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To: ["Direct to Mayor and Council - DL"](#)  
Date: 11/2/2021 4:16:48 PM  
Subject: [Project Update - Industrial Modernization and Intensification Framework](#)  
Attachments: Memo to Mayor Council - Project Update - Industrial Modernization and Intensification Framework.pdf

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Dear Mayor and Council,

Please see the attached memo from Theresa O'Donnell which outlines the following:

- ☐ Following the Employment Lands and Economy Review report to Council in Oct. 2020, Staff are continuing a program of work to develop a policy framework for modernizing and intensifying Vancouver's industrial areas.
- ☐ While the existing zoning in Vancouver's industrial areas is beginning to deliver more intensive forms, the city is still facing a potential gap between anticipated demand and potential supply over the long term. Historically low vacancy is significantly impacting affordability in these areas with rents increasing by 65% over the past 5 years.
- ☐ Staff have identified a series of incremental changes that will further facilitate intensification and support employment growth in Vancouver over the long term.
- ☐ This memo provides an update on the emerging approach, connection to related policy work and timeline for next steps. It highlights how this work aligns with the Regional Growth Strategy (RGS) Update, Metro 2050 and the Vancouver Plan development.

Should you have any questions, please contact Theresa O'Donnell ([Theresa.O'Donnell@vancouver.ca](mailto:Theresa.O'Donnell@vancouver.ca)).

Best,  
Paul

**Paul Mochrie** (he/him)  
City Manager  
City of Vancouver  
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

## MEMORANDUM

November 2, 2021

TO: Mayor and Council

CC: Paul Mochrie, City Manager  
Karen Levitt, Deputy City Manager  
Katrina Leckovic, City Clerk  
Lynda Graves, Administration Services Manager, City Manager's Office  
Maria Pontikis, Director, Civic Engagement and Communications  
Anita Zaenker, Chief of Staff, Mayor's Office  
Neil Monckton, Chief of Staff, Mayor's Office  
Alvin Singh, Communications Director, Mayor's Office  
Susan Haid, Deputy Director, Long-Range and Strategic Planning, PDS  
Chris Robertson, Assistant Director, City-Wide and Regional Planning, PDS

FROM: Theresa O'Donnell  
General Manager, Planning, Urban Design and Sustainability (PDS)

SUBJECT: Project Update - Industrial Modernization and Intensification Framework

RTS #: 14545

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### Summary

- Following the Employment Lands and Economy Review report to Council in Oct. 2020, Staff are continuing a program of work to develop a policy framework for modernizing and intensifying Vancouver's industrial areas.
- While the existing zoning in Vancouver's industrial areas is beginning to deliver more intensive forms, the city is still facing a potential gap between anticipated demand and potential supply over the long term. Historically low vacancy is significantly impacting affordability in these areas with rents increasing by 65% over the past 5 years.
- Staff have identified a series of incremental changes that will further facilitate intensification and support employment growth in Vancouver over the long term.
- This memo provides an update on the emerging approach, connection to related policy work and timeline for next steps. It highlights how this work aligns with the Regional Growth Strategy (RGS) Update, Metro 2050 and the Vancouver Plan development.

## Background and Context:

As part of the Vancouver Plan update report to Council in July 2021, staff advised on the ongoing program of work to develop a policy framework for modernizing and intensifying Vancouver's industrial areas. The work is designed to advance key directions identified in both the City of Vancouver's Employment Lands and Economy Review ("ELER") and the Metro Vancouver Regional Industrial Lands Strategy ("MVRILS").

This memo provides an update on the emerging approach, connection to related policy work and timeline for next steps (including the advancement of quick actions concurrent to finalization of the policy framework).

## Emerging Approach

### 1. Demand for Industrial Space in Vancouver is Very High and is Expected to Remain Strong

The industrial vacancy rate in Metro Vancouver is at an all time low (0.9% in Q3 2021<sup>1</sup>). High demand is impacting affordability with rents increasing by 65% over the past 5 years<sup>1</sup>. (Figure 1).

Figure 1: Persistent and Falling Industrial Vacancy Rates Are Putting Upward Pressure on Rent



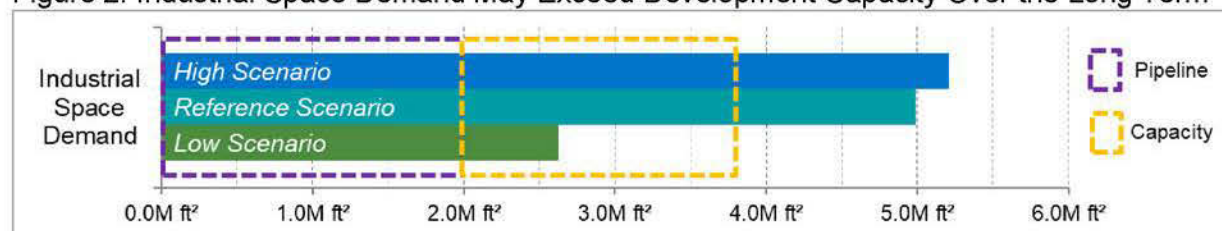
Source: CoStar, Industrial Vacancy Rate and Asking Rents Per Square Foot. Extracted 2021-10-15

Updated in Fall 2020, forecasts prepared for the Employment Lands and Economy Review show that the city is facing a potential gap between anticipated demand and potential supply over the long term. Under a high demand scenario, the City is forecasting a gap of up to ~1.2M sq. ft. by 2051 (Figure 2).

