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Manitoba

Construction Industry Outlook: 2024-2033

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April 10, 2024

Industry Overview: 2023



Construction Industry: All professions

National Construction Labour Force

Manitoba

56,400: total construction industry employment.

6%: Contribution to GDP

1 in 12: number of workers in the labour force employed by the construction sector.



■ Canada ■ Manitoba

Canada

1,582,500: total construction industry employment.

7%: Contribution to GDP

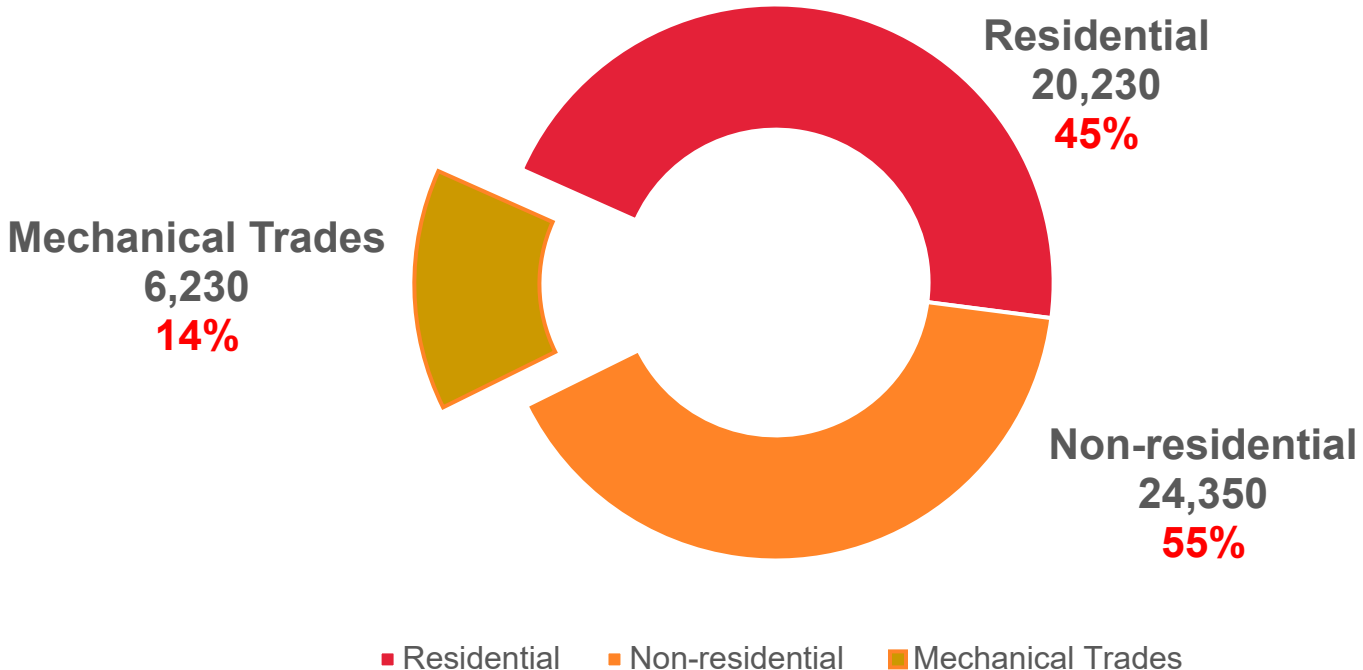
1 in 13: number of workers in the labour force employed by the construction sector.

Industry Overview: 2023



Construction Industry: 34 trades and occupations (79% of total industry employment)

Manitoba labour force



Industry Overview: 2023



Diversity of the Industry



2023:	6,400 (11.3%)
15-24:	700 (1.2%)
25-54:	4,500 (8%)
55 +:	1,200 (2.1%)

2023:	45,700 (89%)
15-24:	8,300 (15%)
25-54:	33,200 (59%)
55 +:	8,500 (15%)



Indigenous People

All Industries (2021):	87,015 (13%)
Construction (2021):	8,900 (17%)
Trades (2021):	7,745 (87%)



