

# 2023 State of the Nanaimo Economy



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# Executive Summary

Last year saw a strong rebound in the local Nanaimo economy. Slower growth is expected in **2023** due to higher interest rates dampening housing, construction and consumer demand.

## Population

- The City of Nanaimo's population for **2022** is projected at **102,531** and the Regional District of Nanaimo (RDN) at **175,999** (BC Stats). Nanaimo's population growth rate over the last Census was **10.3 per cent**, significantly higher than BC at **7.6 per cent**, and Canada at **5.2 per cent**. Population projections indicate strong growth will continue in the region. The City's population is projected to near **140,000** by **2046**.
- Over the past five years, on average over **3,400** new residents relocated to the RDN annually. Half the newcomers come from other parts of BC; **34 per cent** from other provinces, and **17 per cent** from other countries.
- There was a huge uptick in migration to British Columbia in **2021** after slower growth during the start of the pandemic in **2020**. Most of the population growth in BC over the past five years has been the result of international migration.
- Nanaimo's average and median age was younger in the **2021** Census compared to the **2016** Census. The largest growth over the next decade in Nanaimo is projected in the **25-44** (early working years) age category, an increase of **6,041** persons.
- Due to projected population growth, infrastructure investments and housing will remain a priority for local governments.

## Business

- In **2022**, the number of total business licenses increased by **178**, representing a **2.8 per cent** increase over **2021**. Business Licenses show a strong recovery in sectors such as accommodation and food services which were decimated by the pandemic.
- Home-based businesses currently account for **41 per cent** of total business licenses issued in the City of Nanaimo, an increase of **four per cent** since the start of the pandemic.
- In **2021**, the City of Nanaimo had **3,434** businesses with one or more employees. The overall number of businesses with employees is growing over time, but the rate of growth is slowing. This is due to greater technology adaptation, higher land costs, and labour shortages due to aging demographics. Over the past five years sole proprietorships has increased by **8.1 per cent**, indicating growth in entrepreneurship.

## Building Activity

- At **\$410.3** million, total building permit values increased by **51 per cent** in **2022** compared to **2021**, making it the second highest year on record. Total non-residential building permits increased by a whopping **28.7 per cent** in **2022** largely due to public project investments.
- Housing starts, like building permits, are a leading indicator of economic activity. In **2022**, new housing starts increased by **nine per cent** to **1,184**, compared with **1,084** starts in **2021**. By comparison, housing starts in comparable regions declined: Prince George saw a drop of **32 per cent** and Kamloops

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housing starts dropped by **24 per cent**.

- Apartment-type and row dwellings made up **77 per cent** of new housing starts, continuing the trend toward more affordable homes and a denser urban form

### Real Estate

- Housing ownership in the City of Nanaimo was at **66.7 per cent (2021 Census)**, an increase of **0.8 per cent** since **2016**.
- The **2021** Census data reveals **24.2 per cent** of households in the City spend **30 per cent** or more of income (before tax income) on shelter costs. This is a significant reduction from **27.2 per cent** of households in **2016**.
- After seeing record sales and price escalation during the pandemic, the housing market experienced a year of caution in **2022** due to successive interest rate hikes. The housing market was strong until the late spring/summer of **2022**, then it started to level off. Cost of borrowing money will continue to undermine demand into **2023**.
- The benchmark price and sales of an average single-family detached home in Nanaimo decreased by **10 per cent** year-over-year in December **2022**. The benchmark price of a similar house in Vancouver decreased by **5.1 per cent** but increased by **0.7 per cent** in Victoria.
- In third quarter price comparisons between **2022** and **2021** Nanaimo prices for a single family detached New home increased by **30 per cent**, Victoria by **23 per cent** and Vancouver & BC tied at a **seven per cent** increase.
- The average vacancy rate for rental apartments in Nanaimo

increased from **1.6 per cent** to **2.2 per cent**. Despite rental supply increasing by **403** units, strong demand led to overall average rent increasing by **13.2 per cent**.

- Average rent for a two-bedroom apartment in Nanaimo increased by **13.4 per cent**, in Greater Victoria by **8.1 per cent**, and in Greater Vancouver by **9.8 per cent**.

### Labour Market

- The labour force grew by **6.9 per cent** in Nanaimo, **1.2 per cent** in BC, and **3.1 per cent** on Vancouver Island in **2022** compared to **2021**.
- In **2022**, labour force participation rates improved in Nanaimo and the Vancouver Island Coast region but dipped slightly in BC and Canada. Nanaimo's labour force participation rate tends to be lower than BC and Canada, but higher than Vancouver Island Coast Region.
- Unemployment rates improved significantly across all geographies in **2022**. Nanaimo's unemployment rate was **3.6 per cent**, lower than Vancouver Island Coast (**four per cent**), BC (**4.7 per cent**) and Canada (**5.3 per cent**).
- The number of jobs in Nanaimo grew by **10.8 per cent** between the **2021** and **2016** Census. Majority of the job growth was driven by the service-producing industries. Healthcare and social assistance led the charge with near **1,500** new jobs added, followed by Educational services (+**685**), Transportation and warehousing (+**490**), and Professional scientific and technical services (+**440**). In the goods producing industries, the highest growth was posted by the Construction sector (+**740** new jobs), followed by

"agriculture, forestry, fishing and hunting" (+**50**).

- New job postings in Nanaimo were **38.7 per cent** higher in **2022** compared to **2021**. During the same time period, BC postings increased by **20.4 per cent**. Job openings were highest in the months of April and May and started trending lower as the year progressed.
- After the Capital Region, Nanaimo Regional District had the highest number of job openings on Vancouver Island. Nanaimo's postings growth rate was **40.5 per cent** compared to Victoria at **41.4 per cent** over one year.
- Majority of the job openings were full-time positions (**60 per cent**). There was also significant growth (**52 per cent**) in full-time or part-time job options for employees.
- Vancouver Island Health Authority was the top employer by number of job postings, followed by Vancouver Island University and Lowe's Canada.
- BC's labour market outlook estimates **861,000** job openings between **2019** and **2029**. Over three-quarters of these job openings will require some form of post-secondary education and training.

### University Enrollment

- Overall student enrollment at Vancouver Island University (VIU) in **2021** was nearly the same as **2020**. Domestic student enrollment increased by **1.2 per cent** and International student enrollment dropped by **nine per cent** amidst COVID impacts around the globe and related travel restrictions.

- **2022** data was unavailable at the time of this publication, however, the easing of travel restrictions and move to in-person classes will continue to result in positive gains for overall student enrollment.

### Education and Income

- Although the education levels of Nanaimo's population are improving over time, the City lags behind the provincial and national average. **28.6 per cent** of people aged **25** to **64** in Nanaimo hold a bachelor's degree or higher, an improvement of **seven per cent** since **2016**. Comparatively, **35 per cent** of BC's and **32.9 per cent** in Canada's population aged **25** to **64** holds a bachelor's degree or higher. Nanaimo tends to have a larger percentage of population with education levels below bachelor's degree compared to BC.
- The City of Nanaimo population has a slightly smaller percentage of population with STEM (Science, Technology, Engineering & Mathematics) field of study accreditation compared to BC and Canada.
- For **2022**, the median household income in the City of Nanaimo is estimated at **\$76,889**; average at **\$97,055** and per capita at **\$40,598**. Nanaimo's median, average and per capita income is below BC's

### Household Spending

- The household expenditures in the City of Nanaimo are estimated at **\$4.1** billion in **2022**. The average household in Nanaimo spent **15 per cent** more on Household Furnishings and Equipment, **nine per cent** more on Food,

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**seven per cent** more on shelter costs and recreation compared to the national average.

### Tourism

- Statistics show a strong rebound in the Tourism sector in **2022**. Visitor numbers are inching closer to pre-pandemic levels, however tourism industry's labour force isn't recovering at quite the same rate. Recent Federal policy changes to address the labour shortages are helping.

### Economic Outlook

- BC's economic recovery strengthened in **2021** resulting in real GDP growth of **6.2 per cent**, second highest among provinces (behind Prince Edward Island), following a contraction of **3.4 per cent** in **2020**.
- BC's GDP is forecast to close out at **3.1 per cent** in **2022**, **0.5 per cent** in **2023**, and **0.3 per cent** in **2024**. The economy is set to slowdown in **2023** across BC and Canada. This slowdown is caused by the Bank of Canada's fight against inflation to bring an overheating economy under control.
- BC's economy has outperformed its fellow provinces for the past eight years, but starting in **2023** this is expected to change.
- Households in BC are among the most highly indebted in the country. The housing market is very sensitive to higher interest rates, home sales in BC are expected to drop **22.8 per cent** in **2023**.
- Overall slower construction and renovation activity is also

expected in **2023**. The slowdown will be more pronounced in residential investment and goods consumption. A large share of the household budget will continue to be eaten up by energy and food prices, and demand for services will drop as the year goes on.

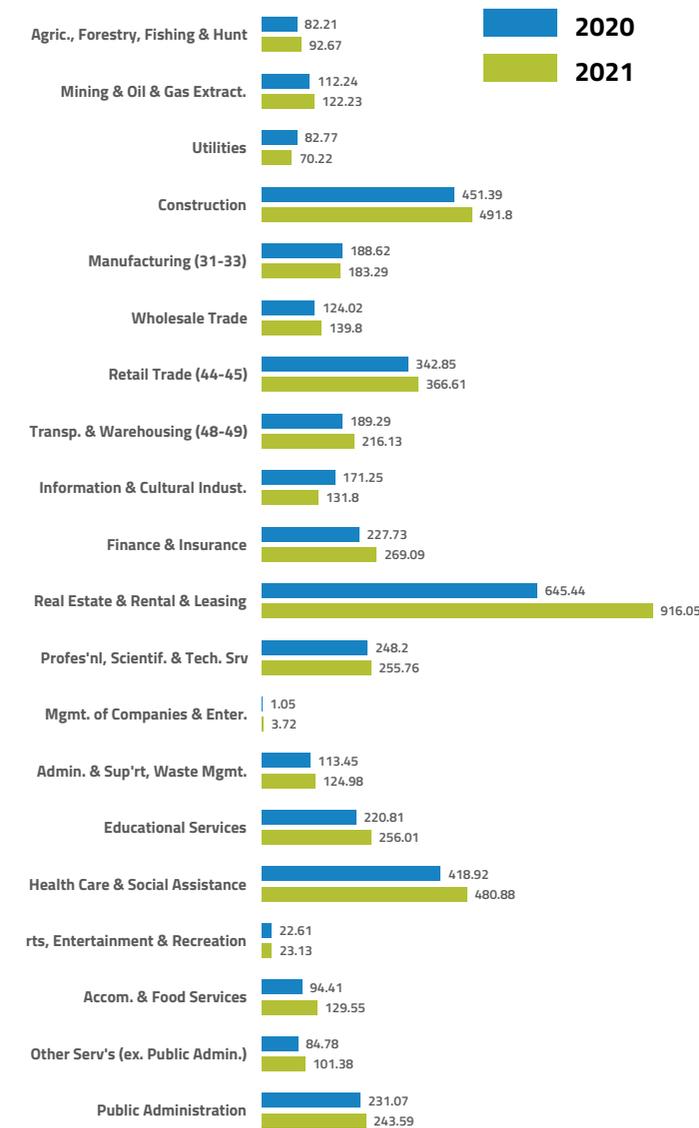
- The latest Bank of Canada Business Outlook Survey has already shown signs of a deterioration in consumer demand. The survey shows businesses expecting declines in future sales, which may cause businesses' to delay their investment plans.
- On the positive side, the Canadian dollar will remain relatively weak against the US dollar, which will favour exporters.
- Unemployment is also expected to rise from **4.7 per cent** to **5.1 per cent** year over year, which will help improve a very tight labour market.

The **2023** State of the Nanaimo Economy report provides 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 reviews indicators such as Gross Domestic Product (GDP), demographics, business, development activity, housing and real estate, labour force, income and tourism.

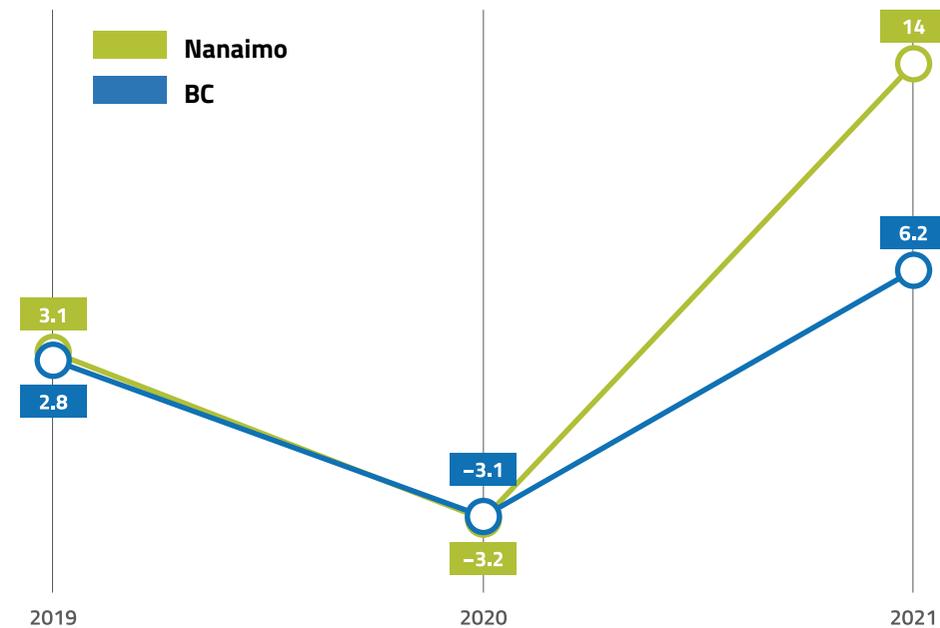


**City of Nanaimo GDP**

(MILLIONS OF DOLLARS)



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



	2019	2020	2021	Average
<b>Growth Rate BC GDP</b>	↑ 2.8%	↓ 3.1%	↑ 6.2%	↑ 2.0%
<b>Growth Rate Nanaimo GDP</b>	↑ 3.1%	↓ 3.2%	↑ 14.0%	↑ 4.6%
<b>Nanaimo GDP</b> (millions chained 2012\$)	\$4,188	\$4,053	\$4,619	\$4,287
<b>Nanaimo GDP</b> (as Share of BC)	1.6%	1.6%	1.8%	1.7%
<b>BC GDP</b> (millions chained 2012\$)	\$255,172	\$247,185	\$262,593	\$254,983

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.

BC's economic recovery strengthened in 2021 resulting in real GDP growth of **6.2 per cent**. Growth in BC's GDP was driven by household spending (+7.3) and housing investment (+14.6 per cent). Interest rates were still record low in 2021. Working from home, lower borrowing costs, higher savings rate all boosted new home construction, renovations and resales in 2021. Investment in housing rose by double digits, owing to record-high spending on new construction, renovations and ownership transfer costs.

Growth in BC's GDP was mostly driven by service-producing industries such as real estate, rental and leasing, healthcare and social assistance, and professional, scientific and technical services. Goods-producing industries also experienced growth with gains in most sectors, led by mining, quarrying and oil and gas extraction.

