



REPORT

Report Date: November 11, 2019
Contact: Chris Robertson
Contact No.: 604.873.7684
RTS No.: 13395
VanRIMS No.: 08-2000-20
Meeting Date: November 27, 2019

[Submit comments to Council](#)

TO: Standing Committee on Policy and Strategic Priorities

FROM: General Manager of Planning, Urban Design and Sustainability

SUBJECT: Employment Lands & Economy Review – Update on Phase 1 and Next Steps

RECOMMENDATION

THAT Council receive this project update report and initial list of economic and employment lands challenges and opportunities and direct staff to continue engagement with Vancouver Economic Commission (VEC), stakeholders, and others, including integration into the Vancouver Plan engagement processes, to identify high level policy directions and report back to Council in mid-2020 in parallel with the Vancouver Plan report back on challenges and principles.

REPORT SUMMARY

This report provides City Council with an update on the Employment Lands & Economy Review project ("the Review"). The Review provides foundational information for the Broadway Planning Program and the Vancouver Plan process endorsed by Council earlier this year. This report gives an overview of the engagement and technical research work undertaken in Phase 1, an overview of key economic issues staff has heard throughout the process, and a summary of anticipated next steps including alignment with The Vancouver Plan process.

Phase 1 of the Review provides an overview of Vancouver's economy (current state, opportunities and challenges) along with jobs and job space projections. The findings of Phase 1 are based on research, data, technical analysis and public engagement. Phase 2 will further explore the economy and develop high level policy direction recommendations to guide future planning work through integration with The Vancouver Plan process. Staff anticipates a second report to Council in mid-2020 with the results of Phase 2 in parallel with the Vancouver Plan report back on challenges and principles.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

- 2007: Metro Core Jobs and Economy Land Use Plan: Issues and Directions
- 2009/10: Regional Context Statement and Regional Growth Strategy
- 2010: Mount Pleasant Community Plan
- 2011: Greenest City Action Plan
- 2012: Mayor's Task Force on Housing Affordability
- 2012: Transportation 2040 Plan
- 2012: Climate Change Adaptation Strategy
- 2012: Neighbourhood Energy Strategy
- 2013: Heritage Amenity Bank and Transfer of Density
- 2014: City of Reconciliation Framework
- 2014: Healthy City Strategy
- 2014: The Mayor's Engaged City Task Force
- 2014: Downtown Eastside Local Area Plan
- 2016: Grandview Woodland Community Plan
- 2016: DTES Community Economic Development Strategy
- 2016: Mount Pleasant Industrial Area – Amendments to the Zoning and Development By-law
- 2017: Railtown I-4 (Historic Industrial) District Zoning and Development By-law
- 2017: Amendments: False Creek Flats Plan – 2017
- 2017: Housing Vancouver Strategy
- 2018: Interim Hotel Development Policy and Related Amendments to the Downtown Official Development Plan
- 2019: Climate Emergency Response
- 2019: A City-wide Plan for Vancouver: Report back on General Planning and Engagement Process
- 2019: Culture|Shift: Blanketing the City in Arts and Culture, Vancouver Culture Plan 2020-2029, Making Space for Arts and Culture: Vancouver Infrastructure Plan and Vancouver Music Strategy
- 2019: Broadway Plan - Phase 1 Engagement and Proposed Guiding Principles

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

Why the City is Planning for Employment Lands and the Future of the Economy

Vancouver is a growing city in the centre of a growing region. Vancouver contains 33% of all jobs in the region and 26% of residents. As our population grows, the economy needs to keep pace. The Housing Vancouver Strategy encourages the provision of the “right supply” of housing to match local needs and ensure opportunities for a diverse population over time. Planning for

the future of the local economy requires a similar approach. City policies for the economy need to be resilient to a range of external forces, build on existing strengths while also ensuring opportunities for growth in a broad range of economic sectors to match local needs and abilities. The Review provides an opportunity to take stock of the local economy through comprehensive engagement, research and data analysis, and consideration of related policy planning initiatives.

Through this work, the City is developing a deeper understanding of the key challenges facing Vancouver's workers and the business community both today and looking ahead to the future. The information and understanding developed through the Review is a foundational input to the Vancouver Plan process and future economic development work conducted by the City and partners.

The City is engaged in economic development planning in order to improve the economic future and quality of life of all of its diverse residents. The Review builds on all economic development work done before it on these lands—the traditional, unceded territories of the $x^w m \theta k^w \dot{e} y \dot{e} m$ (Musqueam), $S k^w x^w u^w m e s h$ (Squamish) and $s \dot{a} l i l w \dot{e} t a \dot{?} t$ (Tsleil-Waututh) peoples. As a City of Reconciliation, the City is committed to incorporating Indigenous perspectives into all of its work. This Review acknowledges that Indigenous peoples have been running their own prosperous, sustainable and equitable economies for thousands of years on this land. It also acknowledges that this ability was taken away through the devastating impacts of colonization which still persist today. In spite of this, the Musqueam, Squamish, Tsleil-Waututh and Urban Indigenous people are working on major economic development initiatives of their own and leading their communities in economic endeavours important to the future of Vancouver's economy. The staff team coordinating the Review are humbled and grateful for the contributions made by the Indigenous people who have engaged in the project so far.

Who has Been Involved so Far

Staff has engaged with a wide range of individuals, groups, businesses and other levels of government in Vancouver's "Economic Development Ecosystem" (Figure 1) to improve our understanding of the broad spectrum of interests that exist and to build relationships between organizations and facilitate ongoing collaboration. Over 6500 engagement contacts have been made so far.

Figure 1: The Vancouver Economic Development 'Eco-system'



How People, Businesses and Groups Have Been Involved

Individuals and groups have been involved through a variety of activities since the beginning of the Review (See Appendix A for full Engagement Summary Report). Highlights of some of the approaches to engagement are described below.

Indigenous People

The staff team sought to include Indigenous perspectives into this work through meeting with and presenting to various Indigenous groups and groups that serve Indigenous communities such as the MST Intergovernmental Staff to Staff Meeting, the Metro Vancouver Aboriginal Executive Council (MVAEC), Vancouver Native Education College, Exchange Inner City, Urban Core and ACCESS/Bladerunners. In addition, the staff team attended a cultural competency tour of Musqueam with Councillor Morgan Guerin.

External Advisory Group

The City of Vancouver assembled an External Advisory Group (EAG) to help inform the Review. The role of the EAG is to provide input and insight at key milestones throughout the planning process. Three major workshops were held with the EAG during Phase 1 of the Review. Represented on the EAG is a diverse range of perspectives from industry associations, labour representatives, non-profit organizations, representatives from the development industry and businesses from over 18 economic sectors. See Appendix A for full list of members. The feedback collected at the EAG workshops was a critical input into the planning process throughout Phase 1. Summaries of feedback collected at the EAG meetings are also available in the Appendix A.

Stakeholder Meetings

The staff team met with a wide range of stakeholders on a targeted and upon-request-basis. This engagement included a presentation and discussion questions for each group and sometimes included a tour of a particular site of relevance. Groups ranged from 1-50 people in attendance. The Vancouver City Planning Commission provided advice and input at two meetings during Phase 1 of the Review.

Participation in Concurrent Planning Initiative Events

The staff team attended stakeholder engagement events, open houses, workshops, walking tours and site visits for concurrent planning initiatives such as the Retail/Commercial Small Business Study, the Small Business Roundtable, the Broadway Plan and the Poverty Reduction Plan (Arts, Culture & Community Services). Groups ranged from 5-750 people in attendance.

Business and Worker Engagement Surveys

Two 'Talk Vancouver' surveys were conducted. The Business Survey received 684 responses from business owners and operators in Vancouver. It asked questions about the type of businesses they run, plans for the future, what kind of spaces they need, challenges they face operating in Vancouver, and ideas for how to ensure an appropriate supply of land. We heard from businesses across sectors and all parts of Vancouver, operating in industrial, office, and commercial spaces. About 95% of the businesses that responded employed 50 or fewer people, and roughly 85% of the businesses occupy spaces under 5,000 square feet.

The Worker Survey received 2215 responses and asked questions about demographics, type of job, opportunities and plans, information about work location, and likes/dislikes about working in Vancouver. Staff heard from respondents in all sectors and working in locations across the City. About 86% of working (not retired) respondents identified as working full time, and 15% as self-

employed. Approximately 25% of working respondents identified as having a job in a non-profit, co-operative, or social enterprise. The key findings from the surveys are provided in Appendix A.

Related Policy Planning Work

Metro Vancouver Industrial Lands Strategy

Metro Vancouver has convened a Task Force to oversee the development of the Regional Industrial Land Strategy. The Strategy will establish a vision for the future of industrial lands across Metro Vancouver to the year 2050, and provide a set of recommendations to guide a broad range of stakeholder actions to achieve that vision. City staff has been working closely with colleagues at Metro Vancouver to ensure that work programs are aligned and complementary. The Metro Vancouver study has found that industrial land continues to play an important role in the regional economy and that the region is likely to run out of industrial land in the next 16 – 22 years¹ based on a range of assumptions regarding future growth. It is anticipated that the Metro Vancouver Industrial Land Strategy will be finalized over the coming months. The strategy will provide important regional context for the City-specific policy recommendations that Council will consider as part of the Review in mid-2020.

Broadway Plan

The regional and city-wide context provided by the Review provides foundational information to the Broadway Plan project. In October 2019, Council approved the following guiding principle with respect to the future of jobs and economy in the Broadway Plan area:

Foster a Robust and Diverse Economy

The amount and diversity of job space should be increased to strengthen Central Broadway as the Province's second largest jobs centre, particularly in the Uptown area. Industrial and mixed employment lands should be retained and foster an evolving creative economy. Key shopping villages and opportunities for small and local businesses should be enhanced, including new neighbourhood-serving shops and services.

Final recommendations for the Broadway Plan will be presented to Council in late 2020.

Making Space for Arts and Culture

On September 11, 2019 City Council approved Vancouver's new culture plan, Culture|Shift as well as Making Space for Arts and Culture that set cultural space targets including areas for growth and no net loss of cultural space. As well as the following action:

Explore mechanisms to support affordable non-profit arts and cultural space in commercial and industrial zones, including density bonusing, commercial linkage fees, cultural districts and in some cases limits on stratification.

Community Economic Development Strategy

The Downtown Eastside Community Economic Development Strategy, developed in 2016, empowers communities to shape how the local economy provides for residents and impacts their lives. It helps create an economy that's more just, equitable, and sustainable. Local businesses, industries, and economic sectors help by:

¹ Metro Vancouver. (2019) Changing Nature of Industry and Industrial Land Demand in Metro Vancouver. <http://www.metrovancouver.org/services/regional-planning/PlanningPublications/ChangingNatureofIndustryandIndustrialLandDemandInMetroVancouver.pdf>

- Creating diverse, inclusive employment
- Adapting to challenges
- Being proactive, prepared, and resilient

Through the development of the strategy, residents and community partners identified when and where the economy fails people, and worked to identify and develop solutions.

Poverty Reduction Plan

The poverty reduction plan is in the final stages of development and is scheduled to be presented to Council in 2020. The plan aims to improve the lives of people that are struggling to make ends meet by:

- Creating systems change to disrupt cycles of poverty
- Increase economic equity within an integrated framework to enhance opportunities for people to get out of poverty and prevent people from entering into poverty
- Better understand 'Market Basket Measures' that ensure quality of life and wellbeing for Vancouverites

The plan will be informed by the new poverty reduction frameworks of both the federal and provincial governments, both of which included input by Vancouverites.

The Vancouver Plan

On July 16, 2019, Vancouver City Council approved a general planning and engagement process for a city-wide planning program for Vancouver. The plan will include:

- A long-term vision for the future of Vancouver looking out to 2050 and beyond
- A strategic policy framework
- A high-level physical plan
- A public investment strategy
- Key metrics and reporting
- Partnerships for implementation

The economic and employment lands planning challenges identified through the Review help to inform and shape the discussion that The Vancouver Plan process will convene. In early 2020, the two processes will begin joint engagement sessions on the future of Vancouver's economy and develop draft principles for Vancouver's economy together.

Scope of the Research and Technical Analysis Undertaken to Date

Research and Analysis of Current Economic Structure and Historic Trends

Staff has developed a series of "fact sheets" that provide descriptive statistics about Vancouver's economy. Many of these facts sheets contain data collected through the 2016 Statistics Canada Census; while others contain information from other sources such as industry reports. A fact sheet highlighting the key economic characteristics of Vancouver was provided to Council as part of a staff memo in April, 2019 (See Appendix B). The full list of fact sheets prepared to date is available on the project website at www.vancouver.ca/employment-lands. In addition, staff conducted internal research and considered recent research conducted by partner departments and organizations such as the Vancouver Economic Commission.

Employment and Job Space Demand Scenarios

The City has retained Hemson Consulting to prepare employment and job space demand scenarios to 2051; identifying alternative forecasts for the number and type of jobs that could exist in the city and the amount and type of space that will be required to accommodate those

jobs. The use of multiple scenarios allows the City to test the resilience of current policies against a range of potential futures. The scenarios build on what we know from our recent past and current trends, while also considering potential changes on the horizon that could shift the trajectory of growth and needs for different types of employment space in the future. The demand scenarios were developed in close consultation with the EAG. A high level overview of the demand scenarios is presented in Figure 2 below. The detailed methodology and descriptions of the scenarios are attached as Appendix C.

Figure 2: Employment and Space Demand Projections, 2016 to 2051

	Low Scenario		Reference Scenario		High Scenario	
	Additional Jobs	Additional Space (M sq. ft.)	Additional Jobs	Additional Space (M sq. ft.)	Additional Jobs	Additional Space (M sq. ft.)
Major Office	41,900	5.4	56,200	10.5	76,600	15.4
Commercial – Hotels	2,600	0.9	3,500	3.0	4,800	4.3
Commercial – Other	34,600	5.2	48,300	13.6	63,100	19.0
Industrial	5,900	1.9	8,300	4.9	10,800	6.4
Institutional	15,700	4.5	22,000	8.7	29,300	11.5
Footloose / Work at Home	14,900	-	19,100	-	24,100	-
Total	115,600	17.7	157,400	40.7	208,700	56.6

Supply Projections: Development Capacity Modelling

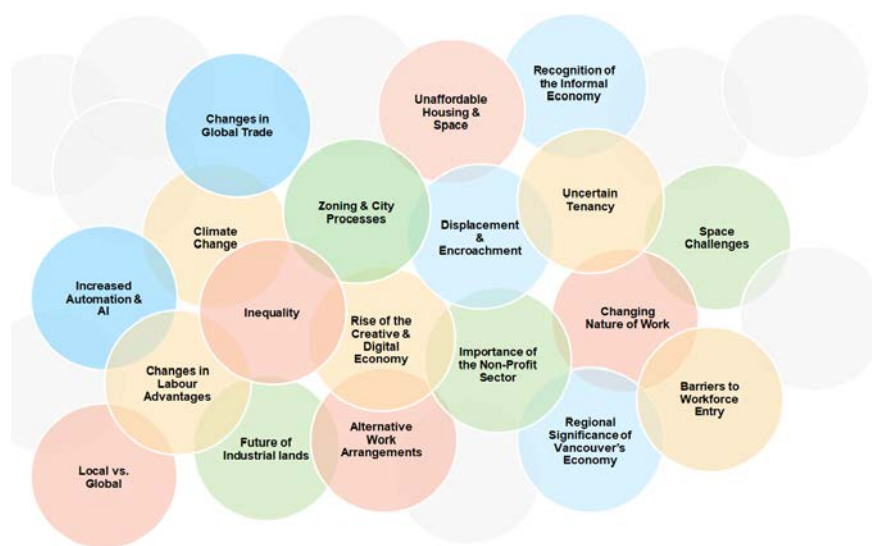
In consultation with Hemson Consulting, City staff created a development capacity model to test the scenarios for potential floor space demand against the potential for the market to deliver supply under existing zoning and policy. The capacity modelling identifies likely redevelopment sites to 2051 and the expected change in floor space on those sites (gains and losses) given existing development policy and market trends. Combining the two models described above allows for the identification of potential gaps between supply and demand. A description of potential issues related to the supply and demand modelling is provided as part of the Strategic Analysis section below.

Strategic Analysis

What We've Learned through the Engagement and Research Work to Date

The research and engagement work completed to date has allowed for the identification of many issues and challenges facing Vancouver's economy, businesses, non-profit organizations and workers. Figure 3 provides examples of some of the economic themes, drivers and disruptors that emerged in Phase 1 of the Review.

Figure 3: Examples of Economic Themes, Drivers and Distractors



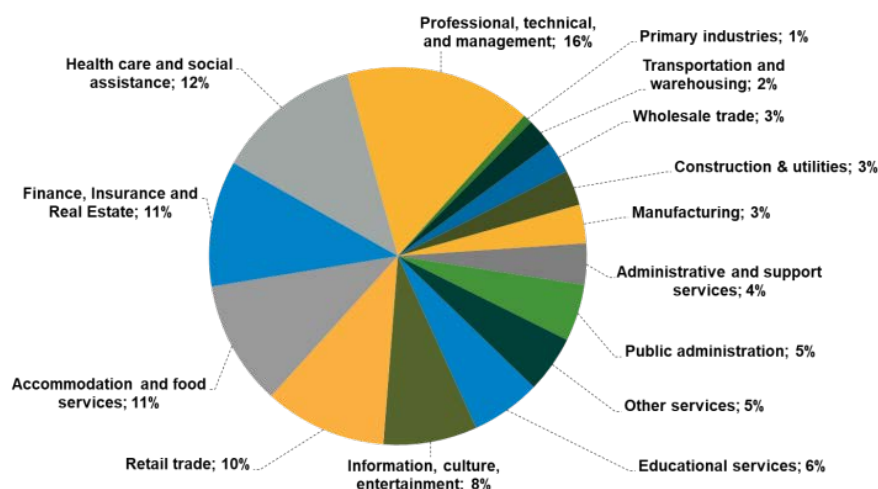
The staff team has consolidated all of the learnings from Phase 1 engagement, research and technical analysis into an initial list of five challenge areas or themes to build off of in Phase 2. The five key challenges/themes are described below.

Challenge Area/ Theme #1: Diversity of Job Opportunities, Workforce Supports & Economic Resiliency

Vancouver Needs a Wide Variety of Jobs and Livelihoods

The diversity of Vancouver's economy is a strength. Vancouver has jobs in a wide variety of economic sectors; with no single sector accounting for more than 16% of total jobs (Figure 4).

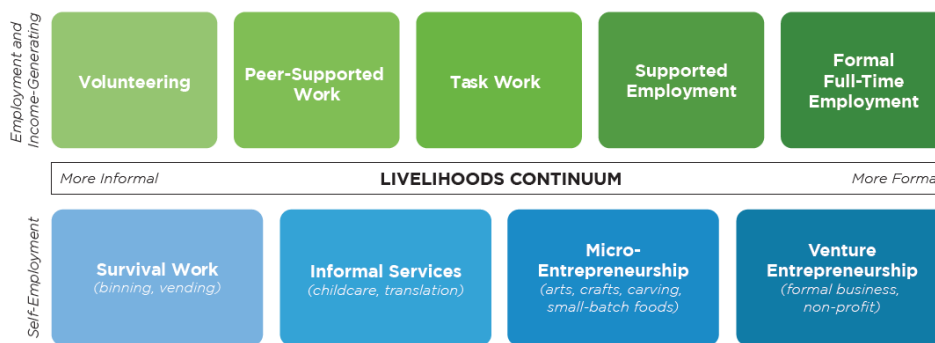
Figure 4: Distribution of Jobs in Vancouver
Statistics Canada 2016 Census: Jobs by NAICS (2 digit).



Planning for a wide range of jobs for residents goes beyond encouraging job growth in a wide range of economic sectors. It also involves both the formal and informal economy. The Livelihoods Continuum provided as Figure 5 below acknowledges that people create their

livelihoods in diverse ways, some of which are less formal and structured than others. Policies and programs that provide for job training, employment supports, entry-level opportunities, post-secondary education and small business support help to create opportunities for economic mobility from one type of livelihood to another in different phases of a worker's life.

Figure 5: Livelihoods Continuum
City of Vancouver Community Economic Development Strategy (2016)



There are Several Key Sectors that are Driving Job Growth in the City and Region

Key sectors that are driving job growth in Vancouver include: Tourism (70,000 jobs in the Region), Film (60,000 workers in BC), High Tech (75,000 jobs in the Region), and Port (52,800 jobs in Vancouver). The Port of Vancouver, in particular, plays a critical role in Vancouver's economy. It enables the annual trade of approximately \$200 billion in goods nationally, and corresponds with \$3.01 billion in local annual wages. The Port is also responsible for the operation of cruise ship facilities, a key contributor to the tourism sector in Vancouver.

It is also important to recognize the role of the non-profit sector in the local economy and the link between the health of that sector and the health of the overall economy. The non-profit sector is an important source of jobs and economic activity accounting for 86,000 jobs in the province and \$3.3B towards provincial GDP for all community non-profits (excludes labour and professional organizations, hospitals and higher education). Not only does this sector provide a significant number of jobs and economic output, it also provides critical services that support the workforce overall such as childcare, mental health services, employment services, assistance to newcomers and others.

Workforce Supports are Vital

Access to supports such as housing, childcare, transportation, and social services that are affordable, reliable and convenient is important to the overall health of the economy. For instance, many of the local businesses engaged in the Review noted challenges retaining workers who cannot access secure and affordable housing (including market rental and below-market rental housing) in proximity to their workplace. Not having childcare also keeps people, especially women, out of the workforce and can also negatively impact business productivity. Additionally, every dollar spent on quality childcare results in \$6 dollars of economic benefit and offers a good start to the workforce of the future.²

² Conference Board of Canada (2017)

Equity is an Important Consideration for Future Work

Vancouver is a growing city with a thriving economy and low unemployment rate—yet many of Vancouver's residents and workers are struggling to make ends meet. Vancouver's median income is consistently one of the lowest of Canada's major cities, it has a high cost of living, income disparity is growing, and approximately 20% of residents are living in poverty. Many of the external forces that could impact our economy into the future could also lead to the further exclusion of women, people who identify as 2SLGBTQQIA, and Black, Indigenous and People of Colour (BIPOC) from our economic and labour systems.

In a tight labour market, recruiting and retaining local employees has mutual benefit for both employers and employees. The City's Equity Framework (under development) will identify both processes and outcomes for access to income generation, employment and labour. The data and research analysis to date indicates racial inequity in Vancouver is negatively impacting access to economic inclusion and mobility in the higher paid labour force and through generations of land and property ownership. Further work needs to be done to ensure an equitable economy. The Community Benefit Agreement (CBA) policy, Community Economic Development Strategy, poverty reduction plan and the Vancouver Plan will all explore ways to expand opportunities to communities, groups and individuals experiencing poverty due to systemic racism and exclusion.

Planning for the Future of Vancouver's Economy Requires a Resiliency Approach

An economy that can survive, adapt and thrive in the face of shocks and stresses is an essential element of a resilient city. Technological changes, automation, affordability, and the changing nature of work are examples of stresses that could impact the ability of residents and businesses to thrive in the future. Furthermore, Vancouver's employment lands are vulnerable in the face of sea level rise and the local economy is vulnerable to regional disasters such as forest fires. In the face of these challenges, flexible and adaptive land-use and development policy that supports a robust and resilient economy will be essential to ensuring our capacity to withstand, recover quickly and thrive.

In April 2019, Council approved a set of six (6) "Big Moves" that would guide the City of Vancouver's work in response to the climate emergency. Big Move #1: 'Walkable Complete Communities,' is particularly relevant to the resilience of the local economy. More complete neighbourhoods that have daily destinations, such as shops, services, jobs, parks, schools, childcare, community centres and social services, within walking/rolling distance of where people live and work add to the attractiveness of Vancouver as a workplace and place of business by increasing access to customers and the quality of workers lives.

The health of the economy depends, in large part, on the movement of goods and people. The Port, for example, facilitates the trade of over \$200 billion in goods on an annual basis and local businesses rely on their supplies. Businesses also need their employees to be able to get to work. Big Move #2 refers to significantly improved transit capacity and efficiency, better-connected active transportation networks city-wide, and continued expansion of high-quality reliable transit across the city and region. For example, the expansion of the Broadway Subway to UBC will provide more access to employment opportunities and significant overall benefits for the city's economy³.

³ KPMG. Broadway to UBC: Strengthening Metro Vancouver's Regional Economy (2019)

Implications for Phase 2 of the Review and The Vancouver Plan

Phase 2 of work will include the development of policy directions to encourage a diversity of job opportunities to match Vancouver's diverse workforce, support Vancouver's workforce and increase economic resilience. This will include actions to support the ongoing viability of the non-profit sector in the city.

Challenge Area/ Theme #2: Job Space Affordability

Rents are Increasing

Affordability challenges are impacting many aspects of Vancouver and job space affordability is a major concern for many organizations in the city. Over the past 4 years, net asking rents have increased for: Office space (+21%); Retail space (+12%); and Industrial space (+46%). Small businesses, non-profits and arts and culture are particularly vulnerable to these pressures.

Affordability Impacts are Wide-Ranging

Engagement and research work completed as part of the Review to date has identified the following examples of the implications of decreased affordability:

- Risk of business relocation out of Vancouver
- Inability for businesses to grow into new spaces
- Loss of social and cultural assets and vibrancy
- Threat to a diverse economy and innovation

Vulnerability of the Arts and Culture Sector and the Non-Profit Sector

The arts and culture sector and the non-profit sector are both critical to the local economy. The arts and culture sector is recognized as a key economic sector for growth, attracting investment and highly skilled workers to cities like Vancouver. Rent and property tax (through triple net leases) increases have rapidly increased costs and artists and cultural non-profits are vulnerable to displacement. For example, over the past year, more than 16 studios in industrial spaces, with approximately 300 artists, have either closed or have been under threat of displacement or closure⁴. Eastside Culture Crawl has been able to document 400,000 square feet of visual art studio spaces in the inner-city neighbourhoods that have been lost as a result of residential or commercial conversions and redevelopment over the past 10 years. Additionally, 27% of artists in the worker survey were looking for new space due to their studio space being sold/demolished/redeveloped⁵.

Vancouver's non-profit organizations also lack affordable, suitable, secure spaces and struggle with maintaining long-term operational funding. Their in-person services require proximity to the local community making affordable spaces further away untenable. Without ownership or secure tenure, increases in rents and property taxes (though triple net leases) will continue the precarious outlook towards more displacement.

Planning for a diverse local economy will require policy options that deal with the key vulnerabilities facing the arts and culture and non-profit sectors; including access to affordable, appropriate and secure spaces.

Implications for Phase 2 of the Review and The Vancouver Plan

The affordability of job space will be a key consideration in future phases of policy development work. In particular, the staff team will work with stakeholders to examine the potential for

⁴ Making Space for Arts and Culture: Vancouver Cultural Infrastructure Plan (2019)

⁵ Eastside Culture Crawl Society, A City without Art (2019)

enabling affordable, appropriate and secure space for non-profit and arts and culture operators in the city.

Challenge Area/ Theme #3: Viability of Small Independent Business and Capacity for Growth of Commercial Services to Serve a Growing Population

Small Independent Businesses and Neighbourhood Shopping Districts are an Important Part of the City's Economy

Small independent businesses maintain a local culture of entrepreneurship and innovation that often provides support to other businesses and enhances economic capacity and competitiveness. These businesses provide economic multipliers that circulate benefits back into the local economy in many ways including local procurement of goods and services, employment opportunities, re-investment of profits locally, and the ripple effects from local jobs and spending. Neighbourhood shopping streets are also 'third spaces' that function as the centres of public life in their communities, fostering a sense of place and belonging.

Earlier in 2019, the City commissioned a Retail/Commercial Small Business Study to assess the state of small independent business in the city, measure change in six representative neighbourhood shopping districts and develop a methodology for maintaining a dashboard to track change on an ongoing basis. The study was conducted in close collaboration with BIA leadership and included quantitative and qualitative analysis. Initial results suggest that while there has not been a significant increase in chain businesses replacing independent businesses in most study areas, vacant storefronts have become more prominent in many of the study areas. The study also identified several key challenges facing small independent businesses.

These include:

1. Affordability & property taxes/ assessments
2. Safety and maintenance
3. Parking
4. Permitting/licensing
5. Labour costs/retention
6. Leasing Issues: triple net, demolition clauses
7. Changing neighbourhood demographics/ preferences

The final report and dashboard from the consultant team will be circulated to Council and posted on the City's website as soon as it is available.

Going forward, staff will continue to work closely with the BIAs to expand data collection work to include additional study areas; providing a more robust baseline of information to identify trends. Through Phase 2 of the Review, staff will continue to engage with small independent businesses to develop a deeper understanding of key challenges and identify recommended actions to improve support for small independent businesses in neighbourhood shopping areas.

Results of Employment Lands and Economy Review Consultant Supply and Demand Scenarios

Demand

The amount of jobs in retail and commercial services such as restaurants and personal services is closely tied to the size of the local population who create demand for those services (including the tourist population). As described previously, modelling completed as part of the review indicates that there will be demand for between 5.2 million to 19.0 M sq. ft. to 2051 (space for 34,600 to 63,100 additional jobs).

Supply

There is 2.7 M net sq. ft. of commercial/retail space in the development pipeline today. Looking out beyond the existing developments underway, the City's capacity model for floor space change on likely redevelopment sites to 2051 is projecting a small net loss/no net increase in commercial space. There are several key reasons for this finding:

- There are a relatively limited number of redevelopment sites in the city where existing policy requires a significant increase in retail/commercial space.
- There are several older shopping plazas and large format retail stores in the city that are likely to be redeveloped between now and 2051. Given existing policy and market trends, these sites are likely to generate a net loss in commercial space. Redevelopment of existing 2 storey commercial buildings into mixed-use residential buildings with commercial space on the ground floor can result in a net loss in commercial floor space.
 - It is important to note however that this can vary between projects. Analysis from the Rental Housing Incentives Review found that over the past decade, rental housing development in commercial areas zoned C-2, C-2B, C-2C, and C-2C1, generally created a net increase in commercial floor space.

An overview of the capacity modelling is provided below (Figure 6):

Figure 6: Retail/Commercial Development Capacity to 2051

	Existing Inventory in 2016	Development Pipeline	Anticipated Change on Potential Re-Development Sites	Total Potential Capacity in 2051
Commercial Space	51.5 M sq. ft.	2.7 M sq. ft.	0.2 M sq. ft.	54.4 M sq. ft.

Implications for Phase 2 of the Review and The Vancouver Plan

Small independent businesses are facing challenges. Future work will include reviewing opportunities for the City and partners to further support the viability of independent businesses. In addition, supply and demand models are indicating that there is potentially significant demand for additional supply of commercial space and little capacity for net increases to 2051 given current policy and market trends. Phase 2 of the Review will examine options and implications for increasing retail/commercial capacity.

Challenge Area/ Theme #4: Viability of City-Serving Industrial Businesses

Vancouver has a Limited Supply of Industrial Land and Demand is High

There are only 842 hectares of industrial and mixed employment land in Vancouver (~7% of the city's overall land base). The vacancy rate for industrial space in Vancouver is 1.4% and rents are rising.

Industrial Lands are Critical to Metro Vancouver's Economy

Research completed for the Metro Vancouver Industrial Lands Strategy found that ~47% of Metro Vancouver jobs are in industries that can be classified as "community serving" while ~53% of jobs are in industries that can be characterized as "economic drivers". Economic driver jobs are in sectors that draw in revenues from outside the region; helping to grow the economy and create jobs for local people. About half of these economic driver jobs are in industries that depend on industrial land to operate.

Industrial Lands have Social, Cultural and Environmental Value

In addition to significant economic value, industrial lands also have significant social, cultural and environmental value to the economy. In terms of social value, industrial areas are often home to businesses offering higher wage, lower-barrier jobs for residents without post-secondary degrees or for those with limited English. Some businesses in these areas also operate around the clock, providing opportunities for shift work to those needing more than one job. In terms of cultural value, a high concentration of arts and cultural production spaces as well as some social services, schools and institutions, are located on these lands. Industrial lands are particularly significant for viable art production studios (welding, sculpture, maker spaces, etc) where this activity cannot necessarily take place in other areas of the city. In terms of environmental value, keeping industrial users closer to their end user/market reduces emissions, waste and road congestion.

In Vancouver, Industrial Lands Provide Space for Key City-Serving Uses

There are a wide range of businesses operating in Vancouver's industrial areas today. Many of these businesses provide important city-serving functions that support the health and resilience of the overall economy; providing goods and services to both residents as well as other businesses. Examples include light industrial uses such as food manufacturing (e.g. bakeries, breweries), auto & equipment repair services and distribution centres. City-serving industrial also takes place in the form of heavier industrial uses such as recycling and waste processing.

Many of these city-serving industrial businesses rely on having a central city location for proximity to both customers and suppliers; lowering transportation costs and GHG emissions and increasing the overall resilience and competitiveness of the supply chains upon which other businesses are reliant. For example, of the roughly 100 businesses with a location in industrial and mixed employment areas that completed the City's 2019 business survey, over 70% estimate that at least half of their revenue comes from within the city of Vancouver and roughly 60% estimated that at least half of their goods and services come from suppliers who are also located in the city.

There is Strong Competition for the Use of Industrial Land in the City and there are Conflicting Opinions Regarding the Types of Activities that should be Prioritized

In addition to city-serving industrial uses, Vancouver's central city industrial and employment areas are also playing an increasing role in providing space for new business sectors that are driving investment and job growth in the local economy such as Creative Products Manufacturing (CPM) and Digital Entertainment Information and Communications Technology (DEICT). Businesses in these sectors are involved in activities such as:

- clothing and furniture design and prototyping
- data security, storage, management and processing
- e-commerce
- video game development
- visual effects

Vancouver's industrial areas are attractive to businesses in these sectors for a variety of reasons such as relative affordability, proximity to target workforce, the amount and type of amenities available in the area and connections to the regional transit system. In addition, many of Vancouver's inner-city industrial areas provide access to buildings with employment space attributes that are not typically available in traditional office buildings such as laboratories, motion picture screening spaces, testing and prototyping facilities, as well as areas for housing specialized telecommunications and information technology infrastructure.

In general, city-serving industrial businesses cannot afford to pay as much for space as DEICT and CPM businesses and staff has heard opposing views regarding the uses that should be supported in Vancouver's industrial areas. Some stakeholders are calling for additional flexibility in permitted uses in order to increase the adaptability of these lands to changes in technology and to support entrepreneurship. Other stakeholders have raised concerns regarding the increasing presence of uses that could potentially be accommodated in other areas.

In addition, some stakeholders are raising concerns regarding the increasing prevalence of lower intensity employment uses such as self-storage and car dealerships; calling on the City to restrict these uses in Vancouver's industrial areas.

Striking a balance between these conflicting views will be a significant challenge in the next phase of work.

Interest in Mixed-Use Development at Rapid Transit Stations in Industrial and Mixed Employment Areas

In addition to the challenges described above, staff notes that there are a number of rapid transit stations in the city that are located in industrial and mixed employment areas (e.g. Rupert Station, Renfrew Station and Marine Drive Station). Currently, City and Regional Policy do not allow residential uses in these areas. Introducing residential above or adjacent to industrial uses may have impacts on compatibility, land values, affordability of industrial space, and long term viability of industrial uses. This issue is being explored through the Metro Vancouver Industrial Lands Strategy process. During Phase 2 of the Review, staff will continue to work with stakeholders to develop recommendations for guiding principles to inform future station area planning work. It is anticipated that the guiding principles for station area planning will address the following:

- Neighbourhood vibrancy and transit ridership
- Capacity for significant job growth
- Space for city-serving industrial businesses today and overtime
- Resilience and ability to adapt to meet future challenges
- Preservation of industrial affordability

Results of Consultant Supply and Demand Scenarios

Demand

As described previously, it is expected that there will be demand for between 1.9 million to 6.4 M additional sq. ft. to 2051 (space for 5,900 to 10,800 jobs).

Supply

There is 2.0 M net sq. ft. of industrial space in the development pipeline today. Looking out beyond the existing developments underway, the City's capacity model for floor space change on likely redevelopment sites to 2051 is projecting limited capacity for growth due to limited land and the economics of multi-level space.

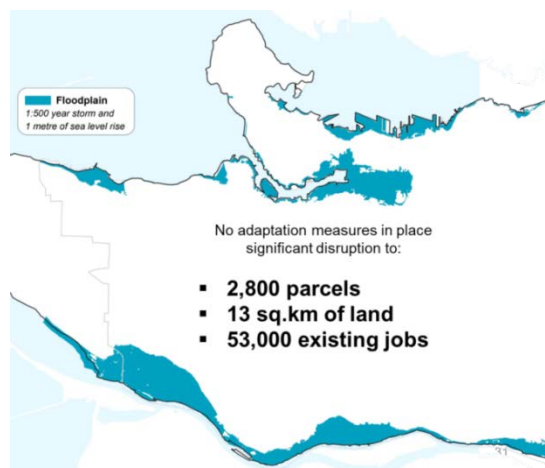
Figure 7: Industrial Areas Development Capacity to 2051

	Existing Inventory	Development Pipeline	Anticipated Change on Potential Re-Development Sites	Total Potential Capacity in 2051
Industrial Space	28.9 M sq. ft.	2.0 M sq. ft.	1.8 M sq. ft.	32.7 M sq. ft.

Impact of Sea Level Rise on Industrial Areas

Based on best science and advice from the provincial and federal governments, the City is planning for 1 metre (3 feet) of sea level rise by 2100. Without the implementation of flood management measures, areas in blue (Figure 8) are vulnerable to flooding due to a major storm (1:500 year storm) and 1 metre of sea level rise—many of which include large portions of Vancouver's industrial lands.

Figure 8: Areas Vulnerable to Flooding in a 1:500 Year Storm



Implications for Phase 2 of the Review and The Vancouver Plan

There is significant demand for additional industrial space and a limited amount of capacity for net increases to 2051. The impacts of sea level rise and flooding may mean that the city and region have even less industrial land capacity in the future. Phase 2 of the Review will include the development of policy options that provide for an industrial land base that ensures the continued viability of city-serving industrial businesses while also providing space for new business sectors to grow and diversify the city's economy. Working with partners to develop and recommend a land use policy that balances these challenges will be a key focus of the next phase of work.

Challenge Area/Theme #5: Appropriate Capacity for Office and Hotel Growth

Vancouver is the Central City in the Region and Demand for Office Space is High

High intensity employment in Vancouver is well supported by the regional rapid transit system. The Central Business District in downtown Vancouver and the Broadway Corridor are the two largest employment centres in the province and demand for continued growth in office space is high. Vacancy rates are less than 3% and ~70% of office under construction in the region is in Vancouver. Industry experts are projecting that demand for office space in the central city of Vancouver will continue in the near term.

Hotels are Critical to the Economy and Demand is High

As the central city in the region, Vancouver is a major leisure and business destination and as such the city's hotel room supply is integral to this role. Vancouver received 10.7 million visitors in 2018 and the city's hotels provided them with a temporary base to be a part of the Vancouver economy. Aside from supporting the tourism sector, hotels also enable business to business interactions and the expansion of economic relationships domestically and internationally.

Corporate demand for hotel rooms continues to be strong with the continued popularity of conventions and trade fairs, trends for which the profile of Vancouver's hotel supply (mix of large and small hotels with diversity of service levels) will need to be able to accommodate. Tourism Vancouver research indicates that demand will continue to be high over the medium term.⁶ While demand for increased hotel space is clear, in terms of land use, hotels compete with office uses for space in areas like the Central Business District and Central Broadway. As such, Phase 2 will explore ways in which growth in hotel space can be achieved in parallel with Vancouver's high demand for office space.

Results of Consultant Supply and Demand Scenarios

Demand

It is expected that there will be demand for between 5.4 to 15.4 M additional sq. ft. of major office space to 2051 (space for 41,900 to 76,600 jobs). In addition to this, it is expected there will be demand for between 0.9 to 4.3 M additional sq. ft. of hotel space (space for 2,600 to 4,800 jobs), which competes for similar types of developable land. Combined, these two land uses are expected to result in demand for between 6.3 and 19.7 M additional sq. ft. of high density commercial space (space for 44,500 to 81,400 jobs).

Supply

There is 8.9 M net sq. ft. of office space and hotel in the development pipeline today. Looking out beyond the existing developments underway, the city's capacity model for floor space change on likely redevelopment sites to 2051 indicates that there may be significant capacity for growth of office and hotel space. However, much of this capacity is located in areas outside of the downtown peninsula. Based on existing policy, the potential for additional growth in major office and hotel space is mostly located in the following areas: Grandview Boundary, Downtown West, Eastern Core, and Central Broadway (Figure 9).

Figure 9: Major Office and Hotel Space Development Capacity to 2051

	Existing Inventory	Development Pipeline	Anticipated Change on Potential Re-Development Sites	Total Potential Capacity in 2051
Major Office & Hotel Space	42.3 M sq. ft.	8.9 M sq. ft.	23.0 M sq. ft.	74.3 M sq. ft.

Implications for Phase 2 of the Review and the City-wide Plan

The supply and demand scenarios developed through Phase 1 of the Review provide critical baseline information for future conversations about Vancouver's long term role in the region and the role of key sub-areas in Vancouver in supporting that role. Through future phases of work, staff will continue to engage with stakeholders to explore these issues and identify the appropriate capacity for office and hotel growth in the city.

CONCLUSION

This report provides Council with an update on Phase 1 of the Employment Lands & Economy Review. The insights gained through the engagement and research work undertaken to date provide foundational information for The Vancouver Plan process and will help guide the city's vision for the future of the economy — ensuring an appropriate supply of job space and type to

⁶ Tourism Vancouver 2030 Draft Scenario Report (2018)

accommodate future job growth. Going forward, through this Review and The Vancouver Plan, the City needs to do future work on an initial list of economic challenges: 1) maintaining a diversity of job opportunities, workforce supports and economic resiliency, 2) pursuing creative solutions to job space affordability, 3) ensuring the viability of small, independent business and capacity for growth of commercial services to serve a growing population, 4) ensuring the viability of city-serving industrial businesses, and 5) identifying appropriate capacity for office and hotel growth.

* * * * *

APPENDIX A – Phase 1 Engagement Report November 2019



Employment Lands & Economy Review

PHASE 1

ENGAGEMENT SUMMARY

November 2019

APPENDIX A



CITY OF
VANCOUVER

Employment Lands
& Economy Review

*This page
Intentionally
left blank*

Phase 1 Engagement Highlights

January - November 2019

- 6,500+ engagement contacts
- 3 Workshops with External Advisory Group
- 2 large business & workforce surveys
- 90+ Targeted Outreach Activities:
 - » Events
 - » Workshops
 - » Meetings
 - » Interviews
 - » Site visits
 - » Walking tours

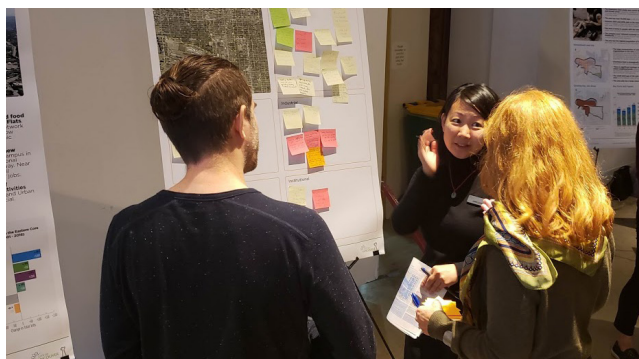




Table of Contents

1	Acknowledging First Peoples	7
2	About This Report	8
3	Engagement Objectives	9
4	Engagement Process	10
5	Engagement Opportunities	12
6	Communications	18
7	What We Heard	20
8	Appendices	46
	Appendix 1 - Full List of EAG Member Organizations.....	47
	Appendix 2 - What We Heard: External Advisory Group Meetings 1, 2 and 3	48
	Appendix 3 - Business And Workers Surveys: Results Summary	102



1 Acknowledging First Peoples

The City of Vancouver is engaged in economic development planning in order to improve the economic future and quality of life of all of its diverse residents. This Review builds on all economic development work done before it on these lands—the unceded territories of the *xʷməθkʷəy̓əm* (Musqueam), *Skwxwú7mesh* (Squamish) and *səlílwətaʔ* (Tsleil-Waututh) peoples.

The Review acknowledges that Indigenous peoples have been running their own prosperous, sustainable and equitable economies for thousands of years on this land. It also acknowledges that this ability was taken away through the devastating impacts of colonization—which still persist today.

In spite of this, the Musqueam, Squamish, Tsleil-Waututh and Urban Indigenous peoples are working on major economic development initiatives of their own and leading their communities in economic endeavours important to the future of Vancouver’s economy.

We are grateful to the Indigenous people who engaged with us in this work and know that their contributions are invaluable as we work towards true reconciliation.

To learn more about the economic development initiatives being led by the Nations visit their websites:

Musqueam Indian Band: musqueam.bc.ca

Squamish Nation: squamish.net

Tsleil-Waututh Nation: twnation.ca

Please visit our website to learn more about Vancouver’s designation as a City of Reconciliation and the Musqueam, Squamish and Tsleil-Waututh Nations:
vancouver.ca/people-programs/city-of-reconciliation

2 About This Report

The Phase 1 Engagement Summary describes the Employment Lands & Economy Review's engagement activities and feedback received from January 2019 to November 2019.

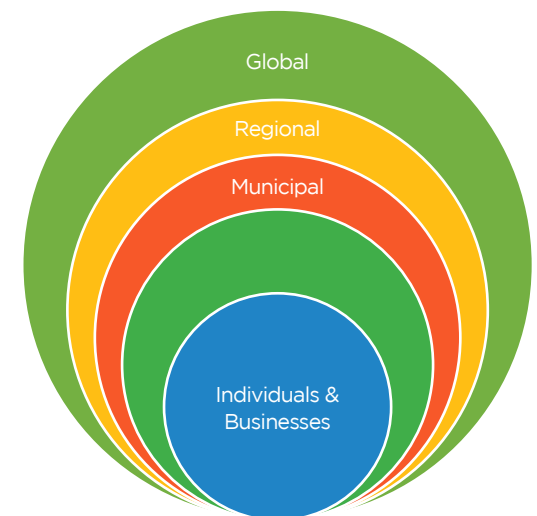
Phase 1 of the Review considered input from representatives across Vancouver's economic sectors, business and industry organizations, regional partners and other levels of government, social purpose and non-profit organizations, employers, workers, academic experts and the general public.

The feedback given has shaped the first phase of the Review, will continue to inform the next phase of the Review, and will also provide foundational input to the Vancouver Plan over the course of its planning process.

The Vancouver Economic Development 'Eco-system'



Social
Environmental
Economic
Cultural



3 Engagement Objectives

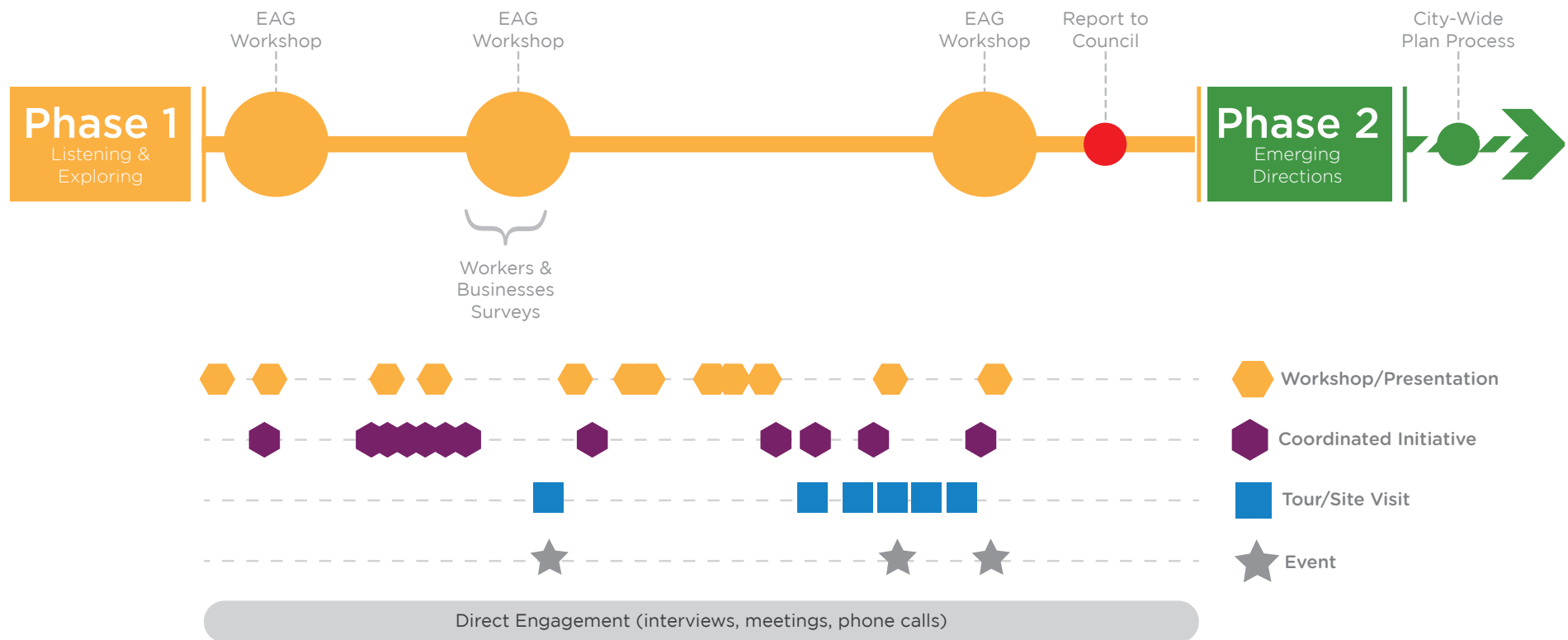
The Employment Lands & Economy Review recognizes that the City of Vancouver does not plan for the future of the economy by itself. There is an eco-system of groups and individuals who influence Vancouver's economic development and that contribute to this important work.

The Review's outreach and engagement process has several key objectives:

Maximize Inclusivity	<ul style="list-style-type: none">• Include and involve a broad range of individuals and groups• Reach out to people who don't normally get involved• Create convenient ways for people to engage
Become Informed	<ul style="list-style-type: none">• Target specific sectors• Base engagement on results of research• Connect to sources of industry news
Seek Interactive Opportunities	<ul style="list-style-type: none">• Get out and about (walking tours/site visits/events)• Use a variety of methods and creative methods• Ask for continuous feedback
Integrate with Related Work	<ul style="list-style-type: none">• Attend related engagements• Participate in partner initiatives• Use feedback from partner initiatives
Be Iterative	<ul style="list-style-type: none">• Continuously engage• Revise understanding as we progress

4 Engagement Process

Between January and November 2019 there were 90+ opportunities to engage with the Employment lands and Economy Review, resulting in 6,500+ engagement contacts.



***EAG =External Advisory Group. See page 16 for details**

How We Engaged

Phase 1 & 2 Engagement
(January 2019 - November 2019)
Broad range of activities and events

6,500+ engagement contacts during
Phase 1 of the Employment
Lands & Economy Review

How We Engaged

External Advisory
Group Workshops



3
workshops

Broad Range of
Targeted Outreach



55+
Meetings, Calls,
Interviews, &
Presentations

Online Surveys



2
engagement surveys
(workers & businesses)
2,900
respondents

Site & Walking Tours



10
tours of employment
lands and business site
visits

COORDINATED INITIATIVES



Open Houses
1,200+
people

Walking Tours
Fairview Slopes
Mount Pleasant
Strathcona
False Creek Flats

Presentations /
Workshops
Burrard Slopes
Mount Pleasant I-1
Transportation
Uptown Mount
Pleasant Industrial
Great Northern Way
Learning District



Culture|Shift:
Blanketing the City
in Arts and Culture
Vancouver Culture
Plan 2020-2029



City of Richmond
Industrial Land
Intensification
Initiative



Metro Vancouver
Industrial Lands
Strategy

5 Engagement Opportunities

Indigenous People

The staff team sought to include Indigenous perspectives into this work through meeting with and presenting to various Indigenous groups and groups that serve Indigenous communities such as the MST Intergovernmental Staff to Staff Meeting, the Metro Vancouver Aboriginal Executive Council (MVAEC), Vancouver Native Education College, Exchange Inner City, Urban Core and ACCESS/Bladerunners. In addition, the staff team attended a cultural competency tour of Musqueam with Councillor Morgan Guerin.

Stakeholder Meetings & Presentations

The staff team met with a wide range of groups and associations on a targeted and upon-request-basis. This engagement included a presentation and discussion questions for each group. Groups ranged from 1-50 people in attendance.

Expert Interviews

Recognized subject matter experts in academia and industry were approached for individual meetings to obtain their insights into opportunities and challenges faced by particular sectors or groups. Some of the interviews were

conducted by staff and others by the project consultants.

Participation in Concurrent Planning Initiative Events

The staff team attended stakeholder engagement events, open houses, workshops, walking tours and site visits for concurrent planning initiatives such as the Retail/Commercial Small Business Study, the Small Business Roundtable, the Broadway Plan and the Poverty Reduction Plan (Arts, Culture & Community Services). Groups ranged from 5-750 people in attendance.

Site Visits

Members of the ELER team were invited by some businesses and organizations to view their sites to observe innovative practices, operations, built forms and other economic activities that would be relevant for the Review.

Walking Tours

Staff participated in various walking tours to directly observe and experience specific Vancouver employment areas such as Uptown Mt Pleasant, Burrard Slopes, Strathcona, the False Creek Flats, Musqueam and the Ironworks development in Grandview Woodland.

5 Engagement Opportunities (continued)

Business and Worker Engagement Surveys

Two online engagement surveys were conducted to collect information on the issues, challenges, expectations and desires of businesses and workers in Vancouver. The surveys used the City's 'Talk Vancouver' platform and were not delivered using a random sampling method and cannot be used to make inference about Vancouver's business and employee populations. Instead, the information gathered through the surveys is being used to illustrate and complement facts and figures drawn from other sources. The key findings from both surveys are provided in Appendix 3.

The Business Survey received 684 responses from business owners and operators in Vancouver. The Business Survey asked questions about the type of businesses people run, plans for the future, what kind of spaces businesses need, challenges businesses face operating in Vancouver, and ideas for how to ensure an appropriate supply of land. Responses came from businesses across sectors and all parts of Vancouver, operating in industrial, office, and commercial spaces. A majority of responses (about 95%) were from businesses employing 50 or fewer people, and roughly 85% of respondent businesses were in spaces under 5,000 square feet.

The Worker Survey received 2215 responses and asked questions about demographics, type of job, opportunities and plans, information about work location, and likes/dislikes about working in Vancouver. Responses came from workers in all sectors and working in locations across the city. About 86% of working (not retired) respondents identified as working full time, and 15% as self-employed. Approximately 25% of working respondents identified as having a job in a non-profit, co-operative, or social enterprise.



5 Engagement Opportunities (continued)

External Advisory Group

The City of Vancouver convened an External Advisory Group (EAG) to help inform the Review. The EAG includes 58 unique organizations and 73 active members. Represented on the EAG is a diverse range of perspectives from industry associations, labour representatives, non-profit organizations, representatives from the development industry and businesses from over 18 economic sectors. The role of the EAG is to provide input and insight at key milestones throughout the planning process - including opportunities and challenges in the economy, external forces impacting economic sectors, methodology used in its technical analysis, assumptions factored into the analysis and final proposed policy recommendations. Over the course of three meetings in Phase 1, the members of the EAG shared their expertise, participated in dialogue and learning and helped build project support by providing information to member affiliations and the larger community. The EAG will continue to meet in Phase 2 of the Review. See Appendix 1 for a list of EAG organizations and Appendix 2 for summaries of feedback collected at the three meetings held in Phase 1.

