

DOWNTOWN VANCOUVER COVID-19 ECONOMIC IMPACT & RECOVERY SNAPSHOT

November 2020

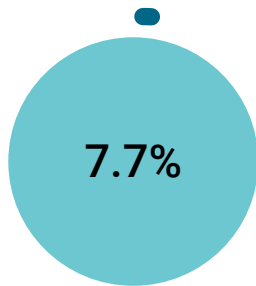
EXECUTIVE SUMMARY

As of November 24, there were 7,732 active cases of COVID-19 in BC. Since late October a variety of public health measures were introduced to help curb the spread of the virus, including limitations on household indoor gatherings, restrictions on group indoor physical activities, discouraging non-essential travel outside local communities, and mandatory masks in indoor public spaces. Restaurants remain open for dine-in.

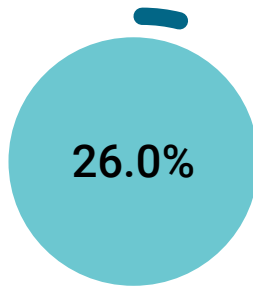
BC's consumer price index in October was 0.5 per cent higher (unadjusted) than October 2019. BC consumers paid more for health and personal care (+3.1 per cent), meals purchased from restaurants (+1.9 per cent) and alcoholic beverages and tobacco products (+0.7 per cent) while the overall cost for clothing and footwear decreased (-3.8 per cent).

Metro Vancouver's unemployment rate continued to drop, meanwhile downtown office occupancy rates remain low, pedestrian traffic remains less than half of 2019 levels, and four additional street-level businesses closed. Further, hotel and short-term rental occupancies are trending downwards, which is normal as for this time of year but more pronounced as a result of the pandemic. With travel discouraged, it is likely downtown pedestrian traffic and hotel and short-term rental occupancies will continue to decrease throughout the winter.

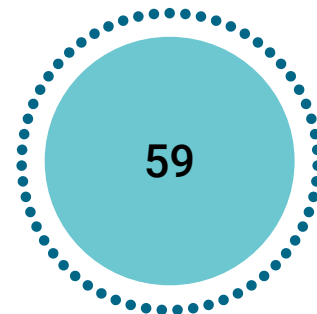
Metro Vancouver
Unemployment Rate



Downtown Hotel
Occupancy
(September)



Downtown Street-Level
Business Closures¹

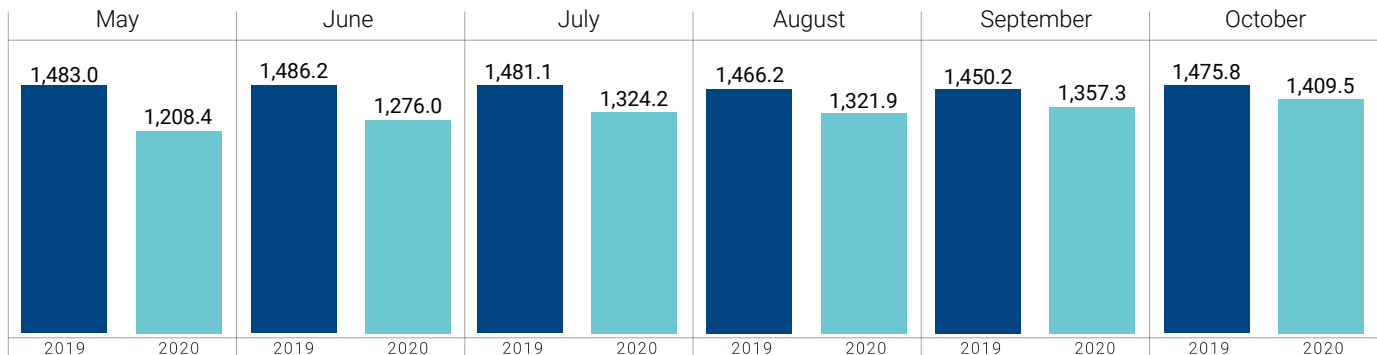


¹ In the DVBIA district since early April. Based on September business inventory counts on Alberni/Thurlow, Canada Place, Granville, Hornby, Nelson, Robson (300 to 900 block), West Hastings (Jervis to Richards) and West Pender streets, in addition to notable closures reported in the media.

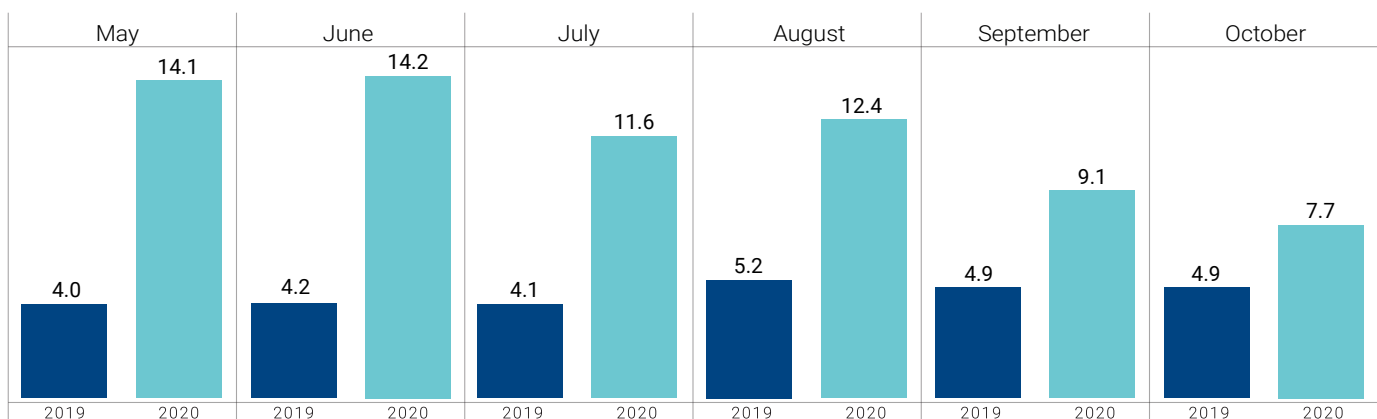
METRO VANCOUVER EMPLOYMENT

Metro Vancouver employment increased 3.8 per cent in October. October's unemployment rate dropped to 7.7 per cent. For context, Metro Vancouver's February unemployment rate was 4.6 per cent. Nationally, employment growth slowed as provinces implemented new COVID-19 restrictions. Most employment gains continued to be full-time work. Notably, professional, scientific and technical services employment in Canada was 3.3 per cent (+51,000) higher than its pre-COVID-19 level.

