

2022-03-31 Kevin Lee, CEO, Canadian Home Builders' Association
Opening Remarks to the Standing Committee on International Trade

Thank you, Mr. Chair.

My name is Kevin Lee, the Chief Executive Officer of the Canadian Home Builders' Association. CHBA is the voice of Canada's residential construction industry. We represent some 9,000 member firms from coast to coast, including home builders, renovators, trade contractors, product and material manufacturers, and building suppliers and services. CHBA is one association working at three levels – nationally, provincially, and locally. We have over 50 constituent associations at the local and provincial level, and I am joined here today by my colleague Mike Collins-Williams, the CEO of the West End Home Builders' Association, our constituent association in the Hamilton-Halton region. Mike will bring some local context to both our opening remarks and questions the committee may have.

As you may know, our industry is experiencing chronic labour and skills shortages, something we faced even prior to the COVID-19 pandemic. These labour shortages are causing delays in construction for 71% of our membership, according to our CHBA Housing Market Index.

Approximately 20% of our national labour force is set to retire over the next decade, which means the sector will need to recruit more than 148,000 new workers to keep pace with retirements and demand. However, only 107,600 of those new workers are expected to be available from traditional sources – an almost 30 percent shortfall. A large portion of new recruitment will therefore need to come from groups traditionally underrepresented in the current construction labour force, including women, Indigenous people, and new Canadians.

I should note that this data comes from BuildForce Canada, a national industry-led organization that represents all sectors of Canada's construction industry to support the labour market development needs of the industry. Unfortunately, the funding BuildForce normally receives to develop its Labour Market Information under the Sectoral Initiatives Program at ESDC was denied this year, as it was for many LMI organizations. BuildForce is now having to reapply under a new initiative, where again its funding is uncertain. At a time when the home construction industry is facing serious labour challenges and labour market information is so important, the impact of this decision cannot be overstated.

Regarding actions to address the skills shortage, CHBA asks that the government continue all actions to promote careers in skilled trades, to support training, and to provide financial supports to companies and individuals with respect to skilled workers. A good example is the new Canadian Apprenticeship Service. Our Association is continually working to address the skilled trades gap, and government supports of this nature are indeed very beneficial.

Throughout Canada, the home construction industry represents 1.2 million jobs, \$81.1 billion in wages, and \$183 billion in economic activity. The sector drives economic recovery at the local, provincial, and national level. As such a vital component of the Canadian economy, it is critical that entering the skilled trades is seen as a worthwhile and rewarding career choice.

Given the shortfall we expect from labour from domestic pools, CHBA is asking the federal government to improve the immigration system for skilled workers through permanent immigration solutions. This can be done by enhancing the selection of immigrants with skilled trades credentials or construction experience to ensure that the residential

construction sector will receive its proportionate share of newcomers. It is also critical that skilled labour allocations for immigration be increased, and that pathways from temporary workers to permanent workers be streamlined.

CHBA is also working on a new initiative to increase our renovation industry's capacity to adapt homes for aging in place, a key support to seniors and the health care system – I'd be happy to expand on that if it is of interest to the committee.

I'd now like to pass it on to my colleague Mike to say a few words.

Thanks, Kevin.

The issues Kevin spoke of at the national level are very much at play in the Hamilton region and across the West End of the Golden Horseshoe. Ontario's residential construction industry is expected to rise by 4% over the coming decade, and potentially much more if we are to make ground catching up on our housing supply shortfall—an issue now thankfully well recognized in Ontario and across the country.

To achieve the necessary growth in housing starts, Ontario must remain focused on replenishing our residential construction labour force – an astounding 22% of which is expected to retire over the coming decade. As the last of the baby boomers are expected to be 65 years old by 2029, Ontario's residential sector is expected to see almost 52,400 workers exit the industry to retirement.

Due to an aging population and increased competition for talented youth among the province's industries, attracting new workers for careers in construction is going to be challenging. Based on historical trends, Ontario is expected to bring in 42,732 new entrants from the local population aged 30 and younger – a pace that is expected to lag departures due to retirement every year over the scenario period.

Should recruitment success not increase, the province could be looking at a recruitment gap of almost 17,700 workers by 2030. And we are already seeing the impacts of these labour shortages—the CHBA Housing Market Index Kevin referenced in his remarks is showing construction delays in Ontario of 11 weeks due to labour and supply chain issues.

I won't repeat the recommendations Kevin provided, but suffice it to say those same recommendations certainly apply to Hamilton.

Thank you very much, and we look forward to answering any questions you may have.