

# Punjabi Market Commercial Area Capacity Building Work

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Prepared for: City of Vancouver

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Divercities Advisory Inc.

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# Executive Summary

Tate Economic Research Inc. (“TER”) in association with Divercities Advisory Inc. and Roots and Rivers Consulting (“Consultant Team”) is pleased to provide this Commercial Area Capacity Building Work for the Punjabi Market in the City of Vancouver.

## Introduction

The Consultant Team was retained by the City of Vancouver to support City and community efforts related to the renewal and regeneration of Punjabi Market with a particular focus on the commercially zoned properties.

In order to undertake the mandate, the Consultant Team produced the following:

- An updated profile of shops and services and the overall retail environment.
- An assessment of business-focused organizations that could support Punjabi Market.
- A recommended approach that area businesses could use to enhance the Market and expand their customer base.

## Background

**For over half a century, Punjabi Market (“the Market”) has represented an important commercial hub for Vancouver’s South Asian communities. Punjabi Market is also a cultural touch stone for many South Asian residents who either frequented the Market as early immigrants or remember going to the Market with their parents.**

- The first Punjabi business opened its doors in May 1970, and one year later there were a trio of shops. From there, the Market grew steadily to being an epicentre for South Asian business, social and cultural life in both the city and region.<sup>1</sup>

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<sup>1</sup> City of Vancouver Memo RTS# 13413 Punjabi Market – Celebrating the Past, Envisioning the Future – Update & Next Steps. 2022. Link: [vancouver.ca/punjabimarket](https://vancouver.ca/punjabimarket).

- Today, Punjabi Market is defined in City policy documents as the three commercial blocks along Main Street between E 48th Avenue and E 51st Avenue. Currently there are 75 ground floor commercial businesses in Punjabi Market with 30 stores, or 40%, providing South Asian goods and services.

**The South Asian commercial environment has undergone significant changes, raising several questions about the future market viability of Punjabi Market as a South Asian oriented main street.**

- In response to concerns related to the future viability of Punjabi Market, several City of Vancouver Council motions have been passed in 2016, 2019 and 2022. These actions have targeted a broad range of outcomes but can generally be categorized within two areas.
  - Cultural Supports – research and actions around maintaining and enhancing the cultural identity of Punjabi Market.
  - Business Supports – research and actions around strengthening the businesses in Punjabi Market.
- During the City’s Punjabi Market community engagement in 2019-2020, numerous business and property owners in Punjabi Market identified the need for better business-to-business connections, collaboration, and retail planning. The City heard from many individuals expressing a desire for better local and regional positioning of Punjabi Market, and for the City to provide support for envisioning the future of the Market.

**This report informs the City and Punjabi Market business owners on the future viability of the Market as a South Asian focused commercial street, explores organizational structures that can support future viability, and outlines a retail strategy based on the Consultant team’s background scan and engagement with business owners.**

## Findings

**Successful traditional retail main streets all feature common structural design characteristics. Punjabi Market has the right foundation from which to create a great public realm and build pedestrian traffic, however, there is significant work and investment that must be undertaken to achieve this.**

- There are opportunities and interventions that could further enhance the physical street for the benefit of the commercial operators. This could include, but not limited to:
  - Traffic calming and potentially flashing beacons at the pedestrian crossing at Main Street and E 50<sup>th</sup> Avenue.
  - More seating and places to linger, such as parklets and plazas / seating areas.
  - Longer term consideration of more sidewalk and curb activation through food vendors and patios.
  - A coordinated approach to general beautification such as planters and lighting.
- Some of these interventions would be the purview of the City and some would have more to do with individual storeowners and others might be a collaboration between the City and a future business organization.

