



RESIDENTIAL SUMMARY

Retirement wave – nearly 148,000 new workers needed by 2030

HIGHLIGHTS 2021–2030

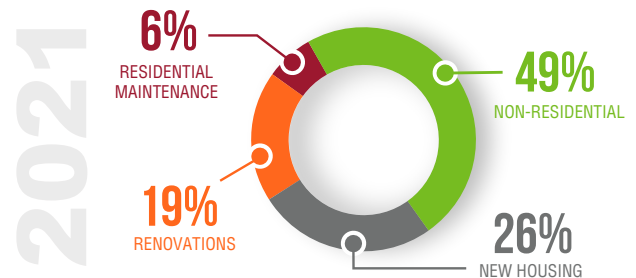
Employment in Canada's residential construction sector is expected to rise over the next five years along with labour force retirement levels. Though COVID-19 cooled new builds and home renovations in some regions of the country in 2020, especially at the start of the pandemic, the sector rebounded quickly, and anticipated recovery in immigration beyond 2021, along with the low lending-rate environment, is expected to grow housing demand between 2021 and 2024.

Across the 2021–2030 scenario period, residential recruitment requirements for Canada are pegged at 148,000 workers, with a significant number (134,600 workers, or 22% of the current labour force) coming from the need to replace retiring workers. An additional 13,300 workers will need to be added to the labour force to meet rising demands from renovation and maintenance work.

Meeting hiring requirements likely poses challenges, as an aging population will intensify the competition for qualified workers and all industries are facing a similar exodus due to retirements. Based on historical trends, the residential sector could pull up to 107,600 first-time new entrants from the local population aged 30 and younger by 2030, trailing the number of expected retirements.

These trends suggest the residential sector could face a skills gap, as retiring workers take with them years of experience. Additional recruitment efforts may be needed to fill the gap, including engaging workers from traditionally underrepresented groups, such as women and Indigenous people. Likewise, as Canada is set to welcome nearly 3.3 million new immigrants over the coming decade, the residential sector will also need to increase its recruitment of newcomers with the skills and credentials required by the industry.

DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2021, CANADA



10-YEAR RESIDENTIAL CONSTRUCTION LABOUR FORCE OUTLOOK FOR CANADA



AVERAGE UNEMPLOYMENT RATE
7.6%

HIGHLIGHTS

- The sector will need to recruit 148,000 new workers by 2030 to meet increased labour force demands and replace retiring workers.
- Retirements will require the industry to replace 134,600 workers.
- An estimated 107,600 first-time new entrants aged 30 and younger are expected to be added over the span of the decade.
- A potential recruitment shortfall of 40,300 workers could emerge by 2030.
- Overall, residential employment rises by 20,100 workers (+4%).

BuildForce's LMI System

BuildForce Canada uses a scenario-based forecasting system to assess future construction labour requirements in the heavy industrial, residential, and non-residential construction markets. This labour market information (LMI) system tracks 34 trades and occupations. To further improve the robustness of the system, BuildForce consults with industry stakeholders, including owners, contractors, and labour groups, to validate the scenario assumptions and construction project lists, and seeks input from government on related analysis. The information is then distilled into labour market condition rankings to help industry employers with the management of their respective human resources.

CONSTRUCTION OUTLOOK

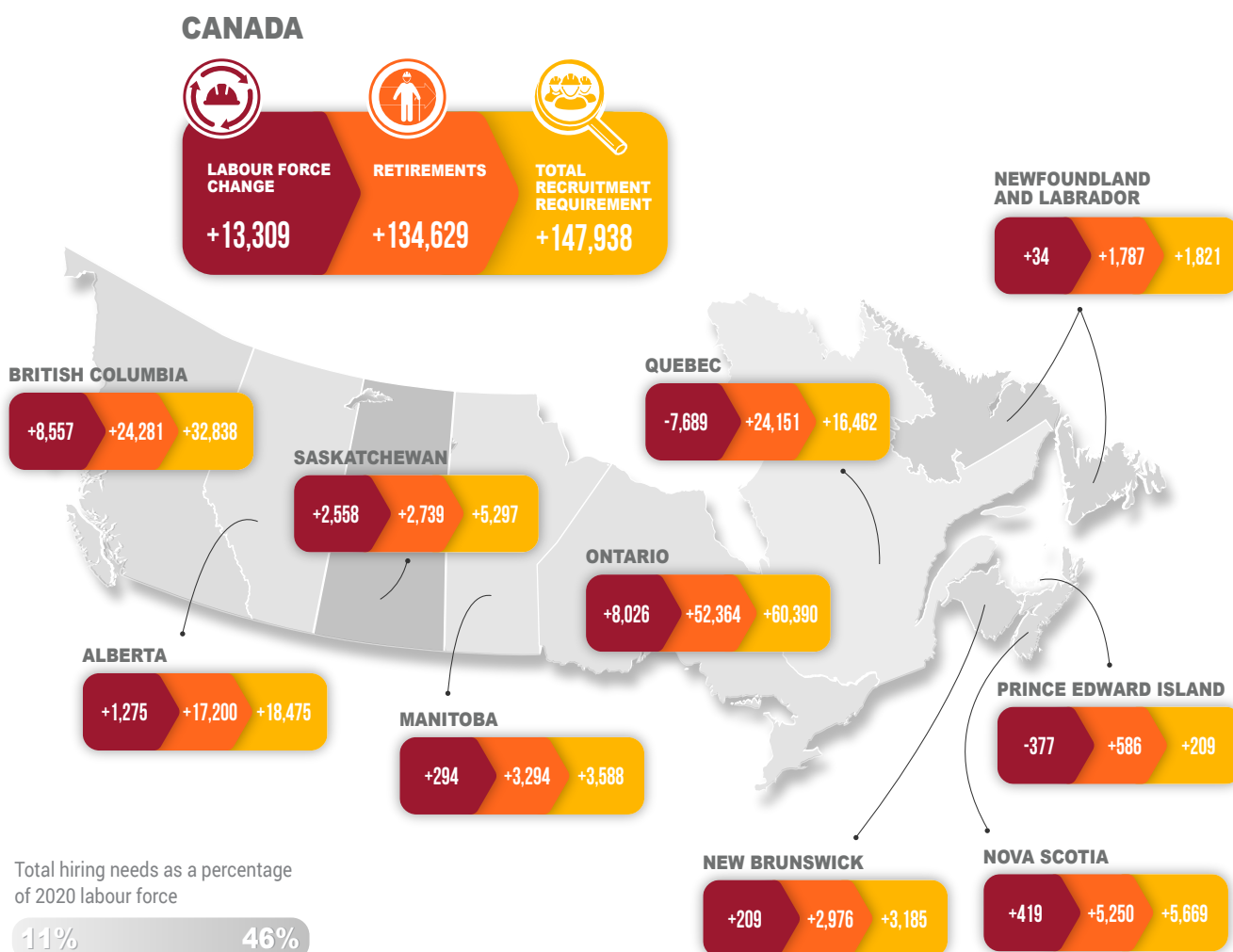
COVID-19 travel restrictions and mandatory lockdowns initially reduced residential construction in most provinces in 2020. New-home construction was negatively impacted briefly by significantly lower levels of international migration, though domestic demand offset that impact. Home renovations initially suffered from lockdowns and households' uncertainty about job-market outcomes. However, the industry rebounded quickly and by the end of 2020, there had been more housing starts in 2020 than there were in 2019.

Coming out of the pandemic, the outlook for residential activity looks positive beyond 2021, as a fully reopened economy will improve immigration levels and consumer confidence. Pent-up

demand for home renovations from 2020 and accumulated savings have already led to extensive activity in the second half of 2020 and early 2021, which should be followed by steady but more moderate growth throughout the decade. New-home construction is expected to slow in 2021 as pandemic-related disruptions linger and acute supply-chain disruptions continue into the latter half of the year. As immigration resumes later in the year and begins rising again in 2022, new-home construction is expected to cycle higher to 2024.

Home renovations and maintenance projects are projected to lead residential activity over the coming decade. High demand for mature homes in Canada's largest cities and accompanying post-purchase renovations and maintenance will be one factor, as will consumers' choices to modernize their existing homes or invest in upgrades to permit them to age in place rather than move into a new build elsewhere.

Figure 1: Cumulative recruitment requirements, by province, 2021–2030



Source: Statistics Canada, BuildForce Canada (2021-2030)

Record-low lending rates and shifting demands toward more spacious units should continue to lead single-detached construction higher in 2021, while construction of apartment structures is expected to decline modestly. Overall, housing starts should dip to 200,000 units in 2021, though early 2021 data suggest numbers may be higher. Either way, employment is only expected to moderate slightly, as construction of the more labour-intensive single-detached housing units will sustain employment requirements in the short term.

Housing starts are expected to run at 212,000 units by 2024, driven by renewed growth in immigration levels. Over the latter half of the decade, housing starts are expected to recede gradually, as rising immigration levels will not be sufficient to fully offset the impacts of population aging and the accompanying declines in population growth rates.

Longer term, residential construction remains weak in provinces with older age demographics, especially in Atlantic Canada, and particularly in Newfoundland and Labrador, where the population is expected to continue declining. Conversely, stronger housing markets are expected over the long term in provinces with younger populations, such as Alberta and Saskatchewan.

As renovation and new-housing trends unfold over the coming decade, total residential employment is expected to increase by 20,100 workers – or a 4% rise from 2020 levels. Strong gains in renovation and maintenance activity should offset expected declines in new-housing employment later in the period.

In addition to the need for 20,100 workers to meet rising demands over the 2021–2030 scenario period, Canada's residential construction industry must also contend with replacing 134,600 workers who are expected to exit the labour force due to retirement – or 22% of the current labour force.

Meeting increased labour force demands while replenishing positions left vacant due to retirements will require the active recruitment of 148,000 workers by 2030. These demands are significant and will require Canada's residential sector to remain focused on attracting, training, and retaining qualified workers.

Hiring requirements will vary across Canada, with increased recruitment challenges concentrated in provinces where expansion demands stack on top of retirements, increasing the overall demand for additional workers. Provinces where activity is expected to slow over the coming decade may find some relief in replacing workers expected to exit the labour force due to retirement. Figure 1 provides a 10-year outlook on hiring requirements across Canada's provinces and shows how every single province will require more workers over the coming decade.

Based on historical hiring trends, the residential construction sector is expected to recruit as many as 107,600 first-time new entrants¹ from the local population aged 30 and younger over the coming decade. As the number of retirements are expected to exceed the number of new entrants into the industry, a recruitment gap of 27,000 workers could emerge. When added to the labour force growth requirements of 13,300, the residential sector may be looking at a total recruitment gap of just over 40,300 workers.

Addressing the worker deficit will require a combination of strategies, including additional recruitment and training, particularly of individuals from groups traditionally underrepresented in the construction industry, the hiring of workers with the required skills sets from other industries, and the recruitment of immigrants with skilled trades training and/or construction experience.

Figure 2 provides a summary of the estimated changes in the national residential construction labour force across the full 2021–2030 scenario period.

Figure 2: Changes in the residential labour force, Canada



* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

¹ **New entrants** are measured by applying the traditional proportion of the provincial labour force that enters the construction industry. The projected estimate across the scenario period assumes that the construction industry can recruit this group in competition with other industries.

Across most provinces, the outlook for residential construction is expected to improve over the next five years, fuelled by lower interest rates, increased housing demand, and immigration-driven population growth. Over the latter half of the scenario period, many provinces are expected to see modest reductions in employment due to lower demands for new-home construction. Table 1 shows the anticipated changes in residential employment by province over the near term (2021–2025) and the long term (2026–2030).

BUILDING A SUSTAINABLE LABOUR FORCE

Canada's population is aging, and meeting future labour demands will require the residential construction industry to remain focused on building a sustainable labour force.

Rising overall demand for construction services is expected to increase the labour force in Canada's construction and maintenance industry by 49,900 new workers over the decade. At the same time, the construction and maintenance industry must also replace an estimated 259,100 workers expected to retire during this period, with the residential sector accounting for approximately 52% of these retirements, or 134,600 workers.

Combined, demand growth and retirements will require the construction and maintenance industry to recruit an estimated 309,000 workers between 2021 and 2030 in order to keep pace with expected construction demands in Canada.

While the task is challenging, a complicating factor is Canada's changing demographics. The steady aging of the country's population is expected to drive increased retirements in most industries and intensify competition for the recruitment of qualified younger workers. Over the next 10 years, the share of the population in the older age bracket (65 years and over) is expected to increase, and at the same time, the share of the youth population (15–24 years old) is expected to decline (see Figure 3). These demographic shifts have the potential to tighten labour markets, as labour force participation by older workers is much lower than that of their younger counterparts.

Attracting new workers into the industry will likely become increasingly difficult, as Canada's population growth is expected to retract from recent high levels. The country's population growth, which reached 1.5% in 2019, has been driven up recently by strong gains in international migration, with non-permanent residents (international students) accounting for a significant portion of this rise. Elevated levels of migration are expected to recede over the next three years, as educational institutions are near or at capacity and will likely reduce admissions of international students.

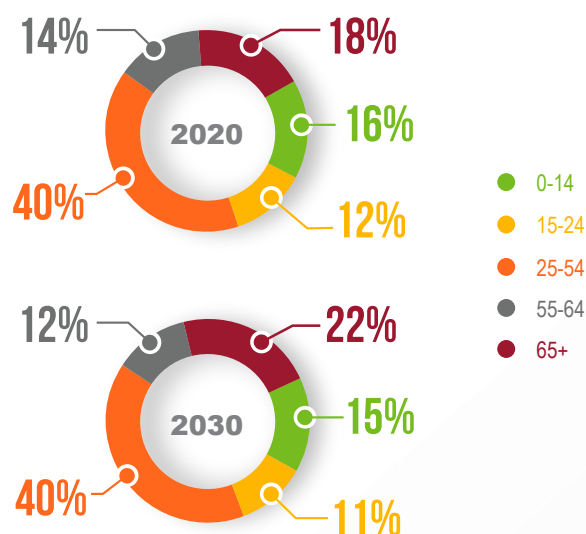
Canada's natural rate of population growth² has been declining since 2010, following a brief growth period between 2005 and 2009. Across the scenario period, this steady aging of the population translates into further reductions in the natural rate of population growth, which accounts for a small portion of overall population growth, across the scenario period.

