

2023

Industry insights from
construction employers
and tradespeople.

bccassn.com

BC CONSTRUCTION INDUSTRY SURVEY

"Until BC catches up to the rest of Canada, the USA and Britain, and introduces Prompt Payment Legislation, policy-makers need to be tuned into the fact that the financial risks for BC's contractors are nearing a breaking point. There are actions that industry and government can take together and separately that will help alleviate the challenges contractors are facing."

– Chris Atchison, BCCA President

PRESENTED BY



British
Columbia
Construction
Association



Trades Training Fund
LNG CANADA
Opportunity for British Columbia. Energy for the world.



bc INTEGRATING
NEWCOMERS
Join Canada's construction workforce.



BCCA APPRENTICESHIP SERVICES

RESPONDENT OVERVIEW

A total of 1,300 survey respondents (47% employers and 44% tradespeople/labourers), across industrial, commercial, institutional (ICI), and residential (multi-unit and single-family) sectors, provided information from all seven development regions of British Columbia. The survey was conducted during the Fall & Winter of 2022.

SECTORS

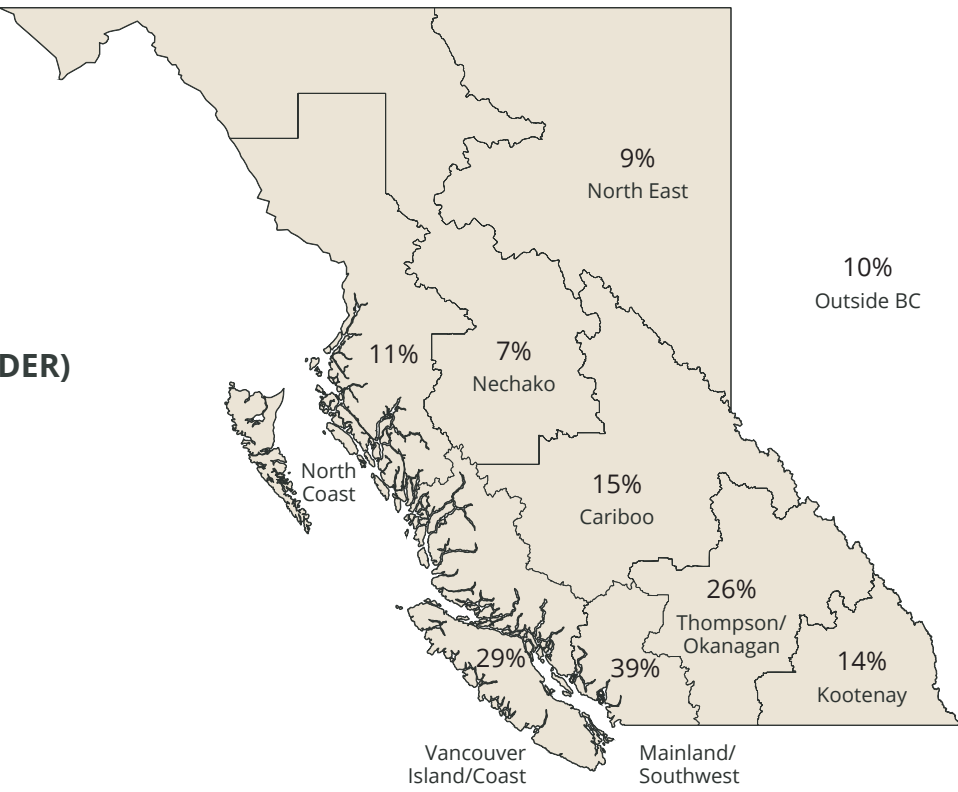
Workers: **58%** of ICI respondents also worked on residential projects.

Employers: **43%** of ICI respondents also build residential projects.

TOP TRADES REPRESENTED (IN ORDER)

- 1. Carpenter
- 2. Electrician
- 3. Plumber
- 4. BoilerMaker
- 5. Automotive Services Technician
- 6. Cabinet Maker
- 7. Sheet Metal Worker
- 8. Iron Worker
- 9. Insulator
- 10. Concrete Finisher

LOCATION OF HEAD OFFICES



UNION AND NON-UNION

36% of respondents work in a unionized environment, while **64%** work in an open-shop environment.

