



## STATE OF THE INDUSTRY

# Industry Expects Growth, but Skills Shortage Intensifies



**Chris Gardner**  
ICBA President

ICBA's *Annual Wage and Benefits Survey* is out, and the results provide important insights on the state of construction – which accounts for 10 per cent of our provincial job and wealth creation.

At the outset of a new year during which we are feeling significant economic headwinds, global risks not seen in generations, and a general sense of unease and uncertainty, the picture is surprisingly favourable.

In terms of construction growth expectations, there's been a slight backing off from the record bullishness of a year ago. But impressively, more than 90 per cent of

contractors still expect the year ahead to be as busy, if not busier, than last year.

The shortage of people again tops the list of challenges and is intensifying, with companies in every region reporting a massive need for workers. As a result, we expect the rapid adoption of technology in construction and an unabated focus on training.

The federal commitment to record levels of immigration is important, but all three levels of government need to make strategic investments in both the services (language, skills training, credentialing) and infrastructure (housing, hospitals, schools, roads, bridges, transit) that will ensure immigrants are primed to help drive our long-term prosperity.

Post-pandemic, supply chain constraints

also continue to impact costs and schedules.

Rules, regulation, red tape – and the seeming inability to get things done quickly – are driving a record-level of frustration with government. Just two per cent of contractors believe government is on the right track when dealing with construction businesses.

The perfect storm of a shortage of people, supply chain pressures, and punishing levels of red tape combined with finger pointing among elected officials, predictably results in higher costs, delays in project completion, lower profitability and continued deterioration in affordability.

The bright light for contractors is that the market remains busy, and for the men and women working in construction this means opportunities and lots of them.

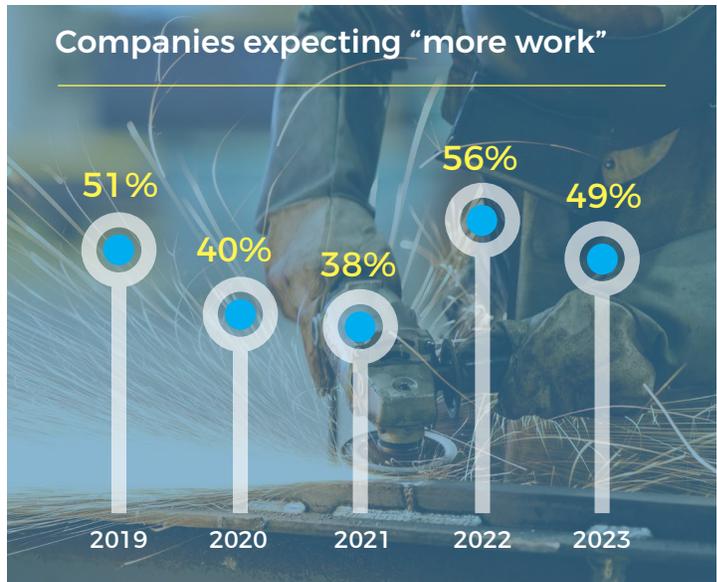
## Outlook for Work Growth Remains Strong

After a pandemic-era dip, expectations of more work in the year ahead have remained at healthy levels, even though concern continues to grow in terms of the impact of government on the well-being of the sector.

What do you expect will happen with your work volume in 2023:



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



# Workers Get Scarcer and Supply Chains Snarled

Fully four-fifths of B.C. contractors now say they can't find the workers they need. Most also count supply chain issues among their big 2023 challenges - a factor that is driving increases in the prices they need to charge their customers, and in the time required to finish projects.

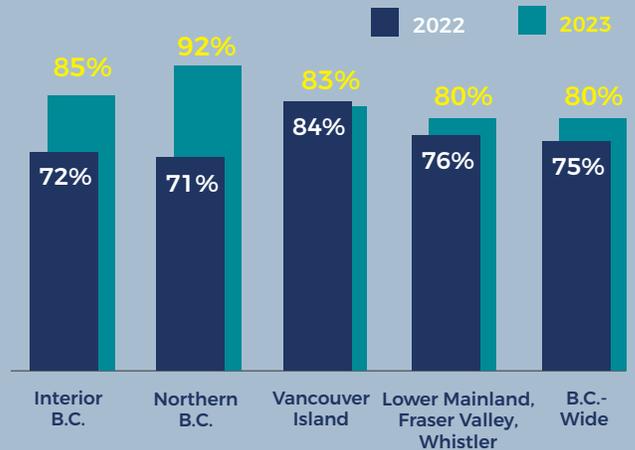
## What Will Your Company's Biggest Challenges be in 2023?