External Advisory Group Meetings

External Advisory Group Meeting #1 January 24, 2019
Key Considerations & Research Questions for Study

External Advisory Group Meeting #2 April 9, 2019
Findings to Date & Emerging Approach for Scenarios

External Advisory Group Meeting #3 October 17, 2019
Gap Analysis & Identifying Options

External Advisory Group Members

Economic Sectors

Accommodation Hotel Association of Vancouver	Automotive Services Midas
Architecture/Design Mallen Gowing Berzins Architecture	Film & TV Production Vancouver Film Studios
Arts & Culture Eastside Culture Crawl Society	Finance BMO
Real Estate TRG Commercial Realty	Information Communication Tech. Microsoft
Creative Manufacturing Dutil Denim	Health Lower Mainland Facilities Management
Retail Retail Council of Canada	Legal Fasken
Digital Entertainment & Interactive DigiBC	Manufacturing BC Alliance for Manufacturing
Education Great Northern Way Trust	Social Purpose Real Estate Social Purpose Real Estate Collaborative
Entertainment Granville Entertainment Group	Restaurant BC Restaurant & Food Services Association
	Creative Co-Working Creative Co-workers HiVE

Groups, Associations & Government

Tourism Vancouver
Metro Vancouver Convention & Visitors Bureau

Community Economic Development
Exchange Inner-City

Metro Vancouver

BC Technology Association

Indigenous Business / Development
ACCESS / Bladerunners
MST Dev't Corp.

Port of Vancouver

Vancouver District Labour Council

Vancouver Board of Trade

Vancouver Economic Commission

Business Improvement Associations (BIAs)
Downtown Vancouver BIA
Hastings North BIA / Vancouver BIA Partnership
Strathcona BIA

Transportation

TransLink
BC Trucking Association
CP Rail

Logistics
Greater Vancouver Gateway Council

Real Estate, Development & Leasing

Brokerage Firms
Colliers
CBRE

Urban Development Institute

Urban Land Institute

Urban Planning
Brook Pooni

Landowners

Building Owners
MST Dev't Corp
Aquilini
Conwest

Developers
WesGroup
Concord Pacific
Holborn Group
PCI
Hungerford
Wesbild

National Assn. of Industrial/Office Properties



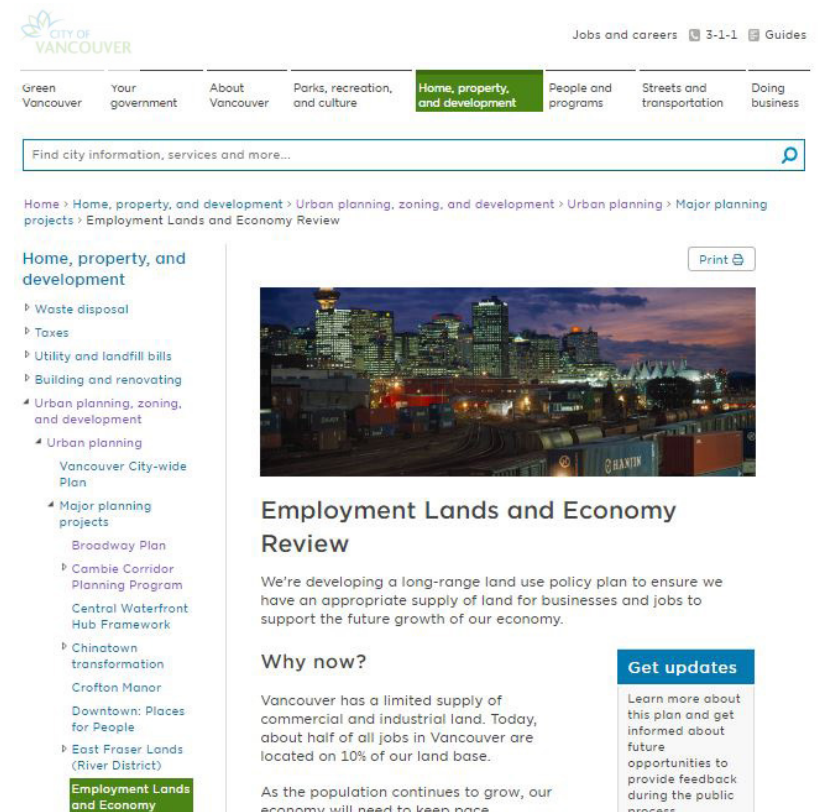
6 Communications

The Review communicated through a variety of forms including:

- Project Website
- Factsheets
- Social Media
- Engagement Summaries
- Consultant Reports

Project Website

The project website is used as the main portal for the public to access information on the current work of the Employment Lands & Economy Review team as well as displaying future scheduled engagements and Council-related activities. The website allows interested parties to subscribe to receive email announcement, browse and download factsheets, view the project timeline and access other publications and reports related to Vancouver's economy. For more information visit www.vancouver.ca/employment-lands



Factsheets

Factsheets are two to four page profiles that provide descriptive statistics about specific sections of Vancouver's economy and are made available on the project website. There are currently 22 factsheets on a wide range of topics relevant to Vancouver. Many of these facts sheets contain data collected through the 2016 Statistics Canada Census; while others contain information from other sources such as industry reports.



7 What We Heard

Key Themes

- 1** Economic Resilience
- 2** Affordability of Space
- 3** Viability of Small, Independent Business & Capacity for Growth of Commercial Services
- 4** Viability of City-Serving Industrial
- 5** Appropriate Growth of Office & Hotel

1 Economic Resilience

Climate Change & Natural Disasters

The following is a summary of what we heard regarding the impact of climate change and natural disasters on the future of Vancouver's economy.

Challenges & Issues

- Climate change causing stress on natural assets and impacts on tourism (e.g. forest fires)
- Much of Vancouver's industrial land is in flood prone areas
- Need for adaptation strategies and costing
- Loss of Port facilities due to sea level rise
- There is considerable risk of sea level rise and flooding of low-lying industrial lands
- Who pays for sea level rise and flooding mitigation?
- Contaminated soils in industrial areas could prolong and increase costs associated with flood protection efforts
- Transportation disruptions from flooding pose the greatest indirect economic impacts
- Agricultural industry in the Lower Mainland is especially vulnerable to coastal hazards
- Climate change-related building regulations. Need to upgrade skills and retrofit buildings. This will lead to increased costs for tenants

Opportunities & Ideas

- Increase in green businesses and jobs in Vancouver
- Increased demand for Vancouver designed products and services
- Need to define role of low-lying areas which may be susceptible to flooding
- Must adapt to the loss of land and rethinking land uses and densities
- Infrastructure improvements to mitigate climate change hazards can create jobs

"The world is recognizing that climate change is real and an immediate concern."

"What impact will BC's forest fires have on our tourism industry in the future?"

"Sea level rise could produce a number of direct and indirect economic impacts, including the loss of employment land."

"A major earthquake could shut down neighbourhood and city-wide economic activity for months or even longer."

Film, Tourism, Port, High Tech

The following is a summary of what we heard regarding Film, Tourism, Port and High Tech

Challenges & Issues

- Film industry has significant impact on other industries – fills vacant spaces temporarily. Need to consider that some industries (especially film) have jobs across the city (even in residential areas), not just in studios
- Port activity is growing and demand for trade-enabling land continues to intensify. Limited supply of trade-enabling land is causing higher land values, and the displacement of existing businesses
- Movement of goods in and beyond: Gateway considerations and trade; Port is Canada's port (not just serving Vancouver)
- Tourism sectors need for large parcels of land (festivals, events) is being taken up by residential development
- Need to understand the space needs of tech industry in particular (they need space for servers in the city and a connection to the underground telecommunication network; last mile problem: delivering to end user)
- Difficult for tech sector to find staff despite inclusive policies and hiring intent
- VFX companies require flexible floor space and unique but essential accommodation of viewing theatre(s)
- Downtown does not have flexible space for tech (not feasible for long-term)
- VFX industry requires lower rent to accommodate higher overhead costs

Opportunities & Ideas

- Reinforce the need for port-related transportation corridors and supportive land uses
- Vancouver has experienced strong tourism growth (3M expected by 2030). Cruise ship volume continues to grow
- BC Tech launching a program to address the gap between employers and Indigenous tech students
- Cultural tourism opportunities are important for Indigenous people
- Large tech companies are still growing following global growth trends in the sector. Tech is growing (digital entertainment, etc.)
- Public open spaces should also be considered in the employment lands because of the film industry's use of them
- Need to look at whether there's confidence to invest in Vancouver

"There are several industries – tourism, film and special events – that rely on access to public land in order to thrive."

"The tech scene here has more and more opportunities each year which is great to see."

"The Port is Canada's largest, and facilitates trade between Canada and more than 170 world economies."

"Vancouver is a hub for my industry, film animation, so there are many studios in town."

Future of Work & Economy

The following is a summary of what we heard regarding the future of work and Vancouver's economy.

Challenges & Issues

- Increasing disruption of autonomous vehicles will change the nature of work and mobility
- The 'Gig Economy' including contracting, precarious employment, and outsourcing continues to grow carrying a risk for the economy and workers
- Industries are rapidly changing and either frustrated by or not always accommodated in the zoning regulations
- New and emerging industries are creating demand for data centres and e-commerce fulfillment
- Shifting demographics: as the Baby-Boomer generation retires the workforce will shrink
- More flexible workplace arrangements such as remote work, telecommuting, work from home, flexible work hours, mobile workforce, co-working are increasingly common
- Reducing/changing floor space per worker
- Crowded workspaces/lack of workplace facilities
- Strong demand for locating in Vancouver's core
- Shortage of skilled trades increasing costs and slowing development
- There's too much reliance on growth

Opportunities & Ideas

- Many different jurisdictions study the economy with competing interests. Better regional cooperation is needed both locally in the region and more broadly such as the Cascadia corridor
- Economic restructuring and modernization provide opportunities for cleaner industries reducing potential land use conflicts or impacts
- Planning for the future of the economy should be part of a more coordinated response to community development (economic, social and environmental)
- Need to move away from the dominant view of economic development and be more creative, innovative and equitable, i.e. how do we measure success?
- Automation does not affect all sectors equally, labour will still be needed
- The 'Sharing Economy' is growing
- Need to work with other levels of government in planning our economic future
- We can't get in the way of innovation and opportunity based on current uncertainty and complexity

"Companies are shifting to remote workspaces and increased computer automation. Their headquarters will no longer need to be in capitals."

"Why are we basing everything on unlimited growth? Should we be attempting to reduce growth?"

"Even with current uncertainties and complexities, we can't let the market constrain opportunities and innovation."

"My field (web development) is rapidly de-skilling."

Diversity of Jobs & Range of Livelihoods

The following is a summary of what we heard regarding the need to maintain a diversity of jobs and opportunities for a range of livelihoods

Challenges & Issues

- Supporting good paying low-barrier jobs as economy shifts, i.e. retail is growing as manufacturing declining
- Semi-skilled and low-skilled job positions are hard to fill putting stress on the local economy
- People want to live where they work. People are not following jobs rather the jobs are following people
- Balancing the integration of new workers and businesses into historic neighbourhoods while preventing gentrification and displacement of current residents and workers
- Restrictions on working from home. e.g., can't have customers visit
- Inflexible zoning hampers efforts to meet market needs
- Maintaining diverse economy, while growth concentrated in a few sectors such as film or technology
- Key workers (people who do essential services such as police, childcare workers, teachers) need to be able to live near their workplaces
- Thousands rely on informal economic activities and need to be considered when planning for the economy

Opportunities & Ideas

- Maintain a diversity of jobs across sectors
- People-focused economic development
- Prioritize local employment creation and local businesses
- Include planning for public land and open spaces in employment lands, as they are important to several industries such as tourism, film and special events
- Support low-barrier income generation on major development sites
- Preserve spaces for the informal economy that support the livelihoods of many people
- Vancouver has a high concentration of social enterprises
- Consider occupations rather than sectors as occupations tell us more about type of job space needed

"Not a lot of big companies' headquarters are here, so certain job opportunities are lacking."

"Limited opportunities for 'senior people' (50+) with high level skill sets or experience."

"It's difficult finding staff for key lower paying reception positions ... due to housing costs in Vancouver."

"I'm trying to run my business from home and can't have customers come to me. This makes it much harder to do business."

Need for Workforce Supports

The following is a summary of what we heard regarding the supports Vancouver workers need.

Challenges & Issues

- Childcare is critical to the economy but is in very short supply
- Requirements for opening licenced childcare facilities often difficult for users or operators to meet
- Housing affordability has broad implications for working in Vancouver
- Rising cost of everyday things: housing, food, gasoline, mobile phone and internet, lowers quality of life
- Wages are comparatively low in Vancouver
- High cost of living causing people to work multiple jobs, endure longer commutes, or consider leaving Vancouver to live and work elsewhere
- Limited housing options restrict employment opportunities and deepen issues around long commutes
- Current situation especially difficult for women, people of colour, people with atypical work schedules and people with lower incomes
- High housing costs makes it hard to attract workers, especially those with children
- Concerns about the cost of living, raising a family, and saving money are prevalent regardless of earning level
- Home ownership no longer an option for most including those with well-paying jobs

Opportunities & Ideas

- Address interest in workforce childcare
- Promote development of workforce housing
- Provide support for training and skill upgrades around IT and new technology
- Facilitate workforce entry training and assistance with finding employment opportunities

“My wife has been working part time so we’re basically living on my income right now and we’re cutting into our savings to pay for daycare.”

“More supports are needed for workforce entry, training and people doing non-standard work.”

“If I can’t find an affordable place to live, I will have to leave the city.”

“Daycare is hard to find for my staff & expensive. It is ridiculously unavailable.”

Importance of the Non-Profit Sector & Challenges

The following is a summary of what we heard regarding the contribution that the non-profit sector makes to the economy, challenges the sector is facing, and the support the sector provides for workers.

Challenges & Issues

- Need more affordability, suitability, security of tenure and long-term operational security when it comes to space
- Human services can't be done digitally—they provide in-person services requiring locations near their clients
- Non-profits struggle to stay afloat as a result of displacement pressures specifically related to inability to compete for rents where they provide services
- Social services are being squeezed out of the city
- There will be service shortages if non-profits are pushed out of the city
- The social purpose sector is growing quickly and needs to be included in data and tracked
- Broader affordability issues related to housing and other costs of living make retention and hiring challenging
- ~75% of employees are female and most males are in leadership and the best paid jobs

Opportunities & Ideas

- Contributes to economic growth, employment, place-making, vibrancy—contribution back to society—not just a support to the workforce
- Develop metrics to report on the added value and current value produced by social enterprises and non-profits—it's huge
- The built form of employment lands needs to be inclusive of non-profits
- Provide secure, affordable, and suitable spaces for non-profits
- Leverage City assets to support social purpose organizations
- Add both “Social-Purpose” as an allowable use and non-profits as amenities, such as retail and childcare, in industrial areas
- Non-profit operators utilize all types of jobs space
- Need to consider people, planet, purpose and profit

“We are a non-profit with limited resources so we can't pay for a larger office at the moment.”

“I work at a legal non-profit in the social justice sector. Vancouver residents have great need for these, so our location in Vancouver serves that need.”

“There is a lot of work because so many people in the non-profit sector cannot afford to live here.”

“The value of the sector is not captured by traditional economic measures.”

Need to Consider Equity

The following is a summary of what we heard regarding the need to consider equity when planning for the future of the economy.

Challenges & Issues

- Fair access to jobs is needed
- Marginalized populations need better stream to access employment
- Need more low-barrier employment opportunities that still pay a living wage for people with less formal education or workplace experience
- Disparity in jobs in terms of the types of people who get employed
- Indigenous people are sometimes stuck in entry-level positions
- There are levels to affordability and poverty. We need to address them all in our economy
- A large potential workforce is on income assistance and want to work
- Development is resulting in displacement of Vancouver's most vulnerable residents and services
- Vancouver is becoming more polarized
- Vancouver is developer-driven—not community-driven

Opportunities & Ideas

- Need to consider a gender lens. Women are disproportionately excluded from the economy and more affected by challenges within it
- More meaningful consultation is needed in the DTES and with equity-seeking groups
- Need economic reconciliation
- Need to connect to the Healthy City Strategy
- Young people need to be included and those aging out of care
- Peer-run and co-op organizations need to be considered
- Redevelopment needs to be more equitable
- There is a proliferation of Indigenous micro businesses that can exist and be supported by both the Indigenous community and the broader community

*"It's impossible to find staff.
Too expensive a city to live in
for hourly workers."*

*"We want to hire more
equitably—we just
don't know how."*

*"We need to be talking
more about the gender
divide."*

*"The impacts of
colonization continue
to exclude Indigenous
people from our
economic system."*

Complete Communities

The following is a summary of what we heard regarding how planning for complete communities supports the economy in several key ways.

Challenges & Issues

- Some areas, like downtown, lack public and greenspace for workers
- Some employment areas lack amenities that allow workers to run daily errands
- Being close to residential areas, shops and restaurants is important to local business
- Concentrate commercial, office and residential around transit stations
- Businesses want to see more mixed use development
- Need to manage growth and intensification better
- Workers prefer to take jobs closer to downtown core because of access to amenities and transit
- Not having housing, work and access to daily needs near to each other is bad for the environment

Opportunities & Ideas

- Vancouver's compact urban design allows people to live close to work and enjoy a short commute
- People working in Vancouver appreciate the diversity and access to amenities, restaurants, and high quality public space
- More live/work could improve commute issues for local business and affordability for artists
- Downtown is the most accessible for all workers and desirable for employers

"Mixed use helps support retail/ restaurants in evening (live, work, play)."

"I wish there was a better mix of other tenants and businesses in the neighbourhood of our office."

"Having like-minded businesses close to each other creates connection and a more collaborative environment for innovation and support."

"Downtown space lacks greenspace -difficult to go outside for a walk to think with all the bustle/noise there is."

Reliable Transportation

The following is a summary of what we heard regarding how Vancouver's workers, businesses and economy are dependent on effective and reliable transportation networks.

Challenges & Issues

- Traffic congestion is a major frustration for workers and businesses and increases costs
- Long commutes, often exacerbated by residential affordability issues, are a concern, especially challenging for those with multiple jobs or unusual work-times (e.g., shift workers)
- It is hard for business to hire and retain staff as commutes get longer
- Unavailability and expense of parking
- There is a need for more end of trip bike facilities
- Transit service is not available to all job areas
- Ride hailing leads to congestion
- Conflicts between goods movements and people movements
- Lack of affordable and suitable logistic and warehousing space in the city is making for longer distances to transport goods to and from city ports
- Watch out for pedestrian and truck conflicts. Look at truck routes in Mt. P I-1
- No new road infrastructure. Efficient transportation is more environmental than less. The need to move goods and people will not end
- Trucking activities transport 90% of all consumer goods and this is increasing in the region

Opportunities & Ideas

- There is value in having SkyTrain stations in job only areas
- Leverage existing transportation infrastructure
- Being near transit helps with airport access (people love YVR and coming to Vancouver for tech business visits)
- Lifestyle is key: 80% of tech workers use green modes for commute (walk, bike, or transit)
- Improvements to transit and transportation are seen as important to ensuring an appropriate supply of employment land
- A high-speed rail link is important
- Employment drives transit ridership more than housing

"80% of our employees take transit, bike, or walk—until they start having kids."

"City of Van needs to allow trades of all types to park in permit-only zones of streets, and to not have to pay metre-parking."

"Our most pressing needs are finding employees and being able to transport our products to our customers."

"Traffic congestion limits my ability to expand and hire more staff."

2 Affordability of Space

Rising Job Space Rents

The following is a summary of what we heard regarding difficulties finding and retaining affordable job space.

Challenges & Issues

- Affordability of work space is the biggest challenge for local businesses
- Thousands of workers are projected to move into the city but the affordability issues persist
- Encroachment of higher-paying uses (residential, AAA office) displacing less lucrative uses (industrial, hotels)
- Developers are driving processes with community's needs becoming secondary
- Affordable commercial kitchen space is needed for Indigenous catering companies
- Gentrification in many areas displacing businesses and people
- Replacement of affordable older stock with pricey new development contributing to unaffordability (i.e. loss of lower-tier office spaces)
- No protection from rent and assessment increases causes great uncertainty for businesses, assessments can go up 10 million in one year
- Many businesses pay property taxes but do not benefit from rising land prices
- Affordability is more challenging for businesses with lower profit margins or larger space needs
- A thriving city has room for all price points and types of use
- Affordable coworking spaces with facilitation spaces and office amenities are useful to Indigenous service providers

Opportunities & Ideas

- Need to use City-owned assets to create affordable job space
- Explore ways to make business tenancy more secure and rents more stable
- Should ensure reduction in assessments benefits businesses tenants—not the property owner
- Curb encroachment of residential onto employment lands since it will drive up costs
- Develop broad range of office space types with good supply of C all the way to A and AAA
- Explore commercial rent controls

“I do not know what my new rent will be. My landlord could raise it by however much he likes and I don't have much of a leg to stand on to fight it.”

“As a small business that is leasing - ie. the landlord gets the big uptick in value with rezoning - the small business tenant get the bill because of triple net lease.”

“Lease and overhead costs of doing business downtown are forcing me to significantly increase the cost of my services to my clients.”

“Retail rent is out of control in the city. It is the single biggest factor in stopping us growing.”

Rising Costs of Working and Living in Vancouver

The following is a summary of what we heard regarding rising costs and decreased affordability and the impacts these are having on workers, businesses and the economy overall.

Challenges & Issues

- The high cost of housing is forcing longer commutes and a demand for higher wages
- Businesses are struggling to find and retain staff, especially for entry level jobs and lower paying positions
- The workforce affordability challenges and a labour scarcity are driving up wages
- Businesses are also facing increasing fees/ costs of goods from suppliers
- Increased congestion raises the cost of delivery and service calls
- Rising costs of parking/limits of parking affects business costs and ability to attract staff
- Onerous City processes and permitting raises costs of starting or changing business operations and reinvesting in work spaces
- As residents pay higher rents, they have less income to purchase goods and services
- Businesses unable to increase the costs of goods and services due to limits on consumer buying power
- Rising business costs and constraints on price increases reduces profit margins, challenging overall business viability
- Businesses less able to reinvest and improve productivity/maintain innovation
- Businesses reducing “non-productive” space (e.g., lunch rooms, meeting rooms) or staying in smaller spaces than their growth demands, reducing productivity
- Decreased affordability is reducing competitiveness of the city and businesses

Opportunities & Ideas

- Ensure information from City related to business is consistent, coherent and clear
- Set up an ombudsman or similar person in City Hall to review complaints of unfair leasing practice /gouging
- Become more business friendly and supportive
- Tax deduction or subsidize payroll for small businesses
- Foster a free and user-friendly platform/job site for workers and employers to connect together
- Allow trades to park in the city with a special permit

“I have to work 2 jobs to pay the rent. Living and working in Vancouver is too expensive. I don’t get paid enough money in my jobs to pay for the cost of living in Vancouver.”

“It’s unrealistic that a business owner can have enough money saved to make sense of investing and expanding their businesses.”

“Very hard to get by even with a well-paying job. Hard to pay the bills on a single income. In debt with no money for vacation or the food, entertainment and recreation that is available.”

“Being able to pay employees enough that they can live in Vancouver. If we charge more to pay our employees, we lose

Vulnerability of Arts, Culture & Non-Profit Sectors

The following is a summary of what we heard regarding how Vancouver's arts, culture and non-profit sectors are vulnerable.

Challenges & Issues

- Artist communities and studios are becoming increasingly displaced
- Arts and culture providers need specialized spaces and workshops that are only provided in industrial lands
- Arts and cultural spaces are being lost to other uses in industrial areas
- Industrial spaces support necessary but competing uses such as city-serving activities, rail and back-of-house work for arts & culture
- Affording work space is especially challenging for non-profits, artists, independents, new businesses and entrepreneurs
- Artist production should be differentiated from creative manufacturing
- The supply of space for artists, culture and non-profits in industrial areas is rapidly shrinking
- Loss of large event space in Vancouver for festivals and performances
- Non-profit organizations are often functioning at maximum capacity and in need of more space

Opportunities & Ideas

- More work needs to be done to address depth of demand for non-profit uses so they are adequately supplied
- Protect existing older spaces to assist with provision of inclusive, low-barrier, high-paying employment as well as training and skills development
- Arts and culture has high growth in jobs
- Create an east-side artist production district and implement a no net loss of space while including growth policy for adding supply

"As an art studio rental business we are all at a high risk of losing a presence in Vancouver due to increasing unaffordability of lease rates and fees."

"I'm losing studio space... after 10 years in the same studio space in Strathcona. I, and 14 other artists, were evicted for redevelopment."

"The long-term operational sustainability of non-profits is critical."

"Our near heritage building is full of internationally known artisans ...We all fear having the building razed for condos."

3 Viability of Small, Independent Business & Capacity for Growth of Commercial Services

Challenges Faced by Small, Independent Commercial Businesses

The following is a summary of what we heard regarding the challenges faced by small independent commercial businesses.

Challenges & Issues

- High rent and property tax increases are especially difficult for small businesses to absorb
- It is hard to attract and retain workers given affordability and transportation issues
- Redevelopment is displacing existing businesses
- After losing a space to redevelopment; change of location (even across the street) has big impacts for businesses that rely on foot traffic/local clientele base
- New developments are focused on residential development, so retail/commercial is an afterthought and often of lower quality
- Stratified commercial units are too expensive
- Housing gets developed but ground floor retail remains empty
- Spaces are remaining empty due to speculation or permits/building code issues
- A slow and onerous permit process and unnecessary permit issues means businesses have to pay rent but can't operate
- Complexity/cost favours chains/big-box retailers with expertise and resources to pursue permits
- Restrictive and out of date zoning limits adaptive space use, stifles innovation
- Creativity in use of space is becoming increasingly important for retailers
- Increasing competition from chains and large corporations for space, customers, and employees
- Retail changing due to tech and e-commerce and small businesses are less resourced to invest and adapt in the new technology
- E-commerce is driving storefronts smaller and warehouses bigger

Opportunities & Ideas

- Allow some types of light industrial in C-zones (e.g. food manufacturing)
- Support the construction/supply of subsidized incubator spaces, including cubicle spaces with support spaces like meeting rooms, etc
- Indigenous businesses in all fields (tech, decor, clothes, alternative medicine) are important not only to tourists but also to all Canadians as way to share culture
- Prioritization of local businesses which employ local workers over multinational corporations to ensure as much capital as possible is retained in the local economy
- Eliminate tiny retail spaces stuffed around ground floors of condo towers, suitable only for dollar pizza/nail salons.

"All of the small shops in my neighbourhood are closing down."

"Mom and pops - no resources to compete with e-commerce."

"Diversity leaves when retail leaves."

"I can't afford to wait for months for a permit and keep paying rent on an empty space."

4 Viability of City-Serving Industrial Business

Scarcity & Need for Industrial Land

The following is a summary of what we heard regarding the scarcity and need for industrial land to the overall all economy.

Challenges & Issues

- Industrial land is under pressure while the sector grows
- Industrial spaces with high ceilings and large floor plates on the ground-level are most desirable but becoming harder to find and difficult to replace once lost
- Low vacancy for industrial buildings but many are left empty due to permit issues and speculation
- Mixed-use development at transit stations may limit growth of traditional industrial space
- Loss of infrastructure and warehousing space impacts the movement of goods
- Some industrial zones limit the development build out of Production, Distribution and Repair uses and service uses
- Increased need for city-serving industrial space
- Industrial businesses are being displaced from Vancouver (and sometimes from the region)
- There are not enough 1,000 sq. ft. industrial spaces for small manufacturing such as industrial design, sculpture and furniture building and design. Production spaces for the creative industry are the most needed
- Protect light industrial spaces from conversion to condos, real estate-related enterprises (staging, interior decoration), micro-breweries and assorted “new economy” businesses

Opportunities & Ideas

- Provide bonus to developers who provide Production, Distribution and Repair uses on the ground floor
- Mixed-use development at transit stations can subsidize construction of more ground-floor industrial
- Promote inter-regional cooperation on licensing, regulation and permitting to improve compatibility across municipalities
- Increased demand for local products and services creates increased need for city-serving industrial space
- Central industrial lands create more accessible low barrier industrial jobs

“Nothing is being done to provide work space in the inner-city to accommodate a work force that requires industrial space.”

“We need to consider the future expansion of port and rail.”

“There is an increased need for city-serving industrial space (repair, laundry, bus tourism, food distribution).”

“We are running out of industrial land.”

Affordability of Industrial Space

The following is a summary of what we heard regarding the affordability of industrial space.

Challenges & Issues

- There is a lack of affordable and appropriate industrial space (right size, characteristic, price)
- Industrial land is especially vulnerable to encroachment by higher revenue uses and users (e.g., office, residential)
- The constraints and requirements of industrial land (e.g., large floor plates, access to transportation) further limits supply, increases price
- Industrial users that cannot afford higher industrial lease rates in Vancouver are attracted to lower cost land outside of the city
- As high land prices push industrial businesses further out, transportation increases the prices of goods and services
- Finding affordable space is challenging for contractors, landscapers and others who need easy access to work tools
- The cost of intensified industrial is not supported by some lower-revenue industrial users
- As industrial land costs increase, non-industrial users are the only viable businesses in those locations

Opportunities & Ideas

- Enforce existing zoning (to curb encroachment)
- Do not permit residential/condo development in industrial/commercial areas
- Limit the amount of institutional and office use in industrial space
- Explore mixed use and flexible zoning so higher revenue uses can offset the cost of providing industrial space
- Consider mixed use that combines residential and light industrial
- Break down the rigid zoning regulations in place. There just isn't enough flexible use zoning. More I-3 zoning, for example, change all RM-4 zoning to I-3.
- Rezone south of 2nd avenue to mixed commercial and residential to match the growth in Olympic Village while encouraging developers to accommodate wholesale businesses with street front access

“Residential vs. industrial value gap is high and there’s conflict there.”

“I can’t find affordable warehousing in Vancouver and am close to giving up on warehousing in Vancouver all together.”

“Everyone wants industrial land because it’s cheaper. Ironically, this is driving the price of it up.”

“There’s no affordable industrial property! It’s insane and will increase the cost of everything especially as more land becomes multi-family.”

Social, Cultural & Environmental Value of Industrial Lands

The following is a summary of what we heard regarding the social, cultural and environmental value of industrial lands.

Challenges & Issues

- Displacement of individual artist spaces in industrial lands erodes artist communities
- Lack of affordable and suitable logistics or warehousing space increases travel time and fuel consumption to and from the Port
- Changes to public spaces such as parks, alleyways, and sidewalks negatively impact the informal economy where many with barriers to formal employment earn a living
- Lack of definitions for cultural spaces makes obtaining new spaces difficult
- There is a concentration of arts and culture spaces in industrial areas and they are being displaced
- Don't need a college degree to work in many industrial jobs. There's a need for those jobs too
- The new St. Paul's hospital is going to have an impact on the areas around it

Opportunities & Ideas

- Ensure room for social purpose real estate in industrial zones
- Preserve arts & cultural spaces in industrial areas
- Keep city-serving industrial near core to cut down on travel distances
- Need to maintain distribution centres within the city to reduce GHG emissions
- Food security is linked to Vancouver's industrial lands in a big way

"Having artists in the inner-city contributes to the vibrancy of Vancouver. What will happen if they all leave?"

"Vancouver's Produce Row is critical to food distribution in Vancouver, in particular."

"Binnery provide a huge environmental service to the city."

"Imagine if every hotel in Vancouver had to drive out to Mission to get their linens laundered every day."

Review of Uses on Industrial Land

The following is a summary of what we heard regarding the need to review uses on industrial land and deal with competing uses vying for scarce space.

Challenges & Issues

- Zoning flexibility
- Permitted uses in industrial zones
- Industrial lands are being used for non-industrial uses (i.e. mini storage, climbing gyms, doggy day cares). Need to re-claim these lands for better uses through policy
- Increased competition for use of industrial lands is processing out lower-profit sectors
- Encroachment into industrial land by non-industrial uses is reducing supply and increasing prices
- Some industrial users need a more flexible definition of 'office'

Opportunities & Ideas

- Need a review of M2 lands. Do they still serve the economy? Are they evolving?
- Must take adjacency issues into account especially with industry, rail and trade enabling lands
- Can we use the ALR for food production and processing?
- Need to be more efficient with what industrial land we have
- Businesses want to co-locate. Need to explore this opportunity

"Providing flexibility in uses and spaces."

"Conflicting uses in the industrial zones need to be addressed."

"Consider broad changes to attract higher density, multi-level industrial."

"You need to review land zoning to ensure commercial/ industrial sticks around."

5 Appropriate Capacity of Office and Hotel

High Demand & Affordability Issues for Office

The following is a summary of what we heard regarding the current demand and affordability challenges for office space.

Challenges & Issues

- Low vacancy, lots of demand for a variety of office space
- Preferences for access to SkyTrain/transit, central locations, safe areas, and room for the entire business to be on one floor
- Increasing amount of office workers per square foot
- Mt Pleasant popularity due to new smaller companies that will have space issues when they grow
- Meeting rooms or venues for large meetings are needed
- Not enough supply being built
- High rents in some areas
- Lack of affordable office space (e.g., older, lower grade spaces)
- Affordability issues resulting in crowding and new ways of working (remote, flex days, hot desks, etc.)
- Hard to find office. Some tech companies considering leaving the city. Some moving to rest of region
- Office towers force large companies across more floors reducing informal interactions or the circulation and interaction among staff
- Ideally the work environment would be accommodated on one floor (or few floors) with open space/ flexible space
- Multifloors are culture killers
- Amenities are necessary for site location selection
- Type of sq. ft is more important than amount

Opportunities & Ideas

- Allow for flexibility and scalability of space for tech industry. (e.g. variety of floorplates, share common spaces, meeting rooms, etc.)
- Key location requirement is flexible space and connectable space (to network)
- UBC would be very attractive (to some companies) if subway comes. (Jericho too)

“More land needs to be zoned for high-density office space near Skytrain stations.”

“We need more B and C quality spaces for startups to move into. Not everyone can afford (or wishes to afford) AAA office space.”

“Relax and allow for a greater portion of office, service/ restaurant and commercial/retail uses as opposed to strict light industrial or heavy”

“Companies are tight for space and starting to incorporate hot-desking within the organization.”

High Demand for Hotel

The following is a summary of what we heard regarding the current demand for hotel space and implications for the overall economy.

Challenges & Issues

- The conflict between development of office and hotel spaces is an issue of concern as hotels are less viable to develop in Vancouver
- There has been an increase in business travel and need for hotel space and meeting facilities
- Loss of hotel spaces is an issue as they support the economy, need to be central and well-connected to transportation and destinations
- Billions of dollars could be lost to the downtown area if there aren't enough hotel rooms
- Vancouverites have trouble accommodating friends and family when they visit
- High demand for hotel space downtown results in highly inflated prices. The peak summer rates are currently \$700 per night

Opportunities & Ideas

- Hotels should be given their own category as the use has difficulty competing with other uses
- Encourage development of hotel space to generate net new supply
- Consider business travel instead of only tourism travel. There is a huge corporate demand for hotel rooms
- The growth of the tech sector leads to a large growth in business travel—cities like Seattle have had to accommodate this

“There’s a shortage of hotels, which are employment-generating.”

“If new supply is piecemeal, it won’t solve the constraints we have in Vancouver.”

“The impacts of the shift of hotel supply from 2 and 3 stars to 5-stars needs to be examined.”

“We are turning away large conferences because of lack of capacity.”

Thank You

The Employment Lands & Economy Review staff team would like to thank the individuals, groups and organizations that contributed to the work. The following is a list of organizations that were involved in various engagement activities throughout the course of the Review. The list also includes umbrella organizations that represent a collective of organizations whose individual member organizations are not listed.

ACCESS	Commissary Connect	Mallen Gowing Berzins	TransLink
Anthem Properties	Concert Properties	Architecture	TRG Commercial Realty
Aquilini (MST)	Concord Pacific	Marpole BIA	TTT Studios
Arts Factory	Convergence Strategies	MAVI Jeans	UBC Department of Geography
Association for Neighborhood & Housing Development (New York)	ConWest	Metro Vancouver	UBC School of Community & Regional Planning
Avison Young	Coriolis	MVAEC	UBC Sauder School of Business
BC Alliance for Manufacturing	CP Rail	Microsoft	unbuilders
BC Provincial Health Services	Creative BC	Midas Auto Services	United We Can
Authority	Creative Coworkers	MST	Urban Core
BC Restaurant and Food	DigiBC	NAIOP	Urban Development Institute
Services Association	Downtown BIA	NYC Economic Development	Urban Land Institute
BC Tech Association	Dutil Denim	Corporation	Urban Manufacturing Alliance
BC Trucking Association	Eastside Culture Crawl Society	PCI	Urban Spirit Foundation
Bentall Kennedy	Exchange Inner-City	Pockit Storage	Vancouver BIA Partnership
Blackbird Interactive	Fasken	Polygon Homes	Vancouver Board of Trade
Bladerunners	FED	Port of Seattle	Vancouver City Planning
BMO	Fraser Health	Port of Vancouver	Commission
BOMA	Granville Entertainment Group	Poverty Reduction Plan Advisory	Vancouver Community College
Brook Pooni	Great Northern Way Trust	Our Place	Vancouver District Labour
Canada Lands Company	Greater Vancouver Gateway	Recycling Alternative/greenHUB	Council
CBRE	Council	Retail Council of Canada	Vancouver Economic
Cinesite Studios	Hastings North BIA	SAP Software Solutions	Commission
City of Miami	HiVE	SFU Community Economic	Vancouver Farmers Market
City of Richmond	Holborn	Development Program	Vancouver Film Studios
City of San Francisco	Hotel Association of Vancouver	SFU Radius: Local Economic	Vancouver Film Studios Board
City of Seattle	Hungerford Properties	Development Lab	VanEx
City of Surrey	Image Engine	SFU Urban Studies Program	Wesbild
CN Rail	International Longshore &	SPRE	WesGroup
Colliers	Warehouse Union	South Granville BIA	West Broadway BIA
	Mainframe Studios	Strathcona BIA	WildBrain
		Tourism Vancouver	Woodshop Workers Coop

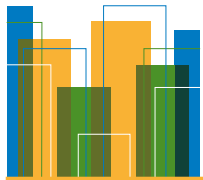
8 Appendices

Appendix 1

Full List of EAG Member Organizations

Organization
Bentall Kennedy
Translink
ACCESS
Aquilini (MST)
BC Alliance for Manufacturing
BC Restaurant and Food Services Association
BC Tech Association
BC Trucking Association
Bladerunners
BMO
BOMA
Brook Pooni
Canada Lands Company
CBRE
Colliers
Concord Pacific
ConWest
CP Rail
Creative Coworkers
DigiBC
Downtown BIA
Dutil Denim
Eastside Culture Crawl Society
Exchange Inner-City
Fasken
Fraser Health
Granville Entertainment Group
Great Northern Way Trust
Greater Vancouver Gateway Council
Hastings North BIA

Organization
Hive
Holborn
Hotel Association of Vancouver
Hungerford Properties
International Longshore & Warehouse Union
Mallen Gowing Berzins Architecture (MGBA)
Metro Vancouver
Microsoft
Midas Auto Services
MST
NAIOP
PCI
Polygon Homes
Recycling Alternative
Retail Council of Canada
Social Purpose Real Estate Collaborative
Strathcona BIA
Tourism Vancouver
Translink
TRG Commercial Realty
Urban Development Institute
Urban Land Institute
Vancouver Board of Trade
Vancouver Community College
Vancouver District Labour Council
Vancouver Economic Commission
Vancouver Film Studios
Vancouver Fraser Port Authority
Wesbild
WesGroup

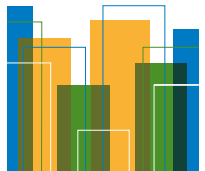


APPENDIX **2**

What We Heard

External Advisory Group Meetings 1,2 and 3





What We Heard:

External Advisory Group Meeting #1

Employment Lands & Economy Review

The City of Vancouver is developing a long-range land use policy plan to ensure the city has an appropriate supply of land and business space to support jobs and the growth of the economy. As part of this review, the City will be engaging with a range of stakeholders, business sectors and members of the public to collect feedback at key project milestones and help inform the plan.

About the External Advisory Group

The City of Vancouver has assembled an External Advisory Group (EAG) to help inform the Employment Lands and Economy Review. Represented on the EAG is a diverse range of perspectives from industry associations, labour representatives, Indigenous groups, not-for-profit organizations, representatives from the development industry and businesses from over 18 economic sectors. The role of the EAG is to provide input and insight at key milestones throughout the planning process.

Session #1

The first session for the EAG was held on January 24, 2019. Participants were asked to answer two questions about Vancouver's economy and the changing land and space needs of businesses. Summaries from these discussions are outlined in this document.



Question 1: Vancouver's Economy

Given the scope and purpose of the study, what are some of the key considerations that need to be incorporated into the analysis?



EMERGING TRENDS

- The changing nature of work (e.g. rise of co-working space, live/work spaces, demand for flexible work hours, and an increasingly mobile workforce).
- Shifting demographics; retirement of baby-boomers and increasing automation of certain jobs.
- Impact of autonomous vehicles on economy.
- Building complete communities where people can live close to work.
- Workers are moving out of the City due to affordability issues.
- Many new start-ups locating in co-working spaces.
- Loss of hotel space over time
- Growth of retail, tech and e-commerce.
- Decline in manufacturing.



AFFORDABILITY

- Impact zoning has on the affordability of land for small businesses.
- Increasing pressures due to higher land values, increasing tax assessment, and higher payments for property taxes.
- Impact of increased densities in industrial uses.
- Tax assessment based on highest and best use.
- Look at the Ports Property Tax Act for ideas on amendments to property tax in Vancouver.
- Displacement of existing businesses due to re-development.



ADDRESSING KNOWLEDGE GAPS

- Understand the current state of Vancouver's economy and how local economic characteristics have changed over time.
- What additional capacity for jobs currently exists on Vancouver's "jobs only" land?
- Understand all the different types of uses associated with high tech jobs – including the need for both office and manufacturing spaces.
- How many downtown jobs are associated with or serving the tech sector?
- Needs of workers working at home or with no fixed workplace address.
- Role of the Port in Vancouver and the rest of the region.
- Business space needs in the Central Business District (CBD) versus outside the CBD.
- The role of ownership (i.e. stratification) on Vancouver's employment lands in the future.
- World-wide best practices in economic planning.
- Review what worked and what didn't work from changes to certain zoning schedules (i.e. I-1).
- Account for different scenarios for Vancouver when looking out into the future.



SOCIAL EQUITY

- Fair access to jobs for key groups such as people who are low-income, artists and Indigenous groups.
- Social purpose sector is growing quickly and needs to be tracked in the data.
- Prioritization of local businesses and social enterprises.



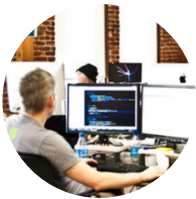
INTER-GOVERNMENTAL COOPERATION

- Better interregional cooperation, including on the projects currently underway (e.g. Metro Vancouver Regional Industrial Lands Strategy).
- Extend regional cooperation to the rest of the Cascadia Region (i.e. Seattle and Portland).



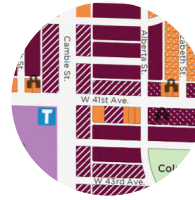
INFRASTRUCTURE CONSIDERATIONS

- Importance of rail corridors and goods movement between the Port, industrial lands and rest of the region.
- Need for more efficient regional transit.
- Ways to revitalize the South Vancouver rail line.



WORKFORCE NEEDS

- Affordable housing.
- Semi-skilled and low skilled jobs are hard to fill.
- Desire for younger workforce to live/work in central areas with restaurants, bars and other services.
- Shortage of workers in trades and construction.



LAND-USE & POLICY CONSIDERATIONS

- Conflict between certain commercial/industrial uses and residential dwellings.
- Industrial land under pressure while the sector continues to grow.
- Improving adaptability and flexibility in zoning to allow more diverse uses.
- How to plan better for jobs located across the city, including in non-employment areas.
- How to integrate cannabis sector as a use on existing employment lands.
- Allowing retail sales in existing warehouses.
- Additional flexibility for uses generally across the city, including support for mixed-use opportunities.
- Better clarity and certainty on zoning and City policies.
- Ensure retail space is occupied in mixed use residential/commercial developments.
- Support complete communities with live/work/play options.
- Look at incorporating rental on top of employment spaces.
- Allow for more density and inclusive zoning around SkyTrain stations; more jobs space and multi-family uses.
- Look outside of the “jobs only” land to allocate more job space.
- Allow for higher buildings.

Question 2: Space Needs

How are business space needs changing? How does this vary by industry? Type of space? Location in the city or region?



EMERGING TRENDS

- Increasing business travel puts pressure on Vancouver's limited supply of diminishing hotel spaces.
- Lack of affordable office space has increased demand for coworking spaces.
- There are new demands for space from the industrial sector (i.e. industrial office).
- Industrial uses are increasingly being pushed out into the region.
- E-commerce and film sectors have very high workers per square foot.



AFFORDABILITY

- Issues of affordability are increasingly being felt by all sectors of the economy. It is especially being felt by social purpose organizations, creative manufacturers, and start-up manufacturers, amongst others.
- High demand for industrial space is driving up land value and lease rates.
- Artist communities and studios are becoming increasingly displaced.



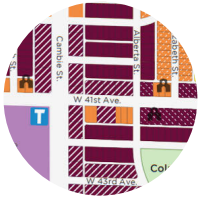
CHANGING NATURE OF WORK

- There is continued demand for coworking. Coworking space goes beyond the tech sector; also includes artists, manufacturers, and other activities.
- Working at home may never fully take hold because people still seek collaboration in social settings.
- Office workers are increasingly working outside the traditional 9-5 work day.
- Companies are increasingly tight for space and have begun implementing hot-desking (i.e. shared workstations).
- Should consider other uses other than high tech when thinking about the economy of the future.



WORKFORCE NEEDS

- Workers are increasingly demanding flexible work hours and tele-working options.
- Increased demand for bicycle storage.
- Need for higher density and affordable housing.
- Coworking clients want space accessible within a maximum 30 minute commute.
- Coworking clients also require spaces to foster a sense of community.



LAND-USE & POLICY CONSIDERATIONS

OFFICE

- Floor space per worker is generally decreasing across industries.
- Offices are adopting open concept designs.
- Early indications of a trend towards smaller strata offices.

INDUSTRIAL

- Industrial land reserve is needed.
- Zoning should accommodate the trend towards multi-level industrial.
- Industrial lands are limited and should be protected. May be mixed with other employment uses but should not be used for housing.
- Heavy industrial continues to play a role, and should be located on main transportation arterials and near the Port.
- There is still a need for large sizes for industrial spaces.

E-COMMERCE & RETAIL

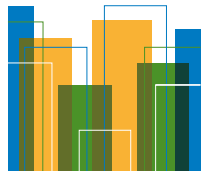
- E-commerce is driving retail storefronts smaller and warehouses bigger.
- Online shopping has space implications for both new and existing businesses (i.e. grocery pickup at supermarkets).

COWORKING

- Coworking clients are increasingly looking for spaces outside of downtown, closer to home and with parking.
- Coworking spaces are serving a key role in supplying space.
- Businesses using coworking spaces downtown are more likely to stay downtown.

OTHER

- Space needs for infrastructure and warehousing are important as it pertains to the movement of goods.
- Current regulations may restrict working at home.
- Use restrictions often prevent small businesses from getting into multi-use buildings.
- Allow for flexibility and scalability of space for tech industry.
- The tech sector increasingly needs space for data servers, delivering services/goods to the end user, and solving the last mile problem.
- Strata commercial can constrain future growth, as has been the case in Mount Pleasant.



What We Heard:

External Advisory Group Meeting #2

Employment Lands & Economy Review

The City of Vancouver is developing a long-range land use policy plan to ensure the city has an appropriate supply of land and business space to support jobs and the growth of the economy. As part of this review, the City is engaging with a range of stakeholders, business sectors and members of the public to collect feedback at key project milestones and help inform the plan.

About the External Advisory Group

The City of Vancouver has assembled an External Advisory Group (EAG) to help inform the Employment Lands & Economy Review. The EAG consists of a diverse range of perspectives including industry associations, labour representatives, Indigenous groups, not-for-profit organizations, representatives from the development industry and businesses from over 18 economic sectors. The role of the EAG is to provide input and insight at key milestones throughout the planning process.

Session #2

The second meeting of the EAG was held on April 9th, 2019. Participants were asked to identify the top three external forces that they foresee having the most impact on the industry they represent, how these external forces could impact their industry, and whether they would lead to more or less growth for their industry into the future. Summaries of these discussions are outlined in this document. See the Appendix for a list of all the external forces presented by the project consultant at the workshop.

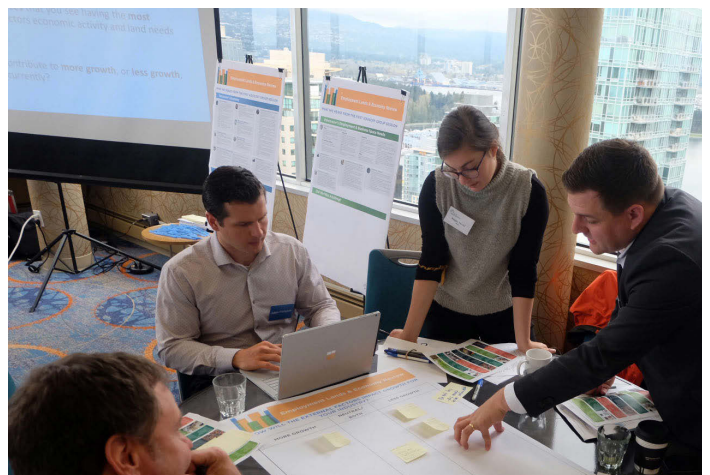


The Workshop

Activity:

Participants were provided with three post-it notes and a list of possible external forces that might have an impact on their industry over the next 30 years. They were asked to identify the industry they represent and the top three forces that could impact their industry on their post-it notes. Participants were then asked to decide whether they thought the external forces they selected were likely to lead to more growth, less growth, neutral or both high and low growth.

The results from this workshop activity are presented on the following pages. See the Appendix for materials used in this exercise.



External Forces

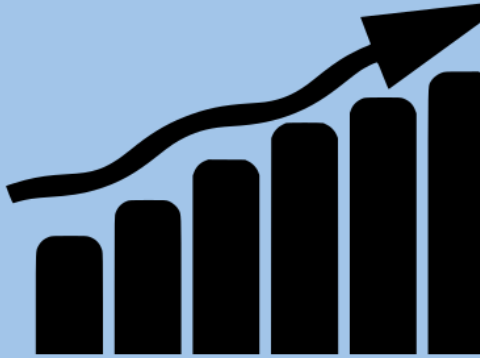
This section outlines the results of the top three external forces that participants see potentially having the most impact on their sectors in Vancouver to 2050. 'Unaffordable Housing and Space' was the external force participants most identified as potentially having a top impact on their sector in Vancouver, making up 28% of responses. This was followed by 'Changing Labour Advantages' (15%), and the 'Rise of the Digital and Creative Economy' (14%).

TABLE 1. TOP EXTERNAL FORCES THAT COULD IMPACT INDUSTRIES IN VANCOUVER AS IDENTIFIED BY RESPONDENTS

EXTERNAL FORCE	RESPONSE RATE	IMPACT ON GROWTH				
		MORE GROWTH	BOTH/ NEUTRAL	LESS GROWTH	N/A	TOTAL
Unaffordable Housing and Business Space	28%	-	19%	81%	-	100%
Changing Labour Advantages	15%	43%	28%	29%	-	100%
Rise of Digital and Creative Economy	14%	46%	31%	15%	8%	100%
Land Use Pressure	11%	10%	30%	50%	10%	100%
Alternate Work Arrangements	10%	56%	22%	22%	-	100%
Climate Change	9%	63%	12%	25%	-	100%
Changing Market Conditions	7%	29%	14%	57%	-	100%
Changes in Global Trade	4%	75%	-	25%	-	100%
Increased Automation and AI	3%	-	67%	33%	-	100%
Total	100%					

External Forces and Impacts

1 UNAFFORDABLE HOUSING AND BUSINESS SPACE



Description: Unaffordable Housing and Business Space refers to various factors that are limiting affordable space for residents and businesses and may displace or hinder growth opportunities.

Top impacts identified by participants are difficulty attracting and retaining workers, worker displacement, labour shortages and increasing property taxes.

This external force was identified as a top 3 impact to growth by the following sectors:

- Transportation/Trade
- Retail
- Industrial
- Education
- Economic Development
- Development/Real Estate
- Coworking
- Arts, Cultural and Not for Profit
- Accommodation

Participant comments:

- Participants filled out post-it notes identifying the top 3 external forces that could impact their sector in Vancouver to 2050. The bulleted comments represent the participants' description of how the external force could impact their sector.
- Duplicate and similar comments were consolidated.
- Some comments were paraphrased to make them easier to read.

Potential Impacts Identified:

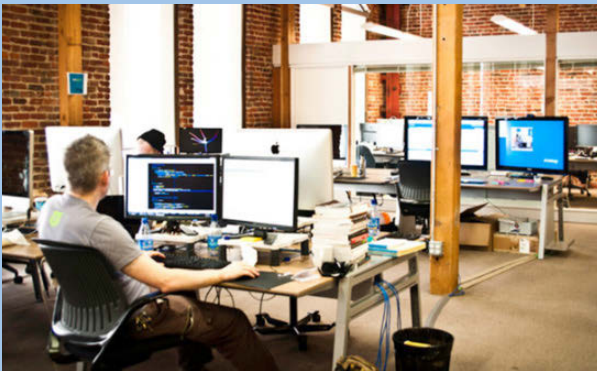
Less Growth

- Businesses are experiencing difficulty in attracting and retaining all types of labour. This leads to increased displacement of workers out of the city.
- Non-profit organizations are increasingly experiencing limited resources, shrinking donor bases and donations. There is competition for space in "affordable neighbourhoods". Proximity is key in social services/health care.
- Redevelopment and increased rents are having a negative impact on affordability.
- Skyrocketing property values and increasing tax assessments are putting pressure on small businesses.
- Offshore buyers and speculators in commercial real estate are impacting land values. Rents are not linked to the local economy.
- Increasing conflict over uses causes displacement and competition. Displaced businesses may struggle to find new space due to NIMBYism.
- The affordability crisis is a significant deterrent to companies and "talent", particularly in the digital and creative industries.
- Housing unaffordability creates barriers for local jobs/low income workers from Vancouver.
- Industrial business are being displaced from Vancouver (and sometimes from the region).
- Workers desire to live closer to work and transit. Need to introduce housing in more zones.
- There is less space for warehousing close to the port which means greater travel distances and fewer jobs in the city.

Both/Neutral

- Heavier industries are relocating to more appropriate/affordable spaces.
- Staffing challenges and increased rent/tax may have an impact on some businesses.
- Redevelopment pressures are causing a loss of older buildings. Newer buildings are not built for small retail. There is a loss of affordable land for craft industries (arts and culture, breweries, etc.).

2 CHANGING LABOUR ADVANTAGES



Description: Changing Labour Advantages refers to the competitive advantages and disadvantages Vancouver has in attracting business through high skilled and comparatively affordable labour. This includes global outsources, comparative labour costs, and migration policies.

Top impacts identified include increasing demand for local products, services and job space, lack of skilled workers, and unequitable growth increasing demand for social services and transportation.

This external force was identified as a top 3 impact to growth by the following sectors:

- Arts, Cultural and Not for Profit
- Economic Development/
- Development/ Real Estate
- Education
- Industrial

Potential Impacts Identified:

More Growth

- Increased demand for local products and services creates increased need for city-serving industrial space (repair, laundry, bus tourism, food distribution).
- The location of industrial buildings is important to allow low-skilled industrial workers to commute from outside the city.
- There will be more demand for office space, more jobs, and more growth in the future.
- Potential for future growth if the government allows more temporary workers.

More Growth Cont'd...

- There is growing demand for locating in Vancouver's core. Less land means the ability to grow vertically. This will also mean considering compatibility of employment uses with housing and responding to changing space requirements of the market.

Both/Neutral

- Economic growth in the future may not be equitable and inclusive. This will impact low-income workers and will increase demand for critical services from the social sector.
- There is increased demand to live and work near Vancouver's core and not depend on the car. This may increase the need for rapid transit.
- Vancouver currently possesses significant current labour advantages - however, these are not necessarily permanent.
- Workers are increasingly locating in other areas outside the city. This increases the cost of transportation.

