

COWICHAN REGIONAL RECOVERY DASHBOARD

JANUARY 2021



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COWICHAN REGIONAL RECOVERY DASHBOARD

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Introduction

The COVID-19 pandemic has had unprecedented economic and social effects on our global, national, provincial and regional economies. To help inform and guide the recovery efforts of local government, community organizations, businesses, and others, Economic Development Cowichan (EDC) will publish a quarterly dashboard of indicators to track the region's status and progress towards recovery.

This work builds on insights gained from Cowichan area businesses in a series of Post Disaster Needs Assessment Surveys conducted by EDC and partners. Survey results are available to download on the EDC website at ecdevcowichan.com.¹

The dashboards will be published on the EDC website at ecdevcowichan.com and notices of publication will be sent out via EDC's email newsletter. [Please click here to sign up for the newsletter.](#)

Timeline of Important Dates

March 11, 2020 - The World Health Organization declared the novel coronavirus (COVID-19) outbreak a global pandemic.²

March 16 - The Government of Canada announced the closure of our borders to non-Canadians, with a few exceptions, including Americans. This was quickly followed up with restrictions on non-essential travel through the Canada-US border on March 18.³

March 17 - The Government of British Columbia declared a public health emergency, followed swiftly by a provincial state of emergency on March 18. The Province entered Phase 1 of its Restart Plan, with mandated physical distancing and cleaning guidelines, restrictions on gatherings, closure of schools and dine-in service at bars and restaurants, and more. Many non-essential businesses chose to close their doors to help slow the spread of the virus.⁴

May 18 - British Columbia acted quickly and was successful in slowing the spread of COVID-19 (i.e., flattening the curve), and the Province entered Phase 2 of BC's Restart Plan. Businesses began to reopen. Restaurants and bars were allowed to resume dine-in service. All were required to have enhanced health and safety protocols in place.⁴

June 24 - As the curve continued to flatten in BC, the Province entered Phase 3 of its Restart Plan. This allowed people to travel within the Province for non-essential purposes, such as tourism. Schools also reopened during this phase.⁴

August - The number of COVID-19 cases in BC began to rise again in a second wave of the virus.⁵

October to present – As cases continued to rise, BC's Provincial Health Officer made stricter orders to slow the spread of the virus, including restrictions on gatherings, travel, and food and liquor serving premises.⁶

Broader Context

From February to April 2020, 5.5 million Canadian workers were affected by the pandemic shutdown. 3 million jobs were lost (15.6%), 396,500 of those in BC.⁷ National Gross Domestic Product (GDP) fell by 11.5% in the second quarter of 2020, and business investment dropped by 16.2%. Employment earnings fell by almost 9%, and household spending plummeted by a record 13%.⁸

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The Governments of Canada and BC worked quickly to create relief programs for businesses and individuals, and they certainly had an impact. From March through to June, 17% of Canadian jobs were being supported by the federal Canada Emergency Wage Subsidy (CEWS). BC saw 16% of March employment supported by CEWS (equivalent to 386,000 jobs).⁹ During the second quarter of 2020, household disposable income rose by almost 11% because of government transfers and income supports.⁸

Strong retail numbers in May and June and housing numbers in July indicated that consumers were beginning to spend again. Canadian employment rose by 1.9 million from April to August (246,900 in BC⁷). By August, the number of workers affected by the pandemic shutdown had fallen to 1.8 million.⁸

Despite these promising trends, recovery has been uneven. In the business world, many professional services are rebounding quickly, while other services struggle to recover. Some sectors, particularly tourism and hospitality, face major logistical challenges. This is reflected in the sector's higher than average use of government support programs. In BC, accommodation and food service businesses are 29% more likely to have used the federal Canada Emergency Business Account (CEBA), and 34% more likely to have used CEWS when compared to uptake across all industries. They were also the most likely to have used the federal Canada Emergency Commercial Rent Assistance (CECRA), at 16% uptake versus the overall 5.6% uptake across all industries.¹⁰ On the employment side, youth, less-educated workers, women, recent immigrants and temporary workers have been harder hit.⁸

January 2021 Dashboard

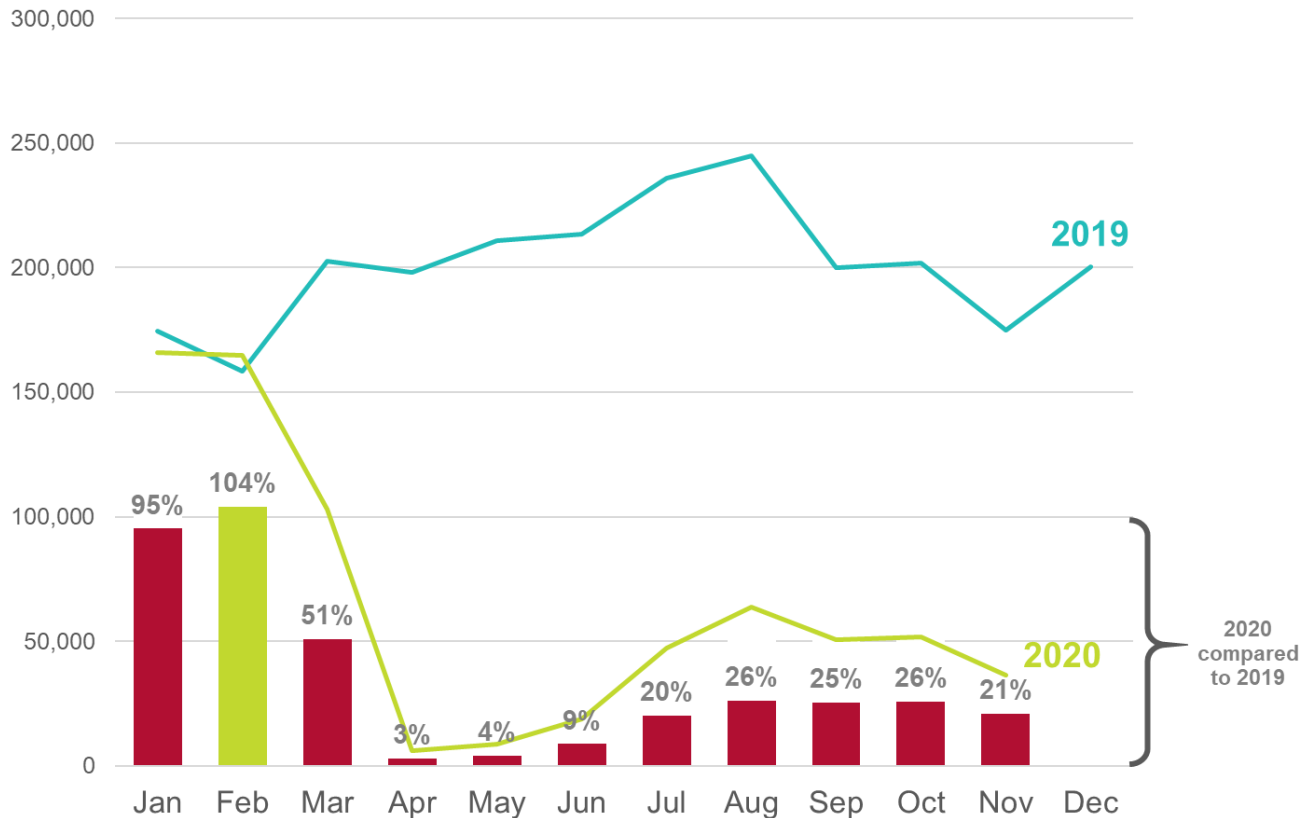
This January 2021 Recovery Dashboard is the first dashboard to be produced by EDC. It reports on 13 indicators across five themes: transportation, building and real estate, tourism, business and employment, and social indicators. EDC will be seeking additional indicators to include in future iterations of this report. Each indicator's data is presented from January 2019 onwards, with the year over year change noted.

