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State of the Cowichan Economy, Spring 2022

This report highlights the latest data and economic trends for the Cowichan Valley Regional District (CVRD), and is produced by staff at Economic Development Cowichan.

A Note on Census 2021

Statistics Canada has begun releasing data from Census 2021. To date, population, age, and dwelling counts and types have been released. By the release of our next report in Fall 2022, we will have data on income and housing. Census information on labour is scheduled for release at the end of November 2022. [Click here for the full Census release schedule.](#)

Demographics

Population ([Statistics Canada](#))

2016	2021	Population Growth Cowichan	Population Growth BC
83,739	89,013	+ 6.3%	+ 7.6%

Census 2021 data shows that Cowichan’s population growth was slightly lower than BC overall. However, most provincial growth took place in urban areas. Rural BC saw an overall population increase of just 0.5%, so Cowichan’s population grew much more than the average for a rural area.

How did we grow? ([Statistics Canada](#))



Cowichan’s population growth is due entirely to net positive migration, largely from other parts of BC, but also from other provinces in Canada and from other countries. A recent [report by](#)

[Vancouver Island Economic Alliance and MNP](#) indicates that an increasing number of younger people are migrating to Vancouver Island. “The number of migrants from other provinces was relatively stable between 2014 and 2020, while the percentage over the age of 50 declined from 59 percent to 35 percent.” The report also highlights a spike in interprovincial migration in 2021, possibly due to the pandemic and increased opportunities for remote work.

Age ([Statistics Canada](#))

	2016	2021	BC
Average Age	45.7	47	43.1
Median Age	49.9	50.8	42.8

Census 2021 data shows that Cowichan’s population continues to age and is older than that of BC overall. Cowichan has fewer people age 15 to 24 who might enter the labour pool than those age 55 to 64 who are ready to retire, pointing to issues affecting our labour force.

Labour Force

Regional Job Vacancy Rates ([Statistics Canada](#))

	Q4 2019	Q4 2021
Vancouver Island & Coast	3.0%	5.9%
BC	3.8%	6.1%

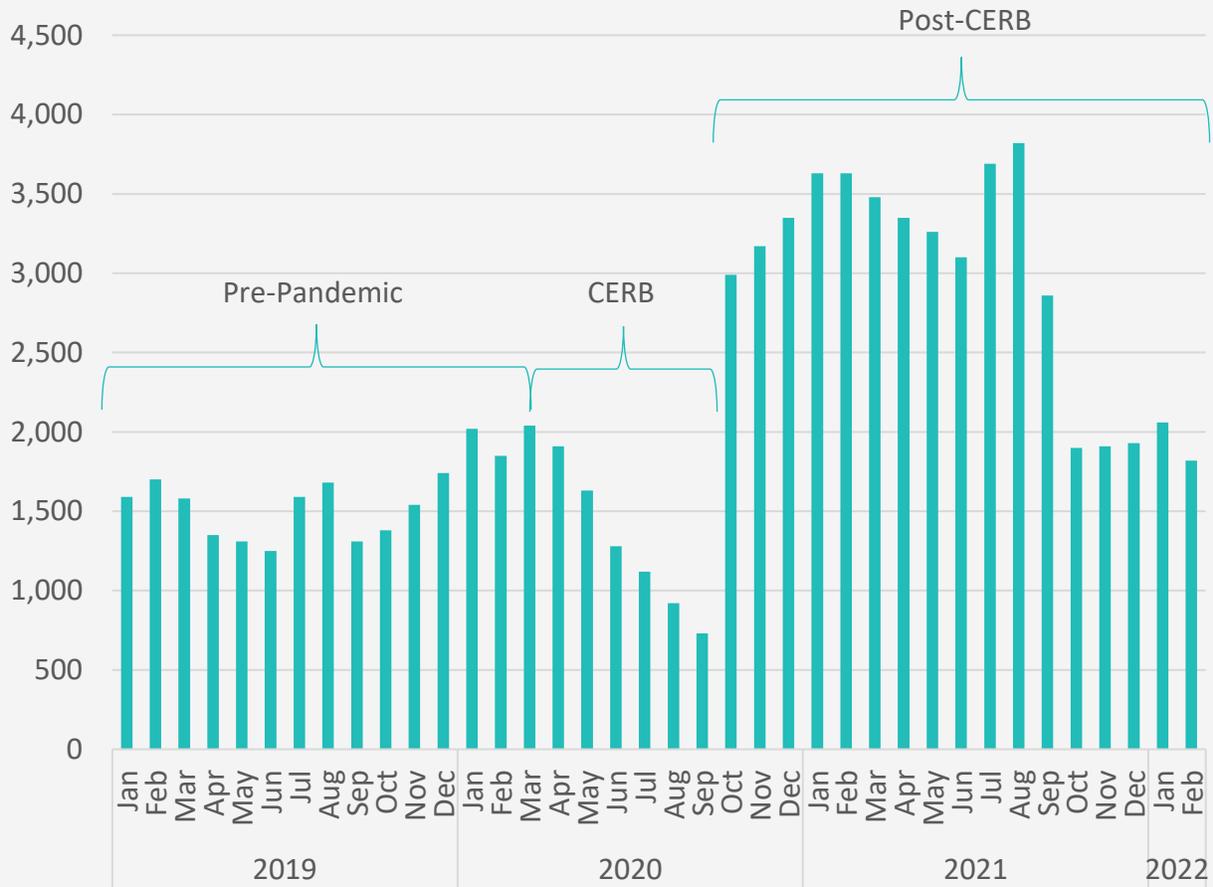
The labour shortage is a topic of much discussion right now. Our aging population, coupled with the impacts of the pandemic, mean that there simply are not enough workers to fill available positions. This trend is set to continue well into the foreseeable future. Economic Development Cowichan has published an [Employer Resource Guide](#) and blog series to help businesses adapt.