### Top Five Selections

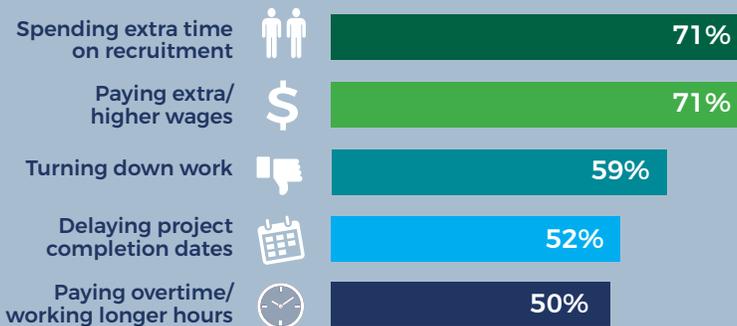


% of companies expecting this challenge

## Companies Saying There Aren't Enough Workers



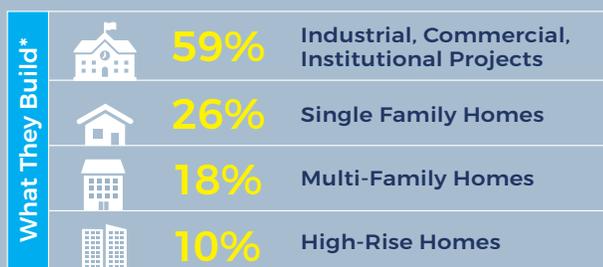
## How Companies are Coping with Labour Shortages



## How Companies are Coping with Supply Chain Issues



## Profile of Survey Respondents



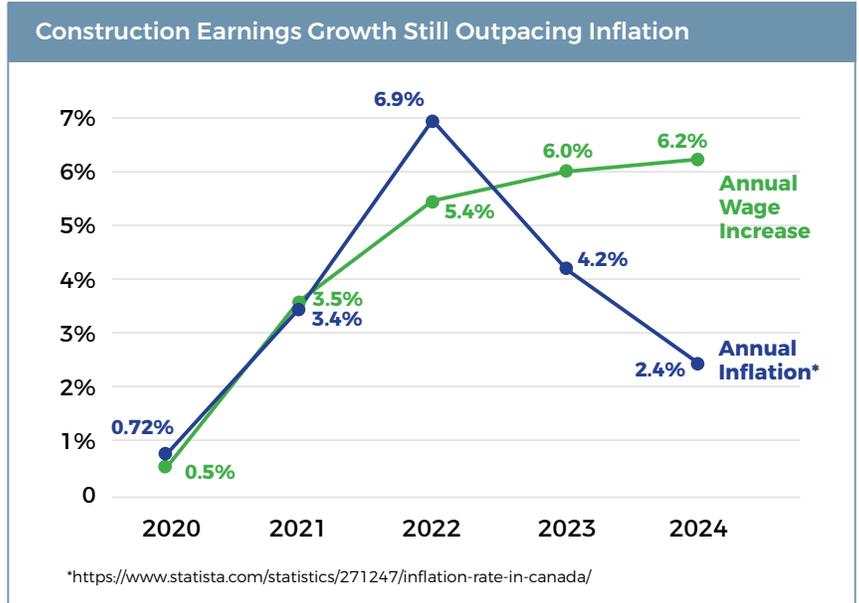
Annual Revenues			
<\$5M	\$5-<20M	\$20-<50M	\$50M+
53%	30%	8%	10%

