# SUMMARY

As was the case in many of the Atlantic provinces, levels of activity across construction sectors in Prince Edward Island recorded mixed results in 2023. While investment in the residential sector stepped down from a peak in 2022, investment in the non-residential sector continued a steady upward climb that began in 2021.
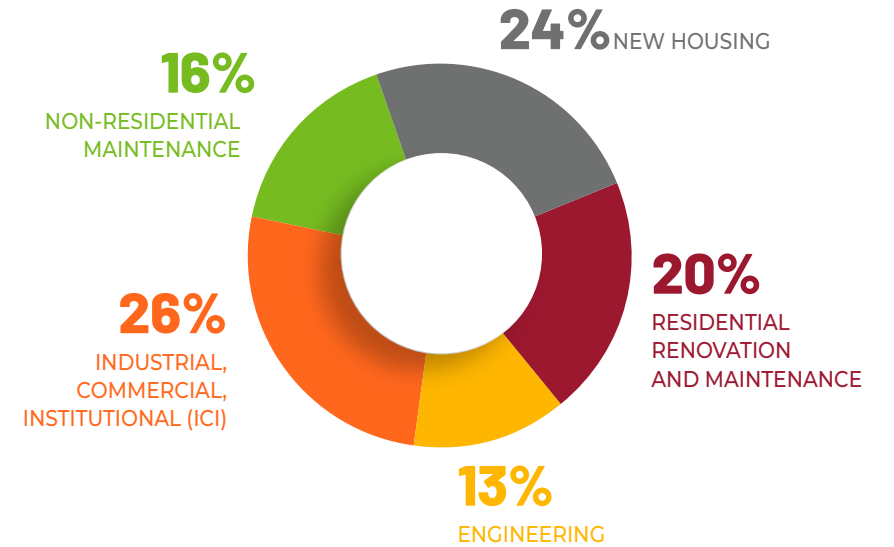
Growth in the non-residential sector has been supported by the provincial government's capital investment plan, several key utility projects, and activity in the construction of industrial, commercial, and institutional (ICI) buildings. These combined to elevate investment levels by 16% in 2023, and employment by 12%.

Residential investment peaked in 2022, but due to rising interest rates toward the end of the year and throughout much of the new year, the sector experienced a slight contraction in new-housing and maintenance activity in 2023.

The short-term outlook calls for growth in both sectors. Housing starts are expected to increase in 2024, and to the end of the decade as interest rates stabilize and as the population grows. Growth in the renovation segment is slightly more delayed, and is not expected to resume until 2025. In line with the timing of current known projects, activity in the non-residential sector is projected to reach a peak in 2024, after which it generally cycles down to 2029 before ending the decade on a modest upward curve. Contractions are caused by the conclusion of several major projects, but should be viewed in context: the peak reported in 2024 is almost 50% higher than previous highs reported in 2020 and 2021. Investment levels end the decade above historical levels.

With an estimated 1,570 workers, or 23% of its 2023 labour force, expected to retire by 2033, the construction industry must remain focused on hiring and training workers.

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, Prince Edward Island**



**24%** NEW HOUSING

**16%** NON-RESIDENTIAL MAINTENANCE

**20%** RESIDENTIAL RENOVATION AND MAINTENANCE

**26%** INDUSTRIAL, COMMERCIAL, INSTITUTIONAL (ICI)

**13%** ENGINEERING

**10-Year Workforce Outlook for Prince Edward Island**



**1,570** RETIREMENTS

**1,440** NEW ENTRANTS

**-70 (-1.1%)** EMPLOYMENT CHANGE

JOB — AVERAGE UNEMPLOYMENT RATE **9.0%**

# HIGHLIGHTS

- Non-residential employment reached a peak of more than 3,600 workers in 2023, and is expected to remain elevated for 2024 before receding through to 2029 as current known projects wind down.

- Labour market conditions are considerably strained in the non-residential sector in 2023 and 2024, but return to mostly balanced levels thereafter.

- Residential employment is expected to grow almost continuously across the forecast period.

- Single-detached housing starts are expected to increase by more than 50% to 2032.

- Labour market pressures are such that Prince Edward Island faces a hiring gap of 110 workers by 2033.

# PRINCE EDWARD ISLAND CONSTRUCTION OUTLOOK

Prince Edward Island's economy has rebounded solidly from the effects of the COVID-19 pandemic in 2020. A record rate of population growth, spurred by immigration, has played a key role. This has helped to offset the effects of rising interest rates on key metrics such as consumer spending and residential construction.

PEI reported annual GDP growth rates of 2.9% in each of 2022 and 2023. That rate is expected to slow to 1.6% for 2024 as interest rate increases continue to create a drag on consumer spending and private investment. The outlook for 2025 calls for a further reduction in output as a series of major private-sector projects are completed, and as the provincial government's capital plan winds down. Later years see the economy growing at around 2% annually. That figure is in line with growth in the global economy, but is modest by recent levels.

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

The outlook for the provincial construction sector calls for investment levels to grow in both the residential and non-residential segments in 2024. Thereafter, they diverge. The residential sector is forecast to chart a steady upward growth trend to the end of the forecast period, as interest rate increases subside, wages and incomes adjust to inflation, and strong population growth renews demand for new housing and renovation activity.

