

# Sector Profile

## Construction

## Atlantic Region

2023

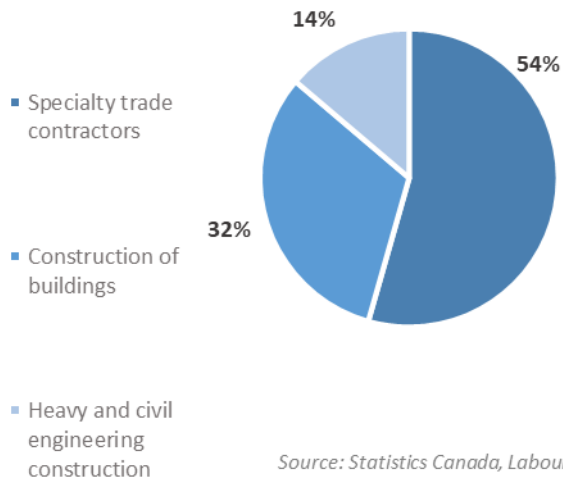


### HIGHLIGHTS

- The construction industry involves constructing and maintaining buildings and engineering works. Real GDP grew by 0.8% in the region from 2021 to 2022 and employment is evenly distributed amongst the Atlantic provinces.
- The workforce in the construction industry is older, male dominated, and has high rates of self-employment. Carpenters made up the largest share of worker by occupation in 2022 with 11.1%.
- Employment in the construction industry has well surpassed pre-pandemic levels due to strong population growth. Labour shortages and job vacancies are present due to an aging workforce and have limited employment growth.
- Demand is expected to remain strong in the near term but labour supply constraints may lead to a slight decline in employment over the next three years.

### ABOUT THE INDUSTRY

#### Employment Share by sub-industry



#### Composition and Importance of the Sector

The construction industry involves constructing and maintaining buildings and engineering works. The majority of construction employment by sub-industry falls under specialty trade contractors. This sub-industry consists of masonry, painting, and electrical contractors. The construction of buildings and heavy and civil engineering construction also make up a significant portion of employment in the industry.

Real GDP grew by 0.8% in the region from 2021 to 2022 with increases in the maritime provinces and a decrease in Newfoundland and Labrador. Strong population growth in Nova Scotia, New Brunswick, and Prince Edward Island drove the increase. Significant investments in engineering projects in Newfoundland and Labrador was also a factor in the GDP growth.

The share of construction employment is fairly consistent with the rest of the country as it makes up 8.3% of employment in the Atlantic provinces and 7.9% in all of Canada.



## Geographic Distribution of Employment

Construction employment as a share of total employment is evenly distributed amongst the Atlantic provinces with a low of 7.8% in New Brunswick and a high of 8.7% in Nova Scotia.

The construction industry has grown in importance over the past year as its share of total employment in Atlantic Canada increased from 7.2% in 2021 to 8.3% in 2022. New Brunswick and Prince Edward Island had the largest growth at 1.3 and 1.2 percentage points respectively.

Residential construction employment saw gains due to strong population growth across the region. Employment was also driven by significant non-residential investments, particularly in Newfoundland and Labrador.

	Employed 2022	Industry Share (%)
Atlantic Canada	97,300	8.3%
Newfoundland and Labrador	18,600	8.0%
Prince Edward Island	7,200	8.6%
Nova Scotia	42,300	8.7%
New Brunswick	29,200	7.8%

Source: Statistics Canada, Labour Force Survey

## WORKFORCE

### Workforce Characteristics

The workforce in the construction industry is significantly older compared to all industries. Youth aged 15-24 years old comprise only 10.0% of the share of total employment compared to 13.5% for all industries, while older workers aged 55 and older make up 28.5% of employment in the construction industry relative to 24.0% of all industries.

The number of self-employed persons in the construction industry is nearly double (20.2%) that of all industries (10.5%). Temporary work is also much more common in the construction industry (21.3%) compared to all industries (14.3%) due to construction projects starting up and reaching completion. As such, instability and an uncertain work schedule is common for employees.

The construction industry is largely male dominated with 89.3% of workers identifying as men. This is much higher than the rate of all industries (50.7%). The rate of university education is also much lower in the construction industry (10.8%) compared to that of all industries (29.6%). This is largely due to training for the construction jobs being offered through community colleges and/or apprenticeships.

### Main Occupations

Carpenters make up the largest share of workers by occupation in 2022. This is followed by construction trades helpers and labourers, home building and renovation managers, electricians, and heavy equipment operators.

