

NEWFOUNDLAND & LABRADOR

**HIGHLIGHTS
2023–2032**

A continued rise in new-home, institutional, and engineering construction supported further growth across Newfoundland and Labrador's construction market in 2022. Those factors helped to drive employment higher, although the inability of the labour force to match employment-growth rates also contributed to unemployment levels as low as 10% in the summer months.

The short-term outlook for the construction market is supported by slight increases in residential construction activity and a return to strong performance levels in the engineering-construction sector. Work on the West White Rose redevelopment project will bolster employment through 2024, even as such major mining projects as Voisey's Bay conclude. Longer term, work on the Bay du Nord project supports further growth.

Employment rises to a forecast peak of just below 16,000 workers in 2029. It contracts thereafter as current projects wind down. By the end of the forecast period, employment is expected to contract by 940 workers (-6%) compared to 2022 levels. An aging workforce presents a significant challenge for the industry, as an estimated 5,700 workers, or 29% of the current labour force, are due to retire by 2032.

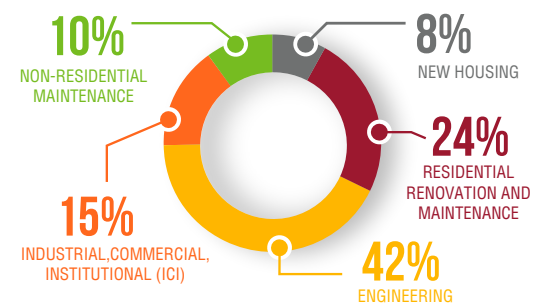
We also note there is a significant upside risk to this scenario, as several proposed resource development projects (e.g., hydrogen, mining) are awaiting final investment decisions. Several of these could come on stream over the medium term and could therefore affect labour markets.

10-YEAR WORKFORCE OUTLOOK FOR NEWFOUNDLAND AND LABRADOR



AVERAGE UNEMPLOYMENT RATE 22.3%

DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2022, NEWFOUNDLAND AND LABRADOR



HIGHLIGHTS

- Housing starts reached near 1,500 units in 2022 on the strength of record-low interest rates.
- Total construction employment is expected to rise to just below 16,000 workers in 2029, but contract by 940 workers (-6%) compared to 2022 levels.
- Residential employment is expected to decrease by 640 workers (-13%) from 2022 levels as new-home construction slows in response to a shrinking population.
- Non-residential employment will decline by just over 300 workers (-3%), with most losses in the industrial, commercial, and institutional sector.
- An expected 5,700 workers will retire by 2032, and with as many as 3,400 new entrants joining over the same period, the industry will need to adjust its recruitment efforts to address peak demands.

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.

NEWFOUNDLAND AND LABRADOR CONSTRUCTION OUTLOOK

Newfoundland and Labrador's construction market emerged from the COVID-19 pandemic in full recovery. Investment levels in both the residential and non-residential sectors have increased since 2020 and enjoyed further growth in 2022. The outlook for 2023 is generally considered to be positive, although growth will be driven more by increased activity in the non-residential sector – and in engineering-construction projects, in particular – than in the residential sector.

Residential construction investment enjoyed growth of 10% in 2022, led by strong demand for new housing and renewed population growth, post-pandemic. Record-low interest rates drove housing starts to near 1,500 units for the year – a level not seen since 2017 – while strong net-migration numbers helped to bring household formations¹ to a new record high.

The province's non-residential construction market, meanwhile, has been supported by rising investment levels. These were concentrated in the engineering-construction sector, where mining projects returned to full levels of activity, alongside strong levels of activity in the institutional sector.

Growth in both sectors helped to drive employment higher, while the inability of the labour force to match employment-growth rates also contributed to unemployment levels as low as 10% in the summer months.

The 2023–2032 BuildForce Canada scenario forecast for Newfoundland and Labrador anticipates a period of moderate growth in the short term before the industry reaches peak activity in 2029, supported by investments in the oil and gas and mining sectors. A downward trend follows to the end of the forecast period as these projects are completed and the province's housing market cools in response to a contracting population.

The rapid pace of interest-rate increases is expected to cool housing markets across the country in 2023. Although housing starts in Newfoundland and Labrador are expected to pull back by as much as 12%, new-housing investment is expected to rise fractionally. Housing in the province is among the most affordable in the country, and Newfoundland and Labrador will benefit from increased in-migration as a result. Longer term, demand will gradually erode, as population growth slows marginally and higher interest rates prevail in the years ahead, creating some downward pressure when combined.

Driven by gains in the new-housing sector, residential employment added 370 workers (+8%) in 2022, with tight labour market conditions reported among several trades. Employment remains relatively unchanged through 2028, but as investment demand softens toward the end of the forecast period, a decline commences in 2029 that will moderate employment through to 2032. By the end of the period, residential employment is expected to decrease by 640 workers (-13%) from 2022 levels.

Non-residential construction employment declined significantly in 2020 due to the completion of several major projects and the effects of the pandemic. As the economy reopened in 2021, employment

recovered. It exceeded 10,000 workers (+5%) in 2022 with work on the West White Rose redevelopment project and several mining projects, as well as renewed investment in the institutional sector. Although several large mining projects that have been under construction in recent years – such as Voisey's Bay – are nearing completion, these are more than offset with the expected increase in expenditures on the West White Rose redevelopment project, which is expected to peak in 2024. The Bay du Nord project, which should commence in 2025, will help to maintain a clear up-cycle in investment into the 2030s.

As a result, non-residential employment is expected to trend upward to a peak of more than 11,000 workers in 2029. As investment levels decline thereafter with the completion of several energy projects, employment stabilizes in 2031 and 2032 at levels slightly below (-300 workers; -3%) 2022 levels.

Overall, construction employment is expected to rise to a scenario peak of just below 16,000 workers in 2029, but will contract in later years as current projects wind down and demand weakens. By the end of the forecast period, employment is expected to contract by 940 workers (-6%) compared to 2022 levels.

An aging workforce presents a significant challenge for the industry, as the loss of experienced skilled workers will be high, with an estimated 5,700 workers due to retire by 2032. With the labour force expected to add as many as 3,400 new entrants over the forecast period, the industry will have to augment its recruiting strategy.

Figure 1 shows the anticipated change in residential and non-residential employment across the forecast period.

