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Leading a stronger building
materials industry.**

A STRATEGICALLY IMPORTANT RETAIL SECTOR

The map illustrates the geographical distribution of forest products companies across North America. The United States is shown with state boundaries and names, while Canada is shown with provincial boundaries and names. Various icons (trees, sawmills, trucks) are placed across the map to represent different types of forest products. Key companies labeled include Weyerhaeuser - Evergreen, Idaho Forest Group - G..., Sierra Pacific Industries, Spruce Products Limited, Norbord Barwick, GreenFirst Sawmill, and Catale Sawmill. The map also shows major cities like San Francisco, Los Angeles, San Diego, Las Vegas, Dallas, Houston, San Antonio, Monterrey, Chicago, New York, and New York City.

Table of Contents

EXECUTIVE SUMMARY	2
1. INTRODUCTION	4
1.1 Purpose of this report.....	4
1.2 The economic impact model	5
2. ECONOMIC IMPACTS: BUILDING SUPPLIES DEALERS ACROSS CANADA	6
2.1 Building supplies dealers: Economic profile	6
2.1.1 Revenue trends	6
2.1.2 Firm profile	6
2.1.3 Employment trends	8
2.2 Building supplies dealers: Economic impact analysis	9
2.2.1 GDP contribution	9
2.2.2 Employment and income effects	10
2.2.3 Taxation impacts	12
2.2.4 Household spending impacts	13
3. BUILDING SUPPLIES DEALERS: BROADER ECONOMIC IMPACTS	14
3.1 Selling Canadian-made products	14
3.2 A good employment sector	16
3.3 Entrepreneurship in the sector.....	17
3.4 Distributed economic benefits	17
4. ECONOMIC IMPACT OF THE BUILDING MATERIALS WHOLESALE SECTOR	18
5. THE IMPORTANCE OF A THRIVING BUILDING SUPPLIES DEALERS SECTOR	19
5.1 Supporting the home building and home improvement sector	19
5.2 Supporting trade diversification.....	21
5.3 Ensuring a strong talent pipeline	21
5.4 Addressing ownership succession	23
5.5 The building supplies dealers sector and financial health.....	23
6. CONCLUSION	24
APPENDIX A: THE ECONOMIC IMPACT MODEL AND SOURCES	25
APPENDIX B: ABOUT JUPIA CONSULTANTS INC.	26

Executive Summary

The building supplies dealers sector across Canada is a strategically important retail sector with nearly 7,900 stores employing 155,000 staff and generating \$45.8 billion in sales in 2024. The sector provided a significant boost to national gross domestic product (GDP) through its operations during the year, but the sector's impact goes well beyond what happens in the stores. More than most other retail trade sectors, the building supplies dealers sector sources a considerable number of Canadian-made products supporting tens of thousands of jobs in provinces and local economies across the country. The economic impact model developed for this report includes estimates of the direct, indirect (supply chain) and induced spending associated with the sector's operations in 2024. Section 3.1 looks at the supply chain benefits across the country.

ECONOMIC IMPACT OF THE BUILDING SUPPLIES DEALERS ANNUAL OPERATIONS

Table 1 provides a summary of the sector's impact on the Canadian economy. The operational expenditures of the sector boosted gross domestic product (GDP) by \$18.6 billion, labour income by \$11.8 billion and tax revenue to governments by an estimated \$4.4 billion just from operations. Through direct, indirect and induced effects, 203,500 full time equivalent (FTE) jobs were supported across the country. Further, the labour income generated by the building supplies dealers sector boosted household spending by an estimated \$8.6 billion supporting businesses large and small in a broad range of industry sectors. Section 2.2 provides a full review of the approach and findings of the economic impact model.

Table 1: Summary economic impact, building supplies dealers sector across Canada (2024)

	Total number of retail stores	7,870
	Retail sales (2024)	\$45.8 billion
	National GDP contribution	\$18.6 billion
	Employment and income	
	Direct employment (non-FTE)	155,000
	Employment supported (FTE) ²	203,500
	Total employment income	\$11.8 billion
	Taxes generated from operations¹	
	Municipal government	\$477 million
	Provincial government	\$2.2 billion
	Federal government	\$1.8 billion
	All levels of government	\$4.4 billion
	Taxes generated relative to GDP	23.8%
	Household spending (generated by employment income)	\$8.6 billion

¹ Sales taxes generated from the sale of goods and services in the stores was not estimated. See Section 2.2.3.

² Full time equivalent (FTE) employment from direct, indirect and induced effects.

THE BUILDING SUPPLIES DEALERS SECTOR IN CANADA HAS MANY OTHER POSITIVE ATTRIBUTES INCLUDING:



The industry is growing its impact

Building supplies dealers revenue is up 19% between 2019 and 2024.



It benefits communities large and small across the country

There are building supplies dealers in 1,500 different communities ranging from villages with a few hundred residents to the City of Toronto with more than 300 stores. It is only one of two retail trade sectors that has a higher concentration of employment outside the large urban centres in Canada (CMAs). See Sections 2.2.2 and 3.4.



The ability to scale allows it to service so many communities

There is one building supplies store per 5,200 population across the three provinces and 55% of stores have fewer than 10 employees. The ability of the sector to be able to scale retail stores to a small size is a main reason why there are stores in 1,500 communities across the country (Section 3.4).



The sector is a major employer

Among the larger retail industry sub-sectors, the building supplies dealers sector is a top employer with nearly 155,000 employees. Between 2019 and 2023, employment in the sector increased by 6%, three times faster than overall retail trade employment (+2%). See Section 3.2.



The sector is selling Canadian-made products

Many of the core products sold by building supplies dealers are produced in Canada such as lumber, wood products, doors and windows, paint and other manufactured goods. This is in contrast to most other retail sectors (clothing, vehicles, computers, etc.) where the vast majority of products sold are imported to Canada (Section 3.1).



The sector is benefitting the rest of Canada

Building supplies dealers sell billions of dollars worth of products produced elsewhere in Canada – everything from wood products, metal windows and paint. This is important to the country's economy. To illustrate this, for every \$1 million worth of Canadian-made furniture and kitchen cabinets sold in building supplies stores an addition 10.3 jobs are supported across Canada compared to international imports of furniture and kitchen cabinets. (See Section 3.1 for details).



The sector offers above retail sector wages

The average weekly wage for the building supplies dealers sector is 25% higher than the overall retail trade sector. The building supplies dealers sector offered an average weekly wage 37% higher than general merchandise stores in 2023 (Section 3.2).



The sector offers a variety of career paths

For those looking for a career path, the building supplies dealers sector offers many alternatives. For example, one out of every seven workers in the sector is employed in management occupations (Section 3.2).



The sector is fostering entrepreneurship

According to the 2021 Census there were nearly 8,500 self-employed persons working in the building supplies dealers sector across the country or more than five percent of all employment. See Section 3.3.



Building supplies wholesale is also a large economic sector

The building supplies wholesale sector employs more than 150,000 people across the country and boosted national GDP by more than \$15 billion in 2024. There are over 9,800 wholesale firms ranging from lumber suppliers to drywall to paints and wallpaper. See Section 4.

ENSURING A THRIVING BUILDING SUPPLIES DEALERS SECTOR

The building supplies dealers sector will be an important driver of economic activity in the years ahead. As discussed in Section 5, a boost in sales in the building supplies dealers sector generates far more economic value in Canada compared to a boost in sales in the automobile, appliances, communications equipment, clothing, and other retail sectors.

- There is work to be done. According to Statistics Canada, over 31% of dwellings across the country need minor or major repairs including 44 percent of all dwellings in Nova Scotia and 35 percent in Manitoba (Section 5.1).
- During a time of economic uncertainty, encouraging home renovations provides economic stimulus. A 10% increase in housing-related maintenance and repair expenditures would support 26,000 good-paying jobs, \$1.8 billion worth of employment income and \$2.5 billion worth of GDP across the country (Section 5.1).
- The building supplies sector will be an important partner as the country looks to build stronger trade ties within Canada. There are billions of dollars worth of imports from the United States that possibly could be produced in Canada and sold through building supplies dealers (Section 2).
- While the job vacancy rate in the building supplies dealers sector has dropped to nearly pre-pandemic levels, nearly 50 percent of all business owners in the sector are aged 55 and older necessitating a focus on business succession (Section 5.4).
- Profit margins in the building supplies dealers sector are about average compared to other retail sectors. In the long run it is important for the building supplies dealers sector to achieve margins similar to the industry nationally or it could risk investment and innovation in the sector (Section 5.5).

1. Introduction

1.1 PURPOSE OF THIS REPORT

The objective of the project is to estimate the economic contribution arising from the operations of the nearly 7,900 building supplies dealers across Canada³. The impact model includes direct, indirect, and induced effects. This report provides estimates of gross domestic product (GDP) as well as employment, employment income, taxation and consumer spending.

The report includes a broader set of data to better frame the story of the contribution the industry makes to the national economy. There are building supplies dealers in over 1,500 communities across the country, from one in Fogo Island, Newfoundland and Labrador (population 2,200) to more than 300 in the City of Toronto. As will be shown, a large share of the products sold by building supplies dealers is produced in Canada unlike other retail sectors such as automobiles, clothing and electronics. This is increasingly important due to the increasing trade tension with the United States.

Average wage levels in the building supplies dealers' sector are higher than most other retail sectors and, overall, this industry provides considerably more value and has a broader economic footprint than most other retail sectors of the economy. This report is broken down into five sections:

- Section 1 introduces the economic impact model and report overview.
- Section 2 looks at the economic impact of the industry including its secondary effects on consumer spending, taxation and other economic activity.
- Section 3 summarizes a broader set of economic benefits provided by the building supplies dealers sector.
- Section 4 provides a brief summary of the building supplies wholesale sector.
- Section 5 summarizes the importance of having a thriving building supplies dealers sector.