Number of Employees			
1-9	10-49	50-99	100+
33%	47%	10%	10%

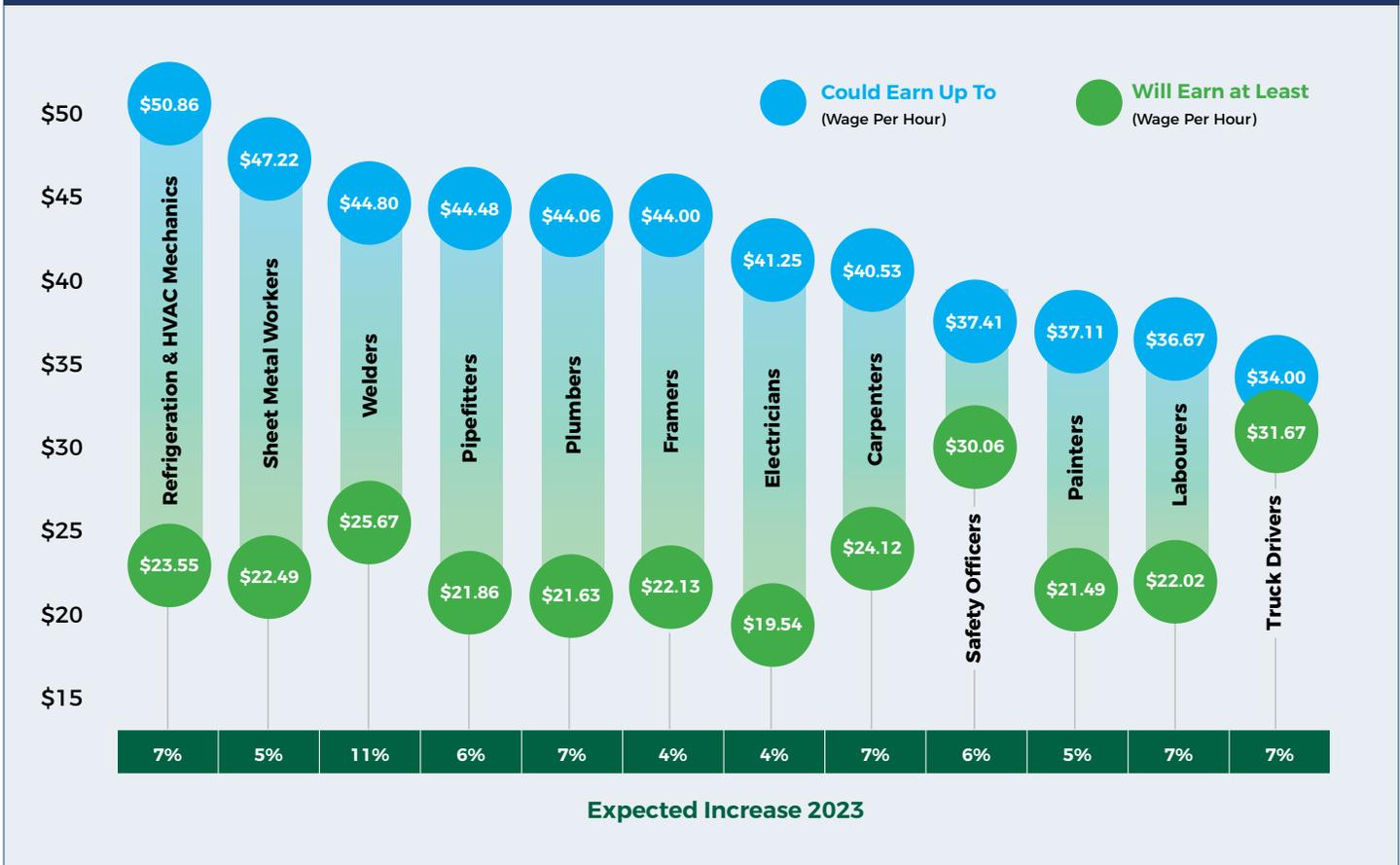
\* Percentages total >100 since some companies build multiple types of projects

# Construction Workers Staying Well Ahead of Inflation

The average hourly wage across all construction trades surveyed now exceeds \$35/hour, or more than \$72,000 annually (before benefits, bonuses and overtime). With a continuation of steady wage increases projected over the next couple of years, and a moderation of recent inflation, construction workers will see a healthy bump-up in their earning power and lifestyles.



## Wage Ranges and Expected Increase by Trade



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.



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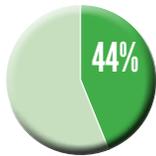


Independent Contractors and Businesses Association

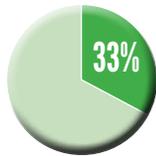
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## The Regional Picture

### INTERIOR B.C.



44% of companies expected more work in 2022



33% of companies expect more work in 2023

29% of companies have annual revenues of \$5M+

60% of companies have 10+ employees

85%

of companies can't find enough of the workers they need - up from 72% in 2022

### NORTHERN B.C.



79% of companies expected more work in 2022



75% of companies expect more work in 2023

42% of companies have annual revenues of \$5M+

58% of companies have 10+ employees

92%

of companies can't find enough of the workers they need - up from 71% in 2022

### VANCOUVER ISLAND



60% of companies expected more work in 2022



48% of companies expect more work in 2023

40% of companies have annual revenues of \$5M+

64% of companies have 10+ employees

83%

of companies can't find enough of the workers they need - comparable to 84% in 2022

### SOUTHWEST B.C.



53% of companies expected more work in 2022



50% of companies expect more work in 2023

53% of companies have annual revenues of \$5M+

70% of companies have 10+ employees

80%

of companies can't find enough of the workers they need - up from 76% in 2022