DEMOGRAPHICS: CANADA'S AGING POPULATION CREATES WORKFORCE CHALLENGES

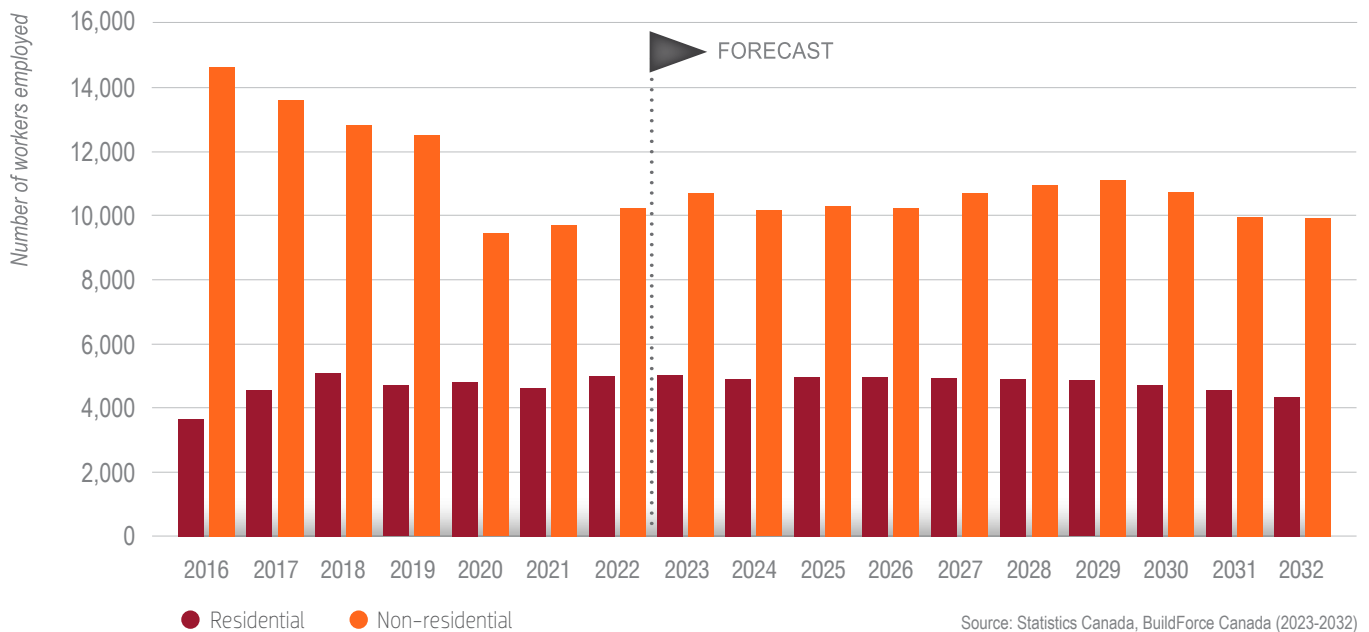
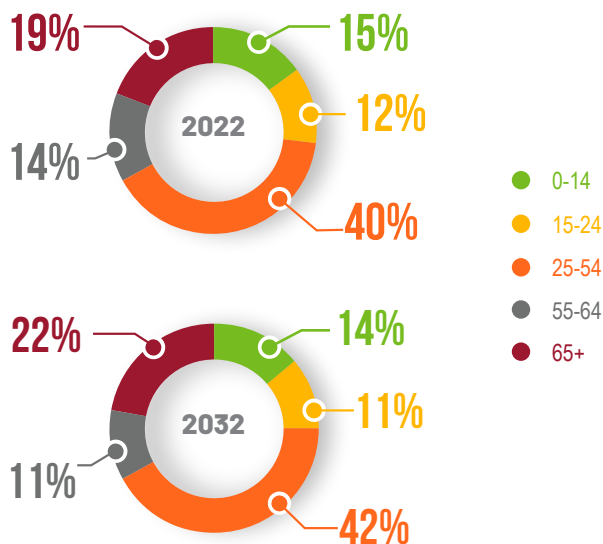
Across the country, the share of the labour force aged 65 and over, who are mainly retired, has increased from 15% in 2012 to 19% in 2022. As Figure 2 shows, it is projected to grow again – to 22% – by 2032.

The labour force will be further challenged by a dwindling pool of youth. The group of people aged 15 to 24 years – i.e., people who are poised to enter the labour force – is shrinking as a percentage of the national population. This cohort was 13% in 2012, dropping to 12% in 2022, and is projected to fall to 11% by 2032.

These trends will create challenges for all industries, including construction, as it pertains to labour force recruitment.

There is good news, however. New federal immigration targets, announced in November 2022, call for the addition of 465,000 permanent residents in 2023, 485,000 in 2024, and a further 500,000 in 2025. These new targets should support further growth in the core working-age group of 25–54 years, and may help moderate labour market pressures over the next decade. They will also require domestic industries to improve their recruitment of newcomers to supplement their traditional domestic recruitment programs.

¹ **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 the means by which population growth is transformed into demand for new housing.

Figure 1: Construction employment growth outlook, Newfoundland and Labrador**Figure 2: Population age distribution, Canada**

Source: BuildForce Canada

GROWTH STRATEGY KEY TO SUSTAINING AGING DEMOGRAPHICS

Demographics in Newfoundland and Labrador follow a similar narrative. Figure 3 shows the share of people aged 15 to 24 years who are entering the provincial labour force was 11% in 2022. It is expected to decline to 10% by 2032. Meanwhile, the share of the population over age 65 and mainly retired will continue to grow – from 24% to 28% by 2032.

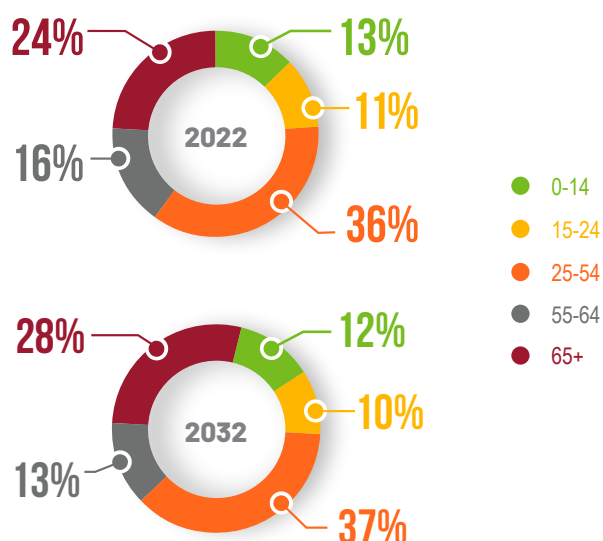
Newfoundland and Labrador is considered to have a relatively older population than the national average. Its natural rate of population growth² has been at or below zero since 2011, when the number of deaths exceeded births in the province. The natural growth rate has also been on a declining trend, as the number of deaths has been continually rising and diverging from the birth counts.

Newfoundland and Labrador's age-dependency ratio, which contrasts the number of people aged 65 and over with those aged 15 to 64, will rise from 36% in 2022 to 46% by 2032. This is a key metric for highlighting those pressures that will be placed on public expenditures such as health.

