

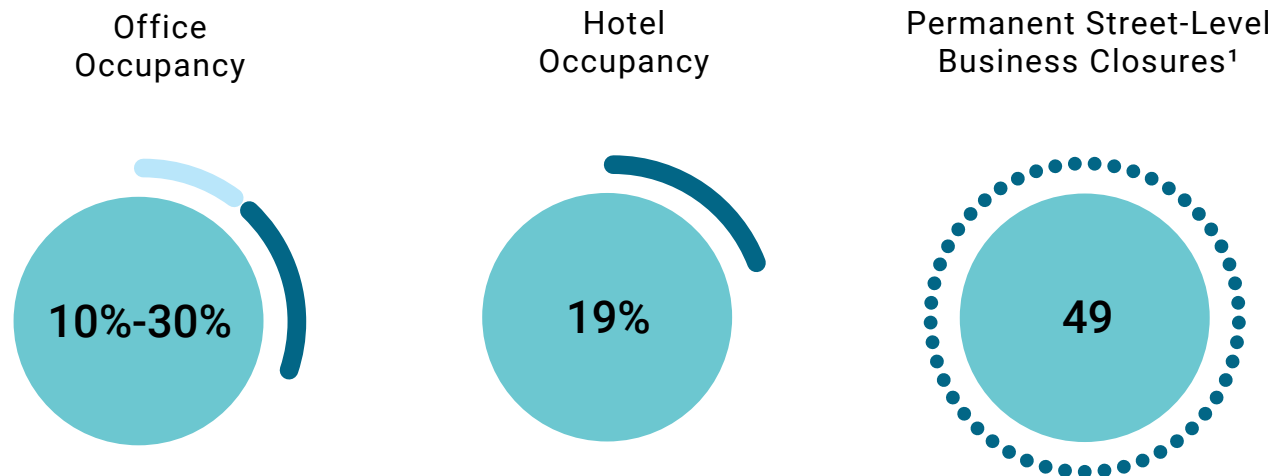
DOWNTOWN VANCOUVER COVID-19 ECONOMIC IMPACT & RECOVERY SNAPSHOT

September 2020

EXECUTIVE SUMMARY

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

The number of active COVID-19 cases in BC has steadily increased since August. As autumn begins, it remains uncertain how businesses, especially restaurants, will be impacted. Office occupancy rates remain low as people continue to work from home and at least 12 additional street-level businesses have closed. Key events since August include mandatory face masks on public transit, students returning back to school, the release of BC's COVID-19 Economic Recovery Plan, and the extension of the City of Vancouver's temporary patio program. The federal government announced in late September employment insurance reforms and the extension of the Canada Emergency Wage subsidy into summer 2021. However, with federal programs like the Canada Emergency Response Benefit and the Canada Emergency Commercial Rent Assistance program nearing an end, the next six months will be crucial for businesses as they assess their finances and await greater details of future revamped federal supports.

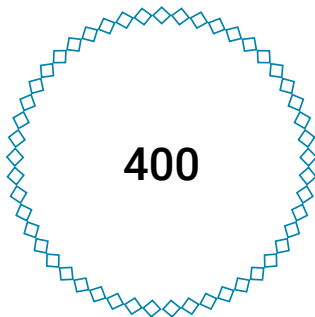


¹ In the DVBIA district since early April. Based on September business inventory counts on Alberni/Thurlow, Canada Place, Granville, Hornby, Nelson, Robson (300 to 900 block), West Hastings (Jervis to Richards) and West Pender streets, in addition to data shared by Breaking Bread and notable closures reported in the media.

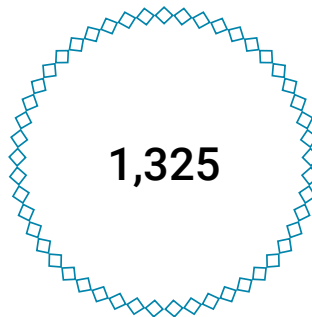
COVID-19 REPORTED CASES

Between January 1st and August 31st there have been 400 reported COVID-19 cases among residents living within the downtown peninsula. A notable outbreak occurred in April at a long-term care home. For the same period, a total of 1,325 COVID-19 cases were reported among City of Vancouver residents, representing approximately 17 per cent of BC's total cases. In September, the Provincial Health Officer placed new restrictions on the sale of alcohol after a spike in cases at pubs and restaurants. The updated restrictions include a 10:00pm cut-off for alcohol sales at bars and restaurants. Bars and restaurants were also ordered to close at 11:00 pm unless they provide full food service.

