



COUNCIL REPORT

Report Date: April 1, 2025
Contact: Chris Robertson
Contact No.: 604.873.7684
RTS No.: 15952
VanRIMS No.: 08-2000-20
Meeting Date: April 15, 2025
[Submit comments to Council](#)

TO: Vancouver City Council
FROM: General Manager of Planning, Urban Design & Sustainability
SUBJECT: Hotel Development Policy Update

Recommendations

- A. THAT Council approve the Hotel Development Policy, generally as presented in Appendix A, to encourage new hotel room supply, and repeal the 2018 Interim Hotel Development Policy.
- B. THAT Council approve the amendments to the Rezoning Policy for the Central Business District (CBD) and CBD Shoulder (Areas A, B, C1 & F and Areas C3 & H), generally as presented in Appendix B, to allow consideration of mixed-use hotel with residential development to support the continued viability of Vancouver's visitor economy.
- C. THAT Council approve the amendments to the Broadway Plan, generally as presented in Appendix C, to enable the consideration of hotel proposals on sites with less than 99-foot frontages in select employment and industrial areas within the Broadway Plan.
- D. THAT Council direct staff to continue work with Destination Vancouver, the Hotel Development Task Force and other key stakeholders in the accommodations industry, as presented in this report, and report back to Council with recommendations for regulatory amendments to further encourage new hotels across the city.

Purpose and Executive Summary

There is an urgent need to increase hotel supply in Vancouver. Occupancy rates are very high and both developers and operators have expressed strong interest in increasing the quantity and variety of hotel options in the city. This report proposes to replace the City's Interim Hotel Development Policy with a new Hotel Development Policy along with amendments to related

policies to encourage hotel development in the city. This report responds to direction provided through Council's motions on addressing the city's hotel room supply. In 2023, Council approved the Hotel Supply Gap to Support Tourism Economy motion, and in 2024 Council provided direction as part of the Broadway Plan Review and Implementation.

The recommendations in this report have been informed by engagement with a wide variety of industry stakeholders.

The focus of this report is to update the City's policies on hotel development, primarily through the consideration of additional density through site specific rezonings. Staff are also seeking Council direction to continue work on encouraging hotels with consideration for amendments to the City's Zoning and Development By-Law and addressing Council's motion¹ on encouraging pod hotels from 2024.

This project is one of several underway to implement the Vancouver Plan (2022) and will be part of its integration, along with other concurrent initiatives, into the Vancouver Official Development Plan ("Vancouver ODP").

Council Authority / Previous Decisions

- [Employment Lands and Economy Review Phase 2 Report](#) (2020)
- [Vancouver Plan](#) (2022)
- [Broadway Plan Review and Implementation](#) (2024)
- [Implementation of Transit-Oriented Areas](#) (2024)
- Council Motion: [Addressing the Hotel Supply Gap to Support Tourism Economy and Reduce Pressure on Local Housing](#) (2023)
- Council Motion: [Amendment to recommendation for Broadway Plan Review and Implementation \(RTS 16488\) to provide flexibility on reducing the 99-foot site frontage requirement for hotel applications in non-residential areas](#) (2024)

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

City of Vancouver Hotel Supply

There are approximately 13,000 hotel rooms spread across 78 hotels in the city of Vancouver. While new hotels did open over the course of the COVID-19 pandemic between 2020 and 2022, there was a net decrease in hotel room supply of about 550 rooms, largely due to senior government-funded conversions of older hotel stock to housing for persons experiencing homelessness.

With the resurgence of the tourism industry and the growing need for hotel rooms, there is renewed interest in the development of new hotels. As of the first quarter of 2025, the City has approximately 4,200 rooms in the hotel development pipeline² across 22 projects.

¹ Council Motion on [Piloting Pod Hotels in Vancouver](#), approved May 29, 2024

² Development pipeline statistics include projects that are either in application, approved but not started, under construction or recently completed. The statistics do not include projects in the enquiry phase.

The location of Vancouver's current hotel supply and development pipeline is illustrated in Figure 1 below.

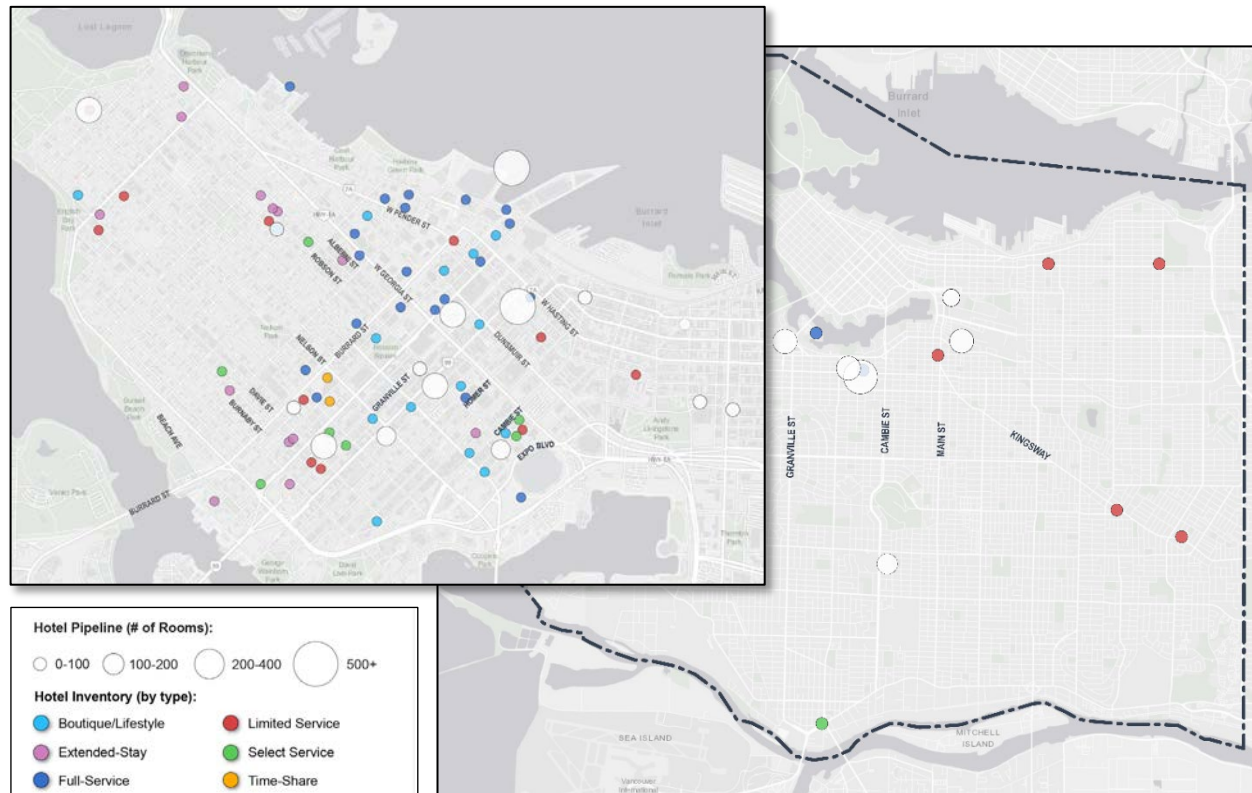


Figure 1: Current Hotel Supply Landscape in Vancouver

Economic Analysis of Hotel Supply and Projected Demand

In 2022, Destination Vancouver commissioned a specialized study on hotel supply, demand and economic impacts. City staff have reviewed the Destination Vancouver study and generally agree with it. The study found that, to close the gap between current supply and projected demand, approximately 20,000 new hotel rooms are needed in Metro Vancouver by 2050. The city of Vancouver's share of this total would be approximately 10,000 rooms. The study further noted the potential economic impacts that would occur should the city and region fail to enable sufficient hotel supply to meet demand:

- \$30.6 billion in foregone output
- \$16.6 billion in forgone GDP
- 168,000+ FTEs of foregone employment
- \$7.5 billion in foregone tax revenue for all three levels of government

Engagement with Industry and Economic Modelling

The recommendations in this report were informed by engagement with a variety of industry stakeholders. Over 50 meetings, interviews and workshops were completed as part of this project. An overview of the engagement feedback is provided in Appendix D.

The policy update was developed with advice from the Vancouver Hotel Development Task Force. Comprised of key industry representatives, the Task force was convened by Destination Vancouver and the British Columbia Hotel Association to make recommendations for increasing hotel supply. Work with the Hotel Task Force was informed by modelling and analysis prepared by external consultants: Urban Systems was engaged by City Staff to prepare economic viability

testing of various hotel development schemes, and Cascadia Partners was retained by the Hotel Development Task Force to identify the community impacts of hotel developments.

Through engagement and economic modelling, staff confirmed the following:

- The development of new hotel supply is complex and requires close cooperation between the City, developers, hotel operators, hospitality brands and financiers. Industry requires clear, reliable and consistent planning advice from the City in order to move forward with projects.
- The City should encourage a diversity of hotel types in a variety of locations to provide a broader range of service levels and pricing options for visitors, including options outside of the Downtown Core.
- Obtaining financing for the construction of new hotels is challenging.
- Additional hotel supply can be encouraged through amendments to land use policy in key areas.

Discussion

The Importance of a Large and Diverse Hotel Supply

An adequate supply of hotel space is critical to the health of Vancouver's tourism sector, one of the key drivers of investment and employment growth in the city. In addition to providing accommodations for leisure visitors and those attending cultural and sporting events, hotels also support Vancouver's high tech, life sciences and film sectors by providing accommodations and event spaces for visiting professionals, facilitating training and knowledge-sharing with other global centres. Visitors to Vancouver bring substantial economic benefits to local businesses and enrich the city's cultural environment. Industry has also raised the importance of ballrooms and meeting spaces in new hotel developments - allowing for Vancouver to continue to attract large events.

Due to high demand, particularly during the peak season in the summer months, hotel rates in the city are generally higher than the Canadian average. For example, in August 2024, the average daily rate (ADR) for a hotel room in downtown was \$422, and the hotel occupancy hovered just over 90%³. By comparison, Canada's ADR for the same month was less than \$213, with an occupancy rate of just below 80%. These conditions can discourage potential visitors to Vancouver or limit the length of stay for those who do visit. Additional supply can help to reduce upward pressure on nightly rates.

The diversity of Vancouver's hotel supply is also important. Opportunities for lower cost hotel stays can be supported through hotel development in areas outside of downtown, such as the Broadway Corridor. The importance of hotels with long-term stay options was also noted as these units can support key sectors in Vancouver's economy such as film production, as well as training, research and knowledge exchange in the technology and life-sciences sectors.

The Complexity of Hotel Development

The construction of a new hotel is more complex than other typical development projects. In addition to the project developer/builder, hotel brands and operators are also part of the team and set specific standards for room sizes, fixtures, furnishings and brand identity. In addition, financing hotel construction presents unique risks and requirements for capital renovations to be undertaken often within 10 years from initial date of opening a new hotel. One of the unique

³ CBRE Hotels – Valuation & Advisory Services, [National Market Report August 2024, "Trends in the Canadian Hotel Industry"](#)

risks is the need for a 3-to-5-year ramp-up period after a new hotel is launched. During this time a hotel can be operating well below its optimal occupancy level as it builds awareness of its availability in the accommodations market.

Key Areas for Increasing Supply – Existing Policy and Recommended Updates

Staff worked with local experts to identify and evaluate opportunities for encouraging additional hotel supply in key areas of the city through site specific rezoning. Area-specific policies are outlined in Table 1 following the map in Figure 2 below.

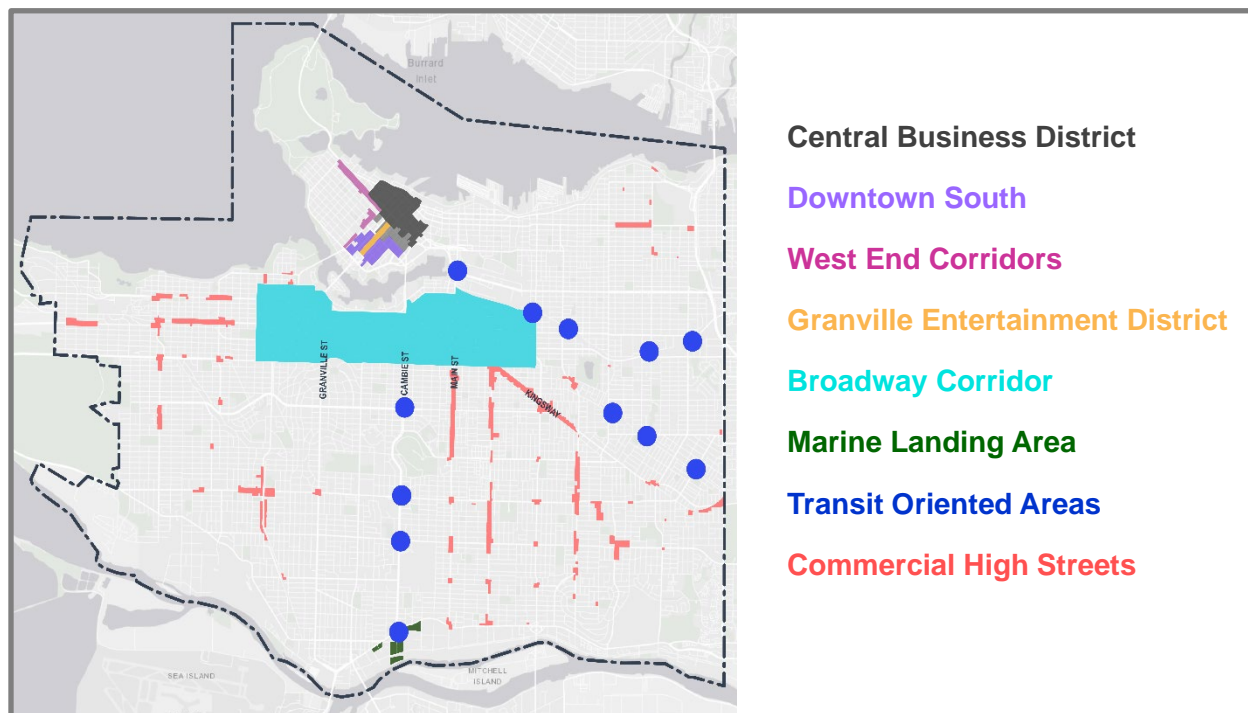


Figure 2: Geography of Existing and Proposed Hotel Rezoning Policies

Table 1: Key Areas for Increasing Hotel Supply – Existing Policy and Recommended Updates

