

Construction & Maintenance Looking Forward

# National and British Columbia Outlook Highlights

An Assessment of Construction Labour Markets  
from 2020 to 2029

*Construction and Maintenance Looking Forward is an industry planning tool.*

VRCA  
January 22, 2020



# Provincial investment and employment outlook

## 2020 – 2029 construction and maintenance outlook release

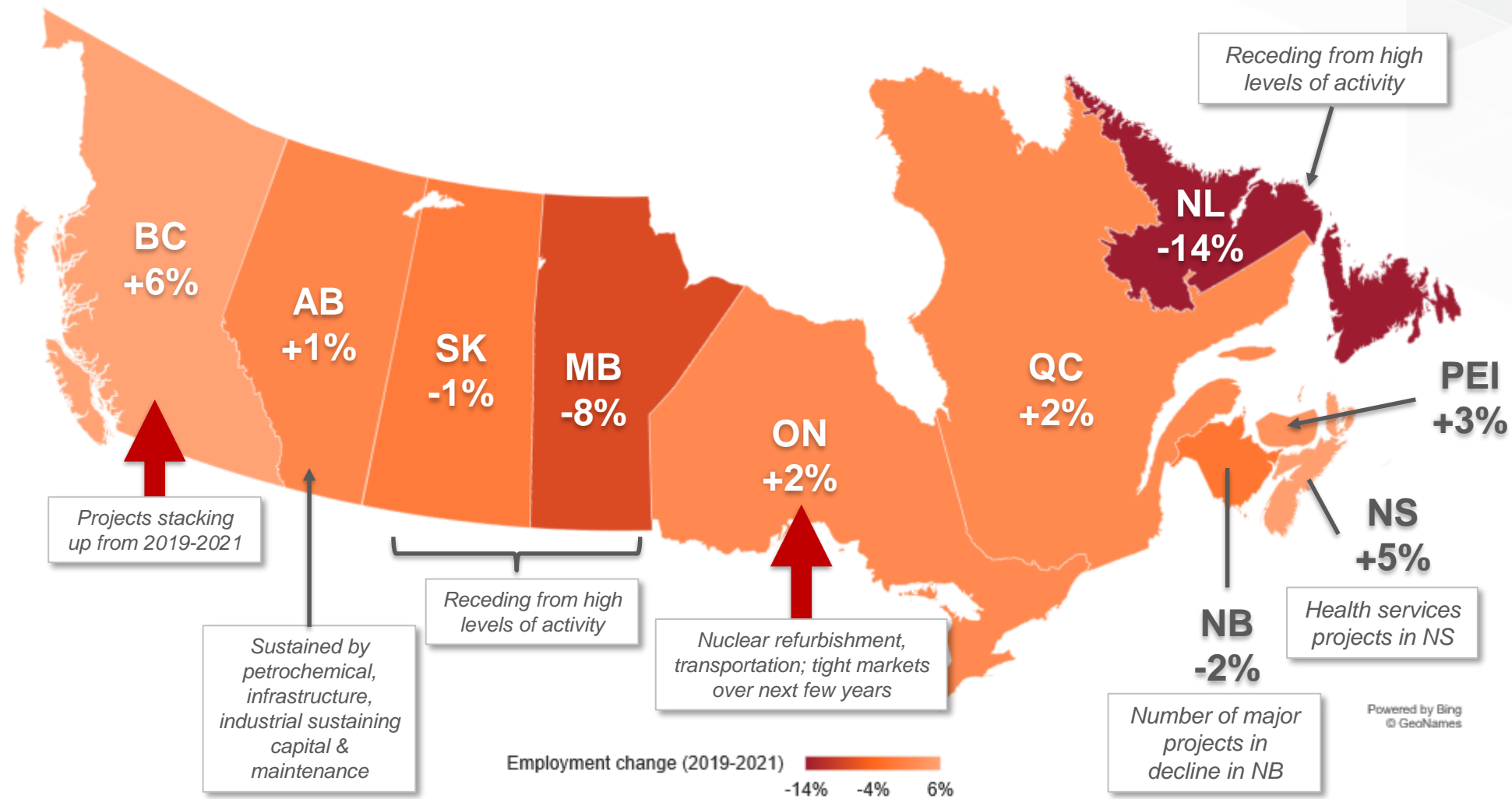
- Investment trends drive construction employment.
- Key markets/sectors include:
  - **Residential**
    - New housing (*single, semi-detached, row, highrise*)
    - Housing renovation
    - Maintenance (*property upkeep and maintaining living conditions*)
  - **Non-residential**
    - Industrial
    - Commercial
    - Institutional
    - Engineering
      - Industrial and utilities (*mining, oil and gas, and utilities*)
      - Roads, highways and bridges
      - Other (*pipelines, water and sewer lines, transit systems, tunnels, and other civil engineering*)
    - Maintenance (*across all sectors*)

ICI Building



# National trends

Near-term change in total (residential + non-residential) employment



# Provincial highlights - British Columbia



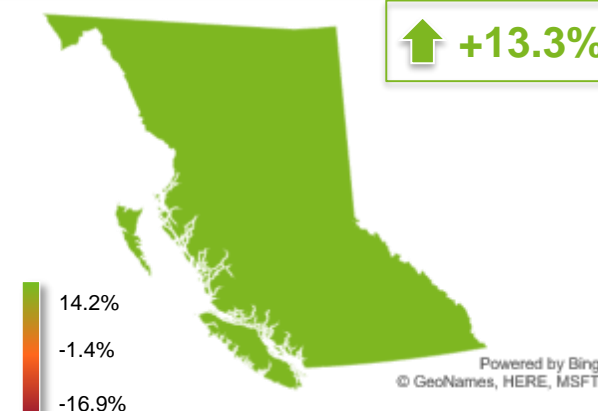
- Residential construction
- Employment remained strong in 2019 due to rise in condominium construction
- New-home construction expected to recede over near term, but slack fully absorbed by increased renovation and maintenance work
- By the numbers (2020-2029)
  - Labour Force Growth: 9,602
  - Retirements: 26,787 (22%)
  - New Entrants: 21,868
  - Recruitment Gap: 4,919
  - Mobility: 14,521 (In-mobility)

## Employment change by 2021

### Residential



### Non-residential



- Non-residential construction
- 2019 marked midway point of 52% increase in employment to 2021
- Anticipated timing of tracked major projects drive a distinct peak in 2021
- Recruiting challenges prevail over near term
- By the numbers (2020-2029)
  - Labour Force Growth: 6,976
  - Retirements: 17,411 (21%)
  - New Entrants: 15,979
  - Recruitment Gap: 1,432
  - Mobility: 8,408 (In-mobility)