**Punjabi Market is small in the context of other shopping streets and the South Asian offering in Surrey. The small size provides opportunities and challenges.**

- Little India Plaza and Payal Business Centre at 128 St. and 80 Ave. in Surrey have more than 350 South Asian oriented stores and services combined.
- Without a strong South Asian orientation, Punjabi Market's relatively small size will likely limit its potential beyond a collection of miscellaneous retailers and services, thereby making it challenging to generate pedestrian traffic.
- On the other hand, strengthening the South Asian orientation and creating a specialized destination is easier for Punjabi Market as South Asian uses are located closer to each other and can create economies of agglomeration.
- There is significant concentration of retail commercial space within a 5-minute drive of Punjabi Market. These concentrations are larger than Punjabi Market and provide many day-to-day convenience items.

- The competitive cluster analysis indicates that there are opportunities in the surrounding shopping streets to fulfill the daily and weekly needs of the surrounding community.

**Currently, Punjabi Market is considered a viable commercial main street. There is an opportunity to build on this viability for future growth.**

- The vacancy rate has decreased from approximately 14% in 2017 to a healthy current level of 5.4%. Typical vacancy rates for ‘healthy’ main streets are between 5.0% – 7.5%.
- Some of the retailers have been in operation for decades, which provides an endorsement of the viability.
- The quality of some of the national tenants is an indication of the quality of the location and access. For example, retailers and service providers such as Tim Hortons and RBC have extensive site selection criteria as well as lengthy leases. The fact that they have chosen this area is an endorsement of the current and future viability of the area.

**Despite the commercial viability, Main Street’s commercial positioning as “Punjabi Market” is declining.**

- Currently, of the 102,000 square feet of ground floor commercial, 42,000 or 41% of the commercial space is South Asian oriented. Examined in another way, of the 75 ground floor commercial units, 30, or 40%, are South Asian oriented.
- There is quantitative evidence that the South Asian orientation of Punjabi Market has decreased significantly. In 1998 there were 20 South Asian fashion stores, a decade later there were 21, in 2017 this number decreased to 9 and in 2023 that number has decreased to 5.<sup>2</sup>
- There is anecdotal evidence that some of the existing South Asian stores that have been operating for 20+ years will also close for good in the next 5+ years owing to retirement and a lack of interest from younger generation to operate the retail store.

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<sup>2</sup> Historical data taken from “Punjabi Market Retail Business Study, Findings and Next Steps (April 2018). South Asian fashion stores along with South Asian food and beverage stores are the mainstay of South Asian retail nodes.

**Despite, the fact that the South Asian commercial positioning is declining, the attention paid to the cultural aspects of Punjabi Market are on the ascent.**

- While new festivals and activities – work advanced by the Punjabi Market Collective – have helped to bring attention to the Market, the retail environment continues to change.
- Punjabi Market could be described as a cultural district. It is important to note that the basis for this cultural district is the retail main street. For many cultural districts, including Punjabi Market, there is a general consensus that the local main street retail that uplifts the cultural identity of the community is one of the defining characteristics of cultural districts. Without the retail, the cultural district would cease to exist in a way that everyday citizens can interact with.
- Therefore, while the work being done by Punjabi Market Collective is an important part in strengthening, re-introducing, and enhancing the cultural identity of Punjabi Market, there needs to be an equal if not greater commitment by the retailers and property owners to reverse the current decline of the South Asian orientation of the retail component of the street.

**It is the opinion of the Consultant Team that the potential exists for a revitalization of Punjabi Market.**

- Any revitalization attempt will require intentional curation and significant attention to the retail tenant mix, retailer operations, retailer experience and public realm.
- Furthermore, given the competition and range of comparison shopping opportunities in Surrey, the revitalization of Punjabi Market should not be viewed as an opportunity to compete with Surrey. For example, there is likely no scenario where customers looking for bridal wear would choose to shop at Punjabi Market versus in Surrey.
- Rather, Punjabi Market requires a “unique selling proposition” to attract visitors. For example, Punjabi Market could be a unique food destination with an arts and culture focus. This would appeal to a broader customer base than just the South Asian population. In other words, while its history is important it needs more than its history to be viable in the future.

