



# 2024 State of the Nanaimo Economy



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# Executive Summary

Over the past two years, Nanaimo has seen significant population growth, surpassing 107,000 residents. Among those relocating to the city, 72 per cent fall within the working age range of 15 to 64 years. Building permits reached \$364.7 million in 2023, with residential permits hitting the second-highest mark on record. Despite facing higher interest rates, Nanaimo consistently fulfills its annual new housing unit requirements, initiating over 1,100 units each year. Nanaimo's unemployment rate was 4.8 per cent in 2023, lower than both BC's (5.2 per cent) and Canada's (5.4 per cent). However, income and education levels in Nanaimo still lag behind the provincial average.

## POPULATION & MIGRATION

*Nanaimo's population boom continues: younger demographics flocking to the City.*

- The City of Nanaimo's population for 2023 is projected to be 107,865, with the Regional District of Nanaimo's expected to reach 182,367 (BC Stats). Nanaimo ranked among the top five fastest-growing regions in Canada during the last Census, and future projections indicate continued robust growth in the region.
- Over the past five years, an average of over 3,200 net new residents relocated to the RDN annually. Fifty-three percent of new migrants came from other parts of British Columbia, while 34 per cent moved from other provinces, and 13 per cent from other countries. The region's natural growth rate has seen a sharp decline in recent years.
- Analysis of 2022 migration data reveals that 72 per cent of the 2,664 individuals who moved to the City of Nanaimo fell within the "working age" category of 15 to 64 years. The city experienced a net natural growth of -450 due to 897 births and 1,347 deaths.
- In 2022, BC's population witnessed its fastest growth rate in 25 years, with nearly 117,000 new residents. The surge was

primarily driven by an influx of migrants from other countries, constituting almost 89 per cent of the annual population increase. The province also saw a net gain of 15,869 residents from other provinces.

- For the first time in its history BC's net natural growth rate was negative.
- Both provincial and federal governments have shared the objective of attracting more migrants to counterbalance the aging population and tackle the substantial number of job vacancies across the province. However, there has been a recent pullback in this effort due to concerns regarding housing affordability.
- Nanaimo captured 5.3 per cent of total migrants to BC in 2022, and the five-year average is 5.4 per cent.
- Projections show the largest growth over the next decade in the 25-44 age category, increasing by 9,452 persons. Nanaimo's average and median age in the 2021 Census were younger compared to 2016.

## BUSINESS

*Business Resilience, Nanaimo's diverse sectors weather economic shifts*

- In 2023, the City of Nanaimo had 6,457 licensed businesses, nearly the same as 2022. The "Construction" sector held the largest number of business licenses, followed by "Retail" and "Professional, Scientific, and Technical Services." Total business licenses increased by 10 per cent over the last decade.
- In 2023 the Accommodation and Food Services sector saw the largest growth in business licenses (+91), while the Construction sector experienced the largest decline (-65). Sectors like Accommodation and Food Services and Arts Entertainment, which were disproportionately affected by the pandemic, showed strong recovery.



- In 2022, the City of Nanaimo had 3,610 businesses with one or more employees. Businesses with employees increased by 17.4 per cent over the past decade, with sole proprietorships growing by 9 per cent in the past five years.

### BUILDING ACTIVITY

*Residential building permit values second highest on record*

- In 2023, Nanaimo's total building permit values amounted to \$364.7 million, reflecting an 11 per cent decrease from 2022. Notably, residential project values increased by 3 per cent, while commercial values soared by 87 per cent compared to the previous year.
- Residential permits continued to dominate, constituting 84.6 per cent of the total permit value in 2023, marking the second-highest year on record. Non-residential building permits (covering commercial, industrial, and public projects) contributed 16.5 per cent to the total value in 2023, witnessing a 54 per cent decline from 2022. This decrease aligns more with historical patterns, as the surge in 2022 was primarily due to the construction of the correctional center (a public project) on Biggs Road.
- Both 2022 and 2023 saw 37 projects valued at \$2 million or more, with the majority in 2023 comprising apartment buildings.

### HOUSING STARTS

*New housing units keep pace with population growth, continuing shift towards compact living*

- Housing starts, along with building permits, serve as leading indicators of economic activity. In 2023, the number of new housing units decreased by 15 per cent to 1170, down from 1370 in 2022. The housing needs assessment report indicates 1155 housing units should be created to match population growth. New housing units built in 2023 surpassed this threshold.
- The trend towards denser housing options persisted, with 78 per cent of all new units being multi-unit dwellings, particularly

condos, apartments, and townhouses, reflecting the city's transition towards a more densely populated urban environment.

### HOUSING PRICES:

*Decline in average housing prices and sales across most markets in BC*

- The Bank of Canada increased its interest rate from 0.25 per cent in March 2022 to 5.0 per cent by July 2023. This rise in interest rates weakened the purchasing power of homebuyers and dampened demand, resulting in a decline in housing prices across most markets.
- In 2023, the average annual price for a single-family home in Nanaimo dropped by 7.2 per cent to \$827,617, still just below the historical high point. Similarly, condos/apartments experienced a 3.5 per cent decrease, and row/townhouses saw a 3.3 per cent decline in prices. Correspondingly, sales mirrored these trends with single-family homes witnessing an 11.1 per cent drop, condo/apartment sales decreasing by 15 per cent, while row/townhouse sales increased by 2.75 per cent.
- Likewise, in Victoria, both home prices and sales dipped in 2023 compared to 2022. The annual average price for a single-family home decreased by 3.4 per cent, condominiums witnessed a 2.2 per cent average price decline, and the townhome market experienced the most significant drop of 7 per cent. Overall property sales in 2023 fell by 8.7 per cent compared to 2022.
- The Metro Vancouver housing market concluded with balanced conditions in 2023. Total residential sales in the region decreased by 10.3 per cent compared to 2022. Despite elevated borrowing costs, home prices across all market segments saw gains of over five percent.
- The average price of a single-family new house surged by 13 per cent in Nanaimo in 2023 to \$1,174,797. Greater Vancouver at \$2,726,136 and Greater Victoria at \$1,721,515 experienced more moderate increases of 5 per cent and 3 per cent, respectively. Across British Columbia at \$2,136,074 the average price hike stood at 11 per cent during this period.

### RENTAL MARKET:

*While slight improvement in Vacancy rate, rental rates continue to rise*

- The average vacancy rate for rental apartments in Nanaimo saw a slight increase from 2.2 per cent in 2022 to 2.7 per cent in 2023. The increase in rental units available amounted to 210, marking a 4.4 per cent year-over-year rise.
- In the Vancouver CMA, the vacancy rate remained steady at 0.9 per cent, while in the Victoria CMA, it increased slightly from 1.5 per cent to 1.6 per cent. Rental supply saw a 5 per cent increase in the Victoria CMA and a 2.7 per cent rise in the Vancouver CMA in 2023.
- Despite rent increases being capped at 2 per cent for existing tenants in 2023, affordability for rental units continued to erode. In 2023 the average rent for a two-bedroom apartment surged by 9 per cent (\$1681) in Nanaimo, 8.2 per cent (\$1839) in Greater Victoria, and 8.9 per cent (\$2181) in Greater Vancouver.

### LABOUR MARKET

*Labour force grows, as job postings decline*

- In 2023, Nanaimo's labour force consisted of 68,400 individuals. Nanaimo's labour force growth rate over the year was 3.3 per cent, surpassing both the 2.2 per cent growth rate in BC and the 1.8 per cent growth rate of the Vancouver Island Coast.
- Unemployment rates in Nanaimo inched up to 4.8 per cent in 2023, lower than BC's (5.2 per cent) and Canada's (5.4 per cent) rates but higher than that of the Vancouver Island Coast Region (4.2 per cent).
- New job postings in Nanaimo saw a 9.6 per cent decrease in 2023 compared to the previous year. This trend was reflected across British Columbia, with postings decreasing by 14.7 per cent, and in the Vancouver Island Coast Region, where they declined by 12.2 per cent.
- The majority of job openings in 2023 were full-time positions, accounting for 64 per cent of postings, while part-time postings made up 19 per cent.

- The highest number of jobs in 2023 were posted by the Vancouver Island Health Authority, followed by Vancouver Island University and Lowe's Canada.

### UNIVERSITY ENROLLMENT

*VIU Enrollment Holds Steady with International Student Surge*

- In 2022, overall student enrollment at Vancouver Island University (VIU) remained largely unchanged compared to 2021. However, there were notable shifts within the student body demographics: domestic student enrollment decreased by 1.6 per cent, while international student enrollment saw a notable increase of 9.4 per cent but is still well below pre-pandemic levels.
- The influx of more students into the community generates greater demand for rental accommodation, tutoring services, and results in an expansion of the local workforce and increased spending. Notably, international students pay considerably higher fees compared to domestic students, positively impacting post-secondary budgets.

### EDUCATION & INCOME

*Nanaimo lags behind BC in income and education levels*

- In Nanaimo, 28.6 per cent of individuals aged 25 to 64 held a bachelor's degree or higher, compared to 35.0 per cent in British Columbia and 32.9 per cent in Canada overall. Nanaimo tends to have a larger percentage of the population with education levels below a bachelor's degree compared to BC.
- Furthermore, Nanaimo tends to have a slightly smaller percentage of the population with accreditation in STEM (Science, Technology, Engineering, and Mathematics) fields of study compared to BC and Canada.
- In 2023, Nanaimo's estimated median household income was \$81,606, with an average household income of \$99,320. The per capita income in Nanaimo for the same year was \$42,034. British Columbia's estimated median household income stood



at \$93,585, with an average household income of \$119,172 in 2023. BC's per capita income for the year was \$47,443.

- Nanaimo lags behind British Columbia in all three income categories, likely reflecting the correlation with lower education levels.

### HOUSEHOLD SPENDING

*Household spending reached \$4.6 billion in 2023 in the City of Nanaimo*

- Household expenditures in the City of Nanaimo reached an estimated \$4.6 billion in 2023.
- On average, Nanaimo households spent 8 per cent more on shelter, 4 per cent more on food, and 3 per cent more on Household Furnishings and Equipment compared to the national average. Conversely, they spent 19 per cent less on transportation costs and 18 per cent less on personal insurance payments and pension compared to the national average.

### ECONOMIC OUTLOOK

*BC Economy slowing down*

- Similar to the broader Canadian context, British Columbia faces several economic challenges in 2024, driven by a combination of factors including inflation, higher borrowing costs, and limited economic growth prospects. These challenges are expected to impact households, businesses, and governments across the province.
- GDP growth in BC is expected to experience a more pronounced downswing in 2024, with real GDP growth and employment growth falling below the rate of population growth. Real Gross Domestic Product (GDP) growth in BC is forecasted at 0.9 per cent in 2023, 0.5 per cent in 2024, and 2.2 per cent in 2025.
- The housing market is projected to continue its slump in 2024, influenced by diminished demand and the burden of higher borrowing costs, making it difficult for potential homebuyers to afford properties. The anticipated reduction in borrowing rates in mid-2024 is expected to stimulate activity.

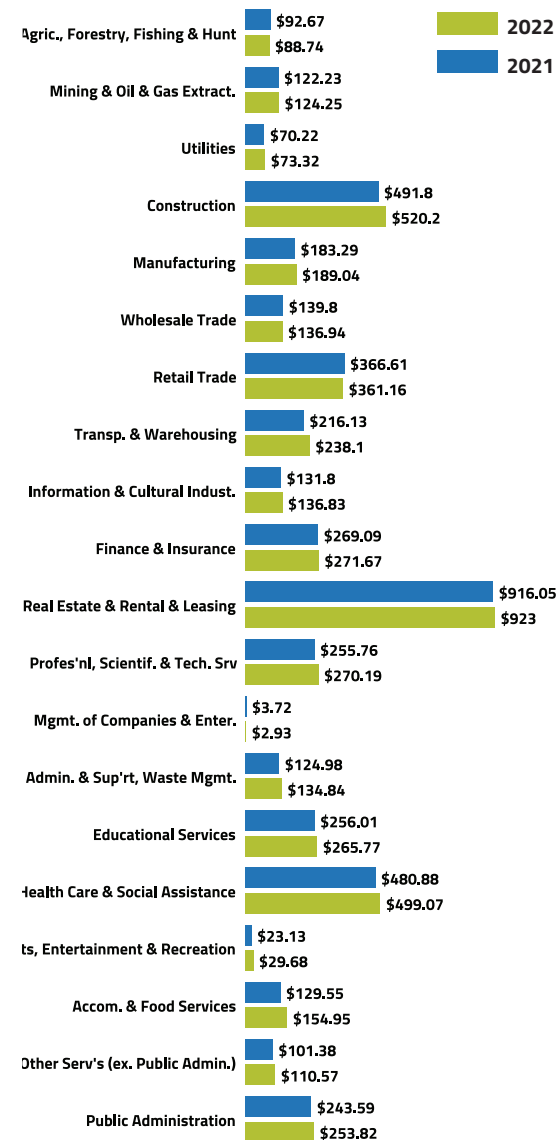
- Immigration, while necessary for addressing labour shortages, presents its own set of challenges, including housing shortages and strained infrastructure. The influx of immigrants contributes to increased demand for housing, further exacerbating affordability issues in the market.
- Labour market indicators suggest a shift in conditions, with decreasing job vacancies and a rise in unemployment rates, signaling potential challenges for job seekers. The conclusion of major projects, particularly in the northern part of the province, is expected to contribute to economic uncertainty and potentially higher unemployment rates.
- BC merchandise exports declined by 16 per cent in 2023 due to weaker global demand and port strikes. The province's reliance on international trade makes it susceptible to fluctuations in global demand. The outlook for trade is slightly improved for 2024.
- Despite the above challenges, there are some areas of potential optimism in BC. Interest in critical minerals, trade opportunities, and investments in sectors like life sciences and cleantech offer avenues for economic growth and diversification.
- Additionally, upcoming high-profile events such as the 2024 Grey Cup, the 2025 Invictus Games, and the 2026 FIFA World Cup provide opportunities to showcase BC's strengths on the global stage and attract investment and tourism to the province.

The 2024 State of the Nanaimo Economy report provides members of the public and investors with data, analysis and insights on Nanaimo's current economic and business climate. Produced annually by the City's internal economic development section, the report uses data from official government sources, secondary data aggregators, local operators and service providers. This report provides indicators such as City of Nanaimo Gross Domestic Product (GDP), demographics, business trends, development activity, housing and real estate, labour market, income and tourism.

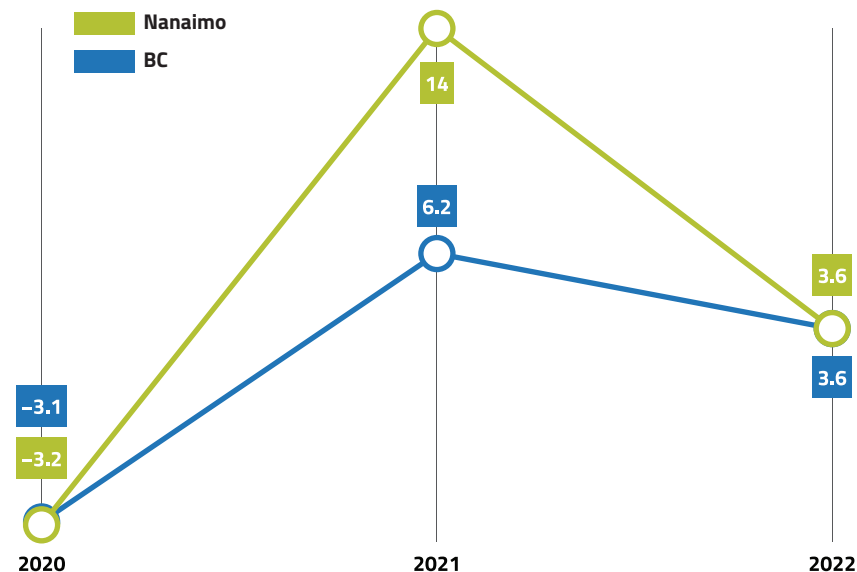




City of Nanaimo GDP (Millions of Dollars)



GDP Growth Rates Index of GDP Growth (2016=100) Year-over-Year



GDP Growth Rates (Year-over-Year)

	2020	2021	2022
<b>Growth Rate: BC GDP</b>	-3.10%	6.20%	3.60%
<b>Growth Rate: Nanaimo GDP</b>	-3.20%	14.00%	3.60%
<b>Nanaimo GDP (\$ Millions)</b>	\$4,053	\$4,619	\$4,785
<b>Nanaimo GDP as Share of BC</b>	1.60%	1.80%	1.80%
<b>BC GDP (\$ Millions)</b>	\$247,185	\$262,593	\$272,009

## Gross Domestic Product

The Gross Domestic Product (GDP)<sup>1</sup> measures the value of final goods and services produced in the economy. Changes in GDP are the standard measure of economic growth. Nanaimo estimates are derived from provincial measures of GDP using the share of employment by industry (2021 Census). GDP is useful in providing overall economic trends in conjunction with other indicators.

Provincial GDP grew by 3.6 per cent in 2022, tied for fourth highest among provinces and equal to the national average. Despite rising interest rates, key investment indicators such as housing starts, non-residential investment, and major project activity remained relatively strong in 2022. Service producing industries registered an overall 4 per cent GDP increase and the Goods Producing Sector 3 per cent. Huge uptick in arts/entertainment/recreation and accommodation/food services and transportation/warehousing sectors. Construction and utilities sectors were the strongest performers in the goods-producing industries.

