# RETAIL-COMMERCIAL DISTRICT SMALL BUSINESS STUDY

Change and Drivers of Change in Vancouver's Local Shopping Areas

Prepared for:

Planning, Sustainability and Urban Design Economic Development Planning Group / BIA Program

΄ CITY OF

OUVER



NSURANCE



### City of Vancouver: Retail-Commercial District Small Business Study, 2020

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## **1.0 PROJECT INTRODUCTION**



### 1.1 PROJECT INTRODUCTION

In late 2018, the City of Vancouver commissioned a study to determine the changes and drivers of change being experienced by small, independent businesses in the City's local shopping areas. There is growing concern that local shopping areas in the City are declining, and that independent businesses in particular are being displaced due to an unprecedented confluence of circumstances. Using six case study areas across the City, this study attempts to answer to the following questions:

- 1. What **changes** have occurred in the last 10+ years in **six case study areas** in terms of:
  - Predominant tenant types (counts and floor area)
  - Vacancies
  - Chain businesses and independent businesses
  - Property values and property taxes
  - Property ownership
  - Basic and additional commercial rents
  - Business revenues and profitability
  - The context of change (spatial, demographic, and macro-economic)
- 2. What are the key **issues and 'drivers' of change** (positive and negative) in each area, including the relative importance of different factors, and the interrelationships between factors?
- 3. What makes a healthy local shopping area\*, and what are some of the **indicators** of failing health?
- 4. How might the City best **monitor** neighbourhood retail health and vitality going forward, and how might it **support** independent business and business area vitality more broadly?





\* Most of Vancouver's local shopping areas (LSAs) evolved along the City's historic streetcar routes. They are street-oriented neighbourhood and local-serving areas typically zoned "C-1", "C-2" or "C-3A".







### 1.1 PROJECT INTRODUCTION

- Across North America and in markets overseas, a variety of forces are threatening the viability and vibrancy of neighbourhood retail. These include: the competition of online retail; rising property taxes and lease rates; shifting demographics and consumer preferences; and the pressures of redevelopment, to name a few.
- Vancouver's local shopping areas have evolved over the City's 134-year history. The first LSAs emerged at the intersections of streetcar lines in the early 1900s, shaped by the dual logic of electric mass transit and pedestrian mobility. They expanded somewhat with the subsequent adoption of automobiles but still remain walkable and connected to the neighbourhoods that provide their customer base. Today, Vancouver's LSAs contribute to social, economic and environmental sustainability by offering convenient local access to goods and services, places to meet and socialize, and places to create and support unique neighbourhood character.
- The evolution and renewal of the city's LSAs involves many actors including property owners; small and large business tenants and their Business Improvement Associations (BIAs); local and regional customers; and all levels of government including the City which controls land use, property taxation, policing, local investments and maintenance of the public realm. The health and vitality of the small, independent businesses that give our local retail streets their unique flavour is also a function of our land economy, Federal and Provincial tax policies, City policy decisions, neighbourhood vitality and the spending power and decisions of local customers, as well as the self-organizing efforts of local BIAs.
- This study is a first step in providing baseline information on the dimensions and drivers of change that are affecting local retail and services today. This information is necessary in order to understand and respond to demographic change, competition, and wider market forces. There are many opportunities to improve neighbourhood retail streets across this City. Through careful planning and support, new roles can be found for retail streets to better serve changing neighbourhoods. In our conclusions we provide some ideas on what roles the City might play to support positive change going forward.
- The project Assumptions and Limiting Conditions are detailed in Appendix A.









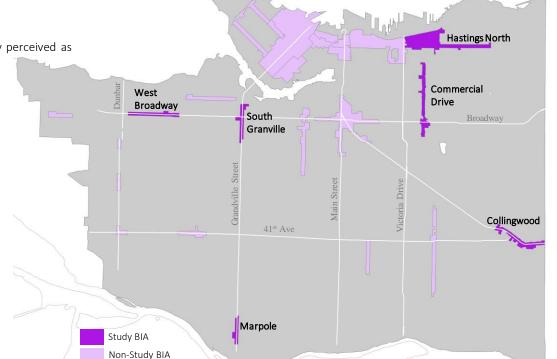


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### 1.2 STUDY AREA SELECTION

- Six BIA Study areas were selected through an iterative process with City staff in January - February 2019, and approved by the BIA partnership.\* The intent was to get a representative mix of Local Shopping Areas so that the insights of the Study would be generally applicable across the City.
- In selecting Study areas, the general guiding principles were:
  - Achieving north-south representation.
  - o Achieving east-west representation.
  - Selecting at least four areas that appear to be evidencing change or instability.
  - Selecting at least 2 Study areas in 'Community Plan' Areas.
  - Selecting at least 2 Study areas that are in areas commonly perceived as 'stable' or 'healthy.'
  - Confining selection to areas with C-2 or similar zoning.
- The BIAs selected according to these filters were:
  - 1. South Granville BIA
  - 2. West Broadway BIA
  - 3. Marpole BIA
  - 4. Collingwood BIA
  - 5. Hastings North BIA
  - 6. Commercial Drive BIA

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\*The Vancouver BIA Partnership (Partnership) is a coalition representing all of the City's 22 BIAs.







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### 1.3 STUDY AREAS: SOUTH GRANVILLE

- The South Granville BIA Study area encompasses the entirety of the currently-defined BIA, extending from West 5th Avenue to West 15th Avenue along Granville Street, plus the west side of Granville between West 15th and 16th Avenues.
- The Study area also includes all ground floor retail and service commercial uses on the south side of West Broadway between Fir Street and the laneway east of Granville Street.
- This area does not have a recent community plan, or vision.
- Portions of this area may be influenced by speculation due to the Broadway Subway extension. The entrance for the South Granville Station will be on the northeast corner of Broadway and Granville, currently occupied by a four-storey commercial building.

South Granville	
South Granville	
Number of Blocks	11
Linear Metres	1,100
Total Commercial Floor Area (sq.ft.)	540,392
Total Commercial Storefront Count	199
Recent Plan?	No
Zoning	C-3A
Year of Baseline Inventory	2006

### South Granville BIA Snapshot

## SOUTH GRANVILLE

South Granville BIA Study Area



Source: City of Vancouver Open Data Catalogue







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### 1.4 STUDY AREAS: WEST BROADWAY

- The West Broadway BIA encompasses the entirety of the BIA area, a 10block stretch from Collingwood Street in the west to Larch Street in the east. It operates under the "Kits on Broadway" brand.
- The BIA includes three blocks east of Macdonald Street, which contains the nearly 50,000 square foot Safeway store plus a stretch of small businesses.
- The area does not have a recent community plan or vision statement.

West Broadway BIA Snapshot

West Broadway BIA		
Number of Blocks	10	
Linear Metres	1,420	
Total Commercial Floor Area (sq.ft.)	488,528	
Total Commercial Storefront Count	255	
Recent Plan?	No	
Zoning	C-2C / C-2C1	
Year of Baseline Inventory	2010	

#### West Broadway BIA Study Area



Source: City of Vancouver Open Data Catalogue













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### 1.5 STUDY AREAS: MARPOLE

- The Marpole BIA encompasses the 7900 through 8700 blocks of Granville Street (from West 71st Avenue to just north of West 63rd Avenue).
- The Marpole BIA is part of the area covered by the 2014 Marpole Community Plan.

#### Marpole Neighbourhood Boundaries

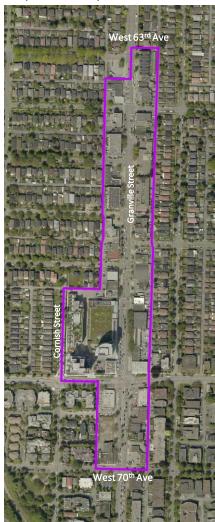


Source: Marpole Community Plan

#### Marpole BIA Snapshot

Marpole BIA		
Number of Blocks	8	
Linear Metres	600	
Total Commercial Floor Area (sq.ft.)	246,827	
Total Commercial Storefront Count	141	
Recent Plan?	Yes	
Zoning	C-2 / C-1 / C-2C	
Year of Baseline Inventory	2011	

Marpole BIA Study Area



Source: City of Vancouver Open Data Catalogue







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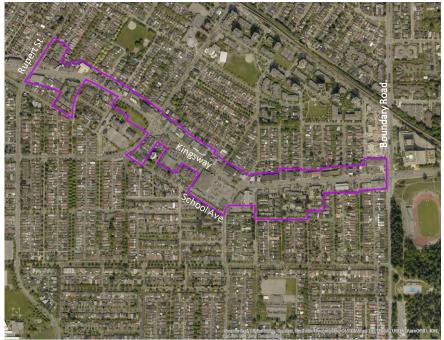
### 1.6 STUDY AREAS: COLLINGWOOD

## Collingwood | BIA

- The Collingwood BIA runs along Kingsway, from Rupert Street in the west to Boundary Road in the east.
- Note that the boundary line between two Community Vision Areas (Renfrew Collingwood and Killarney) runs along the centre line of Kingsway between Joyce Street and Boundary Road.
- The Study area encompasses the entirety of the currently-defined BIA.
- From a zoning standpoint, the Study area is entirely C-2 (north and south of Kingsway), with the exception of CD-1 sites.
- Barring any future rezoning policy, there are no significant differences in development potential between the two Community Vision areas.

Collingwood BIA			
Number of Blocks	15		
Linear Metres	1,450		
Total Commercial Floor Area (sq.ft.)	411,300		
Total Commercial Storefront Count	203		
Recent Plan?	No		
Zoning	C-2		
Year of Baseline Inventory	2005		

#### Collingwood BIA Study Area



Source: City of Vancouver Open Data Catalogue





Collingwood BIA Snapshot





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istings North BIA Study Area	Hastings North BIA Snapshot (Study Area Only)		
	Hastings North*	k	
	Number of Blocks	10	
	Linear Metres	1,550	
	Total Commercial Floor Area (sq.ft.)	484,414	
	Total Commercial Storefront Count	257	
	Recent Plan?	Yes (west of Nanaimo	
astings North BIA Study Area	Zoning	C-2C1 / C-2C / C-2C1	
	Year of Baseline Inventory	2002	
	*area between Victoria and Renfrew		
Powellst			
		Renfrew	
Hastings St St	udy Area		
East Pender St			

- While the Hastings North (East Village) BIA extends along Hastings St. from Renfrew in the east nearly to Clark Drive in the west, the analysis for this study looks at only the portion of the BIA between Renfrew and Victoria (as depicted above).
- The decision to truncate the Study area at Victoria was taken primarily based on a zoning rationale: zoning is C-2C1 from Renfrew to Slocan, C-2C from Slocan ٠ to Garden, C-2C1 from Garden to Victoria, and MC-1 / MC-2 west of Victoria. Industrial properties are excluded.
- Nanaimo St. marks the boundary between the Hastings Sunrise Community Vision and the Grandview-Woodland Community Plan area. In consultation with ۰ City of Vancouver staff and the BIA board, it was determined that there was not sufficient difference in zoned potential between the two sections of Hastings to affect study findings.







Commercial Dr. BIA Study Area

### 1.6 STUDY AREAS: COMMERCIAL DRIVE

- The Commercial Drive BIA encompasses a 2-km section of Commercial Drive from 13<sup>th</sup> Ave in the south to Venables Street in the north.
- Initially, consideration was given to restricting the Study area to the portion of the BIA located north of the Grandview Cut, as the area south of Broadway crosses community plan / vision area boundaries (from Grandview-Woodland Community Plan to Kensington Cedar Cottage Community Vision).
- Ultimately a decision was taken to include the entirety of the BIA for the following reasons:
  - After input from City of Vancouver staff, and an initial round of consultations with the BIA board, it was determined that there was insufficient difference in zoned development potential between the Community Vision and Community Plan areas.
    - C-2C1 Venables to Charles
    - C-2C from Charles to 3<sup>rd</sup> Avenue
    - C-2C1 from 3<sup>rd</sup> to 6<sup>th</sup> Avenues
    - C-2 from 6<sup>th</sup> Avenue to the Cut (with some CD-1)
    - C-2C and C-3A from the Cut to 12<sup>th</sup> Avenue
    - C-2C1 from 12<sup>th</sup> to 13<sup>th</sup> Avenue
  - o There is street-oriented retail south of the Cut, including the Safeway store (which is a future redevelopment site).
  - Historical data sets prepared by Commercial Marketing Inc (CMI) that are used in this study (discussed in detail in subsequent sections of this document) cover the entirety of the BIA.
  - This rationale for inclusion of the entire BIA was presented to the BIA Board in February, 2019 and all were in agreement.
     Commercial Drive BIA Snapshot

Commercial Drive BIA		
Number of Blocks	20	
Linear Metres	2,000	
Total Commercial Floor Area (sq.ft.)	802,341	
Total Commercial Storefront Count	352	
Recent Plan?	Yes	
Zoning	C-2C1 / C-2C / C-2 / C-2C / C-3A	
Year of Baseline Inventory	2005	











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## 2.0 DEFINITIONS and COMMERCIAL AREA TYPOLOGIES

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### 2.1 SUMMARY DEFINITIONS\*

Anchor Uses	Anchors are retail and non-retail businesses / uses with a significant draw of customers which also support other nearby businesses. They can include grocery stores, retail clusters, community centres, libraries, and schools.
BIAs	Vancouver has 22 Business Improvement Areas (BIAs) funded through a commercial property tax levy, and managed by non-profit associations of property owners and business tenants whose goal is to promote and improve their business district.
Chain Business	Defined by Statistics Canada as an organization operating four or more outlets in the same industry class under the same legal ownership at any time during the survey year.
Community Shopping Street	A broad typology of street-oriented commercial districts comprised of 30 to 400 shops. For this report, three types of community shopping streets have been identified: small, medium and large. Community Shopping Streets do not include neighbourhood clusters or nodes of <30 shops, or 'shopping districts', which are higher density (and often multi-level) agglomerations such as those found downtown.
Independent Business	An organization operating three or fewer outlets in the same industry class under the same legal ownership at any time during the survey year.
Small Business	Statistics Canada defines a small business is one with 99 employees or fewer. BC Stats classifies a small business as one with less than 50 employees. As employment data was not available for this report, the term 'small business' is used interchangeably with 'independent business.'
Retail Hierarchy & Commercial Area Typologies	Land use economists classify commercial areas by their size (floor area) and function (local serving, city serving, sub- regional and regional). Traditional concepts of retail hierarchy hold that smaller centres serve local areas, while larger reta centres serve a wider (regional) trade area. These classifications have become increasingly blurred as malls try to imitate streets ("lifestyle centres") and as street-oriented retail hosts many stores found in malls.
Retail	Used as a shorthand for a wide range of retail-commercial business categories found in the Study areas, many of which are not strictly engaged in retail sales. These include restaurants and bars, and personal and professional service providers.

\*Presented here for ease of reference. Additional definitions, and additional detail on the above definitions, are provided throughout Section 2.0.







#### **Chain and Independents**

#### Statistics Canada

Statistics Canada defines chain and independent retail as follows:

- **"Retail Store Chain"** is defined as an organization operating <u>four or more</u> outlets in the same industry class under the same legal ownership at any time during the survey year.
- A **"Franchise"** is defined as a person, group of persons, partnership or incorporated company granted a contractual privilege permitting the sale of a product, use of a trade name or provision of a service within a specific territory and/or in a specified manner.
- An **"independent Store"** consists of stores with less than four locations in the same industry class under the same legal ownership at any time during the survey year.

There are in fact a variety of other working definitions in North America for what constitutes a 'chain' or 'formula' retailer, and similarly there are a variety of approaches to regulation and oversight. Broadly speaking, chain businesses are those that have multiple locations (above a given threshold), and standardized retail or service offers, features or a recognizable appearance.

As a detailed review of beneficial ownership of businesses is beyond the capacity of the analysis in the present study, businesses that would typically be considered "franchises" through a visual assessment are amalgamated into the 'chain store' category.

Chain stores are sometimes called "**formula retailers**", recognizing the repetition or 'sameness' of characteristics across establishments

#### WORKING DEFINITION FOR THIS STUDY

This study adopts Statistics Canada's definition of chain retail (with the inclusion of franchise businesses) to allow for consistency with Statistics Canada and to allow for future comparability across other Canadian municipalities. All historical and current inventory data in the six Study areas is classified using this definition.

Notably, the **City of Toronto** recently undertook a study on chain retail, driven by research concerns and questions similar to those raised by the City of Vancouver. Prior to the commencement of that study, Toronto city staff had in-depth discussions around working definitions of 'chain' and 'independent' business, as well as what constituted 'small business'. Ultimately, Toronto elected to adopt Statistics Canada's definitions of Chain Retail vs. Independent Retail.







#### **Chain and Independents**

The Statistics Canada definition of chain stores dates to 1931, from the Seventh Census of Canada, Volume X: *Merchandising and Service Establishments, Part 1*. In that document, the following definition was established:

**Definition of a chain** – a chain is defined as a group of stores of the same or similar kind of business, centrally owned and operated, and stocked with merchandise placed through a central buying office. It is not necessary that a warehouse be owned and operated by the company itself in order that it be classified as a chain, but some form of central buying is a fundamental feature of chain store operation for without this feature the advantage to be gained from bulk purchasing would not be obtained. The information received regarding the method followed in supplying the different stores of a given organization was usually inadequate to indicate when it should be considered a chain, so that it has been necessary to make an arbitrary division in this field. For this census, all groups of four stores or more under the same ownership are classified as chains provided that they are engaged in similar lines of activity, irrespective of the method by which they are stocked.

A similar reference can be found in the American Economic Review (1937).

For a variety of reasons, Statistics Canada is considering discontinuing the chain / non chain distinction in its publication of the Annual Retail Trade Survey. The following pages provide other working examples of chain / formula retail definitions currently used in some other North American municipalities.









#### **Chain and Independents**

#### SAN FRANCISCO

- Under section 303.1 of the San Francisco Planning Code, "formula retailers" have been defined as "a type of retail sales activity or retail sales establishment that has eleven or more other retail sales establishments in operation...located anywhere in the world," and has two or more of the following features:
  - A standardized array of merchandise
  - o A standardized façade
  - A standardized décor and colour scheme
  - A uniform product mix across all stores
  - Standardized signage
  - A trademark or a service mark
- In the mid-2000s, San Francisco adopted policies to limit formula retail in all neighbourhood commercial districts (NCDs). Today it has arguably the most comprehensive formula retail use restrictions in North America. Rules around formula retail vary by neighbourhood.
  - o Formula retail in all NCDs must obtain a conditional use authorization to open.
  - In a few NCDs, formula retail is ostensibly banned outright (although there are instances where chains have been granted conditional use exceptions nonetheless).
  - Conditional Use Application evaluations consider many factors, including the existing retail landscape, vacancies, and compatibility with 'neighbourhood character.'
  - $\circ~$  An economic impact study is required for uses greater than 20,000 square feet.









#### **Chain and Independents**

#### **NEW YORK**

- New York has adopted the same working definition of formula retail as San Francisco.
- A 2017 City report entitled <u>Planning for Retail Diversity</u> recommended that staff should "work with stakeholders to examine the potential for zoning restrictions on chain stores and restaurants" in response to growing concerns about preserving neighbourhood character and diversity of local independent businesses.
- The 2017 report built upon a 2015 study released by New York City's East Village (*Preserving Local, Independent* <u>*Retail*</u>) which proposed limitations on chain stores in that neighbourhood. The East Village already has restrictions on store frontage sizes and certain changes of store use.

#### NANTUCKET, MASSACHUSETTS

- In 2006, the Town of Nantucket (population: 11,327) banned chain stores from its downtown.
- The town defines chain stores and restaurants as companies with 14 or more identical outlets and more than three standardized features.
- The regulation was driven not by large format chain retail influx, but by the arrival of smaller chain retail in the apparel category.

#### JERSEY CITY, NEW JERSEY

- In 2015, Jersey City began restricting chain stores to 30% of ground-floor commercial space in downtown buildings (with some exceptions).
- The city defines chain stores as those having multiple locations within the region, and which exhibit standardized characteristics such as logos, menus and store décor.
- The ordinance does not apply to grocery stores.







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#### **Small Business**

- For the purpose of collecting and reporting national statistics, Innovation, Science and Economic Development Canada (ISED) classifies businesses according to the number of paid employees. Its publication <u>Key Small</u> <u>Business Statistics</u> (most recently released in January, 2019) uses the following classifications:
  - Small Business : 1 to 99 employees
  - Medium Business: 100 to 499 employees
  - Large Business: 500+ employees
- Within the small business category, data are publicly available at the provincial level, by North American Industry Classification System (NAICS) code, for the following employment clusters:
  - o 1 to 4 employees
  - o 5 to 9 employees
  - o 10 to 19 employees
  - o 20 to 49 employees
  - o 50 to 99 employees
- In British Columbia, 98% of 'retail trade' businesses (NAICS 44-45) have 99 or fewer employees, and 85% have 20 or fewer employees.
- 35% of BC retail businesses can be classified as 'nano enterprises (4 or fewer employees).
- Amongst full-service and limited-service eating establishments, respectively 99.6% and 97.4% are classified as 'small' with 50% and 65% having fewer than 20 employees.

British Columbia, December .	es within Small Business Classification, by Category, 2017
	Employees

Cotto and Churchan	Employees				
Category Cluster	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99
Retail Trade	35.0%	29.0%	20.7%	9.6%	3.7%
Drinking Places	11.2%	15.0%	24.1%	41.4%	7.9%
Full-Service Restaurants	16.2%	23.3%	25.0%	24.5%	8.3%
Limited Service Restaurants	17.5%	22.6%	33.9%	20.0%	4.9%
Personal, Professional, Household Services	55.2%	28.8%	11.8%	3.6%	0.5%

Source: Statistics Canada, Table 33-10-0037-01 – Canadian Business Counts, with employees, December 2017

#### WORKING DEFINITION FOR THIS STUDY

#### The term 'Small Business" should be read as "independent business" in this study.

While there are undoubtedly instances where a business considered 'small' from an employment standpoint is also a chain, professional experience tells us that a majority of independent businesses (3 or fewer locations) are likely to have under 100 employees. Similarly, a majority of chain businesses are likely to have over 100 employees.







#### **Small Business**

#### **Employees vs. Floor Areas**

While the number of employees is a common and useful metric for conceptualizing and analysing business size, another metric that is used in the retail and service commercial sectors is gross leasable or saleable floor area.

Sales volumes are typically tracked and reported on a per-square-foot basis, and rent-to-sales ratios are often tracked on a floor-area basis.

What constitutes 'small 'or 'large' floor areas (or numbers of employees) in the retail world varies by category. For instance, consider the typical size thresholds for grocery stores and how those may compare to other categories:

- A corner store or green grocer is typically under 5,000 square feet, and may be under 1,000 square feet (e.g. Nada, 675 E. Broadway; Be Fresh, 1900 W. 1<sup>st</sup> Avenue).
- A neighbourhood supermarket may be 8,000 to 20,000 square feet, and typically includes a small café (e.g. Choices Market at W. 57<sup>th</sup> Avenue; Strong's Market on Dunbar).
- A typical destination or medium supermarket is 25,000 to 45,000 square feet, and often includes full-sized cafes and specialty food stations (e.g. Urban Fare).
- A large supermarket is over 50,000 square feet, and may be part of a much larger extra-large general merchandiser (e.g. Wal Mart Supercentre of 180,000 square feet with 50,000+ square feet of retail grocery area). In some of these larger general merchandisers, the grocery component may be 80,000 to 150,000 square feet.

- Compare the concept of 'small' or micro' grocery to the concept of 'small' for other categories:
  - A 'small' pharmacy may be under 1,500 square feet.
  - A 'small' restaurant is under 1,000 square feet.
  - A 'small' liquor store may be under 2,500 square feet.

#### Small Business and Independent Business

Another item to consider is the extent of overlap between 'small' and 'independent' business categories. These terms are often used interchangeably in planning-related discussions. However, if 'small' is conceived using the Statistics Canada employment threshold of 'under 100' and a chain store is a business with 4 or more locations, then there will be instances of small, chain businesses. Some examples of such in two of the Study areas are: Turnabout Luxury Resale (5 locations); Trees Coffee (6 locations), Thai Basil (4 locations), Banana Leaf (5 locations), Purebread Bakery (5 locations). All are local or regional chains which likely have under 100 employees.\*

\*Employment data for businesses in the Study areas was not available. Employment estimates have been made based on an estimate of 350 square feet per employee on average, based on professional experience.







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#### **Small Business**

- The consulting team acknowledges that the term 'small business' may have political connotations, and is a term that is often used interchangeably with independent business.
- As discussed above, what classifies as 'small' will differ depending on the metric used (employees vs. floor area), and what is physically small for one category may be large for another. Further there are instances where businesses that are considered 'small' from an employment standpoint are also chains.
- Unfortunately, the City of Vancouver does not possess a reliable database of employment data by business. While data provided by the City's BIA Program does contain a field showing number of employees, there are data veracity concerns which make this field problematic (and ultimately not useful) for this study.
- By contrast, the City of Toronto "Retail Main Streets Study" (prepared by ThreeSixty Collective for the City of Toronto Economic Development and Culture Division) has the advantage of access to high-quality longitudinal employment data by location and business type. This data has been gathered and updated annually as part of the city-wide survey of businesses since 1983.\*

\*See: https://www.toronto.ca/city-government/data-research-maps/research-reports/planning-development/toronto-employment-survey/







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#### Anchor Uses or Attractors

An anchor use, alternately a 'major attractor' or 'activity generator', is defined as a retail or non-retail use (or uses) that drive foot traffic and business to other nearby uses in a commercial area. They are often critical for sustaining the smaller, more specialized shops and services in an area. While anchors are typically retail uses, there are other uses that can be effective drivers of traffic such as community centres, libraries, or schools.

Examples of anchors within the context of street-oriented commercial precincts are as follows:

- Grocery stores and General Merchandisers: a full-line grocery store such as a Save-On Foods or Safeway, a general merchandiser such as a London Drugs, or even a pharmacy with sizeable retail grocery and general merchandise components such as Shoppers Drugs Mart, will draw regular foot traffic as customers return on a regular basis to buy day-to-day convenience goods. Often these businesses benefit from greater brand recognition and advertising resources, which positively impacts their ability to draw customers. If these businesses are well-placed in a retail area, they will both draw customers into an area and provide foot traffic to other stores. The loss of a grocery or general merchandise anchor can have knock-on impacts for local shopping areas. A recent example is the loss of the Safeway grocery store in Point Grey Village (West 10<sup>th</sup> Avenue), and the subsequent (negative) impact on foot traffic and business closures.
- Clusters of Stores in same merchandise category: the concentration of many storefronts in a single category (e.g. fashion, furniture stores, restaurants) can also act as an anchoring use in a retail precinct. Customers are drawn to these clusters, knowing that they will have many options within a short distance. Examples of such 'comparison goods' clusters include furniture and homewares stores on South Granville, apparel boutiques on Main Street, or the 'polar fleece' district that emerged around Mountain Equipment Co-op on Broadway.
- Cultural, Civic, Institutional and Entertainment uses: the presence of a busy community centre, a library, or a cultural venue like a theatre can act as either primary or complementary activity drivers, and can make an area a destination. The Stanley Theatre on South Granville, for instance, attracts evening patronage to the precinct, and was found in a 2004 study to positively benefit local businesses.\* The loss of an institution can have negative effects for an area. For instance, it was noted during interviews conducted for this study that the closure of Sir Guy Carleton Elementary School on Kingsway led to a noticeable drop in sales volumes for some nearby businesses.

\*Jones, Ken, Ryerson University Centre for the Study of Commercial Activity. (2004) Spillover Effects of Investments in Cultural Facilities.







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#### Convenience and Comparison Goods and Services

• A common distinction made within the classification and hierarchy of retail districts is Convenience Goods and Services vs. Shoppers (or 'Comparison') Goods and Services.

#### Convenience Goods and Services:

- Are lower order goods and services which are purchased frequently.
- Are often the predominant businesses in most neighbourhood-oriented local shopping areas, and tend to decrease as a proportion of total as one moves up the retail hierarchy.
- Typically include grocery stores, convenience stores, pharmacies, banks, personal services (e.g. barber, dry cleaner), general services, and some professional offices.

#### Comparison Goods and Services

- Higher order goods and services which are purchased less frequently than convenience goods and services, and for which consumers are likely to do comparison shopping.
- o Comparison goods include apparel, appliances, electronics books, hobbies, toys, music, homewares, and jewellery.
- o Comparison services may include medical services, financial and legal services, and other professional services.
- The proportion of higher order goods and services in a shopping area will increase at higher levels of the retail hierarchy. The hierarchy typologies as its applies to the City of Vancouver is discussed in more detail in Section 2.2.

For the purposes of Study area retail classifications in this document, Comparison and Convenience Service commercial has been grouped under the single heading *"Service Commercial." Convenience Goods and Comparison Goods* are kept separate.

In addition, we use the category **"Food & Beverage"** to classify all types of restaurants / eating places / drinking places. We use **"Entertainment / Fitness / Recreation"** for any entertainment or recreation venues including theatres, gyms, and yoga studios. We use **"Automotive Goods and Services"** for all types of business that sell or service vehicles or vehicle parts.







#### Convenience and Comparison Goods and Services

Category	What is included?
Convenience Goods	Grocery stores; specialty food stores (e.g. bakeries, fish markets; green grocers); convenience stores; liquor stores; personal service stores and pharmacies; florists
Service Commercial	Personal services, professional services, health services, financial services, legal services.
Comparison Goods	Art, books, clothes, luggage, accessories, electronics, appliances, furniture, gifts, hobbies, toys, jeweler, lawn/garden/hardware, office supplies, optical goods, pet store, shoe store, sporting goods, general merchandisers
Food and Beverage	Full-service restaurants; limited service eating places; drinking places.
Automotive Goods and Services	Parts and accessories stores; repair and maintenance; auto, boat dealers.
Entertainment / Fitness / Recreation	Theatres, gyms, fitness, yoga, billiards, bowling, martial arts.
Vacant	Unoccupied storefronts, regardless of lease / permitting status.







#### Vacancy Rates

- Vacancy can be, and often is, defined in different ways.
  - The International Council of Shopping Centers (ICSC) defines vacancy in their Dictionary of Shopping Terms (2005) as: "the square footage that is unoccupied even if leases are signed and rents are being collected, expressed as a percentage of the total occupancy area of each store category."
  - The shopping centre industry typically follows the ICSC definition of vacancy. However, a 2013 article published by Ryerson University's Centre for the Study of Commercial Activity noted that few companies report vacancy by store category (as per ICSC definition). Instead, vacancy is reported as a function of **total floor area**, with the following variations:
    - Shopping centre owners and developers report vacancy on a square footage basis for unoccupied space (including vacant space that is still subject to lease payments and is technically non-leasable) and reported against gross leasable area (GLA).
    - <u>Leasing industry professionals</u> usually report vacancy as unoccupied space that is leasable, and reported against total GLA.
  - When collecting or reviewing vacancy rate data, there must be clarity on what definition is being used. From the perspective of the resident and shopper, an empty storefront looks and feels the same, and has the same overall negative impact on the neighbourhood, regardless of whether it is vacant and leasable or vacant and encumbered in some way from a new occupancy.
  - From the perspective of business area health, however, the difference between vacant and leasable vs. vacant and encumbered could be important. If, for instance, half of vacancies are encumbered from new occupancies, this could have much more serious impacts on the ability for a struggling area to recover quickly.

#### WORKING VACANCY DEFINITION FOR THIS STUDY

- The data collected for this Study reports as "vacant" any storefront in the Study areas that is unoccupied, regardless of lease status or permitting status, based on field observations.
- Vacancy percentages are reported as proportions of total floor area and total store count within each Study area.
- Significant variations in vacancy percentages between floor area and store counts are a function of differences in store sizes. For instance, a large space formerly occupied by a grocery store is counted as only one storefront, but it may significantly increase the vacancy rate of an area on a floor area basis. Its loss is also likely to have a significant impact on the health and vitality of the shopping areas.







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#### Vacancy Typologies

The ideal situation for a local shopping area is not to achieve 100% occupancy. Some commercial vacancy is a necessary attribute of healthy property markets. This is often referred to as "Natural" market vacancy.

- The efficient operation of commercial markets, reflected in churn and filtering of businesses up and down the property ladder, cannot occur without some degree of vacancy. This type of vacancy is often referred to as **"Frictional" or "Cyclical"** vacancy.
  - This can be differentiated from "structural" vacancy, referring to properties that are perpetually vacant for a number of reasons. Such properties are a problem for commercial landlords, nearby small businesses, and overall health and vitality of commercial precincts.
- Natural market vacancy can be split into two tiers: Premium Vacancy and Auxiliary Vacancy
  - <u>Premium vacancy</u>: represents the best properties, typically close to anchor tenants and the core of a local shopping area, and are part of the typical cyclical / frictional vacancy cycle.
  - <u>Auxiliary vacancy</u>: describes vacant secondary properties that still play a role in an area but are lower-grade building stock. Often these buildings are critical for small, independent businesses.
- A common rule of thumb in the commercial brokerage industry is that a frictional vacancy rate around 5-7% is healthy, and up to 10% is acceptable, as it allows for business churn and filtering without unduly impacting the overall health and vitality of a precinct.









#### **Commercial Rents and Inducements**

- Commercial rents are a significant operating cost. Businesses typically think about rent in terms of rent-to-sales ratios.
- Each business category has different abilities to pay rent, but a rule of thumb in the retail leasing industry is that if a business is paying more than 15% to 20% of gross sales in combined rents (Basic + Additional), it is unlikely to survive long-term.
- Within a standard commercial lease, particularly for a retail space, there are typically two components of rent:
  - 1. Basic Rent (sometimes termed 'minimum rent'), which is the per-square-foot per annum calculation that is the negotiated rent paid to the property owner, not including tenant inducements; and
  - 2. Additional Rent, which can comprise any of the following items: taxes, insurance, utilities and operating expenses.
- Tenant inducements are a form of consideration given by a landlord to a tenant in order to incent them to sign a lease.
   Inducements can be used to achieve a higher basic rent (i.e. the rate that goes into the lease) for the purposes of resale or financing.
  - Common types of inducements include any of the following, or combinations therein:
    - Free rent periods
    - Leasehold improvements provided by the landlord
    - Cash allowance paid to the tenant
  - Different inducement types result in different accounting and tax treatments.







Local shopping areas are not all created equal; the ingredients for their success inevitably vary by size and context.

#### Historical City of Vancouver Commercial Area Definitions and Hierarchy

Historically, City of Vancouver policy recognized a hierarchy of five levels of commercial districts, of which the **first and third levels are primarily neighbourhood-serving.** Their descriptions, originally from a 1987 *Review of Commercial Zoning Districts*, and summarized by Vanessa Kay in a Professional Project Report at the UBC School of Community and Regional Planning in 2010\*, are listed below:

- Local Centres provide convenience goods and services required by nearby residents on a day-to-day basis. The major components are usually a grocery store or medium-sized supermarket, a drug store, beauty or barber shop, drycleaners and a service station. Over 75% of a local centre's floor area is devoted to the sale of convenience goods and services (food, drugs, beauty needs etc.), and the remainder to shopping goods (apparel, appliances etc.)
- 2. <u>General Business Areas</u> auto-oriented mix of retail, service, office and general commercial components along major arterials
- 3. <u>District Centres</u> offer a large variety of goods and services, in addition to those provided in local centres, and function as the retail and service centre of a whole residential district. The major components are usually a large supermarket, large variety or discount store, other apparel and appliance stores, and some professional offices. In addition, district centres are usually the recreational, cultural and civic centres for the City's residential districts. Most district centres tend to contain a post office, library, community centre, arena or theatre. Approximately 50% of the floor area is devoted to shopping (comparison) goods and 50% to convenience goods and services.

- 4. <u>Regional Centres</u> focal points of specialized shopping, usually containing a large department store
- 5. <u>Central Business District</u> the regional downtown; the principal office, financial and entertainment centre for the metropolitan area

Embedded within the categories above are distinctions between retail function, which themselves are indicators of an area's placement within the retail hierarchy. For instance, a local centre or district centre is likely to have a greater weighting toward convenience goods and services, whereas a regional centre will likely be more heavily weighted to comparison goods.

#### Other Typology / Hierarchy Definitions

Note that there are other City of Vancouver spatial / typological definitions that have been used in discussions of the City's neighbourhood retail landscape over the years. For example:

- "Neighbourhood Shopping Areas," or neighbourhood-serving shopping areas are both frequently-used terms to describe local shopping streets / areas in City plans and reports.
- "Neighbourhood Centres" were designated for nineteen neighbourhoods through the City's extensive neighbourhood visioning processes, in years following the adoption of City Plan in 1995.

There are also other classification schemas that are in use (formally and informally) in various City planning groups.. One of the notable challenges in reconciling different classification schemas is that different approaches to definition and classification have been used for different purposes at different times.

\*Kay, Vanessa (2010). Neighbourhood Retail Change: The Evolution of Local Shopping Areas in Vancouver, BC. UBC School of Community and Regional Planning.







#### **Emerging Trends Shaping Nature of Commercial Districts**

While most elements of the commercial area typologies and hierarchy presented on the previous page remain valid, there have been changes in the retail landscape in recent years which may alter the characteristics of our commercial districts. Further, the "Local Centres" level of the hierarchy could be further broken down into sub-categories to better capture significant differences in district size, mix and trade area. To set the context for a **modified commercial hierarchy**, we present here a snapshot of some trends that are likely to re-shape commercial districts in the coming decade and beyond. These are discussed in more detail in Section 3.1.

- Online: Many comparison shopping goods (e.g. electronics, appliances, books, sporting goods, fashion, homewares etc.), can now be easily browsed and ordered online through multiple platforms, and delivered to homes, offices or other locations for pickup. As this trend grows and expands to more retail categories, more businesses will likely curate smaller storefronts for display, limited on-site product sales, customer interface and virtual browsing. These stores will also double as points for distribution / pickup of orders at the curb. The outcome may not necessarily be a decrease in the total floor area required (or the desire of a business to have a physical presence in commercial districts), but rather a change to the way space is demised between warehousing / logistics and retail / service.
- Artisanal & Online: People are seeking out more authentic, local experiences and goods. For a local artisanal producer, this may translate into demand for space with a small retail/service presence, back-of-house areas for production and storage, while the bulk of sales are made through online platforms.

- Convenience Shopping Online: Customers are browsing and purchasing convenience shopping goods (e.g. grocery, pharmacy, day-to-day home products etc.) online through multiple platforms. People now order everything from shampoo and paper towels to dry goods and fresh vegetables online. Some orders are made through online retail giants like Amazon; others are through online platforms of grocery chains like Save-On Foods and Loblaws. Others still are ordered through online platforms of smaller local businesses (independents and chains), who are able to build robust sales platforms and business practices with the help of groups like Shopify. As online shopping increases in convenience categories, traditional grocery stores may increasingly reorganize their space to dedicate more floor area to sorting and preparing online orders for delivery or pick-up.
- **Restaurants Online:** Web platforms are driving the expansion of third-party home delivery companies. More restaurant floor area will be dedicated to expediting deliveries. It will also mean more restaurants converting into, or operating separate delivery-only 'ghost kitchens' that will not need prominent commercial space so long as they are within quick-delivery range of a major consumer trade area. The growth of start-up brands is likely to accelerate through expansion of ghost kitchens, as this will provide a lower cost point of entry to the restaurant business.
- Combination Stores: Demand is likely to increase for combination production / consumption (or sales) / meeting spaces that are local and unique. This could include local cafes / bakeries, micro breweries / distilleries, artisan manufacturing with other social functions (e.g. an artisan manufacturer that also offers services to customers and a café) *Flexibility and adaptability of physical space, along with flexible and adaptable policies controlling use and building upgrades in LSAs, will be critical in effectively responding to emerging trends and ensuring that commercial districts can adapt effectively.*







#### **Proposed Commercial Hierarchy**

- The commercial district hierarchy per City of Vancouver discussed previously will continue to apply, but the nature of the business mix within that hierarchy is likely to evolve as some of the trends discussed above become more prominent.
- For the purposes of this report, as well as to present a starting point for the City's ٠ evolving conversation on commercial hierarchy leading up to the City Wide Plan process, we propose the following hierarchy of commercial precincts organized from the smallest to largest scale.

#### **Proposed Commercial Hierarchy**

- 1 / Convenience Commercial Nodes or Clusters
- 2 / Neighbourhood Clusters [ >1 to <3 blocks ]
- 3 / Community Commercial Precincts
  - a) Small Neighbourhood / Community Commercial Precincts [ 3 to 5 blocks ]
  - b) Medium Length Community Commercial Precincts [ 5 to 9 blocks ]

**Case Study Areas** 

c) Large / Extended Community Commercial Precincts [9 or more blocks] 4 / Regional Centres / Central Business Districts

Note that this hierarchy is broken out primarily by size of cluster (i.e. number of stores). As a result some of these categories will fit into more than one of the categories in the historical hierarchy.







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CBDs | Regional Cen

Small community Precincts

> Medium Community

precincts

Proposed Commercial Hierarchy

- 1. Convenience Commercial Nodes or Clusters [ *as small as 1 storefront, up to 1 block* ]
  - Includes small street-oriented 'local centres' (providing convenience commercial and social function for immediate neighbourhood). May also include small 'general business areas' along major arterials, serving both local neighbourhood needs and the travelling public.
  - At times comprised of a single store, but may extend up to 1 block (with some partial spill over to an adjacent block) with retail, service, office and general commercial.
  - Main mode of access is dependent on physical location and design (e.g. within a neighbourhood vs. at intersection of major arterials).
  - Often situated around either a food production / consumption use (e.g. bakery / café), or a convenience store. Note that many small neighbourhood nodes serve multiple functions.
  - Convenience Commercial Nodes or Clusters are inclusive of active isolated C-zone retail sites, active non-conforming retail sites, and active neighbourhood grocery store sites.\*



Le Marche St. George at E. 28th Ave. & St. George Street



The Brick Yard at W.  $16^{\rm th}\,{\rm Ave}$  & Macdonald Street

\*For a detailed inventory of neighbourhood retail sites (active and deactivated / demolished) throughout the City, see Hunter, Jacqueline (2019) "Small-scale neighbourhood retail in Vancouver: An inventory of stores and an assessment of opportunities." Prepared as part of the Greenest City or Healthy City Scholars Program, a partnership between the City of Vancouver and the University of British Columbia.







#### Proposed Commercial Hierarchy

#### 2. Neighbourhood Clusters [ >1 to <3 blocks ]

- Includes slightly larger 'local centres', and may include slightly larger 'general business areas'.
- Small, usually unanchored agglomerations of convenience retail, service commercial, and restaurants, serving the immediate neighbourhood.
- May contain a unique destination draw (e.g. a popular bakery or restaurant).
- Typically these extend 1-2 blocks from an intersection, but may be up to 3 blocks in length.
- Land uses are often less mixed in these clusters (historically), but that is likely to evolve.
- Some examples include: W. 33<sup>rd</sup> & Mackenzie; W. 24<sup>th</sup> & Macdonald.



W. 33<sup>rd</sup> Avenue & Mackenzie Street



Macdonald Street, W. 24<sup>th</sup> Ave to W. King Edward Ave.







#### **Proposed Commercial Hierarchy**

#### **3.** Community Commercial Precincts

- This category generally encompasses both the 'District Centres' and 'Local Centres' from the historical commercial district hierarchy.
- These areas are typically anchored by one or more grocery stores, depending on the size of the commercial precinct.
- The grocery stores are typically complemented by specialty food retailers, one or more drug stores / pharmacies, a variety of personal and professional services (including banks), restaurants, and some comparison goods and services.
- Some community shopping streets have larger proportions of comparison goods and services. This is a functio an area's historical evolution and placement within the city more than a function of its size.
- Following are sub-sets of Community Commercial Precincts:

#### A. Small Neighbourhood / Community Commercial Precincts [ 3 to 5 blocks ]

- o Typically contains a defined 'core' area and grocery store anchor, and ancillary convenience retail / service
- Likely to have at least 75%, and possibly over 85%, of floor area in convenience goods and service, althoug this could vary.
- Examples: West Point Grey BIA; Dunbar Village BIA (core area between W. 26<sup>th</sup> and W. 30<sup>th</sup> Ave); 1<sup>st</sup> & Renfrew.

#### B. Medium Length Community Commercial Precinct [5 to 9 blocks]

- At least 5 blocks, and up to 9 blocks in length.
- o May contain one or more 'core' areas serving different (but overlapping) trade areas.
- o Typically at least 200,000 square feet of combined retail and service commercial floor area.
- Likely to contain a higher proportion of convenience goods and services vs. comparison goods and services than the large / extended shopping streets.
- Also likely to include one or more non-retail anchors, such as a library and/or a community centre.

Example of Medium Length Community Commercial Precinct: Marple BIA

ion	Marpole BIA			
	Storefront Count (including vacant)	141		
ce. ugh	Combined Floor Area (sq.ft.)	246,827		
<sup>st</sup> &	Convenience Goods / Services + Food & Beverage as % of <b>Occupied</b> Floor Area	92%		
ces	Comparison Goods as % of <b>Occupied</b> Floor Area	8%		







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#### Proposed Commercial Hierarchy

- 3. Community Commercial Precincts
  - C. Large / Extended Community Commercial Precincts [9 or more blocks]
    - May contain multiple anchored 'core' areas serving different (but overlapping) neighbourhood trade areas.
    - o Typically comprised of at least 400,000 square feet of combined retail and service commercial floor area, and up to 450 storefronts.
    - Convenience goods and services comprise at least 60% of total floor area.

5 of the 6 Study areas examined in this report fall into this portion of the hierarchy. The table below provides examples using four of the Study areas. Note the business mix in South Granville reflects its historical role as a destination shopping precinct, while also serving neighbourhood convenience needs.

#### Examples of Large/Extended Community Commercial Precinct:

	West Broadway	Commercial Drive	Hastings North	South Granville
Storefront Count (including vacant)	255	352	257	199
Combined Floor Area (sq.ft.)	488,528	802,341	484,414	540,392
Convenience Goods + Services + Automotive + Food & Beverage as % of <b>Occupied</b> Floor Area	73%	83%	83%	44%
Comparison Goods + Entertainment as % of <b>Occupied</b> Floor Area	28%	17%	17%	56%





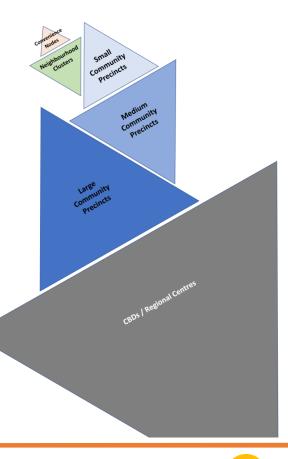


#### Proposed Commercial Hierarchy

#### 4. Regional Centres / Central Business Districts

- This is an amalgamation of the top two tiers in the historical hierarchy (Regional Centres + Central Business District).
- As per the historical hierarchy, this area (or areas) would comprise the focal points for specialized shopping, along with major office, financial and entertainment.
- These areas are comprised of a network of multiple commercial streets / districts intersecting one another, and would also include a region-serving mall like Oakridge Centre.
- Unlike the other areas in the hierarchy, there is more likely to be a significant amount of retail / service commercial activity above and below the ground floor.
- These areas are often defined by high density residential and a mixture of land uses, or are undergoing transformations to mixed use (e.g. Oakridge Centre).
- These areas will often include one or more regional transportation hubs.

This hierarchy should be taken as a starting point for further discussions around how the City may best conceptualize different types of retail districts and precincts going forward. The discussion around the hierarchical framework, and how it aligns with land use planning policy (including zoning), should be the subject of further deliberation as the City moves forward into future phases of work on supports for neighbourhood shopping areas.









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# 2.2 SHOPPING AREA TYPOLOGIES

### **Population Density Thresholds**

Another way to conceptualize shopping area typologies may be to think about them in terms of surrounding area **population densities** that comprise their trade areas. Based on a high-level review of population densities within 1 kilometre radii around each of the City's 22 BIAs using data from the 2016 Census, we found:

- Areas with <u>more than 100 residents per hectare</u> in the 1 Km radius around the BIA are also those that fall within the "Regional Centre / Central Business District" typology (with the exception of Oakridge Centre). With the combination of high population density, multi-modal access, and large daytime working populations, certain types of activities and destination / specialty retailers can thrive.
  - BIA catchment areas that meet or exceed the 100 residents/Ha thresholds include: West End, Robson Street, Downtown and Yaletown.
  - Assessing the health and vitality of these areas would likely require additional quantitative and qualitative considerations that are beyond the scope of this study. In other words, the health and vitality "report card" that is presented in later sections of this document would not necessarily apply to these areas.
- Areas with <u>less than 100 residents per hectare</u> in the 1 Km radius around the BIA fall into the various Community Commercial Precinct typologies, which are themselves the 'top' of a hierarchy that includes neighbourhood clusters and convenience clusters.
  - In these types of precincts, retail activity is mostly on the ground level, and is often more oriented towards convenience goods and services (although, as noted in the case of South Granville, there are exceptions to this depending on the historical role played by a neighbourhood commercial street).
- A population density of less than <u>40 residents per hectare</u> in the surrounding trade area may be a threshold indicator below which a local shopping area begins to struggle, particularly if inflow spending from areas beyond the immediate trade area is insufficient. Point Grey Village on West 10<sup>th</sup> Avenue is a case-in-point. With just over 30 residents per hectare, the Village has historically depended on significant inflow spending from UBC's Point Grey campus and the University Endowment Lands (UEL). The growth of local retail and service at UBC in recent years including a grocery store anchor at Wesbrook Village has reduced inflow spending for Point Grey Village businesses. Given these conditions, and an insufficient local trade area population density, the Village has experienced increasing retail vacancies, exacerbated by the loss of the major anchor grocery store (related to a lease expiry).

# > 100 🛉 / Ha

# <100 🛉 / Ha











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# **3.0 CONTEXT AND TRENDS REVIEW**

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### Purpose of this Section

This section provides an overview of the macro-context within which Vancouver's local shopping areas are operating, and challenges they are facing.

### Retail Sales Growth - BC and Vancouver

Retail sales in British Columbia have grown at an average annual rate of 4.1% since 2008, while sales in the Vancouver Census Metropolitan Area (CMA) have increased at an average annual rate of 4.5%. In 2018, retail sales in B.C. totaled just under \$86 billion, of which approximately 47% (\$40.3 billion) occurred in the Vancouver CMA.

Retail sales growth slowed considerably in 2018, with virtually zero growth in the Vancouver CMA year-over-year despite 1.5% growth in the region's population. Sales at the provincial level through the first seven months of 2019 were up over the same period the previous year (+0.5%) but were down in Vancouver (-1.1%). This is a strong indicator that Vancouver will see a decrease in annual retail spending for the first time since the 2008-09 financial crisis. This is likely a function in part of a reverse 'wealth effect' taking hold in the Lower Mainland, with stagnating home price growth translating to decreased consumer confidence, increased consumer debt, and reduced willingness or ability to spend on retail goods. Notably, this decline in Vancouver area retail sales compares with strong gains in Canada's other large cities. Toronto's retail sales from January through July 2019 were up 4.5% from the same months in 2018, while Montreal saw a 5.9% gain.

The main drags on BC retail sales were motor vehicles and parts, and building materials, garden equipment and supplies.

### British Columbia and Vancouver Retail Sales, 2008 to 2018



Source (data in narrative, and figure above): Statistics Canada Table 20-10-0008-01







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### Growth by Category, Vancouver CMA

The figure at right shows retail sales growth and change by category in the Vancouver CMA in 2016/17 and 2017/18.

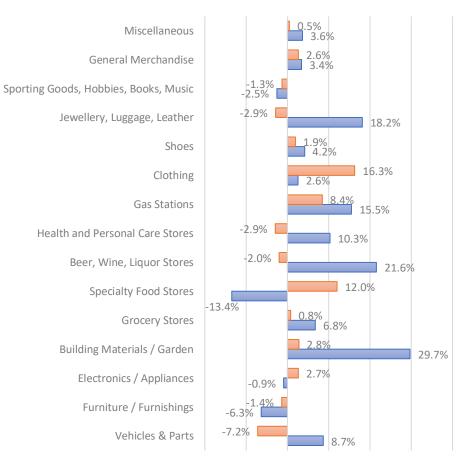
Some sectors which performed strongly in 2016/17 slowed or reversed course the following year, most notably:

- Building materials / garden supplies (still positive growth, but significantly moderated).
- Jewelry, luggage and leather goods (from strong growth to year-over-year drop).
- Vehicle sales and parts (from 9% growth to 7% decline).

Other sectors showed turnarounds from the previous year, notably:

- Specialty foods (+12%, vs. -13% previous year).
- Clothing (+16%, vs. 2.6% previous year).
- Electronics and Appliances (+2.7%, vs. -0.9% previous year).

### Vancouver CMA Sales Change by Category, 2016/17 and 2017/18



2017/18 2016/17

Source: Statistics Canada Table 20-10-0008-01







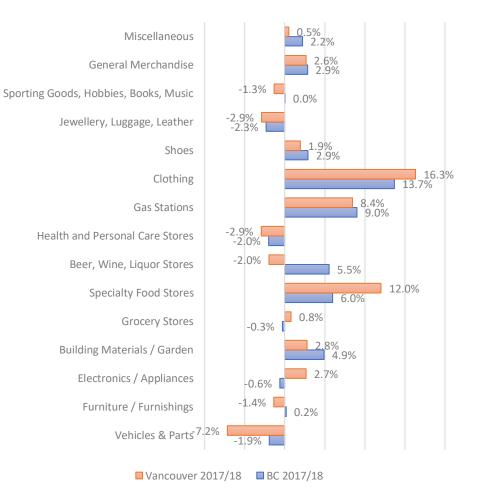
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### Growth by Category, Vancouver CMA vs. BC

The figure at right compares sales growth in the 2017/18 period between the Vancouver CMA and the province overall.

Sector-specific growth in the province has generally been greater than in Vancouver, with the exception of clothing and specialty food retailers.

### Vancouver CMA and British Columbia Sales Change by Category, 2017/18



Source: Statistics Canada Table 20-10-0008-01





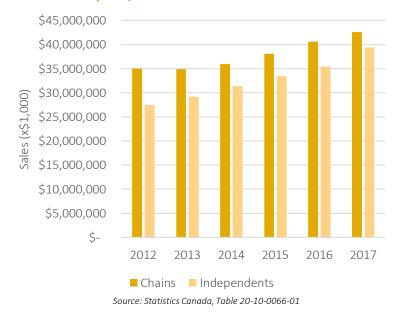


### Sales by Store Type

Independent businesses in British Columbia last captured a majority of total market sales in 2003.\*

In the period between 2012 and 2017, annual sales growth amongst independent retailers averaged 7.5%, compared with 4.0% for chain retailers. The result has been an increasing proportion of retail sales attributable to independents year-over-year, growing from 44% in 2012 to 48% in 2017. A goal of this Study is to determine the health and viability of independent businesses in Vancouver specifically.

### Total Retail Sales by Year, British Columbia

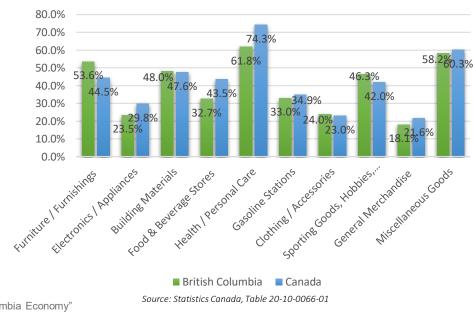


### Market Share Captured by Independents

Looking at sales by sector, independents are most prominent in the categories of health and personal care, furniture and home furnishings, and miscellaneous goods retail. In each of these sectors, independents accounted for more than 50% of sales in BC.

Other prominent categories for independents in BC, from a proportion-oftotal-sales standpoint, are building materials and garden stores (48%), sporting goods, hobbies, books and music (46%), and food and beverage stores (33%).

### Proportion of Retail Market Captured by Independents, BC and Canada, 2017



\*CUPE and Civic Economics, 2013: "Independent BC: Small Business and the British Columbia Economy"







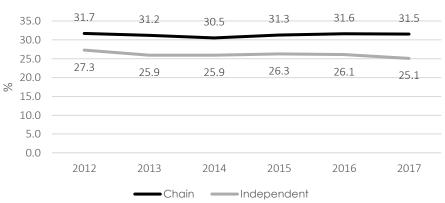
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### Gross and Operating Profit Margins by Store Type

The charts opposite show both the *gross margin* and the *operating profit margin* reported by chain and non-chain retail businesses operating in British Columbia between 2012 and 2017.

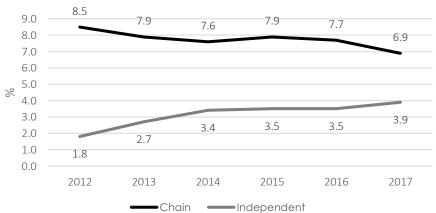
- Definitions:
  - <u>Gross Margin</u> is calculated by subtracting the cost of goods sold from the total operating revenues. The ratio is expressed as a percentage of the total operating revenues.
  - Operating Profit is calculated by subtracting total operating expenses\* and the cost of goods sold from total operating revenues. The ratio is expressed as a percentage of the total operating revenues.
- Gross margins for all retailers as a share of operating revenue narrowed over the 2012 to 2017 period; this narrowing was greater amongst independent businesses.
- Operating profits as a share of operating revenues decreased for chain retailers but increased for independent retailers over this period in British Columbia. Operating profits are still considerably lower amongst independent retailers.

### Chain vs. Independent Margins, 2012 to 2017



Chain vs. Independent Retailer Gross Margins, British Columbia





Source: Statistics Canada, Table 20-10-0066-01

\*Note that operating expenses include property taxes, insurance and utilities. They do not include loan payments, depreciation and income taxes







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### Monthly Retail E-Commerce Sales in Canada, Monthly, January 2017 to November 2019

### E-Commerce Expanding Across Sectors

E-commerce is quickly growing as a proportion of total sales in Canada. According to Statistics Canada it accounted for 1.6% of total sales in 2012, 2% in 2015, 2.7% in 2017, 3.0% in 2018 and nearly 4% in 2019. November 2019 e-sales were 7% higher than in 2018. Note that this data excludes online purchases made by Canadian consumers from foreign-based retailers.

The volume of e-commerce transactions from January through November 2019 was up 21% over the same period in 2018. E-commerce sales totaled \$18.05 billion in 2018, up from \$16.8 billion in 2017, \$11.6 billion in 2015 and \$8.3 billion in 2012. They are likely to exceed \$21.6 billion in 2019.

The prominence of e-commerce varies considerably by sector. Note that sectoral breakdown was only available to the end of 2017 at time of writing.

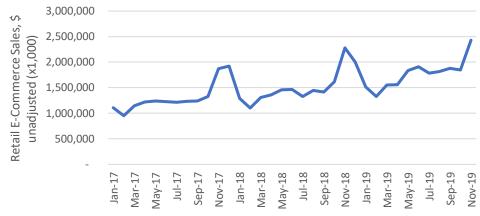
- Electronics and appliances, and clothing and accessories, are the sectors with the greatest proportion of sales occurring online (4.8% and 4.4% respectively in 2017).
- These are followed by miscellaneous store retailers (3.3%), furniture and home furnishings (1.8%) and building materials / garden equipment supplies stores (1.2%).

The pace of e-commerce growth is likely to accelerate rapidly in Canada in the next decade, if the experience of the US and UK is any guide (*per eMarketer.com, November 2018*):

- UK: 18% of retail sales occurred online in 2018
- US: 10% of retail sales occurred online in 2018







Source: Statistics Canada, Table 20-10-0072-01

E-Commerce as a percentage of total sales - Canada							
Category	2012	2013	2014	2015	2016	2017	
Furniture and home furnishings stores [442]	0.6	1.2	1.3	1.7	1.7	1.8	
Electronics and appliance stores [443]	3.4	3.5	3.6	4.1	4.7	4.8	
Building material and garden equipment and supplies dealers [444]	0.3	0.7	0.7	0.8	1	1.2	
Food and beverage stores [445]	0.1	0.1	x	0.2	х	0.4	
Health and personal care stores [446]	0.2	0.4	х	х	x	0.8	
Clothing and clothing accessories stores [448]	1.2	2.1	2.3	3	3.8	4.4	
Sporting goods, hobby, book and music stores [451]	1.8	3.5	3.8	4.3	4.7	х	
General merchandise stores [452]	х	х	0.3	x	0.2	0.3	
Miscellaneous store retailers [453]	2.3	2.4	2.2	x	2.8	3.3	

Source: Statistics Canada, Table 20-10-0065-01



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### E-Commerce Sales for Independents

- Independent businesses in Canada recorded \$2.3 billion in e-commerce sales in 2017, compared with \$3.5 billion in e-commerce sales amongst chains.
- E-commerce accounted for 0.7% and 1.3% of total sales achieved by independents and chains in Canada that year, respectively.
- E-commerce sales by independents have been growing at an average annual rate of 10.5% since 2013, and the pace of growth has increased in recent years (15.5% between 2016 and 2017).

### Implications of E-Commerce for Vancouver Small Business:

- Through roundtables and discussions with brokers, it is reported that many traditional retailers are seeing increased competition from online portals. The range of competition is expanding across nearly all product categories.
- The range of product that customers are buying online is increasing.
- Savvy small businesses, including restaurants and food stores, are using online platforms to increase their profile and sales.

ndependent Business Sales Methods (x,1000)									
Method		2013		2014		2015		2016	2017
In-Store	\$	268,276,275	\$	282,226,271	\$	291,782,182	\$	303,771,644	\$ 326,905,054
E-Commerce	\$	1,565,278	\$	1,646,880	\$	1,802,378	\$	2,016,961	\$ 2,329,379
Catalogue / mail order / phone	\$	3,821,319	\$	3,750,451	\$	3,798,277	\$	4,202,010	\$ 4,225,850
All other	\$	2,439,660	\$	2,628,862	\$	2,797,383	\$	2,846,523	\$ 2,030,900
TOTAL	\$	276,102,532	\$	290,252,464	\$	300,180,220	\$	312,837,138	\$ 335,491,183
E-Commerce as % of Total		0.6%		0.6%		0.6%		0.6%	0.7%
Annual growth of E-Commerce				5.2%		9.4%		11.9%	15.5%

### Independent Business Sales Methods, 2017

Source: Statistics Canada Table 20-10-0064-01







### **Omni-Channel Sales Strategies**

Omni-channel refers to the multi-channel approach to marketing, selling and serving customers in a way that creates an integrated, cohesive customer experience regardless of how or where a customer reaches out. A customer can shop online, by phone, or in a physical store (or through a combination), and the experience should be seamless.