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



Metro Vancouver Unemployment Rate - Seasonally adjusted, last 6 months



COVID-19 REPORTED CASES

As of November 24, there were 7,732 active cases of COVID-19 in BC. Between January 1st and October 31st a total of 857 COVID-19 cases were reported among residents living in the downtown peninsula. For the same period a total of 3,444 COVID-19 cases were reported citywide.

On October 26, the Provincial Health Officer issued an order to limit gatherings in private homes to one household, plus a group of “safe six”. However, on November 7 after a spike in cases, the Provincial Health Officer placed new restrictions such as no indoor social gatherings of any size with anyone other than immediate household members. Further, group physical indoor activities such as yoga, dance and spin classes were ordered to immediately stop. On November 19, public health orders were expanded. British Columbians were urged to avoid non-essential travel outside their communities and masks were made mandatory in all indoor public places unless someone is eating or drinking. Restaurants remain open for dine-in.

COVID-19 Cases in British Columbia

Total cases confirmed by the B.C. government at daily updates to November 10, 2020

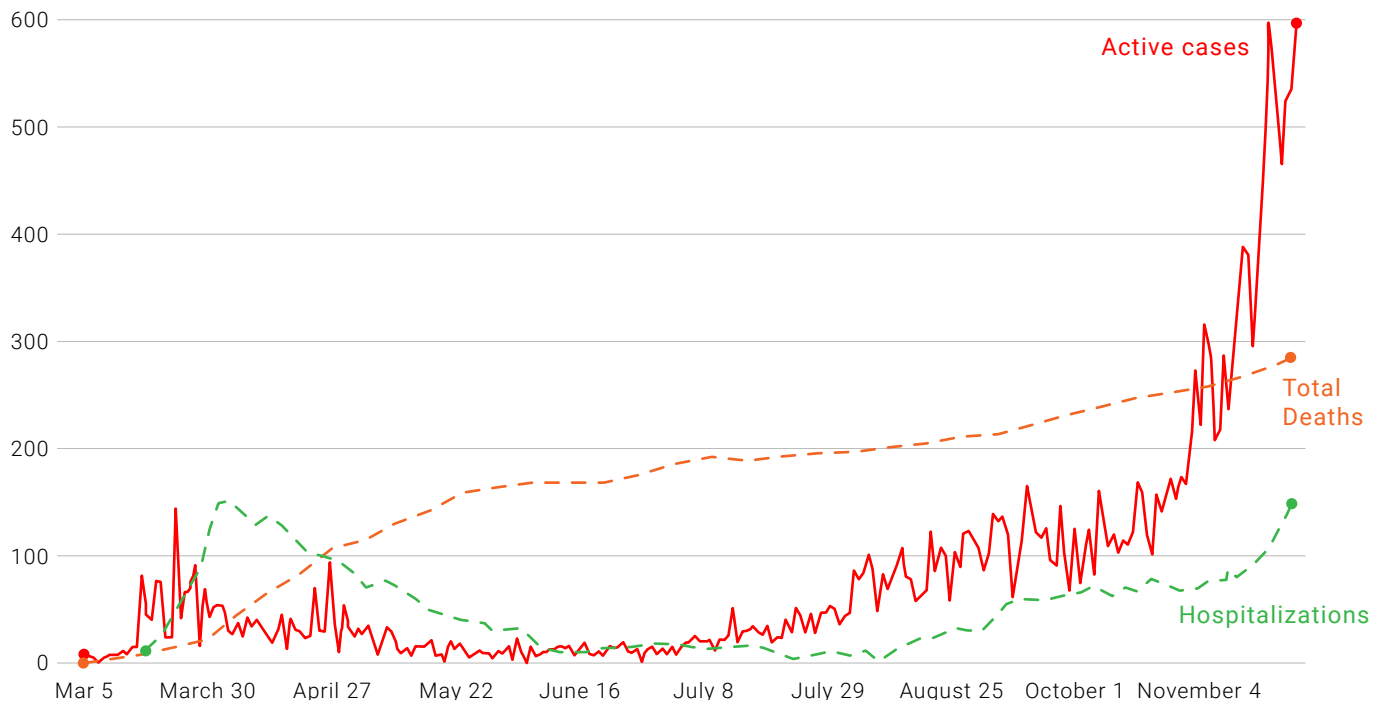
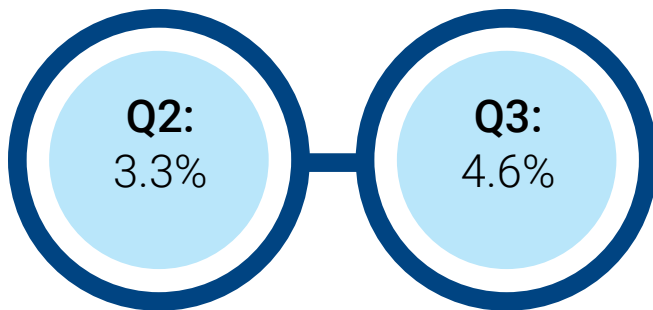


CHART: Justin McElroy (CBC)

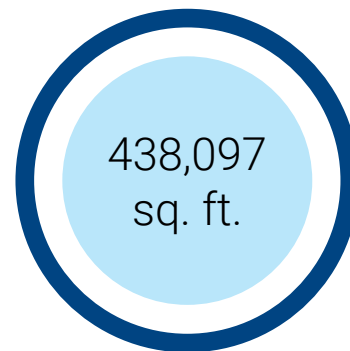
DOWNTOWN VANCOUVER OFFICE MARKET

According to CBRE, downtown class A 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.

