



STATE OF THE INDUSTRY

B.C. Construction Outlook Holding Up Strong in Strange Times



Chris Gardner
ICBA President

Our annual ICBA Wage and Benefits Survey reliably illustrates the state of the B.C. construction industry – this year’s results are no exception. The relative health of the industry is remarkable, and a testament to how effectively

construction employers and workers have adapted and managed through the COVID-19 pandemic.

There are nevertheless some warning signs in the findings. The percentage of B.C. contractors expecting growth in 2021 has dropped further, after a precipitous decline

in 2020. We’re far off what used to be the norm of more than half of all contractors in the province expecting growth. And the percentage of contractors who foresee a decline in business in 2021 is almost twice as large as in 2020.

We’re also seeing wider regional divergences. In northern B.C. and on the island, well over half of contractors expect growth this year, while only a little more than a third do in the southern interior and in the large population centres of southwestern B.C.

And a strong plurality of contractors believe government is on the wrong track when dealing with their businesses. Provincial policies like discriminatory treatment of contractors who don’t sign on with the building trades unions, combined with

the renewed threat of a skewed labour relations code, are among the factors driving this finding.

Still, the overall outlook is relatively healthy. Though moderated, our sector’s growth expectations are exceptional under current circumstances. Skilled construction labour remains in high demand, and already competitive wages are still edging up.

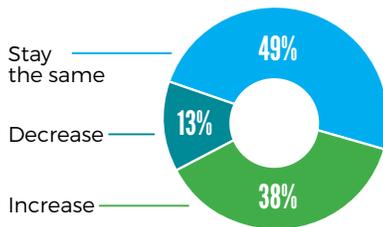
While 2020 pay increases fell to about the rate of inflation, our members expect a rebound in 2021, with workers seeing closer-to-typical 3.5 per cent wage growth.

On key policy files we’ll continue our efforts this year to remove and prevent policy-based roadblocks to success – but construction is clearly poised to be a powerful driver of B.C.’s post-pandemic recovery.

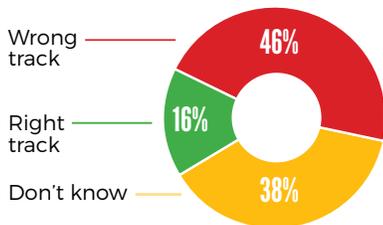
Continued Downward Trend in Growth Expectations

Across much of B.C. – particularly the north, where various major energy projects are creating vast opportunity – a majority of contractors expect more work in 2021 than last year. But province-wide, the figure is down to 38 per cent, with a troubling increase in expectations of decreasing work volumes.

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



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



Those expecting “more work” in 2020, by region:

Interior B.C.	Northern B.C.	Vancouver Island	Lower Mainland, Fraser Valley, Whistler
37%	56%	54%	35%

Those expecting “more work”, historical trend:



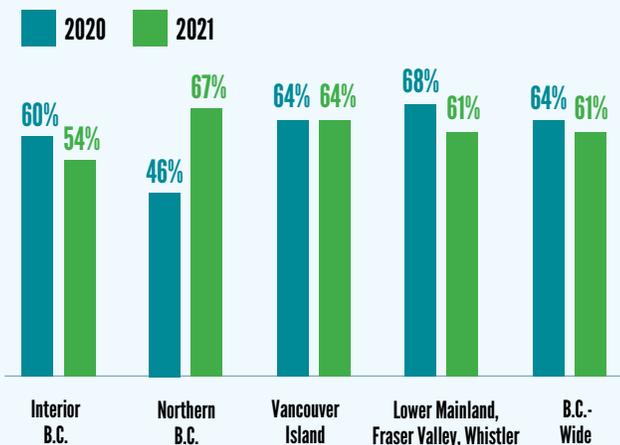
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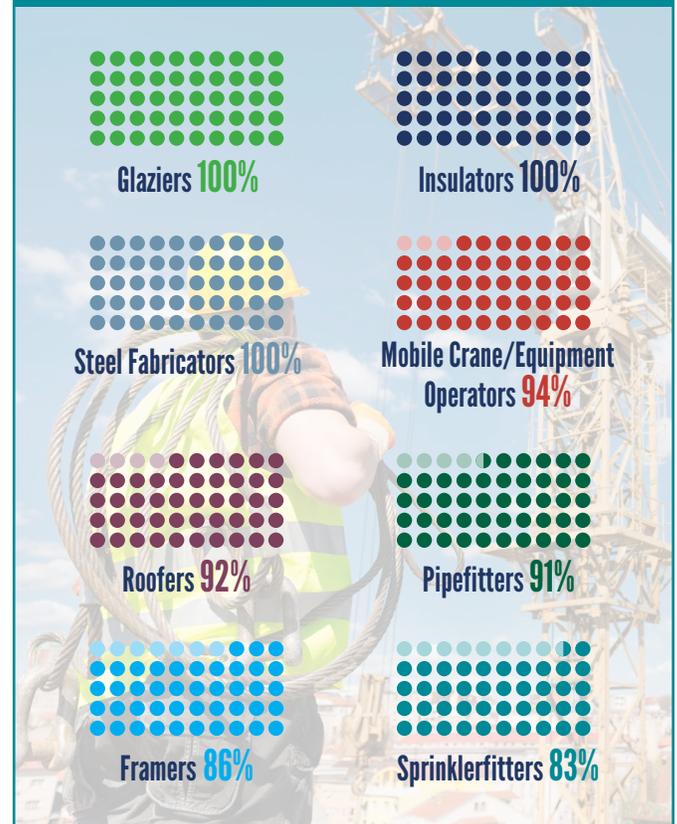
Skilled Workers: Still Simply Not Enough