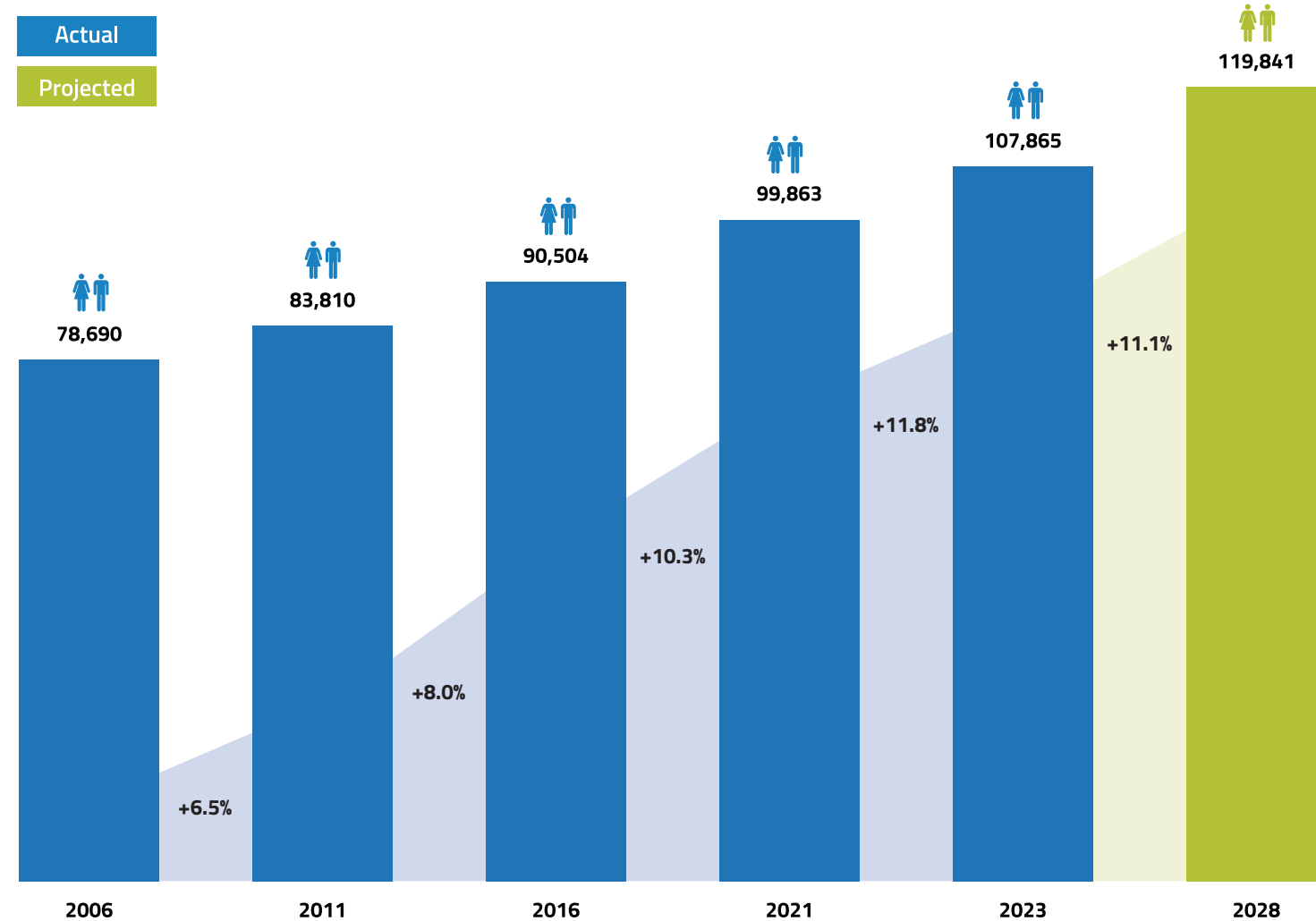
The City of Nanaimo accounted for approximately 1.8 percent of BC's GDP in 2022. In the primary industries; construction, utilities, manufacturing, "mining oil & gas extraction" performed better in 2022 in comparison to 2021, while "agriculture, forestry, fishing & hunting" sector underperformed. In the service sectors the largest increases were in the "arts, entertainment, recreation" and "accommodation and food services" sectors. All service sectors performed better in 2022 compared to 2021 with the exception of "wholesale trade" and "retail trade".

<sup>1</sup>GDP is a measure of the value-added associated with market-based production. It does not capture non-market production or any activity that takes place in the underground economy. GDP estimates have a number of weaknesses as a measure of economic welfare and are best used in conjunction with other indicators such as income and employment. Chained dollars is a method of adjusting real dollar amounts for inflation over time, to allow the comparison of figures from different years.

SOURCE: BC STATS, NANAIMO ECONOMIC DEVELOPMENT CALCULATIONS

*The City of Nanaimo accounted for approximately 1.8 percent of BC's GDP in 2022*

### City of Nanaimo Population Growth



## Population

Following a brief slowdown during the COVID-19 pandemic, Nanaimo and British Columbia experienced a vigorous rebound in population growth. For 2023, the projected population of the City of Nanaimo is 107,865. Nanaimo experienced a significant population growth rate of 10.3 per cent during the last Census, surpassing the growth rates of both BC at 7.6 per cent and Canada at 5.2 per cent. Population projections up to 2046 indicate strong growth will continue in the region.

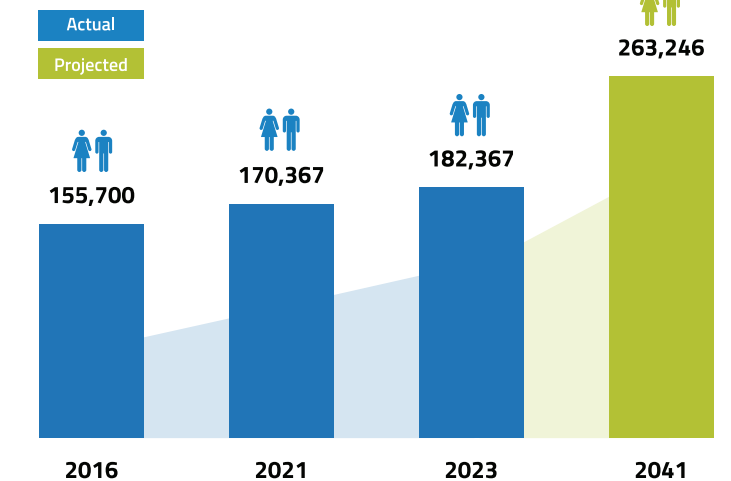
The Regional District of Nanaimo (RDN) is projected to have a population of 182,367 in 2023. Over the next five years, the RDN's population is expected to increase by 18,906 individuals, resulting in an average annual growth rate of 2.1 per cent. Comparatively, the Vancouver Island Coast region is forecasted to grow at a rate of 1.9 per cent annually, while BC is projected to grow at 2 per cent annually during the same period. For the City of Nanaimo, the population growth rate over the next five years is projected to be slightly higher at 2.2 per cent annually.

#### INDIGENOUS PEOPLE

In 2021, there were 7,910 Indigenous people living in Nanaimo, making up 8.2 per cent of the population. In comparison BC's Indigenous population represented 5.9 per cent and Canada 5.0 per cent of total population. The majority of the Indigenous population reported a single Indigenous identity, either First Nations, Métis or Inuk (Inuit). Of the Indigenous population in Nanaimo, 54.9 per cent (or 4,345) were First Nations people, 39.4 per cent (or 3,120) were Métis, and 0.8 per cent (or 65) were Inuit.

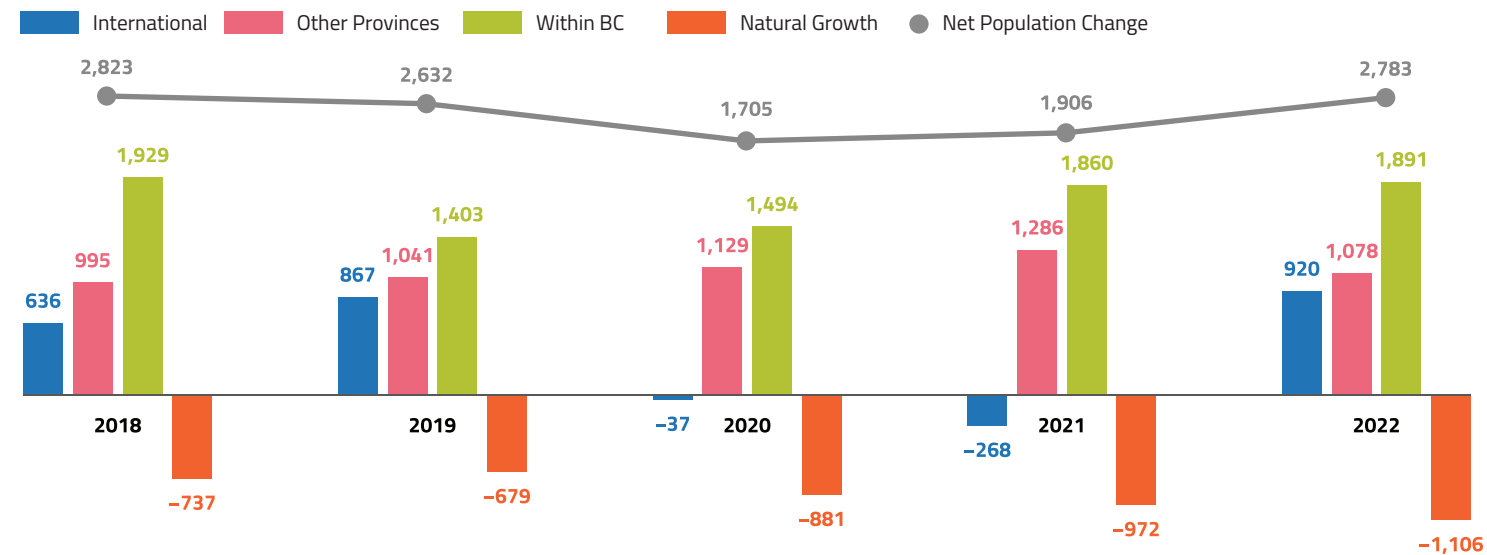
The Indigenous population in Nanaimo is younger than the non-Indigenous population. Indigenous children aged 14 and under represented 25.3 per cent of the total Indigenous population, while non-Indigenous children accounted for 13.6 per cent of the non-Indigenous population. The average age of the Indigenous population in Nanaimo was 32.8 years, compared with 45 years for the non-Indigenous population.

### Population Growth Regional District of Nanaimo

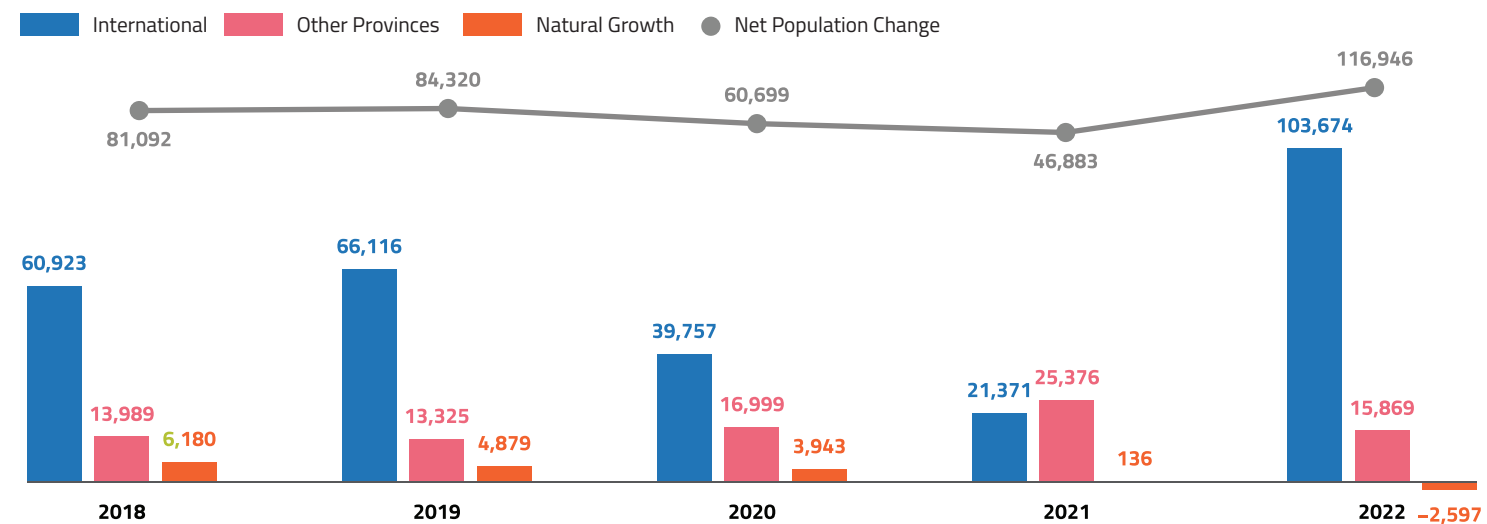


SOURCE: BC STATS, CENSUS CANADA

### Origin of New Residents (RDN)



### BC Migration



## Migration

Population growth rates are influenced by two primary factors: natural increase (births minus deaths) and migration. In the Regional District of Nanaimo (RDN) in 2022, there were 1,122 births and 2,228 deaths, resulting in a negative natural growth rate that has persisted for decades. As a result, population growth in the region has been primarily driven by migration.

There are three types of migrants: intra-provincial (within BC), inter-provincial (from other provinces), and international immigrants (from outside Canada). While total migration decreased during the COVID shutdowns, it rebounded significantly as travel restrictions eased.

On average in the past five years, the RDN has welcomed over 3,200 net new residents annually. The majority of these newcomers, 53 per cent, migrated from other parts of British Columbia, while 34 per cent relocated from other provinces, and 13 per cent arrived from other countries.

Regarding the demographics of newcomers to the City of Nanaimo in 2022, data shows that 72 per cent fell within the "working age" category of 15 to 64 years old. However, negative natural growth persisted, with 897 births and 1,347 deaths resulting in a net natural growth of -450.

Strong international migration to British Columbia has been a key driver of net population growth in recent years. In 2022, BC experienced negative natural growth for the first time in its history, highlighting the significance of international migration. Nanaimo captured 5.3 per cent of total migrants to BC in 2022, with a five-year average capture rate of 5.4 per cent.

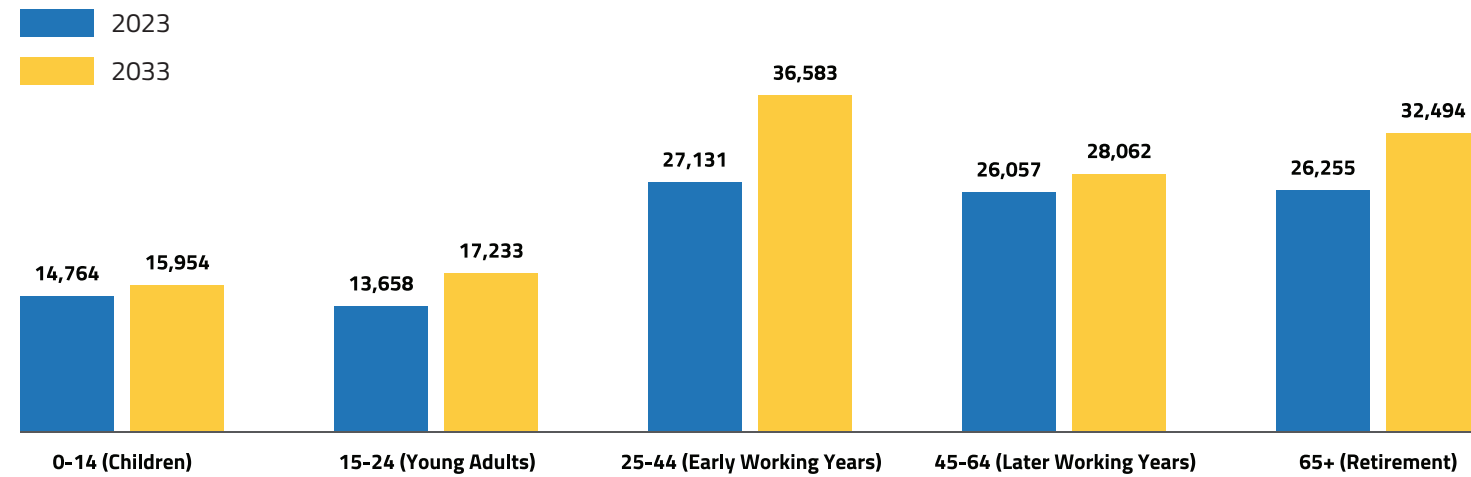
*On average in the past five years, the RDN has welcomed over **3,200 net new residents annually***

### City of Nanaimo Migration by Age Breakdown (2022)

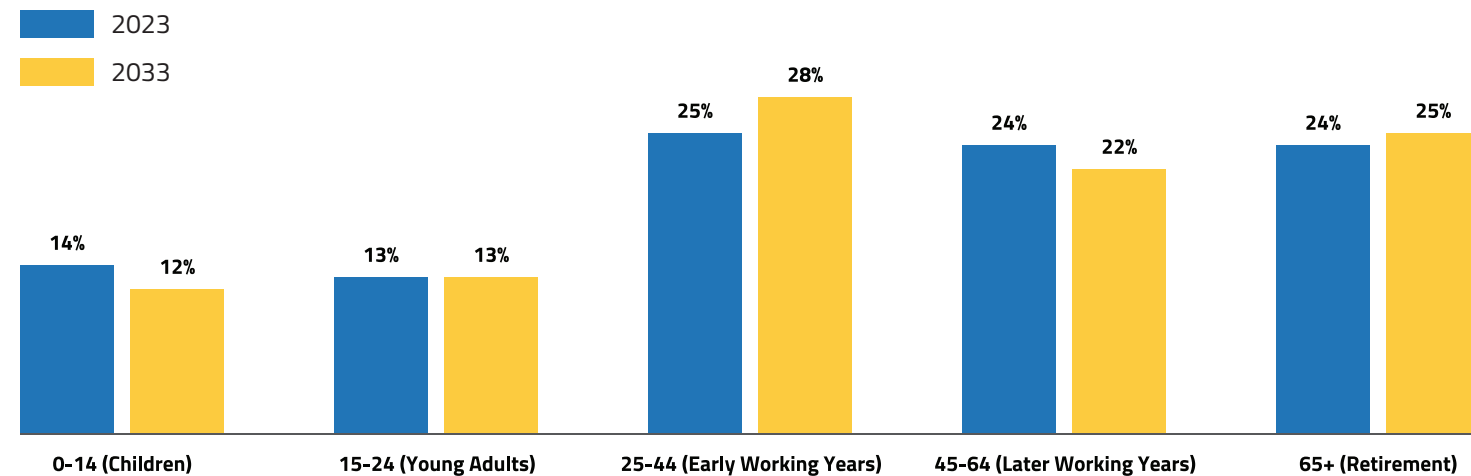
	0-14	15-64	65+	Total
<b>International</b>	159	602	37	797
<b>Other Provinces</b>	94	583	15	696
<b>Within BC</b>	243	745	186	1,187
<b>Net Migration</b>	496	1,930	238	2,680
<b>Births</b>				897
<b>Deaths</b>	1	200	1,144	1,347
<b>Net Natural</b>				-450
<b>Population Change</b>				2,230

SOURCE: BC STATS, STATS CANADA (MOST RECENT YEAR DATA IS PRELIMINARY DATA). MIGRATION YEAR JULY 1-JUNE 30TH.