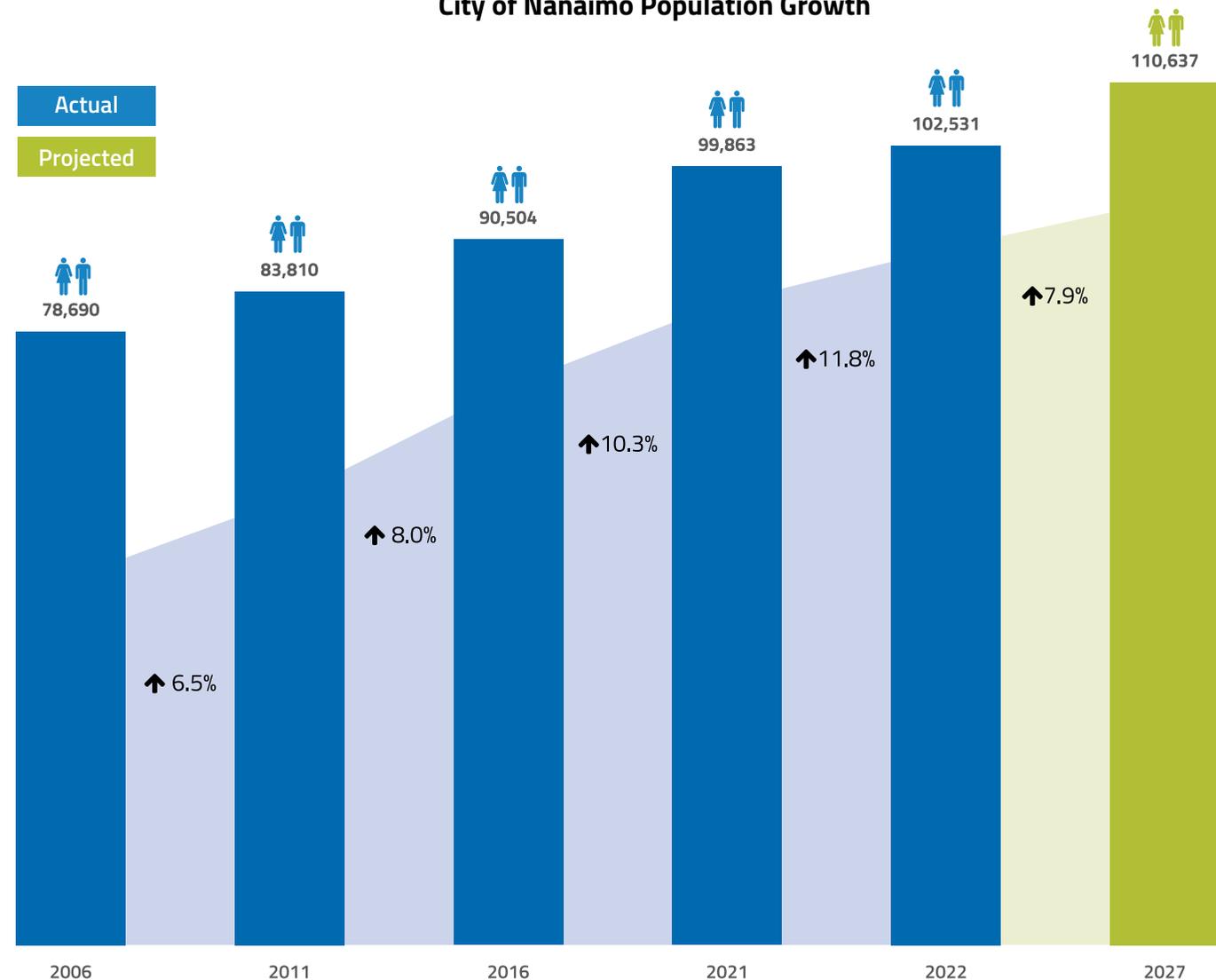
SOURCE: BC STATS, NANAIMO ECONOMIC DEVELOPMENT CALCULATIONS

The City of Nanaimo accounted for approximately **1.8 per cent** of BC's GDP in **2021**. In the primary industries; Construction, Agriculture, forestry, fishing and Mining, oil, & gas extraction performed better in **2021** in comparison to **2020**, while Utilities and Manufacturing sectors underperformed. In the service sector the largest increases were in the Real estate, rental & leasing and Accommodation and food services sectors. All service sectors performed better in **2021** compared to **2020** with the exception of Information and cultural industries which contracted by **23 per cent**.

*The City of Nanaimo accounts for approximately 1.8 per cent of BC's GDP*

<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.

### City of Nanaimo Population Growth



## Population

The City of Nanaimo's population for **2022** is projected at **102,531**. Nanaimo's population growth rate over the last Census was **10.3 per cent**, significantly higher than BC at **7.6 per cent** and Canada at **5.2 per cent**. The City's population is projected to near **140,000** by **2046**.

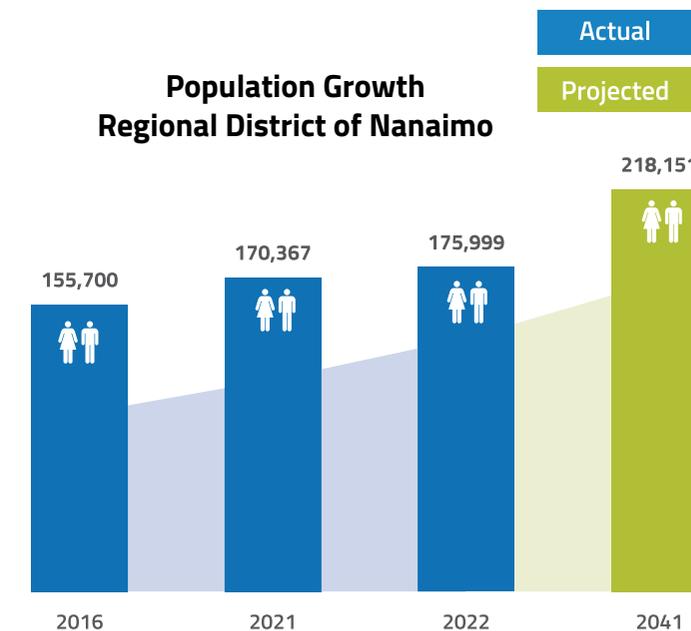
The Regional District of Nanaimo's (RDN) population for **2022** is projected at **175,999** (BC Stats). The RDN's population is expected to increase by **12,029** persons by **2027**, equating to an annual average growth rate of **1.4 per cent**. The Vancouver Island region and BC is projected to grow at **1.4 per cent** annually over the next five years. Over the next five years, the City of Nanaimo's population growth rate is projected to be **1.6 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.

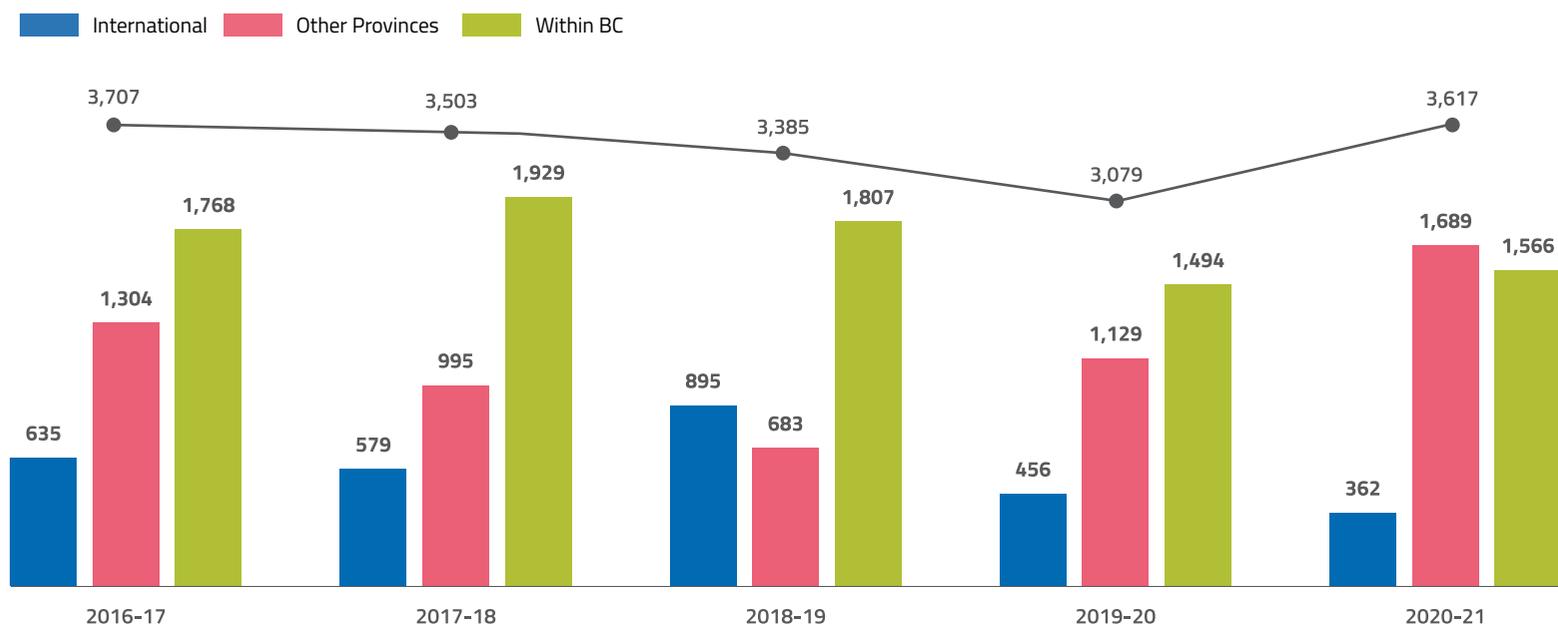
The Indigenous population in Nanaimo is younger than the non-Indigenous population. Indigenous children aged **14** and under represented **25.3 per cent** of the total Indigenous population, while non-Indigenous children accounted for **13.6 per cent** of the non-Indigenous population. The average age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

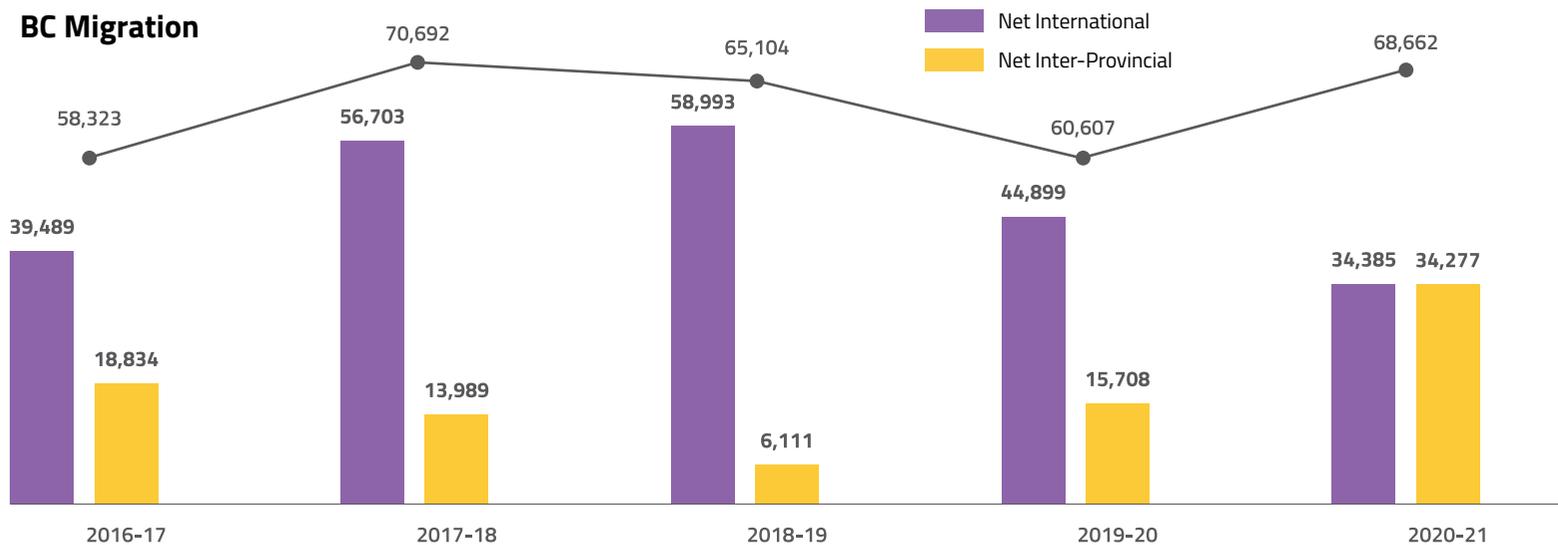


SOURCE: BC STATS (PEOPLE MODEL 2021), CENSUS CANADA, ESRI CANADA

### Origin of New Residents (RDN)



### BC Migration



## Migration

Population growth rate is driven by two factors: natural increase and migration. In **2020-21** there were **1,027** births in the regional district of Nanaimo and **2,082** deaths. Nanaimo's population growth has mainly resulted from migration. People move to new areas for a variety of reasons, including employment opportunities and quality of life factors. There are three types of migrants: intra-provincial (within BC), inter-provincial (other provinces) and international immigrants (outside of Canada). In the past five years, on average over **3,400** net new residents relocated to the RDN annually. Furthermore **50 per cent** of new migrants have moved here from other parts of British Columbia, **34 per cent** moved here from other provinces, and **17 per cent** from other countries.

Total migration dipped during the COVID shutdowns but picked up significantly as travel restrictions were lifted. Preliminary data for **2021** reveals nearly **2,200** persons moved to the City of Nanaimo and **71 per cent** were in the "working age" category of **15 to 65** years of age. There were **802** births and **1,263** deaths equating to net natural growth of **-461**.

After a few years of slower migration between **2019** and **2020**, BC migration picked up substantially in **2021**. Most of the population growth in the past five years in BC has occurred due to international migration. Nanaimo captured **5.3 per cent** of total migrants to BC in **2020-21**, and the five-year average is **5.4 per cent**.

SOURCE: BC STATS

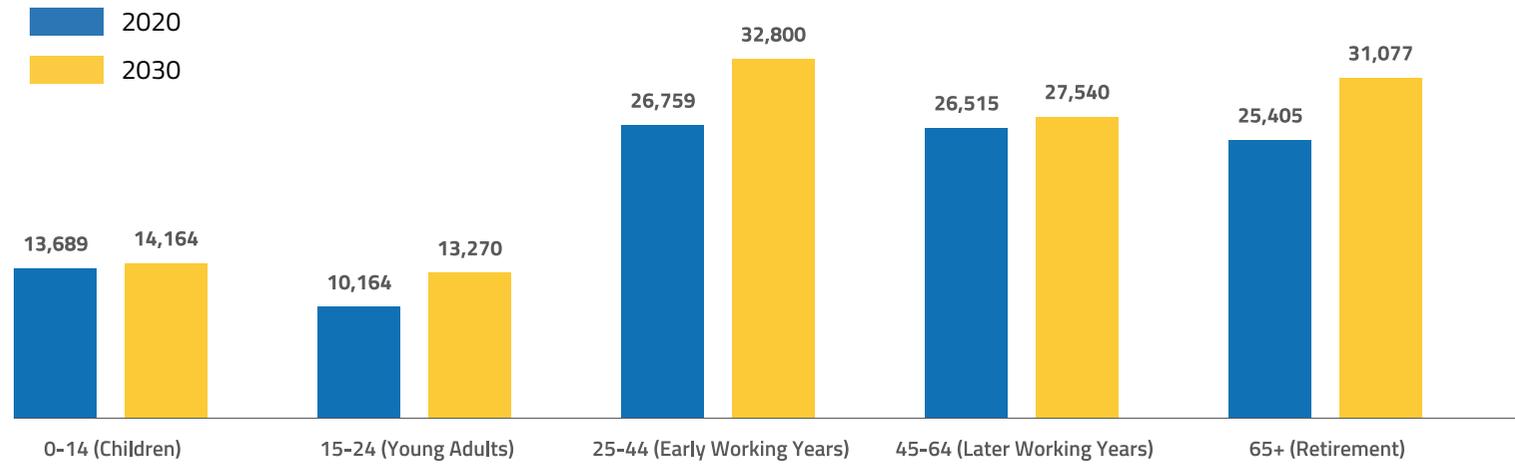
*In the past five years, on average over **3,400** net new residents relocated to the RDN annually.*

