



SASKATCHEWAN
CONSTRUCTION WEEK

APRIL 3-7, 2017

Overview of the Construction Industry



Industry Overview



Presenters this evening:

- Mark Cooper, SCA
- Stu Niebergall, Regina Homebuilders
- Terry Parker, Building Trades
- Karen Low, Merit Contractors



The Role of Construction

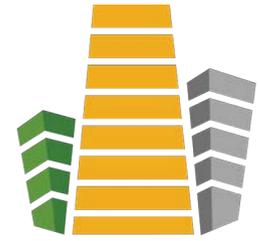
Construction Facilitates Growth

- Construction does not drive growth
- Interdependent with all sectors
- Investment and growth are essential
- Construction translates investment to output.



Non-Residential Sector

Sector Overview



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- Includes industrial, commercial, heavy, and institutional construction
- Approx. 10,000 companies
- Approx. 43,000 workers
- Approx. \$1.8 Billion in payroll
- Between 5% and 6% of GDP



Non-Residential Sector

Building Permits



- Non-residential permits down 45% in one year (\$1.709 Billion in 2015 - \$946 Million in 2016)
- So far, 2017 is showing a continued downward trend



Non-Residential Sector

Capital Investment in Saskatchewan



- Peaked in 2014 at \$20.021 Billion
- Dropped to \$14.056 Billion in 2016 (30% drop)
- Drop concentrated in private sector investment, mostly mining, oil, and gas
- In 2014, public = 17.5%
- In 2016, public = 30.3%
- 2017 intentions suggest mild recovery to \$14.538 Billion (29.4% public).



Non-Residential Sector

Challenges/Opportunities

- Attracting and retaining investment
- Prompt payment
- Productivity



Residential Sector

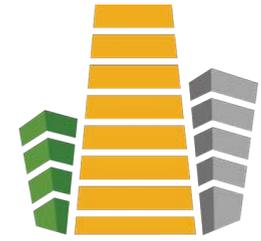
Sector Overview



- Approx. 3,500 companies
- Approx. 8,000 workers
- \$500 Million in payroll for new construction
- \$680 Million in payroll for renovations
- Between 2% and 3% of GDP



Residential Sector



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Housing Starts

- Housing starts have fallen by 42% in two years (8,257 in 2014 to 4,775 in 2016)
- Continued downward trend so far in 2017

Building Permits

- Residential building permits down 35% in two years (\$1.574 Billion in 2014 - \$1.025 Billion in 2016)
- 2017 trend is for mild improvement



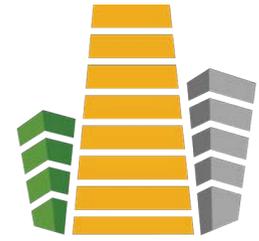
Residential Sector

Challenges/Opportunities

- Regulatory and tax burden
- Affordability



The Construction Workforce



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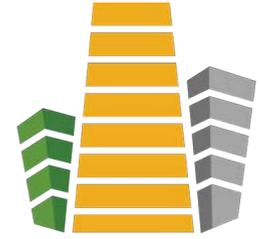
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Workforce Characteristics

- 9% of total provincial workforce in construction
- 11% of workforce is female
- 14% of workforce is Indigenous
- 88% of workforce is permanent or self-employed
- 85% of workforce has completed high school
- Avg. weekly earnings are 30% higher than provincial average



The Construction Workforce



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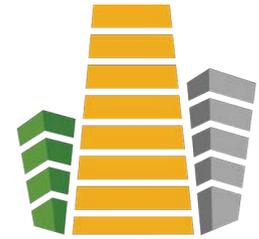
Workforce Trends

- 12% decrease in workforce in two years (58,000 – 51,000)
- Average weekly earnings continue to climb
- Workforce becoming better educated
- Decreasing labour productivity
- Well-balanced age distribution



The Construction Workforce

Workforce Challenges/Opportunities



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- Engaging and retaining women in the industry
- Changing public perception about the trades
- Aligning education and economic goals



Industry Overview



By the Numbers

- More than 13,000 construction establishments
- Fewer than 500 companies with more than 20 employees
- 3rd largest employer (51,000)
- 3rd largest contributor to GDP (8%)



Industry Overview

Challenges/Opportunities

- Regulatory and tax burden
- Affordability
- Women in construction
- Misaligned education and economic priorities
- Not being paid for completed work
- Public perceptions of construction
- Productivity improvements
- Attracting and retaining investment



Industry Overview



Conclusion

- Represented by many different voices:
 - More than 30 distinct associations or groups
- Industry collaborates closely
- Construction is dependent on growth, which ties us closely to government
- We want to work together to build our province
- Lots of opportunities to make progress together



Industry Overview

Dinner Discussions



- Three questions to guide your dialogue:
 - Largest challenges facing SK construction?
 - What can construction companies do?
 - What can governments do?
- Discuss, take notes, plan to report back





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