



Sectoral Profile

Construction

Ontario

2016-2018



Sectoral Profiles provide an overview of recent labour market developments and outlooks for some of the key industries in various regions of the country.

HEAVY ENGINEERING INFRASTRUCTURE PROJECTS TO HELP MAINTAIN HIGH CONSTRUCTION ACTIVITY AS RESIDENTIAL CONSTRUCTION EXPECTED TO TEMPER IN ONTARIO

- Residential building construction to observe possible slower growth after 2017
- Significant infrastructure funding commitments by federal and provincial governments will lead to higher activity among heavy and civil engineering projects and the institutional building sector
- Commercial sector continues to remain strong among non-residential building construction in the medium-term
- Employment in the provincial construction industry is expected to grow by 1.3% per year from 2016 to 2018

The Ontario construction industry employed a workforce of 503,700 in 2016,¹ and accounted for 6.1% of Ontario's GDP in 2015.² The construction industry includes businesses engaged in residential and non-residential building construction, as well as heavy and civil engineering projects.

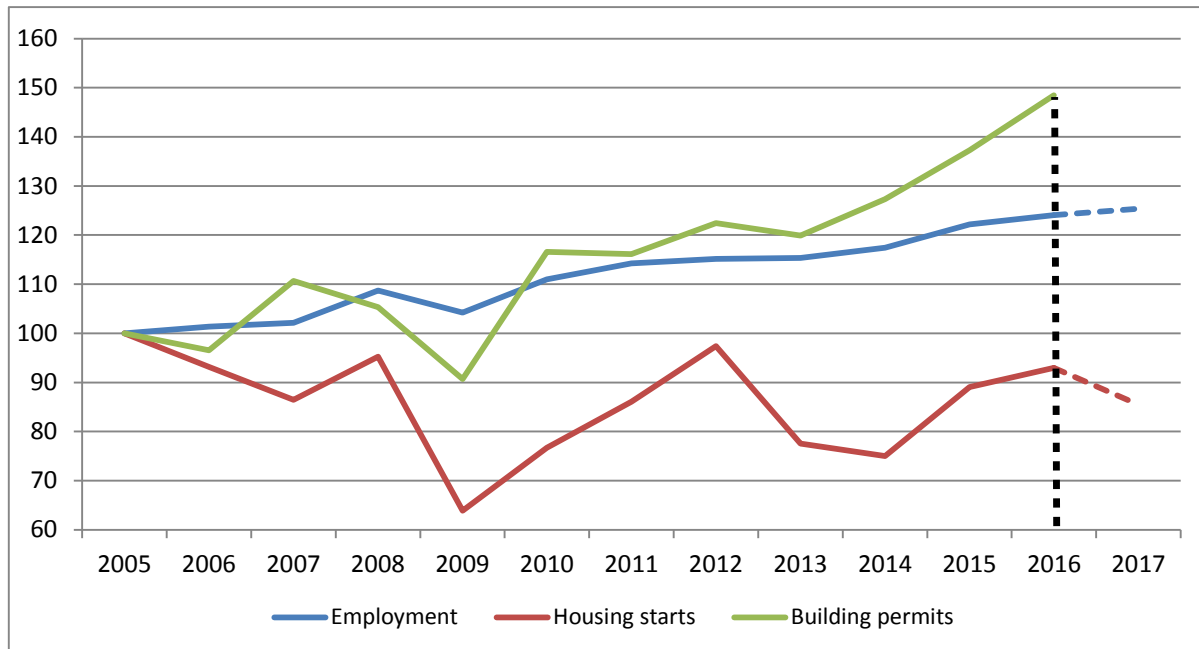
Employment in Ontario's construction industry enjoyed continuous gains before falling sharply in 2009, along with many other industries in the province, due to the global recession.³ Employment figures quickly bounced back above pre-recession levels, with jobs created through government stimulus funding in public infrastructure contributing to this recovery.

Looking forward to the medium-term horizon, the Ontario construction industry, which has been propelled by strong growth in residential building construction since the 2008/09 recession, will shift gears as large-scale heavy engineering infrastructure projects, and commercial and institutional non-residential building construction, will carry the momentum for employment and investment in the industry over the forecast period of 2016 to 2018.

¹ Statistics Canada. (2017, January 6). CANSIM Table 282-0008.

² Statistics Canada. (2016, November 9). CANSIM Table 379-0030.