Table 1: Change in residential employment, by province

REGION	% CHANGE 2021–2025	% CHANGE 2026–2030
Canada	5%	-2%
Newfoundland and Labrador	6%	2%
Nova Scotia	5%	-3%
New Brunswick	5%	-1%
Prince Edward Island	-5%	-11%
Quebec	0%	-4%
Ontario	7%	-3%
Manitoba	3%	0%
Saskatchewan	17%	7%
Alberta	6%	-1%
British Columbia	6%	1%

Source: Statistics Canada, BuildForce Canada

Figure 3: Population age distribution, Canada



Source: BuildForce Canada

² **Natural rate of population growth** refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

These trends lead Canada's population growth lower throughout the scenario period, even as net international migration settles at above-historical levels. Components of population growth for Canada are shown in Figure 4.

Based on historical trends, Canada's construction industry is expected to draw an estimated 228,100 first-time new entrants aged 30 and younger into the construction labour force over the next decade, with about 47%, or 107,600 workers, estimated to join the residential sector. Across the scenario period, the pace of retirements exceeds the number of youth coming into construction, forcing the industry to look to other industries and other countries for additional new workers to augment the available pool of local new entrants.

UNDERREPRESENTED GROUPS OF WORKERS

Building a sustainable and diverse workforce will require the construction and maintenance industry to increase recruitment from groups traditionally underrepresented in the current construction labour force, including women, Indigenous people, and new Canadians.

In 2020, there were approximately 190,000 women employed in Canada's construction and maintenance industry, of which 27%

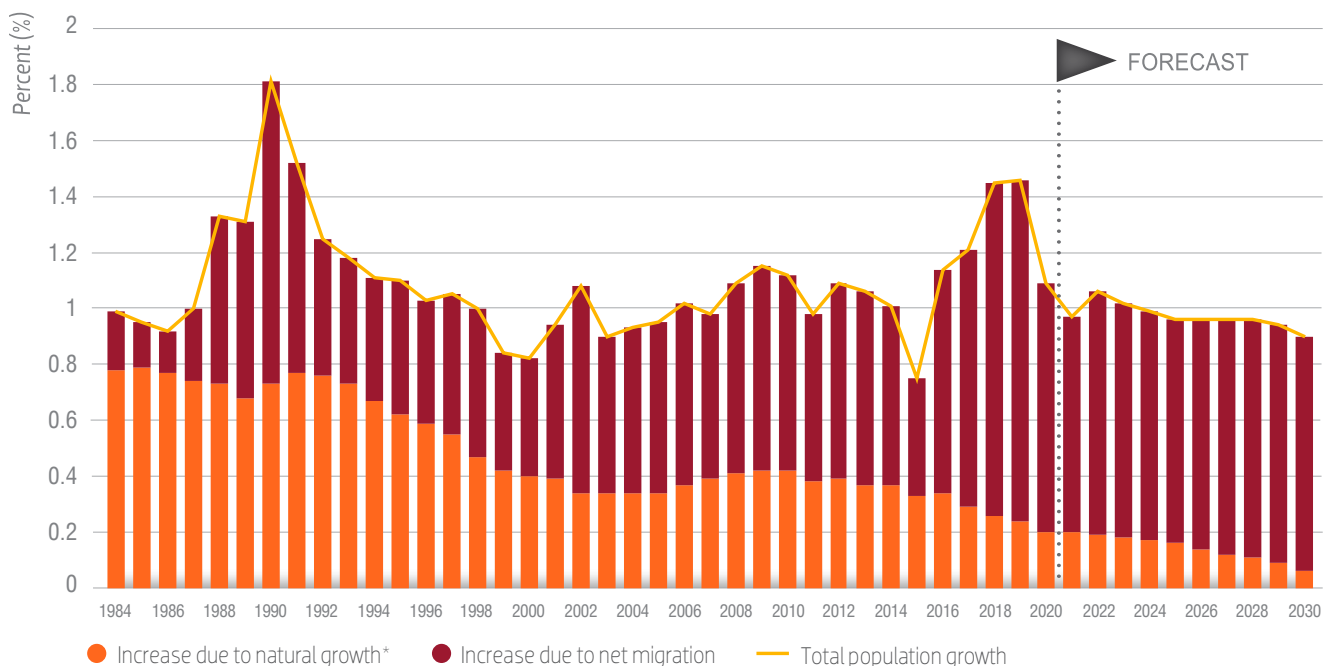
worked on site, directly on construction projects, while the remaining 73% worked off site, primarily in administrative and management-related occupations. Of the nearly 1.1 million on-site tradespeople employed in the industry, women made up 5% (see Figure 5).

The estimated 51,100 on-site tradeswomen are employed across all sectors of construction, with approximately 56% working in the residential sector, and nearly one-third of those employed in new-housing construction.

As a share of the total workforce, women account for 5% of tradespeople involved in residential construction, whereas in the non-residential sector, women make up only 4% of the on-site workforce (see Figure 6).

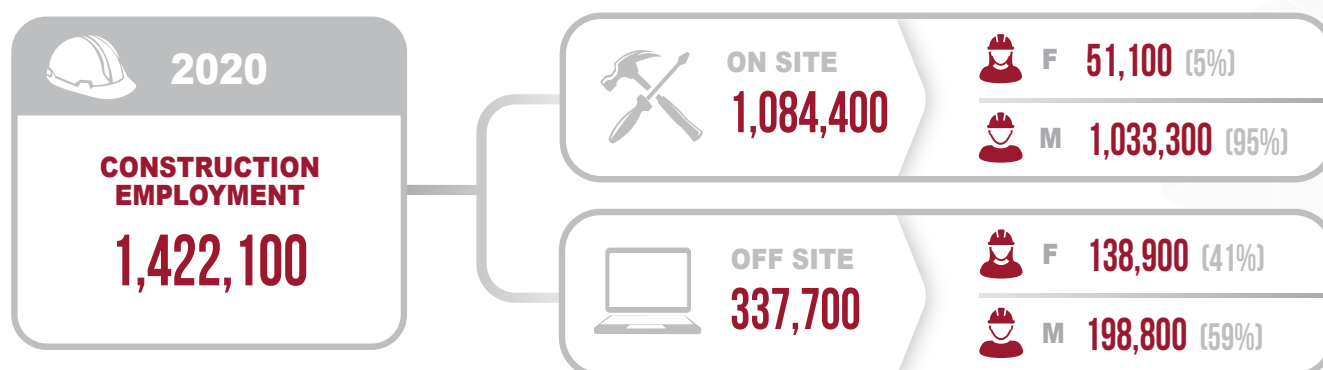
Across the country, Western provinces have a higher representation of women in the industry than Central and Eastern provinces, with the exception of Prince Edward Island (see Figure 7). Prince Edward Island and Alberta lead, as tradeswomen in these provinces account for 7% of all tradespeople employed in the construction industry. British Columbia has also seen recent increases in the engagement of women, driven largely by the numerous opportunities created by the significant increase in construction demands. Quebec, Nova Scotia, and New Brunswick have lower representation, with women accounting for less than 4% of tradespeople.

Figure 4: Sources of population growth (%), Canada

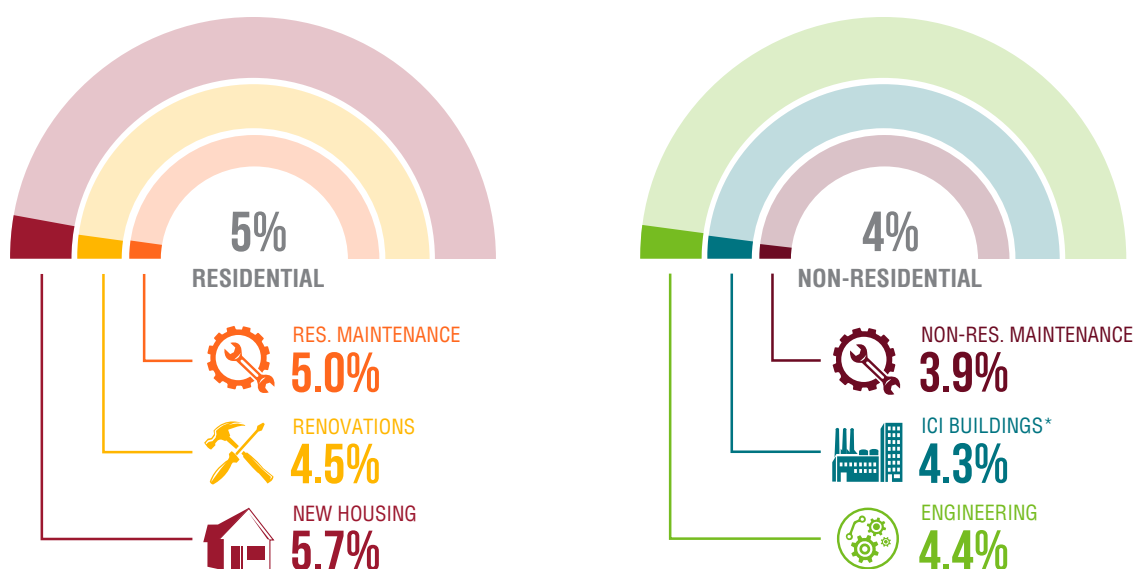


* **Natural rate of population growth** refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

Source: Statistics Canada, BuildForce Canada (2021-2030)

Figure 5: Detailed construction employment by gender, Canada, 2020

Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and 2016 Census of the Population.

Figure 6: Representation of women in direct trades and occupations (on site), by sector, Canada, 2020

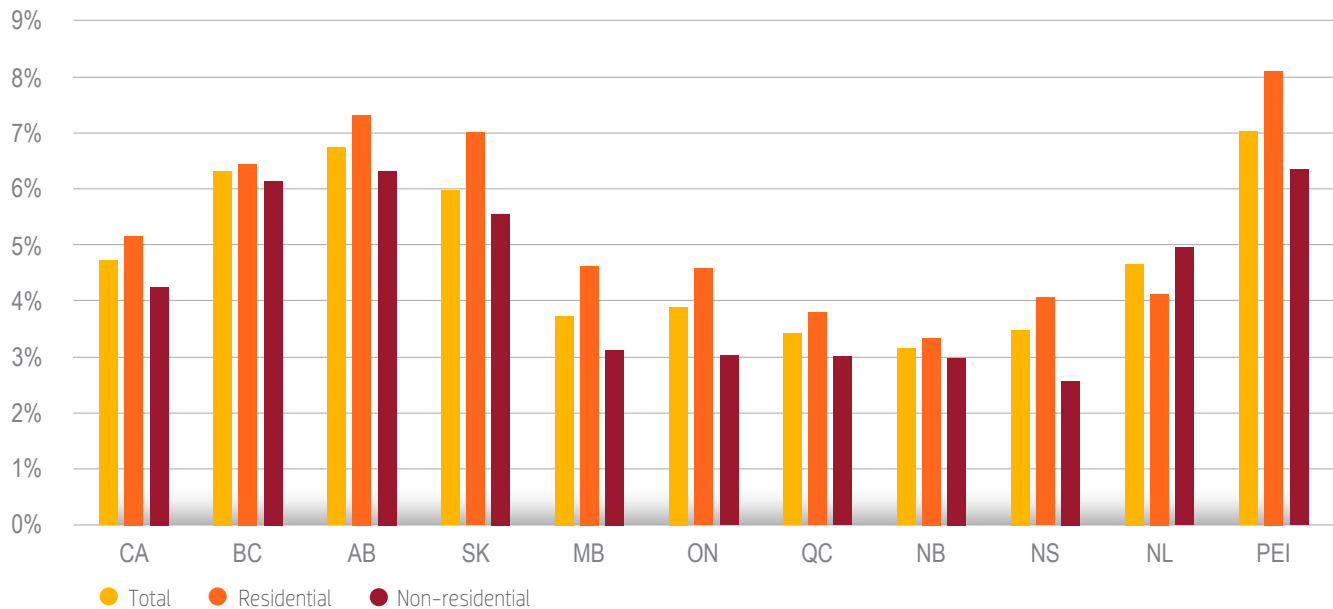
* industrial, commercial, institutional

Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and the 2016 Census of the Population.

The Indigenous population is another group that presents recruitment opportunities for Canada's construction industry. In 2020, Indigenous people accounted for approximately 4% of Canada's total working-age population³. The Indigenous population is the fastest growing in Canada and has a higher propensity to choose the construction industry as a potential career choice. Based on the 2016 Census, an estimated 7.6% of non-Indigenous Canadians were employed in the construction industry, compared to 9.6% for the Indigenous population.

In Canada, approximately 4.9% of the construction labour force is made up of Indigenous people, of which about 81% work directly on construction projects, while the remaining 19% work primarily in administrative and management-related occupations. Given the predisposition of Indigenous workers to consider careers in construction, there may be scope to further increase the recruitment of Indigenous people into the industry.

³ Statistics Canada. Table 14-10-0364-01 Labour force characteristics by province, region, and Aboriginal group (x 1,000)

Figure 7: Representation of women in direct trades and occupations (on site), by province and sector, 2020

Source: BuildForce Canada calculations based on Statistics Canada's Labour Force Survey (LFS) and the 2016 Census of the Population

Building a sustainable construction labour force will also require industry to increase initiatives to attract newcomers. Between 2021 and 2030, Canada is anticipated to welcome more than 3.2 million newcomers, making the immigrant population a key source of labour force growth over the coming decade.

Canada's construction labour force is made up of approximately 18% new Canadians.⁴ Historically, key sources of immigrants were from Europe and the Americas, whose citizens make up a considerable share of new Canadians currently working in the construction industry. A shift in migration patterns is currently underway, with most new immigrants to Canada (62%) now coming from Asian countries

(primarily from China, India, Iran, the Philippines, and Syria). Citizens from these nations may have a lower tendency to consider employment in the construction sector. Persuading individuals upon arrival to consider careers in the trades, particularly for those with professional training outside the skilled trades that are seeking employment in other sectors of the economy, can be extremely challenging. Working with governments to enhance the selection of immigrants with skilled trades credentials or construction experience will ensure that the industry continues to receive its proportionate share of newcomers, which will be important in the years to come, as newcomers will make up an increasing share of the overall working-age population in Canada.