Less Growth

- Lack of qualified labour will increase business costs, reduce business flexibility, and lower the quality of goods/services produced. Immigration changes are required.
- There is a skills shortage in trades that is increasing costs and slowing development. The influx of new residents puts pressure on the existing/new housing stock.
- There has been reduced international student enrollment due to restrictions on visas. There may need to be efforts to increase recruitment outside of China or Middle East.
- Workers are moving further from work.

3 THE RISE OF THE DIGITAL AND CREATIVE ECONOMY



Description: The Rise of the Digital and Creative Economy refers to macro level shifts towards digital, creative and high skill sectors, along with impacts of increasing digital sales and connectivity on various other sectors. This includes the emergence of e-commerce and the internet of things.

Top impacts identified are increasing demand for space and electrical power, overall more compatibility with other land uses, displacement of artist production space, and the need for more flexible zoning.

This external force was identified as a top 3 impact to growth by the following sectors:

- | | |
|-------------------------------------|------------------------|
| • Arts, Cultural and Not for Profit | • Economic Development |
| • Development/Real Estate | • Education |
| | • Industrial |

Potential Impacts Identified:

More Growth

- Industries are rapidly changing and not always reflected in the zoning by-law.
- Additional space is needed for institutional and research uses. There are new space requirements for both start-up businesses (looking for small/cheap/flexible spaces) and for larger, established businesses (large tech floor plate).
- Businesses are considering their need for warehousing vs. front-of-house space. This may mean using the same space but finding a different configuration.
- There are changing demands on the city's supply of industrial land. This is partly reflected in emerging sectors in Vancouver's economy.
- The rise of the digital and creative economy will likely bring with it rapid growth.
- There is a need for increased flexibility of uses and adaptation of traditional planning strategies.

Both/Neutral

- There is increased demand for commercial space - both office and retail.
- Economic restructuring and modernization leads to cleaner industries. This may mean less potential land use conflicts.
- There is a need for higher power requirements and digital infrastructure across city and in industrial buildings.
- "Mom and pop" businesses have few resources to compete with e-commerce.

Less Growth

- There is an increase in demand for hotel rooms but limited supply. This could contribute to less growth for the sector in the future.
- There is a decrease in available artistic production spaces in bricks and mortar locations.

Not Applicable

- Zoning does not reflect current market conditions. Parking and truck access is overly restricted.

4 Land Use Pressure



Description: Land Use Pressure refers to the increasing amount of pressure put on different types of land use as a result of limited land supply, development pressure, and a desire to locate in a central, amenity-rich location to benefit from grouping similar economic activities together.

Top impacts identified are the loss of certain types of space (e.g. cultural, production), competing land uses, and a lack of regulatory flexibility.

This external force was identified as a top 3 impact to growth by the following sectors:

- Arts, Cultural and Not for Profit
- Development/Real Estate
- Coworking
- Transportation/Trade

Potential Impacts Identified:

More Growth

- There is a rise in local area shopping. We need home-grown incentives for co-location.

Both/Neutral

- The market is unable to provide the types of space needed within the current policy context.
- There is a need for permitting flexibility.
- Port infrastructure is growing within a highly urbanized area (competing land uses).

Less Growth

- There has been a loss of production and cultural space. Space is needed for sculptors, woodworking, and metal-working.
- Land use pressures are increasing risks and limiting the supply of land for certain uses.

5 Alternate Work Arrangements



Description: Alternate Work Arrangements refers to the rise of non-traditional employment arrangements, including contract and gig based work; coworking; the sharing economy; and disruptive delivery models (Airbnb, Uber, etc.).

Top impacts identified are the rise of disruptive technologies and changing work-force needs.

This external force was identified as a top 3 impact to growth by the following sectors:

- Accommodation
- Coworking
- Development/Real Estate
- Economic Development
- Industrial

Potential Impacts Identified:

More Growth

- Competition from Airbnb.
- There is a rise in co-locating to offset small home workspaces.
- Coworking and tighter employee densities will allow businesses to continue to thrive.
- An increasing population means more jobs and business spaces are needed for all sectors.
- Today's workforce looks for amenities near work. Industrial land use policies should allow this.

Both/Neutral

- Coworking could become the standard model.
- There is less demand for job space outside core.

Less Growth

- Airbnb may negatively impact accommodations industry.
- Need for traditional office space may decline.

6 Climate Change



Description: Climate Change refers to factors relating to the impact of climate change on business activity or the available supply of employment land. Factors include sea level rise and increasing forest fires.

Top impacts identified include the loss of employment land and infrastructure due to sea level rise, demand for green business, and impacts to tourism-related industries.

This external force was identified as a top 3 impact to growth by the following sectors:

- Arts, Cultural and Not for Profit
- Economic Development
- Development/ Real Estate
- Industrial
- Transportation/ Trade

Potential Impacts Identified:

More Growth

- Environmentally unsustainable growth increases demand for non-profit/environmental sectors.
- We must adapt to the loss of land and rethinking land uses and densities.
- Climate change related building regulation creates a need for building retrofits and skill upgrades.
- Increase in green businesses and jobs.
- The increased demand for Vancouver-designed products and services increases the demand for business space in the city.

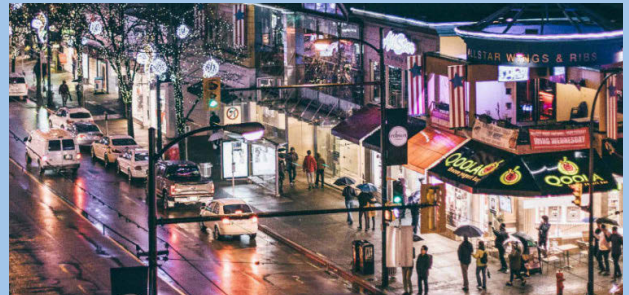
Both/Neutral

- Climate change may negatively impact tourism. However, infrastructure improvements for tourism may create jobs.

Less Growth

- Loss of industrial and port facilities due to sea level rise.

7 Changing Market Conditions



Description: Changing Market Conditions refers to uncertainty around monetary policy decisions, land use regulation, and changing supply and demand for different types of land use and job space.

Top impacts include increased demand for certain types of space (e.g. studio, manufacturing, etc.), limited future economic growth, and competing land uses.

This external force was identified as a top 3 impact to growth by the following sectors:

- Arts, Cultural and Not for Profit
- Industrial
- Development/ Real Estate

Potential Impacts Identified:

More Growth

- Increased jobs in arts/culture means an increased need for studio space.
- There is a growing need for manufacturing, design, and prototyping space in Vancouver.

Both/Neutral

- Zoning is decades out of date.

Less Growth

- Changing market conditions may impact the financial viability of certain developments. This may reduce new job space supply.
- Policy is often slow in balancing the need for housing vs. office vs. other uses/priorities.
- Changing market conditions may limit future economic growth.

8 Changes in Global Trade



Description: Changes in Global Trade refers to factors that could increase or decrease the volume of trade through Vancouver, including policy changes or change in demand, such as shift towards renewables. This includes factors such as international policy, protectionism, and shifts in energy types.

Top impacts identified include increased port activity, the rise of e-commerce and housing affordability.

This external force was identified as a top 3 impact to growth by the following sectors:

- Development/ Real Estate
- Transportation/ Trade

Potential Impacts Identified:

More Growth

- Current rail capacity and proximity (West Coast Express limits capacity).
- Growing Canadian export/imports.
- There has been increased port activity and a diversity of industries coming through the gateway. Rise in e-commerce is expanding the number of goods coming through the port.

Less Growth

- Housing affordability is severely impacting the availability of labour.

9 Increased Automation and AI



Description: Increased Automation and AI refers to automation resulting in reduced labour needs in low and high skilled sectors. It may not necessarily result in reduced economic activity or need for space. This includes factors related to autonomous vehicles, advances in building technology, and the growth of AI.

Top impacts identified include a reduction of the workforce, changes to workplaces, and the emergence of new business models.

This external force was identified as a top 3 impact to growth by the following sectors:

- Development/ Real Estate
- Industrial

Potential Impacts Identified:

Both/Neutral

- The typical brokerage model has evolved. Employees and brokers are online and physical space needs may decline or change. More amenity space may be needed in the future.
- Traditional workplaces may change. May need less workers and less small business.

Less Growth

- Reduction in the workforce and economic activity.


Appendix 1: List of External Forces Provided to Participants

EXTERNAL FORCES

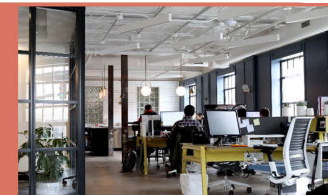
Unaffordable Housing and Space

Description	Factors	Example of Potential Impacts	
Refers to various factors that are limiting affordable space for residents and businesses that may displace or hinder growth opportunities.	<ul style="list-style-type: none"> Real estate dynamics Changing interest rates Foreign investment 	<ul style="list-style-type: none"> Residents and businesses look further out in region for affordable space Reduced local labour pool growth discourages investment across various sectors 	


Increased Automation and AI

Description	Factors	Example of Potential Impacts	
Refers to automation (including AI) resulting in reduced labour needs in low and high skilled sectors. May not necessarily result in reduced economic activity or need for space.	<ul style="list-style-type: none"> Autonomous vehicles Advances in building tech Introduction of AI 	<ul style="list-style-type: none"> Reduced labour demand in various sectors Creation of new demand in other sectors Increased floor space per worker in some areas 	

The Rise of the Digital & Creative Economy

Description	Factors	Example of Potential Impacts	
Refers to macro level shifts towards digital, creative and high skill sectors, along with impacts of increasing digital sales and connectivity on various other sectors.	<ul style="list-style-type: none"> E-commerce Internet of Things 	<ul style="list-style-type: none"> Increased demand for office jobs and space Decreased demand for brick and mortar retail space Increased transportation and logistics demand 	

Changes in Global Trade

Description	Factors	Example of Potential Impacts	
Refers to factors that could increase or decrease volume of trade through Vancouver, including policy changes or change in demand, such as shift towards renewables.	<ul style="list-style-type: none"> International policy Protectionism Shifts in energy types 	<ul style="list-style-type: none"> Transportation and logistics employment up or down Changing space need for container or materials related storage Knock-on effects to various port-adjacent employment sectors 	


Changing Labour Advantages

Description	Factors	Example of Potential Impacts	
Refers competitive advantages and disadvantages Vancouver has in attracting business through high skilled and comparatively affordable labour.	<ul style="list-style-type: none"> Global outsourcing Comparative labour costs Migration policies 	<ul style="list-style-type: none"> Increased demand for satellite offices of global companies Increased in-migration of skilled workers Risk of outsourcing of other sectors being outcompeted 	

Alternate Work Arrangements

Description	Factors	Example of Potential Impacts	
Refers to the rise of non-traditional employment arrangements, including contract and gig based work, as well as co-working and disruptive delivery models (AirBnB, Uber, etc.)	<ul style="list-style-type: none"> The gig economy The sharing economy Disruptive technologies 	<ul style="list-style-type: none"> Increase in tourism activity but negative impact on some hotels Reduced demand for long-term office space as people choose to work from home, or use co-working space 	

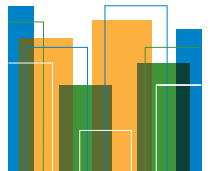
Climate Change

Description	Factors	Example of Potential Impacts	
Factors related to climate change with specific regard to their impact on business activity or potential to compromise the City's employment land supply.	<ul style="list-style-type: none"> Increase forest fires Sea level rise Global climate refugees 	<ul style="list-style-type: none"> Reduced activity from low lying and waterfront employment activities Increased instances of flooding and forest fires negatively impact tourism 	

Appendix 2: How Participants Categorized Impact on Industry

HOW WILL THE EXTERNAL FACTORS IMPACT GROWTH FOR YOUR INDUSTRY?

MORE GROWTH	NEUTRAL/ BOTH	LESS GROWTH
NOT APPLICABLE		



What We Heard:

External Advisory Group Meeting #3

Employment Lands & Economy Review

The City of Vancouver is developing a long-range land use policy plan to ensure the city has an appropriate supply of land and business space to support jobs and the growth of the economy. As part of this review, the City is engaging with a range of stakeholders, business sectors and members of the public to collect feedback at key project milestones and help inform the plan.

About the External Advisory Group

The City of Vancouver has assembled an External Advisory Group (EAG) to help inform the Employment Lands & Economy Review. The EAG consists of a diverse range of perspectives including industry associations, labour representatives, Indigenous groups, not-for-profit organizations, representatives from the development industry and businesses from over 18 economic sectors. The role of the EAG is to provide input and insight at key milestones throughout the planning process.

Session #3

The third meeting of the EAG was held on October 17th, 2019. Participants were asked to provide feedback on the job space forecasting scenarios, the implications for the different types of job space, and how to address the supply gaps for job space types across the various study areas. Summaries of these discussions are outlined in this document. The project consultants have received the feedback from this session and are incorporating it into their ongoing work. See the Appendix for a list of all the boards presented at the workshop.

EAG SESSION #3: QUICK STATS

38 participants in attendance representing
14 economic sectors.

The workshop generated **102** recorded discussion points around the job space forecasting scenarios, and **130** post-it notes commenting on how to address the supply of job space gaps across the various study areas.

The Workshop

Activity 1:

Following the presentation of the scenarios and gap analysis, participants were prompted with three questions to consider for twenty minutes of discussion:

- Do the demand scenarios seem reasonable?
- Does the supply model seem reasonable?
- What are the potential implications for each type of job space?

Participants were asked to identify their industry and provide feedback through discussion. They were also provided with summary handouts of the future potential capacity and demand forecasts for each job space type.

The results from this workshop activity are presented on the following pages. See the Appendix for materials used in this exercise.



Space Forecast Scenarios and the Gap Analysis by Job Space Type

This section collects and condenses the main discussion threads from the seven facilitated groups undertaking Activity 1. The threads are presented by job space types as outlined below and then broken down by thematic subject within each space type. Participants generally felt that the demand scenarios were reasonable or lower than expected. While there was discussion on all four job space types, implications for industrial land and suggestions for City actions around them generated the most points of discussion with 37% of all recorded points. This was followed by general comments and suggestions that were not directed to any particular job space type at 25% of all recorded points. The need to provide separation of Hotel from the Commercial was an emerging point of discussion.

Key Employment Land Categories

Major Office

- Typically free standing office
- Greater than 20,000 sq.ft.
- Distributed across a few major regional agglomerations.



Industrial Areas

- The following uses can be found in heavy or light industrial areas:
- factories, distribution warehouses, business parks, high technology studios, and arts and cultural spaces.



Retail and Services

- Primarily serves local resident population and tourism sector
- Includes retail, hotels, restaurants, small offices, non-profits, and arts and cultural spaces.



Institutional

- Serves local and regional population
- Includes education, health care, local government.



1 Major Office



Feedback Themes:

Demand Modeling

- Participants in the EAG generally felt that the demand projections for major office were correct or too low.
 - A suggestion was put forward with regards to removing the lowest two scenarios as the current pipeline has already exceeded those levels.
 - Questions were posed about addressing highest and best use and implications for traffic, connectivity and transit.

Affordability of Office Spaces

- There were questions about affordability of new office spaces and whether sizing was appropriate.
 - There was some concern about whether there was actual capacity at Grandview Boundary for more office.
 - There were suggestions around clustering and exploring more mixed use combinations to increase density.
 - Flexibility in zoning was also suggested in order to provide adaptability in case of an economic downturn.

2 Industrial Areas



Feedback Themes:

Demand Modeling

- There was an impression among some EAG participants that the demand model was showing a decrease in industrial demand.
 - Some participants noted that, to their knowledge, demand for industrial space, especially small-scale industrial space, is high and will likely increase in the future.

Definitions of Industrial Uses and Flexibility in Zoning

- Participants made several comments around current definitions of industrial being too loose, thus eroding actual industrial uses (in favour of office).
 - Delegates also discussed how these definitions would evolve in the future.
- Some participants also raised the issue of the allowed uses in the current zoning being too rigid and thus the lack of flexibility was limiting the businesses and built forms that could exist in the industrial areas.
 - Multi-level industrial was put forward as a way to allow mixed uses on site and achieve a balance between the various uses that exist in industrial sites.
 - Some also suggested the need to include residential, office and other commercial uses in these buildings to further increase the flexibility of the sites.

2 Industrial Areas (continued)

- Some anecdotes were shared concerning the difficulty in tenanting middle floors of multi-storey industrial buildings since strictly industrial users are more difficult to find.
- Size issues were also raised between large and small scale users.
- Participants from the film industry noted that larger studio spaces are needed.
 - This industry can make use of older buildings since digital post production is concentrated in the Mount Pleasant area.
- Other suggested improvements were discussed, such as:
 - Densification of parking uses.
 - Expansion of commissaries and laundry facilities.
 - Ability for retail sales on industrial sites.

Conflict with Other Uses

- Participants raised several issues around the imbalance between industrial uses and other higher-value uses, such as Office, that is being built above them.
 - Anticipation of rezoning to higher uses is causing developers to wait and not develop industrial lands.
 - Higher construction costs and the desire to protect industrial uses from erosion to other uses are limiting the redevelopment of industrial areas where spaces are sitting vacant or under-used.
 - Integration of heavy industrial with other uses is suggested as achievable but it was also acknowledged that mitigation will be expensive.
 - There was a suggestion that encroaching commercial uses be moved off to nearby high streets.

Warehousing Distribution

- Participants in the trucking and warehousing industry in particular, were noting that their industry was showing increasing demand for warehouse and distribution space as close to the core as possible.
 - Some suggested taller built forms to accommodate warehousing and other compatible uses since transport costs have direct impact on the cost of goods and the environment.
 - Participants cited Produce Row as an example of an essential city-serving function for warehousing and distribution that is performed on industrial land.
 - Participants suggested that the ability to co-locate office and warehouse represents further savings and increases sites' desirability to the industry to operate efficiently.

Non-Profit and Amenity Issues

- Non-profit sector representatives pointed out that non-profit users are particularly affected by issues with permitted uses on industrial land.
 - Some definitions preclude artists from taking up manufacturing space.
- They suggested that Social-Purpose be added to the allowable uses and that non-profit users be put forward as amenities in industrial areas such as retail and childcare.
- There was a suggestion that Residential be allowed as a conditional use as long as industrial is provided.
 - This would increase ridership along the transit lines and balance out decreasing worker needs due to automation.

3 Retail and Services



Feedback Themes:

Demand Modeling

- Participants were concerned around the model showing gaps between supply and demand for commercial.
 - A question was raised whether this gap could be filled in the industrial lands and used to improve the pro forma for industrial redevelopment.
- Participants noted that it was mostly retail demand that was decreasing while non-retail uses were increasing the demand for commercial spaces.
- Participants thought that the Commercial category was too large a catchall.
 - Participants suggested that in order to present the supply issue, a more detailed look using more discreet sub-categories of retail would be useful.

Tourism Concerns

- Representatives from the Tourism and Transportation sectors raised concerns regarding potential loss of tourist hotel traffic to adjacent cities due to lack of supply.
 - This will have cascading effects on businesses in the city.
 - City cannot host large conferences.
 - Ancillary benefits of cruise ships not being tapped.

- It was pointed out that there is a trend for increasing size in cruise ships and a second port would need to be constructed outside of Vancouver for ships that cannot pass under the Lion's Gate Bridge.

High Streets and Shopping

- Participants discussed what the shopping and retail should be like in Vancouver:
 - Consider them as proper “third spaces”.
 - Consider effects of current zoning which tends to keep built form lower scale, may need to add public realm features like benches.
 - Comparison between Davie (organic development) and Robson (active zoning for shopping).
- Some participants pointed out that Vancouver's shopping centre performance is very strong:
 - Strength comparable across Canada and despite trends towards online shopping.
 - Proximity of Pacific Centre to Robson still allows both to flourish.

Development Considerations

- Participants from the development community pointed out hesitancy in developing second floor retail.
- While the decrease in retail areas was not disputed, it was raised that the smaller floor areas are much more customer-experience focused.

4 Institutional



Feedback Themes:

Demand Modeling

- EAG participants were concerned with the inability to predict institutional demand.
 - Participants indicated that this area needs to be addressed.
 - A suggestion was put forward to reach out to the major institutions to gain insight into their planning.

Other Considerations

- Participants raised other questions around institutional spaces:
 - Looking to define what differentiates Institutional from Office.
 - Requirement for childcare in institutional sites.
 - Consideration for other land uses that are part of the Institutional use such as open spaces, worker housing and industrial-like uses for research.

* Other Feedback

Hotel Feedback Themes:

Classifying Hotel

- Participants suggested that hotels be given their own category as the use has difficulty competing with other uses.
 - Concern that inclusion of hotels in Commercial demand would make results difficult to interpret.

Decline in Hotel Spaces

- EAG participants raised concerns around the loss of hotel area in the city:
 - This will have impacts on ability to host large conventions/conferences.
 - Effects of sharing economy (AirBnb) on hotels need to be examined.
- Participants said that the impacts of the shift of hotel supply from 2 and 3 stars to 5-stars needs to be examined.
 - It was suggested that the right mix for the city be determined.

Incentivizing Hotel Development

- Participants discussed ways to encourage the development of hotel space to generate net new supply:
 - The main issue raised was the competition of hotel space with office.
 - Design requirements were also challenging with a mismatch of parking requirements and operator preferences.
 - Regulation needs flexibility to accommodate different levels of hotel service and scale.
 - Constrained hotels also often lack key amenities, such as meeting rooms.

* Other Feedback (continued)

General Feedback Themes:

No Fixed Workplace Feedback

- EAG participants questioned the growth projections for this sector.
 - Participants wished to know how have space needs been captured and whether these were assumed to be at home or in shared spaces.
- It was also pointed out that future opportunities for remote working in the city are tied to housing affordability.

Demand Modeling

- Participants considered the general model to be reasonable, however there were questions with regards to how the assumptions fit into the larger economic strategy, how the land uses are evaluated and how amenity funding gets to the community.
 - In addition, it was pointed out that the shortcomings in the data do not address certain issues such as affordability, suitability of space, security of tenure and sustainability.
- Participants raised some questions with regards to how underutilized spaces can be identified and how changes in desirability will be accounted for when the Broadway Subway is completed.

Provision of Amenities for Employment Lands

- Some participants pointed out that the current labour crisis in Vancouver is partly due to a shortage of supporting amenities such as schools, childcare and park space.
 - An idea was put forward saying that there should be no net loss of park space or amenities in communities.
 - It was also suggested that non-profits be considered amenities as well since they are able to provide benefits to the community.

Suggested Ideas to Address Issues

- Participants in the EAG put forward several ideas to address issues within the city's employment lands:
 - With regards to the zoning issues, that specification on built form be used instead of specifying land uses, or performance-based metrics.
 - Another suggestion is to use broader typologies to provide more feasible options in land uses and the creation of a new flexible "campus zone" be considered.
 - Temporal space sharing can also be introduced to allow non-profits to use spaces after hours.

Land Use Changes

- Some participants, those in the film industry in particular, felt that public open spaces should also be considered in the employment lands.
 - It was noted also that the distinction between uses has been blurring and as such mixed use sites will be more prevalent in the future with higher densities.
 - In addition, changing uses within the City's processes takes time and more flexibility and adaptability was needed.
 - Principles and goals are needed in zoning guidelines to help guide allowable uses.

Other Considerations

- Automation does not affect all sectors equally with a lot of manual labour is still utilized in the film and food industries.

Activity 2:

Following the presentation and activity 1, participants were invited to provide feedback on job space based on location in the city. Key job space areas in the city were presented on boards in an open house format. Participants were asked to browse the Study Area boards and add comments relating to the types forecast scenarios and types of job space in the areas, or general comments. City-wide job space boards for Retail and Commercial, and for the rest of the city were also included.

The results from this workshop activity are presented on the following pages. See the Appendix for all the poster boards used in this exercise.

Space Forecast Scenarios and the Gap Analysis by Location

This section outlines the results of the space type and location specific feedback from participants. All boards generated some comments with a total of 130 post-in notes recorded across all boards. Approximately a quarter of the notes were placed on the Eastern Core board. Comments on the Central Broadway, the Rest of City and South Vancouver Industrial boards represented another one-third of the total comments generated. The Retail/Commercial board represented approximately 14% of the notes.



1 Downtown West



Feedback:

Overall

- New development in the West End and Northeast False Creek (NEFC) are areas where new opportunities for the entry of high-end grocery, retail and restaurants can happen, however, how to balance the influx of higher income residents with the current commercial climate.
- High risk of losing event venue spaces in NEFC and South False Creek areas.
- The city needs to move away from car-based transport designs and move towards large scale transit solutions for the region.
- The conflict between development of office and hotel spaces is an issue of concern as hotels are less viable to develop in Vancouver.
 - The closures of the Empire Landmark, Pacific Palisades and Coast Plaza hotels in the West End are examples of this trend which is expected to have an impact on retail spending.
 - A Sonder hotel, which will take over the Coast Plaza space on Denman, is an example of automation leading to decreased job density as it has no front desk staff.
 - Hotel development should be encouraged as a density bonus rather than as a substitute for Office or Residential.

Major Office

- Vancouver is one of the largest animation/VFX and video game hubs in the world and continued office space growth would be beneficial for this industry.

Retail and Commercial

- Increased flexibility, along with the permitting mixed uses for new developments, for the retail spaces along Davie Street and in the West End area in general would be beneficial.

Institutional

- The West End will lose approximately 5,000 jobs due to the relocation of St. Paul's Hospital.

2 Central Broadway



Feedback:

Overall

- Central Broadway is a highly desired area for flexible uses which will only grow with the addition of rapid transit access.
 - Encourage uses that prefer movement of people rather than goods to minimize truck use of streets.
 - Encourage opportunities in the surrounding blocks from the main arterials.
 - Transit stations should be clearly highlighted with significant Commercial, Office and Residential density concentrated on those sites, these should be optimized to take advantage of the transit infrastructure to enhance job spaces and support residential affordability.
- Should develop another mixed technology and academic campus similar to Great Northern Way to house more technology-related businesses close to research and education.

Major Office

- Central Broadway has great opportunity for more office supply; need to explore availability for light-industrial shared space and space for non-profits.
 - Explore the amount of FSR needed to satisfy the land cost and the potential for mixing industrial and office space.

Industrial Areas

- Explore increase of allowed FSR from 3 to 5 in the Mount Pleasant industrial areas, coupled with flexibility in allowed uses, to satisfy high demand for space.
 - Office uses above a single level of industrial use or allowing stacked industrial buildings would likely encourage more development in the area.

Retail and Commercial

- High need for tourist accommodation in this area along with commercial services and cultural uses.

3 Downtown East



Feedback:

Overall

- Conflicting transportation needs should be addressed as freight movements and high-capacity people movements are needed to service different land uses.
 - Designate a transportation corridor dedicated to freight and another for people movement and zone land according to their proximity to these corridors.
- Safety and loss of amenities is a concern in this area and need to demonstrate accommodation and valuation of quality jobs that reside here, particularly jobs for people with barriers.
- Recognition needed for the informal economy and the role which social enterprise plays in the area, along with the arts and cultural aspects of Downtown East.
 - Maintain artist production space.
 - Suggest imposing no net loss for such spaces, special zoning for an east-side arts district and recognition for the cultural heritage of the area.
- Need for thoughtful flexibility in the area's land use, allowing for accommodation of similar uses while protecting industrial uses from conversion to more office spaces.

Industrial Areas

- Support industrial uses to complement the Port's activities in the area while allowing densification through multi-level mixed use.

Retail and Commercial

- Renewed role for retail and services in the area similar to the previous role of Hastings Street in its pedestrian accessibility from Downtown.

4 Eastern Core



Feedback:

Overall

- Lower Mount Pleasant area has organically evolved into a significant technology hub, however transportation, amenities and other supporting spaces are not in place.
 - Relic Entertainment, Atomic Cartoons, DHX Media, and Method Studios together employ approximately 3,000 people.
- Encourage the promotion of mixed use development in order to support further growth in the area.
 - Mix of uses would include office, retail and institutional in addition to industrial uses
 - There was both opposition and support for the inclusion of residential uses.
 - Need to support city-serving businesses that provide food security as well as waste processing and manufacturing for sustainability.
 - Transit stations should be clearly highlighted with significant commercial, office and residential density concentrated around them that is optimized to take advantage of the transit infrastructure to enhance job spaces and support residential affordability.
- There are non-profit organizations and artists in the area facing a variety of issues:
 - Need to protect existing older spaces to assist with provision of inclusive, low-barrier, high-paying employment as well as training and skills development.
 - Spaces are also needed to support city-serving activities such as recycling, rail and

back-of-house work for arts & culture.

- More work needs to be done to address depth of demand for non-profit uses so they are adequately supplied.
- Arts & culture activities take place throughout the area but 153 artist buildings have been lost in 10 years, need for the creation of an east-side artist production district and requirement for no net loss plus growth policy.
- Artist production should be differentiated from Creative Manufacturing.
- Eastern Core has several transportation and movement issues:
 - There are challenges with regards to north-south connections from Great Northern Way to the new St. Paul's Hospital site.
 - Existing rail infrastructure in the Flats should be used to move goods and materials into the city and waste out of the city.
 - Clark Drive should be recognized as a goods movement corridor, not a residential arterial.

Major Office

- A range of office scales should be encouraged to support companies in various stages of growth, from start-ups through to established companies.

Industrial Areas

- Industrial sites in the Eastern Core should be protected in order to complement the port, support city-serving industries, such as Produce Row, and companies that promote circular economic production and recovery models that are emerging for future economic growth.
- There is a need to improve shared light-industrial and incubation spaces for new business and start-ups.
- Support for allowing mixed-use buildings with residential on the top floor, office in the middle and light industrial at grade.
 - Must ensure the protection of industrial land uses and clarity on how industrial uses are defined.
 - Germany's policies on mixed use for industry and not-for-profit may be a potential guide.

4 Eastern Core (continued)

Retail and Commercial

- Encourage the development of retail service providers, restaurants and other amenities in the area to support consistent activation throughout the day.

Institutional

- Continue the success story of Great Northern Way campus with mixed education and creative technology spaces (animation / VFX, video games companies)
 - The area needs rental housing to support continued office, education and retail demand.
- There is a need to promote other mixed use areas with industry and academia co-located such as the new St. Paul's Hospital site.
 - There is a need for integration of programming as well as the development of new academic and research spaces aligned with industries such as tech and health.

5 Oakridge & BC Women's and Children's Hospitals



Feedback:

Overall

- City should classify its arterials according to primary use to divert the appropriate traffic through compatible thoroughfares.
- Cambie and Granville are potential tourist-oriented routes while Oak could be relegated to more goods-focused traffic.

Industrial Areas

- Build a ring of commercial-height industrial buildings around Oakridge to provide more light industrial space.

6 Grandview - Boundary



Feedback:

Overall

- Development in the Grandview-Boundary area should be focused on commercial and industrial uses that depend on good highway access such as warehousing.
- Transit-oriented development should also be encouraged.
 - Discourage the proliferation of big box stores as these do not leverage the transit access.
 - Encourage light industrial, studio, technology, arts, office and housing.
 - Transit stations should be clearly highlighted with significant commercial, office and residential density concentrated there that is optimized to take advantage of the transit infrastructure to enhance job spaces and support residential affordability.
- There is an opportunity to create a cluster of creative uses in the area with housing, office and industrial uses to make area more attractive.
 - Different uses could be stacked with residential on the upper floors, commercial on the middle storeys and light industrial on the bottom.

Major Office

- Many technology development studios have relocated to Burnaby due to delays in Vancouver's permitting process which has led to lost opportunities for jobs and projects.
 - Hopefully the spaces developed at Grandview Boundary encourage employers to move back to Vancouver.

7 Vancouver South Industrial Area



Feedback:

Overall

- There is a need to define the role of low-lying areas which may be susceptible to flooding.
- Clarity is needed regarding statements in some of the City's literature on the significance of the First Nations midden at Milton and Marine Drive and other similar sites in South Vancouver.
 - What are the City and the First Nations' expectations of developers and land owners around treatment of the middens and artifacts that may be found at the sites?
- Transit stations should be clearly highlighted with significant commercial, office and residential density concentrated there that is optimized to take advantage of the transit infrastructure to enhance job spaces and support residential affordability.

Major Office

- Opportunities for office development should be encouraged to compliment industrial uses.

Industrial Areas

- Conflicting uses in the industrial zones need to be addressed.
 - Define industrial uses and protect land that allow these uses.
 - Promote light industrial, commercial and office uses towards Marine Drive then transition to heavy industrial towards the Fraser River.

- The City should consider rezoning large unused parcels to drive redevelopment rather than allowing the land to remain idle.
- Do not allow residential uses to encroach too close to the heavy industrial areas to avoid conflicts.
- There are benefits to mixed-use buildings in industrial zones.
 - Consider broad changes to attract higher density, multi-level industrial and leverage future transit opportunity of rail corridors such as allowing for more non-industrial uses (i.e. digital product manufacturing) that can be located on upper floors to free up ground floor spaces for true industrial uses.
 - Promote multi-level industrial buildings with large floor plates and shared industrial incubators with sufficient amenities within the area. What is the long-term plan for the existing rail line along Kent Ave?
 - Are there plans for streetcar traffic and pedestrian linkages, and how would this affect the vision for this area?
- The area west of Arthur Laing Bridge needs special treatment due to its connection to UBC and its proximity to residential zones and park amenities. Allow for performance zoning.
- The area east of Oak Street offers a strategic advantage to the city in that large contiguous size or parcels allow for large scale uses like distribution centre, warehousing, wholesale and transportation, but there is risk of subdivision which should be mitigated.
- Need to understand the impact that the middens have on the approvals process.

Retail and Commercial

- There is a need for retail and other amenities to support employment in the area along with flexibility in permitted uses.

8 Rest of city



Feedback:

Overall

- The current zoning bylaw is not flexible enough to meet market needs and more flexibility of uses is required across the city.
- Include planning for public land and open spaces to provide access to several industries (i.e. tourism, film and special events) that rely on access to thrive.
- Take a thoughtful approach to the location of land use and the transportation system as different uses have different needs.
- Consider addition of rules in zoning guidelines around customer and delivery access and indicate the types of uses that are allowable based on available transportation access.
- Daycare and other amenities should be included as outright uses if they are ancillary to primary uses.
- Parking requirements for some uses are too high.

Major Office

- Technology hubs can be established anywhere where there is fast broadband and transit access as well as inexpensive or market rate office space with connections to local academia.

Industrial Areas

- Vancouver should improve its zoning for multi-level industrial uses that Richmond has already undertaken.
 - A flexible mixed-use model that allows for Residential, Retail and Commercial to co-exist is needed in order to make development on industrial land more economic.

Retail and Commercial

- Transportation infrastructure supporting movement of people to various employment lands are necessary. More consideration should be given to allowing increased development around transit lines.
- Expand the Hasting-Sunrise BIA to Boundary
 - Vancouver portion east of Cassiar to Boundary needs to be renewed with focus on traffic issues and renewal of Hastings Street.

9 Retail



Feedback:

Future Role of Retail/Commercial

- What kind of customers are served by business and the corresponding access needs of these people (i.e.: transit for retail, roads for other commercial and pedestrian access for local/neighbourhood retail)?
- Increased demand for premium retail space requires that both quantity and quality of the supply of spaces is needed to address increased consumer demand for either luxury goods or premium experiential retail locations.
- The incidence of pop-up retail is minimal.
- Traveller accommodation job counts seem low.

Opportunities

- Retail and commercial spaces are necessary for complete communities and keeping lease rates affordable.

- More flexibility in allowed uses is needed and a smoother process for changes of use to reflect changing needs quickly.
- Look to denser cities (i.e.: Hong Kong, etc.) to think beyond just ground floor spaces.
- Demand from international visitors is changing, they are looking for more fine-grain authentic experiences in the city.
- Promote collaboration between large and more established retailers and newer and independent ones to reduce conflict for available space.

Challenges

- Transportation-related challenges:
 - Retail and commercial uses require both people movement and goods movement and good access for both should be addressed.
 - There is a need to ensure transportation infrastructure is sufficiently robust to handle movement of commercial workers to the downtown core and the rest of the city.
- Affordability challenges:
 - The City needs to balance the affordability of spaces and leases and tax revenue while not discouraging local and small businesses from growing.
 - Ensuring renovated and upgraded spaces, retail and others are not faced with rising property taxes and other costs that prevent them from remaining in the operation.
- There have been significant increases in residential density, but very limited space for retail as a result.
- Loss of hotel spaces is an issue as they support the economy, need to be central and well-connected to transportation and destinations.
- Remove the requirement for a development permit for changes of use if the use is already permitted by zoning.

Appendix 1: Job Space Type Questions



Exercise #1:

Gap Analysis + Types of Job Space

- Discuss at your table
 - Do the demand scenarios seem reasonable?
 - Does the supply model seem reasonable?
 - What are the potential implications for each type of job space? What can the City do?

Appendix 2: Key Job Areas Questions



Exercise #2:

Gap Analysis + Key Job Areas

- Review the presentation boards & post comments
 - Provide feedback on the desired role of the areas, considering opportunities & challenges
 - Provide feedback for the area overall and for the floor space types

*

1

Appendix 3: Poster Boards

Downtown West OVERVIEW



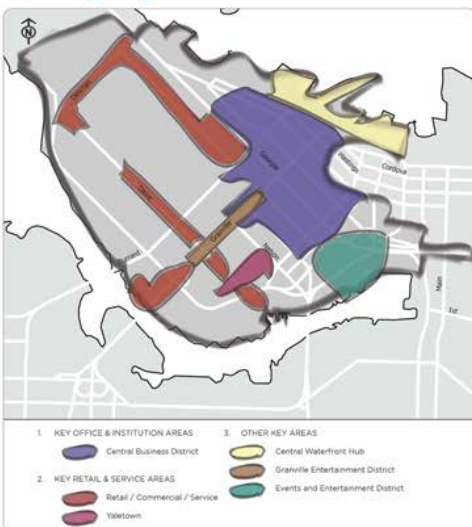
Existing Role & Context

- **The Downtown West study area includes various key job areas that serve the city and regional economy** including the Central Business District (CBD), Granville Entertainment District, Yaletown, Central Waterfront Hub, West End, and a vibrant event and entertainment district in Northeast False Creek.
- **The Downtown West Study Area has over 140,000 jobs or 38% of all the jobs in the City**, which play an important role in the region's economy.
- **24% job growth in Downtown West** from 2001 - 2016. By general industry category, Professional and Commercial Services accounted for half of new jobs and half of all jobs.
- **The Central Business District is the region's most established and built out business and cultural district.** It is well served by local and regional rapid transit, and surrounded by diverse residential neighbourhoods.
- **The Central Waterfront Area is located on the shore of Burrard Inlet in the Downtown Core.** The western part of the area is developed with several large office towers and convention facilities. The balance of the area currently contains the major CPR rail yard serving the Port as well as seaplane terminal, seabus, and cruise ship port.
- **The West End, a vibrant, walkable, and complete community,** has many local businesses serving the needs of residents, people from throughout the city and region, and visitors from around the world. The area also plays a key role in providing a variety of housing opportunities to support downtown job growth and establish complete communities where residents can live, work and play.
- **Northeast False Creek is a hub for entertainment and activity in Vancouver.** The area is planned to be a mixed-use neighbourhood with opportunities that support regional economic performance, while providing opportunities to live in a diverse and central location well served by amenities and services.

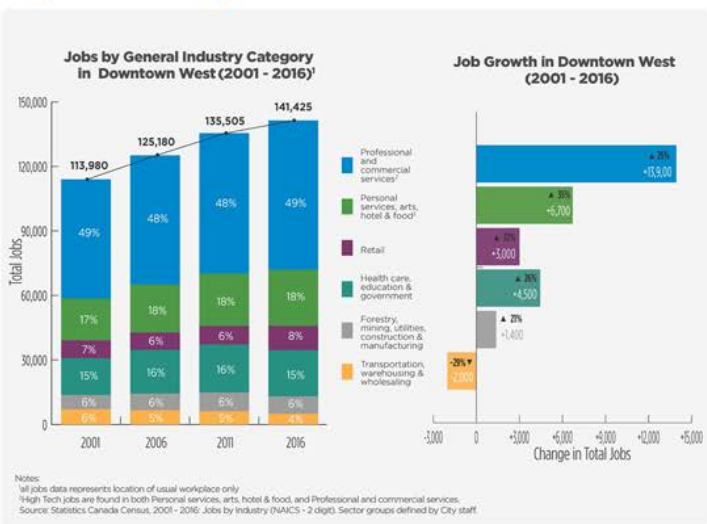
Generalized Land Use



Existing Key Job Areas



Key Facts and Figures





Downtown West

YOUR IDEAS

In relation to **Downtown West**, provide your feedback on the desired role - considering opportunities and challenges - for the area overall; and for Office, Industrial, Retail and Services, and Institutional.



Overall

Office

Industrial

Retail and Services

Institutional

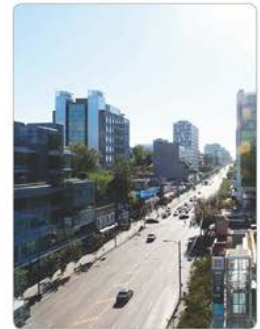


Central Broadway

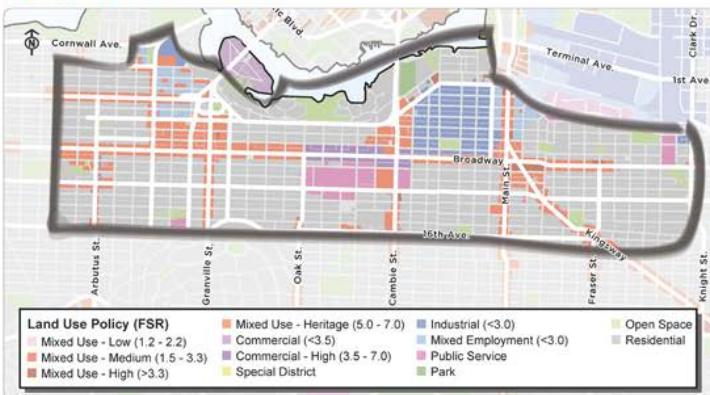
OVERVIEW

Existing Role & Context

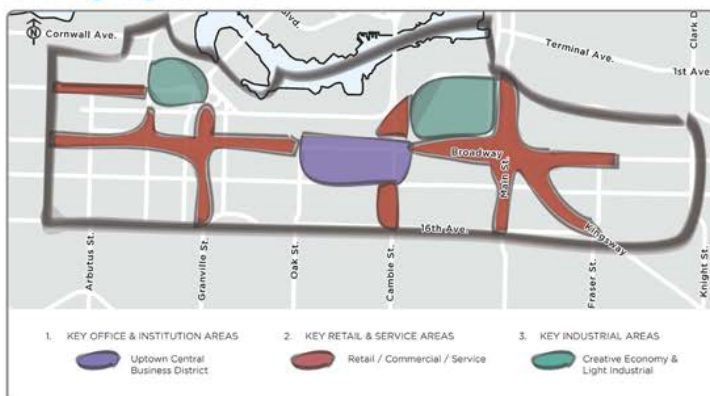
- **The Central Broadway Study Area covers Arbutus to Clarke and W16th to False Creek.** Key employment areas include the Uptown Office District, Mount Pleasant Industrial Area, Burrard Slopes Industrial Area, and commercial businesses along the central corridor.
- **The Central Broadway Study Area has over 50,000 jobs** or 15% of all the jobs in the City, the largest jobs area after Downtown.
- **The Central Broadway Study Area is the second largest job centre in the province** and is serviced by the 99 B-line, the busiest bus route in Canada.
- **Between 2001 and 2016, the number of jobs in Central Broadway Study Area grew by 18%.** By general industry category, Healthcare, Education and Government accounted for 62% of new jobs and 39% of all jobs.
- **The Mount Pleasant Industrial Area supports a range of activity** including digital, interactive and entertainment uses, creative uses, and new breweries alongside city-serving production, distribution, and repair businesses.
- **The Burrard Slopes Industrial Area has attracted key production, service and repair businesses** such as repair shops, food manufacturing and catering. The area has also attracted professional service firms such as film and sound studios, architecture and design firms, and digital printing.
- **The new Broadway Subway will result in 50% of existing city jobs within in a 5 minute walk to a SkyTrain station** up from 40% currently.



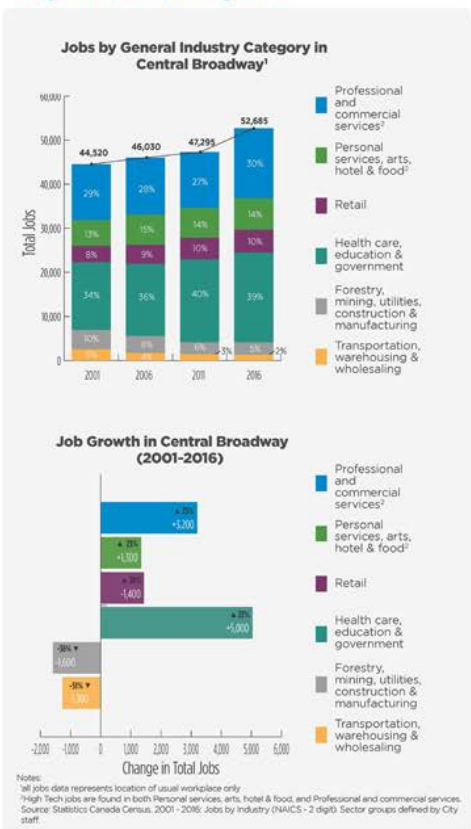
Generalized Land Use



Existing Key Job Areas



Key Facts and Figures





Central Broadway

YOUR IDEAS



In relation to **Central Broadway Study Area**, provide your feedback on the desired role - considering opportunities and challenges - for the area overall; and for Office, Industrial, Retail and Services, and Institutional.

Overall

Office

Industrial

Retail and Services

Institutional



Downtown East

OVERVIEW



Existing Role & Context

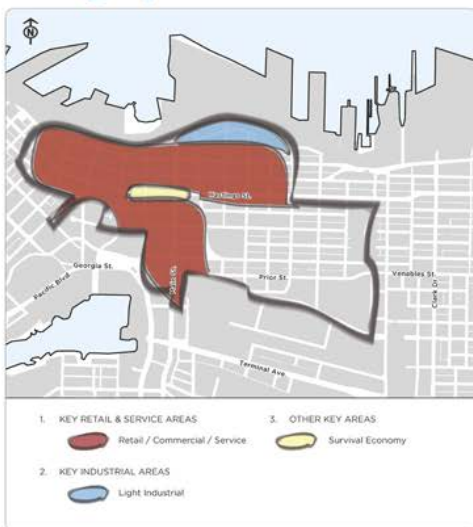
- **The Downtown East study area covers diverse communities across well-known areas** including Chinatown, Gastown, Victory Square, Thornton Park, Strathcona, Oppenheimer District and the surrounding industrial areas.
- **The area has over 15,000 jobs** or 4% of all the jobs in the city.
- **Between 2001 and 2016, jobs in the area grew by 23%.** By general industry category, Personal Services, Arts, Hotel and Food led growth with over 1,700 or 62% of all jobs created over the period.
- **The area is home to people with the lowest incomes in the city** and often with multiple barriers to formal employment.
- **The complex local 'informal economy' is related to the survival livelihoods** of many of its low-income residents who are dependent on income assistance and pensions.
- **The area has the highest population of Indigenous people in the city** at 10 per cent, compared to 2% city-wide average.

Generalized Land Use

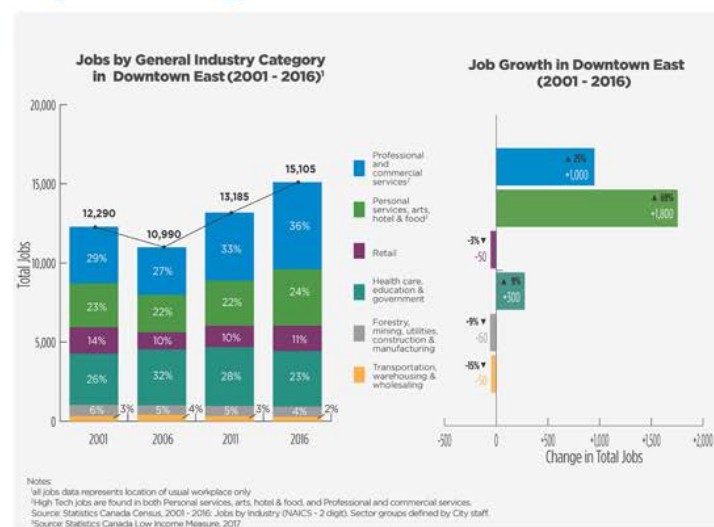


- **The large concentration of community non-profit organizations in the area** provide social, health, and employment services to residents. Ensuring that non-profit organizations have accessible, sufficient, and affordable spaces for community programs and administrative functions is essential for social, cultural, and economic vibrancy.
- **Downtown East is strategically located** with industrial land served by road, rail and adjacent Port infrastructure.
- **There is significant heritage value of the area's and city's oldest neighbourhoods** attracting the mixed-use commercial environment, digital and animation activities, creative economy, retail products and services.
- **The small start-ups of the new economy are attracted to the area** by the relatively low rents and the older, unique spaces.
- **The area also has a large concentration of social enterprises.**

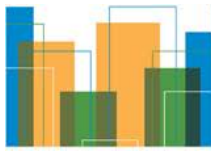
Existing Key Job Areas



Key Facts and Figures







Eastern Core

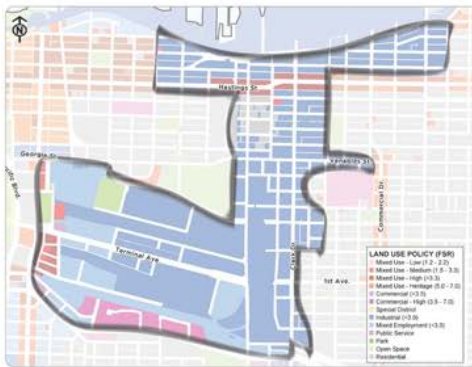
OVERVIEW

Existing Role & Context

- **The Eastern Core study area includes various key job areas that serve the city and the port** including the False Creek Flats, Powell and Clark Industrial Areas, Grandview-Woodlands Neighbourhood, and Produce Row.
- **The Eastern Core Study Area has over 18,500 jobs or 5% of all the jobs in the City**, which play an important role in the region's economy.
- **16% job growth in Eastern Core** from 2001 - 2016.
- **The Eastern Core Industrial Areas support the Port and businesses within the City.** The area is well served by local and regional rapid transit, and surrounded by diverse residential neighbourhoods.
- **The Eastern Core supports passenger and freight rail** with the Burrard Inlet line servicing the Port and the CN Main Yard, the BNSF Yard, the Glen Yard, and the VIA/Amtrak station on the False Creek Flats.
- **Port activities sustain 115,300 jobs, generate \$7 billion in wages, and \$11.9 billion in GDP across Canada.**

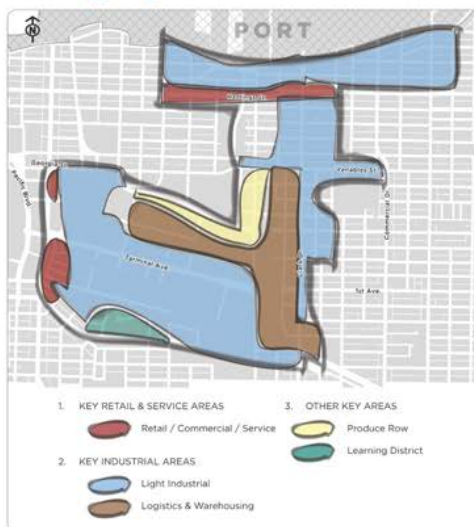


Generalized Land Use

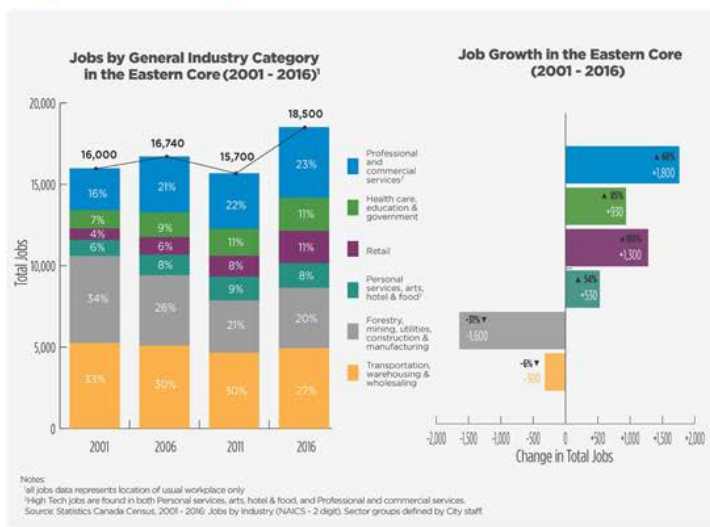


- **'Produce Row' is an important and distinct industrial business cluster of food distributors, wholesalers and food processors around Malkin Avenue in the False Creek Flats.** The unique business cluster and its well-established network of independent businesses, local customers, support low barrier jobs with upward mobility, community economic development, and affordable food.
- **The mix of employers in the area is changing with new Institutional employers.** The Emily Carr University Campus in the Learning District includes new office and institutional employers, and a station on the new Broadway Subway. Near Main Street, the new St. Paul's Hospital and new retail commercial space will bring a large concentration of jobs.
- **The Eastern Core Study Area includes a number of significant urban Indigenous social and cultural activities** within the Vancouver Aboriginal Friendship Centre and Urban Native Youth Association at Hastings and Commercial.

Existing Key Job Areas



Key Facts and Figures





Eastern Core

YOUR IDEAS

In relation to the **Eastern Core**, provide your feedback on the desired role - considering opportunities and challenges - for the area overall; and for Office, Industrial, Retail and Services, and Institutional.



Overall

Office

Industrial

Retail and Services

Institutional



Grandview - Boundary

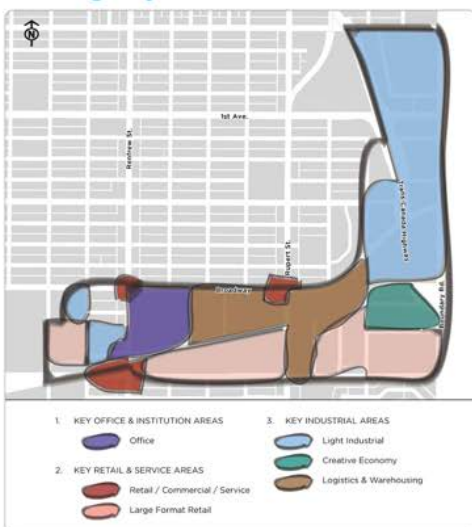
OVERVIEW



Generalized Land Use



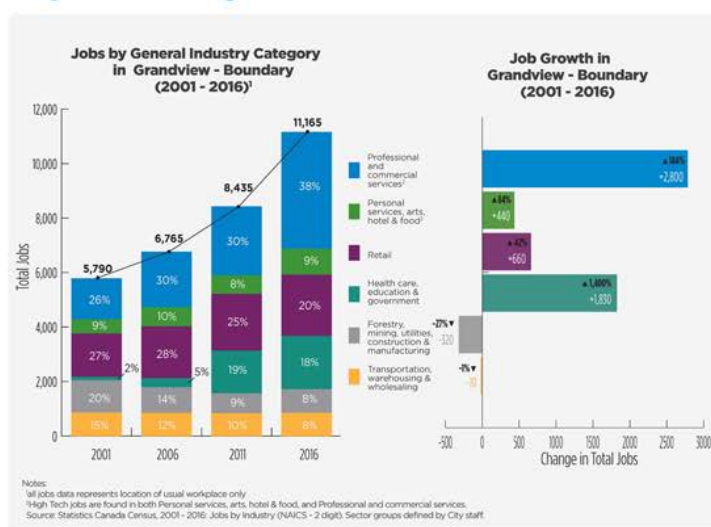
Existing Key Job Areas



Existing Role & Context

- **The Grandview-Boundary Study Area covers the employment lands between Grandview Highway and Broadway, and between Boundary Road and Skeena Street** including the Broadway Tech Centre, several large format retailers, and the surrounding Industrial areas.
- **The Grandview-Boundary Study Area has over 11,000 jobs** or 3% of all the jobs in the City.
- **Between 2001 and 2016, jobs in Grandview-Boundary grew by 93%.** By general industry category, Professional and Commercial Services led growth in the area with 2,800 jobs or 52% of new jobs over the period.
- **The Broadway Tech Centre located** by the Renfrew Skytrain Station accounts for most of the job growth in the area.
- **The Central Valley Greenway provides active transportation access** throughout the middle of the study area to the rest of the City and beyond.
- **Grandview-Boundary is one of the few places in the City that includes large format retailers,** on a few larger sites along Grandview Highway.
- **The industrial areas in Grandview-Boundary have excellent road access,** with Grandview and Boundary both connecting to Highway 1 and the adjacent industrial areas in Burnaby. The rail corridor through the Grandview Cut bisects the study area.

