

# DOWNTOWN VANCOUVER COVID-19 ECONOMIC IMPACT & RECOVERY SNAPSHOT

October 2020

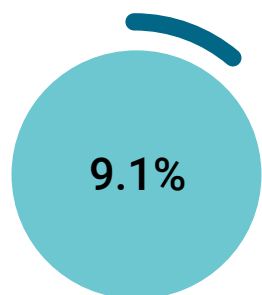
## EXECUTIVE SUMMARY

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.

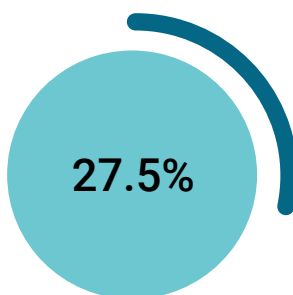
As of October 26th, there were 2,325 active cases of COVID-19 in the province. BC’s consumer price index in September was 0.4 per cent higher (unadjusted) than September 2019. The cost of food rose 1.4 per cent and BC consumers paid more for health and personal care (+3.1 per cent) and meals purchased from restaurants (+2.0 per cent), while the cost of clothing decreased (-4.9 per cent). Metro Vancouver’s unemployment rate dropped, meanwhile downtown office and hotel occupancy rates remained low, pedestrian traffic remained less than half of what it was for the same period last year, and street-level businesses continued to permanently close.

Key national events since September include the federal government’s announcements of the revised Canada Emergency Rent Subsidy (applicants can apply directly through the CRA), the expansion of the Canada Emergency Business Account loan, the broadening of eligibility for people to coming to Canada to include international students, and expanded employment insurance benefits that match the weekly payments of the previous program (CERB) and include additional sick leave and caregiver benefits. In BC, the NDP unveiled the Small and Medium Sized Business Recovery Grant program and won an historic majority government after calling a snap election in late September. In Vancouver, city council extended the temporary patio program until October 2021 and passed a \$30-million homeless action plan.

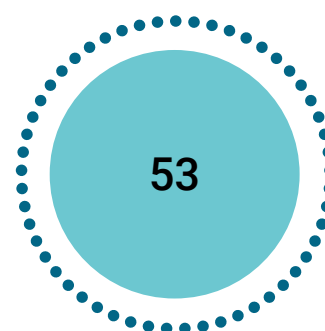
**Metro Vancouver  
Unemployment Rate**



**Downtown Hotel  
Occupancy  
(August)**



**Downtown Street-Level  
Business Closures<sup>1</sup>**

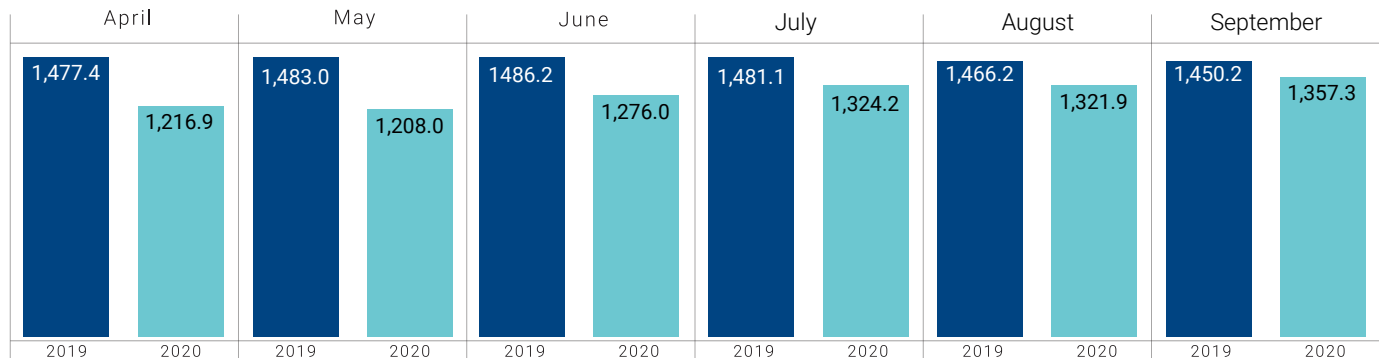


<sup>1</sup> In the DVBIA district since early April. Based on October business inventory counts on Alberni/Thurlow, Canada Place, Granville, Hornby, Nelson, Robson (300 to 900 block), West Hastings (Jervis to Richards) and West Pender streets, in addition to data shared by Breaking Bread and notable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

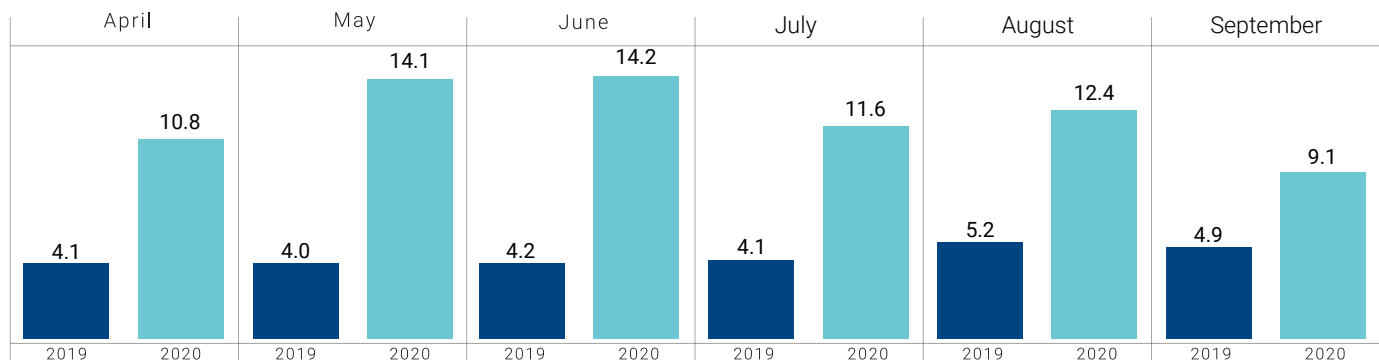
## METRO VANCOUVER EMPLOYMENT

Metro Vancouver employment increased 2.7 per cent in September. September's unemployment rate dropped to 9.1 per cent from 12.4 per cent in August. In February, Metro Vancouver's unemployment rate was 4.6 per cent. Filming has restarted in Vancouver; however, the film industry has been hampered by a shortage of COVID-19 tests. Nationally, most employment gains continued to be full-time work. National employment gains were led by accommodation and food services, educational services, and information, culture and recreation. Among Canadians who worked most of their usual hours, the proportion of people working from home slightly decreased to 25.6 per cent in September.

