2025
SUPPLY CHAIN CANADA
NATIONAL CONFERENCE
CALGARY, ALBERTA

WELCOME TO

POWERING SUPPLY CHAIN INNOVATION





Labour Fundamentals & Construction Productivity

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Canada Construction Outlook: 2025–2034 Bill Ferreira





AGENDA

- 01 Introduction
 About BuildForce Canada
- Welcome
 Strong demands and increasing retirements
- O3 Key Points
 Outlook summary

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 Residential/Non-residential
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 A changing landscape
- Conclusions
 Implications for the Canadian economy





01 INTRODUCTION ABOUT BUILDFORCE

BuildForce Canada's mandate is to support the labour market development needs of the construction and maintenance industry.







WELCOME CONSTRUCTION LABOUR MARKETS

Demographic shifts are creating labour market challenges in the construction sector.

Retirements are expected to outpace recruitment in the coming years. The implications for productivity are significant.







KEY POINTHIGHLIGHTS



Demographics

Retirements/New
 Entrants - not a one for-one replacement
 relationship



Strong Demands

Migration increasing residential/non-residential demands



Challenges

- Changing global markets
- Rising costs and competition
- Technological changes



Conclusions

Implications for construction sector and future growth





DEMAND PRESSURES

CANADA: DEMOGRAPHICS 2024

19% 65 year and over

POPULATION AGE DEMOGRAPHICS

19% 50 to 64 years

■ 0-14 ■ 15-24 ■ 25-49 ■ 50-64 ■ Over 65

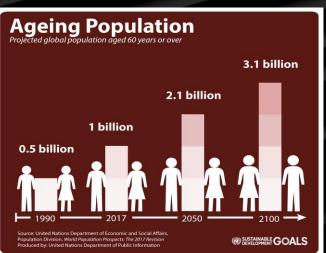
15% Under 15 years







CANADA: DEMOGRAPHICS 2024



- Ageing of population not just a Canadian problem – UN estimates 3.1 billion (one third) of global population will be over 60 by 2100
- Most OECD countries already facing the demographic challenges
- Competition for international talent <u>will</u> <u>intensify</u>, making <u>youth retention in</u>
 Canada critical
- Countries that succeed will foster social and cultural environments that support international recruitment

- Over the coming decade, more individuals moving into retirement than youth available to replace them.
- Competition for youth expected to intensify – immigration required to supplement domestic recruitment and training.
- Replacing retiring workers not a one-toone relationship – new entrants require several years of experience to be as productive as retiring workers.
- While formal training equips new workers with technical skills, it does not provide them with the experience of older workers—such as problem-solving, decision-making, and leadership.
- A report by HKA identified skill and experience deficiencies as major disruptors in construction projects, leading to increased costs and delays.
- This experience gap directly impacts productivity in the construction sector.





CANADA: RESIDENTIAL FORECAST (2025-2034)

8.4% Projected investment increase in new housing based on BAU scenario

Increase in renovation investment

Projected share of current workforce expected to retire over next 10 years





23.6%

22%



CANADA: RESIDENTIAL

Housing starts and household formations



Change in household formation and housing startsfor selected periods	
Household Formation	Housing Starts
Change in 2025	
-232,722 -54.7%	-8,515 -3.6%
Change between 2025–2029	
-200,253 -47.1%	-3,894 -1.6%
Change between 2025–2034	
-201.726 -47.4%	-3.363 -1.4%

Percentage Change (%)

Changes in household formation and housing starts are represented as the percentage difference as compared to the base year of this forecast (2024).

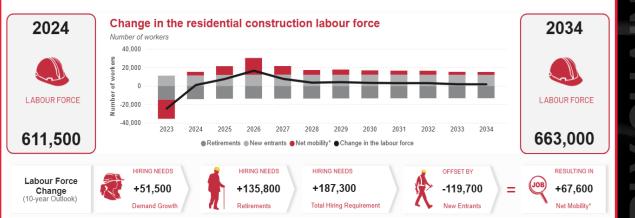




- Housing starts peaked in 2021 due to a spike in immigration to Canada
- Recent changes in immigration policy will impact demand for new housing – fewer annual admissions for both permanent immigrants and caps on the number of TFWs and Students reduced from 7.25% in 2025 to 5% by 2027
- These shifts will impact demand for new housing over the outlook period
- Government affordability targets need to be implemented with care to avoid depressing property values



