



# NATIONAL SUMMARY

## HIGHLIGHTS 2020-2029

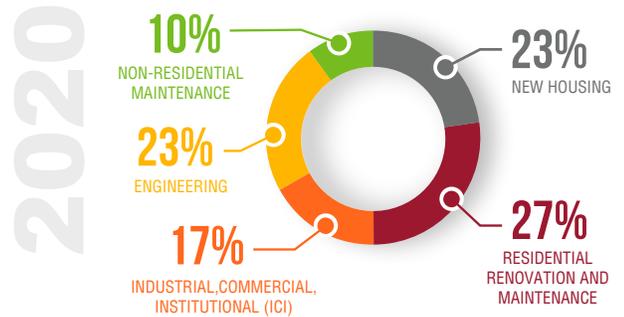
Canada's construction employment is poised to intensify in 2020 and carry into 2021, propelled by major public transportation and infrastructure, utility, liquefied natural gas (LNG), pipeline, and health services projects. Over the longer term, growth slows but remains positive, driven by continued high levels of immigration and recovery in Canada's Western provinces. Labour market challenges, however, are anticipated to persist and intensify over the coming decade as the retirement wave crests and the pool of available youths shrinks.

Weaker housing starts curtailed the pace of construction growth across most provinces in 2019, although requirements ratcheted up in British Columbia, regions of Ontario, and Prince Edward Island, with exacerbated recruitment challenges that required the drawing of workers from neighbouring provinces.

The 2020-2029 outlook scenario projects a bounce back in housing construction buoyed by continued high levels of immigration, which contribute to modest population growth and sustain demand for new-housing construction in most provinces. Public transportation and other infrastructure investments have emerged as the dominant driver of construction growth across Canada, though major energy and resource sector requirements remain a central fixture of Canada's construction demand requirements, especially the growing market for industrial maintenance.

Despite a slower growth outlook, many provinces continue to grapple with labour shortages that are likely to intensify. Although the longer-term outlook is weaker compared to the previous decade, recruitment challenges are likely to persist due to the expected retirement of just over 257,100 workers over the next 10 years.

### DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2020, CANADA



### 10-YEAR WORKFORCE OUTLOOK FOR CANADA

2029

257,100  
RETIREMENTS



227,600  
NEW ENTRANTS



50,200 (+4.5%)  
EMPLOYMENT CHANGE

### HIGHLIGHTS

- Total construction employment is expected to add 50,200 workers (+5%), driven by gains in both residential and non-residential sectors.
- Housing starts and employment related to new-home construction recedes with aging and weakening population growth; renovation activity emerges as a key source of stable residential employment.
- Major public transportation and infrastructure, utility, oil and gas, pipeline, and health services projects add to non-residential demand, with stronger non-residential construction gains between 2020 and 2021.
- An aging labour force and the expected retirement of just over 257,100 construction workers remains a key driver of demand requirements over the next decade.



AVERAGE UNEMPLOYMENT RATE **7.4%**

### 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

The outlook for construction in Canada has strengthened from a year ago, with higher levels of immigration and a larger pipeline of planned major projects likely extending the two-decades-long expansion through to the mid 2020s.

The residential construction outlook has improved significantly, benefiting from improved economic growth and immigration-driven population growth. Stronger sales data suggest an expected rebound in housing starts in 2020 in a number of markets that should drive a modest recovery in single-family housing construction. Record levels of immigration and historically low unemployment rates are projected to continue, which should sustain consumer spending and modest gross domestic product (GDP) growth.

The strong economic performance of the past few years has also contributed to a rise in population growth, which surpassed 1.4% in 2018 and 2019, and was the highest of all G7 countries. This is also the highest percentage growth rate since 1990.<sup>1</sup> This turnaround was achieved, in large part, due to record levels of immigration and a strong increase in the number of foreign students attending Canadian universities and colleges. While international migration levels are anticipated to moderate, they are expected to remain well above historical averages and continue supporting housing demand and high levels of new homebuilding through 2026. The pace of growth, however, is expected to moderate after 2026, as growing retirements contribute to lower overall demand for new housing.

Non-residential construction employment demands accelerated in 2018 and 2019, and are expected to continue expanding throughout the 2020–2029 scenario period. The principle demand driver has been an explosion of major projects in the energy and utilities sectors, public transportation, and other institutional infrastructure projects. Growth in Canada's retail and wholesale trade, and transportation and warehousing sectors and the continued strengthening of manufacturing should further boost construction of industrial buildings, while immigration-driven population growth will maintain upward pressure on commercial and institutional construction across the next decade. The most significant growth is expected to take place between 2020 and 2021 and will be concentrated in British Columbia, Ontario, and Quebec. Later in the scenario period, stronger growth is anticipated in Saskatchewan and Alberta as economic conditions improve and new resource investments are expected.

