



VANCOUVER AND OTHER MAJOR CITIES – OFFICE DEVELOPMENT IN THE PAST DECADE

Land Use and Development - Profile

Step 1: Understanding Yesterday and Today

Metropolitan Core Jobs & Economy Land Use Plan

Highlights

- In the past ten years, Downtown Vancouver has added (net) 1.4 million sq. ft. of office space. This is half the amount added in Calgary, but more than was added in Toronto
- Each city shows different development characteristics in terms of volumes built, and the timescale in which space was built.
- Within a broad band of vacancy rate change, related to the state of the national economy, individual cities show significant variation.
- Vancouver has seen relatively low vacancy rates (compared to other major office markets) throughout the past 20 years, except for a very brief period at the turn of the century.



HOW MUCH DOWNTOWN OFFICE SPACE IS THERE IN VANCOUVER AND OTHER CITIES?

There is about 22.6 million sq. ft. of office space in downtown Vancouver. This is the fourth largest concentration of downtown office space in Canada following Toronto (59.4 million), Montreal (50 million) and Calgary (32.1 million) (Figure 1).

Figure 1: Downtown Office Space (millions of sq. ft.)

	Toronto	Montreal	Calgary	Vancouver	Edmonton	Ottawa	Winnipeg	Victoria
1995	58.1	47.8	29.2	21.2	14.7	13.7	12.0	6.5
1996	58.2	48.1	29.2	21.3	14.7	13.7	12.1	6.5
1997	57.8	48.2	29.2	21.3	14.3	13.4	12.1	6.5
1998	57.8	48.1	29.2	21.3	14.3	13.4	12.2	7.2
1999	57.2	48.1	29.4	21.3	14.3	13.4	12.6	7.1
2000	58.2	48.5	31.6	21.5	14.3	13.4	12.6	7.1
2001	59.4	48.7	31.8	21.5	14.2	13.1	12.7	7.6
2002	59.4	48.5	32.0	22.2	14.0	13.4	12.7	7.7
2003	59.6	49.7	32.0	22.6	14.0	13.4	12.7	7.7
2004	59.2	50.0	32.1	22.7	14.0	13.6	12.8	7.8
2005	59.4	50.0	32.1	22.6	14.0	14.0	12.9	7.8
change	1.3	2.2	2.9	1.4	-	0.7	0.3	1.3
% change	2.2%	4.6%	9.9%	6.6%	-4.8%	2.2%	7.5%	20.0%

Colliers International. Cities office vacancy rates.xls. Note: Figures are for leased office space; this generally excludes government occupied space.

