

State of Downtown 2022

We acknowledge with gratitude that
the DVBIA, our projects, and
businesses within our catchment
operate on the traditional unceded
territories of the Coast Salish
peoples - Skwxwú7mesh (Squamish),
Stó:lō and Səlílwətaʔ/Selilwitulh
(Tsleil-Waututh), and xʷməθkʷəyəm
(Musqueam) Nations.



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One year ago, my family and I had just arrived in Vancouver from New Orleans and I was preparing to step into the role of President & CEO of the Downtown Vancouver BIA. I remember reading the State of Downtown report and finding it to be a helpful overview of the conditions of the downtown economy at that time. While some of the findings were similar to other downtowns I had worked in, others were unique to Vancouver.

Now, a year later, as I review this new State of Downtown report, I can reflect on my initial perceptions of Downtown Vancouver and how they have evolved over the past 12 months.

I believe that Vancouver is in a position to rebound from the COVID-19 pandemic faster than most. This belief is supported by the data in this report as well as my experience getting to know the people who live and work here. Downtown Vancouver is a place that people care about and a place where people want to spend time. Downtown Vancouver offers so many enjoyable places and experiences that will continue to attract residents, visitors, office tenants, conferences, events, film productions and all of the things that help make a city thrive.

Nolan Marshall III
PRESIDENT & CEO, DVBIA

The team at the DVBIA is working hard to continue to enhance the downtown experience. We are bringing back Summer Movie Nights on the plaza and the Granville Promenade street festival. We are partnering with event organizers to activate our public spaces and we are continuing to grow our Clean Team and Safety Ambassador program.

The next few years will not be free from challenges. More work must be done to support people in need of housing, mental health and addiction services. We also must endeavour to replenish our stock of hotel rooms and streamline the process for permits at City Hall.

I am looking forward to another year in Downtown Vancouver and I am confident that things will keep trending upward thanks to the dedication of the people and communities who live and work here.



As Board Chair of the DVBIA and as a business lawyer, I am privy to conversations regarding the health of businesses and urban centres of commerce across North America. Relative to our more urban peers, the resiliency of Vancouver's downtown stands out in each conversation.

As we emerge from a second consecutive year of the pandemic, there is renewed optimism for where we will go from here. With capacity limits lifted for restaurants, the return of concerts and Canucks games, cruise ships, conferences, and several new exciting developments nearing completion in the downtown core, our downtown is once again buzzing.

Yes, there have been challenges; and yes, concerns remain – but as you dive into this State of Downtown 2022 Report, an unmissable trend is clear: the tenacity of individuals, businesses, and organizations who have been on the frontlines navigating Downtown Vancouver through a multi-year downturn. On behalf of the DVBIA, we thank you for your commitment, ambition and ongoing choice to invest in Downtown Vancouver.

And that's the word I want to leave you to focus on – choice. Bold choices, informed by data and supported by smart policy, are what we need to continue as we strengthen the state of our downtown in the year ahead. Together, let's create the conditions to continue to choose Downtown Vancouver – as a place to create, invest, build, and welcome the world.

Luca Citton
BOARD CHAIR, DVBIA
PRESIDENT, BOUGHTON LAW

boughtonlaw

Boughton Law is the proud presenting sponsor of the State of Downtown 2022 Event



2021 Timeline

MARCH

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

29

A 3-week "Circuit breaker" COVID-19 restriction period is put in place in BC.

12

Vaccination begins for Canadians aged 55+.

28

Memorial placed on the steps of the Vancouver Art Gallery honouring the 215 Indigenous children whose remains were found buried at a former residential school near Kamloops, BC.

15

Step 2 of BC Restart Plan – Interprovincial travel restrictions are eased.

25

Heat dome in the Pacific Northwest brings a record-breaking heat wave through BC.

1

Step 2 of BC Restart Plan – Interprovincial travel restrictions are eased.

22

Tourism Relief Fund BC commits \$485 million to invigorating the tourism industry.

Translink announces the Burrard Station Renovation.

Downtown retail corridors reach pre-COVID-19 visitation levels.

26

BC's indoor capacity restrictions are lifted. Canucks host their first full-capacity home game at Roger's Arena in 595 days.

19

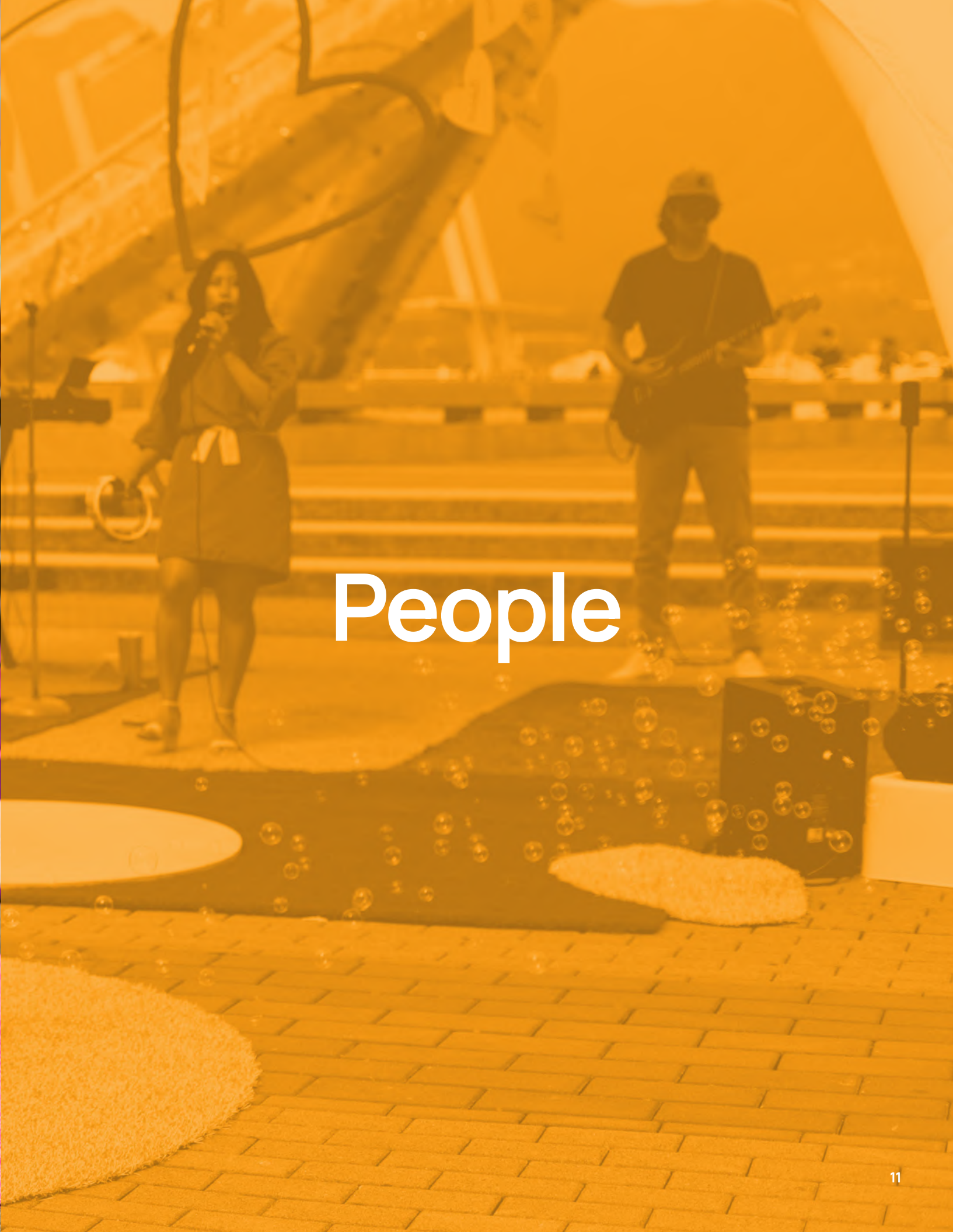
BC restricts social gatherings and adjusts proof of vaccination requirements in response to the Omicron variant of COVID-19.

29

Vaccination begins for children aged 5-11.

13

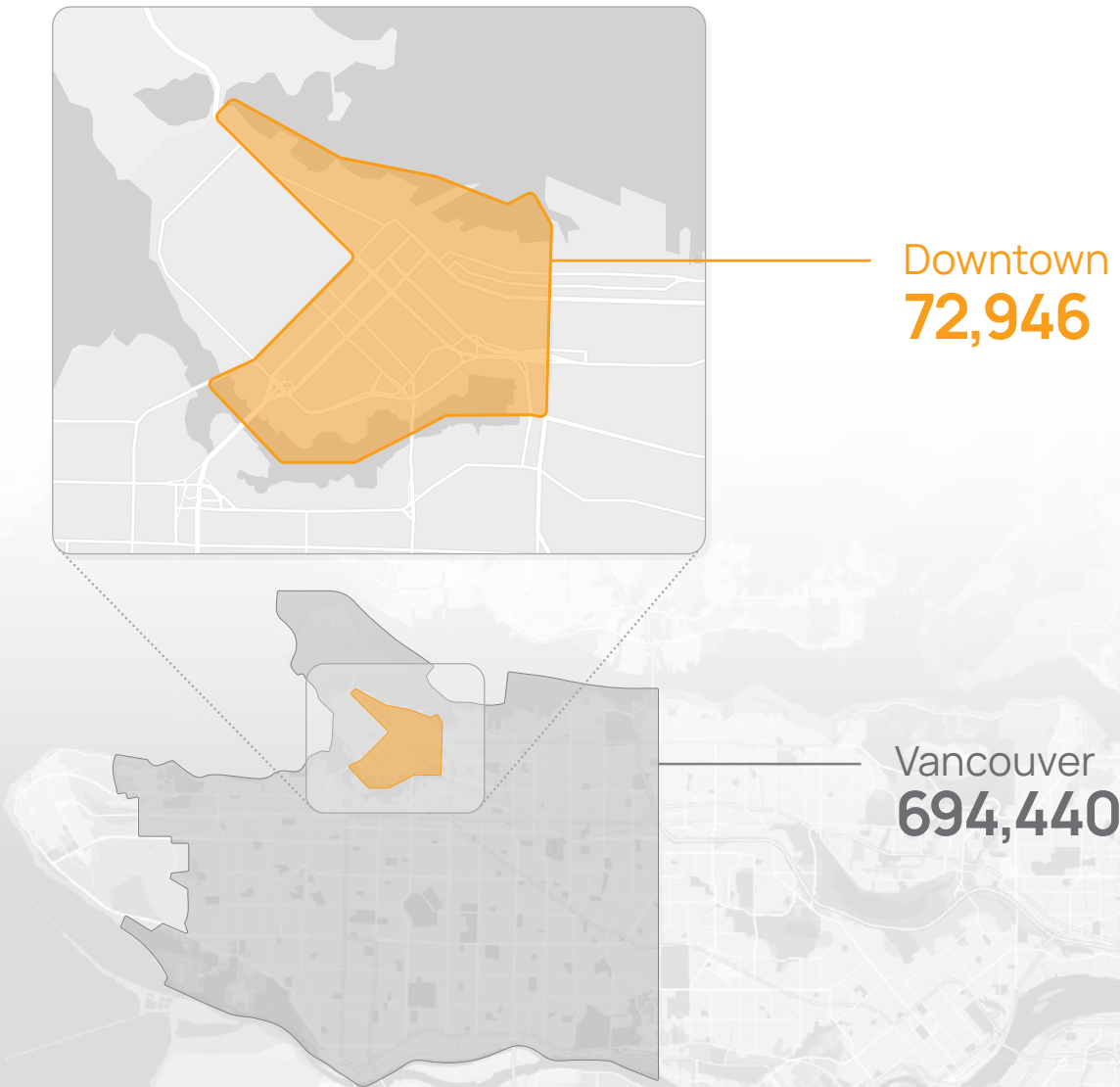
75% of Canadians are fully vaccinated. Proof of vaccination requirements begin in BC.