Vacancy²



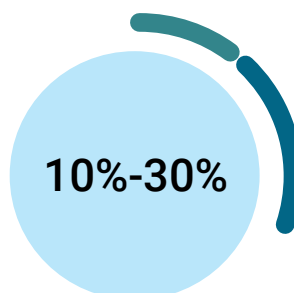
Sublease Office Space Offered to Market³



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 BC's declaration of a state of emergency. 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. For context, Kastle System data from 10 US metro cities reported the average US office occupancy rate is to 25 per cent as of November 4.

Estimated Office Occupancy Rates

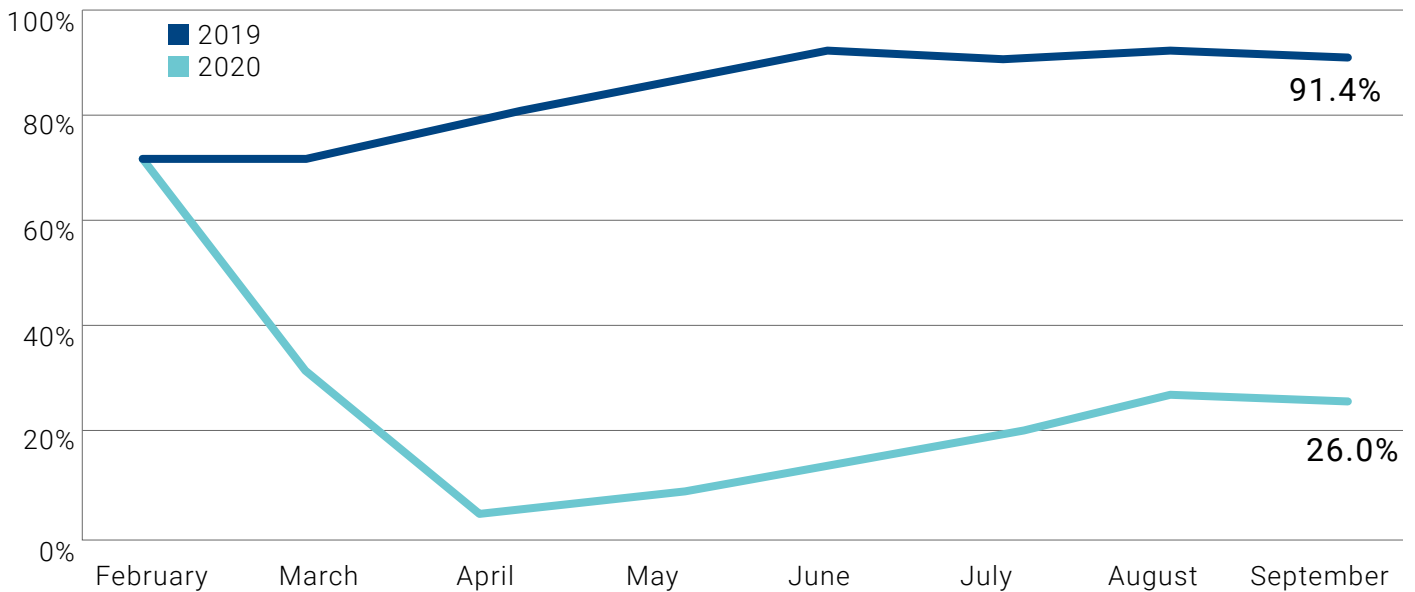


- Max. Occupancy: 70%
- Min. Occupancy: 9%

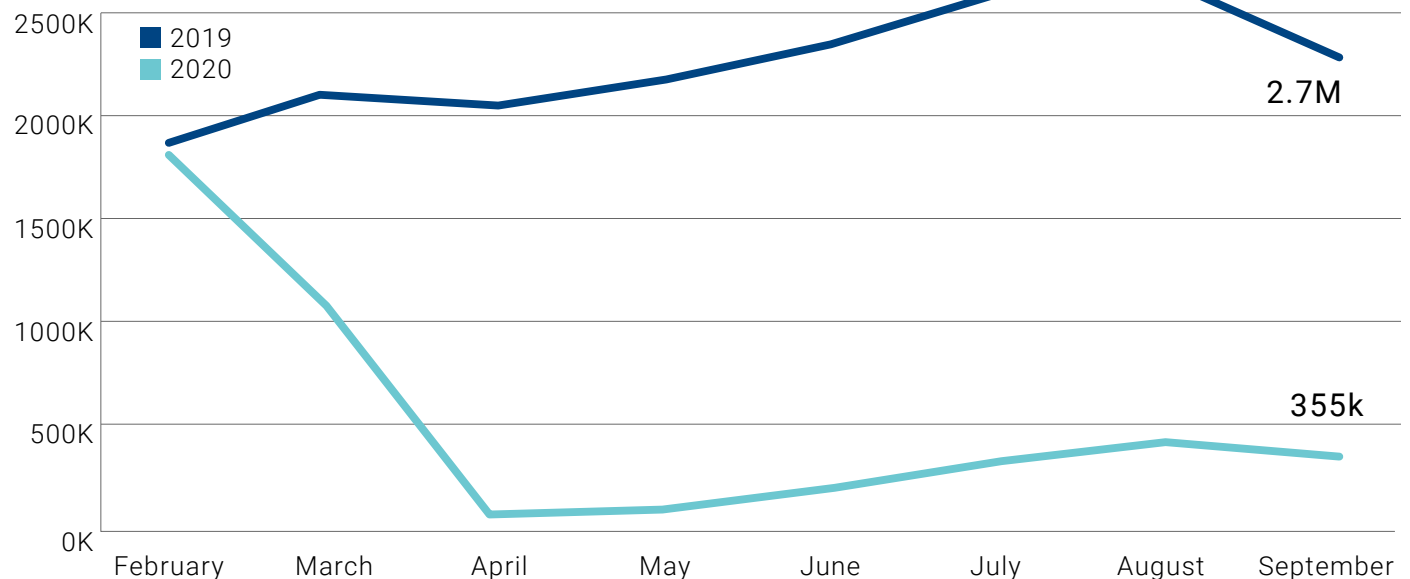
DOWNTOWN VANCOUVER HOTEL OCCUPANCY

Downtown hotel occupancy rates fell to 26 per cent in September, far below the 2019 September occupancy rate of 91 per cent. September YVR airport passengers remained 85 per cent less than the same period last year and decreased from 414,000 passengers in August to 355,000 passengers in September.