⁴ Statistics Canada, BuildForce Canada (2021-2030)

10-YEAR AVERAGE

1%



POPULATION
GROWTH

397,300



BIRTHS

342,000



DEATHS

328,600



NET
MIGRATION

BY 2030

42



AVERAGE AGE

22%



PERCENT OF CURRENT
LABOUR FORCE LOST TO
RETIREMENT

PROVINCIAL INSIGHTS

Across Canada, retirements dominate hiring requirements over the next decade, as aging demographics prevail. Replenishing a retiring labour force will require industry to ramp up initiatives related to training, mentorship, and the retention of new workers. The residential sector will need to enhance its efforts to attract underrepresented groups, such as women, Indigenous people, and newcomers, to build a long-term, sustainable labour force.

This section describes the investment cycles in new housing and renovations, the related employment trends and replacement demands, as well as a summary of labour market conditions in each province.

BuildForce assesses market conditions for 34 construction trades and occupations using a ranking system that combines measures of the change in employment, unemployment, net in-mobility⁵, and adjustments based on industry input. The rankings reflect residential labour market conditions unique to each province based on current and proposed construction activity. In addition, assumptions on provincial economic and population growth, new entrants to the labour force, and migration patterns (interprovincial and international) are built into the forecast scenario and included in the ranking assessment. Provincial residential labour market rankings can be found in BuildForce Canada's *Highlights* reports.

NEWFOUNDLAND AND LABRADOR

Renewed growth in residential employment is expected post 2021 in Newfoundland and Labrador, driven by a recovery in new-home construction. To keep pace with rising levels of demand and retirements, industry will need to recruit 1,800 workers into the provincial labour force over the next 10 years.

Based on historical trends, the residential sector is expected to recruit just over 990 first-time new entrants from the local population aged 30 and younger by 2030. However, the number of new entrants is expected to lag anticipated retirements every year across the scenario period, leading to a potential gap of almost 795 workers by the end of the decade. When this gap is added to the anticipated industry growth, an estimated 829 workers will need to be recruited from other sectors of construction, other industries, or outside the province over the scenario period (see Figure 8).

These trends could potentially lead to a skills gap, as a significant loss of experience from retiring workers is not easily offset by new entrants. As retirements steadily outpace workers joining the labour force, unemployment rates are likely to decline in the residential sector.

MARKET TRENDS

New-home construction in Newfoundland and Labrador hit new lows in 2020, as housing starts dipped to 730 units. Much of the decline was driven by weaker migration due to COVID-19. However, a surge in renovation expenditures helped to offset overall employment losses in the sector.

The end of the residential rebate program is expected to lead to a reduction in renovation projects in 2021, but the buildup of the provincial housing stock adds steady demand for renovation work throughout the decade. New-home construction remains weak in 2021, as migration and economic patterns are not anticipated to return to normal levels until later in the year. Post 2021, the province's population growth improves due to rising migration, though the population continues to decline throughout the decade. A recovery in new-home construction drives housing starts to 1,200 units by 2028, spurring employment growth during this period.

Across the 2021–2030 scenario period, total residential employment is projected to grow by 350 workers (+8%) from the bottom levels reached in 2020:

- New-housing-related employment rises by 360 workers (+43%) from 2020 levels, with gains concentrated over the latter half of the scenario period.
- Renovation and maintenance work provides a stable source of employment across the decade, with only modest gains.
- Combined, renovation and maintenance employment continues to account for three-quarters of residential employment by 2030.

Figure 9 illustrates Newfoundland and Labrador's residential construction employment growth by sector over the 2021–2030 outlook.

Newfoundland and Labrador's residential labour market conditions were mostly balanced in 2020, though some weakness emerged for trades concentrated in new-housing construction. An anticipated modest recovery in housing starts increases related employment and returns market conditions to balance by 2022, except for construction managers, who, due to their older age profile, are expected to see tighter labour market conditions between 2023 and 2026.

Across the scenario period, older age demographics and expected retirements contribute to lower natural rates of unemployment⁶ that should help to maintain mostly balanced labour market conditions, but at lower levels of employment.

⁵ **In-mobility** refers to the arrival of workers from outside the local construction industry. In-mobility includes the interprovincial employee workforce described above. Many members of this group will move quickly out of the province as work declines and this out-mobility, even if it is a very short-term change, signals a weak market.

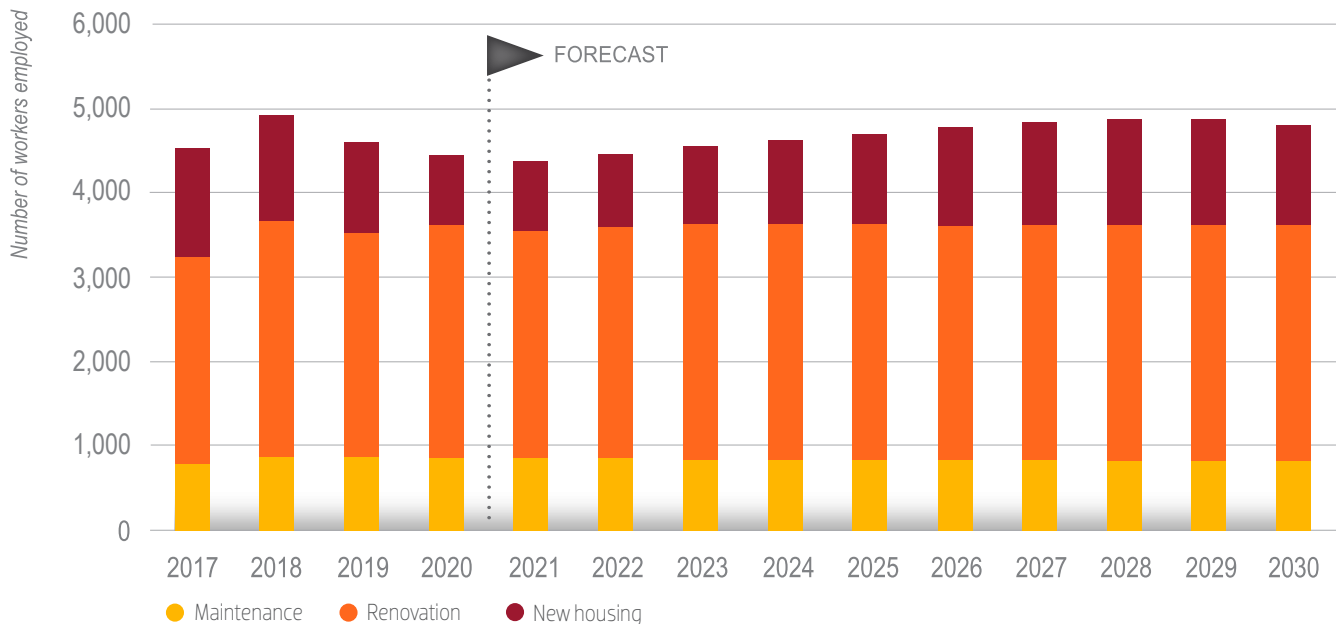
⁶ **Normal unemployment** or **natural unemployment** refers to the unemployment that results from workers moving from one job to another. This unemployment rate exists because some workers are in-between jobs, some workers' skills do not align with employers' needs, or because there is a mismatch in the wage expectations between employers and workers.

Figure 8: Changes in the residential labour force, Newfoundland and Labrador

* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 9: Residential construction employment growth outlook, Newfoundland and Labrador

Source: Statistics Canada, BuildForce Canada (2021-2030)

PRINCE EDWARD ISLAND

Since 2015, investment in residential construction has increased nearly 65% in Prince Edward Island, thanks to stronger population growth driven by increased migration levels. As the province's population grew from 144,500 to 159,600 people, it propelled demand for new homes and fuelled additional home-renovation activity.

In 2020, despite the COVID-19 health crisis, residential construction activity continued to rise, driven by gains in single-detached housing starts and a 13% increase in renovation investment, due in part to the provincial renovation rebate program that began in the summer.

Over the coming decade, Prince Edward Island is expected to lose nearly one-quarter of its current labour force to retirements, making replacement demand a priority in the province. As the province is set to see nearly 600 workers exit the residential labour force between 2021 and 2030, it must remain focused on attracting, training, and retaining qualified workers.

The aging of P.E.I.'s population will translate into increased competition for young workers, as all industries will see retirements of similar magnitudes. As illustrated in Figure 10, based on historical trends, the province's residential sector could recruit just over 400 first-time new entrants from the local population aged 30 and younger by the end of the scenario period.

MARKET TRENDS

Between 2016 and 2019, Prince Edward Island welcomed an estimated 11,600 international migrants, while an additional 1,300 interprovincial migrants also added to P.E.I.'s population. This tremendous growth in the provincial population translated into strong demands for new homes and renovations. Housing starts increased

by 170%, with apartments accounting for nearly two-thirds of the 950 additional units.

The mandatory shutdowns and travel restrictions related to COVID-19 in 2020 led to a sharp decline in immigration to the province, though reductions in the construction of apartment buildings was mostly offset by gains in single-detached homes. Additionally, renovation spending rose by 13%, driven in part by the provincial renovation rebate program.

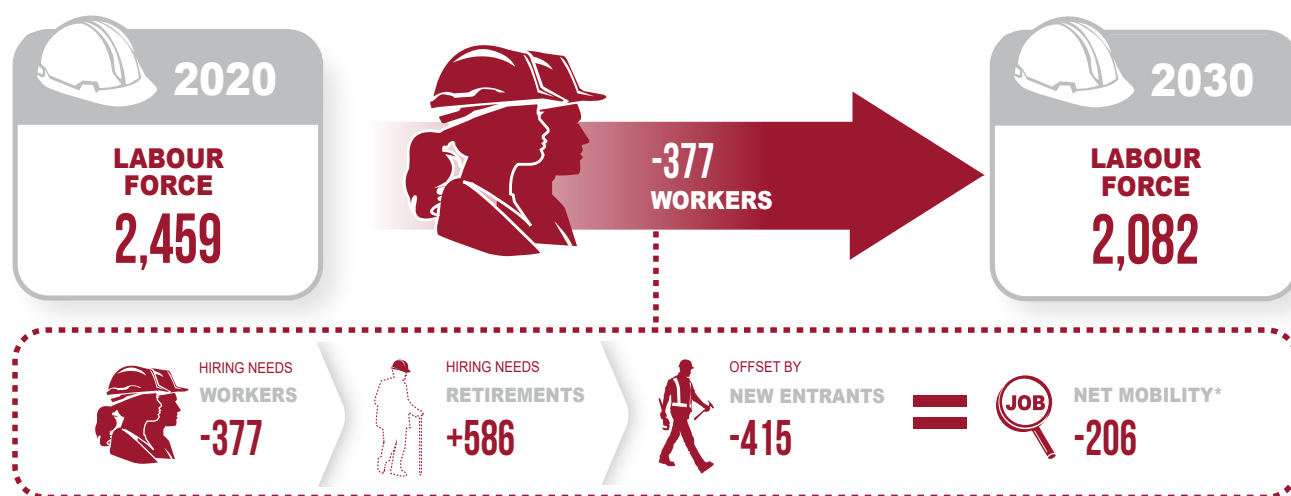
Investment in the construction of new homes is expected to continue rising over the next two years, as record-low levels of lending rates and consumer preferences drive demand for new single-detached units. Over the long term, migration growth is anticipated to decelerate, and current high levels of new builds are expected to subside, especially for multi-family units.

Renovation activity is expected to moderate in 2021, but the buildup of houses in the province over the past five years will drive increased demand for home renovations across the scenario period.

Over the coming decade, residential construction employment is projected to rise another 2% over the next two years on top of a 30% increase between 2016 and 2020, before retreating from peak levels of activity:

- New-housing-related employment, which has increased nearly 26% since 2016, is expected to rise another 6% to 2022 before retreating from the recent elevated levels.
- Renovation and maintenance demands are projected to grow by 70 workers (+6%) across the scenario period.
- As new-housing demand weakens over the long term, renovation and maintenance work provides steady employment opportunities.

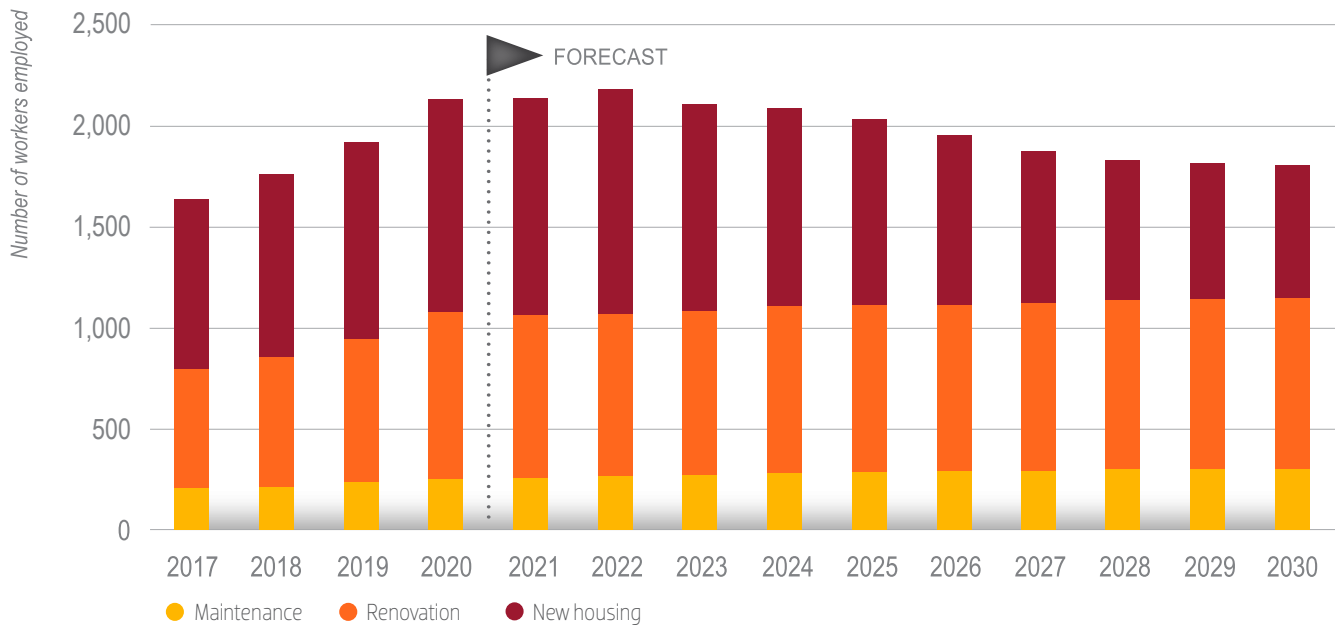
Figure 10: Changes in the residential labour force, Prince Edward Island



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Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 11: Residential construction employment growth outlook, Prince Edward Island

Source: Statistics Canada, BuildForce Canada (2021-2030)

- New-housing-related employment, which currently accounts for 50% of total residential employment, is projected to make up just over 35% by 2030.