Appendix A includes a detailed description of the economic impact model and sources.

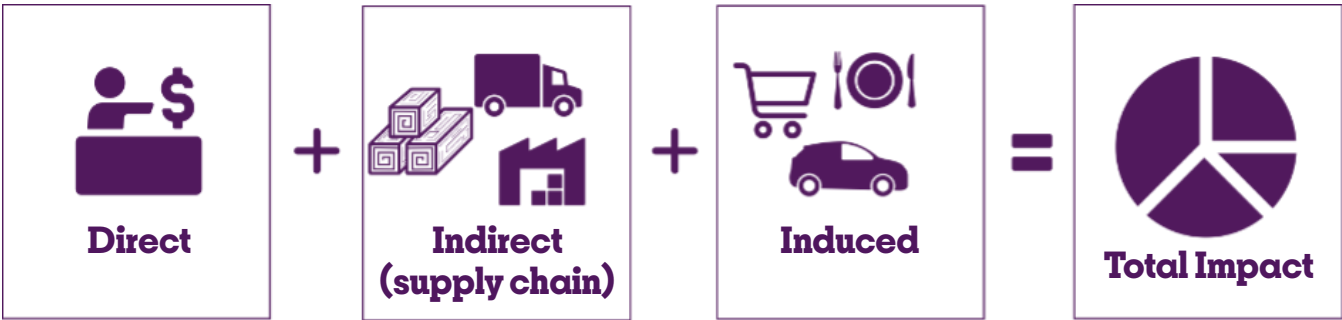
³Employer establishments in the building material and garden equipment and supplies dealers sector. See Section 2.1 for a detailed definition.

1.2 THE ECONOMIC IMPACT MODEL

The economic impact model used to estimate how the industry directly impacts the economy is based on Statistics Canada's Input-Output (I-O) tables which provide a detailed profile of how expenditures in specific sectors flow through the provincial and national economy as well as through international trade. The I-O tables are developed using actual spending patterns within specific industries and provinces and, as a result, estimates of new economic activity are based on the expenditure profile of previous activity in those industries. The economic impact model evaluates the direct, indirect, and induced economic impacts, using the following parameters:

- **Direct impact** measures the value-added to the economy that is attributed directly from the employees, the wages earned, and the revenues generated from the industry's spending across the country.
- **Indirect impact** measures the value-added generated within the economy through firm and organizational demand for intermediate inputs or other support services (e.g. the supply chain). The building supplies dealers industry works with hundreds of suppliers and partners across the country.
- **Induced impacts** are derived when employees in the aforementioned industries spend their earnings and owners spend their profits. These purchases lead to more employment, higher wages, and increased income and tax revenues, and can be felt across a wide range of industries.

Figure 1: Economic multipliers



The I-O tables trace the impact of economic activity (output shock) on the provincial and national economies (including imports and exports). In addition to the GDP and employment impacts, the economic impact model estimates the amount of tax revenue supported by the industry as well as consumer spending impacts.

Most of the data included in this report is published by Statistics Canada. Annual revenue, direct gross domestic product (GDP), economic multipliers and other statistics are mostly based on the industry group building material and garden equipment and supplies dealers (NAICS 444) (referred to as building supplies dealers) as that is the level of data aggregation used for most of the data sets analyzed in this report.

2. Economic impacts: Building supplies dealers across Canada

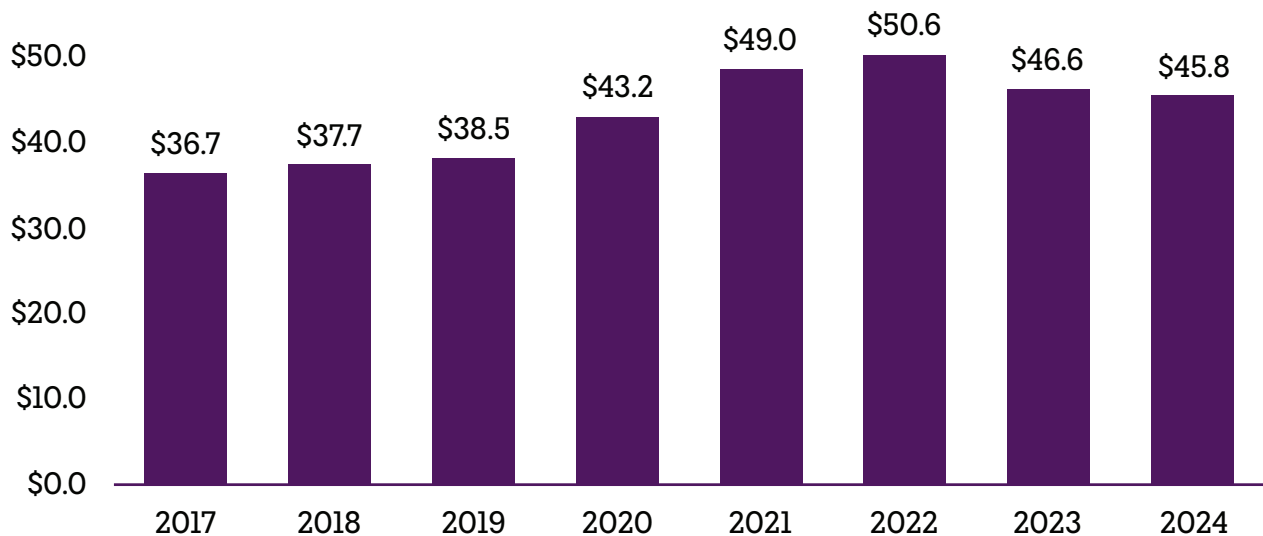
2.1 BUILDING SUPPLIES DEALERS: ECONOMIC PROFILE

According to Statistics Canada, as of December 2024 there were 7,870 employer firms in the building material and garden equipment and supplies dealers sector across the country⁴. These firms generated a combined \$45.8 billion worth of revenue in 2024.

2.1.1 REVENUE TRENDS

Figure 2 breaks down industry revenue by year and province. The industry’s revenue increased rapidly in 2020 and 2021 as the result of the pandemic. As of 2024, total sales were 19 percent higher than the pre-pandemic year of 2019. The building material and garden equipment and supplies dealers sector is one of the larger of the retail trade sub-sectors generating more revenue than clothing and clothing accessories stores (NAICS 448), furniture and home furnishings stores (NAICS 442), electronics and appliance stores (NAICS 443) and sporting goods, hobby, book and music stores (NAICS 451).

Figure 2: Building supplies dealers sales across Canada by year, \$Billions*



**Building material and garden equipment and supplies dealers (NAICS 444).
Source: Statistics Canada Table 20-10-0056-01.*

2.1.2 FIRM PROFILE

Statistics Canada provides data on the number of firms in the sector, location with the province and employment size. The data in this section is for the industry NAICS 444 - Building material and supplies dealers and is from December 2024. Firms in the building supplies wholesale sector are discussed in Section 4.

The data is based on individual establishments in the communities and not on ownership. In other words, a retailer might own multiple stores across the country and each of those stores is published as an individual location. Table 2 shows the distribution of the building supplies dealers across the country. Relative to population size, Newfoundland and Labrador has the most stores followed by Yukon and the Northwest Territories. Ontario has the most in absolute terms with over 2,700 spread across the province.

⁴There are other non-employer firms. These are small firms with at least \$30,000 in annual sales but that do not file payroll information with the Canada Revenue Agency.

Table 2: Building supplies dealers by distribution across Canada

	Total employer establishments*	Stores per 100,000 population
Canada	7,870	19
Newfoundland and Labrador	203	37
Prince Edward Island	50	28
Nova Scotia	242	22
New Brunswick	243	28
Quebec	1,779	20
Ontario	2,709	17
Manitoba	330	22
Saskatchewan	312	25
Alberta	807	17
British Columbia	1,164	20
Yukon	15	32
Northwest Territories	13	29
Nunavut	3	7

*Businesses with employees. NAICS 444 - Building material and garden equipment and supplies dealers.
Source: Statistics Canada business counts, December 2024.

There are building material and supplies dealers in more than 1,500 different communities across the country ranging from villages with a few hundred residents to the City of Toronto with more than 300 stores.

Like most industries across Canada, the building supplies dealers sector is made up primarily of smaller establishments. As shown in Table 3, 55 percent have fewer than 10 employees. The ability of the sector to be able to scale retail stores to a small size is a main reason why there are stores in more than 1,500 communities across the country.

The larger establishments of 50 or more employees account for only 10 percent of the total but an estimated 58 percent of total employment.