Downtown Vancouver	
Central Business District (CBD)	CBD and CBD Shoulder Rezoning Policy (2009) <ul style="list-style-type: none"> – Enables consideration of additional density for commercial developments – Amendment proposed: Enables consideration of mixed-use hotel and residential development on key sites, subject to ODP amendments as required (see discussion below and recommended amendments in Appendix B)
Downtown South	Potential “Benefit Capacity” in Downtown (RTS 07500, 2008) <ul style="list-style-type: none"> – Enables consideration of additional density for residential and “job space” which includes hotels
West End Corridors	West End Rezoning Policy (2013) <ul style="list-style-type: none"> – Enables consideration for additional density for mixed-use hotel and secured rental on Burrard, Georgia and Alberni Streets

Granville Entertainment District	Granville Street Interim Rezoning Policy (2023) <ul style="list-style-type: none"> – Enables consideration of rezoning for developments proposing at least 75% of the total FSR to be developed as hotel use
Area Plans & Policies Outside of Downtown	
Broadway Plan Area	Broadway Plan (2022, updated 2024) <ul style="list-style-type: none"> – Enables consideration of hotel development within commercial and mixed-use areas, and select industrial and residential areas⁴ – Amendment proposed: enable consideration of hotels on sites with narrow frontages in non-residential areas (Appendix C)
Marine Landing Area	Marine Landing Policy Updates (2021) <ul style="list-style-type: none"> – Enables consideration of hotels in commercial developments
Transit Oriented Areas	Transit Oriented Areas Rezoning Policy (2024) <ul style="list-style-type: none"> – Enables consideration of additional density for hotels as part of 100% commercial developments within Tier 1 areas
City-Wide Rezoning Policies (New Policies to Support Hotel Development – Appendix A)	
Commercial High Streets	Enable consideration of additional density for 100% hotel development on sites located in C-1, C-2, C-2B, C-2C and C-2C1 zones, and adjacent CD-1s <ul style="list-style-type: none"> – Density up to 3.50 FSR (3.70 FSR on corner sites)
Existing Hotels	Enable consideration of additional density on sites with existing hotels to expand room count.
Projects that Support Reconciliation	Enable consideration of additional density for hotel projects that advance the City’s UNDRIP commitments and Reconciliation goals.

Recommended Approach for Mixed Hotel-Residential Projects in the Central Business District

The Central Business District (CBD) is a key area for hotels in Vancouver. While representing just 16% of the downtown peninsula land area, the CBD is home to 43% of the city’s hotel room supply. Industry has advised that the walkability of the downtown core is a major competitive advantage for Vancouver’s hotel sector and that continued growth of hotels in the CBD is important for the city’s long term economic development.

Currently, City policy prioritizes commercial development in the CBD and housing development is generally not permitted. Commercial developers can choose to build under the existing zoning or they can apply to rezone their property to increase the amount of commercial space delivered. This policy has helped to facilitate the development of a significant amount of new office construction in Downtown Vancouver. Between 2010 and 2025, over 8.5 million sq. ft. of

⁴ In December 2024, as part of a comprehensive update to the Broadway Plan, Council allowed hotel development in approximately 38% of the Plan area - a 23-percentage point increase in area compared to the 2022 Broadway Plan. The update provided enhanced incentives for hotel development through additional height and density, in combination with residential uses where appropriate.

office space was constructed in the CBD, and an additional 3.1 million sq. ft. is in the development pipeline.

The Downtown Official Development Plan (DODP) allows hotels to be built as part of 100% commercial developments in the CBD. While there are examples of recent hotel developments in the CBD, industry has advised that these developments can be difficult to finance in the current environment due to limited direct sources of capital for hospitality projects. The inclusion of a residential component in a project can help to support financial viability, particularly with larger developments.

Approved in 2009, the Rezoning Policy for the CBD and CBD Shoulder includes a clause to allow mixed-use on large development sites (50,000 sq. ft. or greater). The policy requires that the minimum amount of commercial density provided in these developments be equivalent to the maximum density under the base zoning in the DODP before residential will be considered. There are very few sites in the CBD that can be developed under these criteria. Through stakeholder engagement, financial modelling and consultation with external experts, staff have confirmed that downtown hotel developments are likely to be most successful where the amount of commercial floor area delivered allows for a maximum of 300 hotel rooms with space for supporting commercial uses. Larger sites provide opportunities for mixed-use in buildings with more complex building programs (e.g. separate entrances and multiple elevator cores).

Given the urgent need to increase hotel supply in the city, staff are recommending amendments to the CBD rezoning policy to provide a 3-year⁵ temporary period during which the minimum site size required for mixed-use developments is reduced or removed (see Table 2 below). The minimum commercial density required in Area A will also be temporarily reduced from 11 FSR to 9 FSR to better align with those in Areas B and F. This interim policy is designed to incentivize hotels on mid-sized development sites in the near term, while also preserving the ability for smaller sites to deliver 100% commercial development under existing zoning.

Table 2: Summary of Interim CBD Hotel Rezoning Policy

DODP Area	Current Policy Minimums for Mixed Commercial-Residential Projects		Interim Policy Minimums for Mixed Commercial-Residential Projects	
	Site Area	Commercial Density	Site Area ⁶	Commercial Density
A	50,000 sq. ft. (4,650 m ²)	11.00 FSR	18,000 sq. ft. (1,670 m ²) with frontage 150 ft. (45.7 m)	9.00 FSR
B		9.00 FSR		
C1		7.00 FSR		
F		9.00 FSR	no minimum ⁷	9.00 FSR

⁵ A three-year period allows applicants to complete the process of a rezoning enquiry, site acquisition, rezoning and development permit approvals and then begin construction. Staff will monitor the hotel development pipeline and report back to Council.

⁶ In areas A, B and C1, a minimum site size of 18,000 sq. ft. with a minimum frontage of 150 ft. allows new projects to locate residential towers at least 60 feet from adjacent properties, preserving the ability to maximize commercial development on adjacent sites.

⁷ Area F contains significantly fewer large development sites and a relatively high proportion of existing residential towers and smaller floor plate hotels compared to areas A, B and C1. Staff will evaluate proposals for mixed hotel-residential towers in Area F on a case-by-case basis to ensure appropriate tower separations are maintained and that the developability of adjacent sites is considered.

