



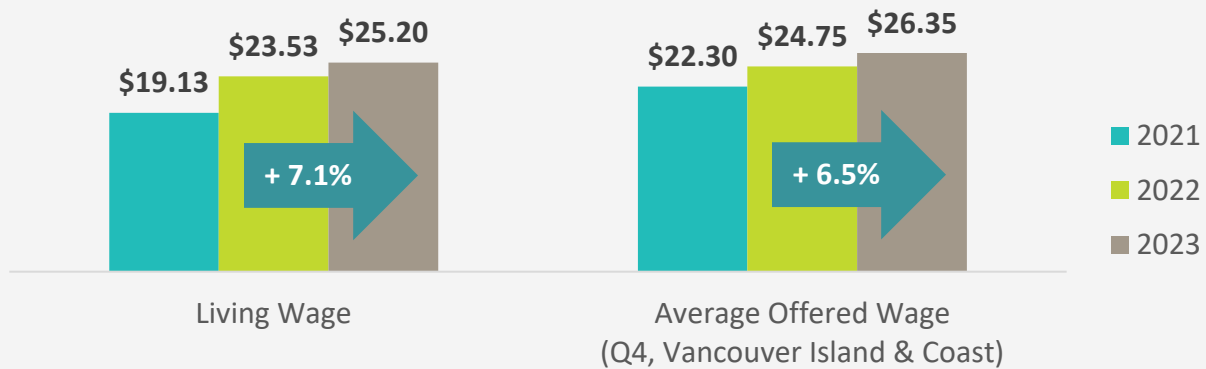
State of the Cowichan Economy, Spring 2024

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.

Past Reports: [Spring 2022](#), [Winter 2023](#)

Labour Force

Hourly Wages ([Social Planning Cowichan](#), [Statistics Canada](#), [Living Wage for Families BC](#))



While Cowichan’s living wage is not directly comparable to the average offered wage in the Vancouver Island & Coast region, it is interesting to compare the rate of change between the two. The living wage has grown at a faster pace than the average offered wage, perhaps signalling that wages are not keeping up with what workers needed to make ends meet. However, between 2022 and 2023, the growth rate was more comparable between the two. The pressures of the labour shortage have forced many employers to raise wages to stay competitive, which may be bringing actual wages closer to the regional living wage.



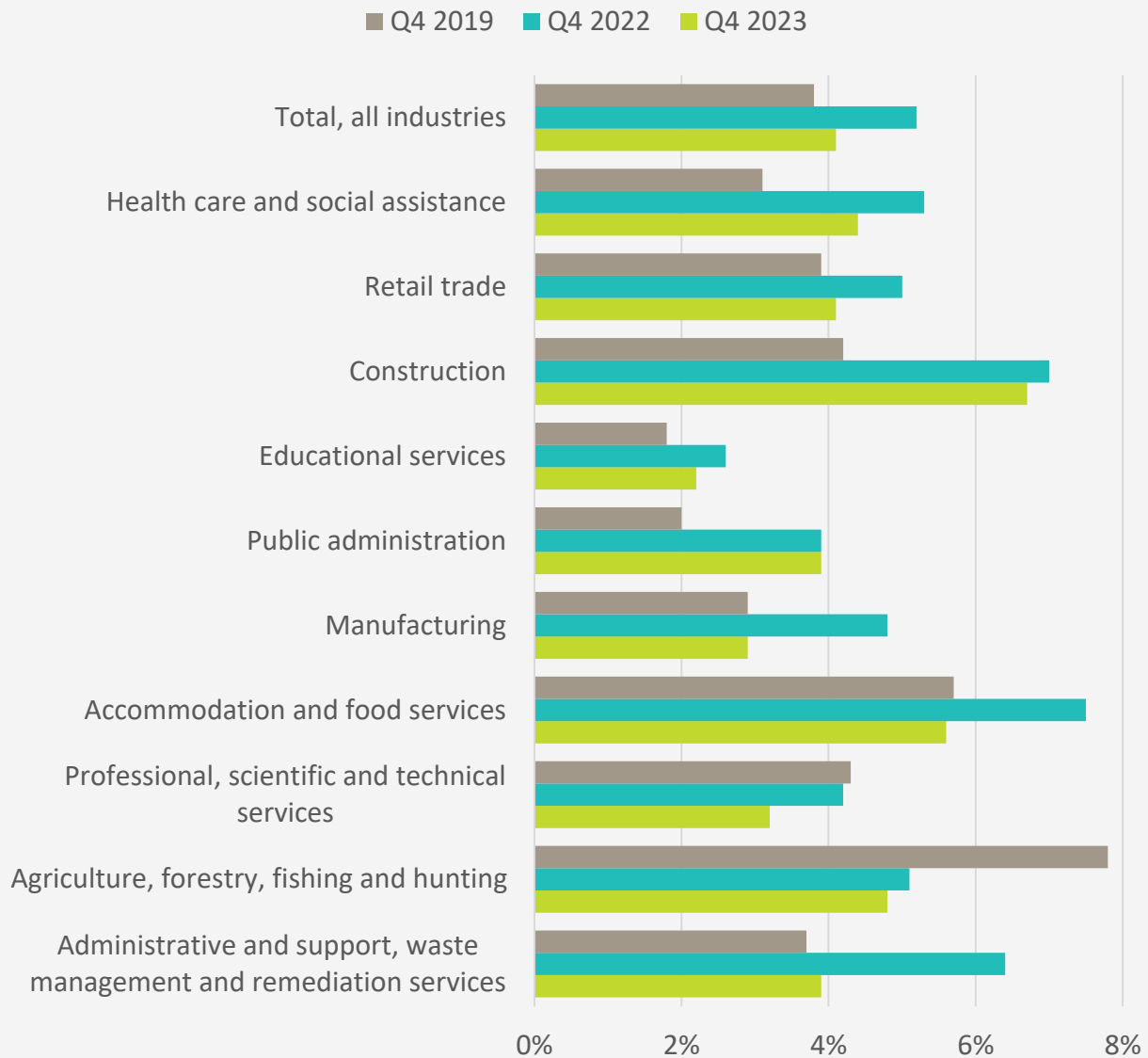
Cowichan’s living wage was slightly higher than the average for communities who calculated it in 2023. Our living wage also experienced a higher than average increase since 2022, both in dollar amount and percentage.

