



2025 STATE OF THE ECONOMY REPORT





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EXECUTIVE SUMMARY

Demographics:

- The City of Nanaimo's population is estimated at 110,591 in 2024 and is projected to grow to 120,162 by 2029 (1.7% annual growth). The RDN is projected to grow from 187,541 in 2024, to 202,573 by 2029 (1.6% annual growth).
- Nanaimo's population is aging with the 65+ rising from 24% in 2024 to 25% by 2029. The 25-44 age group will grow by +3,403, driving demand for housing, childcare, and employment opportunities.
- The visible minority population grew from 11.8% in 2019 to 14.4% in 2024 and is expected to reach 15.2% by 2029. Indigenous residents make up 8.2% of Nanaimo's population, with a notably younger average age (32.8 years) compared to non-Indigenous residents (45 years).
- Household growth will continue, with 49,618 households projected by 2029, reflecting an 8.03% increase. Average household size will decrease from 2.3 to 2.2 by 2029.
- Census families projected to grow by 7.8% over the next five years. Married couples will continue to be the most prevalent family type. Lone parent families, particularly those led by women are also on the rise.

Housing and Development:

- Nanaimo's housing stock is shifting, with single-detached homes declining from 62.1% in 2019 to 59% by 2029.
- Apartments are expected to rise to 38% by 2029, supporting urban densification.
- Rental demand is growing, with a 23% increase in rented households projected between 2019–2029.
- Building permit values fell sharply in 2024, dropping 44% from 2023, primarily due to a slowdown in residential construction.

Labour Force:

- Nanaimo's labour force contracted to 67,700 in 2024, a decline of 1% from 2023.
- The unemployment rate remains stable at 4.7%, below B.C.'s 5.5%.
- Nanaimo's workforce leans heavily on sales and service (27.8%), trades (17.1%), and healthcare (16%), with fewer jobs in professional services, STEM, and finance compared to B.C. overall.
- Nanaimo's labour force replacement ratio is 0.70 for 2024, retirements are outpacing new workforce entrants, raising concerns about potential future labour shortages.





EXECUTIVE SUMMARY

Business Environment:

- Nanaimo had 6,991 licensed businesses in 2024, growing by 8.3% from 2023, largely due to new regulations requiring short-term rentals to be licensed.
- Most businesses are small, with 86% employing 1–19 workers.
- Business bankruptcies rose significantly in 2023 and remained high in 2024, reflecting ongoing financial strain post Covid-19.

Income and Spending:

- Nanaimo's median household income rose by 24.7% over the past five years to \$87,987 in 2024 and is projected to reach \$102,999 by 2029.
- The share of high-income households (earning \$100K+) increased from 32.9% in 2019 to 51.6% in 2024.
- Nanaimo's consumer spending surpassed national averages in housing (7% above) and household furnishings (5% above).
- Living wage in Nanaimo for 2024 was \$23.79/hour, the lowest on Vancouver Island due to relatively more affordable housing.

Tourism and Real Estate:

- Nanaimo's hotel occupancy rose to 62.8% in 2024, while short-term rentals saw strong gains, with RevPAR rising by 9.7%.
- Real estate prices stabilized: the average single-family home was \$839,694 in 2024, with condos increasing slightly (0.27%) and townhouses declining (1.27%).
- Nanaimo remains the most affordable housing market compared to Victoria and Vancouver.

Key Challenges and Opportunities:

- **Affordability Pressures:** Rising income inequality could push out lower-income residents, affecting workforce diversity and service-sector employment.
- **Economic Diversification:** Nanaimo's economy relies heavily on healthcare, retail, and trades. Growing STEM, finance, and high-wage sectors will be key for long-term resilience.
- **Housing Needs:** Smaller household sizes and an aging population highlight the need for affordable, diverse housing options, including rentals and condos.
- **Talent Retention & Attraction:** Strategies to attract young professionals and retain skilled workers will be crucial, supported by affordable housing, childcare, and targeted training programs.





EXECUTIVE SUMMARY

Economic Outlook:

- British Columbia's economy experienced modest growth in 2024, with real GDP increasing by 1%, slightly below the national average. This slower pace was influenced by the completion of major infrastructure projects and reduced private sector investments.
- Economic growth is projected to rise to 1.8% in 2025 and 2026 as population growth stabilizes and the labour market remains strong.
- The housing market began recovering in late 2024 due to lower interest rates, which is expected to benefit related sectors such as finance, insurance, and real estate in 2025.
- On Vancouver Island, key sectors like technology, tourism, and the blue economy show promise for 2025, supported by a focus on sustainable industries and innovation. Persistent challenges in many regions include high housing costs and affordability issues, which continue to impact both workforce and investor confidence.
- External risks remain, particularly the potential for increased U.S. tariffs on Canadian imports, which could cost B.C. \$69 billion in economic activity between 2025 and 2028, affecting real GDP and jobs in export-reliant industries.
- B.C.'s economic success will hinge on its ability to diversify markets, address housing affordability, and navigate evolving trade policies.
- Persistent challenges include high housing costs and affordability issues, which continue to impact both the local workforce and investor confidence.

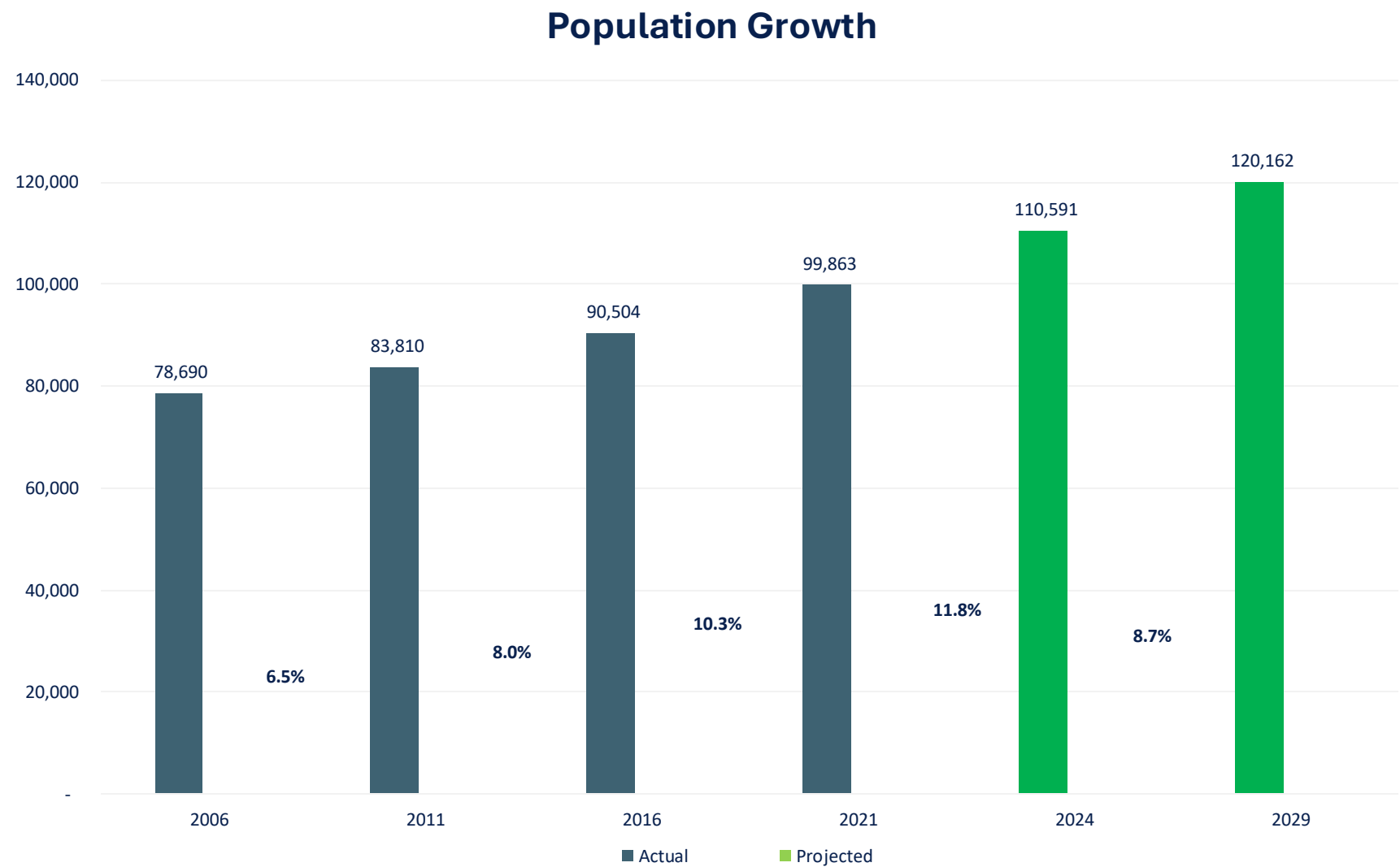


DEMOGRAPHICS





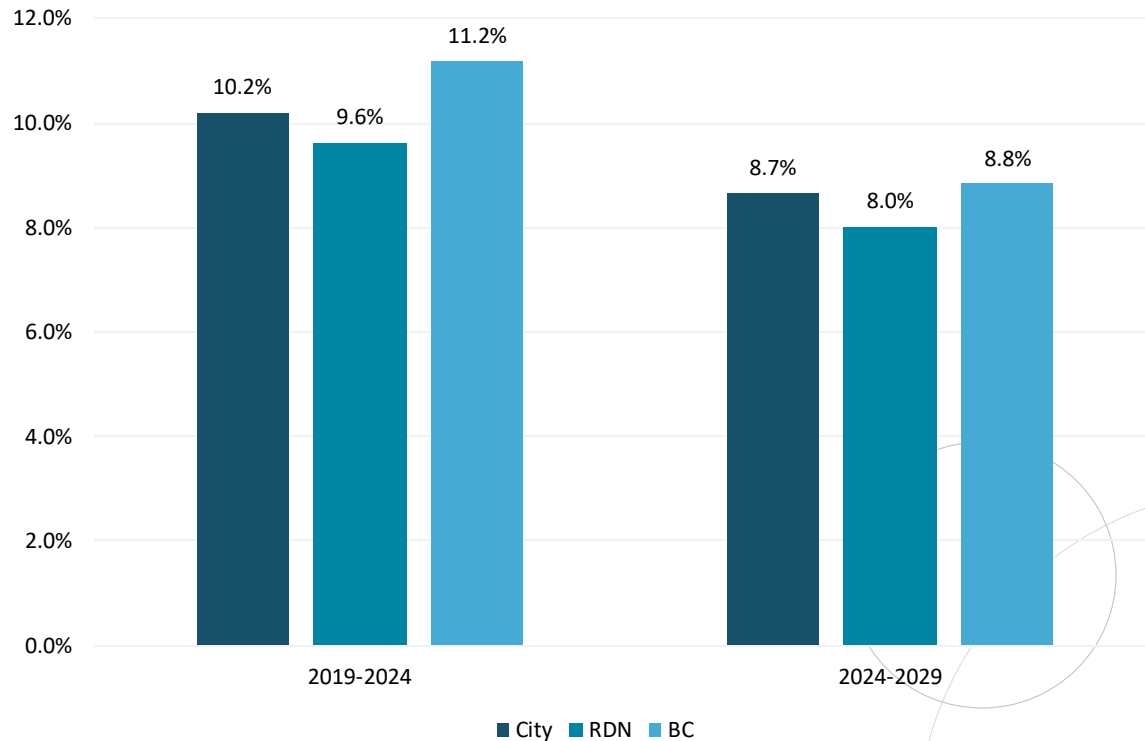
POPULATION – CITY OF NANAIMO





POPULATION GROWTH RATE COMPARISONS

Population Growth Rates 2019-2029



Population Growth Rate Slowing Down

- Nanaimo experienced a notable population growth rate of 10.3% during the last Census, exceeding the growth rates of British Columbia (7.6%) and Canada (5.2%). Population projections indicate growth will continue in the region albeit at a slower pace.
- For 2024, the City of Nanaimo's population is estimated at 110,591. Over the next five years, the population is expected to grow by 9,571 to 120,162, reflecting an average annual growth rate of 1.7%. **Over the next five years the City of Nanaimo will grow by 8.7%, compared to 10.2% in the previous five years.**
- The Regional District of Nanaimo (RDN) is forecasted to have a population of 187,541 in 2024. By 2029, this is expected to rise by 15,032 to 202,573, representing an average annual growth rate of 1.6%. Similarly, the Vancouver Island region is projected to grow at an annual rate of 1.6%, while British Columbia is expected to see slightly faster growth at 1.8% per year during the same period.

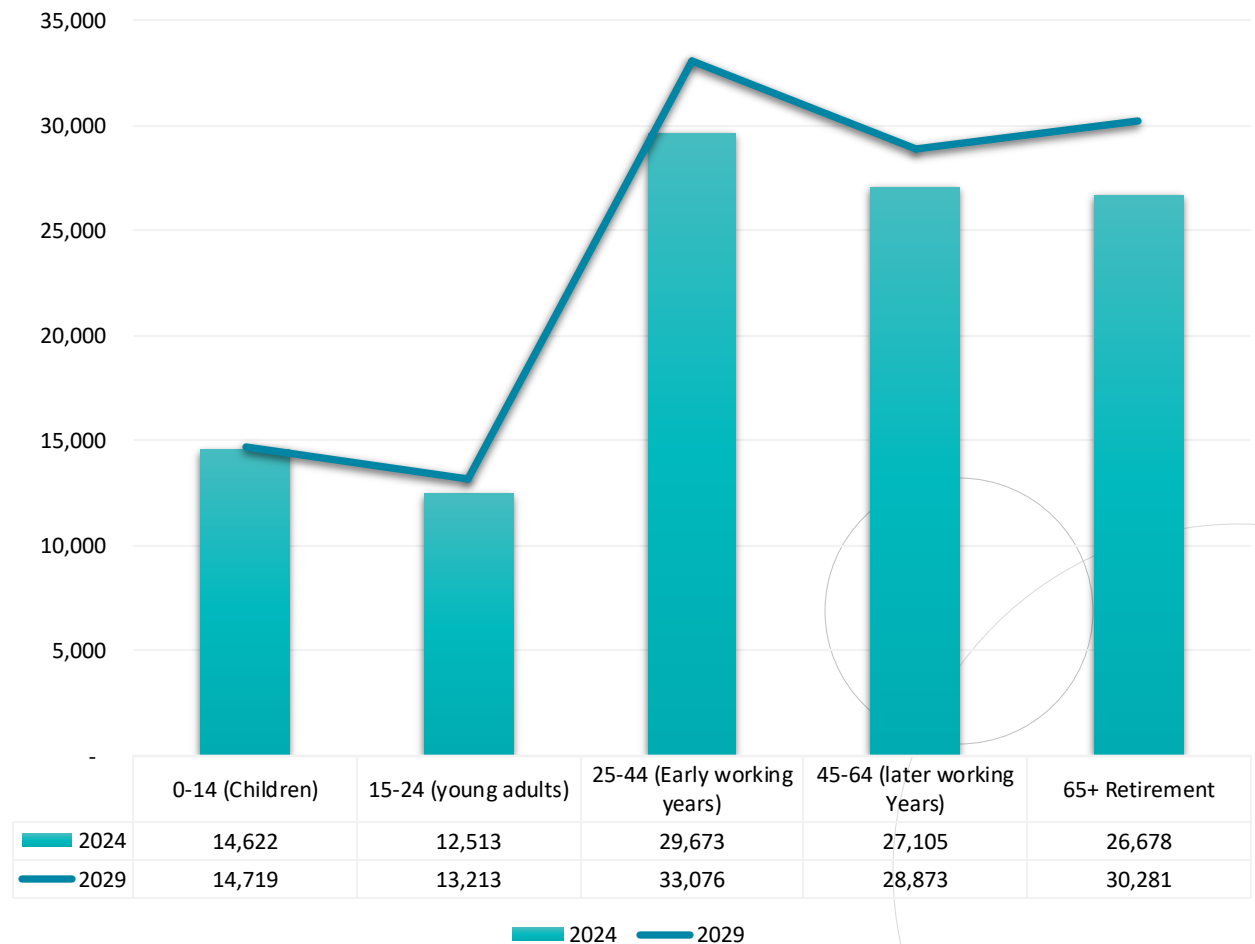
Younger & higher concentration of Indigenous people

- The 2021 Census revealed Nanaimo was home to 7,910 Indigenous people, accounting for 8.2% of the city's total population. This proportion was higher than the provincial average of 5.9% and the national average of 5.0%. The average age of the Indigenous population in Nanaimo was 32.8 years, significantly younger than the non-Indigenous population's average age of 45 years.



AGE DISTRIBUTION 2024-2029

Population by Age Breakdown
City of Nanaimo



Implications by Age Group:

0–14 Age Group (Children) Change: +97 13% to 12%

- Stable demand for childcare, education, and youth programs.
- Schooling infrastructure can remain steady without significant expansion.

15–24 Age Group (Young Adults) Change: +700 11% to 11%

- Increased demand for education, training, and entry-level jobs.
- Opportunities to expand youth employment and skills programs.

25–44 Age Group (Early Working Years) Change: +3,403 27% to 28%

- Inflow of young professionals boosts economic productivity and spending.
- Drives demand for housing, childcare, and career opportunities.
- Need for affordable housing and professional infrastructure.

45–64 Age Group (Later Working Years) Change: +1,768 25% to 24%

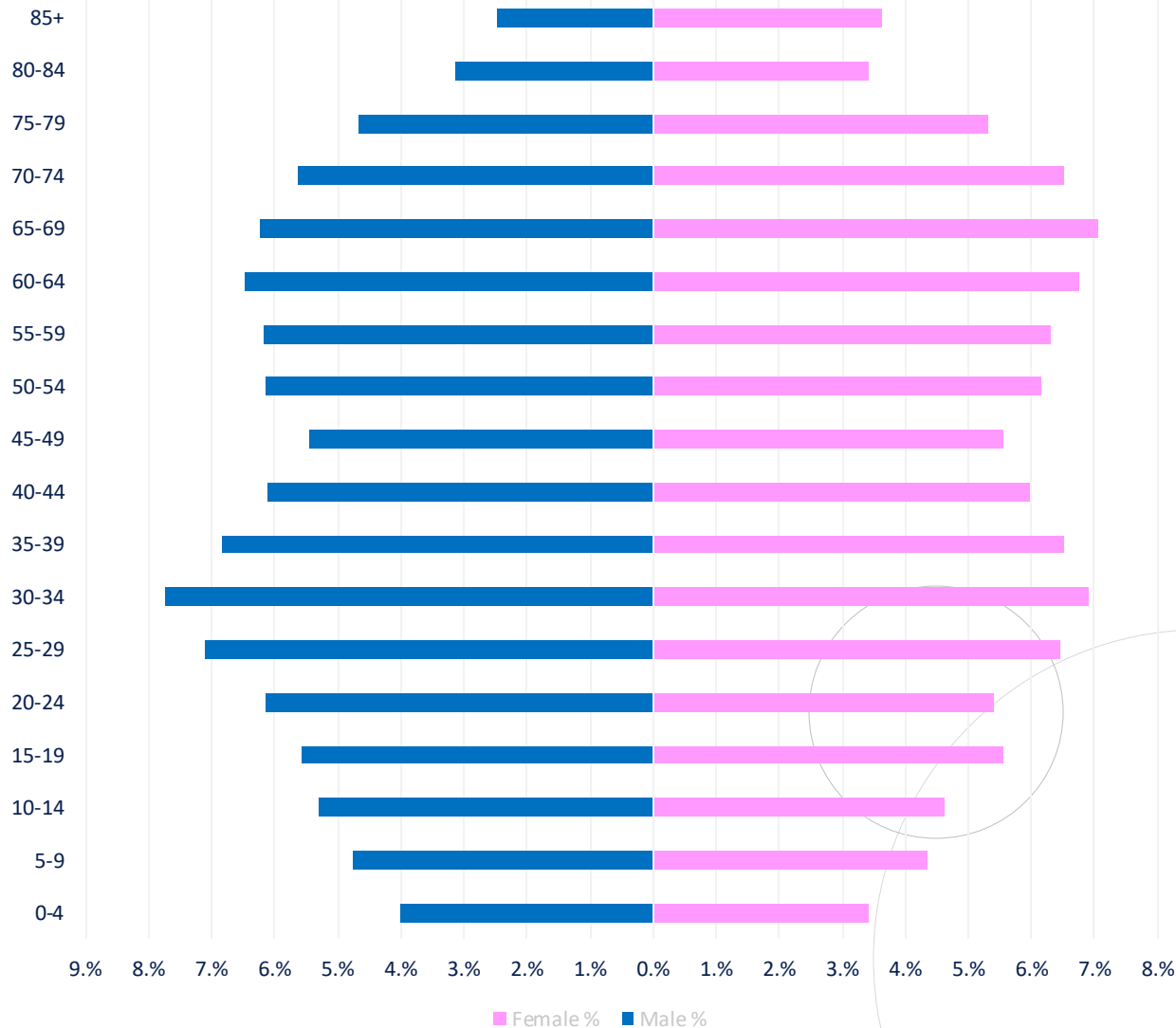
- Experienced professionals nearing retirement increase demand for healthcare and financial planning.
- Opportunities for mentoring programs and knowledge transfer initiatives.

65+ Age Group (Retirement) Change: +3,603 24% to 25%

- Rising senior population drives demand for healthcare, senior housing, and age-friendly infrastructure.
- Workforce shortages necessitate succession planning and automation.