Given this trend, the province's Population Growth Strategy will be key to attracting immigration from abroad and from other parts of the country, and to retaining those who already live in the province. The strategy also aims to support older residents as they transition into

² The **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.

Figure 3: Population age distribution, Newfoundland and Labrador



Source: BuildForce Canada

the highest age groups. If the strategy is unsuccessful, provincial revenues may decline while demand for government transfers and health services increases.

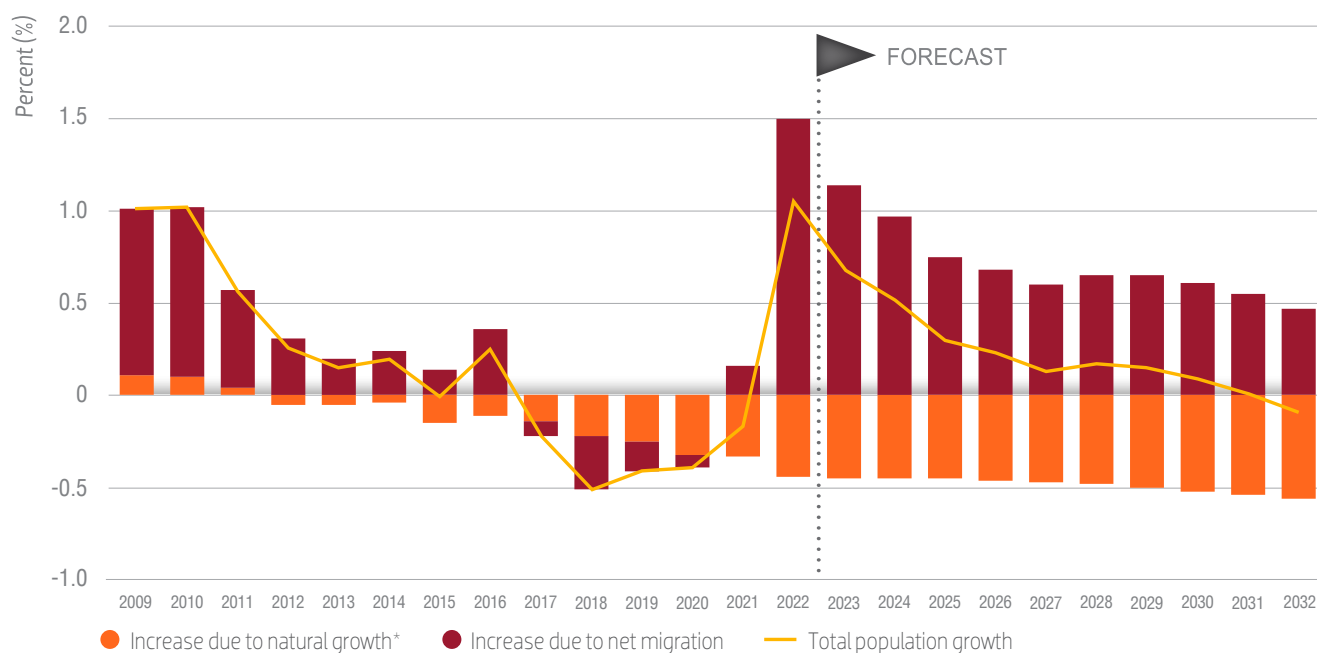
Figure 4 shows net migration is now the only driver of population growth in Newfoundland and Labrador. Immigration levels have been positive since 2007 and reached almost 3,000 in 2022 with the ending of restrictions relating to the pandemic. Migration was further supported by the return of 2,300 non-permanent residents to in-person learning in the province. Combined with new federal immigration targets, Newfoundland and Labrador should continue to attract somewhere around 3,000 international migrants annually through 2032.

In-migration from other parts of Canada has also been a benefit to Newfoundland and Labrador. Compared with other provinces, it is generally regarded as affordable, and therefore is a preferred destination for retirees and those able to work remotely. As many as 3,000 Canadians relocated to Newfoundland and Labrador in 2022, and the province should sustain this level into the medium term.

Combined, these factors helped to elevate total population growth to above 1% in 2022. Sustained entirely by net migration, and among international migrants arriving to the province in their prime working-age and child-bearing years, levels decline quickly thereafter, given the province's aging population.

Absent any significant demographic shifts, the population starts to contract by 2032.

Figure 4: Sources of population growth (%), Newfoundland and Labrador



* **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 (2023-2032)

SECTOR INSIGHTS

The following sections provide sector-specific insights into the provincial residential and non-residential labour markets.

The BuildForce LMI system tracks supply and accounts for the change in the available labour force, including retirements, new entrants³, and net mobility⁴.

BuildForce assesses market conditions for 34 construction trades and occupations using a ranking system that combines measures of the change in employment, unemployment, net mobility, and adjustments based on industry input. The rankings reflect residential and non-residential market conditions unique to the 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.

The rankings for some trades are suppressed due to the small size of the workforce (fewer than 100 workers) and limited statistical reliability when assessing labour market conditions at the sector level. Some trades are also excluded because they typically do not work in the sector being assessed (e.g., boilermakers and millwrights in residential construction, and homebuilding and renovation managers in non-residential construction).

For Newfoundland and Labrador, rankings are reported for 10 residential and 20 non-residential trades and occupations.

RESIDENTIAL SECTOR

New-housing construction has been on the rise since the pandemic-induced drop in 2020. Record-low borrowing costs, combined with the relative affordability of the province's housing market, and growing in-migration helped to bring housing starts to just below 1,500 units in 2022 – approaching levels last seen in 2015.

The rapid increase in interest rates seen in the latter half of 2022 is expected to cool the housing market in 2023. As consumers adjust expectations to higher rates, and migration levels increase demand for housing, a modest up-cycle is expected between 2024 and 2027. By the end of the decade, however, demand will erode as population growth slows and higher interest rates prevail. Starts are expected to finish the decade at below 900 units.

Residential renovation investment levels, meanwhile, are coming off two strong years in 2020 and 2021, and remained constant into 2022. Investment is expected to slow into 2023 due to inflation and as the economic downturn weighs on household spending. By the end of the forecast period, investment is largely unchanged from 2022 levels (+1%).

The rapid rise in new-housing construction has been a significant driver of construction employment growth. Overall, residential construction employment increased by 8% between 2021 and 2022, with the second year adding 370 workers, and the new-housing component accounting for all of the increase.

New-housing-related employment is expected to moderate slightly in 2023 before returning to near-historical highs between 2024 and 2026. Thereafter, employment levels begin a steady decline, falling to as much as 30% below 2022 levels by the end of the decade.

Renovation employment is expected to contract across the forecast period. Maintenance employment is generally unchanged.

