

CONSTRUCTION & MAINTENANCE INDUSTRY

NEWFOUNDLAND AND LABRADOR

HIGHLIGHTS 2024 - 2033



MARCH 2024



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SUMMARY

The construction sector in Newfoundland and Labrador enters the BuildForce Canada forecast period with residential investment levels down slightly from 2022. This is contrasted against continued growth in the non-residential sector. Although the former has been supported by elevated levels of household formation and international migration in recent years, rising interest rates curtailed demand for new housing. The non-residential sector, meanwhile, has benefitted from a series of projects in engineering construction, and strong activity in industrial, commercial, and institutional buildings construction.

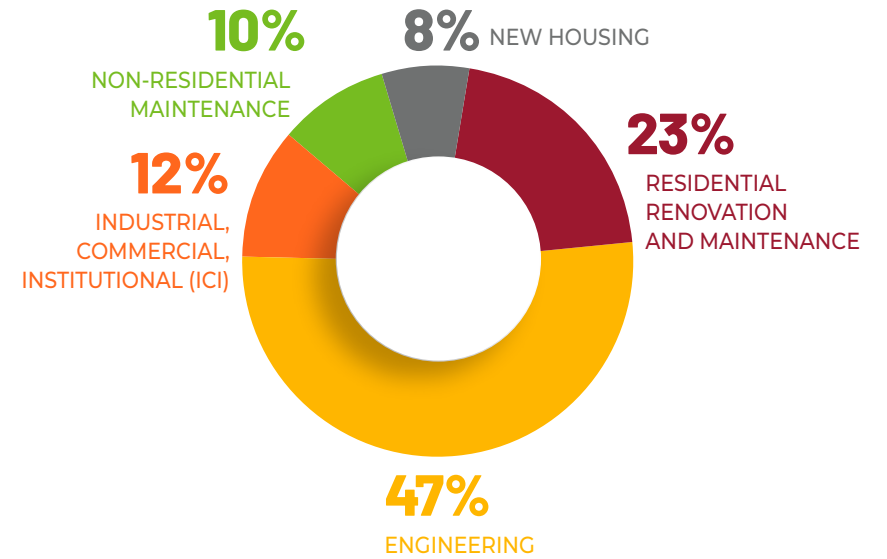
Across the forecast period, the outlook calls for growth to cycle moderately across the residential sector. Investment levels are expected to end 2033 almost unchanged from 2023 levels, although some growth is anticipated between the mid- to late-2020s. After contracting in 2023 and 2024, new housing is forecast to return to growth between 2025 and 2028. Demand for multi-family units leads the way, spurred by high levels of immigration, comparatively low rental vacancy rates, and persistent affordability concerns. The longer-term outlook sees housing starts contract as the population ages.

The non-residential sector, meanwhile, is generally expected to chart growth across the decade. Investment is expected to decline slightly in 2024 with the conclusion of several large mining and hospital projects; however, the decline is moderated by the proposed start of a major hydrogen development project in 2025 and a large provincial road-improvement program. The start of work on the Bay du Nord project in 2028 elevates levels to the end of the forecast period.

By 2033, the industry will likely need to recruit and retain as many as 6,400 additional workers to keep pace with expansion and retirements, as an estimated 5,900 workers, or 28% of the 2023 construction labour force, are expected to retire.

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

Distribution of construction employment in 2023, Newfoundland and Labrador



10-Year Workforce Outlook for Newfoundland and Labrador



HIGHLIGHTS

- Although non-residential employment is projected to grow by 7% above 2023 levels by 2033, employment in the residential segment will contract by nearly 9%.
- At approximately 35% annually, multi-unit starts will account for a larger-than-ever share of the province's total housing market across the decade.
- Most non-residential trades and occupations are experiencing labour market challenges. These conditions will be complicated by cycling projects that peak in 2028.
- Newfoundland and Labrador is anticipated to lose more than one in four construction workers (i.e., 28% of its 2023 labour force) to retirement in the next 10 years.



NEWFOUNDLAND AND LABRADOR CONSTRUCTION OUTLOOK

Although overall construction investment rose in Newfoundland and Labrador in 2023, the gain was driven exclusively by a strong performance in the non-residential sector. This offset a slight contraction in the province's residential sector.

