Over the coming decade, British Columbia is projected to lead construction growth in Canada, requiring thousands of additional workers, while Ontario continues to grapple with record levels of construction activity and recruiting challenges; demands plateau or recede in most other provinces. Nationally, growth was held back by a recoil in housing construction in many provinces in 2018 (which rose sharply in 2017) and the completion of major resource development megaprojects in Alberta and Newfoundland and Labrador.

The 2019–2028 outlook scenario projects construction employment in Canada will strengthen modestly through 2020, as demands driven by major energy, public transportation, and other infrastructure projects rise to a near-term peak, offsetting a continued softening in housing starts. For the first time since 2009, employment demand is projected to ebb after 2021, once peak project requirements are met. A period of moderate growth is expected to follow in most provinces over the latter half of the scenario period.

Although construction industry employment in Canada is little changed across the 10-year outlook, rising a mere 4% and remaining near 1.4 million workers, there are divergences between individual provinces. Manitoba and most Atlantic provinces, with the exception of Prince Edward Island, are likely to see demands weaken and remain at lower levels of employment across the decade, most notably in Newfoundland and Labrador as several projects there end. Alberta and Saskatchewan are expected to see modest declines, but recover over the longer term due to younger populations and the proposed start of new projects. At the same time, demands in Ontario and Quebec are sustained at recent peak levels by major project requirements, while British Columbia is poised to surge, propelled by the start of a liquefied natural gas (LNG) terminal, and transportation and infrastructure construction.

Slower population growth limits construction expansion nationally over the latter half of the decade, but hiring requirements of more than 300,000 workers are driven primarily by the expected retirement of 260,100 workers over the next 10 years.

**10-YEAR WORKFORCE OUTLOOK FOR CANADA**

- **261,100 RETIREMENTS**
- **221,300 NEW ENTRANTS**
- **44,100 (4.0%) EMPLOYMENT CHANGE**

**HIGHLIGHTS**

- Construction activity is expected to plateau after 2020 following two decades of almost uninterrupted growth. Employment is projected to ebb after 2021 for the first time since 2009.
- Maintenance work (heavy industrial and non-residential buildings) labour demands are expected to rise by 16%, adding 18,400 jobs over the next decade.
- Recovery in the manufacturing sector and rising demands related to retail and wholesale trade and warehousing drive a 25% increase in industrial building investment between 2019 and 2028, adding 6,400 jobs.
- Housing starts are expected to decline between 2019 and 2023 due to slowing population growth, but steadily increasing demand for renovation and maintenance work helps to offset employment declines in new homebuilding.
- Even as growth slows, the construction industry will need to recruit, train, and retain an estimated 300,000 new workers over the next decade. Hiring needs will be driven predominantly by the expected retirement of more than 261,100 construction workers, or 22% of the current labour force.

**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.
NATIONAL CONSTRUCTION OUTLOOK

Continuing two decades of almost uninterrupted growth, construction employment is projected to be sustained at a record high level to 2020, led by non-residential demands that offset an expected down-cycle in new homebuilding.

Non-residential employment demands are modestly lower after 2021 due to the peaking and completion of various major energy, public transportation, and other infrastructure projects, including several light rail transit (LRT) projects. Employment is sustained at high levels by major nuclear refurbishment work in Ontario, rising maintenance activity, and infrastructure renewal. Expected growth in Canada’s retail and wholesale trade and warehousing sector and continued strengthening of manufacturing boosts the construction of industrial buildings, while immigration-driven population growth maintains upward pressure on commercial and institutional construction across the next decade.

Declines in the single-family low-rise residential market are projected to extend through 2023, before population growth spurs further expansion in most provinces later in the scenario period. Anticipated slowing in new homebuilding, which reached peak levels across Canada in 2017, is attributed to slowing population growth and affordability challenges caused by rapid appreciation of housing prices and the implementation of new mortgage rules and taxes to slow housing starts in some provinces.

