



BRITTANY TAYLOR | ECONOMIC DEVELOPMENT COWICHAN | SEPTEMBER 24, 2021

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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) has been publishing a 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 have also been published on the EDC website. Click the links below to access previous dashboard reports:

- January 2021
- May 2021

This will be the last quarterly recovery dashboard published by EDC. The series will be relaunched in the coming months with a new format that will allow for more timely reporting on significant trends and a broader view to increase the report's usefulness. Please <u>click here subscribe to EDC's email newsletter</u> to be notified when the new series is launched.

September 2021 Dashboard

Following a surge in COVID-19 cases during the winter and subsequent implementation of stricter public health orders in mid-April, case numbers decreased steadily across BC, reaching a low of 24 new cases on July 4, 2021.² This trend coupled with declining hospitalizations and higher than expected vaccination numbers resulted in loosening restrictions on gatherings, travel, indoor dining, fitness and sports, and use of masks.³ Since the relaxing of restrictions, COVID-19 cases have increased again, reflecting more infectious variants and resulting in increased restrictions and the implementation of the BC Vaccine Card.

This September 2021 Recovery Dashboard is the third dashboard to be produced by EDC. It reports on fifteen indicators across five themes: transportation, building and real estate, tourism, business and employment, and social indicators. New to the dashboard is School District 79 full-time enrollment numbers. Also as of this report, the indicator for RCMP calls for service has been expanded to include all Cowichan-based detachments. Most data is presented from January 2019 onwards, with the year over year change noted.

Theme 1 – Transportation

Total Air Passengers – Victoria + Nanaimo Airports



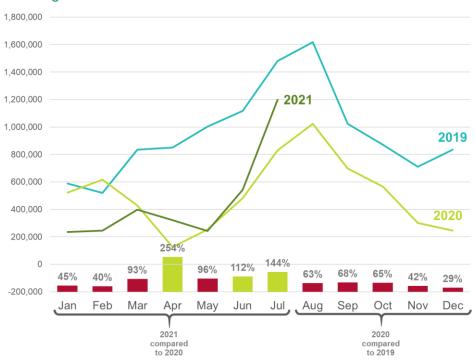
Airport traffic has been one of the most sharply affected indicators included in this report. International travel is still severely limited. Passenger numbers remained low through spring 2021, before surging upwards in June and July. However, air travel is still well below 2019 levels.

Data Sources: Victoria Airport Authority, Nanaimo Airport

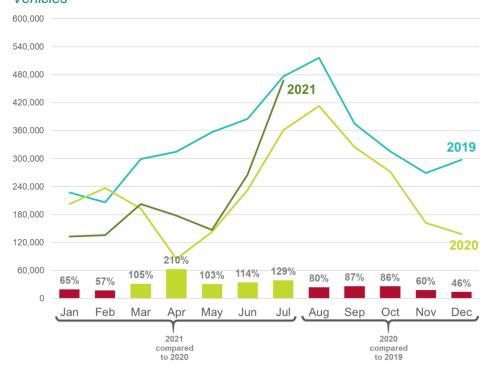
The data reported here is combined air passenger traffic for Victoria International Airport and Nanaimo Airport.

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

Passengers



Vehicles



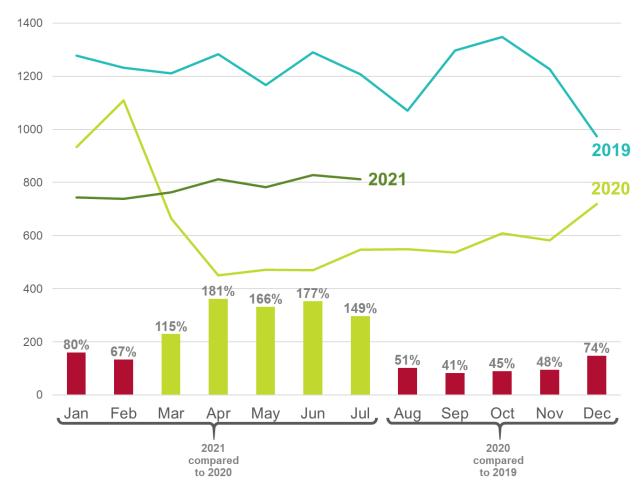
BC Ferries traffic dipped in April and May 2021 due to province-wide restrictions on non-essential travel. Once this restriction was lifted in mid-June, traffic surged upwards once again. In July, vehicle counts were very similar to July 2019, and passenger numbers were up significantly as well. This may be the result of pent up desire to travel, even if only within BC.