Table 3: Building supplies dealers across Canada by employment level*

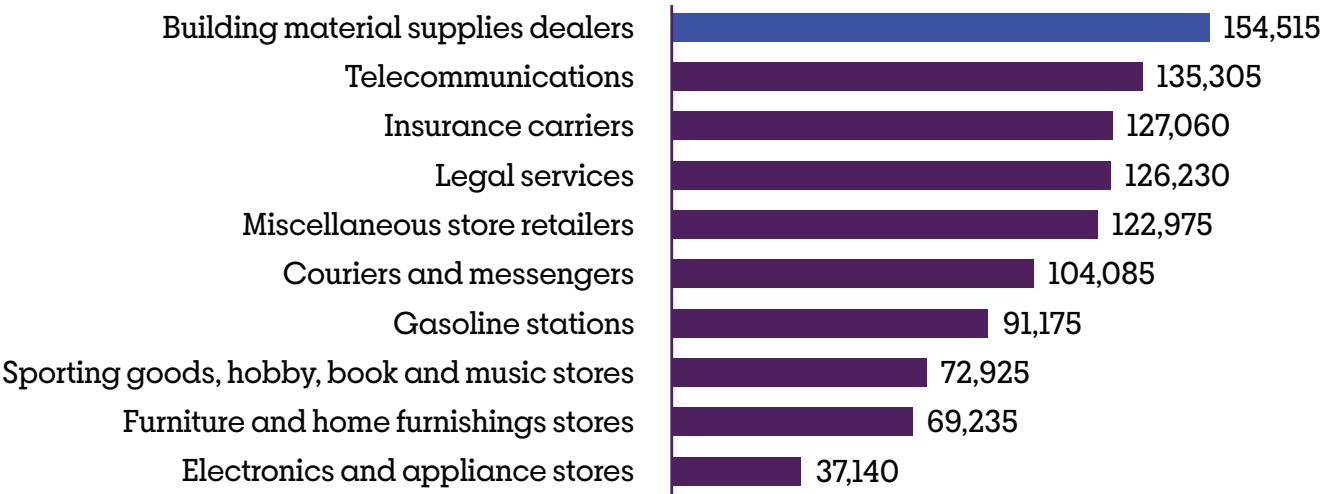
Employment size:	Firms	% of total
Total*	7,870	
1-4	2,457	31%
5-9	1,873	24%
10-19	1,531	19%
20-49	1,241	16%
50-99	471	6%
100-199	198	3%
200-499	99	1%

*Businesses with employees. NAICS 444 - Building material and garden equipment and supplies dealers.
Source: Statistics Canada business counts, December 2024.

2.1.3 EMPLOYMENT TRENDS

The building supplies dealers sector is a major employer across the country with just under 155,000 employees in 2023⁵. To put this into perspective, there are more workers in this sector than the entire legal services industry, telecommunications sector or the insurance agencies and brokerages sector across the country. Compared to other retail industries, the building supplies dealers employ considerably more than the furniture and home furnishings stores sector (69,000 employees), electronics and appliance stores (37,000), and sporting goods, hobby, book and music stores (73,000 employees) (Figure 3).

Figure 3: Employment by selected industries across Canada, 2023



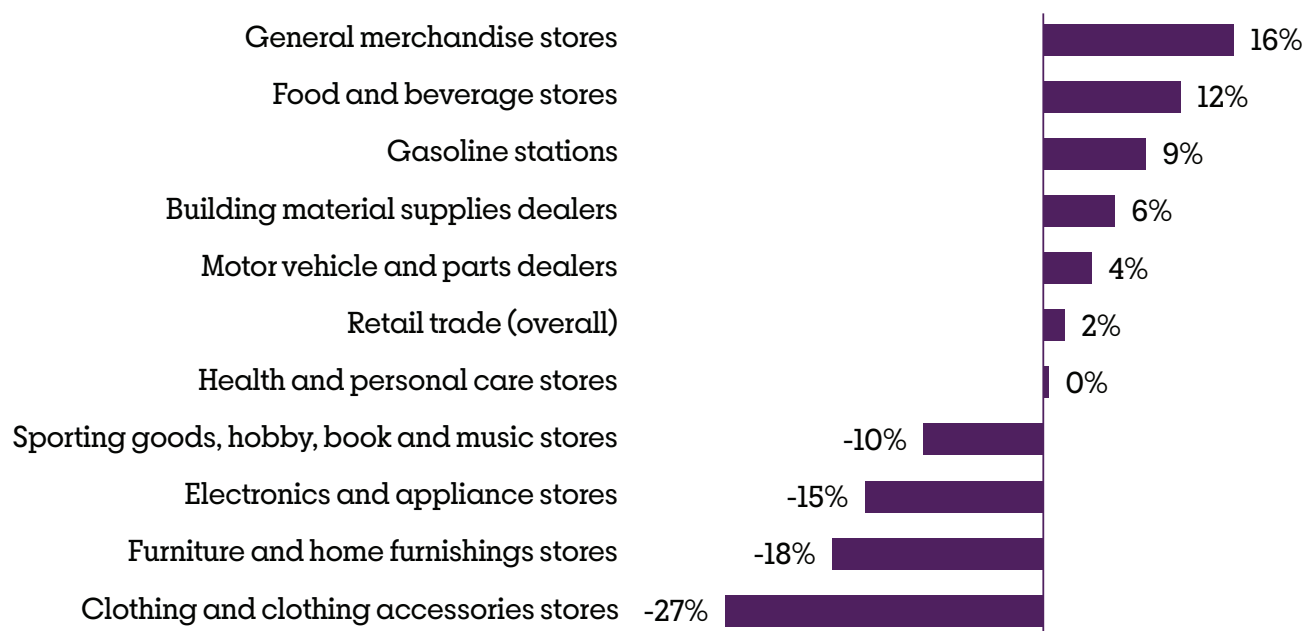
Source: Statistics Canada Table 36-10-0480-01.

Across Canada, the building material and garden equipment and supplies dealers sector accounts for 14 out of every 100 workers in the overall retail trade industry and one out of every 130 workers across the entire economy.

As shown in Figure 4, between 2019 and 2023 employment in the sector across the country increased by six percent, nearly triple the rate of employment growth across all retail trade sectors. Only general merchandise stores, food and beverage stores and gasoline states witnessed faster employment growth over the four-year period.

⁵The 2024 employment data was not published by Statistics Canada as of the writing of this report. Section 2.2.2 below develops the broader employment footprint including indirect and induced jobs.

Figure 4: Change in employment by retail sector, 2019 to 2023



Source: Statistics Canada Table 36-10-0480-01.

2.2 Building supplies dealers: Economic impact analysis

2.2.1 GDP CONTRIBUTION

The building supplies dealers sector across the country generated \$45.8 billion in retail sales in 2024, up 19 percent since 2019. There was a surge in activity during the pandemic and as a result total sales peaked in 2022 at \$50.6 billion.

The economic value to the provincial economies from that retail activity is defined as the gross domestic product (GDP)⁶. GDP is the best measure to determine how much of the \$45.8 billion results in value-added economic activity across the country (such as labour income, jobs, etc.).

For example, most of the GDP from the manufacture of computers accrues in the country where the computers are designed and/or manufactured. In Canada, the GDP impact from the computer manufacturing sector relates only to the distribution and sale of products, a very small share of the total economic activity.

For products the building supplies dealers imports from other jurisdictions in Canada and elsewhere, the GDP captured in the economic impact model only relates to the retail margins on those products (i.e. the sale and distribution of those products). Section 3.1 below expands on where the products sold by building supplies dealers are produced and makes the case there is much more value created across Canada from this sector than most other retail industries.

⁶ There are national economic impacts from the sector, but these impacts are not included in the model.

Table 4 shows the direct gross domestic product (GDP) created in Canada by the sector in 2024. Direct economic activity relates to internal (non-supply chain) spending. Across the country, the sector generated \$10 billion worth of GDP in 2024. In addition to direct effects, there are indirect effects (supply chain) and induced effects (when employment income is spent on goods and services across the economy). Adding in these effects, the total GDP contribution across the country rises to \$18.6 billion. Again, the supply chain here does not include the economic value from the production of the Canadian goods sold in building supplies dealers. It does include activities such as transportation and warehousing, utilities, professional services, etc.

Table 4: Building supplies dealers revenue and GDP impact, Canada, 2024

Retail sales (2024)	\$45.8 billion
Direct provincial GDP contribution	\$10.0 billion
Total GDP contribution	\$18.6 billion

*Building material and garden equipment and supplies dealers (NAICS 444).
See Appendix A for sources and methodology.*

2.2.2 EMPLOYMENT AND INCOME EFFECTS

As discussed above, the building supplies dealers industry is a major employer across the country with a distributed employment base. There are workers in more than 1,500 different communities from coast-to-coast.

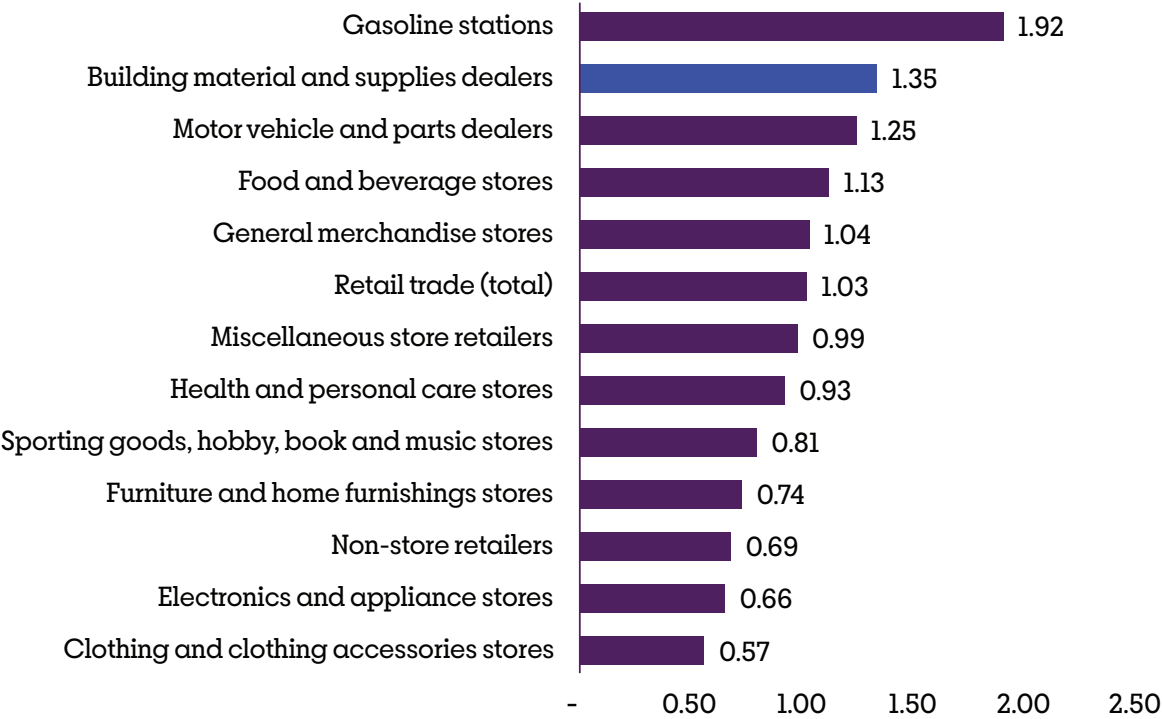
One way to show the distribution of employment in the building supplies dealers sector is to compare the concentration of employment in Census Metropolitan Areas (CMAs) to non-CMAs. There are 41 CMAs across the 10 provinces from St. John’s in Newfoundland and Labrador to Victoria in British Columbia⁷. Over three out of every four people living in the country are located in these 41 CMAs.

