

The Vancouver Plan

Action while planning:

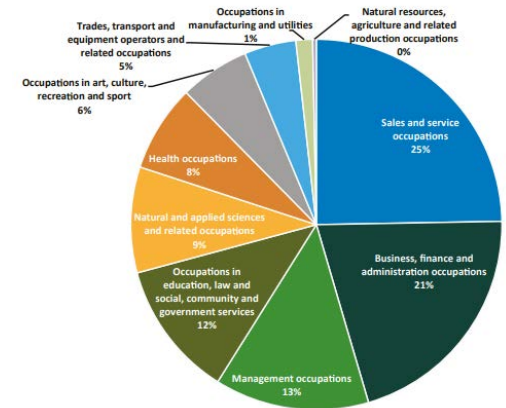
**Employment Lands & Economy Review:
Update on Phase 1 & Next Steps**

Planning
Vancouver
Together

SCOPE & DELIVERABLES

- A broad overview of Vancouver's economy
- Comprehensive data, engagement and integration with other initiatives
- City-wide and sub-area level analysis
- High-level policy directions to ensure an appropriate supply of land to support our economic goals
- Foundational information for the Vancouver Plan and future economic development work

FIGURE 2. OCCUPATIONS IN THE CITY OF VANCOUVER



Integration with The Vancouver Plan



How the Employment Lands & Economy Review and City-wide Plan Initiatives Move Forward Together



ELER



We Are Here

ELER + City-wide Plan Joint & Deep Dive Engagement

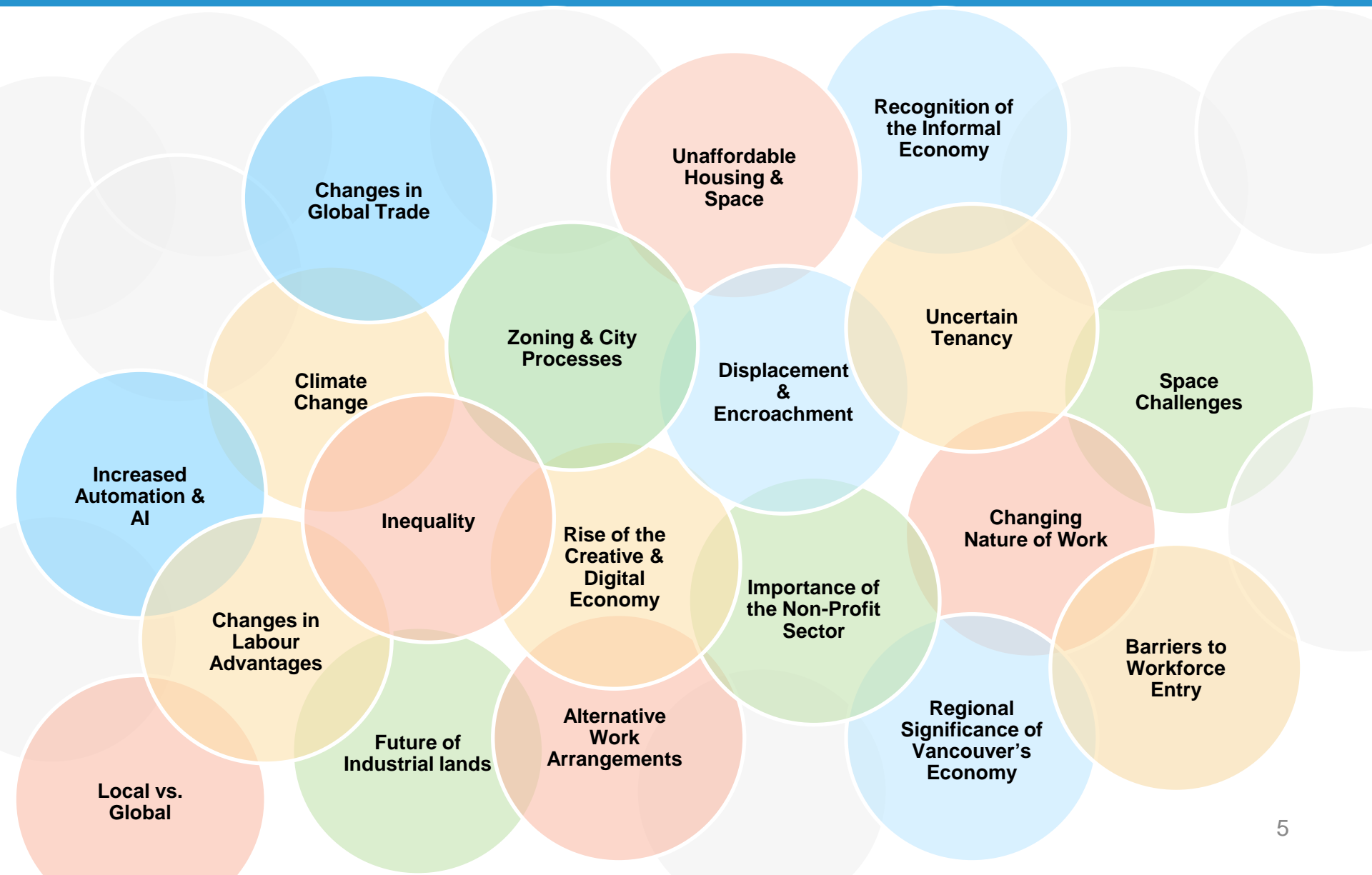
The Vancouver Plan



- A. 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 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.*

What are we Hearing?

Key Themes, Drivers & Disruptors



What are we Learning?

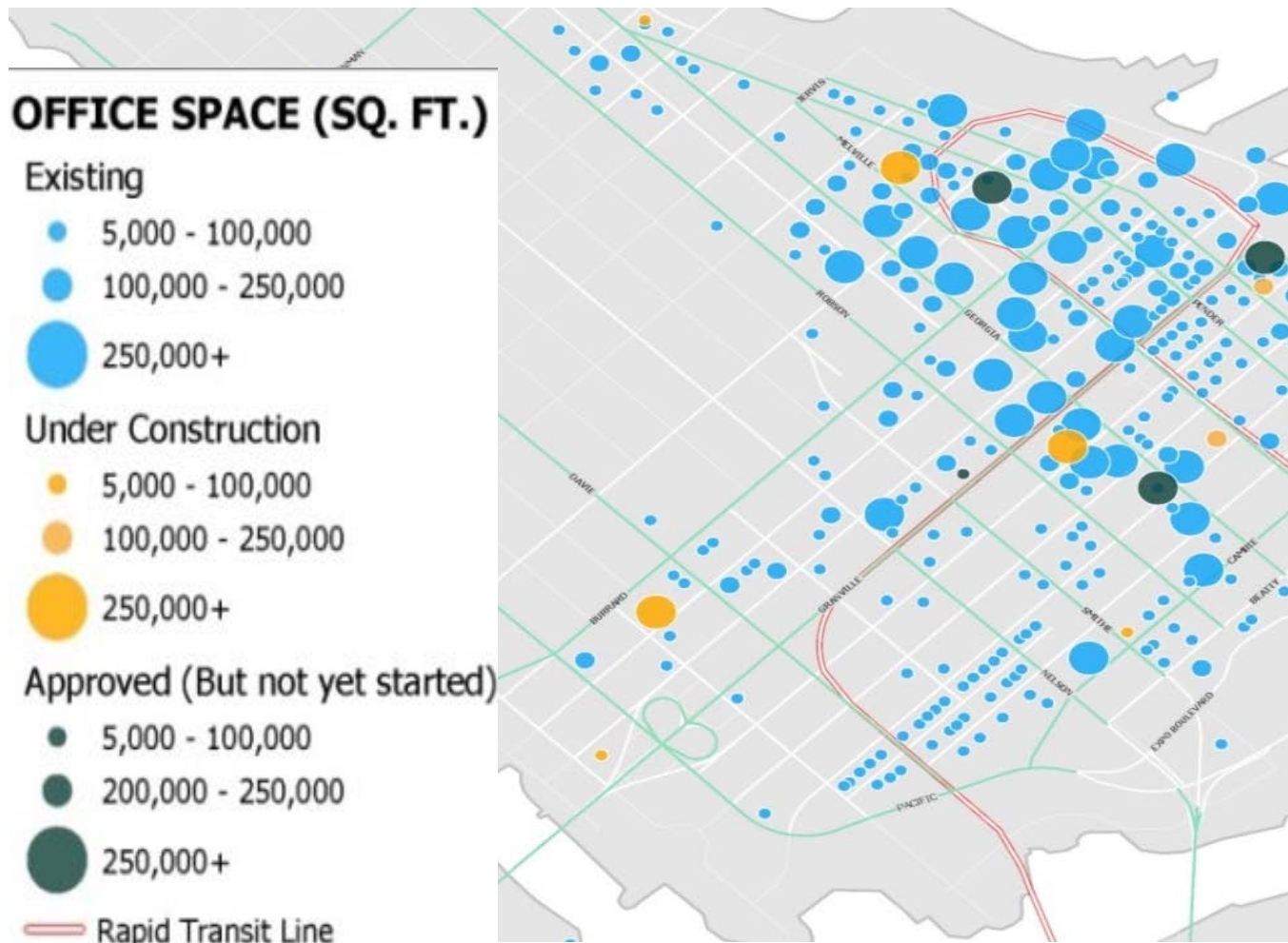
Initial List of Economic and Employment Lands

Challenges/ Themes:

- 1 Diversity of Job Opportunities, Workforce Supports & Economic Resiliency
- 2 Job Space Affordability
- 3 Viability of Small Independent Business & Capacity for Growth of Commercial Services to Serve a Growing Population
- 4 Viability of City Serving Industrial Businesses
- 5 Appropriate Capacity for Office & Hotel Growth

Important to Recognize Uncertainties and Take a Long Term View

2009 Council decision to restrict residential in CBD and preserve space for jobs:



Strong demand for office today

- < 3% vacancy
- ~70% of office under construction in region is in Vancouver
- 8.1M sq. ft. under development today (space for ~30,000 jobs)

Office Space in Downtown West, 2019

PDS Economic Development Functions

Research
& Data

Land Economics

Government to
Government
Relations
(including First
Nations)

Institutional &
Regional
Alignment

Infrastructure
Planning

Financing Growth

Policy
Development &
Implementation

Capacity-Building
Through
Funding/Grants

Public
Engagement

Strategic Planning

Monitoring &
Evaluation

Context

- One part of a larger system
- Local → Global
- Integrated sustainability framework
- City of Reconciliation (2014)

The Vancouver Economic Development 'Eco-system'



City of Vancouver Economic Development Initiatives 2019

Planning	Sustainability	ACCS	Other
<ul style="list-style-type: none"> • Employment Lands & Economy Review • Retail/Commercial District Small Business Study • Business Improvement Areas Program • Economic Development Coordination Group • BizMap • Online Business Guides • Citywide Plan • Community Economic Development Land Use & Infrastructure • Unpermitted Vending Study • DTES & The Flats: Affordable Space Activation • DTES Capital Grant Program • Complete Communities / Neighbourhood Shopping Streets • Chinatown Transformation 	<ul style="list-style-type: none"> • Circular Economy Policy & Programming • Green and Digital Demonstration Program • Mass Timber & Construction Costs Research • HVAC Trades Skills Needs Assessment • Climate Emergency Economic Impact Study 	<ul style="list-style-type: none"> • Community Economic Development & Low-Barrier Employment Programming • Poverty Reduction Plan • Healthy City Strategy (Making Ends Meet & Working Well) • Community Benefits Agreement Policy • Chinatown/Vancouver legacy business study • Making Space for Arts & Culture • Grants 	<ul style="list-style-type: none"> • Commercial Renovation Review and Small Business Commercial Renovation Centre • ENG—Engineering Services BIA Partnership Program • BPPS—Small Business Roundtable & Newsletter