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

		Apr 2023	Apr 2024
Participation Rate	Vancouver Island & Coast	58.1%	60.7%
	BC	64.8%	64.9%
Employment Rate	Vancouver Island & Coast	55.8%	58.1%
	BC	61.6%	61.4%
Unemployment Rate	Vancouver Island & Coast	4.1%	4.3%
	BC	5.0%	5.3%

It is encouraging to see that the labour force participation rate for the Vancouver Island and Coast economic region has risen over the last year, signalling that more people are choosing to enter the workforce. While the unemployment rate has also risen, it is still below the provincial rate.

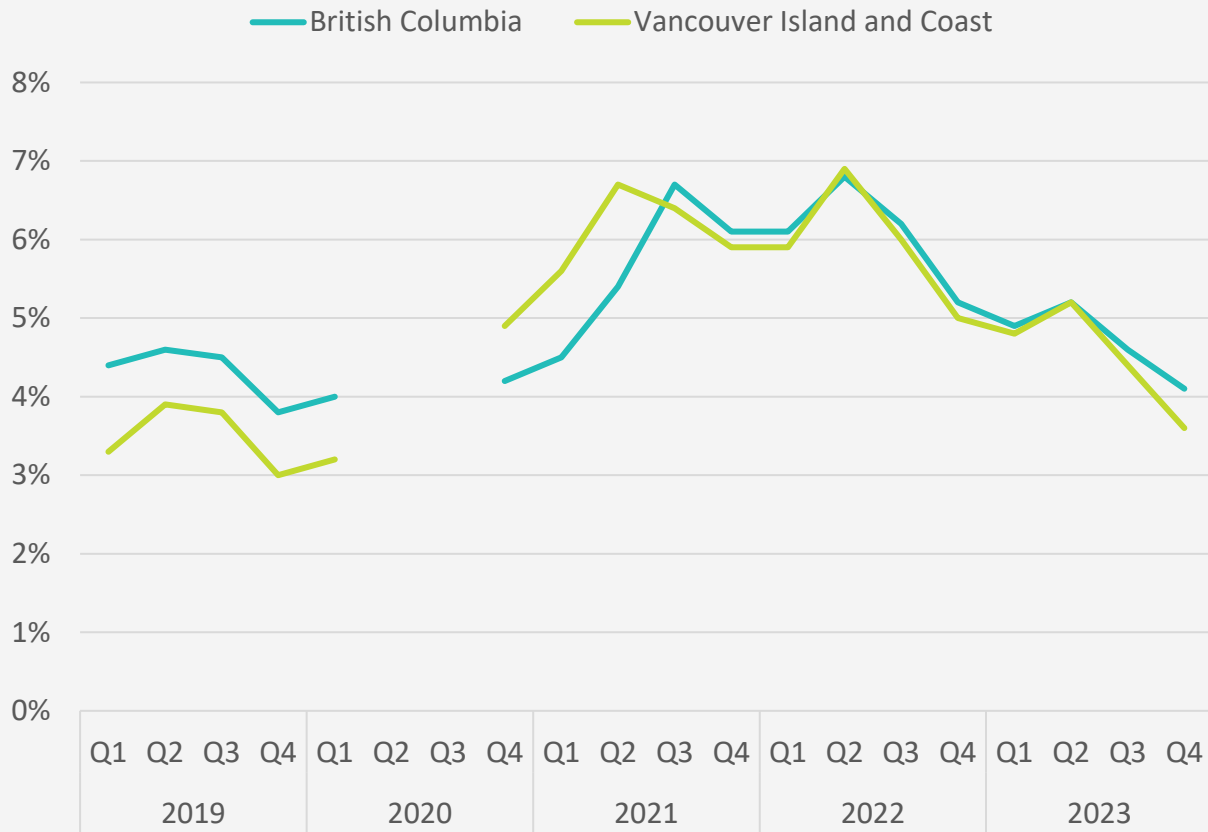
Provincial Job Vacancy Rates by Industry – Top 10 Industries by Employment ([Statistics Canada](#))



The labour shortage continues to be top of mind for many people. Our aging population, coupled with the impacts of the pandemic, have put significant pressure on the Canadian workforce. Between 2019 and 2022, job vacancy rates in BC rose significantly in almost every industry. Provincial data from 2023 shows that vacancy rates in many industries are now dropping, some quite significantly, including manufacturing, accommodation and food service, etc. However, some industries, like construction, continue to struggle.

For a complete table of provincial job vacancy rates by industry, see [Appendix A](#).