Across the forecast, investment in the non-residential sector, meanwhile, is projected to follow a general downward trend between 2025 and 2030. Based on currently known major projects, investment peaks in 2024 with sustained high levels of activity in engineering construction and the construction of industrial, commercial, and institutional (ICI) buildings. Both segments generally trend downward after this point. Engineering-construction investment levels are projected to

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



Source: Statistics Canada, BuildForce Canada (2024-2033)
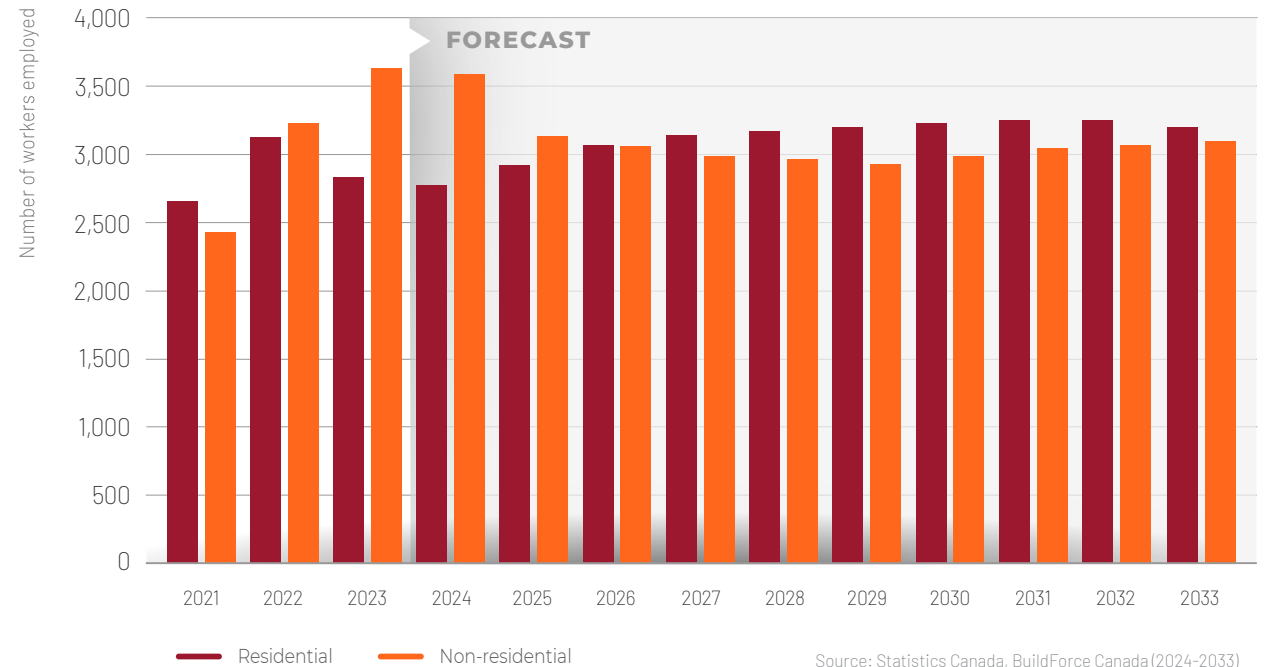
fluctuate with the start and completion of major wind farm projects in 2024 and 2027, and strong activity in roads, highways, and bridges, while ICI building construction cycles down as current major projects approach conclusion.

As a result of these trends, overall construction employment in Prince Edward Island is projected to contract slightly across the forecast period. Residential employment is projected to increase by 13% above 2023 levels by 2033, with gains reported in new-housing construction and renovations. These, however, are insufficient to offset a loss of 15% in non-residential employment that recedes from the historic highs of 2023.

The industry will need to recruit 110 workers over the forecast period, driven largely by the expected retirement of 1,570 workers and a small projected contraction in the overall labour force. 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.

*"The industry will need to recruit 110 workers over the forecast period, driven largely by the expected retirement of 1,570 workers and a small projected contraction in the overall labour force."*

## AN AGING POPULATION SUSTAINED BY IMMIGRATION

Prince Edward Island is experiencing a shift in its population age structure.

Figure 2 shows that the share of people aged 15 to 24 years of age and who are about to enter the province's labour force comprised 14% of the population in 2023. That figure is projected to contract to 12% by 2033. Over the same period, however, the share of the population over age 65 and mainly retired is projected to grow from 20% to 21%.

This trend will create challenges regarding future labour force recruitment. All industries will be competing for a relatively smaller pool of youth over the next 10 years.
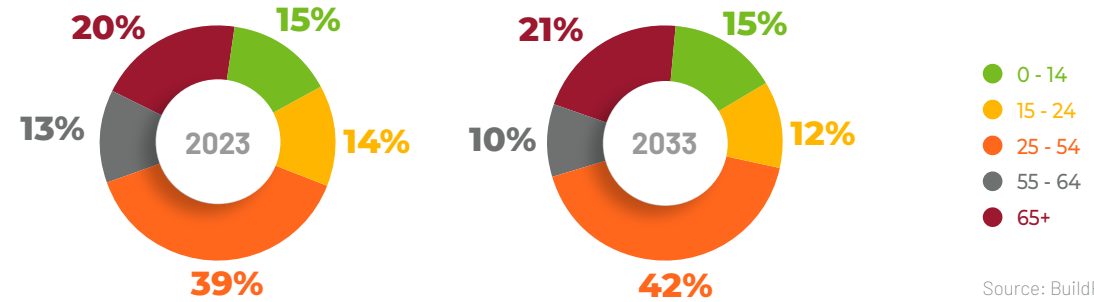
Due to immigration, PEI's population is now generally younger than the national average, which is contributing to a positive natural rate of population growth*.