Permanent Residents

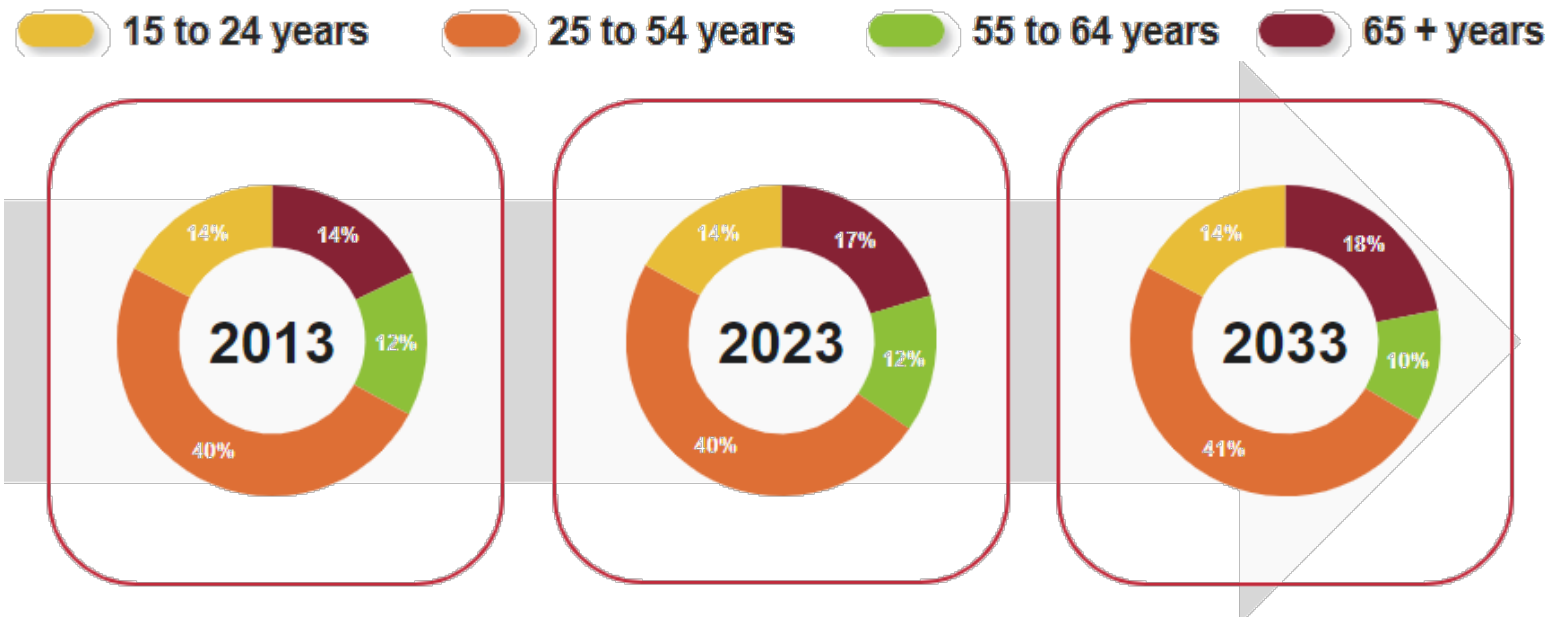


All Industries (2021):	160,280 (24%)
Construction (2021):	8,260 (16%)
Trades (2021):	6,400 (78%)

- Construction industry is unique – **80%** of the total workforce employed in onsite trades and trades management occupations.
- Women** make up **11.3%** of Manitoba's construction workforce – only **28%** work in onsite trades occupations.
- Indigenous Peoples** make up **17%** of construction workforce – **87%** work in onsite trades occupations.
- Permanent residents** make up **16%** of Manitoba's construction workforce – **78%** work in onsite trades occupations.

Manitoba

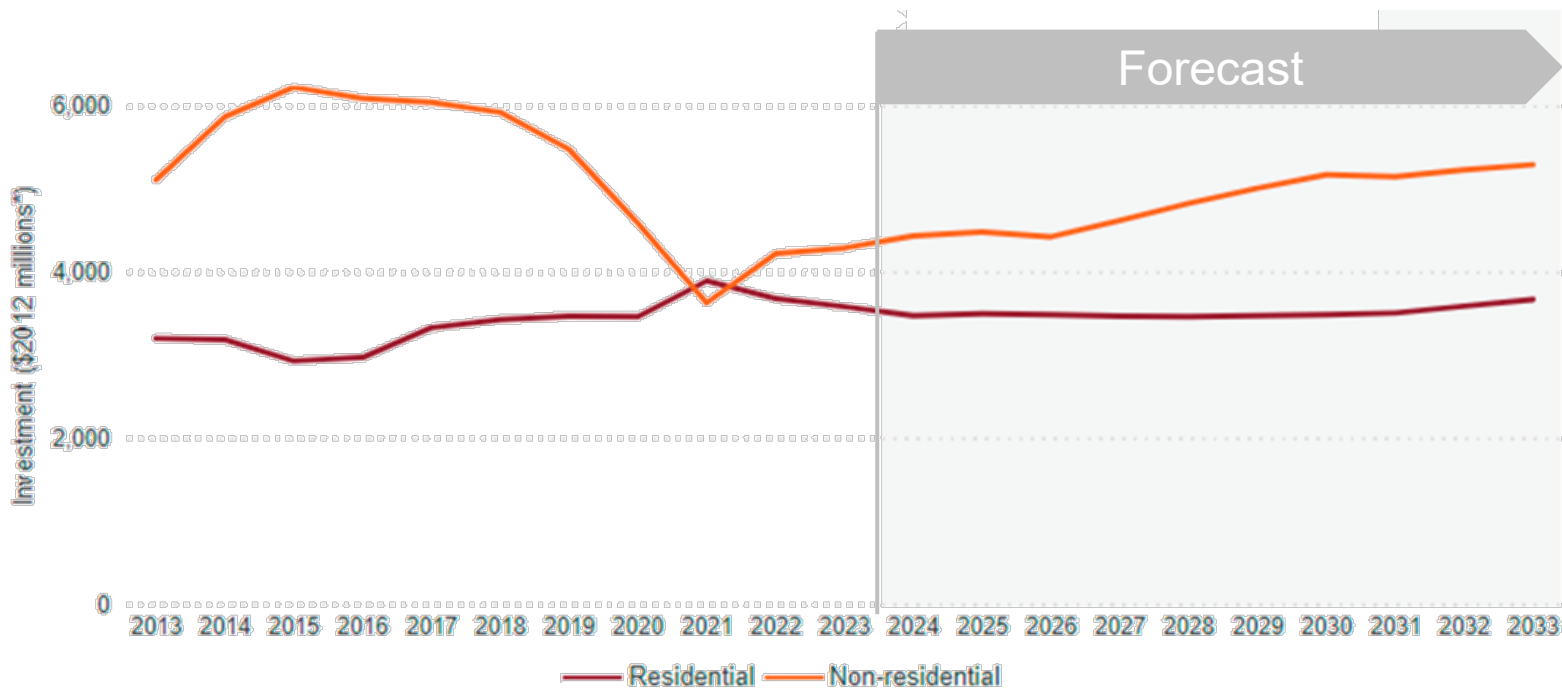
Demographics



Construction Industry



Investment



Source: Statistics Canada, BuildForce Canada (2024-2033)

* \$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.

