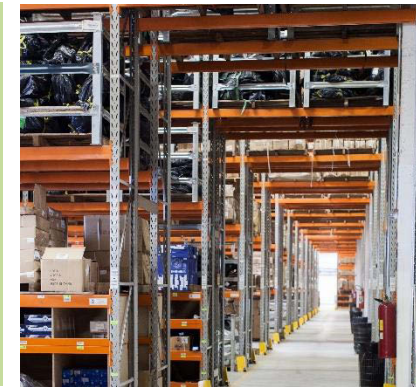
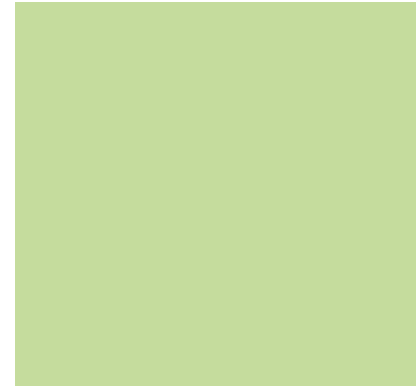
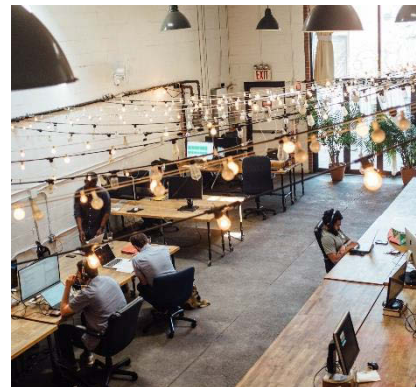
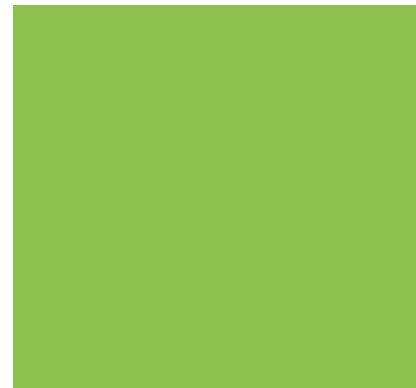


# Vancouver's Employment Lands and Economy Review – External Advisory Group Meeting #2



April 9<sup>th</sup>, 2019

Hemson Consulting Ltd.

# Purpose of the Employment Forecast

- Key focus is understanding **potential demand** for employment space and land
- Outlook considers both **jobs** and **space** required for future economic activity in **different land use categories**
- Test **range of outlooks** against Vancouver's current land capacity



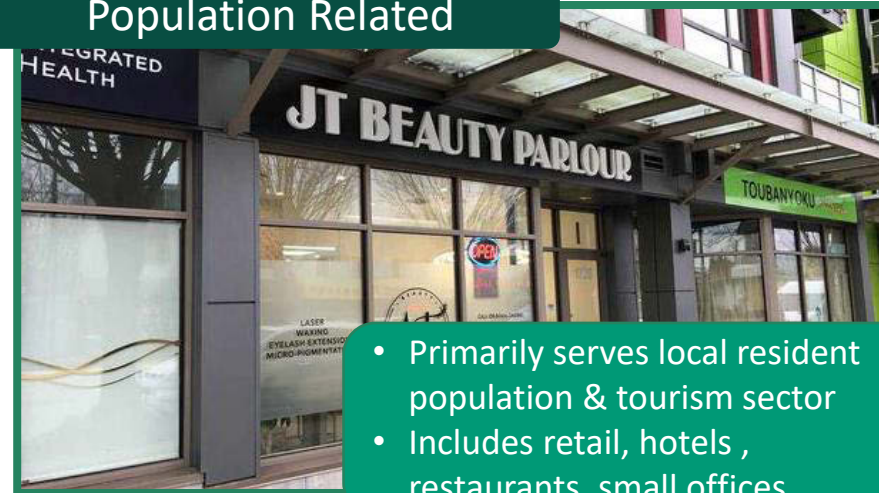
# Key Employment Land Categories

## Major Office



- Typically free standing office
- Greater than 20,000 sq.ft.
- Distributed across a few major regional agglomerations

## Population Related



- Primarily serves local resident population & tourism sector
- Includes retail, hotels, restaurants, small offices

## Employment Areas



- Typically accommodated in low rise industrial type buildings
- Includes factories, distribution warehouses, business parks