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Theme 1 – Transportation

Total Air Passengers – Victoria + Nanaimo Airports



Airport traffic is one of the most sharply affected indicators included in this report.

When travel restrictions and border closures came into effect in mid-March, air travel plummeted. In July, as the spread of COVID-19 in BC began to slow and the Province entered Phase 3 of its recovery plan, domestic travel picked up through the summer months. However, the trend towards recovery flat-lined through the fall as domestic travel slowed and COVID-19 numbers began to climb again. As of November 2020, air traffic was still running at less than one-quarter the level of last year.

The data reported here is combined air passenger traffic for Victoria International Airport and Nanaimo Airport.

Regional data is consistent with national trends, where airlines passengers fell by 97% in April before beginning a slow recovery.⁸

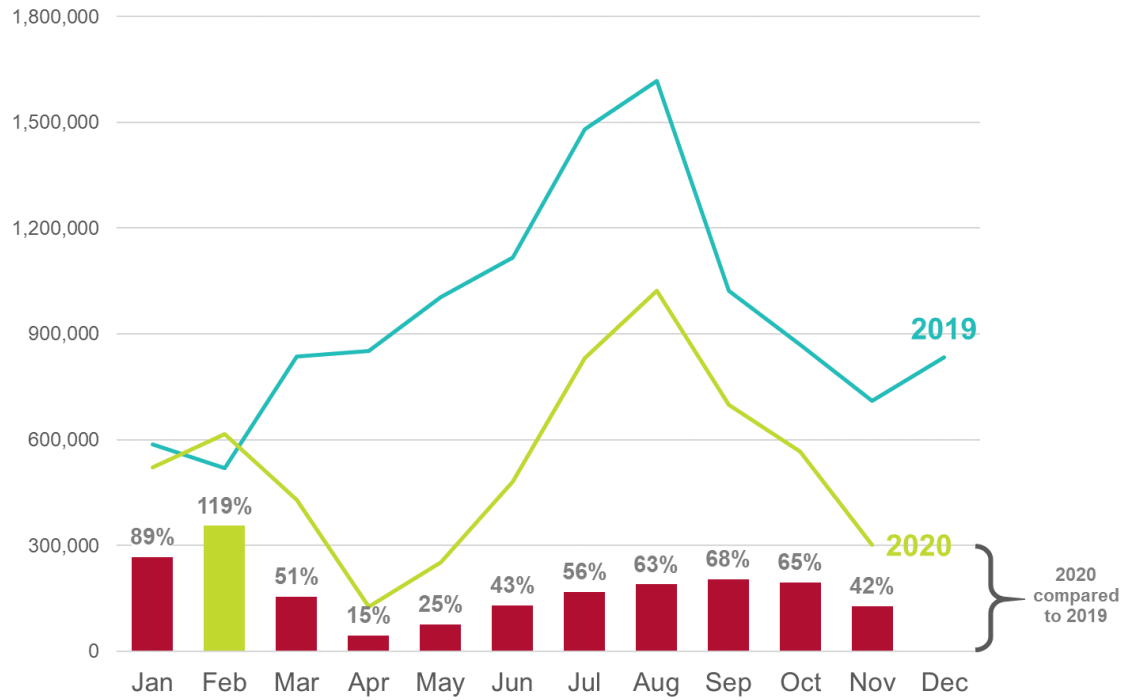
Data Sources: Victoria Airport Authority, Nanaimo Airport

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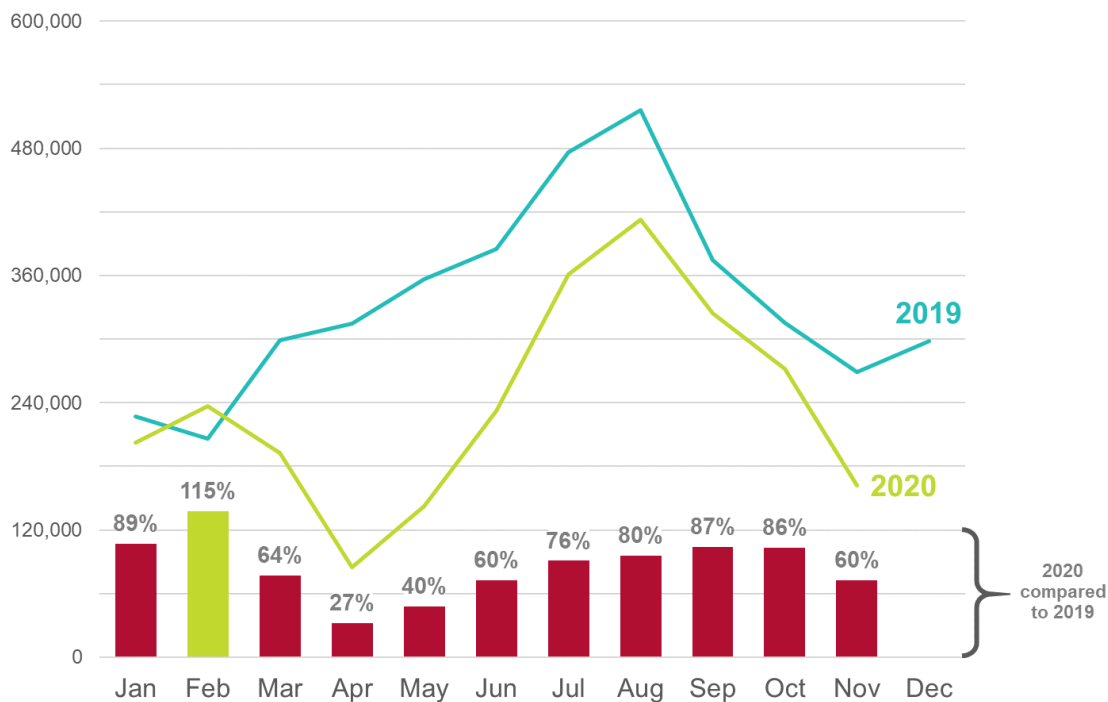
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Total Ferry Traffic – Nanaimo + Victoria Routes (to Vancouver)

Passengers



Vehicles



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BC Ferries traffic on the major routes between mainland BC and Vancouver Island also dropped off sharply when the shutdown was announced. Unlike air travel, ferry traffic trended towards recovery from April to September. This recovery halted in October and then reversed in November, possibly due to public health orders restricting the movement of those in the Fraser and Vancouver Coastal health regions to essential travel only.⁶

Passenger traffic has seen a larger year over year decrease than vehicle traffic, indicating that fewer groups and more solo trips are being made. This could reflect social distancing measures and staying within one's "core bubble", as well as a reduction in tourist traffic.

This data includes trips both to and from Vancouver Island on three routes: Tsawwassen to Swartz Bay, Tsawwassen to Duke Point, and Horseshoe Bay to Departure Bay.

