

The BC CONSTRUCTION MONITOR

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WINTER 2018

Survey Says: More Growth Ahead for Construction



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ICBA President

Whether you're a construction contractor looking to grow your business, or a tradesperson looking for work, times are good. That's the clear takeaway from ICBA's annual *Wage and Benefits Survey*, which shows

strong expectations of growing business volumes, high labour demand and rising wages.

More than half of all contractors surveyed are expecting more work this year

than last, and that figure bumps up to 60 per cent in Northern B.C. The more than 225,000 people who work in construction in B.C. continue to command very competitive wages – with foreman-level hourly rates usually at \$35 or more. This year, workers in several trades will see wage increases of six per cent or more.

The flip side of this growth is that skilled labour shortages are intensifying. Every survey respondent who employs glaziers said they are in short supply, and there was almost the same unanimity in several other trades. This is a big challenge for contractors and a potential brake on growth.

The findings bode well though for construction's continued contribution of \$19 billion to the provincial GDP – providing of course that we can continue to get to and stay at "yes" on major projects, and otherwise maintain a competitive business climate.

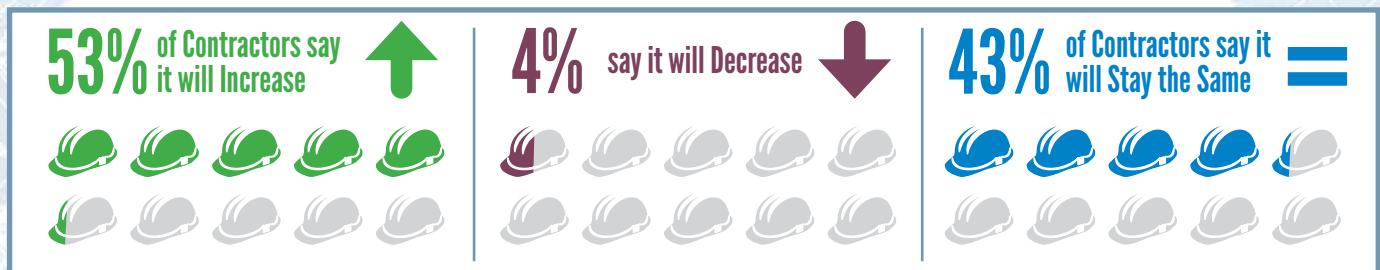
This year's survey results are based on responses from a representative cross section of the industry. They demonstrate that – for young people considering a career in the trades – there are high-paying jobs and exciting opportunities.

ICBA members can access detailed results and breakdowns at www.icba.ca. Our thanks to everyone who participated.

Construction Sector Continues to Fire on All Cylinders

For the second year in a row, more than half of all contractors expect increased work volumes in 2018, with 20% being the average growth expected. Fully 67% of contractors building high-rise residential expect an increase, on average by a remarkable 39%. The North is especially optimistic: where only 45% of contractors in Northern B.C. expected increased work volumes in last year's survey, 60% do now.

What do you expect will happen with your work volume this year?



2018: % Saying "Increase" by Region

Region	%
Lower Mainland, Fraser Valley, Whistler	55%
Vancouver Island	49%
Interior B.C.	43%
Northern B.C.	60%

History: % Saying "Increase" by Year

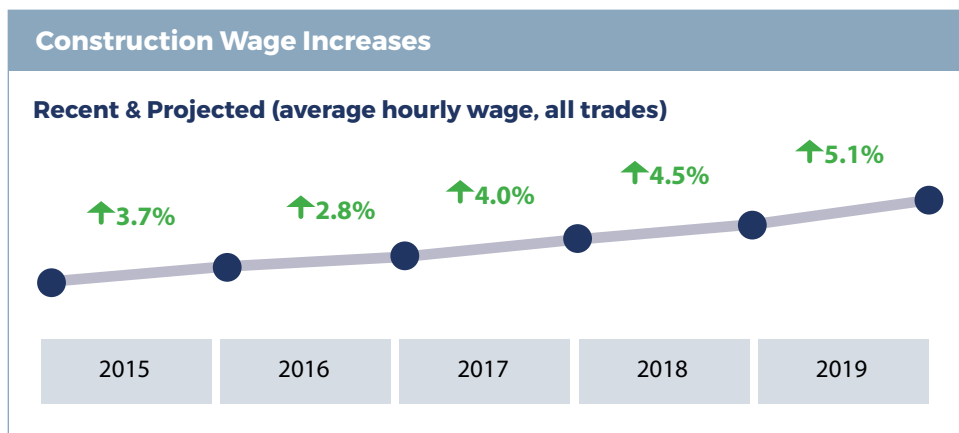
Year	%
2014	41%
2015	47%
2016	48%
2017	53%
2018	53%

