after the contractor deducted delay costs and liquidated damages. The contractor resisted enforcement on jurisdiction and natural justice grounds. The court rejected both: it had taken part in the adjudication without reserving its jurisdictional objection, and it could have answered the points on critical delay in its rejoinder but did not.

Ontario: the holdback counts once

In KingSett Mortgage v Mapleview Developments, 2026 ONCA 512, a townhouse project in Barrie went into receivership. Two suppliers that had been paid in full on earlier invoices claimed priority over the lender equal to 10% of everything they had invoiced. The Court of Appeal disagreed: lien priority over a building mortgage is limited to the actual shortfall in the holdback, measured against unpaid invoices. Allowing a contractor to collect the same 10% twice would be "commercially absurd", the court said, as reported by Canadian Mortgage Professional. With more condominium projects in receivership, lenders and trades will be reading it closely.

The facts are typical of a stalled development. A receiver was appointed in March 2024 and the project was sold to another builder. The two suppliers, of stairs and windows, were still owed about $195,600 and $445,800 on later invoices but claimed priority of roughly $110,000 and $292,400, calculated on everything they had billed. The court affirmed a 1992 decision, Dufferin Concrete Products v. Waterbrooke Development, and applied it at appellate level for the first time. It left open how priority should be calculated where subcontractors' liens are still outstanding when the dispute arises.

The common thread

None of these cases was decided on the quality of the building. All were decided on records, notices and timing. For contractors, that means submitting programmes and payment applications in the form the contract requires, and reserving objections as soon as they arise. For owners and their consultants, it means answering programme submissions inside the contract period, showing the build-up of every valuation and keeping software settings aligned with the contract. For everyone, it means agreeing at kick-off how documents will be exchanged and which dates govern. Adjudication rewards the party whose file is in order on the day the notice arrives, not the one that tidies it afterwards. Good records cost little to keep; rebuilding them under an adjudication timetable costs a great deal.

A checklist for the whole team

1. Track every programme's status. Log each submission and the response, with dates. An unanswered programme is a risk for both sides.

2. Align the platform with the contract. After any amendment, update CEMAR, Procore or any other system, and minute the change.

3. Show the build-up. A valuation without its working may be no valuation at all.

4. Itemise deductions. A detailed pay-less notice survived where a bare payment notice failed.

5. Reserve objections at once. Taking part without reserving jurisdiction can waive it.

6. Answer what is raised. A point left unanswered in an adjudication is hard to complain about later.

7. Know your holdback. In Ontario, priority over a lender is measured by the actual shortfall, not the face value of liens.

8. Read notices as the recipient would. Courts ask how a reasonable recipient, knowing the background, would understand a notice. Keep a record of that background.

9. Check the security. A parent-company guarantee can decide whether an award is paid now or stayed. Know what security sits behind your counterparty.

The docket

Recent decisions, and the lesson for each party

Case and forum	Issue	Lesson	At stake
Premier Modular v NHS trust [2026] EWHC 1404 (TCC)	Adjudicator found a programme accepted by default on an unargued basis	Record each programme's status; adjudicators must put new points to the parties	**£1.65m**
United Utilities v Farrans [2026] EWHC 1057 (TCC)	Platform dates conflicted with amended payment terms	Align software with the contract and minute it	**£3.27m**
Laing O'Rourke v Shepperton [2026] EWHC 612 (TCC)	Payment notice without a build-up of the valuation	Show the working; itemise deductions	**£3.20m**
Danion v IPS Roofing [2026] EWHC 2364 (TCC)	Late jurisdictional objection	Reserve objections promptly	£0.18m
KingSett v Mapleview 2026 ONCA 512	Lien priority over a mortgage in receivership	Priority equals the actual holdback shortfall	Not reported

Not legal advice. Sources: Gowling WLG; Solicitors Journal; National Archives; Watson Farley & Williams; Canadian Mortgage Professional; Insolvency Insider

