



NOVA SCOTIA

Construction Looking Forward 2011–2019 Keys Highlights

The 2011 *Construction Looking Forward* report for Nova Scotia describes a moderate change in non-residential activity between 2011 and 2019, and a cyclical pattern for residential construction that declines to 2012, followed by modest growth later in the scenario. In this environment, labour markets reach high and low conditions for specific trades, as reflected in the market rankings on page 3.

Construction labour markets recede from peak 2010 levels, but across much of the scenario, employment is sustained at levels consistent with recent historic highs. The timing of major industrial and engineering projects, as well as stimulus-related construction activity, staggers peak employment demands for occupations between 2010 and 2013. The completion of major engineering projects, combined with limited growth in residential investment, results in net employment losses from 2014 to 2016. Modest trend growth resumes for the remainder of the scenario.

The CSC uses a scenario-based forecasting model to assess future labour market conditions. It consults with industry, including owners, contractors and labour groups, to validate the scenario assumptions, and seeks input from governments on related analysis and construction project lists. This approach offers efficient access to project information and detailed first-hand assessments of labour supply and demand for individual construction trades and occupations.

The scenario for Nova Scotia can be divided into two periods¹: Non-Residential Peak (2009–2013) and Non-Residential Valley (2014–2019).

NON-RESIDENTIAL PEAK (2009–2013)

In 2009, major industrial and engineering projects offset declines in residential investment to strengthen construction employment in Nova Scotia as most other provinces declined. In 2010, stimulus-related road, highway and bridge construction further bolstered employment to new peak levels.

In 2011, a pause in engineering-related investment and the completion of stimulus-related road and bridge work eases labour market conditions for trades and occupations working in non-residential. A decline in residential renovation activity also contributes to moderate declines in overall construction employment.

Renewed investment in proposed energy and industrial projects contributes to activity in 2012, sustaining demand through 2013 for many trades, including carpenters, construction millwrights, electricians, plumbers and sheet metal workers. As these projects end, and with no new major projects scheduled, employment falls from 2014 to 2016.

For residential construction, housing starts exceeded household formations² over much of the last decade. These conditions prompted a correction in residential

¹ The 2011 *Construction Looking Forward* release for Nova Scotia reports new labour market assessments for the 2010–2019 period. The assessment includes 2009 and 2010 as part of the analysis to track the impact of the global recession and recovery in local construction investment and labour markets.

² Household formation refers to the change in the number of households from one year to the next.

construction between 2007 and 2009. Residential investment continues on a general downward trend to 2012, followed by a period of moderate growth through much of the remainder of the scenario.

Incremental buildup in non-residential construction resulted in increased employment from 2008 to peak levels in 2010. Employment is sustained at near peak levels through to 2013. The moderate pace of growth, and coinciding losses in the residential sector, allow construction labour markets to adjust, resulting in balanced labour market conditions for most trades and occupations over the first half of the scenario period.

NON-RESIDENTIAL VALLEY (2014–2019)

After 2013, known major engineering and industrial sector projects end and by 2016, employment falls below 2008 levels. The number of workers available exceeds employment demands for many trades and occupations concentrated in non-residential construction, loosening labour market conditions.

Later in the scenario, immigration drives the demand for housing, stabilizing employment in residential construction. Construction employment is largely unchanged across the last years of the scenario. Overall construction employment in 2019 is close to 2009 levels with balanced markets.

SUPPLY-SIDE ADJUSTMENTS

Increases in the construction workforce in 2009 and 2010 were likely related to Nova Scotians returning from construction jobs in other provinces. These gains largely matched employment gains in 2009, but could not satisfy the estimated strong employment growth in 2010, pushing the unemployment rate close to record low levels for some trades and occupations.

Employment demands related to ongoing major engineering projects were compounded by increases in stimulus-related road and bridge work in 2010, tightening labour markets and creating recruiting challenges for the following trades and occupations:

- ◆ construction millwrights
- ◆ crane operators

- ◆ drillers and blasters
- ◆ heavy equipment operators
- ◆ truck drivers

These tight markets may have required recruitment from outside the local market to meet peak demands in 2010. In 2011, conditions loosen as stimulus-related work winds down and unemployment rises.

To better track long-term demographic trends, the CSC labour market information (LMI) system breaks down the annual change in the labour supply into four components: retirements, mortality, new entrants and in-mobility. Estimates of retirements and mortality capture annual losses in the workforce and these are balanced by first-time new entrants to the labour force from the Nova Scotia population aged 15 to 30. In Nova Scotia, the number of new entrants is already less than the annual number of mortalities and retirements, and additions from outside the industry and province are likely required to meet local demands. The reliance on additional workers from outside the local market will increase as the age profile of the workforce grows older. During the final period of the scenario, while employment is largely unchanged, the local workforce cannot meet very limited labour requirements.

Declining labour requirements across the scenario from 2011 to 2019 reduce employment by 1,300 workers. Over the same period, retirements and mortality will reduce the workforce by 6,400, while new entrants will fill 4,300 openings. Thus, even with a small decline in employment in the industry, Nova Scotia will need to recruit 800 new workers from outside the industry to sustain the construction workforce.

