

MANITOBA

Construction Looking Forward 2010–2018 Key Highlights

Construction labour markets in Manitoba have quickly recovered from a shallow recession in 2009. As indicated in the rankings chart for Manitoba (page 3), markets are tight as the recession ends and unemployment remains close to record-low levels.

The 2010 *Construction Looking Forward* scenario describes regular but slowing growth from 2010 to 2018. Recruiting to fill the jobs that emerge will face additional demographic challenges and will shift attention to candidates outside the local industry.

The Construction Sector Council (CSC) uses a scenario-based forecasting model to assess future labour market conditions. It consults with industry, including labour groups, contractors and owners, 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.

This scenario can be described in three periods¹: Shallow Dip (2008–2009), Ramping Up (2010–2012) and High Plateau (2013–2018).

By historical standards, these are moderate changes that lack the volatility of earlier cycles.

SHALLOW DIP (2008–2009)

When the scenario started in 2008, construction had reached record levels of activity, the industry's capacity was limited and unemployment was at historically low levels. The brief recession was concentrated in a few sectors. Roads and related engineering were very weak and new low-rise construction declined. Other sectors grew, including renovations. Overall, there was limited evidence of recession. Job losses concentrated among a few vulnerable trades and occupations, including the following:

- ♦ construction managers (residential)
- ♦ heavy equipment operators and mechanics
- ♦ truck drivers
- ♦ tilesetters
- ♦ trades helpers and labourers

RAMPING UP (2010–2012)

During the first stage of recovery, most sectors and trades increase activity and jobs. Growth is moderately strong with employment expanding 20 percent in three years. The biggest gains are in new housing and utility-related engineering construction. There is notable weakness in renovations.

Growth in 2010 is driven by government stimulus and momentum in other non-residential markets.

¹ The 2010 *Construction Looking Forward* release for Manitoba reports new labour market assessments for the 2010–2018 period. The assessment includes 2008 and 2009 as part of the analysis to track the impact of the global recession on local construction investment and labour markets.

HIGH PLATEAU (2013–2018)

During the final stage of the scenario, annual increments to labour requirements drop to below 1.5 percent and construction employment remains essentially unchanged at record-high levels. Gains in new housing are modestly stronger, but annual growth never exceeds 2 percent. There are periods of limited job losses in some engineering markets. Steady, minimal gains in commercial and institutional building sustain markets.

SUPPLY-SIDE ADJUSTMENTS

The first stage of supply-side adjustment is through unemployment. One measure of the shallow recession is the very small increase in construction unemployment in 2009.

During the Ramping Up period from 2010 to 2012, with few exceptions, labour requirements cannot be met out of local unemployment. Annual increments to labour requirements drop across the period, but the local workforce is already fully employed and recruiting must look outside the local market.

Demographics drive long-term trends. The 2010 CSC LMI system has been expanded to include a new tracking of annual changes in the labour supply. Estimates focus on the key long-term demographic trends determining new entrants (Manitobans between the ages of 15 and 30 entering the workforce for the first time), retirements and mortality. The rising average age of the workforce raises retirements steadily higher, so that from 2010 to 2018, new entrants gradually fall below retirements and mortality. Across most of the scenario, labour requirements related to new construction must be filled by in-mobility and recruiting from outside the industry.

From 2010 to 2018, construction employment rises by 6,200 jobs. Added to these demands are replacement requirements from 5,300 retirements and the loss of 900 workers due to mortality. There are 6,500 new entrants from the Manitoba population to meet these needs, leaving a recruiting effort to find 7,800 new construction workers from other industries or regions².

These demographic fundamentals combine with the expected gains in construction to focus the industry on finding new labour sources. Attention shifts to sustaining the training and industry promotion activities to attract and prepare new entrants. Investments made in apprenticeship, immigration and other initiatives will have to be increased.

² Unemployment rises by 1,900 across the scenario. This increase restores normal levels of unemployment from the very low levels in 2010.

MARKET RANKINGS FOR TRADES AND OCCUPATIONS IN MANITOBA

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Boilermakers	3	3	3	3	3	3	3	3	3	3
Bricklayers	4	4	3	3	3	3	3	3	3	3
Carpenters	4	3	3	4	3	3	3	3	3	3
Concrete finishers	4	3	3	3	3	3	3	3	3	3
Construction estimators	4	4	3	3	3	3	3	3	3	3
Construction managers	2	4	4	4	4	3	3	3	3	2
Construction millwrights and industrial mechanics	4	4	4	3	3	3	3	2	2	2
Contractors and supervisors	3	4	4	4	3	3	3	3	3	3
Crane operators	5	5	3	3	3	3	3	3	3	3
Electricians (including industrial and power system)	4	3	3	3	3	3	3	3	3	3
Floor covering installers	4	4	3	3	3	3	3	3	3	3
Glaziers	3	3	3	3	3	3	3	3	3	3
Heavy equipment operators (except crane)	3	4	3	3	3	3	3	3	3	3
Heavy-duty equipment mechanics	3	4	3	3	3	3	3	3	3	3
Insulators	3	3	3	3	3	3	3	3	3	3
Ironworkers and structural metal fabricators and fitters	3	4	3	3	3	3	3	3	3	3
Painters and decorators	4	3	3	3	3	3	3	3	3	3
Plasterers, drywall installers and finishers, and lathers	3	3	3	4	3	3	3	3	3	3
Plumbers	4	4	3	3	3	3	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	4	3	3	3	3	3	3	3	3	3
Residential home builders and renovators	4	3	3	4	3	3	3	3	3	3
Roofers and shinglers	4	4	3	3	3	3	3	3	3	3
Sheet metal workers	3	4	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	4	3	4	3	3	3	3	3	2
Truck drivers	2	4	3	3	3	3	3	3	3	3
Welders and related machine operators	3	4	3	3	3	3	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 Manitoba: drillers and blasters, elevator constructors and mechanics, gasfitters, industrial instrument technicians and mechanics, and tilesetters.

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 2010 to 2018 for Manitoba*, 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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April 2010

Funded by the Government of
 Canada's Sector Council Program



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Developed by the Construction Sector Council as part of our Labour Market Information Program

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