

Construction & Maintenance Looking Forward

Construction Outlook

Investment and Labour Market Trends

Construction and Maintenance Looking Forward is an industry planning tool.

Ontario Construction Secretariat
October 6, 2021



BuildForce Canada Annual Outlook

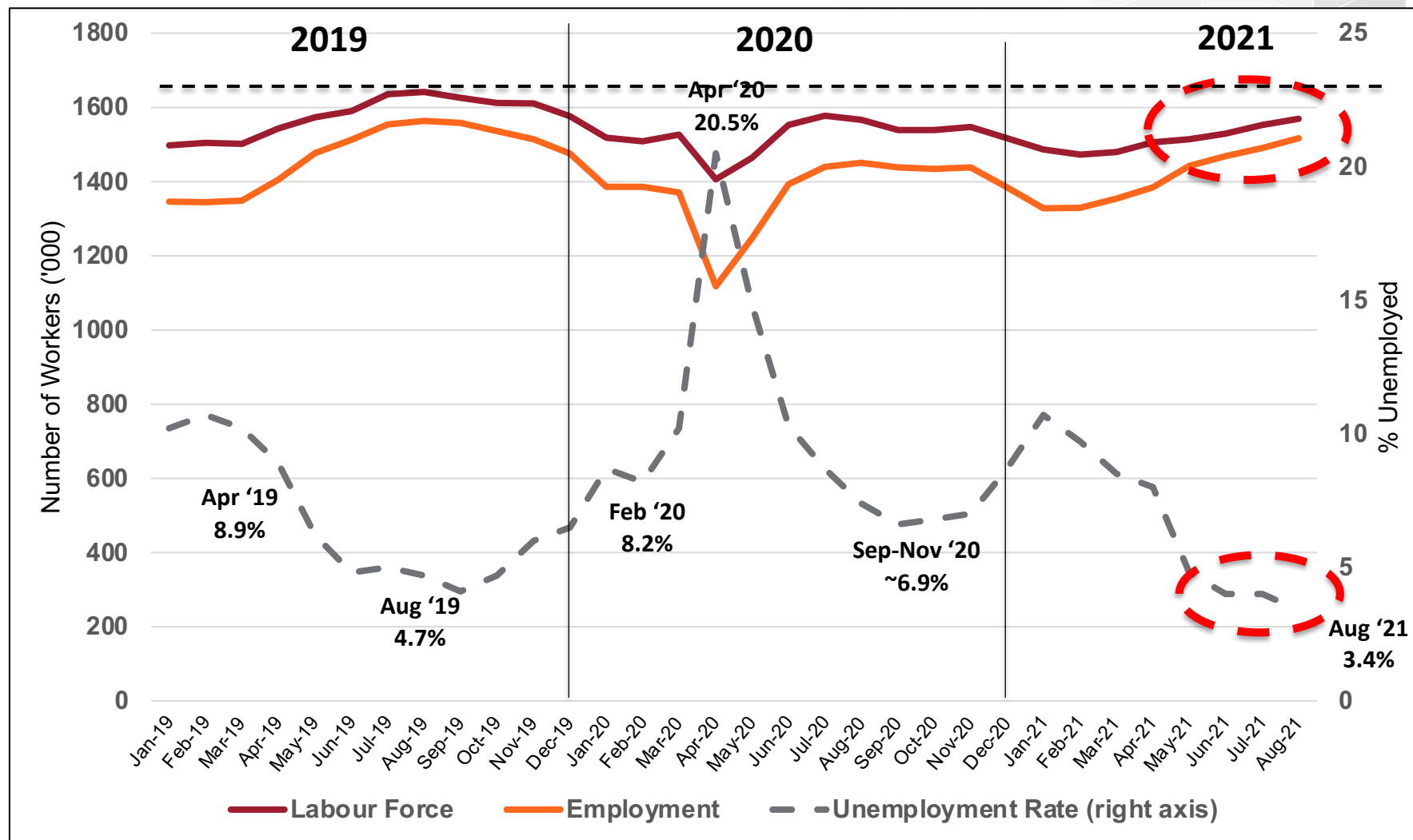


- Construction employment continues to rebound driven by strong levels of residential activity in all provinces and long lists of current and proposed non-residential construction projects
 - Stronger markets in British Columbia, Ontario, Quebec and Nova Scotia with expected recruiting challenges driven by health care, transit, roadwork and other civil infrastructure projects.
- Provincial LMI Committee meetings scheduled for September and October to review:
 - preliminary investment and labour market outlook (separately for residential and non-residential)
 - assess what the numbers are showing against industry feedback on current and anticipated market conditions
 - what are the expected pinch points – approvals/scheduling of projects, availability of labour / contractors, or other anticipated market risks