Support for Conversions

Due to the pre-pandemic success of the CBD Rezoning Policy, Vancouver has experienced a recent surge of office construction which has brought 8.5 M sq. ft. of new office density to the downtown core in the last 15 years. Many large office users have since migrated into these new spaces. This “flight to quality” combined with changes in the nature of work due to the pandemic has resulted in higher levels of vacancy in older office buildings. These spaces can sometimes be good candidates for conversion into hotel. The Hotel Development Policy provides conditions to guide the conversion of these spaces where appropriate.

In addition, the new Hotel Development Policy provides guidance for the conversion of strata residential buildings to hotel as well as information requirements for reports to Council where existing hotel rooms on redevelopment sites are not being replaced.

Communications, Monitoring and Future Work

Communications Strategy to Support Investment in New Hotels

Through engagement with stakeholders, staff confirmed the need to provide partners with clear, reliable and consistent information regarding hotel development. If approved, the Hotel Development Policy will be circulated among partners such as Destination Vancouver, the National Association of Industrial and Office Properties (NAIOP), the Urban Development Institute (UDI), Invest Vancouver, and the Downtown Vancouver Business Improvement Association (Downtown Van). Staff will also work to develop enhanced online communications materials to support partners in the development of hotel supply. These materials will include information on:

- Where current zoning permits development of hotels
- Where additional density may be available for hotel development through rezoning
- Key criteria for office buildings being considered for conversion into hotels

Monitoring

Staff in Planning, Urban Design and Sustainability (PDS) will continue to monitor the status of all applications proposing hotel density. This information will continue to be reported to Council in rezoning reports for projects that include hotel space.

Future Work

Report recommendations A, B and C are designed to strongly incentivize continued interest in the development of new hotel supply, adding projects to the already significant development pipeline and closing the 2050 supply gap identified in Destination Vancouver’s 2023 report.

Report recommendation D requests that Council direct staff to continue working with the Hotel Development Task Force and others to investigate the potential for amendments to regulations through a future public hearing. The following items will be considered as part of future work:

- Regulatory changes to support pod hotels and micro-suites
- District schedule updates to include hotel incentives and a review of density considerations for supporting back-of-house and event spaces
- Alignment with future work in response to Council’s motion to enable the growth of purpose-built affordable student housing⁸, including the potential for student housing to be used as hotel space during the summer months

Staff expect to report back to Council on potential regulatory amendments in the first quarter of

⁸ Council Motion on [Enabling Purpose-Built Affordable Student Housing](#), approved October 4, 2023

2026. Staff will include an assessment of the updated hotel room supply pipeline and the response to the updated rezoning policies as part of the Q1 2026 report.

Financial Implications

Approval of the proposed policies and directions sought in this report will enhance the viability of hotel development through rezoning and clarify criteria for conversions under current zoning. No direct financial incentives are proposed.

Applications proposing 100% commercial developments will be subject to the commercial linkage target. Applications that incorporate residential density will be subject to the negotiated Community Amenity Contribution process for the provision of public benefits.

If the recommendations in this report are approved, rezoning applications received that are consistent with the policy will be undertaken using existing staff and resources. Continuing work proposed through Recommendation D will be undertaken with existing staff and resources.

Conclusion

The General Manager of Planning, Urban Design and Sustainability recommends that Council approve the recommendations in this report as a first step to ensuring an adequate and diverse supply of hotel space which is crucial for the health of Vancouver’s tourism sector and its overall economic growth.

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**APPENDIX A
HOTEL DEVELOPMENT POLICY**

Policy

Hotel Development Policy

Approved by Council [Month Day, Year]

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1 BACKGROUND AND CONTEXT

Tourism is one of the key sectors that drives Vancouver's economy, bringing capital and expertise from outside the region to generate benefits for local workers and communities. Visitors to Vancouver generate direct and indirect employment and other benefits. Vancouver's hotels are a foundational component of this sector, providing rooms for temporary visitors and employment for local workers.

The global COVID-19 pandemic was an unprecedented period that had a negative effect on hotels across the world when non-essential travel was severely restricted. Vancouver's hotel supply was negatively affected during this period, with some properties repurposed for much-needed housing. Hotel occupancy in Vancouver has since recovered strongly and this policy seeks to facilitate that recovery and contribute to a more vibrant environment for the tourism industry in Vancouver.

2 INTENT

This policy will be used in the evaluation of rezoning and development permit enquiries and applications for the development of new hotels, the expansion of existing hotels and the demolition of hotel buildings. It also addresses the conversion of existing hotels to other uses or the conversion of strata residential, office or other uses to hotel.

The Hotel Development Policy applies throughout the city and reflects the Vancouver Plan Land Use Strategy seeking to intensify, enhance, and expand jobs space to ensure the industrial/major employment, major office, hotel, cultural, and retail-commercial space required is available to support a thriving local and regional economy. Sub-area specific policies are outlined in section 3.2 below. This policy does not apply to affordable housing designated under the Single Room Accommodation By-law.

The policy continues to affirm the City's interest that new or existing hotels will be considered as part of area planning, as well as through rezoning and development permit enquiries and applications.

3 POLICIES

3.1 General Hotel Development Policies

3.1.1 **Monitoring Hotel Supply**

Staff will continue to monitor the changes in Vancouver's hotel inventory and report on the progress made towards achieving a net increase of 10,000 hotel rooms city-wide between August 2022 and August 2050.

3.1.2 **Create Opportunities for Hotels**

Development and rezoning enquiries and applications for commercial properties where hotel is permitted will be encouraged to consider increasing the number of hotel rooms in the city through the addition, retention or replacement of hotel rooms on the subject site.

During area planning initiatives, consideration will be given to the appropriateness, necessity, and supply of sites for hotel uses. Sites in downtown are particularly important due to their proximity to major transportation nodes, convention facilities, major offices, a large number of tourism destinations and the region’s economic centre. Areas outside the downtown peninsula, particularly within the Broadway Corridor, should also be considered to allow for broader options for hotel room supply

3.1.3 Expand Hotel Options

While hotels in the downtown are particularly important due to their proximity to major convention facilities, major offices, the concentration of tourism destinations, opportunities for variety in visitor experience, choice and affordability should also be encouraged. This will be furthered through consideration of hotels in varied locations and price points across the city, particularly in commercially zoned districts. Variety in room choice, especially pricing, is important to enable visitor diversity and resilient visitor growth.

Modestly priced hotel options are needed in all areas of the city. This can be accomplished through retaining existing hotels where feasible, encouraging hotels to locate outside of the downtown core, mixed-use projects incorporating hotel and supporting the development of innovative hotel options with modest room sizes such as micro-suites and pods.

3.1.4 Encourage Meeting Rooms and Event Spaces

The availability of event spaces, large meeting rooms and similar gathering spaces are a key factor in attracting special events and conventions to the city, which provide economic benefits to local businesses. Full-service hotels are typically major providers of such gathering spaces, and new hotels on large sites that can accommodate them are encouraged to provide such spaces where practicable.