These key long-term demographic measures point out the need to attract new recruits into the construction industry, even during periods of limited employment growth. This highlights a specific need for industry to continue to target career promotions and focus on immigration as a potential solution over the longer term. Training programs, including apprenticeship, may need to expand and adapt to reach a new group of workers.

MARKET RANKINGS FOR TRADES AND OCCUPATIONS IN NOVA SCOTIA

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Boilermakers	3	2	3	3	2	2	2	3	3	3
Bricklayers	3	3	3	3	3	3	3	3	3	3
Carpenters	3	2	3	3	3	3	3	3	3	3
Concrete finishers	3	3	3	3	3	3	3	3	3	3
Construction estimators	4	3	3	3	2	2	3	3	3	3
Construction managers	4	3	3	3	3	3	3	3	3	4
Construction millwrights and industrial mechanics (except textile)	3	3	3	3	3	2	3	3	3	3
Contractors and supervisors	4	3	3	3	3	3	3	3	4	4
Crane operators	4	3	3	3	2	2	2	3	3	3
Drillers and blasters – construction	4	3	3	3	2	2	3	3	3	3
Electricians (including industrial and power system)	3	3	3	3	2	2	3	3	3	3
Elevator constructors and mechanics	3	3	3	3	3	3	3	3	3	3
Floor covering installers	2	3	3	3	3	3	3	3	3	3
Glaziers	3	3	3	3	3	3	3	3	3	3
Heavy equipment operators (except crane)	4	3	3	3	2	2	3	3	3	3
Insulators	3	3	3	3	3	3	3	3	3	3
Ironworkers and structural metal fabricators and fitters	4	3	3	3	3	2	3	3	4	4
Painters and decorators	2	3	3	3	3	3	3	3	3	3
Plasterers, drywall installers and finishers, and lathers	2	3	3	3	3	3	3	3	3	3
Plumbers	3	3	3	3	3	2	3	3	3	3
Refrigeration and air conditioning mechanics	3	3	3	3	3	3	3	3	3	3
Residential and commercial installers and servicers	2	3	3	3	3	3	3	3	3	3
Residential home builders and renovators	3	3	3	3	3	3	3	4	4	4
Roofers and shinglers	3	3	3	3	3	3	3	3	3	3
Sheet metal workers	3	3	3	3	3	3	3	3	3	3
Steamfitters, pipefitters and sprinkler system installers	3	3	3	3	3	3	3	3	3	3
Trades helpers and labourers	3	3	3	3	2	2	3	3	3	3
Truck drivers	4	3	3	3	2	2	3	3	3	3
Welders and related machine operators	3	3	3	3	2	2	3	3	3	3

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.

Note: The labour market assessment for some trades is limited by the small size of the workforce (< 100 employed). In such cases, the information is suppressed because of limited statistical reliability. The CSC, in consultation with the provincial LMI Committee, has suppressed the following trades for Nova Scotia: gasfitters, heavy-duty equipment mechanics, industrial instrument technicians and mechanics, and tilsetters.

Source: Construction Sector Council

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 2011 to 2019 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 spring.

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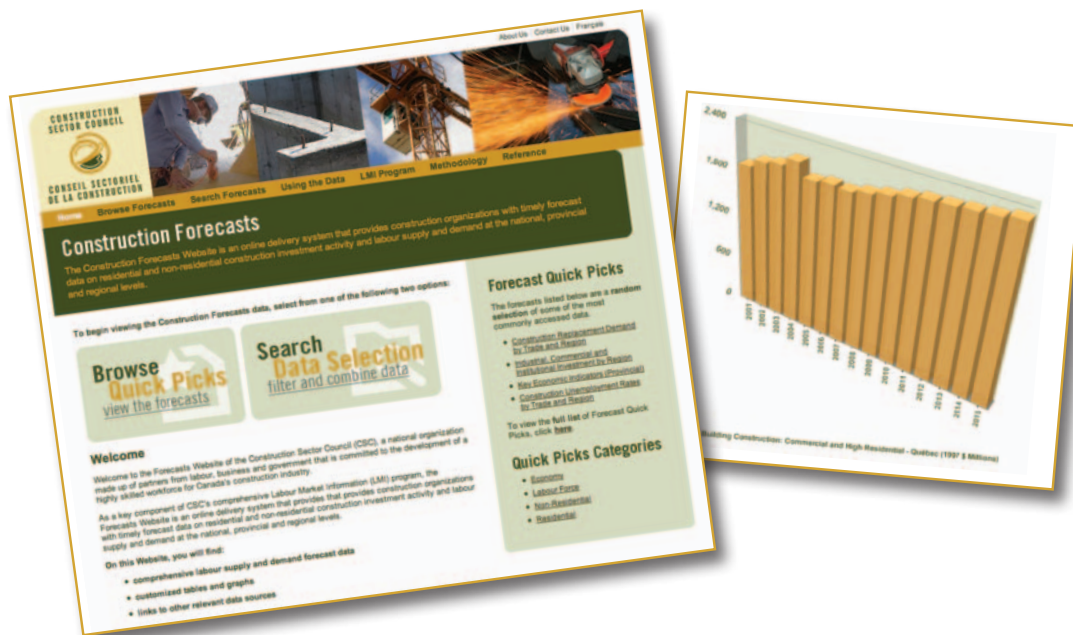
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