Despite slowing residential construction, coinciding major project requirements in the non-residential sector are expected to create labour market challenges in multiple markets across Canada between 2019 and 2021:

- Over the next three years, British Columbia will remain one of the fastest-growing construction markets in the country, driven by the start of several public transportation projects, pipelines, and the recently announced LNG project and related pipeline infrastructure. The stacking of demands is expected to increase non-residential employment by close to 13,000 jobs (+18%) between 2019 and 2021.
- Ontario is projected to need an additional 14,200 workers over the next three years to meet rising non-residential employment requirements driven by major public transportation projects, including multiple LRT projects, overlapping demands from two major nuclear refurbishment projects, and other infrastructure-related demands.
- While Prince Edward Island is a relatively small construction market, it is already grappling with skilled labour challenges and is bracing for a busier construction season across all markets in 2019.
- Although market conditions are more balanced in Quebec, growth in new homebuilding is expected to carry into 2019. Additionally, the start of new major transit projects in the province, on top of ongoing major road, bridge, and hydro projects, is projected to increase engineering construction employment requirements by 2,000 jobs to a peak in 2020.

Meeting the anticipated peak employment demands in British Columbia and Ontario will likely require significant levels of interprovincial mobility, which may be a challenge. Potential recruitment opportunities may exist in the resource-driven markets of Alberta, Saskatchewan, and Newfoundland and Labrador, where demands continue to recede, but the majority of declines there have already occurred – except in Newfoundland and Labrador, where construction employment is projected to contract by a further 3,400 jobs (-20%) by 2021. The winding down of Manitoba Hydro’s Keeyask dam is expected to release workers between 2019 and 2020, but many workers are expected to be absorbed by rising demands related to the construction of industrial and institutional buildings across the province.

Across the next decade, construction employment is expected to remain relatively unchanged compared to the 2018 starting point, rising by 44,100 jobs (+4%) nationally. A modest reduction in employment is projected in the early 2020s – something not experienced in Canada in the past two decades – due to major project completions alongside slower population growth and resulting slower residential activity. Moderate growth is projected to resume over the latter half of the scenario period, driven by modest increases in infrastructure, sustaining capital, maintenance work, and residential renovation requirements.

Despite slower employment growth, however, demographic trends will intensify recruiting needs, as more than 261,000 construction workers, or 24% of the 2019 labour force, are expected to retire over the next decade.

Taken together, by 2028, industry will need to recruit, train, and retain some 300,000 new workers, which may become increasingly difficult as population growth slows and less youth are available to enter the labour force over the long term.

Failure to sustain recruiting efforts poses significant future risks. During past downturns, declines in the training of new workers resulted in market challenges when investment and labour demands cycled back up, even when under conditions of more moderate growth.

Industry must continue to track changing conditions, the potential for new growth, expected retirements, and the availability of new entrants to remain a step ahead and maintain a long-term sustainable skilled labour force.

Table 1 shows the anticipated changes in employment across the provinces for two periods over the outlook scenario: the five years from 2019 to 2023, and the remaining five years from 2024 to 2028.
Table 1: Changes in employment across provinces

<table>
<thead>
<tr>
<th>REGION</th>
<th>% CHANGE 2019–2023</th>
<th>% CHANGE 2024–2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANADA</td>
<td>-0.9%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>-29.0%</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>-3.9%</td>
<td>2.6%</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>-0.8%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>12.8%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Quebec</td>
<td>-0.7%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Ontario</td>
<td>-1.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Manitoba</td>
<td>-8.1%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>2.2%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Alberta</td>
<td>-0.3%</td>
<td>10.2%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>1.8%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, BuildForce Canada

SECTOR INSIGHTS

The following sections provide sector-specific insights into Canada’s non-residential and residential construction labour markets. The 2019 BuildForce LMI system provides an overview of market drivers and detailed occupational demand and supply-side analysis of labour market conditions in each sector for 34 trades and occupations tracked by BuildForce.

RESIDENTIAL SECTOR

Slower population growth and affordability challenges are expected to lead national housing starts lower from 219,000 units in 2018 to 192,000 by 2023, translating into a loss of 41,400 jobs (-16%) in new housing over the six-year period. Housing starts and total residential construction investment receded in most provinces in 2018 following the strong rise in most provinces over the last several years, except Saskatchewan and Newfoundland and Labrador. Falling home sales, partly attributed to rising interest rates and new mortgage eligibility rules, suggest that starts will fall further in 2019.

Over the same period, rising renovation and maintenance requirements increase employment by 19,000 jobs, leaving overall employment in the residential sector lower by 22,000 jobs (-4%) by 2023.

Moderate immigration-driven population growth contributes to a recovery in housing starts and related employment between 2024 and 2028, but growth is more concentrated in provinces with older age demographics, especially in Atlantic Canada, and particularly in Newfoundland and Labrador, where the population is expected to continue receding. Conversely, stronger growth in housing construction is expected over the long term in provinces with younger populations, such as in Alberta and Saskatchewan.