3.2 Rezoning Policies

Rezoning applications for hotel developments, with customarily supporting commercial uses, can be considered through the Council-approved plans and policies below.

3.2.1 Area-Specific Rezoning Policies

The table below identifies the Council-approved plans and policies under which rezoning applications can be considered for hotel uses.

Areas	Council Approved Policy / Plan
Downtown, Central Business District	Central Business District (CBD) and CBD Shoulder Rezoning Policy (2009)
Downtown South	Potential “Benefit Capacity” in Downtown Report (RTS 07500, 2008)
West End	West End Rezoning Policy (2013)

Areas	Council Approved Policy / Plan
Granville Street Entertainment District	Granville Street Interim Rezoning Policy (2023)
Broadway Corridor	Broadway Plan (2022)
Marine Landing	Marine Landing Policy Updates (2021)
Transit Oriented Areas	Transit-Oriented Areas Rezoning Policy (2024)

3.2.2 City-Wide Rezoning Policies

3.2.2.1 Rezoning for Hotel Density on Commercial High Streets

Applications for rezoning will be considered for sites located within the C-1, C-2, C-2B, C-2C and C-2C1 zoning districts, as well as any adjacent sites zoned CD-1, where no purpose-built rental residential housing will be displaced and are proposing 100% of the total FSR to be developed as hotel use with customarily supporting commercial uses. Rezoning applications should be consistent with the following:

- (a) The maximum floor space ratio for all uses combined is 3.50 FSR or 3.70 FSR for corner sites, with a maximum building height of 22.00 m (72.2 ft) and 6 storeys.
- (b) Despite 3.2.2.1(a), the Director of Planning may increase the permitted floor space ratio by up to 0.05 for exterior circulation located above the first storey.
- (c) Form of development should consider liveability of adjacent residential buildings, public realm shadowing, protected public views, privacy and overlook, site setbacks, and other urban design considerations as per the zoning district and other applicable policies and guidelines.
- (d) These rezoning policies (section 3.2.2.1) apply city-wide, except in areas that have recently approved community plans (e.g. Cambie Corridor Plan, West End Plan, Grandview-Woodland Plan, Marpole Plan, Broadway Plan, and the Downtown Eastside Plan), designated Transit-Oriented Areas, or areas that are undergoing community planning programs and have interim rezoning policies in place that limit the applicability of this policy.

3.2.2.2 Expansion of Existing Hotels

Rezoning applications to support a net increase in the room count of hotels existing as of [effective date] will be considered on a case-by-case basis.

- (a) Form of development should consider liveability of adjacent residential buildings, public realm shadowing, protected public views, privacy and overlook, site setbacks, and other urban design considerations as per the zoning district and other applicable policies and guidelines.

- (b) These policies (section 3.2.2.2) apply to rezoning enquiries and applications city-wide. Where conflicts exist between this policy and other relevant council-approved policies relating to the prescribed height and density, the height and density in this policy prevails.

3.2.2.3 Projects Supporting Reconciliation

- (a) Rezoning applications for hotel projects which meet the needs of the Musqueam Indian Band, Squamish Nation, and Tsleil-Waututh Nation, and urban Indigenous peoples to advance the City's UN Declaration on the Rights of Indigenous Peoples (UNDRIP) commitments and Reconciliation goals will be considered on a case-by-case basis.
- (b) Form of development should consider liveability of adjacent residential buildings, public realm shadowing, protected public views, privacy and overlook, site setbacks, and other urban design considerations as per the zoning district and other applicable policies and guidelines.
- (c) These policies (section 3.2.2.3) apply to rezoning enquiries and applications city-wide. Where conflicts exist between this policy and other relevant council-approved policies relating to the prescribed height and density, the height and density in this policy prevails.

3.3 Hotel Conversion Policies

3.3.1 Office Building to Hotel Conversions

The review of development permit applications to convert existing office buildings or portion thereof to hotel use will be considered in cases where:

- (a) The zoning permits hotel use;
- (b) Hotel rooms will not be located on floors with office units; and
- (c) The conversion concept demonstrates compliance with the general intent of the Vancouver Building By-law.

3.3.2 Strata Residential to Hotel Conversions

The review of development permit applications to convert a strata residential building or portion thereof to hotel use will be considered in cases where:

- (a) The zoning permits hotel use;
- (b) One owner owns all the strata lots or 100% of the strata owners agree to the conversion of all or a portion of the strata lots to hotel use;
- (d) Hotel rooms will not be located on floors with residential units; and
- (e) The conversion concept demonstrates compliance with the general intent of the Vancouver Building By-law.

3.3.3 Hotel Closures and Conversion to Other Uses

Rezoning applications where existing hotel rooms are proposed to not be replaced, will be required to include the following information in the Referral Reports:

- (a) The number of existing hotel rooms not being replaced;
- (b) The current progress of hotel room growth in relation to section 3.1; and
- (c) Detail as to the reasons for the hotel rooms not being replaced or for the conversion to be undertaken.

**APPENDIX B
AMENDMENTS TO THE REZONING POLICY FOR THE CENTRAL BUSINESS DISTRICT
(CBD) AND CBD SHOULDER (AREAS A, B, C1 & F AND AREAS C3 & H)**

Policy

~~Rezoning Policy for the~~ Central Business District (CBD) and CBD Shoulder **Rezoning Policy**