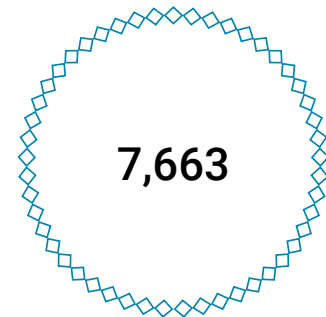
Total Reported Downtown
Peninsula COVID-19 Cases



Total Reported Vancouver
COVID-19 Cases



Total Reported BC
COVID-19 Cases²



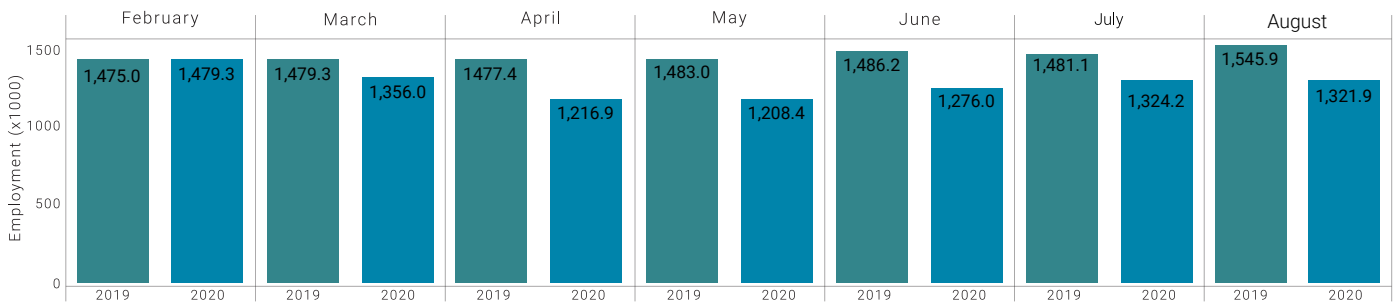
² Period: January 1st to September 17th

SOURCES: BC Centre for Disease Control, Vancouver Coastal Health

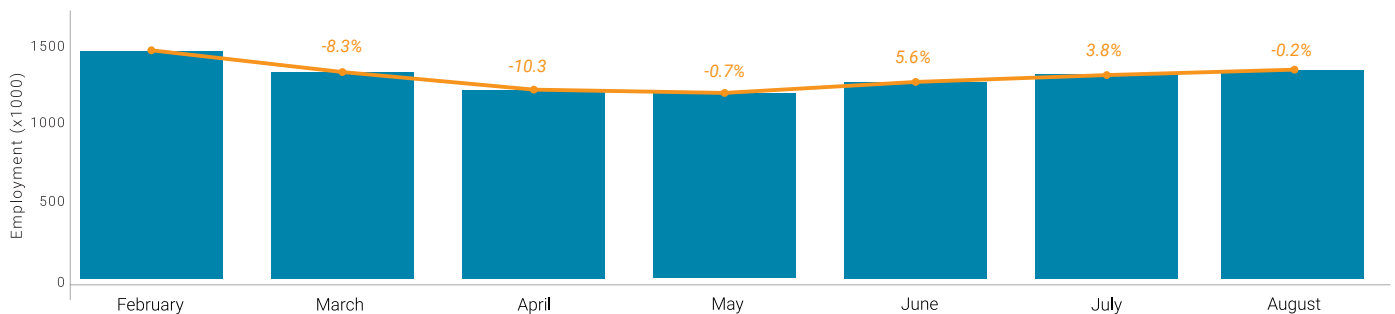
METRO VANCOUVER EMPLOYMENT

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, but slightly increased to 12.4 per cent in August. Metro Vancouver's February unemployment rate was 4.6 per cent. Nationally, most July job gains were part-time work in retail, foodservices and accommodations, while August saw more full-time job gains, mostly in education.