<sup>1</sup> Based on data from CoStar Group



Figure 2: Industrial Space Demand May Exceed Development Capacity Over the Long Term



Note, demand forecasts were updated by Hemson Consulting in Fall 2020 to incorporate potential impacts from COV-ID 19. In the Hemson modelling, industrial demand includes factories, distribution & wholesale warehouses, repair facilities, and similar uses.

The critical importance of industrial space in Vancouver and high demand over the long term has been further reinforced through recent stakeholder engagements (Appendix A).

## 2. Existing Land Use Policy is Resulting in More Intensive Industrial Buildings

As illustrated in Figure 3 below, existing land use policy is beginning to result in more intensive industrial buildings across Vancouver.

Figure 3: Recent Examples of Intensive Industrial Buildings

						
	<b>1650 on Second</b>	<b>Ironworks</b>	<b>Marine Landing</b>	<b>Bench</b>	<b>Houss</b>	<b>Evolution Block</b>
Sub-Area	Burrard Slopes	Powell / Clark	South Van	Powell / Clark	Mount Pleasant	False Creek Flats
Zoning	IC-1	I-2	I-2	I-4	I-1	I-2
Status	Completed (2018)	Completed (2019)	Under Construction	Completed (2020)	U/C (2021)	U/C (2021)
Developer	WeiGuang	Conwest	Wesbild	Rendition	Conwest	PC Urban
Commercial	30,327 ft²	208,538 ft²	34,869 ft²	33,213 ft²	52,713 ft²	104,447 ft²
Industrial	18,554 ft²	146,927 ft²	23,253 ft²	20,173 ft²	17,365 ft²	69,633 ft²
Office	11,773 ft²	61,612 ft²	11,616 ft²	4,194 ft²	36,000 ft²	34,815 ft²
<b>FSR</b>	<b>2.6</b>	<b>2.0</b>	<b>3.0</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>
Uses	Office, Wholesaling	Wholesaling, Office	Office, Manufacturing	Office, Light Industrial,	Manufacturing Office, Restaurant	Warehousing, Repair, Office

Additional detail regarding Industrial market conditions is provided in Appendix B.

### 3. Staff have Identified a Series of Incremental Changes that will Further Facilitate Intensification and Support Employment Growth in Vancouver Over the Long Term

As noted above, while Vancouver is now beginning to see more intensive industrial buildings, forecasts prepared in Oct. 2020 are showing a potential gap between anticipated demand and the ability for the demand to be accommodated on likely redevelopment sites over the long term. As outlined in Appendix C, staff have developed a draft approach for supporting further intensification and employment growth in Vancouver over the long term. The 4 key objectives of the approach are provided in Figure 4 below.

*Figure 4: The Draft Industrial Intensification and Modernization Framework Four Key Objectives*



#### **Connection to Related Policy Work: Upcoming Council Reports to Include Discussion of Potential for Mixed Use Residential-light Industrial Buildings near Rapid Transit**

The draft version of *Metro 2050* includes a new provision that allows municipalities to consider affordable and rental housing as part of mixed-use buildings within 200 metres of rapid transit stations.

This new provision will be discussed in two upcoming reports to Council:

- City Comments on Draft Regional Growth Strategy Update: Metro 2050 (RTS – 14672)
- Rupert and Renfrew Station Planning and Enhanced Rezoning for 3200 East Broadway and 2625 Rupert Street (RTS – 14733)

If these provisions are included in the final version of *Metro 2050*, staff will recommend draft criteria that the City would use if it employs these provisions.

The RGS is scheduled to go to the Metro Board for approval in spring 2022.

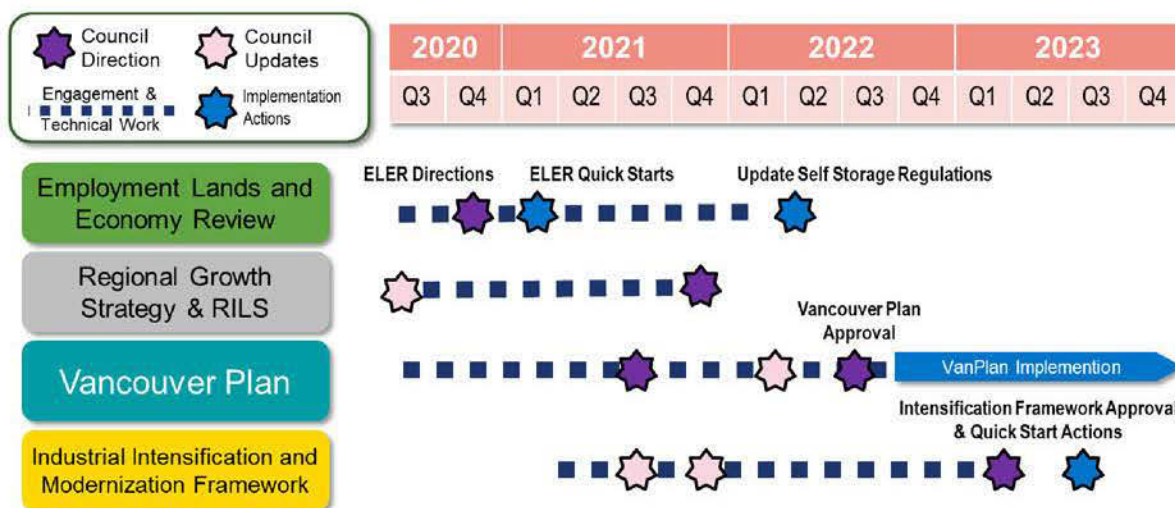
The mixing of light industrial and residential uses is not a common practice. Appendix D contains a summary of the potential questions that would need to be considered before moving forward.