The population increased significantly in 2023 with an unexpected surge in the number of permanent and non-permanent residents. Many of these people are international students that may seek to obtain permanent residence status after graduation.

Although these levels are unlikely to be sustained, the province will benefit from the newly expanded federal Immigration Levels Plan through 2025. Moreover, with many of these immigrants coming to Prince Edward Island in their prime child-bearing years, upward growth in the province's rate of natural population growth is expected throughout the forecast period. They will also be essential to supporting growth in the province's core working-age group of 25 to 54 years of age, and may help to ease labour-market pressures over the decade.

Figure 3 shows the various factors affecting population growth in PEI over the forecast period.

**Figure 2: Population age distribution, Prince Edward Island**



2023: 15% (0-14), 14% (15-24), 39% (25-54), 13% (55-64), 20% (65+)

2033: 15% (0-14), 12% (15-24), 42% (25-54), 10% (55-64), 21% (65+)

Legend:
- 0 - 14
- 15 - 24
- 25 - 54
- 55 - 64
- 65+

Source: BuildForce Canada

**Figure 3: Sources of population growth (%), Prince Edward Island**



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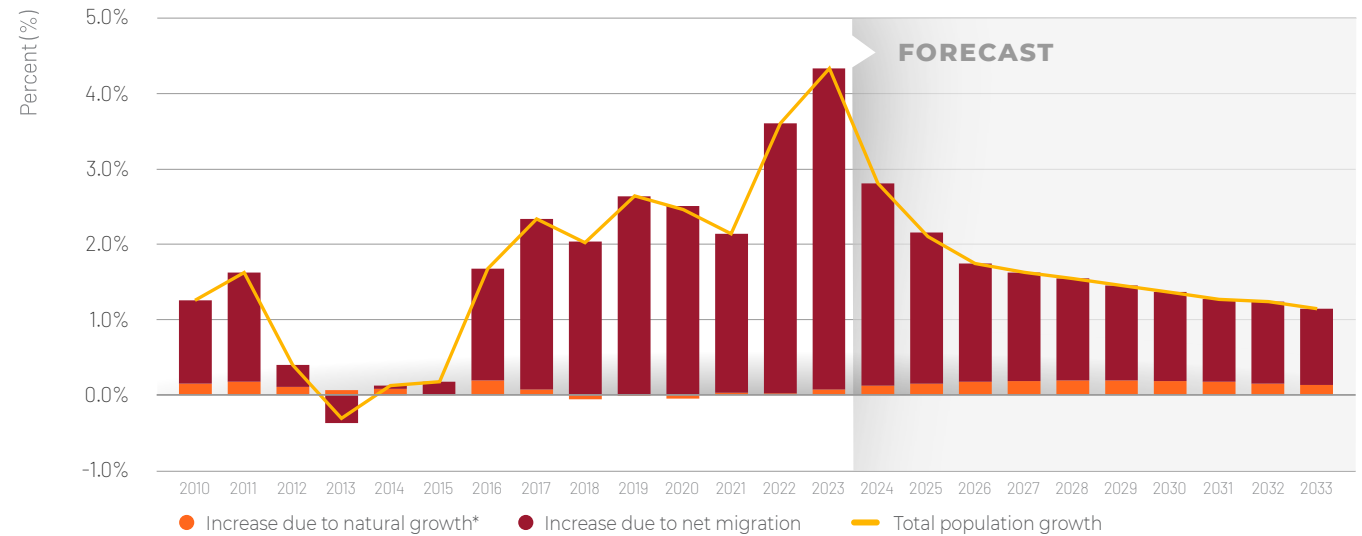
* Natural rate of population growth refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

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 entrants[1], and net mobility[2]. For Prince Edward Island, rankings are reported for 10 residential and 10 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

Household formation levels have charted a strong upward trend in Prince Edward Island in part due to the province's relatively low cost of living compared to other regions of the country.

As Figure 4 shows, the influx of arrivals from elsewhere in Canada and abroad helped to elevate housing starts to a peak of 1,500 units in 2019. That figure is more than double the level reported as recently as 2016. New housing investment levels responded accordingly.

Although they have subsided since, new-home construction levels have remained elevated at more than 1,000 units in each year through 2023. The most recent increase in household formation recorded in 2022 and 2023 helped return new-housing construction levels to growth and sustain them at elevated levels of more than 1,300 units annually for most of the forecast period. Much of this growth occurs in the single-family home component, where starts are projected to increase in every year to 2032. Multi-unit starts are expected to see more fluctuation across the forecast period, with demand driven by low rental vacancy rates, high demand from newcomers, and the comparative affordability of these unit types.

The renovation investment outlook, meanwhile, is projected to remain mostly unchanged in 2024 before following a modest upward trend in 2025 and beyond.