CANADA: RESIDENTIAL







- BuildForce 2025-2034 Outlook projects:
 - Demand growth will require an additional 51,500 workers
 - 135,800 workers expected to retire during this period
 - The total residential workforce hiring needs are 187,300 workers
 - New entrants to the industry will offset this need by 119,700 workers
 - By 2034, the residential industry may be short 67,600 workers
- A successful transition to modular and panelized construction could reduce workforce demands



DEMAND PRESSURES

CANADA: HOUSING AFFORDABILITY

3.45M

Number of additional new homes required

by 2030 to restore affordability

1.66M

Number of additional homes built under

business-as-usual scenario

5.11M

Total number of homes required to help restore affordability (2022-2030)









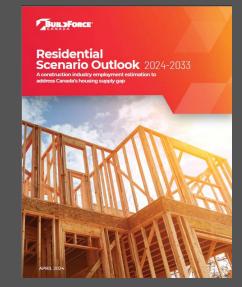
CANADA: HOUSING AFFORDABILITY

HOUSING STARTS REQUIRED TO MEET AFFORDABILITY TARGETS



■ Baseline Housing Starts ■ Required Additional Starts





- If current building practices are retained, residential workforce will need to increase significantly an 83% increase required and 19% in non-residential
- The residential sector will become a significant draw on overall construction workforce – tight labour markets expected
- Support for transition to modular and pre-fabrication will help lessen employment requirements (if successful)



CANADA: HOUSING AFFORDABILITY



- Getting government back in the business of building
- \$25 billion in financing to innovative prefabricated home builders
- \$10 billion in low-cost financing and capital to affordable home builders
- Cutting Red Tape
 - Cutting municipal development charges in half for multi-unit residential
 - Reintroducing tax incentives for rental housing construction
 - Reducing bureaucracy, zoning restrictions and red tape
- Cutting taxes for First-time homebuyers





CHBA Sector Transition Strategy

- Comprehensive policy and financial reforms
 - Work across governments to eliminate barriers
 - 30-year mortgages
- Labour force development
 - Immigration reforms and ongoing promotion of skilled trades domestically
- Transition to factory-built construction
 - Shift to modular and panelized construction
- Government support and incentives
 - Refundable 30% tax credits for homebuilder capital investments
- Regulatory and Policy Alignment



CANADA: NON-RESIDENTIAL FORECAST (2025-2034)

13% Increase in ICI buildings investment

Projected decrease in engineering investment

Projected share of current workforce expected to retire over next 10 years





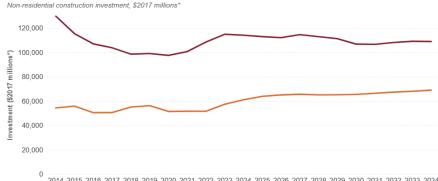
-4.5%

20%



CANADA: NON-RESIDENTIAL

Non-residential construction industry investment



Change in investment for selected periods

Engineering ICI Building

-1.0%
2025

-2.5%
2025-2029

-4.5%
2025-2029

-4.5%
2025-2034

Investment Change (%)

Investment changes are represented as the percentage difference as compared to the base year of this forecast (2024).





- BuildForce 2025-2034 Outlook projects:
- Strong inventory of major projects across Canada
 - Short-term uncertainty related to new US administration impacting some investment decisions:
 - On hold: Honda plant expansion, ON
 - On hold: Dow Chemical, AB
 - Battery production, QC and ON (?)
 - Pathways Alliance projects (?)
 - Potential new projects may offset:
 - West-East pipeline (?)
 - More hydrogen projects (?)
- Investments in utilities, healthcare, public transit and government buildings unlikely to be altered
- Until Canada and the US resolve tariff issue, private sector investments in new major projects could be impacted