Construction labour market, Canada

Labour Force Survey, 2019-2021 (*unadjusted for seasonality*)

- March – April 2020, construction lost **267,000** jobs in 2 months (-20%); unemployment increased from **8.2% to 20.5%**
- As economies reopened; construction employment increased recovering lost jobs but **2020 remained 6.5% below 2019**.
- **2020** annual average unemployment rate **9.7%**, compared to **6.8 %** in **2019**.
- Aug'21 rate fell to **3.4%** as employment outpaced labour force growth

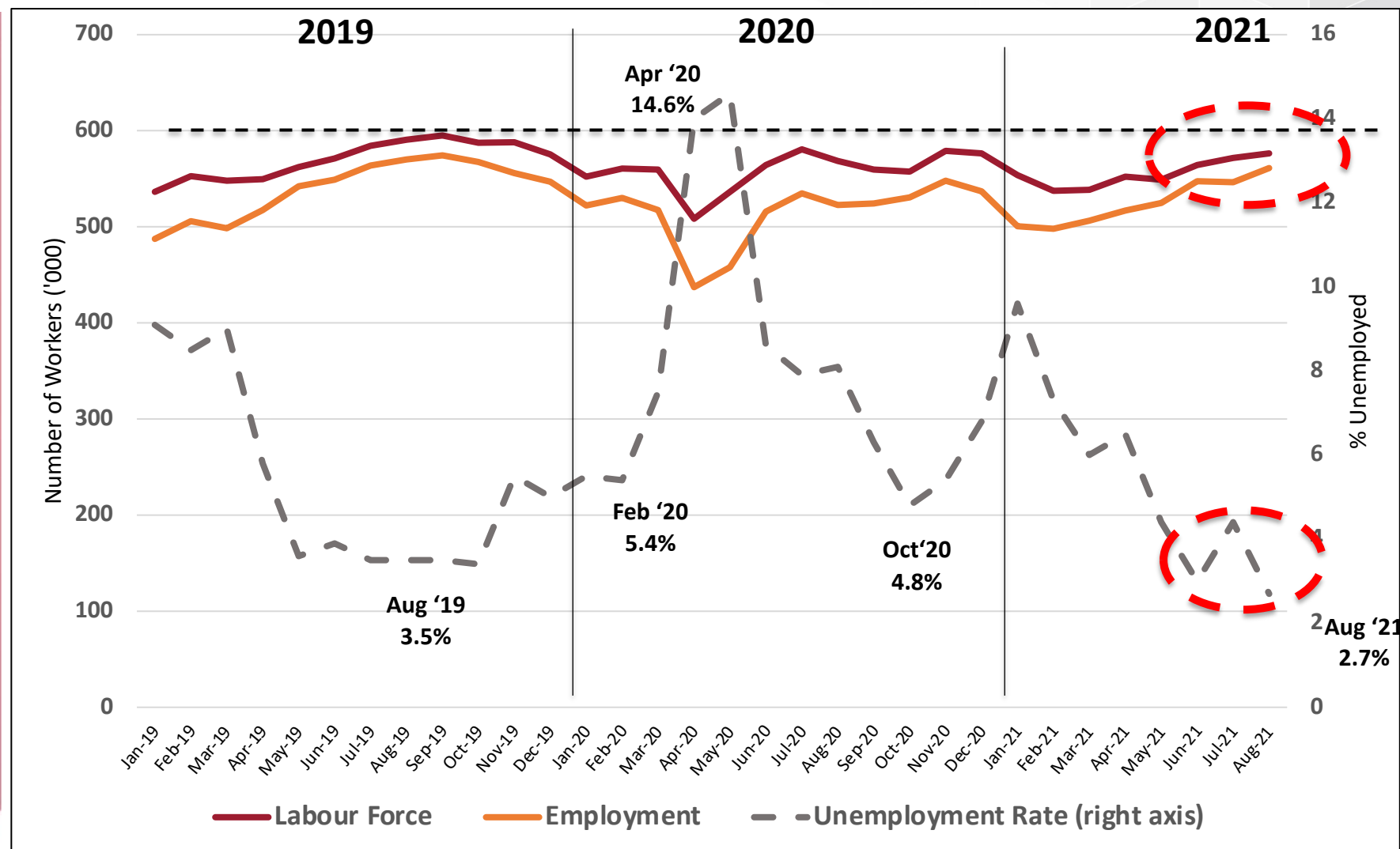


Source: Statistics Canada, Labour Force Survey

Construction labour market, Ontario

Labour Force Survey, 2019-2021 (*unadjusted for seasonality*)