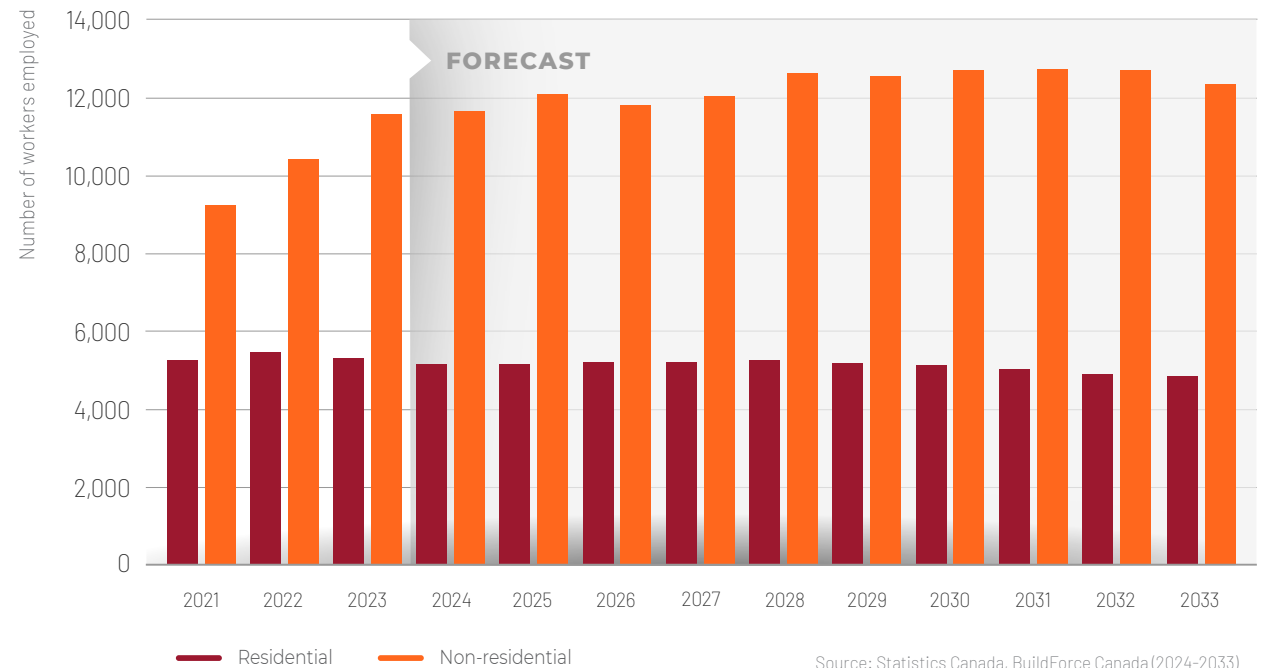
Activity in the non-residential sector has charted a steady upward trend since 2021, on the strength of growth in engineering construction and the construction of industrial, commercial, and institutional buildings. Total non-residential investment grew by 23% in 2022 and by a further 13% in 2023. Activity in the residential sector, in contrast, has been more muted. After recording a gain of 11% in investment in 2022, investment pulled back by 3% in 2023 as housing starts were depressed by rising interest rates.

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

The outlook for the provincial economy sees interest rate pressures and inflation creating a drag on growth. Real GDP rose by 1% in 2023, as these factors weakened consumer spending and eroded housing affordability. Offsetting these trends somewhat was demand created by strong population growth related to elevated numbers of individuals migrating to the province, both from abroad and from elsewhere in Canada. Although consumer spending and non-residential investment are both expected to fall in 2024, Newfoundland and Labrador is expected to see GDP growth rise to 2.7%. This is created by a significant expansion in oil production and strong export growth.

Trends cycle thereafter, with growth rising further into 2025 before cycling down in later years and even contracting in the long term as oil and gas production declines.

Figure 1: Construction employment growth outlook, Newfoundland and Labrador



The outlook for the residential sector calls for relatively muted growth. Investment falls again in 2024 before trending upward through 2028, in line with renewed growth in housing starts and moderate growth in renovation expenditures. Later years, however, see levels slow to near those reported in 2023.

The outlook for the non-residential sector calls for a brief step back in 2024 that is created by the conclusion of several large mining projects and two major hospital projects. That downturn is short lived, however. The sector sees renewed growth through to 2028 created by several major resource projects that are planned and underway. The start of work on the Bay du Nord project in 2028 sustains activity to the end of the forecast period.

These factors combine to elevate non-residential employment to a peak of 10% above 2023 levels by 2031. Residential employment, meanwhile, is largely sustained at 2023 levels until it contracts towards the end of the forecast. When measured against 2023 levels, employment is 9% lower by 2033.

The industry will need to recruit 6,400 workers over the forecast period, driven largely by the expected retirement of 5,900 workers. While the recruiting of first-time new entrants from the local population is expected to partially offset the impact of retirements on the labour force, these new workers do not possess the skills and experience of retiring workers, which may compound potential skilled labour shortages locally.



AN AGING POPULATION SUSTAINED BY IMMIGRATION

Like most provinces, Newfoundland and Labrador is experiencing a shift in its population age structure.

Figure 2 shows that the share of the population that is 65 years and older is expected to rise, with 27% of the province's residents being older than 64 by 2033 – up from 24% in 2023. Meanwhile, the share of younger workers (i.e., those aged 15 to 24) is expected to remain constant at 11% over the same period.

This trend will create challenges regarding future labour force recruitment as the number of workers leaving the labour force exceeds those available to replace them. This will place significant pressure on all industries as the competition for younger workers will intensify.

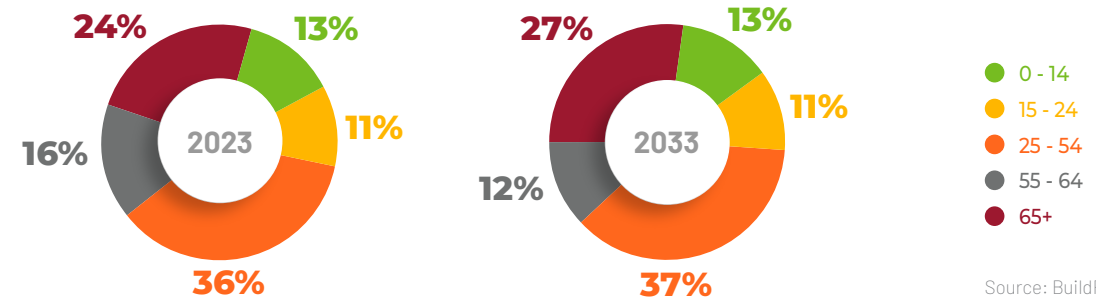
Meanwhile, Newfoundland and Labrador is faced with the additional challenge of an aging population. This problem is common to the Atlantic provinces. Its natural rate of population growth* has been negative since 2012, and is trending lower.

As a result, in-migration has become the sole source of population growth in the province. Levels spiked in 2023 when the province saw a major influx of both permanent and non-permanent residents, as well as continued net positive inflows of interprovincial migration. Many non-permanent residents are students who could choose to obtain permanent residency status after graduation.