POPULATION GENDER BALANCE 2024



45.7
Median Female



42.0
Median Male

- The population pyramid shows a **relatively balanced gender distribution in younger and working-age groups**, with a shift toward female dominance in senior years.
- The **largest segments of the population fall within the early and later working years (25–64)**. Male and female percentages are fairly balanced across most working-age groups, with a slight female majority in the 60+ age range. **These groups play a key role in driving economic productivity, consumer spending, and demand for housing and essential services such as childcare, transportation, and healthcare.**
- In the 65+ age group, the female population is larger and continues to grow more prominently than their male counterparts, reflecting longer female life expectancy.
- **The median age for females is 3.7 years higher than males.**



ETHNIC DIVERSITY



110,591
Population



0.7%
Neither English nor
French



2.3
Avg. People
Household

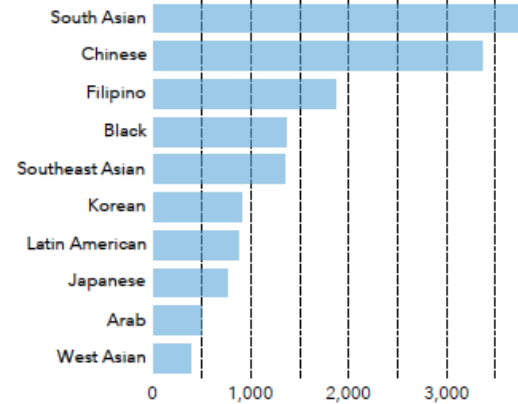


8,447
7.9%
Indigenous Identity

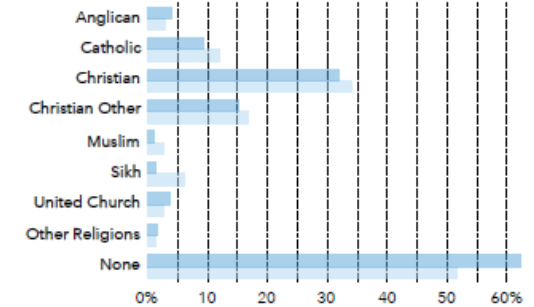


15,907
14.8%
Visible Minority

Visible Minority Representation

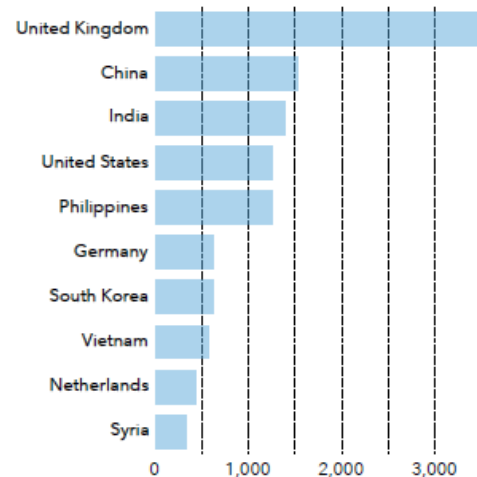


Religion

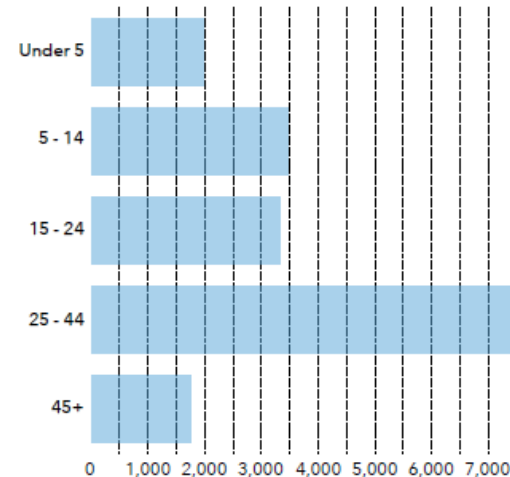


Bars show comparison to British Columbia / Colc

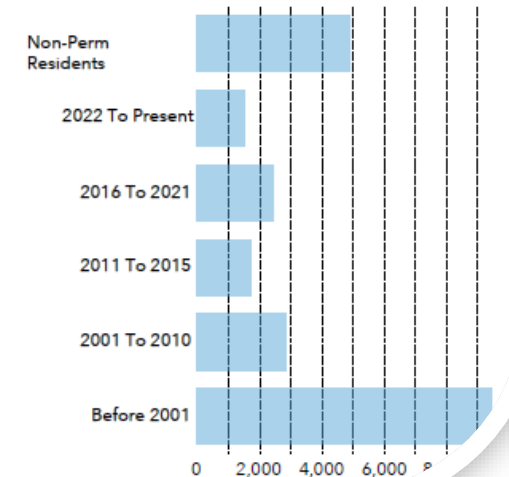
Place of Birth (Top 10)



Age at Immigration



Period of Immigration





ETHNIC DIVERSITY

Ethnic Diversity in Nanaimo: Trends and Projections

- **Growing Diversity:** Nanaimo's visible minority population has increased from 11,829 in 2019 (11.8% of the total population) to 15,907 in 2024 (14.4%). By 2029, this figure is projected to reach 18,292 (15.2%).
- **Largest Visible Minority Groups:** The five largest visible minority communities in Nanaimo are South Asian, Chinese, Filipino, Black, and Southeast Asian.
- **Rapid Growth in South Asian and Filipino Communities:** Over the past five years, the South Asian and Filipino populations have seen the most significant growth. The South Asian population is expected to reach 4,509 by 2029, making up 24.65% of the city's visible minority population.
- **Religious Affiliation:** In Nanaimo, 62% of residents report having no religious affiliation, compared to 52% in British Columbia and 35% across Canada. The three most common religions in the area are Christian, Other Christian, and Catholic.
- **Indigenous Population:** In 2024, 8,447 residents of Nanaimo identified as Indigenous.
- **Immigrant Population:** The largest share of Nanaimo's immigrant population originates from the United Kingdom, followed by China and India.
- **Increasing Immigration:** The proportion of immigrants in Nanaimo's population has grown from 15.97% in 2019 to 16.63% in 2024. By 2029, it is expected to reach 17.45%.
- **Rising Number of Non-Permanent Residents:** The number of non-permanent residents in Nanaimo has more than doubled, increasing from 2,260 in 2019 to 4,909 in 2024. This figure is projected to grow further, reaching 6,059 by 2029.
- **Implications:** The increasing cultural diversity underscores the need for expanded multicultural services, language support programs, and inclusive community-building initiatives.
- Additionally, the rising number of immigrants and non-permanent residents highlights the importance of strengthening immigrant settlement services, enhancing employment opportunities, and fostering cultural integration.

TOTAL HOUSEHOLDS



45,930

Total Households



2.3

Household size



110,591

Total Population



43.8

Median Age

More homes, Fewer residents per household

- The City of Nanaimo had 45,930 households in 2024. The number of households in Nanaimo are projected to grow by 8% (an additional 3,688 households) over the next five years, reaching 49,618 by 2029. This **growth rate of 8.03% for the next five years is slightly higher than the 7.28% growth observed in the previous five years.**
- Nanaimo's annual household growth rate from 2024 to 2029 is 1.56%, slightly below British Columbia's rate of 1.65% but higher than the Regional District of Nanaimo's (RDN) rate of 1.42%.
- Additionally, **the average household size is expected to decrease from 2.3 people in 2024 to 2.2 people by 2029, reflecting smaller household compositions.**

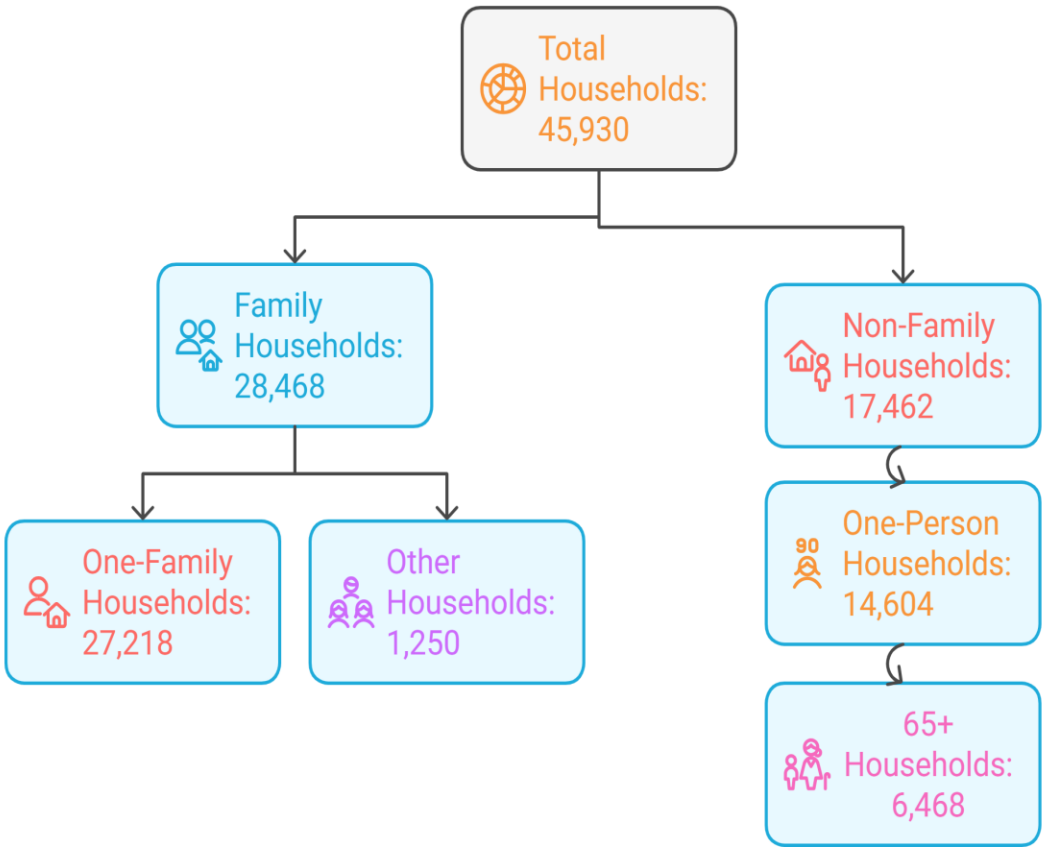
Aging Population

- Nanaimo's median age decreased from 44.3 in 2019 to 43.8 in 2024, suggesting an influx of younger residents. However, this trend is expected to reverse, with the median age rising to 44.4 by 2029, indicating **a gradual aging of the population after 2024.**
- The median age in the Regional District of Nanaimo is projected to be 50.4 in 2024, compared to 41.3 across British Columbia. Consistent with historical trends, **the City of Nanaimo has a younger population than both the Regional District of Nanaimo and the Vancouver Island region as a whole but remains slightly older than the provincial average.**



HOUSEHOLDS BY HOUSEHOLD TYPE 2024-2029

Households by Family Type



Family Households Predominate

- **One-family households will remain the dominant household type**, accounting for 59.29% of all households by 2029. Multigenerational and multi-family living arrangements are expected to remain rare. However, by 2029, there will be a **slight increase in the share of one-family households with additional occupants**, emphasizing a growing need for housing that supports shared living arrangements.

Non-Family Households

- **Non-family households will comprise 38.04% of all households by 2029**, reflecting a significant number of single-person households. Among these, seniors aged 65+ living alone represent 14.26% of households, underscoring the importance of targeted support for older residents.

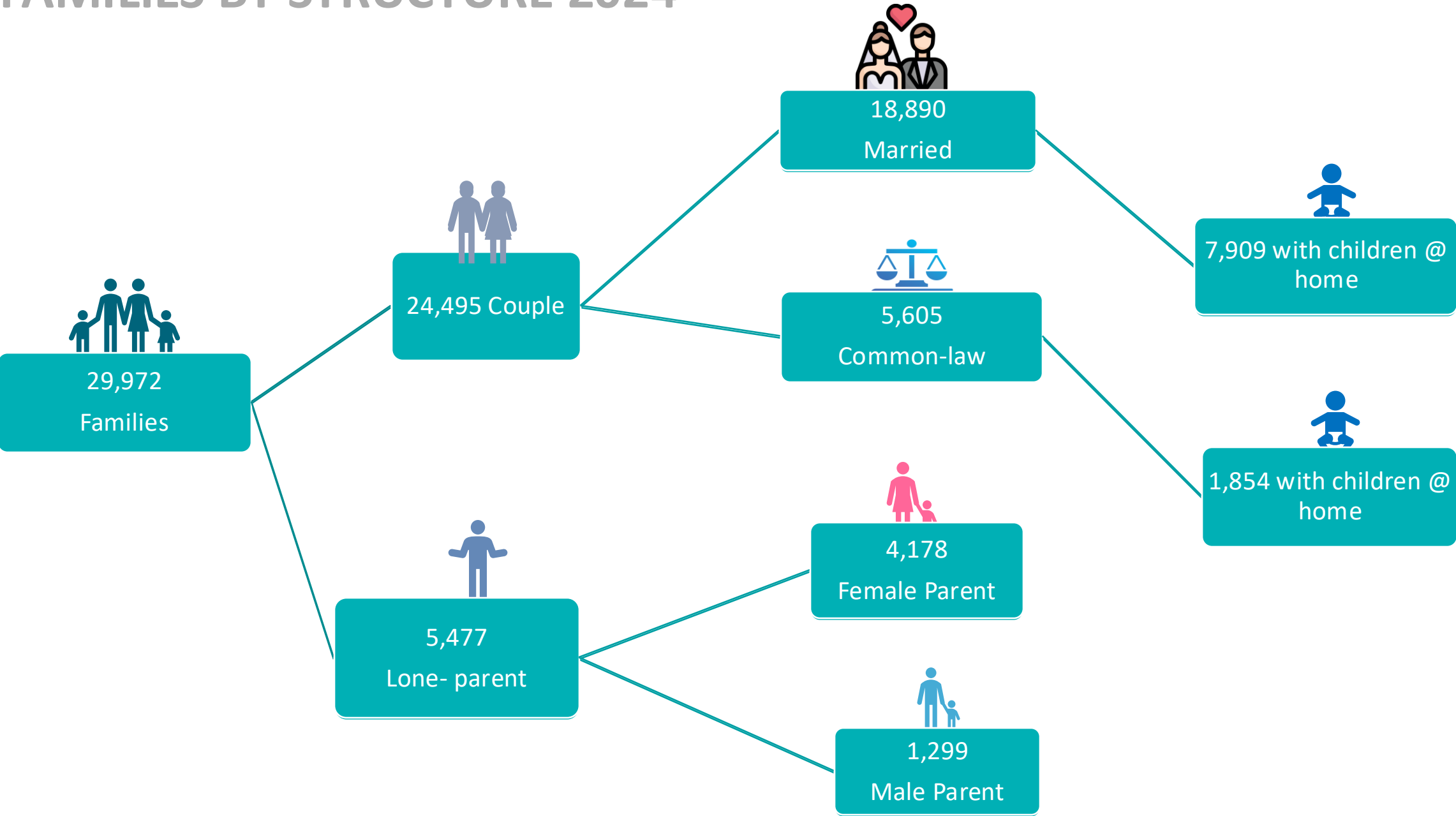
Single-Person Households

- **Single-person households** are projected to account for 31.8% of all households in 2024, **rising slightly to 32.07% by 2029**. This trend reinforces the need for accessible and affordable housing options for individuals.

Aging Households

- **The proportion of seniors aged 65+ living alone is expected to grow from 12.73% of households in 2019 to 14.26% in 2029**. This trend highlights the increasing demand for senior-friendly housing, healthcare, and community services to support aging residents.

FAMILIES BY STRUCTURE 2024





FAMILIES BY STRUCTURE 2024-2029

Census families to see continued growth

- A **Census family** is defined as either a married or common-law couple with or without children, or a one-parent family with at least one child living in the same dwelling. In 2024, the City of Nanaimo has 29,972 Census families.
- Census families are **projected to grow by 7.8% over the next five years**, slightly higher than the 7% growth seen in the previous five years.

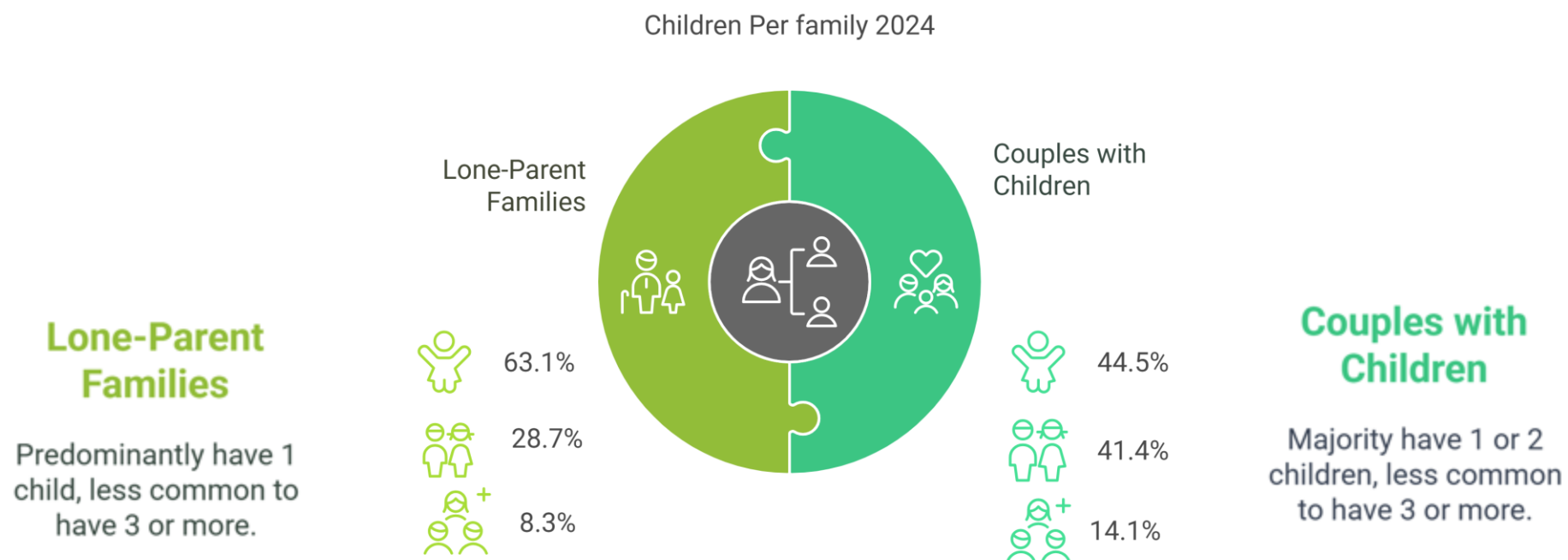
Family Types

- **Couples Dominate:**
Couples will make up a significant share of families (81.42% in 2029), with nearly half (49.15%) having no children living at home. Married couples will continue to be the most prevalent family type.
- **Common-Law Couples present stable outlook**
Common-law couples represent nearly 19% of Census families in 2024, a proportion expected to remain stable over the next five years.
- **Growth in Lone-Parent Families:**
Lone-parent families, particularly those led by women, are on the rise. The number of lone-parent families is expected to grow from 5,477 in 2024 to 6,005 in 2029. This trend underscores the need for expanded social and financial support programs tailored to lone-parent households.





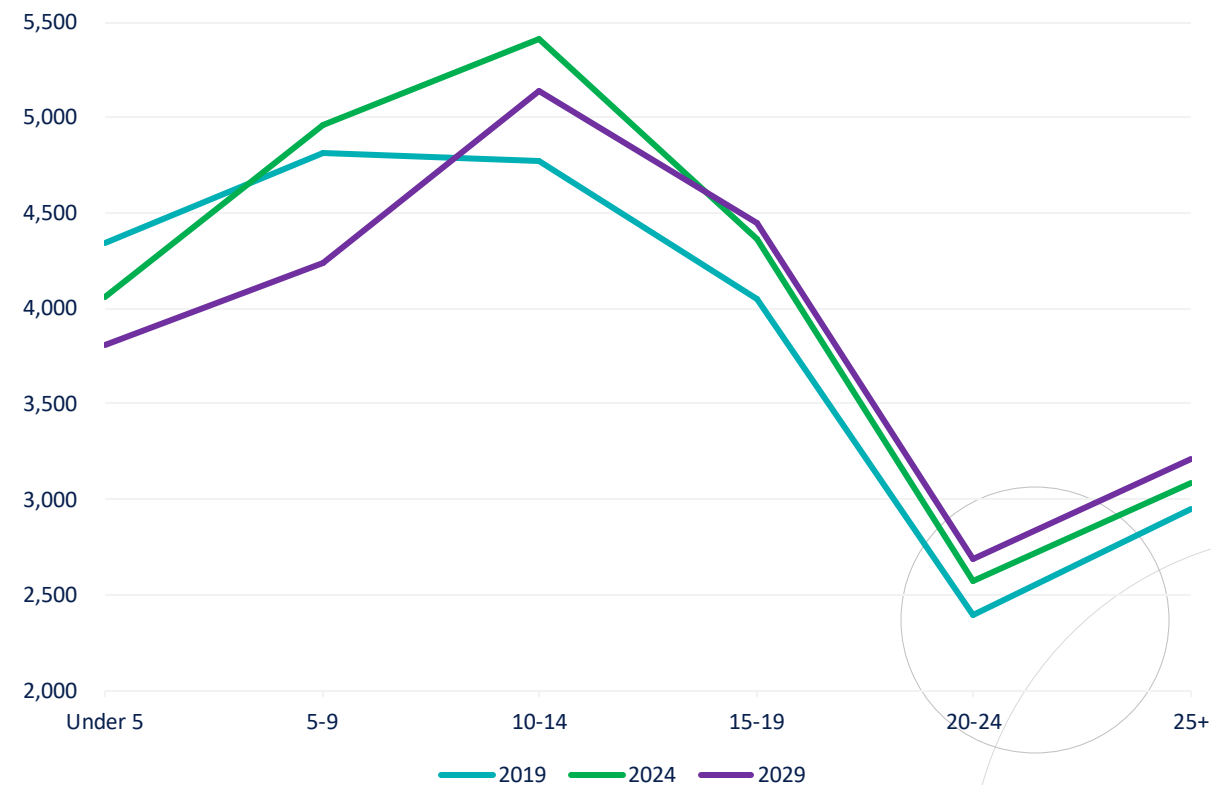
CHILDREN BY FAMILY STRUCTURE 2024





CHILDREN AT HOME BY AGE 2019-2029

Children at home by Age



For Census purposes, a **child** is defined as **any unmarried individual, regardless of age, who lives with their parent(s) and has no children of their own in the same household.**

1. Decreasing Young Children :

The proportion of children under 10 declines from 37.27% in 2019 to 34.21% in 2029. This reduction reflects lower fertility rates and an aging population.

2. Growing Teen Population :

The share of children aged 15-24 grows, highlighting a rising cohort of young adults in transition to post-secondary education or the labor market. This presents opportunities to develop youth-focused educational, training, and employment initiatives.

3. Rising Older Dependents:

Children aged 20+ living at home are increasing, suggesting challenges in housing affordability, pointing towards the need for more training and higher education.

4. Average Children per Household:

With an average of 0.5 children per household, Nanaimo aligns with broader demographic trends of smaller family sizes. Policies encouraging family growth (e.g., affordable housing, childcare subsidies) may help offset this trend.



HOUSING STOCK 2024



Houses
60.0% (27,573)

Single-Detached House
50.6%

Semi-Detached House
5%

Row House
4.5%



Apt, Building Low/High Rise
37.1% (17,041)

Apt. Building, 5+ Stories
3.3%

Apt. Bldg, < 5 Stories
19.3%

Detached Duplex
14.6%



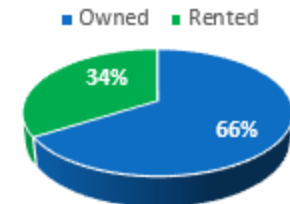
Other Dwelling Types
2.9% (1,316)

Other Single-Att, House
0.0%

Movable Dwelling
2.7%



45,930
Total Households



16.5%
Living in Condo



HOUSING TYPE TRENDS 2019-2029

Dwelling Structure: Shift from Houses to Apartments

- For many years, single-detached houses have been the dominant housing type in Nanaimo. However, this trend is gradually shifting. Projections indicate that **the proportion of single-detached homes will decline from 62.11% in 2019 to 58.97% by 2029**. At the same time, apartment buildings—including both low-rise and high-rise structures—are expected to see significant growth. **The share of households living in apartments is forecasted to rise from 35.32% in 2019 to 37.99% in 2029**, signaling a clear movement towards urban densification.