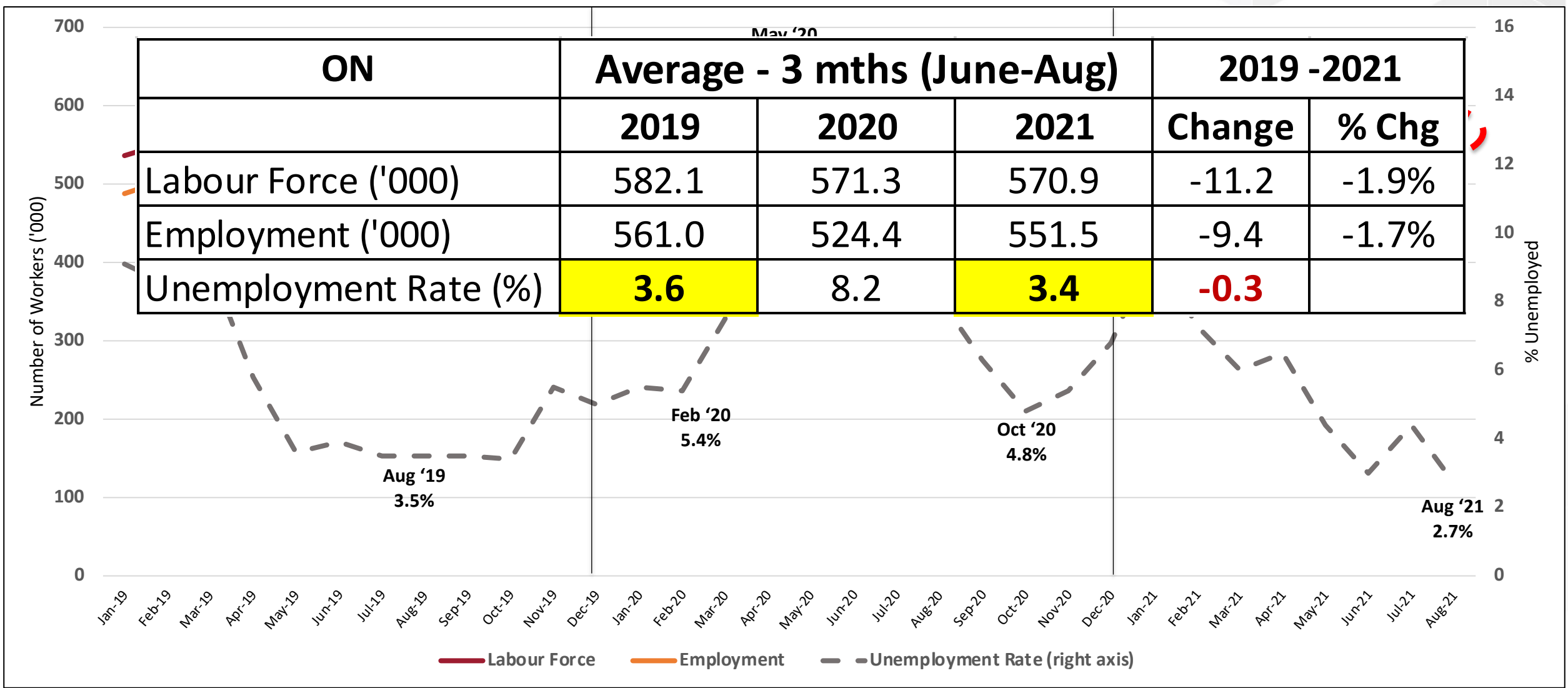
- March – April 2020, construction lost **93,000** jobs in 2 months (-18%); unemployment increased from **5.4% to 14.6%**
- As the economy reopened; construction employment increased recovering lost jobs but **2020 remained 6.5% below 2019**.
- **2020** annual average unemployment rate **9.7%**, compared to **6.8 %** in **2019**.
- Aug'21 rate fell to **2.7%** as employment outpaced labour force growth



