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The Construction Sector Council estimates B.C. will have to recruit about 31,000 new employees, such as apprentice bricklayer Chris Cummings, just to replace workers who are expected to retire or die between 2010 and 2018.

CONSTRUCTION EMPLOYMENT

Industry forecasts need for 59,000 more workers by 2018

Estimates based on 'best-case scenario' for number of major projects proceeding

BY DERRICK PENNER

VANCOUVER SUN

B.C.'s construction sector anticipates daunting labour needs over the next decade while it is still recovering from the downturn of 2008-09.

The sector will need to replace and recruit some 59,000 workers between now and 2018 in an estimate couched as a "best-case scenario" by the industry-sponsored Construction Sector Council.

The forecast depends on government stimulus spending bridging the industry into increasing private-sector investments in pipelines, an upgrade and expansion of the Rio Tinto Alcan aluminum smelter in Kitimat and a steady increase of housing starts from the near collapse of residential construction in 2009.

B.C.'s construction employment peaked at 135,000 jobs in 2007, then saw 21,000 positions slashed from its workforce in the downturn, Wayne Peppard, executive director of the B.C. & Yukon Building & Construction Trades Council said. He added that while the fiscal crisis in some European countries and slow growth in the American economy makes the global economic recovery appear "still precarious," the construction council needs to work with the numbers it has.

"We have to plan for a Canadian economy and Canadian workforce," Peppard said, and the estimates for labour needs in the report are based on the "best-case scenario" for the



GLENN BAGLO/PNG

B.C.'s construction employment peaked at 135,000 jobs in 2007, but 21,000 were slashed in the downturn.

number of major construction projects proceeding in the future.

"I don't believe we're overly optimistic; I believe we're [viewing the situation as] glass-half-full," Manley McLachlan, president of the B.C. Construction Association said during a presentation outside a downtown Vancouver building site. "If you look at the numbers [for the value of planned projects], there are reasons to

be that confident."

This was the sixth edition of the Construction Sector Council's *Construction Looking Forward* report in which the industry attempts to quantify its labour needs over the next decade. It was one of several regional reports released Tuesday across the country. Meeting labour needs, the council said, will mean continued focus on recruiting from traditional and non-traditional sources, such as first nations communities, women and new immigrants.

Council executive director George Gritzotiis said the research is the industry's attempt to reach a reasonable scenario for expected activity in the sector beyond its traditional booms, during which it rapidly ramps up employment, and the busts when waves of people leave the industry.

"The construction industry, in the past, was notorious for responding to labour requirements at peak investment, [and] we can't do that any more," Gritzotiis said.

The council estimated B.C. will have to recruit some 31,700 new employees just to replace workers who are expected to retire or die between 2010 and 2018.

M.J. Whitmarsh, CEO of the Canadian Home Builders Association of B.C., said the forecast estimates provincial housing starts will climb from their 2009 low of around 16,000 units to an annual average of 21,000 by 2013, then 33,000 per year by 2018.

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CONSTRUCTION

B.C. building permit values rebound

Metro Vancouver recorded a 78-per-cent increase over last year, but fears of a fallback remain

BY BRIAN MORTON

VANCOUVER SUN

B.C. has recorded one of the country's largest increases in the value of building permits over the past year, according to a Statistics Canada report released Tuesday.

The province posted a 53-per-cent increase in May compared with May 2009, to \$754 million from \$494 million. That included an 11.9-per-cent increase since April 2010.

At the national level, Canada as a whole recorded a 13.9-per-cent increase in values to \$5.98 billion from May 2009, as well as a 10.8-per-cent decrease since April. The decline from April follows two consecutive monthly increases.

All numbers are seasonally adjusted.

Only Prince Edward Island saw a higher percentage increase than B.C. in the value of residential and non-residential permits since May 2009.

In a separate survey of census metropolitan areas, Metro Vancouver recorded a 78-per-cent increase in building permit values in May over May 2009 to \$448 million from \$252 million. That included a 28.5-per-cent increase since April.

Abbotsford-Mission recorded a 199-per-cent increase in May compared to May 2009, to \$20.8 million from \$6.9 million, including a 99-per-cent increase since April.

Peter Simpson, president and CEO of the Greater Vancouver Home Builders' Association (GVHBA), said in an interview that the numbers don't surprise him although builders are giving him mixed signals.

"Every region [in Metro Vancouver] has recorded increases in housing starts in the January to May period over the same period last year.

"Some are finding [activity] has slowed down, while others have a lot of confidence in the market, finishing existing projects and very interested in launching new ones."

Simpson said that housing activity has increased over the past few months, although it's set against 2009, a particularly poor year for starts.

"We're not dancing in the streets with these [housing starts] numbers, but it is an improvement."

"If both residential and non-residential are improving, that bodes well for job creation and it's a positive sign for the economy overall.

"One of our builders delivered a record 52 single-family homes in June."

Keith Sashaw, president of the Vancouver Regional Construction Association, agreed that the increase in

building permit values in the Metro Vancouver-Southwest region from April to May looks good.

"May building-permit values reached the second highest monthly total so far this year," said Sashaw. "Public or institutional-government permits hit their highest level this year and the third highest since March 2006."

However, Sashaw also said that May's jump in permits is a spike "and we may see a slight fallback in June."

"The underlying trend remains level for the local construction sector, though some softness is coming in the residential and government sectors with declining housing sales and the ending of stimulus plans."

He said total building-permit values in the region are up 63 per cent to \$2.1 billion in the first five months of 2010, compared with \$1.3 billion in the same period last year.

Despite the positive numbers, a Statistics Canada analyst said B.C.'s results shouldn't be seen as dramatically better than the rest of the country, because the province's construction industry was struggling in May 2009 in terms of overall building-permit values.

"In May 2009, B.C. was [near] a low point, while some other provinces had low points at different times," Nicole Charron said in an interview. "So it's comparing [B.C.'s building permit values] to one of its lowest points."

However, Charron also said that B.C.'s non-residential sector has shown considerable strength in recent months, including a 37-per-cent increase in permit values since April 2010 compared with 1.9 per cent on the residential side.

She said that while B.C. recorded a hike in educational building construction, the non-residential sector also includes "hospitals, retirement homes, libraries, any type of government building."

The residential side reflected particular strength in multi-family construction, she added.

In B.C., residential construction was the stronger of the two sectors from May 2009 to May 2010, recording an 81-per-cent increase in values to \$489 million. That compared with an 18.4-per-cent increase in non-residential to \$265 million.

While Victoria also saw a 41-per-cent increase in values from May 2009 to \$64 million, including 19.5 per cent since April, it was different in Kelowna, which saw a 16-per-cent drop in the value of permits since May 2009 to \$32.3 million. Kelowna also saw a 10-per-cent drop in permit values from April 2010 to May 2010.

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Digital Life

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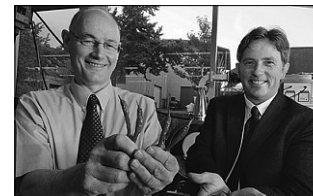
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