Housing Occupancy: Rental Growth

- The demand for rental properties is projected to rise substantially in the coming years. **Between 2019 and 2029, the total number of rented households is expected to grow by nearly 23%**, reflecting a shift in housing preferences. More individuals and families are opting for rental accommodations, reinforcing the increasing reliance on the rental market.

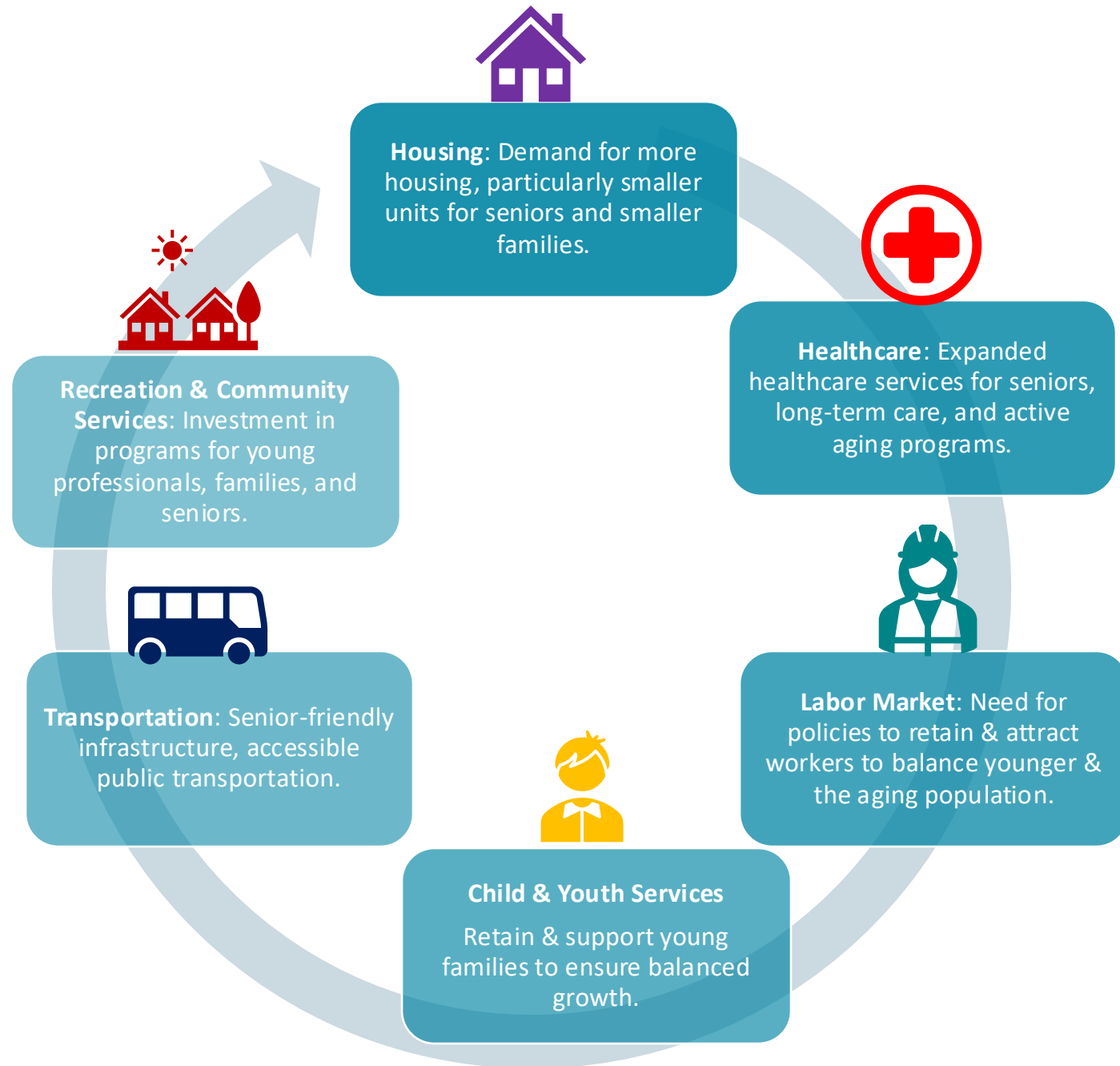
Condominium Market

- Condominiums** currently represent a smaller portion of Nanaimo's housing market, **accounting for 16.5% of all dwellings as of 2024**. **The majority of these units are owner-occupied, with 10.2% owned compared to 6.3% rented**. This suggests that condominiums serve a dual function, offering both affordable ownership opportunities and rental housing, making them appealing to a wide range of residents.

Housing Stock Age

- A large share of Nanaimo's housing stock is aging, with **37.5% of homes built before 1980**. Many of these older structures may require maintenance or redevelopment to meet modern living standards. Ensuring that these homes remain safe, functional, and aligned with current housing needs will be crucial for maintaining a sustainable housing market and addressing the needs of future residents.
- ❖ Nanaimo's housing market is undergoing a **significant transformation**, driven by a shift towards apartment living, a growing demand for rental properties, the expansion of the condominium sector, and an aging housing stock. These trends emphasize the importance of **strategic planning and development** to adapt to the evolving needs of residents and ensure a well-balanced housing market for the future.

POLICY, PLANNING & ECONOMIC IMPLICATIONS OF CHANGING DEMOGRAPHICS





HOUSING MARKET TRENDS

Nanaimo Housing Market Trends

Growing Senior Demographic

More senior-led households emphasize the need for age-friendly housing.

Urban Densification

Population growth and apartment living require strategic urban planning & higher-density housing



Rising Rental Demand

Increased demand for rentals creates development opportunities and affordability concerns.

Aging Housing Stock

Many homes are old (built before 1980), necessitating renovation and redevelopment projects.

- Nanaimo's **demographic landscape is evolving**, influencing housing demand and urban development. **Households led by seniors (65+)** are on the rise, with those aged **65-74 projected to reach 17.68% by 2029**.
- At the same time, **households led by individuals aged 35-44** are expected to grow from **14.91% in 2019 to 16.29% in 2029**, likely driven by **young families**.
- A notable trend is the **increase in one-person households**, rising from **31.13% to 32.20%** between 2019 and 2029. This shift, coupled with a declining **average household size (from 2.30 to 2.20)**, suggests a **growing preference for smaller housing units**, such as apartments and multifamily homes.



HOUSING MARKET TRENDS

Urban Housing Dynamics



Key Trends

Growth in households and diverse housing needs

Implications

Demand for affordable and inclusive policies

Strategies

Incentives for mixed-use and affordable housing

Housing and Urban Development

Key Trends:

- Growth of 3,688 households by 2029.
- Smaller household sizes indicate demand for diverse housing types (e.g., condos, accessible units).

Implications:

- Rising demand for affordable, accessible housing, particularly for seniors and singles.
- Continued need for policies to promote sustainable, inclusive urban development.

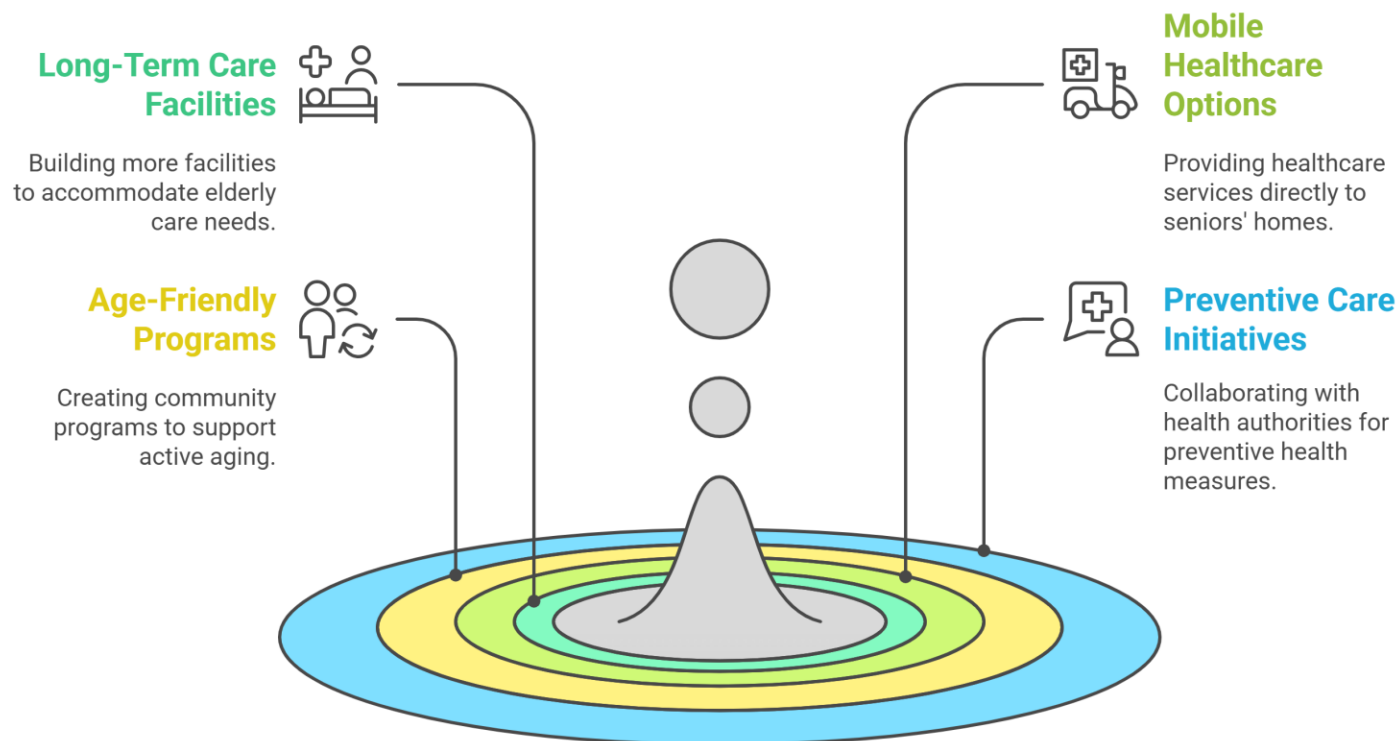
Strategies:

- Incentivize the development of mixed-use and senior-friendly housing.
- Prioritize affordable housing initiatives, including partnerships with non-profits and developers.



HEALTH & SOCIAL SERVICES

Addressing Aging Population Needs



Key Trends:

- Significant growth in the 70+ population.
- Rising need for long-term care and preventive health services.

Implications:

- Strain on existing healthcare systems and social services.
- Growing importance of programs promoting active aging.

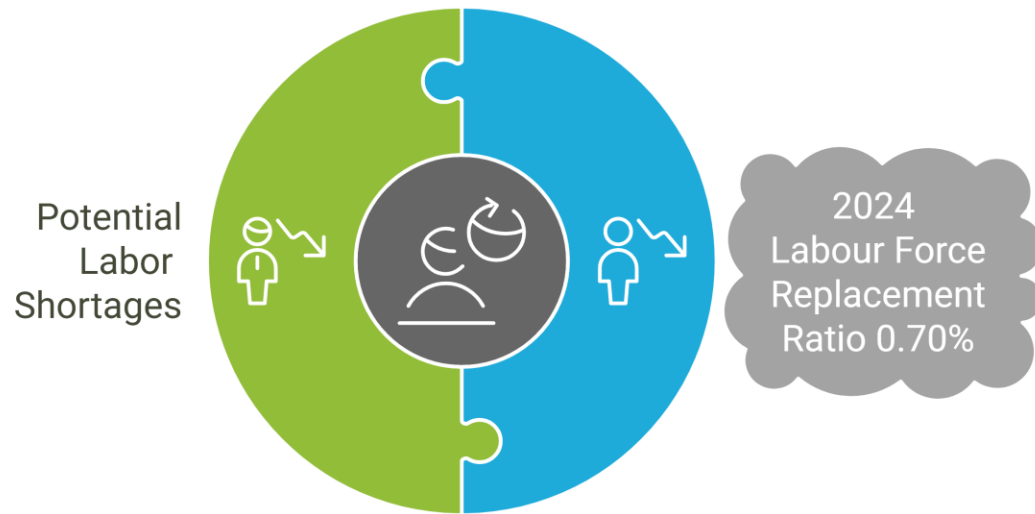
Strategies:

- Invest in long-term care facilities and mobile healthcare options.
- Develop age-friendly programs to support healthy, active seniors.
- Enhance partnerships with health authorities for preventive care initiatives.



LABOUR FORCE

City of Nanaimo's Labour Force



The working-age population (15–64) is growing in numbers but slightly shrinking as a share of the total, from 63.79% in 2024 to 63.18% in 2029. **Nanaimo's 2024 labor force replacement ratio is 0.70 per cent**, indicating retirements outpacing new workforce entrants, potentially risking labor shortages in key industries in the future. Growth in younger workers, particularly the 25–44 age group, presents an opportunity if supported by targeted training and retention efforts. Strategic policies can help balance workforce demographics, mitigate worker shortages, and strengthen the local economy.

Potential Solutions

- **Talent Attraction & Retention:** Expand affordable housing and childcare support to attract young professionals and families. Offer incentives (including in-kind) for skilled workers in high-demand sectors.
 - **Workforce Development & Training:** Align training programs with industry needs and strengthen partnerships between businesses and educational institutions.
 - **Succession Planning & Industry Resilience:** Encourage businesses to plan for retirements through mentorship and knowledge transfer programs.
- The Labor Force Replacement Ratio (LFRR) is calculated by taking the 0-14 years of age variable and dividing it by those 50-64 years of age. A score over 1.0 indicates a surplus of labor as the older population retires, while a score under 1.0 indicates a labor short fall.



TRANSPORTATION & ACCESSIBILITY



Trends

City of Nanaimo population will grow by 8.7% over the next five years.

Senior population aged 65+ to grow by 3,603 person to represent 25% of total population by 2029.

Growing demand for accessible public infrastructure.

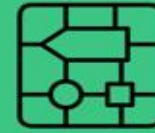


Implications

Sustained investment in transportation networks to meet increasing demand.

Increased reliance on public transit and accessibility features.

Importance of urban design to support aging populations.



Strategies

Expand accessible transportation options (e.g., low-floor buses, paratransit services).

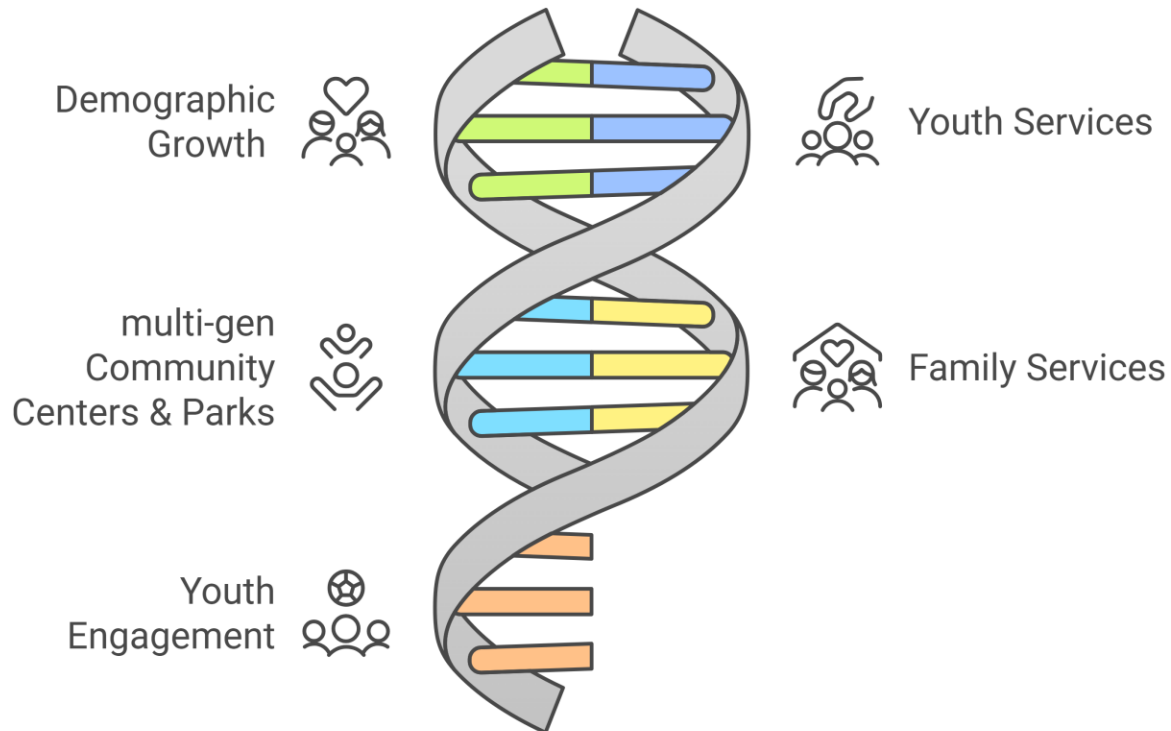
Redesign public spaces with senior-friendly elements (e.g., benches, safe crossings).

Integrate active transportation pathways to promote mobility.



RECREATION, YOUTH & FAMILY SUPPORT

Enhancing Recreation for Families and Youth Engagement



Key Trends:

- Growth in the 30–44 demographic, driving demand for family-friendly services.
- Consistent need for youth services despite a slight decline in youth share.

Implications:

- Opportunity to retain and attract families through targeted investments, leveraging existing growth.
- Importance of balancing recreational and educational services for youth and families.

Strategies:


















- Develop multi-generational community centers and parks.
- Subsidize childcare and family services to attract young families.
- Enhance youth engagement programs to promote retention and skill development.

BUSINESS





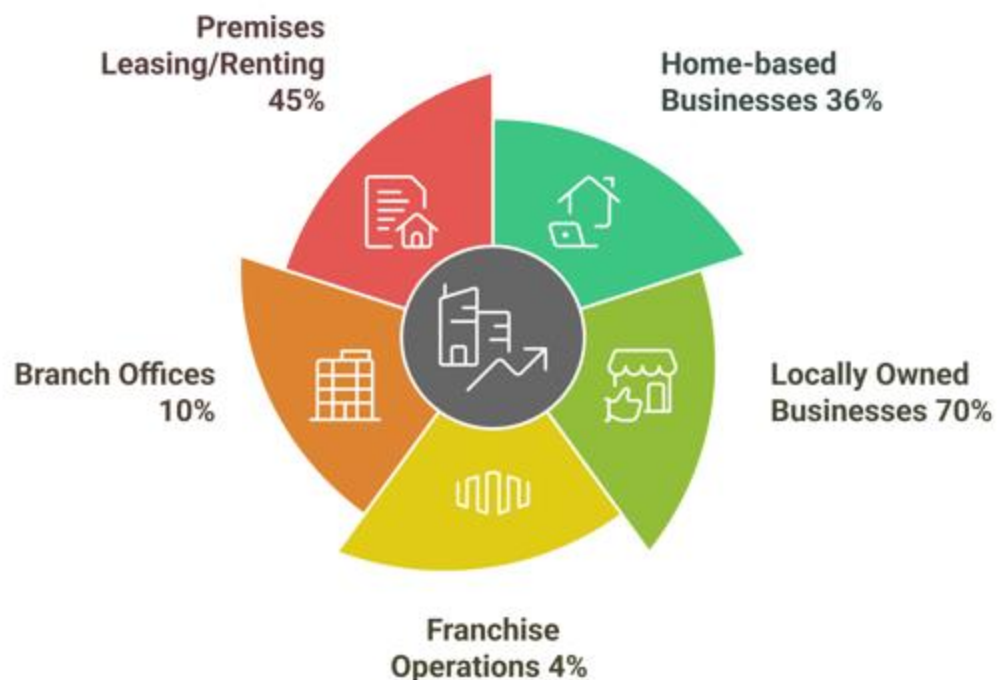
BUSINESS LICENSES BY INDUSTRY SECTOR 2024

	Construction	1,172		Manufacturing	168
	Healthcare & Soc	805		Transportation	168
	Accommod & Food	788		Wholesale Trade	126
	Retail	753		Finance & Insurance	114
	Professional Services	740		Education & Training	83
	Other Services	697		Info & Cultural Industries	47
	Admin, waste mgt	571		Agri Fishing Forestry Hunt	8
	Real Estate	530		Utilities	4
	Arts, Entert & Recreation	214		Management of Companies	3

- In 2024, the **City of Nanaimo** had **6,991 licensed businesses**, reflecting an increase of 534 from the previous year—a **growth of 8.3%**. This surge was primarily driven by **new legislation requiring short-term rentals to be licensed**.
- The construction sector held the most business licenses, followed by Healthcare & Social Assistance, Accommodation & Food Services, Retail and Professional Scientific Technical services.
- In comparison to 2023, the largest growth occurred in Accommodation & Food Services (+191), followed by Healthcare & Social Assistance (+117) and Real Estate & Leasing (+58). In contrast, declines were seen in Transportation (-7) and Finance & Insurance (-5).



BUSINESS COMPOSITION 2024



- ❖ Nanaimo benefits from strong local ownership and entrepreneurial activity.
- ❖ The economy could be strengthened by attracting more mid-to-large companies and supporting scalable business growth.
- ❖ Improving access to affordable commercial spaces could help businesses expand beyond home-based operations.

Strengths:

- **Strong Local Ownership (70%)** – A high percentage of locally owned and operated businesses fosters economic resilience, community investment, and keeps profits circulating within Nanaimo. This strengthens the local economy and creates a unique business culture.
- **High Home-Based Business Presence (36%)** – A significant share of businesses are home-based, indicating a thriving entrepreneurial spirit and lower barriers to entry for new businesses. This represents flexibility in the local economy.
- **Diverse Business Models (Franchises: 4%, Branch Offices: 10%)** – A mix of independent businesses, franchises, and corporate branches ensures some economic diversity. Franchises bring brand recognition and customer trust, while branch offices connect Nanaimo to larger business networks.

Challenges:

- **Few Large Corporate Presence (Only 10% Branch Offices)** – A low share of branch offices suggests limited corporate investment, potentially less resilience during downturns. Attracting more corporate investment can strengthen the job market further.
- **High Rate of Home-Based Businesses (36%)** – While this fosters entrepreneurship, it may also indicate lack of commercial space affordability or business scalability. If many businesses remain home-based, they may struggle with expansion, hiring, and visibility.
- **Heavy Reliance on Leased Space (45%)** – Nearly half of businesses rent their premises, making them vulnerable to rent increases and market fluctuations. This can limit long-term stability and growth, especially for small businesses.



