

# Ontario needs 1.5 million new homes. But the province faces a generational labour shortage

100,000 new skilled trade workers needed to meet housing demand, province warns



[Patrick Swadden](#) · CBC News · Posted: Feb 21, 2023 4:00 AM EST | Last Updated: February 21



A construction site at Dupont and Bathurst streets in Toronto. The province says it needs more workers in skilled trades to meet housing demands over the next decade. (Patrick Swadden/CBC)

If you ask anyone in Ontario's construction industry, they'll tell you they have a big problem: too much work and not enough workers.

Ontario's government wants to build 1.5 million homes over the next decade, but says it will need 100,000 more workers to carry that out.

"I think this is the greatest economic challenge facing Ontario," said Monte McNaughton, the province's labour minister, in an interview with CBC Toronto.

But it's not just the future we should worry about. The province is currently losing billions of dollars every year and Ontarians are slowly being priced out of their own housing market.

"We've got an enormous problem that's costing the Ontario economy; I think the estimate is \$13 billion a year," said Richard Lyall, president of the Residential Construction Council of Ontario (RESCON), the province's leading residential builders' association.

## **'We didn't plan properly for this'**

"We didn't plan properly for this, systemically. You could see this coming," said Lyall.

Data from RESCON shows 96,000 homes were started last year, well over 50,000 short of the annual targets needed for the province to fulfil its promise. It isn't just affecting the construction of new homes. Contractors are turning down work in every facet of the industry, including restoration, industrial, institutional and commercial, and renovations.

"It's actually shocking. We turn down millions of dollars in work," said Mike Lawrance, president of M-Squared Contracting, a GTA-based firm specializing in home renovations.



Mike Lawrance, the president of M-Squared Contracting, says he turns down millions of dollars in work due to the shortage of skilled trade workers. (Patrick Swadden/CBC)

So where are all these workers we need so badly?

One part of the problem, many experts say, is that Ontario has not been developing enough new skilled talent through the education pipeline to replace the now-retiring baby boomers.

And even if we were, industry experts say we still need to welcome more foreign labourers skilled in construction trades to make up for the shortfall.

Building is big business in Ontario — the construction industry employs around [600,000 workers](#) and makes up just under eight per cent of Ontario's nearly \$1-trillion GDP.

But with the latest [job vacancy rate](#) around 6.6 per cent, tens of thousands of skilled construction jobs have nobody to fill them.

"It's the most restrictive I've ever seen in my career," said Lawrance, referring to the province's labour market. He says his company has been advertising for two years with only "one new hire" to show for it.

## **Not enough students interested in trades**

Lyll says not enough people are choosing a life in the trades, leaving employers desperately scrambling to hire.

"They are lucrative and viable careers," said Lyll.

And he isn't wrong. Recent Statistics Canada figures show average wages in the construction sector typically outperforming other industries.

Nevertheless, filling holes in the labour market will require getting more people into apprenticeships — two- to five-year programs that require mostly on-the-job training supplemented by school, leading to qualification in that skilled trade.

But connecting eager newcomers to willing employers who will train them for half a decade is not as easy as it sounds.

"The programs in place today are not the same as they used to be," said Lawrance. He says a big blow came when the Apprenticeship Training Tax Credit, a program intended to encourage hiring and retaining apprentices, [ended in 2017](#).

"If you look forward another five or 10 years, there's no way there are going to be the apprentices in the program available to fill the roles that the aging population is leaving right now."

It's a problem that's been growing for a long time, according to Lyall, who says the pathways from school to careers in trades aren't there to the extent that they should be.

He says most guidance counselors themselves went to university before returning to high schools to work and don't have nearly enough institutional knowledge in skilled trades to guide students in that direction.

"We call it the third wall in the guidance offices. You've got the university wall, you've got the college wall, but where's the skilled trades wall? Well, it doesn't exist."



Richard Lyall, the president of the Residential Construction Council of Ontario, says the province's education system needs more pathways to careers in the skilled trades. (Paul Borkwood/CBC)

Even if Ontario revamped its education system to get more students into trades, the province would still need skilled foreign workers to meet the current demand for housing.

Lawrance says he's often turned to the Temporary Foreign Worker program to hire from outside Canada — a program requiring government documentation showing a need for a foreign worker to fill the job.

It's a very challenging process to get through as a small business, he says, with "a lot of red tape, time spent and other associated costs."

## **Difficult process staying in Canada, say workers**

One such temporary worker is Nikos Diamantopoulos from Greece, who works for Michelis Spray Foam and spoke to CBC News on a job site in Scarborough.

He says he has learned spray foam insulation well over the year and a half he's been here, but worries daily about how many points he has earned toward his permanent residency.

"I like Canada, I want to work here. I have the skills, to be honest, to stay here and to work."

But even now, it's uncertain if he will even get his permanent residency after having started to "build a life here," he says.

"And after that, start from the beginning again? It's a little awkward."

His boss, Stefanos Michelis, says he wishes the government made it easier to come to stay and work in Canada, adding that finding labourers and apprentices is "very difficult."



Stefanos Michelis, owner of Michelis Spray Foam, says most of the people applying for work with this company don't have papers to work legally, which makes it even more difficult to hire. (Paul Borkwood/CBC)

He told CBC Toronto 80 per cent of the people applying for work with his company don't have a Social Insurance Number to legally work in Canada.

Michelis says he's certain the labour shortage would be improved if Ontario could legally hire some of these skilled workers.

"Let's get them in the system. Let's get them to pay tax."

Canada [welcomed](#) record numbers of new permanent residents in 2021 and 2022, but Lyall says not a high enough percentage of these workers are skilled in construction trades.

It's a problem Ontario continues to grapple with, but even with changes coming to the education system that encourage youth to get into trades, the province is still looking for thousands of workers.

"We need to act now, especially if we have these milestones we need to hit in the province of Ontario," said Michelis.

"That's a lot of dwellings to be built within our province. You're going to need hands to do it."