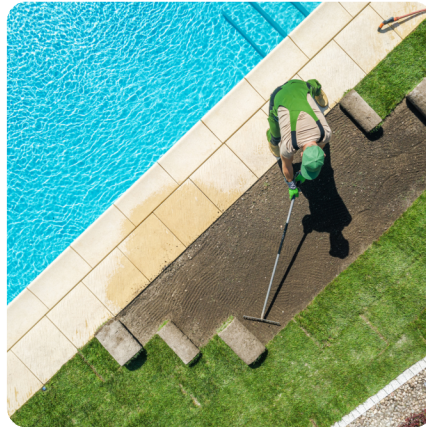


2024

Business Retention & Expansion Survey

Skilled Trades & Construction Sector





Executive Summary

Active residential development planning files indicate that within the next decade, developers intend to build more than 8,000 homes throughout Prince Edward County. While increasing the area's housing stock with new and diverse types of housing is critical to resolving affordability, workforce and other livability challenges, the construction of these homes can only be realized with a strong Skilled Trades & Construction sector.

Results of the Business Retention and Expansion survey (BRE) indicate:

- *Continued Workforce Challenges:* Interest rates and inflation have caused the sector to cool from 2020/2021 levels, as reflected in recent dips in the number of building permit applications. Some interviewees reported an increase in inquiries from skilled trades workers seeking work. However, concrete specialists, framers, drywallers, landscape masons and finishing carpenters are all highly in demand. Many respondents said they would hire general labourers, if they could find them. Several residential housing developers noted that they will not be able to complete their projects without relying on labour from around the wider region and the Greater Toronto Area.

- *Lack of Affordable Housing:* One of the biggest challenges for both recruitment and retention of skilled trades is the lack of attainable housing. Virtually all respondents note that it is their single biggest barrier to finding and keeping employees. Worse, as developers are forced to import workers, the costs to construct housing rises, potentially putting affordability of housing stock in Prince Edward County further out of reach.

- *Infrastructure:* Residential housing developers noted that without strong commitments to expand municipal infrastructure, housing projects will not proceed.

- *Lack of Employment Lands:* Growth in the sector is being hindered by a lack of access to available properties zoned for use by skilled trades and construction businesses. This echoes similar findings from the 2023 All Sector BR+E survey.

- *Municipal Service Improvements are Needed:* Delays, inconsistent information, lack of clarity and lack of consistency in municipal services was noted by virtually all respondents. While some friction between developers or builders and municipal staff is to be expected given their different roles and interests in the process, there were clear calls for improvement.

- *Training & Workforce Development:* Work in the skilled trades can be lucrative, yet many respondents noted a frustratingly shallow pool of candidates suited to the physically demanding nature of the sector. There are several local and regional services to support attraction and retention of workforce, as well as skill development.

However, awareness of available supports was relatively low, and many respondents suggested some misalignment with employment programs, as training graduates were still seen as unsuited for active job sites and unlikely to last.

Background



A BR+E helps municipalities gauge the health of the local economy, as well as identify issues, challenges and opportunities. During 60-90 minute face-to-face interviews, questions were asked about five themes:

- Prince Edward County as a place to do business;
- availability and suitability of skilled workforce;
- supports to help businesses development or diversify;
- community development needs that help with workforce attraction and retention;
- the business's future plans.

This initiative was led by Karen Palmer, Economic Development Officer. A Steering Committee included regional partners representing Career Edge, Loyalist College and the Prince Edward Learning Centre. Representatives from the PEC Chamber of Commerce, Picton BIA and Quinte Home Builders Association joined the Steering Committee to help finalize recommendations.

Using funds from Ontario's Rural Economic Development (RED) program and budgeted municipal contribution, Farrell Insights was engaged to help design the survey, conduct interviews, and to analyze, understand and present survey results.



Key Findings

"Filling holes on the leadership team (is a challenge). Our business was founded 35 years ago; experienced people are aging out and they're hard to replace."

"(It's a challenge) meeting the wage requirement of non-local staff; we need to pay them more because they're coming in from elsewhere."

"A lot of the younger generations, unfortunately, some aren't willing to put their time in before they want to jump to the next level. Sometimes that's frustrating."

"I am worried that there may not be someone to follow me and other tradespeople in the County."

Housing

In Prince Edward County, housing is seen as the biggest barrier to attracting and retaining skilled trades workers - there aren't enough affordable options for entry and mid-level workers, whether rentals or home ownership, and there are few options for temporary workers brought in from around the region or the Greater Toronto Area.

Workforce

Respondents noted that while the landscape is changing due to a slowdown in the sector, there still aren't enough labourers or specialists and the succession pipeline of workers is concerning.

A 2021 report from the Royal Bank of Canada shows 700,000 skilled tradespeople are expected to retire across the country by 2028, and predicts that "Canada's workforce will see a 10,000-worker deficit in 56 nationally recognized Red Seal trades over the next five years - a scarcity that could be widened tenfold when 250 provincially-regulated trades are added into the mix."

"Find housing for local guys to live in so that they afford to live and work here. Open up zoning so that we can find or make housing for our staff."

"Lack of affordable housing will always be a drain on anyone wanting to expand. I know people who could and want to [expand], but they can't find the staff here to do it."

"Our biggest challenge is that there's nowhere to stay, no incentive to stay. Even if people are able to stay, The County is unaffordable. It's cottage country and that makes it highly outside of people's means. What is incentivizing our young people to come and settle and invest and build a future for themselves? Even if they did find a place outside of the region, how do we get them in, because we don't have the transit?"