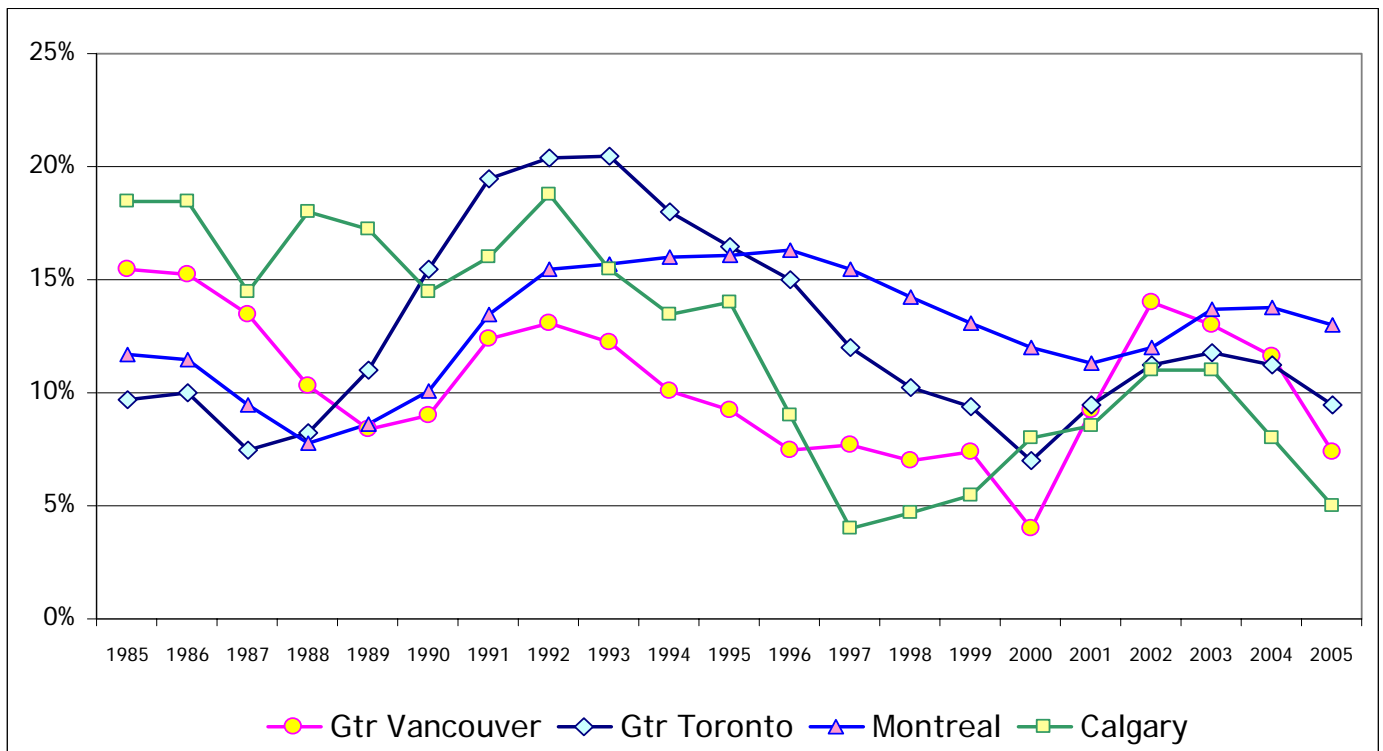
DO DIFFERENT CITIES SHOW SIMILAR DEVELOPMENT AND VACANCY CHARACTERISTICS?

Office development in Vancouver 1995-2005 has been concentrated into the past five years; the last five years of the 1990s saw almost no new space added Downtown. Similarly, Toronto added almost no new space in the 1990s (see Figure 1 on previous page).

In comparison, Calgary saw a huge increase in space in the 1990s, but a more modest increase in the past five years. Ottawa lost space in the 1990s, but added 600,000 sq. ft. in the past five years. Edmonton lost 400,000 sq. ft. in the late 1990s, and another 300,000 sq. ft. in the past five years. Montreal added 700,000 sq. ft. in the late 1990s, but more than twice as much again in the past five years.

Canadian cities show different development characteristics in terms of volumes built, and the timescale in which space was built. These characteristics are closely related to the vacancy rates seen in each of the cities. As Figure 2 shows, overall patterns of vacancy show consistency over 20 years, suggesting that the state of the national economy is the main determinant of vacancy rates. However, within this broad band of movement, individual cities show significant variation. Calgary has seen the greatest overall improvement, moving from above average vacancy to below average. Vancouver has seen relatively low vacancy rates throughout the past 20 years, except for very briefly in the early 2000s (Figure 2).

Figure 2: Office Vacancy Rates



Colliers International. Cities office vacancy rates.xls.

Sources / Contacts

Sources of information are recorded throughout this Information Sheet.

This Information Sheet was published by the City of Vancouver. It is one in a series of Information Sheets produced for the Metropolitan Core Jobs and Economy Land Use Plan. The purpose of this initiative is to develop a long term land use policy plan to accommodate future economic activity and jobs in the Metro Core. For further information, please e-mail corejobs@vancouver.ca or visit the website www.vancouver.ca/corejobs