Although these rates of growth are unlikely to be sustained, Newfoundland and Labrador will also benefit from the federal government's increased immigration targets for 2024 and 2025. Increasingly, immigrants will be essential to supporting growth in the province's core working-age group of 25- to 54-year-olds, and may, if they choose to establish themselves in the province, help ease labour-market pressures over the decade.

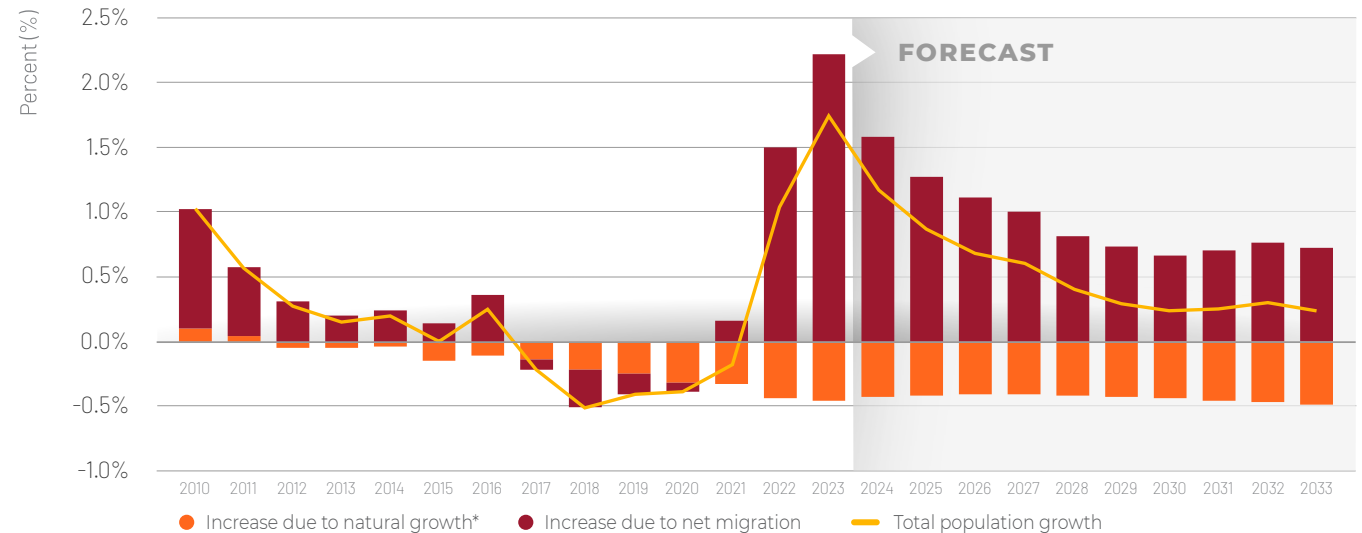
Figure 3 shows the various factors affecting population growth in Newfoundland and Labrador over the forecast period.

Figure 2: Population age distribution, Newfoundland and Labrador



Source: BuildForce Canada

Figure 3: 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 (2024-2033)

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 entrants¹, and net mobility². For Newfoundland and Labrador, rankings are only available for 12 residential and 21 non-residential trades and occupations.

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 forecast period assumes that the construction industry can recruit this group in competition with other industries.

² **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

RESIDENTIAL SECTOR

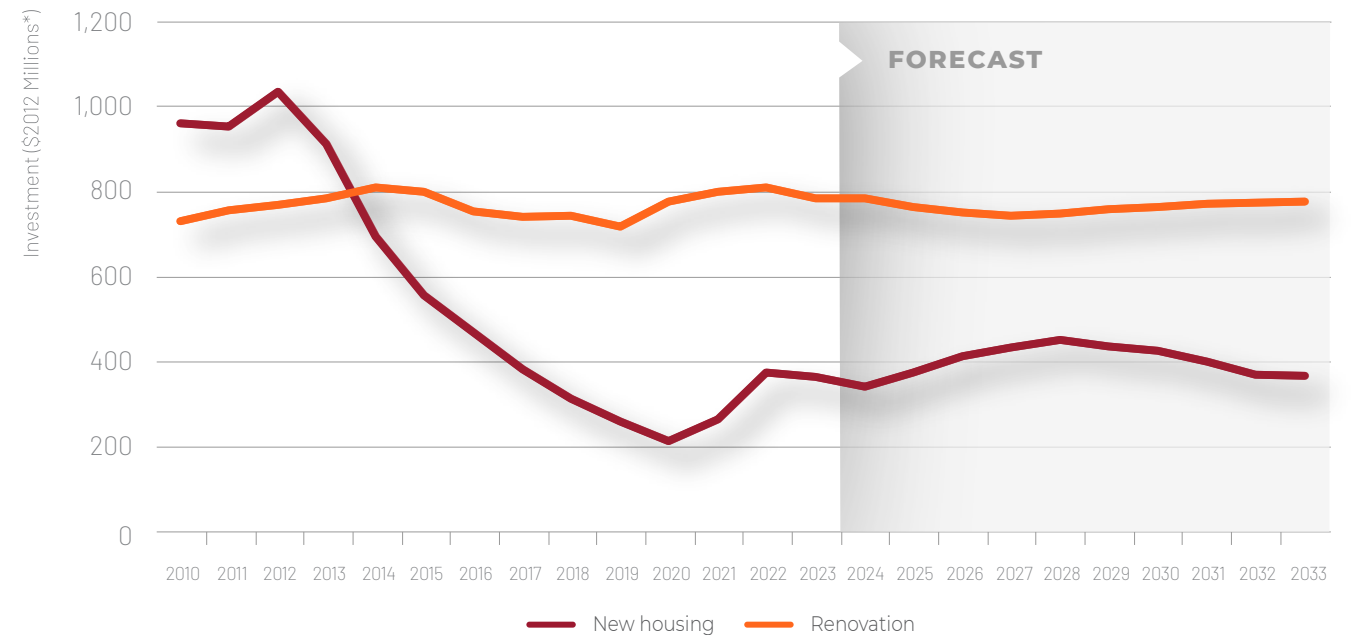
An influx of immigrants to Newfoundland and Labrador in recent years boosted household formation levels to a high in 2023. Although that trend is not expected to be sustained across the forecast period, the province will continue to attract large numbers of immigrants, particularly in the short-term as it benefits from elevated targets described in the federal Immigration Levels Plan.

