

LMI USER GUIDE

RESIDENTIAL BUILDING CONSTRUCTION

NOVA SCOTIA

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Prepared for:

**Atlantic Home Building and Renovation Sector Council
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1.0 INTRODUCTION AND OVERVIEW

Despite serious gaps, secondary data can say a great deal about the Residential Building Construction (RBC) industry and its workforce. In particular, secondary data provide insights into key labour market issues such as the recruitment, training and succession of workers in the labour force. This report presents indicators of industry and labour force characteristics in RBC and provides links to access data on the indicators along with instructions to facilitate access.

Secondary data on indicators of demand in the RBC industry are shown in the first two sections of this report followed by a presentation of labour supply indicators.

2.0 DEMAND SIDE: GROSS DOMESTIC PRODUCT

GDP is a measure of the contribution of an industry to the Canadian economy and is an indicator of labour demand. GDP on the RBC industry in Nova Scotia is available on line on the Statistics Canada website in CANSIM Table 379-0030. They are updated annually; data for 2013 were not available at the time this report was prepared. Interested readers can download the data by clicking on the Statistics Canada website. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=3790030>.

The data show that GDP in Residential Building Construction is more than twice that in Non-Residential Building Construction and made an increasing contribution to the Canadian economy over the ten year period 2004 to 2013.

3.0 DEMAND SIDE: HOUSING STARTS

Housing starts, along with renovations activity, are an indicator of demand growth in the RBC industry in Nova Scotia. A time series of housing starts up to 2013 can be found in “CHS: Residential Building Activity, “Dwelling Starts, Completions ... - 2013”, Table 6, produced by the Canada Mortgage and Housing Corporation (CMHC). See:

- <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=55&itm=1&fr=1397933192433>¹.

Housing start projections for 2014 and 2015 are available in a CMHC publication entitled “Housing Market Outlook – Canada Edition, First Quarter 2014”. Click on the following website to find these data. See:

- <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=63&itm=1&lang=en&fr=1397933378952>².

¹ This link brings you to the Canadian Housing Statistics section of the CMHC website where the above mentioned report can be downloaded in PDF format.

The Housing start data show that starts fell in both 2012 and 2013 and are forecast to decline further in 2014 and 2015.

BuildForce Canada, a Construction industry forecasting group, calls for a steep decline in investment in the RBC industry while Canmac Economics, another economic forecasting group, calls for very modest growth in the RBC industry to 2018 followed by a decline in growth from 2018 to 2020. The relevant reports of these groups can be found at the following links:

- <http://www.buildforce.ca/en/products/nova-scotia-2012-highlights-and-powerpoint-presentation>. (fee required)
- http://www.ednet.ns.ca/files/reports/Teacher_Supply_and_Demand_2012_FINAL.pdf.

4.0 SUPPLY SIDE: LABOUR FORCE SIZE

The most fundamental question to ask about the RBC labour force is its size. Surprisingly, this question cannot be answered with existing secondary data. Estimates of the size of the employed labour force in Nova Scotia are available from the National Household Survey, produced by Statistics Canada, 2011. These data are available on line on the Statistics Canada website.³ See:

- <http://www12.statcan.gc.ca/census-recensement/index-eng.cfm>. (See: National Household Survey tab)

The Statistics Canada estimates employed labour force use the North American Industry Classification System (NAICS). This system defines the RBC industry sector along with a number of other sectors within the Construction industry. One of these sectors is Specialty Trade Contractors (STC). Specialty contractors, including finish and framing carpenters, may work full-time or part-time in the RBC industry and yet be categorized as working in the STC industry.

5.0 SUPPLY SIDE: EMPLOYEES IN RESIDENTIAL BUILDING CONSTRUCTION

The Survey of Employment, Payroll and Hours (SEPH), produced by Statistics Canada, provides an estimate of employment in the RBC industry. These data cover employees only and do not include self-employed trades workers in the industry. The number of employees in the industry from 2004 to 2013 is available on the Statistics Canada website in CANSIM Table 281-0024. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2810024>.

² This link brings you to a section of the CMHC website entitled "Housing Market Outlook – Canada and Major Centres". The Outlook report can be downloaded in PDF format. CMHC's Housing Market Outlook reports are produced quarterly.

³ Tables are produced from the survey at dates specified on the Statistics Canada website.

The data show that the number of employees in the RBC industry dropped each year from 2010 to 2013. The data are produced monthly and annually.

6.0 SUPPLY SIDE: LOCATION COUNTS BY SPECIALTY

The Business Register produced by Statistics Canada provides data on specialized trades in the Specialty Trades Contracting industry. Data on location counts of business enterprises are can be found on line on the Statistics Canada website in CANSIM Table 551-0005. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=5510005>,

The data shows that there were hundreds of Carpentry-related specialists business locations classified outside the RBC industry in 2013. The data are available twice annually on June 30 and December 31.