Omni-channel is differentiated from multi-channel by the depth of integration. Simply, all omni-channel experiences use multiple channels, but not all multichannel experiences are omni-channel. A business may have excellent mobile marketing, engaging social media, and a compelling website. But if they do not work together well, they have not achieved an omni-channel experience.

At its core, omni-channel retailing is about creating complementary experiences for consumers. For most small, independent businesses, the bricks-and-mortar retail experience remains paramount. However, building a robust online channel to complement in store sales can help convert and retain customers.

### Restaurant Market Share Captured by Independents

- A study prepared by Civic Economics in 2013 indicated that independents make up a minority of limited-service restaurants in BC (and Canada), but make up a substantial majority of full-service restaurants.\*
  - Independents accounted for 17.8% of limited-service restaurants in BC, 18.5% in Canada.
  - Independents accounted for 72.5% of full-service restaurants in BC and 65.5% in Canada.

### Micro-Warehousing / Click and Collect

As more shopping occurs online, more retailers are trying to create smaller urban distribution points to fulfill online orders. Retailers can reduce the costs and problems in their distribution chain by adding small warehouses into urban areas. These micro-warehouses do not have to be stand-alone entities, nor do they have to be warehouses in the traditional sense. A micro-fulfilment centre could be cohoused in a small format urban store on a main street.

### Autonomous Delivery

While still in the experimental phase, autonomous delivery could become a major piece in the broader retail puzzle, working alongside micro-warehousing and e-commerce to further disrupt the retail landscape. Going forward, we are likely to see small format stores in urban locations use their locational advantage to aid with online order fulfillment and delivery. Many will partner with microfulfilment start-ups and autonomous mobility companies to reduce costs and increase speed of the 'last mile' delivery to consumers. Currently, last-mile logistics have an outsized impact on thin margin businesses. Autonomous vehicles could change the math.

\*Civic Economics, 2013: Independent BC: Small Business and the British Columbia Economy.







#### Checkout-Free Retail

Amazon Go – Amazon's convenience retail experiment with stores in Seattle, San Francisco and Chicago – may have been the first to bring the concept of checkout-free retail to reality (in January 2018), but others are quickly following. Check-out free retail relies on sophisticated image recognition software and artificial intelligence to eliminate the need for a traditional check-out line. In an Amazon Go store (a convenience concept of up to 2,300 square feet with groceries and prepared foods), cameras track customer movement throughout the store and keep tabs on the goods being collected. Software reads the codes on each product as the customer shops, with the ability to differentiate between nearly identical products. Weight sensors on each shelf know when an item has been removed, or returned. Nothing is charged until the shopping trip is over and the customer has departed through the automated gates.

Some speculate that checkout-free technology will become the norm in 10 to 15 years, significantly disrupting bricks-and-mortar retail across sectors.

• A poll taken in the United States found that 43% of respondents would rather scan-and-go than wait in a checkout line (GPShopper, May 2018).

- Checkout-free technology may accelerate the demise of largeformat stores, whose business models are already struggling against e-commerce, replaced by small stores supported by just-in-time distribution and logistics networks.
- As technology improves and costs are reduced, small chains and independent retailers could use this technology, just as independents previously began to use Amazon Marketplace for direct-to-consumer selling and distribution.
- Amazon Go-type technology could accelerate the retail landscape's shift away from large-format stores back to smallbox and local merchants.

Amazon intends to open 3,000 Amazon Go stores across North America and the UK by 2021, and is looking to expand the concept to airports, university campuses, transit stations and office lobbies. Others are experimenting with similar technology, including Tesco in the UK and Walmart in partnership with Microsoft in the US.







#### Large Format Retail Decline

The combination of e-commerce, micro-warehousing, checkout-free retail and reduced-cost / highly flexible delivery will all work together to accelerate the demise of the large format retail store. As these larger format stores 'right size' into smaller footprints that are more conducive to street retail environments, small business may face growing barriers to entry (in hot areas) as costs of entry are further bid up.

#### **Pop-Up Retail**

Pop-up retail is not in itself an emerging trend. Pop-ups have had regular presence in many settings for the last 20 years, including at festivals, sales events, and through creative work of business associations and neighbourhood groups temporarily activating vacant stores. The emerging trend in pop-up retail is its use as a way for established (or establishing) retailers to experiment with new products or approaches.

One example of this is the pop-up retail stores by previously online-only retailers. Pop-ups are being used to test concepts and gauge levels of consumer interest in bricks-and-mortar presence of previously virtual retailers. This can lead to some electing for permanent street locations, such as Indochino on Homer Street, or Clearly on Robson Street.

Pop-up retail is also being used by developers as part of the process of creating a compelling tenant mix in some of their new, mixed-use projects. A recent example of this is the *Atrium* project at 595 Bay Street in Toronto. The developer's pop-up initiative is making several spaces in the retail podium available for temporary activation, with the goal of attracting a more diverse clientele and providing a boost for adjacent retail tenants. For the pop-up brands, this helps create publicity and test their concepts. Atrium partnered with a firm specializing in temporary retail activation, which works with landlords and brands across North America to bring pop-ups into new projects and established street districts.

Pop-up retail is likely to become more prominent in the business mix of Vancouver's local shopping areas, particularly at sites which are awaiting redevelopment.







#### **Ghost Kitchens**

The recent closure of Dixie's Barbecue – Vancouver's only Central Texas-style barbecue restaurant – at 337 East Hastings, may at first blush be worthy of a notation in the City's records of annual restaurant churn. However, unlike other restaurant closures, Dixie's has not truly closed. Instead, it has closed its dine-in function and reinvented itself to take advantage of a growing trend in the restaurant industry: ghost kitchens. Its focus is now on food delivery (via third-party delivery services), a business segment which already accounts for over 50% of that restaurant's sales (and growing). Its kitchen will also serve its growing catering function, and as a commissary space to allow for expansion of another successful nearby eatery under the same ownership (Gringo). It will also be available for rent to culinary start-ups or restaurants in need of extra production space.

Dixie's is a current, local example of a growing trend in the restaurant industry, one which could change the nature of many shopping areas in the next 10+ years. The ghost kitchen, or virtual kitchen phenomenon has been made possible by the rise of delivery apps, and they are bolstered by growing consumer demand for convenience when it comes to food. One of the most prominent examples of this phenomenon is in Toronto, where the Globe and Mail recently highlighted an example of a local restauranteur with 15 restaurants, almost none of which have a dining room or take-out counter.\* All these restaurants operate by way of delivery services exclusively. This phenomenon allows restaurateurs to save on staff costs and the rent required to have full dining rooms and allows for experimentation with new concepts. As this trend grows, it will likely mean that restaurants will make up a shrinking proportion of business counts and floor space in local shopping areas.

#### Combination Stores / Uses

Small-scale manufacturing, with ancillary retail and/or service space, is a phenomenon that is on the rise, and is generating demand for more flexible zoning regulations to accommodate it. In some cities, this is taking the form of 'craft districts' where products are made and exported, but also sold on site. This can include high-end apparel, homewares, musical instruments, recreational goods, and food & beverage (e.g. microbreweries and micro distilleries). This type of small-scale manufacturing / retail is growing in demand, building upon changing consumer sentiment against homogeneous production and products and a desire for locally, ethically and sustainably-sourced products.

With demand on the rise, zoning bylaws are under pressure to accommodate artisanal producers that blur the lines between light industry, retail and service commercial. Many artisanal businesses would benefit from 'performance-based' zoning that judges appropriateness based on impact rather than use.

\*Deschamps, Tara. "Ghost Kitchens begin to pop up in Canada as food delivery grows in popularity." The Globe and Mail July 19, 2018.







# 3.3 CITY OF VANCOUVER BUSINESS SUPPORTS

The City of Vancouver already has a number of initiatives in place to support business activity in the City's local shopping areas and beyond, and is working with the Province on additional initiatives. This section provides an overview of some of these efforts.

### Commercial Tax Ratio Shifting

High and increasing property taxes can cause financial burdens for business owners and operators across the City.

The City has made efforts to use levers available to it to reduce the business property tax burden:

- According to a recent staff report, the City's commercial-toresidential tax ratio is significantly improved in the last 18 years (3.82:1 in 2018, down from 4.93:1 in 2001). The ratio has been further reduced in 2019 to 3.17:1.
- In 2019 the City reduced the business tax rate to \$4.08 per \$1,000 of property value (from \$4.61 per \$1,000 in 2018).
- In April of 2019, council approved a 2% "tax shift" from non-residential to residential property classes, phased in over 3 years. The effect of this will be to increase the residential tax share to 55.9% and reduce the non-residential share to 44.1%.

### Targeted Land Averaging

There are many instances across the City where commercial properties experienced large year-over-year property tax increases. A City staff report indicated that approximately 3,000 commercial properties in Vancouver (or 21% of total properties) are deemed "under-developed", whereby their highest and best use is greater than their existing use.\* Their assessed values reflect that highest and best use, and taxes are levied on that higher value (at the commercial rate).

- Three-year targeted tax averaging was introduced by the City in 2015 and transitioned to 5 years in 2019. This program is aimed at providing short-term, multi-year relief to businesses to mitigate instances of significant tax increases.
- Targeted averaging allows tax payments to be spread out and gives owners relief by phasing in tax increases due to changes in land values set by BC Assessment.
- Only 'hot' properties are eligible for averaging. A 'hot' property is defined as: "a property that experienced unanticipated, year-overyear increases in total net assessed value, before averaging, which exceeds the average assessment increase for the same property class by more than 10%."

\*City of Vancouver (April 8, 2019) Property Taxation: Distribution of Property Tax Levy. Administrative Report prepared for Standing Committee on City Finance and Services.







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### 3.3 CITY OF VANCOUVER BUSINESS SUPPORTS

### Support for Split Assessment through Commercial Sub-Class

In February of 2018, Vancouver City Council submitted a formal request to the Province of B.C. to initiate a province-led intergovernmental working group to assess the options previously put forward by the City to address the impact of property assessments on independent small business tenants. This request was supported by a formal motion of the Union of BC Municipalities (UBCM) in September 2018. An intergovernmental working group was formed near the end of 2018, and has made the following recommendations for 2020:

- Split "development potential" from "existing use" in the property assessments.
- Capture "development potential" taxation in a new commercial sub-class (vs. current method of capturing all under Class 6 – Business).

The City of Vancouver is now studying how best to enact a split assessment system if the Province adopts the working group's recommendations. This includes:

- Establishing well-defined eligibility requirements,
- Defining the duration of tax relief for the development potential portion of property value.
- Setting an appropriate tax rate for the development potential (ranging from x% below Class 6 to \$0).

The City believes that splitting development potential from existing use is the most appropriate means to provide tax relief to small businesses for the following reasons:

- Provides the most **targeted and time-limited** approach to address taxation impacts arising from development potential.
- Shifts the tax to **other commercial properties**.
- Upholds the Highest-and-Best-Use (HBU) methodology as stipulated in the Assessment Act while enabling municipalities to tax "existing use" vs. "development potential" differently.
- Offers a common platform for municipalities while allowing for flexibility, scalability and customization.
- It is scalable and **less administratively burdensome** than a revitalization tax exemption tool.

In October 2019, a private members' bill was introduced in the BC Legislature seeking to create a new property tax class to allow for differential taxation between actual use versus potential future use.







# 3.3 CITY OF VANCOUVER BUSINESS SUPPORTS

### BIAs

- The City plays an ongoing role in facilitating annual funding of 22 Business Improvement Associations (BIAs) and remitting money annually to fund their work supporting local shopping areas through marketing, safety, research and beautification. The City's BIAs represent over 20,000 businesses on nearly 7,200 properties, and over \$39 billion in taxable property value.
- In the 2018-19 fiscal year, the City levied and remitted \$12.5 million to the City's BIAs, representing a year-over-year increase of 7%.
- The Vancouver BIA Partnership, an umbrella organization of the City's BIAs, offers a conduit for local businesses to voice their concerns to City officials.

#### Zoning and Development Standards

- The City has a long history of enacting development standards designed, in part, to promote pedestrian-oriented streets and foot traffic for business.
- There are approximately 120 street retail clusters in Vancouver; most fall under C-2 and C-3A district zoning schedules and must follow development guidelines which encourage particular 'pedestrian friendly' streetscape elements.
- Some C-2 districts guidelines (e.g. Commercial Broadway) recommend that storefronts have a maximum frontage of 25 feet. Other C-2 schedules require a maximum frontage of 50 feet (with negotiability).

### Small Business Commercial Renovation Centre

• The City established a **Small Business Commercial Renovation Centre**, which offers support to small businesses who are moving or starting new locations. The program offers hands-on support to reduce difficulties in what can be an onerous and expensive permitting process, especially for novice applicants.







# 4.0 METHODOLOGY AND DATA SOURCES

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# 4.1 APPROACH TO ANALYSIS OF "CHANGE OVER TIME"

This study uses a combination of data sets to analyse change over time in six local shopping areas. These data sets include:

- City of Vancouver BIA Administrative Data on commercial property taxes, total property values, and ownership records.
- City of Vancouver Open Data.
- Commercial Marketing Inc. (CMI) historical street inventory data for each area, at varying points in time back to 2002.
- Updated CMI street inventory data for the six case Study areas, prepared in collaboration with BIA Executive Directors (EDs) between February and April, 2019.\*
- Statistics Canada data from the 2006 and 2016 Census.

### CMI Data Sets as Basis for Business Mix Change Analysis

After extensive review of data provided by and retrieved from the City, the study team determined that only the CMI data sets were useful for analysing the current and historical mix of businesses in each Study area (and thus change over time). This was despite the following limitations to these data sets:

- 1. Not offering consistent historical time points across areas.
- 2. Only providing one historical data point for each area.
- 3. Being limited to businesses with a ground-floor address.

The CMI data sets, including the 2019 updates, provide consistent and reliable snapshots of each Study area in terms of:

- Business counts
- Business floor areas (for some of the Study areas historically)
- Business categories (coded using both CMI's 'ground codes' and North American Industry Classification System (NAICS) categories)
- Chain vs. independent (based on Statistics Canada's definition)
- Vacant storefronts
- Civic addresses
- Business names

The data was collected and coded consistently, and verified for accuracy by the respective BIA Executive Directors. In each case, the collection, coding and verification process was a collaborative effort between the study team and BIAs. Through this process of inventory vetting and co-creation, inventory accuracy was considerably increased and a high level of trust and collaboration was established between the study team and the respective BIA directors.

\*Note that 2020 updates of CMI inventories for each Study area are presented in the accompanying Appendices, along with 2019 and historical inventories. The 2020 inventories are presented for information purposes only; they have not been used in the 'change over time' analysis presented in Section 5.







# 4.1 APPROACH TO ANALYSIS OF "CHANGE OVER TIME"

### City of Vancouver BIA Data

The City of Vancouver provided the study team with the following data:

- Total property values in each BIA, by parcel, back to 2012
- **Commercial property taxes** in each BIA, by parcel, back to 2012
- **Property ownership records** in each BIA, by parcel, back to 2012
- Business license information

The property value and property tax information was used to present two snapshots in time for each parcel: 2012 and 2019. Additional disaggregation of the data for presentation of information for intervening years was not possible within the scope of this study. The two snapshots in time paint a picture of how total property values, and commercial property taxes, have changed in each Study area between two points in time over 7 years.

2012 was selected as a baseline year as it was the oldest year that property data for all the current BIA districts in their current configurations were consistently available.

With the nature of "triple net leases" and "additional rents", an examination of commercial property tax trends allowed for an insight on the changing financial pressures faced by retail and commercial service tenants. An analysis on total property values provided a view into development pressures faced by property owners to sell or redevelop which can, in turn, not only have direct financial implications for the business, but also affect the leasing terms in reference to early lease termination/demolition clauses to storefront spaces.

Please note that changes in commercial property taxes are independent of changes in total property values. Commercial property taxes and overall property tax assessment rates are set annually by the municipal government whereas property values are determined annually by BC Assessment.

The figures in total property values and commercial property taxes analysis may not be exactly reproduceable. Incomplete total property value and commercial property tax records and value outliers were removed to maintain a consistent 2012 to 2019 comparability. The reasons behind the incom pleteness of property records between these two timeframes can stem from various factors such as the re-development of a new property in 2019 on a previous site in 2012 or administrative miscodes in records.

### City of Vancouver Open Data

The City of Vancouver's Open Data Catalogue provided key geospatial datasets such as parcel data, BIA boundaries, and citywide air photos.

### Statistics Canada Census Data, 2006 and 2016

Statistics Canada provided a key source of demographic information for the areas surrounding each BIA. This study specifically looks at the population densities for the Census dissemination areas within a one kilometre distance from each BIA.







# 4.2 APPROACH TO ANALYSIS OF "DRIVERS OF CHANGE"

Beyond measuring what has changed in each Study area over time, this study also examines reasons for and drivers of change. To do this, the team engaged with each BIA and its membership, alongside industry experts and property owners, using a combination of surveys, roundtables and one-on-one discussions.

This study came together in an iterative manner rather than in a linear progression. For instance, most of the introductory meetings with BIA leadership (noted as "Stage 1" below) occurred near the beginning of the process, either before or during the initial gathering of data and analysis of change in business mix and other metrics over time. These early meetings were critical for establishing communication and trust between the study team and BIA leadership, and to engage each BIA in an active process of co-creation and data review. This was critical for ensuring accuracy of storefront inventories, as well as for organizing roundtables, following up with membership regarding survey completion, and vetting the veracity of some conclusions and indicators.

### Stage 1: Introductory Meetings with BIA Leadership

Stage 1 of the engagement protocol involved one-on-one, in-person meetings between members of the consulting team, the City's BIA Coordinator, each BIA's Executive Director, and in some cases, members of their BIA Boards. The purpose of these meetings was to introduce the study and consulting team to each BIA, establish open lines of communication, and to convey the need for ongoing participation from BIA leadership throughout the process. The study team explained that BIA Directors would be involved in vetting the updated business inventories, and that each study BIA would be expected to assist in convening a roundtable event with their respective membership.

### Stage 2: Roundtable Pilot (South Granville)

The study team and City staff agreed that roundtable sessions with BIA membership and property owners would be one of the key forums for gathering input on the drivers of change. One-on-one meetings with representative samples of local businesses in each Study area (focusing on dominant categories) was another method discussed, but it was ultimately determined that the resources available for this project would not allow for this approach to be done effectively.

The study team worked with City staff to design a standardized two-hour roundtable session. South Granville BIA was jointly selected as the pilot area to test the roundtable approach.

The pilot roundtable proceeded as follows:

- Arrival and check-in of participants.
- Introductory remarks from City and consulting team (15 minutes).
- Presentation from consultant on specific local shopping area trends, based on preliminary analysis (25 minutes).
- Creative planning session / open discussion of causal links (40 minutes): a facilitated table discussion amongst invitees to discuss drivers of change, including a "Top 10 Drivers of Change" exercise whereby each participant ranked their own issues from 1 to 10 on cue cards (one issue per card).
- A review of "Top 3 Drivers" (5 minutes): sharing the sentiments in the room by reading out the cue cards for each of the top 3 issues.
- Concluding remarks and call for surveys (5 minutes): the team thanked attendees for their participation and asked them to complete the more detailed printed surveys (discussed below).







### 4.2 APPROACH TO ENGAGEMENT FOR "DRIVERS OF CHANGE" ANALYSIS

### Stage 3a: Surveys of Business Owners, Landlords, Brokers

The study team developed two surveys – one for business owners / operators, one for landlords and brokers – as a second means to gather information from stakeholders. The surveys were designed to identify, at a greater level of detail, some of the critical issues and change drivers faced by business owners and landlords in the subject LSAs.

At the time of the South Granville pilot roundtable, surveys were administered in hard-copy only. Surveys were distributed to attendees as they entered the venue, and they were asked to return completed surveys either at the end of the roundtable, or within 1-2 weeks to the BIA director.

Following completion of this pilot event, subsequent surveys were digitized using an online platform (Voxco) and links were emailed to BIA membership by respective BIA Executive Directors.

BIA directors were tasked with following up with their respective membership to remind them to take the time to fill in the surveys. Survey results were collated and analyzed by the consulting team.

#### Stage 3b: Additional Roundtables and Industry Expert Integration

Following completion of the pilot roundtable in South Granville, the following 'tweaks' were made for each of the five subsequent roundtable sessions:

- It was determined that at least three members of the consulting team would be required at each roundtable event to act as facilitators and presenters.
- At least three City staff members would be required at each subsequent roundtable to act as both notetakers and facilitators.
- The study team determined (and City staff agreed) that the best means to gain the benefit of leasing and commercial real estate industry expertise and input through this process was to seek out industry experts and actively embed them into the roundtables. This was done by way of personal outreach by members of the consulting team to an array of people from the following industries:
  - o Commercial leasing
  - Property development
  - Property management
  - Small business finance
  - o Former small business and chain business owners

Approximately 30 industry experts were included in the roundtable events. Some attended multiple events. Additional industry experts were consulted by phone outside of the roundtable format.







# **5.0 LOCAL SHOPPING AREAS CHANGE OVER TIME**



# 5.1 OVERVIEW

### Introduction and Section Structure

Retail is dynamic and changing. One given is that retail will continue to change, and that the nature of change will vary by category. Some categories will experience serious shake-ups as a result of the trends and factors discussed in Section 3 (and others not noted), leading to long-term decline or outright reinvention. Other categories will grow and thrive in this new environment.

A significant data gap affecting the current discussion around small businesses and the nature of Vancouver's local shopping areas is the extent to which change has occurred, and what the nature of that change has been. The exploration of this change is a central thrust of this study, and is the focus of this report section.

Section 5 documents the consulting team's review of the following factors for each of the 6 Study areas, and all Study areas in aggregate, using the data sources noted below:

Factor of Change	Source(s) of Data
Change in <b>vacancy</b> between one historical point in time and 2019	CMI field surveys, verified by respective BIA Executive Directors
Change in <b>business mix</b> between one historical point in time and 2019. Including analysis by floor area. Baseline Years are: • South Granville – 2006 • West Broadway – 2010 • Marpole – 2011 • Hastings North – 2002 • Collingwood – 2005 • Commercial Drive – 2005	CMI field surveys, coded by consulting team using NAICS categories, verified by respective BIA Executive Directors
Change in number of businesses (storefronts) by <b>business type</b> (independent vs. chain) between historical time point and 2019. Including analysis by floor area.	CMI field surveys, coded independent vs. chain, verified by respective BIA Executive Directors; City of Vancouver spatial data (for mapping)
Change in total assessed values and commercial property taxes, 2012 vs. 2019	City of Vancouver Property Tax Office data archived by BIA Program Office
Change in <b>building / land ownership patterns</b> between 2012 and 2019	City of Vancouver, categorized by consulting team
Change in <b>base and additional rent</b> (as available)	Review of brokerage reports; engagement with brokers during Roundtable events; phone calls with commercial brokers
Change in <b>population growth and density</b> in each Study area, 2006 to 2016	Statistics Canada

Additionally, some potentially important and informative relationships between data sets are explored, pointing to possible areas for future research. Note that some figures will not necessary add up to 100% with the effects of rounding.







# 5.1 OVERVIEW

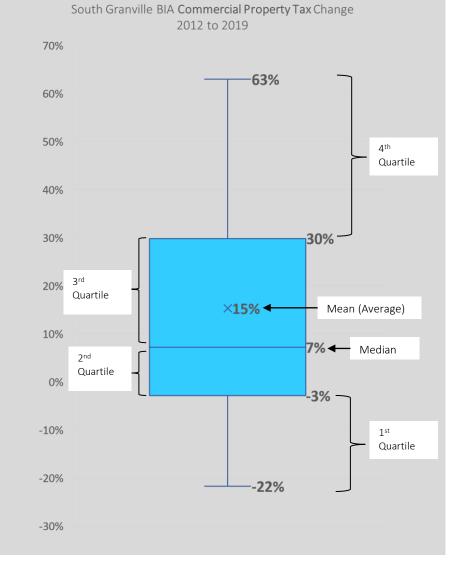
### How to Read a Box and Whisker Plot

To present large quantities of property data (tax, values, floor area ranges) in a graphical way, the study team has used 'box and whisker' plots. The box and whisker plots display a 6-number summary of each set of data:

- The middle line of the box represents the median value of a data set.
- The x in the box represents the mean (average) value of a data set.
- A **quartile** is where about data points can be grouped into about 4 equal points.
- The **bottom line** of the box represents the median of the bottom half or 1st quartile of a data set.
- The **top line** of the box represents the median of the top half or 3rd quartile of a data set.
- The **whiskers** (vertical lines) extend from the ends of the box to the minimum value and maximum value in the data set.

Looking at the box and whisker plot presented at right, which summarizes 2012 and 2019 property tax data sets for the 107 commercial properties in the South Granville BIA, we can interpret the graphic as follows:

- The median property tax change between 2012 and 2019 was 7%
- The mean property tax change was 15%
- 25% of properties saw a drop in property taxes, with that drop ranging from -22% to -3%
- 25% of properties saw a change in taxation ranging from -3% to +7%
- 25% of properties saw an increase in property taxes of 7% to 30%
- 25% of properties saw an increase in property taxes from 30% to 63%
- Note that extreme outliers were removed for these plots









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### Sample Box and Whisker Plot: Property Tax Change, South Granville BIA

# 5.1 OVERVIEW

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### Notes on the complexity of tracking Commercial Lease Rates

### Tracking commercial historical lease rates is complicated for a number of reasons:

- Tenant inducements make it difficult to compare and analyse lease rate data. These are typically not disclosed in the lease rate data.
- Rent comparables are dependent on source reliability, which makes it difficult to verify rent data provided.
- Rental rates vary by location within commercial precincts, and their use or category. If rental data for change-over-time are not from the same block/location, and if possible from the same building, then the data will be more variable, and its longitudinal comparability will be suspect.
- Even when looking at change-over-time for the same building, variability can occur due to ownership change, renovations, or significant upgrades.

Our approach to tracking commercial lease rates over time relied on tracking **same-building change over time with input from long-term landlords and property managers in each Study area**.

- To collect historical rent data by building, the consulting team contacted landlords and property managers within the Study area precincts who were deemed to be the most accessible sources for this information.
- The consulting team contacted other possible sources for this type of data, who were reluctant to participate due to both the time and cost required to assemble this type of historic information.
- This exercise in trying to collect historical rental information proved to be time consuming for both the consulting team and property owners / managers.
- Some property owners were reluctant to share data for a variety of reasons.
- Ultimately the study team's approach generates reasonably reliable measures of change for the subject properties but the trade-off is a relatively limited sample size.



 COMMERCIAL LEASE AGREEMENT

 This Lease Agreement (the "Agreement") is made and effective [DATE].

 BETWEEN:
 YOUR COMPANY NAME] (the "Landord"), a corporation organized and estating under the laws of the [StateProvine] of [STATE/PROVINCE], with its head office located at.

 YOUR COMPANY NAME] (the "Tenant"), an individual with his main address located at.

 AND:
 [TENANT NAME] (the "Tenant"), an individual with his main address located at.

AND: [TENANT NAME] (the "Tenant"), an individual with his main address located at OR a corporation organized and existing under the laws of the [State/Province] of [STATE/PROVINCE], with its head office located at [COMPLETE ADDRESS]

1. DESCRIPTION OF PREMISES

Landlord leases to Tenant the premises located at [ADDRESS], [CITY], [STATE], and described more particularly as follows:

LIVEABLE CITY

PLANNING LTD.

[INSERT LEGAL DESCRIPTION].

Andrew Yan

Consulting



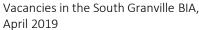
#### Vacancies - 2006 vs 2019

- As of April 2019 there were 25 vacancies in the entirety of the South Granville BIA, accounting for 13% of the total storefront count.
- Most vacant storefronts were located along the west side of Granville Street (21 of 25).
- Note that this area appears to be in a period of transition.
  - Since the inventory was completed in April 2019, additional businesses have indicated pending closures or relocations. Some of these pending closures are noted in the table below.
  - The vacancy rate is expected to spike to 16% in early 2020, unless vacancies are backfilled.

#### Pending Expected Closures in South Granville BIA in 2020

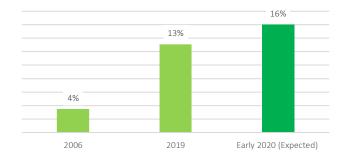
Business Name	Category	Address	Location Description
Ramin and Sons	Antiques (furniture)	2250 Granville	East side, between 6 <sup>th</sup> and 7 <sup>th</sup> Ave
Plum	Women's Apparel	2799 Granville	West side, between 11 <sup>th</sup> and 12 <sup>th</sup> Ave.
West	Full-Service Restaurant	2881 Granville	West side, between 12 <sup>th</sup> and 13 <sup>th</sup> Ave.
Ouisi Bistro	Full-Service Restaurant	3014 Granville	East side, between 14 <sup>th</sup> and 15 <sup>th</sup> Ave.
Williams-Sonoma	Home Furnishings	2903 Granville	West side, between 13 <sup>th</sup> and 14 <sup>th</sup> Ave.
La Vie en Rose	Women's Apparel	3003 Granville	West side, between 14 <sup>th</sup> and 15 <sup>th</sup> Ave

Source: Correspondence with SGBIA Executive Director, October 2019





#### Vacancy Rates in the South Granville BIA, 2006 - 2019 -Early 2020 (Expected)





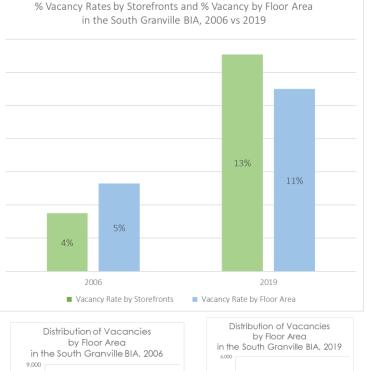


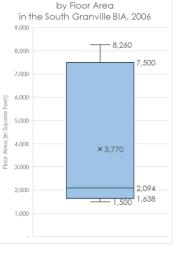


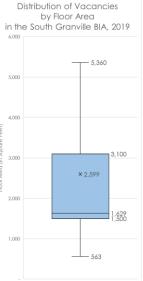
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### Vacancies by Floor Area - 2006 vs 2019

- Vacancy rates by floor area were slightly different than vacancy rates by number of storefronts from 2006 to 2019.
  - In 2006, the vacancy rate in South Granville by storefront count was lower than the vacancy rate by floor area.
  - In 2019, the vacancy rates by storefront count was higher than the vacancy rate by floor area.
- The number of vacancies by raw number increased from 7 out of 199 in 2006 to 25 out of 199 in 2019.
- Over time, the character of vacant storefronts in South Granville has changed as floor area sizes of vacancies became smaller.
  - The median floor area size for vacancies decreased from 2,094 square feet in 2006 to 1,629 in 2019.
  - The average vacant floor area size also decreased from 3,770 square feet in 2006 to 2,599 square feet in 2019.









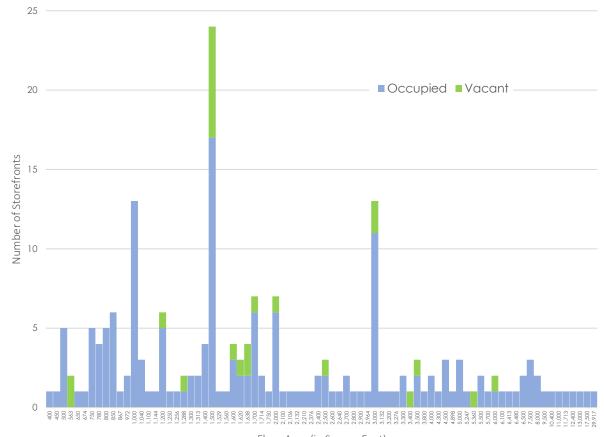




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### Occupied and Vacant Space in South Granville by Floor Area, April 2019

- There are 199 storefronts in the South Granville BIA from 5th Avenue to 16th Avenue, encompassing 540,392 square feet.
- There are 25 vacant storefronts (as of April 2019), accounting for 13% of total storefronts.
- There are 57,169 square feet of vacant floor area, accounting for 11% of total floor area.
- Of the 25 noted vacancies, 24 are vacant and available for lease, and one is vacant under construction.
- The figure at right shows the distribution of occupied and vacant storefronts by floor area.



Floor Area (in Square Feet)



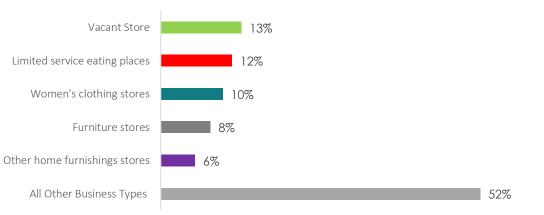




### Business Mix "Top 5", 2006 and 2019 – Number of Stores

- Vacancy is much more prominent in 2019 vs. 2006.
- Women's clothing stores, while still a prominent cluster, have decreased in dominance.
- Furniture stores have increased their overall presence.
- There are more restaurants (limited, full-serve and drinking places) in 2019.
- Art dealers are no longer prominent along Granville south of Broadway.
- Cosmetics, beauty supplies and perfume stores have fallen out of the top 12.





		2019					
Rank	Type of Business Category	Number of Business	% of Total Businesses	Floor Area (in Sq Ft)	% Total Floor Area		
1	Vacant Store	25	13%	57,169	11%		
2	Limited service eating places	23	12%	42,309	8%		
3	Women's clothing stores	20	10%	42,722	8%		
4	Furniture stores	16	8%	86,023	16%		
5	Other home furnishings stores	11	6%	26,040	5%		
	Other Types of Businesses	104	52%	286,130	53%		
	Total	199	100%	540,392	100%		

			06		
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% of Total Floor Area
1	Limited Service Eating Places	25	13%	46,681	9%
2	Women's Clothing Stores	24	12%	53,477	11%
3	Art Dealers	17	9%	33,871	7%
4	Furniture Stores	16	8%	50,213	10%
4*	Hair Care And Esthetic Services	16	8%	21,162	4%
5	Used Merchandise Stores	9	5%	13,027	3%
	Other Types of Businesses	92	46%	280,645	56%
	Total	199	100%	499,075	100%
* Tie	in Number of Businesses				



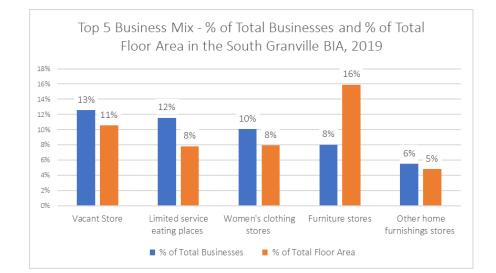


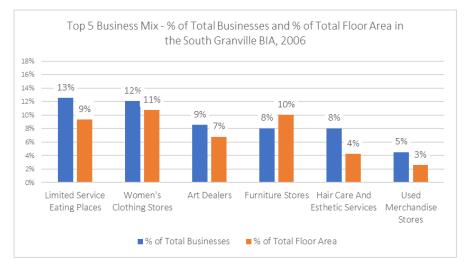


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### Business Mix "Top 5", 2006 and 2019 - Floor Areas

- There have been shifts in business mix in the area, moving away from limited service eating places and women's clothing stores in 2006, to home furniture stores and other home furnishing stores in 2019.
- If "Furniture stores" and "Other home furnishing stores" categories were combined, they would become the largest business type category in the area at 14% of total businesses and occupy 21% of all retail floor space in the area.
- The decline of art dealers in the area reflects a major change as South Granville was once renowned for its concentration of art dealers and galleries.











### Chain vs Independent Businesses, 2006 and 2019

- In the 13 years between inventories, the total number of ground ٠ floor storefronts remained flat at 199.
- Independent Businesses: •
  - There was a loss of 48 independent ground floor businesses from 2006 to 2019.
  - o Independents decreased as a proportion of total ground floor storefronts, from 70% to 46%.
  - o Independents decreased as a proportion of total floor area, from 55% to 35%.
- Chain Businesses:
  - There was an increase of 30 chain ground floor businesses in the Study area.
  - Chains increased as a proportion of total ground floor storefronts from 27% to 42% of the total business mix.
  - Chains increased as a proportion to **floor area**, from 40% to 54%.
- Vacancy
  - The vacancy rate (on a storefront count basis) increased from 4% to 12% (from 7 to 24 storefronts) with 1 unit in 2019 being under construction.

### Percentage Change in Chains vs Independent Busineses in the South Granville BIA, 2006 - 2019 80% 70% 70% 46% 50%

Chain Independent Under Construction Vacant Note: Vacancy rates in this section will differ from the vacancy rates in the previous section for the BIA as the vacancy rate used here disaggregates "Vacant" storefronts into separate "Under Construction" and "Vacant" categories. Furthermore, vacancy numbers may slightly differ due to numbers rounding.

1% 0%







60%

40%

30%

20%

10%

0%

42%

2019 2006

27%

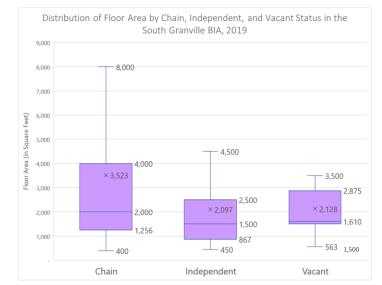
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12%

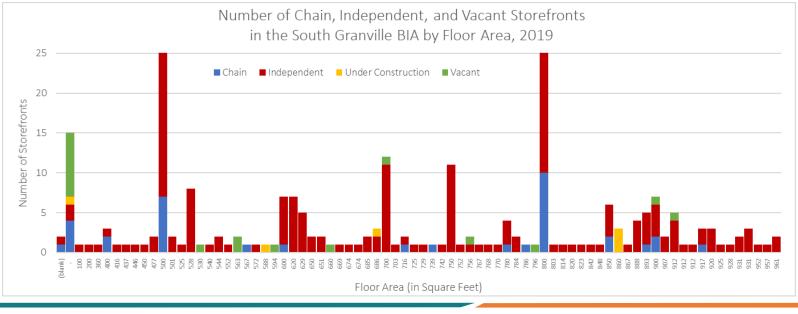
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### Chain vs. Independent vs. Vacant by Floor Space, 2019

- Independent businesses tend to cluster toward small floor plates.
- The median floor plate for a chain storefront was 2,000 square feet, for an independent storefront was 1,500 square feet, and 1,638 square feet for a vacant storefront.
- Chain businesses are found across the floor space size range, but have a greater tendency to be present in the larger floor plates than independents.



Note: Significant outliers were removed from these distribution of floor area charts









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### Change in Property Values and Property Taxes

### Total Property Values

- Between 2012 and 2019, SGBIA properties increased in aggregate value by \$456.2 million, from \$642.5 million to nearly \$1.1 billion.
- 75% of the total property assessments in the SGBIA went up between 39% and 212%.
- The top 25% of properties increased in value by at least 115%.
- The average total assessment increase was 78%.
- The median total assessment increase was 57%.

### Commercial Property Taxes

systems

- Over the same time period, commercial property taxes in the SGBIA increased from \$8.9 million to \$10.4 million.
- Average commercial property tax increases in South Granville were 15%.
- The highest commercial property tax increase was 63%, except for 3 outliers which increased by 82%, 86% and 119% (not shown in the box and whisker plot).
- 25% of all properties in the SGBIA faced commercial property tax increases from 30% to 63%.

COMMERCIAL REAL ESTATE SERVICES

• Average commercial property tax increase was 15%.





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### Change in Basic and Additional Rent

- Current and historical basic rent information for South Granville was obtained for a sample of 10 commercial units through conversations with industry contacts.
- All premises for which longitudinal data was available saw either very modest increases, or very modest decreases, in basic rent between 2011 and 2019.
- Additional rent, on the other hand, increased quite substantially in nearly all cases, ranging from a low of 5.69% to a high of 11.76%.
- This data is consistent with anecdotal information from brokers and landowners, who have indicated a need to help offset increases in additional rents (mostly property taxes) by minimizing increases in basic rent, and in some cases decreasing the basic rent amount.

Year	Street	Area of Premises (square feet)	Base Rent (per sq. ft. per annum)	Annual Average Basic Rent Increases	Additional Rent (per sq. ft. per annum)	Average Annual Additional Rent Increase
			South Granville	2		
2011	Granville	600	\$47.92		\$22.84	
2019	Granvine	600	\$25.00	-5.98%	\$37.81	8.19%
			1		1	
2011	Granville	1300	\$65.00		\$27.58	
2019		1300	\$60.00	-0.96%	\$40.14	5.69%
2011		1350	¢65.00		¢27.59	
2011	Granville		\$65.00	0.00%	\$27.58	F. CON/
2019		1350	\$60.00	-0.96%	\$40.14	5.69%
2011		850	\$43.00		\$22.84	
2019	Granville	850	\$45.00	0.58%	\$34.45	6.35%
2015		050	÷ 15.00	0.50%	<b>931.13</b>	0.5570
2011		1500	\$18.00		\$17.51	
	Granville					
2019		1500	\$23.10	3.54%	\$33.98	11.76%
2011		2580	\$27.32		\$22.84	
2019	Granville	2580	\$27.02	-0.14%	\$34.45	6.35%
			4			
2011	Granville	1124	\$74.73		\$22.84	
2019		1124	\$69.75	-0.83%	\$34.45	6.35%
2011		867	\$69.20		\$22.84	
2011	Granville	867	\$70.00	0.14%	\$22.84	6.35%
2019		007	\$70.00	0.14/0	ې <u>ب</u> ببر	0.3370
2011		849	\$63.60		\$22.84	
	Granville		<i></i>		, , , , , , , , , , , , , , , , , , ,	
2019		849	\$65.00	0.44%	\$34.45	6.35%







### Change in Commercial Property Ownership, 2012 vs 2019

- Over the last 8 years the proportion of commercial properties in the SGBIA owned by development firms, numbered corporations and holding companies has increased.
- In 2012, 11% of commercial properties were owned by developers. This increased to 15% by 2019.
- The transition away from ownership in the name of individuals or business names is offset by increase in numbered corporations and holding companies. These changes do not necessarily reflect fundamental shifts in the beneficial ownership of properties, but rather changes made to better manage business finances and tax obligations.
- There seems to be a relationship between the pace of property ownership change and the uptick in vacancy in the area where changes in property ownership and ownership type has also come at the same time as an increase in developer ownership. Further analysis and investigation of changes in property ownership and vacancy rates for this BIA as well as others should be further pursued in future studies.

Types of Ownership	2012	2019	% Change in Ownership Type
Business	5	5	0%
Developers	13	17	24%
Financial Institutions	3	1	-200%
Holding Company	54	57	5%
Individual	17	11	-55%
Numbered Corporation	12	16	25%
Owner Occupied	8	3	-167%
Public	3	3	0%
Total	115	113	



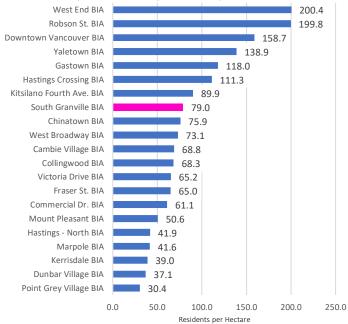




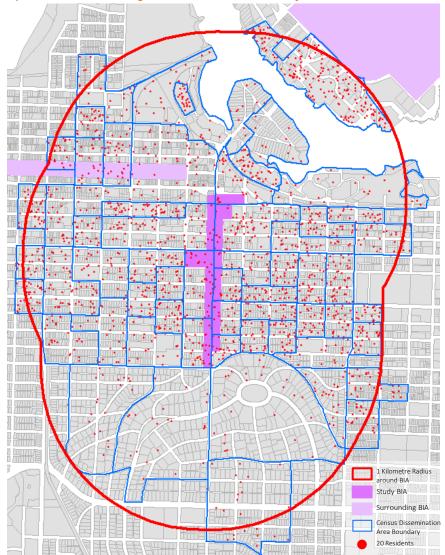
### Population Growth and Density

- In 2006, the population within a 1-kilometer radius around the South Granville BIA was 37,838.
- By 2016, the population had increased to 40,910.
- Between 2006 and 2016 the area grew by 8.1%, compared to City-wide growth of 9.2% over the 10-year period.
- Population density in the 1km radius in 2016 was 79.0 residents per hectare. The chart below compares this density to the 1km radii around all 22 BIAs.

#### South Granville Population Density vs BIAs City-Wide



Population Distribution Living within a One Kilometre Radius of the South Granville BIA









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# 5.2 CHANGE OVER TIME: SOUTH GRANVILLE

### Household Income and Spending

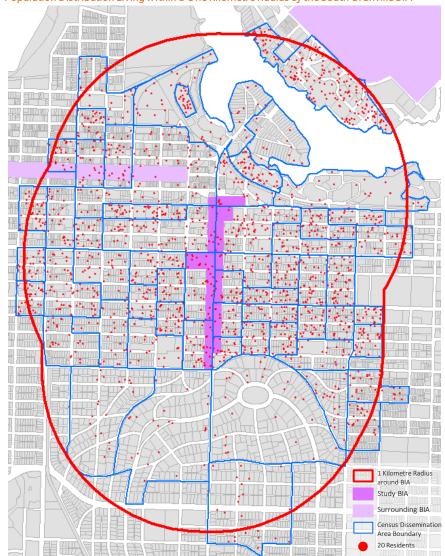
- The median and average household incomes within this Study area in 2019 are estimated at \$80,485 and \$126,167, respectively.
- The aggregate household income in the 1-kilometer buffer area was approximately \$3.21 billion.
- The average household retail and food/beverage expenditure in 2019 was just over \$58,000. In aggregate, this figure was \$1.48 billion.

#### South Granville Income and Spending vs. City-Wide

Metric (2019)	South Granville	City of Vancouver	% Over/Under City
Average Annual Household Income	\$126,167	\$109,914	+15%
Median Annual Household Income	\$80,485	\$74,312	+8%
Aggregate Annual Household Income	\$3.21 billion	\$33.0 billion	
Average Annual Retail + F&B Spend	\$58,117		
Aggregate Annual Retail + F&B Spend	\$1.48 billion		

Source: Environics Analytics

Population Distribution Living within a One Kilometre Radius of the South Granville BIA







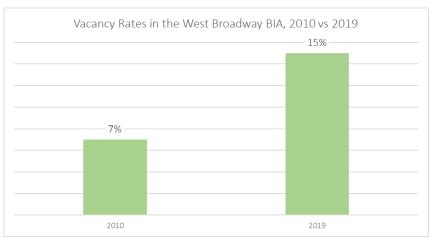


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### Vacancies in the West Broadway BIA, February 2019



- As of February 2019 there were 39 vacancies in the entirety of the BIA (including units under construction), accounting for 15% of the total storefront count. This is higher than the area's 2010 baseline year vacancy rate of 7%.
- This figure can be further broken out as:
  - Vacant leasable storefronts: 10% (27 storefront).
  - Vacant and under construction: 5% (12 storefronts) are under construction.
- Many of the vacancies in the area are concentrated in the newer buildings and are under construction.





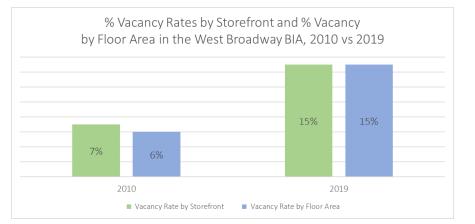


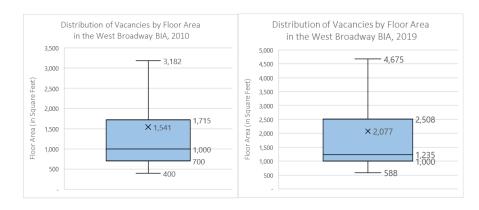


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### Vacancies by Floor Area – 2010 vs 2019

- Vacancy rates by both storefront and floor area grew significantly from 2010 to 2019 in the West Broadway BIA.
- The number of vacancies by raw number increased by 20 units from 19 in 2010 to 39 in 2019.
- The characteristics of vacant storefronts in the West Broadway BIA changed to include vacancies that had larger floor areas.
  - The median floor space size for vacancies increased from 1,000 square feet in 2010 to 1,235 square feet in 2019 and the average vacant floor space size also increased from 1,541 square feet in 2010 to 2,077 square feet in 2019.





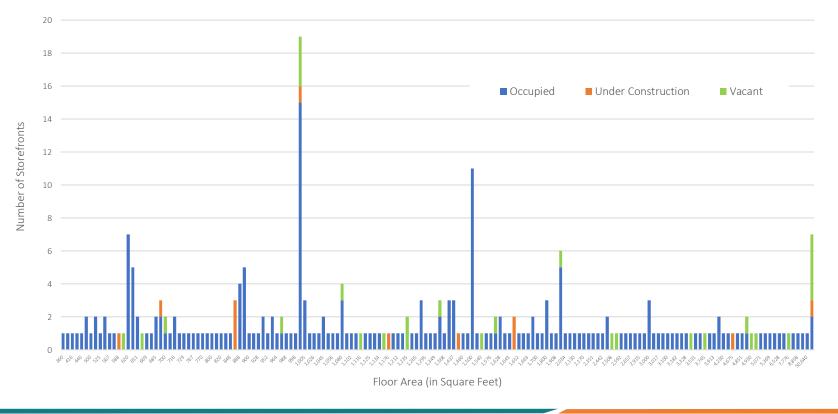






### Occupied and Vacant Space in West Broadway by Floor Area, April 2019

- There are a total of 255 storefronts in the West Broadway BIA from Collingwood St to Larch St, encompassing 488,528 square feet
- In 2019 there were 38 vacant storefronts, accounting for 15% of total storefronts.
- The vacancy rate by floor area also stood at 15%.
- Of the 38 noted vacancies, 26 were vacant and available for lease, and 12 were vacant under construction.
- The figure below shows the distribution of occupied and vacant storefronts by floor area.





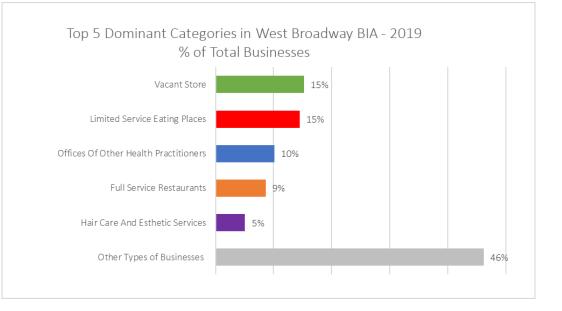




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#### Business Mix "Top 5", Number of Stores, 2010 and 2019

- While the dominant business categories were relatively stable between the two snapshot years, vacancies moved from second place to first place as the most dominant category on a storefront count basis. Note that this vacancy figure includes the space classified as 'under construction' on the previous page.
- The major categories in the area are focused on consumption in the form of restaurants and limited service eating places (cafes) and services.
- There is a decline in merchandise retail in the form of woman's clothing stores as they were once in the top 5 of business categories, but are below the top 10 business category in 2019.



			2019			
Rank	Type of Business Category	Number of Business	% of Total Businesses	Floor Area (in Sq Ft)	% Total Floor Area	
1	Vacant Store	38	15%	91,784	19%	
2	Limited Service Eating Places	37	15%	29,284	6%	
3	Offices Of Other Health Practitioners	26	10%	16,475	3%	
4	Full Service Restaurants	22	9%	8,580	2%	
5	Hair Care And Esthetic Services	13	5%	14,685	3%	
	Other Types of Businesses	119	46%	327,720	67%	
	Total	255	100%	488,528	100%	

		2010				
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% of Total Floor Area	
1	Limited Service Eating Places	51	20%	91,784	20%	
2	Vacant Store	19	7%	29,284	6%	
3	Offices Of Other Health Practitioners	15	6%	16,475	4%	
4	Hair Care And Esthetic Services	13	5%	8,580	2%	
5	Full Service Restaurants	11	4%	14,685	3%	
5*	Women's Clothing Stores	11	4%	11,640	3%	
	Other Types of Businesses	135	53%	278,479	62%	
	Total	255	100%	450,928	100%	

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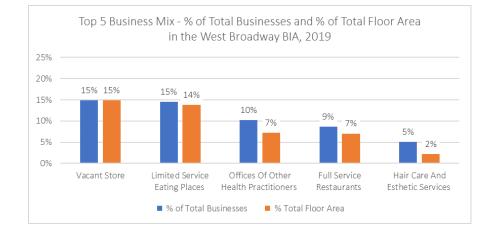


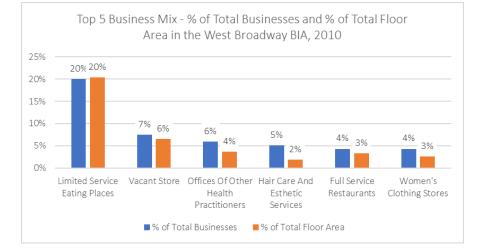


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#### Business Mix "Top 5", Floor Area, 2010 and 2019

- While vacancies in 2019 represent 15% of total number of businesses, it is important to note that many of these vacant spaces are in new developments and in process of occupation.
- Overall, while there were changes in business floor area, the business mix in the West Broadway BIA was relatively stable. Some exceptions were:
  - Decrease in women's clothing stores and increase in hair care and esthetic services.
  - Decrease in limited service eating places.
  - Increase in proportion of 'other health practitioners.'
  - Increased proportion of full-service restaurants.





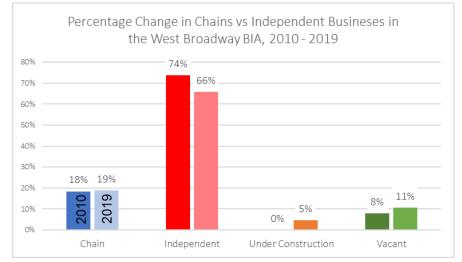






### Chain vs. Independent Businesses, 2010 - 2019

- CMI ground-floor business inventory data is available for two points in time: 2010 and 2019. The latter was last updated in February 2019 with the assistance of the BIA Executive Director.
- In the 9 years between inventories, the total number of ground floor storefronts remained flat.
- Independent Businesses:
  - o Loss of 20 independent ground floor businesses.
  - Decrease as a proportion of total ground floor **storefronts** from 74% to 66%.
  - Decreased as a proportion of **floor area** from 58% to 50%.
- <u>Chain Businesses:</u>
  - $\circ~$  A slight change in number of chain businesses growth from 47 to 48.
  - Increased as a proportion of total ground floor storefronts from 18% to 19%.
  - Remained stable as a proportion of **floor area**, at 35%.
- Vacancy
  - Increased from 8% to 11% based on storefront count (from 20 to 27), and from 6% to 12% based on floor area.
  - 12 vacant storefronts in 2019 were under construction and represent 5 percent of ground floor businesses.



Note: Vacancy rates in this section will differ from the vacancy rates in the previous section for the BIA as the vacancy rate used here disaggregates "Vacant" storefronts into separate "Under Construction" and "Vacant" categories. Furthermore, vacancy numbers may slightly differ due to numbers rounding.

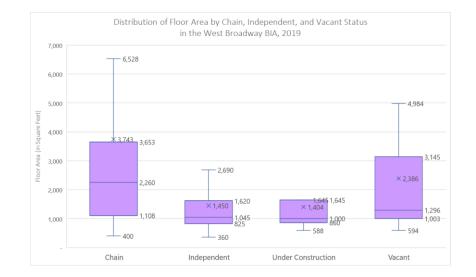






### Chain vs. Independent by Floor Area, 2019

- Independent businesses tend to cluster toward small floor areas.
  - Median floor areas for chain stores were 2,260 square feet versus 1,045 square feet for independent stores.
- The median vacant storefront floor area was 1,296 square feet.









Change in Total Property Values and Commercial Property Taxes

#### Total Property Values

- Between 2012 and 2019, West Broadway BIA properties increased in aggregate value by \$736.7 million, from \$411.2 million to nearly \$1.2 billion.
- 75% of the total property assessments in the West Broadway BIA went up between 82% and 276%.
- The top 25% of properties increased in value by at least 195%.
- The average total assessment increase was 142%.
- The median total assessment increase was 109%.

### Commercial Property Taxes

- Over the same time period, commercial property taxes in the West Broadway BIA increased from \$5.65 million to \$8.23 million.
- The highest commercial property tax increase was 114%, at 3396 West Broadway (TD Canada Trust).
- 25% of all properties in the West Broadway BIA faced commercial property tax increases from 56% to 114%.
- Average commercial property tax increase was 29%.









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### Change in Basic and Additional Rent

- Current and historical basic rent information for West Broadway was obtained for a sample of 3 commercial units through conversations with industry contacts.
- Base rent increases were relatively modest, ranging from under 1% to just over 2% per year.
- Additional rent increases were higher, ranging from 2.5% to nearly 7% per year.

	West Broadway Base and Additional Rent Sample							
Year	Location	Area of Premises (sq.ft.)	Base Rent (per sq.ft. per annum)	Annual Average Basic Rent Increase	Additional Rent (per sq.ft. per annum)	Average Annual Additional Rent Increase		
2011		000	\$38.00		\$15.00			
2019	W. Broadway	988	\$40.00	0.7%	\$18.00	2.5%		
2011		750	\$33.00		\$16.00			
2019	W. Broadway	750	\$39.00	2.3%	\$20.00	3.1%		
2011		1400	\$30.00		\$14.25			
2019	W. Broadway	1469	\$35.00	2.1%	\$22.00	6.8%		







### Change in Property Ownership, 2012 to 2019

- Over a 7-year period, the proportion of properties in the West Broadway BIA owned by businesses and developers declined by 77% and 39% respectively.
  - In 2012, 17% of properties were owned by developers which decreased to 12% by 2019.
- The transition away from ownership in the name of individuals or business names is offset by increase in numbered corporations and holding companies. These changes do not necessarily reflect fundamental shifts in the beneficial ownership of properties, but rather changes made to better manage business finances and tax obligations.

Types of Ownership	2012	2019	% Change in Ownership Type
Business	23	13	-77%
Developers	25	18	-39%
Financial Institutions	2	1	-100%
Holding Company	37	48	23%
Individual	44	32	-38%
Non-Profit	2	2	0%
Numbered Corporation	5	20	75%
Owner Occupied	3	5	40%
Public	9	10	10%
Total	150	149	



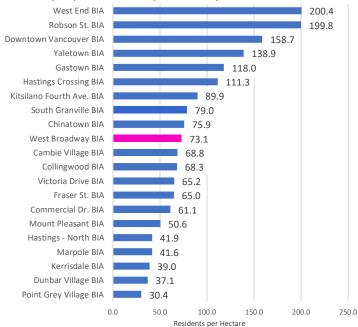




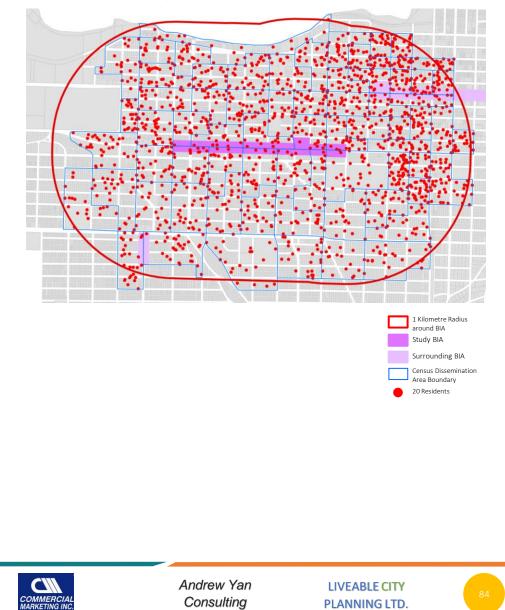
#### Population Growth and Density

- In 2006, the population within a 1-kilometer radius around the West Broadway BIA was 38,253.
- By 2016, the population had increased to 41,085.
- The area growth rate of 7.4% compares to City-wide growth of 9.2% over the 10-year period.
- Population density in the 1km radius in 2016 was 73.1 residents per hectare. The chart below compares this density to the 1km radii around all 22 BIAs.

#### West Broadway Population Density vs BIAs City-Wide



Population Distribution Living within a One Kilometre Radius of the West Broadway BIA







### Household Income and Spending

- The median and average household incomes within this Study area in 2019 are estimated at \$83,032 and \$124,747 respectively.
- The aggregate household income in the 1-kilometer buffer area was approximately \$2.99 billion.
- The average household retail and food/beverage expenditure in 2019 was just over \$57,000. In aggregate, this figure was \$1.28 billion.

### West Broadway Income and Spending vs. City-Wide

Metric (2019)	West Broadway	City of Vancouver	% Over / Under City
Average Annual Household Income	\$124,747	\$109,914	+13%
Median Annual Household Income	\$83,032	\$74,312	+12%
Aggregate Annual Household Income	\$2.99 billion	\$33.0 billion	
Average Annual Retail + F&B Spend	\$57,190		
Aggregate Annual Retail + F&B Spend	\$1.28 billion		

Source: Environics Analytics







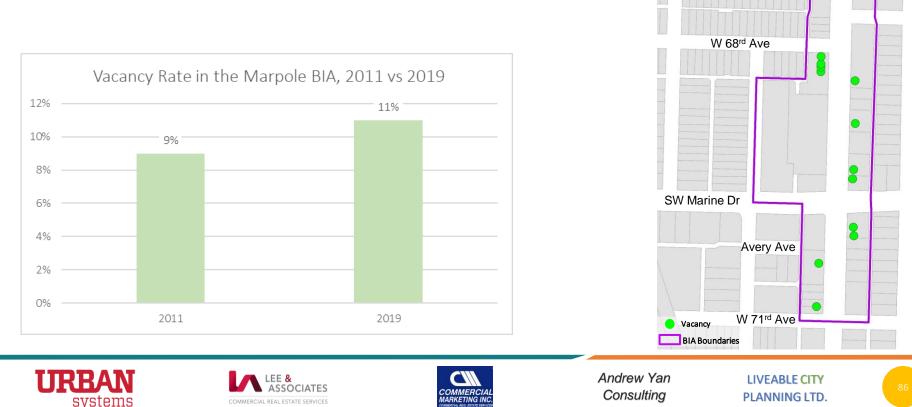


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Population Distribution Living within a One Kilometre Radius of the West Broadway BIA

#### Vacancies – 2011 and 2019

- As of January 2019 there were 16 vacancies in the entirety of the Marpole BIA, accounting for 11% of at the total storefront count.
  - This is higher than the area's 2011 baseline year vacancy rate of 9 percent.
- Vacancies are fairly evenly distributed on the east and west sides of Granville Street, however their north-south distribution is more variable on the east side of the street.
  - On the west side of the street, vacancies are clustered around 68<sup>th</sup> Avenue, with additional one-off vacancies in the south and north ends.
  - On the east side of the street, vacancies are distributed throughout each block.