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



BC Transit Average Weekday Boardings



Similar to air and ferry travel, public transit saw a large decrease in use during the initial lockdown period. While local transit was certainly affected, commuter service suffered the greatest reduction in ridership, as the majority of travellers on the Cowichan Valley Commuter are weekday office and government employees living in Cowichan but working in Victoria.

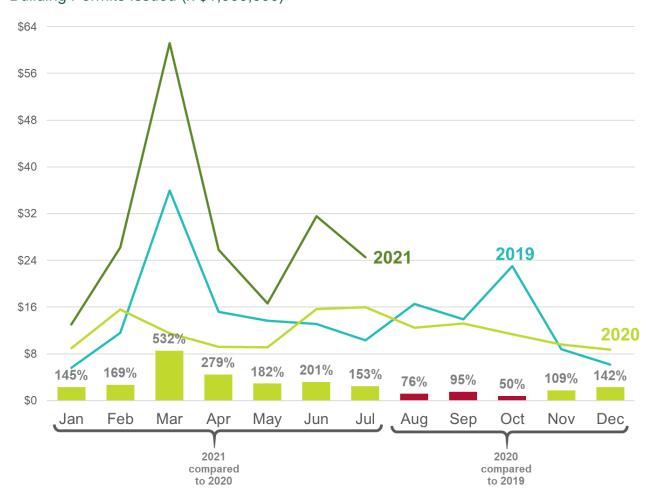
After a steady recovery through the second half of 2020, ridership has increased more slowly overall in 2021. Numbers are still well below 2019 levels. This could reflect the trend towards more work from home opportunities, especially for those using the commuter service.

It should be noted that Ladysmith and Youbou/Honeymoon Bay routes were not included in this data until September and October 2020, respectively. The proportion of ridership from these routes is fairly small and should not have a large effect on the overall trend shown here.

Data Sources: BC Transit

Average weekday boardings reports the daily average number of people who boarded a BC Transit bus in Cowichan on a weekday, including both local transit and regional routes to Victoria. This statistic is used by BC Transit system-wide and reflects travel for work purposes as opposed to weekend discretionary trips.

Theme 2 – Building and Real Estate Building Permits Issued (x \$1,000,000)

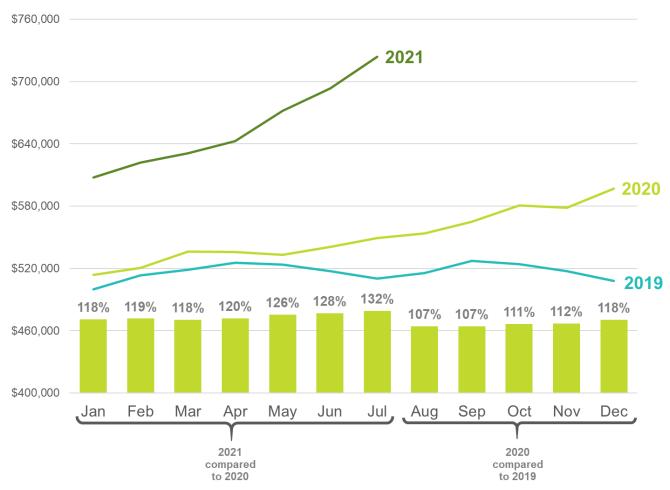


Construction value of building permits issued in Cowichan continues to be higher than 2019 and 2020. Values for January to July 2021 were 231% what they were in the same period of 2020. This trend speaks to the current construction boom in Cowichan.