Regional Labour Force Characteristics ([Statistics Canada](#))

		April 2019	April 2022
Participation Rate	Vancouver Island & Coast	59.0%	59.0%
	BC	65.9%	64.8%
Employment Rate	Vancouver Island & Coast	56.8%	56.0%
	BC	62.8%	61.4%
Unemployment Rate	Vancouver Island & Coast	3.7%	5.0%
	BC	4.7%	5.2%

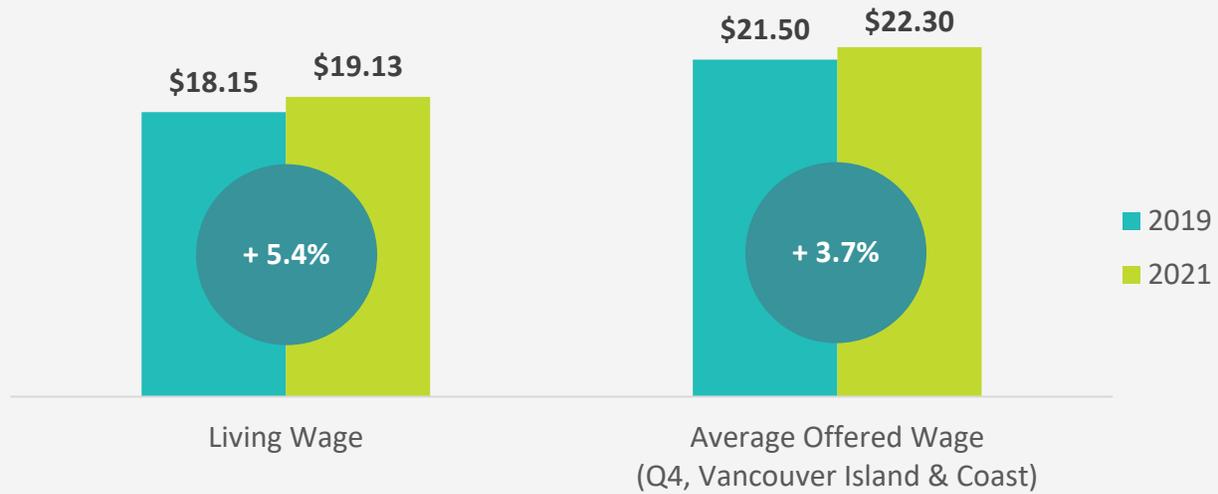
While the island-wide employment and participation rates have returned to pre-pandemic levels, the unemployment rate is still higher than in 2019. This might speak to changing employee expectations and aspirations, such as a desire for more flexible schedules and locations, better work-life balance, and more fulfilling work, which may keep some potential workers looking for just the right fit.

Employment Insurance Beneficiaries in Cowichan ([Statistics Canada](#))



During the first six months of the pandemic, the federal Canada Emergency Response Benefit (CERB) was implemented to support affected workers in place of the Employment Insurance (EI) program. When CERB was discontinued, those eligible for EI were transitioned over. Beneficiaries remained very high through September 2021, when many recipients reached the maximum of 50 weeks of regular benefits and became ineligible.