Downtown Hotel Occupancy



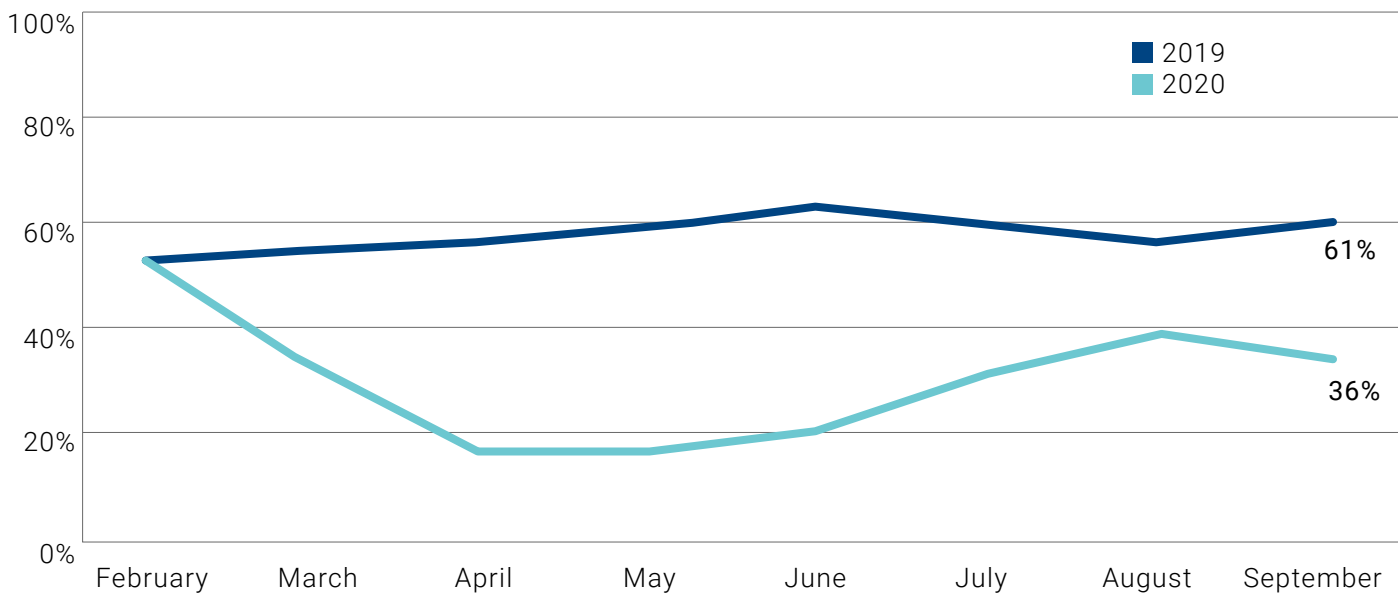
Total YVR Airport Passengers



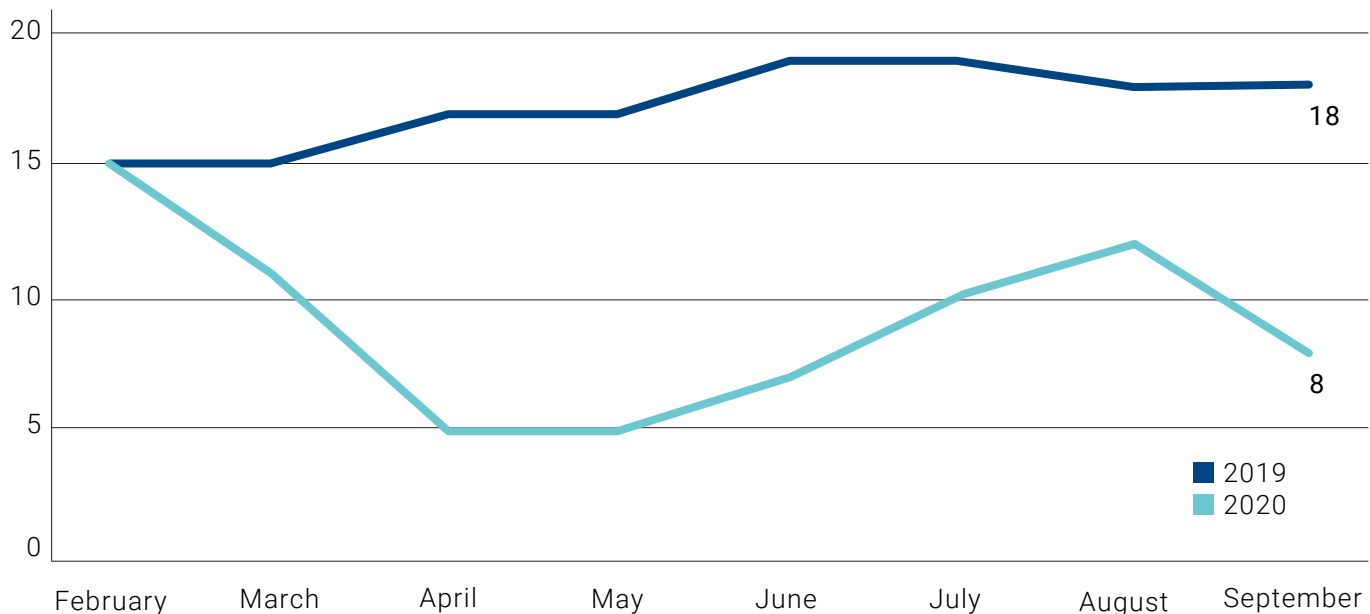
DOWNTOWN VANCOUVER SHORT-TERM RENTALS

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 September and remain below the September average of 61 per cent. On average there were 1,100 units available for bookings in September, 15 per cent less compared to the same period last year. According to AllTheRooms Analytics, in August the North American short-term rental market returned to 2019 levels based on gross bookings. Nonetheless, downtown short-term rental occupancies are expected to drop as a result of recent provincial public health orders urging British Columbians to avoid non-essential travel outside their communities in an effort to limit COVID-19 cases.

