

*Building on our future*



RESIDENTIAL  
CONSTRUCTION  
SECTOR COUNCIL

Sectoral Base Profile  
Of the  
PEI Residential Construction Industry  
2007

The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada or the Province of Prince Edward Island.

## Overview:

While the Construction industry in PEI would construct repair or renovate business and commercial buildings such as malls or office buildings, the Residential Construction industry in PEI includes:

- Businesses or contractors that construct, repair or renovate residential buildings (ie: houses, duplexes, apartment building and condominiums)

## The Economics:

According to Statistics Canada, the daily residential construction investment is divided into three main components. *The first is new housing construction*, which includes single dwellings, semi-detached dwellings, row housing and apartments, cottages, mobile homes and additional housing units created from non-residential buildings or other types of residential structures (conversions). *The second component of residential construction investment is renovations* including alterations and improvements in existing dwellings. *The third component is acquisition costs*, which refers to the value of services relating to the sale of new dwellings. These costs include sales tax, land development and service charges, as well as record-processing fees for mortgage insurance and the associated premiums.

The residential construction investment on PEI totaled \$55.4 million in the second quarter of 2006, slightly down -1.1% from the \$56.0 million invested in the second quarter of 2005.

According Statistics Canada there were 862 housing starts in 2005 versus 738 in 2006, down slightly by 124 housing starts. Though new housing starts were down in 2006, the new home pricing index was up 2.5 thousand dollars to \$116,500. This has seen a steady increase since 2002 when new housing price was 104.5 thousand. It is predicted by Statistics Canada that they new housing price index from August to September 2007 will increase to 118.1 thousand dollars. The total value of residential building permits was \$131,628,000 on PEI in 2005.

The total value of mortgage loan approvals on PEI was 59.4 million dollars in 2006 for 362 dwelling units. This cost is broken down as 51.8 million in single-detached and 7.5 million for multiple units. Mortgage loans for existing residential construction properties was 390.6 million dollars for 4,222 units broken down as 351.3 million in single-detached units and 39.2 million in multiple dwellings.

## Occupational Profiles:

The PEI Residential Construction Sector Council has identified the following trades as residential construction trades:

- Home Builder/Renovator (carpenters)
- Plumbers
- Electricians
- Other Sub-Trades

The following is a list of the residential sectors sub-trades industry which accounts for another twenty-four (24) trades that include:

- Air/Ventilation
- Concrete Finishers
- Construction Site Clean up
- Drywall & Insulation
- Seamfillers
- Custom Woodworking and Cabinetry (stair builders, cabinets, moldings, etc)
- Foundation & Framing Contractors
- Flooring Installers
- Tilers
- Masonry Contractors
- Eavestrough Contractors
- Painting and Decorating Contractors
- Roofing
- Overhead Door Installers
- Window & Door Installers
- Well Drillers
- Siding Contractors
- Septic and Sewer Contractors
- Post Hole Diggers
- Site Preparation Contractors
- Heating Service Contractors (not plumbers)
- Residential Inspector Services
- Top Soil & Fill Contractors
- Equipment & Tool Rental Contractors

The information that follows identifies and describes most of the main trades, current requirements and wage rates in the residential construction sector. This information was taken from [www.peijobfutures.org](http://www.peijobfutures.org) occupational profiles as according to their codes (NOC). We have identified as many as possible from the profile.

