

ANNUAL RECAP

As we move along in 2023 into an uncertain economic future for the global and national economies, let's take a final look back at how Rural BC fared in 2022 on several key variables.

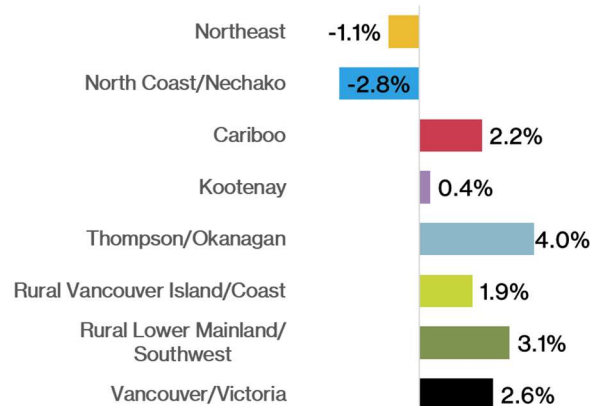
EMPLOYMENT

Total employment across rural BC in 2022 increased by 4.0%, or 42,500 jobs, compared to 2021. This exceeds the provincial growth rate of 3.2%.

On a regional basis, gains were highest in the southwest of the province, with 4.0% growth in Thompson/Okanagan and 3.1% in the rural Lower Mainland/Southwest. Strong growth in the southern part of the province masked the ongoing challenges in the north, where jobs declined by nearly 3% in North Coast/Nechako and 1% in the Northeast.

ANNUAL EMPLOYMENT GROWTH

2022 compared to 2021



RURAL BC IN 2022



42,500 JOBS
were created in Rural BC in 2022.

Unemployment dropped from 6.1% in 2021 to 4.5% in 2022.

EMPLOYMENT GROWTH

+4.0%

Employment in Rural BC 2022

+21%

Job Vacancies Through Q3

HOUSING MARKET RESET

-31%

Unit Sales 2021 to 2022

-6%

Average Sale Price Q4 2021 to Q4, 2022

NET MIGRATION

+13%

From rest of BC

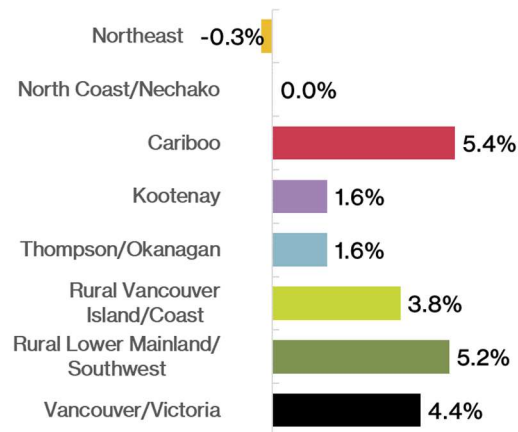
-34%

From rest of Canada

Job growth is even stronger for full-time employment. Not only did total employment grow in most regions, but additional part-time positions were converted to full-time jobs. This trend is strongly indicative of the labour shortages experienced across the province.

FULL-TIME EMPLOYMENT GROWTH

2022 compared to 2021



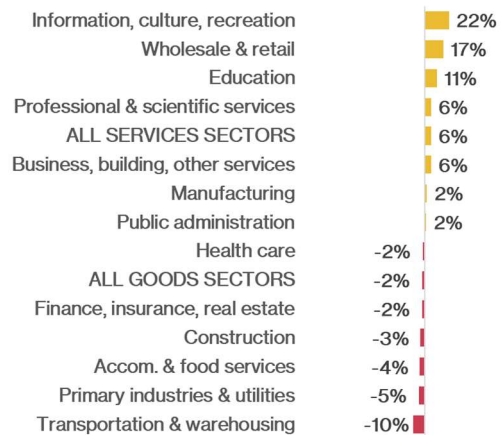
The only region that did not have stronger growth in full-time employment than total employment was Thompson/Okanagan. The northern regions that lost total jobs – Northeast and North Coast/Nechako – were essentially flat in terms of full-time employment.

JOBS BY SECTOR

Rural job growth continues to be led by services industries, which grew by 6% in 2022 compared to a 2% decline in goods-based employment.