People

Population

Downtown Vancouver is the most densely populated downtown in Canada with 18,837 people per square kilometre. The local area boundary of Downtown Vancouver is now home to 72,946 residents. This is a 1.37% increase from 2020 and a 30.5% increase since 2010. Vancouver's overall population has increased by 10.5% since 2010. Between 2016 and 2021, Downtown Vancouver grew at a rate of 7.4%. Only distant suburbs (30 minutes or more from downtown) grew more at 9.5% during that five-year period within the Vancouver Metropolitan Area.



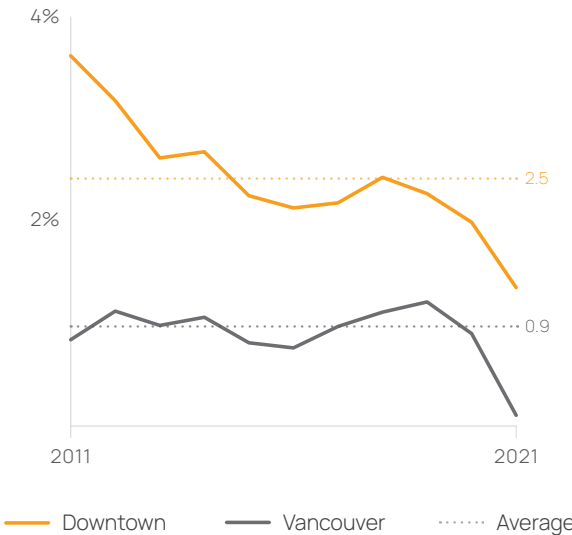
The pandemic has changed the way people migrate, but downtown remains an attractive place to live

The way Canadians are migrating has changed during the COVID-19 pandemic. Downtowns across Canada continued to grow, albeit at a slower rate, throughout the pandemic. Downtown Vancouver grew slower in 2021 than it had in the previous decade. However, more Canadians moved to BC than any other province during the 12-month period ending June 30, 2021. During that time, 34,277 Canadians moved to BC, resulting in the largest net gain in interprovincial migration in 28 years, but this internal migration is largely happening in other BC regions. In fact, Metro Vancouver saw a 1.2% net loss of internal migration between 2016 and 2021. This means Metro Vancouver's 7.3% growth came entirely from natural increase and international migration. Meanwhile, four of the top five fastest-growing metropolitan areas in Canada are in BC – Kelowna, Chilliwack, Nanaimo, and Kamloops. Squamish was the fastest-growing smaller urban area in all of Canada between 2016 and 2021, growing by 20.5%.

WHO HAS MOVED IN THE LAST FIVE YEARS?

	NON-MOVERS	MOVERS
Downtown	36%	64%
Vancouver	53%	47%

POPULATION GROWTH RATE 2011 - 2021



POPULATION CHANGE SINCE 2010

Downtown	30.5%
Vancouver	10.5%

Sources: Statistics Canada, Environics Analytics, Daily Hive

38.1

Median Age

1.7

Average Household Size

\$86,950

Median Household Income

\$123,771

Average Household Income

58%

Renter Occupied

41%

Walk To Work

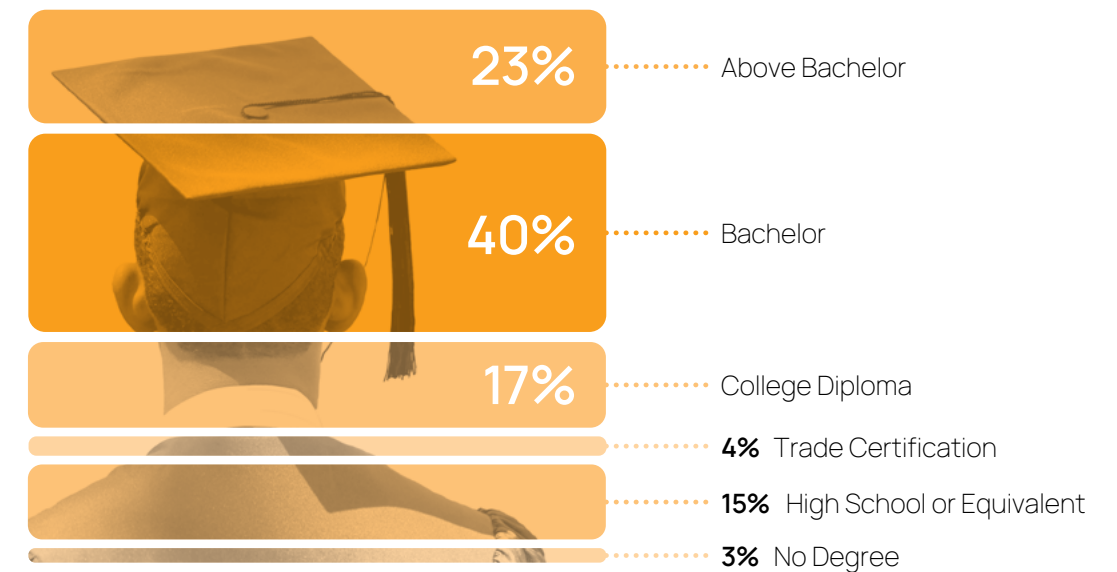
Downtown residents are active, diverse and seek the most of what Vancouver has to offer

Downtown Vancouver residents tend to be young, educated professionals. The largest age group is 30–34 years of age and the median household income is \$86,950. Of downtown residents between the ages of 25 and 64, 63% have attained a bachelor's degree or higher. This is 11% higher than Vancouver as a whole. Downtown residents have a 73.3% workforce participation rate. The most common occupation type is *Business, Finance, and Administration* at 21%, followed closely by *Sales and Services and Management*.

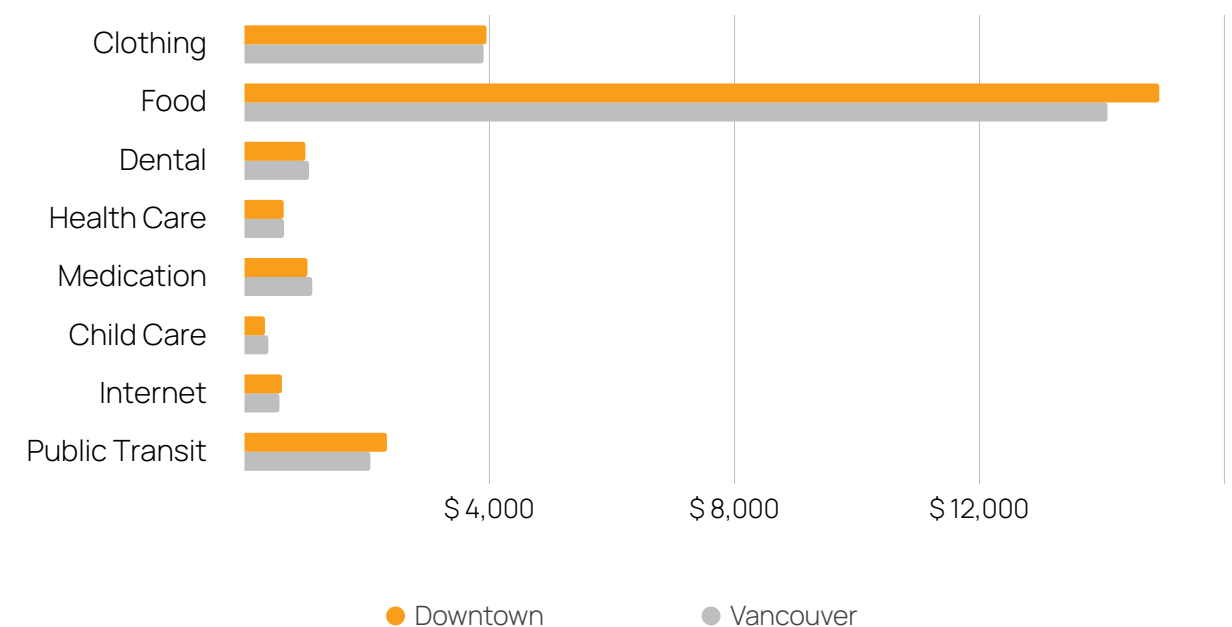
Downtown Vancouver continues to be a diverse community with 48% of the population identifying as a visible minority. The community is also home to Vancouver's growing immigrant population, with 69% of downtown residents being first or second-generation immigrants.

Downtown residents enjoy active lifestyles with 64% of residents walking, biking or taking public transit to work. According to Environics Analytics' *PRIZM*¹, downtown residents value outdoor activities, fitness and adventure sports. They are inclined to seek out a wide range of unique cultural experiences and are likely to spend their nights with friends enjoying nightlife and concerts as well as trying new restaurants.

EDUCATIONAL ATTAINMENT



AVERAGE HOUSEHOLD SPENDING



¹ *PRIZM* is a segmentation system created by Environics Analytics. It classifies Canada's neighbourhoods into 67 unique lifestyle types by integrating geographic, demographic and psychographic data.

