BUILDFORCE CANADA

CONSTRUCTION & MAINTENANCE LOOKING FORWARD

NATIONAL SUMMARY

HIGHLIGHTS 2021–2030

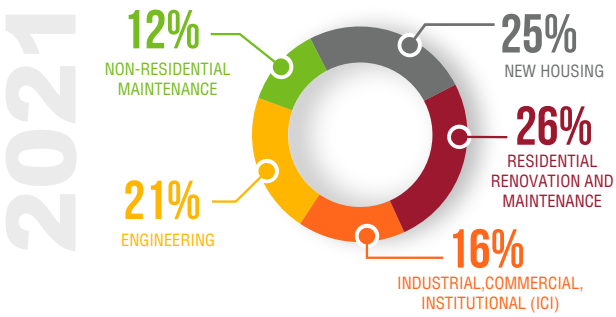
Canada's construction employment is expected to strengthen in 2021 and resume an upward trend following the pandemic-induced declines experienced in most provinces in 2020. The strength and pace of recovery is unevenly distributed across provinces and will be largely dependent on the recovery in consumer and business confidence, global demand for Canadian exports, and the lifting of restrictions on international travel.

The residential sector is expected to see stronger growth between 2021 and 2024, following uneven outcomes experienced across market segments and provinces in 2020. The up-cycle is expected to be supported by a recovery in immigration levels and the low lending-rate environment. Growth will slow over the long term alongside population growth.

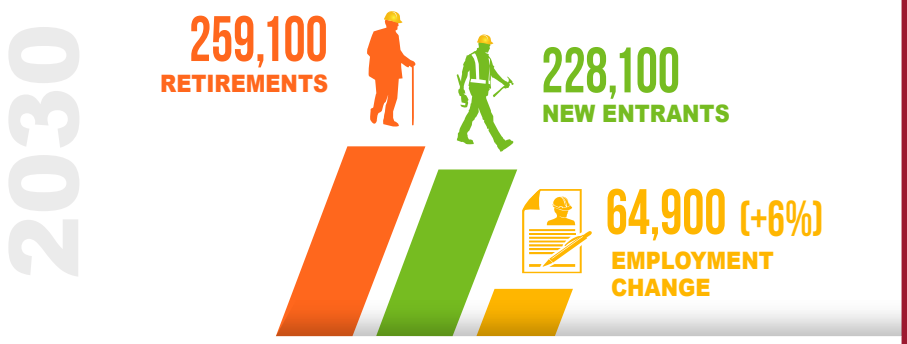
Non-residential construction employment requirements are expected to rise over the next few years based on a large list of multi-billion-dollar projects, including liquefied natural gas (LNG) facilities, nuclear refurbishments, public transit, and a variety of health care and education services. Near-term growth is bolstered by an expected recovery in commercial and industrial building construction, which were hardest hit by the impacts of COVID-19, though the pace of recovery in commercial building construction will be highly influenced by the post-pandemic work environment, which could moderate demands for office and retail space for the next few years.

Overall, construction employment is expected to rise by 64,900 workers (+6%) between 2020 and 2030. Although the outlook shows slower growth over the long term, all provinces will continue to grapple with an aging labour force and the need to replace almost 259,100 workers, or 22% of the current labour force, expected to retire over the next decade.

DISTRIBUTION OF CONSTRUCTION EMPLOYMENT IN 2021, CANADA



10-YEAR WORKFORCE OUTLOOK FOR CANADA



AVERAGE UNEMPLOYMENT RATE 7.8%

HIGHLIGHTS

- Over the scenario period, total construction employment is expected to increase by 64,900 workers (+6%), driven by gains in both the residential and non-residential sectors.
- Residential employment is projected to rise by 20,100 workers (+4%) over the coming decade, with diverging demands over the long term. Stronger new-home construction is expected to peak in 2024 and then slow, while renovation and maintenance construction demands rise across the scenario period.
- Non-residential activity is expected to see strong growth over the next few years due to a large list of major projects, adding 39,800 workers over the first five years of the outlook, and another 5,000 between 2026 and 2030 – up 44,800 workers (+8%) by 2030.
- An aging labour force and the expected retirement of just over 259,100 construction workers remain key drivers of employment demand requirements over the next decade.

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

Canada's construction employment is expected to begin a recovery in 2021 and rise throughout the coming decade, albeit at more muted levels than those experienced over the past 10 years. The pace of growth depends on the success of the domestic and global roll-out of vaccines, the pace of the economic recovery, and the return of migration and immigration.

Non-residential construction is projected to lead near-term growth between 2021 and 2023, driven by a large list of public transit, health care, education, roadwork, and other civil infrastructure projects. Although some major projects experienced setbacks and deferrals in 2020, most continue to move forward. The start or ramping up of major LNG, utility, public transit, and infrastructure projects are more pronounced in 2021 and 2022, with the largest increases expected in British Columbia, Ontario, and Quebec.