Social
Environmental
Economic
Cultural



Examples of Related Policy Planning Work



Current Goals for the Economy

**Decrease income
disparity & inequity**

**Advance Vancouver's
position in the regional
and global economy**

**Contribute to sustainable
prosperity**

**Integrates land use &
transportation**

**Showcases creativity &
innovation**

**Lay foundation of
reconciliation, equity and
resilience**

Grow the trade sector

**Grow capacity for trade
substitution and the
circular economy**

**Acknowledge the
informal economy**

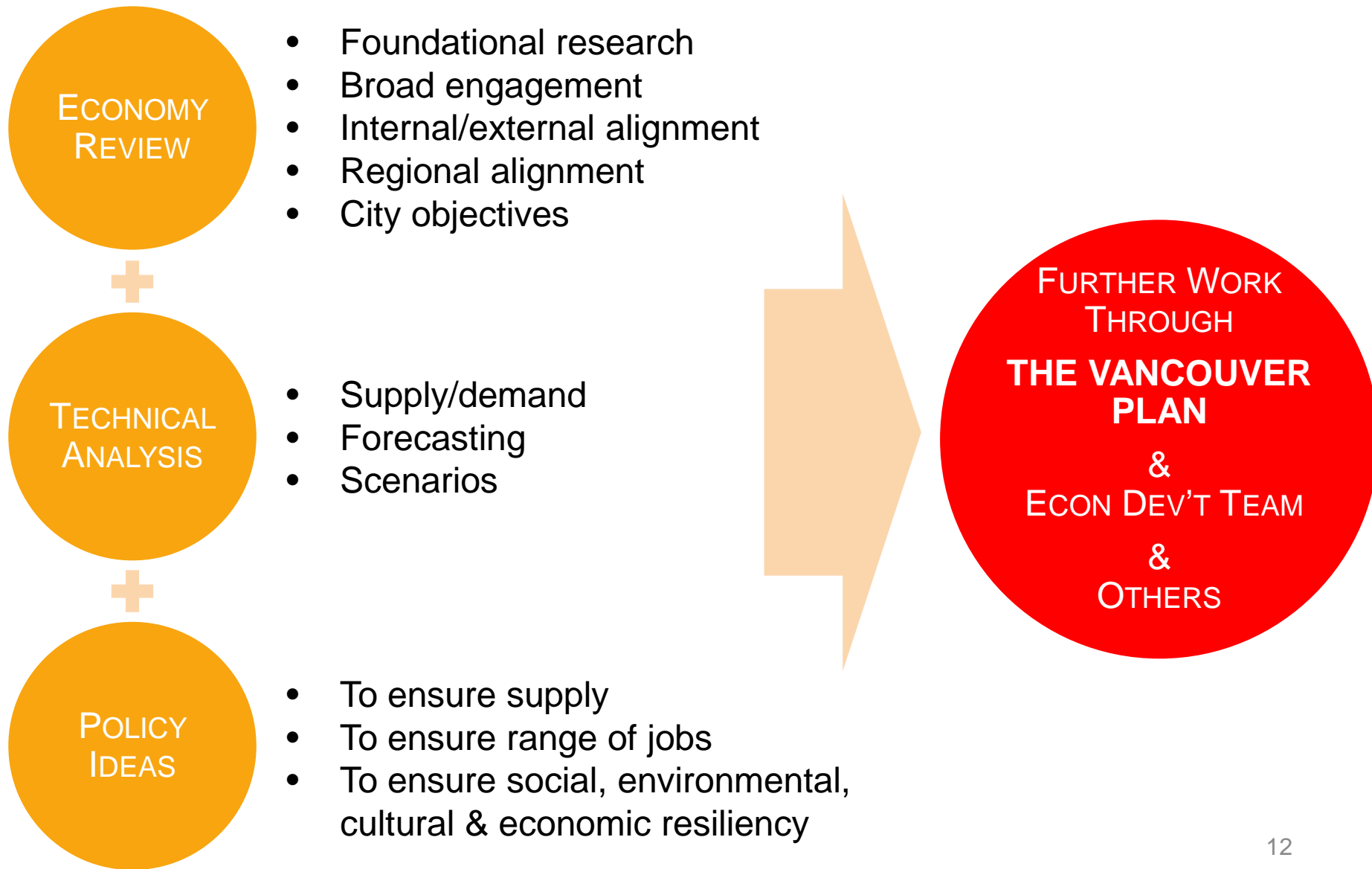
**Ensure Vancouver's
businesses succeed
across boundaries**

**Support a broad range of
business sectors and a
diverse workforce**

**Increase range of
opportunities for inclusion
of diverse residents**



How is the Project Structured?



Engagement Objectives

Maximize **Inclusivity**



Become **Informed**

Seek **Interactive** Opportunities



Integrate with Related Work



Be **Iterative**

Who is Involved?



6500 Engagement Contacts

- ✓ Business and Workers Surveys
- ✓ Key stakeholder/subject matter expert interviews
- ✓ Special sessions with key sectors and economic stakeholders and businesses
- ✓ Walking tours & Site visits
- ✓ Ongoing dedicated project web site www.vancouver.ca/employment-lands providing updates, factsheets, engagement summaries
- ✓ External Advisory Group (EAG)



Who is Involved?

External Advisory Group



Economic Sectors

Accommodation

Hotel Association of Vancouver

Architecture/Design

Mallen Gowing Berzins Architecture

Arts & Culture

Eastside Culture Crawl Society

Real Estate

TRG Commercial Realty

Creative Manufacturing

Dutil Denim

Retail

Retail Council of Canada

Digital Entertainment & Interactive

DigiBC

Education

Great Northern Way Trust

Entertainment

Granville Entertainment Group

Film & TV Production

Vancouver Film Studios

Finance

BMO

Information

Communication Tech.

Microsoft

Health

Lower Mainland Facilities Management

Legal

Fasken

Manufacturing

BC Alliance for Manufacturing

Social Purpose Real Estate

Social Purpose Real Estate Collaborative

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

Urban Development Institute

Urban Land Institute

Urban Planning

Brokers

Landowners

Building Owners

Developers

National Assn. of Industrial/Office Properties

Brokerage Firms

Colliers
CBRE

Urban Land Institute

Urban Planning
Brook Pooni

MST Dev't Corp

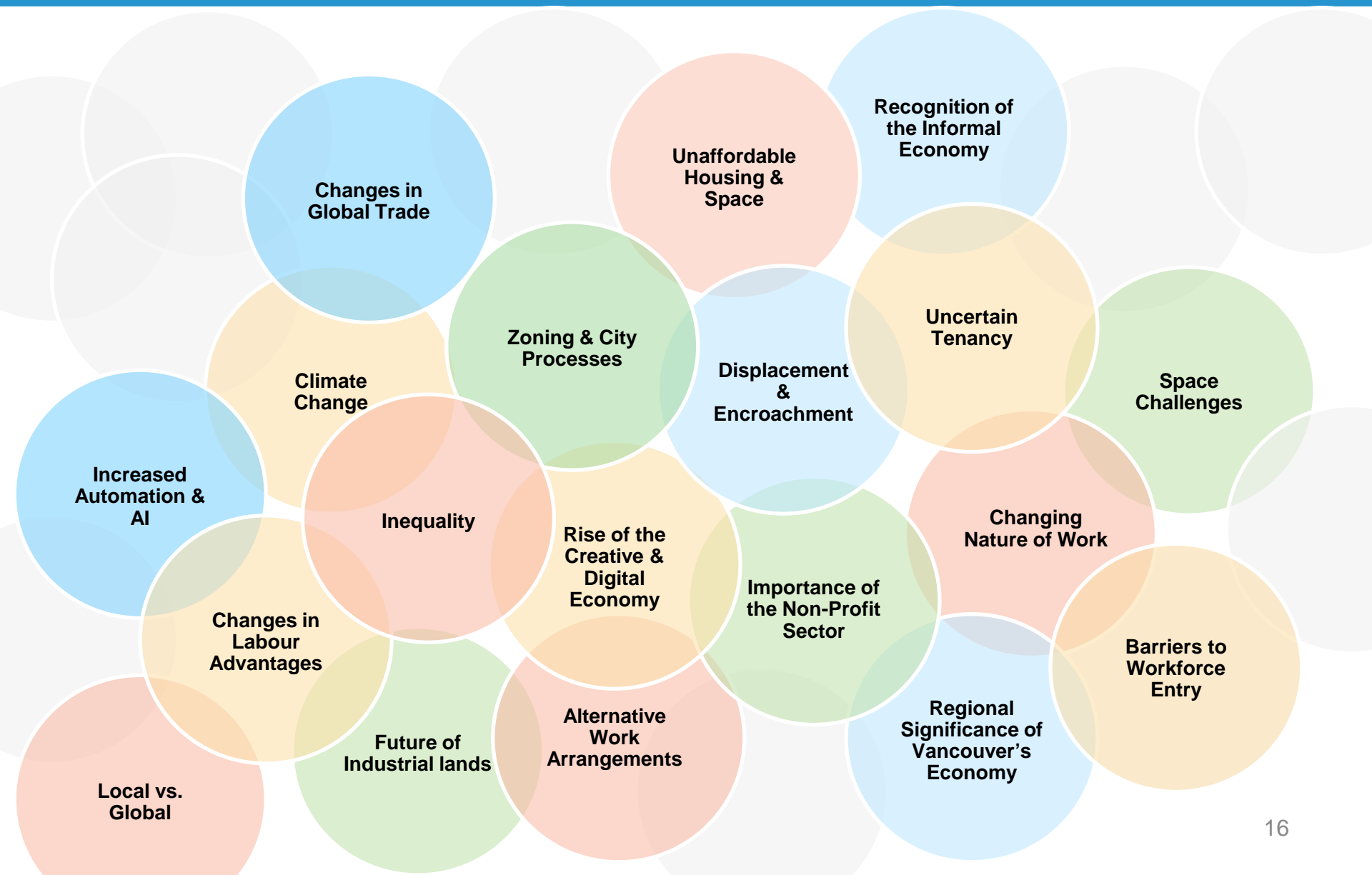
Aquilini
Conwest
WesGroup
Concord Pacific
Holborn Group

Bentall

PCI
Hungerford

What are we Hearing?

Key Themes, Drivers & Disruptors



What are we Learning?

Initial List of Economic and Employment Lands

Challenges/ Themes:

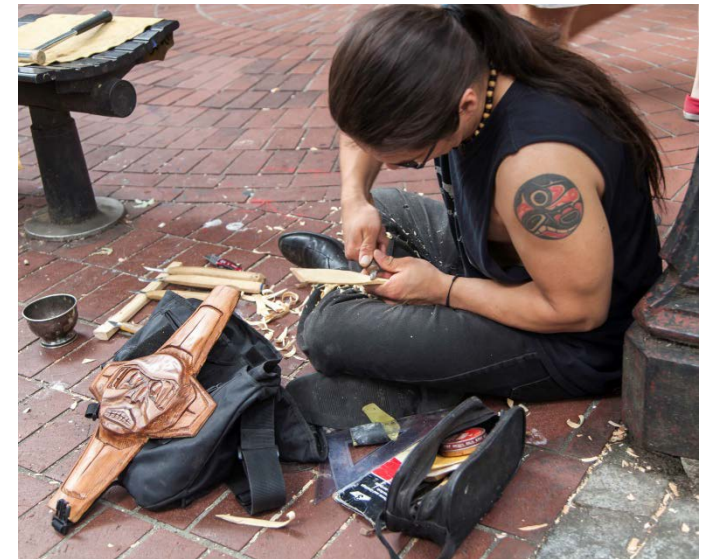
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What are we Learning?