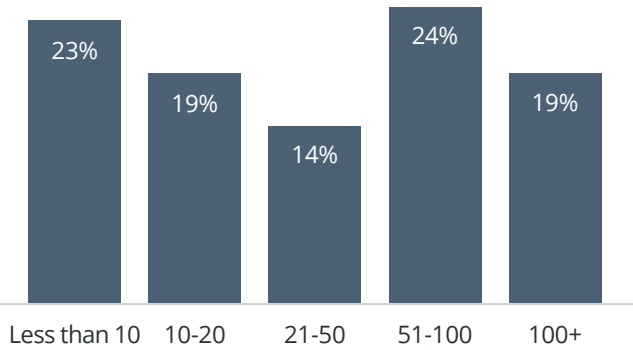
"I've contemplated leaving the industry because not always knowing if you will get paid on time to meet payroll obligations is very stressful."

GENDER

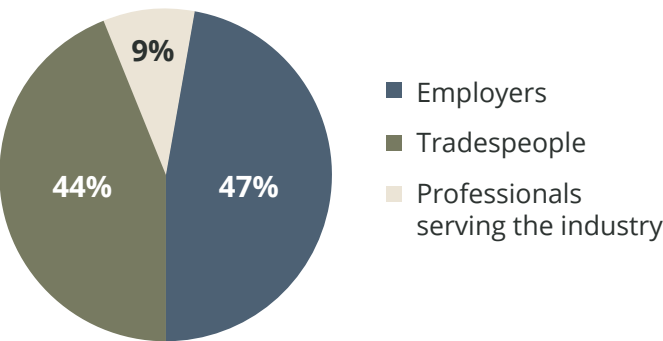
MALE: 80% **FEMALE: 19%**

"The biggest issues facing our industry? WE NEED PROMPT PAYMENT!! NOW!"

COMPANY SIZE BY EMPLOYEE



ROLE IN INDUSTRY



INDUSTRY TRENDS

SKILLED WORKFORCE

Likelihood to recommend construction as a career has dropped **200%** since 2021, although women are significantly more likely to recommend a career in construction than men.

53% earned a higher hourly wage this year.

44% said they changed employers at least once this year, with the **#1** reason being **higher pay**.

EMPLOYERS

TOP CONCERNS



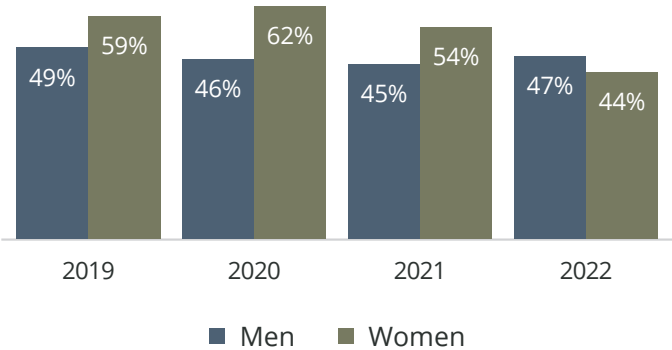
ON DIVERSITY

The culture is changing.

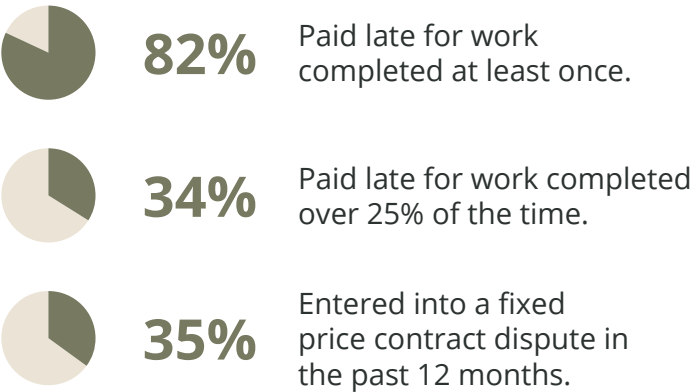
49% of employers surveyed say their company is more diverse than it was 3 years ago.

16% of employers report they retain women less than 6 months – down 24% since 2019.

RESPONDENTS EXTREMELY LIKELY TO WORK IN CONSTRUCTION IN 3 YEARS



ON CONTRACTS AND PAYMENTS



Reasons given for lack of interest in public projects include “don’t need the work”, “contracts favour the owner”, “process favours larger companies” and “same companies win every time”.

61% of small contractors have seriously contemplated leaving the industry.