W 63rd Ave

W 64rd Ave

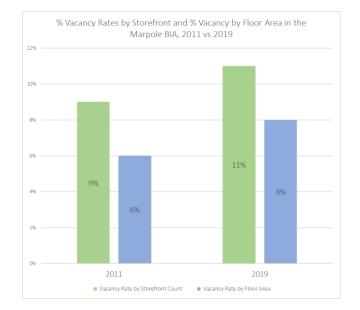
W 65<sup>rd</sup> Ave

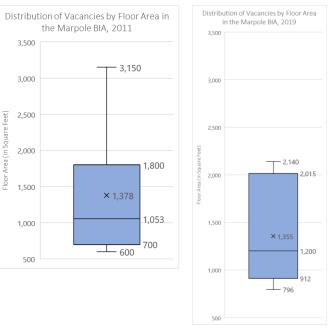
W 66rd Ave

Granville St

### Vacancies by Floor Area – 2011 vs 2019

- While vacancy rates in the Marpole BIA were high, vacancies were characterized by smaller floor areas.
- From 2011 to 2019, the average floor space size that is vacant has not changed, but the median vacant floor space unit has grown from 1,053 square feet to 1,200 square feet.











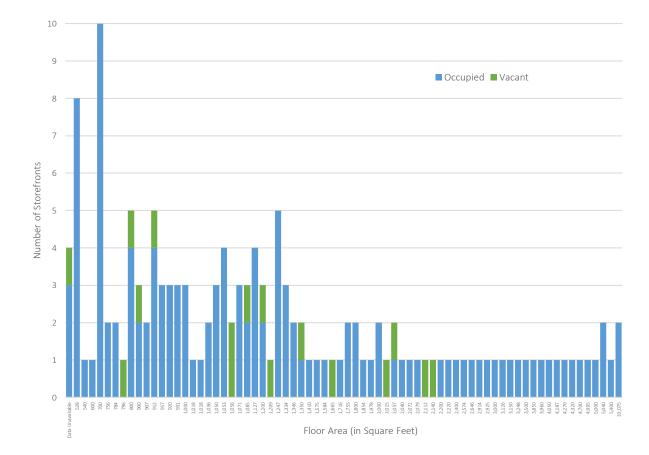
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### Occupied and Vacant Space in Marpole by Floor Area, April 2019

- There are a total of 141 storefronts in the Marpole BIA from West 63rd Avenue to West 71st Avenue, encompassing 246,827 square feet.
- There are 16 vacant storefronts, accounting for 11% of total storefronts.
- There are 20,332 square feet of vacant floor area, accounting for 8% of total floor area.
- Of the 16 noted vacancies, 11 are available for lease.
- The figure at right shows the distribution of occupied and vacant storefronts by floor area.



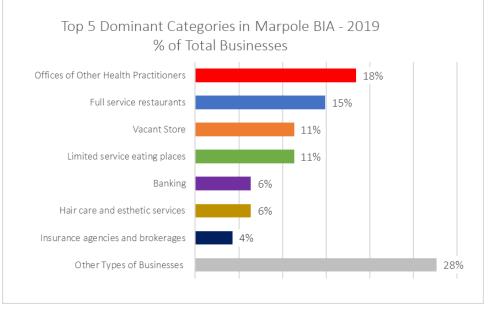






### Business Mix "Top 5", 2011 and 2019, - business count

- The predominant category in Marpole is Offices of Other Health Practitioners. However if all restaurant types are amalgamated, they together form the predominant category at 26% of total storefronts.
- Vacancies were the 3rd place most prominent business category in both 2011 and 2019.



\* Denotes tie in number of businesses in category

		2019				
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% Total Floor Area	
1	Offices of Other Health Practitioners	26	18%	32,216	13%	
2	Full service restaurants	21	15%	33,089	13%	
3	Vacant Store	16	11%	20,332	8%	
3*	Limited service eating places	16	11%	23,008	9%	
4	Banking	9	6%	29,456	12%	
4*	Hair care and esthetic services	9	6%	8,697	4%	
5	Insurance agencies and brokerages	6	4%	7,869	3%	
	Other Types of Businesses	39	28%	92,160	37%	
	Total	141	100%	246,827	100%	

		2011			
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% of Total Floor Area
1	Offices Of Other Health Practitioners	22	15%	28,132	12%
2	Limited Service Eating Places	19	13%	23,442	10%
3	Full Service Restaurants	13	9%	22,075	9%
3*	Vacant Store	13	9%	15,153	6%
4	Hair Care And Esthetic Services	10	7%	9,666	4%
5	Banking	7	5%	26,893	11%
	Other Types of Businesses	59	41%	112,194	47%
	Total	143	100%	237,553	100%





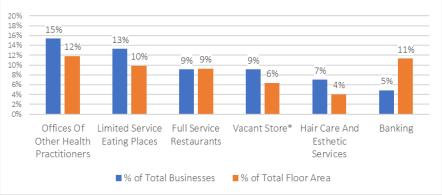


### Business Mix "Top 5", 2011 and 2019, -Floor Area

- The business mixes in the Marpole BIA remain similar from 2011 to 2019.
  - In 2019, the largest category of businesses in the Marpole BIA was "Offices of Other Health practitioners."
  - Restaurants in the form of "Full Service Restaurants" and "Limited Service Eating Places" remain the largest combined form of business in the area as they form 26% of the total number of businesses and 20% of floor area in the BIA.

#### Top 5 Business Mix - % of Total Businesses and % of Total Floor Area in the Marpole BIA, 2019 \_\_\_18% 20% 18% 15% 16% 13% 14% 11% 11% 12% 12% 10% 6% 6% 8% 6% 4% 3% 4% 2% 0% Offices of Full service Vacant Store Limited Banking Hair care Insurance Other Health restaurants service and esthetic agencies and Practitioners eating services\* brokerages places\* % of Total Businesses % Total Floor Area

Top 5 Business Mix - % of Total Businesses and % of Total Floor Area in the Marpole BIA, 2011



\* Denotes tie in number of businesses in category







### Chain vs. Independent Businesses, 2011 - 2019

- CMI ground-floor business inventory data is available for two points in time: 2011 and 2019. The latter was last updated in April with the assistance of the BIA Executive Director.
- In the 8 years between inventories, the total number of ground floor storefronts largely remained flat with the loss of two storefronts.
- Independent Businesses:
  - Independent ground floor businesses have remained relatively steady, at 96 businesses in 2011 and 97 in 2019.
  - Independents increased as a proportion of total ground floor storefronts from 67% to 68%.
  - At the same time, independent businesses *decreased* as a proportion of total **floor area**, from 53% to 48%.
- <u>Chain Businesses:</u>
  - The number of ground floor chain businesses decreased from 34 to 28 between 2011 and 2019.
  - As a proportion of ground floor **storefronts**, chain businesses decreased 24% to 20%.
  - As a proportion of ground floor business **floor area**, chain businesses *increased* from 41% to 45%.
- Vacancy
  - On a ground-floor storefront basis, Increased from 9% to 11% (from 13 to 16 storefronts).
  - As a proportion of floor area, increased from 6% to 7%.

#### 80% 67% 68% 70% 60% 50% 40% 24% 30% 20% 20% 9% 11% 2019 10% 0% 0% 0% Chains Independents Under Vacant Construction

Percentage Change in Chains vs. Independent Businesses

in the Marpole BIA, 2011-2019

Note: Vacancy rates in this section will be differ from the vacancy rates in the previous section for the BIA as the vacancy rate used here disaggregates "Vacant" storefronts into separate "Under Construction" and "Vacant" categories. Furthermore, vacancy numbers may slightly differ due to numbers rounding.

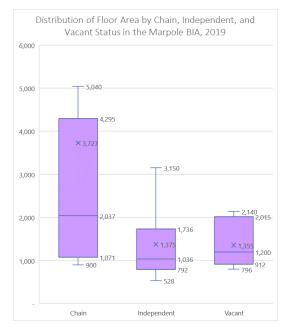


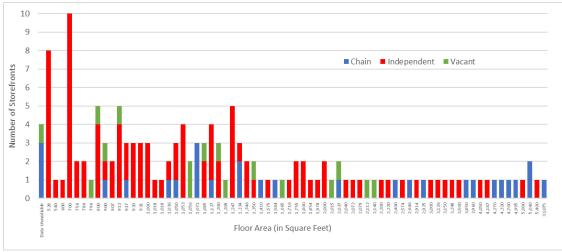




### Chain vs. Independent by Floor Area, 2019

- Like the other study BIAs, independent businesses tend to cluster toward small floor plates compared to chain businesses.
  - Median floor areas for chain stores were 2,037 square feet versus 1,036 square feet for independent stores
- The median vacant storefront floor area was 1,200 square feet.











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Change in Total Property Values and Commercial Property Taxes

#### Total Property Values

- Between 2012 and 2019, Marpole BIA properties increased in aggregate value by \$368.7 million, from \$139.52 million to \$508.27 million.
- 75% of the total property assessments in the Marpole BIA <sup>3</sup> went up between 89% and 428%.
- The top 25% of properties increased in value by at least 324%.
- The average total assessment increase was 203%.
- The median total assessment increase was 178%.

### Commercial Property Taxes

- Over the same time period, commercial property taxes in Marpole BIA increased from \$2.10 million to \$3.12 million.
- The highest commercial property tax increase was 151%, at 8655 Granville Street (C2 development lot). This is followed by 126%, at 8697 Granville (1-storey commercial building).
- 25% of all properties in the Marpole BIA faced commercial property tax increases from 80% to 151%.
- Average commercial property tax increase was 47%.









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### Change in Basic and Additional Rent

Our research returned very limited results on the question of current basic and additional rent (and trends in rent) in the Marpole area. Through discussions with brokers and the landlord survey, we were able to gather information for 3 units.

- The landlord interview found that one property, measuring 4,115 square feet, had a base rate of \$43 per square foot in 2014, and \$45 per square foot in 2019, for a 0.93% annual increase over 5 years. Over that same period, the additional rent (primarily comprising property tax) increased from \$16.40 to \$25.70 per square foot an 11.4% increase in 5 years.
- The leasing information obtained from survey data pertaining to 2 units measuring 4,200 and 2,700 square feet respectively revealed the following per square foot rates for base rents:
  - o 2011: \$21.00
  - o 2015: \$24.00
  - o 2019: \$35.00

This represents an average annual basic rent increase of 8.3%.

#### Sample Property Base and Additional Rent Change

Property Size	4,115 sq.ft.
Base Rent, 2014	\$43 per sq.ft.
Base Rent, 2019	\$45 per sq.ft.
Additional Rent, 2014	\$16.40 per sq.ft.
Additional Rent, 2019	\$25.70 per sq.ft.







### Change in Property Ownership, 2012 to 2019

- Individuals remain the dominant forms of ownership type in the Marpole BIA.
- Ownership type change has been stable with the exception of a large increase of developers entering the area since 2012.

Types of Ownership	2012	2019	% Change in Ownership Type
Bank	1	1	0%
Business	13	13	0%
Developers	0	7	700%
Holding Company	20	15	-25%
Individual	36	30	-17%
Numbered Corporation	3	6	100%
Owner Occupied	12	13	8%
Public	0	2	200%
Total	86	87	1%



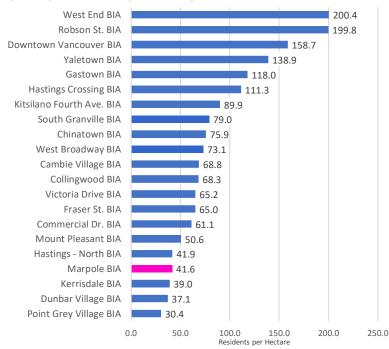




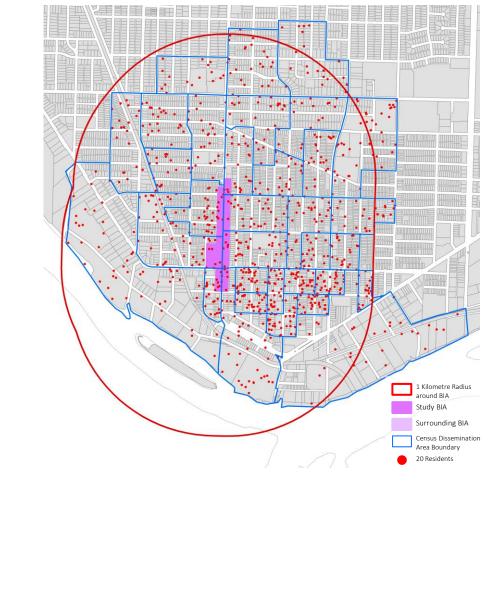
### Population Growth and Density

- In 2006, the population within a 1-kilometer radius around the Marpole BIA was 18,902.
- The population remained nearly flat over 10 years, reaching 18,903 in 2016.
- Population density in the 1km radius in 2016 was 41.6 residents per hectare. The chart below compares this density to the 1km radii around all 22 BIAs.

#### Marpole Population Density vs BIAs City-Wide



#### Population Distribution Living within a One Kilometre Radius of the Marpole BIA









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### Household Income and Spending

- The median and average household incomes within the 1-kilometer Study area in 2019 are estimated at \$62,557 and \$100,133, respectively.
- The aggregate household income in the 1-kilometer buffer area was approximately \$1.07 billion.
- The average household retail and food/beverage expenditure in 2019 was just over \$48,000. In aggregate, this figure was \$441.75 million.

#### Marpole Income and Spending vs. City-Wide

Metric (2019)	Marpole	City of Vancouver	% Over/Under City
Average Annual Household Income	\$100,133	\$109,914	-9%
Median Annual Household Income	\$62,557	\$74,312	-16%
Aggregate Annual Household Income	\$1.07 billion	\$33.0 billion	
Average Annual Retail + F&B Spend	\$48,205		
Aggregate Annual Retail + F&B Spend	\$441.75 million		

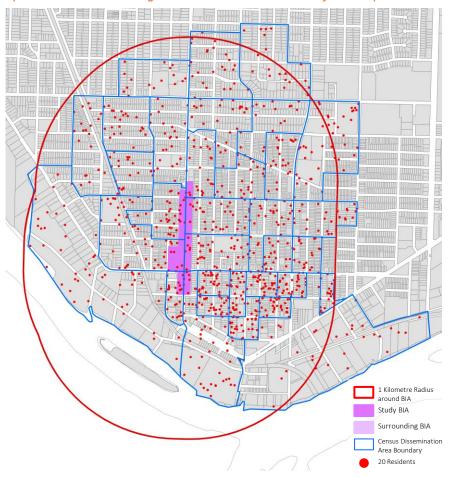
Source: Environics Analytics







#### Population Distribution Living within a One Kilometre Radius of the Marpole BIA



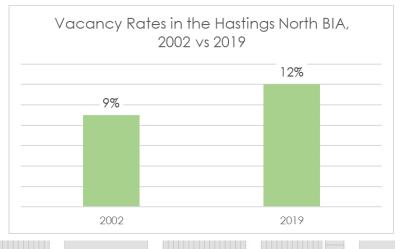
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### Vacancies in the Hastings North BIA, March 2019

- As of March 2019 there were 31 vacancies in the entirety of the Hastings North BIA, accounting for 12% of the total storefront count. However this can be broken out as follows:
  - Vacant and Available for Lease: 11% (28 storefronts).
  - Vacant and Under Construction: 1% (3 storefronts).
  - Vacant storefronts are located along both the North and South side of Hastings Street.





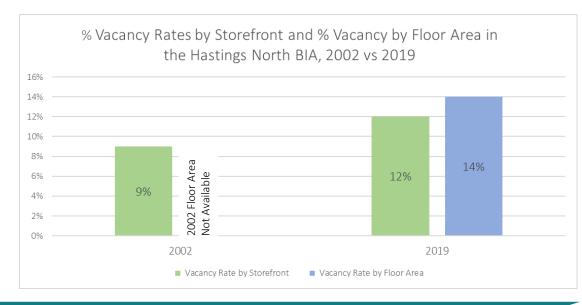


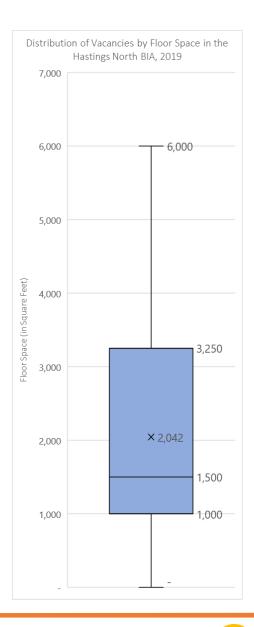




#### Vacancies-2002 and 2019

- Vacancy rates in the Hastings North BIA have increased since 2002; vacancies are characterized by smaller floor areas.
- In 2019, the median vacant floor area was 1,500 square feet with an average vacant floor area of 2,042 square feet.
- Floor area information for 2002 was not available.











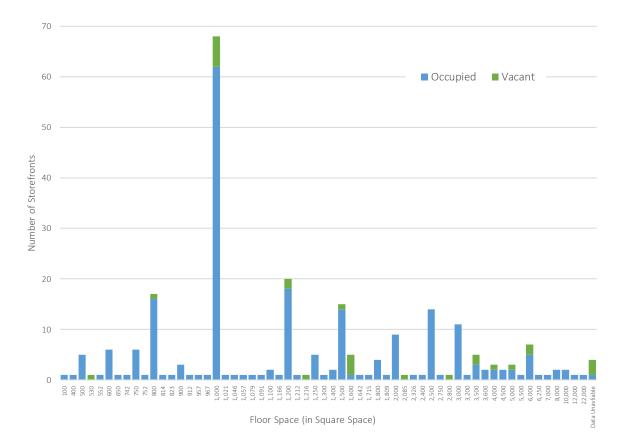
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### Occupied and Vacant Space in Hastings North by Floor Area, April 2019

- There are a total of 257 storefronts in the Hastings North BIA from Victoria Drive to Renfrew St, encompassing 484,414 square feet.
- There were 31 vacancies in 2019, accounting for 12% of total storefronts.
- There were 67,731 square feet of vacant floor area in 2019, accounting for 14% of total floor area.
- Of the 31 noted vacancies, 28 were vacant and available for lease, and 3 were vacant under construction.
- The figure at right shows the distribution of occupied and vacant storefronts by floor area.



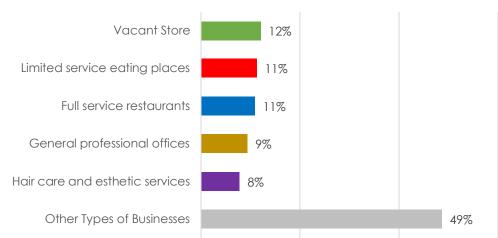






### Business Mix "Top 5", 2002 and 2019, Number of Stores

- Vacancy is much more prominent in 2019, accounting for 31 total storefronts (#1), vs. 21 total storefronts (#2) in 2002.
- There is a remarkably broad range of services and food consumption establishments in the BIA.
- While there is a 12 percent vacancy rate in the BIA, the street remains quite vibrant.



### Top 5 Dominant Categories in Hastings North BIA - 2019 % of Total Businesses

		2019			
Rank	Type of Business Category	Number of Business	% of Total Businesses	Floor Area (in Sq Ft)	% Total Floor Area
1	Vacant Store	31	12%	67,731	14%
2	Limited service eating places	29	11%	36,319	7%
3	Full service restaurants	28	11%	51,313	11%
4	General professional offices	24	9%	48,112	10%
5	Hair care and esthetic services	20	8%	18,759	4%
	Other Types of Businesses	125	49%	262,180	54%
	Total	257	100%	484,414	100%

		2002				
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% of Total Floor Area	
1	General Professional Offices	24	10%			
1*	Limited Service Eating Places	24	10%	•		
2	Vacant Store	21	9%			
3	Full Service Restaurants	17	7%			
4	Hair Care And Esthetic Services	13	5%	Data NO	Data NOL AVAIIADIE	
5	Offices Of Other Health Practitioners	11	5%			
	Other Types of Businesses	128	54%	4		
	Total	238	100%			
	* Tie in Number of Businesses					



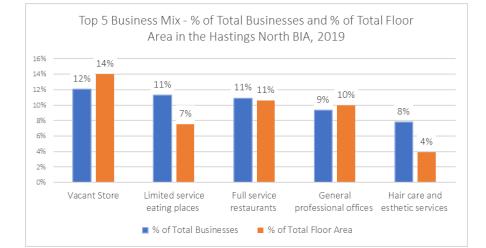


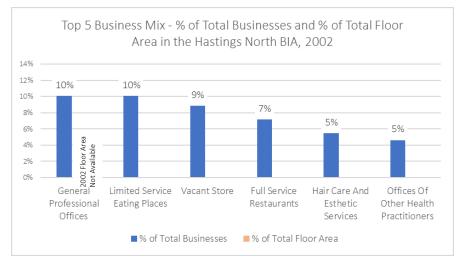


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#### Business Mix "Top 5, 2002 and 2019, Floor Area

- The business mixes in the Hastings North BIA have shifted, but have largely remained similar between their reference periods of 2002 and 2019.
  - Eating establishments in the form of "Full Service Restaurants" and "Limited Service Eating Places" remain the largest combined form of business in the area as they form 22% of the total number of businesses and 18% of floor area in the BIA.
  - General professional office were once the predominant business type (2002), but shifted to the 4<sup>th</sup> place by 2019.





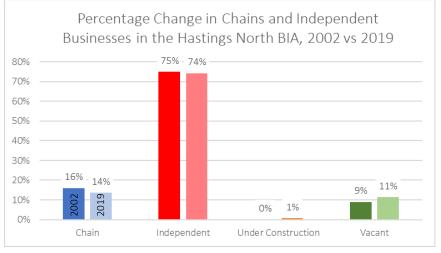






#### Chain vs. Independent Businesses, 2002 and 2019

- CMI ground-floor business inventory data is available for two points in time: 2002, and 2019. The latter was last updated in March 2019 with the assistance of the BIA Executive Director.
- In the 17 years between inventories, the total number of ground floor storefronts increased from 238 storefronts in 2002 to 257 storefronts in 2019.
- Independent Businesses:
  - There was a recorded increase of 12 independent ground floor businesses. However, with the overall addition of 19 storefronts, independent businesses decreased as a proportion of total storefronts, from 75% to 74%.
- <u>Chain Businesses:</u>
  - There was a decrease in total chain businesses, from 38 to 35. There was a corresponding decrease in chains as a proportion of total storefronts, from 16% to 14%.
- Vacancy
  - Increased from 9% to 11%.
  - Under construction increased from 0% to 1%.



Note: Vacancy rates in this section will be differ from the vacancy rates in the previous section for the BIA as the vacancy rate used here disaggregates "Vacant" storefronts into separate "Under Construction" and "Vacant" categories. Furthermore, vacancy numbers may slightly differ due to numbers rounding.

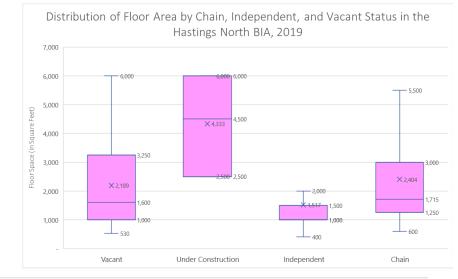


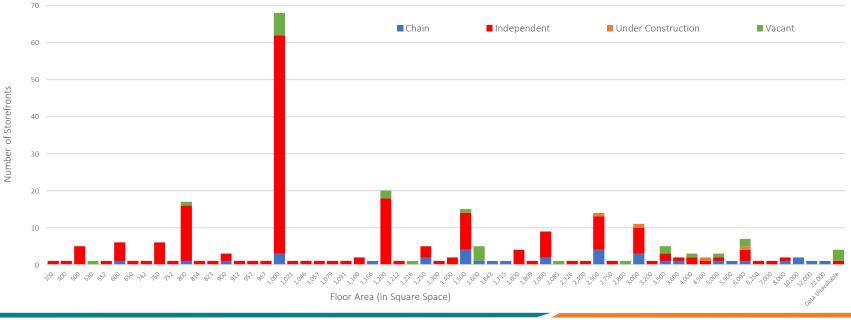




### Chain vs. Independent by Floor Area, 2019

- Independent businesses tend to cluster toward small floor plates.
- Chain businesses can be found at all floor area sizes, but then cluster at large sized floor plates.



















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### Change in Basic and Additional Rent

- Data on changes in basic and additional rent in Hastings North were sourced through calls with brokers, plus information gathered from landlords through the online survey.
- Telephone interviews provided input on 4 properties with an average floor plate of 1,400 square feet; for each, base lease rates were provided for 2011 and 2019
- Survey data provided base rent information for an additional 6 properties. Additional rent information was not provided
- Average annual base rent increases vary from a low of 0% to a high of 13.5%. The latter property also saw a nearly 10% increase in additional rent over the 2011-2019 period

Hastings North Base and Additional Rent Sample Data							
Property	Year	Base Rent (per sf per annum)	Avg. Annual Change in Base Rent (2019 vs. first year)	Additional Rent (per sf per annum)	Avg. Annual Change in Additional Rent		
1	2011	\$ 24.55		\$ 12.75			
	2019	\$ 31.00	3.3%	\$ 16.85	4.0%		
2	2011	\$ 18.43		\$ 8.30			
2	2019	\$ 18.36	-0.05%	\$ 14.62	9.52%		
3	2011	\$ 19.26		\$ 12.03			
	2019	\$ 29.50	6.65%	\$ 21.34	9.67%		
4	2011	\$ 12.00		\$ 8.30			
	2019	\$ 25.00	13.54%	\$ 14.62	9.52%		
	2011	\$ 17.83					
5	2015	\$ 17.83					
	2019	\$22.5	9 3.34%				
	2011	\$ 13.20					
6	2015	\$ 13.20					
	2019	\$ 20.00	6.44%				
	2011	\$ 21.00					
7	2015	\$ 24.00					
	2019	\$ 24.00	1.56%				
	2011	\$ 23.00					
8	2015	\$ 23.00					
	2019	\$ 24.00	0.54%				
	2011	\$ -					
9	2015	\$ 20.16	-				
	2019	\$ 24.00	2.38%				
	2011	\$ 15.89					
10	2015	\$ 17.75					
	2019	\$ 18.66	1.95%				







### Change in Property Ownership, 2012 to 2019

- Over the 8-year period from 2012 to 2019, the proportion of properties in the Hastings North BIA owned by developers and holding companies increased.
- In 2012, 12 properties were owned by developers while, by 2019, 15 properties were owned by developers.
- Ownership changes and increases in certain ownership types such as holding companies may not necessarily reflect fundamental shifts in the beneficial ownership of properties, but rather changes made to better manage business finances and tax obligations.

Types of Ownership	2012	2019	% Change in Ownership Type
Bank	1	0	-100%
Business	15	13	-13%
Developers	12	15	25%
Government	0	1	100%
Holding Company	48	50	4%
Individual	48	55	15%
Non-Profit	1	2	100%
Numbered Corporation	23	23	0%
Owner Occupied	23	17	-26%
Union	1	0	-100%
Utility	1	0	-100%
Total	173	176	



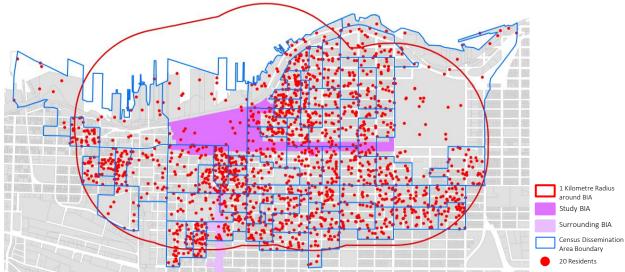




### Population Growth and Density

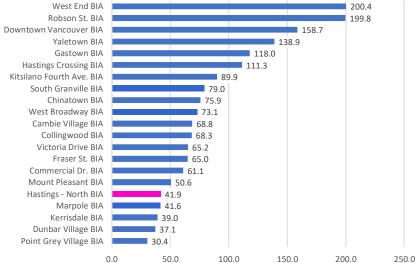
- In 2006, the population within a 1-kilometer radius around the Hastings North BIA was 35,250.
- The population grew slightly over 10 years, reaching 36,206 by 2016.
- Population density in the 1km radius around the entire BIA in 2016 was 41.9 residents per hectare.
- The chart at right compares this density to the 1km radii around all 22 BIAs.

#### Population Distribution Living within a One Kilometre Radius of the Hastings North BIA



#### Victoria Drive BIA Fraser St. BIA Commercial Dr. BIA Mount Pleasant BIA 50.6 Hastings - North BIA 41.9 Marpole BIA 41.6 Kerrisdale BIA 39.0 Dunbar Village BIA 37.1 Point Grey Village BIA 30.4 0.0 50.0

#### Hastings North Population Density vs BIAs City-Wide



Residents per Hectare







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### 5.5 CHANGE OVER TIME: HASTINGS NORTH

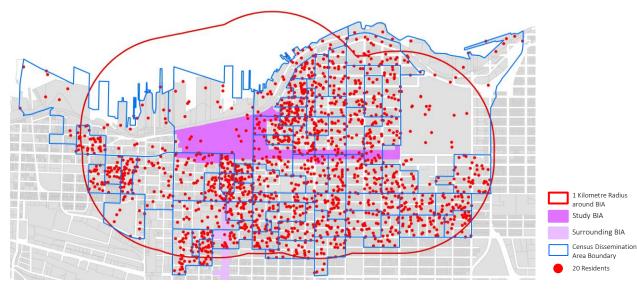
#### Household Income and Spending

- The median and average household incomes within this Study area in 2019 are estimated at \$62,320 and \$85,393, respectively.
- The aggregate household income in the 1-kilometer buffer area was approximately \$1.47 billion.
- The average household retail and food/beverage expenditure in 2019 was just over \$42,000. In aggregate, the figure was \$718.67 million.

Metric (2019)	Hastings North	City of Vancouver	% Over/Under City
Average Annual Household Income	\$85,393	\$109,914	-22%
Median Annual Household Income	\$62,320	\$74,312	-16%
Aggregate Annual Household Income	\$1.47 billion	\$33.0 billion	
Average Annual Retail + F&B Spend	\$42,047		
Aggregate Annual Retail + F&B Spend	\$718.67 million		

Source: Environics Analytics

#### Population Distribution Living within a One Kilometre Radius of the Hastings North BIA









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#### Vacancies - 2005 vs 2019

- As of March 2019 there were vacancies distributed through the entirety of the BIA, accounting for 6% of the total storefront count.
- Most vacant storefronts are located along the north side of Kingsway (9 of 12).
- The area has a healthy vacancy rate for a commercial/retail area.





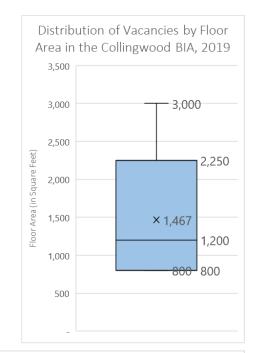




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#### Vacancies - 2005 vs. 2019

- At a 6 percent vacancy rate, the Collingwood BIA has the healthiest vacancy rate out of the six Study areas.
- In 2019, the median vacant floor area was 1,200 square feet with an average vacant floor area of 1,467 square feet.
- Floor area information for 2005 was not available.







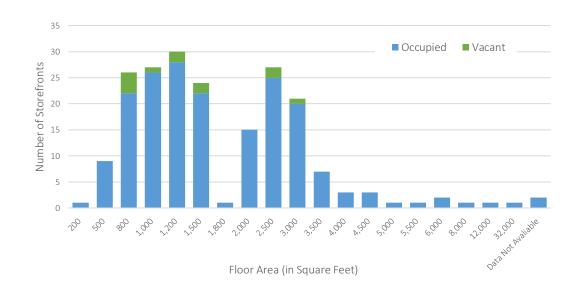




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#### Occupied and Vacant Space in Collingwood by Floor Area, April 2019

- There are a total of 203 storefronts in the Collingwood BIA from Rupert St to Boundary Road, encompassing 411,300 square feet.
- In 2019 there were 12 vacant storefronts, accounting for 6% of total storefronts.
- There were 17,600 square feet of vacant floor area, accounting for 4% of total floor area.
- Of the 12 noted vacancies, all were vacant and available for lease.
- The figure at right shows the distribution of occupied and vacant storefronts by floor area.



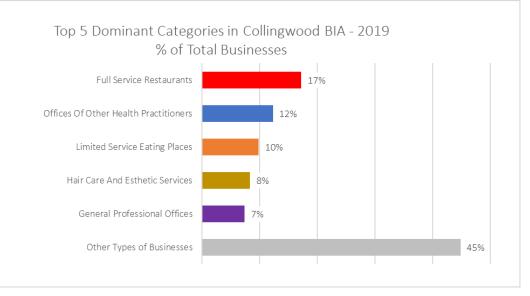






#### Business Mix "Top 5" 2005 and 2019 – Business Counts

- This area of the city is a notable destination for Chinese and other ethnocultural restaurants. Full service restaurants are the predominant business category, accounting for 17% of storefronts and 18% of floor area in 2019.
- If restaurants (limited and full serve) are grouped together, they account for 27% of storefronts and 27% of floor area.
- The number of ground floor general professional offices has decreased since 2005, as have the number of ground floor vacant units. Both represent positive change.



		2019			
Rank	Type of Business Category	Number of Business	% of Total Businesses	Floor Area (in Sq Ft)	% Total Floor Area
1	Full Service Restaurants	35	17%	72,400	18%
2	Offices Of Other Health Practitioners	25	12%	38,300	9%
3	Limited Service Eating Places	20	10%	38,700	9%
4	Hair Care And Esthetic Services	17	8%	19,900	5%
5	General Professional Offices	15	7%	24,800	6%
	Other Types of Businesses	91	45%	217,200	53%
	Total	203	100%	411,300	100%

		2005				
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% of Total Floor Area	
1	Full Service Restaurants	27	12%			
2	General Professional Offices	25	11%			
3	Hair Care And Esthetic Services	20	9%			
4	Limited Service Eating Places	14	6%	Data No	t Avaliable	
5	Vacant Store	13	6%			
	Other Types of Businesses	130	57%			
	Total	229	100%			



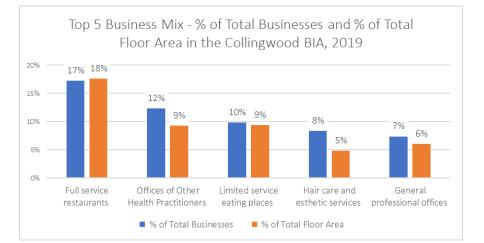


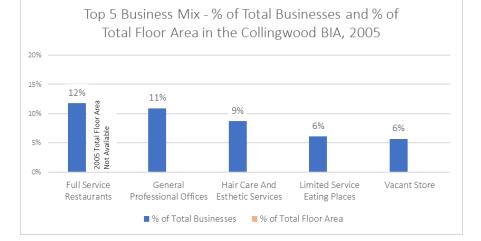


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#### Business Mix "Top 5" 2005 and 2019 - Floor Areas

- The business mixes in the Collingwood BIA have slightly shifted, but have largely remained similar between the reference periods of 2005 and 2019.
- Eating Establishments and Personal Services clusters are major anchors for the local shopping area.
  - Eating establishments in the form of "Full Service Restaurants" and "Limited Service Eating Places" remain the largest combined form of business in the area as they form 27% of the total number of businesses and 27% of floor area in the BIA.
  - Personal Services in the form of Office of Other Health Practitioners, Hair care and esthetic services, and general professional offices, when combined, form 27% of all businesses and 20% of floor space.





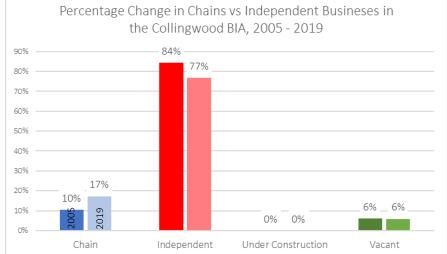






#### Chain vs. Independent Businesses, 2005 and 2019

- Between 2005 and 2019, the number of recorded storefronts in the Collingwood BIA decreased, from 229 to 203.
- Independent Businesses:
  - There was a recorded decrease in independent businesses, from 193 to 156. As a proportion of total, the decrease was from 84% to 77%.
- Chain Businesses:
  - There was an increase in chain businesses, from 24 to 35.
  - As a proportion to total storefronts, chains grew from 10% to 17%.
- Vacancy
  - Vacant storefronts slightly increased from 5% to 6%



Note: Vacancy rates in this section will differ from the vacancy rates in the previous section for the BIA as the vacancy rate used here disaggregates "Vacant" storefronts into separate "Under Construction" and "Vacant" categories. Furthermore, vacancy numbers may slightly differ due to numbers rounding.

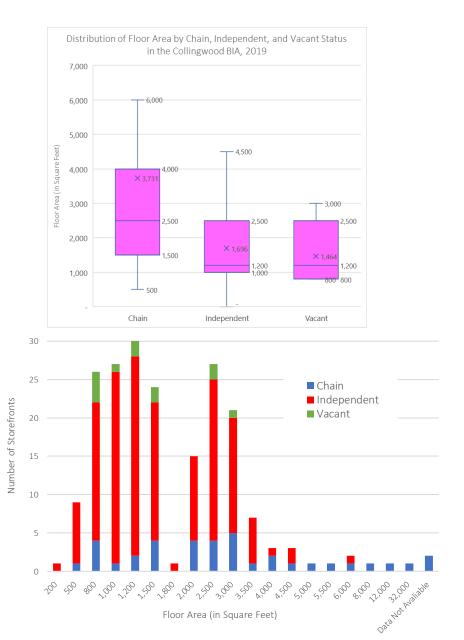






### Chain vs. Independent by Floor Space, 2019

- Independent businesses tend to cluster toward small ٠ floor areas.
  - Median floor areas for chain stores were 2,500 square feet versus 1,200 square feet for independent stores.
- The median vacant storefront square footage was ٠ 1,200 square feet.



Floor Area (in Square Feet)







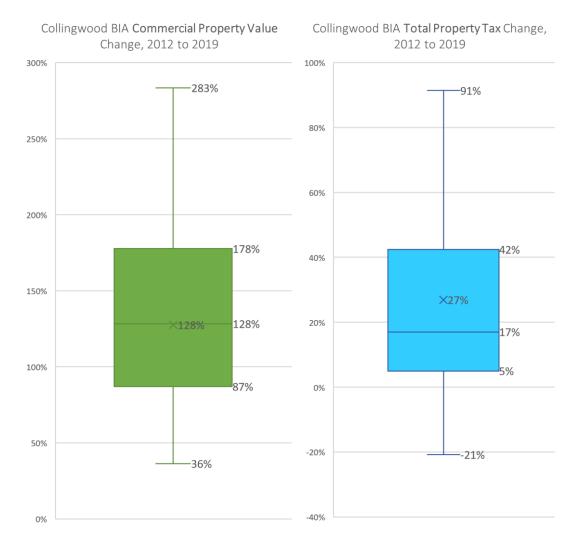
#### Change in Property Values and Property Taxes

#### Total Property Values

- Between 2012 and 2019, Collingwood BIA properties increased in aggregate value by \$327.6 million, from \$225.79 million to \$553.40 million.
- 75% of the total property assessments in Collingwood went up between 87% and 283%
- The top 25% of total properties increased in value by at least 178%.
- The average total assessment increase was 128%
- The median total assessment increase was 128%

#### Commercial Property Taxes

- Over the same time period, commercial property taxes in Collingwood increased from \$2.93 million to \$4.09 million.
- The highest commercial property tax increase was 123%, at 3055 Kingsway (Big O Tires).
- 25% of all properties (excluding outliers) in the Collingwood BIA faced commercial property tax increases from 42% to 91%.
- Average commercial property tax increase was 27%.









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#### Change in Basic and Additional Rent

- Data on changes to basic and additional rent in Collingwood was sourced through broker interviews.
- Survey responses from brokers / landlords were limited (3 surveys completed), and none of these completed surveys provided information on base or additional rents.
- Information gathered through interviews is provided in the table below.

	Collingwood Base and Additional Rent Sample Data							
Property	Year	Base Rent (per sf per annum)	Avg. Annual Change in Base Rent (2019 vs. first year)	Additional Rent (per sf per annum)	Avg. Annual Change in Additional Rent			
1	2014	\$ 22.25		\$ 12.01				
	2019	\$ 25.00	1.5%	\$ 16.82	5.0%			
2	2011	\$ 25.00		\$ 7.00				
Z	2019	\$ 28.00	1.5%	\$ 8.50	2.7%			







### Change in Property Ownership, 2012 to 2019

- Alongside sizeable increases in property values, the Collingwood area has seen a substantial increase in the proportion of properties held by developers increasing from 11 in 2012 to 40 in 2019.
- There has also been a slight increase in the number of properties held by holding companies.

Types of Ownership	2012	2019	% Change in Ownership Type
Bank	2	1	-100%
Business	17	10	-70%
Developers	11	40	73%
Holding Company	27	32	16%
Individual	57	50	-14%
Numbered Corporation	8	8	0%
Owner Occupied	9	9	0%
Union	23	0	N/A
Total	154	150	



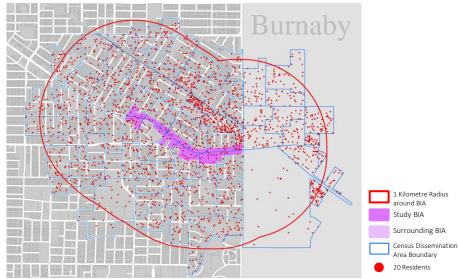




#### Population Growth and Density

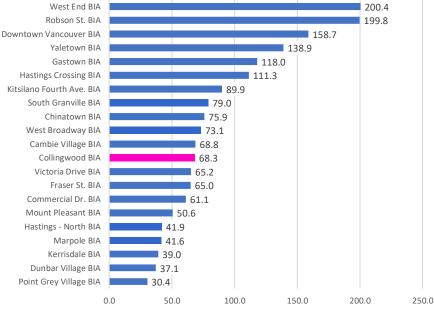
- In 2006, the population within a 1-kilometer radius around the Collingwood BIA was 44,041.
- The population grew significantly over 10 years, reaching 49,225 by 2016. This area growth rate of 12% exceeded the city-wide average growth of 9.2%.
- Population density in the 1km radius around the entire BIA in 2016 was 68.3 residents per hectare, with significant density clustered near the Joyce Collingwood Skytrain station.
- The chart at right compares this density to the 1km radii around all 22 BIAs.

#### Population Distribution Living within a One Kilometre Radius of the Collingwood BIA



# West End BIA

Collingwood Population Density vs BIAs City-Wide









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Residents per Hectare

### Household Income and Spending

- The median and average household incomes within this Study area in 2019 are estimated at \$69,145 and \$87,781, respectively.
- The aggregate household income in the 1-kilometer buffer area was approximately \$1.51 billion.
- The average household retail and food/beverage expenditure in 2019 was just under \$45,000. The aggregate annual retail / food and beverage spend was nearly \$835 million.

Metric (2019)	Collingwood	City of Vancouver	% Over/Under City
Average Annual Household Income	\$87,781	\$109,914	-20%
Median Annual Household Income	\$69,145	\$74,312	-7%
Aggregate Annual Household Income	\$1.51 billion	\$33.0 billion	
Average Annual Retail + F&B Spend	\$44,991		
Aggregate Annual Retail + F&B Spend	\$834.9 million		

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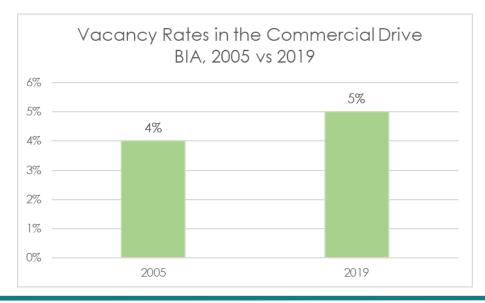
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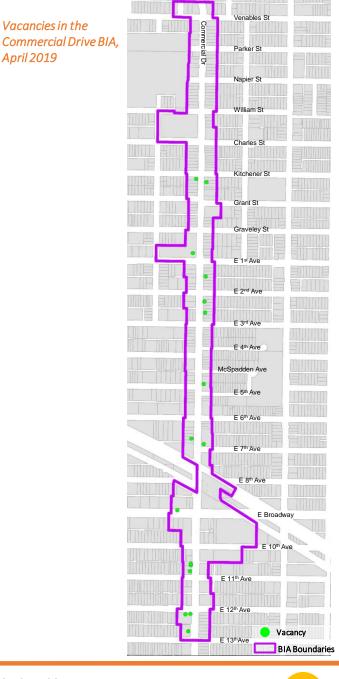
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#### Population Distribution Living within a One Kilometre Radius of the Collingwood BIA

#### Vacancies - 2019

- As of April 2019 there were 15 vacancies in the entirety of the Commercial ٠ Drive BIA, accounting for 5% of the total storefront count.
- The area had a fairly healthy vacancy rate for a commercial/retail area. ٠





systems





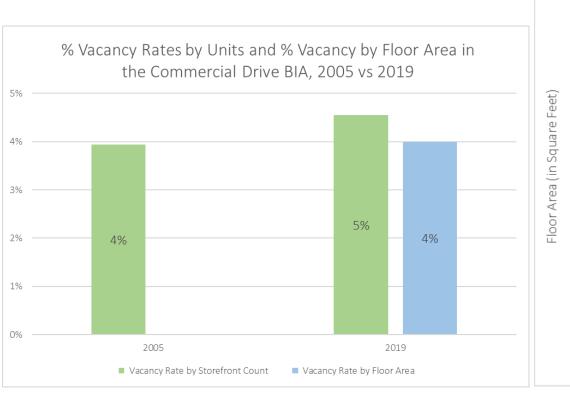
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April 2019

Vacancies - Base vs. 2019

• While increasing 1 percent, vacancy rates have remained largely stable from 2005 to 2019.

Distribution of Vacancies by Floor Space in the Commercial Drive BIA, 2019 3,500 3,000 3,000 2,500 Floor Area (in Square Feet) 2,325 2,000 × 1,770 1,500 1,500 1,013 1,000 500 500





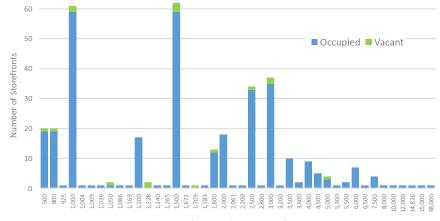




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#### Occupied and Vacant Space in Commercial Drive by Floor Area, April 2019

- There are a total of 352 storefronts in the Commercial Drive BIA from Venables St to East 13th Ave, encompassing 802,341 square feet.
- There are 16 vacant storefronts, accounting for 5% of total storefronts.
- There are 28,315 square feet of vacant floor area, accounting for 4% of total floor area.
- The figure at right shows the distribution of occupied and vacant storefronts by floor area.



Floor Area (in Square Feet)

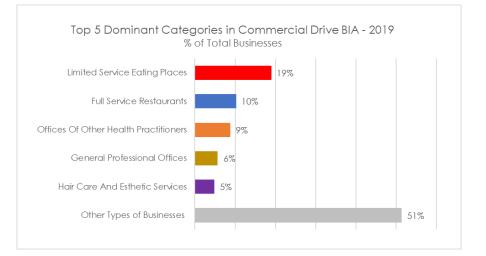






#### Dominant Categories and Themes, 2005 and 2019

- Commercial Drive is a major restaurant destination for local residents and across the City. The combination of limited and full-service eating places (the 1st and 2nd categories for total number of businesses respectively) account for 29% of store counts and 23% of floor area.
- The total number of businesses in Commercial Drive has decreased over 14 years.
- There is considerable business diversity throughout this extensive BIA.



		2019			
Rank	Type of Business Category	Number of Business	% of Total Businesses	Floor Area (in Sq Ft)	% Total Floor Area
1	Limited Service Eating Places	67	19%	116,862	15%
2	Full Service Restaurants	36	10%	67,140	8%
3	Offices Of Other Health Practitioners	31	9%	58,236	7%
4	General Professional Offices	20	6%	55,200	7%
5	Hair Care And Esthetic Services	17	5%	22,000	3%
	Other Types of Businesses	181	51%	482,903	60%
	Total	352	100%	802,341	100%

		2005				
Rank	Type of Business Category	Number of Businesses	% of Total Businesses	Floor Area (in Sq Ft)	% of Total Floor Area	
1	Limited Service Eating Places	61	16%			
2	Full Service Restaurants	33	9%			
3	Offices Of Other Health Practitioners	30	8%	1		
4	General Professional Offices	27	7%	Data No	ot Avaliable	
5	Hair Care And Esthetic Services	23	6%			
	Other Types of Businesses	207	54%			
	Total	381	100%	1		

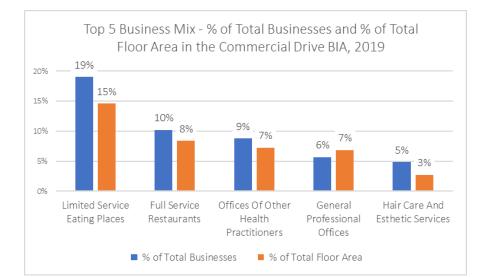




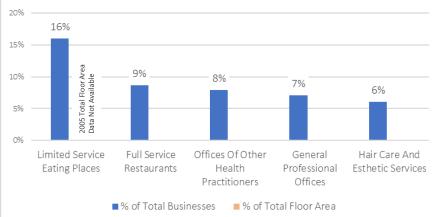


#### Business Mix "Top 5", 2005 and 2019, Floor Area

- The business mixes in the Commercial Drive BIA remain very stable as the top 5 business types in 2005.
- Eating establishments in the form of "Full Service Restaurants" and "Limited Service Eating Places" remain the largest combined form of business in the area as they form 29% of the total number of businesses and 23% of floor area in the BIA.
- Services in the form of Office of Other Health Practitioners, General professional offices and Hair care and esthetic services combined to form 20% of all businesses and 17% of floor space which illustrates this importance of these business types to neighbourhood vitality.









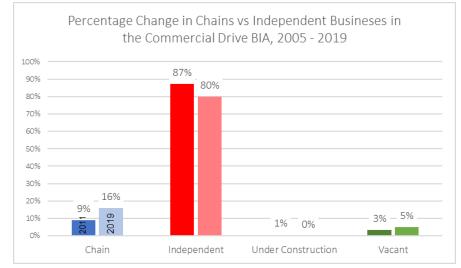




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#### Chain vs. Independent Businesses, 2005 - 2019

- In the 14 years between inventories, the total number of ground floor storefronts declined by 6.5%, dropping from 381 to 352.
- Independent Businesses:
  - Independent ground floor businesses have decreased from 332 to 280 businesses, equating to a decrease in proportion from 87% to 80%.
- Chain Businesses:
  - There was an increase in ground floor chain businesses, from 34 in 2005 to 56 in 2019 – a gain of 22. This equates to an increase in proportion from 9% to 16%.
- Vacancy
  - Vacant storefronts increased from 13 to 16, but the rate remained relatively low with an increase from 3% to 5%. This is partly due to the decrease in total storefronts. Note that there were 2 storefronts under construction in 2005.



Note: Vacancy rates in this section will differ from the vacancy rates in the previous section for the BIA as the vacancy rate used here disaggregates "Vacant" storefronts into separate "Under Construction" and "Vacant" categories. Furthermore, vacancy numbers may slightly differ due to numbers rounding.

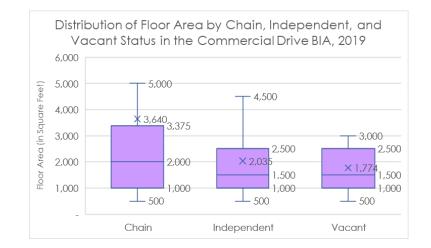




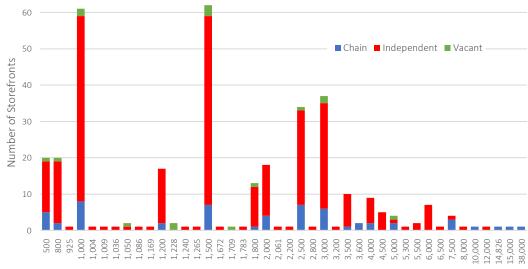


#### Chain vs. Independent by Floor Space

- Independent businesses tend to cluster toward small floor areas.
  - Median floor areas for chain stores were 2,000 square feet versus 1,500 square feet for independent stores.
- The median vacant storefront square footage was 1,500 square feet.



### Chain vs. Independent vs. Vacant, 2019



Floor Area (in Square Feet)







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### 5.7 ANALYSIS OF CHANGE: COMMERCIAL DRIVE

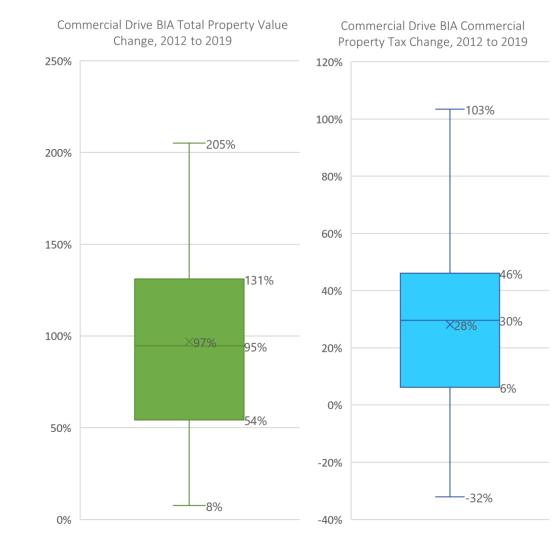
#### Change in Total Property Values and Commercial Property Taxes

#### Total Property Values

- Between 2012 and 2019, Commercial Drive BIA properties increased in aggregate value by \$493.82 million, from \$435.83 million to \$929.67 million.
- 75% of the total property assessments in the Commercial Drive BIA went up between 54% and 205%.
- The top 25% of properties increased in value by at least 131%.
- The average total assessment increase was 97%.
- The median total assessment increase was 95%.

#### Commercial Property Taxes

- Over the same time period, commercial property taxes in Commercial Drive BIA increased from \$5.93 million to \$7.94 million.
- The highest commercial property tax increase was 103%, at 1102 Commercial Drive.
- 25% of all properties in the Commercial Drive BIA faced commercial property tax increases by at least 46%.
- The average commercial property tax increase was 28%, while the median commercial property tax increase was 30%.









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### Change in Property Ownership, 2012 to 2019

- Property ownership classifications have been relatively stable in most categories over the last 8 years.
- There has been an uptick in the number of properties held by developers, increasing from 7 to 19.
- There has also been a decrease in the number of owner-occupied units (17 to 10).

Types of Ownership	2012	2019	% Change in Ownership Type
Bank	3	1	-67%
Business	15	13	-13%
Developers	7	19	171%
Government	0	1	100%
Holding Company	98	99	1%
Individual	101	106	5%
Non-Profit	4	3	-25%
Numbered Corporation	10	14	40%
Owner Occupied	17	10	-41%
Total	255	266	



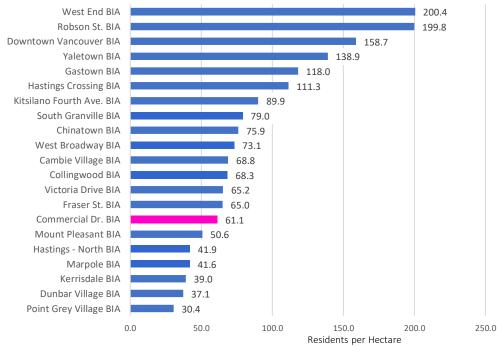


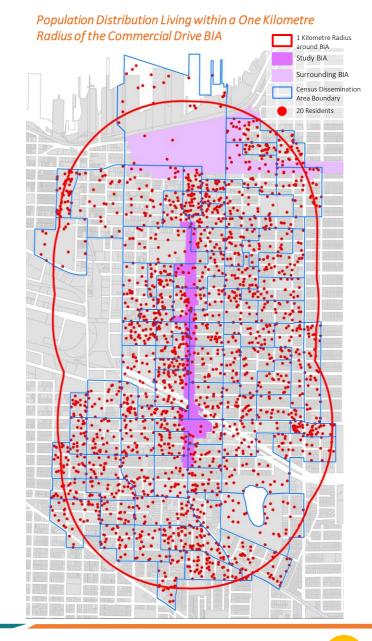


#### Population Growth and Density

- In 2006, the population within a 1-kilometer radius around the Commercial Drive BIA was 42,971.
- The population grew over 10 years, reaching 45,399 by 2016 for an area growth rate of 5.7%.
- Population density in the 1km radius around the entire BIA in 2016 was 61.1 residents per hectare.
- The chart compares this density to the 1km radii around all 22 BIAs.

#### Commercial Drive BIA Population Density vs BIAs City-Wide









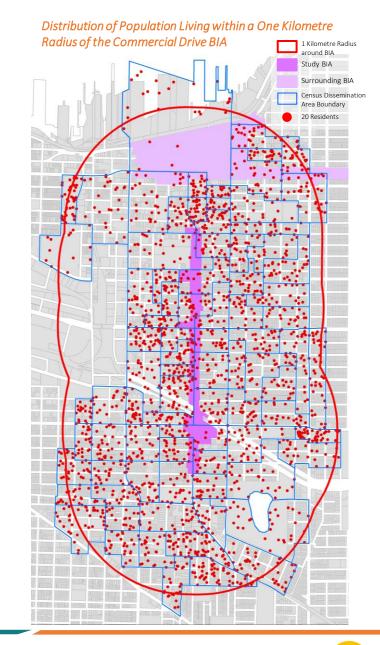


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### Household Income and Spending

- The average and median household incomes within this Study area in 2019 are estimated at \$91,597 and \$67,483, respectively.
- The aggregate household income in the 1-kilometer buffer area was approximately \$2.06 billion.
- The average household retail and food/beverage expenditure in 2019 was \$44,845. In aggregate, this figure was \$991.5 million.

Metric (2019)	Commercial Dr.	City of Vancouver	% Over/Under City
Average Annual Household Income	\$91,597	\$109,914	-17%
Median Annual Household Income	\$67,483	\$74,312	-9%
Aggregate Annual Household Income	\$2.06 billion	\$33.0 billion	
Average Annual Retail + F&B Spend	\$44,845		
Aggregate Annual Retail + F&B Spend	\$991.5 million		









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- Data presented above for each of the six Study areas suggests that, generally, independent businesses cluster in smaller floor plates, while chain businesses locate on larger floor plates.
- As noted previously, business size ranges vary by category. What is 'small' for one category may be 'large' for another.
- The charts on the following pages present:
  - Typical floor area size ranges (minimum, maximum, median and mean) for the amalgamated 'top 10' business categories (including vacant space) for the combined inventories of all six Study areas
  - 2. Floor space area ranges for the amalgamated 'top 5' business categories, looking at size range differences between independent and chain businesses







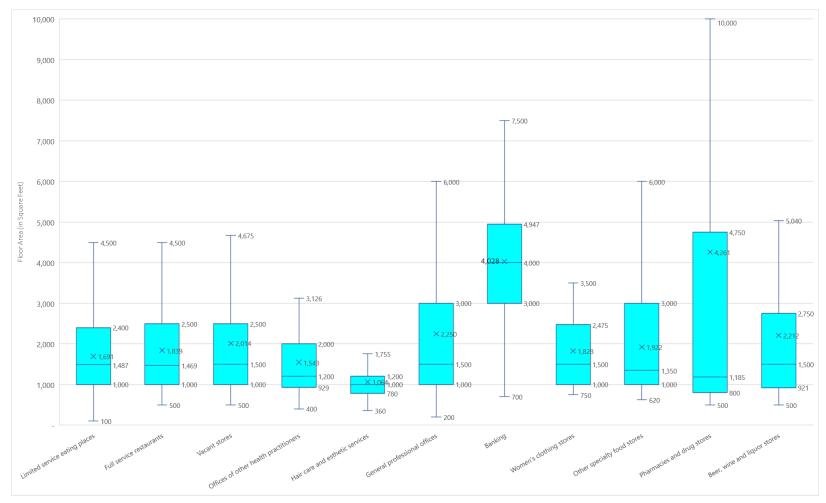




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### Top 10 Business Types by Floor Area (in square feet)

• The box / whisker plots below show the range of business sizes for the amalgamated 'top 10' categories of all six Study areas.





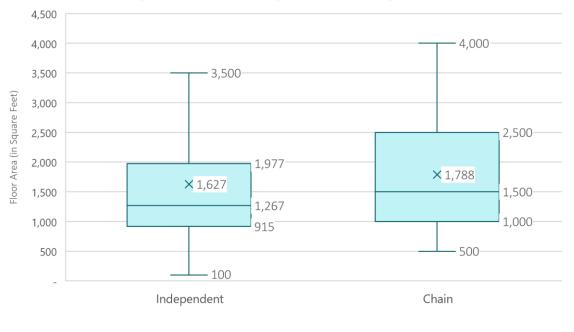




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#### Limited Service Food and Beverage – Chain vs. Independent

- There are 116 independents and 76 chains in the Limited Service Food and Beverage category across the six combined Study areas.
- The median floor area size of an independent in this category is under 1,300 square feet, whereas the median size of a chain is 1,500 square feet.
- The average floor area size of an independent is just over 1,600 square feet, compared to nearly 1,800 square feet for chains.