### Population by Age Breakdown (City of Nanaimo)



### Age Breakdown by Percentage of Total Population (City of Nanaimo)



## Age Breakdown

In 2023, children (aged 0-14) comprised 14 per cent of Nanaimo's total population. By 2033, this segment is projected to increase by 8.1 per cent, adding 1,190 children. However, as a proportion of the total population, the children category is expected to decline by 2 per cent over the next decade.

Meanwhile, the working-age population (aged 15-64) constituted 62 per cent (66,846) of Nanaimo's population in 2023. This segment is projected to increase by 22.5 per cent (+15,032) by 2033, to represent 63 per cent of the total population.

Individuals aged 65 and older represented 24 per cent of the total population in 2023 and are expected to grow by an additional 6,239 persons by 2033, reaching 23.8 per cent of the total population.

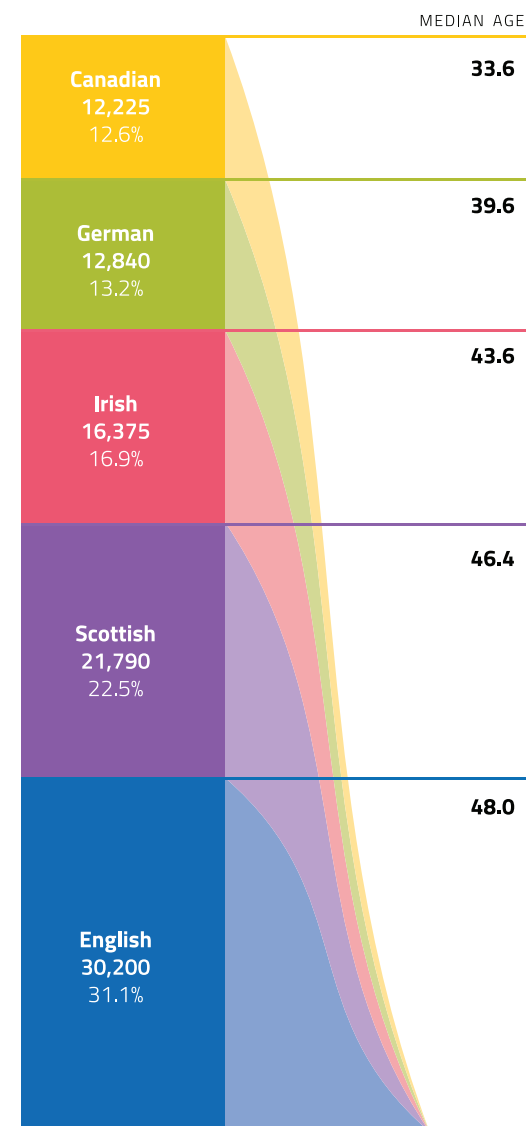
The largest growth over the next decade is projected in the 25-44 age category (early working years), with an increase of 9,452 persons. The second-largest growth category is the 65+ category, with an increase of 6,239 persons. Nanaimo's average and median age was younger in the 2021 Census compared to the 2016 Census, indicating a trend towards a younger population.

*The largest growth over the next decade is projected in the **25-44 (early working years) age category***

SOURCE: BC STATS POPULATION PROJECTIONS



### City of Nanaimo Five Highest Reported Ethnic Origins (2021)



### City of Nanaimo Visible Minorities

Ethnicity	2023	2028	% Change
Chinese	3,155	3,751	19%
South Asian	2,449	2,758	13%
Filipino	964	1,210	26%
Black	855	1,004	17%
Latin American	614	718	17%
Arab	297	348	17%
Southeast Asian	892	1,020	14%
West Asian	198	218	10%
Korean	403	402	0%
Japanese	517	588	14%
Visible Minority (not included elsewhere)	81	82	1%
Multiple Visible Minorities	250	257	3%
<b>Total Population</b>	<b>10,675</b>	<b>12,356</b>	<b>16%</b>

## Ethnic or Cultural Origins

According to the 2021 Census, the most commonly reported ethnic or cultural origin among Nanaimo residents is English, with approximately 30,200 individuals, constituting 31.1 per cent of the total population. Following closely behind is Scottish, with around 21,790 individuals, accounting for 22.5 per cent of the total population. The third most reported origin is Irish, with approximately 16,375 persons, representing 16.9 per cent of the total population.



















Visible minorities make up 10 per cent of Nanaimo's total population, indicating increasing diversity in the region as the overall population expands. As of 2023, Nanaimo's visible minority population is estimated at 10,675 individuals. The three largest minority groups in Nanaimo are Chinese, South Asian, and Filipino, comprising 3.1 per cent, 2.4 per cent, and 0.9 per cent of the total population, respectively. It is projected that the total visible minority population will grow by 16 per cent by 2028, with the largest increases expected from Chinese migrants (596), followed by South Asian (309) and Filipino (246).

In comparison, BC's visible minority population stood at 32 per cent in 2023. The three largest minority groups in BC are Chinese, South Asian, and Filipino, accounting for 11.5 per cent, 9.1 per cent, and 2.9 per cent of the total population, respectively. Vancouver boasts the most diverse population in BC, with visible minorities making up 48.9 per cent of the total population. Among these minorities, Chinese represent 19.6 per cent, South Asian 12 per cent, and Filipino 5.1 per cent of the total population in Vancouver.

*Visible minorities represent 10 per cent of Nanaimo's total population.*

SOURCE: ESRI CANADA, 2021 CENSUS

### Business Licenses by Industry Sector (City of Nanaimo 2023)

 <b>Professional, Scientific, Technical</b>	737	11.4%	 <b>Finance and Insurance</b>	119	1.8%
 <b>Retail Trade</b>	737	11.5%	 <b>Wholesale Trade</b>	128	2.0%
 <b>Other Services (except Public Admin.)</b>	650	10.1%	 <b>Education and Training</b>	76	1.2%
 <b>Health Care and Social Assistance</b>	688	10.7%	 <b>Information and Cultural</b>	45	0.7%
 <b>Admin/Support, Waste Mgmt/Remed.</b>	522	8.1%	 <b>Mgmt. of Companies/Enterprises</b>	2	0.0%
 <b>Real Estate, Rental and Leasing</b>	472	7.3%	 <b>Construction</b>	1,145	17.7%
 <b>Accommodation and Food Services</b>	597	9.2%	 <b>Manufacturing</b>	148	2.3%
 <b>Arts, Entertainment and Recreation</b>	199	3.1%	 <b>Agr., Forestry, Fishing and Hunting</b>	11	0.2%
 <b>Transportation and Warehousing</b>	175	2.7%	 <b>Utilities</b>	2	0.0%

 Goods Producing Sector

 Service Producing Sector

## Business Licenses

In 2023, the City of Nanaimo had 6,457 licensed businesses. The largest number of business licences are held by the construction sector, followed by retail and the “professional, scientific and technical services” sector. The number of total business licences increased by 10 per cent over the last decade.

In 2023, the largest growth in business licences was in the “accommodation and food services” sector (+91), followed by “arts, entertainment and recreation” (+9) and “healthcare and social assistance” (+9). The largest declines were in the construction sector (-65), retail (-27) and professional, scientific and technical sector (-9).

Home-based businesses account for 38 per cent of total business licences issued in the City of Nanaimo. 67 per cent of Nanaimo’s businesses are locally owned and operated. 3.0 per cent of Nanaimo businesses are franchise operations and 9.49 per cent are branch offices of larger companies headquartered elsewhere.

\*Business licences represent all types of private businesses, sole proprietorships, partnerships and incorporated businesses

SOURCE: NANAIMO ECONOMIC DEVELOPMENT AS OF JULY 18, 2023



### Business Incorporations (2018-2022)

	2018	2019	2020	2021	2022	Average 2020-22
<b>City of Nanaimo</b>	566	606	615	860	791	<b>755</b>
<b>Reg. District of Nanaimo (RDN)</b>	785	817	823	1,136	1,027	<b>995</b>
<b>Vancouver Island Coast (VIC)</b>	4,313	4,330	4,372	5,880	5,149	<b>5,134</b>
Nanaimo as Share of VIC	13%	13%	14%	15%	15%	<b>15%</b>
Nanaimo as Share of RDN	72%	72%	74%	76%	77%	<b>76%</b>

## Business Incorporations

Incorporations are the number of new limited companies registered under the Business Corporations Act. Sole proprietorships or partnerships are not included. In 2022, there were 791 new business incorporations in the City of Nanaimo, while the Regional District of Nanaimo (RDN) saw a total of 1,027 registrations under the Business Corporations Act. Notably, Nanaimo accounted for 77 per cent of the new incorporations in the RDN and 15 per cent of Vancouver Island Coast region.

It's important to note that not all business closures are reflected in the business bankruptcy numbers, as many businesses may choose to close without declaring bankruptcy.

All three regions—City of Nanaimo, Regional District of Nanaimo, and Vancouver Island Coast exceeded their three-year average for business incorporations in 2022.

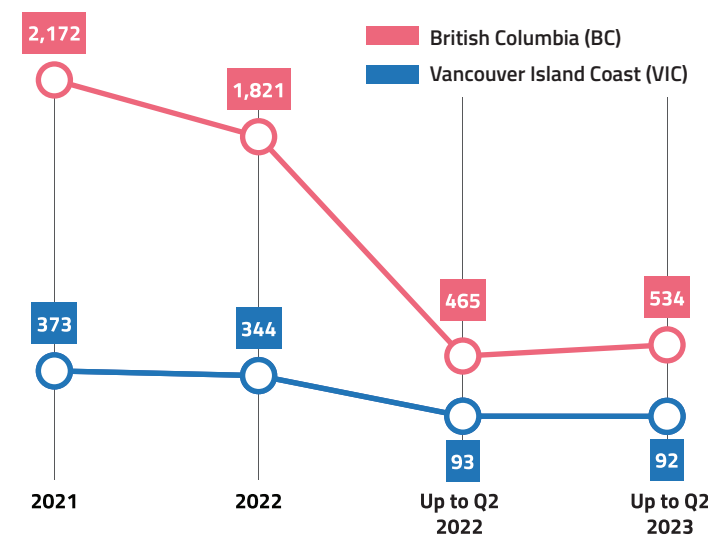
### BUSINESS AND CONSUMER BANKRUPTCIES

In 2022, both business and consumer bankruptcies experienced declines on Vancouver Island Coast and across British Columbia compared to 2021. Specifically, consumer bankruptcies decreased by 8 per cent on the Vancouver Island Coast region and by 16 per cent in British Columbia, while business bankruptcies saw a significant decrease of 92 per cent on the Vancouver Island Coast and 39 per cent in British Columbia.

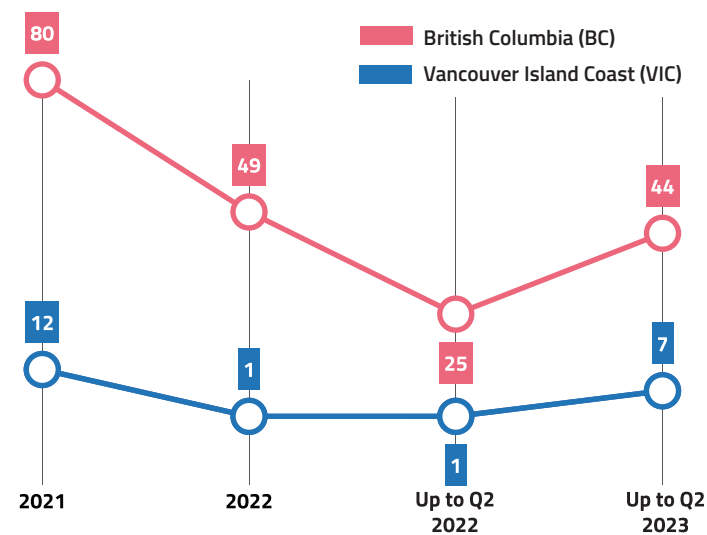
As of the time of this publication, bankruptcy data was only available up to the second quarter of 2023. Initial comparisons suggest that consumer bankruptcies remain relatively comparable, but there appears to be a larger increase in business bankruptcies when comparing the second quarters of 2022 and 2023. This shift likely reflects some of the lingering impacts of COVID-19 on businesses.

SOURCE: BC STATS, OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY OF CANADA

### Consumer Bankruptcies



### Business Bankruptcies



### Businesses by Employee Size (City of Nanaimo)

	2012	2017	2022	10 Year Growth Rate
1-4	1,570	1,690	1,868	19%
5-9	684	733	746	9%
10-19	427	479	526	23%
20-49	275	290	312	14%
50-99	71	84	93	31%
100-199	33	36	44	33%
200-499	9	11	13	44%
500+	5	7	8	60%
<b>Total</b>	<b>3,074</b>	<b>3,330</b>	<b>3,610</b>	<b>17%</b>

## Size of Business

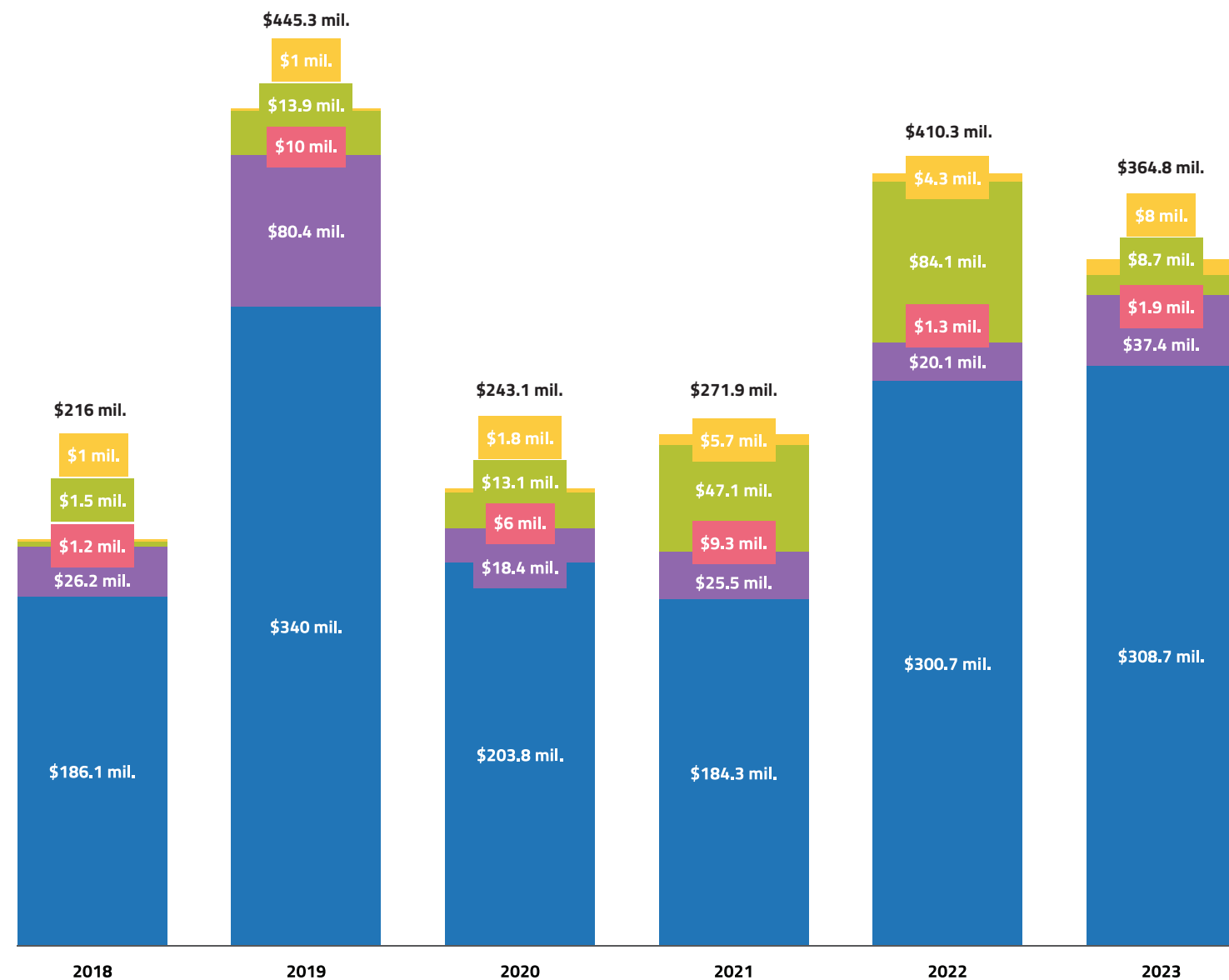
In 2022, the City of Nanaimo was home to 3,610 businesses with one or more employees, indicating a consistent growth trend in the overall number of businesses with employees over time. Over the past decade, the number of businesses with employees has increased by 17.4 per cent. Additionally, in the past five years, sole proprietorships have seen a notable increase of 9 per cent in Nanaimo.