The anticipated retirement of nearly 130,000 residential workers nationally over the coming decade will create pressure on industry to maintain recruiting and training strategies to sustain a skilled labor force over the long term, as the number of available first-time new entrants aged 30 and younger is declining.

While there are distinct cycles across provinces, lower rates of population growth and slowing levels of new homebuilding are a dominant feature across the scenario period:

- National housing starts peaked in 2017 and are expected to recede from 219,000 units in 2018 to 192,000 by 2023.
- Employment related to new housing is expected to decline by 33,600 jobs (-13%) over the coming decade, which is absorbed by rising employment in renovation and maintenance work.
- Following modest near-term declines, total residential employment is expected to rise by 8,400 jobs, or a modest 2% increase from 2018 levels, over the latter half of the next decade.

Table 2 shows the anticipated changes in residential employment by province for two periods over the outlook scenario: the five years from 2019 to 2023, and the remaining five years from 2024 to 2028.

Table 2: Changes in residential employment, by province

<table>
<thead>
<tr>
<th>REGION</th>
<th>% CHANGE 2019–2023</th>
<th>% CHANGE 2024–2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANADA</td>
<td>-4%</td>
<td>6%</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>-16%</td>
<td>2%</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>-3%</td>
<td>0%</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>15%</td>
<td>-8%</td>
</tr>
<tr>
<td>Quebec</td>
<td>-5%</td>
<td>0%</td>
</tr>
<tr>
<td>Ontario</td>
<td>-8%</td>
<td>5%</td>
</tr>
<tr>
<td>Manitoba</td>
<td>-1%</td>
<td>5%</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>2%</td>
<td>18%</td>
</tr>
<tr>
<td>Alberta</td>
<td>-4%</td>
<td>12%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, BuildForce Canada
THE AVAILABLE WORKFORCE

The 2019 BuildForce LMI system tracks labour force changes for residential construction:

- Hiring needs are dominated by the anticipated exit of an estimated 129,100 workers expected to retire from the residential labour force over the coming decade.
- First-time new entrants aged 30 and younger drawn from the local population are expected to add 99,800 new workers to the residential labour force.

Table 3 provides a summary of the estimated changes in the national residential labour force in 2018, the five-year period between 2019 and 2023, and across the full 10-year scenario period.

NON-RESIDENTIAL SECTOR

Employment in non-residential construction is expected to reach a near-term peak in 2020 with the addition of 24,200 workers (+4%) due to the anticipated timing of major public transportation, utility, and other infrastructure projects. Growth is concentrated in British Columbia and Ontario, driven by major nuclear refurbishment, LNG, and energy and transportation infrastructure projects.

As the number of resource expansion projects declines over the scenario period, the source of labour demand shifts more to infrastructure renewal, rising maintenance work, and higher levels of industrial, commercial, and institutional (ICI) building construction, driven by steady population growth and the continued recovery of the manufacturing sector.

At the end of the decade in 2028, non-residential employment is expected to increase by 35,700 new jobs (+7%), with stronger gains in maintenance (+16%) and ICI building construction (+11%) offsetting modest declines in engineering construction (-1.8%).

Despite slower growth over the coming decade, pressures to recruit and train workers are sustained by the anticipated retirement of an estimated 131,900 non-residential workers – a challenge made more difficult by a shrinking number of young people available to enter the labour force due to slowing population growth. In addition, construction faces increased competition from other industries that face similar age-demographic challenges.

The 2019–2028 outlook scenario reveals several common themes across most provinces:

- Continued uncertainty persists around oil and commodity prices, changing global demands, and final investment decisions for new resource development projects. These challenges loom heavy for the oil sands and offshore oil investment, potash, and the broader mining sectors.
- Employment demands related to ICI building construction continue to rise steadily following population growth and a modest manufacturing recovery, but institutional investment is constrained by government fiscal positions.
- Maintenance work (heavy industrial and non-residential buildings) is on a steady but moderate increase across the decade.
- Numerous LRT and other public transportation projects planned or under construction across major urban centres, including Vancouver, Edmonton, Calgary, the Greater Toronto Area, Ottawa, Montreal, and Quebec City, present significant labour requirements on top of other provincial and federal government long-term commitments to infrastructure renewal.
- The timing of new major projects is varied and drives most of the regional volatility in non-residential employment:
  - In Newfoundland and Labrador, the start of work on the West White Rose wellhead platform and Voisey’s Bay underground mine in 2018 slowed the pace of decline, but as work on these projects and at the Muskrat Falls generating station end, engineering construction employment in the province declines by 28% by 2021.
  - In New Brunswick, repair work on the Mactaquac Dam is anticipated to increase employment requirements for engineering construction between 2022 and 2024.
  - In Quebec, major public transit projects lead non-residential labour requirements to two distinct peaks: the first in 2020, driven by Montreal’s Réseau express métropolitain (REM) rapid transit system, and the second in 2026, related to the proposed Blue Line subway extension in Montreal overlapped by work on Quebec City’s transit network.

### Table 3: Changes in the residential labour force, Canada

<table>
<thead>
<tr>
<th>RESIDENTIAL LABOUR FORCE ADJUSTMENT</th>
<th>2018</th>
<th>5 years 2019–2023</th>
<th>10 years 2019–2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour force change</td>
<td>300</td>
<td>-21,200</td>
<td>6,800</td>
</tr>
<tr>
<td>Retirements</td>
<td>12,600</td>
<td>64,500</td>
<td>129,100</td>
</tr>
<tr>
<td>New entrants</td>
<td>10,600</td>
<td>49,800</td>
<td>99,800</td>
</tr>
<tr>
<td>Net mobility</td>
<td>2,300</td>
<td>-6,500</td>
<td>36,100</td>
</tr>
</tbody>
</table>

Source: BuildForce Canada
In Ontario, major public transportation projects include multiple LRT projects that rise to a peak in 2020, while two major nuclear refurbishment projects sustain employment requirements for many trades over the latter half of the next decade.

In Manitoba, the Keeyask hydroelectric dam is nearing completion, but work has started on the Lake Manitoba and Lake St. Martin flood channel and Enbridge’s Line 3 pipeline replacement.

In Saskatchewan, the planned next phase of the Jansen potash mine project is a key driver of non-residential construction employment between 2021 and 2025.

In Alberta, the Fort Hills oil sands project marked the end of the large-scale pre-oil-price collapse oil sands projects. The proposed start of propylene and polypropylene production facilities, planned transportation infrastructure projects, and pipeline projects sustain stable levels of employment to 2022.

In British Columbia, non-residential employment is expected to rise by 12,900 jobs (+18%) by 2021, driven by several major projects, including ongoing work at Site C; an LNG export terminal and related pipeline; the Trans Mountain Express (TMX) pipeline; various major public infrastructure projects, including the Pattullo bridge replacement and several public transit projects; and the Vancouver International Airport expansion.

BuildForce tracks current and proposed major projects, and, with a few exceptions, the list of identified projects declines after 2021, contributing to slower employment growth. Tracking the scheduled start and end dates for major projects is a critical component of the scenario analysis in defining provincial employment demands as projects ramp up to peak and then wind down.

Table 4 shows the anticipated percent change in non-residential employment by province for three periods over the outlook scenario: 2019 to 2021 (peak), 2019 to 2023 (short term), and 2024 to 2028 (long term).

**THE AVAILABLE WORKFORCE**

The 2019 BuildForce LMI system tracks changes in the non-residential labour force from 2019 to 2028:

- The non-residential labour force is estimated to rise to a near-term peak in 2021, adding 21,200 jobs – a 4% increase compared to 2018.
- Across the decade, non-residential employment is expected to increase by 35,700 new jobs (+7%), with strong gains in maintenance (+16%) and ICI building construction (+11%).
- Industry will need to recruit and train workers to replace the expected retirement of an estimated 131,900 non-residential workers over the next decade.

Table 5 provides a summary of the estimated changes in the national non-residential labour force in 2018, the five-year period between 2019 and 2023, and across the full 10-year scenario period.