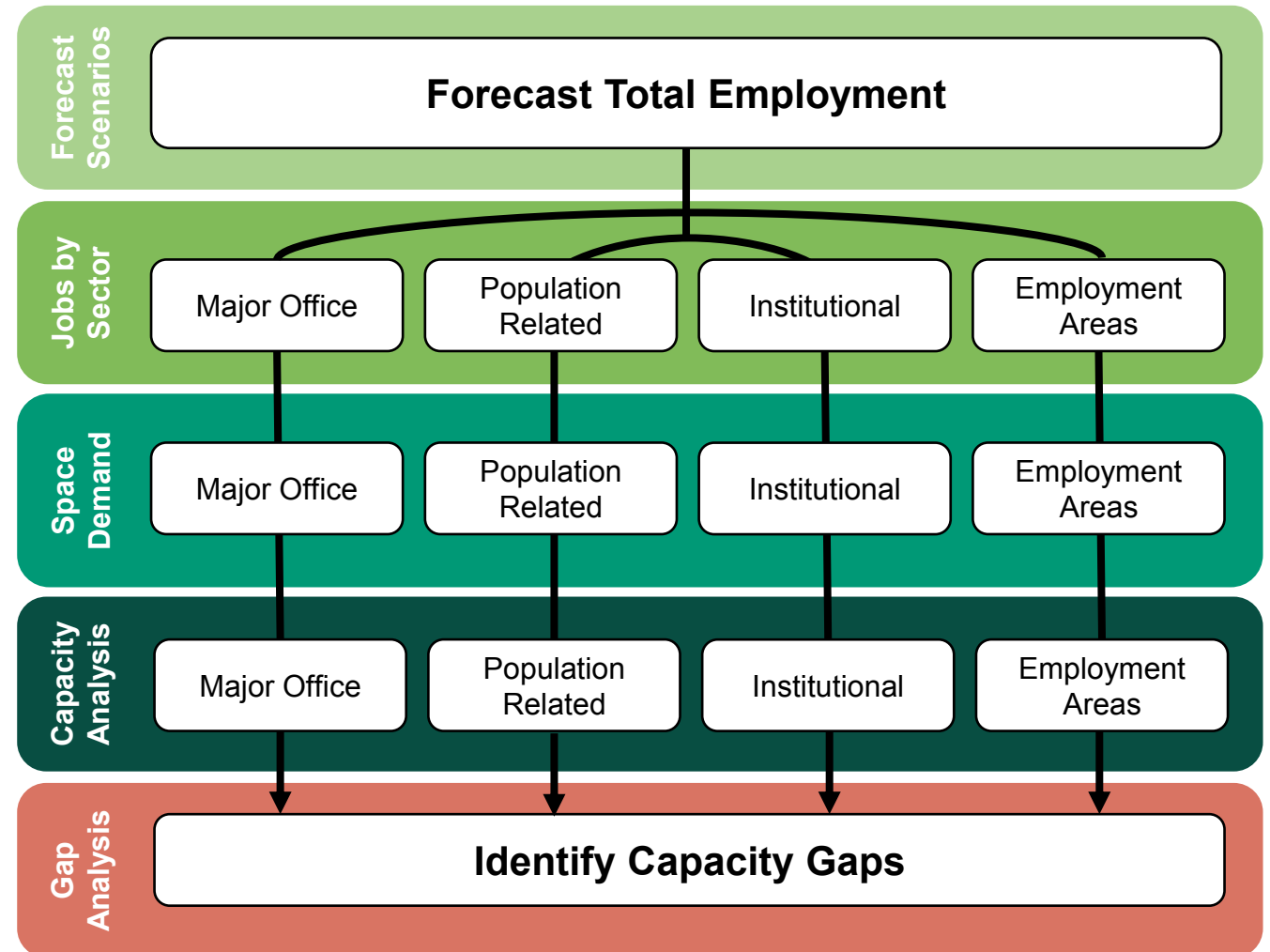
## Institutional



- Serves local and regional population
- Includes education, health care, local government

# Key Study Outcomes

- Forecast regional employment by land use category
- Allocate to City by share and estimate floor space
- Compare against City's development capacity
- Identify gaps