Limited Service Eating Establishment in All Study Business Improvement Areas -Independents vs Chains by Floor Area (in Square Feet)





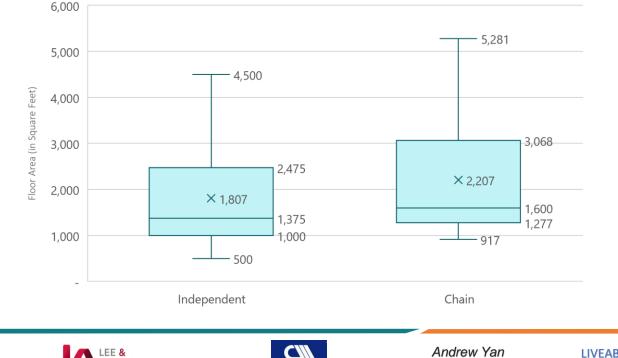


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#### Full-Service Food and Beverage – Chain vs. Independent

- There are 136 independents and 12 chains in the Full-Service Food and Beverage category across the six combined Study areas.
- The median floor area size of an independent is nearly 1,400 square feet, while the median size of a chain is 1,600 square feet.
- The average floor area size of an independent is just over 1,800 square feet, compared to 2,200 square feet for chains.

Full Service Restaurants in All Study Business Improvement Areas -Independents vs Chains by Floor Area (in Square Feet)





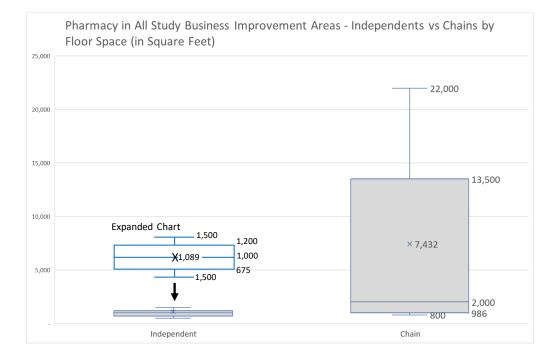




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#### Pharmacies and Drug Stores - Chain vs. Independent

- There are 13 independents and 13 chains in the Pharmacies and Drug Stores category across the six combined Study areas.
- The median floor area size of an independent is 1,000 square feet, compared to 2,000 for a chain.
- The average floor area size of an independent is very close to the median (just under 1,100); average chain size is over 7,500 square feet.
- There is significant floor area size range in this category amongst chain businesses.





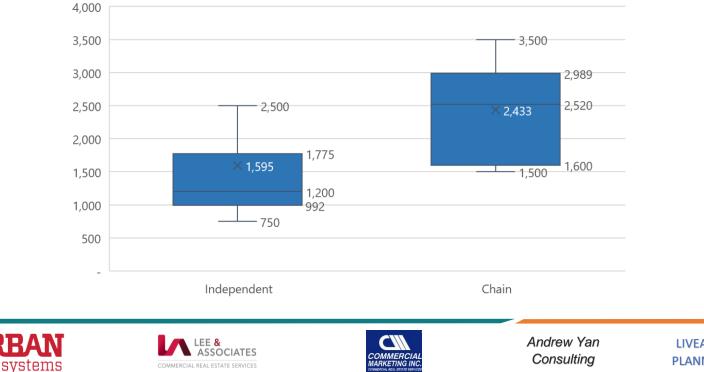




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#### Apparel (Women's Clothing) – Chain vs. Independent

- ٠ There are 26 independents and 7 chains in the Women's Clothing category across the six combined Study areas.
- ٠ The median floor area size of an independent is 1,200 square feet, compared to 2,500 for a chain.
- The average floor area size of an independent is nearly 1,600 square feet, ٠ compared to 2,400 for chains.



Women's Clothing Store in All Study Business Improvement Areas -Independents vs Chains by Floor Space (in Square Feet)

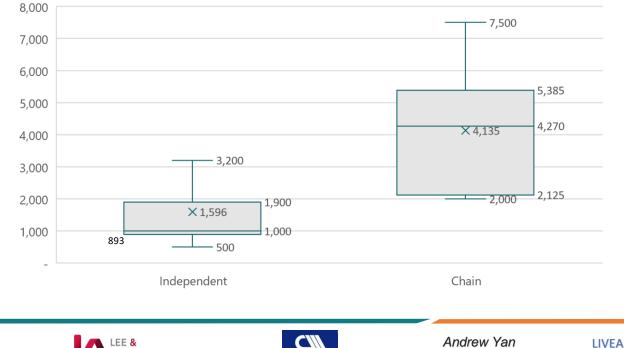




#### Beer, Wine, Liquor and Cannabis Stores – Chain vs. Independent

- There are 25 independents and 8 chains in the Beer, Wine, Liquor and Cannabis category across the six combined Study areas.
- The median floor area size of an independent is 1,000 square feet, compared to nearly 4,300 square feet for a chain.
- The average floor area size of an independent is nearly 1,600 square feet, compared to 4,100 for a chain.

Beer, Wine, Liquor, and Cannabis Stores in All Study Business Improvement Areas -Independents vs Chains by Floor Space (in Square Feet)









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### Synopsis

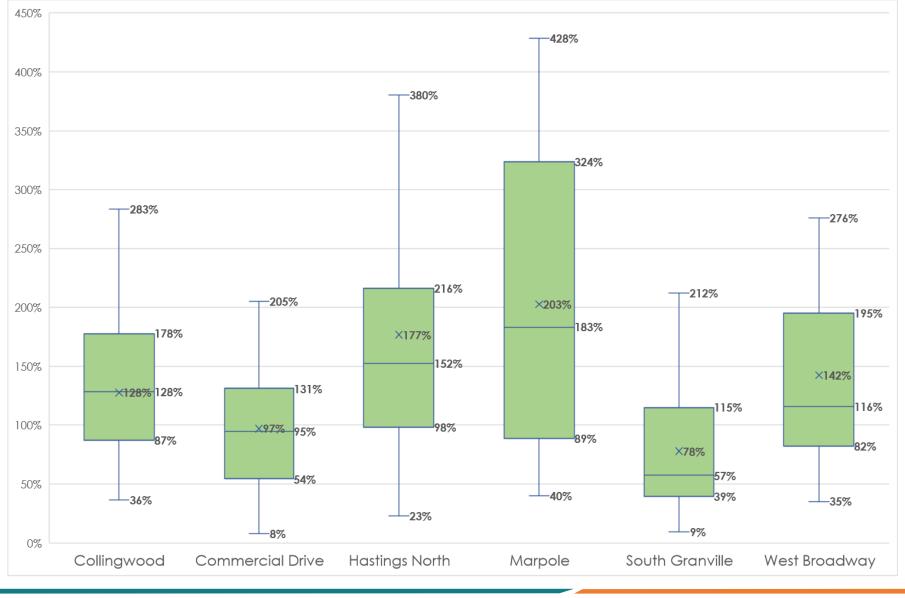
- Independents smaller than chains: Across the top 5 categories, we find that across all Study areas, independent businesses operate in smaller floor plates than chain businesses.
- Size range greater for chains: The ranges of floor plate size variability is greater amongst chain businesses in all the top 5 categories.
- **Pharmacies large and small:** The most dramatic variance between independent and chain floor plate sizes amongst the top 5 categories is in the pharmacy category, where the largest independent is only 1,500 square feet while the largest chain is 22,000 square feet.
- Smaller, Independent Restaurants: Restaurants (limited, and full serve), while showing less difference between chains and independents than other categories, still show a distinct difference in average, median and max sizes between chains and independents
- Smaller areas, fewer people: The smaller floorplates also most likely reflect smaller businesses in terms of number of employees.







### 5.9 TOTAL PROPERTY VALUE CHANGE COMPARISON ACROSS ALL STUDY AREAS, 2012 TO 2019



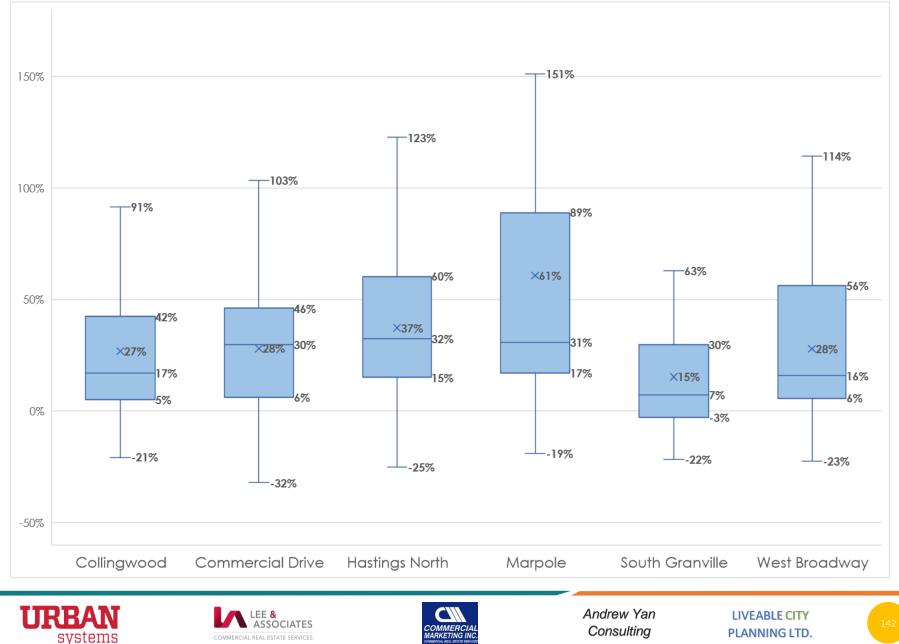






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### 5.10 COMMERCIAL PROPERTY TAX CHANGE COMPARISON FOR ALL STUDY AREAS, 2012 TO 2019

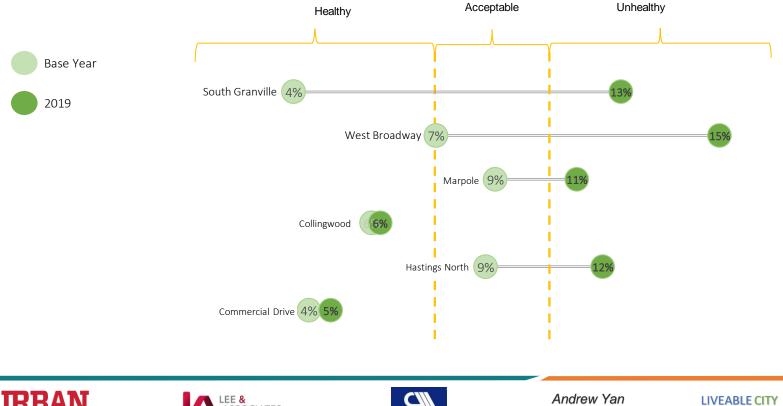


## 5.11 AMALGAMATED SUMMARY: CHANGE OVER TIME, ALL STUDY AREAS

#### Vacancy

- Generally speaking, vacancy rates above 10% are a signal of possible health / vitality challenges in a local shopping area.
- In their respective baseline years, all six Study areas were within the 'healthy' (<7%) or 'acceptable' (7-10%) vacancy ranges, with the lowest vacancy being seen in South Granville and Commercial Drive (4% and 4% on a storefront basis).
- In 2019, four of the six Study areas had vacancy rates at or above 10%.

#### Vacancy Rate as proportion of total storefronts, base year vs. 2019







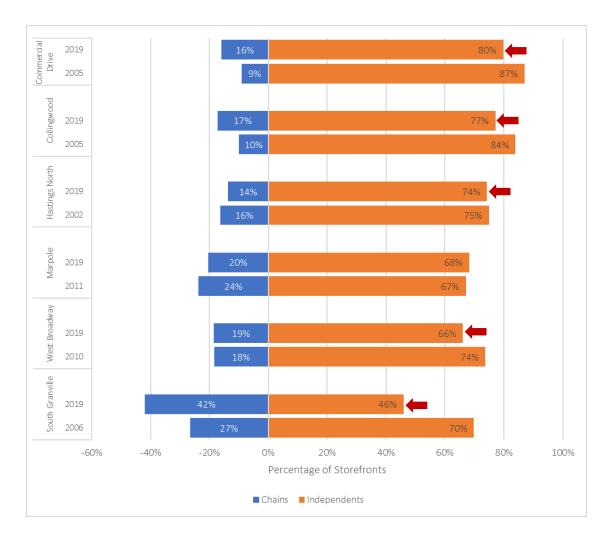


### 5.11 AMALGAMATED SUMMARY: CHANGE OVER TIME, ALL STUDY AREAS

Proportion of Storefronts by Chain Status, Base Year vs. 2019

#### Chains vs. Independents

- There is not a single story across the six Study areas around chain vs. independent business trends.
- South Granville exhibited the clearest example of independent business decrease and chain business increase; however, this area also saw a substantial increase in vacancy.
- Collingwood and Commercial Drive both saw increases in chain business and a corresponding decrease in independent business.
- Marpole and Hastings North saw a decrease in the proportion of chains; Hastings North also saw a decrease in the proportion of independents, while Marpole saw a slight increase in proportion of independents.
- In five of the six areas, the percentage of independent businesses decreased.
- Independents are not necessarily being replaced by chains, but in some areas by vacancies.









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Change in Storefronts by Chain Status and Vacancy, Base Year vs. 2019

	All Study Areas, a	# of Storefronts	Absolute	% Change
	Base Year	2019	Change	
Chain	230	285	55	24%
Independent	1,127	983	-144	-13%
Total Active Businesses	1,357	1,268	-89	-7%
Vacant (excluding Under Construction)	88	123	35	40%
Total Active + Vacant	1,445	1,391	-54	-4%

Change in Number and Proportions of Independent Businesses, Base Year vs. 2019

Catagony	All Stud	y Areas	Absolute Change	% Change	
Category	Base Year	2019	Absolute Change		
Automotive Goods & Services	14	8	-6	-43%	
Comparison Goods	332	202	-130	-39%	
Convenience Goods & Services	455	433	-22	-5%	
Entertainment & Leisure	9	16	7	78%	
Food & Beverage	246	267	21	9%	
Service Commercial	70	57	-13	-19%	
Grand Total	1,126	983	-143	-13%	

Change in Number and Proportions of Chain Businesses, Base Year vs. 2019

Catagony	All Stud	y Areas	Absolute Change	% Change	
Category	Base Year	2019	Absolute Change	% Change	
Automotive Goods & Services	9	5	-4	-44%	
Comparison Goods	38	56	18	47%	
Convenience Goods & Services	107	120	13	12%	
Entertainment	2	1	-1	-50%	
Food & Beverage	61	90	29	48%	
Service Commercial	13	13	0	0%	
Grand Total	230	285	55	24%	

### Chains vs. Independents

- Across the 6 Study areas in total, between their respective base years and 2019, there was a 24% increase in chains, a 13% decrease in independents, a 40% increase in vacancies, and 7% decrease in the number of active storefronts.
- Amongst chain businesses, there was a slight decrease in the number of service commercial establishments, and notable increases in number of active businesses in the broad categories of Comparison Goods, Convenience Goods, and Food & Beverage.
- Amongst independent businesses, there was an *increase* in the absolute number and proportion of Food & Beverage establishments. There was a significant decrease in the number of independent retailers in the broad category of Comparison Goods, and a smaller but still significant decrease in the number of independents in the Convenience Goods category. The number of independents providing personal and professional services also declined.

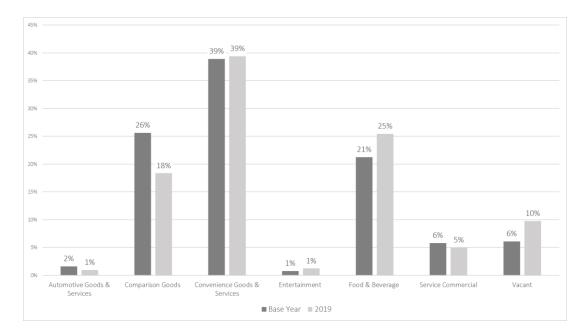






### Active Business Categories and Vacancies

- Looking at high-level business categorization for both chains and independents, the following changes could be observed between baseline survey years and 2019:
  - Notable decrease in the proportion of active businesses in Comparison Goods categories
  - Significant increase in proportion of active Food & Beverage businesses
  - Relative stability in the proportion of Service Commercial businesses
  - A decrease in Automotive Goods and Services businesses
  - An increase in vacant storefronts (includes ones under construction)



### Change in Proportions of Storefronts by Category and Vacancy, Base Year vs. 2019







### Property Ownership, 2012 to 2019

- Across the six Study areas there has been a general decrease in the number of properties owned by individuals (-6%) and occupier business ownership (-25%), compared to properties owned by development companies (+71%) and numbered corporations (+45%).
- Increases in ownership by numbered corporations and decreases in owner-occupied or individual ownership can be a sign of changing ownership models amongst business owners for a variety of reasons (e.g. taxation, estate planning).
- The increase in ownership by development companies and holding companies may be a signal of future redevelopment of existing buildings.

Property Ownership							
	All Stuc	ly Areas	% Change in				
	2012	2019	Ownership Type				
Business	95	67	-29%				
Developers	68	116	71%				
Financial Institution	13	5	-62%				
Holding Company	275	301	9%				
Individual	301	284	-6%				
Non-Profit	7	7	0%				
Numbered Corporation	60	87	45%				
Owner Occupied	76	57	-25%				
Public	35	17	-51%				

Definitions: A property is categorized as being owned by "individual" when the ownership record list a person's name as a property's owner, "business" owned occurs when a business name is listed as the owner. In both cases, when the assessment title is not being sent to the assessed address, it is assumed that the property is not being owner occupied. An owner occupied property is assumed to occur when the assessment is being sent to the same address as the assessed property and lists an individual or business as its owner.

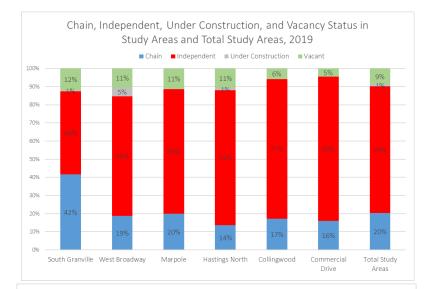


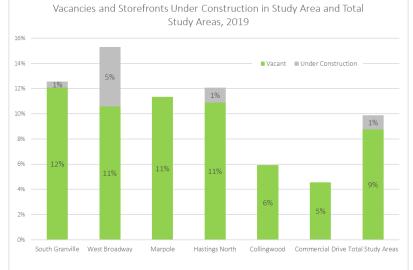




### 2019 Snapshots

- Retail and Commercial activities are highly localized, and one model does not fit all.
- Some BIAs are thriving, but other areas are struggling for a number of localized and overall market reasons.
- Each BIA has its own mix of independent and chain stores, but it is important to note the deeper diversity within each BIA in terms of entrepreneur, family owned, and new immigrant businesses.
- Vacancy is a concern in four of the six Study areas.











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### Displacement of Independents by Chains is Not Universal

- There has not been a universal 'surge' of chains replacing independents.
  - Two areas (**Marpole and Hastings North**) have a lower proportion of chain businesses today (by storefront count) than in the comparative base years.
  - West Broadway saw the chain business ratio increase slightly between base year and 2019, increasing from 18% to 19%.
  - South Granville saw the proportion of chain businesses increase most significantly (with a corresponding decrease in independent businesses), from 27% to 41%.
  - Commercial Drive and Collingwood saw increases in chains from 9% to 16% and 11% to 17% respectively

#### Independent Business Counts have Decreased in Most Areas

• Despite variability across Study areas around the trend of chains (less dominant in two areas, slightly more dominant in three areas, and more notably dominant in one area), independent businesses saw a decrease in their proportion of storefronts in *five of the six* <u>Study areas</u>

- In **Collingwood** and **Commercial Drive**, the loss of independents has been largely offset by an increase in chains, with vacancy remaining relatively low.
- In **Hastings North**, the slight decline in independents has paralleled a slight decline in chains, and an increase in vacancy.
- In **South Granville** the story is one of both significant loss of independents and increase in chains, and a significant increase in vacancies.
- In West Broadway, an 8% decline in independents has corresponded with a 1% increase in chains, a 3% increase in vacancy, and a 5% increase in space under construction.

#### Vacancy has become More Significant

- In all but one area (Collingwood), vacancy rates have increased between the base year and 2019
- For 3 of the 5 Study areas, vacancy rates have crossed into potentially 'unhealthy' territory (>10%)







### Independents Operate in Smaller Spaces

- Across the 'top 5' categories in each of the six Study areas, independent businesses were found to operate in smaller floor plates than chain businesses.
- Additionally, the variability in the range of floor plate sizes appeared much greater amongst chain businesses. They also varied considerably by category.

#### Property Values Increased Substantially

 Looking at data points from 2012 and 2019, values for commercial properties increased by an average of between 78% (South Granville) and 250% (Hastings North).

### Additional Rents, Including Property Taxes, Have Increased

- Property taxes typically comprise a significant component of "additional rent", but its proportion varies area to area and business to business.
- Within the sample rental data, additional rent increases were much higher in single-storey commercial buildings with unused development potential.
- Looking at data points from 2012 and 2019, average property taxes increased between 15% (South Granville) and 47% (Marpole). Average tax increases were highest in 2 areas subject to recent community plans (Marpole and a portion of Hastings North).

### Base Rents in Sample Buildings have Increased, but More Modestly

- While sourced from a small data set (based on lease information sourced from landlords and brokers for a sample of properties), it was found that base rents did not go up universally, and where they did go up, their rate of increase was typically modest.
- Anecdotal evidence suggests that many landlords are moderating rent increases, and in some cases are decreasing base rents, as businesses struggle to manage the burden of substantial increases to additional rents.







### Property Ownership is Changing

- The nature of ownership of commercial properties is shifting in the six Study areas, with more properties owned today by development companies and numbered corporations, and fewer owned by owner-occupied businesses or individuals
- Some of the observed change in property ownership, such as the decrease of individual ownership and increase of numbered companies, may be a reflection more of the nature of business taxation and the sophistication of the owner/operators, rather than a substantial structural change.
- However, the increase in ownership by development companies and holding companies is likely a signal of future redevelopment intent.
- The analysis of available data suggests a correlation between the rate of property turnover and the preponderance of vacant storefronts. This relationship requires further exploration.

Businesses are Facing Increasing Competition from E-Commerce and Other Sources

 Business owners in many sectors are facing more competition from online sales. Restaurants are facing a shift in the proportion of their business tied to food delivery. As these trends advance, they are likely to lead to greater shifts in how retailers and service providers use their space and may impact the general tenant mix in retail areas.

- Some of the emerging implications of e-commerce, omni-channel retailing and other major trends will likely include:
  - Demand for more distribution and logistics space to facilitate delivery of both retail goods and food
  - Greater demand for retail spaces that can be combined with production, distribution and repair
  - Greater demand for floor area related to online order and delivery preparation
  - Ability to accommodate pop-up shops in vacant space, and for businesses to respond quickly to changing market demand
  - Increasing importance of entertainment, personal services, unique restaurants and non-retail uses such as libraries, community centres and the like, in local shopping areas, both as anchor uses drawing foot traffic to other businesses, and in providing places to gather as a community.
- E-Commerce and omni-channel sales may benefit some small businesses. Third-party delivery allows restaurants to increase their effective trade areas. For specialized retailers and boutique manufacturers, online sales can be a major benefit, particularly if an area is experiencing declining foot traffic or a stagnant trade area population.







### Chains and Independents can form parts of a Healthy Retail Ecosystem

- "Chain" or "independent" can be a function of time. What is a chain today may once have been an independent (e.g. Starbucks). Similarly, businesses that grow to become chains may also shrink and become independents once more (e.g. Strong's Market). A healthy retail ecosystem allows businesses to scale, grow, contract, and test the possibilities of the marketplace.
- Chain businesses, by virtue of their size or the segments they operate in, can act as anchor tenants for commercial areas. Common examples are chain supermarkets, pharmacies, and financial institutions. Chains are also more likely to be able to lease larger storefronts, which many independents are financially unable to occupy. Chains do, however, tend to have lower local economic multiplier benefits. However, this may miss nuance within the 'chain' category. A local chain of 7-8 businesses for instance will likely be quite different in how it interacts with the local community than a national or global chain.
- A retail ecosystem that allows all businesses to thrive is one of stable and predictable costs, reasonable permitting requirements and timelines, a welcoming and safe public realm, flexible building design, and a strong local customer base. In such an environment, all businesses with sound operating fundamentals should be able to compete effectively for space and customers.
- Chain businesses are often more resilient than independents due to their ability to pay higher rents, weather long permitting processes, and offset unpredictable cost increases through their economies of scale and ability to access financing.

- A 'displacement' of independents by chains in a local area, which has been seen in some of the Study areas, is a multi-faceted issue, likely a function of:
  - Chains' generally greater ability to withstand sudden escalation to their operating costs in the form of rents (including commercial property taxes).
  - Chains' ability to offset losses associated with lengthy permitting processes.
  - Chains' ability to pre-lease new space under development.







# 6.0 ENGAGEMENT WITH BUSINESS COMMUNITY

LIBRARY

### 6.1 OVERVIEW OF APPROACH: SURVEYS AND ROUNDTABLES

Building upon the analysis of change over time in the six Study areas presented in Section 5, we conducted primary research with business owners, operators, brokers and landlords to understand their perceptions of the challenges and change drivers in their respective shopping areas. Two parallel approaches were undertaken in each of the six case Study areas:

- 1. Surveys of local business owners, operators, landlords, brokers and property managers; and
- 2. Roundtable meetings with BIA members, BIA Executive Directors (EDs) embedded industry experts, and City staff.

This information was supplemented with one-on-one conversations with industry experts and follow-up discussions with BIA EDs. It is worth noting that these surveys were completed in advance of COVID-19 measures which have had significant and ongoing negative impacts on local shops and services.

### Retailer / Business Surveys Received by Area and Business Type

BIA	Food & Beverage	Personal Service	Destination Retail	Other Retail	Health / Fitness	Other	TOTAL
South Granville	0	2	1	0	0	0	3
West Broadway	13	7	2	4	2	2	30
Marpole	0	1	0	1	0	1	3
Hastings North	4	8	1	3	0	3	19
Collingwood	0	3	0	0	0	1	4
Commercial Drive	14	9	5	10	1	4	43

#### Surveys Overview

- The objective of the direct surveys was to collect detailed information from local business owners/operators, landlords, brokers and property managers on the state of retail and service businesses in the Study areas.
- For the South Granville BIA 'pilot' study, surveys were distributed first in hard copy and only later via electronic mailout. For the other Study areas, surveys were developed on an online platform (Voxco.com); BIA Directors emailed survey URL links directly to their membership.
- Responsibility to complete the surveys was left with survey recipients. BIA leaders were asked to follow up with members to encourage survey completion.
- Figures on surveys received and completed, along with geographic and business sector survey sources, are presented below.

### Surveys Received and Completed

Survey Type	Responses*	Completed**
Landlords / Brokers/ Property Owners	17	16
Retailers / business owners	102	85

\*<u>Responses</u>: number of surveys received with some useful data (i.e. more than name and contact info), but not marked "complete" by Voxco

\*\*<u>Completed</u>: number of surveys marked "complete" by Voxco







### 6.1 OVERVIEW OF APPROACH: SURVEYS AND ROUNDTABLES

### **Surveys Limitations**

- Response rates varied considerably from BIA to BIA.
- Small sample sizes for landlord / broker surveys, and relatively small sample sizes for retailer surveys from 3 of the 6 Study areas, ultimately preclude the ability to compare results across BIAs, or across business categories.
- Survey results are, however, useful in aggregate for identifying general trends, indicators and drivers of change.
- Survey results are presented in their entirety in Appendices F and G.

### **Roundtables Overview**

- A 2-hour roundtable event was held in each of the 6 Study areas, between 9:30 and 11:30am on a weekday.
- The roundtables were organized by BIA leaders and the consulting team, and attended by BIA leadership, BIA members, industry experts, consultants, and City staff.
- A pilot roundtable was held in South Granville on June 19th 2019, and the final roundtable was held in Hastings North on September 5th, 2019.
- Invited industry experts were embedded into the roundtable events, in lieu of a formal advisory committee.
- The core objectives of the roundtables were to discuss challenges and drivers of change, and identify the top issues that had the most relevance for each particular business or sector.
- By embedding industry experts directly into the roundtable events (versus having a stand-alone committee), there was greater sharing of information and more extensive participation.

- Roundtable attendance figures (excluding City staff, consultants and BIA leadership) were as follows:
  - o South Granville: 24
  - West Broadway: 13
  - Marpole: 10
  - Hastings North: 12
  - Collingwood: 15
  - Commercial Drive: 32
- Dates for the roundtable events were as follows:
  - June 19<sup>th</sup> 2019 • South Granville (pilot): West Broadway: July 12<sup>th</sup> 2019 0 Marpole: August 15<sup>th</sup> 2019 0 Collingwood: August 21st 2019 0 Commercial Drive: August 30<sup>th</sup> 2019 0 September 5<sup>th</sup> 2019 • Hastings North:
- The consulting team had hoped to achieve coverage from dominant business categories at each roundtable. This was not achieved in some areas, most notably in Marpole, Collingwood and Hastings North where there was limited or no representation from multicultural restaurants or personal services providers. This underscored a key limitation of this roundtable format, namely that many small, family-operated businesses who do not typically engage with BIA initiatives were unable or unwilling to attend the event. To engage effectively with these communities, oneon-one interviews would be required with the services of a translator. This was not possible within the study scope.





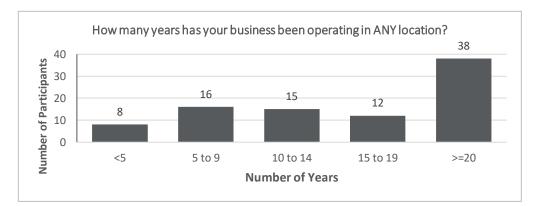


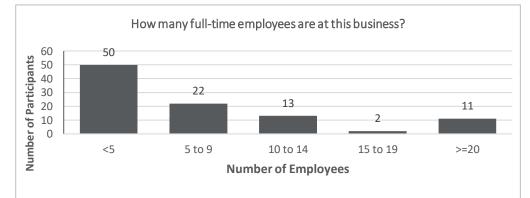
As noted in the overview, survey response rates and variability of response by Study area (and business category) negates the ability to cross-compare. Survey results are thus presented here in aggregate to tell a more general story on drivers of change and key issues faced by businesses in the case Study areas. Survey results are presented in further detail in the study appendices.

### Business Longevity, Locations and Employees

- Amongst business operator respondents (n=102), over 50% identified having been operating their business in its present location for at least 10 years. 28% indicated they had operated in the same location for over 20 years.
- 43% of respondents indicated they had been in business (not necessarily in its current location) at least 20 years.
- 51% of respondents indicated that they had less than 5 full-time employees. 73% had less than 10.
- 85% of respondents do not operate businesses outside of Vancouver.

How many years has your business been operating in THIS location? 40 Number of Participants 29 27 30 21 20 14 11 10 0 <5 5 to 9 10 to 14 15 to 19 >=20 Number of Years





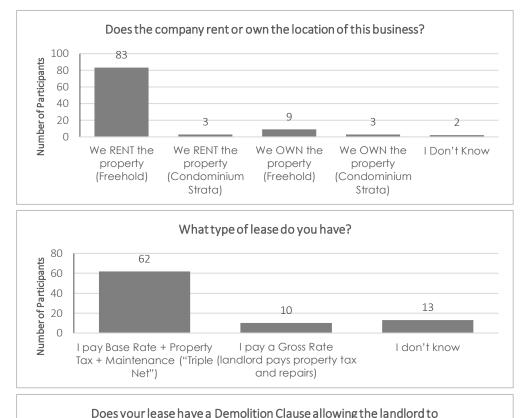






### Unit Tenure and Lease Terms

- Amongst business owner / operators who responded to questions on unit tenure (n = 100) 86% lease the unit where they operate their business. 9% own their unit / lot freehold, and 3% own a strata unit.
- Amongst those who responded to the question of lease type (n = 85), 73% have a 'triple net' lease, 12% pay a gross rate, and 15% were unsure of lease terms.
  - 58% of those who have a lease indicated that they are concerned that some aspect of their lease is affecting the viability of their business. The three primary concerns are:
    - Increasing basic rent (32%)
    - Increasing property taxes (32%)
    - Fear of redevelopment (14%)
- Amongst those who know whether they have a demolition clause in their lease (n = 53), 40% indicated that their lease included such a clause.
- Amongst those who know whether their lease provides an option to renew their lease at the existing location (n = 70), 93% indicated that their lease did not provide such an option.







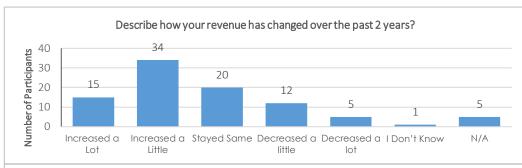




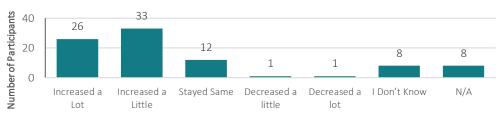
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### Revenues, Costs and Profits – Last 2 Years

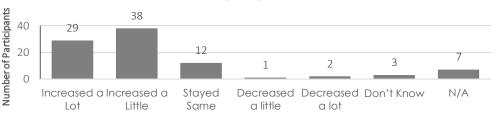
- <u>Business Revenues (n = 92)</u>
  - 53% said sales had increased and 22% indicated that sales had remained the same.
  - o Only 5% indicated that sales had decreased a lot.
- <u>Lease Costs (n = 89)</u>
  - 66% said lease costs have increased a little or a lot. This includes both basic rent and additional rent (the latter including property taxes).
  - o 13% indicated stable lease costs.
  - o 2% indicated decreased lease costs.
  - The balance did not know or did not answer.
- <u>Goods and Services Costs</u> (n = 92)
  - 73% said their costs of goods and services required to run their business had increased a little or a lot.
- <u>Profitability</u> (n = 91)
  - o 38% said their profitability had increased.
  - o 29% said their profitability had decreased.
  - o 25% said their profitability had remained the same.



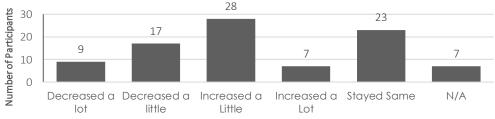




Describe how the cost to you of the goods / services that you sell has changed over the past 2 years?



Describe how the profitability of your business has changed over the past 2 years?









### Basic Rents: 2011, 2015, 2019

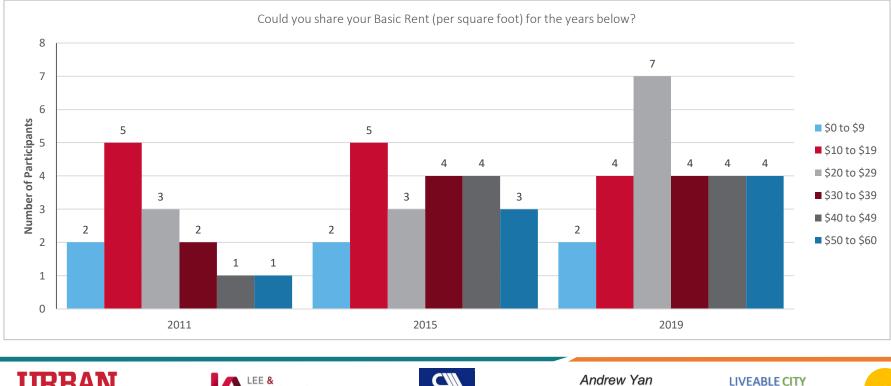
- Businesses were asked to share information on the amount of basic rent paid per square foot in 2019, and how it compares to basic rent paid in 2015 and 2011.
- The number of respondents varied for each year of data:

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- o 2011 n = 15
- o 2015 n = 21
- o 2019 n = 25

systems



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### Challenges to Business Viability

- Retailers were asked to rate, on a scale of 1 to 5 (not significant to extremely significant), the level of significance of 9 factors as "challenges to business viability" in their local shopping area.
- They were also asked to describe other factors not listed.
- Response levels varied by question, with a high of 73 and a low of 37.
- The 'top 3' challenges to business activity, based on proportion of respondents ranking them as 'significant' or 'very significant' were:
  - City permitting (87%)
  - o Rent (75%)
  - o Overhead costs (75%)
- Beyond the list of 9 issues provided, participants were asked to identify any "other" issues they perceive as challenges to business viability. There were 51 responses.
  - The most commonly identified 'other' concern (n=19) was related to 'social issues.' These include: homelessness, crime, and presence of low barrier shelters (37%).
  - The second-most common 'other' issue (n=6) was quality of public realm (11%).
  - This was followed by a 3-way tie between 'increased competition,' 'lease uncertainty / redevelopment threat, and 'cost of goods and labour' (8%).

### Level of Significance as Challenges to Business Viability

Challenges to Business Viability (Factors)	% Indicating "significant or very significant" (4 or 5)	Number of respondents (n)
City Permitting	87%	52
Rent / Lease Costs (including taxes)	75%	69
Overhead Costs	75%	73
Labour issues	68%	71
Cash flow / financing	68%	71
Parking / Transportation	53%	64
Ability to Expand	48%	52
Marketing	30%	63
Logistics	21%	37



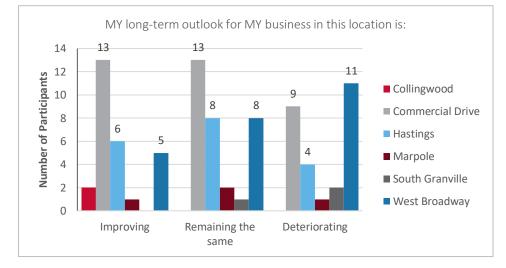




### Long-Term Business Outlook

- Respondents were asked to identify whether their long-term business outlook in their respective BIA was improving, remaining the same, or deteriorating. There were 86 responses.
  - o 31% said their business outlook was improving.
  - o 31% said their business outlook was deteriorating.
  - o 37% said their business outlook was remaining the same.
- There was interesting variation in response between the three areas where a larger data sample was available (Commercial Drive, West Broadway and Hastings North).
  - Of the 37 responses in Commercial Drive, 26 (70%) said their business outlook was improving or remaining the same and 30% said it was deteriorating.
  - On West Broadway, just over half of the 24 respondents (54%) said their business outlook was improving or remaining the same, while 46% said it was deteriorating.
  - On Hastings North , 78% of the 18 respondents said their business outlook was improving or remaining the same.

MY long-term outlook for MY business in this location is: 33 32 32 **Number of Participants** 31 30 29 28 27 27 27 26 25 24 Remaining the same Improving Deteriorating





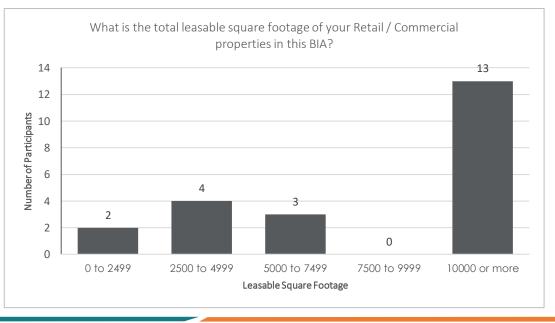




Responses to the landlord / broker survey were very limited in terms of number of completed surveys received. However, some respondents are quite prominent in terms of the number of properties they own or represent.

- One respondent indicated that (s)he leased out 20 properties in the West Broadway BIA.
- One respondent indicated that the commercial properties (s)he owned had more than 20 tenants.
- Another two respondents indicated their commercial properties had between 10 and 14 tenants.
- 13 respondents indicated that the total leasable floor area of their commercial properties exceeded 10,000 square feet.











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### **Challenges for Business Viability**

- Landlords and leasing professionals were asked to rate a series of issues on a 5-point scale (not significant to very significant) for their level of significance as challenges to business viability.
- The predominant issue identified was property taxes, shown to be significant or very significant to 87% of respondents (n=15).
- 85% of respondents identified city permitting processing as a significant or very significant challenge (n=13).
- 82% of respondents identified parking / transportation as a significant or very significant challenge (n=11).
- 80% of respondents identified overhead costs as a significant or very significant challenge (n=15).
- 75% of respondents identified rent as a key challenge (n=12).
- 50% of respondents identified labour issues as a significant or very significant challenge (n=12).

### Level of Significance as Challenges to Business Viability

Challenges to Business Viability (Factors)	% Indicating "significant or very significant" (4 or 5)	Number of respondents (n)
Property Taxes	87%	15
City Permitting	85%	13
Parking/Transportation	82%	11
Overhead Costs	80%	15
Rent	75%	9
Regulation	60%	10
Labour Issues	50%	12
Logistics	50%	10
Ability to Expand	50%	8
Marketing	44%	9
Financing / Cash Flow	30%	10





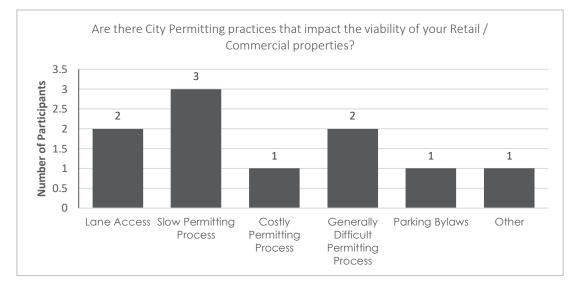


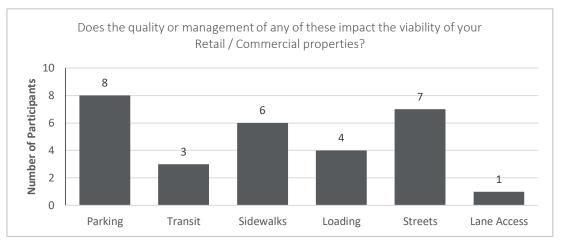
### **Permitting Challenges**

- On the topic of city permitting challenges, the responses discussed issues related to:
  - Time to have permits issued (too slow).
  - Costs of permitting process (direct, and indirect tied to timing).
  - o General difficulty of permitting process.

### Parking, Transit and Public Realm Challenges

- Respondents were asked to identify the extent to which quality or management of the following were impacting the viability of their commercial properties:
  - Parking
  - o Transit
  - o Sidewalks
  - Loading
  - o Streets
  - o Laneways
- Of the 12 respondents who provided an answer to this question, the most common answer was 'parking' (8), followed by 'streets' (7) and 'sidewalks' (6).











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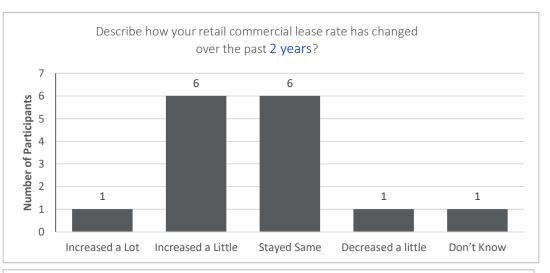
### Lease Rate Trends

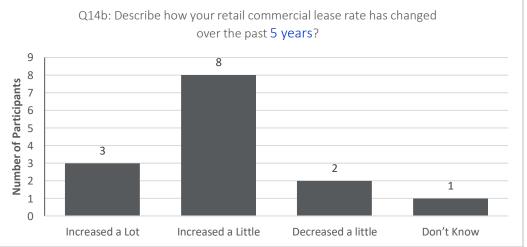
Landlords were asked to indicate the direction of their commercial lease rate (base rates) over the past 2 years and 5 years.

Reporting on change over the last 2 years:

- 7 indicated that rates had increased a little or a lot
- 6 indicated that rates had stayed the same
- 1 indicated that rates had decreased

Across the Study areas, many landlords and brokers reported that they have had to maintain low or no commercial lease rates increases because their tenants have experienced significant increases in additional rent (primarily due to rising property taxes).







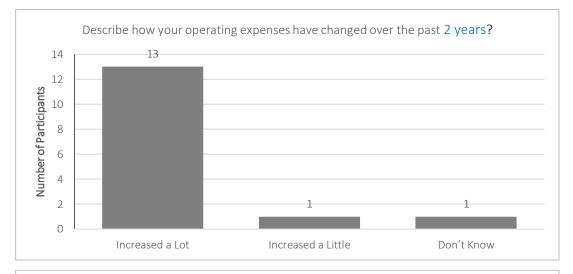


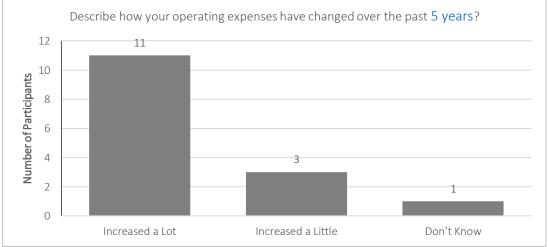


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### **Operating Expense Trends**

- Landlords were asked to indicate how the operating expenses for their retail / commercial spaces have changed in the past 2 years and 5 years.
- The vast majority indicated significant increases in operating expenses over both periods.







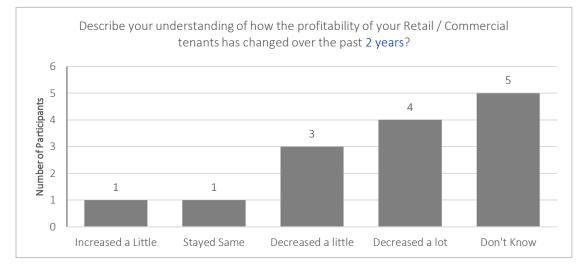




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### **Profitability Trends of Tenants**

- Landlords were also asked to describe their understanding of the profitability of their commercial tenants in the last 2 and 5 years.
- While most did not know how profitable their tenants were, most that did felt that the profitability of their tenants had decreased a little or a lot.











### Outlook

Landlords and leasing professionals were asked what their outlook is for retail / commercial uses in each given BIA.

- Of the 15 respondents to this question, only 2 said their outlook was improving.
- 6 respondents indicated that their outlook remained the same.
- 7 respondents indicated that their outlook was deteriorating.
- Respondents identified a number of critical issues that the City must tackle to better support businesses in the City's local shopping areas:
  - 1. Work with the province to lower property tax on business.
  - 2. Provide more support for small business, including faster permitting.
  - 3. Improve the **cleanliness and appeal** of the public realm.
  - 4. Overhaul commercial zoning regulations; less emphasis on use, greater flexibility.
  - 5. Accelerate rezoning to allow for faster growth of housing near local shopping areas.







## 6.4 ROUNDTABLE RESULTS: SOUTH GRANVILLE ISSUES AND DRIVERS OF CHANGE

#### South Granville Top 10

1	2	3	4	5	6	7	8	9	10
Property Taxes	Taxes	Parking	Vacancies	On Street Parking Supply	Vancancy (N Broadway)	Traffic Congestion	Placemaking: Lack of Community Fe		
Property Taxes	Property Tax & Rent	Parking: On Street Parking Supply	Regeneration of the Neighbourhood	Traffic Congestion	Vacancies: make area look desolate	Improve Crosswalks	Placemaking: Lack of Identity	On Street Parking: falling sup	ply; we City Regulation Overload
Property Taxes	Property Taxes	Parking: On Street Parking Supply	Poor Store Fronts (SG Lacks Interest	Parking	Inadequate Draw: nothing to draw y	Traffic Artery to YVR/Downtown	Development Disruption	Vacant Storefronts	Lease: Landlords Inflexible
Property Taxes			Loss of Small Business impacting sh		BIA Macro Marketiing for the Area		Mix: \$ Restaurants Needed	Online Competition	On Street Loading vs Bus Lane
Property Tax Increases			Tenancy Mix Changing (Large Furnit			Need Outdoor Café/Bar	Transit	Lease: CAM Costs	City Public Realm Maintenance
Property Taxes	Tax (City, Province, Federal)		Diminishing Ambience (homelessne			BIA's Identity	Transit Improvements Needed	Renovation Costs	Property Taxes
Property Tax & Rent				No Like-Minded Retailers to create	Staffing: Attraction & Retention	Need Daytime Anchor	Competition (too much)	Demographics: Need+ Popula	ation
Cost of Business Taxes & Wages		Movement: missing Shuttle from/to		BIA's recruitment of interesting bus	Permit: Approval Timelines	Housing Availability	Competition (too much) in other BI	4	
	Parking: No On-Street Parking > 3pn			Retail Mix		Staffing: Cost & Available	Demographics: Aging Population		
Parking	Parking: Limited Availability Reduce					City Regulations (Washrooms)	Lease: Maintenance Cost		op 10 Legend
		Vacancy (driven by increasing costs		Cost of Rent Forces Small Businesse		Cash Flow	Interest Rates	1	op to tegenu
Pedestrian Traffic	Parking: Lack of OnStreet Parking	Degredation of Neighbourhood	Lack of Parking	Staffing	Supply Chain	Demographic Change in N'hood			roperty Tax
Too much focus on Bicycles			City Quick to Tax but no services	Wages		(Falling) Disposable Income		P	roperty lax
Lease Related Costs	Topography Challenges Walking	Small Business Taxation	Land use Bylaws	Bureaucracy	Transit	Finance: Low Canadian Dollar		L	ease Issues
Base Rent Costs	Rent & Tax Increases		Housing Costs	Changing Demographics				_	
			Affordable Housing	Construction				P	lacemaking Issues
Increasing Cost of Doing Business;		General Cost of Doing Business	Decrease in Foot Traffic	Competition: Downtown / BIA's					
Population Density			Low Walk By Traffic	Demographics: Younger; less \$				P	arking / Movement
Bringing in New Customers			New Development					1.	abour Issues
Staff Retention	Cost of Labour	Retail Trends - Online Shopping	Competition						abour issues
Labour / Staffing Availability	Wages	Competition (too many salons)	Online Competition					C	ity Permits/Licences
	Staff Challenged by Commute From		Data Capture	]					
Online Shopping (Negative)		Demographics: Aging Population						C	ompetition
Diminishing Vibrancy: Locals & Tou	Prov. Govt \Business Confidence	Recycling							•
								D	emographics / Other

**1. Property Tax:** Increasing Value Assessments and rising property taxes top the list of business concerns for South Granville. Businesses report this burden against the backdrop of other tax increases and rising basic rents, all of which drive up the cost of doing business.

**2.** Parking / Access: The second most common interest reported by roundtable participants was the extent and availability of on-street parking. South Granville retailers benefit from the role of Granville Street as a major arterial corridor through the city. However, many retailers believe that the elimination of on-street parking for rush hour bus access reduces customer foot traffic to their shops.

**3.** Leases: Retailers report that rent as percentage of sales has risen over last 20 years. Triple net (NNN) leases are almost exclusively the rule in retail. "If a prospective tenant asks for a gross lease, landlords will choose a different tenant willing to pay NNN". Most leases have termination clauses which presents risk of a forced move and inhibits new investments in their leased property. Some retailers believe that landlords need to share in burden of taxes and building operating costs. Some retailers report problems competing with national tenants (lower cost base allows better capitalized 'nationals' to pay higher rents).







### 6.4 ROUNDTABLE RESULTS: SOUTH GRANVILLE ISSUES AND DRIVERS OF CHANGE

**4. Labour:** Rising labour costs, commute times, and employee retention are challenges for many businesses, particularly with the high costs of living in local neighbourhoods. One business leased a car for an employee who moved away rather than lose the employee.

**5.** Placemaking – Vacancy, Mix, Ambience, Homelessness: Businesses are generally concerned with the ambiance and interest of the street, and the negative impact of vacant storefronts. Turnover of stores is impacting the mix and attraction of business. South Granville is "losing small business - losing the scene" one participant noted.

Homelessness and public disorder is a major problem and many business owners have to deal with people defecating / urinating around properties and sleeping rough behind buildings and in doorways. Panhandling is also seen as a problem.

**6.** City Permits & Licences: The complexity of city regulations and the speed of city permitting is seen as a business challenge.

**7.** Changing Demographics: Businesses report impacts of decreased consumer spending with an aging population and rising costs of living. Some businesses see a need for population growth to sustain their local trade area.

**8.** Competition: Online shopping, the draw of downtown retail and samecategory retail within the BIA are challenges for South Granville Businesses. Many see a role for the BIA to advocate for a better mix of retail and services.

#### **Other Interests**

- Low Canadian Dollar
- Financing Costs











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## 6.5 ROUNDTABLE RESULTS: WEST BROADWAY ISSUES AND DRIVERS OF CHANGE

#### West Broadway Top 10

1	2	3	4	5	6	7	8	9	10
Property Taxes	Lack of Density	Lack of Retail Anchors	Too Many Similar Businesses	BIA Stagnant. Lacks Identity	Neighbourhood Accessibility - trans	Affordability	Land Use	Transit Frequency	Poor Zoning Flexibility
Property Taxes & Land Values	Neighbourhood Population - Need I	Vacant Storefronts	Marijuana Negative to All Neighbou	Lack of Brand for BIA	Lack of Active Space (bike lanes, run	Base Rent	Zone for + Families	Lack of B-Line Stops Creates a Corr	ic Parking & Code frustrate Expansi
Property Taxes	Neighbourhood Population	Too much retail - we need less toda	City Permits & Licences	Need Beautified Public Space	Time: Planning, Permits, Licences	Lack of Neighbourhood Identity: no	Transit - Uncertainties of Skytrain	No Space To Grow Business	Vacant Storefronts
Property Values	Walk by Traffic	Possible Subway Impacts	Sidewalk Cafes (allowed space)	Increasing Homelessness	Not Enough Events	No Incentive from the City	Cost of Labour	City Policies	Availability of Labour
Property Taxes	Walk by Traffic	Possible Subway Impacts	On Street Parking Supply	Local Labour Availability & Cost					
Property Taxes	Building Codes and Permit Process	Traffic & Parking - low foot traffic; c	New Transit Affecting Broadway	Employee Health Tax					
Taxes	Permits - Time & Complexity	Neighbourhood Unaffordabiltiy for	Tax, fees, rent	Land Use Bylaws / Zoning					
Rent, Taxes, Parking	Vacancy (High Rents)	Labour	Labour Cost					Tor	o 10 Legend
Maintenance - Landlord	Bike Lanes, Docking, Skytrain	Lease - Demo Clause						10	10 Legena
Permits - Time & Complexity	Housing Affordability for Staff	City Permits & Licences						Bron	erty Tax
								FIOP	erty rax

**1. Property Tax:** Increasing Value Assessments and rising property taxes top the list of business concerns for West Broadway. A common perception is that BC Assessment property valuation at (unrealized) highest and best use (mixed-use with upper floor residential strata) is the root of the taxation issue.

**2. Leases & Rents:** There is a perception that some land owners are driving up lease rates to justify the high value they paid for sites, with little regard for the mix/feel for the neighbourhood. Most leases have demolition clauses; tenants don't want the uncertainties.

**3. Demographics:** West Broadway has not had a substantial increase in density like some other areas have experienced. Participants observe lower levels of walk-by traffic. Some retailers suggest more local population would help sustain a more vital local shopping area.

4. City Permits & Licences: Parking requirements make it difficult to change uses. One participant suggested the City set up a "Small Business Help Centre" to help new small business owners negotiate leases and navigate permit, licences and other issues at the City.

**5. Placemaking:** Participants feel West Broadway lacks a clear identity and a well-known brand. Businesses would like to see more diversity of supportive uses like food and retail. Vacancy is an issue. Retailers link high property tax costs to higher vacancies. Owners are willing to sit vacant to wait for the right lease. Knock-on effects of vacancies affect the attractiveness of other businesses. Some businesses suggest new uses like marijuana retail are negative for the overall vitality of the BIA.

**6.** Access: Participants suggested more transit stops, improved service and improvements to walking routes would help foot traffic. Some businesses are impacted by the use of frontage or curb space for bicycle docking stations.

Uncertainties regarding the development of the Broadway subway line is a concern for West Broadway retailers. There is some fear the experience will be like the Canada Line along Cambie where lengthy cut and cover construction interfered with local business operation.

**7.** Labour: Costs are increasing with the rising minimum wage and cost of living, particularly the cost of local housing for employees.

#### **Other Issues**

• Limited space to grow businesses within the BIA







Andrew Yan Consulting Lease Issues Placemaking Issues

Labour Issues City Permits/Licences

Competition

Parking / Movement

Demographics / Other

## 6.6 ROUNDTABLE RESULTS: MARPOLE ISSUES AND DRIVERS OF CHANGE

#### Marpole Top Ten 2 7 8 10 6 Traffic Congestion ity Permits Take Too Lor Demo Clauses Result in Short Term Homelessness & Mental Illness Demographic Change Labour Availability storted Property Value Parking Access ity Permits & Licencing perty Tax roperty Tax Maintain On Street Parking Street Parking (we need more) Labour Availability (people cant affo Parking No Improvement in Transi Population Change & Densification Drug Addicts in ATM rooms axes ax Burden and Redeve Crime & Security Traffic Worsening Safety of Tenants Street Cleaning Development Pressure and Demo C Safety onstruction Traffic Demographics: Low pop and high se operty Tax Homelessness & Negative Impact Capital Funding, High Cost of Livin Tenant Quality **Top 10 Legend** roperty Taxes & Highest and Bes Fewer People Starting Businesses Labour Retention perty Taxes Healthy Business Supports Local Redevelopment **Property Tax** roperty Taxes too High Supply Demo Clauses enant Mix Demo Clauses Lease Issues Population Growth Placemaking Issues

**1. Property Tax:** Increasing value assessments and rising property taxes top the list of business concerns for the Marpole BIA. A common perception is that BC Assessment property valuation at (unrealized) highest and best use (mixed-use with upper floor strata residential) is the root of the taxation issue. One local property owner explains: 'Taxation is the biggest issue. Increasing taxes forces owners to sell. It's hard to make existing retail work without moving to highest and best use. Landlords can't waive demolition clauses or give tenants long lease terms if taxes will force sale of the property in the near term. Taxes should reflect what's there now, and not "the highest and best use" of what *could* be there in the future.'

2. Leases & Rents: While the cost of basic rents does not emerge as a key issue in Marpole, demolition clauses in leases present business owners with the prospect of uncertain tenure over the long term. Some retailers feel that property owners who are looking to lease properties are driven to accept the highest rent vs. selecting the right tenant for the local mix.

**3.** Placemaking: Maintenance of the public realm; addressing street social issues and their impacts; and improving the real and perceived safety of customers are key issues for local business.

The local Safeway is seen as a key anchor drawing daily and weekly shoppers to the area. Future large-scale developments should include some smaller storefronts to allow for complementary tenants to be added to the mix around the anchor use. **4. Demographics:** There is a sense that local population growth is needed for long term business viability. However there is a negative relationship in terms of short-term business uncertainty due to rate of change and demolition clauses in leases.

**5.** Access: Maintaining on-street parking, managing traffic congestion and improving transit are key interests of Marpole businesses.

**6.** City Permits & Licences: There is a general sentiment that Permits and Licences are complex and take too long. A property owner suggested that Vancouver follow the lead of New Westminster, where they hired a commercial business liaison to facilitate business development in the City.

**7.** Labour: Costs are increasing with the rising minimum wage and cost of living, particularly the cost of local housing for employees.

### Other Issues / Interests

• Limited space to grow businesses within the BIA.







Andrew Yan Consulting Parking / Movement

City Permits/Licences

Labour Issues

Competition Demographics / Other

## 6.7 ROUNDTABLE RESULTS: HASTINGS NORTH ISSUES AND DRIVERS OF CHANGE

#### Hastings North Top 10



**1.** Demographics – Foot Traffic: Hastings North businesses' top interest was finding ways to increase foot traffic including the addition of more residential density to the neighbourhood.

2. Placemaking – Public Realm & Public Order: Addressing vacancies, attracting and retaining key anchor tenants, and improving the appearance and cleanliness of the public realm were the next most important concerns for local businesses. Most notable across Top 10 concerns are the impacts of homelessness and drug addiction which seem to be spilling outside of the City's Downtown East Side (DTES). Rough sleeping, panhandling, and shoplifting were widely viewed as key issues that need to be addressed to make the local shopping area more attractive to customers and to improve real and perceived security.

**3.** Labour: The cost, accessibility and availability of labour were interests tied for second spot in the top 10 concerns for Hastings North.

**4. Property Tax:** Similar to other BIA's studied, the impact of BCAA assessments on highest use and rising property taxes were raised as key concerns amidst the backdrop of other tax increases.

**5. Permits & Licences:** The complexity, flexibility and time needed to process permits and licences were cited as key business concerns.

**6.** Parking / Access: Businesses also ranked highly the need to maintain onstreet parking as Translink expands transit service and the City dedicates more space to cycling. Transit service is seen as important, but participants noted that transit riders have to negotiate the DTES Hastings Corridor in order to arrive in the Hastings North local shopping area.

**6.** Competition: General business competition and online retail were noted as a key concern for local businesses, reinforcing the need for improved public realm and safety.

#### **Other Issues**

• Some business owners noted limited ability to purchase their own commercial property.