**Figure 4: Residential construction investment, Prince Edward Island**
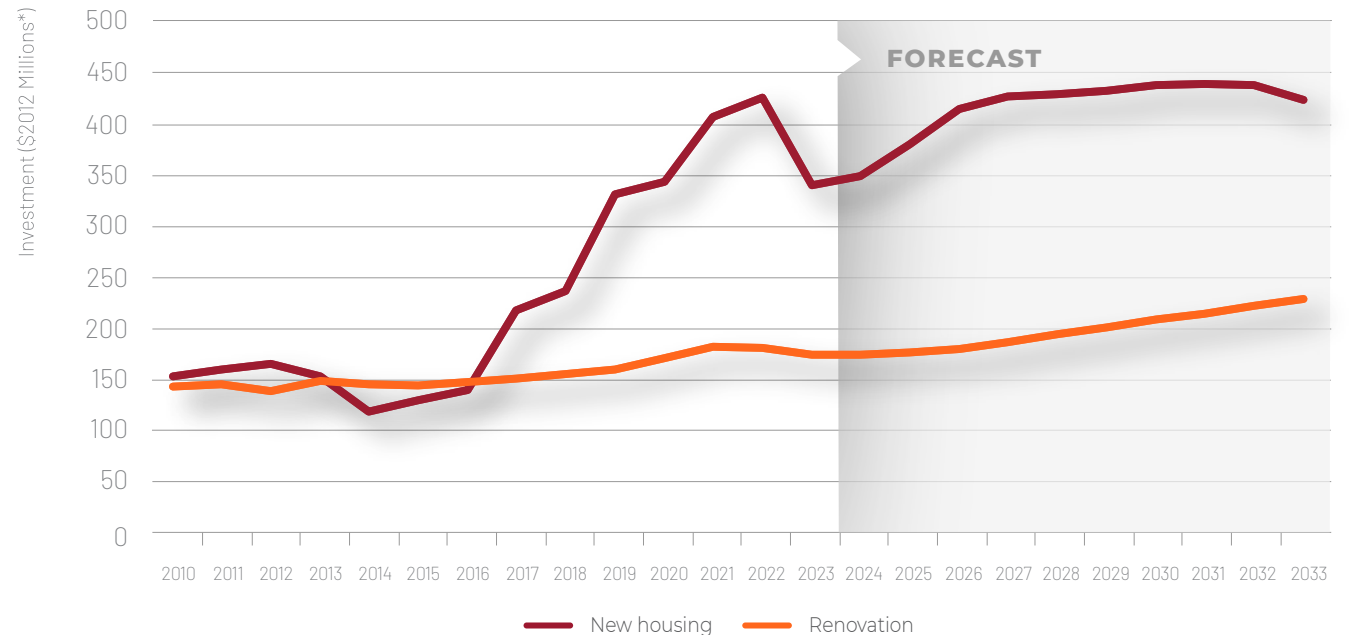


* $2012 millions indicates that the investment values are in year 2012 dollars (base year), that is, adjusted for inflation. This is used to calculate the real physical year-to-year change of the value of construction, factoring out growth (increase in value) due to increases in prices.

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

Employment in PEI's residential sector is projected to increase continuously through to 2032, reaching 15% above 2023 levels, before experiencing a slight contraction in 2033. The principal driver of employment growth is new-housing construction, which increases by 18% from 2023 levels by the end of the decade. Renovation employment also rises – by 21% — while maintenance employment, which was elevated at the outset of the forecast period due to demand created by Hurricane Fiona, is projected to return to historically normal levels by 2026.

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, Prince Edward Island**

| SECTOR | % CHANGE 2024-2026 | % CHANGE 2027-2029 | % CHANGE 2030-2033 |
|---|---|---|---|
| **Total residential employment** | **8%** | **4%** | **0%** |
| New housing | 24% | 1% | -6% |
| Renovations | 2% | 9% | 9% |
| Residential maintenance | -27% | 8% | 9% |

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

# Residential rankings, risks, and mobility

Table 2 shows tightness in the markets for several occupations and trades in the provincial residential-construction segment in 2023. These are driven by peak levels of demand reported in 2022.

Although labour market conditions are expected to return to balance in 2024, this trend may be brief.

Demand for new-housing construction is projected to return to growth in 2025 and 2026, creating new pressures on key trades and occupations.

Later forecast years see the pace of growth moderate, and labour market conditions return to balance.

## 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 availablility 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 complete to attact 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 attact additional workers. Recruting 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, Prince Edward Island**

| TRADES AND OCCUPATIONS — RESIDENTIAL | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Carpenters | 3 | 3 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |
| Construction managers | 3 | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Contractors and supervisors | 4 | 3 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Electricians | 3 | 3 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |
| Home building and renovation managers | 4 | 3 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Painters and decorators (except interior decorators) | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Plasterers, drywall installers and finishers, and lathers | 4 | 3 | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Plumbers | 4 | 3 | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Residential and commercial installers and servicers | 4 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Trades helpers and labourers | 3 | 3 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |

Source: BuildForce Canada

# NON-RESIDENTIAL SECTOR

# NON-RESIDENTIAL SECTOR

The province's non-residential sector enters the forecast period on a strong upward curve that has largely been sustained since 2015.

