

# PRINCE EDWARD ISLAND

HIGHLIGHTS  
2023–2032

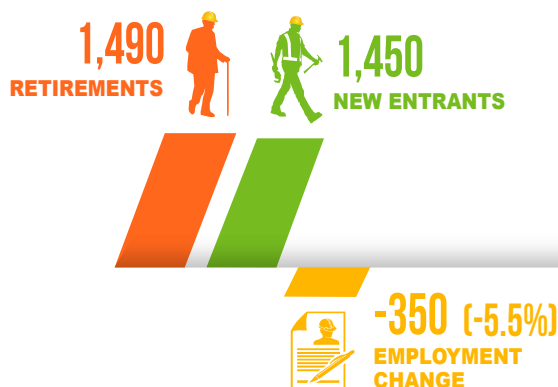
Prince Edward Island's construction and maintenance labour force enters the 2023–2032 forecast period under strained conditions. Strong activity in both the residential and non-residential sectors has placed considerable demands on almost all of the province's trades and occupations. Market pressures are expected to ease in 2023 and again in 2024 before achieving balance.

Residential construction activity declined from its peak in 2022 and is expected to contract again in 2023 as builders catch up with demand created by surging in-migration. Housing starts should then cycle back up to 2025 before contracting again through the end of the forecast period.

Non-residential construction, meanwhile, is supported by a strong program of education and health care projects, as well as elevated road, highway, and bridge work, and the recovery from Hurricane Fiona. These combine to create market pressures into the short term. Demands ease between 2023 and 2027 as current projects wind down, returning labour markets to more balanced conditions for the remainder of the forecast period.

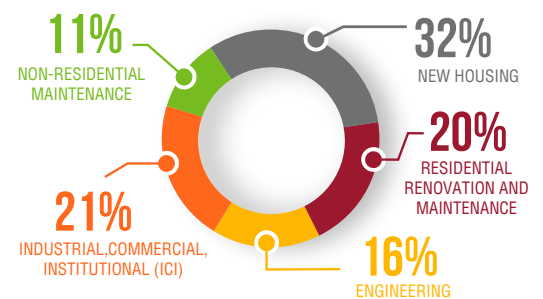
An anticipated rise in labour demand of 100 workers across the forecast period is expected to be exacerbated by the retirement of a further 1,490 workers, or about 22% of the 2022 labour force. Although the industry is projected to recruit as many as 1,450 workers aged 30 and younger over the forecast period, it will likely need to recruit close to 140 additional workers to meet demands.

## 10-YEAR WORKFORCE OUTLOOK FOR PRINCE EDWARD ISLAND



**AVERAGE UNEMPLOYMENT RATE** 12.2%

## DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2022, PRINCE EDWARD ISLAND



## HIGHLIGHTS

- Total construction investment is forecasted to rise to a peak in 2023 before contracting almost continually across the remainder of the decade.
- Construction employment follows a similar pattern, peaking at nearly 6,750 workers in 2023 before contracting to 6% less than 2022 levels by 2032.
- Maintenance and renovation employment makes strong gains in the short term, as the clean-up effort from Hurricane Fiona dominates.

## 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.

## PRINCE EDWARD ISLAND CONSTRUCTION OUTLOOK

Prince Edward Island's post-pandemic recovery continued in 2022. Increased non-residential construction investment (+10%) was supported by gains across the engineering-construction and industrial, commercial, and institutional (ICI) sectors. Engineering-construction activity, in particular, benefitted from increased investment in the utilities sector. Residential construction stepped down from a peak of 1,500 housing starts in 2019 but remained elevated by historical standards in 2022, with investment levels curbed by rising interest rates.

The 2023–2032 BuildForce Canada scenario forecast for Prince Edward Island anticipates construction investment rising to a forecast peak in 2023, before contracting almost continually across the remainder of the decade.

Residential construction investment will be curbed by rising interest rates and consumer concerns over affordability. Although housing starts will rise fractionally in 2023, the increase will be driven by greater demand for multi-unit buildings; single-family home starts are expected to contract by as much as 7%. Residential investment is also expected to decline. The housing market is then expected to return to growth, reaching a near-term peak in 2025. Renovation investment, which was elevated in 2022 and 2023 due to post-Hurricane Fiona clean-up, will return to more normal rates of growth after 2023.

Non-residential investment will continue to benefit from strong performance in the engineering-construction sector, and from government investment in the utilities sector. Work on a large wind farm is expected to create growth in 2026, while the province's road, highway, and bridge budget remains elevated into the middle years of the decade. ICI-sector investment will trend upward into 2023 with continued school and health care projects.

By 2025, however, the provincial capital spending plan will recede as current projects wind down. This reduces overall ICI-sector investment into 2027.

