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To: "Direct to Mayor and Council - DL"

CC: "City Manager's Correspondence Group - DL"

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"Robertson, Chris" <chris.robertson@vancouver.ca>

Date: 4/29/2019 5:09:09 PM

Subject: Memo - Employment Lands and Economy Review – Project Overview and Key Economic Characteristics Fact Sheets

Attachments: Memo to Mayor and Council - Employment Lands and Economy Review - Projec....pdf
Employment Lands and Economy Review - Summary Fact Sheet - Final.pdf

Dear Mayor and Council,

Please see the attached memo from Gil Kelley, General Manager of Planning, Urban Design, and Sustainability regarding Employment Lands and Economy Review.

- On March 29th, PDS sent a fact sheet to Mayor Stewart providing an overview of the economic characteristics of Vancouver
- On April 1st the CMO requested that staff prepare a covering memo for the fact sheet and circulate the information to all of City Council.
- The attached a memo for Mayor and Council provides an overview of the Employment Lands and Economy Review Project and a description of the recently developed fact sheets regarding the city's economic and employment structure.

If you have any questions, please contact Gil Kelley at 604.873.7456 / Gil.Kelley@vancouver.ca or Chris Robertson, Assistant Director for City- Wide & Regional Planning, at 604-873-7684 / chris.robertson@vancouver.ca.

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

MEMORANDUM

April 29, 2019

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Civic Engagement and Communications Director
Katrina Leckovic, City Clerk
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Chris Robertson, Assistant Director, City-Wide & Regional Planning
Matthew Bourke, Senior Planner, City-Wide & Regional Planning

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Employment Lands and Economy Review – Project Overview and Key Economic Characteristics Fact Sheets

Purpose

This memo provides an overview of the Employment Lands and Economy Review (the Review) and recently developed fact sheets regarding the city's economic and employment structure.

Employment Lands and Economy Review – Project Overview

Vancouver has a limited supply of commercial and industrial land. Today, it is estimated that approximately half of all the jobs in Vancouver are located on just 10% of the city's land base. As the population continues to grow, the economy will need to keep pace. The Planning, Urban Design and Sustainability Department is undertaking a robust program of research, data analysis, stakeholder consultation and scenario planning to develop a land use policy plan that ensures there is an adequate supply of job space across the city to support the future growth of the economy. Consultation to date has included a survey of Vancouver businesses (684 responses), a survey of Vancouver's workers (2,215 responses), interviews with key actors in Vancouver's economy, meetings with interested stakeholder groups and workshop style meetings with the External Advisory Group for the project.

The Employment Lands and Economy Review was launched publically in late 2018 and will be completed by Spring 2020. The timing of the Review is aligned with Metro Vancouver's Regional Industrial Lands Strategy project and the Long Range Scenarios Project that is being

co-led by Metro Vancouver and TransLink. The Review provides foundational research for the upcoming City-Wide Plan process. Staff will provide Council with a briefing on scope of work for the review and the findings so far in the summer of 2019. More information about the scope and timing of the review is available on the project website: www.vancouver.ca/employment-lands

Fact Sheets

A key component of the Review is the research, analysis and development of fact sheets to ensure that staff, Mayor and Council, key stakeholders and the general public have access to easily understandable information about Vancouver’s economy throughout the policy development process. A comprehensive series of fact sheets are published on the project website at vancouver.ca/employment-lands. A summary fact sheet has also been prepared that provides an overview of key economic statistics for the city and region (see Appendix A). The following fact sheets have been published on the project website or are currently in progress:

Economic Structure Fact Sheets

- Employment characteristics of Vancouver
- Vancouver's role in the region
- Business size in Vancouver
- Vancouver’s role, from Provincial to International
- Gross Domestic Product (in progress)
- Work from Home (in progress)

