

May 5, 2021

Justin Trudeau

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Chrystia Freeland

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Ravi Kahlon

B.C. Minister of Jobs, Economic Recovery & Innovation
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Re: Labour shortage impacting economy and communities

Prime Minister Trudeau, Premier Horgan, Ministers Freeland, Joly, Robynson and Kahlon

The Greater Vernon Chamber of Commerce frequently hears from its membership that the most significant operational challenge is access to labour, and while the situation existed prior to the pandemic, Covid-19 has only heightened the crisis.

Many vacancies go unfilled, meaning some businesses have reduced hours or are unable to complete orders. This scenario is particularly common within the manufacturing, agricultural and retail sectors in the North Okanagan.

From what we understand, among the factors responsible for the labour shortage are:

- Cost of housing
- Lack of affordable, accessible childcare
- Demographics (aging population)
- Access/affordability of training/education

In terms of housing, a Community Foundation of North Okanagan (CFNO) report indicates that in 2016, 46.2 per cent of renter residences in the North Okanagan spent more than 30 per cent of household income on rent and utilities. The vacancy rate in October 2020, according to the Canada Mortgage and Housing Corporation was one per cent (down from 1.9 per cent a year earlier) and the average rent for a two-bedroom suite was \$1,176 a month. Other observations include:

- In March 2021, the average sale price for a single-family residence was \$654,064 and it was \$438,767 for a townhouse (Association of Interior Realtors).
- While progress has been made by government and non-profits in constructing housing for those at the lower end of the financial spectrum, many individuals and families in the middle-income bracket find it difficult to rent or purchase a home in the current market.
- A Regional District of North Okanagan study indicates that in 2019, the purchase of a \$348,000 townhome required an income of \$62,600 while a \$480,550 single-family home needed an income of \$86,500. According to Century 21, the average home price in May 2021 is \$523,673. What is the household income needed now?
- With remote work more popular and attainable, many have decided to move to the Okanagan but work for their out-of-town employer. This type of individual is important to our community but takes available housing without filling a role in the local employment gap.
- It will be nearly impossible for our youth to graduate school and find rental vacancy or local employment that will sustain the high cost of living.

As for demographics, the 2016 Census reported that 30 per cent of workers in Vernon were over the age of 55, with about 9,600 likely to retire in the next decade or so. And over half of the people who have moved to Greater Vernon are over the age of 50.

Progress has been made by government and non-profits in opening new childcare spaces. However, the following challenges remain:

- The greatest need is for children under the age of three while parents who work shifts find it difficult to access care.
- Pressure has also been created by the pandemic as some school and child care routines have been disrupted.

The Chamber understands that there are no easy answers to any of these issues, but for a healthy community and economy, we must work together to find affordable and equitable solutions.

Among the recommendations we would make, are:

- That a labour study be conducted to determine why individuals are not pursuing employment opportunities and particularly with Covid-19, what barriers exist to returning to work (health concerns, CERB, reduced hours, etc.)
- That a campaign be initiated to promote employment among all demographics as a way of supporting local – Working supports your family but it also supports the community, charities and the economy. This campaign could be held in conjunction with an enhanced wage subsidy for employers to hire new staff.
- That Federal and Provincial immigration programs not be restricted to specific sectors. Allow local communities to pursue skilled labour or investors based on local needs.
- Enhanced focus on skills training, particularly among women, indigenous, people of colour and those with disabilities.
- Expanded training opportunities at post-secondary institutions within the Okanagan.
- Government at all levels be provided with the tools to encourage development of housing for middle-income wage earners, whether it is through planning mechanisms or financial enticements.
- To work with large local employers to subsidize employee designated housing.
- Include “tiny homes” as an appropriate use within subdivision planning.
- That the Government of Canada enhance the GST rebate for new home construction.
- That the Government of BC provide a PST rebate for new home construction.
- Government at all levels provide messaging to existing residents in a community as to the benefits of having diverse housing options available (ie. Multi-family next to single-family).
- Funding for private and non-profit childcare operators to provide care for children under the age of three and care that corresponds with shift or evening work.

- Funding that encourages individuals to pursue early childhood education, and wage subsidies that allow private and non-profit childcare centres to employ staff.

We understand that there are no easy answers to the matters we have raised. However, there is a significant need for government, employers, labour and communities to come together and determine solutions that allow business and communities to thrive.

Thank you for your time and we look forward to hearing from you.

Sincerely,



Krystin Kempton, President
Greater Vernon Chamber of Commerce

CC. Mel Arnold, North Okanagan-Shuswap MP
Harwinder Sandhu, Vernon-Monashee MLA
Shirley Bond, Interim Leader of the BC Official Opposition
City of Vernon Mayor and Council
District of Coldstream Mayor and Council
Regional District of North Okanagan Board of Directors
Okanagan Indian Band Chief and Council
B.C. Economic Development Association
Okanagan-Shuswap Chambers of Commerce
Canadian Home Builders Association
Canadian Chamber of Commerce
Okanagan College
University of BC
Social Planning Council North Okanagan
Community Futures North Okanagan
Vernon & District Immigrant Services Society
Association of Interior Realtors