7.0 SUPPLY SIDE: EMPLOYEES BY INDUSTRY SECTOR

The Survey of Employment, Payroll and Hours includes data on employees by industry sector. The data can be found on Statistics Canada's website in CANSIM Table 281-0024. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2810024>.

The data show that thousands of employees working in trades specialties were classified as working in the within the Specialty Trades Contracting industry rather than the RBC industry. Many of these workers spent all or part of their time in Residential Building Construction but were classified according to their specialty rather than the industry in which they worked.

Data from the Survey of Employment, Payroll and Hours are produced monthly and annually.

8.0 SUPPLY SIDE: CARPENTRY LABOUR FORCE

Carpentry is the most important occupation in the RBC industry. The number of Carpenters in the RBC industry cannot be determined from available data. The closest estimate available (National Household Survey, 2011) is for Carpenters who work in the Building Construction industry which includes both Residential and Non-Residential Building Construction. See:

- <http://www12.statcan.gc.ca/census-recensement/index-eng.cfm>. (See: National Household Survey tab)

9.0 SUPPLY SIDE: AGE PROFILE OF CARPENTERS

The age profile of Carpenters provides important information on expected retirements in this occupation. Age profile data are available from the Statistics Canada National Household Survey, 2011.

See:

- <http://www12.statcan.gc.ca/census-recensement/index-eng.cfm>. (See: National Household Survey tab)

These data indicate that retirement rates in Carpentry may be relatively high in upcoming years. This possibility is confirmed by both BuildForce Canada and Canmac Economics who both forecast high retirement rates among Carpenters. The Statistics Canada age profile data confirm expert analysis pointing to serious recruitment and retirements issues facing the Carpentry labour force in Nova Scotia.

The National Household Survey is updated every five years on the Statistics Canada website.

10.0 SUPPLY SIDE: EDUCATION PROFILE OF CARPENTERS

The educational attainment of Carpenters in Nova Scotia is available from the Statistics Canada National Household Survey, 2011.

See:

- <http://www12.statcan.gc.ca/census-recensement/index-eng.cfm>. (See: National Household Survey tab)

The data show that 66% of Carpenters did not hold a trades certificate in 2011 and illustrate an important aspect of the Carpentry trade; it is not mandatory to participate in Apprenticeship and hold a trades certificate to be employed as a Carpenter.

11.0 SUPPLY SIDE: APPRENTICESHIP COMPLETIONS – CARPENTERS

One measure of recruitment into the Carpentry trade is Apprenticeship. Apprenticeship data are found on line at the website of Labour and Advanced Education. The Forms and Publications tab on this website provides access to the Annual Reports of the Apprenticeship Training Division which includes the Apprenticeship Completions data. See:

- <http://nsapprenticeship.ca/>.

The data show that a lack of recruitment through Apprenticeship contributes to the recruitment problem facing the Carpentry trade. The data are updated annually.

12.0 SUPPLY SIDE: LOCATION COUNTS IN RBC BY SIZE

Data produced by Statistics Canada in the Business Register provide insights into the structure of the RBC industry. Data on location counts of business enterprises are can be found on line on the Statistics Canada website in CANSIM Table 551-0005. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=5510005>.

The data are available twice annually on June 30 and December 31.

These data, combined with the data on the age profile of Carpenters, point to an impending problem of succession in the RBC industry, that is, many firms in the industry are small and the owners of the firms are nearing retirement. The data are available twice annually on June 30 and December 31.

13.0 SUPPLY SIDE: CONSTRUCTION INDUSTRY UNEMPLOYMENT RATE, NS

The unemployment rate is an indicator of labour demand relative to the supply of labour. The monthly unemployment rate in the Construction industry in Nova Scotia is estimated by the Labour Force Survey in CANSIM Table 282-0007. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2820007>.

The data show that the unemployment rate in the Construction industry in Canada is highly seasonal, that is, the unemployment rate increases in the winter months and decreases in the summer. The data are updated monthly and annually.

14.0 SUPPLY SIDE: HOURLY AND WEEKLY WAGES IN RBC

Wages are another indicator of the balance between the demand for and supply of labour. Hourly and weekly wages for the RBC industry in Nova Scotia are available from the Survey of Employment, Payroll and Hours. The data can be accessed on line on the Statistics Canada website in CANSIM Table 281-00274 and Table 281-0030. See:

- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2810027>.
- <http://www5.statcan.gc.ca/cansim/pick-choisir?lang=eng&p2=33&id=2810030>).

The data are updated monthly and annually.