## Continued Stakeholder Engagement and Timeline for Next Steps

Following on the findings of the ELER Report to Council in October 2020, staff have continued to engage with stakeholders through 2021 to refine directions and potential actions related to industrial intensification and modernization (Appendix A).

Staff will continue to engage with stakeholders while undertaking technical work on potential actions to advance the Industrial Intensification and Modernization Framework through 2022. Figure 5 below outlines the overall approach to the work and how it aligns with major citywide and regional planning milestones such as the Regional Growth Strategy update and the Vancouver Plan.

**Figure 5: Overall Approach to Industrial Intensification and Modernization**



For additional information about this work, please feel free to contact Chris Robertson, Assistant Director, Citywide and Regional Planning.

Thank you.

Theresa O'Donnell  
General Manager, Planning, Urban Design and Sustainability  
604.673.8434 | [theresa.o'donnell@vancouver.ca](mailto:theresa.o'donnell@vancouver.ca)





## APPENDIX A

### INDUSTRIAL ENGAGEMENT SUMMARY

#### *Engagement Activities*

Through the fall of 2021, Staff have been engaging with industrial business operators, non-profit organizations, community groups, and other government agencies to discuss features of the Industrial Modernization and Intensification Framework (the "Framework"). Engagement sessions were conducted by phone call, video conference, site visits and virtual workshops with some convened to focus on specific industrial sub-areas or user types. Virtual workshops also featured break-out rooms to provide more opportunities for stakeholders to connect with staff and provide feedback.

Overall, Staff's continued work on the Framework was well-received with many respondents highlighting that they welcomed the opportunity to provide input to staff on employment-related land use policy planning. Stakeholders also noted appreciation for the steps the City has taken to create a new team in Citywide and Regional Planning that is dedicated to advancing this work, assuring continuity and consistency for all stakeholders.

This document compiles the feedback and ideas that Staff have gathered from engagement from August to October of 2021.

#### *What We Heard*

##### *Shortage of Industrial Space*

- Industrial businesses in Vancouver want to stay in the city due to its central location, access to talent and proximity to customers, suppliers and amenities.
- While there is a preference to maintain a single location, managers note that the availability of spaces of adequate size and specification are extremely limited closer to the regional core.
- The lack of available industrial space in the city makes expanding business operations difficult, even for companies that are able to pay higher lease rates.
- Lease rates and property values are high in Vancouver but are not the only consideration when companies make their decisions about where to locate, often maintaining a presence in Vancouver is a key competitive advantage for employee retention or access to markets.
- Often available spaces are not up to the specifications needed by industrial operators in terms of size, ceiling heights, loading or other key features.
- Some industrial operators have opted to separate their main operations from their inventory and warehouse space, this sacrifices some operational efficiencies to maintain a key location Vancouver while inventory is located in an adjacent municipality where workable space can be obtained.
- Businesses running out of multiple locations become sensitive to transportation costs to move goods between their sites and increase their emission of greenhouse gasses.
- In order to save space, some industrial companies have chosen to outsource certain operations such as logistics and warehousing as well as product customization to other local businesses instead of building capabilities in-house, while this can increase operating costs it supports an ecosystem of interdependent suppliers for specialized services that can provide quick turnaround on orders.
- Some industrial operators have opted to move out of Vancouver to be able to consolidate their spaces into a single cost-effective location in a neighbouring municipality.

### *Industrial Space Specifications*

- Industries operating in industrial areas have different space needs that vary by the type and scale of business.
- Physical space requirements include floor-to-floor heights, loading, floor load, electrical, water and sewer capacity. Some industries require compatible nearby land uses with minimal noise and vibration, such as film studios.
- Many industrial companies need both operational industrial space as well as administrative office spaces on the same site to be able to consolidate their operations effectively and provide flexibility when rapid changes occur in their business such as the onset of the COVID-19 pandemic.
- There is strong demand for laboratory spaces in Vancouver for the biotechnology industry which can be a challenge to construct due to very specific requirements for floor loads, ventilation, electrical power, materials handling and waste collection.

### *Regulatory Issues*

- Some industrial developers and operators highlighted the need for the City to review parking and set-back requirements as these can significantly reduce the amount of achievable industrial density on some sites.
- Respondents highlighted the need for flexibility in uses, particularly in upper levels as there have been significant changes to the nature of activities requiring industrial spaces and current definition may not cover recent innovations and technological transitions.
- Many industrial stakeholders note that a lack of clarity in municipal by-laws and long permit processing times present challenges for them in terms of getting new spaces built or evolving uses permitted.
- Certain industrial businesses need temporary or shared overflow spaces for parking, loading and staging related to moving equipment as well as product and supply logistics, these businesses would like the city to consider ways in which public spaces can be rented for these purposes
- Some respondents noted that the City needs to consider making certain logistics and distribution uses permitted outright to encourage their expansion in Vancouver.