Key Facts and Figures





Grandview - Boundary

YOUR IDEAS

In relation to **Grandview - Boundary**, provide your feedback on the desired role - considering opportunities and challenges - for area overall; and for Office, Industrial, Retail and Services, and Institutional.



Overall

Office

Industrial

Retail and Services

Institutional



Oakridge & BC Women's and Children's Hospitals

OVERVIEW

Existing Role & Context

- **The Oakridge & BC Women's and Children's Hospitals Study Area covers Oakridge Centre and the Hospitals on Oak Street between 29th and 32nd** including BC Children's Hospital, BC Women's Hospital, Canadian Blood Services, and several smaller health research and service employers.
- **The Oakridge & BC Women's and Children's Hospitals Study Area has 9,500 jobs** or 3% of all the jobs in the City.
- **Between 2001 and 2016, the number of jobs in Oakridge & BC Women's and Children's Hospitals Study Area grew by 12%.** By general industry category, Healthcare, Education and Government accounted for 64% of all jobs and 66% of new jobs over the period.

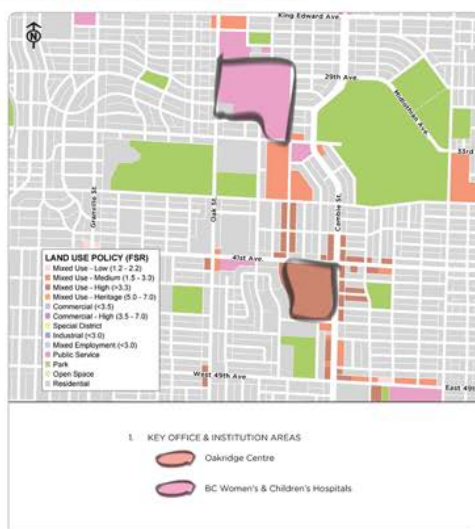


- **Oakridge Centre is the geographic centre of the City and well-served by transit.** The Canada Line connects to downtown and Richmond. Starting in 2020, the new 41st Avenue rapid bus service on 41st will connect the area to UBC and Burnaby.
- **Oakridge Centre area has 3,000 jobs.** The redevelopment plan, including retail and office expansion, will support a total of 5,000 jobs on site.

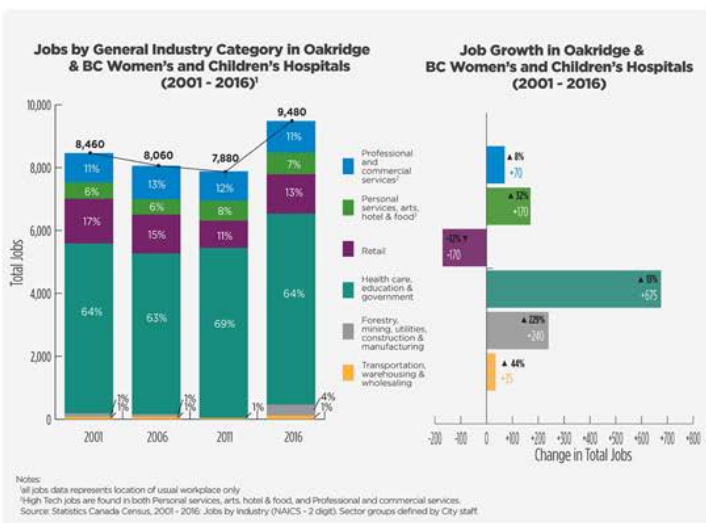


- **The BC Women's and Children's Hospitals site is currently undergoing redevelopment,** with the final phase nearing completion for BC Women's and BC Children's Hospitals.
- **The BC Women's and Children's Hospitals area supports over 6,300 jobs** with 87% in the general industry category of Healthcare, Education, and Government.

Existing Key Job Areas & Generalized Land Use



Key Facts and Figures





Oakridge & BC Women's and Children's Hospitals

YOUR IDEAS

In relation to **Oakridge & BC Women's and Children's Hospitals**, provide your feedback on the desired role - considering opportunities and challenges - for the area overall; and for Office, Industrial, Retail and Services, and Institutional.



Overall

Office

Industrial

Retail and Services

Institutional



South Vancouver Industrial Area

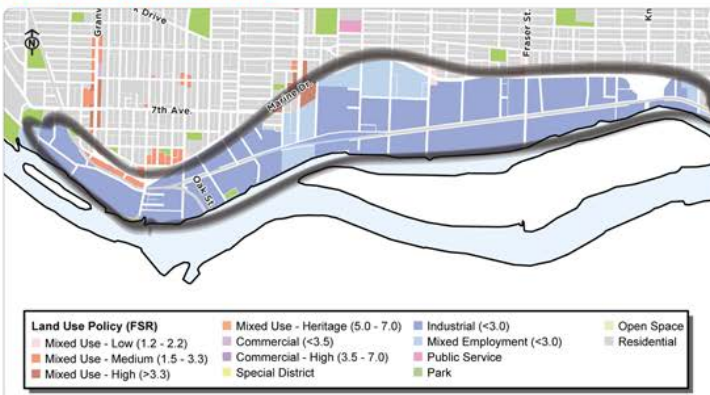
OVERVIEW

Existing Role & Context

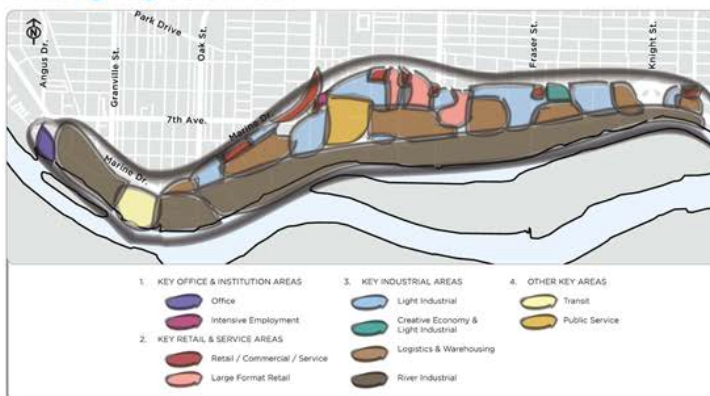
- **The Vancouver South Industrial Area is Vancouver's largest continuous industrial area** including industrial lands south of Southwest Marine Drive to the Fraser and between Knight Street and Angus Drive.
- **The rail corridor along Kent Avenue divides the more intensive industrial uses on the Fraser River from light industrial uses to the north.** The light Industrial areas include large format retail, logistics and warehousing, and retail and commercial activity at Southwest Marine Drive. The heavy industrial shoreline properties host river-based industries, such as a sawmill, solid waste material recycling, and cement manufacturing, which have access to marine shipping on the Fraser River.
- **The South Vancouver Industrial Area has 11,000 jobs.**
- **Over time, the light industrial area between Marine Drive and Kent Avenue has seen a decrease in jobs associated with manufacturing and wholesale trade.** The heavy industrial area south of Kent Avenue has also experienced declines in jobs associated with manufacturing and whole sale trade; however, the area has seen a significant increases in transportation and warehousing jobs; which can be attributed to the Translink bus barn opening in 2006 and other logistic and warehousing business activity.
- **Canadarm, a large midden of great significance to the Musqueam people and the city of Vancouver** is located in the west portion of the study area near Milton Street and Marine Drive.



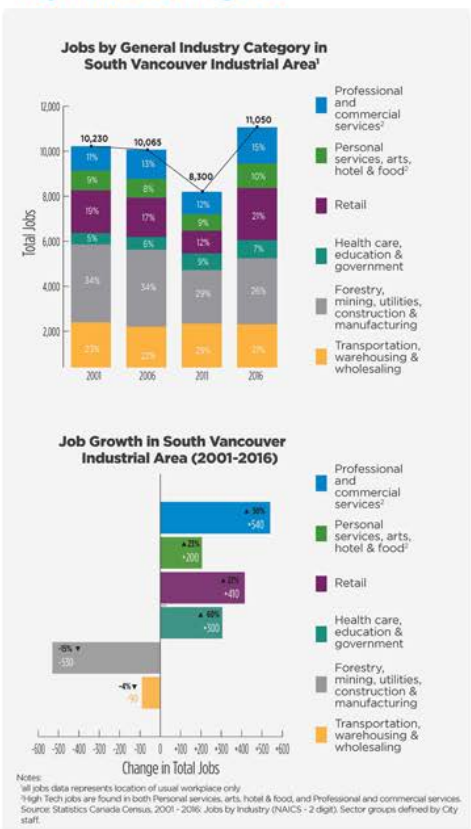
Generalized Land Use



Existing Key Job Areas



Key Facts and Figures





South Vancouver Industrial Area

YOUR IDEAS



In relation to **South Vancouver Industrial Area**, provide your feedback on the desired role - considering opportunities and challenges - for the area overall; and for Office, Industrial, Retail and Services, and Institutional.

Overall

Office

Industrial

Retail and Services

Institutional

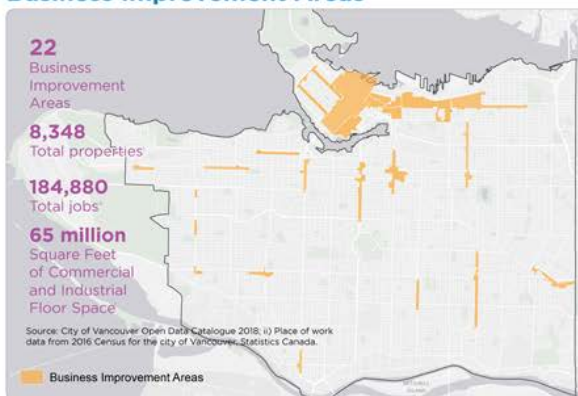


Retail / Commercial

OVERVIEW



Business Improvement Areas



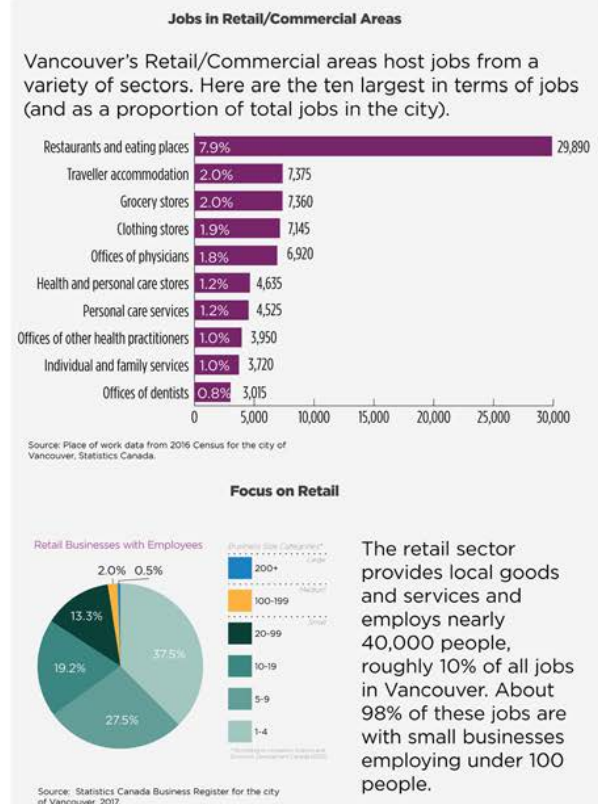
Trends Affecting Retail/Commercial

- **Affordability and availability of appropriate space:** Rising real estate costs and increases in commercial property taxes/assessments are making it harder for many retail/commercial businesses to find spaces that meet their needs.
- **Rise of digital technology:** Digital technology is introducing new shopping behaviours, contributing to the growth in e-Commerce and services like app-based food delivery. This can affect retail mix and the demand for commercial space.
- **Changing property ownership patterns:** In an in-depth study of six BIAs, ownership of commercial properties shifted from 2012 to 2019, with a decrease in property ownership among individuals (-6%) and owner-occupied businesses (-16%) and an increase of ownership among holding companies (+9%) and developers (+71%).
- **New and changing retail formats:** New models of retail sector on the rise include pop-up shops, small-scale manufacturing with attached retail/service space (e.g., 'craft' districts), online retailers opening up physical storefronts, and some formerly large-format retailers are beginning to adapt to urban areas by sizing down into smaller spaces.

Existing Role

- **Provide goods and services** including daily needs to medical services, lifestyle amenities and entertainment, both for local residents and people working in the community
- **Contribute to distinct and unique communities** through offering culturally specific goods and services, or amenities specific to local residents needs and income levels
- **Generate wealth and employment** by serving as a destination and bringing money into our local economy (e.g., through tourism or regionally significant goods and services), as well as recirculating wealth through employment and business-to-business activity
- **Support increased resilience and sustainability** through making more destinations accessible by active transportation, transit, and shorter vehicle trips.
- **Act as the "hearts" of our neighbourhoods** by providing gathering areas, defining neighbourhood identity, and serving as sites of celebration and community events

Key Facts and Figures



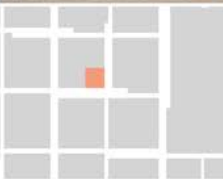


Retail / Commercial

YOUR IDEAS

A Range of Retail Areas

Different retail/commercial areas serve different roles across the City, depending on their size, location, character, and types of businesses.



a) Small-scale neighbourhood retail
1-3 stores



b) Neighbourhood intersections
<1-2 blocks



c) Neighbourhood nodes
~3-5 blocks



d) Neighbourhood high streets
6+ blocks



e) Districts
Multiple blocks/
multiple streets

Future Role of Retail/Commercial Areas Across the City

Feel free to comment on types of retail areas (as described above) or specific locations

Opportunities

Challenges



Rest of City

YOUR IDEAS

Considering the areas outside the study areas, provide your feedback for the **rest of the city** on the desired role - considering opportunities and challenges - overall; and for Office, Industrial, Retail and Services, and Institutional.



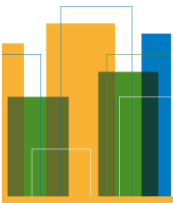
Overall

Office

Industrial

Retail and Services

Institutional

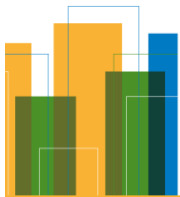


APPENDIX **3**

BUSINESS AND WORKERS SURVEYS – APRIL 2019

Results Summary





Contents

1) Description of Surveys	1
2) Key Findings	2
2.1) Business Survey	2
2.2) Workers Survey	6
3) Business Survey Results	10
3.1) Profile of Respondents	10
3.2) Business Location Factors and Preferences	16
3.3) Plans for Future	19
3.4) Challenges	23
3.5) Actions	25
4) Workers Survey Results	29
4.1) General Profile of Respondents	29
4.2) Employment Profile of Respondents	31
4.3) Work Space	36
4.4) Employment Satisfaction	38
4.5) Work in Desired Field	40
4.6) Assessment of Prospects and Change	42



1) Description of Surveys

As part the Employment Lands & Economy Review, the City of Vancouver conducted two public engagement surveys in the spring of 2019: one to Vancouver business owners (“Business Survey”) and one to people working in Vancouver (“Worker Survey”).

The surveys were an engagement tool, meant to collect information on the issues, challenges, expectations and desires of businesses and workers in Vancouver. The surveys are not intended as a primary data source about the characteristics of these populations. Surveys were not delivered using a random sampling method and cannot be used to make inference about all of Vancouver’s businesses and workers.

Information and comments will be used to complement and provide colour to the facts and figures drawn from other sources.

The **Business Survey** asked roughly 90 questions¹, including single choice, multiple choice, and open ended questions. They covered the following topics:

- Business demographics
- Business space characteristics
- Plans for the future
- The importance of being located near various infrastructure/amenities/locations (i.e. downtown, near transit, availability of parking, etc.)
- Revenue sources (i.e. in Vancouver or outside)
- Supplier sources (i.e. in Vancouver or outside)
- Challenges of operating in Vancouver

Owners with multiple businesses (or businesses in multiple locations) were asked to provide information for each of their operations/locations separately.

The **Workers Survey** asked roughly 85 questions including single choice, multiple choice, and open-ended questions. They covered the following topics:

- Involvement in work force (i.e. full-time, part-time, # of jobs, self-employment, etc.)
- Demographic questions
- Industry and occupation
- Job opportunities in field
- Impact of the changing nature of work
- Future employment plans (10 to 15 years)
- Ideal work location
- Likes/dislikes about working in Vancouver

This report summarizes results from both surveys, including highlight of key themes and findings.

¹ A number of questions included skip logic, whereby respondents were asked follow-up questions based on answers in a previous question. Thus the number of questions any individual respondents answered was less than 90 (closer to 60).

2) Key Findings

2.1) Business Survey

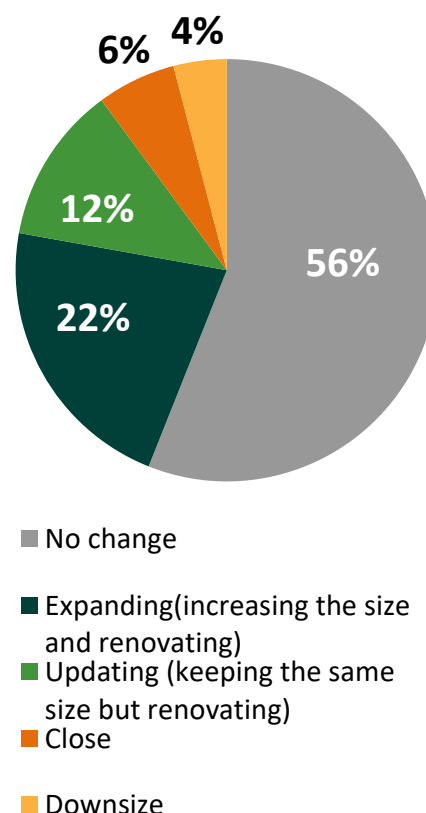
The Business Survey received 684 responses from business owners and operators in Vancouver representing approximately 860 business locations. Respondents represented:

- Businesses from across sectors and all parts of Vancouver, operating in industrial, office, and commercial spaces.
- Small businesses, with about 95% of respondents employing 50 or fewer people, and roughly 85% in spaces under 5,000 square feet.
- A range of types of businesses from new start-ups to long-established businesses that have been operating in Vancouver for more than 100 years; 27% of respondent businesses have been operating for 5 years or less, and about 30% have been in the city for more than 20 years.

Overview of plans for business locations:

- Respondents have plans to expand or update 34% of all locations surveyed; it is expected that 10% will close or downsize.
- Of those planning close or downsize, 61% (79) were because the space was too expensive. Of the 45 businesses closing that plan to reopen, nearly 50% have plans to reopen outside the city of Vancouver.
- 63% of respondents with plans to expand (165) said they need more space for employees or customers, and 39% said they need more space for operations.
- Of the 684 business owners, 39% (266) identified they were considering or in the process of expanding to a new and different location; 55% of these indicated it would be within the city of Vancouver.

Figure: Plans for business locations



Overview of space, site and location preferences:

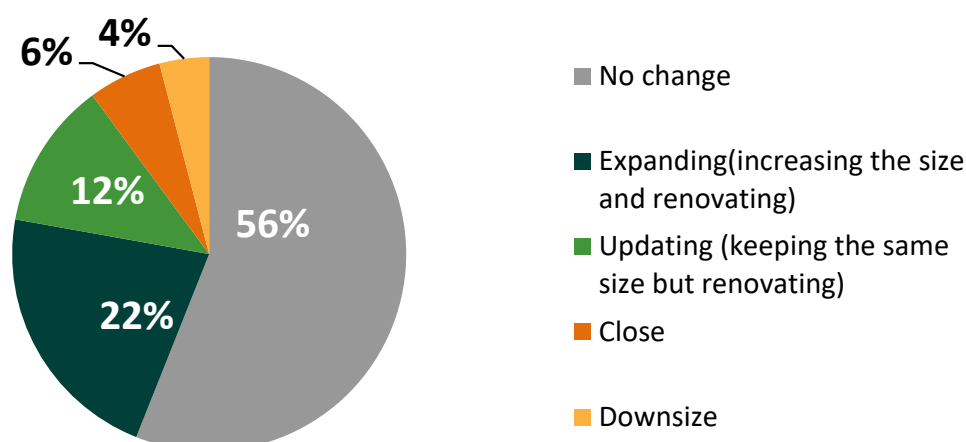
- **Respondent with businesses in industrial lands are part of a highly integrated local economy:** Of the roughly 100 respondents with a location in industrial and employment areas, over 70% of them estimate that half or more of their revenue comes from customers living in the city of Vancouver. Roughly 60% of them estimated that half or more of their goods and services come from suppliers also located in the city.

- **Connection and co-location are very important for local business:** Roughly 78% of all respondents indicated that face-to-face business links were moderately or extremely important in selecting a location; 44% said the same about being close to related or complementary businesses.
- **Spaces that allow businesses to be on the same floor or the ground floor are the most preferred:** about 67% of respondents said keeping the entire business on the ground floor was moderately or extremely important, and 55% said the same about having a ground floor business. This was particularly the case for respondents in industrial and commercial categories.
- **Sites that give accessibility to customers are the most preferred:** respondents indicated the strongest preferences for sites with customer parking and access to pedestrian traffic, which were identified as moderately or extremely important by 57% and 53% of respondents respectively.
- **‘Industrial’ and ‘Commercial’ businesses have the most constraining space needs:** Compared to ‘office’ and ‘institutional’ respondents, the businesses that were classified as ‘industrial’ and ‘commercial’ generally have stronger preferences around the kind of space they use, including keeping the business on one floor, high ceilings, and being on the ground floor.
- **Sense of safety and security is highly important:** 87% of respondents said that a location that feels safe and secure is moderately or extremely important. Respondents’ comments indicate that a poor sense of security affects their ability to attract customers and employees alike.
- **Good transit and accessibility is critical for attracting customers and labour:** Almost 75% of respondents said that a location close to transit or SkyTrain is moderately or extremely important. A number of respondents provided commentary suggesting a good transportation system was crucial to finding skilled employees, especially given affordability challenges.

Overview of future plans:

Aside from no plans for change (56%), plans for expansion (22% of locations) and for updating (12% of locations) were the most common plans identified by respondents. There were plans to close or downsize 10% of locations.

Figure 1: Plan for business locations



The following reasons were given for those with plans to change their locations (i.e., excluding those with no plans):

- **Close or downsize:** of the roughly 80 locations within this group, 61% said the current location was too expensive. Of the 45 business with plans to re-open elsewhere, only 36% indicated they planned to re-open in Vancouver.
- **Expanding** 63% of these plans were motivated by a need for more space for employees or customers, and 39% were to create more space for operations.

Additionally, 39% of business owners (266) identified they were considering or in the process of expanding to a new and different location; 55% indicated it would be in the city of Vancouver.

Overview of challenges:

- **Affordability is the dominant challenge local businesses face:** ‘Lack of affordable space’ was identified by 71% of participants as one of the top three challenges for Vancouver in ensuring an appropriate supply of space for business and employment; ‘stable and reliable property taxes’ a related issue, was the second most frequently identified (40%).

Figure: Challenges of running a business



Respondents regularly spoke of affordability directly (high land prices) or of how it is exacerbated by property tax assessments, speculation, and, for certain land uses, encroachment by more expensive developments. Business tenancy (i.e., businesses as renters) figured into these affordability challenges as security and

stability of leases are impacted as land prices rise and property assessments drive up property taxes.

Respondents also connected residential affordability as a major contributor to issues finding and retaining employees. This was both an issue for businesses looking to attract highly skilled talent in competition with companies located in other cities, as well as businesses trying to fill entry-level positions that could not pay enough to support Vancouver's high rent prices.

- **City zoning policy and its implementation:** City zoning and land use policy and availability of space were the third (34%) and fourth (32%) most commonly chosen challenges for ensuring a supply of employment lands in Vancouver. Comments on the topic came in a variety of contexts, the main including people interested in seeing more flexibility (in terms of zoning types and enforcement), more mixed use development, protection of old building stock, and commentary on the link between rezoning and encroachment/speculation.
- **Onerous or inefficient city permitting:** For small business, an additional challenge identified was the efficiency and ease of permitting, which was suggested unnecessarily increased the cost of doing business. This was especially for businesses starting up or changing course, where wait times for permits could delay operations, and expose business to long periods of paying high rents with no revenue stream.

Overview of action ideas from Respondents:

Dozens of concrete actions ideas were provided by respondents for supporting an appropriate supply of space for business and employment. They've been categorised under the following strategic areas:

- **Support the provision of more affordable work spaces:** This includes actions related to reduction of commercial property tax, business tenancy protection, protection of existing affordable building stock, and tools to incentivize market provision of more affordable work spaces.
- **Prevent encroachment into employment land:** This primarily involves the protection of lower rent land types (e.g., industrial and forms of commercial) under threat of encroachment from residential and office development.
- **Increase supply of suitable and well-located work spaces:** This includes access to transportation, more diversity of office space downtown, finer grain commercial and retail, and higher densities within industrially zoned land.
- **Allow more mixed use development:** This includes moving beyond traditional mixed use development that provides ground level commercial with residential on top. Respondents suggested mixing residential with light industrial, office space, and incorporating retail and other amenities throughout industrial and residential areas.

- **Allow for more flexibility and diversity in work space development:** Building on structured mixed use, a general increase in zoning flexibility was suggested. Respondents suggested encouraging more shared spaces, finer grain development, flexible spaces for artists and makers, and zoning that allows blending of office, light industrial and residential.
- **Make spaces for the Arts and Culture Sector:** There were a number of comments looking for solutions specific to the arts and culture sector, such as specialized industrial areas, more live/work space, and shared amenities and work space.
- **Make City processes faster and fairer:** This involves a general improvement in the efficiency and transparency of development and business permitting processes.

2.2) Workers Survey

The Workers Survey was completed by 2,215 people working or that have worked in Vancouver. Respondents represented:

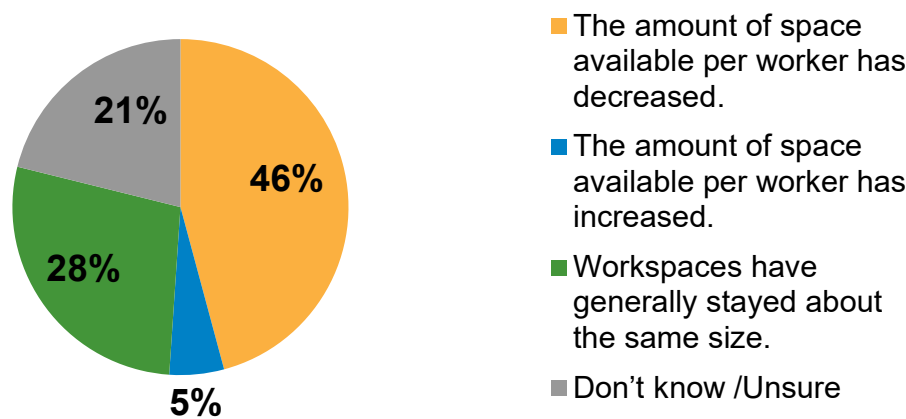
- Primarily employees for a business or organization (77%), but also included self-employed people, retirees, students, and others; 87% are employed full-time
- A cross-section of ages, gender and educational backgrounds, though a majority of people with university or graduate degrees (63%).
- 20% of respondents hold more than one job
- 90% of respondents work exclusively or some of the time in the city of Vancouver; of these, 39% work downtown, and 59% work in the Mt. Pleasant or Fairview areas.
- Roughly 19% (441) of jobs associated with respondents are in a not-for-profit organization, and another 6% (138) are in a co-operative or social enterprise

Overview of workspace conditions:

Most respondents (83%) work in an office, with roughly 15% working in a space of a more industrial nature, and 5% in a retail space. Some key issues they identified about the conditions and change to their workspace included:

- 32% (641) of respondents said there was not enough space at their primary workplace to accommodate all the activities there. Company growth and the high cost of workspaces were the two most dominantly cited causes of a lack of space.
- Workstations (offices, desks, etc.) meeting rooms or flex spaces, and storage were the most commonly cited shortages. Staff amenities (e.g., kitchens, breakrooms, etc.) were also frequently mentioned.
- Nearly half (46%) of respondents indicated that the amount of workspace per worker has decreased

Figure: Change in Workspace

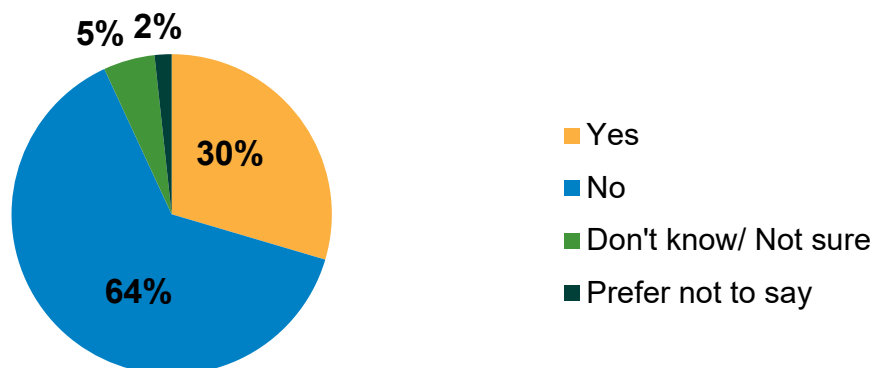


When asked about the decrease, most respondents identified the affordability/cost of workspace as contributing to the decrease in space.

Overview of employment satisfaction:

64% of respondents felt their income was not enough to afford the cost of living; 30% said it was.

Figure: Sufficiency of Salary/Wages



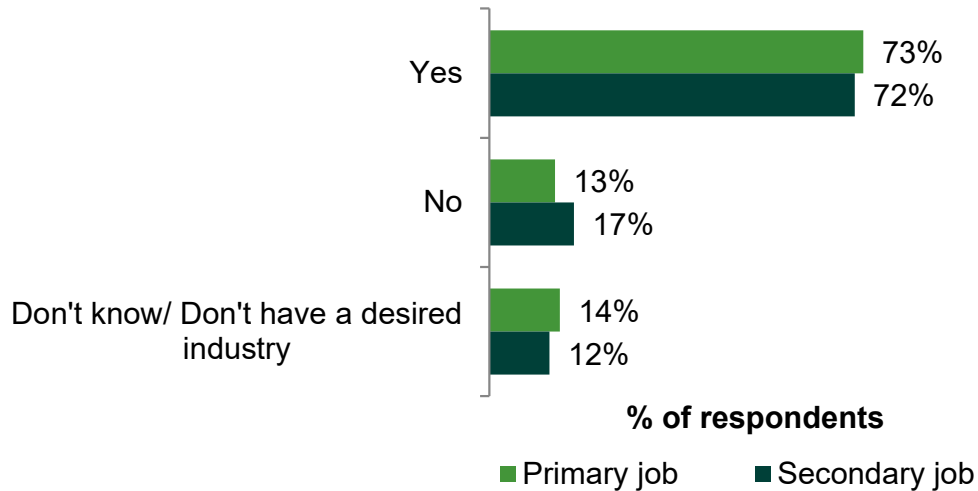
Respondents were asked open ended questions about what they liked and didn't like about working in Vancouver. The following were themes were the most common:

- **What respondents liked**
 - Respondents most liked the conveniences afforded by the compact urban fabric of Vancouver (24% of 1,535 people who commented), including walkability, bikability, short commutes, and easy access to amenities.
 - Roughly 20% of people liked Vancouver for the job and/or business opportunities, either in specific industries, or overall (e.g., multiple potential employers or good access to customers).
- **What they didn't like**
 - Affordability was the dominant frustration among respondents that commented, with 29% citing housing affordability specifically, and 24% speaking of the cost of living more generally.
 - Transportation issues also figured heavily into the comments, with 22% identifying different issues with traffic (congestion, noise, delays, safety),

20% of comments citing frustrations with transit (e.g., service levels, convenience, or comfort), 15% about the commute in general, and 12% about parking (availability or cost).

Almost three-quarters of respondents were working in their desired industry, both for their primary job and their secondary job.

Figure: Working in Desired Industry

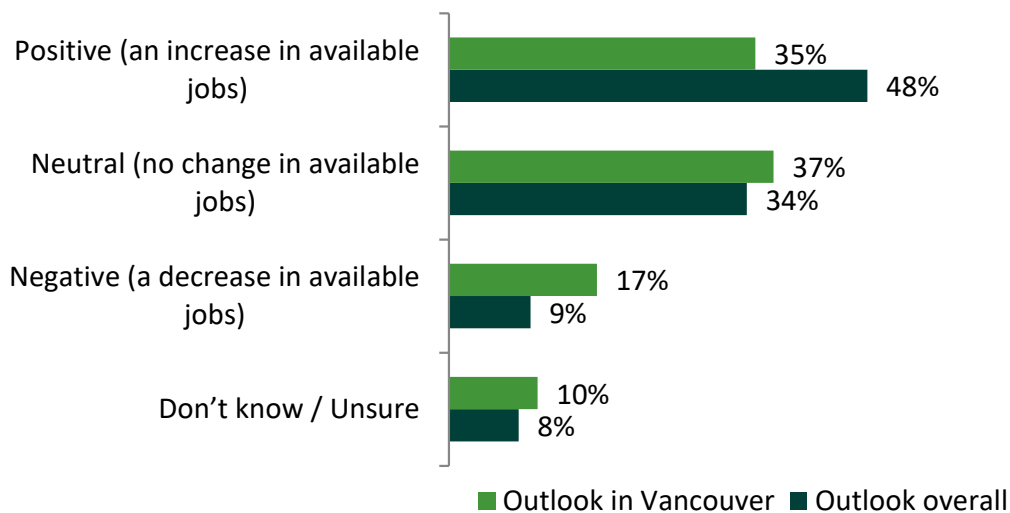


Overview of industry prospects and change:

Approximately 65% of respondents agree that there are regular job opportunities in their desired industry. Almost a quarter (23%) disagreed.

Respondents were fairly split on outlooks for their sector in Vancouver, with respondents reporting a mix of positive, neutral, and negative outlooks in their desired sector of employment. The overall outlook looked better, with nearly 50% of respondents indicating they felt there would be an increase in jobs overall in their desired industry.

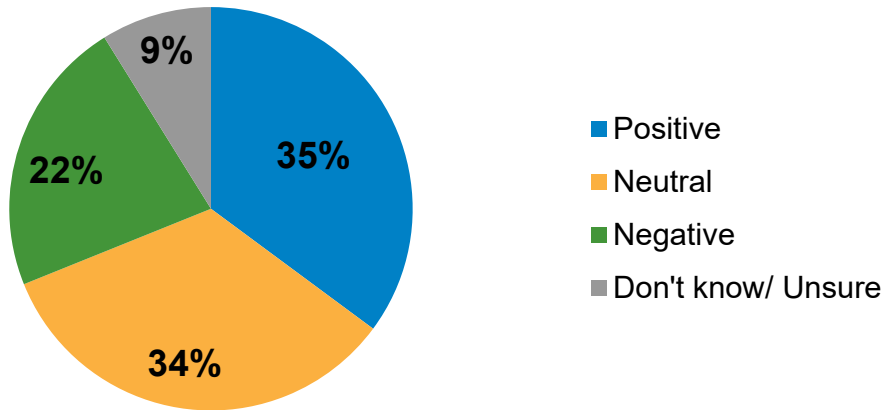
Figure: Job opportunities in desired industry



Of the roughly thousand respondents that said change was happening in their sector, 35% said the change was positive and 22% said it was negative. Over 40% said it was neutral or were not sure.

Number of respondents = 1,016

Figure 2: Assessment of Change to Industry



Almost half (49%) of respondents indicated that technology was changing the nature of their work in a positive way, making things more efficient or allowing new products and services to be offered.

Negative changes included new government policies or legislation (e.g., loss of tax cuts, increased taxes, more demanding standards); technological change which can result in job losses or increased demand to re-train and develop new skills; lower wages; and shifts towards more part-time and precarious work (e.g., contract-based employment and outsourcing).

3) Business Survey Results

3.1) Profile of Respondents

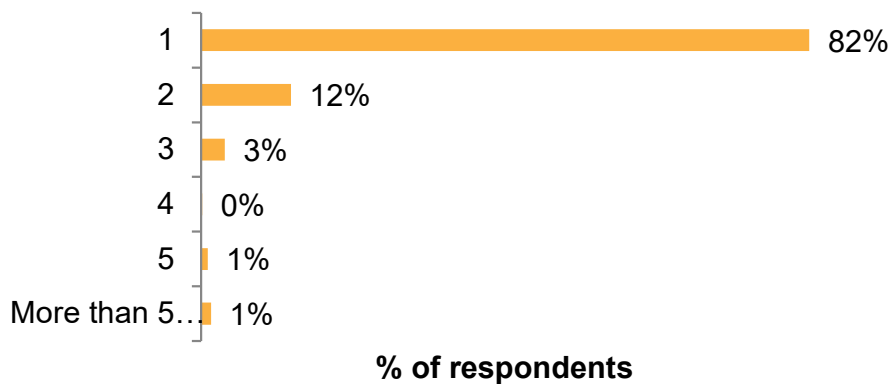
The Business Survey was completed by 684 respondents capturing 860 business locations.

a) How many locations for your business do you rent/own?

Respondents primarily rent/own one business location (82%).

Number of respondents = 684

Figure 3: Respondents by number of spaces

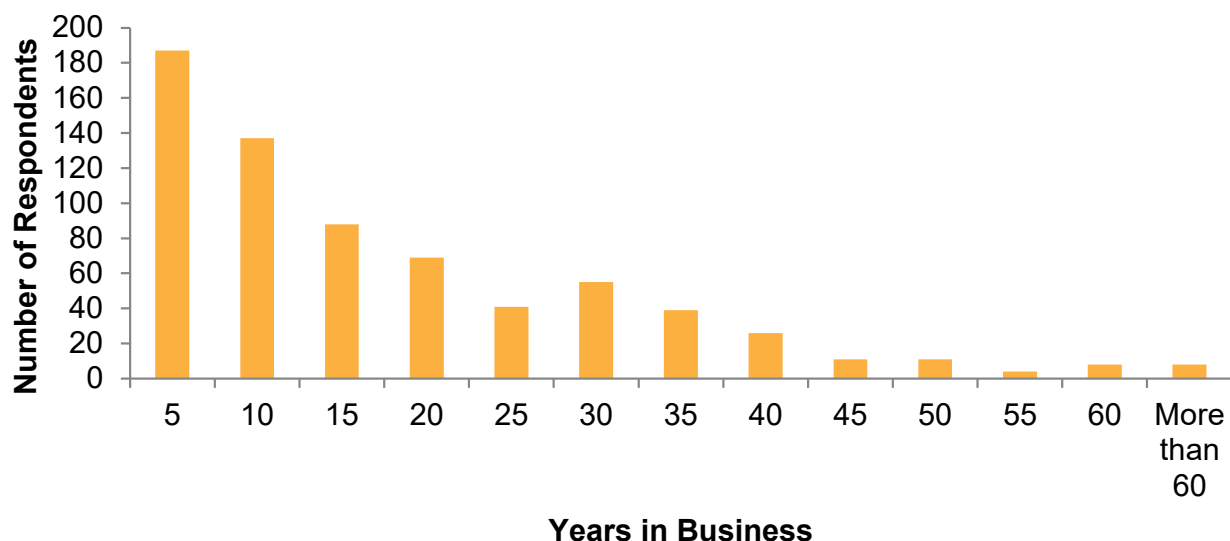


b) How many years has your business operated in Vancouver?

Approximately 27% (187) of respondents are relatively new (operating for 5 years or less); 70% (481) have been operating for 20 years or less. About 30% (203) of respondent businesses have been in the city more than 20 years.

Number of respondents = 684

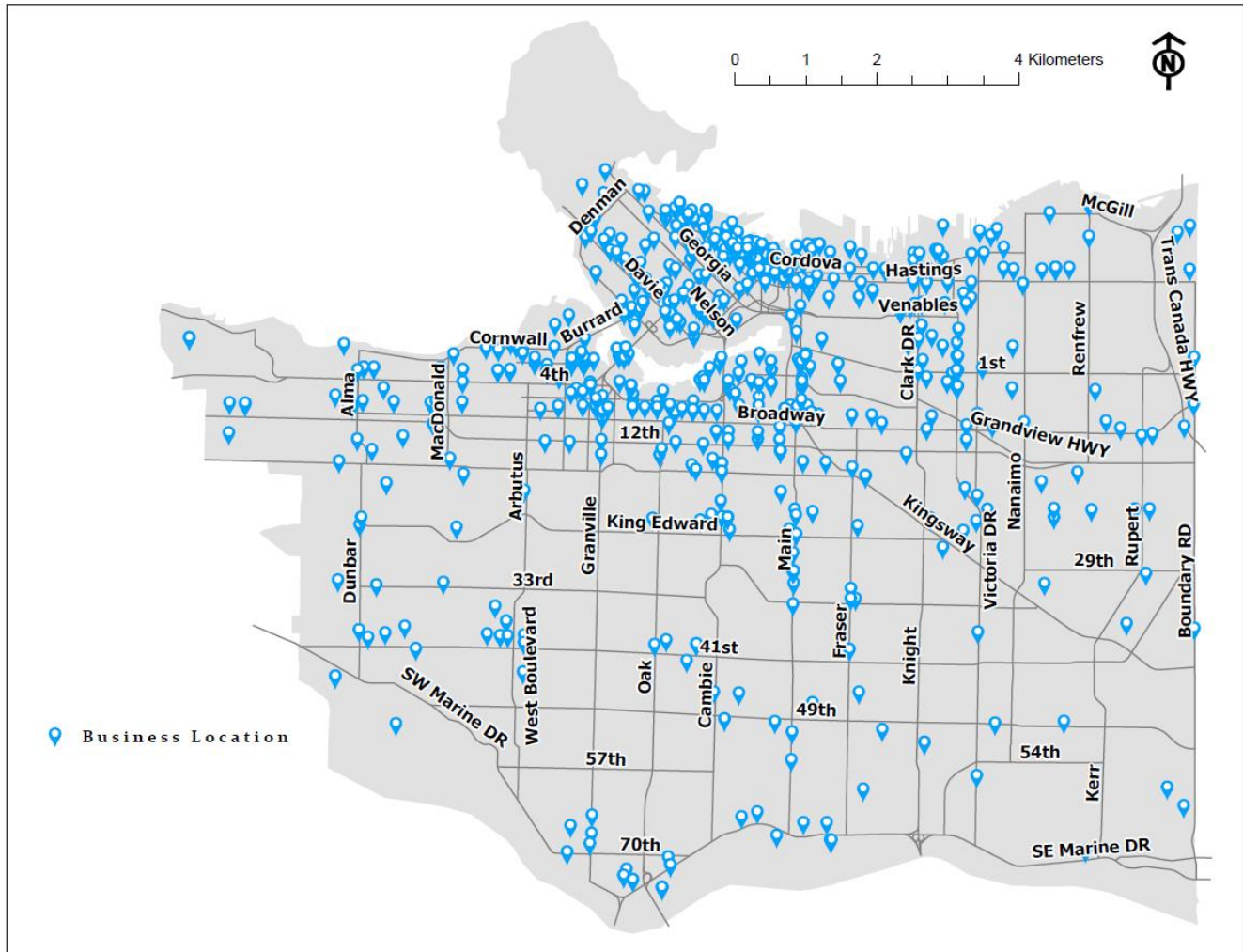
Figure 4: Respondents by years in business



c) Where is your business located (please enter the postal code)?

Respondents have businesses located across the city, with concentrations in downtown, along the central Broadway corridor (between Main Street and Granville), and the industrial mixed employment lands east of downtown. These concentrations generally map onto the city's main employment areas.

Map 1: Respondent Business Locations



d) Which of the following *BEST* describes your business' primary activity?

Survey respondents came from across sectors.

Table 1: Respondents by sector

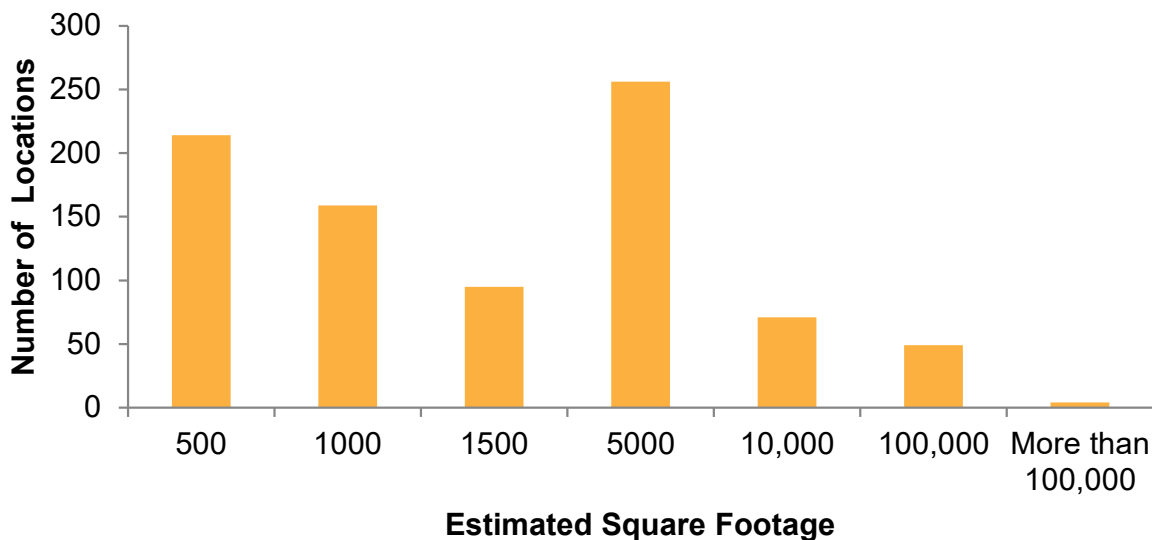
Sector	Survey Respondents	
	#	%
Design, Scientific and Technical Services	106	15.5%
Arts, Entertainment and Recreation	85	12.4%
Retail Trade	71	10.4%
Health Care and Social Services	70	10.2%
Real Estate, Rentals and Leasing	52	7.6%
Accommodation and Food Services	49	7.2%
Other industries	46	6.7%
Manufacturing	39	5.7%
Legal and Accounting	29	4.2%
Repair and Personal Services	26	3.8%
Information and Cultural Products	25	3.7%
Educational Services	21	3.1%
Construction and Trades	20	2.9%
Finance and Insurance	14	2.0%
Unsure	9	1.3%
Wholesale Trade	8	1.2%
Transportation and Warehousing	5	0.7%
Religious, Social and Community Organizations	4	0.6%
Primary Industries	3	0.4%
Waste management and Remediation Services	2	0.3%

e) What is the total square footage occupied by your business at your business location(s)?

Business respondents primarily occupied small and medium size spaces, with roughly 25% (214) in spaces of 500 square feet and under, and 85% (724) in spaces of 5,000 square feet and under.

Number of business locations = 848

Figure 5: Locations by floor space

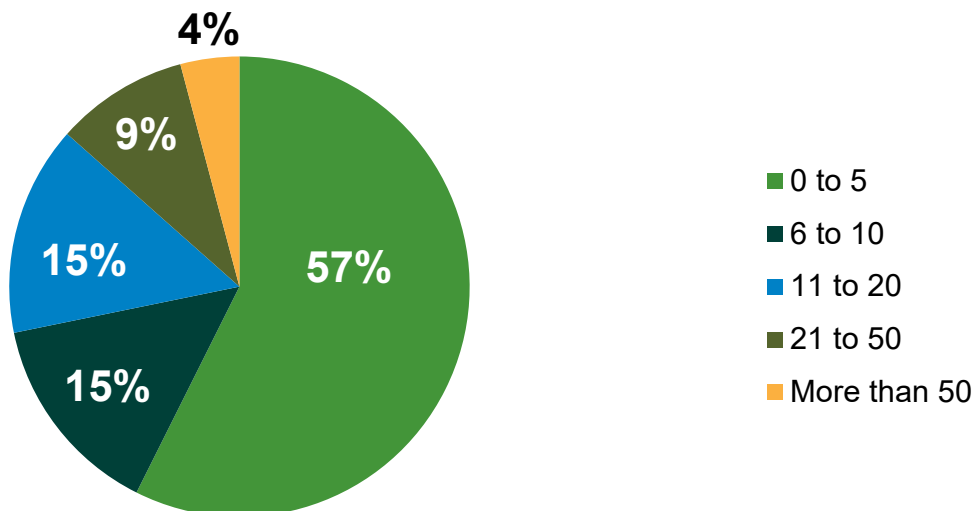


f) How many employees currently work for your business in the location(s) you own/rent?

Business respondents have primarily small businesses, with 57% (486) having 5 employees or fewer. About 96% of respondent businesses have 50 or fewer employees.

Number of business locations = 847

Figure 6: Businesses by number of employees

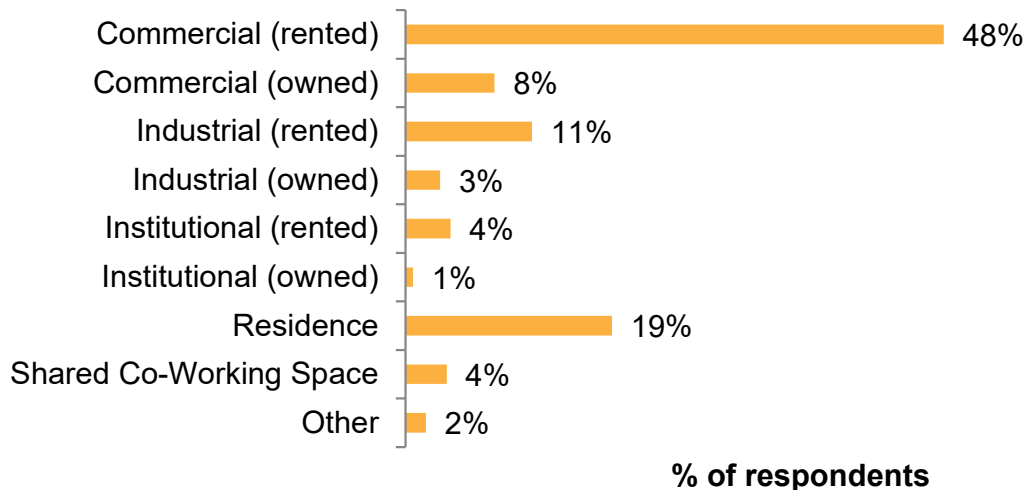


g) How would you describe the type of space(s) for your business that you own/rent?

Respondents described approximately 56% (417) of spaces as commercial (either rented or owned); 19% (160) spaces were identified as in a residence. Among the 652 commercial, industrial, and institutional spaces, respondents identified approximately 64% (435) as rental.

Number of business locations = 860

Figure 7: Businesses by land use description

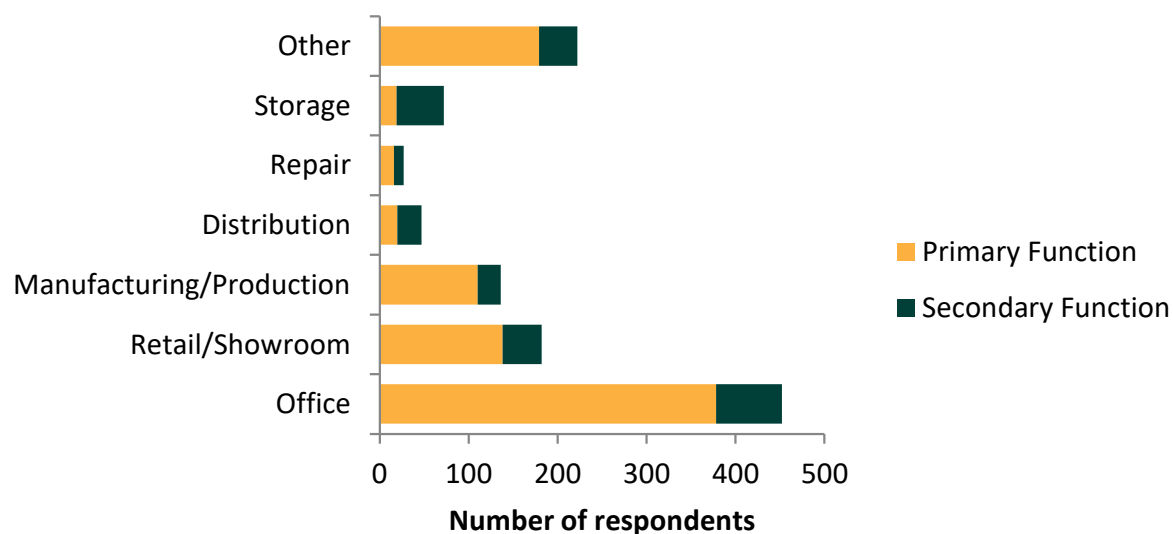


h) What function takes place in your business space(s)?

The most common functions taking places in respondent businesses were described as office (40%) and “Other” (20%).

Number of business locations with primary functions identified = 860; Number of business locations with secondary functions identified = 278

Figure 8: Businesses by function

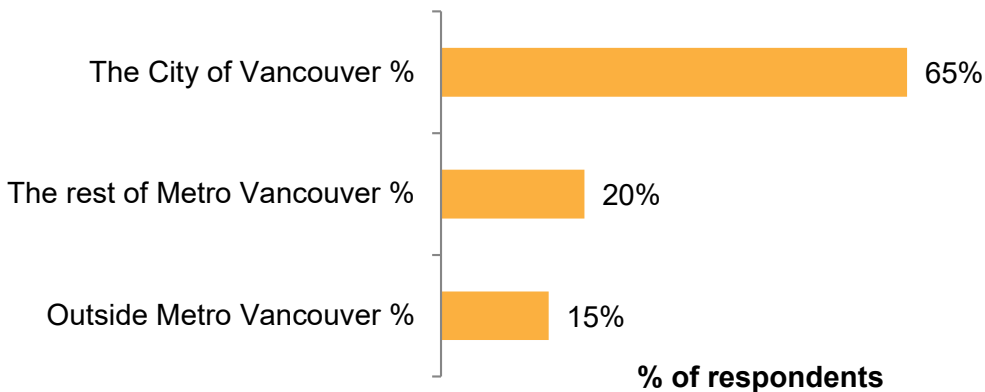


i) Generally, what percentage (%) of your revenue is from customers in...?

Generally, respondent businesses are serving local (in the city or region) clientele. On average, respondents estimated that approximately 65% of their revenue came from customers in the City of Vancouver, 20% from customers in the rest of the region, and 15% from customers outside the region.