Economic Sectors Fact Sheets

- Accommodation and food services
- Administrative support and waste management and remediation
- Arts, entertainment, and recreation
- Construction
- Educational services
- Finance and insurance
- Health care and social assistance
- Information and cultural industries
- Manufacturing
- Other services
- Professional, scientific, and technical services
- Public administration
- Real estate rental and leasing
- Retail trade
- Wholesale trade
- Non-profit (in progress)

Review Timing and Next Steps

Upcoming key dates for the Employment Lands & Economy Review:

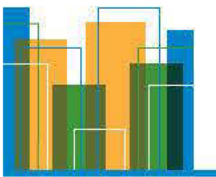


If you have any questions, please contact me or Chris Robertson, Assistant Director for City-Wide & Regional Planning, at 604-873-7684 or chris.robertson@vancouver.ca.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line that extends to the right.

Gil Kelley, FAICP
General Manager, Planning, Urban Design and Sustainability
604.873.7456 | gil.kelley@vancouver.ca

Appendix A



Summary Fact Sheet

Key Economic Characteristics of Vancouver

Purpose

This fact sheet provides a high level overview of Vancouver's Economy. The fact sheet was prepared in support of the City of Vancouver's Employment Lands and Economy Review.

Information about the Review and additional fact sheets about the local and regional economy are available on the City's website: <http://vancouver.ca/employment-lands>.

Contents

1. Trends that have Shaped the Current Economy
2. Current Economic Conditions
3. Development Pipeline and Near Term Growth Projections

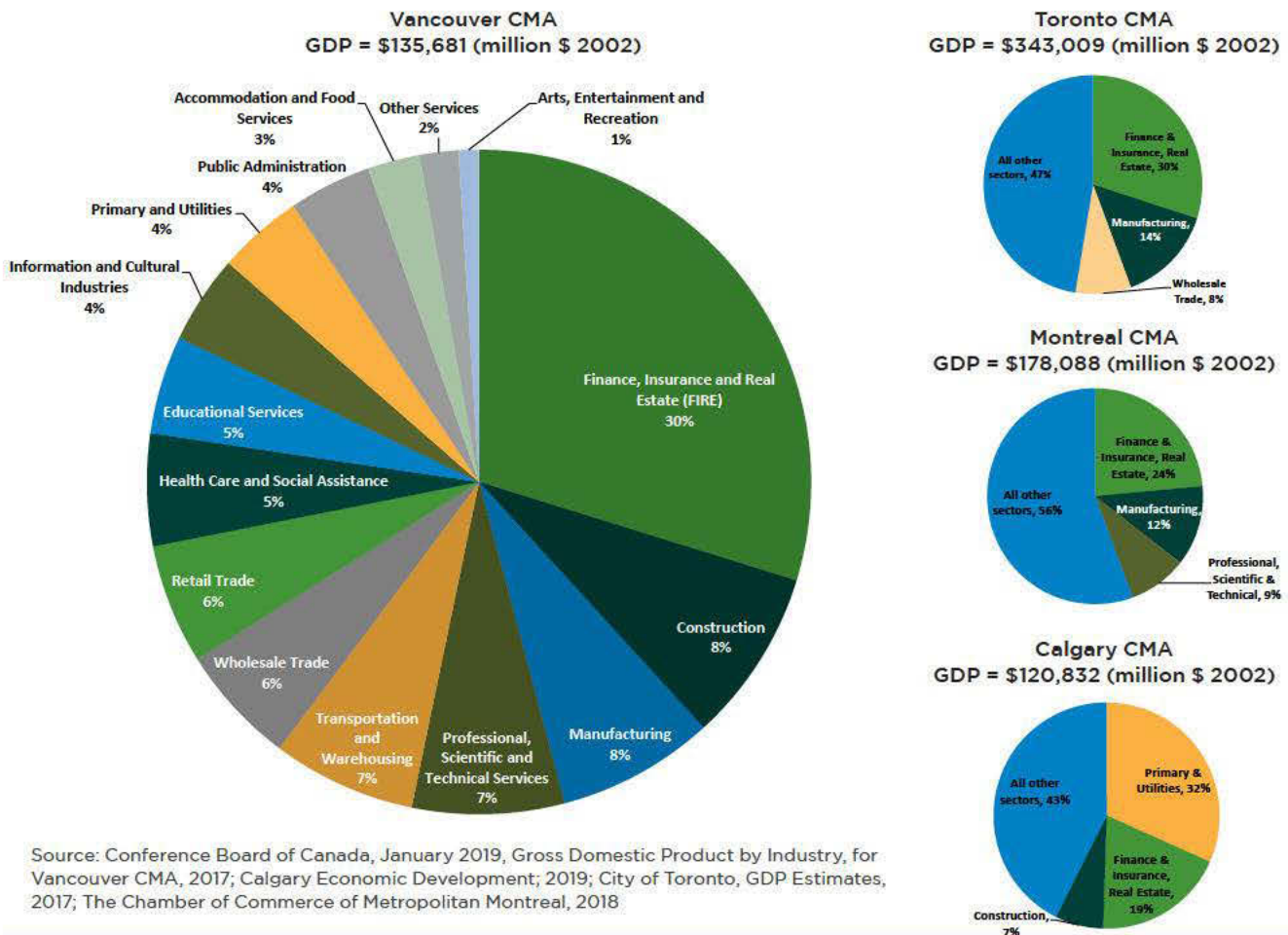
Trends that have Shaped the Current Economy