A recovery in residential requirements alongside non-residential major projects are expected to sustain labour market challenges in multiple markets across Canada between 2020 and 2021:

- **British Columbia** will remain the fastest-growing construction market in 2020 and 2021, driven by the start of several public transportation projects, pipelines, and work on the LNG Canada project and related pipeline infrastructure underway.
- **Ontario** is expected to reach a near-term peak in 2020, driven by increased major project requirements in the Greater Toronto Area (GTA) and Southwestern Ontario due to major public transportation projects, including multiple light rail transit

(LRT) projects, overlapping demands from two major nuclear refurbishment projects, and other infrastructure-related demands. Construction employment continues to build to a peak in 2026, driven by ongoing and new proposed projects through this period.

- **Prince Edward Island** continues to grapple with its growth pains driven by expansions in housing and institutional requirements, while **Nova Scotia** braces for increased demands driven by several health care projects expected to get under way over the next few years.
- **Quebec's** infrastructure investments in roads, highways, bridges, health care, education, and public transit are expected to accelerate in 2020 and 2021, building on a fourth consecutive year of growth in 2019.

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 more resource-driven markets, including Alberta, Saskatchewan, and Newfoundland and Labrador, where demands continue to recede. As work winds down from peak levels on Manitoba's Keeyask hydro development project between 2020 and 2023, a large number of workers are expected to be released.

Across the next decade, construction employment is expected to rise modestly compared to the 2019 starting point, rising by 50,200 jobs (+5%) nationally. Most gains are concentrated between 2020 and 2026, with more moderate growth projected over the final three years of the scenario period, driven by modest increases in infrastructure, sustaining capital, maintenance work, and residential renovation requirements.

Despite slower employment growth, demographic trends will intensify recruiting needs, as 257,100 construction workers, or 22% of the 2019 labour force, are expected to retire over the next decade.

Taken together, by 2029, industry will need to recruit, train, and retain some 307,300 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 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 2020 to 2024, and the remaining five years from 2025 to 2029.

<sup>1</sup> Sourced from Statistics Canada's *The Daily* publication, "Canada's population estimates: Age and sex, July 1, 2019" available at [www150.statcan.gc.ca/n1/daily-quotidien/190930/dq190930a-eng.htm](http://www150.statcan.gc.ca/n1/daily-quotidien/190930/dq190930a-eng.htm).

**Table 1: Changes in employment across provinces**

REGION	% CHANGE 2020–2024	% CHANGE 2025–2029
<b>Canada</b>	<b>3.2%</b>	<b>1.3%</b>
Newfoundland and Labrador	-12.3%	-6.6%
Nova Scotia	2.5%	0.5%
New Brunswick	-1.3%	2.6%
Prince Edward Island	1.2%	2.7%
Quebec	3.9%	-1.5%
Ontario	4.5%	-2.0%
Manitoba	-10.4%	3.2%
Saskatchewan	8.0%	-0.8%
Alberta	4.3%	8.1%
British Columbia	2.8%	4.9%

Source: Statistics Canada, BuildForce Canada

## SECTOR INSIGHTS

The following sections provide sector-specific insights into Canada's residential and non-residential construction labour markets. The 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

Housing starts are expected to remain steady near 210,000 units in 2020 following declines in 2018 and 2019, which were largely attributed to affordability challenges arising from an uptick in mortgage rates and stricter mortgage eligibility rules. Record high rates of immigration-driven population growth and declining inventories of unsold homes are expected to bolster housing starts to 212,000 units between 2021 and 2023, but the continued shift toward the construction of apartment buildings compared to more labour intensive low-rise single-family homes results in modest declines in new-housing-related employment.

Residential construction remains weak in provinces with older age demographics, especially in Atlantic Canada and particularly in Newfoundland and Labrador, where the population is expected to continue declining. Conversely, stronger housing markets are expected over the long term in provinces with younger populations such as Alberta and Saskatchewan.

Renovation and maintenance requirements rise steadily over the coming decade, adding 39,800 new workers and fully absorbing the anticipated release of 22,700 workers from the new-housing sector. By 2029, total residential construction employment is expected to be 17,100 workers higher than the starting point in 2019.

The anticipated retirement of nearly 131,000 residential workers nationally over the coming decade will create pressure on industry to maintain recruiting and training strategies to sustain a skilled labour force over the long term.

Table 2 shows the anticipated changes in residential employment by province for two periods over the outlook scenario: the five years from 2020 to 2024, and the remaining five years from 2025 to 2029.

**Table 2: Changes in residential employment, by province**

REGION	% CHANGE 2020–2024	% CHANGE 2025–2029
<b>Canada</b>	<b>3%</b>	<b>0%</b>
Newfoundland and Labrador	-2%	-3%
Nova Scotia	1%	1%
New Brunswick	2%	-1%
Prince Edward Island	4%	2%
Quebec	-1%	-7%
Ontario	3%	0%
Manitoba	-2%	1%
Saskatchewan	10%	9%
Alberta	9%	3%
British Columbia	3%	5%