# BC – Select current and proposed major projects

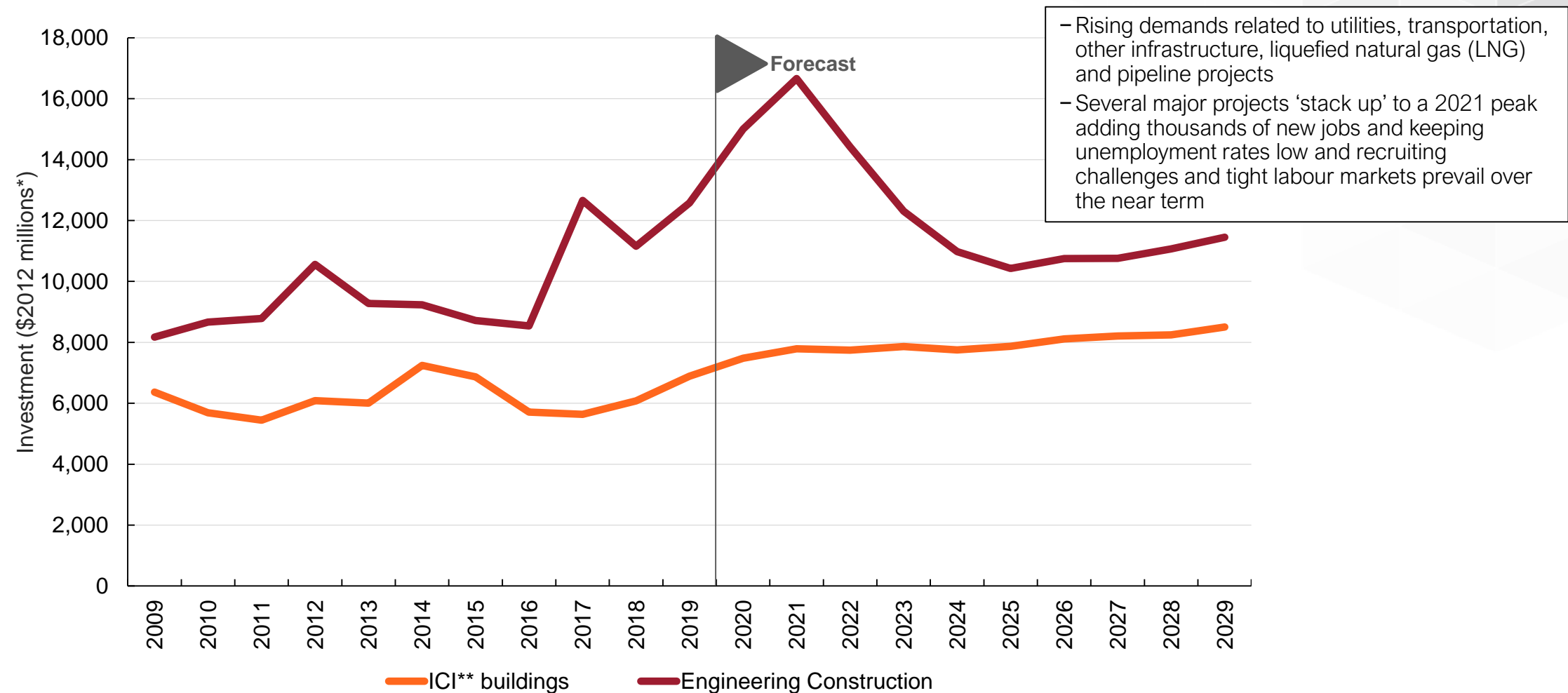


Company: Project Name	Construction
<b>-- Roads, highways and bridges</b>	
Translink: Patullo Bridge Replacement	2019:4-2023:4
BC Ministry of Transportation: Kicking Horse Canyon Project	2018:3-2023:3
<b>-- Health services</b>	
Royal Columbian Hospital Redevelopment (Phase II)	2020:2-2026:4
St. Paul's Hospital	2020:4-2027:4
<b>-- Transportation &amp; warehousing (includes LNG)</b>	
Shell: LNG Canada Facility	2018:1-2023:4
TransCanada: Coastal Gaslink (LNG Canada Pipeline)	2019:1-2022:1
Pacific Oil & Gas: Woodfibre LNG	2019:3-2021:2
Government of Canada: Trans Mountain Express (TMX) Pipeline	2020-2022
Vancouver Airport Authority: International Airport Expansion	2019-2029
Vancouver Fraser Port Authority: Roberts Bank Container Expansion	2020-2026
<b>-- Public transit</b>	
BC MTI / Translink: Millenium (Broadway) Line	2020:1-2025:4
BC MTI / Translink: Surrey LRT	2020:3-2024:3
<b>-- Utilities</b>	
BC Hydro: Peace River Site C Dam	2015:3-2024:4
Capital Region District: Core Area Wastewater Management Project	2017:2-2020:4
Elk Valley Water Quality Plan (6 Water Treatment Facilities)	2018:2022

*Heavy concentration in the  
Lower Mainland across  
all markets segments  
driven by  
several major public sector  
projects plus high-rise  
residential*

# Non-residential construction – British Columbia

## Investment



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

\* **\$2012 millions** indicates that the investment values are in year 2012 dollars (base year), that is, adjusted for inflation.