Increases in provincial public-sector capital investment led institutional building demands higher in most provinces in 2020, partly offsetting significant declines in commercial and industrial investment. Institutional building construction is expected to be a strong source of growth through to 2024, supported by hospital and education projects in Quebec, Ontario, British Columbia, and Nova Scotia.

Overall, non-residential employment is projected to increase by 39,800 workers between 2021 and 2025, and another 5,000 to 2030 – up 44,800 workers (+8%) compared to 2020.

The residential construction sector is coming off a very mixed year in 2020, as a confluence of factors, including record low interest rates, declines in immigration, a drop in household incomes, and the imposition of lockdown measures, played out very differently across provinces. Residential construction investment is expected to see stronger growth post-2021, as low lending rates and renewed immigration levels help to drive a moderate up-cycle in new-home construction to 2024, while renovation work is projected to grow steadily throughout the decade.

Residential construction is expected to see strong job gains over the near term, as renewed growth adds 29,200 workers to create a peak in 2024. Projected weaker population growth slows new-home construction over the remainder of the decade, while renovation and maintenance demands continue to rise modestly to 2030. Total residential employment is expected to retreat from the 2024 peak, but should add an estimated 20,100 workers (+4%) by the end of the scenario period in 2030 compared to 2020 levels.

Across the next decade, construction employment is expected to rise modestly compared to the 2020 starting point, rising by 64,900 workers (+6%) nationally. Most gains are concentrated between 2021 and 2024, with more moderate growth projected over the remainder 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 259,100 construction workers, or 22% of the 2020 labour force, are expected to retire over the next decade. Taken together, the construction industry in Canada will need to recruit, train, and retain just over 309,000 new workers between 2020 and 2030, which may become increasingly difficult as population growth slows and less youth are available to enter the labour force over the long term.

Table 1: Change in employment across provinces

REGION	% CHANGE 2021–2025	% CHANGE 2026–2030
Canada	**6.4%**	**-0.4%**
Newfoundland and Labrador	-14.9%	7.9%
Nova Scotia	8.4%	-4.0%
New Brunswick	-4.6%	4.7%
Prince Edward Island	1.6%	-6.7%
Quebec	4.4%	-2.7%
Ontario	8.3%	-2.4%
Manitoba	-3.5%	3.2%
Saskatchewan	7.4%	-2.2%
Alberta	8.1%	2.7%
British Columbia	6.8%	3.1%

Source: Statistics Canada, BuildForce Canada

Table 1 shows the anticipated changes in employment across the provinces for two periods over the outlook scenario: the five years from 2021 to 2025, and the remaining five years from 2026 to 2030.

PROVINCIAL INSIGHTS

This section provides brief provincial summaries for the 2021–2030 outlook scenario, highlighting distinct features that drive regional market conditions.

NEWFOUNDLAND AND LABRADOR

The impact of COVID-19 hit Newfoundland and Labrador disproportionately hard in 2020, as instability in the oil market caused many existing and proposed projects to be delayed or cancelled. With the indefinite deferral of the Bay du Nord development, near-term growth is largely dependent on the resumption of the West White Rose Project in 2022 and the recovery of resource-sector exports.

Residential investment was supported in 2020 by an increase in renovation expenditure, while new-housing investment fell to new lows. Although a modest recovery in housing starts is expected to begin in 2021, long-term growth is constrained by aging demographics and declines in the provincial population base.

NOVA SCOTIA

Construction activity in Nova Scotia was only moderately hindered by the impacts of COVID-19 in 2020, and the negative effects were largely confined to the residential and commercial markets. An anticipated recovery in both residential and commercial investment, alongside a ramp-up in requirements related to numerous major health- and education-sector projects and a proposed gold mine project, is expected to drive a strong expansion in construction employment across 2021 and 2022, with the strongest growth concentrated in the non-residential sector.

Modest interim declines are likely to follow as projects are completed, but stable levels of employment are expected over the long term, sustained by rising investment in industrial and commercial building construction and increased non-residential maintenance requirements.

Older age demographics and slowing population growth contribute to a downward trend in new-home construction after 2025, but overall residential-sector investment is expected to experience modest growth, driven by continued in-migration to the province and rising levels of residential renovation investment.

NEW BRUNSWICK

New Brunswick's construction employment requirements are poised to edge higher in 2021, as institutional building and infrastructure demands increase in response to projected stronger immigration-driven population growth.