Number of respondents = 684

Figure 9: Estimated percent of revenue by customer origin

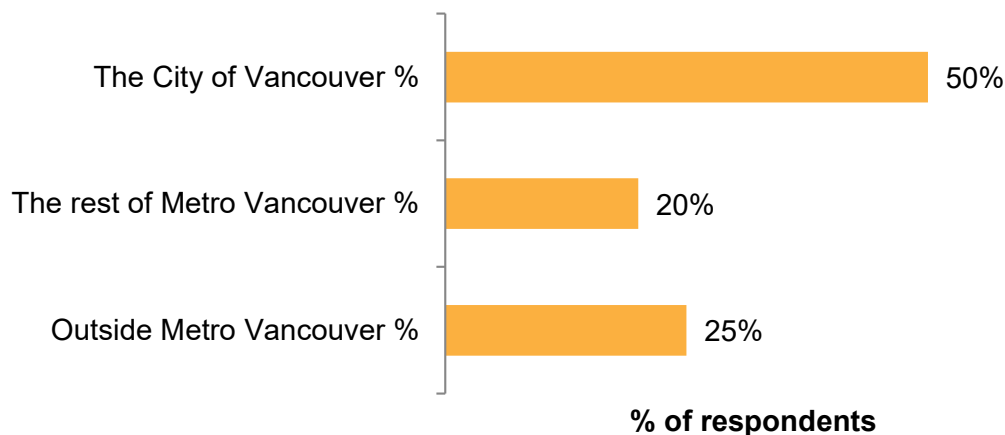


j) Thinking about your suppliers, what general percentage (%) of the goods and services you receive are from suppliers in...?

On average, respondents estimated that 70% of their goods and services come from local or regional suppliers, and approximately 25% come from outside Metro Vancouver.

Number of respondents = 684

Figure 10: Estimated percent of goods and services by supplier location (average for all respondents)



3.2) Business Location Factors and Preferences

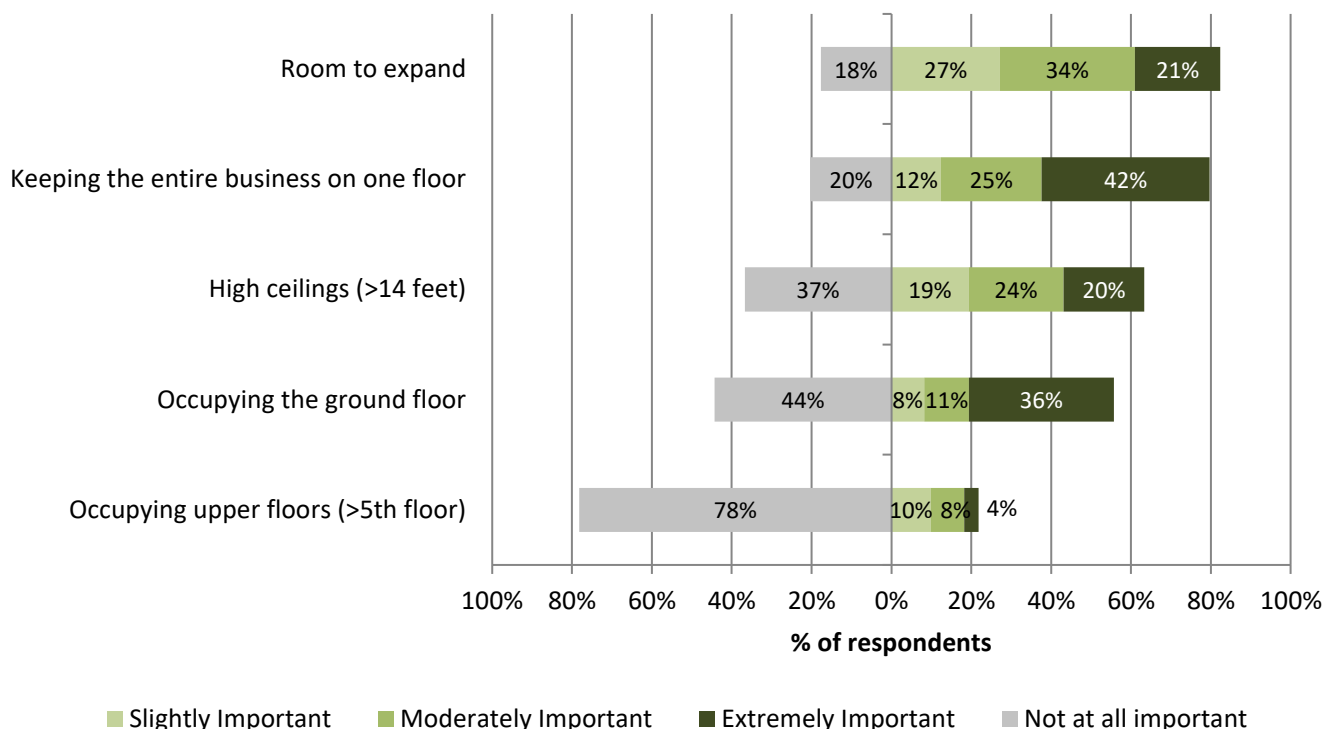
Results for this section are in response to the question “Please indicate how important each factor is to you in deciding on a location for your business.” There were 27 factors considered under three categories: five under ‘space’, seven under ‘site’, and 12 under ‘location’. For selected factors, respondents were asked follow-up questions.

a) Importance of Space Characteristics

For the 684 respondents, having ‘room to expand’ and ‘keeping the entire business on one floor’ were the two space factors most commonly identified as important (either slightly, moderately or extremely important). ‘Keeping the entire business on one floor’ and ‘Occupying the ground floor’ were identified by the most respondents (42% and 36%) as extremely important. ‘Occupying upper floors (greater than the 5th floor), was identified as the least important, with 78% of participants calling it “not at all important”.

Number of respondents (n)=684

Figure 11: Importance of Space Characteristics

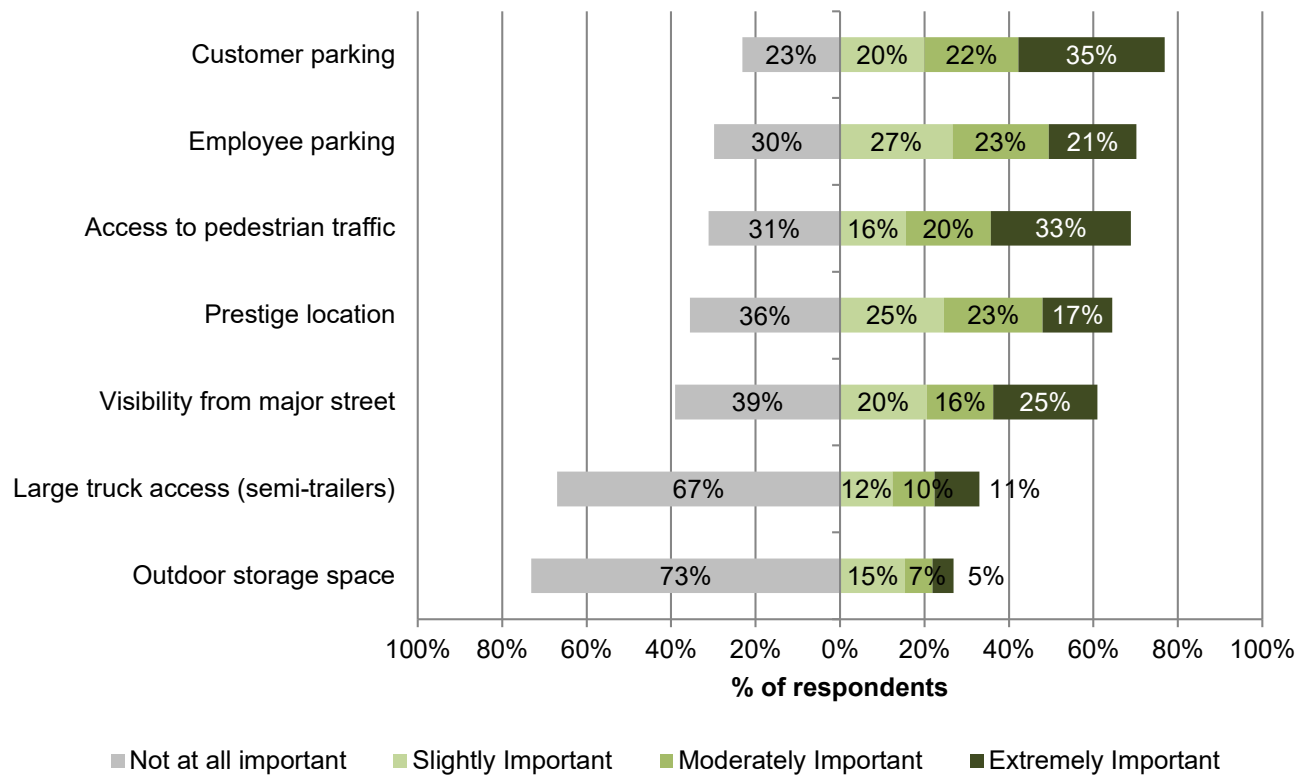


b) Importance of Site Characteristics

‘Customer parking’, ‘Employee Parking’, and ‘Access to pedestrian traffic’ were the three most important site characteristics identified by respondents, with less than a third of respondents for each calling them ‘Not at all important’. For ‘customer parking’ and ‘access to pedestrian traffic’, a third or more respondents called them ‘extremely important’.

Number of respondents (n)=684

Figure 12: Importance of Site Characteristics

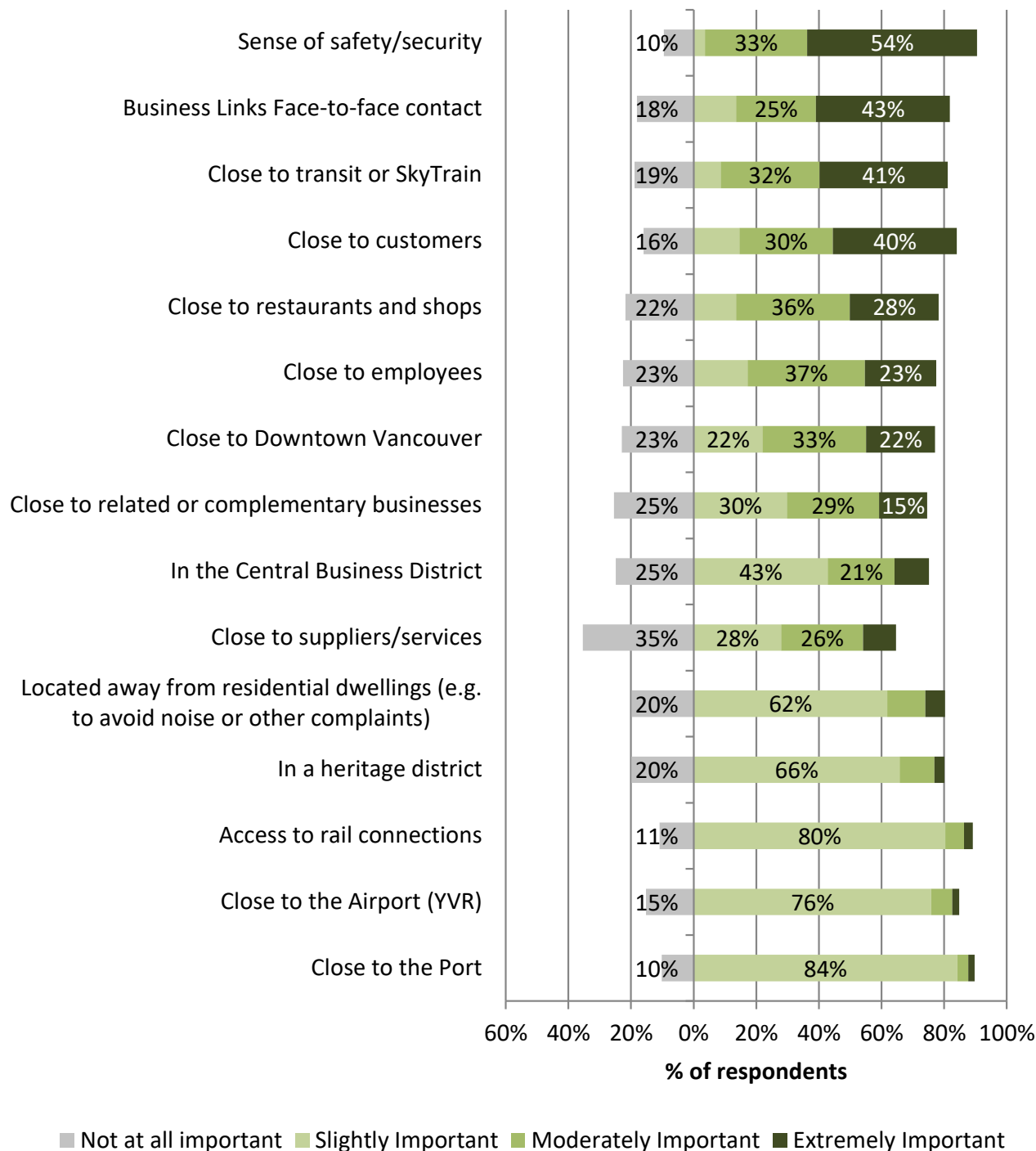


c) Importance of Location Characteristics

'Sense of safety and security' was identified as the most important location characteristic for the respondents, with only 10% calling it not important, and over half (54%) calling it extremely important. 'Business links/Face-to-face contact', 'Close to transit or SkyTrain', and 'Close to customers' were also considered important with less than 20% seeing them as not important, and over 40% seeing them as extremely important.

Number of respondents (n)=684

Figure 13: Importance of Location Characteristics



3.3) Plans for Future

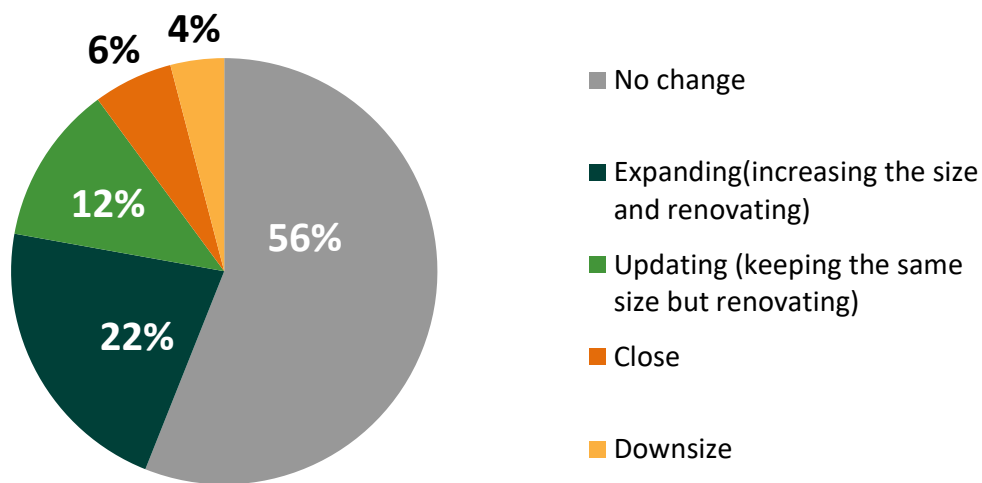
Respondents were asked about their future plans for each location where they owned or operated a business. They were asked follow-up questions to learn more about the rationale or consequences of their plans to move.

a) *What are your plans for your business locations?*

Respondents have no plans for change of location for 56% of locations represented in the survey; there are plans for expansion of 22% of locations and for updating at 12% of locations. Respondents only identified plans for about 10% of locations to close or downsize.

Number of locations (n)=860

Figure 14: Plans for Business Location

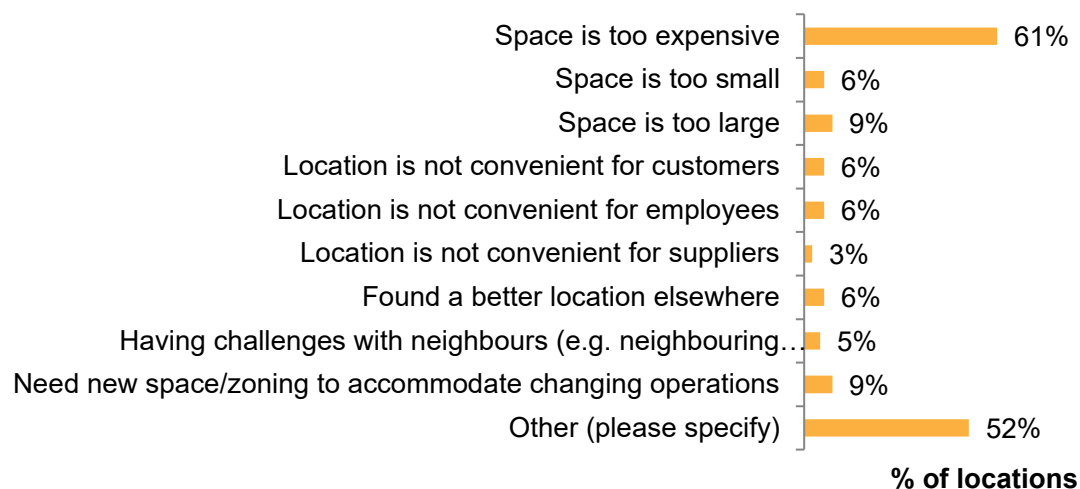


b) *Why are you closing or downsizing one of your business locations?*

For the locations where respondents indicated plans for closure or downsizing, 61% of these plans were motivated (at least partially) by the expense of the space; 52% (about 40 people) left comments under “other”. The most common related to high city taxes or burdensome City processes. Three other common reasons cited were general affordability/cost of doing business; eviction or forced relocation; and personal reasons.

Number of locations (n)=79

Figure 15: Rationale for closure/downsizing

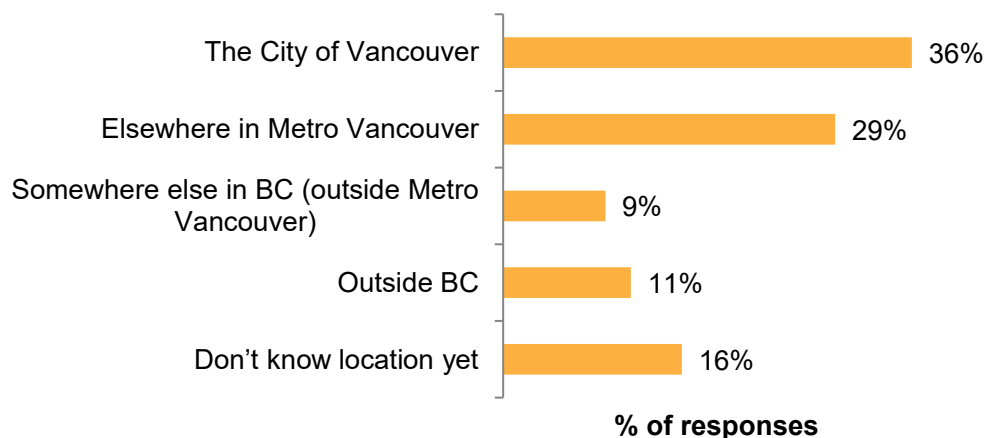


c) Where will you reopen?

45 businesses indicated they planned to re-open their business elsewhere. These were asked where they planned to reopen their business; roughly half (49%) indicated they had plans to relocate outside of the city of Vancouver.

Number of locations (n)=45

Figure 16: Location after closure

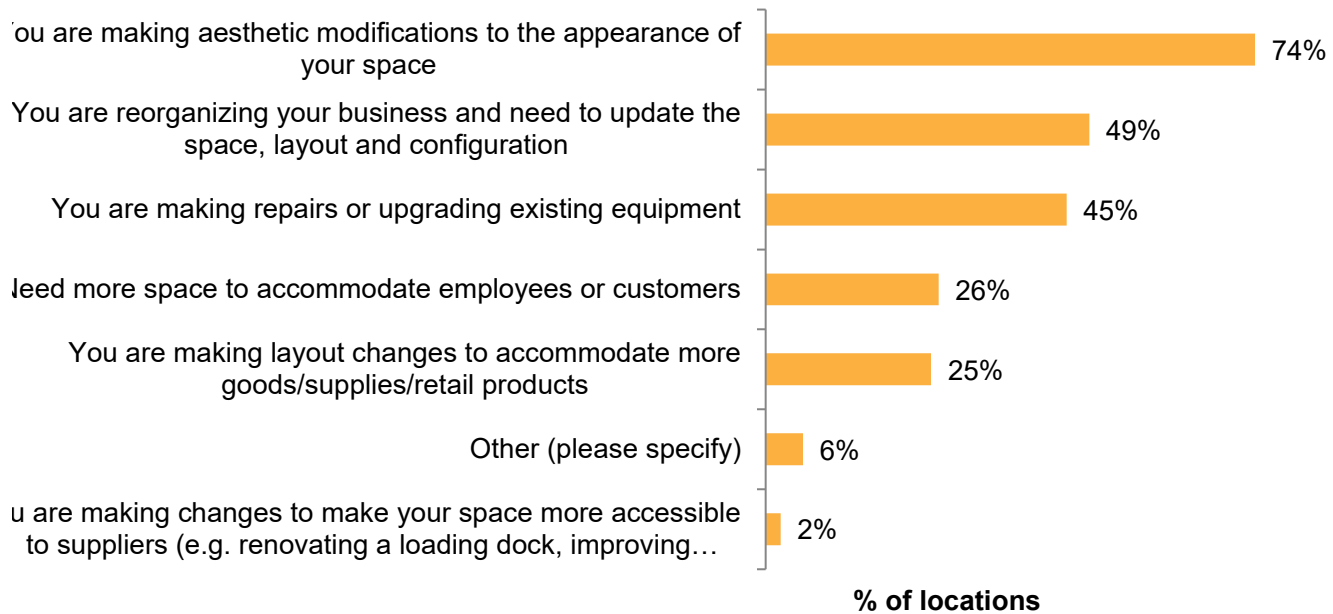


d) Why are you updating your space(s)?

For the locations where respondents indicated plans for updating, 74% of these plans were for aesthetic, 49% for a new layout or configuration of the space, and 45% were for upgrades to equipment.

Number of locations (n)=88

Figure 17: Rationale for Updating Space

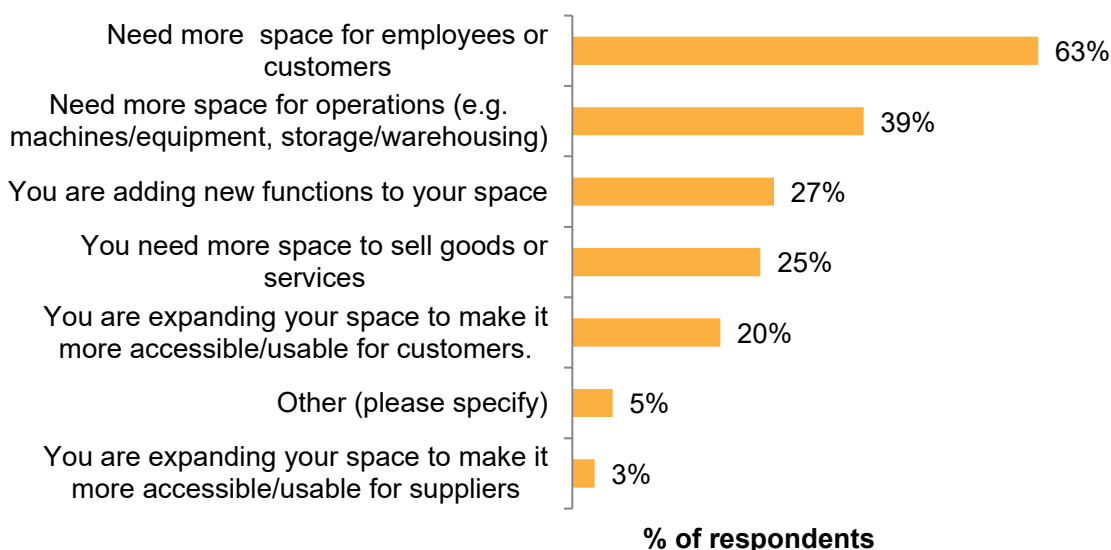


e) **Why are you expanding your space(s)?**

For the locations where respondents indicated plans for expanding, 63% of these plans were motivated by a need for more space for employees or customers, and 39% were to create more space for operations.

Number of locations (n)=165

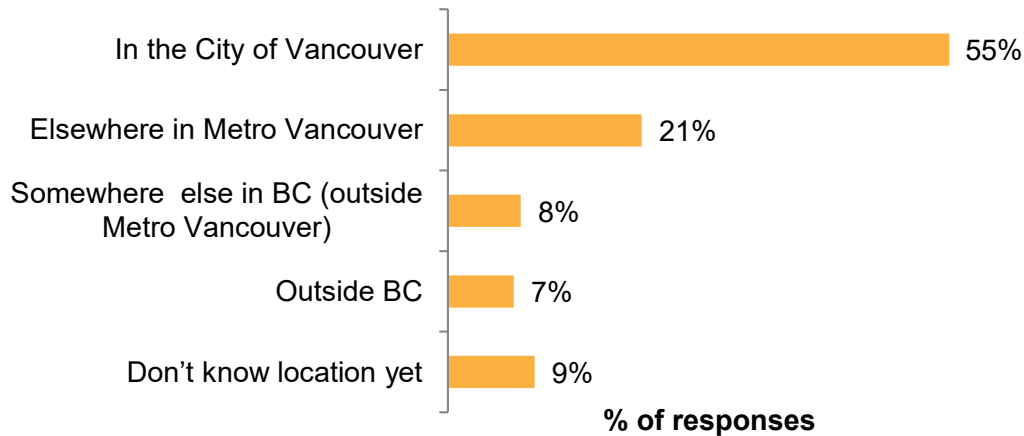
Figure 18: Rationale for Expanding Space



f) *Where is the new location you are expanding to?*

Of the 684 business owners, 39% (266) identified they were considering or in the process of expanding to a new and different location; 55% indicated it would be in the city of Vancouver.

Number of respondents = 266

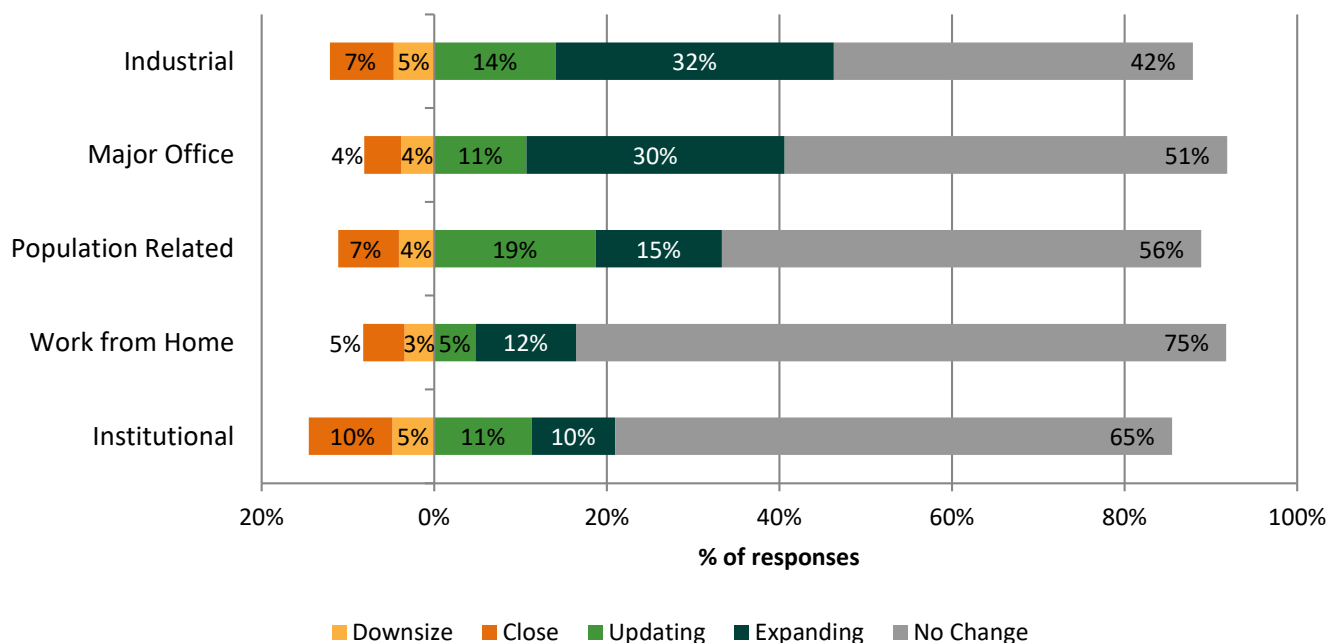


g) *Plans for business locations by Land Use Category*

Within each land use category, respondents with locations attributed to 'industrial' and 'major office' were the most frequent to have plans for expansion, with 32% and 30% of respondents within each category. However, locations categorized 'industrial' were also among the most frequently identified for closure (7%) and downsizing (5%).

Number of locations (n)=762

Figure 19: Plans for business by Land Use Category



3.4) Challenges

a) *What do you think are the key challenges for Vancouver (if any), when it comes to ensuring an appropriate supply of spaces for business and employment? Choose the top 3 challenges*

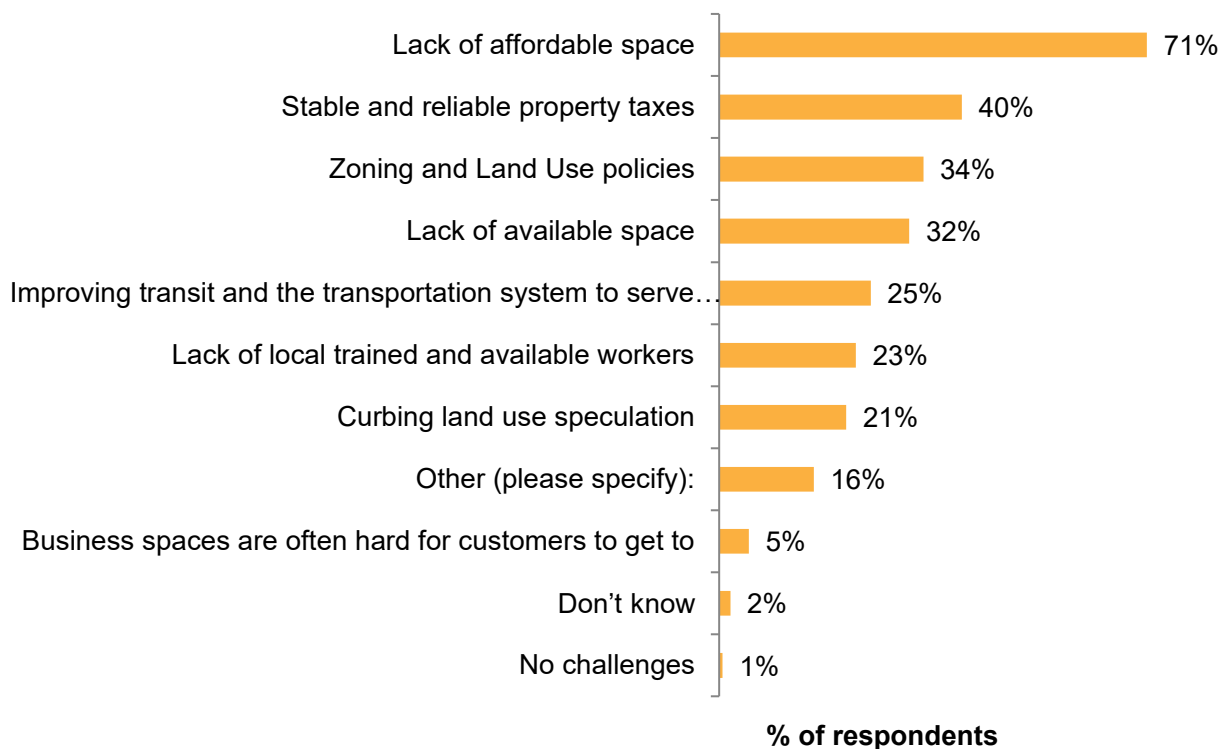
'Lack of affordable space' was the top challenge identified by participants by a substantial margin, with 71% of respondents placing it in their top three. After affordability, respondents most often selected 'stable and reliable property taxes (40%), 'zoning and land use policies' (34%) and 'lack of available space' (32%).

Some of the common themes from comments left by respondents who selected "other" include affordability (both for work and residential spaces), municipal taxes (especially property taxes), lack of suitable space, parking, permitting, and congestion/traffic.

It should be noted that several of the challenges are causally related, so respondents may have been identifying aspects of the same challenge. For example, affordability contributes to lack of available space, and can be affected by property taxes and speculation. In qualitative analysis of open ended questions, these linkages were frequently made by respondents (see Section 5).

Number of respondents (each providing up to three responses) = 684

Figure 20: Top challenges for Ensuring Appropriate Supply of Space



b) What issues are most pressing to you as a small business owner?

Of the 684 respondents, 88% (600) identified as “small business”. When asked about the most pressing issue for small business 517 respondents provided comment, and the following key themes emerged. They are separated into “First Tier” and “Second Tier” in terms of their relative frequency.

Percentages in brackets are the percent of total comments (517) about each topic (not of all survey takers).

First Tier Themes:

- **Workspace affordability** and **property tax** were the most commonly identified issues, respectively mentioned in 35% (181) and 28% (144) of comments. The two were also strongly linked. Almost 20% of comments on workspace affordability included comments on property taxes, often connecting the two; sometimes high property taxes were seen as contributing to the overall affordability challenges. *Business tenancy* (i.e., businesses as renters) figured into these affordability challenges as security and stability of leases are impacted as land prices rise.
- **Labour** issues and **residential affordability** were the third and fourth most commonly issues cited in 22% (113) and 13% (65) of all comments. Respondents also strongly linked the two: 58% of residential affordability comments were in the context of challenges finding and retaining labour, including on how affordability drives up wages. It is felt by some that this dynamic affects the ability of Vancouver companies to be competitive in attracting skilled talent.

Second Tier Themes:

- General **cost of business** in Vancouver was mentioned as an issue in 6% (31) of comments, which respondents often linked to the major themes discussed above (e.g., lease/rent on work spaces, property tax) as well as increasing wages. A number of respondents also pointed to the costs of navigating City permitting processes as an additional challenge in this regard, either from the direct costs of permit fees, or indirectly from the time lost while permits and licenses are processed.
- **Availability of space** was also cited as an issue in about 6% (31) comments affecting industrial, office, and commercial/retail types. This also included several comments about spaces specific to artists, including for productions (e.g., studios, rehearsal spaces) and display (e.g. galleries, theatres).
- **Congestion/vehicular access** and **parking** were mentioned in 5% (24) and 4% (22) of comments, respectively. Respondents indicated this was both an issue for attracting and maintaining customers, accessing labour, and for businesses servicing the city efficiently.

3.5) Actions

a) What do you think are the key ways to help ensure an appropriate supply of space for businesses and employment in Vancouver, as our economy grows?

Respondents commented on issues, concerns, and goal-level aspirations as well as actions ideas. The following are the themes that emerged from qualitative analysis of the commentary. They are separated into “First Tier” and “Second Tier” in terms of their relative frequency.

Percentages in brackets are the percent of total comments (673) about each topic (not of all survey takers).

First Tier Themes:

- Property taxes for business are too high (15% of all people who commented); people feel that assessments based on a future (potential) use is unjust
- Employment lands (office, retail, and industrial) are too expensive (13%).
- Encroachment by “higher” uses is an issue (8%). For all employment uses, residential is the main cause, but there are perceived conflicts within employment lands, as office and commercial are seen to encroach on industrial land.
- Zoning/land use regulations were mentioned frequently (10%), but in a variety of contexts, the main including people interested in seeing more flexibility (in terms of zoning types and enforcement), more mixed use development, protection of old building stock, and commentary on the link between rezoning and encroachment/speculation.
- Speculation (5%) is also commonly linked to the topic of residential encroachment.
- Efficiency (5%) and ease (2%) of permitting for new construction and renovations.

Second Tier Themes:

- There were a variety of comments around type of spaces groups would like to see, including:
 - Diverse and flexible work spaces in terms of size and use (4%) which always came up in the context of affordability
 - Smaller scale development (1%), including for retail, office, and industrial space
 - Spaces for artists, makers and the creative sector (3%)
- Business tenancy and land ownership (3%) comments typically focused on the challenge of uncertain tenancy among renting businesses and the difficulty of rental increases and passing along of property tax increases. Lease/rental controls (3%) was often mention in this context.
- There were a variety of comments about different forms of subsidies, incentives, tax breaks or grants (3%) to help with affordability in a range of contexts (small businesses, artists, etc.)

Action Ideas - Summary:

The following action ideas were extracted from the comments, and organized under general strategic direction:

- Support the provision of more affordable work spaces
 - Reduce commercial property taxes
 - Regulate property tax increases that are passed on to tenants (often small businesses operating on extremely slim margins)
 - Initiate a ceiling on the price change of pre-development to sale of new supply of space constructed or rezoned.
 - Protect/encourage development of lower grade office space (A,B, and C), not just AAA
 - Incentivize owners of older buildings to keep them operational
 - Encourage landlords to fill vacant spaces (e.g. fining or taxing empty spaces higher after 3 months sitting empty)
 - Reinstating monthly property tax payments
 - Offer density bonus to developers who provide "low income" office space.
 - Explore protections for commercial renters
 - Making the temporary modular homes into mixed space for small businesses.
 - Convert City owned empty buildings to mixed use or office space.
 - Make available to the public an annual summary of the past average rental prices and available vacancy rates.
- Prevent encroachment into employment land
 - Enforce existing zoning (to curb encroachment)
 - Do not permit residential/condo development in industrial/commercial areas
 - Limit the amount of institutional use in commercial space
 - Do not allow office uses in industrial areas
- Increase supply of suitable and well-located work spaces
 - Ensure supply of well-located (close to employment or transportation) affordable housing in order to support an engaged population and workforce.
 - Encourage more office and commercial space for small and medium businesses downtown
 - Allow higher density for industrial zoned land
 - As part of a community planning process it should be mandatory to include retail spaces that are a decent size to service the residential around it, particularly when you are increasing density.
 - All new or renovated residential buildings should have ground floor commercial
 - Expand zoning for schools
 - Encourage community-based services (bakers, butchers, grocers, restaurants)
 - Ensure adequate supply of commercial space enforcing new buildings to offer a more significant portion of commercial over residential units.
 - Support property owners to subdivide vacant space
 - Preserve major corridors for business locations and access for suppliers.
 - Business locations reserved near transit hubs for customer access.

- More mid-rise development around main transit routes
- Develop more office space clusters close to rapid transportation
- Allow more mixed use development
 - Ensure all mixed use development allow office space
 - Consider mixed use that combines residential and light industrial
 - Rezone south of 2nd avenue to mixed commercial and residential to match the growth in Olympic village while encouraging developers to accommodate wholesale businesses with street front access
 - Create new business parks with easy access to car
 - Mix retail throughout industrial and residential zones
- Allow for more flexibility and diversity in work space development
 - Increase diversity and flexibility of work spaces (and the zoning that enables it)
 - Encourage creation of more shared spaces
 - Build and zone for local businesses with small to moderate frontages.
 - Support the development of more flexible space (studios, performance and live-work spaces) for artists and makers
 - Loosen up the zoning policies in M and I zones to allow more office space for designers, creative businesses, etc. Not just for Tech companies which is what has been added to the zoning more recently.
 - Eliminate tiny retail spaces stuffed around ground floors of condo towers, suitable only for dollar pizza/nail salons.
 - Break down the rigid zoning regulations in place. There just isn't enough flexible use zoning. More I-3 zoning, for example, change all Rm-4 zoning to I-3.
 - Continue to develop mixed use spaces such as business centres and co-working spaces to accommodate the growing trend of consultants, freelancers, remote workers, etc. in the marketplace.
 - Exempt homes/apartments that have been purchased for the sole use of a business from the empty homes tax
- Make spaces for the Arts and Culture Sector
 - Secure affordable industrial space for arts and culture
 - Create a complex for artists to rent private studios with shared amenities like a wood shop, metal shop, photo lab, etc.
 - Industrial Art Use areas or zoning established.
 - More than live/work spaces but other type of light industry/art production spaces.
 - More available live/work zoned spaces not all located in the crosstown area.
- Make City processes faster and fairer
 - Improve the efficiency and transparency of development and business permitting processes
 - Streamline and shorten the approvals process for new construction of office and light industrial buildings
 - Make the permit and application process faster, and make sure answers from the inquiry line are correct

- Ensure information from City related to business is consistent, coherent and clear
- Set up an ombudsman or similar person in City Hall to review complaints of unfair leasing practice / gouging.
- Support small and local businesses
 - Support the construction/supply of subsidized incubator spaces, including cubicle spaces with support spaces like meeting rooms, etc. These need to be distributed into the West Side, e.g. deep into Point Grey.
 - Prioritization of local businesses which employ local workers over multinational corporations to ensure as much capital as possible is retained in the local economy.
 - Become more business friendly and supportive
 - Tax deduction or subsidize payroll for small businesses.
 - Foster a free and user-friendly platform/job site for workers and employers to connect together.
- Create an efficient transportation system for commutes and goods/services delivery
 - Encourage and provide funding for smaller vehicle parking (like stances to lock up bikes, or smaller parking areas for scooters and motorcycles).
 - Reduce congestion for commercial traffic
 - Allow trades to park in the city with a special permit
 - Remove traffic congestion barriers on key roadways like Granville and Oak street

4) Workers Survey Results

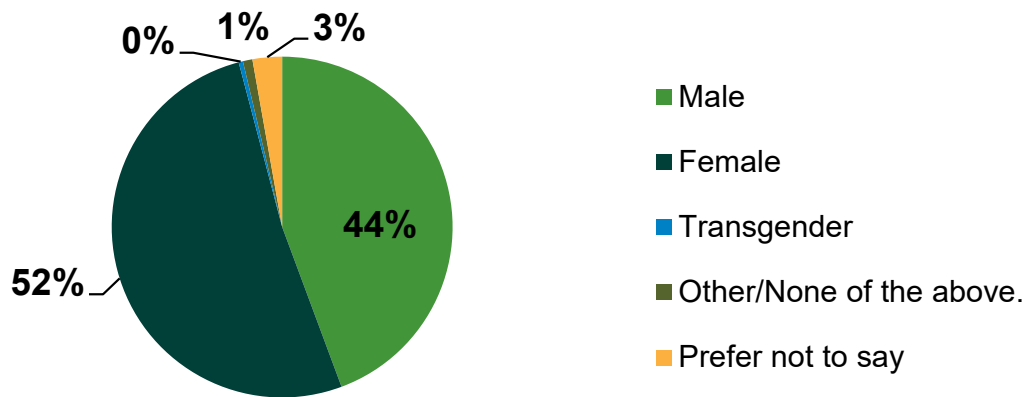
4.1) General Profile of Respondents

The Workers Survey was completed by 2,215 respondents.

a) What is your gender identification?

Number of responses = 2,215

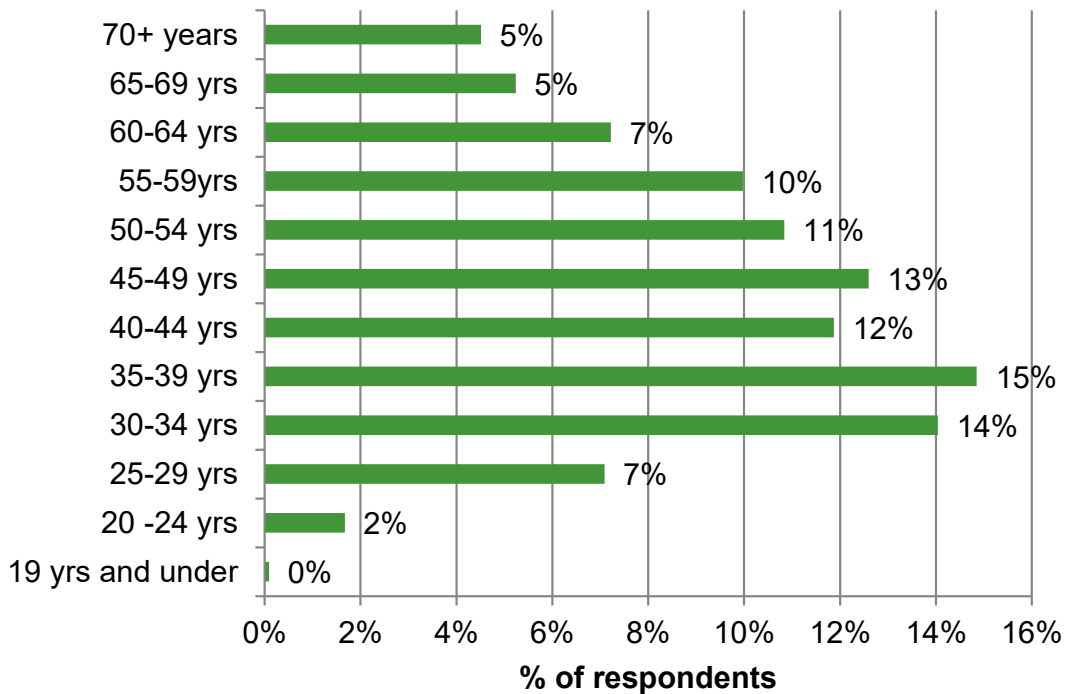
Figure 21: Respondent Gender Identification



a) What is your age?

Number of responses = 2,215

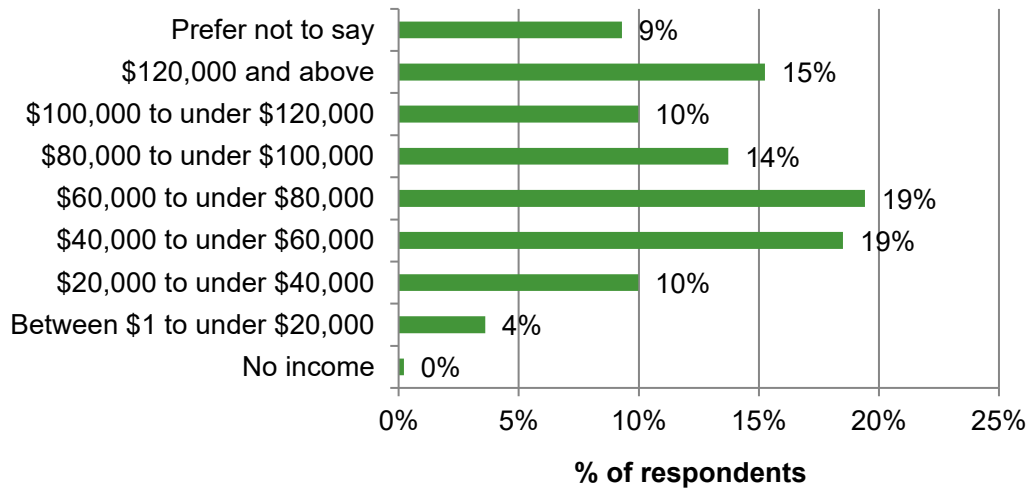
Figure 22: Respondent Age



a) What is your household income?

Number of responses = 2,215

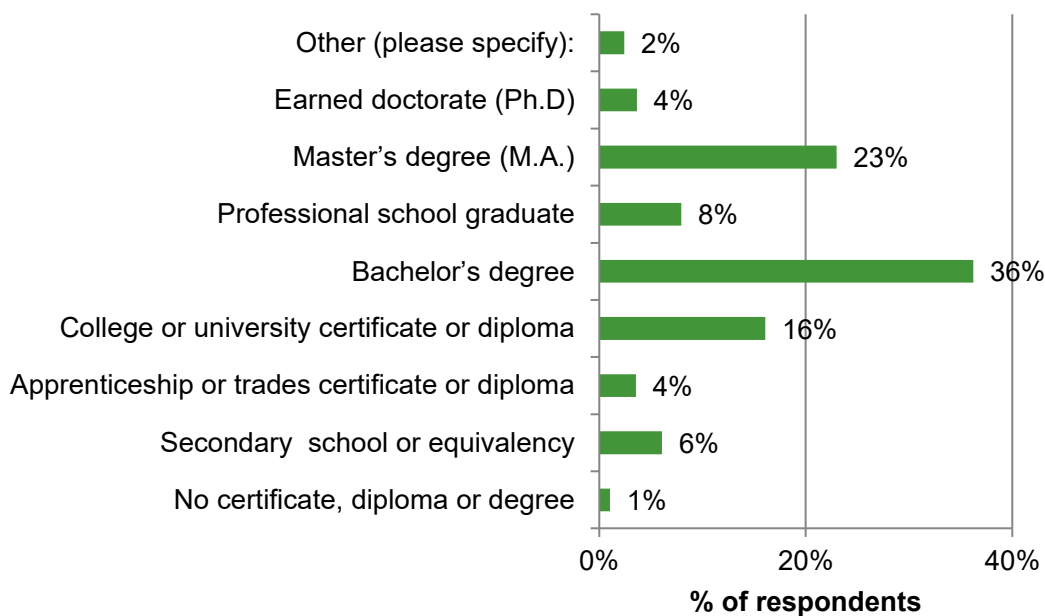
Figure 23: Respondent Household Income



a) Which of the following describes the highest level of education you've completed?

Number of responses = 2,215

Figure 24: Respondent Educational Attainment



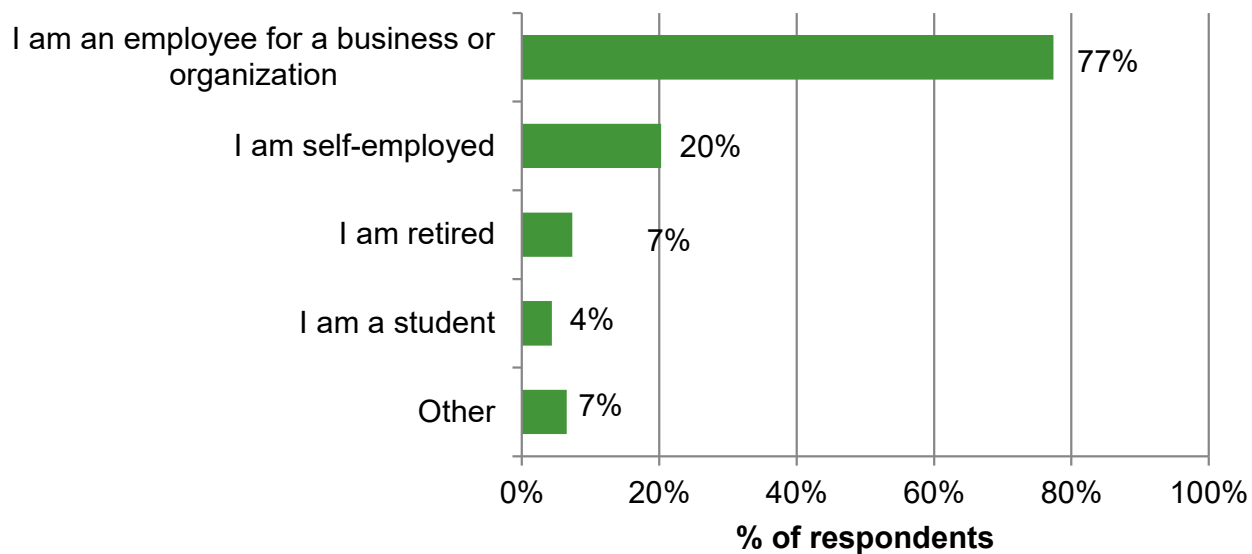
4.2) Employment Profile of Respondents

a) How are you involved in the work force?

Respondents were primarily employees of a business or organization (77%), with another 20% identifying as self-employed. “Other” includes people looking for work, not looking for work, stay at home parents, and people taking a break to fulfill other responsibilities.

Number of responses = 2,566 (respondents could choose multiple options; percentages calculated as share of 2,215 respondents)

Figure 25: Respondent workforce involvement

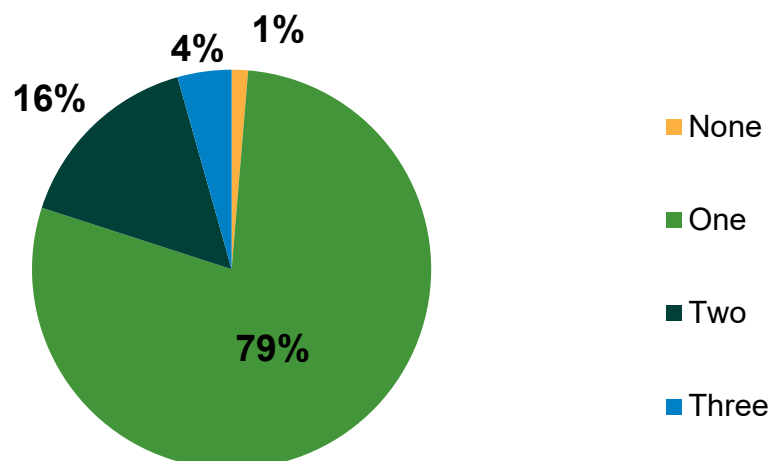


b) How many jobs do you currently have?

Nearly 80% of respondents identified as having one job. Another 20% have multiple jobs.

Number of respondents = 2,034

Figure 26: Number of jobs for each Respondents

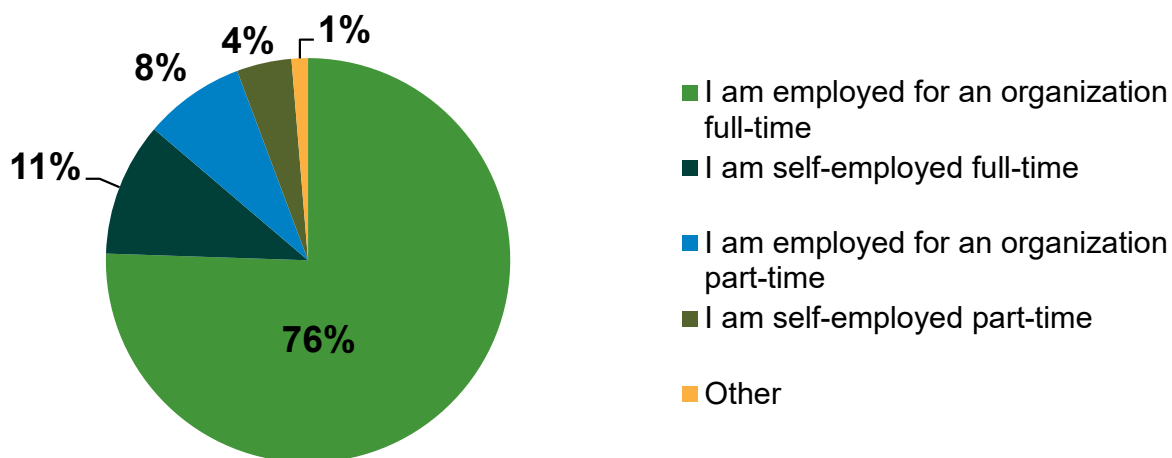


c) *Is this a full-time or part-time position?*

Most respondents (86%) work full time (working 30 hours or more per week) either as employees or self-employed. Just under 20% identified as part-time (working less than 30 hours per week).

Number of respondents = 1,983

Figure 27: Full-time/part-time Status

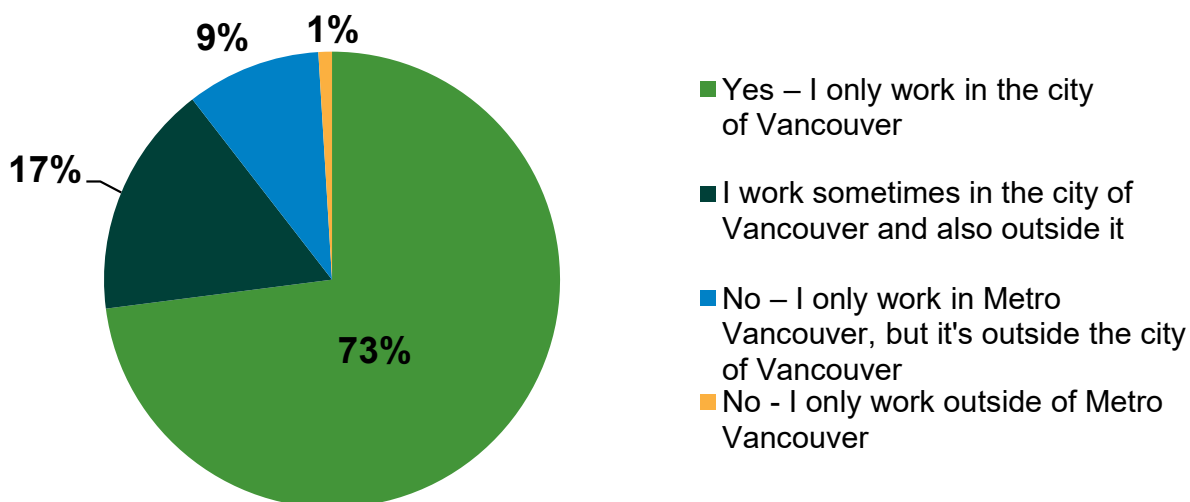


d) *Where is your primary job located?*

Almost three-quarters (73%) of respondents identified as working exclusively in the city of Vancouver, with another 17% indicating they work in Vancouver at least some of the time.