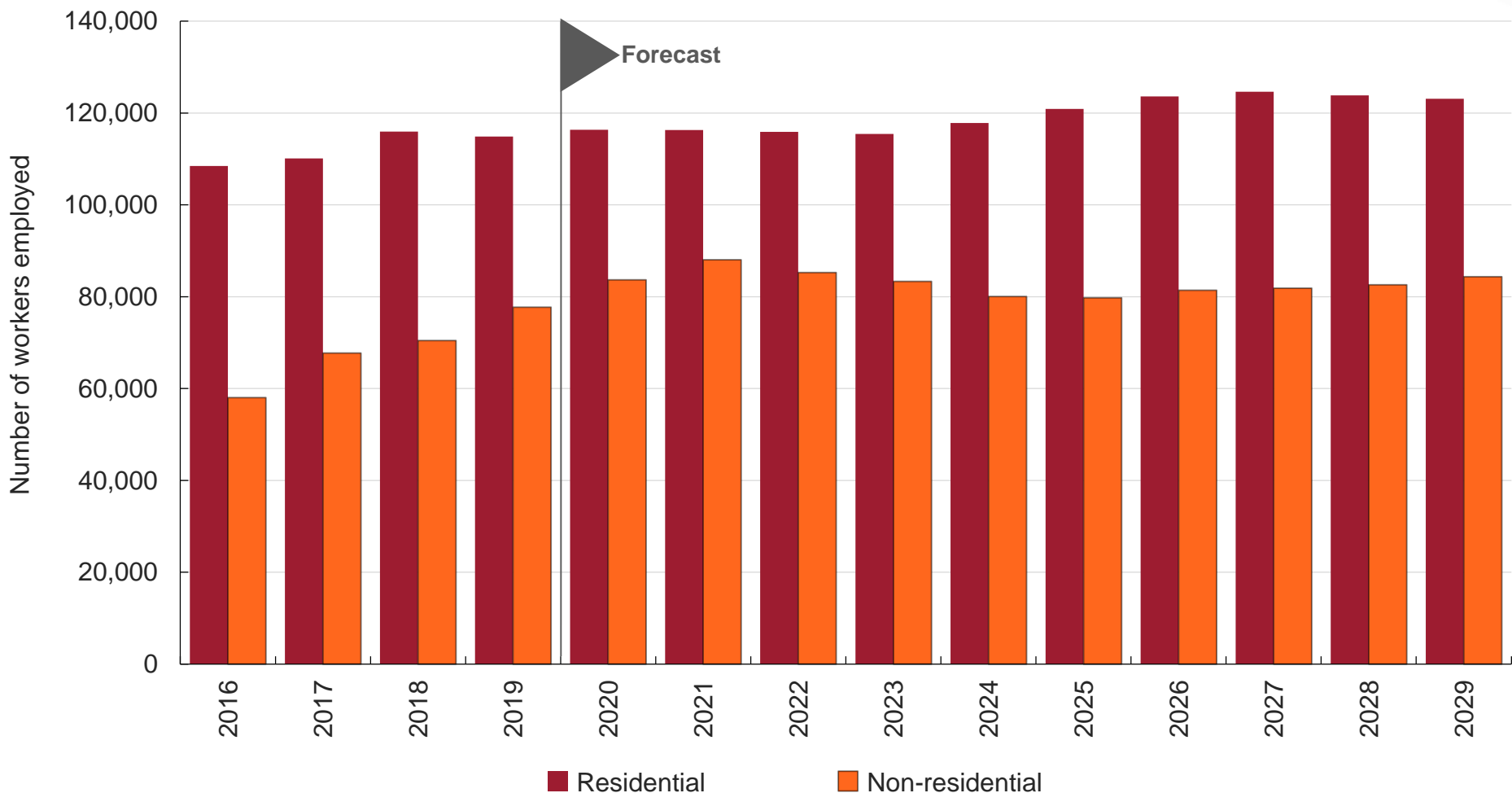
\*\* industrial, commercial, institutional



# Construction industry overview – British Columbia

## Employment

### Total direct trades and occupations

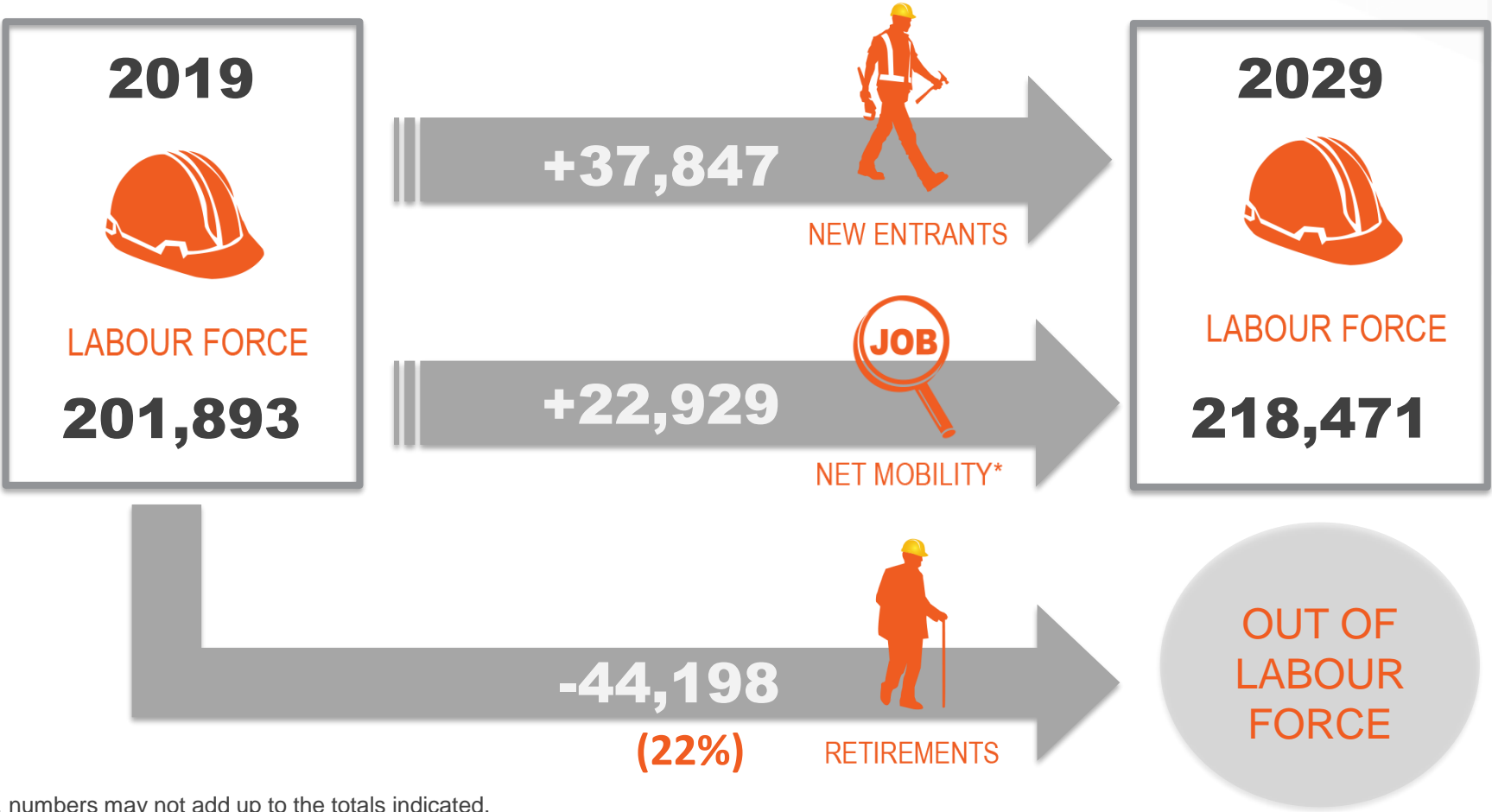


Source: Statistics Canada, BuildForce Canada (2020-2029)

# Construction industry overview – British Columbia

Total changes in the available labour force

Total direct trades and occupations



Note: Due to rounding, numbers may not add up to the totals indicated.

\* **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.