Downtown Short-term Rental Occupancy



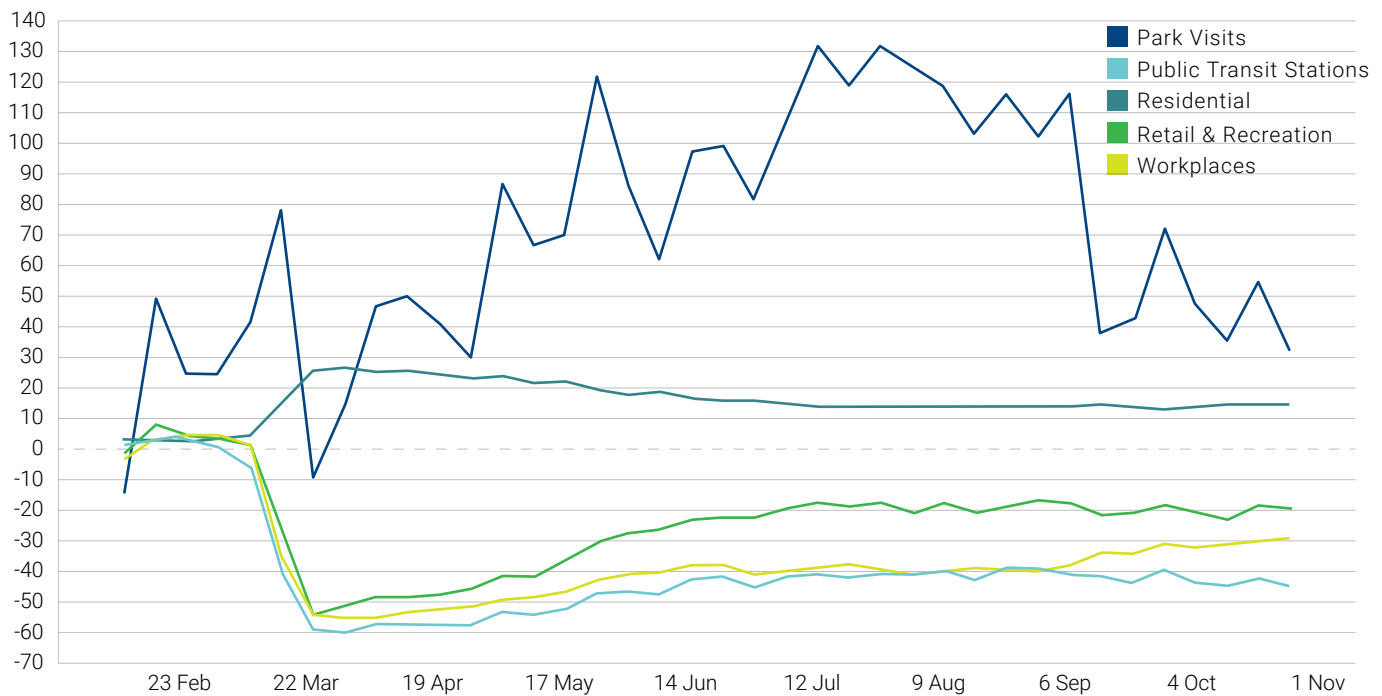
Average Number of Nights Booked per Downtown - Short-term Rental Listings



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. Generally, there has been little change since June. Workplace visits gradually increased since early September but remain below the baseline and have likely dropped with recent restrictions.

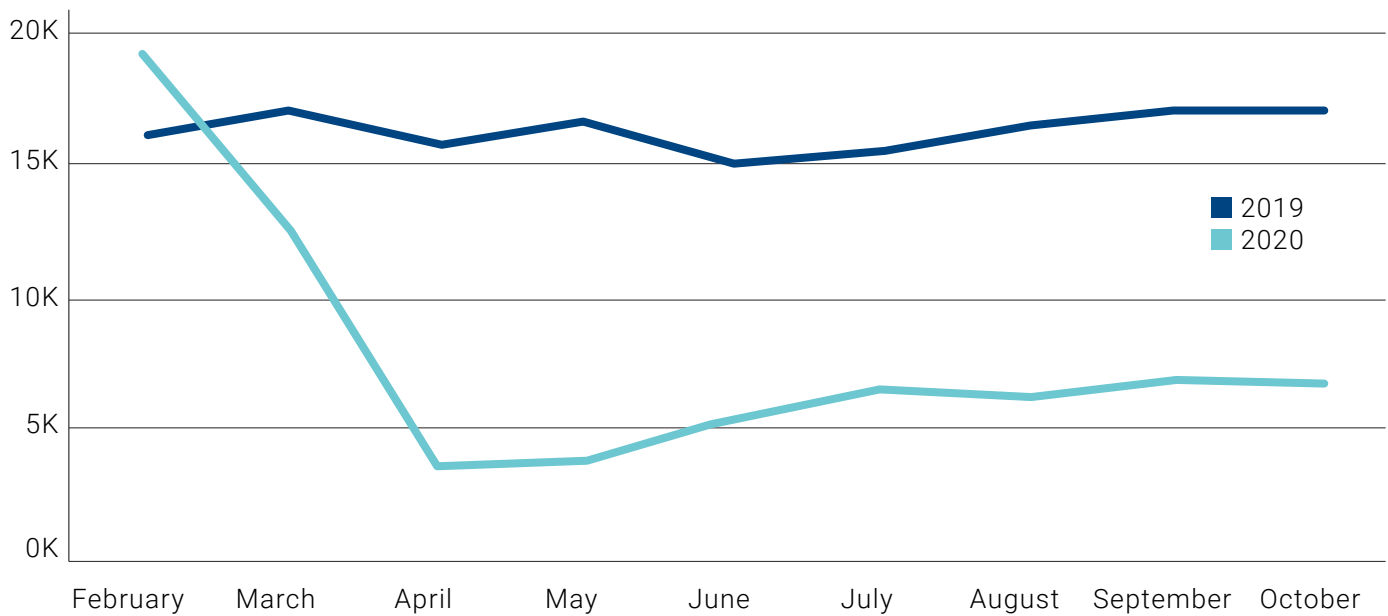
Metro Vancouver % Change in Visits from Baseline