B.C.-wide, more than 60 per cent of construction companies still find there simply aren't enough of the workers they need - with about two-thirds of companies in the north and on the island struggling with that reality. Trade-specific shortages have become even worse, with every single employer-respondent identifying a shortage across three key trades (glaziers, insulators and steel fabricators).

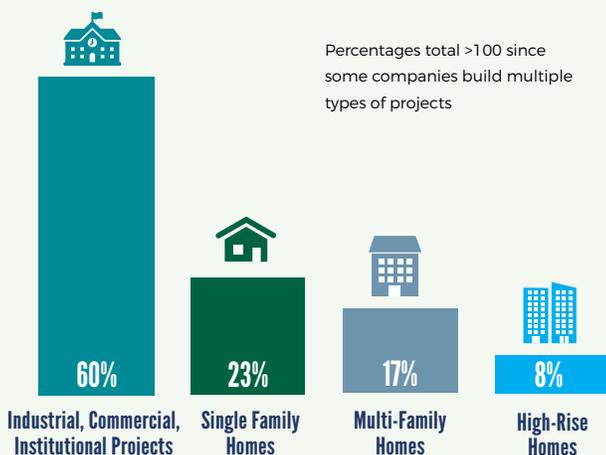
Companies Saying There Aren't Enough of the Workers They Need



The Eight Scarcest Trades: % of Employers Reporting a Shortage



What the Survey Respondents Build:



35% have annual revenues of **\$10+ MILLION**

27% have **50+ EMPLOYEES**

58% have typical field crews of at least **10 PEOPLE**

How Companies are Coping with Labour Shortages

65% Are spending extra time on recruitment

53% Are turning down work

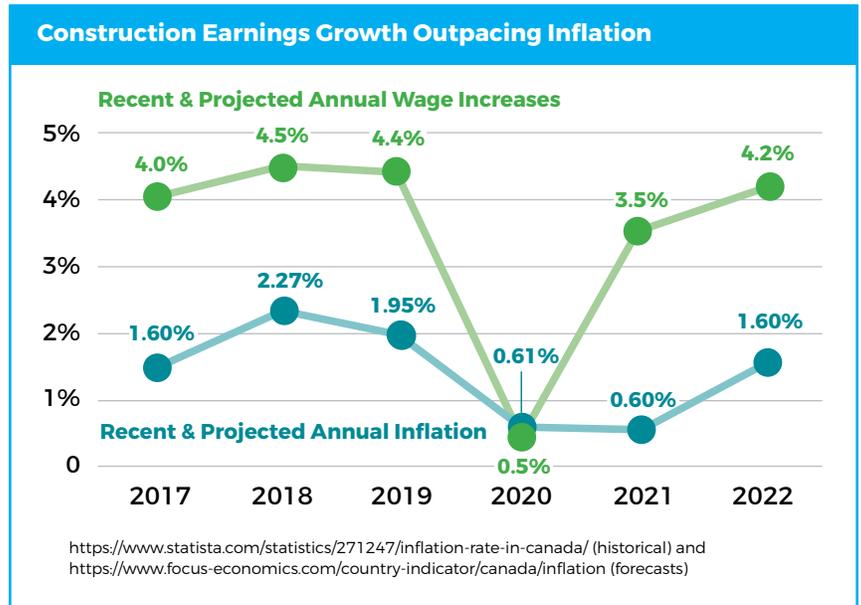
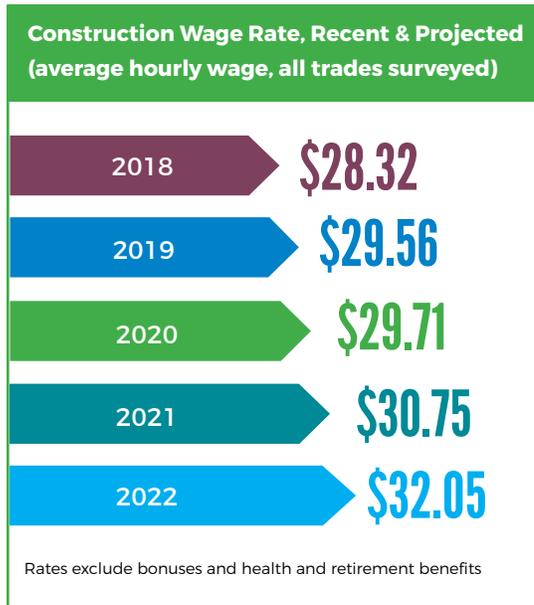
51% Are having difficulty completing work on time