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

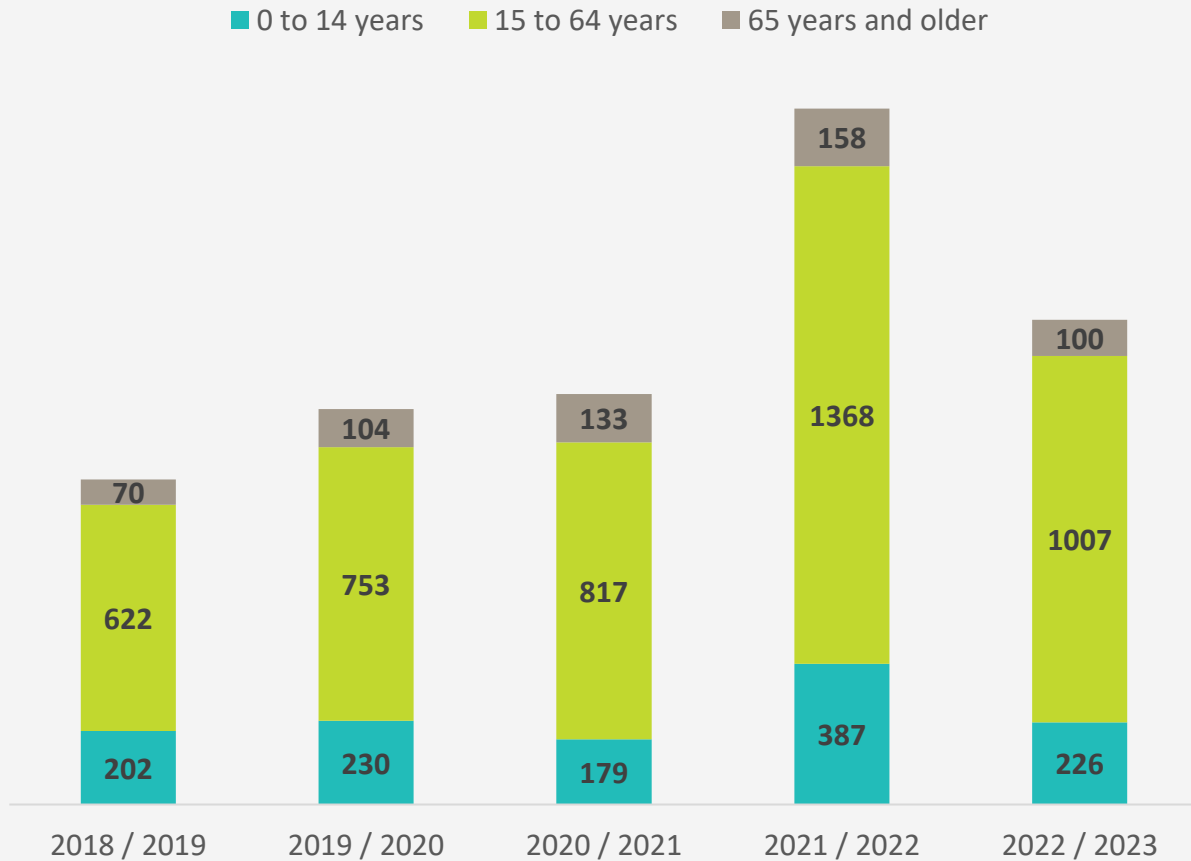


Note: data on job vacancy rates is unavailable for 2020 Q2 and Q3.

Job vacancy rates in the Vancouver Island & Coast economic region peaked in mid-2022 and have since fallen back to pre-pandemic levels. However, the labour shortage is predicted to continue well into the foreseeable future. Economic Development Cowichan has published an [Employer Resource Guide](#) and blog series to help businesses adapt.

Migration

Net Migration to Cowichan by Age Group ([Statistics Canada](#))



Cowichan experienced a surge of new residents moving to the region on 2021/2022. This increase was driven by higher international and intraprovincial (from other parts of BC) migration, and included a significant number of working age people. Net migration fell back to more typical levels in 2022/2023, although in-migration of working age people was still relatively high. Fostering this trend may help to balance Cowichan’s otherwise aging population.

Note: this data is final up to 2021/2022 and preliminary for 2022/2023.

Net Interprovincial Migration to Cowichan ([Statistics Canada](#))

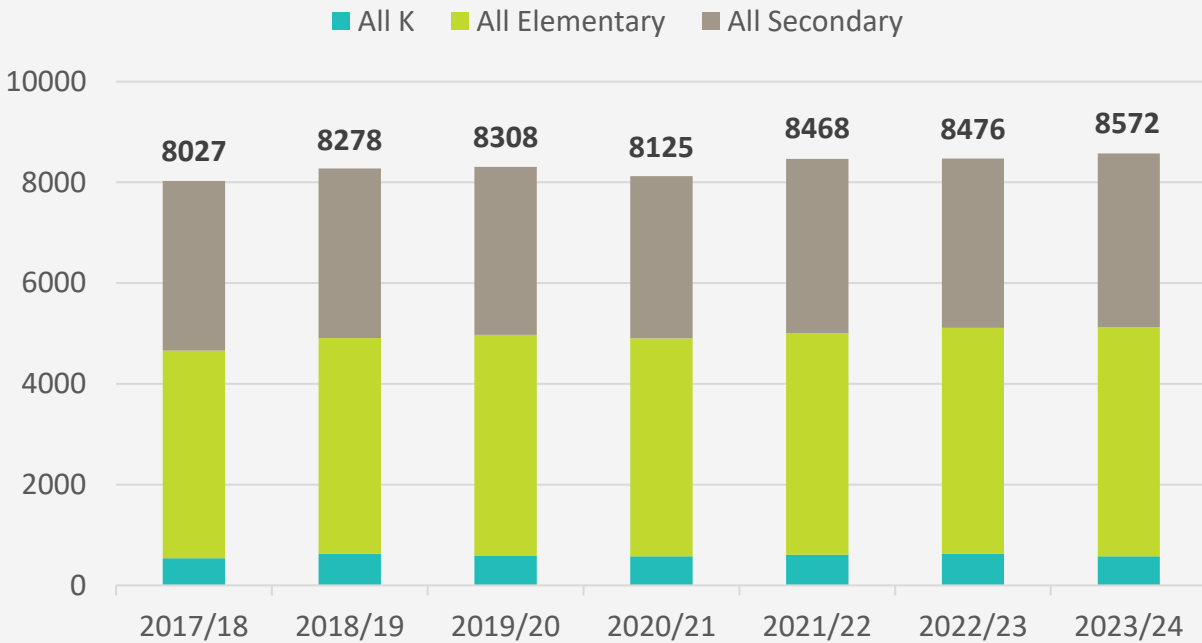


As noted above, Cowichan migration levels experienced a surge in 2021/2022 due to high numbers of new residents moving to the region from other parts of BC and from other countries. Interestingly, interprovincial migration (from other provinces) dropped slightly in 2021/2022, and then fell dramatically in 2022/2023 to a net negative migration (more people moved out of Cowichan to other provinces than moved into Cowichan from other provinces). This is in line with what was experienced across BC overall, driven mainly by migration from BC to Alberta.

Note: this data is final up to 2021/2022 and preliminary for 2022/2023.

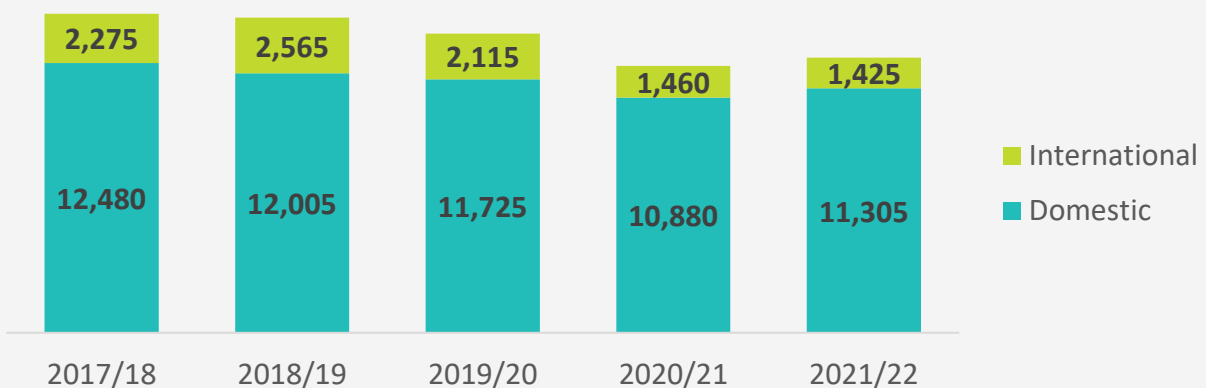
Education

Cowichan Valley School District Student Headcount ([BC Data Catalogue](#))



Public school enrollment was impacted by the Covid-19 pandemic in the 2020/2021 school year, with frequent closures and many parents choosing to homeschool their children during this time. Since then, headcounts have rebounded and resumed their growth trajectory.

