The Groundwork

America's data-centre boom meets the ballot box

Toronto's commercial deal market wakes up

The year adjudication grew teeth

NEOM, Riyadh and the art of cancelling

ISSUE 01 · NOVEMBER 7TH 2026 CONSTRUCTION · PROPERTY · CLAIMS

BUDGET 2026

The money is there. Are the builders?



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ON THE COVER

Ottawa's budget pours billions into housing, defence, grids and Indigenous infrastructure just as interest rates turn up. The scarce thing in Canadian construction is no longer cash but the people and firms to build: leader, page 5. What the budget contains for owners and contractors: page 7.

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 consultants. Published every Saturday by Benjamin R. Consulting Inc., Toronto.

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Illustrations: The Groundwork. Illustrations and charts: The Groundwork.

The week in building · *Policy and politics*

Canada's government tabled its 2026 budget, titled "Masters of Our Destiny", on November 5th. François-Philippe Champagne, the finance minister, projected a deficit of $62.3bn for 2026-27, falling to $52.9bn by 2030-31, and said the operating budget would balance in 2027-28, a year early. Higher tax receipts, many linked to oil prices, cut last year's deficit to $39.3bn, about $27.5bn less than forecast in the spring. Ottawa chose to spend most of the windfall. *See Leader and Canada section.*

The budget's single biggest measure is the Productivity Mega Deduction, which lets firms write off most new capital assets in the year they are put to use. RBC puts its five-year cost at $36bn. Most buildings are excluded.

Housing got $16bn of new measures over five years, by RBC's count, including about $11bn for Build Canada Homes and a goal of ending homelessness within ten years. A $13bn cash top-up for non-market housing, spread over ten years, begins in 2028-29.

Ottawa set aside $2bn to help provinces and territories expand pre-apprenticeship and technical training, and promised more support for Red Seal apprenticeships: a tacit admission that trades shortages constrain the building it is paying for.

Defence spending is on track to reach 4% of GDP by the end of the decade and 5% by 2035, according to Scotiabank's reading of the budget, with core defence outlays of $451bn over the planning horizon.

The Bank of Canada raised its policy rate by a quarter of a point, to 2.5%, on October 28th, its first move since cutting to 2.25% a year earlier. Scotiabank expects another three-quarters of a point over the next few quarters. The next decision is on December 9th.

Housing starts ran at a seasonally adjusted annual rate of 248,896 in September, 3% more than in August, according to CMHC. But actual starts in centres of 10,000 people or more were 11% lower than a year earlier, and 143,929 approved homes in larger cities had yet to break ground. *See Graphic detail.*

Municipalities issued $13.6bn of building permits in August, $1.1bn more than in July, said Statistics Canada, with residential projects leading the gain.

In America, the Federal Reserve held its target range at 3.75-4% on October 28th, six weeks after raising it. Two of the twelve voters, Lisa Cook and Beth Hammack, wanted a further increase. Its next meeting ends on December 9th.

Voters in four Ohio cities approved limits on data centres in Tuesday's elections. Piqua banned their construction outright and recalled three officials who had backed a project; Trenton and Oregon capped new facilities at 25MW; Grove City now requires a citywide vote for very large users of power or water. *See United States.*

Florida's Public Service Commission rejected Duke Energy Florida's proposed tariff for very large electricity customers, finding it lacked evidence that each would cover its full cost of service. It was the first test of a state law meant to keep data-centre costs off other customers' bills. Duke must refile.

Commissioners in Effingham County, Georgia, delayed until November 17th a decision on Project Camellia, a 1,347-acre data-centre campus linked to OpenAI, after one commissioner said the site plan conflicted with promises made to him.

Mooresville, North Carolina, and Hamburg, New York, adopted year-long moratoriums on new data-centre applications. Westbrook, Maine, banned standalone data centres, and El Segundo, California, extended its pause to September 2027.

In Minnesota, Hermantown's council unanimously approved a Google data centre, although 55 of the 60 people who spoke at a four-hour meeting opposed it.

Ontario's adjudication regime set another record. The Ontario Dispute Adjudication for Construction Contracts authority (ODACC) reported 396 adjudications in the year to July 31st, 22% more than a year earlier and more than four times the 91 of its first year. Claims totalled $305.7m; determinations ordered $74.1m to be paid. From 2027 determinations will be published online. *See Claims & disputes.*

Ottawa will pay journeypersons to finish. Tradespeople certified under the Red Seal programme on or after April 1st 2025 can apply from November 16th for a $5,000 completion bonus. It is part of an $8bn plan to recruit, train and hire 80,000-100,000 new Red Seal workers over five years. *See Canada.*

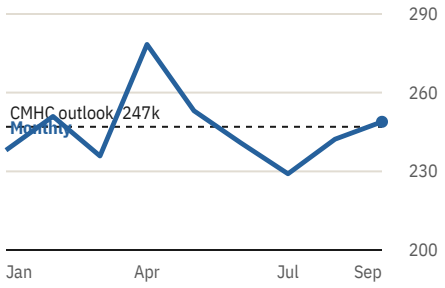
The Ontario Land Tribunal upheld Guelph's demand that a developer pay about $11m in development charges.

Women make up about 13% of Ontario's construction workforce and about 5% of its apprentices, a webinar hosted by RESCON, a homebuilders' group, heard this week. The province's building-trades council has received nearly $315,000 from a federal fund to recruit more.

Neom's retreat continues to echo. Saudi Arabia's giga-project, which cancelled a roughly US$4.7bn dams contract at its Trojena resort in March, remains one of six strategic "ecosystems" in the Public Investment Fund's 2026-30 strategy. *See The world.*

Starts hold up, just

Canadian housing starts, seasonally adjusted annual rate, 2026, '000



Source: CMHC

Rates
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The week in building · *Business*

America's construction spending fell 1.9% in September, to an annual rate of US$2.19trn, and was 2.7% lower than a year earlier, the Census Bureau reported. Private housebuilding dropped 5.5% in the month; private non-residential work rose 1.1%. *See United States.*

Spending on offices, a category that in Census data includes data centres, was 33.4% higher than a year earlier. Power construction rose 11.1%. Manufacturing construction, which boomed on subsidies for chip and battery plants, was 17% lower.

Associated Builders and Contractors said data-centre spending rose 8.6% in September from August, and has grown at an annualised rate of 217% since May.

GE Vernova said its order backlog had reached US$197bn, driven by demand for gas turbines to power data centres; it expects 130GW of signed turbine agreements by the end of the year. Dominion Energy reported 54.9GW of data-centre demand at various stages of contracting, and Wisconsin's Alliant Energy expects to sign another 1GW within six months.

Fluor signed an engineering, procurement and construction contract with TeraWulf for a large data-centre campus in Kentucky. Prometheus Hyperscale, by contrast, withdrew from a gigawatt-scale project in Casper, Wyoming, surprising local officials; the landowner plans to carry on without it.

Google is weighing about 1,000 acres in Goochland County, Virginia, for a 1.2GW data centre. In Louisville, Kentucky, planners approved a hyperscale campus of about 1.64m square feet from PowerHouse Data Centers and Poe Companies.

Synergy Research estimated that enterprise spending on cloud infrastructure reached US$168bn in the third quarter, up 55% on a year earlier, with AI services accounting for about a third. The four biggest hyperscalers are raising more than US$131bn in debt and equity to pay for the build-out.

Commercial property investment in the Greater Toronto Area reached $15.1bn in the first nine months of 2026, up 39% on a year earlier, according to Altus Group. Multifamily deals almost quadrupled and office sales more than doubled. *See Property.*

Cadillac Fairview paid $162m for The Ivy, a 232-suite Toronto apartment building, about $698,000 a unit. Groupe Dumont bought The Oaks on Green, 1,212 units in North York, from Greenwin for $265m.

Emaar Development, Dubai's biggest homebuilder, awarded AED17.8bn (US$4.85bn) of construction contracts in the nine months to September, across 23 main works packages and infrastructure. Revenue rose 26% and its revenue backlog reached AED119.8bn.

A consortium led by Parsons, with France's Systra and Egis, will provide project and construction management for the Riyadh Metro's Red Line extension to Diriyah Gate, a job expected to take about six years.

An Elsewedy Electric joint venture won an engineering, procurement and construction contract on the US$2.2bn Rabigh 2 expansion project in Saudi Arabia. The Saudi Fund for Development signed US$403m of loans for infrastructure in Syria.

Egypt's Petrojet will design and build a 57km pipeline linking the Zohr gas facilities to the Damietta LNG terminal, to carry gas from Cyprus's Cronos field to Europe. MEED valued the job at about US$170m.

KBR won an engineering design contract for a large gas-capture project in Iraq.

Lambda, an AI cloud company, unveiled plans for a data-centre campus in Lowndes County, Alabama, that local reports value at US$33.1bn. Amazon Web Services is planning a 300MW campus near Walla Walla, Washington.

IREN, a data-centre operator, delayed deliveries of capacity to Microsoft and set out a spending push of about US$15bn, a sign that even well-funded builders are hitting limits on power, equipment and labour.

The Ontario Line's Pape tunnel carries a target price of $4.32bn under the contract awarded in August to Pape North Connect, a group of Webuild, FCC Canada, Arcadis and Aecom.

A $700m water and sewage treatment plant in Mississauga was the top Ontario project in ConstructConnect's listings this week; it is now post-bid.

The Ottawa Hospital received $50m from the Peter Gilgan Foundation towards a critical-care tower housing its trauma centre, emergency department and intensive-care unit. It is the largest gift in the city's history, within a $500m campaign.

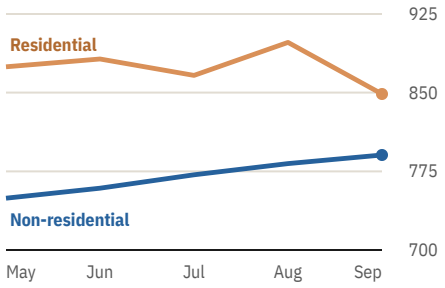
Fabrication has begun on a pedestrian and cycling bridge across Toronto's Keating Channel to Biidaasige Park, and the National Capital Commission has opened a two-stream expression-of-interest process for the Aqueduct District at Ottawa's LeBreton Flats.