Downtown Official Development Plan Areas A, B, C1 & F and Areas C3 & H

Adopted by Council June 16, 2009

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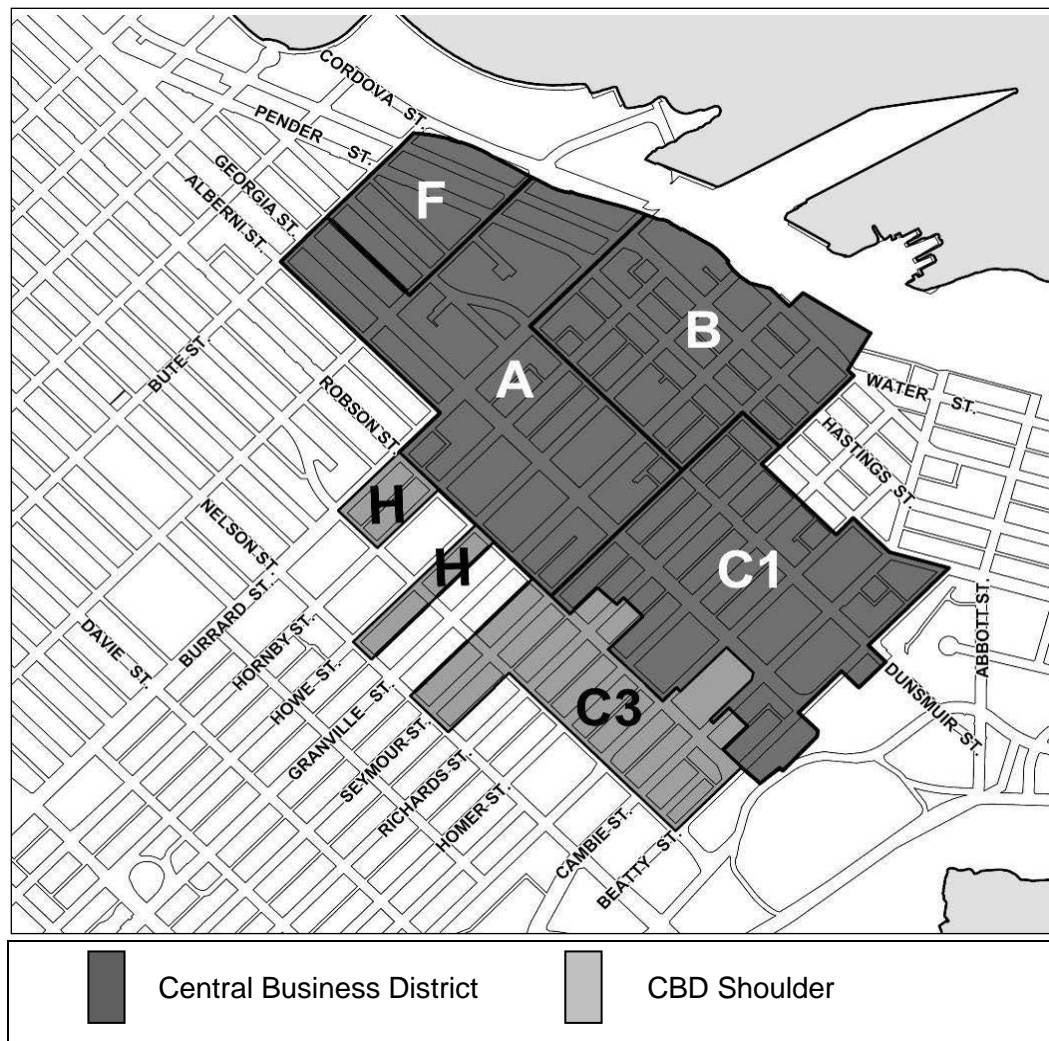
1 APPLICATION AND INTENT

The intent of this rezoning policy is to provide guidance for the commercial (non-residential) intensification of the CBD and CBD Shoulder. These areas are fundamental to meeting the long-term demand for job space.

This policy requires that new development is non-residential use and also stipulates the conditions by which market residential uses may be permitted, in very limited instances, to achieve public objectives.

Proposals under this policy will adhere to policies and guidelines related to the Downtown Official Development Plan (DODP) and other relevant Council-approved policies, while providing additional opportunities to strengthen the commercial character of the area.

This rezoning policy applies across the CBD and CBD Shoulder, which is comprised of DODP areas A, B, C1, C3, F and H, as outlined in the map below:



2 DEFINITIONS

For the purposes of this document:

- (a) “Heritage ~~property~~building” means a building listed on the Vancouver Heritage Register, or could qualify for listing on the Vancouver Heritage Register.
- (b) “SRA” means single residential accommodation as designated in the Single Residential Accommodation By-Law No. 8733.
- (c) “Site” or “Development Site” means a contiguous, developable piece of land.
- (d) “Non-residential” means any land use permitted in the Downtown ODP except residential and parking.
- (e) “CBD” means Central Business District and is illustrated as areas A, B, C1 and F in the map above.
- (f) “CBD Shoulder” is illustrated as areas C3 and H in the map above.

3 INTERIM REZONING POLICY

3.1 Interim Policy for Large, Multi-use Development Sites

3.1.1 Until May 1, 2028, section 3.1.2 replaces section 4.3.2 of this policy with regards to rezoning proposals for large, multi-use development sites in the CBD. A full and complete rezoning application that is compliant with this policy must be submitted and accepted by staff on or before this date.

3.1.2 Rezoning applications that include market residential along with substantial non-residential use on large sites may be considered in the CBD, subject to ODP amendments as required, under the following conditions:

- (a) All private rezoning applications are subject to the Community Amenity Contributions Policy for Rezoning for the provision of public benefits such as affordable housing and childcare and others, with a preference for public benefits that are delivered in-kind (on site).
- (b) Proposals including market residential must conform to liveability requirements in section 7 as well as the following requirements.

DODP Area	Site Area	Non-Residential Floor Area
Area A	site area must be 1,672 m ² (18,000 sq. ft.) or larger with a minimum frontage of 45.7 m	9.00 FSR
Area B		
Area C1	(150 ft.)	7.00 FSR
Area F	no minimum site size	9.00 FSR

- (c) Despite the minimum non-residential floor area specified in 3.1.2(b), no net loss of existing non-residential floor area will be considered.
- (d) The site is contiguous and does not span roads or lanes. Site assembly may occur across an existing lane where Council authority has been granted to close, stop up and convey the lane based on Engineering's review and recommendation of suitable alternatives.
- (e) The minimum amount of non-residential space prescribed in 3.1.2(b) is achieved before consideration of any market residential from density bonusing or heritage transfer.
- (f) For very large sites, generally assumed to be greater than 6,503 m² (70,000 sq. ft.) or greater, the Director of Planning has the discretion to reduce the minimum required non-residential density provided that no net loss of non-residential space is proposed.
- (g) The non-residential space(s) must be positioned in the ideal office / commercial location on the site, including consideration of providing frontage on key commercial arterials such as Georgia Street and access to rapid transit stations.
- (h) The non-residential uses of the development must be fully developed concurrently or prior to the residential uses.
- (i) The city-wide Heritage Policies shall be applied when considering a proposal which includes a heritage property.
- (k) The Single Room Accommodation (SRA) By-law shall be applied when considering a proposal which includes a building that is listed in Schedule A of the SRA By-law.

4 REZONING POLICIES

3.4.1 Rezoning for Non-Residential Development

Rezoning for non-residential development may be considered throughout the CBD and CBD Shoulder.

4.2 Rezoning for Development with Market Residential in the CBD Shoulder (areas C3 and H)

Rezoning that include market residential development may be considered in the CBD shoulder provided that a minimum of 2.00 FSR non-residential density is achieved.

5.4.3 Rezoning for Development with Market Residential in the CBD (areas A, B, C1, and F)

Rezoning for development that includes market residential should not be considered throughout the CBD, other than as described in sections ~~5.1 & 5.2~~ 4.3.1 and 4.3.2.

5.1 Heritage **PropertyBuilding** or SRA on the site of the Proposed Rezoning

4.3.1 Rezoning proposals that include heritage **propertiesbuildings** or SRAs present a situation where a significant public interest may be lost if an economically feasible package cannot be created in a timely way. That is, the heritage **propertiesbuildings** may be lost, or the objective of maintaining or replacing low income single units can not be met.