- As described in the previous section, this does not (and should not) preclude non-South Asian retail and services. However, any retail or service tenant in the market should have a role in driving traffic to the Market.
- Beyond the broad appeal of food, there is also an opportunity to broaden the general appeal of Punjabi Market to a wider non-South Asian market. The South Asian offerings in Surrey appeal mostly to a South Asian population. Navigating the large number of South Asian stores and services, especially restaurants, can be intimidating to non South Asians. Punjabi Market has the opportunity to provide a more accessible South Asian experience with a curated approach.

**Various business owner consultations were conducted as part of this study.**

- Consultation with Punjabi Market business owners revealed other reflections around factors impacting revitalization including the impact of new residential buildings, a generational difference in optimism for the future of the Market (e.g. newer businesses feel more hopeful), and variation in the potential for businesses to be passed onto the next generation.
- Consultation with business owners indicated broad support for an organizational structure and varying opinions for the preferred structure. Business owners also highlighted different priority needs that a structure could help address including mutual support, cultural programming, and creating a more distinctive market feel.

**There three main types of organizational structures that could potentially assist and facilitate the revitalization of Punjabi Market.**

- A Business Improvement Area (BIA) is a non-profit association of businesses and property owners where all commercial properties/businesses in the area must pay a levy to fund "business promotion" activities. The City of Vancouver currently has 22 BIAs.
- A merchants association is a non-profit association of businesses funded by the membership fees of businesses that choose to become members. Examples include Steveston Merchants Association and Vancouver Chinatown Merchants Association. It should be noted that Punjabi Market

also had a merchants association which we understand is no longer active.

- A cultural organization is typically a non-profit, that has a specific cultural mandate. An example of a cultural organization would be Punjabi Market Collective (PMC).

## Recommendations

**Based on the background research, consultation, professional expertise and our understanding of the opportunities and limitations of each of the organizational structures and the nature of the revitalization required and the tools required, it is the opinion of TER that a BIA would be the most appropriate type of organizational structure to steward Punjabi Market and more specifically Punjabi Market businesses through a revitalization.**

- The future of Punjabi Market as a South Asian oriented market hinges on attracting and curating more South Asian businesses. The role of a BIA is to specifically assist with business success. It can play a role in attracting new South Asian entrepreneurs, and assist in curating the overall 'mix' of all businesses.
- The South Asian orientation and the associated cultural visibility is valued by business owners. The mission of a BIA is dictated by its members which consist of business owners and property owners. Therefore, it is possible to be specific about the outcomes of a BIA.
- There is consensus that the South Asian orientation of the Market is declining. Consultations with business owners has also revealed that some key business owners will be retiring in the next 5+ years. Without a specific strategy, this decline is expected to continue. A BIA would be able to implement this strategy.
- The overall retail business environment is challenging, and a BIA can provide business specific supports to mitigate these challenges.
- There are two residential mixed-use buildings planned for Punjabi Market, each with ground floor commercial. A BIA is a conduit to the City and can advocate for the business and property owners' positions at the City.
- A BIA has access to a network of other BIAs across the City which is invaluable in terms of best practices implementation.



**A retail strategy can support implementing a specific vision for a commercial area through a unified vision and coordinated efforts among business owners. For a main street like Punjabi Market, a retail strategy may be needed when circumstances require reinforcing specialization and revitalization. Without a retail strategy, the consultant team believes the Punjabi Market will evolve away from its South Asian orientation.**

- The consultant team proposes a comprehensive retail strategy that outlines influencing the tenant mix, short and medium term actions to enhance the physical and financial attractiveness of the Market, and overall supporting the revitalization of Punjabi Market's South Asian orientation.
- Actions can include marketing, public realm improvements, cultural programming, strategies to influence tenant mix, and direct engagement with South Asian retailers. The retail strategy is formulated for business and property owners to support them in decision making about Punjabi Market or organizing an organizational entity like a BIA.
- Collaboration will also be an integral part of the strategy, including relationships among business owners and with cultural organizations, specifically Punjabi Market Collective and the City.