Source: Statistics Canada, BuildForce Canada

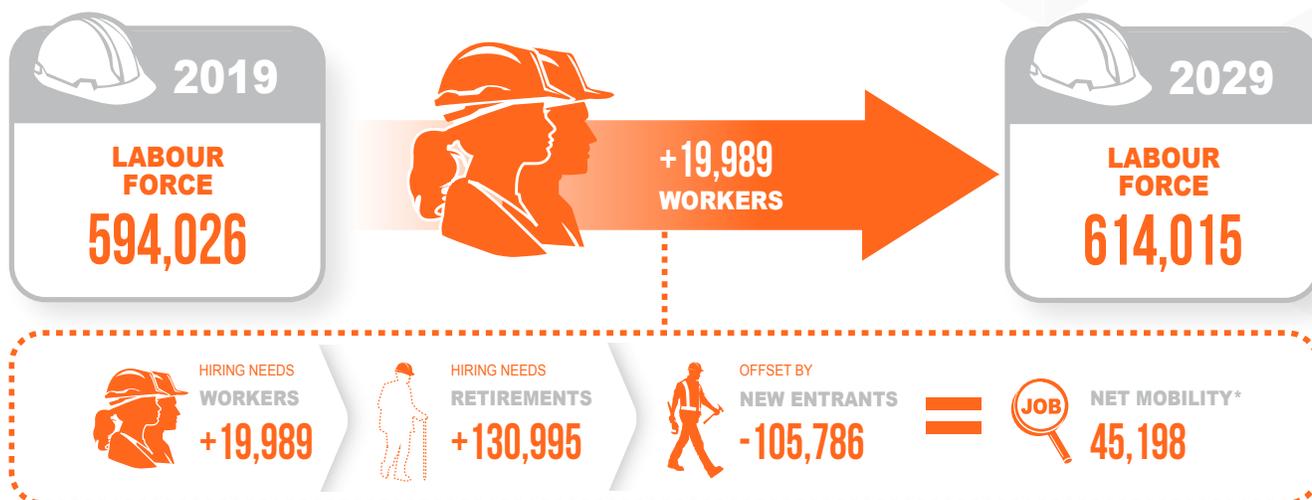
## THE AVAILABLE WORKFORCE

The 2020 BuildForce LMI system tracks changes in the residential labour force from 2020 to 2029:

- Total residential construction employment rises by 17,100 workers (+3%) by 2029, with declines in new-housing employment offset by gains in renovation and maintenance.
- Hiring needs are dominated by the anticipated exit of an estimated 130,100 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 105,800 new workers to the residential labour force.

Figure 1 provides a summary of the estimated changes in the national residential labour force across the full 2020–2029 scenario period.

Figure 1: Changes in the residential labour force, Canada



\* **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

## NON-RESIDENTIAL SECTOR

Employment in non-residential construction is expected to rise by 33,100 workers (+6%) over the coming decade due to the anticipated timing of major public transportation, utility, and other infrastructure projects. Growth is concentrated in British Columbia and Ontario, driven primarily by major nuclear refurbishment, LNG, and energy and transportation infrastructure projects. Stronger gains are also expected in the maintenance sector and in the construction of industrial, commercial, and institutional (ICI) buildings.

Infrastructure renewal and rising maintenance work has displaced the resource sector as the lead driver of non-residential growth in Canada. This trend is expected to continue over the coming decade, as higher levels of ICI construction, driven by steady population growth and the continued recovery of the manufacturing sector, should further shift demands and related skills requirements.

Despite slower overall growth, pressures to recruit and train workers will be driven by the anticipated retirement of an estimated 126,100 non-residential workers – a challenge made more difficult by Canadian age demographics and the smaller pool of young people available to enter the labour force. In addition, construction faces increased competition from other industries that face similar age-demographic challenges.

The 2020–2029 outlook scenario reveals several common themes across most provinces:

- Continued uncertainty around oil and commodity prices and changing global demands are delaying final investment decisions for a number of 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 recovery in manufacturing.
- 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 the Greater Vancouver region, 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 expected completion of the West White Rose offshore oil development platform in 2021 contributes to further increases in oil production, but also marks a low point in major project construction investment, which has been in retreat since the high point reached in 2016. Lower oil and gas investments, the wind down of work at the Lower Churchill hydro development project, and the completion of several mining projects all contribute to further declines in non-residential employment requirements by 2021. The anticipated start of the Bay du Nord offshore development project in 2022 shores up investment and related employment demands as current mining and other projects wind down. The shift in skills requirements will result in mixed market conditions for individual trades.

