CITY OF VANCOUVER

STOREFRONTS REPORT

2020-2024 TREND ANALYSIS

JANUARY 2024

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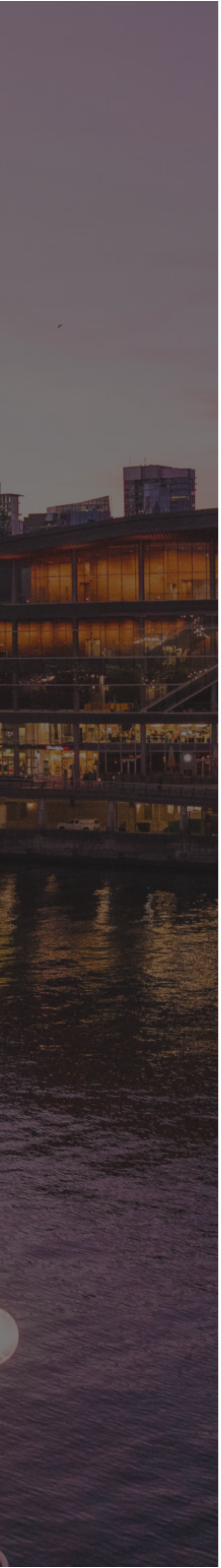


REPORT INTRODUCTION

HEALTHY STOREFRONTS

Vancouver's local shopping areas play an important role in the livability and sustainability of the City's neighbourhoods by providing local goods and services within walking distance of residents. Active storefronts support healthy shopping areas and support the broader business ecosystem. A storefront vacancy rate between 5 and 7% is considered healthy. To monitor storefront conditions, City staff perform an annual survey tracking the occupancy status including vacancy of storefronts across the city.

STOREFRONT INVENTORY

At the onset of the pandemic in spring 2020, staff commenced the annual city-wide storefronts inventory to establish a baseline for storefront conditions. The inventory provides a unique dataset enriched by each subsequent edition. The inventory started with 8,800 sites and now has expanded to over 9,100 in 2024.