By the end of the forecast period, residential employment is expected to decrease by 640 workers (-13%) compared to 2022 levels, with the declines concentrated in the latter part of the period. New housing employment is expected to contract by 380 workers (-30%), while renovation employment will drop by 240 workers (-8%), and maintenance by 20 (-2%).

Note that federal efforts to double the number of new homes built across Canada over the next 10 years were not factored into this analysis.

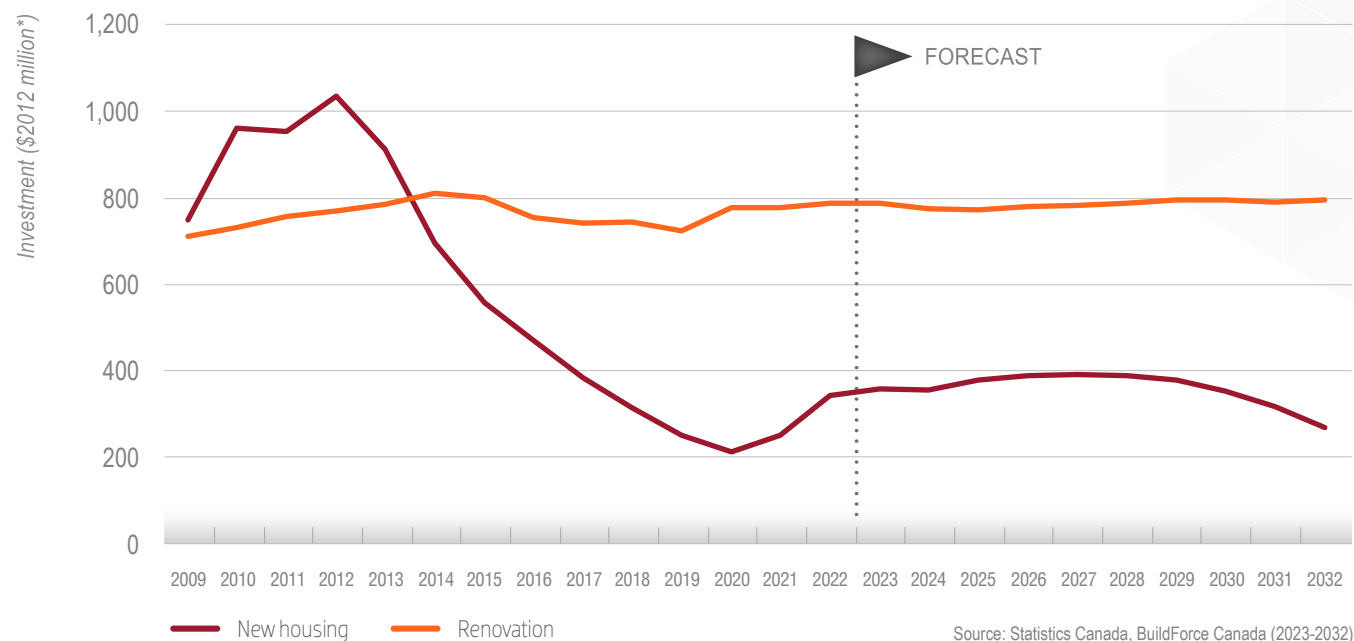
Figure 5 shows the total anticipated change in residential construction investment over the forecast period.

RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

Table 1 shows that residential labour markets tightened in 2022, driven by both new-housing construction and renovation demands. As new-housing demands ease in 2022, a likely backlog of work and a moderate rise in renovation work will sustain mostly balanced market conditions, except for among management-related occupations, where specialized skills and experience translate into continued recruiting challenges. With more modest growth expected, labour markets should remain balanced through most of the forecast period, although a softening in demand may produce weak markets for several trades in the last years.

³ **New entrants** are measured by applying the traditional proportion of the provincial labour force that enters the construction industry. The projected estimate across the forecast period assumes that the construction industry can recruit this group in competition with other industries.

⁴ **Net mobility** refers to the movement of labour in and out of the local construction industry labour force. In-mobility captures the movement into the labour force of out-of-province industry workers and/or workers from outside the industry. Many members of this group will move quickly out of the provincial labour force as work declines, referred to as out-mobility.

Figure 5: Residential construction investment, Newfoundland and Labrador

* \$2012 millions indicates that the investment values are in year 2012 dollars (base year), that is, adjusted for inflation. This is used to calculate the real physical year-to-year change of the value of construction, factoring out growth (increase in value) due to increases in prices.

MARKET RANKINGS

1

Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other current working conditions. Excess supply is apparent and there is a risk of losing workers to other markets.

2

Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other working conditions.

3

The availability of workers meeting employer qualifications in the local market may be limited by large projects, plant shutdowns or other short-term increases in demand. Employers may need to compete to attract needed workers. Established patterns of recruiting and mobility are sufficient to meet job requirements.

4

Workers meeting employer qualifications are generally not available in local markets to meet any increase. Employers will need to compete to attract additional workers. Recruiting and mobility may extend beyond traditional sources and practices.

5

Needed workers meeting employer qualifications are not available in local markets to meet current demand so that projects or production may be delayed or deferred. There is excess demand, competition is intense and recruiting reaches to remote markets.

Table 1: Residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS – RESIDENTIAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Carpenters	4	3	3	3	3	3	3	3	3	3	2
Construction managers	5	4	3	4	4	3	3	3	2	2	2
Contractors and supervisors	4	4	3	3	3	3	3	3	3	3	3
Floor covering installers	4	4	3	3	3	3	3	3	3	3	3
Home building and renovation managers	4	4	3	3	3	3	3	3	3	3	3
Painters and decorators (except interior decorators)	3	3	3	3	3	3	3	3	3	3	3
Plasterers, drywall installers and finishers, and lathers	3	3	3	3	3	3	3	3	3	3	3
Residential and commercial installers and servicers	3	3	3	3	3	3	3	3	3	3	3
Roofers and shinglers	3	3	3	3	3	3	3	3	3	3	3
Trades helpers and labourers	4	3	3	3	3	3	3	3	3	3	2

Source: BuildForce Canada

NON-RESIDENTIAL SECTOR

Non-residential employment increased for a second consecutive year in 2022, adding 520 workers (+5.4%) over 2021 levels. Growth was largely due to a recovery in commercial activity, adding to ongoing institutional project requirements, as well as a rise in heavy industrial project demands related in part to the restart of work at the West White Rose project.