Data Source: BC Ferries

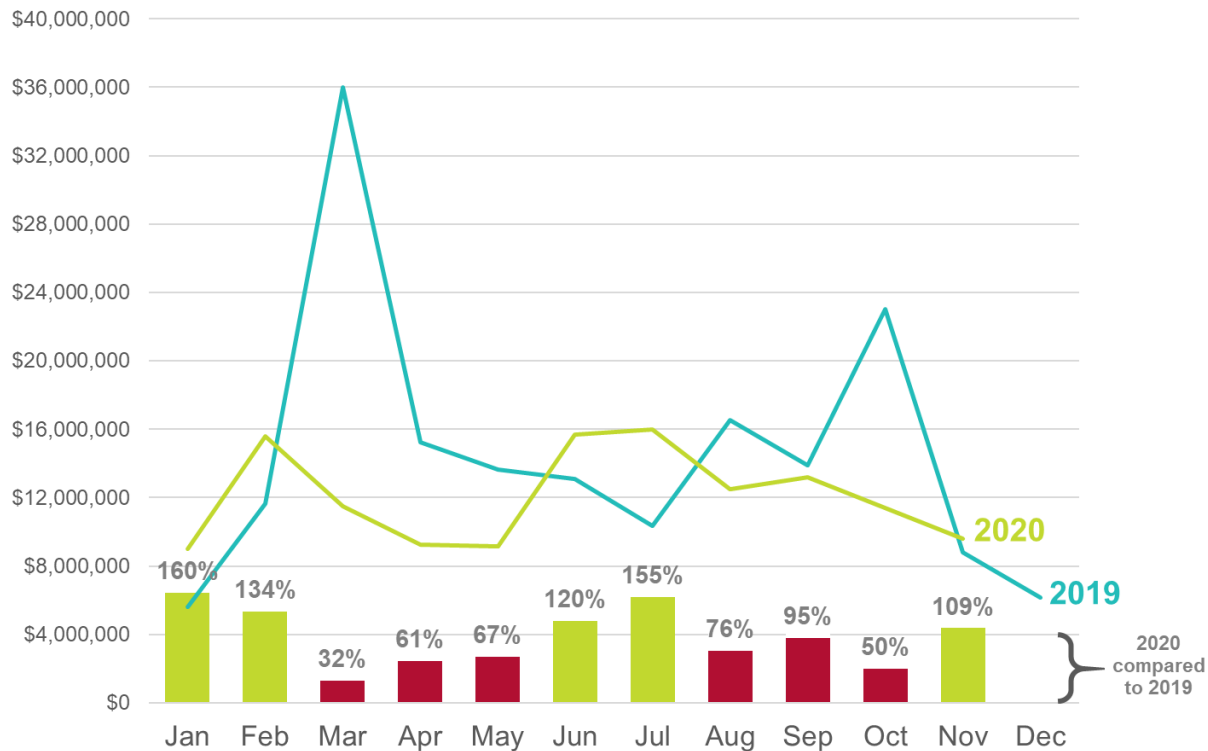


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Theme 2 – Building and Real Estate

Building Permits Issued



During the initial days and weeks of the shutdown, municipal and regional government administration offices closed their doors to the public. Most had reduced capacity to issue building permits during this time. Some made the shift to online service delivery, and all made changes to their in-person service delivery model to accommodate new health and safety orders. Most offices began to reopen in April, although building permit values remained low initially.

In June, as the Province entered Phase 3 of its recovery plan, total permit values rose far above 2019 levels, indicating confidence that the economy would recover. The bump in June and July may also be a result of local government catching up with the backlog of permit applications under their new operating conditions. However, as indications of a second wave of COVID-19 began to appear, this trend leveled off, with fall 2020 building permit values very similar to those seen in fall 2019.

Since building permits values tend to be highly variable month to month, a cumulative measure can be a more accurate comparison. As of November, 2020 building permit values are 79% of what they were in 2019.

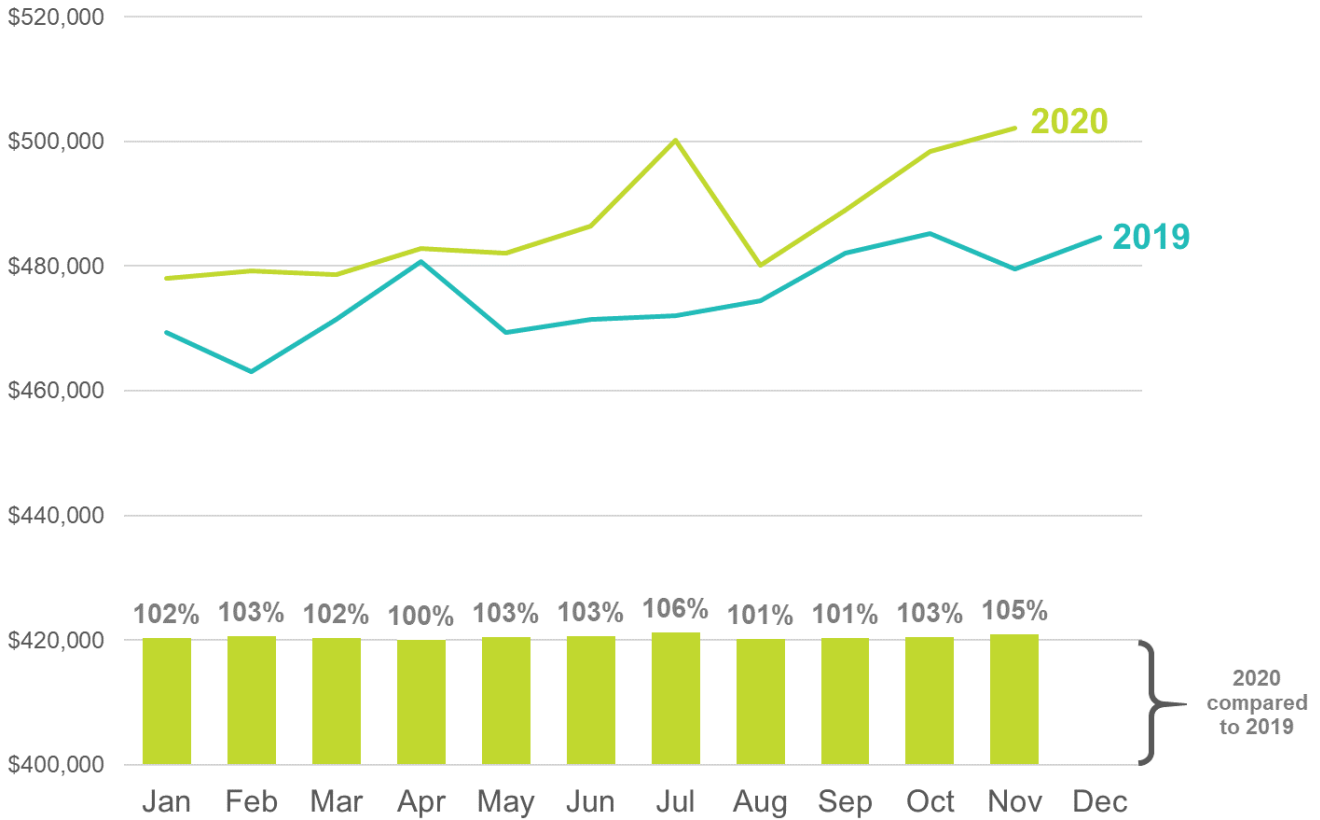
This indicator shows the combined construction value of building permits issued by the four municipalities and the regional district.

Data Sources: Cowichan Valley Regional District, Municipality of North Cowichan, City of Duncan, Town of Lake Cowichan, Town of Ladysmith

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Single Family Home Benchmark Price



Housing prices in the region continue to trend upwards despite the pandemic.

The expectation during a recession is to see house prices drop as household incomes fall and consumer confidence in large purchase decisions declines. However, these figures show that some segments of our population have strong confidence in the housing market and their ability to pay a mortgage. Many may wish to take advantage of extremely low interest rates being offered during this time.