Similar to trends observed across British Columbia, the majority of businesses in the City of Nanaimo are categorized as small to medium enterprises. Specifically, 87 per cent of businesses have between 1 and 19 employees, while 12.4 per cent have between 20 and 199 employees. Those with over 200 employees represent less than 1 per cent (0.6 per cent) of the total business landscape in Nanaimo.

SOURCE: BC STATS



City of Nanaimo Building Permit Value 2018-2023



## Building Permits

In 2023, total building permit values in Nanaimo amounted to \$364.7 million, marking a 11 per cent decrease compared to 2022. Residential project values were 3 per cent higher and commercial values were 87 per cent higher year over year.

Residential permits continued to dominate the building permit landscape, accounting for 84.6 per cent of the total permit value in 2023, compared to 73 per cent in 2022. Commercial permits represented 10 per cent of the total value, while industrial permits comprised 0.5 per cent, public permits 2.4 per cent, and miscellaneous permits 2.2 per cent.

Non-residential building permits, encompassing commercial, industrial, and public sectors, contributed 16.5 per cent to the total building permit value in 2023, experiencing a drop of 54 per cent from 2022. This aligns more closely with historical trends, as the surge in 2022 was mainly driven by the construction of the correctional centre on Biggs Road.

- Residential
- Commercial
- Industrial
- Public
- Miscellaneous

SOURCE: NANAIMO ECONOMIC DEVELOPMENT

*In 2023 residential building permit values were the second highest on record*

## 2023 Major Projects over \$2 Million

Address	Description	Value
235 Wallace Street	Two Towers on Parkade: 1) New Apartment Building, 48 units, 6 storey 2) New Apartment Building, 147 units, 6 storeys	\$45,422,800
388 Machleary Street	New Seniors Facility, 145 units, 5 storeys	\$36,918,000
340 Campbell Street	New Apartment Building, 163 units, 6 storeys	\$28,193,544
6981 Island Highway N	New Apartment Building, 75 units, 5 storeys	\$17,386,000
6985 Island Highway N	New Apartment Building, 75 units, 5 storeys	\$17,386,000
6340 McRobb Avenue	New Apartment Building, 66 units, 6 storeys	\$13,614,819
45 Haliburton Street	New Apartment Building, 38 units, 5 storeys	\$9,113,310
2345 Kenworth Road	New Apartment Building, 40 units, 4 storeys	\$8,000,000
3789 Shenton Road	New Office Building, 3 Residential units, 4 storeys	\$7,800,000
521 Third Street	New Apartment Building, 31 units, 1 commercial unit, 4 storeys	\$7,283,452
3945 Biggs Road	New Correctional Facility, 2 storeys	\$6,600,000
4900 Island Highway N	New Automotive Dealership, 2 storeys	\$6,513,000
4900 Island Highway N	New Automotive Dealership, 2 storeys	\$6,241,440
2355 Kenworth Road	New Automotive Dealership, 2 storeys	\$6,203,394
2560 Departure Bay Road	Building Envelope Repair	\$5,380,815
1615 Northfield Road	Four Buildings: 1) New Triplex, 3 storeys 2) New Triplex, 3 storeys 3) New Triplex, 3 storeys 4) New Duplex, 3 storeys	\$4,561,871
3201 Lauren Mary Place	Three Buildings: 1) New fourplex, 3 storeys 2) New Fourplex, 3 storeys 3) New Five-plex, 3 storeys	\$3,745,223
2358 Kenworth Road	New Automotive Dealership, 2 storeys	\$3,500,000
3201 Ross Road	Renovations of 23 units	\$3,200,000
2545 Doctors Road	Three Buildings: Two Duplexes and one Single Family Dwelling	\$3,000,000
1840 Stewart Avenue	New shell units within previously constructed building	\$2,750,000

## Major Projects

In both 2023 and 2022, there were a total of 37 projects valued at \$2 million or more. In 2023, the majority of these larger projects consisted of apartment buildings. Additional large projects included a seniors' facility and a new automotive dealership.

## NANAIMO HOSPITAL ICU REPLACEMENT

On June 28, 2023, the Nanaimo Regional General Hospital opened its state-of-the-art Intensive Care Unit (ICU). The ICU has 12 single-patient rooms, equipped with cutting-edge features such as service booms, overhead lifts, a dedicated medication room, a family consult room, and a staff room. This project, totaling \$41.6 million in cost, represents a significant upgrade to the initial ICU built in 1970.



## 235 WALLACE STREET

\$45,422,800  
Telus Living, 7 and 6-storey buildings (195 res. units) 1 comm. retail unit, underground parking.



## 388 MACHLEARY STREET

\$36,918,000  
New seniors facility on former hospital site with 145 total units.



## 521 THIRD STREET

\$7,283,452  
Phase 4, Building E on this location – 31 residential units, 1 commercial unit.



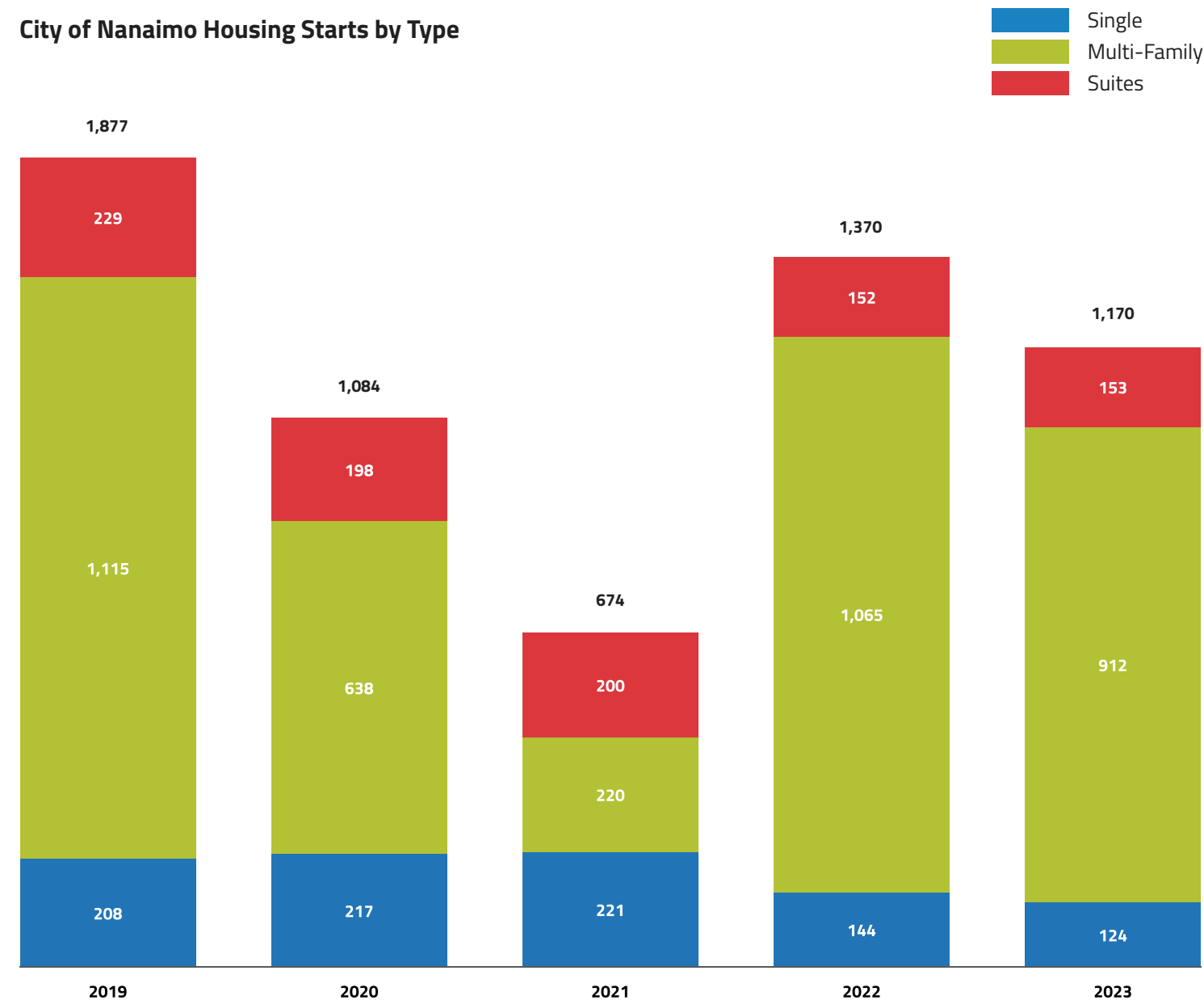
## 3789 SHENTON ROAD

\$7,800,000  
New office building with residential units located on Diver Lake.

SOURCE: CITY OF NANAIMO



### City of Nanaimo Housing Starts by Type



## New Housing and Housing Stock

Housing starts, along with building permits, serve as leading indicators of economic activity. In 2023, the number of new housing units decreased by 15 per cent to 1170, down from 1370 in 2022. The housing needs assessment report indicates 1155 housing units should be created to match population growth. New housing units built in 2023 surpassed this threshold.

New construction developments have slowed as the cost of materials, labour and borrowing continue to rise, making new construction homes less profitable for developers.

The trend towards denser housing options persisted, with 78 per cent of all new units being multi-unit dwellings, particularly condos, apartments, and townhouses, reflecting the city's transition towards a more densely populated urban environment.

In Nanaimo, single or semi-detached homes continue to hold the majority share of housing (62 per cent), although this proportion has steadily declined over the past decade. With the city's expansion, there has been a notable shift in the housing landscape, with apartments and low/high-rise buildings now constituting 36 per cent of all housing, while other dwelling types make up the remaining 2 per cent.

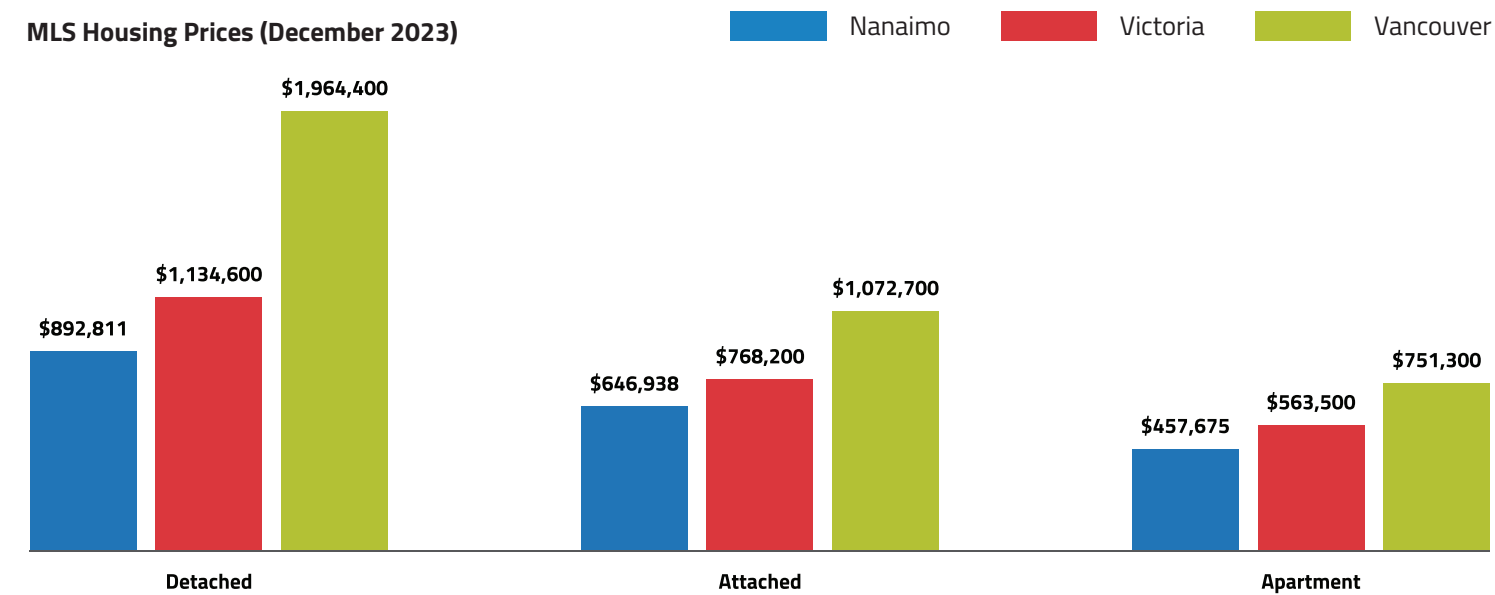
Housing ownership in Nanaimo was recorded at 66.7 per cent in the 2021 Census, marking an increase of 0.8 per cent since 2016. Additionally, data from the 2021 Census indicates that 24.2 per cent of households in the city spend 30 per cent or more of their income (before-tax income) on shelter costs, representing a notable reduction from 27.2 per cent in 2016. As of 2023, housing ownership stands at 66.16 per cent.

SOURCE: CMHC, ESRI CANADA

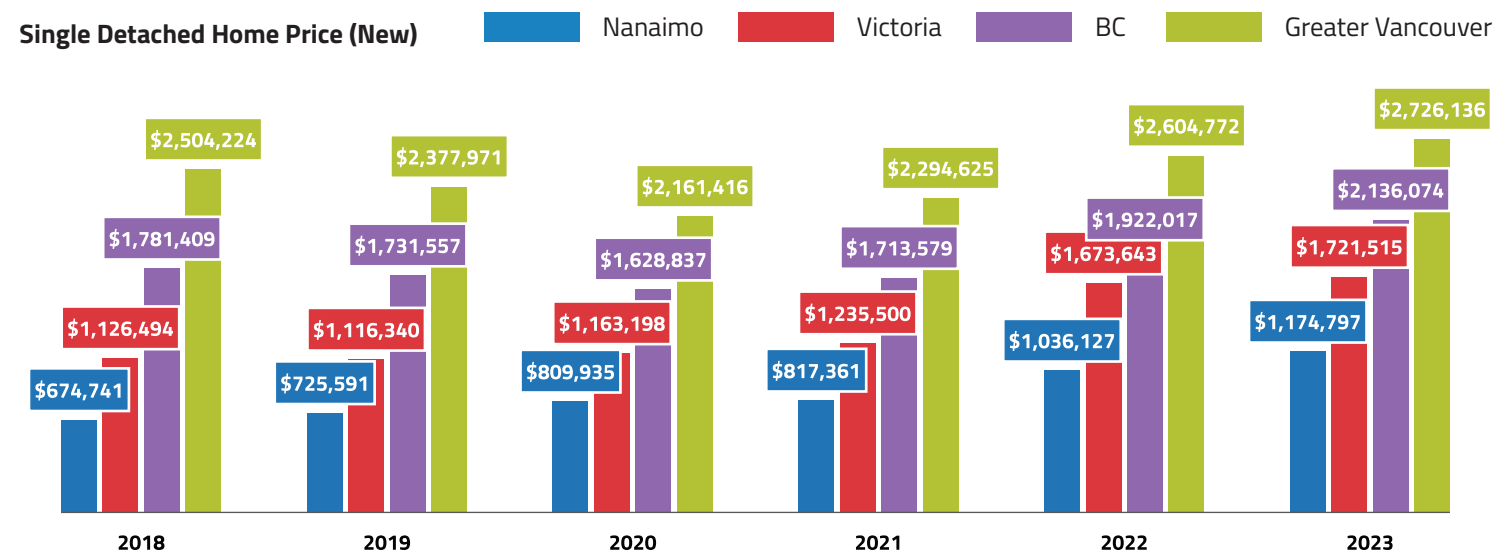
### Housing Stock 2023

<b>Houses</b>	<b>27,192</b>
Single-Detached House	22,919
Semi-Detached House	2,236
Row House	2,037
<b>Apt, Building Low/High Rise</b>	<b>16,621</b>
Apt. Building, 5+ Stories	1,462
Apt. Building, < 5 Stories	8,687
Detached Duplex	6,492
<b>Other Dwelling Types</b>	<b>1,273</b>
Other Single-Attached, House	87
Movable Dwelling	1,186
<b>Total Households</b>	<b>45,086</b>

MLS Housing Prices (December 2023)



Single Detached Home Price (New)



## Housing Prices

In December 2023, the benchmark price for an average single-family detached home increased by 15.4 per cent year-over-year in Nanaimo. In contrast, Greater Vancouver saw a 7.7 per cent increase, while Greater Victoria experienced a more modest 2.5 per cent uptick. Row-housing prices followed suit with substantial hikes, rising by 30.2 per cent in Nanaimo, 5.9 per cent in Greater Vancouver, and 1.4 per cent in Greater Victoria. Apartment prices also saw significant movement, climbing by 16.3 per cent in Nanaimo, 5.3 per cent in Greater Vancouver, and remaining relatively stable in Greater Victoria.