Andrew Yan Consulting Demographics / Other

## 6.8 ROUNDTABLE RESULTS: COLLINGWOOD ISSUES AND DRIVERS OF CHANGE

#### Collingwood Top 10

1	2	3	4	5	6	7	8	9	10
Kingsway Street Appeal Low	City Maintenance of Lanes	Labour Cost	Permits & Licences: costs	More cleaning needed	Curb appeal / Street Cleaning	Vandalism	Demographics: + families moving h	Homelessness, Mental Illness	Existing buildings not efficient
Placemaking: Community Events N	Cultural Niche Strength	Labour: training / investment	Permits & Licences: \$\$ /Complexity	Need Neighbourhood Improvemen	t Vacancy looks bad	Homelessness	Changing Business Owners - Demo	Loss of Elementary School	Demographics: Shrinking Familie
Public Disorder: vandalism, homele	Placemaking: Mix needed	Labour: Low Unemployment	Permits & Licences: \$\$ /Complexity	More mix needed	Need Clean and safe streets	Homelessness	Public Order: community policing a	Neighbourhood Population	Traffic Congestion
Homelessness	Shoplifting Problem	Residential taxes impact labour	Loss Of Schol	Traffic Congestion	Need Multipurpose NonRetail Anch	Loss of Carelton Elementary	Property Tax increases	Communication	Taxes
Labour Availability	Traffic Congestion and Speed	Demographic change in N'hood	Loss of School	On Streeet Loading needed	Loss of Carelton Elementary	On Street Parking Access reduced w	Finance: Low Canadian \$	Labour: Untapped Immigrants	Communication: Face to Face
Labour & Affordable Housing	On Street Parking	Development brings newcomers	Street and Lane cleandliness	More support for family business	New condos +++ population	BIA should expand to Joyce/MacKin	Good Transit		
Labour: Education	On Street Parking	Residential rents too high	Taxation on small business	Demographics: need + customers	Housing Affordability	Demographic: + growth + density			
Taxes too high	Demographic Change	Taxes on small business	Increasing Cost of Doing Business (	Demographics: need + customers	Labour Availability	Demographic Change		Тс	op 10 Legend
Property Tax	Demographic Change	Permits & Licences: costs and time	Transit Service (supports labour)	Competition: Online				10	p io regena
Access: business parking limited	Shrinking Families	Permits & Licences	Family run stability	Competition: Online/social media				Bro	perty Tax
Access: Central GVRD location	> Affordable housing needed	Grafitti: "Art Wall" Needed	Construction in N'hood	Lease Rates and Property Tax				FIG	
Lease and Tax costs are barrier to e	Affordable housing needed	Parking	Rapid Densification	Labour Cost				Lea	se Issues
Demographics: Growth Needed	Property Tax	Competition - Local / Metrotown	Lease Rates too high						
Online Competition reduces foot tr	Property Tax Increases (last 5 years			-				Pla	cemaking Issues
								Par	king / Movement

**1.** Placemaking – Public Realm & Public Order: Collingwood businesses want to see improved street appeal and maintenance. A strong message from participants was the need to address the impacts of homelessness, mental illness and drug addiction. Rough sleeping, public order, vandalism and shoplifting permeate most of the Top 10 categories. With respect to retail and service mix, some businesses want to see a greater mix of retail and services. Some businesses reported impacts from the closure of Sir Guy Carleton Elementary School – illustrating the importance of non-retail anchor uses which can drive significant daily customer traffic.

**2. Labour:** The cost and availability of local labour was a top concern for Collingwood businesses given low unemployment rates and high costs of living.

**3. Property Tax:** Increasing value assessments and rising property taxes also rank in the "Top 1" concerns of local business, against other taxation and cost of business increases.

**4.** Parking / Access: Local businesses reported some competing interests with respect to the management of streets and parking: they want to retain on-street parking for customers; to improve transit; to permit on-street loading, and reduce traffic congestion.

**5. Demographic Change:** Businesses see the need for more population and more affordable housing and the role of such growth in supporting the viability of the local shopping area.

**6.** Competition: Online shopping and direct competition from large enclosed retail centres like Metrotown was a top 10 concern for many businesses.

**7. Permits & Licences:** The complexity and time needed to process permits and licences were cited as key business concerns.

#### Other Issues / Interests

• Some business owners noted that many older single level retail buildings in Collingwood were not adaptable for new uses.







Andrew Yan Consulting Labour Issues

Competition

City Permits/Licences

**Demographics / Other** 

## 6.9 ROUNDTABLE RESULTS: COMMERCIAL DRIVE ISSUES AND DRIVERS OF CHANGE

#### **Commercial Drive top 10**



1. Placemaking – Public Realm & Public Order: Commercial Drive's diverse mix of retail and services creates a strong identity that the BIA can reinforce and brand through street festivals and events. However, public street disorder and the maintenance of sidewalks, streets, parks and lanes feature quite heavily in the Top 10 issues reported by Commercial Drive businesses. They are very sensitive to the complex forces driving the homelessness, drug addiction and public disorder which affect the area. There is a sense that the VPD does not have the capacity to adequately address shoplifting and public order issues. Many businesses seek positive approaches such as Community Policing or an "Ambassadors" program with teams who can address real and perceived security while helping people access social services or other supports.

2. Permits & Licences: Similar to other BIAs, Commercial Drive businesses are concerned about the complexity, specialist costs and time needed to complete and process City permits and licences, and the inflexibility of land use regulations to accommodate a wide range of businesses. Businesses lose money while waiting for permits and licenses to be processed. One business can have to deal with multiple City staff on a permit, creating many opportunities for inconsistent advice, or for an application to 'disappear through the cracks'

Participants supported a streamlined "case management" approach to permitting and licensing – i.e. calling the City and being able to deal with one person for all issues. As a general principle, "a business owner should be able to easily deal with forms, etc. on his/her own." Even simple things like having a publicly available printer in the permit office waiting area would allow applicants to print a form on-site, complete it, and submit it, rather than having to leave and come back later.

**3. Property Tax:** Rising property taxes rank next in the range of top business concerns. Highest-and-best-use property valuation drives up property taxes that are passed on to commercial tenants though triple net commercial leases. As one business owner stated, "property taxes are not being borne equally by lessees vs the property owner".







Andrew Yan Consulting Competition Demographics / Other

### 6.9 ROUNDTABLE RESULTS: COMMERCIAL DRIVE ISSUES AND DRIVERS OF CHANGE

**Property Tax cont'd:** Against the backdrop of public realm maintenance and public order deficiencies, there is a perception that businesses are not getting value for their tax dollars. As one merchant observed, "as a [residential] property owner, I get lots for property tax. This is totally different than property tax paid as a business lessee – where all the residential services (recycling, street beautification) either cost extra, or are not available."

**4.** Parking / Access: The availability of on-street parking is also a strong interest across the list of Top 10 issues. Businesses are wary of the erosion/limitation of street parking. Traffic congestion on the Drive is seen as a negative issue.

**5.** Labour: Rising wages, payroll taxes, and the general unavailability of skilled labour has been a huge challenge for business. "Employing people at a fair wage is one thing – but on top of that employers are facing rising CPP and EI taxes and new MSP fees", reported one business owner. Another stated "Employees struggling with high housing and living costs are working double-shifts just to live here. That can't work. It impacts staff. They're stretched. They show up to work tired and over-extended. This impacts well-being and customer service".

**6.** Demographic Change: Increasing population and local spending power in the Commercial Drive trade area was noted as an interest by some participants who see the need for additional population and foot traffic to support the health of local businesses.

**7.** Competition: Online shopping and direct competition from other retail centres was noted as a top 10 issue.

**8. Leases:** Demolition clauses were identified as major concerns for a number of businesses because these introduce risk and disincentivize new investment in their stores.

### Other Issues / Interests

- The weakness of the Canadian dollar.
- Rising insurance costs.









## 6.10 TOP 10 AMALGAMATED BY FREQUENCY

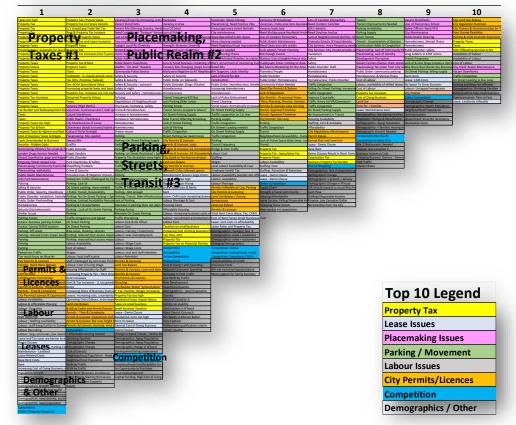
#### TOP 10 AMALGAMATED (n=92)

### Top 1

	Top 1	%
Property Taxes	30	33%
Public Realm	16	17%
Parking, Streets, Transit	10	11%
Permits & Licences	9	10%
Labour	9	10%
Leases	8	9%
Demographics	8	9%
Competition	2	2%
Other	0	0%
Totals	92	100%

### Top 3

	Top 1	Top 2	Тор З	Total	%
Public Realm	16	17	27	60	23%
Property Taxes	30	20	5	55	21%
Parking, Streets, Transit	10	15	20	45	17%
Labour	9	7	9	25	10%
Permits & Licences	9	6	7	22	8%
Leases	8	7	5	20	8%
Demographics	8	8	5	21	8%
Other	0	5	4	9	3%
Competition	2	1	2	5	2%
Totals	92	86	84	262	100%



### Top 10

	Top 1	Top 2	Тор З	Top 4	Top 5	Top 6	Top 7	Top 8	Top 9	Top 10	Total	%
Public Realm	16	17	27	18	21	16	15	7	9	2	148	26%
Parking, Streets, Transit	10	15	20	10	10	6	8	7	4	2	92	16%
Permits & Licences	9	6	7	8	6	8	3	2	1	5	55	10%
Property Taxes	30	20	5	5	0	3	2	2	0	3	70	12%
Labour	9	7	9	6	8	3	3	3	1	3	52	9%
Demographics	8	8	5	8	4	5	4	5	3	1	51	9%
Leases	8	7	5	6	4	2	3	1	3	1	40	7%
Other	0	5	4	8	4	1	5	6	3	3	39	7%
Competition	2	1	2	4	3	1	1	2	1	0	17	3%
Totals	92	86	84	73	60	45	44	35	25	20	564	100%







### 6.11 TOP 10 WORD CLOUD









Andrew Yan Consulting

# 7.0 ASSESSING HEALTH AND VITALITY OVER TIME



## 7.1 WHY MONITOR LOCAL SHOPPING AREA HEALTH AND VITALITY?

Vancouver is distinct amongst North American cities for the degree to which it is served by local retail streets vs. shopping centres. To maintain a healthy network of LSAs that provide groceries, goods and services within walking distance of home, the City should monitor LSA health, maintain and enhance what is working, and attend to issues large and small that weaken these areas.

- Neighbourhood Sustainability & Liveability: Local shopping areas offer groceries, goods and services within walking distance of home, and anchor vibrant, healthy and resilient neighbourhoods.
- **Character:** Commercial streets provide local character and livability, a sense of community, identity, diversity, and quality of public life. The presence of unique businesses and other attractors in neighbourhoods contribute to character, livability and attractiveness.

- **Culture:** Local shopping areas provide opportunity for residents to access specialized, culturally appropriate goods and services.
- Business Multiplier Effect: Local businesses tend to purchase goods and services from other local businesses (the business multiplier effect). Local direct and indirect multipliers tend to be more robust amongst independent businesses (and smaller locally-based chain businesses), versus national or international chains.
- **City Objectives:** Local shopping area health and vitality is directly connected to existing City of Vancouver objectives outlined in the table below.

City Initiative / Objective	Local Shopping Area Health and Vitality Relevance
Climate Emergency Response Big Move #1 – Walkable City	• More complete neighbourhoods that have daily destinations (shops, services, jobs, parks, schools, community centres, libraries) within walking / rolling distance of where people live
Healthy City Strategy Goals	<ul> <li>Healthy, just and sustainable food systems</li> <li>Adequate income and access to broad range of healthy employment opportunities</li> <li>Connected and engaged in places and spaces that matter to us</li> <li>Equitable access to high quality social, community and health services</li> </ul>
Greenest City 2020 Action Plan	<ul><li>Strong local economy</li><li>Vibrant and inclusive neighbourhoods</li></ul>
Vancouver Food Strategy	Building and maintaining strong food systems
Employment Lands and Economy Review: What We're Hearing	<ul> <li>Ensure an economy that is prosperous, resilient, equitable and inclusive</li> <li>Plan for a city with a wide range of jobs, income-levels and workers</li> </ul>







# 7.2 METRICS FOR MEASURING COMMERCIAL HEALTH AND VITALITY

There are many potential measures of local shopping area health (and indicators of failing health): some are clear-cut quantitative metrics and easy to measure; others are much more subjective and will likely require further consultation to determine appropriate "metrics". What constitutes a 'healthy' local shopping area can vary given each area's distinct context, role, and history.

### **Quantitative Metrics**

Some of the more important quantitative metrics that can be used to assess health and vitality, as well as the possible trajectory of a commercial precinct, include:

- Vacancy Rate .
- Presence of Anchor / Attractor Uses.
- Property Value Change (vs City average).
- Property Tax change (vs Inflation or Consumer Price Index).
- Population Density and Local Trade Area Growth.

An excellent quantitative metric of success would be the **net revenue** of local businesses. Within the Canadian context, such data is not readily available. Outside of the shopping centre environment (where sales data are often reported to the property operator) there is no available data from which a shopping area's sales performance can be estimated, unless the City were to obtain third-party customer spending information from point-of-sale payment processors (e.g. Moneris Solutions Corp.).

Many US cities (San Francisco for example) publish data on State Sales Tax revenues at the scale of neighbourhood shopping areas ("Neighbourhood Commercial Districts"). This primary data provides more readily available information on business performance. There remain limitations however, such as exclusion of non-taxable goods, issues around how stores with multiple locations report total sales, and levels of aggregation.

## **Qualitative Metrics**

There are many qualitative attributes that make local shopping areas unique, attractive and viable. These include:

- A complementary business mix that meets needs of residents, visitors and workers.
- Appealing buildings, vibrant street life, and perception of safety.
- Cultural preservation and enhancement.
- Opportunities for social interaction, gathering.
- Opportunities for presence of unique, independent businesses.

There are a variety of metrics that could be applied to 'score' shopping areas on these (and other) qualitative attributes. In Section 7.4 we propose some such metrics; these metrics are applied to the six Study areas in Section 7.5. Each of these metrics is tied back to one or more of the core **Principles for Successful Commercial Precincts**, which are presented in Section 7.3.

Different neighbourhoods have different visions for success, and the role of each street is context-specific. As such, certain metrics will be more important in some areas and less in others. For instance, some neighbourhoods may place greater value on preservation of cultural assets or may have concerns about displacement of businesses that appeal to certain income or ethnic groups. Other areas may be more concerned about their long-term ability to be a destination for shopping in one or more categories. Some may cater primarily to local trade areas, while others have historically attracted a customer base from a broader area. Even within a neighbourhood there can be various opinions on what constitutes "health", and there are likely variations in health / success within different sub-areas. The key point is that **metrics for measuring health and vitality must, to some extent, be customized, reflecting current conditions and neighbourhood plans.** 







This study is fundamentally about setting the stage for monitoring and supporting the health and vitality of Vancouver's local shopping areas. An understanding of core principles for successful neighbourhood shopping districts is helpful.

This section describes principles for healthy community commercial areas, and some of the factors that support success. Note that some of the "success factors" are also *indicators* of success. These principles and factors set the stage for discussion of associated attributes and measurement metrics to assess health and vitality, presented in Section 7.4. The broad principle categories, and some of the broad factors / indicators, are listed in the table bellow.

Principle Category	Example Factors and Indicators of Shopping Area Success
1. Fair and Predictable Rents	<ul> <li>Stable additional rents</li> <li>Basic rent, appropriate by category</li> </ul>
2. Occupied, Contiguous Storefronts	Vacancy rates under 10% (on a storefront count basis)
3. Cooperation and Coordination	<ul> <li>BIA Capacity and Tenure of executive director (ED)</li> <li>Frequent communication between BIA and anchors / landlords</li> <li>Engagement of BIA board</li> <li>Clarity of BIA mandate</li> <li>Support from City to overcome BIA capacity variability</li> </ul>
4. Anchor Uses and Tenant Mix	<ul> <li>Anchor or anchor cluster(s), retail and non-retail</li> <li>Healthy supportive mix of retail and non-retail uses</li> </ul>
5. Experience of Place	<ul> <li>Cleanliness, safety of street environment</li> <li>Public realm programming</li> <li>Compact layout with good store concentration</li> <li>Appealing and permeable storefronts</li> </ul>
6. Transportation and Access	<ul> <li>Convenient access by foot, bicycle, transit and car</li> <li>Available on and off-street parking</li> </ul>
7. Local Trade Area Characteristics	<ul> <li>Sufficient local population and household density</li> <li>Household income and spending power</li> <li>Presence of daytime workers and visitors</li> </ul>
8. Supportive Government Policies	<ul><li>Supportive municipal policy around zoning, permitting, building code.</li><li>Small business support mechanisms</li></ul>







## Principle #1: Fair and Predictable Rents

Being able to anticipate and plan for overhead costs is a critical component of business health and vitality. Stable and relatively predictable staffing, product and rent costs are critical to business health.

### **Basic Rent**

Typically, rental leasing agreements with commercial property owners are negotiated on a specific term, with a prescribed rent schedule within the lease term. This creates certainty around basic rents for the initial term of the lease. Commercial leases may include prescribed or negotiated rent increases where there are lease renewal or extension clauses in place.

### Additional Rent: Common Area Charges + Property Tax

Additional rent in the form of common area maintenance and property tax can present businesses with the most uncertainty - particularly the property tax component which is typically borne 100% by the tenant in 'triple net' leases (see Principle 8 for discussion on property taxes).

# **Basic Rent**

- + Common Area Charges
- + Property Tax
- = Gross Rent







## Principle #2: Occupied Storefronts

Occupancy is both a principle and an outcome of success in a local shopping area.

High vacancy detracts from success and high occupancy enhances it. Occupied retail streets offer a diversity of shops and services for local, city-wide and regional customers, and the cumulative draw of the businesses reinforces their success and viability. If an area has persistent, pervasive vacancy at the street level, this is not a healthy phenomenon. Vacant units do not serve community needs; they reduce the range and diversity of local shops and services, and they detract from the attractiveness and usefulness of local shopping streets.

Significant vacancy (>10% of storefronts) can negatively affect other occupied businesses because it may reduce the overall draw of a shopping area.

## **Combatting Vacancy Problems**

- BIAs, with City support, can work with property owners to assist with *proactive tenant recruitment and selection* based on an overall merchandising strategy
- BIAs can assess health / vitality of *existing tenants*, and work collaboratively to help businesses stay relevant and competitive. Each business will have its own unique challenges, and the types of assistance required will vary business-to-business.
- City planning departments can create *flexible zoning* and land use regulations to allow a wider range of temporary and permanent businesses to fill vacant space.
- City building departments can *relax / grandfather building code requirements* to enable adaptive re-use of older buildings without triggering costly full-building upgrades.
- *Permit complexity and processing times* exacerbate and extend vacancy problems. The degree to which commercial use permits can be simplified and expedited will help property owners and BIAs combat vacancy.







## Principle #3: Cooperation and Coordination

#### BIAs and the Vancouver Charter

Sections 455 and 456 of the Vancouver Charter allow City Council to recognize and grant money to non-profit Business Improvement Associations (BIAs) which plan and implement a variety of business promotion schemes including:

- Carrying out business studies.
- Improvement, beautification or maintenance of streets, sidewalks or city-owned land, buildings or structures.
- Graffiti removal.
- Heritage conservation.
- Encouragement of business.

The Charter requires the City to recover all BIA grants through a special tax levy on Class 5 and 6 commercial properties in the BIA area based on their proportionate Class 5 and/or Class 6 assessed value. To initially establish and periodically renew their status, BIAs typically engage their membership and plan a strategy to improve their LSA prior to a legislated approval process.

#### BIA Leadership Sets the Course

In a rapidly evolving retail environment, Vancouver's local shopping areas must have engaged and consistent leaders or champions who are committed, responsible stakeholders that quickly recognize problems, have a clear **vision and mission** and are able to overcome obstacles to achieve results. Without this type of leadership, efforts at creating and maintaining street retail vitality may get lost amongst competing needs and priorities.

### **Business and Property Owner Representation**

It is important that local businesses and commercial property owners be properly represented in the BIA and shape its long-term strategies around new construction, merchandising, research and promotion. This can be a challenge where landlords are absent or where the membership is changing quickly. Consider the spectrum of members, from property owners and independent businesses, to franchises and chains, and anchor businesses.

### Proactive Leasing – Property Owners

Local shopping areas can remain competitive and attract customers by providing goods and services tailored to the specific needs of the neighbourhood, in an environment that is convenient, service-oriented, pedestrian-scaled, and connected to the lifestyles of the neighbourhood residents. This requires the fragmented group of property owners to:

- Buy into a compelling BIA vision around merchandising and positioning.
- Track the evolution of customer needs and desires.
- Understand complementary business types.
- Engage proactive leasing agents to target desired tenants / categories.
- Match lease opportunities with retail categories (considering the ability of different businesses to carry lease payments).
- Maintain buildings .

Doing this in a comprehensive way requires consistent and engaged leaders.







## Principle #3: Cooperation and Coordination

#### **Proactive Tenant Retention**

Tenant retention and improvement is critical to the success of a local shopping area, particularly the retention of critical anchor tenants. A tenant retention strategy should be a collaborative effort between the BIAs, property owners, business owners, and requires consistent and engaged leadership. Critical elements of proactive tenant retention include:

- Frequent check-ins with business owners and property owners to identify critical issues for business health and vitality, and how it might be changing.
- Active tracking of changes to the competitive retail landscape, and possible impact on local businesses.
- Communication to businesses about local area progress and opportunities, including projected changes to the local market and ways to adapt.

#### **Public Private Partnerships**

Long-term success requires both public and private partnerships that link planning, coordination, infrastructure investments and other public sector supports with private sector business savvy, development and operational expertise, leasing knowledge, and private financing / access to capital. The champion(s) of an area can be from the public sector, private sector, or both. Regardless, that person or persons must make sure that all stakeholders are included and engaged.

Given the significant variability in capacity of Vancouver BIAs, ongoing and active support from the City is critical.







## Principle #4: Anchor Uses and Tenant Mix

#### Local Shopping Areas need Anchors

Anchor stores and non-retail anchor uses provide important community benefits and draw daily customer traffic which in turn supports other complementary businesses. Typical retail anchor uses usually require more floor space at grade and therefore require larger assemblies of property.

Common commercial anchors for community shopping precincts, and their average store sizes across the 6 Study areas (based on 2019 CMI surveys) are:

- Grocery Stores (avg. size: 25,000 sq.ft.)
- Drug Stores (avg. size: 7,500 sq.ft.)
- General Merchandisers (avg. size: 6,400 sq.ft.)
- Clusters of related stores or restaurants

Commercial districts which lose key anchor uses face challenges with the attendant loss of footfall generated by these uses.

 Recent examples include the loss of the Safeway Store in Point Grey Village (West 10th Avenue), and the temporary loss of the Strong's grocery store in Dunbar Village while it was being redeveloped at a new location 3 blocks away.

**Community centres, schools, libraries** and other non-retail uses can provide powerful anchor effects in commercial areas by ensuring daily traffic. Loss of these anchors can have similar impacts as the loss of a retail anchor. Participants in the Collingwood BIA Roundtable reported that many local businesses saw a noticeable reduction in their sales following the fire-related closure of Sir Guy Carleton Elementary School (3250 Kingsway) in 2016.

### Anchor Design is Critical

The design of anchor facilities (retail and non-retail) is critical. They can add to the attractiveness of the street if they integrate into the urban block and provide retail street continuity. Non-retail anchors like community centres may include some retail / service uses (e.g. cafes with outdoor seating) that further help to generate street activity. Blank walls should be avoided, along with surface parking along retail street frontages.

An example of a non-retail anchor that has created transparency and integrated activity-generating uses is the Creekside Community Recreation Centre in the Olympic Village. In contrast, an example of a recent anchor store that does not interface with the street as well as it could is the Safeway store in Marpole (long unbroken frontage with blank walls.)

## **Changing Nature of Anchors**

The growth of e-commerce amongst other industry trends (see Section 3) may change the types or physical scale of businesses that serve as anchors. In Canada, many traditional department stores and general merchandisers that anchored community and regional malls have disappeared (e.g. Sears, Eaton's, Zellers) and other large businesses are having to reinvent their business model to survive. At the same time, most day-to-day convenience needs like groceries, pharmaceuticals, health / bath /beauty products and convenience services – i.e. the basket of uses that anchor most local shopping areas – are more resilient in the face of e-commerce. This is a function of the value of convenience, immediacy, and familiarity. Many bricks-and-mortar stores are also serving increasingly as hubs for delivery and pick-up of online orders.







## Principle #4: Anchor Uses and Tenant Mix

### A Healthy Complementary Tenant Mix

Successful commercial streets develop an appropriate mix of complementary shops and services with quality merchandising / services. A resilient street should provide enough variety to attract shoppers, facilitating one-stop shopping for essential goods and services, and provide other reasons to come and linger in the area. While every commercial area has its own character and client base, in general a healthy mix should include:

- A mix of retailers and services offering **convenience goods** to meet the daily needs of residents and workers, and a mix of opportunities for **comparison goods** shopping. Most successful areas offer a mix of both types of retail, with varying balances depending on the role the area plays within the broader retail hierarchy of the city (as discussed in Section 2).
- Convenience goods, personal services, food & beverage (F&B) are other essential elements for creating viable and sustainable community shopping precincts. These uses are likely to become even more prevalent and critical to the success of shopping streets as traditional retail uses see further erosion of market share to e-commerce, and consumers place greater value on experience, value-added customer service and social connections (many of which cannot be replicated online).

While the "right mix" is highly dependent on the role of the street and the nature of the competitive environment, generally, a street that is primarily "neighbourhood serving" has at least 60% of its storefronts in the convenience goods / services / F&B categories (combined). In five of the six Study areas, the proportion in these categories ranges from 63% to 83%. In South Granville, which has historically attracted its customer base from beyond the local area, the proportion is 41%.

• A mix of chains and independent businesses can contribute to health, vitality and resiliency of shopping areas. Chains can play an important role, at times serving as anchors, and through provision of more affordable goods. Independents are critical as they contribute to the unique character of each neighbourhood and tend to have stronger local economic multiplier effects than chains (although this would differ depending on the scale of the chain). San Francisco places restrictions on chain retail in the city's neighbourhood commercial districts (NCDs). The impacts of these controls are the subject of much discussion, as there remains a prominent issue of vacant storefronts in many of the city's NCDs. There are emerging calls for a re-think on the City's formula retail restrictions.

#### Price of Goods at Chains vs. Independents

San Francisco prepared a study in 2014 on price differences between formula (chain) and nonformula (independent) retailers by surveying prices for a standardized basket of commodities at over 30 formula and non-formula retailers in the city. Prices of goods were weighted by frequency of purchase, using guidelines from the Bureau of Labor Statistics. The research focused on branded, common commodities found in both formula and non-formula stores

• On average, prices were 17% higher at the nonformula retailers (independents) than at the formula (chains) retailers.

Ref: City and County of San Francisco Office of Economic Analysis (2014): "Expanding Formula Retail Controls: Economic Impact Report

#### Multiplier Effects of Chains vs. Independents

A study on economic impacts of chains and independents in BC (2013) found that retailers and restaurants together recirculate **more than 2.6x** as much revenue in the local economy as chain competitors.

- Local retailers recirculate 45%, (vs. 17% for chains)
- Local restaurants recirculate 65% (vs. 30% for chains)

Ref: Civic Economics (2013) "Small Business and the British Columbia Economy.







## Principle #4: Anchor Uses and Tenant Mix

#### A Healthy Complementary Tenant Mix

- Uses Reflecting Unique Local Attributes. The mix of retail and service commercial uses in a shopping precinct are what differentiate one precinct from another and make each neighborhood interesting and memorable. The combination of businesses reflects the character and makeup of the surrounding area's culture and history, which in turn makes an area attractive as a destination. For example, Commercial Drive's cultural richness and authenticity stems in part from its reflection of the area's Italian heritage. This is embodied in the street's mix of restaurants, cafes, specialty stores, and entertainment venues, as well as annual events like Italian Day. West Broadway was historically the enclave of the City's Greek community, and that history is still reflected to some degree in the makeup of the restaurants, specialty food stores, and the annual Greek Day festival.
- A Mix of Local-Serving Goods and Services at Varying Price Points. Affordability is top-of-mind for many Vancouver residents today. Having local access to a range of affordable goods and services is critical as households grapple with high costs for housing, child-care, and other necessities.
- Healthy Vacancy Rates. As noted in Principle #2, vacancy rates under 10% are generally considered low enough to support a vibrant retail precinct, while not being so low as to negate the ability for movement or tenant turnover. Typically the 4 or 5-7% range is considered 'healthy', while the >7% to <10% range is considered 'acceptable'. Vacancy rates above 10% begin to raise some red flags. These are rules of thumb, which may vary depending on local market conditions.</li>

Tenant Mix Example, West Broadway BIA, Spring 2019

Category	Proportion of Storefronts
Convenience Goods	13%
Service Commercial	26%
Comparison Goods	18%
Food & Beverage	24%
Automotive	1%
Entertainment & Leisure	4%
Vacant (including under construction)	15%
Vacant (excluding under construction)	11%







## Principle #5: Experience of Place

## Clean, Safe and Friendly Public Realm

Clean, safe and friendly streets are a prerequisite for successful shopping areas. Public realm cleanliness, safety and friendliness requires coordinated efforts from multiple parties, including the City, local businesses and property owners, and the BIAs.

### Goals:

- Clean, level sidewalks and alleyways that promote walking and 'rolling' (strollers, wheelchairs, shopping buggies etc.)
- Seamless interface between the street and the building
- Safe crossings to connect both sides of the street
- Street trees to mitigate climate and provide beauty
- Good lighting to extend shopping hours
- Generous pedestrian weather protection
- Good wayfinding
- Public art, bike racks and street furniture
- Flexible use of streets and on-street parking to temporarily accommodate seasonal events
- Flexibility for seasonal patios and merchandising.

## Key Coordinating Agencies

- City Engineering Street Works
- City Engineering Waste Management & Recycling
- BC Hydro, Fortis, Telecom Utilities

### Special Challenges: Mental Health, Addiction, Homelessness

Roundtable discussions and surveys of retailers conducted for this study indicated that in many areas the viability of their businesses is being challenged by the related trio of mental health, addiction and homelessness. The growing impacts of these challenges on our shopping streets are visible in the forms of rough sleeping in storefronts, alleys and parkades, shoplifting, the erosion of public order, property crime as well as perceived and real threats to personal safety.

As 'third spaces' between home and work, local businesses are public and permeable and particularly exposed to these social issues. The local business owners, property owners and BIA representatives we engaged in our study told us that they felt that they were on the 'front lines' of these social issues which are intensifying and widening across more areas. Many business owners report daily struggles just to open their stores and to maintain hygienic storefronts and service areas. Many report that their staff and customers often feel threatened, and many deal with frequent shoplifting.

### Key Coordinating Agencies

- City: Vancouver Police Department, Arts, Culture and Community Services
- Province: Vancouver Coastal Health & BC Housing
- Federal







## Principle #5: Experience of Place

#### Compact, Walkable Precincts

• Areas with a higher **concentration of stores**, with a synergistic tenant mix, are more appealing places to walk and linger. In such areas there is sufficient vitality and visual interest to keep people engaged, and multiple types of stores and services can be accessed within a reasonable walking distance. Large commercial areas of 15+ blocks (e.g. Commercial Drive) can still be considered 'compact' and walkable if the street is comprised of many distinct (and anchored) sub-areas, each with its own balanced mix of shops and services, and each serving different (but overlapping) trade areas.

#### Appealing and Flexible Building Design

- Shoppers will be drawn to, and linger in, areas with **appealing design and storefronts**. New tenants are more likely to be attracted to areas which have an attractive built environment, and pleasant public realm.
- A 2014 study of three major metropolitan areas in the United States found that neighbourhoods with a **mix of building styles and sizes** often performed well from an economic and retail perspective. The mix of styles creates visual diversity, while the mix of storefront sizes allows for a range of business types.\*
- Following are some key elements related specifically to building massing and geometry\*\*:
  - Emphasize primary entrances to each retail tenant through recessing of entrances.
  - Use canopies and other forms of weather protection along the building façade, being careful to balance weather protection needs with visibility of individual storefronts.
  - Avoid designing irregular shaped units. Rectangular spaces with good sightlines to the entrance are best for most tenants.
  - Units with storefront to depth ratios of 1:3 work for most tenants.
- Different retail tenant types require different unit sizes and configurations. It is important to assess market conditions and determine a desirable tenant mix before designing the ground floor of a new space. As tenant mix is likely to change over the lifespan of a building, adaptability and convertibility of space is critical.

\*National Trust for Historic Preservation, "Older, Smaller, Better: Measuring How the Character of Buildings and Blocks Influences Urban Vitality." \*\*Adapted from Toronto Retail Design Manual (2019) and informed by CMI and Lee & Associates' professional experience.







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A 2016 retail study in San Francisco revealed how different built forms can promote or inhibit different types of businesses.

- One shopping street, with an average store size of 2,600 square feet, was (anecdotally) relatively easy for brokers to lease, as the spaces were more affordable and thus more feasible for a range of independent businesses across multiple categories.
- Another shopping street, with larger storefronts and an average store size of nearly 3,500 square feet was more attractive to retailers and restaurants needing larger spaces, including some chain retailers. The largest spaces were challenging to lease because they appeal to limited numbers of tenant categories, were not appealing to independents (due to price) and were difficult to subdivide.

Ref: Strategic Economics, "Calle 24 Retail Study, Final Background Report, August 2016.

## Principle #5: Experience of Place

#### Interface between the Street and Retail Frontage

Successful neighbourhood shopping streets have a variety of retail, civic uses and a vibrant public realm. Critical is the way that the storefronts interface with the street, and how the buildings work together with the public realm to create a welcoming environment where people are drawn, and where they want to linger.

- Provide generous sidewalk widths, with flexible space for programming, seating, walking, rolling and queuing.
- Ensure that people walking along the sidewalk can easily see into stores.
- Avoid unanimated blank walls on all streetscapes. Also avoid fully glazed storefronts, or windows showing the back of display shelves.
- Avoid blank walls. Wrap long store frontages (for instance, a large-format retailer) with smaller retail storefronts on the primary retail façade.
- Design the transition from sidewalk to retail space without any visual or physical obstacles and meet accessibility requirements.
- Ensure each individual storefront on a frontage can be easily identified through vertical articulation and /or through use of materials, detailing, canopies etc.

### Adaptability and Convertibility

As Vancouver intensifies and increasingly accommodates retail spaces within mixed-use structures, the importance of designing adaptable structures that can accommodate future changes increases. Key considerations are:

- Enabling a diversity of commercial uses and mixes.
- Enabling incorporation of new technologies.
- Accommodating future intensification.

A variety of retail unit widths, depths, heights and transparency treatments should be possible to meet the needs of different tenants over time.







## Principle #6: Transportation and Access

#### Access by All Modes

Historically, Vancouver's local shopping areas emerged with the dual logic of electric mass transit and walking. These areas today must be accessible by all forms of transportation including walking, cycling, transit, cars, and goods movement.

### Walking (28.5% of trips)\*

Every visit to a shopping area begins and ends with a walk (or roll) so sidewalks and street crossings need to be well-finished, well-drained, level and free of clutter to ensure a clear, accessible path for pedestrians. The City's investment in these facilities is critical since streets help to define LSA character.

### Transit (17.0% of trips)

The quality, distribution and frequency of transit service is important for the success of shopping areas. This requires coordination between the City and Translink.

### Cycling (7.3% of trips)

Cycle trips have more than doubled over the last decade and the city is investing in new cycling facilities, including safer 'all ages and abilities' lanes, racks and bike share stations. These facilities need to be properly and directly integrated into the shopping areas, noting that design and installation require thoughtful placement so they do not impair business visibility and operations.

#### Goods Movement and Loading

Retailers and service providers need to efficiently move goods in and recycling/waste out. City lanes and on-site loading are key facilities for local businesses. On-street loading needs to be carefully located and planned so as not to conflict with other street uses.

### Cars and On-Street Parking (47.2% of trips)

Almost half of Vancouver trips are made by car, so access and parking for vehicles still remains an important priority. The allocation of road and parking space involves tradeoffs with other modes and interests. People frequently drive to shop or stop mid-trip on the way to or from work, school or recreation. There must be sufficient parking, both on and off the main street. The loss of parking presents many local businesses, and destination businesses, with significant challenges.



\*Mode share data as per "2018 Vancouver Panel Survey Report", McElhanney and Mustel. "Cars and On-Street Parking is sum of Auto Driver + Auto Passenger.







## Principle #7: Local Trade Area Population & Spending Power

The geographic trade area that supplies the customer base for a shopping area will vary based on the tenant mix, the local population density, the competitive landscape, and other geographic or psychological barriers (e.g. bridges, major roads, water bodies, topography etc.). While analysis of the current trade area extent for each of the six Study areas was not conducted in this study, we note here a number of key local trade area characteristics that are supportive of strong shopping precincts:

#### **Population Density**

Neighbourhoods with a growing population will have a greater chance of supporting a thriving and resilient local shopping area. As of 2016, the population density within one kilometer of each of the City's non-downtown BIAs ranged from a high of 89.9 residents per hectares (Kitsilano Fourth Avenue) to a low of only 30.4 residents per hectare (Point Grey Village).\* As noted, areas with population densities **above 40 residents per hectare**, and with a strong growth trajectory, have a greater likelihood of sustaining a resilient local shopping area.\*\*

Of the six BIAs studied, South Granville had the most people (79/Hectare) and Marpole the lowest (41.6/Ha) within 1 km. Statistics Canada Census shows that the City of Vancouver's population grew by 9.2% between 2006 and 2016. In the same period, population growth varied considerably across the 1 km catchment areas for each Study area, ranging from a high of 12.0% in Collingwood, to a low of 0% in Marpole.

90.0 14.0% 9 79.0 □ 12.0% 73.1 80.0 12.0% 70.0 61.1 2006 68.3 10.0% COV average growth = 9.2% 60.0 **8.1%** 8.0% 50.0 41.9 Growth 7.4% 41.6 40.0 6.0% 5.7% 30.0 4.0% Populaton 20.0 2.7% 2.0% 10.0 0.0% 0.0% South West Collingwood Commercial Hastings Marpole Granville Broadway Drive North

Population (2016) & Growth (2006 - 2016) within 1Km

■ People/Ha ■ Growth

\*Based on GIS analysis using 2016 population data

\*\*Based on analysis of population densities around each of the City's BIAs, and professional knowledge of business challenges in the City's 3 BIA areas falling below this threshold.







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## Principle #7: Local Trade Area Population & Spending Power

#### **Income and Spending Power**

Many retailers, particularly national chain retailers, will examine local area household incomes, aggregate income, and aggregate disposable income, within the primary catchment areas, when selecting store locations.

Typically, retailers look at a variety of criteria, including:

- Average and median household incomes
- Population and household density
- Aggregate income and spending power

Within the 1-kilometre zones around each of the 6 Study areas examined in this analysis, we see the following **rankings** in terms of average household incomes, median household incomes, and aggregate household income. All data is per 2019 estimates, as per Environics Analytics' "DemoStats" database.

## Household Income Rankings (2019)

Area	Avg. HHLD Income	Median HHLD Income	Aggregate HHLD Income
S. Granville	1	2	1
W. Broadway	2	1	2
Marpole	3	5	6
Hastings N.	6	6	5
Collingwood	5	3	4
Commercial Dr.	4	4	3

Source: Environics Analytics' "DemoStats" database (2019)





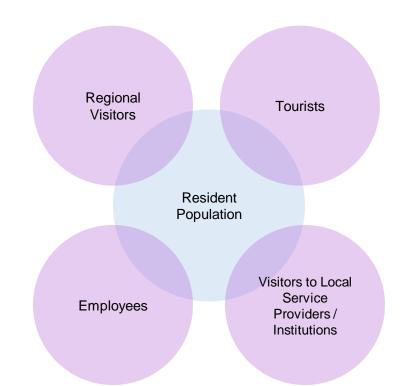


## Principle #7: Local Trade Area Population & Spending Power

#### Other Drivers of Demand

In addition to local resident population and its spending potential, other sources of demand in a community shopping precinct may include:

- Daytime workers: retailers and restaurants in particular categories may benefit from workers who travel into the trade area to eat and shop during their lunch hours, or before / after work. Vancouver's local shopping areas and surrounding areas host a diverse array of employers across many sectors.
- Visitors to local service providers and institutions: medical and dental offices, schools and other public or private sector institutions (e.g. government offices, libraries, community centres etc.) draw people who may also stop to dine or shop.
- **Regional visitors:** some community shopping precincts are regional destinations. South Granville has historically been such a destination for comparison shopping in the apparel, shoes, homewares, and furniture categories. Commercial Drive is a regional food & beverage / entertainment destination.
- **Tourists:** some of Vancouver's shopping areas are draws for tourism. Commercial Drive for instance is highlighted as a notable tourism destination by travel publications (e.g. Lonely Planet) and is marketed based on its Italian and 'counterculture' influences, and its mix of independent stores, cafes and restaurants. That said, tourism is not the major driver of business on the Drive, and tourism alone is insufficient to support any vibrant shopping precinct.









## Principle #8: Supportive Government Policies

#### Zoning to Support Healthy and Vibrant Local Shopping Areas

Throughout the roundtable events held as part of this study, stakeholders identified flexible, "fluid" zoning as a critical element for supporting small business and local shopping, particularly in this period of fast-paced business change and evolution.

Supportive zoning for small business should include:

- Flexible definitions of use and allowances for businesses that do multiple things, including production, on-site consumption (e.g. brewery tasting room) retail, and storage/distribution.
- Facilitation of pop-up stores to combat the impacts of vacancy.
- Zoning for safety and form, rather than use.
- Allowance for flexible, temporary zoning for properties being rezoned undergoing redevelopment.

#### **Permits and Licensing**

Complex permit processes and application requirements force many business owners to engage a variety of professionals at great expense. The City (and others') growing focus on energy and sustainability adds new analysis, process and timeline requirements, and mandatory upgrades to often simple tenant improvements.

Long permitting times are a major disincentive for business opening, and often can lead to financial hardships for small business as they are typically paying rent, common area maintenance charges and property taxes through these periods where they cannot operate and generate revenue.







## Principle #8: Supportive Government Policies

### Six Government Agencies set Property Taxes

Under typical **Triple Net (NNN) Leases**, property owners pass the responsibility for Property Tax payments on to the commercial tenants through their lease terms.

Reasonable and predictable property taxes are key to the stability of local businesses. In contrast, rising and unpredictable property taxes create significant financial challenges for all businesses - particularly for smaller businesses that have inelastic demand and greater dependence on local trade.

A common misconception is that the City alone sets property tax when in fact there are <u>six</u> independent actors involved. **BC Assessment (BCA)** appraises the value of land and buildings annually and these valuations form the basis for the application of a number of property taxes including:

- City Mill Rate (set by the City) x Property Value by Class
- School Mill Rate (Set by the Province) x Property Value by Class
- TransLink Mill Rate (set by TransLink) x Property Value by Class
- BC Assessment Mill Rate (set by the Province) x Property Value by Class
- Metro Vancouver Mill Rate (Set by Metro) x Property Value by Class
- Municipal Finance Mill Rate (Set by Metro) x Property Value by Class

### The Interplay of Property Value Assessments & Commercial Property Taxation

A key issue for many businesses is the challenge of rising property taxes. While the City does not generate higher property tax revenue as a result of rising property values, the combination of property value increases and unused development density on many sites with active commercial uses can result in increased property taxation for commercial tenants.

- Through the structure of 'triple net' commercial leases, commercial tenants are required to pay a basic rent plus an 'additional' rent. The latter includes the property taxes levied on the unit they occupy.
- When there is unused development potential on a site, the property's value is still assessed on the basis of its highest and best use, even if the current use is significantly different (e.g. a single-level commercial building, with potential to build 6-storeys of mixed-use space).
- As property taxes are levied on the basis of highest and best use, and as those taxes are often passed on to tenants through triple net leases, the tenant can be faced with a situation where property taxes increase at a greater-than-anticipated rate.
- Recognizing the impact of commercial property taxation and highest-andbest-use assessment on businesses, Vancouver City Council voted on April 29, 2019 to shift 2% of the "City" tax portion of the property taxes from Commercial property classes to Residential.
- The City continues to work with other Metro Vancouver municipalities and the Province in proposing a solution in the form of a split property assessment.







## Principle #8: Supportive Government Policies

#### **Provincial Minimum Wage Regulation**

Fair and predictable labour costs are important to the vitality of local businesses and to employees. Wages represent a significant portion of overhead and all businesses must adapt to rising local wage conditions and minimum wage increases set by the Province of BC.

On June 1, 2019, the general minimum wage in British Columbia increased to \$13.85 per hour and is anticipated to increase over the next two years to \$15.20 by June 1, 2021.

Based on this forecast, the increases in minimum wages will represent an average compounded rate of c. 3.5% per year.

#### Provincial Health Tax Increases

Related to Labour Costs, in January 2020, Businesses in BC will pay 100% of Provincial Medical Service Plan costs. The move will shift c. \$800M in costs to BC businesses with payrolls over \$500,000. These costs have historically been shared 50% between businesses and employees. The shift will disproportionately affect businesses with larger payrolls.



Source: Employment and Social Development Canada, Open Data







## Principle #8: Supportive Government Policies

#### **Sales Taxes**

According to the Business Council of BC, the 2013 elimination of the HST and return of the provincial sales tax required businesses to pay an estimated \$3 billion in sales tax on inputs used in their operations\* Businesses pay approximately 40% of the PST collected by the Province. The Province recently eliminated PST on electricity used by businesses, which has provided local business with a small tax break.

### **Parking Taxes**

Businesses that charge for parking at monthly or hourly rates are subject to a 5% GST applied to the parking fee and 24% Metro Vancouver Parking Tax.

#### Federal Businesses Taxes

Over the past three years, the Federal Government implemented significant changes limiting how small businesses can manage retained earnings and share income amongst owners. For Canadian-controlled private corporations claiming the small business deduction, the net tax rate on business profit has been cut as follows:

- 9% effective January 1, 2019
- 10% effective January 1, 2018
- 10.5% before 2018

### Provincial Businesses Taxes

British Columbia increased its general corporate income tax rate from 11.00% to 12.00%, effective 1 January 2018.

\*Business Council of British Columbia. Vol 26, Issue 2, July 2019. It's Becoming More Costly and Complex to do Business in B.C.







Section 7.3 outlined the core principles for successful local shopping areas. In this section, a series of **indicators**, and associated **metrics**, are proposed, each tied to one of the 8 core principles. Indicators and metrics can be used to assess local shopping area health and vitality, and how it is changing. Note that many metrics will have to be refined and built upon through future research, and that appropriate metrics will vary depending on the nature of a shopping area. **The metrics outlined here are specific to** *Community Commercial Precincts*, as outlined in Section 2.2 (Shopping Area Typologies).

Principle	Factors	Proposed Attribute / Indicator	Proposed Metric (where appropriate)
Property Assessment & Taxation The number one business viability concern of local shopping area businesses expressed through roundtables and surveys is the rising	<b>BC Assessment Valuations</b> Quantitative measurement of BCAA assessments of property value. Rapidly rising valuations (compared to City averages) will generate increasing property tax burdens.	Green: Assessments track city average over 1-year and 5-year periods Yellow: Assessments within an acceptable range of City Average over 1-year and 5- year periods* Red: Assessments above acceptable range of City Average over 1-year and 5-year periods*	
1. Fair and Predictable Property Taxes & Rents	burden of increasing property assessments and property taxes. Accordingly we are placing this as a leading factor for health and vitality ahead of the other scorecard principles identified in Section 7.3.	<b>Property Taxes Payable</b> Quantitative measurement of the commercial property tax that must be paid by local businesses in the Local Shopping Area.	Green: Change in Property Tax paid by local shopping area businesses tracks inflation over 1- and 5-year periods Yellow: Change in Property Tax >inflation but still within an acceptable amount for most businesses over 1- and 5-year periods* Red: Change in commercial property tax well above inflation, and deemed too high for business survival in the near-term.*

\*Identifying specific thresholds was beyond the scope of this study. The consulting team believes that if assessed values and property taxes are changing significantly more than average in a short period of time, it is more likely than not that businesses will have difficulty responding. However, the ability to respond to short-term changes in property taxation will vary business to business.







Principle	Factors	Proposed Attribute / Indicator	Proposed Metric (where appropriate)*
2. Occupied Storefronts	High levels of occupancy are a clear sign of local retail area success and provide a clear-cut quantitative metric for tracking year-to-year.	Measurements of vacancy on a store count and floor area basis. Track length of vacancy (year- over-year) to differentiate between frictional and structural vacancy. Consider differentiating vacancies (available for lease, under construction, pending permit)	Green: Vacancy <7% (but above at 4%) Yellow: Vacancy >7%, <10% Red: Vacancy 10%+

\*Vacancy rate ranges based on industry experience of the consulting team.







Principle	Factors	Proposed Attribute / Indicator	Proposed Metric (where appropriate)
3. Cooperation and Coordination	<ul> <li>QUALITATIVE MEASURE</li> <li>BIA leadership will generally have greater chances of success supporting a healthy local shopping area if they:</li> <li>Proactively solicit regular feedback and information from member landlords and retailers and advocate for their interests;</li> <li>check in and work with anchor tenants (retail and non-retail);</li> <li>Facilitate and manage a vision for the shopping area(s), and work to spearhead active tenant retention and recruitment to maintain an excellent mix of retail and services; and</li> <li>Work with City departments to address key issues such as street access, parking, maintenance, cleaning, graffiti and community safety.</li> <li>These are difficult factors to measure objectively and there is great variability in the City of Vancouver's BIAs in terms of staff capacity and length of tenure. This underscores the need for leadership from City staff providing a clear framework for BIA activity, and active support.</li> </ul>	<ul> <li>BIA Membership Satisfaction with BIA leadership and service</li> <li>Regularity of interface between BIA leadership and key anchor tenants / landlords</li> <li>Capacity of BIA for research and active outreach</li> </ul>	<ul> <li>BIA member feedback</li> <li>BIA annual budget</li> <li>Tenure of BIA Executive Director (e.g. part time, full time)</li> <li>Regularity of contact with key anchors / landlords</li> </ul> Generally the metrics are difficult to quantify. However it is clear that a key component of maintaining a healthy district is the role of the BIA, and how leadership works with anchors and major landlords to 'get ahead' of potential problems that could lead to health/vitality challenges.







Principle	Factors	Proposed Attribute / Indicator	Proposed Metrics* (where appropriate)
	<ul> <li>Presence of Grocery Store(s) And / Or</li> <li>Cluster of a business category (e.g. clothing stores, destination restaurants, etc.)</li> </ul>	Green: at least 1 grocery store (or equivalent) per precinct, and multiple grocery stores, appropriately spaced to serve multiple trade areas, in larger precincts (e.g. Commercial Drive). Yellow: at least 1 grocery anchor, but either not optimally located and/or undersized. Red: Absence of anchor(s), particularly recent loss of anchor.	
4. Anchor Uses	Healthy commercial precincts need commercial and non-commercial	<ul> <li>Presence of non-commercial anchor(s)</li> </ul>	Green: presence of multiple non-retail anchors (institutional, recreational) in precinct Yellow: Presence of at least 1 non-retail anchor in precinct. Recent loss of a non-commercial anchor. Red: absence of non-commercial anchors.
& Tenant Mix	anchors, and a healthy mix of complementary uses.	Complementary <b>Tenant Mix</b>	<u>Subjective</u> : Generally, areas that are primarily neighbourhood-serving have 60+% of storefronts as convenience retail/service/food & bev. Complementarity of tenant mix can best be assessed through discussions w/reps from dominant categories. Often a 'deeper dive' into the nature of the tenants is required.
		• Distinctive <b>Character</b>	Subjective: Ask: does the tenant mix embody some degree of local character? Is it unique, or distinctive? Is the area's programming supportive of distinctive local culture? Also consider whether there has been change in the proportion of chains vs. independent businesses.

\*Anchor tenant metrics based primarily on CMI commercial planning and leasing experience. Complementary tenant mix threshold based on CMI experience, and reflected by tenant mix data for 6 Study areas.







Principle	Factors	Proposed Attributes / Indicators	Proposed Metrics (where appropriate)
A clean, safe and friendly public realm is essential for the success of a local shopping area.         Clear, clean sidewalks, well maintained buildings with pedestrian weather protection, and appealing storefront designs are elements of successful placemaking.         5. Experience of Place       The impacts of mental health, addiction and homelessness need to be addressed in a humane way to promote real and perceived safety in local shopping areas and to reduce property crime and theft.         BIAs have an important responsibility in liaising with numerous City departments to address many of these issues.	Clean / Safe / Friendly Indicators: Absence of Graffiti (City data) Sidewalk condition Street trees Wayfinding Public art Street furniture Patios / storefronts	Scoring dependent on what metrics are selected and availability of data.	
	<ul> <li>Concentration of Stores /</li> <li>Compactness Indicators:</li> <li>Anchored 400-800m areas</li> <li>Storefronts 8-12m apart on avg.</li> <li>High intersection density / pedestrian crossing presence</li> </ul>	Storefront density and intersection density thresholds to be determined.	
	<ul> <li>Appealing / Flexible Building Design:</li> <li>Mix of styles</li> <li>Mix of building ages</li> <li>Mix of store sizes</li> </ul>	Likely a subjective metric.	
	Public realm programming: Permanent programming Seasonal events / programs	Likely subjective, and area-specific	







Principle	Factors	Proposed Attributes / Indicators	Proposed Metrics (where appropriate)
		<ul> <li>Extent of active on and off-street parking management using time and/or pricing strategies.</li> </ul>	Would require parking studies in each area. Further, importance of parking may vary area to area.
6 Accessibility by All Mades	Parking supply is important for providing access for customers, many of whom need to move goods with vehicles.Accessibility by All ModesPresence of bike lanes intersecting with the shopping area, or present on parallel streets, for safe all ages and abilities access.Comfortable sidewalks – all trips begin and end with a walk.Good and regular access by transit	<ul> <li>Number of bike lanes to and through the precinct.</li> </ul>	Appropriate thresholds to be determined and may vary area to area.
6. Accessibility by All Modes		Width and comfort of sidewalks.	Appropriate thresholds to be determined.
		<ul> <li>Number of transit routes serving the precinct.</li> </ul>	Appropriate thresholds to be determined







Principle	Factors	Proposed Attributes / Indicators	Proposed Metrics* (where appropriate)
	The size of the population within walking	<ul> <li>1-kilometer radius trade area population density</li> </ul>	Green: >60 ppha Yellow: 41-59 ppha Red: <40 ppha
7. Local Trade Area Characteristics	distance of the local shopping area is a critical demand factor for local shopping areas. Local spending power and demographic characteristics are also important.	<ul> <li>1-kilometer radius median household income</li> <li>Note that this is one proposed attribute. Another attribute may be the aggregate income / spending power of an area. Areas with lower household incomes may collectively have higher spending power than areas with higher median incomes.</li> </ul>	Appropriate metrics / thresholds to be determined.

\*population density thresholds based on analysis presented on observed thresholds in Section 2.2.







Principle	Factors	Proposed Attributes / Indicators	Proposed Metrics (where appropriate)
8. Supportive Regulatory Environment		• Permitting & Licensing time	Green: < 1 month for Tenant Improvement Permits & Business Licenses Yellow: 1 to 2 months for Tenant Improvement Permits & Business Licenses Red: >2 months for Tenant Improvement Permits & Business Licenses
	<b>Zoning Capacity</b> Businesses need flexible zoning to enable a wide variety of uses.	<ul> <li>Zoning to support flexibility / adaptability / convertibility</li> </ul>	Appropriate metrics to be determined following detailed review of current zoning.







The following 6 pages contain preliminary health / vitality snapshots for each of the 6 Study areas.

As we have noted throughout section 7.4, many of the proposed metrics / thresholds are yet to be determined and will require further research and internal deliberation by City staff before they can be determined. With that said, the consulting team has provided preliminary scoring for <u>all</u> attributes in the scorecards to follow.

For metrics where no scoring or rating schema / thresholds have been presented in Section 7.4, any scores or ratings shown in Section 7.5 should be interpreted as the **subjective opinions of the consulting team only**. These opinions are based upon a combination of:

- 1. Information received during the roundtable engagement events from business operators, brokers, and landlords
- 2. Information conveyed to the consulting team by BIA leadership over the course of the study
- 3. Observations of the consulting team members in each commercial area during the course of study, and collective professional experience.

Further snapshots of area-specific health, vitality, key issues and priorities for intervention, are outlined in **Appendix C**.







# 7.5 HEALTH / VITALITY SNAPSHOT: SOUTH GRANVILLE

## Based on consulting team's assessment through available data and subjective interpretation / experience.

Principle	Attribute	•••	Notes
1. Fair and Predictable Rents	BC Assessment Valuation Property Tax	•	
2. Occupied, Contiguous Storefronts	Vacancy Rate	•	
3. Cooperation and Coordination	BIA Budget Tenure of BIA ED Contact w/anchors / landlords	•	Steady Steady Steady
4. Anchor Uses and Tenant Mix	Grocery Stores or anchor clusters Non-Retail anchors Complementary Mix Distinctive Character	• / •	Becoming less concentrated; grocery store undersized Stanley, major office clusters, firehall / library nearby Losing local business supporting immediate catchment Steady
5. Experience of Place	Cleanliness / Safety Concentration / Compactness Appealing / Flexible Design Public Realm Programming	•	Subjective observation / info received from roundtable Subjective observation Subjective observation Subjective observation
6. Accessibility by All Modes	Parking Availability Bike Lanes / Access / Parking Sidewalks Transit	•	Side street parking in resident zones problematic Subjective observation Subjective observation Subjective, based on review of transit routes
7. Local Trade Area Characteristics	Population Density Median Household Income	•	Steady Steady
8. Supportive Regulatory Environment	Permitting / Licensing Zoning	•	Long wait times reported Flexibility could be increased (based on info received during roundtables)







# 7.5 HEALTH / VITALITY SNAPSHOT: WEST BROADWAY

## Based on consulting team's assessment through available data and subjective interpretation / experience.

Principle	Attribute	•••	Notes
1. Fair and Predictable Rents	BC Assessment Valuation Property Tax	•	
2. Occupied, Contiguous Storefronts	Vacancy Rate	• / •	Pending deals that will bring vacancy rate down. Positive trajectory.
3. Cooperation and Coordination	BIA Budget Tenure of BIA ED Contact w/anchors / landlords	•	Steady Steady Steady
4. Anchor Uses and Tenant Mix	Grocery Stores or anchor clusters Non-Retail anchors Complementary Mix Distinctive Character	•	Steady, including food & beverage clusters Library Steady Based on feedback during roundtable + consultant observation
5. Experience of Place	Cleanliness / Safety Concentration / Compactness Appealing / Flexible Design Public Realm Programming	•	Subjective observations / info received from roundtable Subjective observation Subjective observation Subjective observation
6. Accessibility by All Modes	Parking Availability Bike Lanes / Access / Parking Sidewalks Transit	• / •	Subjective observation Subjective observation Excellent in parts of the precinct, too narrow in others. Subjective, based on review of transit routes
7. Local Trade Area Characteristics	Population Density Median Household Income	•	Steady Steady
8. Supportive Regulatory Environment	Permitting / Licensing Zoning	•	Long wait times reported Steady







# 7.5 HEALTH / VITALITY SNAPSHOT: MARPOLE

## Based on consulting team's assessment through available data and subjective interpretation / experience.

Principle	Attribute	•••	Notes
1. Fair and Predictable Rents	BC Assessment Valuation Property Tax	•	
2. Occupied, Contiguous Storefronts	Vacancy Rate	•	
3. Cooperation and Coordination	BIA Budget Tenure of BIA ED Contact w/anchors / landlords	:	Steady Steady Steady
4. Anchor Uses and Tenant Mix	Grocery Stores or anchor clusters Non-Retail anchors Complementary Mix Distinctive Character	•	Steady; grocery store and restaurant cluster Library Over-representation of some personal service categories Steady
5. Experience of Place	Cleanliness / Safety Concentration / Compactness Appealing / Flexible Design Public Realm Programming		Subjective observation / info received from roundtable Subjective observation Subjective observation Subjective observation
6. Accessibility by All Modes	Parking Availability Bike Lanes / Access / Parking Sidewalks Transit	•	Subjective observation Subjective observation Subjective observation Subjective, based on review of transit routes
7. Local Trade Area Characteristics	Population Density Median Household Income		Steady Steady
8. Supportive Regulatory Environment	Permitting / Licensing Zoning	•	Long wait times reported Steady







# 7.5 HEALTH / VITALITY SNAPSHOT: HASTINGS NORTH

## Based on consulting team's assessment through available data and subjective interpretation / experience.

Principle	Attribute	•••	Notes
1. Fair and Predictable Rents	BC Assessment Valuation Property Tax	•	
2. Occupied, Contiguous Storefronts	Vacancy Rate	•	Concentrated in particular sub-areas
3. Cooperation and Coordination	BIA Budget Tenure of BIA ED Contact w/anchors / landlords	:	Steady Steady Steady
4. Anchor Uses and Tenant Mix	Grocery Stores or anchor clusters Non-Retail anchors Complementary Mix Distinctive Character	•	Grocery store, Shoppers, London Drugs Library Steady Steady
5. Experience of Place	Cleanliness / Safety Concentration / Compactness Appealing / Flexible Design Public Realm Programming	•	Subjective observation / info received from roundtable Subjective observation Subjective observation Subjective observation
6. Accessibility by All Modes	Parking Availability Bike Lanes / Access / Parking Sidewalks Transit		Subjective observation / info from roundtable Subjective observation Subjective observation Problematic north/south connections based on review of transit routes
7. Local Trade Area Characteristics	Population Density Median Household Income	•	Steady Steady
8. Supportive Regulatory Environment	Permitting / Licensing Zoning	•	Long wait times reported Steady







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# 7.5 HEALTH / VITALITY SNAPSHOT: COLLINGWOOD

## Based on consulting team's assessment through available data and subjective interpretation / experience.

Principle	Attribute	••0	Notes
1. Fair and Predictable Rents	BC Assessment Valuation Property Tax	•	
2. Occupied, Contiguous Storefronts	Vacancy Rate	•	Steady
3. Cooperation and Coordination	BIA Budget Tenure of BIA ED Contact w/anchors / landlords	:	Steady Steady Steady
4. Anchor Uses and Tenant Mix	Grocery Stores or anchor clusters Non-Retail anchors Complementary Mix Distinctive Character	•	Safeway, London Drugs Library; school closure Steady Steady
5. Experience of Place	Cleanliness / Safety Concentration / Compactness Appealing / Flexible Design Public Realm Programming	•	Subjective observation / info received from roundtable Subjective observation Subjective observation Subjective observation
6. Accessibility by All Modes	Parking Availability Bike Lanes / Access / Parking Sidewalks Transit	•	Problematic parking on Kingsway and side streets Subjective observation Subjective observation Subjective, based on review of transit routes
7. Local Trade Area Characteristics	Population Density Median Household Income	•	Steady Steady
8. Supportive Regulatory Environment	Permitting / Licensing Zoning	•	Wait times not as prominent a reported issue Steady







# 7.5 HEALTH / VITALITY SNAPSHOT: COMMERCIAL DRIVE

## Based on consulting team's assessment through available data and subjective interpretation / experience.

Principle	Attribute	•••	Notes
1. Fair and Predictable Rents	BC Assessment Valuation Property Tax	•	
2. Occupied, Contiguous Storefronts	Vacancy Rate	•	5%
3. Cooperation and Coordination	BIA Budget Tenure of BIA ED Contact w/anchors / landlords	•	Steady Steady Steady
4. Anchor Uses and Tenant Mix	Grocery Stores or anchor clusters Non-Retail anchors Complementary Mix Distinctive Character	•	Multiple grocery anchors, restaurants Cinema (Rio), Britannia Community Centre Steady Steady
5. Experience of Place	Cleanliness / Safety Concentration / Compactness Appealing / Flexible Design Public Realm Programming	•	Subjective observation / info received from roundtable Subjective observation Subjective observation Subjective observation
6. Accessibility by All Modes	Parking Availability Bike Lanes / Access / Parking Sidewalks Transit	•	Subjective observation / info received from roundtable Subjective observation Subjective observation Only 1 bus line; Broadway/Commercial SkyTrain
7. Local Trade Area Characteristics	Population Density Median Household Income	•	Steady Steady
8. Supportive Regulatory Environment	Permitting / Licensing Zoning	•	Long wait times reported Steady







# 7.6 APPLYING THE REPORT CARD AND TRACKING CHANGE

The proposed health and vitality metrics and scoring, and their application to each of the 6 Study areas on the previous pages, shows both **snapshots in time**, and potential **trajectory of change**.