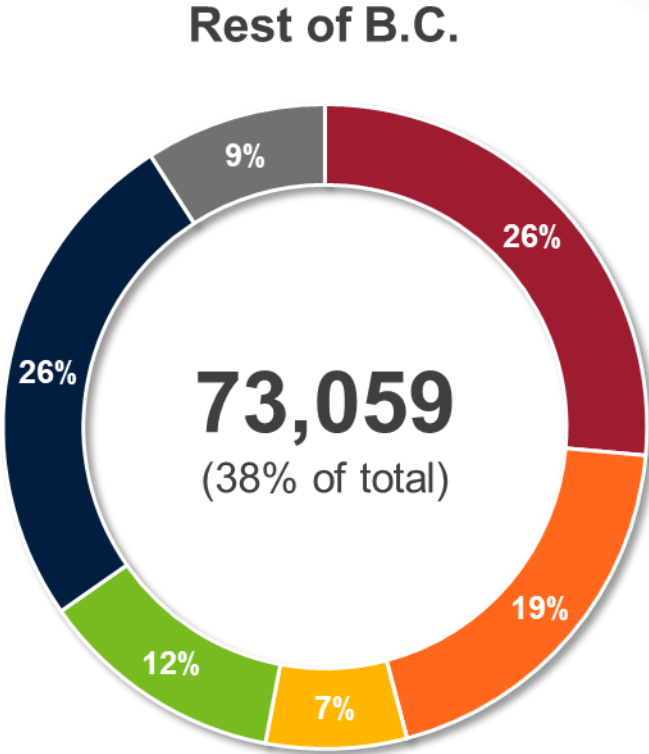
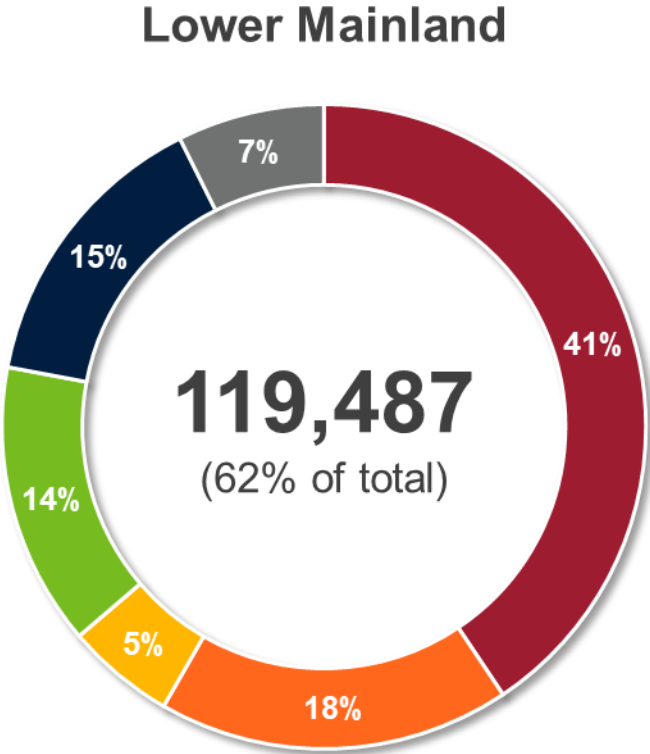
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## Lower Mainland region

The Lower Mainland region is defined by the economic regions of Greater Vancouver, Fraser Valley, Sunshine Coast, Squamish, and Lillooet.

# Construction employment distribution (2019)

British Columbia regions

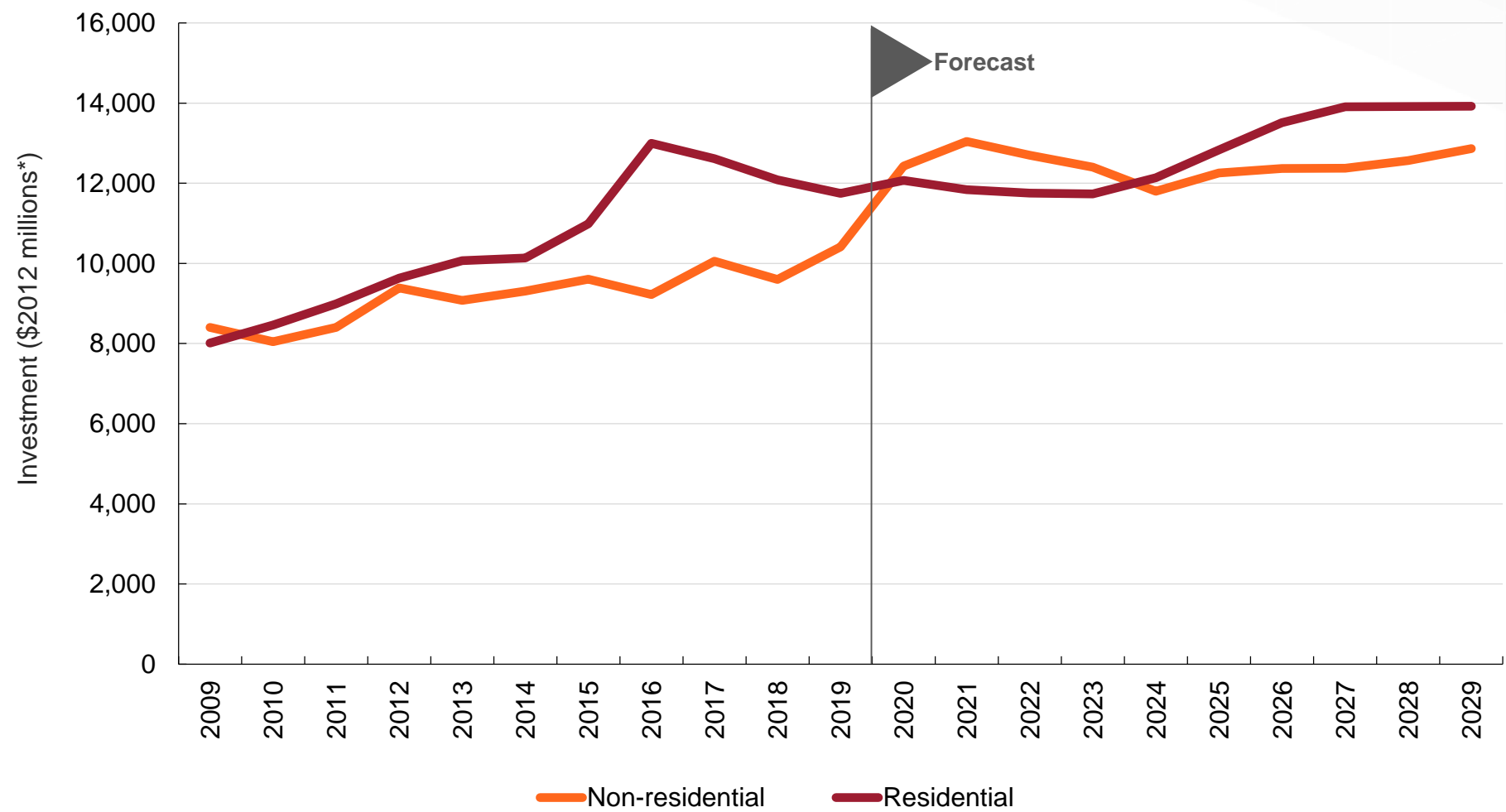


● New housing ● Renovations ● Residential maintenance ● Engineering ● ICI\* buildings ● Non-residential maintenance