Metro Vancouver Employment by Year

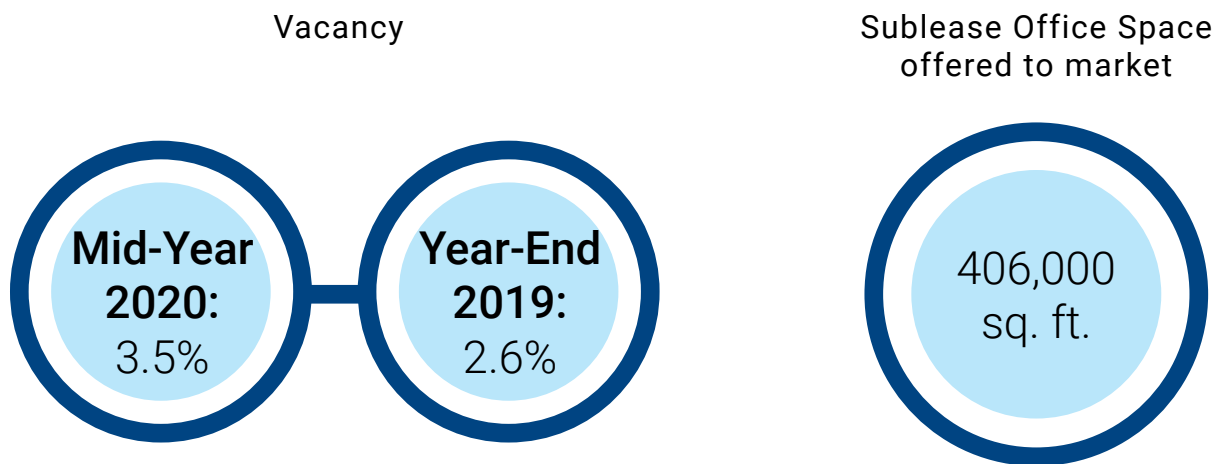


Metro Vancouver Employment by Month (2020)



DOWNTOWN VANCOUVER OFFICE MARKET

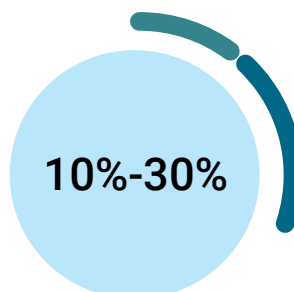
According to Avison Young, downtown office vacancy rose to 3.5 per cent at mid-year 2020 from 2.6 per cent at year-end 2019. The increase in vacancy is almost entirely due to growing sublease supply. Class AAA office space recorded the least increase in vacancy. Avison Young recorded 60,586 square feet 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 and there has been little change since the workforce began to work from home. 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.

Estimated Office Occupancy Rates

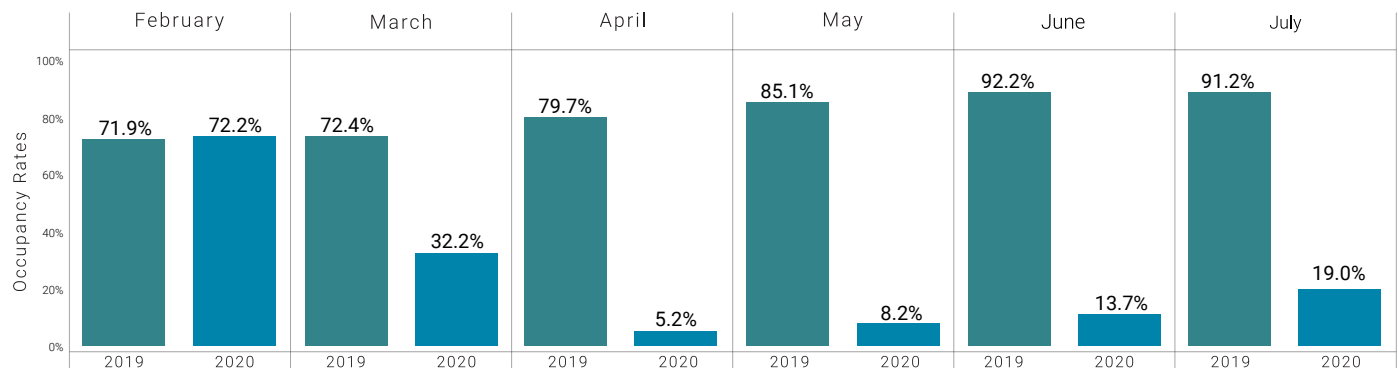


*Sample size: 26 buildings representing more than 6 million square feet of office space.

