

# STATE OF DOWNTOWN 2023



**DOWNTOWN  
VAN**

We acknowledge with gratitude that Downtown Van,  
our projects, and businesses within our catchment  
operate on the traditional unceded territories of the  
Coast Salish peoples – Skwxwú7mesh (Squamish),  
Stó:lō and səlilwətał (Tsleil-Waututh), and xʷməθkʷəy̓əm  
(Musqueam) Nations.



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JANE  
TALBOT

DOWNTOWN VAN  
INTERIM  
PRESIDENT +CEO

Downtown Van is pleased to release the 5th edition of the annual State of Downtown report.

Reflecting on the past year in downtown Vancouver, I am grateful for the return of festivals, celebrations, conferences, and tourists. After years of pandemic restrictions, in 2022, we finally returned to doing what downtown does best: bringing people together.

This report will highlight some of the good news from the year, such as a record cruise ship season and a steady return of visitors and shoppers. The report also outlines the challenges that the central business district continues to face as a result of hybrid and remote working, inflation, and other economic factors.

2022 was punctuated with several exciting announcements of things to come for the future of downtown. FIFA announced that Vancouver will be a 2026 host city for the World Cup, and the City of Vancouver gave the green light for the Granville Street planning program. Vancouver voters elected a new Mayor, and the province has new leadership also. In the midst of all this, we had significant announcements at the organizational level as well. We launched the rebrand from Downtown Vancouver BIA to the simplified “Downtown Van,” complete with a new logo and a fresh new style across all our platforms. We have also initiated a strategic planning process which will be completed this summer and will guide Downtown Van’s work until 2028.

Thank you to all of the downtown businesses who continue to make downtown Vancouver a dynamic, unique, and welcoming place.

As Chair of the Downtown Van Board of Directors, I participate in many conversations about the state of downtown Vancouver. I have learned that there are multiple lenses through which to analyze the health of our downtown, and depending on who you talk to, you may get a very different response. My own view is that downtown Vancouver has powerful forward momentum and several economic advantages compared to most other downtowns, and we have much to be optimistic about, as you will see in this report. At the same time, we face significant affordability issues and a labour shortage, so there is work to be done to ensure downtown’s future prosperity.

This is a significant moment for downtown Vancouver. By investing in the things that make us a unique and engaging city, we can capitalize on the exciting opportunities before us, create a downtown where everyone wants to be, and become an even more spectacular place to live, work, and visit.

We hope our reports such as this help keep you informed and successful.

DOWNTOWN VAN  
BOARD CHAIR

HCMA  
ARCHITECTURE  
+ DESIGN

MELISSA  
HIGGS





# LETTER FROM THE MAYOR

MAYOR OF  
VANCOUVER

KEN  
SIM

Downtown Vancouver has a storied past and an exciting future.

Our city's downtown core has long been a home for industry, trade, and culture – much of which has had a profound impact well beyond the borders of our city.

As we look to the future, some of the world's most successful businesses are now choosing Vancouver as the city to bet on. Coupled with new resources committed towards public safety, neighbourhood revitalization, and cultural vibrancy, downtown's residents, businesses, and visitors all have a lot to look forward to in the coming years.

Through these new investments being made in Vancouver's downtown core, we have an opportunity to showcase the best of what our city has to offer.

As we work together to write downtown Vancouver's next chapter, it's important that we build off the strong history of our city's core and share in excitement and optimism about what Vancouver has the potential to become. Together, let's welcome the world to visit, stay, invest, and create in downtown Vancouver, and let's ensure that downtown Vancouver remains a world-class place to live, work, and play in.

Sincerely,



Mayor Ken Sim  
City of Vancouver







## SEPTEMBER

Downtown Van hosts the annual International Downtown Association Conference

Downtown Van launches rebrand

## NOVEMBER

Ken Sim is elected as the Mayor of Vancouver. David Eby sworn in as BC's 37th premier

Vancouver Island Ferry Company announces plan for ferry service from Nanaimo to Downtown Vancouver

## FEBRUARY

Hudson's Bay reveals proposal for redevelopment at Granville St. location

## JUNE

Canadian inflation rates reach highest point since 1981

Broadway Plan approved by the City of Vancouver

Vancouver selected to host FIFA World Cup 2026 as part of North American bid

# 2022

Canada lifts all COVID-19 border restrictions

## OCTOBER

Extreme winter weather disrupts holiday travel in Vancouver. Hundreds of flights into and out of Vancouver canceled.

## DECEMBER

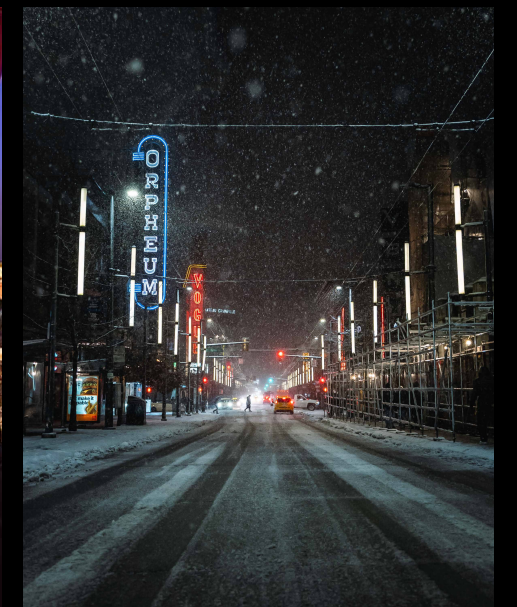
sθəqəlxenəm ts'exwts'áxwi7  
park opens at Smithe and Richards