Visitors

Visitors are returning to downtown shopping and entertainment corridors at pre-pandemic levels

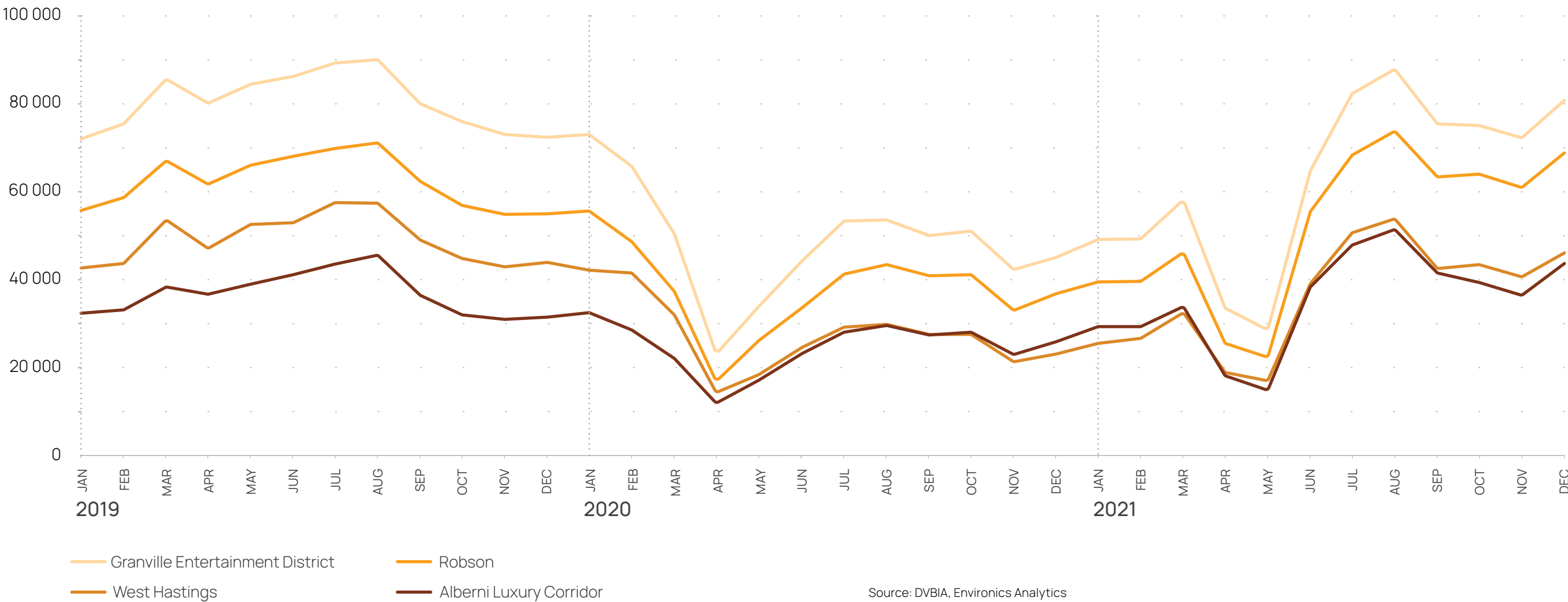
The COVID-19 pandemic has had a significant negative impact on visitation downtown. During the peak of the lockdowns, visitors to the corridors fell by as much as 71%. This dramatic decrease caused downtown businesses to struggle with many closing temporarily or permanently. Data on downtown visitors (Environics Analytics data does not include worker or resident data) shows that visitor journeys downtown are still lower than normal, however, they are reaching pre-pandemic levels.

After a 3-week lockdown in April/May 2021, visitation to downtown's retail corridors began to increase toward pre-pandemic levels. In August 2021, the Robson and Alberni corridors saw more visitors than in 2019.

The return of visitors to Downtown Vancouver is particularly encouraging given that office workers have yet to return to their offices consistently. In the final months of 2021, visitors came downtown at pre-pandemic levels even with extreme weather in late November and restrictions caused by the Omicron variant in late December. This indication of a return to normalcy highlights downtown's draw for people from within and outside of Vancouver as a place to gather and create memorable experiences.



DOWNTOWN RETAIL CORRIDOR VISITORS BY MONTH (2019 - 2021)



Source: DVBA, Envionics Analytics

A low-angle photograph of a modern glass skyscraper, showing the grid-like structure of the windows and the building's ascent towards a cloudy sky. The right half of the image is overlaid with a semi-transparent red filter, creating a strong visual contrast.

Property & Development

Housing

Metro Vancouver's residential real estate market reached an all-time high with 43,999 homes sold in 2021. This was a 42.2% increase from 2020 and a 73.6% increase from 2019. Low interest rates, increased household savings and more flexible work arrangements contributed to this record number. Metro Vancouver began 2022 with 5,236 homes listed for sale. This is the lowest level seen in over 30 years. The 2021 MLS HPI Benchmark Price for Metro Vancouver was \$1,230,200, another all-time high. Despite the increase in home sales in the region, downtown saw the lowest number of absorbed units since 2018. By the end of 2021, there were 183 completed and unabsorbed units downtown and all but two were in North False Creek.¹

Downtown Vancouver New Housing Unit Construction Starts

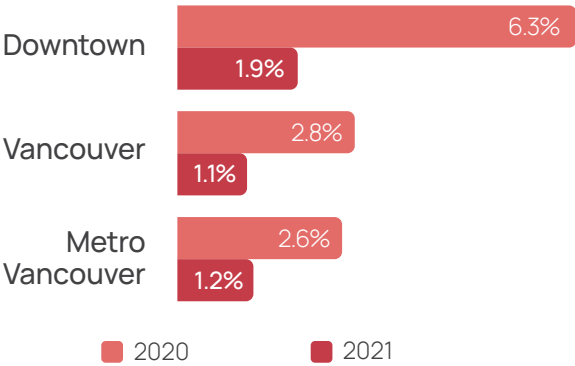
	CONDO UNITS	RENTAL UNITS
2019	812	68
2020	583	258
2021	5	0

Downtown rental vacancy decreased to 2019 levels as demand grew faster than supply

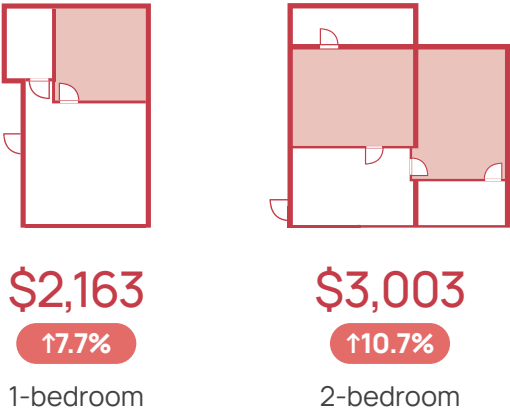
After a year of increased vacancy rates in 2020, demand for rental housing has returned to pre-pandemic levels. Downtown's number of vacant rental units dropped by 60% between 2020 and 2021. This has been partially attributed to the return of university students and increased migration. The tightening of the rental market in Metro Vancouver contrasts significantly with that of Toronto where the vacancy rate increased to 4.6% as tenants continued to leave the Toronto core.

The tighter market in 2021 has intensified existing inequities in Vancouver as lower-income households face an even greater challenge in finding affordable units. Provincial measures from March 2020 through December 2021 that froze rents for existing tenants contributed to a slower pace of rent increases in Metro Vancouver. The rising average rent was due entirely to landlords increasing prices when re-renting units or new units being made available from completed development. By the end of 2021, the average rent for available units in Vancouver increased by 15.1% from 2020. In 2021, the average rent was 9.5% higher for vacant units than occupied units. But this gap is much narrower than the 2020 gap of 21%. By February 2022, Rentals.ca data showed that average rents for available units went up by 23% compared to February 2021.

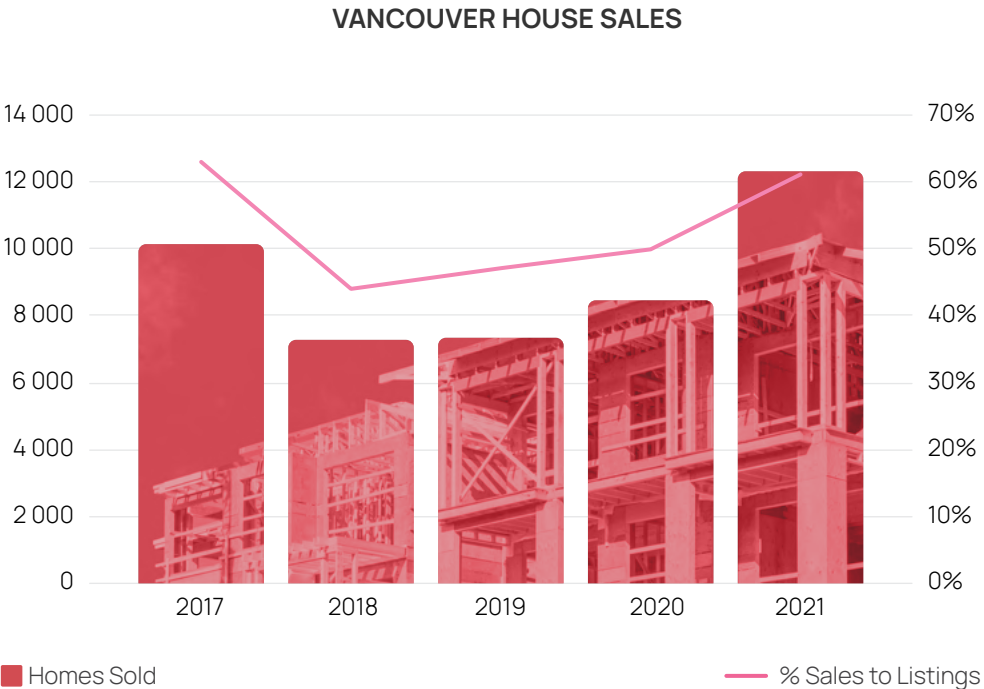
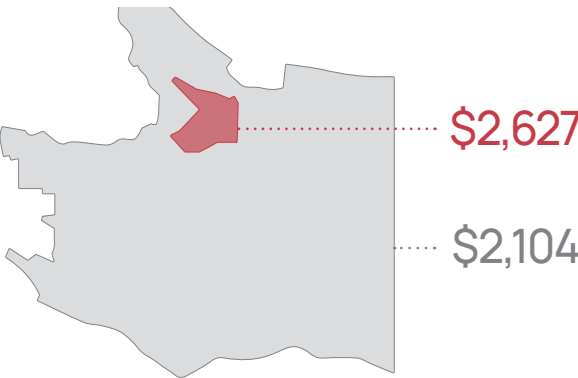
RENTAL VACANCY



VANCOUVER AVERAGE RENT (DECEMBER 2021)²



AVERAGE PURPOSE-BUILT 2-BEDROOM RENTS



¹ CMHC's downtown boundaries differ from the City of Vancouver's downtown local area boundary. The CMHC area includes a portion of the West End and excludes Gastown and English Bay.

