



Campbell River – Economic Trendlines

Prepared for the City of Campbell River

Final Report

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1 Overview

The population of Campbell River grew substantially between 2015 and 2022. This has been a key driver of economic activity in the region as demand for services and housing has increased in line with population growth. Housing prices increased significantly in 2021 and 2022 and remain well above pre-COVID levels.

Industries such as aquaculture and forestry, which have been important contributors to economic prosperity in the region have experienced long-term downturns. While employment in these industries has declined, there has been growth in healthcare and other services.

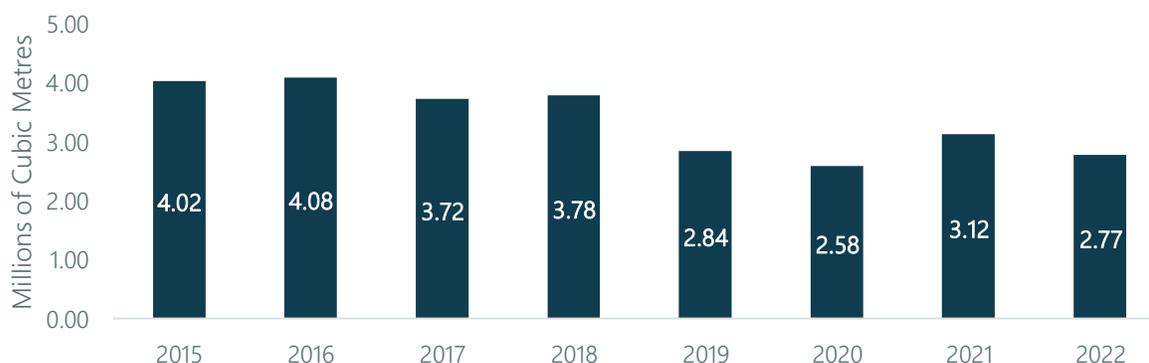
2 Key Industries

2.1 Forestry

Forestry activity across Vancouver Island, and in the Campbell River region, remained relatively stable from 2015 to 2018. In 2019, market price declines led to an industry wide downturn, while Western Forest Products workers went on strike in the second half of the year. As shown in Figure 1 and Figure 2, these factors led to a 25 percent decline in harvest volumes in the Campbell River Natural Resources District, and contributed to a 25 percent decline in softwood lumber production on the BC Coast in 2019.

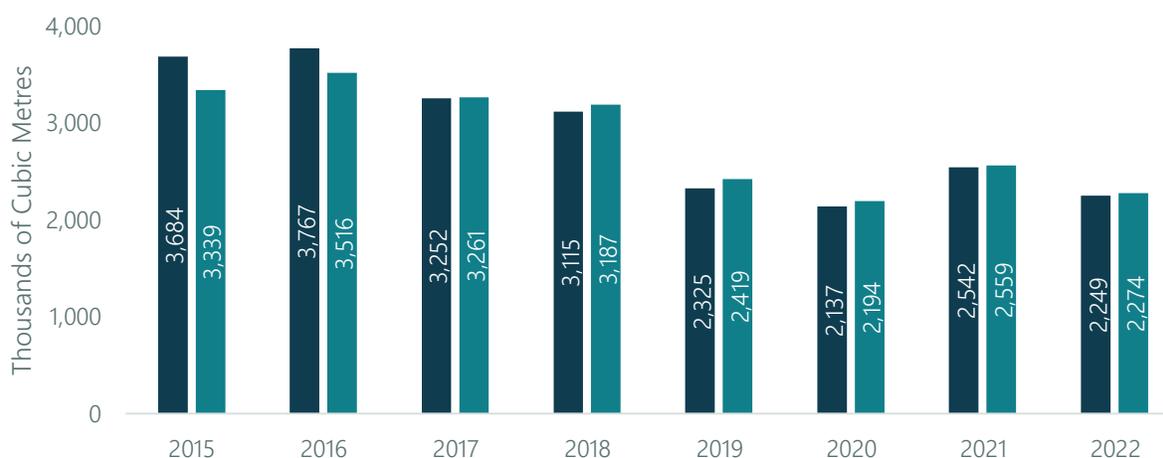
Market demand for wood products returned in the second half of 2020 and through 2021, leading to record-high lumber prices. However, fibre supply constraints restricted harvesting and production across Vancouver Island and in the Campbell River region. There was an uptick in harvesting and production in 2021, followed by a return to 2020 levels as prices softened in 2022. Weak market conditions have led to a reduction in harvesting in the first half of 2023 and this is expected to persist through the remainder of the year.