Vancouver begins first cruise ship season since the pandemic

## APRIL

800 Granville redevelopment approved by council to proceed with staff review

## JULY







# PEOPLE



# RESIDENTS

POPULATION  
72,822

AVERAGE  
HOUSEHOLD SIZE  
1.7

MEDIAN  
HOUSEHOLD INCOME  
\$91,011

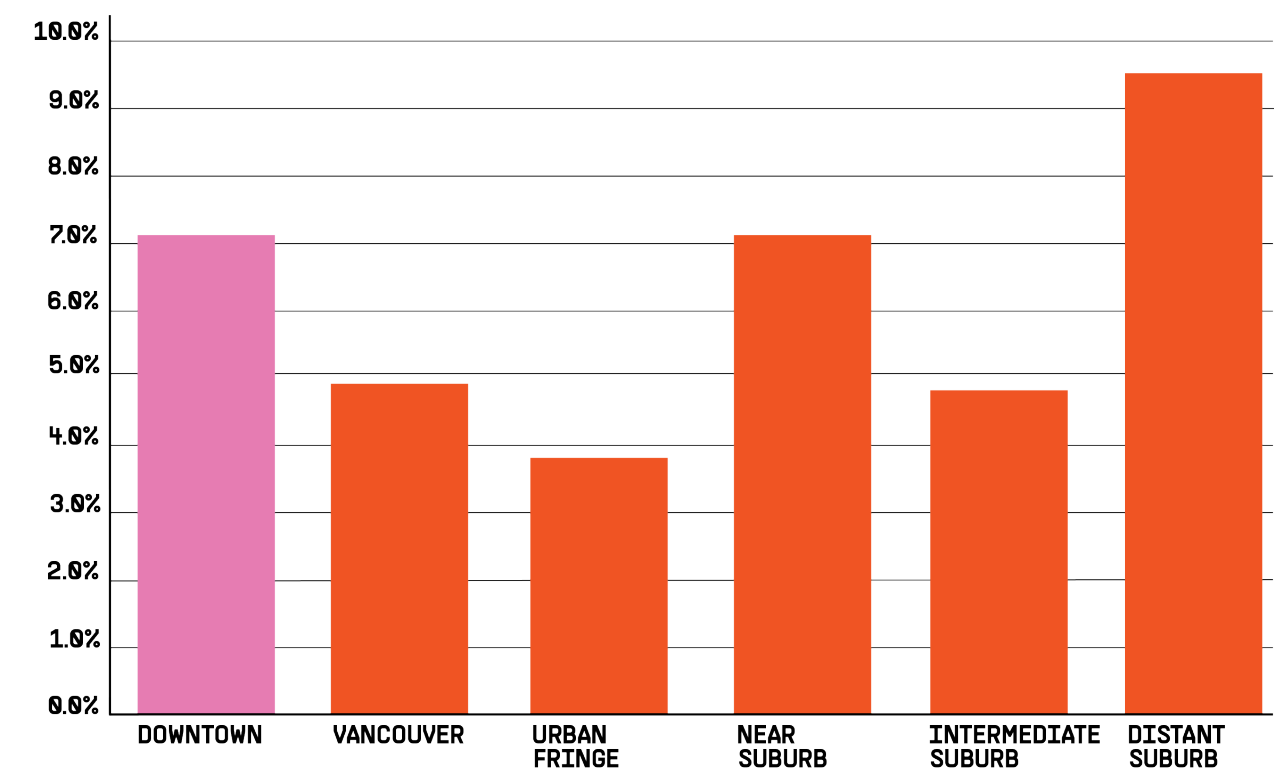
AVERAGE AGE  
42

HOME  
OWNERSHIP  
42%



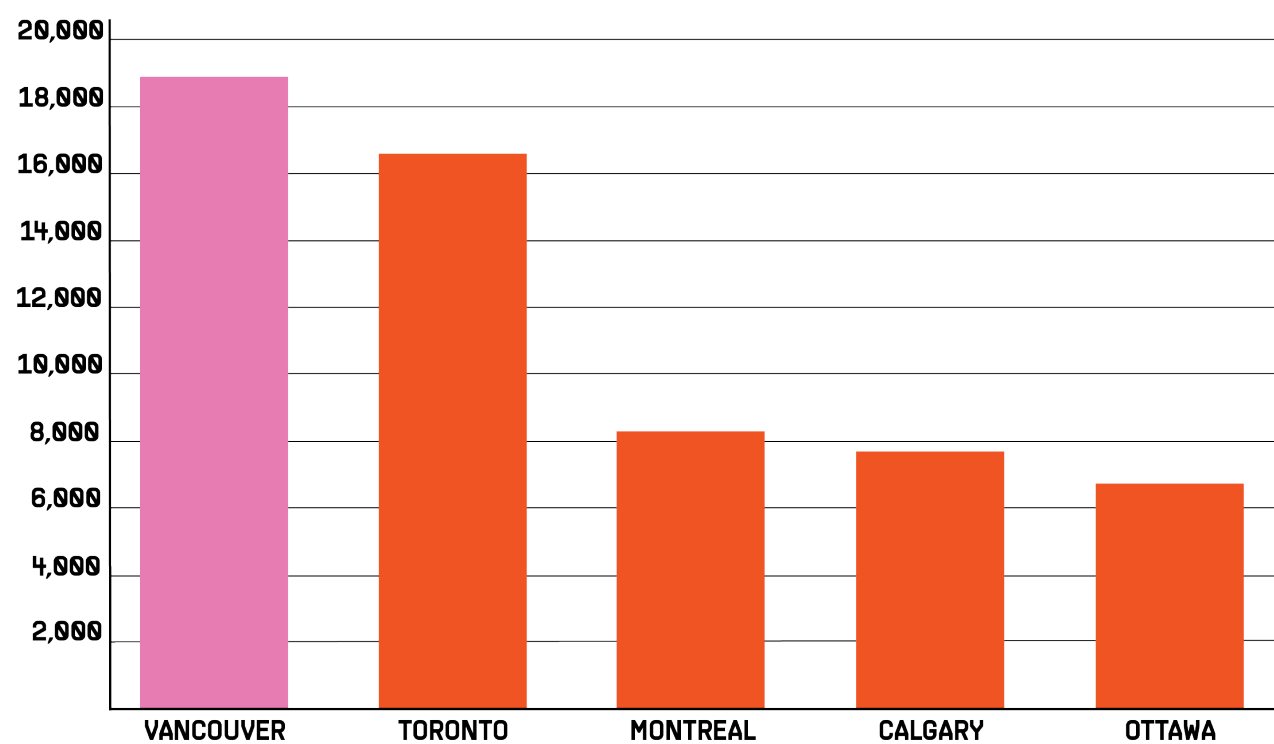
Downtown Vancouver is the most densely populated downtown in Canada, making up 5% of the total population of the Vancouver region. The downtown population has grown 59% since 2006 and 22% in the last 10 years. Although downtown Vancouver has grown 7.4% since 2016, other downtowns with lower residential densities, such as Halifax, Montréal, and Toronto, have grown at faster rates during that time. Halifax and Montréal had the fastest-growing downtown populations at 26% and 24%, respectively. Downtown Toronto, with a 16% growth rate since 2016, outpaced downtown Vancouver but lagged behind Halifax and Montréal. Conversely, Quebec City, and Edmonton both saw their downtown populations shrink since 2016, despite growth in other areas of the cities.

## VANCOUVER REGION GROWTH RATE 2016-2021



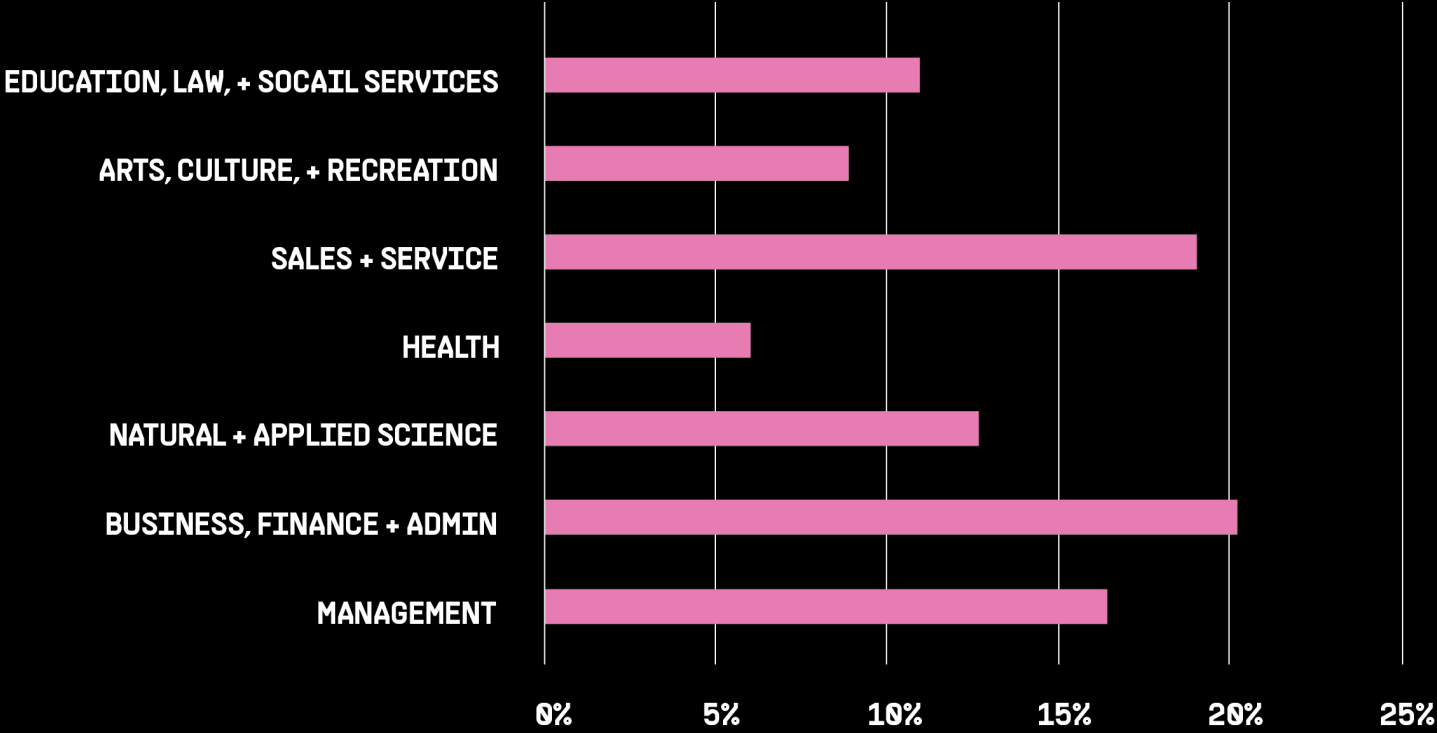
Statistics Canada defines regional zones by drive times from downtown. Urban Fringe is less than a 10-minute drive from downtown, Near Suburb is 10-20 minutes, Intermediate Suburbs are 20-30 minutes, and Distant Suburbs are 30 minutes or more from downtown.