Figure 11 illustrates Prince Edward Island's residential construction employment growth by sector over the 2021–2030 outlook.

Labour market conditions are anticipated to remain tight across trades and occupations through to 2022, before declining housing starts after 2023 begin loosening conditions, returning markets to mostly balanced conditions by 2025. Higher levels of unemployment for some trades and occupations, including carpenters and trades helpers and labourers, may lead to out-mobility in the latter part of the decade.

NOVA SCOTIA

Nova Scotia entered the pandemic with a strong housing market, which was only marginally impacted by the COVID-19 restrictions. With recovering international migration, a modest rise in housing demand is anticipated toward mid decade, while a significant number of workers exit to retirement. At the same time, the recent buildup of the province's housing stock will add steadily to renovation and maintenance work going forward.

The province is faced with a potential shortfall of nearly 2,300 workers, as nearly 5,300 workers are expected to retire over the coming decade (see Figure 12).

Nova Scotia's population is aging rapidly, and this will likely translate into tighter labour markets over the coming decade. For the residential sector, the addition of nearly 3,400 first-time new entrants from the local population aged 30 and younger is insufficient to offset vacant positions left by retiring workers.

Mitigating a skills gap will require industry to remain focused on attracting and training young workers, as the aging of the population will likely exacerbate competition for young talent. This task may become increasingly difficult, as all industries will be pulling from a relatively smaller pool of youth.

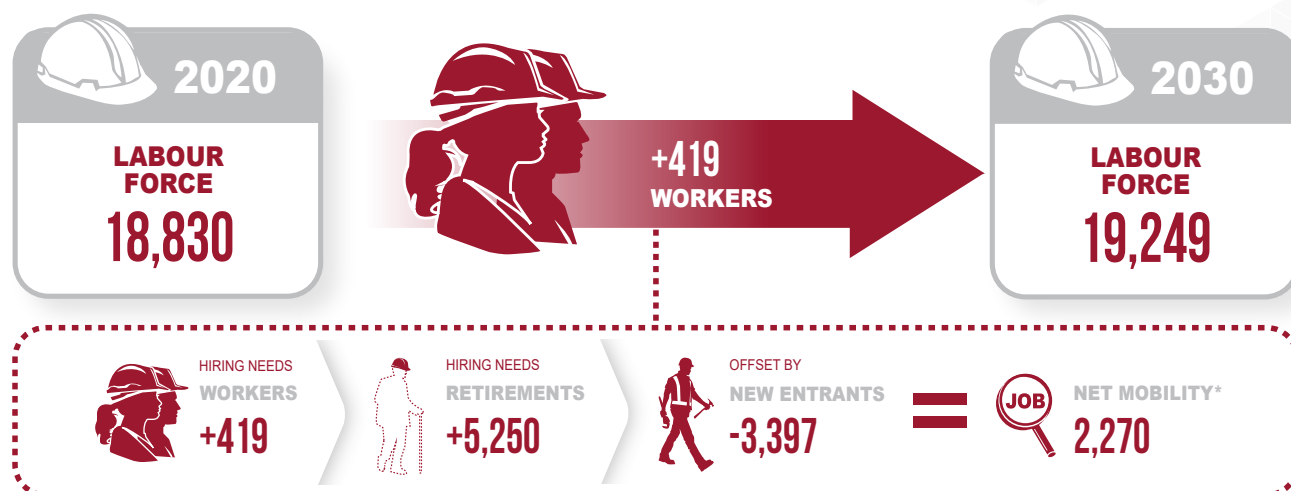
MARKET TRENDS

Starting from hot conditions, Nova Scotia's residential construction sector saw modest reductions in 2020. COVID-19 restrictions, which limited international migration, dampened the demand for new homes. A small reduction in housing starts (-4%) was concentrated primarily in the apartment-structure type, as would-be purchasers of these less expensive units were more harshly impacted by the pandemic. Single-detached starts edged higher, benefitting from record-low levels of lending rates.

Nova Scotia's population growth is expected to remain well above normal levels over the near term, adding to a modest rise in housing demand over the middle of the decade. Aging demographics and lower levels of international migration are expected to limit demand for new housing in the latter half of the scenario period, while the aging of the province's housing stock and consumer purchases of more mature homes will boost renovation and maintenance-related employment by nearly 1,000 workers during the same period. Across the decade, total residential employment should rise by approximately 400 workers (+2%):

- The modest up-cycle in housing starts over the near term maintains new-housing-related employment stable to 2025, but weak demographic trends lead to reductions in employment thereafter. By 2030, new-housing-related employment will be 1,100 workers lower than 2020 levels.

Figure 12: Changes in the residential labour force, Nova Scotia

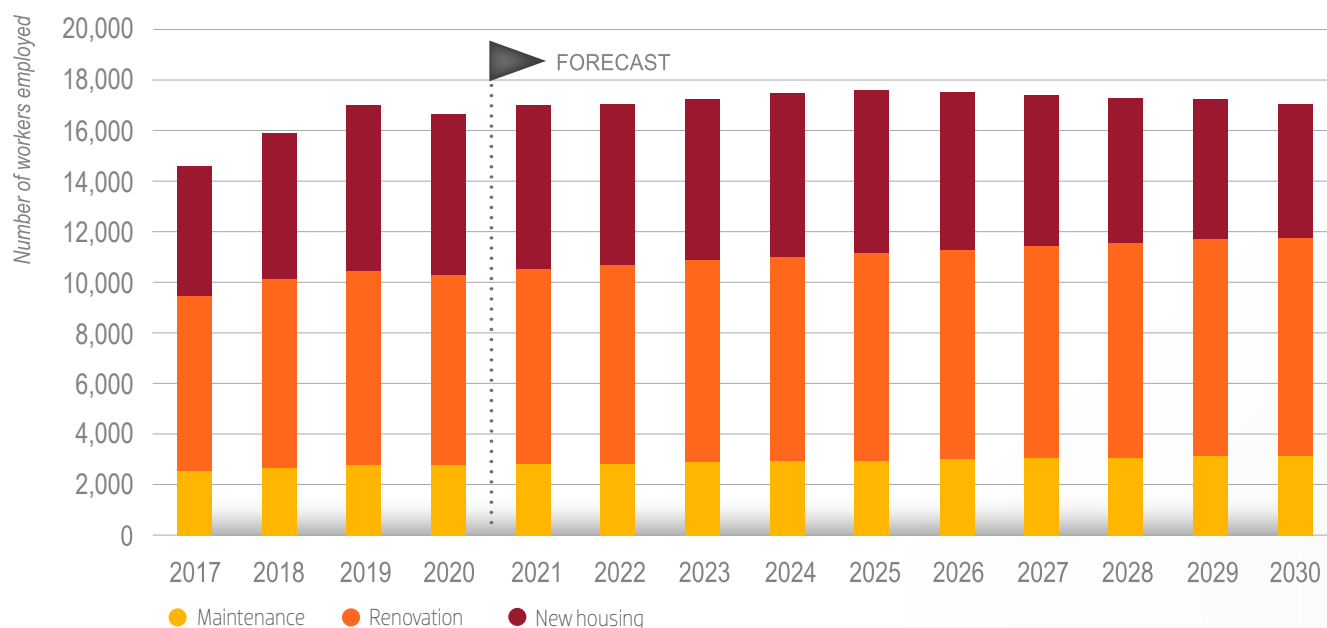


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Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 13: Residential construction employment growth outlook, Nova Scotia



Source: Statistics Canada, BuildForce Canada (2021-2030)

- Rising renovation and maintenance demands will require an additional 1,500 workers by 2030, more than offsetting declines in new-home construction.
- By 2030, 70% of residential employment is expected to come from renovation and maintenance projects. Inter-sector worker mobility will be key to meeting new demands.

Figure 13 illustrates Nova Scotia's residential construction employment growth by sector over the 2021–2030 outlook.

Residential labour markets were generally balanced in 2020, as lower levels of housing starts relieved market pressures on some trades more concentrated in new-housing construction, while markets involved in renovation work remained tight. Moving forward, moderate growth in housing starts and renovation activity is expected to raise market challenges in 2021, but sustain generally balanced conditions over the remainder of the decade.

NEW BRUNSWICK

Demand for new homes in New Brunswick pushed through the pandemic in 2020, with housing starts reaching nearly 3,200 units (+8% from 2019). Construction of apartment buildings accounted for most of the gain, though growth in single-detached construction was also robust.

Over the coming decade, New Brunswick's residential construction sector is expected to see growing employment related to renovation and maintenance work due to a significant expansion in the province's housing stock.

In addition to expanding demands, the province will need to replace almost 3,000 workers expected to retire from the labour force between 2021 and

2030. The age structure of the population means that, under current recruitment of young workers, the province can expect as many as 1,905 first-time new entrants from the local population aged 30 and younger. If the sector's recruitment does not increase, it may be looking at a shortfall of nearly 1,300 workers by 2030 (see Figure 14).

New Brunswick's residential construction leaders must remain focused on active recruitment, as population aging could mean increased competition for qualified workers.

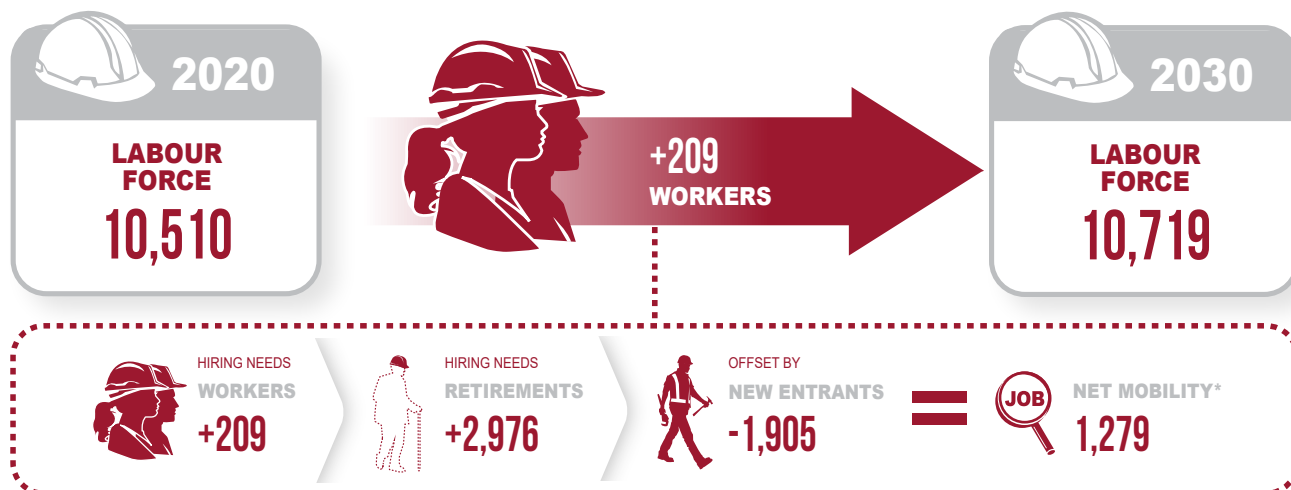
MARKET TRENDS

Construction of new homes in New Brunswick remained robust in 2020, reflecting record levels of low vacancy rates in the province. The rise in international migration over the past few years has translated into increased new-housing construction and increased housing starts, particularly for apartment structures.

New-home construction is expected to moderate between 2021 and 2022 due to lower levels of migration and weaker population growth, though a recovery thereafter should drive a modest up-cycle in housing starts to 2024. Over the long term, new homebuilding is expected to be limited by an aging population and weaker population trends.

Renovation expenditures weakened modestly in 2020 due to COVID-related mandatory lockdowns, despite an increase in activity over the late spring and summer months. Activity is expected to remain muted into 2021, as a full reopening of the economy is not expected until later in the year. Nevertheless, the buildup of New Brunswick's housing stock and anticipated growth in disposable income should drive increasing demands for renovators.