CANADA: NON-RESIDENTIAL

Change in the non-residential construction labour force 2024 2034 Number of workers LABOUR FORCE LABOUR FORCE 2034 741,200 681,100 ■ Retirements ■ New entrants ■ Net mobility* ■ Change in the labour force HIRING NEEDS RESULTING IN Labour Force +60.100 +133.000 +193,100 -152,500 +40.600 Change (10-year Outlook) Total Hiring Requirement Net Mobility* Demand Growth





- BuildForce 2025-2034 Outlook projects:
 - Demand growth will require an additional 60,100 workers
 - 133,000 workers expected to retire during this period
 - The total non-residential workforce hiring needs are 193,100 workers
 - New entrants to the industry will offset this need by 152,500 workers
 - By 2034, the non-residential industry may be short 40,600 workers
- Productivity improvements may be achieved with greater use of modular components



PRODUCTIVITY

CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

OCS carries out annually extensive survey of its members in Ontario to measure construction market conditions and technology uptake by the industry



38%

Supply chain disruptions – down from

58% in 2024

43%

Projects have been cancelled over the

past year – up from 36% in 2024

85%

Adoption of new technology is

important to the future of their business



CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

Hiring expectations of contractors:

Almost three times as many contractors expect their numbers to increase in 2025 compared to those expecting workforce reductions

28%

10%

Increase

Decrease





CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

KEY CONCERNS

Top contractor concerns



0%

20%

40%

60%



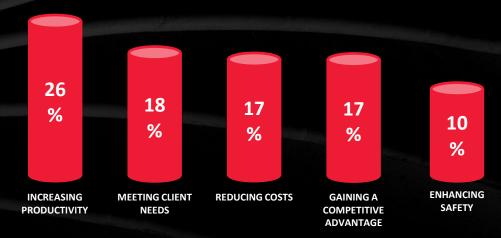


CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

14%

Percentage share of contactors reporting a dedicated budget for technology investments

REASONS FOR INVESTING IN TECHNOLOGY







CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

TOP BARRIERS TO ADOPTING NEW TECHNOLOGY







CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

Top Technologies used by Contractors: 30% to 50% reported

using one or more of these today

SOFTWARE



MATERIALS

MONITORING

Materials

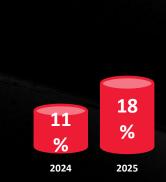
41

%

2024

2025

Advanced Building



Artificial

Intelligence



SUPPLY CHAIN CANADA"

COMPONENTS



CANADA: ONTARIO CONSTRUCTION SECRETARIAT – 2025 CONTRACTOR SURVEY

Al in Construction

Percentage of Contractors reporting Very or Somewhat Likely to Adopt



PREDICTIVE ANALYTICS AI-DRIVEN ROBOTICS AND AUTOMATION

11%



AI-POWERED SAFETY MONITORING



Al-Powered...12002092% 81643%

0% 50% 100% 150%

- Very/Somwhat Likely
- Neutral
- Unlikely



18%

GENERATIVE

DESIGN



CONCLUSIONS

1. Demographics Still a Concern

- 19% of the population is between 50 and 64 years of age, while only 15% are 14 or younger.
- Most OECD countries face similar challenges—competition for international talent will intensify, including among Canadian youth.

2. Construction Demands Remain Elevated

Residential

- Housing supply in many cities remains tight, necessitating additional and accelerated construction.
- The move to modular and panelized construction is still in its infancy.

Non-residential

- Investment facing considerable short-term instability due to tariffs and shift in global trade.
- Most major projects currently underway or planned are publicly funded and unlikely to be impacted.

Construction

- Industry will need to hire 380,000 new workers over next 10 years to keep pace with demand growth and replace retiring workers –
 anticipated shortfall of 108,000 by 2034.
- Competition for younger workers will intensify, as all industries face similar demographic pressures.
- Ongoing recruitment required to avoid labour gaps, including from historically under-represented groups.
- · Productivity may decline, as replacing experienced workers is not a one-for-one transition.
- To ensure retention, younger workers must feel engaged and respected—especially as all industries compete for their participation.

3. Productivity

- Low margins and cost of adoption remain primary reason for construction industry underinvestment in new technology.
- Incentives required to support the sector to transition to modular and pre-fabrication (residential and non-residential).
- Critical that the construction sector remains globally competitive to ensure investment dollar not lost to more competitive jurisdictions.



THANK YOU



