

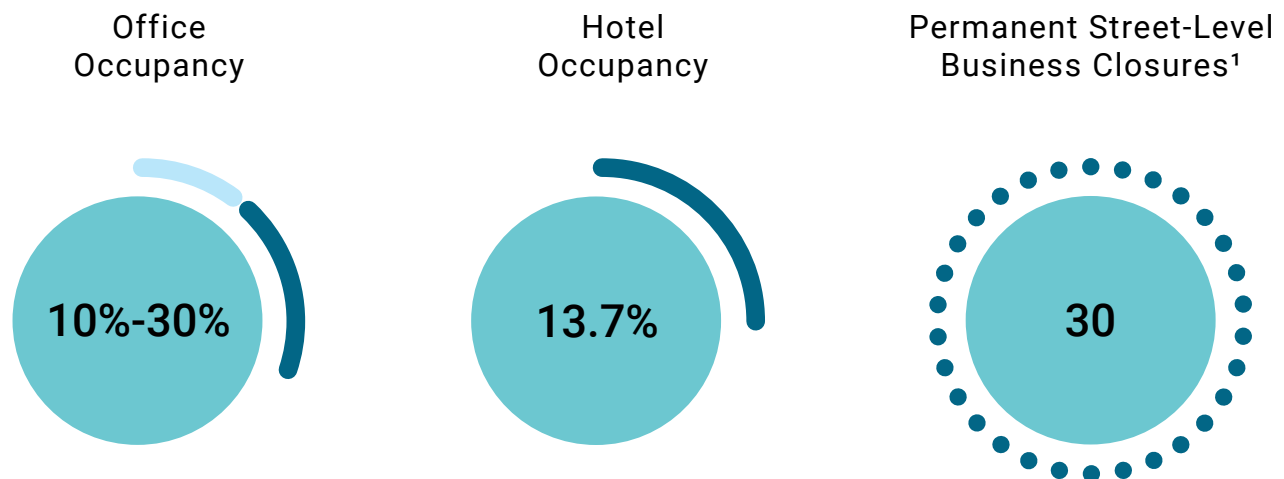
DOWNTOWN VANCOUVER COVID-19 ECONOMIC IMPACT & RECOVERY SNAPSHOT

August 2020

EXECUTIVE SUMMARY

Since BC entered Phase 3 of its Restart Plan, the DVBIA has been tracking the impacts of the pandemic and downtown's gradual economic recovery. The primary focus is downtown Vancouver's office market, hotel occupancies, pedestrian traffic and retail mix. Metro Vancouver data is used to analyze employment.

The preliminary analysis highlights downtown's 'hockey stick' shape recovery granted it varies between sectors, levels are still well below the same period last year and the future remains uncertain. April was the lowest point in terms of regional employment, hotel occupancies and pedestrian traffic. Office occupancy rates remain low as workplaces have advised employees to work from home or implemented rotating office schedules. Although street-level businesses are open, there has been a wave of closures. Notably, increasingly more gift shops are permanently closing.