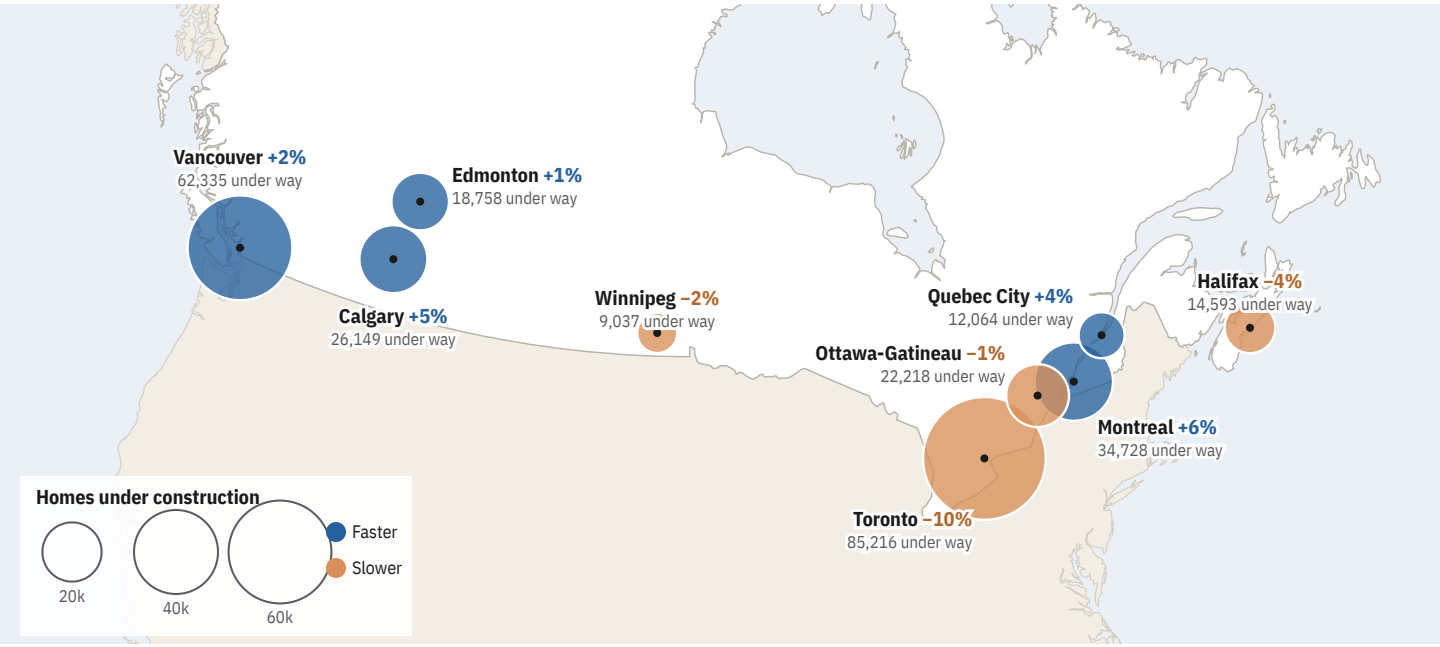
Graphic detail

CANADIAN HOUSING

Where homes are, and are not, starting

Toronto is slowing sharply. Montreal and Calgary are speeding up. The backlog of approved projects tells its own story

Six-month trend in starts, September to October 2026, and homes under construction



Circle area: homes under construction, October. Colour: direction of the six-month trend in starts. Census metropolitan areas. Map: Natural Earth. Source: CMHC, Housing Starts and Completions Survey

National housing figures hide very different local markets. CMHC's October data, published on November 17th, show the six-month trend of starts falling 10% in Toronto in a single month, to an annual rate of 22,299, while Montreal's rose 6% to 29,576 and Calgary's 5% to 26,036. Vancouver edged up 2% and Edmonton 1%; Ottawa-Gatineau slipped 1%. Montreal now has a faster trend pace than Toronto, Vancouver or Calgary.

Actual starts in October tell a similar tale. Montreal started 3,165 homes, Vancouver 2,474 and Toronto 1,900, with Calgary and Edmonton close behind at 1,858 and 1,850.

Smaller cities show the same divergence. Quebec City's trend rose 4% to 11,521, while Halifax fell 4% to 4,830 and Winnipeg 2% to 7,612. Halifax started only 110 homes in October yet has 14,593 under construction, and its approved backlog jumped to 3,234 from 2,495. Winnipeg completed 1,252 homes in October, almost twice the 674 it started.

The waiting list

Behind the map sits the backlog of homes that have building permits but no construction yet. In Montreal the backlog fell by about 2,000 units in a month, to 19,704, and in Vancouver by about 1,650, to 30,639, as projects broke ground. In Toronto it rose to 20,086, and in Edmonton to 7,274. A growing backlog alongside falling starts, as in Toronto, suggests projects that are approved but cannot yet be financed or sold. Calgary's backlog was almost unchanged at 16,998, while Ottawa-Gatineau's fell by nearly 1,000 units to 5,547 even as its trend slipped. Across centres of 50,000 people or more, the backlog fell 3% to 139,592.

Ottawa-Gatineau's 1,309 actual starts in October split 964 on the Ontario side and 345 in Gatineau. Quebec City started 1,150 homes and has 12,064 under construction.