### Table 4: Changes in non-residential employment, by province

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>4%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Newfoundland and Labrador</td>
<td>-22%</td>
<td>-32%</td>
<td>-11%</td>
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<td>Nova Scotia</td>
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<td>New Brunswick</td>
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<tr>
<td>Prince Edward Island</td>
<td>8%</td>
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<tr>
<td>Quebec</td>
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<td>Ontario</td>
<td>8%</td>
<td>8%</td>
<td>2%</td>
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<tr>
<td>Manitoba</td>
<td>-15%</td>
<td>-13%</td>
<td>2%</td>
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<tr>
<td>Saskatchewan</td>
<td>-2%</td>
<td>2%</td>
<td>-6%</td>
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<tr>
<td>Alberta</td>
<td>1%</td>
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<td>9%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>18%</td>
<td>1%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Source: BuildForce Canada*

### Table 5: Changes in the non-residential labour force, Canada

<table>
<thead>
<tr>
<th>NON-RESIDENTIAL LABOUR FORCE ADJUSTMENT</th>
<th>2018</th>
<th>5 years 2019–2023</th>
<th>10 years 2019–2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour force change</td>
<td>4,300</td>
<td>12,200</td>
<td>32,400</td>
</tr>
<tr>
<td>Retirements</td>
<td>12,500</td>
<td>65,800</td>
<td>131,900</td>
</tr>
<tr>
<td>Supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New entrants</td>
<td>12,100</td>
<td>60,700</td>
<td>121,500</td>
</tr>
<tr>
<td>Net mobility</td>
<td>4,700</td>
<td>17,200</td>
<td>42,800</td>
</tr>
</tbody>
</table>

*Source: BuildForce Canada*
PROVINCIAL INSIGHTS

This section provides brief provincial summaries for the 2019‒2028 outlook scenario, highlighting distinct features that drive regional market conditions.

NEWFOUNDLAND AND LABRADOR

Employment requirements in Newfoundland and Labrador are expected to be buttressed in 2019 by stable levels of ICI building construction and rising demands related to the West White Rose wellhead platform and the Voisey's Bay underground mine projects. Further declines in employment are expected as these major projects and work at Muskrat Falls are completed. Engineering construction remains the dominant driver of non-residential construction employment, but employment is nearly halved (-47%) over the next decade, with declines concentrated between 2020 and 2023. The prospect of the Bay du Nord deepwater oil development project is a source of optimism, and if approved, the new job opportunities could affect provincial labour market conditions. Additional new major projects could help blunt some of the expected employment declines, but it would take several large-scale projects to offset the expected employment declines related to the recent completion of the Hebron offshore oil platform, the nickel processing facility at Long Harbour, and transmission line projects.

NOVA SCOTIA

Following a pause in 2018, construction activity in Nova Scotia is expected to show a modest rise in 2019, bolstered by the acceleration of highway construction and gas decommissioning projects. Stable levels of employment should be sustained over the long term by rising investment in commercial buildings and non-residential maintenance requirements, and modest growth in residential renovation activity.

Across the scenario period, total employment is mostly unchanged, but industry will need to contend with the expected retirement of 8,100 workers, or 28% of the province’s current construction labour force over the next decade.

NEW BRUNSWICK

An extended period of relative stability is expected in New Brunswick’s construction and maintenance market. Over the near term, a modest decline in new housing and engineering construction is buttressed by rising levels of residential renovation work, industrial expansion, and infrastructure investment, while employment demands over the longer term are supported by rising maintenance and renewed engineering construction requirements.

A significant reduction in road, highway, and bridge infrastructure investment should contribute to a slight decline in employment between 2019 and 2021. The anticipated timing of work on the Mactaquac hydro dam along with other infrastructure requirements should start to bolster non-residential employment requirements in 2022. While total employment is mostly unchanged over the scenario period, age demographics will drive the need to replace more than 7,400 workers expected to retire over the decade, with only 4,500 new entrants projected to be available locally. Consequently, the industry will likely need to recruit a significant number of additional workers from outside the local market or from other industries.

PRINCE EDWARD ISLAND

Prince Edward Island is bracing for the busiest construction season ever in 2019, driven by continued growth in housing starts and peak levels of investment in engineering projects and ICI building construction. This follows a 27% increase in construction investment over the last two years and the corresponding emergence of skilled trades shortages. Steady immigration-driven population growth is projected to sustain demand for new housing and public-service facilities across the scenario period, adding 600 jobs by 2022. In addition to meeting rising employment requirements, industry will need to replace more than 650 workers projected to retire over the next four years, and a total of 1,500 over the next 10 years.