Vancouver Island University Student Headcount ([BC Data Catalogue](#))



This metric shows the combined student headcount at all Vancouver Island University (VIU) campuses, including the Cowichan Campus. Unlike public school enrollment, VIU headcounts, both domestic and international, have not recovered to their pre-pandemic levels as of the 2021/2022 school year.

Housing & Real Estate

Single-Family Home Prices ([Vancouver Island Real Estate Board](#), [Victoria Real Estate Board](#), [Greater Vancouver REALTORS](#))

	5 Years Ago (Apr 2019)	1 Year Ago (Apr 2023)	1 Month Ago (Mar 2024)	Current (Apr 2024)	5 Year Change
Benchmark Price	\$495,700	\$741,400	\$753,200	\$772,300	+ 56%
Unit Sales		87	58	62	

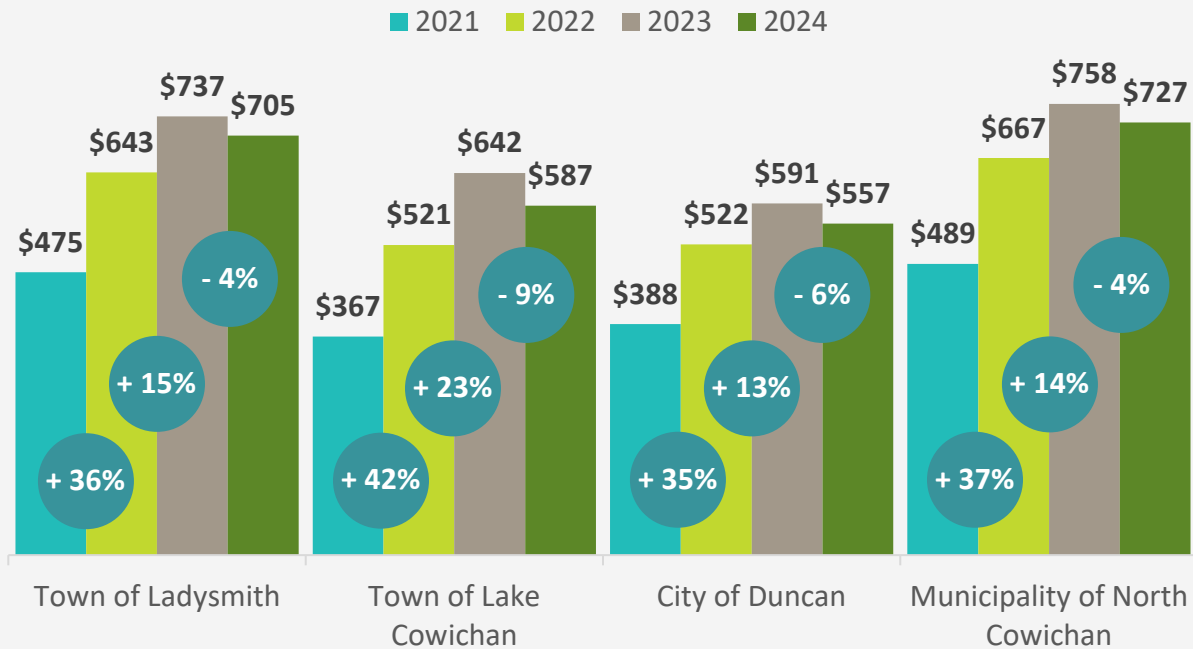
After reaching a high of \$886,300 in May 2022, the benchmark price of a single-family home in Cowichan has dropped to \$772,300. This still represents a 4% increase in home prices over the last year, and a 56% increase over the last five years. The number of Cowichan units sold in April 2024 was down almost 29% year over year.

Vancouver Island Real Estate Board (VIREB) Chief Executive Officer Jason Yochim shared that the spring market was slightly delayed this year. While it typically starts in February, an increase in sales didn't happen until April this year. Inventory is also rising, which is a good sign.

	Cowichan	Nanaimo	Vancouver Island	Victoria	Vancouver
Benchmark Price April 2024	\$772,300	\$799,300	\$774,700	\$1,142,600	\$2,040,000

The benchmark price of a single-family home in Cowichan remains below many neighbouring jurisdictions. In April 2024, the benchmark price on Vancouver Island from the Malahat north was \$774,700, showing that Cowichan is almost exactly average. Areas with lower benchmark prices include Campbell River, Port Alberni, and the North Island. Higher benchmark prices are seen in Comox, Parksville/Qualicum and Nanaimo.

Typical Assessed Value of Single-Family Homes in 1,000s ([BC Assessment](#))