### Metro Vancouver Employment (x1000) - Seasonally adjusted, last 6 months



### Metro Vancouver Unemployment Rate - Seasonally adjusted, last 6 months



## COVID-19 REPORTED CASES

As of October 26th, there were 2,325 active cases of COVID-19 in BC. Between January 1st and September 31st there have been 697 reported COVID-19 cases among residents living in the downtown peninsula. For the same period, a total of 2,407 COVID-19 cases were reported among City of Vancouver residents. 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. In late October, a record spike (800+) in BC COVID-19 cases prompted the Provincial Health Officer to restrict household gatherings to immediate household members and six additional people.

## COVID-19 Cases in British Columbia

Total cases confirmed by the B.C. government at daily updates to October 26, 2020

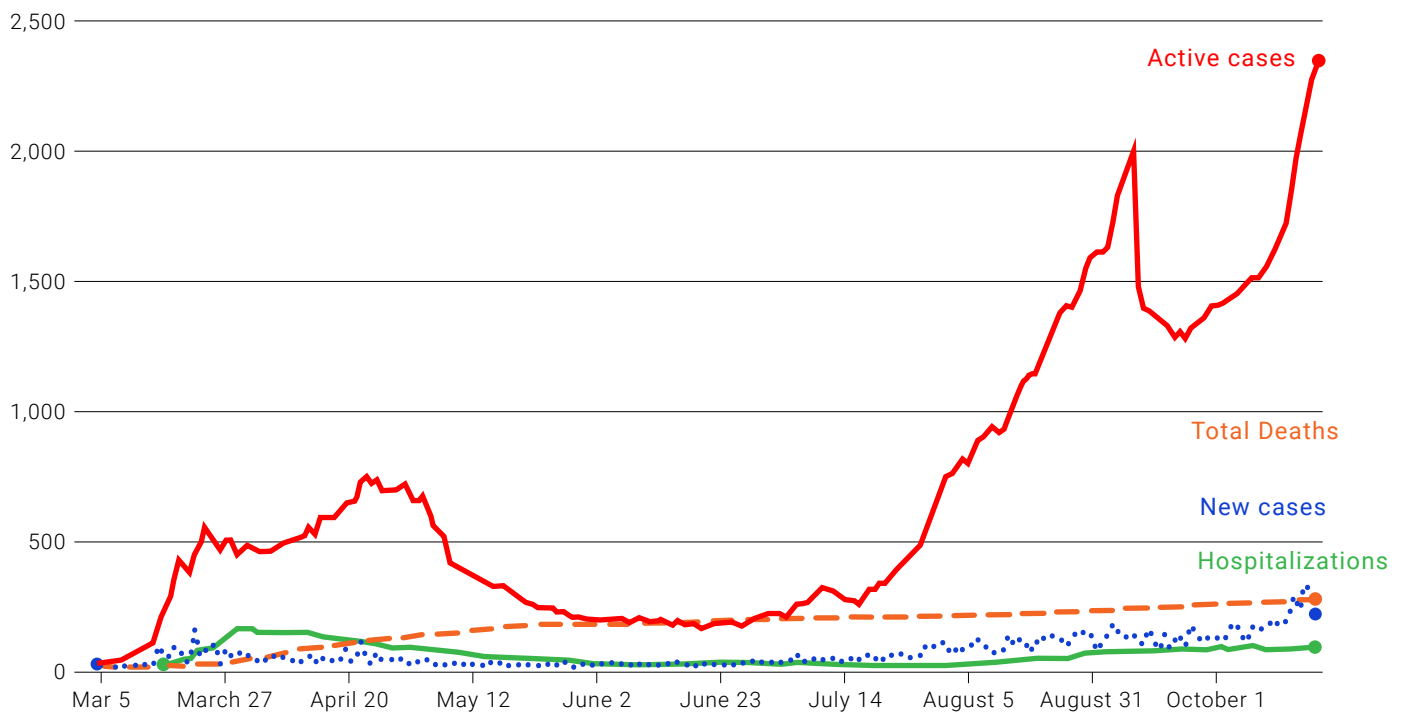
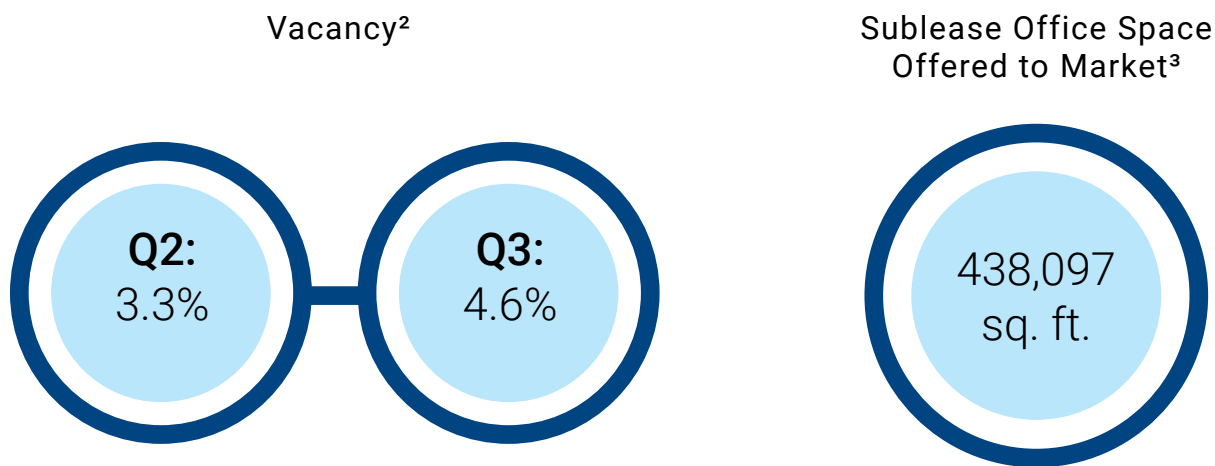


CHART: Justin McElroy (CBC)

## DOWNTOWN VANCOUVER OFFICE MARKET

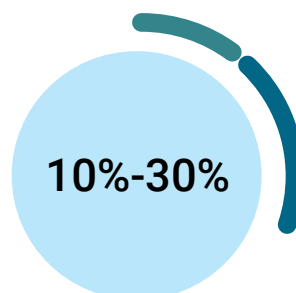
According to CBRE, downtown office vacancy rose to 4.6 per cent in Q3. Vacancy was driven by increases in both direct and sublease space. Average class A rents increased \$0.12 to \$44.74 per square foot. Vancouver continues to be one of North America's tightest and most competitive downtown office markets. According to Avison Young's Q3 Tenant Profile Report, as of September 30th, there were no available options for large tenants seeking contiguous office space of 30,000 square feet or more in a class AAA building. However, there are more available options for small (size requirement: 1,500 to 2,500 square feet) and medium-sized (size requirement: 10,000 to 15,000 square feet) tenants in class A and class B buildings.