Despite December showing year-over-year price increases, average annual housing prices dropped across all three markets. The rise in interest rates diminished homebuyers' purchasing power and dampened demand, resulting in a widespread decline in housing prices across most markets in British Columbia.

In 2023, the average annual price for a single-family home in Nanaimo dropped by 7.2 per cent to \$827,617. Similarly, condos/apartments experienced a 3.5 per cent decrease, and row/townhouses saw a 3.3 per cent decline in prices. Correspondingly, sales mirrored these trends with single-family homes witnessing an 11.1 per cent drop, condo/apartment sales decreasing by 15 per cent, while row/townhouse sales increased by 2.75 per cent.

Likewise, in Victoria, both home prices and sales dipped in 2023 compared to 2022. The annual average price for a single-family home decreased by 3.4 per cent, condominiums witnessed a 2.2 per cent average price decline, and the townhome market

experienced the most significant drop of 7 per cent. Overall property sales in 2023 fell by 8.7 per cent compared to 2022.

The Metro Vancouver housing market concluded with balanced conditions in 2023. Total residential sales in the region decreased by 10.3 per cent compared to 2022. Despite elevated borrowing costs, home prices across all market segments saw gains of over five percent.

The average price of a single-family new house surged by 13 per cent in Nanaimo in 2023 compared to the previous year. Greater Vancouver and Greater Victoria experienced more moderate increases of 5 per cent and 3 per cent, respectively. Across British Columbia, the average price hike stood at 11 per cent during this period.

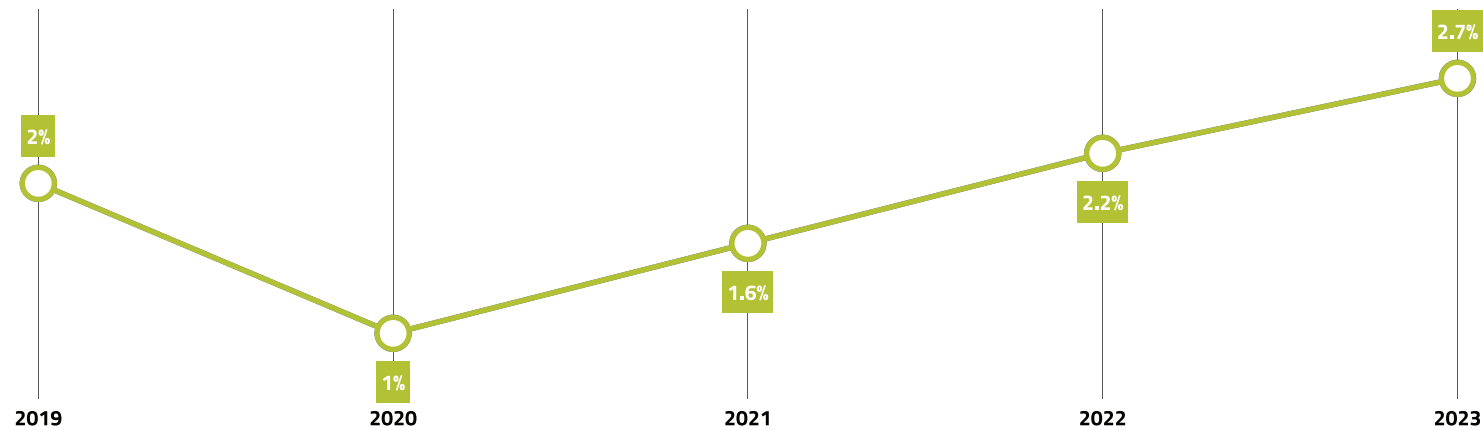
Higher interest rates are serving as a barrier to entry for many first-time homebuyers. Consequently, first-time buyers are exploring alternative forms of homeownership, primarily purchasing with family members to enhance affordability. New construction developments are expected to slow down due to the rising costs of materials and labour, making new construction homes less profitable for developers. Due to demand from homebuyers seeking rental income, many projects are incorporating separate living spaces from the primary residence.

SOURCE: CMHC (ABSORBED DETACHED NEW SINGLE-FAMILY HOME) VIREB, REBGV, VREB (NOTE: THE HOUSING PRICE INDEX DETERMINES THE BENCHMARK PRICE AND IT IS GIVEN BASED ON CRITERIA THAT IS COMMONLY FOUND IN OTHER PROPERTIES IN THE SAME AREA. BENCHMARK PRICE IS CONSIDERED A TYPICAL SALE PRICE).

Nanaimo Average Rents, Vacancy & Units

	Rent		Vacancy Rate		Units	
	2023	2022	2023	2022	2023	2022
<b>Bachelor</b>	\$1,134	\$1,078	2.40%	1.40%	391	394
<b>1 Bedroom</b>	\$1,319	\$1,230	2.90%	2.40%	2,363	2,280
<b>2 Bedroom</b>	\$1,681	\$1,542	2.60%	1.80%	2,018	1,926
<b>3+ Bedroom</b>	\$1,737	\$1,619	0.00%	5.50%	185	147
<b>Total</b>	\$1,466	\$1,356	2.70%	2.20%	4,957	4,747

Nanaimo Rental Market Vacancy Rate



## Rental Market

In 2023, 66 per cent of Nanaimo residents resided in owned housing, with the remaining 34 per cent in rental accommodations.

The average vacancy rate for rental apartments in Nanaimo saw a slight uptick from 2.2 per cent in 2022 to 2.7 per cent in 2023. The increase in rental units available amounted to 210, marking a 4.4 per cent year-over-year rise.

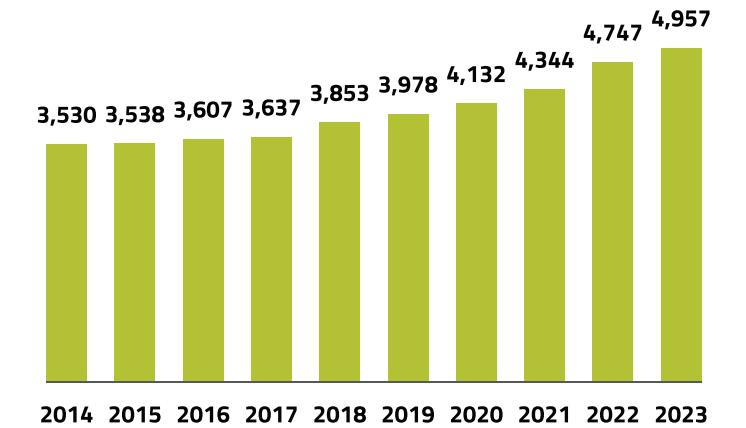
In Vancouver CMA, the vacancy rate held steady at 0.9 per cent, mirroring the previous year, while Victoria CMA experienced a slight increase from 1.5 per cent to 1.6 per cent. Rental supply saw a 5 per cent increase in Victoria CMA and a 2.7 per cent rise in Vancouver CMA in 2023.

Although rent increases were capped at 2 per cent for existing tenants in 2023, affordability for rental units continued to erode. Overall, the average rent for a two-bedroom apartment surged by 9 per cent in Nanaimo, 8.2 per cent in Greater Victoria, and 8.9 per cent in Greater Vancouver.

Comparison of Average Monthly Rent (2 Bedroom Apt.)

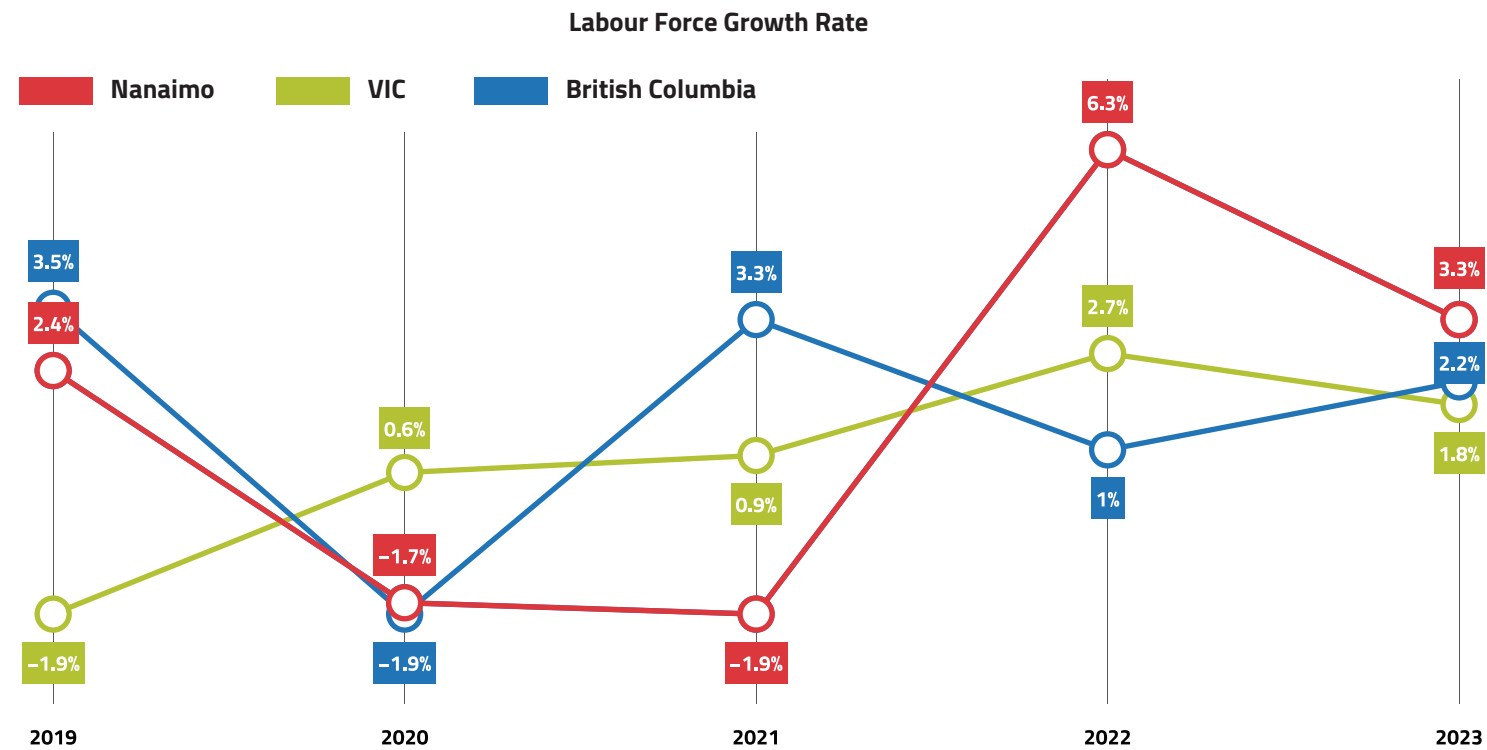
	Vancouver	Victoria	Nanaimo
<b>2022</b>	\$2,002	\$1,699	\$1,542
<b>2023</b>	\$2,181	\$1,839	\$1,681
<b>% Change</b>	8.90%	8.20%	9.00%

Private Apartment Units Rental Stock (Nanaimo)



SOURCE: CMHC





	2019	2020	2021	2022	2023	Average
<b>Nanaimo</b>	2.40%	-1.70%	-1.90%	6.30%	3.30%	<b>1.70%</b>
<b>VIC</b>	-1.90%	0.60%	0.90%	2.70%	1.80%	<b>0.80%</b>
<b>BC</b>	3.50%	-1.90%	3.30%	1.00%	2.20%	<b>1.60%</b>
<b>Nanaimo Labour Force</b>	<b>64,600</b>	<b>63,500</b>	<b>62,300</b>	<b>66,200</b>	<b>68,400</b>	<b>65,000</b>

## Labour Force

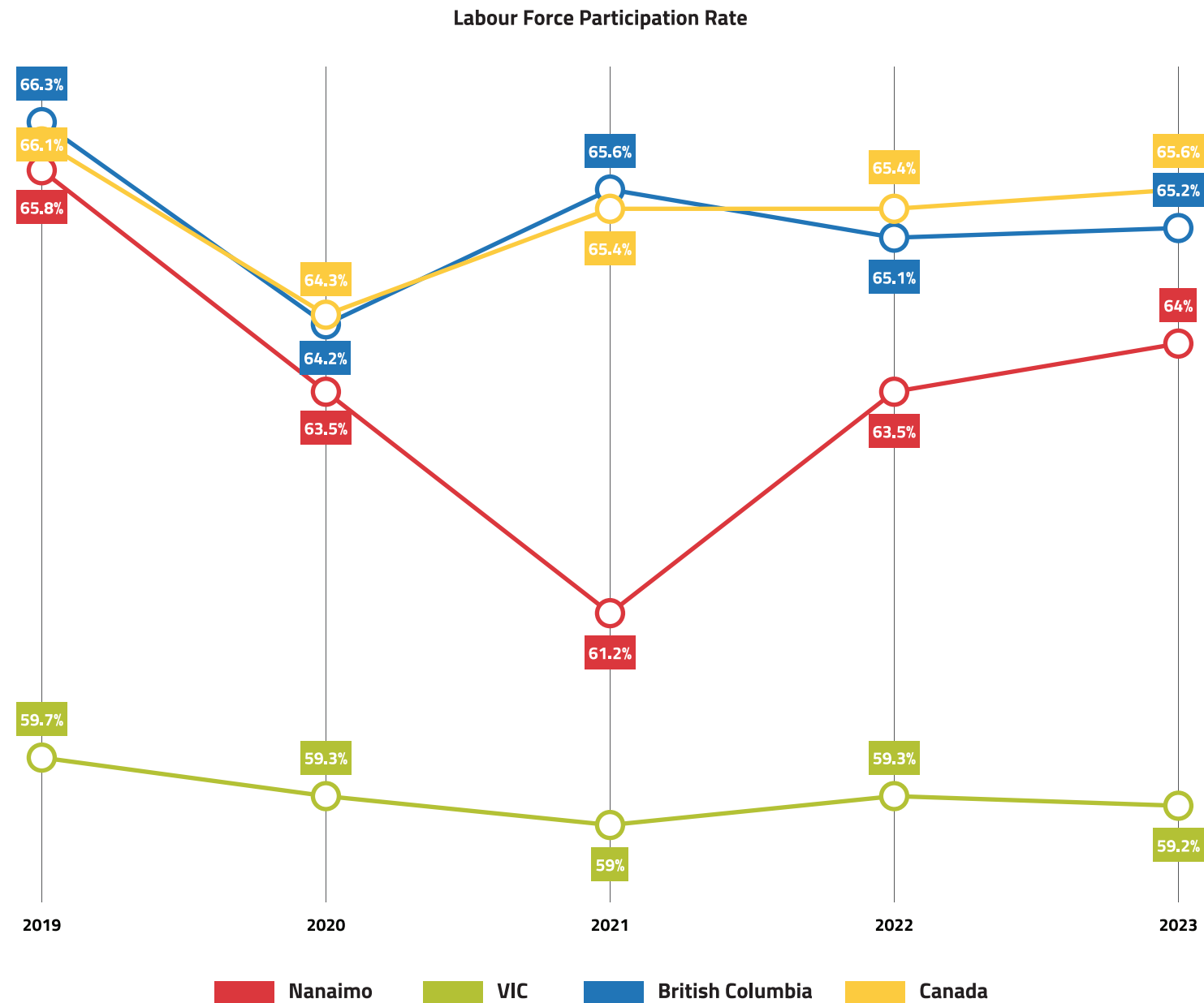
The labour force encompasses individuals aged 15 and above who are either employed or actively seeking employment. Changes in the labour force result from shifts in population and economic opportunities. A burgeoning economy attracts workers from other regions and encourages more individuals to join the workforce. Conversely, during economic slowdowns, people may seek opportunities elsewhere or opt out of the labour force altogether.

Between 2019 and 2023, Nanaimo's labour force experienced an average annual growth of 1.7 per cent, slightly outpacing the province's growth rate of 1.6 per cent and the Vancouver Island Coast region's rate of 0.8 per cent. While Nanaimo generally mirrors the provincial trends in labour force growth, it exhibits greater variability, likely due in part to measurement error in the labour force survey stemming from small sample sizes. Therefore, the five-year average growth rate (1.7 per cent) provides a more accurate reflection of labour force dynamics in Nanaimo.

