



Construction & Maintenance Looking Forward

Ontario Construction Outlook, 2021-2025

An Assessment of Construction Investment and Labour Market Trends

Construction and Maintenance Looking Forward is an industry planning tool.

Ontario Labour Market Report
July 8, 2021

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Annual outlook tracking construction market conditions, by province....



About BuildForce Canada

- Originally created in 2001 as the Construction Sector Council
- A national industry-led organization committed to working with the construction industry to provide information and resources to assist with its management of workforce requirements
- Annual LMI (labour market information) forecast funded by Government of Canada through ESDC's Sectoral Initiatives Program

LMI Committees / Industry Consultations

Major projects review

- key projects individually or collectively expected to impact local labour markets (under construction and proposed / *starting up or winding down*).

Macroeconomic drivers /construction investment trends

- national / provincial, global markets, interest rates, population, commodity prices, etc.
- Changing investment and major projects expected to drive labour demands.

Labour market trends / demographics

- anticipated labour market conditions
- aging workforce, as expected retirements lead to a loss of skills and experience
- implications of slower population growth; less youth entering the workforce
- competing against other industries facing similar aging trends

Collaborative industry approach

- Provincial / regional Labour Market Information (LMI) committees provide input and validation of economic analysis.

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Provincial investment and employment outlook 2021 – 2030 construction and maintenance

- Investment trends drive construction employment (*analysis for 34 trades and occupations*).
- Data on 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 construction
 - Industrial and utilities (*mining, oil and gas, and utilities*)
 - Roads, highways and bridges
 - Other engineering (*pipelines, transit systems, tunnels, and other civil engineering*)
- Maintenance (*across all sectors*)



Released March 2021

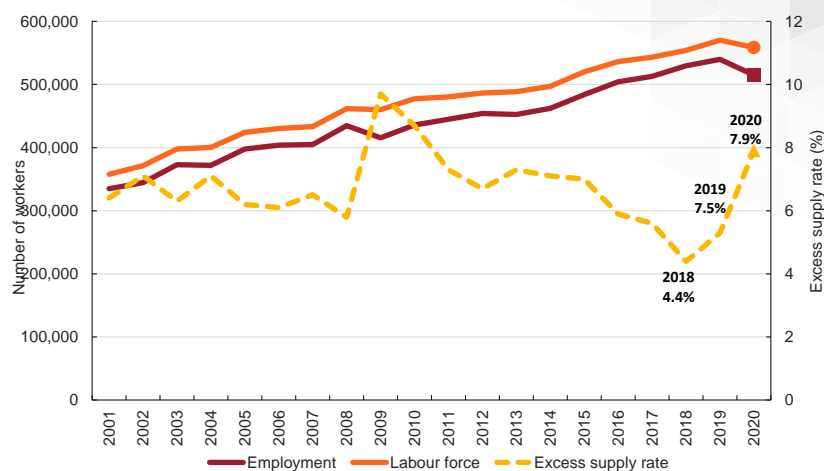
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Construction labour market, Ontario

- The impact of the COVID-19 was felt across all construction markets.
- At the peak of the pandemic (March – April 2020), construction lost **92,700 jobs (-18%)**.
- As economies reopened; construction employment increased recovering lost jobs but remained **4.7% below** 2019 employment levels.
- 2020** annual average unemployment rate was **7.9%**, compared to **5.3 %** in 2019 and **4.4%** in 2018.
- Construction's labour market is estimated to return to near full capacity in 2021, driven by high volumes of investment and employment.



Source: Statistics Canada. Table 14-10-0023-01 Labour force characteristics by industry, annual (x 1,000)

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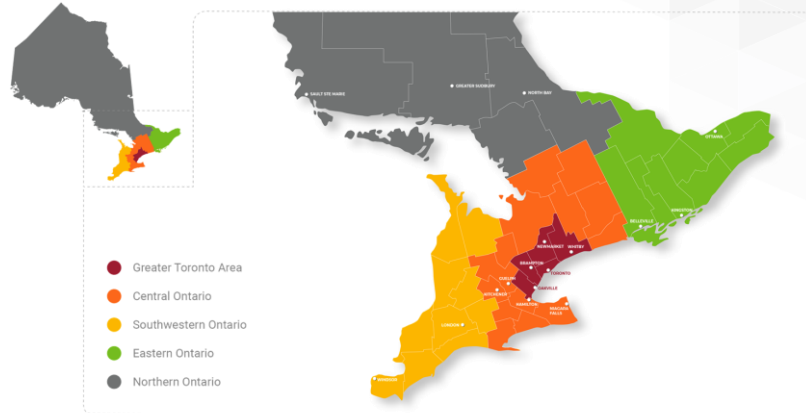
Ontario – tracking regional major projects