As Figure 4 shows, this trend, combined with low interest rates, helped to drive housing starts in the province to a five-year high in 2022, with demand elevated in both the single-family and multi-unit housing types. Rising interest rates in the latter half of 2022 curbed that growth in 2023, however.

The outlook for the provincial housing market sees starts remaining relatively unchanged from 2023 levels in 2024. A period of growth follows from 2025 to 2028 as high immigration levels and low rental vacancy rates elevate starts for both types of housing, and for multi-unit builds in particular. Indeed, these unit types account for approximately 35% of housing starts in each year of the forecast period. Later years see new-housing investment levels contract slightly, but remain elevated.

Renovation expenditures, meanwhile, are expected to contract into the medium term, given consumer concerns over interest rates and rising construction costs. Even as interest rates cool in 2025 and beyond, investment levels are not expected to rebound strongly as overall population growth slows across the forecast period. Renovation investment levels end the decade almost unchanged from 2023 levels.

Figure 4: 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 (2024-2033)

Total residential employment is expected to be sustained near current levels through 2028 before cycling down through the end of the decade. By 2033, employment is expected to contract by 9% compared to 2023 levels, with all three components reporting contractions.

Table 1 summarizes the estimated percent change in residential employment by sector across three periods: the short term (2024–2026), the medium term (2027–2029), and the long term (2030–2033).

This analysis presents a business-as-usual scenario. It does not take into account public-sector initiatives to address housing affordability challenges.

Table 1: Changes in residential employment by sector, Newfoundland and Labrador

SECTOR	% CHANGE 2024-2026	% CHANGE 2027-2029	% CHANGE 2030-2033
Total residential employment	-2%	0%	-7%
New housing	10%	3%	-19%
Renovations	-7%	-2%	-1%
Residential maintenance	0%	0%	5%

Source: Statistics Canada, BuildForce Canada (2024-2033)



Residential rankings, risks, and mobility

As Table 2 shows, the province’s residential construction sector enters the forecast period with some trades and occupations reporting strained conditions. Strong years of construction demand between 2020 and 2022 has elevated demand for residential trades. This was the case even as housing starts slowed in 2023.

The outlook for 2024 calls for some easing as housing starts slow, but demand levels remain elevated.

Later years of the forecast call for markets to return to balance in many trades, with demand remaining high for workers in experienced management roles.

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. Establish patterns of recruiting and mobility are sufficient to meet job requirements.
- 4 Workers meeting 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 2: Residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS — RESIDENTIAL	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Carpenters	4	3	3	3	3	3	3	3	3	3	3
Concrete finishers	3	3	3	3	3	3	3	3	3	3	3
Construction managers	4	4	4	4	4	4	3	3	3	3	3
Contractors and supervisors	4	3	3	3	3	3	3	3	3	3	3
Electricians	3	3	3	3	3	3	3	3	3	3	3
Home building and renovation managers	4	4	3	3	3	3	4	3	3	3	3
Painters and decorators (except interior decorators)	3	4	3	3	3	3	3	3	3	3	3
Plasterers, drywall installers and finishers, and lathers	3	4	3	3	3	3	3	3	3	3	3
Plumbers	4	3	3	3	3	3	3	3	3	3	3
Residential and commercial installers and servicers	3	4	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	3

Source: BuildForce Canada

NON-RESIDENTIAL SECTOR

NON-RESIDENTIAL SECTOR

The province's non-residential sector enters the forecast period on an upward trend.