In line with the timing of current known projects, Figure 5 shows strong growth patterns across Prince Edward Island's engineering-construction and industrial, commercial, and institutional (ICI) building construction segments. Investment levels peak in 2024 and recede thereafter to more modest levels over the forecast period.

On the engineering-construction side, demand has been elevated in recent years by the provincial government's capital spending plan and heightened activity on major utility projects and on historic levels of investment in roads, highways, and bridges. On the ICI buildings side, meanwhile, activity has soared in among institutional and government buildings, driven by the Hillsborough Mental Health Campus and other healthcare projects.

Both segments are projected to reach peaks in 2024, after which investment recedes as current projects wind down to 2030. Engineering construction investment levels contract with the winding down of currently known projects within the provincial roads program. This decline is offset slightly by the start of work on several solar, wind farm, and transmission projects in 2027, as well as improvements to the Charlottetown Airport.

**Figure 5: Non-residential construction investment, Prince Edward Island**
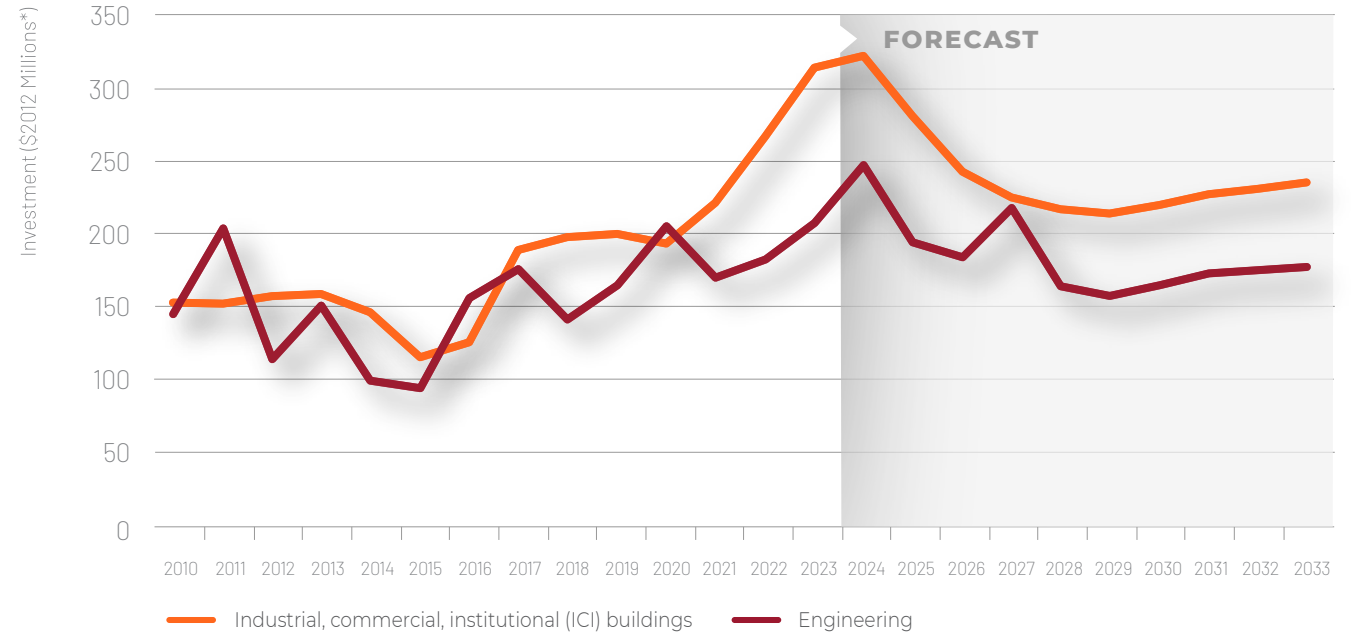


* $2012 millions indicates that the investment values are in year 2012 dollars (base year), that is, adjusted for inflation. This is used to calculate the real physical year-to-year change of the value of construction, factoring out growth (increase in value) due to increases in prices.

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

ICI building investment is expected to recede with the conclusion of key healthcare, education, and public-administration projects. Industrial- and commercial-building investment levels remain moderately unchanged across the forecast period.

Non-residential construction employment is projected to contract to the end of the decade, receding by 21% from the very high levels seen in 2023. All sectors are projected to see employment contractions, with maintenance reporting a drop of 30%, engineering construction reporting a drop of 17%, and ICI buildings contracting by 5%.

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). (Note that the change in employment seen between 2024 and 2026 reflects a decline from the peak investment levels achieved in 2023.)

*"Non-residential construction employment is projected to contract to the end of the decade, receding by 21% from the very high levels seen in 2023."*

**Table 3: Changes in non-residential employment by sector, Prince Edward Island**

| SECTOR | % CHANGE 2024-2026 | % CHANGE 2027-2029 | % CHANGE 2030-2033 |
|---|---|---|---|
| **Total non-residential employment** | **-16%** | **-4%** | **6%** |
| Industrial buildings | -15% | 6% | 6% |
| Commercial and institutional buildings | -6% | -6% | 8% |
| Heavy industrial | 15% | 16% | 6% |
| Other engineering | 6% | 0% | 5% |
| Roads, highways and bridges | -28% | -31% | 11% |
| Non-residential maintenance | -31% | 1% | 1% |

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

# Non-residential rankings, risks, and mobility

As Table 4 shows, Prince Edward Island's non-residential labour markets enter the forecast period under strained conditions.

