

Sector Profile

Construction

Atlantic Region

2024

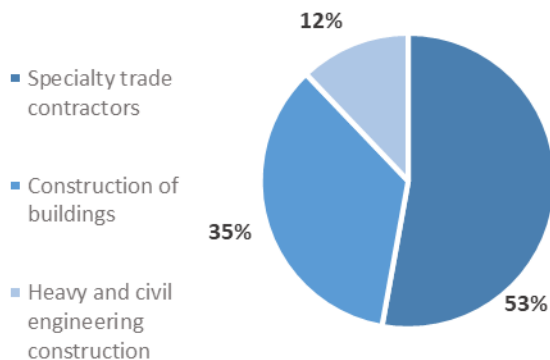


HIGHLIGHTS

- The construction industry is mainly driven by infrastructure and commercial investments, as well as housing demand. Employment is evenly distributed amongst the Atlantic provinces.
- The industry's workforce is older, male dominated and has high rates of self-employment. Construction trades helpers and labourers made up the largest share of workers by occupation, in 2023, with 9.2% of the total.
- Strong population growth has led to a surge in residential construction demand. However, workers are in short supply due to an aging workforce and a low replacement rate. The industry has an elevated number of job vacancies.
- Strong construction demand is expected to persist over the next three years, though overall employment growth over this period will be limited by a shortage of skilled labour.

ABOUT THE INDUSTRY

Employment Share by sub-industry



Source: Statistics Canada, Labour Force Survey 2023

Composition and Importance of the Sector

Employment in the construction industry is mainly driven by infrastructure and commercial investments, and housing demand. Renovation and maintenance work also plays a role. Specialty trade contractors make up by far the largest share of this industry's workforce, at 53%. This sub-industry is comprised of masonry, electrical, and painting contractors that are subcontracted to work on buildings and structures. Construction of buildings makes up the next largest share, at 35%, and covers both residential and non-residential buildings. Heavy and civil engineering construction makes up the smallest share of employment in the industry, at 12%, and is made up of highway, utility, and land construction.

Compared with the rest of the country, the industry is proportionally represented, with 8.0% of total employment in Atlantic Canada being from the construction industry, compared to 7.8% nationwide.



Real GDP grew by 1.2% in the Atlantic provinces from 2022 to 2023 with an increase in Newfoundland and Labrador and decreases in the maritime provinces. However, Real GDP has been rising in the maritime provinces and has been falling in Newfoundland and Labrador over the last 10 years. Nationally, Real GDP shrunk by 1.5% from 2022 to 2023.

Geographic Distribution of Employment

Construction is an important industry as it accounts for 8.0% of all jobs in the Atlantic region. The construction industry fell in importance over the past year as its share of overall employment fell somewhat, from 8.3% in 2022. This was mostly due to a 1.0 percentage point decrease in Nova Scotia.

Residential construction employment expanded in 2023, thanks to strong population growth across the region. Employment also benefitted from significant non-residential investments, particularly in Newfoundland and Labrador.

	Employed 2023	Industry Share (%)
Atlantic Canada	96,300	8.0%
Newfoundland and Labrador	19,500	8.2%
Prince Edward Island	7,600	8.5%
Nova Scotia	38,300	7.7%
New Brunswick	30,900	8.0%

Source: Statistics Canada, Labour Force Survey

WORKFORCE

Workforce Characteristics

Atlantic Canada's construction workforce is older than average. In 2023, workers aged 55 years and over comprised 25.5% of the workforce, compared to 23.4% for all industries, while youth occupied a smaller share (11.7% vs. 13.4%). The gap in employment shares for these two age groups has been narrowing due to a substantial number of retirements among older workers and increased recruitment efforts targeted at youths.

The rate at which males are employed in construction (88.6%) is much higher than the rate observed across all industries (50.7%). The gender employment gap persists despite numerous initiatives being offered in high schools and postsecondary institutions, aimed at recruiting and training females.