Challenge Area / Theme

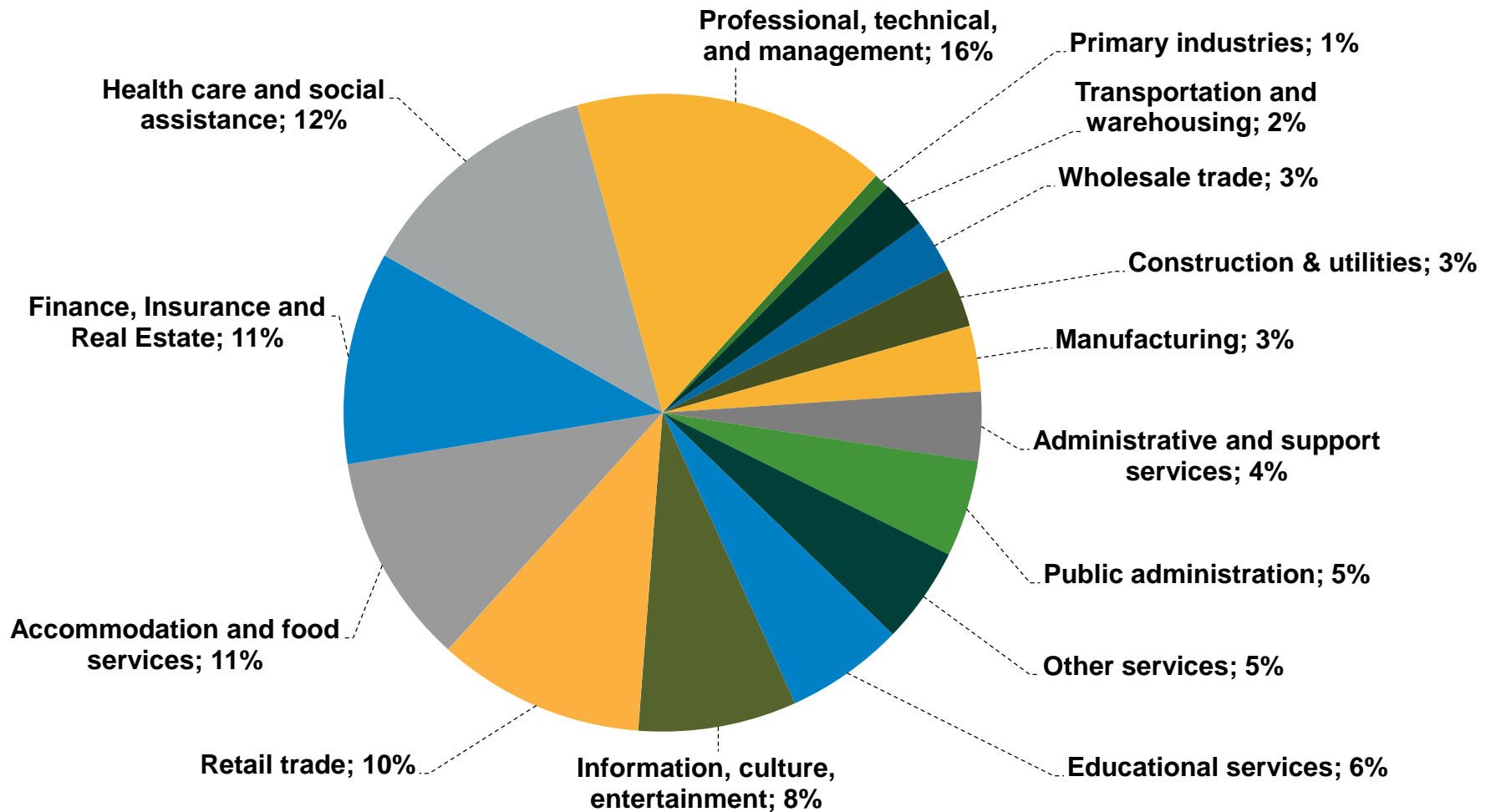
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Diversity of Job Opportunities, Workforce Supports & Economic Resiliency



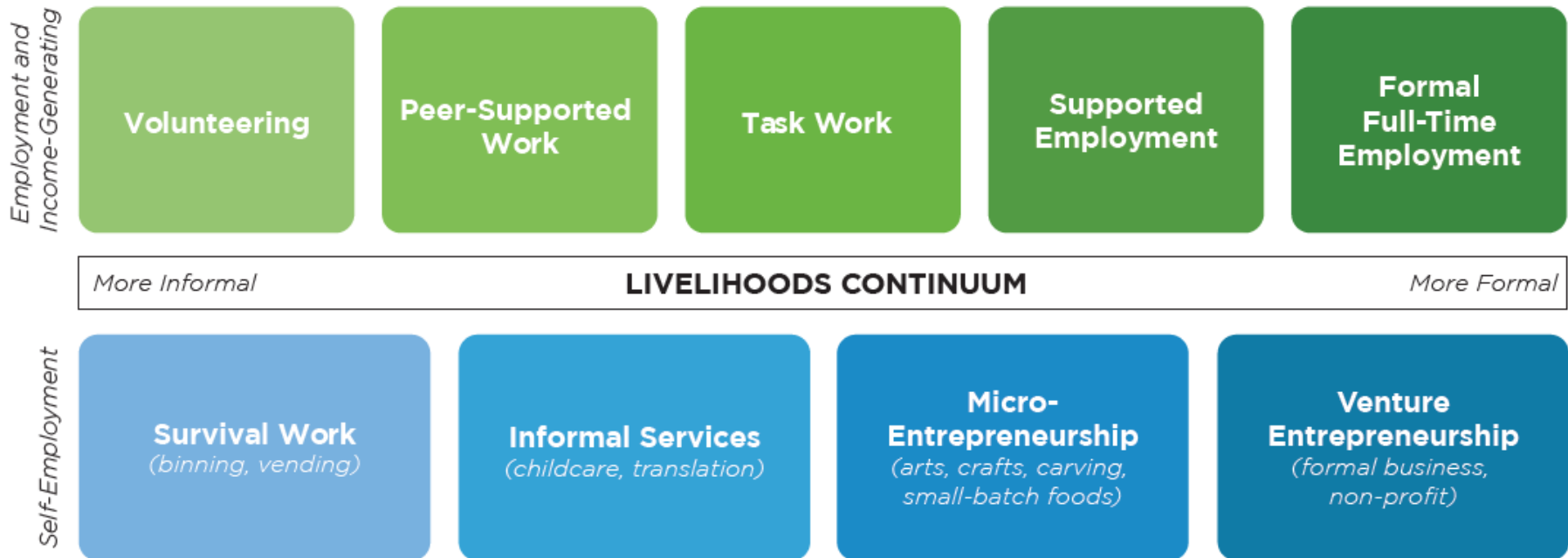
What are we Learning?

Distribution of Jobs in Vancouver, 2016



What are we Learning?

Need to Maintain Diversity & Economic Mobility



Source: Council Approved Community Economic Development Strategy 2016

What are we Learning?

Examples of Key Economic Drivers


Port

Supports 52,800 jobs, \$3.01B annual wages, and \$10.4B direct impact to city's economy.



Tourism


- 70,000+ full-time jobs and \$4.8B in direct visitor spending in region
- \$500M economic impact and 6,000 jobs from conventions in city
- 12,000+ hotel rooms; 57% of region
- 230+ annual cruise ship calls; nearly \$3 million in economic activity per ship



Film

\$3.4B economic impact and 60,000+ workers in BC

1,900+ Film Permits in the city in 2018; that's +90% since 2014



High Tech

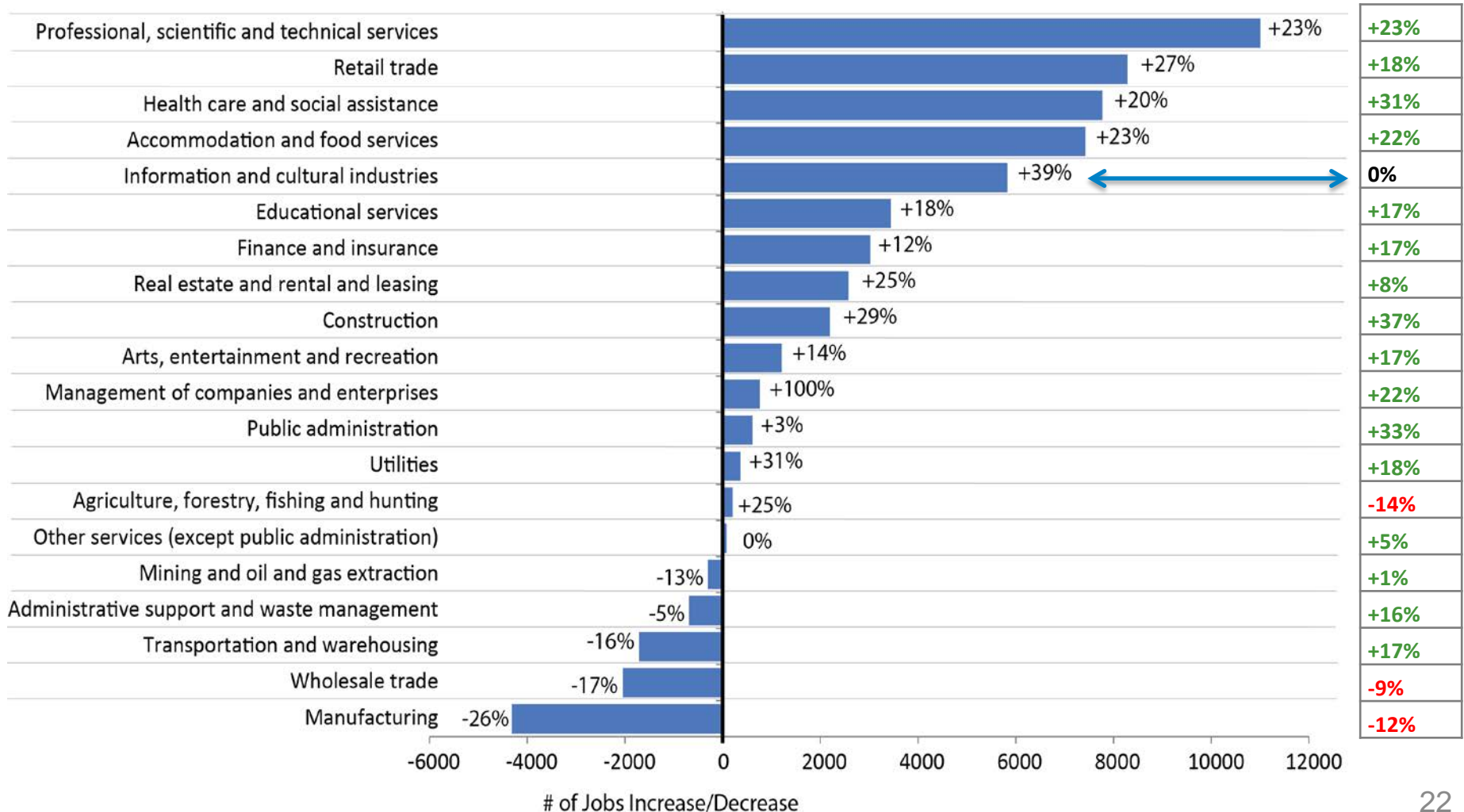
- City has world's largest cluster of animation and VFX businesses
- 75,000+ employed in region's digital economy



What are we Learning?

Trends in the Central City of Vancouver are Different from the Region

Metro Vancouver
Increase/Decrease



What are we Learning?

Labour Force Supports

- Affordable housing
- Child care
- Reliable transportation
- Education and workforce training
- Viability of non-profit sector service provision



What are we Learning?

Non-Profit Sector Plays A Key Role in the Economy

- **Contributes \$3.3B** to provincial GDP and accounts for 86,000 jobs in BC (community non-profits)
- Supports **workforce overall**. For example:
 - Child Care
 - Mental Health Services
 - Employment Services
 - Assistance to Newcomers
- Key challenges:
 - **Lack of affordable or suitable spaces**
 - Competitive disadvantage **retaining skilled workers**
 - Highly skilled work for **less pay than in for-profit businesses** (~75% female)
 - **High turnover**



Social Enterprise Sector is Growing Quickly in BC

What are we Learning?

Need for a Resiliency Approach

- Equity is an Important Consideration in Future Work
 - Vancouverites struggling to make ends meet
 - Growing income disparity
 - ~20% of residents are living in poverty
- Workers, Employment Lands & Economy are Vulnerable
 - Sea level rise/floods
 - Extreme weather
 - Forest fires
 - Major earthquake
- Climate Emergency Response:
 - Big Move #1 'Walkable Communities'
 - Big Move #2 'Active Transportation and Transit.'



