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B.C. Construction Monitor

The B.C. CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the curve information and statistics on the B.C. construction industry and issues relevant to it.

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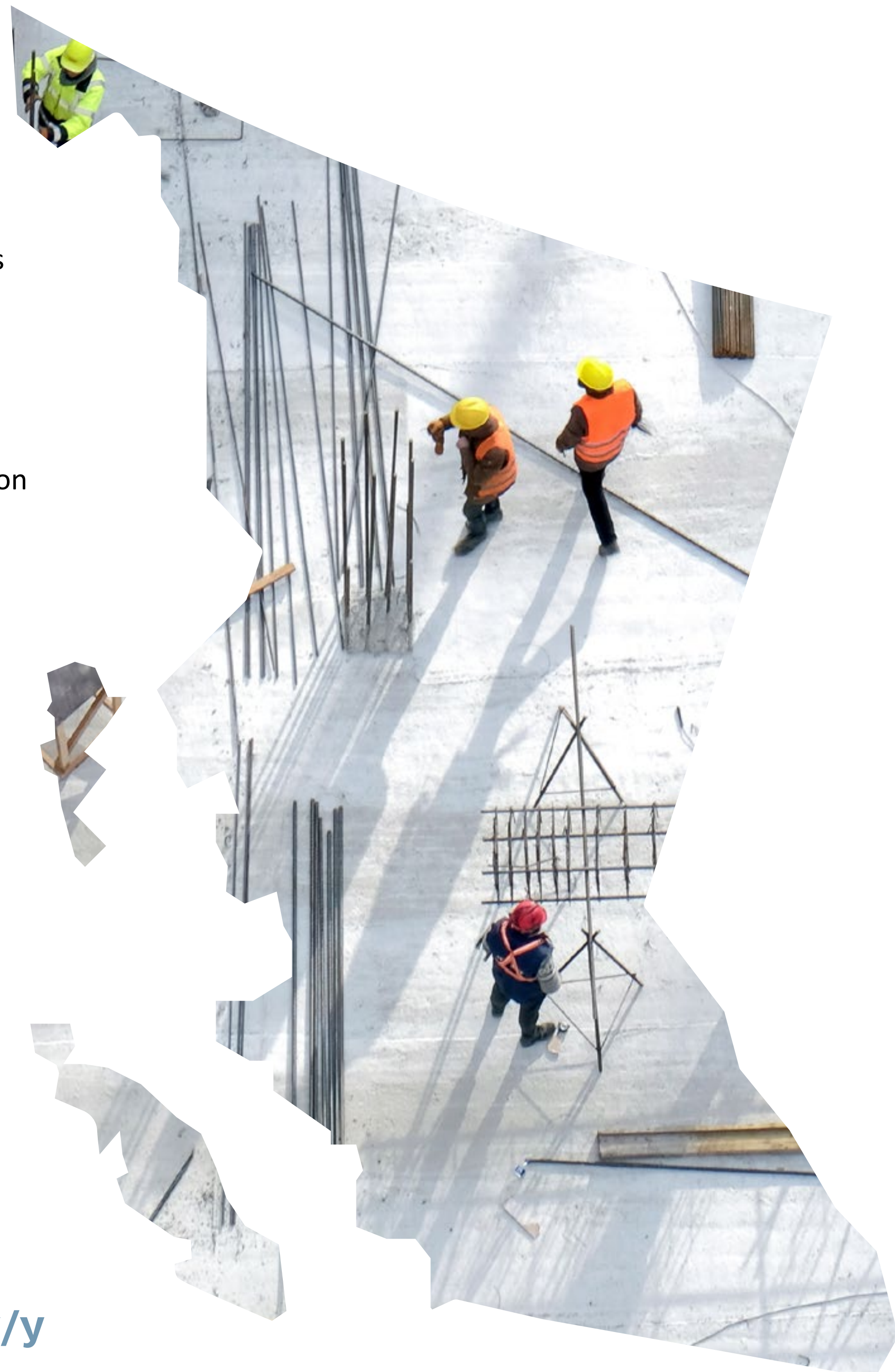

Construction share of total all-industry GDP
9.9%

Value of all projects in the B.C. major projects inventory
$392B

Value of major B.C. projects under construction
$158B

B.C. urban housing starts
29,729 -33% y/y

B.C. MLS home sales
-9.7%

Total value of building permits issued
$2.1B +1.5% y/y

Employment in the construction industry
254,000 +6.3% y/y

Average weekly wages, construction
$1,488

B.C. businesses with paid employees
218,000

Number of construction companies in B.C.
27,780

For details on data sources, visit **icba.ca/economics**

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B.C. Investment Climate Reeling from Both External and Internal Threats

Amid a brewing trade war with the United States, the investment picture has darkened across the country – including in B.C., where there is the added burden of a left-leaning B.C. NDP government that has implemented many policies over the past several years which have hindered private sector capital spending and overall business growth.