The World Architecture Festival opens in Fort Lauderdale, Florida, on November 18th, its first North American edition, with 416 shortlisted projects. *See Architecture.*

Toronto's Real Estate Forum and The Buildings Show, the country's largest gatherings of property and construction professionals, both open at the Metro Toronto Convention Centre on December 2nd. *See Diary.*

The gap is closing

US private construction spending, annual rate, 2026, US$bn



Source: US Census Bureau

The week in numbers

Canada's projected deficit, 2026-27	$62.3bn
Bank of Canada policy rate	2.50%
Canadian housing starts, annual rate	248,896
US construction spending, annual rate	US$2.19trn
GE Vernova order backlog	US$197bn
GTA commercial investment, Jan–Sep	$15.1bn
Emaar contracts awarded, Jan–Sep	AED17.8bn

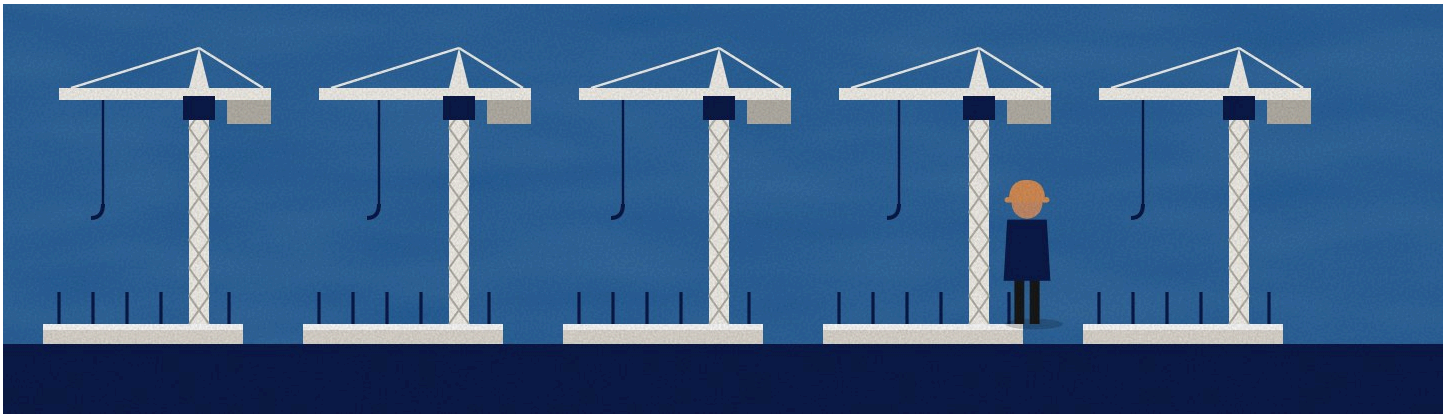
Sources as cited in this issue

Leaders

BUDGET 2026

Ottawa has funded the boom. Now someone has to build it

Money is no longer the binding constraint on Canadian construction. People, permits and sequencing are



The scarcest material on site · Illustration: The Groundwork

CANADA'S FINANCE MINISTER calls his new budget "Masters of Our Destiny". For anyone who builds things, a more useful title would be "Find Me a Crew". The plan tabled on November 5th adds tens of billions to housing, Indigenous water and housing infrastructure, the electricity grid and defence, on top of a capital plan that Scotiabank puts at $677bn on a cash basis. Money is no longer the binding constraint on Canadian construction. People, permits and sequencing are.

The numbers show the scale. RBC counts about $152bn of new spending over five years, roughly matched by $158bn of better-than-expected revenue and savings. Housing gets $16bn, most of it through Build Canada Homes. Indigenous reconciliation gets $27bn, at least $12bn of it for infrastructure such as clean water. A national electricity strategy adds $9bn. Defence, on Scotiabank's reading, is on course to reach 4% of GDP by the end of the decade.

Ottawa knows where the bottleneck lies. Tucked into the budget is $2bn for provinces and territories to expand pre-apprenticeship and technical training. That is welcome, but apprentices take years to become journeymen. Meanwhile the Bank of Canada raised its policy rate on October 28th, and Scotiabank warns that the investment push adds to inflation before it adds to supply. Its economists' summary is blunt: execution risk is rising.

The queue is forming

For private owners this changes the arithmetic of timing. Hospitals, schools, transmission lines, military bases and non-market housing will all draw on the same pool of electricians, ironworkers, estimators and project managers. Public owners have deep pockets and political deadlines, and they will pay up. An owner who waits for tender prices to soften may find instead that the best contractors are booked for years.

The budget's largest measure will sharpen this. The Productivity Mega Deduction, costing $36bn over five years by RBC's count, lets firms write off most machinery and equipment immediately. Most buildings are excluded, but the plants, warehouses and data halls that house the new equipment still have to be built. Expect a wave of fit-outs and industrial work competing for the same mechanical and electrical trades.

What owners should do

Three things follow. First, procure early and in packages. Secure the scarcest trades, such as electrical, mechanical and curtain wall, before design is finished, through early contractor involvement or trade-package tenders. Second, write escalation clauses tied to published indices, such as Statistics Canada's building construction price index, so that inflation risk is shared on terms both sides can audit rather than fought over at the end. Third, treat schedule float as money. When every trade is stretched, a week lost to late approvals is a week your contractor will sell to someone else.

There is an opportunity here too. Owners who can offer contractors a steady pipeline of several projects, properly sequenced and promptly paid, will get the A-team while others get whoever is left. In a market short of capacity, being a good client is a competitive advantage. Ottawa has written the cheques. The owners who do best over the next five years will be the ones who line up their builders first.

Ottawa has a part to play too. Money that arrives in lumps, with every department tendering at once in the last quarter of the fiscal year, bids up the price of the very capacity it needs. A published, multi-year pipeline of federal projects, released in predictable tranches, would let firms hire and train against real demand. The government that wrote a $16bn housing plan and a $2bn training fund can surely write a schedule.

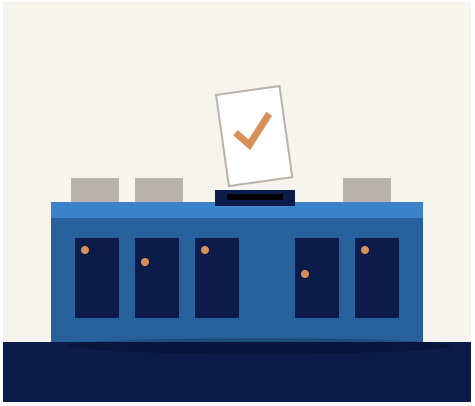


Illustration: The Groundwork

DATA CENTRES

Consent is the new critical path

America's data-centre builders used to worry about power. Now they must worry about permission

FOR TWO YEARS the question for America's data-centre builders was whether they could get electricity. After Tuesday's elections the question is whether they can get permission. Voters in four Ohio cities approved restrictions. Piqua banned data-centre construction outright; Trenton and Oregon capped facilities at 25MW; Grove City now requires a citywide vote on developments that exceed set limits on size, power or water. In Piqua more than 70% voted to recall three officials who had backed a project.

This is not a fringe mood. In the same week moratoriums passed in Mooresville, North Carolina, and Hamburg, New York. Westbrook, Maine, banned standalone data centres, and Delhi Township in Michigan voted 6-0 to oppose any such development after a 700MW proposal nearby. Bisnow reports that candidates from both parties now back stricter rules. OpenAI has started calling its facilities "compute campuses", which says something about how the brand is faring.

Yet demand is not slowing. Synergy Research estimates cloud infrastructure spending grew 55% year on year in the third quarter, and GE Vernova's backlog has hit US$197bn. The capital is there; what is scarce is a site where the neighbours will tolerate it.

The lesson travels beyond data centres, and beyond America. Any large, power-hungry or water-hungry facility, from a battery plant to a logistics hub or a hospital campus, now carries entitlement risk that belongs on the schedule, not in a footnote. Owners should start community engagement before the land is bought, publish power and water figures early and budget for benefits residents can see. Spartanburg County, South Carolina, attached US$21.6m of community benefits to one approval this week. Treat consent as an activity with a duration and a float, because it now sits on the critical path.

The grid makes the argument sharper. Dominion Energy alone reports 54.9GW of data-centre demand at various stages of contracting, more than many countries' entire generating fleets, and every new substation and transmission line needs its own approvals. A project can secure a power contract and still be stopped at the town hall.

Canada will face the same test. Bell Canada's planned AI infrastructure hub in Saskatchewan, part of the investment pipeline Ottawa trumpeted at September's summit, will need land, power and water on a scale few Canadian communities have been asked to host. Developers north of the border should assume the arguments heard in Piqua and Trenton will soon be heard in Canadian council chambers, and plan for them before they are. The cheapest time to win a community over is before anyone has heard of the project. ■

ONTARIO ADJUDICATION

Pay first, argue later

Withholding certified money is a legal position, not a negotiating tactic

ONTARIO'S ADJUDICATION REGIME has come of age. Adjudications have quadrupled, from 91 in the first year to a record 396 in the year to July 31st, according to the annual report of ODACC, the province's adjudication authority. And the courts are making clear that adjudicators' decisions stick. In Sayers Foods v. Gay Company, decided this year, the Divisional Court upheld an order to pay two certified invoices that had been withheld over an alleged $1.2m delay claim.

The owner's mistake was not having a delay claim; it was failing to pursue it. It had invoked a credit provision in its CCDC 2 contract about nine months before the adjudication and then done nothing more. The adjudicator found that fatal, and the court agreed: a set-off for delay must be grounded in the contract and actively pursued. The court also rejected the argument that complex defences put a dispute beyond an adjudicator's reach. Otherwise any payer could escape adjudication simply by pleading complexity.

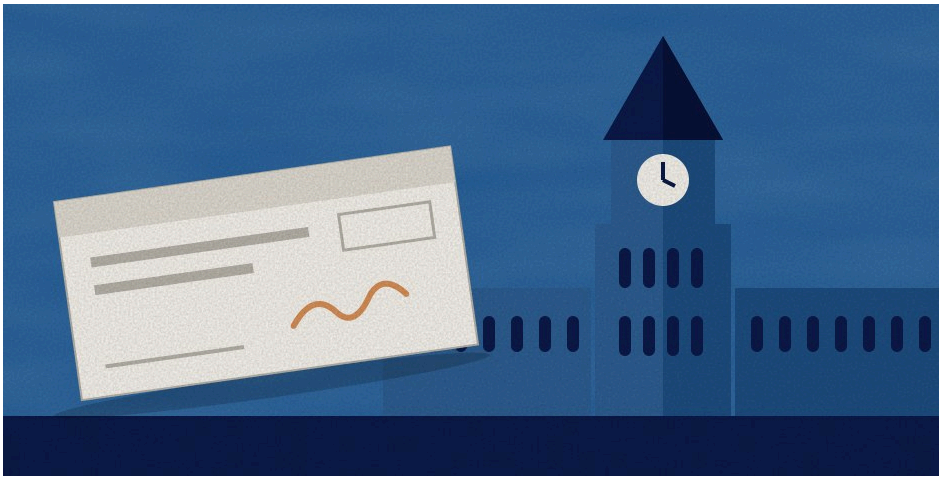
Owners should draw a simple conclusion. If you believe a contractor has cost you time, say so formally, quantify it from the schedule and pursue it through the contract's procedure. From 2027 adjudicators' determinations will be published online, so how owners behave in these disputes will become far more visible. A reputation for withholding is now something contractors will be able to look up. ■

Canada

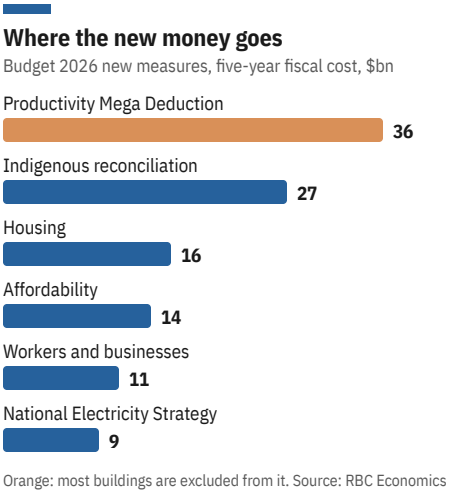
BUDGET 2026

What the budget means for builders

A big-spending plan, a tax break that skips buildings and a bet on training. A guide for owners and contractors



Writing the cheques · Illustration: The Groundwork



OTTAWA'S SECOND autumn budget under Mark Carney follows what RBC's economists call a familiar formula: big new spending offset by an improved baseline. The improvement is real. Higher tax receipts, many of them linked to oil prices, pushed last year's deficit down to $39.3bn, about $27.5bn less than the government forecast in the spring. Rather than bank the windfall, François-Philippe Champagne spent nearly all of it. The deficit for 2026-27 is projected at $62.3bn and is expected to stay above $50bn a year until 2030-31, adding up to almost $289bn over five years.