<b>Job Title</b>	<b>Job Description</b>	<b>Example Titles</b>	<b>Employment Requirements</b>	<b>Average Annual Earnings</b>	<b>Wage Rate by Level of Experience</b>
Carpenter (NOC 7271)	Carpenters construct, erect, install, maintain and repair structures made of wood or other materials. They are employed by construction companies, contractors, maintenance departments, plants or they may be self-employed	Apprentice carpenter, finish carpenter, roofing carpenter, rough carpenter, renovations carpenter	Grade 12 or equivalent, a certificate of qualification is voluntary on PEI but mandatory in other provinces	\$28,290 Approx 850 carpenters in the trade on PEI. 15% self-employed	G: 12.18— \$15.20 T: \$14.02— \$17.40 E: \$14.40— \$18.00
Contractors/Supervisors -Carpentry (Noc 7215)	Includes carpenters and cabinet makers who own a business, supervisors who coordinate the activities on job sites. They are employed by companies, contractors, maintenance/industrial departments and custom furniture manufacturers	Cabinet Maker, Carpenter, foreman/woman in form building, carpentry, framing and maintenance, supervisor	Grade 12 is generally required. Several years experience as a qualified carpenter or cabinet maker. Journeyman/woman trade certificate is usually required	\$25, 985 Approx. 50 people in this trade on PEI	N/A Approx 90% work full time
Contractors/Supervisors –Other Construction Trades (Noc 7219)	Includes roofing, masonry, painting, flooring and other construction trade contractors who own a business and supervisors who coordinate activities of tradespersons, installers and repairers. They are employed by a wide range of establishments.	Bricklayer, Cement finisher, painter, roofer, tilesetter, supervisors, foreman/woman insulators, glaziers, plasterers	Grade 12 is generally required. Several years experience in the trade, Journeyman/woman trade certification may be required for some occupations	\$40, 125 This is a small trade in PEI— approx 40 people	N/A Approx. 65% work part time, 35% year round and 15% self-employed on PEI
Plumbers (Noc 7251)	Plumbers install, repair and maintain pipes, fixtures and other plumbing equipment. The are employed by contractors, maintenance departments, plumbing businesses or they may be self-employed	Maintenance plumber, plumber apprentice, plumbing mechanic	Grade 12 or equivalent is usually required. Need a certificate of qualification on PEI through 4-5 year apprentice program	\$20,230 Approx. 155 in this trade on PEI. 20% self-employed	G: \$11.05— \$14.00 T: \$14.32- \$20.00 E: \$14.64 - \$20.00

Insulators Noc(7293)	Insulators apply insulation materials to plumbing, air-handling, heating, cooling and refrigeration systems, piping, pressure vessels, walls, floors and ceilings. They are employed by construction companies, insulation contractors or are self-employed	Boiler & pipe building, firestopping, heat & frost and sound insulators	Grade 12 is usually required. Completion of 3-4 year apprentice program is required to be eligible for certification. Certification is mandatory in Quebec but voluntary in PEI.	N/A	This is a small occupation in PEI with approx 35 people employed in this field
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Job Title	Job Description	Example Titles	Employment Requirements	Average Annual Earnings	Wage Rate by Level of Experience
Tilesetters (Noc 7283)	Tilesetters cover interior & exterior walls, floors and ceilings with ceramic, marble & quarry tile, mosaics or terrazzo. They are employed by construction companies, masonry contractors or they may be self-employed	Tile Installer, Ceramic Tile Installer, Tilesetter, terrazzo polisher, marble setter, apprentice tilesetter	Grade 12 is usually required or 3-4 year apprenticeship program with combination of 3 years work experience in the trade & some high school to obtain certification .	N/A This is a small occupation in PEI	N/A Approx 10-20 people work in this field in PEI
Painters & Decorators (Noc 7294)	Painters & decorators apply paint, wallpaper and other finishers to interior & exterior surfaces. They are employed by construction companies, painting contractors, building maintenance contractors or they may be self-employed	Construction painter, maintenance painter, rough painter, paperhanger, painter & decorator apprentice	Grade 12 or equivalent is usually required. Certification is not required. For certification, 3-4 years apprenticeship program or over 3 years of work in trade	\$19, 545 Approx 90% work full time, year round	N/A Approx 190 people work in this trade on PEI
Bricklayers (Noc 7281)	Bricklayers lay brick, concrete blocks, stone and other materials to construct or repair walls, arches, chimneys, fireplaces & other structures. They are employed by construction companies, bricklaying contractors or they may be self-employed	Mason, stonemason, bricksetter, maintenance bricklayer, residential construction bricklayer, apprentice brick mason	Grade 12 is usually required or 3-4 year apprenticeship program with combination of 4 years work experience in the trade & some high, college or industry training to obtain certification	N/A Certification is mandatory in NS, NB & Quebec	N/A This is a small industry, often seasonal, Approx 30 people work in this trade on PEI
Concrete Finishers (Noc 7282)	Concrete finishers smooth and finish freshly poured concrete, apply curing treatments and install or repair masonry structures such as foundations, floors & patios. They are employed by construction companies, cement & concrete contractors, manufacturers of precast concrete or may be self-employed	Cement mason, cement finisher, concrete mason, concrete finisher, precast concrete finisher	Grade 12 is usually required or 2-4 year apprenticeship program or over 3 years work experience in the trade & some high, college or industry training to obtain certification	N/A Certification is mandatory in Quebec	N/A This is a small industry in PEI. Approx 10-20 people work in this trade on PEI