## DOWNTOWN POPULATION DENSITIES PEOPLE PER SQ. KM.

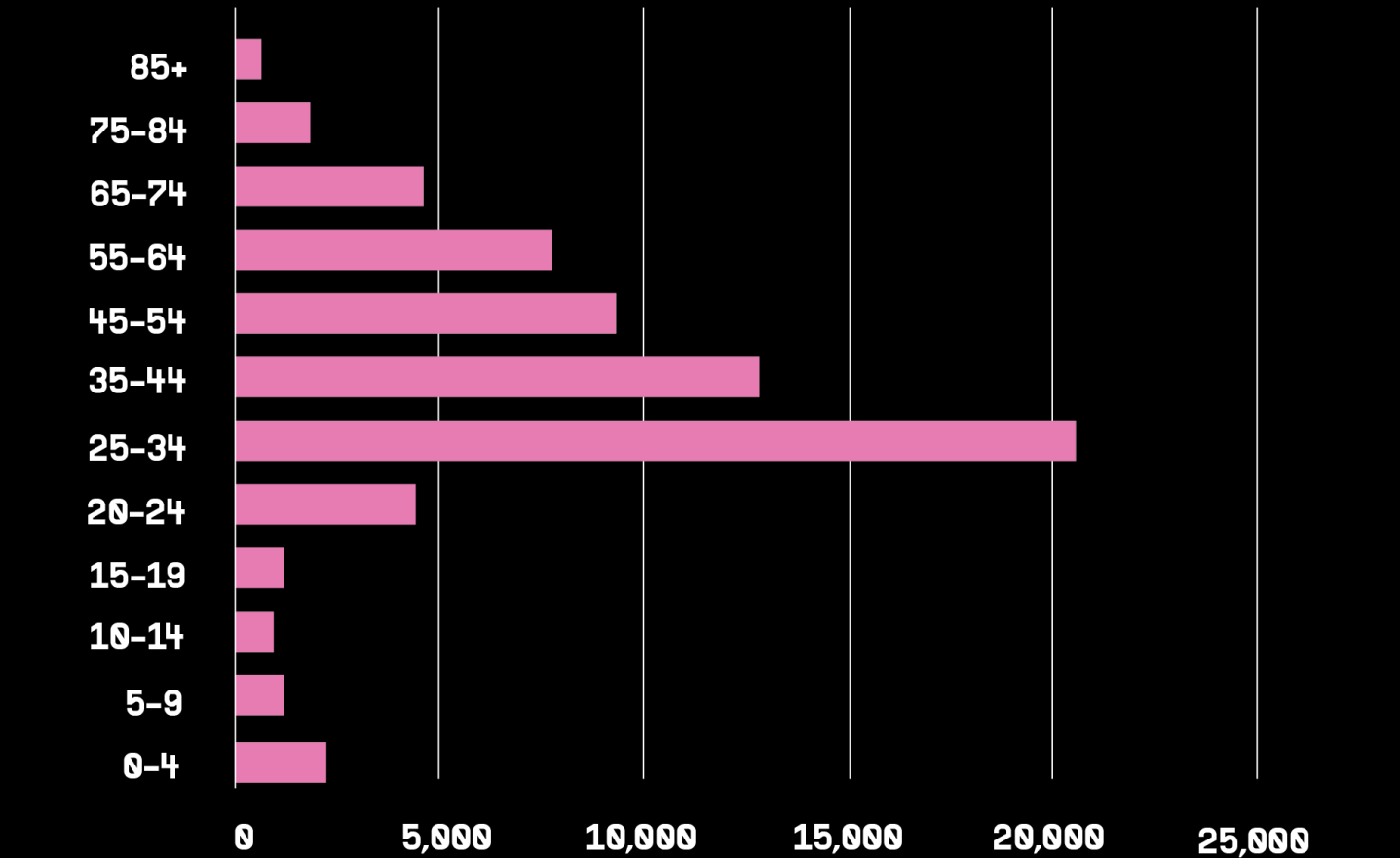




# DOWNTOWN RESIDENTS BY OCCUPATION



# DOWNTOWN POPULATION BY AGE



Downtown Vancouver residents tend to be young, educated professionals with the largest age group of downtown residents being 25 to 34. Of the residents living downtown, 22% hold a degree above a bachelor's level, compared to the wider Vancouver region where only 13% have a degree above a bachelor's level. Interestingly, downtown residents are more likely to be self-employed than residents of the city and the region as a whole.

There are just over 40,000 households in downtown Vancouver and 16,570 census families. Downtown households are 20% less likely to have children living at home compared to Vancouver as a whole. Just over half of downtown residents live alone, while 39% of Vancouver residents live alone. The overall household demographics of downtown Vancouver have remained virtually unchanged in the last two censuses.

Downtown is slightly less visibly diverse than the Vancouver region, with 48% of downtown residents and 52% of the regional population identifying as visible minorities. Immigrants make up 41% of downtown residents and 9% are non-permanent residents. Of the immigrants living downtown, 83% immigrated after 2001.

Downtown residents tend to have active and experience-intensive lifestyles and are more likely to enjoy socializing in groups and trying new outdoor activities. They take advantage of the region's robust transit network, with 66% using active or public transportation to get to work. According to Environics Analytics' Prizm segmentation, downtown residents value travel and urban nightlife.

**DOWNTOWN RESIDENTS  
TEND TO VALUE STAYING  
ACTIVE AND SEEKING  
NEW EXPERIENCES**

Sources: Environics Analytics, Downtown Van





# VISITORS

Downtown Van tracks visitor volume to its four retail corridors: the Alberni Luxury Corridor, the Granville Entertainment District, Robson Street, and W. Hastings Street. The tracking of visitor volume has been valuable in understanding downtown's post-pandemic recovery. Downtown Van's visitor counts are not a measurement of return-to-office as the counts do not include those who have their workplace in the measured area. The pandemic led to a 71% drop in downtown monthly visits and recovery has fluctuated. Thankfully, this past year saw a significant recovery in downtown visits compared with the previous two years. The 2022 average monthly visitor volume to downtown retail corridors was down only 14.5% compared with 2019 pre-pandemic visitor volumes. This is a marked improvement in recovery compared to 2021, which measured 36.2% below 2019.

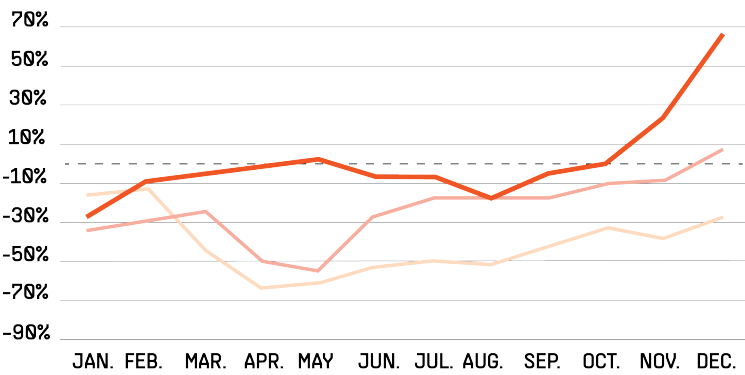
At the beginning of 2022, downtown visits were impacted by the Omicron variant of COVID-19. By April, visits quickly recovered, but then dropped again in the early summer months. This drop in visitors is correlated with rising inflation rates in Canada; in June 2022 inflation hit 8.1% which is the highest in Canada since 1981. This rising inflation caused visits to retail centres across Canada to fall. As well, summer 2022 marked the first time Vancouver residents could make summer travel plans free of COVID-19 restrictions and many took this opportunity to travel outside the Vancouver region. This is evidenced by Vancouver International Airport recording its highest passenger traffic since the pandemic.

In both 2021 and 2022, the holiday season tboosted Vancouver's downtown visitor recovery. December 2022 was the first time since the pandemic that all four retail corridors saw more monthly visitors than in 2019. Alberni Street consistently lead the recovery, seeing an impressive 66% more December visitors in 2022 than in 2019.

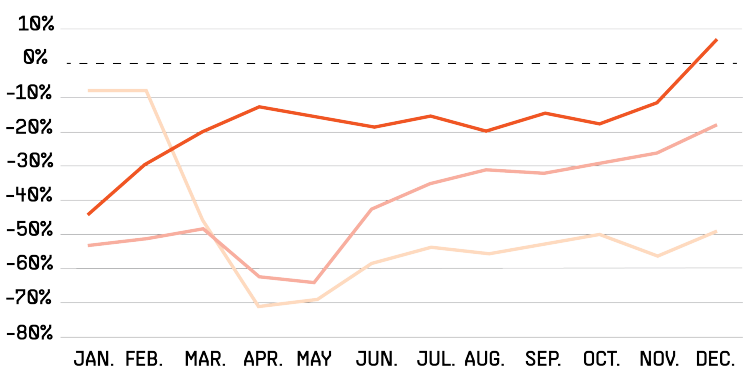
2022 DOWNTOWN  
MONTHLY VISITOR  
RECOVERY SAW MORE  
THAN DOUBLE THE  
RECOVERY OF 2021