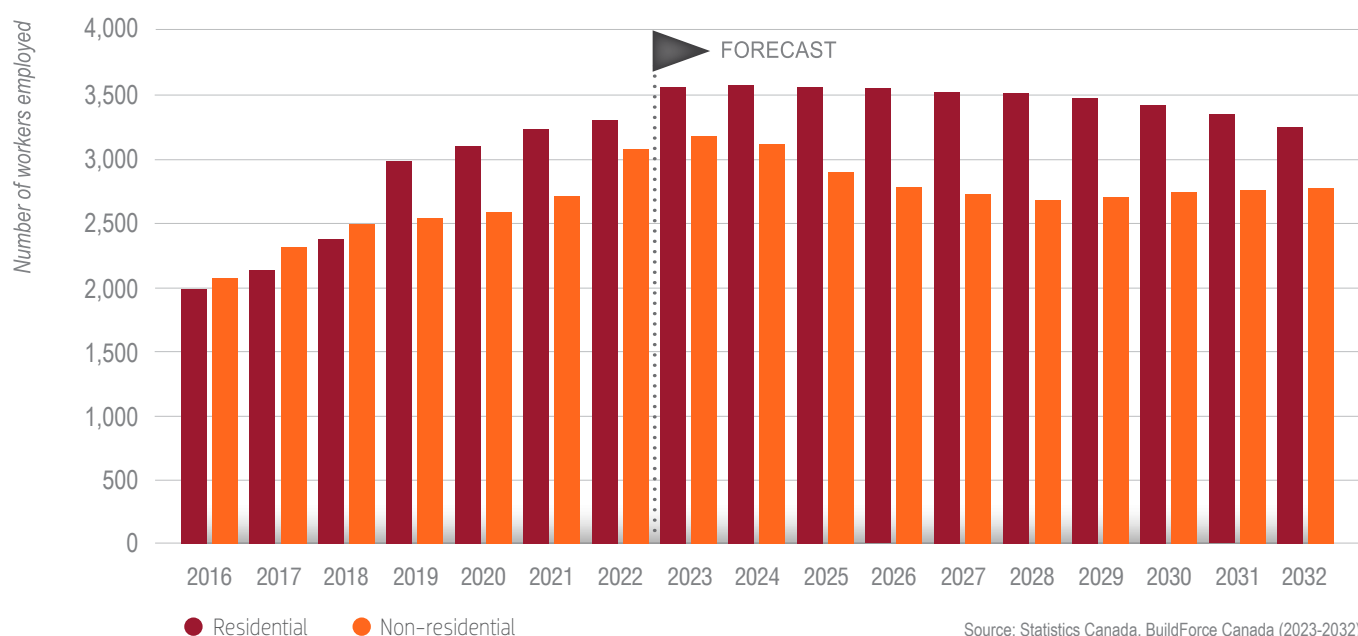
Figure 1 shows the anticipated change in residential and non-residential employment across the forecast period. Total employment is expected to peak at nearly 6,750 workers in 2023, before contracting in every remaining year of the decade. Employment is expected to reach 6,030 workers by 2032, about 6% less than 2022 levels.

Residential employment should remain at or near historical highs between 2023 and 2026, supported by an up-cycle in investment levels, and in new housing in particular. By 2032, employment falls by 2% below 2022 levels. All losses (-17%) are concentrated in new-housing employment, which is only partially offset by gains in renovation (+14%) and maintenance work (+45%) across the forecast period, supported by the province's aging housing stock.

Non-residential employment has risen steadily since 2019 due to increased investments in infrastructure and heavy-engineering construction. By the end of the forecast period, however, it declines by 300 workers (-10%) compared with 2022 levels as current projects wind down. Losses are heaviest in the engineering-construction sector, which contracts by 14%, with losses in ICI employment reaching 9%.

PEI's construction industry faces similar challenges to those of other provinces, namely higher sustained levels of construction activity tempered by an aging labour force. The construction sector is becoming increasingly dependent on the mobility of skilled trades from outside the province and the scaling up of local recruitment and training capacity. By the end of the forecast period, labour demands are expected to increase by 100 workers. Across the period, demands are exacerbated by the retirement of a further

**Figure 1: Construction employment growth outlook, Prince Edward Island**



1,490 workers, or about 22% of the 2022 labour force. Although the industry is projected to recruit as many as 1,450 workers aged 30 and younger over the forecast period, it will likely need to recruit close to 140 additional workers to meet demands.

## 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.

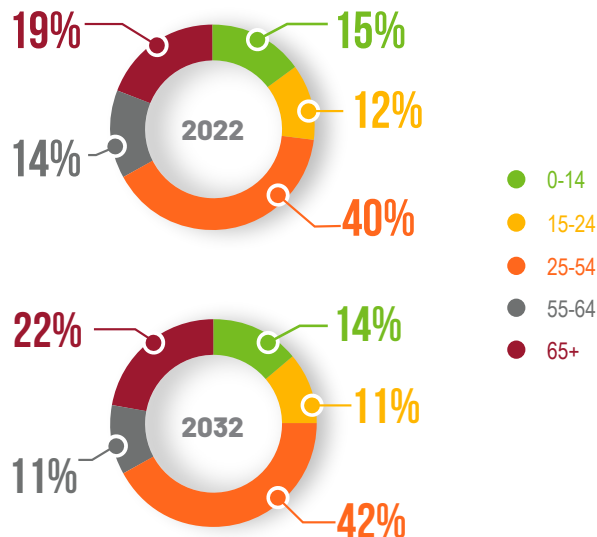
## A YOUNGER POPULATION SUPPORTED BY INTERNATIONAL MIGRATION

Demographics in Prince Edward Island follow a similar narrative. Figure 3 shows the share of people aged 15 to 24 years who are entering the provincial labour force was 14% in 2022. It is expected to decline to 11% by 2032. Meanwhile, the share of the population over age 65 and mainly retired will continue to grow – from 20% to 21% by 2032.

Despite these facts, Prince Edward Island is considered to have one of the youngest populations in the country. Its natural rate of population growth<sup>1</sup> has remained at or above zero since 2021 and is expected to increase through 2030 before stabilizing into the early part of the decade.