Source: Statistics Canada, Labour Force Survey

Construction labour market, ON

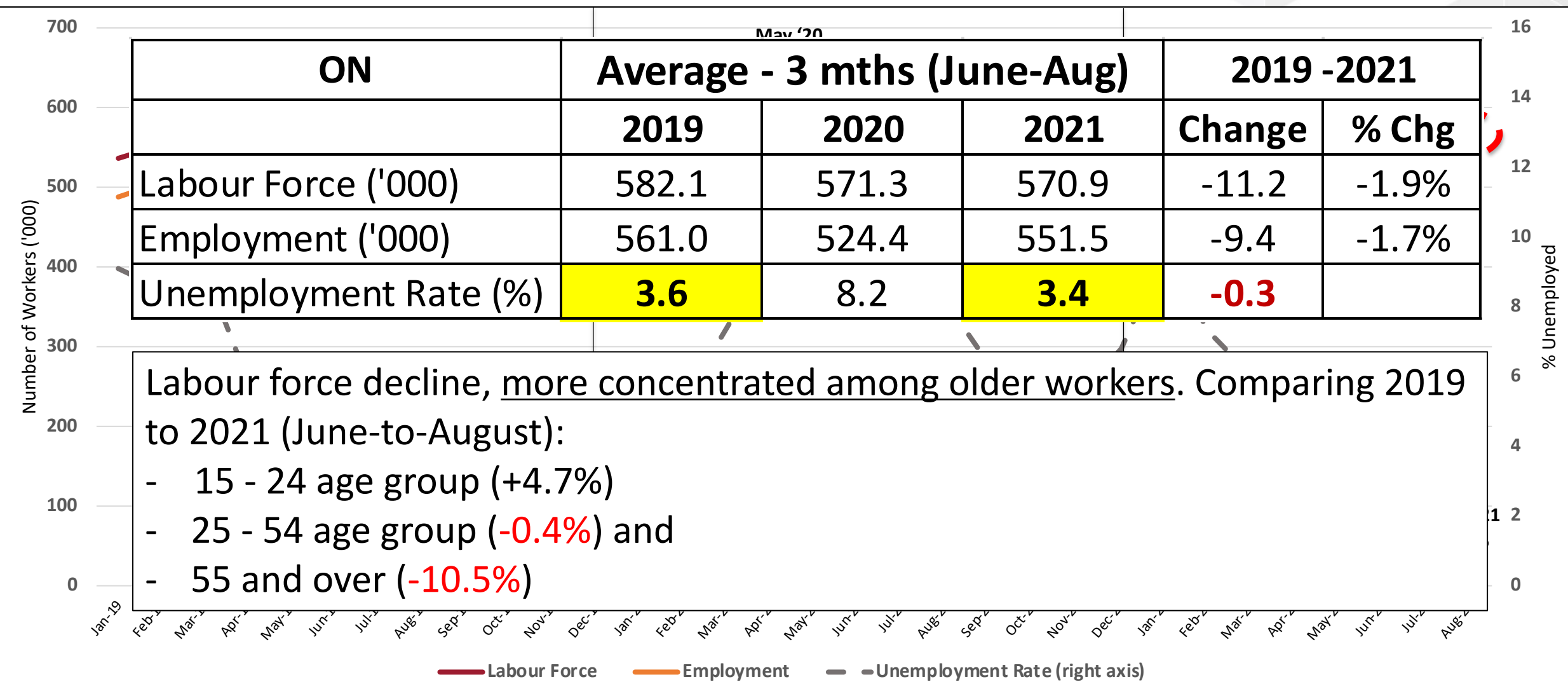
Labour Force Survey, 2019-2021 (unadjusted for seasonality)



Source: Statistics Canada, Labour Force Survey

Construction labour market, ON

Labour Force Survey, 2019-2021 (*unadjusted for seasonality*)



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

ON – Select current and proposed major projects

Healthcare



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 Heath 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 Heath 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

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

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.