## DOWNTOWN RETAIL CORRIDOR VISITS % CHANGE FROM 2019

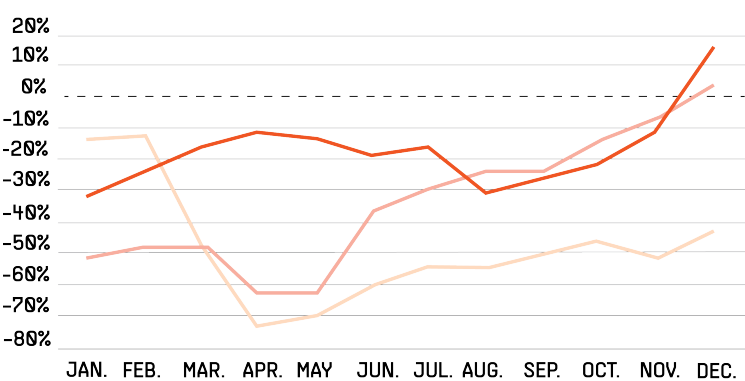
ALBERNI LUXURY CORRIDOR



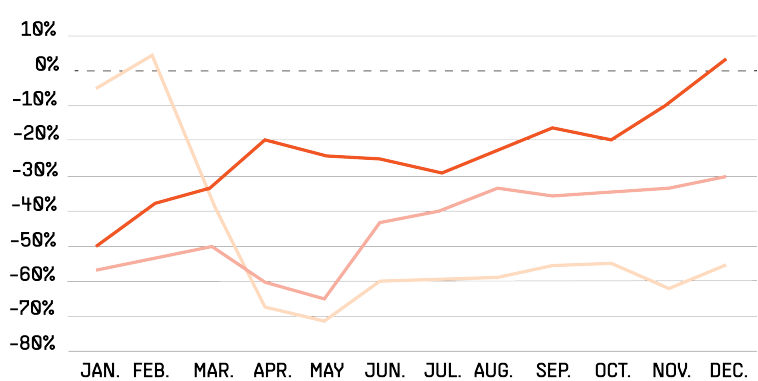
GRANVILLE ENTERTAINMENT DISTRICT



ROBSON ST



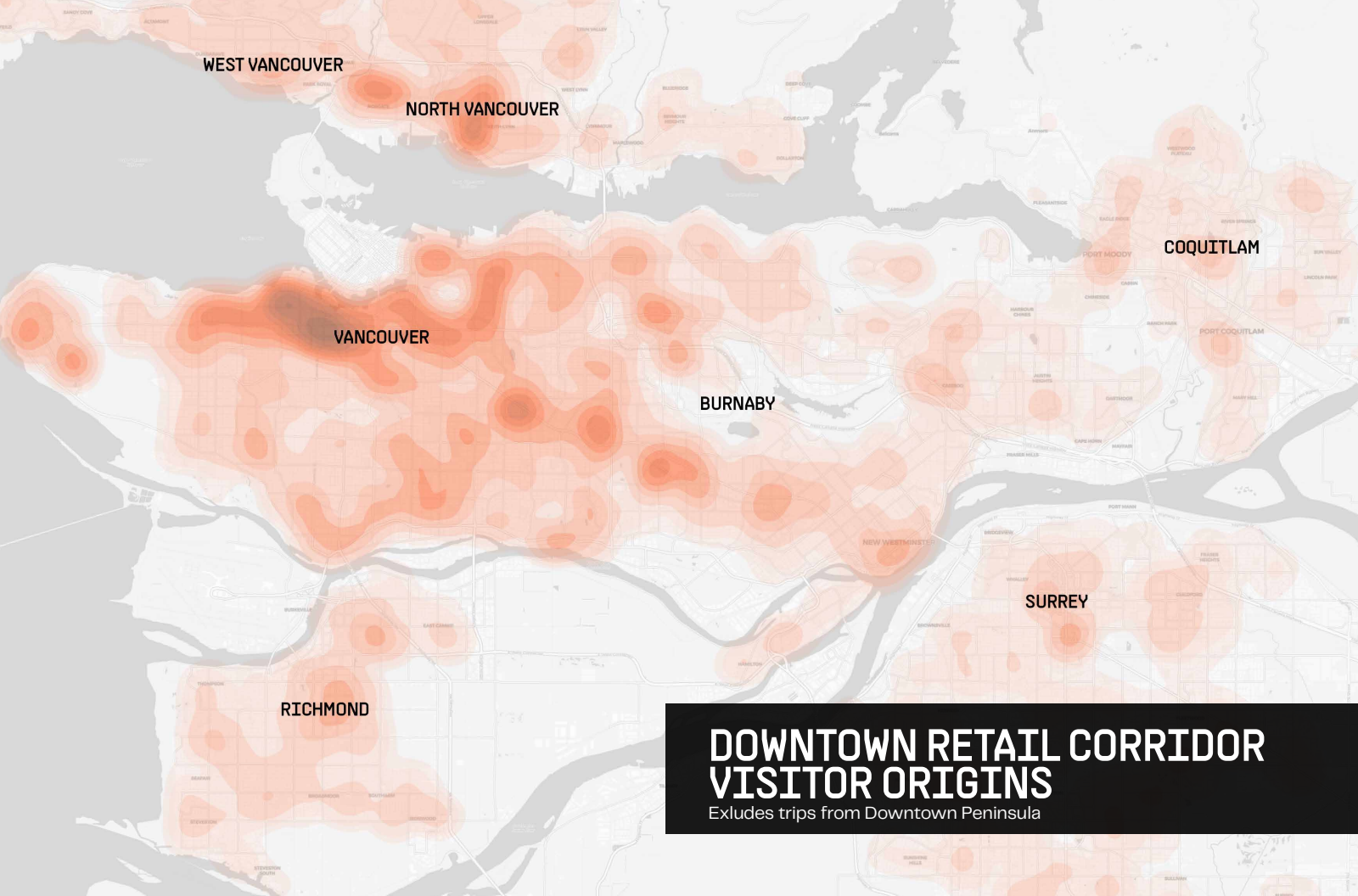
WEST HASTINGS ST



-- 2019    2020    2021    2022







Weekend visits have recovered better than weekday visits in downtown Vancouver, as confirmed by Translink’s ridership data. Downtown saw more visits on Saturdays in 2022, at 16% of total visits, than any other day of the week. This is a change from previous years, with Fridays having historically been downtown’s busiest transit day. Most 2022 downtown visitors lived relatively close with 35% of visitors living within five kilometres of downtown and 70% living within 15 kilometres.

According to Downtown Van’s demographic analysis, visitors to downtown retail corridors in 2022 tend to be young, active, educated, and tend to live alone. Visitors to downtown are also culturally diverse, with a large proportion of first- or second-generation immigrants. Retirees, households with children, and, low-income households were less likely to visit downtown retail corridors. The demographic profile of downtown visitors in 2022 remained relatively the same as 2019.

DOWNTOWN RETAIL CORRIDOR VISITOR SHARE

	WEEKDAYS	WEEKENDS
2019	74.4%	25.6%
2022	71.2%	28.8%







# PROPERTY DEVELOPMENT

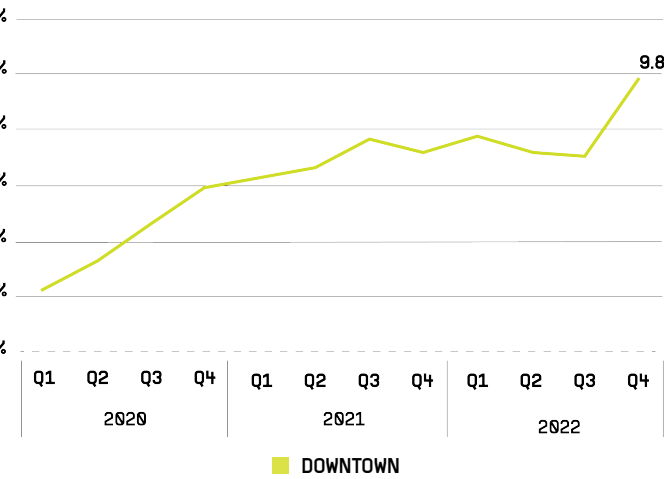


# OFFICE MARKET

Downtown Vancouver was home to 47% of Metro Vancouver's total office space at the end of 2022. While more than one-third of the region's new office construction is located downtown, 54% of the region's total vacant office space was also located downtown at the close of 2022. Vancouver is approaching the end of its most recent office development cycle, which resulted in an increase in overall vacancy as substantial new downtown space was delivered vacant in 2022. With more than 3.5 million sq. ft. planned or proposed for construction within the next five years, there could be a further 15% increase in downtown office space if all projects proceed.

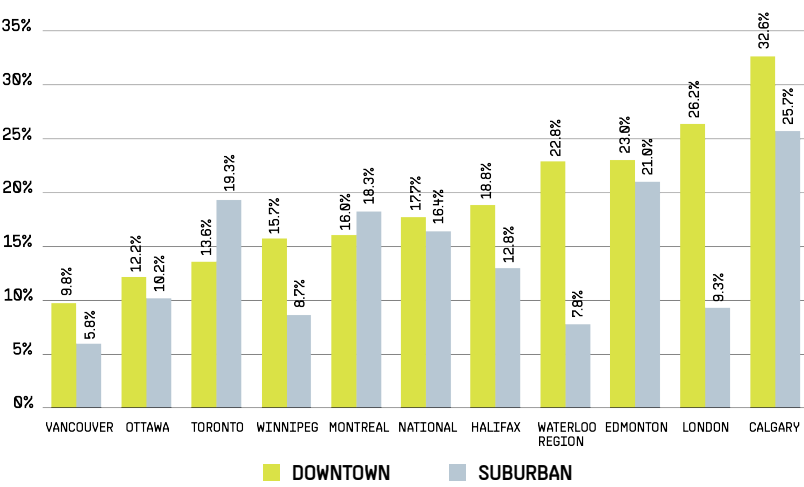
Although vacancy rates had been slowly but steadily rising since 2020, increasing more rapidly in spring 2022, office vacancy in downtown Vancouver remains the lowest of Canada's metro cores in 2022. The delivery of new downtown buildings, including Vancouver Centre II later in the year, contributed to downtown office vacancy rising to 9.8%. In the case of Vancouver Centre II, two-thirds of the building's 377,000 sq. ft. was preleased, leaving one-third of the building's office space available and vacant.