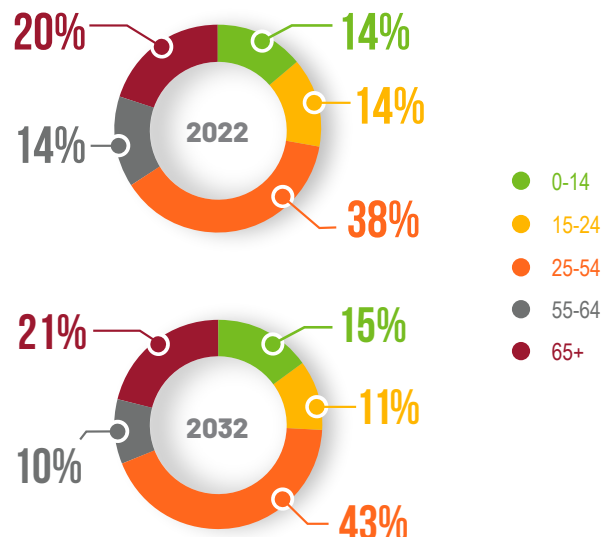
Helping to sustain population growth in the province are high rates of in-migration. International migration into Prince Edward Island peaked in 2022 and is expected to trend downward through the remainder of the forecast period. Despite this trend, international migration will remain the principal driver of population growth for the province, both in terms of absolute numbers, and in terms of this group's contribution to the province's fertility rate, as many will likely settle in PEI during their prime working-age and child-bearing years.

Figure 2: Population age distribution, Canada



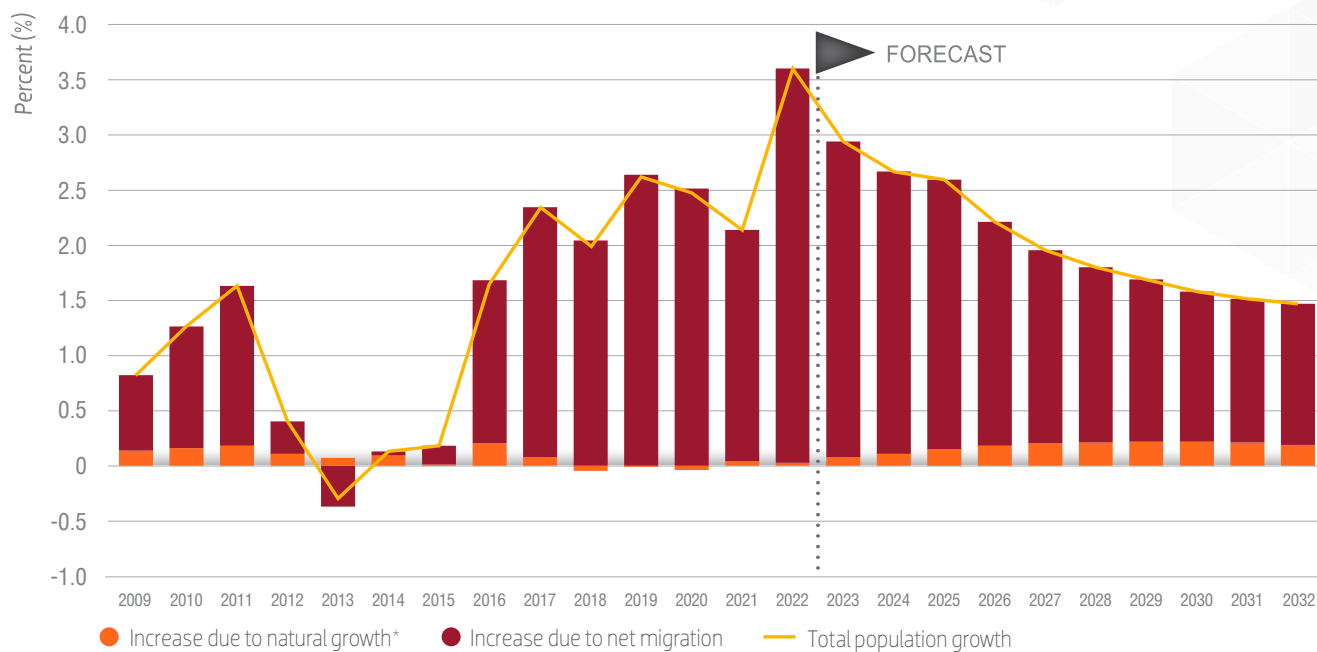
Source: BuildForce Canada

Figure 3: Population age distribution, Prince Edward Island



Source: BuildForce Canada

<sup>1</sup> 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 4: Sources of population growth (%), Prince Edward Island**

\* **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)

PEI's natural population growth, combined with positive migration projections, will generate annual population gains of close to 2% in the medium term, before stabilizing at a rate of 1.5% or higher in the latter years of the forecast period. (See Figure 4.)

## 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 entrants<sup>2</sup>, and net mobility<sup>3</sup>.

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 Prince Edward Island, rankings are reported for 10 residential and 12 non-residential trades and occupations.

<sup>2</sup> **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.

<sup>3</sup> **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.

## RESIDENTIAL SECTOR

Figure 5 shows the anticipated new-housing and renovation investment trends for residential construction.

Record-low interest rates and recent high levels of immigration helped to propel the province's housing markets to a string of strong performances beginning in 2016. Housing starts peaked at around 1,500 units in 2019 and remained elevated during 2020 and 2021. Market forces, in the form of rising interest rates, began to take hold in 2022, contracting starts by about 150 units (-12%) compared to 2021 levels.