2024-2033

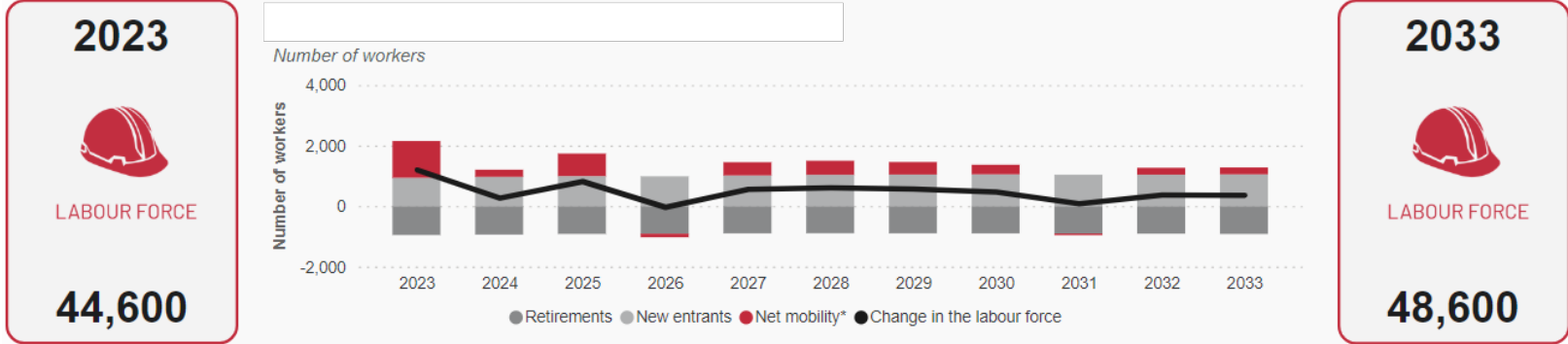
- Interest rates continue to suppress residential demands to 2024.
- Residential demands remain relatively stable to 2031 – **2.5%** increase over 2023 levels.

Business-as-usual analysis does not include federal measures designed to address the housing supply gap.
- Non-residential demands rise almost continually to 2033 – **23.4%** increase over 2023 levels.

Construction Industry



Change in the construction labour force



2024-2033

34 direct trades and occupations

- Construction industry will struggle to keep pace with construction demands – but for 2026 and 2031.
- Demand growth and retirements will require the hiring of 13,100 individuals over forecast period.
- Despite the estimated addition of **10,200** workers, the industry may be short **2,900** workers by 2033.



* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that the industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

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Manitoba

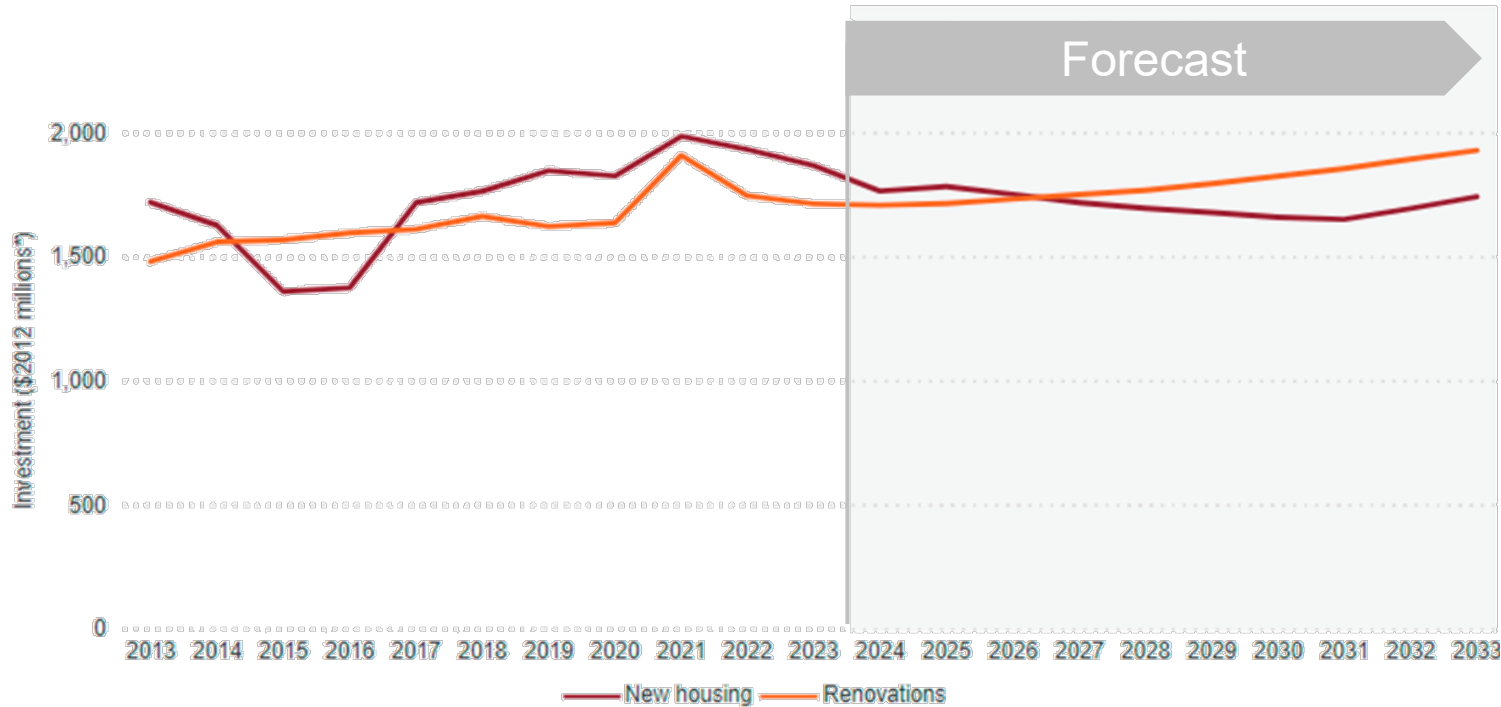
Residential Construction Industry

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Residential Construction Industry



Investment



Source: Statistics Canada, BuildForce Canada (2024–2033)

* \$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.

2024-2033

New housing

- Investment in new housing peaked in **2021**.
- Interest rates increases in 2022-2023 further dampened demand.
- A brief rise anticipated in 2025, followed by further declines to 2031.