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

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

Single Family Home Benchmark Price

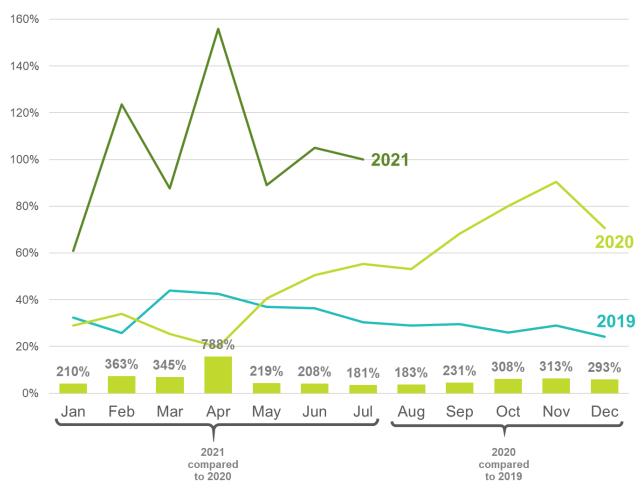


Housing inventory on Vancouver Island continues to be very low, driving prices ever higher. The benchmark price of a single family home in Cowichan in June 2021 was \$723,800. In a recent presentation to the CVRD's Regional Services Committee, Cowichan Housing Association reported that house prices have risen 84% over the last five years. Their recent Housing Needs Assessment found that 22% of the population in Cowichan is in core housing need, meaning that they are spending more than 30% of their income on shelter costs.⁴

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. Unlike in previous
dashboards, this data now
includes Cobble Hill,
Shawnigan Lake, Mill Bay and
Malahat. Single family home
benchmark prices do not
include acreages and
waterfront properties.

Single Family Home Sales to Listings Ratio



Vancouver Island Real Estate Board (VIREB) reports that the real estate market has begun to cool off slightly after a period of frenzied activity and price hikes.⁵ This is reflected in the sales to listings ratio presented here, although more time is needed to see a real downward trend. Cowichan continues to experience an extremely strong seller's market. The British Columbia Real Estate Association (BCREA) anticipates the market to even out somewhat towards the end of 2021, but also estimates that it would take approximately 2,500 new listings in the VIREB area to create an actual balanced market at the current pace of business.⁵

Similarly, the Cowichan Housing Needs Assessment estimates that almost 5000 new housing units will be needed in Cowichan by 2025, based on current population projections.⁶ That equates to 991 units per year. Cowichan currently averages 422 new units built per year, a 569 unit shortfall annually.⁴

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.7 As with benchmark prices, this ratio data does not include acreages and waterfront properties.

Theme 3 – Tourism

Tourist Information Centre Visitation



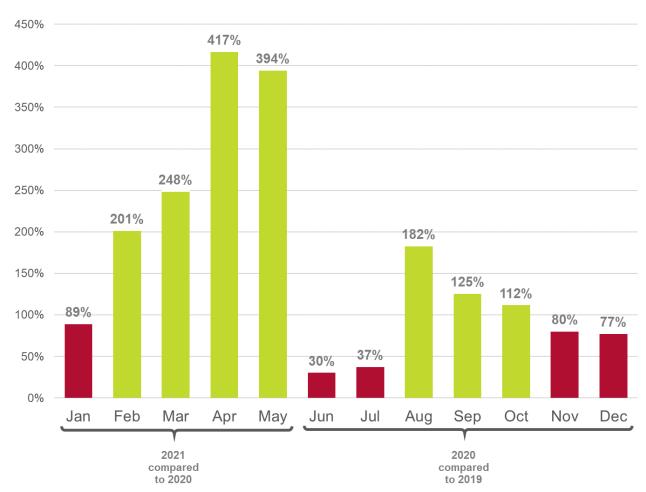
Visitor centre traffic continues to be one of the most sharply affected indicators included in this report. International travel restrictions continue, and public health orders prohibiting non-essential intraprovincial travel were in place from mid-April to mid-June.

The Lake Cowichan Visitor Centre, which closed at the end of January 2021, reopened in mid-May, providing much-needed visitor services in this busy tourist community.

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

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

Hotel Room Revenue



As reported in previous issues of this dashboard, the indicator for hotel room revenues was sharply affected in 2020 by the Government of BC's PST deferral program. The result was lower than actual Municipal and Regional District Tax (MRDT) payouts from April to July 2020, and higher than actual payouts from August to October 2020.