### *Infrastructure Needs*

- Stakeholders noted that traffic and congestion is getting worse around industrial areas, particularly in South Vancouver industrial area.
- Stakeholders in South Vancouver advised that a transportation plan is needed to upgrade Kent Avenue and mitigate the increased traffic and trucking demand in the area.
- Some stakeholders called for improvements to the public realm (e.g. sidewalks, pedestrian comfort) and better access to retail and food to support labour retention.

### *Sector-Specific Feedback*

- There was a call to preserve spaces for artists in the city as they drive economic activity in many sectors but are usually first to be displaced in redevelopment processes.
- While manufacturing in Vancouver tends to be smaller in scale, these businesses are key to the circular economy and reducing greenhouse gas emissions by being able to upcycle or recycle waste materials and energy.
- The False Creek Flats were identified as a key location for supporting the city's circular economy.
- Commissary kitchens were noted as being a very important activity in industrial areas; servicing growing take-out, pop-up and "night market" food outlets.
- Some stakeholders noted that childcare needs to be reviewed as a conditional use so that the use can be considered in industrial areas as the nature of some surrounding industrial activities continues to evolve.





## APPENDIX B

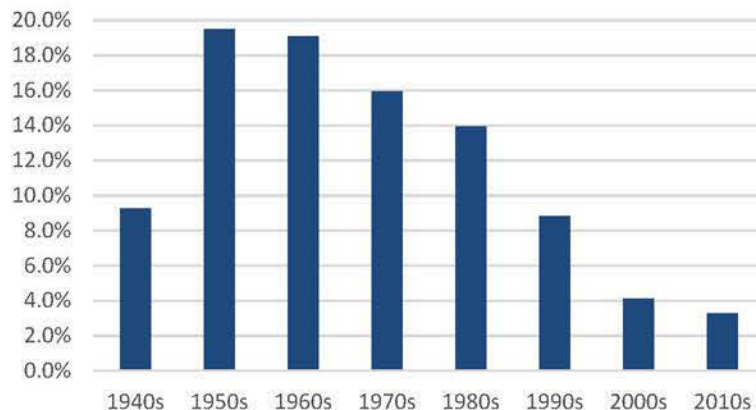
### REVIEW OF INDUSTRIAL VACANCY AND RENTAL RATES

The Metro Vancouver Region is facing historically low industrial vacancy rates, most recently at 0.9%<sup>1</sup>. The lack of space availability in the region is coupled with rapid escalation in industrial rental rates, growing 62% in the last 5 years<sup>1</sup>. The market for industrial space tends to be regional in nature as municipal boundaries do not create significant barriers to the relocation of businesses. Industrial companies will look to strike a balance between the cost of their space and the benefits of being conveniently accessible to their customers and employees.

The City of Vancouver's industrial vacancy rate is at 2.1%<sup>1</sup> with rental rates having grown in the last 5 years similarly to the Region at 61%<sup>1</sup>. Pre-pandemic vacancy was very similar at 2.25% in the first quarter of 2020<sup>1</sup>. Vacancy rates are considered "healthy" around the 5% to 7% range where there is adequate available space to encourage turnover, with expanding businesses relocating to larger spaces and new or lower-scale businesses taking over smaller, more affordable units.

Using data extracted from CoStar, staff have examined Vancouver's existing industrial building inventory and current industrial listings by building age and average asking rent. Vancouver has an older industrial building stock than the rest of the region, with the majority of Vancouver's industrial building stock built prior to 1970. Figure 1 shows the distribution of existing industrial buildings in Vancouver by decade built.

Figure 1. Percentage of Industrial Buildings in the City of Vancouver by Decade Built

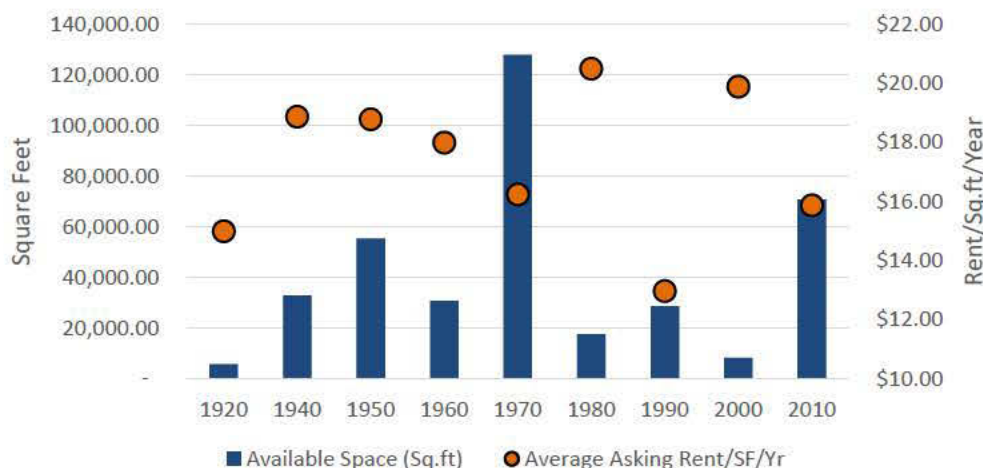


Source: CoStar, Industrial Buildings By Year Built. Extracted 2021-10-15

Active industrial listings in Vancouver show that average asking rents are not strongly correlated with the age of the building. Figure 2 shows a high proportion of active listings in industrial buildings built in the 1970s. Published asking rents vary by decade of construction, with the highest average asking rents found in buildings built in the 1980s. The functionality of space, including high floor-to-floor ceiling heights, loading access, location and existing occupancy use of the space are likely strong contributors to the variance in asking rents.