³ Statistics Canada. (2017, January 6). CANSIM Table 282-0008.

Chart 1: Change in Ontario construction employment, housing starts, building permits, 2005 to 2016

Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0008; Canada Mortgage and Housing Corporation, Housing Market Outlook, Canada Edition; Statistics Canada, Building Permits Survey, CANSIM Table 026-0003; Employment and Social Development Canada, Canadian Occupational Projection System Model

Employment demand in the construction industry is seasonal, with a larger share of workers employed during the warmer months when demand is at its peak. The following occupations accounted for about half of the workforce in the provincial construction industry, according to the 2011 National Household Survey (NHS):

- Construction trades helpers and labourers (NOC 7611)
- Carpenters (NOC 7271)
- Electricians – except industrial and power system (NOC 7241)
- Construction managers (NOC 0711)
- Residential home builders and renovators (NOC 0712)
- Painters and decorators (NOC 7294)
- Plumbers (NOC 7251)
- Heavy equipment operators (except crane) (NOC 7421)
- Residential and commercial installers and servicers (NOC 7441)
- Plasterers, drywall installers and finishers and lathers (NOC 7284)

A generational shift within the Ontario construction industry

The Ontario construction workforce will undertake a gradual generational shift over the next 10 years due to the looming retirement of many workers,⁴ particularly in the skilled trades, as well as slowing population growth⁵ and a lower fertility rate.⁶ Ontario is expected to lose as many as 86,000 workers, or about 18% of the

⁴ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

⁵ Statistics Canada. (2016, September 28). CANSIM Table 051-0001.

⁶ Statistics Canada. (2016, October 26). CANSIM Table 102-4505.

current employment level, this decade to retirement.⁷ This will put ever-growing pressure on the provincial construction industry to both develop and bring in an ample supply of highly skilled workers,⁸ particularly into the non-residential workforce,⁹ through apprenticeships, immigration and labour mobility within Canada. Net migration from other provinces and immigration from outside Canada will prove to be an important source of new entries into the industry and expansion in the labour supply over coming years.

Demand for apprentices has been supported by the passage of the Ontario Infrastructure for Jobs and Prosperity Act in 2015. The Act legislates that those who bid for construction projects for an Ontario public asset must also provide a plan for the intended use of apprentices. Other noteworthy legislation that is impacting the labour market for construction workers include debate on Schedule 17 in Ontario Bill 70, which gives the Ontario Labour Relations Board (OLRB) the power to review or overrule some decisions made by the Ontario College of Trades, including whether non-compulsory trades workers should be allowed to work jobs normally reserved for workers in compulsory trades. Also, the Construction Lien Act was reviewed throughout 2016, with a focus on numerous recommendations related to prompt payment reform and effective dispute resolution within the construction industry, primarily for contractors.

Residential building construction to soften its rapid growth

The residential sector includes establishments mainly involved in the construction or remodelling and renovation of houses and residential buildings such as condos and apartments. Growth in this sector depends to some extent on population and income growth.

Provincial housing starts grew by 9.0% in 2016,¹⁰ following a 17.7% increase in 2015, and will continue to contribute to growing employment in the residential building industry in the short term.¹¹ The Ontario government is signalling support for more affordable housing^{12,13} and for eligible first-time home buyers through a proposal to double the maximum Land Transfer Tax refund, effective January 2017.¹⁴

However, housing starts are forecast to remain relatively steady, or perhaps even fall, in both 2017 and 2018,¹⁵ with slowing population growth a contributor.¹⁶ Multi-family buildings such as condos remain a popular option^{17,18} in the Greater Toronto Area (GTA) due to surging prices for single-detached homes, which has raised

⁷ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

⁸ Ontario Construction Secretariat, (2016, June 16). 2016 Survey of Ontario's ICI Construction Industry. Retrieved from <http://iciconstruction.com/2016/06/16/2016-construction-confidence-indicator-rpt/>

⁹ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

¹⁰ Statistics Canada. (2017, March 8). CANSIM Table 027-0054.

