

## Construction

NAICS 23

## Quebec

2022-2024



### HIGHLIGHTS

- The construction industry represents 6.4% of Quebec's employment and 7.0% of its GDP.
- Employment grew strongly in 2021, supported by residential construction and public investment in infrastructure.
- Employment growth for 2022-2024 is expected to be slightly lower than for all industries, primarily due to rising interest rates and construction costs and the very high level of activity the industry has recently achieved.

### ABOUT THE SECTOR

#### Sector composition and importance

The construction industry employs 269,800 workers, which represents 6.4% of Quebec's employment, a share that has been growing over the past 20 years. However, this proportion is lower than in Ontario (7.3%) and Canada as a whole (7.7%). Construction's share of Quebec's GDP is slightly higher than its share of employment, at 7.0% in 2021.

The industry is made up of three main sectors: trade contractors (59.4%), building construction (33.9%) and civil engineering work (6.7%). According to statistics from the Commission de la construction du Québec, the institutional and commercial sector (which includes apartment buildings higher than six stories) occupies 54.0% of hours worked. The remainder is split between residential construction (20.9%), civil engineering and roads (19.3%) and industrial construction (6.4%).

In Quebec, businesses are generally small, with 81% having fewer than 10 employees.

#### Geographical distribution of employment

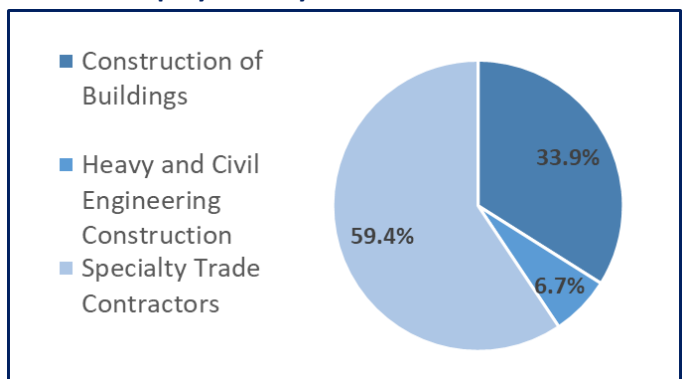
The construction industry is present in all regions of Quebec, but its relative share varies from one region to another. The Montréal census metropolitan area (CMA) accounts for 44.8% of construction employment in Quebec. However, construction accounts for only 5.5% of total employment in the Montréal CMA, a smaller share than in Quebec as a whole.

**TABLE 1 Employment by region**

Region	Average employment 2019-2021	Share of total employment
Canada	1,425,200	7.7%
Québec	269,800	6.4%
Ontario	529,600	7.3%

Source: Statistics Canada, Labour Force Survey

**CHART 1 Employment by Sub-Sector**



Source: Statistics Canada, Labour Force Survey

The Lanaudière (10.1%), Laurentides (9.9%) and Outaouais (8.2%) regions have the highest share of construction employment in regional employment. In contrast, only 3.3% of Montréal's employment and 5.0% of Laval's employment is in

this industry. It should be noted, however, that this data is based on the workers' region of residence and that there is

significant commuting from the regions surrounding Montréal and Laval to these two regions.

## WORKFORCE

### Workforce characteristics

The vast majority of jobs are held by men (87.4%). Although the number of women in the construction industry has doubled in 20 years, their share of the workforce has increased only slightly over the same period, from 10.8% to 12.7%. The distribution of workers by age group is fairly similar to that of all industries, except that a smaller share of workers are 15 to 24 years old (9.5 percent versus 13.1 percent for all industries).

The majority of workers are employed full-time (93.8%). The self-employed share of the industry has been declining over the past 20 years, from 31.2% in 1999-2001 to 19.1% from 2019 to 2021.

Among the workers, 56.7% have a post-secondary degree or diploma, including a Diploma of Vocational Studies (DVS) or a Diploma of College Studies (DCS), a higher proportion than in all industries (41.9%). In contrast, the proportion of workers

with a university degree is much lower (9.9 percent compared to 30.5 percent for all industries).