Due to the large size and diversity of the Ontario construction market, the BuildForce model assesses Ontario as five separate construction markets:

- Greater Toronto Area
- Central
- Southwestern
- Eastern, and
- Northern

Meeting peak demands may be challenged by limited interregional mobility, as high levels of demand are projected to exist in most regional construction markets across the province.

Ontario



Key projects drive labour demands - focus on select projects that individually or collectively are expected to distort local labour markets (starting up or winding down).

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Labour market rankings

Provincial non-residential employment slide includes an 'average' rank indicator in the upper right corner

A rank of "3" refers to balanced market conditions, where qualified workers are generally available. There could be tighter conditions during peak seasons, however, due to coinciding major projects and/or maintenance work, which could limit the availability of workers.

The market rank indicator runs from "1" (excess supply; risk of losing workers from the industry) to "5" (severe challenges recruiting construction workers in the local market).

Labour market rankings

- 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.
- 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.
- 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.
- 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.
- 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.

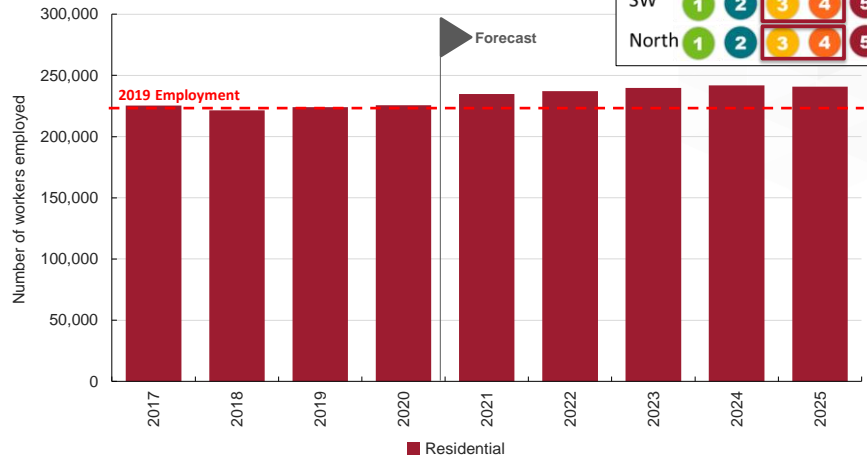
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Residential employment - Ontario

- New-housing investment is expected to grow to 2024 before beginning a gradual decline thereafter with slowing population growth.
- Renovation activity rises steadily across the outlook period, stemming from a large and aging home stock that will require renovation and maintenance work.
- Residential employment is projected to rise to 2024 and then recede slightly over the latter half of the decade.
- Tighter markets expected for some trades and occupations in 2021 that may carry over into 2022.

Total direct trades and occupations



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

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ON – Select current and proposed major projects

