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RICS-CIQS construction monitor reveals softening construction sector despite infrastructure strength

RICS-CIQS Construction Monitor Q3 2025

The Royal Institution of Chartered Surveyors (RICS) and the Canadian Institute of Quantity Surveyors (CIQS) today released its Q3 2025 Canada Construction Monitor, revealing that industry sentiment has turned slightly negative for the first time this year, as rising costs, tight financing conditions, and weakening private sector demand weigh on activity.

The Construction Sentiment Index (CSI) fell from +6 in Q2 to –3 in Q3, a shift driven by softening workloads and cautious expectations heading into 2026.

While infrastructure and public works remain a bright spot, continuing to expand at a net balance of +26%, momentum slowed across several sub-sectors, including energy, ICT, social infrastructure, and water & waste.

Private-sector activity painted a more challenging picture. Private residential workloads remain negative, although the rate of softening eased (from –34% to –28%). On the other hand, private non-residential workloads deteriorated more acutely (from –6% to –21%), signalling a significant drop in commercial project momentum.

Twelve-month expectations also softened. While infrastructure outlooks remain positive (+38%), both private residential (–3%) and private non-residential (–6%) projections slipped into negative territory.

Participants linked these challenges to elevated interest rates, new tariff schedules, and regulatory burdens, including code changes and municipal fees that are delaying or cancelling projects in multiple regions.

Credit availability remains tight, with little change from last quarter. While the 12-month outlook has improved modestly, expectations remain cautious as companies brace for slow demand and continued cost pressures.

Employment expectations have moderated sharply (from +17% to +5%), and profit margin forecasts turned negative (from 0% to -9%). These trends point to subdued confidence as the sector adjusts to economic headwinds, regulatory challenges, and shifting market demand.

“The Q3 survey reveals that the Canadian construction sector sits at a critical turning point, where industry confidence is declining despite continued strong infrastructure activity,” said CIQS Chief Executive Officer, Sheila Lennon, CAE. “Construction firms are challenged by financial constraints, persistent labour shortages, and rising material costs, and while the government’s strong commitment to infrastructure spending in the Fall Budget should theoretically drive industry growth, the true test will be whether that investment is enough to overcome those challenges to deliver real, meaningful impact moving forward.”

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Editor’s Notes

The RICS-CIQS Canada Construction Monitor is a quarterly survey of chartered surveyors across Canada. The Q3 2025 report reflects insights from 1,048 industry professionals.

About RICS

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure.

Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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