In 2023, Nanaimo's labour force consisted of 68,400 individuals, showing a growth rate of 3.3 per cent, surpassing the 2.2 per cent growth rate in BC and the 1.8 per cent growth rate on the Vancouver Island Coast.

BC is projected to have 1,017,000 job openings between 2022 and 2032, with nearly 80 per cent of these positions requiring some level of post-secondary education or training.

SOURCE: STATS CANADA



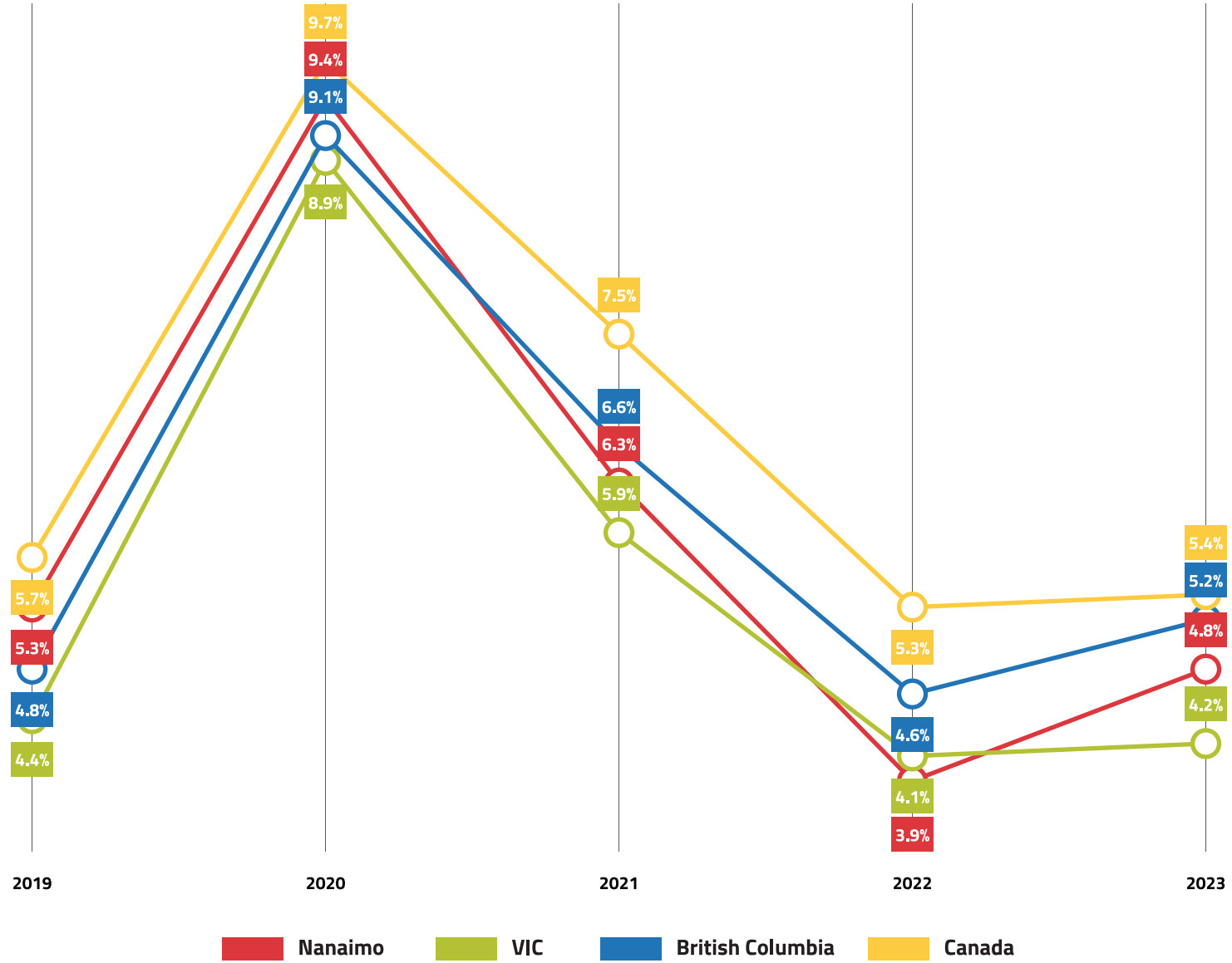
## Labour Force Participation Rate

In 2023, labour force participation rates saw improvements in Nanaimo, BC, and Canada, albeit experiencing a slight dip in the Vancouver Island Coast region. Nanaimo consistently exhibits a lower labour force participation rate compared to BC and Canada but fares better than the Vancouver Island Coast Region. This reflects Nanaimo's and the Island's older age structure in relation to BC and Canada.

The labour force participation rate gauges the proportion of the labour force (employed and unemployed) relative to the working-age population. Essentially, it indicates the percentage of the working-age population engaged in work or actively seeking employment. Regions with younger populations typically boast higher labour force participation rates, while those with older demographics tend to have lower rates. Additionally, participation rates often decrease during economic downturns due to discouraged workers and increase during periods of economic growth. The greater variability observed in Nanaimo's participation rate likely stems from the smaller sample size of the labour force survey.

SOURCE: STATS CANADA

Unemployment Rate Comparisons (Annual Averages)



# Unemployment Rate

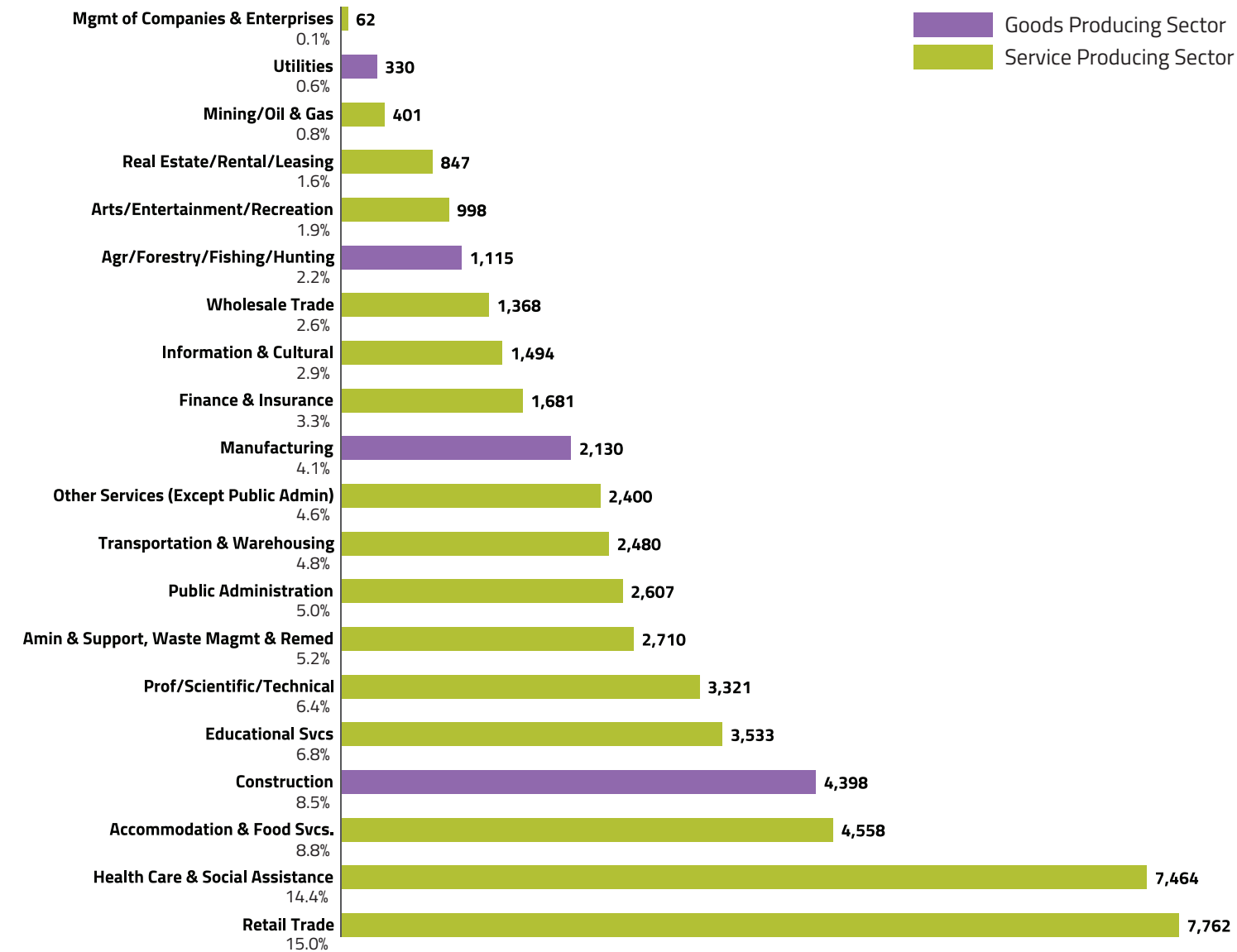
Pandemic-related restrictions and health impacts resulted in notably elevated unemployment rates throughout 2020 and 2021. However, as restrictions began to ease in the latter half of 2021, various sectors of the economy started reporting labour shortages. By 2022, these shortages were gradually improving, reflected in slightly higher unemployment rates.

In 2023, unemployment rates inched up compared to 2022. Nanaimo's unemployment rate stood at 4.8 per cent, which was lower than the rates in BC and Canada but higher than that of the Vancouver Island Coast Region. Generally, an unemployment rate between 4.5 per cent to 5 per cent is considered ideal for a healthy economy.

SOURCE: STATS CANADA



## Labour Force By Industry Sector (City of Nanaimo)



## Employment by Industry Sector

Between the 2016 and 2021 Census, Nanaimo experienced a robust 10.8 per cent growth in job numbers. During this period, economic shifts saw the goods producing sector representing 15 per cent of total jobs (a slight increase from 16 per cent previously), while the service sector accounted for 85 per cent (up from 84 per cent previously).

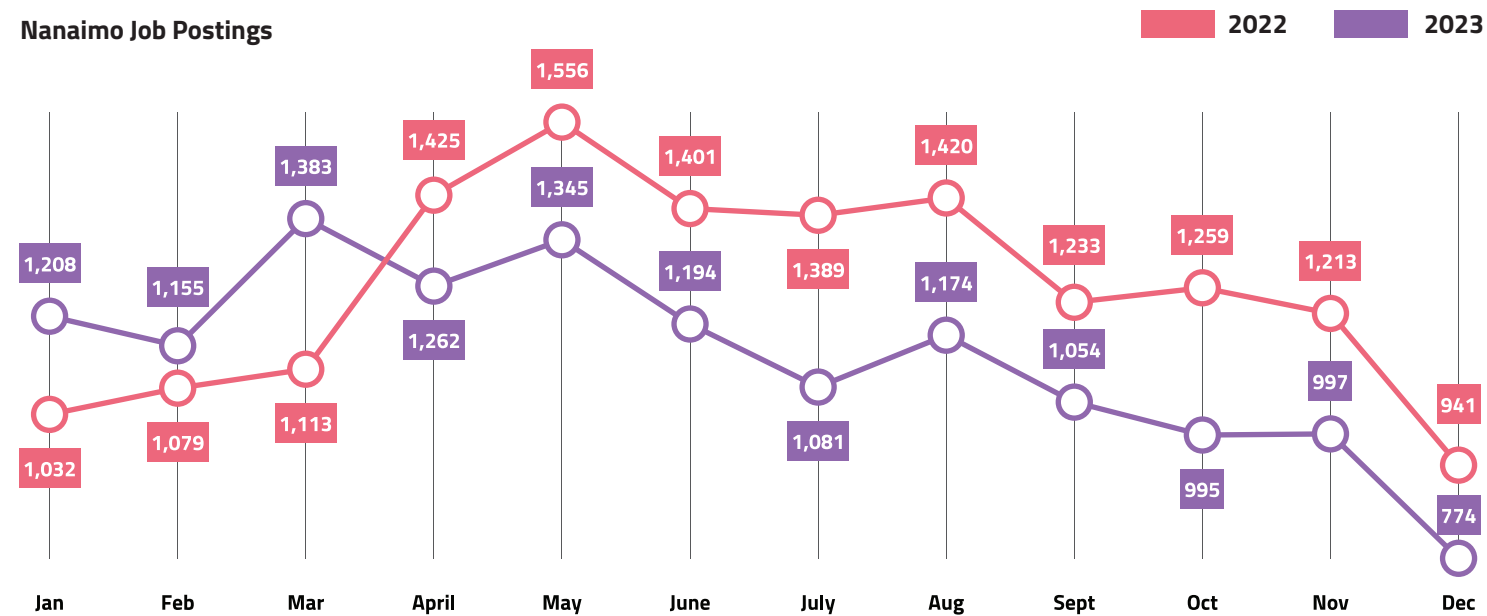
The bulk of job growth stemmed from service-producing industries, with healthcare and social assistance leading the way by adding nearly 1,500 new jobs. Educational services followed with 685 new jobs, while "transportation and warehousing" saw an increase of 490 jobs, and "professional, scientific, and technical" services added 440 jobs. All service sectors reported positive gains, except for "information and cultural industries", which saw a loss of 280 jobs.

Within the goods producing industries, construction experienced the highest growth, adding 740 new jobs, followed by "agriculture, forestry, fishing, and hunting" with 50 new jobs. However, there were job losses in manufacturing (-155) and "mining, quarrying, oil & gas extraction" (-25).

In 2023, the retail sector emerged as the largest job provider, followed by "healthcare & social assistance", "accommodation and food services", construction, and educational services.

SOURCE: STATS CANADA, ESRI CANADA

### Nanaimo Job Postings



#### Nanaimo Job Postings

	2023 Postings	% of Subtotal	% of Grand Total	Change vs 2022
Full-Time	5,486	64%		-4%
Full-Time or Part-Time	1,380	16%		-29%
Part-time	1,657	19%		-15%
<b>Subtotal</b>	<b>8,523</b>	<b>100%</b>	<b>78%</b>	
Unknown	2,442		22%	-9%
<b>Grand Total</b>	<b>10,965</b>		<b>100%</b>	<b>-11%</b>

NOTE: FULL-TIME OR PART/TIME REFERS TO ALL POSTINGS MENTIONING BOTH A FULL-TIME AND A PART-TIME OPTION, INCLUDING JOBS THAT ARE PART-TIME LEADING TO FULL-TIME

#### Top 6 Employers by Job Postings

	2023 Postings
Vancouver Island Health Authority	1,091
Vancouver Island University	260
Lowe's Canada	211
McDonald's	133
White Spot Ltd	108
The Home Depot Canada	92

INCLUDES POSTINGS FROM IDENTIFIED KNOWN EMPLOYERS ONLY

## Job Postings

In 2023, new job postings in Nanaimo saw a 9.6 per cent decrease compared to the previous year. This trend was reflected across British Columbia, with postings decreasing by 14.7 per cent, and in the Vancouver Island Coast Region, where they declined by 12.2 per cent.

Across Vancouver Island regional districts, job postings dropped in 2023 compared to 2022, except for Mount Waddington. The Capital region experienced the highest decline in postings at 16.6 per cent, followed by the Cowichan Valley at 9.7 per cent, and Nanaimo at 9.6 per cent.

The majority of job openings in 2023 were for full-time positions, accounting for 64 per cent of postings, while part-time postings made up 19 per cent. There was a notable drop (28.7 per cent) in positions where employees could choose between full-time or part-time work, reflecting an improved labour outlook.

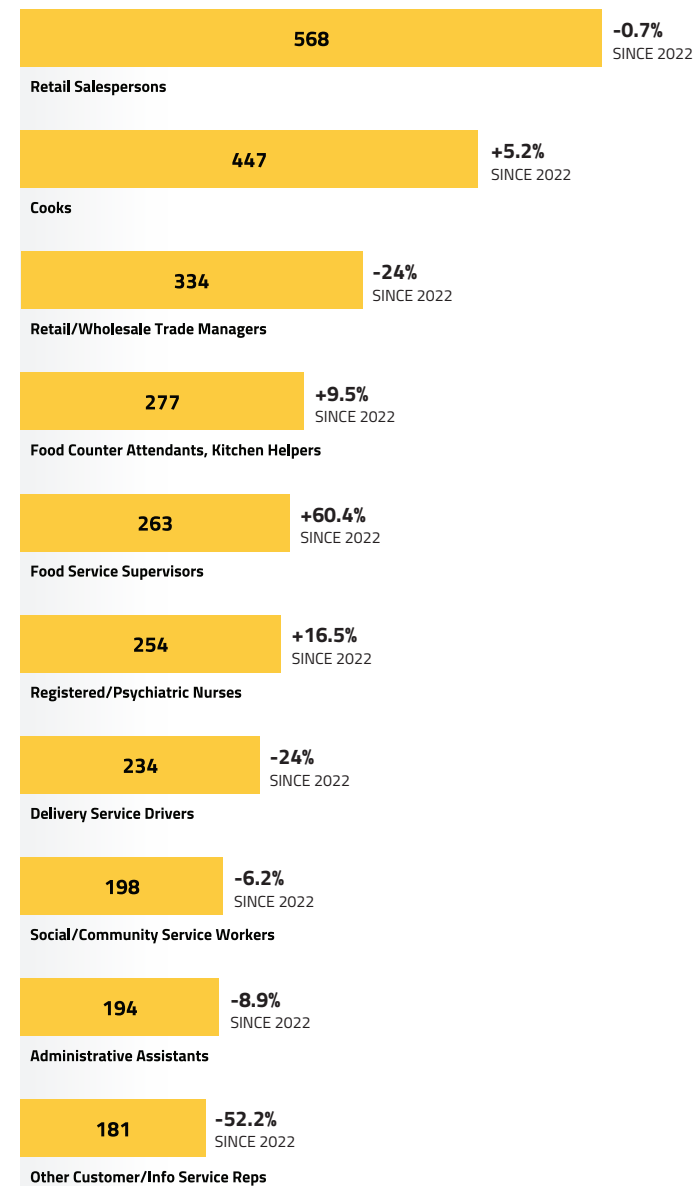
In terms of employers, the Vancouver Island Health Authority topped the list by the number of job postings in 2023, followed by Vancouver Island University and Lowe's Canada.