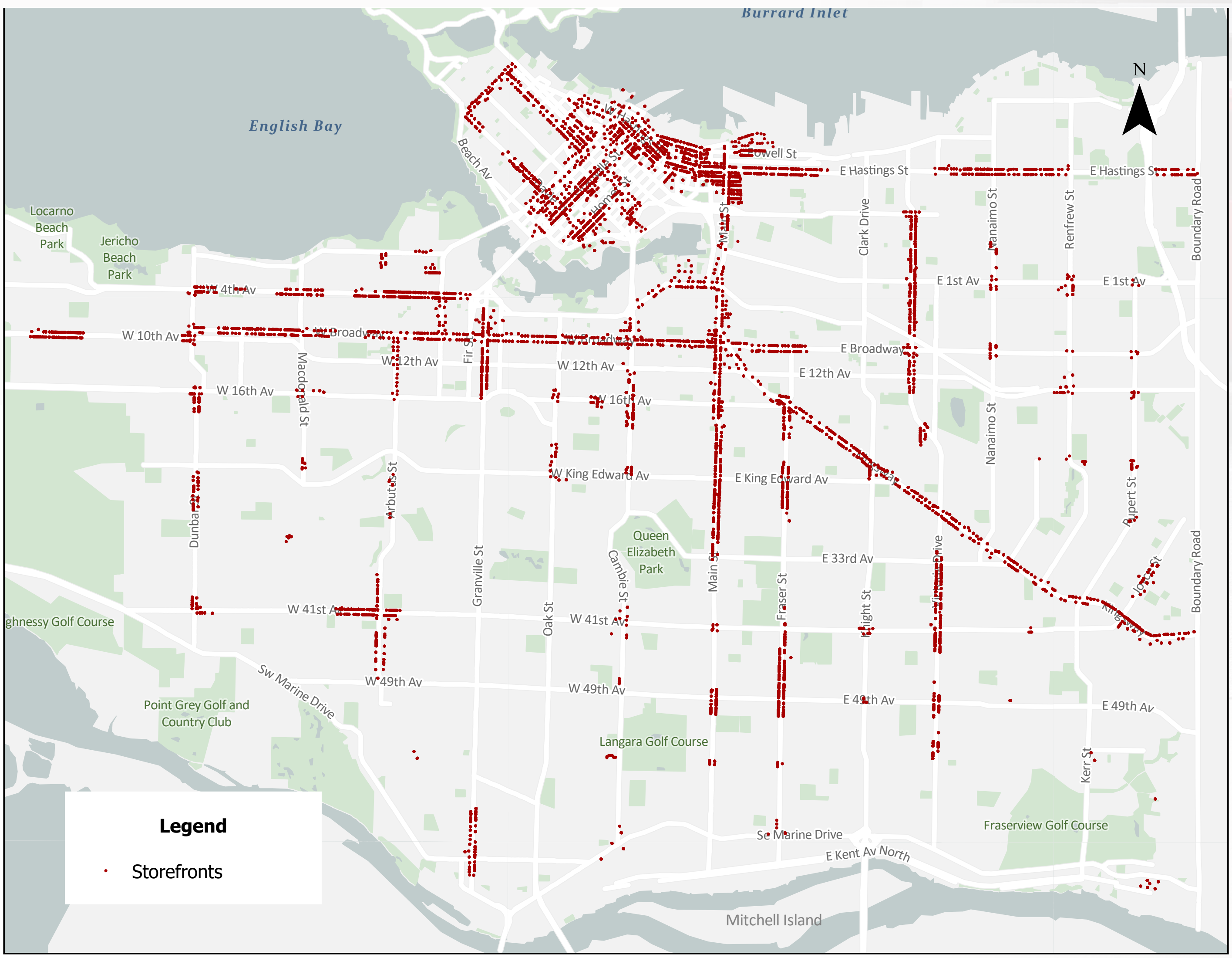
PUBLISHING FINDINGS

In July last year, staff provided City Council with an update on the 2024 Storefronts Inventory with the promise to return with additional information detailing storefront trends both city-wide and for the 22 Business Improvement Areas (BIAs). This report considers storefront trends over the last 5 years including vacancy, turnover (storefront change), ratio of independents, and the distribution of business types.

REPORT HIGHLIGHTS

- City-wide turnover peaked in 2023 with 15% of City storefronts changing compared to 13% in 2024. (see page 6).
- City-wide openings have outpaced closures since 2021 with 100 more openings than closings in 2024 (see page 6).
- City-wide independent storefronts consistently account for 3/4 of all storefronts over the last 5 years (see page 7).
- City-wide business distribution shifted over the last 5 years to retail focused on the customer experience with the number of Food & Beverage and Service Commercial categories up while the number of Comparison Goods (e.g. clothes, furniture, jewlery, etc) were down (see page 9).
- BIA vacancies have seen an overall decrease with most BIAs experiencing healthy vacancy or trending towards it (see page 10).
- Emerging finding that some BIA vacancy rates are trending below the healthy range of 5-7% (see page 10).

2024 INVENTORY STOREFRONTS



CITY-WIDE VACANCY TRENDS

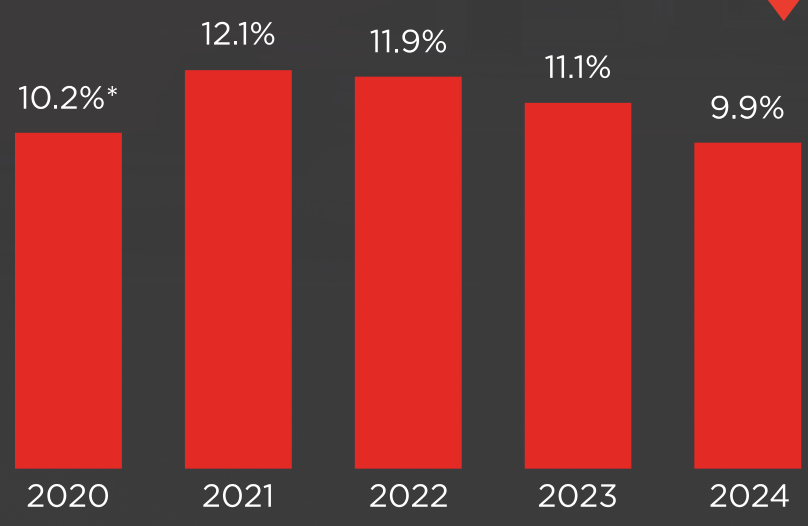
THE CITY-WIDE STOREFRONT VACANCY RATE IS **TRENDING DOWN**

Despite inflation, labour, and supply issues post-COVID, businesses continue to fill vacancies across the city with storefront vacancy dropping to 9.9% in 2024.

9.9%

2024 STOREFRONT VACANCY RATE

VACANCY OVER THE YEARS



2.2%

DROP IN VACANCY FROM 2021 TO 2024

**Has been revised from original reporting in 2021. See note below.*

Data Revisions

The original 2020 storefront inventory set the baseline for pre-COVID vacancy rates. However, some of the survey work overlapped with COVID restrictions and the closure of many stores. Stores that were temporarily closed due to government restrictions remain recorded as “occupied” in the 2020 inventory. Storefronts that appeared to be temporaily closed during the survey but remained closed in 2021, have been re-coded as “vacant”. This adjustment has increased the 2020 city-wide storefront vacancy rate from 9.3% to 10.2%.

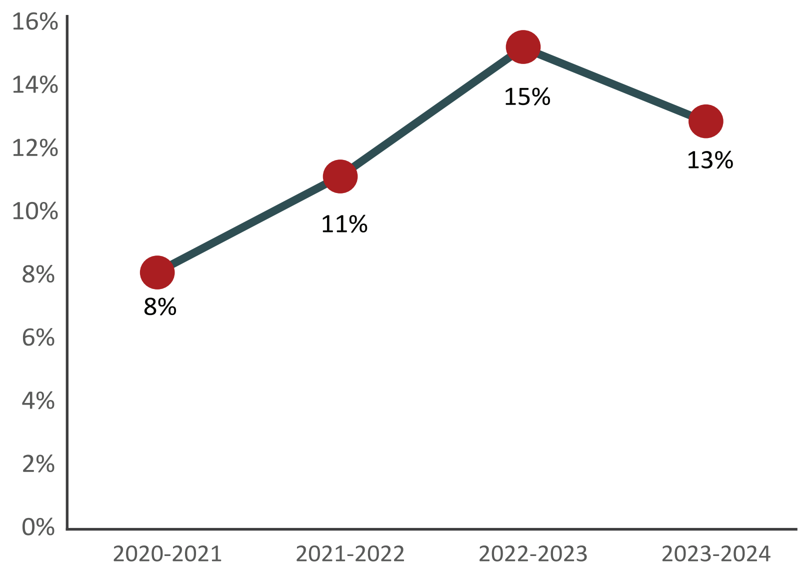
CITY-WIDE TURNOVER TRENDS

CITY-WIDE STOREFRONT TURNOVER

Turnover refers to a change in storefront occupancy. Turnover is a normal part of a market cycle. However, high turnover has been found to be correlated with high vacancy[1] and could indicate challenging conditions at the local level. Conversely, low vacancy prevents a healthy amount of turnover. The target range of 5-7% vacancy provides the conditions for a healthy equilibrium, i.e. provides the conditions for the normal market cycle.