### Migration by Age Breakdown 2020-21

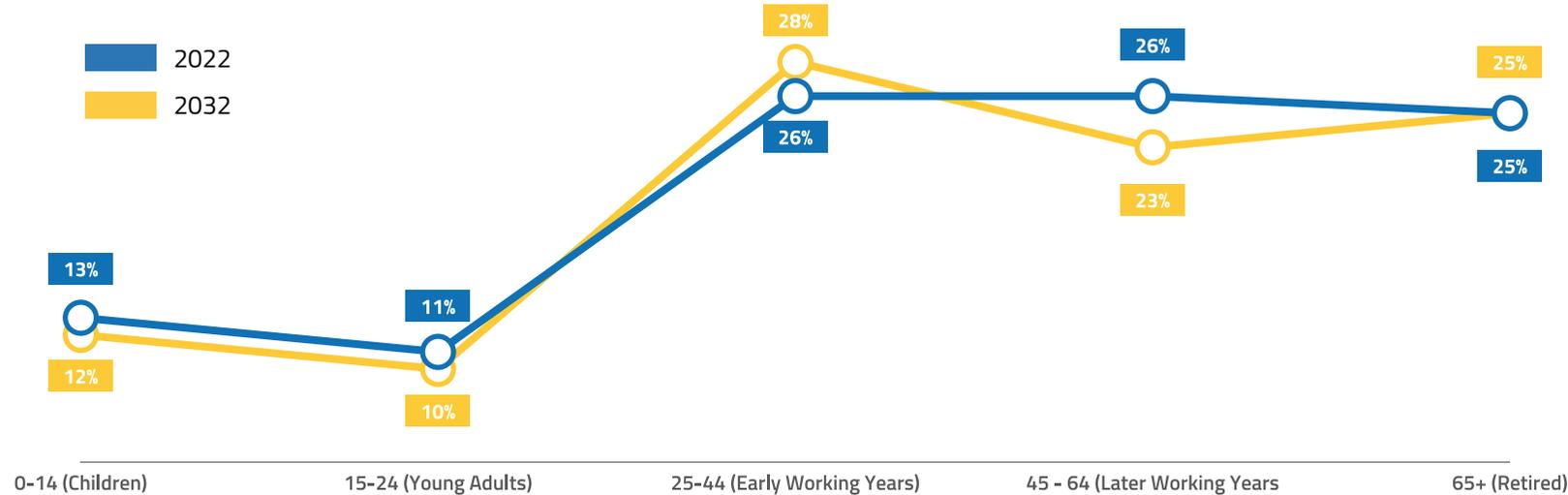
	0-14	15-65	65+	Total
<b>International</b>	29	275	16	320
<b>Other Provinces</b>	119	890	101	1,110
<b>Within BC</b>	762	143	388	762
<b>Net Migration</b>	291	1,553	348	2,192
<b>Births</b>				802
<b>Deaths</b>		191	1,070	1,263
<b>Net Natural</b>				-461
<b>Population Change</b>				1,731

NANAIMO AND LANTZVILLE

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



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



## Age Breakdown

Children (0-14) represented **13 per cent** of Nanaimo's total population in **2022**. This segment of population will increase by **3.5 per cent (+475)** children by **2032**. As a proportion of the total population the children category will decline by **one per cent** over the next ten years.

In **2022**, **62 per cent (63,438)** of Nanaimo's population was working age (15-64). Working age population is projected to increase by **16 per cent (+10,172)** by **2032** representing **62 per cent** of total population.

The **65+** category represented **25 per cent** of total population in **2022** and is expected to grow by another **5,673** persons and represent **26 per cent** of total population by **2032**.

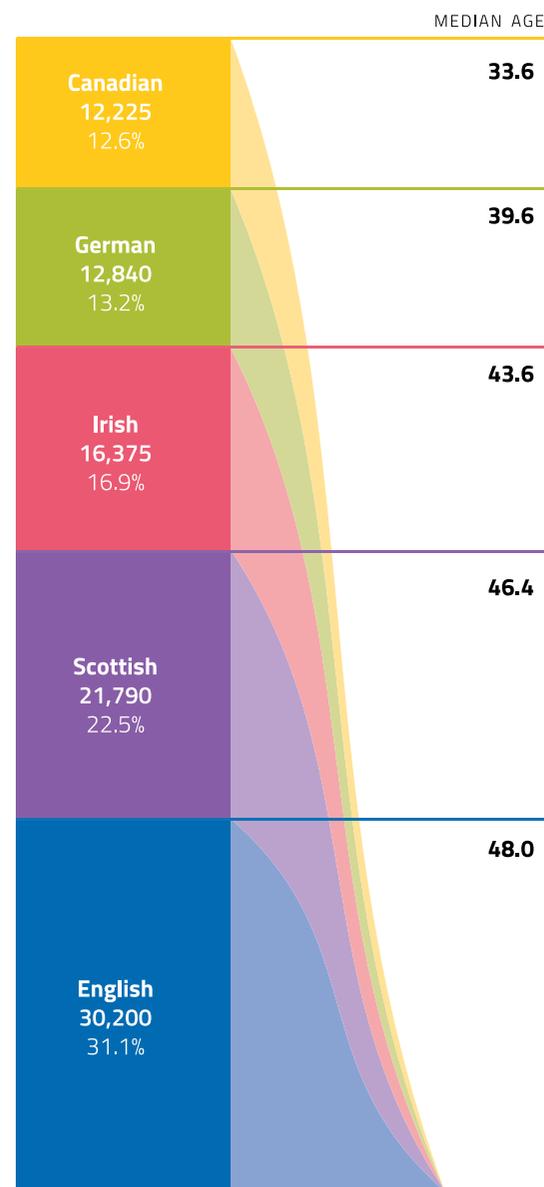
The largest growth over the next decade is projected in the **25-44** (early working years) age category, an increase of **6,041** persons. The second largest growth category is the **65+** category at **5,673** persons. This demographic shift will lead to structural changes in the economy. A younger population demands different products and services as well as amenities such as nightlife opportunities. Nanaimo's average and median age was younger in the **2021** Census compared to the **2016** Census.

SOURCE: BC STATS

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

*Nanaimo's average and median age was younger in the 2021 Census compared to the 2016 Census.*

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



### City of Nanaimo Visible Minorities

	2022	2027	% Change
Chinese	2,933	3,269	↑ 11%
South Asian	2,308	2,425	↑ 5%
Black	808	863	↑ 7%
Filipino	945	1,005	↑ 6%
Latin American	582	637	↑ 9%
Arab	293	315	↑ 8%
Southeast Asian	857	896	↑ 5%
West Asian	190	186	↓ -2%
Korean	375	355	↓ -5%
Japanese	491	510	↑ 4%
Visible Minority (not inc. elsewhere)	76	73	↓ -4%
Multiple	240	227	↓ -5%
<b>Total</b>	<b>10,098</b>	<b>10,761</b>	<b>↑ 7%</b>

PROJECTED

## Ethnic Diversity

The most frequently reported ethnic or cultural origin of Nanaimo residents is English, with about **30,200** persons representing **31.1 per cent** of the total population (2021 Census). The second largest origin is Scottish, with about **21,790** persons representing **22.5 per cent** of the total population. The third origin was Irish, with about **16,375** persons representing **16.9 per cent** of the total population.

Visible minorities represent **10 per cent** of Nanaimo's total population. As the overall population grows, Nanaimo is seeing greater diversity in its population. In **2022**, Nanaimo's visible minority population is estimated at **10,098**. The three largest minorities in Nanaimo are Chinese, South Asian, and Filipino, representing **2.9 per cent**, **2.3 per cent** and **0.9 per cent** of total population respectively. The total visible minority population is expected to increase by **seven per cent** by **2027**. The largest growth is expected to come from Chinese migrants (**336**), followed by South Asian (**117**) and Filipino (**60**).

BC's visible minority population is at **34.4 per cent**. The three largest minorities in BC are Chinese (**11.2 per cent**), South Asian (**9.6 per cent**), and Filipino (**3.5 per cent**). Vancouver has the most diverse population in BC with visible minorities representing **48.9 per cent** of the total population, with Chinese at **19.6 per cent**, South Asian **12 per cent** and Filipino at **5.1 per cent**.

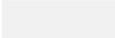
SOURCE: 2016 CENSUS, ESRI

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

### Business Licenses by Industry Sector (City of Nanaimo 2022)

 <b>Professional, Scientific, Technical</b>	766	11.9%	 <b>Finance and Insurance</b>	121	1.9%
 <b>Retail Trade</b>	768	11.9%	 <b>Wholesale Trade</b>	125	1.9%
 <b>Other Services (except Public Admin.)</b>	679	10.5%	 <b>Education and Training</b>	79	1.2%
 <b>Health Care and Social Assistance</b>	640	9.9%	 <b>Information and Cultural</b>	42	0.7%
 <b>Admin/Support, Waste Mgmt/Remed.</b>	523	8.1%	 <b>Mgmt. of Companies/Enterprises</b>	2	0.0%
 <b>Real Estate, Rental and Leasing</b>	467	7.2%	 <b>Construction</b>	1,210	18.7%
 <b>Accommodation and Food Services</b>	506	7.8%	 <b>Manufacturing</b>	145	2.2%
 <b>Arts, Entertainment and Recreation</b>	190	2.9%	 <b>Agr., Forestry, Fishing and Hunting</b>	12	0.2%
 <b>Transportation and Warehousing</b>	181	2.8%	 <b>Utilities</b>	3	0.0%

 Goods Producing Sector

 Service Producing Sector

## Business Licenses

In **2022**, the City of Nanaimo had **6,459** licensed businesses. The largest number of business licenses are held by the “Construction” sector, followed by the “Professional, Scientific and Technical services” and “Retail” sectors. The number of total business licenses increased by **nine per cent** over the last decade.

In **2022**, the number of total business licenses increased by **178**, representing a **2.8 per cent** increase over **2021**. The largest growth in business licenses was in the Accommodation and Food Services sector (+**198**) and Real Estate & Leasing (+**37**). The largest decline was in the Professional, Scientific and Technical sector (-**20**).

Home-based businesses account for **41 per cent** of total business licenses issued in the City of Nanaimo. **67 per cent** of Nanaimo’s businesses are locally owned and operated. **Three per cent** of Nanaimo businesses are franchise operations and **9.49 per cent** are branch offices of larger companies headquartered elsewhere.

Note: business licenses represent all types of private businesses, sole proprietorships, partnerships and incorporated businesses.

SOURCE: CITY OF NANAIMO ECONOMIC DEVELOPMENT

### Business Incorporations

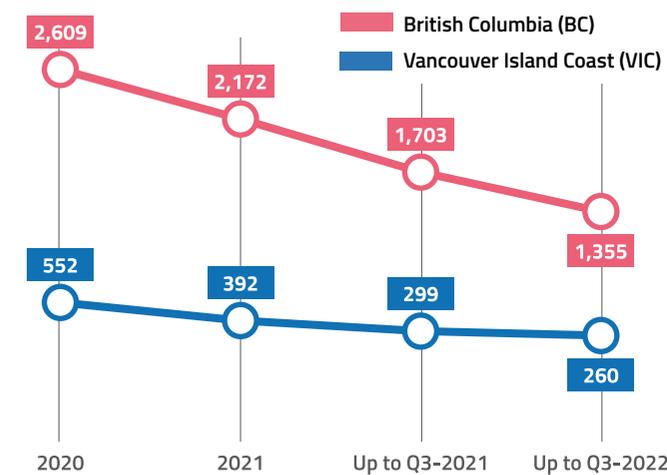
	2017	2018	2019	2020	2021	Average 2019-21
City of Nanaimo	576	566	606	615	860	<b>694</b>
Reg. District of Nanaimo (RDN)	800	785	817	823	1,136	<b>925</b>
Vancouver Island Coast (VIC)	4,410	4,313	4,330	4,372	5,880	<b>4,861</b>
Nanaimo as Share of VIC	13%	13%	14%	14%	15%	<b>14%</b>
Nanaimo as Share of RDN	72%	72%	74%	75%	76%	<b>75%</b>

## Business Incorporations

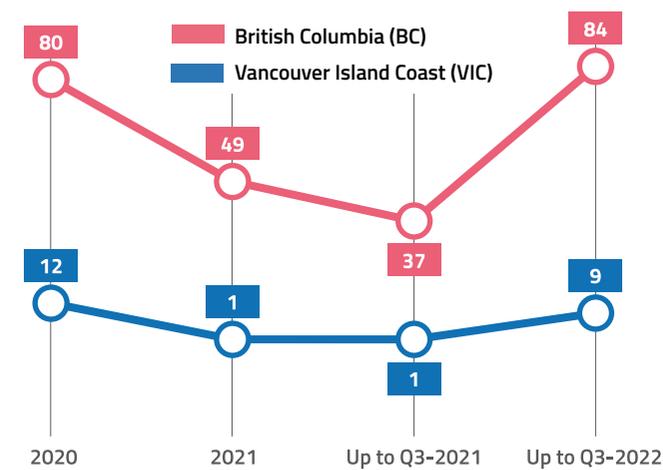
Incorporations are the number of new limited companies registered under the Business Corporations Act. Sole proprietorships or partnerships are not included. In **2021**, the City of Nanaimo had **860** new business incorporations, an increase of **39.8 per cent** from **2020**. During the same time period, Vancouver Island growth was **34.5 per cent**. Nanaimo accounted for **76 per cent** of new incorporations in the RDN and **15 per cent** of the Vancouver Island Coast region. In **2021**, the City of Nanaimo, the Regional District of Nanaimo and Vancouver Island Coast all surpassed their three year average for business incorporations.

In **2021**, business and consumer bankruptcies on Vancouver Island declined by **92 per cent** and **29 per cent** respectively compared to **2020**. Consumer bankruptcies declined by **13 per cent** in third quarter year-to-date comparisons between **2021** and **2022**. On Vancouver Island only one business declared bankruptcy in **2021**. By the third quarter in **2022**, nine businesses had declared bankruptcy. This data likely reflects some of the impacts of COVID on businesses. Not all business closures are reflected in the business bankruptcy numbers as many businesses may close, but not declare bankruptcy.

### Consumer Bankruptcies



### Business Bankruptcies



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

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

	2011	2016	2021	10 Year Growth Rate (2011-21)
1-4	1,587	1,705	1,797	↑ 13.2%
5-9	695	715	699	↑ 0.6%
10-19	418	495	497	↑ 18.9%
20-49	270	302	288	↑ 6.7%
50-99	68	86	94	↑ 38.2%
100-199	33	35	41	↑ 24.2%
200-499	9	10	14	↑ 55.6%
500+	4	5	4	↑ 0%
<b>Total:</b>	<b>3,084</b>	<b>3,353</b>	<b>3,434</b>	<b>Average: ↑ 11.3%</b>

## Size of Business

In **2021**, the City of Nanaimo had **3,434** businesses with one or more employees. The overall number of businesses with employees is growing over time, but the rate of growth is slowing, i.e. **2.4 per cent** in the last five years (**2016-21**) compared to **8.7 per cent** in the five years prior. Over the past five years, sole proprietorships have increased by **8.1 per cent** in the City of Nanaimo.

Increasing real estate costs and advances in technology are curving some the long-term demand for labour. More and more switchboard operators are being replaced by phone and interactive voice response menus, while many grocery stores now have self-checkout machines. On the supply side, the labour market is getting tighter due to the aging demographics.

In the City of Nanaimo a vast majority of the businesses are small to medium enterprises. **87 per cent** of the businesses have between **one** and **19** employees, and **12 per cent** have between **20** and **199** employees. Less than **one per cent (0.6)** of the businesses have over **200** employees.

SOURCE: BC STATS

### City of Nanaimo Building Permit Value 2017-2022



## Building Permits

At **\$410.3 million**, total building permit values increased by **51 per cent** in **2022** compared to **2021**, making it the second highest year on record. Residential permits accounted for **73.3 per cent** of the total value of building permits in **2022** compared with **67.9 per cent** in **2021**. All other permits accounted for **26.7 per cent** of the total building permit value in **2022**, compared to **32.1 per cent** in **2021**.

Non-residential building permits (commercial, industrial and public) increased by a whopping **28.7 per cent** in **2022** compared to **2021**. Most of this growth is due to public project investments.