For the construction industry what matters is where the money goes and how fast it can be spent. Scotiabank calculates that about 57% of the new measures count as capital investment, and that the government's all-in capital plan now stands at $404bn in fiscal terms, or $677bn on a cash basis. RBC puts the government's cumulative financing requirement over the next five years at $765bn.

Housing: the non-market turn

The housing package is worth $16bn over five years by RBC's count. About $11bn flows through Build Canada Homes, the federal housing agency, including a new fund that pairs homes with health and social supports, and capital for provincial supportive and transitional housing. A further $13bn top-up for non-market housing, on a cash basis over ten years, starts in 2028-29. The government has set a goal of ending homelessness within a decade. Over ten years, the Globe and Mail tallies $45bn for housing programmes.

For builders the shift matters as much as the sum. Non-market housing is procured by public agencies, non-profits and co-operatives, often with standardised designs and factory-built components. Contractors who can deliver repeatable mid-rise rental buildings at a fixed price will find a deeper market. Condominium developers, whose starts CMHC expects to stay especially weak, will find little here. RBC notes that the budget is silent on whether the new money replaces the National Housing Strategy, which expires in 2027-28.

The tax break that skips buildings

The biggest single measure is the Productivity Mega Deduction, announced at the Canada Investment Summit in Toronto on September 15th and now booked at $36bn over five years. It offers permanent 100% first-year write-offs for most depreciable property acquired from that date. Gowling WLG, a law firm, reckons it extends immediate expensing to about 65% of business investment in capital assets, up from about 15% under last year's Productivity Super-Deduction. The government says Canada's marginal effective tax rate on new investment will fall to 6.4%, against 16.9% in America.

There is a catch for property owners. Most buildings and building additions, Classes 1 and 3 in the capital-cost-allowance system, are excluded. Eligible manufacturing buildings keep the temporary immediate expensing introduced in 2025. So the deduction rewards the kit inside a building far more than the shell around it. Owners planning industrial or logistics projects should model the split between building and equipment carefully: the more of a project that qualifies as machinery, racking, process systems or data infrastructure, the better the after-tax return. Draft legislation was released in September.

Grids, roads and the north

A national electricity strategy, branded Powering Canada Strong, adds $9bn of new costs, mostly by widening and extending clean-technology tax credits to 2040 and by funding electricity infrastructure and vehicle charging. The budget cites $50bn of federal support to 2050, most of it previously announced, and the government aims to double the capacity of the grid. Scotiabank notes that the budget also funds the full construction and operating costs of the Mackenzie Valley Highway, and that the Canada Growth Fund is to become a standalone Crown corporation.

Indigenous reconciliation gets $27bn, says RBC, including at least $12bn for infrastructure, especially clean water and housing in First Nations communities. These are often remote, logistically difficult projects, and a growing share is delivered through Indigenous-led partnerships. Contractors without genuine partnerships in place will struggle to compete for them.

Defence: the sleeper

Defence is the budget's largest long-term commitment. Scotiabank says Canada is on track to spend 4% of GDP on defence by the end of the decade and 5% by 2035, with core defence outlays of $451bn over the planning horizon. CBC's tally of the plan includes some $58bn a year for defence infrastructure by the end of the decade. Bases, hangars, housing for personnel and secure facilities are construction work, much of it subject to security clearances that few firms yet hold. Firms that start the clearance process now will be first in line.

Private investment is meant to follow the public money. The government says commitments announced at September's investment summit approach half a trillion dollars, including about $325bn of bank financing and a $52.5bn AI infrastructure hub that Bell Canada plans in Saskatchewan. Its goal is $500bn of new private capital investment over five years, and $1trn of total capital investment.

The constraint

All of this collides with a familiar problem. The budget includes $2bn for provinces and territories to expand pre-apprenticeship and technical training, plus support for Red Seal apprenticeships. RBC also flags a one-off immigration category that could move up to 200,000 temporary residents to permanent status, which may ease labour shortages at the margin. But Scotiabank's verdict is blunt: execution risk is rising, and capacity constraints make co-ordinated delivery critical.

RBC adds that the budget delivers no new signature wins on major projects, which is unsurprising given their long lead times. Nor does it mark a strategic departure. For owners and contractors, then, Budget 2026 is less a single windfall than a long tailwind. The work will come. The question is who will be ready, staffed and qualified to do it.

What owners should do now

Owners need not wait for the money to arrive to act on it. Four steps follow from the budget.

First, re-cut capital plans around the Mega Deduction. Equipment-heavy projects, from cold storage to data halls and process plants, now carry a materially better after-tax return than shell-heavy ones. Ask tax advisers to split building and equipment costs at the design stage, not at year-end, when it is too late to change the specification.

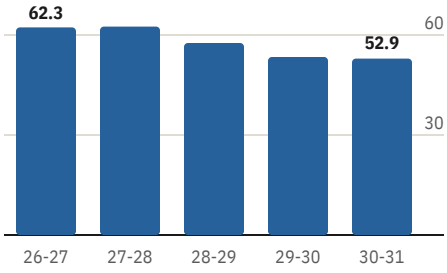
Second, get onto the public pipeline early. Build Canada Homes, defence and Indigenous infrastructure will buy through frameworks, prequalified lists and partnerships. The prequalification windows open long before the tenders do, and firms that miss them wait years for the next round.

Third, lock in capacity. With trades scarce and public work about to compete for the same crews, firm prices will be harder to get next year than this. Early contractor involvement and progressive design-build let owners secure teams before competitors do.

Fourth, stress-test for rates. A quarter-point rise is modest, but Scotiabank expects another three-quarters of a point over the next few quarters. Projects with thin margins should be run at a policy rate of 3.25%, not 2.5%, before anyone signs. ■

The fiscal path

Projected federal deficit, $bn



Source: Budget 2026, via EnergyNow

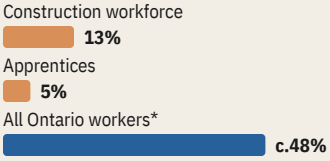
LABOUR

Short of hands

The budget pays for the work. Ottawa is now paying people to do it

Half the population, a fraction of the trades

Women as a share of each group, Ontario, %



*Approximate. Sources: RESCON webinar via Daily Commercial News; Statistics Canada

From November 16th journeypersons who earned their Red Seal on or after April 1st 2025 can apply for a $5,000 completion bonus. It is one piece of an $8bn programme meant to recruit, train and hire 80,000-100,000 new Red Seal workers over five years, alongside the budget's $2bn for pre-apprenticeship and technical training.

One pool remains largely untapped. Women are about 13% of Ontario's construction workforce and about 5% of its apprentices. The province's building-trades council has received nearly $315,000 from the federal Women's Economic Leadership and Legacy Fund to recruit and keep more of them.

For owners the lesson is practical: labour, not money, is the scarce input. Ask bidders to name their crews and apprenticeship ratios, schedule around trade availability, and move hours into factories through prefabrication wherever the design allows. ■

The skills bill

Federal measures for the trades

Red Seal completion bonus	$5,000
Recruitment and training programme	$8bn
New Red Seal workers targeted, 5 yrs	80–100k
Pre-apprenticeship and training fund	$2bn

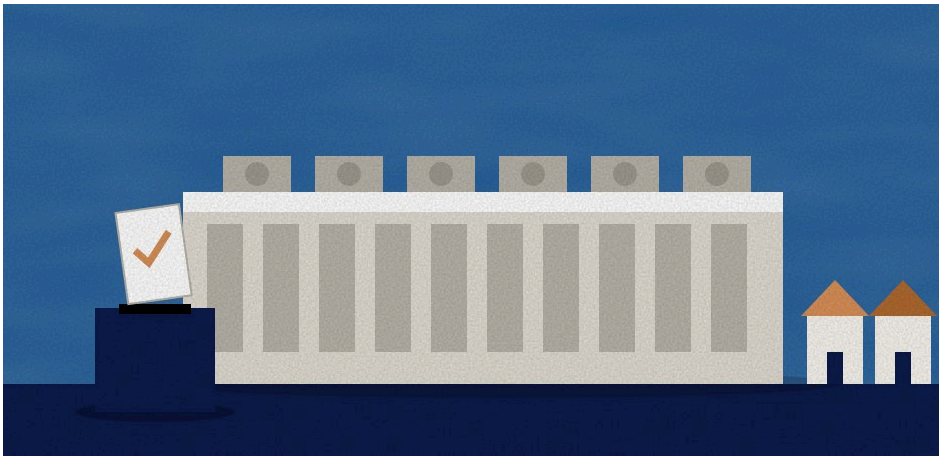
Sources: Government of Canada; Budget 2026

United States

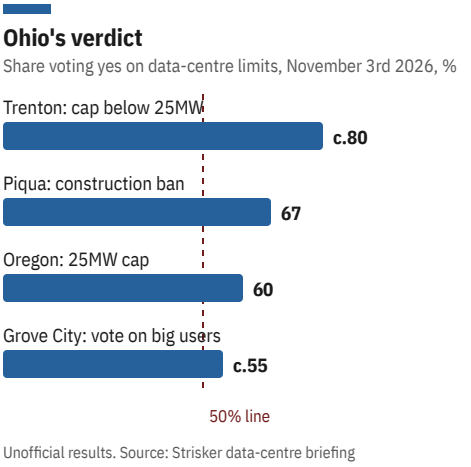
DATA CENTRES

The boom meets the ballot box

Voters in Ohio, Maine and beyond are pushing back against data centres. The money keeps coming anyway



What the neighbours never see · Illustration: The Groundwork



America's biggest construction boom has found its first real opponent: the local electorate. In elections on November 3rd, voters in four Ohio cities approved limits on data centres. In Trenton a citizen-led charter amendment restricting data centres to less than 25MW passed with about 80% support in unofficial results, blocking the city's plan to annex land for a 1,000MW Amazon campus. Its effect on a 250MW Prologis facility already under construction there is unclear.