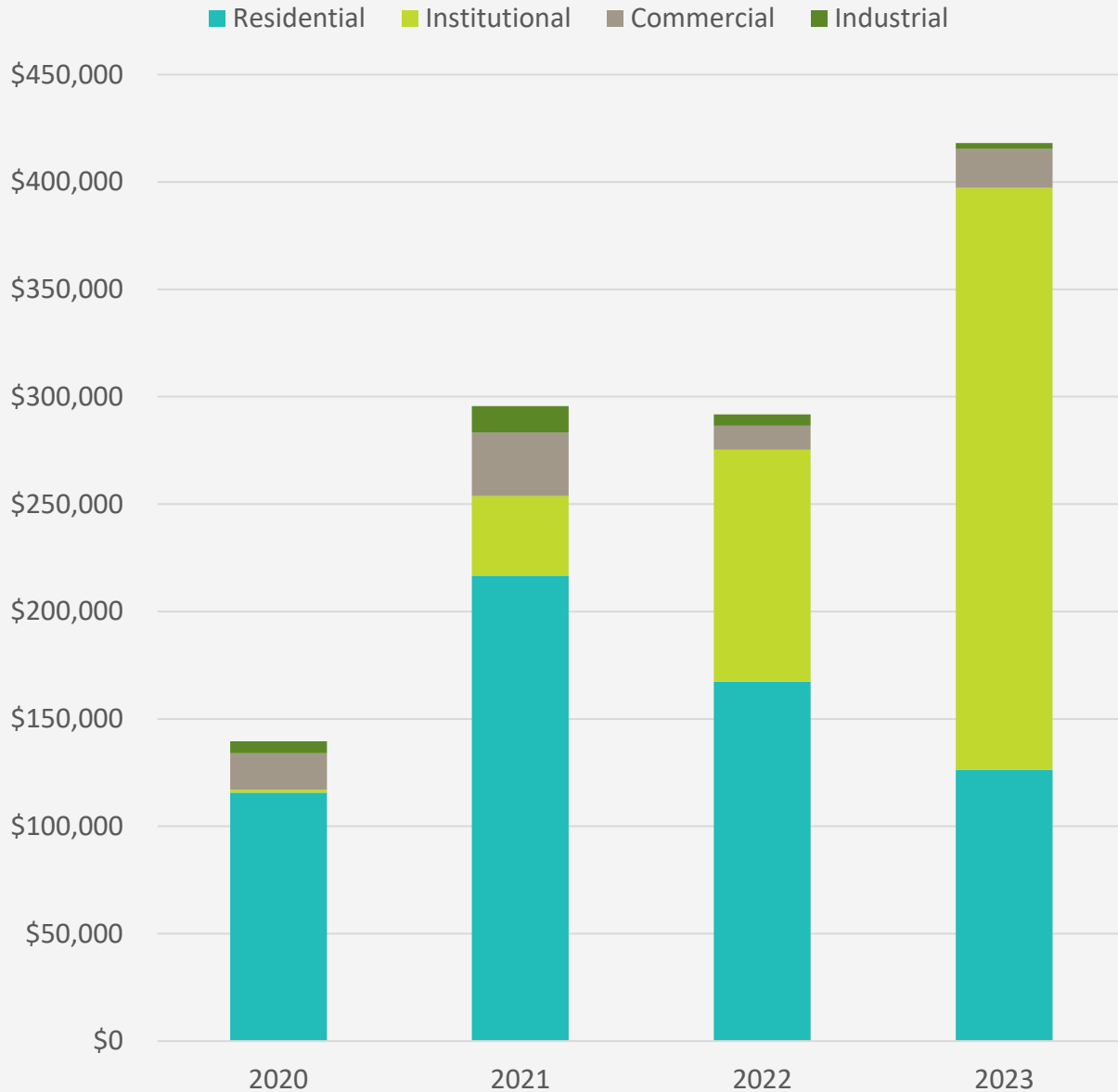


Property assessment values for 2024 reflect market value as of July 1, 2023. “For 2024, most homeowners can expect generally flat values including a mix of small decreases or only modest increases, reflecting the softening real estate market,” said Vancouver Island Deputy Assessor Matthew Butterfield. In the Central Island region, decreases ranged from -1% in Parksville, Tofino and Port Alberni, to -9% in Lake Cowichan. The Town of Lake Cowichan saw the second largest percentage decrease in property values on Vancouver Island, surpassed only by the Village of Sayward. In 2023, Lake Cowichan saw one of the largest percentage increases in values at 23%.

A Note on Housing and the Labour Force

While the issues of housing affordability and availability may be well known, their link to the labour force is less so. When workers are unable to find or afford housing in Cowichan, they are more likely to leave the region, resulting in local businesses of all sizes and sectors struggling to attract and retain staff. This is a story that staff at Economic Development Cowichan (EDC) have heard over and over from businesses across the region. We look forward to releasing the Cowichan Workforce Housing Strategy in the coming months, which aims to develop actionable solutions to the housing crisis as it relates to employment. For more information on this project, visit planyourcowichan.ca/workforce-housing.

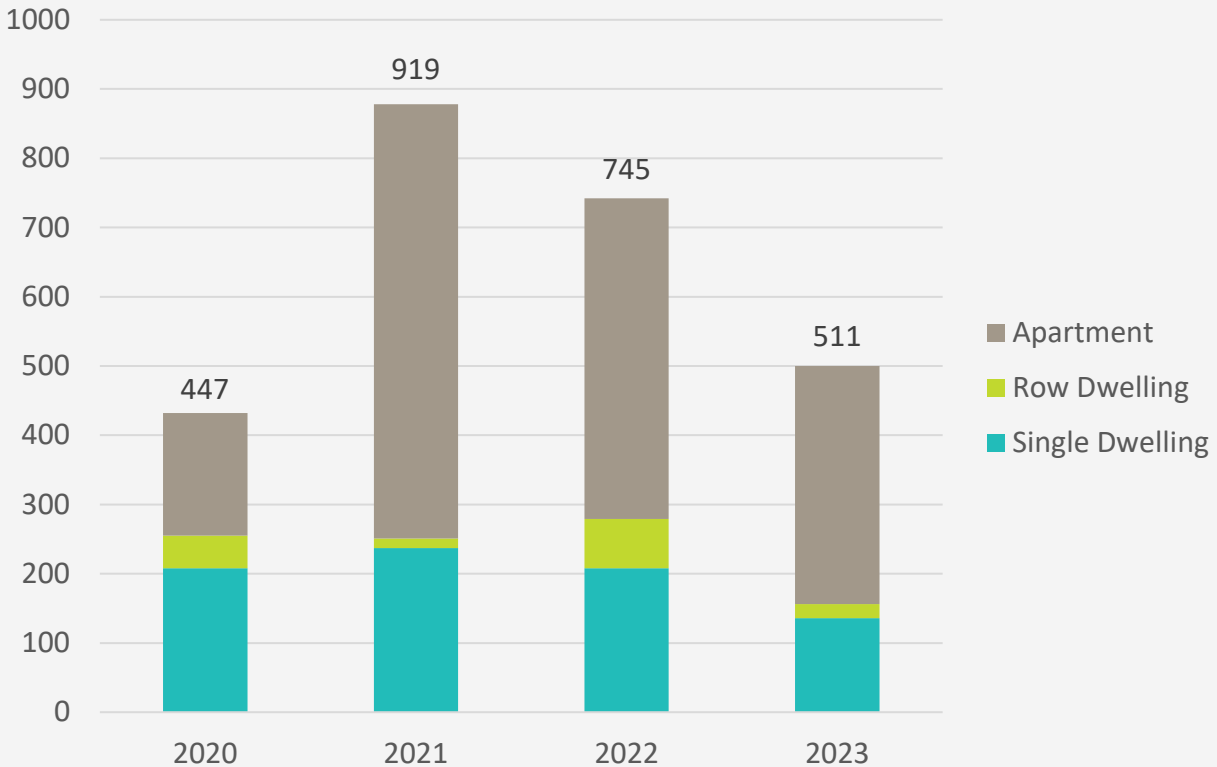
Building Permit Construction Value in 1000s ([BC Stats](#))