2018 BC CHILD POVERTY
REPORT CARD



What are we Learning?

Challenge Area/ Theme

2

Job Space Affordability



This issue has also been identified through the **Culture|Shift** report

What are we Learning?

'A huge amount of stress': Vancouver businesses say property taxes have them at the brink

Struggling Vancouver arts spaces paint a grim picture in appeal for tax break

High daycare costs keeping too many parents out of job market

Government subsidies could be offset by increase in income tax revenue, report says



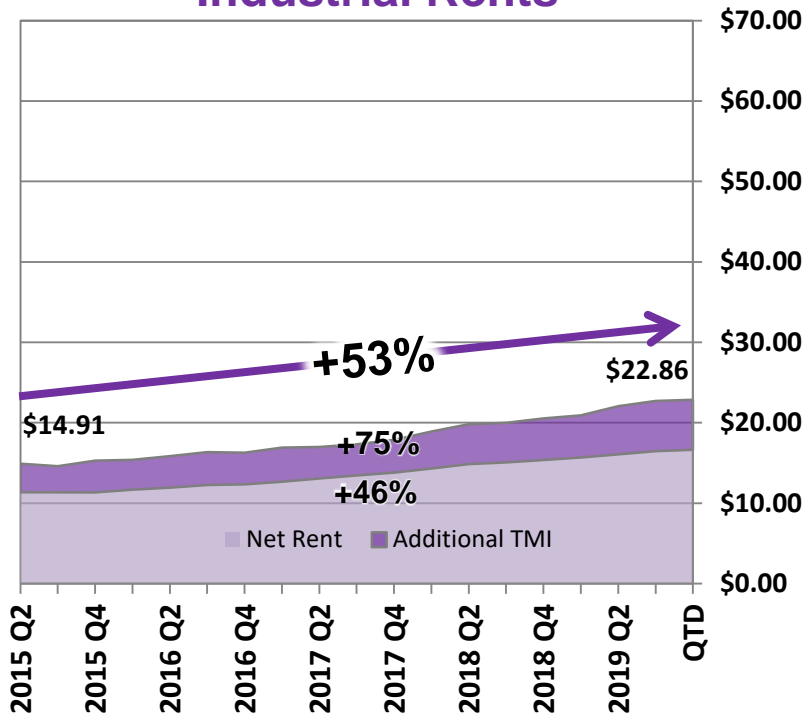
Downtown Vancouver office rental costs sees highest increase in North America

Cities Spiraling Out Of Reach: Study Shows Vancouver's Office Rental Costs Higher Than New York City.. Toronto Takes Steep Dive

What are we Learning?

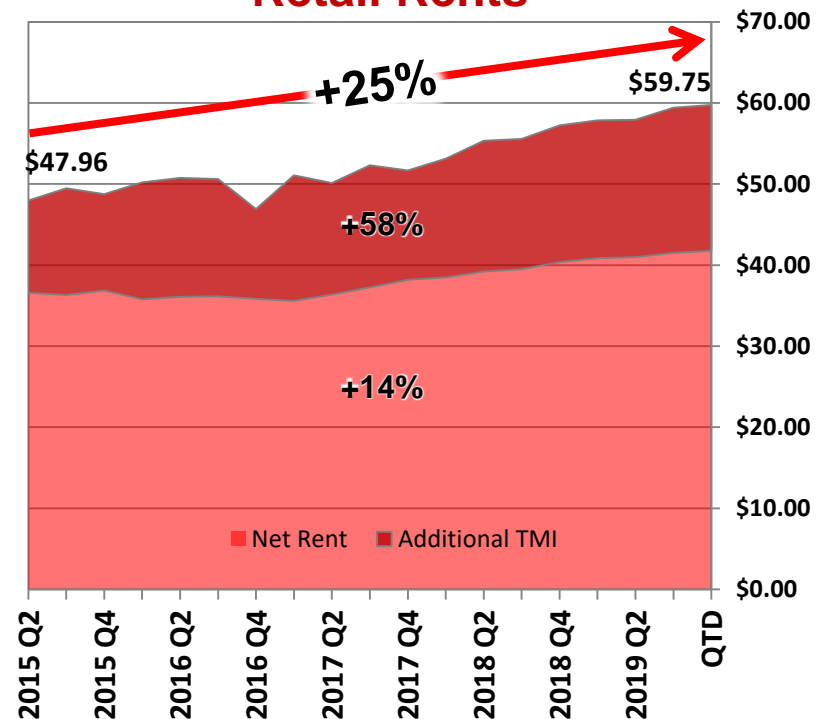
Job Space Rents are Increasing

Industrial Rents



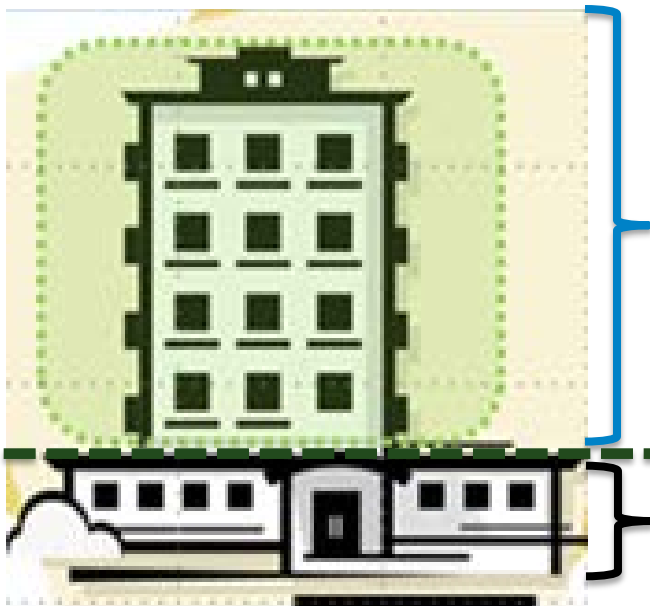
Rents: Average Market Monthly Rent \$ / Sq.ft

Retail Rents



UBCM Request to Change Assessment and Taxation Practices

- In partnership with other Metro municipalities, tabled recommendation at UBCM to create a new commercial sub-class where unbuilt density can be taxed at a lower mill rate.
- Awaiting response from Province.



**Development
Potential**

Existing
Commercial Use

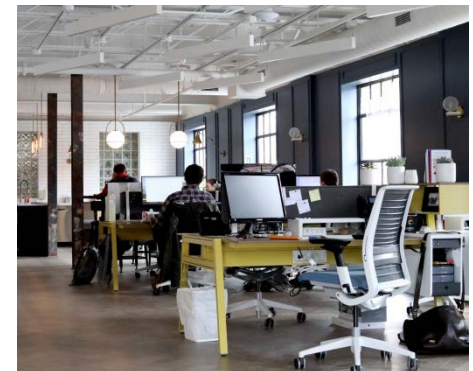
Current: Class 6 – Business
**Future: New Commercial
Sub-class**

Remains in
Class 6 - Business

What are we Learning?

Implications of decreased affordability:

- Risk of business relocation out of Vancouver
- Challenges to business operations
 - lack of storage, meeting rooms, loading areas
- Businesses can't grow into new spaces
- Reduced competitiveness
 - local companies not in optimal spaces or locations; devoting more to rent (in place of reinvestment in efficiency, innovation, etc.)
- Decreased worker quality of life
 - Overcrowding, lack of privacy, lack of workplace amenities
- Threat to a diverse economy
- Loss of social, cultural amenities/vibrancy
- Threat to innovation



What are we Learning?

Challenge Area/ Theme **3**

Viability of Small Independent Business and Capacity for Growth of Commercial Services to Serve a Growing Population



What are we Learning?

Small Independent Businesses are an Important to the City's Economy

- Maintain a local culture of entrepreneurship and innovation
- Provide employment opportunities for a wide range of workers
- Neighbourhood shopping streets foster sense of place and community connection, provide for daily needs
- Retail/ Commercial Small Business Study (In Progress)



What are we Learning?

Business Challenges:

- Affordability: property taxes/assessments
- Public realm: safety, placemaking, quality
- Parking, streets, transit
- Permitting/licensing
- Labour costs & retention
- Leasing Issues: triple net, demo clauses
- Changing demographics



Supply and Demand Model:

- Rising need for commercial space over the long term
- Current policy likely to yield limited capacity to increase supply of commercial space

What are we Learning?

Challenge Area/ Theme

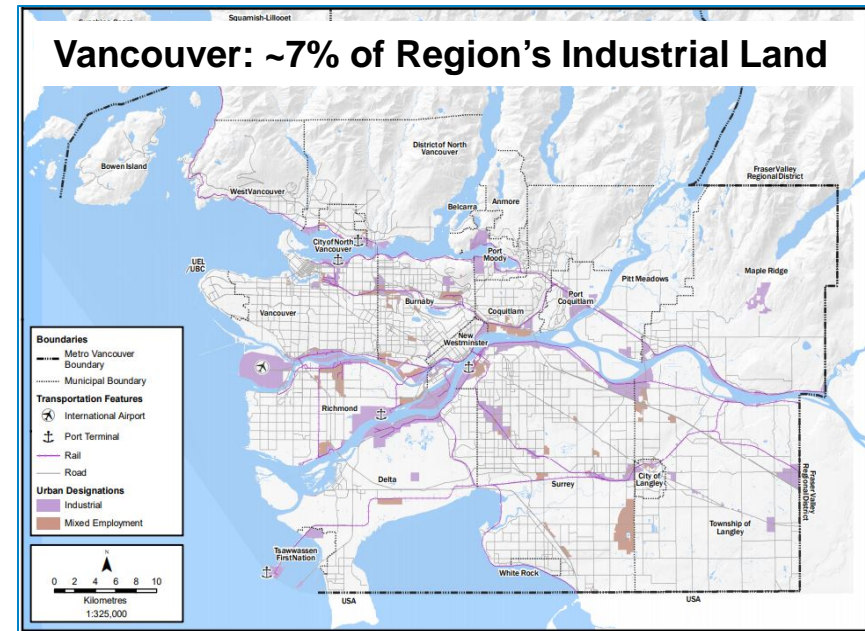
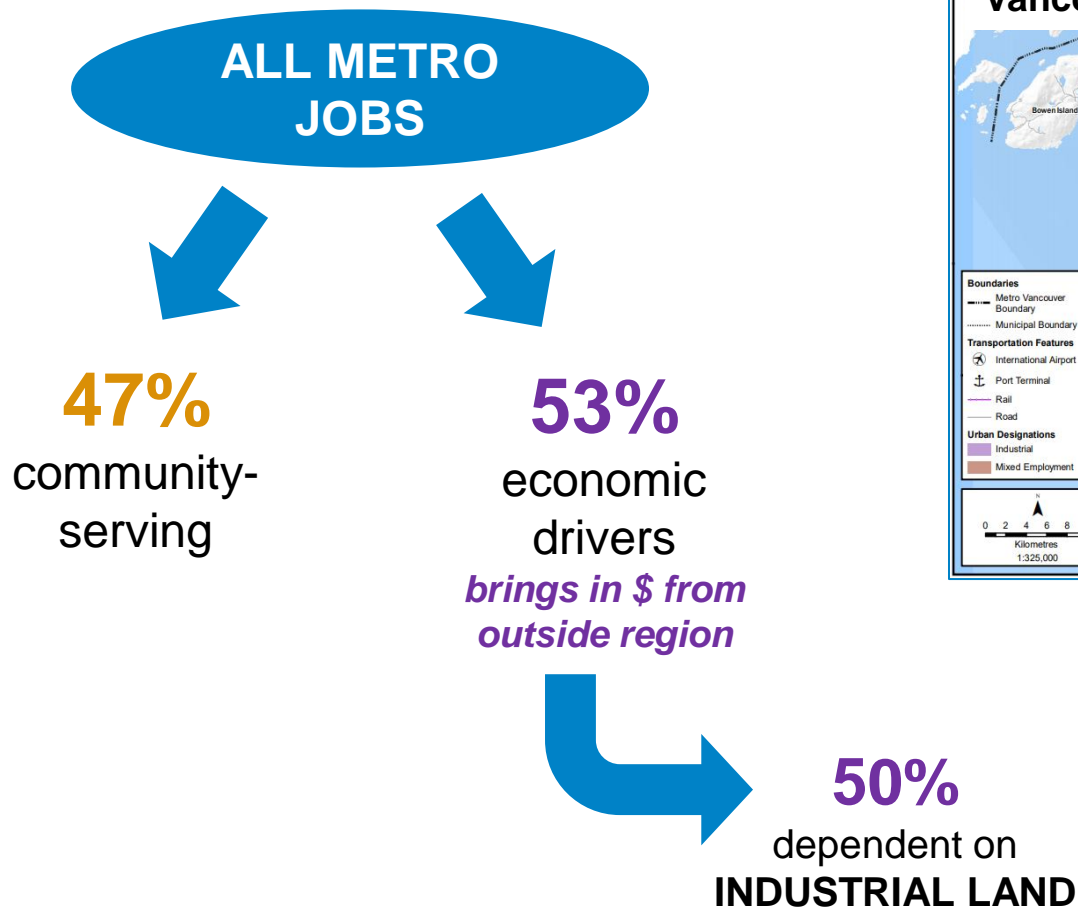
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Viability of City-Serving Industrial Businesses



What are we Learning?