Hourly Wages ([Social Planning Cowichan](#), [Statistics Canada](#))



While Cowichan’s living wage is not directly comparable to the average offered wage in the Vancouver Island & Coast region, it is interesting to note that our living wage has grown at a faster pace over the past two years. This could signal that wages are not keeping up with what workers need to make ends meet.

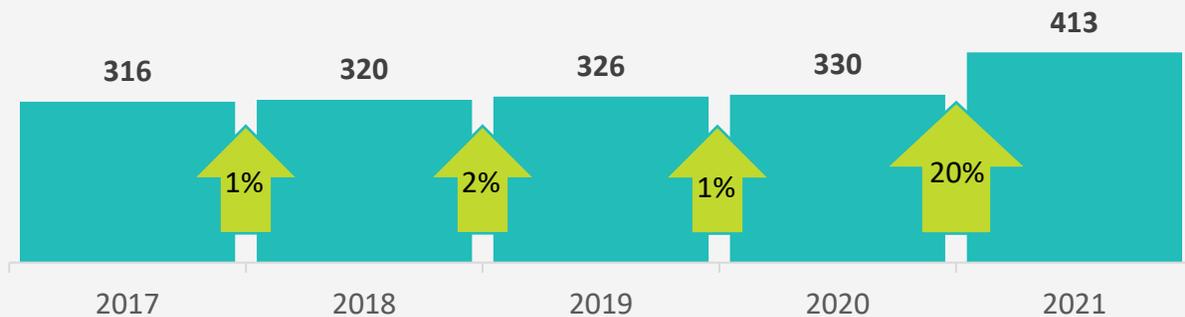
Business

Number of Businesses with Employees ([BC Stats](#))

2016	2020	Business Growth in Cowichan	Business Growth in BC
2,913	3,043	+ 4.5%	+ 5.0%

Growth in the number of businesses with employees in Cowichan has been steady over the last five years, with overall growth slightly lower than BC overall.

Number of New Business Incorporations ([BC Stats](#))



Cowichan saw an increase in the number of new business incorporations in 2021, signaling increased investment, innovation and employment demand in the region. Overall, incorporations in BC followed a similar trend. It is also worth noting that the number of new incorporations in Cowichan in 2020 was similar to the three preceding years, despite challenges presented by the pandemic.

Building & Real Estate

Building Permit Construction Value ([BC Stats](#))

	2019	2020	2021
Overall	\$166,226,000	\$139,543,000	\$299,505,000
Residential	\$107,465,000	\$115,604,000	\$217,462,000
Total Number of Residential Units	399	447	923

2021 saw a construction boom in Cowichan, with increased building permit construction values in all categories (industrial, commercial, institutional, residential). In light of the housing shortage, a large portion of new permits were issued for residential construction. The [2021 Housing Needs Assessment](#) projected that Cowichan will need approximately 991 new units per year until 2025, and recent growth brings us much closer to this target than in previous years. It is also interesting to note that the vast majority of dwelling unit permits issued were for multi-family residences; permits were issued for 628 apartment units, which far surpasses the 177 apartment unit permits issued in 2020.

Number of Private Dwellings ([Statistics Canada](#))

2016	2021	Dwelling Growth in Cowichan	Dwelling Growth in BC
37,919	40,174	+ 5.9%	+ 7.2%