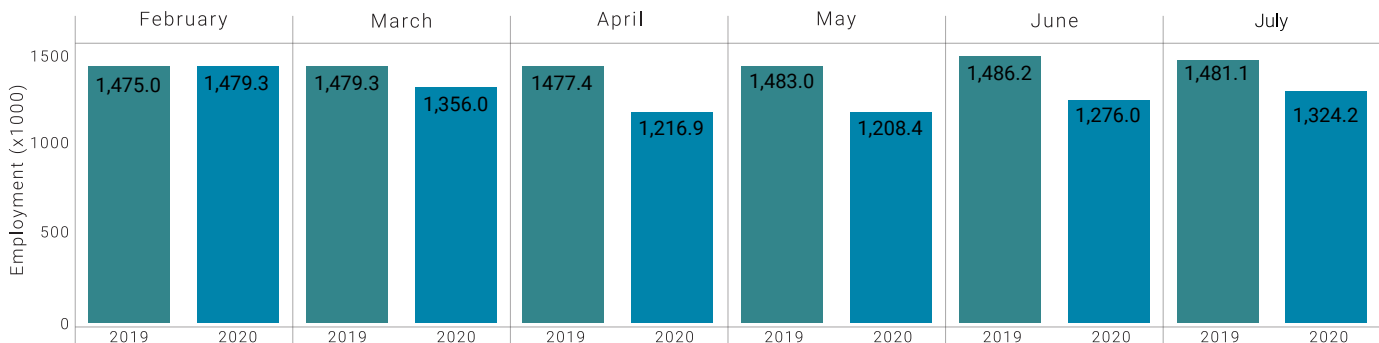


¹ In the DVBIA's catchment since March. Based on August business inventory counts on Alberni/Thurlow, Canada Place, Granville, Hornby, Nelson, Robson (300 to 900 block), West Hastings (Jervis to Richards) and West Pender, in addition to data shared by Breaking Bread.

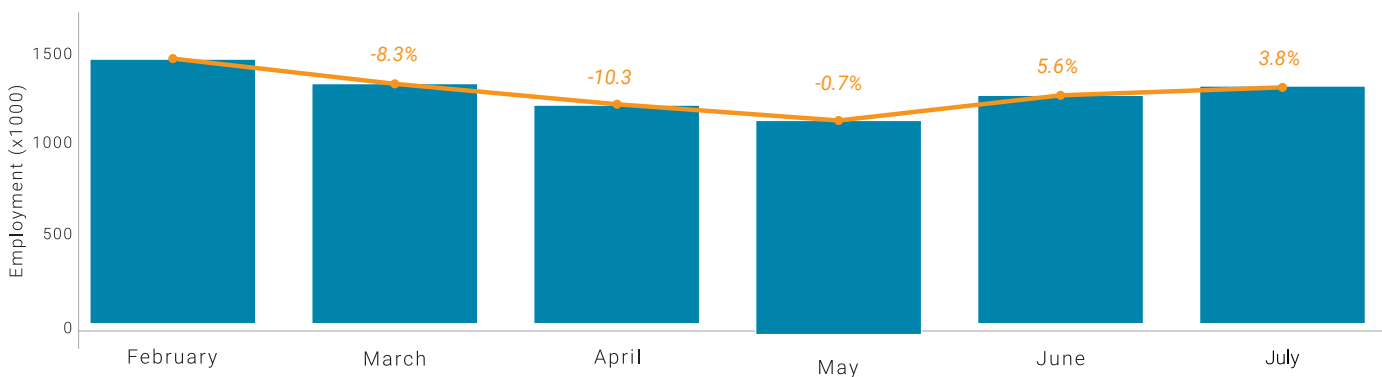
METRO VANCOUVER EMPLOYMENT

Metro Vancouver employment decreased 19 per cent between February and May but rebounded 9 per cent between June and July. July's unemployment rate dropped to 11.6 per cent from 14.3 per cent in June. Most job gains were part-time work. Accommodation and foodservices remain one of the most impacted sectors. Women, young people and low-income earners were most affected by job losses.