2021 saw a residential construction boom in Cowichan, with a large number of new units permitted, particularly apartment units. However, in 2023, residential permit values and the number of units permitted dropped back down to near-2020 levels. This could be due to high interest rates and other factors impacting the cost of new construction.

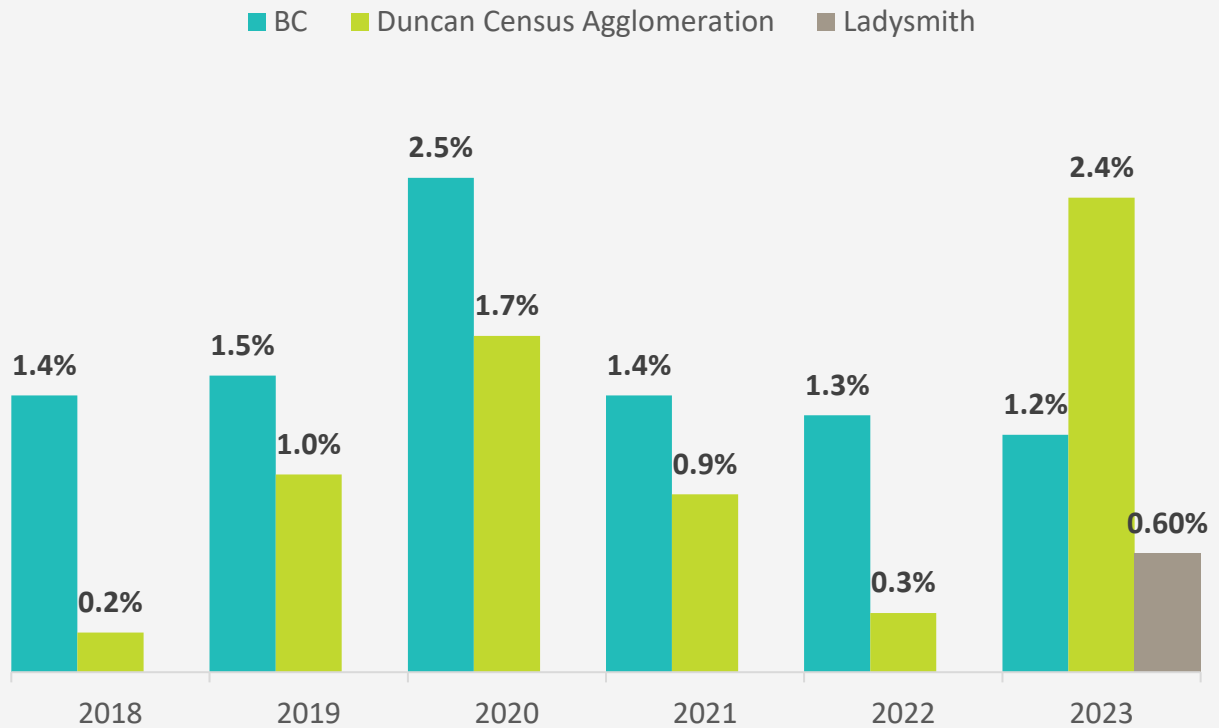
Institutional and government building permit values have risen significantly over the last few years. In 2023, institutional spending took place mainly in the Municipality of North Cowichan.

Number of Residential Units Permitted ([BC Stats](#))



There is an emerging trend away from single-family dwellings towards other forms of housing that may be more affordable. As noted above, Cowichan experienced a boom in apartment units permitted in 2021, and while the numbers have since dropped, they are still above 2020 levels. However, the [2021 Housing Needs Assessment](#) projected that Cowichan will need approximately 991 new units per year until 2025, and the region continues to fall short of that target.