## DOWNTOWN VACANCY



24 DOWNTOWN

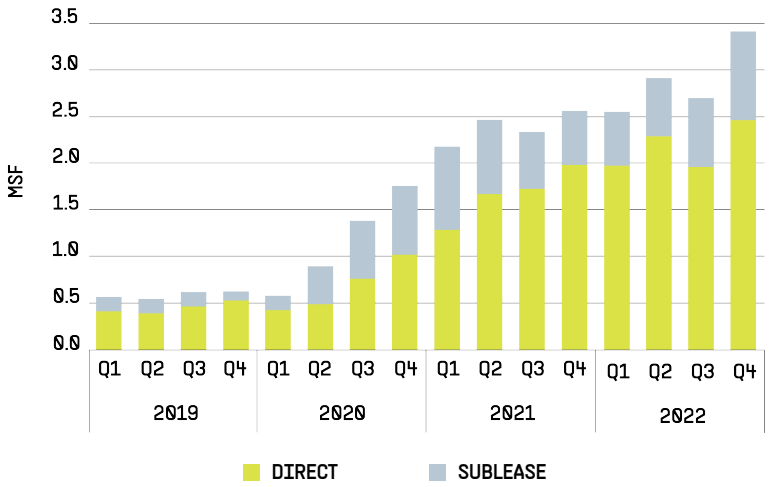
## DOWNTOWN VS SUBURBAN OFFICE VACANCY BY MARKET



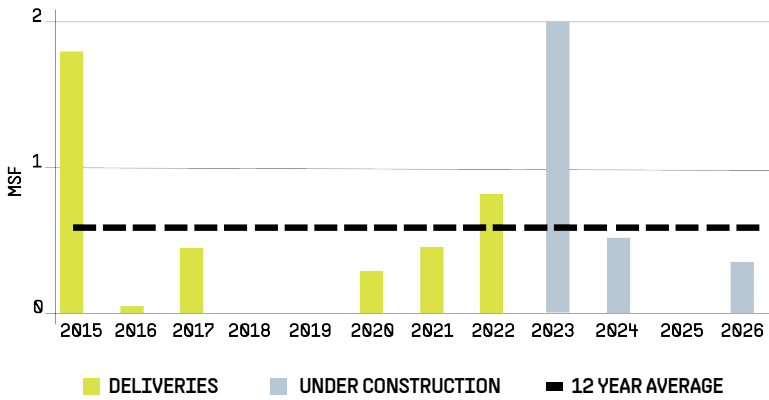
Sublease space availability had also increased downtown by the end of 2022, at rates closer to those of the beginning of the pandemic. Tech tenants, one of downtown's largest occupiers of space, represented most of the sublease space that had become available at years-end. Because many tech sector tenants adopted hybrid work models throughout the pandemic, this resulted in less space being required. Over the past ten years, the tech industry has represented an estimated 40% of leasing demand for downtown office space.

Amazon has preleased the entirety of The Post, a two-tower office and retail development at 349 West Georgia Street, which is set to be completed in 2023. The first tower is scheduled to be completed in the first quarter of 2023 with the second tower to follow in the third quarter of 2023. Microsoft recently announced a prelease of more than 400,000 sq. ft. in the B6 building at 1090 West Pender Street, which is set to be completed by the end of 2023. Both Amazon and Microsoft recently announced reductions in their workforces. It is unknown at the time of publication if this will affect their planned occupancy of downtown office space.

## DOWNTOWN DIRECT VS SUBLEASE SPACE AVAILABLE



## DOWNTOWN NEW OFFICE SUPPLY



DOWNTOWN VANCOUVER HAS THE LOWEST OFFICE VACANCY OF ANY METRO CORE IN CANADA

## NOTABLE LEASE DEALS (MID-YEAR 2022)

**LULULEMON**  
Burrard Place 130,000 sq. ft.  
1380 Burrard St 107,000 sq. ft.

**MICROSOFT**  
B6 405,000 sq. ft.  
989 Granville St 63,000 sq. ft.

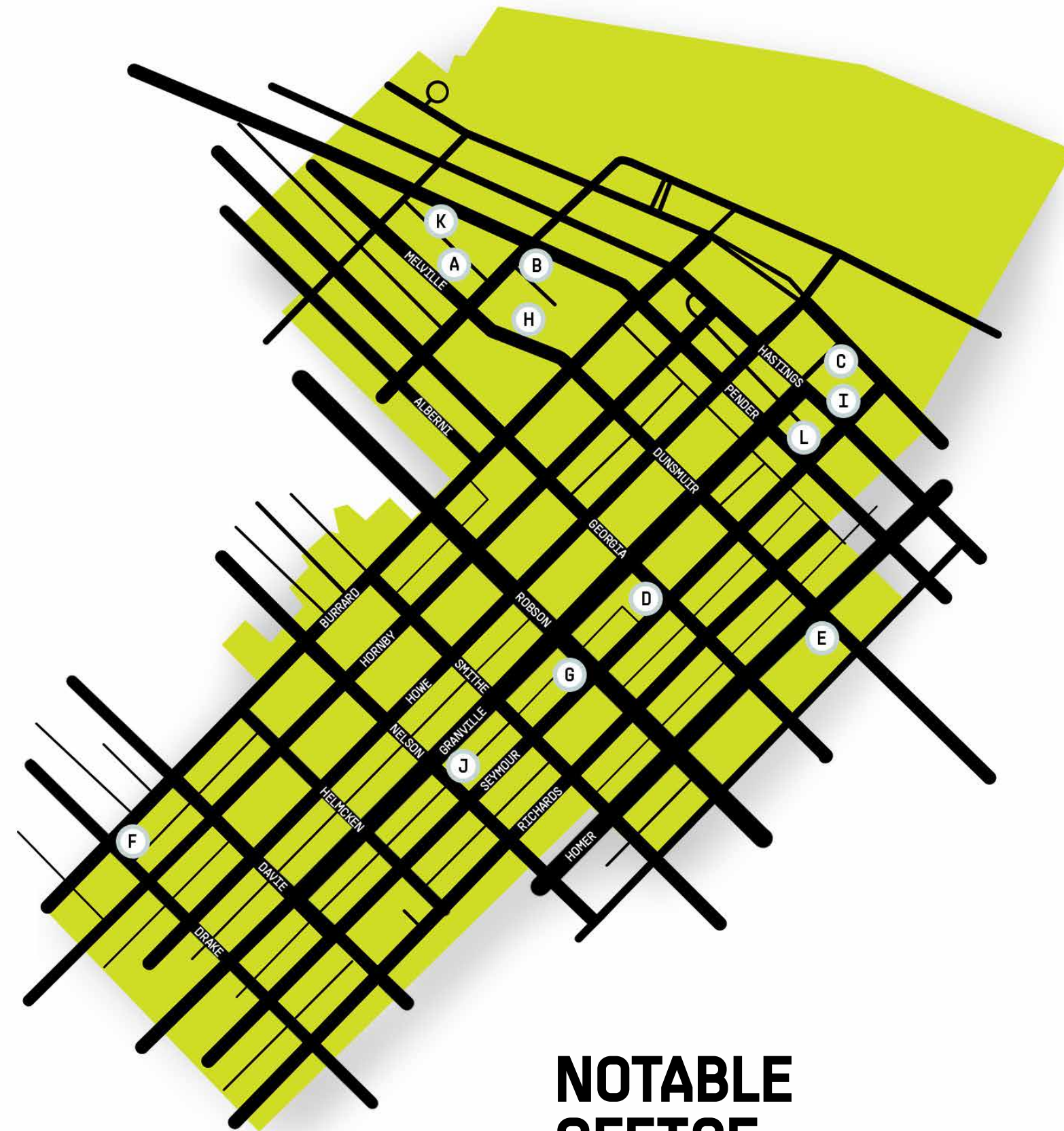
**BMO FINANCIAL GROUP**  
Bentall III 105,000 sq. ft.

**SPACES**  
Deloitte Summit 40,000 sq. ft.

**CANACCORD GENUITY**  
The Stack 85,000 sq. ft.

**OSLER, HOSKIN + HARCOURT LLP**  
Bentall IV 36,000 sq. ft.





## NOTABLE OFFICE DEVELOPMENT

- |   |  |
|---|--|
| <p><b>A</b> <b>The Stack</b><br/>1133 Melville Street<br/>Oxford Properties<br/>532,000 sq. ft.<br/><b>COMPLETED</b></p>  | <p><b>G</b> <b>Robson Profile</b><br/>807 Seymour Street<br/>Bonnis Properties<br/>44,111 sq. ft.<br/>2025 Completion</p>              |
| <p><b>B</b> <b>B6</b><br/>1090 W Pender Street<br/>BentallGreenOak<br/>534,000 sq. ft.<br/>Q3 2023 Completion</p>   | <p><b>H</b> <b>Burrard Exchange</b><br/>1025 Dunsmuir Street<br/>Hudson Pacific Properties<br/>461,000 sq. ft.<br/>2027 Completion</p> |
| <p><b>C</b> <b>Bosa Waterfront Centre</b><br/>320 Granville Street<br/>Bosa Developments<br/>374,790 sq. ft.<br/><b>COMPLETED</b></p>   | <p><b>I</b> <b>625 W Hastings Street</b><br/>Uptown Property Group<br/>125,000 sq. ft.<br/>Q2 2025 Completion</p>                      |
| <p><b>D</b> <b>Vancouver Centre II</b><br/>733 Seymour St<br/>GWL Realty Advisors / HOOPP<br/>377,000 sq. ft.<br/><b>COMPLETED</b></p>  | <p><b>J</b> <b>980 Granville Street</b><br/>Bonnis Properties<br/>51,477 sq. ft.<br/>Q1 2024 Completion</p>                            |
| <p><b>E</b> <b>The Post</b><br/>349 W Georgia Street<br/>QuadReal Property Group<br/>South Tower: 512,000 sq. ft.<br/>North Tower: 592,000 sq. ft.<br/>Q3 2023 Completion</p> | <p><b>K</b> <b>1166 W Pender Street</b><br/>Reliance Properties / Hines<br/>357,880 sq. ft.<br/>2026 Completion</p>                    |
| <p><b>F</b> <b>The Offices at Burrard Place</b><br/>1280 Burrard Street<br/>Reliance Properties<br/>133,000 sq. ft.<br/><b>COMPLETED</b></p>                                  | <p><b>L</b> <b>601 W Pender Street</b><br/>Reliance Properties / Kingsett Capital<br/>398,500 sq. ft.<br/>2027 Completion</p>          |