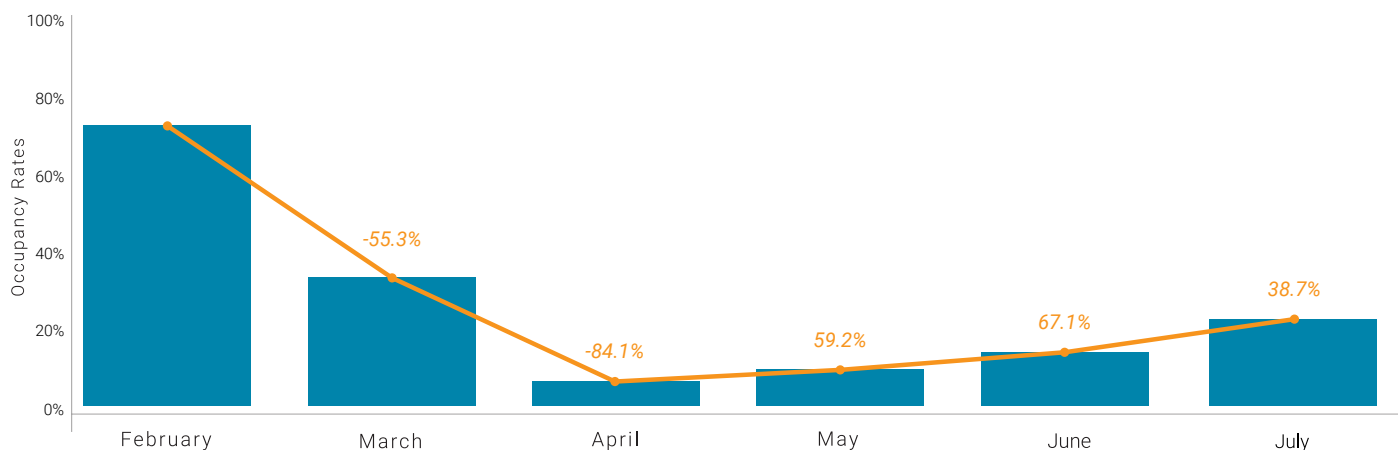
DOWNTOWN VANCOUVER HOTEL OCCUPANCY

Downtown hotel occupancy rates rebounded from 8 per cent in May to 19 per cent in July but are still well below the July seasonal average of 91 per cent. There was an 87 per cent decrease in July YVR airport passengers compared to the same period last year; however, YVR airport passengers increased 71 per cent since June. The BC tourism industry was advocating for \$680 million in provincial funding to rebuild post-COVID-19. In September, the provincial government unveiled its COVID-19 Economic Recovery Plan and pledged \$100 million to the tourism industry alongside the commitment to establish a tourism recovery taskforce to decide how to allocate \$50 million during the current fiscal year.