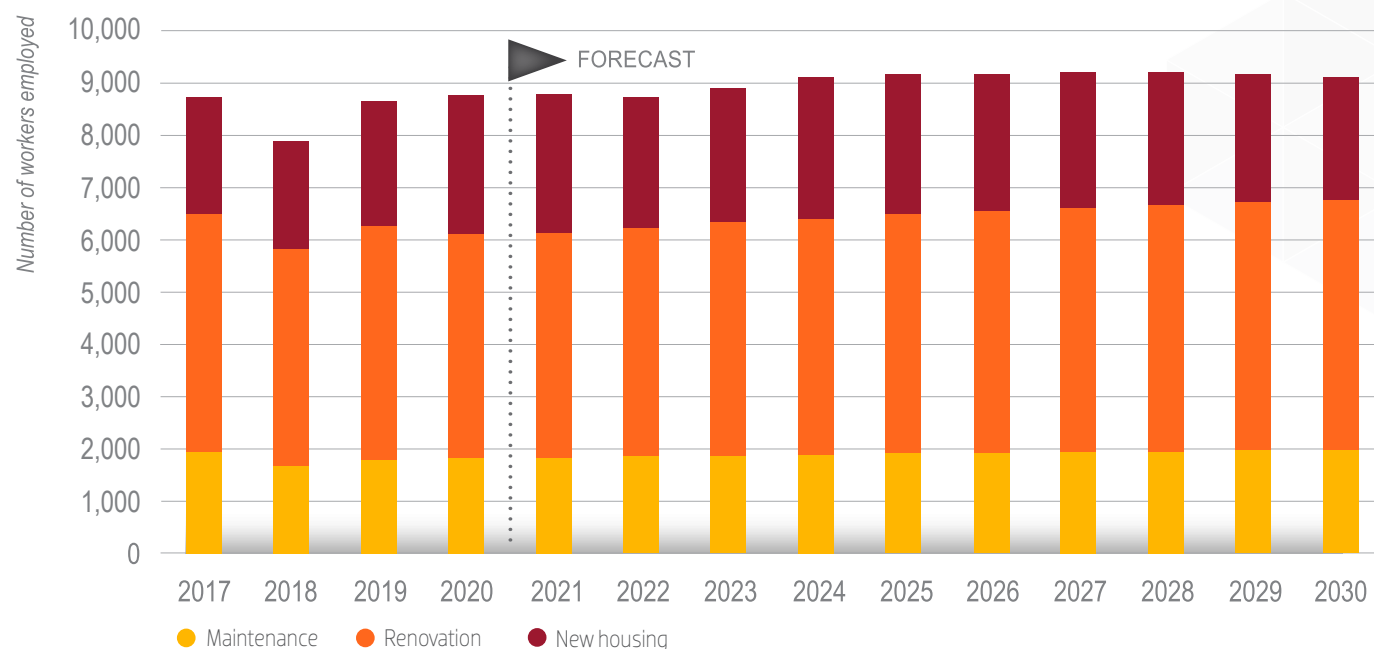
Figure 14: Changes in the residential labour force, New Brunswick



* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 15: Residential construction employment growth outlook, New Brunswick

Source: Statistics Canada, BuildForce Canada (2021-2030)

Across the 2021–2030 scenario period, total residential employment is projected to rise by 340 workers (+4%):

- Employment related to new-housing construction cycles with migration patterns, but aging demographics take hold over the long term. By 2030, employment is expected to be 310 workers lower than in 2020.
- Employment related to renovation and maintenance work is expected to increase by 650 workers (+11%) over the decade.
- By 2030, renovation and maintenance work is expected to account for three-quarters of all residential employment.

Figure 15 illustrates New Brunswick's residential construction employment growth by sector over the 2021–2030 outlook.

In 2020, a moderate decline in renovation activity relieved market pressures for most trades, returning residential labour markets to mostly balanced conditions. Market conditions tightened for key trades and occupations more concentrated in new-home construction during the same period. Over the decade, conditions are expected to remain generally balanced due to steady gains in renovation work that offset the gradual decline in new-home construction in the latter half of the decade.

Older age demographics and resulting retirements contribute to lower natural rates of unemployment, which should translate into balanced labour market conditions at lower levels of employment across the decade.

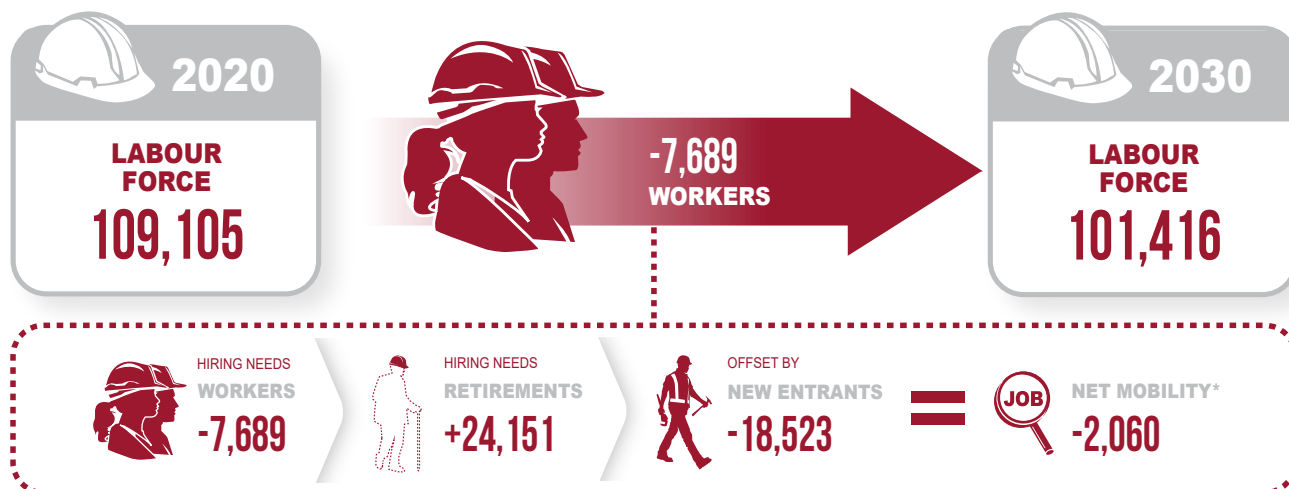
QUEBEC

In 2020, Quebec's housing starts surpassed 50,000 units for the first time since 2010, as high levels of international migration have been pushing rental vacancy rates lower. Combined with record-low levels of lending rates, increased new-home construction served to offset reductions in home renovation projects related to the COVID-19 pandemic.

Over the coming decade, replacing retiring workers emerges as a priority for Quebec's residential construction industry, as the province is tasked with replacing 24,151 workers, or 22% of the current labour force.

Figure 16 illustrates that, due to aging demographics, the number of young workers expected to join the labour force is outpaced by the number of workers retiring.

Based on historical trends, Quebec can expect just over 18,520 new entrants from the local population aged 30 and younger. Attracting and training new workers must remain a priority for the industry, as aging demographics will lead to increased competition for workers across all industries that face similar age-demographic challenges.

Figure 16: Changes in the residential labour force, Quebec

* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

MARKET TRENDS

Over the past four years, more than 300,000 international migrants have joined Quebec's population, helping to boost the province's population from 8.2 million in 2016 to nearly 8.6 million in 2020. This rapid rise served to absorb vacant rental properties and propelled a residential up-cycle.

In 2020, the extremely low vacancy rates in Quebec's major metropolitan areas and record-low levels of lending rates spurred a 4.5% increase in housing starts, pushing the number of new starts above 50,000 units – a level not surpassed since 2010. Increased new homebuilding added 3,200 new residential workers and helped to offset a similar decline in renovation activity related to COVID-19 restrictions.

Housing starts are projected to begin retreating from recent highs, as pandemic-induced restrictions on international travel have reduced the number of international migrants and foreign students studying at Canadian universities and colleges, putting downward pressure on housing demand. The expectation that lending rates begin to rise in 2023 will put further downward pressure on new-home construction.

New-housing investment is projected to stabilize in 2021, with growing demands for single-detached homes offsetting reduced construction of apartment structures. Investment and related employment are projected to gradually decline thereafter.

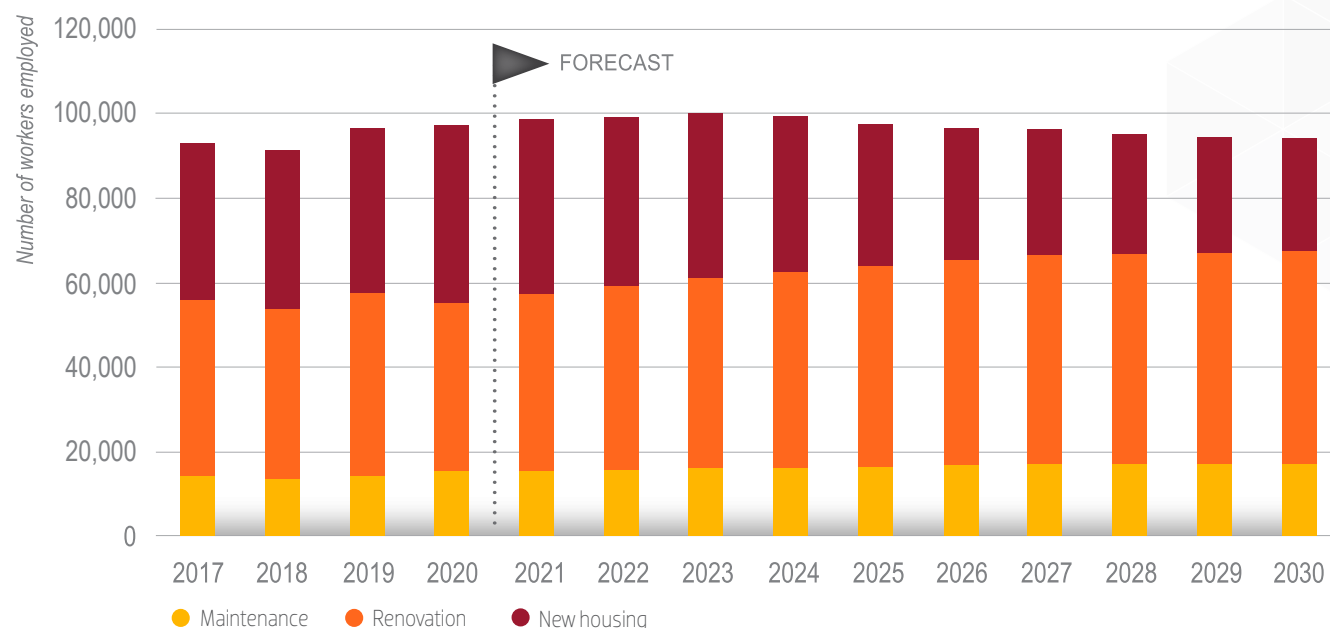
Renovation activity recovers partially in 2021, as the full reopening of the economy is not anticipated until later in the year. Following 2021, renovation expenditures are projected to grow steadily due to the previous buildup of the province's housing stock and anticipation that aging demographics will tighten labour markets and improve households' disposable income.

Diverging trends between new housing and renovations lead to a modest 3% decline in total residential employment across the 2021–2030 outlook period:

- Weakening migration and population growth translate into declines in new-housing-related employment of 15,700 workers (-37%) from the high levels in 2020.
- Steady demands for renovation and maintenance work add almost 10,500 workers (+23%), partially offsetting anticipated declines in new-housing employment.
- Renovation and maintenance work, which currently accounts for 57% of all residential employment, is expected to make up more than 70% by 2030. Worker mobility will be key.

Figure 17 illustrates Quebec's residential construction employment growth by sector over the 2021–2030 outlook.

The continuing but moderate declining trend in residential employment is partially offset by rising retirements. It is assumed that industry manages labour demand requirements and labour force availability through established promotion and training programs.

Figure 17: Residential construction employment growth outlook, Quebec

Source: Statistics Canada, BuildForce Canada (2021-2030)

ONTARIO

Ontario's 12% reduction in new homebuilding in 2019 was likely an overreaction to new mortgage qualification rules, as housing starts in 2020 came in at 78,300 units – up 14% from 2019. Employment demands from the construction of new homes offset sharp declines in home renovations related to mandatory shutdowns and fears of contracting the COVID-19 virus.

In 2021, a recovery in renovation expenditures and a moderate increase in new single-detached construction adds nearly 9,100 workers (+4%) to Ontario's residential workforce, though construction of apartment buildings is projected to see declines. Recovering migration levels and associated population growth drive housing starts to 81,000 units by 2024, spurring the need for an additional 6,900 workers between 2022 and 2024. Though aging demographics weaken population growth and new-housing demands over the long term, Ontario's residential construction industry is expected to rise by 4% over the 2021–2030 scenario period.

Additional to expanding demands, Ontario must also remain focused on replenishing its current labour force – 22% of which is expected to retire over the coming decade. As the last of the baby boomers are expected to be 65 years old by 2029, Ontario's residential sector is expected to see almost 52,400 workers exit the industry to retirement.

Due to an aging population and increased competition for talented youth among the province's industries, attracting new workers may become more challenging. Based on historical trends, Ontario is expected to bring in 42,732 new entrants from the local population aged 30 and younger – a pace that is expected to lag departures due to retirement every year over the scenario period.

As illustrated in Figure 18, should recruitment efforts not increase, the province could be looking at a recruitment gap of almost 17,700 workers by 2030.

Addressing the worker deficit will require a combination of strategies, including additional local recruitment and training, particularly of individuals from groups traditionally underrepresented in the construction labour force.

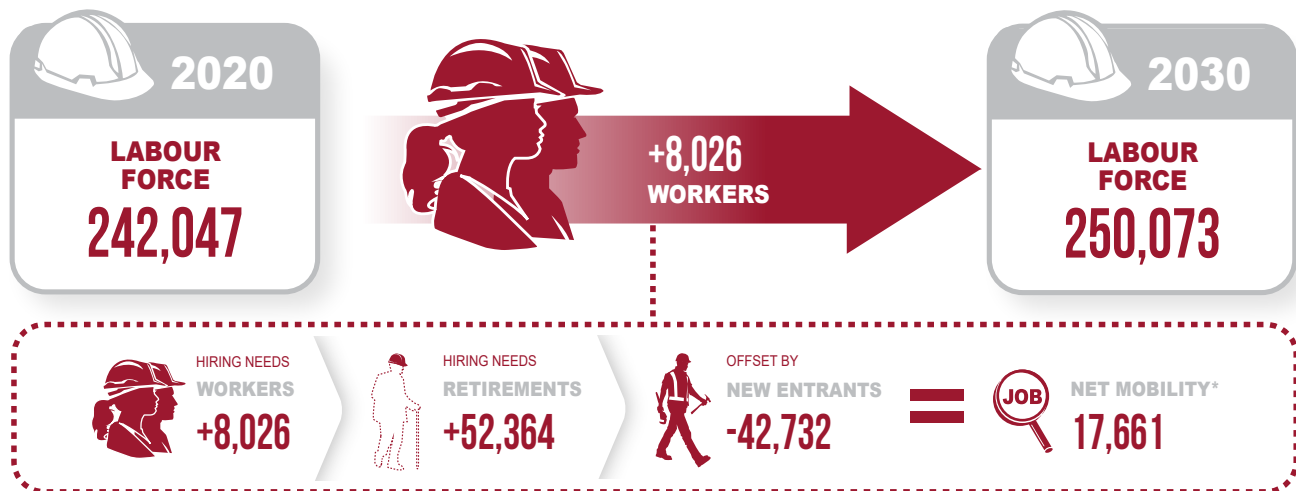
MARKET TRENDS

New-housing construction in Ontario increased in 2020, with raised activity in the Greater Toronto Area (GTA) and Eastern Ontario offsetting declines in other regions. Although the pandemic induced lower levels of international migration and population growth, household formation has been running well above housing starts since 2017, suggesting an underbuilding environment.