*At **\$410.3 million**, total building permit values increased by **51 per cent** in 2022 compared to 2021, making it the second highest year on record.*

SOURCE: CITY OF NANAIMO ECONOMIC DEVELOPMENT

## 2022 Major Projects over \$2 Million

Address	Description	Value
3945 Biggs Road - Bldg AE	New Correctional Facility, 5 storeys	\$53,800,000
6030 Linley Valley Drive	1) New Apartment Building, 57 units, 4 storeys 2) New Apartment Building, 60 units, 5 storeys 3) New Apartment Building, 35 units, 5 storeys	\$29,052,879
4979 Wills Road	New Seniors Facility, 160 units, 7 storeys	\$29,023,178
4961 Songbird Place	New Apartment Building, 98 units, 6 storeys	\$22,644,990
4831 Cedar Ridge Crescent	New Apartment Building, 98 units, 6 storeys	\$21,525,720
550 Brechin Road	New Apartment Building, 87 units, 5 storeys	\$16,932,692
285 Prideaux Street	New Apartment Building, 51 units, 4 storeys	\$12,000,000
3945 Biggs Road - Bldg F-S1, F2, F3	1) New Correctional Facility, 2 storeys 2) New Correctional Facility, 2 storeys 3) New Correctional Facility, 2 storeys	\$11,500,000
6010 Hammond Bay Road	New Apartment Building, 53 units, 4 storeys	\$11,341,769
1300 Junction Avenue - Bldg A	New Apartment Building, 71 units, 4 storeys	\$10,528,165
1300 Junction Avenue - Bldg B	New Apartment Building, 71 units, 4 storeys	\$10,528,165
1300 Junction Avenue - Bldg C	New Apartment Building, 71 units, 4 storeys	\$10,528,165
1135 Seafield Crescent	New Seniors Apartment, 62 units, 5 storeys	\$10,000,000
3945 Biggs Road - Bldg D1	New Correctional Facility, 2 storeys	\$8,900,000
2535 Bowen Road	New Automotive Dealership, 2 storeys	\$6,896,036
3945 Biggs Road - Bldg H1, H2, H3, H4	1) New Correctional Facility, 2 storeys 2) New Correctional Facility, 2 storeys 3) New Correctional Facility, 2 storeys 4) New Correctional Facility, 2 storeys	\$6,096,630

## Major Projects

In **2022** and **2021**, there were **32** projects with a minimum value of **\$2** million or more. In **2022** one of the largest value project is the construction of the new correctional facility on Biggs Road. The majority of the other larger projects were apartment buildings including a seniors facility. In **2021**, many of the larger projects included public sector developments such as the addition of an Acute Care ICU at NRGH, elementary school additions and upgrades, new provincial rental housing and Fortis BC office upgrades.

## Nanaimo Hospital ICU Replacement

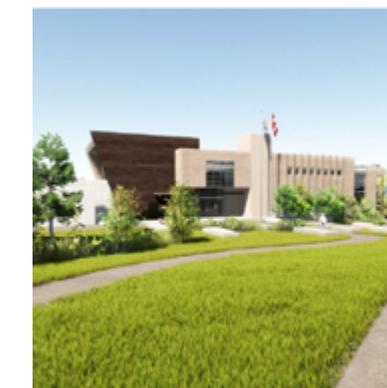
In February **2021**, construction began on a new intensive care unit (ICU) at the Nanaimo Regional General Hospital. The new ICU will be three times the size of the current unit and include **12** single-patient rooms, service booms, overhead lifts, a medication room, family consult room and staff room. The **\$41** million project is estimated to create **200** direct jobs and will open in early **2023**.

SOURCE: CITY OF NANAIMO



## 4979 WILLS ROAD

SENIORS FACILITY, 160 UNITS, 7 STOREYS – \$29 MILLION



## 3945 BIGGS ROAD

BUILDING AE, NEW CORRECTIONAL FACILITY, 5 STOREYS – \$53.8 MILLION



## 6030 LINLEY VALLEY DRIVE

3 APARTMENT BUILDINGS, 152 TOTAL UNITS – \$29 MILLION

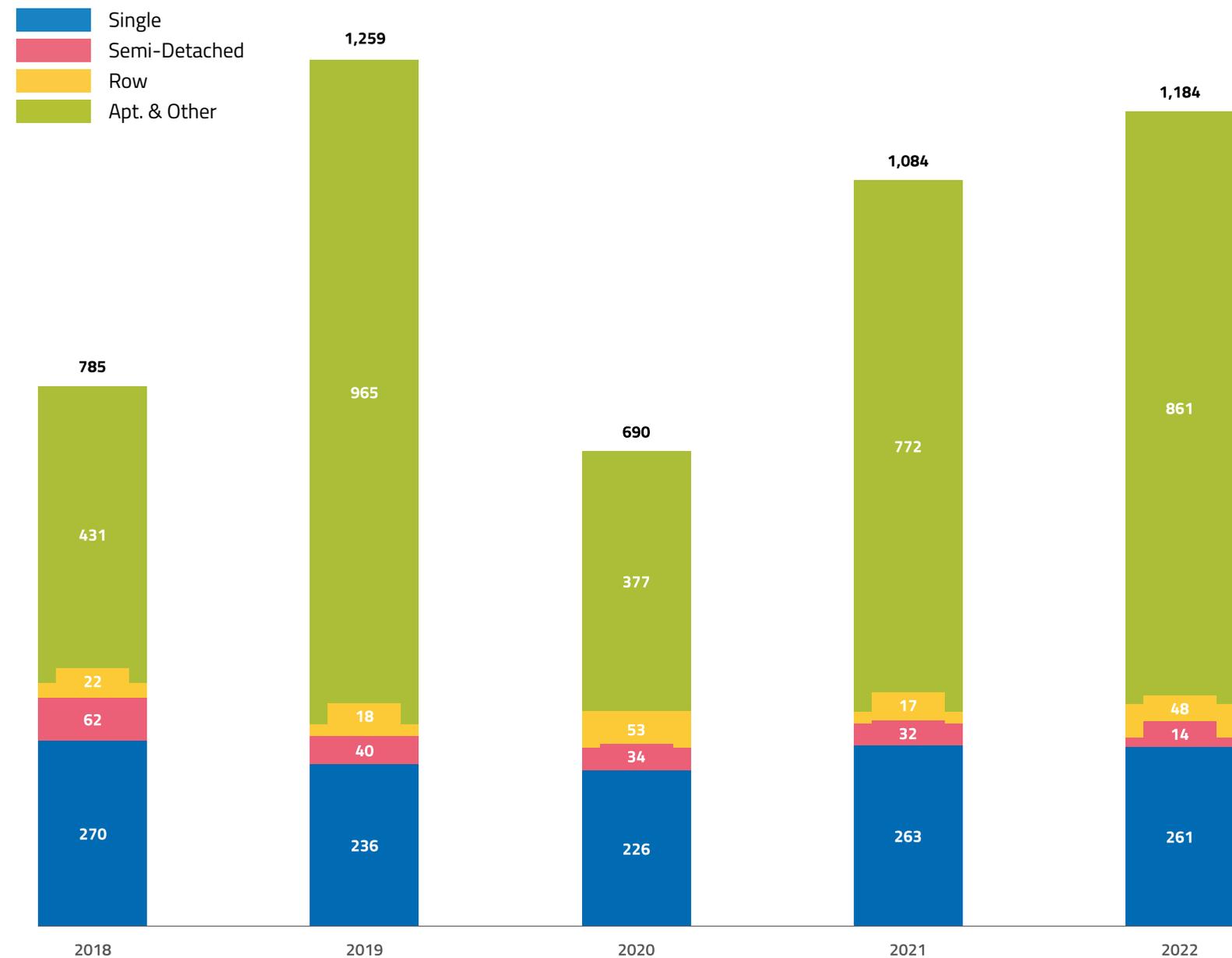


## 4831 CEDAR RIDGE PLACE

APARTMENT BUILDING, 98 UNITS, 6 STOREYS – \$21.5 MILLION

### City of Nanaimo Housing Starts by Type

(2018-2022)



## New Housing and Housing Stock

Housing starts, like building permits, are a leading indicator of economic activity. In **2022**, new housing starts increased by **nine per cent** to **1,184**, compared with **1,084** starts in **2021**. The trend towards denser forms of housing intensified as **77 per cent** of new housing starts were apartment-type dwellings or row housing, and single and semi-detached accounted for **23 per cent** of new builds.

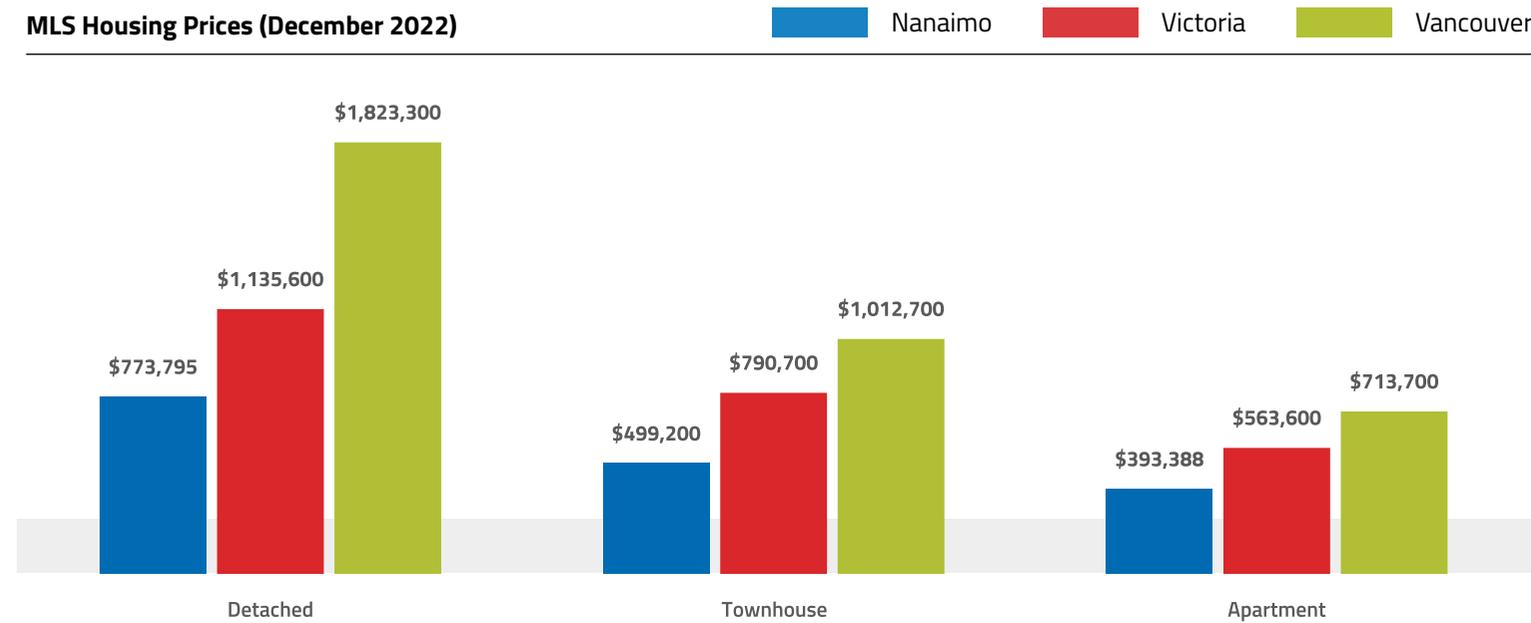
Overall single or semi-detached homes still make up the majority of the housing stock, representing **62 per cent** of all built housing. As the city grows, the mix of housing has been changing, with apartments and low/high rise buildings making up **36 per cent** of all housing and other dwelling types making up **two per cent**.

Housing ownership in the City of Nanaimo was at **66.7 per cent** (2021 Census), an increase of **0.8 per cent** since 2016. As well, the 2021 Census data reveals **24.2 per cent** of households in the City spend **30 per cent** or more of income (before tax income) on shelter costs. This is a significant reduction from **27.2 per cent** in 2016.

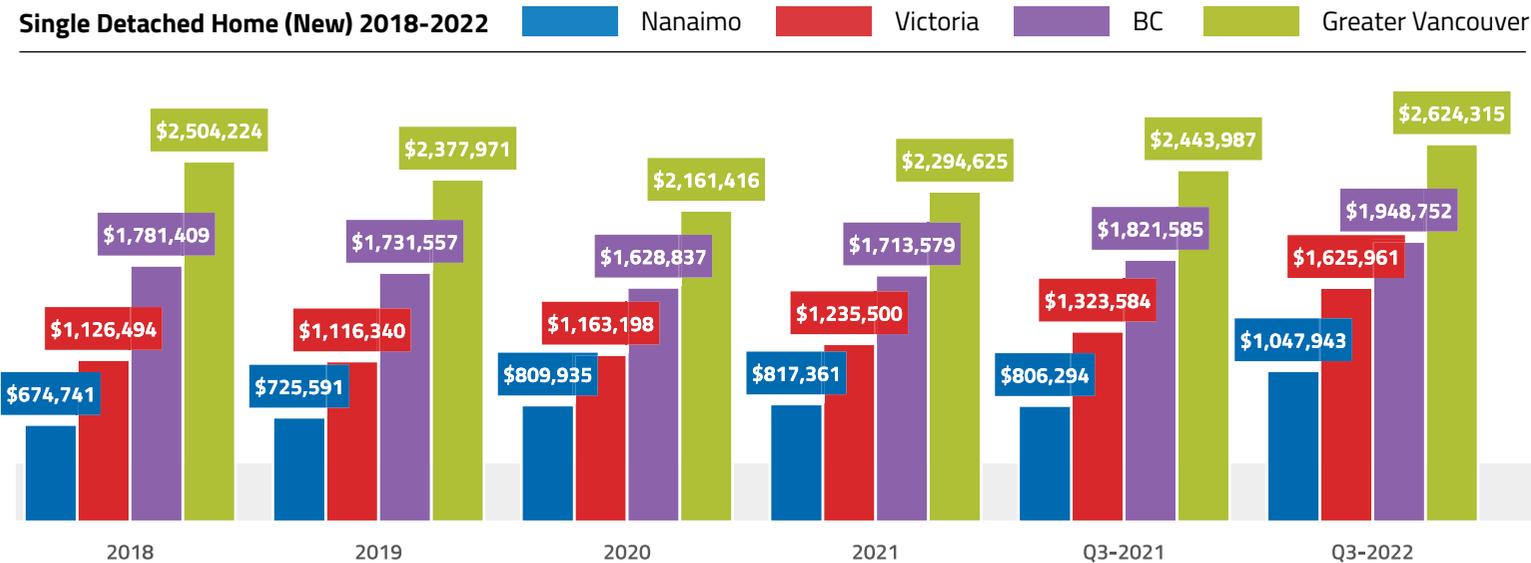
SOURCE: CMHC, CITY OF NANAIMO, ESRI CANADA

Housing Stock 2022	
<b>Houses</b>	26,482
<b>Single-Detached House</b>	22,227
<b>Semi-Detached House</b>	2,108
<b>Row House</b>	2,147
<b>Apt. Building Low/High Rise</b>	15,478
<b>Apt. Building, 5+ Storeys</b>	1,370
<b>Apt. Building, &lt; 5 Storeys</b>	7,885
<b>Detached Duplex</b>	6,223
<b>Other Dwelling Types</b>	929
<b>Other Single-Att, House</b>	89
<b>Movable Dwelling</b>	840
<b>Total Households</b>	42,889

MLS Housing Prices (December 2022)



Single Detached Home (New) 2018-2022



## Housing Prices

After seeing record sales and prices during the pandemic, the housing market experienced a year of caution in **2022** (from the spring/summer of **2022** onwards) due to rising borrowing costs fueled by Bank of Canada's ongoing battle with inflation. Each time market interest rates went up, market activity slowed. Slower sale activity has resulted in inventory levels rebounding from historic lows. Cost of borrowing money will continue to undermine demand into early **2023**. For a period of two years starting January **1, 2023**, non-Canadians are banned from purchasing homes in Canada under the definition of "residential property"; this will also slow housing demand.

The benchmark price of an average single-family detached home in Nanaimo decreased by **10 per cent** year-over-year in December **2022**. The benchmark price of a similar house in Vancouver decreased by **5.1 per cent** but increased by **0.7 per cent** in Victoria. Benchmark prices for townhouses decreased by **17.9 per cent** in Nanaimo, decreased by **0.2 per cent** in Vancouver and increased by **6.1 per cent** in Victoria. Apartment prices increased by **1.4 per cent** in Nanaimo, **5.2 per cent** in Victoria and **1.7 per cent** in Vancouver.