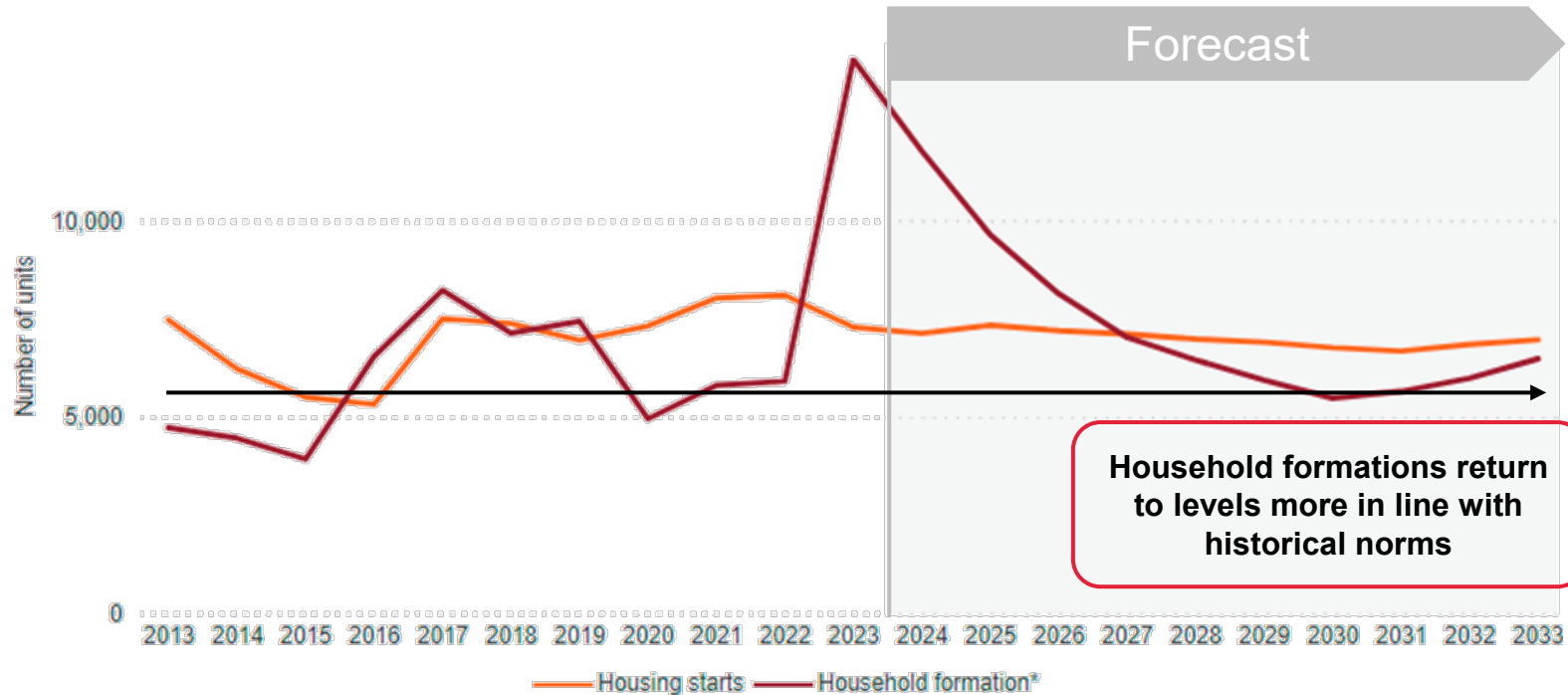
Renovations

- Renovation investment unchanged in 2024, but then rises throughout forecast period – a **12.6%** increase over 2023 levels.

Residential Construction Industry



Housing starts and household formations



2024-2033

- **Household formations** increased significantly in **2023** due to increased immigration levels.
- **Housing starts** have been in decline since 2022.
- Formations expected to decline over the forecast period, despite elevated levels of immigration to 2026.
- Housing starts recover in 2025 and then decline to 2031.

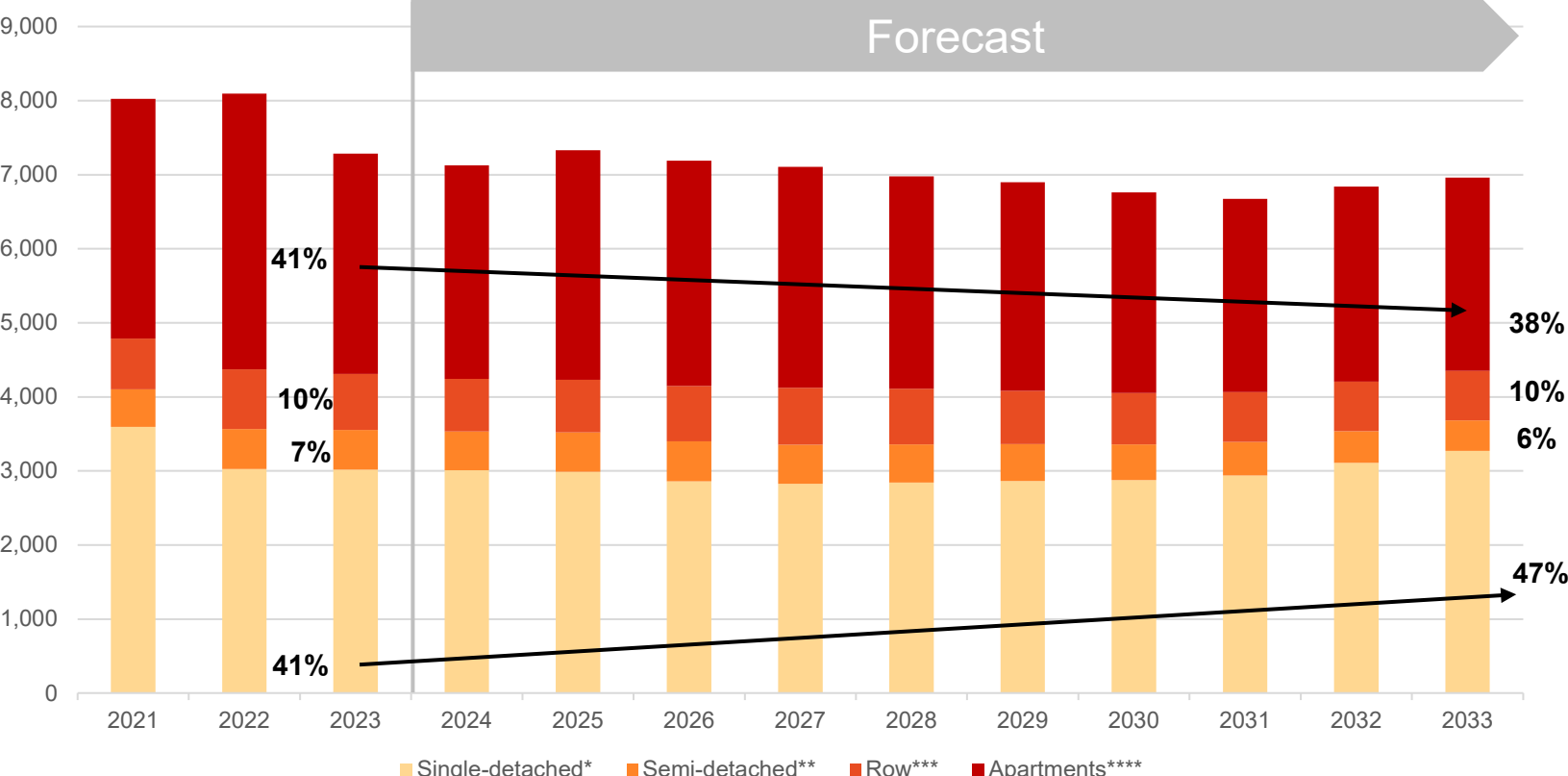
Source: CMHC, BuildForce Canada (2024-2033)