Metro Vancouver Employment by Year

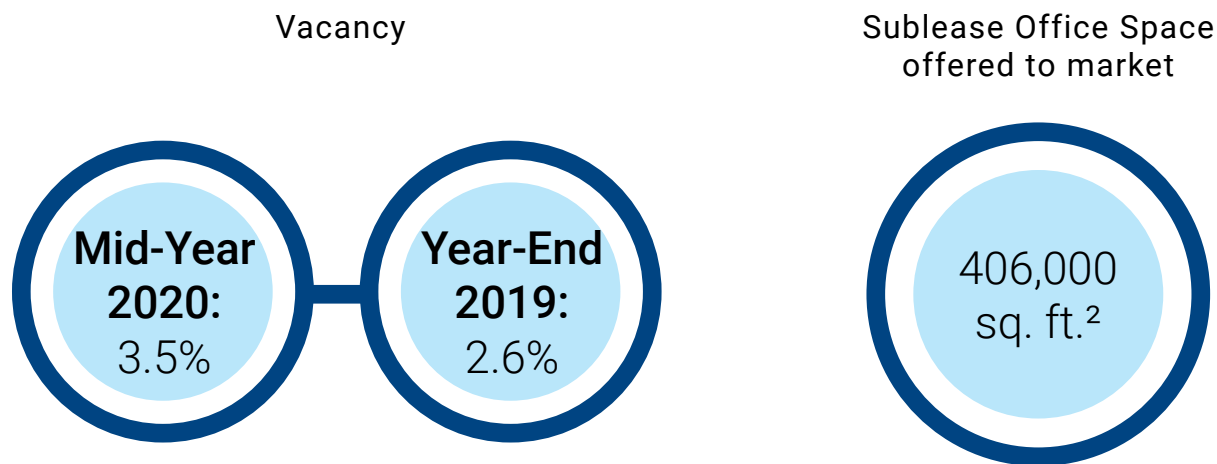


Metro Vancouver Employment by Month (2020)



DOWNTOWN VANCOUVER OFFICE MARKET

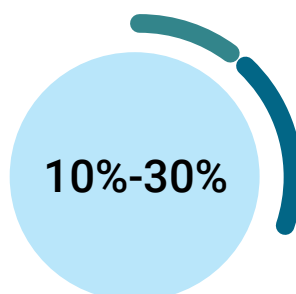
According to Avison Young, downtown office vacancy rose to 3.5 per cent at mid-year 2020 from 2.6 per cent at year-end 2019. The increase in vacancy is almost entirely due to growing sublease supply. Class AAA office space recorded the least increase in vacancy. Avison Young recorded 60,586 square feet in negative absorption, the first time that negative first-half absorption has been recorded downtown since 2014. Nonetheless, downtown's office market supply remains constrained. Most new developments have experienced very little to no delays.



DOWNTOWN VANCOUVER OFFICE OCCUPANCY

Office occupancy varies depending on the building, tenant mix and day. Tech companies and large multi-floor firms have lower occupancy rates than small to mid-size tenants (e.g., smaller law and accounting firms, financial advisors and architects). More people appear to be driving a vehicle to work; however, parkades and surface parking lots are still relatively vacant due to fewer transient parkers. There has also been an increase in people cycling to work.

Estimated Office Occupancy Rates

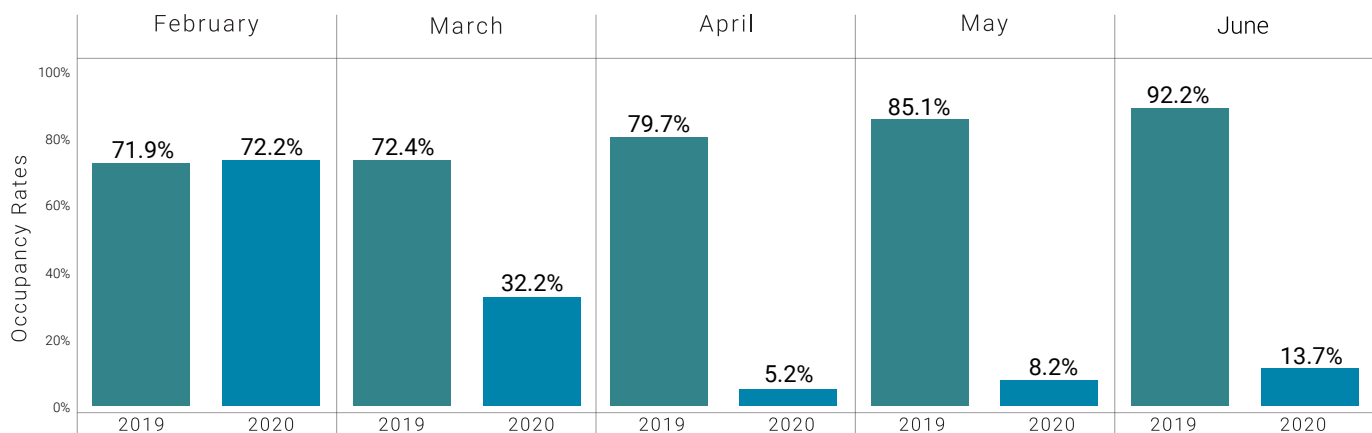


*Sample size: 26 buildings representing more than 6 million square feet of office space.