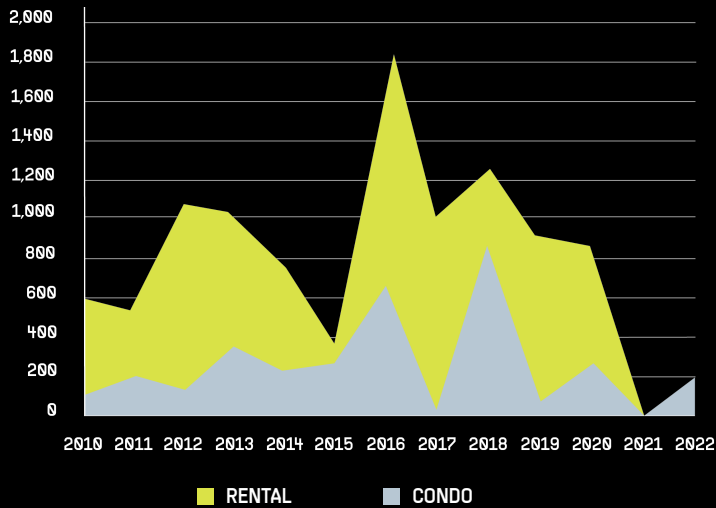


# HOUSING

Greater Vancouver home sales dropped by 34.8% in 2022, with historic inflation and elevated mortgage rates contributing to this decline. Home sales are expected to decline further in 2023, with a projected 7.2% drop in Greater Vancouver. Despite limited supply, the average price of a home in the region dropped from \$1.27 million to \$1.18 million. While the housing market is expected to continue adjusting to a slow economy and higher mortgage rates in 2023, the British Columbia Real Estate Association forecasts a nearly 24% increase in BC home sales in 2024.

Downtown Vancouver saw a rise in housing unit starts within Canada Mortgage and Housing Corporation's (CMHC) downtown boundary. The CMHC boundary for downtown Vancouver includes most of the downtown peninsula, excluding Gastown, English Bay south of Davie St, and a portion of the West End near Stanley Park. In 2021, the downtown area saw only five housing unit starts, increasing to 200 new housing starts in 2022. Downtown saw 690 housing units completed in 2022, nearly half the completions in 2021.

## DOWNTOWN HOUSING UNIT STARTS

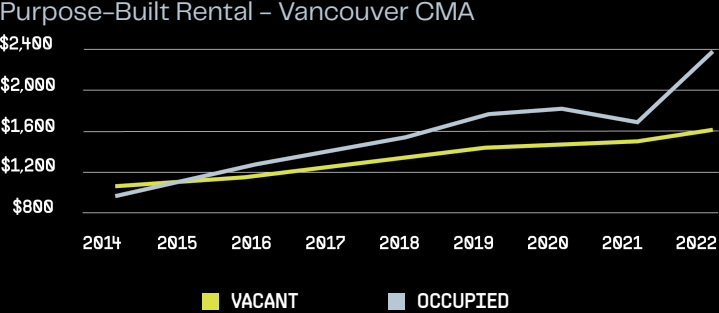


Renters in the Vancouver region continue to face rental unit unaffordability and decreasing availability. Condominium rentals increased by 9.8%, however, the region's purpose-built rental vacancy rate decreased from 1.2% in 2021 to .9% in 2022. This comes despite the fact that the supply of purpose-built rental units increased by 3.3%, the highest increase seen among available records dating back to 1990. Migration to the Vancouver region, both from international and domestic origins, contributed to the area's decrease in overall rental availability.

The gap between asking rent for vacant units and rent for occupied units grew significantly between 2021 and 2022. The average asking rent for available units was 43% higher than the average rent for occupied units. This compares with a gap of only 10% in 2021. Two-bedroom units that were turned over in 2022 saw 23.9% higher rent on average for the new renter. Less than one-third of the market purpose-built rentals are affordable to households earning less than \$55,000 a year, and only .5% of units are affordable to renters in the lowest 20% of incomes.

The affordability crisis is causing both renters and homeowners to reconsider living in their current city. In BC, 46% of homeowners and 26% of renters are considering moving out of the province because of the cost of living. This comes at a time when businesses are continuing to find challenges in recruiting and retaining skilled employees.

## AVERAGE RENT OF VACANT vs OCCUPIED



## MEDIAN RENT - 1 BEDROOM

Available Units on Zumper.com - January 2023  
% Increase from January 2022

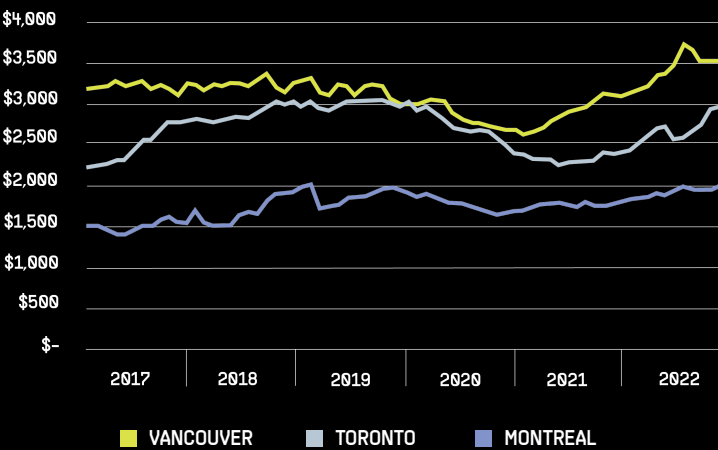
+ 13.6 % **VANCOUVER**  
**\$2,499**

+ 18.2 % **BURNABY**  
**\$2,359**

+ 17.4 % **RICHMOND**  
**\$2,191**

+ 17.8 % **SURREY**  
**\$1,866**

## MEDIAN RENT - 2 BEDROOM







**BUSINESS**





# CANADIAN ECONOMIC OUTLOOK

As Canadian pandemic restrictions were gradually lifted, the resulting rapid economic recovery created excess demand for goods, services, and labour. In 2020, Canada and other countries developed aggressive policies to stimulate their economies through the pandemic. Even as much of the economy returned to pre-pandemic activity in mid-2022, these aggressive policies remained in place. Inflation had reached above the central bank's target by March 2021 and continued trending upward, peaking at 8.1% in June 2022. The stimuli, which had once been an appropriate response to the negative economic impact of the pandemic, eventually led to overstimulation. In response to this overstimulation, central banks began to reverse trends and raise interest rates. The rapid increase in demand contributed to greater pressure on already disrupted global supply chains. Russia's invasion of Ukraine compounded this, particularly in the energy markets.

The possibility of a global recession remains in 2023. If inflation does not fall toward target levels, central banks would aim to cool demand to be more in line with supply by continuing to raise interest rates. This would create tightened financial conditions that suppress consumer and business investment. In early March, The Bank of Canada decided to not raise interest rates for the first time in more than a year. This move represents growing confidence that Canada's historically high inflation is beginning to ease. However, the central bank has maintained that it is prepared to raise rates higher should circumstances change.

Canada may manage to avoid a recession in terms of GDP but is already in a recession when measured in GDP per capita. Canada is one of the only thirty-eight member countries in the Organization for Economic Co-operation and Development (OECD) yet to reach pre-pandemic GDP per capita. The reason behind Canada's GDP recovery is that Canada simply added more people to the labour market. Labour input (labour hours worked) increased, but labour productivity (output per labour hour) did not. Therefore, GDP per capita has not recovered and may decline further through 2023.

Looking further ahead, Canada faces significant economic challenges. Canada is the fourth most indebted advanced economy in the world and Canadian household debt is the third highest in the world. Canada is predicted to have the worst-performing economy in the OECD through 2030 and through 2060. This is in part due, again, to low labour productivity, meaning Canada will see negligible growth in output per labour hour worked. If these predictions are accurate, Canada will see forty years of the lowest growth in average real income (income after accounting for inflation) out of all OECD countries. One of the contributors to this is that Canadian companies invest less per worker than firms in other advanced economies. In fact, investment per worker is trending downward in Canada while others are trending upward. More investment per worker would help address Canada's low labour productivity. In short, Canadian workers need the right resources and technology to operate at a higher scale and produce more output per labour hour, but Canadian firms are not currently providing enough of this type of investment.



# TECH

In 2022, Vancouver became North America’s fastest-growing tech market after ranking third behind Toronto and Seattle in 2021. Vancouver’s High-Tech Software/Services job growth rate was 44.2%, up from 29.8% in the previous period. This compares with Toronto which had the second-highest growth rate, at 37%. Vancouver also ranked eighth in North American tech talent in 2022, after being ranked eleventh in 2021. Over the last five years, Vancouver’s total tech jobs have grown by 62.7%.

Vancouver maintains a strong foundation in tech education. However, Vancouver is amongst only thirteen tech markets that added more tech jobs than it did tech degrees between 2017 and 2021. This means that not only is Vancouver producing top tech talent through University education, but Vancouver tech firms are drawing talent from elsewhere.