BUSINESSES BY EMPLOYEE SIZE 2013-2023

Businesses By Employee Size (City of Nanaimo)

Employees				5 yr growth	5 yr growth	10 yr growth
	2013	2018	2023	2013-2018	2018-2023	2013-2023
1-4	1,643	1,729	1,856	5.2%	7.3%	13.0%
5-9	703	720	771	2.4%	7.1%	9.7%
10-19	472	516	536	9.3%	3.9%	13.6%
20-49	294	276	338	-6.1%	22.5%	15.0%
50-99	89	84	100	-5.6%	19.0%	12.4%
100-199	28	32	35	14.3%	9.4%	25.0%
200-499	8	16	14	100.0%	-12.5%	75.0%
500+	5	7	9	40.0%	28.6%	80.0%
Total	3,242	3,380	3,659	4.3%	8.3%	12.9%

- In 2023, the City of Nanaimo was home to 3,659 businesses with one or more employees, indicating a **consistent growth trend in the overall number of businesses with employees over time**. Over the past decade, the number of businesses with employees has increased by 12.9 per cent. Additionally, in the past five years, sole proprietorships have seen a notable increase of 9 per cent in Nanaimo.
- Similar to trends observed across British Columbia, the majority of businesses in the City of Nanaimo are categorized as small to medium enterprises. Specifically, **86 per cent of businesses have between 1 and 19 employees**, while 12.9 per cent have between 20 and 199 employees. Those with over 200 employees represent less than 1 per cent (0.6 per cent) of the total business landscape in Nanaimo.



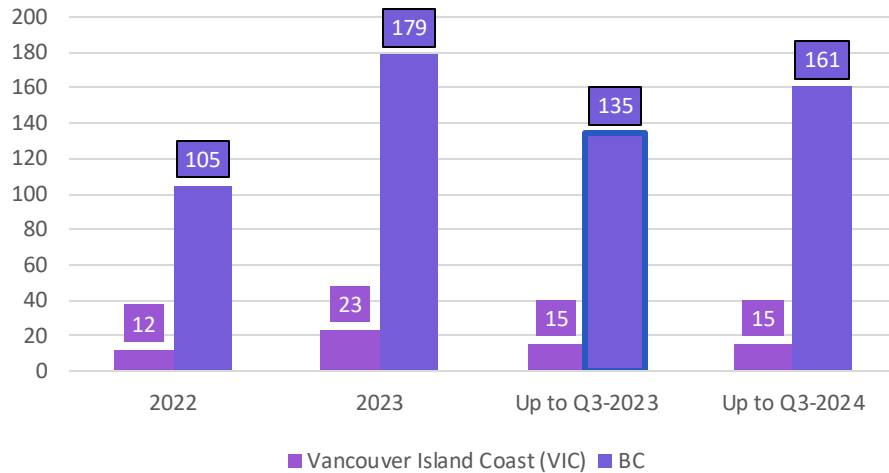
BUSINESS INCORPORATIONS

	2019	2020	2021	2022	2023	Average 2021-2023
City of Nanaimo	606	615	860	791	831	827
Reg. Dist. Nanaimo (RDN)	817	823	1,136	1,027	1,061	1,075
Vancouver Island Coast (VIC)	4,330	4,372	5,880	5,149	5,226	5,418
Nanaimo as share of VIC	13%	14%	15%	15%	16%	15%
Nanaimo as share of RDN	72%	74%	76%	77%	78%	77%

- Incorporations are the number of new limited companies registered under the Business Corporations Act. Sole proprietorships or partnerships are not included. In 2023, there were 831 new business incorporations in the City of Nanaimo, while the Regional District of Nanaimo (RDN) saw a total of 1,061 registrations under the Business Corporations Act. Notably, **Nanaimo accounted for 78 per cent of the new incorporations in the RDN and 16 per cent of Vancouver Island Coast region.**
- Only the City of Nanaimo exceeded its three-year average for business incorporations in 2023 while the Regional District of Nanaimo, and Vancouver Island Coast fell short.

BUSINESS & CONSUMER BANKRUPTCIES

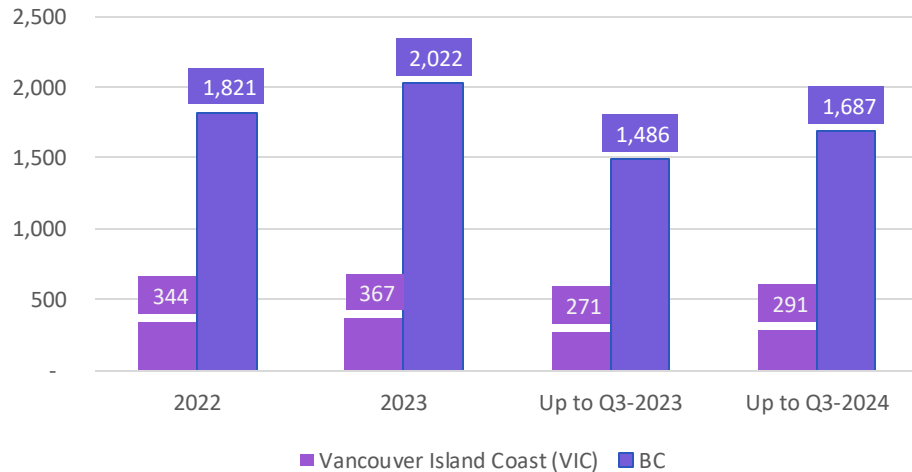
Business Bankruptcies



Business Bankruptcies Spiked in 2023 & Remain High in 2024

- BC: 2023 saw a major surge in business bankruptcies (105 in 2022 → 179 in 2023, a +70% increase). Q3-2024 (161) is already 19% higher than Q3-2023 (135), meaning 2024 could match or exceed 2023's total.
- Vancouver Island & Coast: Business bankruptcies nearly doubled in 2023 (12 in 2022 → 23 in 2023). Q3-2024 (15) is the same as Q3-2023, suggesting stabilization but at an elevated level.
- Business failures remain high in BC and VIC, particularly after the 2023 surge. Persistent economic uncertainty, high costs, and debt burdens may be keeping businesses under pressure.

Consumer Bankruptcies



Consumer Bankruptcies Continue to Rise in 2024

- BC: Consumer bankruptcies increased +11% between 2022 and 2023. Q3-2024 already surpasses Q3-2023 by 13.5%, suggesting that 2024 could exceed 2023's total.
- Vancouver Island & Coast: bankruptcies rose by +6.7% between 2022 and 2023. Q3-2024 is already +7.4 % above Q3-2023, indicating a similar upward trend.
- The steady rise in consumer bankruptcies suggests increasing financial strain on households, due to high interest rates, inflation, and cost-of-living pressures.

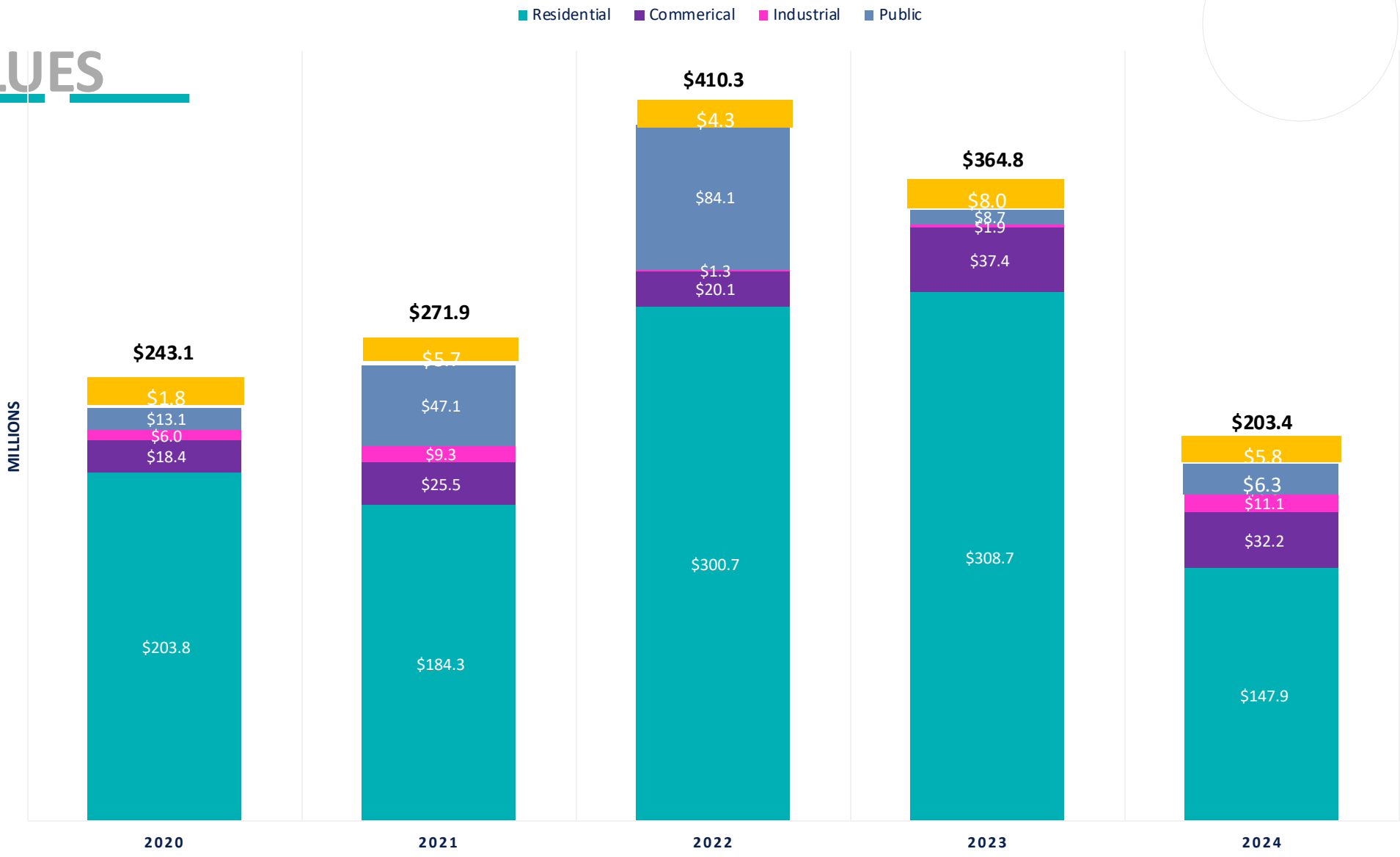
DEVELOPMENT



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BUILDING PERMIT VALUES

CITY OF NANAIMO BUILDING PERMIT VALUES 2020-2024





BUILDING PERMITS

Slowdown in Overall Development Activity

- The total value of building permits in 2024 was \$203.4M, a drop of 44% from 2023 (\$364.8M).
- The biggest decline was in residential construction, which fell from \$308.7M in 2023 to \$147.9M in 2024 signaling slower housing development.
- High interest rates, rising construction costs, and inflation contributed to the slowdown. As inflation levels declined, the Bank of Canada introduced a series of interest rate cuts, with their effects becoming noticeable by late 2024.

Residential Sector was driving growth, but faced decline

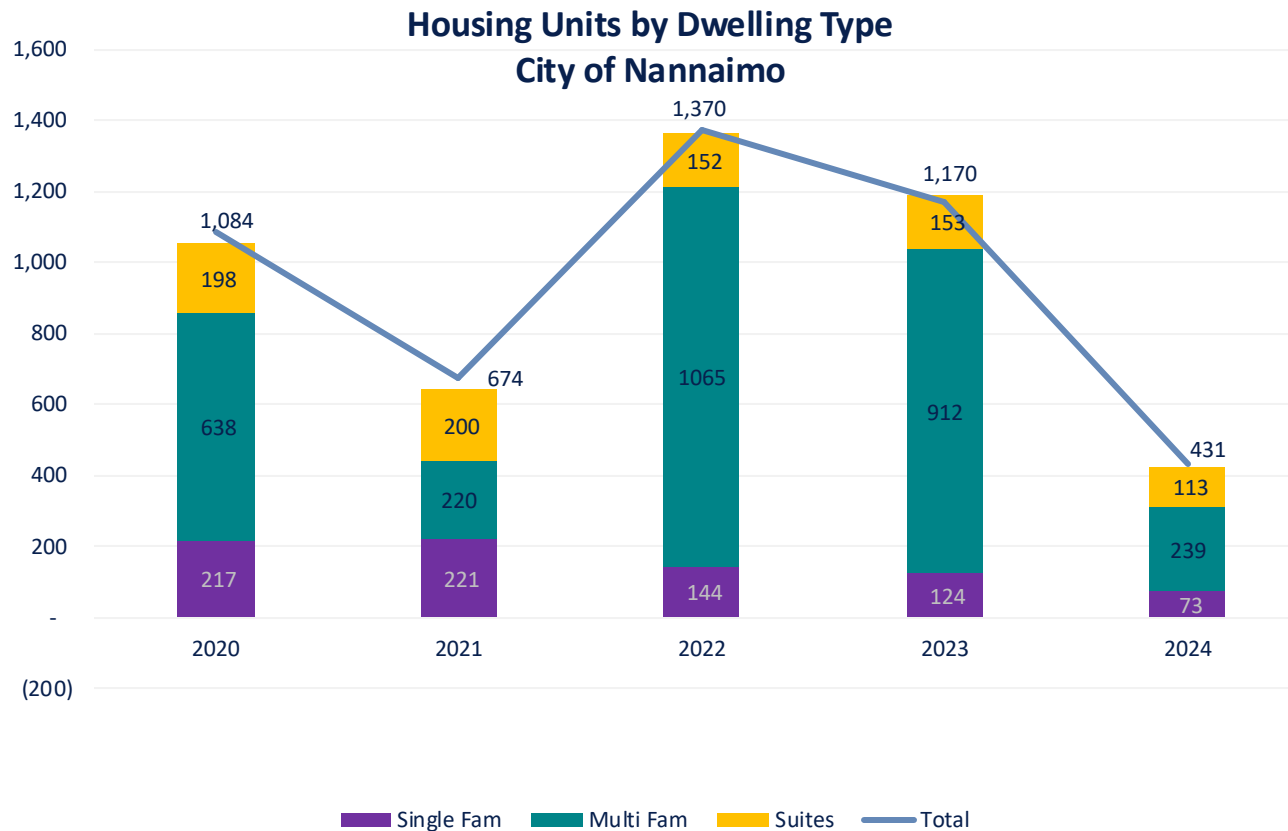
- From 2020 to 2023, residential building permits nearly doubled (from \$184.3M in 2021 to \$308.7M in 2023).
- However, the 2024 drop suggests a cooling housing market—which could impact future housing supply, affordability, and local job opportunities in construction if sustained. BC showed similar cooling trend in 2024, with more optimism towards 2025.

Commercial & Industrial Construction Remains More Stable

- Commercial permit values in 2024 (\$32.2M) are slightly lower than 2023 (\$37.4M) but still higher than most previous years.
- Industrial construction actually increased in 2024 (\$11.1M vs. \$1.9M in 2023).
- Non-residential building permits, encompassing commercial, industrial, and public sectors, contributed 24.4 per cent to the total building permit value in 2024, experiencing a 3.3 per cent increase from 2023.



Housing Starts



Slowdown in Housing Starts

- In 2024, Nanaimo experienced a 63% decline in new housing starts, with only 431 units built compared to 1,170 in 2023 - also below the city's five-year average of 946 units.
- Province-wide, housing starts also fell by 9.2%, reflecting broader market trends.
- While slower population growth and changes to immigration policies will temper housing demand, interest in affordable housing types - particularly smaller units and row housing remains strong.
- Looking ahead, new affordability measures and lower interest rates are expected to stimulate demand, supporting a modest recovery in housing construction in 2025.



MAJOR PROJECTS

2024 Major Projects (over \$2 Million)

Address	Description	Value
6801 ISLAND HIGHWAY N	Walmart renovation - adding exits door, alterations to stock rooms, offices, washrooms, adding new pharmacy, bakery, changes to plumbing fixtures and floor drains	\$ 9,157,000
3260 NORWELL DRIVE	Reno of existing building to accommodate Health Clinic - addition of a new 6" fire line service for NFPA 13 FSS sprinklers, reno's to create exam rooms, treatment rooms, offices and accessible washrooms.	\$ 2,310,000
619 COMOX ROAD	Building envelope upgrade and interior renovations to apartment building; replacement of plumbing fixtures within suites, and emergency/exit lighting; and upgrades to mechanical/fire alarm system	\$ 7,842,545
19 NICOL STREET	New Hope Centre - For construction of a 4-storey modular building addition with basement containing food services, offices and residential dormitories	\$ 6,000,000
451 SELBY STREET	Affordable Housing building - Remove & replace all domestic water supply and sanitary DWV piping throughout the bldg, interior suite renovation	\$ 3,900,000
1200 DUFFERIN CRESCENT	NRGH Chiller replacement including mechanical and electrical service upgrades. Remove interior partition wall, create larger exterior doorway opening and Install new wider doorway	\$ 2,366,100
4910 WILLS ROAD	Phase 2, Building B - Porsche Satellite Service. New construction of 2018 BCBC 2 Storey	\$ 5,405,700
1861 EAST WELLINGTON RD	(Loaves & Fishes) New construction of a 1 storey distribution warehouse with 3 storey offices, kitchen, rooftop patio and ground level parkade	\$ 10,000,000
5690 EDGEWATER LANE	Construction of a new 48-unit apartment building	\$ 15,000,000
900 FIFTH STREET	New construction of a 10-storey student residential housing building	\$ 13,000,000
2103 BOWEN ROAD	New construction of 4 storey, 41-unit, rental apartment building with storage garage	\$ 7,365,000
529 TERMINAL AVENUE N	New construction of a 6 storey, 69-unit apartment building with an underground parkade as a separate building	\$ 13,500,000
399 WESTWOOD ROAD	Two new public washroom buildings at Westwood Lake Park	\$ 2,100,000



MAJOR PROJECTS



5690 Edgewater Lane (\$15 million)- 48 Unit Apartment Building



1861 East Wellington Rd (\$10 million) - Loaves & Fishes Warehouse



2103 Bowen Rd (\$7.4 million) – 41 unit rental apartment building

In 2023 and 2024, there were a total of 34 projects valued at \$2 million or more. In 2024 nearly half of the large projects were major renovation and upgrade projects.



529 Terminal Ave N(\$13.5 million) – 69 unit apartment building

REAL ESTATE





REAL ESTATE MARKET OVERVIEW

2024 marked significant shifts in BC real estate markets due to policy changes, interest rate adjustments, and changing buyer behavior.

- **Housing Affordability & Policy:** Housing affordability dominated the BC election, prompting NDP promises of increased construction, streamlined approvals, and rental expansion.
- **Interest Rates:** The Bank of Canada lowered rates from 5% to 3.25% to stabilize the economy and improve affordability which was met with cautious optimism from buyers and developers.
- **Flipping Tax Impact:** BC's tax on resales within 12 months curbed speculation, encouraging long-term investment and creative financing strategies.
- The **Vancouver Island Real Estate Board (VIREB)** reported 7,489 unit sales across all property types, up from 7,297 in 2023. This upward trend indicates a robust market, with December 2024 closing at 443 unit sales and 2,883 active listings, suggesting a balanced environment.
- The **Metro Victoria** market remained subdued in 2024 compared to pre-pandemic levels, but followed 2022–2023 trends, suggesting gradual stabilization.
- **Metro Vancouver:** Despite strong December sales, overall activity remained below historical averages. Annual sales totaled 26,561, up 1.2% from 2023, as buyers returned following consecutive interest rate cuts.

- While 2024 saw some growth in Nanaimo's real estate market and signs of recovery in Metro Victoria and Metro Vancouver, the outlook for 2025 across British Columbia remains cautious, with affordability challenges likely to persist.

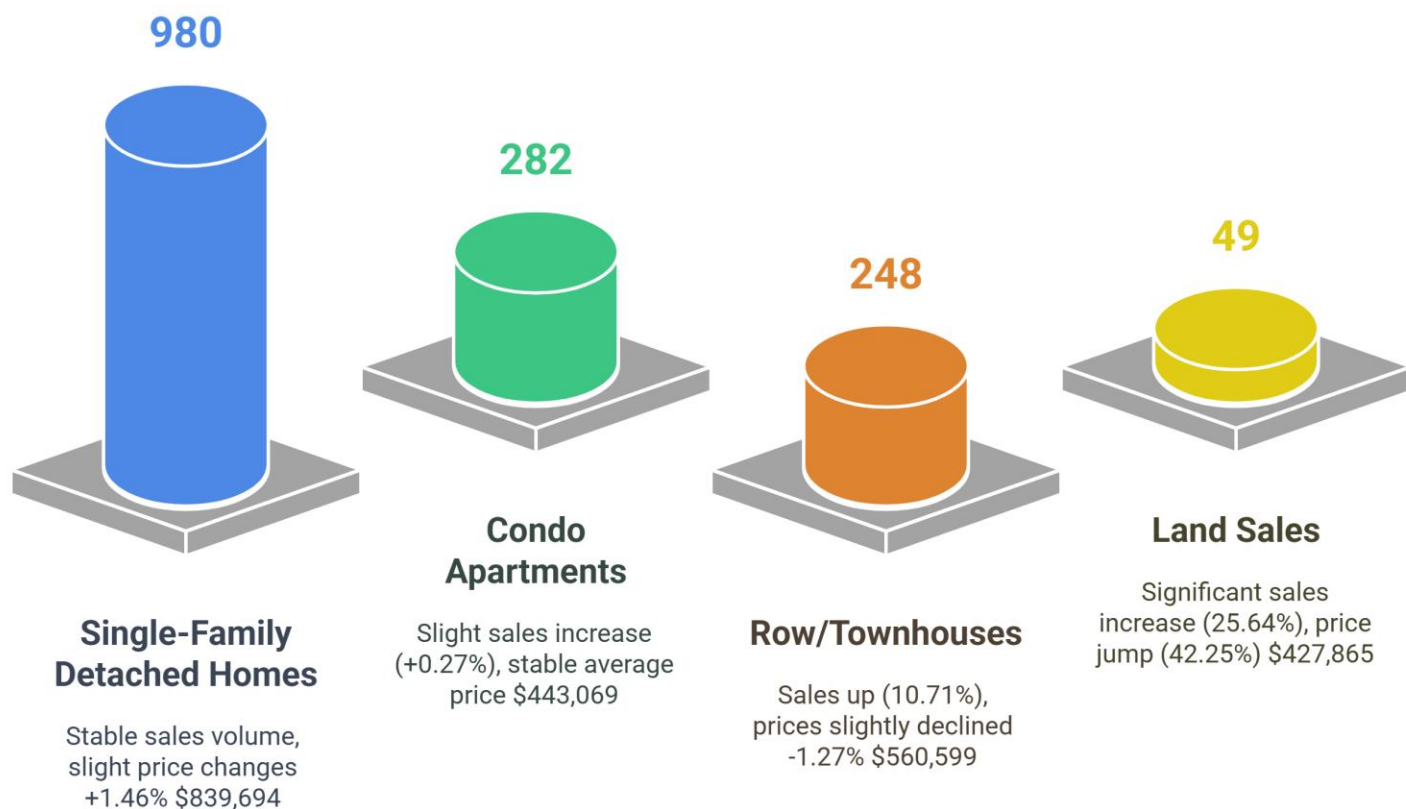
2025 Outlook

- **Interest Rates:** Continued rate cuts may drive demand, but economic uncertainty could limit short-term gains.
- **Policy Impact:** BC's housing reforms and regulatory changes will reshape market conditions.
- **Affordability Measures:** Extended amortization periods for first-time buyers and updated property transfer tax thresholds have improved accessibility. Combined with lower interest rates, these factors may encourage more buyers to enter the market.
- Despite anticipated interest rate cuts from the Bank of Canada, high home prices, stagnant wages, and increased demand from immigration are contributing factors to a persistent affordability crisis. Some experts suggest that to restore affordability, house prices would need to decrease by at least 10%, and mortgage rates would need to fall by half.