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 Renfrew	East	2023-2026	350
Eastern Correctional Complex	East	2024-2026	350
Brockville Correctional Complex / St. Lawrence Valley Correctional a	East	2024-2026	350

ON – Select current and proposed major projects

Utilities



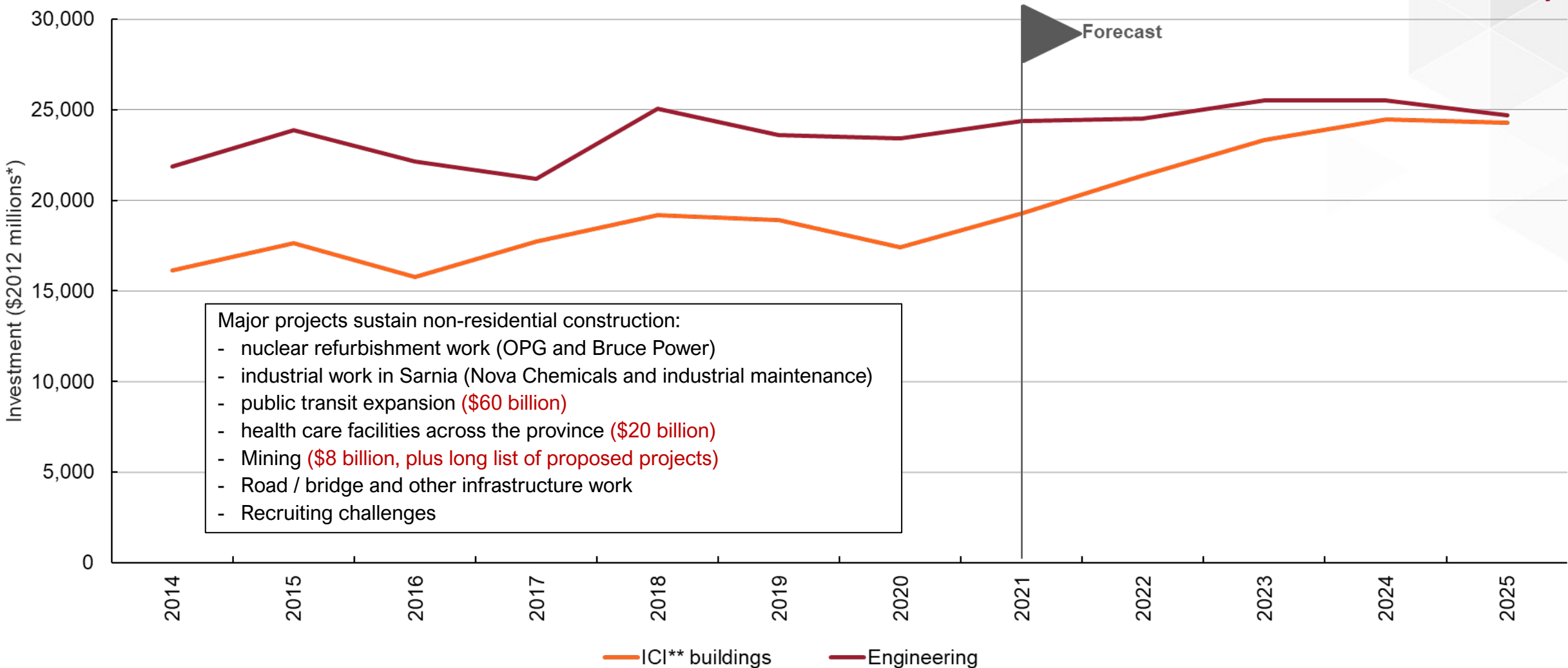
Select major projects	Region	Anticipated Schedule	Estimated Value (\$millions)
-- Utilities			
OPG - Darlington Nuclear Refurbishment	GTA	2017:1-2026:2	13,500
Bruce Nuclear Refurbishment	SW	2020-2033	13,000
Wataynikaneyap Transmission Project: Phase 2 - Remote Communities	North	2019:4-2023:4	1,262
NextBridge: 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

Non-residential construction, ON

Investment (adjusted for inflation, \$2012 millions)