Using data from the 2021 Census, building supplies dealers have a higher concentration of employment outside the CMAs than all other retail trade sectors except gasoline stations (Figure 5).

The bottom line is that residents in smaller areas looking to shop at sporting good stores, electronics stores, clothing stores, etc. are required to drive to the larger urban centres whereas when shopping for building supplies they are far more likely to find one or more dealers in their hometown.

⁷ CMAs include the cities as well as surrounding communities.

**Figure 5: Concentration of employment in non-CMA communities, Canada-wide
(1.00 = employment in all sectors combined)**



Source: Statistics Canada 2021 Census.

Using Statistics Canada data covering NAICS 444 Building material and garden equipment and supplies dealers, the direct payroll of the building supplies dealers amounted to \$7.1 billion in 2024 (Table 5 shows the breakdown by province). Adding in the employment generated in the supply chain and from induced economic activity, the total employment income supported by the industry in 2024 increased to \$11.8 billion.

There were an estimated 155,000 employed in the building supplies dealers sector across the country in 2024. Adding in the jobs generated in the supply chain and from induced economic activity, the total employment supported by the industry during that year was more than 203,000.

Table 5: Building supplies dealers employment and income impact, Canada, 2024

Employment in building supplies dealers stores	155,000
Full time equivalent employment (FTE)	
Direct (FTE)	136,100
Direct and indirect (FTE)	171,500
Direct, indirect and induced employment (FTE)	203,500
Direct employment income	\$7.1 billion
Total employment income	\$11.8 billion

***includes non-wage benefits and payroll taxes.
See Appendix A for sources and methodology.*

2.2.3 TAXATION IMPACTS

Wages, salaries and benefits account for approximately half of the total operating expenses generated by the building supplies dealers sector. This wage income combined with supply chain and induced activity generates significant tax revenue for government.

As shown in Table 6, the building supplies dealers sector generated from operations an estimated \$4.4 billion worth of tax revenue for federal, provincial and local government in 2024. Municipal governments received an estimated \$477 million mostly from business and household property tax payments. Provincial governments received \$2.2 billion from income taxes, sales taxes and other revenue. The federal government benefited from \$1.8 billion in tax revenue arising from the building supplies dealers sector. Importantly this does not include sales tax on the sales of goods and services sold by the building supplies dealers sector, only the taxes arising from operations, supply chain and induced spending (see the box Tax on Sales below).

In total, taxes generated by the building supplies dealers sector were equivalent to 23.8 percent of the sector’s GDP contribution.

Table 6: Building supplies dealers taxes generated from operations, Canada, 2024

All levels of government	\$4.4 billion
Taxes generated relative to GDP	23.8%
Municipal	\$477 million
Provincial	\$2.2 billion
Federal	\$1.8 billion

See Appendix A for sources and methodology.

Tax on Sales: The sales tax generated on the sales of building supplies dealers sector is significant; likely in the range of several billion dollars per year. Because the Statistics Canada data for the building supplies dealers sector does not breakdown sector sales by end market (household versus construction sector), it is impossible to accurately determine the sales tax generated from revenue.

What does \$4.4 billion in government revenue pay for? Based on average employment income data from the 2021 Census and provincial budget documents, \$4.4 billion is enough tax revenue to:

- Cover almost the entire payroll of the Canadian Armed Forces.
- Cover the salaries of over 65,000 secondary, elementary and kindergarten schoolteachers.
- Cover the salaries of over 60,000 nurses.
- Cover the entire payroll for all firefighters across the country.
- Pay nearly 60 percent of the salaries of all general practitioners and family physicians across Canada.
- Pay for over one-third of the provincial government spending on road and highway maintenance.

Again, this does not include the sales tax generated from the \$45.8 billion in store sales in 2024.

2.2.4 HOUSEHOLD SPENDING IMPACTS

The employment income generated by the building supplies dealers sector in 2024 supported a wide variety of consumer spending across Canada. Table 7 shows the estimated direct, indirect and induced consumer spending activity supported by the sector by major expenditure category. The figures were derived using the average household expenditures across the country and on the assumption that the industry's employment income would be spent in a similar pattern to the average household.

In total, the employment income generated by the building supplies dealers sector supported \$8.6 billion worth of consumer spending during the year. This included \$1.3 billion on food (groceries and restaurants), \$2.7 billion in housing-related expenditures such as mortgage payments, utilities and furniture, and \$1.3 billion on transportation-related spending including vehicle purchases, operations and maintenance.

As shown in table 7, the building supplies dealers sector supported \$540 million worth of spending on recreation and another \$538 million on health and personal care across the country.

In short, a large share of the operating costs associated with the sales of building products in retail stores across the country stays in local communities as employment income supporting other sectors of the economy.

Table 7: Estimated consumer spending from the income generated by building supplies dealers operations, Canada, 2024 (\$Millions)

Household spending category:	\$Millions
Total current consumption	\$8,589.0
Food expenditures	\$1,318.6
Food purchased from stores	\$1,031.9
Food purchased from restaurants	\$251.2
Shelter	\$2,700.6
Water, fuel and electricity	\$350.2
Insurance premiums	\$177.1
Household operations	\$714.9
Communications	\$384.0
Pet expenses	\$90.6
Household furnishings/equipment	\$456.8
Clothing and accessories	\$294.7
Transportation	\$1,292.2
Purchase of automobiles/vans/trucks	\$522.4
Automobile/van/truck operations	\$638.4
Vehicle insurance premiums	\$148.9
Gas and other fuels	\$266.1
Health care	\$355.2
Medicines & pharmaceutical products	\$129.9
Eye-care goods and services	\$34.0
Dental services	\$62.7

Private health and dental plan premiums	\$91.7
Personal care	\$183.0
Recreation	\$540.3
Entertainment	\$83.7
Purchase of recreational vehicles	\$107.2
Financial services	\$88.8
Retirement and pension fund payments	\$706.2
Gifts of money & charitable contributions	\$214.2

Derived using Statistics Canada Table: 11-10-0222-01. See Appendix A for sources and methodology.

3. Building supplies dealers: Broader economic impacts

Beyond the economic impacts from the building supplies dealers sector's operations each year, the sector is important to the economy for a variety of other important reasons.

3.1 SELLING CANADIAN-MADE PRODUCTS

According to Statistics Canada, the retail trade sector in Canada generated \$803 billion worth of sales in 2024. Retail trade includes everything from automobile sales to sporting goods. Not all retail sectors have the same impact on the economy. The building supplies dealers sector sells much more Canadian-made products than most other retail trade sub-sectors.

Statistics Canada publishes data on supply and demand for hundreds of commodity groups⁸. This includes interprovincial and international trade. The data is lagged due to the effort required to gather and analyze it. The most recent data set is for 2021.