The province's policy aimed at raising international immigration in recent years has contributed to both stronger population growth and new-housing construction since 2016. Further increases in immigration are expected to help sustain demand for new housing and related employment near current high levels over most of the 2021–2030 scenario period. Later in the period, slower population growth limits gains in new-housing construction, but stronger growth is anticipated in urban centres.

The completion of major health care, road, highway, bridge, and other infrastructure projects contributes to declines in non-residential employment between 2021 and 2024. With few new major projects planned, non-residential construction requirements over the latter half of the decade are driven increasingly by non-residential maintenance and the Mactaquac hydro dam refurbishment, with core construction expected to start in 2027. These offsetting trends translate into only moderate changes in total construction employment across the scenario period.

PRINCE EDWARD ISLAND

Prince Edward Island was the lone province to experience a rise in construction employment in 2020, propelled through the pandemic by the momentum of an enduring residential expansion.

Construction demands are expected to accelerate in 2021, driven by a wave of public-sector investment alongside continued high levels of new-housing construction and an anticipated recovery in commercial and industrial investment. The pace of growth slows to 2022 before retreating from this peak, but the province will continue to lead population growth in the Atlantic region, sustaining strong economic growth across the scenario period.

QUEBEC

In the spring of 2020, Quebec's construction sector endured some of the severest COVID-19 restriction measures, but activity is expected to rebound, as growth in industrial, commercial, and institutional (ICI) building construction is set to increase as the recovery resumes.

A post-COVID private-sector economic recovery, combined with strong levels of government investment in education, health care, public transit, road, highway, and bridge construction is expected to drive near-term growth, while new-housing investment should recede from the highs reached in 2020.

Quebec has benefited from strong levels of net migration to the province for the past several years. The impact of COVID restrictions on interregional and international travel is expected to contribute to slower population growth and lower housing starts compared to recent years, though renovation activity is expected to continue rising. These offsetting trends continue to raise overall construction employment requirements higher to 2024, followed by moderate declines over the remainder of the scenario period.

ONTARIO

Ontario's construction market is poised to resume growth in 2021, as a growing pipeline of major infrastructure projects across all regions is joined by an expected recovery in commercial and industrial investment over the next few years.

After high demand lowered unemployment rates to near record lows in 2019, COVID-induced slowdowns in some market segments helped to increase the overall labour supply in 2020, but the excess capacity was quickly absorbed to meet rising requirements related to new housing and ongoing major projects, returning employment to near pre-pandemic levels by the end of the year.

Infrastructure investments remain a focal point of the 2021–2030 outlook. Significant investments in public transportation, the health sector, and the refurbishment of Ontario's nuclear reactors lead to a distinct peak in 2026.

MANITOBA

Manitoba's construction labour market weakened in 2020 due to the broad economic impact of COVID-19 and lower requirements at Manitoba Hydro's Keeyask dam project. The decline marks the end of enduring expansion that has outlasted many other provinces.

Declines in major-project requirements, alongside lower anticipated levels of institutional building and new-home construction, are expected to limit employment growth for much of the decade. Modest growth in road, highway, and bridge construction, industrial buildings, and other infrastructure projects will partially offset these declines, with industry employment declining by less than 1% from 2020 levels by the end of the decade.

SASKATCHEWAN

Starting in 2021, Saskatchewan's construction market is set to experience a pronounced recovery, although the pace of growth depends on the timing of proposed resource-sector investment.

A recovery in new-housing construction and an increase in institutional building activity, supported by the government's capital spending plan, partly offset declines in commercial and industrial building and engineering construction, resulting in lower overall industry employment in 2020.

A broad-based recovery is expected to take hold in 2021, as education, health care, utility, and mining investment combine to boost growth across most construction segments to an expected peak in 2023.

ALBERTA

Alberta was among the provinces hardest hit by the impacts of the COVID-19 pandemic, with economic losses compounded by large investment declines in the oil and gas sector. Persistent uncertainty in the energy sector and further deferrals and cancellations of major investments have significantly tempered expectations for a strong near-term recovery. A more material expansion is expected to take hold after 2023, driven by increased pipeline export capacity and moderate population growth.

The outlook scenario for Alberta shows that health care, education services, pipeline, petrochemical, transit, and other infrastructure projects help to sustain construction employment through to 2023. Stronger but moderate growth is expected to follow, driven by an anticipated increase in oil and gas investment with the expansion of the Trans Mountain Pipeline and other pipeline projects, as well as an up-cycle in new-housing construction. The expansion is expected to drive total construction employment higher by 19,900 workers (+11%) between 2023 and 2026.

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 continue posing periodic recruitment challenges for workers and some trades who have specialized skills and experience.