Elevated levels of demand related to the construction of industrial, commercial, and institutional buildings and engineering construction have created considerable market tightness among several trades and occupations.

Recruiting challenges are mostly sustained into 2024 before market conditions return to more balanced conditions in 2025 as major institutional and government building projects start to wind down. Some trades and occupations may even report brief periods of surplus workers related to frictional unemployment as projects end.

However, over the longer term, if the industry struggles to keep pace with bringing in additional workers to build new capacity and replace retiring workers, the province could see tighter conditions sustained beyond 2024.

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, Prince Edward Island**

| TRADES AND OCCUPATIONS — NON-RESIDENTIAL | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Carpenters | 5 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Construction managers | 4 | 4 | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| Contractors and supervisors | 5 | 4 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 3 |
| Electrical power line and cable workers | 5 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Electricians | 4 | 4 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Heavy equipment operators (except crane) | 4 | 4 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 |
| Plumbers | 4 | 4 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 | 2 |
| Refrigeration and air conditioning mechanics | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 |
| Trades helpers and labourers | 4 | 3 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Truck drivers | 4 | 3 | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 |

Source: BuildForce Canada

# BUILDING A SUSTAINABLE LABOUR FORCE

# BUILDING A SUSTAINABLE LABOUR FORCE

## The available labour force

Despite a younger population, Prince Edward Island's construction industry will need to recruit about 1,570 additional workers, or 23% of the current labour force, that are expected to retire over the forecast period.

Many of these hiring requirements may be met by an estimated 1,440 first-time new entrants under the age of 30 from the local population, leaving a gap of about 110 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, Prince Edward Island**



2023
**6,970** LABOUR FORCE

**−20** WORKERS

2033
**6,950** LABOUR FORCE

HIRING NEEDS
WORKERS
**−20**

HIRING NEEDS
RETIREMENTS
**+1,570**

OFFSET BY
NEW ENTRANTS
**−1,440**

NET MOBILITY*
**110**

* **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 apprentice registrations in the seven 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. In 2022, new registrations rose to a record level, driven by increased apprentice intake in construction electrician and powerline technician programs. See Figure 7.

*"In 2022, new registrations rose to a record level, driven by increased apprentice intake in construction electrician and powerline technician programs."*

**Figure 7: New apprentice registrations, completions, and trade employment, Prince Edward Island**



New registrants — Completions — Employment (right axis)
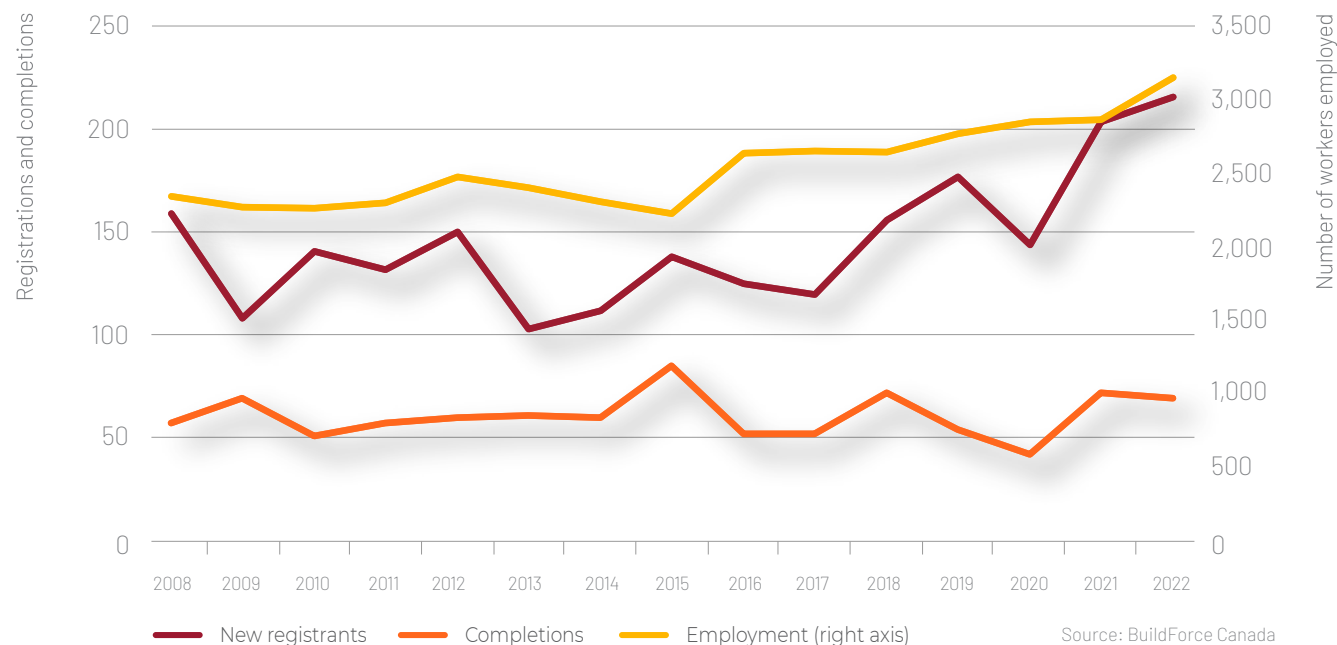
Source: BuildForce Canada

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 the current pace of new registrations, the number of newly certified journeypersons is projected to keep pace with demand requirements over the outlook period. However, any significant increases in construction activity or decline in program completion rate may put carpenter and welder trades at risk of undersupplying the number of new journeypersons required by 2033.