Number of respondents = 1,983

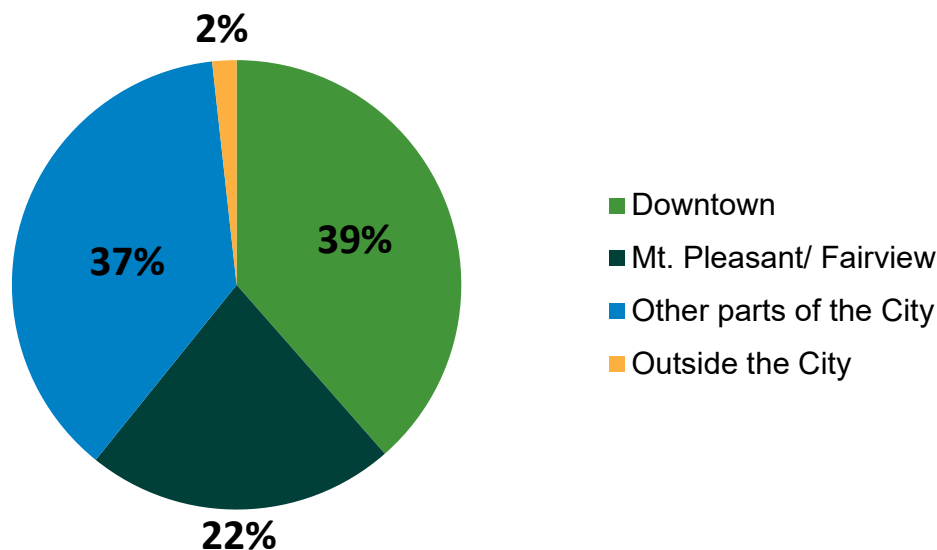
Figure 28: Location of Primary Job



e) What Vancouver neighbourhood do you spend most of your time working in?

Of the 1,775 that identified as working at least some of the time in the city of Vancouver, 39% of respondents (684) say they spend most of their time working downtown, and another 22% (395) work in the Mt. Pleasant and Fairview areas.

Number of respondents = 1,775

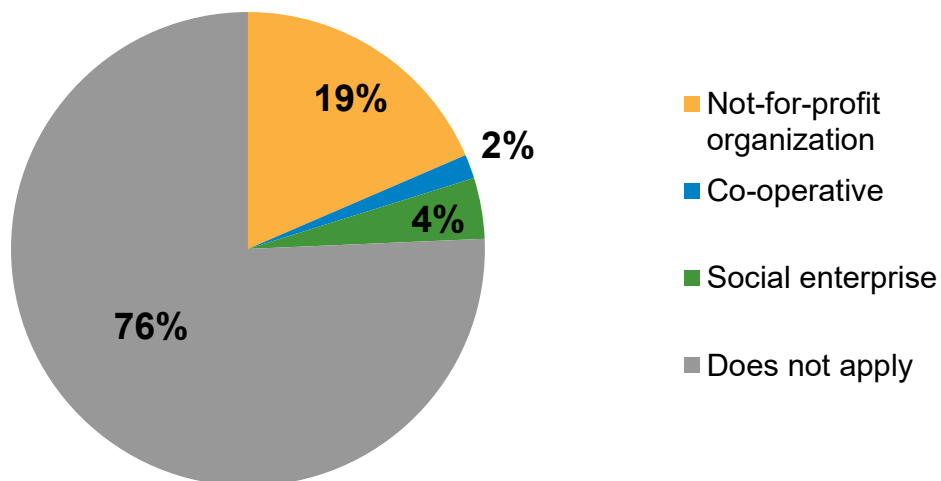


f) Is this job at a not-for-profit organization, a co-operative or a social enterprise (Primary or Secondary job)?

Roughly 19% (441) of jobs associated with respondents are in of a not-for-profit organization, and another 6% (138) are in a co-operative or social enterprise.

Number of respondents = 1,983 (Primary job); 398 (Secondary job)

Figure 29: Work in not-for-profit, co-op, or social enterprise

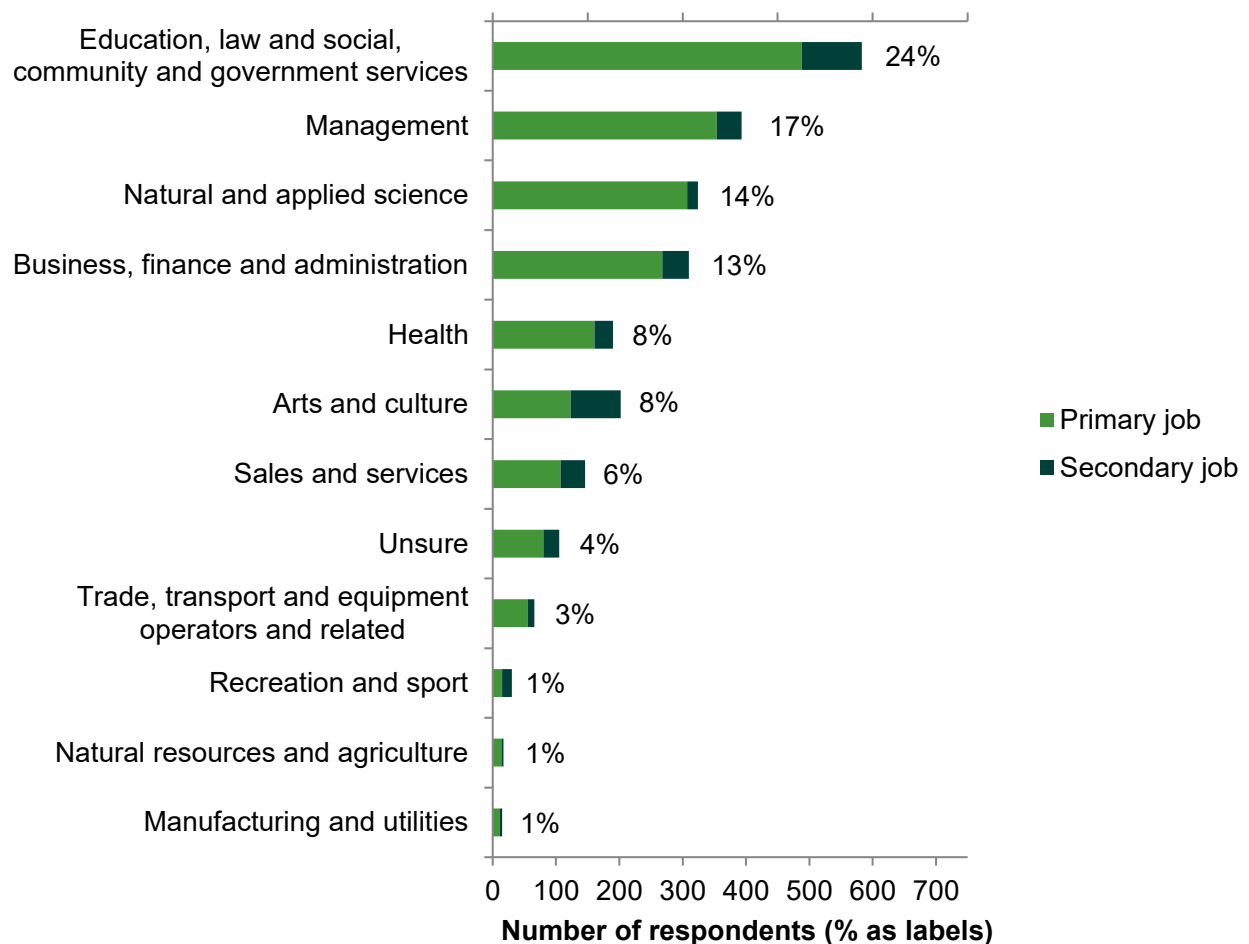


g) Which occupation best describes your (i.e. your roles, responsibilities and duties in this job)?

Approximately 68% of jobs associated with respondents involve roles related to one of four occupations: 'education, law and social, community and government services' (24%), 'management positions' (17%), 'natural and applied science' (14%), and 'business, finance and administration' (13%).

Number of respondents = 1,983 (Primary job); 398 (Secondary job)

Figure 30: Respondent Occupations (Primary and Secondary Jobs)

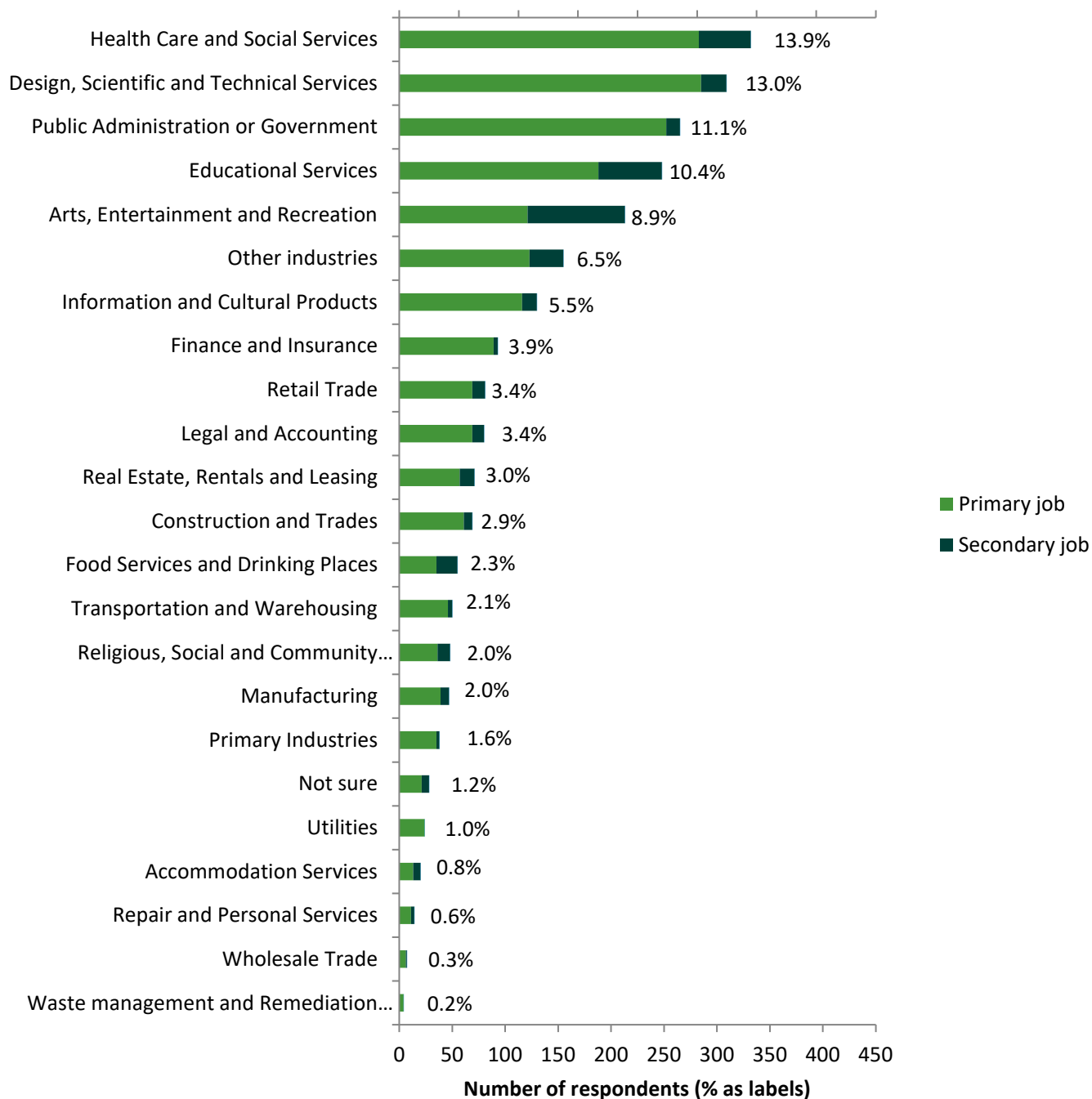


h) Which best describes the industry your job is in?

Roughly 50% of respondents identified as working in one of four sectors: 'design, scientific and technical services' (14%), 'health care and social services' (14%), public administration or government' (13%), and 'educational services' (9%).

Number of respondents = 1,983 (Primary job); 398 (Secondary job)

Figure 31: Respondents Sectors (Primary and Secondary Jobs)



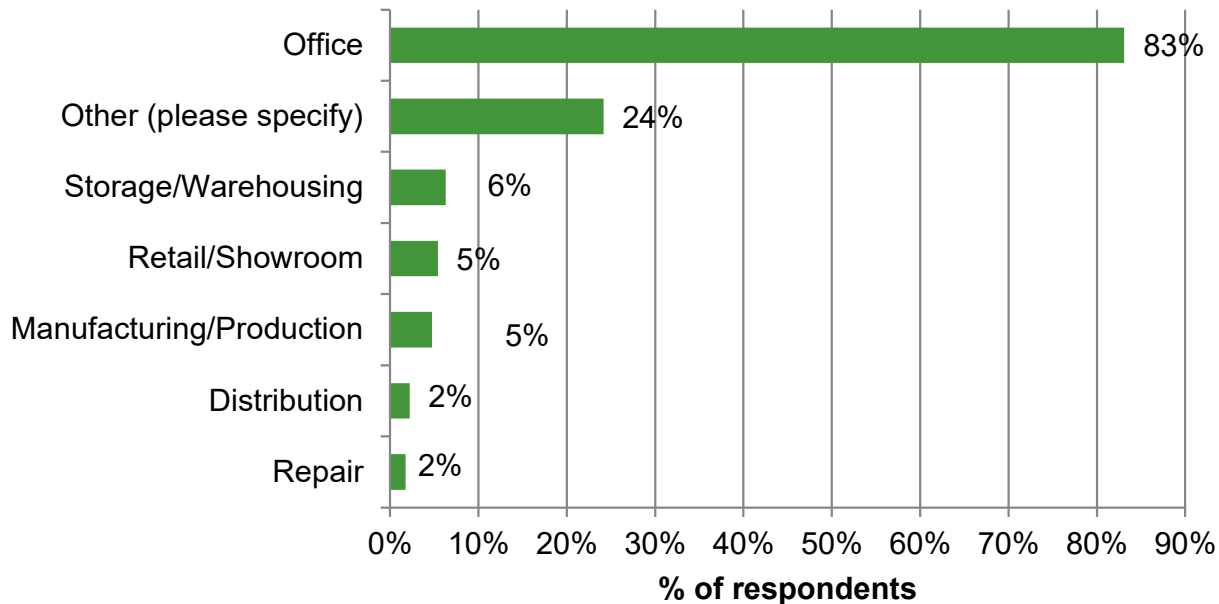
4.3) Work Space

a) Which best describes the kind of work space your primary job is in?

Most respondents (83%) work in an office, with roughly 15% working in a space of a more industrial nature, and 5% in a retail space.

Number of respondents = 1,983

Figure 32: Workspace Type



b) Sufficiency of workspace

Of the 1,983 that responded, 32% (641) said there was not enough space at their primary workplace to accommodate all the activities there. When asked why, the following themes emerged:

- **Causes**
 - Company growth (18% of comments) and the high cost of workspaces (17%) were the two most dominantly cited causes of a lack of space.
 - Roughly 7% of comments indicated limitations to the existing building (e.g., an old building that limited adaptation and renovations), and 5% of comments indicated that there was a lack of supply of space, or suitable spaces weren't available
- **Specific shortages**
 - The most commonly identified workspace shortage were workstations (offices, desks, etc.) with 18% of comments, followed by meeting rooms or flex spaces (15%) and storage (13%).
 - Workplace amenity spaces (e.g., lunchrooms, kitchens, showers, change rooms) were mentioned by 6% of respondents, and workshops/productions spaces were mentioned as lacking by 3%.

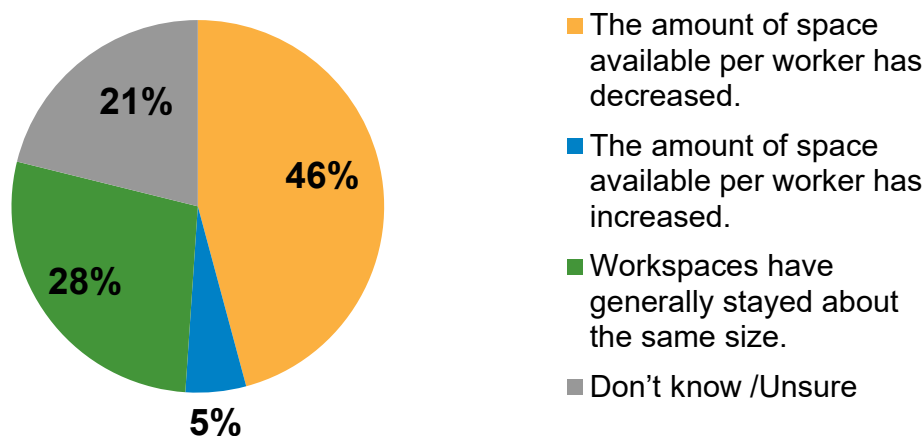
- About 10% of comments cited sector specific space shortages, such as performance space and studios, classrooms, examinations rooms, and hospital rooms/beds.
- **Implications of shortages**
 - Crowding (10% of comments) and privacy (4%) were the most common challenges associated with space shortage.

c) In general, has the size of workspaces per worker changed in your industry?

Nearly half (46%) of respondents indicated that the amount of workspace per worker has decreased.

Number of respondents = 1,637

Figure 33: Change in workspace size



When asked why there was a change in the amount of space per worker, respondents indicated the following:

Decrease in the amount of workspace per worker

- 28% of respondents identified the affordability/cost of workspace as contributing to the decrease in space
- 16% indicated that company growth or an increase in hiring contributed to the lack of space, many commenting that this is related to the challenge of finding new or affordable space as the company grows.
- New approaches to organizing or allocating space was mentioned by 14% of respondents, most discussing a move to open office concepts as a means to maximize worker density within a workspace. Additionally, “hot-desking” (i.e., unassigned desks) and remote work options were frequently mentioned as a response to the space challenge.

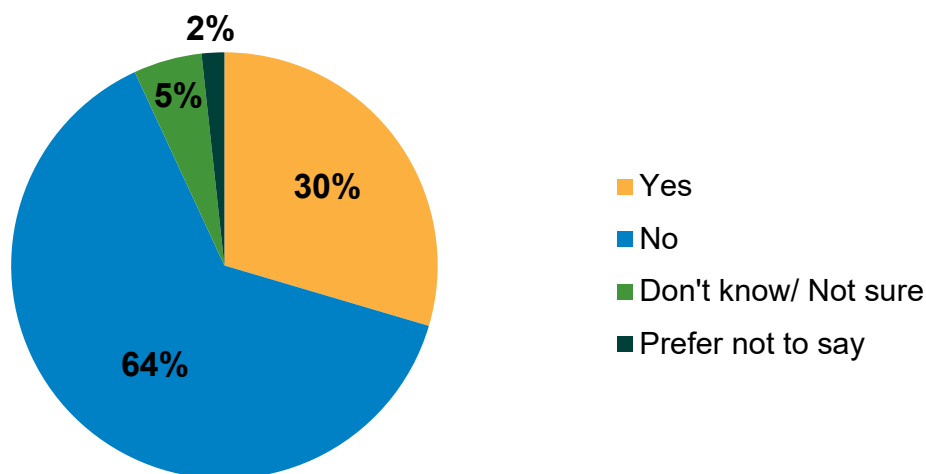
4.4) Employment Satisfaction

a) *Do you think your individual income (not household) is enough to afford the cost of living in Vancouver?*

64% of respondents felt their income was not enough to afford the cost of living; 30% said it was.

Number of respondents = 2,215

Figure 34: Sufficiency of Salary/Wages



Respondents were asked open ended questions about what they liked and didn't like about working in Vancouver. Themes are summarized below.

a) *What do you like about working in Vancouver? What are the biggest opportunities available in Vancouver?*

- Respondents liked the conveniences afforded by the compact urban fabric of Vancouver (24% of 1535 people who commented), including walkability, bikeability, short commutes, and easy access to amenities.
- Roughly 20% of people liked Vancouver for the job and/or business opportunities, either in specific industries, or overall (e.g., multiple potential employers or good access to customers).
- Whether or not they mentioned the compact form of development, accessibility and mobility was very commonly cited, with roughly 15% commenting on the quality of transit, 14% of commenting on walkability, and 10% commenting on bikeability in the city. A short or easy commute was mentioned by 12% of people.
- Access to amenities (e.g., shops, medical services) was cited by 15% of respondents, and the diversity, quality, and accessibility of food options was cited by 13%.
- Factors of the surrounding environment that contributed to quality of life were also commonly cited, including the beauty of the scenery (10%), access to nature or the outdoors (7%), access to green space, parks, and recreational amenities (5%), and generally mild climate (5%).

b) What don't you like about working in Vancouver? What are some of the biggest challenges when it comes to work in the city?

- Affordability was the dominant issue among the 1504 respondents that commented, with 29% citing housing affordability specifically, and 24% speaking of the cost of living more generally.
- Transportation issues also figured heavily into the comments, with 22% identifying different issues with traffic (congestion, noise, delays, safety), 20% of comments citing frustrations with transit (e.g., service levels, convenience, or comfort), 15% about the commute in general, and 12% about parking (availability or cost). While most comments about traffic and congestion were related to commute, a number discussed the challenge for circulation throughout the day by goods and services providers trying to access different parts of the city. Some indicated that the cost of congestion in this regard stressed viability of their businesses.
- Low wages were mentioned by 15% of respondents, often directly connected to the affordability challenge. Many linked the issues of affordability, wages, and commute times, indicating that the option was to live in unaffordable or poor housing conditions, or endure a long commute. This linked issue was typically at the heart of challenges with hiring or retaining workers (3%).
- About 7% identified the cost of work space, and 4% identified property taxes as part of the challenge. Availability of workspaces were also a concern (4%).
- Street conditions and social problems were also regularly cited, with approximately 6% of people mentioning the issues of homelessness, inequality, drug use as a source of irritation or concern. Additionally, 5% of respondents mentioned noise, business, crowding or construction in city streets, 2% mentioned concerns around safety and crime, and 2% on street cleanliness.

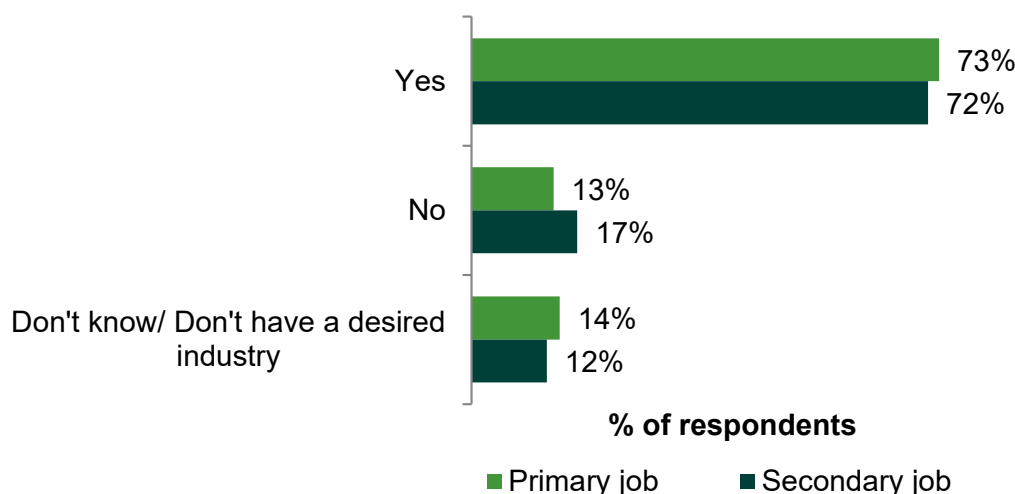
4.5) Work in Desired Field

a) *Is this job in your desired industry?*

More than 70% of respondents said their job (primary or secondary) is in their desired industry.

Number of respondents = 1,983 (Primary job); 398 (Secondary job)

Figure 35: Working in Desired Industry

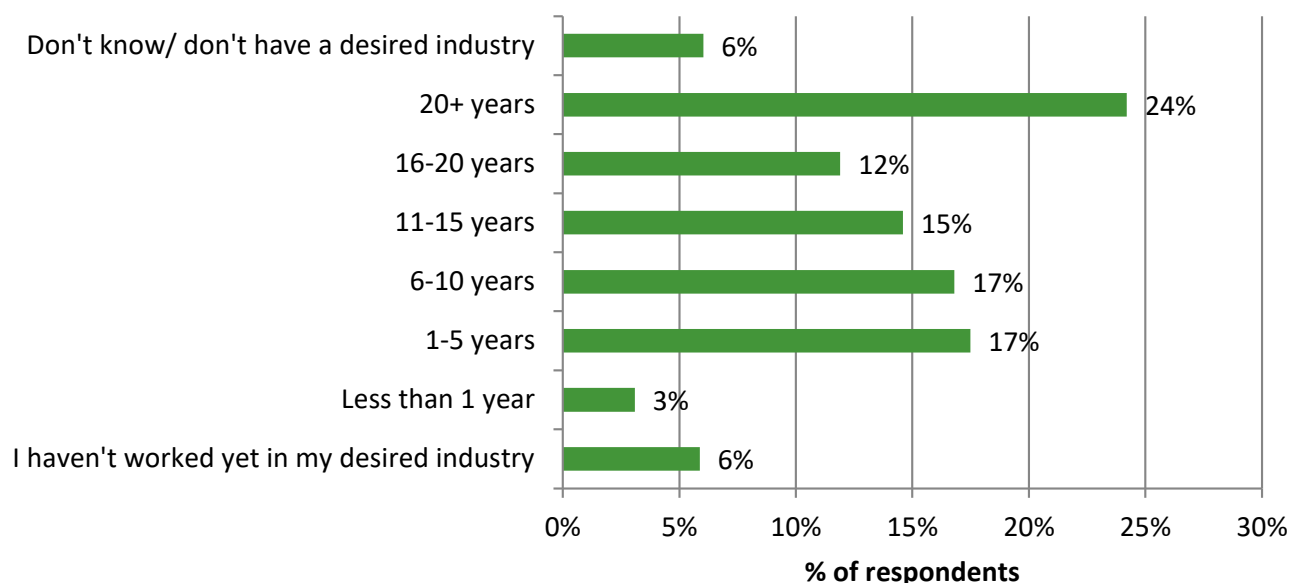


b) *How many years have you spent working in your desired industry?*

Roughly 40% of respondents have been in their desired industry for more than ten years.

Number of respondents = 2,041

Figure 36: Years in Desired Industry



c) Which of these BEST describes your desired industry for work?

At 19% of responses, the 'Arts, Entertainment and Recreation' industry was the most desired sector to work in by the 263 respondents who indicated they weren't working in their industry of choice.

Number of respondents = 263

Figure 37: Desired Industry of work versus Actual Industry

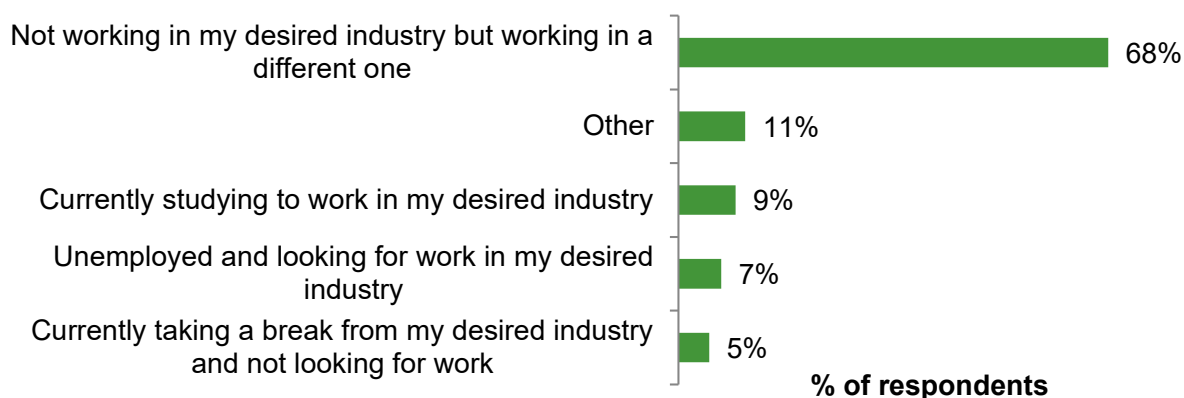
	Desired Industry
Arts, Entertainment and Recreation	19%
Design, Scientific and Technical Services	14%
Health Care and Social Services	11%
Other industries	10%
Public Administration or Government	7%
Educational Services	7%
Information and Cultural Products	6%
Not sure	6%
Finance and Insurance	5%
Food Services and Drinking Places	2%
Religious, Social and Community Organizations	2%
Real Estate, Rentals and Leasing	2%
Legal and Accounting	2%
Primary Industries	2%
Transportation and Warehousing	2%
Construction and Trades	1%
Manufacturing	1%
Retail Trade	1%
Wholesale Trade	1%
Accommodation Services	0%
Repair and Personal Services	0%
Utilities	0%
Waste management and Remediation Services	0%

d) Which status applies to you?

Of the respondents not working in their desired industry, 68% are actively looking for work in another industry.

Number of respondents = 263

Figure 38: Status outside of Desired Industry



The most common answers from those that replied other is that they are retired or about to retire, need to work multiple jobs or whichever job pays expenses, or are happy with the sector but not the specific job.

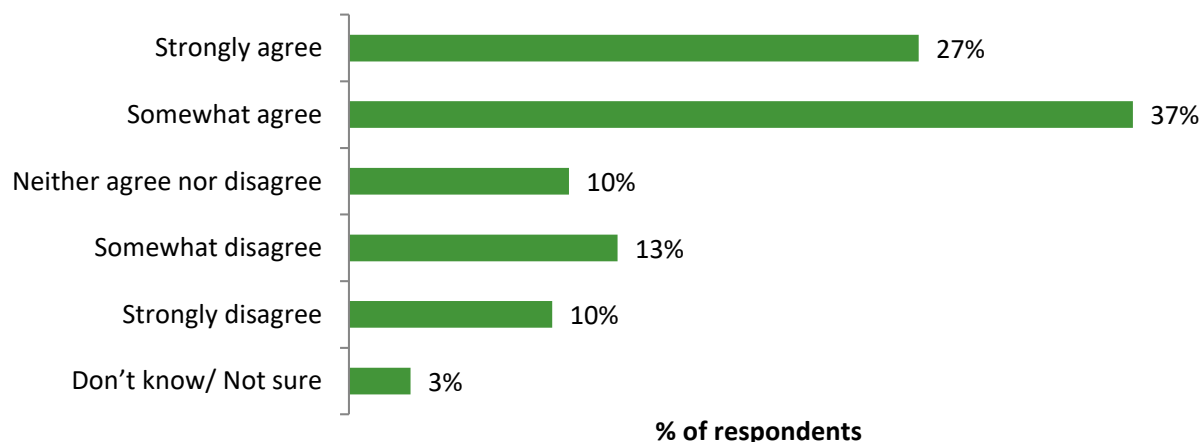
4.6) Assessment of Prospects and Change

a) In Vancouver there are regularly job opportunities in the industry I want to work.

Approximately 65% of respondents agree that there are regular job opportunities in their desired industry. Almost a quarter (23%) disagreed.

Number of respondents = 1,742

Figure 39: Job Opportunities in Desired Sector

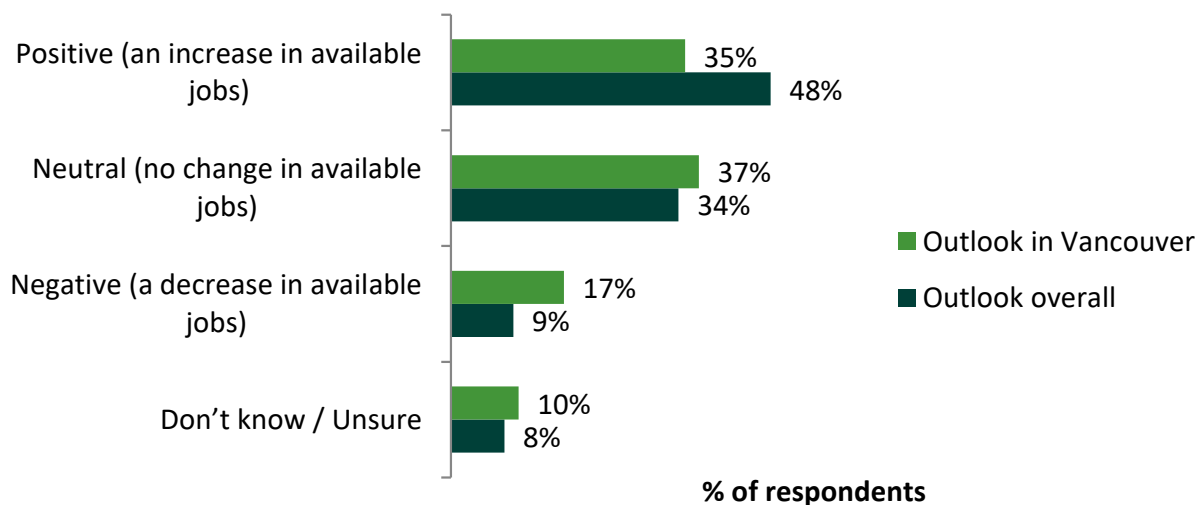


b) What's the outlook for the job market in your desired industry?

Approximately 65% of respondents agree that there are regular job opportunities in their desired industry. Almost a quarter (23%) disagreed.

Number of respondents = 1,742

Figure 40: Job prospects in desired sectors



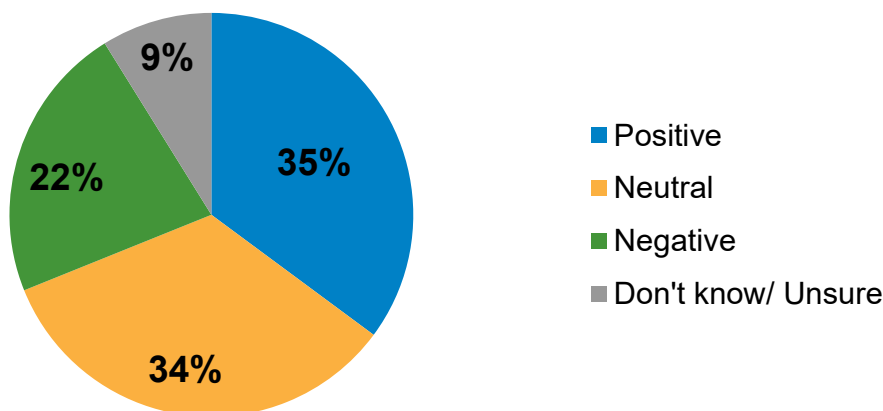
c) Are their changes to the nature of work in your industry and are they negative or positive?

Of the 1,742 respondents who answered, 58% said there was change happening, 26% said there wasn't change happening, and 16% wasn't sure.

Of those that said change was happening, 35% said the change was positive and 22% said it was negative. Over 40% said it was neutral or were not sure.

Number of respondents = 1,016

Figure 41: Assessment of Change to Industry



People were asked to explain more about the nature and implications of these changes to their sectors. Here are the most common topics discussed:

Positive Change

- Almost half (49%) of respondents indicated that technology was changing the nature of their work.
 - Of these, more than 80% discussed how technology was allowing for new products and services to be offered.
 - Nearly three-quarters discussed the efficiency gains from technological advancements. Some indicated this efficiency came from labour reductions, while others pointed to how technology opened up new jobs, new skills to be learned, or freed people to work on more interesting (less tedious) work.
- Nearly one quarter (23%) discussed changing market conditions of one kind or another. Most of these were talking about general positive growth in their sectors, though several identified new government funding and grants as part of improved conditions, population growth or demographic shifts (e.g. for health care), and the increase in green or ecologically sustainable sensibilities.

Negative Change

- New government priorities or directions were cited by 16% of respondents, including municipal level (permit and licence processing, fees, property taxes) and provincial or federal level (e.g., end of tax breaks, environmental assessment process, legislation around labour standards).
- Technology change was mentioned by 14% of respondents, with many indicating it resulted in major changes to their industry resulting in job losses or increased demand to re-train and develop new skills.
- Job quality was also frequently discussed, with 15% discussing low wages and 7% commenting on shifts towards more part-time and precarious work (e.g., contract-based).
- Approximately 11% of respondents discussed changes to management or organizational approaches were negatively impacting their industry, including, hiring new and lower paid workers, using more part-time or contract labour, or increasing pressure to accomplish more work with the same amount of resources. Increased use of outsourcing was specifically mentioned by 9% of respondents.

APPENDIX B – Memo to Mayor and Council

MEMORANDUM

April 29, 2019

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Katrina Leckovic, City Clerk
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Chris Robertson, Assistant Director, City-Wide & Regional Planning
Matthew Bourke, Senior Planner, City-Wide & Regional Planning

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Employment Lands and Economy Review – Project Overview and Key
Economic Characteristics Fact Sheets

Purpose

This memo provides an overview of the Employment Lands and Economy Review (the Review) and recently developed fact sheets regarding the city's economic and employment structure.

Employment Lands and Economy Review – Project Overview

Vancouver has a limited supply of commercial and industrial land. Today, it is estimated that approximately half of all the jobs in Vancouver are located on just 10% of the city's land base. As the population continues to grow, the economy will need to keep pace. The Planning, Urban Design and Sustainability Department is undertaking a robust program of research, data analysis, stakeholder consultation and scenario planning to develop a land use policy plan that ensures there is an adequate supply of job space across the city to support the future growth of the economy. Consultation to date has included a survey of Vancouver businesses (684 responses), a survey of Vancouver's workers (2,215 responses), interviews with key actors in Vancouver's economy, meetings with interested stakeholder groups and workshop style meetings with the External Advisory Group for the project.

The Employment Lands and Economy Review was launched publically in late 2018 and will be completed by Spring 2020. The timing of the Review is aligned with Metro Vancouver's Regional Industrial Lands Strategy project and the Long Range Scenarios Project that is being

co-led by Metro Vancouver and TransLink. The Review provides foundational research for the upcoming City-Wide Plan process. Staff will provide Council with a briefing on scope of work for the review and the findings so far in the summer of 2019. More information about the scope and timing of the review is available on the project website: www.vancouver.ca/employment-lands

Fact Sheets

A key component of the Review is the research, analysis and development of fact sheets to ensure that staff, Mayor and Council, key stakeholders and the general public have access to easily understandable information about Vancouver's economy throughout the policy development process. A comprehensive series of fact sheets are published on the project website at vancouver.ca/employment-lands. A summary fact sheet has also been prepared that provides an overview of key economic statistics for the city and region (see Appendix A). The following fact sheets have been published on the project website or are currently in progress:

Economic Structure Fact Sheets

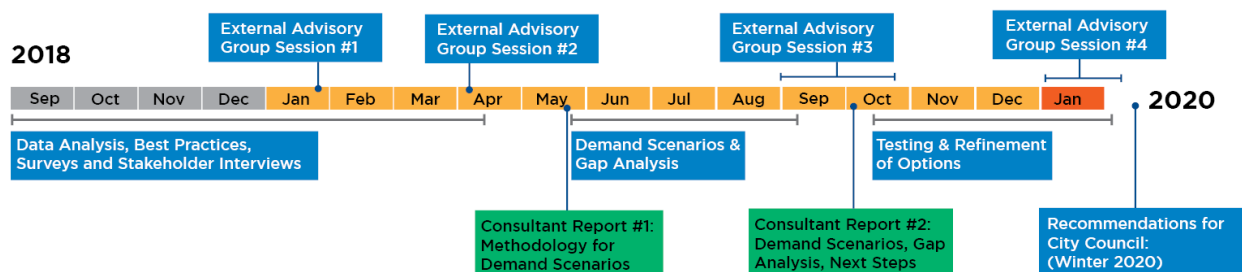
- Employment characteristics of Vancouver
- Vancouver's role in the region
- Business size in Vancouver
- Vancouver's role, from Provincial to International
- Gross Domestic Product (in progress)
- Work from Home (in progress)

Economic Sectors Fact Sheets

- Accommodation and food services
- Administrative support and waste management and remediation
- Arts, entertainment, and recreation
- Construction
- Educational services
- Finance and insurance
- Health care and social assistance
- Information and cultural industries
- Manufacturing
- Other services
- Professional, scientific, and technical services
- Public administration
- Real estate rental and leasing
- Retail trade
- Wholesale trade
- Non-profit (in progress)

Review Timing and Next Steps

Upcoming key dates for the Employment Lands & Economy Review:

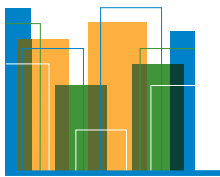


If you have any questions, please contact me or Chris Robertson, Assistant Director for City-Wide & Regional Planning, at 604-873-7684 or chris.robertson@vancouver.ca.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line extending to the right.

Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability
604.873.7456 | gil.kelley@vancouver.ca

Appendix A



Summary Fact Sheet

Key Economic Characteristics of Vancouver

Purpose

This fact sheet provides a high level overview of Vancouver's Economy. The fact sheet was prepared in support of the City of Vancouver's Employment Lands and Economy Review.

Information about the Review and additional fact sheets about the local and regional economy are available on the City's website: <http://vancouver.ca/employment-lands>.

Contents

1. Trends that have Shaped the Current Economy
2. Current Economic Conditions
3. Development Pipeline and Near Term Growth Projections

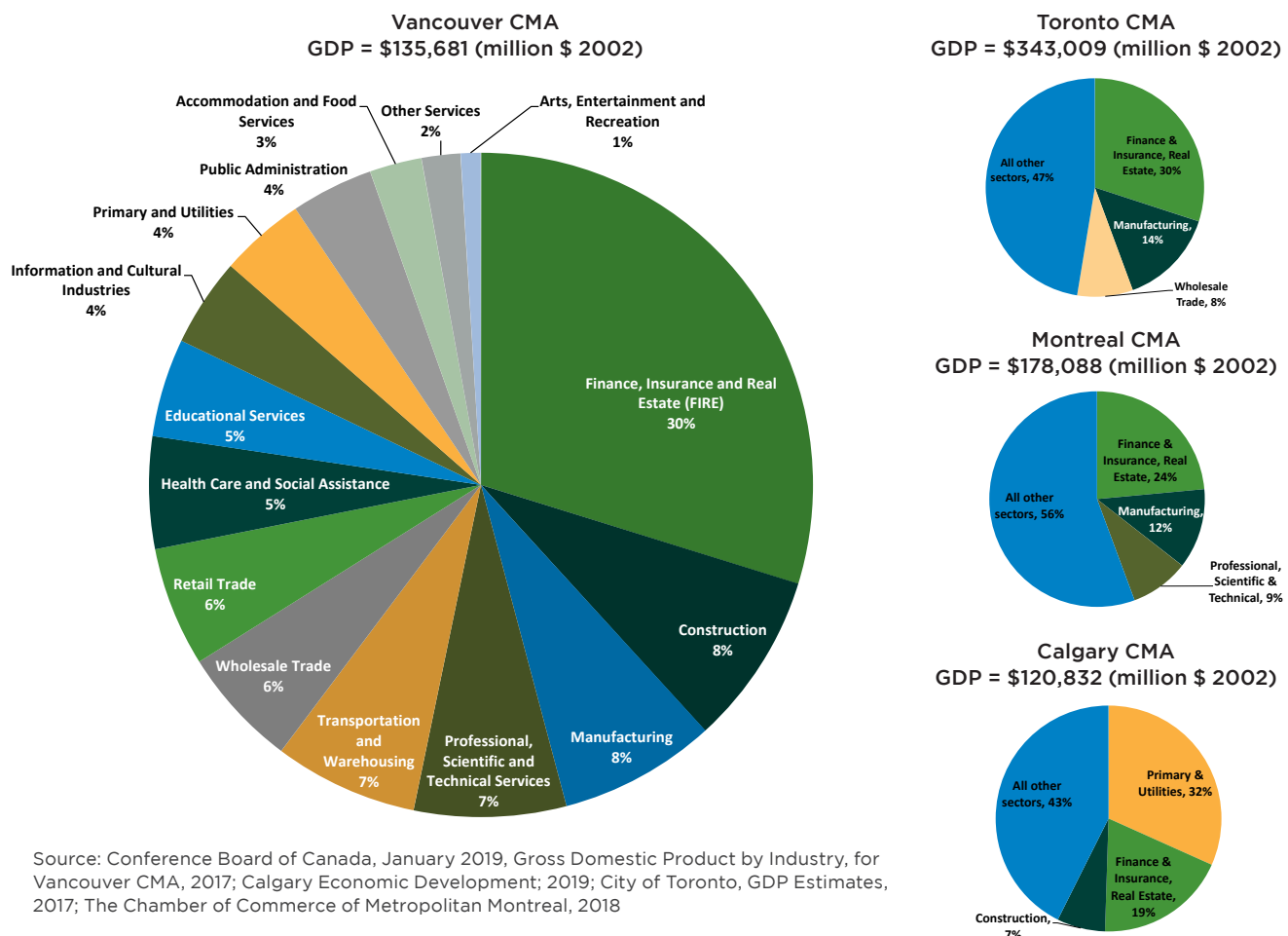
Trends that have Shaped the Current Economy

Vancouver's Economy is Growing

The GDP of the Metro Vancouver Region has grown by 150% over the past 30 years. In 2017, Metro Vancouver's GDP was \$135,681 million, which was the third largest of all metropolitan regions in Canada.

Between 2013 - 2017, Metro Vancouver experienced an average annual GDP growth rate of 3.9%, which was the highest of all regions in Canada. Like other growing major cities in Canada, the GDP of Metro Vancouver is highly influenced by the finance, insurance and real estate sectors (Figure 1).

FIGURE 1. GDP BY SECTOR IN METRO VANCOUVER COMPARED TO OTHER MAJOR METRO REGIONS IN CANADA, 2017



Population and Jobs are Growing in the City of Vancouver

As the central city in the region, the city of Vancouver has experienced strong population and job growth in recent years. Over the past 10 years, the increase in number of jobs has matched the increase in number of residents (i.e. for each new resident the city added one additional job).

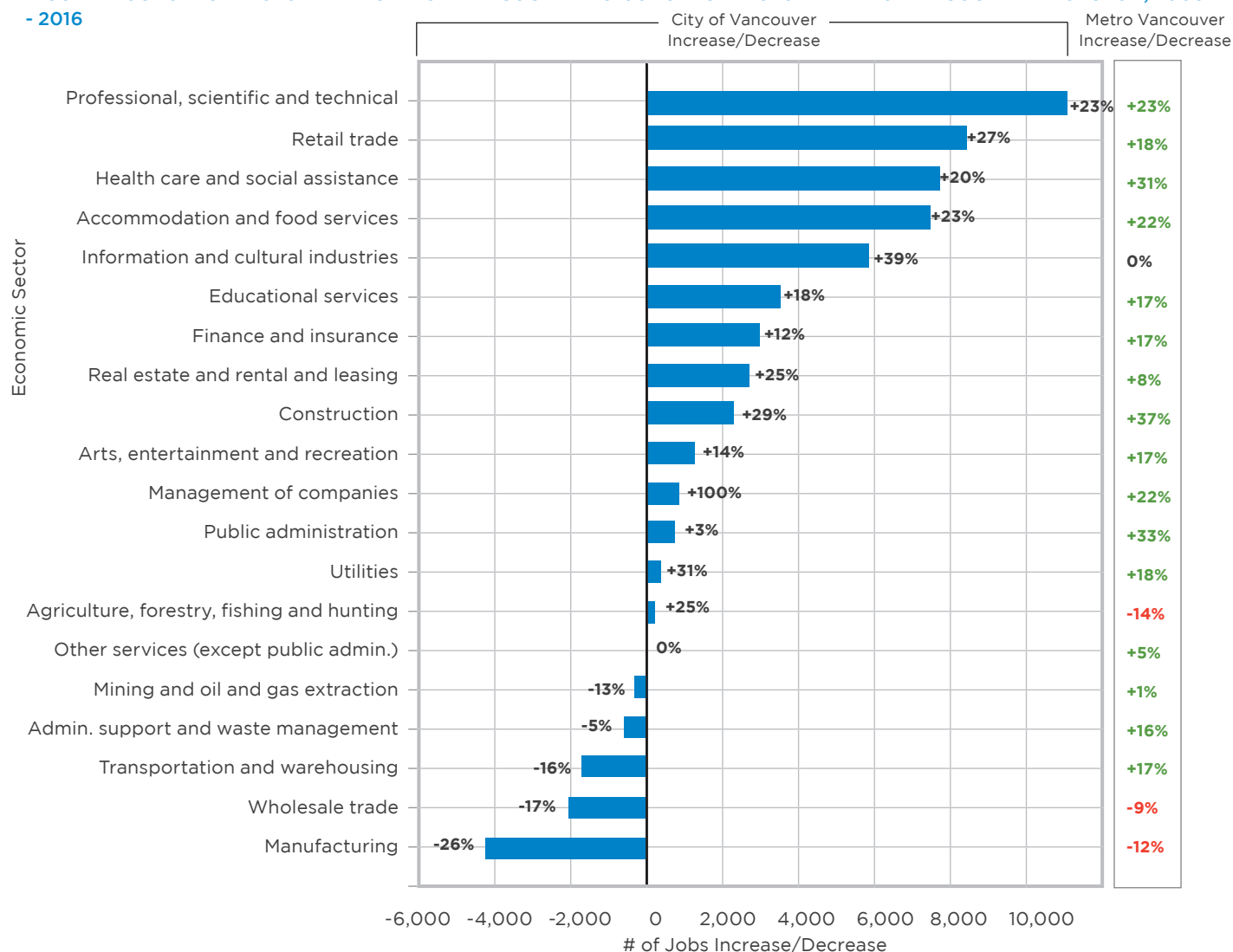
- Population in the city grew by about 53,500 people (+9.2%) between 2006 and 2016.
- Jobs in the city grew by 53,000 (+14.2%) since 2006.

Job growth in Vancouver over the past 10 years has been driven by professional, scientific and technical services and retail trade (Figure 2).

Compared to the Metro Vancouver region overall:

- Wholesale trade and manufacturing jobs have decreased in both the city of Vancouver and the Metro Vancouver region.
- Transportation and warehousing jobs have decreased in the city and increased in the region.
- Information and cultural industries jobs (e.g. telecommunications, video game publishing, film production) have grown by 39% in the city, but have not grown in the region.

FIGURE 2. JOBS INCREASES IN THE CITY OF VANCOUVER VS. JOBS INCREASES IN METRO VANCOUVER BY SECTOR, 2006 - 2016



Source: Statistics Canada 2006 & 2016 Census: Jobs by NAICS (2 digit). Note: this data does not include jobs "with no fixed workplace address".

Current Economic Conditions

Vancouver has Jobs in a Diverse Range of Sectors

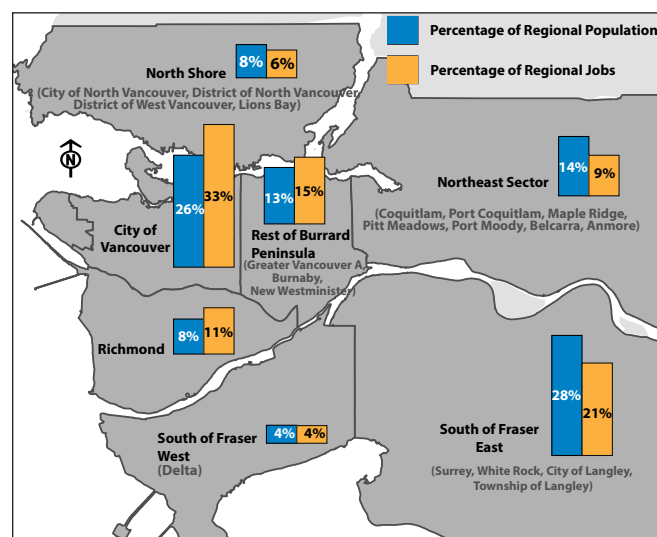
There are about 427,000 jobs in the city of Vancouver - approximately 50,000 of these jobs do not have a fixed workplace address. The largest sector in Vancouver is professional, scientific and technical services, accounting for almost 16% of all jobs in the city (Table 1).

Vancouver is the Largest Job Centre in the Region

Compared to the Metro Vancouver region:

- Vancouver is by far the largest job centre in the region with 33% of regional jobs and 26% of the regional population (Figure 3).
- Vancouver has a higher share of regional jobs in information and cultural industries and a lower share of regional jobs in manufacturing (Figure 4 on next page).

FIGURE 3. PERCENTAGE OF POPULATION AND JOBS BY SUB-REGION ACROSS METRO VANCOUVER



Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit).
Note that this data does not include jobs "with no fixed workplace address"

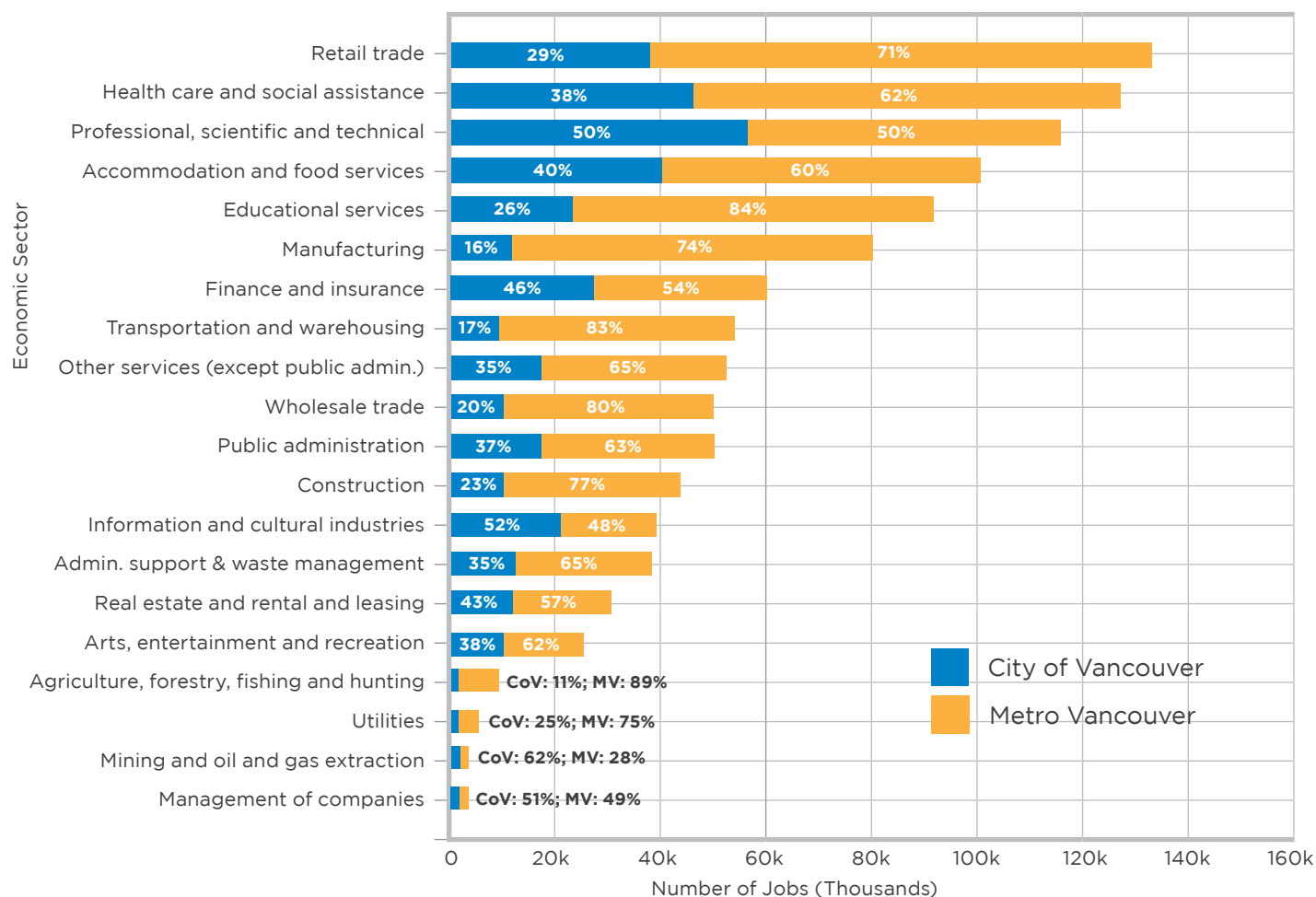
TABLE 1. JOBS IN VANCOUVER BY EMPLOYMENT SECTOR

EMPLOYMENT SECTOR	# OF JOBS	% OF JOBS
Professional, scientific and technical services	58,740	15.6%
Health care & social assistance	47,085	12.5%
Accommodation and food	40,360	10.7%
Retail trade	39,525	10.5%
Finance and insurance	27,660	7.3%
Educational services	22,530	6.0%
Information and cultural	20,640	5.5%
Other services (except public administration)	18,405	4.9%
Public administration	18,395	4.9%
Administrative support and waste management	13,295	3.5%
Real estate, rental + leasing	12,980	3.4%
Manufacturing	12,460	3.3%
Wholesale trade	10,220	2.7%
Construction	9,870	2.6%
Arts, entertainment and recreation	9,680	2.6%
Transportation & warehousing	9,105	2.4%
Primary Resource Extraction	3,015	0.8%
Utilities	1,545	0.4%
Management of companies	1,520	0.4%
Total Jobs*	377,015	100%

*Does not include "jobs with no fixed workplace address"

Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit).