¹¹ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

¹² Government of Ontario, Ministry of Municipal Affairs. (2016, March 14). Ontario Transforming Housing and Homelessness System. Retrieved from <https://news.ontario.ca/mma/en/2016/03/ontario-transforming-housing-and-homelessness-system.html>

¹³ Government of Ontario, Ministry of Housing. (2016, December 7). Ontario Passes Legislation to Create More Affordable Housing for Families. Retrieved from <https://news.ontario.ca/mho/en/2016/12/ontario-passes-legislation-to-create-more-affordable-housing-for-families.html>

¹⁴ Government of Ontario, Ministry of Finance. (2016, November 14). Ontario Helping First-time Homebuyers. Retrieved from <https://news.ontario.ca/mof/en/2016/11/ontario-helping-first-time-homebuyers.html>

¹⁵ Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

¹⁶ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

¹⁷ Statistics Canada. (2017, March 8). CANSIM Table 027-0051.

the discussion over the implementation of a foreign-buyer tax similar to that imposed in Metro Vancouver.¹⁹ Rising home prices continue to dominate the headlines. However, average resale home prices, for the province as a whole, are expected to grow at a slower pace than in previous years and may continue to do so over the next couple of years.^{20,21} A possible contributor to the slowing of price growth may be the tighter mortgage regulations that came into place in February and November 2016.^{22,23} As a result, employment activity in the housing sector may experience cooling in the latter part of the forecast period.²⁴

Potentially worrisome factors for residential construction are the rising levels of both household debt-to-income and house price-to-income ratios in Ontario,²⁵ with possible implications for a future slowdown in various real estate markets due to affordability issues.²⁶ Furthermore, the expected rise in the interest rate within the forecast period may increase the cost of mortgages, which could further exacerbate affordability or debt issues.²⁷ These factors contribute to a cautious but positive outlook for the residential sector in the province over 2017 to 2019.

Non-residential ICI (industrial, commercial, institutional) building construction carries momentum

Industrial construction

The industrial construction subsector is comprised of establishments primarily engaged in the construction of industrial buildings, with the exception of warehouses which are considered part of the commercial sector. The subsector is closely linked to activities in the manufacturing industry, as it includes facilities built for such purposes. While manufacturing's share of employment in the province has declined over the past decade, as well as output from Ontario's non-residential building construction industry,²⁸ investment into construction in the industrial sector has gradually recovered to its levels from a decade ago, after a large decrease during the 2008/09 recession.²⁹

Growth in the value of building permits issued in the industrial sector has fluctuated in recent years,³⁰ but the sector continues to receive significant investment to upgrade major factories in the province. The industrial space availability rate in the Greater Toronto Area (GTA) has recently exceeded market expectations and is pushing developers to more speculative construction activity in suburban areas,^{31,32} although it remains to be

¹⁸ CBRE. (2015 H2). Canadian Multifamily MarketView, H2 2015. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

¹⁹ Toronto Real Estate Board. (2017, Jan 30). 2017 Market Year in Review & Outlook Report. Retrieved from http://www.trebhome.com/market_news/release_market_updates/news2017/pdf/2017-MarketYearInReview.pdf

²⁰ Canadian Real Estate Association. (2016, December 15). Quarterly Forecast, December 2016. Retrieved from <http://www.crea.ca/housing-market-stats/quarterly-forecasts/>.

²¹ Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

²² Finance Canada. (2015, December 11). Government of Canada Takes Action to Maintain a Healthy, Competitive and Stable Housing Market. Retrieved from <http://www.fin.gc.ca/n15/15-088-eng.asp>

²³ Finance Canada. (2016, October 3). Minister Morneau Announces Preventative Measures for a Healthy, Competitive and Stable Housing Market. Retrieved from <https://www.fin.gc.ca/n16/16-117-eng.asp>

²⁴ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Const-Maint-Looking-Forward.pdf>

²⁵ Statistics Canada. (2016, December 14). CANSIM Table 378-0123.

²⁶ Toronto Real Estate Board. (2017, Jan 30). 2017 Market Year in Review & Outlook Report. Retrieved from http://www.trebhome.com/market_news/release_market_updates/news2017/pdf/2017-MarketYearInReview.pdf

²⁷ Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

²⁸ Statistics Canada. (2016, November 9). CANSIM Table 379-0030.

²⁹ Statistics Canada. (2017, March 2). CANSIM Table 026-0016.

³⁰ Statistics Canada. (2017, March 8). CANSIM Table 026-0003.

³¹ CBRE. (2016). Canada Market Outlook, 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

seen if this demand will be sustained.³³ Noteworthy projects in the sector in previous years include the Chrysler Fiat assembly plant in Windsor undergoing a \$2 billion USD renovation, while the Honda assembly plant in Alliston is in the midst of a 3-year upgrade project valued at \$857 million CAD. In addition, a \$675 million industrial complex is being planned for Brampton in coming years.