Figure 1: Harvest Volumes on Crown Land, Campbell River Natural Resources District – 2015 to 2022



Source: Ministry of Forests, Harvest Billing System

Figure 2: Softwood Lumber Production and Shipments – BC Coast – 2015 to 2022



Source: Statistics Canada. Table: 16-10-0017-01.

Note: Shipments data for 2019, 2020 and 2021 include hardwood, which is expected to be negligible.

2.2 Aquaculture

Aquaculture production was relatively stable from 2015 to 2019, as shown in Figure 3. Supply chain disruptions and reduced demand at the onset of the pandemic led to a decline in shellfish production in 2020. As pandemic-related disruptions were resolved in 2021, shellfish production trend upwards while finfish production remained stable.

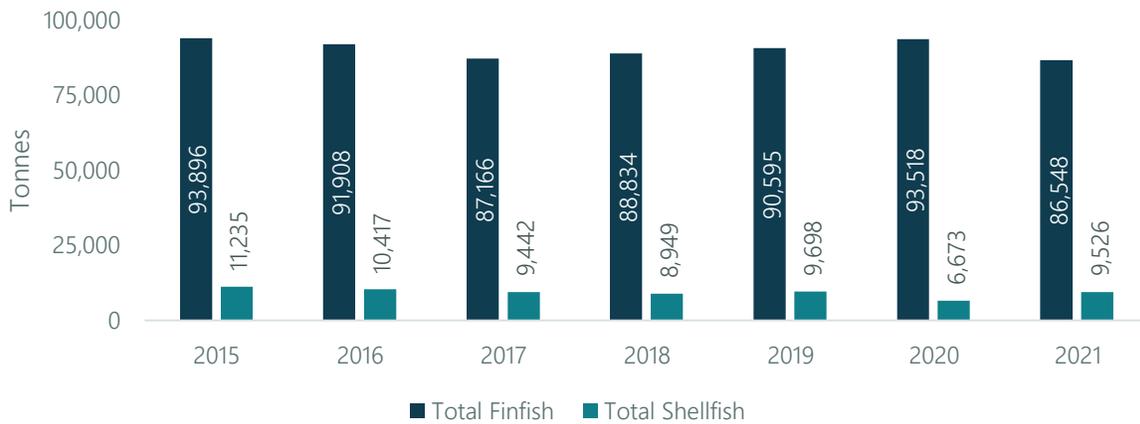
In the Campbell River region, the Department of Fisheries and Oceans (DFO) announced that all fish farms in the nearby Discovery Island were to close by summer 2022, to protect wild salmon from pathogens carried by farmed salmon. While the decision was set aside for further review in early 2022, the DFO announced it would not renew 15 fish farm licenses in the Discovery Islands indefinitely.¹ As a result, the number of finfish licenses in the Campbell River region declined from 19 to four between 2021 and 2022 (see Figure 4)

In May 2023 the federal Fisheries Minister announced that a decision on closing the remaining open-net farms was being delayed and the consultation period was being extended through summer 2023.²

¹ CBC News.