## DOWNTOWN VANCOUVER OFFICE OCCUPANCY

Office occupancy varies depending on the building, tenant mix and day, but on average it has ranged between 10 per cent and 30 per cent since the advent of the pandemic. Some smaller buildings' occupancy rates are as high as 70 per cent, while some larger buildings' occupancy rates are as low as 9 per cent. 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). According to Kastle Access Control System Data of 10 US metro cities, the average office occupancy rate was 27.4 per cent as of October 21st.

### Estimated Office Occupancy Rates

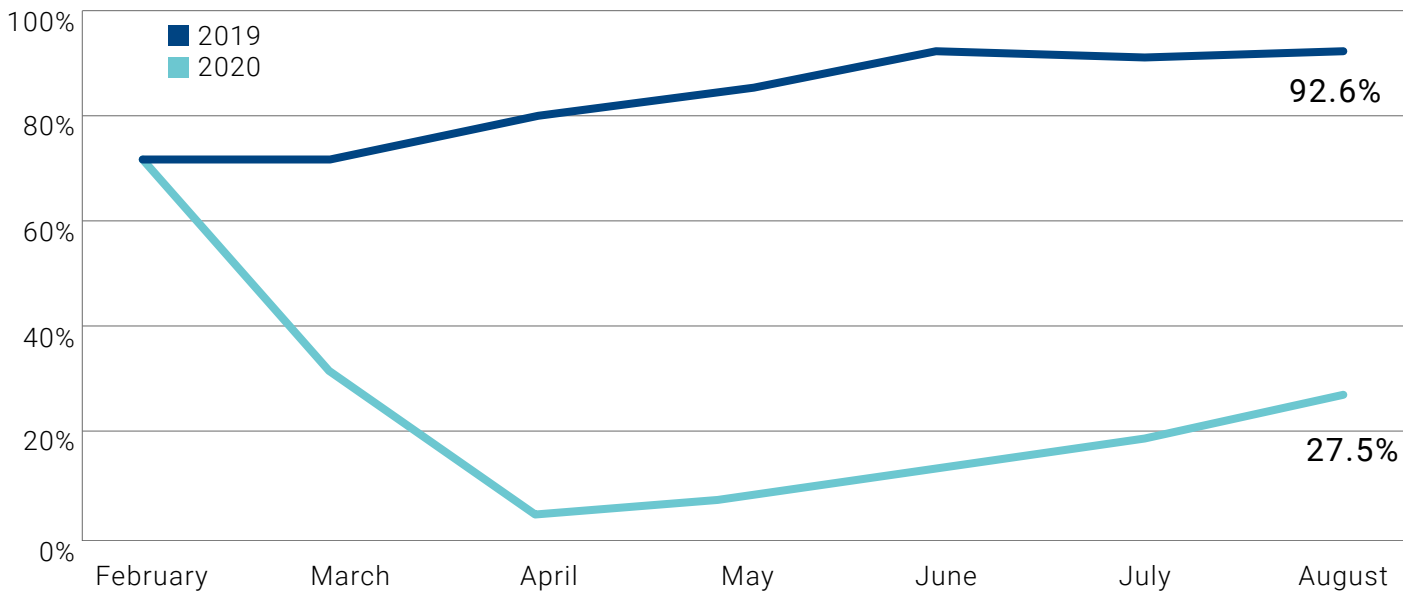


- Max. Occupancy: 70%
- Min. Occupancy: 9%

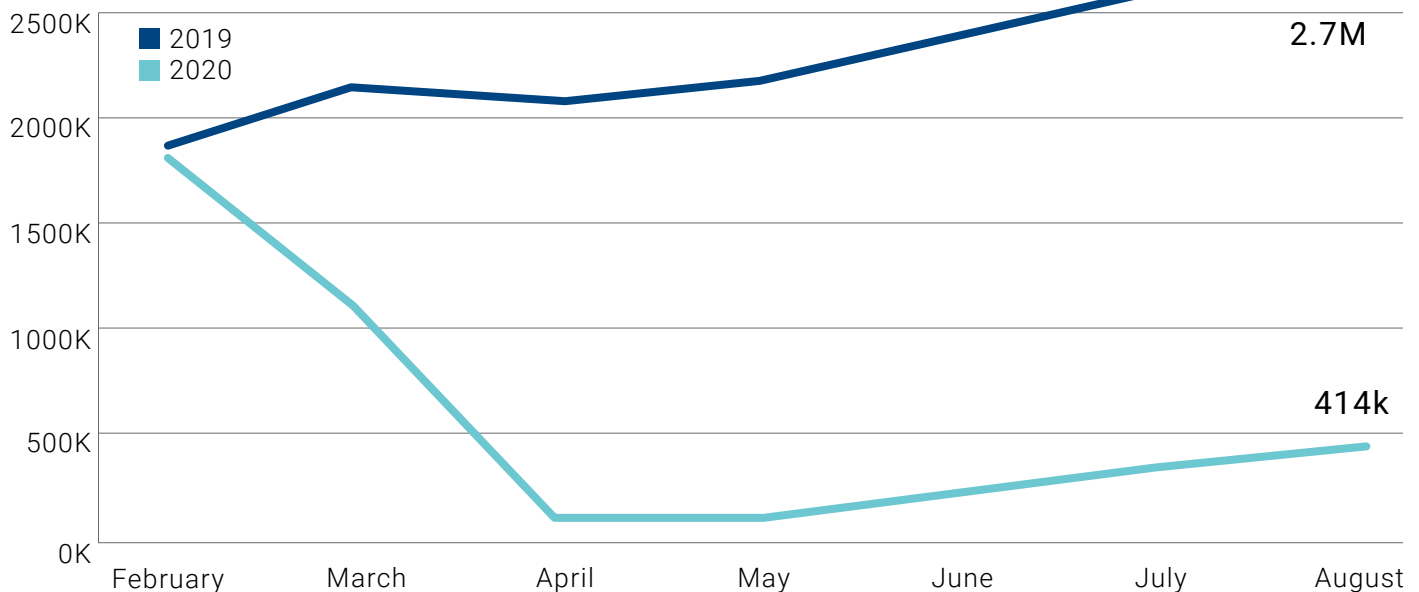
## DOWNTOWN VANCOUVER HOTEL OCCUPANCY

Downtown hotel occupancy rates rebounded to 27.5 per cent in August from 13.7 per cent in June but are still well below the 2019 August occupancy rate of 92.6 per cent. There was an 85 per cent decrease in August YVR airport passengers compared to the same period last year; however, the number of YVR airport passengers more than doubled from 190,000 in June to 414,000 in August. 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