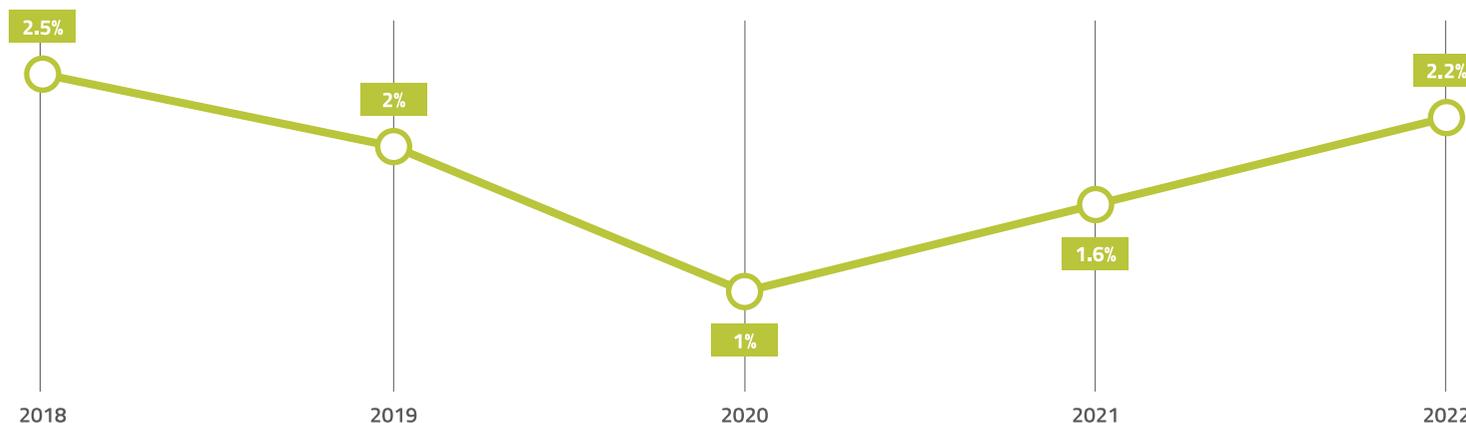
The average price of a single-family new house increased by **one per cent** in Nanaimo in **2021** compared to **2020**. The price increase in Vancouver and Victoria for a similar home was **six per cent**, in BC it was **five per cent** during this period. In third quarter price comparisons between **2022** and **2021** Nanaimo prices increased by **30 per cent**, Victoria by **23 per cent** and Vancouver & BC tied at a **seven per cent** increase.

SOURCE: CMHC, 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 (October 2022)

Private Apartments	Rent		Vacancy Rate		Total Units	
	2022	2021	2022	2021	2022	2021
Bachelor/Studio	\$1,078	\$976	1.4%	1.3%	394	373
1 Bedroom	\$1,230	\$1,092	2.4%	1.2%	2,280	2,140
2 Bedroom	\$1,542	\$1,360	1.8%	2.0%	1,926	1,704
3+ Bedroom	\$1,619	\$1,542	5.5%	3.0%	147	127
Average/Total	\$1,356	\$1,198	2.2%	1.6%	4,747	4,344

### Rental Market Vacancy Rate (City of Nanaimo)



## Rental Market

In **2022, 67 per cent** of Nanaimo residents lived in owned housing, while **33 per cent** occupied rental accommodations (Esri Canada). The rental apartment average vacancy rate in Nanaimo increased from **1.6 per cent** to **2.2 per cent**. The vacancy rate is still low as a balanced market rate is **five per cent**. With increasing interest rates and higher inflation many first time buyers are delaying home ownership and renting instead. The return of students and increased migration grew rental demand faster than supply leading to overall average rent increase of **13.2 per cent**. The number of units in supply increased by **403**, representing a **5.3 per cent** year-over-year increase.

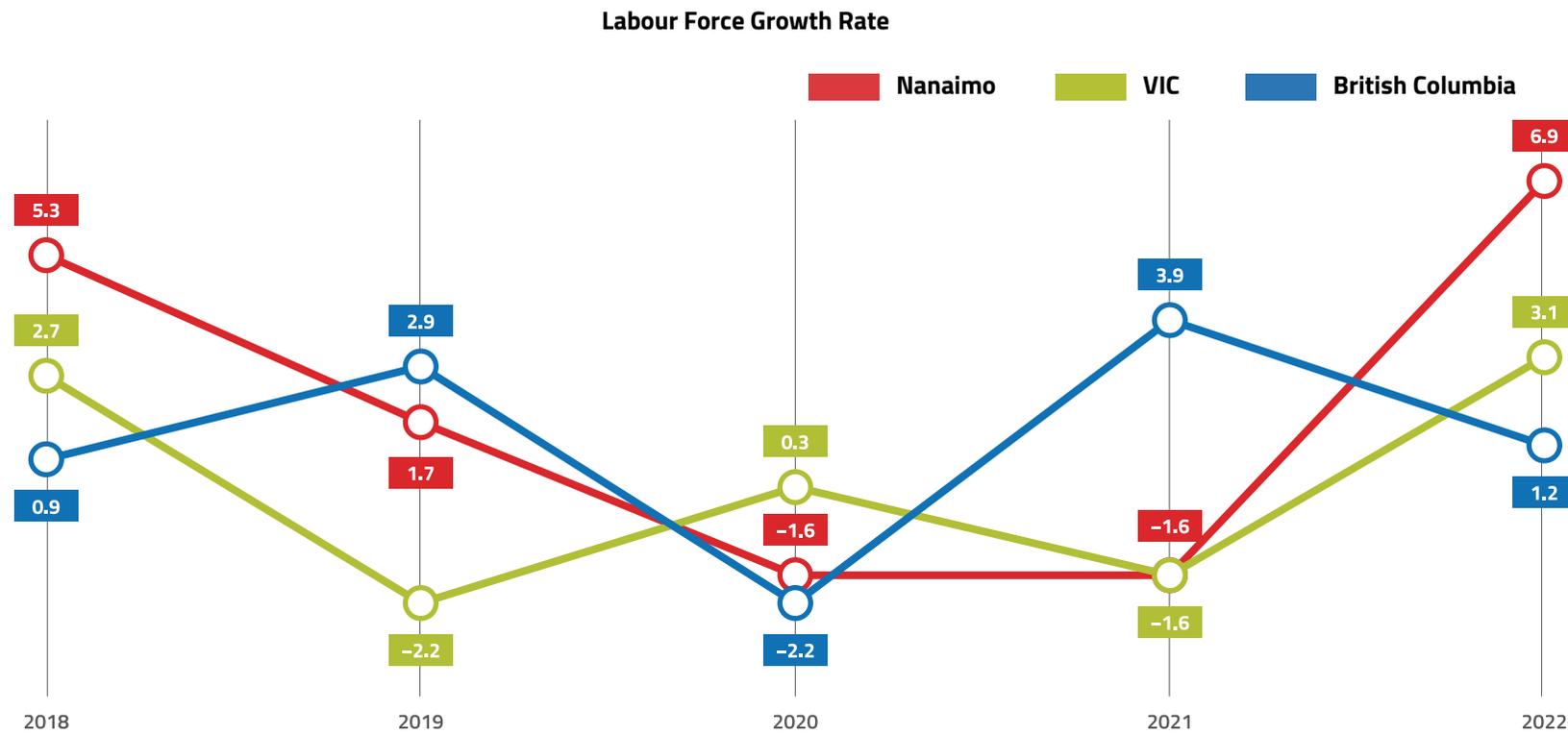
The vacancy rate in Vancouver CMA decreased from **1.2 per cent** to **0.9 per cent** year-over-year. Vacancy rate in Victoria CMA increased from **one per cent** to **1.5 per cent**. In these markets record migration, along with a recovering job market, led to greater demand for rental housing, particularly for newer units, despite the rising premium compared to older rentals. Rental supply increased by **five per cent** in the Victoria CMA and **3.3 per cent** in Vancouver CMA in **2022**.

Overall average rent for a two-bedroom apartment in Nanaimo increased by **13.2 per cent**, in Greater Victoria by **8.1 per cent**, and Greater Vancouver by **9.8 per cent**.

SOURCE: CMHC

### Comparison of Average Monthly Rent (2 Bedroom Apt.)

	Vancouver	Victoria	Nanaimo
2021	\$1,824	\$1,571	\$1,360
2022	\$2,002	\$1,699	\$1,542
	↑ 9.8%	↑ 8.1%	↑ 13.4%



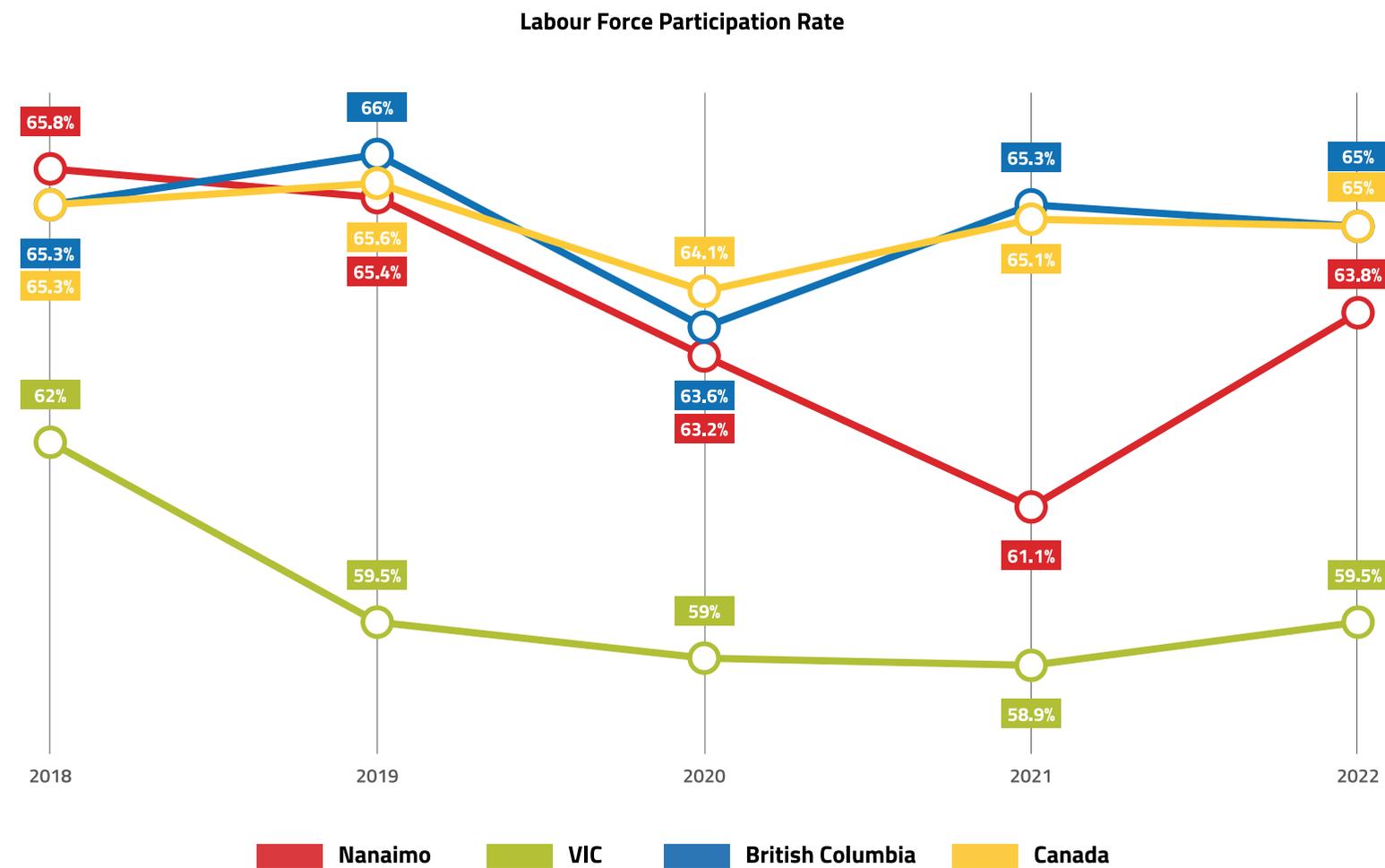
	2018	2019	2020	2021	2022	Average
<b>Nanaimo</b>	5.3%	1.7%	-1.6%	-1.6%	6.9%	2.2%
<b>Vancouver Island Coast (VIC)</b>	2.7%	-2.2%	0.3%	1.3%	3.1%	1.1%
<b>British Columbia (BC)</b>	0.9%	2.9%	-2.2%	3.9%	1.2%	1.3%
<b>Nanaimo Labour Force</b>	63,100	64,200	63,200	62,200	66,500	63,840

## Labour Force

The labour force is composed of those **15** years of age and older who are either employed or actively seeking work. Changes in the labour force are the result of changes in population and economic opportunities. A growing economy attracts workers from other areas and induces people to enter the labour force. When the economy slows, people leave in search of opportunities elsewhere or withdraw from the labour force.

On average, Nanaimo's labour force grew by **2.2 per cent** annually between **2018** and **2022**, while the province grew by **1.3 per cent** and Vancouver Island Coast region by **1.1 per cent**. Labour force growth rates in Nanaimo generally follow a similar pattern to that in the province as a whole; however, they tend to have greater variance. This variability likely stems in part from measurement error in the labour force survey due to small sample sizes. Generally, the five-year average growth rate is a more accurate measure of labour force activity in Nanaimo due to the variability in the labour force survey. In **2022**, **66,500** people were in the labour force. The labour force growth rate increased by **6.9 per cent** in Nanaimo, **1.2 per cent** in BC, and **3.1 per cent** on Vancouver Island in **2022**.

SOURCE: STATS CANADA



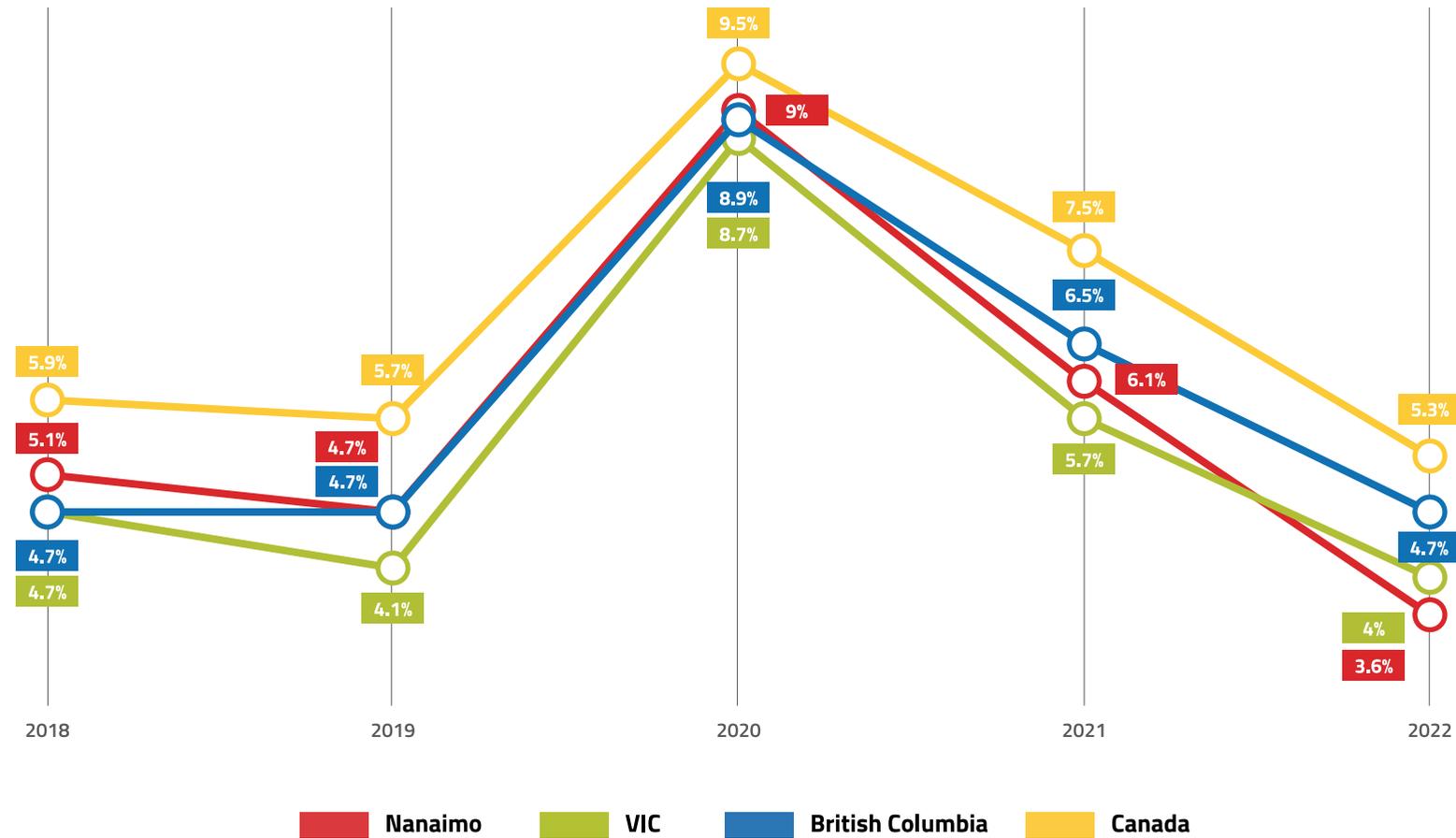
## Labour Force Participation Rate

In **2022**, labour force participation rates improved in Nanaimo and the Vancouver Island Coast region but dipped slightly in BC and Canada. Nanaimo's labour force participation rate tends to be lower than BC and Canada, but higher than Vancouver Island Coast Region. This is a reflection of the older age structure of Nanaimo and the Island's population in relation to BC and Canada.