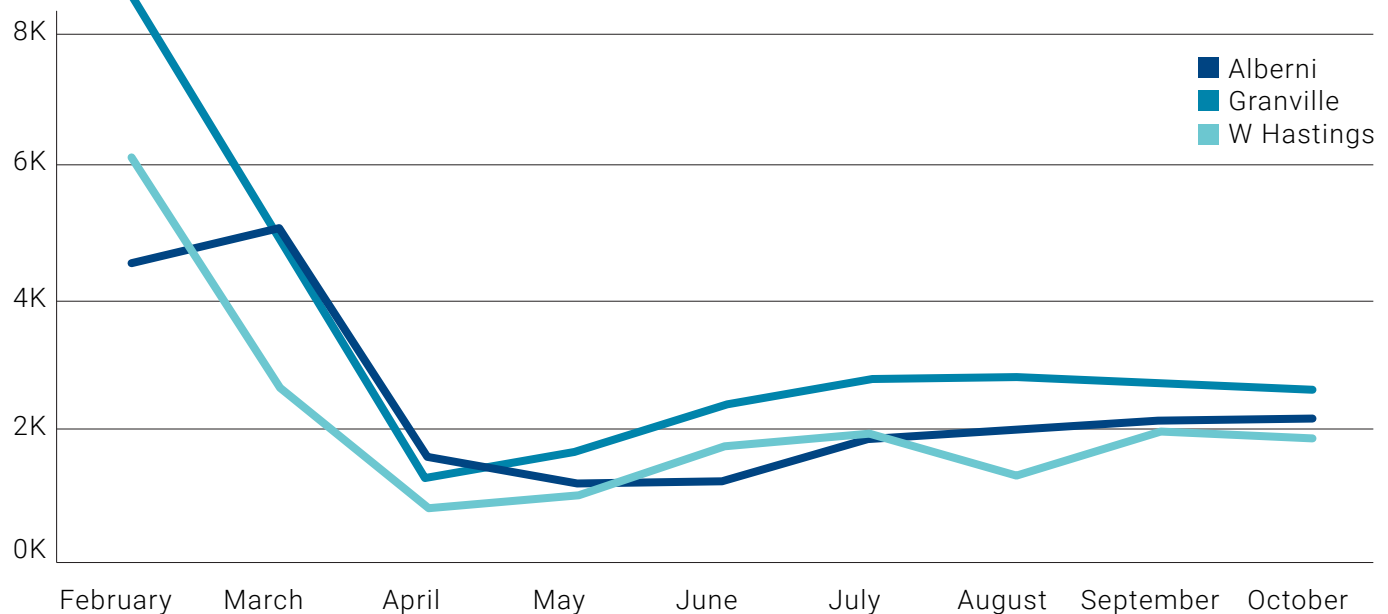
DOWNTOWN VANCOUVER PEDESTRIAN TRAFFIC

October daily average pedestrian traffic along downtown's retail corridors² decreased 2.4 per cent since September and is 60.8 per cent less than the same period last year. Granville and West Hastings streets saw a decrease in pedestrian traffic since September, 2.7 per and 5.5 per cent respectively, whereas Alberni pedestrian traffic increased 0.9 per cent since September. Average pedestrian traffic on Granville, downtown's transportation hub and entertainment district, was 69.0 per cent less than what it was in 2019. Weekdays continue to be busier than weekends along all downtown retail corridors.

Daily Average Downtown Pedestrian Traffic



Daily Average Downtown Pedestrian Traffic by Street (2020)