Table 2: Changes in non-residential employment by sector, Newfoundland and Labrador

SECTOR		% CHANGE 2023–2025	% CHANGE 2026–2028	% CHANGE 2029–2032
Total non-residential employment		1%	6%	-9%
ICI* buildings	Industrial	8%	17%	-13%
	Commercial, institutional and government	-15%	-1%	-4%
Engineering	Highways and bridges	-4%	-4%	-6%
	Heavy industrial	9%	11%	-15%
	Other engineering	-13%	3%	0%
Maintenance		3%	0%	0%

Source: Statistics Canada, BuildForce Canada (2023-2032)

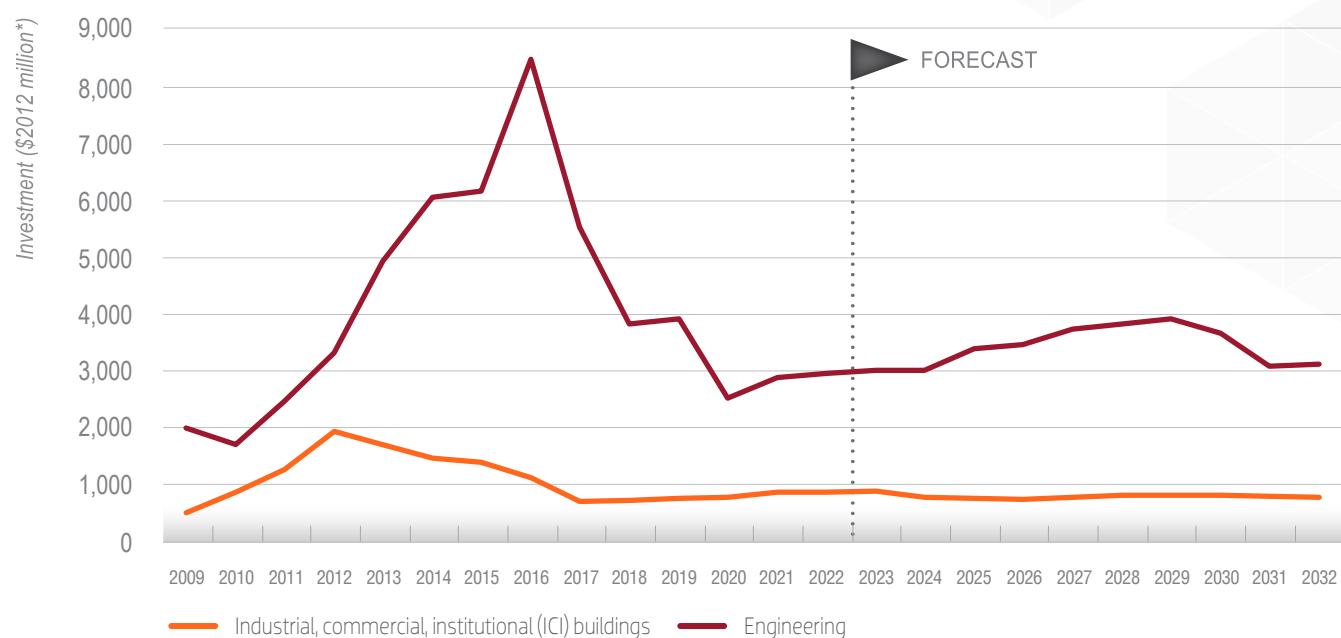
* industrial, commercial, institutional

The recovery in investment is expected to be sustained well into 2029. Although several large mining projects – such as Voisey's Bay – that have been under construction in recent years are approaching completion, these are more than offset with the expected ramping up of expenditures on the West White Rose redevelopment project, which is expected to peak in 2024. The Bay du Nord project, which should commence in 2025, will help to maintain a clear up-cycle in investment into the 2030s. Employment winds down, thereafter, contracting by 43 workers (-1%) by 2032. (See Table 2.) Note that this forecast may change, as there are a number of new potential projects under consideration that, if approved, would likely negate any expected labour force contractions.

Investment in the industrial, commercial, and institutional (ICI) sector will be influenced by these large engineering-construction investments, but at a much lower rate due to the relatively smaller share in structures associated with these projects. Total ICI investment is expected to experience short-term downward pressure with the completion of several education and health-care projects in the short term. Investment should rise over the longer term as the business cycle picks up anew, driven by investments in service-sector businesses, driven by population increases.

Figure 6 shows the total anticipated change in non-residential construction investment over the forecast period.

Over the forecast period, employment will decline by 300 workers (-3%). Most losses occur in the ICI sector, which loses 300 workers (-13%).

Figure 6: Non-residential construction investment, Newfoundland and Labrador

* \$2012 millions indicates that the investment values are in year 2012 dollars (base year), that is, adjusted for inflation. This is used to calculate the real physical year-to-year change of the value of construction, factoring out growth (increase in value) due to increases in prices.

Source: Statistics Canada, BuildForce Canada (2023-2032)

NON-RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

Table 3 shows that labour markets were strained across many trades in Newfoundland and Labrador in 2022, with most showing ranks of “4.”

As investment pressures ease in 2023, several of these trades will return to balanced conditions. A further decline in demand should create weaker labour markets in 2024 and 2025 for some trades. Others directly implicated in heavy-industrial activities, however, could return to tight labour markets commencing in 2025. By 2031, labour markets for all trades are expected to weaken, but there is a significant upside risk

to this scenario, with several proposed resource development projects (e.g., hydrogen, mining) awaiting final investment decisions. Several of these could come on stream over the medium term.

The widespread conversion of ICI buildings to the greater use of electricity for heating and cooling is excluded from this report, as these efforts are still in their early phases and have had only minor impacts on overall construction labour markets. As these efforts accelerate, they will be added to future BuildForce Canada outlook reports.

Table 3: Non-residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS – NON-RESIDENTIAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Boilermakers	4	3	3	4	3	3	3	3	3	2	3
Carpenters	4	4	3	2	3	3	3	3	3	2	3
Construction managers	4	4	3	4	3	4	4	4	3	3	3
Construction millwrights and industrial mechanics	3	3	3	4	3	4	3	3	3	2	2
Contractors and supervisors	4	4	3	4	3	4	4	4	3	2	3
Crane operators	3	3	3	4	3	4	3	3	2	2	3
Electricians	4	3	3	4	3	3	3	3	2	2	3

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Table 3: Non-residential market rankings, Newfoundland and Labrador (continued)

TRADES AND OCCUPATIONS – NON-RESIDENTIAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Heavy equipment operators (except crane)	4	3	3	4	3	3	3	3	3	2	3
Heavy-duty equipment mechanics	3	3	3	4	3	3	3	3	3	2	2
Insulators	4	3	3	4	3	3	3	3	3	2	3
Ironworkers and structural metal fabricators	4	4	3	2	3	3	3	3	3	2	3
Painters and decorators (except interior decorators)	4	3	2	2	3	3	3	3	3	3	3
Plumbers	4	4	3	4	3	4	4	4	3	2	4
Refrigeration and air conditioning mechanics	4	4	2	3	3	3	3	3	3	3	3
Residential and commercial installers and servicers	4	3	2	3	3	3	3	3	3	3	3
Sheet metal workers	4	4	3	2	3	4	4	3	3	2	3
Steamfitters, pipefitters and sprinkler system installers	3	3	3	4	3	3	3	3	3	2	3
Trades helpers and labourers	4	4	2	2	3	3	3	3	3	2	3
Truck drivers	4	3	3	4	3	3	3	3	3	2	3
Welders and related machine operators	4	4	3	2	3	3	3	3	3	2	3

Source: BuildForce Canada

BUILDING A SUSTAINABLE LABOUR FORCE

THE AVAILABLE LABOUR FORCE

In addition to fluctuations in employment demands, the construction industry in Newfoundland and Labrador must contend with an aging labour force. As many as 5,700 construction workers are expected to retire over the forecast period. Meanwhile, an expected decline in construction investment and employment is expected to reduce the overall labour force by 1,400 workers over the period.