The labour force participation rate measures the labour force (employed & unemployed) relative to the size of the working age population. In other words, it is the share of the working age population that is working or looking for work. Regions with younger populations tend to have higher labour force participation rates, while those with older populations have lower rates. Participation rates also tend to fall during recessions due to discouraged workers, and rise during expansions. The greater variability in Nanaimo's participation rate is likely due to the smaller sample size of the labour force survey.

SOURCE: STATS CANADA

Unemployment Rate Comparisons (Annual Averages)



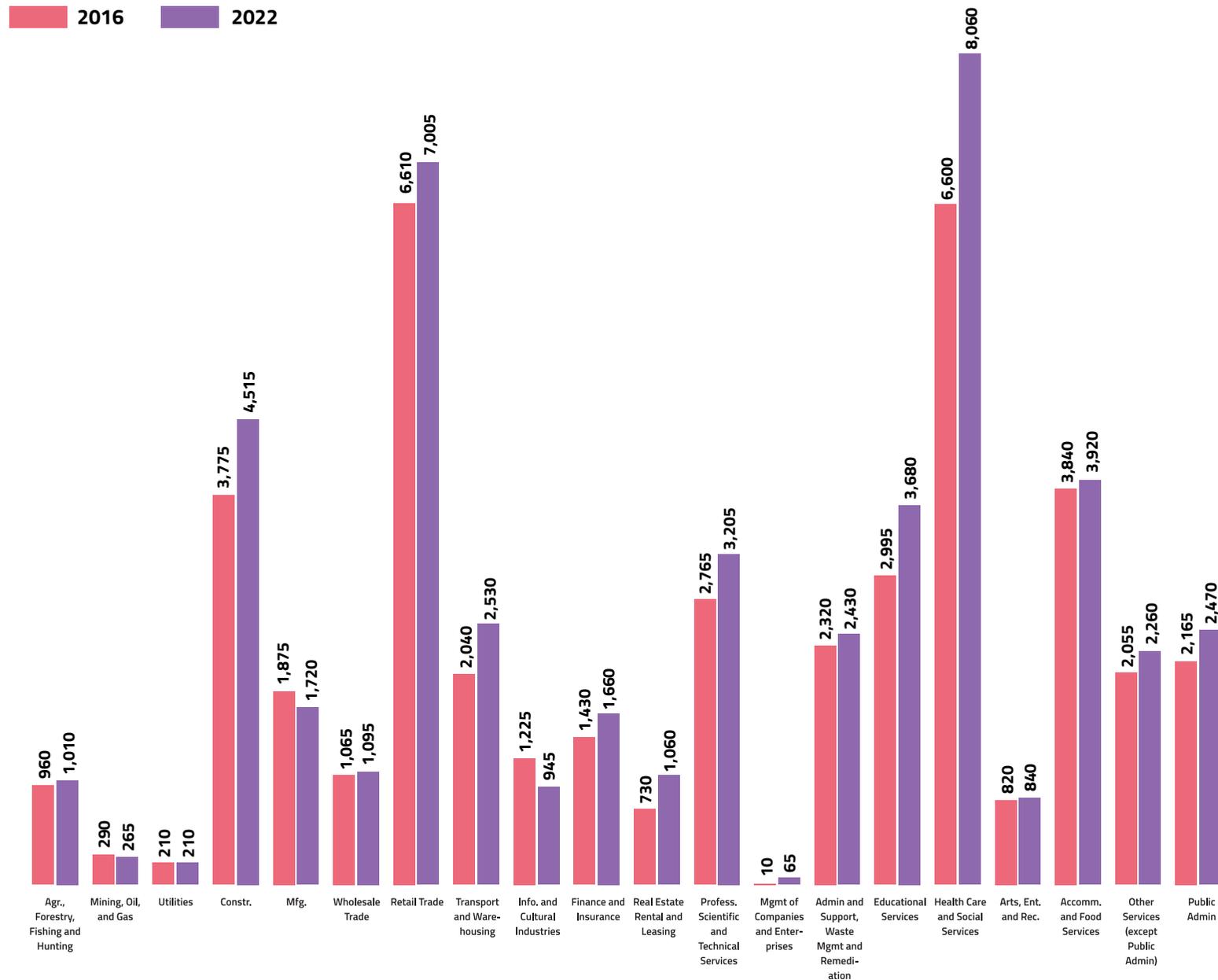
## Unemployment Rate

Pandemic-related restrictions and health impacts led to unusually high unemployment rates throughout **2020** and **2021**. As pandemic related restrictions were lifting towards the second half of **2021**, many sectors of the economy were reporting labour shortages.

Unemployment rates improved significantly across all geographies in **2022**. Nanaimo's unemployment rate was **3.6 per cent**, lower than Vancouver Island Coast (VIC), BC and Canada. An ideal unemployment rate for a healthy economy is between **4.5 to five per cent**. Nanaimo's unemployment rate indicated an unusually tight labour market for **2022**.

SOURCE: STATS CANADA

## Employed Labour Force (15+) By Industry Sectors (City of Nanaimo)



## Employment by Industry Sector

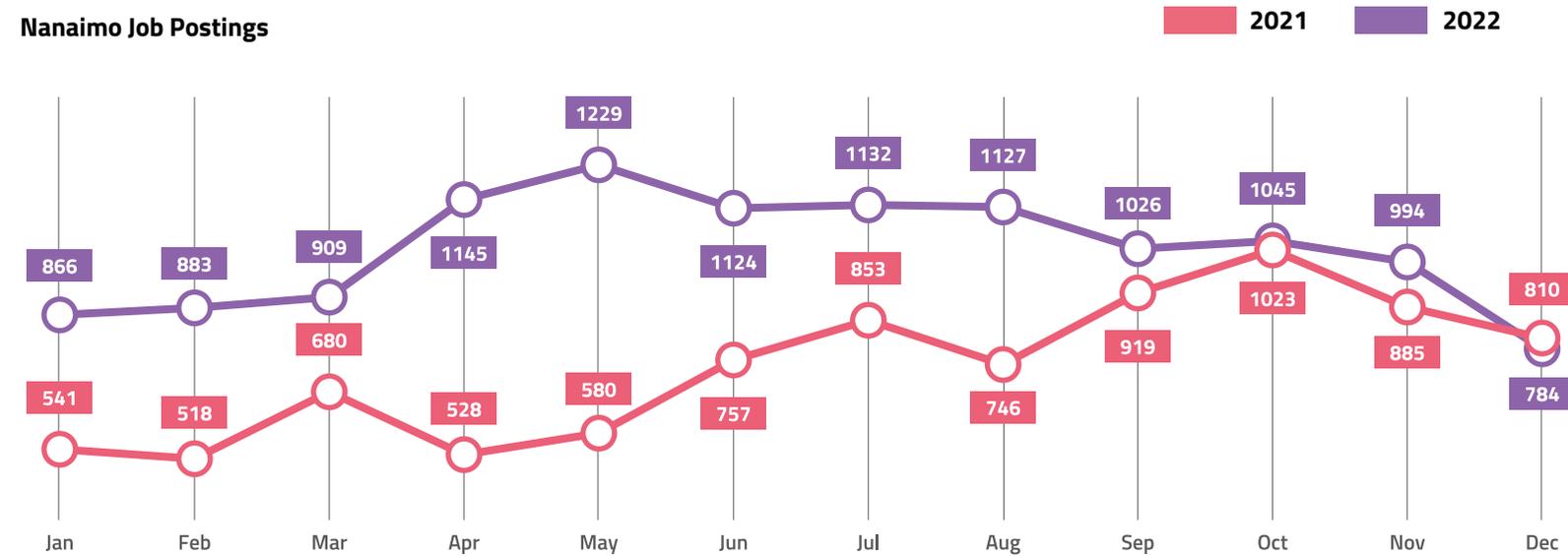
The number of jobs in Nanaimo grew by **10.8 per cent** between the **2021** and **2016** Census. During this period, shifts in the economy led to the goods producing sector representing **15 per cent** (**16 per cent** previously) and service sector representing **85 per cent** (**84 per cent** previously) of total jobs in the City of Nanaimo.

Majority of the job growth was driven by the service-producing industries. Healthcare and social assistance led the charge with near **1,500** new jobs added, followed by Educational services (+**685**), Transportation and warehousing (+**490**), and Professional scientific and technical services (+**440**). All service sectors reported positive job gains with the exception of Information and cultural industries reporting loss of **280** jobs. In the goods producing industries, the highest growth was posted by the Construction sector (+**740** new jobs), followed by “agriculture, forestry, fishing and hunting” (+**50**). The goods producing sectors that experienced jobs losses were “Manufacturing” (-**155**) and Mining, quarrying, oil & gas extraction (-**25**).

In **2022**, the greatest number of jobs are provided by healthcare/social assistance, followed by retail, construction, accommodation and food services and educational services.

SOURCE: STATS CANADA, ESRI CANADA

## Nanaimo Job Postings



## Nanaimo Job Postings

	2022 Postings	Percent of Subtotal	Percent of Grand Total	Change vs 2021 Postings
Full-Time	5,720	60%		↑ 58.9%
Full-Time or Part-Time	1,936	20%		↑ 52.0%
Part-Time	1,939	20%		↑ 39.3%
Full-Time/Part-Time Subtotal	<b>9,595</b>	<b>100%</b>	<b>78%</b>	
Unknown/Not Identified	2,669		22%	↑ 3.7%
<b>Grand Total</b>	<b>12,264</b>		<b>100%</b>	<b>↑ 38.7%</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

	2022 Postings
Vancouver Island Health Authority	775
Vancouver Island University	369
Lowe's Canada	284
1-800-GOT-JUNK	154
BC Public Service	117
The Home Depot Canada	117

\*Includes postings from identified known employers only

## Job Postings

New job postings in Nanaimo were **38.7 per cent** higher in **2022** compared to **2021**. During the same time period, BC postings increased by **20.4 per cent**. Job openings were highest in the months of April and May and started trending lower as the year progressed. BC Job postings showed similar monthly trends.

After the Capital Region, Nanaimo Regional District had the highest number of job openings. Nanaimo's postings growth rate was **40.5 per cent** compared to Victoria at **41.4 per cent** over one year.

The majority of the openings were full-time positions (**60 per cent**). There was also significant growth (**52 per cent**) in full-time or part-time job options for employees.

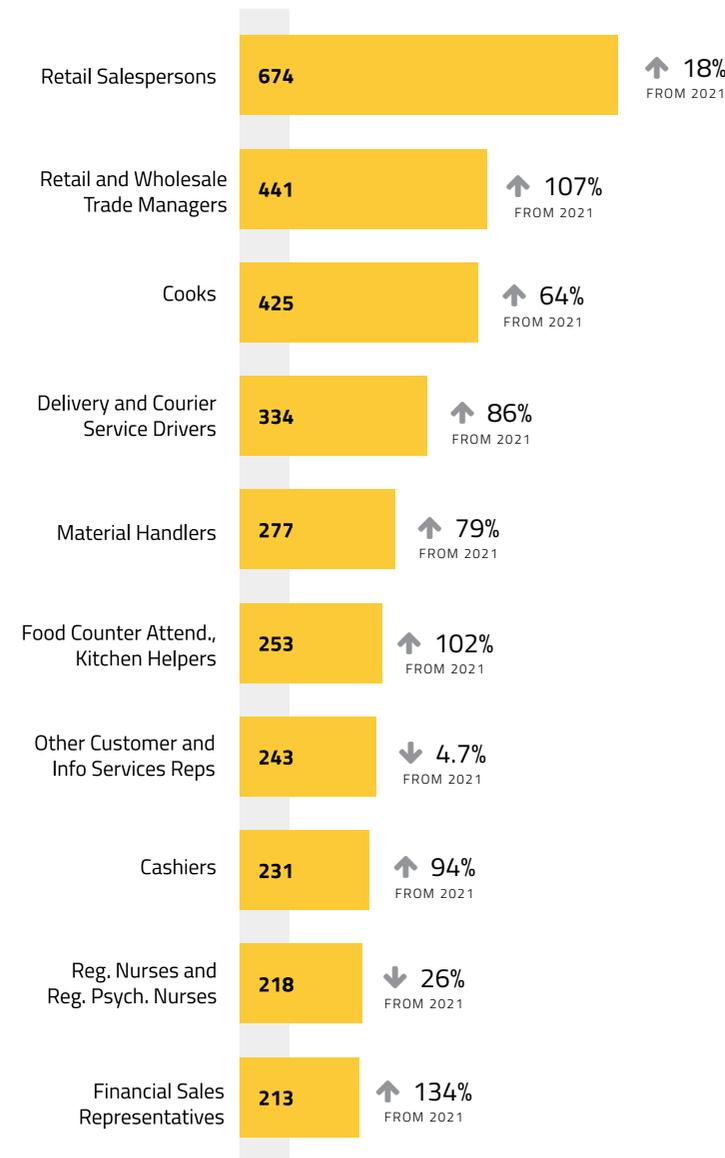
Vancouver Island Health Authority was the top employer by number of job postings, followed by Vancouver Island University and Lowe's Canada.