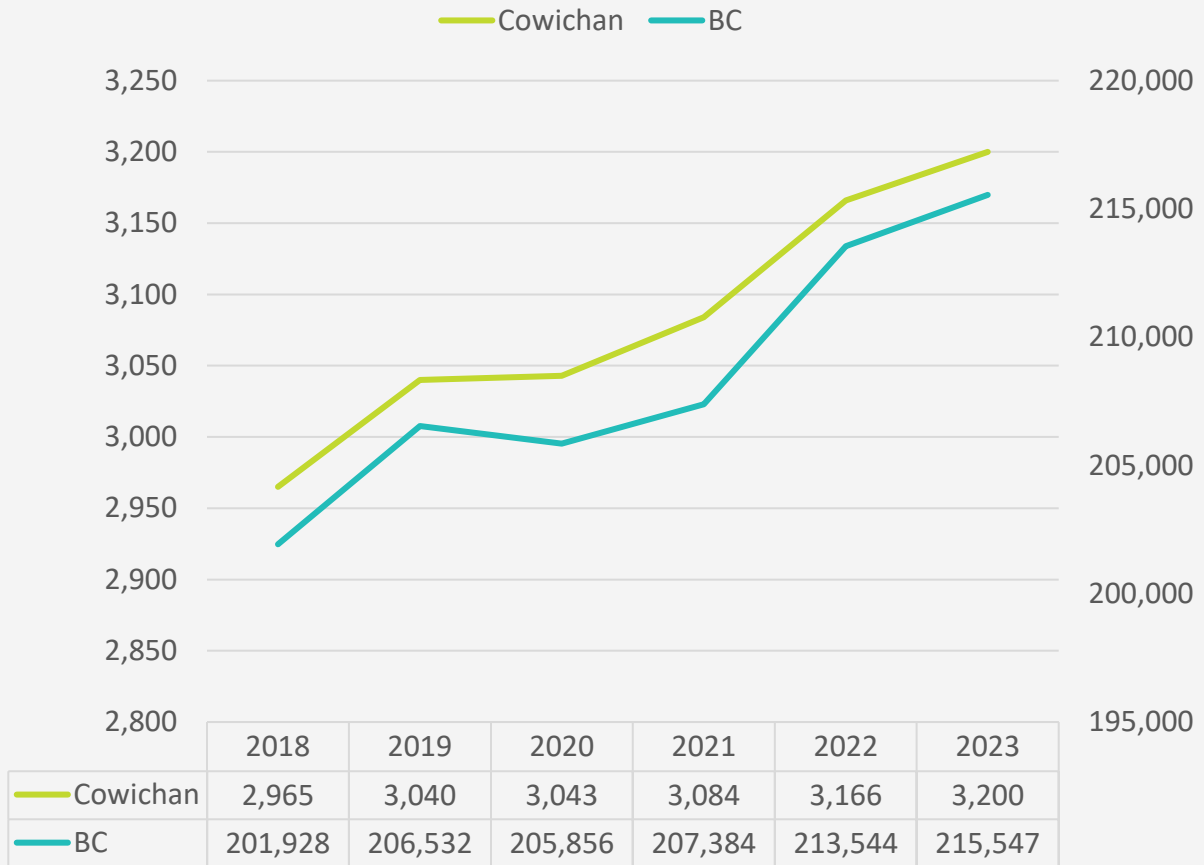
Rental Vacancy Rate ([Canada Mortgage and Housing Corporation](#))



For the first time in several years, the rental vacancy rate in the Duncan Census Agglomeration has increased, and is now higher than the rate for the province. However, the rate is still below the 3% vacancy rate of a balanced market. The vacancy rate for Ladysmith was reported for the first time, for 2023, and is almost zero.

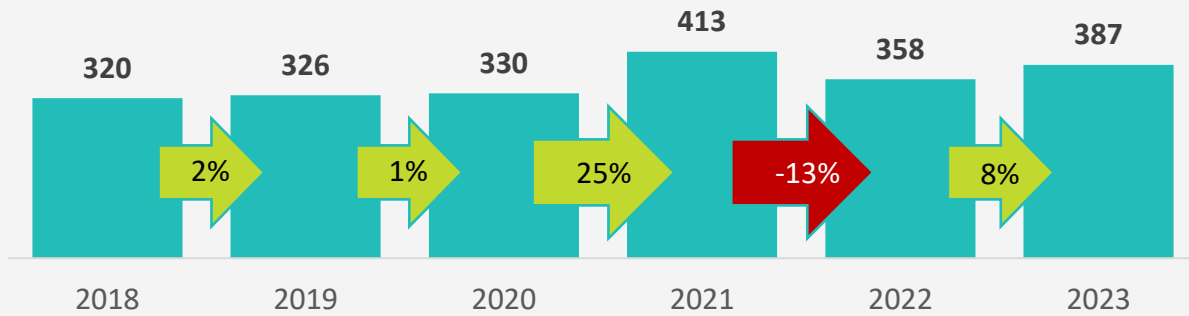
Business

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



Growth in the number of businesses with employees in Cowichan has been steady over the last number of years, with overall percentage growth slightly higher than BC overall. It is also worth noting that the number of businesses in Cowichan continued to grow in 2020 and 2021, despite challenges presented by the pandemic.

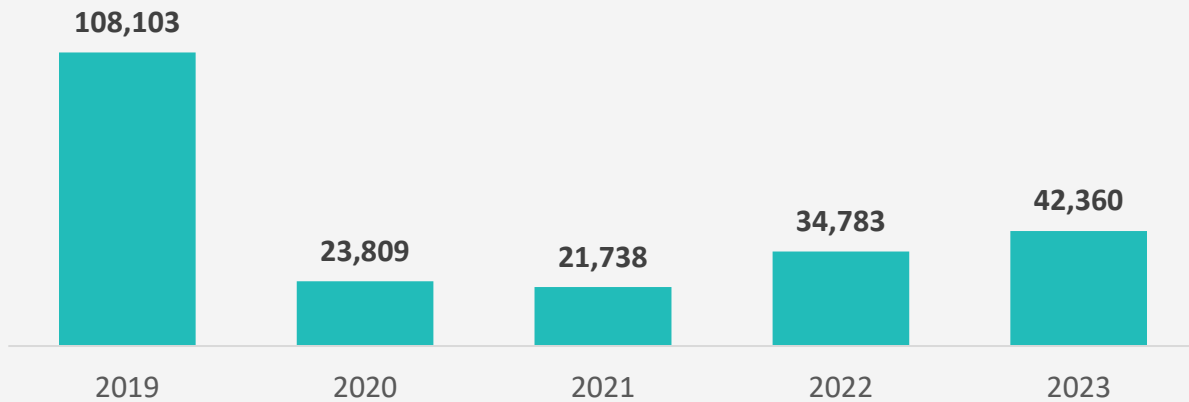
Number of New Business Incorporations ([BC Stats](#))



Cowichan saw a decrease in the number of new business incorporations in 2022, on par with the province as a whole. Incorporations bounced back in 2023.