\* industrial, commercial, institutional

# Construction industry overview – Lower Mainland

## Investment

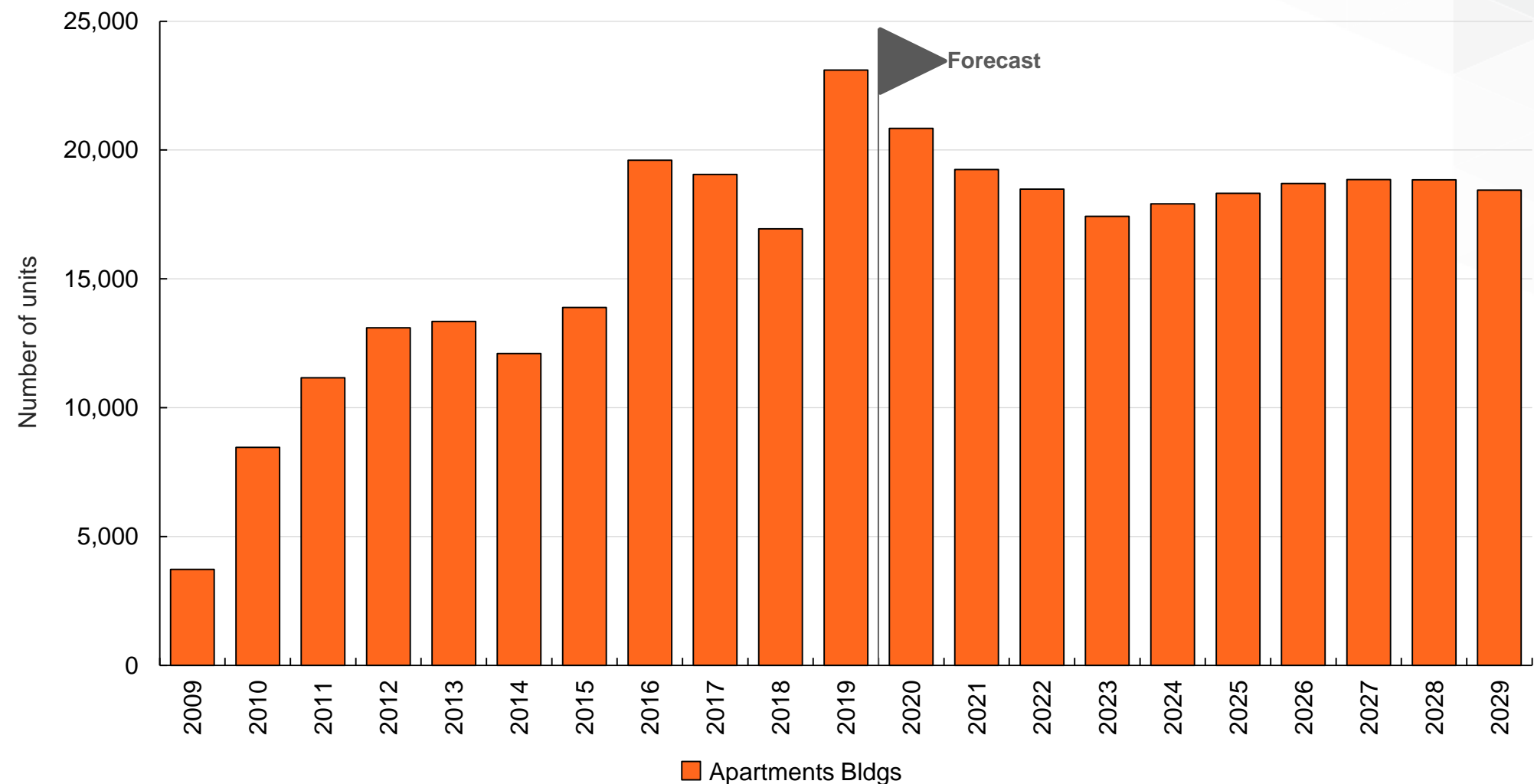


Source: Statistics Canada, BuildForce Canada (2020-2029)

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# Construction industry overview – Lower Mainland