SOURCE: VICINITY JOBS DATABASE

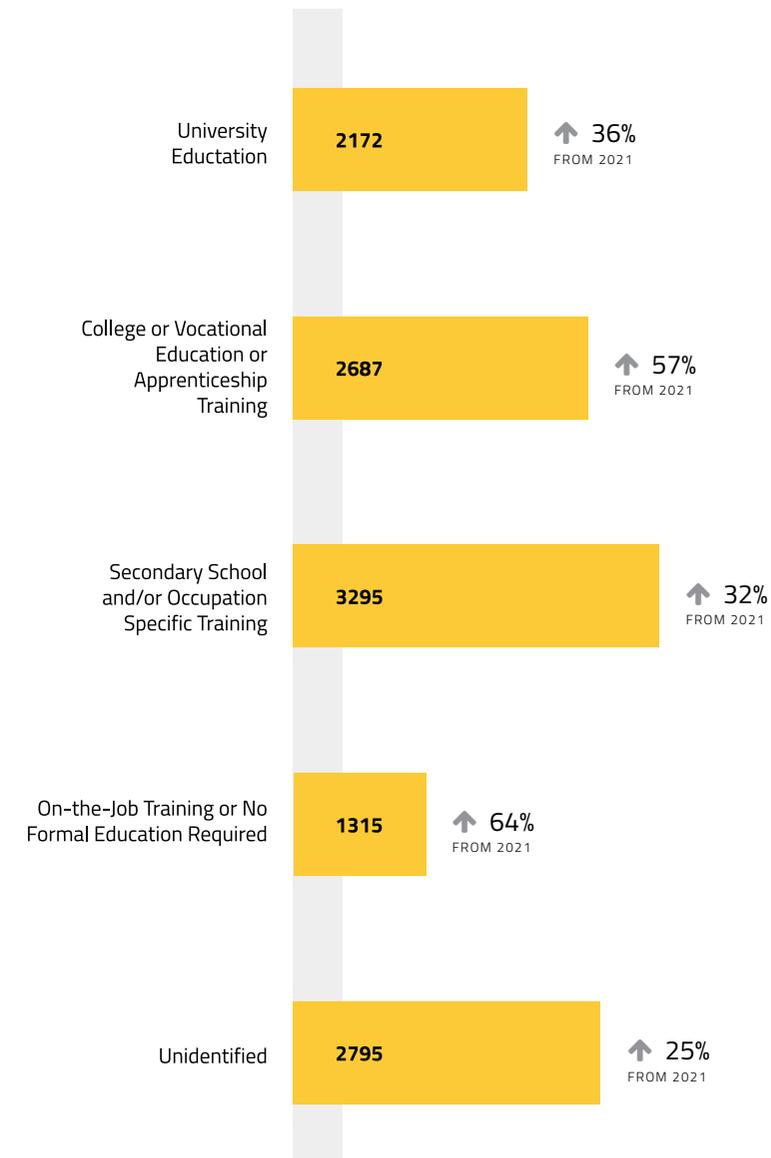
## Postings by Vancouver Island Regional District

	2022 Postings	Change vs 2021 Postings
Mt. Waddington	893	↑ 72.1%
Strathcona	4,849	↑ 43.8%
Comox Valley	5,668	↑ 48.4%
Alberni Clayoquot	2,912	↑ 48.0%
<b>Nanaimo</b>	<b>15,061</b>	<b>↑ 40.5%</b>
Cowichan Valley	7,149	↑ 39.5%
Capital	44,337	↑ 41.4%
<b>Subtotal</b>	<b>80,869</b>	

Top 10 Occupations by Number of Job Postings (2022)



Job Postings by Skill Level (2022)

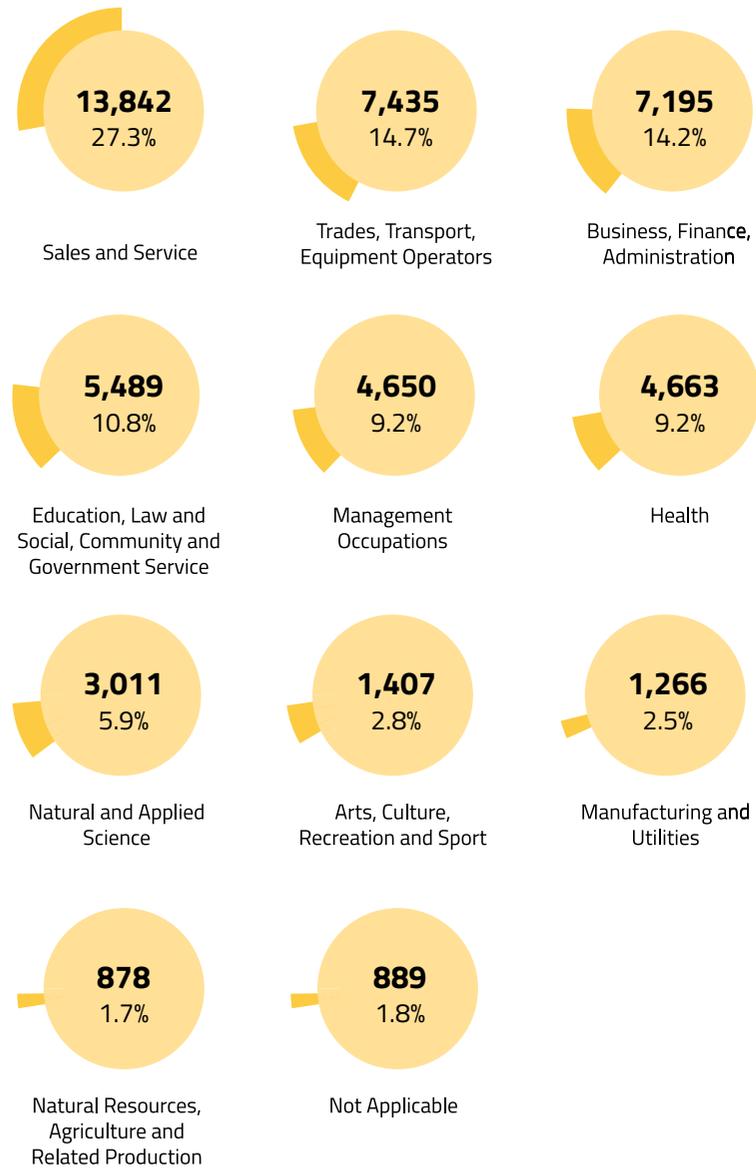


## Job Postings

The highest postings by occupation were retail salespersons, followed by “retail and wholesale trade managers” and cooks.

In **2022** the highest number of job openings (**27 per cent**) required “secondary school and/or occupation-specific training”, followed by “college or vocational or apprenticeship training”. **18 per cent** of job openings required a university education in **2022**, a growth of **36 per cent** compared to **2021**. Of the unidentified category, the majority of the job openings are likely to be lower skilled jobs.

SOURCE: VICINITY JOBS DATABASE



Workplace	
 <b>Fixed Workplace</b>	70.4%
 <b>No Fixed Workplace</b>	15.1%
 <b>Work at Home</b>	14.0%
 <b>Work Outside of Canada</b>	0.5%

Mode of Transportation	
 <b>Drive to Work</b>	78.4%
 <b>Car Passenger</b>	6.1%
 <b>Public Transit</b>	4.6%
 <b>Walk</b>	6.9%
 <b>Cycle</b>	1.7%
 <b>Other Method</b>	2.3%

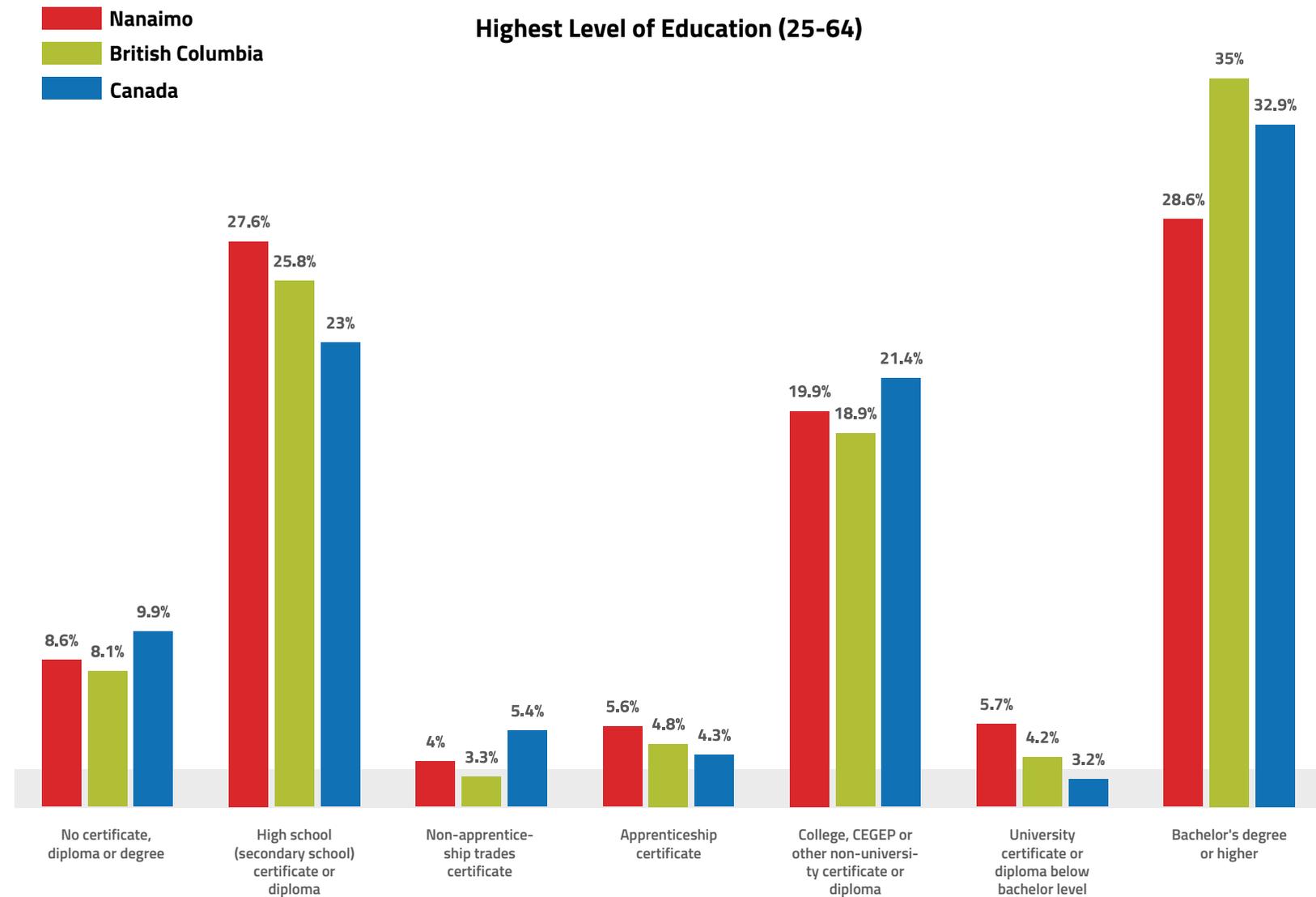
## Labour Force: Occupation, Workplace, Transportation

Sales and service occupations made up **27 per cent** of all jobs in Nanaimo in **2022**. Trades/transport/equipment operators is the next largest occupational category followed by business, finance, and administration. Labour force breakdown by occupation is useful in looking at the skills and talent of the labour pool and can be a beneficial indicator of employability in other sectors of the economy.

**70 per cent** of the workforce worked from their usual place of work, and **14 per cent** worked from home. Just over **15 per cent** of the workforce have no fixed place of work.

The vast majority (**78.4 per cent**) of the workforce drive to work and **6.1 per cent** are a car passenger. **4.6 per cent** use public transit, **6.9 per cent** walk to work and **1.7 per cent** cycle to work.

SOURCE: ESRI CANADA



## Labour Force by Education

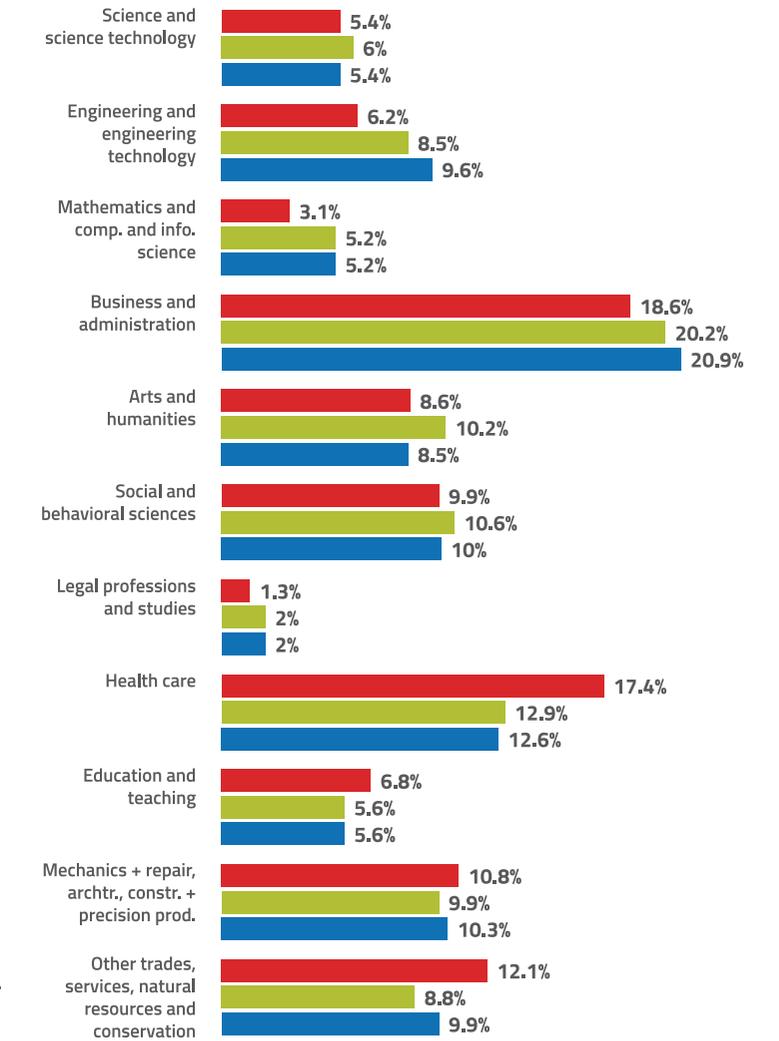
**28.6 per cent** of people aged **25 to 64** in Nanaimo had a bachelor's degree or higher, compared to **35.0 per cent** in British Columbia and **32.9 per cent** in Canada. Nanaimo tends to have a larger percentage of population with education levels below bachelor's degree compared to BC.

**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.

SOURCE: 2021 CENSUS

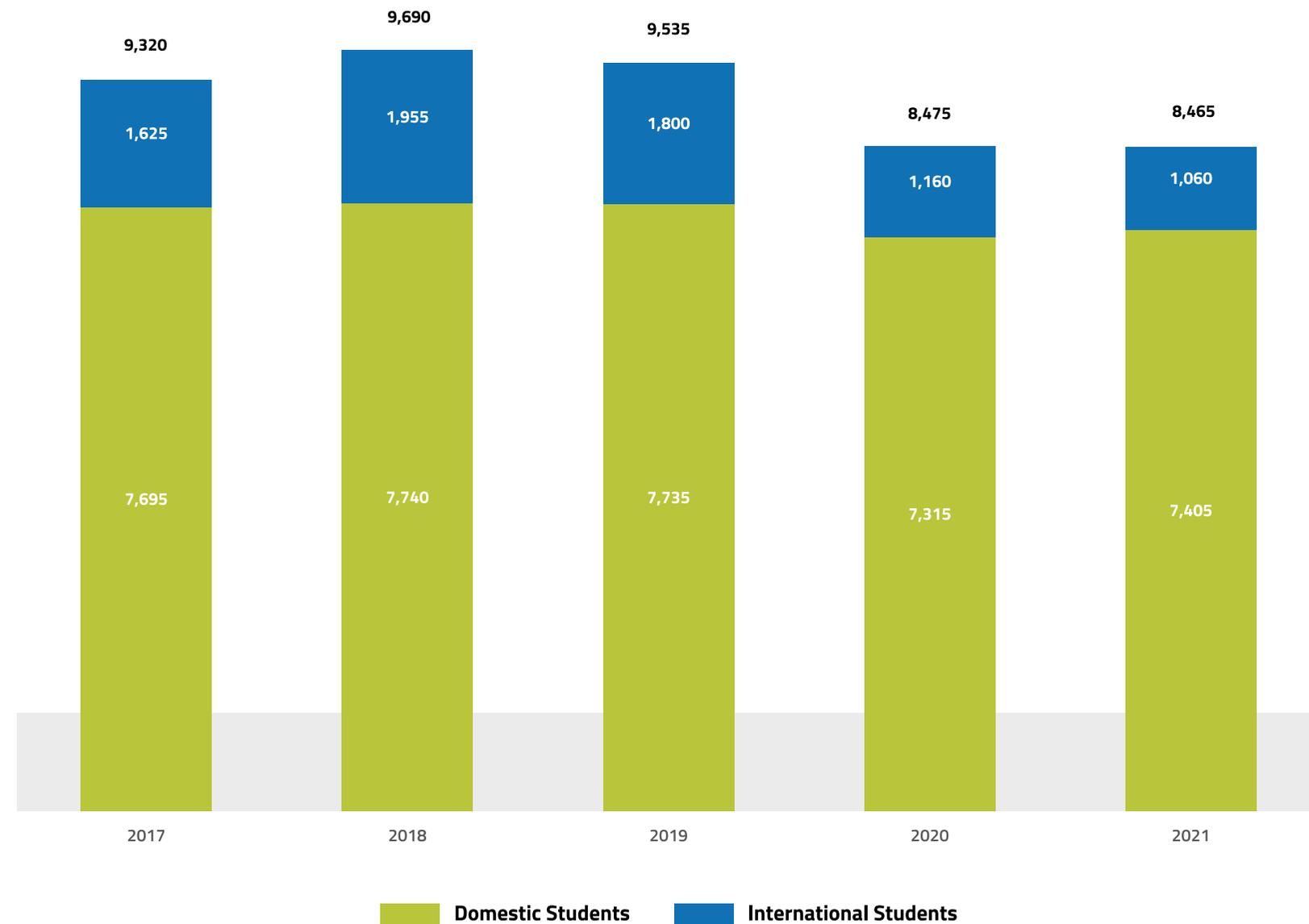
## Population Distribution (25-64) with a Post-Secondary Certificate, Diploma or Degree by Fields of Study