- In **New Brunswick**, ongoing investments in health and civil infrastructure alongside maintenance requirements should provide stability over the near to medium term. Required refurbishment work on the Mactaquac Dam is expected to bolster labour demands after 2026, pushing overall non-residential construction employment slightly above 2019 levels by 2029.
- In **Quebec**, major public transit project activity partly offset declines related to the completion of major projects, including Hydro Quebec's La Romaine hydroelectric project and associated transmission line and the Turcot interchange rebuilding. After 2021, engineering investment is expected to continue rising to 2026, as construction of Montreal's LRT continues into 2023 and other projects commence, including Hydro Quebec's Petit Mecatina hydroelectric project, Montreal's Blue Line extension, and Quebec City's LRT.
- In **Ontario**, an acceleration in demands in 2020 is driven by major public transportation projects, including multiple LRT transit projects across the province and overlapping demands from two major nuclear refurbishment projects (in the GTA and Southwestern region). Coinciding subway expansions and regional rail electrification projects in the GTA alongside numerous large hospital projects are expected to raise demands for several key trades involved in concrete forming, high-voltage electrical, and institutional building between 2024 and 2026.
- In 2019, employment requirements at **Manitoba** Hydro's Keeyask hydroelectric dam hit peak levels, as did requirements for the Enbridge Line 3 pipeline expansion, Winnipeg's Southwest Rapid Transitway, J.R. Simplot Co.'s potato processing plant, the ARTIS 40-storey development, and several road and highway projects. Employment requirements are expected to decline between 2020 and 2023 as work winds down on the Keeyask dam and road, highway, and bridge investments decline.
- In **Saskatchewan**, the pace of growth is anticipated to accelerate after 2021, driven by the proposed start of major mining and utility-sector projects. Moderate declines in employment are anticipated once projects are completed by 2025.
- In **Alberta**, near-term requirements continue to be driven by several utility projects (gas, wind, transmission), oil and gas pipelines (Trans Mountain), two major petrochemical facilities, and proposed transportation infrastructure projects. These projects are expected to sustain employment requirements near current levels through 2023. Higher than normal industrial maintenance work is expected in 2020 and 2021, with possible recruiting challenges emerging for highly specialized workers.
- In **British Columbia**, expansion demands are driven by several major projects, including ongoing work at the Site C hydro development, the LNG Canada export terminal and related TC Energy Coastal GasLink pipeline, the Trans Mountain Pipeline Expansion, various major public infrastructure projects, including the Patullo Bridge Replacement and several transit projects, plus ongoing work for 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 3 shows the anticipated percent change in non-residential employment by province for two periods over the outlook scenario: 2020 to 2024 and 2025 to 2029.

**Table 3: Changes in non-residential employment, by province**

REGION	% CHANGE 2020–2024	% CHANGE 2025–2029
<b>Canada</b>	<b>4%</b>	<b>2%</b>
<b>Newfoundland and Labrador</b>	<b>-15%</b>	<b>-8%</b>
<b>Nova Scotia</b>	<b>4%</b>	<b>0%</b>
<b>New Brunswick</b>	<b>-4%</b>	<b>5%</b>
<b>Prince Edward Island</b>	<b>-1%</b>	<b>3%</b>
<b>Quebec</b>	<b>9%</b>	<b>4%</b>
<b>Ontario</b>	<b>6%</b>	<b>-4%</b>
<b>Manitoba</b>	<b>-16%</b>	<b>5%</b>
<b>Saskatchewan</b>	<b>7%</b>	<b>-5%</b>
<b>Alberta</b>	<b>2%</b>	<b>11%</b>
<b>British Columbia</b>	<b>3%</b>	<b>5%</b>

Source: Statistics Canada, BuildForce Canada

## THE AVAILABLE WORKFORCE

The 2020 BuildForce LMI system tracks changes in the non-residential labour force from 2020 to 2029:

- The non-residential labour force is anticipated to rise by 32,900 workers over the coming decade, adding 9,500 workers in 2020 alone.
- Industry will need to recruit and train workers to replace the expected retirement of an estimated 126,100 non-residential workers over the next decade.

Figure 2 provides a summary of the estimated changes in the national non-residential labour force across the full 2020–2029 scenario period.

Figure 2: Changes in the non-residential labour force, Canada



\* 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

## PROVINCIAL INSIGHTS

This section provides brief provincial summaries for the 2020–2029 outlook scenario, highlighting distinct features that drive regional market conditions.

### NEWFOUNDLAND AND LABRADOR

Construction employment in Newfoundland and Labrador is expected to resume a downward trend in 2020 and 2021 following completions of the Lower Churchill hydro development and the White Rose offshore platform. A rare period of relative stability is expected to follow, supported by the anticipated start of the Bay du Nord offshore development project, increased institutional investment, and a modest recovery in new-housing construction. With no new currently tracked major projects on the horizon and a shrinking population, the provincial construction labour force recedes back to levels more consistent with the late 2000s.

Slower growth and significant levels of out-migration has lowered demand in a residential market that was red hot back at the start of the decade in 2010. Newfoundland and Labrador’s population has been declining since the fourth quarter of 2016 and is expected to contract by 9,200 people (-1.8%) over the 2020–2029 scenario period.

### NOVA SCOTIA

Nova Scotia’s construction requirements are expected to surge ahead in 2020 and 2021, driven by intensifying road, highway, and bridge works and a significant increase in investments in the health

services sector, driven by proposed new hospital projects. Moderate declines track the completion of gas decommissioning and mining projects, but stable levels of employment are expected over the long term sustained by rising construction of commercial buildings and non-residential maintenance work.

Older age demographics and slowing population growth contribute to a downward trend in the construction of new homes after 2020, but residential construction employment remains near current levels, driven by continued in-migration to the province and modest growth in residential renovation and maintenance work.