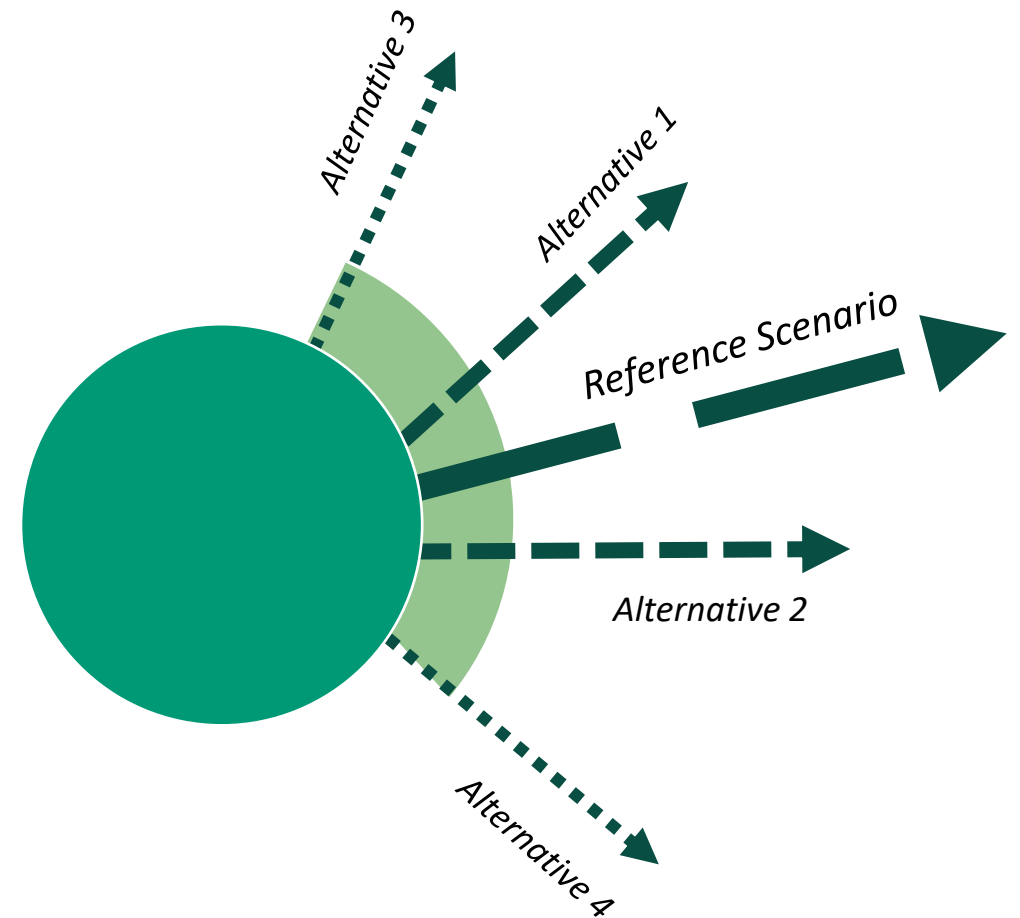
# Approach to Employment Forecasting



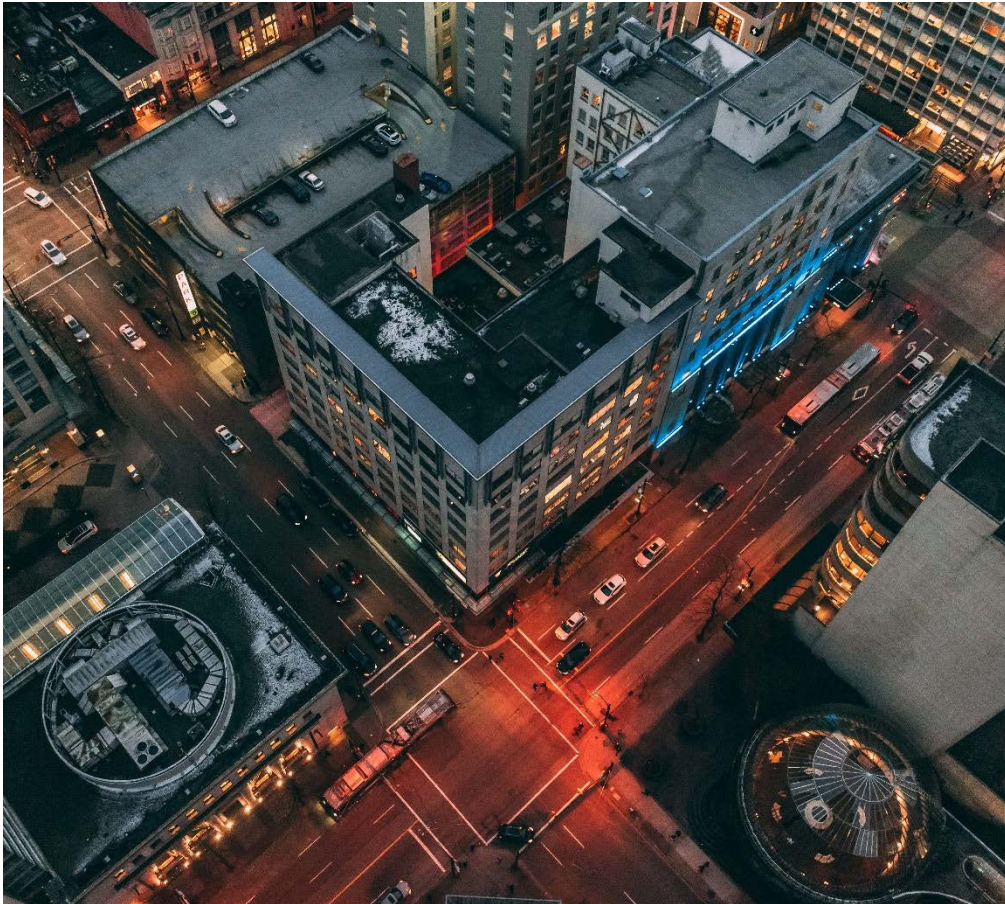
- Forecasts for employment typically conducted at **regional level** (top down), then **allocated locally** based on local indicators and capacity (bottom up)
- Consider **different scenarios** to understand range of possible outcomes
- **Reference** (status quo) scenarios often serve as baseline for policy testing and development
- **Alternate scenarios** allow testing of ‘what if’ outlooks to evaluate resiliency of policy options

# Benefits of Scenario Planning

- Compliments conventional planning approach by **going beyond** forecasts of current trends
- Considers other fundamental shifts that could emerge via **external forces** beyond jurisdiction's control
- Enables means to **evaluate potential impacts** and **policy resiliency** to future challenges and opportunities