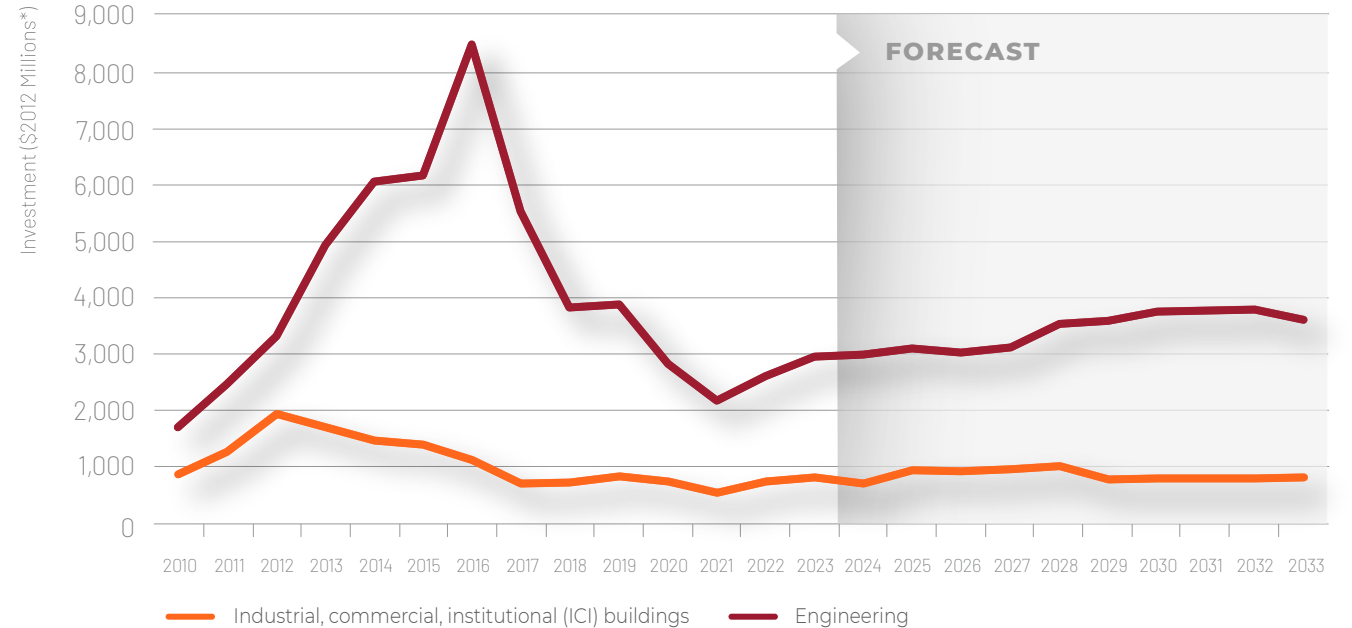
As Figure 5 shows, investment levels have risen steadily since 2021, supported by strong growth in engineering construction and the construction of industrial, commercial, and institutional (ICI) buildings.

Engineering construction has benefitted from work on several major resource projects, including West White Rose, the Marathon Gold Mine, the Hammerdown mine, and wind farm construction. ICI building activity, meanwhile, has been underpinned by strong institutional building activity on such projects as the Corner Brook Acute Care hospital and the Waterford Mental Health Hospital.

The outlook for the non-residential sector sees investment levels decline slightly into 2024 with the conclusion of several of these engineering construction and institutional building projects. Investment levels follow a general upward trend thereafter. Initially, this is driven by the start of work on a major hydrogen ammonia conversion facility in 2025. Investment levels rise again in 2028 and remain elevated to the end of the forecast period based on the revised construction schedule for the Bay du Nord project. Demands in the service sector also help to elevate ICI building construction activity.

Based on currently known demands and project schedules, non-residential construction employment is projected to grow across the forecast period, with ups and downs created by the timing of major projects. By 2033, employment is projected to rise by 7% over 2023 levels. Although ICI-building employment is projected to contract by 4%, this decline should be more than offset by an 11% rise in engineering-related employment. Maintenance employment is largely unchanged.

Figure 5: 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 (2024-2033)

Worth noting is the fact that a long list of potential resource development projects without final investment decisions has not been factored into this analysis. Positive final investment decisions for these projects can significantly impact long-term employment trends, and would add to the industry's need to attract, train and retain new workers.

Table 3 summarizes the estimated percent change in non-residential employment by sector across three periods: the short term (2024–2026), the medium term (2027–2029), and the long term (2030–2033).

“Non-residential construction employment is projected to grow across the forecast period, with ups and downs created by the timing of major projects. By 2033, employment is projected to rise by 7% over 2023 levels.”

Table 3: Changes in non-residential employment by sector, Newfoundland and Labrador

SECTOR	% CHANGE 2024-2026	% CHANGE 2027-2029	% CHANGE 2030-2033
Total non-residential employment	2%	6%	-1%
Industrial buildings	111%	-37%	10%
Commercial and institutional buildings	-28%	11%	3%
Heavy industrial	1%	19%	-4%
Other engineering	0%	-3%	6%
Roads, highways and bridges	15%	-42%	-5%
Non-residential maintenance	0%	1%	0%

Source: Statistics Canada, BuildForce Canada (2024-2033)

Non-residential rankings, risks, and mobility

Table 4 shows the strained conditions experienced by almost all trades and occupations in the province in 2023. Labour markets continue to operate under high levels of demand created by the post-pandemic recovery in the province's commercial and institutional sectors, as well as a rise in heavy-industrial demands tied to the West White Rose project.

Activity increased in 2023 as work at various refinery and mining projects – and at West White Rose – expanded. Industrial, commercial, and institutional building activity also expanded with healthcare projects.

Demand levels are expected to remain the same into 2024, even as projects such as Voisey's Bay conclude. Later years see markets begin return to balance among some trades, while others are pressured by the start of work at a hydrogen development project in 2025 and later Bay du Nord in 2028.

Note that 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 4: Non-residential market rankings, Newfoundland and Labrador

TRADES AND OCCUPATIONS — NON-RESIDENTIAL	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Boilermakers	4	4	4	3	3	3	3	3	3	3	3
Carpenters	4	4	3	3	3	3	3	4	3	3	3
Concrete finishers	3	3	3	3	3	3	3	3	3	3	3
Construction managers	4	4	4	4	4	3	3	3	3	3	3
Construction millwrights and industrial mechanics	4	4	4	3	3	5	4	5	3	3	3
Contractors and supervisors	4	4	4	4	4	4	3	3	3	3	3
Crane operators	5	4	4	3	3	3	3	3	3	3	3
Electrical power line and cable workers	4	4	4	3	3	3	3	3	3	3	3
Electricians	4	4	4	3	3	3	3	3	3	3	3
Heavy equipment operators (except crane)	4	4	4	3	3	3	3	3	3	3	3
Heavy-duty equipment mechanics	4	4	4	3	3	3	3	3	3	3	3