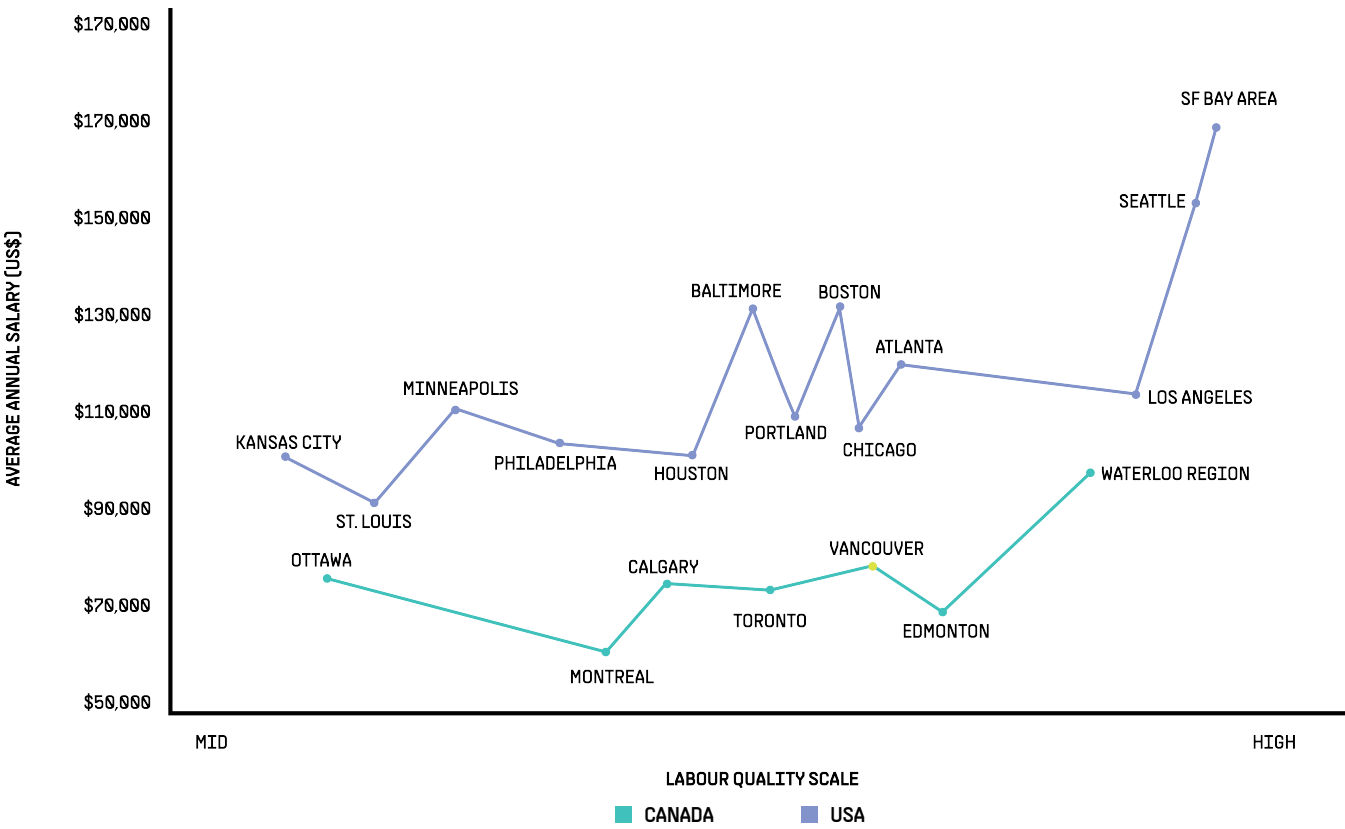
One of the primary reasons that Vancouver is an attractive tech market is because of the low operating costs for companies. Vancouver ranks fifth lowest out of the top 30 tech markets in one-year operating costs. The eight lowest are all Canadian markets. This is due to Canadian tech workers having substantially lower average wages compared to US markets. Demonstrating this is the fact that Vancouver has the ninth highest average rent cost for a 75,000 sq. ft. office (out of the top 50 North American tech markets) yet still ranks fifth lowest in terms of operating costs. These low operating costs are entirely due to low wages.

Downtown Vancouver continues to attract influential tech firms, contributing to Vancouver’s strong tech foundation. Amazon’s leasing of The Post and Microsoft’s 20-storey office centre in Bentall 6 are a testament to downtown’s office and tech allure.

VANCOUVER IS  
NORTH AMERICAS  
FASTEST-GROWING  
TECH MARKET

TECH OCCUPATIONS  
HAVE GROWN 62.7% IN  
FIVE YEARS

## AVERAGE ANNUAL SALARY (US\$) FOR SOFTWARE ENGINEERS



## TOP 5 INDUSTRIES EMPLOYING TECH TALENT IN VANCOUVER

- 45% CORE HIGH TECH
  - 21% F.I.R.E.\*
  - 9% RETAIL
  - 8% PROFESSIONAL SERVICES
  - 6% INFORMATION
- \* Finance, Insurance, Real Estate



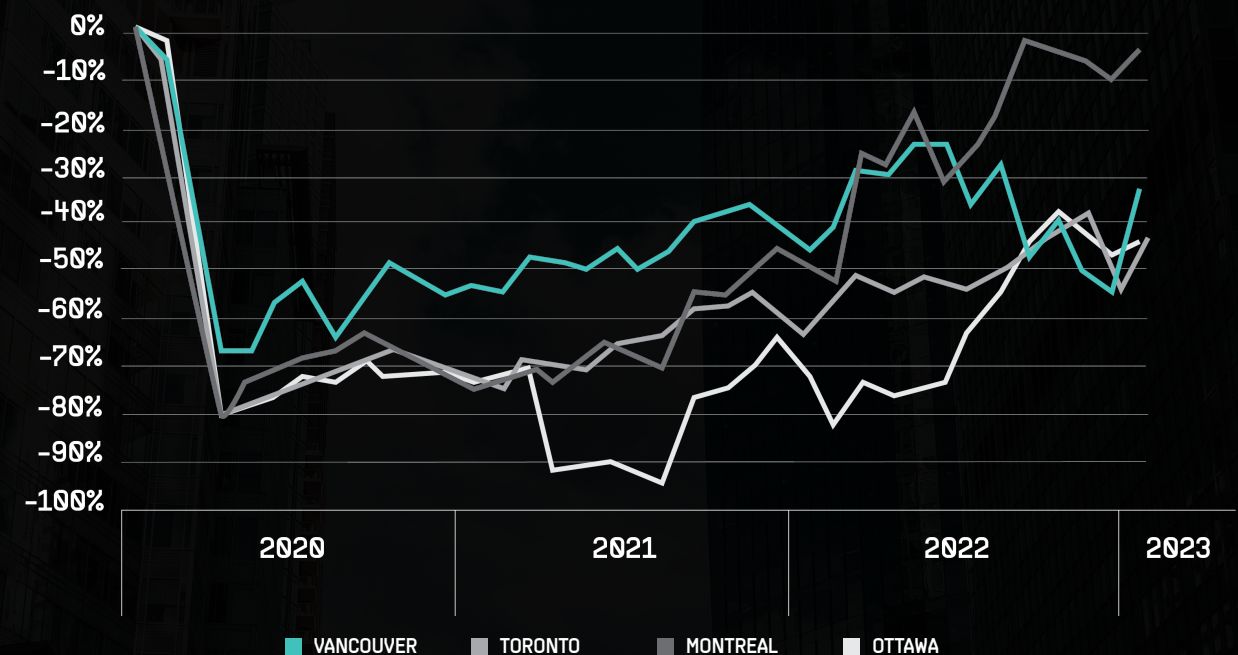
# RETURN TO OFFICE

While visits to downtown Vancouver retail corridors reached pre-pandemic levels at the end of 2022, downtown office foot traffic has recovered at a slower pace. When comparing workplace mobility to January 2020, downtown Vancouver's average monthly recovery was 37.9% below in 2022. This is an improvement from 46% below in 2021. This slow office foot traffic recovery was consistent across Canada. However, downtown Vancouver's average monthly recovery outpaced the downtowns of Toronto, Edmonton, Calgary, and Ottawa in 2022. Downtown Vancouver's recovery peaked at 24% below January 2020 in May 2022 but began to trend downwards in the second half of 2022, followed by a large spike in January 2023.

Although most businesses have their employees physically working from an office in some capacity, hybrid work, a model where workers blend remote and in-office work, has continued to be the norm. 66% of companies have adopted or plan to adopt a formal hybrid model with only 33% expecting employees to return to the office full-time. The impact of hybrid work is predicted to increase the national office vacancy rate by 5% by 2024.

**DOWNTOWN VANCOUVER'S  
2022 AVERAGE MONTHLY  
OFFICE FOOT TRAFFIC  
RECOVERY WAS A 15%  
IMPROVEMENT OVER 2021**

## MOBILITY TO DOWNTOWN WORKPLACES % BELOW JAN. 2020





# RETAIL

Retail businesses have generally not rebounded. The downtown Vancouver storefront vacancy rate currently sits at 12.8% and has remained stable for nearly two years. However, retail storefront occupancy has not fared as well as other business types.

Since November 2021, twenty-two retail stores have opened and thirty-three have closed leading to a net loss of eleven. Most notably, Nordstrom announced on March 2nd, 2023, that the company will close all Canadian locations due to poor sales across Canada. The Nordstrom location in downtown Vancouver at the Pacific Centre will close by June 2023. Although Nordstrom's Canada-wide sales were poor, the Vancouver location consistently met sales targets and was the only Canadian location to do so. In fact, the Vancouver store even outperformed the flagship location in Manhattan. However, despite the Vancouver store recording nearly triple the sales of the second-best performing store, this could not outweigh the poor sales at other Canadian Nordstrom locations.

