



Construction

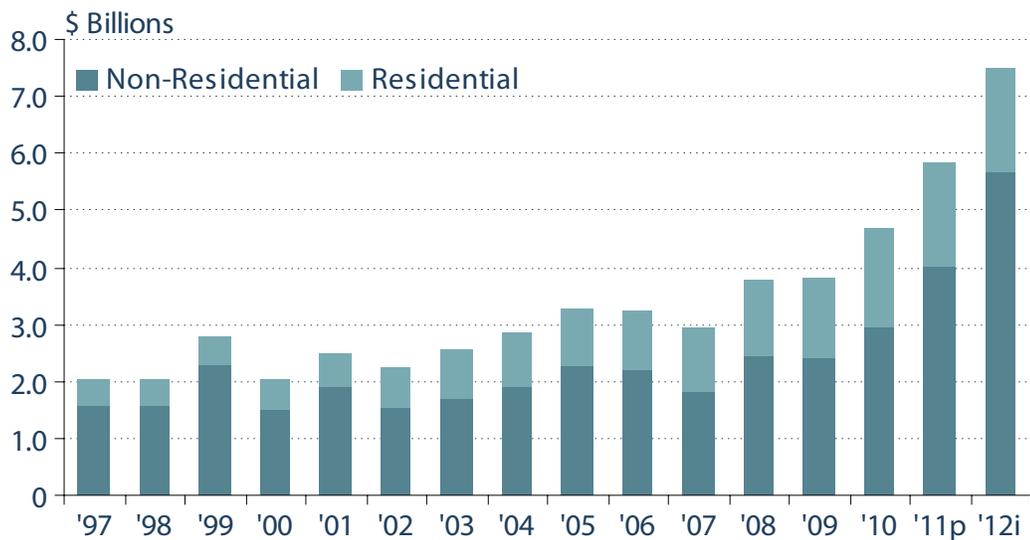
The construction industry has recorded significant growth over the past five years, marked by record investment, employment and wages in 2011. Construction investment in Newfoundland and Labrador rose to \$5.8 billion in 2011, up 25.2% from 2010. This represented the strongest growth experienced among the provinces. Growth in construction expenditures was led by the private sector which accounted for 87% of construction spending.

Construction Expenditures (\$ Millions)

	2011p	2012i
Non-Residential	4,027.8	5,690.7
% Change	37.8	41.3
Residential	1,811.2	1,792.8
% Change	3.9	-1.0
Private	5,061.0	6,714.2
% Change	35.0	32.7
Public	778.0	769.3
% Change	-15.1	-1.1
Total	5,839.0	7,483.5
% Change	25.2	28.2

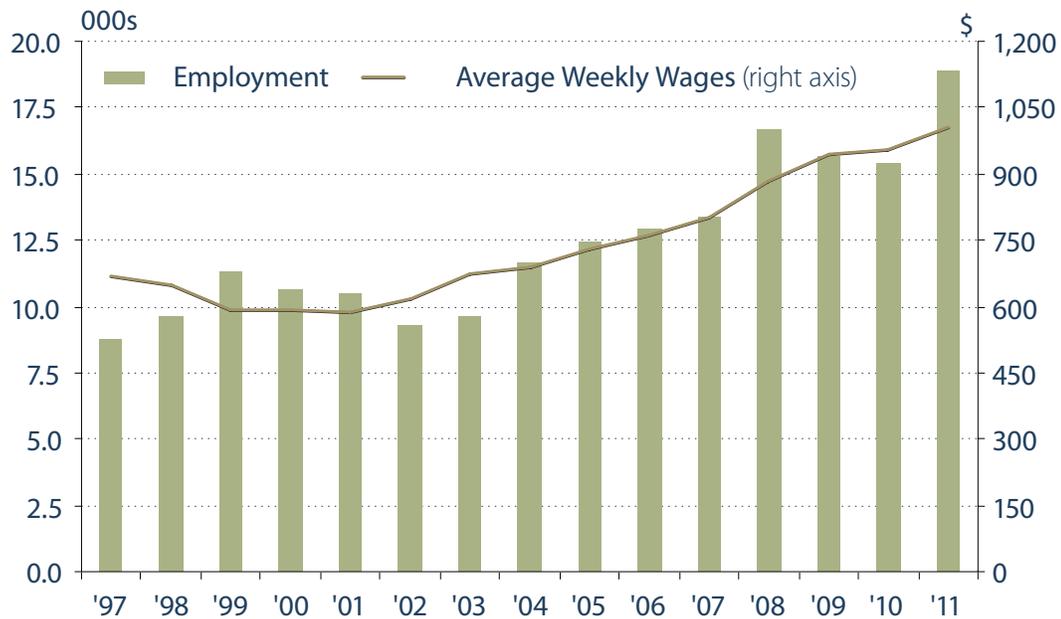
p: preliminary; i: intentions
Source: Statistics Canada

Construction Investment



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Source: Statistics Canada

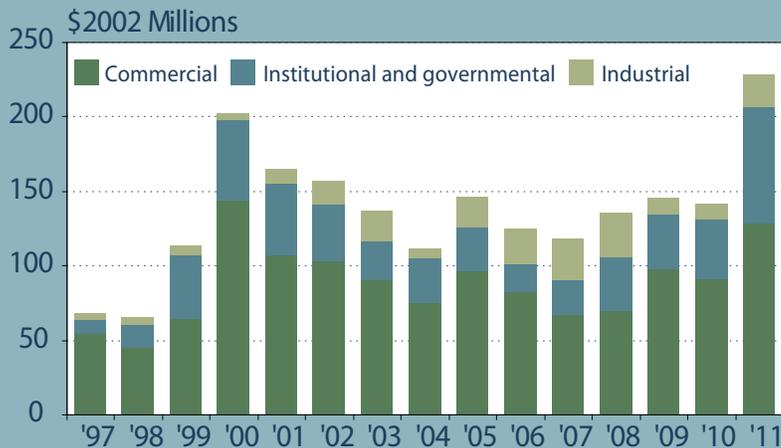
Construction Wages and Employment



Source: Statistics Canada

NON-RESIDENTIAL BUILDING CONSTRUCTION

Investment, Non-Residential Building Construction, St. John's CMA



Source: Statistics Canada

Total Non-Residential Building Construction Investment (\$2002 Millions)

