



**BEYOND
BUSINESS
AS USUAL**

Lantzville

Economic Snapshot

February 2018

Prepared by EcoPlan

Table of Contents

Introduction	3
Population and Demographics.....	4
Population	4
Demographics	4
Labour force	5
Employment	7
Employment and unemployment	7
Employment in Lantzville	8
Employment of Lantzville residents.....	8
Working from home.....	9
Commuting and local jobs	10
Employment growth.....	12
Income.....	12
Other Economic Indicators	14
Affordability	14
New Business Formation	15
Building permits.....	16
Mobility and migration	16

Introduction

This 'economic snapshot' has been developed as part of 'Lantzville, Beyond Business as Usual': a set of projects that are being developed to strengthen the economy of the District of Lantzville. The two projects are a

- Community brand; and an
- Economic development strategy

This snapshot provides all stakeholders and partners with a common set of facts about the District of Lantzville's economy. It includes research and analysis on the demographics, labour force, employment, industry breakdown and other key economic factors. This research will help shape the actions that are developed to improve the local economy.

Notes on data and sources

Unless otherwise noted, information is from Statistics Canada data: Census, National Household Survey, and Long Form Census.

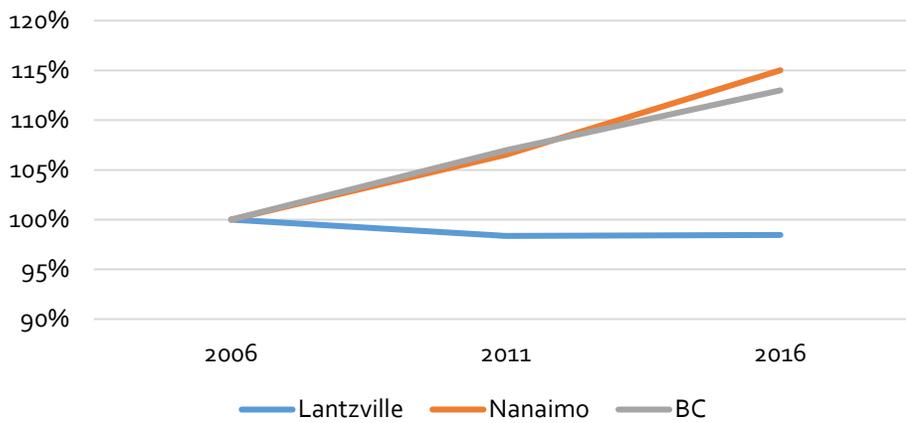
It is generally accepted that the 2011 National Household Survey (i.e. Long Form Census) does not have reliable data, nor is it comparable to other years. For this reason, the authors have typically avoided using 2011 data from the National Household Survey where possible. This is why many time series charts go from 2006 to 2016.

Population and Demographics

Population

Lantzville has a stable population. The total population of the District of Lantzville was 3,605 in 2016 and has remained relatively steady since 2006 with an average annual growth rate of -0.2%. Nanaimo and BC have both grown faster during this time, with an average annual growth rate of about +1.4%.

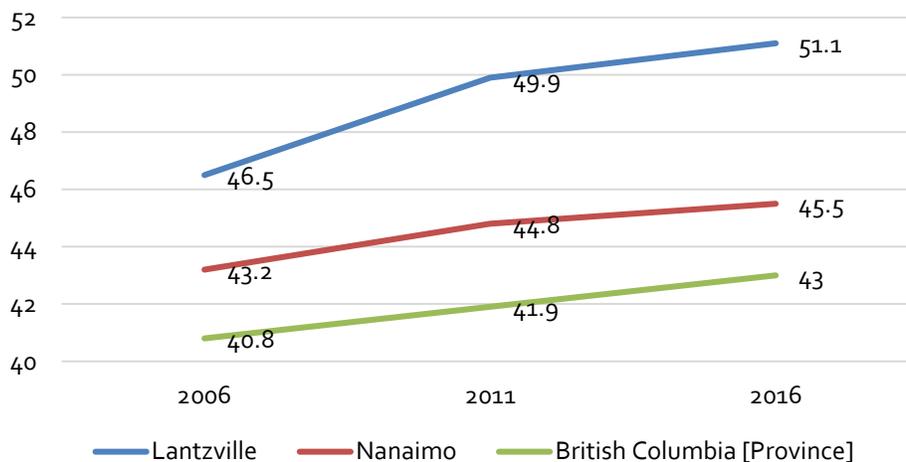
Population Change (2006=100%)



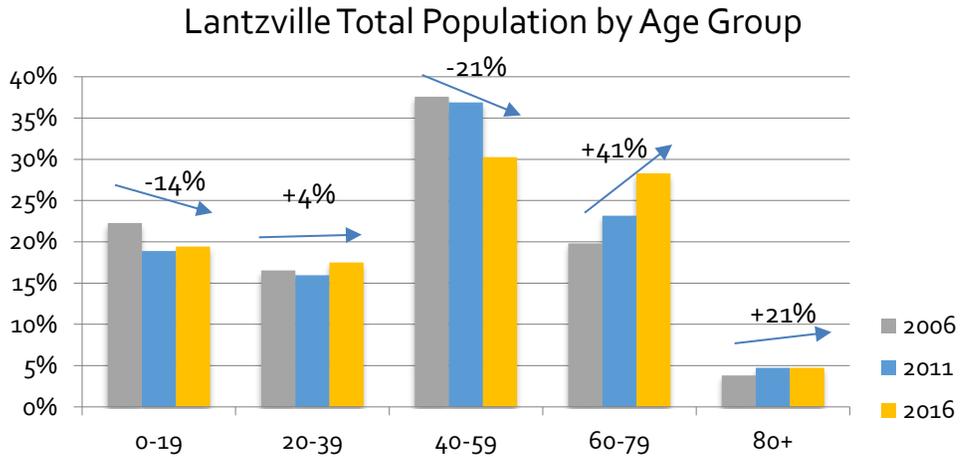
Demographics

Lantzville has an aging population and fewer youth than before. The median age in Lantzville was about 51 years in 2016, which is well above the provincial average of 43. Although the province as a whole is aging as well, Lantzville is aging faster, especially between 2006 and 2011.