TRADES AND OCCUPATIONS — NON-RESIDENTIAL	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Insulators	4	4	4	3	3	3	3	3	3	3	3
Ironworkers and structural metal fabricators	5	4	3	3	3	5	4	3	3	3	3
Painters and decorators (except interior decorators)	4	3	3	3	3	4	4	3	3	3	3
Plumbers	4	4	4	3	4	4	3	3	3	3	3
Refrigeration and air conditioning mechanics	4	3	3	3	4	4	4	4	3	3	3
Sheet metal workers	4	4	4	3	3	4	3	3	3	3	3
Steamfitters, pipefitters and sprinkler system installers	4	3	3	3	3	4	4	3	3	3	3
Trades helpers and labourers	4	4	3	3	3	3	3	3	3	3	3
Truck drivers	4	4	4	3	3	3	3	3	3	3	3
Welders and related machine operators	4	4	3	3	3	4	4	3	2	3	3

Source: BuildForce Canada

BUILDING A SUSTAINABLE LABOUR FORCE

BUILDING A SUSTAINABLE LABOUR FORCE

The available labour force

Newfoundland and Labrador’s construction industry will need to recruit about 6,400 additional workers over the forecast period to keep pace with labour force growth and replace approximately 5,900 retiring workers, or 28% of the current labour force.

Many of these hiring requirements may be met by an estimated 4,000 first-time new entrants under the age of 30 from the local population, leaving a gap of about 2,400 workers that will need to be recruited from outside the local construction labour force.

Keeping pace with recruitment and training will require a combination of strategies, including maintaining local recruitment and training efforts, particularly from groups traditionally under-represented in the construction labour force, the hiring of workers from other industries with the required skills sets, and the recruitment of immigrants to Canada with skilled trades training and/or construction experience.

Figure 6 provides a summary of the estimated changes in the construction labour force across the forecast period.

Figure 6: 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

Labour Force Diversification

Apprenticeship

Apprenticeship is a key source of labour for the construction industry. New registrations in the province's 11 largest construction trade programs have seen a notable decline from the peak observed in 2013, falling by 60% from 2013 to 2019. This marks a significant contraction compared to trade employment, which saw a 29% decline over the same period. Completions have followed a similar trend, declining by 45% from the peak in 2015 to 2019 (see Figure 7.) Steamfitter/pipefitter, construction electrician, welder, and plumber have seen the most significant declines in program new registrations over the last decade, falling by more than 50%.

Left unchanged, the trend of new registrations declining faster than trade employment poses the risk of having an insufficient number of newly certified journeymen to sustain workforce requirements over the long-term.

New registrations rebounded post-pandemic, returning to pre-pandemic levels in 2022. Completions have been slower to recover, remaining below pre-pandemic levels in 2022.

Figure 7: New apprentice registrations, completions, and trade employment, Newfoundland and Labrador

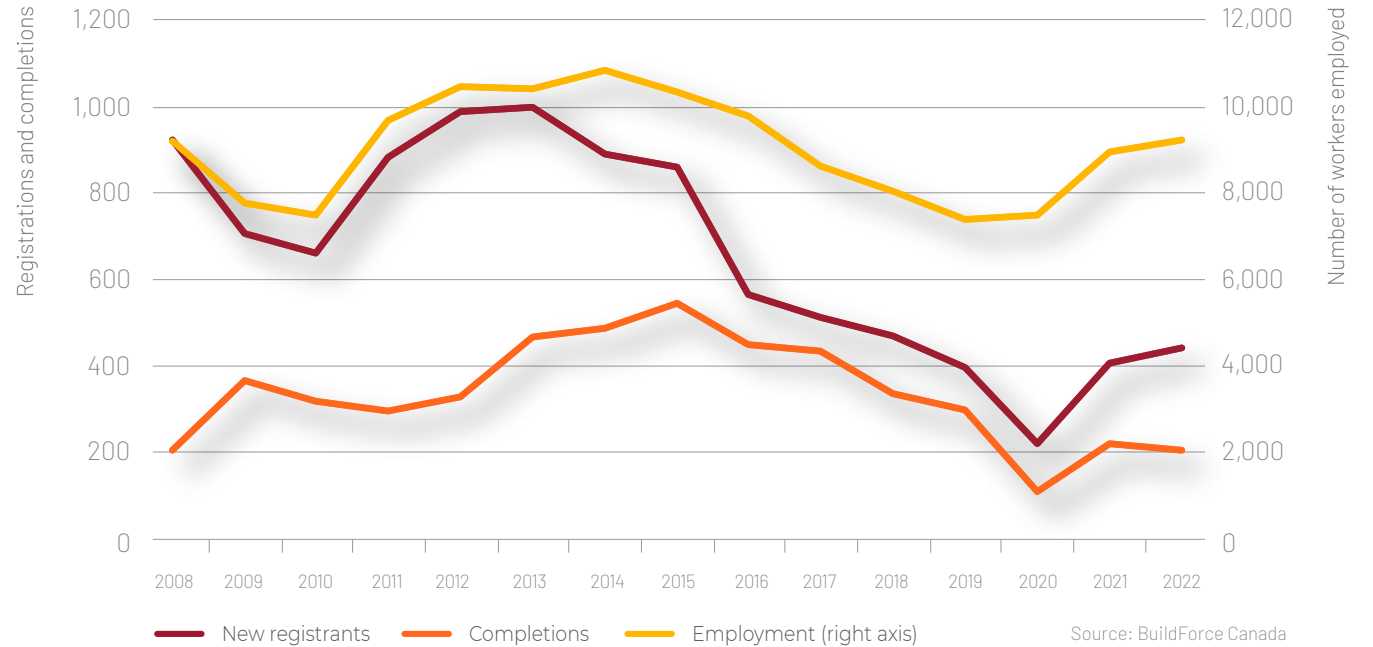


Table 5 provides a trade-by-trade breakdown of the anticipated certification requirements to meet the construction industry's share of employment and replacement demand over the scenario period. Based on projected new registrations, several trades are at risk of undersupplying the number of new journeypersons required by 2033. Trades within this group include mobile crane operator, plumber, steamfitter/pipefitter, ironworker (generalist), construction electrician, welder, and industrial mechanic (millwright).