Census Metropolitan Area	2010	2011	2010-11
Abbotsford-Mission, BC	\$67.3	\$116.9	73.7%
Thunder Bay, ON	\$68.0	\$113.3	66.5%
St. John's, NL	\$141.7	\$228.1	61.0%
Ottawa-Gatineau, Quebec part, ON/QC	\$193.1	\$308.3	59.6%
St. Catharines-Niagara, ON	\$297.7	\$456.0	53.2%
London, ON	\$377.9	\$517.9	37.0%
Guelph, ON	\$151.8	\$202.1	33.1%
Kitchener-Cambridge-Waterloo, ON	\$713.1	\$818.9	14.8%
Sherbrooke, QC	\$166.0	\$186.3	12.2%
Windsor, ON	\$253.5	\$272.8	7.6%

Source: Statistics Canada

About 60% of total non-residential building construction investment in the province occurs within the St. John's CMA. Investment in non-residential building construction is based on building permit information and, as such, excludes expenditures on investments that do not require a building permit (e.g., bridges, roads, oil production facilities). Since 2007, real non-residential building construction investment in the St. John's CMA has increased by 93% from \$118.4 million to \$228.1 million.

Most of the growth within the St. John's CMA has actually occurred in the past year (+61.0%). The table lists the 10 CMAs with the strongest growth in real non-residential building construction investment in 2011. As indicated, St. John's ranked third. In 2011, commercial building investment within the St. John's CMA increased by 41.1% to \$128.7 million; institutional and governmental increased by 93.7% to \$77.9 million; and industrial increased by 109.3% to \$21.4 million. Some examples of building construction in the St. John's CMA in 2011 include retail stores (e.g. RONA, Best Buy, Pet Smart, Pipers); car dealerships; residences at Memorial University; a recreational complex in Mount Pearl; and the replacement of the Hoyles Escasoni complex.

CONSTRUCTION

Construction Expenditures

Non-residential expenditures accounted for the largest portion of construction investment in 2011, representing 69.0% of the total. This sector reached \$4.0 billion in investment expenditures in 2011, up 37.8% from 2010. The advancement of major projects, in particular activity related to the Long Harbour nickel processing facility, the IOC expansion, the Hebron project and tie-ins to the Hibernia oilfield, all contributed to growth in construction expenditures in 2011. In addition, public sector investment in infrastructure, such as the Trans Labrador Highway, new student residences at Memorial University, and a number of new long-term care facilities supported high levels of spending.

Investment in residential construction remained strong in 2011, increasing 3.9% from 2010. Investment was buoyed by renovations spending. Higher expenditures on renovations (+8.5%) offset a decline in spending on new dwellings (-2.6%). This is consistent with housing starts data which showed a 3.3% decline in 2011 (see *Real Estate*).

Construction Employment and Wages

Employment in the construction industry averaged 18,900 in 2011, the highest level ever recorded in the province, and representing an increase of 22.7% over 2010. Major project development, combined with the government's continued investment in infrastructure, significantly contributed to this increased employment.

Demand for skilled workers have resulted in upward pressure on construction wages. Wages have increased considerably over the past decade (see chart), rising by over 70% from 2001 to 2011. This was the strongest growth among provinces.

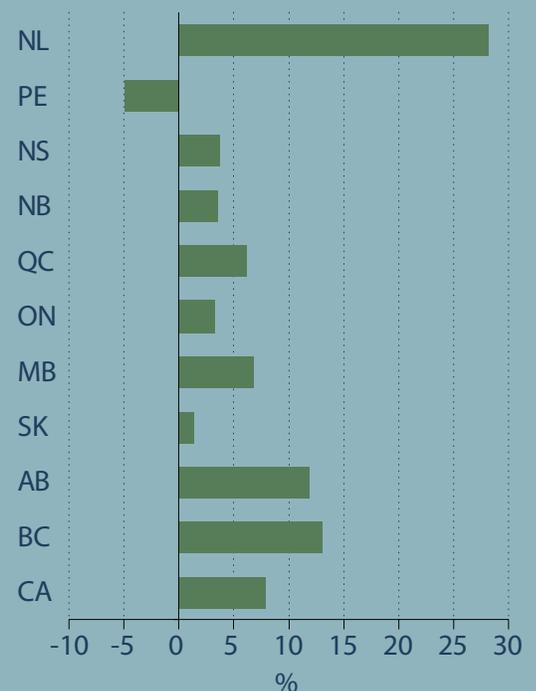
Construction investment is expected to post another record performance in 2012 with spending of \$7.5 billion. Investment growth will be the strongest among provinces.

Non-residential construction spending is projected to increase 41.3%, driven by the continued advancement of major projects such as Vale's nickel processing facility and the Hebron development.

Residential investment is expected to total \$1.8 billion, down slightly from 2011 but still high from a historical perspective.

Over \$28 billion in project spending is planned or underway in the province according to the *Inventory of Major Capital Projects* (see page 75).

Construction Investment Growth 2012



Source: Statistics Canada