Submission to the 2026-2030 Sustainable Jobs Action Plan for Natural Resources Canada



Introduction and Industry Overview

The <u>Canadian Home Builders</u>' <u>Association (CHBA)</u> is the voice of the residential construction industry in Canada, representing some 8,500 member firms across the country. Our membership spans new home builders, renovators, developers, trade contractors, building material manufacturers and suppliers, lenders, and other professionals in the housing sector – and builds low-rise, mid-rise, and high-rise homes for both ownership and rental.

Discussion Questions

To advance opportunities for your region/sector and Canada more broadly, what should the 2026-2030 Sustainable Jobs Action Plan prioritize for the next five years? What foundational actions are needed for long-term success, including to ensure the sustainable jobs legislative principles are applied across government?

Improving the energy efficiency of existing homes is crucial to reaching Canada's greenhouse gas (GHG) emissions reductions goals. There are over 15 million existing homes in Canada, almost all of which can significantly improve their energy performance – and the industry will need the labour force to do it.

Given the dual need to build homes more affordably as well as address climate change concerns, the 2026-2030 Sustainable Jobs Action Plan should prioritize efforts to support the workforce needs of the residential construction and renovation sector, including in housing that focuses on improved energy and GHG emissions performance, which delivers greater durability, comfort, and indoor air quality for better occupant health, as well as reduced energy bills.

Foundational actions needed for long-term success include supporting industry education and cost-optimization initiatives to bridge the knowledge gap and accelerate the industry's capacity to build these homes and deliver these renovations.

How do you or your organization currently access and use labour market data, including for future energy planning? What challenges do you face in doing so and what types of data are most valuable to your work or decision-making? (e.g. geographic level, industries, occupations, demographic groups, other forms of disaggregated data)

Unfortunately, the federal government does not collect sufficient data about the residential construction labour force, including for those delivering housing with improved energy and GHG emissions performance.

<u>BuildForce Canada</u> is the only organization in Canada producing labour market information (LMI) that specifically parses out the workforce needs of the residential construction and renovation industry. This includes insights into the labour needs to decarbonize home building and renovations.

CHBA uses this data, along with some data from Statistic Canada's Labour Force Survey, to both develop policy recommendations for government to support the residential construction industry in its efforts to retrofit existing homes, as well as develop CHBA training to help the industry voluntarily pursue Net Zero performance for both new and existing housing through CHBA's Net Zero Home Labelling Program.

That said, access to more and better labour market data that specifically relates to the jobs in the residential construction and renovation industry is critically needed to better inform workforce programming and initiatives.

See responses to Q3 and Q4 for more details.

What data and information should be a priority for the federal government to analyze or collect to better track existing and future gaps in low-carbon skills and occupations, and related training?

One main reason that the federal government lacks proper residential construction data is that the National Occupational Classification (NOC) system does not properly reflect the trades and occupations in the sector. CHBA has long advocated for a change to the NOC system to no avail. Given the housing crisis, it is high time that the federal government properly update the NOC system to reflect the actual occupations in residential construction and the TEERs in which they belong.

A first step would be for government to consult BuildForce on both their Residential Scenario Outlook (2024-2033) report and their Building a Greener Future report. Both reports showcase the skills gaps the industry will face over the next decade (22% of the industry is set to retire by 2033 and it also must grow to 1.04 million workers to reach housing targets) to both scale up housing supply and help restore affordability, as well as support the green/low-carbon transition. BuildForce is also engaged with CHBA in updating the occupation system they use (an updated NOC system, if you will), to better reflect the needs of industry.

To gain a full understanding of the home construction sector and its needs, the government should also consult CHBA and other industry stakeholders when developing new training programs. This would also allow the government to assess whether new training programming is actually needed, as in some cases, building on CHBA's Net Zero training might be the path forward to avoid duplicative efforts/costs. CHBA member surveys show that the majority of workforce training is done on-the-job – working with CHBA can help better align the government's goal to green the economy with the training needs of the home building industry to help do just that.

Responses to Q4 outline why existing government programming has historically not well-supported the home building industry.

What are the strengths and weaknesses of existing federal skills training programs to fill specific existing and future skills gaps in critical sectors, including energy, natural resources, low-carbon and resilience-enabling sectors? What models or mechanisms do you consider to be the most effective solutions?

Unfortunately, current government programming does not adequately address the needs of the residential construction workforce, as it's often developed using misguided assumptions. When creating workforce programming for the residential construction sector, it is critical to remember that the industry is:

- Different from the industrial, commercial, and institutional construction (ICI) sector and has entirely separate needs.
- Largely made up of SMEs CMHC data shows that <u>69.5% of the 40,349 businesses</u> employing workers in the residential construction industry were microbusinesses with just 1-4 employees.
- Largely <u>not</u> unionized only 10% of the residential construction workforce outside of Quebec operates in a unionized environment (most of whom are in the GTA).
- Not adequately supported by the apprenticeship system many in-demand jobs in residential construction do not require full apprenticeship training.