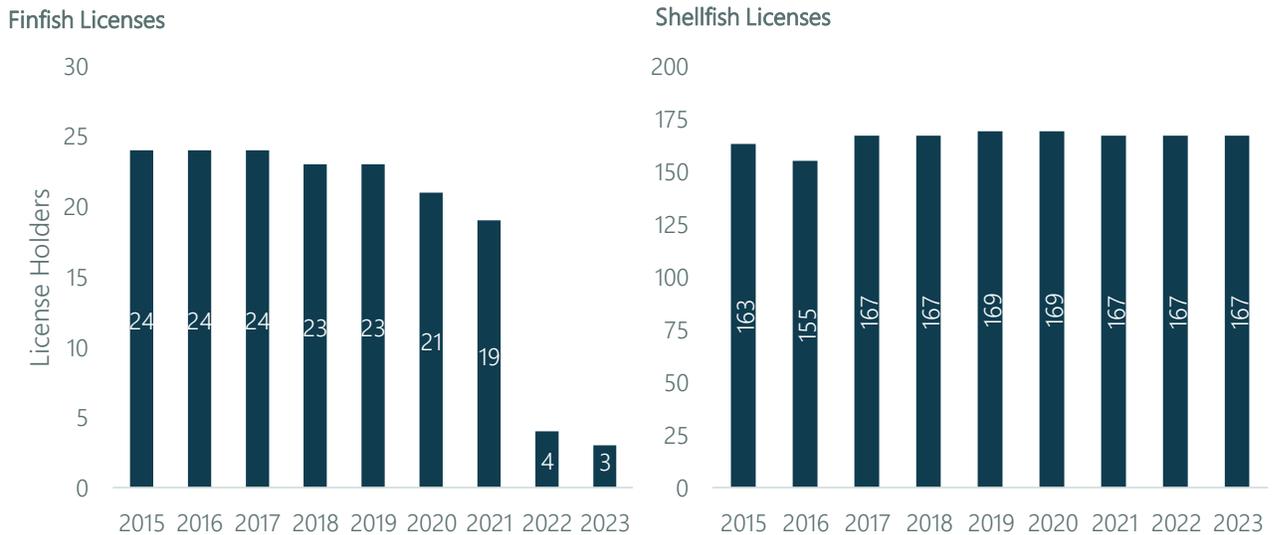
² Woolf, Marie. *Minister to delay plan for closure of B.C. salmon farms after pressure from industry, Indigenous chief*. The Globe and Mail, May 31, 2023. Available here: <https://www.theglobeandmail.com/politics/article-minister-to-delay-plan-for-closure-of-bc-salmon-farms-after-pressure/>

Figure 3: BC Aquaculture Production, Finfish and Shellfish, 2015 to 2021



Source: Statistics Canada.

Figure 4: Finfish and Shellfish Aquaculture Licenses, Campbell River Region, 2015 to 2022



Source: Department of Fisheries and Oceans

2.3 Tourism

Campbell River’s tourism sector was relatively stable from 2015 to 2019, before the COVID-19 pandemic and associated restrictions led to a sharp decline in visitors to the region. Airport traffic in Campbell River was suspended for a period in 2020 and hotel demand dropped sharply, which is reflected by declines in average daily room rate and hotel occupancy rate. Despite the decline, there were indications that Campbell River’s tourism sector fared better through the pandemic than many other communities in BC. Both average daily room rates and hotel occupancy rates did not decline by as much as in the major urban centres in BC.

Aircraft movements recovered to near pre-pandemic levels by 2021, while passenger levels further

declined in 2021, as shown in Figure 5. Airport passenger counts began to increase in 2022, though were well-below pre-pandemic levels. In the first five months of 2023 passenger counts have continued to increase and were approximately 60 percent of pre-pandemic levels.

The number of tourism businesses in Campbell River was relatively stable across 2016 and 2022. Figure 7 shows the business counts in the tourism industry, broken down by detailed North American Industry Classification System (NAICS) categories. The number of businesses in the information and cultural industries remained largely the same from 2016 to 2022, whereas arts, entertainment and recreation and accommodation and food services increased modestly.

Figure 5: Campbell River Airport Passengers and Airplane Movements, 2015 to 2022



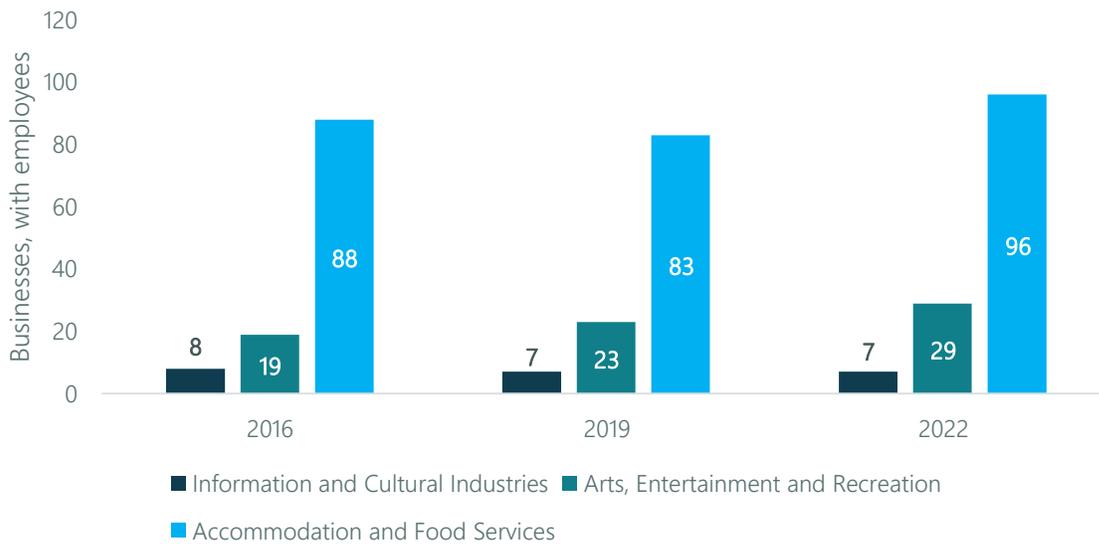
Source: City of Campbell River, Destination BC. Note: 2022 aircraft movement data were not available.