Continuing to recruit and train young workers during an extended period of declining employment presents a potential challenge for industry. Over the forecast period, a potential 3,400 new-entrant workers under the age of 30 may be available to recruit from the local population.

Unless recruitment increases, the sector may need to add approximately 900 additional workers:

- through the additional recruitment and training of youth
- through the additional recruitment of individuals from equity-deserving groups traditionally under-represented in the construction sector
- from the construction labour forces of neighbouring provinces with higher levels of unemployment
- from other industries in the province employing workers with the skill sets required by the industry
- from outside the country through permanent immigration

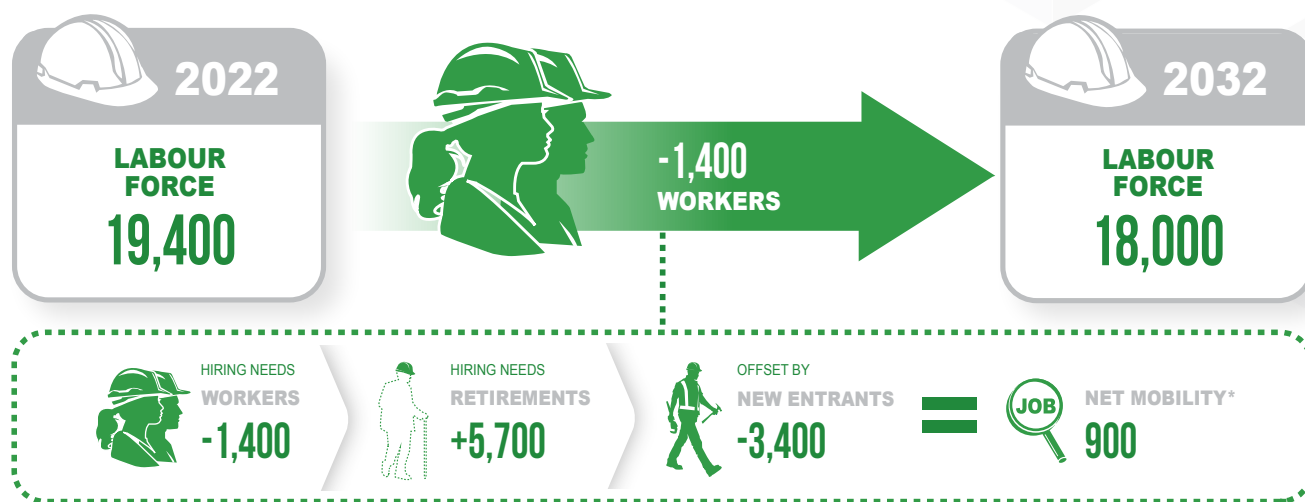
Figure 7 provides a summary of the estimated changes in the construction labour force across the full 2023–2032 forecast period.

LABOUR FORCE DIVERSIFICATION

APPRENTICESHIP

Apprenticeship is a key source of labour for the construction industry. Prior to the pandemic, new registrations in the 11 largest construction trade programs were declining, signalling fewer new journeypersons entering the workforce relative to the levels observed over the past decade. Following the trend in new registrations, completions were also trending down leading into 2020, albeit at a slower pace (see Figure 8). New registrations have been declining at a faster rate than trade employment, which poses the risk for an insufficient number of newly certified journeypersons to sustain workforce requirements over the long term. Selected trades, namely Industrial Electrician, Ironworker, and Refrigeration and Air Conditioning Mechanic, have seen an increase in new registrations over the past decade.

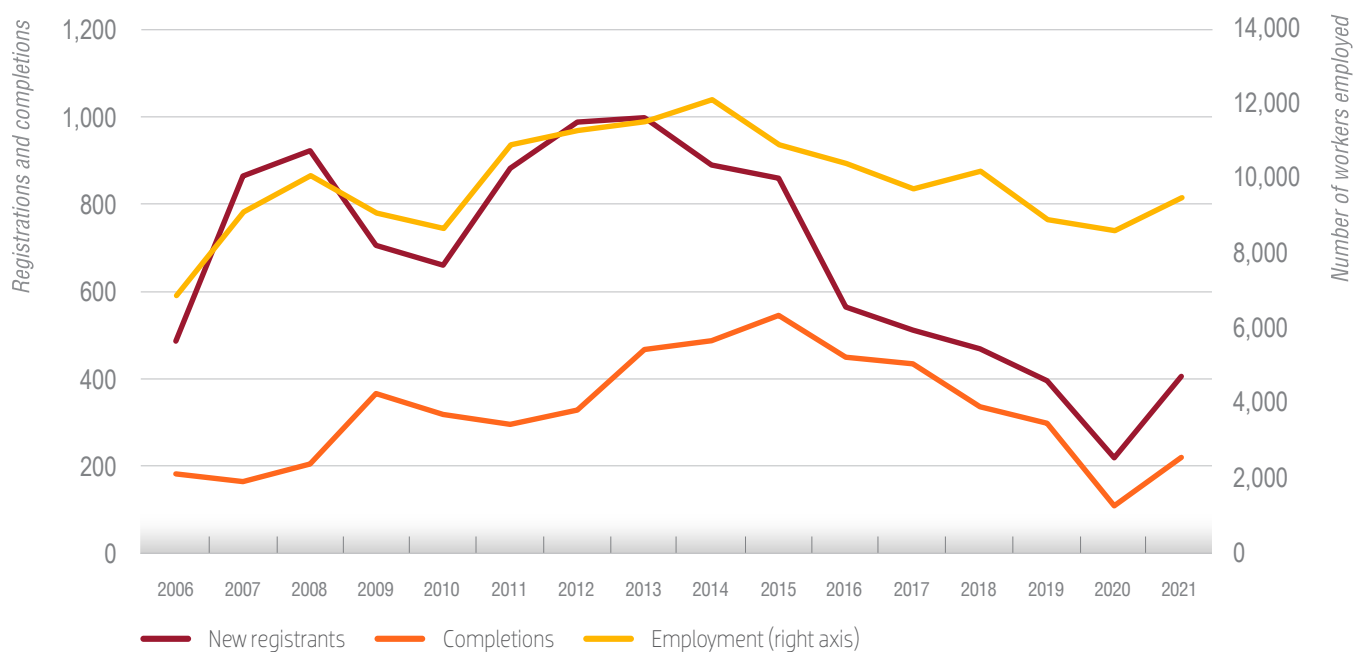
Table 4 provides a trade-by-trade breakdown of the anticipated certification requirements to meet the construction industry's share of employment and replacement demand over the forecast period. Based on projected new registrations, several trades are at risk of undersupplying the number of new journeypersons required by 2032. Trades within this group include Ironworker, Welder, Construction Electrician, Mobile Crane Operator, and pipefitting trades.