Piqua banned data-centre construction outright with 67% of the vote, and more than 70% voted to recall the mayor, vice-mayor and a commissioner who had backed a project. Oregon capped data centres at 25MW with 60% support, after opposition to a proposed Vantage Data Centers project. Grove City now requires a citywide vote on any development above set thresholds for size, electricity or water use.

Ohio was the loudest signal, not the only one. In the same week Mooresville, North Carolina, and Hamburg, New York, adopted year-long moratoriums. Martin County, Florida, and Caledonia, Minnesota, adopted their own in late October. El Segundo, California, extended its pause to September 2027. Westbrook, Maine, banned standalone data centres entirely, allowing them only as accessory uses such as server rooms. In Michigan, Delhi Township's trustees voted 6-0 to oppose any data-centre development after a US$10bn-plus, 700MW project was announced in nearby Holt.

Bills, water and noise

The objections are practical. Residents worry about electricity bills, water use, noise and land. Regulators are listening. Florida's Public Service Commission rejected Duke Energy Florida's large-load tariff, finding that it excluded some qualifying customers and lacked evidence that each would cover its full cost of service. It was the first test of a state law intended to keep data-centre costs off other customers' bills. Alpena County, Michigan, which has no zoning power over data centres, passed a resolution urging local governments to adopt moratoriums and to require disclosure of power sources, water use and utility plans.

Politicians have noticed. Bisnow reports that candidates from both parties in many states now back stricter rules, so the industry faces a harder path whoever wins. OpenAI has proposed calling its facilities "compute campuses" in a bid to make them more acceptable to voters.

Not everyone says no

Approvals continue, often over loud objections. In Hermantown, Minnesota, the city council unanimously approved a Google data centre at a special meeting on October 30th, even though 55 of the 60 public speakers opposed it. Louisville's planning commission approved a hyperscale campus of about 1.64m square feet from PowerHouse Data Centers and Poe Companies; a six-month moratorium signed by the mayor in August did not apply to it, and protesters marched to his home.

Spartanburg County, South Carolina, advanced three projects on second reading, including Valara, a 457MW, US$2.8bn campus that passed 3-2, with US$21.6m of community benefits attached to another agreement. In Georgia, Effingham County delayed its decision on Project Camellia, an OpenAI-linked campus of six buildings and two substations on 1,347 acres, to November 17th, after a commissioner said the site plan conflicted with what OpenAI representatives had told him, including a promised 20-foot berm.

Demand has not blinked

Meanwhile the money keeps flowing. Synergy Research estimates that enterprise spending on cloud infrastructure reached US$168bn in the third quarter, up 55% on a year earlier; growth has accelerated for 12 straight quarters. The four biggest hyperscalers are raising more than US$131bn in debt and equity for the build-out.

Utilities and equipment makers are scrambling to keep up. Dominion Energy has 54.9GW of data-centre demand in various stages of contracting, up 13% since the end of last year. Alliant Energy expects to sign another 1GW of supply contracts within six months, on top of 3.4GW already contracted. GE Vernova's order backlog has reached US$197bn, driven by gas turbines.

Construction contracts follow. Fluor signed an engineering, procurement and construction contract with TeraWulf for a large campus in Kentucky. Google is weighing about 1,000 acres in Goochland County, Virginia, for a 1.2GW facility, and ServerDomes broke ground on a campus of domed, gas-powered data centres outside El Paso, Texas. Not every project survives: Prometheus Hyperscale withdrew from a gigawatt-scale development in Casper, Wyoming, catching local officials by surprise, though the landowner intends to carry on without it.

The construction data tell the same story. Associated Builders and Contractors reports that data-centre spending rose 8.6% in September from August, and has grown at an annualised rate of 217% since May. The Census Bureau's office category, which includes data centres, was up 33% on a year earlier.

What it means for owners

For developers and the contractors who serve them, entitlement has become a schedule risk measured in months and a cost risk measured in community benefits. The winners will treat local consent the way they treat power: as a long-lead item to be secured early, with real engagement, transparent figures on water and electricity, and benefits that residents can see. Massillon, Ohio, is considering a "digital infrastructure dividend" that would pay residents at least US$200 a year from a tax on future data-centre profits; expect more such ideas.

For Canadian owners eyeing the same market, the lesson travels north. Put community engagement on the critical path before the land deal closes, not after the first public meeting goes badly.

A playbook for permission

The projects that win approval this year share some habits. They publish electricity and water figures before opponents estimate them. They show closed-loop or air cooling where water is scarce. They bring their own generation or pay for grid upgrades rather than leaning on existing customers, the point on which Florida's regulators turned down Duke's tariff. And they put the tax revenue, local jobs and community benefits in writing, as Spartanburg County did.

None of this guarantees a yes. But a council that has the numbers in front of it is less likely to reach for a moratorium, and a developer that has offered them is better placed if it does. ■

The week's local decisions

Selected data-centre actions, Nov 2nd–5th 2026

Place	Action
Hermantown, MN	Google campus approved, 55 of 60 speakers opposed
Louisville, KY	1.64m sq ft campus approved
Spartanburg Co., SC	Three projects advance; Valara 457MW
Mooresville, NC	12-month moratorium
Hamburg, NY	One-year moratorium
Westbrook, ME	Standalone data centres banned
Delhi Twp, MI	Board votes 6-0 to oppose
Effingham Co., GA	Decision delayed to Nov 17th

Source: Strisker data-centre briefing

The power behind the boom

Selected figures, latest reported

Dominion Energy data-centre demand in contracting	54.9GW
Alliant Energy supply already contracted	3.4GW
GE Vernova order backlog	US$197bn
Cloud infrastructure spending, Q3 2026	US$168bn
Hyperscalers raising debt and equity	>US$131bn
Data-centre spending growth since May, annualised	217%

Sources: company reports; Synergy Research; Associated Builders and Contractors

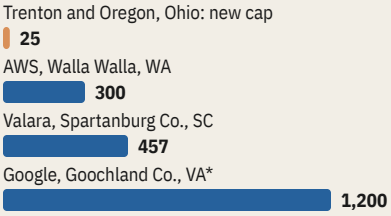
THE PIPELINE

Caps meet campuses

Ohio's new limits are a rounding error next to a modern campus

Size matters

Planned capacity, MW



*Under consideration. Sources: local reports; Strisker

A 25MW CAP sounds like a technical limit. In practice it is a ban on the kind of data centre now being built. The campuses in planning are measured in hundreds of megawatts, and the biggest in gigawatts.

The pipeline keeps growing regardless. Lambda, an AI cloud firm, has unveiled a campus in Lowndes County, Alabama, that local reports value at US$33.1bn. Amazon Web Services plans 300MW near Walla Walla, Washington. Google is weighing 1.2GW in Virginia.

Strain is showing. IREN, an operator, has delayed capacity it owes Microsoft while setting out a spending push of about US$15bn. Power, switchgear and skilled electricians, not capital, are setting the pace.

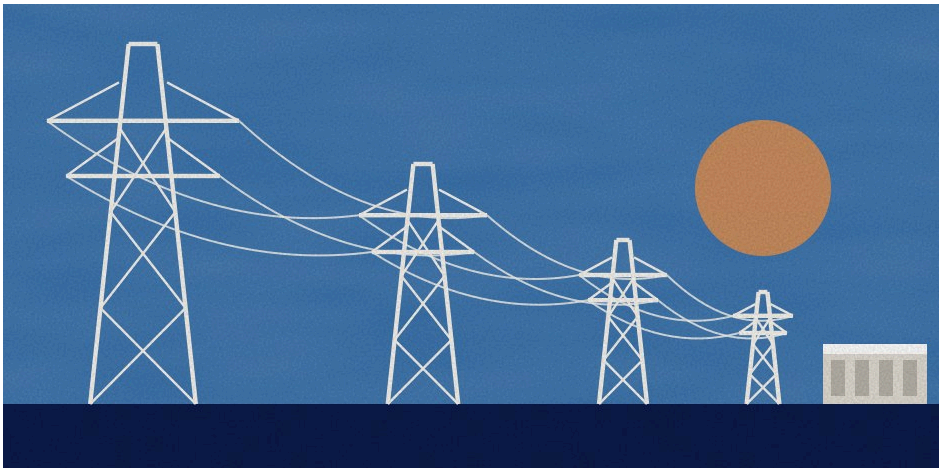
For builders that means two markets: states that compete for these campuses, and towns that vote to keep them out. Knowing which is which before bidding is now part of the job.

Canadian firms are not spectators. Electrical contractors, switchgear makers and engineering practices on this side of the border already sell into these campuses, and the same shortages will set their prices at home. Order long-lead electrical gear as if the American queue were your own. ■

CONSTRUCTION SPENDING

Houses down, power and data up

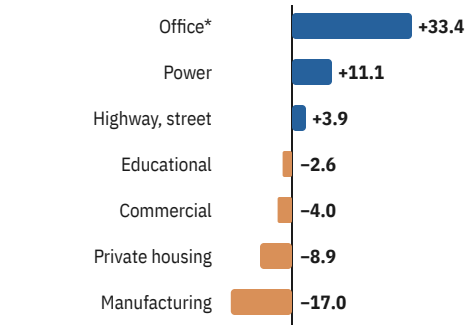
September's figures show an American building market splitting in two



Where the money is going · Illustration: The Groundwork

A market in two halves

Construction spending, Sep 2026, % change on a year earlier



*Includes data centres

Source: US Census Bureau

American construction spending fell by 1.9% in September to a seasonally adjusted annual rate of US$2.19trn, the Census Bureau reported on November 2nd. The bureau called the decline statistically significant. Spending was 2.7% lower than a year earlier, and 2.9% lower over the first nine months of the year.

The weakness is concentrated in housing. Private residential spending dropped 5.5% in the month and was 8.9% below its level a year earlier. With the Federal Reserve having raised rates in September and held them at 3.75-4% in October, there is little relief in sight for homebuilders.

Non-residential work tells a different story. Private non-residential spending rose 1.1% in September and was 2.3% higher than a year earlier. Within that, the office category, which in the bureau's classification includes data centres, jumped 5% in the month and 33.4% year on year, to an annual rate of US$162.3bn. Power construction, driven by the same hunger for electricity, was up 11.1% from a year earlier at US$191.7bn.