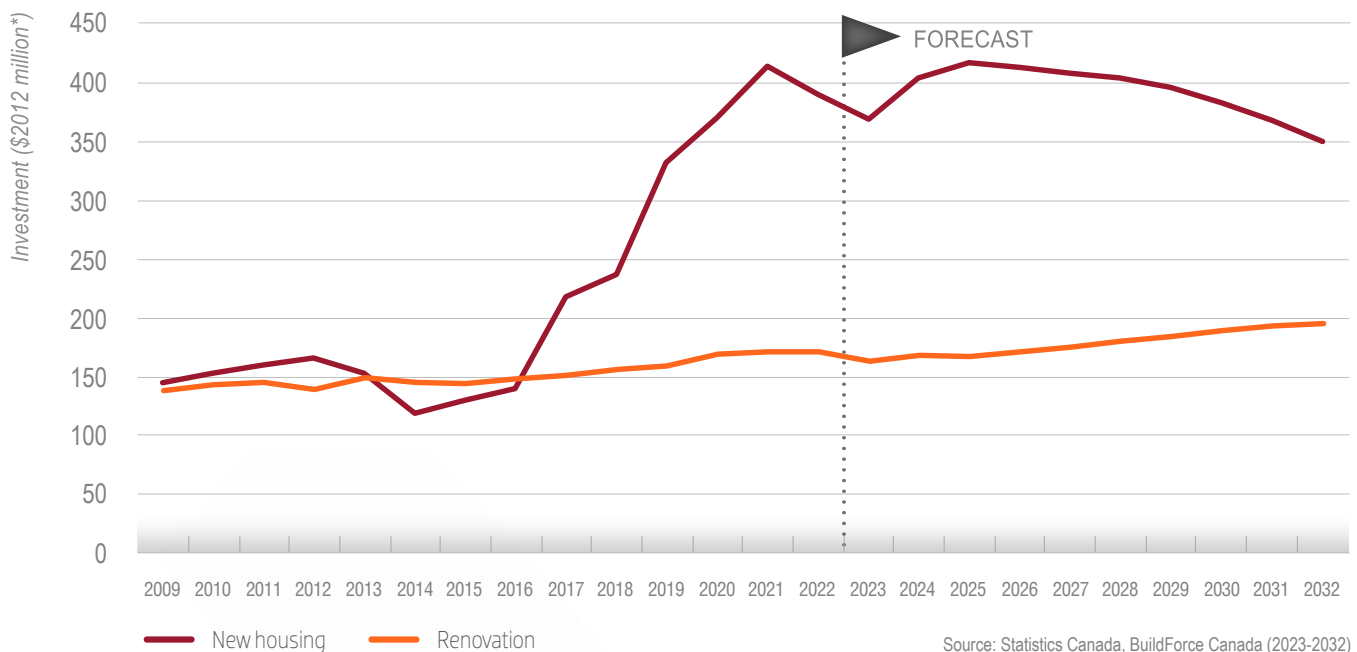
A brief surge in housing starts is expected in 2023 and 2024 as wages and incomes adjust to higher interest rates, and the market accommodates a growing population base. Starts are expected to recede thereafter, arriving at just under 1,060 units in 2032, or about 6% less than 2022's total.

Renovation investment was unchanged in 2022 and is expected to decline in 2023 due in part to price inflation and its impact on real wages. These pressures should be relieved in 2024 and beyond as the provincial economy improves. Investment follows an upward trend in line with wage and income growth, increasing by 14% through 2032.

Across the forecast period, total residential construction employment rises from 2022 levels to reach a peak of 265 workers (+8%) in 2024. The increase is driven by strong performances in new housing and renewed renovation activity. Through the end of the forecast period, however, employment contracts by 2% below 2022 levels. Declines are entirely in the new-housing sector. These are only partially offset by gains in renovation and maintenance that rise by 14% and 45% respectively.

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: Residential construction investment, Prince Edward Island**



\* \$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.

## RESIDENTIAL RANKINGS, RISKS, AND MOBILITY

Table 1 shows tight labour market conditions in 2022 and 2023, which reflect continued high levels of activity in new-housing construction. Construction slows into 2024 and beyond, as projected higher lending rates and relatively slower population growth translate into a down-cycle from historically high levels.

Market conditions weaken for trades and occupations more concentrated in new-home construction, but gains in residential renovation and maintenance work mostly sustain employment levels and keep labour markets balanced.

## 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, Prince Edward Island**

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

Source: BuildForce Canada

## NON-RESIDENTIAL SECTOR

Non-residential employment has risen steadily since 2019 due to increased investments in infrastructure and heavy-engineering construction. Institutional demands also increased with construction at the University of Prince Edward Island and commercial investment following residential growth. The sector's employment grew by 13% in 2022 and should see further growth of about 3% in 2023.

As shown in Figure 6, ICI investment increased by 15% in 2022, driven by the start of several school projects and other institutional buildings. Investment will increase again in 2023 on the strength of construction at the Hillsborough mental health facility, at various schools, and on other government buildings. By 2024, the provincial capital spending plan will begin to recede, slowing ICI investment into 2028. The sector sees a slight uptick through to 2032, ending the decade 14% lower than 2022 levels.

Engineering-construction investment, meanwhile, increased by 4% in 2022, driven by utility and road, highway, and bridge projects. Investment is anticipated to see two significant surges – between 2022 and 2023, and between 2025 and 2026 – that are linked to the timing of two major wind farm projects. Beyond these projects, investment is supported by the provincial road, highway, and bridge budget, which winds down in later years. Investment falls by 15% compared to 2022 levels.

Maintenance investment experiences a brief surge in 2022 and 2023 with the clean-up efforts relating to Hurricane Fiona. Thereafter, it cycles back to more historical levels for the remainder of the forecast period.

Over the full forecast period, non-residential employment is expected to have contracted by 10% compared to 2022 levels. Losses are reported across all components. ICI-building employment should contract by approximately 9% and engineering construction by 14%.

Table 2 summarizes the estimated percent change in non-residential employment by sector across three periods: the short term (2023–2025), the medium term (2026–2028), and the long term (2029–2032).