- (a) Where a proposal includes protection (through heritage designation and/or a heritage revitalization agreement) and rehabilitation of a heritage **propertiesbuildings**; retention and upgrading of SRA; or replacement of SRA, market residential may be considered.
- (b) Ideally, the objective would be to achieve:
 - (i) As a non-residential minimum, a floor space ratio equal to the maximum applicable from the DODP; and
 - (ii) As a market residential maximum, the amount needed (above the non-residential return) to cover the heritage or SRA cost.
- (c) However, noting that the market may not support some types or amounts of non-residential in a timely manner, or the returns may not be sufficient to compensate for the heritage of SRA, less non-residential and more residential than the ideal may be considered.
- (d) In all cases, the overall amount of density on the site would be governed by the proposed built form being judged acceptable in urban design terms.
- (e) It is usually advantageous for the site to be larger than that occupied by the heritage or SRA building itself. However, the larger the site, the more the exercise of flexibility in 4.3.1(c) **above** could result in use of non-residential capacity (“job space”) for residential. Therefore, where it is determined that the entire land assembly should not be considered for 4.3.1(c), or in the case of very large assemblies, a portion of the site should be governed by ~~S~~section ~~3-04.1~~ **above**.

5.2 Large, Multi-use Development Sites

4.3.2 Rezoning that include market residential along with substantial non-residential use on large sites may be considered in the CBD, **subject to ODP amendments as required**, under the following conditions:

- (a) ~~The Director of Planning, with advice from Council prior to the submission of a rezoning application to the City, determines that it may be in the public interest to allow rezoning including market residential to achieve substantial public benefit while still providing significant job space.~~ All private rezoning applications are subject to the Community Amenity Contributions Policy for Rezoning for the provision of public benefits such as affordable housing and childcare and others, with a preference for public benefits that are delivered in-kind (on site).

- (b) The site is large enough to accommodate the anticipated non-residential density in a stand-alone building separate from residential uses. Sites capable of achieving this condition are generally assumed to be greater than 4,645 m² (50,000 sq. ft.) in area.
- (c) The site is contiguous and does not span roads or lanes. Site assembly may occur across an existing lane where Council authority has been granted to close, stop up and convey the lane based on Engineering's review and recommendation of suitable alternatives.
- (d) An amount of non-residential space equal to the maximum applicable from the DODP is achieved before consideration of any market residential from density bonusing or heritage transfer.
- (e) The non-residential building(s) must be positioned in the ideal office/commercial location on the site, including consideration of providing frontage on key commercial arterials such as Georgia Street and access to rapid transit stations.
- (f) The non-residential uses of the development must be fully developed concurrently or prior to the residential uses.

65 TRANSFERS OF HERITAGE DENSITY

All heritage density transferred into and within the CBD must be as non-residential uses, with the exception of large, multi-use development sites as defined in sections 5.23.1.2 and 4.3.2.

Heritage density transferred into the CBD Shoulder may be non-residential or residential use provided that a minimum of 2.00 FSR non-residential density is achieved.

76 LIVE/WORK 1

In the case of proposals for General Office Live/Work or other types of live/work, all the space – whether for live or work functions – will be subject to the limitations placed on market residential uses by this Rezoning Policy and the DODP.

87 LIVEABILITY IMPACTS

7.1 Noise Impacts

Various areas within the CBD are close to downtown entertainment districts or other locations that may have off-site noise impacts (e.g. outdoor restaurants/lounges, bars, etc.). Therefore, rezonings that permit residential in the CBD should include measures to mitigate anticipated noise levels. Consideration should be given to notify initial and future residents of these noise impacts (e.g. covenants on title and other measures).

7.2 Tower Separation

7.2.1 Tower placement should demonstrate a minimum separation between existing towers and potential future towers within the block and adjacent blocks as follows:

- (a) Residential-Residential: 24.4 m (80 ft.).
- (b) Residential-Hotel: 24.4 m (80 ft.).
- (c) Residential-Commercial (except hotel): 18.3 m (60 ft.).

7.2.2 Residential portion of towers proposed under this policy in the CBD must be situated such that the required separation under 7.2.1(c) is provided within the subject site, allowing for maximization of commercial density on surrounding sites.

APPENDIX C BROADWAY PLAN AMENDMENTS

Note:

- *When new sections, policies or figures are proposed for addition or removal, subsequent sections, policies or figures will be renumbered accordingly.*
- *The page numbers referenced correspond to the existing Broadway Plan, but they may change in the future.*
- *Amendments to Council-adopted policies will be prepared generally in accordance with the provisions listed below, subject to change and refinement prior to posting.*

Plan Section	Proposed Amendment	Rationale
9 Fairview		
<p><i>Additional Policies</i> 9.7.5 (p.133)</p>	<p>Amend:</p> <p>Consider rezoning for 100% hotel use up to 4.50 FSR (can include complementary non-residential uses), with no minimum industrial use requirement. Flexibility in maximum building height and density can be considered to support hotel project viability. Hotel proposals on sites with less than 30.2 m (99 ft.) frontages will be considered on a case-by-case basis. Proposals will need to satisfy the Plan’s built form and site design policies (including tower separation requirements) and demonstrate that the development reasonably mitigates development limitations on adjacent properties.</p>	<p>To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.</p>
10 Mount Pleasant		
<p>10.1.1 MIAA Policy Summary Table (p.189)</p>	<p>Amend Notes section (column 2):</p> <ul style="list-style-type: none"> • See Land Use (Chapter 7) for cases where lesser site frontage may be considered at the discretion of the Director of Planning. See Policy 10.1.8 for the approach to mixed-use hotel and light industrial development site frontages. 	<p>To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.</p>

Plan Section	Proposed Amendment	Rationale
<p>Additional Policies 10.1.8 (p.189)</p>	<p>Amend:</p> <p>Rezoning for mixed-use hotel and light industrial development will be considered, limited to sites with frontage on Yukon Street. Maximum building height can generally be considered up to 106.7 m (350 ft.) or up to the underside of Queen Elizabeth Park View 3 (if more restrictive), and achievable density will depend on urban design performance (a minimum of 1.50 FSR of industrial uses is required). Mixed-use hotel and light industrial development proposals on sites with less than 30.2 m (99 ft.) frontages will be considered on a case-by-case basis. Proposals will need to satisfy the Plan’s built form and site design policies (including tower separation requirements) and demonstrate that the development reasonably mitigates development limitations on adjacent properties.</p>	<p>To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.</p>
<p>10.2.1 MIAB Policy Summary Table (p.191)</p>	<p>Add to Notes section (column 2):</p> <ul style="list-style-type: none"> Hotel proposals on sites with less than 30.2 m (99 ft.) frontages will be considered on a case-by-case basis. Proposals will need to satisfy the Plan’s built form and site design policies (including tower separation requirements) and demonstrate that the development reasonably mitigates development limitations on adjacent properties. 	<p>To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.</p>
<p>10.3.1 MIAC Policy Summary Table (p.193)</p>	<p>Add to Notes section (column 2):</p> <ul style="list-style-type: none"> Hotel proposals on sites with less than 30.2 m (99 ft.) frontages will be considered on a case-by-case basis. Proposals will need to satisfy the Plan’s built form and site design policies (including tower separation requirements) and demonstrate that the development reasonably mitigates development limitations on adjacent properties. 	<p>To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.</p>

Plan Section	Proposed Amendment	Rationale
Additional Policies (p.271)	Add new Policy: 10.32.5 Hotel proposals on sites with less than 30.2 m (99 ft.) frontages will be considered on a case-by-case basis. Proposals will need to satisfy the Plan’s built form and site design policies (including tower separation requirements) and demonstrate that the development reasonably mitigates development limitations on adjacent properties.	To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.
11 Built Form and Site Design		
11.9.4 Site Requirements (p.343)	Amend: Minimum frontage is 45.7 m (150 ft.) for 8-11 storeys (a minimum of 50% of floor area as industrial uses). (See Chapter 7 for cases where lesser site frontage may be considered at the discretion of the Director of Planning. Mixed-use hotel and industrial proposals on sites with less than 30.2 m (99 ft.) frontages can be considered in select employment and industrial policy areas as per Chapters 8-10.	To provide greater flexibility to support the delivery of hotels in the Broadway Plan area.