The work in hand

The circles show the stock of work under way. Toronto still has 85,216 homes under construction, more than Vancouver's 62,335 and well over double Montreal's 34,728. That pipeline will keep trades busy into 2027, but it is shrinking as completions outpace new starts: Toronto finished 4,791 homes in October against 1,900 starts. Montreal completed 3,000, Calgary 1,954 and Vancouver 1,818. Nationally, completions in larger centres jumped 24.3% to 21,621, which will ease rental markets in the short run, as CMHC's autumn report suggested, while thinning the work in hand.

What it means

For contractors and trades, demand is shifting east and west of Toronto. Firms that can follow work to Montreal, Calgary and Edmonton, or that serve rental and non-market clients in Toronto, are better placed than those tied to the condominium cycle. For owners and lenders, the Toronto backlog is worth watching: if those approved projects can be made to work financially, the city has a ready pipeline. If not, the slowdown has further to run.

For governments, the map is a reminder that a national target hides local markets moving in opposite directions. Programmes that help projects already approved in Toronto get financed may do more for supply this year than new approvals, while Montreal and Calgary need the trades and materials to keep up with a faster pace. CMHC's monthly data make it possible to track that city by city, and the industry would benefit if housing targets were set and reported the same way. ■

Indicators

Measure	Latest	Change	Period
Canada			
Housing starts, annual rate	244,558	−2% m/m	Oct
Housing starts, six-month trend	246,231	−1.7% m/m	Oct
Actual starts, centres 10,000+	21,059	+6% y/y	Oct
Actual starts, year to date	192,023	−3% y/y	Jan–Oct
Approved, not started, 50,000+	139,592	−3% m/m	Oct
Under construction, 50,000+	369,569	−0.6% m/m	Oct
Building permits	$12.9bn	−4.1% m/m	Sep
Consumer prices	3.1%	Unchanged	Oct, y/y
Industrial product prices	+12.6%	+0.3% m/m	Oct, y/y
Home sales (CREA)	37,827	−10.6% y/y	Oct
Average home price	$678,584	−1.6% y/y	Oct
New condo price index, nine cities	120.8	−0.6% q/q	Q3
Raw materials prices	+23.5%	−1.0% m/m	Oct, y/y
New listings (CREA)	75,814	−5.5% y/y	Oct
Bank of Canada policy rate	2.50%	Next: Dec 9th	
United States (annual rates)			
Housing starts	1.309m	+9.9% m/m	Oct
Building permits	1.295m	−7.4% m/m	Oct
Single-family starts	864,000	+4.0% m/m	Oct
Housing completions	1.272m	+6.5% m/m	Oct
NAHB housing market index	25	−4 pts	Nov
Construction input prices (ABC)	+11.5%	y/y	Oct
Construction backlog (ABC)	8.1 months	−0.6 m/m	Oct
Commercial deal volume (Altus)	—	+20.3% y/y	Q3
Fed key rate, as reported	c.3.9%	Next: Dec 9th	
World			
China property investment	—	−21.6% y/y	Jan–Oct
China fixed-asset investment	36.48trn yuan	−8.1% y/y	Jan–Oct
China new starts, floor area	—	−24.4% y/y	Jan–Oct
Britain construction output	—	+0.8% m/m	Sep
Britain output prices	—	+3.2% y/y	Sep
Saudi contract awards	US$68.8bn	−13% y/y	2026 YTD

Sources: CMHC; Statistics Canada; CREA; Bank of Canada; US Census Bureau; NAHB; ABC; Altus Group; Federal Reserve; China NBS; ONS; MEED

Diary

Nov 20 **World Building of the Year**
World Architecture Festival, Fort Lauderdale