Transportation / Transit

Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Transportation/Transit			
Ontario Line - civil, stations and tunnels	GTA	2022:3-2027:2	11,000
Eglinton Crosstown LRT	GTA	2016-2022:2	9,500
Go Expansion: OnCorr: GO Regional Express Rail (RER) electrification	GTA	2022-2029	6,200
Yonge Subway Extension (YSE) North	GTA	2023:3-2030:4	5,000
Scarborough Subway Extension, advance tunnel	GTA	2021-2029	5,000
Eglinton Crosstown LRT - West Extension to airport, advance tunnel	GTA	2021-2029	4,000
OLRT- Trillium, Confederation (East/West)	East	2020:2-2025:1	3,600
Hamilton LRT	Cen	2023-2028	3,400
Finch LRT West	GTA	2020:2-2023:3	2,500
Hurontario LRT	GTA	2020:2-2024:3	2,100
Metrolinx - Toronto Union Station Go Transit System Electrification	GTA	2022-2026	2,000
Barrie Go Rail Corridor Expansion	Cen	2020-2024	1,848
Sheppard East LRT Expansion	GTA	2025-2029	1,000
Metrolinx - Toronto Union Station Rail Corridor Extension	GTA	2016:3-2019:1	911
Go Expansion: Union Station Enhancement Project	GTA	2021:3-2025:1	750
Go Expansion: Lakeshore East - West Corridor Expansion Project	GTA	2021-2024	350
Metrolinx Whitchurch Stouffville Corridor GO Transit Extension	GTA	2019-2021	255
Rutherford Station	GTA	2019-2022	239
Go Expansion: Lakeshore East - Central Corridor Expansion Project	GTA	2021:3-2024:3	200
Regional Express Rail - Davenport Diamond Rail Grade Separation	GTA	2020-2022	175
Regional Express Rail Milton Corridor Upgrades Project	Cen	2021:- 2023:2	100

~ \$60 Billion

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ON – Select current and proposed major projects

Healthcare Services



Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Health Services			
Mississauga Health Trillium	GTA	2023-2026	2,500
Ottawa Civic Hospital	East	2023-2027	2,500
Niagara Falls Hospital	Cen	2022-2026	1,500
Hamilton Health Sciences - Juravinski Hospital redevelopment	Cen	2025 - 2029	1,500
Windsor Acute Care Hospital Facility	SW	2026-2030	1,500
Mackenzie Vaughn Hospital	GTA	2016:4-2020:4	1,300
West Park Healthcare Centre	GTA	2020:3-2023:4	1,200
CAMH Queen Street Redevelopment - Phase D	GTA	2023-2025	1,000
Queensway Health Centre	GTA	2023-2026	1,000
North York General	GTA	2024 - 2026	750
Peel Memorial	GTA	2023 - 2026	750
Lakeridge Health – Bowmanville Redevelopment	GTA	2024 - 2027	750
Kingston General	East	2021-2025	500
Weeneebayko Hospital replacement	North	2024-2027	500
Michael Garron Hospital - Phase 1 New Patient Care Tower	GTA	2018:3-2023:4	411
Collingwood General and Marine Hospital redevelopment	GTA	2026-2026	350
Hamilton Health Sciences - West Lincoln	Cen	2022 - 2025	350
Mount Sinai Hospital Phase 3A Redevelopment	GTA	2017:2 – 2022:3	288
Quinte Health Care - Prince Edward County Memorial redevelopment	East	2023-2026	175
Grandview Children's Treatment Centre	GTA	2022-2024:3	150

~ \$20 Billion

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ON – Select current and proposed major projects

Mining



Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Mining			
IAMGold: Côté Gold Project	North	2020:3-2024:4	1,100
Hardrock mine and mill site near Geraldton Restart/Expansion	North	2021:3-2023:3	900
Vale: Sudbury Copper Cliff Nickel South Mine Restart/Expansion	North	2019:1-2022:2	764
First Mining Gold Red Lake Springpole Gold Mine & Mill	North	2024:2-2021:1	718
Onaping Depth Nickel-Copper Project, Sudbury	North	2019:1-2023:4	700
Vale Sudbury Copper Cliff Nickel South Mine Restart/Expansion	North	2019:1-2022:2	610
Marathon PGM Mine (Copper, Platinum, Palladium, Gold, Silver)	North	2022:3-2024:2	550
Dubreuilville Magino New surface gold mine and processing plant	North	2021:2-2023:2	380
Kirkland Lake Macassa Gold Mine #4 Shaft Phase I Addition	North	2018:4-2022:4	300
Dubreuilville Island Gold Mine & Kremzar Mill Phase III	North	2022:2-2025:1	232
Kenora Full Scale Lithium Hydroxide Plant - Avalon Advanced Materials	North	2026:2-2028:2	207
Cochrane Detour Lake Gold Mine Tailings Management	North	2019:1-2021:2	112
Lac Des Iles (LDI) Palladium Mine Expansion	North	2019:1-2021:2	106
Balmertown Red Lake Gold Mining Complex	North	2020:3-2022:4	100
Red Lake Bateman Gold Mine & Mill Restart/Optimization	North	2021:1-2022:4	80

~ \$8 Billion

Long list of proposed resource development projects tracked but not in the outlook could sustain growth well beyond an anticipated projected 2023 peak.