“New registrations rebounded post-pandemic, returning to pre-pandemic levels in 2022. Completions have been slower to recover, remaining below pre-pandemic levels in 2022.”

Table 5: Estimated construction certification demand and projected completions by trade, Newfoundland and Labrador, 2024 to 2033³

TRADE	Target certification demand — construction	Target new registrants — construction	Apprentice certification supply risk — all industries
Mobile Crane Operator	76	22	●
Plumber	148	44	●
Steamfitter/Pipefitter	118	41	●
Ironworker (Generalist)	46	19	●
Construction Electrician	602	264	●
Welder	109	58	●
Industrial Mechanic (Millwright)	88	63	●
Heavy-Duty Equipment Technician	51	47	●
Powerline Technician	41	40	●
Industrial Electrician	84	178	●
Refrigeration and Air Conditioning Mechanic	18	62	●

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

Source: BuildForce Canada

³ This analysis does not account for an existing skills mismatch at the 2023 starting point.

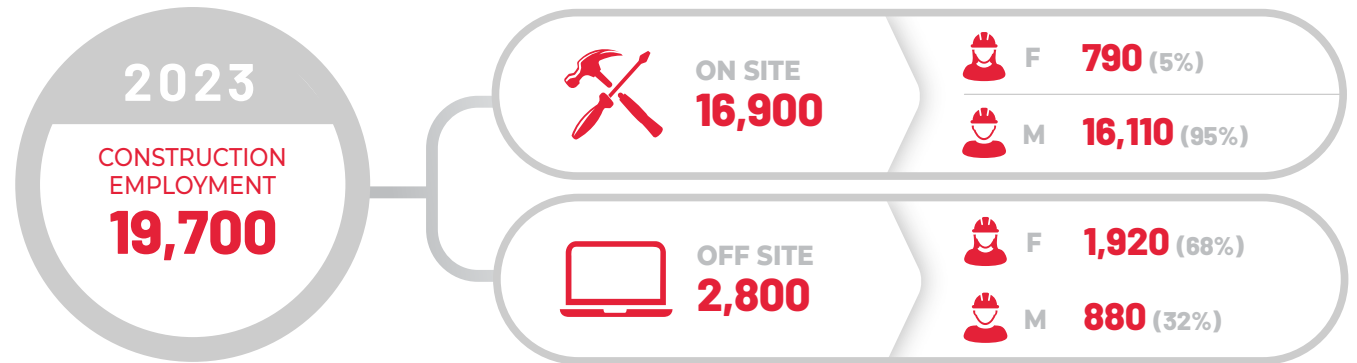
Under-represented groups of workers

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 shift in demographics, the construction industry must diversify its recruitment. In order to succeed, the industry must increase recruitment of individuals from groups traditionally underrepresented in the current construction labour force, including women, Indigenous People, and newcomers.

In 2023, there were approximately 2,710 women employed in Newfoundland and Labrador's construction industry, of which 29% worked on site, directly on construction projects, while the remaining 71% worked off site, primarily in administrative and management-related occupations. Of the 16,900 tradespeople employed in the industry, women made up 5% (see Figure 8).

The estimated 790 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 (5%) in non-residential construction. Across sectors, new housing and industrial, commercial, and institutional building construction have the highest representation of women, accounting for nearly 6% of the workforce (see Figure 9). The top five trades and occupations in which women tend to be employed are electricians (34% of all tradeswomen), trade helpers and labourers (32%), construction managers (11%), carpenters (8%), and contractors and supervisors (6%).

Figure 8: Detailed construction employment by gender, Newfoundland and Labrador, 2023



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

Figure 9: 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 2016 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 people in the construction workforce. In 2021, Indigenous people accounted for approximately 9% of the province's construction labour force, consistent with the levels observed in 2016.⁴ 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 people from 2016 to 2021, the share in the construction industry remained virtually unchanged (see Table 6). 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.

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 rates of population growth, immigrants are the sole source of labour force growth in the province. As of 2022, new Canadians accounted for approximately 6% of Newfoundland and Labrador's overall workforce. The province's share of immigrants is notably below the share in Canada overall (see Figure 10). The construction labour force's share of immigrants was just 1.3% in 2022, which is significantly lower than the share in Canada's construction industry.⁵

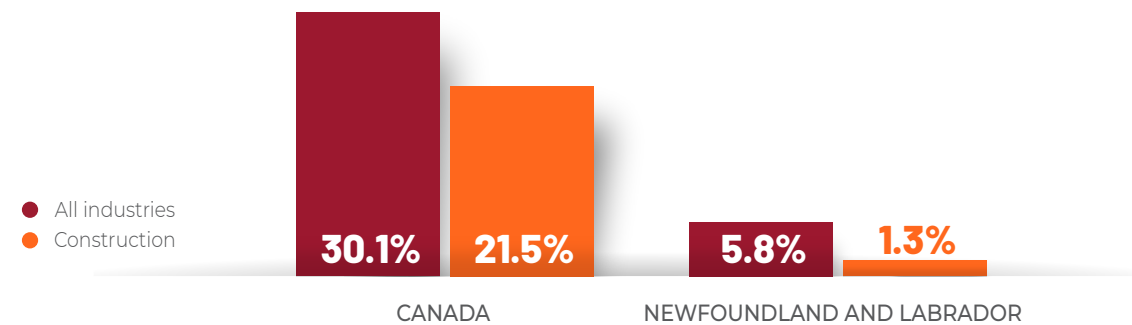
Based on historical settlement trends, the province is expected to welcome more than 51,300 new permanent and non-permanent residents between 2024 and 2033. As these individuals will make up an increasing share of the province's core working-age population, additional recruitment efforts will be required to ensure the construction industry recruits its share of newcomers into the labour force.