The losers are the sectors that boomed a few years ago. Manufacturing construction, inflated by subsidies for semiconductor and battery plants, was 17% lower than a year earlier and down 21.3% over the first nine months. Commercial building, which includes warehouses and shops, slipped 4%. Public spending was roughly flat, as highway work grew modestly.

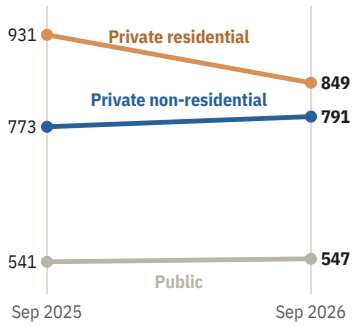
Reading the split

For contractors the message is that capacity is moving. Electrical and mechanical trades are being pulled towards data centres and power projects, where budgets are bigger and schedules tighter. Skanska's chief executive, Anders Danielsson, has said the firm deliberately walks away from projects when it cannot secure the right delivery partners, particularly the electrical subcontractors that complex data-centre jobs require. Owners of ordinary buildings, such as schools, clinics and mid-rise housing, will find those trades scarcer and dearer.

Canadian owners should watch closely. The same trades cross the border, the same equipment, from switchgear to transformers and generators, comes from the same suppliers, and long lead times for electrical gear in America tend to surface in Canadian schedules soon after. Order early.

A year of divergence

US construction spending, annual rate, US$bn, September



Source: US Census Bureau

The public floor

Public spending has been the market's ballast. At an annual rate of US$546.8bn in September it was 1% higher than a year earlier and has barely moved since the spring, ranging between US$544bn and US$547bn from May. Highway and street work, the biggest public category, rose 3.9% on the year. Federal infrastructure money is still flowing through state transportation departments, and that pipeline does not respond to mortgage rates.

The monthly path shows how sharply housing has turned. Private residential spending reached US$898bn in August before falling to US$849bn in September, its lowest level this year. Non-residential spending, by contrast, has risen in every month since May, from US$749bn to US$791bn. If the trend holds, private non-residential work will overtake housing within months, something not seen in America for years.

What to watch

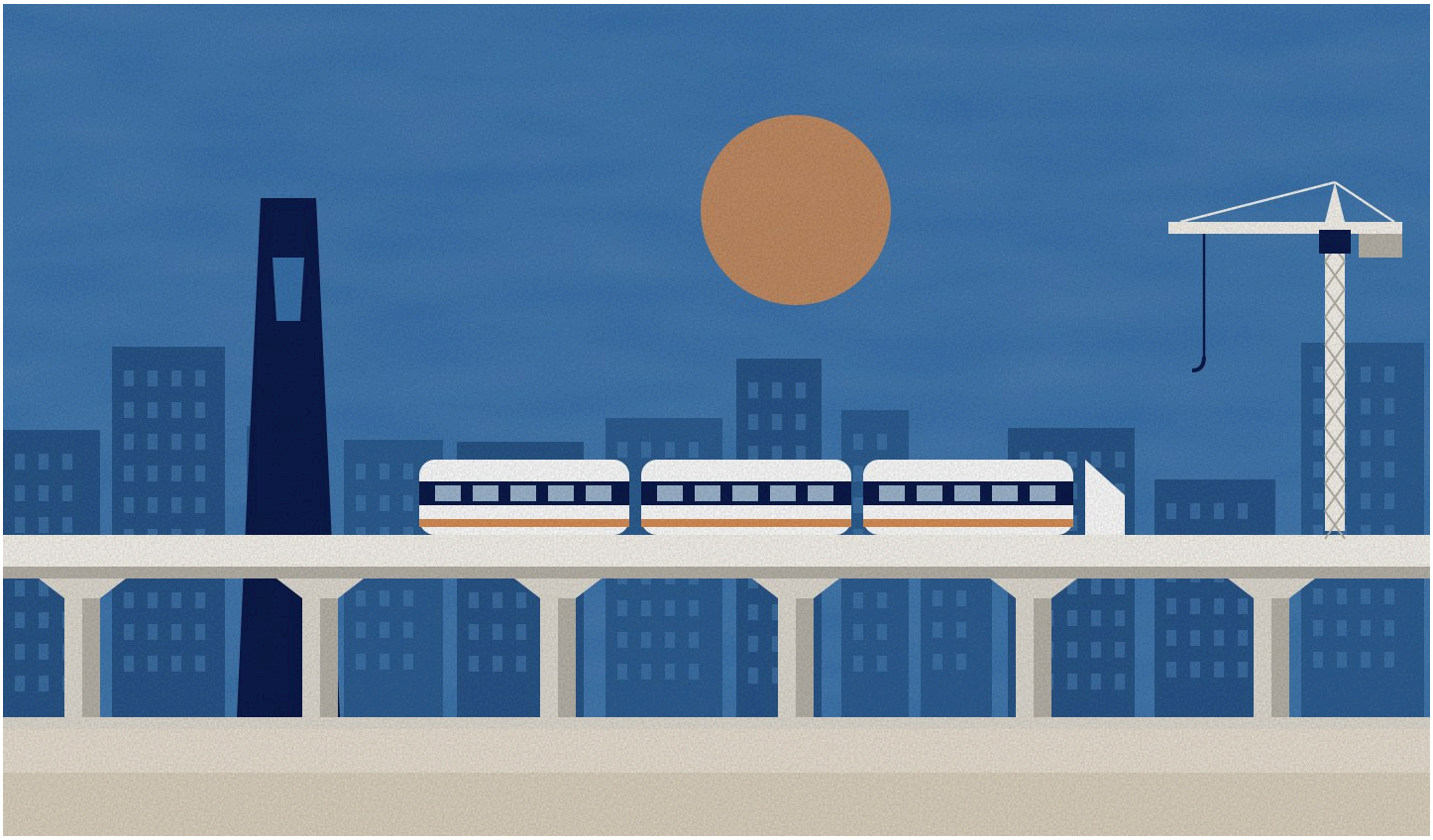
Three things will decide whether the split widens. The first is the Fed: a further rise in December would deepen the housing slump. The second is the grid: data-centre and power projects can only grow as fast as turbines, transformers and interconnection approvals allow. The third is local politics, which, as Ohio has just shown, can stop a project that the market is happy to fund.

The world

THE GULF

Riyadh keeps building, NEOM keeps cutting

Gulf owners are still awarding big contracts. This year's terminations show what a client can do when plans change



Riyadh's metro, still growing · Illustration: The Groundwork

THE GULF'S CONSTRUCTION market is behaving like two markets. On November 2nd Parsons, an American engineering firm, said a consortium it leads with France's Systra and Egis had been chosen to provide project and construction management for the Riyadh Metro's Red Line extension. The line will run from King Saud University to Diriyah Gate, the giga-project in the north of the Saudi capital, with five stations, two elevated and three underground. Work is expected to take about six years. The consortium, Riyadh Metro Transit Consultants, has worked on the metro since 2013 and delivered its first phase in late 2024.

Days later Emaar Development reported that it had awarded AED17.8bn (US$4.85bn) of construction contracts in the nine months to September: AED13.5bn across 23 main works packages and AED4.3bn of infrastructure. Revenue rose 26% to AED22.2bn, and its revenue backlog reached AED119.8bn. The company had more than 51,000 homes under development and said more than 85% of its active projects were ahead of schedule.

Elsewhere in the region, an Elsewedy Electric joint venture won an EPC contract on the US$2.2bn Rabigh 2 expansion project in Saudi Arabia, and the Saudi Fund for Development signed US$403m of loans for infrastructure in Syria. Egypt's Petrojet will build a 57km pipeline to carry gas from Cyprus's Cronos field, via the Zohr facilities, to the Damietta LNG terminal. In October AGBI, a regional business publication, reported that state spending was cushioning Gulf projects from the regional war.

The other market

Then there is NEOM. In March the Saudi giga-project exercised a termination-for-convenience clause on Webuild's contract to build three dams feeding a freshwater lake at Trojena, its mountain resort, together with an architectural structure called The Bow. The contract, valued at about US$4.7bn, was roughly 30% complete. NEOM also terminated Eversendai's structural-steel contract for the Trojena ski village, and earlier cancelled a tunnelling contract at The Line, its linear city, held by a consortium led by South Korea's Hyundai E&C. Trojena will no longer host the 2029 Asian Winter Games.

NEOM is not dead. Saudi Arabia's Public Investment Fund kept it among six strategic "ecosystems" in its newly approved 2026-30 strategy. But contractors have learned that a sovereign client can change its mind at scale, and that the contract decides who pays for the change.

How a clean termination works

The Webuild case shows termination for convenience working as written. Webuild said it would be left unharmed: NEOM agreed to reimburse all costs accrued to the termination date, plus the costs of closing out, including site disengagement and demobilisation. Webuild put the residual value of the contract at about €2.8bn and said its construction backlog, net of Trojena, still exceeded €50bn. Eversendai, by contrast, said it was preparing documents to substantiate the progress of its works, and blamed the regional geopolitical situation for the cancellation.

The contrast is instructive. One contractor had a clear payment formula and a large enough book to absorb the loss. The other had to prove what it had built before it could be paid for it. In both cases the client's right to walk away was never in doubt; what mattered was the price of walking.

Lessons for owners at home

Canadian owners rarely cancel contracts worth billions, but they do change their minds. A tenant walks, financing tightens, a programme is reprioritised after an election. Three lessons follow from the Gulf.

First, a clear termination-for-convenience clause, with a defined formula for work done, demobilisation and committed costs, is far cheaper than a dispute. Check whether your standard form gives you such a right and on what terms; many owners discover too late that it is narrower than they assumed.

Second, progress records matter on both sides. The party that can document work in place, materials on site and commitments to suppliers gets paid faster and argues less. Owners should insist on monthly progress records they would be happy to rely on if the job stopped tomorrow.

Third, flexibility has a price, and it is cheaper to pay up front. A sovereign owner can absorb a cancellation and the headlines that follow. A private owner cannot so easily absorb a reputation for cancelling, which contractors remember when they price the next tender. If you need the option to stop, buy it in the contract rather than at the end in court. ■

Why Canada should care

Gulf clients are among the biggest buyers of Canadian engineering and project-management services, and Canadian pension funds own infrastructure across the region. The same contractors who price NEOM's risk also bid on Canadian transit and hospital work, and they bring their experience of sovereign clients with them. An owner that offers clear termination terms, honest progress records and prompt payment will be cheaper to work for, and contractors know it.