FIGURE 4. DISTRIBUTION OF JOBS BETWEEN THE CITY OF VANCOUVER AND THE METRO VANCOUVER REGION BY SECTOR



Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit). Note that this data does not include jobs "with no fixed workplace address".

Development Pipeline and Near Term Growth Projections

There is a Significant Amount of Housing and Job Space in the Development Pipeline in Vancouver

In terms of projects under construction today, as of Q1 2019, the City had:

- Over 4.1M square feet of job space under construction (space for ~18,700 jobs)
- Nearly 14M square feet of residential space under construction (space for ~25,400 residents).

Demand for Office Space is High in the Central City of Vancouver

The Q4 2018 Colliers Vancouver Office Market Report found that:

- The office vacancy rate was 3.4% in downtown Vancouver compared to 5.0% in the Metro Region overall.
- 77% of office floor space under construction in the region today is located within the city of Vancouver.

A recent report from Metro Vancouver notes that office growth in the city is being driven by tech companies that want to be located in the core in order to attract and retain talented employees.

APPENDIX C – Hemson-Vancouver Gap Analysis

30 St. Patrick Street, Suite 1000, Toronto, Ontario, Canada M5T 3A3
Facsimile (416) 595-7144 Telephone (416) 593-5090
e-mail: hemson@hemson.com

MEMORANDUM

To: Matthew Bourke, City of Vancouver

From: Russell Mathew, Hemson Consulting Ltd.

Date: November 13, 2019

Re: Employment Lands and Economy Review – Forecast and Gap Analysis Update

In support of the City of Vancouver's development of a long-range policy plan for employment lands and built space under the *Employment Lands & Economy Review*, Hemson Consulting Ltd. has prepared a range of employment forecast scenarios. These forecasts are designed to provide a broad outlook for how Vancouver's economic future could look in 2051, while also understanding the resulting demand for employment land and built space. The primary purpose of this work is as an input to the City's long-term plan and its development policies to identify areas policy changes may be warranted if the City wants to accommodate the physical growth and development associated with employment growth over next 30 years.

Concurrent to the preparation of these forecasts, City staff modelled Vancouver's non-residential development capacity under current land use policies and market conditions. This development capacity model serves as a supply-side counterpart to the forecast scenarios' demand for space, providing a means to assess the city's potential to accommodate future opportunities for employment and economic growth by identifying the gaps between the supply and demand outlooks. This gap analysis will enable the City to evaluate its current land use policies against a range of possible futures, and will provide guidance for developing robust and resilient policy responses where necessary.

This memorandum serves to summarize the findings of the forecast and gap analysis. It includes a high-level overview of Hemson’s approach to forecasting employment and space demand across key land use categories, a discussion of how certain economic activities and sectors fit within this framework, the assumptions that informed each forecast scenario, and a breakdown of how the different components of the development capacity model align with the forecast for demand. The memorandum concludes with the presentation of the key gaps between the demand of space and the potential supply of space to accommodate employment that have been identified through the analysis, and the potential future implications for different components of Vancouver’s economy.

A more detailed breakdown of the technical components of the forecast and capacity modeling work will be provided in a forthcoming Gap Analysis Technical report, which will be currently being prepared and is targeted for publication late 2019 or early 2020.

A. A WIDE RANGE OF DATA SOURCES AND INPUTS WERE CONSIDERED

In order to provide a comprehensive understanding of where Vancouver’s economy is today, and where it is likely to be tomorrow, the *Employment Lands & Economy Review* relies on a wide range of data inputs. Starting with a functional analysis of economic and demographic data from the Statistics Canada Census, the review considers various sources, including the Statistics Canada Labour Force Survey, local building and development permits, data from various real estate brokerages, and academic and sectoral market reports.

The analysis was then supplemented and “ground-truthed” by consultation with stakeholders representing various areas of Vancouver’s economy and workforce. This took the form of surveys with local Vancouver businesses and workers, interviews with key industry representatives and subject matter expert, and working sessions with an External Advisory Group (EAG) comprised of representatives from various economic sectors, organizations and interest groups.

The project methods and findings were also informed and reviewed by a Technical Team comprised of City staff from a range of departments, as summarized in Table 1 on the following page.

Table 1: City of Vancouver Technical Advisory Team

- Arts, Culture and Community Services <ul style="list-style-type: none"> • Cultural Services • Social Policy and Projects Division 	- Engineering <ul style="list-style-type: none"> • Integrated Strategy & Utilities Planning • Transportation • Film and Special Events 	- Planning, Urban Design & Sustainability <ul style="list-style-type: none"> • City-Wide & Regional Planning • Community Planning • Special Projects • Sustainability Group
- Chief Resiliency Officer	- Finance, Risk and Supply Chain Management <ul style="list-style-type: none"> • Long-term Financial Planning 	- Real Estate and Facilities Management <ul style="list-style-type: none"> • Real Estate Services
- Civic Engagement and Communications		
- Parks and Recreation		

A Note Regarding Data Sources and Accuracy

There are a number of significant challenges associated with data collection and comparability when it comes to employment and space use, particularly when considering the complexity of a central city economy like that of the City of Vancouver.

The primary source of data for preparing employment forecasts is the Census of Canada, which is undertaken by Statistics Canada every five years. While the Census does provide a reasonable starting point for tracking broader sectoral trends in employment over time, its use of the North American Industrial Classification System (NAICS)¹ for tracking employment amongst different sub-sectors is less effective for certain types of economic groupings. For example, the not-for-profit and the technology sector are both important and specific sub-sectors that cross multiples NAICS categories.

Because the Census is only conducted once every five years, it cannot reflect up to date employment growth since it was conducted in 2016. The rapid increase in regional

¹ *The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States, and provided common definitions of industrial structure and a common statistical framework across North America. NAICS divides the economy into twenty sectors (identified with a 2-digit code), with industries within these sectors grouped according to production criterion. Various, more detailed sub-sectors also exist within these groupings.*

employment that has occurred since 2016 according to the Labour Force Survey is helpful to know, but these data do not include the level of detail necessary to properly assess more detailed economic change at a municipal or sub-municipal level. Real estate market reports can also inform us indirectly about employment change. For example, the take up of space and the decline in the office vacancy rate in Downtown Vancouver confirm the high rate of employment growth shown by the Labour Force Survey, but also indicate a concentration of the growth in the sectors that are located in office space, and that there is concentration of such growth in Downtown area.

Similar challenges arise when seeking to tie jobs to specific space. For example, in developing the existing supply portion of its development capacity model, the City of Vancouver relied primarily on data from the BC Assessment Authority and municipal building permit data. However, due to different standards for tracking space over time, these data sources often feature gaps, such as:

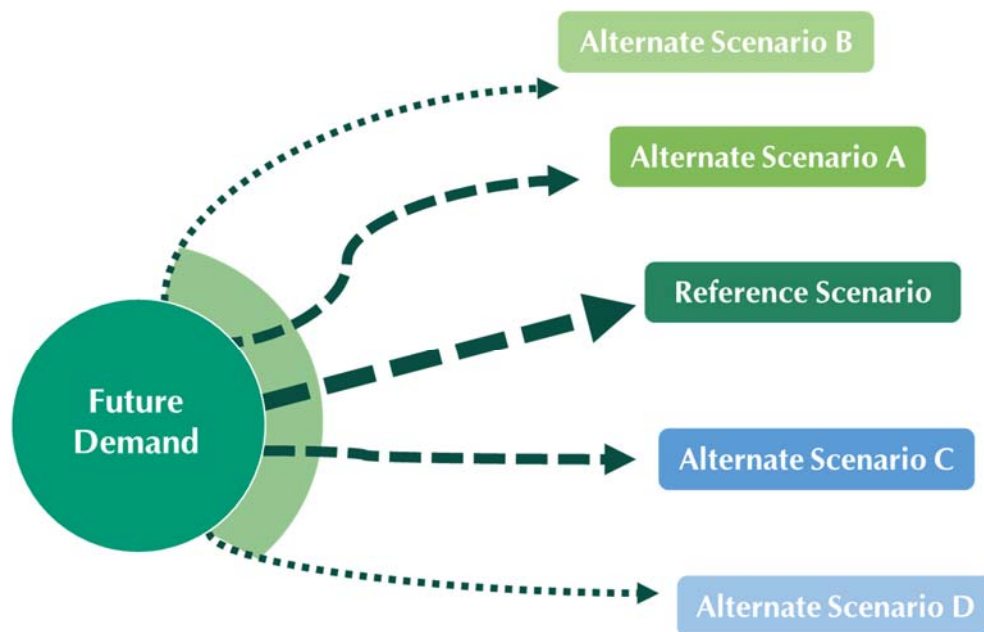
- Many (but not all) institutional buildings not being counted because they are not taxable; and
- Buildings in the general commercial category can include retail, service, cultural, institutional, and storage uses but also warehousing and service uses that might otherwise be considered industrial in nature.

In preparing the *Employment Lands and Economy Review*, every effort has been made to resolve differences between data sources as to present a comprehensive picture of both current and future employment in terms of both jobs and space needs. No data set is perfect and every single source of data has inherent limitations and inconsistencies compared with other sources because of how, when, where and why it is collected. Where possible, data sets and assumptions have been cross-checked and supplemented by a range of sources, including the Statistics Canada Labour Force Survey, market brokerage data, and consultation with various stakeholders and subject matter experts. Feedback from members of the EAG has proven particularly important in calibrating data and assumptions in order to prepare a range of demand outlooks that are feasible based on market trends and local lived experience.

B. PURPOSE AND APPROACH TO THE EMPLOYMENT FORECAST

For the purposes of understanding Vancouver’s future employment land needs, five forecast scenarios have been prepared to present five distinct but feasible futures for both job growth and associated space needs. Each of these forecasts builds upon what we know from our recent past and trends of today, while also considering potential changes on the horizon that could shift the trajectory of growth at both the local and regional level.

Figure 1: Forecast Scenario Methodology



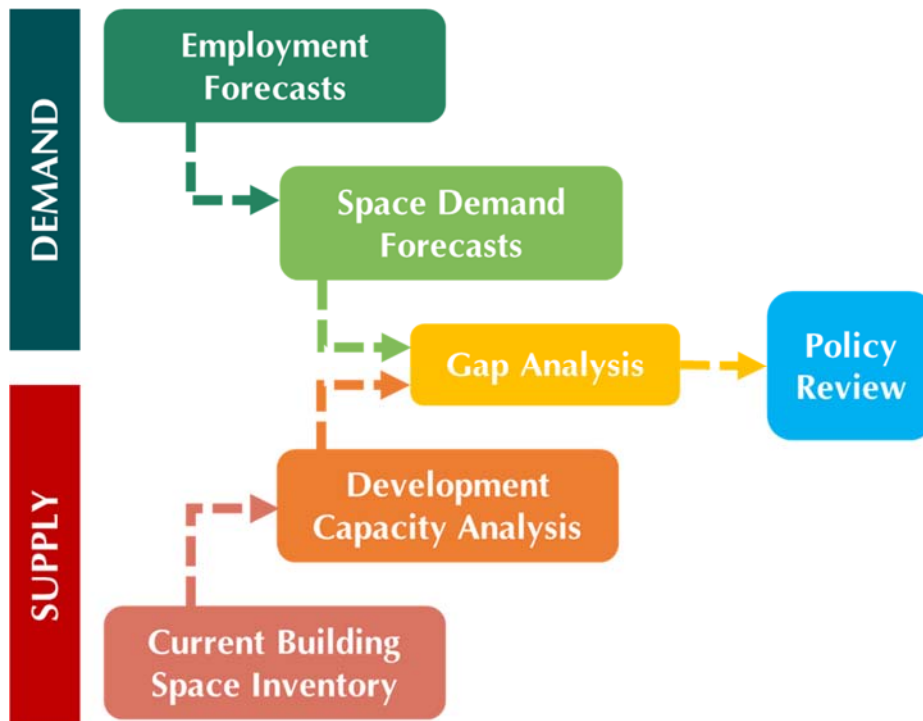
Starting with a reference scenario, which represents the most likely outcome based on what we know today, four additional alternative scenarios were prepared to consider the potential impacts of external forces beyond the City’s control. No one scenario is intended to represent a “preferred” outcome, but instead allows for the testing of a range of possible outlooks which, in turn, permit the development of resilient policy responses.

Each scenario is then compared against a supply model of Vancouver’s development potential. This model, which was prepared by City of Vancouver staff, estimates the potential for the accommodation of additional employment space through the

redevelopment of existing sites under current City land uses policies, respective of market trends.

Together, these demand and supply side outlooks enable the identification of potential future gaps. Analysis of the gaps identified through this modeling will inform the review of land use policy that is to occur in the next phase of the *Employment Lands & Economy Review*.

Figure 2: Gap Analysis Methodology



C. THE CURRENT CONTEXT OF VANCOUVER'S ECONOMY

To understand Vancouver's economic outlook, employment within the City must be understood in terms of where we are today, how we got here, and the recent and expected trends shaping the future of work in the region. From an economic sector perspective, high-level consideration is needed as to the declining, stable and growing sectors in the Metro Vancouver region, and the degree to which the City participates in these sectors.

1. How Different Employment Sectors Are Assessed and Described

This growth context and outlook for the City of Vancouver is primarily assessed and described in terms of 2-digit NAICS codes, which provides 20 categories of employment and is a reasonable basis for analysing and comparing different geographies and different Census periods. For inter-Census years, the Labour Force Survey only publishes data on a two-digit NAICS basis. More detailed 3-digit codes provide 95 categories in Vancouver and the 4 digit codes an additional 309 categories, some of which are on the standard listing but are zero in Vancouver, for example “Tabaco Manufacturing” or “Railroad Rolling Stock Manufacturing”.

Detailed sub-categories of employment are, however, very helpful for understanding some of the categories of specific interest or special import to Vancouver’s economic ecosystem which do not fall cleanly within the sector definitions. For example, the film industry where there are 8,650 jobs counted in the Census as Motion Picture and Sound Recording Industries in Vancouver would include most of people working in the sector but not all. For example, only some set carpenters or specialty and vintage vehicle providers may be counted as film, and none of the craft services jobs which are part of Food Services category elsewhere. Similarly, the technology sector is difficult to define in terms of sectors and the not-for-profit or social purpose organizations is difficult to distinguish from others undertaking similar activities for the private or public businesses and organizations.

Where possible, the outlooks for these distinct sub-sectors have been considered through alternative sources, including industry reports, special studies, and stakeholder input. While these sectors are not always explicitly identified, their needs and outlooks have also been considered as components of the broader economic forecast development.

2. Employment Growth and a Changing Economic Profile

The City of Vancouver is home to over 377,000 jobs, spread across 20 different sectors. Of these, nearly half are located in professional, scientific and technical services, health care and social assistance, accommodation and food services, and retail, as shown in Table 2.

Table 2: Total Jobs by Employment Sector, City of Vancouver, 2016

Employment Sector	Number of Jobs	Percentage of Total Jobs
Professional, scientific and technical services	58,740	15.6%
Health care and social assistance	47,085	12.5%
Accommodation and food services	40,360	10.7%
Retail trade	39,525	10.5%
Finance and insurance	27,660	7.3%
Educational services	22,530	6.0%
Information and cultural industries	20,640	5.5%
Other services (except public administration)	18,405	4.9%
Public administration	18,395	4.9%
Administrative support and waste management	13,295	3.5%
Real estate and rental and leasing	12,980	3.4%
Manufacturing	12,460	3.3%
Wholesale trade	10,220	2.7%
Construction	9,870	2.6%
Arts, entertainment and recreation	9,680	2.6%
Transportation and warehousing	9,105	2.4%
Mining and oil and gas extraction	2,005	0.5%
Utilities	1,545	0.4%
Management of companies and enterprises	1,520	0.4%
Agriculture, forestry, fishing and hunting	1,010	0.3%
Total Jobs	377,015	100%

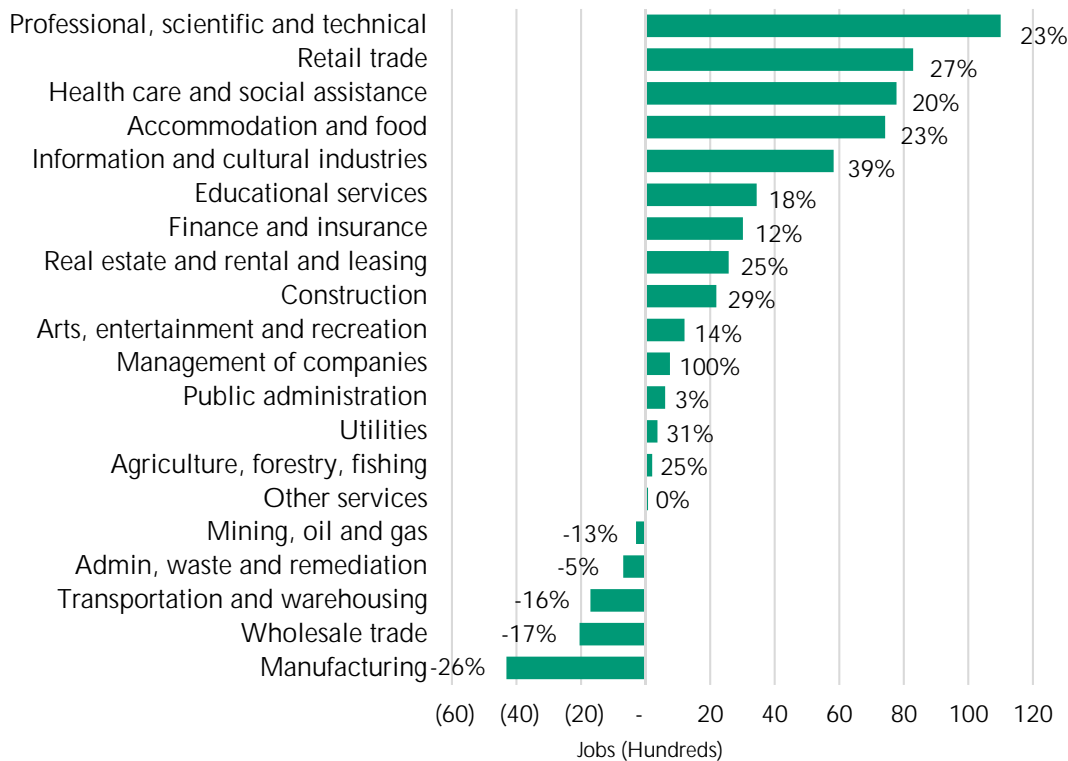
Source: Statistics Canada 2016 Census: Jobs by North American Industrial Classification System (NAICS) (2 digit).

Note: Employment in this chart includes 345,800 jobs with a "usual place of work", plus 31,200 people who "work at home". It does not include the 39,000 residents of Vancouver reporting jobs "with no fixed workplace address".

In addition to the 377,000 jobs located in Vancouver, the City also is estimated to be responsible for accommodating 50,000 of Metro Vancouver's 169,000 jobs "with no fixed place of work". These include jobs like construction workers, truck drivers, and mobile care workers that may report to different work places each day, but still may drive demand for be associated with demand for specific types of space (i.e. truck drivers with warehouses).

In the 10 years between 2006 and 2016, employment in Vancouver grew by over 45,000 jobs, or approximately 14%. This is quite rapid growth for a developed central city over a ten year period. However, growth was not uniform across all sectors. Some sectors, such as professional services, retail, health care, and accommodation and food experienced strong growth, while others, such as manufacturing, wholesale trade, and transportation and warehousing experienced declines. Employment changes by sector are shown in Figure 3.

Figure 3: Job Increases and Decreases by Sector, City of Vancouver



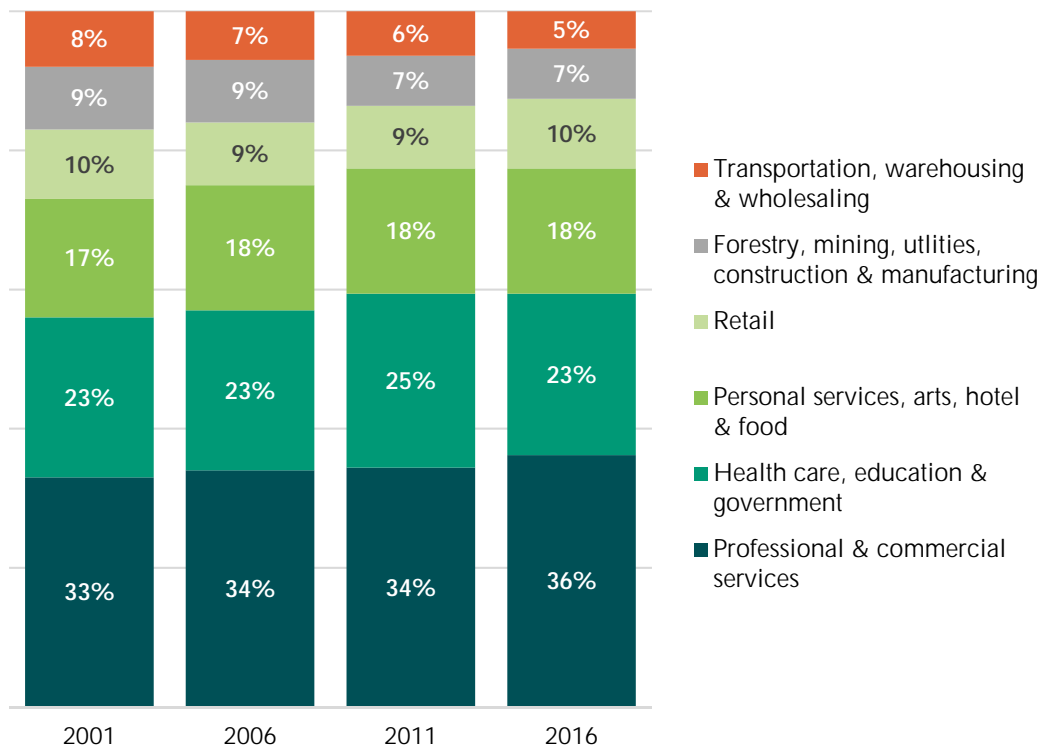
Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit).

Note: Does not include jobs "with no fixed workplace address".

The pattern of growth by sector is not at all surprising for a central city where growth is expected to be in services, especially those occupying office space. Declines in the industrial activities are not unusual given an aging building stock and a relatively fixed (or often shrinking) land base and space supply.

To observe broader trends in Vancouver's employment profile, the 20 employment sectors were grouped into 6 categories, as shown in Figure 4. Since 2001, jobs in the transportation, warehousing and wholesale category and the forestry, mining, utilities, construction and manufacturing category have declined as a share of all jobs in the city. This has been primarily offset by the professional and commercial services category, which has grown faster than all other sectors over the same period.

Figure 4: Historical Share of Employment by Sector Groups, City of Vancouver, 2001-2016



Source: Statistics Canada 2001, 2006, 2011, 2016 Census: Jobs by NAICS (2 digit). Sector groups defined by City of Vancouver staff as outlined in Note 4 of Appendix A.

a. Accounting for the University of British Columbia and the UEL

While the University of British Columbia's main campus and the surrounding University Endowment Lands (UEL) are not within the City of Vancouver, and

are not subject to Vancouver's land use policies, they do employ a significant number of people and drive a significant economic activity on account of their proximity and relationship to the city.

In 2016, UBC and UEL were home to 19,000 jobs. This includes over 12,000 jobs in the Education Services sector, over 2,000 jobs in Health Care and Social Assistance, and over 1,100 jobs in Professional, Scientific and Technical Services. In addition the over 40,000 students and staff that attend the university on a regular basis, the UEL is also home to a rapidly growing permanent population that has increased from 6,700 in 2001 to 15,900 in 2016.² As the University and the local population continue to grow, they too will create additional demand for services and transportation in neighbouring areas of Vancouver.

3. The Role of a Central City in the Regional Economy

The City of Vancouver currently accounts for 33% of all jobs within the Metro Vancouver region, while representing 26% of the region's population and 27% of the region's resident employed labour force. The City's share of regional employment has remained relatively constant over the past two Census periods back to 2006, despite the share of regional population gradually shifting towards the suburban parts of Metro Vancouver. Like most central cities, Vancouver has significant net in-commuting; there are about 70,000 more jobs in the city than there are employed residents.

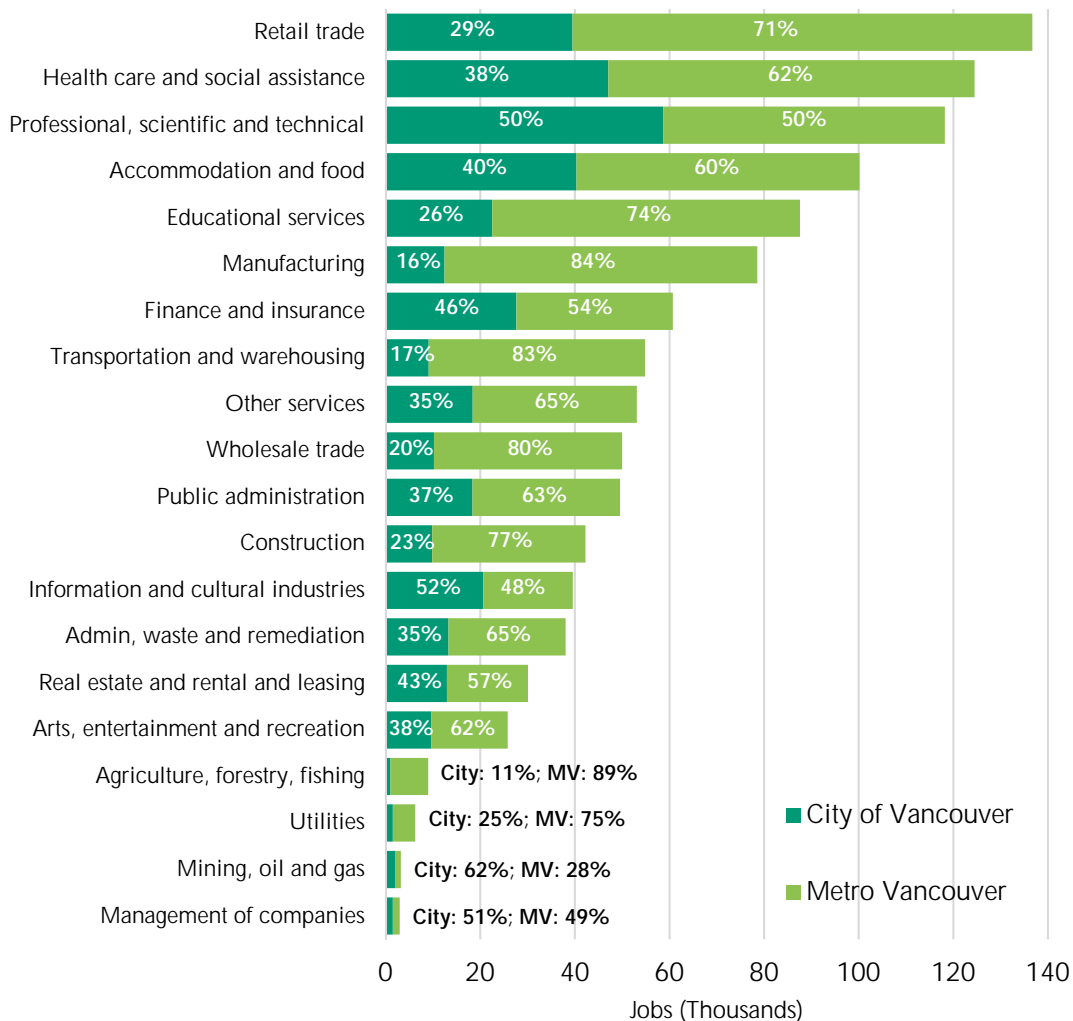
Like central cities in other metropolitan areas, Vancouver plays a specific role within the regional economy – some economic activities are highly-oriented to the central city, while others more so to suburban locations. For example, businesses seeking prominent office space with good access to the regional labour force often benefit from the agglomeration of similar uses in a central business district with easy access to regional transit infrastructure, amenities and business services. On the other hand, industrial and trade-oriented uses may prefer larger and more modern buildings and sites with better highway and rail access than are typically available in developed central cities.

As a central city, Vancouver's economic profile is unique when compared to the rest of its economic region. The city is home to a disproportionately high concentration in sectors including information and cultural industries, professional, scientific and technical services, and finance and insurance. Similarly, Vancouver is home to a

² *University Endowment Lands Area D: Neighbourhood Profile, September 2018*

comparatively low share of the region's jobs in the manufacturing, transportation and warehousing, and wholesale trade sectors. The concentration of regional jobs between Vancouver and the region is shown in Figure 5.

Figure 5: Distribution of Jobs between City of Vancouver and Metro Vancouver Region, by Sector, 2016



Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit).

Note: Does not include jobs "with no fixed workplace address".

The dynamics of being a central city also play a role where growth occurs. As demonstrated in Table 3 on the following page, while total employment in both the City of Vancouver and the rest of Metro Vancouver grew at a similar rate of 14 percent

between 2006 and 2016, the growth of certain sectors differed depending on the geography, in some cases significantly.

Table 3: Job Increases and Decreases by Sector, City of Vancouver and Metro Vancouver, 2006-2016

Employment Sector	City of Vancouver	Rest of Metro Vancouver
Professional, scientific and technical	23%	23%
Retail trade	27%	18%
Health care and social assistance	20%	31%
Accommodation and food	23%	22%
Information and cultural industries	39%	0%
Educational services	18%	17%
Finance and insurance	12%	17%
Real estate and rental and leasing	25%	8%
Construction	29%	37%
Arts, entertainment and recreation	14%	17%
Management of companies	100%	23%
Public administration	3%	33%
Utilities	31%	18%
Agriculture, forestry, fishing	25%	-14%
Other services	0%	5%
Mining, oil and gas	-13%	1%
Admin, waste and remediation	-5%	16%
Transportation and warehousing	-16%	17%
Wholesale trade	-17%	-9%
Manufacturing	-26%	-12%
Total Employment (All Sectors)	14%	14%

City higher (+10%)

Similar growth (within 10%)

Region higher (+10%)

Source: Statistics Canada 2006 and 2016 Census: Jobs by North American Industrial Classification System (NAICS) (2 digit).

Note: Employment in this chart includes jobs with a "usual place of work", plus people who "work at home". It does not include jobs "with no fixed workplace address".

For example, the City of Vancouver experienced a significantly higher rate of growth in Information and cultural industries and within the Finance and insurance sector, but experienced job losses (or a higher relative share of job losses) in the sectors that are more industrial in nature, such as Transportation and warehousing and Manufacturing, which are more easily able to locate in suburban locations.

4. The Impact of a Constrained Land Supply

While the central-city orientation of a particular industry or activity is related to many factors, real estate is key amongst them. The availability and affordability of non-residential space, either within the existing building stock or through redevelopment of available land, is a major consideration for where businesses choose to locate. This is of particular note in Vancouver given its fixed and largely developed land base, which results in increased competition between land uses.

As illustrated in Figure 6, only 10% of the City's total land base permits "jobs only", yet nearly half of all jobs within the City of Vancouver are located within these areas. Uses on these lands range from office buildings and hospitals, to port facilities and factories. In many cases, these are the only locations that certain business activities are able to locate due to factors such as site size, infrastructure access, buffering from sensitive uses, zoning permission and other economic considerations.

Figure 6: Jobs Only Employment Lands



Source: City of Vancouver

With the City almost fully built out and few feasible options to expand this land base, there are limited opportunities for growth amongst those businesses that are unable to locate elsewhere. In many cases this results in growth in certain sectors being redirected to suburban areas, while in other cases potential growth may not be accommodated within the Metro Vancouver region at all due to a current lack of suitable sites.

At the same time, competition between employment uses and increasing speculation have resulted in increased rents and property valuations over the years, making it difficult for new and existing users to afford space. Redevelopment of existing building stock to more intense built forms may result in additional space usable for some sectors. In particular, those that can locate within offices or those that can take advantage of emerging technologies to increase efficiencies in their business footprint. However, this intensification also runs the risk of displacing existing employment activities, as new buildings typically demand higher rents and lease rates when compared to older, more modest buildings.

Consultations with stakeholders revealed that affordability as the most common concern across almost all sectors, most notably for business that are unable to locate outside of jobs only areas. From office and retail tenants, to industrial users, to not-for-profit and mission-based organizations, the majority of stakeholders involved in the study process flagged rising costs and competition for space as a primary obstacle to both current business operations and future opportunities for growth.

5. The Importance of a Diverse Local Economy

Though growth prospects for more traditional industrial employment land uses may be more limited in a central city like Vancouver, it is important to recognize the role many of these businesses continue to play in supporting other aspects of the City's economic system.

The Port of Vancouver and other industrial users enable trade-oriented activities that support the local, regional and national economy. At the same time, other industrial-type buildings in Vancouver's employment areas are also home to many businesses which specifically serve to support other business activities across the city. These include a wide range of uses where proximity to customers matters, including printing, document management, elevator maintenance, plumbing and electrical supplies, ice making, commercial bakeries, bus and taxi services, and auto body shops, to name a few. While these businesses may not always appear to be the high-skilled, high-value jobs often sought by economic development, many do feature high-skilled and technology components. More importantly, they play a crucial role in supporting the

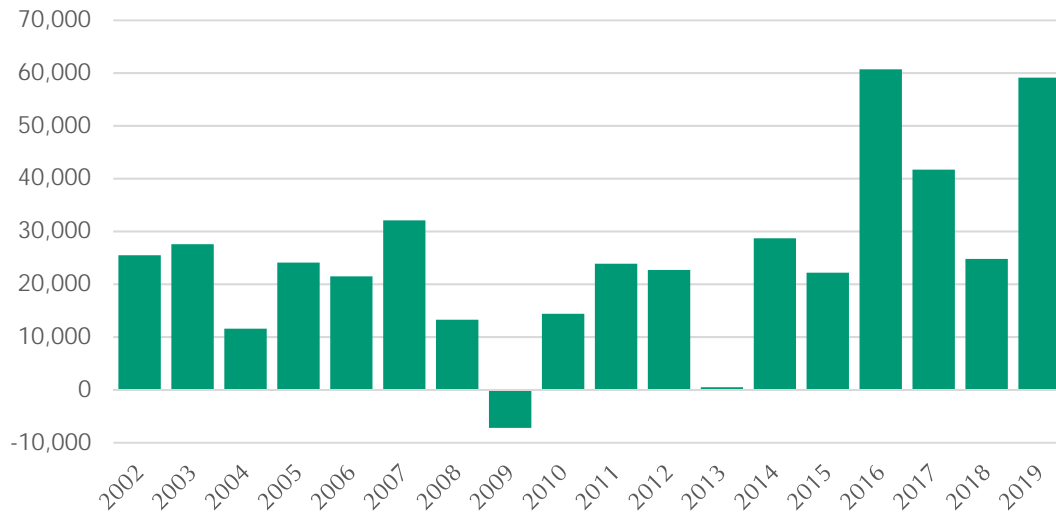
functionality of the broader economy and need to be planned for and accommodated accordingly.

Planning for and encouraging a diverse range of employment activities is also beneficial to create economic resiliency and protect the local economy from sector specific disruptions and market shocks. Economic disruptions occur through forces largely beyond local municipal control, be they changes in global trade policies, the emergence of disruptive technologies, or the impacts of climate change, just to name a few. The impact of specific macro-level changes may disproportionately effect specific sectors of the economy, such as the impact globalization and offshoring have had on North American manufacturing in recent decades. Ensuring opportunities for the continued diversity of local employment across a range of sectors and land uses is a wise choice in planning for future economic growth.

6. Growth Has Accelerated Since the 2016 Census

The Vancouver region has experienced a surge of even more growth in the years that followed the most recent census in 2016. As shown in Figure 7, the Statistics Canada Labour Force Survey, which is published at a Census Metropolitan Area (CMA) level in the years between the official censuses indicates a significant increase in the annual amount of employment growth in the region in recent years, with the estimated growth in 2019 based on information to September 2019.

Figure 7: Estimated Annual Employment Growth, Vancouver CMA, 2001-2019



Source: Statistics Canada Labour Force Survey.

While the exact growth within Vancouver is unavailable at this time, it seems certain that that City has participated in the rapid growth, as indicated by record low vacancy rates for both office and industrial space and a near record amount of office space under construction demonstrating significant demand for additional employment space within the city. This trend is similar to other major metropolitan areas in Canada currently, and remains to be seen as to how long it will persist, given that the current economic expansion has now run for a full 10 years. The immediate impacts of this rapid growth pressure are resulting in reduced availability and increased competition and costs for all types of space.

D. DIFFERENTIATING BETWEEN EMPLOYMENT TYPES AND LAND USES

Forecasting for the purposes of land use policy requires an understanding of the different types of employment and their associated land and space needs. For example, businesses oriented around activities such as manufacturing or transportation and logistics require locations with different building types, site layouts and access to certain types of infrastructure. These needs are typically quite distinct from the type of space that an office-based business located in the heart of downtown might require.

In a similar fashion, employment activities that tend to focus on serving the local and regional population, such as retail, health care and education, tend to be much more flexible in where they locate. These ‘population related’ types of employment are often quite adaptable in their land and built form preferences, often being able to co-locate in mixed-use buildings with other employment or even residential land uses.

At the same time, there are also many people that either work at home or have no regular address to which they report for work. This includes jobs like realtors that work out of home-based offices, construction workers that report to a different job site depending on the day or, as soon will be the case, drivers working for ride-hailing services, just to name a few. In many cases these jobs are not directly creating additional demand for employment space, but they do continue to support the local economy, while also inducing demand for associated economic activities and space, such as construction material suppliers, vehicle repair garages, and others.

To account for these differences, the forecasts are structured to consider the outlook for jobs and associated space demand across five distinct land use-based categories. Each of these categories is comprised of a mix of jobs across different sectors, primarily

characterized by a number of primary sectors that are most likely to be present in each respective category (as classified by 2-digit NAICS code). In each forecast scenario, the job growth outlook for each land use category is a composite of the individual outlooks of the various sectors therein, accounting for both historic trends and sector specific considerations. A general description of each of the land use categories is provided in Table 4.

Table 4: Description of Key Land Uses Categories & Primary Sectors

Category	Description	Primary Sectors
Major Office	Employment uses which typically occur in large free standing office buildings of 20,000 sq. ft. or greater. Businesses in this category often seek a central location with access to transit infrastructure and various other amenities. Due to agglomeration economics associated with this type of use, it is typically distributed amongst a few major concentrations in the region; the largest of which by far is Vancouver's Central Business District.	<ul style="list-style-type: none"> • Finance & insurance • Real estate brokerages • Professional, scientific & technical services • Management of companies
Population Related: Commercial	This category includes employment activities that primarily serve the local resident population, along with some regional population serving uses (like major malls) and tourism related uses. Uses include retail, hotels, restaurants and small offices. Businesses in this category can be accommodated in a range of built forms, including standalone shops, malls, and may be mixed in with other uses, including residential buildings.	<ul style="list-style-type: none"> • Retail trade • Arts, entertainment & recreation • Accommodation & food services
Population Related: Institutional	Like other population-related uses, activities in this group typically serve the local and regional population. They are distinct in their land needs in that they tend to require larger sites, buildings or campuses, and often planned for separately from other population-serving uses. Examples include schools, universities, hospitals, and government buildings.	<ul style="list-style-type: none"> • Education services • Health care & social assistance • Public administration

Table 4: Description of Key Land Uses Categories & Primary Sectors (continued)

Category	Description	Primary Sectors
Industrial Areas	Uses accommodated in low-rise industrial-type buildings generally found only within employment areas. These often involve activities related to production, distribution and repair, which are traditionally not compatible adjacent to or mixed with sensitive uses, like residential. In many cases, these businesses support other businesses within the city and broader region, or may be more trade-enabling in nature. Examples of employment uses include factories, distribution and wholesale warehouses, vehicle repair facilities, and business parks.	<ul style="list-style-type: none"> • Manufacturing • Wholesale trade • Transportation & warehousing • Film production
Footloose/ Work At Home	A category representing employment activity that is either based at home, or does not typically report to a specific place of work, such as construction workers or taxi and truck drivers. Employment in these categories does not directly create demand for additional floor space in any of the other four categories, but does tend to induce some demand. This induced demand is captured within the floor space per worker trends of each of the respective categories.	<ul style="list-style-type: none"> • Construction • Work-at-home • Realtors • Telecommuters in various sectors

1. How are Sub-Sectors Allocated between Different Land Use Categories?

It is important to note that while the primary employment sectors noted here are considered the most likely types of jobs to locate within each land use category, some sectors may be present in multiple categories. For example health care related jobs are frequently located within Institutional spaces like hospitals, but may also be found in medical offices located in Major Office buildings or in smaller clinics found in commercial retail spaces.

While each of the land use categories is presented in terms of the primary 2-digit NAICS codes, a share of jobs from each NAICS sector has been allocated to each land use category based on a thorough review of local Place of Work data from the Census. This analysis relied on special run data provided by Statistics Canada to identify the distribution of jobs in each sector across 32 sub-geographies, representing different employment areas and planning areas within the city. These allocations considered

much more detailed 3- and 4-digit NAICS sub-sector codes, along with assessment data from existing buildings and other sources, such as brokerage market reports, to account for how different jobs and sub-sectors are allocated between different locations and types of space.

2. How Many Jobs are currently in Each Land Use Category?

Based on a detailed analysis of Census Place of Work data, the total employment associated with each major land use category has been estimated, as shown in Table 5. These figures represent employment in the city, including an allocation of regional workers with no-fixed place of work, as it was in 2016. This point serves as the starting point for the forecast scenarios that follow, and is integral to establishing the current space utilization trends that define how much demand there might be for different kinds of space in the future.

Table 5: Estimated Employment by Land Use-Based Employment Category, 2016

Employment Category	Employment (2016)	Share of Total
Major Office	124,500	29.1%
Population Related	202,600	47.4%
Institutional	60,200	14.1%
Commercial	142,400	33.3%
Hotels	8,900	2.1%
Other Tourism	24,900	5.8%
Rest of Commercial	108,700	25.4%
Industrial Areas	48,000	11.2%
Footloose / Work at Home	52,300	12.2%
Total	427,500	100.0%

Source: Hemson Consulting, using data from Statistics Canada and City of Vancouver

Note: Figures are rounded and may not add to total.

a. Why does the Commercial Category Separate Hotels and Tourism?

While the forecasts consider the outlook for each sector within the broader land use based employment categories, hotels present a unique consideration for land use demand for the purposes of the gap analysis that follows. While the demand for hotel space is closely tied to the broader outlook for tourism and related activities within the Commercial land use category, most new major hotel space

in Vancouver typically occurs in a built form more similar to Major Office space in physical character and location. In effect, the demand for more hotel space is likely to compete with the type of development capacity that otherwise might be used by Major Office uses.

The outlook for hotels, while assessed as part of the Commercial category in terms of broader trends and potential demand for employment, is considered separately for the impact it has on the need for specific types of space as part of the gap analysis.

3. Understanding Current Floor Space Utilization and Trends

In order to understand how we are likely to need space in the future, we need to first understand how it is utilized today. To do this, City staff compiled an inventory of non-residential floor space using a mix of BC Assessment Authority data and municipal building permits to estimate the total built space being utilized by different employment uses across Vancouver as of 2016. Using various indicators including the BCAA assessment code, building permit floor space allocations, and general building characteristics (i.e. if an office building is over 20,000 sq. ft. to be categorized as Major Office), staff were able to catalogue employment space into categories which aligned with each of the key land use categories.

These inventories of built space were then assessed against the estimated employment within each category to determine the average Floor Space per Worker (FSW) in that category.³ These figures are presented in Table 6 on the following page.

³ Floor space per worker figures in this report are all based total Gross Floor Area (GFA), including factors for vacancy rate and the difference between net usable space, net rentable space and GFA. As a result some of the figures may seem much larger than the reader may have seen elsewhere, where FSW may be quoted in occupied usable area or occupied rentable area.

Table 6: Estimated Floor Space by Land Use-Based Employment Category, 2016

Employment Category	Employment (2016)	Total Floor Space (000's of sq. ft.)	Floor Space per Worker (sq. ft.)
Major Office	124,500	32,900	264
Population Related	202,600	83,100	410
Institutional ⁴	60,200	22,100	367
Commercial	142,400	61,000	428
Hotels	8,900	9,400	1,056
Other Tourism	24,900	8,900	337
Rest of Commercial	108,700	43,100	397
Industrial Areas	48,000	28,900	602
Footloose /Work at Home	52,300	0	0
Total	427,500	144,900	339

Source: Hemson Consulting, using data from Statistics Canada and City of Vancouver

Note: Figures are rounded, and may not add to total. Total floor space figures are for total Gross Floor Area, including factors for vacancy and net leasable/usable space. The same applies to floor space per worker figures.

While the specific floor space needs of each worker will vary depending on sector and nature each specific business and job, these FSW averages present a broad idea of how much space is needed across each land use category, and serve as a basis point for the forecast demand for space. As technology progresses and trends evolve, these FSW rates are also expected to change in turn. For example, research and consultation with stakeholders has already highlighted the following trends.

⁴ BCAA only tracks properties on which municipalities charge taxes or may charge taxes. Various institutional spaces, such as some hospitals and most schools are absent from its floor space inventory. Also, some non-taxable institutional uses that are located in part of a commercial building will have the space counted. While some of this gap is addressed through the City's building permit data for recently constructed buildings, a considerable amount of institutional space still is missing. Where this was the case, some additional institutional floor space was estimated by measuring building footprints and height on satellite images, supplemented by secondary data sources, such as interviews and health care organization publications, where available.

- Open concept and shared spaces have trended towards a lower FSW in many office businesses.
- Automation and the changing nature of work are resulting in the need for fewer industrial workers, but tend to require the same amount of space, or more.
- Space needs in parts of the health care sector have increased with changing ways of delivering care.

These are just the trends we are experiencing currently, a number of other emerging technologies and economic factors could potentially reshape the way a number of different employment sectors use their space. These factors are all considered and taken into account as inputs to each of the forecast scenarios.

E. FIVE FORECAST SCENARIOS PRESENT FIVE POSSIBLE FUTURES

In order to consider the various futures Vancouver's economy could face, a total of five forecast scenarios were prepared. These included a reference scenario, designed to reflect a continuation of current trends, for the most part – presenting a 'most likely' scenario based on how we understand growth today, along with four alternative scenarios designed to test different ways the economies of both the City and Metro Vancouver region could change over time. The approach to the forecast was described in the previous *Forecast Methodology Report*, with the key points being summarized as follows:

1. Regional Economic Forecasts Serve as the Basis of the Forecast Model

As noted previously, Vancouver's economy is closely tied to the economic outlook for the broader economic region. Metro Vancouver is currently preparing its own growth forecasts to 2050 as part of the update to the *Metro 2040*, the Regional Growth Strategy. To ensure a degree of alignment with this work, Hemson reviewed the Metro Vancouver's *Regional Long Range Growth and Transportation Scenarios*⁵, and used their regional outlook as a foundation for developing the each of the local forecast

⁵ A summary of the *Regional Long-Range Growth and Transportation Scenarios* is available at <http://www.metrovancouver.org/services/regional-planning/PlanningPublications/RegionalLRGandTransportationScenarios.pdf>

scenarios for Vancouver. As such, the *Employment Lands & Economy Review* reference scenario is designed to mirror many of the assumptions about total economic growth in the region in line with Metro Vancouver's Scenario A, which serves as their conceptual reference scenario.

The key assumptions for the reference scenario are summarized in Table 7.

Table 7: Reference Scenario Key Assumptions

Demographics	Population continues to age, with most growth due to net in-migration
Employment	Employment to population rate declines as population ages, gradual increase in senior (65+) work force, in-migration meets labour force needs
Economy	Regional sectoral activity and employment remains relatively consistent, Vancouver gradually shifts towards office and population serving, while local shares of regional employment remain steady
Environment	Climate change impacts increase over time, including modest sea level rise and increased flooding events in low lying areas. Increased mitigation measures are required, and assumed to be sufficient to offset more significant impacts
External Forces	Current trends persist in most areas, employment impact of disruptors limited or offset by growth in other sectors, continued stability in policy

The alternative forecast scenarios have been developed to reflect local trends and issues observed in Vancouver and the need to test the resiliency of Vancouver's land use policy. While the alternatives are informed by the regional scenario, they do not directly align.

2. The Alternative Scenarios Consider a Number of Factors that Influence Growth

Each scenario was developed to take into account the influence of a number of external forces – that is events, trends or disruptors beyond the City's control which could fundamentally change the trajectory of growth. Over 20 possible external forces were identified through a review of market forces, academic literature, and consultation with stakeholders and industry experts based on their likelihood and potential impact to Vancouver and the surrounding region. These were eventually refined down to a total of 8 key groups, as summarized in Table 8 on the following page.

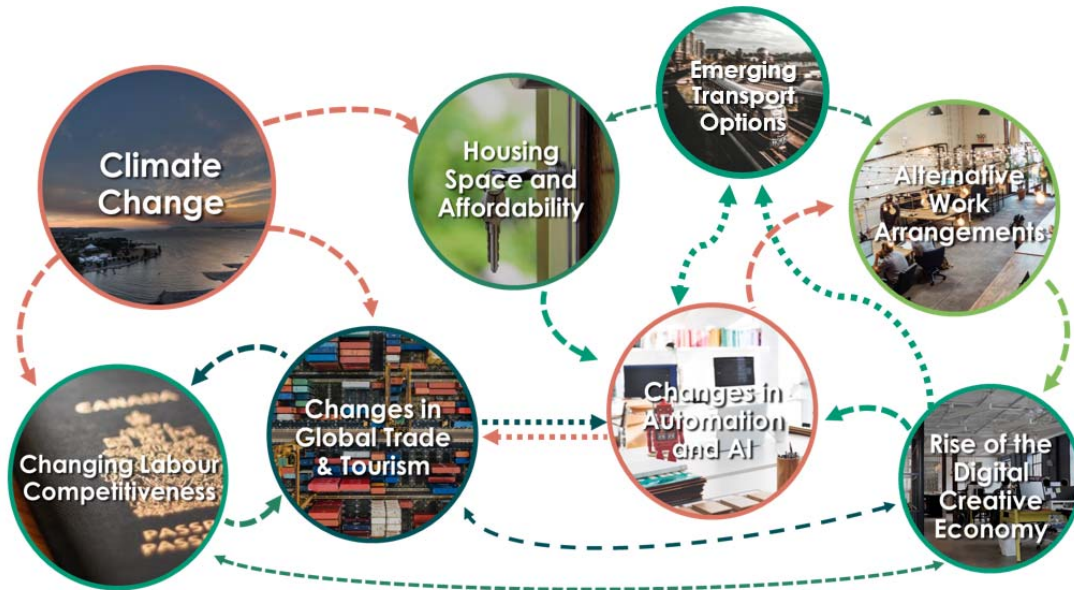
Table 8: Key External Forces Considered

Climate Change	Various climate change related impacts such as more frequent weather events, including flooding and forest fires, rising sea levels, climate related migration, and increased strain on the region's water and food supplies
Housing and Space Affordability	Various factors that are limiting access to affordable space for both residents and businesses that may displace current residents and employers, or may discourage other growth opportunities
Changes in Global Trade & Tourism	Factors that could increase or decrease the volume and value of trade and tourism through Vancouver, including policy changes or changes in broader market demand, such as a shift towards renewable energy and increased competition from other markets
Changes in Automation and AI	Changing labour needs in both low and high skilled sectors as a result of automation and artificial intelligence. Automation in one sector is often offset by job creation in others, and does not necessarily result in less economic activity or need for space
The Rise of the Digital Creative Economy	Macro-level shifts towards digital, creative and high-skill sectors, along with the impacts of increasing digital sales and connectivity on various sectors, such as retail employment
Changing Labour Competitiveness	Refers to Vancouver's competitive advantages and disadvantages in attracting international business through access to high-skilled and comparatively affordable local labour
Alternative Work Arrangements	The impact of the rise of non-traditional employment arrangements, including contract and gig-based work, as well as co-working and disruptive delivery models, such as AirBnB, Uber, and others
Emerging Transportation Options	Changes that could occur in location preferences and space needs due to transportation related innovations, including electric vehicles, autonomous vehicles, and major transit infrastructure investments

As illustrated in Figure 8 on the following page, many of these forces are intrinsically linked to others. For example, if market pressures continue to make it unaffordable for many to live in the City, the lack of local labour may lower Vancouver's labour competitiveness, making it harder to attract investment, while also spurring other

companies to accelerate their move to automate certain tasks where possible, such as replacing cashiers with self-check outs in certain retail businesses.

Figure 8: Interconnectivity between External Forces



Each of the alternative scenarios makes a number of assumptions regarding these external forces that results in four possible outcomes. These are described as follows:

Alternate Scenario A: Higher Regional Growth + Constant Vancouver Share

Under this scenario, the Metro Vancouver region becomes an even more attractive destination for global talent as rhetoric and policies in the US, Britain and other competing markets discourage and limit migration. At the same time, the continued shift towards the digital and creative economy allows Vancouver and the surrounding region to further develop its identity as a hub for innovation and investment, spurring the growth of various tech-related sectors, along with some advanced manufacturing.

Under this scenario, disruptions from automation, alternative work arrangements, and climate change continue, but do not increase significantly or are adapted to accordingly. Affordability concerns and expanded transportation options result in regional location preferences remaining similar to what they are today.

Alternate Scenario B: Higher Regional Growth + Increased Vancouver Share

Similar factors from Scenario A related to labour competitiveness and the region's establishment as a global tech hub are present, while also complimented by forces that see a concentration of regional growth in the Central City. A combination of market forces and support from other levels of government allow Vancouver to consistently achieve its ambitious housing target over the forecast horizon, providing housing options for households of various income levels. This in turn drives demand for more population serving employment, as well as additional demand for centrally located office space to meet the needs of the digital creative economy. This scenario represents the highest demand for space of all the outlooks considered.

Alternate Scenario C: Slower Regional Growth, Reduced Vancouver Share

Under this scenario, a combination of market forces and the rise of disruptive alternative work arrangements result in limited wage growth across multiple sectors, resulting in affordability becoming even more of a concern. This drives more residents and businesses to look for opportunities further out in the region where space is more affordable. Limited available space and local labour in Vancouver limits growth opportunities for many businesses, spurring certain sectors to consider increased automation to fill the gap. Non-traditional and contract employment becomes more prevalent, resulting in reduced incomes and less financial stability for some.