Key Findings

"Margins are so thin right now - the cost of doing business is high and sometimes I feel like I'm handling money rather than making money. For example, insurance for the business went up to \$100K, from \$45K eight years ago."

Room for Growth

Lack of access to industrial / employment lands is an urgent challenge. Some operators will be lost in the next few years due to the lack of available / affordable space. This impacts not only skilled trades and labourers, but also administrative, sales and professional staff. Several respondents noted that this lack of space is hindering the future of their business; a couple noted that if space was available, they would likely grow, but hadn't considered it due to the lack of available space.

"If they show a good work ethic, show up on time, etc. then I'll encourage and support them to get their training. I'll even loan them the money to do it."

"Look at running practical training programs like how to manage money and how to pay HST."

"I'm just looking for the 'diamond in the rough.'"

Operational Realities

High material and labour costs, rising interest rates, inflation, regulations and insurance fees are all squeezing operators, which is challenging not only for the future of the business, but also for the affordability of their final product or service.

"Finding a suitable spot for a workshop, storage or an office (is a challenge). Rent in PEC is way too high. I see a lot of under-utilized spaces - old factories or old barns - that could be repurposed or replaced with an ICF [insulated concrete form] shop or workspace."

"Finding indoor space for equipment, or an equipment yard (is a challenge)."

Training

Results on training were mixed. Most respondents lamented the years of lost local shop/welding classes for high school students. Some felt there could be promise in looking at community initiatives that help introduce youth to basic construction skills.

However, most did not see external training as valuable - they prefer to mold inexperienced employees with in-house mentoring, training and support. Still, some training was highlighted as useful for preparing entry-level workers, including basics around working at-heights, first aid, working in confined spaces, as well as health & safety.

Key Findings

"I appreciate that so much has been digitized or computerized in recent years - it makes it faster and more efficient."

"Please hire more building inspectors - I've seen eight different inspectors over the past 5-10 years. There's no institutional memory. And pay them more!!!"

"iCloud is fantastic, I love it, it's great. Dealing with The County is infinitely easier than Belleville or Trenton. Inspectors are more accessible."

"There's no direction from the municipality in terms of the Official Plan - it's worse here than other places, including Quinte West and Belleville."

"I wish there was a checklist, rather than a moving target. It feels like there's a lot of subjectivity and a lot of useless peer reviews."

"Pre-consultation should be 95% of what is required. We meet with Planning and Building to find out what we need, there's a long turnaround time and then a need for new things. It happens again and again and there's a compounding cost and customer pushback. And it majorly messes with our schedule!"

"Take the approach of working WITH people, not against them. Be more consistent in messaging. It's very frustrating to get different answers from different people."

"Take complaints about Planning with a grain of salt. A lot of time is wasted with property flippers. I would love for there to be a way to forge ahead with those with a proven track record."

Municipal Services

Reaction to municipal services varied depending on the type of service they were speaking about. Respondents spoke highly of iCloud, the online permitting platform, and high-quality customer service in the Building team.

Room for Improvement

However, the perception of red tape remains an issue, particularly with regards to Planning approvals. Operators want consistency, clarity and better communications.

The recently implemented Complete Application and Pre-Consultation By-law will help in increasing clarity in communication between staff and the business community, but likely is too new (too few projects have been completed under that framework) to have had a tangible impact on the business community yet.

The Planning process is a public process, meaning that external agencies and members of the public can both positively and negatively affect the anticipated timing and cost of a Planning application. Early consultation is integral to a more transparent and efficient process.

It's also clear that the municipality needs to strengthen its customer focus, keeping needs of the business community at the core of processes. The 2023 All-Sector BR+E showed similar results, with high levels of frustration with municipal processes, and low levels of satisfaction with municipal support.

Comments continue on the next page.

Key Findings

"There's lots of turnover. Planners probably are not getting paid enough. There's no institutional memory, which is a huge problem."

"Too much is open to interpretation and there's too much variation - one guy gets one thing and another doesn't, but nobody understands why."

"PEC has a quicker turnaround time than some other jurisdictions, but there's a lot of variation in what we need to do, where and when. We need some consistency in how rules are interpreted and applied."

"Hire more Planners! They can't do the job without more support; developers get tired of the delays. Find ways to encourage more open communications between Council and Staff."

"Prince Edward County is a special place and I don't want it to change to be more developer friendly. That will not make it a nice place. However, change it to foster the kind of projects the County wants. Score it - weigh it based on community, economic, planning, building and engineering needs as defined by Council. Then invest staff time into helping those projects come together."

Sustainability

Some respondents felt the municipality could do more to encourage green or sustainable builds, through tax credits or incentives. This aligns with the municipality's Strategic Plan and the Local Governments for Sustainability Canada and Federation of Canadian Municipality's Partners for Climate Protection initiative.



Next Steps

Staff are currently working on an Economic Development Strategy, looking at short- and medium-term actions that can support and grow existing businesses, and mapping out a path towards greater economic diversification, one of the pillars of the PEC strategic plan.

Staff are also mapping lands already zoned for industrial or manufacturing use and will be connecting with property owners about potential opportunities.

Improvements have been made to the Doing Business section of the municipality's website, to better share information for new and expanding business operators. Further improvements are planned, to help better prepare applicants for the Planning and Development process.

A third party will also be engaged to conduct a delivery review, with recommendations to follow on improving services for the business community.