Sources: Real Estate Board of Greater Vancouver, Rentals.ca, CMHC

² The average rent is sourced from Rentals.ca data. This data includes only rental units advertised on Rentals.ca in Vancouver. Listings over \$5,000 and under \$500 are excluded from the average.

Office

3.3 million sq. ft. of office space is coming to downtown from 2022 to 2024

The Downtown Vancouver Core currently has a total of 23,661,399 sq. ft. of office space, comprising 36% of Metro Vancouver's total office inventory. The vacancy rate for downtown at the end of 2021 rose to 8.1% compared with 6.6% in 2020. While the Delta and Omicron variants may have played a role in this increase, it is primarily due to the delivery of largely vacant office buildings at the end of 2021. This is likely going to be the case heading into 2022 as well. Although in 2021 workers returned to their offices slower than expected, leasing activity has resumed and deals are being completed.

Downtown recorded positive absorption of 173,555 sq. ft. of office space in 2021. This is a complete turnaround from 2020 which saw negative absorption of -615,711 sq. ft. Only Vancouver-Broadway saw more in 2021 at 264,823 sq. ft. The positive absorption downtown came entirely from class AAA office space and offset negative absorption in class A, B, and C buildings.

Downtown Vancouver has nearly 3.3 million sq. ft. of new office space set for completion between 2022 and 2024, 980,000 sq. ft. of which are scheduled to be delivered in the first half of 2022. Another 2.1 million sq. ft. of office space is set for 2026 completion.

NOTABLE LEASE DEALS (sq.ft.)

48,000
Microsoft

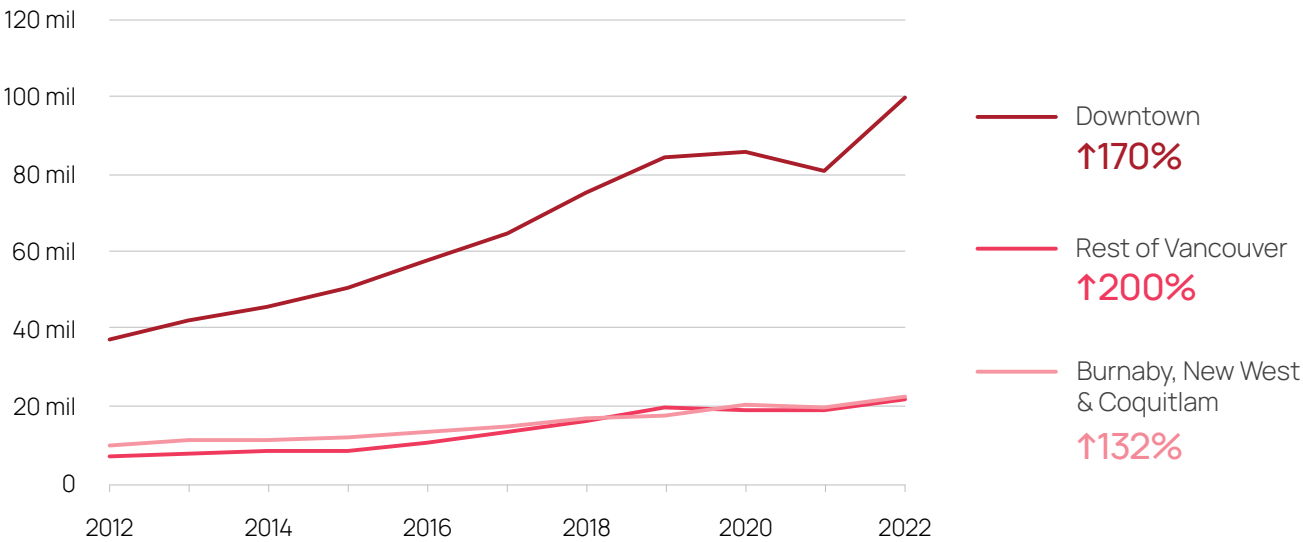
30,200
Plenty of Fish

30,170
economical

29,560
MILLER THOMSON
AVOCATS | LAWYERS

27,470
BOSA
PROPERTIES

AVERAGE OFFICE PROPERTY ASSESSMENT

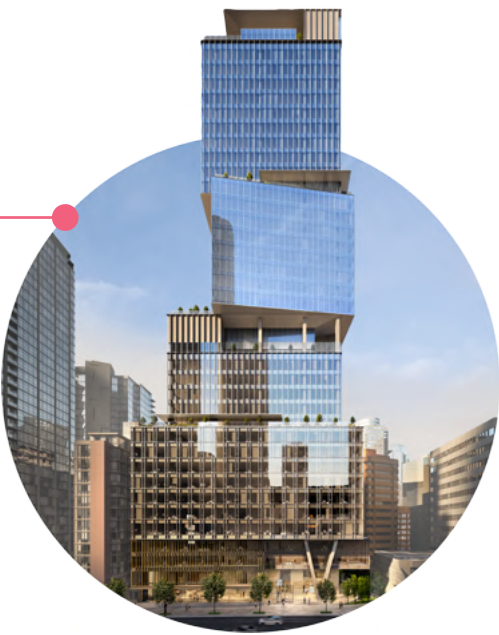


Sources: Avison Young, JLL

NOTABLE OFFICE DEVELOPMENT

The Stack

Oxford Properties
532,000 sq. ft
Q3 2022 Completion



B6

BentallGreenOak
534,000 sq. ft
Q3 2023 Completion

Bosa Waterfront Centre

Bosa Developments
374,790 sq. ft
Q2 2022 Completion



Vancouver Centre II

GWL Realty Advisors / HOOPP
377,000 sq. ft
Q2 2022 Completion



The Post

QuadReal Property Group
South Tower: 512,000 sq. ft
North Tower: 592,000 sq. ft
Q2 2022 / Q3 2022 Completion



The Offices at Burrard Place

Reliance Properties
133,000 sq. ft.
Q1 2022 Completion

Sources: Avison Young



Business

Tech

Growing 21% between 2019 and 2020, Vancouver ranked third in North America in high-tech job growth with only Seattle and Toronto growing faster, at 22% and 26% respectively. From 2018 to 2019, Vancouver was the fastest-growing tech hub in North America with a 30% growth rate. Since December 2020, nine privately held tech companies based in Metro Vancouver reached a valuation of \$1 billion or greater, three of which are located downtown. The recent increase in investment from U.S.-based venture capital firms is linked to increases in remote work, with VC firms increasing their investments in Canada-based companies now that geographic proximity is less of a limitation.

Tipalti, a U.S.-based financial tech company with a valuation of \$8.3 billion expanded to Downtown Vancouver and cited the city's quality tech talent and easy access to downtown from throughout the region as their main reasons for choosing Vancouver. Vancouver ranks 11th in North America in CBRE's *2021 Scoring Tech Talent*. World-class post-secondary institutions in the region contribute to the growth of tech talent in Vancouver. In addition to homegrown talent, Vancouver ranks 4th in North America for 'brain gain.'¹ This indicates that Vancouver and tech companies within the city are attracting talent from other regions. Vancouver had a brain gain of 11,256 within the last five years. In comparison, the New York Metro had a brain drain of -65,478 during that same period.

DOWNTOWN UNICORNS



Identity Verification Services
\$2.1B



Fraud Prevention & Cybersecurity
\$1B+



Governance, Risk Management
& Compliance Software
\$1B
*Sold to US-based company

NOTABLE 2021 TECH COMPANY OFFICE LEASES



666 Burrard



(Expansion)
725 Granville

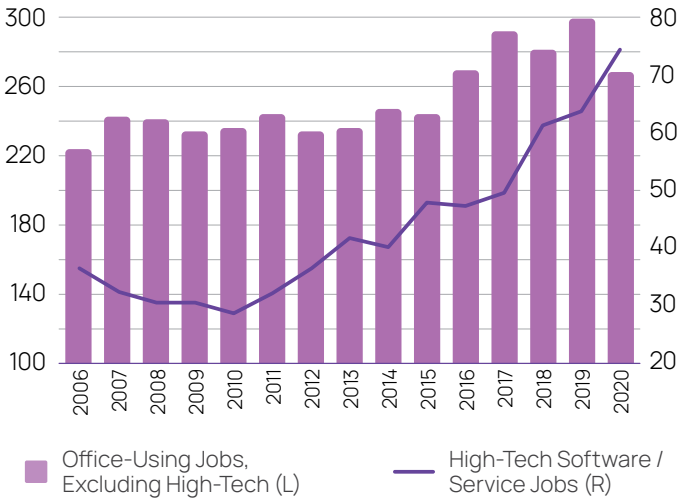


The Stack



One Bentall Centre

HIGH-TECH SOFTWARE/SERVICES vs. OFFICE-USING JOBS (THOUSANDS)



Low operating costs contribute to Vancouver's allure as a tech hub. Vancouver had the 4th lowest operating costs of the 30 top tech markets identified by CBRE. In fact, of the eight Canadian cities that made CBRE's ranking, all eight ranked at the bottom of the list for an

estimated one-year of operating costs. This is due to Canada's significantly lower salaries for tech workers; for example, equally qualified candidates in the U.S. will see average salaries that are 50% higher for software engineers compared to Canadian markets.