MLS ANNUAL AVERAGE PRICES - NANAIMO

Nanaimo Real Estate Market Overview 2024 vs. 2023



- **More inventory** came onto the market in **all housing types**, with the exception of land, which had a slight decline in listings.
- **Single-family home prices held steady**, but demand was slower, leading to longer days on market. The average annual price for a single-family home in Nanaimo increased by 1.46 per cent in 2024 (\$839,694).
- **Condos/ apartments experienced a 0.27 per cent price increase**, and **row/ townhouses experienced a 1.27 per cent decline** (likely due to increased supply and affordability concerns).
- Correspondingly, sales for single-family homes witnessing an 0.20 per cent increase, condo/apartment sales increased by 2.92 per cent, while row/townhouse sales increased by 10.71 per cent.
- **Land sales & price surged**, reflecting increased demand for new developments and limited supply.



HOUSING PRICES-December 2024 Comparison

MLS Housing Prices Dec 2024

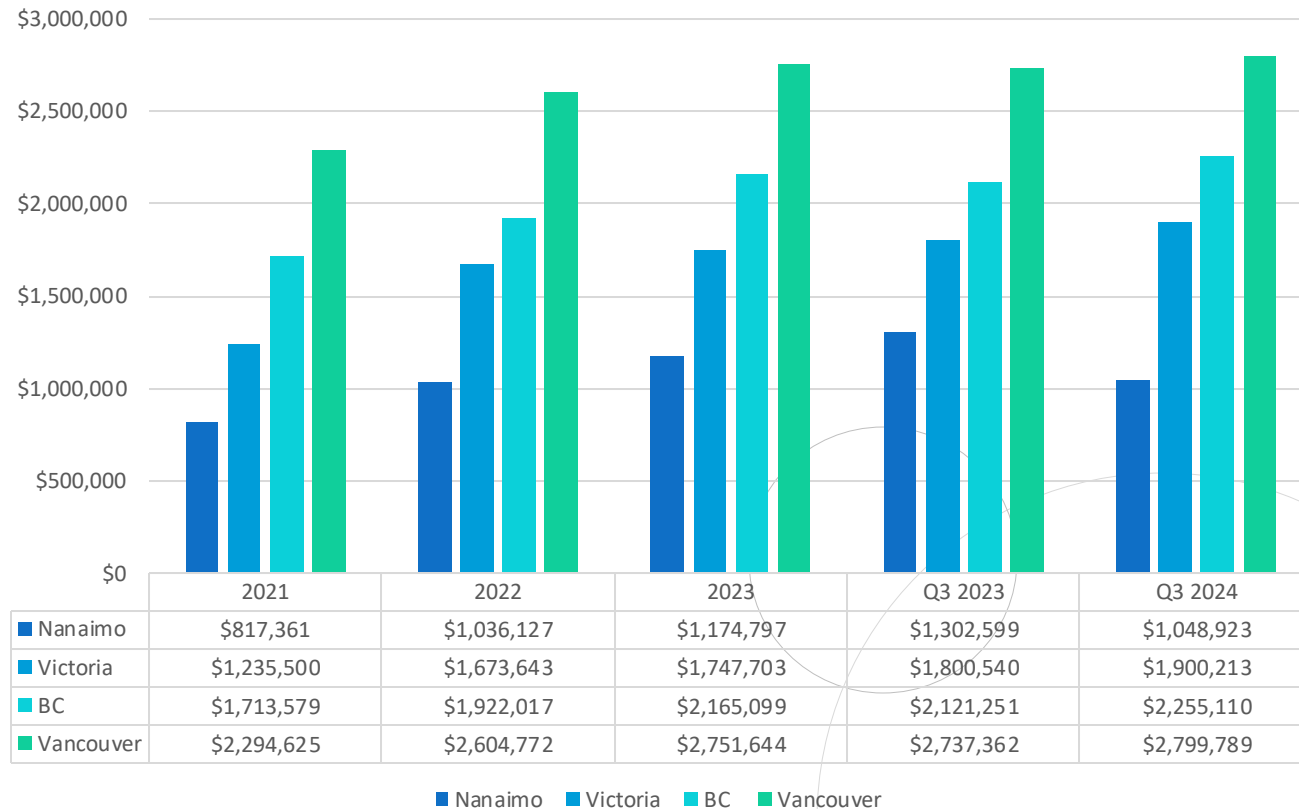


- In **December 2024**, the benchmark price for an average single- family detached home in Nanaimo was 4.2 per cent lower compared to December 2023. In contrast, Greater Vancouver and Greater Victoria saw an increase of 1.7%.
- Row-housing prices saw a steep decline of 14.7% in Nanaimo and a 3.9 per cent increase in Greater Vancouver, and 2.0 per cent increase in Greater Victoria.
- Apartment prices also saw decline of 15.4 per cent in Nanaimo, 1.5 per cent in Victoria and held steady in Vancouver.
- Nanaimo is the most budget-friendly market, with home prices across all categories well below those in Victoria and Vancouver. Victoria offers a middle ground, significantly cheaper than Vancouver but notably more expensive than Nanaimo. Vancouver remains the least affordable, with even townhouses and condos exceeding Nanaimo's detached home prices.
- Detached Home: Nanaimo (\$855K), costing \$296K less than Victoria (\$1.15M) and \$1.14M less than Vancouver (\$1.99M).
- Attached Homes (Townhouses & Duplexes): Nanaimo (\$552K) is \$227K cheaper than Victoria (\$778K) and \$563K less than Vancouver (\$1.11M).
- Apartments (Condos): Nanaimo (\$388K) offers the most affordable condos, priced \$161K lower than Victoria (\$549K) and \$362K below Vancouver (\$750K).



NEW SINGLE-DETACHED Home Price Comparison

Detached **New** Single-Family Home Price
Annual Average 2021-23, Q3 2023 & Q3 2024



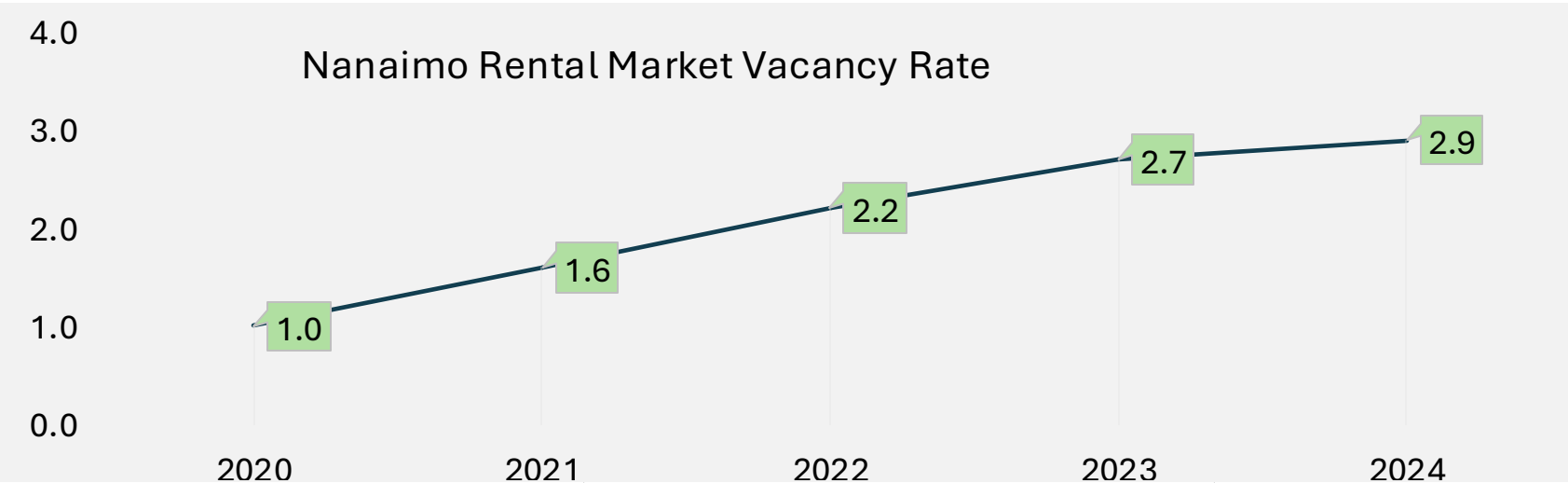
New single family detached home prices:

- **Vancouver** remains the most expensive market, with new home prices rising from \$2.29M (2021) to \$2.8M (Q3 2024)—a **22% increase**.
- **Victoria's** prices also grew significantly, jumping from \$1.23M in 2021 to nearly \$1.9M in Q3 2024—a **54% increase**, indicating strong demand and limited supply.
- **Nanaimo** saw some volatility, rising from \$817K in 2021 to \$1.3M in Q3 2023, before declining to \$1.05M in Q3 2024 – **28% increase**. Nanaimo market is stabilizing after rapid price hikes in 2022-2023.
- **BC-wide** prices followed a similar trend, growing from \$1.71M in 2021 to \$2.25M in Q3 2024—a **32% increase**, with strong appreciation but some regional cooling.



RENTAL MARKET: RENTS, VACANCY, UNITS

Nanaimo Average Rents, Vacancy & Units						
October 2024						
Private Apartments	Rent		Vac Rate		Units	
	2024	2023	2024	2023	2024	2023
Bachelor	\$1,246	\$1,134	2.4%	2.4%	443	391
1 Bedroom	\$1,408	\$1,319	3.1%	2.9%	2,597	2,363
2 Bedroom	\$1,787	\$1,681	3.0%	2.6%	2,205	2,018
3+ Bedroom	\$1,858	\$1,737	0.9%	0.0%	192	185
Total	\$1,558	\$1,466	2.9%	2.7%	5,437	4,957





NANAIMO RENTAL MARKET OVERVIEW 2024

The Nanaimo rental market saw **higher rents, increased vacancy rates, and more available units** year over year.

1. Rent Increases Across All Unit Types

- **Overall average rent rose to \$1,558, up 6.3% from \$1,466 in 2023.**

Largest increases:

- Bachelor units: +9.9% (\$1,246 → \$1,134)
- 3+ bedroom units: +7.0% (\$1,858 → \$1,737)

Smallest increase:

- 1-bedroom units: +6.7% (\$1,408 → \$1,319)

2. Vacancy Rates Increasing Slightly

- Overall **vacancy rate rose to 2.9% (from 2.7%)**, indicating slightly more availability for renters.

Largest increases:

- 2-bedroom units: 3.0% (up from 2.6%)
- 1-bedroom units: 3.1% (up from 2.9%)

- **3+ bedroom units remain tight at 0.9%**, though up from 0.0% in 2023.

3. Expansion in Rental Supply

- **Total rental units grew by 9.7%**, adding 480 new units (from 4,957 in 2023 to 5,437 in 2024).
- Most new units were 1-bedroom apartments (+234 units) and 2-bedroom apartments (+187 units), reflecting high demand for smaller rental spaces.

- ❖ Rent prices are rising, increasing affordability concerns.
- ❖ Vacancy rates are slowly improving, but larger units remain scarce.
- ❖ New rental supply is expanding, especially in 1- and 2-bedroom units.
- ❖ Nanaimo's rental market is growing, but affordability remains a key challenge.



RENTAL MARKET: Average Rent Comparison

2 Bedroom Average monthly Rent			
	Nanaimo	Victoria	Vancouver
2023	1681	1839	2181
2024	1787	1993	2314
% Change	6.3%	8.4%	6.1%

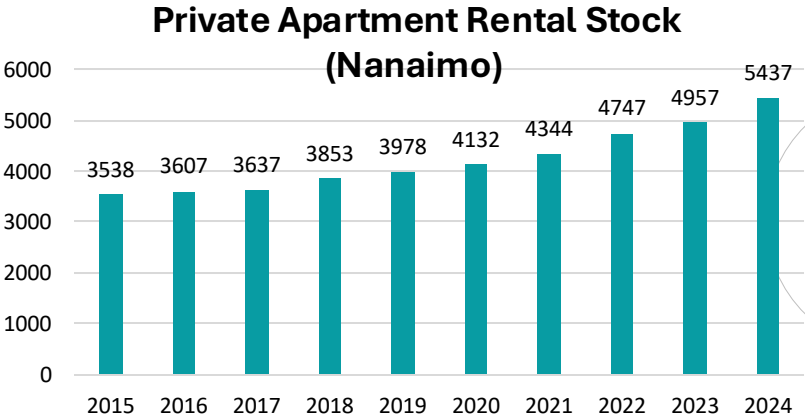
In 2024, British Columbia's rental market experienced notable shifts in rents, vacancy rates, and the number of rental units.

Rents moderated: After two years of significant increases, rent growth moderated in 2024. The average rent for a two-bedroom purpose-built apartment in Vancouver rose by 6.1% to \$2,314, while in Victoria, it increased by 8.4%, making it the second most expensive rental market in Canada after Vancouver.

Vacancy Rates increased: The overall vacancy rate in British Columbia increased to 1.9% in 2024. In Metro Vancouver, the vacancy rate rose to 1.6%, with significant increases observed in the Downtown core due to new rental buildings in neighborhoods like Mount Pleasant and East Hastings. Victoria also saw a rise in vacancy rate to 2.6%, particularly in areas like Langford, where a 24.8% increase in the purpose-built rental universe contributed to higher vacancies.

Rental Units increased: The rental stock expanded in Vancouver and Victoria with the completion of new, higher-priced units, primarily serving higher-income households. Total rental units also increased in Nanaimo by 9.7%.

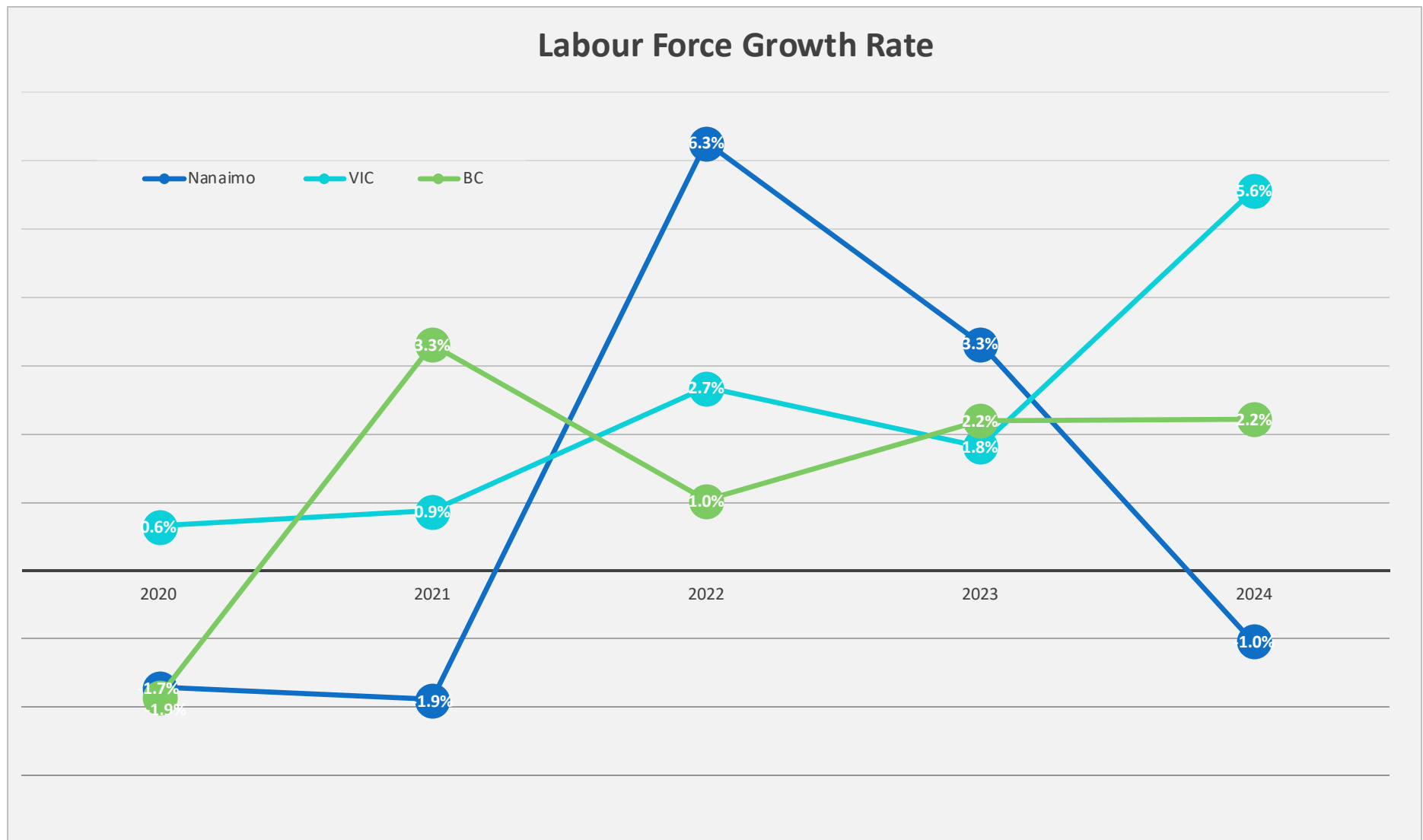
❖ These trends suggest a slight easing in the rental market, with increased supply contributing to higher vacancy rates and a moderation in rent growth. However, affordability remains a concern, as many new units are priced beyond the reach of average renters.



LABOUR FORCE



Labour Force Growth Rate



Growth Rate	2020	2021	2022	2023	2024	5-yr. Average 2020-2024
Nanaimo	-1.7%	-1.9%	6.3%	3.3%	-1.0%	1.0%
VIC	0.6%	0.9%	2.7%	1.8%	5.6%	2.3%
BC	-1.9%	3.3%	1.0%	2.2%	2.2%	1.4%
Nanaimo Labour Force	63,500	62,300	66,200	68,400	67,700	65,620

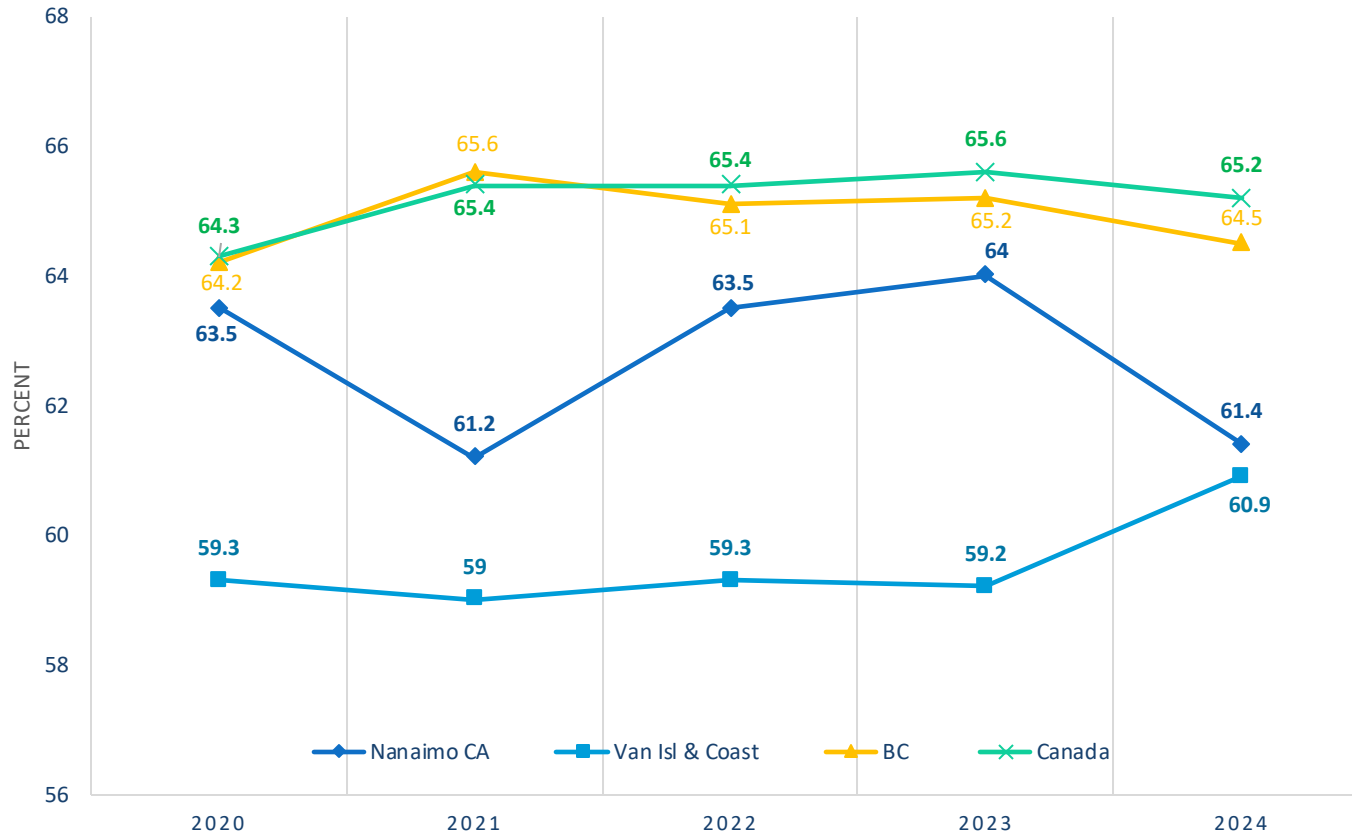


LABOUR FORCE GROWTH RATE

- The **labour force** includes individuals aged **15 and above** who are either **employed or actively seeking employment**. Changes in the labour force result from **population shifts and economic opportunities**. A growing economy **attracts workers** from other regions, while economic slowdowns may lead people to **seek opportunities elsewhere or exit the workforce**.
- Between **2020 and 2024**, Nanaimo's labour force **experienced an average annual growth rate of 1.0%**, which is **lower than Vancouver Island Coast's (2.3%) and BC's overall rate (1.4%)**. Nanaimo's labour market **tends to be more volatile**, likely due to **measurement variations** in labour force surveys for smaller geographies and shifts in job availability.
- In **2024**, Nanaimo's labour force reached 67,700, a **decline of 1.0% from 2023** (68,400). This marks a shift from **previous years of strong growth (+6.3% in 2022 and +3.3% in 2023)**. In contrast, **Vancouver Island Coast saw a significant 5.6% increase in 2024**, while **BC's labour force grew by 2.2%**.
- Despite this **recent decline**, Nanaimo's labour force has **expanded overall**, growing from **63,500 in 2020 to 67,700 in 2024**—an increase of **4,200 workers over five years**.
- **BC's labour market outlook projects 1,017,000 job openings between 2022 and 2032**, with nearly **80% requiring some level of post-secondary education or training**. Ensuring **workforce readiness and economic diversification** will be key for Nanaimo's labour market stability.