Downtown Hotel Occupancy Rates by Year



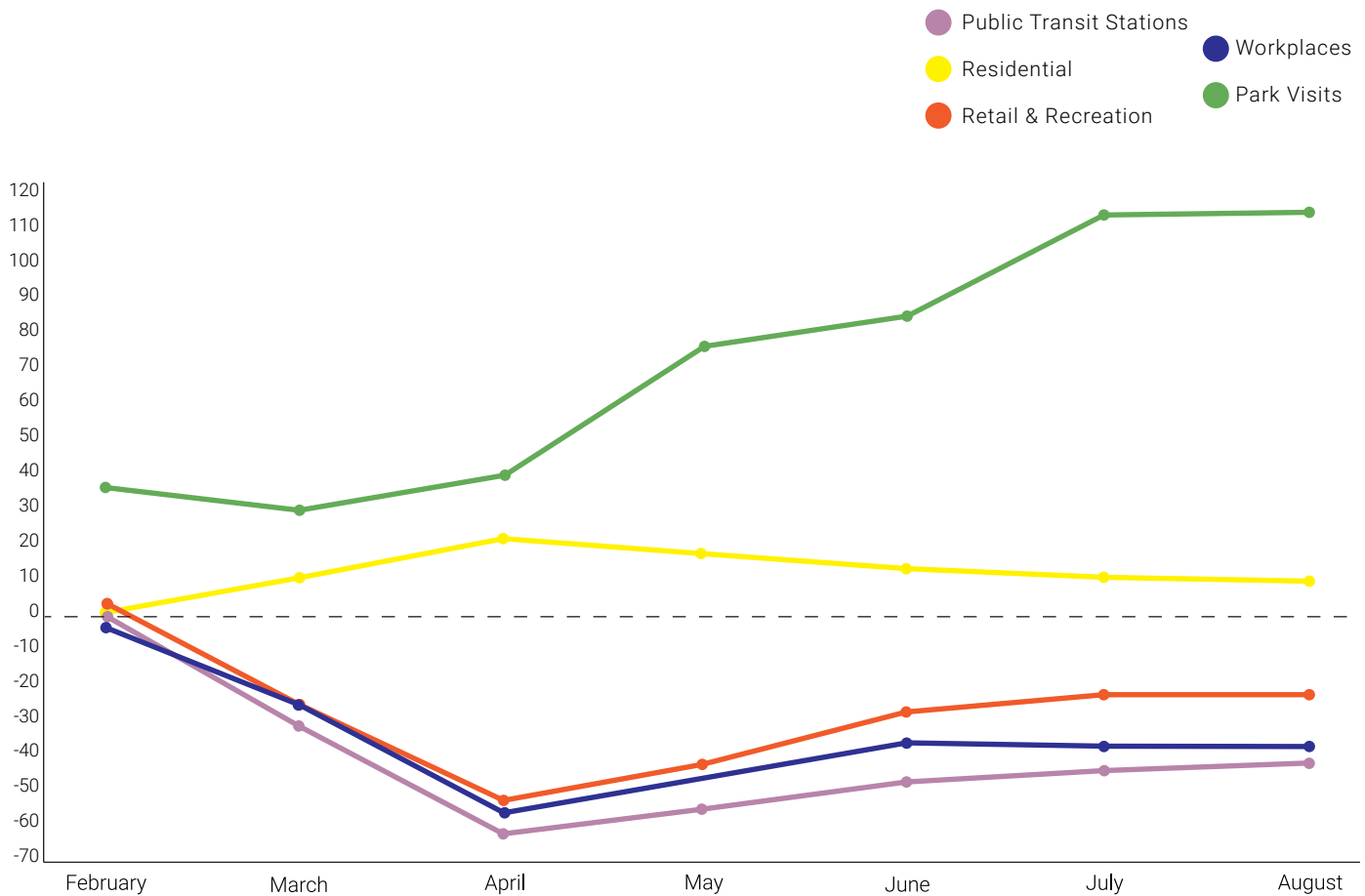
Downtown Hotel Occupancy Rates by Month (2020)



METRO VANCOUVER MOBILITY

Metro Vancouver mobility data highlights the increased percentage of people visiting parks or staying at home and the decreased percentage of people at workplaces, public transit stations and retail locations compared to the same periods last year. By the end of August, park visits more than doubled while visits to workplaces and public transit stations were at least 40 per cent below 2019 levels.