The proportion of construction workers without a postsecondary degree (12.2%), as well as those with a non-university postsecondary certificate or diploma (54.3%) is significantly higher than average (7.6% and 38.4% respectively). The rate at which construction workers are university educated is significantly lower than average (8.6% vs. 30.4%). This is due to training for skilled construction jobs being specific and offered through community colleges and/or apprenticeships and low education requirements for entry-level labourers.

Main Occupations

Construction trades helpers and labourers make up the largest share of workers, by occupation, in 2023. This is followed by carpenters, home building and renovation managers, electricians, and heavy equipment operators.

Most of these occupations require individuals to train on the job, 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 enterprises, contractors, or may be self-employed.

Top 5 largest occupations	Employed 2023	% Share of Industry
Construction trades helpers and labourers	8,900	9.2%
Carpenters	8,750	9.1%
Home building and renovation managers	6,775	7.0%
Electricians (except industrial and power system)	6,525	6.8%
Heavy equipment operators	4,500	4.7%

Source: ESDC/Service Canada



The share of carpenters has been in decline over the last 10 years, falling from 10.6% in 2013 to 9.1% in 2023. The decline is predominantly due to retirements amongst skilled tradespersons. On the other hand, the number of home building and renovation managers has increased over the last 10 years, from 5.7% to 7.0%. This is likely due to an increased focus on residential construction throughout the region. The rest of the top occupations remain largely unchanged from 2013 to 2023, with differences ranging from -0.3% to 0.2%.

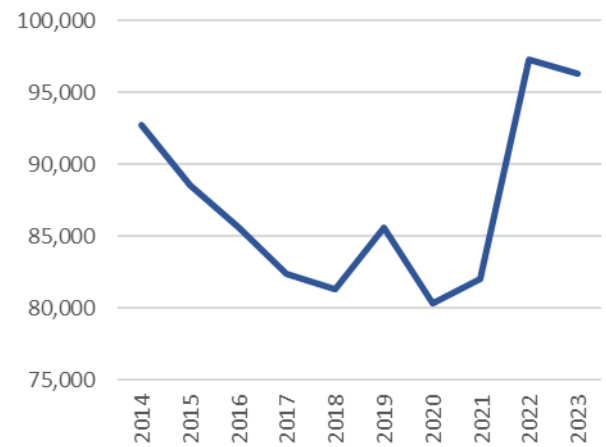
RECENT HISTORY

Construction employment fell by 1,000 throughout the region from 2022 to 2023 as a decline of 4,000 jobs in Nova Scotia offsets increases in the other three provinces. The decline was small, relative to the size of the workforce, which remains well above pre-pandemic levels. Some major projects that have supported employment in the region include Voisey’s Bay Mine in Newfoundland and Labrador (N.L.), the BioAccelerator facility in Prince Edward Island (P.E.I.), the Halifax Infirmity Expansion in Nova Scotia (N.S.), and the Fundy Quay Development in New Brunswick (N.B.).

According to Statistics Canada (Table 17-10-0008-01), the region saw strong population growth from 2021/22 to 2022/23, with immigration (31,800), inter-provincial migration (17,600), and non-permanent residents (31,000) all contributing. Over the past decade, both immigration and net inter-provincial migration have quadrupled. While inter-provincial migration historically detracted from population growth, it has recently become a significant contributor to the increase in population. Net non-permanent residents have increased by nearly thirty-fold over the last 10 years as the number of refugees and foreign-workers jumped in the region.

As a result of these population gains, housing demand in Atlantic Canada has skyrocketed in recent years, with the number of starts increasing from roughly 8,000 to 14,000 in the decade spanning 2014 to 2023 (representing growth of around 75%). This trend is likely to continue, given the persistent population growth seen in the region over the last several years. N.L. was the only province to see a decline from 2014 to 2023 (-53.8%) while the maritime provinces all grew substantially, with N.B. growing by 99.8%, P.E.I. by 122.9%, and N.S. increasing by 134.3%. Unsurprisingly, this trend coincides with population growth from 2014 to 2023 (via Statistics Canada, Table 17-10-0005-01) as N.L. increased by only 2.0%, while N.B. increased by 10.0%, N.S. by 12.9%, and P.E.I. jumped by 20.6%. Housing starts are currently at their highest Q1 levels ever in Q1 2024 for P.E.I., N.S., and N.B.