BRITISH COLUMBIA

British Columbia is entering the steepest period of growth of an expansion that has been building over the past five years. Major-project demands are expected to intensify in 2021 and then rise to peak levels in 2022. These projects include ongoing work at Site C, LNG Canada's export terminal and related TC Energy Coastal GasLink pipeline, the Trans Mountain Pipeline Expansion, Pattullo Bridge Replacement, and transit, education, health care, and other infrastructure projects.

Investment in ICI building construction declined in 2020, but is expected to post strong growth between 2021 and 2022 with the stacking of several major health care and education infrastructure projects, as well as spin-off work from major engineering projects.

The major-project-driven nature of the engineering demands in the province is expected to propel non-residential employment higher by 11,439 workers (+16%) in just two years between 2020 and 2022. The 2023–2026 down-cycle takes away little more than half of the previous employment gains, while an up-cycle between 2027 and 2030 adds 5,428 workers. The net gain across the scenario period is 9,919 workers (+14%). ICI building construction is projected to experience more steady employment gains over the decade, adding more than 4,660 workers (+23%) by 2030 compared to 2020 levels.

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

The reduction in immigration, foreign students, and overall pace of population growth as a result of COVID-19 contributed to lower demand for housing in 2020. The imposition of lockdowns and pandemic containment measures slowed renovation work in the early part of the year, despite a better-than-expected late spring and summer season. While renovation work is expected to rebound strongly in 2021, new-housing construction, which saw housing starts decline from 208,700 units in 2019 to 207,200 units in 2020, is not expected to rise until the anticipated recovery in immigration intensifies demand for new housing in 2022.

Table 2 shows the anticipated changes in residential employment by province for two periods over the outlook scenario: the five years from 2021 to 2025, and the remaining five years from 2026 to 2030.

Table 2: Change in residential employment, by province

REGION	% CHANGE 2021–2025	% CHANGE 2026–2030
Canada	5%	-2%
Newfoundland and Labrador	6%	2%
Nova Scotia	5%	-3%
New Brunswick	5%	-1%
Prince Edward Island	-5%	-11%
Quebec	0%	-4%
Ontario	7%	-3%
Manitoba	3%	0%
Saskatchewan	17%	7%
Alberta	6%	-1%
British Columbia	6%	1%

Source: Statistics Canada, BuildForce Canada

THE AVAILABLE WORKFORCE

The 2021 BuildForce LMI system tracks changes in the residential labour force from 2021 to 2030:

- The residential labour force increases by 13,309 workers over the coming decade to meet increasing demands.
- A key driver of hiring needs over the coming decade is replacing an estimated 134,629 workers expected to retire from the residential labour force.
- First-time new entrants aged 30 and younger drawn from the local population are expected to add 107,608 new workers to the residential labour force.
- In the absence of increased recruiting efforts, a deficit of 40,330 workers is expected to emerge by 2030.

Figure 1 provides a summary of the estimated changes in the national residential labour force across the full 2021–2030 scenario period.

NON-RESIDENTIAL SECTOR

Total non-residential employment is expected to increase by 44,800 workers (+8%) across the scenario period. Engineering employment tends to follow the ebb and flow of major projects, but it finishes the scenario higher than 2020 levels. Employment increases by nearly 8,157 workers, returning to 2019 levels by 2030.

ICI building construction provides a more stable level of employment over the coming decade, with stronger growth over the near term related to a recovery in commercial building construction and a large list of health care and education infrastructure projects. The sector adds 30,128 workers (+18%) by 2030.

Non-residential maintenance work across all sectors adds a steady stream of new employment over the decade, adding 6,541workers (+5%) by 2030.

Despite slower overall growth, pressures to recruit and train workers will be driven by the anticipated retirement of an estimated 124,510 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. Over the decade, the entry of an additional 120,476 new-entrant workers under the age of 30 from recruitment efforts will help to moderate labour force pressures, but owing to overall demand growth, unless recruitment is increased, a deficit of 40,638 workers could emerge by 2030.

Table 3 shows the anticipated percent change in non-residential employment by province for two periods over the outlook scenario: 2021 to 2025 and 2026 to 2030.

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

Table 3: Change in non-residential employment, by province

REGION	% CHANGE 2021–2025	% CHANGE 2026–2030
Canada	8%	1%
Newfoundland and Labrador	-26%	12%
Nova Scotia	13%	-6%
New Brunswick	-12%	10%
Prince Edward Island	6%	-4%
Quebec	9%	-2%
Ontario	10%	-2%
Manitoba	-8%	5%
Saskatchewan	4%	-6%
Alberta	10%	6%
British Columbia	8%	6%

Source: Statistics Canada, BuildForce Canada

THE AVAILABLE WORKFORCE

The 2021 BuildForce LMI system tracks changes in the non-residential labour force from 2021 to 2030:

- The non-residential labour force must rise by 36,606 workers over the coming decade to meet increasing demands.
- The retirement of 124,510 workers during this period will increase overall national recruitment requirements to 161,116 workers.
- Over the decade, the entry of an additional 120,476 new-entrant workers under the age of 30 from recruitment efforts will help to moderate labour force pressures, but unless recruitment is increased, a deficit of 40,638 workers is expected to emerge by 2030.