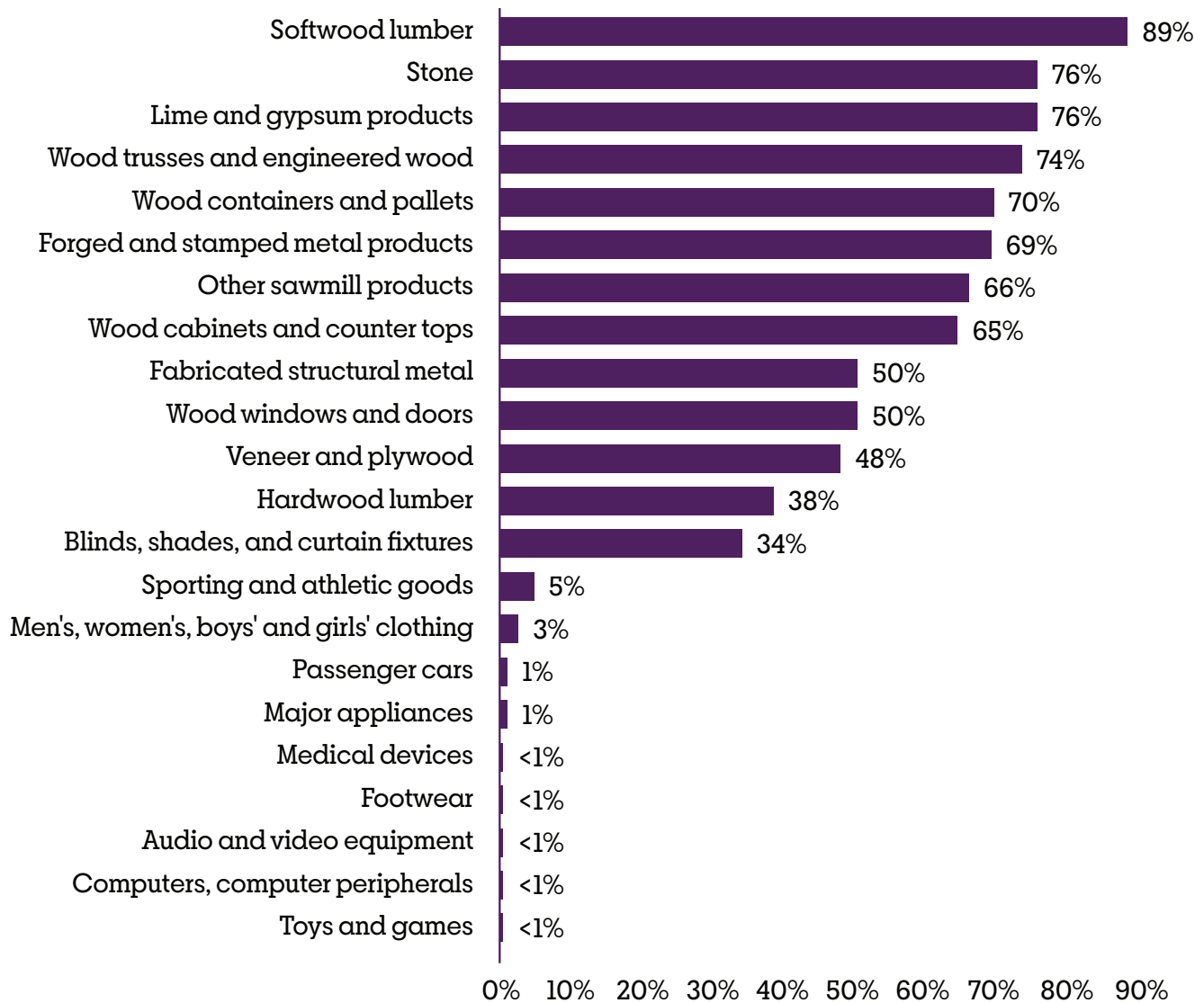
The data is not specific to the building supplies dealers sector. For example, a large share of paints, coatings and adhesive products is sold in building supplies stores but can also be found for sale in general merchandise stores and other retailers.

However, looking at the products imported into each of the provinces for sale a large share of the products sold by the building supplies dealers come from interprovincial imports. Figure 6 shows the share of total imports provided by companies elsewhere in Canada through interprovincial imports. A significant majority of wood-related product imports come from other provinces. Stone, gypsum and various metal product imports mostly come from inside Canada. Importantly, this is just based on imports. Many provinces have a significant domestic industry (such as forest products in Quebec) that provides a large share of total demand.

By contrast, 99 percent of the imports into Canada associated with cars, trucks, vans and SUVs to the provinces and territories came from imports into the country as well as 99 percent of major appliances (washers, dryers, refrigerators, etc.). International imports account for nearly of all the value of computers and related equipment imports to the provinces and 97 percent of men's, women's, boys' and girls' clothing.

⁸ Not all the products are sold through building supplies dealers. This section is meant to highlight the fact that the many of the products sold in building supplies dealers stores (windows, doors, lumber, stone, etc.) are manufactured in Canada.

Figure 6: Share of total imports addressed by interprovincial imports (2021)*

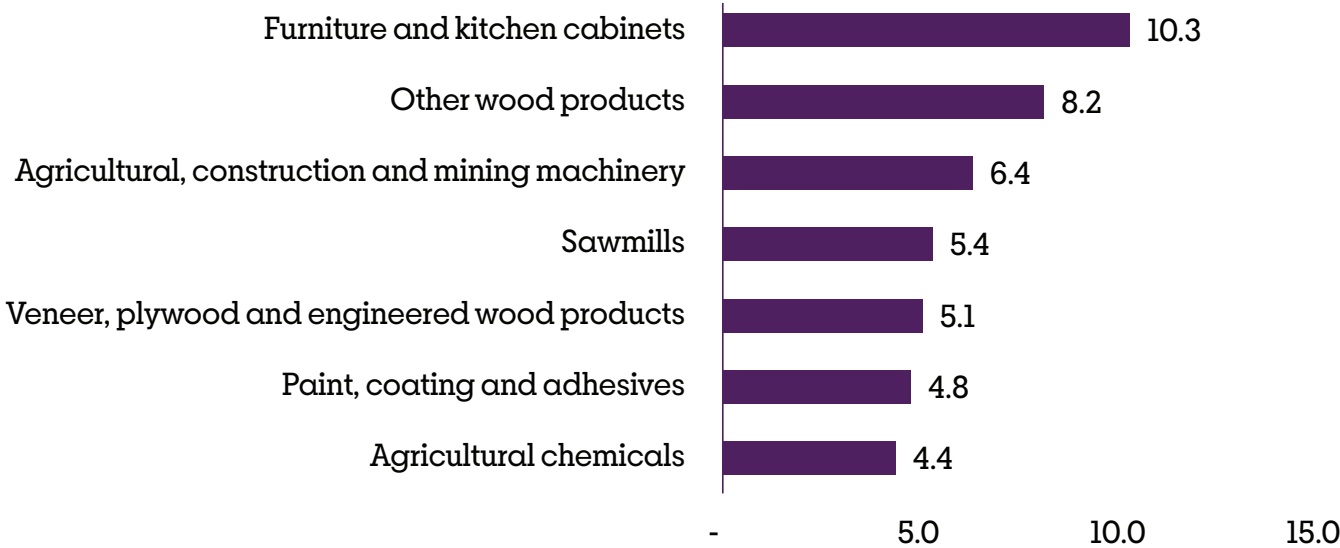


*Interprovincial imports as a share of combined interprovincial and international imports.

Source: Statistics Canada Table: 12-10-0101-01.

This matters because the end value to the provincial and national economies from wood kitchen cabinets produced in Canada is far greater than the value from imported kitchen cabinets. Figure 7 shows the number of jobs created (direct, indirect and induced) from \$1 million worth of sales of Canadian-made products sold across the country. These job figures do not include wholesale and retail sales activity. For every \$1 million worth of Canadian-made furniture and kitchen cabinets sold in building supplies stores an additional 10.3 jobs are supported across Canada compared to international imports of furniture and kitchen cabinets. For paint produced in Canada, 4.8 jobs are supported for every \$1 million in sales.

Figure 7: Total jobs created in Canada for every \$1 million worth of Canadian-made products sold in building supplies dealers*



**For 2021. Excludes wholesale and retail sales activity. Source: Statistics Canada Table: 36-10-0594-01.*

Supporting the Canadian economy through interprovincial imports

The building supplies dealers sector relies on a number of industries across Canada to supply products. For example, \$1.5 billion spent on paints, coatings and adhesive products each year across the country is imported from other provinces. Another \$1.3 billion worth of wood and metal doors is supplied via interprovincial imports.

3.2 A GOOD EMPLOYMENT SECTOR

Beyond the role retailing a large share of Canadian-made products, the building supplies dealers sector has a number of other positive attributes including as an employer of Canadians. The sector offers average weekly wages considerably higher than most other retail sub-sectors. The sector also offers a variety of career paths for workers and the potential for entrepreneurship among those aspiring to own their own business.

The sector offers above retail sector wages

The retail trade industry is not one of the higher wage industries in the Canadian economy, but it provides important employment opportunities for students, second income earners and people looking to develop a career within the industry. In addition, compared to most other retail trade sub-sectors, the building supplies dealers sectors stands out for offering above average wages. Using Statistics Canada average weekly wage data for 2023, Table 8 compares the average weekly wage for the major retail trade sub-sectors across the country.

The building supplies dealers sector featured an average weekly wage of between \$863/week in 2023. This was 25 percent higher than the average weekly wage for all retail industries. Among the retail groups for which Statistics Canada publishes average weekly wage data, only motor vehicle and parts dealers and furniture, home furnishings, electronics and appliances retailers pay more than building material and supplies dealers.

General merchandise retailers such as Walmart are growing strongly in Canada. The building supplies dealers sector offered an average weekly wage 37 percent higher than general merchandise stores in 2023.

Table 8: Average weekly wage comparison, retail trade sub-sectors, Canada (2023)

	Average weekly wage	Relative to overall retail trade wage
Retail trade (total)	\$733	
Motor vehicle and parts dealers	\$1,277	+71%
Building material and supplies dealers*	\$863	+25%
Food and beverage retailers	\$586	-21%
Furniture, home furnishings, electronics and appliances retailers	\$964	+36%
General merchandise retailers	\$626	-20%
Health and personal care retailers	\$809	+15%
Gasoline stations and fuel vendors	\$629	-26%
Clothing, clothing accessories, shoes, jewelry, luggage and leather goods retailers	\$534	-31%
Sporting goods, hobby, musical instrument, book, and miscellaneous retailers	\$601	-21%

*Building material and garden equipment and supplies dealers.

Source: Statistics Canada Table 14-10-0204-01.

The sector offers a variety of career paths

In the 2021 Census, Statistics Canada published data on the number of people working in 51 different occupational groups within the building supplies dealers sector. There are a wide variety of career paths for those working in the sector ranging from management roles to self-employment. For example:

- One out of every seven workers is employed in management occupations.
- One out of every 23 is employed in professional or technical roles such as accounting services or administrative roles.
- One out of every eight is employed in sales support roles.
- One out of every 19 workers in the sector is self-employed.