Figure 7: Changes in the construction 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 8: New apprenticeship registrations, completions, and trade employment, Newfoundland and Labrador

Source: BuildForce Canada

Table 4: Estimated construction certification demand and projected target of new entrants by trade, Newfoundland and Labrador, 2023 to 2032

Trade	Total certification demand – construction	Target new registrants – construction	Apprentice certification supply risk – all industries
Steamfitter/Pipefitter	120	535	●
Ironworker (generalist)	47	461	●
Welder	87	271	●
Plumber	89	415	●
Construction Electrician	362	1,097	●
Mobile Crane Operator	30	81	●
Refrigeration and Air Conditioning Mechanic	38	138	●
Industrial Mechanic (Millwright)	40	51	●
Heavy-Duty Equipment Technician	54	107	●
Powerline Technician	25	27	●
Industrial Electrician	38	108	●

- Certifications required exceed projected completions
- Certifications required in line with projected completions
- Projected completions exceed certifications required

Source: BuildForce Canada

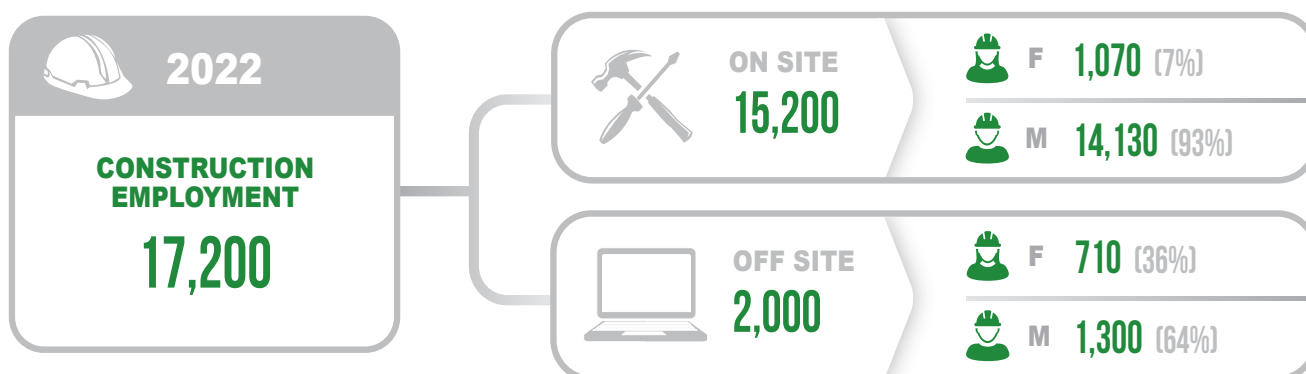
UNDER-REPRESENTED GROUPS OF WORKERS

Due in part to lower fertility rates and smaller family sizes in Canada for more than three decades, the share of younger Canadians available to enter the labour force has been in decline for several years. As the baby boomer generation of workers commences retirement over the next decade, the competition for younger workers will be intense. To help mitigate the impact of this demographic shift, the construction industry must diversify its recruitment. In order to succeed, the industry must increase recruitment of individuals from groups traditionally under-represented in the current construction labour force, including women, Indigenous People, and newcomers.

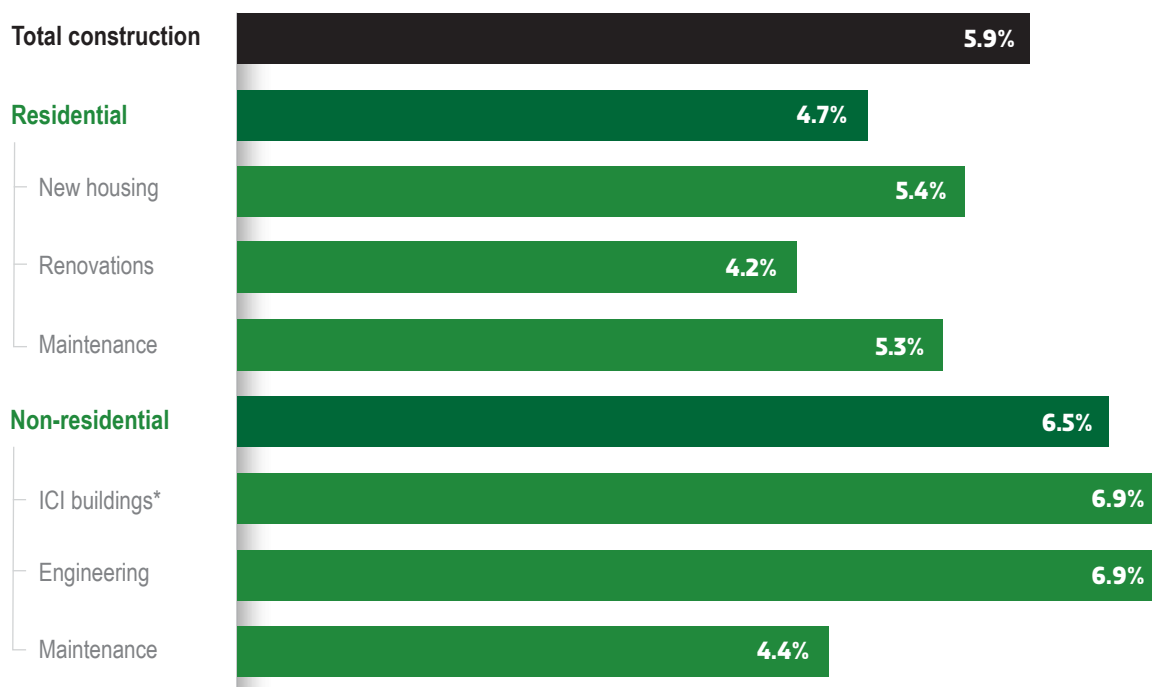
In 2022, there were approximately 1,780 women employed in Newfoundland and Labrador's construction industry, of which 60%

worked on site, directly on construction projects, while the remaining 40% worked off site, primarily in administrative and management-related occupations. Of the 15,200 tradespeople employed in the industry, women made up only 7% (see Figure 9).