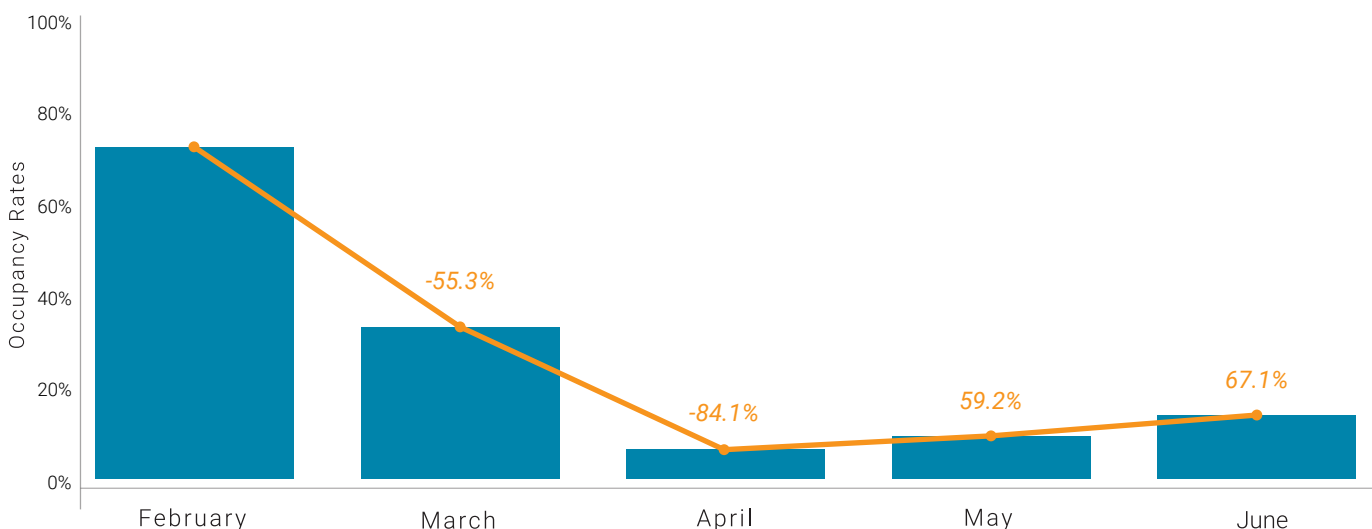
DOWNTOWN VANCOUVER HOTEL OCCUPANCY

The suspension of the cruise ship season, the cancellation of large conventions and events, and restrictions on international travel have severely impacted downtown Vancouver hotels. Downtown hotel occupancy rates rebounded from 8 per cent in May to 13 per cent in June; however, levels are still well below the June seasonal average of 92 per cent.

Downtown Hotel Occupancy Rates by Year



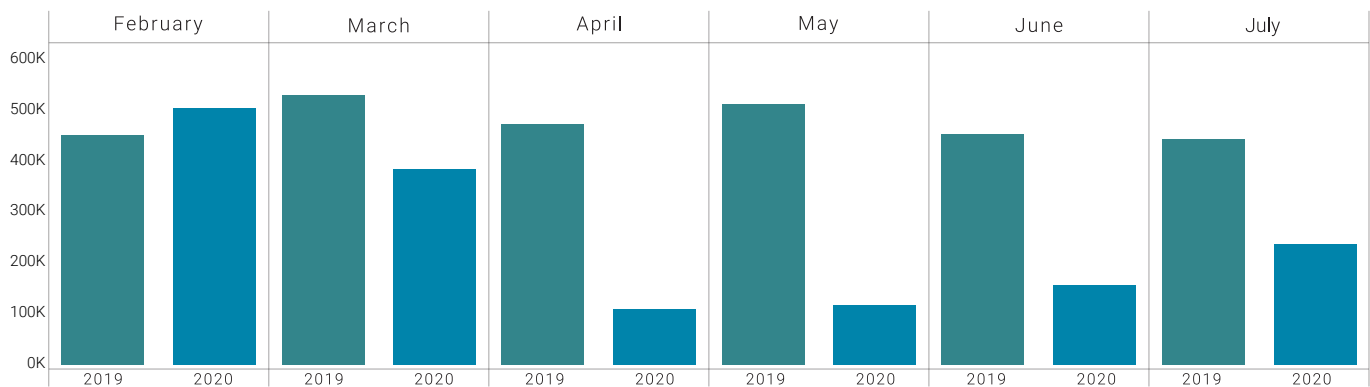
Downtown Hotel Occupancy Rates by Month (2020)



