

MEMORANDUM

June 13, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Maria Pontikis, Chief Communications Officer, CEC
Rosemary Hagiwara, Acting City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Interim Chief of Staff, Mayor's Office
Sandra Singh, General Manager Community Services, ACCS
Eleena Marley, CEO, Vancouver Economic Commission

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

SUBJECT: Memo - 2023 Storefront Inventory

RTS #: N/A

Purpose of the memo

This memo summarizes the key findings of the 2023 Vancouver Storefront Inventory. Additional details can be found in the 2023 Storefront Report (Appendix A). As with the [2022 Storefront Report](#), this report will be augmented in the fall with more detailed analysis of the City's 22 Business Improvement Areas (BIAs).

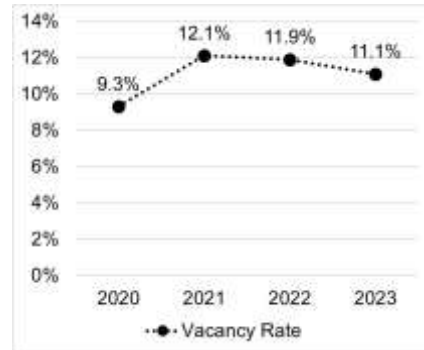
Background on the Vancouver Storefront Inventory

City of Vancouver staff perform an annual survey of Vancouver storefronts each March to collect a snapshot of current conditions in the city's retail districts and smaller clusters of shops. The survey involves a visual inspection of ground floor commercial retail units supported by online and business license research. The survey started in 2020 and this year included roughly 9000 storefront sites.

The survey collects data on vacancy status, business type, and whether the business occupying each commercial retail unit is a chain or independent operator. Staff use the survey data to calculate turnover, business type distribution, ratio of independent vs. chain businesses, and vacancy rate.

Findings from 2023 – details in Storefront Report (Appendix A)

- While not at pre-pandemic levels, the city-wide vacancy rate dropped in 2023 to 11.1% from 11.9% in 2022¹, continuing a positive downward trend from the peak vacancy in spring 2021. Vacancy rates dropped in 16 of the 22 BIAs.
- However, vacancy rates increased in three BIAs that have been struggling with high-vacancy rates for several years: Chinatown (20.1%), Strathcona (22.0%) and Hastings Crossing (30.1%)
- Of the 970 vacancies, 295 (about one-quarter) have been persistently vacant since spring 2020², resulting in a persistent vacancy rate of 3.4%.
- Business openings and closings were generally balanced across retail categories, a change from the early pandemic years that saw disproportionately high openings of businesses dealing in convenience goods and closings of businesses dealing in comparison goods.
- Independent businesses account for 77% of all occupied storefronts with chain stores accounting for the remaining 23%³. This ratio is unchanged since spring 2022.



These statistics indicate the potential reversal of some general trends in retail vacancy and mix from earlier in the pandemic. They also point to an uneven recovery with retail districts in DTES neighbourhoods continuing to struggle. The City has taken several recent actions to support storefront occupancy, including: reduced regulatory requirements for changing use; the creation of multilingual resources to help business relocate into a new space; and direct support to improve conditions in retail districts (Graffiti Abatement Grants to BIAs and the Uplifting Chinatown Action Plan). Longer-term, residential and employment density increases coming from the Vancouver Plan and Broadway Plan will further improve conditions for business. The fall update to this report will also provide more insight into different types vacancies, allowing for more targeted responses where suitable.

If you have any questions or require further information, please contact me or Chris Robertson, Director, City-Wide & Regional Planning, at chris.robertson@vancouver.ca.

Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

604.673.8434 | theresa.o'donnell@vancouver.ca

¹ The storefront vacancy rate in Vancouver is still considered to be “unhealthy”. In general, a vacancy rate between 5% and 7% is considered to represent a “healthy” balance between supply and demand, allowing space for turnover, expansion and growth of storefront businesses.

² Local experts advise that long-term/ persistent storefront vacancy (e.g. unoccupied for several years in a row) can be the result of a variety of factors such as building condition and upgrade requirements and weak market demand. In some cases, landlords may have legal contracts with lenders that prevent them from lowering rents to match market demand. Staff are undertaking further work to better understand this issue.

³ An independent store represents a business with less than four locations, per [Statistics Canada](#) definition.