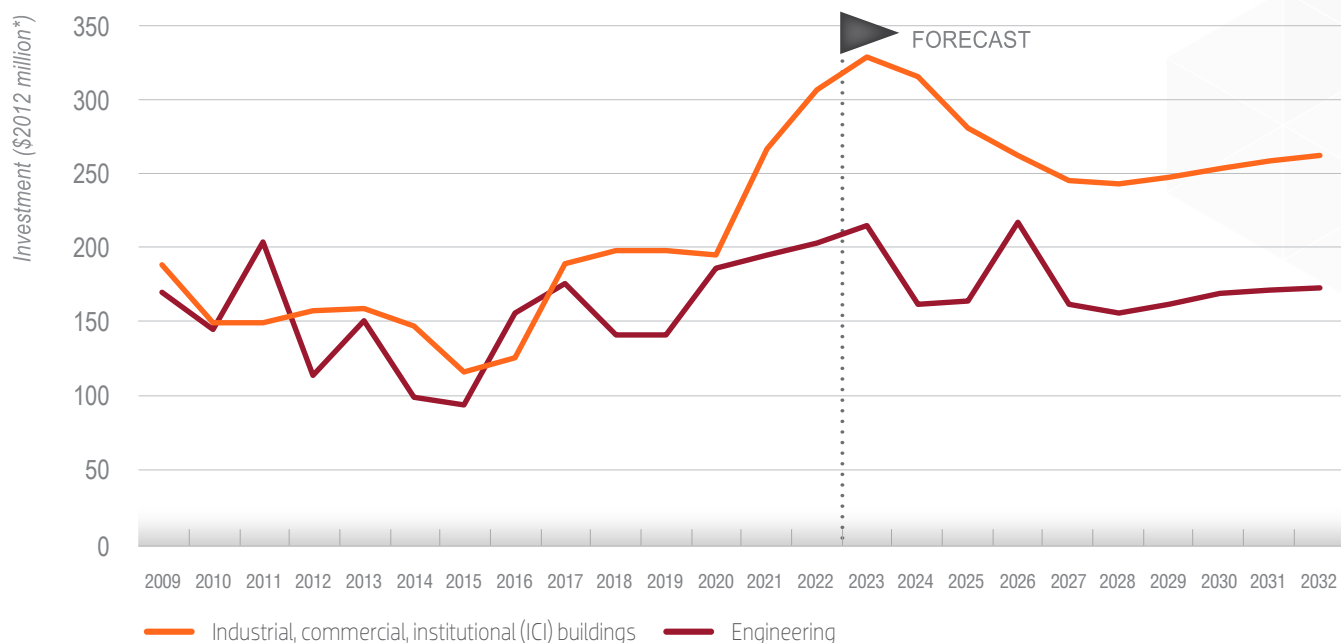
**Table 2: Changes in non-residential employment by sector, Prince Edward Island**

SECTOR		% CHANGE 2023–2025	% CHANGE 2026–2028	% CHANGE 2029–2032
Total non-residential employment		-6%	-7%	4%
ICI* buildings	Industrial	-19%	-1%	1%
	Commercial, institutional and government	12%	-18%	5%
Engineering	Highways and bridges	-13%	-32%	13%
	Heavy industrial	7%	26%	-4%
	Other engineering	-33%	31%	5%
Maintenance		-7%	1%	1%

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

\* industrial, commercial, institutional



**Figure 6: Non-residential construction investment, Prince Edward Island**


\* \$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

Ongoing work across the ICI and engineering-construction sectors created exceptionally strong employment demand in 2022 and placed significant pressure on PEI's construction labour markets. With much of this work expected to carry over into 2023, labour force pressures will moderate only slightly, as shown in Table 3. Labour markets are expected to return to mostly balanced conditions by 2024 and 2025 as road and highway construction activity declines. Thereafter, labour markets for

some trades will weaken to 2028 before returning to mostly balanced conditions for the remainder of the forecast period as current projects end.

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 nascent and their impacts negligible on overall labour force demands. As these efforts accelerate, they will be added to future BuildForce Canada outlook reports.

**Table 3: Non-residential market rankings, Prince Edward Island**

TRADES AND OCCUPATIONS – NON-RESIDENTIAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Carpenters	5	4	3	3	3	2	3	3	3	3	3
Construction managers	5	4	3	4	3	3	4	3	3	3	3
Contractors and supervisors	5	5	3	3	2	3	3	3	3	2	2
Electricians	5	3	3	4	3	2	3	3	3	3	3
Glaziers	5	4	3	3	3	2	3	3	3	3	3
Heavy equipment operators (except crane)	5	4	3	3	3	3	3	3	3	3	3

continued on next page



**Table 3: Non-residential market rankings, Prince Edward Island (continued)**

TRADES AND OCCUPATIONS – NON-RESIDENTIAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Ironworkers and structural metal fabricators	5	4	3	3	3	3	3	3	3	3	3
Plumbers	5	4	4	3	2	2	3	3	3	3	2
Refrigeration and air conditioning mechanics	4	4	3	3	3	3	3	3	3	2	2
Trades helpers and labourers	5	4	4	3	3	3	3	3	3	3	3
Truck drivers	4	4	4	3	3	3	2	3	3	3	3
Welders and related machine operators	4	4	3	3	2	3	2	3	3	3	3

Source: BuildForce Canada

## BUILDING A SUSTAINABLE LABOUR FORCE

### THE AVAILABLE LABOUR FORCE

Prince Edward Island's construction labour market experienced a dramatic upswing in 2022. After reporting a loss in 2021, employment and the labour force both increased sharply in 2022, with the former increasing at a faster rate.

In addition to fluctuations in employment demands, PEI's construction industry must contend with an aging labour force. As many as 1,490 construction workers, or about 22% of the 2022 labour force, are expected to retire over the forecast period. Meanwhile, investment growth is expected to increase employment by a further 100 workers.