Commercial and institutional construction

The commercial and institutional subsector is comprised of establishments primarily engaged in the construction of buildings, such as hotels, shopping centres, warehouses, office buildings and airports, while the institutional sector includes buildings such as schools, hospitals and libraries.

Growth in the commercial sector depends on a strong retail trade and business sector in the province, as well as a higher propensity for consumption. The growth among large-scale retailers in busy retail hubs such as downtown Toronto has been one of the main factors pushing growth in the sector over the past decade, with Toronto expected to have the highest amount of commercial construction activity in Canada,³⁴ and downtown Toronto having the lowest office vacancy rate in all of North America.³⁵ Partly as a consequence, the expansion of the finance industry beyond downtown Toronto into suburban areas is also expected to drive investment in the sector,³⁶ while demand for commercial office space is expected to remain stable in Ottawa, London and Waterloo.³⁷ In the medium-term, the commercial sector is expected to experience steady employment growth, with strong confidence in the sector from contractors across Ontario.³⁸

A large portion of activity in the institutional and governmental sector comes from federal and provincial expenditures on health and education facilities, such as new hospitals and schools. Investment in the sector has declined since 2011,³⁹ however, investment in infrastructure is expected to ramp up over the forecast period, with the renewed focus on infrastructure investment from the federal⁴⁰ and the provincial governments,^{41,42} including a new commitment of \$1.1 billion from the Ontario government on repairs for

³² CBRE. (Q3 2016). Toronto Industrial MarketView, Q3 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

³³ CBRE. (Q3 2016). Canada Industrial MarketView, Q3 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

³⁴ CBRE. (H1 2016). Canada Retail MarketView, H1 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

³⁵ CBRE. (Q3 2016). Toronto Office MarketView, Q3 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

³⁶ CBRE. (2016). Canada Market Outlook, 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

³⁷ CBRE. (Q3 2016). Canada Office MarketView, Q3 2016. Retrieved from <http://www.cbre.ca/EN/research/Pages/canadian-market-reports.aspx>

³⁸ Ontario Construction Secretariat, (2016, June 16). 2016 Survey of Ontario's ICI Construction Industry. Retrieved from <http://iciconstruction.com/2016/06/16/2016-construction-confidence-indicator-rpt/>

³⁹ Statistics Canada. (2017, March 2). CANSIM Table 026-0016.

⁴⁰ Finance Canada. (2016, November 1). A Transformational Infrastructure Plan. Retrieved from <http://www.budget.gc.ca/fes-eea/2016/docs/themes/infrastructure-en.html>

⁴¹ Government of Ontario, Ministry of Finance. (2015, April 23). Budget 2015 Makes Largest Infrastructure Investment in Ontario's History. Retrieved from <https://news.ontario.ca/mof/en/2015/04/budget-2015-makes-largest-infrastructure-investment-in-ontarios-history.html>

⁴² Government of Ontario, Ministry of Finance. (2016, February 25). Ontario's Investments Creating Jobs for Today and Tomorrow. Retrieved from <https://news.ontario.ca/mof/en/2016/02/ontarios-investments-creating-jobs-for-today-and-tomorrow>

schools across Ontario over the next two years⁴³ and an investment of \$12 billion over 10 years to continue to build upon the health care infrastructure and build new major hospitals.⁴⁴

Heavy and civil engineering construction constitutes Ontario's largest projects

The heavy and civil engineering construction subsector includes establishments primarily engaged in building highways, streets and bridges, as well as utility systems (e.g., water, sewer, and power line and related structures). Since growth is often tied to large-scale private and public investment in provincial infrastructure, the sector depends on the fiscal policies of various governments and favourable conditions for investment in Ontario.

With the emphasis on infrastructure improvements across Canada and Ontario, buoyed by a pledge of about \$180 billion⁴⁵ from the federal government and \$160 billion⁴⁶ from the provincial government, many large projects are planned or underway, with infrastructure projects expected to surpass residential construction as the primary source of construction job growth in many regions of Ontario.⁴⁷ Some of the largest construction work in the province over the medium term involves large-scale light-rail transit projects in the Toronto, Ottawa, Hamilton and Kitchener-Cambridge-Waterloo CMAs,⁴⁸ while planning is underway for the Gordie Howe International Bridge in Windsor.⁴⁹ These developments will provide support to employment in the engineering construction sector over the next few years.