## Housing Starts – highrise residential

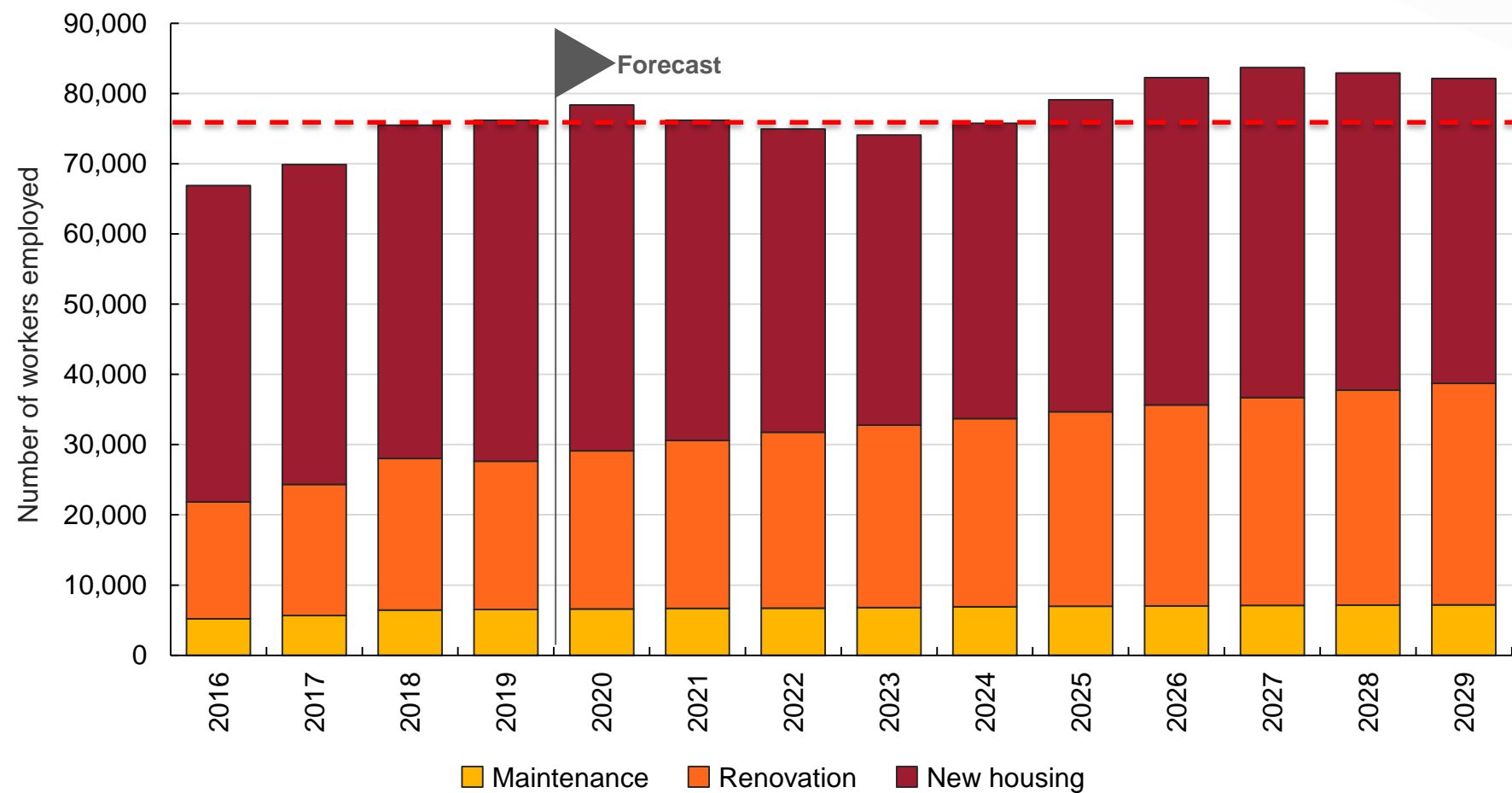


Source: CMHC, BuildForce Canada (2020-2029)

# Residential construction – Lower Mainland

## Employment

Total direct trades and occupations



Source: BuildForce Canada (2020-2029)

Note: Sum of individual construction sectors or segments may not add up to category totals due to rounding.

# Labour market conditions – residential



*Unemployment Rate – < 4.0% !*

*2020 labour markets remain tight for many trades and occupations.*

WEAK



TIGHT

1

Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other current working conditions. Excess supply is apparent and there is a risk of losing workers to other markets.

2

Workers meeting employer qualifications are available in local markets to meet an increase in demand at the current offered rate of compensation and other working conditions.

3

The availability of workers meeting employer qualifications in the local market may be limited by large projects, plant shutdowns or other short-term increases in demand. Employers may need to compete to attract needed workers. Established patterns of recruiting and mobility are sufficient to meet job requirements.

4

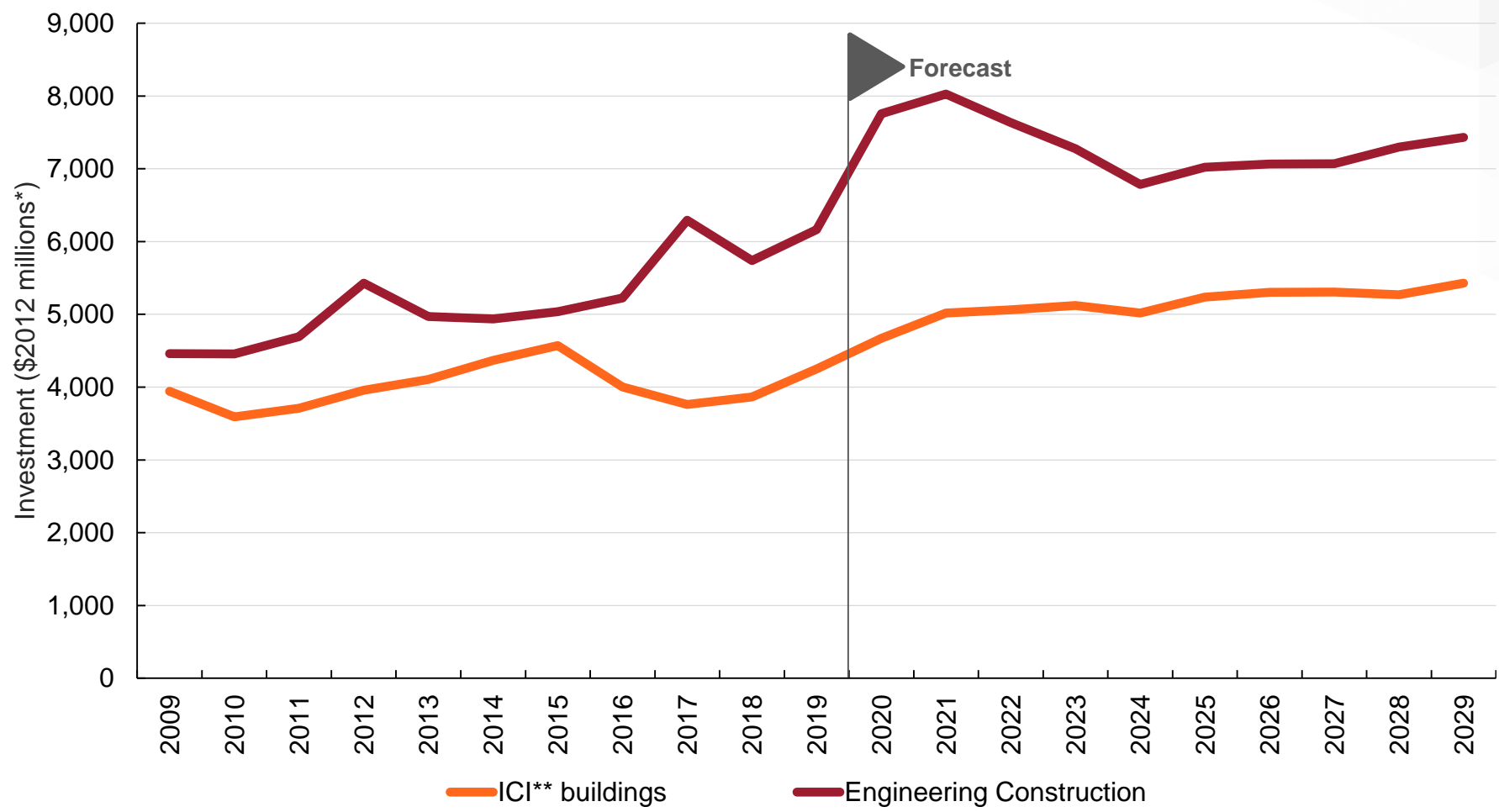
Workers meeting qualifications are generally not available in local markets to meet any increase. Employers will need to compete to attract additional workers. Recruiting and mobility may extend beyond traditional sources and practices.