Median Age of the Population

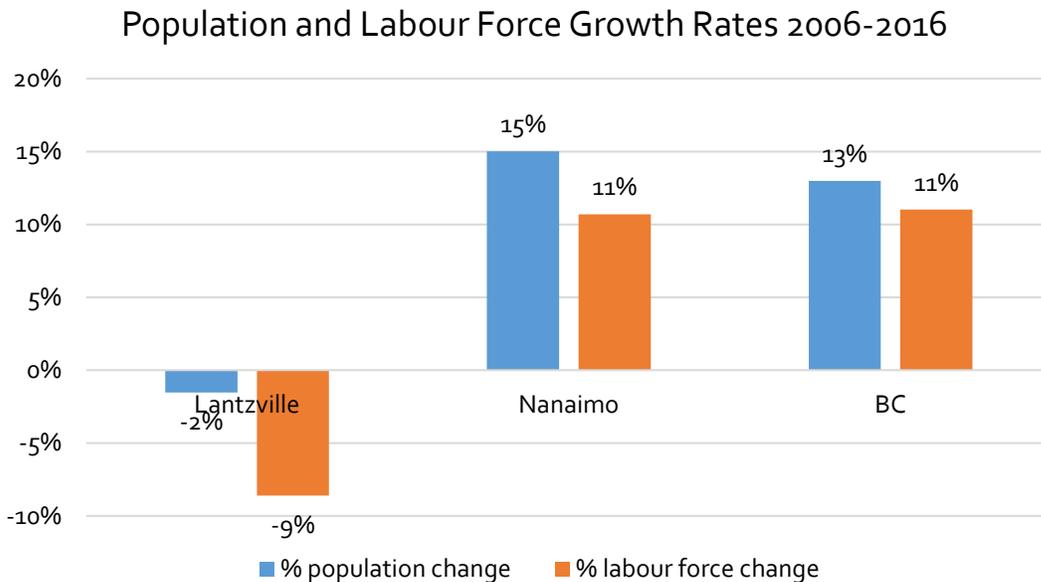


The chart below shows how the population of Lantzville is changing in age over time. In the ten years leading to 2016, Lantzville's youth population shrunk by about 14%. Conversely, the number of people over 60 grew by 38%.



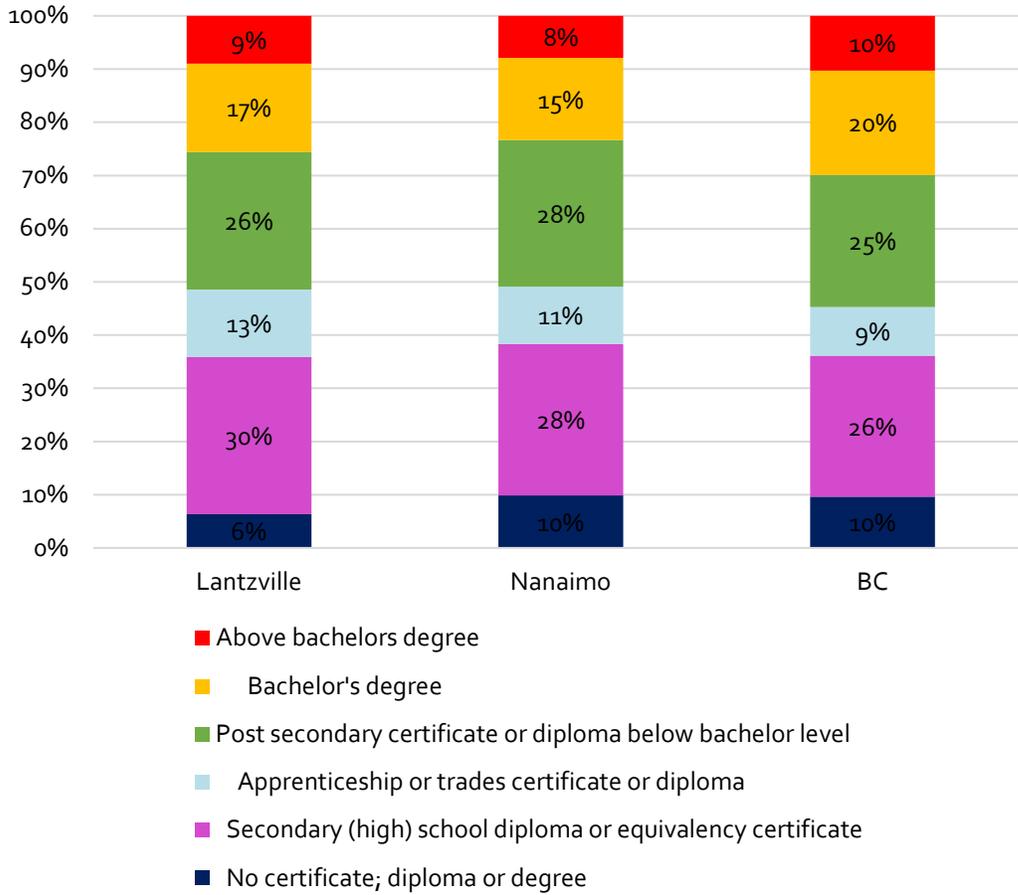
Labour force

Lantzville has a declining labor force. The 'labour force' includes people who are working, or looking for work. While the population of Lantzville shrunk slightly during the past ten years, the labour force contracted much more sharply, likely due to the aging population, resulting in a higher proportion of retired individuals.



Education levels are about average: The education level of the population is an important factor in income levels and the types of jobs in an area. Education levels in Lantzville (shown in the chart below) are similar to averages in Nanaimo and the province. Back in 2006, education levels in Nanaimo were slightly lower, but they have caught up to Lantzville now more or less.