The Gulf also shows how to keep a pipeline credible. Riyadh's metro keeps adding lines because each award follows the last on a published plan. NEOM's reputation suffers because its plans keep changing. Canadian governments about to spend Budget 2026's billions should note which model contractors prefer. ■

Anatomy of a clean exit

What NEOM agreed to pay Webuild on termination for convenience

Paid: costs accrued
to the termination date
Work about 30% complete

Paid: close-out costs
site disengagement, demobilisation

Not built, not paid:
residual contract value
c.€2.8bn

Webuild backlog, net of Trojena: over €50bn

Source: Webuild statements, via Gulf Business and Smart Water Magazine

Gulf ledger, 2026

Selected figures

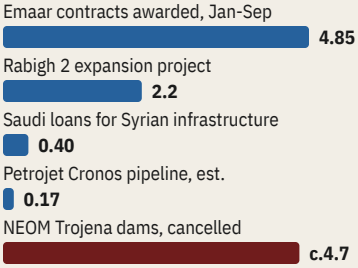
Emaar contracts awarded, Jan–Sep	AED17.8bn
Emaar revenue backlog, Sep 30th	AED119.8bn
Riyadh Red Line extension, stations	5
Expected duration of the works	c.6 yrs
NEOM Trojena dams contract, cancelled	c.US$4.7bn
Complete when terminated	c.30%

Sources: MEP Middle East; AGBI; Webuild statements via Gulf Business and Smart Water Magazine

THE WORLD IN BRIEF

Awards and exits

Selected Gulf and Egyptian contract values, 2026, US$bn



Plum: money at risk. Sources: Emaar; MEED; AGBI; company statements

Britain's builders are busy again. The S&P Global UK construction purchasing managers' index rose to 53.2 in October from 52.3, the fastest growth since May, according to PBC Today. Input-cost inflation was the lowest in 20 months.

Riyadh's Red Line extension to Diriyah Gate, now with a Parsons-led management team, will add five stations over about six years.

Dubai's Emaar had more than 51,000 homes under development at the end of September, and a revenue backlog of AED119.8bn.

The World Architecture Festival shortlist includes Foster + Partners' Techo International Airport in Phnom Penh, a sign of where big terminals are now being built. *See Architecture.*

NEOM remains one of six strategic "ecosystems" in the Public Investment Fund's 2026-30 strategy, cancellations notwithstanding. ■

Emaar in numbers

Nine months to September 30th 2026

Revenue	AED22.2bn
Change on a year earlier	+26%
Revenue backlog	AED119.8bn
Homes under development	51,000+

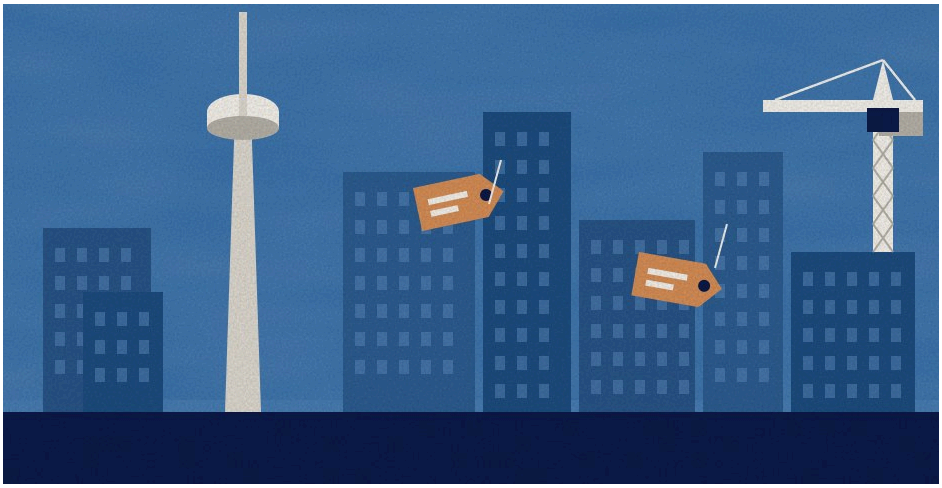
Source: Emaar Development

Property

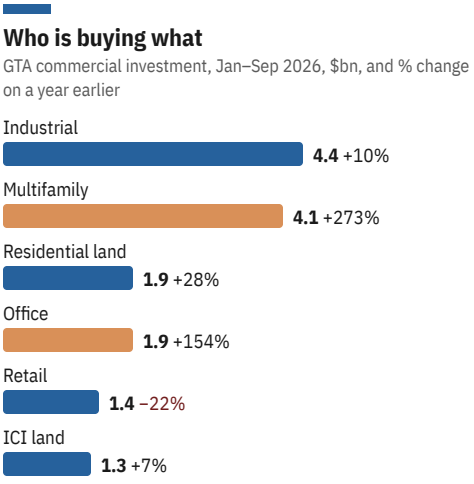
TORONTO COMMERCIAL REAL ESTATE

The deal market wakes up

Investment in the Greater Toronto Area is up 39%, led by apartments and offices. Builders should read the small print



Buyers are back, cranes less so · Illustration: The Groundwork



COMMERCIAL PROPERTY investment in the Greater Toronto Area reached $15.1bn in the first nine months of 2026, 39% more than a year earlier, according to Altus Group's third-quarter update, published on October 29th. The recovery is lopsided. Multifamily deals totalled $4.1bn, up 273%. Office sales rose 154% to $1.9bn. Industrial, still the largest category at $4.4bn, grew 10%. Retail fell 22% to about $1.4bn. Land deals rose 18% to about $3.2bn, with residential land up 28% from a weak 2025.

Big cheques returned. GWL bought Citigroup Place in July for $243m, the quarter's largest office sale. Cadillac Fairview paid $162m for The Ivy, a 232-suite apartment building, about $698,000 a unit. Groupe Dumont bought The Oaks on Green, 1,212 units in North York, from Greenwin for $265m, about $218,600 a unit. In Vaughan, Zzen Group paid $115m for two fully leased industrial buildings from CPP Investments and Dream Industrial REIT, about $332 a square foot.

Fundamentals are mixed. Office availability fell to 15.1%, 190 basis points lower than a year earlier, and Class A availability in the Financial District is 9.2%. Industrial availability rose to 5.3%; net absorption turned negative in the third quarter. Nine industrial projects delivered about 2.5m square feet, 85% of it uncommitted, and 43 more, totalling 12.3m square feet, are under construction.

What builders should take from it

The buying spree is in existing, income-producing assets. Altus expects investors to stay focused on high-quality buildings in core submarkets, and speculative or unentitled projects to stay on hold. Developers are deferring uncommitted multifamily projects. That combination, more trading of finished buildings and fewer new starts, points to more work in repositioning, retrofit and tenant fit-out and less in ground-up construction, at least through 2027.

Altus says clearer trade policy and interest-rate direction could narrow pricing gaps and support liquidity next year. The Bank of Canada's rise on October 28th, which came after Altus's data period, will not help. Owners holding sites should use the lull to finish approvals and design, so that they can move when financing improves.

Why apartments, why now

The multifamily rush has a simple logic. Rents in new purpose-built buildings are high, vacancy is low, and federal financing for rental construction remains generous. Buying a finished, leased building avoids two years of construction risk and the development charges that come with it. For pension funds and institutional landlords, that is a better trade than building from scratch while costs are high and interest rates are rising again.

The opportunity for builders

Three streams of work follow from the deals. New owners of older apartment buildings tend to renovate, retrofit and re-tenant, which means steady mid-sized contracts. Office buyers spend on lobbies, amenities and energy upgrades to win tenants. And land bought this year will need entitlement, design and pre-construction services long before any shovel goes in. Contractors who position for this repositioning work will find more of it than ground-up development in the year ahead.

GTA deal sheet

Selected transactions and indicators, 2026

The Oaks on Green, North York, 1,212 units	$265m
Citigroup Place, office, July	$243m
The Ivy, 232 suites	$162m
Price per suite, The Ivy	$698,000
Office availability, Q3	15.1%
Class A availability, Financial District	9.2%
Industrial availability, Q3	5.3%

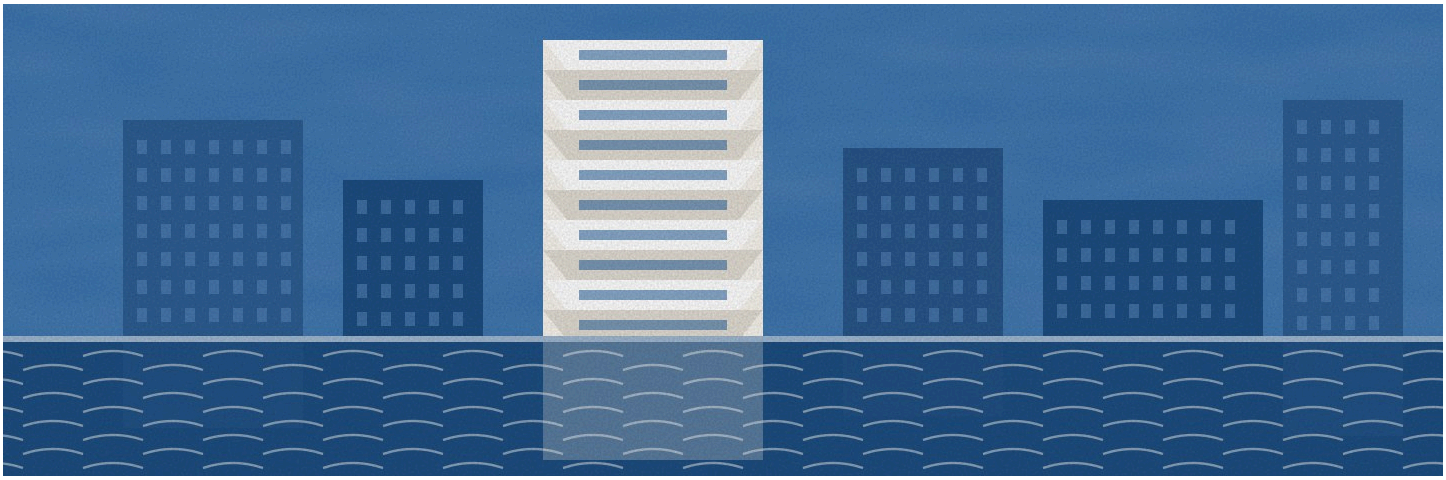
Sources: Altus Group; company announcements

Architecture

WORLD ARCHITECTURE FESTIVAL

416 buildings, one water theme

The world's biggest live-judged architecture awards come to North America for the first time



Form, then performance · Illustration: The Groundwork

THE WORLD ARCHITECTURE Festival, which bills itself as the largest live-judged architecture awards programme, meets in Fort Lauderdale, Florida, from November 18th to 20th. It is the festival's first North American venue. Its 2026 shortlist contains 416 projects chosen from more than 630 entries, assessed by a panel of 164 judges from 37 countries across 43 categories. Category winners present again on the final day to a super jury, which names the World Building, Future Project, Landscape and Interior of the Year.

This year's theme is water: rising sea levels, resilient infrastructure, coastal cities and public space. Florida is an apt host. The shortlist spans housing, health, education, offices, transport, culture and creative re-use. Among the projects named in coverage of the shortlist is the Class of 1986 Fitness and Wellness Center by DIGSAU with Toronto's MJMA; another widely featured entry is 270 Park Avenue in New York by Foster + Partners, an all-electric tower with 2.5m square feet of space.