* Household formation refers to the change in the number of households (persons living under one roof or occupying a separate housing unit) from one year to the next. It is the means by which population growth is transformed into demand for new housing.

Residential Construction Industry



Housing start mix



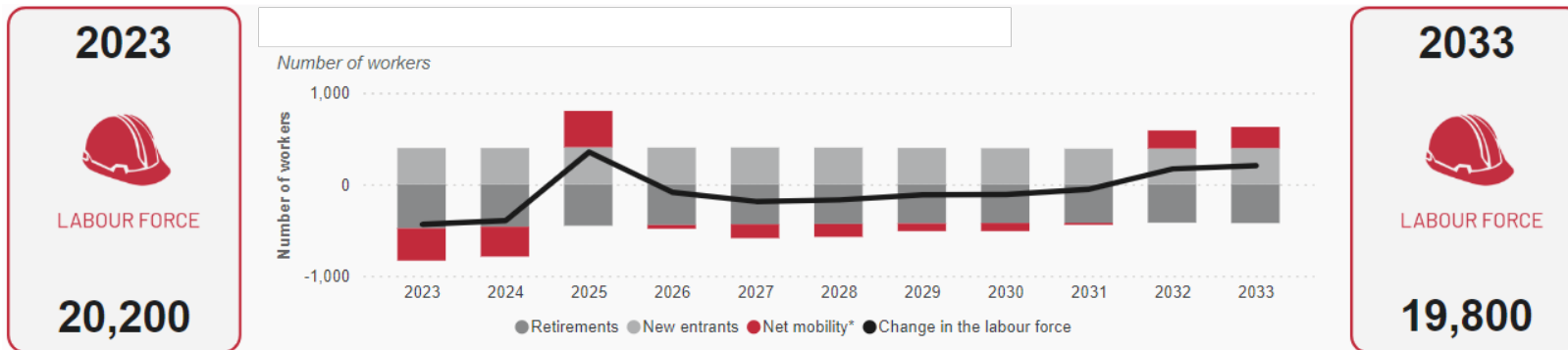
2024-2033

- Demand for apartment type units has been elevated.
- Affordability concerns (**youth**) and elevated immigration levels (**rent until established**) a key driver.
- As individuals form families, preferences shift to single-detached housing.
- Achieving federal housing supply targets will require a significant increase to apartment-type units.

Residential Construction Industry



Change in the residential construction labour force



* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that the industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

2024-2033

- Declining new housing demand will drive the construction labour force marginally lower – decrease of 400 workers.
- **New housing** employment decrease by **15.7%**.
- **Renovation** employment increases 1.8%.
- **Maintenance** employment up 7%.
- **Total hiring requirement** of only 3,900 workers – recruitment should maintain relatively balanced markets.