QUEBEC

Quebec’s construction sector can anticipate an extended period of steady and moderate growth propelled by rising levels of public and private investment, even as the demand for new housing cools. Public infrastructure investments in roads, healthcare, education, and transit will drive steady gains in engineering construction requirements across the scenario period. Overall construction employment is sustained near current levels through 2022, followed by moderate growth over the latter half of the decade, with a net gain of 5,200 jobs by 2028. Despite the moderate pace of growth, combined with the anticipated retirement of 44,700 workers, industry will need to hire, train, and retain an estimated 47,600 workers over the coming decade.

ONTARIO

Ontario, led by the Greater Toronto Area (GTA), is expected to remain one of the hottest construction markets in Canada over the coming decade. As major project requirements approach an anticipated plateau in 2020, keeping pace with rising employment demands across most of the province’s regions will remain a challenge for industry. The 2019 outlook scenario for Ontario projects overall employment will be sustained at high levels over the decade, driven by major nuclear refurbishment projects in the GTA and Southwestern Ontario, and continued investment in public transportation and infrastructure to keep pace with a growing population. The pace of activity in new homebuilding is expected to moderate, but population growth should sustain high levels of demand for condo, mid- and high-rise markets in urban centres.

The construction and maintenance industry will need to hire, train, and retain almost 103,900 additional workers over the coming decade, as 81,100 workers, the equivalent of one quarter (-25%) of Ontario’s current construction labour force, are expected to retire.
MANITOBANational Summary – Highlights 2019–2028

Construction employment requirements in Manitoba are expected to rise in 2019, following a pause in 2018 attributed to a decrease in new homebuilding. Expansion in the province’s manufacturing sector increased demand for industrial buildings between 2016 and 2018, and further demands for industrial buildings are projected to increase total employment requirements for ICI building construction again in 2019.

A slowdown is expected to follow in 2020, as further declines in new homebuilding, the completion of major hydro-related projects, and reduced investment in road and highway infrastructure projects all contribute to lower levels of provincial construction activity.

Construction employment is projected to fall by 3,400 workers (-9%) by 2021 from the anticipated peak in 2019. Modest gains in residential and ICI building investment should contribute to a gain of 1,600 jobs over the latter half of the decade. As requirements recede from peak levels over the coming decade, the industry must still hire, train, and retain almost 6,100 additional workers to replace the 8,000 workers expected to retire during this period.

SASKATCHEWAN

The transition to a post-resource-expansion market has hurt confidence and raised concern about a continued flight of workers from the province’s construction industry. Looking ahead, the wind-down of major highway, hospital, and utility-sector projects alongside stalled new homebuilding is expected to continue slowing employment demands and elevate levels of unemployment between 2019 and 2021. New mining and utility-sector investments anticipated after 2020 are expected to contribute to increasing employment requirements in non-residential construction and strengthen economic conditions between 2022 and 2024.

The labour force in Saskatchewan’s construction and maintenance industry continued to contract for a fourth-straight year in 2018, as a sharp slowdown in the construction of new housing offset increases in industrial-sector investment. Sustaining the labour force to meet planned and other potential major project demands is predicated on industry’s ability to continue attracting and training workers during a period of slower growth. The provincial construction industry must also contend with the exit of an estimated 9,400 workers (approximately 19%) from the current labour force that are expected to retire over the next decade.

ALBERTA

The commissioning of Fort Hills at the beginning of 2018 marked the end of large-scale oil sands expansion projects. In the near term, the drivers of construction activity are expected to be sustaining capital and maintenance projects, as well as rising infrastructure and industrial and institutional building construction, driven by increased economic diversification efforts.

The 2019 outlook scenario projects overall construction employment will remain stable over the near term, but residential and non-residential markets diverge. Employment requirements related to major manufacturing, transportation infrastructure, and utility projects rise to a peak in 2020, while residential construction activity recedes due to softening economic conditions and lower housing starts. Growth is expected to strengthen after 2021, driven by moderate gains in industrial and commercial building construction, renewed oil sands investment, and a housing up-cycle driven by population growth. Total construction employment is expected to rise by 20,400 jobs (+11%) between 2021 and 2028.

Alberta’s construction and maintenance industry will need to hire and retain almost 59,500 workers over the coming decade to meet the demands of moderate growth and the need to replace an estimated 40,800 workers expected to retire.

BRITISH COLUMBIA

With the anticipated start of several major projects, British Columbia will remain one of the fastest-growing construction markets in Canada over the next three years.

Labour shortages emerged in BC’s construction labour market in 2018, and in some cases, contributed to project delays and labour cost concerns in some markets. The addition of a number of major new non-residential projects is expected to increase these pressures over the next few years.