Vancouver's Economy is Growing

The GDP of the Metro Vancouver Region has grown by 150% over the past 30 years. In 2017, Metro Vancouver's GDP was \$135,681 million, which was the third largest of all metropolitan regions in Canada.

Between 2013 - 2017, Metro Vancouver experienced an average annual GDP growth rate of 3.9%, which was the highest of all regions in Canada. Like other growing major cities in Canada, the GDP of Metro Vancouver is highly influenced by the finance, insurance and real estate sectors (Figure 1).

FIGURE 1. GDP BY SECTOR IN METRO VANCOUVER COMPARED TO OTHER MAJOR METRO REGIONS IN CANADA, 2017



Source: Conference Board of Canada, January 2019, Gross Domestic Product by Industry, for Vancouver CMA, 2017; Calgary Economic Development; 2019; City of Toronto, GDP Estimates, 2017; The Chamber of Commerce of Metropolitan Montreal, 2018

Population and Jobs are Growing in the City of Vancouver

As the central city in the region, the city of Vancouver has experienced strong population and job growth in recent years. Over the past 10 years, the increase in number of jobs has matched the increase in number of residents (i.e. for each new resident the city added one additional job).

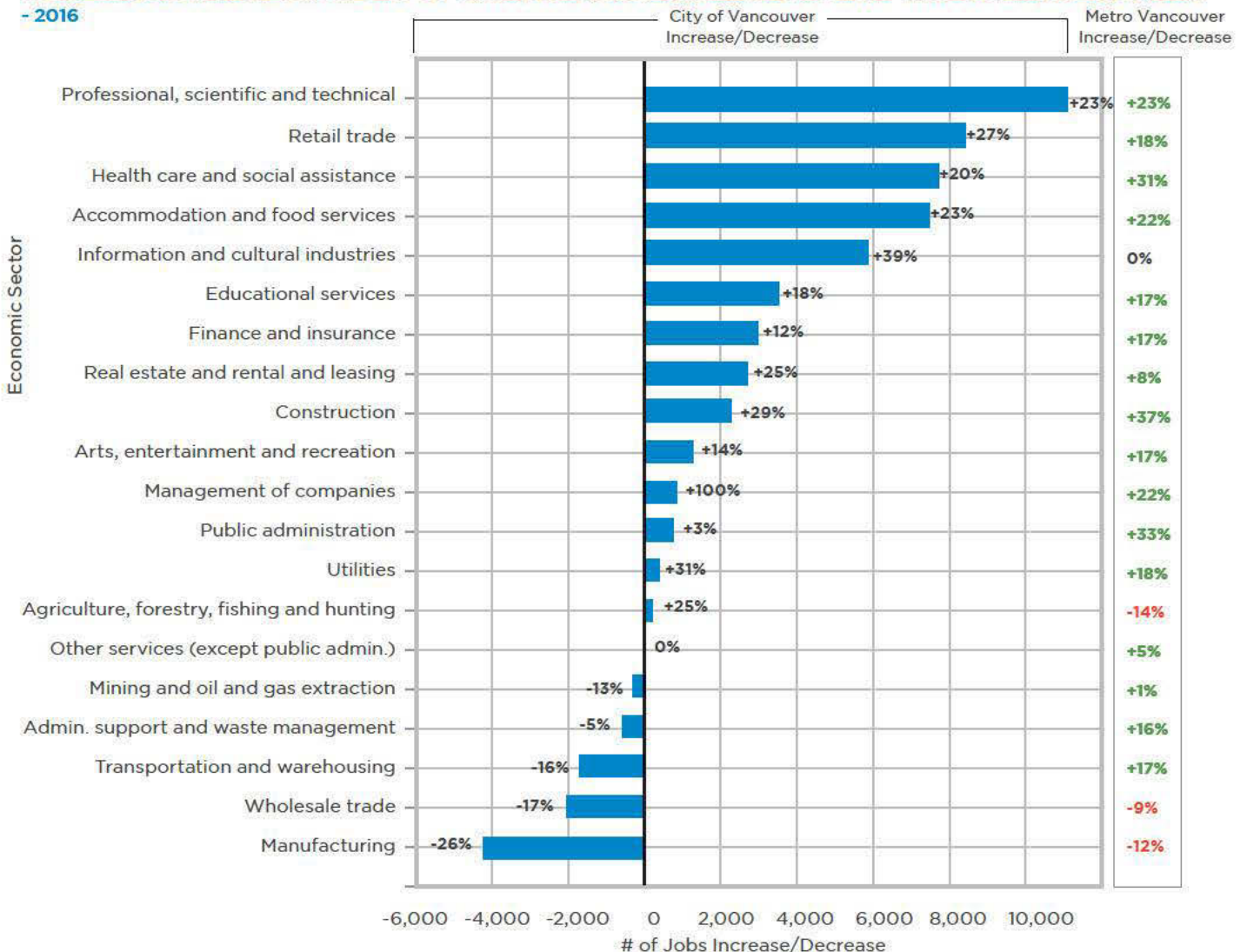
- Population in the city grew by about 53,500 people (+9.2%) between 2006 and 2016.
- Jobs in the city grew by 53,000 (+14.2%) since 2006.

Job growth in Vancouver over the past 10 years has been driven by professional, scientific and technical services and retail trade (Figure 2).

Compared to the Metro Vancouver region overall:

- Wholesale trade and manufacturing jobs have decreased in both the city of Vancouver and the Metro Vancouver region.
- Transportation and warehousing jobs have decreased in the city and increased in the region.
- Information and cultural industries jobs (e.g. telecommunications, video game publishing, film production) have grown by 39% in the city, but have not grown in the region.

FIGURE 2. JOBS INCREASES IN THE CITY OF VANCOUVER VS. JOBS INCREASES IN METRO VANCOUVER BY SECTOR, 2006 - 2016



Source: Statistics Canada 2006 & 2016 Census: Jobs by NAICS (2 digit). Note: this data does not include jobs "with no fixed workplace address".