45% Are paying overtime/working longer hours

45% Are spending extra time training

Wages Now Topping Out at >\$50/Hour

For young British Columbians looking for opportunities and competitive earnings, the construction industry remains an excellent option. The average hourly wage across all trades surveyed exceeds \$30, with the upper end of the wage range for top earning refrigeration and HVAC tradespeople now just north of \$50. And while wage growth increased at a lower level in 2020 compared to recent years, recent and projected increases are otherwise comfortably outpacing inflation.

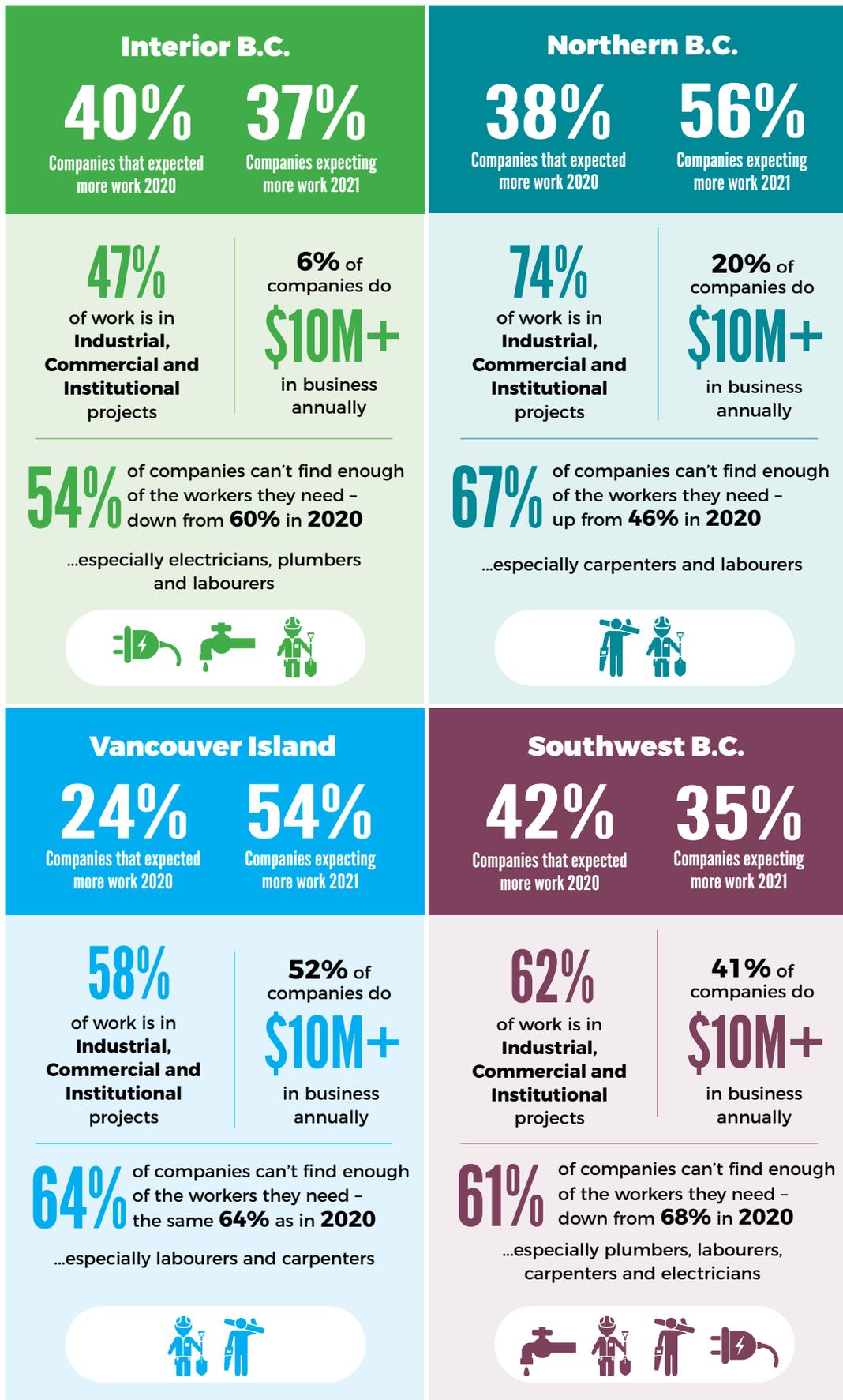


Wage Ranges and Expected Increase by Trade



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.

The Regional Picture



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