**Nanaimo**  
**British Columbia**  
**Canada**

'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 'BHASE programs'

VIU Student Enrollment by Academic Year



## Vancouver Island University Enrollment

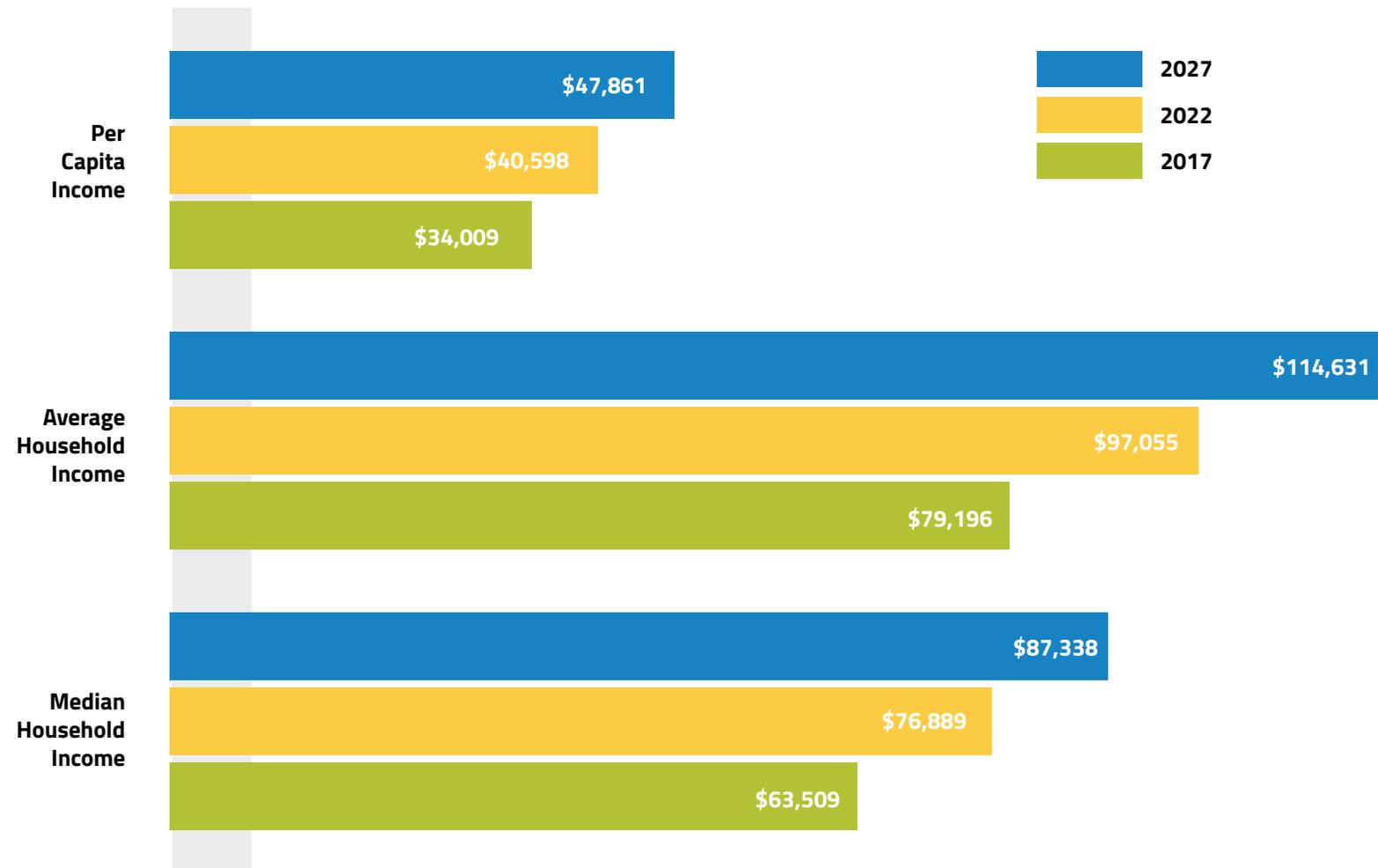
Overall student enrollment at Vancouver Island University (VIU) in **2021** was nearly the same as **2020**. Domestic student enrollment increased by **1.2 per cent** and International student enrollment dropped by **nine per cent** amidst Covid impacts around the globe and related travel restrictions.

**2022** data was unavailable at the time of this publication, however, the easing of travel restrictions and move to in-person classes will continue to result in positive gains for overall student enrollment. More students in the community results in greater demand for rental accommodation, tutoring services, an increase in the workforce and spending.

International students pay considerably higher fees compared to domestic students, which leads to positive impacts on post-secondary budgets.

SOURCE: MINISTRY OF ADVANCED EDUCATION AND TRAINING. ACADEMIC YEAR SEP 1-AUG 31ST. DATA RELEASE: JULY 2022

City of Nanaimo Median, Average, and Per Capita Income



## Median, Average and Per Capita Income

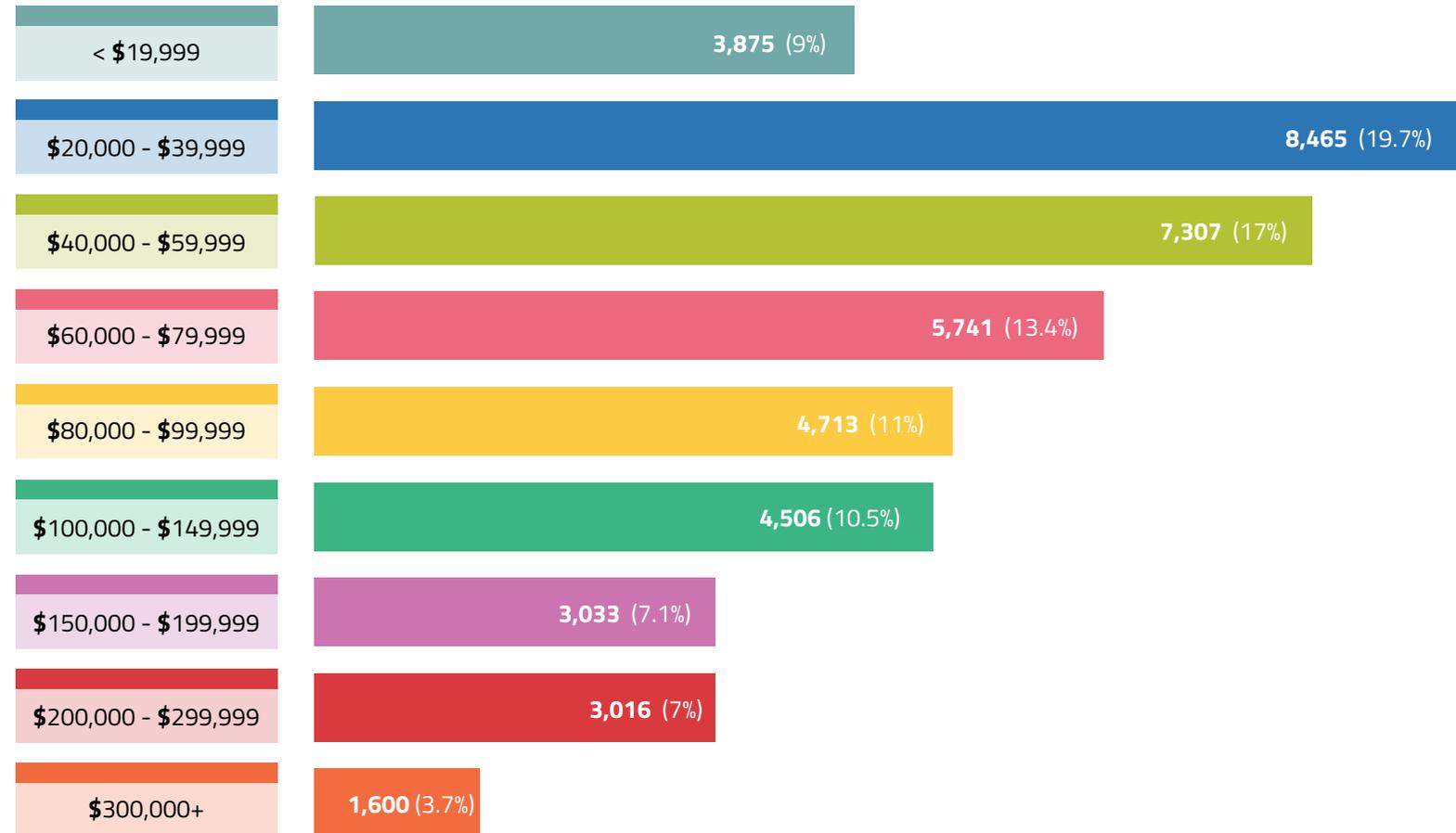
For **2022**, the **median household income** in the City of Nanaimo is estimated at **\$76,889**. This is a **21.1 per cent** increase in the last five years. By **2027**, Nanaimo's median household income is projected at **\$87,338** growth of **13.6 per cent**. BC's median household income was **\$89,303** in **2022** and is projected to grow by **10.4 per cent** over the next five years.

In **2022**, the **average household income** in the City of Nanaimo was **\$97,055**, an increase of **22.6 per cent** in the past five years. The average household income is projected to reach **\$114,631** by **2027**, growth of **18.1 per cent**. BC's average income for **2022** was **\$118,490** and is projected to grow another **16.1 per cent** to **\$137,550** by **2027**.

Nanaimo's **per capita income** in **2022** was **\$40,598**; this is an increase of **19.4 per cent** in the past five years. Projected per capita income for **2027** is **\$47,861**, an increase of **17.9 per cent**. BC's per capita income was **\$46,137** in **2022** and will grow by another **15.5 per cent** to reach **\$53,276** by **2027**. Nanaimo's projected annual rate of growth in median (**2.7 per cent**), average (**3.6 per cent**) and per capita income (**3.6 per cent**) over the next five years is slightly higher than BC, however, Nanaimo will still be below BC in all three income categories.

SOURCE: ESRI CANADA

### City of Nanaimo Household Income Distribution (2022)



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

## Income Distribution

The largest number of households in Nanaimo (**20 per cent**) report household income between **\$20,000** and **\$40,000** per annum. The second largest number of households (**17 per cent**) report household income of **\$40,000** to **\$60,000** per annum.

**1,600** households (**3.7 per cent**) report annual income between **\$200,000** to **\$300,000** per annum. **633** households (**1.5 per cent**) earned over **\$300,000** per annum.

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

## 2022 Nanaimo Consumer Expenditures

	Average Household Spend	Total Spend	Spending Potential Index		Average Household Spend	Total Spend	Spending Potential Index
Food	\$13,499	\$578,953,248	109	Reading and other Printed Materials	\$213	\$9,136,081	105
Shelter	\$20,679	\$886,916,807	107	Education	\$1,811	\$77,652,501	106
Household Operation	\$5,082	\$217,953,241	96	Tobacco/Alcohol	\$4,033	\$172,969,435	108
Household Furnishings and Equipment	\$4,404	\$188,874,155	115	Games of Chance	\$768	\$32,917,456	86
Clothing	\$2,984	\$124,126,170	90	Misc. Expenses	\$1,980	\$84,917,937	106
Transportation	\$10,037	\$430,490,167	85	Personal Taxes	\$12,947	\$555,265,204	67
Healthcare	\$5,094	\$218,472,253	101	Personal Insurance Payments and Pension	\$4,696	\$201,417,438	84
Personal Care	\$1,824	\$78,246,318	93	Gifts of Money and Contributions	\$2,617	\$112,221,410	99
Recreation	\$4,848	\$207,941,095	107	<b>Total</b>	<b>\$97,425</b>	<b>\$4,178,470,916</b>	

## Household Spending

Total household expenditures in the City of Nanaimo are estimated at **\$4.1 billion** in **2022**. Average household and total spending by category are detailed in the table below. The spending potential index represents the amount spent in the area relative to the national average of **100**. An index of **117** means that the area spends **17 per cent** more than the national average on that good or service.

In **2022** the average household in Nanaimo spent **15 per cent** more on Household Furnishings and Equipment, **nine per cent** more on Food, **seven per cent** more on shelter costs and recreation compared to the national average. Nanaimo households spent **33 per cent** less in personal taxes, **15 per cent** less in transportation costs, and **14 per cent** less on games of chance compared to the national average. In **2022** household spending in the “gifts of money & contributions” category dropped by **eight per cent** in Nanaimo, likely due to high inflation contracting household budgets. This will in turn impact various charities abilities to provide services.

SOURCE: ESRI CANADA

Tourism Statistics	2021	2022	Variance
<b>Hotels/Motels</b>			
Average Occupancy	56.8%	68.3%	↑ 20.5%
Average Daily Room Rate	\$154.28	\$176.25	↑ 13.7%
Revenue Per Available Room (RevPAR)	\$87.61	\$120.36	↑ 36.9%
<b>Airbnb/VRBO*</b>			
Average Occupancy	67%	63%	↓ 6%
Average Daily Room Rate	\$129.49	\$144.00	↑ 11%
Revenue Per Available Room (RevPAR)	\$86.53	\$91.00	↑ 5%
<b>BC Ferries**</b>			
Passengers	3,291,311	4,148,828	↑ 26%
Vehicles	1,461,581	1,696,881	↑ 16%
<b>Nanaimo Airport</b>			
Passengers	193,425	338,016	↑ 75%
<b>Vancouver Island Conference Centre</b>			
Delegate Days	6,571	17,488	↑ 166%

\*Data for entire place: Excludes private room rental or shared room rental

\*\*Duke Point–Tsawwassen and Departure Bay–Horseshoe Bay

## Tourism

Statistics show strong rebound in Tourism in **2022** both in Nanaimo and across BC. Visitor numbers are inching ever closer to pre-pandemic levels, however tourism industry’s labour force isn’t recovering at quite the same rate. Domestic travel has been very strong, international travel has also picked up since many of the last travel restrictions were lifted in the spring of **2022**.

Employment is still below pre-pandemic levels. Challenges for recruiting and retaining staff in the tourism sector are similar to other sectors, brought on by a high volume of retirements and lack of secure affordable housing in some regions. Recent Federal policies to address the labour shortage are helping, i.e. removal of the cap on the number of positions seasonal employers can fill through Canada’s Temporary Foreign Worker (TFW) program, increasing the number of days TFWs are permitted to work in Canada and ditching the **20**-hour-per-week working limit for international students.

The average occupancy rate in Nanaimo for hotel/motels was **68.3 per cent** in **2022**, up **20.5 per cent** from **2021**. Average daily room rates also lifted by **13.7 per cent** leading to **36.9 per cent** growth in revenue per available room. Both average occupancy and revenue per available room are below pre-pandemic levels. The Average daily room rate was above pre-pandemic levels in **2022**.

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

Airbnb and VRBO occupancy rate decreased by **six per cent** overall. This is due to an additional **192** properties being added to the Airbnb and VRBO inventory in **2022**. Average daily room rates for Airbnb increased by **11 per cent** leading to **five per cent** growth in revenue per available room.

Vehicle volumes on BC Ferries’ two routes to the lower mainland (Duke Point to Tsawwassen and Departure Bay to Horseshoe Bay) increased by **16 per cent** and passenger volumes increased by **26 per cent**.

In **2022**, Nanaimo Airport passenger volumes were **75 per cent** above **2021**. The Vancouver Island Conference Centre (VICC) also reported a strong rebound with delegate days increasing by **166 per cent** in **2022** compared to **2021**.

**Prepared for City of Nanaimo Economic Development**

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