

# The BC CONSTRUCTION MONITOR

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## State of the Industry

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# A Dynamic Story, But With Some Cautionary Notes



Chris Gardner  
ICBA President

When you get a read on the state of the B.C. construction industry from 1,000 or-so contractors, as we do every year, a pretty dynamic story emerges. Our latest wage and benefits survey shows growth expectations, a tight

labour market, and highly competitive wages. But you don't have to dig too far into the results to find some distinctly cautionary findings. The headline number for me is the percentage of contractors who expect to see more business in the

coming year than in the past year.

Now it's true that a lot of industries would be pleased if 40% of businesses were expecting an increase, which was the result recorded. But that's down from 51% a year ago – and slightly higher figures in the two years before that – representing a notable drop in confidence.

And that is no doubt a big part of what accounts for a slight loosening of the construction labour market. Responses to another survey question point to the culprit: The proportion of contractors saying the provincial government is on the wrong track when dealing with their businesses is now definitively above 50%. This reflects government policy that has

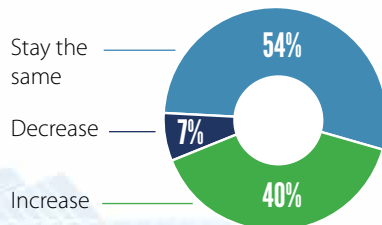
been hostile to job creators on many fronts ranging from its stances on major project development, to freezing out 85% of construction workers from the tendering of public construction projects, to adding more red tape and regulation.

So does B.C.'s construction industry remain a major driver of the provincial economy, and does it continue to represent excellent career and entrepreneurial opportunities? Indisputably. But is its vitality threatened by government policies that at times seems almost designed to thwart its growth and punish contractors? The answer, contractors tell us, is an equally unequivocal "yes".

## Fewer Construction Companies Expecting More Work in 2020

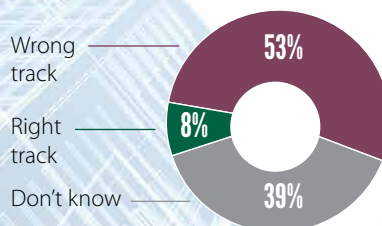
For the past several years, more than half of contractors expected to have more work in the year ahead than in the previous year – making construction a remarkable driver of economic growth in B.C. But that indicator has taken a significant turn for the worse in the most recent industry survey, driven no doubt in part by a growing sentiment that the provincial government is on the wrong track.

**What do you expect will happen with your work volume this year – will it:**



Figures may not add up to 100% due to figure rounding.

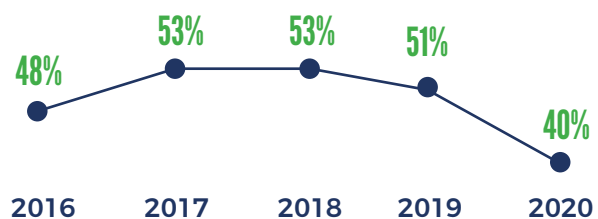
**When dealing with a business like mine, government is on the:**



### Those expecting "increase" in 2020, by region:

Interior B.C.	Northern B.C.	Vancouver Island	Lower Mainland, Fraser Valley, Whistler
40%	38%	24%	42%

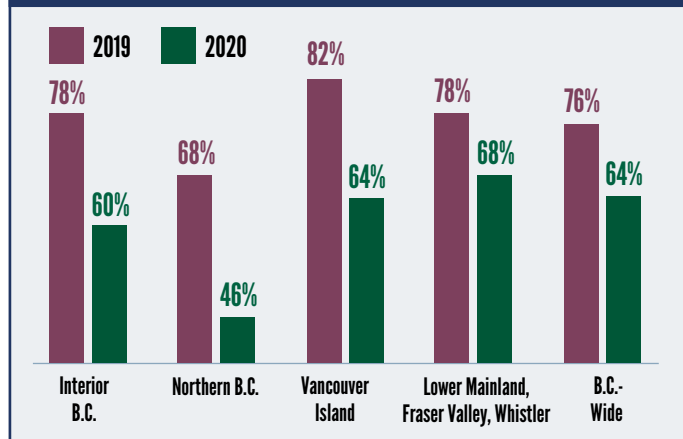
### Those expecting "increase", historical trend