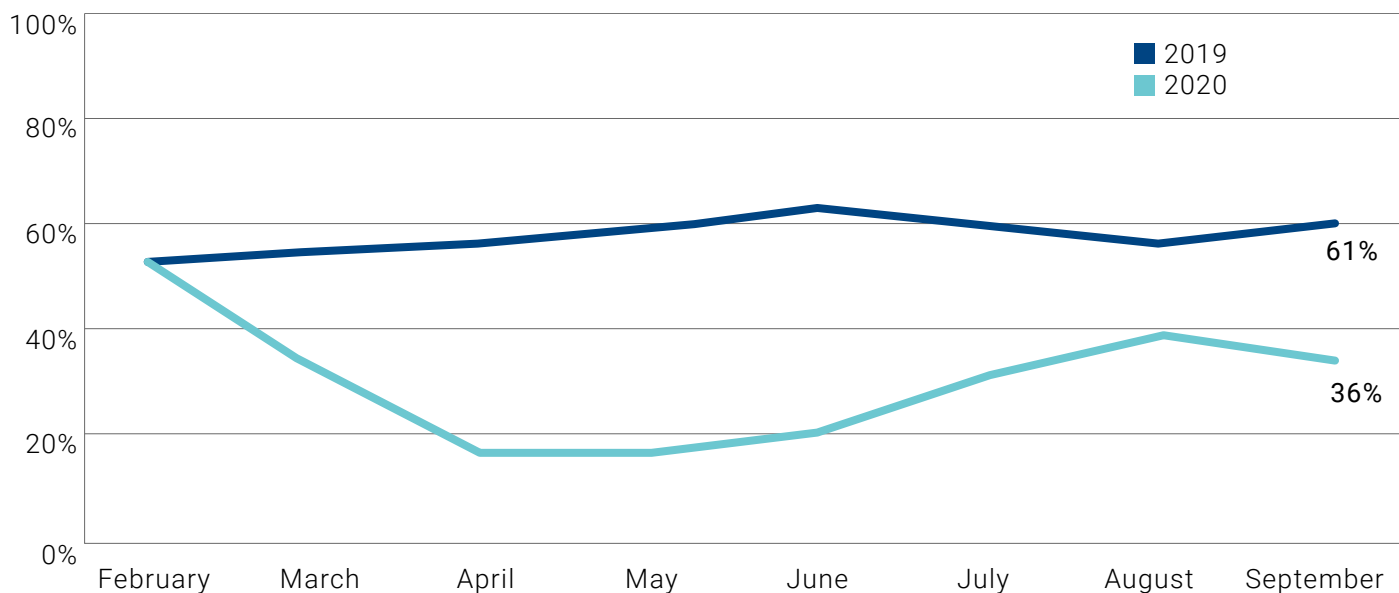
### Total YVR Airport Passengers



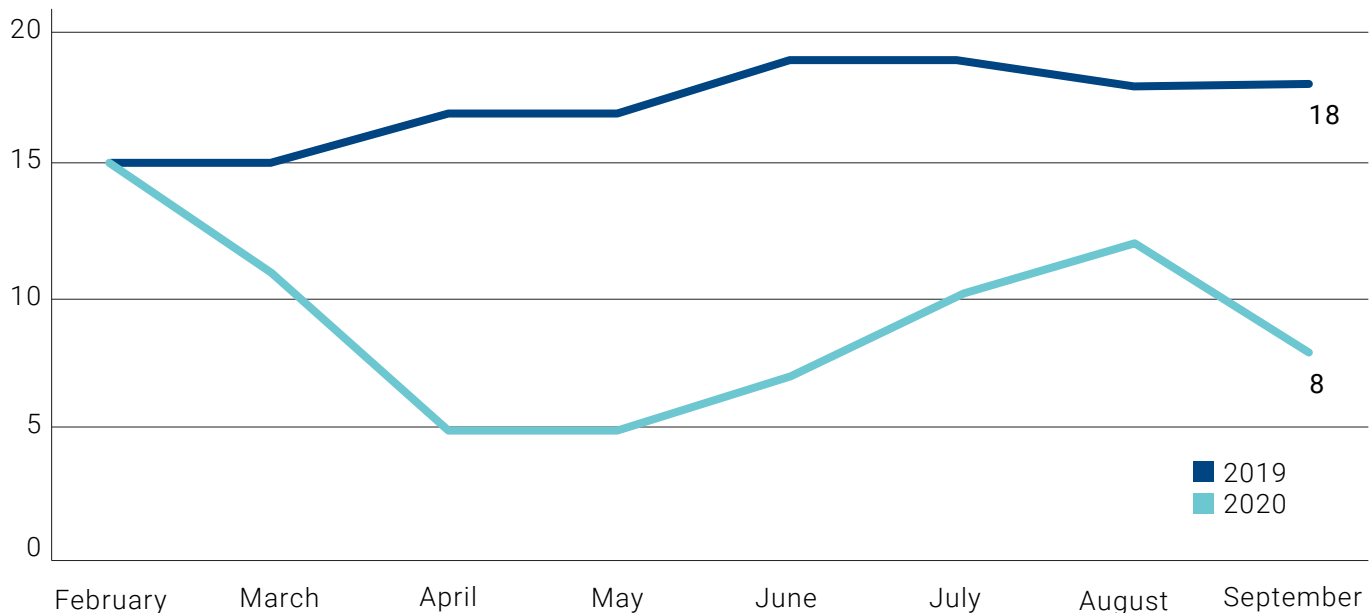
## DOWNTOWN VANCOUVER SHORT-TERM RENTALS

Downtown short-term rental occupancy rates increased from 18 per cent in April to 40 per cent in August but dropped to 36 per cent in September and remains below the 2019 September occupancy rate. On average there were 1,100 units available for bookings in September, 15 per cent less compared to the same period last year. The average nights booked per listing was five in April, peaked to 12 in August and dropped to 8 in September. In 2019, the average nights booked per listing were 17 in April and 18 in August and September. According to AllTheRooms Analytics, in August, the North American short-term rental market returned to 2019 levels based on gross bookings and is a better position for recovery than traditional accommodations.

