

## Metropolitan Core Jobs & Economy Land Use Plan

The city's economy has recently been generating much public interest and commentary. The purpose of this information sheet is to broaden perspectives and dialogue, by showing how some common beliefs may be more "myth" than fact - or at least more complex than they appear on the surface.

The information provided here is from the Metro Core Jobs and Economy Land Use study. The study purpose is to ensure sufficient, well-located, and appropriately-zoned land for future job growth and economic activity. The complete data can be found on the project website: [www.vancouver.ca/corejobs](http://www.vancouver.ca/corejobs)



The Metro Core has 2/3 of city jobs.

### MYTH: The high rate of new housing development in Downtown Vancouver has pushed out jobs.

- Census data show Downtown job growth has continued at a rate unaffected by residential growth.
- In terms of office space specifically -- since 2000, two million square feet of office has been, or is being, built in seven buildings, including 3 'AAA' buildings which contain 1/4 of all today's Downtown 'AAA' space.

### MYTH: Today's tight office vacancy rates show that Downtown Vancouver has run out of sites for new office buildings.

- Sites exist now Downtown to accommodate new office buildings, including 'AAA' buildings. These are sites that are 'protected' by zoning which does not allow residential. Some of these sites are already owned by major office developers.
- Low vacancy rates do not indicate whether sites are available. There have been lower vacancy rates Downtown more than once over the past 30 years.
- New office buildings are not being built faster, because office lease rates still do not cover today's uniquely high construction costs.
- While sites exist now, over the longer term zoning changes will be needed to accommodate continued job growth in the Downtown and Metro Core. This is the work of the Metro Core study.

### MYTH: The Metro Core is becoming a "resort" economy.

- The largest and fastest growing sector in the Metro Core is Business Services: computer services, law, accounting, management consulting, advertising, architecture, engineering, etc. (The number of these jobs has more than doubled in 20 years.)

### MYTH: Vancouver is primarily a place for very small business.

- Although many businesses are very small, more than 2/3 of jobs are in businesses with over 20 employees; nearly 1/3 of jobs are in businesses with 100+ employees.
- Over 40% of Downtown office space is occupied by businesses that each use over 10,000 square feet - this is equivalent to one floor of an office tower.

### MYTH: A large percent of workers work from home, so our type of economy doesn't need much office space.

- Less than 7% of jobs in Vancouver are work from home. Although many people work from home occasionally, the vast majority of workers have a usual place of work outside the home.

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**MYTH: Head offices are “moving out” of Vancouver.**

- Vancouver city does have fewer head offices than 10 and 20 years ago -- most of the “lost” head offices were lost due to mergers and acquisitions; only a few actually moved.
- The Metro Core remains the largest concentration of head offices in the Vancouver region.
- Head offices in the Vancouver region account for 1.3% of total jobs. (In Toronto -- the Canadian region with the most head offices -- they account for 2.2%.)
- Head office dynamics are not a product of City land use policy: the Province of B.C. as a whole has the same number of head offices as 10 and 20 years ago.

**MYTH: Vancouver’s jobs are “moving out” to the suburbs.**

- The number of jobs in Downtown and Metro Core has continued to grow, not decline.
- The inventory of office space has also continued to grow. In 2006, Downtown Vancouver absorbed almost 700,000 sq ft of office space - more than any other municipality in the region. Outside Vancouver, the next largest were Burnaby at less than 400,000 and New West at 64,000 sq ft. (Source: CBRE)
- The Metro Core continues to have by far the largest concentration of jobs in the region and by far the largest concentration of office space in the region: over 50% of regional office space is in Downtown alone; Downtown has nearly four times as much office space as the next largest office area in the region which is the entire city of Burnaby.
- The city continues to have 64 jobs per 100 residents, while the rest of the region has 46 jobs per 100 residents.
- Yes, suburbs have more job growth - because there is also more population growth in the suburbs, and so businesses to serve these residents are growing. The suburbs have a high share of population-serving jobs, like retail; the Metro Core has a high share of the region’s “downtown-type” jobs: e.g., Mining, Oil, and Gas head offices; Professional, Scientific, and Technical; Finance and Insurance.