Like Canada as a whole, British Columbia falls far below the United States and other leading advanced economy jurisdictions in how much enterprises invest in their businesses, particularly when measured on a per employee basis. Since late 2015, business investment per available worker has fallen across all categories of capital spending.

Moreover, Canada has lost significant ground against the United States on this important metric. Since B.C. roughly matches Canada in overall investment performance, this means our province has suffered a decline in capital spending per employed person relative to our principal trading partner. With a smaller and less up-to-date capital stock, workers in many B.C. industries are not as productive as they could be, limiting the scope for increases in "real" (inflation-adjusted) employee earnings. (Figures 1 and 2)

1 Change in Canadian Non-residential Capital per Available Worker, Q4 2015 to Q2 2024 (overall percentage change)

-8% ↓
Total capital spending per available worker

-21% ↓
Machinery and equipment investment per worker

-13% ↓
Non-residential building construction investment per worker

-4% ↓
Engineering construction investment per worker

2 Investment Per Available Worker, Gap Between Canada and the U.S., 2023, Cdn$

Investment in structures	+$1,000
Machinery and equipment investment	-$6,000
Intellectual property investment	-$7,000
Total investment per available worker	-$12,000

Sources: C.D. Howe Institute

Prior to Donald Trump's return to the U.S. Presidency, there were grounds to hope for a modest pick-up in business investment in B.C., after a lacklustre 2024. Lower interest rates were the principal reason for a sunnier investment outlook. According to Statistics Canada's investment intentions survey completed late last year, total capital and repair expenditures in Canada – excluding the housing sector – were projected to climb by 5.5% in 2025, with both the private (+5.5%) and the public (+5.8%) sectors on track to post gains. In the same survey, businesses and public sector organizations in British Columbia collectively indicated they expected to increase non-residential investment by a little less than 1% compared to the level in 2024. The accompanying figure reports on actual capital and repair spending (excluding housing) in British Columbia from 2021 to 2024, along with Statistics Canada's initial forecast for 2025. (Figure 3)

3 B.C. Capital and Repair Expenditures, Non-Residential Tangible Assets (dollars)

2021	$45.4 billion
2022	$53.2 billion
2023	$61.2 billion
2024	$59.9 billion
2025	$60.3 billion

**Statistics Canada forecast based on the agency's most recent investment intentions survey. Sources: Statistics Canada, Table 34-10-0035-01.*

Note that the increases in investment over the two years 2022-23 primarily reflected jumps in capital spending in three areas of the B.C. economy: mining/oil and gas, transportation and warehousing, and the broad government sector.

Non-residential building construction represents a large share of aggregate business non-residential investment; engineering construction and investment in machinery and equipment are the other main categories. The figure shows non-residential capital expenditures in Canada across the various types of "tangible assets," as of 2023 – the last year for which official data are available. (Figure 4)

4 Capital Expenditures on Non-residential Tangible Assets, Canada, 2023

Non-residential buildings	$75.4 billion
Industrial buildings	$16.2 billion
Commercial buildings	$33.3 billion
Institutional buildings	$25.9 billion
Heavy/Civil/Engineering construction	$153.0 billion
Machinery and equipment	$124.0 billion

Sources: Statistics Canada, Table 34-10-0039-01.

Unfortunately, mounting trade tensions and a possible tariff war with the United States have dampened the prospects for business investment. A growing number of forecasters now see back-to-back declines in "real" (inflation-adjusted) non-residential construction investment in Canada over 2025-26, owing to escalating tariffs and wider economic uncertainty caused by President Trump's shambolic policy agenda. (Figure 5)

ICBA Economics expects a similar pattern of weaker investment to unfold in B.C., based on the current state of U.S.-Canada trade relations and existing government policy settings which, overall, make it unattractive to invest in B.C. across a range of industry sectors.

5 Annual % Change in Real* Investment Spending in Canada

	2023	2024	2025	2026
Total business investment	+1.0%	-1.9%	-3.4%	-0.2%
Non-residential construction investment	+3.2%	-1.8%	-1.0%	-0.8%
Machinery and equipment investment	-2.7%	-2.1%	-6.4%	-0.9%

Sources: BMO Economics, Canadian Economic Outlook (March 21. 2025)

Three Takeaways for Your Construction Company

B.C. is falling behind on investment. Businesses are investing less per worker, limiting productivity and wage growth — and slowing project opportunities.

Trump's tariffs threaten construction. The U.S.-Canada trade war is creating uncertainty, delaying projects, and driving up costs of materials.

B.C. NDP policies are compounding the problem. High taxes, red tape, and union-only labour deals are pushing investment and jobs out of B.C.