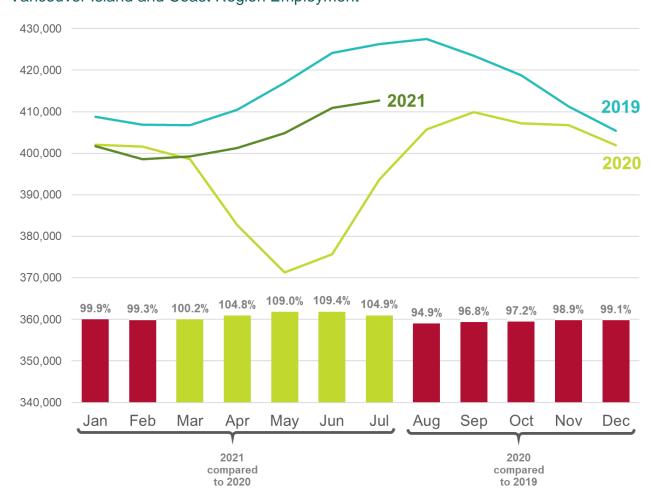
The Ramada Hotel in Duncan continues to house some of the region's homeless population and collect MRDT on these stays. This has resulted in higher than expected MRDT disbursements since May 2020.

February and March disbursements were particularly high, even compared to 2019 levels. However, while the April 2021 disbursement was much higher than April 2020, it was only 55% of the disbursement in April 2019, reflecting the ban on travel within BC during that time.

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 quests 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.

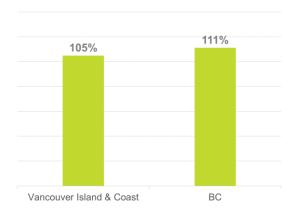
Theme 4 – Business and Employment
Vancouver Island and Coast Region Employment



Employment recovery in the larger Vancouver Island and Coast region, of which Cowichan is a part, has stalled in recent months at slightly below 2019 levels. This may reflect the high number of tourism-dependent businesses in the region and continuing restrictions international on travel.

Data Source: Statistics Canada

July 2021 vs 2020 Employment for Vancouver Island & Coast and BC



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.

Employment Insurance Beneficiaries in Cowichan



In response to COVID-19, the Government of Canada announced the Canada Emergency Response Benefit (CERB), which provided income assistance in lieu of Employment Insurance (EI) between March 15 and September 26, 2020. The number of regular EI beneficiaries increased in March and April, as those with active claims remained in the EI program. It then declined sharply beginning in May, as all new claims were redirected to CERB.

At the end of September 2020, the CERB program was replaced by the Canada Recovery Benefit (CRB), which was created to assist those ineligible for EI. As of July 18, 2021, there have been 255,100 unique applicants to CRB in BC. Also, the Government of Canada introduced temporary changes to the EI program to increase eligibility and to facilitate the transition of eligible CERB recipients to EI. This has resulted in a record number of EI-eligible persons in Cowichan. This number has inched down slightly, but remains high into mid-2021.

This indicator shows the number of people who qualified for Employment Insurance (EI) benefits during the Labour Force Survey reference week, usually containing the 15th day of the month.

Data Source: Statistics Canada

Employment Notes

In recent months, labour shortages have been widely reported in the news and anecdotally across the region. An RBC report puts BC's job vacancy rate at a record high of 6%, mainly due to unfilled positions in accommodation and food services, retail, and healthcare.⁹

Indeed Hiring Lab recently reported a significant increase in the number of job postings across Canada. In BC as of July 16, job postings were up 28% compared to February 1, 2020 and up 14% since May 14, 2021. As of July 30, job postings in food preparation and service were up Canadawide by 72% compared to February 1, 2020 and up 88% since May 14, 2021. Similarly, job postings in customer service were up by 68% compared to February 1, 2020 and up 41% since May 14, 2021.