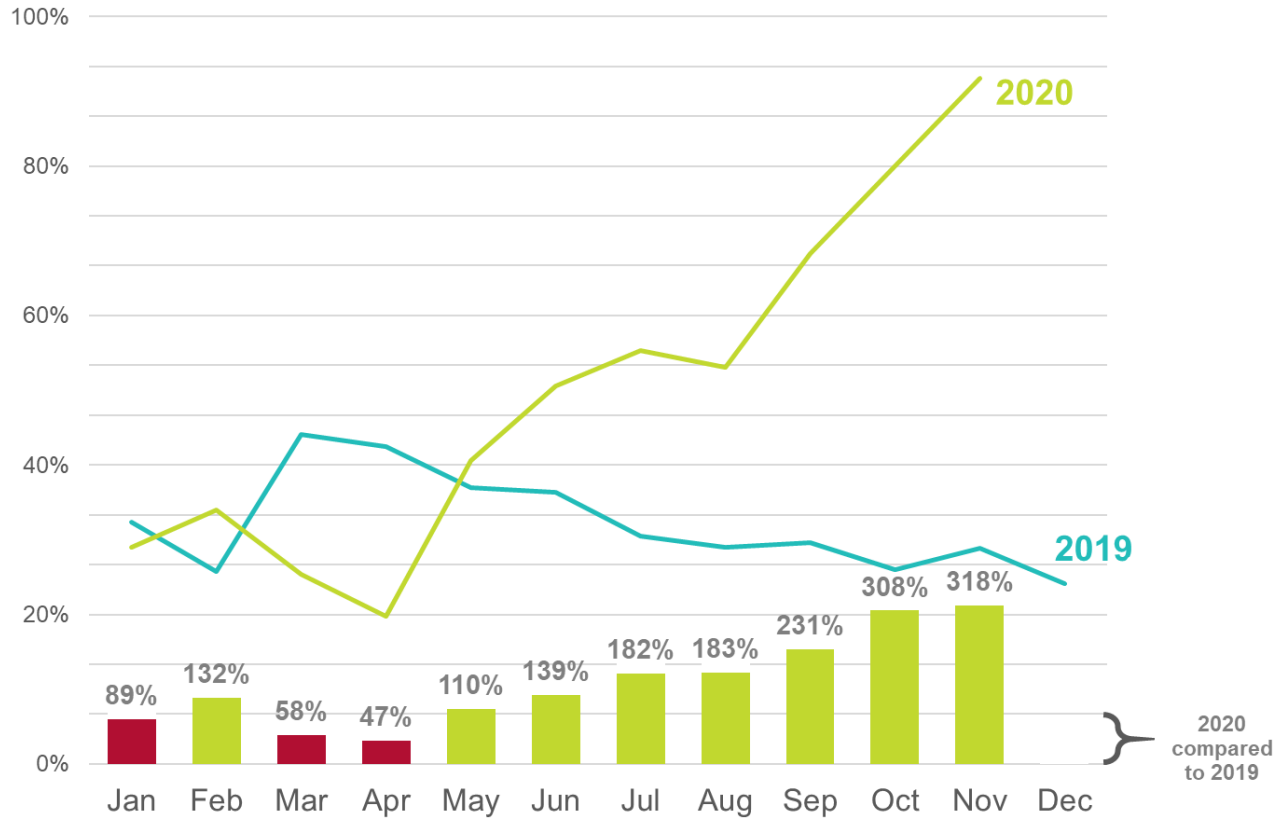
Data Source: Vancouver Island Real Estate Board

Vancouver Island Real Estate Board uses the Multiple Listings Service® Home Price Index to report price trends in the housing market. Single family home benchmark prices do not include acreages and waterfront properties.

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Single Family Home Sales to Listings Ratio



After the initial shutdown period in March and April, pent-up demand caused a flurry of activity in the housing market through the summer and into the fall. The Cowichan Valley now sits even more solidly in the category of a seller’s market than it did in 2019. Demand for homes continues to be very high, with insufficient inventory to meet it. In fact, the number of active listings by month was down between 22% and 58% from May to November 2020, showing a significant decline in inventory.

Data Source: Multiple Listings Service®

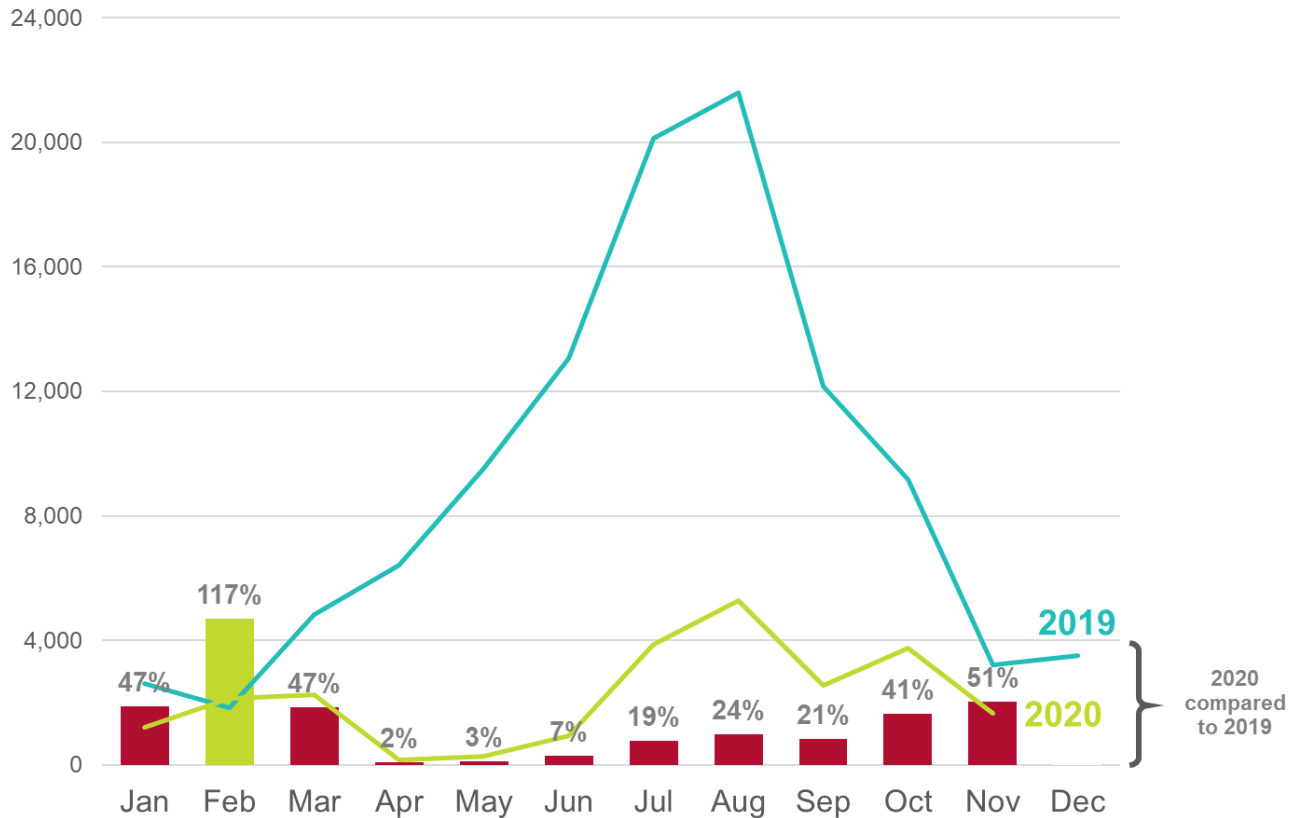
This metric is calculated by dividing the number of reported sales by the number of active listings in a given month. In a balanced market, the ratio is between 12% and 19%. In a seller’s market, the ratio is 20% or higher, and in a buyer’s market, it is 11% or lower.¹¹ As with benchmark prices, this ratio data does not include acreages and waterfront properties.

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Theme 3 – Tourism

Tourist Information Centre Visitation



Visitor centre traffic is one of the most sharply affected indicators included in this report.