Although the industry is projected to recruit as many as 1,450 workers aged 30 and younger over the forecast period, it will likely need to recruit close to 140 additional workers to meet demands:

- 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

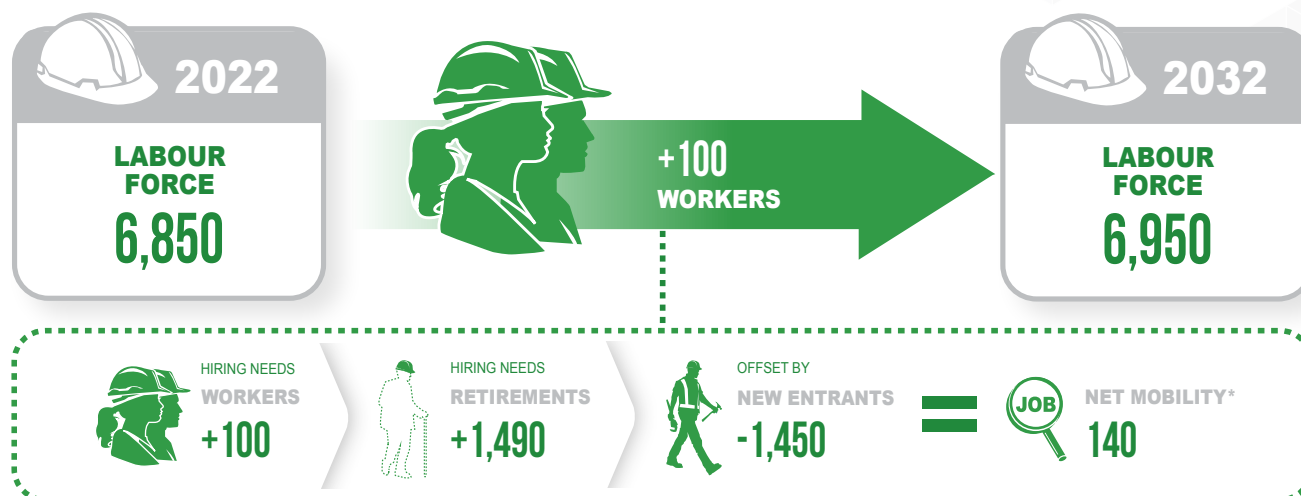
Figure 7 provides a summary of the estimated changes in the construction labour force across the full 2023–2032 forecast period.

### LABOUR FORCE DIVERSIFICATION

#### APPRENTICESHIP

Apprenticeship is a key source of labour for the construction industry. New apprentice registrations in the five largest construction trade programs were on an upward trend leading into the pandemic and have generally kept pace with employment growth over the past decade. Completions, which have seen minimal growth over the past decade, are expected to rise over the coming years in line with rising levels of new registrations (see Figure 8). Selected trades, namely Construction Electrician and Plumber, have seen a decline in new registrations over the past decade.

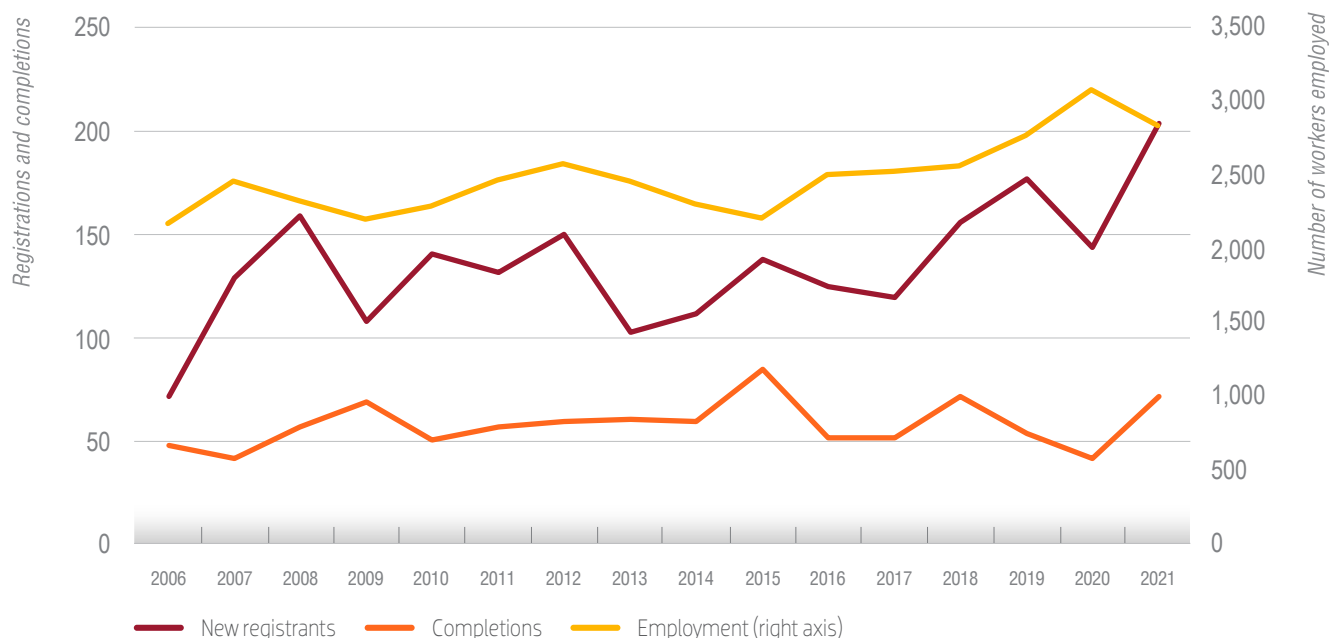
Table 4 provides a trade-by-trade breakdown of the anticipated certification requirements to meet the construction industry's share of employment and replacement demand over the forecast period. Based on the current pace of new registrations, the number of newly certified journeypersons are projected to keep pace with demand requirements over the decade. However, any significant increases in construction activity or decline in the program completion rate may put the Carpenter and Construction Electrician trades at risk of undersupplying the number of new journeypersons required by 2032.