**APPENDIX D
ENGAGEMENT OVERVIEW**

APPENDIX D

Hotel Policy Update: Engagement Overview

A. Engagement Overview

The Hotel Policy Update was developed through a comprehensive and collaborative engagement process, involving discussions with industry experts and key stakeholders. From March to December 2024, the City conducted over 50 interviews with a diverse range of hotel industry professionals, including developers, consultants, industry leaders, and lenders, all of whom played a role in shaping the policy updates.

These discussions were held both in-person and virtually, fostering broad input from across the sector. Additionally, the City conducted site visits to a variety of properties, from well-established hotels to historic buildings with potential for hotel conversion, as well as Metro Vancouver's only pod hotel.

54 Stakeholder Interviews



B. Vancouver Hotel Development Task Force

Council directed staff to engage with key industry stakeholders. The **Vancouver Hotel Development Task Force** (Hotel Task Force), convened by Destination Vancouver and the BC Hotel Association, facilitated engagement with various stakeholders, including but not limited to the Vancouver Convention and Exhibition Centre, the Vancouver Hotel Association, the Vancouver Hotel Destination Association and the development sector.

This initiative was designed to gather valuable input from industry experts and explore potential policy solutions aimed at facilitating the development of new hotels. Staff engaged with the Hotel Task Force throughout the planning process, including presenting updates and gathering feedback during meetings and five key presentations.



C. Key Themes and Outcomes

Vancouver's hotel development landscape is facing significant challenges, including a shortage of accommodations, high land costs, financing challenges, and labour shortages. However, opportunities for new hotel development exist. Policy changes that promote flexibility in zoning and approvals, will be critical to meeting the city's growing demand for hotel spaces.

The following key themes highlight what we heard from the industry regarding the complex landscape of hotel development in Vancouver, touching on economic, operational, and regulatory challenges, while emphasizing the need for creative solutions, efficient processes, strategic partnerships, and policy support to address both pricing and supply.



VANCOUVER HOTEL MARKET TRENDS

- Vancouver's hotel market is challenged by high operating costs, particularly in prime locations, however recent increases in Average Daily Rates (ADR) have made expansion more financially viable. Operators are using market research and travel reports to adjust pricing strategies and stay competitive.
- The need for diverse offerings (e.g., micro-hotels, boutique options) reflect market shifts. There is also strong demand for long-term accommodations for business travelers, those in the film industry, and corporate relocations.
- Seasonal demand, particularly during cruise season and major events, impacts occupancy rates.
- While automation and tech-driven platforms have emerged, traditional hotels with full-service amenities continue to be in demand. Hotel operators emphasize the importance of human interaction for guest satisfaction and safety. Technology cannot fully replace the service and experience that traditional hotels provide, particularly in terms of customer loyalty and security.
- There is reduced competition from Short-Term Rentals due to the growing restrictions.
- Indigenous land partnerships present unique opportunities for hotel development.
- Floating hotels in regional waterways face jurisdictional complexities.



KEY HOTEL DEVELOPMENT CHALLENGES

- High land costs, and financing barriers are major obstacles for new hotel development in Vancouver.
- Required hotel renewal cycles and mandatory upgrades add significant costs. Long construction timelines (3-5 years) are common concerns.



FINANCING & OPERATIONAL VIABILITY

- Financing challenges remain significant. Banks are cautious about financing new hotel projects due to high costs, regulatory barriers, and risks associated with the market.
- Developers are exploring creative financing methods, such as adding residential components. Mixed-use developments combining hotels with residential or commercial spaces could offer a viable financial model.
- Staffing shortages are also a concern, affecting hotel capacity and overall profitability.
- Offering extended stays as well as the adaptive reuse of office buildings are becoming more popular.



TOURISM & THE CITY'S HOTEL SPACE NEEDS

- Vancouver faces a hotel accommodation shortage, leading to a loss of potential business across the city, especially during major events. Visitors are hesitant to come due to limited accommodation options, and many are choosing to stay outside the city for more affordable alternatives.
- There is a need to address the shortage of banquet and meeting spaces to better accommodate demand. The city's inability to provide sufficient accommodations and conference spaces limits its ability to host large-scale events with consistency.
- Vancouver's tourism industry faces challenges related to street conditions. Staff heard calls to relocate social services (e.g., safe injection sites) to help revitalize neighborhoods for tourists.



LABOUR CHALLENGES

- Hotels face a significant labour shortage, with fewer staff members handling more responsibilities. This is compounded by a growing trend of offering fewer services (e.g., no in-room dining, reduced hotel dining options) to cut costs.
- The tourism industry should not just focus on room creation but also on generating quality jobs.
- Some hotels are experimenting with automation and technology to compensate for staff shortages, but there is a delicate balance between technology and human interaction, particularly for guest satisfaction.
- Community benefit agreements could play a role in ensuring that hotel development benefits local communities, particularly in terms of job creation and equitable development.



INDIGENOUS INVOLVEMENT IN TOURISM & HOSPITALITY:

- There is interest in Indigenous-led tourism projects that blend cultural experiences with hospitality, such as hotels with cultural centers, performance spaces, and meeting rooms.
- High land costs remain obstacles for Indigenous communities looking to engage in tourism and hospitality projects, however mixed-use developments combining cultural infrastructure and hospitality are seen as a promising model.
- Managing small-scale hotels (e.g., limited rooms) can be difficult due to financial, operational, and regulatory hurdles.
- Economic reconciliation is a key focus. Successful projects often require collaboration between Indigenous communities, cities, and private developers to create sustainable, culturally- inclusive tourism projects that offer long-term benefits.



INCENTIVES & POLICY SUPPORT

- Offering financial incentives, fast-tracked permitting, and flexible zoning can encourage hotel development.
- Office-to-hotel conversions offer a quick solution and could help accommodate event-related demand.
- Developers seek streamlined approval processes as well as clarity for hotel zoning policies to reduce uncertainty and speed up development timelines.
- Strategic hotel development outside of the downtown core such as Rupert Renfrew, Transit Oriented areas, and those with mixed-use zoning for hotel development could help relieve pressure on the city center while providing more affordable options.