After a tough January when heavy snowfall and record-breaking rain kept tourists away, February looked promising. Once the lockdown was announced in March, three of the four visitor centres in Cowichan closed their doors, with only the Cowichan Regional Visitor Centre remaining open. Cowichan Lake Visitor Information Centre reopened in June, followed by Ladysmith Visitor Centre and Chemainus Visitor Centre in July. With international travel restrictions in place, visitor numbers remained much lower than usual through the summer, despite increased intraprovincial travel. October saw a slight increase in visitors as snowbirds arrived to spend the winter in Cowichan, since many are unable to travel south to destinations outside of Canada this year.

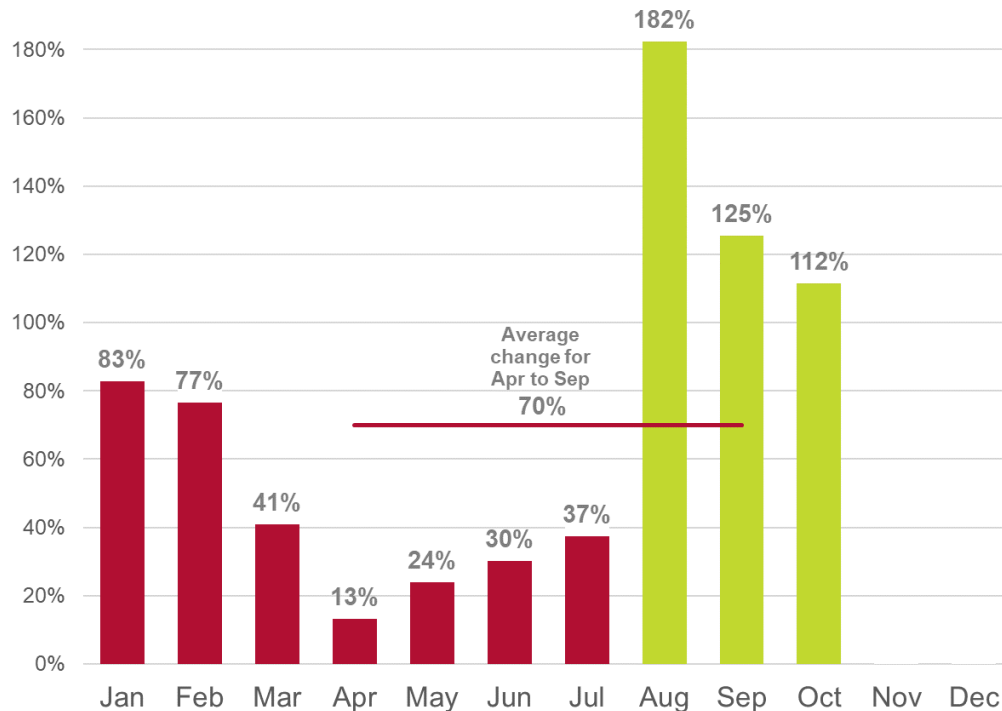
This data reflects the total number of visitors served in person at the four visitor information centres in the Cowichan Valley.

Data Sources: Cowichan Regional Visitor Centre, Cowichan Lake Visitor Information Centre, Ladysmith Visitor Centre, Chemainus Visitor Centre

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Hotel Room Revenue



The hospitality sector has been one of the hardest hit in our economy. There is no doubt that hotel room revenues have been significantly impacted by the pandemic, but the numbers reported in this dashboard are affected by several factors.

In an effort to help businesses cope with financial difficulties during COVID-19, the Government of BC announced a PST deferral program effective March 24. Under this program, the deadline to file and pay Provincial Sales Tax (including MRDT) was extended to September 30. This resulted in lower than actual MRDT payments from April to July, and then higher than actual payments in August and September as businesses submitted several months of deferred taxes by the deadline. Consequently, the year over year change is better represented as an average for the period of April to September, as shown by the red line in the chart.

Also, in May 2020, the Ramada Hotel in Duncan closed to the public in order to house some of the homeless population in the region. Despite this, the hotel has continued to collect MRDT during this time in an effort to shore up marketing funds that will be needed for recovery. This has resulted in higher than expected MRDT disbursements throughout the period. MRDT was only down an average of 30% year over year for the period of April to September 2020.

Data Source: Government of BC

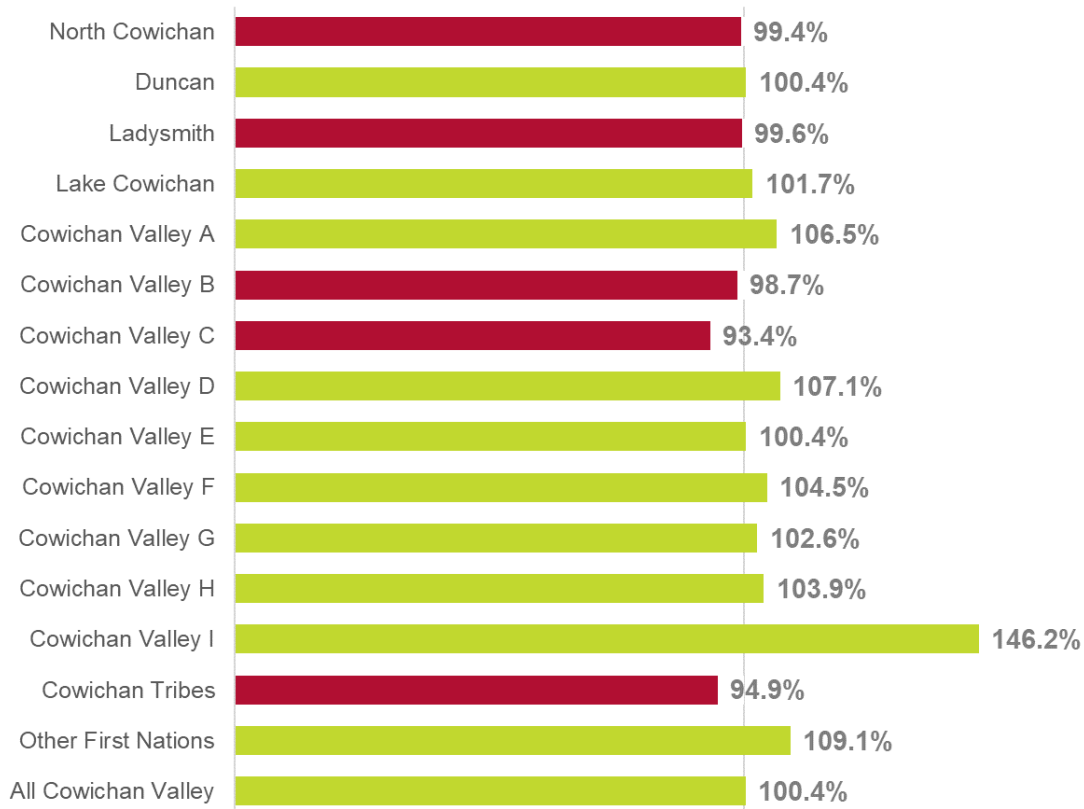
This metric shows the year over year change in Municipal and Regional District Tax (MRDT) disbursement, a 2% tax collected from hotel guests and therefore indicative of room revenues. Actual MRDT or hotel room revenues are not reported here to maintain the privacy of the properties collecting the tax. Also, MRDT collected from online accommodations, such as Airbnb, are disbursed less frequently, and therefore not included in this report.