TECH WAGES IN VANCOUVER

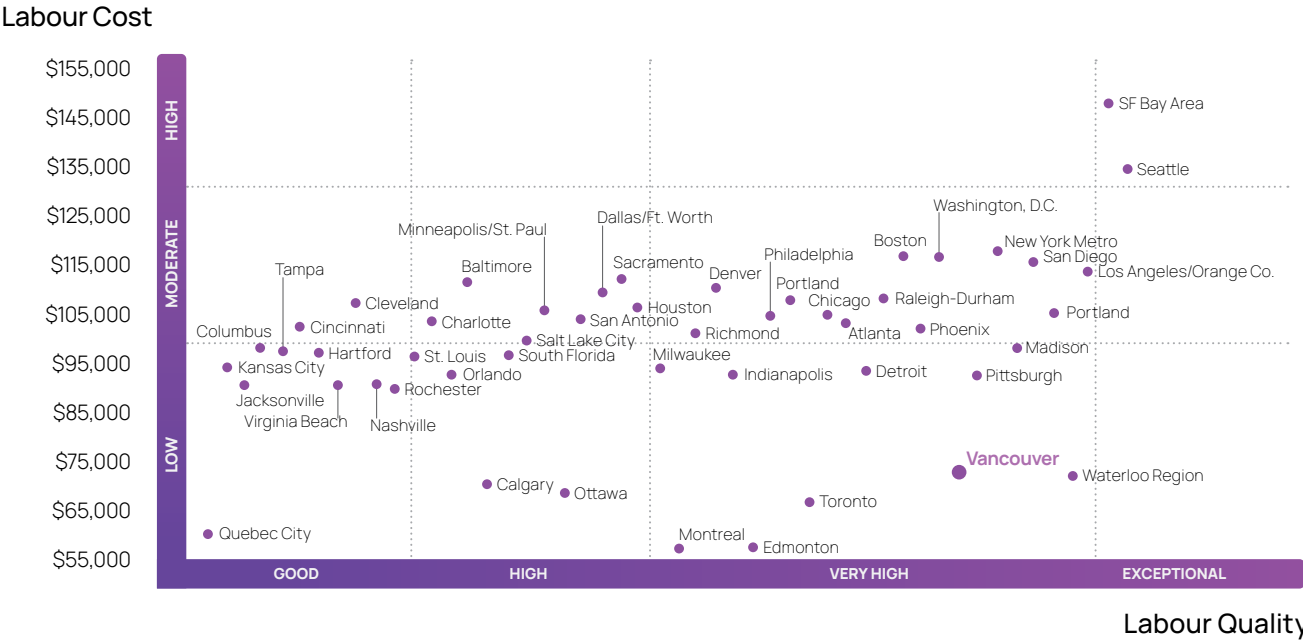
\$89,190

Tech Occupations

\$61,963

Non-Tech Occupations
(within the tech industry)

AVERAGE ANNUAL SALARY FOR SOFTWARE ENGINEER (US\$)



¹ Brain gain is calculated by subtracting the number of tech degree graduates in Vancouver from the number of tech jobs added in Vancouver within the same timeframe. The positive number shows that Vancouver is attracting talent from other regions. A negative number would indicate that graduates in the tech field were leaving Vancouver for jobs elsewhere.

Sources: CBRE, BIV, Vancouver Tech Journal, Statistics Canada, U.S. Bureau of Labor Statistics, LinkedIn, Avison Young

Return-to-Office

While interest in downtown office space remains strong, there is uncertainty as to when the numbers of office workers will return to pre-pandemic levels

The return of workers to offices did not progress as expected in 2021. It was thought that increased vaccination rates would lead to businesses and employees returning to pre-pandemic office arrangements. However, the Omicron and Delta COVID-19 variants plus a growing desire by workers to continue working remotely kept Downtown Vancouver offices largely empty. Fifty-four percent of the BC workforce had to work remotely during the pandemic, with workers aged 18-34 being more likely to work from home. In Downtown Vancouver, office foot traffic remained well below pre-pandemic levels although it did vary from week to week. The week of September 13th, 2021, saw the lowest level of office foot traffic in Downtown Vancouver reaching only 17.3% of the pre-pandemic baseline. The highest levels of office foot traffic occurred during the week of March 8th, 2021 – exactly one year since the pre-pandemic baseline – reaching 56% of the pre-pandemic baseline. Following that peak, weekly office foot traffic typically hovered at approximately 30% of the pre-pandemic baseline.

There is still some uncertainty as to the extent to which office workers will return to downtown offices. A BC survey by Research Co. in January 2022 reported that 38% of BC workers who have worked away from their typical workplace had not heard anything from their employer about plans to either return to the office or continue working remotely. Only 11% of workers who have worked at home expected a full return to the office and 75% of workers expected to be able to work from home at least one day a week. This breaks down to 41% believing they will be able to work from home once or twice a week and 34% expecting three or more days a week. In February 2022, the Provincial Health Officer Order on Workplace Safety was updated to, with some exceptions, allow employers to mandate their employees back to the office. However, 62% of Metro Vancouver workers claimed they will likely leave their current position if their supervisors do not allow them to work from home as much as they would like.

Sources: Avison Young, BIV

The biggest challenge that the office market faced in 2021 was inspiring employees to come back to work downtown. Employers, through a variety of different means, began to develop strategies to bring back workers. That was an ongoing process throughout the year.

The hybrid model trend impacts office space in a number of different ways. We continue to see employees come back to the office slowly as employers have developed their return-to-office policies. Hybrid will be embraced moving forward by employers as part of the offerings to employees. Most of them will continue to require some employees to be in the office at various parts during the week. So, at the end of the day, office space will continue to play a crucial role in most companies' operations.

Andrew Petrozzi

DIRECTOR, COMMERCIAL RESEARCH - WESTERN CANADA
Altus Group



Retail

Vancouver
Retail Sales
↑14%
compared to 2019

The DVBIA is now performing quarterly street-level business inventories.² As of March 2022, Downtown Vancouver has 1,015 street-level commercial spaces; 85% of those spaces have open businesses and 2.2% are leased with businesses opening soon.

The four retail corridors³ of the DVBIA are performing worse than downtown as a whole. There are 365 street-level units in the DVBIA's four retail corridors, 81% of which are open, compared with 71% in June 2021. Overall, while Downtown Vancouver street-level businesses have shown a steady recovery, a complete recovery has not yet been achieved. Despite an overall positive trend since June 2021, has experienced a net loss of nine businesses since November 2021, with 10 openings and 19 closings.

Out of all major markets in Canada, Vancouver's retail recovery has performed the best. Retail sales in the first half of 2021 were up 14% compared to 2019 and 25% compared to 2020. Metro Vancouver is also experiencing growing demand for retail space although this demand is mainly focused on the suburbs. General retail, neighborhood centers and malls all contributed to a decrease in available retail space in Metro Vancouver. Downtown, the redevelopment of 800-block Granville and The Post will bring a fresh new supply of retail space. Retail investment volumes have also increased with a 40.6% increase in the first half of 2021 compared to the first half of 2020.

Sources: DVBIA, JLL, CBRE

² A business inventory was performed in June 2021. The methodology was changed for the next inventories in November 2021 and March 2022 in order to achieve a more complete survey. As a result of the change in methodology, the only data that is comparable between June 2021 and March 2022 is within the four retail corridors of the DVBIA.

³ The four retail corridors of the DVBIA are Granville St., Alberni St., Robson St., and W. Hastings St.

NOTABLE RETAIL ADDITIONS

LUCID

Lucid Motors

DAISO
JAPAN

Daiso Japan



Rimowa

PELOTON

Peloton



Tonino Lamborghini

Tonino Lamborghini

THOM BROWNE



Thom Browne



Food & Beverage

Downtown bars, restaurants and clubs endured tremendous setbacks during the pandemic. Restrictions are now lifted but challenges remain for the industry

After two years of pandemic-related shutdowns and restrictions, restaurants and bars still face immense challenges to stay open. In Vancouver, OpenTable dine-out reservations were down 64% in 2020 and 45% in 2021 compared to 2019. Mother's Day 2021, typically the most popular dine-out day, was down 70% compared to 2019. Take-out/delivery sales, on the other hand, have tripled. Although restaurant sales during the shutdowns were not near pre-pandemic levels, they kept kitchens open and people employed. Throughout the pandemic, 80% of BC's entire hospitality industry was operating at a loss, breaking even, or earning a profit of 2% or less. Compared to 2019 levels, sales at BC pubs, bars and nightclubs were down 30%, forcing 15% to close permanently. Even as restrictions have eased, downtown restaurants and bars have had to adjust to a shifting customer base as there are fewer office workers and tourists.

The most significant challenge facing the restaurant and hospitality industry is access to labour. BC's hospitality industry is down over 30,000 workers from pre-pandemic levels. As of February 2021, almost a quarter-million workers in Canada's accommodation and food services sector had left the industry. In response, businesses have offered more flexibility with shifts, higher wages and benefits to attract workers. Businesses have also adopted new technologies to help deal with the labour shortage, for example the use of QR (Quick Response) codes that allow diners to access menus, order items and pay for them using a mobile device. This reduces the number of servers required.

The Canada Emergency Wage Subsidy was put into effect at the beginning of the pandemic. This helped businesses within the hospitality industry and elsewhere stay afloat during the first two years of the pandemic. Without federal support, half of BC's hospitality industry is at risk of closing permanently. The Canada Emergency Wage Subsidy was replaced in part by the Tourism and Hospitality Recovery Program, but the subsidy rate decreased from 75% to 37.5% in March 2022.

Sources: ABLE BC, OpenTable, Canadian Centre for Policy Alternatives, CityNews, CTV News

In 2020, 700 Vancouver restaurants were able to take advantage of the city's temporary patio program. This was crucial in helping hundreds of restaurants stay open, keeping thousands of people employed. In 2021, temporary patios returned to the delight of businesses and diners. The city has committed to keeping these seasonal patios as an option for restaurants in the future. Part of the reason that the program was implemented so quickly was that the City of Vancouver waived the permit fee and streamlined the application process. Restaurant, bar and hospitality businesses in Vancouver hope that the government's willingness to react quickly and with minimal 'red tape' is continued after the pandemic, allowing businesses to grow and address challenges more freely.

I am so incredibly proud of the resilience of our industry. If you think back to late 2020 and early 2021, we had people walking up to the hostess of a restaurant or a pub and yelling at them for health protocols – simply for following the law.

But time and time again, our industry stepped up, followed the public health protocols, adopted things like vaccine passports, kept our tables two metres apart, and wore masks even in the kitchen, where it is extremely hot and uncomfortable to do so. But they did it because it was the right thing to do, and that was the path forward. And now, those who have made it through are excited to get back to work. Those subsidies that we got [from the federal government] kept us afloat, but we never wanted to take them. What we wanted was an opportunity to serve our customers, make a bit of revenue, and get back to work in our communities.



Jeff Guignard

EXECUTIVE DIRECTOR
Alliance of Beverage Licensees (ABLE), BC

Tourism

4 - 5.6
million

Canadians are
expected to visit
BC in 2022

8% more
cruise ships visiting
Vancouver in 2022
than in 2019

Tourism in Vancouver began to see a gradual recovery from the pandemic in 2021. However, the negative effects of the pandemic on Metro Vancouver were extraordinary: an estimated \$9.8 billion drop in visitor spending, \$5.8 billion drop in GDP, \$2.6 billion drop in tax revenue, and a loss of 72,000 full-time jobs.

The province introduced a \$485 million Tourism Relief Fund to assist the sector's recovery and on September 7th, 2021, Canada opened the border to travellers from most countries. This was a significant milestone for the Vancouver area and helped drive a 32.3% increase in travellers to the Greater Vancouver region in 2021 compared to 2020. Hotels partially recovered in 2021 with downtown hotels reporting yearly occupancy rates of 40%, up from 29% in 2020. However, this increased rate is still only half 2019's yearly occupancy level of 80%.