3.3 ENTREPRENEURSHIP IN THE SECTOR

The building supplies dealer sector provides opportunities for entrepreneurship, particularly in western Canada. According to the 2021 Census there were nearly 8,500 self-employed persons working in the building supplies dealers sector across the country or more than five percent of all employment.

3.4 DISTRIBUTED ECONOMIC BENEFITS

As discussed earlier in the report, the building supplies dealers sector has a broadly distributed footprint across the country. There are nearly 7,900 stores (with employment) ranging from 2,500 with less than five employees to stores with several hundred workers.

4. Economic impact of the building materials wholesale sector

The building supplies wholesale sector supplies much of the product sold in retail building supplies stores across Canada. Building supplies wholesalers distribute goods directly to the construction industry as well as the building supplies retail sector, as well as other industries.

The wholesale sector has a large economic footprint employing over 150,000 people in 2023 across the country and generating \$15 billion in gross domestic product (GDP). Table 9 shows the summary statistics for the wholesale sector and Table 10 shows the distribution of establishments across the country. There are more than 9,800 firms in the sector supplying a wide range of products including:

- Electrical wiring and construction supplies
- Plumbing, heating and air-conditioning equipment and supplies
- Metal service centres
- General-line building supplies
- Lumber, plywood and millwork
- Hardware
- Paint, glass and wallpaper
- Other specialty-line building supplies

Table 9: Summary statistics, building supplies wholesale sector, Canada

Provincial GDP (\$millions) in 2024*	\$15.2 billion
Employment (2023)	150,835
Firms (2023)**	9,866

**nominal dollars.*
***Firms with employment. For industry group: Building material and supplies merchant wholesalers (NAICS 416).*
Sources: Statistics Canada Tables: 14-10-0202-01 and 36-10-0402-01, and Canadian Business Patterns.

Table 10: Building supplies wholesale establishments by province (2024)

Province:	Establishments:*	Province:	Establishments:*
Ontario	3,792	New Brunswick	191
Quebec	1,818	Newfoundland and Labrador	113
British Columbia	1,772	Prince Edward Island	26
Alberta	1,272	Northwest Territories	6
Saskatchewan	324	Yukon	5
Manitoba	306	Nunavut	1
Nova Scotia	240		

**Establishments with employment. Sources: Statistics Canada Canadian Business Patterns.*

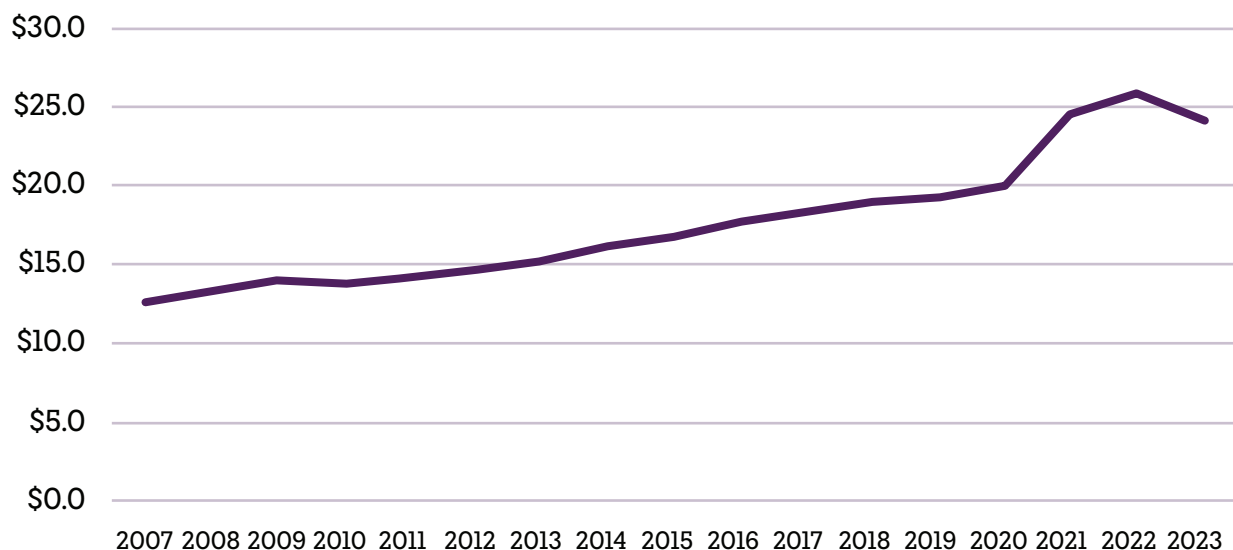
5. The importance of a thriving building supplies dealers sector

5.1 SUPPORTING THE HOME BUILDING AND HOME IMPROVEMENT SECTOR

The building supplies dealers sector will be an important driver of economic activity as the governments across the country look to build more housing and make the existing housing stock more flexible. As discussed in Section 3.1, a boost in sales in the building supplies sector generates far more economic value in Canada compared to a boost in sales in the automobile, appliances, communications equipment, clothing, and other retail sectors.

Figure 8 shows the amount of spending each year on maintenance and repair by homeowners and landlords. This does not include new construction. After a steady increase each year the annual spending peaked in 2022 at \$25.8 billion. It dipped slightly in 2023 to \$24.2 billion.

Figure 8: Maintenance and repair expenditures in housing by year, Canada (\$Billion)



Source: Statistics Canada Table 34-10-0095-01.

Encouraging more spending in this sector has a significant economic multiplier because, in addition to the paid work in construction, much of the spending goes towards the purchase of Canadian made products. Table 11 shows the economic impact in Canada from a 10 percent increase in housing-related maintenance and repair expenditures. This increase would result in \$2.4 billion more spent on housing-related maintenance and repair. This would support 26,000 good paying jobs, \$1.8 billion worth of employment income and \$2.5 billion worth of GDP across the country.

Table 11: Impact of a 10 percent increase in housing-related maintenance and repair expenditures Canada-wide

Total spending on maintenance and repair	\$2.4 billion
Jobs created	26,000
Employment income	\$1.8 billion
National GDP	\$2.5 billion

**includes direct, indirect and induced effects.*

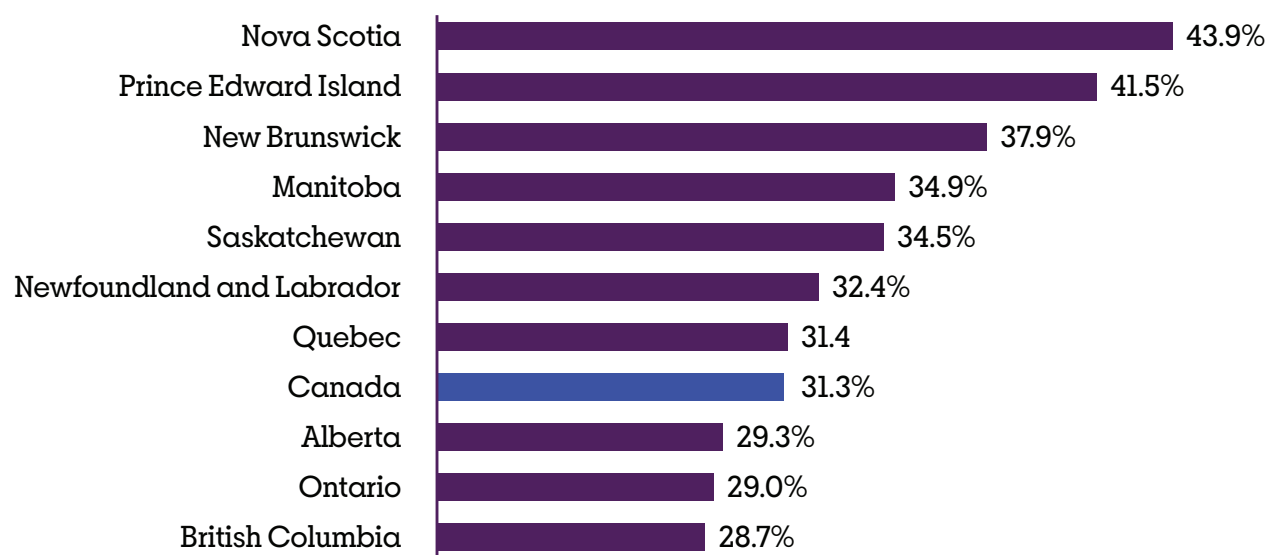
Source: Statistics Canada Table 36-10-0594-01.

Even DIY (do-it-yourself) home improvement and repair projects can generate significant economic activity. As discussed in this report, not only does household spending in the building supplies dealers sector create retail sector jobs, but it also supports a wide variety of manufacturing activity across the country.

There certainly is demand for home repairs and maintenance. Statistics Canada reports that in 2022 more than 31 percent of all dwellings across the country required minor or major repairs. Figure 9 shows the breakdown by province. In Nova Scotia, 44 percent of all dwellings (owned and rented) required some form of repairs in 2022.

Combine this repair work with home improvement and expansion projects, and this could provide a significant stimulus for the economy in the months and years ahead.