### NEW BRUNSWICK

A rise in the construction of new housing, supported by high levels of immigration-driven population growth, and road and highway construction shored up construction activity in New Brunswick in 2019.

Construction requirements in the province are projected to fluctuate near current levels over the coming decade, supported by rising levels of residential renovation work, moderate industrial expansion, and infrastructure construction projects.

The completion of major road, highway, and bridge infrastructure projects contributes to declines in non-residential employment between 2021 and 2022. With few new major projects planned, the longer-term trends are driven by growing construction of industrial buildings, maintenance work, and the anticipated start of construction on the Mactaquac hydro dam refurbishment project later in the scenario period.

Slowing population growth over the decade limits growth in new-housing construction, but stronger growth is anticipated in urban centres. These offsetting trends translate into only moderate changes in total construction employment between 2020 and 2029.

## PRINCE EDWARD ISLAND

Prince Edward Island continues to grind through an exceptional broad-based expansion propelled by strong levels of immigration since 2016. Construction demands are set to rise for a fourth straight year in 2020, driven by rising residential, business, and government investment. The pace of growth should moderate across the scenario period, confronted by labour capacity constraints and a projected plateauing in immigration and population growth.

Construction investment is expected to ebb after 2020 as major utility (wind), transportation, and other infrastructure projects are completed and overall economic expansion slows, but the province will continue to be a leading region in population growth across Canada over the scenario period, which will sustain demand for new housing and public-service facilities.

## QUEBEC

Demands in Quebec's construction sector increased for a fourth consecutive year in 2019, driven by higher housing starts, major projects, and generally rising levels of ICI building construction. Modest but steady non-residential construction growth sustains total industry employment across the scenario period, even as demands related to the construction of new housing slows.

Over the coming decade, a slowing pace of immigration-driven population growth contributes to a steady decline in housing starts from the high point reached in 2019. Non-residential construction continues to make gains, driven by utility, roadwork, health care, education, and transit-system projects.

These offsetting trends continue to lead construction employment requirements higher to 2024, and then sustain them at those levels over the remainder of the scenario period.

## ONTARIO

Ontario's construction labour market continues to run near full capacity, driven by high volumes of investment in both public- and private-sector infrastructure modernization and expansion. Over the scenario period, municipal densification efforts will sustain labour market challenges for most key trades in the GTA, as well as other large urban centres across the province.

Infrastructure investments feature prominently in the 2020–2029 outlook, leading to two distinct peaks: in 2020 and between 2024 and 2026. These peaks will be driven by increasing investments in public transportation, the health sector, and the refurbishment of Ontario's nuclear reactors, which will primarily affect labour markets in both the GTA and Southwestern Ontario.

During the scenario period, industry will need to hire, train, and retain almost 100,000 additional workers to keep pace with expected demand growth and to replace the 86,300 workers – 21% of the current labour force – expected to retire.

## MANITOBA

Manitoba's construction demands were bolstered in 2019 by higher major project requirements, including peak levels of activity reached on Manitoba Hydro's Keeyask dam, but overall construction employment growth was held back by declines in new-housing construction.

The wind down of activity on the Keeyask Project, lower levels of road, highway, and bridge work, and a continued downward trend in new-housing construction are expected to lead construction employment moderately lower between 2020 and 2024, marking the end of an upward trend that endured for the better part of the past two decades.

Construction employment is projected to recede by close to 4,000 workers (-10%) over the next five years to 2024. A modest recovery is expected to follow thereafter, driven by increased demands for ICI building construction and infrastructure projects.

## SASKATCHEWAN

Labour force demand in Saskatchewan's construction and maintenance industry should grow modestly by 2029, with the residential sector picking up the pace as non-residential projects are completed.

Beginning in 2020, Saskatchewan's residential and non-residential markets are expected to diverge, with a recovery in new residential housing construction offsetting declines in the non-residential sector. The pace of overall employment declines is expected to stabilize in 2020–2021, bolstered by stronger exports, which support moderate economic growth and an anticipated recovery in the construction of new housing and industrial, commercial and institutional (ICI) buildings.

Overall, construction employment is expected to grow modestly by the end of the 2020–2029 scenario period, with larger gains concentrated in residential and ICI building construction.

The anticipated retirement of just over 9,100 workers dominates hiring requirements over the next decade. The availability of 9,500 new-entrant workers aged 30 or younger is projected locally. However, Saskatchewan's ability to meet future hiring requirements of nearly 11,500 workers from the local population is dependent on limiting the outflow of skilled workers during periods of weaker growth.

## ALBERTA

The outlook scenario for Alberta projects a period of modest long-term growth in overall construction employment, driven by strengthening residential demands in the near term (2020 and 2023) followed by a rise in non-residential requirements, with an anticipated acceleration in oil sands investment later in the scenario period. Total construction employment is expected to rise by 23,400 workers (+13%) between 2019 and 2029.

Although average annual non-residential requirements are relatively stable over the near term, significant fluctuations in oil sands maintenance and shutdown requirements are anticipated to pose periodic recruitment challenges for workers in several trades who have specialized skills and experience.