<sup>1</sup> Based on data from CoStar Group

Figure 2. Active Direct Industrial Listings in Vancouver by Building Age



Source: CoStar, Active Direct Industrial Listings. Extracted 2021-10-15

Despite having a higher vacancy rate and a larger stock of older buildings than the rest of the region, Vancouver's industrial market has held on to higher rents than the suburban markets as industrial operators are willing to pay a premium to be centrally located. Figure 3 shows the escalation of industrial average asking rents starting in 2015, from \$9.50 per square foot per year, to \$17.76 per square foot per year in the third quarter of 2021.

Figure 3: Vacancy and rent growth over time



Source: CoStar, Industrial Vacancy Rate and Asking Rents Per Square Foot. Extracted 2021-10-15

Feedback from engagement with various industrial business operators in Vancouver is reflected in the data. Companies have difficulty finding space options within Vancouver at any price, but despite this they continue to note the importance of having a presence in the central city. To address this, business operators have opted to split their spaces into two, locating warehousing and inventory in adjacent municipalities (e.g. Burnaby and Richmond) where greater space options exist.





## APPENDIX C

### DRAFT INDUSTRIAL MODERNIZATION AND INTENSIFICATION FRAMEWORK

#### ***Purpose and Background***

The Industrial intensification and Modernization Framework (the “Framework”) is intended to provide overarching guidance for the future of Vancouver’s industrial lands, including an outline of recommended regulatory and policy changes that will be brought forward to implement the framework.

Despite the city’s current industrial zoning beginning to deliver more intensive employment space, the city is still facing a potential gap in industrial supply over the long term (approximately 1.2M sq.ft.). In addition, historically low vacancy rates (0.9%<sup>1</sup>) in the region is impacting affordability with rents increasing by 65% over the past 5 years<sup>1</sup>. As such, the City needs to consider incremental changes to facilitate intensification, support employment growth and moderate price escalation over the long term.

#### ***Framework Overview & Connection to Metro Vancouver Policy***

The Metro Vancouver Regional Industrial Lands Strategy (“MVRILS”) is structured around four Big Moves to address some of the identified challenges for industrial lands in the region. In order to account for local perspectives and ensure alignment with the approved regional strategy, the Framework is organized around four emerging directions from the Employment Lands and Economy Review (“ELER”) which align with the MVRILS Big Moves and Metro’s recommendations. The Framework also incorporates feedback from the city’s industrial stakeholders, and responds to Vancouver’s economic context and role within the region.



Protect Remaining Industrial Lands



Protect Industrial Lands for Employment Use

Intensify and Optimize Industrial Lands



Enable Balanced Industrial Intensification

Bring the Existing Land Supply to Market  
and Address Site Issues



Facilitate the Right Users in the Right  
Spaces

Ensure a Coordinated Approach



Monitor, Report and Coordinate Industrial  
Change

#### ***Policy Directions for Further Exploration***

Through the ELER, as well as continuing consultation with industrial business operators, arts and culture groups, land owners and developers in Vancouver, staff have identified a series of policy directions for further exploration. These actions are arranged under the four pillars of the Framework:

<sup>1</sup> Based on data from CoStar Group



### **Key Objective #1: Protect Industrial Lands for Employment Use**

Policy Directions for Future Exploration:

- Limit self-storage in industrial areas near rapid transit stations
- Explore mitigation measures for employment lands in flood plains
- Support the Port Land Use Plan with regards to efficiently managing port-related road and rail traffic through the city
- Explore BIAs in industrial zones

### **Key Objective #2: Enable Balanced Industrial Intensification**

Policy Directions for Future Exploration:

- Examine height and density limits to ensure viability of industrial operations
- Review regulations on accessory uses in industrial areas
- Within recognized industrial sub-areas, near rapid transit stations, develop criteria for evaluating proposals on limited sites for affordable, rental housing above light industrial where existing industrial capacity is maintained or expanded
- On key industrial sites outside of recognized industrial sub-areas consider opportunities to maintain or expand existing industrial capacity in proposed mixed-used developments

### **Key Objective #3: Facilitate the Right Users in the Right Spaces**

Policy Directions for Future Exploration:

- Maintain priority for Production, Distribution and Repair uses at grade while adding flexibility in second floor industrial uses in I-1 and I-2 zones (e.g. auto and equipment repair, food and beverage manufacturing, e-commerce fulfillment)
- Update Bulletin on Development Criteria for Functional Industrial Space
- Consideration of Temporary Outdoor Event use to allow limited number of events per month within open areas in industrial districts (conditional use)
- Add Artist Studio – Class B (work only) to the base industrial uses in I-1 and I-2 zoned areas<sup>2</sup>

### **Key Objective #4: Monitor, Report and Coordinate Industrial Change**

Policy Directions for Future Exploration:

- Actively monitor and report on industrial development in the city
- Work with the Vancouver Economic Commission (VEC) and community stakeholders to bring unused/ under-used industrial spaces to market