Figure 9: Share of dwellings that require either minor or major repairs, 2022



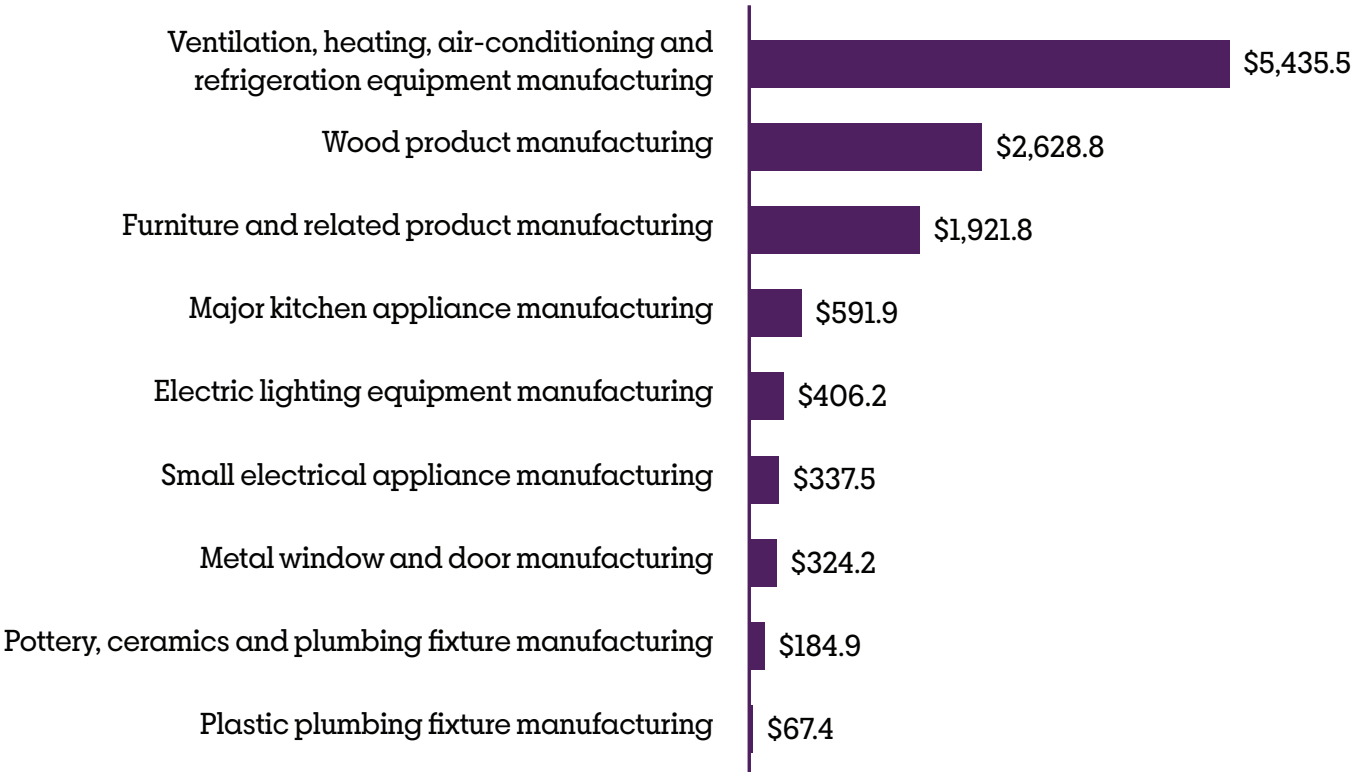
Source: Statistics Canada Table: 46-10-0081-01.

5.2 SUPPORTING TRADE DIVERSIFICATION

If the United States engages in a prolonged trade war with Canada, there could be considerable potential to replace imported construction and household products with domestic manufacturers. Excluding energy, Canada has a significant trade deficit with the United States. This deficit is pronounced with manufactured goods. Figure 10 shows a few manufacturing sectors and the value of imports to Canada from the United States in 2024. The country imported \$5.4 billion worth of ventilation, heating, air-conditioning and refrigeration equipment manufactured in the United States even though there are dozens of manufacturers in this sector across Canada. Other big imports by value included wood products (\$2.6 billion), furniture (\$1.9 billion) and a wide variety of other manufactured products.

In the event of a prolonged trade war, the building supplies dealers sector could (or might be forced to) look to replace U.S. imports with Canadian suppliers.

Figure 10: Construction-related imports from the United States (\$Millions), 2024



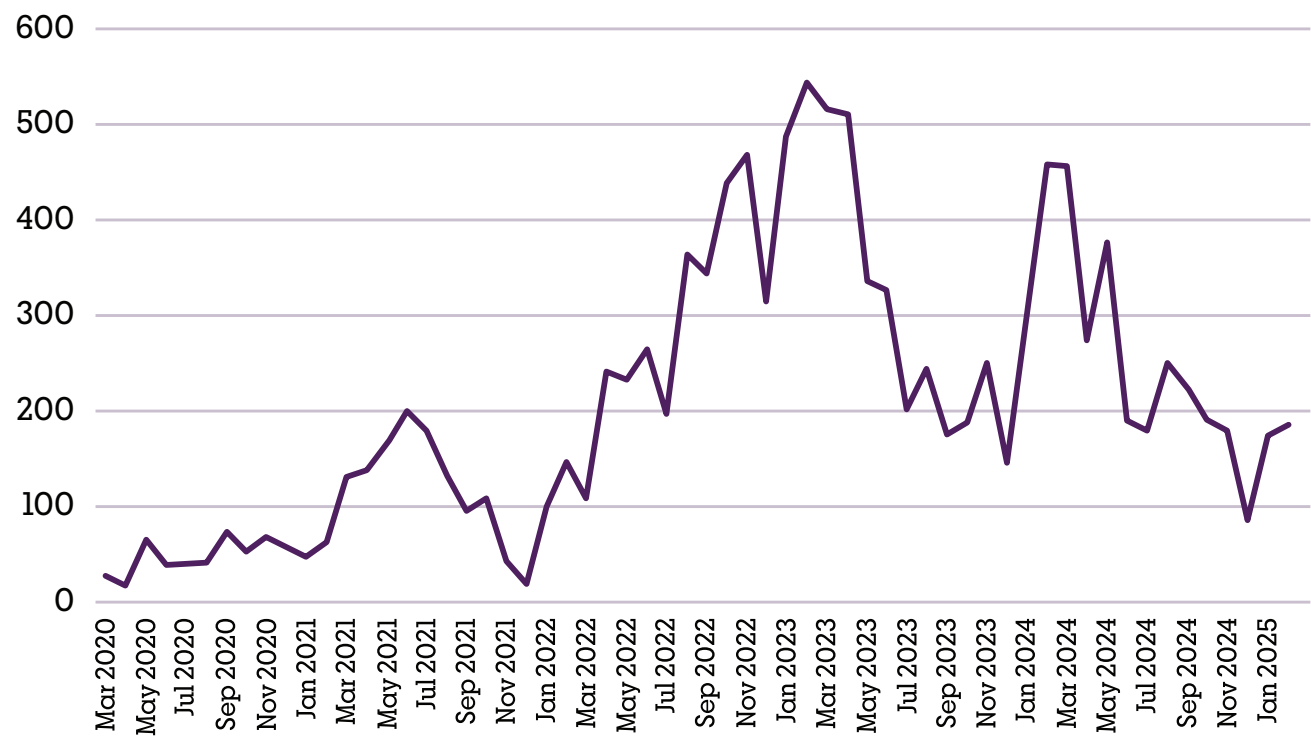
Source: Trade Data Online.

5.3 ENSURING A STRONG TALENT PIPELINE

The good news is that job vacancies in the building material and garden equipment and supplies dealers sector across Canada have declined in the past 18 months and are now almost back to the level before the pandemic. Figure 11 shows the average monthly unique job postings for the building material and garden equipment and supplies dealers (NAICS 444) across the country. The number peaked in early 2023. As of early 2025 the postings are nearly back down to the pre-pandemic level.

Figure 11: Unique job postings by month, Canada

NAICS 444 - Building Material and Garden Equipment and Supplies Dealers



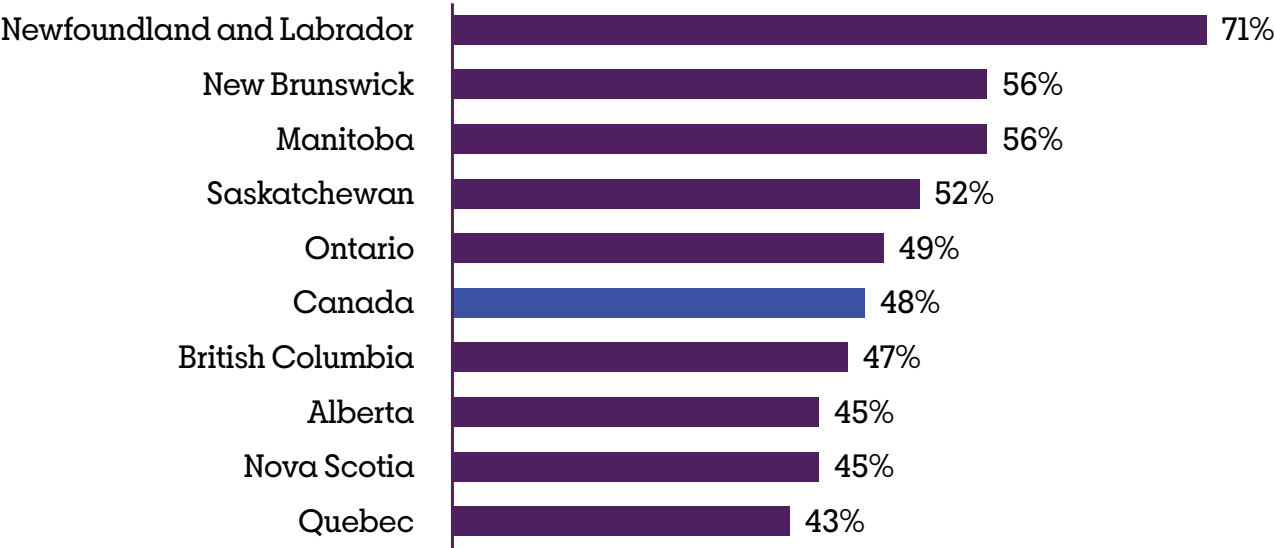
Source: Lightcast.