Preliminary

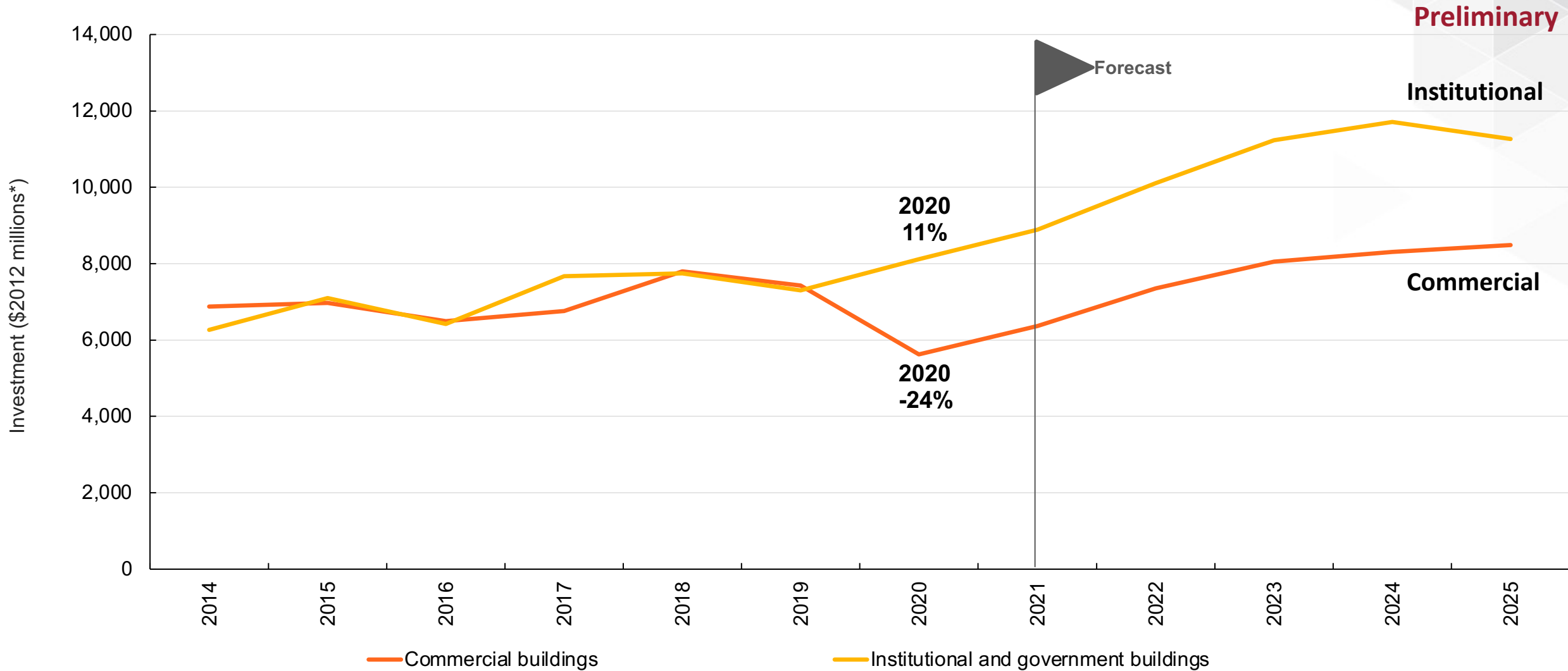


Source: Statistics Canada, BuildForce Canada (Preliminary 2021 -2025)

** Industrial, commercial, institutional

Non-residential construction, ON

Investment (adjusted for inflation, \$2012 millions)



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

Construction Building Permits

Thousands \$, Year to Date (Jan- Aug)



	2019	2020	2021	% Change 2020-2021
Total residential	17,449,594	18,570,461	25,242,857	35.9%
Single dwelling building total	8,180,884	8,072,031	12,750,003	58.0%
Multiple dwelling building total	9,268,708	10,498,427	12,492,853	19.0%
ICI Buildings	10,328,664	9,385,582	10,228,771	9.0%
Total industrial	2,583,648	1,695,494	2,059,197	21.5%
Total commercial	5,650,047	5,799,532	5,767,881	-0.5%
Total institutional and governmental	2,094,970	1,890,557	2,401,696	27.0%

Notable 2021 changes:

- Retail trade and services (-10%)
- Offices Buildings (-20%)
- Recreation (-50%)
- Hotel, restaurants (-40%)
- Warehouses (+59%)