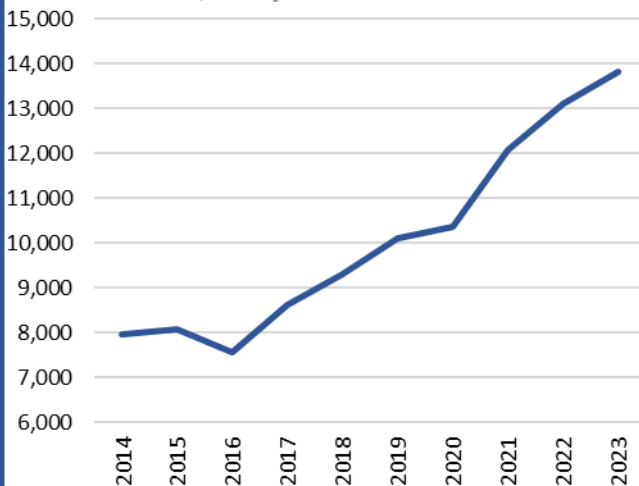
Historical Employment Trend
Atlantic Canada



Source: Statistics Canada, Labour Force Survey

Total Housing Starts

Atlantic Canada, unadjusted



Source: Statistics Canada, Table 34-10-0135-01.



Recent government programs have been successful in creating more residential construction projects across the region. The two main programs are the Housing Accelerator Fund and the Rapid Housing Initiative, offered through Canada Mortgage and Housing Corporation (CMHC), both of which aim to quickly increase the housing supply across the region.

The number of unfilled positions has been shrinking across the region. Between Q1 2023 to Q1 2024, the job vacancy rate fell from 7.2% to 6.7% in P.E.I., from 6.7% to 3.4% in N.S., and from 5.1% to 3.5% in N.B. Data was unavailable in Q1 2024 for N.L. but was following a similar trend in previous quarters. Despite the numbers trending downward, job vacancies remain elevated across the region, when compared to historical levels. A persistently high demand for both residential and non-residential construction projects has been a significant contributor to the labour shortage. The aging of the workforce has been another major contributor to the high job vacancy rate. According to BuildForce Canada's 2024 Construction and Maintenance Looking Forward reports, 23.0% of Atlantic Canada's current construction workforce is expected to retire over the next 10 years.

A major challenge resulting from the labour shortage has been a lack of mentors and educators available to support the development of industry newcomers. Experienced employees often have valuable insights to share with newer employees. However, an abundance of unskilled labour has led to many senior people on job sites spending a lot of time mentoring instead of doing work, with projects being delayed as a result. Having to choose between making deadlines and training staff has put a lot of stress on senior workers. Educators are also difficult to find due to the pay disparity between teaching and working in the industry.

Given these challenges, employers have pursued a variety of recruitment and retention strategies. Attracting international talent has been one of the main tools used to reduce the labour shortage. While immigration has been successful in the industry, assessment and skill validation issues have caused some delays in immigration. Attracting underrepresented groups such as women, gender-diverse persons, Indigenous peoples, persons with disabilities, at-risk youth, ex-convicts, etc. has also been a focus of hiring efforts. On the other hand, stigma around the trades, language issues, and a lack of housing for workers have limited recruitment success.