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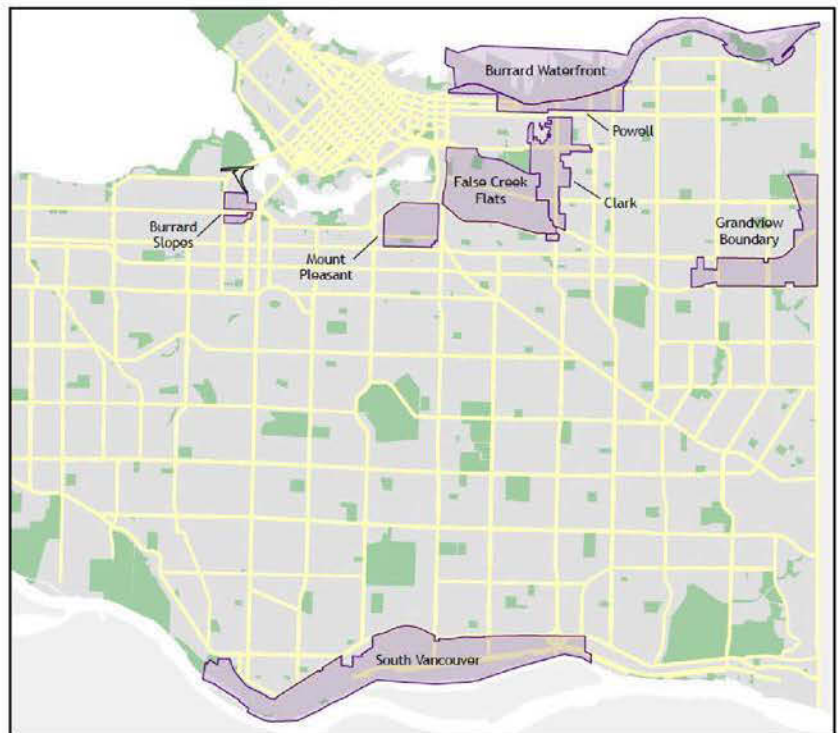
<sup>2</sup> The Broadway Plan is anticipated to propose amendments to the City's CAC Policy to allow developer contributions to be used towards Arts and Culture uses in this area.

## Sub-Area Profiles to Guide Future Area Planning

Vancouver's industrial spaces are concentrated in seven sub-areas representing approximately 7% of the Metro Vancouver Region's industrial lands.

Each sub-area has a unique role in Vancouver's economy; based on area characteristics and the types of businesses that are clustered in each area.

Staff have continued to engage with various stakeholders in these sub-areas to build a better understanding of each locale's unique features and opportunities for the future.



## Industrial Sub-Area Profiles

The following are summaries of each industrial sub-area's profile.

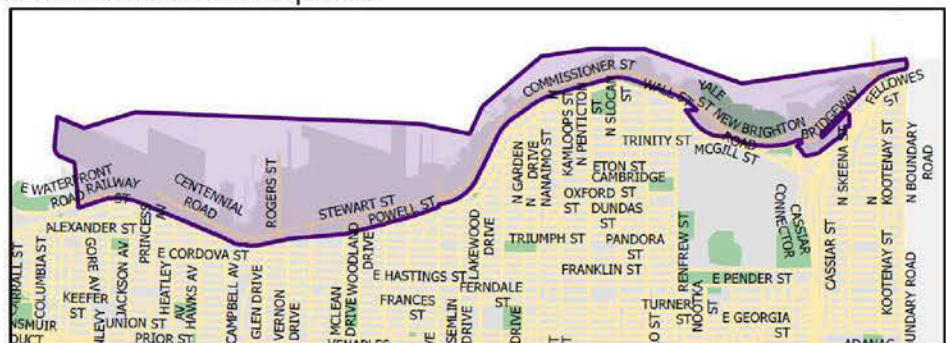
### Burrard Waterfront

#### *Key Attributes*

- Canada's largest and most diversified port area
- Large portion of city-serving industrial land supporting Port operations and other local businesses

#### *Current Applicable Policy*

- Port Land Use Plan



## Powell / Clark

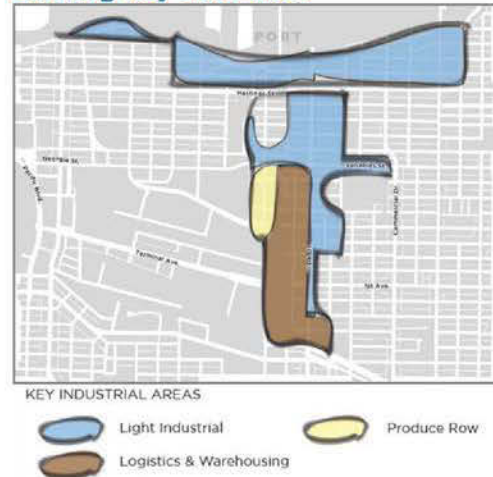
### *Key Attributes*

- City's historic industrial core
- Supports variety of smaller-scale industrial activities including:
  - Large number of artist production spaces
  - Food processing
  - Vehicle repair
  - Artisan breweries
- Important road and rail connections to the Port
- Areas are relatively more affordable for industrial businesses
- Under pressure from surrounding residential uses
- Rapid change should be mitigated

### *Current Applicable Policy*

- False Creek Flats Plan
- DTES Plan
- NEFC (Viaducts removal)
- St Paul's Hospital