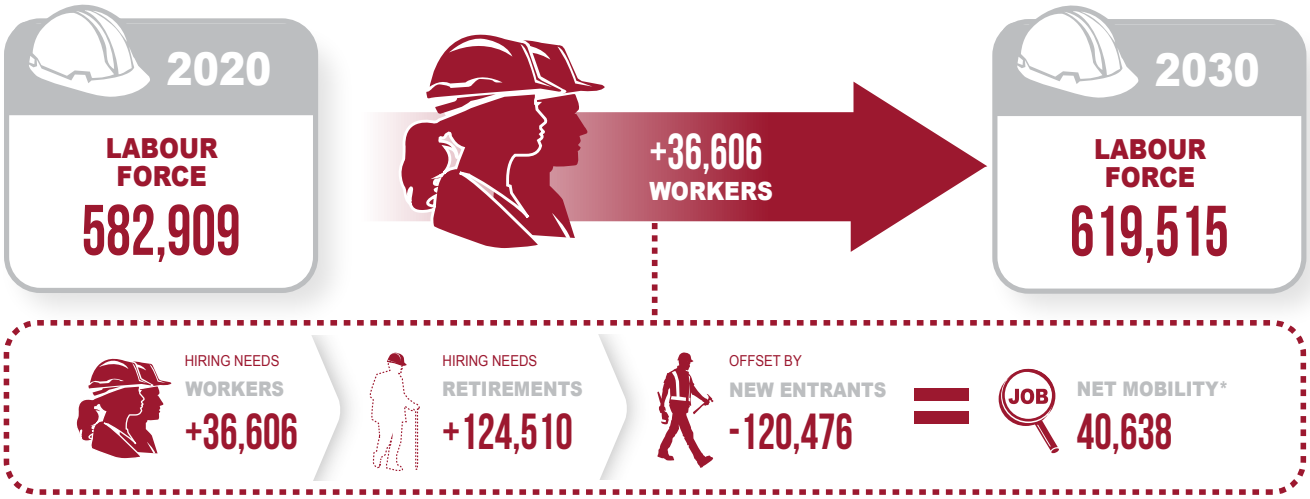
Figure 2 provides a summary of the estimated changes in the national non-residential labour force across the full 2021–2030 scenario period.

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 49,900 new workers to meet requirements of new projects on top of replacing an estimated 259,100 workers expected to retire. This places overall hiring requirements at 309,000 workers, requiring 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)

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

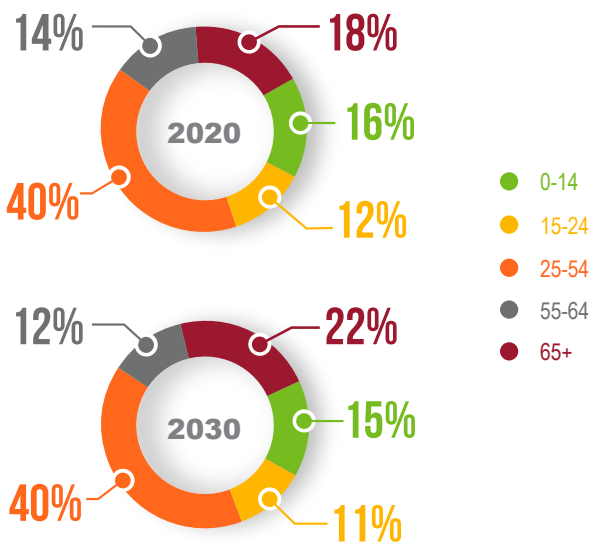
is expected to decline (see Figure 3). These demographic shifts have the potential to tighten labour markets, as labour force participation by older workers is much lower than that of their younger counterparts.

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.

Canada's natural rate of population growth[1] has been declining since 2010, following a brief growth period between 2006 and 2009. Across the scenario period, this 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.