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Theme 4 – Business and Employment

Change in Number of Registered Businesses from June 2019 to June 2020



The effects of the pandemic have been variable across the different areas of the Cowichan Valley Regional District (CVRD). Overall, the total number of registered businesses in June 2020 is very similar to June 2019. This could reflect the number of government support programs available to businesses through the summer. Also, some areas have seen declines (Area C, Cowichan Tribes, Area B, North Cowichan), while others have seen increases (Area A, D, and I) in the number of businesses. Please note, the large increase for Area I is partly due to the small number of businesses in that area. A map of CVRD electoral areas and municipalities has been included on the next page.

This data shows the change in number of registered businesses with employees from June 2019 to June 2020, broken down by municipality/electoral area/first nations.

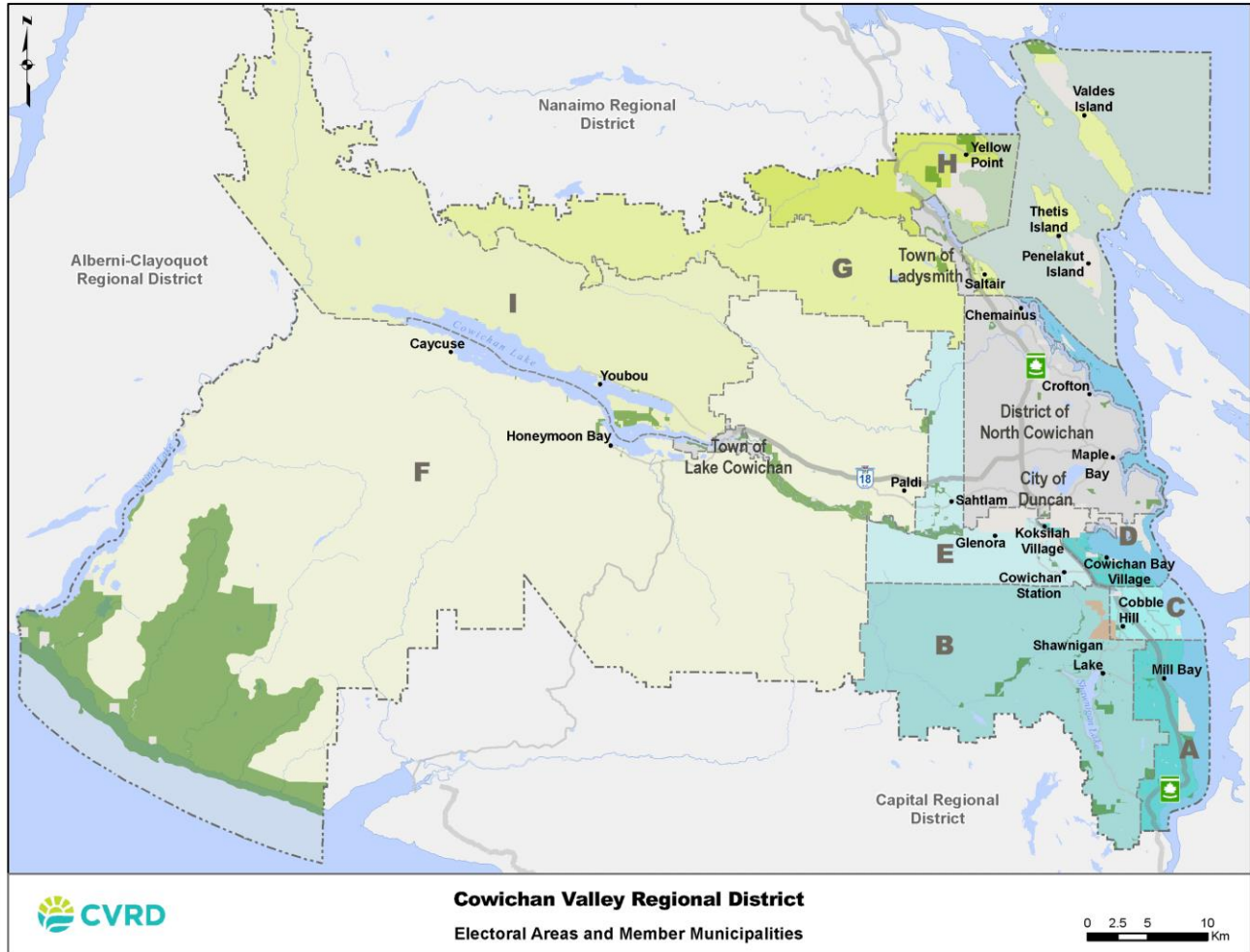
By industry, construction was up overall, mainly due to increases in the number of residential building construction companies. Health care and social assistance was also up, with 10 more offices of physicians reported. Repair services, such as automotive repair and industrial machinery repair, were down. Lessors of residential buildings and dwellings, restaurants, and marinas were also down year over year.

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It should be noted that this metric compares June 2019 with June 2020, and many other factors besides effects of the pandemic play into the changes in business counts. It will be important to look at this data as we progress through recovery to better discern the long-term economic effects.