### Existing Key Job Areas



## Burrard Slopes

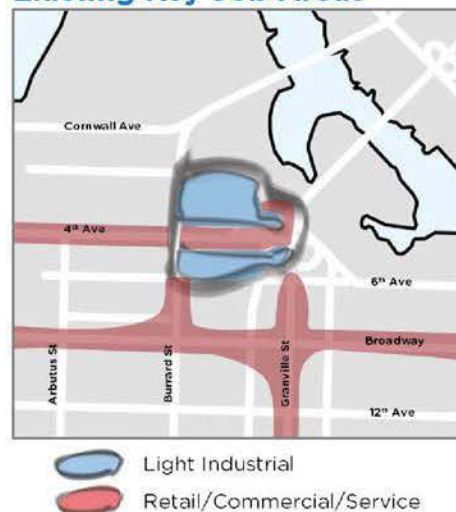
### *Key Attributes*

- Wide variety of employment uses permitted in existing zoning
- Agglomeration of design and architecture professionals and suppliers
- Concentration of auto-repair and dealerships
- Proximity to proposed Senakw redevelopment and False Creek South

### *Current Applicable Policy*

- Burrard Slopes IC Districts Rezoning Policies
- Broadway Plan (Pending)
- Metro Core Jobs & Economy Land Use Plan
- Kits and Fairview Plans (from 1970s)

### Existing Key Job Areas



## Mount Pleasant

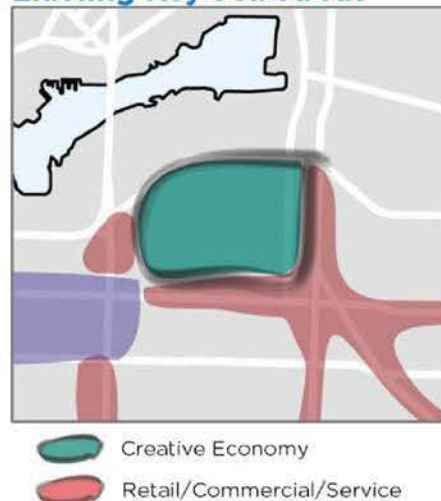
### *Key Attributes*

- Vibrant creative production area
- Strong existing light industrial function
- Opportunities to support innovation economy companies in biotechnology, digital media and related sectors

### *Current Applicable Policy*

- Broadway Plan
- Mount Pleasant Plan
- Metro Core Jobs & Economy Land Use Plan
- Kitsilano and Fairview Plans (from 70s)

### Existing Key Job Areas





## False Creek Flats

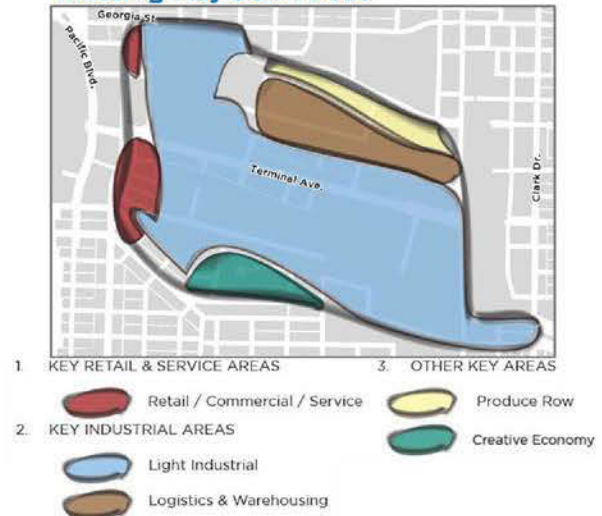
### Key Attributes

- Area secures core industrial land to serve
  - Base economy
  - Green and circular innovations
  - Municipal industrial yard functions
- Opportunities to intensify for new and emerging employment uses
- Western and southern areas support a thriving innovation economy
- Anchored by Emily Carr University campus and the future St. Paul's hospital
- Existing and expanding rapid transit connections

### Current Applicable Policy

- False Creek Flats Plan
- St Paul's Hospital
- Northeast False Creek (Viaducts removal)

## Existing Key Job Areas



## Grandview Boundary

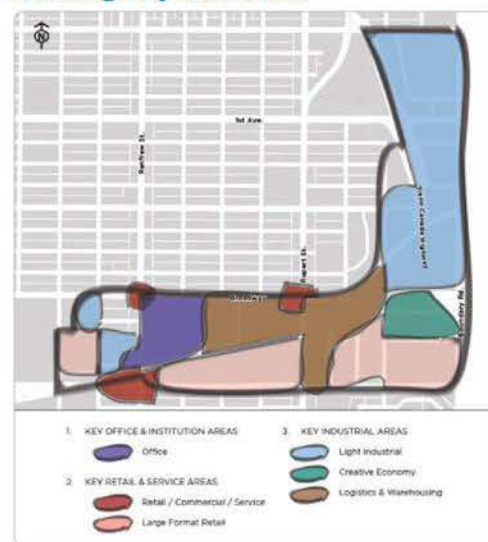
### Key Attributes

- Heavy rail corridor (freight and long distance passenger services)
- Rapid transit stations and elevated guideways
- Employment and large-format ("Big Box") retail hub (e.g. Superstore, Walmart, Canadian Tire)
- Proximity to Trans-Canada Hwy and Burnaby Industrial Areas
- Opportunities for a mix of office, retail and industrial uses in a vertically stacked typology
- Supports new development essential to the continued operation and growth of the T.V. and film industry
- Support storage, warehousing and logistics businesses critical to goods movement
- Still Creek enhancement and flooding challenges