The majority of these occupations require individuals to spend several years as an apprentice and/or have a trade certification. Red Seal and Leadership in Energy and Environmental Design (LEED) certifications are encouraged for several of the occupations. These occupations are generally employed by construction companies, contractors, or are self-employed.

<b>Top 5 largest occupations</b>	Employed 2022	% Share of Industry
Carpenters	10,800	11.1%
Construction trades helpers and labourers	7,025	7.2%
Home building and renovation managers	6,900	7.1%
Electricians (except industrial and power system)	6,150	6.3%
Heavy equipment operators	5,425	5.6%

Source: ESDC/Service Canada



The share of construction trades helpers and labourers has been declining over the last 10 years, falling from 9.2% in 2012 to 7.2% in 2022. The decline is likely due to reduced youth entering the workforce and automation. The rest of the top occupations remain largely unchanged from 2012 to 2022 with differences ranging from -0.57% to 0.62%.

## RECENT HISTORY

Employment in the construction industry has well surpassed pre-pandemic levels. A reduction in supply-chain issues and increased demand has led to sharp employment gains in the post-Covid era. Some major projects that have driven employment growth include the Corner Brook Acute Care Hospital in Newfoundland and Labrador (N.L.), UPEI’s Medical School in Prince Edward Island (P.E.I.), the Halifax Infirmary Expansion in Nova Scotia (N.S.), and the Atlantic Science Enterprise Centre in New Brunswick (N.B.).

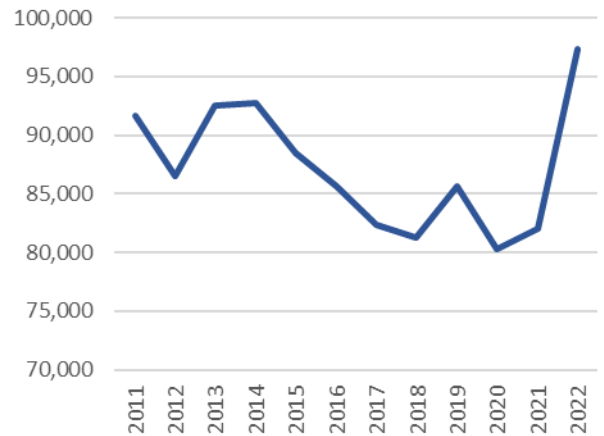
Strong population growth through immigration and inter-provincial migration has led to a surge in demand for construction. The amount of newcomers to Atlantic Canada has led to a strong demand for residential construction such as new housing and renovations, despite the high cost of borrowing.

The aging of the workforce is a major concern for the construction industry. Older workers have been retiring and there is serious concern that the industry is not seeing enough new hires to replace their skills and experience.

Due to the significant demand for construction services and the retirements of older workers, the construction industry has seen a significant shortage of labour. The job vacancy rate in the construction industry ranged from 3.6% in Newfoundland and Labrador to 7.2% in Prince Edward Island in the first quarter of 2023. This trend continues nationally as Canada’s job vacancy rate was 5.6%. Many companies have been rejecting new projects as they do not have enough workers to complete them.

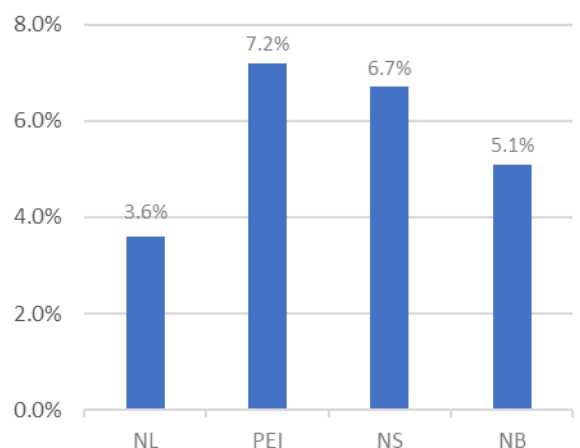
As a result of the labour shortage, many companies have been focused on improving their recruitment and retention strategy. Recruiting historically underrepresented groups to the construction industry such as women, racially diverse persons, newcomers, indigenous persons, LGBTQ+ members, etc. has been emphasized as a method to attract labour. Increasing pay, benefits, vacation, and sick time has also been a tool companies have used to attract and retain workers. Lastly, immigration has also been used as a tool to boost the labour supply.