*"The number of newly certified journeypersons is projected to keep pace with demand requirements over the outlook period."*

**Table 5: Estimated construction certification demand and projected completions by trade, Prince Edward Island, 2024 to 2033[3]**

| TRADE | Target certification demand — construction | Target new registrants — construction | Apprentice certification supply risk — all industries |
|---|---|---|---|
| Welder | 7 | 7 | 🟡 |
| Carpenter | 244 | 252 | 🟡 |
| Industrial Electrician | 11 | 21 | 🟢 |
| Plumber | 90 | 205 | 🟢 |
| Construction Electrician | 48 | 208 | 🟢 |
| Refrigeration and Air Conditioning Mechanic | 0 | 51 | 🟢 |
| Powerline Technician | -49 | 212 | 🟢 |

🔴 Certifications required exceed projected completions
🟡 Certifications required in line with projected completions
🟢 Projected completions exceed certifications required

Source: BuildForce Canada

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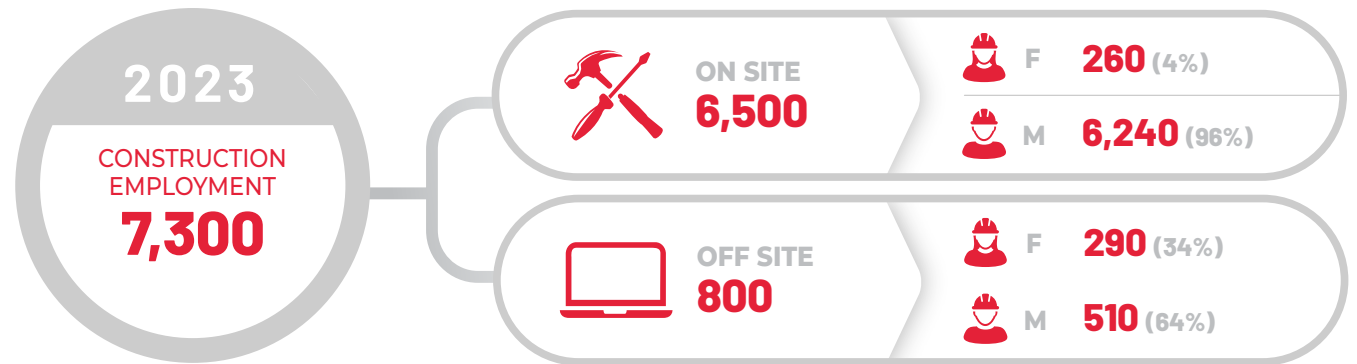[3] This analysis does not account for an existing skills mismatch at the 2023 starting point.

## 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 550 women employed in Prince Edward Island's construction industry, of which 48% worked on site, directly on construction projects, while the remaining 52% worked off site, primarily in administrative and management-related occupations. Of the 6,500 tradespeople employed in the industry, women made up 4% (see Figure 8).
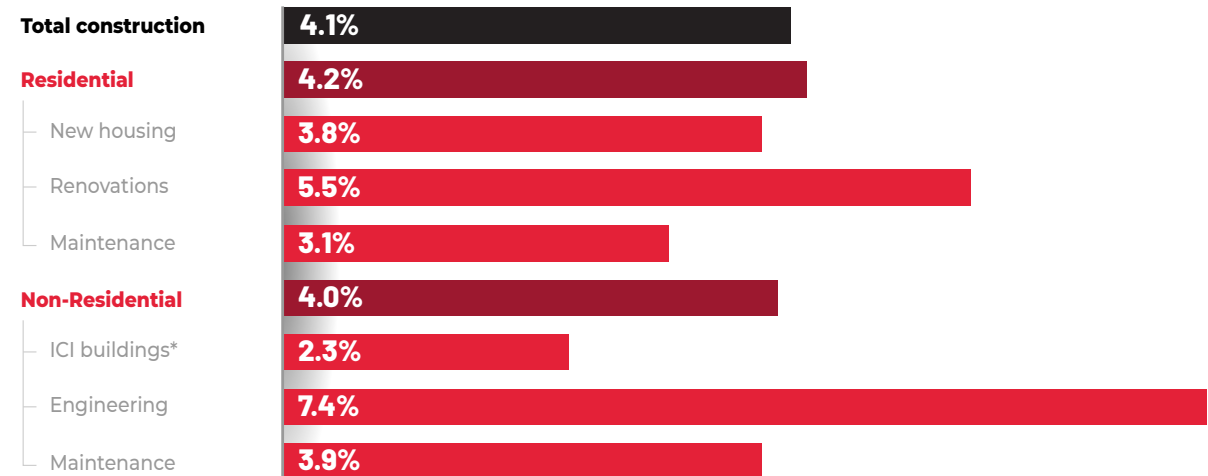
The estimated 260 tradeswomen in Prince Edward Island are represented across all sectors of construction, with a relatively equal share of women in both residential (4.2%) and non-residential (4.0%) construction. Across sectors, engineering construction has the highest representation of women, accounting for 7.4% of the workforce (see Figure 9). The top five trades and occupations in which women tend to be employed are trade helpers and labourers (48% of all tradeswomen), contractors and supervisors (18%), carpenters (16%), home and building renovation managers (10%), and painters and decorators (6%).