Figure 6: Average Daily Room Rate and Hotel Occupancy Rate, Campbell River, 2018 to 2020



Source: Destination BC. Data were not available for 2015, 2016, 2017, 2021 or 2022.

Figure 7: Business Counts with Employees, Campbell River, 2016, 2019 and 2022



Source: Statistics Canada. Business Register.

2.4 Healthcare

Campbell River’s growing population has led to an increased need for healthcare services in the city. This has resulted in growth in employment and the number of businesses in the sector. From 2016 to 2021, employment in the health and social services sector increased by 33 percent (see Figure 8 **Figure 9**). The number of businesses in the sector increased by 31 (see Figure 9). Almost one-third of the growth in businesses was due to ‘Offices of Other Health Practitioners’ which includes chiropractors, physiotherapists, psychologists, optometrists, dieticians, nutritionists and other similar health professionals.

Figure 8: Healthcare and Social Assistance Employment, Campbell River, 2016 to 2021



Source: Statistics Canada. Census 2016 and 2021.

Figure 9: Healthcare and Social Assistance Business Counts with Employees by Sub-Sector, Campbell River, 2016 to 2022



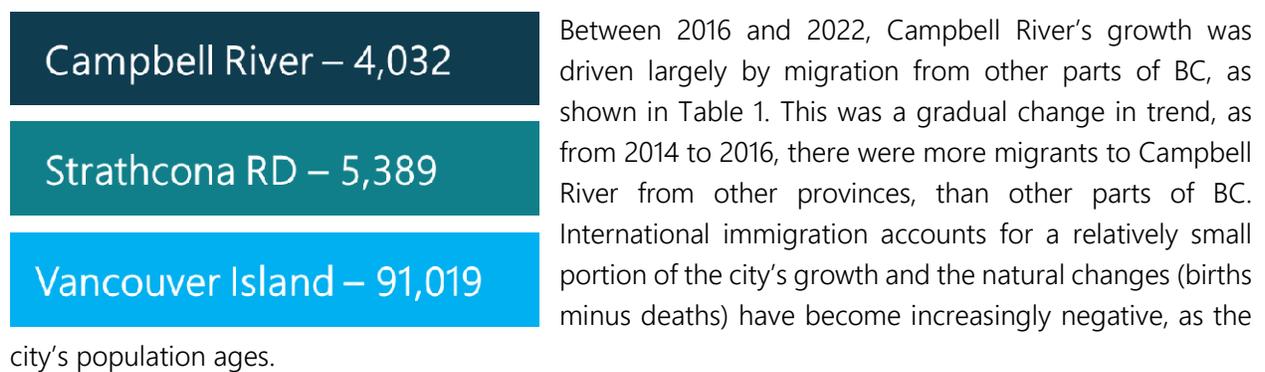
Source: Statistics Canada. Business Register.

3 Population

3.1 Population Trends and Migration

Population growth is an important factor for the City of Campbell River's economy. Campbell River and the Strathcona Regional District's population grew slightly faster than Vancouver Island as a whole, between 2015 and 2021. Beginning in 2022, growth in Campbell River and the Strathcona regional district fell below that of Vancouver Island as a whole (see Figure 11).

