



Shape Your Future Victoria

Economic Trends and Prospects

Definition and Description

Economy means the system of individual and corporate agents and the human, physical, technological and financial resources participating in the production, exchange, distribution and consumption of goods and services in a given area.

Local economic vitality means the ongoing capacity of a community to generate and renew the skills, finances and systems of production, distribution and exchange that enable quality of life and community aspirations.

Economic trends are reasoned conjectures regarding economic directions derived from an analysis of historic information and based on defensible assumptions about future conditions and behaviour.

Why Is This Topic Important?

A strong and diverse local economy that provides employment opportunities, attracts investment, and supports community services and infrastructure, is a foundation of community sustainability. Changes in the local and regional economy influence the rate and nature of land use change, prospects for urban growth or decline, the general level of social well-being, and either enable or

inhibit the achievement of individual and community aspirations.

Did You Know?

Victoria is the Capital Region's **primary economic centre** with approximately **40 per cent of all jobs**.

Almost half of all jobs in Victoria serve the day to day needs of local residents. These include employment and/or businesses that provide an array of services, such as stores, cafes, health clinics, and government offices.

Victoria's **economic base is diversified**. The highest ranking job categories in the city in 2006 were local services, tourism, government, construction, finance, insurance and real estate, universities and hospitals, and high technology.

Victoria is the regional **business and government centre**, with **90 per cent** of finance, real estate and insurance jobs, and **60 per cent** of government jobs.

Jobs with the Province of British Columbia and tourism represented over **25 per cent of employment** in Victoria in 2006.

Approximately **23 per cent of Victoria households are low income**, defined as spending 20 per cent more than average, for their household size, of total before-tax income on food, shelter and clothing.

Issues and Trends

Modest decline in share of regional employment:

- The level of employment in Victoria and demand for occupations is dependent on growth and changes in the economy of British Columbia and the Capital Regional District.
- Victoria's share of total regional employment has declined from 43 per cent in 2001 to 40 per cent in 2006, a general trend observable across almost all economic sectors. One reason for this modest decline is the greater supply of land for commercial and industrial development in suburban municipalities.

Moderate pace of economic growth:

- Victoria's economy includes services to non-residents, such as tourism, and export products, such as manufacturing, and businesses and jobs that serve the needs of the local population.

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A full report on economic trends and prospects is available on the City of Victoria's website for the *Official Community Plan* review at:
www.ShapeYourFutureVictoria.ca

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- The pace of new retail, office, and industrial development in Victoria has been slow over the past 10 to 15 years, reflecting the overall moderate pace of economic growth in the city and the limitations on land availability, particularly for new retail and industrial development.
- The slow pace in office growth largely reflects the slow growth in government employment, which represents a large share of office use in the city. The pace of retail development reflects the rate of population growth in Victoria, as well as new major retail centres elsewhere in the region which compete with Downtown Victoria.

Low household incomes:

- Victoria has relatively low household incomes in comparison to other municipalities in the region, and relatively high housing costs. Many Victoria citizens who struggle to meet daily needs may have lower demands for goods and services in the local economy.

Challenges to traditional economic pillars:

- The relative strength of the Canadian dollar, increased border security measures, and higher fuel costs challenge the tourism sector.
- The limited availability of industrial land will constrain growth in industrial employment.
- Limited growth in public sector employment over the near future may undermine Victoria's role as the regional centre for government and business activity without efforts to attract other sectors.

Opportunities for the future:

- Growth in the technology sector is a bright spot due to Victoria's high quality of life, and the role of universities and hospitals as contributors to growth in this sector. Attracting these jobs may require facilitating the creation of high-tech industry districts.

Declining share of regional employment					
2006 Employment	Capital Regional District		City of Victoria		City Share of Capital Region
	Total Employment	Sector Share	Total Employment	Sector Share	
Total	185,040	100%	74,105	100%	40%
Community-Oriented	88,685	48%	35,225	48%	40%
Government Headquarters	19,014	10%	11,456	15%	60%
Tourism	13,159	7%	8,042	11%	61%
Construction	16,309	9%	3,996	5%	24%
Specialized finance, insurance, real estate	4,203	2%	3,783	5%	90%
Universities and Hospitals	12,097	7%	3,000	4%	25%
High Technology	11,608	6%	2,750	4%	24%
Transportation	5,992	3%	2,053	3%	34%
Wholesale	4,539	2%	1,550	2%	34%
Manufacturing	5,100	3%	1,378	2%	27%
Film and Television	1,800	1%	500	1%	28%
Resource	2,533	1%	373	1%	15%

- Increased residential development in the Downtown core will support job growth in the retail and service sectors. Land will have to be used more intensively to accommodate both population and job growth.

The City in Action: What We Do Now

The City of Victoria has policies within its existing Official Community Plan to support economic diversification, and in particular, continued support for a working harbour, and strengthening both the retail sector and office sectors in downtown. The City's investment in infrastructure renewal, and support for new infrastructure such as regional rapid transit, and the ongoing work to revitalize heritage buildings, beautify downtown and enhance quality of life in the city as a whole, are investments in quality of place, part of Victoria's competitive advantage. The City currently does not have an in house economic development program. It does, however, partially fund the Greater Victoria Development Agency, which provides three services: Support the Growth of Existing Businesses, Business Retention, and Business Attraction.

Share your thoughts and ideas:

Trends describe an economic future that can change depending on the future direction of municipal policy, programs and investments, as well as private sector activity. The Victoria Sustainability Framework, approved in principle by City Council on March 11, 2010, sets out a vision of Victoria's economy that builds on existing assets, and generates most of its new economic growth through innovation, entrepreneurship and new business formation, while continuing to attract and retain sustainable enterprises suited to the region.

- Do the economic trends described match your vision of Victoria's future? Why and why not?
- What would you change to create a more vital economic future?
- How could the City better support work to build a stronger local economy?

WANT TO LEARN MORE?

- Additional topic sheets are available online at www.shapeyourfuturevictoria.ca/research-facts