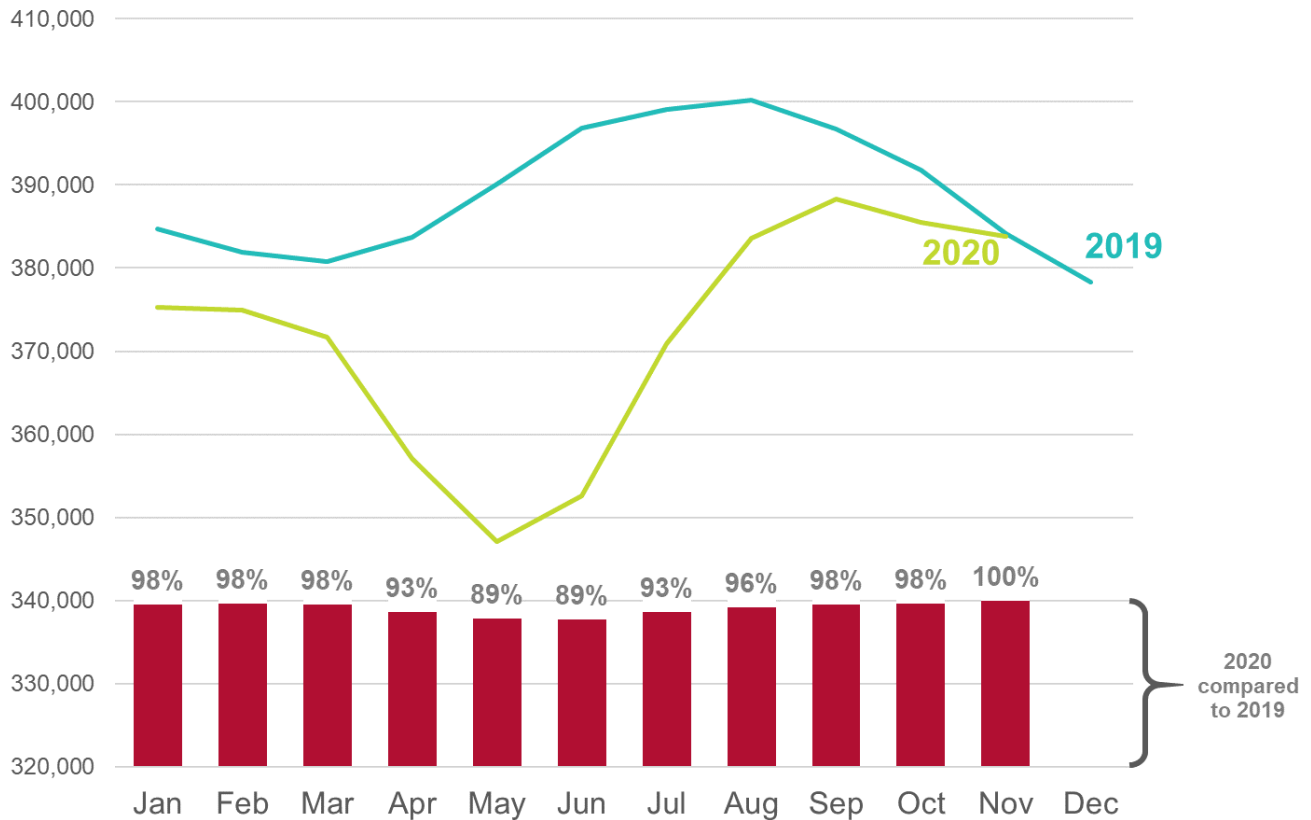
Data Source: Statistics Canada



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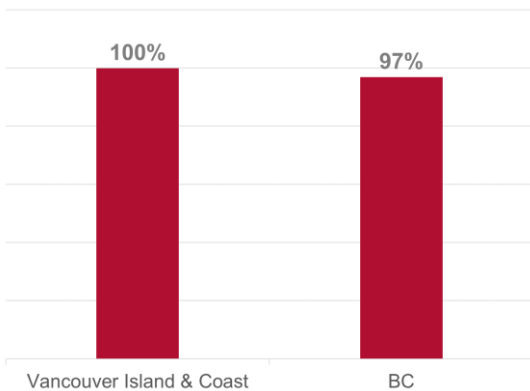
Vancouver Island and Coast Region Employment



The larger Vancouver Island and Coast region, of which Cowichan is a part, has recovered well in terms of number of employed persons. Employment hit its lowest point in May, but has since bounced back. In November 2020, employment reached 99.9% of 2019 levels.

This data reports the number of employed people in the Vancouver Island and Coast Development Region on a 3-month moving average. Employed persons are those who, during the reference period, did any work for pay or profit or had a job and were absent from work.

November Employment for Vancouver Island & Coast versus BC



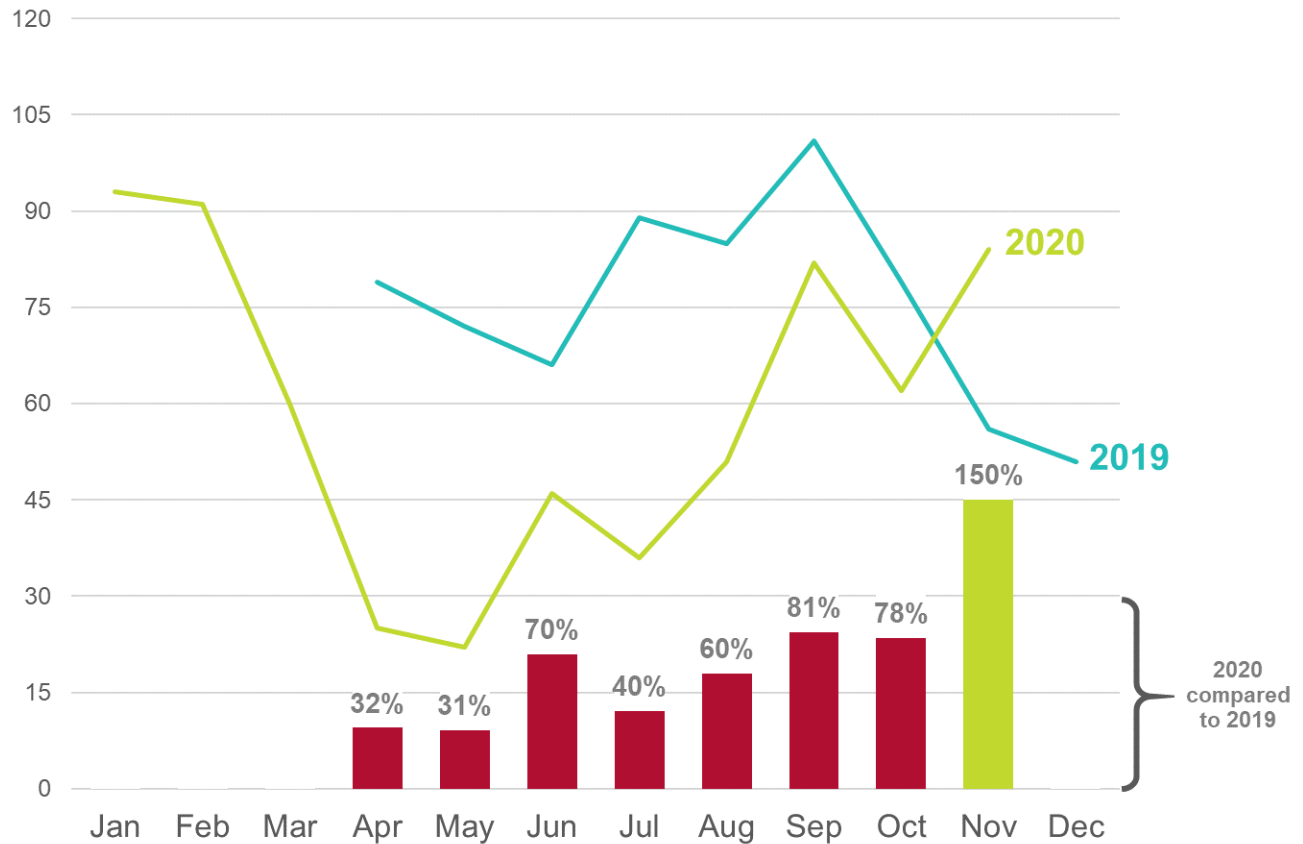
The Vancouver Island & Coast region is doing better than BC as a whole in terms of employment, with the Province seeing a 97% year over year change from November 2019.

Data Source: Statistics Canada

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Number of New Clients at WorkBC Centres



Data for this metric begins in April 2019, when ETHOS Career Management Group took over the WorkBC Centres in Cowichan. According to WorkBC staff, a typical year would start off strong with a high number of job seekers from January through the spring. Numbers usually drop off during the summer months, mainly due to child care issues while kids are out of school. There is normally an increase in activity in September and October, and then a drop as we approach the holiday season.

In 2020, there was a significant drop in the number of new clients at WorkBC Centres in the region from March to May, when the initial lockdown was in place and many businesses were closed. June saw the numbers begin to recover as the economy began to restart and schools reopened. As COVID-19 numbers continued to drop in BC, workers felt safe returning to the workforce. After a dip in October, the number of new clients in November 2020 surged above November 2019 numbers as the wider region returned to almost 100% of pre-pandemic employment levels.

This indicator shows the number of new clients registered at the WorkBC Centres in Duncan and Ladysmith, as well as Cowichan Lake Community Services and Cowichan Women Against Violence. It covers both self-serve and case managed clients.