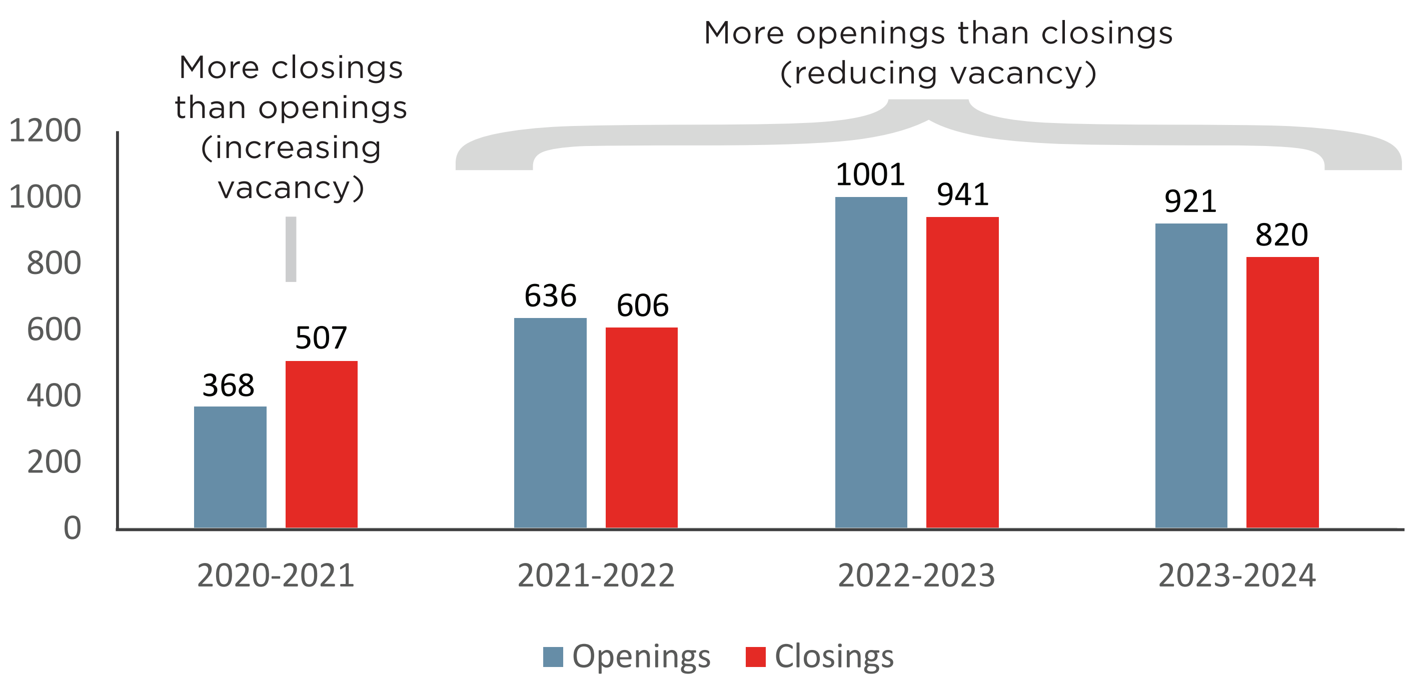
[1] Retail-Commercial District Small Business Study

Storefront Annual Turnover



Storefront closures and openings provide more detail about storefront turnover. Openings have outpaced closings since 2021.