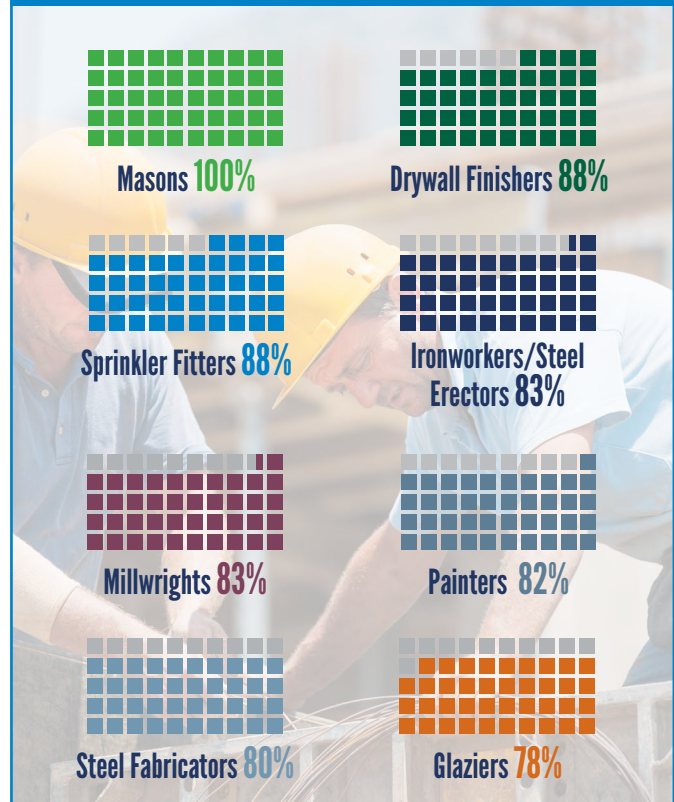
# Skilled Labour Still in Short Supply, But Less So Than Before

The competition for skilled construction workers remains tight. Larger companies and those in the Lower Mainland in particular continue to report difficulties finding the people they need, and there are still severe shortages in some specific trades. But with lower expectations of work volume growth, a once red-hot labour market has cooled a little. Only 35% of survey respondents will be looking to hire this year (2019 = 45%) and only 7% expect to add more hours for existing workers (2019 = 12%).

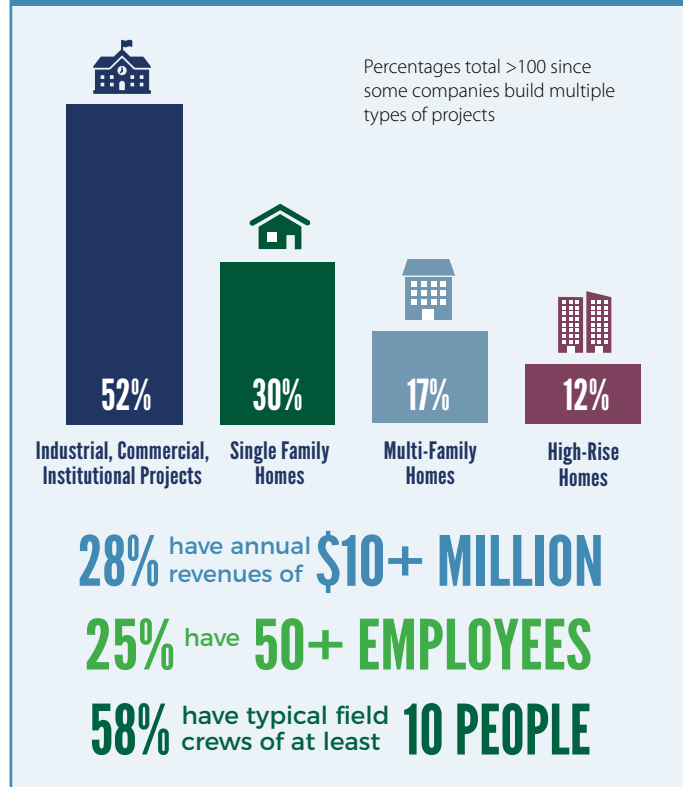
## Companies Saying There Aren't Enough of the Workers They Need