**Figure 7: Changes in the construction labour force, Prince Edward Island**


\* **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, Prince Edward Island**


Source: BuildForce Canada

**Table 4: Estimated construction certification demand and projected target of new entrants by trade, Prince Edward Island, 2023 to 2032**

Trade	Total certification demand – construction	Target new registrants – construction	Apprentice certification supply risk – all industries
Carpenter	205	308	●
Construction Electrician	88	236	●
Refrigeration and Air Conditioning Mechanic	11	36	●
Industrial Electrician	21	38	●
Welder	16	30	●
Plumber	57	65	●
Powerline Technician	12	21	●

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

Source: BuildForce Canada

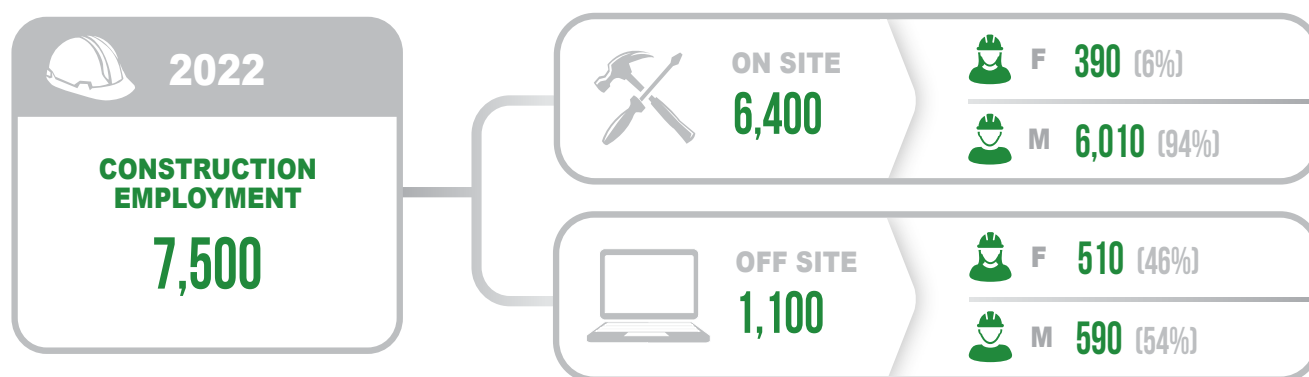
### UNDER-REPRESENTED GROUPS OF WORKERS

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 900 women employed in Prince Edward Island's construction industry, of which 43% worked on site, directly on construction projects, while the remaining 57% worked off site, primarily in administrative and management-related occupations. Of the 6,400 tradespeople employed in the industry, women made up 6% (see Figure 9).

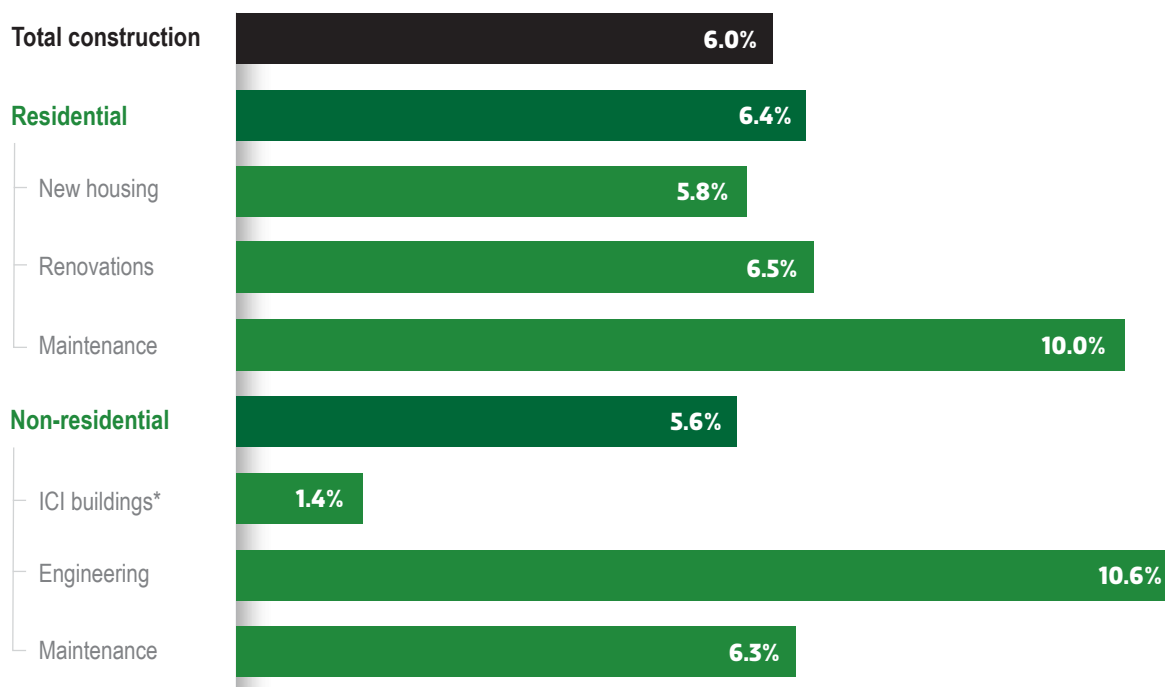
The estimated 390 tradeswomen in Prince Edward Island are represented across all sectors of construction, but given the nature of construction work in the province, women account for a higher share of total tradespeople (6.4%) in residential construction. Across sectors, engineering construction has the highest representation of women, accounting for 10.6% of the workforce (see Figure 10). The top five trades and occupations in which women tend to be employed are trade helpers and labourers (48% of all tradeswomen), painters and decorators (18%), carpenters (12%), contractors and supervisors (12%), and home and building renovation managers (7%).