Residential & Commercial Installers & Services (Noc 7441)	Workers install & service a wide variety of interior & exterior products such as windows, doors, waterheaters, septic systems, fences and electrical appliances. They are employed by companies specializing in specific product installation and service, few are self employed	Aluminum window or window installer, cupboard installer, eavestrough installer, exterior cladder, water heater servicer	Some secondary education is usually required. On-the-job training & several months of related experience is usually required	\$24, 775 Most work is full time	N/A Approx 50% work year round. Approx 65 people work in this trade in PEI.
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Job Title	Job Description	Example Titles	Employment Requirements	Average Annual Earnings	Wage Rate by Level of Experience
Electricians (Noc 7241)	Electricians lay out, assemble, install, test, troubleshoot and repair electrical wiring, fixtures, control devices and related equipment. They are employed by electrical contractors, maintenance departments, businesses and they may be self-employed	Construction electrician, domestic & rural electrician, apprentice electrician	Grade 12 is a requirement in PEI. A certificate is mandatory in PEI. Completion of a 4-5 year apprenticeship is usually required. There is an increasing need to be skilled with computer systems that control building functions.	\$32, 205 Approx 200 electricians work in PEI. 75% work year round. Most work year round	G: \$14.66— \$19.00 T: \$18.13— \$20.80 E: \$17.75— \$22.00
Cabinetmakers (Noc 7272)	Cabinetmakers construct and repair wooden cabinets, furniture, fixtures and related products. They are employed by construction companies, furniture makers, repair companies, custom cabinet contractors and may be self-employed	Custom Wood furniture maker, furniture cabinet maker, apprentice cabinet maker	Grade 12 or equivalent is usually required. A certificate of qualification is not mandatory on PEI but available. Certification requires a 4 year apprenticeship	N/A This is a small trade in PEI. Approx 40 people	N/A 25% self-employed
Plasterers, Drywall Installers, Finishers & Lathers (Noc 7284)	Plasterers apply finish, maintain and repair plaster on interior & exterior walls, ceilings and building partitions. Drywall installers install and finish drywall & ceiling systems. Lathers install support framework for ceilings and walls. Many are self-employed	Sheetrock applicator, drywall taper, drywall applicator, acoustical ceiling installer, ceiling installer, wood lather, plasterer apprentice	Completion of 3—4 year apprentice program or a combination of three years work experience and Grade 12 is usually required. Plasterer or lather certificate in mandatory in Quebec	N/A This is a small occupation in PEI. Approx 50 people	G: \$12.00 T: \$12.00 - 20.63 E: \$17.60— 20.63
Roofers & Shinglers (Noc 7291)	Roofers install, repair and replace roofs and shingles, shakes or other roofing tiles. Shinglers install shingles and replace shingles & tiles and similar coverings. Employed by roofing & general contractors or they may be self-employed	Asphalt roofer, flat roofer, single-ply roofer, built-up roofer, apprentice roofer, residential steep roofer	For roofers, completion of 2-3 year apprenticeship program or over 3 years experience in the trade & Grade 12 is usually required. Shinglers require 1-2 years on-the-job training.	N/A Approx 10-20 people work in this trade on PEI	N/A Many are self-employed

Floor Covering Installers (Noc 7295)	Install carpet, wood, linoleum, vinyl & other resilient floors. Employed by construction companies, flooring contractors, carpet outlets or may be self-employed	Carpet layer, vinyl flooring installer, resilient floor installer, flooring installer	Completion of 2-3 year apprenticeship or over 3 years work experience & Grade 12 is usually required to get certified	\$34,790 Year round	N/A Approx 40 people work in this trade in PEI.
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### Labor Force/Employment Trends:

The Residential Construction Sector is dominated with smaller firms who hire on average two persons with the larger firms hiring 15 or more staff. Included in the industry are several hundred self-employed persons (contractors) who work alone and/or with a partner and do not hire employees. Their numbers are often hard to verify but they represent anywhere from 15 – 25 % of workers within their field.