**MYTH: We don’t need industrial land - or, conversely, we aren’t doing enough to protect industrial land.**

- Metro Core industrial areas contain close to 30,000 jobs and have a very low vacancy rate.
- The important role of modern industrial areas has been recognized in cities like San Francisco where these types of activities are now called “PDR” (production-distribution-repair), and in Boston’s “Back Streets” program.
- Businesses locate in these areas close to their customers and suppliers, and where they find: building types and space configurations not provided by a standard office building; lower lease rates; and/or a location where noise, trucks, odours, hours of operation and other impacts will not cause conflict with their neighbours.
- As an example - businesses in the Mt. Pleasant industrial area include: recreational clothing manufacturing, food manufacturing, furniture manufacturing, sheet metal fabrication, commercial linen supply and laundry, industrial equipment wholesalers, digital printing, auto body repair, architectural model building, sound recording studios, and film special effects and animation production facilities.
- The Metro Core study includes ensuring continued adequate zoning for growth and intensification of these activities.

**MYTH: Downtown has more reverse commuting than incoming.**

- Close to 70% of Metro Core residents stay in the city to work; close to 60% work in the Metro Core itself.
- The in-commute to the Downtown peninsula is vastly larger than the reverse commute: 102,800 people commute in; 16,400 reverse commute.
- On a related note: Of all trips to and within the Downtown, the majority are walk, bike, or transit; car is a minority. Car volumes into Downtown have decreased over the past 10 years even while total trips increased.

**MYTH: The City’s 1991 Central Area Plan promoted housing instead of jobs.**

- The Central Area Plan promoted an improved balance of jobs, housing, and transportation.
- The first goal in the CA Plan is “The Economic Generator”: “...centre of a major region.. pre-eminent role in the region; international importance in Pacific Rim...”
- Zoning changes to implement the CA Plan included eliminating residential from the zoning of the Central Business District (CBD) to ensure its jobs focus, while creating new residential neighbourhoods and “choice of use” areas around the CBD.
- The CA Plan also provided for retention of the nearby light industrial-service areas to support the economy.
- The current Metro Core study will update zoning to continue to meet City goals.

**MYTH: The City was “slow off the mark” in responding to recent issues about future supply of land for employment.**

- As early as 1997, the City adopted the CBD 20-year-office-supply policy: No rezoning in CBD if it would lose office capacity unless independent real estate consultant shows there is capacity for 20 years office development - and only to achieve heritage or office support objectives.
- In 2004 the City adopted the Downtown District Interim Policies: as an interim “hold” on residential development and conversion - at a time when the office vacancy rate was around 14% and thus there was little public concern about this issue.

**MYTH: These issues are unique to Vancouver.**

- The phenomenon of suburban job growth, downtown housing growth, and slower downtown office growth are common in Canadian and American cities.
- For example, a recent Toronto report shows similar worries (“Business Competitiveness in the GTA: Why Toronto is Losing Ground,” 2005):  
*“Commercial office development in Toronto has virtually ground to a halt. Is it Toronto’s destiny to become a bedroom community for the 905 region? The City needs to do more to support growth in the office sector. City policy appears to favour residential development over office development. The cranes on the downtown skyline are all building condominiums, not office towers.”*
- The Toronto report recommends three types of initiatives. These initiatives are already underway in Vancouver: increase the availability of employment land (the Metro Core study); improve transit to downtown, especially from the airport (Canada Line construction); and improve property tax equity (Vancouver Property Tax Policy Review Commission).

**What are the key messages about the Metro Core Jobs and Economy Land Use Plan?**

- **The Metro Core has played, and will continue to play, a key economic role in a growing region.**
- **Jobs in the Metro Core economy have been, and will continue to be, growing, diverse, and changing to reflect larger changes in national and global economies.**
- **Through the Metro Core Jobs/Economy study, the City is identifying future land use needs and policies to ensure we will continue to accommodate job and economic growth into the future.**

**Sources / Contacts**

**Notes:**

- For the Metro Core study, data for “Vancouver” are specifically for the City of Vancouver. (In other studies, data for “Vancouver” often do not distinguish the city from the region. The Metro Core study also has custom-ordered data from Statistics Canada for the Metro Core and its sub-areas.)
- The Metro Core study focus is land supply. There are also other initiatives underway addressing other jobs and economy issues, including affordable housing, safety, culture, property tax, and economic development.

This information was published by the City of Vancouver. It is one in a series of materials 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](mailto:corejobs@vancouver.ca) or visit the website [www.vancouver.ca/corejobs](http://www.vancouver.ca/corejobs)