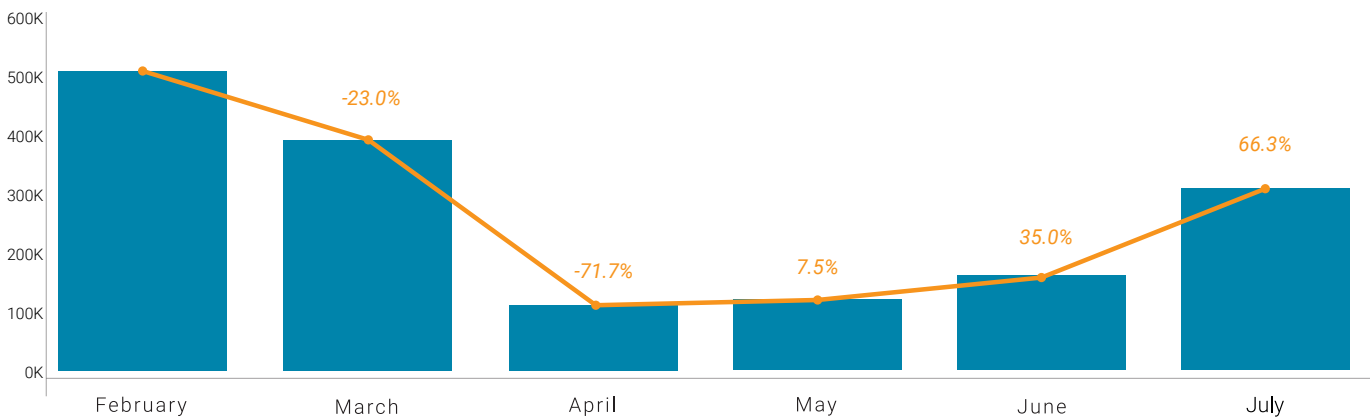
DOWNTOWN VANCOUVER PEDESTRIAN TRAFFIC

Pedestrian traffic along downtown's retail corridors (e.g., West Hastings, Granville and Alberni streets) doubled between April and July. July pedestrian traffic is slightly more than half the levels they were in 2019. Peak times for pedestrian traffic are between 12:00pm and 3:00pm. Weekdays tend to be busier than weekends.

Total Downtown Pedestrian Counts by Year



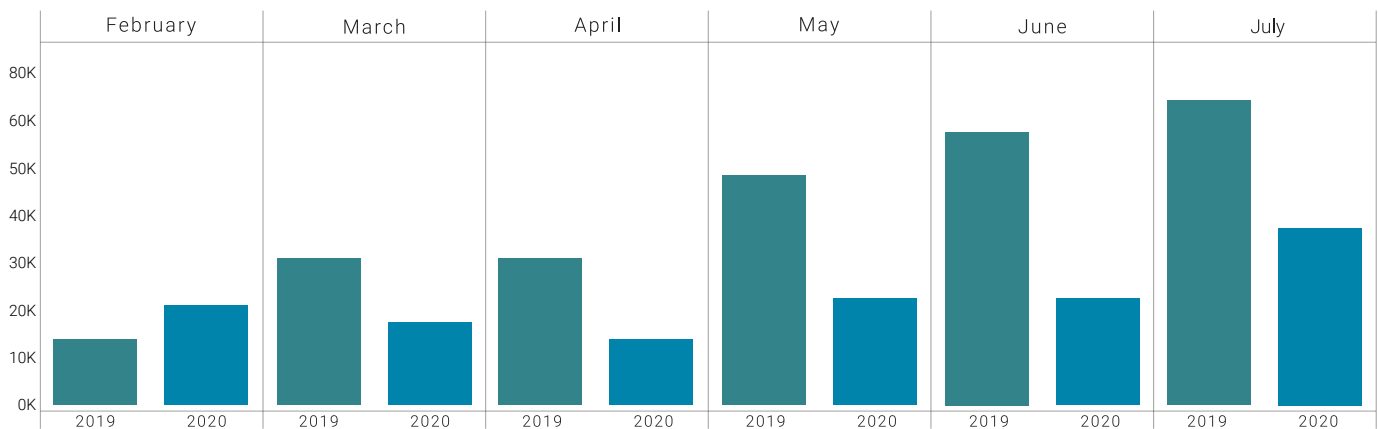
Total Downtown Pedestrian Counts by Month (2020)



