



STATE OF THE INDUSTRY

Growth Expectations Rebound to Record High



Chris Gardner
ICBA President

ICBA’s annual Wage and Benefits Survey is a key barometer of the state of the construction industry in B.C., particularly at a time of great uncertainty. The headline finding is a sharp rebound in contractor expectations for the year ahead. A

year ago, COVID-19 had sent a chill through the industry. Today, 96 per cent of contractors expect 2022 to be as busy or busier than 2021 – a dramatic turnaround and a number not seen for decades, if ever.

However, contractors cannot find the people they need to capture this growth and opportunity. Three-quarters of contractors now say there simply are not enough workers – the challenge is acute and impacting every part of the construction value chain.

In 2019, the average trade wage rate was \$29/hr, it’s projected to be nearly \$35/hr at the end of 2022. Even as we return to high rates of inflation, construction workers will see their buying power grow. On the flip side, contractor margins are under enormous pressure. So while it’s busier, it’s much harder for contractors to maintain the same levels of profitability as in past years.

The shortage of people is a long-term

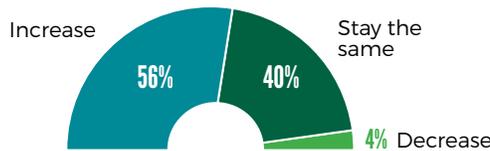
challenge – driven by an aging population and not enough people entering the workforce. Among the things that can help, immigration will be key. We also need more training spaces. Wait lists are chronic – it should not take nearly a decade to get a red seal designation in the construction trades. And, it makes no sense that for many trades there is only one school in the entire province.

Finally, we need governments willing to set the table for investment and opportunity. As we closed out 2021, the OECD forecast Canada’s economy to be the worst performing among developed countries over the next decade. There’s definitely no shortage of work ahead.

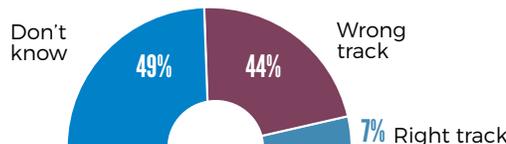
Contractors Reporting Sharp Snap Back from COVID-19

Forecast work volume increases are at levels not seen in more than a decade. Less encouragingly, 44 per cent of contractors believe government is on the wrong track when dealing with businesses like theirs.

What do you expect will happen with your work volume in 2022 – will it:



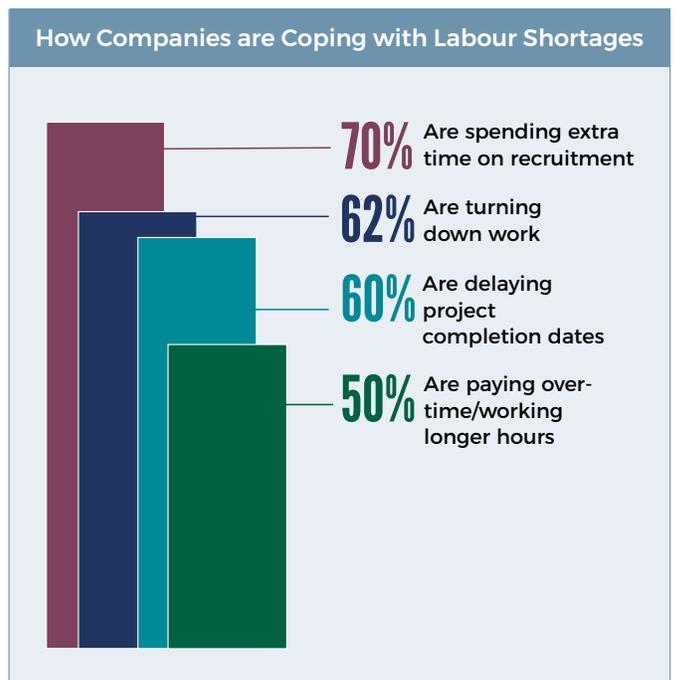
When dealing with a business like mine, government is on the:



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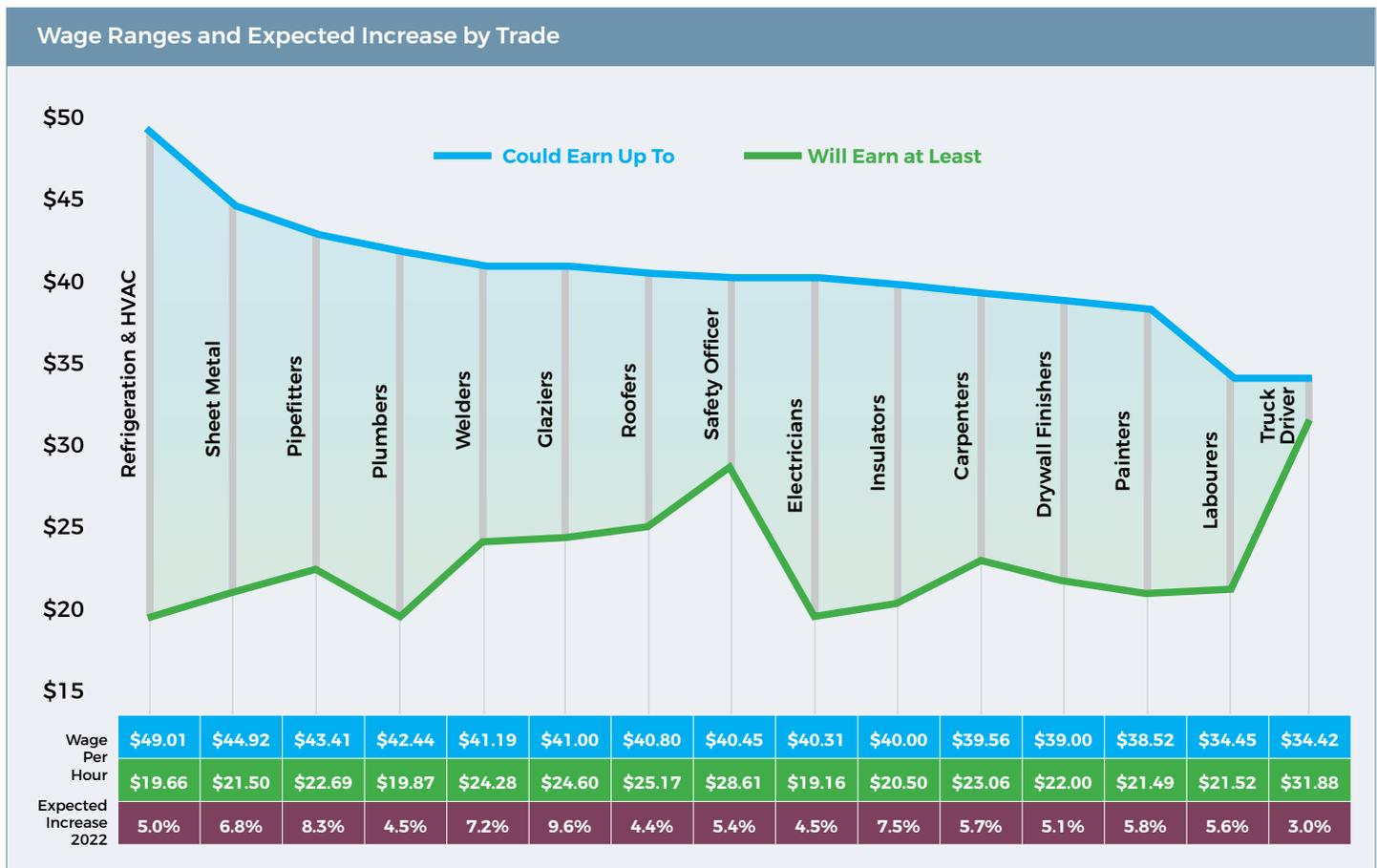
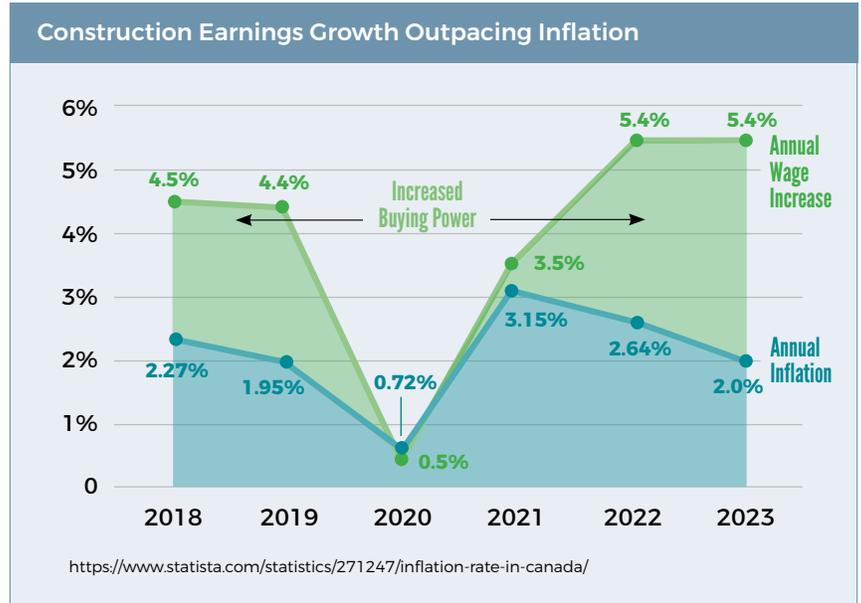
Struggle to Find Talent More Intense Than Ever

As construction work continues at a breakneck pace, recruiting and retaining people is the number one business imperative. The knock-on effects of sharp increases in the cost of labour and project delays are eating into the bottom-line of contractors and forcing owners and buyers to accept higher prices.



Pendulum is Swinging Hard on Compensation

For young people considering career opportunities in the trades, it's hard to think of a better time to work in construction. Construction proved to be one of the most resilient industries during the global pandemic and the opportunities to learn a skill, gain experience and start a business are endless. On the flip side, with record wage increases forecast for 2022, contractors are under enormous pressure and are struggling to maintain profit margins.



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 Regional Picture

Interior B.C.

37% of companies expected more work in 2021

44% of companies expect more work in 2022

31% of work is in Industrial, Commercial and Institutional projects

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

72% of companies can't find enough of the workers they need - up from **54%** in 2021 ...especially carpenters, labourers, plumbers and Refrigeration and HVAC mechanics

Northern B.C.

56% of companies expected more work in 2021

79% of companies expect more work in 2022

78% of work is in Industrial, Commercial and Institutional projects

36% of companies do **\$10M+** in business annually

71% of companies can't find enough of the workers they need - up from **67%** in 2021 ...especially truck drivers, carpenters and labourers

Vancouver Island

54% of companies expected more work in 2021

60% of companies expect more work in 2022

40% of work is in Industrial, Commercial and Institutional projects

24% of companies do **\$10M+** in business annually

84% of companies can't find enough of the workers they need - up from **64%** in 2021 ...especially carpenters and labourers

Southwest B.C.

35% of companies expected more work in 2021

53% of companies expect more work in 2022

61% of work is in Industrial, Commercial and Institutional projects

36% of companies do **\$10M+** in business annually

76% of companies can't find enough of the workers they need - up from **61%** in 2021 ...especially labourers, carpenters and plumbers



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Independent Contractors and Businesses Association

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