The Indigenous population is the fastest growing population in Canada and therefore presents recruitment opportunities for Prince Edward Island's construction industry. In 2021, Indigenous workers accounted for approximately 3% of the province's construction labour force, which is more than double the share observed in 2016.<sup>4</sup> This share is higher than the share of Indigenous People represented in the overall labour force (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.

**Figure 9: Detailed construction employment by gender, Prince Edward Island, 2022**

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

<sup>4</sup> Statistics Canada, 2021 Census, custom data request

**Figures 10: Women's share of total direct trades and occupations (on site), Prince Edward Island**

\* industrial, commercial, institutional

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

**Table 5: Representation of Indigenous population in provincial construction workforce, Prince Edward Island**

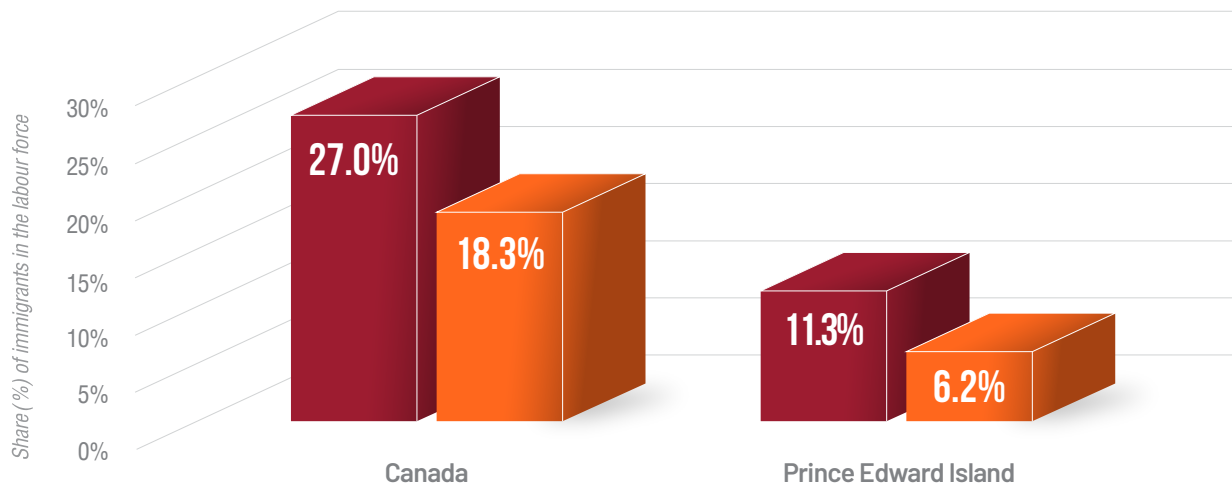
Industry		Indigenous	Non-Indigenous	Total	Indigenous share of total workforce, %
Construction	2016	60	5,385	5,445	1.1%
	2021	175	6,525	6,690	2.6%
All industries	2016	1,340	75,310	76,650	1.7%
	2021	1,680	80,270	81,945	2.1%

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

Prince Edward Island'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 primary source of labour force growth in the province. Immigrants have been playing an increasingly important role in replenishing the workforce, with the share of immigrants in the workforce nearly tripling in the past decade, increasing from 4% in 2011 to 11% in 2021. 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's share of immigrants was just 6.2% in 2021, compared to 11% across all industries.

Based on historical settlement trends, the province is expected to welcome 34,790 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.

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

● All industries    ● Construction

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

## CONCLUSIONS AND IMPLICATIONS

The BuildForce Canada 2023–2032 *Construction and Maintenance Looking Forward* scenario for Prince Edward Island anticipates that tight labour markets will continue to affect the province's residential and non-residential construction markets into 2023 and 2024.

New-housing construction in 2022 receded from its record high in 2021, and is poised to contract again in 2023. Increases are expected thereafter as demand rebounds. Renovation activity, meanwhile, may contract slightly in 2023 before returning to growth in 2024 as the provincial economy improves.

Non-residential construction is supported by ongoing and new school and health care projects; elevated road, highway, and bridge work; and the recovery from Hurricane Fiona. These combine to sustain strong levels of non-residential construction investment into 2023, with significant recruiting challenges anticipated across most trades and occupations. As these projects wind down, labour markets return to balanced conditions. They weaken briefly by 2026 with the end of the Hillsborough mental health facility.

The industry's capacity to maintain a skilled labour force may be challenged by an aging workforce and the retirement of an estimated 1,500 workers, or 22% of the current labour force, by the end of the decade.

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 current industry expectations of economic growth and assumptions about immigration to the province. Any changes to these assumptions present risks and potentially alter anticipated market conditions.

## FOR THE MOST DETAILED & COMPREHENSIVE CONSTRUCTION LABOUR MARKET DATA IN CANADA, VISIT

**[www.constructionforecasts.ca](http://www.constructionforecasts.ca)**

### Developed with industry for industry

Customizable tables and graphs available for:

- Data on more than 30 construction trades and occupations by province looking ahead 10 years
- Macroeconomic and investment data
- Key economic indicators, construction investment and labour market conditions by province and/or sector



Timely construction forecast data is available online at **constructionforecasts.ca**. Create customized reports on a broad range of selected categories within sector, trade or province covering up to 10 years.

For more information, contact:



Phone: 613.569.5552 | [info@buildforce.ca](mailto:info@buildforce.ca)

The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada

Funded in part by the Government of  
Canada's Sectoral Workplace  
Solutions Program



APRIL 2023