

Ontario will need to recruit 100,000 new construction workers over 10 years to keep pace with increased demand and retirements

February 4, 2020

Ottawa – The Ontario construction and maintenance sector continues to operate at close to full capacity driven by high volumes of investment in public- and private-sector infrastructure and residential activity. The industry will need to hire, train, and retain almost 100,000 additional workers to keep pace with expected demand growth and record retirements, according to the labour market forecast released today by BuildForce Canada.

BuildForce Canada's [2020–2029 Construction and Maintenance Looking Forward](#) provincial report predicts that demand in both the residential and non-residential sectors will create two distinct labour market peaks: the first in 2020 and the second in 2026. BuildForce anticipates that construction employment will rise by just over 23,000 workers (+6%) by 2026 before receding by close to 13,600 workers as major projects wind down.

“The province is expected to experience low construction unemployment, high labour demand, and high numbers of anticipated retirements across the scenario period,” says Bill Ferreira, Executive Director of BuildForce Canada. “The industry will need to remain focused on recruitment and training to meet demands for expansion and worker replacement over the coming decade.”

The non-residential sector will be the primary driver of labour market peaks. The 2020 peak is driven by major public transportation projects, institutional building construction and modernization, and overlapping demands from two major nuclear refurbishment projects in the Greater Toronto Area (GTA) and Southwestern Ontario.

Coinciding subway expansions and regional rail electrification projects in the GTA, alongside numerous large hospital projects, are expected to fuel demand for key trades between 2024 and 2025. Non-residential market pressures are expected to persist to the 2026 peak, driven by ongoing and significant investments in public infrastructure.

Further strengthening of the manufacturing and trade warehousing sectors should help sustain trends in industrial building construction, while low office vacancy rates, service-sector growth, and robust population growth are expected to sustain continued commercial construction.

The non-residential labour force is expected to expand by more than 7,000 workers by 2029.

Activity in the residential sector slowed in 2019, but recent improved new-home sales suggest that a recovery in low-rise single-family home starts may commence in 2020 and lead to a further upward swing in overall housing starts over the coming decade, driven by pent-up demand and immigration-driven population growth.

Renovation activity is expected to grow at a modest pace over the decade from current high levels, with total residential employment projected to rise by 8,900 workers (+4%) through 2026, before moderating over the rest of the scenario period.

The residential labour force is anticipated to expand by nearly 7,300 workers by 2029.

“Competing demands across Ontario’s five regions – Central, Eastern, GTA, Northern, and Southwestern – are likely to limit the potential for intra-provincial labour mobility to meet peak project requirements, which draw on many of the same trades and occupations,” says Ferreira. “Though interconnected, however, each region presents a unique labour market narrative.”

Southwestern Ontario is set to experience the largest relative increase in growth in 2020, driven by the start of refurbishment work at the Bruce Power nuclear plant, acceleration in demands related to the Gordie Howe International Bridge in Windsor, and the Nova Chemicals plant in Sarnia. Scheduled industrial maintenance work should add to market challenges. Non-residential employment is expected to rise a further 1,400 workers in 2020, or 6% from 2019, following an increase of close to 2,500 workers in 2019.

The GTA will likely require an additional 3,700 workers to meet demands in 2020. The increase is driven by a rise in major project requirements related to the Eglinton, Hurontario, and Finch (LRT) projects, as well as ongoing work at the Ontario Power Generation Darlington nuclear refurbishment project. Planned subway and health-sector investments, alongside moderate growth in residential construction, will contribute to the need for an additional 19,400 workers by 2026 – a 12% increase over 2019.

In **Eastern Ontario**, phase two of the Ottawa LRT, the redevelopment of Parliament Hill's Centre Block and other federal buildings, new hospital projects in both Ottawa and Kingston, and the Canadian Nuclear Laboratories (CNL) research and development complex in Chalk River will drive demands for an additional 3,400 workers needed by 2024, or a 7% increase over 2019.

Significant near-term demands in **Northern Ontario** are driven by mining, mineral-processing, and large-scale transmission infrastructure investments. Construction employment is projected to rise by close to 2,100 workers by 2021 – a 9% increase over 2019, before declining to 2024.

Central Ontario is benefiting, in part, from the spillover of expansion in the GTA. Modest growth across residential and non-residential sectors should increase labour force requirements by 2,900 workers over the decade.

Sustaining labour capacity will be made more challenging by the expected retirement of 86,300 workers – 21% of the current labour force – by 2029. The industry can potentially draw 78,900 new entrants aged 30 and younger from the local population, but a projected gap of close to 21,800 workers will still need to be met.

The development of skilled tradespersons in the construction industry takes years, and often requires participation in a provincial apprenticeship program. Nearly 69,580 apprentices registered in the province's 24 largest construction trade programs between 2013 and 2019, with 41,852 completions reported during this period. Based on current apprenticeship registration and completion trends, several trades may be at risk of not keeping pace with retirement levels that could lead to a potential undersupply of certified journeypersons in some trades by 2029. Boilermakers, bricklayers, heavy-duty equipment technicians, industrial electricians, and welders may be at higher risk. Although apprentices alone cannot meet the significant near-term demand requirements for journeypersons, an ongoing commitment to training and apprenticeship development will remain necessary to avoid potential future skills shortages in the industry.

Building a sustainable labour force will also 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 2019, Ontario's construction industry employed 65,600 women, of which 23% worked directly on construction projects. Of the 394,600 tradespeople employed in the industry, women made up only 3.8%. Similarly, Indigenous people accounted for approximately 2.7% of the province's total construction labour force, of which about 80% work directly on construction projects. Increasing the participation rate of both these groups would go a long way to help the industry address future labour force needs.

Ontario's construction workforce is made up of approximately 26% new Canadians. Over the coming decade, Ontario is expected to welcome an average of 140,000 newcomers every year, making the immigrant population an important future source of potential workers for the province's construction and maintenance industry.

BuildForce Canada is a national industry-led organization that represents all sectors of Canada's construction industry. Its mandate is to provide accurate and timely labour market data and analysis, as well as programs and initiatives to help manage labour force requirements and build the capacity and the capability of Canada's construction and maintenance industry. Visit www.constructionforecasts.ca.

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Funded by the Government of Canada's Sectoral Initiatives Program.