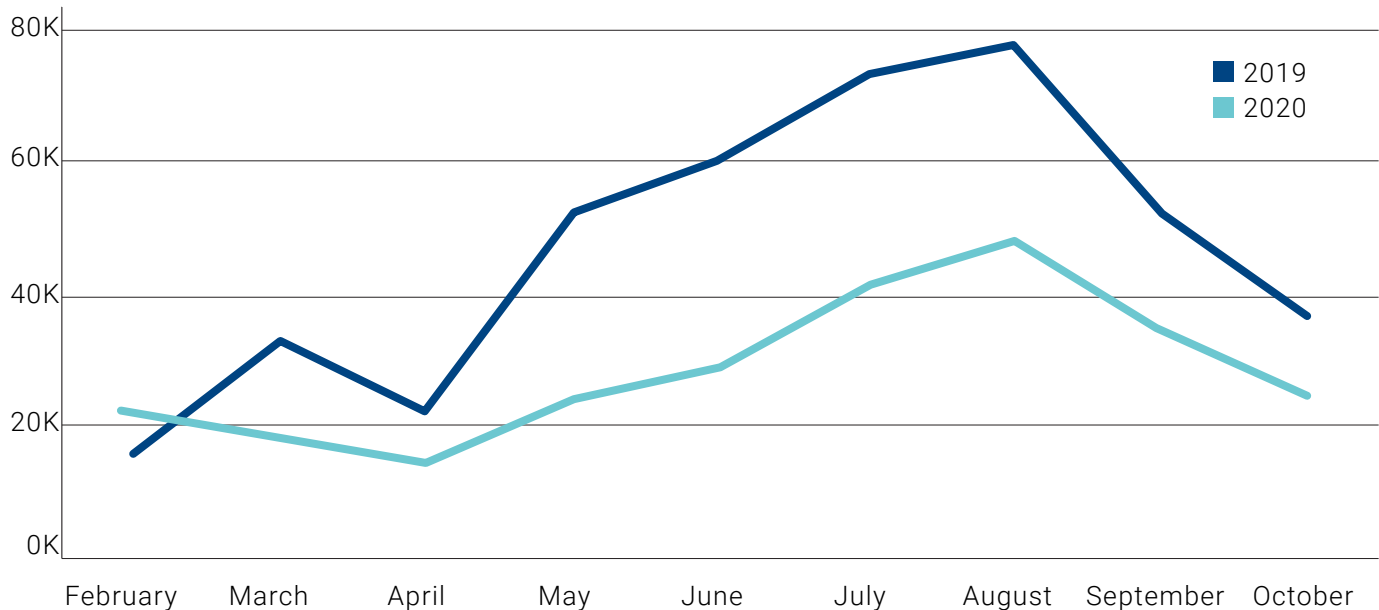


² Granville, West Hastings and Alberni streets

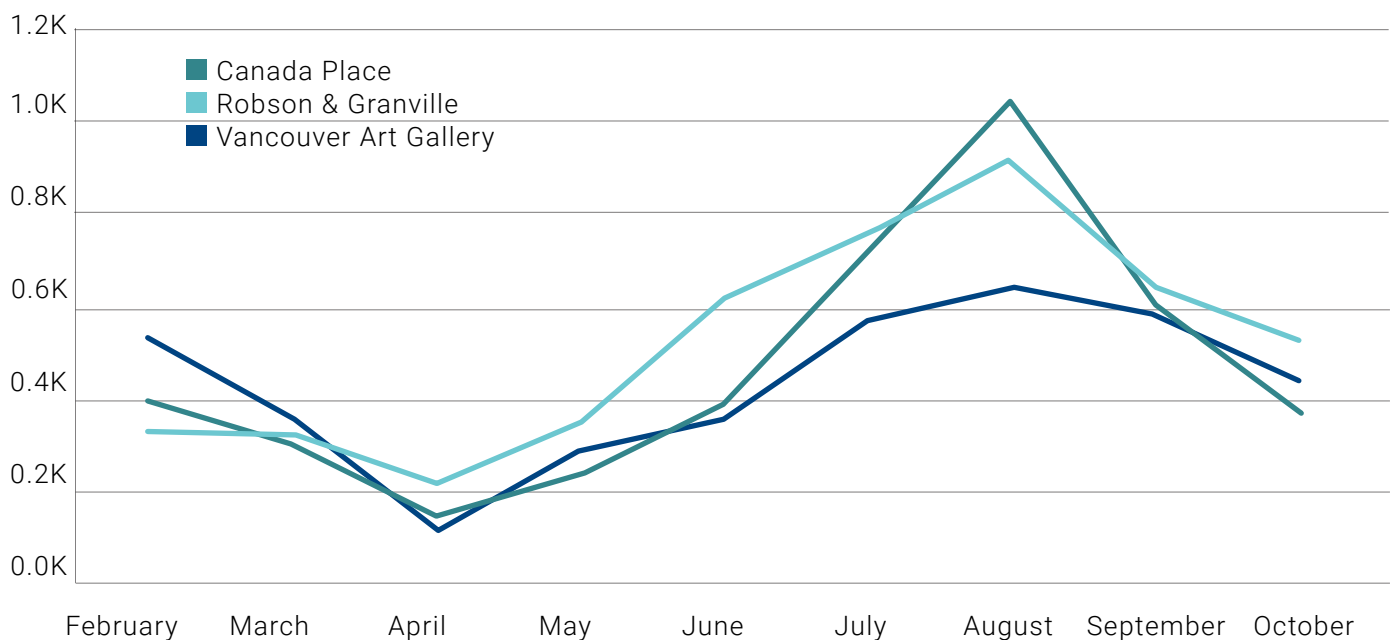
DOWNTOWN VANCOUVER BIKE-SHARE RIDERSHIP

The total number of bike-share departure trips dropped 27.7 per cent in October, granted seasonality and weather are factors. October bike-share ridership was 31.8 per cent less of what it was last year. 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



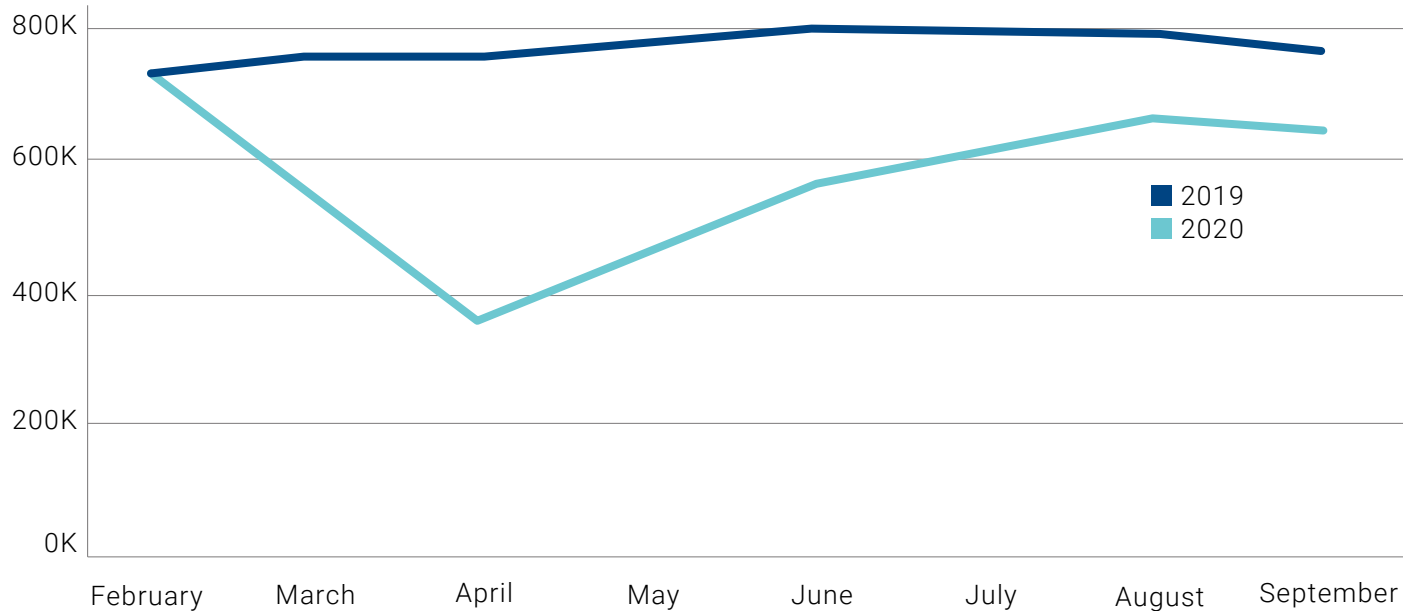
Total Downtown Bike-share Ridership by Select Departure Station (2020)



