

DATE OF MEETING February 24, 2020

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SUBJECT STATE OF THE NANAIMO ECONOMY

OVERVIEW

Purpose of Report:

To provide Council with the State of the Nanaimo Economy annual report.

BACKGROUND

One of the core services provided by the Economic Development Section is timely and relevant information on the state of the local economy. The various research publications and custom data produced by the Economic Development Section help new investors and existing businesses make informed investment decisions.

The State of the Nanaimo Economy is a new annual publication (Attachment A) that provides data, analysis, and insight into Nanaimo's economic and business conditions. It also looks at a number of macro economic indicators, such as demographic, business, development activity, housing, real estate, labour market, income, and tourism. The report draws comparisons to the previous year, five to ten years back, and five to ten years forward to highlight trends in Nanaimo's economic and business conditions.

DISCUSSION

The key messages contained in the 2020 version of State of the Nanaimo Economy include the following:

- The City of Nanaimo continues to be a popular destination for new businesses and residents.
- At nearly 100,000 residents, over the last decade Nanaimo's growth rate has been outpacing the regional district, Vancouver Island, BC, and Canada.
- On average, over 3,000 new residents move into the Regional District of Nanaimo each year.
- In 2019, 6,233 businesses were licensed in the City of Nanaimo, representing growth of 9% over the last decade.
- 2019 was an all-time record-breaking year for building permit activity at \$445.3 million, nearly double our historical best of \$253 million in 2007 – 106% growth over 2018.
- Growth occurred across all building permit categories. Non-residential building permit values nearly quadrupled in 2019 compared to 2018.
- Notably, between 2018 and 2019, there were 34 projects with a minimum value of \$2M or more.

- The past year has seen an impressive array of mixed-use projects, including multi-family dwellings, medical offices, apartments, condominiums, affordable housing, and hotel developments.
- Some of Nanaimo's key competitive advantages are excellent transportation, education, and telecommunication infrastructure; we saw further investments in all three in 2019.
- Nanaimo Airport completed a \$14.2M terminal expansion, Nanaimo Port Authority started a \$100M expansion and upgrade at Duke Point facility, Vancouver Island University had \$7.6M worth of upgrades underway in 2019, and Telus was in the midst of completing a \$65M fibre-to-the-premise project.
- Signs of a cooling new housing market in Vancouver and Victoria was not the case for Nanaimo. Despite this, an average new single family home costs one-third the price of Vancouver and three-quarters the price of Victoria.
- Every year, BC Business Magazine ranks the "best cities for work in BC", comparing 46 communities across the province on ten economic indicators. The city of Nanaimo ranked as the number one city on Vancouver Island, and the 8th best city in the province for work in 2020. |

SUMMARY POINTS

- One of the core services provided by the Economic Development department is timely and relevant information on the state of the local economy.
- The State of the Nanaimo Economy is a new annual publication that provides data, analysis and insight into Nanaimo's economic and business conditions.
- The report draws comparisons to the previous year, five to ten years back, and five to ten years forward to highlight trends in Nanaimo's economic and business conditions.

ATTACHMENTS

ATTACHMENT A: State of the Nanaimo Economy |

Submitted by:

Bill Corsan
Director, Community Development |

Concurrence by:

Dale Lindsay
General Manager, Development Services |