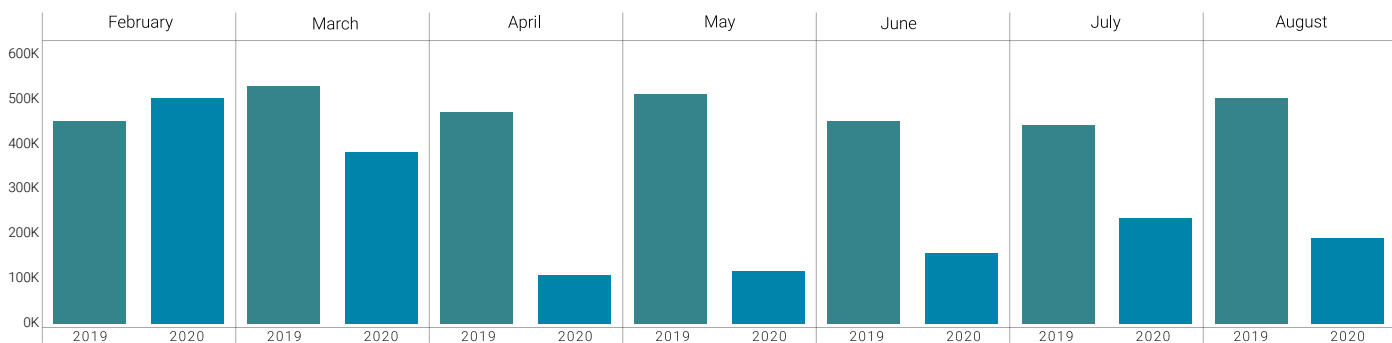
Metro Vancouver % change in visits from baseline



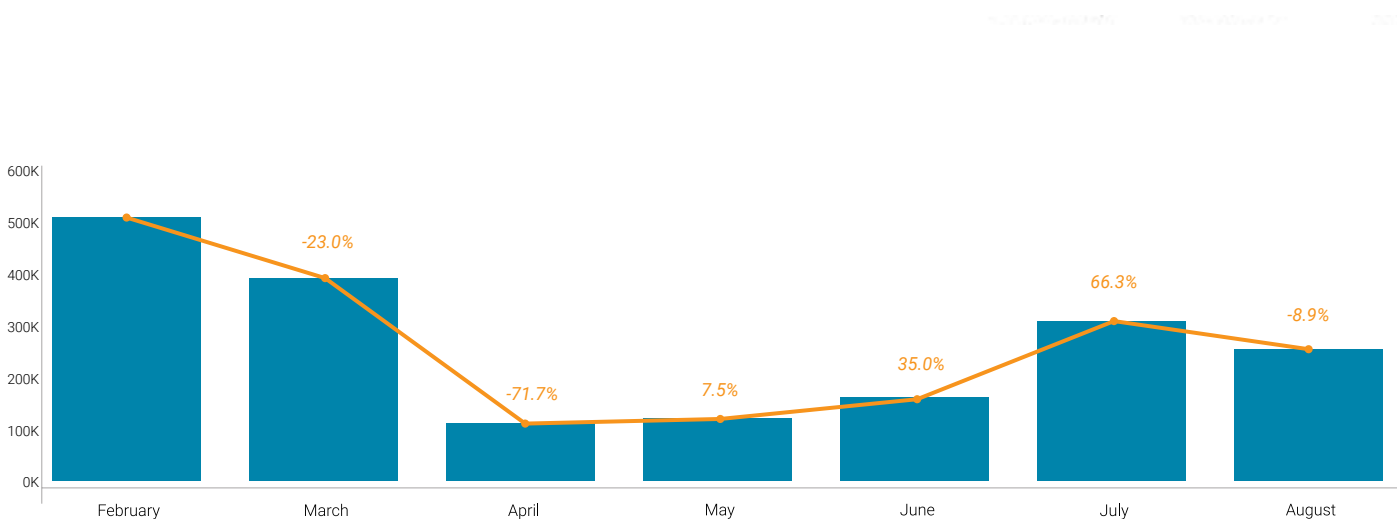
DOWNTOWN VANCOUVER PEDESTRIAN TRAFFIC

Total pedestrian traffic along downtown's retail corridors (e.g., West Hastings, Granville and Alberni streets) almost doubled between April and July but tapered in August and is about slightly less than half of what it was for the same period last year. On Granville, downtown's public transit hub, August's average weekday foot traffic was 2,919, a 69 per cent decrease compared to 2019. Friday August 14th was Granville's busiest day of the month. Weekdays tend to be busier than weekends, granted weekday and weekend foot traffic since the advent of COVID-19 varies week-to-week depending on the number of office workers, the weather and holidays.