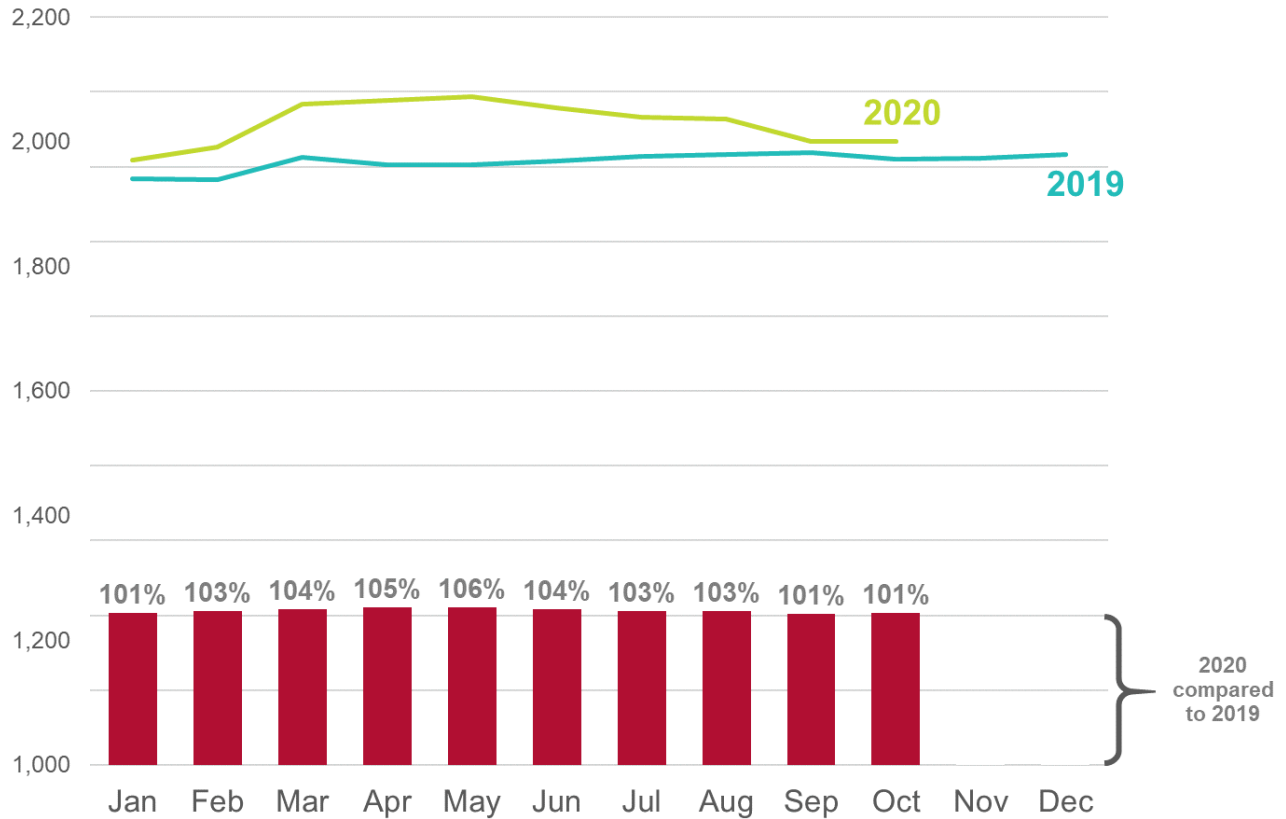
Data Source: WorkBC

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Theme 5 – Social Indicators

BC Employment Assistance Cases in Duncan, North Cowichan, and Lake Cowichan



The BC Employment and Assistance program supports British Columbians in transitioning from income assistance to sustainable employment, and by providing income assistance to those who are unable to fully participate in the workforce.¹²

Although the increase is slight, there has been a sustained trend of higher numbers of BCEA cases in Cowichan in 2020, especially during the initial months of the pandemic. This indicates that more people were not earning enough money to meet their basic needs, could not work at all, and/or urgently needed food, shelter or medical attention.

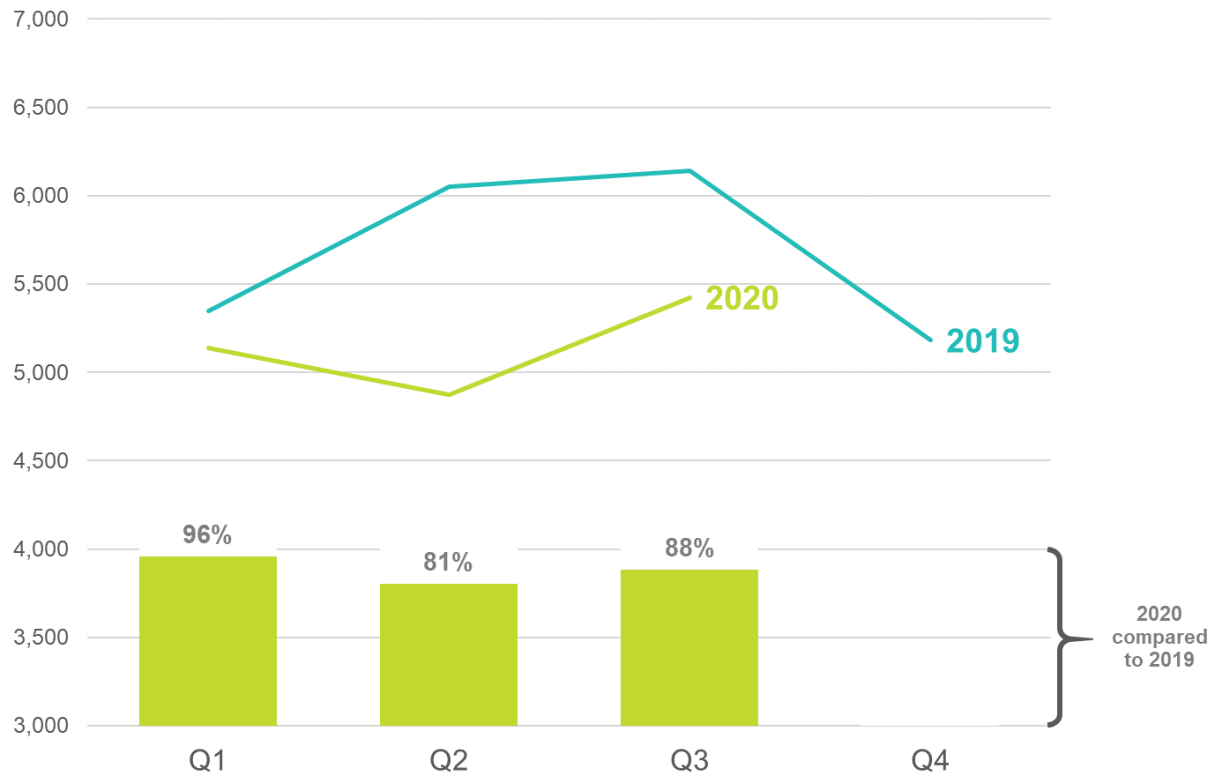
Data Source: BC Stats

This data shows a combined count of BC Employment and Assistance (BCEA) program cases in the municipalities of Duncan, North Cowichan and Lake Cowichan. Only the 75 municipalities with the highest income assistance caseloads are reported by BC Stats, so Ladysmith is not included.

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North Cowichan/Duncan RCMP Detachment Calls for Service



Please note that this metric covers the North Cowichan/Duncan RCMP detachment only. Additional data will be sought from the Lake Cowichan, Ladysmith, and Shawnigan Lake detachments for future iterations of this dashboard.

This indicator shows the number of calls for service made to the North Cowichan/Duncan RCMP detachment by quarter.

Overall, calls for service were down in 2020 compared to 2019. In Q2 and Q3, decreases in calls for service may have been due to the implementation of COVID-19 restrictions, resulting in fewer incidents of shoplifting, traffic violations, and other offences. Also, while there is typically an increase in calls for service through the summer, a number of large outdoor events, such as music festivals, were cancelled this year, resulting in fewer draws on policing resources.

It should also be noted that Cowichan Housing Association has established tent sites and hotel rooms to temporarily house many of the valley's less fortunate during the crisis. This service has had a positive outcome and the sites have not generated any notable increase in calls for service.

Cowichan has fared better than Canada as a whole, which saw a 7% increase in calls for service from March to June.⁸

Data Source: North Cowichan/Duncan RCMP Detachment

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Conclusion

It is clear from this report that some sectors of our regional economy have been hard hit by the pandemic, while others are doing well. Tourism in particular has suffered over the last ten months. Employment levels across Vancouver Island have rebounded well, but some citizens are still struggling. Affordable housing and overall real estate inventory continue to be issues for the region.

The next Cowichan Regional Recovery Dashboard will be published in April 2021.

References

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