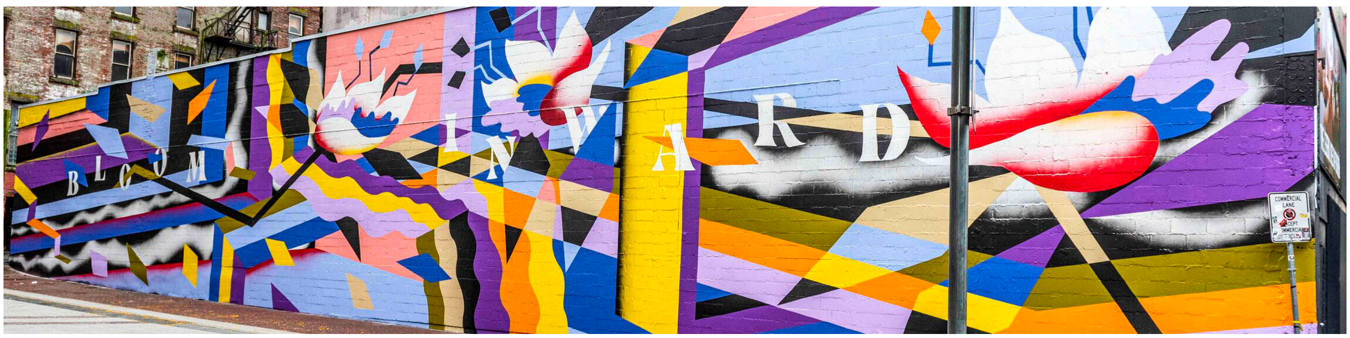
Storefront Openings and Closings



CITY-WIDE RATIO OF INDEPENDENT STOREFRONTS TRENDS

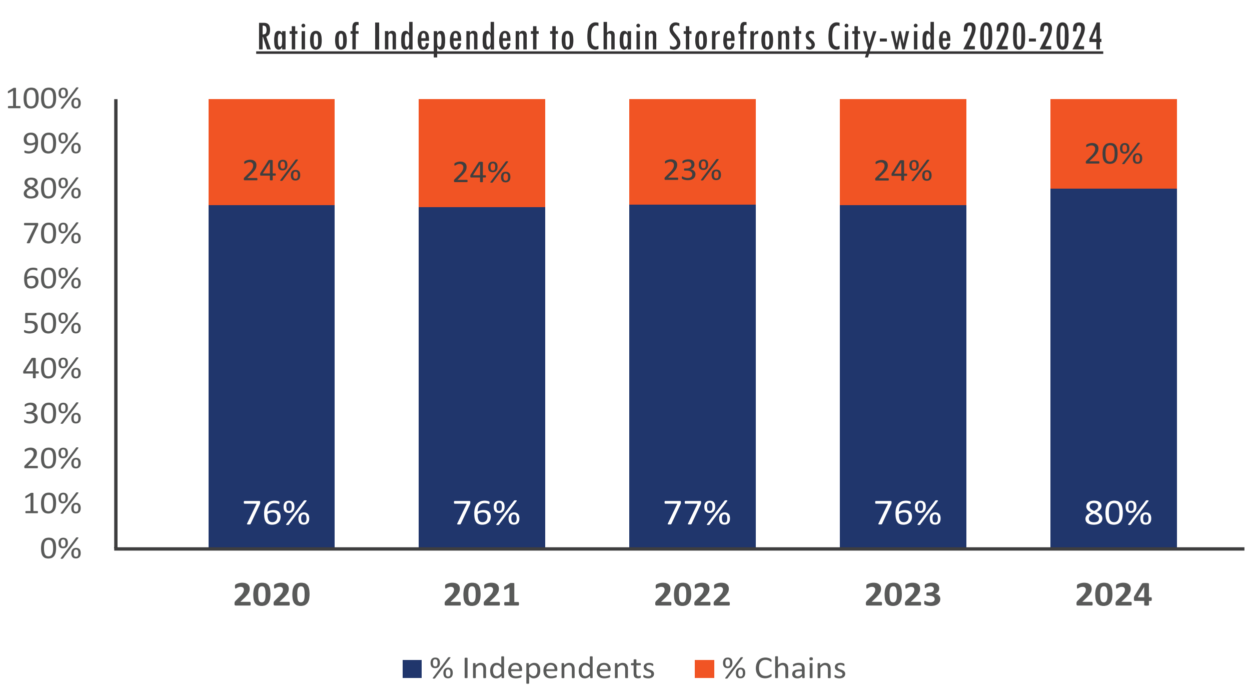
INDEPENDENT STOREFRONTS

“Independent” refers to businesses with less than 4 locations. Conversely, “chain” refers to business with 4 or more locations[1]. Independent storefronts provide character and support the local economy. However, chains also play a key role anchoring retail areas and attracting customers.



RATIO OF INDEPENDENT STOREFRONTS 2020 - 2024

Independent businesses consistently account for 3/4 of all storefronts in city for the last 5 years.



[1]Source: *Statistics Canada*

CITY-WIDE DISTRIBUTION OF STOREFRONT BUSINESS TRENDS

STOREFRONT BUSINESS CATEGORIES

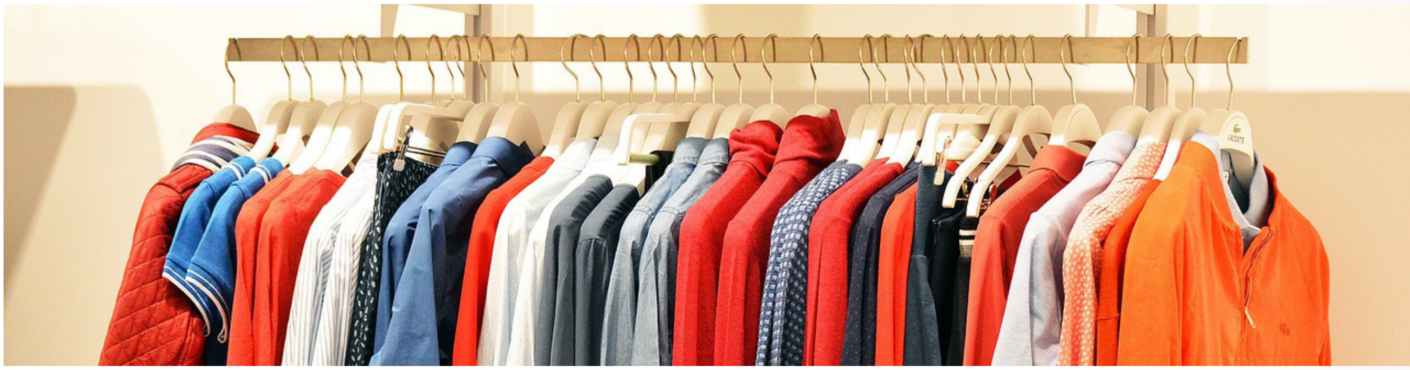
Storefront businesses fall within the following categories depending on the services or goods provided:

- **Convenience Goods:** businesses that sell goods purchased frequently.
- **Comparison Goods:** business that sell goods purchased less frequently than convenience goods and for which consumers are likely to do comparison shopping.
- **Food & Beverage:** all types of restaurants, eating places, and drinking places.
- **Entertainment & Leisure:** entertainment or recreation venues including theatres, gyms, and yoga studios.
- **Service Commercial:** retail commercial services offered such as hair cutting.
- **Automotive Goods & Services:** businesses involved with vehicles.

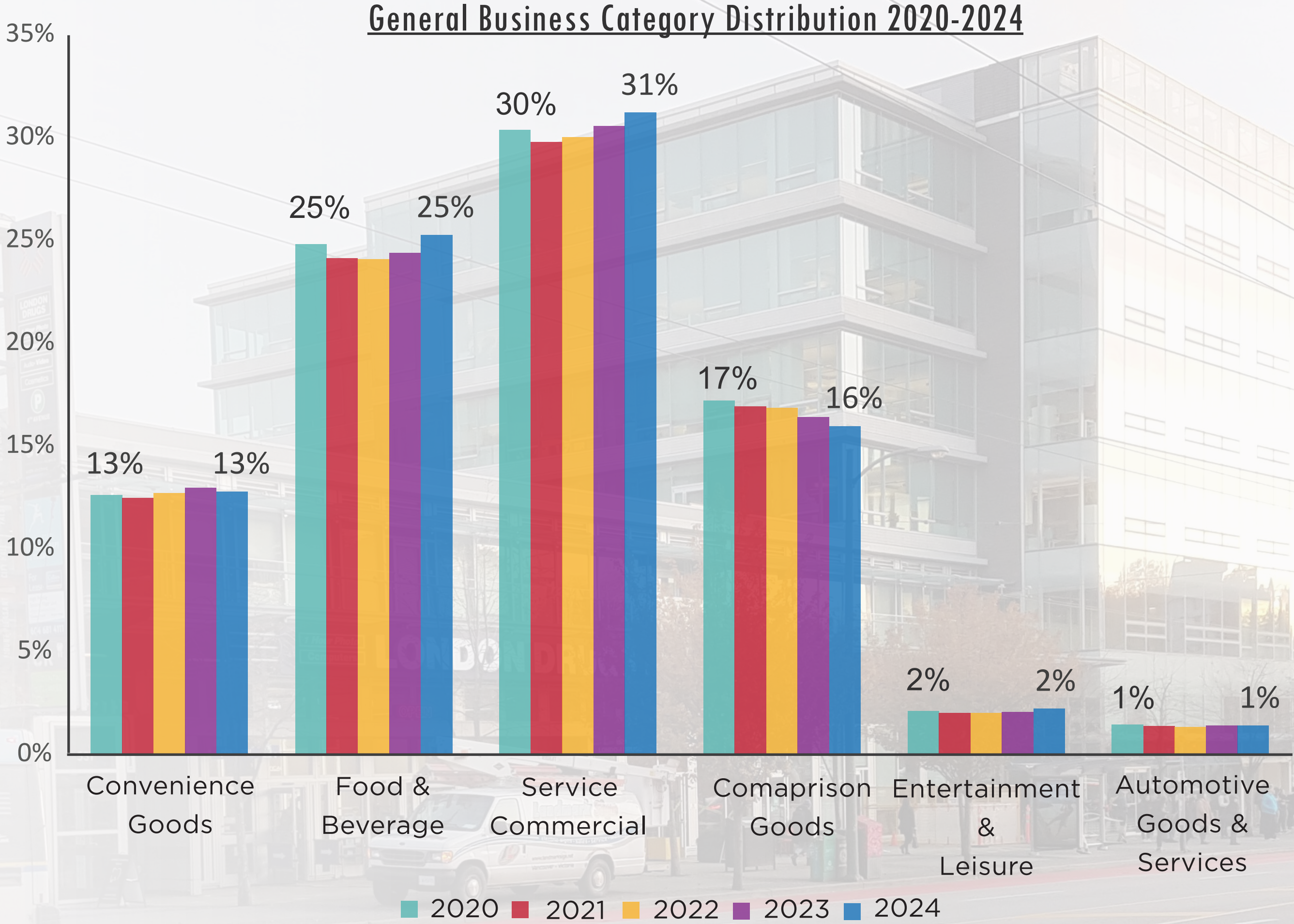
5-YEAR TREND IN BUSINESS DISTRIBUTION

A trend toward service or "experience retail" around in-person experice for customers has emerged over the last 5 years with an increase in the proportion of Food & Beverage and Service Commercial Storefront business.