Figure 10: Population Change, 2015 to 2022



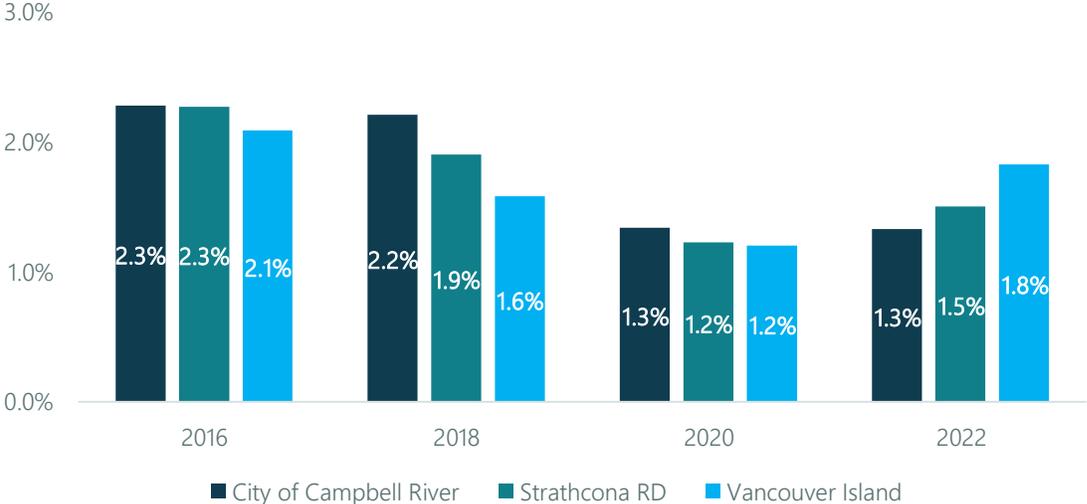
Campbell River's working age population (age 15 to 64) declined from 65 percent of the total population in 2015 to 60 percent in 2022.³ However, there is some indication that the number of people in the working age population started to grow in 2022 after being relatively stable from 2015 through 2021. This

³ BC Stats.

growth is due to combination of people moving from other parts of BC and other parts of Canada.

There are indications from the housing market that the relative affordability in the Campbell River region was one of the factors driving migration to the region from other parts of BC, particularly during the pandemic. However, as migration from larger urban centres accelerated and Campbell River’s population increased, housing affordability has become a concern.

Figure 11: Population Growth - Year-over-Year, 2016, 2019, 2022



Source: BC Stats

Table 1: Campbell River, Migration by Source, 2014/15 to 2021/22

	Change (2015/16 to 2021/22)
Migration from other parts of Canada	+1,930
Migration from other parts of BC	+2,941
International immigration	+511
Natural changes (births – deaths)	-564

Source: Statistics Canada. Table: 17-10-0136-01

3.2 Indigenous Population

As shown in Table 2, Indigenous Peoples account for approximately 11 percent of Campbell River's population. This is higher than the percentage of the population on Vancouver Island as a whole (8 percent) that identifies as Indigenous.⁴ The total Indigenous population in Campbell River grew at approximately the same rate as the overall population between 2016 and 2021.

Table 2: Campbell River, Indigenous Population, 2016 to 2022

	2016	2016 – Percent of Total Population	2021	2021 – Percent of Total Population
First Nations	2,535	8%	2,395	7%
Métis	1,010	3%	1,245	4%
Inuit	45	0.1%	10	0.03%
Other Indigenous Identity	85	0.3%	225	1%
Total Indigenous	3,675	11%	3,875	11%

Source: Statistics Canada. Census Profile. 2016 and 2021.

There are three First Nations in the area immediately surrounding Campbell River: Wei Wai Kum First Nation, We Wai Kai First Nation and Homalco First Nation. Their combined on-reserve population was 917 in early 2023 (see Table 3).⁵

Table 3: First Nations in the Campbell River Region, On-Reserve Population, 2023

	2023 – On-Reserve Population
Wei Wai Kum First Nation	371
We Wai Kai First Nation	330
Homalco First Nation	216
Total	917

Source: Indigenous Services Canada.

⁴ Statistics Canada. Census Profiles.

⁵ Indigenous Services Canada.

4 Labour Market

4.1 Labour Force Characteristics

As shown in Table 4, both the labour force and employment level grew in Campbell River between 2016 and 2021. However, the size the working age population as a share of the total population declined. This resulted in declining rates of labour force participation and employment.

Terminology

Labour Force Participation Rate measures the number of people, over age 15, that are either employed or actively looking for a job.

Employment rate measures the number of people, over age 15, that are employed.