### Downtown Short-term Rental Occupancy



### Average Number of Nights Booked per Downtown Short-term Rental Listings

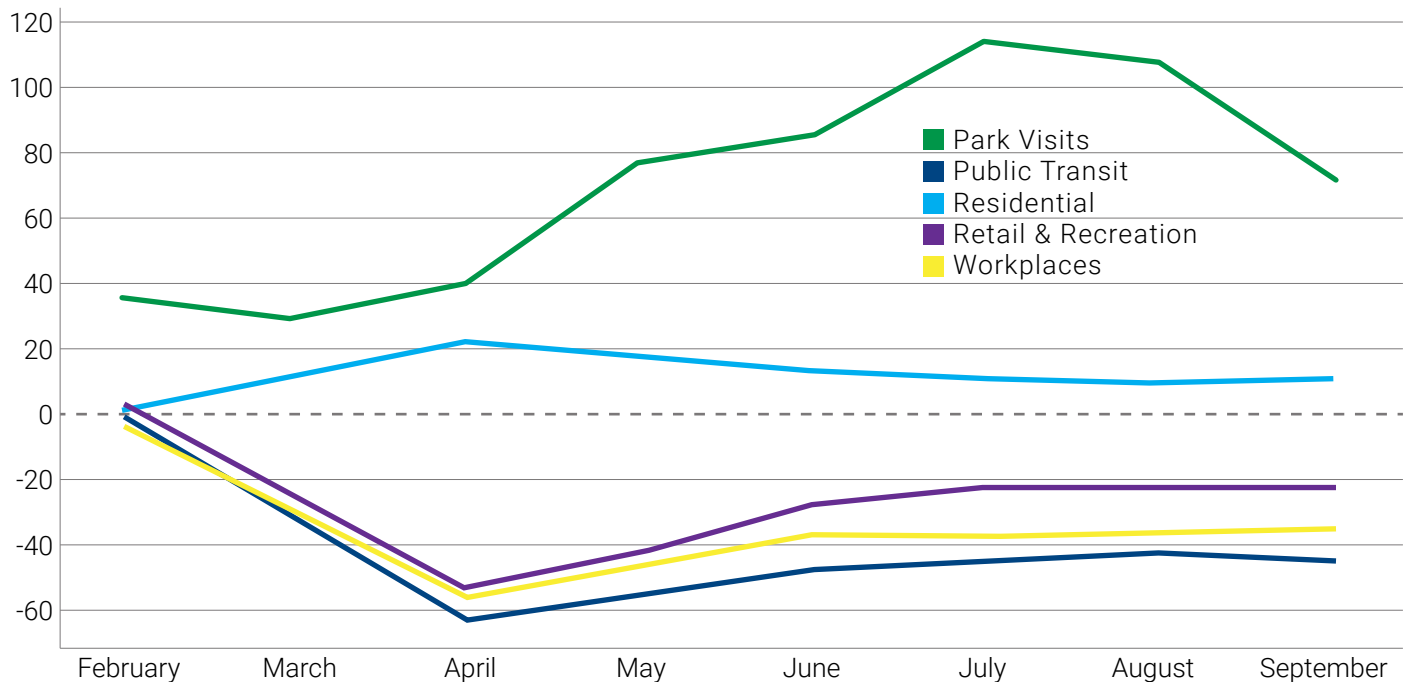


SOURCE: AllTheRooms Analytics

## 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. September visits to public parks decreased since August but are still 70 per cent more than last year. There was very little change for visits to retail locations and workplaces, which remain 23 per cent and 35 per cent below 2019 levels respectively. Visits to public transit stations slightly decreased since August and are 45 per cent less than last year.

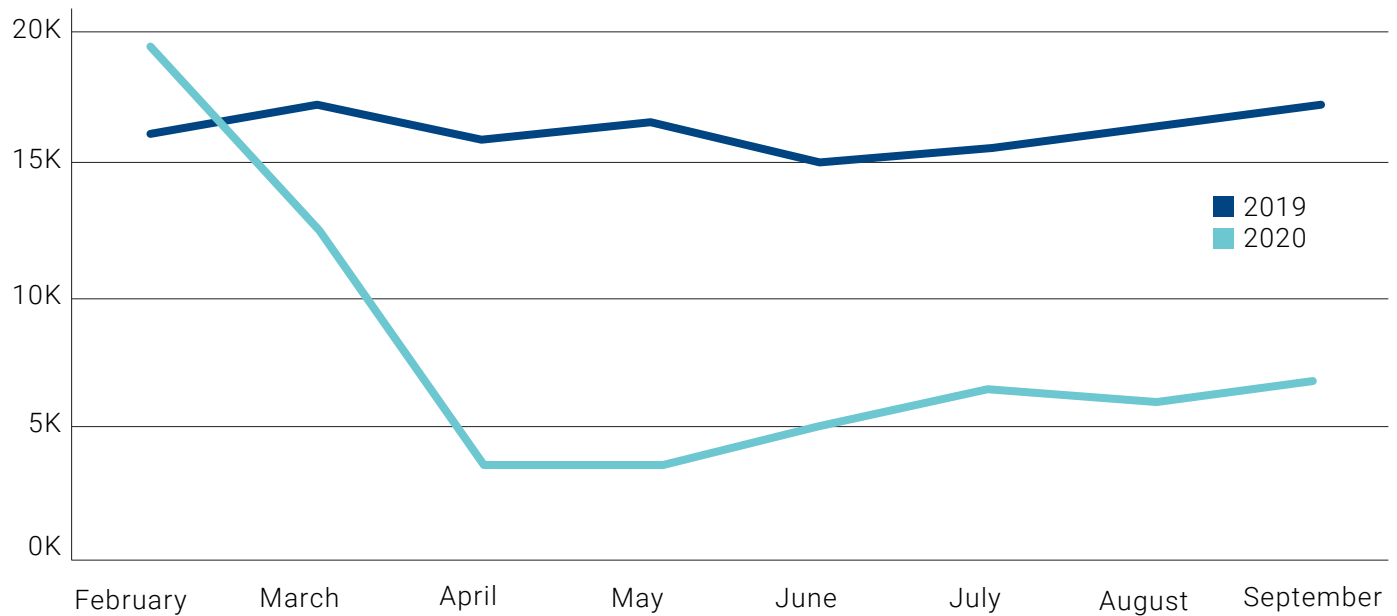
### Metro Vancouver % Change in Visits from Baseline