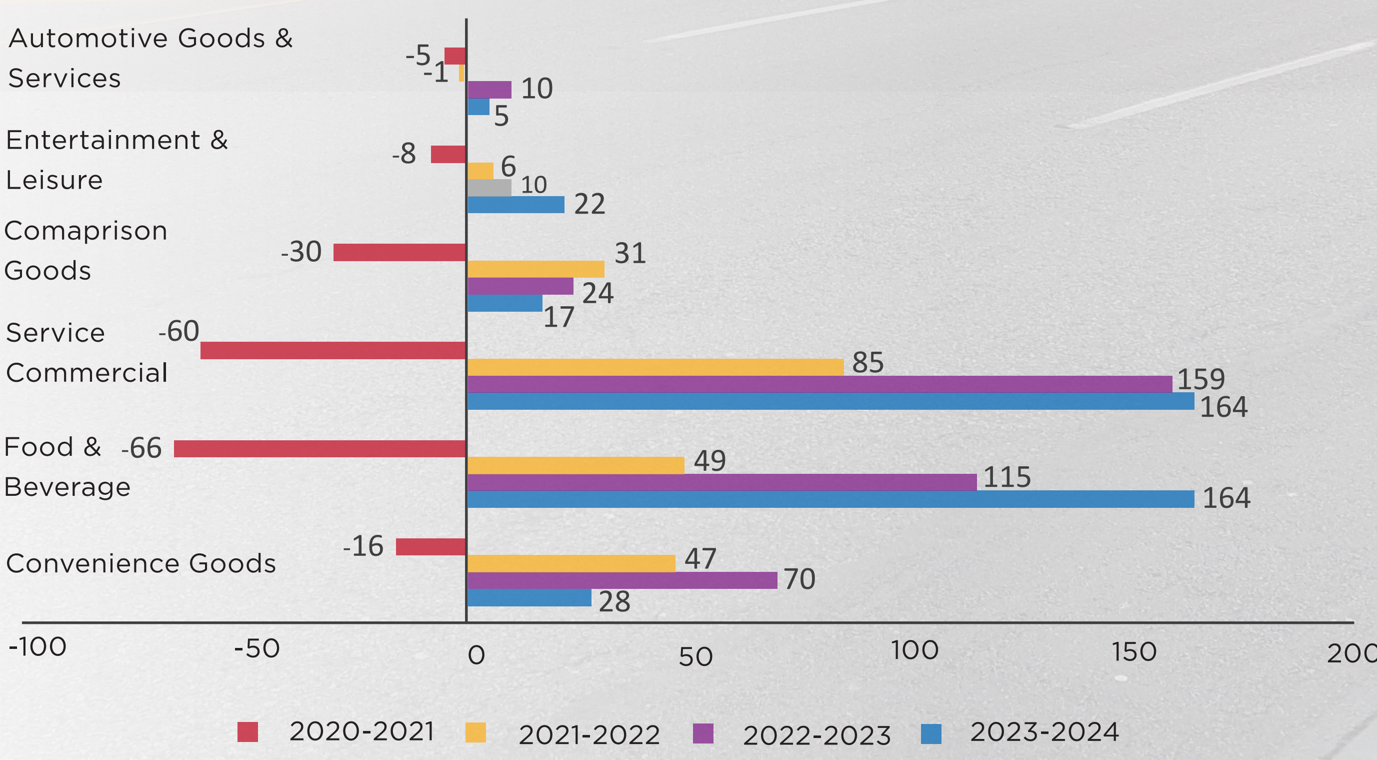
Year over year change shows strong growth for Food & Beverage and Service Commercial business categories. Entertainment & Leisure and Convenience businesses also grew. The Convenience category growth over the last 5 years has been led by regulated goods stores such as cannabis, liquor and other regulated substances, and food retail such as bakeries and grocery.



General Business Category Distribution 2020-2024



Annual Change by Number of Stores in General Business Category 2020-2024



BIA STOREFRONT TRENDS

BIA KEY TRENDS

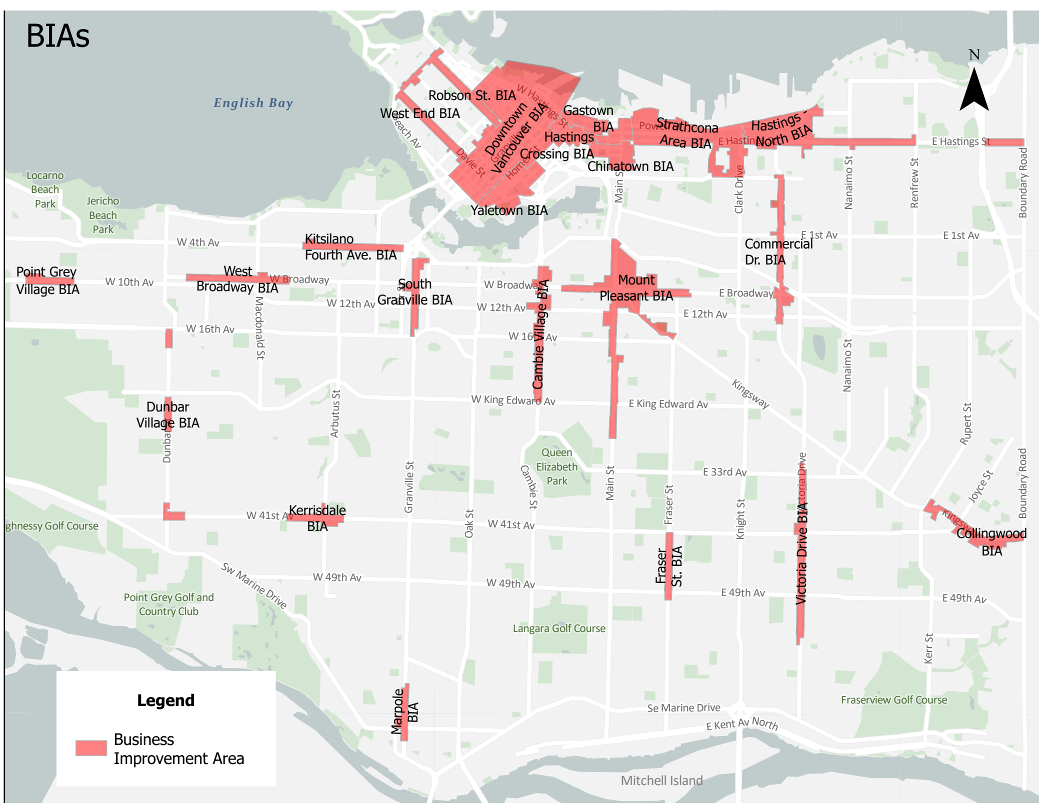
MOST BIAs
have healthy levels of vacancy or are trending towards healthy levels.