Following a sluggish 2019, stronger non-residential investment is expected to return in 2020 and 2021, driven by major petrochemical projects, the anticipated start of the Trans Mountain Pipeline Expansion, and public infrastructure investments. As economic growth improves, an acceleration in population growth should drive a moderate increase in new-housing construction.

### BRITISH COLUMBIA

Record levels of housing starts and major project investment propelled construction activity in British Columbia to a new high in 2019, intensifying recruitment challenges for skilled trades.

Non-residential construction investment is set to expand by 25% between 2020 and 2021, driven by the timing of several major utility, gas, pipeline, and transportation infrastructure projects with a total value of more than \$60 billion. Major project requirements alongside rising levels of residential renovation work are expected to increase construction employment by an additional 11,700 skilled workers over the next two years.

As major projects are completed, combined with moderate growth in the residential sector, construction employment is expected to recede between 2022 and 2024, but total construction employment should remain above 2019 levels.

While demand growth will be more tempered over the latter half of the scenario period, the anticipated retirement of 44,200 workers will require the construction and maintenance industry to maintain a heightened focus on recruitment and training.

### BUILDING A SUSTAINABLE LABOUR FORCE

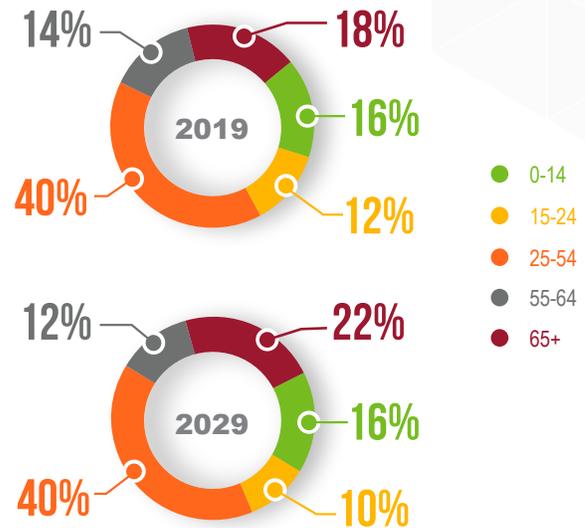
Canada’s population is aging, and meeting future labour demands will require the construction industry to remain focused on building a sustainable labour force. Over the coming decade, the construction industry is expected to add more than 50,200 new workers to meet requirements of new projects on top of replacing 257,100 workers expected to retire. This places overall hiring requirements at 307,300 workers, requiring the industry to remain focused on attracting, training, and retaining qualified workers.

The steady aging of Canada’s population is expected to drive increased retirements in most industries and increase competition for qualified younger workers. Over the next 10 years, the 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 youth population (15-24 years old) is expected to decline (see Figure 3). These demographic shifts have the potential to tighten labour markets, as labour force participation by older workers is much lower than that of their younger counterparts.

Attracting new workers into the industry will likely become increasingly difficult, as Canada’s population growth is expected to retract from recent high levels. The country’s population growth, which reached 1.5% in 2019, has been driven up recently by strong gains in international migration, with non-permanent residents (international students) accounting for a significant portion of this rise. Elevated levels of migration are expected to

recede over the next three years, as educational institutions are near or at capacity and will likely reduce admissions of international students.

Figure 3: Population age distribution, Canada



Source: BuildForce Canada

Canada’s natural rate of population growth (births less deaths) has been declining since 2010, following a brief growth period between 2005 and 2009. Across the scenario period, steady aging of the population translates into further reductions in the natural rate of population growth, which accounts for a small portion of overall population growth.