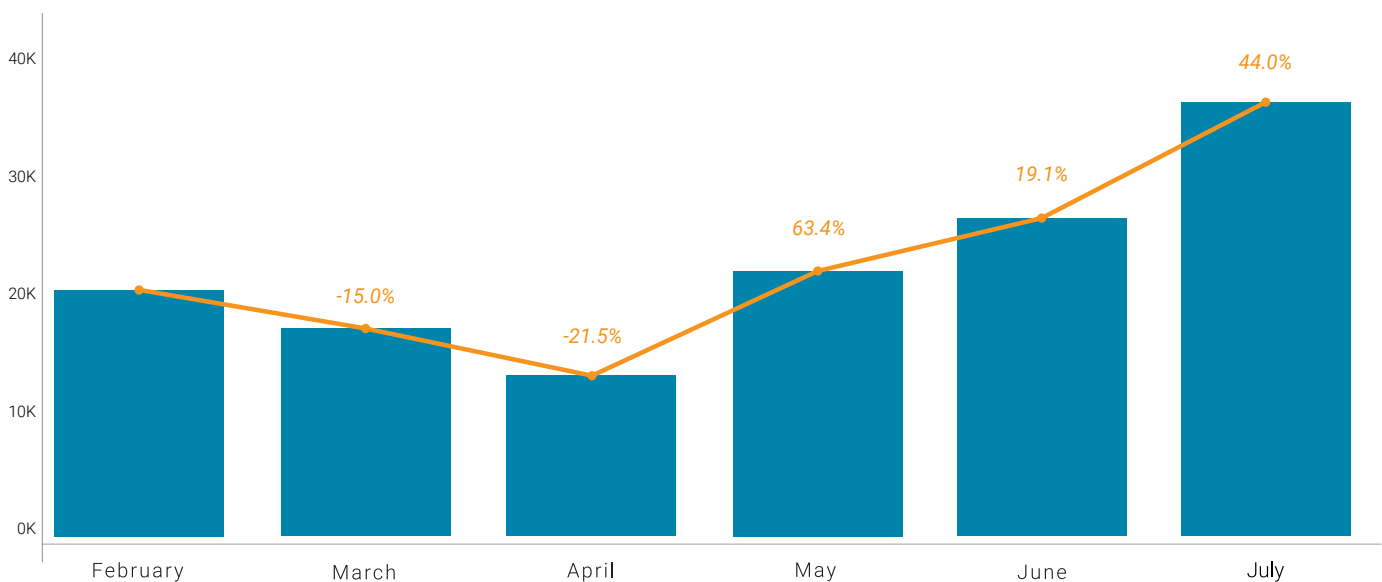
DOWNTOWN VANCOUVER BIKE-SHARE RIDERSHIP

The number of bike-share departure trips in the downtown peninsula increased by 124 per cent between April and July, granted seasonality and good weather are factors. July bike-share ridership was approximately 58 per cent of what it was last year. In early April, the Stanley Park seawall was closed to cyclists to prevent crowding and to encourage physical distancing. Cyclists were diverted to Stanley Park Drive.