In coming years, electric power engineering will witness a significant amount of new construction output. The \$12.8-billion refurbishing work at the Darlington Ontario Power Generation (OPG) nuclear generation station began in 2016 and will last over a decade, while the Bruce Power nuclear station in Kincardine will see a \$13.0-billion refurbishing project start later this decade.

In addition, other large-scale projects related to energy production are forecast over the medium term period, including the TransCanada Energy East Pipeline and the Napanee Generation Station. Additional energy-related projects that focus on by-product management such as Vale's Cliffs Mine Clean AER project and the OPG Deep Geologic Repository project are also going through the planning process. The federal and provincial governments have also made significant pledges towards improving water and wastewater systems and green infrastructure projects,^{50,51} all of which contributes to an overall positive employment outlook for the sector.

⁴³ Government of Ontario, Ministry of Education. (2016, June 27). Ontario Investing \$1.1 Billion To Improve School Buildings. Retrieved from <https://news.ontario.ca/edu/en/2016/06/ontario-investing-11-billion-to-improve-school-buildings.html>

⁴⁴ Government of Ontario, Office of the Premier. (2016, August 4). Ontario Increases Funding for Hospital Repairs and Upgrades. Retrieved from <https://news.ontario.ca/opo/en/2016/08/ontario-increases-funding-for-hospital-repairs-and-upgrades.html>

⁴⁵ Finance Canada. (2016, November 1). A Transformational Infrastructure Plan. Retrieved from <http://www.budget.gc.ca/fes-eea/2016/docs/themes/infrastructure-en.html>

⁴⁶ Government of Ontario, Ministry of Finance. (2016, November 14). Helping Ontario Build and Move Forward. Retrieved from <http://www.fin.gov.on.ca/en/budget/fallstatement/2016/bk-infrastructure.html>

⁴⁷ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

⁴⁸ Office of the Prime Minister. (2016, August 23). Canada and Ontario sign agreement for public transit infrastructure funding. Retrieved from <http://pm.gc.ca/eng/news/2016/08/23/canada-and-ontario-sign-agreement-public-transit-infrastructure-funding>

⁴⁹ Garton, R. (2016, November 10). Gordie Howe Bridge takes huge step forward. *CTV News*. Retrieved from <http://windsor.ctvnews.ca/gordie-howe-bridge-takes-huge-step-forward-1.3154140>

⁵⁰ Government of Ontario, Ministry of Finance. (2016, November 14). Helping Ontario Build and Move Forward. Retrieved from <http://www.fin.gov.on.ca/en/budget/fallstatement/2016/bk-infrastructure.html>

⁵¹ Finance Canada. (2016, November 1). A Transformational Infrastructure Plan. Retrieved from <http://www.budget.gc.ca/fes-eea/2016/docs/themes/infrastructure-en.html>

Sector Outlook, 2016–2018

Employment in the Ontario construction industry is expected to grow by an annual average of 1.3% from 2016 to 2018. There will be an increased demand for apprentices, supported by changing regulations and an anticipated turnover in labour supply due to looming retirements among the baby boomer generation.

Housing starts are projected to remain relatively stable province-wide over the short-term,⁵² which could lead to a moderate employment growth in residential building construction over the forecast period that may slow over the medium term.⁵³ Within non-residential construction, the commercial sector is likely to see steady employment growth, although expansion in the industrial sector may lie contingent on the recovery of the provincial manufacturing industry. The institutional and governmental sectors may see growth in the medium term due to the influx of governmental expenditures from the federal and provincial governments.

Sub-provincial trends

Employment growth in construction is expected to vary by sub-region in Ontario. In the economic region of **Toronto**, home prices remain elevated and demand is strong; however, there are signs of slowing housing starts over the forecast period. Construction in the commercial sector is a major driver in Toronto due to the concentration of large retailers and office buildings for which demand remains high. In addition, there have been numerous significant public transit infrastructure projects in region that have commenced such as the various Light Rail Transit (LRT) lines in the Greater Toronto Area, including Eglinton Crosstown, Finch West and Hurontario, and the Toronto-York Spadina and the Scarborough subway extensions. In addition, investments are being made to renew and expand a number of hospitals and other health care facilities in the region, including Toronto East General Hospital, St. Michael's Hospital and Mount Sinai Hospital in Toronto and Etobicoke General Hospital, while Mackenzie Vaughan Hospital is the first new hospital being built in the York Region in 30 years.