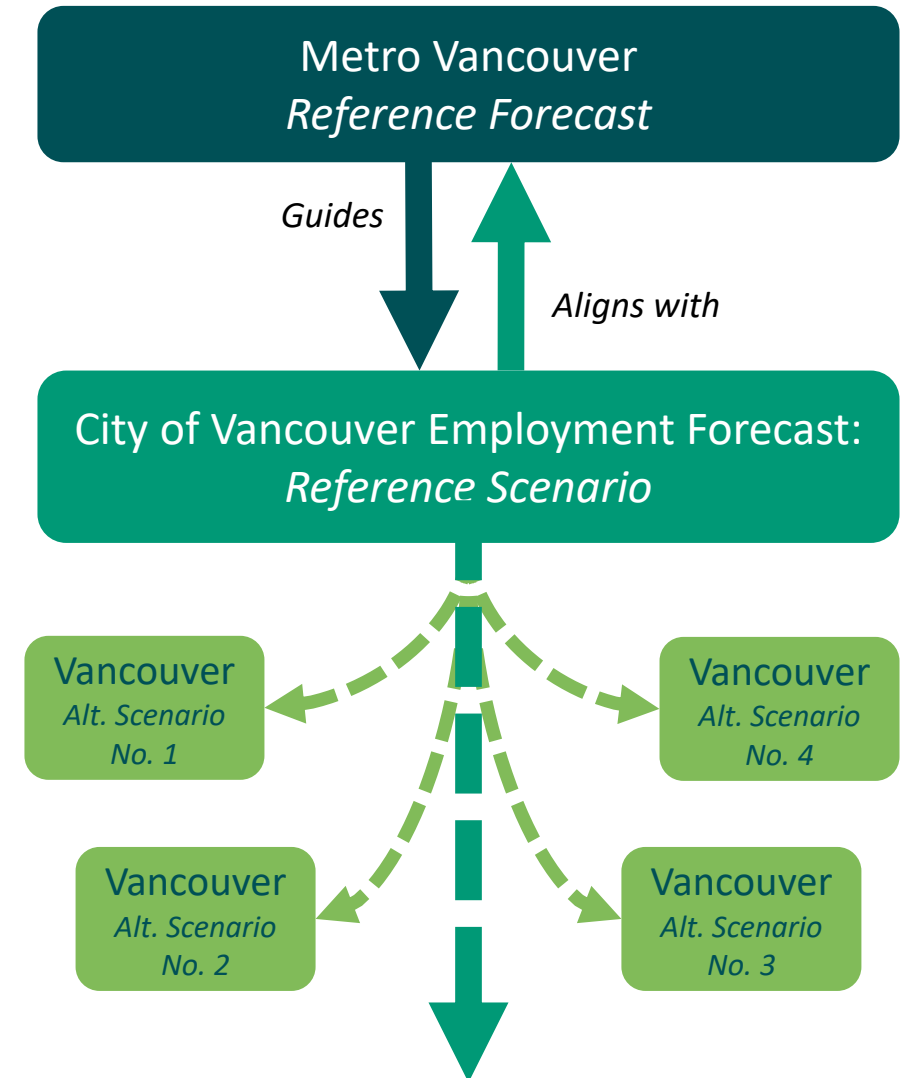
# Scenario Testing for Policy Planning



- Can we meet demand under current trends?
  - Do we need more land?
  - More density?
  - More protection?
  - More flexibility?
- How do these questions change if demands change?
- What happens if there is not enough land?

# Alignment of EL&ER Outlook with Regional Forecasts

- Metro Vancouver & Translink currently preparing long-term forecasts of population, housing and employment
- Work to align with regional **Reference** forecast as *starting point*
- Development of **Alternative Scenarios** for City of Vancouver to reflect local vision, priorities and concerns