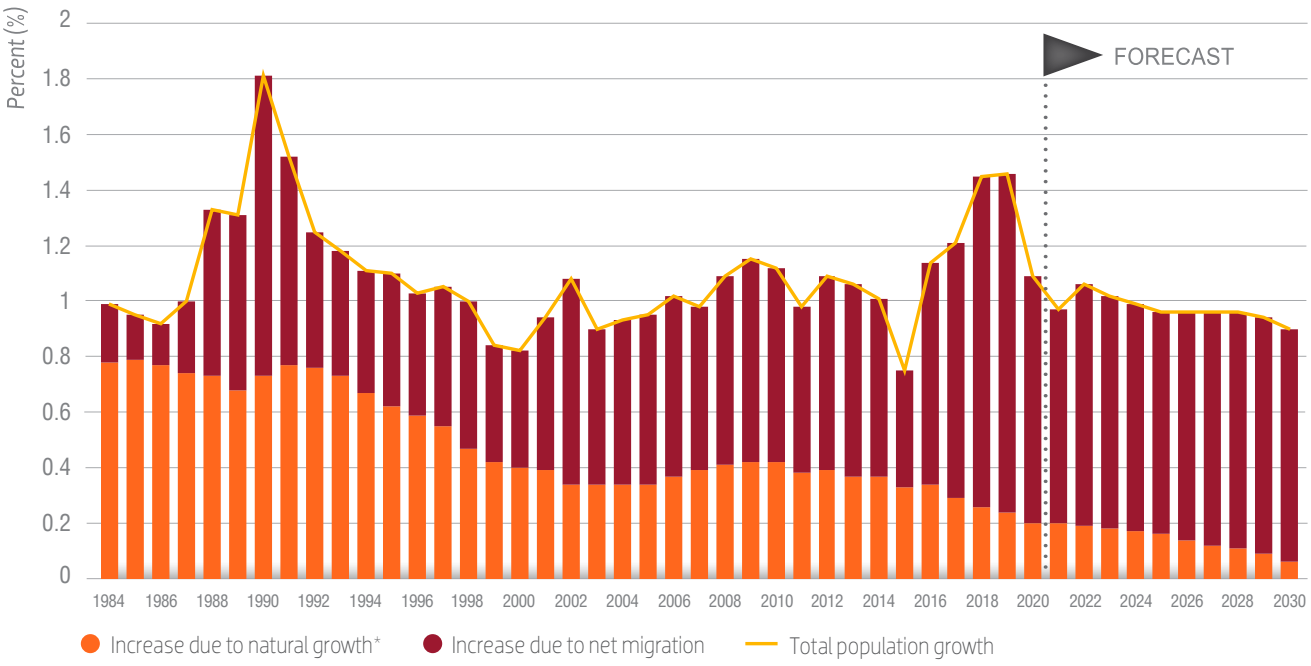
Based on historical trends, Canada's construction industry is expected to draw an estimated 228,100 first-time new entrants under the age of 30 from the local population over the next decade. Across the scenario period, the pace of retirements exceeds the number of youth coming into construction, forcing the industry to look to other industries and other countries for additional new workers to augment the available pool of local new entrants.

Figure 3: Population age distribution, Canada



Source: BuildForce Canada

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

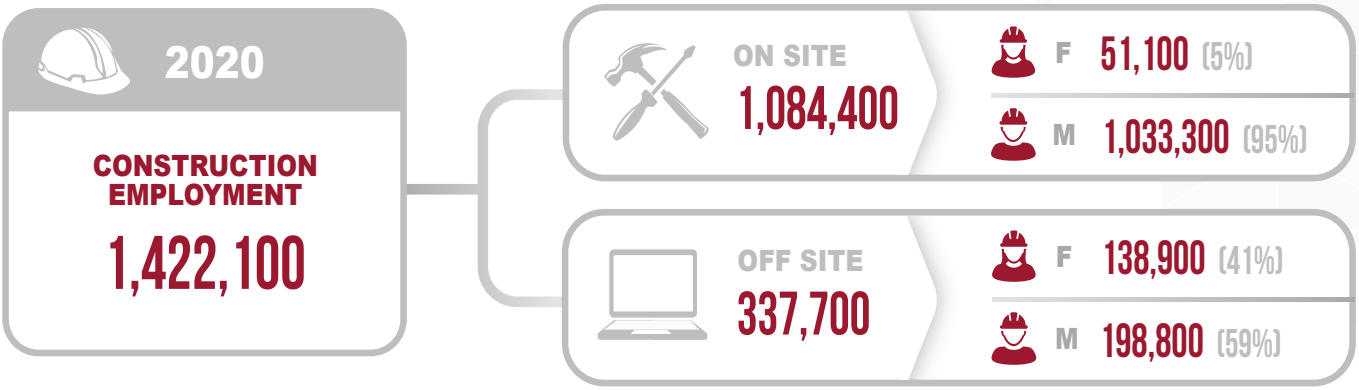


* **Natural rate of population growth** refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

Source: Statistics Canada, BuildForce Canada (2021-2030)

[1] **Natural rate of population growth** refers to the growth in the population due to the number of births relative to the number of deaths, which leads to a positive or negative natural rate.

Figure 5: Detailed construction employment by gender, Canada, 2020



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

UNDERREPRESENTED GROUPS OF WORKERS

Building a sustainable and diverse 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.