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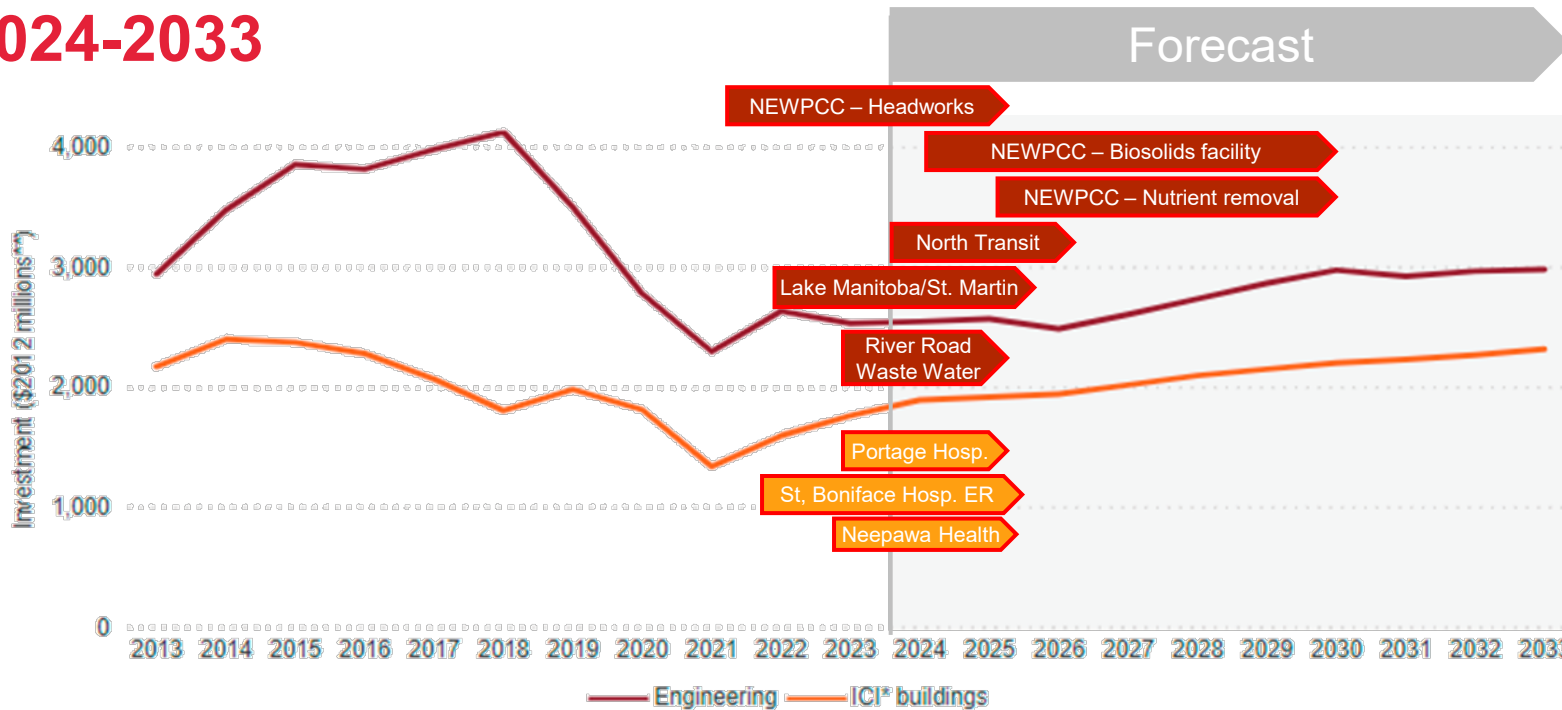
Non-residential Construction Industry

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Non-residential Construction Industry



2024-2033



Investment

- **Engineering** construction has been stable since the conclusion of the Keeyask Dam.
 - A **17.8%** increase over the forecast period.
 - Water and wastewater projects will be the primary driver of engineering construction demands over the forecast period.
- **ICI** construction projected to rise throughout the forecast period.
 - A **31.5%** increase projected.
- **Watching:**
 - Polo Park Mixed use development
 - CER Chemical Investment

Source: Statistics Canada, BuildForce Canada (2024-2033)

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

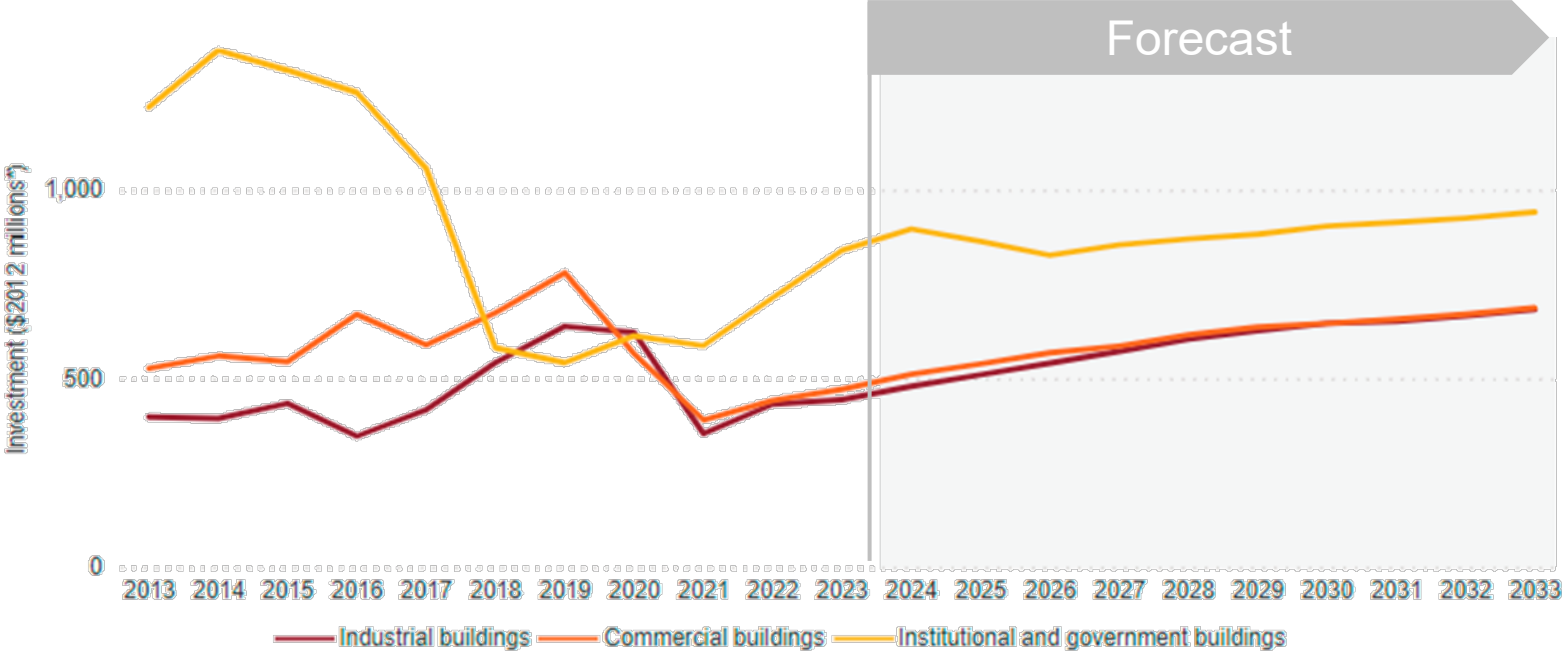
* industrial, commercial, institutional

** \$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.

Non-residential Construction Industry



ICI Investment



Source: Statistics Canada, BuildForce Canada (2024–2033)