- The snapshots of area health are important indicators, as they may flag areas of concern that warrant further exploration.
- From the standpoint of problem identification for intervention in a timely manner, it is the **trajectory** of change that is more significant. The trajectory of change in some key categories (e.g. vacancy) is not altogether clear given the relatively large time gap between data points.

In order to successfully apply this (or a similar) report card tool going forward, the following initiatives will be required:

- 1. Create and regularly update a database of key metrics through annual field surveys.
- A database tracking key indicators of the health of commercial precincts is an essential prerequisite for both monitoring health and planning timely interventions.
- Some questions that will need to be discussed further are:
  - The geographic extent of data collection (i.e. which areas to include and exclude)?
  - o Inclusion or exclusion of non-commercial categories in the field survey?
  - Ground floor only or multi-floor? And does this vary by area?

## 2. BIA Leadership with City Support

- There are many roles that the BIAs, with varying degrees of City support, can and should play to assist with maintaining and enhancing health of shopping precincts over time.
- What can be expected of the BIAs themselves will need to be scaled to accommodate for variability in capacity. The role of the City will therefore be critical in ensuring that certain core tasks are undertaken around visioning, tracking, communicating and reporting.
- Regardless of capacity variability, BIA directors and members are on the front-line in their respective local shopping areas. Each has critical information, collected formally or informally, that is valuable in identifying health/vitality concerns, and potentially intervening at an early stage before problems emerge.
- 3. Leverage other City databases to access useful metrics for tracking area health and vitality
  - As noted previously, many of the health and vitality attributes are qualitative in nature and vary area to area.
  - Preliminary metrics have been proposed for some of these qualitative variables. Further discussion will be needed around how and where to refine these metrics, to make them as widely applicable as possible.
- There are many available data sets that the City already tracks which could prove useful in putting scores to some of the qualitative elements.

Each of these three initiatives are discussed further in Sections 7.7, 7.8 and 7.9 to follow.







# 7.7 COLLECTING BUSINESS INVENTORY DATA

### Core Data to Collect

If the City's goal is to be able to track the nature of change in the City's commercial landscape, understand the **trajectory** of change, and be positioned to provide intervention and support in a timely manner, then a database of the City's commercial areas will need to be created and annually updated to track the following data:

### 1. Vacancies, by storefront count and floor area

Understanding vacancy rates and changing vacancy rates by both store count and floor area over time, are important and relatively clear-cut quantitative metrics that can be indicative of health, vitality and change.

Vacancy can be an indicator of many issues, including problems related to taxation or rent, competition, safety, redevelopment, and other factors. Vacancy should be tracked and ideally 'tagged' by different sub-types, including:

- Vacant and available (unencumbered by an existing lease, listed for sale or rent).
- Vacant, or under construction and not yet committed.
- Vacant and pending permit.
- Vacant lots.

Different types of vacancies can tell us different things about an area. For instance, if a space is vacant and is available for lease, this space may require significant upgrades but the lease terms being offered may not be conducive to that level of re-investment. Perhaps a use that would like to go into the space cannot do so because of either building upgrade requirements or zoning encumbrances such as allowable use(s) and parking. Or perhaps there are other issues related to permitting, special lease conditions, problematic adjacencies, non-market asking rents and the like.

If a space is vacant and available for lease but is not being leased, this is more problematic than if a vacancy is there because the space is not yet ready for occupancy. A long-term vacancy can make the space harder to lease due to a perceived 'stigma'.

Tracking vacancy data annually can provide other insights into the changing nature of an area, as a long-term vacancy can be quite different from a short-term vacancy. If a space is vacant for 12+ months, the ability or ease with which that space can be leased diminishes. The outcome will either be that the space remains vacant, or that the use that goes into that space is not the best complementary or generative use for the area. Long-term vacancies may tell a story about a structural change in the marketplace that requires investigation. Short-term vacancies may simply be part of the typical cycle of business openings and closures.







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# 7.7 COLLECTING BUSINESS INVENTORY DATA

### 2. Business Counts, Floor Areas, and Categories

Tenant mix by category (e.g. predominant NAICS category), size of each storefront, and how the mix is changing year-to-year, can tell us many things about a commercial area, how it serves the neighborhood, how the needs of a neighbourhood may be changing, and how the competitive business landscape is changing. This data should be updated annually through field surveys.

The presence and type of **non-retail / service commercial anchors** should also be tracked. These include locations / sizes of:

- Libraries
- Community centres
- Schools
- Daycares
- Cultural spaces

Some of the critical category-related trajectory data that will be important to keep track of is:

- Loss of **commercial anchors**, particularly grocery stores. This can have serious knock-on effects for the viability of other businesses.
- If the anchor (or one of the anchors) of an area is a cluster of goods in one category (e.g. apparel), then a loss of multiple stores may indicate that this use is diminishing in its anchoring potential for the area.
- Loss of **non-commercial anchors** such as a library, school, or other community activity generator.

### 3. Independent vs. Chain

This can be an interesting metric to track, despite the difficulty around identifying what is truly an independent or a chain given many layers of complexity around ownership and control. The City may consider subdividing the 'chain' category further than what has been done for this study, given that a small local chain is likely to have very different impacts on the local economy than a national or international chain. One possible means of categorization:

- Local chain (only in Vancouver, or Metro Vancouver)
- Provincial chain (only in BC)
- National chain (only in Canada)
- International chain (multiple countries)

This type of segmentation may require further refinement if this is a metric that the City wishes to track. For instance, the proposed 4-tier segmentation noted above would categorize a global fast-food restaurant like McDonalds in the same category as a largely local restaurant like Meat & Bread, which has four locations in Vancouver, one in Calgary, and one in Seattle. Further, there is the ongoing issue of how to deal with franchise ownership, whereby a global standardized brand is operated on a franchise basis by a local business owner.

Note: The City's development and building permit system may be used to 'flag' where changes have occurred year-to-year, once a base data set is established. However, permits would not be useful for flagging where a tenant has moved out and a space has become vacant.







# 7.7 COLLECTING BUSINESS INVENTORY DATA

### **Questions and Methods**

The question of "**how**" to collect and maintain a new dataset of this nature, and the extent of coverage, is one that will require further discussion in a future phase of work. It may also require partnership with other organizations, depending on alignment of interests and required resources.

Our preliminary research suggests that the following will be important considerations when planning the "how" around data collection and data management:

- Clarity of Critical Questions: what questions does the city want to answer using this new database? What questions might it want to answer in the future? What are the "must haves" vs. "nice to haves", and what resources will be required?
  - Having clarity on the questions, and the potential initiatives the data can support, is a critical first step as this will inform both the "what" and the "how" for collection and data management.
  - For example: should the dataset be limited to the changing nature of *commercial / retail /food and beverage mix?* Or, must the data be able to answer broader questions pertaining to changing activities in neighbourhood commercial precincts more broadly? This type of question will determine what variables should be included or excluded in the inventory, and the extent of resources required to both build and maintain the datasets.
  - Is 'independent vs. chain' as defined in this document a data set that is still desirable for long-term tracking? Is there additional nuance to the definition that should be applied for it to be meaningful (e.g. separation of 'one-off' businesses in to their own category of 'micro-scale' independents)?

- 2. Method for Collection: a data set designed to track business counts, floor areas, vacancies, and business categories across the city over time will require an annual field survey. The details of how such a survey is carried out (including by whom, how often, with what supports etc.) and how the data is updated and maintained, will need to be explored and agreed upon. Key topics for further exploration include:
  - Precise variables to collect.
  - Dedicated staff requirements.
  - Seasonal staff requirements.
  - Timing for hiring, training, data collection, coding, reporting.
  - Training protocols for both collecting and maintaining the data.
  - Outside assistance requirements / partnerships (if any).
  - Comparability and compatibility between regulatory and permitting needs of the City and standardized economic measurement schemas like the North American Industry Classification System (NAICS).
  - Budgetary commitments.

In considering these questions, note that the collection of the data is only one piece of the puzzle (although it will require significant annual resources). To maintain an accurate longitudinal data set will also require 'back-end' resources pertaining to database management, data cleaning/maintenance, and linking the database to other city data sets.







# 7.8 BIA LEADERSHIP AND CITY SUPPORT

Engaged leadership from BIAs (both the executive team and the board), with a high-degree of support from the City, can make a difference in the health and trajectory of a commercial precinct. Depending on financial and staff capacity, BIA leadership can fulfill the following roles:

- Vision: creating unity and shared vision amongst businesses, property owners and leasing agents, and coordinating efforts to meet that vision. This may include coordinated operating hours, targeted leasing programs, or other means to promote cross-shopping. A part of building buy-in for a vision is ensuring that major landlords and anchors are on-side. This requires open lines of communication, which may require City support.
- Advocacy: advocate on behalf of business owners and operators.
- **Partnerships:** build partnership between the local businesses, community groups, customers, and landlords to gain buy-in around vision, and to collectively advocate on critical issues.
- **Targeted Leasing:** the BIA, with support from outside experts, can work with local landlords and brokers to shape the business mix and reduce leasing risk by building a collective understanding of target business categories, or specific businesses, that will work well in the area.
- **Business Education**: the BIA can work with the City and outside expertise to assist small businesses improve their business plans and business operations.
- **Public Realm:** BIAs coordinate public realm improvements such as cleaning, landscaping and other measures that improve the look and feel of the area.

- Knowledge Collection: BIA leadership is on the front lines, and must maintain open and frequent lines of communication with the major activity generators and landlords in a business district. Taking the pulse of the area is critical to understanding vision, goals, plans, and for crafting opportunities for partnerships. Depending on capacity, BIA leadership may require City support in this knowledge collection.
- **Knowledge Transfer:** on-the-ground knowledge should be conveyed back to City staff, and between BIAs, in a standard and consistent manner. This may involve an annual survey filled out and returned by each BIA to the City BIA liaison. This would ensure that critical on-the-ground knowledge is transferred to the City in a consistent manner.
- **Governance and Transparency:** transparency in BIA goals, governance and operations are instrumental in building trust amongst BIA members.

Consideration should be given by BIA leadership and City staff to jointly hosting additional (and possibly regular) community roundtables. Done well, a roundtable is a useful means to gain insights into issues faced by each area.

### Future roundtables should:

- Be held outside of normal business hours.
- Include provision for translation services.
- Involve active recruitment to ensure business and cultural representativeness and diversity.
- Include embedded expertise from commercial leasing and property management.







# 7.9 LEVERAGE OTHER CITY DATA SETS

There are many qualitative indicators of health and vitality, the relative importance of which will inevitably vary from area to area. Further, there are a range of metrics that could be attached to many of these indicators, which will require further exploration.

For instance, evaluation of the 'experience of place' may leverage existing city data sets such as:

- Street trees
- Density of street intersections
- Graffiti
- Right-of-way widths
- Bikeways
- Public Art

There will also be opportunities to utilize other city data that is currently collected and tracked to evaluate year-over-year changes in property valuation and property taxation.

Other data sources, such as BC Assessment, will be able to provide insights around building age, and potential linkages between age of building and different tenant types.

Census data will be able to provide insights on the changing nature of the surrounding neighbourhoods in terms of population, households, and income levels.

Between these City and non-City datasets, a number of further advanced techniques in analysis could be insightful. These may include:

- Retail diversity measures
- Correlation and regression analysis
- Further geospatial analytics







# 7.10 KEY TAKE-AWAYS FOR TRACKING CHANGE AND MONITORING HEALTH / VITALITY

- Local shopping area health and vitality is a critical issue for the future of the City's livability, character, culture and other objectives.
- As presented earlier in this document, research suggests that independent businesses tend to have greater local economic multipliers (direct and indirect) than larger chain business.
- Monitoring LSA health and vitality requires tracking of many attributes on an annual basis. The core quantitative attributes to track annually are:
  - Vacancy, change in tenant mix, change to anchor tenant status.
  - Property value change (compared to City average).
  - Property tax change (compared to inflation).
- Tracking changes to ownership may also be useful, as this could provide early indications of intent to redevelop, which will have implications for building reinvestment and lease terms for current / prospective tenants.
- Metrics for measuring health and vitality must, to some extent, be customized or weighted to reflect the current conditions and specific neighbourhood roles and goals.
- Tracking the nature of change long-term will require that the City create a database to track vacancy, tenant mix, business counts / sizes and business categories. The geographic extent of the database, and the specifics around what to collect and how to collect it, will need to be finalized in a future work phase.
- When designing the protocols for setting up a new data collection / maintenance process, be clear on the questions before designing a new database collection protocol.
- Identify partnership agencies (e.g. post-secondary institutions).
- Budget for both data collection and management.
- URBAN systems





- Engaged leadership from both the BIAs and the City will be important for both monitoring and supporting long-term health and vitality of precincts.
- BIA leadership, with support from the City, can support in many ways including:
  - Creating a shared vision for the areas.
  - Advocating on behalf of businesses.
  - Establishing partnerships between businesses, the community, customers, and landlords.
  - Targeted leasing programs.
  - Business education.
  - o Public realm enhancement.
  - Knowledge collection and transfer.
  - Partnerships with the City to have input on the built form of new developments.
- BIAs take the pulse of the local shopping areas. Having each BIA complete an annual questionnaire is one way to ensure that on-the-ground knowledge is communicated back to the City in a consistent manner.
- The opportunity to continue with community roundtables should be explored. Any future roundtables will need to find ways to overcome barriers to attendance, such as time of day and language.
- Multilingual and ethnoculturally sensitive qualitative and quantitative data collection is also highly recommended.



# **8.0 SYNOPSIS: CHALLENGES AND CHANGE DRIVERS**





Vancouver's local shopping areas are facing a variety of challenges, as identified through both the data analysis and the engagement undertaken through both surveys and roundtable events. Those challenges and 'change drivers' can be organized and summarized in the following categories:

- 1. Increasing Property Tax Load
- 2. Deteriorating Experience of Place
- 3. Land Use Regulations and Permitting Requirements
- 4. Employment Recruitment, Retention and Labour Costs
- 5. Real Estate Conditions and Lease Terms
- 6. New Competition and Changing Trade Areas
- 7. Variable Capacity and Expertise
- 8. Other Challenges

### 1. Increasing Property Tax Load

• Escalating property taxes based on unrealized highest and best use presents small businesses with significant financial challenges. While the City is addressing the property tax burden through shifts in the mill rate from Commercial to Residential land uses, the BC Assessment basis for property valuation has ultimately driven unsustainable property tax increases on local businesses in the face of rising land and potential property development values.

- Triple net leases are the industry norm across Canada, and these contracts place the responsibility of paying property taxes (plus insurance and maintenance) on the business owner. While this is not necessarily a problem in many cases, it can (and has) proven problematic for businesses when property tax increases outpace business' ability to grow sales or otherwise respond.
- Throughout the roundtables, many business owners expressed concern with the combination of rising property taxes and a perceived decrease in 'value for money' for City services. Many members report fewer City services and a downloading of costs such as waste collection and security, all in the face of rising tax bills.
- Commercial property taxes operate within the context of a wider universe of business taxation. While property taxes escalate for many, there have also been significant increases in taxation and policy cost from other sources including:
  - Federal small business tax changes..
  - BC minimum wage increases.
  - Downloading of MSP premiums to employers with payrolls exceeding \$500,000.
  - Rising Metro Vancouver regional DCCs and parking taxes.
- Many business owners have described this situation as "death by a thousand cuts." Some owners report that gains in sales are outpaced by the rising costs of operating their businesses.
- The City has a role in engaging senior government to educate policy makers on the impacts of taxation and the interest of local shopping and services which support walkable neighbourhoods. At the time of writing, the BC Government had not yet responded regarding the UBCM motion to create a commercial sub-class for unbuilt development potential.







### 2. Deteriorating Experience of Place

- A clean, attractive and safe public realm is critical for supporting a successful retail environment. This can help to attract locals to shop and recreate in the area (versus leaving to another area). It can also help position a commercial district as a destination for those beyond the neighbourhood.
- The great advantage of local shopping streets over the rising tide of online shopping is direct contact with the customer and the attraction of a pleasant walk along a tree-lined street with a variety of goods and services. The City's primary role in shopping areas is to keep streets, sidewalks and alleys (i.e. the public realm) in the best condition possible.
- Vancouver has particular challenges with maintaining a high-quality experience of place. Our society's mental health, addiction and homelessness crises are complex, multi-faceted issues that affect people across the city and region, and they play out and generate profound impacts on storefront retail and services. When the front door of one's shop is blocked by somebody sleeping rough, is littered with needles and drug paraphernalia, or is contaminated by human waste, there is an undeniable impact on the curb appeal of one's business and the cost of opening one's doors daily. Many business owners and operators report additional cost burdens of private security, shoplifting and vandalism. In some BIAs, business operators and customers experience real and perceived threats to their personal safety.

- While senior government has a role in addressing these crises (notably housing and mental health response), the City can, on a practical level, focus on daily maintenance and cleaning of the public realm as a way to create and enforce reasonable norms around use of public space, while maintaining everyone's basic rights.
- Many businesses seek some form of pragmatic, integrated local shopping area service from the City that could partner on daily street maintenance, policing and social services. A coordinated approach focused on the city's most important public space – the local shopping streets – could hold some promise.







### 3. Land Use Regulations and Permitting

The impact of land use regulations and permitting processes were noted in each roundtable event as significant challenges for starting businesses in the City of Vancouver. These issues were also noted as "significant" or "very significant" challenges to business viability by 85% of survey respondents.

Some of the specific challenges related to land use regulations and permitting include:

- Time, Cost, and Complexity of Opening a Business: the time, cost (in dollars spent and foregone dollars earned) and expertise required to open a business in Vancouver were cited as being significant problems for small business. In some cases, a tenant will be required to pay rent during the permitting process, while earning no income. Brokers and other roundtable attendees noted cases where the permitting process led to applicants being financially unable to open their business, or put them in a situation where their ability to absorb early year business 'growing pains' was severely constrained. Some roundtable attendees suggested the need for a "small business liaison", or a "case management" approach to small business, whereby one City staff member shepherds all aspects of a business' opening requirements through municipal process. It was further suggested that a streamlining and prioritizing of permits for small business should be a top priority.
- Change of Use: protocols around changing an approved land use and /or building occupancy class was noted as a significant problem, and a potential cause of long-term vacancy. Costly building upgrades can, at times, prevent businesses from occupying older commercial space. This creates a barrier to adaptive re-use and at times it could force property owners into contemplating an earlier redevelopment of the property than originally intended. Parking ratio requirements also make it difficult, and at times impossible, for some uses (which may otherwise be appropriate from a tenant mix standpoint) to enter unused spaces.
- Zoning limiting flexibility to changing commercial environment: in an environment where the nature of retail and service is changing quickly, zoning must become more flexible to allow for businesses to experiment with new strategies. These may include co-location, use combinations (e.g. manufacturing, sales and entertainment), or offering new and varied customer experiences. Current commercial zoning and building code requirements can place restrictions on businesses' abilities to experiment and test the market.







### 4. Employment Recruitment, Retention and Labour Costs

Issues around rising labour costs, commute times for employees and the inability of employees to live near work, were consistently noted across the roundtables and in the surveys. Trends with attracting and retaining quality employees appear to be a growing problem. There are multiple factors driving the issues with attracting and retaining labour:

- Low and falling unemployment rates: the City of Vancouver, and Metro Vancouver region, has a broad-based and growing economy, driven by sectors such as technology, digital entertainment and tourism. The seasonally adjusted unemployment rate in the region has been steadily trending downward since 2010, and was at 4.6% as of December 2019 (per Statistics Canada). This can create labour shortages, particularly in the retail and service sector where compensation levels are typically lower than other sectors.
- Competition from higher wage industries: in the context of a strong economy and low unemployment, retail and service industries have challenges competing for labour. Some roundtable attendees noted the need to offer higher pay or other perks (e.g a car lease) to retain valuable employees, this despite its impacts on operating margins.
- High cost of living: high and rising rents in the City of Vancouver are forcing many lower wage earners to live further afield. This is making it difficult to retain people over the long-term. Many business owners reported workers commuting long distances, with long-term retention prospects diminishing. Businesses that employ only (or predominantly) family members are more insulated from such turnover.

 Rising minimum wage: while rising wages may be beneficial to employees who are struggling with the cost of living, this is another cost for small business operators in a long line of costs. Research conducted on the implications of rising minimum wage on workers, business, consumers and employment levels, generally finds that increases to minimum wage are most often passed on or absorbed in the form of higher prices or lower profits. Much of the literature has focused on the restaurant industry.







### 5. Real Estate Conditions and Lease Terms

There are a number of typical commercial lease terms and clauses that, while a longstanding part of Canadian commercial leases, can become a challenge to local shopping areas during periods of significant property appreciation and redevelopment pressure. This can impact the ability to attract quality tenants to an area, and may incent business closure or relocation.

Some of the clauses of note are:

- Assignment and Subletting: a clause such as this would either permit or limit the opportunity for a tenant to sub-let or sell the lease to a new tenant.
- Option to Renew/Lease Extension: lease renewal clauses typically provide that a tenant must give notice to renew prior to the negotiation of the renewal rate for the lease term. During periods of market appreciation in lease rates, established businesses may be forced to renew at rents that are unsustainable. This can be particularly onerous where a tenant has financed improvements, and relocating may force that tenant into a choice of either spending money to fit out a new space in a more affordable location, or to renew at the higher rent. Both options may be financially unsustainable for the business.
- Use Clauses: use clauses may be sufficiently restrictive as to prevent a tenant from adapting their business in terms of changing trends.

• **Demolition Clauses:** Demolition clauses have long been a standard feature in North American lease agreements. In an environment of rising property values, and with potential for redevelopment to "higher and better use", landlords are unlikely to waive demolition clauses in leases. In recent years with the accelerated rate of change, property owners in some areas have been given an incentive to enforce early termination and demolition clauses and draft leases with shorter notice periods for early termination, which makes the tenants' term uncertain and discourages longer term tenant prospects. An incentive for enforcement is the presence of new community plans or visions that have changed the highest and best use of the commercial properties.

Beyond lease clauses, there are a variety of factors that can lead to a space being vacant for a long period, and potentially limit the ability for a desired tenant category from occupying the space. These include:

- Problematic adjacent tenancies.
- Restrictions around change in use.
- Building upgrade requirements.
- Deferred maintenance.
- Unrealistic landlord expectations on basic rent.
- Poor space design / configuration.
- History of poor landlord / tenant relations.
- Insufficient marketing expertise and leasing exposure.
- Parking and access challenges.







### 6. New Competition and Changing Trade Areas

As the competitive landscape shifts, certain categories will grow and thrive while other categories will struggle. However, if the underlying fundamentals of an area are strong, an area will be well-positioned to adjust. Street retail has always been dynamic and subject to category-specific change driven by natural business lifecycles. For many categories, the pace of change is now accelerating. Retail properties and precincts that find themselves over-exposed to one or more categories that are 'hit' by changes to the competitive landscape – such as a shift to e-commerce and 'click-and-collect' shopping – may find themselves going through more intense periods of adjustment in which vacancies spike.

Fundamentals to keep in mind are:

- A supportive regulatory framework, including fair and predictable taxation.
- A healthy and growing trade area.
- A high quality of place.
- Desirable building stock.
- o Easily accessible.
- Compelling and shared vision.
- o Cooperative landlords.
- Engaged and proactive leadership.

 If, however, the shift in the competitive landscape has more to do with a change to core fundamentals, then an area may find itself struggling for a longer period. The main example of this is the emergence or expansion of a competitive retail area, which draws customers away.







### 7. Variable Capacity and Expertise

- BIAs have varying capacity in terms of funds and staffing, and thus varying ability to conduct research and engage actively with the business owners, operators and landlords in their respective shopping areas (see section 7.9).
- A multi-year coordinated effort is needed to build databases of valuable information (taxes, rents, vacancies, tenant mix, turnover, trade area dynamics etc.), and to build a coordinated, responsive vision and merchandising strategy.

### 8. Other Challenges and Change Drivers

- Technological changes pose both challenges and opportunities. While much has been made of the disruptive nature of online retailing and its implications in the bricks-and-mortar retail sphere, online technologies for food delivery are in many cases extending the trade areas, and in some cases the business viability, of restaurants. This has long-term implications for restaurant space needs, as well as locational criteria.
- With Vancouver's status as a "gateway" city, immigrant entrepreneurship in the form of small business can be a powerful vehicle for upward economic mobility and integration. However, barriers to learning about financing, local business practices, and navigating through the various regulatory regimes can be obstacles for starting, maintaining and growing a small business in the city.







# 9.0 CONCLUSION AND NEXT STEPS



Conclusions (Section 9.1) and Next Steps (9.2) are grouped into the following broad categories, generally aligning with the central questions presented in the Introduction:

- **1. Changes:** What has the analysis of available data revealed around key changes that have occurred in the last 10+ years in six Study areas?
- **2.** Challenges: What are key challenges (i.e. identified issues and change drivers), both overall and by Study area, including interrelationships between factors?
- **3. Ingredients:** What are the fundamental ingredients for LSA health and vitality, and how might the City both monitor and support business vitality and resiliency going forward?

### Changes: Common Patterns of Change, All Study Areas

### Chains, Independents and Change by Category

- Across all six Study areas and combining all retail categories, we see that change between base year(s) and 2019 showed a decline in the number of independent businesses, an increase in the number of chain businesses, and an increase in vacancy.
- The story of change is not one-to-one replacement of independents by chains. For each additional chain business between base year(s) and 2019, there was a decrease of 2.6 independent businesses.
- Across all Study areas (individually and combined) there was an increase in vacancy. There are 51 more vacant units (+58%) in 2019 than in the respective base years.
- To fully understand change over time in business counts and vacancy, these must be considered by <u>retail category</u>.
  - The analysis looked at retail by detailed category (see Appendix B), amalgamated into six category 'clusters' (see Section 2.1, and 5.11).



- Amidst an overall 7% decrease in the number of active businesses, there was an increase in the absolute number of Food & Beverage establishments (+50, or 16% increase).
- There was relative stability in the Convenience Goods category cluster (-9 businesses, or 2% decrease).
- There was a more substantial decrease in the Comparison Goods category cluster (-112 businesses, or 30% decrease).
- There was a significant increase in vacant storefronts, including units under construction (+51, or 58% increase).

### Ownership

• Between 2012 and 2019 there was a notable increase in the number of properties owned by development groups and numbered corporations, and a decrease in the number of properties owned by individuals. This may be a signal of future redevelopment, as well as an increase in the sophistication of commercial property ownership.

### **Commercial Property Taxes**

- There were increases in commercial property taxes for all Study areas between 2012 and 2019; however, the average annualized increase varied considerably area to area, from a low of 2% in South Granville, to a high of nearly 9% in Marpole.
  - Note that South Granville rents and property assessments are historically higher compared to other LSAs.

### Rents

• Data on actual rents paid by commercial tenants (versus asking rents for vacant space) proved difficult to collect, and only small samples were obtained through interviews and surveys.





 One notable item is that multiple survey respondents indicated that basic rents charged to tenants have not moved much in recent years due to significant increases in additional rent burdens (including property taxes). In some cases, property owners have reportedly reduced basic rents to retain tenants. Again, this information is based on limited and small sample sizes and anecdotal evidence.

### Changes: Differences between Study Areas

### Chains, Independents and Vacancies

- In 5 of the 6 Study areas (all but Marpole), there was a decrease in the proportion of independent businesses between base survey year(s) and 2019.
- In 4 of the 6 Study areas (all but Marpole and Hastings North) there was an increase in the proportion of chain businesses between base survey year(s) and 2019.
- In 1 of the 6 Study areas (Marpole) there was in *increase* in the proportion of independents and a *decrease* in the proportion of chains between the base survey year and 2019.
- In 1 of the 6 Study areas (Hastings North) there was a slight decrease in independents, but also a slight decrease in chains between base survey year and 2019.
- In all Study areas, there were increases in vacancies.
  - The area with a decrease of both chains and independents as proportions of total saw vacancy increase from 9% to 12%.
  - The area that saw the most significant drop in independents and most substantial increase in chains (S. Granville) also saw the largest spike in vacancy (4% to 13%).

- Increasing vacancy is an issue of varying significance area to area. It is a complex phenomenon driven by many factors, and there should be acknowledgment of the difference between cyclical vacancy (a function of business cycles and churn) and structural vacancy (which may signal more pervasive issues). As we only have two points in time in the available data, and an inconsistent base year area-to-area, it is not possible for this Study to conclude which types of vacancies are documented from one area to the next.
- Tracking vacancy, and the length of time spaces are vacant, will be an important metric going forward, and should be updated annually.

### **Commercial Property Taxes**

- All Study areas saw increases in commercial property taxes, but this was more prominent in some areas than others.
  - The median commercial property tax increases between 2012 and 2019 were highest in Hastings North and Marpole (32% and 31%), and lowest in South Granville and West Broadway (7% and 16%).







### **Challenges and Change Drivers**

### **Business Roundtables**

Through the roundtable discussions, commonalities were identified around "drivers of change" and challenges for businesses. The 'top issues" were as follows:

- <u>Issue #1</u>: the 'number one' Roundtable discussion issue (cited by 33% of participants) was the increasing commercial property tax burden.
- <u>Issue #2</u>: the second most important issue (top issue for 17% of participants) related to public order and the public realm. Participants shared significant concerns about real and perceived safety for customers and staff, and cleanliness and upkeep of the public realm much of which is related to growing issues of homelessness and addiction that continue to challenge the City of Vancouver.
- <u>Issue #3</u>: looking at 'top 3' issues cited by roundtable participants, concerns around safety, cleanliness and maintenance of the public realm rise to the top (i.e. 23% of respondents identified these as "Top 1, 2 or 3" issues). This was followed by property taxes (21%) and access / parking (17%).

### **Business Surveys**

- Business surveys did not generate sufficient response rates from individual study areas to draw meaningful area-specific conclusions, but taken together they provide good directional indicators.
- The 'significant' or 'very significant' challenges to business viability that were cited most often were (1) City permitting and length of process (87%); (2) Overhead costs including property taxes (75%); and (3) Rent (75%).

### Landlord / Broker Surveys

- Landlord and broker surveys cited property taxes (87%), permitting (85%) and transportation / parking (82%) as the 'top 3' issues for LSA viability.
- Most landlords with knowledge of tenant profits reported a decrease in profits in the last 2-5 years.
- Landlords identified the following key issues that the City must address to better support LSAs:
  - Continue advocating for split assessment and a commercial rate subclass.
  - Provide more direct support to small business, including faster permitting.
  - Improve the cleanliness and appeal of the public realm.
  - Overhaul commercial zoning, with less emphasis on use regulations, and introduction of more flexibility.
  - Accelerate rezoning and approvals process to allow faster growth of housing near shopping areas.







### **Key Observations**

- Drivers of change, and how they impact LSAs, need to be considered by business category.
  - Businesses in different categories each have their own unique locational, space and layout requirements, and different abilities to pay rent. Some categories like personal services, grocery stores and cafes, will likely be more resilient amidst broader trends in the retail landscape such as an accelerating shift to e-commerce.
  - Convenience-type retailers and restaurants that largely draw on neighbourhood traffic (i.e. grocery stores, pharmacies, liquor stores, cafes, bars) may be more resilient, provided they are adaptable to trends such as takeout/delivery and curbside pickup.
  - Comparison goods retailers, particularly those in sectors most exposed to ecommerce such as electronics, homewares, furniture and apparel, face challenges in adapting their business models in the face of e-commerce and repositioning their bricks-and-mortar stores to operate as part of omni-channel customer fulfillment ecosystems.
- Those LSAs that are most nimble and adaptable, and which have strong fundamentals in place like a growing local trade area, convenience retail anchors (particularly grocery), and proactive local business leadership (amongst others as discussed in Section 7) will be the ones most resilient and adaptable in a fast-changing retail landscape.
- Independent businesses across nearly all categories may be declining in absolute numbers and as a proportion of total active storefronts (except Food & Beverage), but there is a future for independent business in the City's LSAs. As with any business, independents that are focused on providing an omni-channel experience, building strong connections with their customers – in person and online – and which are in LSAs that are generally proactive in their approach to merchandising strategy, will be more likely to succeed.

Overall, the differences and commonalities in terms of change over time by area, and the main issues reported by business owners and landlords (per roundtables and surveys), tell us that:

- There is a common 'basket' of issues, but rankings of importance differ by area.
- Business fundamentals, and responses to change, vary by category, and the key is to create preconditions for private sector adaptability in the face of macro changes. These include:
  - Strong local trade areas from which to draw customers.
  - Supports to help businesses adopt digital platforms for sales and distribution.
  - Streamlined, transparent and nimble City regulations and processes for business start-up, changes of use, and adapting business models to respond to changing customer demands.
  - Predictable costs, most importantly basic and additional rents, but also staffing and merchandising.
  - City investments in the public realm cleanliness, design, placemaking, safety.
  - Strong local level leadership to help existing tenants navigate change, and to attract new tenants.

While this report did not explore the demographics of each LSA trade area and their possible relationship to LSA health / vitality and change, we speculate that there are relationships worth further exploration.







### Ingredients for Local Shopping Area Health and Vitality

Based on the data gathered and analysed in this Study, combined with the collective experience of the consulting team, the following fundamental ingredients for creating preconditions for healthy, resilient LSAs were identified:

### Fair and Predictable Rents and Taxes

- Basic rents vary by use and location, and are also related to other factors like visibility, proximity to anchor tenants and types of space. Achievable rents will vary substantially.
- Predictable property taxes and overhead costs are fundamental to any business plan. An environment where major components of rent shift considerably over short periods of time can be highly problematic for business sustainability, or for the ability to attract new businesses to a shopping area.

### Strong Leadership, with Cooperation and Coordination

- LSAs are challenged to manage the mix of tenants and their respective merchandising strategies due to the fragmented nature of property ownership and many separate (and not always aligned) interest groups, including property owners, tenants / leasing agents, and the City's numerous departments and political leadership. Such fragmentation can be a barrier to creating an aligned vision and approach for an area.
- Self-organization and proactive coordination are required for long-term area success. A cornerstone of success for LSAs is the ability of all parties with vested interests to find means to cooperate and coordinate their activities to the benefit of the overall area.

- A strong foundation for collaboration exists through the BIA Partnership, the umbrella organization of Vancouver's BIAs. This collaboration could be expanded in a number of ways, and will vary by area:
  - Keeping up-to-date on the status and plans of major anchor uses (retail and non-retail).
  - Keeping in frequent contact with key landlords.
  - Defining roles for stakeholders
  - Tracking reasons for business closures / relocations

These and other discussions can help to achieve a coherent and shared vision and strategy for merchandising and overall viability. It may also include further (and regular) consultation with business owners, and consistent reporting of emerging issues back to the City.

### Strong, Well-Located Anchors and Complementary Tenant Mix

- Local Shopping Areas work best when they are well-anchored by strong businesses, business clusters and / or non-commercial uses that have a large and consistent customer draw.
- Grocery stores are the most common and most important anchor tenant for LSAs. Other important anchors are clusters of related stores or restaurants, larger general merchandisers, and non-commercial uses like community centres, libraries and schools.
- Successful neighbourhood commercial areas have complementary tenant mixes of shops and services that are aligned with the local customer base. Resilient LSAs provide variety to attract local patrons, facilitate one-stop shopping for day-to-day needs, provide gathering opportunities, and adapt as areas change.







- Each commercial area has its own dynamics and unique character. In general, a healthy mix will include (a) retailers and services aligned with resident and local area worker needs, and (b) personal services, food & beverage and recreation / entertainment options.
- Both chain and independent businesses can form part of a healthy mix. Oftentimes, chains can perform an anchoring role.
- The loss of an anchor, or anchor relocations to another sub-area within an LSA, can have significant impacts on the success of other businesses in the shopping area. Best practices suggest that self-organizing LSAs must pay close attention to health, performance and longer-term strategy discussions of local anchors, and to move quickly to find new anchors if one moves (or indicates pending intent to move).

### Consistent and Robust Investments in Public Order, Cleanliness and Safety

- A clean, safe and friendly public realm is a critical prerequisite for the success of LSAs. Achieving this requires coordinated efforts between the City, businesses, property owners and BIAs.
- Vancouver grapples with serious challenges around mental health, addiction and homelessness. In all of the roundtable discussions, these issues were identified as growing concerns (in some areas more than others) which collectively impact local streets and local retail.
- The manifestation of these social issues emerge in a variety of ways including public disorder, shoplifting and property crime, and real and perceived threats to the safety of patrons and staff. Local retail is on the front lines of many of these challenges.

### Strong Guidelines on Retail Design and Programming

- In terms of retail design and area programming, successful LSAs have:
  - A concentration of storefronts in a compact, contiguous layout.
  - A mix of smaller and larger stores, catering to different business types.
  - Buildings designed for adaptability and convertibility, in a mix of styles and sizes.
  - Buildings designed with transparency and accessibility to the public realm.
  - Permanent and seasonal public realm programming, helping to both draw and retain patrons.

### Multi-Modal Transportation Investments and Access

 Shopping areas that offer ease of access for multiple modes will have greater long-term success and resiliency. This includes: walking / rolling, transit, cycling, goods movement (including curb management for pickups and drop-offs), cars and parking (both on and off-street).







### Growing and Dynamic Neighbourhoods

- Preliminary observations were made in this study that LSAs with <40 residents per hectare in the approximately 15-minute walkshed (or 1 kilometre around the LSAs) were more likely to have 'red flags' for health and vitality. This population threshold, and its relationship to other variables such as employment, incomes and ethnocultural factors, will need to be explored in more detail.</li>
- Generally speaking, neighbourhood infill and densification can bring new people to neighbourhoods, which will inevitably benefit local retail viability and help to achieve other short and long-term City objectives.

### Supportive Policy Framework

- To achieve long-term LSA success, there must be a supportive local and provincial policy framework in place.
  - <u>Commercial Property Taxes</u>: fair and predictable for commercial businesses, in which they are not carrying the burden of property tax on unrealized development potential.
  - <u>Zoning</u>: supportive zoning and land use regulations that allow a wide range of permanent and temporary uses. This will become increasingly important as retail / commercial environments evolve and the need to constantly adapt and experiment with new concepts becomes even more fundamental to survival. Use regulation to encourage desired changes, as well as to discourage unwanted uses.

- <u>Building Code</u>: the VBBL has complicated small business re-use and change of occupancy requirements for older (i.e. more affordable) buildings. Relatively modest proposed changes can trigger bylaw requirements for upgrades since the bylaw has expanded its focus over time. A "test of reasonableness" in the application of code upgrades on changes of use could go a long way to assisting with short-term reuse of buildings, and to the viability of start-ups.
- <u>Permitting</u>: a simplified and expedited permitting process is needed. Small business support mechanisms, allowing for a one-stop centralized point of information and assistance related to all matters of business opening, expansion or relocation, would be very helpful.

### Final Take-Aways

The consulting team has prepared brief snapshots of key take-aways on the drivers of change, key issues, and high-level recommendations for each of the six Study areas. These are presented in **Appendix C**.







Following are the consulting team's recommended next steps for the City to consider.

### Continue Work on Fair Property Taxation

- Continue work with the Province to pass legislation creating split property assessments for calculating commercial property taxes.
- Institute a new commercial sub-class (when available) for application to the development potential portion of the split assessment.
- Work with stakeholders to ensure a new commercial sub-class is fair and effective in terms of: (a) eligibility requirements; (b) duration of tax relief; and (c) tax rate

### **Develop Clear Data Collection Protocols**

- Work across departments to create a refined, effective and useful framework for the city's commercial precinct hierarchy / typologies.
- Using this report as a starting point, continue the work of identifying what key data the City wishes to collect and track over time, noting that effective problem / question definition will directly inform data collection and tracking protocols. At a minimum, core quantitative attributes that should be tracked at a consistent frequency are: (1) vacancy; (2) commercial property taxes; (3) presence / loss of anchors (retail and non-retail).
- Tracking changes to property ownership and developing a better understanding of relationships between ownership change and vacancy, will also be important.
- Other attributes of health and vitality may also be monitored but will likely require more dialogue and collaboration for effective assessment. This may not be feasible on an annual basis.

- A custom built-to-purpose (and regularly updated) retail inventory database is critical. The City should not rely on third-party 'black box' 'databases for this purpose. The City may consider building upon CMI data collection protocols.
- Clarity should be established on what data to include as the inventory is built, whether data collection should be phased (i.e. select areas updated on a staggered basis), and how the data should be coded (e.g. CMI coding, NAICS coding, combinations, and other categories or groupings).
- Be clear about the requirements (staff, costs, time) for not only collecting data, but keeping it updated and integrating it with other data.

### Further Engagement and Health Tracking

- Explore opportunities for more regular check-ins with the local business community in each precinct, possibly through additional roundtables. Ensure that these include dominant business categories and all key stakeholders.
- Gauge the pulse of each commercial precinct regularly through questionnaires of both active businesses, and those about to close (see 'exit interviews' on page 238 for further detail).
- Track the health and vitality of each commercial precinct, using a report card tool like the one presented in this report. Due to the subjectivity of some of the measures, this will likely require further collaboration across departments to set appropriate metrics / thresholds.
- Liaise with BIAs, tenants and landlords. Given the variability of capacity across BIAs, the City's role here will be important. Key issues will change over time, and issues will vary by area. This should inform how data collection evolves.







### Clear and Consistent Tracking of Local Area Health by BIA Leadership

With the acknowledgement that BIA capacity can vary significantly between areas, each BIA's leadership should be coordinating closely with the City's BIA Program team to engage in the following tasks as part of their core work programs:

- Maintain ongoing communication with the retail grocery anchor(s) or equivalent within their respective areas.
- Maintain ongoing communication / engagement with landlords / property owners within their respective areas.\*
- Monitor vacancy and regularly evaluate the business mix within their respective areas.
- Keep up-to-date on the dominant categories in respective shopping areas, both in terms of store counts and floor areas.
- Assess the BIA Board composition to identify which businesses / business categories are represented, which are not represented, and how that representation aligns with the dominant categories in the area.
  - If dominant categories are not sufficiently represented, ensure that there are outreach protocols in place to obtain insights / feedback from those unrepresented or underrepresented categories.
- When businesses close, or are about to close, each BIA's leadership should conduct '**exit interviews**' with those businesses. Information gathered on the reasons for closure may shed light on areas for BIA or City intervention.

- With input from the BIAs, the City should prepare a standardized list of questions to guide the exit interviews. This will ensure that there is consistency in the type and format of data collected from area to area.
- Each BIA should ensure that it has up-to-date contact information for both businesses and property owners in their jurisdiction. This must include names and email addresses.
- BIA leadership must keep up-to-date on: (a) new proposed development projects and land transactions in their area; (b) citywide planning; (c) relevant neighbourhood-level planning work; and (d) the active uses and vacancies in their respective areas.

\*Note that presently there are significant gaps in contact information (i.e. emails, phone numbers) for property owners in the BIAs.







### Examine Building Code Requirements

- A test of reasonableness in the application of code upgrades would assist shortterm application of existing retail stock for buildings nearing end of their life.
- Based on conversations between consulting team members and senior City planning staff over the past decade, it has been suggested that in years past, the chief building official had more discretion on approving changes of use and re-use for older buildings. A political decision would be needed to amend the VBBL to create codified discretion.

### **Streamline Approvals**

- An improved permitting process should be a top City priority.
- Provide a simplified route for small business to navigate City processes and requirements. This could include:
  - A small business ombudsperson within Development Services to help resolve issues and facilitate application review and approval.
  - Some form of small business administration that is explicitly designed to help small business.

### **Zoning Flexibility**

- Zoning in local shopping areas must be made more flexible to accommodate the rapidly changing nature of retail and service commercial uses.
- Provision must be made for combination businesses, co-location and nontraditional uses. The principal use may not always be retail, and may not be a single tenant. Flexibility will be critical for leasing space, meeting changing consumer needs, and ensuring that areas remain viable and competitive.
- Provisions must also be made to support short-term use by various entities (e.g. pop-up businesses, art/cultural space), particularly in older structures before they are demolished for new projects.

### Safety and Placemaking

- Continue work to address homelessness and drug crises, which have a profound impact on storefront retail and services.
- Increase municipal investment in maintenance and cleanliness of roads, alleyways, medians and sidewalks, including management of litter in the public realm.
- Explore opportunities for an integrated local shopping area service point person that can coordinate effective responses around issues of public realm cleanliness, maintenance and social services.
- Placemaking is a key toolkit available to the City and its BIAs, and needs to be used effectively to support business, community and the experiential economy. Collaborative efforts are needed to provide effective, yearround programing and infrastructure.

### Design for Adaptability and Convertibility

- There is an extensive literature on successful design principles for street retail environments, including design of building facades, design / layout of building interiors, and the interface between buildings and the public realm. The City of Toronto's recently released "Retail Design Manual," drawn upon by the consulting team in this report, is an excellent resource. This resource should be reviewed by City staff, and the City should determine if these types of guidelines are appropriate for Vancouver. A similar document for Vancouver, or as a collaborative undertaking of Vancouver and its neighbouring municipalities, may be warranted.
- New commercial units must be designed to allow for the unique requirements of different types of businesses, and to be responsive to the inevitability of business turnover and changing needs. Spaces should be designed such that they are conducive to occupancy by independent businesses. This includes the ability to demise spaces into smaller units.







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### Improve Cooperation, Collaboration and BIA Strategy Development

- There are shared roles and responsibilities for many parties in ensuring long-term health and resiliency of local shopping areas. These include roles for the City, BIA leadership, local businesses, landlords, and leasing agents.
- Local businesses and commercial property owners should be wellrepresented on each BIA board, and active in BIA deliberations around shared interests and strategy for tenant retention and recruitment. Additional outreach needs to be made to those who are not active BIA participants.
- Each shopping precinct should have a coherent, shared vision for what it wants to be, and an actionable merchandising strategy to pursue this vision, with buy-in from all parties including property owners. Development of this type of strategy requires:
  - Research to understand both limitations and opportunities as they relate to merchandising mix. This will require City support given variable BIA capacity. Support may include funding for consulting services, owner outreach, strategy development, and other initiatives at BIA discretion.
  - Data on vacancies, merchandise mix, trade area growth / spending, lease rates, foot traffic, and other data sought by prospective tenants.
  - Buy-in from all parties on the vision and merchandising strategy, allowing for active tenant attraction and retention programs / strategies.
  - Open communication between BIAs (with City support as required) and major property owners + anchor tenants (commercial and non-commercial).

Frequent check-ins on area health and vitality, including potential emerging issues, must be conducted by the City in collaboration with the BIAs. Part of this process should involve an annual questionnaire for BIA leadership, documenting the key issues / observations in a consistent manner, and conveying this information to the City. This may help flag early warning signs of trouble before they fully emerge, allowing for interventions to be developed. This also gives BIA leadership (and membership) opportunities to have more open lines of communication, both within the BIA (i.e. with landlords, anchor tenants), and with the City, and over time to build BIA capacity where needed.

### **Explore Small Business Supports**

- Establish better coordination and understanding of outside resources that can be deployed to assist small businesses. This may include the Province, post-secondary institutions, business support organizations, and consultants.
- Explore the idea of a small business ombudsperson, or some other onestop point of contact to assist small businesses navigate City process. This may take the form of a small business administration entity that is designed to help business through the process. Examples of such an entity exist in other cities, including New York and San Francisco.
- A small business support centre may also help businesses around issues like financing, by connecting businesses with lenders.
- Explore the idea of business relocation assistance.
- Explore the viability and applicability of something like the *Toronto Innovation Fund*, a city grant program that provides funding to BIAs to test "innovative and creative solutions to BIA issues."







# **10.0 APPENDICES**



# HELP WANTED Looking For Kitchen Staff

### 1. Municipal and Other Data Limitations

- Currently there is no source of comprehensive municipal data that accurately tracks the number of ground floor storefronts, vacancies, vacant frontage, or floor areas by business category.
- **Commercial Marketing Inc. (CMI) Inventories**: Fortunately, over the last two decades Commercial Marketing Inc. (CMI) has prepared and maintained detailed inventories of ground floor retail and service uses in many of Vancouver's local shopping areas. The inventories include street address, business name, business category, floor space area (for some areas), and vacancy information for commercial space at grade. The data are the primary source for longitudinal (change over time) analysis of tenant mix. Each CMI data set has been reviewed for accuracy by the Executive Directors of the respective Business Improvement Areas (BIAs) in this study. It is worth noting the following regarding the CMI inventories:
  - O As the inventories were conducted at different times, the data do not provide a consistent baseline across Study areas; and
  - The inventories are limited to ground-floor premises.
- City Business License data was reviewed extensively by the consulting team, but was ultimately not used for this study for the following reasons:
  - Vacancy and Under Construction data is not captured in this data set.
  - Business license categories are not necessarily business categories but reflect the licensing parameters as listed in the City of Vancouver Licence Bylaw 4450. There are many cases where multiple business licenses are associated with a single storefront location. Due to licensing requirements, uses like "Apartment House" are also present, as rental apartment operators are required to have business licenses.
  - There are discrepancies over time in classification of business licenses for the same business. For example, Starbucks' business license classification changed from "limited eating establishment" to "Class 1 eatery" between years, but there was no change to the actual business. There were limited resources to rectify data coding and consistency issues within project scope.
  - Business license 'employee count' data was ultimately not useful for this study, as the definition of "employee" is not specific (e.g. full-time, part-time, contract, family member), and the level of reporting (and updating) is inconsistent. As a result, no employee/employment data is presented in this report, and employment counts are not used in the classification of "small" vs. other business types.
  - Business licence 'date of business inception' information represented the number of years since inception at that location, not necessarily the date of inception of the business itself. Date of inception was therefore not useful for this analysis.

- 1. Municipal Data Limitations
- City property value and property tax data was extensively reviewed by the consulting team.
- Data provided by the City was taken, analysed and summarized largely on an as-is basis, with minimal editing / cleaning to account for extreme data outliers.
- The timeframe of study were for the years 2012 and 2019.
- The "property value" and "property tax" data sets were used in this analysis, but were subject to the following limitations:
  - "Property values" are defined as the total assessment amount for both land and improvements (buildings) for the years 2012 and 2019.
  - "Property tax" is the total property taxes paid for each parcel in each of the above years.
  - The 2012 and 2019 timeframes were selected as those were the first and last years of data available from the City which had comparable and comprehensive property value and property tax data for each of the study BIAs.
  - Property values are extracted from BC Assessment, which represents the "fair market value" for the land and the improvements as of July of the previous year. For instance, a 2019 property assessment value would reflect the value as of July 1 2018.

### 2. Methodological Limitations

A detailed discussion of the methodologies used in this study is provided in Section 4. Presented here is a synopsis of some key methodological limitations:

**Roundtables & Surveys**: This study was conducted in two phases (1) quantitative and (2) qualitative. The qualitative phase of this study relies heavily on information gathered through 'roundtable' events held in each of the six BIA Study areas. Each roundtable was attended by local business owners, landlords, leasing agents and other stakeholders. BIA members were also invited to complete surveys on "drivers of change" for their shopping area and for their businesses. These primary research approaches provided valuable first-hand information but they are subject to variety of limitations typical of these methods.

Three particular limitations of the roundtables and surveys are worth noting are:

- <u>Response data veracity</u> the attendees and their participation in the roundtable were limited to what participants felt comfortable sharing in that environment at that moment in time, and to who was able to attend on the given day and time. Within current time and response constraints, there is no way of independently validating the responses that were provided. Individual revenues and profit information as well as experiences in public safety and disorder are taken as accurate to what the respondents have or are experiencing. While new "big data" methodologies that respect confidentiality and privacy are possible to provide a level of transparency and accuracy on the quantitative state of neighbourhoods, this project did not have the resources to utilize these methods.
- <u>Survey and roundtable response bias</u> there is an inherent response bias for survey returns and roundtable attendees / participation. Responses biased toward those who were most able and comfortable responding, attending and verbally articulating and writing in English. Non-English translation services were not available for this study. Some participants were able to bring their own translators. Feedback from the BIA Executive Directors, and from roundtable participants, indicates that a suitable sampling of each BIA membership's diversity was not achieved.
- Deeper <u>culturally accessible and in-language outreach</u> and research amongst stakeholders who were unable to attend roundtables or respond to the surveys is highly recommended for future projects.

These limitations do not necessarily invalidate the responses received. However the reader should be aware that these responses are not necessarily representative of overall sentiment in any of the Study areas. Roundtable and survey responses remain useful however, in that they provide a *direction and framing of the issues affecting local businesses*. They do not necessarily completely represent the unique and tremendous linguistic and cultural diversity that can be found in the Study areas, but are a useful starting point for understanding local business sentiment.

- 3. BIA Capacity & Engagement
- There is substantial variation across the City's BIAs in terms of level of staffing resources. This has an impact on the amount of time any given BIA has to dedicate to any single initiative.
- This project relied heavily on BIA member engagement and follow-up (particularly to increase online survey responses). Some BIAs delivered strong turnouts to the Round Tables and higher survey response rates; others delivered relatively fewer attendees and survey responses which impacts the degree to which the data can be seen to be representative.
- Due to variability in survey responses, data from the surveys is presented largely in an amalgamated format (for all Study areas).
- 4. General Limitations
- The following general limitations should be kept in mind when reading this document and interpreting the results:
  - The number of Study areas was limited to six BIA retail commercial districts (of 22 BIAs City-wide, plus other non-BIA street retail precincts)
  - There was a lack of comprehensive longitudinal data on vacancies, business counts, and business sizes. For each Study area, data is compared between two years (one historical, and a snapshot from 2019). As discussed above, with the exception of property ownership and assessment data, City of Vancouver data for the intervening periods was not usable for the purposes of this study. For some areas, the period between survey years is substantial (e.g. 2006 to 2019 13 years)
  - While some one-on-one interviews with BIA membership were conducted in the course of study (including start-up meetings with all 6 BIA Executive Directors and sometimes board members), extensive one-on-one interviews (with translation services) were not possible. Therefore, BIA membership engagement was largely limited to one roundtable event per BIA (held during a weekday morning in each Study area) and an online survey, with some follow-up interviews with attendees.
  - O Methods of BIA member follow-up regarding the survey were at the discretion of the BIA Executive Directors and subject to resource limitations
  - O All roundtables and surveys were administered in English only
  - In-depth cleaning / re-coding of City-provided data sets was beyond the scope. These data were used as best as possible within the limitations of the project scope.
  - Analytics around causation and correlation were ultimately deemed problematic due to data limitations. This report presents snapshots of what has changed, and information gleaned from surveys and roundtables on the reasons for change. This is supplemented by insights from members of the consulting team based on professional experience and more informal gathering of information. Where possible, early insights on correlation / interesting relationships that are emerging from the data are discussed, and flagged as possible areas for further research.

# **APPENDIX B – CLASSIFICATION OF COMMERCIAL STOREFRONTS**

# APPENDIX B: CLASSIFICATIONS OF COMMERCIAL STOREFRONTS

Historical commercial inventories for ground-floor businesses in each of the 6 Study areas were prepared by CMI. Each storefront was assigned a **CMI 'Ground Code'** (a retail coding system developed by CMI), with associated descriptors. The 2019 and 2020 inventories were also assigned CMI Ground Codes and descriptors.

For this study, each storefront inventory record (historical, 2019 and 2020) was additionally re-coded from **CMI to NAICS\*.** This process was done collaboratively with City staff. The conversion from CMI to NAICS required some judgement calls, as at times CMI coding provided a greater amount of business category detail than NAICS could offer, while at other times CMI codes were 'coarser' and therefore could only be assigned a higher-level NAICS code (e.g. subsector level, rather than industry group or industry level). As a result, there are instances where the NAICS equivalents for CMI codes are at the 3, 4, 5 or 6-digit NAICS level. Additionally, In certain cases, a CMI code corresponded to an amalgam of multiple NAICS codes. In those instances, a single corresponding NAICS code has been assigned, but with it has been paired a custom category description. These instances are noted in the pages to follow.