Many existing government programs prioritize unionized labour (e.g., UTIP funding) and apprenticeships, which, as a result of the above facts, do not adequately support the real labour needs of the residential construction industry. This misalignment means that the residential construction industry is not receiving adequate support to address the industry's growing labour gap – a problem that only increases the cost to build and renovate homes and simultaneously stifles the industry's ability to expand its capacity to affordably deliver homes that are more resilient with improved energy and emissions performance.

CHBA continues to explain to policymakers and government officials that measures to support the residential construction workforce must look beyond union models and the Red Seal trades to not only close the housing supply gap and help restore affordability for Canadians but to also support the green transition of existing homes. Employer-led training is key to success in the sector.

What priority actions should the federal government take to support workers to efficiently upskill their existing credentials, and support low-carbon industries to find skilled workers? How should the federal government collaborate with external partners to address low-carbon skills and training gaps?

Due to the factors mentioned above, much of the existing government programming does not support the residential construction workforce.

Priority number one should be to consult CHBA and industry before developing workforce programming for the home building sector, as industry cannot build capacity for high-performance housing if it does not have enough of the right kinds of workers to do so.

As such, CHBA recommends that the government introduce a federal skills training incentive program that invests in <u>CHBA's Net Zero training for builders, renovators, and energy advisors</u> to support workers in upskilling their existing credentials and fostering the move to a Net Zero economy.

CHBA has also submitted a proposal to multiple government departments for a *Talent Pipeline Concierge Service for Employers* that aims to significantly ramp up workforce capacity, better match qualified workers with jobs in the sector, and respond to labour market needs. Investing in this project would be a welcome first step in developing robust talent pipelines and pathways to support home builders and renovators in their efforts to hire, effectively onboard, and retain workers.

What federal actions are most important in the near term to support diversifying the workforce in key sectors? What initiatives (by industry, government, or other organizations) are successfully supporting the inclusion, recruitment, retention, and leadership of Indigenous Peoples, Employment Equity groups, women, and youth in the low-carbon economy and workforce?

To support the diversification of the home building and renovation workforce, including in homes with improved energy and emissions performance, it is imperative that the

government engage industry in the development of workforce planning and programming initiatives specific to the home building and renovation sector. This includes developing programming to encourage more Canadians to choose a career in residential construction, particularly youth, women, Indigenous populations, and other equity-deserving groups.

As an industry, CHBA's <u>Women in Residential Construction Council (WIRCC)</u> is leading the way in championing the advancement, support, and representation of women and underrepresented groups in Canada's residential construction sector, including homes with improved energy and emissions performance.

The government must also engage in efforts to align the immigration system with skills gaps in the sector and develop programming to encourage more newcomers to enter the industry. CHBA continues to recommend that government make changes to the immigration system to enhance category-based selection for Express Entry to support the specifics of residential construction and renovations, including updating the NOC system and bringing in lower TEER workers.

The federal government should also work with CHBA to facilitate labour market integration for newcomers and those already in Canada (asylum seekers, etc.). This includes an investment for CHBA to develop a language and health and safety training course specific to residential construction – these are frequently cited as key barriers for newcomers looking to enter the sector.

Actions to foster the move to a net-zero economy and the creation of sustainable jobs exist across all levels of government and society. What actions can your organization contribute to support achieving the changes needed?

CHBA continues to be deeply engaged in training and education initiatives to help expand the capacity of the residential construction industry to voluntarily deliver Net Zero Homes and Renovations.

The <u>CHBA Net Zero Home Labelling Program</u> provides the industry and Canadians with a clearly defined and rigorous two-tiered technical requirement that recognizes Net Zero and Net Zero Ready Homes and identifies the builders and renovators who provide them. The program, which involves various <u>Net Zero training courses</u>, has labelled thousands of homes in Canada.

Through CHBA's <u>Towards Net Zero Renovations</u> initiative, in collaboration with Natural Resources Canada (NRCan), CHBA is successfully helping train renovators to achieve

affordable/cost-effective Net Zero and Net Zero Ready Renovations, all to improve the energy efficiency of existing homes to support Canada's GHG emissions reductions goals.

CHBA has also previously delivered a pilot initiative that advanced solutions, technologies, and approaches to building Net Zero and Net Zero Ready multi-unit residential buildings (MURBs) and delivered NRCan Local Energy Efficiency Partnerships (LEEP) workshops to enable builders, renovators, technical experts and other professionals to rapidly build industry capacity for high-performance construction and renovation.

Does this discussion paper target the right themes and areas requiring change? Do you have anything else to add that has not been covered above or in previous engagements?

N/A

Conclusion

For any questions or requests for more information, please contact Emily Fielden, Policy and Communications Analyst at emily.fielden@chba.ca.