Last year's World Building of the Year was a minimalist concrete church by Fernando Menis. In 2024 the prize went to Darlington Public School, an Australian school by fjcstudio whose design drew on Aboriginal culture.

Why owners should care

Awards are easy to dismiss as architects talking to architects. But the festival's categories mirror what owners build, and live judging forces teams to explain how a building performs, not just how it looks. The water theme speaks directly to owners' risks: flood resilience, stormwater management, cooling loads and insurance.

Owners briefing a design team could do worse than to ask which shortlisted project tackled the same problem, how, and at what cost. And owners commissioning public buildings in Canada should note that a Toronto practice is in the running: the talent to design world-class civic buildings is available locally. We will report the winners in our next issue.

Ones to watch

Toronto's entry is Aqualuna, a residential tower on the eastern waterfront by 3XN and its research arm GXN, with 215 apartments facing Lake Ontario. Its stepped, curving form is designed to give most homes a view of the water, and it sits within the city's largest waterfront regeneration. For a festival about water, it is an apt Canadian calling card.

New York's 270 Park Avenue, Foster + Partners' 60-storey headquarters for JPMorgan Chase, is the shortlist's heavyweight. Built for some 10,000 staff on the site of a demolished tower, it is all-electric and was promoted as an example of how to replace an obsolete office building with something far more efficient. Owners weighing demolition against renovation will find its case studied closely.

Further afield, the shortlist includes a market in Mexico whose roof harvests rainwater, an elementary school in North Carolina and a visitor centre at Jodhpur's Mehrangarh Fort. Each answers the same question in a different climate: how to build something durable, efficient and loved on a public budget.

The shortlist, selected

World Architecture Festival 2026 entries named in coverage

Project	Designer	Place
Aqualuna, 215 homes	3XN / GXN	Toronto
270 Park Avenue	Foster + Partners	New York
Techo International Airport	Foster + Partners	Phnom Penh
Mercado Nicolás Bravo	AIDIA Studio	Mexico
Murray-Massenburg Elementary	EVOKE Studio	Durham, NC
Mehrangarh Fort Visitor Centre	Studio Lotus	Jodhpur
Class of 1986 Fitness Center	DIGSAU with MJMA	United States

Sources: World Architecture Festival; Business Insider; trade press

Claims & disputes

CONSTRUCTION LAW

The year adjudication grew teeth

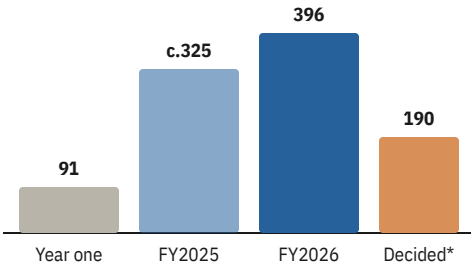
Four judgments from 2026, two countries, one theme: the paperwork decides who gets paid



Courts are backing the adjudicators · Illustration: The Groundwork

Another record

Adjudications launched in Ontario, by fiscal year to July 31st



*Determinations issued, FY2026. Source: ODACC annual report, via Ontario Construction News

Construction disputes are increasingly won and lost on procedure. Four judgments from 2026, one from Ontario and three from England, show how, and each carries a lesson for everyone around the table.

Ontario: Sayers Foods v. Gay Company

In Sayers Foods Ltd. v. Gay Company Ltd., 2026 ONSC 918, the Divisional Court dismissed a judicial review of an adjudicator's order to pay two certified invoices. The parties had used a CCDC 2 stipulated-price contract with a payment-certification process but, according to a summary by David Leck published by Best Lawyers, no binding schedule obligation and no liquidated-damages clause. The owner refused to pay, citing an alleged delay claim of $1.2m.

It had invoked a credit provision about nine months before the adjudication but took no further steps. The adjudicator held that this inaction was fatal to the set-off, and the court agreed that a delay-based set-off must be grounded in the contract and actively pursued.

The court rejected the owner's other arguments too. The dispute was not too complex for adjudication: under section 13.5(4) adjudication covers a single matter, here the contractor's entitlement to two invoices consolidated by consent, and complicated defences do not change that. Accepting otherwise, the court reasoned, would let payers avoid adjudication by pleading multi-faceted defences. Nor had procedure been unfair: the owner showed neither a failure to follow a prescribed procedure nor resulting prejudice. Allegations of fraud and bias also failed. The court declined to make adjudicators apply an injunction-style test to payment defences, noting that prompt payment exists to move money down the construction pyramid, subject to contractual rights.

Two further points matter for owners. The court held that discovering registered liens on title is not the "written notice of a lien" that triggers additional holdback under section 24(2); only notice in the prescribed form from the lien claimant does. And under O. Reg. 264/25, ODACC must publish adjudication determinations online, with anonymisation driven by the parties, for adjudications started on or after January 1st 2027.

The numbers behind the regime

ODACC's annual report, published this week, shows how fast the system has grown. In the year to July 31st, its seventh, it handled 396 adjudications, up 22%. Determinations rose by a third to 190; 54 cases settled, up from 43; and 80 remained open at year-end. Claims totalled $305.7m, an average of about $772,000, and determinations ordered $74.1m to be paid. Industrial disputes were the largest, averaging more than $2.4m.

The rules widened on January 1st. Adjudication is now available up to 90 days after completion, abandonment or termination, covers more kinds of dispute and has a framework for multi-party cases. Private adjudicators are arriving too: the first two were certified after ODACC's training in April.

England: Mace v. Baltic Investment Holdings

The refurbishment of the Baltic Exchange building at 38 St Mary Axe in London produced a question every owner's representative should understand. In December 2024 the employer's agent granted Mace an extension of time of seven weeks and five days under an amended JCT Design and Build 2016 contract. An adjudicator later reopened that decision and cut the extension to zero. Mace argued that because the contract required a prospective assessment, a forecast made at the time, a later tribunal armed with hindsight could never redo it.

The Technology and Construction Court disagreed. Adrian Williamson KC, sitting as a deputy judge, held that an adjudicator can review an extension granted during the works, but must carry out the same prospective exercise, reasoning from the notice and particulars as they stood when submitted. Avoiding hindsight is a matter of evidence and discipline, not a bar to jurisdiction. The lesson: keep programmes, progress records and forecasts exactly as they existed at each notice. An extension granted mid-job is not final, and both sides should assume it will be re-examined.

England: Oakland Wantage v. Stepnell

Stepnell built a 65-bed care home in Wantage under an amended JCT Design and Build 2016 contract, and practical completion was certified in April 2021. In February 2022 it sent a "draft" final account of about £8.5m containing provisional figures, which the employer's agent disputed. Two years later it issued a further statement and went to adjudication. The court held that the 2022 document was not a final statement, since it was headed "draft" and used forecasts, but that the 2024 one was. No dispute notice followed it, so it became conclusive as to the sum due, and Oakland's claim failed on all issues. Earlier objections did not count: a dispute notice must come after the final statement and be aimed at it.

England: Deerns v. VDC LHR11

Under a consultancy agreement for a development at Chandos Park Estate in London, the final date for payment was postponed if the consultant invoiced late. The High Court held that this did not comply with the Housing Grants, Construction and Regeneration Act 1996, so the statutory scheme applied and the payer's pay-less notices were out of time. Deerns recovered £910,501.71 plus VAT. The court refused to stay enforcement, noting that Deerns' cash-flow problems were largely caused by VDC's own non-payment.

The common thread

Ontario's regime owes much to Britain's, and the direction of travel is the same. Adjudication is fast, increasingly popular and enforced by the courts. For owners, the safest assumption is that every payment decision, extension and notice will one day be read by an adjudicator. Write them accordingly: on time, in the prescribed form, grounded in the contract and backed by records made at the time.

A checklist for owners

1. Know your 14 days. Under Ontario's Construction Act, an owner who disputes a proper invoice must deliver a notice of non-payment, in the prescribed form, within 14 days of receiving it. Miss it and the amount is payable.

2. Ground every withholding in a clause. Name the contract provision that allows a set-off or credit, and quantify the amount.

3. Pursue what you assert. A credit raised once and left for nine months, as in Sayers Foods, will not survive adjudication.

4. Archive the schedule as it stood. Keep every update and notice in its native form. Mace v. Baltic shows extensions will be re-judged on what was known at the time.

5. Diary the final account. Treat the contractor's final statement as a deadline, not a document; dispute it formally and on time.

6. Raise procedural objections during the adjudication, not afterwards, and keep your own note of the hearing, since recordings are not required.

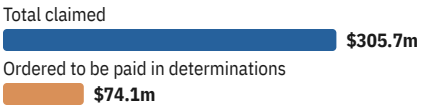
7. Mind the new window. Since January 1st adjudication is available up to 90 days after completion, abandonment or termination. A dispute is not closed at handover; keep the file open and the team reachable.

8. Choose your adjudicator with care. Private adjudicators are now being certified. Ask about construction experience in your sector, not just legal credentials.

9. Budget for it. With an average claim of about $772,000, an adjudication is no longer a small-claims matter. Fund the response, the expert and the documents as you would any other project risk.

Asked versus awarded

Ontario adjudications, FY2026



Not all claims were decided in the year. Source: ODACC

The docket

Recent decisions and what they mean

Case and forum	Issue	Owner lesson	At stake
Sayers Foods v. Gay Company 2026 ONSC 918 · Ont. Div. Ct	Certified invoices withheld over a delay claim raised once and not pursued	Pay certified sums; pursue set-off through the contract	**$1.2m claim**
Mace v. Baltic Investment Holdings [2026] TCC, England	Adjudicator cut an in-works extension of time to zero	Archive programmes as they stood at each notice	Not reported
Oakland Wantage v. Stepnell [2026] EWHC 1530 (TCC)	No dispute notice after the final statement	Diary every contractual deadline	Not reported
Deerns v. VDC LHR11 [2026] EWHC 1509 (TCC)	Payment clause tied to late invoicing	Use compliant payment terms	**£910,502**