The timing of a number of concurrent new major projects is expected to increase non-residential employment by 12,900 workers (+20%) between 2019 and 2021. Overall employment in the construction industry is projected to rise by 14,600 jobs. A strong rise in institutional, commercial, and major project requirements on top of enduring residential construction activity stretched the local labour force, especially in the Lower Mainland, where recruiting challenges were more intense.

A return to more modest growth over the latter half of the scenario period and the anticipated retirement of 44,200 workers will require the construction and maintenance industry to remain focused on recruiting and training across the entire scenario period.
BUILDING A SUSTAINABLE LABOUR FORCE

Like many developed nations, Canada is faced with an aging population and will continue to grapple with the retirement of a significant portion of the current labour force. The construction industry alone will need to replace 260,100 workers over the coming decade – 22% of the current labour force. This draw from the industry’s labour force represents significant challenges, as workers leaving with years of experience are not easily replaceable by first-time new entrants to the industry.

Building a sustainable labour force over the coming decade will require industry to remain focused on attracting, training, and retaining qualified workers. Furthermore, the aging of Canada’s population suggests increased competition across all industries that puts pressure on the construction industry to maintain or increase its historical share of youth coming into the industry.

The aging of Canada’s population also plays a key role in labour market dynamics over the coming decade, requiring industry to take a more proactive approach to labour market planning. Over the next 10 years, Canada’s share of the population in the older age bracket (65 years and over) is expected to increase, and at the same time, the share of the population at prime working age (25-54 years old) is expected to decline (see Figure 1). Additionally, the share of the population that is potentially available to enter the labour force (15-24 years old) is expected to decline.

As a considerable share of the population moves into the older age bracket, the labour force participation rate (percent of the population 15 years and older in the labour force) is expected to decline.
Based on historical trends, Canada’s construction and maintenance industry is expected to draw in an estimated 221,400 first-time new entrants aged 30 and younger from the local population over the next decade. Much of the expected entry of young workers will depend on industry’s ability to keep youth interested in the trades.

UNDERREPRESENTED GROUPS OF WORKERS

As Canada faces an aging population, the construction and maintenance industry will need to increase recruitment from groups traditionally underrepresented in the current construction labour force, including women, Indigenous Canadians, and new Canadians to build a sustainable workforce.

In 2018, there were 8.9 million women employed in Canada, representing 48% of total employment. Female workers tend to be concentrated in the healthcare and social assistance (22%), retail services (13%), and educational services (10%) industries. The construction industry employed 186,300 women, or 2.1% of all female workers.

Canada’s construction industry is made up of approximately 13% women, of which about 29% work directly on construction projects, while the remaining 71% work primarily in administrative and management-related occupations. This translates into women representing 3.8% of employment in direct trades and occupations.

Figure 3 shows the male and female distribution in construction employment by province.

Figure 3: Distribution of male and female construction employment (2018), Canada

* Direct trades and occupations refers to the 34 trades and occupations tracked by BuildForce Canada, which excludes administrative-type occupations.

Source: BuildForce Canada calculations based on Statistics Canada’s Labour Force Survey (LFS) and the 2016 Census of the Population
Newfoundland and Labrador, Prince Edward Island, and Saskatchewan have more than a third of female workers in the industry employed in direct trades and occupations. Newfoundland and Labrador stands out, as nearly half of all women employed in construction earn a living working directly on construction projects, while the remaining 52% work in administrative and management-related occupations. Much of these dynamics have come as a result of weakening construction activity, which has led construction establishments to adopt lean operations and reduce the number of support workers. Conversely, Quebec has the smallest percentage of women working in the construction industry employed in the construction trades.

Across all provinces, men employed in the construction industry tend to choose the construction trades, with 86% of men Canada-wide employed in the trades compared to 14% of men employed in administrative and management-related occupations.

In Canada, tradeswomen tend to be concentrated in occupations highly demanded by the residential and ICI building construction sectors, as they employ 71% (38,500) women working in direct trades and occupations. The engineering and non-residential maintenance sectors employ 29% (15,700) of all tradeswomen in Canada (see Figure 4).

