



NEWFOUNDLAND AND LABRADOR

Construction Looking Forward 2009-2017 Key Highlights

The non-residential construction cycle in Newfoundland and Labrador is providing notable strength now and into the immediate future as other provinces struggle with recession. Driven by major industrial projects, non-residential employment has been growing rapidly. Indeed, construction growth is expected to carry the province through the recession with cyclical employment growth that will peak in 2011. Project timing in Newfoundland and Labrador will coincide with weakness in other jurisdictions, and a returning workforce will be available to fill new jobs.

There is, however, a strong cross-current as recession impacts appear and housing starts fall until 2013. From 2009 to 2011, residential employment falls about 30% for key trades and occupations. There is a brief, positive impact as the federal stimulus to renovation creates jobs in 2009. Overall, more than 1,200 jobs are lost from 2009 to 2011 in residential activity due to the effect of these short-term shifts, while the big non-residential projects create almost 4,000 new jobs. These shifts across sectors will challenge the industry. Markets will stabilize where workers have the needed skills and experience to move across sectors.

Short-term opportunities disappear in the outer years as the big non-residential projects reach a conclusion while the housing down cycle continues. During 2012 and 2013, construction employment drops by more than 2,000 jobs across all construction occupations. Newfoundland and Labrador's mobile workforce may well find work in other provinces during this period.

An employment revival begins in 2014 and lasts until 2017. This is a strong period of growth led by major resource development projects already anticipated by the industry. Employment growth is shared by both residential and non-residential occupations and totals 30% over the cyclical low

point in 2013. Mobilizing the large workforce required at that time will present significant recruiting challenges. The notably older age profile of the Newfoundland and Labrador population will lead to large numbers of retirements at that time.

The 2009 edition of *Construction Looking Forward* for the other provinces suggests that there may be opportunities for Newfoundland and Labrador recruiters in other provinces late in the forecast period. This depends on uncertain project timing and circumstance far in the future. This construction outlook, however, serves to highlight how challenges and opportunities may unfold, suggesting industry strategies to meet the shifting needs for a skilled construction workforce.

Based on the robust outlook for non-residential construction investment, construction employment in Newfoundland and Labrador is expected to grow on average by 3.7% per year over the 2009-2017 forecast period – by far the fastest rate of all provinces. This will translate into the creation of 3,200 construction jobs over the next nine years. Key projects driving employment growth include a nickel processing facility, oil field expansion, mine development and hydro projects. In addition, another 3,200 workers will be needed to replace retiring baby boomers between now and 2017.

The table (over) shows the labour market rankings for trades and occupations in Newfoundland and Labrador.

Industry and government need to sustain the traditional support systems for construction across the forecast horizon. Investment in apprenticeship, private training, career promotion, incentives for mobility, and health and safety are important. This support will help to meet the challenges of volatile markets, mobilizing for major projects, increasing mobility, replacing skilled workers as they retire and improving skills.

MARKET RANKINGS FOR TRADES AND OCCUPATIONS IN NEWFOUNDLAND AND LABRADOR

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Boilermakers	1	4	5	5	2	1	3	3	3	4
Bricklayers	2	2	3	2	3	3	4	5	5	4
Carpenters	2	2	2	2	2	2	3	4	5	4
Concrete finishers	2	4	4	3	2	2	3	3	3	3
Construction estimators	1	4	4	3	2	2	4	4	4	4
Construction managers	3	3	3	2	2	2	4	5	5	4
Contractors and supervisors	2	4	4	3	2	2	3	4	4	4
Crane operators	1	4	5	5	2	2	4	4	4	4
Electricians (including industrial and power system)	1	4	4	4	2	2	3	3	4	3
Floor covering installers	2	2	1	2	2	2	3	3	4	3
Heavy equipment operators (except crane)	1	4	4	3	2	2	3	3	3	3
Heavy-duty equipment mechanics	1	4	4	2	1	2	3	3	3	3
Ironworkers and structural metal fabricators and fitters	1	4	4	4	3	2	4	3	4	4
Painters and decorators	2	2	1	2	2	2	3	3	4	3
Plasterers, drywall installers and finishers, and lathers	2	2	1	2	2	2	3	4	4	4
Plumbers	1	3	4	3	2	2	3	4	4	3
Refrigeration and air conditioning mechanics	2	3	2	2	2	3	3	3	3	3
Residential and commercial installers and servicers	3	2	2	2	2	2	2	3	4	3
Residential home builders and renovators	5	5	3	3	3	3	4	4	5	4
Roofers and shinglers	2	3	3	3	2	2	3	3	3	3
Sheet metal workers	1	4	4	3	2	2	3	3	4	4
Steamfitters, pipefitters and sprinkler system installers	1	3	4	4	2	2	3	3	3	3
Trades helpers and labourers	2	3	3	2	1	2	3	4	4	3
Truck drivers	1	4	4	3	2	2	4	4	4	4
Welders and related machine operators	1	4	5	4	2	2	4	3	3	3

Source: Construction Sector Council.

MARKET RANKINGS

- 1 Workers are available, excess supply is apparent and there is a risk of losing workers to other markets.
- 2 Workers are available to meet an increase in demand.
- 3 The availability of workers may be limited by large projects, industrial maintenance or other short-term increases in demand.
- 4 Workers are generally not available. Employers will need to compete to attract additional workers.
- 5 Workers are not available to meet demand. Competition for workers is intense and projects or production may be delayed or deferred.

Timely construction forecast data is available online at www.constructionforecasts.ca. Create customized reports on a broad range of selected categories within sector, trade or province covering up to 10 years.

The full report, *Construction Looking Forward, An Assessment of Construction Labour Markets from 2009 to 2017 for Atlantic Canada*, is part of the Construction Sector Council's Labour Market Information Program, and will be available electronically at www.csc-ca.org later this summer.

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