In 2007 there were 817 residential construction businesses registered with the Worker's Compensation Board. If we take the average of two persons hired per small business we can guesstimate there are over 1600 persons employed in the residential construction trade not including the number of self-employed or partnership contractors (who are not required by current PEI laws to register with the Workers Compensation Board). We can guesstimate their may be approximately 3,000 - 4,000 residential construction trades workers in PEI.

According to Statistic's Canada, the population on PEI in 2007 was 138.5 thousand. The population continues to grow slightly each year on PEI by .3 – 1%. The labor force increased from 76.2 thousand in 2006 to 77.2 in 2007, an increase of 1 percent. If as predicted the Residential Construction Industry has 4,000 employers and employees the increase in the labor force is equal to 40 more persons working in the trade in 2006.

Statistic's Canada 2001 Census reports 10, 555 people working in trades, transport & equipment operators and related occupations. Of this number 760 are female. Males continue to dominate the industry that is employing 9795 men. There is currently no information available on the number of aboriginal, multicultural or minority persons working in residential construction though it is considered to be extremely low.

According to the Construction Sector Council Report, Labor requirements from 2006-2014, employment in PEI dropped slightly, between 2001-2004, as gains for the housing sector were off-set by weaker non-residential construction. The forecast from 2005-2014 can be divided into two intervals. Housing starts rose moderately in 2005 and then dropped each year. There was a much large surge in non-residential construction in 2005 and continued moderate growth in 2006-2009. These gains in industrial and engineering activity coincide with similar gains in the other Atlantic Provinces. New engineering and industrial projects will raise employment in specialized trades and will include welders, heavy equipment mechanics and truck drivers.

A series of trades whose profiles are closer to the industry average conceals the shifts within each trade out of residential and into industrial and engineering work. These broadly based trades include Carpenters, Electricians, Plumbers and Sheet Metal workers. The group of trades that works largely in new residential construction, renovations and commercial building will find fewer jobs during the housing slump from 2006-2008. This group includes bricklayers, floor covering installers, painters and

decorators, plasterers and drywall installers, glaziers and refrigeration and air conditioning mechanics. During the period of 2010-2014 all construction sectors will settle into a modest but steady growth pattern.

Still, according to the Construction Sector Council Report and similar findings by the Summary Report from the PEI Residential Construction Sector Council, the labor force in PEI is actually on the decline. The CSC states that this is out of sync with the rest of the county but is consistent with a very limited population and overall labor force growth. The drop in labor in the residential and non-residential construction industry may also be attributed to workers moving to other provinces, mainly to western Canada. The period of 2006-2008 will be the first sequence of weaker markets for many trades in the industry.

The PEIRCSC Summary Report 2007 suggests that over 50% of employers in the industry are set to retire within the next 11-20 years with 46% planning on retirement within the next 5-10 years. At the same time 53.4 % of employees are of the same age bracket as their employers and will be aiming for retirement as well between the years 2015-2027. Very few youth are moving towards a residential construction trade in PEI.

The Construction Sector Council Report predicts very modest employment gains in 2010-2014 that will be easily met from the local workforce as job losses in new housing will not be large and some will find work in renovations, industrial or commercial work. The workforce will slowly shrink and the pool of unemployed should grow smaller due to retirements and the loss of youth to other industries.

For smaller regions like PEI the age profile of the construction trades seems smaller than other provinces and this will create larger than average replacement demands especially during the 2010-2014 period.

According to the Construction Sector Council, there are limited opportunities to move across sectors with the exception of those in the broad base trades as mentioned above and for workers in basic training acquiring new skills in specialty welding, industrial electricians and related areas may be lucrative.

### **Apprenticeship:**

According to Statistics Canada registered apprenticeship information system, registration for apprenticeship on PEI has been rising since 2003. Statistics show us that in 2003 there were 144 new registrations with a total of 393 total registrations. The average completion rate however between 1994-2003 was only 29.

While the Construction Sector Council states that the number of registrations is consistent with the market trends and potential replacement needs, it must be stated again that with the age profile in the sector and the small size of PEI, the replacement needs will be much higher in the forth coming years in particular between 2010-2014. According to the CSC replacement demands for plumbers, contractors or supervisors and construction managers will be very large while the replacement demand of carpenters or trades helpers rarely exceeds 3%.