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ON – Select current and proposed major projects

Manufacturing / Warehousing + Dist'n Centres



Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Manufacturing / Warehousing Dist'n Centres			
Nova Chemicals - SCLAIRTECH technology facility (AST2).	SW	2018-2-2021:3	1,500
Nova Chemicals - Corunna Phase 3	SW	2019-1-2021:2	500
Sanofi Pasteur high-dose influenza vaccine facility addition	GTA	2023:1-2026:2	700
Maple Leaf Foods: Wilton Grove Road Poultry Processing Plant	SW	2020:1-2021:2	660
Chalk River CNL: Modern Laboratory Research - Development Complex	East	2019-2-2022:2	308
Chalk River CNL: Advanced Nuclear Material Research Centre	East	2019-3-2022:4	270
Bombardier Global Manufacturing Centre	GTA	2021:1-2023:1	250
Hamilton Steel Works Hot Mill Upgrade/Modernization	Cen	2018-3-2021:3	151
International Wood Industries Bonfield Sawmill	North	2019-4-2021:2	145
Cameco Corporation Port Hope Vision in Motion Plant Improvement	Cen	2018-2-2023:3	129
Metro grocery distribution centre expansion, Etobicoke	GTA	2019-4-2023:2	400
Purolator National Hub / North York	GTA	2020-2-2021:3	330
City of Brampton new bus maintenance and storage facility	GTA	2022-2024	325
Amazon Distribution Centre / Ottawa (Project Python)	East	2020-2-2021:3	320
Walmart Canada Distribution Centre Vaughan	GTA	2021:1-2024:2	200
Amazon Distribution Centre / Ajax	GTA	2020-3-2021:3	120
Sierra Cold Storage Processing Facility Expansion / Hamilton	Cen	2020-3-2021:4	80

~ \$6 Billion

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ON – Select current and proposed major projects

Misc. Projects



Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Misc.			
Centre Block, Parliament Hill	East	2019-2029	4,875
Gordie Howe Bridge - Detroit River International Crossing (\$5.7 billion; construction @ \$3.8 billion)	SW	2018-4-2024:4	3,800
Gardiner Rehabilitation	GTA	2018-2027	2,200
MacDonald Block Complex Reconstruction	GTA	2019-3-2024:2	1,536
Port Lands Flood Protection and Enabling Infrastructure	GTA	2018-2025	1,250
Supreme Court of Canada Heritage Building Rehabilitation	East	2023:3-2028:2	1,000
West Memorial Building / Supreme Court of Canada Building	East	2020-2023	1,000
New Toronto Courthouse	GTA	2018-2022	956
Thunder Bay Correctional Facility	North	2022-2024	750
Lester B. Pearson Building	East	2021:2-2028:3	700
Highway 401 Expansion Project - Credit River to Regional Road 25		2019-4-2022:3	640
Highway 427 Expansion	GTA	2018:1-2021:2	616
Don River and Central Waterfront Project - Coxwell Bypass Tunnel	GTA	2018:2-2024:1	397
Highway 17: Amprior to Renfew	East	2023-2026	350
Eastern Correctional Complex	East	2024-2026	350
Brockville Correctional Complex / St. Lawrence Valley Correctional a	East	2024-2026	350

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ON – Select current and proposed major projects

Utilities

Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Utilities			
OPG - Darlington Nuclear Refurbishment	GTA	2017-1-2026:2	13,500
Bruce Nuclear Refurbishment	SW	2020-2033	13,000
Wataynikaneyap Transmission Project: Phase 2 - Remote Communities	North	2019-4-2023:4	1,262
NextBridge: 230kv Transmission Line - Wawa to Thunder Bay	North	2019-4-2021:4	767
Wataynikaneyap Transmission Project: Phase 1 - Line to Pickle Lake	North	2019-4-2021:3	387
Fortis: Ignace 230kv Ignace - Pickle Lake Transmission Line (Phase 2)	North	2019-3-2023:4	264
Fortis: Dryden 230kv Dinorwic - Pickle Lake Transmission Line (Phase 2)	North	2019-3-2023:4	264
NextBridge: Shuniah 230kv Lakehead - Marathon Transmission Line	North	2019-3-2021:1	264