The estimated 1,070 tradeswomen in Newfoundland and Labrador are represented across all sectors of construction, but given the nature of construction work in the province, women account for a higher share of total tradespeople (6.5%) in non-residential construction. Across sectors, ICI-building and engineering construction have the highest representation of women, accounting for 6.9% of the workforce (see Figure 10). The top five trades and occupations in which women tend to be employed are electricians (22% of all tradeswomen), trade helpers and labourers (19%), construction managers (7%), painters and decorators (6%), and heavy-duty equipment mechanics (5%).

Figure 9: Detailed construction employment by gender, Newfoundland and Labrador, 2022

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

Figure 10: Women's share of total direct trades and occupations (on site), Newfoundland and Labrador

* industrial, commercial, institutional

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

The Indigenous population is the fastest growing population in Canada and therefore presents recruitment opportunities for Newfoundland and Labrador's construction industry. The province has been successful in maintaining the share of Indigenous workers in the construction workforce. In 2021, Indigenous workers accounted for approximately 9% of the province's construction labour force, consistent with the levels observed in 2016.⁵ This share is also consistent with the share

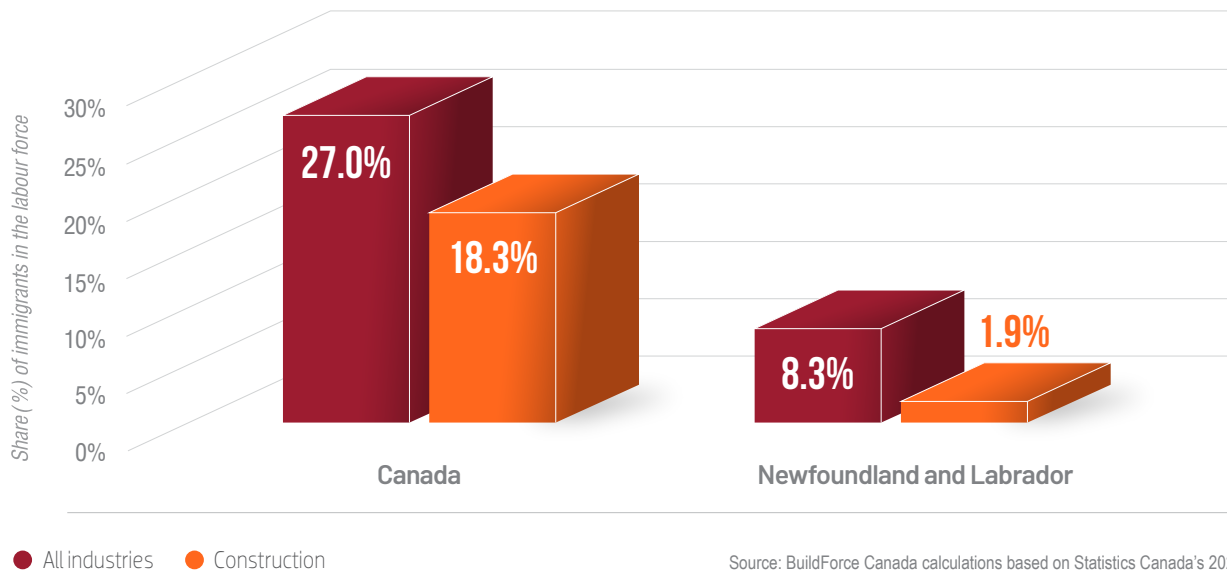
of Indigenous People represented in the overall labour force. However, while the overall labour force managed to increase its share of Indigenous workers from 2016 to 2021, the share in the construction industry remained virtually unchanged (see Table 5). As the Indigenous population continues to expand, recruitment efforts will need to be dedicated to increasing the industry's share of the population into the labour force.

Table 5: Representation of Indigenous population in provincial construction workforce, Newfoundland and Labrador

Industry		Indigenous	Non-Indigenous	Total	Indigenous share of total workforce, %
Construction	2016	2,570	24,790	27,360	9.4%
	2021	1,775	17,610	19,390	9.2%
All industries	2016	21,410	230,390	251,800	8.5%
	2021	21,570	214,835	236,405	9.1%

Source: BuildForce Canada calculations based on Statistics Canada's 2021 and 2016 Census of the Population

⁵ Statistics Canada, 2021 Census, custom data request

Figure 11: Share (%) of immigrants in the construction labour force, 2021

Source: BuildForce Canada calculations based on Statistics Canada's 2021 data.

Newfoundland and Labrador's construction industry may also leverage newcomers (immigrants) to Canada over the forecast period to meet labour requirements. Due to the declining natural rate of population growth, immigrants are the sole source of labour force growth in the province. As of 2021, new Canadians accounted for approximately 8% of Newfoundland and Labrador's overall workforce. While the province has been successful in attracting and integrating immigrants into the labour force, the province's share of immigrants is notably below the share in Canada overall (see Figure 11). The construction labour force share of immigrants was just 1.9% in 2021, which is less than one quarter of the immigrant share in the overall labour force and significantly lower than the share in Canada's construction industry.

Based on historical settlement trends, the province is expected to welcome 37,700 new international migrants between 2023 and 2032. As these individuals will make up an increasing share of the province's core working-age population, additional recruitment efforts will be required to ensure the construction industry recruits its share of newcomers into the labour force.

CONCLUSIONS AND IMPLICATIONS

The near-term outlook for construction and maintenance activity in Newfoundland and Labrador is positive, with residential construction continuing to grow, albeit at a slower pace than before, and activity in the non-residential sector supported by various heavy-engineering construction projects. The continuation of these major projects in mining and oil and gas should keep investment levels, and therefore employment, high through into 2029.

As those projects wind down and expected slower growth takes hold, the loss of as many as 5,700 experienced, skilled workers, or 29% of the current labour force, to retirement will create challenges for the industry, particularly during periods of peak activity.

Other than Bay du Nord, there are no other new major projects expected to start over the forecast period. This challenge may exacerbate skills shortages, as training opportunities for younger workers will be limited. However, an extensive inventory of potential resource development projects is currently in the pipeline but are not yet included in the forecast scenario. Positive final investment decisions on these projects could change the projected slower growth trajectory and provide a needed boost to enhance the industry's ability to attract new workers.

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 oil price outlook and industry capital investment assumptions. Any changes to the anticipated timing of current major projects or positive final investment decisions for new resource development projects, both in the province and regionally, present risks and potentially alter anticipated market conditions.

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