Total Bike-share Departure Trips by Year



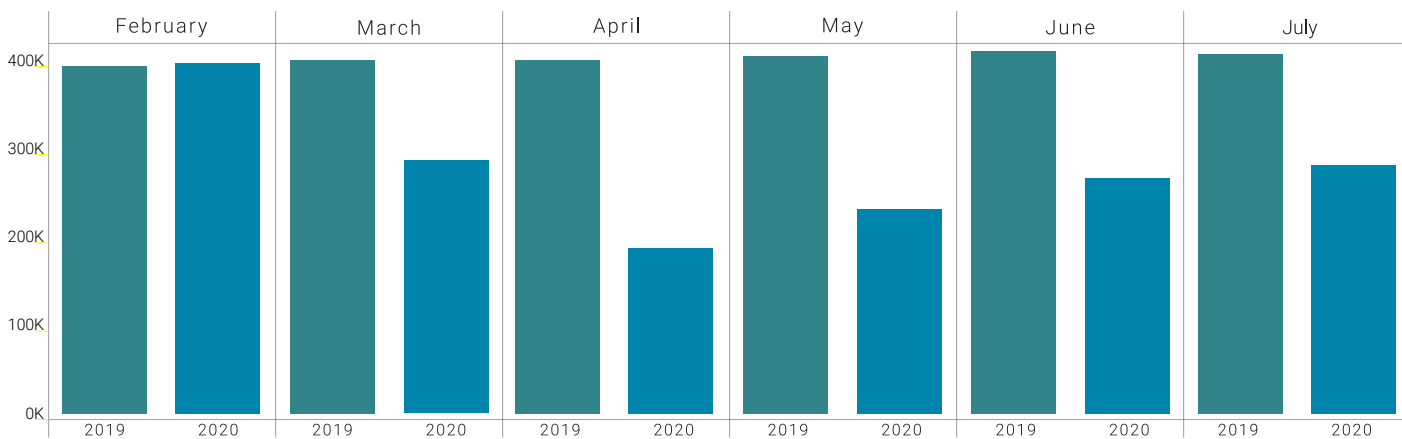
Total Bike-share Departure Trips by Month (2020)



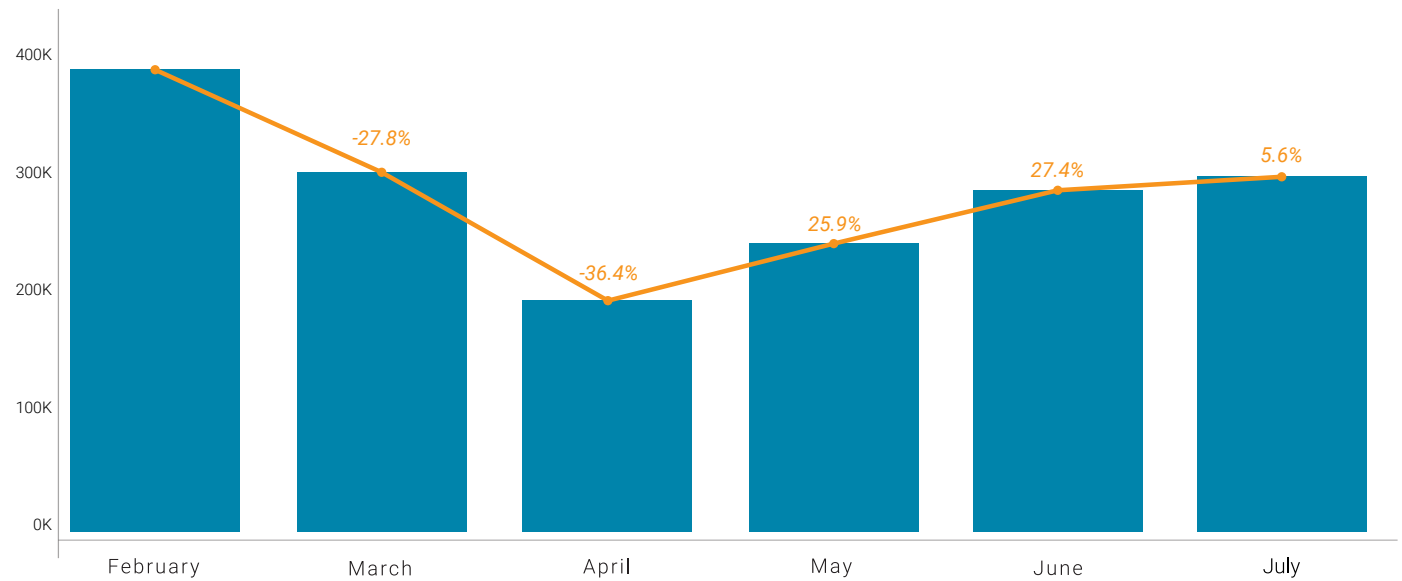
DOWNTOWN VANCOUVER VEHICLE TRAFFIC³

Average weekly traffic in select downtown areas⁴ increased by 69 per cent between April and July. July traffic for the select areas was approximately 75 per cent of what it was last year. Weekdays continue to be busier than weekends. Although traffic has rebounded, traffic counts include vehicles passing through downtown and are not indicative of the total number of vehicles parking downtown, nor the number of people travelling to or from downtown for work or leisure.