Beyond the CMI and NAICS classifications, **additional classifications** have been assigned to each record, allowing for other data retrieval and analysis options. These additional classification levels are shown in the table below:

Additional Classification 1	Additional Classification 2	
Convenience Goods and Services	Food Retail	
	Health and Personal Care	
	Food Services	
	Personal Services	
	Professional Services	
	Other Services	
Comparison Goods	Clothing / Accessories Retail	
	Other Non-Auto Retail	
Food & Beverage	Food Services	
Automotive Goods & Services	Auto Retail	
	Auto Services	
Entertainment	Amusement, Gaming, Recreation	
Vacant	Vacant	

### \*What are NAICS Codes?

- NAICS (North American Industry Classification System) is a common industry classification system spanning Canada, the United States and Mexico. NAICS is revised every 5 years to keep the classification system current with changes to economic activities. The most recent update occurred in 2017.
- NAICS divides the economy into 22 sectors. Industries within these sectors are grouped according to the production criterion. Four sectors are largely goodsproducing, and sixteen are entirely service-producing industries.
- NAICS uses a hierarchical structure, as follows:
  - Sector (2-digit code)
    - Subsector (3-digit code)
      - Industry group (4-digit code
        - NAICS industry (5-digit code)
          - National Industry (6-digit code)
- Three sectors are represented by a range of 2-digit codes. These include Manufacturing (31-33), Retail Trade (44-45) and Transportation and Warehousing (48-49).
- Example:

Level	NAICS Code	Title
Sector	44-45	Retail Trade
Subsector	441	Motor Vehicle and Parts Dealer
Industry Group	4412	Other Motor Vehicle Dealer
NAICS Industry	44122	Motorcycle, Boat and Other Motor Vehicle Dealers
National Industry	441221	Motorcycle, ATV, and Personal Watercraft Dealers

# APPENDIX B: CLASSIFICATIONS OF COMMERCIAL STOREFRONTS

CMI Code	CMI Category	CMI Land Use Description	NAICS Codo	NAICS Category	Additional Category 1
coue	civil category	Civil Land Ose Description	NAICS CODE	Supermarkets and other grocery (except convenience)	Additional Category 1
1	FOOD AND DRUG RETAIL	SUPERMARKET	44511	Istores	Convenience Goods & Services
2	FOOD AND DRUG RETAIL	GROCER/PRODUCE		Fruit and Vegetable Markets	Convenience Goods & Services
3	FOOD AND DRUG RETAIL	GROCER SPECIALTY/ETHNIC/CANDY		Other Specialty Food Stores	Convenience Goods & Services
4	FOOD AND DRUG RETAIL	CONVENIENCE STORE		2 Convenience Stores	Convenience Goods & Services
5	FOOD AND DRUG RETAIL	FISH MARKET	44522	2 Fish and seafood markets	Convenience Goods & Services
6	FOOD AND DRUG RETAIL	MEAT MARKET	44521	l Meat markets	Convenience Goods & Services
7	FOOD AND DRUG RETAIL	BAKERY	445291	Baked Goods Store	Convenience Goods & Services
8	FOOD AND DRUG RETAIL	PHARMACY	44611	Pharmacies and drug stores	Convenience Goods & Services
9	FOOD AND DRUG RETAIL	DRUGSTORE		Pharmacies and drug stores	Convenience Goods & Services
10	FOOD SERVICE	LICENSED RESTAURANT/PUBS/BAR		L Drinking places	Food & Beverage
11	FOOD SERVICE	FAST FOOD	722512	Limited service eating places	Food & Beverage
12	FOOD SERVICE	RESTAURANT / CAFÉ	722512	Limited service eating places	Food & Beverage
13	FOOD SERVICE	RESTAURANT ETHNIC	722511	L Full service restaurants	Food & Beverage
14	FOOD SERVICE	SPECIALTY COFFEE/TEA	722512	2 Limited service eating places	Food & Beverage
15	FOOD SERVICE	OTHER FOOD RETAIL/CHOCOLATES	44529	Other Specialty Food Stores	Convenience Goods & Services
16	SERVICE	BARBER + BEAUTY SALON	81211	Hair care and esthetic services	Convenience Goods & Services
17	SERVICE	TRAVEL AGENCY	56151	L Travel agencies	Convenience Goods & Services
18	SERVICE	VIDEO RENTAL & SALES	53228	All other consumer goods rental	Convenience Goods & Services
19	SERVICE	SHOE REPAIR	81143	Footwear and leather goods repair	Convenience Goods & Services
20	SERVICE	DRY CLEANER/LAUNDRAMAT/TAILOR	81232	2 Dry cleaning and laundry services	Convenience Goods & Services
21	SERVICE	PRINTING / COPY	32311	L Printing	Convenience Goods & Services
22	SERVICE	ENTERTAINMENT/THEATRE	711	Entertainment and Theatre	Convenience Goods & Services
23	SERVICE	FITNESS CENTRE/YOGA/MARTIAL ARTS	71394	Fitness and recreational sports centres	Entertainment
24	SERVICE	VETERINARIAN/PET GROOMING	81291	Pet Care (including Vet)*	Convenience Goods & Services
25	SERVICE	OTHER/PHYSIO/MASSAGE/LAB/SCHOOL	621	Offices of Other Health Practitioners	Convenience Goods & Services
26	OFFICE/FINANCIAL	STREETFRONT MEDICAL/DENTAL/CHIRO.	621	Offices of Other Health Practitioners	Convenience Goods & Services
27	OFFICE/FINANCIAL	INSURANCE/REALTOR/INVEST. BROKER	52421	Insurance agencies and brokerages	Convenience Goods & Services
28	OFFICE/FINANCIAL	FINANCIAL/BANK/CREDIT UNION	52211	L Banking	Convenience Goods & Services
29	OFFICE/FINANCIAL	ACCOUNTING/LEGAL/NOTARY	541	Professional, Scientific and Technical Services	Convenience Goods & Services
30	OFFICE/FINANCIAL	BUSINESS SERVICES	5614	Business Support Services	Convenience Goods & Services
31	OFFICE/FINANCIAL	OPTOMETRIST	62132	2 Offices of optometrists	Convenience Goods & Services
32	OFFICE/FINANCIAL	OTHER	541	General professional offices*	n/a
33	GENERAL MERCHANDISE	JUNIOR DEPARTMENT STORE	45211	Department stores	Comparison Goods
34	GENERAL MERCHANDISE	GENERAL STORE	45299	Other general merchandise stores	Comparison Goods
35	GENERAL MERCHANDISE	GENERAL STORE ETHNIC	45299	Other general merchandise stores	Comparison Goods
36	GENERAL MERCHANDISE	VARIETY/DOLLAR STORE	45299	Other general merchandise stores	Comparison Goods
37	GENERAL MERCHANDISE	OTHER	45291	Warehouse clubs	Comparison Goods
38	APPAREL AND ACCESSORIES	MEN'S APPAREL	44811	Men's clothing stores	Comparison Goods
39	APPAREL AND ACCESSORIES	MEN'S APPAREL HIGH END	44811	Men's clothing stores	Comparison Goods
40	APPAREL AND ACCESSORIES	MEN'S APPAREL ETHNIC	44811	I Men's clothing stores	Comparison Goods

# APPENDIX B: CLASSIFICATIONS OF COMMERCIAL STOREFRONTS

CMI Code	CMI Category	CMI Land Use Description	NAICS Code	NAICS Category	Additional Category 1
	APPAREL AND ACCESSORIES	MEN'S APPAREL ETHNIC		1 Men's clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	LADY'S APPAREL		2 Women's clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	LADY'S APPAREL HIGH END		2 Women's clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	LADY'S APPAREL ETHNIC		2 Women's clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	UNISEX		Family clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	UNISEX ETHNIC		4 Family clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	CHILDRENS" APPAREL		3 Children's and infants' clothing stores	Comparison Goods
	APPAREL AND ACCESSORIES	CHILDREN'S APPAREL ETHNIC		Children's and infants' clothing stores	Comparison Goods
48	APPAREL AND ACCESSORIES	FABRIC (SPECIALTY RETAIL)	45113	Sewing, needlework and piece goods stores	Comparison Goods
49	APPAREL AND ACCESSORIES	BRIDAL		9 Other clothing stores	Comparison Goods
50	APPAREL AND ACCESSORIES	MATERNITY		Other clothing stores	Comparison Goods
51	APPAREL AND ACCESSORIES	THRIFT/SECOND-HAND MERCHANDISE	45331	1 Used merchandise stores	Comparison Goods
52	APPAREL AND ACCESSORIES	UNIFORMS	44819	Other clothing stores	Comparison Goods
53	APPAREL AND ACCESSORIES	OTHER APPAREL	44832	2 Luggage and leather goods stores	Comparison Goods
54	APPAREL AND ACCESSORIES	JEWELLERY	44831	1 Jewellery stores	Comparison Goods
55	APPAREL AND ACCESSORIES	SHOES	44821	1 Shoe stores	Comparison Goods
56	HOME FURNISHINGS	HOUSEWARES	44229	Other home furnishings stores	Comparison Goods
57	HOME FURNISHINGS	SMALL APPLIANCES	44314	Electronics and appliance stores	Comparison Goods
58	HOME FURNISHINGS	LARGE APPLIANCES	44314	Electronics and appliance stores	Comparison Goods
59	HOME FURNISHINGS	HARDWARE STORES	44413	3 Hardware Stores	Comparison Goods
60	HOME FURNISHINGS	GARDEN SUPPLIES (SPECIALTY RETAIL)	4442	2 Lawn and Garden Equipment and Supplies Stores	Comparison Goods
61	HOME FURNISHINGS	ELECTRONICS / HOME ENT./COMPUTERS	44314	Electronics and appliance stores	Comparison Goods
62	HOME FURNISHINGS	FURNITURE / HOME FURNISHINGS	44211	1 Furniture stores	Comparison Goods
63	HOME FURNISHINGS	DURABLE GOODS/PAINT & WALLPAPER	44229	Other home furnishings stores	Comparison Goods
64	AUTOMOTIVE	GAS STATION	44711	1 Gas stations with convenience stores	Automotive Goods & Services
65	AUTOMOTIVE	TIRES/PARTS/ACCESSORIES	44131	1 Automotive parts and accessories stores	Automotive Goods & Services
66	AUTOMOTIVE	SERVICE	8111	1 Automotive repair and maintenance	Automotive Goods & Services
67	AUTOMOTIVE	AUTO / MOTORCYCLE SALES	44122	2 Motorcycle, boat and other MV dealers	Automotive Goods & Services
68	SPECIALTY RETAIL	SPORTING GOODS	45111	1 Sporting goods stores	Comparison Goods
69	SPECIALTY RETAIL	BICYCLE SHOPS	45111	1 Sporting goods stores	Comparison Goods
70	SPECIALTY RETAIL	BOOKSTORE/MAGAZINES/NEWSPAPERS	45131	1 Book stores and news dealers	Comparison Goods
71	SPECIALTY RETAIL	TOYS/HOBBIES	45112	2 Hobby, toy and game stores	Comparison Goods
72	SPECIALTY RETAIL	OFFICE SUPPLIES	45321	1 Office supplies and stationery stores	Comparison Goods
73	SPECIALTY RETAIL	HEALTH & BEAUTY ITEMS	44612	2 Cosmetics, beauty supplies and perfume stores	Convenience Goods & Services
74	SPECIALTY RETAIL	CARDS & STATIONARY	45321	1 Office supplies and stationery stores	Comparison Goods
75	SPECIALTY RETAIL	BEDDING & LINEN (HOME FURNISHING)	44229	Other home furnishings stores	Comparison Goods
	SPECIALTY RETAIL	ART GALLERY/FRAMING		2 Art dealers	Comparison Goods
	SPECIALTY RETAIL	CAMERAS / FILM / PHOTO	44314	4 Electronics and appliance stores	Comparison Goods
	SPECIALTY RETAIL	ANTIQUES		1 Used merchandise stores	Comparison Goods
	SPECIALTY RETAIL	GIFTS	45322	2 Gift, novelty and souvenir stores	Comparison Goods
	SPECIALTY RETAIL	OPTICAL	44613	3 Optical goods stores	Comparison Goods
	SPECIALTY RETAIL	PETS & PET SUPPLIES		1 Pet and pet supplies stores	Comparison Goods
	SPECIALTY RETAIL	LIQUOR STORE / BEER AND WINE		1 Beer, wine and liquor stores	Convenience Goods & Services
	SPECIALTY RETAIL	FLORIST		1 Florists	Convenience Goods & Services
	SPECIALTY RETAIL	RECORDS/ TAPES/CDs		4 Musical instrument and supplies stores	Comparison Goods
	SPECIALTY RETAIL	MUSICAL INSTRUMENTS		4 Musical instrument and supplies stores	Comparison Goods
	SPECIALTY RETAIL	CELLULAR TELEPHONES		1 Wireless telecommunications carriers	Convenience Goods & Services
87	VACANCY	VACANT STORE	(	OVacant Store	Vacant

# APPENDIX C – SUMMARY DRIVERS OF CHANGE AND KEY TAKE-AWAYS FOR EACH STUDY AREA

- Commercial property tax increases
- Permitting delays and restrictive zoning
- Staff costs and retention
- Employer health tax increases
- Low unemployment
- High cost of housing
- Online Retail

#### AREA SPECIFIC DRIVERS OF CHANGE

- Property Assessments & Commercial Property Taxes.
- Significant property ownership turnover leading to higher rents.
- Parking and access challenges with transit transfer location change has negatively impacted foot traffic.
- Leasing uncertainty with pending Broadway Subway design and construction.
- Dominant categories in direct competition with other destinations and online retail.
- Aging population in local trade area.
- Insufficient population growth and densities in local trade area.
- Chain-heavy shopping area more exposed to decisions driven by changing national /international priorities such as shifts to online retail.

#### OUR VIEW

Empirical and anecdotal evidence and professional experience suggests the following factors are driving retail / commercial change in **South Granville**:

- Commercial Property Tax: Increasing property assessments and taxes are stressing tight profit margins.
- Eroding Access & On-Street Parking: South Granville relies on local shoppers and citywide (or regional) customers who 'comparison shop' and is therefore more reliant on convenient transit and car access. Destination businesses are challenged by: (1) increasing congestion and (2) decreasing on-street parking availability (especially on the west side of Granville). Underground and other off-street parking is typically underutilized because it is either not known to many people, or they are unwilling to park there for other reasons (e.g. safety, comfort).
- **Demographics:** The population in the neighbourhood trade area is aging, and the pace of population growth is insufficient to offset the loss of destination spending driven by increasing competition.
- **High Basic and Secondary Rents:** South Granville south of Broadway has the highest rents of any of the six Study areas. This, in conjunction with rising property taxes, creates another significant challenge for many businesses. The increasing pace of property purchases is resulting in more rent-seeking behavior (i.e. new owners have less flexibility for lower rents). Tenants are increasingly unwilling or unable to pay these higher required rents, leading to higher vacancies.
- Growth of Chain Retailers and Loss of Local Independent Retailers: The increase in chain businesses and decrease in independents is a function of higher rents, higher commercial property taxes, increased competition in dominant categories, and City processes that are not conducive to easy changes of use. The loss of the art gallery cluster at the north end of the BIA has also led to declining pedestrian traffic.

#### **RECOMMENDATIONS FOR SOUTH GRANVILLE**

- Split class property tax relief.
- Review on-street parking supply and create better wayfinding for off-street parking.
- BIA Role in promoting retail mix to landlords and developers to preserve key clusters of retail and services.







- Commercial property tax increases
- Permitting delays and restrictive zoning
- Staff costs and retention
- Employer health tax increases
- Low unemployment
- High cost of housing
- Online Retail

#### AREA SPECIFIC DRIVERS OF CHANGE

- West Broadway continues to be a neighbourhoodoriented shopping precinct, primarily serving the local population.
- This LSA has an evolving identity.
- There is a strong local-serving tenant mix, which is attracting many new independent and chain businesses.
- Some of the vacancies are due to redevelopment and are only temporarily unoccupied in the short term as the spaces are built out.
- There are concerns about the impacts of Broadway Subway construction, and the movement of ridership underground.

#### OUR VIEW

Empirical and anecdotal evidence and professional experience suggests the following factors are driving retail / commercial change in **West Broadway**:

- **Taxes and Lease Terms:** The greatest challenges facing retail and service commercial business in the West Broadway BIA are the combination of rapidly increasing commercial property taxes, increasing basic rents, and leases that are not conducive to long-term stability.
- **Grocery Anchor Location:** The location of the 50,640 square foot Safeway at the far east end of the shopping area generates traffic for the east end of the precinct but does not anchor the western half of the area.
- **Critical Activity Drivers** : The area benefits from many other activity drivers and clusters including specialty foods, the redeveloped Hollywood Theatre, and unique restaurants.
- Ingredients for Health: The most recent retail inventory was completed in February 2019; there are indicators that some of the vacant spaces are being filled. The area has many of the ingredients we look for in a healthy local serving precinct: grocery stores, library, specialty foods, pharmacy, strong restaurant mix, many local-serving businesses across categories.
- Food Traffic: The area benefits from transit access and enjoys a large amount of neighborhood foot traffic.

#### **RECOMMENDATIONS FOR WEST BROADWAY**

- Split class property tax relief.
- More local residents within walking distance to increase foot traffic.
- Ease permitting and licensing process, including change of use requirements.
- Further build BIA / City partnership around improving public realm.







- Commercial property tax increases
- Permitting delays and restrictive zoning
- Staff costs and retention
- Employer health tax increases
- Low unemployment
- High cost of housing
- Online Retail

#### AREA SPECIFIC DRIVERS OF CHANGE

- Increasing vacancy.
- Loss of apparel category.
- The BIA was part of the Marpole Community Plan approved in 2014.
- Increasing property transactions and assembly more properties are turning over.
- Significant property assessment and commercial property tax increases in recent years.
- Trend to shorter notice periods in leases for typical demolition clauses.
- Permitting and licensing delays.

#### OUR VIEW

Empirical and anecdotal evidence and professional experience suggests the following factors are driving retail / commercial change in **Marpole**:

- **Dominant Categories:** Limited and full-service eating places represent 26% of total businesses. Approximately a quarter of restaurants are open and busy evenings and weekends but are not driving footfall during the weekdays. The other important categories are Health and Personal Service-related businesses.
- Local Serving Precinct: Marpole is almost exclusively local-serving, apart from a handful of destination draws such as Ragnar Jewelers and some of the personal or professional service providers. As older buildings are replaced by new buildings over time, the area is likely to become more local-serving.
- Taxes are a Fundamental Issue: Businesses that have been operating with very tight margins are now facing profitability challenges due to the increased commercial property taxes.
- Land Assembly and Lease Clauses: Property purchases and land assemblies are likely to be a major driver of change in this area in the near term. While most leases have demolition clauses, the probability that these will be activated are higher, resulting in conditions that are not conducive to many businesses leasing and undertaking extensive leasehold improvements in older spaces where the term lease term will be uncertain..
- Transit: The area benefits from transit access but does not have a significant amount of foot traffic

#### **RECOMMENDATIONS FOR MARPOLE**

- Split class property tax relief.
- Continue working with BIA on Community Plan implementation.







- Commercial property tax increases
- Permitting delays and restrictive zoning
- Staff costs and retention
- Employer health tax increases
- Low unemployment
- High cost of housing
- Online Retail

#### AREA SPECIFIC DRIVERS OF CHANGE

- Good foot traffic, concentrated primarily along Hastings between Penticton and Nanaimo Streets.
- Public realm and public order are significant concerns, particularly addiction, homelessness and public disorder spilling over from the Downtown Eastside and Oppenheimer Park.
- Neighborhood density is increasing, with an ongoing demographic shift to younger, higher income families.
- The long-time vacant lots (North 2500 block of East Hastings) beside the London Drugs and (North 2000 block of East Hastings) have impacted pedestrian activity of the street.
- The surface parking lot along Franklin Street, between Penticton and Kamloops, helps to support commercial activity within the BIA.
- Changing paid street parking and times changes are impacting local businesses.

#### **OUR VIEW**

Empirical and anecdotal evidence and professional experience suggests the following factors are driving retail / commercial change in **Hastings North**:

- **Retail Anchors:** Hastings North is a very local-serving shopping precinct. Anchor uses are London Drugs, Donald's Market and a public library. These are all strong anchors. There is a need for additional well-placed anchor uses in the core of the precinct.
- **Retail Diversity:** The area is home to many unique, small businesses and new restaurants. It also offers many opportunities for start-up businesses in both ground floor and upper floor spaces. A vacancy paradox exists in the BIA where it has a high vacancy rate (11%), but this is not necessarily reflected in its retail vibrancy.
- Vacancies: Several long-time vacancies have diminished the experience at street level, but the variety and vibrancy of the surrounding retail have deferred its negative impacts for now.
- Stigmatized Vacancies: With no sign of redevelopment or availability, there are sites that have been vacant for years with some for decades. These types of vacancies diminish the pedestrian experience in those sub-areas, and they can 'blight' the overall business climate in the area.
- New and Proposed Mixed Use Developments: Several proposed and new residential mixed-use developments will inject new customers into the area; however, new redevelopment pressures which may displace long time area businesses should be monitored. Prolonged development, zoning, and building permitting times have diminished the pedestrian experience as empty and in-process properties have creating a disjointed shopping experience.
- **Mixed Scales:** New and old small scale, independent goods and services businesses seem to be stable if not flourishing in the neighbourhood; however, concerns around commercial, residential, and overall affordability and displacement still persist.

#### **RECOMMENDATIONS FOR HASTINGS NORTH**

- Additional feedback is needed from business owners in the dominant category who were generally underrepresented in workshop and surveys.
- The City has a key role in maintaining streets and public order as well as evaluate parking regulations and logistical regulations in the area.







### COLLINGWOOD

#### MACRO DRIVERS OF CHANGE

- Commercial property tax increases
- Permitting delays and restrictive zoning
- Staff costs and retention
- Employer health tax increases
- Low unemployment
- High cost of housing
- Online Retail

#### AREA SPECIFIC DRIVERS OF CHANGE

- Public realm and public order / disorder.
- Property and other taxes.
- Cost and availability of labour.
- Permitting time and flexibility.
- Housing affordability and need for more local population.
- Positive impact of residential density around the Joyce-Collingwood Station.
- Parking and loading policies.

#### **OUR VIEW**

Empirical and anecdotal evidence and professional experience suggests the following factors are driving retail / commercial change in **Collingwood**:

- Family Owned and Operated Businesses: Collingwood is home to many family owned and operated businesses with many small, family owned, niche restaurants. These businesses appear much more resilient to macro changes than other small businesses that are reliant on outside labour. This remains a relatively affordable area to live in Vancouver, and the area is culturally diverse.
- **Restaurants as Anchors:** In 2005, the dominant category was Limited & Full-service restaurants comprising 18% of total businesses. The area has become significantly more reliant on these categories since then, with combined restaurant categories accounting for 27% of total businesses in 2019. With the advent of food delivery pickup platforms, vehicle parking and stopping / pickup policies may need to revised.
- **Public Order and Street Maintenance:** Public order and street maintenance were cited in roundtable discussions as the predominant challenges to local business in this area. Vandalism and shoplifting are major and increasing issues.
- Healthy Local Ecosystem: There is a healthy local ecosystem of small business interdependence (e.g. local restaurants buying produce from local green grocers). Vacancy has remained low and relatively stable.
- Role of Non-retail Anchors: Businesses noted the importance of non-retail anchors (i.e. elementary school) in supporting the health and vitality of a local shopping area. Closure of of Sir Guy Carleton Elementary has been negative for local businesses.

#### **RECOMMENDATIONS FOR COLLINGWOOD**

- Maintain Collingwood Community Policing program to deal with public disorder, graffiti etc.
- Explore placemaking and alternative community meeting spaces in the local shopping area to replace lost activity from closure of Sir Guy Carleton Elementary.
- Split assessment property tax relief.







## COMMERCIAL DRIVE

#### MACRO DRIVERS OF CHANGE

- Commercial property tax increases
- Permitting delays and restrictive zoning
- Staff costs and retention
- Employer health tax increases
- Low unemployment
- High cost of housing
- Online Retail

#### AREA SPECIFIC DRIVERS OF CHANGE

- High foot traffic.
- Excellent access via transit.
- Public disorder and public realm maintenance is eroding.
- Complexity, cost, time of permitting and licensing.
- Increasing Base rents for commercial space.
- The BIA was part of the Grandview-Woodland community plan which was approved in 2016.

#### OUR VIEW

Empirical and anecdotal evidence and professional experience suggests the following factors are driving retail / commercial change in **Commercial Drive**:

- **Public Realm:** The maintenance of the public realm is a critical issue for business in Commercial Drive. There is a general perception that the quality of basic service being received from the City is deteriorating at the same time that property taxes and other costs are dramatically rising.
- **Public Order and Safety:** To support foot traffic and promote the area as a family destination, businesses want more public order, safety (real and perceived) and better maintenance of the public realm. Many suggest a return to "Community Ambassadors" to enforce bylaws to these ends (and bylaw flexibility where it results in better legitimate use of City sidewalks).
- Mass Transit Access: The area benefits from excellent mass transit access and enjoys a large amount of foot traffic.
- **Retail Anchors:** The Drive benefits from strong retail anchors (more retail grocery anchors than any other study area) and non-retail anchors (community centre, library, high school, elementary school), as well as an eclectic mix of stores and older businesses established by the historic Italian community.
- **Diversity of Retail and Commercial Activities:** The diversity of small-scale retail and commercial activities provides a sense of place and character for the area.

#### RECOMMENDATIONS FOR COMMERCIAL DRIVE

- The City has purview in the policing and maintenance of streets and lanes for public safety and curb appeal and enforcing bylaws (illegal vending, panhandling). Enhanced resources could improve the attractiveness of the Drive. The BIA also has a role in promoting and shaping the mix and identity / brand of the Drive.
- The City could dedicate more resources and reduce the complexity and time for Permits & Licenses.
- Split assessment property tax relief.







# South Granville BIA, 2006

Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Count
Comparison Goods	267,239	2,545	105	54%	53%
Art Dealers	33,871	1,992	17	7%	9%
Book Stores And News Dealers	30,567	15,284	2	6%	1%
Children's And Infants' Clothing Stores	1,000	1,000	1	0%	1%
Electronics And Appliance Stores	2,500	2,500	1	1%	1%
Family Clothing Stores	9,100	2,275	4	2%	2%
Furniture Stores	50,213	3,138	16	10%	8%
Gift, Novelty And Souvenir Stores	14,307	2,861	5	3%	3%
Jewellery Stores	4,644	1,161	4	1%	2%
Luggage And Leather Goods Stores	500	500	1	0%	1%
Musical Instrument And Supplies Stores	17,450	5,817	3	3%	2%
Office Supplies And Stationery Stores	1,638	1,638	1	0%	1%
Optical Goods Stores	5,019	1,255	4	1%	2%
Other Home Furnishings Stores	11,953	1,992	6	2%	3%
Sewing, Needlework And Piece Goods Stores	1,560	1,560	1	0%	1%
Shoe Stores	14,915	2,983	5	3%	3%
Sporting Goods Stores	1,500	1,500	1	0%	1%
Used Merchandise Stores	13,027	1,447	9	3%	5%
Women's Clothing Stores	53,477	2,228	24	11%	12%
Convenience Goods	35,544	2,315	15	7%	8%
Baked Goods Store	1,529	1,529	1	0%	1%
Beer, Wine And Liquor Stores	3,245	3,245	1	1%	1%
Cosmetics, Beauty Supplies And Perfume Stores	7,312	1,828	4	1%	2%
Fruit And Vegetable Markets	4,238	2,119	2	1%	1%
Meat Markets	1,256	1,256	1	0%	1%
Other Specialty Food Stores	4,298	1,433	3	1%	2%
Pharmacies And Drug Stores	7,413	3,707	2	1%	1%
Supermarkets And Other Grocery (Except Convenience) Stores	6,254	6,254	1	1%	1%
Food & Beverage	61,224	2,041	30	12%	15%
Full Service Restaurants	14,543	2,909	5	3%	3%
Limited Service Eating Places	46,681	1,867	25	9%	13%
Service Commercial	108,679	2,614	42	22%	21%
Wireless Telecommunications Carriers	1,500	1,500	1	0%	1%
Banking	42,506	5,313	8	9%	4%
Dry Cleaning And Laundry Services	674	674	1	0%	1%
Footwear And Leather Goods Repair	972	972	1	0%	1%
Hair Care And Esthetic Services	21,162	1,323	16	4%	8%
Insurance Agencies And Brokerages	3,862	1,931	2	1%	1%
Offices Of Other Health Practitioners	28,717	4,786	6	6%	3%
Travel Agencies	2,280	1,140	2	0%	1%
General Professional Offices	7,006	1,401	5	1%	3%
Vacant	26,392	3,770	7	5%	4%
Grand Total	499,078	2,508	199		

ategory	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Stor Count
010	450927.971	1768.344984 25	5	Area	Count
utomotive Goods & Services	0	0	1	0%	0%
Gas Stations With Convenience Stores	0	0	1	0%	0%
omparison Goods	128,979	1,720	75	29%	29%
Art Dealers	2,036	1,018	2	0%	1%
Book Stores And News Dealers	10,144	1,449	7	2%	3%
Children's And Infants' Clothing Stores	3,488	1,163	3	1%	1%
Electronics And Appliance Stores	17,322	2,887	6	4%	2%
Family Clothing Stores	6,387	1,597	4	1%	2%
Furniture Stores	5,662	1,415	4	1%	2%
Gift, Novelty And Souvenir Stores	4,881	976	5	1%	2%
Hobby, Toy And Game Stores	5,875	2,938	2	1%	1%
Jewellery Stores	2,408	803	3	1%	1%
Men's Clothing Stores	10,579	5,290	2	2%	1%
Optical Goods Stores	1,437	1,437	1	0%	0%
Other General Merchandise Stores	8,236	1,647	5	2%	2%
Other Home Furnishings Stores	17,888	2,981	6	4%	2%
Pet And Pet Supplies Stores	1,026	1,026	1	0%	0%
Shoe Stores	8,739	1,748	5	2%	2%
Sporting Goods Stores	3,737	1,246	3	1%	1%
Used Merchandise Stores	6,492	1,623	4	1%	2%
Warehouse Clubs	1,000	1,000	1	0%	0%
Women's Clothing Stores	11,640	1,058	11	3%	4%
nvenience Goods	109,232	3,121	35	24%	14%
Baked Goods Store	7,475	1,246	6	2%	2%
Beer, Wine And Liquor Stores	2,009	1,004	2	0%	1%
Convenience Stores	3,738	935	4	1%	2%
Cosmetics, Beauty Supplies And Perfume Stores	5,532	790	7	1%	3%
Florists	3,268	817	4	1%	2%
Fruit And Vegetable Markets	18,157	3,026	6	4%	2%
Other Specialty Food Stores	10,885	2,721	4	2%	2%
Pharmacies And Drug Stores	7,528	7,528	1	2%	0%
Supermarkets And Other Grocery (Except Convenience) Stores	50,640	50,640	1	11%	0%
tertainment and Leisure	6,028	1,507	4	1%	2%
Entertainment And Theatre	0	0	1	0%	0%
Fitness And Recreational Sports Centres	6,028	2,009	3	1%	1%
od & Beverage	106,469	1,717	62	24%	24%
Full Service Restaurants	14,685	1,335	11	3%	4%
Limited Service Eating Places	91,784	1,800	51	20%	20%
rvice Commercial	70,936	1,202	59	16%	23%
All Other Consumer Goods Rental	5,369	5,369	1	1%	0%
Banking	18,584	3,097	6	4%	2%
Dry Cleaning And Laundry Services	2,651	884	3	1%	1%
General Professional Offices	1,184	592	2	0%	1%
Hair Care And Esthetic Services	8,580	660	13	2%	5%
Insurance Agencies And Brokerages	4,421	1,105	4	1%	2%
Offices Of Optometrists	2,240	1,120	2	0%	1%
Offices Of Other Health Practitioners	16,475	1,098	15	4%	6%
Pet Care (Including Vet)	1,477	739	2	0%	1%
Printing	2,214	1,107	2	0%	1%
Professional, Scientific And Technical Services	3,059	1,020	3	1%	1%
Travel Agencies	3,359	840	4	1%	2%
Wireless Telecommunications Carriers	1,322	661	2	0%	1%
cant	29,284	1,541	19	6%	7%
Vacant Store	29,284	1,541	19	6%	7%
rand Total	450,928	1,768	255		

Marpole BIA, 2010					
Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Count
Comparison Goods	30,980	1,408	22		
Book Stores And News Dealers	1,056	1,056	1	0%	1%
Electronics And Appliance Stores	3,074	1,025	3	1%	2%
Jewellery Stores	5,202	1,734	3	2%	2%
Lawn And Garden Equipment And Supplies Stores	2,015	2,015	1	1%	1%
Optical Goods Stores	2,493	831	3	1%	2%
Other Clothing Stores	1,247	1,247	1	1%	1%
Other General Merchandise Stores	2,737	1,368	2	1%	1%
Other Home Furnishings Stores	2,000	1,000	2	1%	1%
Pet And Pet Supplies Stores	1,484	742	2	1%	1%
Shoe Stores	1,018	1,018	1	0%	1%
Sporting Goods Stores	1,755	1,755	1	1%	1%
Used Merchandise Stores	6,900	3,450	2	3%	1%
Convenience Goods	56,706	3,336	16	24%	11%
Baked Goods Store	1,346	1,346	1	1%	1%
Beer, Wine And Liquor Stores	6,090	3,045	2	3%	1%
Convenience Stores	4,158	1,386	3	2%	2%
Cosmetics, Beauty Supplies And Perfume Stores	528	528	1	0%	1%
Fish And Seafood Markets	1,575	1,575	1	1%	1%
Florists	1,712	856	2	1%	1%
Fruit And Vegetable Markets	4,050	4,050	1	2%	1%
Other Specialty Food Stores	2,627	876	3	1%	2%
Pharmacies And Drug Stores	1,018	1,018	1	0%	1%
Supermarkets And Other Grocery (Except Convenience) Stores	33,075	33,075	1	14%	1%
Food & Beverage	45,517	1,422	32	19%	22%
Full Service Restaurants	22,075	1,698	13	9%	9%
Limited Service Eating Places	23,442	1,234	19	10%	13%
Service Commercial	89,198	1,593	57	38%	40%
Wireless Telecommunications Carriers	528	528	1	0%	1%
All Other Consumer Goods Rental	5,839	2,920	2	2%	1%
Banking	26,893	3,842	7	11%	5%
Dry Cleaning And Laundry Services	1,350	1,350	1	1%	1%
Hair Care And Esthetic Services	9,666	967	10	4%	7%
Insurance Agencies And Brokerages	4,037	1,009	4	2%	3%
Offices Of Optometrists	3,248	3,248	1	1%	1%
Offices Of Other Health Practitioners	28,132	1,279	22	12%	15%
Pet Care (Including Vet)	1,978	1,978	1	1%	1%
Printing	2,090	1,045	2	1%	1%
Professional, Scientific And Technical Services	3,154	1,051	3	1%	2%
Travel Agencies	2,283	1,142	2	1%	1%
General Professional Offices	528	528	1	0%	1%
Vacant	15,153	1,166	13	6%	9%
Grand Total	237,553	1,661	143		

Collingwood BIA, 2005*		
Category	Store Count	% of Total Store Count
Comparison Goods	47	
Art Dealers	2	1%
Book Stores And News Dealers	4	2%
Electronics And Appliance Stores	11	5%
Family Clothing Stores	3	1%
Furniture Stores	8	4%
Gift, Novelty And Souvenir Stores	1	4%
Hobby, Toy And Game Stores	1	0%
Vusical Instrument And Supplies Stores	1	0%
	3	
Optical Goods Stores		1%
Other Clothing Stores	1	0%
Other General Merchandise Stores	2	1%
Other Home Furnishings Stores	1	0%
et And Pet Supplies Stores	2	1%
porting Goods Stores	4	2%
Varehouse Clubs	1	0%
Vomen's Clothing Stores	2	1%
onvenience Good	27	12%
aked Goods Store	3	1%
eer, Wine And Liquor Stores	1	0%
onvenience Stores	4	2%
osmetics, Beauty Supplies And Perfume Stores	5	2%
orists	2	1%
ruit And Vegetable Markets	4	2%
leat Markets	1	0%
ther Specialty Food Stores	3	1%
harmacies And Drug Stores	3	1%
upermarkets And Other Grocery (Except Convenience) Stores	1	0%
ood & Beverage	41	18%
ull Service Restaurants	27	12%
mited Service Eating Places	14	6%
ervice Commercial	73	32%
/ireless Telecommunications Carriers	4	2%
Il Other Consumer Goods Rental	7	3%
anking	5	2%
usiness Support Services	2	2%
usiness support services ry Cleaning And Laundry Services	2	1%
ry Cleaning And Laundry Services	2	1%
air Care And Esthetic Services	20	9%
surance Agencies And Brokerages	5	2%
ffices Of Other Health Practitioners	10	4%
et Care (Including Vet)	1	0%
rinting	1	0%
rofessional, Scientific And Technical Services	6	3%
ravel Agencies	5	2%
eneral Professional Offices	3	1%
ntertainment / Fitness / Recreation	3	1%
tness And Recreational Sports Centres	3	1%
acant	10	4%
rand Total	226	

\*No floor area data available

ategory	Store Count	% of Total
utomotive Goods & Services	10	4%
Automotive Parts And Accessories Stores	3	1%
Automotive Repair And Maintenance	5	2%
Gas Stations With Convenience Stores	1	0%
Motorcycle, Boat And Other Mv Dealers	1	0%
omparison Goods	45	19%
Art Dealers	2	1%
Children's And Infants' Clothing Stores	1	0%
Electronics And Appliance Stores	8	3%
Furniture Stores	2	1%
Gift, Novelty And Souvenir Stores	2	1%
Hardware Stores	1	0%
Hobby, Toy And Game Stores	1	0%
Jewellery Stores	3	1%
Lawn And Garden Equipment And Supplies Stores	1	0%
Luggage And Leather Goods Stores	2	1%
Men's Clothing Stores	1	0%
Office Supplies And Stationery Stores	1	0%
Optical Goods Stores	3	1%
Other General Merchandise Stores	5	2%
Other Home Furnishings Stores	1	0%
Pet And Pet Supplies Stores	3	1%
Shoe Stores	1	0%
Sporting Goods Stores	2	1%
Used Merchandise Stores	3	1%
Women's Clothing Stores	2	1%
onvenience Goods	39	17%
Baked Goods Store	7	3%
Beer, Wine And Liguor Stores	1	0%
Convenience Stores	7	3%
Cosmetics, Beauty Supplies And Perfume Stores	3	1%
Fish And Seafood Markets	1	0%
Florists	1	0%
Fruit And Vegetable Markets	6	3%
Meat Markets	4	2%
	6	3%
Other Specialty Food Stores	3	3% 1%
Pharmacies And Drug Stores ntertainment and Leisure	2	1%
	2	
Entertainment And Theatre	41	1% 18%
ood & Beverage		
Full Service Restaurants	17	7%
Limited Service Eating Places	24	10%
ervice Commercial	80	34%
All Other Consumer Goods Rental	2	1%
Banking	7	3%
Business Support Services	1	0%
Dry Cleaning And Laundry Services	8	3%
Footwear And Leather Goods Repair	1	0%
General Professional Offices	24	10%
Hair Care And Esthetic Services	13	6%
Insurance Agencies And Brokerages	5	2%
Offices Of Other Health Practitioners	11	5%
Pet Care (Including Vet)	1	0%
Printing	4	2%
Professional, Scientific And Technical Services	1	0%
Travel Agencies	2	1%
acant	16	7%
Vacant Store	16	7%
irand Total	233	

\*No floor area data available

Commercial Drive BIA, 2005*		
Category	Store Count	% of Total Store Count
Comparison Goods	76	20%
Art Dealers	3	1%
Book Stores And News Dealers	6	2%
Children's And Infants' Clothing Stores	1	0%
Electronics And Appliance Stores	7	2%
Family Clothing Stores	7	2%
Furniture Stores	3	1%
Gift, Novelty And Souvenir Stores	9	2%
Hardware Stores	1	0%
Jewellery Stores	1	0%
Lawn And Garden Equipment And Supplies Stores	1	0%
Luggage And Leather Goods Stores	1	0%
Men's Clothing Stores	2	1%
Musical Instrument And Supplies Stores	2	1%
Office Supplies And Stationery Stores	1	0%
Optical Goods Stores	2	1%
Other General Merchandise Stores	6	2%
Other Home Furnishings Stores	3	1%
Pet And Pet Supplies Stores	3	1%
Shoe Stores	1	0%
Sporting Goods Stores	1 10	0% 3%
Used Merchandise Stores		
Warehouse Clubs	1	0%
Women's Clothing Stores	4 63	<u>1%</u> 17%
Convenience Goods Baked Goods Store	8	2%
Baked Goods Store Beer, Wine And Liquor Stores	8 2	1%
Convenience Stores	17	5%
Cosmetics, Beauty Supplies And Perfume Stores	2	1%
Florists	2	1%
Fruit And Vegetable Markets	10	3%
Meat Markets	3	1%
Other Specialty Food Stores	10	3%
Pharmacies And Drug Stores	7	2%
Supermarkets And Other Grocery (Except Convenience) Stores	2	1%
Food & Beverage	101	27%
Drinking Places	7	2%
Full Service Restaurants	33	9%
Limited Service Eating Places	61	16%
Service Commercial	115	31%
All Other Consumer Goods Rental	5	1%
Banking	7	2%
Business Support Services	1	0%
Dry Cleaning And Laundry Services	8	2%
Entertainment And Theatre	3	1%
Hair Care And Esthetic Services	23	6%
Insurance Agencies And Brokerages	3	1%
Offices Of Optometrists	1	0%
Offices Of Other Health Practitioners	30	8%
Printing	2	1%
Professional, Scientific And Technical Services	1	0%
Travel Agencies	4	1%
General Professional Offices	27	7%
Entertainment / Fitness / Recreation	5	1%
Fitness And Recreational Sports Centres	5	1%
Automotive Goods & Services	6	2%
Automotive Parts And Accessories Stores	1	0%
Automotive Repair And Maintenance	4	1%
Motorcycle, Boat And Other Mv Dealers	1	0%
Vacant	9	2%
Grand Total	375	

\*No floor area data available

South Granville BIA, 2019					
Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Count
Comparison Goods	270,066	3,001	90	50%	45%
Art dealers	19,250	2,139	9	4%	5%
Book stores and news dealers	29,917	29,917	1	6%	1%
Children's and infants' clothing stores	6,980	1,745	4	1%	2%
Department stores	12,400	12,400	1	2%	1%
Family clothing stores	8,092	2,023	4	1%	2%
Furniture stores	86,023	5,376	16	16%	8%
Gift, novelty and souvenir stores	1,500	1,500	1	0%	1%
Hobby, toy and game stores	2,500	2,500	1	0%	1%
Jewellery stores	4,244	1,415	3	1%	2%
Men's clothing stores	2,106	1,053	2	0%	1%
Optical goods stores	2,374	1,187	2	0%	1%
Other clothing stores	1,000	1,000	1	0%	1%
Other home furnishings stores	26,040	2,367	11	5%	6%
Shoe stores	13,659	1,951	7	3%	4%
Used merchandise stores	11,260	1,609	7	2%	4%
Women's clothing stores	42,722	2,136	20	8%	10%
Convenience Goods	40,860	2,801	13	8%	7%
Beer, wine and liquor stores	7,150	2,383	3	1%	2%
Cosmetics, beauty supplies and perfume stores	3,988	1,329	3	1%	2%
Florists	2,750	1,375	2	1%	1%
Other Specialty Food Stores	1,000	1,000	1	0%	1%
Pharmacies and drug stores	19,472	6,491	3	4%	2%
Supermarkets and other grocery (except convenience) stores	6,500	6,500	1	1%	1%
Food & Beverage	63,856	1,935	33	12%	17%
Drinking places	7,647	1,912	4	1%	2%
Full service restaurants	13,900	2,317	6	3%	3%
Limited service eating places	42,309	1,840	23	8%	12%
Service Commercial	108,442	2,985	38	20%	19%
Wireless telecommunications carriers	3,964	1,321	3	1%	2%
Banking	43,178	5,397	8	8%	4%
Dry cleaning and laundry services	850	850	1	0%	1%
Entertainment and Theatre	13,000	13,000	1	2%	1%
Footwear and leather goods repair	1,500	1,500	1	0%	1%
Hair care and esthetic services	11,600	1,160	10	2%	5%
Insurance agencies and brokerages	1,000	1,000	1	0%	1%
Offices of Other Health Practitioners	14,950	1,869	8	3%	4%
Travel agencies	1,500	1,500	1	0%	1%
General professional offices	16,900	4,225	4	3%	2%
Vacant	57,169	2,287	25	11%	13%
Grand Total	540,392	2,716	199		

ategory	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Coun
omparison Goods	100,428	2,232	45	21%	18%
ook stores and news dealers	4,733	2,366	2	1%	1%
nildren's and infants' clothing stores	4,057	1,014	4	1%	2%
ectronics and appliance stores	4,354	2,177	2	1%	1%
mily clothing stores	3,624	1,812	2	1%	1%
irniture stores	8,629	2,876	3	2%	1%
ift, novelty and souvenir stores	1,800	1,800	1	0%	0%
obby, toy and game stores	5,000	2,500	2	1%	1%
wellery stores	1,000	1,000	1	0%	0%
wwn and Garden Equipment and Supplies Stores	2,160	2,160	1	0%	0%
en's clothing stores	3,017	3,017	1	1%	0%
ffice supplies and stationery stores	500	500	1	0%	0%
otical goods stores	4,053	1,013	4	1%	2%
ther clothing stores	2,592	2,592	1	1%	0%
ther general merchandise stores	14,784	4,928	3	3%	1%
her home furnishings stores	13,691	3,423	4	3%	2%
t and pet supplies stores	5,183	1,728	3	1%	1%
noe stores	3,474	1,737	2	1%	1%
porting goods stores	1,500	1,500	1	0%	0%
sed merchandise stores	9,010	4,505	2	2%	1%
omen's clothing stores	7,266	1,453	5	1%	2%
onvenience Goods	107,896	3,119	33	22%	13%
iked Goods Store	8,585	1,431	6	2%	2%
er, wine and liquor stores	9,918	1,417	7	2%	3%
nvenience Stores	5,518	544	1	2%	3 % 0%
ismetics, beauty supplies and perfume stores	2,779	926	3	1%	1%
sh and seafood markets	629	629	1	0%	0%
prists			2	0%	1%
	2,229	1,115 3,032	2	1%	1%
uit and Vegetable Markets	6,065		2	1%	
ther Specialty Food Stores	12,357	1,765	3	3%	3% 1%
narmacies and drug stores	14,149	4,716	3	3%	1%
permarkets and other grocery (except convenience) stores	50,640	50,640	1	10%	0%
ood & Beverage	102,878	1,715	60	21%	24%
inking places	1,000	1,000	1	0%	0%
Ill service restaurants	34,393	1,563	22	7%	9%
mited service eating places	67,485	1,824	37	14%	15%
rvice Commercial	89,035	1,382	66	18%	26%
ireless telecommunications carriers	1,253	626	2	0%	1%
nking	22,511	3,752	6	5%	2%
isiness Support Services	0	0	0	0%	0%
y cleaning and laundry services	2,944	981	3	1%	1%
ir care and esthetic services	10,516	809	13	2%	5%
surance agencies and brokerages	2,824	941	3	1%	1%
fices of optometrists	1,130	1,130	1	0%	0%
fices of Other Health Practitioners	35,096	1,350	26	7%	10%
t Care (including Vet)	1,477	739	2	0%	1%
nting	1,134	1,134	1	0%	0%
ofessional, Scientific and Technical Services	786	786	1	0%	0%
avel agencies	3,625	1,208	3	1%	1%
neral professional offices	5,739	1,148	5	1%	2%
tertainment / Fitness / Recreation	13,080	1,453	9	3%	4%
ness and recreational sports centres	13,080	1,453	9	3%	4%
tomotive Goods & Services	2,500	1,250	2	1%	1%
tomotive goods a services	2,500	2,500	1	1%	0%
s stations with convenience stores	0	0	1	0%	0%
icant	72,711	1,864	39	15%	15%
and Total	488.528	1,804	254	13%	15%

Marpole BIA, 2019					
Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Count
Comparison Goods	17,895	1,627	11	7%	8%
Children's and infants' clothing stores	1,575	1,575	1	1%	1%
Gift, novelty and souvenir stores	1,000	1,000	1	0%	1%
Jewellery stores	4,290	2,145	2	2%	1%
Optical goods stores	1,968	656	3	1%	2%
Sporting goods stores	1,755	1,755	1	1%	1%
Used merchandise stores	6,387	3,194	2	3%	1%
Women's clothing stores	920	920	1	0%	1%
Convenience Goods	55,361	5,033	11	22%	8%
Beer, wine and liquor stores	11,923	2,981	4	5%	3%
Cosmetics, beauty supplies and perfume stores	528	528	1	0%	1%
Florists	700	700	1	0%	1%
Fruit and Vegetable Markets	7,200	3,600	2	3%	1%
Pharmacies and drug stores	1,936	968	2	1%	1%
Supermarkets and other grocery (except convenience) stores	33,075	33,075	1	13%	1%
Food and Beverage	56,097	1,516	37	23%	26%
Full service restaurants	33,089	1,576	21	13%	15%
Limited service eating places	23,008	1,438	16	9%	11%
Service Commercial	97,142	1,123	64	39%	45%
Banking	29,456	3,273	9	12%	6%
Dry cleaning and laundry services	2,000	2,000	1	1%	1%
Hair care and esthetic services	8,697	966	9	4%	6%
Insurance agencies and brokerages	7,869	1,311	6	3%	4%
Offices of optometrists	3,248	3,248	1	1%	1%
Offices of Other Health Practitioners	32,216	1,239	26	13%	18%
Pet Care (including Vet)	1,978	1,978	1	1%	1%
Printing	1,334	1,334	1	1%	1%
Professional, Scientific and Technical Services	4,399	1,100	4	2%	3%
Travel agencies	3,700	925	4	1%	3%
General professional offices	2,246	1,123	2	1%	1%
Automotive Goods & Services	0	0	2	0%	1%
Gas stations with convenience stores	0	0	2	0%	1%
Vacant	20,332	1,271	16	8%	11%
Grand Total	246,827	1,751	141		

# Collingwood BIA, 2019

Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area % of Total Store Cou		
Comparison Goods	36,800	2,044	18	9%	9%	
Art dealers	500	500	1	0%	0%	
Electronics and appliance stores	6,900	1,725	4	2%	2%	
Furniture stores	4,500	4,500	1	1%	0%	
Gift, novelty and souvenir stores	3,500	1,167	3	1%	1%	
Hobby, toy and game stores	3,000	3,000	1	1%	0%	
Musical instrument and supplies stores	3,000	3,000	1	1%	0%	
Optical goods stores	6,200	2,067	3	2%	1%	
Other clothing stores	2,500	2,500	1	1%	0%	
Other general merchandise stores	3,700	1,850	2	1%	1%	
Sporting goods stores	3,000	3,000	1	1%	0%	
Convenience Goods	91,900	3,090	29	22%	14%	
Baked Goods Store	4,000	1,333	3	1%	1%	
Beer, wine and liquor stores	10,200	2,550	4	2%	2%	
Convenience Stores	3,000	1,500	2	1%	1%	
Cosmetics, beauty supplies and perfume stores	9,900	1,980	5	2%	2%	
Florists	1,000	1,000	1	0%	0%	
Fruit and Vegetable Markets	9,000	4,500	2	2%	1%	
Meat markets	1,500	1,500	1	0%	0%	
Other Specialty Food Stores	6,800	1,133	6	2%	3%	
Pharmacies and drug stores	14,500	3,625	4	4%	2%	
Supermarkets and other grocery (except convenience) stores	32,000	32,000	1	8%	0%	
Food & Beverage	111,100	2,020	55	27%	27%	
Full service restaurants	72,400	2,069	35	18%	17%	
Limited service eating places	38,700	1,935	20	9%	10%	
Service Commercial	142,700	1,745	83	35%	41%	
Wireless telecommunications carriers	800	800	1	0%	0%	
Banking	26,000	4,333	6	6%	3%	
Business Support Services	1,200	1,200	1	0%	0%	
Dry cleaning and laundry services	4,800	960	5	1%	2%	
Footwear and leather goods repair	500	500	1	0%	0%	
Hair care and esthetic services	19,900	1,171	17	5%	8%	
Insurance agencies and brokerages	15,500	3,100	5	4%	2%	
Offices of Other Health Practitioners	38,300	1,596	24	9%	12%	
Pet Care (including Vet)	2,400	1,200	2	1%	1%	
Printing	1,200	1,200	1	0%	0%	
Professional, Scientific and Technical Services	5,500	1,833	3	1%	1%	
Travel agencies	1,800	900	2	0%	1%	
General professional offices	24,800	1,653	15	6%	7%	
Entertainment / Fitness / Recreation	8,200	2,050	4	2%	2%	
Fitness and recreational sports centres	8,200	2,050	4	2%	2%	
Automotive Goods & Services	3,000	3,000	1	1%	0%	
Automotive parts and accessories stores	3,000	3,000	1	1%	0%	
Vacant	17,600	1,467	12	4%	6%	
Grand Total	411,300	2,036	202			

### Hastings North BIA (Study Area Only), 2019

Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Coun
Comparison Goods	67,917	1,940	35	14%	14%
Art dealers	1,000	1,000	1	0%	0%
Children's and infants' clothing stores	1,500	1,500	1	0%	0%
Electronics and appliance stores	1,500	750	2	0%	1%
Family clothing stores	650	650	1	0%	0%
Furniture stores	4,500	2,250	2	1%	1%
Hobby, toy and game stores	3,809	1,270	3	1%	1%
Musical instrument and supplies stores	1,900	950	2	0%	1%
Office supplies and stationery stores	3,200	1,067	3	1%	1%
Optical goods stores	3,800	950	4	1%	2%
Other general merchandise stores	10,000	10,000	1	2%	0%
Other home furnishings stores	7,500	3,750	2	2%	1%
Pet and pet supplies stores	8,500	4,250	2	2%	1%
Shoe stores	5,000	5,000	1	1%	0%
Sporting goods stores	4,791	1,597	3	1%	1%
Used merchandise stores	9,267	1,545	6	2%	2%
Women's clothing stores	1,000	1,000	1	0%	0%
Convenience Goods	96,467	2,686	36	20%	14%
Baked Goods Store	9,000	1,500	6	20%	2%
Beer, wine and liquor stores	12,700	2,540	5	3%	2%
Convenience Stores	5,300	1,325	4	1%	2%
	3,500	875	4	1%	2%
Cosmetics, beauty supplies and perfume stores		1,000	4	0%	2%
Fish and seafood markets Florists	1,000	,	2		
	2,000	1,000	4	0% 4%	1% 2%
Fruit and Vegetable Markets	18,750	4,688			
Meat markets	5,400	1,800	3	1%	1%
Other Specialty Food Stores	5,467	1,822	3	1%	1%
Pharmacies and drug stores	33,350	8,338	4	7%	2%
Food & Beverage	87,632	1,563	57	18%	22%
Full service restaurants	51,313	1,833	28	11%	11%
Limited service eating places	36,319	1,252	29	7%	11%
Service Commercial	152,767	1,679	92	32%	36%
Wireless telecommunications carriers	600	600	1	0%	0%
All other consumer goods rental	1,000	1,000	1	0%	0%
Banking	34,100	4,263	8	7%	3%
Dry cleaning and laundry services	7,300	1,217	6	2%	2%
Entertainment and Theatre	3,000	3,000	1	1%	0%
Hair care and esthetic services	18,759	938	20	4%	8%
Insurance agencies and brokerages	4,300	1,075	4	1%	2%
Offices of Other Health Practitioners	26,465	1,393	19	5%	7%
Pet Care (including Vet)	2,000	2,000	1	0%	0%
Printing	4,052	1,013	4	1%	2%
Professional, Scientific and Technical Services	2,329	1,165	2	0%	1%
Travel agencies	750	750	1	0%	0%
General professional offices	48,112	2,005	24	10%	9%
Entertainment / Fitness / Recreation	4,000	2,000	2	1%	1%
Fitness and recreational sports centres	4,000	2,000	2	1%	1%
Automotive Goods & Services	7,900	1,975	4	2%	2%
Automotive parts and accessories stores	1,000	1,000	1	0%	0%
Automotive repair and maintenance	3,600	3,600	1	1%	0%
Gas stations with convenience stores	2,500	2,500	1	1%	0%
Motorcycle, boat and other MV dealers	800	800	1	0%	0%
Vacant	67,731	2,060	31	14%	12%
Grand Total	484,414	1,885	257	1470	12/0

### Commercial Drive BIA, 2019

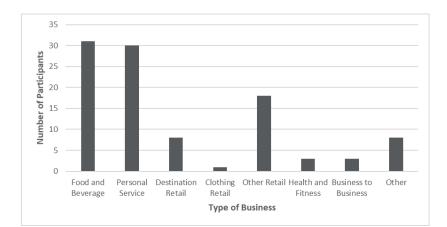
Commercial Drive BIA, 2019					
Category	Total Floor Area (sq.ft.)	Average Floor Area (sq.ft.)	Store Count	% of Total Floor Area	% of Total Store Count
Comparison Goods	115,044	1,950	59	14%	17%
Art dealers	5,500	1,833	3	1%	1%
Book stores and news dealers	5,500	1,375	4	1%	1%
Children's and infants' clothing stores	5,200	1,733	3	1%	1%
ectronics and appliance stores	3,800	1,900	2	0%	1%
amily clothing stores	2,583	1,292	2	0%	1%
urniture stores	7,800	2,600	3	1%	1%
Gift, novelty and souvenir stores	4,500	2,250	2	1%	1%
Hardware Stores	3,000	3,000	1	0%	0%
Hobby, toy and game stores	1,500	1,500	1	0%	0%
Jewellery stores	2,000	1,000	2	0%	1%
Luggage and leather goods stores	500	500	1	0%	0%
Musical instrument and supplies stores	10,200	2,550	4	1%	1%
Optical goods stores	4,000	1,333	3	0%	1%
Other general merchandise stores	8,300	2,767	3	1%	1%
Other home furnishings stores	3,000	3,000	1	0%	0%
Pet and pet supplies stores	6,661	2,220	3	1%	1%
Shoe stores	6,000	6,000	1	1%	0%
porting goods stores	4,200	2,100	2	1%	1%
Used merchandise stores	16,900	1,878	9	2%	3%
Women's clothing stores	13,900	1,544	9	2%	3%
Convenience Goods	211,044	3,420	60	26%	17%
Baked Goods Store	11,009	2,202	5	1%	1%
Beer, wine and liquor stores	21,100	2,110	10	3%	3%
Convenience Stores	23,040	2,095	11	3%	3%
Cosmetics, beauty supplies and perfume stores	6,500	2,167	3	1%	1%
Fish and seafood markets	1,500	1,500	1	0%	0%
Florists	1,000	1,000	1	0%	0%
ruit and Vegetable Markets	14,500	4,833	3	2%	1%
Meat markets	2,000	2,000	1	0%	0%
Other Specialty Food Stores	28,200	2,564	11	4%	3%
Pharmacies and drug stores	27,369	2,737	10	3%	3%
Supermarkets and other grocery (except convenience) stores	74,826	18,707	4	9%	1%
Food & Beverage	224,502	1,952	115	28%	33%
Drinking places	40,500	3,375	12	5%	3%
Full service restaurants	67,140	1,865	36	8%	10%
Limited service eating places	116,862	1,744	67	15%	19%
Service Commercial	194,936	2,161	96	24%	27%
Wireless telecommunications carriers	1,000	500	2	0%	1%
All other consumer goods rental	2,500	2,500	1	0%	0%
Banking	26,000	3,250	8	3%	2%
Business Support Services	1,500	1,500	1	0%	0%
Dry cleaning and laundry services	7,000	1,400	5	1%	1%
ntertainment and Theatre	6,000	6,000	1	1%	0%
lair care and esthetic services	22,000	1,294	17	3%	5%
nsurance agencies and brokerages	5,500	1,833	3	1%	1%
Offices of Other Health Practitioners	58,236	1,879	31	7%	9%
Printing	1,500	1,500	1	0%	0%
Professional, Scientific and Technical Services	3,500	1,750	2	0%	1%
ravel agencies	5,000	1,250	4	1%	1%
General professional offices	55,200	2,760	20	7%	6%
ntertainment / Fitness / Recreation	13,500	6,750	2	2%	1%
itness and recreational sports centres	13,500	6,750	2	2%	1%
Automotive Goods & Services	15,000	3,750	4	2%	1%
Automotive parts and accessories stores	6,000	6,000	1	1%	0%
Automotive repair and maintenance	6,000	3,000	2	1%	1%
Motorcycle, boat and other MV dealers	3,000	3,000	1	0%	0%
Vacant	28,315	1,770	16	4%	5%
Grand Total	802,341	2,279	352		



#### 4A: What is your type of business?

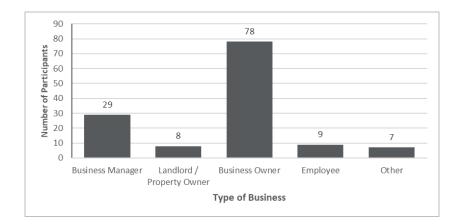
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Chain / Franchise	1	1	6	2		3
Independent		1	22	41	5	15
Other	3	1	1	2	1	1
Total	4	3	29	45	6	19

#### 4B: What business sector do you operate in?



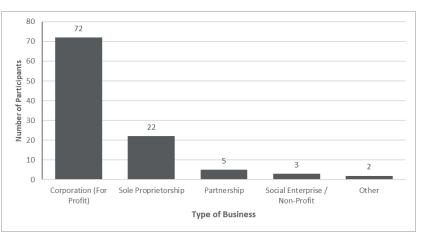
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Food and Beverage			13	14		4
Personal Service	3	2	7	9	1	9
Destination Retail			2	5		1
Clothing Retail		1				
Other Retail			4	10	1	3
Health and Fitness			2	1		
Business to Business	1			2		
Other			2	2	1	3
Total	4	3	30	43	3	19

#### 5: What is your role within the business in this location?

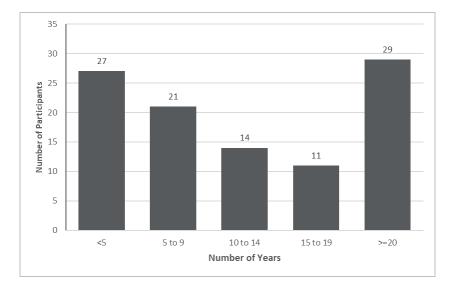


Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Business Manager	2	1	9	10	3	4
Landlord / Property Owner			3	1	3	1
Business Owner			24	36	4	14
Employee	1	1	1	5		1
Other	1		3	1	1	1
Total	4	2	40	53	11	21

#### 8: What is your business ownership model?

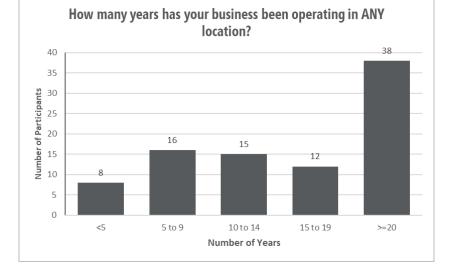


Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Corporation (For Profit)	2	2	17	31	4	16
Sole Proprietorship			8	12		2
Partnership			4		1	
Social Enterprise / Non-Profit	1			1		1
Other			1		1	
Total	3	2	30	44	6	19



#### 9A: How many years has your business been operating in THIS location?

#### 9B: How many years has your business been operating in ANY location?



Years	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
<5			2	3		3
5 to 9			7	6		3
10 to 14			6	6		3
15 to 19			5	3	1	3
>=20	3	1	3	22	4	5
Total	3	1	23	40	5	17

Years	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
<5			14	7	1	5
5 to 9			6	10		5
10 to 14			6	6		2
15 to 19			2	5		3
>=20	2	1	1	15	5	4
Total	2	1	29	43	6	19

#### 

#### 10A: How many full-time employees are at this business?

Number of Full-Time employees									
Participants	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings			
<5		1	17	20	2	10			
5 to 9	1		4	9	2	6			
10 to 14		1	4	6	2				
15 to 19				1		1			
>=20	1	1	5	2		2			
Total	2	3	30	38	6	19			

#### 70 60 59 50 40 30 20 10 0 <5 5 5 to 9 10 to 14 15 to 19 >=20

Number of Part-Time Employees									
Participants	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings			
<5		2	17	23	3	14			
5 to 9	1		7	7	3	3			
10 to 14		1	2	4		3			
15 to 19			1	1					

3

3

1

36

20

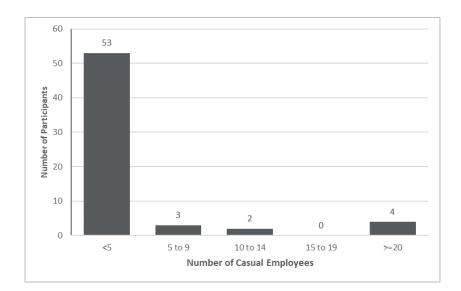
>=20

Total

1

#### 10B: How many part-time employees are at this business?

#### 10C: How many casual employees are at this business?



Participants	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
<5		1	24	16	2	10
5 to 9			2			1
10 to 14				2		
15 to 19						
>=20	1		2	1		
Total						

Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Yes	1		28	6	2	1
No	2	3	2	38	4	18
Total	3	3	30	44	6	19

#### 11A: Do you have locations outside of Vancouver?

#### 11B: Where?

#### Collingwood

All across

#### South Granville

- South Surrey / West Vancouver
- · owners are across Canada with chains
- Toronto, Montreal, Calgary etc.