2016 Highest Level of Educational Attainment (24-65 year olds)

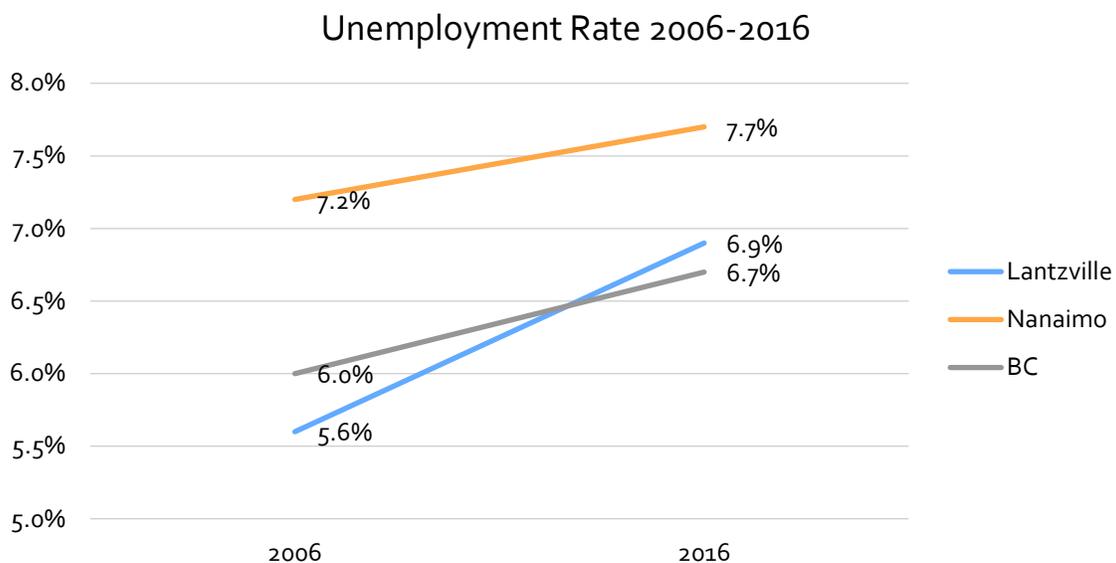


Employment

Employment and unemployment

Employment of Lantzville residents is decreasing and unemployment of Lantzville residents is increasing. The number of Lantzville residents that are employed is falling at about 1% per year, from 1,870 people in 2006 to 1,675 last year. Of the 195 fewer working people, only about 25 of these are due to rising unemployment rates (see below) – the remainder being from falling labour force participation rates.

The unemployment rate in Lantzville rose from 5.6% to 6.9% in the past ten years. Although it is slightly higher than the provincial average, it is lower than the City of Nanaimo.



Of those working in 2016, people who live in Lantzville were slightly less likely to work full-time, full-year, than the provincial average:

- 42% worked full-time, full-year (compared to 46% for the province)
- 58% worked either part-time and/or part-year (compared to 54% for the province)

The average person in the area (including full-time and part-time workers) worked 41.1 weeks of the year, which is very similar to the city of Nanaimo and BC.

Typically, areas with higher rates of part-time/seasonal work have lots of tourism, agriculture or retail employment, which, other than retail, is not the case in Lantzville. The higher rate of part-time work may be due to older workers who are transitioning out of full time work.

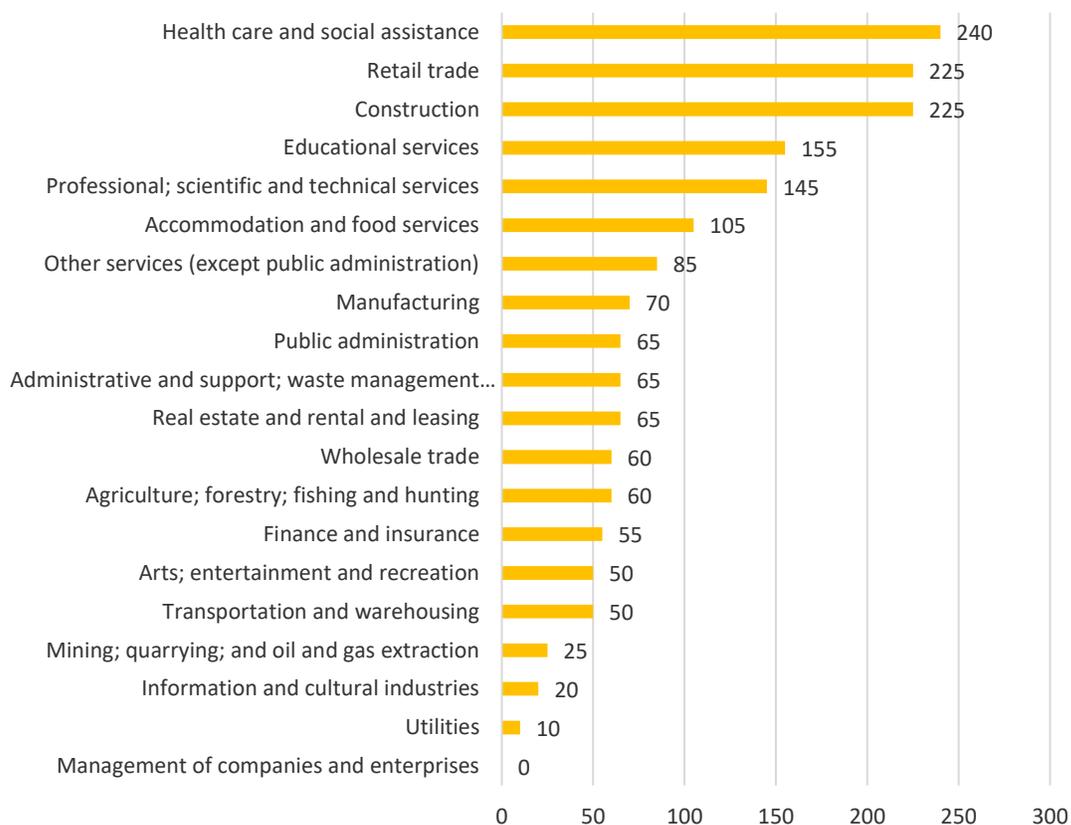
Employment in Lantzville

There are about 580 jobs in Lantzville (as of 2016), 400 jobs of those jobs are outside the home, with another 180 work-from-home jobs. Jobs in Lantzville include commercial, light industrial and many home-based businesses. There is no business license requirement at this time, so exact numbers are not known but there are approximately 25 commercial businesses in the village core and approximately 25 light industrial operations in the industrial area.

Employment of Lantzville residents

The three biggest employment industries for Lantzville residents are: Health Care and Social Assistance; Retail Trade; and Construction. The chart below shows the breakdown of employment by sector for Lantzville residents. Data is based on where people live, not where they work - many of these jobs are in Nanaimo and elsewhere.