**TABLE 2 Main occupations in the sector**

Occupation	Average employment 2019-2021	Sector share
Carpenter	33,100	12.3%
Home construction contractor	19,800	7.3%
Electrician (except industrial and power system electrician)	15,300	5.7%
Trades support worker and construction labourer	14,400	5.3%
Construction manager	12,300	4.6%

Source: Statistics Canada, Labour Force Survey

## RECENT EVOLUTION

Before the pandemic, construction employment was growing rapidly. Between 2016 and 2019, employment growth was 15.4 percent, compared to 6.2 percent for all industries. This growth came from civil engineering and road projects, institutional and commercial projects, and residential housing construction, particularly with the popularity of condominiums.

The shutdown in the spring of 2020 was relatively short, and several work sites, especially in the residential segment, were able to resume quickly. Health measures, recourse to teleworking and the rise in household savings have led to a strong demand for home renovations. The strength of the resale market has also fuelled the demand for renovations, as first-time buyers are very likely to undertake renovations in the first few months after purchase. However, the uncertainty surrounding the pandemic has slowed down some commercial and industrial projects in the non-residential segment. The

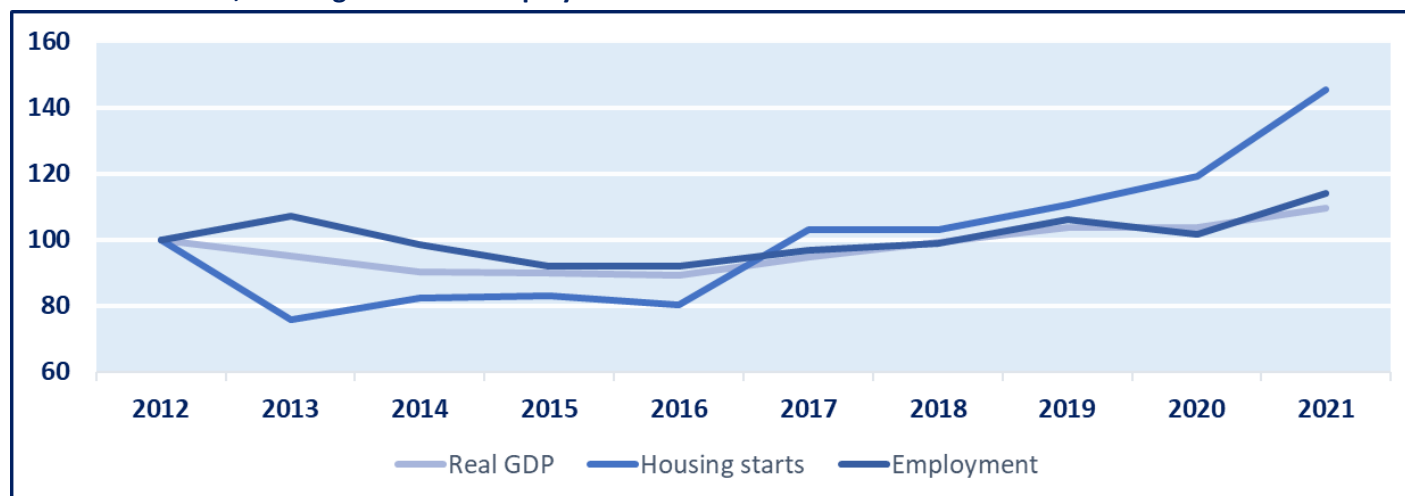
overall employment decline for 2020 (-4.0%) was smaller than for all industries.

In 2021, construction employment jumped 12.1 percent, with growth fuelled by residential construction and public infrastructure investment. Housing starts are up 25 per cent, supported by strong demand for single-family homes, low interest rates and limited supply in the resale market. Rental housing starts are also showing strong growth.

Public investments in the construction and renovation of schools, health facilities and transportation infrastructure have also contributed significantly to this increase in employment.

Finally, health measures continued to negatively affect commercial projects, while business investment in the industrial sector recovered tentatively.

CHART 2 Real GDP, Housing Starts and Employment \*



Sources: Institut de la statistique du Québec; Canada Mortgage and Housing Corporation, Housing Starts, Completions and Under Construction; Statistics Canada, Labour Force Survey.

\* Data is expressed as an index where 2012 = 100

## JOB PERSPECTIVES

For the 2022-2024 forecast period, employment growth in the construction industry is expected to slow to 1.5 percent, which is slightly lower than all industries (+1.8 percent). On the one hand, the potential for growth is limited by the fact that employment is at record levels in 2021; on the other hand, construction demand will also be negatively affected by rising prices and interest rates.