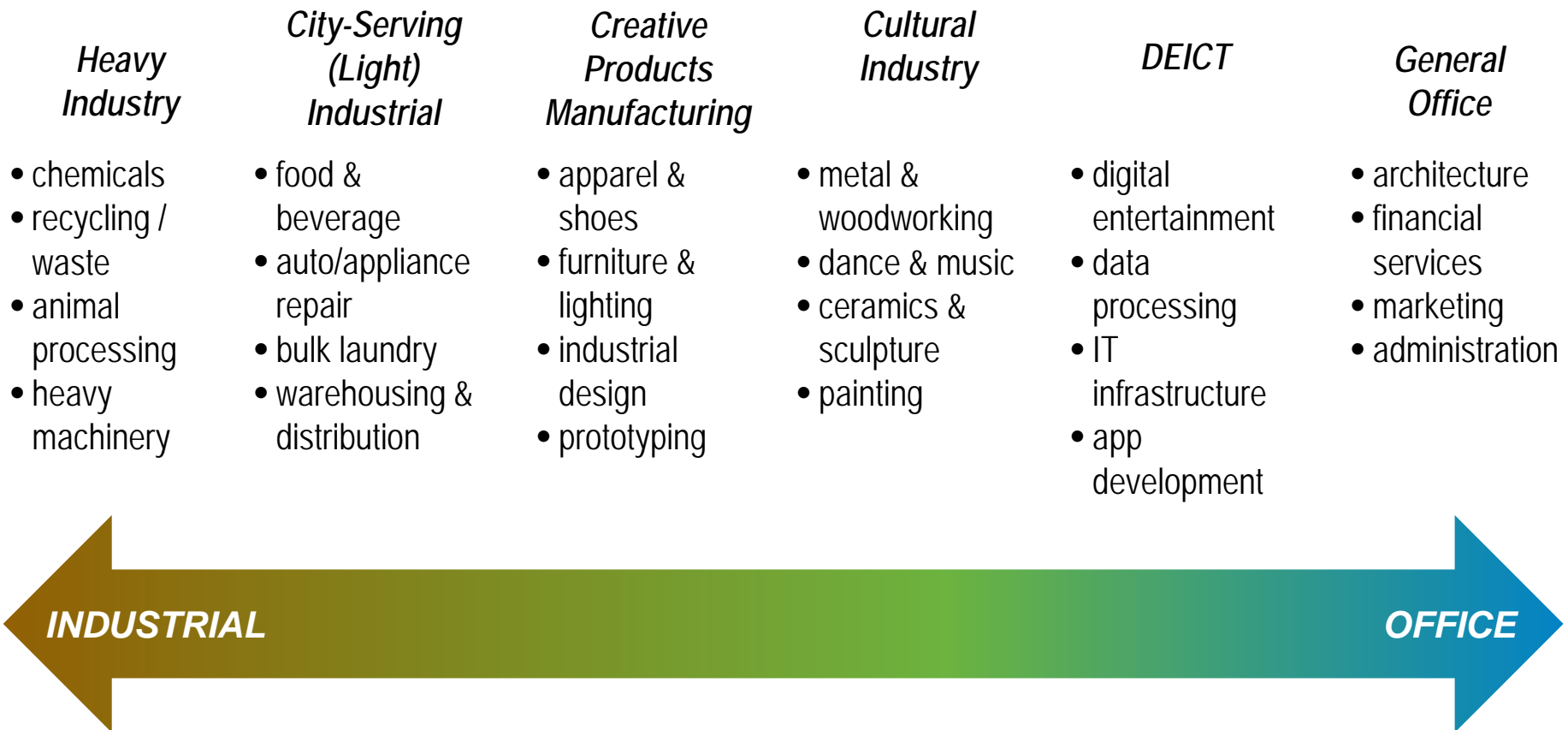
Findings from the Metro Vancouver Industrial Lands Strategy:



- Extremely Limited Land Supply
- Short-term and Long-term Shortage

What are we Learning?

INDUSTRIAL LAND USE CONTINUUM

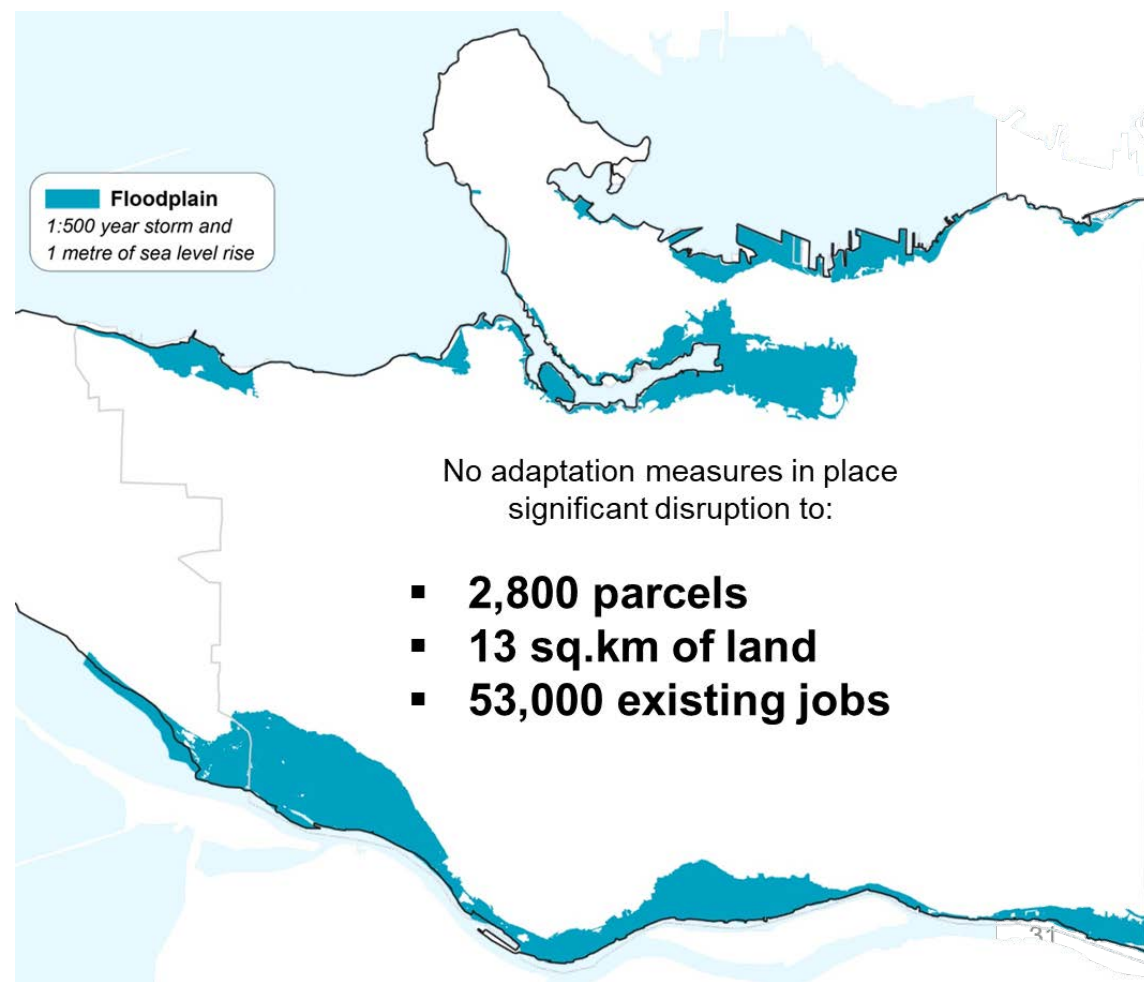


Wide range of uses that place opposing pressures on limited industrial land supply

What are we Learning?

Supply and Demand Model

- **Continued need** for additional industrial space over the long term
- **Limited capacity for growth** due to limited land supply and economics of multi-level space
- Impacts of **sea level rise** and flooding may mean that city and region have even less industrial land capacity in the future



What are we Learning?

Recent interest in mixed use transit oriented development at rapid transit stations in industrial and mixed employment areas (Marine Drive, Rupert, Renfrew Stations)

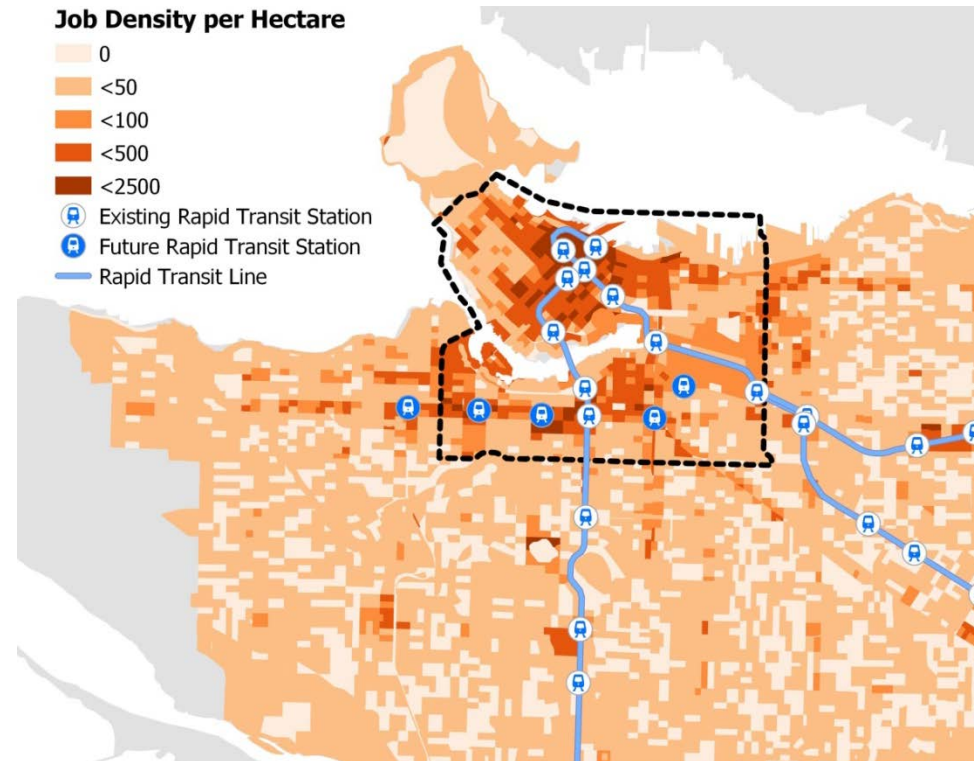
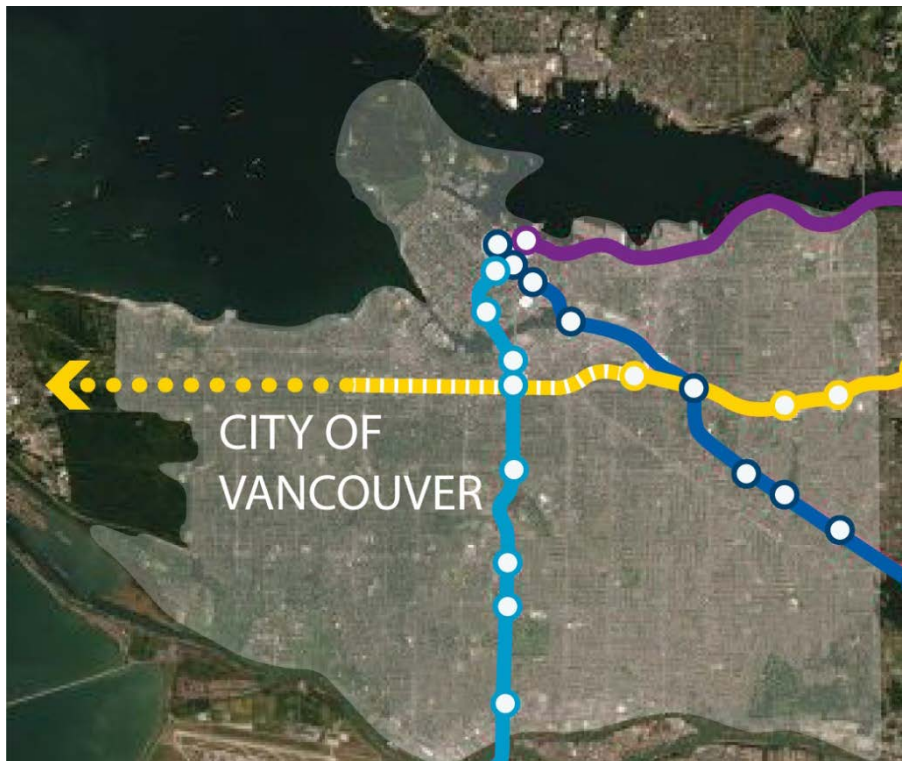