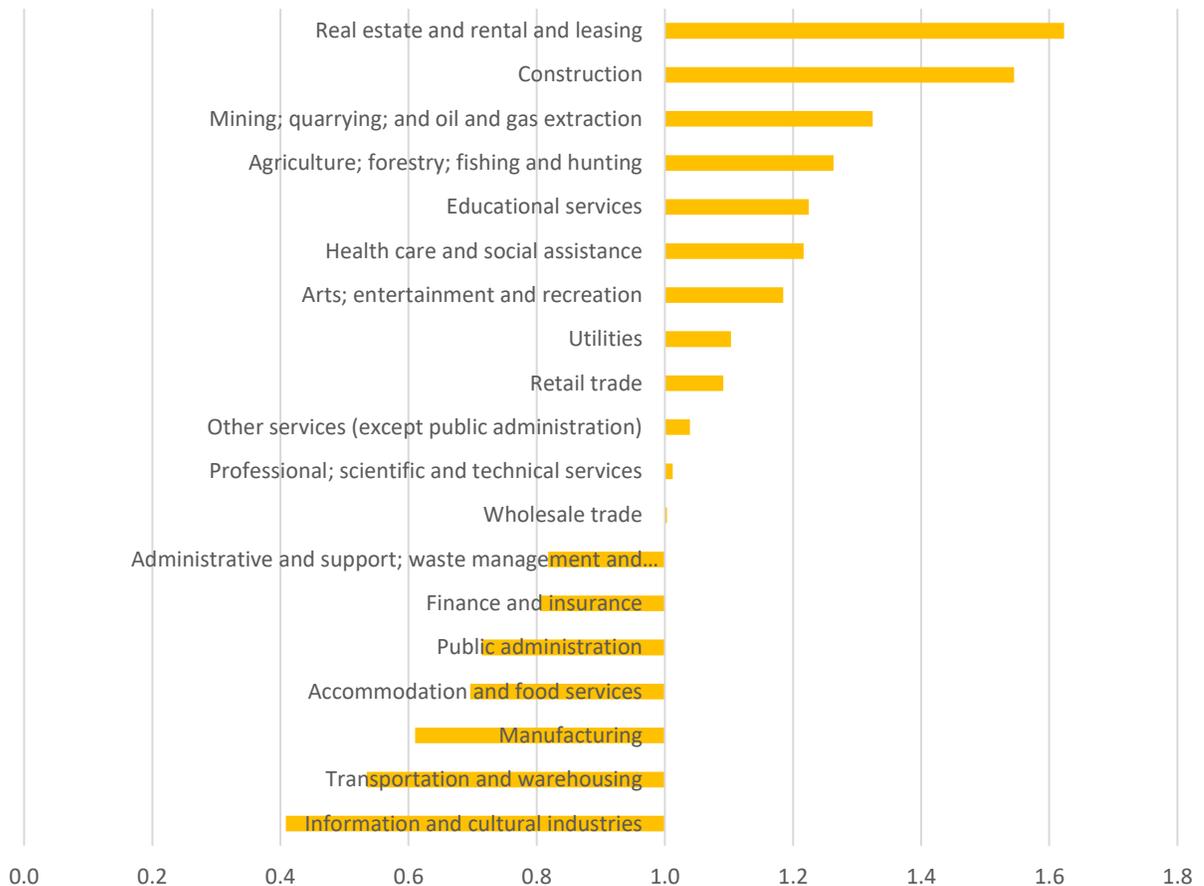
2016 Employment by Industry



Unfortunately, it's not possible to show employment growth by industry over time with any reliability. The 2011 National Household Survey (i.e. Long Form Census) is not reliable data. 2006 data was categorized using slightly different NAICS categories which makes comparisons difficult.

The chart below shows Lantzville’s employment by industry compared to the provincial average¹. Those industries with bars on the right are areas where we have a higher concentration relative to the provincial average. Those with bars on the left are areas where we have relatively low employment in that sector. The goal is not to be in line with provincial average, but merely to show our relative strengths and areas where they may be opportunities for further employment growth.

Concentration of employment per industry, compared to provincial average (2016)



Working from home

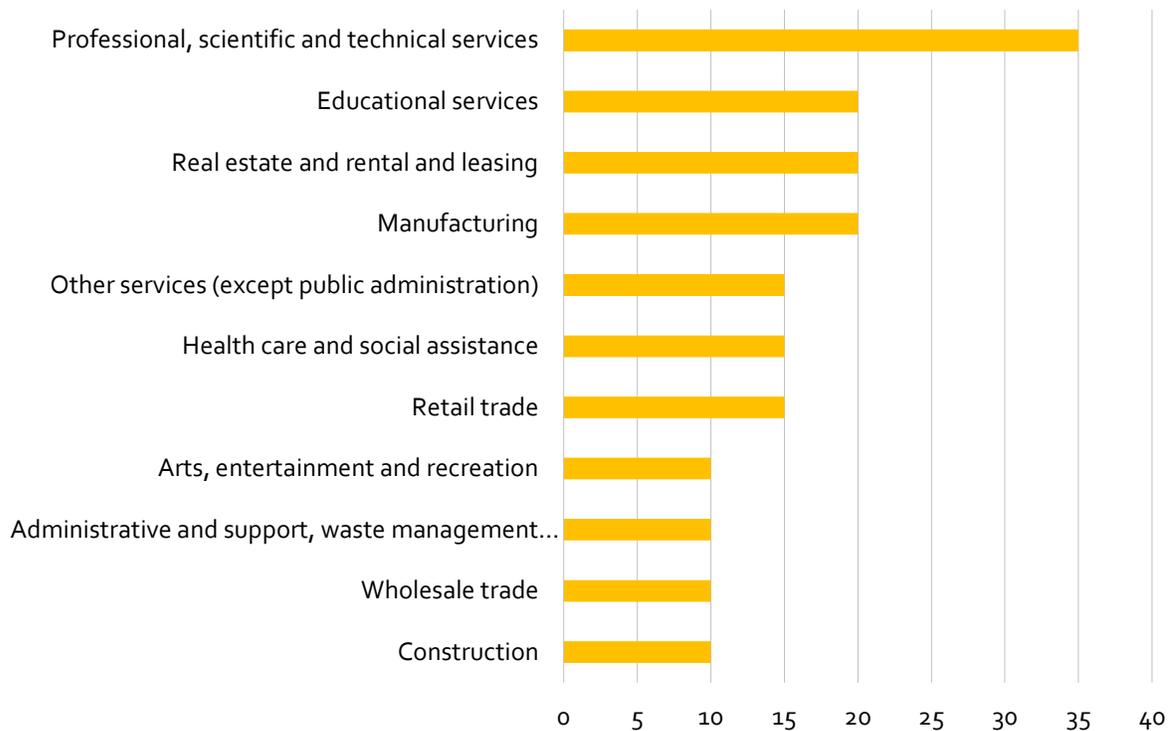
Lantzville residents who work from home make up an important part of the labour force.