The COVID-19 health crisis did, however, have significant adverse effects for home renovations. Uncertainty about labour market outcomes combined with mandatory lockdowns, fear of contagion, and scarcity of inputs into construction produced a 12% decline in renovation expenditures.

Residential employment is projected to rise by 4% in 2021, with a strong recovery in renovation activity and further increases in the construction of single-detached units. Construction of apartment structures are anticipated to recede modestly.

Over the long term, home renovation expenditures and associated employment are projected to rise steadily, as the buildup of the province's housing stock should increase renovation and maintenance expenditures. Additionally, aging demographics are

Figure 18: Changes in the residential labour force, Ontario

* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

anticipated to tighten labour markets and improve household disposable incomes, some of which will be spent on home renovations.

Housing starts rise to a peak of 81,000 units by 2024, driven by recovering population growth through this period. Over the longer term, an aging population and more stable levels of migration sustain population growth near 0.9% per year and may limit the demand for new homes. Housing starts are projected to recede gradually between 2025 and 2030, retreating to 76,400 units by the end of the decade.

Total residential employment is projected to see strong gains in 2021 and finish the decade with employment levels up by some 8,600 additional workers – 4% higher than the 225,770 individuals working in the sector in 2020:

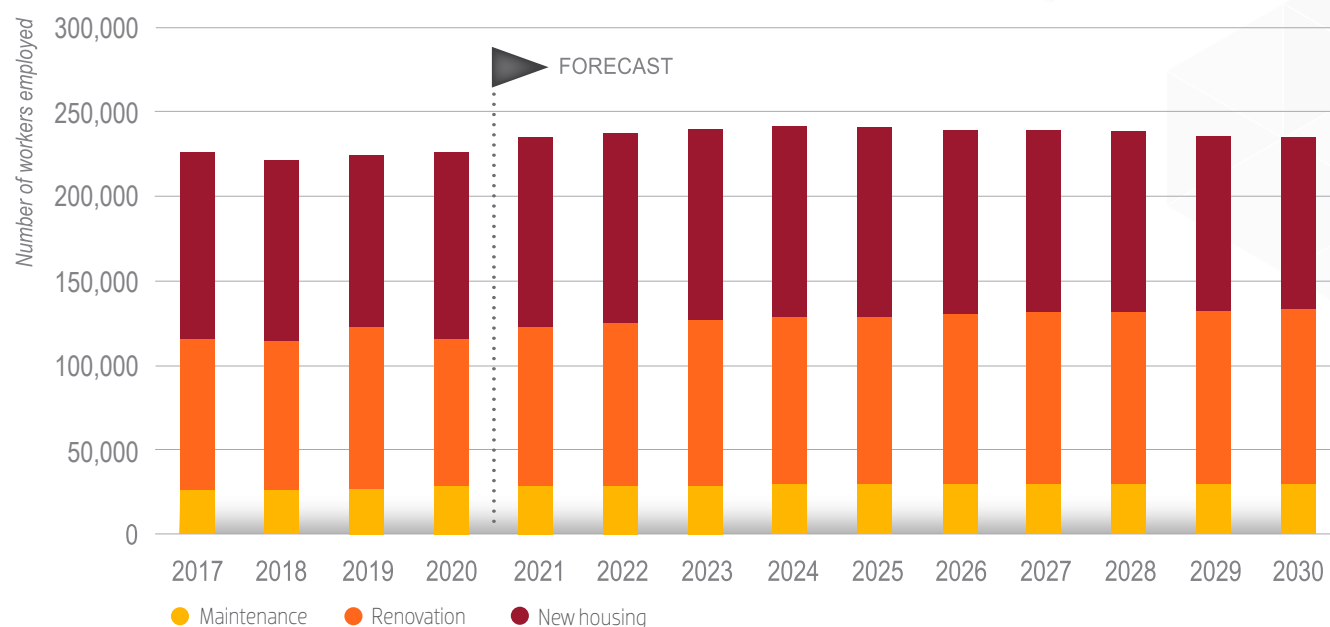
- New-housing-related employment follows the cycles in housing starts, rising to 2024 and then receding gradually thereafter. Though new-housing employment rises by 3,400 workers between 2021 and 2024, it finishes the decade with 8,300 fewer workers (-8%).
- Renovation activity adds the most workers over the coming decade, with 15,800 new workers (+18%) joining the sector between 2021 and 2030.
- Maintenance adds 1,100 workers – a 4% increase from 2020 levels.

Figure 19 illustrates Ontario's residential construction employment growth by sector over the 2021–2030 outlook.

Across Ontario, the GTA and Central region account for more than 70% of the province's residential construction labour market. Understanding local labour market challenges requires a regional lens:

- The **Greater Toronto Area** continues to be a primary destination for international migrants. Over the scenario period, the region is expected to welcome more than one million new immigrants, which will continue to add to the demand for new homes. Land limitations and affordability challenges translate into multi-family units accounting for 80% of all new units over the coming decade, though demand for single-detached homes grows steadily as a higher share of the population starts families. Renovation and maintenance work provides significant employment opportunities over the period.
- **Central Ontario** benefits from the spillover of out-migration from the GTA. New-housing construction is projected to rise to 2024 before receding gradually thereafter with weakening population growth. Steady gains in renovation and maintenance work provide a stable source of new residential employment over the long term.
- Robust economic activity in **Eastern Ontario** is expected to attract a growing number of inter-regional migrants and sustain new-home construction at relatively higher levels throughout most of the decade. Renovations and maintenance continue to require more workers over the coming decade.
- Increased activity in 2021 in **Northern Ontario** is driven by higher demands for single-detached homes and a recovery in renovation work, but overall activity and employment is expected to decline across the scenario period.
- Strong economic growth in **Southwestern Ontario** has attracted a significant number of migrants from other regions and induced sharp increases in home construction. High levels of new-home construction are expected to be sustained over the near term but recede over the long term, as several major projects in the region wind down. Increased home renovation activity will add demand for residential construction workers.

Table 2 summarizes Ontario's residential employment by region.

Figure 19: Residential construction employment growth outlook, Ontario

Source: Statistics Canada, BuildForce Canada (2021-2030)

Table 2: Changes in residential employment across the regions

REGION	% CHANGE 2021–2025	% CHANGE 2026–2030
Total employment – Ontario	7%	-3%
Central	9%	-5%
Eastern	2%	-2%
Greater Toronto Area	9%	1%
Northern	-2%	-8%
Southwestern	0%	-8%

Source: BuildForce Canada

Labour market conditions

Central Ontario: Labour markets are anticipated to tighten in 2021 with a rebound in renovations and continued growth in the construction of new homes. Over the scenario period, steady levels of renovation activity contribute to maintaining generally balanced labour markets.

Eastern Ontario: Residential labour markets experienced some tightness in 2020 related to the construction of apartment buildings in the Ottawa area. Tighter labour markets persist into 2021, reflecting a carry-over of work from the previous year and a recovery in renovation work. Assuming displaced workers from

new-home construction can secure employment in renovation or maintenance work, the remainder of the outlook can be characterized by mostly balanced labour markets.

Greater Toronto Area: The rise in renovation work in 2021 is met with more modest growth in new-home construction, leading to mostly balanced labour markets. Reduced apartment starts will likely lead to looser labour markets in 2022 for key trades in this sector. More gradual growth over the remainder of the scenario period will likely maintain balanced labour markets after 2022.

Northern Ontario: The region's residential labour market rankings are dominated by the replacement demands generated from workers exiting the industry due to retirement. Weaker labour markets in 2020 reflect the pullback on renovation activity, which dominates residential employment. The recovery in renovations and moderately higher activity in new-home construction tightens conditions for some trades in 2021. Generally balanced labour markets are anticipated between 2024 and 2030, as replacement demands counter receding levels of employment.

Southwestern Ontario: The residential labour market was mostly balanced in 2020, though pockets of tightness persisted for some trades due to the rise in single-detached housing construction. Labour markets are expected to tighten for several trades in 2021, as further growth in single-detached home construction is met with a recovery in renovation work. Generally, the pace of growth over the medium term to 2024 is modest, with mostly balanced labour market conditions. Over the latter half of the decade, weaker market conditions emerge due to the projected down-cycle in new-housing construction in line with weaker population trends.

MANITOBA

Manitoba's residential construction industry is expected to see further expansions over the coming decade, as renovation work trends upward in line with income and employment growth, combined with an aging housing stock that requires increased maintenance.

On top of filling new positions, Manitoba's residential sector must remain focused on replacing aging workers. Over the scenario period, retirements are estimated to total almost 3,300 workers, or 20% of the current labour force.

Based on historical trends, an estimated 3,109 new entrants from the local population aged 30 and younger are expected to join Manitoba's residential labour force, trailing behind the number of workers expected to retire (see Figure 20).

Attracting and training new workers must remain a priority for the industry, as aging demographics should lead to increased competition for talented youth across Manitoba's industries. As illustrated in Figure 20, the provincial residential sector may be looking at a shortfall of nearly 500 workers over the coming decade should recruitment efforts not be increased.

MARKET TRENDS

The COVID-19 health crisis translated into sharp reductions in international migration across all provinces in Canada in 2020, resulting in fewer new houses built. For Manitoba, declines were concentrated in multi-unit apartments. Renovation activity was relatively unchanged from 2019 levels and helped to offset some of the declines in new-home construction. Overall, residential employment contracted by 4% during 2020.

Housing starts are expected to increase in 2021 and 2022 as the economy recovers, inventory tightens, and low borrowing costs drive demand for new homes higher. Rising interest rates and slower population growth weaken demand between 2023 and 2030. Employment related to new-home construction increases between 2021 and 2022 before receding modestly across the remainder of the scenario period.

Renovation-related employment is projected to grow throughout the decade, accelerating after 2021. Growth is propelled by increases in household disposable incomes as well as a growing and aging housing stock.

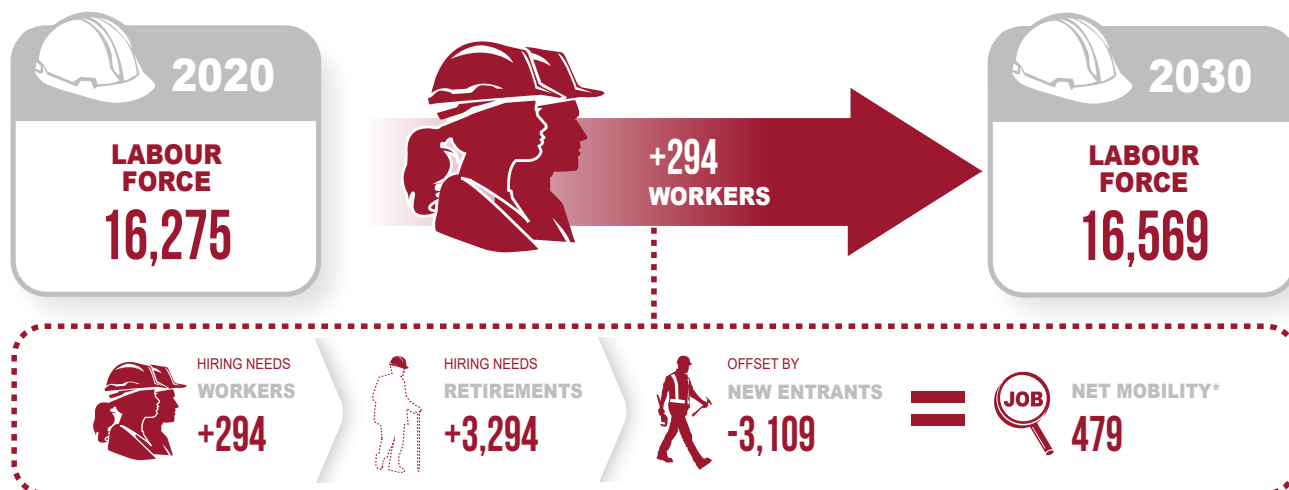
Total residential employment is expected to increase by nearly 500 workers (+3%) across the scenario period:

- New-housing-related employment rises in 2021 and 2022, but finishes the decade with 210 fewer workers than in 2020.
- Renovation and maintenance add 700 new workers between 2021 and 2030.

Figure 21 illustrates Manitoba's residential construction employment growth by sector over the 2021–2030 outlook.

Lower housing starts and mostly unchanged renovation work in 2020 resulted in lower employment for the year and the greater availability of several trades. Mostly balanced residential labour markets are expected over the coming decade, as more steady levels of new-home construction are accompanied by modest gains in renovation and maintenance work. Stable overall employment is expected to sustain balanced labour market conditions across the scenario period.