Total Downtown Pedestrian Counts by Year



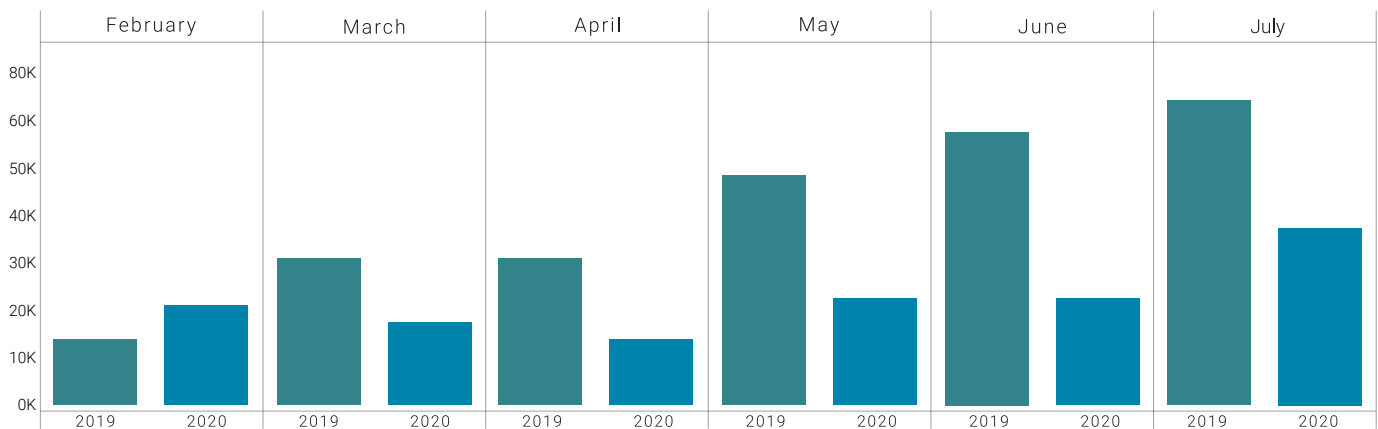
Total Downtown Pedestrian Counts by Month (2020)