About 10.7% of all working Lantzville residents work from home (180 people). This is higher than the provincial average of 8.5%, and slightly higher than places like Vancouver (8.9%) and Nanaimo (9.7%).

¹ The analysis was done using “Location Quotient” method, which is calculated by: “percentage of total employment that is in that sector for Lantzville” / “percentage of total employment that is in that sector for the Province”.

Lantzville residents who work from home are employed in the following sectors:

2016 Industry breakdown of Lantzville residents who work from home



Interestingly, about 66% of people who work from home in Lantzville are women, compared to 51% at the provincial level.

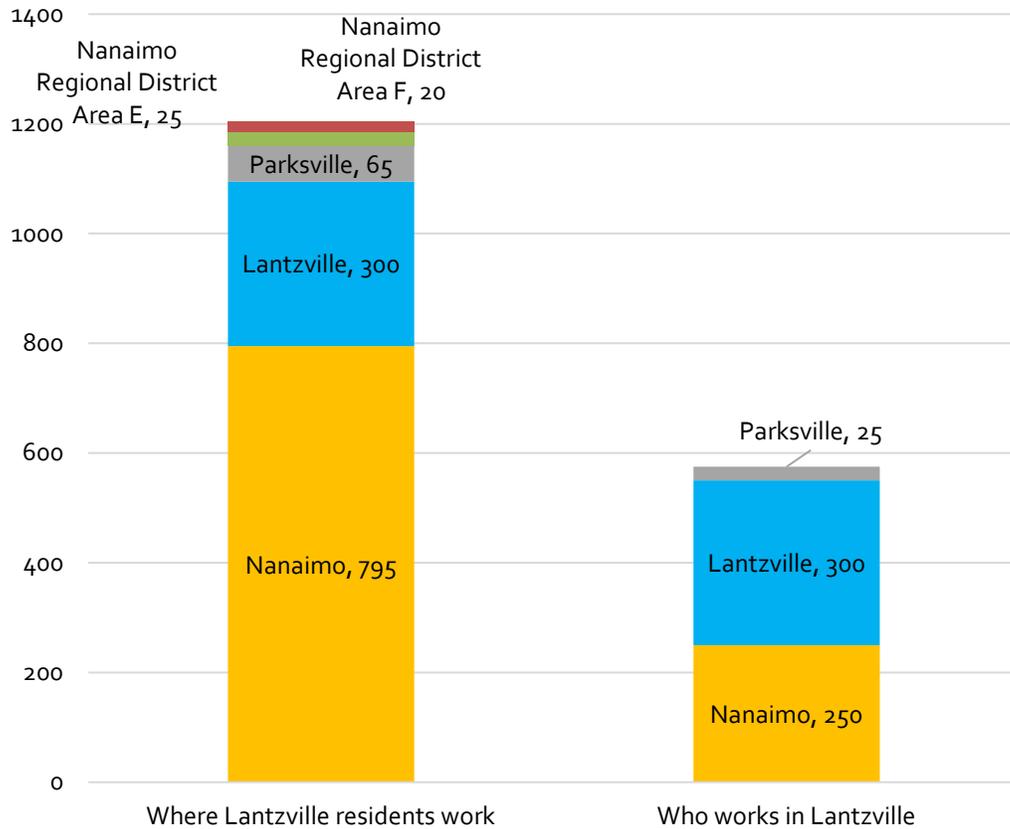
Commuting and local jobs

Lantzville has a very low number of jobs relative to the number of people in the labour force. About 300 Lantzville residents live *and* work in Lantzville (including 180 of whom that work from home). There are about 900 Lantzville residents that leave Lantzville for work, and 275 people from elsewhere that commute into Lantzville for work.

Not surprisingly, most Lantzville residents work outside of Lantzville (75%). Conversely, 70% of the jobs in Lantzville are filled by people from elsewhere (Nanaimo and Parksville). This will be a key consideration for the economic development plan, since a new job in Lantzville is likely to be filled by someone from elsewhere. The chart below shows where people from Lantzville work, and who works in Lantzville². It only includes people who have a 'usual place of work' (so it excludes people who move from site to site like construction workers).

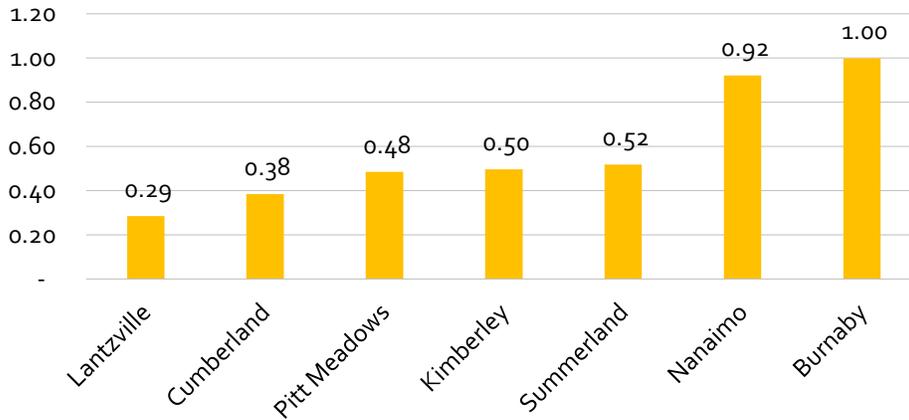
² Data in this section is from Census Canada data products, and Census profiles

Place of Work vs. Place of Residence (number of people, 2016)



Put another way, Lantzville has a very low number of jobs per resident. The graph below shows the ratio of jobs to labour force participants for Lantzville, Nanaimo, and a number of comparison communities that are adjacent to larger centres (i.e., “commuter towns”). Of these, Lantzville has the lowest amount of jobs per resident. Local jobs are important for the vibrancy of a community, and there are positive environmental and social impacts from reduced commuting.