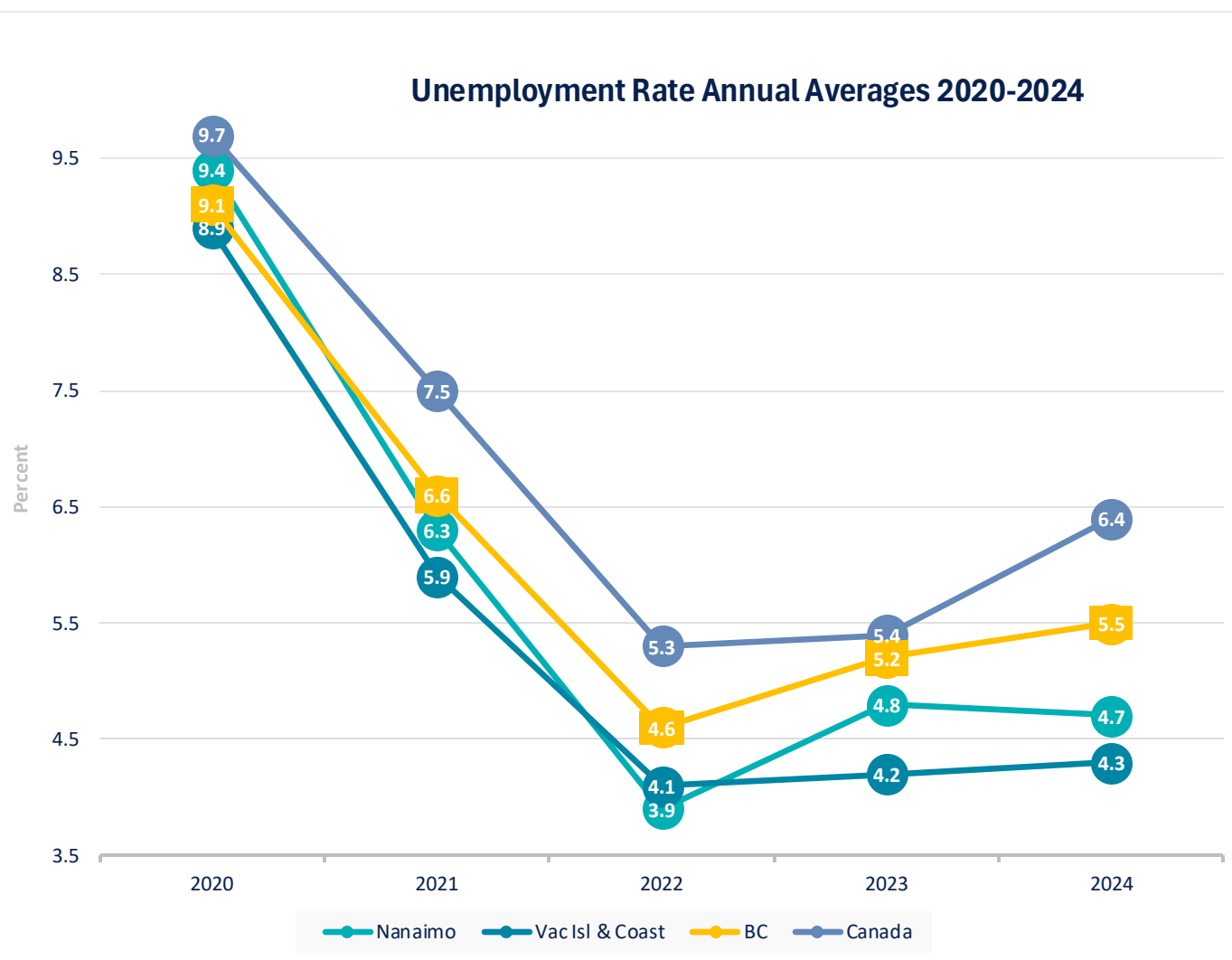
LABOUR FORCE PARTICIPATION RATE

Labour Force Participation Rate
Annual Averages 2020-2024



- The participation rate is the number of labour force participants expressed as a percentage of the population 15 years of age and over. **The labour force includes individuals aged 15 and above who are either employed or actively seeking employment.**
- Regions with younger populations typically boast higher labour force participation rates, while those with older demographics tend to have lower rates.
- Additionally, participation rates often decrease during economic downturns due to discouraged workers and increase during periods of economic growth.
- **In 2024, Nanaimo's labour force participation rate saw a significant dip, while BC and Canada registered slight dips. Vancouver Island Coast region on the other hand posted an increase.** Nanaimo consistently exhibits a lower labour force participation rate compared to BC and Canada but fares better than the Vancouver Island Coast Region. This reflects Nanaimo's and the Island's older age structure in relation to BC and Canada.
- The greater variability observed in Nanaimo's participation rate likely stems from the smaller sample size of the labour force survey.

UNEMPLOYMENT RATE

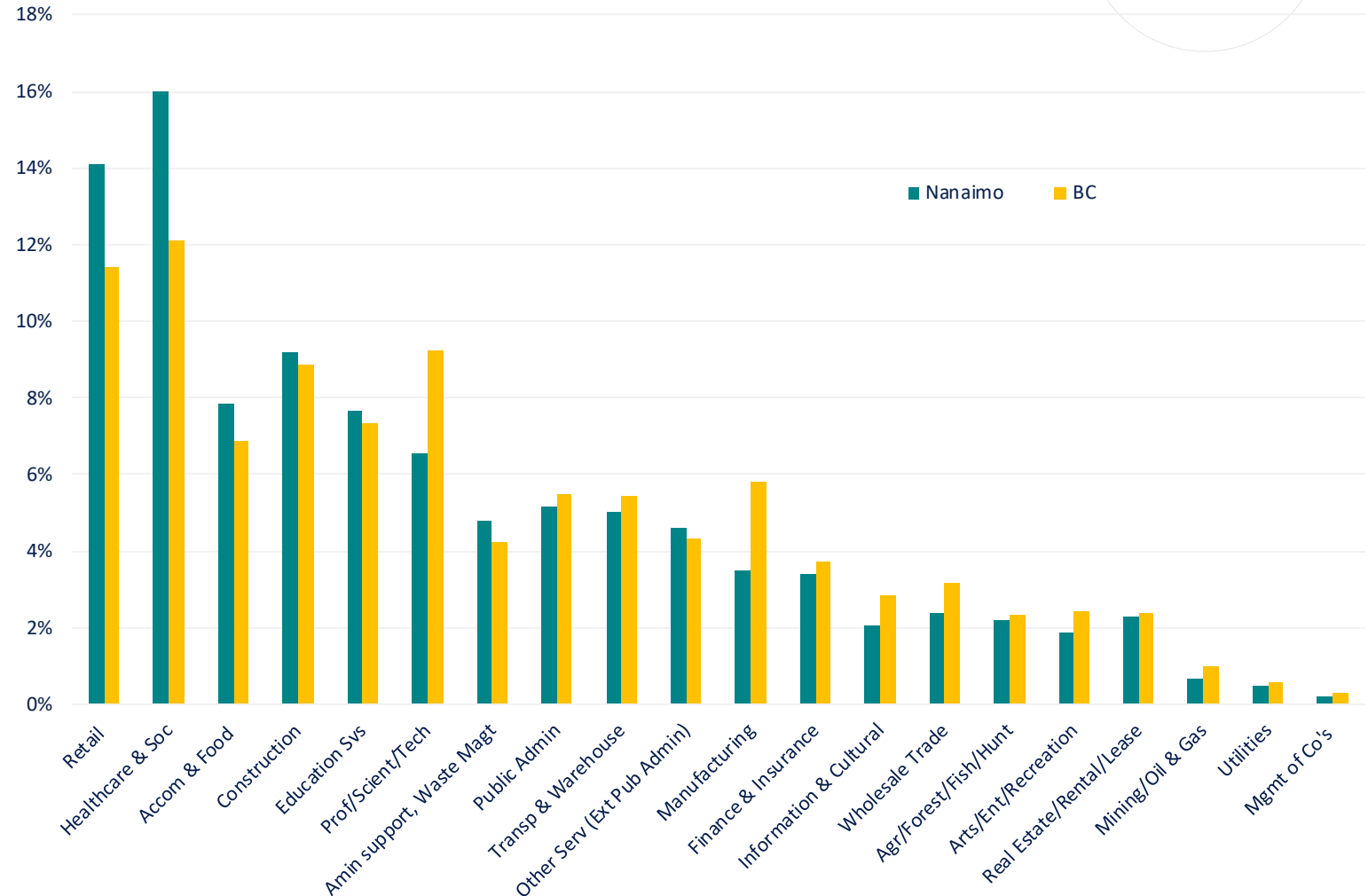


- The unemployment rate is the number of unemployed persons expressed as a percentage of the labour force.
- **Nanaimo's unemployment rate 4.7% declined slightly in 2024**, while VIC, BC and Canada saw increases, reflecting broader economic challenges such as a slowing economy and job creation.
- Nanaimo's unemployment rate declined while the participation rate also declined indicating fewer people were actively seeking work in the labor force. Reasons can include early retirement, discouraged workers, shift towards educational pursuits, or caregiving. The total number employed also declined between 2023 and 2024 (Stats Canada Labour Force Survey).
- In **Canada**, a **healthy unemployment rate** typically falls between **4% to 5.5%**, ensuring a **balance between job availability and business sustainability**.

EMPLOYMENT BY INDUSTRY, NANAIMO VS. BC

- Nanaimo's employment distribution shows both alignment and key differences in comparison to British Columbia's overall job market. This provides key insights into the level of economic diversity.
- Nanaimo and BC share similar employment levels in construction, education, and public administration.
- Nanaimo relies more on healthcare and retail, while BC has stronger knowledge-based sectors like tech and finance.
- Economic diversification in Nanaimo could focus on growing STEM jobs, high-tech industries, and advanced manufacturing.

Labour Force by Industry Sector 2024





ECONOMIC DIVERSITY

Areas Where Nanaimo & BC Align

1. Construction (Nanaimo: 9.19% | BC: 8.88%)

- Both regions have strong employment in construction, reflecting steady housing demand, infrastructure projects, and urban expansion.

2. Education Services (Nanaimo: 7.65% | BC: 7.36%)

- Consistent employment levels suggest stable education systems and growing demand for teachers, administrators, and post-secondary staff.

3. Public Administration (Nanaimo: 5.18% | BC: 5.51%)

- Similar government employment levels indicate stable public sector job opportunities across both regions.

Key Areas Where Nanaimo & BC Differ

1. Higher Healthcare & Social Assistance Employment (Nanaimo: 15.99% | BC: 12.11%)

- Nanaimo has a larger healthcare workforce, likely due to its aging population and demand for senior care, hospitals, and social services.

2. Lower Professional, Scientific & Technical Services (Nanaimo: 6.54% | BC: 9.24%)

- BC has more jobs in tech, legal, and consulting services, while Nanaimo's smaller STEM sector suggests fewer high-tech and knowledge-based jobs.

3. Lower Manufacturing Employment (Nanaimo: 3.50% | BC: 5.82%)

- BC's larger industrial hubs contribute to higher manufacturing employment, while Nanaimo has fewer large-scale factories or production facilities.

Economic Diversity Insights

- **Nanaimo is service-oriented**, with retail (14.12%) and healthcare (15.99%) leading employment, reflecting consumer-driven and social support sectors.
- **BC has a stronger knowledge-based economy**, with higher shares in professional services (9.24%) and manufacturing (5.82%).
- Nanaimo's lower participation in STEM and finance sectors suggests fewer high-wage, tech-driven jobs compared to urban BC centers.
- The higher reliance on healthcare and retail means Nanaimo's economy is less diversified than BC as a whole, making it slightly more vulnerable to sector-specific challenges (e.g., retail downturns or healthcare funding shifts).

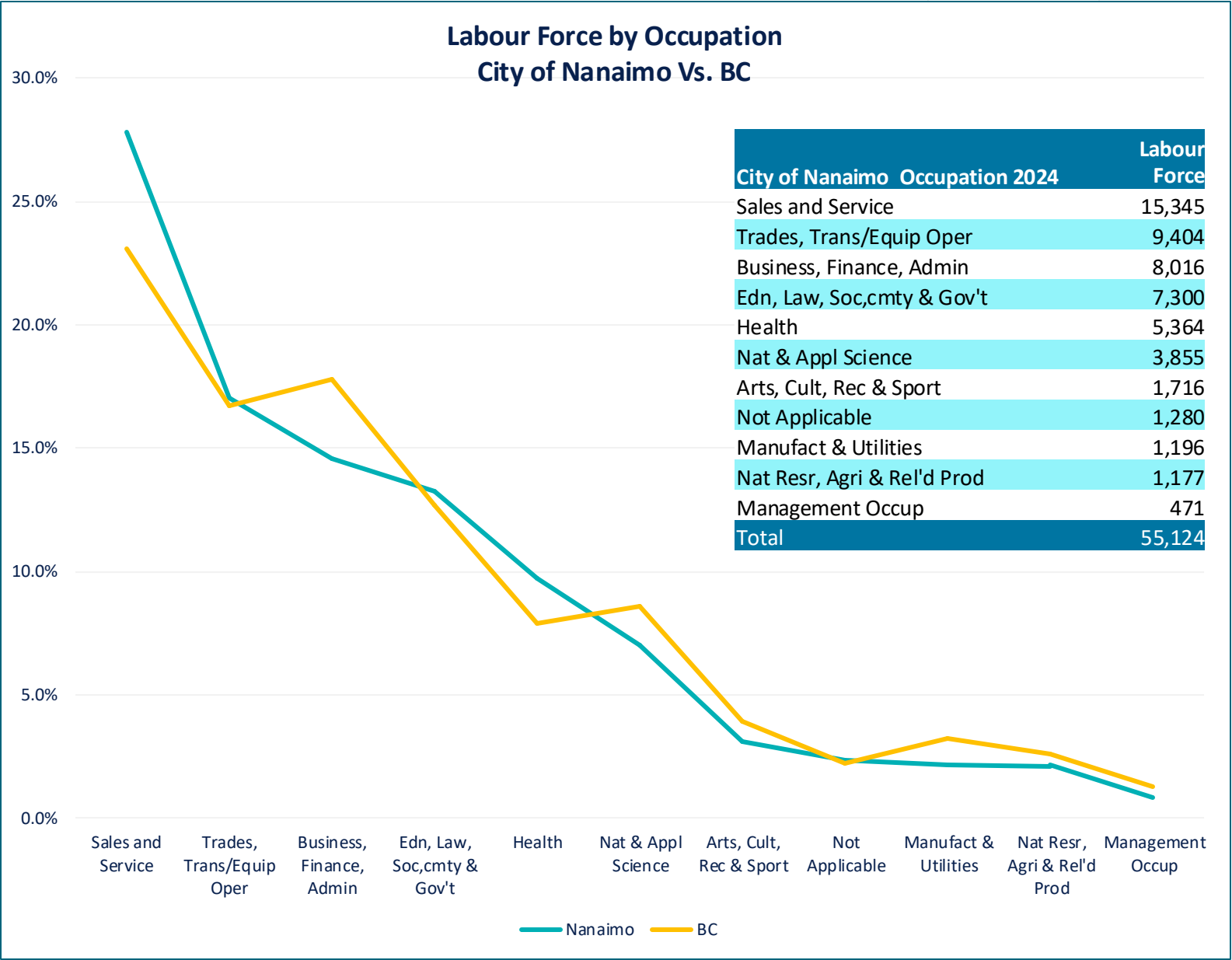


LABOUR FORCE BY OCCUPATION

Labor force analysis by occupation provides valuable insights into the **skills and talent within the labor pool** and serves as an indicator of employability across various sectors of the economy.

Top Occupations in Nanaimo:

- 1. Sales and Service (27.84%):** Dominates the workforce, reflecting Nanaimo’s reliance on retail, hospitality, and personal services.
- 2. Trades, Transport, Equipment Operators (17.06%):** Critical for infrastructure and logistics and reflects the higher concentration of trades accreditation.
- 3. Business, Finance, and Administration (14.54%):** Highlights demand for professional skillsets.





LABOUR FORCE ANALYSIS

Strengths of Nanaimo's Labor Force

1. **Strong Sales & Service Sector (27.8% vs. 23.1% in BC)** – Driven by retail and tourism, though often lower-wage jobs.
2. **Trades & Transportation (17.1% vs. 16.7%)** – Supports infrastructure, construction, and resource-based industries. This labor force can support industrial growth & real estate development.
3. **Higher Public Sector Employment (13.2% vs. 12.7%)** – Stable economy with strong education, government, and social services.
4. **Robust Healthcare Workforce (9.7% vs. 7.9%)** – Meets demand for an aging population, a strong healthcare sector also supports job stability and attracts professionals to the region.

Areas for Potential Growth

1. **Lower Business, Finance, and Administrative Jobs (14.5% vs. 17.8%)** - Fewer financial and admin jobs (fewer headquarters); strengthen through entrepreneurship, business incubators) could help diversify the economy. Encouraging remote work opportunities for finance and administrative professionals may help attract more high-paying jobs.
2. **Smaller Presence in Natural & Applied Sciences (7.0% vs. 8.6%)** - This suggests Nanaimo may have fewer tech-related jobs and innovation-driven industries. Investing in STEM education and attracting tech startups could help build a more modern, high-growth economy.
3. **Lower Manufacturing & Utilities Employment (2.2% vs. 3.2%)** - A smaller manufacturing sector limits industrial output and exports; strategic investment in niche manufacturing could support economic growth.
4. **Lower Management Occupations (0.9% vs. 1.3%)** - Fewer leadership positions; corporate investment could boost growth.

LABOUR FORCE RECOMMENDATIONS

Building a Stronger Economy

- **Strengthen High-Wage Sectors:** Focusing on business, finance, technology, and manufacturing can help diversify the economy beyond sales and service jobs.
- **Leverage Healthcare and Trades Strengths:** These sectors can drive sustainable growth with targeted investment.
- **Attract More Professional and STEM Workers:** Developing educational programs, startup ecosystems, and remote work options can help.
- **Support Entrepreneurship and Small Business Growth:** More managerial roles and financial services can develop if local businesses thrive.

Nanaimo's economy is currently strong in services, trades, healthcare, and education, but there is room for growth in high-wage sectors like finance, technology, and management.