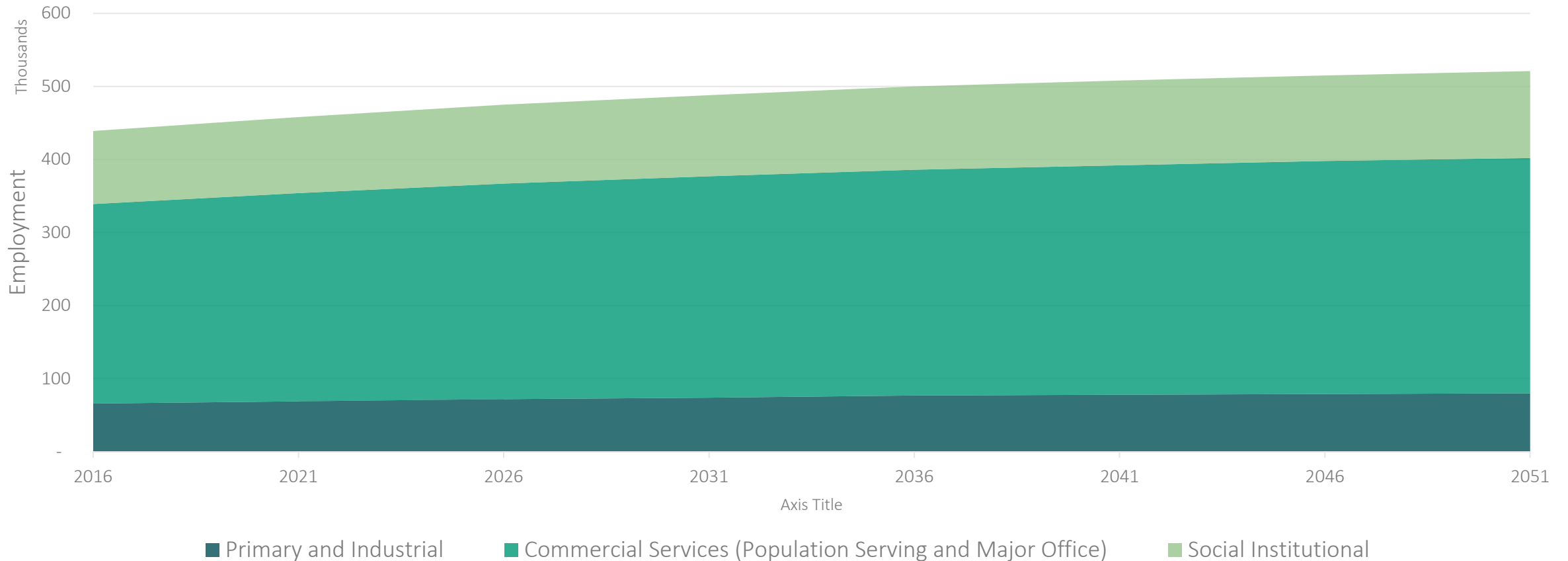
# Starting Point: Reference Scenario

- Based on current trajectory of Vancouver and Region
- Recognizes **impact** of forces we are **confident** will adjust current trends
- Designed to represent **most likely** outlook for policy testing

Reference Scenario: Key Assumptions	
Demographics	Population continues to age, with most growth due to net in-migration
Employment	Employment to population rate declines as population ages, gradual increase in senior (65+) work force, in-migration meets labour force needs
Economy	Regional sectoral activity and employment remains relatively consistent, Vancouver gradually shifts towards office and population serving
Environment	Climate change impacts are managed/impacts are mitigated within existing policy tools
External Forces	Current trends persist in most areas, employment impact of disruptors limited or offset by growth in other sectors, continued stability in policy

# Preliminary Reference Forecast Outlook

Draft Forecast Employment Growth, by Type, City of Vancouver, 2016-2051



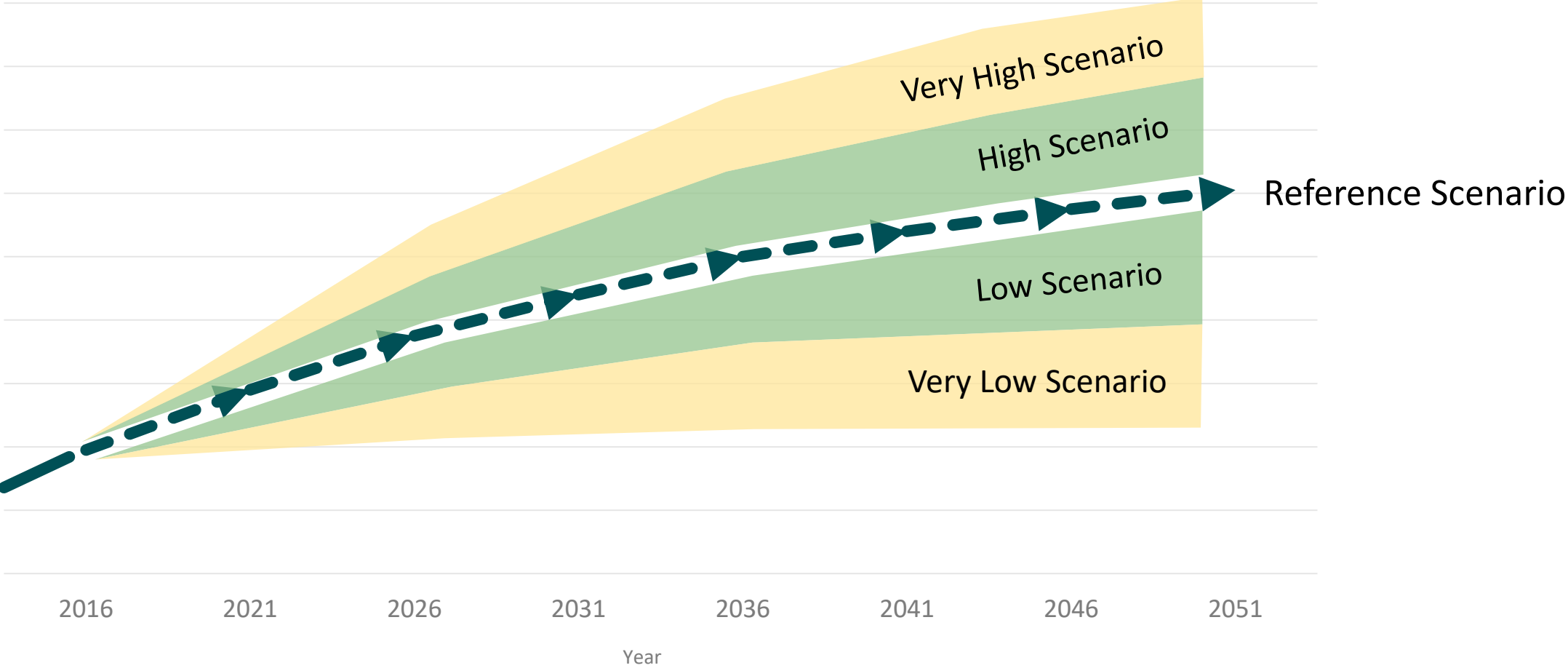
Source: Metro Vancouver. Note: Figures are from current working draft projections and are not final.