In 2021, year-over-year passenger traffic at Vancouver International Airport was down 72% from 2019 levels. However, air travel has steadily increased as BC has reopened. In December 2021, Vancouver's airport was the second busiest airport in Canada with 18,831 flights compared to Toronto/Lester B. Pearson International's 25,613 flights. Although demand for air travel is increasing, YVR expects depressed passenger numbers in 2022 and Canadian airports anticipate that passenger numbers will not return to pre-pandemic levels until 2025.

Sources: Vancouver Economic Commission, Destination Vancouver, Daily Hive, Vancouver International Airport, Statistics Canada



Overall, there is optimism regarding the return of travellers to Vancouver. As of February 2022, flight bookings for June to Vancouver from elsewhere in Canada were at 129% compared to June 2019 levels. With 57% of Canadians planning to travel out of their province in 2022, this equates to 7 million potential travellers. Destination Vancouver expects between 4 and

5.6 million Canadians to visit BC in 2022, with top reasons to visit Vancouver reported as to re-connect, experience nature, visit parks, hike, and enjoy local food and drinks. Also helping the recovery is the return of cruise ships to Vancouver for the first time in two years. In 2022, 310 cruise ships are scheduled to visit Vancouver — 8% more than in 2019.

DOWNTOWN VANCOUVER HOTEL OCCUPANCY



Film & Media

Vancouver's film industry returns to business as usual after a four month pause in 2020

Vancouver is the third-largest film production hub in North America and the largest in Canada. The region offers a unique combination of technology and entertainment production with over 100 companies that specialize in visual effects and animation. Vancouver also offers the world's second-largest virtual reality/ augmented reality cluster with over 200 companies that specialize in VR/AR. With 65,000 film professionals and over 250 film production service companies, British Columbia has the labour pool to support 50 simultaneous full-scale productions at one time. In total, 80% of BC's film production takes place in Metro Vancouver.

Downtown Vancouver serves as a popular setting for some of North America's largest film and television productions. In 2021, downtown had 240 location permits and 175 film days, primarily booked by television series. Although this level of filming is consistent with previous years, larger and more frequent road closures and more complex filming activity is expected given the increased budgets for full-scale productions in recent years.

DOWNTOWN VANCOUVER FILMING

240

Location Permits

175

Film Days

BC PRODUCTION TAX INCENTIVES

28-34%

BC Production Services Tax Credit

35%

Film Incentive BC

16%

Digital Animation, Visual Effects & Post-production Tax Credit

17.5%

Interactive Digital Media Tax Credit

Sources: City of Vancouver, Vancouver Economic Commission, Daily Hive

NOTABLE PRODUCTIONS IN VANCOUVER

THE FLASH

SUPERMAN & LOIS

BATWOMAN

Charmed

RIVERDALE





Urban Experience



Memorial

The discovery of the remains of at least 215 children buried at the Kamloops Indian Residential School in the Summer of 2021 emitted echoes of past abuses across Canada and the world. These echoes amplified the transgenerational trauma experienced by Indigenous peoples caused by European colonization and the residential school system. In response to the findings, 215 pairs of children's shoes were placed on the steps of the Vancouver Art Gallery at Robson Square. During the weeks that followed, hundreds gathered at the steps to memorialize the children who were taken by the residential school system and those who never returned to their families. Robson Square became a place for people to mourn and feel the heaviness of injustice together.



A downtown is many things and often serves as a reflection of a community's values. In a period characterized by calls for meaningful action toward justice and reconciliation, downtowns have become a place where collective voices can be asserted.

Vancouver has seen this unfold in, amongst others, the residential school memorial

and the Stop Asian Hate and Black Lives Matter demonstrations. Although Downtown Vancouver is often a place where people come to celebrate, the DVBA recognizes that the downtown core can also be a place where people can mourn, protest and reflect as one. These actions rekindle the strength that a society possesses to do better.

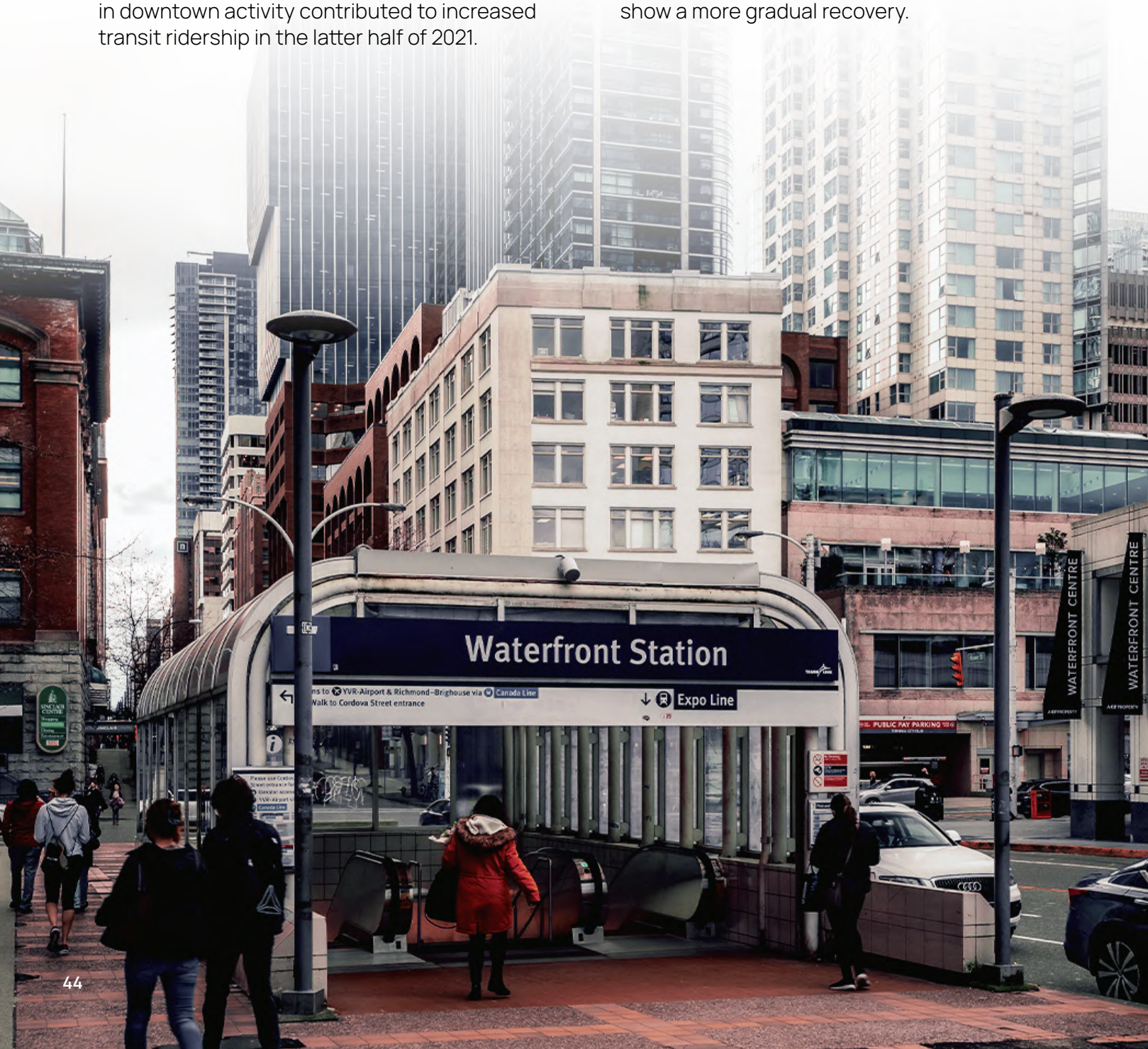
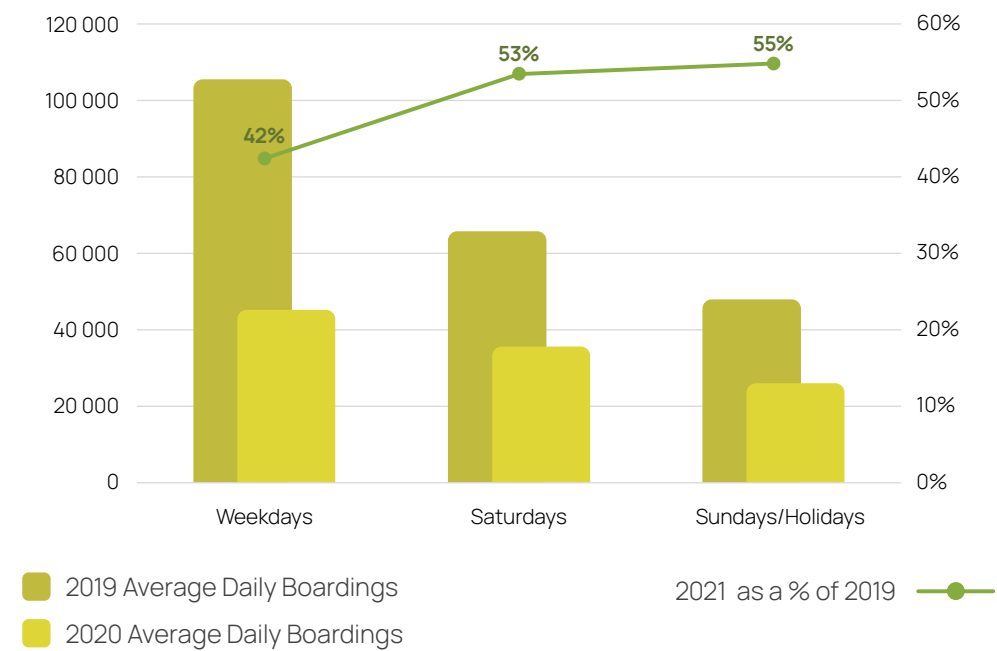


Transit

Downtown Vancouver is the crossroads of one of the most utilized and robust transit systems in North America and is recovering relatively well compared to other regions. In the fall of 2021, students returned to school, employees began returning to workplaces and many social activities and entertainment events resumed. This rise in downtown activity contributed to increased transit ridership in the latter half of 2021.

Compared to the rest of the TransLink system, Downtown Vancouver's ridership recovery was generally lower throughout 2021. Downtown has seen the number of visitors return to pre-pandemic levels, but with many downtown workers still working remotely, downtown transit ridership will show a more gradual recovery.

SEPTEMBER-OCTOBER AVERAGE DAILY BOARDINGS
DOWNTOWN SKYTRAIN STATIONS



Sources: TransLink

Large-Scale Events

In 2021, Downtown Vancouver began to see glimpses of a return to larger-scale events and attractions. The Vancouver Art Gallery welcomed 172,100 visitors during the 2020/21 fiscal year. This was lower than the 305,421 visitors during their 2019/20 fiscal year but the gallery was still able to feature 13 exhibitions as it has in previous years.