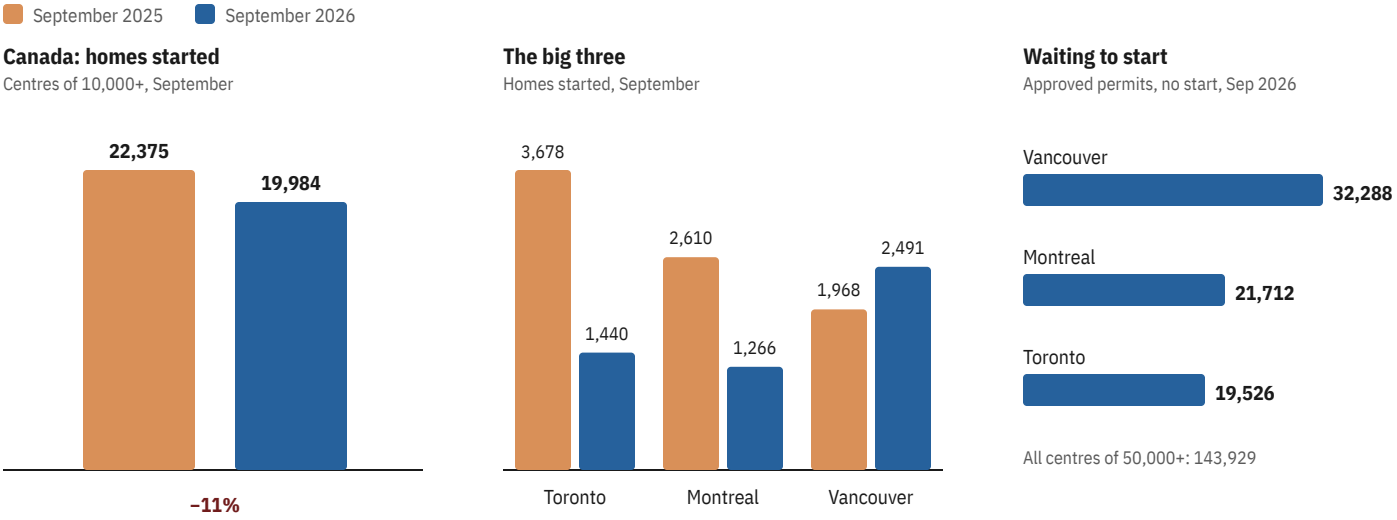
Not legal advice. Sources: Best Lawyers; Gowling WLG via Legal 500; Mayer Brown

Graphic detail

CANADIAN HOUSING

Approved, but not started

The headline rate of housing starts rose in September. The real count, and the pipeline, tell a different story



Each panel has its own scale. Source: CMHC Starts and Completions Survey, September 2026



Frames are going up more slowly · Illustration: The Groundwork

CANADA'S HOUSING statistics told two stories in September. The headline from CMHC was positive: the seasonally adjusted annual rate of starts rose 3% to 248,896, and the six-month trend was virtually flat at 250,411. But the count of homes actually started in centres of 10,000 people or more was 19,984, 11% fewer than in September 2025. Over the first nine months of the year such starts were down 4%, at 170,964.

The big cities diverged. Toronto's actual starts fell to 1,440 from 3,678 a year earlier, and Montreal's halved, to 1,266 from 2,610. Vancouver bucked the trend, rising to 2,491 from 1,968 on stronger multi-unit starts. Toronto completions doubled as earlier projects finished, while the number of homes under construction there slipped to 88,108.

Most striking is the pipeline. In centres of 50,000 or more, 143,929 homes had approved building permits but no construction under way, up 1.1% in a month. Vancouver alone had 32,288 such units, Montreal 21,712 and Toronto 19,526. Across the country 371,617 homes were under construction, flat on August, and completions slipped by 0.9%.

Approved projects that do not start point to financing and pricing problems, not planning ones. Aled ab Iorwerth, CMHC's deputy chief economist, warned that a key risk now is "not building enough during this period of softening housing markets". For builders, the backlog of permits is a list of projects waiting for costs to fall or rents to rise. With rates heading up again, many will keep waiting. CMHC publishes October's figures on November 17th.

What it means for builders

For contractors the gap between permits and starts is a pipeline of work that already has its approvals. When financing loosens, those projects can move quickly, and the firms with pre-construction relationships will be first to the table. Builders who stay close to developers now, pricing options and value-engineering stalled schemes, will win the work when it restarts.

For owners and public agencies the lesson runs the other way. Approval is not delivery. Cities should track starts, not permits, and ask why approved projects are stuck. ■

Indicators

Measure	Latest	Change	Period
Canada			
Housing starts, annual rate	248,896	+3% m/m	Sep
Housing starts, six-month trend	250,411	+0.6% m/m	Sep
Actual starts, centres 10,000+	19,984	−11% y/y	Sep
Actual starts, year to date	170,964	−4% y/y	Jan–Sep
Homes under construction, 50,000+	371,617	Flat	Sep
Approved, not started, 50,000+	143,929	+1.1% m/m	Sep
Building permits	$13.6bn	+$1.1bn m/m	Aug
Bank of Canada policy rate	2.50%	+0.25 pt	Oct 28th
Federal deficit, projected	$62.3bn		2026-27
GTA commercial investment	$15.1bn	+39% y/y	Jan–Sep
GTA office availability	15.1%	−190bp y/y	Q3
GTA industrial availability	5.3%	+60bp y/y	Q3
United States (annual rates, US$)			
Construction spending, total	$2,186bn	−1.9% m/m	Sep
Private residential	$849bn	−8.9% y/y	Sep
Private non-residential	$791bn	+2.3% y/y	Sep
Public	$547bn	+1.0% y/y	Sep
Office, incl. data centres	$162bn	+33.4% y/y	Sep
Power	$192bn	+11.1% y/y	Sep
Manufacturing	$170bn	−17.0% y/y	Sep
Federal funds target range	3.75–4.00%	Held	Oct 28th

Sources: CMHC; Statistics Canada; Bank of Canada; Budget 2026; Altus Group; US Census Bureau; Federal Reserve

Diary

Nov 17	**CMHC October starts** Is the slowdown deepening?
Nov 17	**Effingham County, GA** Decision on Project Camellia
Nov 18–20	**World Architecture Festival** Fort Lauderdale, Florida
Nov 23–26	**Big 5 Global** Dubai World Trade Centre
Dec 2–3	**Toronto Real Estate Forum** MTCC South; chairs' reception Dec 1
Dec 2–4	**The Buildings Show** MTCC; 18,000+ professionals
Dec 2–4	**Data Center World Canada** MTCC North
Dec 9	**Bank of Canada and Fed** Rate decisions on the same day

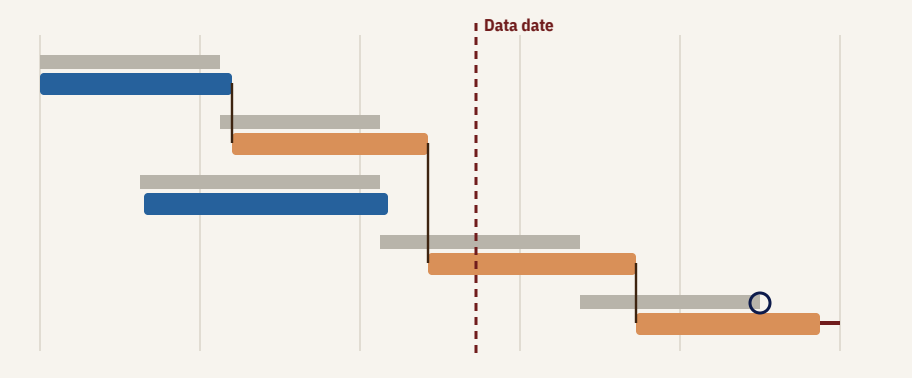
Sources this week

Government of Canada, Budget 2026; RBC Economics; Scotiabank Economics; Santis Health; EnergyNow; The Globe and Mail; CBC News; Gowling WLG; McCarthy Tétrault; Torys; CMHC; Statistics Canada; Bank of Canada; US Census Bureau; Federal Reserve; Admiral Markets; Strisker data-centre briefing; Mission Critical News; Bricks & Bytes; Altus Group; MEP Middle East; AGBI; Gulf Construction; Middle East Observer; MEED; Gulf Business; Smart Water Magazine; Dezeen; Parametric Architecture; World Architecture Festival; Bustler; Best Lawyers; Legal 500; Mayer Brown; Daily Commercial News; Informa Connect; Metro Toronto Convention Centre.

Critical Path

COLUMN

Delay is a document, not a feeling



Grey: baseline. Blue: actual. Orange: the critical path. Illustration: The Groundwork

Two cases in this issue were decided by whoever kept the better record. Owners can make sure that is them

By Ben Abbasi

Most projects run late somewhere. That is not the problem. The problem is what happens next: who notices, who writes it down, and who can prove, months later, what was known on the day.

Two cases in this issue make the point from opposite sides. In Ontario an owner withheld certified payment over a $1.2m delay claim it had raised once and then let drift. An adjudicator ordered it to pay, and the Divisional Court agreed. In London an adjudicator cut a contractor's extension of time from almost eight weeks to zero, and the court confirmed that he could, provided he judged it as it looked at the time rather than with hindsight. In both, the winner was whoever had the better record.

What a good record looks like

A schedule is not a picture of the plan. It is evidence. Four habits turn it into evidence that holds up.

First, agree a baseline and lock it. A baseline that keeps moving proves nothing. Accept it formally, with its logic, durations and calendars, and archive the native file, not just a PDF.

Second, update on a fixed rhythm and keep every version: monthly at a minimum, weekly on a critical job. Each update should record actual dates, remaining durations and a short narrative of what changed and why. Mace v. Baltic turned on what was known when the notice went in, and only an archived update can show that.

Third, tie notices to the schedule. When something happens that could delay the work, such as late drawings, a change or an owner decision, say so in writing, inside the contract's time limit, and point to the activities affected. A notice that says "delay" without a fragnet showing its effect is a complaint, not a claim.

Fourth, pursue what you assert. If you believe the contractor owes you for delay, quantify it from the critical path and follow the contract's process to the end. Sayers Foods is a warning: raising a credit once and then going quiet for nine months handed the adjudicator an easy decision.

What the adjudicators see

Ontario's adjudication authority handled a record 396 cases in its latest year, with $305.7m claimed. Determinations ordered $74.1m to be paid. Not every claim was decided, and many settled, but the gap between what is asked and what is awarded tells its own story: asserting a number is easy, proving it is not. The side that can show its schedule, its notices and its updates as they stood on the day is the side that closes that gap.

The same is true when an owner is the claimant. A credit for delay is only as good as the analysis behind it. If the critical path cannot show that the contractor's late work moved the end date, the credit will not survive, however strongly the project team feels about it.

The price of good paperwork

None of this is glamorous. It costs a scheduler's time every week and a little discipline from everyone who signs letters. But compare that with the alternative: a seven-figure claim decided on whether someone kept last March's update. The monthly schedule review is the most valuable hour an owner's team can spend.

Budget 2026 will put more public and private money into Canadian construction than at any time in years, and the trades to deliver it are short. Delays will follow, and so will disputes. The owners who come out ahead will not be the ones with the best lawyers. They will be the ones with the best records. ■

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.

Four habits that win disputes

1. Lock the baseline. Archive the native file.
2. Update on a fixed rhythm. Keep every version, with a narrative.
3. Tie each notice to the activities it affects, inside the time limit.
4. Pursue what you assert, through the contract, to the end.
5. Review the schedule monthly with the people who sign the letters.