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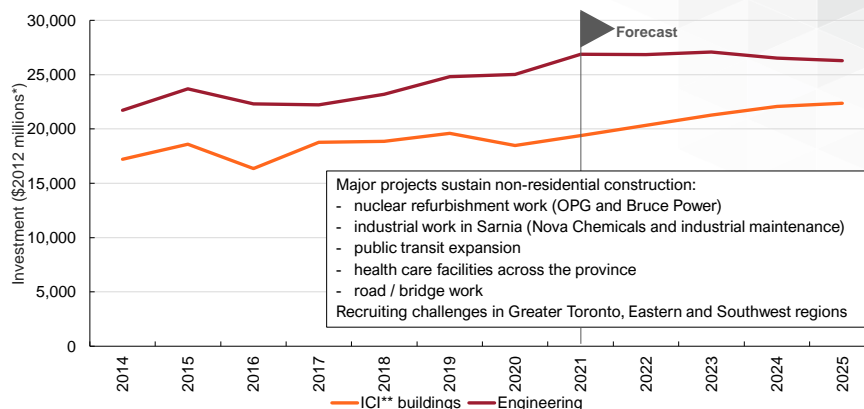
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Non-residential construction

Ontario

- Sharp reductions in commercial building activity and a pullback on institutional spending led to strong declines in ICI** investment in 2020.
- Engineering investment also saw a pause in 2020 related to the completion of major highway and bridge work, as well as scheduled shifts of planned major capital projects.
- ICI building investment is projected to make a strong recovery over the next four years, growing at an average pace of 5% per year to 2024 before growing at a slightly slower rate thereafter. Stronger near-term growth is driven by peaking levels of industrial activity, a recovery in commercial building, and ramping up of institutional projects.
- Engineering investment is anticipated to post strong growth in 2021, as mining and utilities work ramps up and peaks, and public transit and other transportation projects continue going strong. For the remainder of the decade, investment ebbs and flows with the proposed timeline of tracked major projects and should begin a steady descent after 2027, as the bulk of transportation projects are expected to reach completion, while refurbishment work is winding down.

Investment



Source: Statistics Canada, BuildForce Canada (2021-2025)

* \$2012 millions indicates that the investment values are in year 2012 dollars (base year), that is, adjusted for inflation. This is used to calculate the real physical year-to-year change of the value of construction, factoring out growth (increase in value) due to increases in prices.

** industrial, commercial, institutional

Note: Non-residential construction excludes the value of machinery and equipment.

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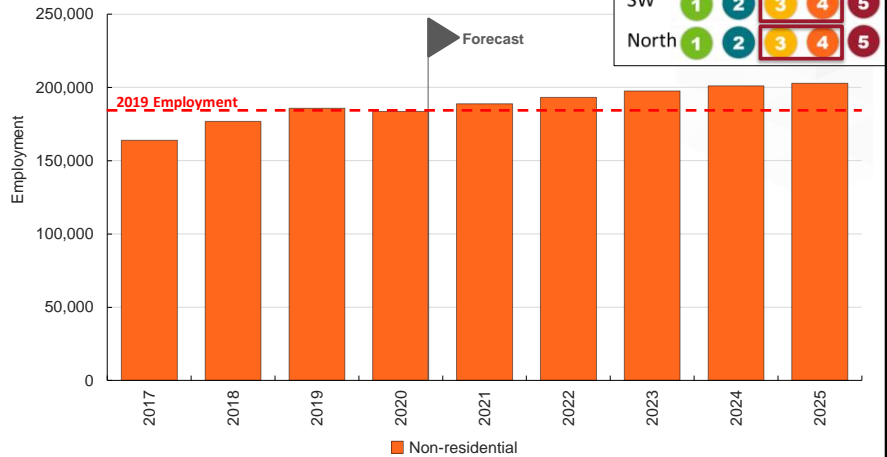
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Non-residential employment - Ontario

- Despite the effect of COVID-19 on the province's economy, employment levels within the provincial construction sector were largely unchanged from 2019 levels.
- Employment in Ontario's residential sector is projected to increase through to 2024 and then recede slightly over the latter half of the decade. Between 2020 and 2030, residential employment is expected to increase by 8,634 workers (+4%).
- Non-residential employment is also slated to increase, projected to rise by 21,664 workers (+12%) to a 2026 peak** before declining thereafter to 2030. Overall, employment in the sector will increase by 14,906 workers (+8%) over the decade.