Table 4: Labour Force Characteristics, Campbell River, 2016 to 2021

	Change – 2016 to 2021		2016	2021
Labour Force	595	Participation Rate	60.1%	56.5%
Employment	665	Employment Rate	54.4%	51.5%
		Unemployment Rate	9.5%	8.7%

Source: Statistics Canada. Census Profile. 2016 and 2021.

There have been a number of changes in the composition of the employment in Campbell River. The region's growing population has led to a significant increase in employment in the healthcare sector, with nearly 700 additional jobs added between 2016 and 2021,⁶ while downturns in forestry and aquaculture have led to declines in related employment. Similarly, the loss of approximately 200 jobs in the hospitality sector between 2016 and 2021, is consistent with the declines in visitors due to the COVID-19 pandemic.⁷

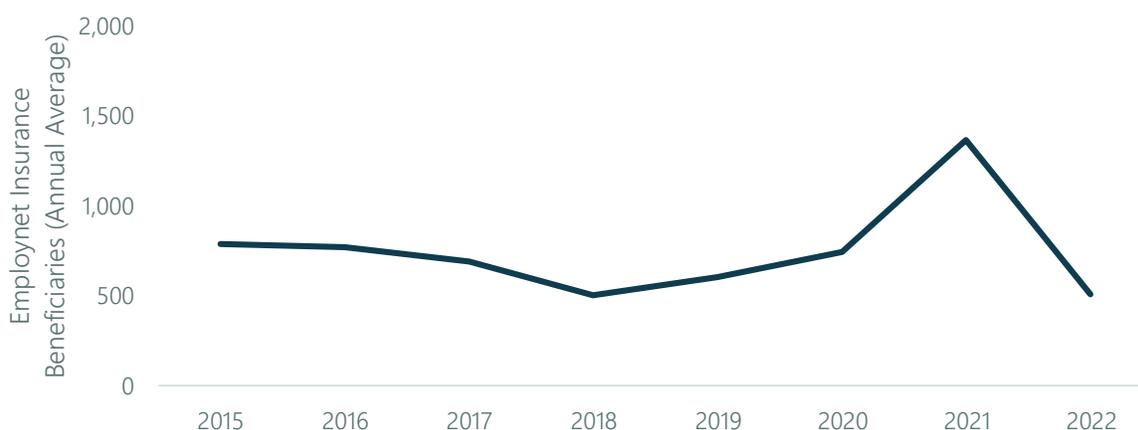
4.2 Employment Insurance

Trends in employment insurance beneficiaries are consistent with improving economic conditions in the region. From 2015 to 2018, the number of employment insurance beneficiaries trended downward before slightly increasing in 2019 and 2020, as shown in Figure 12. The increases in 2019 may have been linked to a strike at Western Forest Products. In late 2020, government support measures during the COVID-19 pandemic (Canadian Emergency Responses Benefit and Canadian Emergency Wage Subsidy) were transitioned to employment insurance, and the number of beneficiaries in Campbell River, and across Canada, spiked in 2021. As businesses re-opened in 2022, employment insurance beneficiaries in Campbell River declined to 2018 levels.

⁶ Statistics Canada. Census 2016 and 2021.

⁷ Ibid.

Figure 12: Employment Insurance Beneficiaries, Campbell River, Annual Average 2015 to 2022



Source: Statistics Canada. Table: 14-10-0322-01

5 Housing and Affordability

5.1 Market and Rental Housing

Campbell River's fast-growing population significantly exceeded growth in the housing stock, leading to a large increase in benchmark housing prices between 2015 and 2022. While growth in the single-family and apartment segments are largely in-line with price growth across Vancouver Island, the increase in the benchmark price of townhomes is significantly higher. The benchmark single-family home price grew from approximately \$290,000 in June 2015 to nearly \$760,000 in June 2022.⁸ The benchmark prices for apartments and townhomes reached approximately \$380,000 and \$580,000, respectively, in June 2022.⁹ Rental market housing prices increased by 77 percent from 2015 to 2022, compared to a 53 percent increase in Victoria over the same period.¹⁰ In the first six months of 2023 benchmark prices declined by between 10 and 15 percent as interest rates rose.