During the 2019-2020 fiscal year, the Vancouver Convention Centre hosted 500 events that brought over one million people downtown. In 2020 and 2021, the Convention Centre pivoted to smaller-scale events with social distancing measures. The Imagine Van Gogh and Michelangelo Sistine Chapel exhibitions were hosted at the Convention Centre in 2020 and 2021. The Convention Centre also served as a large immunization clinic throughout 2021.

In 2022, the Vancouver Convention Centre is seeing increased interest in venue bookings with over 200 already confirmed including the GLOBE Forum, Ted and Jurassic Quest.

On October 26th, the Canucks hosted their first full-capacity home game at Rogers Arena in 595 days. After nearly two full seasons with no fans in attendance, Canucks home games are now bringing in roughly 17,000 people on average to the downtown peninsula.

From July 31 through September 6, 2021, the DVBlA hosted the Granville Promenade every weekend. This street festival pedestrianized two blocks of Granville Street and brought live music, performances and public art in a family-friendly environment to the downtown core. This event will be returning in 2022.

Sources: Vancouver Art Gallery, Vancouver Convention Centre, BIV, Daily Hive, ESPN

Nightlife & Entertainment

Downtown Vancouver offers the most vibrant nightlife and entertainment in the region. Unfortunately, this sector was one of the hardest hit during the pandemic. Nightclubs adapted to restrictions by serving food to seated customers but overall numbers were low in comparison with pre-pandemic levels. Nightclubs reopened in February 2022, and in March 2022 the province lifted the restrictions that had previously banned dancing, limited

club capacity and mandated the wearing of masks inside clubs. With restrictions lifted, Granville Street and the rest of downtown's nightlife industry came alive and many are optimistic that Summer 2022 will feel like pre-pandemic times. Venues are being booked, shows are selling out and more festivals are returning in 2022. These positive signs appear to indicate that the resurgence of Downtown Vancouver's nightlife is here to stay.

Sources: BIV, CTV News

Extreme Weather Events

BC experienced two major climate events in 2021 – an extreme heat dome from June to mid-July and severe flooding in November. In June, the Pacific Northwest was hit with an extreme heatwave that ultimately led to the deaths of 595 people in BC; 434 of these deaths were in Metro Vancouver and

99 were in Vancouver. During this heat wave, the average three-day local temperature for Metro Vancouver was 36.3°C, peaking at 41.6°C. This compared to a typical mean temperature for this period of 25°C. Elderly and low-income individuals were hit especially hard by this event because they had less access to air

conditioning, were less likely to be able to reach cooling centres or get outside to avoid overheating, and were more likely to live in urban heat islands with less shade and nearby green space.

In November 2021, areas of BC experienced record levels of rainfall due to a climatological phenomenon called 'atmospheric rivers' that forced approximately 15,000 people to evacuate their homes. Vancouver was cut off from the rest of the country due to floods damaging the highway network and rail routes. This climate disaster was the 5th costliest in the world in 2021 estimated at \$7.5 billion. BC's economic recovery was pushed back by between \$250 million and \$400 million as supply chains were disrupted. The BC government set aside \$1.1 billion for recovery costs over the next three years and

the federal government committed \$5 billion to help with the recovery under the Disaster Financial Assistance Arrangements. Additionally, federal, provincial and territorial ministers responsible for emergency preparedness are developing a proposal for a national flood insurance program that would protect homeowners in high-risk areas.

Peer-reviewed studies have proven the connection between climate change and the increased frequency of extreme weather events. Climate change has increased the odds of future atmospheric rivers by at least 60%. By the 2040s, deadly heat domes such as the one seen in 2021 will be likely to occur in one out of every five years in BC. Measures can and should be taken to better prepare communities to respond to these events.

Post-Secondary Education

Higher education is an integral part of Downtown Vancouver's community. Several Universities have locations downtown including Simon Fraser University, the University of British Columbia and the British Columbia Institute of Technology. These institutions contribute to Vancouver's supply of talented labour that attracts businesses to the region. These universities also host events, workshops and labs that further contribute to downtown's identity as a place for innovation and discovery.

During the pandemic, all higher education courses were taught virtually resulting in missed opportunities for student collaboration, interaction with professors, socialization and networking. In Canada, 63% of post-secondary students reported that remote classes negatively affected their learning, while half of students reported

delays in their study completion. Forty-eight percent of Canadian post-secondary students reported losing their job during the pandemic and 73% had to accrue more student debt. Students can expect to pay higher tuition fees as universities try to recoup the losses from lower enrollment rates during the pandemic.

The fall of 2021 brought the return of in-person classes bringing thousands of students back to Downtown Vancouver, although some courses had to revert to remote learning throughout the semester. (For example, Simon Fraser University made a temporary shift to remote learning between January 10 and 24 due to the Omicron variant.) International students have also begun to return to Vancouver from their home countries as travel restrictions have eased.

Sources: UBC, Simon Fraser University, BC Centre for Disease Control

Homelessness

The City of Vancouver's 2021 homelessness count was cancelled due to the pandemic. The 2020 count identified 547 individuals who were unsheltered in Vancouver.¹ With an additional 1,548 individuals living in shelters, a total of 2,095 people were identified as homeless in Vancouver, 5% fewer than in 2019.² Of the unsheltered individuals surveyed in Vancouver, 19% were located downtown.

Most of the individuals surveyed had been without a home for six months or more in the last 12 months and 39% reported being homeless for a period from one to five years. Of those surveyed, 84% were living in Vancouver when they found themselves without a home.

Indigenous people are disproportionately experiencing homelessness in Vancouver, making up 2% of Vancouver's population but

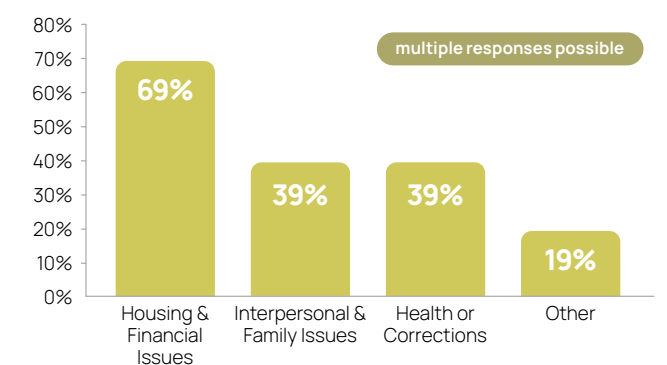
39% of the city's homeless population. The City of Vancouver recognizes that this is a result of structural racism and colonialism. Of those surveyed, 36% are currently or were previously in the care of the Ministry of Children and Family Development. This points to the need for more support for youth aging out of care. The provincial government is expanding support systems for former youth in care in order to target one of the root causes of homelessness. BC is also providing \$4 million to support people experiencing homelessness at encampments. The City of Vancouver has recently announced the Tiny Shelter Project Pilot, which will provide 10 tiny shelter structures for up to 20 people for a period of two years.

2020 VANCOUVER HOMELESS COUNT

1,548
Sheltered

547
Unsheltered

2020 HOMELESS COUNT: CAUSE OF LOSING HOUSING



Sources: City of Vancouver, CBC News

¹ The City of Vancouver's methodology for the homelessness count recognizes an inherent limitation as it only enumerates individuals who give consent to be surveyed. The City also recognizes the methodology's limitations in capturing hidden homelessness. It is also believed that women were disproportionately undercounted.

² The City of Vancouver indicated that survey fatigue contributed to the 5% drop from 2019 to 2020. Individuals are becoming less likely to consent to being surveyed.

Opioid Crisis

British Columbia is in its 7th year of a declared public health emergency due to the severe increase in drug-related overdoses and deaths. Harm reduction activities were implemented to address the crisis including Mobile Medical Units, Overdose Prevention Sites and Downtown Eastside Connections. Since 2015, monthly illicit drug toxicity death rates have quadrupled in BC. The year 2021 ended as BC's deadliest year of the opioid crisis with 2,232 people dying from illicit drug overdoses and 24% of these deaths occurring in Vancouver. Prior to the pandemic, monthly death rates had been decreasing in BC with monthly illicit drug toxicity death rates in 2019 and early 2020 reaching half the previous peak levels in late 2016. However, within the first three months of the pandemic, death rates doubled in BC. Potent opioid fentanyl was a factor in 84% of deaths. Ten years ago, fentanyl was only a factor in 5% of deaths.

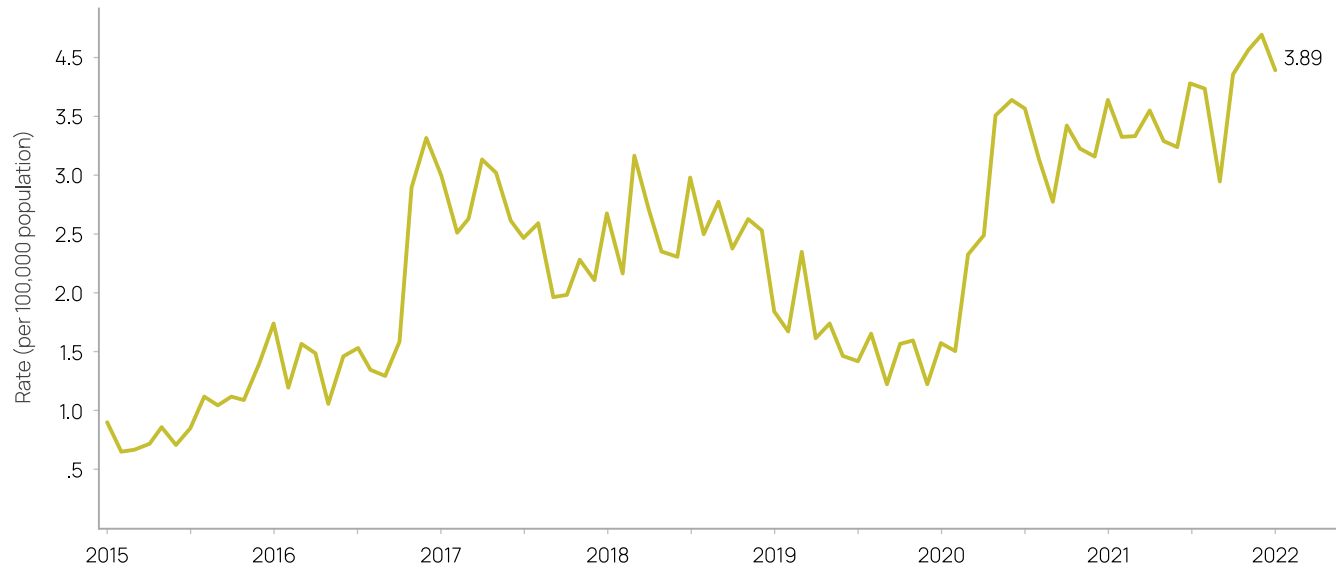
The rapid rise of the illicit drug toxicity death rate was correlated with an equally rapid drop in visits to overdose prevention services and supervised consumption services sites at the beginning of the COVID-19 pandemic. Some facilities had to close temporarily and those that remained open had limited capacity due to physical distancing restrictions. Additionally, the fear of exposure to COVID-19 kept many people from going to supervised consumption sites. The gradual decrease in overdose death rates before the pandemic was largely due to community and connection, so when the pandemic separated communities and support, more people began to use drugs alone and were unable to get help when needed.