Since the late 1980s, the representation of women in Canada’s construction industry had been stagnant between 10% and 12%. In 2017, however, the share of women in construction broke the 12% ceiling, and in 2018 the share of women reached 13% – a level that has never been recorded by Statistics Canada’s Labour Force Survey. Moreover, the 2016 Census of the Population further corroborated the trend, showing an increased number of women working in construction trades than those recorded in the 2011 National Household Survey.

Over the past three years, the number of women employed in direct trades and occupations increased 30% in Canada, while female representation rose to 5% of total employment (from 3.9% in 2016).

Based on historical in- and out-flows of women to the construction industry, female employment and industry representation is anticipated to decline modestly over the next two years due to weakening residential activity before resuming growth in 2021. Over the 2021–2028 period, female employment is expected to increase by more than 4,000 jobs (+8%), with much of this growth resulting from gains in renovations and the construction of ICI buildings (see Figure 5).
Figure 5: Female construction employment and share of total direct trades and occupations*, Canada

Women in construction tend to be concentrated in occupations highly demanded by the residential sector, such as trades helpers and labourers, construction managers, painters, and carpenters. As a result, the residential sector has been relatively more successful at attracting women to the sector. Figure 6 shows the share of women in direct trades and occupations across the different sectors of the construction industry.

Another underrepresented group of workers in Canada’s construction industry is the Indigenous community. The Indigenous population is the fastest growing in Canada and has a higher propensity to choose the construction industry as a career choice. Based on the 2016 Census of the Population, an estimated 7.6% of non-Indigenous Canadians were employed in the construction industry, compared to 9.6% for the Indigenous population.

* Direct trades and occupations refers to the 34 trades and occupations tracked by BuildForce Canada, which excludes administrative-type occupations.

Source: BuildForce Canada calculations based on Statistics Canada’s Labour Force Survey (LFS) and 2016 Census of the Population.
In Canada, approximately 4.9% of the construction labour force is made up of Indigenous Canadians, of which about 81% work directly on construction projects, while the remaining 19% work primarily in administrative and management-related occupations.

Building a sustainable construction labour force will also require industry to increase initiatives to attract new Canadians (immigrants). Between 2019 and 2028, Canada is anticipated to welcome nearly three million new Canadians, making the immigrant population a key source of labour force growth over the coming decade.

The immigrant population currently accounts for approximately 18% of Canada’s construction labour force. Historically, a key source of immigrants were from Europe and the Americas, whose citizens tend to have a higher propensity to choose the construction industry. A shift in migration patterns is currently underway, indicating that most new immigrants (62%) to Canada are from Asian origins (primarily from the Philippines, India, China, Iran, and Syria). Citizens from these nations may have a lower inclination toward the construction trades, requiring additional recruitment efforts from industry.

CONCLUSIONS AND IMPLICATIONS

Following about two decades of almost uninterrupted expansion during which the construction labour force doubled, Canada’s construction sector has entered a new period of slower growth.

Although employment demands have softened, industry continues to grapple with the challenges of replacing an aging labour force just as slower population growth translates into less youth available to enter the labour force. At the same time, construction must also compete against other industries facing similar increases in age-demographic challenges.

The 2019–2028 BuildForce Canada outlook sees overall employment demands edge slightly higher to a new plateau, but the outlook across provinces is mixed. New demands driven by major energy, public transportation, and other infrastructure investments as well as maintenance work sustain employment demands at historically high levels. The decade ahead is characterized by slower population growth, which dampens demand for new housing. The potential for economic diversification away from dependence on resource development and the emergence of new technologies and environmental policy changes are likely to translate into changing construction demands that may require different skills. Labour force mobility and the industry’s capacity to train new and existing workers will be needed to facilitate the transition ahead.

Anticipated retirements are a key driver of industry labour demands, even in provinces where economic growth and construction activity has slowed. The task of attracting new workers to construction may become increasingly more difficult, as many industries face similar challenges related to replacing an aging labour force.

With an estimated 260,100 workers expected to retire, maintaining capacity to meet construction labour force needs will require focused efforts on recruiting, training, and retaining young workers, even under a slower-growth scenario. As demographic conditions unfold, there is an expected downward trend in provincial levels of unemployment that may lead to less workers being available for..
mobility to meet changing requirements across provinces. This trend suggests that – even if the full potential of interprovincial mobility is realized – industry will likely still need to expand recruiting efforts for new workers from local sources of labour, from other industries, and from new immigrants to meet the industry’s long-term needs.

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 presents risks and can potentially alter anticipated labour market conditions.

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