Table 6: Representation of Indigenous population in Newfoundland and Labrador's construction workforce

SECTOR	YEAR	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

Figure 10: Share (%) of immigrants in the construction labour force, 2022, Newfoundland and Labrador



Source: Statistics Canada. Table 14-10-0083-01 Labour force characteristics by immigrant status, annual

⁴ Statistics Canada, 2021 Census. Custom Data Request.

⁵ Statistics Canada, Labour Force Survey, Custom Data Request 2022.

CONCLUSIONS AND IMPLICATIONS

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The 2024–2033 *Construction and Maintenance Looking Forward* scenario for Newfoundland and Labrador sees the short-term outlooks for the province’s residential and non-residential construction sectors charting diverging courses.

The residential sector is projected to step back in 2024 as elevated interest rates continue to erode consumer spending. The province also sees a shift in its housing market as multi-family units, and apartment units in particular, account for a greater share of housing starts across the forecast period.

Residential investment levels are projected to return to growth between 2025 and 2028 as interest rate stabilize and incomes adjust. Housing starts moderate thereafter, although they remain elevated to the end of the forecast period. Renovation activity sees only moderate growth across the decade.

The non-residential sector, meanwhile, has experienced strong growth since 2021, driven by both the engineering-construction and industrial, commercial, and institutional (ICI) buildings sectors. The engineering-construction sector has seen growth sustained by mining, wind-farm projects, and the West White Rose project, while the ICI buildings sector has seen work on major hospital projects.

Investment levels will decline slightly into 2024 with the conclusion of some key projects, but cycles up in 2025 with the start of work on a major hydrogen ammonia conversion facility, and again in 2028 with the anticipated start of work on the Bay du Nord project and strong demand across the service sector. They remain elevated to the end of the forecast period.

Labour force renewal will be an ongoing concern as employment expands. As many as 5,900 workers, or 28% of the province’s 2023 labour force, is projected to retire by 2033. Addressing this gap will require a combination of strategies that include enhanced local recruitment and training, including the recruitment of permanent residents and newly arrived immigrants, and promoting career opportunities to workers with comparable skill sets who have been displaced from other industries.

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 population growth and the timing of major projects. Any changes to these assumptions present risks and potentially alter anticipated labour market conditions.



ABOUT THE BUILDFORCE CANADA LABOUR MARKET INFORMATION SYSTEM

BuildForce Canada's labour market information (LMI) system uses the most advanced and detailed industry model available in Canada to produce a forecast scenario that reflects current and future labour demand and supply information for the residential and non-residential construction sectors, by province.

Updated annually, the system is calibrated to the latest information on global, national, and provincial economic conditions derived from various data sources including Statistics Canada, Canadian financial institutions, the World Bank, the International Monetary Fund, the U.S. Energy Information Administration, the Organisation for Economic Co-operation and Development, and federal and provincial budget plans. Key factors driving the outlook scenario include: economic environment measures such as real GDP growth, inflation, interest rates, exchange rates, commodity prices, and international trading partner trends, and population growth and demographic trends.

Unique to the BuildForce system is the integration of a major projects inventory. This is developed in partnership with provincial LMI committees – networks of industry stakeholders that include labour groups, construction associations, owners, and federal/provincial government departments – and identifies key projects that may distort construction investment trends and market conditions.

Information on economics, demographics, and major projects are combined into a dynamic, multi-sector and multi-factor macroeconomic model to generate a 10-year labour market outlook scenario for the residential and non-residential construction sectors in each Canadian province.

The system incorporates coefficients derived from Statistics Canada's input-output tables to determine industry demands and proprietary coefficients developed by BuildForce Canada to translate residential and non-residential investment data into labour demands for the 34 most common on-site trades and occupations in the construction sector. These account for 75% of the total construction labour force.

For labour supply, the system utilizes Statistics Canada's 2021 Census of Population as a starting point. That data is adjusted to reflect current public-policy and demand factors, and is further refined through consultation with the provincial LMI committees to produce measures of provincial economic and population growth, employment growth, retirements, new entrants to the labour force, and interprovincial and international migration patterns.

Provincial residential and non-residential labour market conditions, by trade and occupation, are assessed based on changes in supply and demand and summarized in the form of tables. For each year, conditions are ranked from a low of 1 (in which excess labour supply is apparent, and there is a risk of losing workers to other markets) to a high of 5 (in which there is excess demand, competition is intense, and recruiting extends beyond local labour markets). Ranks are calculated based on annual employment growth, natural or normal unemployment rates, and changes in supply (i.e., retirements, new entrants, and mobility requirements to meet demands).

Rankings for some trades or occupations may be suppressed in some provinces and regions due to the small size of the workforce (i.e., 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 typically do not work in residential construction, nor do homebuilding and renovation managers work in non-residential construction).

Finally, to further improve the robustness of the system, BuildForce Canada's outlook scenario is validated by provincial LMI committees.

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- ➔ Key economic indicators, construction investment and labour market conditions by province and/or sector
- ➔ Macroeconomic and investment data



Timely construction forecast data is available online at [constructionforecasts.ca](https://www.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:



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