#### West Broadway

North Vancouver

#### **Commercial Drive**

- Whistler
- Surrey, White Rock, Abbotsford
- Toronto
- Alberta
- · Guildford, Abbotsford, White Rock, Regina and Fort Quapelle
- Kamloops, Victoria, Nelson, Balfour, Kelowna
- · Kamloops, Kelowna, Nelson, Balfour, Victoria

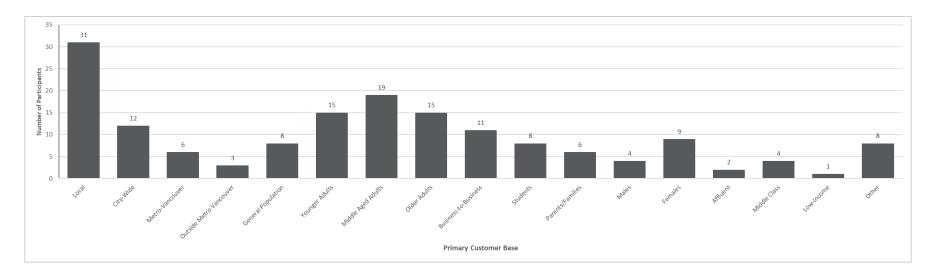
#### Marpole

- Surrey
- Richmond, Delta, Tsawwassen, Langley, Surrey, Victoria, Nanaimo, New Westminster, Cormorant Island, Squamish

#### Hastings

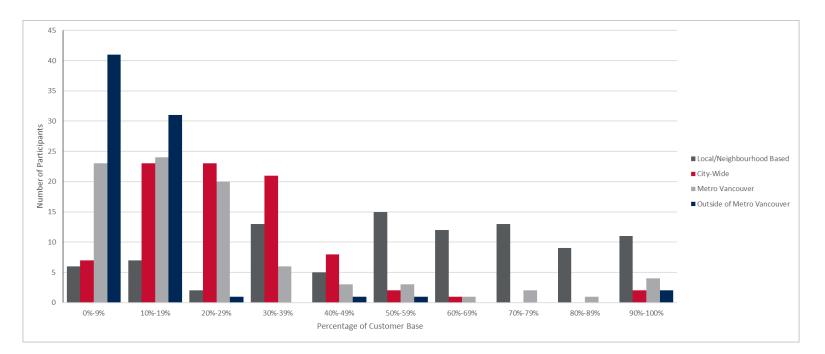
All over Canada

#### 12A: Please describe your primary customer base.



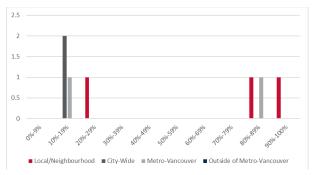
Customer Base	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Local			9	18	2	2
City-Wide			4	8		
Metro-Vancouver			2	4		
Outside Metro Vancouver			1	2		
General Population	1		2	3		2
Younger Adults			5	9	1	
Middle Aged Adults		1	5	10	2	1
Older Adults		2	5	6	1	1
Business-to-Business	1			6		4
Students			6	2		
Parents/Families			2	3		1
Males		1		3		
Females		2	3	3	1	
Affluent		1	1			
Middle Class			1	2		1
Low Income				1		
Other			4	2	1	1
Total	2	7	50	82	8	13

#### 12B: Where does most of your customer base come from?

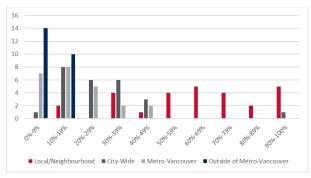


#### 12B: Where does most of your customer base come from?

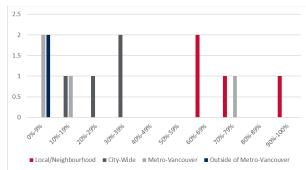
#### Collingwood



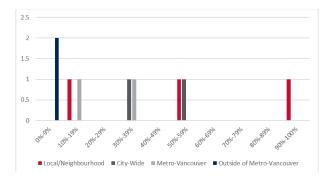
#### West Broadway



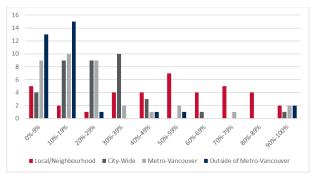
#### Marpole



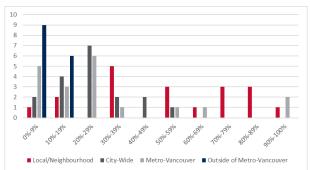
#### South Granville



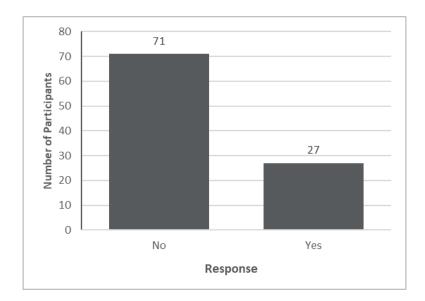
#### Commercial Drive



#### Hastings

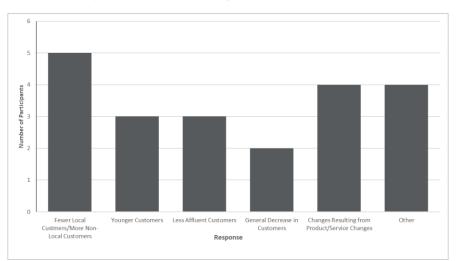


#### 12C: Has your customer base changed significantly over the past 5 – 10 years?

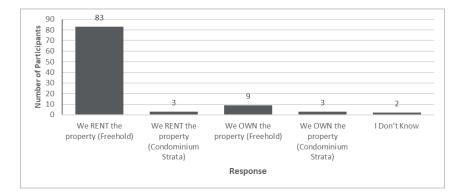


Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Yes	1	2	7	12	1	4
No	2	1	22	27	4	15
Total	3	3	29	39	5	19

#### 12D: How was your customer base changed over the past 5 – 10 years?



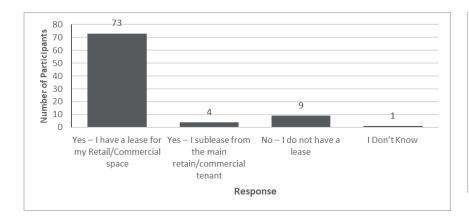
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Fewer local customers/more non-local customers				3	1	1
Younger Customers		2		1		
Less Affluent Customers		1		1	1	
General Decrease in Customers		1		1		
Changes Resulting from Product/Service Changes				4		
Other				2		1
Total	1	4	0	12	2	2



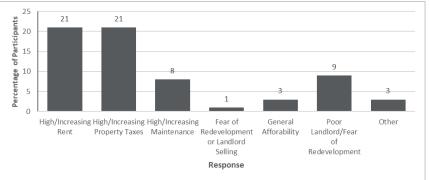
#### 13: Does the company rent or own the location of this business?

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
We RENT the property (Freehold)	2	3	25	36	2	15
We RENT the property (Condominium Strata)			2	1		
We OWN the property (Freehold)				3	2	4
We OWN the property (Condominium Strata)			1	1	1	
I Don't know	1		1			
Total	3	3	29	41	5	19

#### 14A: Do you have a lease?

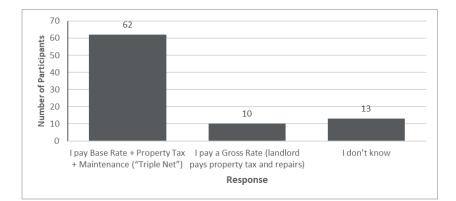


# 14B: If you have a lease, do you have concerns that your lease is affecting the viability of your business?



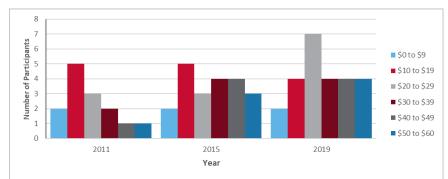
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Yes – I have a lease for my Retail/Commercial Space	2	3	22	31	2	13
Yes, I have a lease from the main Retail/Commercial tenant			1	2		1
No – I don not have a lease	1		1	3		4
I don't know			1			
Total	3	3	25	36	2	18

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
High/Increasing Rent			4	12		5
High/Increasing Property Taxes			5	11	2	3
High/Increasing Maintenance			3	3		2
Fear of Redevelopment or Landlord Selling			1			
General Affordability		1	2			
Poor Landlord/Fear of Redevelopment			1	4		4
Other	1	1		1		
Total	1	2	16	31	2	14



#### 14C: What type of lease do you have?



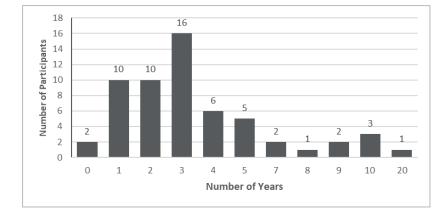


Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Base Rate + Property Tax + Maintenance		2	19	27	2	12
Gross Rate (Landlord pays property tax and repairs)	1		4	3		2
I don't know	2	1	2	5		3
Total	3	3	25	35	2	17

Basic Rent	2011	2015	2019
\$0 to \$9	2	2	2
\$10 to \$19	5	5	4
\$20 to \$29	3	3	7
\$30 to \$39	2	4	4
\$40 to \$49	1	4	4
\$50 to \$59	1	3	4

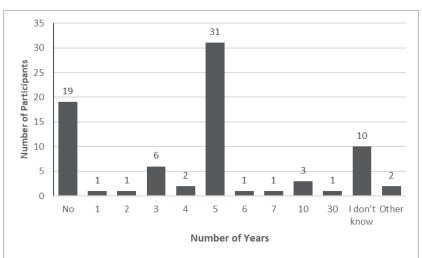
#### 14D: Could you share your Basic Rent (per square foot) for the years below?

Basic Rent		2011 2015 2019								2015								
	с	SG	WB	CD	м	н	с	SG	WB	CD	м	н	с	SG	WB	CD	м	н
\$0 to \$9	1					2	1					2	1			1		1
\$10 to \$19			1	2		3			2	2		3			2	1		3
\$20 to \$29		1	2	2						1		2				3		4
\$30 to \$39			2	2					3	3					4	3		1
\$40 to \$49			1	1				1	3	3				1	6	2		
\$50 to \$59				1						4						4		
Total Responses	1	1	5	8	0	5	1	1	8	13	0	7	1	1	12	14	0	9



#### 14E: How many years remain on your lease?

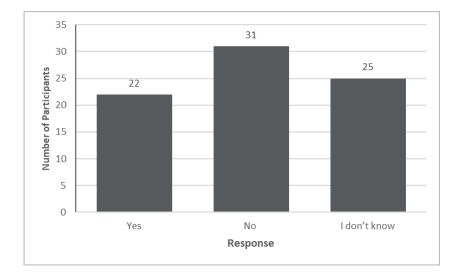




Years	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
No		1	7	6		5
1						1
2			1			
3				3		3
4			1			1
5			11	14	2	4
6				1		
7				1		
10	1			2		
30			1			
I don't know	2	1	2	5		
Other				2		
Total	3	2	23	34	2	14

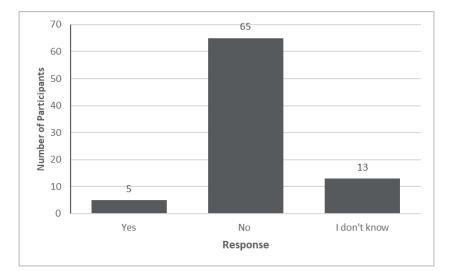
Years	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
0			1			1
1			1	6		3
2		1	1	6		2
3			8	5	2	1
4				4		2
5			1	3		1
7			2			
8			1			
9				2		
10	1		2			
20				1		
Total	1	1	17	27	2	10

14G: Does your lease have a Demolition Clause allowing the landlord to terminate your lease for redevelopment?



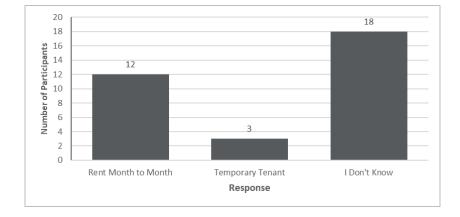
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Yes		1	5	11	1	4
No	1		11	12	1	6
l don't Know	2	1	6	12		4
Total	3	2	22	35	2	14

## 14H: Do you have options to expand or contract the size of your business at this location?



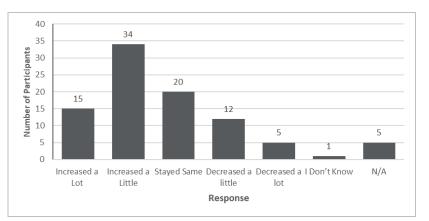
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Yes			3	1		1
No	1	1	20	28	2	13
l don't Know	2	1	1	7		2
Total	3	2	24	36	2	16

15: If you do not own your locations and do not have a lease, what best described your situation?



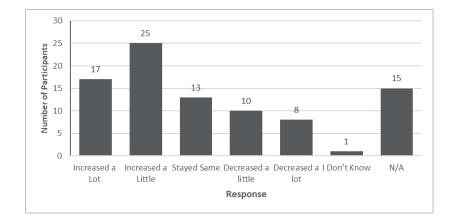
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Rent Month to Month			2	5		5
Temporary Rent			1	1		1
I Don't know	2		7	7		2
Total	2		10	13		8

## 16A: Describe how your sales / revenue experience has changed in the past 2 years:



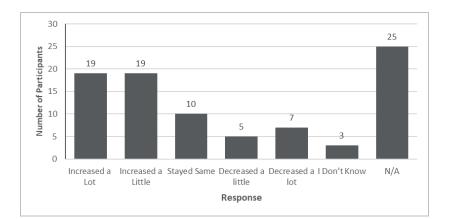
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot	1		3	6	1	4
Increased a little		1	12	14	1	6
Stayed Same	1	2	2	8	2	5
Decreased a little			7	3		2
Decreased a lot			2	3		
I don't know	1					
N/A				3	1	1
Total	3	3	26	37	5	18

# 16B: Describe how your sales / revenue experience has changed in the past 5 years:



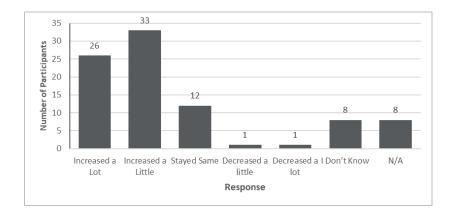
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot	1		1	7		8
Increased a little		2	6	11	2	4
Stayed Same		1	5	3		4
Decreased a little			3	5	1	1
Decreased a lot	1		5	2		
I don't know	1					
N/A			3	8	2	2
Total	3	3	23	36	5	19

## 16C: Describe how your sales / revenue experience has changed in the past 10 years:



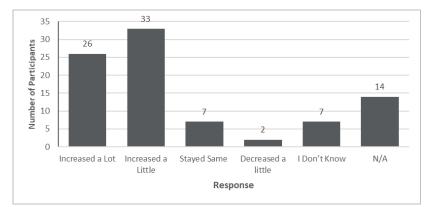
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot	1		2	6	1	9
Increased a little		1	4	9	1	4
Stayed Same		1	4	3		2
Decreased a little	1		1	3		
Decreased a lot			5	1	1	
I don't know	1	1		1		
N/A			6	13	2	4
Total	3	3	22	36	5	19

17A: Describe how property / lease costs related to your location have changed in the past 2 years:



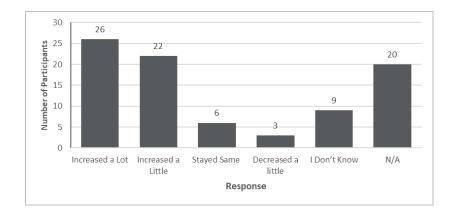
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot		1	9	8	2	6
Increased a little		1	8	16		8
Stayed Same	1		6	3		2
Decreased a little				1		
Decreased a lot		1				
I don't know	2			5		1
N/A			1	4	1	2
Total	3	3	24	37	3	19

# 17B: Describe how property/lease costs related to your location have changed in the past 5 years:



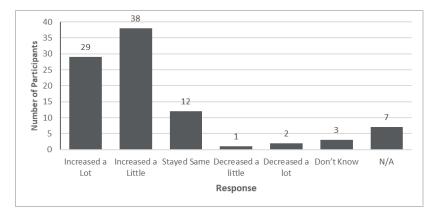
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot		2	9	8	2	5
Increased a little		1	10	14		8
Stayed Same	1		2	2		2
Decreased a little			1	1		
Decreased a lot						
I don't know	2			4		1
N/A			3	7	1	3
Total	3	3	25	36	3	19

17C: Describe how property/lease costs related to your location have changed in the past 10 years:



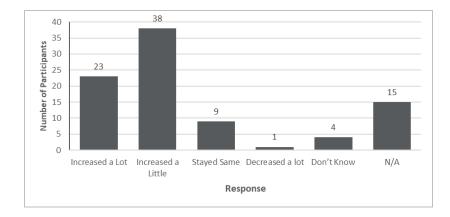
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot		2	8	10	1	5
Increased a little		1	7	8	1	5
Stayed Same	1		1	2		2
Decreased a little			1	1		1
Decreased a lot						
I don't know	2			5		2
N/A			5	10	1	4
Total	3	3	22	36	3	19

# 18A: Describe how the cost to you for the goods/services that you sell has changed over the past 2 years.



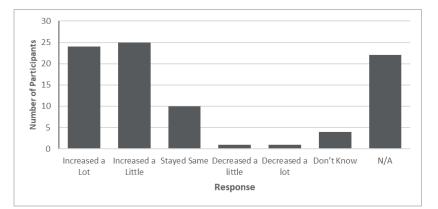
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot			10	12	1	6
Increased a little	2	1	9	16	2	8
Stayed Same		1	4	5		2
Decreased a little				1		
Decreased a lot		1	1			
I don't know			2			1
N/A	1			3	1	2
Total	3	3	26	37	4	19

18B: Describe how the cost to you for the goods/services that you sell has changed over the past 5 years.



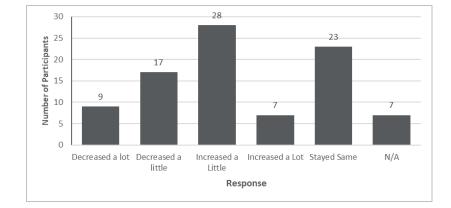
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot	1		5	11	1	5
Increased a little	1	2	12	14	1	8
Stayed Same		1	2	3	1	2
Decreased a little			1			
Decreased a lot						
I don't know			2	1		1
N/A	1		3	7	1	3
Total	3	3	25	36	4	19

## 18C: Describe how the cost to you for the goods/services that you sell has changed over the past 3 years.



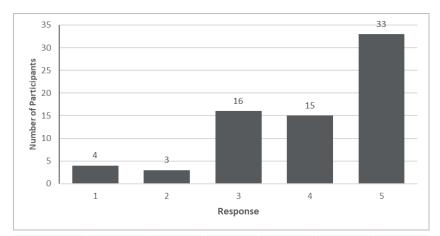
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot	2	1	5	10	1	5
Increased a little		1	9	9	1	5
Stayed Same		1	2	4	1	2
Decreased a little						1
Decreased a lot			1			
I don't know				2		2
N/A	1		5	11	1	4
Total	3	3	22	36	4	19

19: Describe how profitability of your business has changed over the past 2 years?



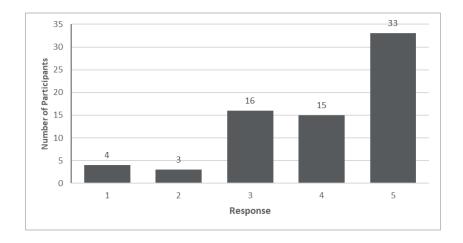
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a lot			1	4	1	1
Increased a little	1	1	7	12	1	6
Stayed Same	1	1	8	4		9
Decreased a little			5	10	1	1
Decreased a lot		1	5	3		
N/A	1			4	1	1
Total	3	3	26	37	4	18

20A: Please rate and share how you perceive labour issues (employing staff) as a challenge to your business's viability?



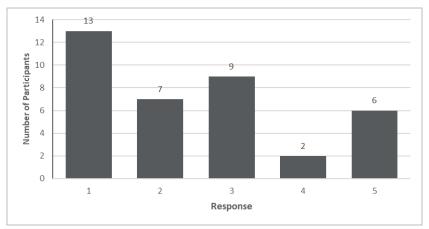
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)				3	1	
2	1			1		1
3		1	4	7	1	3
4		1	4	7		3
5 (Extremely Significant)			12	12	2	7
Total	1	2	20	30	4	14

20B: Please rate and share how you perceive acquiring finance / cash flow as a challenge to your business's viability?



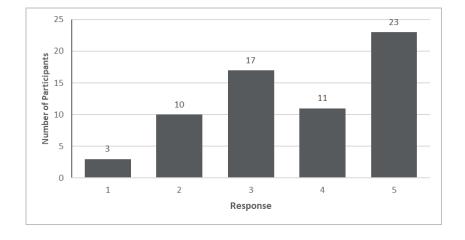
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)			1	4	4	
2			5	5		2
3	1	1	4	3		4
4			1	4		
5 (Extremely Significant)			4	6	1	7
Total	1	1	15	22	5	13

# 20C: Please rate and share how you perceive logistics (goods pick up and drop off) as a challenge to your business's viability?



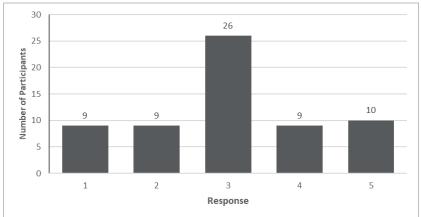
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)			4	5	3	1
2				4		3
3		1	4	1		3
4			1	1		
5 (Extremely Significant)			1	4		1
Total	0	1	10	15	3	8

20D: Please rate and share how you perceive parking / transportation as a challenge to your business's viability?



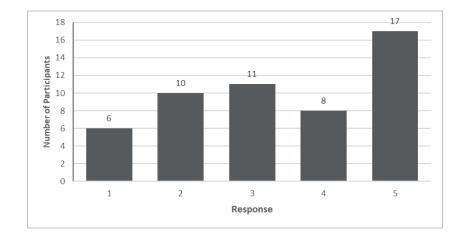
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)				2	1	
2			4	4		2
3			7	6	1	3
4		1	1	3	1	5
5 (Extremely Significant)		1	6	10	2	4
Total	0	2	18	25	5	14

# 20E: Please rate and share how you perceive marketing as a challenge to your business's viability?



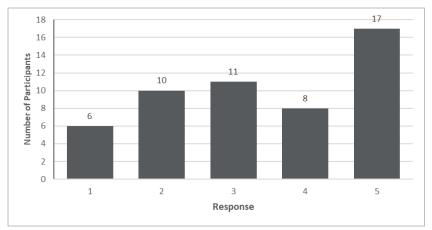
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)			2	2	2	3
2	1		1	4		3
3			8	12	1	5
4		1	4	4		
5 (Extremely Significant)		1	2	4	1	2
Total	1	2	17	26	4	13

20F: Please rate and share how you perceive city permit processing as a challenge to your business's viability?



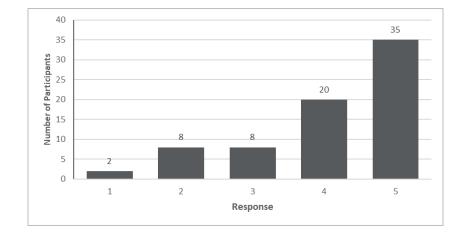
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)				3	3	
2	1		1	1	1	6
3		1	3	6		1
4		1	4	2		1
5 (Extremely Significant)			7	7		3
Total	1	2	15	19	4	11

# 20G: Please rate and share how you perceive ability to expand as a challenge to your business's viability?



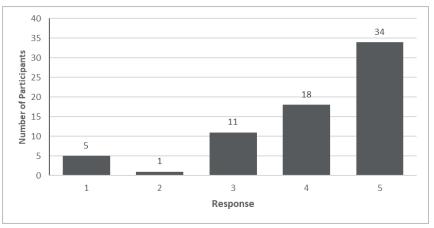
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)			4	4	3	
2		1	2	3		3
3		1	1	3	1	2
4			3	5		3
5 (Extremely Significant)			4	5		4
Total	0	2	14	20	4	12

# 20H: Please rate and share how you perceive overhead costs as a challenge to your business's viability?



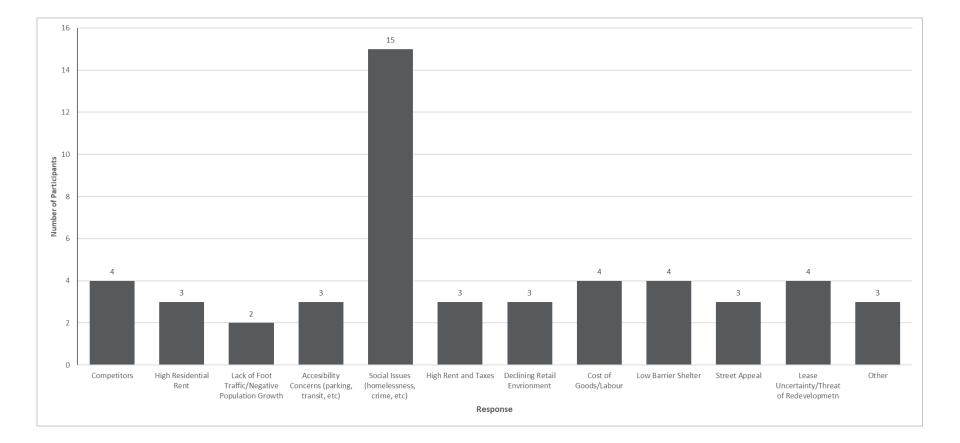
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)				1	1	
2	1		2	3	1	1
3			2	2	1	3
4		2	4	8		6
5 (Extremely Significant)	1	1	13	13	1	6
Total	2	3	21	27	4	16

# 201: Please rate and share how you perceive rent as a challenge to your business's viability?



Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)			1	2	2	
2						2
3			3	6		3
4		1	6	8		4
5 (Extremely Significant)		2	13	10	1	8
Total	0	3	23	26	3	17

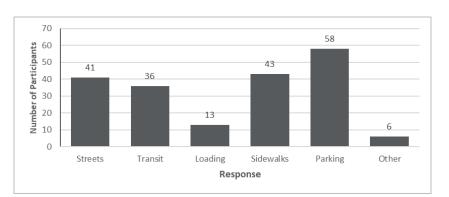
20J: Please rate and share what you perceive as challenges to your business viability.



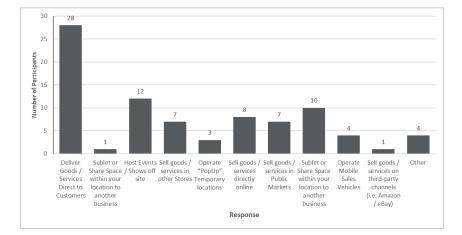
20J: Please rate and share what you perceive as challenges to your business viability.

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Competitors		4				
High Residential Rent			2	1		
Lack of Foot Traffic / Negative Population Growth			2			
Accessibility concerns (parking, transit, etc)		1	1		1	
Social Issues (Homelessness, crime, etc)				15		
High Rent and Taxes			1	2		
Declining Retail Environment			1	2		
Cost of Goods / Labour			2	1		1
Low Barrier Shelter				4		
Street Appeal				3		
Lease Uncertainty / Threat of Redevelopment			1	1		2
Other			1		1	1
Total	0	5	11	29	2	4

# 21: Does the quality or management of any of these impact the viability of your business?



Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Streets		3	8	22	1	9
Transit	1	1	12	12	2	9
Loading			1	6		6
Sidewalks			9	20	1	12
Parking		1	14	21	4	16
Other		3	2	3		1
Total	1	8	46	84	8	53

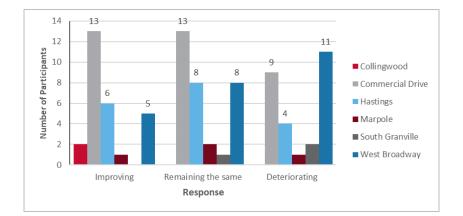


#### 22: Does your business (check any that apply):

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Deliver Goods / Services Direct to Customers		1	9	9	2	7
Sublet or Share Space within your location to another business		1				
Host Events / Shows off site	1		3	3	2	3
Sell goods / services in other Stores			3	2	1	1
Operate "PopUp" Temporary locations				1		2
Sell goods / services directly online			1	3		4
Sell goods / services in Public Markets			2	3		2
Sublet or Share Space within your location to another business			3	3	1	3
Operate Mobile Sales Vehicles			2	1		1
Sell goods / services on third- party channels (i.e. Amazon / eBay)					1	
Other			1	1		2
Total	1	2	24	26	7	25

### 22: Does your business (check any that apply):

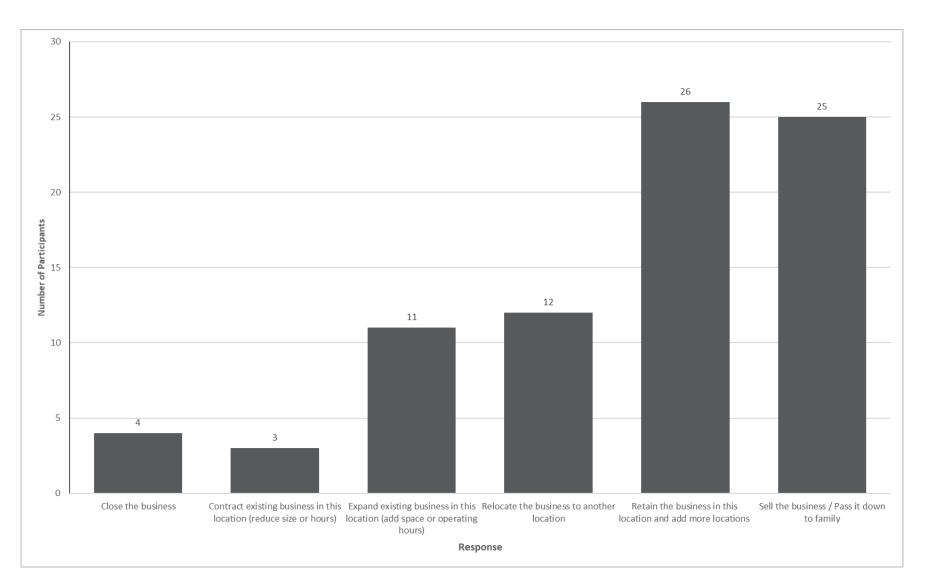
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Deliver Goods / Services Direct to Customers		1	9	9	2	7
Sublet or Share Space within your location to another business		1				
Host Events / Shows off site	1		3	3	2	3
Sell goods / services in other Stores			3	2	1	1
Operate "PopUp" Temporary locations				1		2
Sell goods / services directly online			1	3		4
Sell goods / services in Public Markets			2	3		2
Sublet or Share Space within your location to another business			3	3	1	3
Operate Mobile Sales Vehicles			2	1		1
Sell goods / services on third- party channels (i.e. Amazon / eBay)					1	
Other			1	1		2
Total	1	2	24	26	7	25

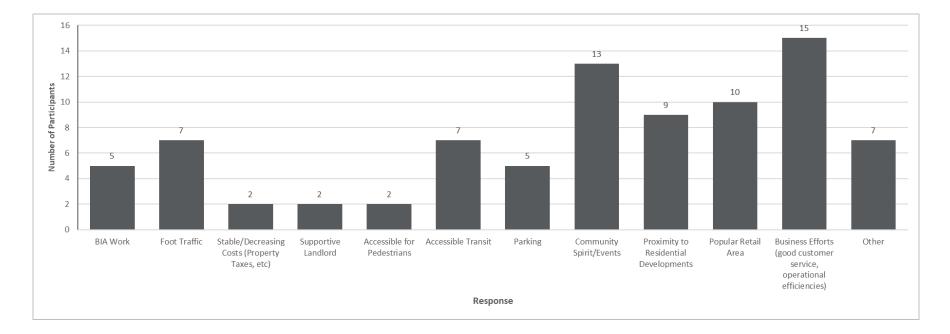


#### 23: MY long-term outlook for MY business in this location is:

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Improving	2		5	13	1	6
Remaining the same		1	8	13	2	8
Deteriorating		2	11	9	1	4
Total	2	3	24	35	4	18

#### 24: Within the next 5 years, I will:





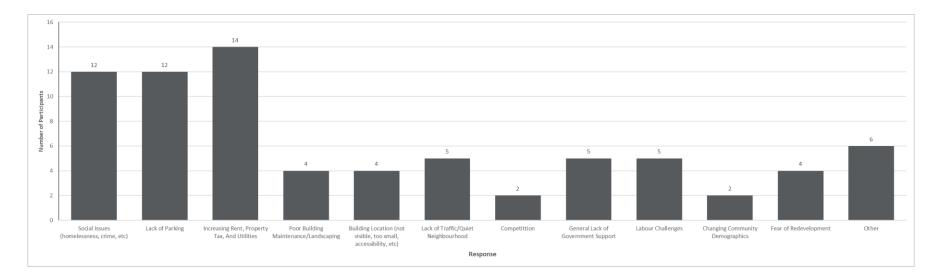
#### 25: What is WORKING to support your business in its current location?

### 24: Within the next 5 years, I will:

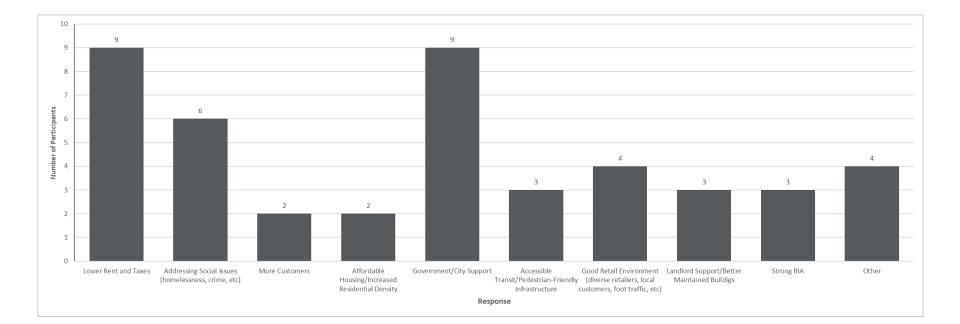
Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Close the business			1	3		
Contract existing business in this location (reduce size or hours)			1	1		1
Expand existing business in this location (add space or operating hours)	1		2	2	1	5
Relocate the business to another location		1	8	2		1
Retain the business in this location and add more locations	1	1	7	11	1	5
Sell the business / pass it down to family		1	4	16	1	3
Total	2	3	23	35	3	15

#### 25: What is WORKING to support your business in its current location?

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
BIA Work		1	1			3
Foot Traffic			1	4		2
Stable/Decreasi ng Costs (Property Taxes, etc)						2
Supportive Landlord						2
Accessible for Pedestrians				1		1
Accessible Transit	1		2	2		2
Parking	1			3		1
Community Spirit / Events			3	6		4
Proximity to Residential Developments			2	5	1	1
Popular Retail Area			4	5		1
Business Efforts (good customer service, operational efficiencies)			9	3	1	2
Other				5	1	1
Total	2	1	22	34	3	22



### 26: What is NOT WORKING to support your business in its current location?



#### 27: What is MISSING to support your business in its current location?

#### 26: What is NOT WORKING to support your business in its current location?

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Social Issues (homelessness, crime, etc)			1	7		4
Lack of Parking			2	2	2	6
Increasing Rent, Property Tax, And Utilities		1	5	7		1
Poor Building Maintenance/L andscaping			2			2
Building Location (not visible, too small, accessibility, etc)			2	2		
Lack of Traffic/Quiet Neighbourhood			4	1		
Competition				1		1
General Lack of Government Support			1	1	1	2
Labour Challenges		1	1	3		
Changing Community Demographics		1	1			
Fear of Redevelopment				1		3
Other	1		2	2	1	
Total	1	3	21	27	4	19

### 27: What is MISSING to support your business in its current location?

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Lower Rent and Taxes			2	5		2
Addressing Social Issues (homelessness, crime, etc)			1	4		1
More customers				2		
Affordable Housing/Increase d Residential Density			2			
Government/City Support		1	1	3	1	3
Accessible Transit/Pedestrian -Friendly Infrastructure			2		1	
Good Retail Environment (diverse retailers, local customers, foot traffic, etc)			3	1		
Landlord Support/Better Maintained Buildigs			3			
Strong BIA	1			2		
Other			2	2		
Total	1	1	16	19	2	6

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Appreciation for Doing Study			2		2	3
Willing to be Contacted for Further Discussion			1			2
Comment on High Taxes and Rent		1	2	1	2	
Plea to Save Neighborhood/ Listen to Merchants			2	3		
Encouraging Study Team/City to Talk Directly to Merchants			1	2		
Suggesting Increased Pedestrian Facilities		1		2		
Feedback for Community Engagement Session		1				
Other			1	2		
Total	0	3	9	10	4	5

#### 28: Do you have any comments or suggestions for the study team?

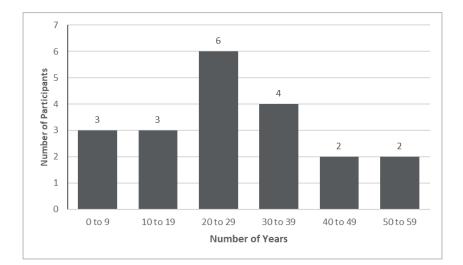
#### Other comment details:

#### West Broadway

• Street patrol

### **Commercial Drive**

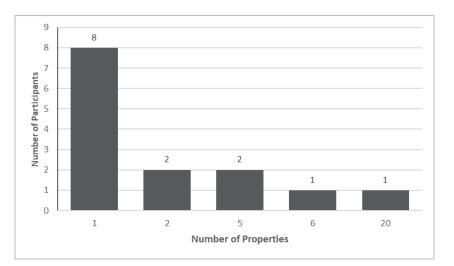
- Go sit and watch government employees sitting around collecting their paycheck
- Some questions are impossible to answer.ie the ones dealing % of. It requires pulling out records which I lack the time to do in order to answering correctly.



#### 6: How many years have you been leasing in this BIA?

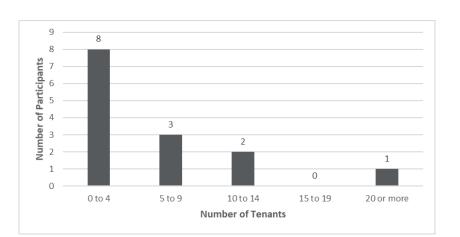
Number of Years	Collingwood	South Granville	Commercial Drive	West Broadway	Marpole	Hastings
0 to 9	0	0	2	2	0	0
10 to 19	0	0	1	0	1	0
20 to 29	1	1	1	1	1	0
30 to 39	2	1	0	0	0	1
40 to 49	0	1	0	0	0	0
50 to 59	0	0	1	0	0	1
60 to 69	0	0	0	0	0	0
70 to 79	0	0	0	0	0	0
80 to 89	0	0	0	0	0	0
90 to 99	0	0	0	0	0	0
100 or more	0	0	1	1	0	0
Total	3	3	6	4	2	2

#### 8A: How many Retail / Commercial properties do you lease in this BIA?



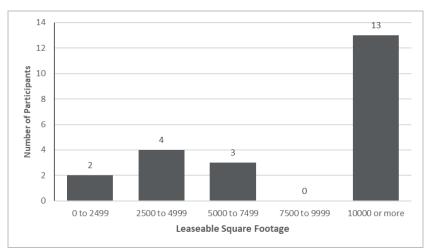
Number of Properties	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1		3	1	4		
2			1		1	
5	1					1
6			1		1	
20						
Total	1	3	3	4	2	1

#### 8B: How many tenants do your Retail / Commercial properties have in this BIA?



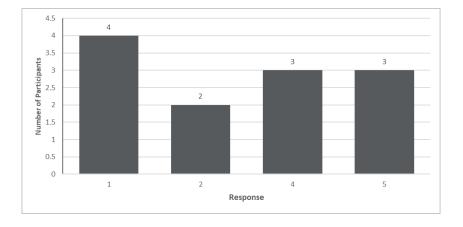
Number of Tenants	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
0 to 4	0	1	3	3	1	0
5 to 9	1	0	0	0	1	1
10 to 14	0	2	0	0	0	0
15 to 19	0	0	0	0	0	0
20 or more	0	0	0	1	0	0
Total	1	3	3	4	2	1

# 8C: What is the leasable square footage of your Retail / Commercial properties in this BIA?



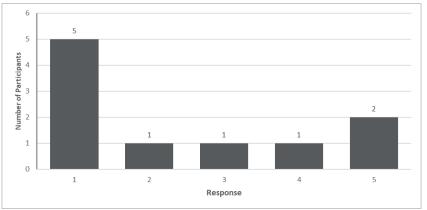
Leaseable Squarefootage	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
0 to 2499	0	1	1	0	0	0
2500 to 4999	0	1	1	2	0	0
5000 to 7499	1	0	0	1	1	0
7500 to 9999	0	0	0	0	0	0
10000 or more	1	3	3	4	1	1
Total	2	5	5	7	2	1

9A: Please rate and share how you perceive labour issues (employing staff) as a challenge to your business's viability?



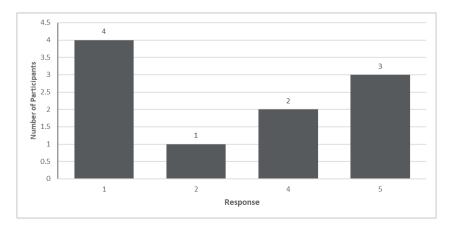
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		1	1		1	1
2		1		1		
3				1		
4		1				1
5 (Extremely Significant)			2	1		
Total	0	3	3	3	1	2

9B: Please rate and share how you perceive acquiring finance / cash flow as a challenge to your business's viability?



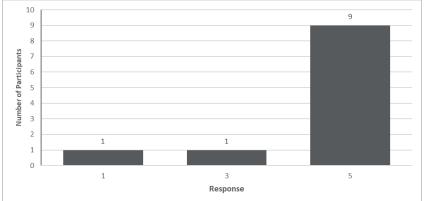
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		2		2		1
2		1				
3					1	
4						1
5 (Extremely Significant)			1		1	
Total	0	3	1	2	2	2

9C: Please rate and share how you perceive logistics (goods pick up and drop off) as a challenge to your business's viability?



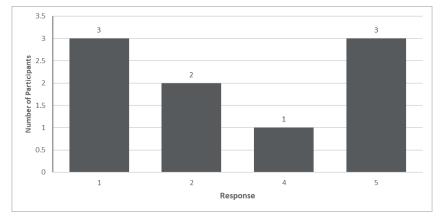
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		2		1		1
2				1		
3						
4		1			1	
5 (Extremely Significant)	1		1	1		
Total	1	3	1	3	1	1

9D: Please rate and share how you perceive parking / transportation as a challenge to your business's viability?

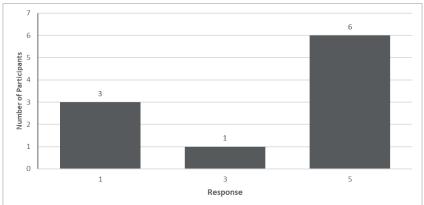


Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)						1
2						
3			1			
4						
5 (Extremely Significant)	1	2	1	4	1	
Total	1	2	2	4	1	1

9E: Please rate and share how you perceive marketing as a challenge to your business's viability?



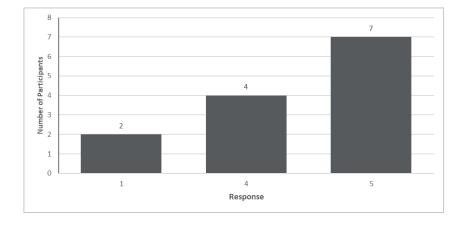
# 9F: Please rate and share how you perceive regulations as a challenge to your business's viability?



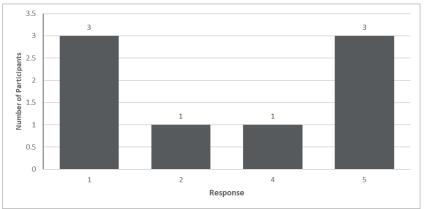
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		2				1
2					1	1
3						
4				1		
5 (Extremely Significant)		1	1	1		
Total	0	3	1	2	1	2

Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		2	1			
2						
3				1		
4						
5 (Extremely Significant)		1	2	2	1	
Total	0	3	3	3	1	

9G: Please rate and share how you perceive city permit processing as a challenge to your business's viability?



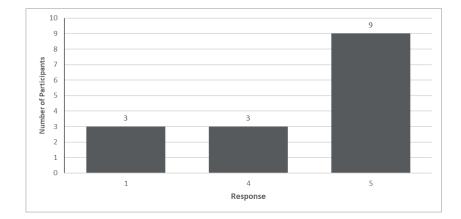
9H: Please rate and share how you perceive ability to expand as a challenge to
your business's viability?



Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		1	1			
2						
3						
4		1	1		1	1
5 (Extremely Significant)	1	1	2	2	1	
Total	1	3	4	2	2	1

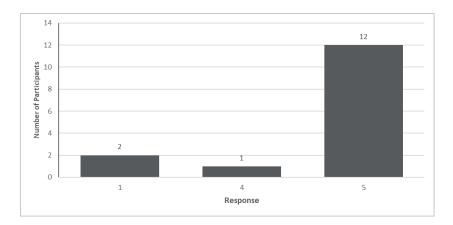
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		2	1			
2				1		
3						
4					1	
5 (Extremely Significant)			1		1	1
Total	0	2	2	1	2	1

91: Please rate and share how you perceive overhead costs as a challenge to your business's viability?



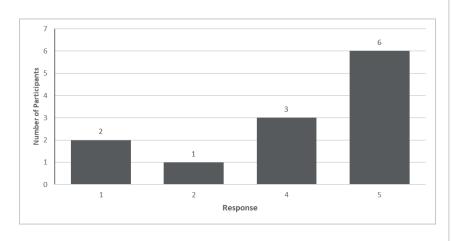
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		2	1			
2						
3						
4				1		2
5 (Extremely Significant)	2	1	3	2	1	
Total	2	3	4	3	1	2

# 9J: Please rate and share how you perceive property taxes as a challenge to your business's viability?



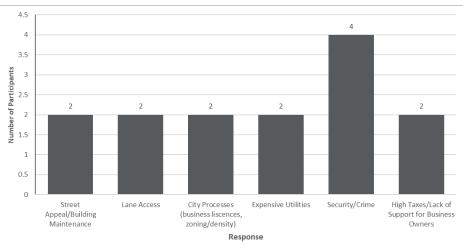
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		1	1			
2						
3						
4						1
5 (Extremely Significant)	2	2	2	3	2	1
Total	2	3	3	3	2	2

9K: Please rate and share how you perceive rent as a challenge to your business's viability?



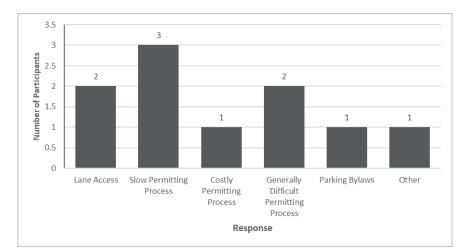
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
1 (Not Significant)		1	1			
2		1				
3						
4					1	2
5 (Extremely Significant)	2	1	2	1		
Total	2	3	3	1	1	2

## 9L: Please rate and share what you perceive as challenges to your business viability.



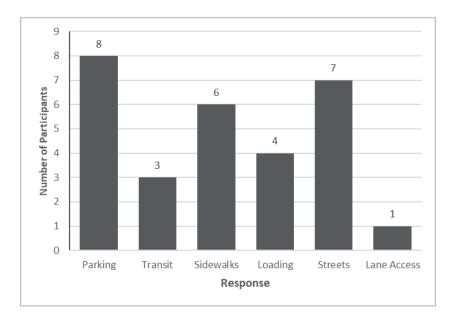
Rating	Street Appeal / Building Maintenance	Lane Access	City Processes (business licenses, zoning/density)	Expensive Utilities	Security/ Crime	High Taxes/Lack of Support for Business Owners
1 (Not Significant)	1				2	
2						
3						
4						
5 (Extremely Significant)	1	2	2	2	2	2
Total	2	2	2	2	4	2

10: Are there City Permitting practices that impact the viability of your Retail / Commercial properties?



Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Lane Access	2					
Slow Permitting Process				2		1
Costly Permitting Process				1		
Generally Difficult Permitting Process			1	1		
Parking Bylaws			1			
Other						1
Total	2	0	2	4	0	2

# 11A: Does the quality or management of any of these impact the viability of your Retail / Commercial properties?



Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Parking	2	1	1	2	1	1
Transit		1	1	1		
Sidewalks		1	2	3		
Loading			2	1	1	
Streets		1	2	3	1	
Lane Access		1				
Total	2	5	8	10	3	1

#### 11B: Neighbourhood Details

#### South Granville

- we are a retail storefront and need a neat, tidy, safe and easy to access area with lots of parking
- No after 3 parking on west side

#### West Broadway

- Sky train will help bring more prospective employees to the area
- · And street with closing businesses has no traffic
- There is no sidewalk on Collingwood between W10th and W Broadway. Extra parking along this corridor is a great help

#### Marpole

• Parking is a big issue in the Marpole Area. Patrons park illegally in spots that are not designated. Marpole should build a free parking lot, same as Kerrisdale so patrons can park in the area. This will cause less frustrations to the tenants and landlords do not need to issue parking tickets. Free parking can also promote patrons to do more shopping in the area.

#### Hastings

 The parking meters are an inconvenience to customers who must then use side streets for parking or use the parking lot that is further away from Hastings and Nanaimo which is a challenge for older, disabled, or parents with young children. Paying for parking is just another added expense for people who may be on limited budgets.

12: Are there City Policies that impact the viability of your properties? Please provide details.

#### South Granville

• Too much focus on bicycles

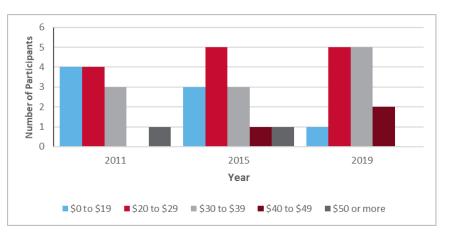
#### West Broadway

- · Yes archaic parking law and buildable height restrictions
- Business Signage limitations, advertisement limitations
- There is a structure at 3474 W Broadway that needs to be updated or developed. It is a eye sore on W. Broadway and at the back.
- Property taxation on phantom density is a major issue for the viability of our retail tenant's businesses in single level retail buildings

#### **Commercial Drive**

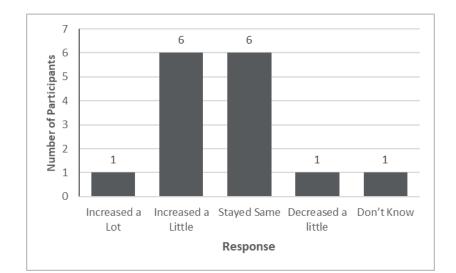
• The city doesn't care about our neighborhood, Grandview Park, garbage, cleanliness of the alleyways

### 13: Please assist by providing us with your Historical Lease Rates (Base Rate/sf Net Floor Area) for properties in this BIA

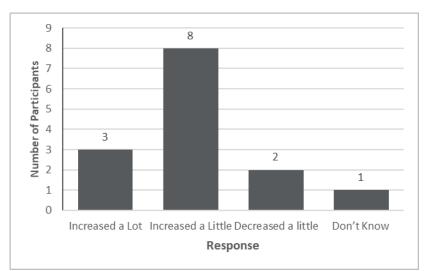


Basic Rent	2011	2015	2019
\$0 to \$19	4	3	1
\$20 to \$29	4	5	5
\$30 to \$39	3	3	5
\$40 to \$49	0	1	2
\$50 or more	1	1	0

14A: Describe how your retail commercial lease rate has changed over the past 2 years?



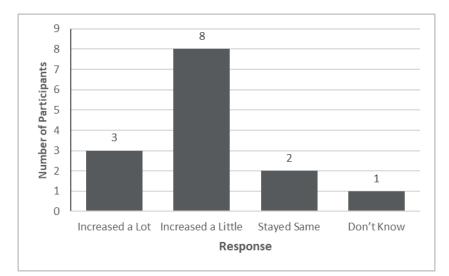
## 14B: Describe how your retail commercial lease rate has changed over the past 5 years?



Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot			1			
Increased a Little		1		2	2	1
Stayed Same	2	1	2			1
Decreased a little			1			
Decreased a lot						
Don't Know				1		
Total	2	2	4	3	2	2

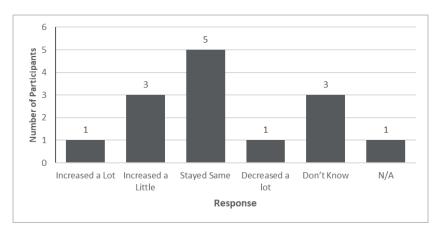
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot			1	2		
Increased a Little	2	1	1		2	2
Stayed Same						
Decreased a little		1	1			
Decreased a lot						
Don't Know				1		
Total	2	2	3	3	2	2

14C: Describe how your retail commercial lease rate has changed over the past 10 years?



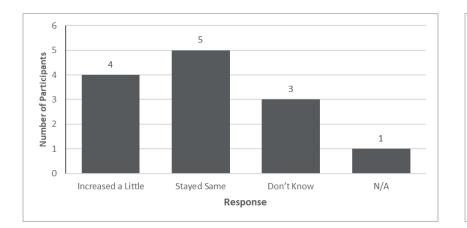
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot			1	2		
Increased a Little	2	1	1		2	2
Stayed Same		1	1			
Decreased a little						
Decreased a lot						
Don't Know				1		
Total	2	2	3	3	2	2

15A: Describe how your retail commercial leasing vacancy has changed over the past 2 years?

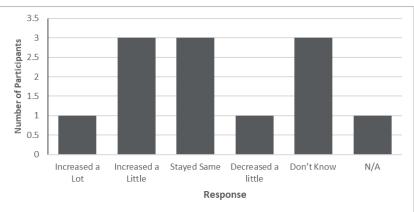


Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot			1			
Increased a Little		1	2			
Stayed Same	2			2	1	
Decreased a little						
Decreased a lot					1	
Don't Know		1		1		1
N/A						1
Total	2	2	3	3	2	2

15B: Describe how your retail commercial leasing vacancy has changed over the past 5 years?



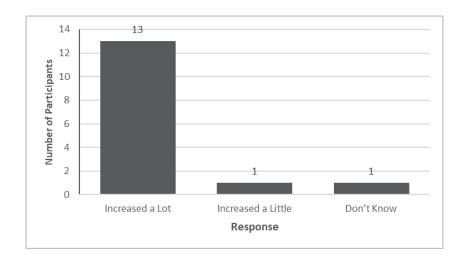
# 15C: Describe how your retail commercial leasing vacancy has changed over the past 10 years?



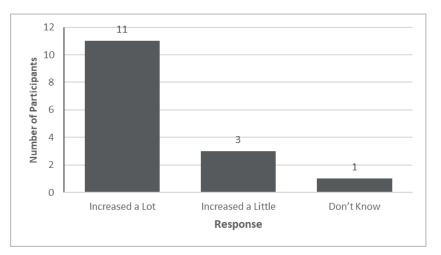
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot						
Increased a Little	1		2		1	
Stayed Same		1	1	2	1	
Decreased a little						
Decreased a lot						
Don't Know		1		1		1
N/A						1
Total	1	2	3	3	2	2

Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot					1	
Increased a Little			3			
Stayed Same				2	1	
Decreased a little	1					
Decreased a lot						
Don't Know		1		1		1
N/A						1
Total	1	1	3	3	2	2

16A: Describe how your operating expenses have changed over the past 2 years?



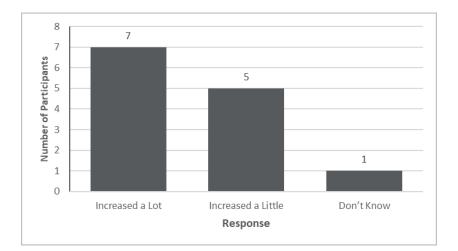
## 16B: Describe how your operating expenses have changed over the past 5 years?



Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot	2	1	4	2	2	2
Increased a Little		1				
Stayed Same						
Decreased a little						
Decreased a lot						
Don't Know				1		
N/A						
Total	2	2	4	3	2	2

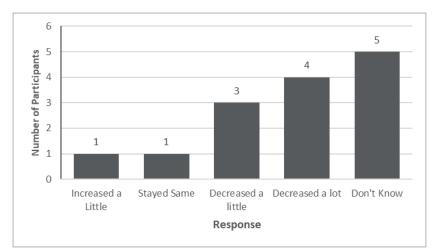
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot	2		4	2	1	2
Increased a Little		2			1	
Stayed Same						
Decreased a little						
Decreased a lot						
Don't Know				1		
N/A						
Total	2	2	4	3	2	2

16C: Describe how your operating expenses have changed over the past 10 years?



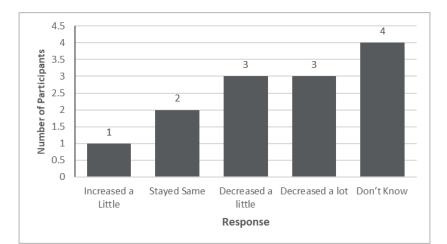
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot			3	2		2
Increased a Little	1	2			2	
Stayed Same						
Decreased a little						
Decreased a lot						
Don't Know				1		
N/A						
Total	1	2	3	3	2	2

17A: Describe your understanding of how the profitability of your Retail / Commercial tenants has changed over the past 2 years?



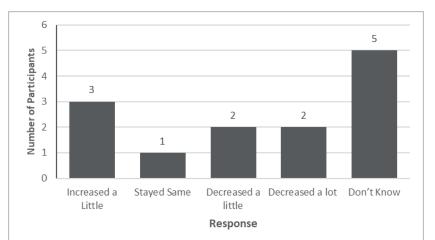
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot						
Increased a Little					1	
Stayed Same				1		
Decreased a little		1				1
Decreased a lot			2	1	1	
Don't Know	1	1	2	1		
N/A						
Total	1	2	4	3	2	1

17B: Describe your understanding of how the profitability of your Retail / Commercial tenants has changed over the past 5 years?



Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot						
Increased a Little					1	
Stayed Same		1		1		
Decreased a little					1	2
Decreased a lot			2	1		
Don't Know		1	2	1		
N/A						
Total	0	2	4	3	2	2

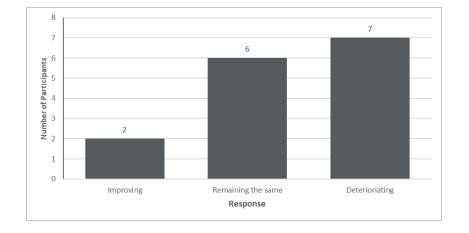
17C: Describe your understanding of how the profitability of your Retail / Commercial tenants has changed over the past 10 years?



Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Increased a Lot						
Increased a Little		1			1	1
Stayed Same				1		
Decreased a little					1	1
Decreased a lot			1	1		
Don't Know	1	1	2	1		
N/A						
Total	1	2	3	3	2	2

### 18: My long term outlook for retail/commercial uses in the BIA is:

## 19: Within the next 5 years, my retail / commercial leasing business in the BIA will:



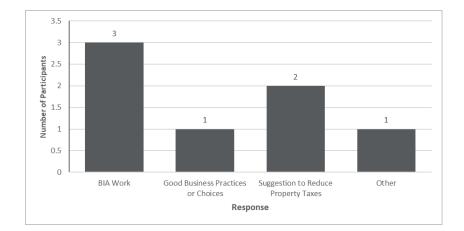
10 9		9	
8			
rticipant 9			
Number of Participants 2 2 4 2 2			
<b>3</b> 2			3
1	1		
0	Expand	Stay the Same <b>Response</b>	Contract

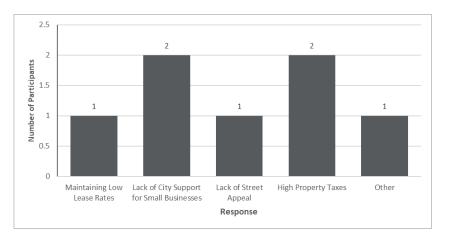
Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Improving					1	1
Remaining the same	1	1	1	1	1	1
Deteriorating	1	1	3	2		
Total	2	2	4	3	2	2

Rating	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Expand						1
Stay the Same	2	1	1	2	2	1
Contract		1	2			
Total	2	2	3	2	2	2

### 20: What is WORKING to support Retail / Commercial uses in this BIA?

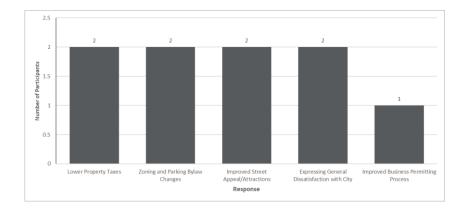






Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
BIA Work			1		1	1
Good Business Practices or Choices	2			1		
Suggestion to Reduce Property Taxes			1			1
Other				1		
Total	2	0	2	2	1	2

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Maintaining low lease rates	1					
Lack of City Support for Small Businesses			1	1		
Lack of Street Appeal Response				1		
High Property Taxes					1	1
Other			1			
Total	1	0	2	2	1	1



#### 22: What is MISSING to support Retail / Commercial uses in the BIA?

#### 23: Do you have any comments or suggestions for the study team?

#### West Broadway

 Dear both, I am not sure what is the purpose of this survey, please send our voice to legislations. Our expenses is very high. There is no staff to be and minimum wage is \$30 for a dental receptionists due to lack of affordable housings. Thanks.

#### **Commercial Drive**

- Either listen to the resident of the city or stop wasting the taxpayers money.
- Remember who you work for. If you are employed by the city ask yourself who you work for? If you don't have the right answer, of which there is only one, then you should resign or be fired.

#### Hastings

• Thank you!

Response	Collingwood	South Granville	West Broadway	Commercial Drive	Marpole	Hastings
Lower Property Taxes	1				1	
Zoning and Parking Bylaw Changes			2			
Improved Street Appeal/Attractio ns	1					1
Expressing General Dissatisfaction with City				2		
Improved Business Permitting Process			1			
Total	2	0	3	2	1	1