The province has recently applied to the federal government to decriminalize the personal possession of hard drugs. The goal of this would be to reduce the stigma and encourage treatment versus criminal punishment.

ILLICIT DRUG TOXICITY DEATHS



ILLICIT DRUG TOXICITY DEATHS

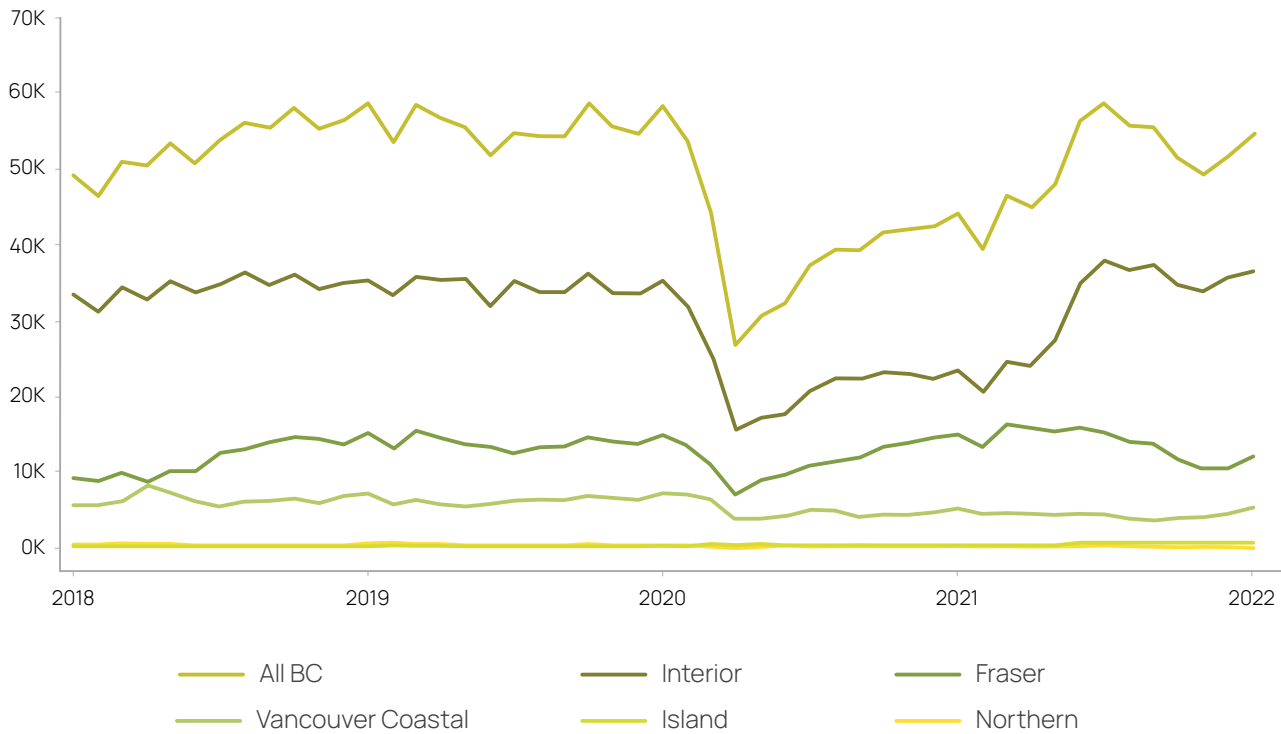


* A rate is a measure of the frequency with which an event occurs in a defined population over a specified period of time. Rates make it easier to compare the frequency of events in different geographic areas, like health authorities which have different population sizes.

* Data for this indicator may be delayed.

* The BCCS operates in a live database environment. Some data for more recent years is based on preliminary circumstances and is subject to change as investigations are concluded.

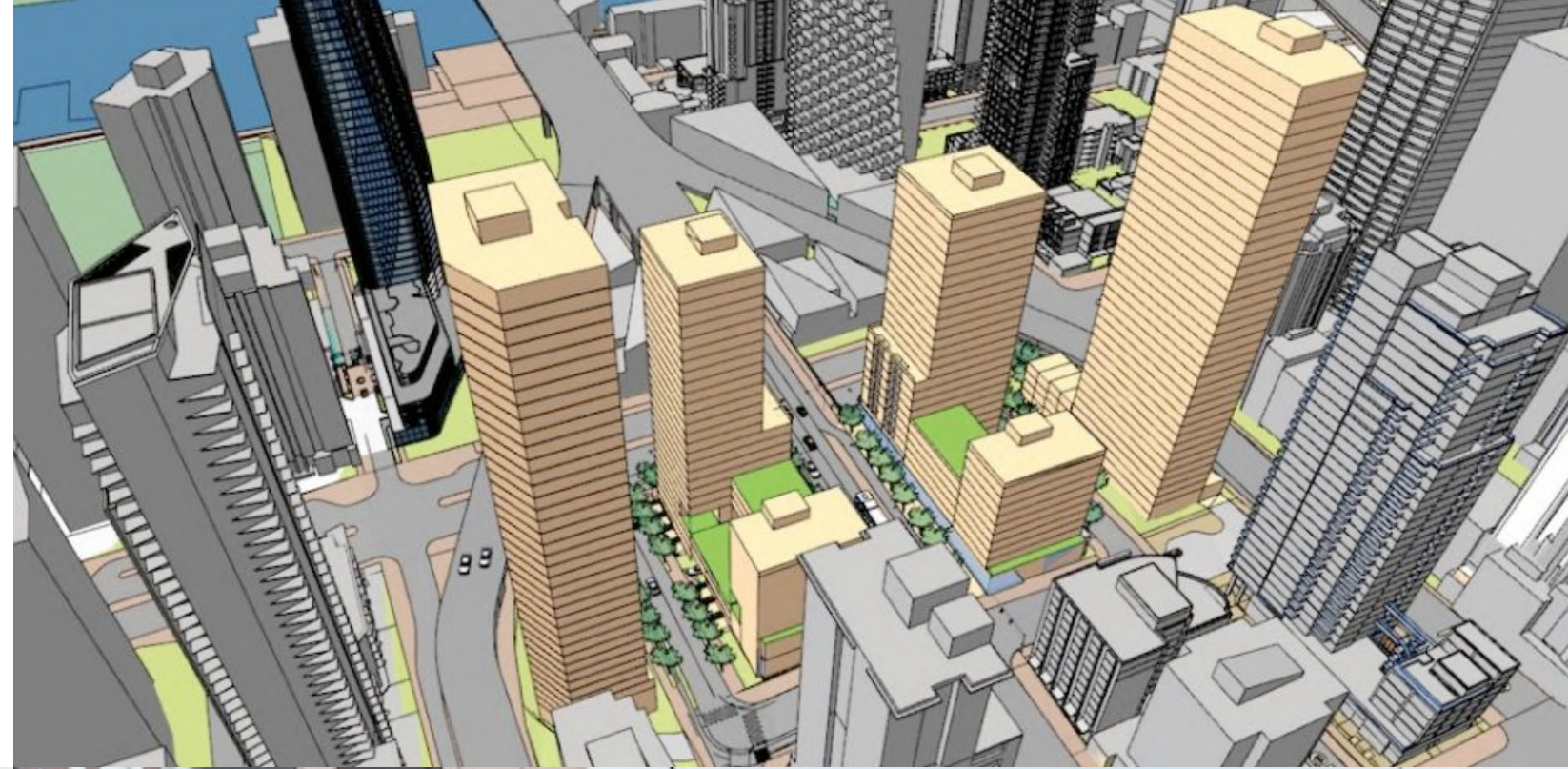
VISITS TO OVERDOSE PREVENTION SERVICES SITES & SUPERVISED CONSUMPTION SERVICES SITES



Sources: Vancouver Coastal Health, BC Centre for Disease Control, BC Coroners Service, CTV News, DVBlA

The Future of Granville St.

Granville Street is considered to be the heart of Downtown Vancouver and carries with it a long and rich history. There are several exciting projects planned for Granville in the near future that are supporting its evolution into a world-class entertainment district while continuing to value its history. Projects like the 800 Granville redevelopment proposal and the Hudson's Bay redevelopment provide a glimpse into Granville Street's exciting future.



Images courtesy of Perkins & Will.





State of Downtown 2022

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AUTHORED BY Sean Bailey

DESIGNED BY Sasha Mbabazi

ADDITIONAL ASSISTANCE FROM Gavin Duffus & Joshua Davidson

COVER PHOTOS BY Matt Taylor

THANK YOU

Eugene Chu	DESTINATION VANCOUVER
Chelsea Craig	TRANSLINK
Tessa Forrest	TRANSLINK
Jeff Guignard	ABLE BC
Erin Hutcherson	CITY OF VANCOUVER
Matt Taylor	PHOTOGRAPHER
Kai Jacobson	PHOTOGRAPHER
Graeme Jones	CITY OF VANCOUVER
Andrew Petrozzi	ALTUS GROUP
Jodie Shebib	CITY OF VANCOUVER
Sandra Ware	ENVIRONICS ANALYTICS
Sarah Whidden	VANCOUVER COASTAL HEALTH
Rachel Wuttunee	CITY OF VANCOUVER

SOURCES

ABLE BC	Destination Vancouver	U.S. Bureau of Labor Statistics
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BIV	JLL	Vancouver Economic Commission
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The Downtown Vancouver Business Improvement Association (DVBIA) supports, promotes and represents the shared interests of over 7,000 businesses and property owners in the central 90-block area of Vancouver's downtown core.

We focus on priorities voiced by our members: programs and services in the areas of advocacy, accessibility, cleanliness, beautification, business support, marketing and mobility. We represent our members' shared goals, drive creative solutions forward and take meaningful action to constantly improve the Downtown Vancouver experience.

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

   @downtownvan

 www.dtvancouver.ca