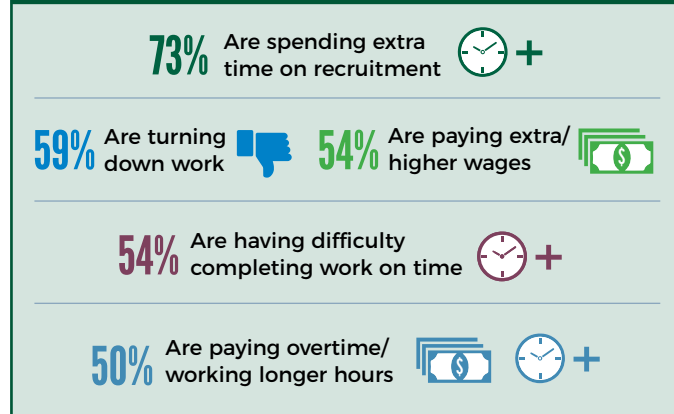
## The Eight Scarcest Trades: % of Employers Reporting a Shortage



## What the Survey Respondents Build:



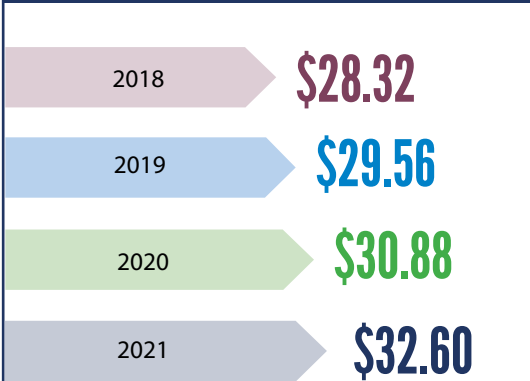
## How Companies are Coping with Labour Shortages



# Construction Remains a High-Earning Job Opportunity

While the sector is dealing with some uncertainties, it continues to deliver excellent earnings to the tens of thousands of British Columbians pursuing their careers and earning their livings in it. The average hourly wage now sits at well above \$30 - with foreman wages beginning to edge up above \$45 - and with annual wage increases well above the rate of inflation.

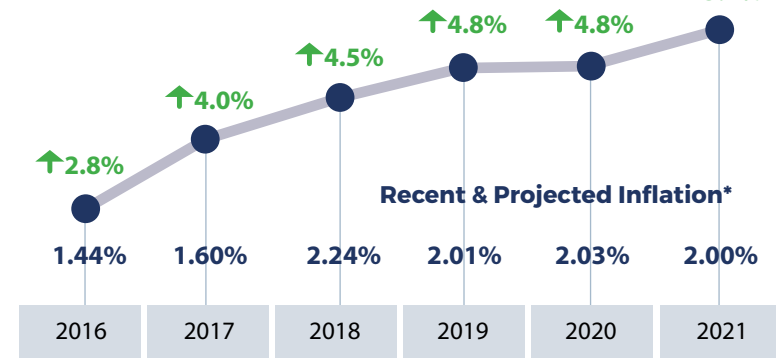
## Construction Wage Rate, Recent & Projected (average hourly wage, all trades surveyed)