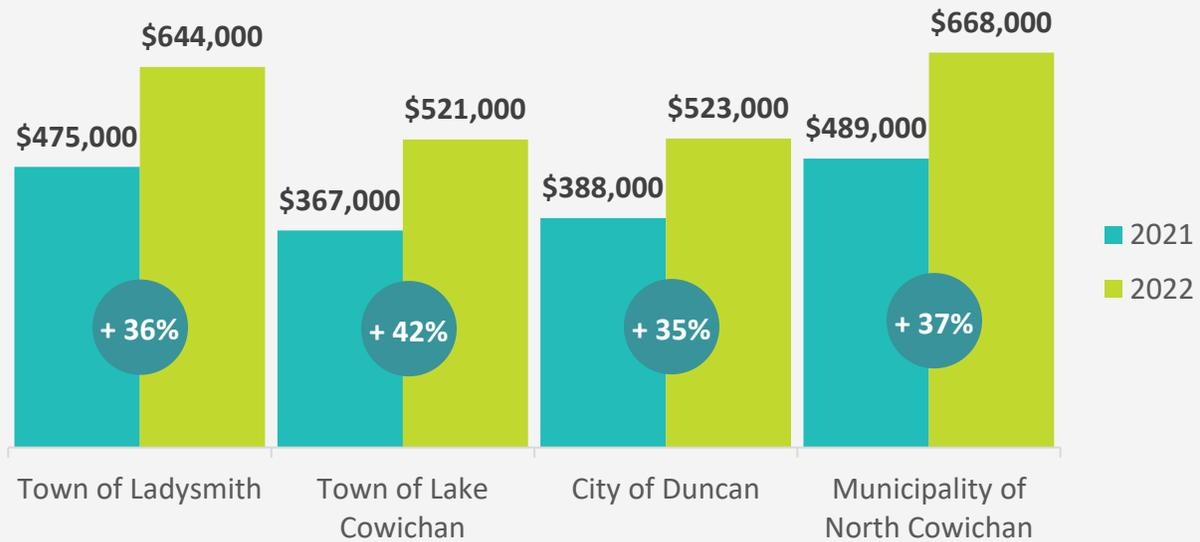
Growth in the number of private dwellings in Cowichan over the last five years has been slightly lower than population growth, a trend seen provincially as well. The disproportionately large increase in demand for housing reported throughout the region may point to issues other than simple lack of supply. For example, growth in the short-term rental market could be taking more dwelling units off the market for long-term residents.

Dwelling Types ([Statistics Canada](#))

	Cowichan	Vancouver Island & Coast (excluding Capital Regional District)
Single-detached house	72.5%	67.5%
Apartment in a building	9.5%	12.7%
Other dwelling types	17.9%	20.0%

Census 2021 data shows that Cowichan’s population is primarily housed in single-detached dwellings. There are proportionally more single-detached dwellings than apartment buildings in the Cowichan region as compared to Vancouver Island and Coast region overall (excluding Capital Regional District).

Typical Assessed Value of Single-Family Homes ([BC Assessment](#))



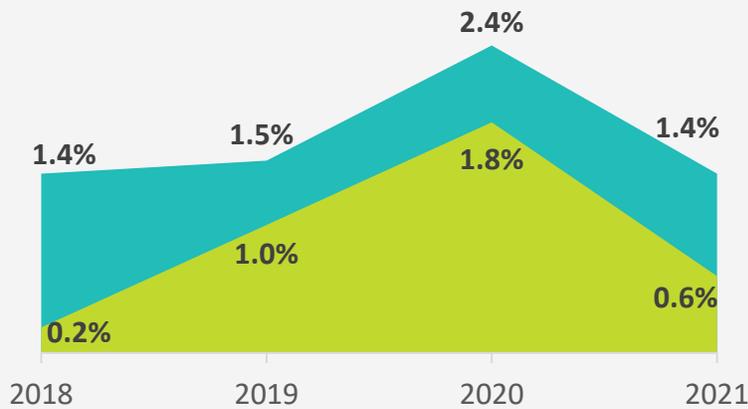
With the large increase in sale prices of homes in the region comes higher assessment values. BC Assessment reported assessment value increases across all property types, including single-family and strata homes, industrial, and commercial properties. Increases were particularly high in the north and central Island regions.

Single-Family Sales ([Vancouver Island Real Estate Board](#), Multiple Listings Service)

	Apr 2017	Apr 2021	Apr 2022	1 Year Change	5 Year Change
Benchmark Price	\$405,700	\$642,500	\$871,900	+ 36%	+ 115%
Active Listings	167	72	109	+ 51%	- 35%

Housing inventory in the Vancouver Island Real Estate Board area is increasing, but at nowhere near the rate needed to even out the market. “A ‘perfect storm’ of factors – including record-low supply, historically low mortgage rates, and lifestyle changes resulting from the COVID-19 pandemic – has fuelled dramatic price increases and highly competitive real estate transactions,” says the British Columbia Real Estate Association.

Rental Vacancy Rate – Private Apartments ([Canada Mortgage and Housing Corporation](#))



Rental vacancy rates in the Duncan area remain very low, consistently below those of BC overall, and well below the 3% vacancy rate of a balanced market. Based on 2021 building permits, the growing number of new apartment units that should be coming on the market may help alleviate the situation.

Tourism

Tourist Information Centre Visitation ([Destination British Columbia](#))

Tourist Information Centre visitation continues to be sharply affected by the pandemic, and many of our centres have experienced lengthy closures. It will be interesting to note if visitation returns to pre-pandemic in 2022, with the lifting of many international travel restrictions.