Demand for housing in southwestern Ontario is forecasted to remain stable over the medium term, boding well for the construction industry in these regions.⁵⁴ New housing starts and MLS re-sales in the **Kitchener-Waterloo-Barrie** and **Hamilton-Niagara Peninsula** economic regions are expected to grow, albeit at a slow pace, over the projection period.⁵⁵ Demand for housing in **London, Windsor-Sarnia** and **Stratford-Bruce Peninsula** is also expected to remain steady over the forecast period. There are a number of major infrastructure projects in place in southwestern Ontario that are driving construction employment in the region, with the Region of Waterloo's ION LRT expected to open stage 1 of its transit system in 2018, while the expansion and renovation at Joseph Brant Hospital in Burlington is anticipated to be completed in 2018 as well. Large infrastructure projects in the region that are going through the planning stages this forecast period include the Gordie Howe International Bridge, the OPG Deep Geological Repository, the Hamilton LRT and the Bruce Nuclear Station refurbishment.

⁵² Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

⁵³ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

⁵⁴ Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

⁵⁵ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

Construction activity has been somewhat weak and is expected to continue along this trend, due to weaker economic conditions and less housing demand, in **Kingston-Pembroke and Muskoka-Kawarthas**.⁵⁶ However, there are several large ICI projects underway, including the Providence Care Hospital in Kingston, the CFB Trenton expansion and the Port Hope Area Initiative nuclear clean-up project, and in addition, the Marmora Pumped Storage energy project⁵⁷ is in the planning stages and in consideration over the forecast period. **Ottawa** may see some further gains in construction employment after a period of employment growth, with housing starts trending upward over the forecast period and large infrastructure projects in progress, such as the Ottawa Confederation Line LRT and the Brockville General Hospital.⁵⁸

The **Northwest** and **Northeast** regions of Ontario hold promise for the construction industry, with a significant investment in highways announced in recent years. Demand in the residential sector is expected to remain steady, with forecasted housing starts trending flat in Thunder Bay and Sudbury over 2016 to 2018.^{59,60} On the non-residential side, Northern Ontario will see significant infrastructure improvements, as the Government of Ontario announced investments to upgrade highway infrastructure in Northern Ontario through the Northern Highways Programs,⁶¹ and additional investment for school repairs in the region.⁶² Another significant project in the region is the expansion of the provincial electricity transmission lines into 16 remote First Nations communities.⁶³ Many of these projects will also continue to support the high concentration of road construction businesses in the region.

***Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

Prepared by: Labour Market and Socio-economic Information Directorate (LMSID), Service Canada, Ontario

For further information, please contact LMSID at:

NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2017, all rights reserved

⁵⁶ Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

⁵⁷ Miller, T. (2016, August 25). Pumped storage project still alive. *Belleville Intelligencer*. Retrieved from <http://www.intelligencer.ca/2016/08/25/pumped-storage-project-still-alive>

⁵⁸ Zajac, R. (2016, January 5). BGH growth set to begin. *Brockville Recorder and Times*. Retrieved from <http://www.recorder.ca/2016/01/04/bgh-growth-set-to-begin>

⁵⁹ Canadian Mortgage and Housing Corporation. (2016 Fall). Housing Market Outlook, Ontario Region Highlights, Fall 2016. Retrieved from <https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?lang=en&cat=99&itm=21&fr=1489026512404>

⁶⁰ Buildforce Canada. (2017, January 31). 2017-2026 Construction and Maintenance Looking Forward, Ontario. Retrieved from <https://www.constructionforecasts.ca/sites/forecast/files/highlights/2017/2017-ON-Constr-Maint-Looking-Forward.pdf>

⁶¹ Government of Ontario. Ministry of Northern Development and Mines. (2016, June 24). Ontario Improving Highways in the Northwest. Retrieved from <https://news.ontario.ca/mndmf/en/2016/06/ontario-improving-highways-in-the-northwest.html>

⁶² Government of Ontario. Office of the Premier. (2016, August 8). Ontario Investing \$300 Million to Repair Northern Schools. Retrieved from <https://news.ontario.ca/opo/en/2016/08/ontario-investing-300-million-to-repair-northern-schools>

⁶³ Hill, B. (2016, November 14). Ontario hydro customers could pay \$650 million to connect remote First Nations communities. *Global News*. Retrieved from <http://globalnews.ca/news/3065508/ontario-hydro-customers-could-pay-650-million-to-connect-remote-first-nations-communities/>