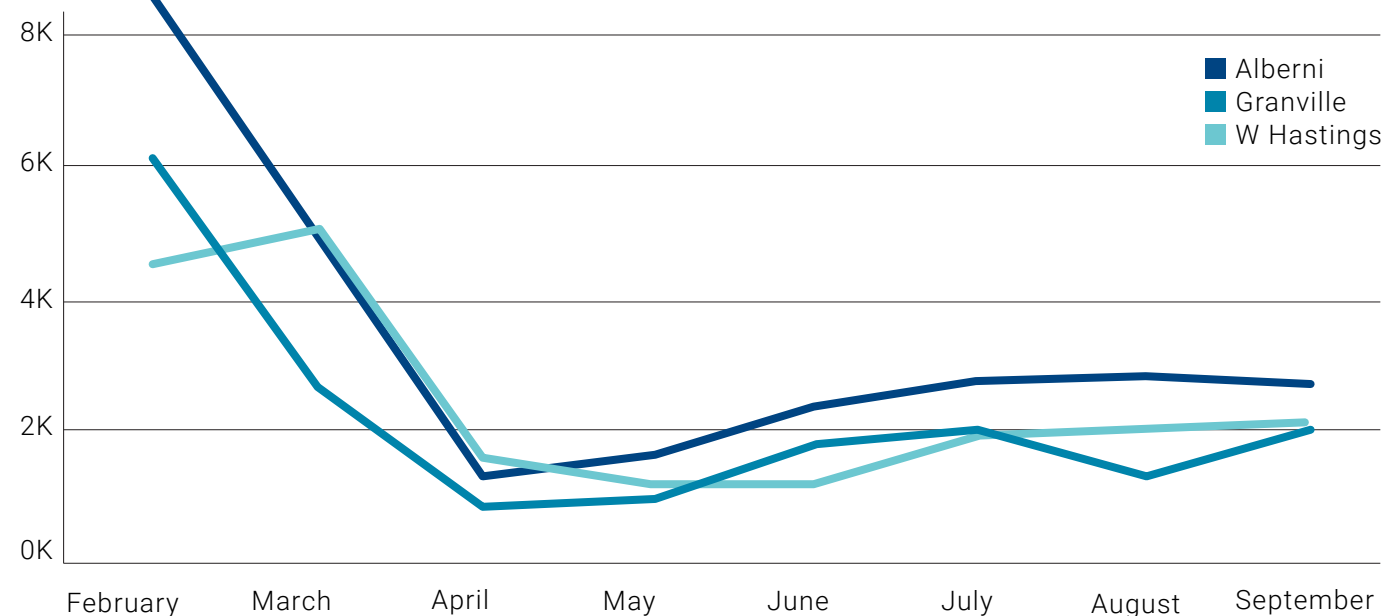
## DOWNTOWN VANCOUVER PEDESTRIAN TRAFFIC

September daily average pedestrian traffic along downtown's retail corridors (e.g., West Hastings, Granville and Alberni streets) increased 12 per cent from August but remains less than half of what it was for the same period last year. Granville saw a 9 per cent reduction in daily average pedestrian traffic; whereas Alberni and West Hastings daily average pedestrian traffic increased 7.5 per cent and 53 per cent respectively. Average pedestrian traffic on Granville, downtown's transportation hub and entertainment district, was 244 per cent less than 2019. Average pedestrian traffic on Alberni, downtown's luxury retail corridor, was 27 per cent less than 2019. On average, weekdays continue to be busier than weekends.