2016 Jobs to Labour Force Ratio (i.e., number of local jobs per local worker)



Employment growth

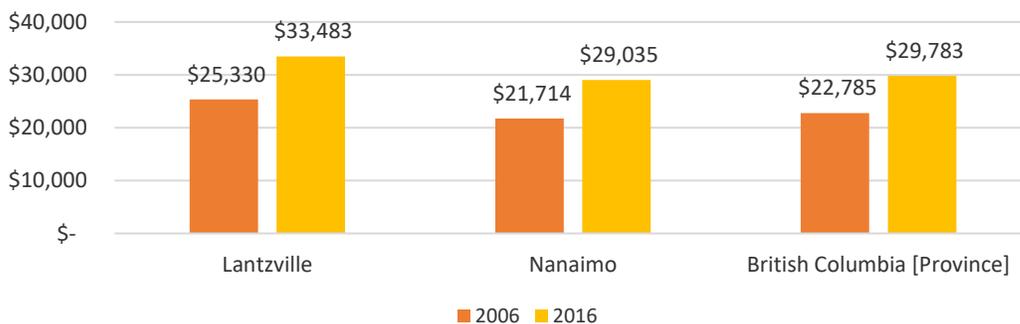
Employment growth in the region is expected to be positive in the coming years. Overall employment growth is expected to be 0.8% per year for the next ten years in the Vancouver Island region, slightly below the provincial rate of 1.1%³. 77% of job openings are expected to come from growth, and the remainder from retirements.

In the Vancouver Island region, the fields with the most job openings in the next ten years are expected to be Construction, Ambulatory Health Services, and Retail Trade⁴.

Income

Lantzville has a median income that is higher than the Nanaimo and provincial averages. However, Lantzville had a similar growth rate to both of these areas in the past 10 years (about 31-34%).

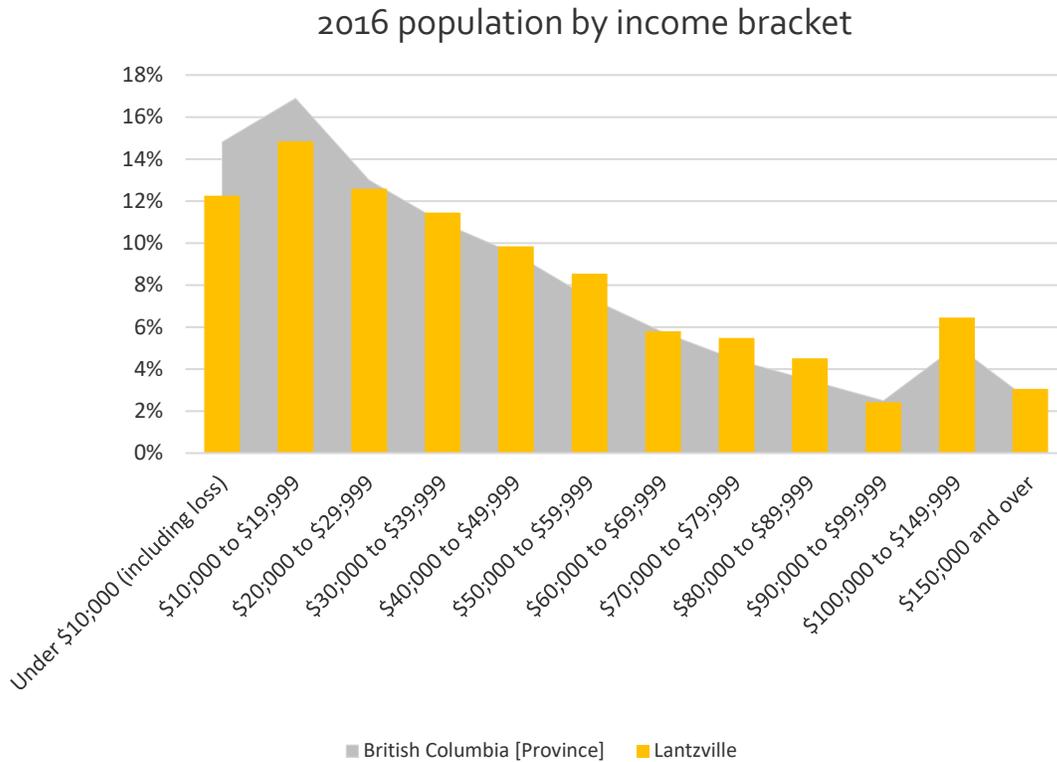
Median After Tax Income (Individuals)



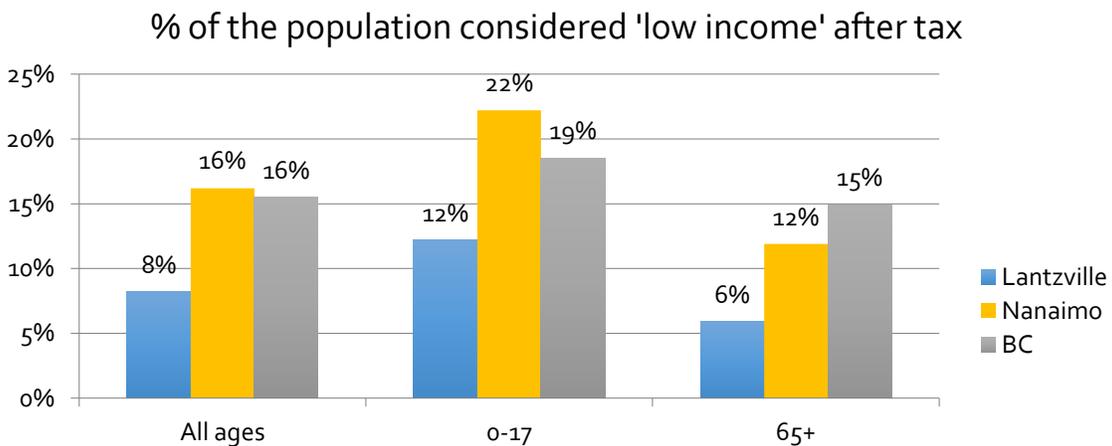
³ BC Labour Market Outlook 2017

⁴ BC Labour Market Outlook 2017

When broken down by income bracket, the chart below shows that Lantzville's higher median income is driven primarily by a higher proportion of people earning over \$100,000 per year.



At the other end of the income spectrum, about 8% of Lantzville residents are considered low income⁵, including 12% of youth under 18 and 6% of seniors. All of these rates are about half that of Nanaimo and the province (see below).