5

Needed workers meeting employer qualifications are not available in local markets to meet current demand so that projects or production may be delayed or deferred. There is excess demand, competition is intense and recruiting reaches to remote markets.

# Non-residential construction

## Investment



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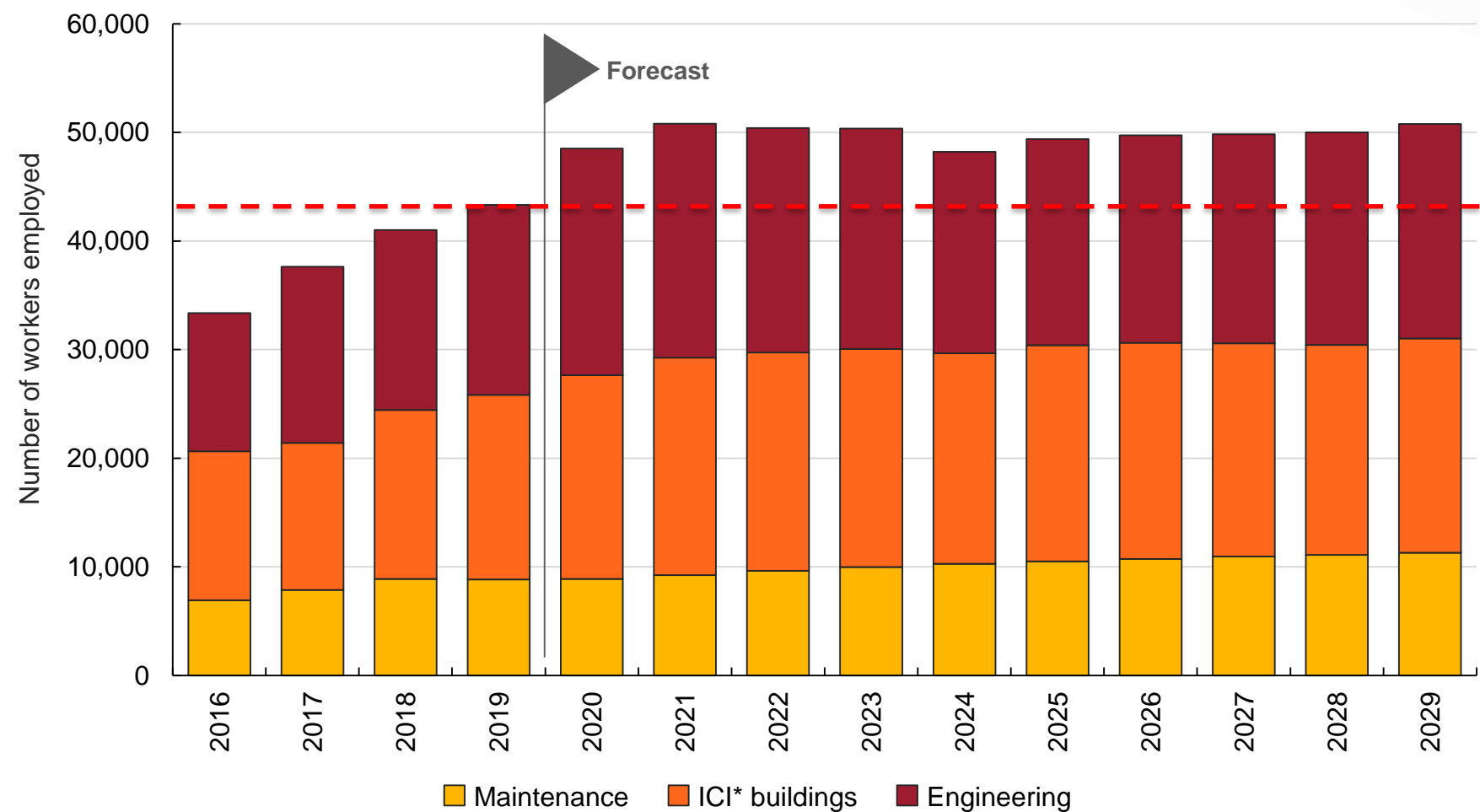
\*\* industrial, commercial, institutional



# Non-residential construction

## Employment

Total direct trades and occupations



Source: BuildForce Canada (2020-2029)

\* industrial, commercial, institutional

# Labour market conditions – non-residential



*Unemployment Rate – **< 4.0% !***

*2020 - 2021 labour markets remain tight for many trades and occupations.*

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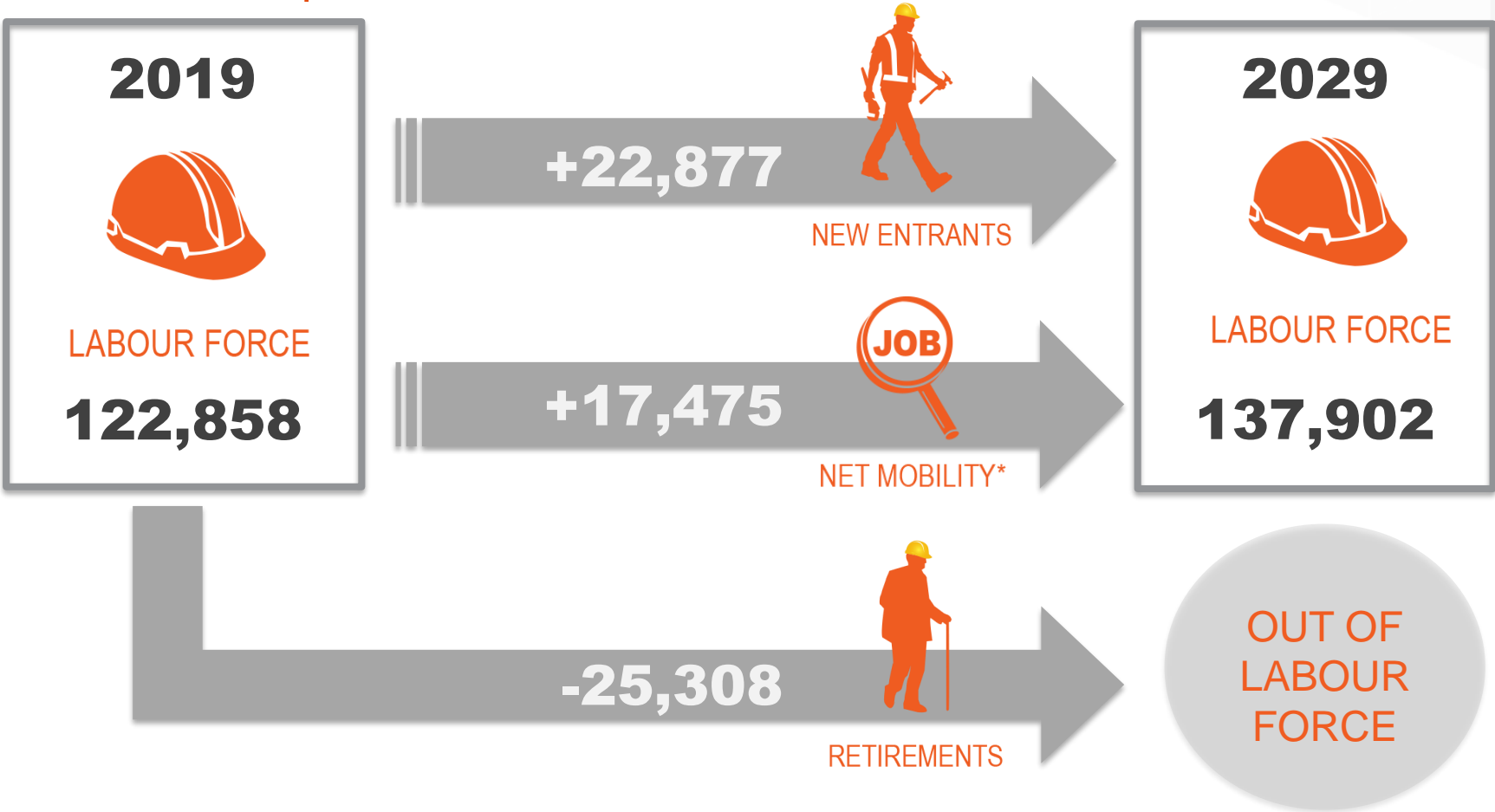
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# Construction industry overview – Lower Mainland