In the most recent edition of BC Chamber of Commerce's COVID-19 Pulse Check Survey, businesses surveyed reported that labour issues are becoming increasingly more expensive or difficult to navigate:

- Access to labour = 59% (up from 41% in the previous survey)
- Cost of labour = 57% (up from 40%)
- Availability of workers = 55% (up from 40%)
- Skill of the labour pool available = 42% (up from 32%)¹²

Indeed also recently reported on the results of their first Canada Job Search Survey, which was launched to help better understand worker attitudes and behaviours. In July, only 27% of survey respondents were actively looking for work, including just 32% of jobless respondents. Of those who were unemployed and not searching for work urgently, 33% cited their financial cushion as the reason for taking their time, 23% were uncomfortable with the current COVID-19 situation, and 17% were needed to take care of children or family.¹³

In a recent presentation to the BC Tourism Resiliency Network, Ginger Brunner, Senior HR Specialist with go2HR, outlined a number of factors impeding the supply of labour in BC right now, including:

- Shifting demographics that are resulting in fewer youth coming through the school system and taking on entry-level positions
- Housing affordability
- Lack of appropriate transportation options
- Low unemployment rate just 5.6% for Vancouver Island and Coast
- Continued government financial supports, such as CRB and EI
- Lack of immigration and foreign workers due to border closures
- Changing employee needs and expectations, such as more flexible or remote work¹⁴

Labour shortages are particularly concerning for Cowichan, given that population projections to 2050 show the senior age segment increasing, while the proportion of youth and working-age segments are expected to decrease over time. The 65+ segment is projected to increase from 24% (as of 2017) to 32% by 2050, while under-25 would decrease from 26% to 24%, and 25-64 would fall from 50% to 44%. By 2050, the region is expected to add 9,107 jobs, a 29% increase from 2017. As a result of an expanding and aging population, employment in education and health will go from accounting for 26% of all jobs in 2017 to 29% in 2050.¹⁵

Number of New Clients at WorkBC Centres



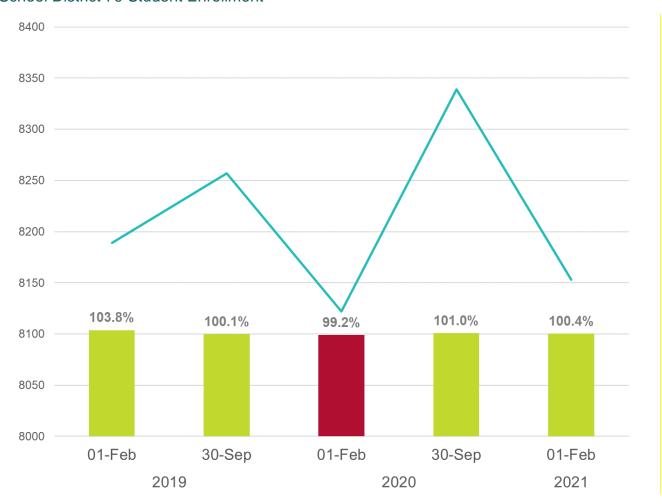
Data for this metric begins in April 2019, when ETHOS Career Management Group took over the WorkBC Centres in Cowichan. According to WorkBC staff, a typical year would start off strong with a high number of job seekers from January through the spring. Numbers usually drop off during the summer months, 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.

WorkBC Centres in Cowichan saw a surge of new clients in November 2020, following the closure of the CERB program. New client numbers dropped in early 2021 compared to pre-pandemic 2020. However, March 2021 numbers surged back up towards typical spring-time levels. WorkBC staff report that this increase was due to the launch of their new Wage Subsidy Program. Since then, client numbers have decreased steadily.

Data Source: WorkBC

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 selfserve and casemanaged clients.

Theme 5 – Social Indicators
School District 79 Student Enrollment



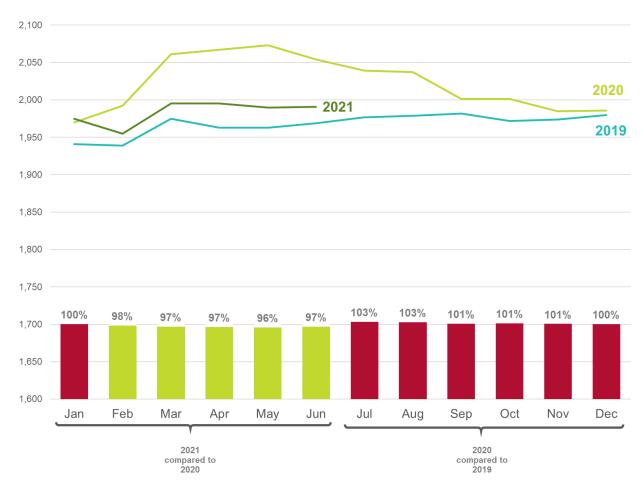
Since the onset of the pandemic, students and teachers have dealt with many changes in the delivery of our education system. From closures to online learning to classroom learning with restrictions, our school system has had to be flexible through it all.