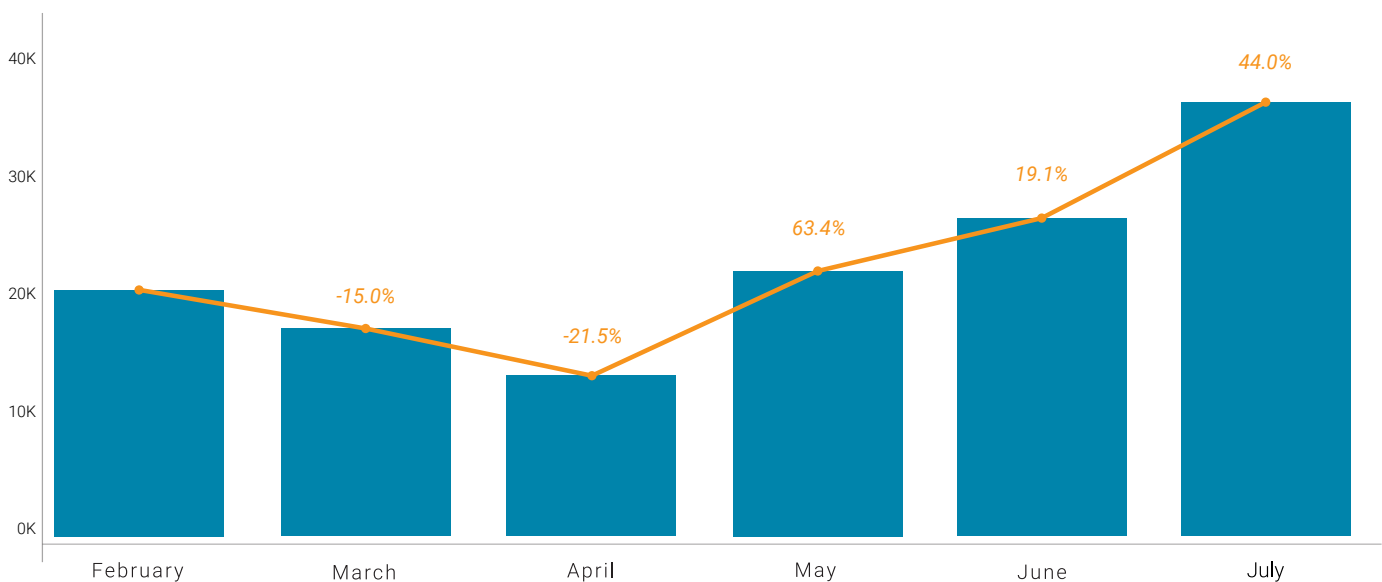
DOWNTOWN VANCOUVER BIKE-SHARE RIDERSHIP

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 where eventually one lane of traffic opened for vehicles. In September, the Vancouver Park Board announced that Stanley Park will reopen the seawall to cyclists along with full vehicle access in the park.

Total Bike-share Departure Trips by Year



Total Bike-share Departure Trips by Month (2020)



DOWNTOWN VANCOUVER STREET-LEVEL BUSINESSES

At least 49 street-level businesses have permanently closed³ since a state of emergency was declared mid-March. About half of closures are independent businesses. New businesses have opened during this period, albeit at a slower rate. Trump International Hotel at 1161 West Georgia and Joe Fresh at 540 Granville are recent notable closures. At least three Granville closures are due to the slated redevelopment of the 900 block. Granville generally experiences greater business churn compared to other downtown streets. In 2019, 16 Granville businesses closed compared to 24 closures to date in 2020. As of September 18th, 35 of 154 Granville storefronts are vacant. 86 per cent of open Granville retail and food services have an online presence, while 68 per cent accept online orders through their website or a third-party mobile delivery app. In August, the provincial government extended the ban on commercial evictions for eligible businesses until the end of September.

Number of Closed Businesses

Alberni/Thurlow

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

Granville

- Permanently Closed: **24**
- Temporarily Closed: **7**

Robson (300 to 900 block)

- Permanently Closed: **8**
- Temporarily Closed: **0**

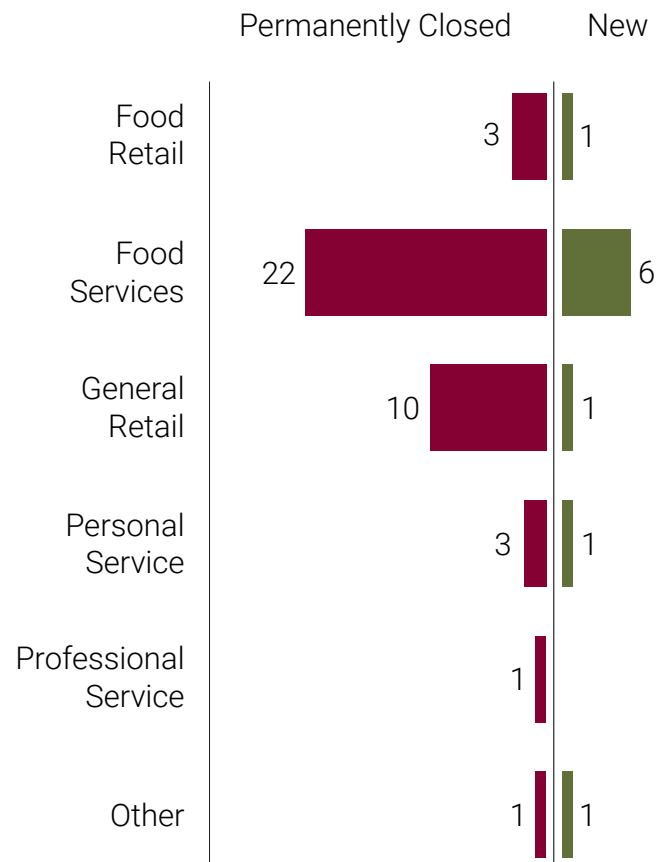
West Hastings (Jervis to Richards)

- Permanently Closed: **5**
- Temporarily Closed: **12**

West Pender

- Permanently Closed: **2**
- Temporarily Closed: **4**

2020 Closed and New Businesses by Type



³ Based on September 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 and notable closures reported in the media.

SOURCES

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

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.

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