ANNUAL EMPLOYMENT GROWTH BY SECTOR IN RURAL BC

2022 compared to 2021



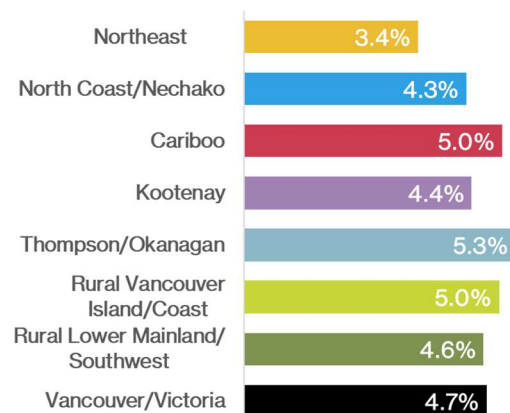
LABOUR SUPPLY

Finding enough quality workers is an ongoing challenge in Rural BC.

With strong job growth, the rural unemployment rate dropped to 4.5% in 2022, quite possibly the lowest ever achieved (the current data series only goes back to 2006, but unemployment rates were typically higher prior to that).

UNEMPLOYMENT RATE

2022



All rural regions have recovered from the elevated unemployment rates during the height of the COVID-19 pandemic and both North Coast/Nechako and Kootenay achieved their

lowest rates since at least 2006 (which means probably their lowest ever).

Another interesting fact from this data set is the minimal variation between rural regions. No longer are some parts of the province suffering with high unemployment while other regions are doing fine. The spread between the lowest rate (Northeast at 3.4%) and highest rate (Thompson/Okanagan at 5.3%) in 2022 was only 1.9 percentage points, the smallest ever recorded.

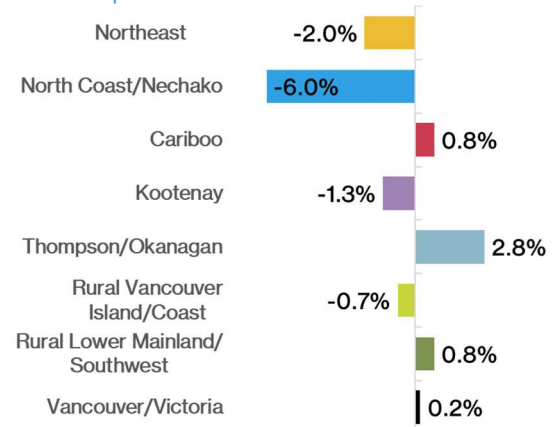
We could speculate for the reasons behind this, but one factor is surely the increased diversification of employment in many rural regions, aided by distance working technology and amenity migration. Even if rural regions are still mostly reliant on one or two sectors, those core sectors simply do not employ the same number of people as in the past.

Labour mobility is another factor as regions that lose employment, including through major losses like mill closures or downturns in oil and gas, appear to be losing not just the jobs but also the workforce that formerly held those jobs. The Northeast lost 1.1% of its jobs in 2022, but the labour force shrunk even more and drove the unemployment rate to a very low 3.4%.

The next chart shows the two northernmost regions that lost jobs in 2022 also had the largest decline in labour force, suggesting that workers either moved away or left the labour force entirely (perhaps to retire to go back to school).

LABOUR FORCE GROWTH

2022 compared to 2021

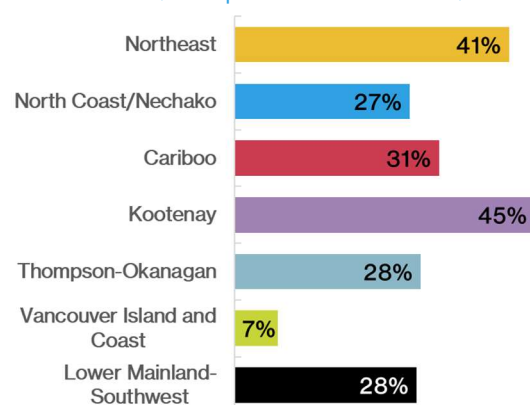


Labour force growth was soft or negative through much of Rural BC in 2022, with the exception of strong 2.8% growth in Thompson/Okanagan. With most regions experiencing a small increase in the number of job seekers, combined with strong employment growth, unemployment rates were driven down to record or near-record low levels.

Through the first three quarters of 2022, total job vacancies were up by 21% across all of Rural BC compared to the same period in 2021. This number would be even higher if not for the modest increase of 7% in Vancouver Island/Coast while other rural regions are in the 27% to 45% range.

JOB VACANCIES

YTD thru 2022-Q3 compared YTD thru 2021-Q3



MIGRATION

Migration to rural regions accelerated during the pandemic, but how these trends evolve into the future remains to be seen.

Intraprovincial migration in BC traditionally flows from Metro Vancouver to other parts of the province. The total flow to Rural BC increased for the third straight year in 2022 (technically, from mid-year 2021 to mid-year 2022), reaching 51,500 people in total.