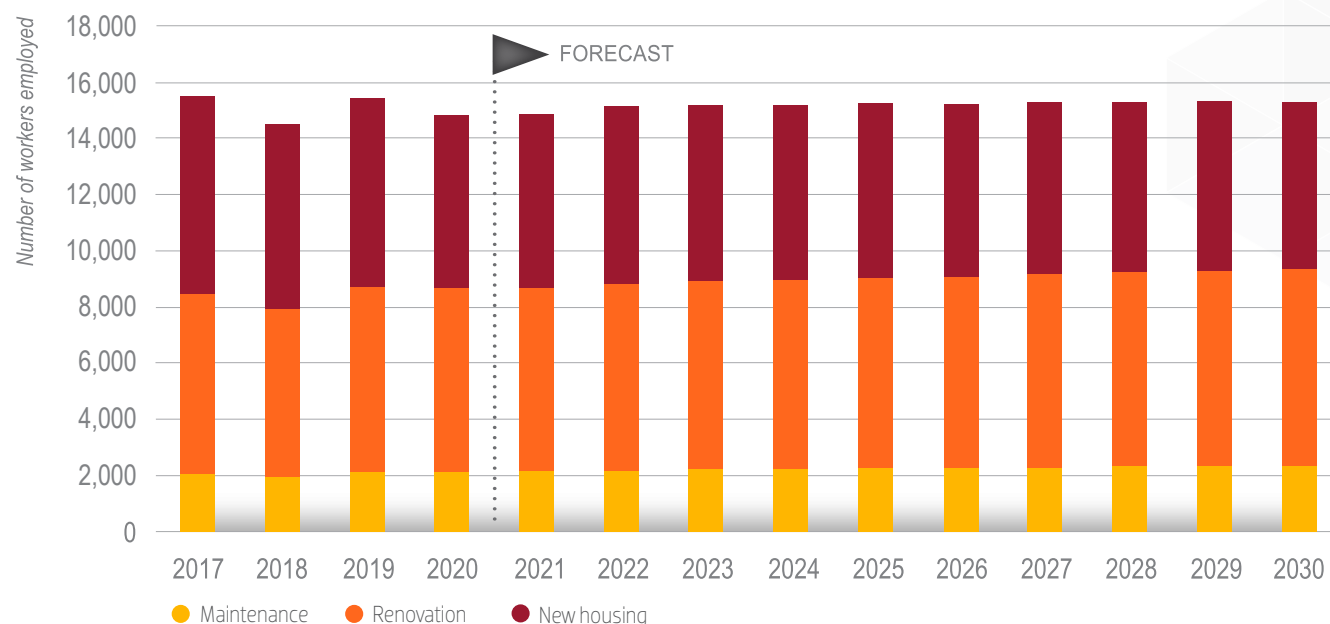
Figure 20: Changes in the residential labour force, Manitoba



* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 21: Residential construction employment growth outlook, Manitoba

Source: Statistics Canada, BuildForce Canada (2021-2030)

SASKATCHEWAN

Following several years of decline, 2020 marked the beginning of a steady recovery in new-home construction in Saskatchewan. After hitting bottom levels in 2019, housing starts are projected to rise steadily across the scenario period, reaching 5,000 units by 2030. New-housing-related employment combines with steady growth in renovation and maintenance work to produce demand for an additional 2,600 workers (+25%) by 2030.

The recovery in Saskatchewan's residential sector poses challenges, as the industry is also tasked with replacing more than 2,700 workers expected to retire – 24% of the current labour force.

Based on historical trends, an estimated 2,402 new entrants from the local population aged 30 and younger are expected to join the residential labour force over the coming decade, which should partly offset expected retirements. A potential deficit of almost 2,900 workers is expected to accrue by 2030 (see Figure 22).

Meeting the anticipated up-cycle may require Saskatchewan's residential industry to reintegrate workers that may have left the industry over the past few years during weaker conditions. The recruitment challenge may be exacerbated should these workers not return.

Market trends

Lower borrowing costs and eroding housing inventories helped to kickstart Saskatchewan's anticipated housing recovery in 2020, driven primarily by a rise in apartment units. Housing starts rose to 3,000 units after reaching 2,400 units in 2019 – a level not experienced since the early 2000s.

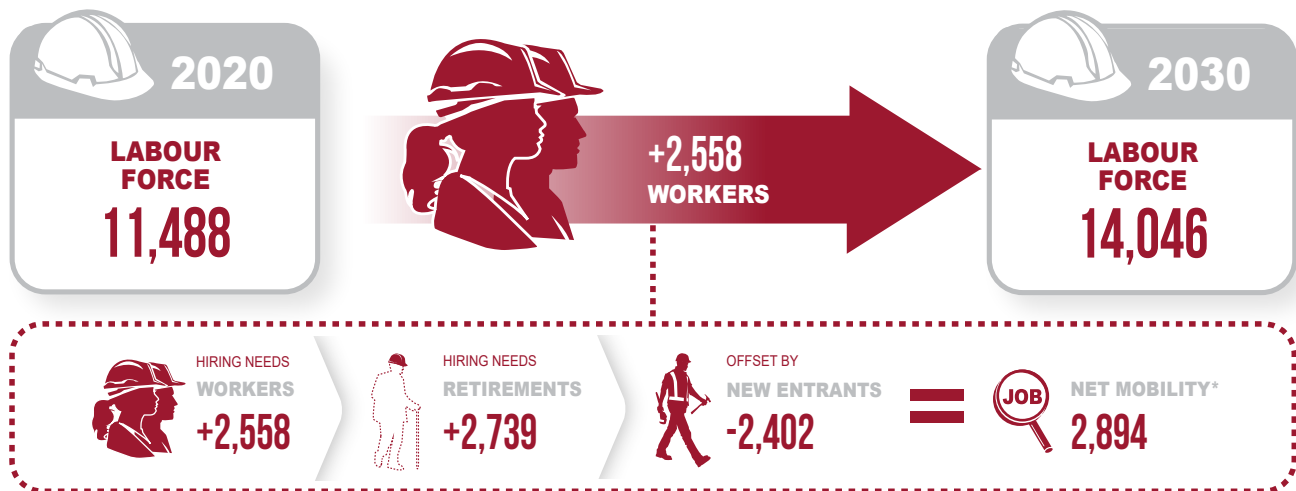
Though starts in 2020 remain 70% below the peak of 2012, construction of new homes is expected to strengthen, driven by low borrowing costs over the near term and higher levels of household formations⁷ later in the scenario period. Housing starts are expected to reach a near-term peak of 4,300 units by 2025 and reach 5,000 units by 2030.

Renovation activity weakened in 2020 related to the COVID-19 restrictions, a weaker job market due to weaker oil and gas activity, and uncertainty surrounding key inputs like lumber. A partial recovery in renovation expenditures is expected in 2021, though a full recovery is not expected until 2022. Throughout the decade, expenditures on home renovations are expected to increase in line with income and employment growth.

Total residential employment is expected to rise by almost 2,600 workers (+25%) between 2021 and 2030:

- The steady recovery in new-home construction adds 1,900 workers (+58%) from 2020 levels.

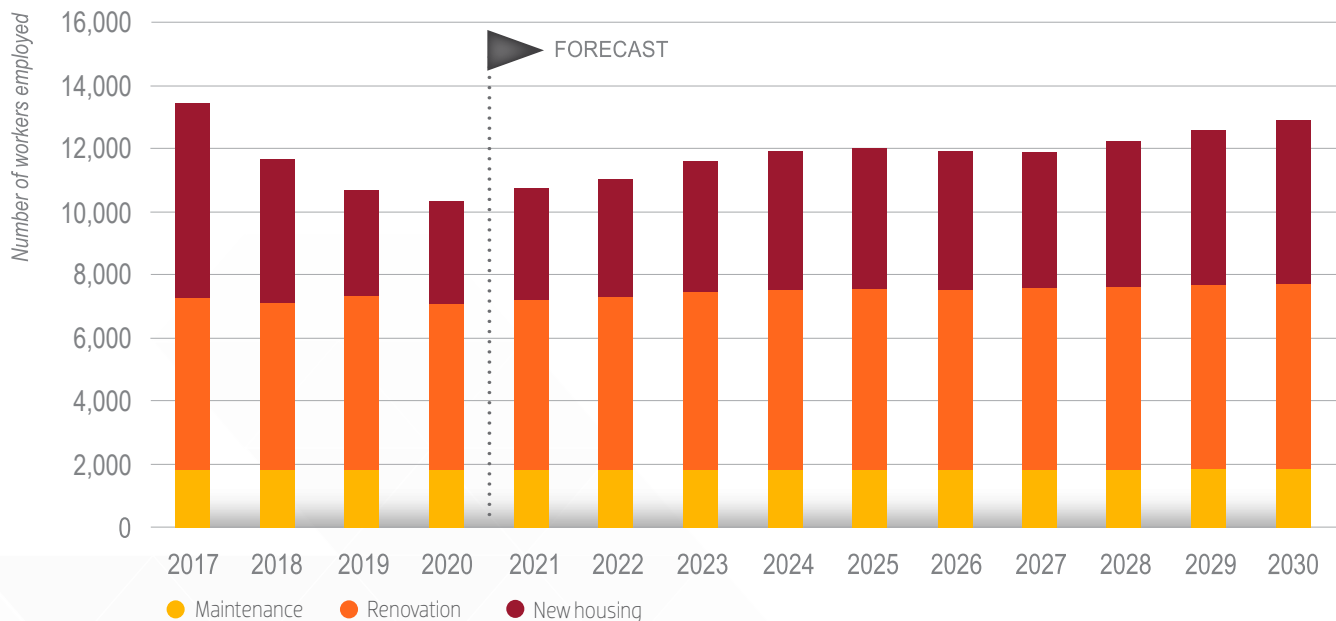
⁷ **Household formation** refers to the change in the number of households (persons living under one roof or occupying a separate housing unit) from one year to the next. It is how population growth is transformed into demand for new housing.

Figure 22: Changes in the residential labour force, Saskatchewan

* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 23: Residential construction employment growth outlook, Saskatchewan

Source: Statistics Canada, BuildForce Canada (2021-2030)

- Renovation and maintenance work adds close to 700 workers (+10%) across the decade.
- New-housing construction regains some ground and is projected to account for 40% of residential employment by 2030 – up from 32% in 2020.

Figure 23 illustrates Saskatchewan's residential construction employment growth by sector over the 2021–2030 outlook.

Residential labour market conditions weakened in 2020 for most trades and occupations following several years of decline. More balanced conditions were experienced for trades more concentrated in new-home construction. New housing is expected to cycle up over the next few years, with tighter market conditions expected for some trades in 2023. Generally balanced conditions follow for most trades and occupations as the pace of growth slows.

ALBERTA

In 2020, Alberta's residential construction industry was supported by a surge in renovation activity, which offset declines in new-home construction due to weaker job markets and high rental vacancy rates.

COVID-19 restrictions on travel and weaker economic conditions in Alberta limited the number of international migrants and increased the outflow to other provinces – trends that are anticipated to reverse beginning in 2023.

As migration levels and population growth accelerate after 2022, a new-housing up-cycle is anticipated, which will combine with steady growth in renovation projects and demand an additional 3,000 new workers.

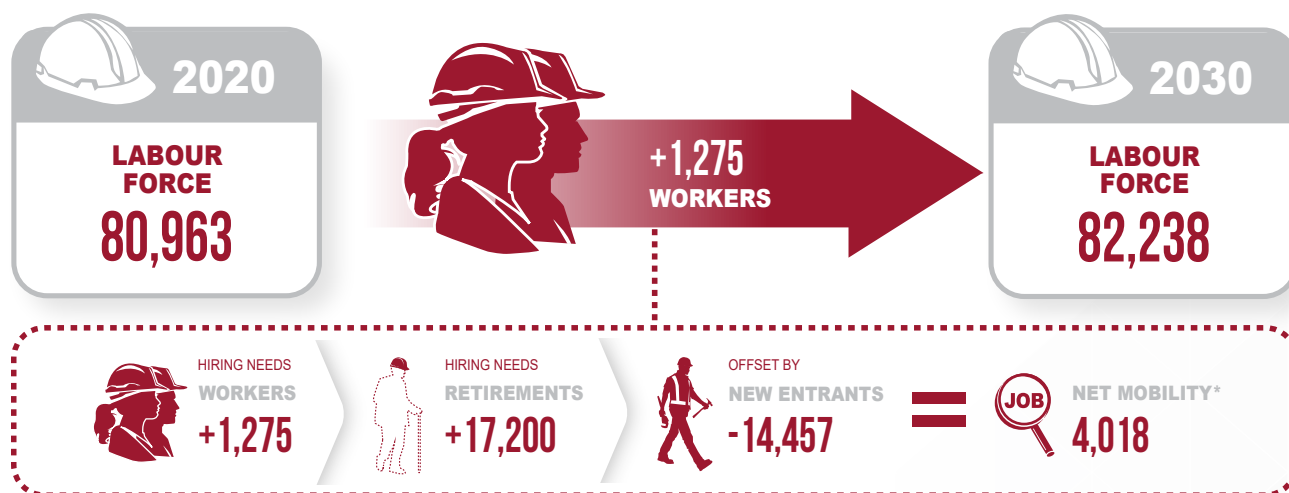
Additional to meeting rising demands later in the decade, Alberta is also faced with replacing 21% of its current residential labour force as workers retire. Though the province enjoys one of the youngest populations in Canada, steady aging translates into the number of young workers lagging the number of workers exiting to retirement.

As illustrated in Figure 24, based on historical trends, the residential sector is expected to recruit nearly 14,500 first-time new entrants from the local population aged 30 and younger by the end of the scenario period, which is insufficient to replace worker vacancies created by elevated retirement levels.

Meeting rising demands and backfilling positions left vacant from retiring workers will require Alberta's residential industry to increase recruitment efforts of young workers and groups traditionally underrepresented in the industry. Without an increase in recruitment efforts, the sector is looking at a potential shortfall of just over 4,000 workers that will need to be recruited from other industries or outside provincial borders.

Competition for younger workers will likely be exacerbated by an aging population, as all industries will see a significant portion of their labour force retire over the coming decade. Alberta's residential sector will need to remain focused on attracting, training, and retaining qualified workers.