Again, statistics from the PEIRCSC Summary Report shows the average age of employees in the main trades (carpenter, painter, flooring installer, drywall or plasterer

installer will as well create demand and that this number is much higher than 3% and larger demands will be made during 2010-2014 in the majority of residential construction trades.

According to CSC potential industrial mobility could alter the rankings for some trades or occupations. This creates a risk that workers in some construction trades may be recruited into competing companies. Analysis of mobility for PEI is hampered by small sample size for each trade, Trends in the province tend to be similar to New Brunswick and there may be movement to fill vacancies and recruit workers across these two areas.

Regional mobility is another dimension. The traditional pressures for islanders to seek work in Western Canada will remain a factor given construction activity in the west but there is also a rising demand in Nova Scotia and New Brunswick that may offer some strong competitive appeal.

#### Wage Rates Comparison – PEI and Alberta:

##### Carpenters (NOC 7271)

Prince Edward Island - Wage Rates for Carpenters (2006)			
	Min	Max	Average
Starting with No Experience	\$8.25	\$17.98	\$12.18
Starting with Experience	\$10	\$17.98	\$14.02
<b>Most Frequently Paid</b>	<b>\$12</b>	<b>\$20.00</b>	<b>\$15.16</b>

Source: Service Canada, PEI, 2006 Wage Survey

The average Provincial wage rate in Alberta = \$34.57  
The average wage rate in Ft. McMurray area = \$33.02

Source: Service Canada, Alberta, 2005 Wage Survey

##### Electricians (NOC 7241)

Prince Edward Island - Wage Rates for Electricians (2006)			
	Min	Max	Average
Starting with No Experience	\$8	\$24.90	\$14.66
Starting with Experience	\$13	\$24.90	\$18.13
<b>Most Frequently Paid</b>	<b>\$16.50</b>	<b>\$24.90</b>	<b>\$19.60</b>

Source: Service Canada, PEI, 2006 Wage Survey

The average Provincial wage rate in Alberta = \$24.10  
The average wage rate in Ft. McMurray area = \$33.63

Source: Service Canada, Alberta, 2005 Wage Survey

##### Plumbers (NOC 7251)

Prince Edward Island - Wage Rates for Plumbers (2006)			
	Min	Max	Average
Starting with No Experience	\$8.5	\$21.35	\$11.86

Starting with Experience	\$10	\$21.35	\$14.90
<b>Most Frequently Paid</b>	<b>\$14</b>	<b>\$21.35</b>	<b>\$17.80</b>

Source: Service Canada, PEI, 2006 Wage Survey

The average Provincial wage rate in Alberta = \$23.93  
The average wage rate in Ft. McMurray area = \$21.16

Source: Service Canada, Alberta, 2005 Wage Survey

### Construction Trades Helpers (NOC 7611)

Prince Edward Island - Wage Rates for Construction Trades Helpers (2006)			
	Min	Max	Average
Starting with No Experience	\$7.5	\$14.00	\$9.70
Starting with Experience	\$7.5	\$16.0	\$10.86
<b>Most Frequently Paid</b>	<b>\$7.5</b>	<b>\$19</b>	<b>\$11.75</b>

Source: Service Canada, PEI, 2006 Wage Survey

The average Provincial wage rate in Alberta = \$17.94  
The average wage rate in Ft. McMurray area = \$27.16

Source: Service Canada, Alberta, 2005 Wage Survey

The average wage rate in Alberta is significantly higher than the maximum wage paid in PEI. The Provincial wage rate in Alberta is much the same.

Higher wage rates and incentives like RRSP contributions, signing bonuses, extended vacation and the like continue to attract many residential construction workers to Western Canada.

### Trends & Opportunities:

According to Statistics Canada, most occupations in the residential construction industry remain good.

Opportunities exist for youth to take training in school or through apprenticeship and with the number of predicted retirements to hit PEI by 2010-2020 there will be plenty of opportunities to work within this trades sector. The key will be to having enough skilled and trained in the work force by 2010 – 2020 to replace those retiring and those who will head to other Atlantic provinces or to Western Canada.