#### Postings by Vancouver Island Regional District

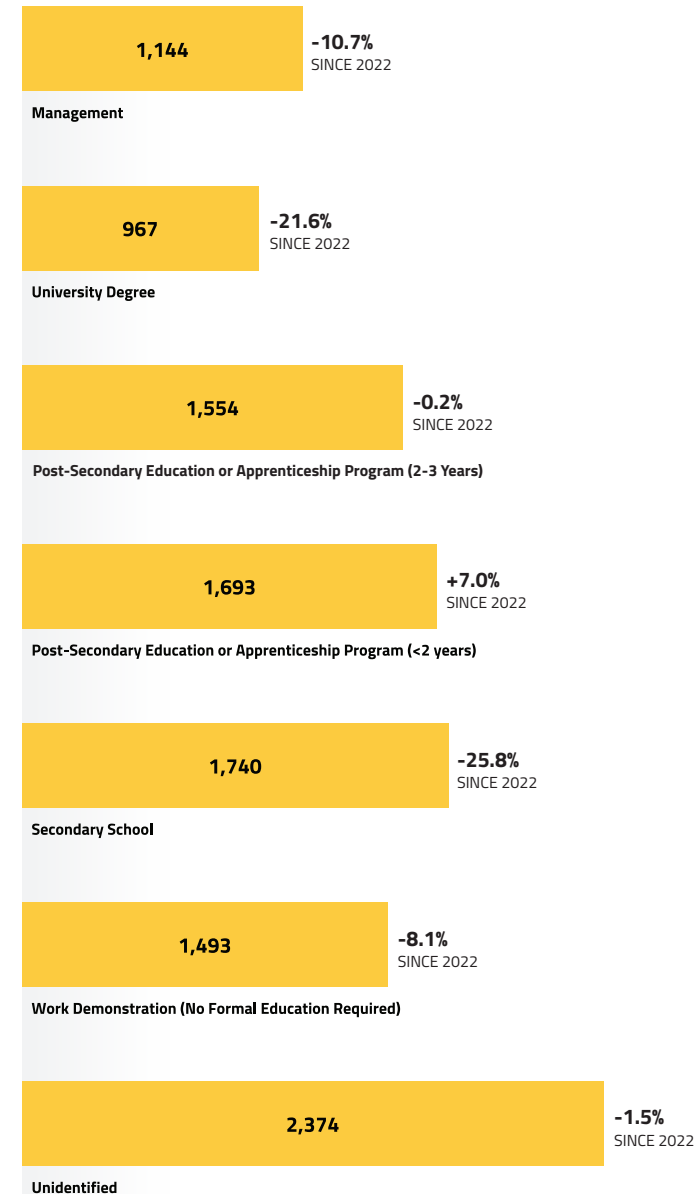
	2023 Postings	Change vs 2022
Alberni-Clayoquot	2,670	-5.00%
Capital	36,958	-16.60%
Comox Valley	5,257	-7.30%
Cowichan Valley	6,458	-9.70%
Mount Waddington	1,172	31.20%
Nanaimo	13,622	-9.60%
Strathcona	4,761	-1.80%
<b>Grand Total</b>	<b>70,898</b>	<b>-12.20%</b>

SOURCE: VICINITY JOBS DATABASE

### Top 10 Occupations by Number of Job Postings (2023)



### Job Postings by Skill Level (2023)



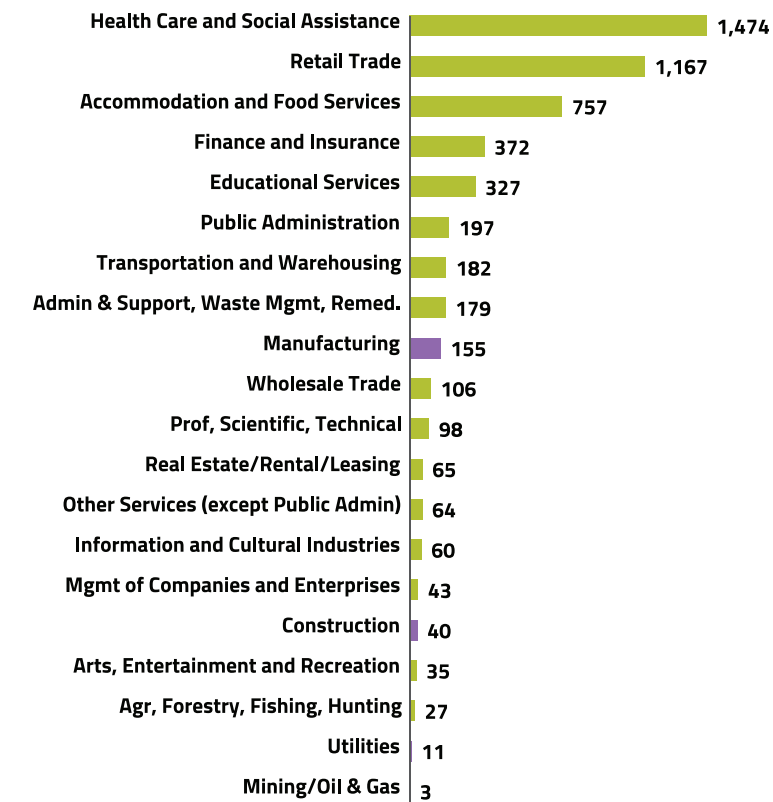
## Job Postings

In 2023, the occupation with the highest number of job postings was for "retail salespersons," followed by cooks and "retail and wholesale trade managers."

Across sectors, the highest number of job openings in 2023 were in the Healthcare and Social Assistance sector, followed by Retail Trade and Accommodation and Food Services.

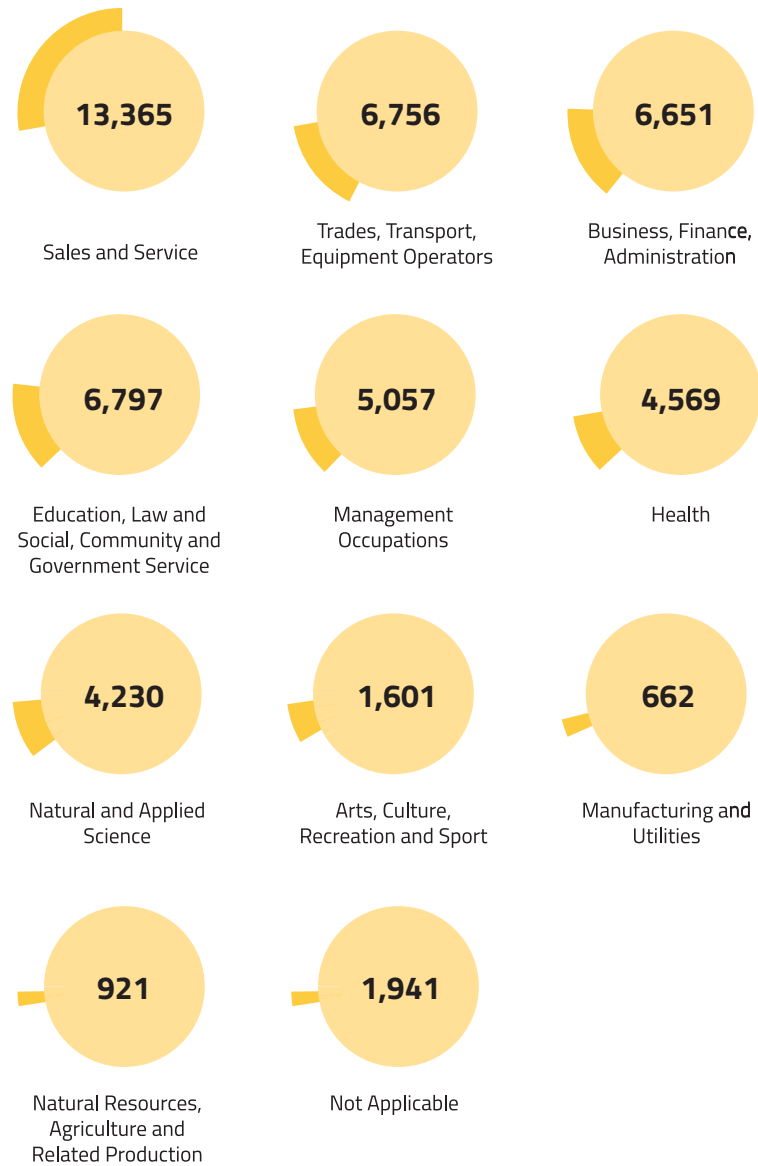
Regarding educational requirements, the majority of job openings (15.9 per cent) in 2023 required a secondary school education, followed closely by those requiring post-secondary education or completion of an apprenticeship program lasting less than two years (15.4 per cent). Job openings requiring a university degree (bachelor's, master's, or doctorate) saw a slight decline of 1.5 per cent compared to 2022. The unidentified category likely includes a majority of lower-skilled job openings.





### Job Openings by Industry Sector (2023)









SOURCE: VICINITY JOBS DATABASE





Workplace	
	<b>Fixed Workplace</b> 76.6%
	<b>No Fixed Workplace</b> 15%
	<b>Work at Home</b> 7.7%
	<b>Work Outside of Canada</b> 0.5%

Mode of Transportation	
	<b>Drive to Work</b> 77.2%
	<b>Car Passenger</b> 6.2%
	<b>Public Transit</b> 5.9%
	<b>Walk</b> 6.7%
	<b>Cycle</b> 1.9%
	<b>Other Method</b> 2.1%

## Labour Force: Occupation, Workplace, Transportation

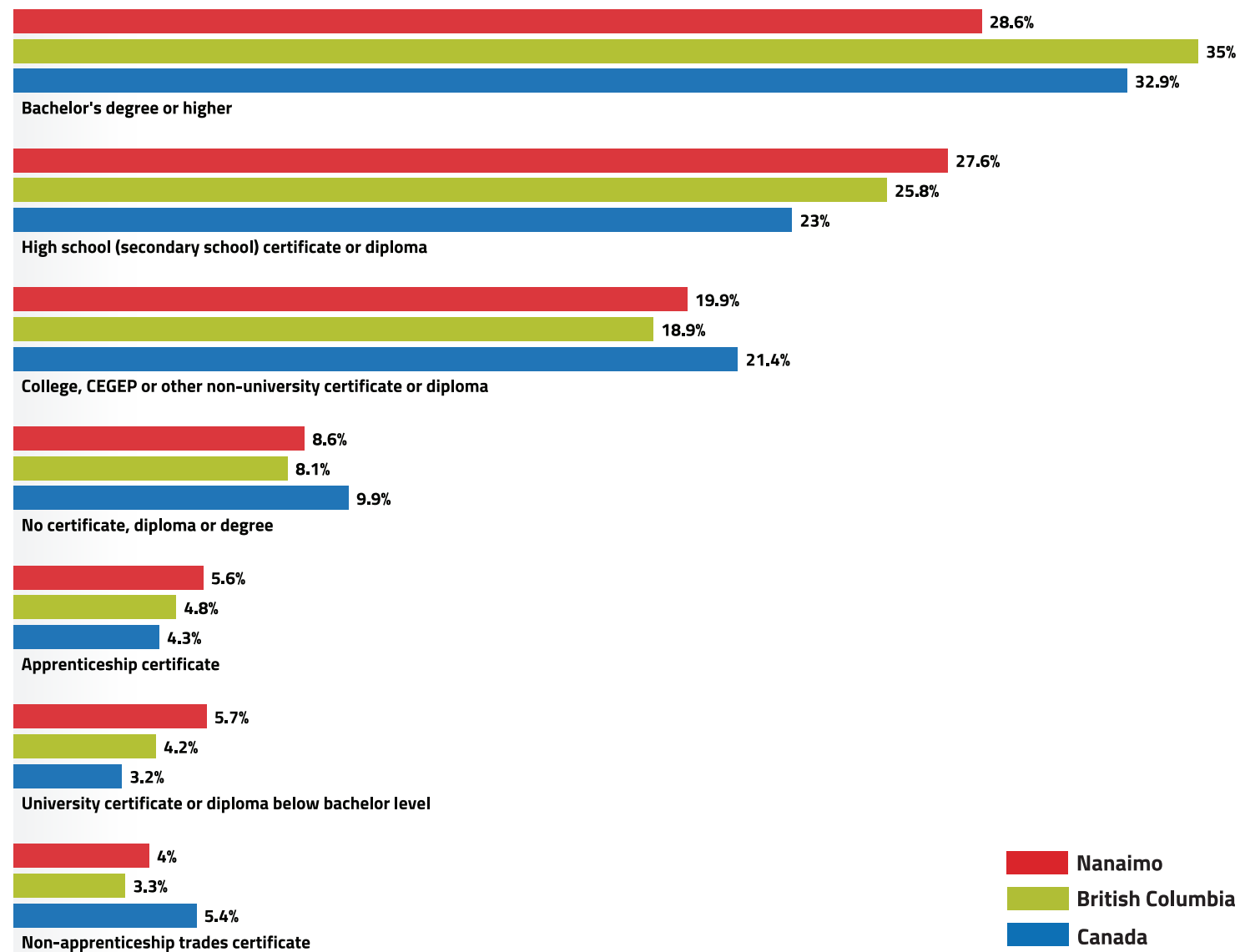
In 2023, sales and service occupations constituted 26 per cent of all jobs in Nanaimo, followed by "Education, Law & Social, Community, and Government Services," which accounted for 12.9 per cent of all jobs. Close behind were the "Trades, Transport & Equipment Operators" and "Business, Finance, Administration" sectors. Analyzing the breakdown of the labour force by occupation provides valuable insights into the skills and talent within the labour pool and serves as an indicator of employability across various sectors of the economy.

The majority of the workforce, totaling 76.7 per cent, commuted from their usual place of work, while 7.7 per cent worked from home. Approximately 15 per cent of the workforce did not have a fixed place of work.

Regarding commuting methods, the vast majority (77 per cent) of workers drove to work, with an additional 6.2 per cent traveling as car passengers. Approximately 6 per cent utilized public transit, while nearly 7 per cent walked to work, and close to 2 per cent cycled to work.

SOURCE: ESRI CANADA

### Highest Level of Education (25-64)



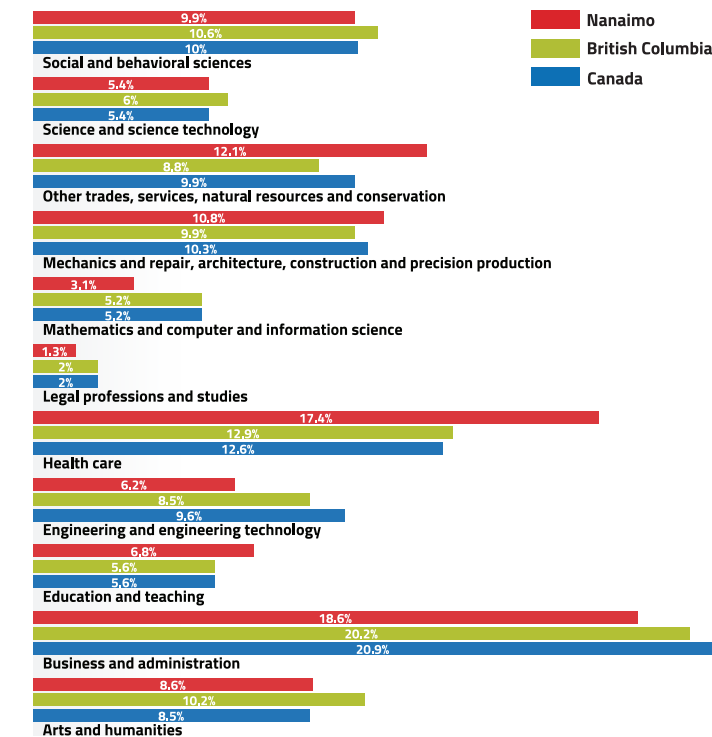
## Labour Force by Education

28.6 per cent of people aged 25 to 64 in Nanaimo had a bachelor's degree or higher, compared to 35.0 per cent in British Columbia and 32.9 per cent in Canada. Nanaimo tends to have a larger percentage of population with education levels below bachelor's degree compared to BC.