Rates exclude bonuses and health and retirement benefits

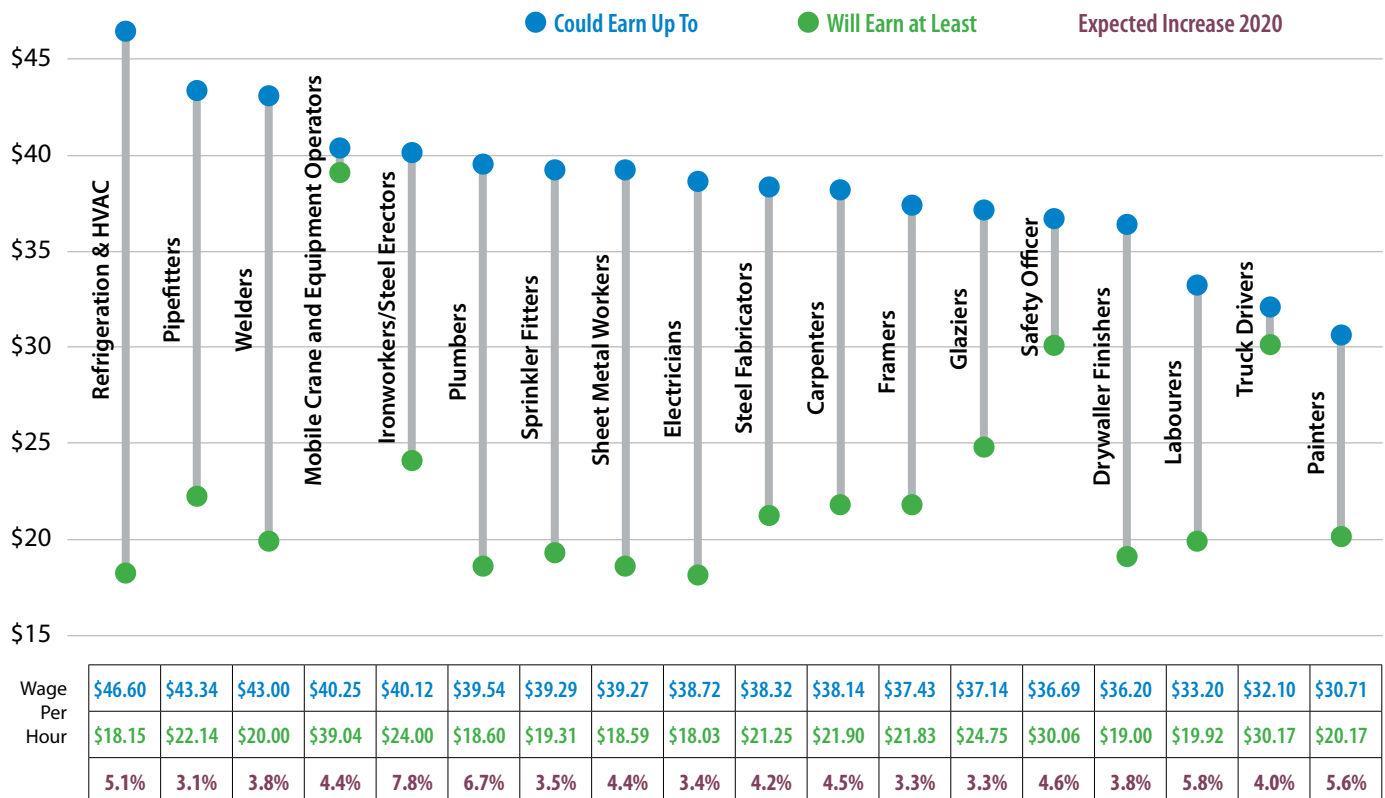
## Construction Earnings Growth Continues to Outpace Inflation

### Recent & Projected Wage Increases



\* <https://www.statista.com/statistics/271247/inflation-rate-in-canada/>

## Wage Ranges and Expected Increase by Trade





# The Regional Picture



The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the B.C. construction industry and issues relevant to it.

The Monitor draws on analyses and outlooks from various sources, and provides current and substantive insight. This regular publication is intended for industry executives, government decision makers, journalists and other opinion leaders.

You can receive the Monitor in print or digital formats, and let us know if you have colleagues who would also be interested in it. We also welcome your feedback and story suggestions. Please email us at [info@icba.ca](mailto:info@icba.ca).

Independent Contractors and Businesses Association

#700 - 4730 Kingsway  
Burnaby, B.C.  
V5H 0C6

1253 5th Ave.  
Prince George, B.C.  
V2L 3L3

604-298-7795  
1.800.663.2865  
[www.icba.ca](http://www.icba.ca)  
[info@icba.ca](mailto:info@icba.ca)

### Interior B.C.

**37%** Companies that expected more work 2019

**40%** Companies expecting more work 2020

**68%** of work is in **Single Family Residential** projects

**14%** of companies do **\$10M+** in business annually

**60%** of companies can't find enough of the workers they need - down from **78%** in **2019**

...especially labourers, carpenters and refrigeration & HVAC mechanics

### Northern B.C.

**64%** Companies that expected more work 2019

**38%** Companies expecting more work 2020

**80%** of work is in **Industrial, Commercial and Institutional** projects

**37%** of companies do **\$10M+** in business annually

**46%** of companies can't find enough of the workers they need - down from **68%** in **2019**

...especially labourers, carpenters, mobile crane / equipment operators and truck drivers

### Vancouver Island

**29%** Companies that expected more work 2019

**24%** Companies expecting more work 2020

**52%** of work is in **Industrial, Commercial and Institutional** projects

**21%** of companies do **\$10M+** in business annually

**64%** of companies can't find enough of the workers they need - down from **82%** in **2019**

...especially labourers, carpenters and sheet metal workers

### Southwest B.C.

**54%** Companies that expected more work 2019

**42%** Companies expecting more work 2020

**53%** of work is in **Industrial, Commercial and Institutional** projects

**33%** of companies do **\$10M+** in business annually

**68%** of companies can't find enough of the workers they need - down from **78%** in **2019**

...especially labourers, carpenters, electricians and plumbers