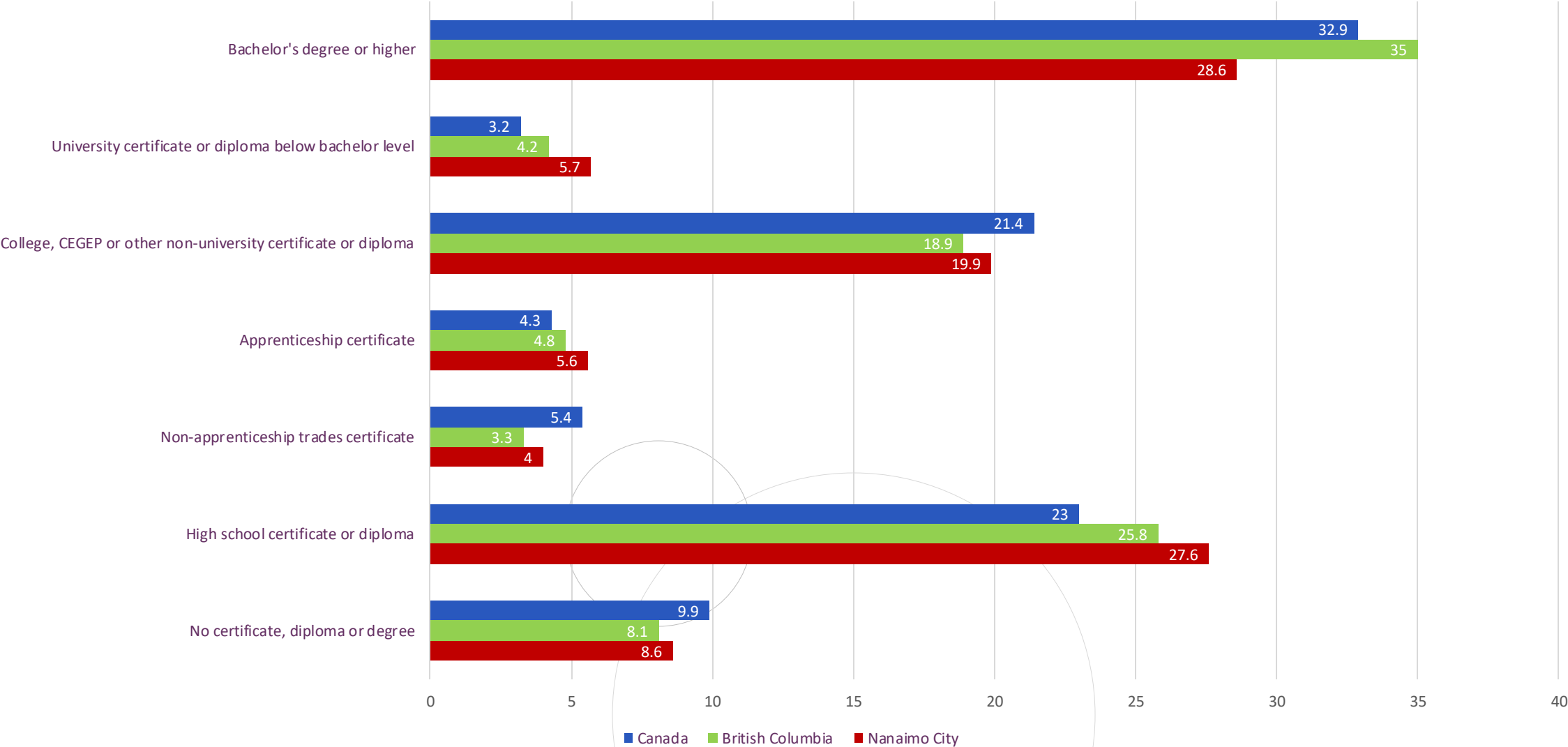
EDUCATION & ENROLLMENT





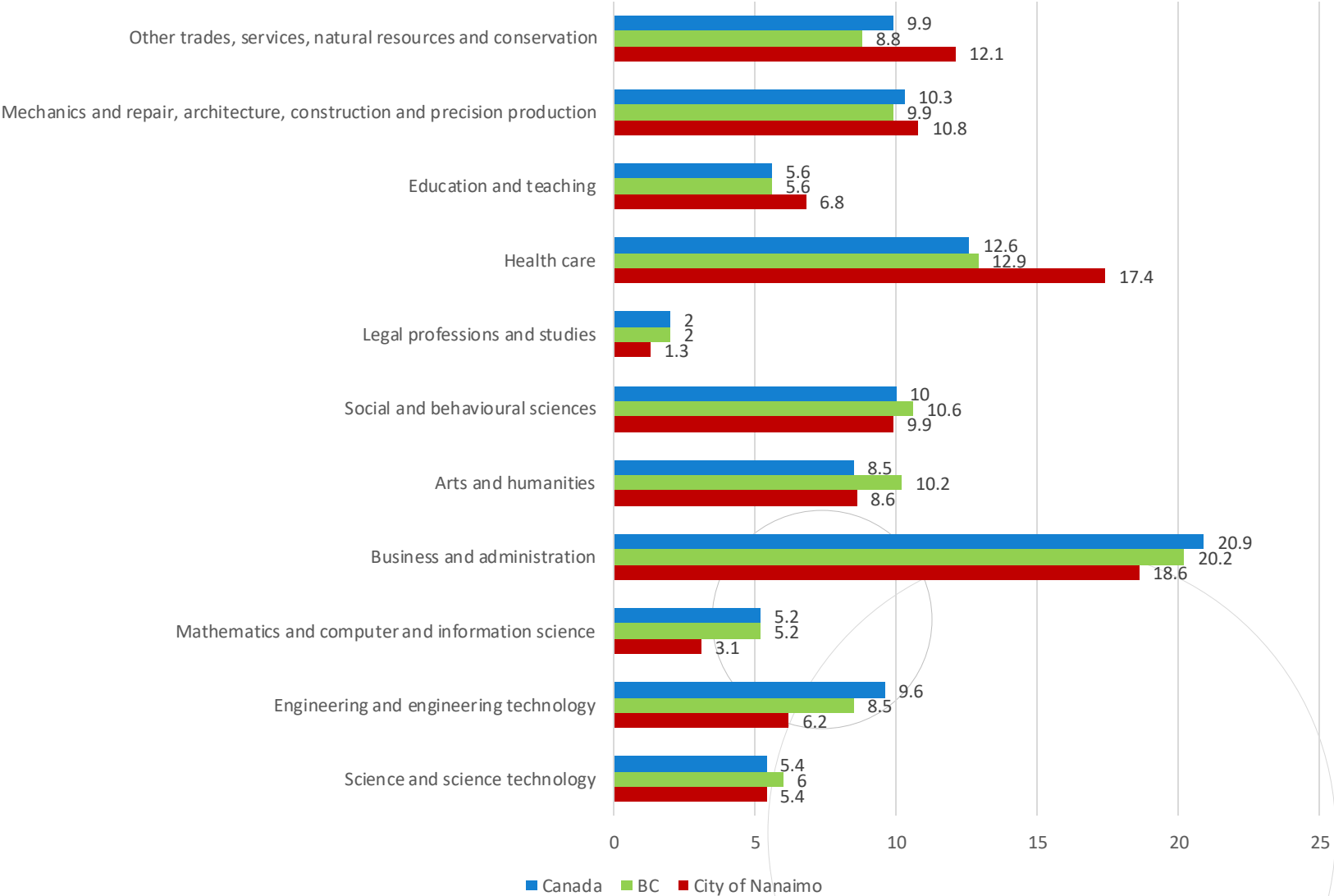
HIGHEST LEVEL OF EDUCATION (25-64)

Highest Level of Education (25-64) Census 2021



POPULATION BY FIELD OF STUDY

Population (25-64) with Postsecondary certificate, diploma or degree by field of Study



Nanaimo's educational profile and fields of study distribution reveal key trends that influence its labour market, economic opportunities, and future development potential.



NANAIMO'S WORKFORCE & EDUCATIONAL TRENDS

1. Lower University Attainment but Strong Technical and Trade Skills

- 28.6% of Nanaimo residents hold a bachelor's degree or higher, significantly lower than BC (35%) and Canada (32.9%).
- Higher representation in trades, technical certifications, and apprenticeships suggests a workforce oriented toward skilled trades, hands-on industries, and applied learning programs.

2. Workforce Strength in Health Care & Trades

- Health care is a major field of study in Nanaimo (17.4%), surpassing BC (12.9%) and Canada (12.6%), indicating a strong medical and caregiving workforce. This aligns with Nanaimo's aging population, which drives demand for healthcare services and professionals.
- Trades and applied technical fields are more prevalent, with 12.1% of post-secondary graduates in trades, services, and natural resources, compared to 8.8% in BC and 9.9% in Canada.
- Construction and mechanics-related fields (10.8%) also exceed BC (9.9%) and Canada (10.3%), reflecting a strong labour force for housing and infrastructure development.

3. Underrepresentation in STEM & Business Fields

- STEM education (Science, Technology, Engineering, and Math) is lower in Nanaimo than in BC and Canada:

- Science & technology (5.4%) matches the national average but lags behind BC (6%).
- Engineering (6.2%) is significantly lower than BC (8.5%) and Canada (9.6%), indicating fewer professionals in high-tech manufacturing, infrastructure, and innovation sectors.
- Computer and IT fields (3.1%) are well below BC (5.2%) and Canada (5.2%), suggesting a gap in the digital economy and tech industry workforce.

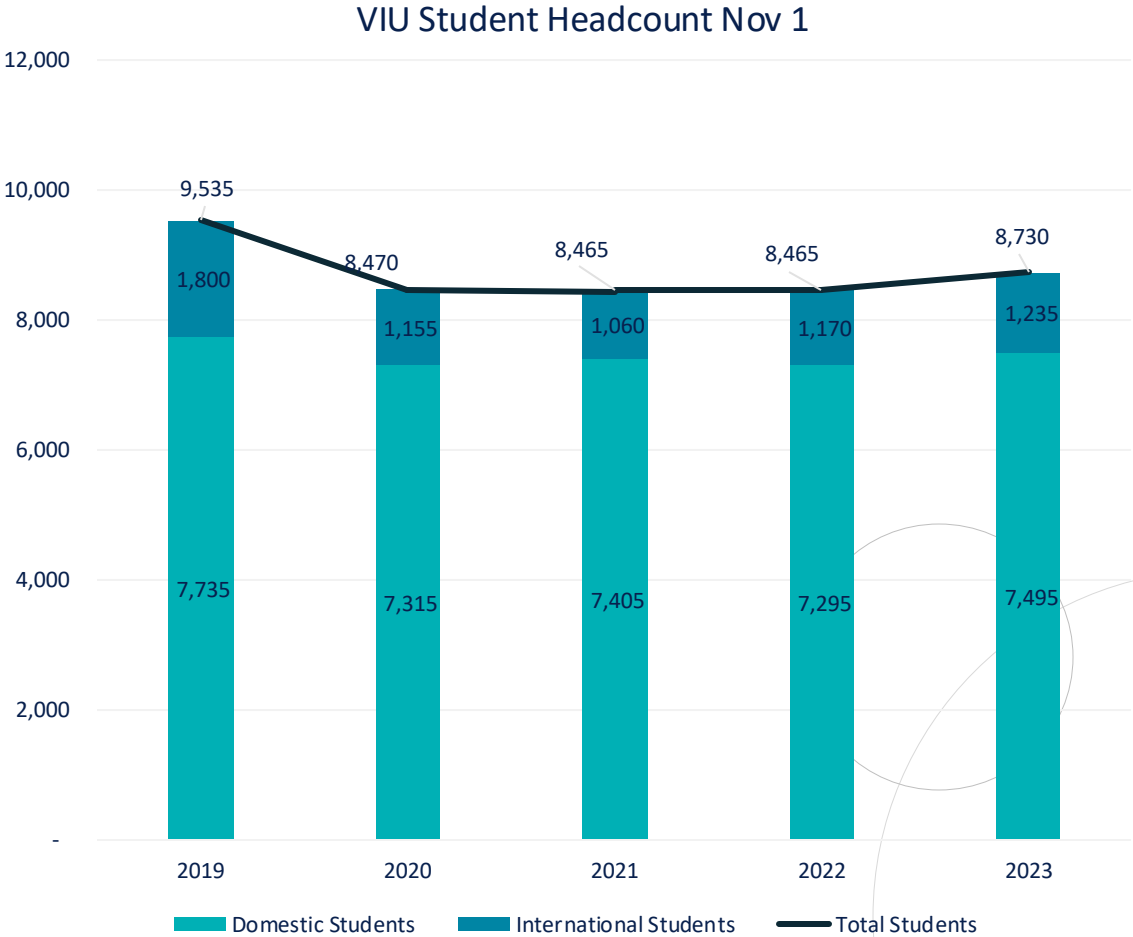
- Business & administration (18.6%) is lower than both BC (20.2%) and Canada (20.9%), which may indicate fewer professionals in corporate management, finance, and entrepreneurship.

4. Implications for Nanaimo's Economic Development

- Healthcare & skilled trades are core strengths, meaning continued investment in hospitals, senior care, and construction projects will drive local economic growth.
- The lower share of STEM graduates could limit Nanaimo's ability to attract high-tech industries and innovation-driven businesses. Encouraging STEM education and IT workforce development could boost diversification and tech-based job creation.
- With a strong trades and applied sciences workforce, Nanaimo is well-positioned for growth in housing, construction, and resource-based industries but may need to enhance digital and high-tech industry development to remain competitive.



VANCOUVER ISLAND UNIVERSITY STUDENT ENROLLMENT



Significant Growth in 2023 After Stability (2020-2022)

- Total enrollment remained stable from 2020 to 2022 (~8,465 students) before rising to 8,730 in 2023 (+3.1%).
- This growth in 2023 marks the first significant increase post-pandemic.

Domestic Enrollment Recovery

- Domestic student numbers fluctuated slightly between 2020-2022 but grew from 7,295 in 2022 to 7,495 in 2023 (+2.7%).
- This signals stronger local student retention and recruitment efforts.

International Enrollment on the Rise

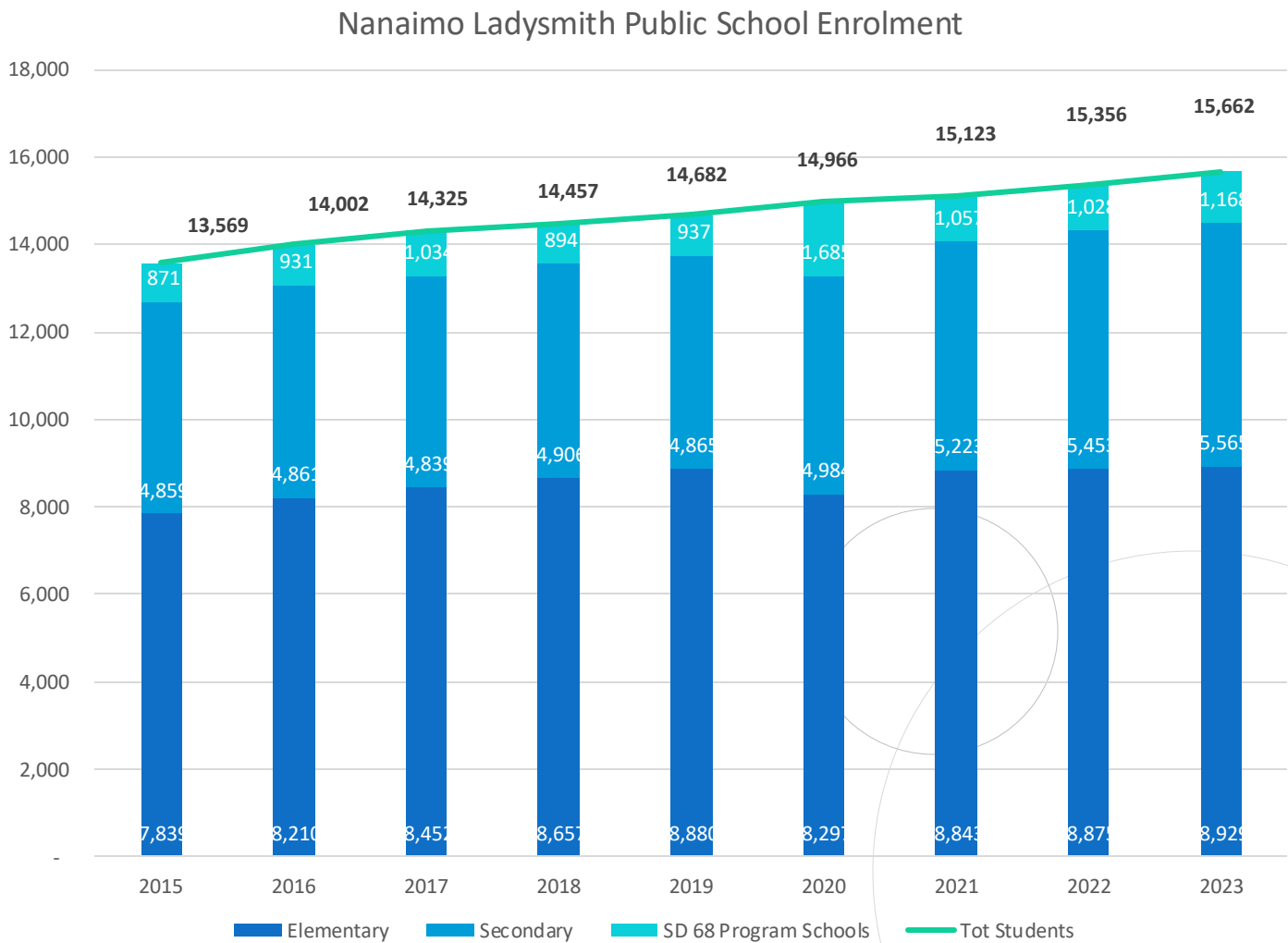
- International student numbers rebounded from 1,170 in 2022 to 1,235 in 2023 (+5.6%), after stagnating around 1,060-1,170 from 2020-2022.
- This growth highlighted a recovery in global student mobility post pandemic, however new tighter legislation pertaining to international students will likely thwart future growth.

Economic & Cultural Boost

- VIU Students support local businesses through increased spending and create jobs in housing, education, and services.
- Cultural & Innovation Growth – More students bring diversity (esp. International), global connections, and entrepreneurship to the community.
- Skilled Workforce & Retention – Graduates fill job gaps, strengthen the workforce, and drive long-term economic growth.



SD 68 ENROLLMENT



Steady Overall Growth in Total Enrollment

- Total student enrollment increased from 13,569 in 2015 to 15,897 in 2024 (+17.2%), showing consistent growth over the decade.
- The most significant growth occurred after 2020, with total enrollment rising from 14,966 to 15,897 (+6.2%) over four years.

Elementary Enrollment Fluctuations

- Elementary enrollment peaked in 2019 but has stabilized around 8,900 students.

Strong Growth in Secondary Enrollment

- Secondary student numbers have increased significantly, from 4,859 in 2015 to 5,782 in 2024 (+19%).
- This steady rise suggests a growing youth population moving through the school system, aligning with overall population growth.

Expansion of SD 68 Program Schools (Island Connected, Learning Alt, Career Technical Centre)

- Enrollment in SD 68 program schools grew from 871 in 2015 to 1,202 in 2024 (+38%).

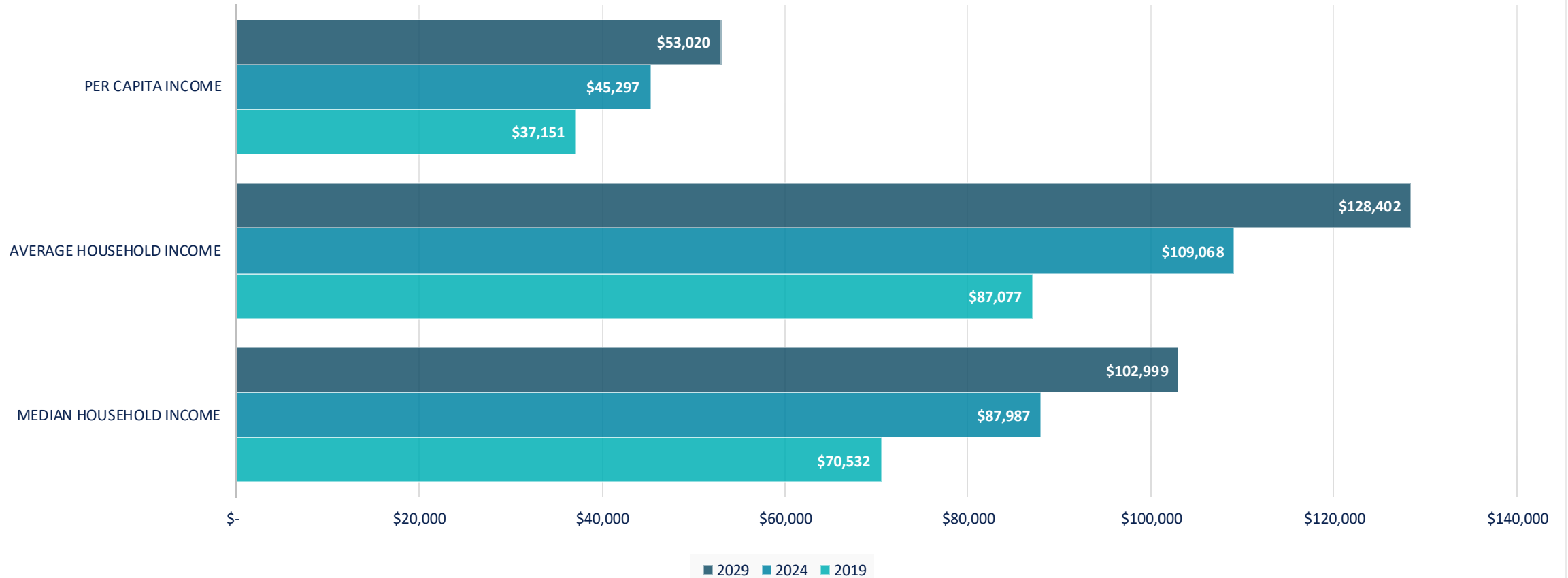
INCOME & SPENDING





INCOME 2019-2029

City of Nanaimo Median, Average & Per Capita Income





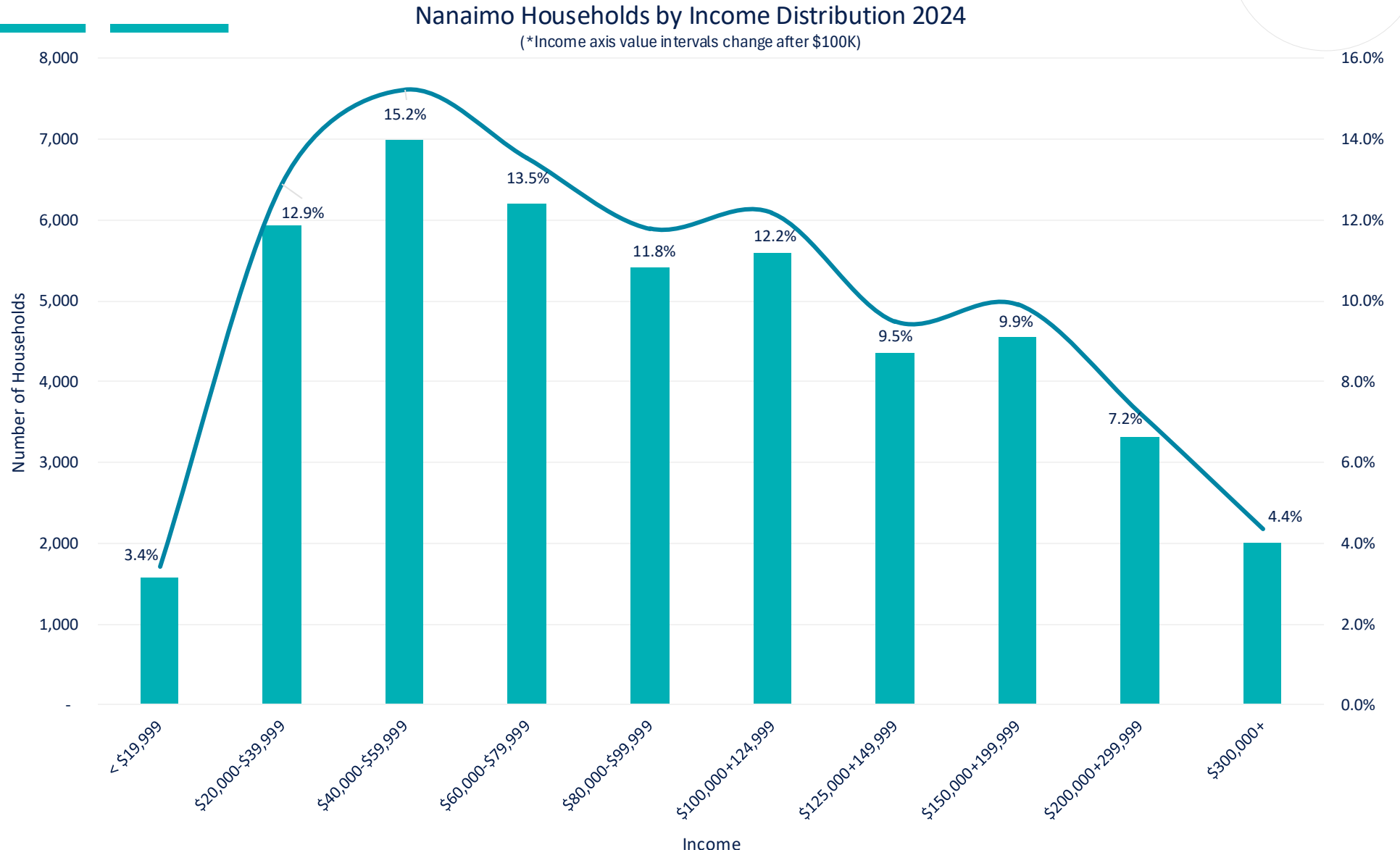
MEDIAN, AVERAGE AND PER CAPITA INCOME

- In 2024, the estimated median household income in the City of Nanaimo is \$87,987, marking a significant 24.7 per cent increase over the past five years. By 2029, Nanaimo's median household income is projected to reach \$102,999, reflecting a growth of 17.1 per cent. In comparison, BC's median household income was \$97,134 in 2024 and is anticipated to grow by 17.9 per cent over the next five years.
- Similarly, the average household income in Nanaimo reached \$109,068 in 2024, indicating a 25.3 per cent increase over the past five years. Projections suggest that the average household income will climb to \$128,402 by 2029, representing a growth of 17.7 per cent. Meanwhile, BC's average income for 2024 stood at \$127,034 and is forecasted to grow by 18.3 per cent to \$150,235 by 2029.
- Nanaimo's per capita income in 2024 was \$45,297, showing a 21.9 per cent increase over the past five years. Projections indicate that per capita income will rise to \$53,020 by 2029, reflecting a growth of 17.0 per cent. BC's per capita income was \$48,814 in 2024 and is expected to increase by another 17.9 per cent to reach \$57,566 by 2029.
- Nanaimo lags behind BC in all three income categories, as well, Nanaimo's projected annual rate of growth in median (3.4 per cent), average (3.5 per cent), and per capita household income (3.4 per cent) over the next five years is lower than BC.