Ontario – tracking regional major projects

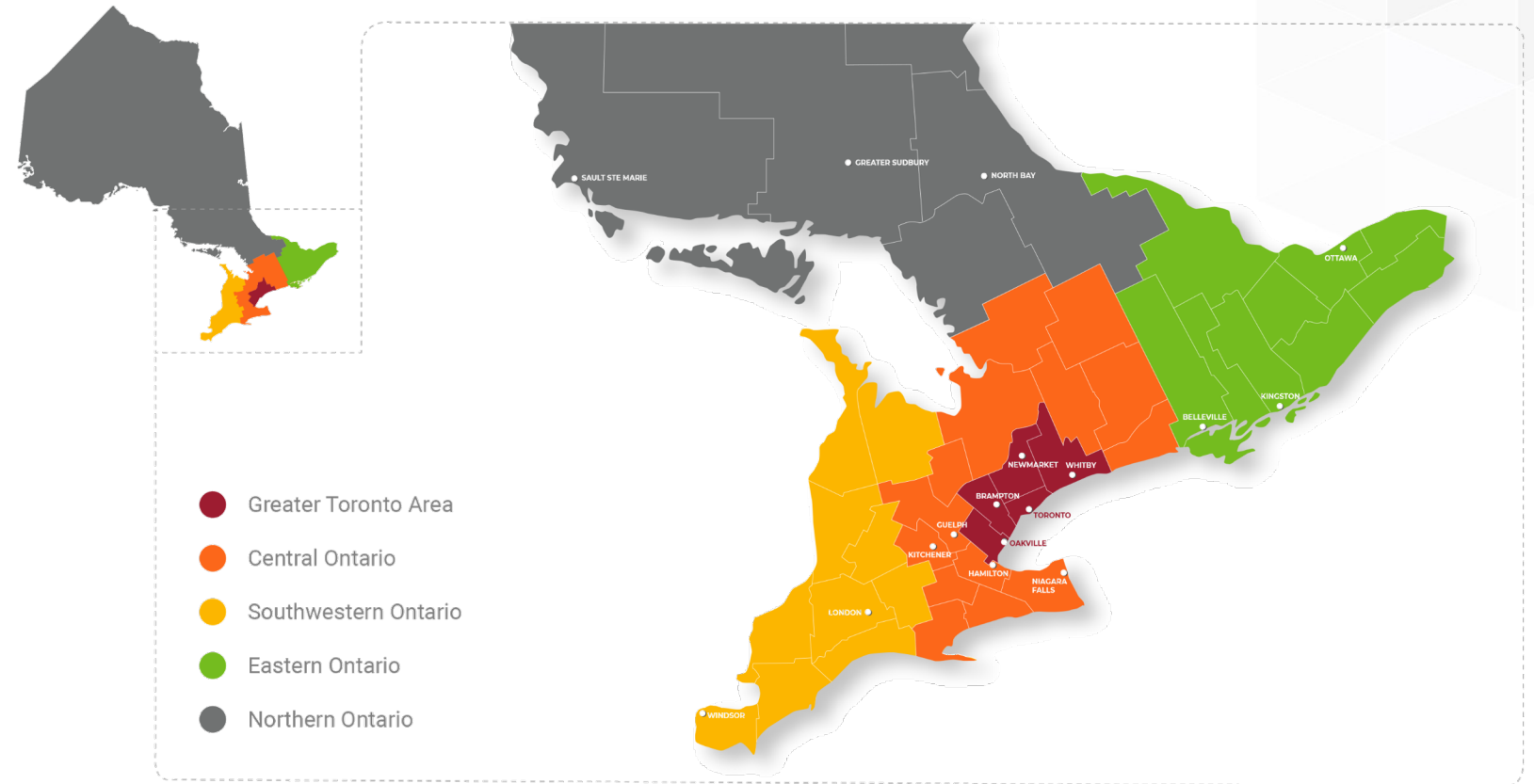


■ Due to the large size and diversity of the Ontario construction market, the BuildForce model assesses Ontario as five separate construction markets:

- 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



Market risks....

- Contactor capacity / worker availability – potential market constraints
- Are some workers sitting on the sidelines (Why?)
- Any change in workers opting for retirement, reluctant to return to work or more selective on accepting jobs, less mobile (within or outside the province)
- Mandatory vaccination requirements – potential impact on labour supply
- Supply chain /materials challenges
- Project costs
- Training hit a pause – near term carryover effect