**Historical Employment Trend**  
Atlantic Canada



Source: Statistics Canada, Labour Force Survey

**Job Vacancy Rate (%)**  
Atlantic Provinces, Q1 2023



Source: Job Vacancy and Wage Survey 2023



## OUTLOOK

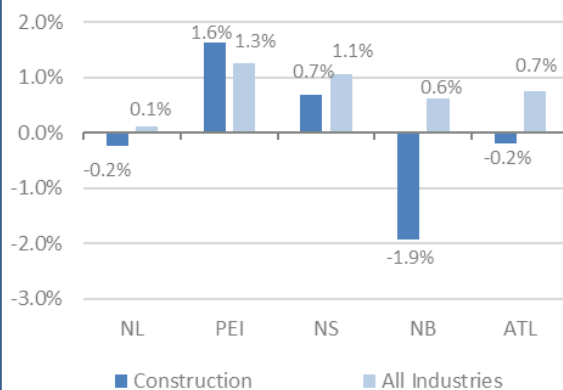
Employment growth in the construction industry is forecasted to be -0.2% in N.L.; 1.6% in P.E.I.; 0.7% in N.S.; and -1.9% in N.B.. The growth rates are similar to that of all industries except for New Brunswick.

Major projects expected to increase employment include the West White Rose restart in N.L., the BioAccelerator facility in P.E.I., Michelin's facility expansion in N.S., and Fredericton's hospital expansion in N.B.. The reconstruction of homes lost during hurricane Fiona and the wildfires across Atlantic Canada will also drive employment growth.

The main challenge that limits the growth of the industry is the aging workforce and the corresponding labour shortage. Buildforce Canada expects the number of employees to decline by 2,300 in N.L.; 40 in P.E.I.; 1,200 in N.S.; and 1,800 in N.B. over the next ten years. Some other challenges include higher wage expectations for workers, rising interest rates, and housing shortages for workers.

Green construction jobs are expected to be a significant opportunity for growth in the coming years. However, there is a lack of specifics regarding what green jobs will look like. The diversification of the workforce and strong demand for new construction projects is another opportunity for growth in the industry.

**Projected Average Annual Employment Growth Rate (%),  
Atlantic Provinces, 2023-2025**



Source: ESDC/Service Canada

**Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

The analysis in this report was finalized as of **July, 2023**.

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## APPENDIX

Real GDP (2022) and Employment (2022) for Atlantic Canada						
	Construction			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$7,470.2	100.0%	0.3%	\$109,227.1	100.0%	1.0%
Newfoundland and Labrador	\$1,748.7	23.4%	-4.4%	\$30,150.3	27.6%	0.1%
Prince Edward Island	\$460.3	6.2%	3.8%	\$6,542.6	6.0%	2.5%
Nova Scotia	\$2,920.4	39.1%	3.0%	\$40,011.5	36.6%	1.5%
New Brunswick	\$2,340.8	31.3%	1.5%	\$32,522.7	29.8%	1.1%
Employment (000s)	97.3	100.0%	1.2%	1175.2	100.0%	0.4%
Male	86.9	89.3%	1.0%	596.0	50.7%	0.4%
Female	10.5	10.7%	3.3%	579.2	49.3%	0.5%
15-24 years old	9.8	10.0%	0.1%	158.7	13.5%	0.4%
25-54 years old	59.8	61.5%	0.3%	734.4	62.5%	-0.2%
55 years and older	27.8	28.5%	4.1%	282.1	24.0%	2.2%
Worked full-time	91.7	94.3%	1.2%	990.6	84.3%	0.6%
Worked part-time	5.6	5.7%	1.6%	184.6	15.7%	-0.4%
Self-employed	19.6	20.2%	1.1%	123.2	10.5%	-1.0%
Employees	77.7	79.8%	1.2%	1052.0	89.5%	0.6%
Permanent job	56.9	58.5%	2.8%	884.4	75.3%	1.0%
Temporary job	20.8	21.3%	-2.1%	167.6	14.3%	-1.4%
Less than high school	11.3	11.6%	-3.8%	95.5	8.1%	-3.9%
High school graduate	25.0	25.7%	2.1%	275.3	23.4%	-0.5%
Postsecondary cert. or diploma	50.5	51.9%	1.4%	456.3	38.8%	0.3%
University degree	10.5	10.8%	6.1%	348.2	29.6%	3.3%
Newfoundland and Labrador	18.6	19.1%	-1.1%	232.5	19.8%	-0.3%
Prince Edward Island	7.2	7.4%	3.5%	84.3	7.2%	1.5%
Nova Scotia	42.3	43.5%	2.7%	484.9	41.3%	0.6%
New Brunswick	29.2	30.0%	0.4%	373.5	31.8%	0.5%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

\*Average annual growth rate for last ten years of available data (GDP 2013-22 and Employment 2013-22)