Definitions:

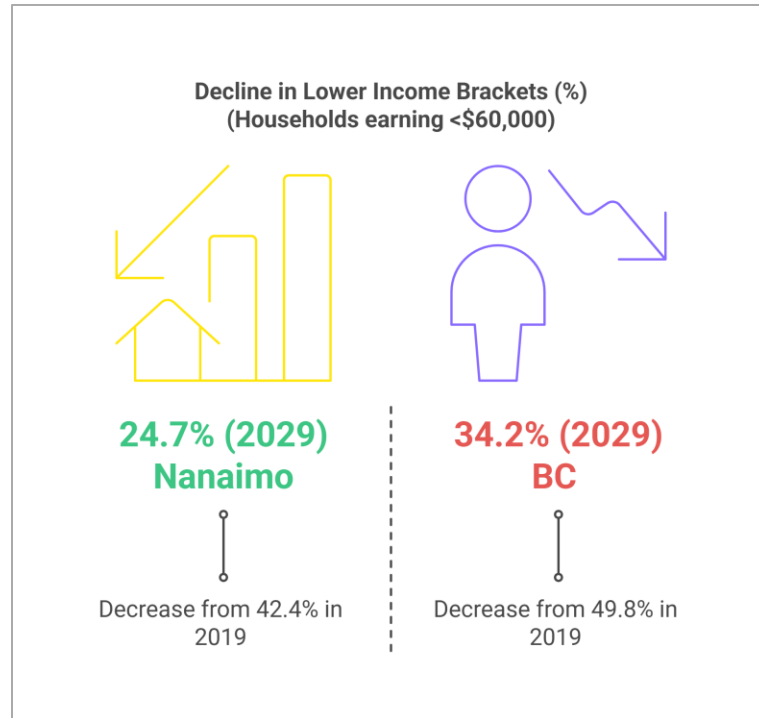
- Median Household Income is the middle value of all household incomes in a given area. This means half of the households earn more than this amount, and half earn less.
- Average Household Income is the total income of all households divided by the number of households.
- Per Capita Income is the total income of an area divided by the total population (including adults and children).

HOUSEHOLD INCOME DISTRIBUTION



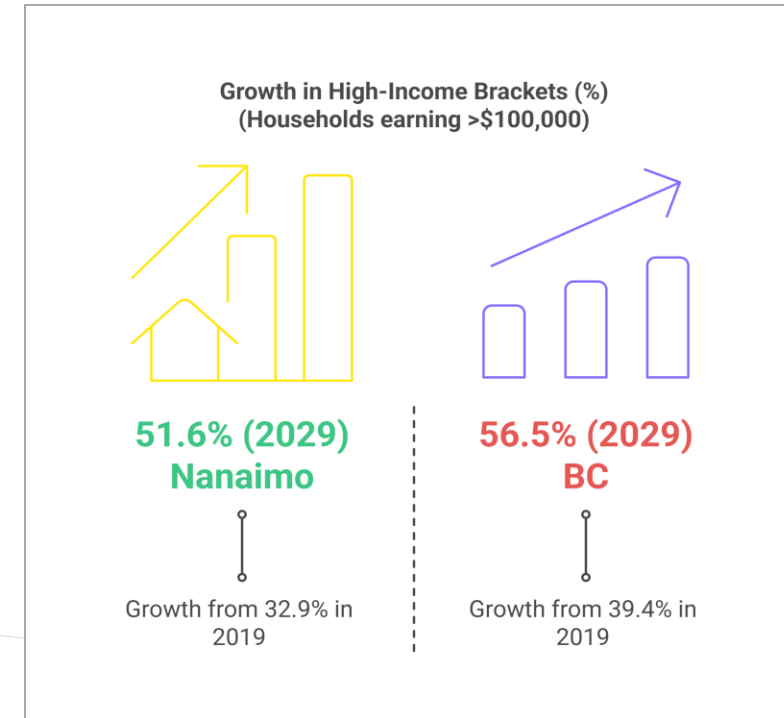


10-YR INCOME DISTRIBUTION TRENDS & INSIGHTS



Decline in Lower Income Brackets (2019-2029)

- ❖ Nanaimo households earning <\$60,000 shrinks from **42.4%** to **24.7%**
- ❖ BC households earning <\$60,000 drop from **49.8%** to **34.2%**



Significant Growth in High-Income Brackets (2019-2029):

- ❖ Nanaimo households earning >\$100,000 increases from **32.9%** to **51.6%**
- ❖ BC households earning >\$100,000 increase from **39.4%** to **56.5%**
- ❖ Nanaimo households earning > \$200,000 grows from **6.1%** to **16.7%**



10-YR INCOME DISTRIBUTION TRENDS & INSIGHTS

Nanaimo is becoming wealthier over time, a trend consistent across the province. BC has maintained a slightly higher proportion of high-income households throughout this period. It's also important to note that considerable income supports provided during the COVID-19 pandemic are reflected in the past five years of income trends.

- **Housing Demand:** Rising incomes and household growth will increase demand for a mix of housing types, particularly for mid- to high-income households. Smaller household sizes may also drive demand for condos, townhouses, and rental units to accommodate young professionals and retirees.
- **Lifestyle and Amenities:** The growth in high-income households could influence demand for enhanced recreational and cultural amenities, further boosting Nanaimo's appeal as a lifestyle destination.
- **Affordability Pressures:** Despite overall income growth, the decline in lower-income households highlights potential affordability challenges for the working class and those on fixed incomes.
- **Inequality Concerns:** The shrinking low-income bracket suggests that rising housing and living costs may be pushing out lower-income households. This could impact community diversity and service-sector employment, reinforcing the need for affordable housing initiatives and social equity policies.
- **Low Income Measure (LIM):** There are three main measures of poverty in Canada but the most common measure is the Low Income Measure (LIM). LIM is a fixed percentage (50%) of median adjusted household income, where "adjusted" refers to the household size or the number of members in a household. In Nanaimo households making <\$45,000 would be considered in the low-income measure (unadjusted for household size).
- **Living Wage** is a better measure of poverty as it takes into consideration regional differences in basic expenses such as food, clothing, rental housing, transportation etc.



SOURCES OF INCOME COMPARISONS

Percentage of Income Sources 2022

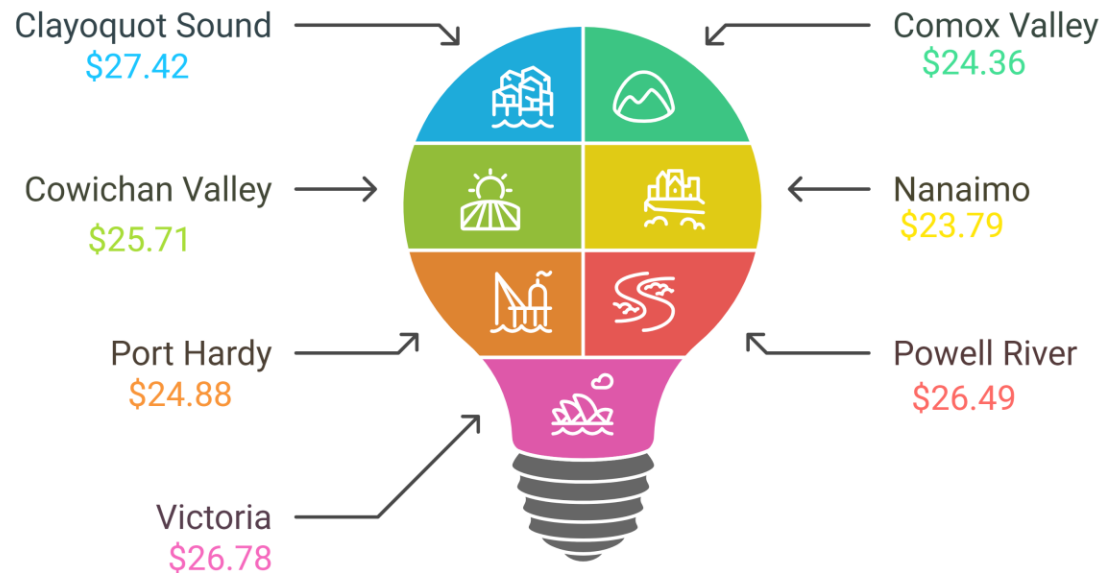
Income Source	Nanaimo % of Total	BC % of Total	Economic Implications
Employment Income	63.50%	69.40%	Key driver of economic activity, needs continued workforce support
Dividend & Interest Income	6.90%	8.30%	Growing importance of investments, reflects rising wealth for some
Government Transfers (EI, GST, CPP, QPP, OAS)	16.10%	11.90%	Higher reliance on Government Transfers in Nanaimo due to aging population
Private Pensions (Excludes OAS, CPP, QPP)	10.60%	7.30%	More significant in Nanaimo, indicating a more retiree-heavy demographic
RRSP Income (only 65+ included)	0.40%	0.30%	Minor source of income, but important for financial planning
Other Income (Rental income, Support payments, Scholarships, Retirement allow)	2.50%	2.70%	Reflecting diverse sources, such as rental and alternative income streams

- Analyzing income sources within a community can provide valuable insights into its overall financial well-being, including its reliance on government transfers.
- Nanaimo's share of employment income (63.5%) remains lower than the provincial average (69.4%), reflecting its older population and greater reliance on pensions. However, Nanaimo has seen a positive shift, with employment income rising from 62.8% in 2018 to 63.5% in 2022, driven by an influx of younger workers over the past five years.
- Job creation and labor market stability are key to sustaining employment income growth.
- Nanaimo has a higher percentage of income from government transfers and private pensions in comparison to BC, reflecting its slightly older demographic.



LIVING WAGE

Living Wage 2024



- A living wage is the hourly pay a worker needs to cover basic expenses, such as housing, food, transportation, and childcare, after accounting for taxes, credits, deductions, and subsidies. Unlike the minimum wage, which is legally mandated, the living wage reflects **actual local costs** and does not include debt repayment or savings for future goals. The living wage calculation is currently based on a two-parent family with two children, the most common family unit in BC, and each parent working full-time.
- In a diverse province like British Columbia, the cost of living varies widely. Some communities benefit from lower housing or childcare costs, while others lack transit options, making car ownership a necessity. Regardless of location, everyone should be able to afford a decent quality of life, as all communities rely on workers to fill essential jobs.
- Living Wage BC and Canada calculate the living wage locally so that communities can better understand the economic challenges their residents face and advocate for policies that address poverty and affordability issues in their region.



LIVING WAGE - VANCOUVER ISLAND AND COAST

High-Range: Clayoquot Sound (\$27.42) and Victoria (\$26.78)

- High housing costs—Victoria has one of the most expensive rental markets on Vancouver Island.
- Tourism-driven economies—both areas attract seasonal visitors, affecting affordability and wages.
- Limited housing supply—Clayoquot Sound (including Tofino) has a small rental market with high demand, driving up living costs.
- **Powell River (Sunshine Coast) (\$26.49)** - Powell River's high living wage is likely due to limited access to affordable goods and services and higher transportation costs.

Mid-Range: Cowichan Valley (\$25.71) Port Hardy (\$24.88)

- Housing is more affordable than in Victoria, but still rising due to population growth.
- Transportation and food costs in rural areas can be high (Port Hardy).
- Smaller job markets—fewer high-paying industries lead to increased cost burdens on low-income workers.
- **Comox Valley (\$24.36)** A mix of urban and rural characteristics helps keep costs lower. A strong agriculture and tourism sector provides job opportunities, but wages may not be high enough to offset inflation.

Lowest-Range: Nanaimo (\$23.79)

- More rental and housing availability compared to Victoria or Tofino.
- Greater economic diversity vs. Tofino, which helps stabilize wages (healthcare, education, retail).
- Better transportation connectivity, reducing overall living costs compared to more remote areas.

❖ Tourist-heavy and remote areas (Clayoquot Sound, Victoria) have higher living wages due to expensive housing and seasonal demand. Nanaimo, Comox Valley tend to have lower living wages due to affordability (housing) and economic diversity. Rural and resource-based economies (Port Hardy, Powell River) face higher costs due to transportation and limited job markets.



2024 NANAIMO CONSUMER EXPENDITURES

	Average Household Spend	Total spend	Spending Potential Index		Average Household Spend	Total spend	Spending Potential Index
Food	\$ 15,920.55	\$ 731,230,889	106	Reading materials and other printed materials	\$ 205.36	\$ 9,432,240	106
Shelter	\$ 22,535.15	\$ 1,035,039,556	107	Education	\$ 1,735.76	\$ 79,723,401	93
Household Operation	\$ 5,553.08	\$ 255,053,062	92	Tobacco, alcohol	\$ 3,650.71	\$ 167,676,937	95
Household Furnishings and Equipment	\$ 4,334.81	\$ 199,097,939	105	Games of chance	\$ 1,390.84	\$ 63,881,359	99
Clothing	\$ 3,593.38	\$ 165,044,000	94	Misc Expenses	\$ 1,814.82	\$ 83,354,727	100
Transportation	\$ 12,534.46	\$ 575,707,637	85	Personal Taxes	\$ 15,610.66	\$ 716,997,631	68
Healthcare	\$ 5,959.91	\$ 273,738,548	100	Personal Insurance payments & pension	\$ 5,376.06	\$ 246,922,343	86
Personal Care	\$ 2,316.23	\$ 106,384,575	94	Gifts of money & contributions	\$ 2,798.98	\$ 128,557,031	106
Recreation	\$ 4,982.00	\$ 228,823,406	104	Total	\$ 110,312.76	\$ 5,066,665,281	



2024 NANAIMO CONSUMER EXPENDITURES

- Average household and total spending by category are detailed in this table. The spending potential index represents the amount spent in the area relative to the national average of 100. An index of 117 means that the area spends 17 % more than the national average on that good or service.
- Shelter is the largest category of household spending and Nanaimo's spending exceeded the national benchmark by 7% in 2024. This points towards the importance of affordable housing and housing supply to ensure residents can keep up with the rising cost of shelter. 5% higher spending on discretionary category such as Household Furnishings and equipment indicates a strong local retail and home improvement market, driven by new residents and increased home renovations. Spending on gifts and contributions of 6% above the benchmark reflects strong community values and charitable giving.
- Nanaimo households paid 32% less in personal taxes, significantly below the benchmark. Income taxes are progressive, communities with lower median incomes will fall into lower tax brackets. Factors contributing to Nanaimo's lower tax burden relative to income levels

likely include: A higher proportion of retirees; Non-taxable income sources, such as government transfers; A higher percentage of self-employed individuals using business deductions to reduce taxable income; A strong service and tourism industry, where many workers earn below the taxable threshold or work seasonally and students & part-time workers with lower taxable incomes.

- Nanaimo residents also paid 15 % less in transportation costs, this appears counterintuitive at first as we have a higher reliance on personal vehicles (80% drive to work). However, we have a compact geography with short commutes to jobs, schools, and services. This leads to reduced fuel consumption, vehicle maintenance costs, insurance premiums, none to low parking fees and so on.
- ❖ In Nanaimo the balance of discretionary and non-discretionary spending reflects a relatively stable economic profile. High shelter costs can be a concern, but discretionary spending above or near benchmarks in other areas suggests residents have some flexibility.



TOURISM

Tourism Statistics				
December Year- to- Date	2024	2023	Variance	
Hotels/Motels				
Average Occupancy	62.8%	62.1%	0.7%	
Average Daily Room Rate	\$171.00	\$174.70	-2.1%	
Revenue Per Available Room (RevPAR)	\$110.00	\$111.40	-1.3%	
AIRDNA (Short Term Rentals)				
Average Occupancy	58.3%	56.8%	2.6%	
Average Daily Room Rate	\$183.54	\$171.63	6.9%	
Revenue Per Available Room (RevPAR)	\$106.93	\$97.50	9.7%	
BC Ferries (Duke Pt/Tsaw & Dept Bay/Hors Bay)				
Passengers	4,253,213	4,252,304	0.0%	
Vehicles	1,754,994	1,699,695	3.3%	
Nanaimo Airport				
Passengers (YTD)	359,525	377,454	-4.7%	
Vancouver Island Conference Centre				
Delegate Days	28,764	24,921	15.4%	



TOURISM

In 2024, BC's tourism sector experienced both growth and setbacks. Severe wildfires in regions like the Okanagan and Cariboo led to evacuations, road closures, and a sharp drop in bookings, significantly disrupting the summer travel season. However, Indigenous tourism thrived, with communities like Haida Gwaii offering authentic cultural experiences that contributed to economic and cultural revitalization. Despite regional disparities, overall tourism revenue in BC saw notable growth compared to 2023. Nanaimo Tourism indicators below:

Hotels & Motels

- The average hotel/motel occupancy rate in Nanaimo was 62.8% in 2024, up 0.7% from 2023. Average daily room rates fell by 2.1%, leading to a 1.3% drop in revenue per available room (RevPAR).

Short-Term Rental Market

- AIRDNA short-term rentals in Nanaimo performed strongly, with occupancy (+2.6%), average daily rates (+6.9%), and RevPAR (+9.7%) all increasing.

Transportation:

- BC Ferries saw vehicle traffic increase by 3.3%, while passenger volumes rose only marginally (+909 passengers).
- The high-speed Hullo passenger ferry between downtown Nanaimo and downtown Vancouver had served over 400,000 passengers on its one-year anniversary by mid August 2024.
- Nanaimo Airport passenger traffic declined by 4.7% compared to 2023.

Conference & Events:

- The Vancouver Island Conference Centre (VICC) reported a 15.4% year-over-year increase in delegate days, signaling strong event demand.

General Hotel Industry Trends

The hotel industry is undergoing major restructuring, affecting corporate operations, individual properties, and franchise owners.

Cost Reductions & Workforce Downsizing:

- Hotels are cutting costs (15-20%) and downsizing sales teams (20-30%) by adopting tech-driven efficiencies.

Technology & Automation Driving Efficiency:

- AI and cloud-based solutions are lowering costs (15-20%) and increasing RevPAR by 5-7% within 18 months.

Boutique Hotels Adapting to Challenges:

- Rising online travel agent (OTA) fees, labor shortages, and evolving guest expectations are pushing boutique hotels to embrace digital solutions and shared services.

Brand Affiliation & Strategic Alliances:

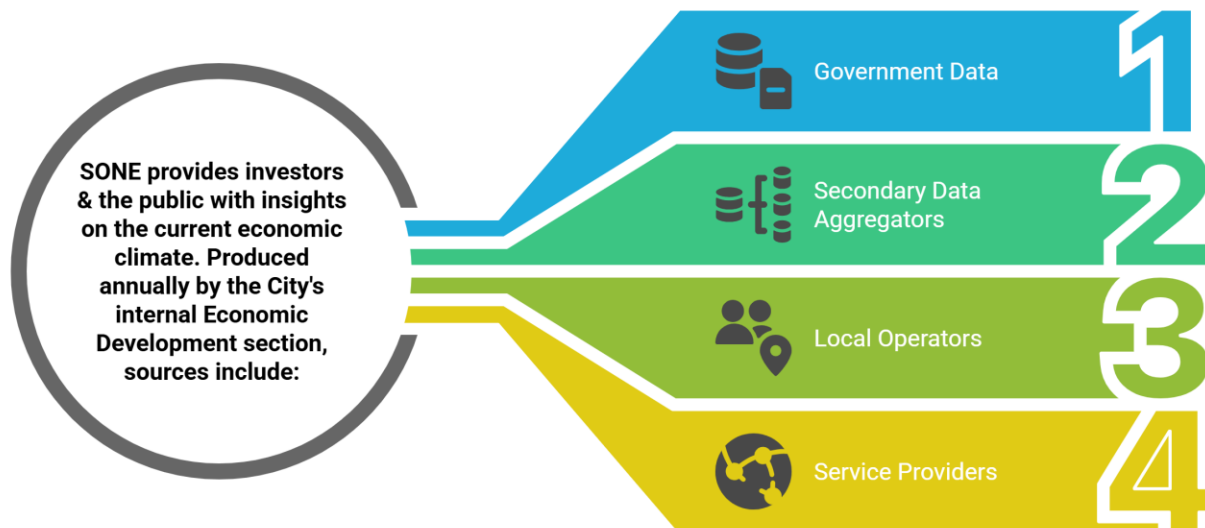
- More boutique hotels (+35%) are affiliating with major brands or joining consortiums to enhance efficiency, visibility, and guest experience.

The **hospitality industry is rapidly evolving**, with a strong shift toward **cost-saving technologies, restructuring, and brand partnerships** to navigate changing market conditions.



ABOUT & SOURCES

State of the Nanaimo Economy (SONE)



- BC Stats
- Statistics Canada
- ESRI Canada
- City of Nanaimo
- School District 68
- Vancouver Island University
- Vancouver Island Conference Centre
- BC Ferries
- Nanaimo Hospitality Association
- Nanaimo Airport
- Vancouver Island Real Estate (VIREB)
- Victoria Real Estate Board (VREB)
- Canada Mortgage Housing Corporation (CMHC)
- Real Estate Board Greater Vancouver (REBGV)
- Ministry of Advanced Education & Training
- Financial Times
- Province of BC
- CBRE Group Inc.
- Destination BC
- TD Economics



PREPARED BY AMRIT MANHAS



Economic Development Officer

City of Nanaimo

250-755-4465 | [Economic Development \(nanaimo.ca\)](mailto:EconomicDevelopment@nanaimo.ca)