Nov 23–26 **Big 5 Global**
Dubai World Trade Centre

Dec 1 **US construction spending**
October data, Census Bureau

Dec 2–3 **Toronto Real Estate Forum**
MTCC; chairs' reception Dec 1

Dec 2–4 **The Buildings Show**
MTCC; 18,000+ professionals

Dec 8–9 **Federal Reserve**
Decision and press conference Dec 9

Dec 9 **Bank of Canada**
Rate announcement, 9:45am ET

Dec 11 **Britain construction output**
October data, ONS

Dec 15 **Port Authority budget**
Public comments close

Dec 17 **Port Authority of NY & NJ**
Board vote on US$10.3bn budget

Dec 30 **Federal Reserve minutes**
From the December 8th–9th meeting

Jan 4 **US construction spending**
November data, Census Bureau

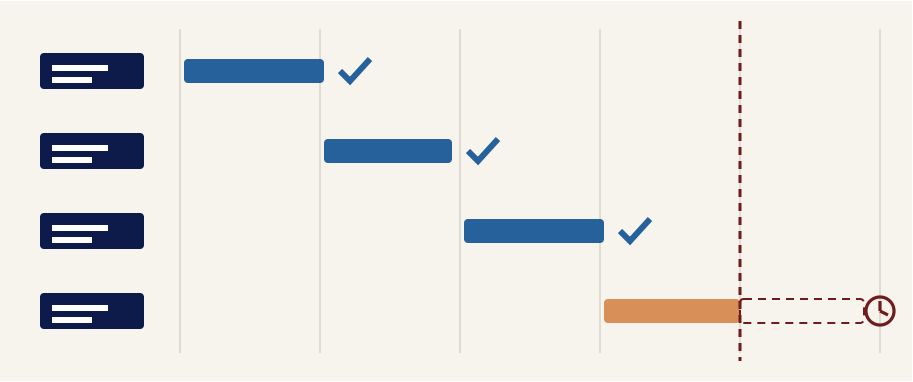
Sources this week

CMHC; Statistics Canada; Canadian Press via CP24, BNN Bloomberg, CTV and Advisor.ca; Storeys; Global News; Canadian Construction Association via Construction Owners; CREA via BNN Bloomberg and Ratehub; Canadian Mortgage Professional; Bank of Canada; US Census Bureau; NAHB; Federal Reserve; Associated Press via Anchorage Daily News; Construction Dive; American Institute of Architects; Altus Group; VINCI; ADF Group via Shanghai Metals Market; National Bureau of Statistics of China; SteelOrbis; Mysteel; Business Today; Office for National Statistics; MEED; ArchDaily; Bustler; Gowling WLG; Solicitors Journal; The National Archives; Watson Farley & Williams; Insolvency Insider; Informa Connect; Metro Toronto Convention Centre; Global Trade Fairs.

Critical Path

COLUMN

Answer the programme



Blue: programme revisions reviewed and answered on time. Orange and plum: a revision left unanswered past the contract period. Illustration: The Groundwork

A schedule submission is a question. On a healthy project, somebody answers it on time

By Ben Abbasi

EVERY MONTH ON most of the projects I see, a contractor submits an updated programme. Every month it lands in someone's inbox. And on too many projects, nobody formally answers it. The owner assumes the consultant is reviewing it. The consultant assumes the owner will comment if anything matters. The contractor assumes silence means agreement. Each assumption is reasonable. Together they create a gap that, months later, someone will try to fill with a claim.

This week's claims pages show how that gap gets filled. In one English case, an adjudicator decided that a revised programme had become the accepted programme by default, although both parties said it had never been accepted. The court refused to enforce his award because he decided the point without letting the parties argue it. But the case only arose because the status of a programme was in doubt. In another, a cloud platform showed payment dates that no longer matched the amended contract, and a £3.27m dispute turned on which date governed.

Owners: make someone responsible

A programme submission is not a courtesy. Under most standard forms it is a contractual communication with a response period. Owners should name one person, in-house or a consultant, who is responsible for reviewing each submission and replying inside that period: accepted, accepted with comments, or not accepted with reasons. If you do not have the time or the skills to review a schedule properly, that is a reason to get help, not to stay silent.

Contractors: make it easy to answer

A programme that arrives as a 600-page PDF with no narrative is hard to review and easy to ignore. Submit the native file. Include a short narrative of what changed since the last update and why: logic changes, new activities, the critical path and the float on key milestones. Flag anything that needs the owner's decision. The easier a programme is to review, the more likely it is to be accepted, and the stronger your position if it is not.

Consultants: keep the register

Whoever administers the contract should keep a simple register of every programme revision: date received, reviewer, date answered, status. It takes minutes a month. It is also the first document anyone will ask for in a dispute. And when the contract changes, whoever runs the project platform must update its dates and workflows, or record in the minutes that the contract, not the software, governs.

Agree it at kick-off

All of this is easier to agree on day one than on day 400. At the kick-off meeting, the team should settle how programmes will be submitted, who reviews them, how long they have and what happens if the period lapses. Write it into the project execution plan. Then review the schedule together every month, in the room, with the people who sign the letters.

None of this is complicated. It costs a few hours a month and a little discipline from everyone who touches the schedule. But in a market where costs are rising and margins are thin, as this issue shows from Toronto to Texas, disputes are expensive for everyone. A programme that has been answered is one less thing to argue about, and a team that answers its programmes on time usually finds it has fewer delays to argue about, too.

Ben Abbasi, PMP, is principal of Benjamin R. Consulting, a Toronto project management, project controls and claims firm that works with owners, contractors and consultants, and teaches planning and scheduling at George Brown College.

Six habits for programme reviews

1. Name one reviewer for every programme submission.
2. Reply inside the contract period: accept, comment or reject with reasons.
3. Submit native files with a short narrative of what changed.
4. Keep a register: received, reviewed, answered, status.
5. Align the project platform's dates with the contract.
6. Review the schedule monthly, together, in the room.