This was 13% higher than in 2021 and 31% higher than the last pre-pandemic year of 2019.

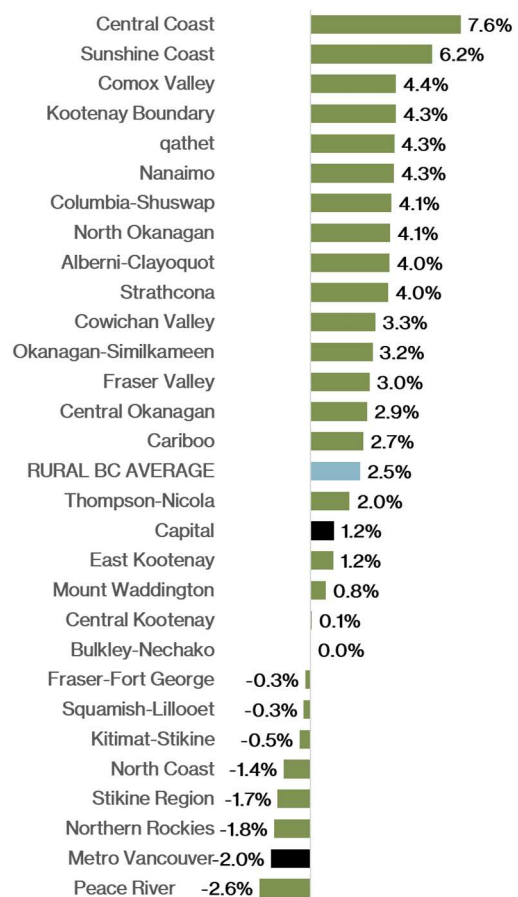
The largest number of intraprovincial migrants landed in the most populated regional districts in the southern part of the province, including the Central and North Okanagan, Nanaimo, and the Fraser Valley. But another way to look at the same data is to show net intraprovincial migration as a share of the total population.

By this measure, the Central Coast and the Sunshine Coast had the largest population influx from other parts of BC in 2022, adding 7.6% and 6.2%, respectively. The total contribution to rural population was 2.5% and the range in percentage terms is quite varied, including a net outflow from most of the northern regional districts. This is consistent with the earlier data that highlighted the declining labour force in those parts of BC.

Net interprovincial migration from the rest of Canada to Rural BC was 32,000 in 2022. This was less than the record inflow of nearly 49,000 in 2021, but still higher than the pre-pandemic years of 2018 and 2019. All rural regions have a net interprovincial inflow since 2019, except Northern Rockies, Peace River, and Fraser-Fort George.

NET INTRAPROVINCIAL MIGRATION

Share of 2022 Population



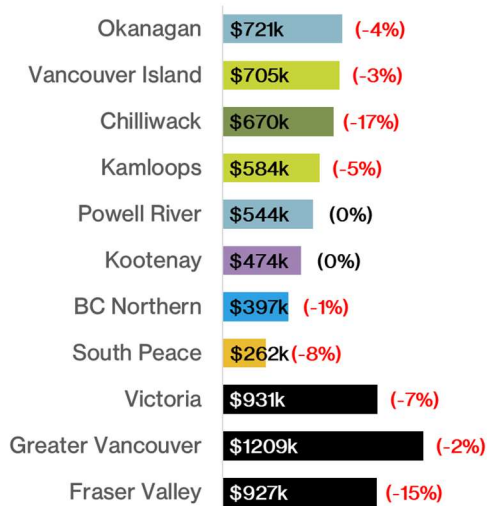
HOUSING

The previous issue of the BC Rural Bulletin highlighted the rapid change of the provincial housing market as interest rates increased over 2022. Now that full year data is available, the total drop in residential unit sales across rural BC was 31% compared to 2021.

The average price for all units was 11% higher than the previous year, but this is due entirely to much higher prices in the first part of the year. Average prices declined over the course of the year until the 4th quarter average was 6% lower than Q4 of 2021.

AVERAGE HOME PRICES

Multiple Listing Service, 2022-Q4 Average (and Change From 2021-Q4)



Chilliwack and the Fraser Valley had the largest year-over-year price decline, falling 17% and 15% respectively. These areas had previously experienced the largest price increases in the early part of the pandemic.

Prices were mostly down in the single digit percentages in other regions, but were flat in Powell River and the Kootenay board region.

As always with this data set, it must be noted that the Multiple Listing Service includes all unit types, so observed changes could be due to a different mix of unit types rather than a price change for the same type of unit.

CREDITS

This bulletin was prepared by Vann Struth Consulting Group Inc.



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