# Alternative Scenario Development

- Objective is to develop range of high and low outlooks to **stress test** policy responses for **resiliency**
- **Very high and very low** outlooks included as reasonable bookends
- Don't have to be 'right', instead represent a range of potential outcomes by shifting assumptions for specific **external forces**



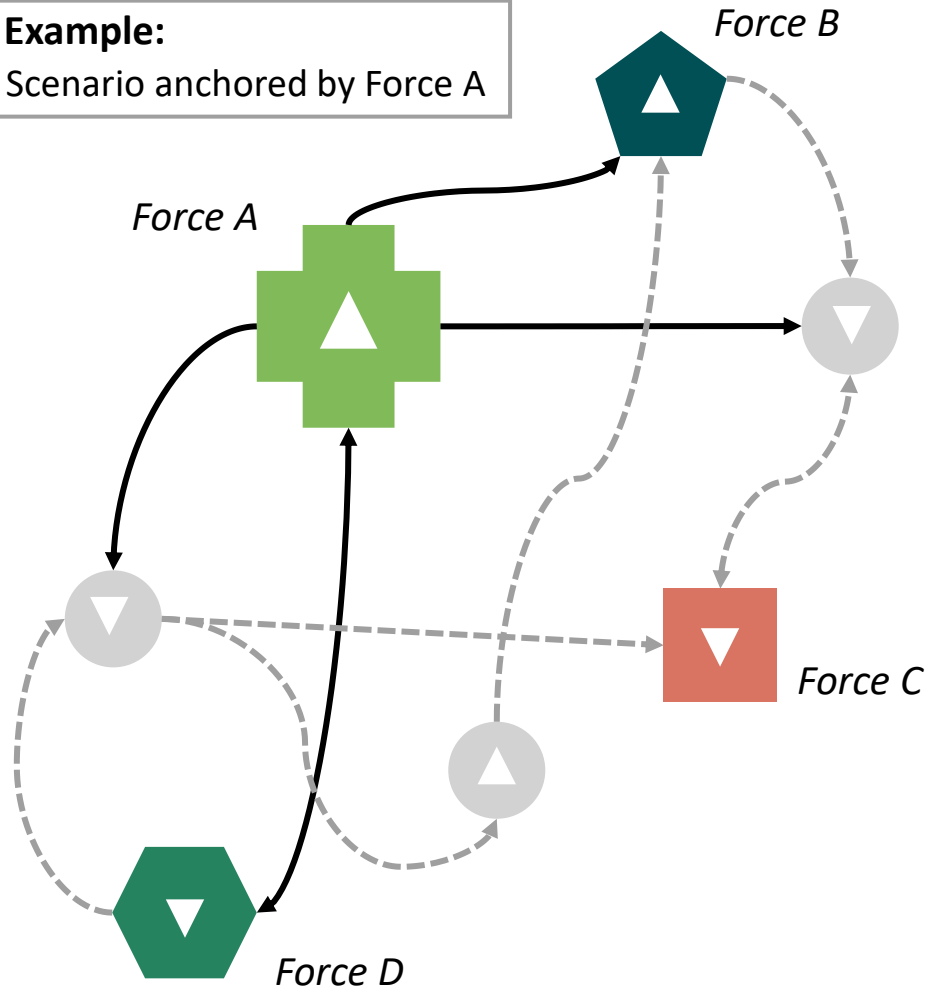
# Potential Scenario Examples



*Note: Ranges shown are for discussion purposes and may not represent actual forecast results*

# Alternate Scenario Development: External Forces

**Example:**  
Scenario anchored by Force A



- External Forces are **trends or disruptors** with the potential to change the trajectory of growth and land use in the City and region
- Analysis of external forces and their potential impacts a key component of developing forecast scenarios
- Certain external forces may be intrinsically linked, or may offset other external forces and factors

# Consideration of External Forces

- The study team has reviewed a range of external forces, narrowing down the list based on **likelihood and potential impact** to Vancouver and the surrounding region
- The following list are a sample of some broad external factors that could influence future job growth and how much space we need:
  - Unaffordable Housing & Space
  - Increased Automation & AI
  - The Digital & Creative Economy
  - Changes in Global Trade
  - Labour Advantages
  - Alternative Work Arrangements
  - Climate Change

# Unaffordable Housing and Space

## Description

Refers to various factors that are limiting affordable space for residents and businesses that may displace or hinder growth opportunities.