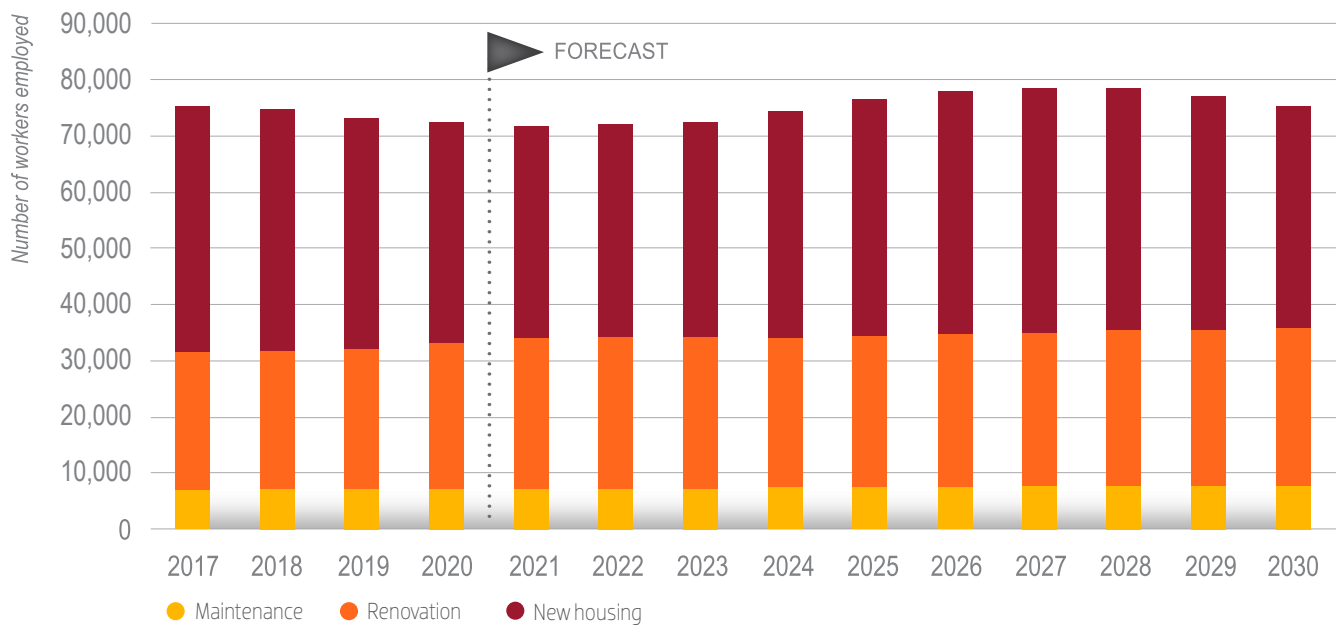
Figure 24: Changes in the residential labour force, Alberta



* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 25: Residential construction employment growth outlook, Alberta

Source: Statistics Canada, BuildForce Canada (2021-2030)

MARKET TRENDS

Outside influences such as the COVID-19 health crisis and significant reductions in oil and gas demand led to uncertainty and weak job markets in Alberta in 2020. Unemployment rates surged beyond 11% of the labour force – a level not experienced since the 1980s – as demand for goods and services declined sharply.

Uncertainty and weaker population growth, along with rising inventories of vacant properties, reduced demand for new homes in 2020. However, residential employment was somewhat supported by a growth in home renovation expenditures.

COVID-19 travel restrictions reduced the level of international migrants and foreign students studying at Alberta universities and colleges. International migration is expected to begin improving in 2021, but continued higher-than-normal levels of unemployment are expected to drive an outflow from Alberta to other provinces in 2021 and 2022.

Beyond 2022, improved job markets move interprovincial migration to positive territory again and, combined with steady increases in international migration, spur the beginning of a housing up-cycle by 2024. Housing starts, which fell to 24,000 units in 2020, are anticipated to peak near 30,500 units in 2027 and then decline across the remainder of the scenario period.

The buildup of Alberta's housing stock and anticipation that aging demographics will tighten labour markets and lead to improved household disposable incomes is expected to drive a positive trend in home renovation activity across the decade.

Residential employment is expected to remain near 72,000 workers into 2021, as a full reopening of the economy is not anticipated until later in the year. Total residential employment is anticipated to grow by 3,000 workers (+4%) between 2021 and 2030:

- New-housing-related employment remains weaker between 2021 and 2022 due to weaker population growth led by weaker migration trends. Between 2023 and 2027, the anticipated housing up-cycle adds 5,600 new workers. Weakening population growth over the long term should drive employment lower after 2027, leading to a net gain of 1% in new-housing employment across the scenario period.
- Renovation and maintenance work grows at a more gradual but stable rate, adding 2,700 new workers (+8%) between 2021 and 2030.

Figure 25 illustrates Alberta's residential construction employment growth by sector over the 2021–2030 outlook.

Labour market conditions weakened in 2020 for trades more concentrated in new-home construction due to lower housing starts, while conditions were more balanced for those involved in renovation work. Housing starts are expected to remain weak in 2021, with more steady levels of renovation work.

The start of the anticipated new-home construction up-cycle in 2023 and steady growth in renovation work is projected to bring most trades back into balanced conditions. New-home construction should cycle up to a peak in 2027, which may create some challenges during peak periods, but significant recruiting challenges are not expected, with market conditions remaining mostly balanced across the scenario period.

BRITISH COLUMBIA

Residential construction in British Columbia declined sharply in 2020, as lower international migration levels due to the COVID-19 pandemic impacted both new-home construction and renovation work.

As the economy fully reopens and travel restrictions are reduced, international migration is expected to resume and lead to rising population growth over the scenario period. While new-housing construction remains weak in 2021, housing starts are projected to rise to 41,000 units (+15% from 2020) by 2024 and remain above 40,000 units for most of the decade. Renovation and maintenance work will also add to employment requirements, driven by the buildup of an aging housing stock that will require maintaining.

British Columbia must also contend with approximately 22% of the current labour force exiting due to retirement. Across the scenario period, the province must replace almost 24,300 workers expected to leave the industry due to retirement.

Aging demographics and shifting recruitment trends translate into retirements outpacing the rate at which young workers enter the residential labour force. Based on historical trends, the industry can expect up to 19,700 first-time new entrants from the local population aged 30 and younger by 2030, leaving a gap of close to 13,200 workers that must be recruited from other industries, provinces, or from traditionally underrepresented groups of workers (see Figure 26).

Competition for young workers is likely to increase over the coming decade, as all industries across the province are faced with similar aging demographics. British Columbia's residential construction industry may also be competing with non-residential construction, which is seeing demands rise over the near term.

Workers that exit the industry are anticipated to take with them years of experience that are unmatched by first-time new entrants. Consequently, the industry must remain focused throughout the decade on attracting, training, and retaining qualified workers.

MARKET TRENDS

High levels of international migration and an influx of foreign students have driven a strong expansion in British Columbia's residential industry, signalled by a 46% increase in new-housing investment and a 7% increase in renovation-related investments between 2015 and 2019.

In 2020, COVID-19 travel restrictions translated into a 40% reduction in international migration to the province. This sharp reduction, and declines in the natural rate of population growth, resulted in sharp declines in new homebuilding. The pandemic also impacted home renovations, as mandatory lockdowns, fear of contracting the virus, supply chain challenges, and household uncertainties regarding employment caused consumers to postpone renovation projects.

With a higher proportion of the population expected to be vaccinated and business restrictions eased later in 2021, renovation expenditures are expected to make a partial recovery. New-housing construction remains weaker in 2021, as COVID maintains travel restrictions over the first half of the year.

Looking beyond 2021, new homebuilding is expected to make a recovery between 2022 and 2024, as international migration resumes and drives B.C.'s population growth higher by approximately 1.4%. Housing starts are anticipated to rise to 41,000 units by 2024 – up 15% from the 35,500 units started in 2020. The buildup of the province's housing stock and anticipated gains in household incomes should lead to rising demands for renovation and maintenance work across the decade.

Over the scenario period, total residential employment is projected to rise by 7,900 workers (+8%), with modest declines in new-housing demands offset by gains in renovation and maintenance:

- New-housing-related employment is projected to decline by 6,000 workers (-9%), though demands rise by 6,500 workers between 2022 and 2024.
- Rising renovation and maintenance activity should add demand for nearly 13,900 workers (+36%) over the coming decade.

Figure 27 illustrates British Columbia's residential construction employment growth by sector over the 2021–2030 outlook.

In British Columbia, the Lower Mainland region accounts for 70% of residential activity, while Vancouver Island accounts for 18%:

- The **Lower Mainland** is a primary destination for international migration. As the region is projected to welcome nearly half a million international migrants between 2021 and 2030, new-home construction is expected to rebound and remain elevated until 2026. Aging demographics and more stable levels of migration thereafter lead to a gradual reduction in housing starts. Affordability and land limitations, alongside the buildup of an aging housing stock, will drive steady demand for renovation and maintenance work.
- Demand for new homes is projected to rise over the near term on **Vancouver Island**, as the region benefits from out-migration from the Lower Mainland and improved international migration. Housing starts and related employment are projected to rise between 2022 and 2024. Over the long term, new-home construction is expected to recede gradually as the region contends with relatively older age demographics. Renovation and maintenance work provides steady employment opportunities across the decade.

Labour market conditions

British Columbia (all regions): Declines in renovation and new-housing construction demands keep labour markets weaker for many trades and occupations in 2021. Between 2022 and 2030, more moderate levels of growth restore balance to markets.

Lower Mainland: Weaker labour markets are expected into 2021, as the region continues to cope with the impacts of COVID-19 and lower international migration, which lowers the number of new homes demanded.

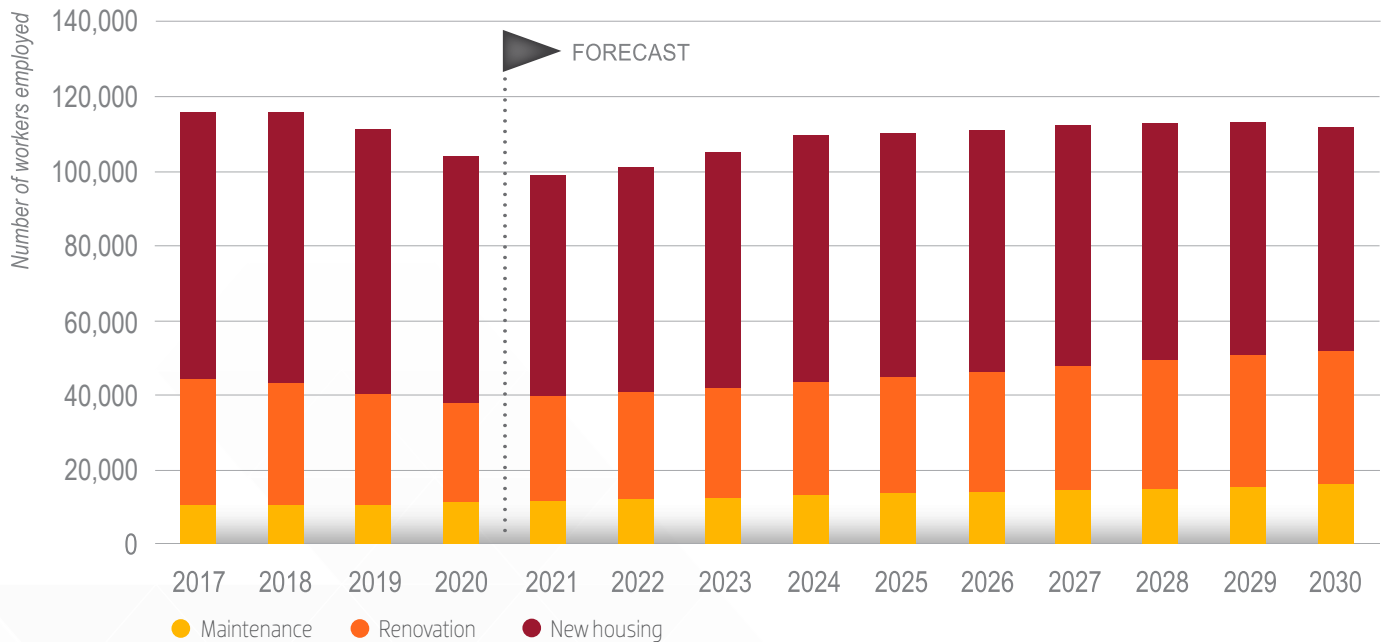
Vancouver Island: Labour market conditions are expected to remain weak in 2021 due to ongoing concerns related to COVID-19. The anticipated up-cycle in new-home construction between 2022 and 2024 and renewed growth in renovations tighten markets between 2023 and 2024. Conditions are expected to remain mostly balanced between 2025 and 2030, as declining labour demands will be mostly offset by rising retirements.

Figure 26: Changes in the residential labour force, British Columbia

* **Net mobility** refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

Note: Due to rounding, numbers may not add up to the totals indicated.

Source: BuildForce Canada

Figure 27: Residential construction employment growth outlook, British Columbia

Source: Statistics Canada, BuildForce Canada (2021-2030)

CONCLUSIONS AND IMPLICATIONS

Over the next decade, retirements dominate residential hiring requirements across Canada as construction activity increases nationally. While construction activity growth varies by province, every single province has hiring requirements for more workers over the decade. The steady aging of the population across all provinces will translate into an increasing number of retirements, leading to provinces such as Newfoundland and Labrador, New Brunswick, and Nova Scotia needing to replace up to 30% of their current labour force. With the last of the baby boomers reaching 65 years of age by the end of the decade, the residential sector is anticipated to see retirements of 134,600 workers for Canada as a whole.

Expenditures on new residential construction projects rise across the decade, driven initially by new-home construction that cycles up to a peak in 2024, and then by more steady increases in renovation and maintenance activity. For all of Canada, residential construction employment is anticipated to rise by 20,100 workers (+4%) between 2021 and 2030.

Across the 2021–2030 scenario period, retirements are expected to run ahead of the expected number of new entrants to Canada's residential sector. Based on historical trends, the sector is expected to welcome up to 107,600 first-time new entrants from the local population aged 30 and younger, leading to a potential recruitment gap for the sector.

Together, demands from new projects and replacing retiring workers culminate in the need for an additional 148,000 workers by 2030. Meeting these requirements will require the residential sector to remain focused on attracting, training, and retaining qualified workers. In the face of aging demographics, the sector will likely face increased competition from other industries requiring workers with similar skills. Building a sustainable labour force may require industry to increase efforts to attract workers from traditionally underrepresented groups in the construction industry, such as women, Indigenous people, and newcomers.

Aging demographics, which translate into increased retirements, combined with steady employment gains over the scenario period should drive unemployment rates lower across the decade, producing, at times, lower levels of labour market flexibility and possibly recruiting challenges in some provinces during peak periods.

The industry scenario-based approach developed by BuildForce Canada to assess future labour market conditions provides a powerful planning tool for industry, government, and other stakeholders to better track labour market conditions and identify potential pressure points. The anticipated labour market conditions reflect the current long-term economic outlook and industry major project assumptions. Any changes to these assumptions present risks and potentially alter anticipated market conditions.

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