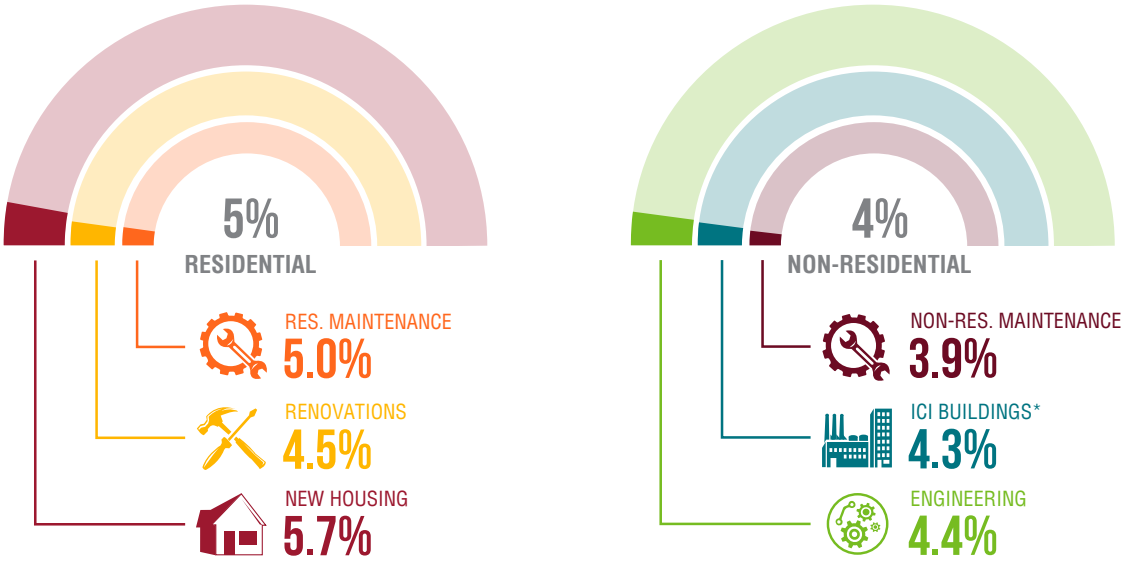
In 2020, there were approximately 190,000 women employed in Canada's construction industry, of which 27% worked on site, directly on construction projects, while the remaining 73% worked off site, primarily in administrative and management-related occupations. Of the nearly 1.1 million tradespeople employed in the industry, women made up 5% (see Figure 5).

The estimated 51,100 tradeswomen in Canada are employed across all sectors of construction, but they tend to be employed in occupations highly demanded by residential construction, as 56% of tradeswomen are employed within the residential sector, with nearly one-third employed in new-housing construction alone.

Across individual sectors, the representation of women (share of women in the total workforce) is higher in the residential sector, with women accounting for 5% of tradespeople involved in new homebuilding, renovations, and maintenance (see Figure 6).

Looking at the share of women represented in construction across the provinces, Western provinces have a higher representation of women in the industry than Central and Eastern provinces, with the exception

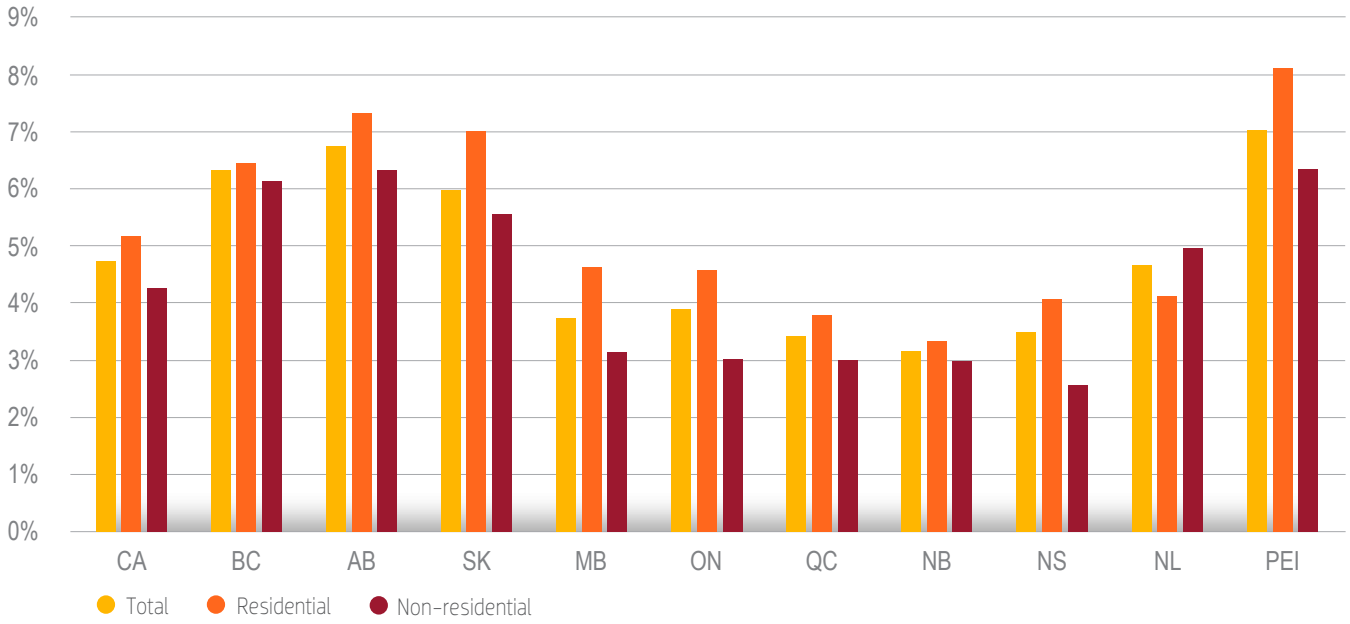
Figure 6: Representation of women in direct trades and occupations (on site), by sector, Canada, 2020



