

Summary Report

Survey Findings – Factors Affecting Employee Recruitment in Greater Victoria

August 17, 2017



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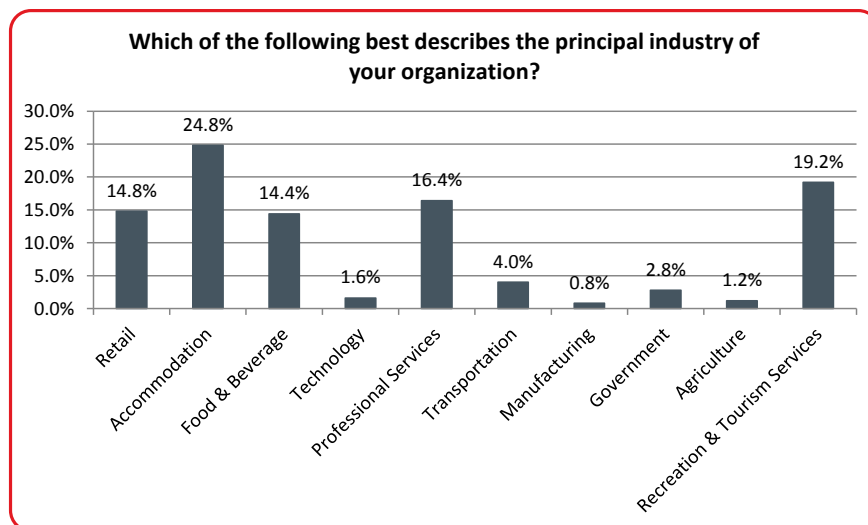
Survey Findings – Factors Affecting Employee Recruitment in Greater Victoria

It is becoming increasingly common to hear concerns being expressed about the impact that the shortage and cost of housing in Greater Victoria is having on the ability of employers to find and retain staff. In order to determine the extent of this concern, Chemistry Consulting Group undertook a survey of business operators on behalf of a number of local business organizations. The survey, which was comprised of 12 questions, was distributed to members of VIATEC, Tourism Victoria, Downtown Victoria Business Association, Vancouver Island Construction Association, WestShore Chamber of Commerce, Saanich Peninsula Chamber of Commerce and Greater Victoria Chamber of Commerce.

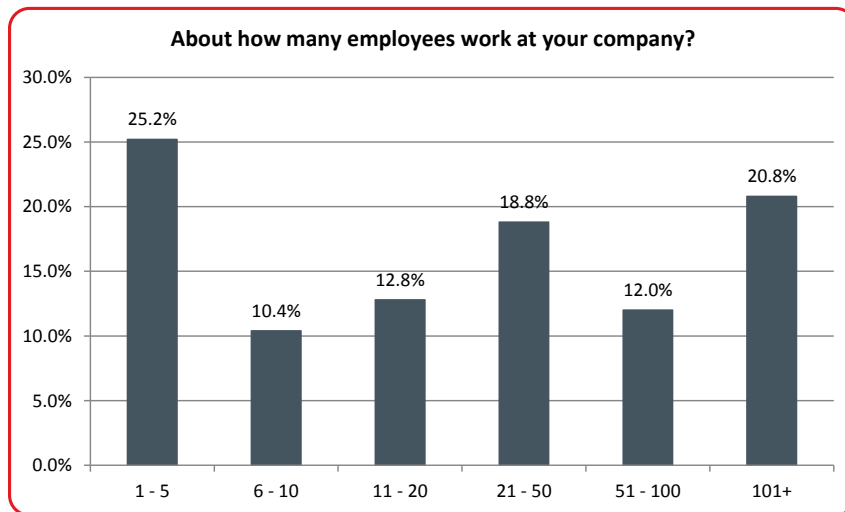
The survey was open from July 15 – August 10, 2017 and at the conclusion of the survey period, a total of 250 responses had been received. The following provides an overview of the key findings of the survey. While these findings largely focused on housing issues, the survey also included a question on the availability of childcare, plus provided respondents with the opportunity to identify other factors that are creating recruitment challenges.