Average Downtown Weekly Traffic by Year



Average Downtown Weekly Traffic by Month (2020)



³ Disclaimer: This analysis is based on data from the City of Vancouver, and the opinions expressed do not represent the views of the City of Vancouver. Please contact the City of Vancouver for official transportation metrics for public release.

⁴ Weekly traffic data is not inclusive of total downtown traffic. Select areas include Beatty and Nelson (SB onto the bridge), Burrard and Pacific (SB onto the bridge), Granville and Drake (SB onto the bridge), and Howe and Drake (SB onto the bridge).

DOWNTOWN VANCOUVER STREET-LEVEL BUSINESSES

At least 30 street-level businesses have permanently closed⁵ since late March. About half of business closures are food and drinking places – of which ~50 per cent are independent businesses. Most retail closures are clothing/shoes chains. Granville Street experienced more permanent closures (n=21) compared to other downtown areas. At least two closures are due to proposed redevelopment on the 800 and 900 blocks of Granville Street. For context, Granville generally has greater business churn compared to other downtown areas. In 2018, a total of 16 street-level businesses closed on Granville Street. As of August 10th, 33 of 154 Granville street-level businesses are vacant. It is important to note that the provincial government has banned commercial evictions for eligible businesses during COVID-19. 86 per cent of open Granville street-level retail and food and drinking places have an online presence, while 68 per cent offer online ordering either through their website or a third-party mobile delivery app.

Number of Closed Businesses

Alberni/Thurlow

- Permanently Closed: **1**
- Temporarily Closed: **1**

Granville

- Permanently Closed: **21**
- Temporarily Closed: **11**

Robson (300 to 900 block)

- Permanently Closed: **2**
- Temporarily Closed: **5**

West Hastings (Jervis to Richards)

- Permanently Closed: **1**
- Temporarily Closed: **26**

West Pender

- Permanently Closed: **2**
- Temporarily Closed: **8**

Hornby

- Permanently Closed: **0**
- Temporarily Closed: **3**

Notable New Business

- **Body Energy** - 945 Granville
- **Body Energy** - 1198 W. Pender
- **Brunch** - 1147 Granville
- **Chit Chat Burger** - 955 Granville
- **F45 Training** - 348 Granville
- **Muse Cannabis** - 460 Granville
- **Rodeo Jewellers** - 855 W. Hastings

Notable Business Closures

- **Café Crepe** - 574 Granville St.
- Operated for ~20 years
- **The Lennox Pub** - 800 Granville St.
- Operated for ~20 years
- **Charlie Rasso Art Gallery**
- Operated for ~10 years
- **Frites Fries with Benefits** - 1011 Granville St.
- Operated for ~6 years
- **Granville Gifts** - 752 Granville St.
- Operated for ~2 years

⁵ Based on August business inventory counts on Alberni/Thurlow, Canada Place, Granville, Hornby, Nelson, Robson (300 to 900 block), West Hastings (Jervis to Richards) and West Pender streets, in addition to data shared by Breaking Bread.

SOURCES

Avison Young
Breaking Bread
City of Vancouver
CBRE
DVBIA
Statistics Canada
STR
Tourism Vancouver
Vancouver Bike Share

TECHNICAL NOTES

All information presented is based on the best available data at the time of development. The data was obtained from sources deemed reliable; however, it is not guaranteed by the DVBIA.

Vehicle traffic data was provided by the City of Vancouver to the DVBIA. Sensors may contain some uncertainty (<10% difference). The analysis of City of Vancouver's traffic data, and the opinions expressed in this report do not represent the views of the City of Vancouver. Please contact the City of Vancouver for official transportation metrics for public release.

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