Enrollment is generally higher in September than in February for a number of reasons, including Grade 12 students who complete their studies mid-year. However, there was a larger-than-usual drop in enrollment from September 2020 to February 2021. This corresponds with a spike in COVID-19 cases in BC during the winter of 2020/2021, and was likely due to secondary students choosing to go to online schools and parents choosing to homeschool through the pandemic.

Data Source: School District 79

This data shows full-time equivalent student enrollment for School District 79. The data does not include those registered for home schooling.

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.¹⁶

After a sustained increase in BCEA cases in 2020, numbers returned to normal levels in December 2020. This trend has continued into 2021, with case numbers just barely above 2019 levels, but well below 2020 levels.

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.

RCMP Calls for Service



So far in 2021, we have seen the typical increase in calls through the summer as restrictions loosened and more public events were allowed to resume. However, calls for service continue to be lower than in 2019.

In a presentation to Council at the Municipality of North Cowichan in May 2021, Inspector Chris Bear of the North Cowichan/Duncan RCMP detachment reported a 71% increase in section 28 (mental health) apprehensions, most likely due to an overall increase in societal stresses relating to COVID-19. Inspector Bear noted that detachments across Vancouver Island and BC have seen similar trends.¹⁷

Please note that this indicator now includes all four RCMP detachments in Cowichan.

Data Source: North Cowichan/Duncan, Shawnigan Lake, Lake Cowichan, and Ladysmith RCMP Detachments

This indicator shows the combined number of calls for service made to the North Cowichan/Dun can. Shawnigan Lake, Lake Cowichan, and Ladysmith **RCMP** detachments by quarter.

Conclusion

The dashboard reports continue to highlight the effects of the pandemic on the tourism industry, with air traffic and tourist information centre visitation still very low. Housing availability and affordability continue to plague the region. In recent months, labour shortages have become a major topic of conversation and concern.

As noted in the Introduction, this will be the last quarterly recovery dashboard to be published by EDC. Please subscribe to EDC's email newsletter to be notified when the revamped series is launched. <u>Click here to sign up for the newsletter.</u>

Further Reading

For an expanded picture of the state of the Cowichan region, we recommend reviewing the following additional reports.

"Community Information Tool", Government of British Columbia, https://communityinformationtool.gov.bc.ca/cit-dashboard/public/cowichan-valley-regional-district

"Rural BC Economic Bulletin", Community Futures British Columbia, March 2021, https://www.ecdevcowichan.com/wp-content/uploads/2021-03-18-CFBC-Economic-Bulletin-Rural-Report-Issue-1.pdf

"Economic Dashboard", Business Council of B.C., April 2021, https://www.bcbc.com/dashboard

"Cowichan Communities Health Profile", Our Cowichan Communities Health Network, January 2021, http://www.ourcchn.ca/files/Cowichan%20Communities%20Health%20Profile_FINAL%20Feb%207.pd

"COVID-19 Community Snapshot, Spring 2020 Survey Results", Social Planning Cowichan, February 2021, https://www.socialplanningcowichan.org//covid-survey-results-spring

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- ⁷ "What's the difference between a buyer's and seller's market?", Real Estate Board of Greater Vancouver, October 18 2019, https://www.rebgv.org/news-archive/what-s-the-difference-between-a-buyer-s-and-seller-s-market-.html
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- ¹² "BCMindReader.com COVID-19 Pulse Check 7 Survey July 2021", BC Chamber of Commerce, July 28 2021, https://na2.visioncritical.com/i/stories/shared?id=c449377d-7466-4461-9015-ad640086541a
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