LOW VACANCY
is an emerging issue as several BIAs are trending below 5% vacancy levels.

TURNOVER
ranged from 26% to 49% of storefronts changing over the 5 years.

INCREASE IN INDEPENDENTS
The proportion of independents increased in most BIAs.

CHANGING BUSINESS TYPES
The trend in changing business types varied across BIAs except for Comparison Goods that decreased in most BIAs over the 5 years.



BIA STOREFRONTS METRICS

	Vacancy			Turnover	Proportion of Independents		
BIA	2020	2024	Change in Vacancy Rate	Storefronts that Changed	2020 Ratio	2024 Ratio	Change in Ratio
Cambie Village BIA	5%	7%	2%	32%	67%	72%	5%
Chinatown BIA	16%	18%	2%	34%	90%	95%	5%
Collingwood BIA	6%	8%	2%	30%	81%	84%	3%
Commercial Drive BIA	6%	4%	-2%	31%	82%	84%	3%
Downtown Vancouver BIA	7%	11%	5%	31%	61%	69%	8%
Dunbar BIA	17%	14%	-3%	42%	68%	75%	8%
South Hill BIA (Fraser)	6%	7%	1%	26%	78%	75%	-3%
Gastown BIA	10%	10%	0%	49%	78%	88%	10%
Hastings Crossing BIA	20%	32%	12%	41%	76%	87%	11%
Hastings North BIA	11%	10%	-2%	36%	82%	83%	1%
Kerrisdale BIA	7%	3%	-4%	33%	71%	77%	5%
Kitsilano (West 4th) BIA	11%	9%	-1%	32%	53%	65%	13%
Marpole BIA	14%	9%	-5%	32%	71%	77%	6%
MPBIA	12%	12%	1%	37%	85%	86%	2%
Point Grey (W 10th) BIA	17%	15%	-2%	34%	72%	77%	5%
Robson Street BIA	16%	5%	-11%	31%	36%	57%	22%
South Granville BIA	13%	14%	0%	36%	56%	73%	17%
Strathcona BIA	30%	19%	-11%	33%	93%	95%	2%
Victoria Drive BIA	5%	9%	4%	28%	86%	88%	2%
West Broadway BIA	9%	4%	-5%	33%	75%	79%	3%
West End BIA	8%	5%	-3%	31%	75%	79%	4%
Yaletown BIA	6%	4%	-2%	27%	65%	75%	11%

BIA STOREFRONTS METRICS

	Change in the Types of Businesses 2020-2024					
BIA	Convenience Goods	Food & Beverage	Service Commercial	Comparison Goods	Entertainment and Leisure	Automotive Goods & Services
Cambie Village BIA	-3%	4%	-1%	1%	-2%	0%
Chinatown BIA	-3%	5%	-1%	-4%	3%	0%
Collingwood BIA	-1%	0%	3%	-2%	0%	0%
Commercial Drive BIA	2%	0%	0%	0%	0%	-1%
Downtown Vancouver BIA	0%	0%	3%	-3%	0%	0%
Dunbar BIA	2%	-1%	7%	-7%	-1%	0%
South Hill BIA (Fraser)	-1%	3%	-2%	-1%	0%	0%
Gastown BIA	2%	2%	1%	-6%	1%	0%
Hastings Crossing BIA	5%	0%	3%	-5%	-2%	0%
Hastings North BIA	-1%	2%	0%	-1%	0%	0%
Kerrisdale BIA	1%	1%	-1%	-1%	0%	0%
Kitsilano (West 4th) BIA	0%	-2%	0%	2%	0%	-1%
Marpole BIA	3%	-1%	1%	-4%	1%	0%
MPBIA	0%	0%	1%	-1%	0%	0%
Point Grey (W 10th) BIA	0%	0%	-1%	2%	0%	0%
Robson Street BIA	0%	-1%	1%	0%	0%	0%
South Granville BIA	0%	0%	2%	-2%	-1%	0%
Strathcona BIA	-2%	3%	-3%	3%	-1%	0%
Victoria Drive BIA	0%	1%	-1%	0%	0%	0%
West Broadway BIA	1%	0%	0%	-2%	1%	0%
West End BIA	1%	-3%	3%	-1%	0%	0%
Yaletown BIA	0%	1%	2%	-2%	0%	0%

METHODOLOGY & ASSUMPTIONS

DEFINITIONS & NOTES

STOREFRONTS INVENTORY

The City of Vancouver's annual Storefronts Inventory surveys storefronts in each local shopping area in the city. Staff visually inspect over 9100 ground floor commercial retail units from the sidewalk for activity each Spring. Staff use a GIS app to efficiently make updates directly in the field. The data is validated through the City of Vancouver business licence data, online research and BIA feedback. Staff code the validated data for business categories to allow for analysis. Non-retail storefronts such as office buildings, churches, libraries and vacant lots are not included in the calculations.