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

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2024-2033

Investment Change (%)

Change in investment for selected periods

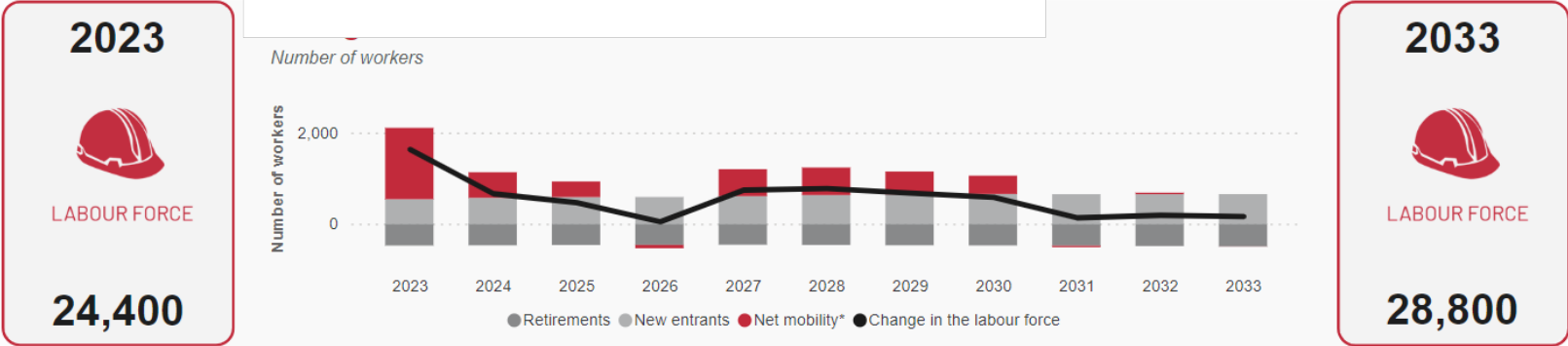
Industrial Building	Commercial Building	Institutional Building
7.9% 2024	8.5% 2024	6.7% 2024
36.0% 2024-2028	30.8% 2024-2028	3.6% 2024-2028
53.8% 2024-2033	45.9% 2024-2033	12.0% 2024-2033

Investment changes are represented as a the percentage difference as compared to the base year of this forecast period (2023).

Non-residential Construction Industry



Change in non-residential construction labour force



2024-2033

- Demand growth will require the hiring of an additional **4,400** workers over the forecast period.
 - **Engineering** employment up by **10.5%**.
 - **ICI** employment up by **30.1%**
 - **Non-residential maintenance** employment up **2.7%**
- **9,100** workers will need to be hired to keep pace with retirements and demand growth.
- Recruitment will offset some of this requirement, but the industry is projected to be short 2,900 workers by 2033.



* Net mobility refers to the number of workers needed to be brought into the industry from other industries or other provinces to meet rising demands or the number of workers that exit the industry in downturns. Positive net mobility means that the industry must attract workers, while negative net mobility arises from an excess supply of workers in the local construction labour force.

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Additional Demand Challenges



Building a Greener Future

Estimating the impact on construction labour demands from transitioning buildings in Canada away from fossil fuels

APRIL 2024



Residential Scenario Outlook 2024-2033

A construction industry employment estimation to address Canada's housing supply gap

MARCH 2024

Electrification of homes



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2,300

Total new jobs created



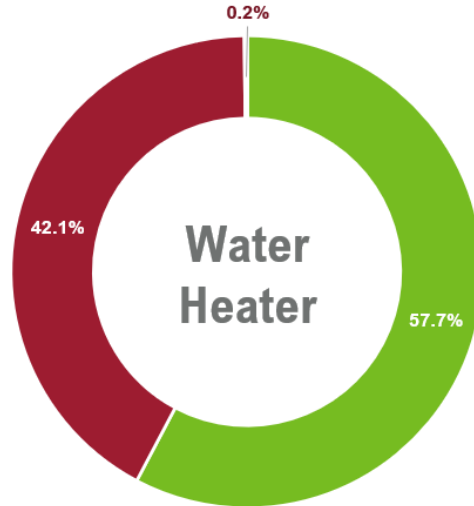
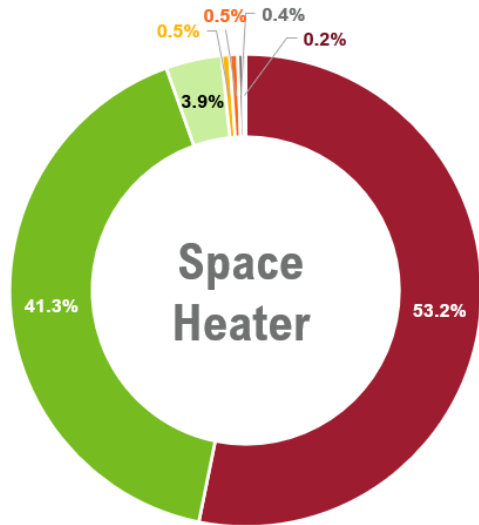
600

Fuel-switching



1,700

Energy-efficiency retrofits



● Electric
 ● Heating oil
 ● Dual system, electric
 ● Dual system, non-electric
 ● Natural gas
 ● Wood

Challenges

- **59%** of the 549,200 existing homes (2020) were heated by fossil fuels – mostly natural gas.
- Only **38%** of homes equipped with electric baseboard heaters and **3%** with heat pumps.