- How can local station area plans ensure:
 - Neighbourhood vibrancy and transit ridership
 - Capacity for significant job growth
 - Space for city serving industrial businesses today and overtime
 - Resilience and ability to adapt to meet future challenges
 - Preservation of affordability

What are we Learning?

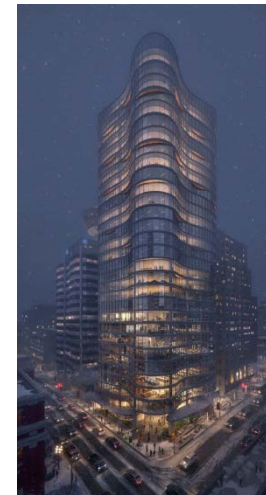
Challenge Area/ Theme **5**

Appropriate Capacity for Office & Hotel Growth

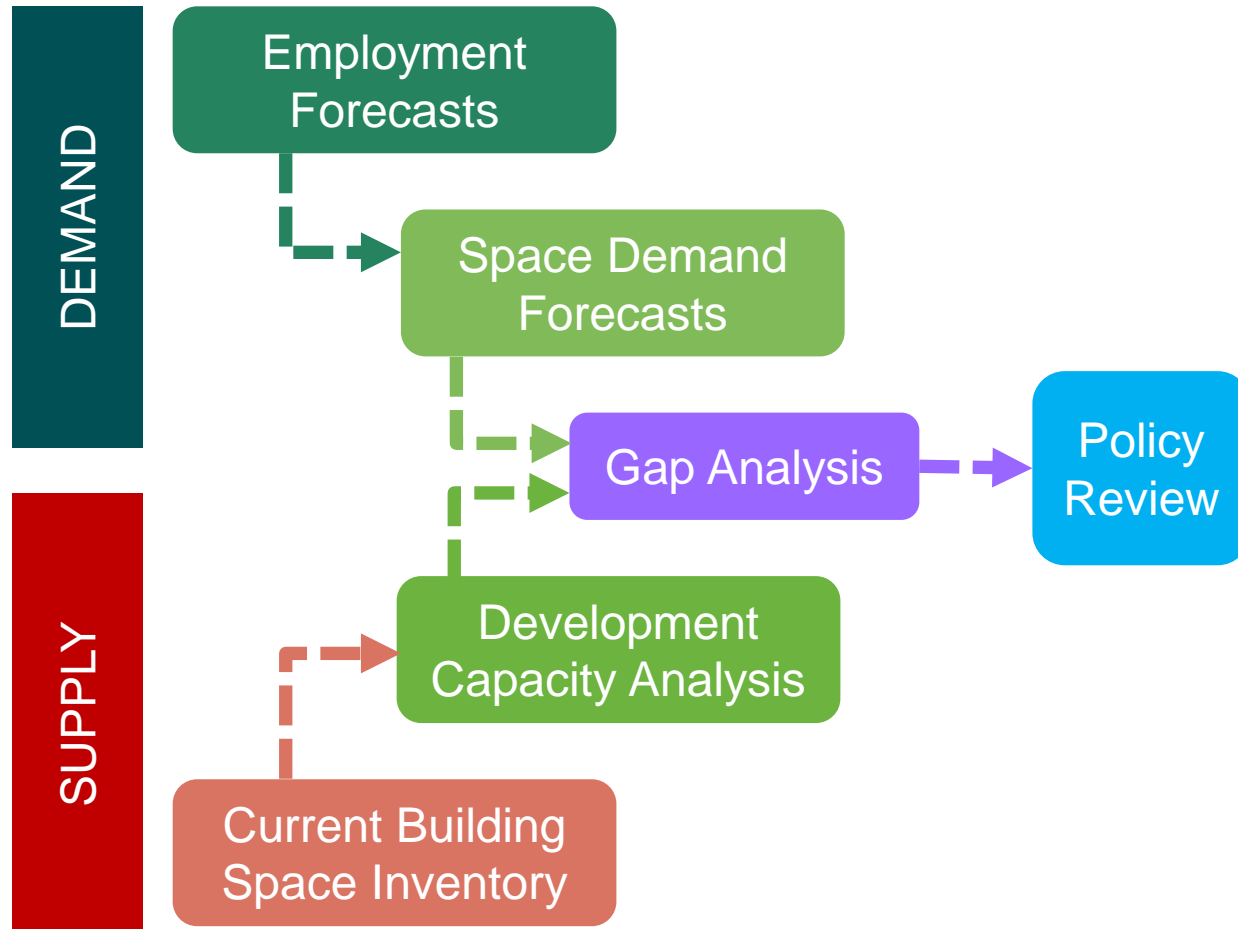


What are we Learning?

- Strong demand for office in Vancouver today:
 - Vacancy < 3%
 - ~70% of office under construction in region is in Vancouver
 - 8.1M sq. ft. under development today (space for ~30,000 jobs)
- Demand for office and hotel is forecast to continue over the long term
- Next Phase of ELER and The Vancouver Plan need to consider:
 - Vancouver's Role in Region
 - Job Mix and Role of Key Sub-Areas



Understanding Potential Demand and Supply



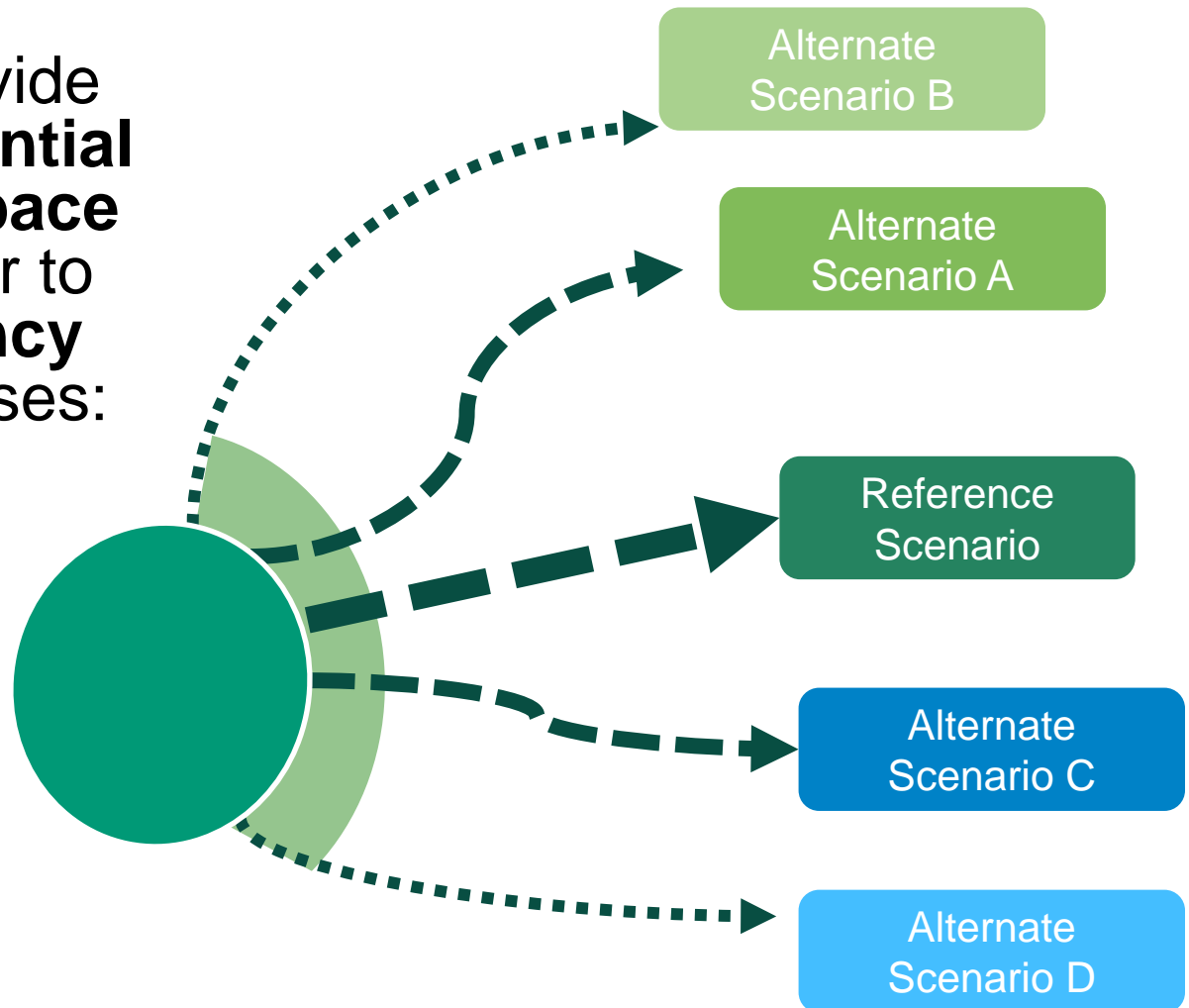
Understanding Employment by Space Type

Vancouver Total Employment, By Land Use Type, 2016
 (includes allocation of regional no-fixed place of work employment)