There is still some concern about the age of the workforce. As of the 2021 Census, 29 percent of the workforce was aged 55 or older. There were more than 46,000 workers likely to retire in the next decade or so.

5.4 ADDRESSING OWNERSHIP SUCCESSION

While finding staff is not a major challenge for the industry right now, there is some concern related to succession planning. There are over 4,000 owners in the building supplies dealers sector over the age of 55. The share of owners aged 55 or older is found in Figure 12. Across the country, 48 percent are aged 55 or older ranging from a high of 71 percent in Newfoundland and Labrador to a low of 43 percent in Quebec. Ensuring business owners can transition and sell for an appropriate dollar value will be important in the years ahead.

**Figure 12: Share of the self-employed workforce aged 55 and older
NAICS 444 - Building Material and Garden Equipment and Supplies Dealers**



Source: Statistics Canada 2021 Census.

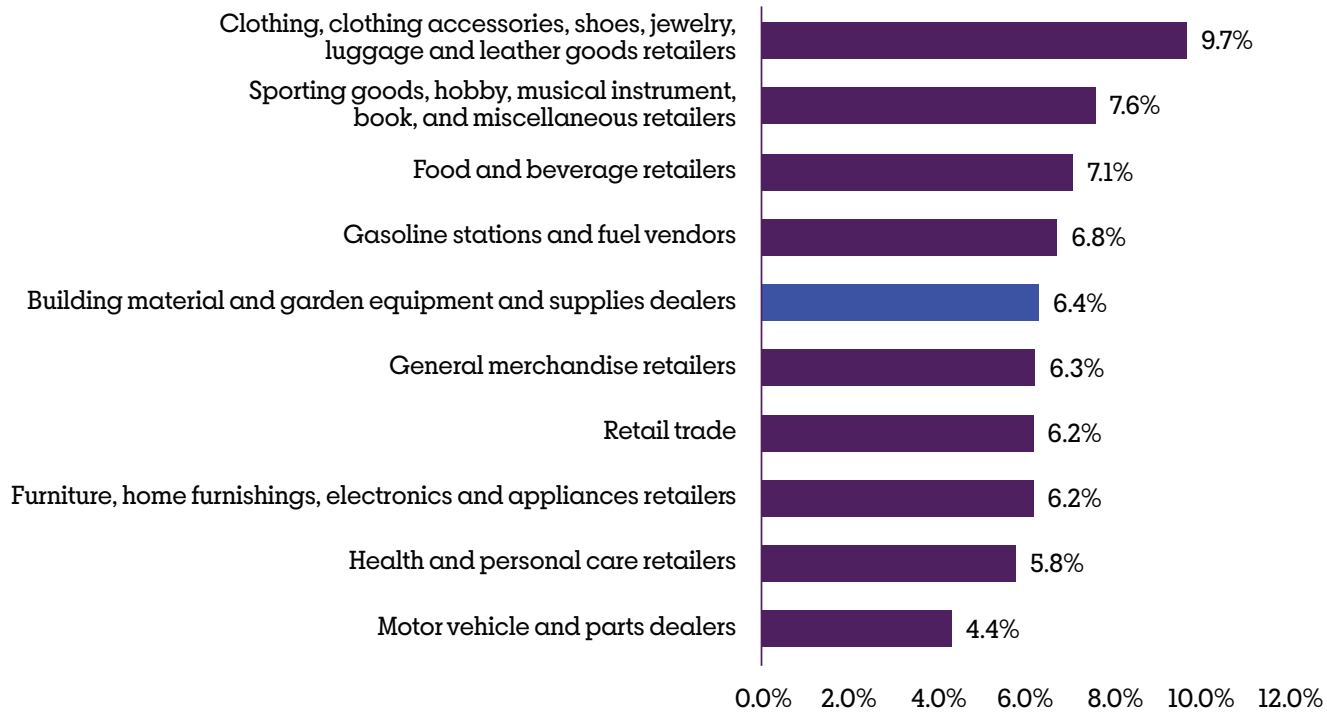
5.5 THE BUILDING SUPPLIES DEALERS SECTOR AND FINANCIAL HEALTH

For the financial health of the sector, building material and garden equipment and supplies dealers sector across the country should be able to generate a comparative level of profit. This does not mean that all companies or individual stores will all make a good profit but that sector-wide the building supplies dealers are making profit at least to the level of the sector across the country. Otherwise, there could be negative impacts such as less investment in the sector, curtailing of operating costs such as employee training, etc.

Statistics Canada publishes operating profit margins for retail trade industries by province across the country. The data is only available for 2022 and 2023. Across all retail trade in Canada, operating profit margins averaged 6.2 percent these two years. The annual average operating profit margin (2022 and 2023) in the building material and garden equipment and supplies dealers sector was slightly higher at 6.4 percent.

Building supplies dealers overall generated an operating profit margin higher than firms in the motor vehicle and parts dealers, health and personal care retailers, and furniture, home furnishings, electronics and appliances retailers sectors. Firms generated higher profits in gasoline stations and fuel vendors, food and beverage retailers, sporting goods, hobby, musical instrument, book, and miscellaneous retailers as well as clothing, clothing accessories, shoes, jewelry, luggage and leather goods retailers.

Figure 13: Operating profit margin in retail trade industries across Canada (annual average between 2022 and 2023)



Source: Statistics Canada Table 20-10-0083-01.

6. Conclusion

This report has summarized the economic impact of the building supplies dealers on the national economy. The industry is a large employer, pays above average wages compared to most other retail sectors and its footprint extends to more than 1,500 communities across the country.

In addition, the building supplies dealers sector compared to other retail sectors distributes a larger share of Canadian-made products such as lumber, value-added wood products, paints and other goods. This ties the sector directly back to important manufacturing industries across the country and is particularly important in a time of trade challenges between the United States and Canada.

Looking to the future, the building supplies dealers has an important role to play in support of more interprovincial trade. Overall, it is important the industry remain financially healthy (i.e. generate a comparatively strong operating profit margin) so that it can continue to invest in communities across the country and provide good careers and valuable services.

Appendix A: The economic impact model and sources

The data sources used in the preparation of this report include:

Statistic:	Source/Description:
Industry definition	There are two main industry groups used in this report depending on the level of data aggregation published by Statistics Canada. When using the term ‘building supplies dealers’, the report is referring to data related to NAICS 444 Building material and garden equipment and supplies dealers. When discussing ‘wholesale trade’, the industry is NAICS 416 Building material and supplies merchant wholesalers.
Retail sales data	Statistics Canada Table: 20-10-0008-01 and Table: 20-10-0066-01. Shows Sales of goods for resale, Total operating revenue, opening inventory, purchases, closing inventory, cost of goods sold, total labour remuneration, total operating expenses, gross margin and operating profit margin.
Employment by industry	Statistics Canada Table: 14-10-0202-01.
Average weekly wages	Taken from Statistics Canada Table: 14-10-0204-01. Shows the annualized average weekly wage including overtime in selected sectors.
Direct, indirect and induced GDP, employment and income estimates	Uses Statistics Canada Input-Output multiplier and impact estimates at the M industry level. National Input-Output Multipliers, 2021. Catalogue no. 15F0046XDB. Industry Accounts Division. Statistics Canada. Includes multipliers for: output, gross domestic product (GDP) at market prices, taxes on products, subsidies on products, gross domestic product (GDP) at basic prices, labour income, wages and salaries, employers’ social contributions, labour income of unincorporated sector, gross operating surplus, subsidies on production, taxes on production, international imports, and jobs.
Sales tax paid	Based on the ratio of sales tax collected to total provincial personal income in 2024 (Source: provincial budget documents). There is no provincial sales tax in Alberta.
Personal income taxes paid	Derived using several sources including Statistics Canada personal tax-related tables and its Survey of household spending (SHS) for 2021.
Property taxes paid (from employment income)	Derived using Statistics Canada’s Survey of household spending (SHS) for 2021.
Indirect taxes	Source: Statistics Canada Input-Output tables. These indirect taxes are levied on the business activity (not employment income) and include such tax areas as: business property taxes, fuel taxes, vehicle license fees, land transfer taxes, and any sales taxes arising out of the corporate activity.
Household spending impacts	Derived using Statistics Canada’s Survey of household spending (SHS) for 2021.
Business count data	Taken from Canadian Business Patterns for December 2024. Source: Statistics Canada.
Interprovincial and international exports	Source: Statistics Canada Table 12-10-0101-01.
Various labour market characteristics	Statistics Canada 2021 Census.

Appendix B: About Jupia Consultants Inc.

New Brunswick, Canada-based Jupia Consultants Inc. is a full-service research and planning support consultancy specializing in the area of economic development. The firm has more than 25 years' experience working with companies, communities, industry associations, economic development agencies and government departments.

This report was prepared by David Campbell, the President and lead consultant for Jupia Consultants Inc. He has more than two decades experience as a consultant working with industry, not-for-profit organizations and governments across Canada. His focus areas include economic development strategy, economic impact analysis, population growth, cluster development and investment attraction. David was formerly Chief Economist with the Government of New Brunswick. In that role, he led the development of economic policy and economic development strategy for the provincial government.

David is a columnist, published author, and writes weekly for the It's the Economy, Stupid newsletter as well as co-presenting the weekly podcast Insights with Don Mills and David Campbell. In recent years, he has had the opportunity to collaborate with multiple think tanks and policy research organizations including the Conference Board of Canada, Public Policy Forum and the Donald J. Savoie Institute at the Université de Moncton.

For more information visit www.jupia.ca.