Key Findings - Profile of Respondents

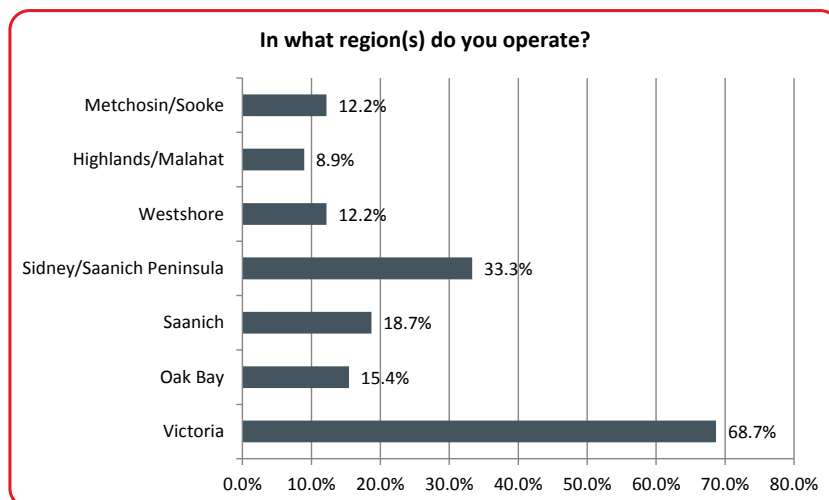
Survey respondents represent a range of industry sectors. As shown in the adjacent graph, respondents represent 10 different industry sectors with the highest number of responses coming from businesses in the accommodation, recreation & tourism services, professional services, retail, and food & beverage sectors.



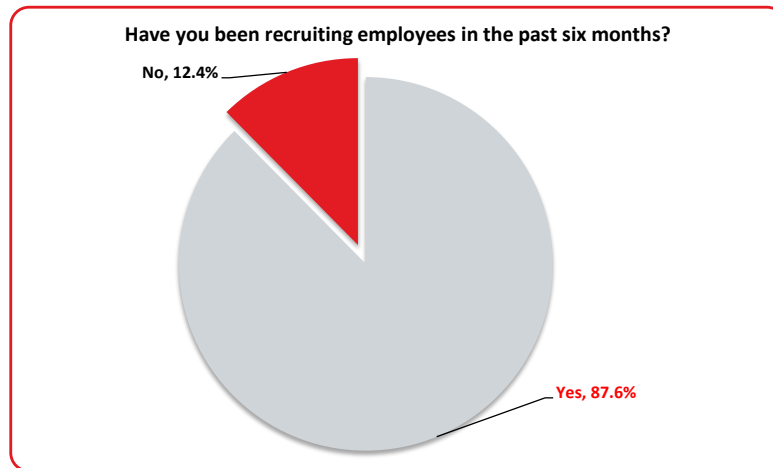
Respondents represent a range of small, medium and larger companies and organizations: Many thousands of employees are represented by the businesses that responded to the survey. As shown in the graph, responses are well distributed by employee size range and, therefore, not skewed on the basis of company size. Of note, is that more than one in five respondents is involved in a business with more than 100 employees.



Respondents operate businesses located throughout the Greater Victoria area. While the greatest percentage of respondents operate businesses within the boundaries of the City of Victoria (which is consistent with the fact that the greatest number of overall businesses in the region are located in the City of Victoria), overall, respondents represent businesses that are spread through Greater Victoria (note that the percentages add to more than 100% as some respondents operate businesses in more than one municipality).

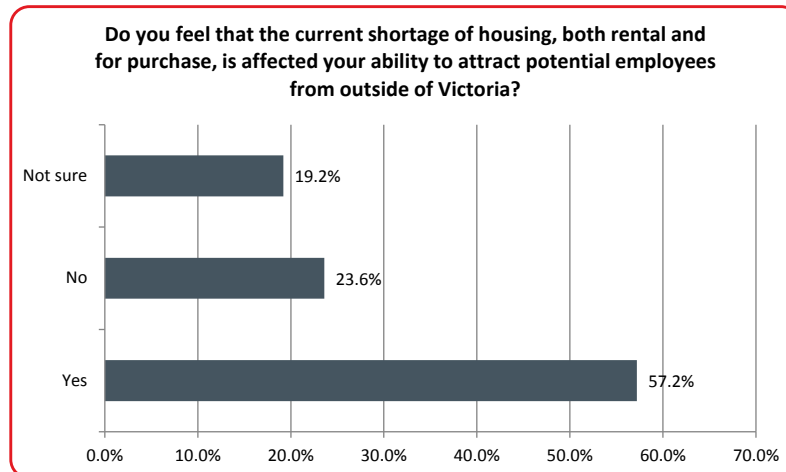


The great majority of respondents have been trying to recruit employees in the last six months. Almost nine out of ten respondents (87.6%) indicated that they have been on the hunt for employees over the last six months. Even if each of these respondents were looking for only one employee, this represents a search for 219 workers (i.e., 250 respondents x 87.6%).