⁵ Using the Low-income measure, after tax (LIM-AT) methodology

Other Economic Indicators

Affordability

Assessed land values in Lantzville are rising quickly. Assessed values for light industrial properties increased 16.5% between 2017 and 2018. Assessed values for commercial properties increased by 14%. These rising commercial property values can limit the ability for new business investment or growth, and rising property taxes can be difficult for businesses to bear.

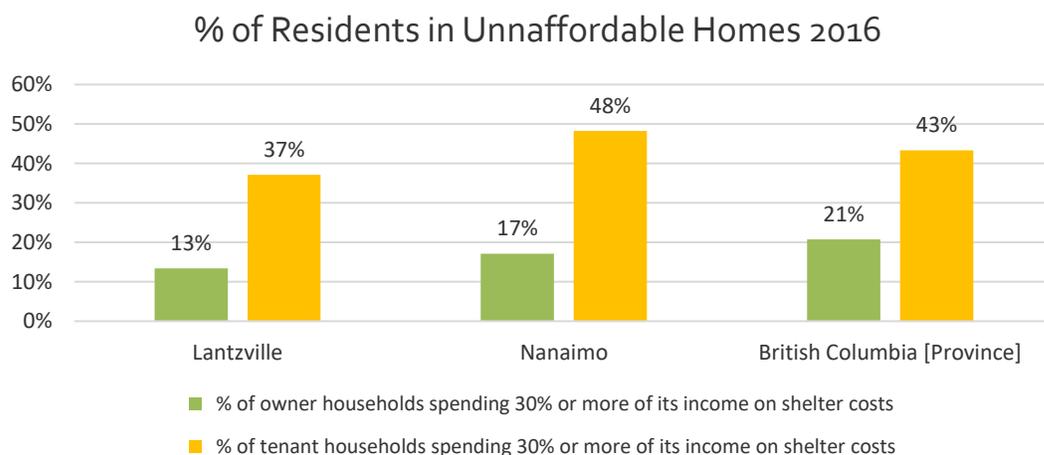
Home values impact the ability to attract a diversity of residents, including employees for local businesses. Homes in Lantzville are relatively unaffordable, which is in part due to large lot sizes and a lack of multi-family units. The average assessed value of a single-family home assessed in Lantzville is \$535,000, up 21% in the past year. A chart comparing several regions is shown below.

Single family home values

Area	2018 Average Assessed Value	% increase over 2017
District of Lantzville	\$535,000	21%
Nanaimo	\$441,000	15%
Qualicum Beach	\$546,000	22%
Ladysmith	\$391,000	17%

Source: BC Assessment. Vancouver Island 2018 Property Assessment Notices In the Mail, January 2, 2018

As of 2016, these high home prices were not an unbearable stress on the current population of Lantzville (see chart below), but this could change as property taxes rise. Additionally, high prices are likely keeping new residents – particularly a diversity of residents like families or median income residents – from moving to the area.



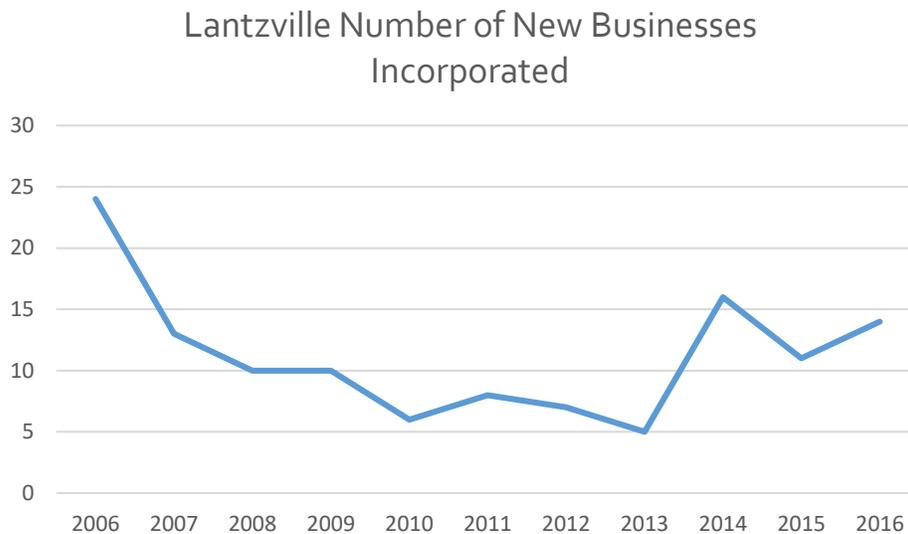
Food costs in the area are about average within the province. A study⁶ comparing food costs

⁶ Food Costing in BC 2015, Provincial Health Services Authority

throughout BC found that the area that central Vancouver Island had the 8th highest cost of food of 16 regions in the province.

New business formation

Lantzville is on an upward trend in new business development. A total of 14 new businesses were incorporated in Lantzville in 2016. The number of people starting businesses each year in Lantzville took a dip between 2008 and 2013 (a trend seen throughout the province) but it seems to be rising again.



Source: BC Statistics Business Formations and Failures

Each year for the past five years, there has been an average of one new business formation in Lantzville for every 340 residents. How does this compare to other regions?

- Vancouver: one new business formation per year for every 53 residents (very entrepreneurial)
- British Columbia: one new business formation per year for every 129 residents
- Golden BC (similar population to Lantzville): one new business formation per year for every 121 residents
- Grand Forks BC (similar population to Lantzville): one new business formation per year for every 506 residents (less entrepreneurial)

Tax rates

Property tax rates for businesses in Lantzville are competitive relative to the other municipalities in the Province. The ranking of tax rates (relative to 162 municipalities) is shown below for Lantzville, Nanaimo, and several other District Municipalities for comparison.

	Tax category (rank, out of 162 municipalities in the province)		
	Major industry	Light industry	Business
District of Lantzville	15 th lowest	83 rd lowest	43 rd lowest
Nanaimo	82 nd lowest	78 th lowest	112 th lowest
District of Port Hardy	44 th lowest	140 th lowest	143 rd lowest
District of Vanderhoof	136 th lowest	129 th lowest	116 th lowest

Source: Ministry of Community, Sport and Cultural Development, Local Government Statistics

Building permits

In the past five years, 6-8 building permits were issued per year⁷. This indicates slow growth in development and building investments.

Mobility and migration

Lantzville is about as successful at attracting new residents as the provincial average.