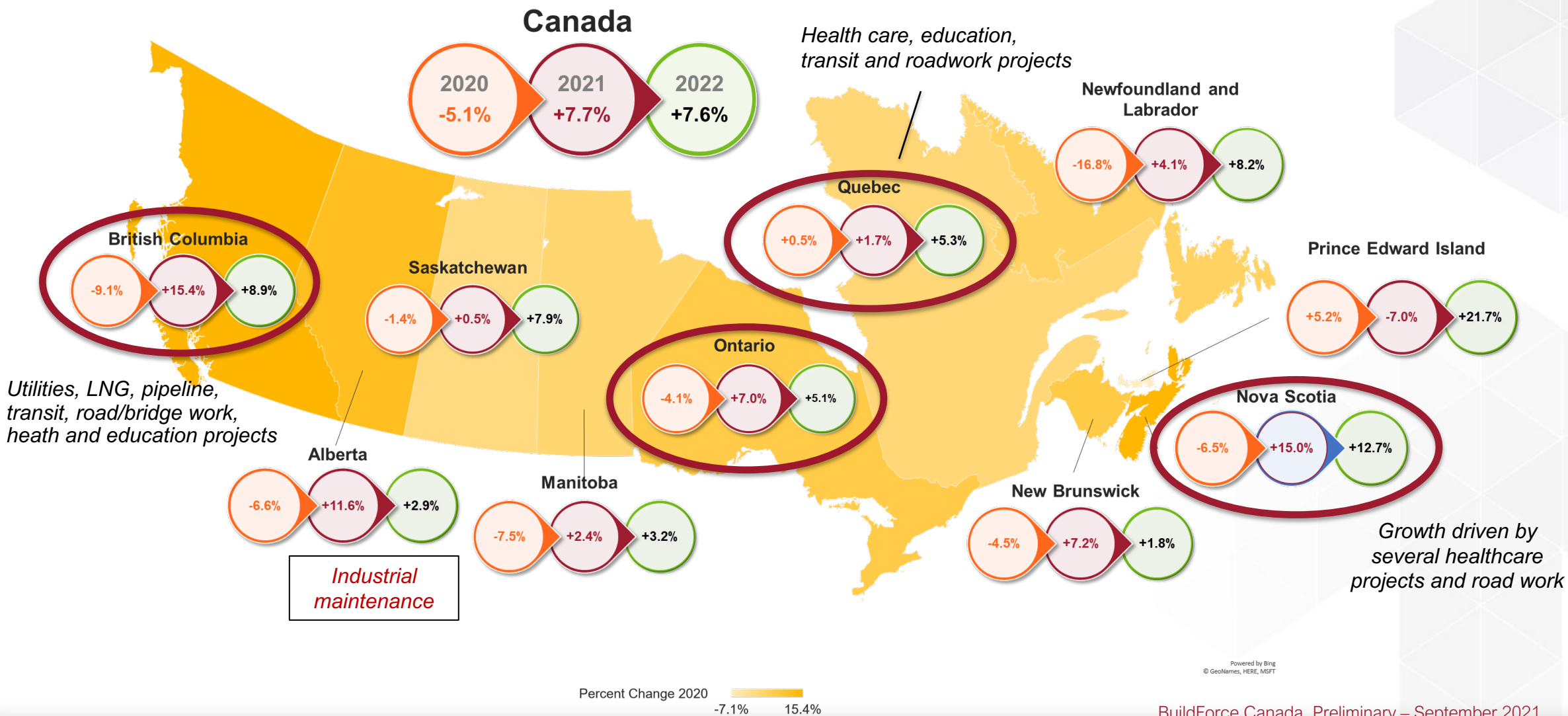
Ontario Labour Market



- Based on current (low unemployment rates) and projected growth, the recruiting challenges of 2019 have returned and expected to remain 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 markets.
- Attracting out of province workers will be in competition with:
 - British Columbia, high volumes of activity and tight labour markets translate into needed out of province workers; especially over the next few years.
 - For some trades, significant seasonal maintenance work expected Spring 2022 (Ontario, Alberta, New Brunswick) – increased recruiting challenges.

Non-residential Investment

Annual percent Change, 2020 - 2022



Future challenges

Labour force trends

Key industry challenges (2022-2031)

- The unprecedented impact of the pandemic does not alter the underlying aging demographic challenges facing construction and the expected retirements over the next decade: a significant loss of skilled and experienced workers.
 - All industries facing the same pressures
- Even as concerns over COVID-19 recede, the industry must remain focused on recruitment and training to meet future needs.
- Career promotion efforts will be important
 - Recruitment of under-represented groups will be critical
 - Mobility support will be important (intra / inter regional)



613-569-5552

info@buildforce.ca

buildforce.ca