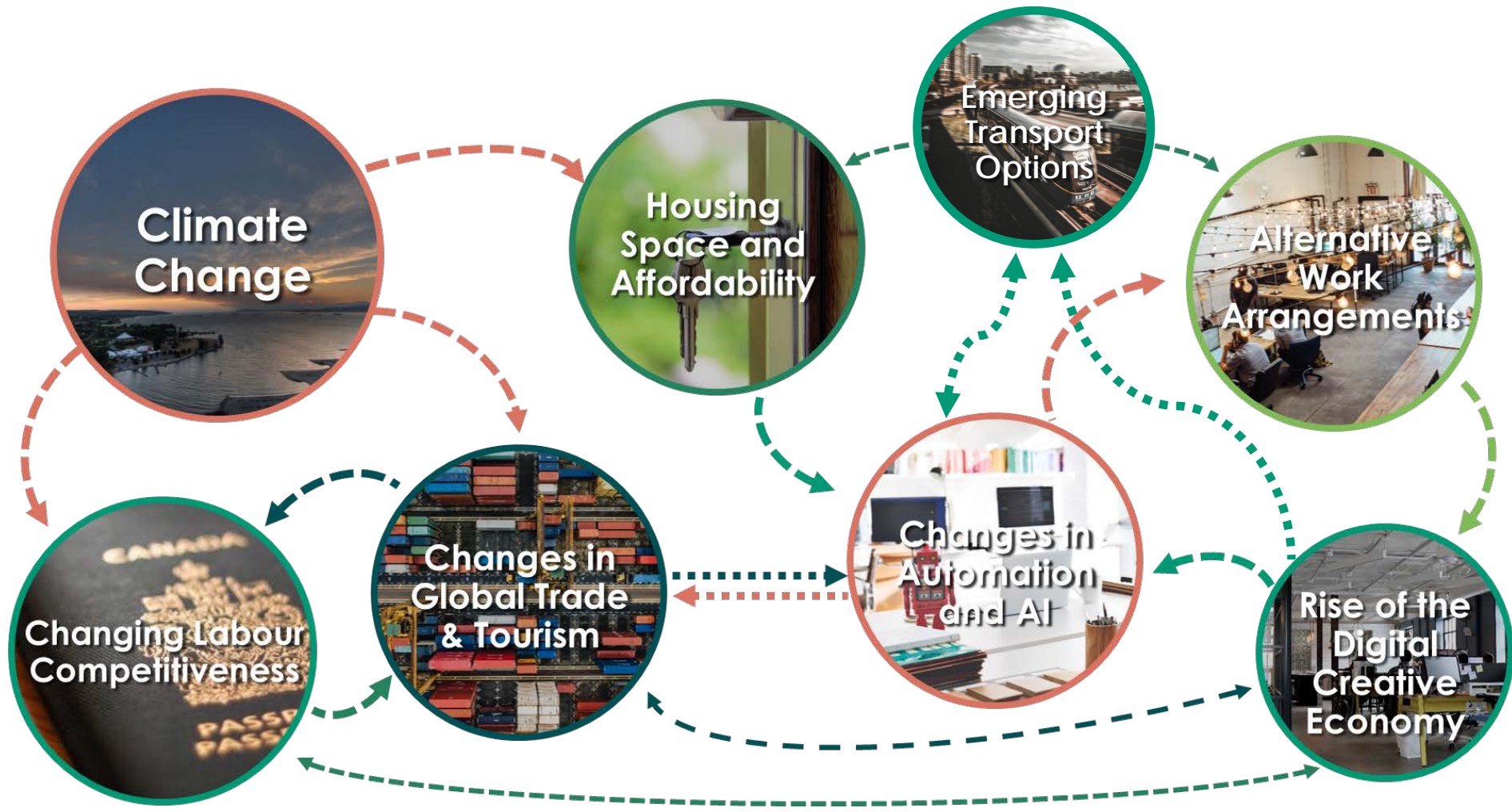


Scenario Testing

- Scenarios are designed to provide a **range of potential employment space demand** in order to **test the resiliency** of policy responses:

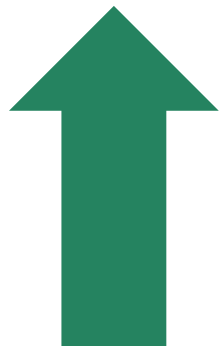


Scenarios Consider the Impact of External Forces



Scenario Testing Results

Vancouver
Share of
Regional
Employment in
2051:



Alternate Scenario B: + 209,000 Jobs
(Higher Regional Growth + Increased Vancouver Share)

33.8%

Alternate Scenario A: + 186,000 Jobs
(Higher Regional Growth + Constant Vancouver Share)

32.6%

Reference Scenario: + 158,000 Jobs
(Current Trends Continue, For the Most Part)

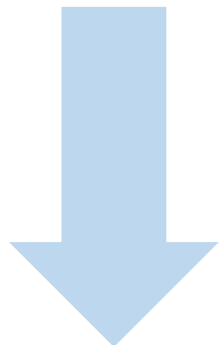
32.5%

Alternate Scenario C: + 118,000 Jobs
(Slower Regional Growth + Reduced Vancouver Share)

32.0%

Alternate Scenario D: + 116,000 Jobs
(Slower Regional Growth + Reduced Vancouver Share & FSW)

31.8%



Floor Space Demand – Reference Scenario

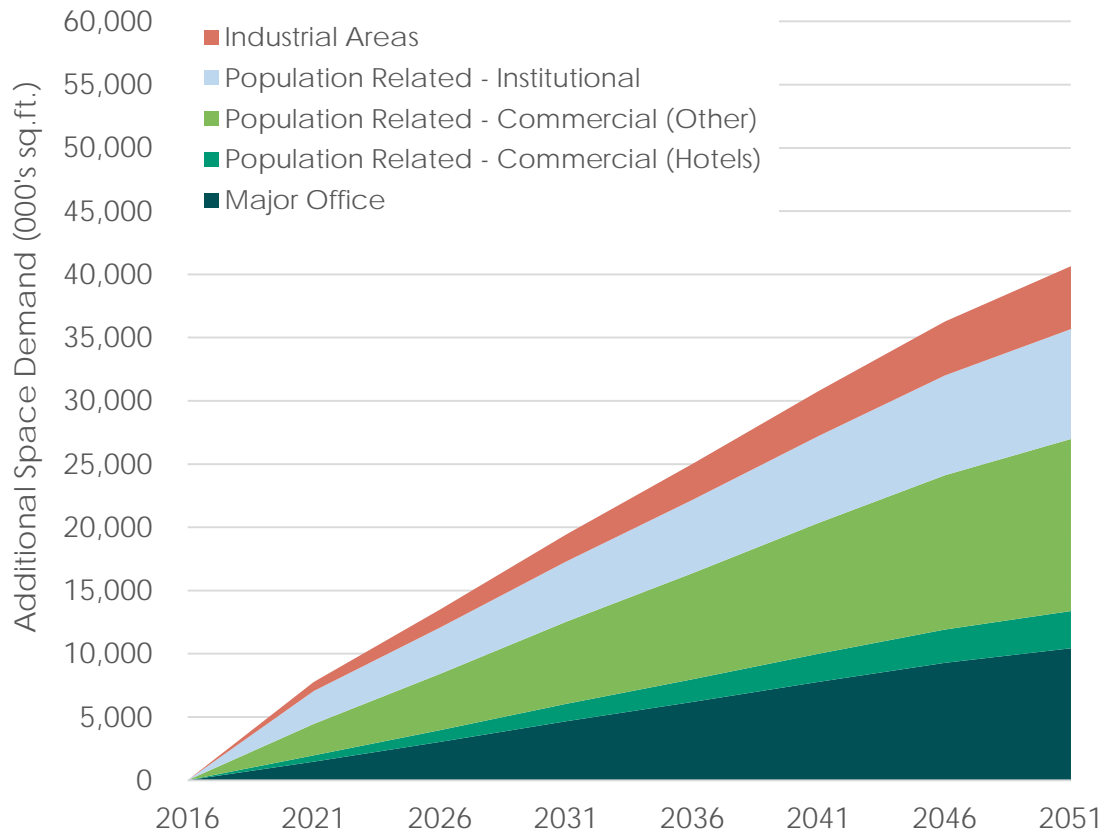
(Current Trends Continue, For the Most Part)



Vancouver Share of Regional
Employment in 2051:

32.5%

+ 158,000 Jobs to 2051



Key Notes:

- Demographics and employment trends **follow similar patterns** as seen today
- Sectoral activity and regional shares remain relatively constant
- Disruptions from **external forces are limited** or offset by growth in other sectors
- **Aligns with Metro Vancouver Forecast Scenario A** – adjusted to reflect recent growth

Floor Space Demand - Alternate Scenario B

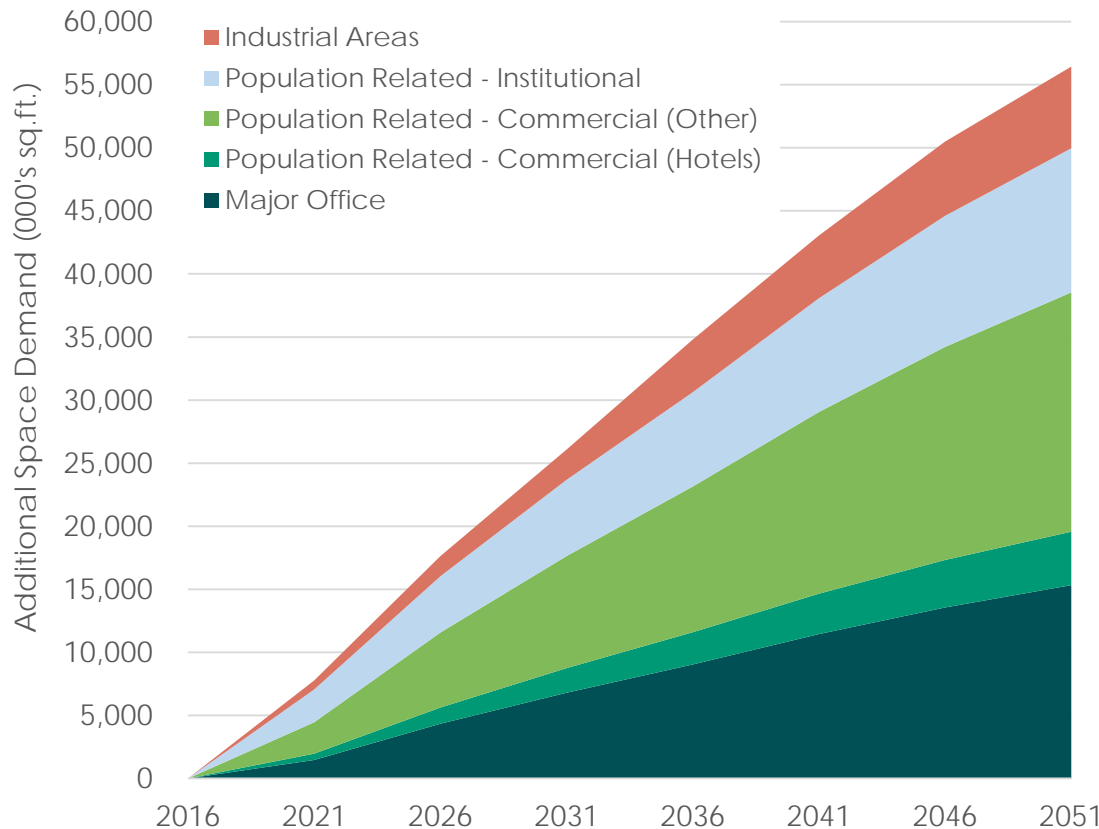
(Higher Regional Growth + Increased Vancouver Share)



Vancouver Share of Regional
Employment in 2051:

33.8%

+ 209,000 Jobs to 2051



Key Notes:

- A healthy mix of housing options **reduce local affordability concerns** for residents, creating new economic demand for services
- The concentration of global talent positions Vancouver to take advantage of the **rising tide of digital innovation** and investment
- In addition to office demand, a **greater share of population-serving employment is required** to support the inflow of new residents