### Sub-sector characteristics

In **residential construction**, the dynamics depend on the increase in the number of households, disposable income, interest rates and the growth of the economy in general. After an exceptional period, the number of housing starts is expected to decline mainly due to rising construction costs, supply problems and rising mortgage rates. This slowdown will affect single-family home construction in particular, where the pandemic had boosted demand. In rental housing, demand will remain strong due to low vacancy rates and the return of non-permanent residents (foreign students and temporary workers). On the other hand, rental building starts are also expected to decline, due to the high level of activity in recent years, rising construction prices and increasing borrowing costs. Projects for independent seniors' residences have also been less popular since the pandemic, as these have experienced strict lockdown measures. Rising prices, higher interest rates and a return to normal leisure spending following

the end of the health measures (travel, restaurants, entertainment, etc.) are expected to reduce demand for home improvement after two record spending years.

The non-residential segment includes commercial and industrial construction, which is primarily dependent on business investment, and institutional construction and engineering and road work, which are more influenced by government investment.

Projects in the **institutional sector** remain plentiful, particularly renovation and construction of schools, hospitals, CHSLDs and new seniors' and alternative housing. However, rising costs are slowing down some projects.

In the **civil engineering and road sector**, the number and size of projects is considerable in several sub-segments, particularly in road and transit infrastructure construction.

After two difficult years, investments in the **commercial sector** should resume tentatively, with the end of health measures, the return of tourists and, partially, of workers.

Finally, in the **industrial sector**, several major projects are expected to support investment growth, but global uncertainty, inflation and supply problems could cause some projects to be postponed.

## MORE INFORMATION

**Note:** The authors of this document took great care to prepare it based on their research on labour market information, which was accurate and relevant at the time of publication. Since the labour market is constantly changing, the data provided may have changed since this document was published. Readers are encouraged to consult other sources for additional information on the local labour market and economy. The information presented in this document is not necessarily a reflection of Employment and Social Development Canada.

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For more information, please contact the Labour Market Analysis Branch at

<https://srv144.services.gc.ca/cgi-bin/ContactForm-FormulaireContact/index.aspx?GoCTemplateCulture=en-CA&section=imt>

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## ANNEX

TABLE A1 Geographic Distribution of Employment and Employment Outlook in Quebec, average 2019-2021 — Construction

Region	Share of employment in Quebec	Share of employment in the region	Annual growth
QUEBEC as a whole	100.0%	6.4%	5.1%
Abitibi-Témiscamingue	2.0%	7.3%	2.8%
Bas-Saint-Laurent	1.9%	5.8%	14.1%
Capitale-Nationale	8.0%	5.7%	6.9%
Centre-du-Québec	3.6%	7.6%	23.7%
Chaudière-Appalaches	6.2%	7.6%	-1.3%
Côte-Nord / Nord-du-Québec	1.1%	5.7%	1.7%
Estrie	4.0%	6.7%	0.7%
Gaspésie—Les-Îles	0.9%	7.4%	9.1%
Lanaudière	9.8%	10.1%	18.6%
Laurentides	11.2%	9.9%	-1.1%
Mauricie	2.9%	6.3%	3.5%
Montérégie	22.2%	7.5%	7.9%
Montréal (metropolitan area)	44.8%	5.5%	3.7%
Outaouais	6.0%	8.2%	2.8%
Saguenay—Lac-Saint-Jean	3.3%	7.1%	6.5%

Source: Statistics Canada, Labour Force Survey; Service Canada, Job outlooks 2022-2024

TABLE A2 Workforce Characteristics in Quebec, average 2019-2021 — Construction

Characteristic	Volume	Share in the sector	Share in all sectors
Total employment	269,800	100.0%	100.0%
Male	235,700	87.4%	52.6%
Female	34,200	12.7%	47.4%
Aged 15-24	25,600	9.5%	13.1%
Aged 25-54	185,300	68.7%	65.3%
55 years of age or older	58,800	21.8%	21.5%
Full-time employment	253,200	93.8%	82.0%
Part-time Employment	16,700	6.2%	18.0%
Employee	218,300	80.9%	87.4%
Autonomous worker	51,600	19.1%	12.6%
No diploma	37,000	13.7%	9.5%
Graduated High School	53,000	19.6%	18.2%
Post secondary certificate or diploma	153,100	56.7%	41.9%
University degree	26,700	9.9%	30.5%

Source: Statistics Canada, Labour Force Survey