## Factors

- Real estate dynamics
- Changing interest rates
- Foreign investment

## Example of Potential Impacts

- Residents and businesses look further out in region for affordable space
- Reduced local labour pool growth discourages investment across various sectors



# Increased Automation and AI



## Description

Refers to automation (including AI) resulting in reduced labour needs in low and high skilled sectors. May not necessarily result in reduced economic activity or need for space.

## Factors

- Autonomous vehicles
- Advances in building tech
- Introduction of AI

## Example of Potential Impacts

- Reduced labour demand in various sectors
- Creation of new demand in other sectors
- Increased floor space per worker in some areas

# The Rise of the Digital & Creative Economy

## Description

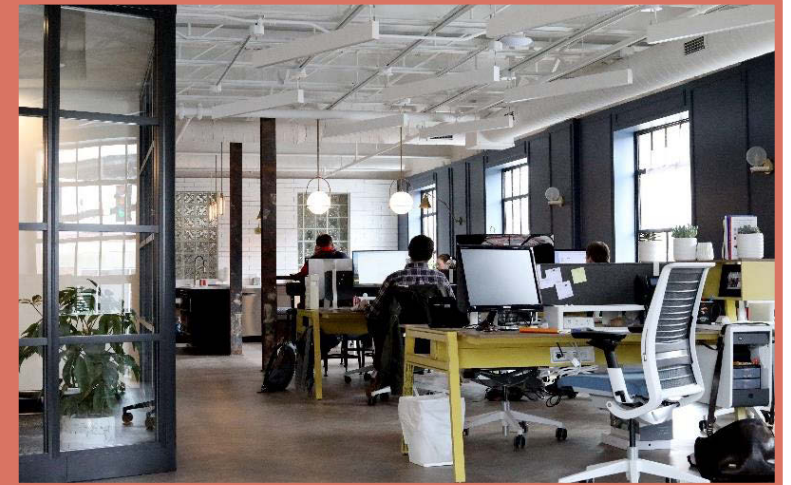
Refers to macro level shifts towards digital, creative and high skill sectors, along with impacts of increasing digital sales and connectivity on various other sectors.

## Factors

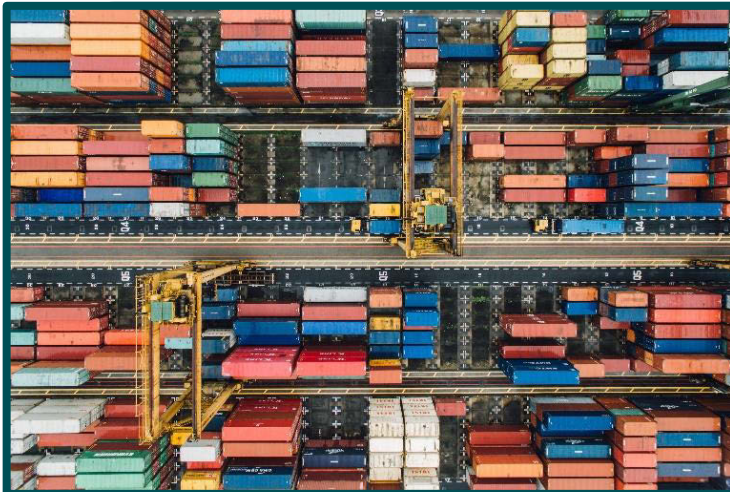
- E-commerce
- Internet of Things

## Example of Potential Impacts

- Increased demand for office jobs and space
- Decreased demand for brick and mortar retail space
- Increased transportation and logistics demand



## Changes in Global Trade



## Description

Refers to factors that could increase or decrease volume of trade through Vancouver, including policy changes or change in demand, such as shift towards renewables.

## Factors

- International policy
- Protectionism
- Shifts in energy types

## Example of Potential Impacts

- Transportation and logistics employment up or down
- Changing space need for container or materials related storage
- Knock-on effects to various port-adjacent employment sectors



# Changing Labour Advantages

## Description

Refers to the competitive advantages and disadvantages Vancouver has in attracting business through high skilled and comparatively affordable labour.

## Factors

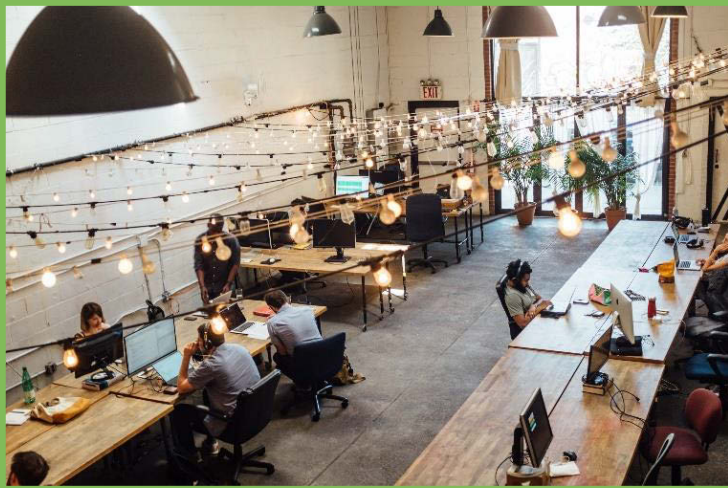
- Global outsourcing
- Comparative labour costs
- Migration policies

## Example of Potential Impacts

- Increased demand for satellite offices of global companies
- Increased in-migration of skilled workers
- Risk of outsourcing of other sectors being outcompeted



# Alternate Work Arrangements



## Description

Refers to the rise of non-traditional employment arrangements, including contract and gig based work, as well as co-working and disruptive delivery models (AirBnB, Uber, etc.)