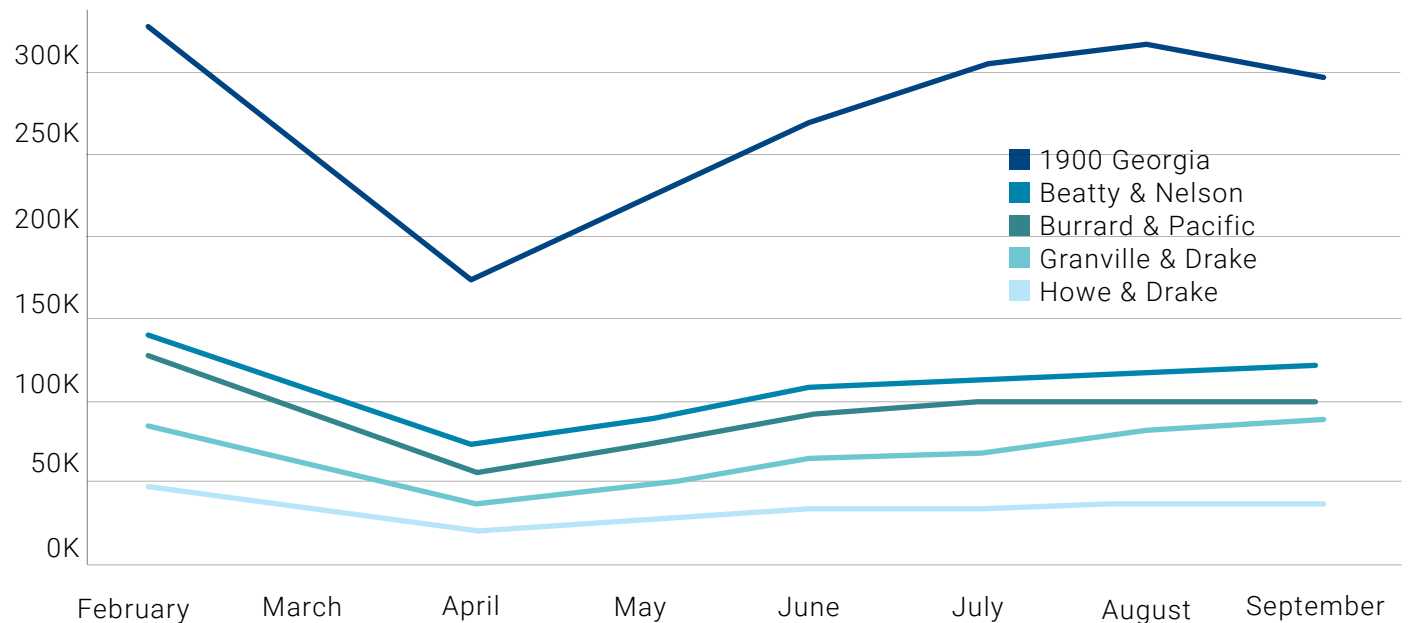
DOWNTOWN VANCOUVER VEHICLE TRAFFIC³

Average weekly traffic in select downtown streets⁴ increased 82 per cent between April and September. 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)



⁴ 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.

⁵ 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 59 street-level businesses have permanently closed⁵ since the BC's declaration of a state of emergency. A little more than half of closures are independent businesses. New businesses have opened during this period, albeit at a slower rate. Notable businesses that opened between October and November include Toriza Ramen at 1265 Granville and Freshii at 1291 Howe. Sunset Burgers opened a pop-up location at the Dime at 1017 Granville.

At least, four street-level businesses have closed since early October. Notable closures include Van City Barber and Ardene on Granville, and Footlocker at 919 Robson. Peloton will open in Footlocker's former space. Granville has been disproportionately impacted by business closures compared to other downtown streets. As of November 12, 41 of 154 Granville storefronts are vacant. Nonetheless, there are at least four Granville redevelopments planned or currently underway – 855 Granville, the future home of Cineplex's Rec Room, being a notable example.

Number of Closed Businesses

Alberni/Thurlow

- 2020 Closures: **1**
- 2019 Closures: **2**

Granville

- 2020 Closures: **29**
- 2019 Closures: **16**

Robson (300 to 900 block)

- 2020 Closures: **10**
- 2019 Closures: **6**

West Hastings (Jervis to Richards)

- 2020 Closures: **5**
- 2019 Closures: **2**

Closures and Openings during COVID-19



⁵ 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
Kastle Systems
Statistics Canada
Tourism Vancouver
Vancouver Bike Share

FOR MORE INFORMATION

Gavin Duffus
Economic Development Manager
gavin@dtvan.ca

James Anderson
Research and Data Analyst
james@dtvan.ca

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

- **Avison Young** – 2021 National Outlook for Canada
- **City of Vancouver** - COVID-19 Pulse Survey #2: Measuring Ongoing Impacts
- **DVBIA** - State of Downtown 2019
- **Vancouver Economic Commission** - Vancouver Economy Report October 2020

www.dtvancouver.ca

@downtownvan

dvbia@dtvan.ca

604-685-7811

Suite 325 - 1130 West Pender Street,
Vancouver BC V6E 4A4