### Current Applicable Policy

- Grandview Boundary Mixed-Employment Rezoning Policy

## Existing Key Job Areas



## South Vancouver

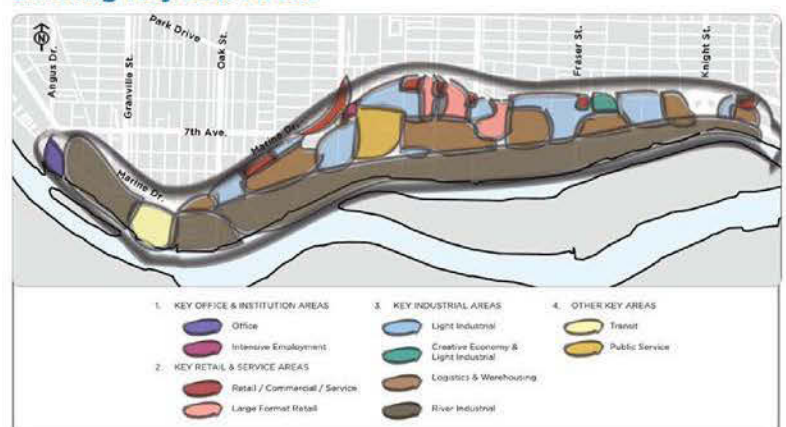
### Key Attributes

- Broad range of light and heavy industrial businesses
- Some large format retail stores
- Larger parcel sizes
- Freight access by rail, road and proximity to airport
- Supports growing warehousing and logistics operations
- Presence of film & TV studio space
- Rapid transit access
- Significant change around Marine Drive Station

### Current Applicable Policy

- Marpole Area Plan (changes Pending)
- Cambie Corridor Plan (changes Pending)
- Marine Landing Rezoning Guidelines (pending)

## Existing Key Job Areas





## APPENDIX D

### *Mixed-Use Residential-Light Industrial Buildings: Job Space Objectives*

#### **Background / Purpose**

The Metro Vancouver Regional Growth Strategy (“RGS”) sets out the goals, strategies and policies to guide the future growth of the region. The Strategy includes Regional Land Use Designations that apply to every parcel of land in the region to identify the intended uses of the lands. Residential use is not permitted on lands designated as Mixed Employment or Industrial and local zoning cannot contravene regional designations. This ensures that industrial lands across the region are protected from residential speculation and encroachment.

The draft version of *Metro 2050* includes a new provision that allows municipalities to consider affordable and rental housing as part of mixed-use buildings within 200 metres of rapid transit stations. If these provisions are included in the final version of *Metro 2050*, staff will recommend draft criteria that the City would use if it employs these provisions.

The RGS is scheduled to go to the Metro Board for approval in spring 2022.

#### **Issues and Objectives Related to Job Space**

The mixing of light industrial and residential uses is not a common practice in Vancouver, or other North American Cities and further effort is needed to ensure the compatibility and function of uses. A summary of the land use objectives and related observations and concerns identified to date are provided below.

Land Use Objective	Observations, Concerns
1. Preservation and intensification of light industrial space	<p>Recent studies have confirmed that the demand for industrial space will exceed supply over the next 30 years. Retention and intensification will help to reduce upward pressure on rents for industrial businesses and provide space options for additional employment in the city.</p> <p>Existing land use policy in Vancouver’s industrial zones is beginning to deliver more intensive forms. In many cases, office density on the upper floors is noted as being a key requirement for incentivizing intensive industrial space on the lower levels.</p>
2. Operational viability of a full range of industrial business types over the life of the building	<p>Staff have undertaken research into the types of employment uses that are compatible with residential. Issues such as hours of operations, noise, smells, light pollution, toxicity and safety concerns related to fire and explosion can be difficult and expensive to mitigate and may result in residents pushing out less compatible uses.</p>
3. Employment intensification near rapid transit	<p>Experts suggest that placing employment uses close to rapid transit can support transit ridership as residents are typically willing to walk further to access rapid transit than employees<sup>1</sup>.</p>

<sup>1</sup> Daisa, James M. “Traffic, Parking, and Transit-Oriented Development.” *The New Transit Town: Best practices in transit oriented development*. Island Press, 2012.



Land Use Objective	Observations, Concerns
4. Ability to meet citywide employment space needs	<p>90% of the land in the city of Vancouver is currently zoned to accommodate residential development, only 10% is reserved for employment uses. Reducing employment capacity in existing job areas will further reduce the city's ability to meet demand for employment space over the long term. Additionally, many of Vancouver's job only lands are located in flood prone areas with poor soil conditions making intensive development more challenging.</p> <p>The Vancouver Plan is exploring a range of ways to grow the city's capacity for housing, including intensification of residential areas</p>
5. Ensure long term financial viability of job lands by avoiding land value escalation	<p>Residential use is a high value use (including rental housing). Adding residential to job lands may put upward pressure on land value and speculation, forcing some uses out of Vancouver.</p>
6. Ensure health and well-being of residents	<p>In order to ensure the long term health and well-being of Vancouver residents, the City should only consider housing in areas where amenities and environmental conditions can support residential use.</p>