Heating, refrigeration and air conditioning mechanics:
280 (+624%)

Plumbers:
90 (+19%)

Gasfitters:
-30 (-43%)

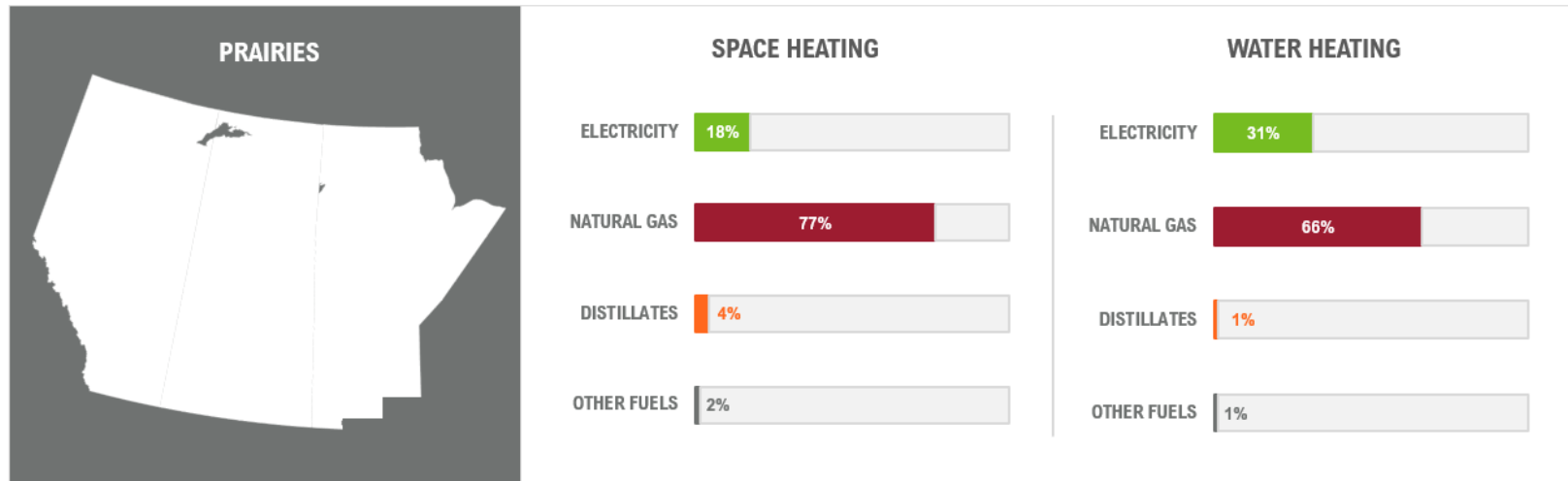
Sheet metal workers:
50 (+29%)

Electricians:
130 (+25%)

Electrification of Commercial Buildings



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Challenges

- No provincial data was available, but regional data points to a significant challenge.
- **77%** of commercial buildings dependent on natural gas for space heating and **66%** for water heating.
- Commercial installers have greater capacity and key tradespersons often hold multiple certificate – could help reduced labour force capacity issues.
- Commercial buildings typically require more specialized solutions – each project likely to be unique.

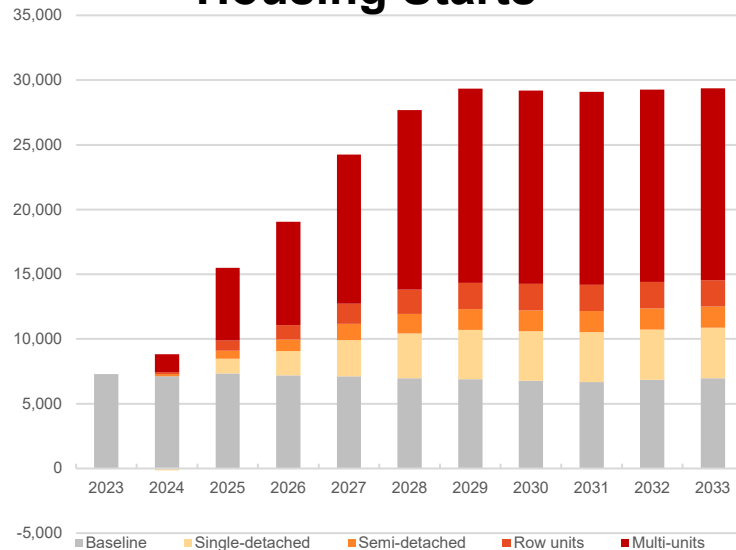
Residential Housing



CMHC Housing Supply Gap for Manitoba:

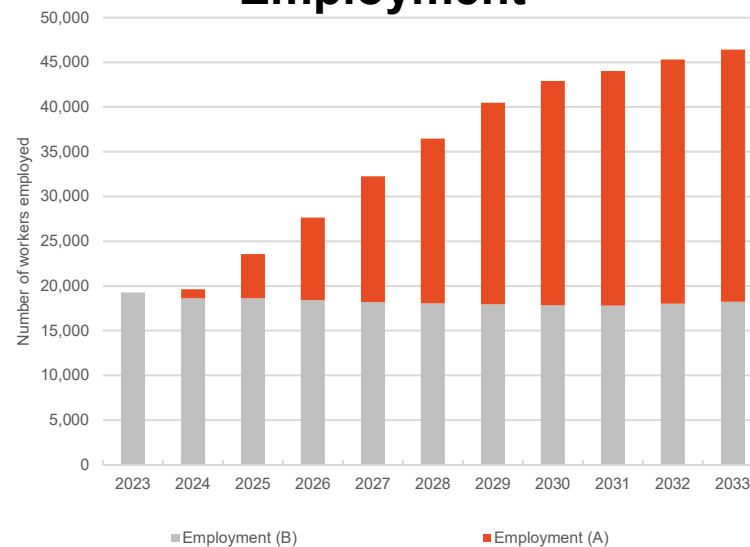
170,000 units

Housing Starts



Source: BuildForce Canada (2024-2033)

Employment



Source: Statistics Canada, BuildForce Canada (2024-2033)

- BuildForce projects under BAU scenario that 69,870 housing units will be built between 2023-2033.
- Alternative scenario calls for an increase to 239,870 units during the same period – **343%** increase.
- Residential** employment will need to increase by **141%** and **non-residential** employment by **34%**.

CONSTRUCTION
& MAINTENANCE
INDUSTRY



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