12.9 per cent of people in Nanaimo had a location of study outside Canada, out of those aged 25 to 64 with a postsecondary certificate, diploma or degree. This compares to 26.1 per cent in British Columbia and 20.1 per cent in Canada overall. The most common location of study outside Canada for Nanaimo was the United States of America.

Among youth aged 18 to 24 in Nanaimo, 42.5 per cent were attending postsecondary school, compared to 49.2 per cent in British Columbia and 50.2 per cent in Canada overall. The City of Nanaimo tends to have a slightly smaller percentage of population with STEM (Science, Technology, Engineering and Mathematics) field of study accreditation compared to BC and Canada.

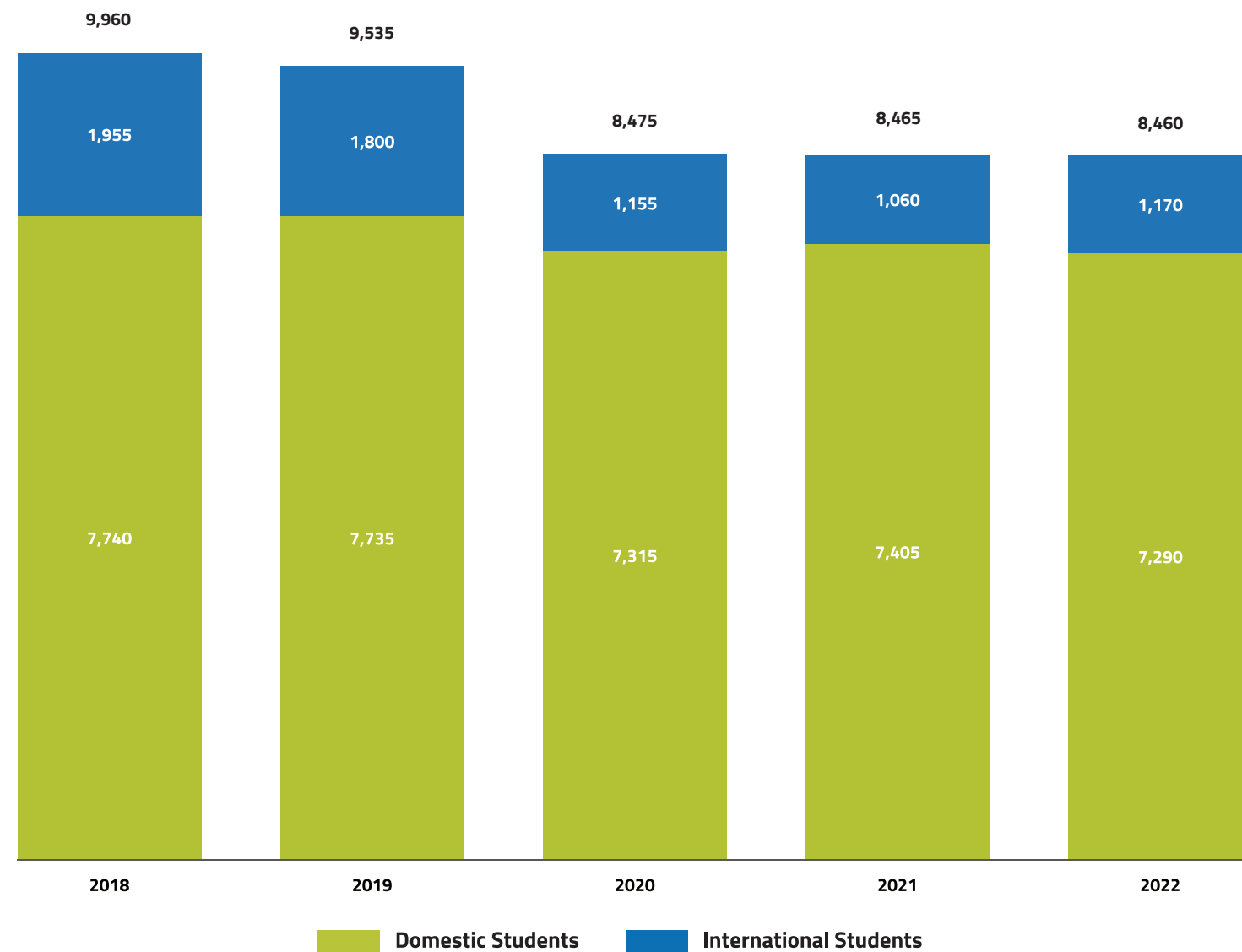
### Population Distribution (25-64) by Fields of Study



'OTHER TRADES, SERVICES, NATURAL RESOURCES AND CONSERVATION' INCLUDES 'AGRICULTURE, VETERINARY MEDICINE, AND NATURAL RESOURCES OPERATIONS AND MANAGEMENT'; 'PERSONAL, SECURITY AND TRANSPORT SERVICES'; 'SOCIAL WORK AND RELATED PROGRAMS' AND 'BHAISE PROGRAMS'

SOURCE: 2021 CENSUS

VIU Student Enrollment by Academic Year



## Vancouver Island University Enrollment

In 2022, overall student enrollment at Vancouver Island University (VIU) remained largely unchanged compared to 2021. However, there were notable shifts within the student body demographics: domestic student enrollment decreased by 1.6 per cent, while international student enrollment saw a notable increase of 9.4 per cent.

The influx of more students into the community generates greater demand for rental accommodation, tutoring services, and results in an expansion of the local workforce and increased spending. Furthermore, international students pay considerably higher fees compared to domestic students, which have positive impacts on post-secondary budgets.

SOURCE: MINISTRY OF ADVANCED EDUCATION AND TRAINING. ACADEMIC YEAR SEP 1-AUG 31ST

City of Nanaimo Median, Average, and Per Capita Income



## Median, Average and Per Capita Income

In 2023, the estimated median household income in the City of Nanaimo is \$81,606, marking a significant 19.8 per cent increase over the past five years. By 2028, Nanaimo's median household income is projected to reach \$94,387, reflecting a growth of 15.7 per cent. In comparison, BC's median household income was \$93,585 in 2023 and is anticipated to grow by 15 per cent over the next five years.

Similarly, the average household income in Nanaimo reached \$99,320 in 2023, indicating a 19.6 per cent increase over the past five years. Projections suggest that the average household income will climb to \$114,986 by 2028, representing a growth of 15.8 per cent. Meanwhile, BC's average income for 2023 stood at \$119,172 and is forecasted to grow by 15.3 per cent to \$137,924 by 2028.

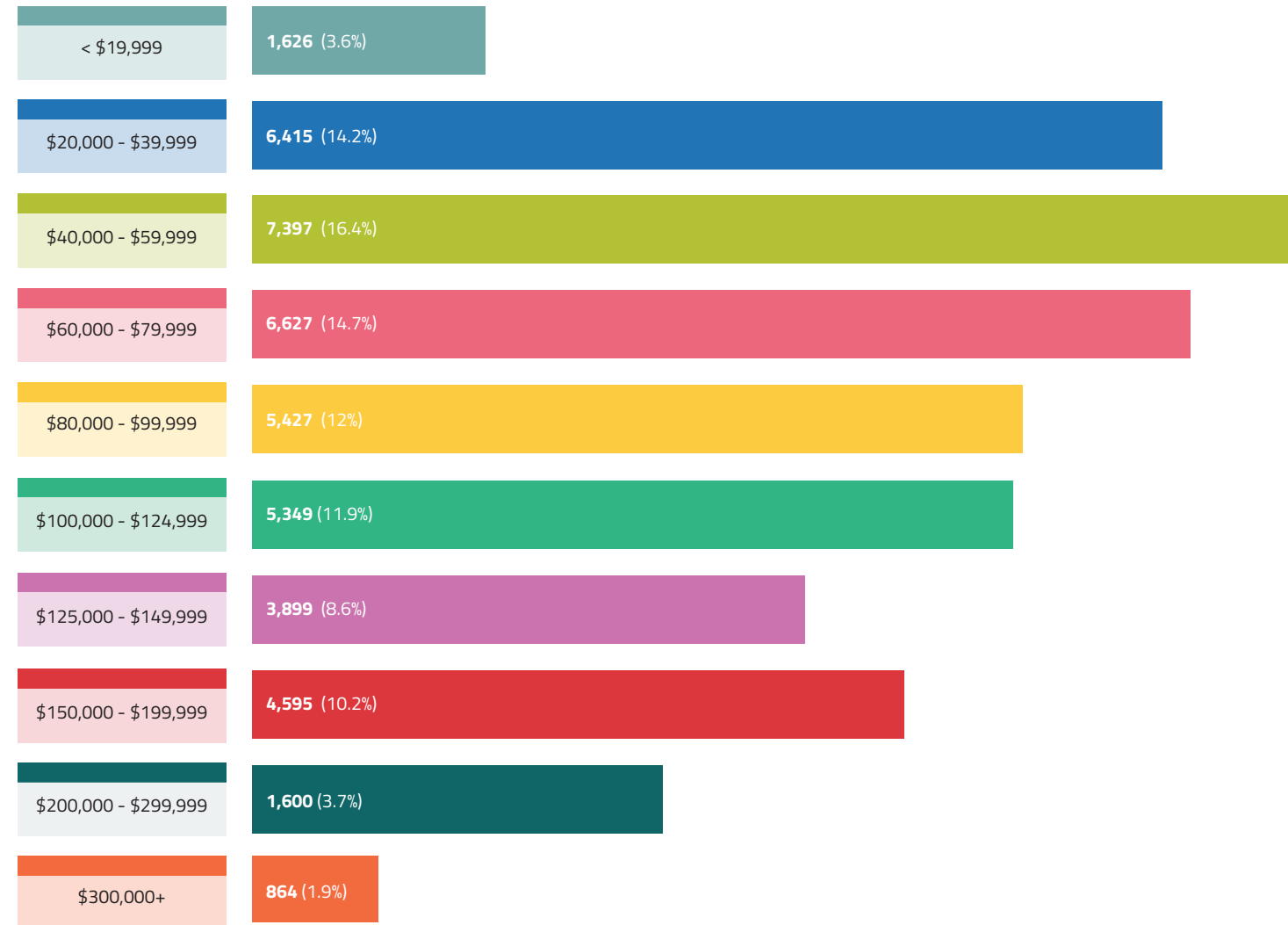
Nanaimo's per capita income in 2023 was \$42,034, showing a 16.3 per cent increase over the past five years. Projections indicate that per capita income will rise to \$48,656 by 2028, reflecting a growth of 15.8 per cent. BC's per capita income was \$47,443 in 2023 and is expected to increase by another 15.3 per cent to reach \$54,720 by 2028.

Nanaimo's projected annual rate of growth in median (3.1 per cent), average (3.2 per cent), and per capita income (3.2 per cent) over the next five years is slightly higher than BC, however, Nanaimo will still lag below BC in all three income categories.

SOURCE: ESRI CANADA



### City of Nanaimo Household Income Distribution (2023)



NOTE: INCOME AXIS VALUES INTERVALS CHANGE AFTER \$100K

## Income Distribution

In Nanaimo, the largest proportion of households (16.4 per cent) report annual household incomes between \$40,000 and \$59,999. Following closely behind, 14.7 per cent of households report incomes ranging from \$60,000 to \$79,999 per annum.

Additionally, 6.4 per cent of households, totaling 2,887, report annual incomes between \$200,000 and \$299,999. A smaller proportion, comprising 1.9 per cent of households or 864 households, earned over \$300,000 per annum.

SOURCE: ESRI CANADA, NOTE: INCOME AXIS VALUES INTERVALS CHANGE AFTER \$100K

## 2023 Nanaimo Consumer Expenditures

	Average Household Spend	Total Spend	Spending Potential Index		Average Household Spend	Total Spend	Spending Potential Index
Food	\$14,360.19	\$647,443,626	104	Reading and other Printed Materials	\$162.39	\$7,321,580	94
Shelter	\$22,596.33	\$1,018,778,069	108	Education	\$1,673.10	\$75,433,365	96
Household Operation	\$5,276.30	\$237,887,246	92	Tobacco/Alcohol	\$3,845.24	\$173,366,315	98
Household Furnishings and Equipment	\$4,614.27	\$208,038,911	103	Games of Chance	\$1,114.39	\$50,243,575	98
Clothing	\$3,415.65	\$153,997,781	93	Misc. Expenses	\$2,097.21	\$94,554,846	105
Transportation	\$10,841.97	\$488,820,865	81	Personal Taxes	\$12,932.09	\$583,056,348	64
Healthcare	\$5,471.63	\$246,693,790	100	Personal Insurance Payments + Pension	\$4,629.93	\$208,745,136	82
Personal Care	\$2,023.65	\$91,238,076	89	Gifts of Money and Contributions	\$2,518.18	\$113,534,601	100
Recreation	\$4,937.09	\$222,593,836	99	<b>Total</b>	<b>\$102,509.61</b>	<b>\$4,621,747,966</b>	

## Household Spending

Household expenditures in the City of Nanaimo reached an estimated \$4.6 billion in 2023. The spending potential index reflects the area's expenditure relative to the national average of 100, where an index of 117 indicates a 17 per cent higher spending compared to the national average on a particular good or service.

On average in 2023, Nanaimo households spent 8 per cent more on shelter, 4 per cent more on food, and 3 per cent more on Household Furnishings and Equipment compared to the national average. Conversely, they spent 19 per cent less on transportation costs and 18 per cent less on personal insurance payments and pension compared to the national average.

In year-over-year comparisons within Nanaimo, households spent 6 per cent more on food and 9 per cent more on shelter. Conversely, they spent 24 per cent less on reading and other printed materials, 8 per cent less on education, and 5 per cent less on tobacco and alcohol compared to 2022.

SOURCE: ESRI CANADA

### Tourism Statistics

	2023	2022	Variance
<b>Hotels/Motels</b>			
Average Occupancy	65.70%	68.30%	-3.8%
Average Daily Room Rate	\$176.99	\$176.25	0.4%
Revenue Per Available Room (RevPAR)	\$116.41	\$120.36	-3.3%
<b>AirBNB/VRBO*</b>			
Average Occupancy	57.00%	62.90%	-9%
Average Daily Room Rate	\$140.00	\$142.00	-1%
Revenue Per Available Room (RevPAR)	\$79.00	\$87.00	-9%
<b>BC Ferries**</b>			
Passengers	4,252,304	4,148,828	+2%
Vehicles	1,699,695	1,696,881	0%
<b>Nanaimo Airport</b>			
Passengers (YTD)	377,454	338,016	+75%
<b>Vancouver Island Conference Centre</b>			
Delegate Days	24,921	17,488	+43%

\*DATA FOR ENTIRE PLACE: EXCLUDES PRIVATE ROOM RENTAL OR SHARED ROOM RENTAL

\*\*DUKE POINT-TSAWWASSEN AND DEPARTURE BAY-HORSESHOE BAY

## Tourism

Occupancy rates across mid and north Vancouver Island experienced a decline in 2023, likely influenced by ferry cancellations and road closures due to the Cameron bluff fires, compounded by related negative press coverage. Additionally, the Marriott Courtyard opened its doors in downtown Nanaimo in March 2023, augmenting the top-end inventory by an additional 20 per cent.

In Nanaimo, hotel/motel occupancy averaged 65.7 per cent in 2023, down by 3.8 per cent from 2022, with a marginal 0.4 per cent rise in average daily room rates. Revenue per available room declined by 3.3 per cent. Accommodation indicators are still below pre-pandemic levels Airbnb and VRBO occupancy also saw a 9.4 per cent decrease, partly due to a significant increase of 192 properties added to inventory in 2022. Average daily room rates for Airbnb dropped by 1.4 per cent, and revenue per available room decreased by 9.2 per cent.

BC Ferries experienced a minimal 0.2 per cent increase in vehicle volumes and a 2.5 per cent increase in passenger volumes on its two routes to the lower mainland. Nanaimo Airport reported a substantial 74.8 per cent increase in passenger volumes in 2023 compared to 2022. The Vancouver Island Conference Centre (VICC) saw a remarkable 42.5 per cent increase in delegate days. The economic impact of VICC operations in 2023 is estimated at \$9.76 million.

Recent discussions with BC tourism leaders, and industry reports, highlight several ongoing challenges and opportunities in the sector:

#### CHALLENGES:

- Worker Shortages: Labour scarcity persists, particularly in resort areas and rural communities, due to pandemic-related departures and tight job markets.

- Cost Pressures: Rising operating costs, including inflation, wages, energy, and food costs are straining profit margins for businesses across the province.
- Climate Change: Increasing occurrences and costs of natural disasters, such as floods and forest fires, pose significant challenges for certain segments of the tourism sector, necessitating improved resilience measures.
- Community Support: Some tourism sub-sectors, like ski resorts and eco-tourism firms, face difficulties in maintaining local community support due to environmental concerns, requiring a "social license to operate".

#### OPPORTUNITIES:

- International Travel Recovery: Border reopening and favourable exchange rates are driving a rebound in international visitor numbers.
- Visitor Growth Potential: Emerging sectors like sport and Indigenous tourism, cruises, eco-tourism and wine related tourism offer growth opportunities beyond traditional segments.
- Business Travel: While recovering, long-term declines in business travel are anticipated due to cost saving measures by organizations.
- While BC's tourism industry faces labour shortages, rising costs, and environmental challenges, optimism persists, driven by reopening prospects and diversification opportunities.

SOURCE: NANAIMO HOTEL ASSOCIATION, BC FERRIES, NANAIMO AIRPORT, VICC

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