Floor Space Demand - Alternate Scenario D

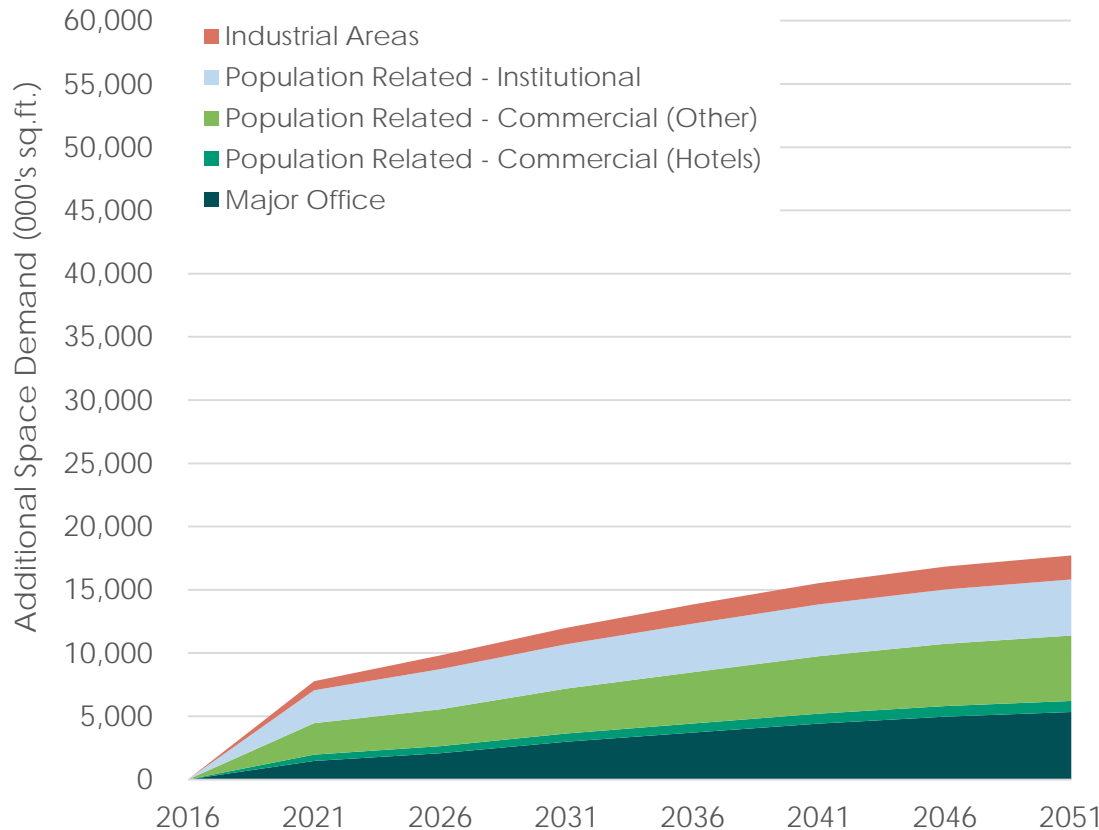
(Slower Regional Growth, Reduced Vancouver Share & FSW)



Vancouver Share of Regional Employment in 2051:

31.8%

+ 116,000 Jobs to 2051



Key Notes:

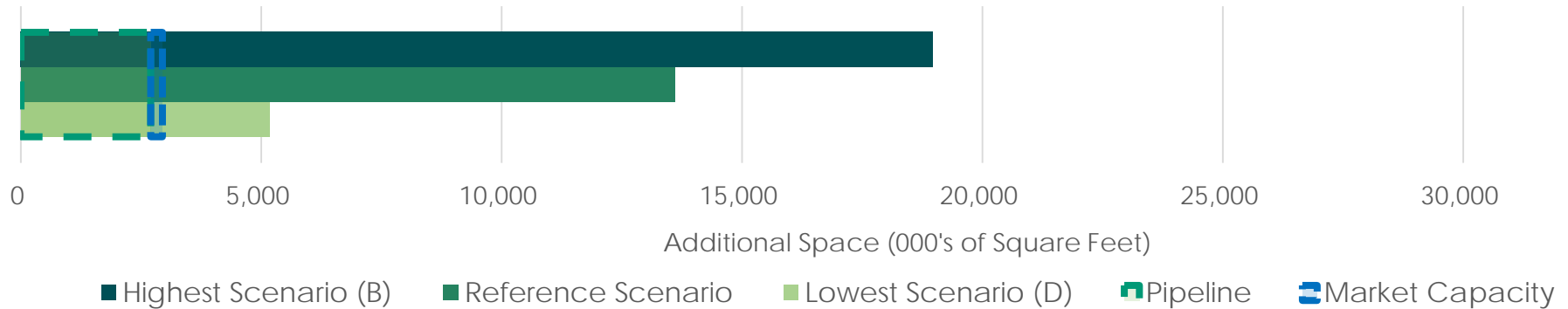
- Policy changes amongst global competitors **undercut trade-enabling job growth**
- Increased **space costs, automation and telecommuting** enable employers to significantly **reduce the required floor space per worker**
- The trend towards the **gig-economy and non-traditional work arrangements** continues, resulting in more people working from home or with no fixed place of work.

What are we Learning?

Results from Consultant Supply and Demand Scenarios



Commercial Space Demand and Development Capacity



Demand

- Model projects demand for an **additional 5.2 M to 19.0 M sq. ft.** to 2051 (space for 34,600 to 63,100 additional jobs)

Supply

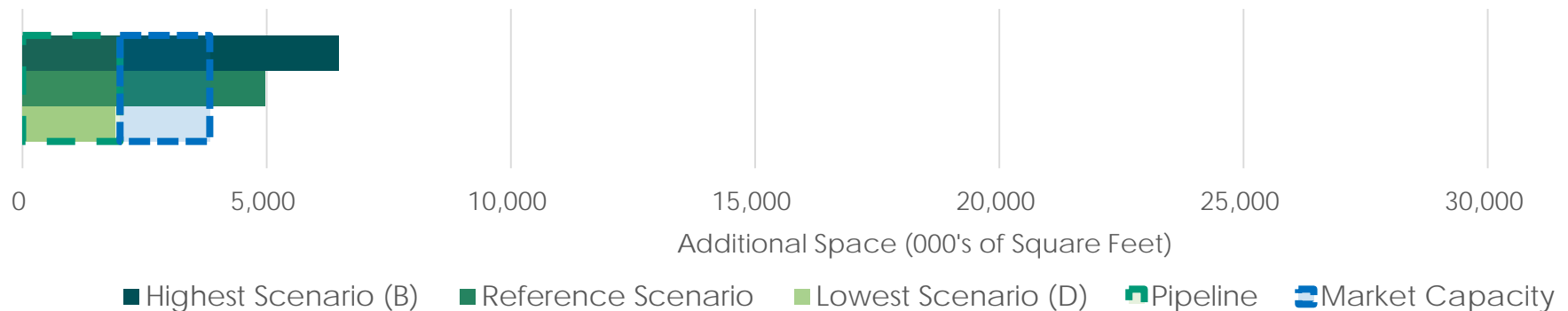
- Mixed use redevelopment likely to produce limited commercial floor space.
- Future capacity for retail and small office space likely to be in short supply.
- **Little to no net increase in floor space.**

What are we Learning?

Results from Consultant Supply and Demand Scenarios



Industrial Space Demand and Development Capacity



Demand

- Model projects **demand for 1.9 million to 6.4 M additional sq. ft. to 2051** (space for 5,900 to 10,800 jobs)

Supply

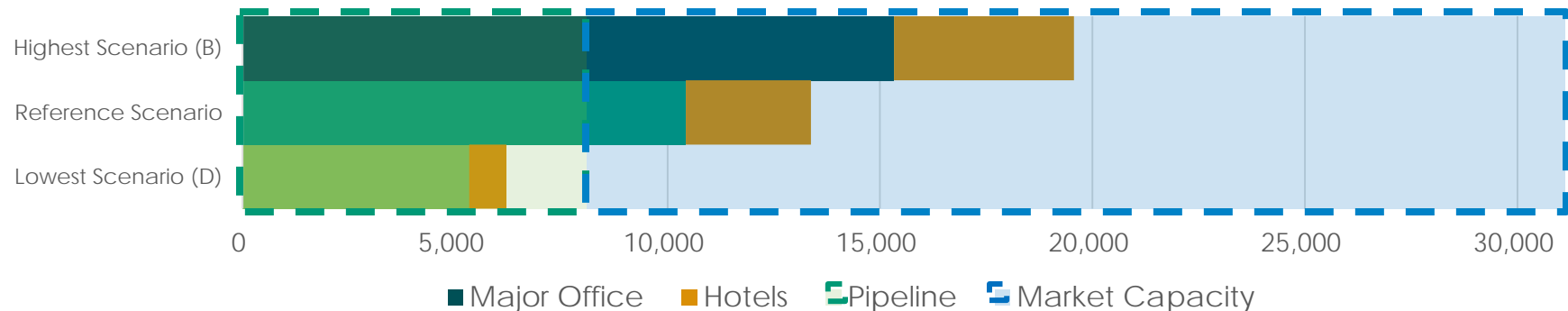
- **Limited capacity for growth** due to limited land supply and economics of developing multi-level space
- Impacts of sea level rise and flooding **may mean that city and region have even less industrial land capacity in the future**

What are we Learning?

Results from Consultant Supply and Demand Scenarios



Major Office + Hotel Space Demand and Development Capacity



Demand

- Model projects **demand for 5.4 to 15.4 M additional sq. ft. of Major Office** space and **0.9 to 4.3 M additional sq. ft. of Hotel** space to 2051 (space for 44,500 to 81,400 jobs) – these uses compete for similar space

Supply

- Current development **pipeline is substantial**, with **significant capacity** in city overall based on existing policy
- **Need to determine appropriate capacity** for growth
 - City in Region
 - Sub-Areas within the City

What are we Learning?

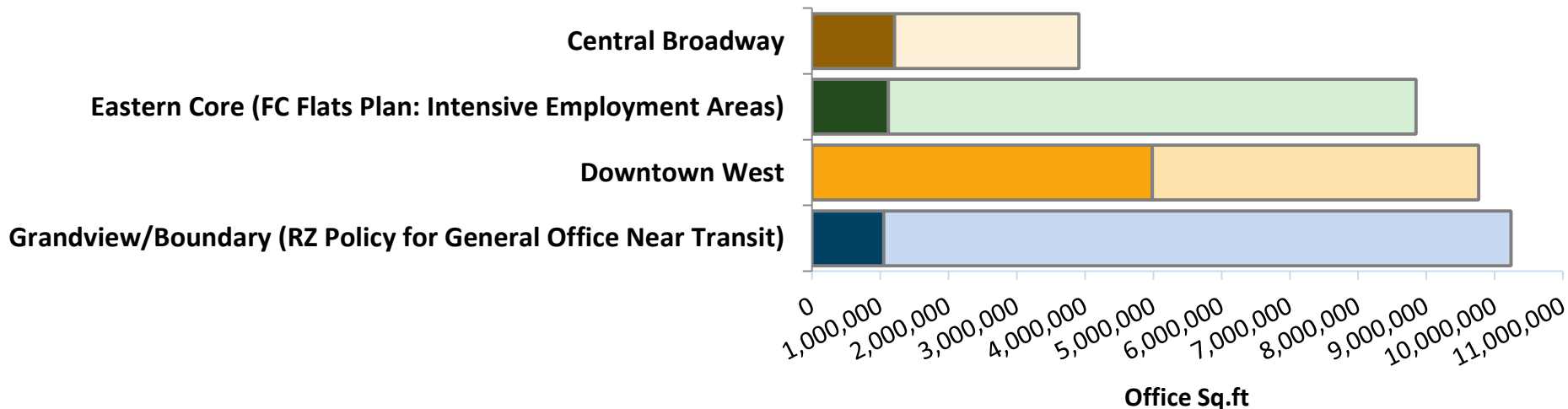
Areas Where Major Office Capacity Exists Under Current Policy



Next Phase of ELER and City-wide Plan Need to Consider:

- Vancouver's Role in Region
- Job Mix and Role of Key Sub-Areas

■ Development Pipeline ■ Future Potential Capacity



What are we Learning?

Initial List of Economic and Employment Lands

Challenges/ Themes:

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Integration with The Vancouver Plan



How the Employment Lands & Economy Review and City-wide Plan Initiatives Move Forward Together

Q3 2019

Q4 2019

Q1 2020

Q2 2020

ELER

Identify Key Economic Challenges

Supply & Demand Scenarios & Gaps

Council Report: What We're Learning

We Are Here

ELER + City-wide Plan Joint & Deep Dive Engagement

The Vancouver Plan

Pre-Consultation Partnerships

Early Storytelling: Promotion of Process

Public Launch: Open Inquiry

Draft Principles for Vancouver's Economy

Thank you