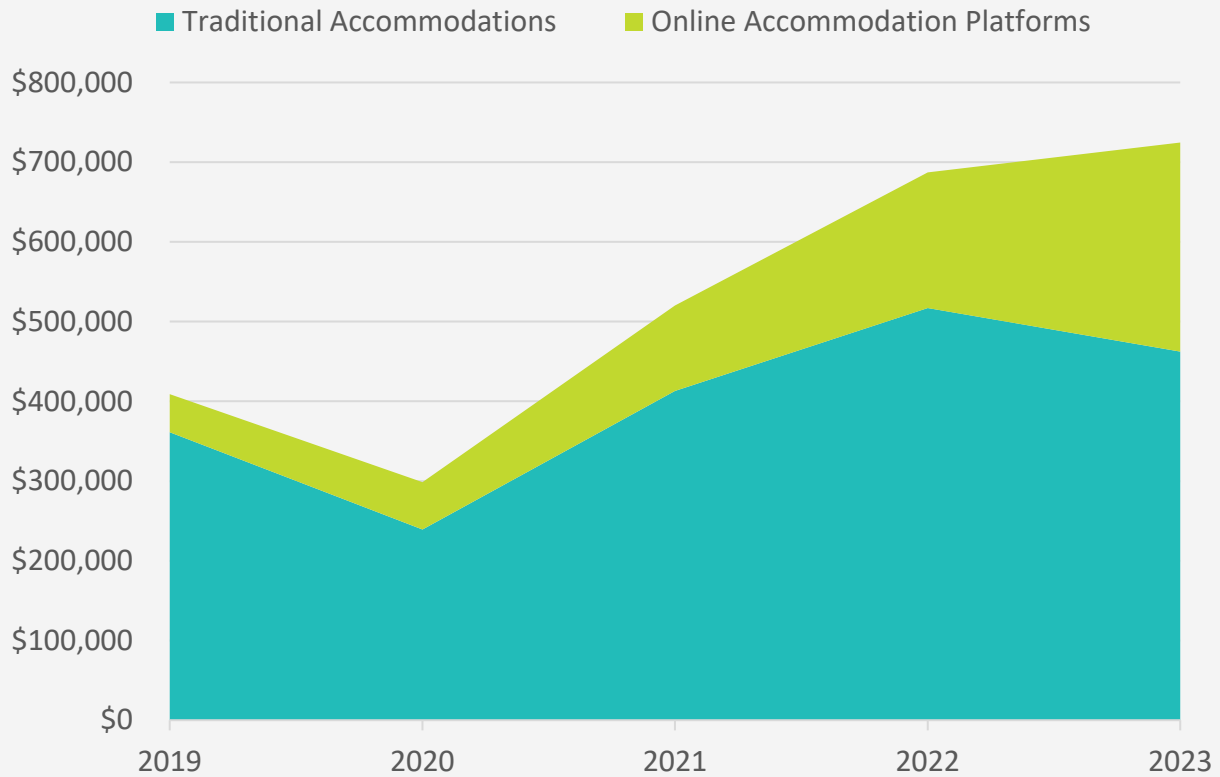
Tourism

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



Tourist Information Centre visitation was hard hit by the pandemic and has not returned to 2019 levels. A number of factors may be at play: decreased international visitation since 2020, a move to more digital forms of trip planning, changes to operations at some of the region’s visitor centres, etc.

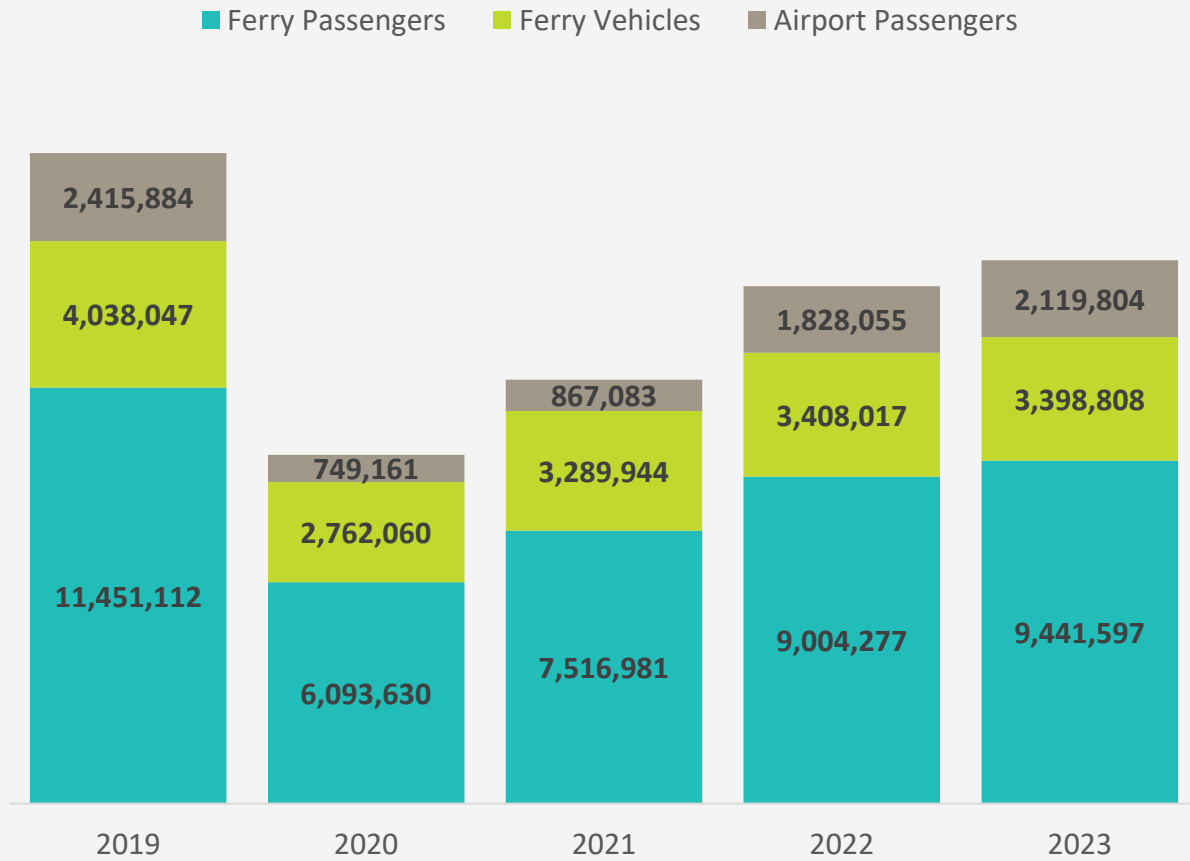
Municipal & Regional District Tax Payouts (Cowichan Valley Regional District)



The amount of Municipal & Regional District Tax (MRDT) collected has increased significantly since 2020. In 2023, this increase was driven by Online Accommodation Platforms, such as Airbnb, VRBO, etc. It will be important to continue tracking this metric as the BC Government rolls out the new [Short-Term Rental Accommodations Act](#).

Transportation

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



Airport and ferry traffic were hard hit by pandemic travel restrictions. Despite significant recovery, both modes of transportation remain slightly below pre-pandemic levels.

Appendix A

Provincial Job Vacancy Rates by Industry ([Statistics Canada](#))