Wages Are on the Way Up

Wage ranges by trade shifted up in 2017 and will continue to do so in 2018, as employers wrestle with a continuing shortage of skilled labour. Wage escalation is expected to average 4.5% this year across all trades surveyed and 5.1% next year. In contrast, inflation is projected to be only 1.79% in 2018 and 2.06% in 2019.

Trade	Entry Level Wage	Foreman Wage	Expected Increase 2018
Refrigeration & HVAC	\$17.77	\$45.55	5.0% ↑
Millwrights	\$21.30	\$40.10	5.2% ↑
Ironworkers/Steel Erectors	\$21.71	\$38.71	7.7% ↑
Pipefitters	\$18.52	\$38.68	6.7% ↑
Welders	\$18.89	\$37.89	5.0% ↑
Plumbers	\$16.88	\$37.80	3.9% ↑
Sheet Metal Workers	\$18.49	\$37.46	4.0% ↑
Framers	\$18.70	\$37.39	4.6% ↑
Glaziers	\$20.89	\$37.33	3.4% ↑
Electricians	\$16.78	\$36.49	2.7% ↑
Carpenters	\$19.87	\$35.98	5.3% ↑
Safety Officers	\$27.31	\$34.58	4.0% ↑
Concrete Finishers	\$19.83	\$33.67	4.3% ↑
Steel Fabricators	\$17.90	\$33.54	5.6% ↑
Roofers	\$19.00	\$33.33	6.7% ↑
Labourers	\$18.68	\$30.76	4.4% ↑
Painters	\$16.88	\$29.83	4.3% ↑
Truck Drivers	\$26.96	\$29.30	3.6% ↑

Average Hourly Wage, All Trades: \$27.17



100% of employers of glaziers said they can't find enough workers



But it's Harder to Find Skilled Workers

In 2018, 49% of companies expect to handle more work by increasing the number of employees they have, while 11% expect to increase employee hours. But the competition for talent is going to be even tougher. Not a single employer of glaziers among the survey respondents said they could find enough of them, and in many trades shortages have gone from bad to worse. Spikes in demand for qualified workers have been especially big in Northern B.C. and on Vancouver Island.

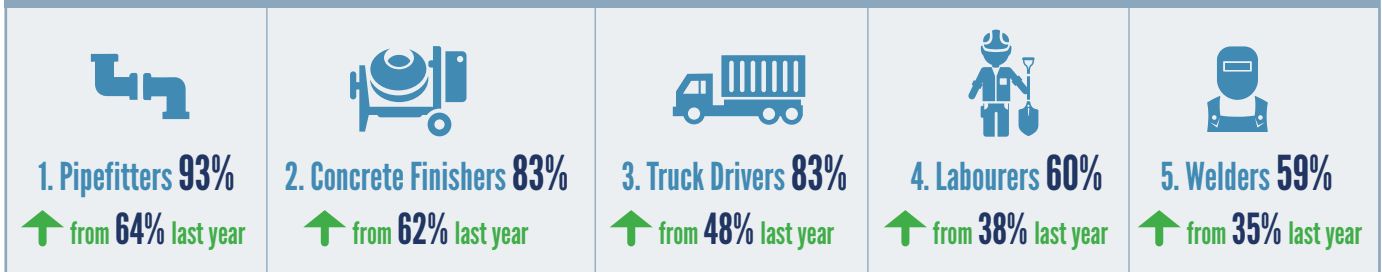
Companies saying there are not enough qualified workers in the trades they require:



Trades With Most Critical Shortages (% of employers that can't find enough)

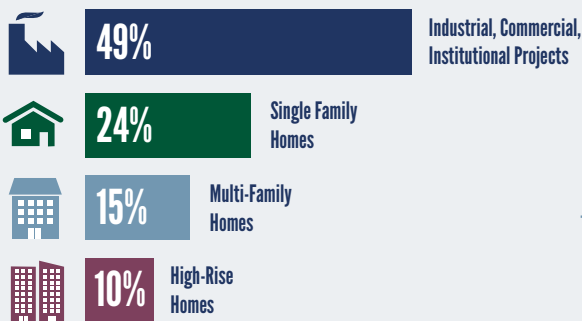


Trades Where Shortages Have Worsened the Most (% of employers that can't find enough)



The Survey Respondents

What They Build:



37% are general contractors/
project managers

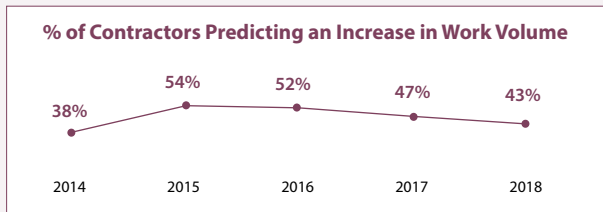
18% have business revenues of **\$20+ MILLION**

29% have at least **50 EMPLOYEES**

The Regional Picture



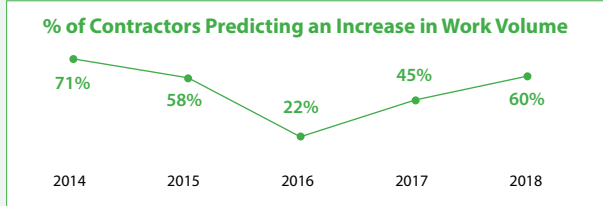
In the **Interior** region: **41%** of contractors are general contractors/project managers, **12%** have business revenues of more than \$20 million, and **30%** have at least 50 employees.



82% of contractors say there is a shortage of qualified workers, especially in these trades:



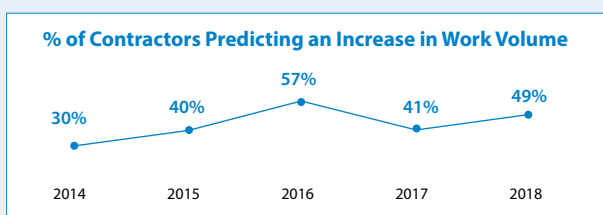
In **Northern B.C.:** **36%** of contractors are general contractors/project managers, **7%** have business revenues of more than \$20 million, and **16%** have at least 50 employees.



80% of contractors say there is a shortage of qualified workers, especially in these trades:



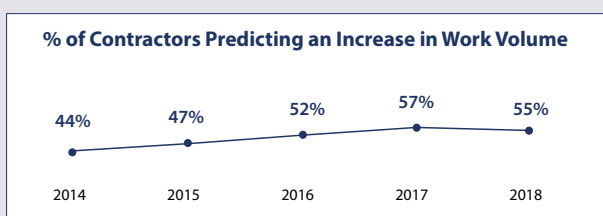
On **Vancouver Island:** **46%** of contractors are general contractors/project managers, **20%** have business revenues of more than \$20 million, and **28%** have at least 50 employees.



76% of contractors say there is a shortage of qualified workers, especially in these trades:



In the **Lower Mainland - Fraser Valley - Whistler** region: **34%** of contractors are general contractors/project managers, **20%** have business revenues of more than \$20 million, and **31%** have at least 50 employees.



74% of contractors say there is a shortage of qualified workers, especially in these trades:



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 Monitor draws on analyses and outlooks from various sources, and provides current and substantive insight. This regular publication is intended for industry executives, government decision makers, journalists and other opinion leaders.

You can receive the Monitor in print or digital formats, and let us know if you have colleagues who would also be interested in it. We also welcome your feedback and story suggestions. Please email us at info@icba.ca.

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