Total changes in the available labour force

Total direct trades and occupations



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# Key Highlights – Lower Mainland



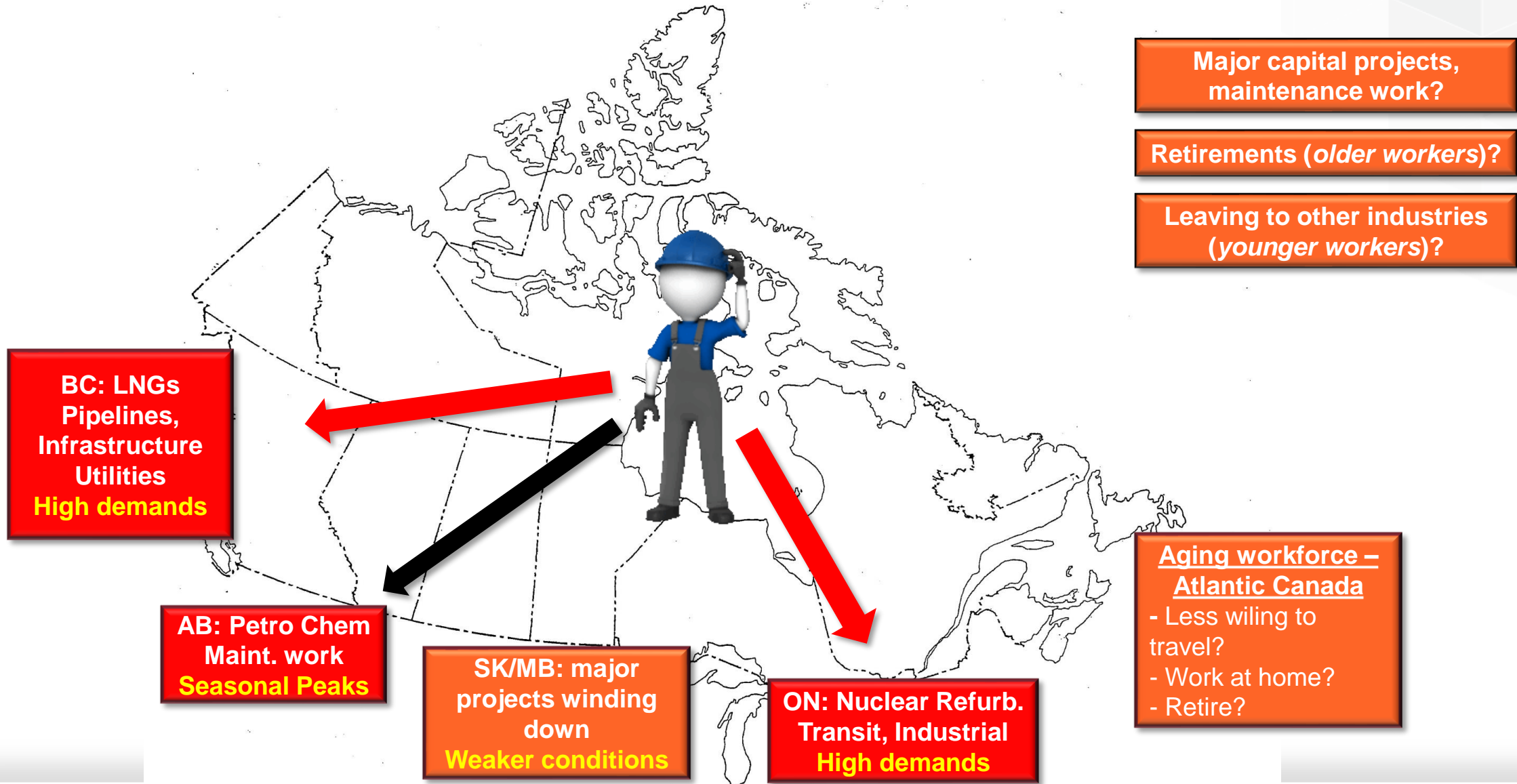
## ■ General trends:

- Starting from **historically low levels of unemployment**, construction demands set to increase significantly over next two years (2020-2021)
- In absence of large influx of workers from outside local construction industry, **potential project delays and recruiting challenges** will be elevated
- Despite mid-scenario down-cycle as current tracked major projects completed, overall employment remains above 2019 levels at the end of the outlook period in 2029

## ■ Market challenges:

- **Intra** (*across regions within a province*) / **inter** (*across provinces*) mobility to **meet peak demand** needs.
- Replacing an aging workforce / **expected retirements**
- Slower population growth; **less youth available** to enter the labour force.
- **Competition against other industries** facing similar increases in age-demographic challenges.
- Sustain **commitment to recruiting, training and retention**, even during period of slow growth in some regions.
- **Recruitment of underrepresented groups** into the construction labour force – women, Indigenous peoples, and new Canadians

# Challenges meeting peak demand





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