Total direct trades and occupations



2021-2023 Rank					
GTA	1	2	3	4	5
Cen	1	2	3	4	5
East	1	2	3	4	5
SW	1	2	3	4	5
North	1	2	3	4	5

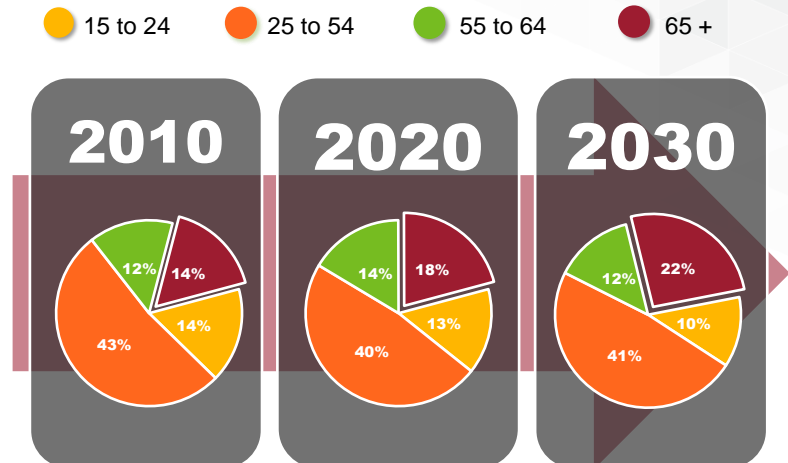
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Population age distribution - Ontario

- Like most other provinces, Ontario's population is aging as the last of the baby boomer generation reaches retirement age in 2030.
- Over the decade, the share of individuals 65 years of age or older will rise from 18% in 2020 to 22% by 2030.
- Declining fertility rates since the 1970s have also reduced the share of the population aged 15 to 24 available to replace those older individuals expected to retire. As a share of the overall population, the 15 to 24 age group is expected to decline from 13% in 2020 to 10% in 2030.
- The influx of international migrants to the province, however, will help to increase the share of the core working-age cohort, rising from 40% in 2020 to 41% in 2030.
- These shifts in demographics are expected to increase competition for the recruitment of younger workers over the decade.



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Construction's aging workforce - Ontario



RETIREMENTS

- **21%** of the total current construction workforce is expected to retire over the next decade, or an estimated **92,000** workers
- Departure represents a **significant loss of skilled and experienced workers**.
 - slower population growth; less youth available to enter the labour force.
 - competition against other industries facing similar retirement challenges.

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Key Trends....



- Labour markets expected to tighten over the next few years, driven by the long list of current and proposed projects across the province.
- Meeting peak demands may be **challenged by limited inter-regional mobility**, as high levels of activity is projected across most regional construction markets.
- Uncertainty remains – final investment decisions (private, federal, provincial, municipal)
 - private investors more cautious post-COVID
 - commercial construction hit hard in 2020 that will carry into 2021 and longer
 - Governments wrestle with deficits/debt over the near term
- Ongoing risks - productivity, increased costs, supply chain, mobility, aging workforce (supervisors/managers), labour supply.
 - No indication that the pandemic led to early retirements, but some workers may be reluctant to return to work or travel over the near term (health risks, childcare duties, etc.)
- Meeting near- and long-term labour demands will require a combination of industry strategies that include **increased local recruitment and training, attracting immigrants and workers from other industries, and potentially out-of-province workers during anticipated peak periods**.



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For detailed regional investment, labour trends, and market conditions, separately for the Greater Toronto Area, Central, Eastern, Northern, and Southwestern regions.

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613-569-5552
info@buildforce.ca
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