Current Economic Conditions

Vancouver has Jobs in a Diverse Range of Sectors

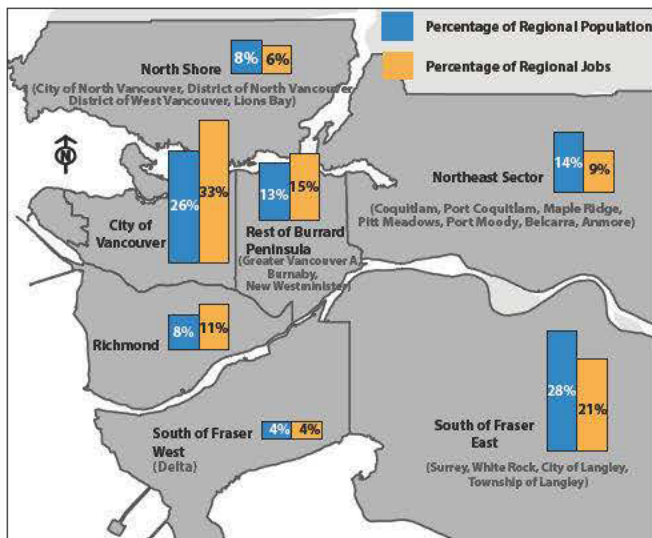
There are about 427,000 jobs in the city of Vancouver - approximately 50,000 of these jobs do not have a fixed workplace address. The largest sector in Vancouver is professional, scientific and technical services, accounting for almost 16% of all jobs in the city (Table 1).

Vancouver is the Largest Job Centre in the Region

Compared to the Metro Vancouver region:

- Vancouver is by far the largest job centre in the region with 33% of regional jobs and 26% of the regional population (Figure 3).
- Vancouver has a higher share of regional jobs in information and cultural industries and a lower share of regional jobs in manufacturing (Figure 4 on next page).

FIGURE 3. PERCENTAGE OF POPULATION AND JOBS BY SUB-REGION ACROSS METRO VANCOUVER



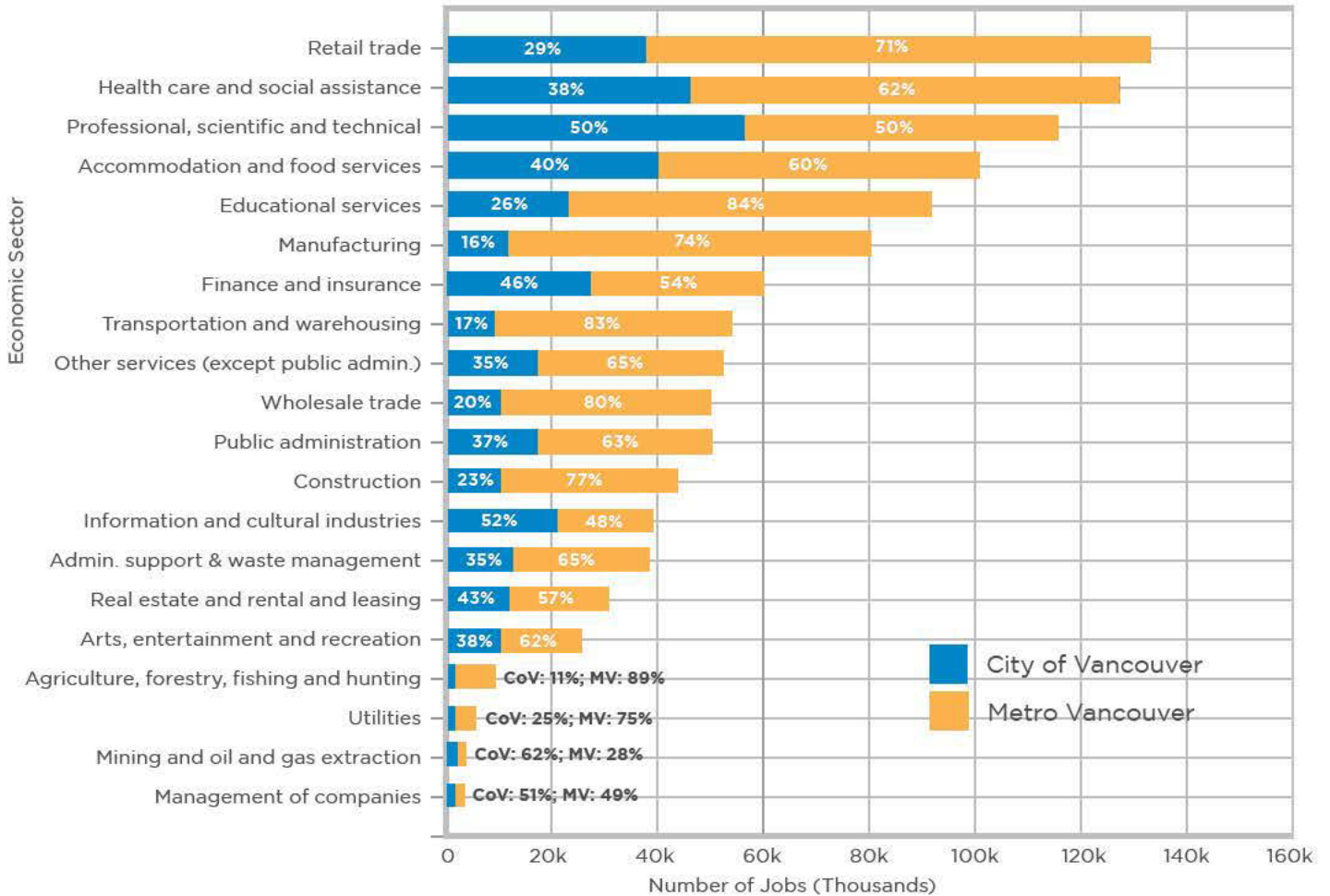
Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit). Note that this data does not include jobs "with no fixed workplace address".