OUTLOOK

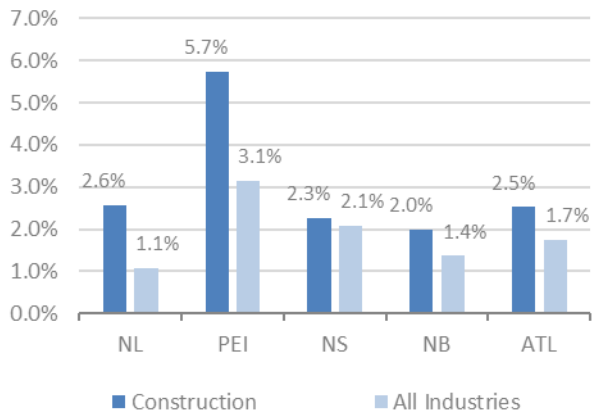
Between 2024 and 2026, construction industry employment is expected to expand by 2.6% in N.L.; 5.7% in P.E.I.; 2.3% in N.S.; and 2.0% in N.B. The growth rates for each province are above the all-industry average – nearly double for P.E.I.

A massive demand for new housing supply will also drive employment as yearly housing records are still well below the housing needed according to Canadian Mortgage and Housing Corporation. Moreover, repair work is likely to grow over the next three years due to the increase in severe weather events such as wildfires and flooding.

The aging workforce and the significant shortage of skilled labour will be the main challenge limiting employment growth in the region. Other factors include high interest rates and rising wage expectations among workers. Green construction jobs, the diversification of the workforce, and strong demand for new construction projects are opportunities for growth in the industry.

Upcoming major projects in the region include the West White Rose Project in N.L., UPEI’s Medical School in P.E.I., The Parks of Lake Charles in N.S., and the Atlantic Science Enterprise Centre in N.B. Potential hydrogen projects may lead to significant employment growth in 2026.

Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2024-2026



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, 2024**

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APPENDIX

Real GDP (2023) and Employment (2023) for Atlantic Canada

	Construction			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$7,953.2	100.0%	-0.3%	\$114,774.4	100.0%	0.9%
Newfoundland and Labrador	\$2,365.8	29.7%	-5.3%	\$28,950.2	25.2%	-0.5%
Prince Edward Island	\$514.6	6.5%	5.7%	\$7,267.1	6.3%	2.5%
Nova Scotia	\$2,854.4	35.9%	3.6%	\$43,765.1	38.1%	1.5%
New Brunswick	\$2,218.4	27.9%	1.8%	\$34,792.0	30.3%	1.1%
Employment (000s)	96.3	100.0%	0.4%	1210.0	100.0%	0.8%
Male	85.3	88.6%	0.3%	613.0	50.7%	0.8%
Female	11.0	11.4%	1.3%	597.0	49.3%	0.8%
15-24 years old	11.2	11.7%	1.9%	161.8	13.4%	0.8%
25-54 years old	60.5	62.8%	-0.3%	765.4	63.3%	0.5%
55 years and older	24.6	25.5%	1.6%	282.7	23.4%	1.6%
Worked full-time	90.1	93.6%	0.3%	1015.6	83.9%	0.9%
Worked part-time	6.2	6.5%	1.8%	194.4	16.1%	0.2%
Self-employed	19.8	20.5%	1.0%	124.5	10.3%	-0.7%
Employees	76.6	79.5%	0.2%	1085.4	89.7%	1.0%
Permanent job	60.7	63.0%	2.6%	923.3	76.3%	1.4%
Temporary job	15.8	16.4%	-5.6%	162.1	13.4%	-1.1%
Less than high school	11.7	12.2%	-2.1%	92.1	7.6%	-2.6%
High school graduate	24.0	24.9%	-0.4%	284.9	23.5%	-0.4%
Postsecondary cert. or diploma	52.3	54.3%	1.0%	465.0	38.4%	0.6%
University degree	8.3	8.6%	3.5%	367.9	30.4%	3.3%
Newfoundland and Labrador	19.5	20.3%	-1.7%	236.8	19.6%	-0.1%
Prince Edward Island	7.6	7.9%	2.7%	89.0	7.4%	2.0%
Nova Scotia	38.3	39.8%	0.9%	497.8	41.1%	1.1%
New Brunswick	30.9	32.1%	0.7%	386.5	31.9%	0.8%

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 2014-23 and Employment 2014-23)