### Daily Average Downtown Pedestrian Traffic



### Daily Average Downtown Pedestrian Traffic by Street (2020)

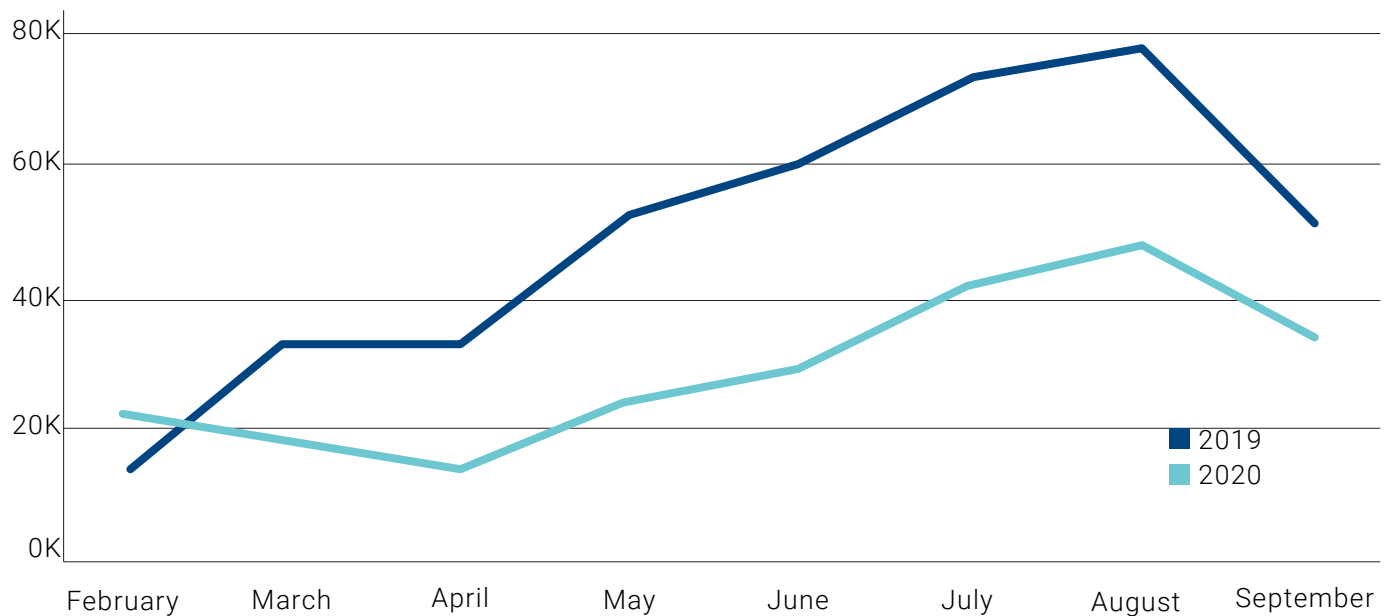




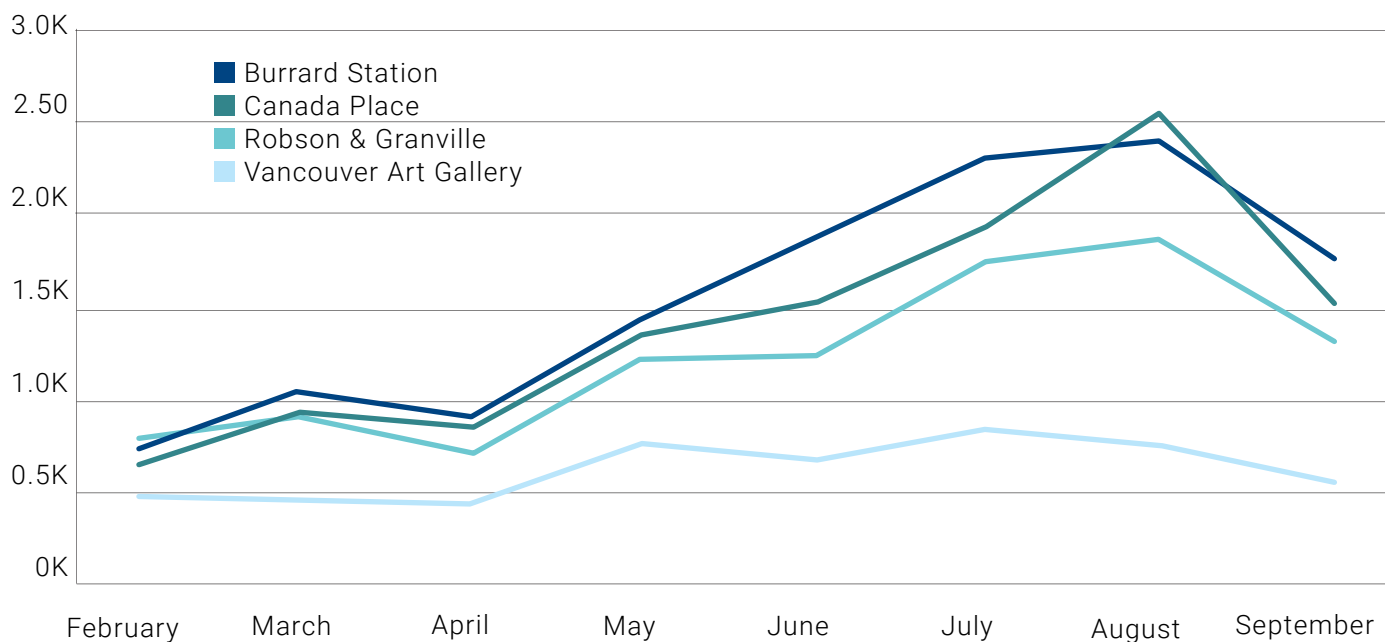
## DOWNTOWN VANCOUVER BIKE-SHARE RIDERSHIP

The total number of bike-share departure trips increased 16 per cent between July and August but dropped 28 per cent in September, granted seasonality and weather are factors. August bike-share ridership was approximately 63 per cent of what it was last year, while September bike-share ridership was 68 per cent of 2019 levels. 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 removed the temporary bike lane on Stanley Park Drive and reopened the seawall to cyclists.

### Total Downtown Bike-share Ridership



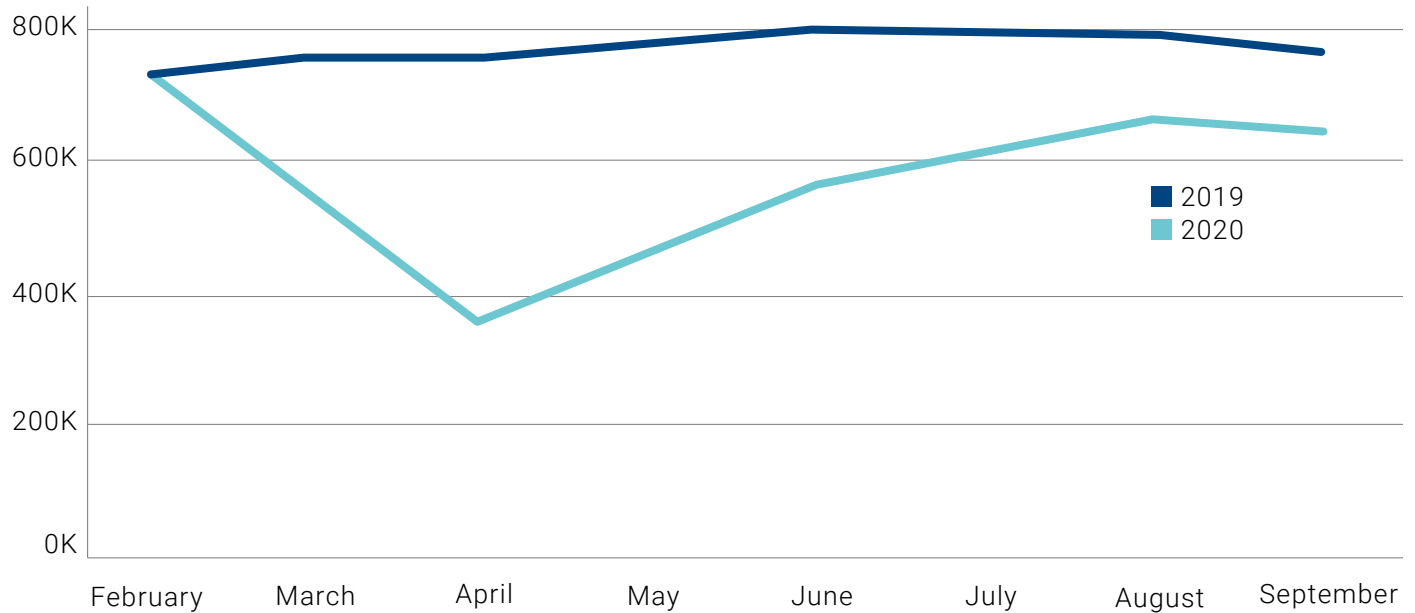
### Total Downtown Bike-share Ridership by Select Departure Station (2020)