SKILLED TRADESPEOPLE

Labourers and skilled workers are reaping the benefits of short supply. The job market remains highly competitive, driving annual earnings up 22% in the last five years to an average of \$70,088. Most workers are working full time and earning overtime, and roughly 45% of respondents reported changing employers within the last year, with the #1 reason being higher pay.

RESPONDENTS ARE:

Male (85%)

Journeyman or Red Seal (55%)

25-44 years old (75%)

Registered Apprentice (16%)



THEY WORK:

Full time (96%)

Year-round (81%)

On both ICI and residential projects (50%)

The skills shortage has improved significantly over the last five years, and although the industry is still short 6,000 skilled workers, that is a substantial improvement from the 49,800-person gap estimated for 2023 ten years ago. Even so, most respondents pursue another career path prior to construction.

Entry Level Worker	Apprentice	Journeyman/Red Seal
<div><div>19%</div><div>Hold student loan debt</div></div> <div><div>30%</div><div>Attended university or college</div></div> <div><div>64%</div><div>Started in a different career path</div></div> <div><div>Most likely to:</div><div><div>Come to construction after starting another career path</div></div></div> <div><div>Least likely to:</div><div><div>Recommend construction as a career path</div></div></div>	<div><div>35%</div><div>Hold student loan debt</div></div> <div><div>55%</div><div>Attended university or college</div></div> <div><div>60%</div><div>Started in a different career path</div></div> <div><div>Most likely to:</div><div><div>Have over \$10,000 in student loan debt</div><div>Welcome diversity</div></div></div> <div><div>Least likely to:</div><div><div>Leave the industry</div></div></div>	<div><div>19%</div><div>Hold student loan debt</div></div> <div><div>41%</div><div>Attended university or college</div></div> <div><div>52%</div><div>Started in a different career path</div></div> <div><div>Most likely to:</div><div><div>Get a raise</div><div>Feel psychologically fit</div></div></div> <div><div>Least likely to:</div><div><div>Welcome diversity</div></div></div>

One of the most disappointing trends this year is the 21% decrease in tradeswomen, a sharp reversal after several years of solid gains. Women comprise only 4.5% of BC’s 163,900 skilled tradespeople.

EMPLOYERS



The findings of the annual BC Construction Association (BCCA) Industry Survey expose the operational stresses facing construction employers across BC. The results, taken from over 1,300 respondents, paint a picture of concern. Demand for construction services is high, but labour supply, costs, and faltering public sector standards and systems around permits, contracts, procurement, and payments are undermining development and putting BC’s builders in a tough spot.

MOST RESPONDENTS ARE:

- Small business** (42%)
- Open shop** (81%)
- Requiring workers to be credentialed** (68%)
- Working in only one region of BC** (71%)



- They have a diversity policy in place** (78%)
- They offer employee benefits** (88%)
- They pay higher wages than last year** (66%)

Most contractors are regularly paid late for their substantially completed work. With the cost of borrowing skyrocketing, financing projects for owners is a burden most businesses cannot afford. Contract disputes related to costs are a common occurrence, and interest in public sector projects has waned.

Small Companies 20 employees or less	Medium Companies 21-100 employees	Large Companies More than 100 employees
<div>44% Filed a fixed price contract dispute within the last 12 months</div> <div>29% Are paid late at least 25% of the time</div> <div>35% Will never bid on a public project</div> <div>48% of ICI respondents also build residential projects</div> <div>Most likely to:<ul style="list-style-type: none">File a contract disputeWorry about the labour shortageLeave the industry (61%)</div>	<div>31% Filed a fixed price contract dispute within the last 12 months</div> <div>37% Are paid late at least 25% of the time</div> <div>17% Will never bid on a public project</div> <div>50% of ICI respondents also build residential projects</div> <div>Most likely to:<ul style="list-style-type: none">Bid on public projectsWorry about everything</div>	<div>28% Filed a fixed price contract dispute within the last 12 months</div> <div>43% Are paid late at least 25% of the time</div> <div>14% Will never bid on a public project</div> <div>20% of ICI respondents also build residential projects</div> <div>Most likely to:<ul style="list-style-type: none">Get paid lateWorry about site safetyInvest in technology (78%)</div>

These and other pressures are squeezing the small contractors: 92% of companies in the industry employ 10 workers or fewer.

IN YOUR WORDS - WHAT KEEPS YOU AWAKE AT NIGHT?

“

“Cash flow, cash flow, cash flow. At what point are we going to look at the 10% holdback? It's too much. Is there another industry that does this?”