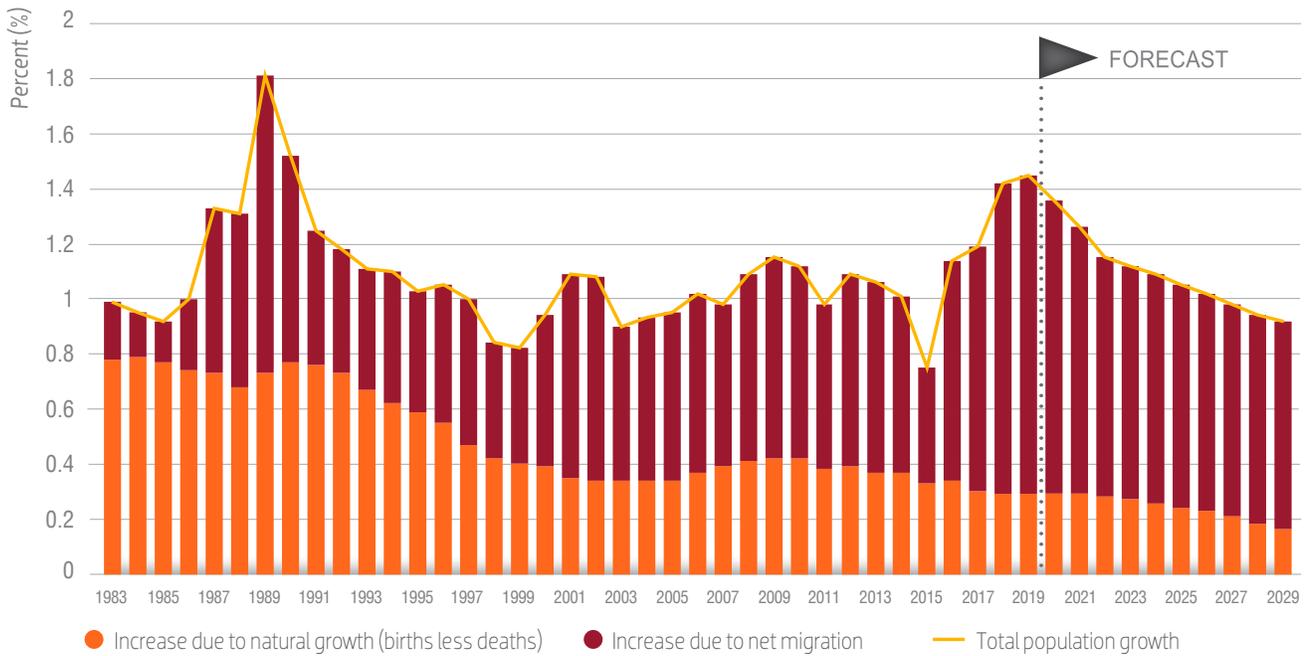
These trends lead Canada’s population growth lower throughout the scenario period, even as net international migration settles at above-historical levels. Components of population growth for Canada are shown in Figure 4.

Based on historical trends, Canada’s construction industry is expected to draw an estimated 227,600 first-time new entrants aged 30 and younger from the local population over the next decade. Across the scenario period, the pace of retirements exceeds the number of youth coming into construction, forcing industry to look to other industries and other countries for additional new workers to augment the available pool of local new entrants.

### UNDERREPRESENTED GROUPS OF WORKERS

Building a sustainable workforce will require the construction and maintenance industry to increase recruitment from groups traditionally underrepresented in the current construction labour force, including women, Indigenous people, and new Canadians.

**Figure 4: Sources of population growth (%), Canada**



Source: Statistics Canada, BuildForce Canada (2020–2029)

In 2019, there were approximately 191,700 women employed in Canada’s construction industry, of which 27% worked on-site, directly on construction projects, while the remaining 73% worked off-site, primarily in administrative and management-related occupations. Of the 1.1 million tradespeople employed in the industry, women made up 4.7% (see Figure 5).

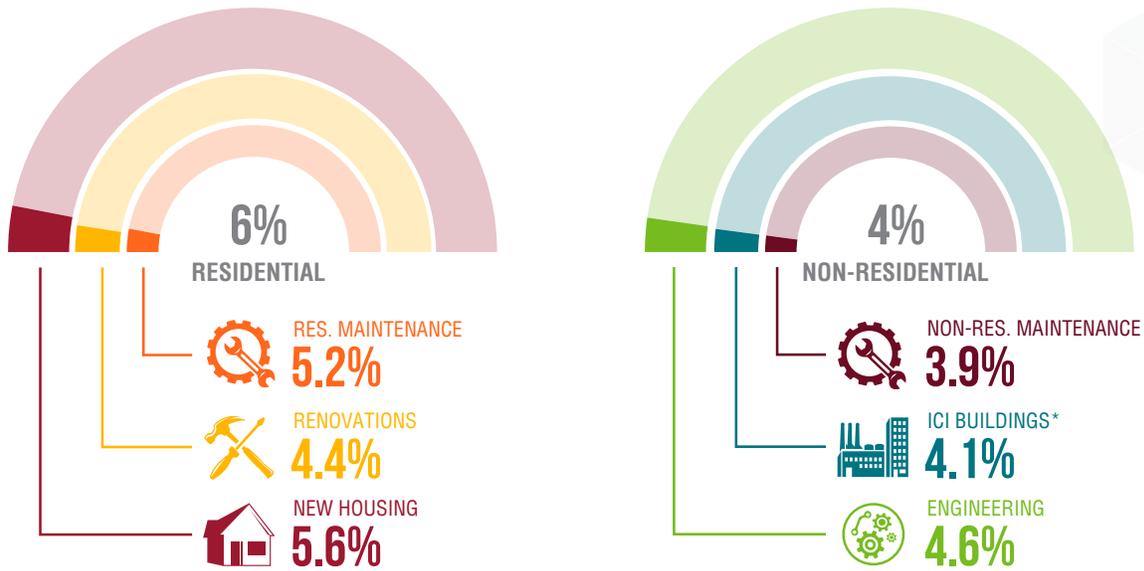
The estimated 51,800 tradeswomen in Canada are represented across all sectors of construction, but they tend to be employed in occupations highly demanded by residential and ICI building construction, as seven in 10 tradeswomen are employed in these sectors, with the residential sector alone accounting for the employment of 54% of all tradeswomen in the country. Moreover,

**Figure 5: Detailed construction employment by gender, Canada, 2019**



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

Figure 6: Representation of women in direct trades and occupations (on site), by sector, Canada, 2019



\* industrial, commercial, institutional

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

the representation of women is higher in the residential sector, with women accounting for 5.1% of tradespeople involved in new homebuilding, renovations, and maintenance (see Figure 6).