TABLE 1. JOBS IN VANCOUVER BY EMPLOYMENT SECTOR

EMPLOYMENT SECTOR	# OF JOBS	% OF JOBS
Professional, scientific and technical services	58,740	15.6%
Health care & social assistance	47,085	12.5%
Accommodation and food	40,360	10.7%
Retail trade	39,525	10.5%
Finance and insurance	27,660	7.3%
Educational services	22,530	6.0%
Information and cultural	20,640	5.5%
Other services (except public administration)	18,405	4.9%
Public administration	18,395	4.9%
Administrative support and waste management	13,295	3.5%
Real estate, rental + leasing	12,980	3.4%
Manufacturing	12,460	3.3%
Wholesale trade	10,220	2.7%
Construction	9,870	2.6%
Arts, entertainment and recreation	9,680	2.6%
Transportation & warehousing	9,105	2.4%
Primary Resource Extraction	3,015	0.8%
Utilities	1,545	0.4%
Management of companies	1,520	0.4%
Total Jobs*	377,015	100%

*Does not include "jobs with no fixed workplace address"

Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit).

FIGURE 4. DISTRIBUTION OF JOBS BETWEEN THE CITY OF VANCOUVER AND THE METRO VANCOUVER REGION BY SECTOR


Source: Statistics Canada 2016 Census: Jobs by NAICS (2 digit). Note that this data does not include jobs “with no fixed workplace address”.

Development Pipeline and Near Term Growth Projections

There is a Significant Amount of Housing and Job Space in the Development Pipeline in Vancouver

In terms of projects under construction today, as of Q1 2019, the City had:

- Over 4.1M square feet of job space under construction (space for ~18,700 jobs)
- Nearly 14M square feet of residential space under construction (space for ~25,400 residents).

Demand for Office Space is High in the Central City of Vancouver

The Q4 2018 Colliers Vancouver Office Market Report found that:

- The office vacancy rate was 3.4% in downtown Vancouver compared to 5.0% in the Metro Region overall.
- 77% of office floor space under construction in the region today is located within the city of Vancouver.

A recent report from Metro Vancouver notes that office growth in the city is being driven by tech companies that want to be located in the core in order to attract and retain talented employees.