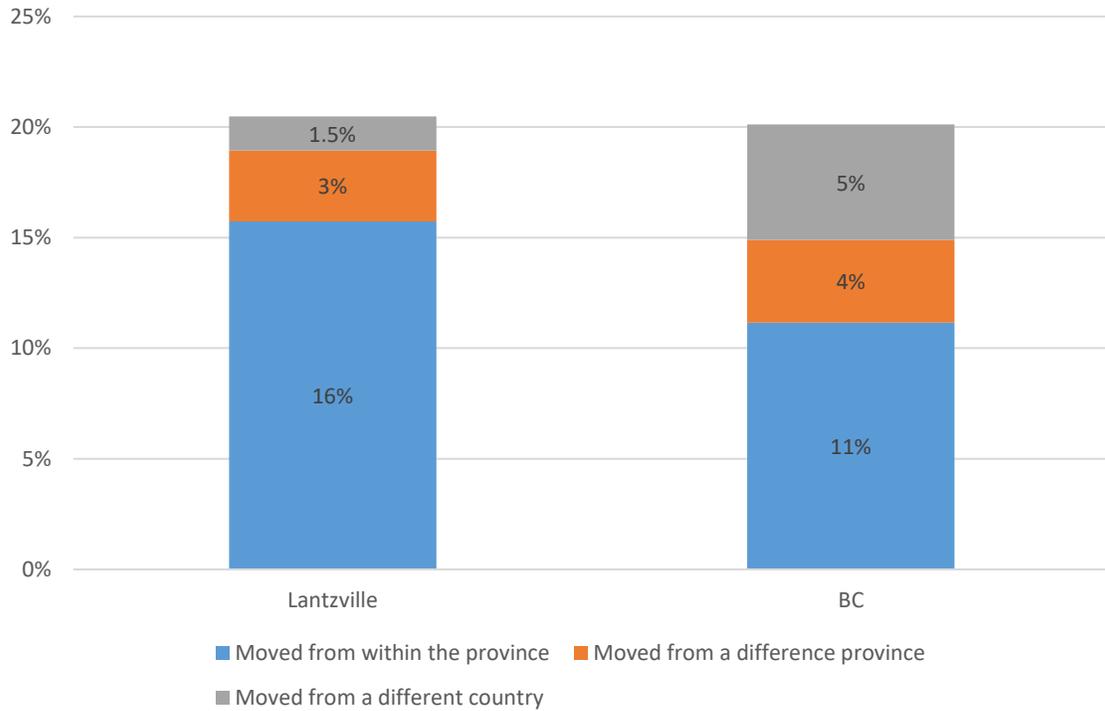
About 20% of the people living in the District of Lantzville did not live in Lantzville five years ago. This is almost the same percentage as for the province (21%).

Status of 'mover' that are new to the District of Lantzville between 2011 and 2016	Number of movers
Moved from within the province	565
Moved from a different province	115
Moved from a different country	55

However, the makeup of these new residents is somewhat different from the provincial averages (see chart below). As can be seen, Lantzville attracts a higher proportion of 'movers' from within the province, and a lower proportion of immigrants from other countries. If Lantzville were to attract the same proportion of immigrants as the province, there would have been an additional 134 people moving to the District in the past five years.

⁷ Lantzville Official Community Plan Second Draft December 2017

Source location of residents who are new to the area within the past five years, as a percentage of total residents



Agriculture Snapshot

Agriculture is an important component of Lantzville's economy, providing employment, primary income and supplementary income to some residents. Additionally, the semi-rural nature of Lantzville is important to residents, and a key part of this is the inclusion of agriculture within the District borders. There are approximately 140 hectares of Agricultural Land Reserve (ALR) land in Lantzville, some which is actively farmed. Additionally, there is some non-ALR land that is also used for agriculture.

This section provides some basic information on agriculture in the area. All data is from the Census of Agriculture.

Agriculture Highlights for the District of Lantzville and the Municipality of Nanaimo (data for these two areas cannot be disaggregated)

- The overall number of farms in Nanaimo/Lantzville reporting in the 2016 Agriculture Census decreased by 7% (from 221 in 2011 to 204 in 2016). The decrease was mainly in larger farms, with almost no loss of small farms (less than 10 acres).
- Average annual *profits* per farm in 2016 were \$17,997 (up from \$6,590 in 2011, a very large jump). These profits were considerably higher than the Nanaimo Regional District as a whole, and the Vancouver Island-Coast area.
- Most local farmers have employment income from other sources (i.e., from work off the farm). 56% have *some* other paid work, and 36% have full time or almost full time paid work (more than 30 hours a week).
- Average age of farmers is 57 (up from 56 in 2011).
- Average farm size is small – 50% of reporting farms are under 10 acres.
- Most farms are making less than \$10,000 in gross farm receipts (i.e., revenues) per year (57% of farms).
- Agriculture production is concentrated in vegetable and melon farming (12%), hay farming (10.7%), and greenhouses and floriculture (10.3%).
- Vegetable production has seen the largest increase in production since 2011 (6.86% increase).

Key Context Pieces

Snaw-naw-as

Snaw-naw-nas (formerly Nanoose First Nation) is an important partner in Lantzville's economic development.

Snaw-naw-as has one reserve, called Nanoose, with a land base of 54 hectares. The reserve is surrounded by District of Lantzville land. Due to this unique geography, the economies of Lantzville and Snaw-naw-nas are clearly linked, and there are opportunities for ongoing economic collaboration. There are approximately 170 Snaw-naw-as members living on the Nanoose Bay reserve, and another 85 members who live off-reserve.

With regards to economic development projects, Snaw-naw-has several forestry agreements with the Province, and runs the Snaw-naw-as Campground (located on the water on their reserve lands). Visitors to this campground must pass through Lantzville to access it. They operate the only boat launch in the area. Snaw-naw-nas are also in the Final Agreement Negotiation Stage of the Te'mexw Treaty, which, when complete, will allow the Nation to pursue a range of new economic development opportunities as an independent and self-governing Nation.

Foothills Development

The Foothills Development, located in North Lantzville, is being developed as a 730-home, mixed use community with a village core area, 900-acre park and estimated 2,000 new residents within 10-15 years. Construction of infrastructure is currently underway, and construction of homes will begin mid-2018. Lantzville, with a current population of about 3,600, could be profoundly impacted by this development, and must be proactive in understanding, and planning for, its development.