## Factors

- The gig economy
- The sharing economy
- Disruptive technologies

## Example of Potential Impacts

- Increase in tourism activity but negative impact on some hotels
- Reduced demand for long-term office space as people choose to work from home, or use co-working space

# Climate Change

## Description

Factors related to climate change with specific regard to their impact on business activity or potential to compromise the City's employment land supply.

## Factors

- Increase forest fires
- Sea level rise
- Global climate refugees

## Example of Potential Impacts

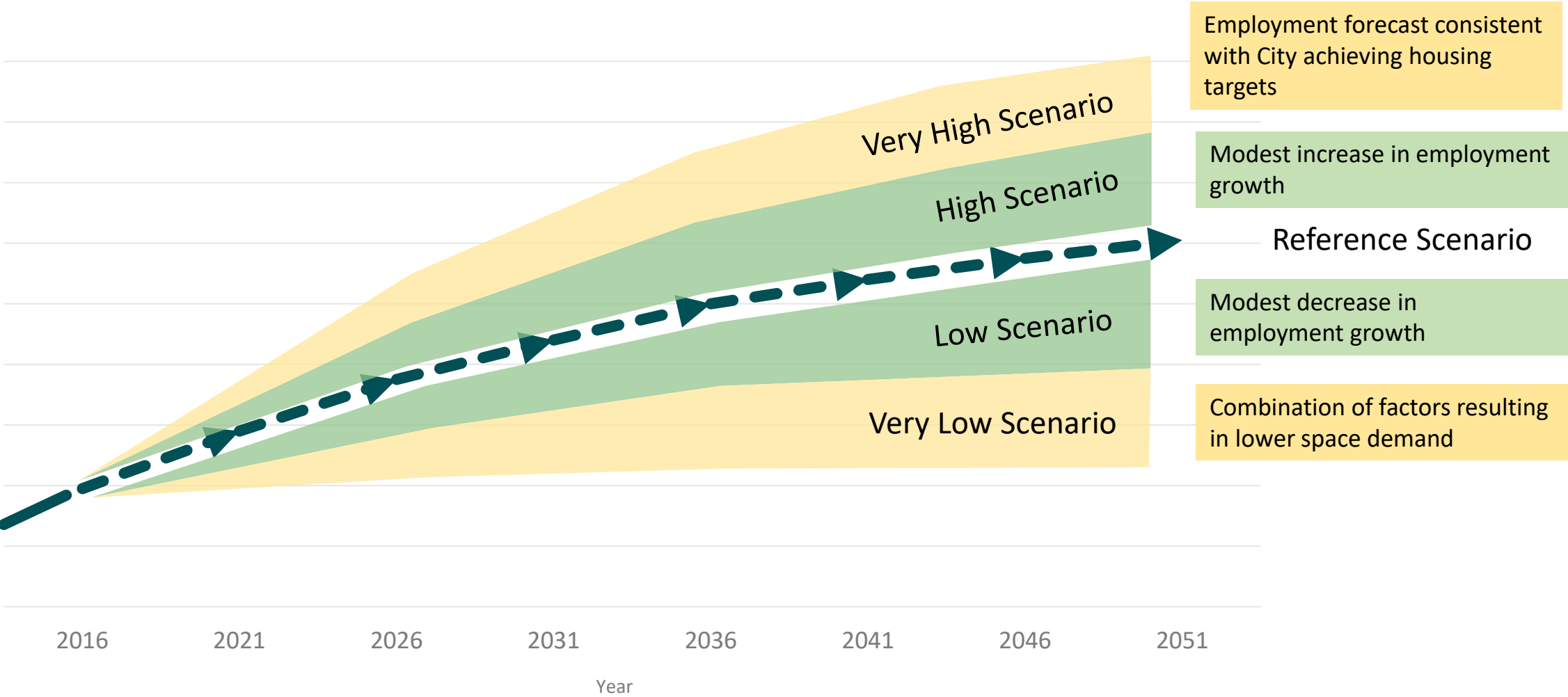
- Reduced activity from low laying and waterfront employment activities
- Increased instances of flooding and forest fires negatively impact tourism



# Stakeholder Input

- As representatives of your economic field, we are seeking your input to help us develop the outlook for each of the alternative scenarios
- What are the **key external forces** that you see having the **most significant impact** on your sectors economic activity and land needs in the next 30 years?
- How would these factors contribute to **more growth**, or **less growth**, than we are experiencing currently?

# Potential Scenario Examples



Note: Ranges shown are for discussion purposes and may not represent actual forecast results