Looking at the representation of women in construction across the provinces, Western provinces have a higher representation of women in the industry than Central and Eastern provinces (see Figure 7). Alberta leads the pack, as tradeswomen in the province account for 6.8% of all tradespeople employed in the construction industry. British Columbia has also seen recent increases in the engagement of women, driven largely by the numerous opportunities created by the significant construction demands in the province. Quebec and

New Brunswick's construction industries have the lowest representation of women, while in Nova Scotia, only 2% of the non-residential workforce is made up of women compared to 4.3% in the residential sector.

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.

10-YEAR AVERAGE

1.1%



POPULATION GROWTH

412,100



BIRTHS

317,300



DEATHS

333,900



NET IMMIGRATION

BY 2029

42

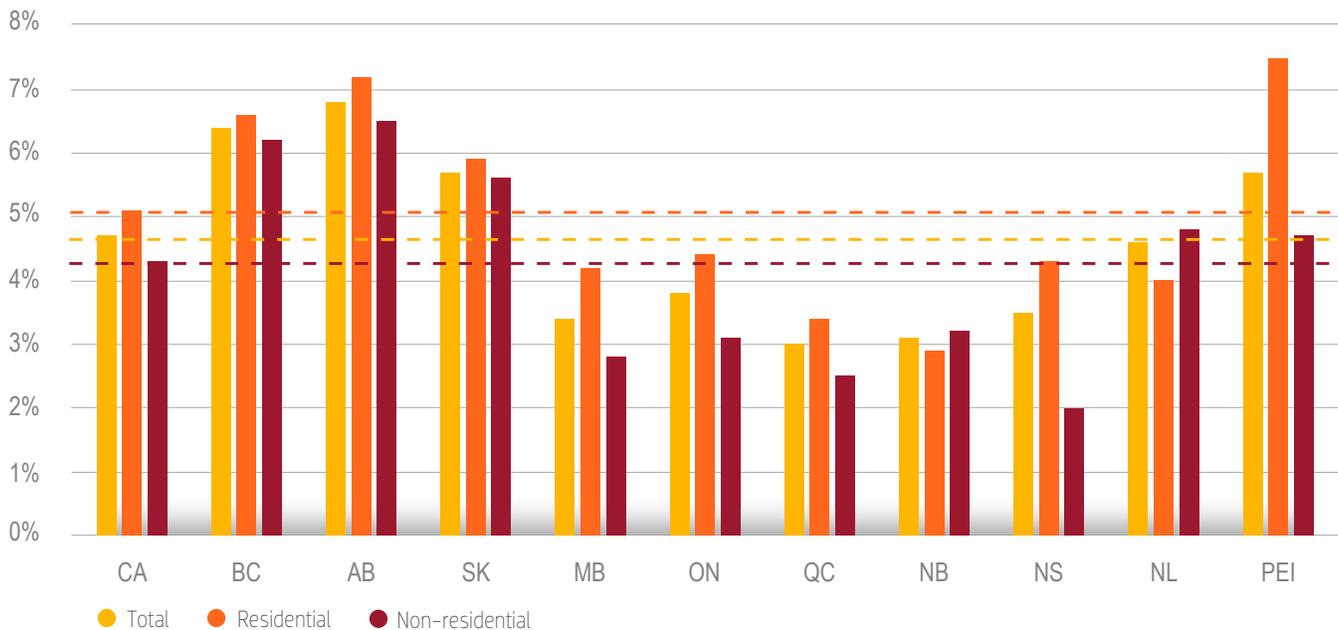


AVERAGE AGE

22%



PERCENT OF CURRENT LABOUR FORCE LOST TO RETIREMENT

**Figure 7: Representation of women in direct trades and occupations (on-site), by province and sector, 2019**

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

In Canada, approximately 4.9% of the construction labour force is made up of Indigenous people, 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 2020 and 2029, Canada is anticipated to welcome more than 3.3 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, key sources of immigrants were 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, with most new immigrants to Canada (62%) now coming from Asian countries (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

The 2020–2029 BuildForce Canada outlook sees overall employment demands edge higher across the scenario period. Above-historical average levels of immigration sustain demand for new homes, but a continued shift toward more affordable multiple-family units dampens employment related to new-home construction. At the national level, residential construction employment is expected to rise by just over 17,000 workers (+3%) by 2029.

Stronger non-residential construction is expected over the near term, driven by major energy, public transportation, and other infrastructure project demands, especially in British Columbia and Ontario. Across the scenario period, non-residential construction increases by 33,100 workers (+6%).

Anticipated retirements remain 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 just over 257,100 workers expected to retire, maintaining capacity to meet construction labour force needs will require focused efforts on recruiting, training, and retaining young workers.

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 present risks and can potentially alter anticipated labour market conditions.

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Canada

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