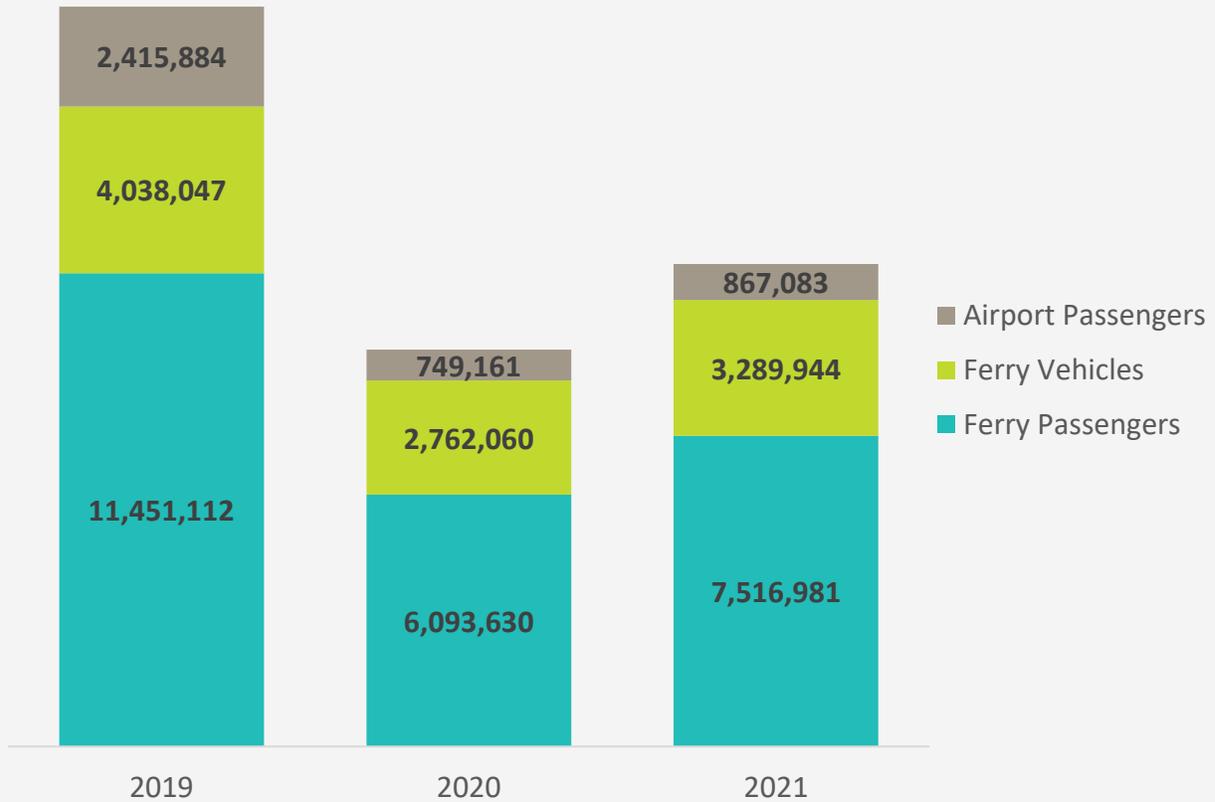
Municipal & Regional District Tax Payouts (Cowichan Valley Regional District)

	2019	2020	2021
Traditional Accommodations	\$361,329.96	\$239,252.63	\$412,904.01
Online Accommodation Platforms	\$47,656.11	\$59,443.48	\$107,308.29
Total	\$408,986.07	\$298,696.11	\$520,212.30

Municipal & Regional District Tax (MRDT) collection increased significantly in 2021, even over 2019 levels. This appears contrary to the low Tourist Information Centre visitation, but could signal a rise in intraprovincial travel and staycationing, or visitors relying more heavily on digital travel planning tools. The increase may also be partially due to an increase in the cost of room rentals in both hotels and vacation rentals.

Transportation

Ferry & Airport Traffic ([BC Ferries](#), [Victoria International Airport](#), [Nanaimo Airport](#))



Airport and ferry traffic were hard hit by pandemic travel restrictions. While BC Ferries traffic has recovered somewhat, airport traffic remains well below pre-pandemic levels. Recovery of this sector may accelerate with the return of international flights to Victoria International Airport beginning in December 2021.