STOREFRONTS UNIVERSE

A storefront is a ground floor street facing commercial retail unit. As not all businesses are in storefronts (e.g. offices, industrial spaces etc.) not all businesses in the city are included in the annual inventory.

The total number of storefronts surveyed is not the entire "universe" of storefronts in the city. The 2020 inventory focused on the high-streets and large storefront clusters, i.e most storefronts in the city. Since 2021, these areas have been fine-tuned each year adding new and missed storefronts in existing survey areas and adding new clusters.

Storefront totals change from year to year due to existing storefronts splitting and merging, new commercial space opening, missed storefronts added, and new areas added.

BUSINESS IMPROVEMENT ASSOCIATIONS (BIAS)

BIAs are non-profit organizations representing property owners and businesses tenants in a retail area. BIAs represent many of the retail high streets in the city.

VACANCY CODING

A storefront is considered "vacant" if it is unoccupied, regardless of lease status or permitting status during the annual spring field survey, i.e., the space appears "inactive" and could be occupied. Vacancy includes storefronts used for storage. Storefronts under tenant improvement are considered "Vacant Under Construction" as the space is unavailable, and the work could take more than a year to complete. This category is separate from vacant.

HEALTHY VACANCY

The 2020 Retail-Commercial District Small Business Study recommended storefront vacancy as an indicator of retail health. Specifically, the study identified 5-7% as the target range of healthy vacancy. Over 10% was described as unhealthy. This report uses 5-10% as the threshold for health vacancy levels in an area.

INDEPENDENT STOREFRONTS

Independents have less than 4 locations. Chains refer “to an organization operating four or more outlets in the same industry class under the same legal ownership at any time during the survey year” source.

TURNOVER

Turnover refers to storefront sites that have changed between inventory years. A site with an opening and closing is only counted once.

OPENINGS AND CLOSINGS

Openings represent all businesses that now occupy a space that was either vacant or previously a different business in the prior inventory. Closings represent sites that are now vacant in the current inventory or businesses that changed since the prior inventory.

Both openings and closings do not include “Vacant Under Construction” nor “Non-Retail” sites.

DATA FIDELITY

A master index tracks all storefront spaces in each inventory year to track revisions. Any errors identified are corrected back through each inventory year as appropriate.

BUSINESS CATEGORY

The use of general business category aggregates businesses of common business types. The following table provides a break down of each category by business type and provides examples.

BUSINESS CATEGORY	Business Type e.g., examples
AUTOMOTIVE GOODS & SERVICES	Car services e.g. Gas Station, Car Service, Car Sales, Car Rentals
	Car goods e.g. Car parts
COMPARISON GOODS	Office goods e.g. Office supplies, Stationary
	Art goods e.g. Art gallery & framing, Camera & photo, Antiques, Records & physical media, Musical Instruments
	General merchandise e.g. Second-hand merchandise, General store, Dollar store
	Clothing e.g. All clothing and specialty clothing stores
	Accessories e.g. Luggage and bags, Jewelery, Footwear
	Home goods e.g. Housewares, Appliances, Electronics, Furniture, Home furnishings, Linen
	General hardware e.g. Hardware, Building supplies & services
	Specialty hardware e.g. Paint, Garden Supplies
	Sporting goods e.g. Sporting goods, Bicycle
	Personal goods e.g. Bookstore, Toys & hobbies, Gifts, Glasses & lens, Pets & pet supplies
CONVENIENCE GOODS	Food retail e.g. Supermarket, Grocer & produce, Convenience, Specialty, Other food retail
	General pharmacy e.g. Pharmacy only, Pharmacy plus (sells some additional products), Pharmacy full retail mix
	Convenience Retail e.g. Health & beauty, Specialty
	Regulated goods e.g. Liquor, Cannabis, Other regulated goods
ENTERTAINMENT & LEISURE	Entertainment venue e.g. Live performance venue, Digital entertainment, Cultural venue, Casino, Recreation
	Exercise venue e.g. Fitness & yoga & martial arts
FOODS & BEVERAGE	Drinks & beverages e.g. Bar or pub, Cafe & specialty
	Food services e.g. Fast food, Restaurant, Specialty
SERVICE COMMERCIAL	Personal services e.g. Barber & salon, Shoe repair, Dry cleaner & laundromat, Tailor, Optometrist, Video rental & sales, Travel agency, Cell service
	Office services e.g. Printing & delivery, Office services, Instructional, Elementary & secondary school
	Professional services e.g. Health services, Medical & dental offices, House & property services, Financial services, Legal & Accounting services, Professional services, Repair & trade services, Business services, Animals services
	Community Services e.g. Government & social services, Community centres & organizations

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