**Figure 8: Detailed construction employment by gender, Prince Edward Island, 2023**



**2023**
CONSTRUCTION EMPLOYMENT
**7,300**

ON SITE **6,500**
F **260** (4%)
M **6,240** (96%)

OFF SITE **800**
F **290** (34%)
M **510** (64%)

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), Prince Edward Island**



| | |
|---|---|
| Total construction | 4.1% |
| Residential | 4.2% |
| New housing | 3.8% |
| Renovations | 5.5% |
| Maintenance | 3.1% |
| Non-Residential | 4.0% |
| ICI buildings* | 2.3% |
| Engineering | 7.4% |
| Maintenance | 3.9% |

*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 Prince Edward Island's construction industry. In 2021, Indigenous People accounted for approximately 3% of the province's construction labour force, which is more than double the share observed in 2016.[4] This share is higher than the share of Indigenous People represented in the overall labour force (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.

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 rates of population growth, immigrants are the primary source of labour force growth in the province. Immigrants have played an increasingly important role in replenishing the workforce, with the share of immigrants in the workforce more than doubling in the past decade, increasing from 4% in 2012 to 10% in 2022. 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 10). The construction's labour force share of immigrants was just 4% in 2022, compared to 10% across all industries.[5]

Based on historical settlement patterns, the province is expected to welcome more than 29,000 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.

[4] Statistics Canada, 2021 Census. Custom Data Request.
[5] Statistics Canada, Labour Force Survey, Custom Data Request 2022.

**Table 6: Representation of Indigenous population in Prince Edward Island's construction workforce**

| SECTOR | YEAR | 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

**Figure 10: Share (%) of immigrants in the construction labour force, 2022, Prince Edward Island**



- All industries
- Construction

| CANADA | | PRINCE EDWARD ISLAND | |
|---|---|---|---|
| 26.8% | 19.4% | 10.2% | 3.9% |
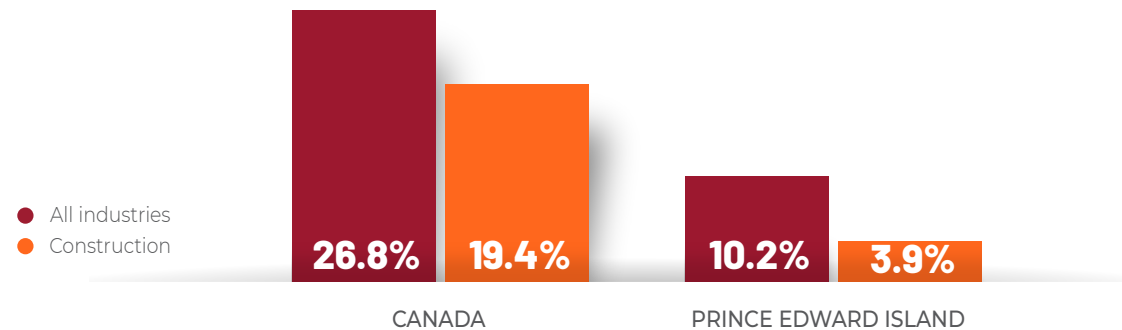
Source: Statistics Canada. Table 14-10-0083-01 Labour force characteristics by immigrant status, annual

# CONCLUSIONS AND IMPLICATIONS

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The *2024–2033 Construction and Maintenance Looking Forward* scenario for Prince Edward Island sees the province's residential and non-residential construction segments charting diverting courses.

Non-residential construction investment levels are poised to peak in 2024 as a multitude of projects across the engineering-construction and industrial, commercial, and institutional building construction segments reach peak activity. These include works across roads, highways, and bridges, in the utilities sector, and on major healthcare, educational, and public-administration projects. Investment levels contract as these projects conclude, with a brief uptick created by the start of a wind farm project in 2027. Increased investment later in the period is supported by overall economic and population growth.

Investment in the residential sector in 2023, meanwhile, stepped down from the peak level reported in 2022. Strong in-migration numbers, driven by emigration from abroad and from other provinces, helped to bolster the local new-housing construction market in particular. These fundamentals helped offset some of the detrimental effects of rising interest rates seen in the latter half of 2022 and throughout 2023. The sector is projected to return to growth in 2024 and into the 2030s, sustained by strong growth for new housing, and single-detached homes in particular, and for renovation activity.

Amid these trends, the provincial construction sector will have to contend with the impacts of and aging workforce. As many as 1,570 workers, or 23% of the current labour force, are expected to retire by 2033. Addressing this gap will require a combination of strategies that include enhanced local recruitment and training, including 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.