“Interpersonal dynamics with my coworkers and interactions with other trades.”

“As a company that does \$5-\$6M/year in sales, we regularly have \$400K+ in holdback outstanding. This is crippling for growth.”

“Short term economic uncertainty”

“The rising costs of living and the limitless greed of the people we work for. Nobody gives a f!*\$ about us and the fact that we're struggling more and more with each passing month.”

“Taxes, inflation, stifling regulations, ability to raise capital, market anxiety, government.”

“The economic pressure is too great”

“Maintaining a staff large enough to accommodate the work schedule. Maintaining production flow to ensure timely deliveries. Maintaining profit margins to enable the company to have a sustainable budget.”

“Trades shortages and permitting delays”

“Diminishing number of quality applicants to the apprenticeship process.”

“Cost of construction going up and profit margin going down.”

“Smaller trade contractors will be pushed out of the industry, replaced by multi-national firms. And once there are only a handful of contractors remaining, I think we can all figure out which direction the pricing will go.”

“Having enough to pay my bills and support my family.”

“Conflicts about money and scope”

“Pay when paid policies and delays”

“Companies not paying invoices within 60 days”

”

IN CLOSING

A note from BCCA President Chris Atchison

The construction industry's contribution to BC's GDP is up 4% over last year, and it remains the #1 employer in BC's goods sector, with 251,100 British Columbians relying directly on construction for a paycheque.

Contractors are working harder than ever but not always getting ahead, often due to issues related to non-payment and late payment or unfair contract terms.

The industrial, commercial and institutional (ICI) sector builds 85% of the housing stock, and a large percentage of ICI contractors also build single-family residential homes. There is a lot at stake.

With a concerted effort, with government and industry working together to improve the administrative and legal processes that are part and parcel of delivering a construction project, our combined success is going to be much easier to achieve. Contractors need an industry with a manageable level of risk, and government needs to be able to build housing and other infrastructure with predictable timelines and budgets.

BCCA is advocating for three changes that will address the challenges facing BC's builders as well as the owners who need the work to be done on budget and on time. They are:

- Introduce prompt payment legislation to normalize standard, reasonable payment terms of 30 days, ensure proper invoices are paid, and give clear rights to lien holdback monies.
- Make public sector projects more attractive to industry by having fair, open and transparent procurement processes and reasonable contract conditions.

- Speed up the permit process with the authorities having jurisdiction, including municipalities and BC Hydro.

The British Columbia Construction Association (BCCA) is non-partisan and non-profit, working with four Regional Construction Associations (NRCA, SICA, VICA and VRCA) to serve more than 10,000 employers in the province's industrial, commercial, institutional and multi-unit residential construction industry. We serve all employers in the industry regardless size, role, location, or labour affiliation.

For more information about BCCA, please visit: bccassn.com



Chris Atchison
BCCA President



BC CONSTRUCTION

STAT PACK SPRING 2023

#1

Construction's Rank as an Employer in BC's Goods Sector

\$221B

Value of Proposed Construction Projects in British Columbia

\$137B

Value of Current Construction Projects in British Columbia

9.7%

BC Construction Industry Contribution to BC's GDP

FROM THE OCTOBER 2022 SAGE POLICY GROUP REPORT: AN ANALYSIS OF BC'S ICI CONSTRUCTION SECTORS

10.9%



Investment In Bc's ICI Industry Since Feb 2020

12.8%



Price Of Non-residential Building In The Past Year

19.6%



Non-residential Building Price Index Since 2020

11%



Labour Costs Since February 2020

INDUSTRY & WORKFORCE TRENDS

5-YEAR TREND

\$137B



Value of current construction projects in British Columbia

82%

\$25B



Total dollar contribution by the construction industry to BC's GDP

30%

26,262



Number of construction companies in BC (92% have less than 20 employees)

8%

163,900



Number of trades workers in BC's construction labour force of 251,000

9%*

\$70,088



Average yearly wage of BC construction employees (\$17.6B cumulative yearly wage)

22%

22,700



Number of construction job openings in BC due to retirements and expansion by 2032

15%

6,000



Number of construction jobs in BC that will be unfilled due to labour shortages by 2032

49%

4.50%



Percentage of the construction trades workforce in BC that is female (# of women in the construction trades is 7,376)

2%*

*Three year trend

For more insight, visit us at bccassn.com/stats