Alternate Scenario D: Slower Regional Growth, Reduced Vancouver Share and FSW Needs

Similar factors from Scenario C slow the growth outlook and spread growth elsewhere in the region, while additional factors limit the amount of space needed for various activities. Policy changes amongst global competitors undercut trade-enabling job-growth, particularly in industrial uses which tends to be land and space intensive. At the same time, space costs, automation and telecommuting push employers to significantly reduce the required floor space needed per worker in various other sectors. This scenario represents the lowest demand for space of all the outlooks considered.

3. All Scenarios Reflect Recent Growth in Vancouver

While 2016 serves as the base year for the forecast (being the year of the most recent Census), the impact of the scenario assumptions begin taking effect as of the year 2021. Growth in Vancouver between 2016 and 2021 has been estimated based on a number of sources, including the Statistics Canada Labour Force Survey, local brokerage

market reports, recent building and development permit activity, and consultation with the EAG. Consultation with stakeholders at the EAG was used to refine the near term outlook for various sectors in order to reflect more recent trends, including the rapid pace of office development in Vancouver compared to the rest of the region. The forecast estimate for 2021 for each of the key employment land use categories is shown in Table 9.

Table 9: Estimated Change by Land Use Based Employment Category, 2016-2021

Employment Category	Employment (2016)	Est. Employment (2021)	Est. Growth (2016-2021)
Major Office	124,500	141,700	17,200
Population Related	202,600	223,000	20,400
Institutional	60,200	66,400	4,800
Commercial	142,400	156,700	14,300
Hotels	8,900	9,900	1,000
Other Tourism	24,900	27,600	2,700
Rest of Commercial	108,700	119,200	10,500
Industrial Areas	48,000	51,500	3,500
Footloose /Work at Home	52,300	59,600	7,300
Total	427,500	475,900	48,300

Source: Hemson Consulting, using data from Statistics Canada and City of Vancouver

Note: Figures are rounded, and may not add to total.

This estimate places the baseline forecast slightly ahead of the Metro Vancouver reference scenario, primarily on account of the significant growth in the office sector that is currently occurring. The degree to which this trend continues will remain to be seen. As a result, each of the forecast scenarios begins diverging from 2021, providing a 30-year outlook to 2051.

4. Accounting for Changing Floor Space Needs

The forecast average FSW in each scenario has been assumed to build off of current trends in each respective land use category. These include declining space per worker trends in Major Office and Commercial related activities, while observing steady FSW rates in Industrial Areas and increasing space needs amongst Institutional land uses. These forecast FSW's apply to the Reference Scenario and Alternative Scenarios A through C, with a uniquely lower FSW assumption for Alternative Scenario D to represent the lower end of potential floor space demand. The FSW assumptions are detailed in Table 10.

Table 10: Forecast FSW by Land Use Based Employment Category

Employment Category	Current FSW (sq. ft.)	Forecast FSW (Ref + Alt A, B, & C)	Forecast FSW (Alt D)
Major Office	264	240	230
Population Related	410	392	366
Institutional	367	375	350
Commercial	428	399	373
Hotels	1,056	1,000	900
Other Tourism	337	320	300
Rest of Commercial	397	367	346
Industrial Areas	602	601	571
Footloose /Work at Home	0	0	0
Total	339	317	299

Source: Hemson Consulting, using data from Statistics Canada and City of Vancouver

Note: Figures are rounded, and may not add to total. Floor space per worker figures are for total Gross Floor Area, including factors for vacancy and net leasable/usable space.

5. Forecast Scenario Results

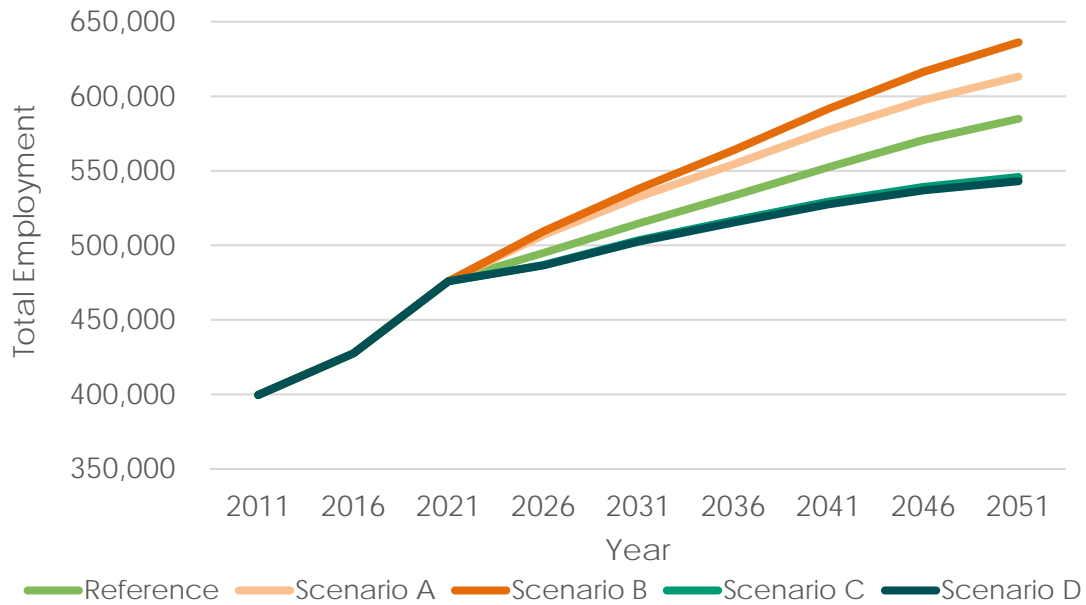
The overall city-wide and regional employment growth for each scenario is detailed in Table 11 below.

Table 11: City of Vancouver Shares of Metro Vancouver Employment, by Scenario

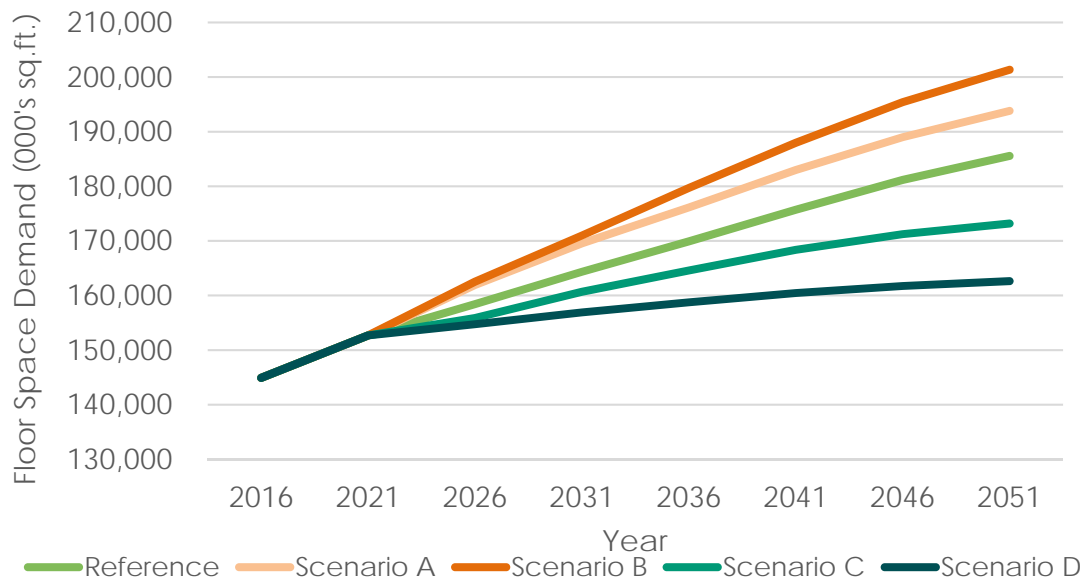
	2016	2016-2021	2021	2021-51	2051
Reference Scenario					
Metro Vancouver	1,280,800	164,800	1,445,600	351,900	1,797,500
City of Vancouver	427,500	48,400	475,900	109,000	584,900
City Share	33.4%	29.4%	32.9%	31.0%	32.5%
Alternative Scenario A					
Metro Vancouver	1,280,800	164,800	1,445,600	436,100	1,881,700
City of Vancouver	427,500	48,400	475,900	137,300	613,200
City Share	33.4%	29.4%	32.9%	31.5%	32.6%
Alternative Scenario B					
Metro Vancouver	1,280,800	164,800	1,445,600	436,100	1,881,700
City of Vancouver	427,500	48,400	475,900	160,300	636,200
City Share	33.4%	29.4%	32.9%	36.8%	33.8%
Alternative Scenario C					
Metro Vancouver	1,280,800	164,800	1,445,600	261,100	1,706,700
City of Vancouver	427,500	48,400	475,900	70,000	545,900
City Share	33.4%	29.4%	32.9%	26.8%	32.0%
Alternative Scenario D					
Metro Vancouver	1,280,800	164,800	1,445,600	261,100	1,706,700
City of Vancouver	427,500	48,400	475,900	67,200	543,100
City Share	33.4%	29.4%	32.9%	25.7%	31.8%

Source: Hemson Consulting

A comparison of overall citywide employment growth between each of the scenarios is provided in Figure 9, and a comparison of total floor space demands by scenario is provided in Figure 10, both of which are provided on the following page.

Figure 9: Forecast Comparison – Total Employment, City of Vancouver

Source: Hemson Consulting

Figure 10: Forecast Scenario Comparison – Total Floor Space, City of Vancouver

Source: Hemson Consulting

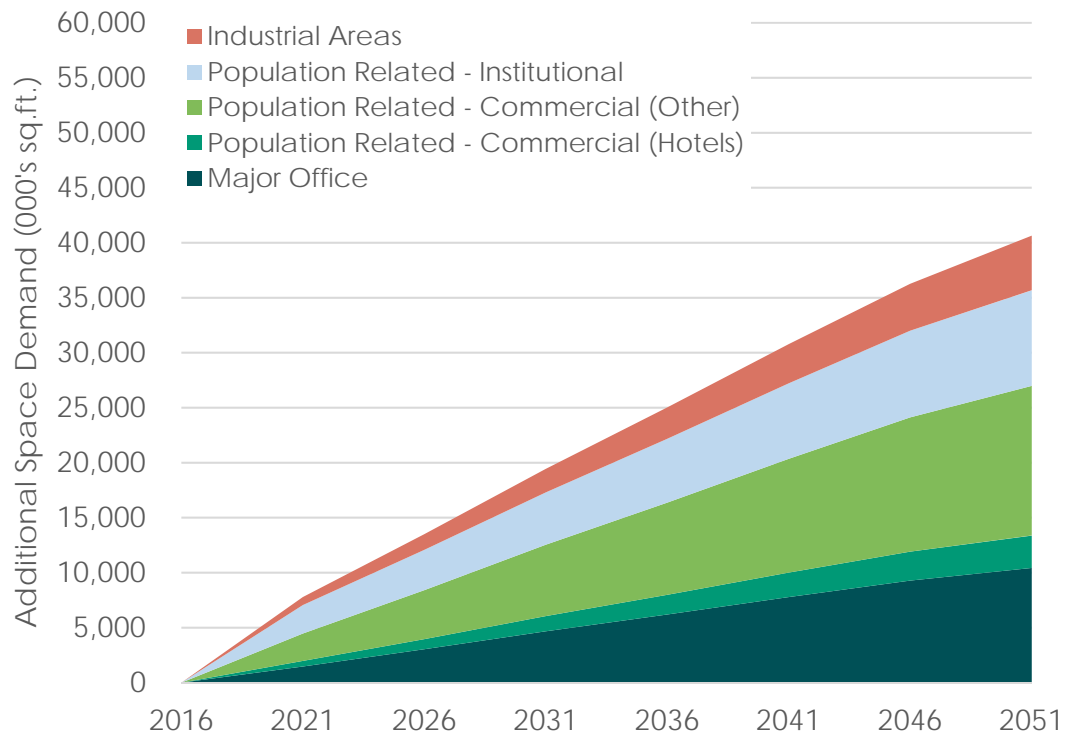
Category specific employment growth and floor space demand in each forecast scenario is summarized as follows:

Reference Scenario: Current Trends Continue, for the Most Part

Employment Category	Employment (2051)	Growth (2016-2051)	Add. Floor Space (000's sq. ft.)
Major Office	180,700	56,200	10,500
Population Related	276,400	73,800	25,200
Institutional	82,200	22,000	8,700
Commercial	194,300	51,900	16,500
Hotels	12,400	3,500	3,000
Other Tourism	34,500	9,600	2,600
Rest of Commercial	147,400	38,700	11,000
Industrial Areas	56,300	8,300	4,900
Footloose /Work at Home	71,400	19,100	0
Total	584,900	157,400	40,700

Source: Hemson Consulting

Note: Figures are rounded, and may not add to total.



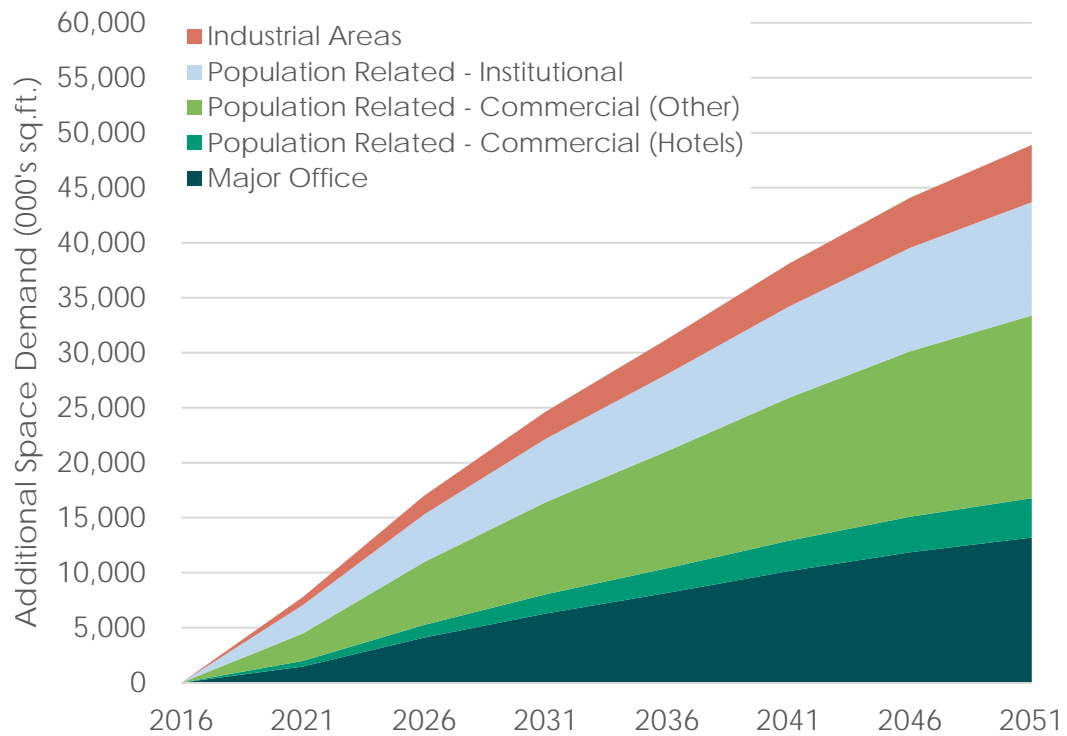
Source: Hemson Consulting

Alternate Scenario A: Higher Regional Growth + Constant Vancouver Share

Employment Category	Employment (2051)	Growth (2016-2051)	Add. Floor Space (000's sq. ft.)
Major Office	192,200	67,700	13,200
Population Related	289,600	87,000	30,500
Institutional	86,500	26,300	10,300
Commercial	203,200	60,800	20,200
Hotels	13,000	4,100	3,600
Other Tourism	36,300	11,400	3,200
Rest of Commercial	153,900	45,200	13,400
Industrial Areas	56,700	8,700	5,200
Footloose /Work at Home	74,600	22,300	0
Total	613,200	185,700	48,900

Source: Hemson Consulting

Note: Figures are rounded, and may not add to total.



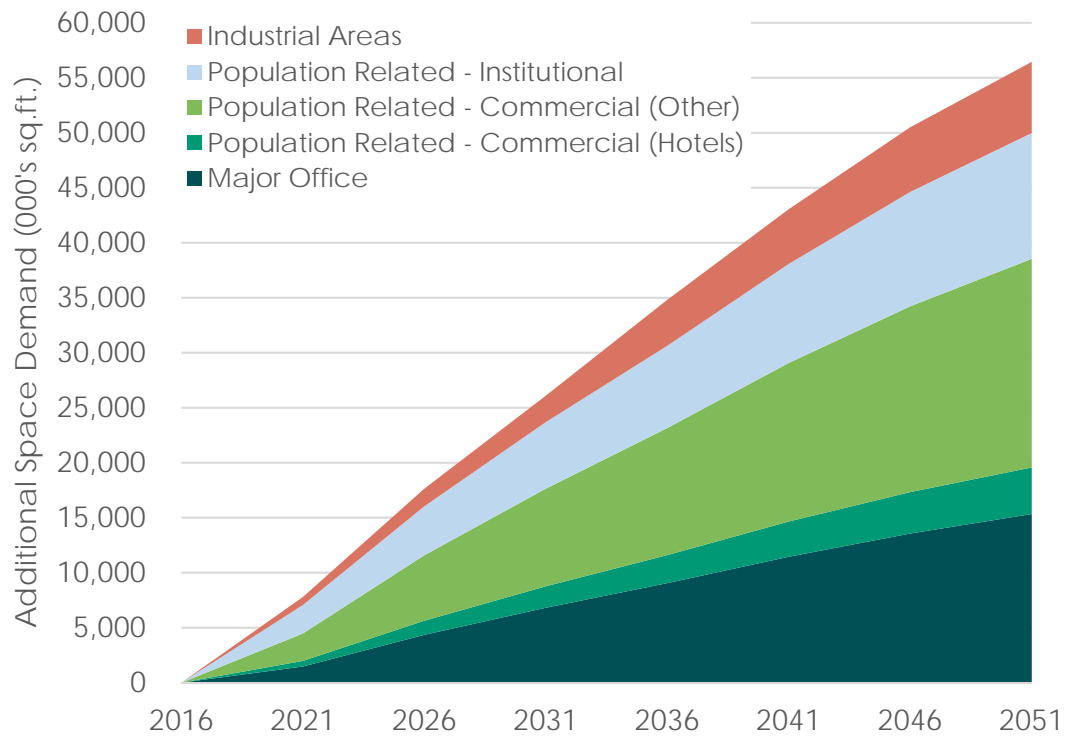
Source: Hemson Consulting

Alternate Scenario B: Higher Regional Growth + Increased Vancouver Share

Employment Category	Employment (2051)	Growth (2016-2051)	Add. Floor Space (000's sq. ft.)
Major Office	201,100	76,600	15,400
Population Related	299,800	97,200	34,600
Institutional	89,500	29,300	11,500
Commercial	210,400	68,000	23,200
Hotels	13,700	4,800	4,300
Other Tourism	38,100	13,200	3,800
Rest of Commercial	158,600	49,900	15,200
Industrial Areas	58,800	10,800	6,400
Footloose /Work at Home	76,400	24,100	0
Total	636,200	208,700	56,500

Source: Hemson Consulting

Note: Figures are rounded, and may not add to total.



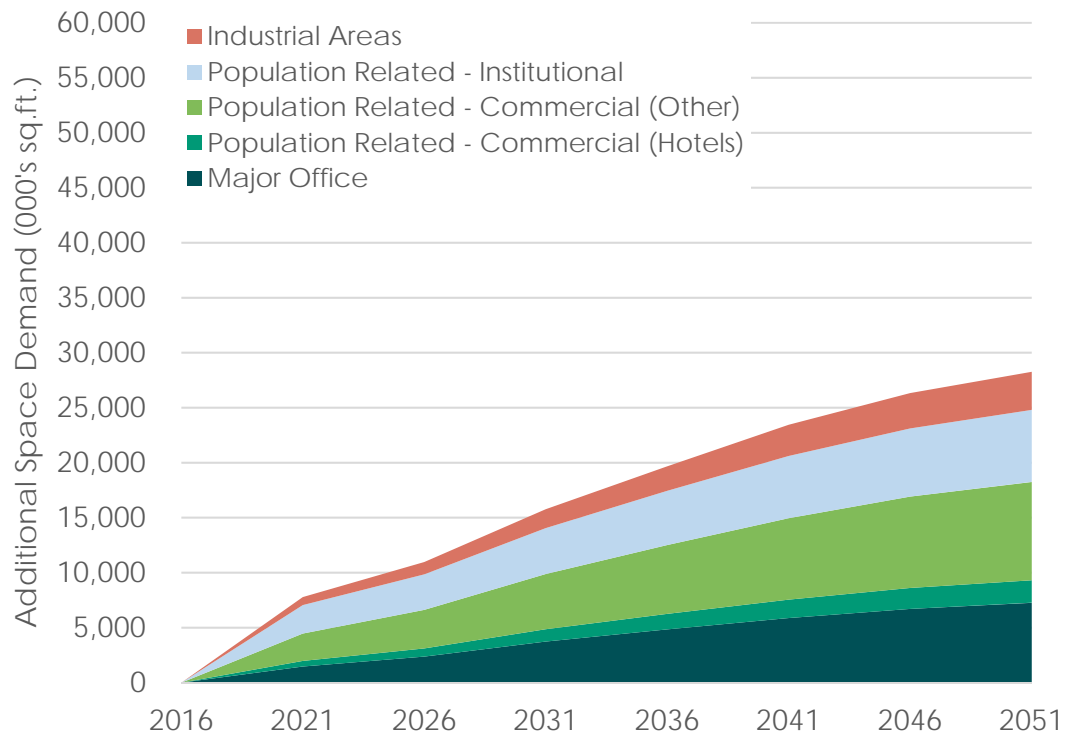
Source: Hemson Consulting

Alternate Scenario C: Slower Regional Growth, Reduced Vancouver Share

Employment Category	Employment (2051)	Growth (2016-2051)	Add. Floor Space (000's sq. ft.)
Major Office	167,500	43,000	7,300
Population Related	257,000	54,400	17,500
Institutional	76,500	16,300	6,600
Commercial	180,600	38,200	11,000
Hotels	11,500	2,600	2,100
Other Tourism	32,000	7,100	1,800
Rest of Commercial	137,100	28,400	7,100
Industrial Areas	53,800	5,800	3,400
Footloose /Work at Home	67,500	15,200	0
Total	545,900	118,400	28,300

Source: Hemson Consulting

Note: Figures are rounded, and may not add to total.



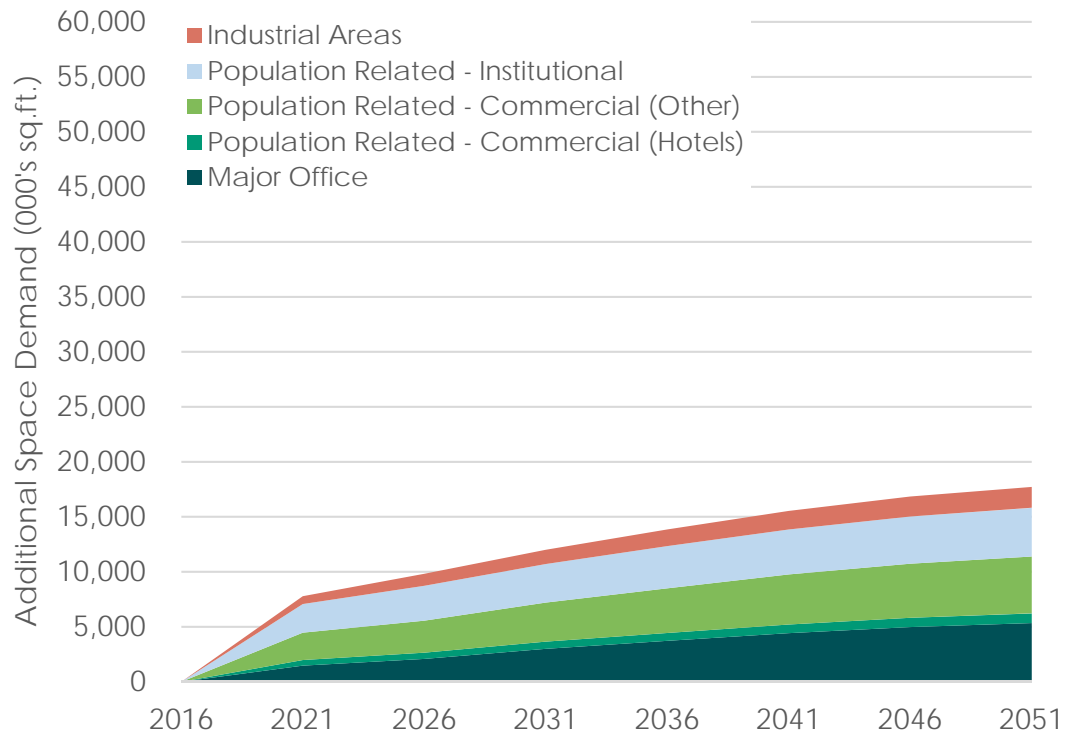
Source: Hemson Consulting

Alternate Scenario D: Slower Regional Growth, Reduced Vancouver Share and FSW Needs

Employment Category	Employment (2051)	Growth (2016-2051)	Add. Floor Space (000's sq. ft.)
Major Office	166,400	41,900	5,400
Population Related	255,500	52,900	10,500
Institutional	75,900	15,700	4,500
Commercial	179,700	37,300	6,000
Hotels	11,500	2,600	900
Other Tourism	31,900	7,000	1,200
Rest of Commercial	136,300	27,600	4,000
Industrial Areas	53,900	5,900	1,900
Footloose /Work at Home	67,200	14,900	0
Total	543,100	115,600	17,700

Source: Hemson Consulting

Note: Figures are rounded, and may not add to total.

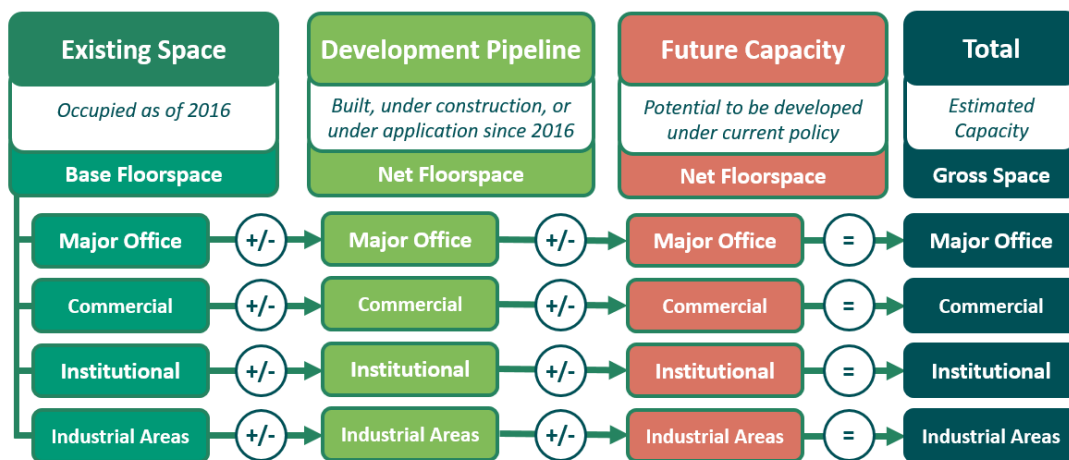


Source: Hemson Consulting

F. VANCOUVER'S CAPACITY TO ACCOMMODATE FUTURE GROWTH

To understand Vancouver's capacity to accommodate its potential for future employment growth, we need to understand what exists today, what has been built recently, what is under development and application, and what could potentially be built under current City policy. Effectively this comes down to an estimation of space, across each of the identified land use categories, via three key components as illustrated in Figure 11.

Figure 11: Components of Job Space Capacity Estimate

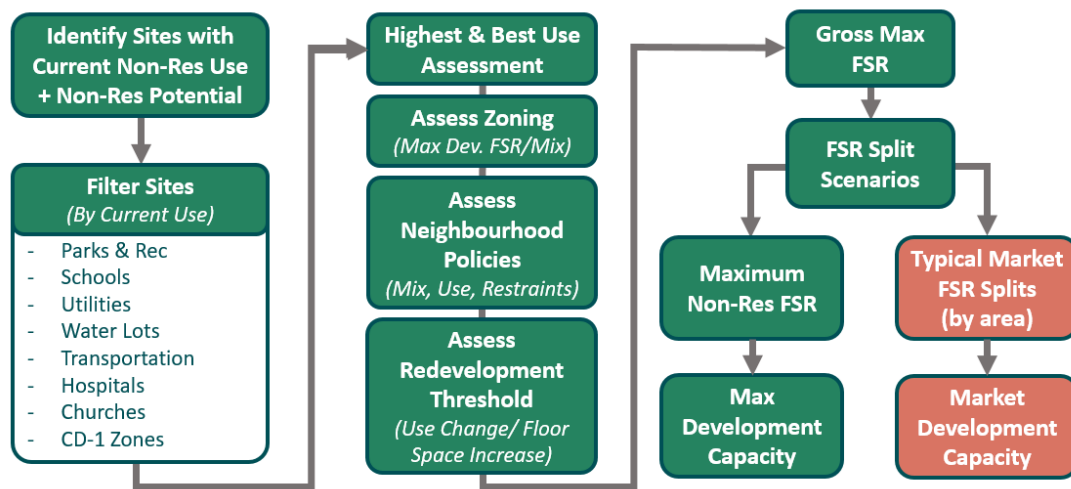


- **Existing Space** – any buildings occupied as of 2016 (the starting year of the forecast). Identified via BCAA data.
- **Development Pipeline** – any buildings built since 2016, or buildings that are under construction or under development application currently. Identified via BCAA data and municipal building and development permits.
- **Future Capacity** – sites with the potential to be redeveloped under current policy.

To understand Vancouver's future capacity beyond what has already been built or applied for, City staff prepared a comprehensive development capacity model. This model considered the redevelopment potential of parcels city-wide, considering current land use, zoning, and neighbourhood policies, against what could potentially be built as the 'highest and best' use under current market trends.

To do this, the model identifies a variety of ‘soft sites’ – effectively parcels that have a realistic chance of being redeveloped within the forecast horizon. It is important to note, however, that not all sites that are currently below their maximum permitted density are considered candidates for redevelopment. The model makes a number of assumptions with regards to how much additional floor space could be developed, how recently the existing building was built, and the current use. It also excludes certain sites, such as schools, parks, hospitals, churches, and others including sites zoned under the City’s site-specific CD-1 Comprehensive Development designation. This methodology is illustrated in Figure 12.

Figure 12: Capacity Model Methodology



Where a mix of uses are permitted, the model makes an assumption about the most likely mix based on development trends and market forces. For example, in a mixed-residential building, commercial uses are assumed to be limited to the first few floors, with the majority of the developable Floor Space Ratio (FSR) assumed to be residential, as this space tends to offer a higher rate of return for developers. Similar assumptions are made for mixed industrial and office spaces, where industrial uses are unlikely to occupy space above the ground floor. In this regard, the model does not estimate the maximum non-residential space that could be built, but instead represents the amount of non-residential space that is likely to be built under current policies and market trends.

A summary of the City's development capacity across each of these categories is included in Table 12 below.

Table 12: Employment Space Summary by Employment Land Use Category, Citywide

Land Use Type	Existing Space (millions of sq. ft.)	Development Pipeline (net millions of sq. ft.)	Future Capacity (net millions of sq. ft.)	Total Capacity (millions of sq. ft.)
Major Office	32.9	8.1	23.0	63.9
Population Related - Commercial	61.0	3.5	0.2	64.7
Hotels	9.4	0.8	- ^a	10.4
Other Commercial	51.5	2.7	0.2	54.4
Population Related - Institutional	22.1	6.3	- ^b	28.4
Industrial Areas	28.9	2.0	1.8	32.7
Total	144.9	19.8	25.1	189.9

Source: City of Vancouver

Note: Figures have been rounded and may not add to total.

(a) Hotel development capacity is assumed to be part of the future capacity for Major Office

(b) Due to site specific nature of institutional development, capacity model does not estimate future capacity – please see subsection 3 on page 42 for details

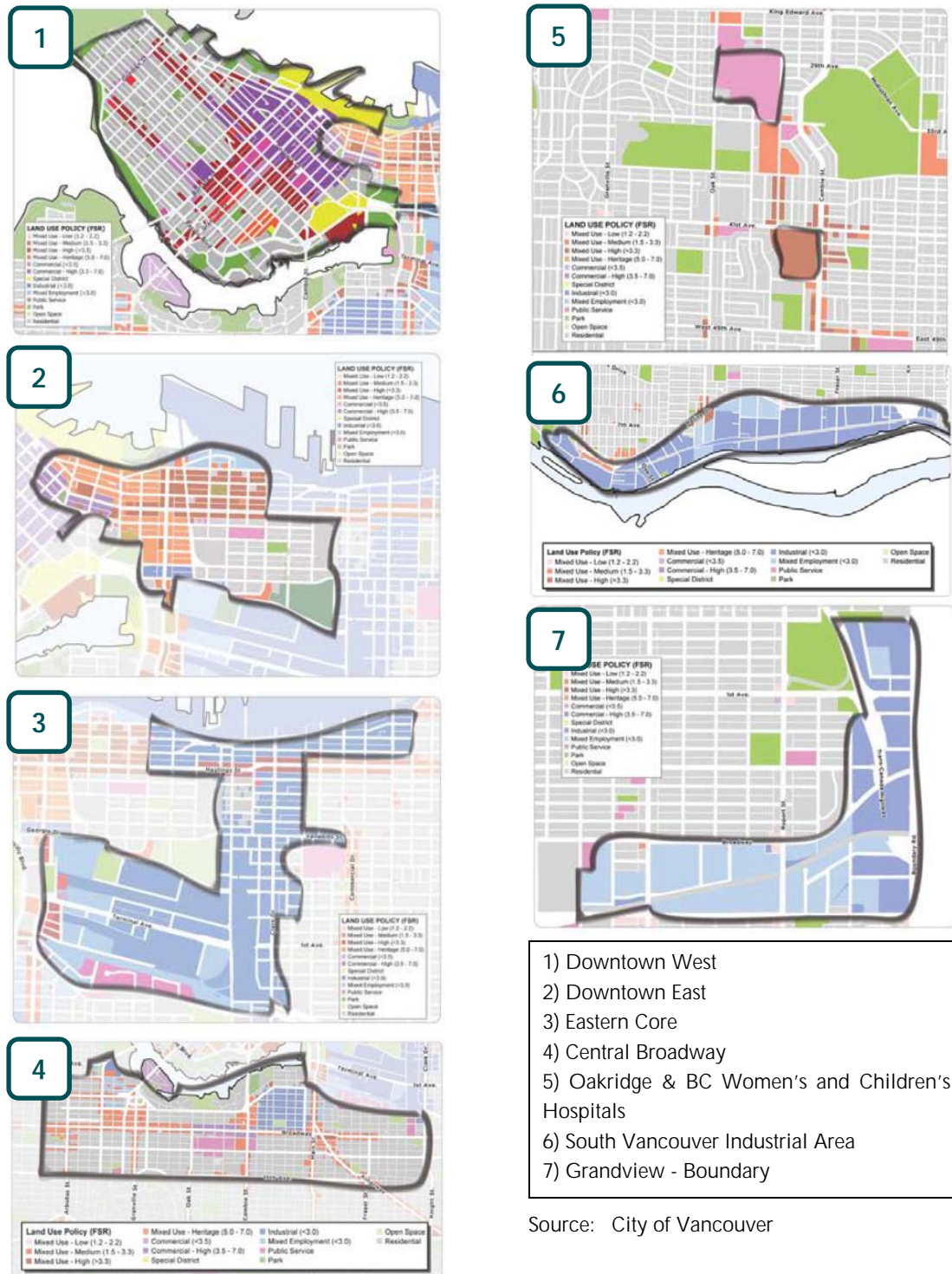
1. Location of Development Capacity is a Key Consideration

To guide policy discussions, the capacity model also identifies the net development non-residential development potential at a neighbourhood level. Seven key employment neighbourhoods have been identified based their distinct economic activities, land uses, and character. These neighbourhoods are:

- Downtown West
- Downtown East
- Eastern Core
- Central Broadway
- Oakridge & BC Women's & Children's Hospitals
- South Vancouver Industrial Area
- Grandview – Boundary

The geographies of each of these neighbourhoods are mapped in Figure 13 on the following page, with an inventory of net pipeline and capacity estimates for each of the four key land use categories provided in Table 13 on page 41.

Figure 13: Neighbourhood Study Areas



- 1) Downtown West
- 2) Downtown East
- 3) Eastern Core
- 4) Central Broadway
- 5) Oakridge & BC Women's and Children's Hospitals
- 6) South Vancouver Industrial Area
- 7) Grandview - Boundary

Source: City of Vancouver

Table 13: Employment Capacity Summary by Employment Land Use Category & Neighbourhood (in 000s sq. ft.)

Neighbourhood	Major Office			Population Related - Commercial		
	Pipeline	Dev. Capacity	Total	Pipeline	Dev. Capacity	Total
Downtown West	4,247	4,125	8,372	412	864	1,277
Downtown East	190	(23)	168	111	16	127
Eastern Core	1,006	7,664	8,670	894	(349)	544
Central Broadway	1,150	1,141	2,291	429	1,029	1,459
Oakridge & Hospitals	308	256	565	848	37	885
South Vancouver Industrial Area	(12)	840	828	513	275	787
Grandview – Boundary	1,091	9,114	10,205	142	168	310
Rest of City	116	(96)	21	155	(1,793)	(1,638)
Total	8,097	23,023	31,120	3,504	247	3,751

Neighbourhood	Population Related - Institutional			Industrial Areas		
	Pipeline	Dev. Capacity	Total	Pipeline	Dev. Capacity	Total
Downtown West	1,788	-	1,788	169	(21)	148
Downtown East	-	-	-	(25)	(79)	(104)
Eastern Core	484	-	484	1,598	1,812	3,409
Central Broadway	847	-	847	26	609	634
Oakridge & Hospitals	766	-	766	-	-	-
South Vancouver Industrial Area	-	-	-	291	1,002	1,293
Grandview – Boundary	76	-	76	14	(1,178)	(1,164)
Rest of City	2,289	-	2,289	(77)	(304)	(382)
Total	6,250	-	6,250	1,995	1,840	3,835

Source: City of Vancouver

Note: Figures are in net new square feet. Figures have been rounded and may not add to total.

2. Significant Additions to the Commercial Inventory are Not Anticipated

There is over 3.5 million square feet of new Commercial space in the development pipeline, split between 0.8 million square feet of hotel space and 2.7 million square feet of other Commercial uses. In addition to this, there is a fair bit of additional development potential in the Downtown West and Central Broadway neighbourhoods. However, beyond this, the net amount of additional Commercial space is not anticipated to be very significant. This is primarily on account of the redevelopment of existing Commercial spaces across the rest of the city tending to result in no net gain, or even a net loss, when being redeveloped as mixed-use projects. This is particularly relevant in many of Vancouver's C-zones, where mixed-residential redevelopment only replaces a ground floor component of Commercial space, while the rest of the project is typically developed as residential floor space.

3. Institutional Development Capacity is Difficult to Predict

While the development capacity model is able to identify the likely redevelopment capacity for Major Office, Commercial and Industrial Area land use related space quite clearly, Institutional space is somewhat more challenging. Most Institutional space occurs on hospital or post-secondary campuses, which are usually developed under the City's CD-1 zoning bylaw, or under their own precinct-specific development plans. As such, current policies do not provide a clear idea of just how much additional space could be developed for these uses.

Many major hospitals and post-secondary institutions in the City, including Langara College, either have existing – or are in the process of developing – master plans for their respective campuses. However, many stakeholders from the Health and Post Secondary sectors note that these plans often require increased flexibility from what the City's current policy permits. In practice, most of these redevelopments will require site-specific zoning amendments. Additionally, some Institutional uses are able to locate in Major Office-type space, as has been demonstrated by the downtown campuses of both the University of British Columbia and Simon Fraser University.

Because of these discrepancies, the capacity model is unable to identify additional Institutional-specific development capacity. However, it is clearly noted that policy change will likely be necessary in order to realize the potential of existing Institutional sites, while others may create demand amongst the City's capacity for Major Office space.

4. Industrial Capacity is Limited to a Few Neighbourhoods

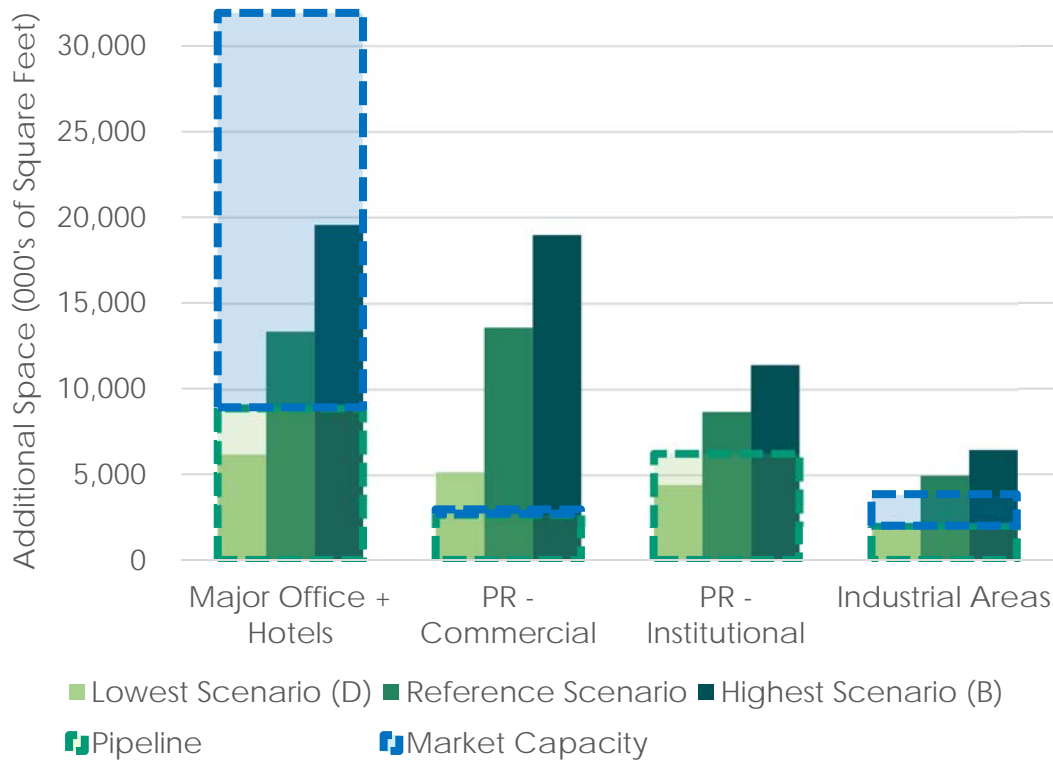
Outside of the Eastern Core and Southern Vancouver Industrial Area south of Marine Drive, there are very few areas for net growth in Industrial Area space. This is largely due to a lack of vacant industrial land, meaning that any new additional development capacity has to occur in multi-storey or mixed-employment projects. While this may result in some new capacity in areas like the False Creek Flats, much of this Industrial Area space is likely to be 'flex' space, which could also be occupied by other employment uses, like retail or office. Even if this space is retained for Industrial Area uses, the cost of multi-storey industrial may result in rents that are too expensive for a number of traditional city-serving industrial businesses.

It is also important to note that a considerable amount of potential employment land is under the jurisdiction of the Port of Vancouver, which is under a federal mandate. While the City has limited policy influence over development in these areas, the Port has undertaken a modernization review, and is committed to making more efficient use of its lands to accommodate growing demand for space related to its operations.

G. GAPS BETWEEN DEMAND AND SUPPLY WARRANT FURTHER CONSIDERATION

With a cumulative forecast demand ranging between 17.7 million and 56.5 million additional square feet, and a combined pipeline and development capacity of 46.8 million square feet, the City could potentially experience a significant gap between demand for space and its ability to accommodate it, depending on the scenario. This is of particular concern when observing the demand amongst specific employment land use categories, as shown in Figure 14 on the following page.

Figure 14: Comparison of Demand Forecasts and Capacity Analysis



Source: Hemson Consulting, with data from the City of Vancouver

Note: PR – Commercial demand and pipeline excludes hotels

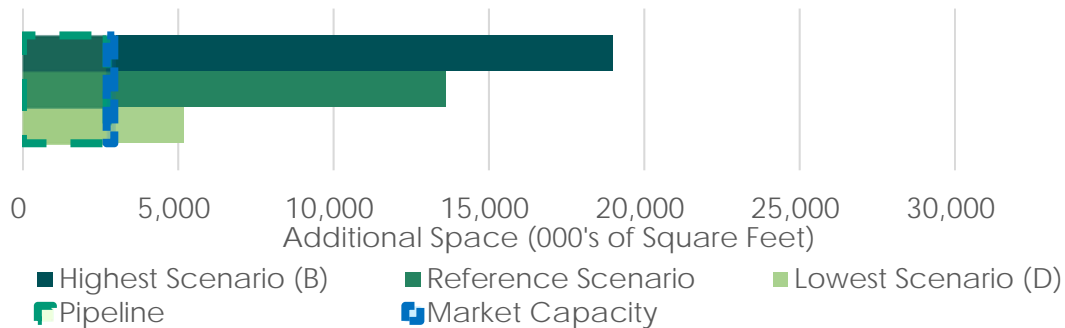
While space in the development pipeline is likely to be sufficient for most employment types under the lowest scenario (Scenario D – which assumes a significant drop off in growth and reduced floor space per worker needs), both the reference and highest growth scenario (Scenario B) indicate a capacity shortfall in Commercial, Institutional, and Industrial Area categories. At the same time, the development capacity for Major Office-type space also presents a number of challenges based on the location of the capacity, and completion with other uses such as hotels. The key takeaways from each component of the gap analysis are as follows:

1. Limited Capacity for Commercial Space to Meet Needs of a Growing Population

While the impact of e-retailing and automation could limit the demand for Commercial space, it is still quite likely that a significant amount of retail and small office-type space will be required. The forecast model anticipates demand for an additional 5.2 to 19.0 million square feet of Commercial space by 2051, space for

approximately 35,000 to 63,000 additional jobs (excluding hotels). However, there are concerns that the city may not be able to accommodate this potential if current development trends persist. The gap between Commercial demand and development capacity is shown in Figure 15 below.

Figure 15: Commercial Space Demand and Development Capacity



Source: Hemson Consulting, with data from the City of Vancouver

Note: Demand scenarios and development pipeline exclude hotels

Removing hotels from the calculation, there is only 2.7 million square feet of additional space for other Commercial uses in the development pipeline. At the same time, trends in the redevelopment of Vancouver's commercial zones are resulting in minimal net increase in Commercial space. What space is replaced through mixed use redevelopment also tends to be more expensive than the space that preceded it, also raising concerns about the diversity of businesses and services that will be able to locate within this new supply.

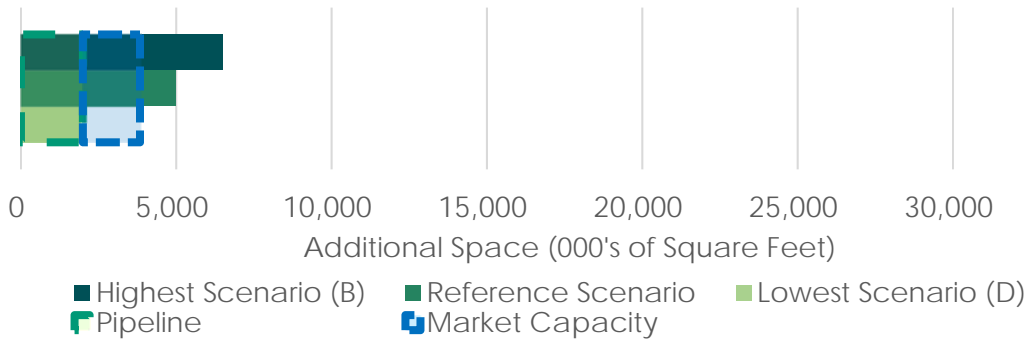
2. Industrial Area Demand Likely to Surpass City's Ability to Accommodate It

With a limited amount of industrial land and high market land and rental costs as a result, most of Metro Vancouver's Industrial Area demand will be directed to other parts of the region. However, there will still be demand for industrial space to accommodate local business-supporting-businesses, along with some advanced manufacturing related to Vancouver's growing tech market. At the same time, the shift towards e-retailing is driving demand for last mile customer fulfillment and distribution centres for businesses like Amazon.

While some of these businesses will be able to repurpose existing industrial space, limited vacancy rates mean that additional space will need to be developed in order to accommodate demand and changing Industrial Area space needs. As shown in Figure 16 on the following page, the forecast model anticipates demand for between 1.9 million and 6.5 million square feet of Industrial Area space in addition to what exists today. This would accommodate between 6,000 to 11,000 direct jobs, while also

supporting the various local businesses and economic activities that rely on local and region-serving Industrial Area businesses.

Figure 16: Industrial Area Space Demand and Development Capacity



Source: Hemson Consulting, with data from the City of Vancouver

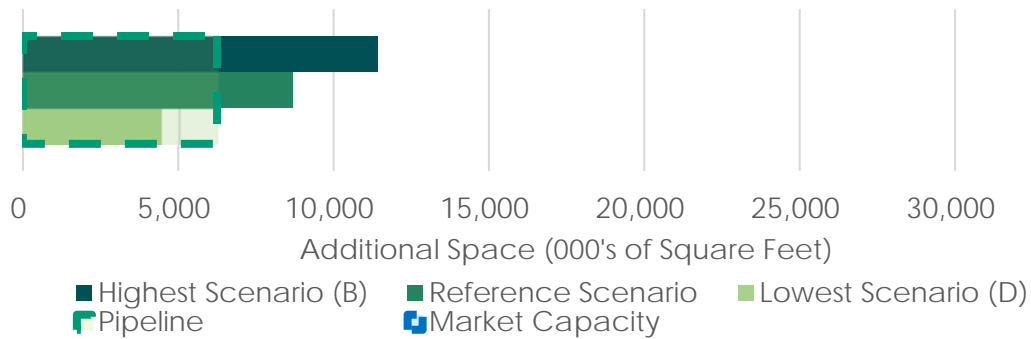
While the low scenario for growth could potentially be accommodated in existing buildings with the addition of space noted in the development pipeline, the reference and high end outlook will likely require more space than the market is likely to accommodate under current land use policies. There are recent examples that the development of multi-storey industrial space is feasible in Vancouver as part of mixed and office projects. However, it remains to be seen how easily these projects can be replicated. As with Commercial space, there are also concerns that the increased costs associated with redevelopment at increased densities and with a broader mix of uses could displace smaller or existing industrial businesses.

3. Significant Capacity for Institutional Space in Pipeline, but More Likely Needed

Similar to Commercial space, demand for Institutional space is likely to increase with the local and regional population. This could result in a demand for between 4.5 million and 11.5 million square feet of additional Institutional space, accommodating between 15,700 and 29,300 additional jobs by 2051.

As shown in Figure 17 on the following page, much of this demand can likely be accommodated within projects that are already in the development pipeline since 2016. While most of this capacity is being driven by the new St. Paul's hospital in the False Creek Flats, there are also various other projects around the city that will add approximately 6.3 million square feet of Institutional space if fully built out. However, additional demand will likely need to be accommodated through intensification of other health and education related campuses, along with associated medical and support offices.

Figure 17: Institutional Space Demand and Development Capacity



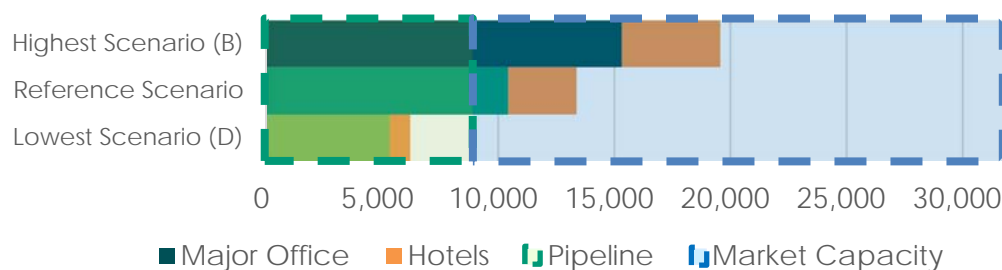
Source: Hemson Consulting, with data from the City of Vancouver

4. Significant Office Capacity Citywide, but Limited in Downtown

Based on current trends and most indicators, Vancouver is likely to continue to lead the region in demand for Major Office related jobs and space in the foreseeable space, with a forecast need for 5.3 to 15.3 million additional square feet of office space (approximately 41,900 to 76,600 additional jobs). In addition to this, demand for major hotel accommodation is also anticipated to continue, requiring between 0.8 to 4.3 millions square feet of space (2,600 to 4,800 jobs) by 2051. These two categories are compared together, as they typically compete for similar types of land and development capacity.

As shown in Figure 18, in addition to the 8.1 million square feet of Major Office space and 0.8 million of hotel space already in the development pipeline, there is a considerable amount of potential development capacity spread across Vancouver, totaling some 23 million square feet.

Figure 18: Major Office & Hotel Space Demand and Development Capacity

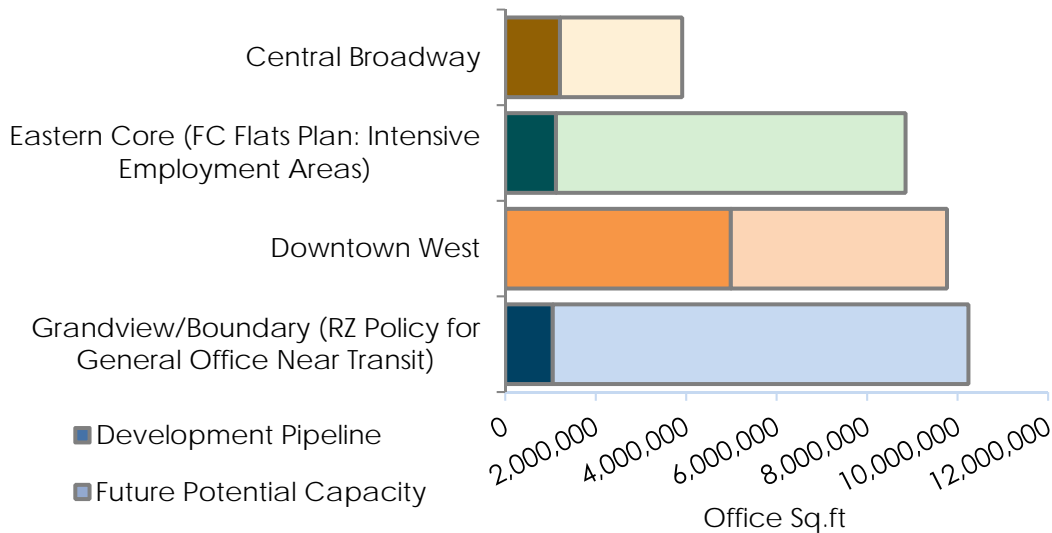


Source: Hemson Consulting, with data from City of Vancouver

Note: Pipeline capacity shown includes both Major Office (8.1 million sq. ft.) and Hotels (0.8 million sq. ft.)

While it appears that the city has more than enough capacity to meet future demand, the location of some of this development capacity warrants some consideration. As shown in Figure 19, while most Major Office development has historically been centred on the Downtown, its total capacity to accommodate additional development is limited. As a result, the City may begin to see office development shift towards other neighbourhoods where considerable development capacity exists, such as the False Creek Flats and Grandview – Boundary near existing Skytrain stations.

Figure 19: Top Neighbourhoods by Major Office and Hotel Development Capacity



Source: City of Vancouver

Note: Development Pipeline figures include both Major Office and Hotel projects

However, it is important to note that market demand currently prefers the Downtown for a number of reasons, including its central location, concentration of similar uses and the general prestige associated with being located there. It remains to be seen if overall demand will persist to the same degree if office development is redirected to other areas of the city.