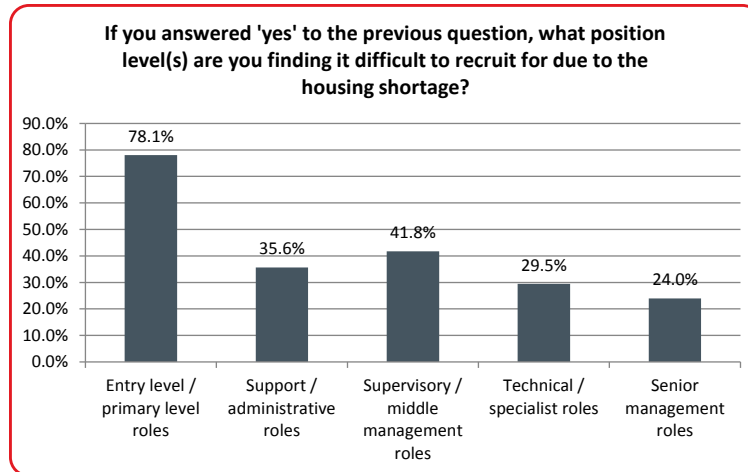


Key Findings - Impact of Housing and Other Issues on Recruitment

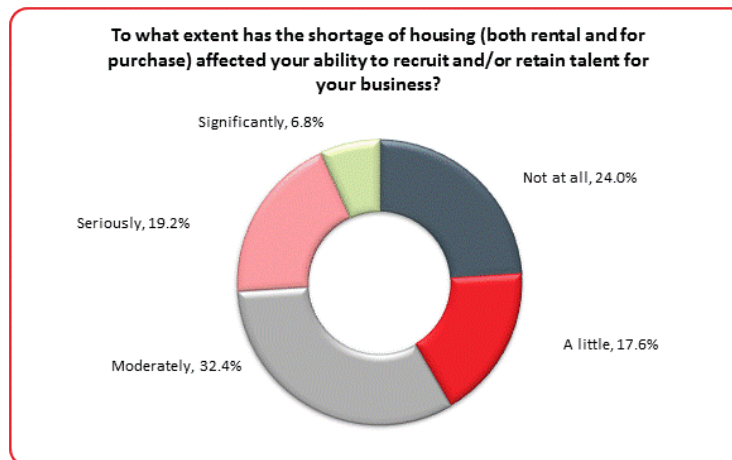
Well over half (57.2%) of respondents believe the current shortage of housing is making it difficult for them to attract employees from outside of Victoria. Of remaining respondents, 19.2% are unsure if the shortage of housing is having an impact and 23.6% indicated it is not having an impact on their ability to attract employees.



The housing shortage is making it difficult for businesses to attract employees from outside Victoria at all position levels. From entry-level to senior management positions, respondents indicated that Greater Victoria’s housing shortage is making it hard to attract employees. As shown in the adjacent graph (note that multiple responses were allowed), 78.1% of respondents (who indicated that the housing shortage is making it difficult for them to recruit potential workers from outside of Greater Victoria) have had difficulty finding employees to fill entry-level roles. However, respondents also indicated that the housing shortage is making it difficult to attract employees at all other levels (e.g., from almost 42% for supervisory / middle-management roles to 24% for senior management roles).



26% of respondents indicate that the shortage of housing is having a serious or significant impact on their ability to attract and retain workers. In total three-quarters of respondents believe the shortage of housing is having some level of impact on their ability to recruit and retain talent for their business:

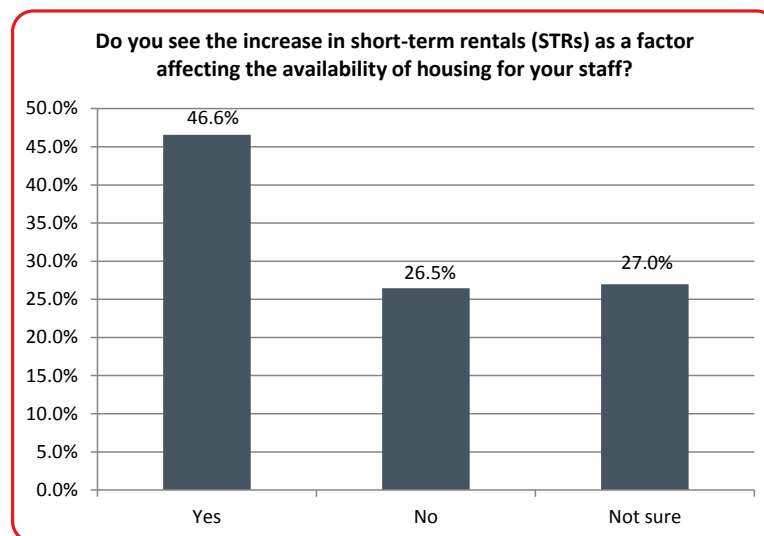


Respondents identify a range of factors affecting the availability of housing in Greater Victoria. 108 respondents answered this question and identified up to five factors each which they believe are affecting the availability of housing. The key factors identified include the following:

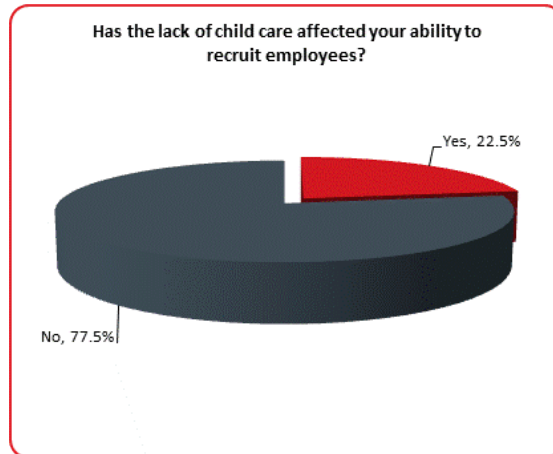
- High housing costs – including unaffordable rent or mortgage payments related to salaries (e.g., under \$1,200/month)
- Lack of housing supply (rental or purchase)
- Use of housing for short-term vacation rentals makes it unavailable for longer term rental
- Limited affordable housing (including in proximity to place of employment)
- Condos bought as secondary homes or by foreign investors and left empty most of the time
- Conversion of rental units to condos for purchase
- Speculative home buyers

- Lack of pet-friendly rentals
- Disproportionate amount of age-restricted dwellings
- Affordable suites tend to be illegal or rundown and not suitable for working professionals
- Lack of transit service and traffic congestion to outlying areas (where housing may be more affordable/available)
- High cost to build new housing and lack of construction workers
- Bylaws limiting secondary suites
- Longer term leases being changed to month-to-month rentals
- Landlords taking advantage of tight market to increase rents
- Growing numbers of ‘renovictions’(leading to significant jumps in rental rates)
- Not enough three-bedroom rentals
- People from Vancouver are selling their homes and moving to Greater Victoria

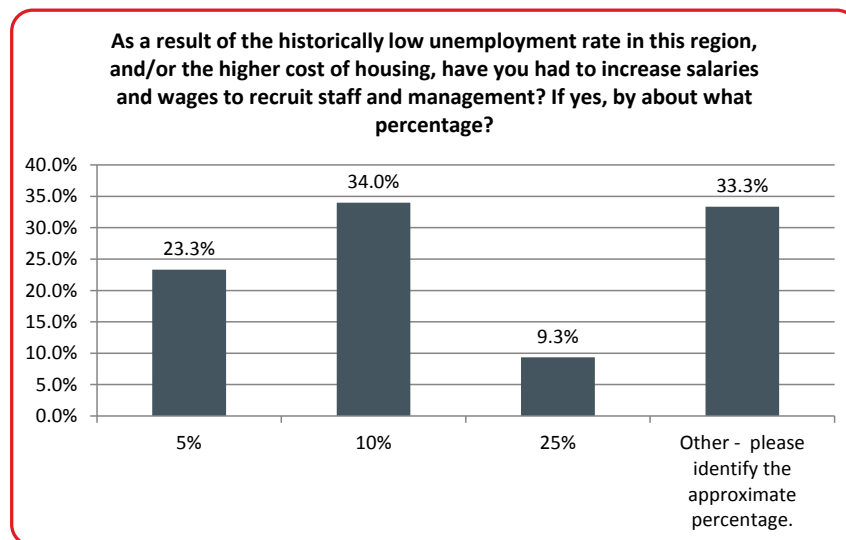
Almost half of respondents (46.6%) believe the increase in the number of properties being used for short-term rentals (STRs) is negatively affecting the availability of housing for their staff. Of remaining respondents, about 27% are either unsure if STRs are having an impact on housing availability, or don’t believe they are having an impact.



Just over one-fifth of respondents indicated that they believe that the lack of child care is having an impact on their ability to recruit employees.



Just over two-thirds of respondents indicated that they have had to raise salaries in order to attract staff and management due to the region’s low unemployment rate and the higher cost of housing. More than one-third (34%) of respondents to this question indicated that they have had to raise salaries and wages by 10%. Some of the respondents in the ‘Other’ category indicated that they cannot afford to raise salaries so are doing without staff. One respondent noted *“(I raised salaries) 35% and offer exceptional tip pool options, and I still cannot find and retain staff”*.



Please see the attached information which presents the input provided in response to the question “Would you like to make any additional comments with regards to recruitment challenges?”.

In conclusion, while there are many factors that influence the ability of businesses and organizations to recruit employees, one of which is the low unemployment rate, the findings of this survey clearly indicate that the lack of affordable housing and/or the lack of housing inventory, are currently having a negative impact on the business community and, if these factors are not addressed, these impacts could worsen in the future and have a restraining impact on the overall economic growth potential of the region.