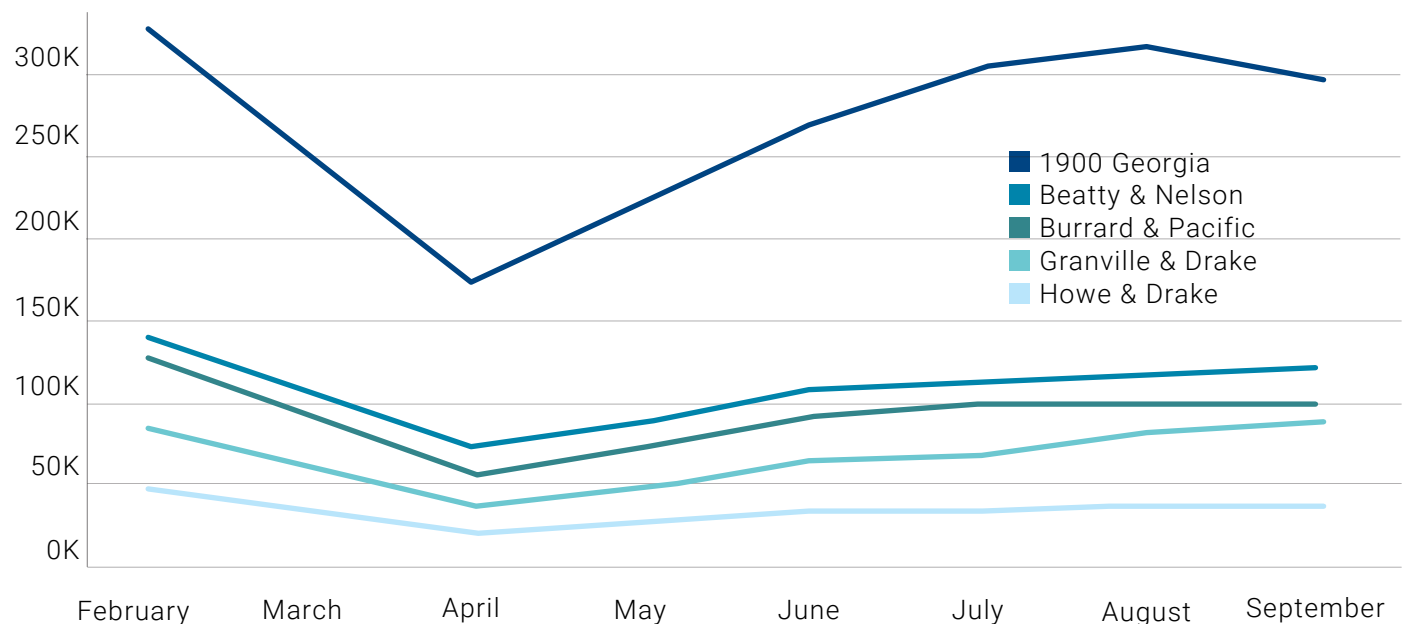
## DOWNTOWN VANCOUVER VEHICLE TRAFFIC<sup>4</sup>

Average weekly traffic in select downtown streets<sup>5</sup> increased by 82 per cent since April. September traffic for the select streets was approximately 85 per cent of what it was last year. Weekdays continue to be busier than weekends. Although traffic has rebounded, average weekly traffic counts are not inclusive of total downtown traffic, nor does it represent destination trips to downtown.

### Weekly Average Downtown Vehicle Traffic



### Weekly Average Downtown Vehicle Traffic by Street (2020)



<sup>4</sup> 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.

<sup>5</sup> Select streets include Beatty and Nelson (SB onto the bridge), Burrard and Pacific (SB onto the bridge), Granville and Drake (SB onto the bridge), Howe and Drake (SB onto the bridge), and 1900 Georgia (Lion Gate Bridge) both directions.

## DOWNTOWN VANCOUVER STREET-LEVEL BUSINESSES

At least 53 street-level businesses have permanently closed<sup>6</sup> since a state of emergency was declared mid-March. A little more than half of closures are independent businesses. New businesses have opened during this period, albeit at a slower rate. A notable new business is Tequila Cocina, a Mexican restaurant at 1225 Granville. Puff, a boutique pipe and smoke store at 1109 Granville is a recent notable closure. In 2019, 16 Granville businesses closed. As of October 6th, 39 of 154 Granville storefronts are vacant, representing over 100,000 square feet of available retail supply. To further support small and medium-sized businesses, Vancouver City Council voted to extend the temporary patio program until October 2021, while the provincial government, with support from Small Business BC, launched the \$300 million Small and Medium Sized Business Recovery Grant program. Eligible businesses can apply for grants up to \$30,000 and an additional \$10,000 will be available to tourism-related businesses. Also in October, the federal government unveiled a revamped rental assistance program. The new program allows eligible businesses to apply directly to the Canada Revenue Agency, rather than having the landlord apply on behalf of the business.

### Number of Closed Businesses

#### Alberni/Thurlow

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

#### Granville

- Permanently Closed: **27**
- Temporarily Closed: **7**

#### Robson (300 to 900 block)

- Permanently Closed: **9**
- Temporarily Closed: **2**

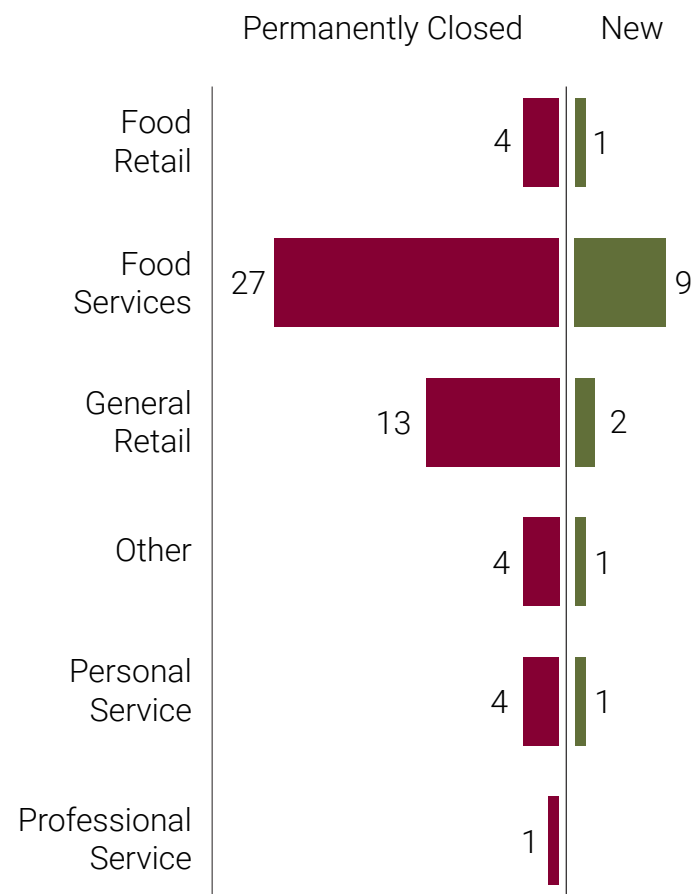
#### West Hastings (Jervis to Richards)

- Permanently Closed: **4**
- Temporarily Closed: **11**

#### West Pender

- Permanently Closed: **3**
- Temporarily Closed: **4**

### Closures and Openings during COVID-19



<sup>6</sup> Based on October 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  
AllTheRooms Analytics  
BC Stats  
Breaking Bread  
City of Vancouver  
CBRE  
DVBIA  
Statistics Canada  
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.

## ADDITIONAL RESEARCH

- **City of Vancouver** - COVID-19 Pulse Survey #2: Measuring Ongoing Impacts
- **Vancouver Economic Commission** - Vancouver Economy Report October 2020

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