



Construction

Definition

This sector comprises establishments primarily engaged in constructing, repairing and renovating buildings and engineering works, and in subdividing and developing land. These establishments may operate on their own account or under contract to other establishments or property owners. They may produce complete projects or just parts of projects. Establishments often subcontract some or all of the work involved in a project, or work together in joint ventures. Establishments may produce new construction, or undertake repairs and renovations to existing structures. A construction establishment may be the only establishment of an enterprise, or one of several establishments of an integrated real estate enterprise engaged in the land assembly, development, financing, building and sale of large projects. There are substantial differences in the types of equipment, work force skills, and other inputs required by establishments in this sector. To highlight these differences and variations in the underlying production functions, this sector is divided into three subsectors. Establishments are distinguished initially between those that undertake projects that require several different construction activities (known as trades) to be performed, and establishments that specialize in one trade.

(Statistics Canada, 2016)



Overview of the Industry

The construction industry continues to be a stable growth industry within Durham Region

(City of Pickering, 2016). Durham Region continues to thrive through investment in public transit, infrastructure, residential and commercial development and energy generation (Millier Dickinson Blais & Durham Region Local Training Board, 2012). Contractors in the construction industry within the Greater Toronto Area (GTA) and Central Ontario have the highest economic outlook on the industry due to substantial investment in infrastructure

and development by the provincial and federal governments (Ontario Construction Secretariat , 2015). Durham Region continues to succeed due to its proximity and accessibility to the larger GTA construction market (Millier Dickinson Blais & Durham Region Local Training Board, 2012). The Region also attracts many construction companies and projects due to its lower priced land in comparison to other locations within the GTA and

the Greater Horseshoe Region (Millier Dickinson Blais & Durham Region Local Training Board, 2012). The construction sector thrives due to constant structural improvements within the region and through the reconstruction and construction of roads, sidewalks and infrastructure, in order to accommodate the continuous growth of the population (Town of Ajax Planning & Development Services, 2013).

In 2014, the City of Oshawa surpassed \$500 million in construction values, through various forms of construction and redevelopment (City of Oshawa, 2015). Construction remains a key sector within the Town of Ajax through projects such as the development of Grand Harwood Place, Pat Bayly Square, and the extension of Highway 407 to Highway 115/35 (Town of Ajax Planning & Development Services, 2013). Within the past five years, the City of Pickering has seen approximately one million square feet of new commercial and industrial space built. This not only brings in construction jobs to the region, it also brings in additional enterprises and companies in order to contribute to the local economy (City of Pickering, 2016). In January

2016, the City of Pickering sold more than 1,000 acres of land within central Pickering to be developed into the Seaton Community, a master community with residential, commercial and office space (City of Pickering, 2016).

This development will bring hundreds of construction jobs to the Region, which will have a spin-off effect onto other businesses. The Municipality of Clarington also has indicated that construction growth is expected due to population and housing growth and large planned construction projects such as the Highway 407 extension and the refurbishment of Darlington Nuclear Generating Station (Municipality of Clarington Planning and Services Department, 2010). Construction remains a key employability sector within the Region as it remains one of the top three employment sectors in the Region (Millier Dickinson Blais & Durham Region Local Training Board, 2012).

The education level of individuals within the construction industry greatly differs due to the diversity of jobs required. Education levels range from a high school diploma and basic on-the-job training to highly advanced post-secondary degrees (Millier Dickinson Blais &

Durham Region Local Training Board, 2012). Post-secondary institutions in Durham Region such as Durham College and the University of Ontario Institute of Technology continue to provide a skilled and educated workforce for the construction sector through a variance of specialized programs and certificates. The Durham Workforce Authority considers the construction industry to be a Subject Matter Working Group because of the current and future industrial, commercial and institutional development projects within the Region. The construction sector has many related industries that either require construction services or provide services for the sector (Millier Dickinson Blais & Durham Region Local Training Board, 2012). The projected increase in population will create the need for expanded residential developments, redevelopments, hospital facilities, commercial areas and additional transit corridors in order to accommodate the future growth of Durham Region. The construction sector is also continuously evolving due to the advancement of technologies and the creation of innovative practices (Millier Dickinson Blais & Durham Region Local Training Board, 2012).

Canadian Business Counts – Durham Region

Data within the Canadian Business Counts table represents counts of active

businesses by industry classification and employment-size categories for Canada and the provinces and territories. The counts are compiled from the Business Register, Statistics Canada’s central

listing of Canadian businesses. The table below represents a sampling of active businesses, as of December 2015 within the Durham Region in the construction sector. Sourced from Statistics Canada 2015.

	Without employees	Total, with employees	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500 +
Total	34,517	14,731	8,308	2,865	1,763	1,176	372	148	71	28
Unclassified	4,509	1,054	914	95	27	12	4	2	0	0
Sub-total, classified	30,008	13,677	7,394	2,770	1,736	1,164	368	146	71	28
Total – Construction	4,421	2,271	1,287	503	270	137	45	24	5	0

Industry Overview (NAICS)

The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. Created against the background of the North American Free Trade Agreement, it is designed to provide common definitions of the industrial structure

of the three countries and a common statistical framework to facilitate the analysis of the three economies. NAICS is based on supply-side or production-oriented principles, to ensure that industrial data, classified to NAICS, are suitable for the analysis of production-related issues such as industrial performance.

NAICS is a comprehensive system encompassing all economic activities. It has a hierarchical structure and is

composed of sectors (two-digit codes), subsectors (three-digit codes), industry groups (four-digit codes), and industries (five-digit codes). At the highest level, it divides the economy into 20 sectors. At lower levels, it further distinguishes the different economic activities in which businesses are engaged. The table represents the top three industries in the construction sector within Durham Region.

NAICS Code	Description	Jobs in Durham Region (POW)	Durham Region Residents Employed (POR)	Total - Class of Worker	Employee	Self-Employed #2	Self-Employed	Median Wages and Salaries (POR)	Average Wages and Salaries (POR)	Median Wages and Salaries (POW)	Average Wages and Salaries (POW)
238	Speciality trade contractors	3,710	5,970	12,885	9,835	3,050	3,035	\$42,808	\$48,590	\$42,669	\$53,233
236	Construction of buildings	1,865	2,415	5,490	3,600	1,890	1,865	\$36,995	\$47,533	\$40,189	\$58,525
416	Building material and supplies wholesaler-distributors	1,490	2,160	2,375	2,325	55	45	\$46,237	\$60,109	\$46,701	\$58,211

* Self-Employed #2 includes self-employed with an incorporated business and self-employed with an unincorporated business. Also included among the self-employed are unpaid family workers.

Definition of Terms

Within this document data related to the industry is classified within two categories:

Place of Work (POW) and Place of Residence (POR).

Place of Work – is defined as individuals employed within Durham Region.

Place of Residence – is defined as Individuals who reside within Durham Region.