* industrial, commercial, institutional

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

Figure 7: Representation of women in direct trades and occupations (on site), by province and sector, 2020



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

of Prince Edward Island (see Figure 7). Prince Edward Island and Alberta lead the pack, as tradeswomen in these provinces account for 7% 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. Construction industries in Quebec, Nova Scotia, and New Brunswick have the lowest representation of women, with women accounting for less than 4% of tradespeople.

The Indigenous population is another underrepresented group that presents recruitment opportunities for Canada's construction industry. In 2020, Indigenous people accounted for approximately 4% of Canada's total working-age population[2]. The Indigenous population is the fastest growing in Canada and has a higher propensity to choose the construction industry as a potential career choice. Based on the 2016 Census, an estimated 7.6% of non-Indigenous Canadians were employed in the construction industry, compared to 9.6% for the Indigenous 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 2021 and 2030, Canada is anticipated to welcome more than 3.2 million new Canadians, making the immigrant population a key source of labour force growth over the coming decade.

[2] Statistics Canada. Table 14-10-0364-01 Labour force characteristics by province, region, and Aboriginal group (x 1,000)

10-YEAR AVERAGE

1%	397,300	342,000	328,600
POPULATION GROWTH	BIRTHS	DEATHS	NET MIGRATION

BY 2030

42	22%
AVERAGE AGE	PERCENT OF CURRENT LABOUR FORCE LOST TO RETIREMENT

Canada's construction labour force is made up of approximately 18% new Canadians.[3] Historically, key sources 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, with most new immigrants to Canada (62%) now coming from Asian countries (primarily from China, India, Iran, the Philippines, and Syria). Citizens from these nations may have a lower tendency to consider employment in the construction sector. Due to Canadian immigration policies and selection criteria, persuading individuals upon arrival to consider careers in the trades may be challenging, particularly for those with professional training outside the skilled trades that are seeking employment in other sectors of the economy. As immigrants will make up an increasing share of the overall Canadian population over the next few decades, additional recruitment efforts will be required to ensure the construction industry continues to recruit its share of new Canadians into the labour force.

CONCLUSIONS AND IMPLICATIONS

The 2021–2030 BuildForce Canada outlook sees overall construction employment demands strengthen in 2021 and edge higher across the scenario period.

Residential construction rises across the decade, driven initially by new-home construction that cycles up to peak in 2024, and then by more steady increases in renovation and maintenance activity. At the national level, residential construction employment is expected to rise by just over 20,100 workers (+4%) by 2030.

Non-residential construction increases between 2021 and 2023, driven by education, health care, utility, public transit, and other infrastructure projects, including roads, highways, and bridges. Employment is projected to increase by more than 44,800 workers (+8%) to 2030, with the largest gains over the near term to 2025 – up 39,800 workers compared to 2020.

Anticipated retirements remain a key driver of industry labour needs, even in provinces where construction activity has slowed. Over the long term, industry faces the challenge of an aging workforce and the expected retirement of almost 259,100 workers, or almost 22% of the current labour force. This represents a significant loss of skills and experience that is unmatched by new workers entering the labour force.

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. Meeting near- and long-term labour demands will require a combination of industry strategies that include increased recruitment and training of youth, women, Indigenous people, New Canadians, and workers 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 market conditions.

[3] Statistics Canada, BuildForce Canada (2021-2030)

Funded by the Government of Canada's Sectoral Initiatives Program

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

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MARCH 2021