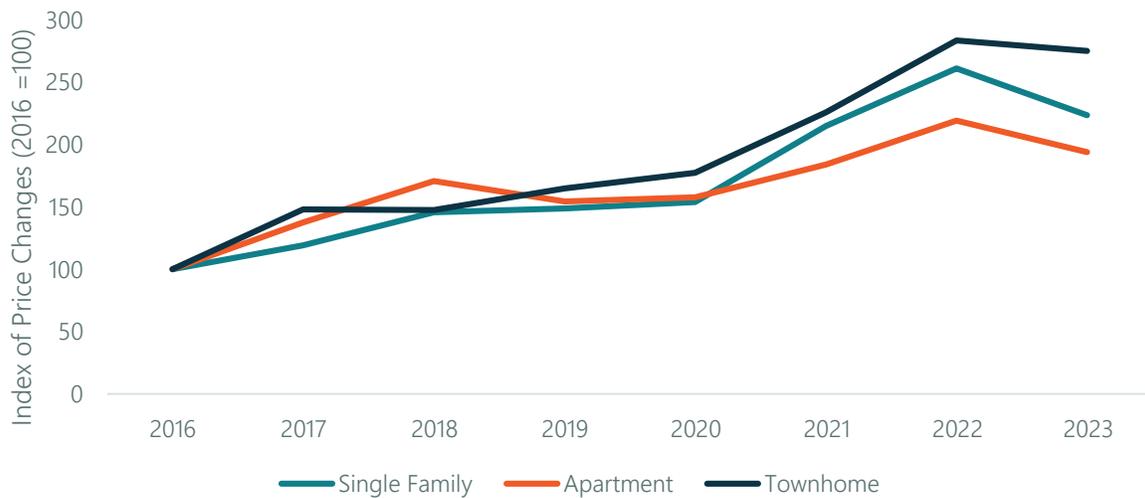
As shown in Figure 13 significant portion of the growth in housing prices occurred between 2016 and 2017, and then again between 2020 and 2021. As the COVID-19 pandemic progressed, increased savings coupled with record-low interest rates and a transition to remote work fueled demand for housing across Vancouver Island, including Campbell River. While there was an associated uptick in construction activity in 2020 and 2021, housing starts and completions fell closer to historical levels in 2022, as shown in Figure 14. This may have been linked to material cost increases and rising interest rates.

⁸ Vancouver Island Real Estate Board.

⁹ Ibid.

¹⁰ CMHC.

Figure 13: Benchmark Housing Price Changes, 2016 to 2022, Campbell River



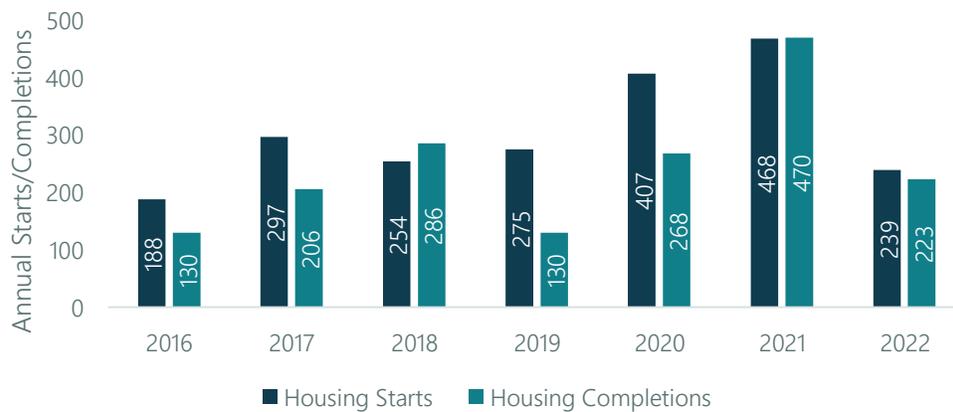
Source: Vancouver Island Real Estate Board

Table 5: Housing Stock, 2016 to 2021, Campbell River

	2016	2021	Change (2016 to 2021)
Total Private Dwellings	14,810	16,194	1,384

Source: Statistics Canada. Census 2016 and 2021. CMHC. Housing Starts, Completions and Units Under Construction.

Figure 14: Housing Starts and Completions, 2016 to 2021, Campbell River



Source: CMHC. Housing Starts, Completions and Units Under Construction.

As housing prices have risen, the average cost of rental accommodation has also increased. As shown in Figure 15 the average rents increased by approximately 77 percent between 2015 and 2022.

Figure 15: Average Rental Housing Rates, 2015 to 2022, Campbell River



Source: CMHC



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