Two flagship retail locations completed renovations downtown in 2022. Lululemon renovated its 970 Robson Street location for the first time since opening in 2014, reopening in August with the retailer's latest design concepts. The space also fully incorporates the former UGG location next door that Lululemon absorbed in 2020. After an extensive renovation, Gucci reopened its storefront at Fairmont Hotel Vancouver in July. This Gucci flagship location is the largest in Canada and was one of the first major fashion brands to open a store in Vancouver back in 2005. Apple also opened a flagship store on the corner of West Georgia Street and Howe Street in November 2022.



The Alberni Luxury Corridor has fared well in the post-COVID-19 recovery. In late 2021, Alberni Street saw roughly the same number of visitors as in 2019. Then in December 2022, Alberni Street saw 66% more visitors than in December 2019. This points to the general trend of luxury retail performing very well in Canada since the pandemic. Thom Browne, a luxury clothing and accessory brand, and Chopard, a Swiss watch company, were two new additions to the Alberni Luxury Corridor. Chopard replaced Blu Bird, an upscale, multi-brand womenswear retailer based out of Vancouver that operated on Alberni Street for thirteen years before closing.

DOWNTOWNS OVERALL  
STOREFRONT VACANCY  
SITS AT 12.8%

VACANCY HAS REMAINED  
STABLE FOR NEARLY  
TWO YEARS



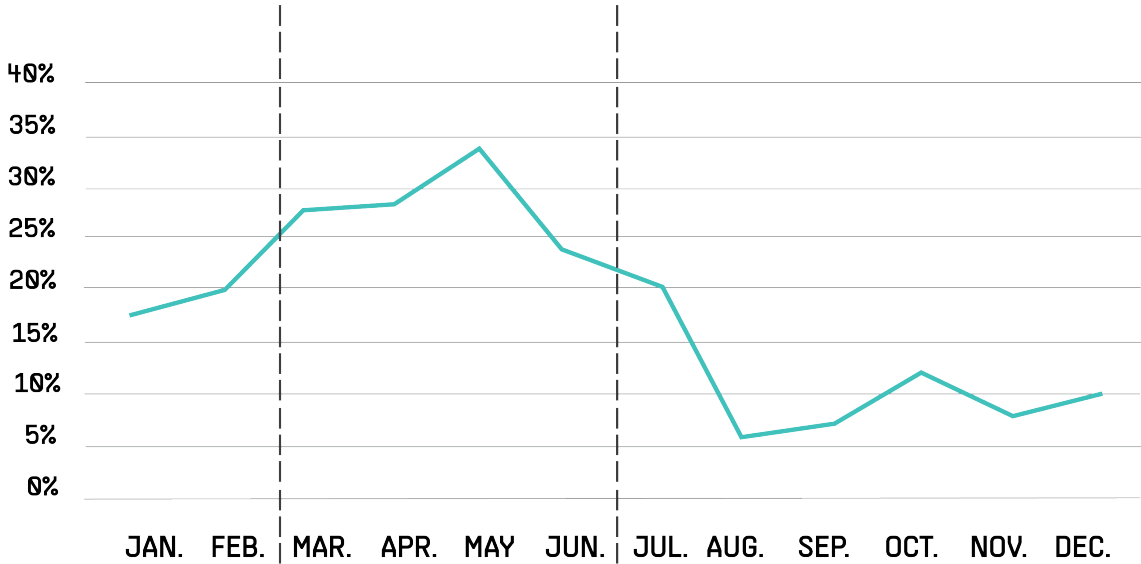
## RETAIL OPENINGS + CLOSINGS SINCE NOV. 2021

OPENINGS 22

CLOSINGS 33

NET LOSS -11

## 2022 DOWNTOWN RETAIL SALES AVERAGE WEEKLY YEAR-OVER-YEAR GROWTH



Data skewed due to a 2021 COVID-19 wave and subsequent lockdown



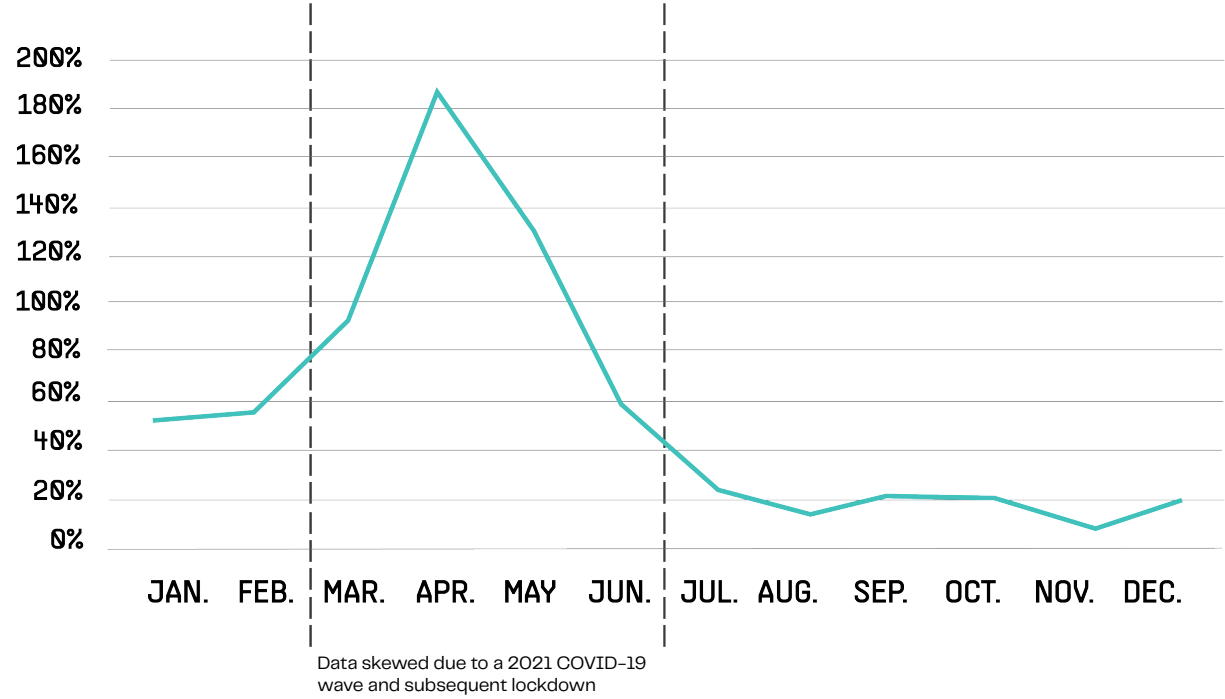
# FOOD + BEVERAGE

Food and beverage businesses have recovered better than other downtown storefront businesses. At the start of the pandemic, restaurants were the first to begin closing. As pandemic restrictions ended, they were also the first businesses to return. Since November 2021, thirty-four food and beverage establishments have opened downtown and twenty-two have closed leading to a net gain of twelve businesses. Quick-service dining restaurants, defined as restaurants where customers order at a counter, saw the most openings. As workers have begun returning to the office, they have seen more options for a quick lunch downtown.

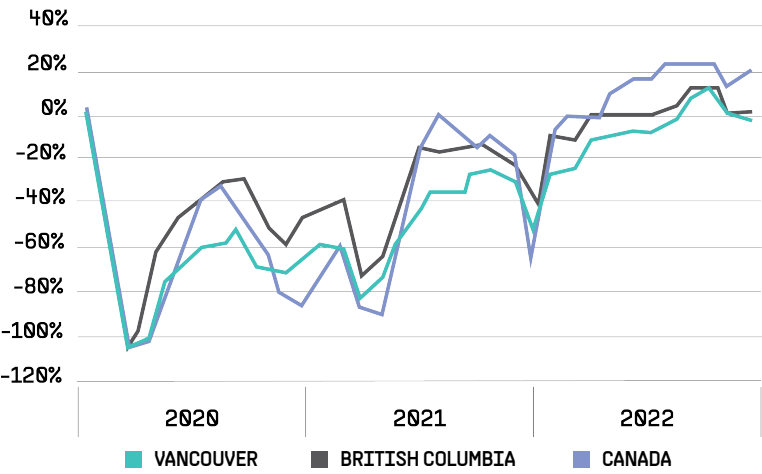
2022 was the first year since the pandemic when restaurants did not have to limit capacity and operations due to pandemic-related restrictions. As a result, downtown restaurant sales grew consistently throughout the year. The first half of the year is difficult to use for comparison purposes since COVID-19 waves in 2021 skewed 2022 sales growth figures. However, the last half of 2022 is more comparable to the last half of 2021, and during these months, downtown restaurant sales growth consistently hovered around 20%.

Despite strong sales growth, food and beverage establishments continue to be impacted by economic conditions. Restaurants have consistently been one of the hardest-hit industries by the labour shortage. Roughly 12% of all job vacancies in Canada are in the food and beverage industry. Also, food and beverage businesses responded to historic inflation with unprecedented price increases. As a result, the industry has seen consumers more likely to order smaller, more affordable menu items. The industry also had periods of supply chain issues during 2022, causing businesses to adjust their menus to be in line with the ingredients they were able to keep in stock. However, supply chain issues have largely subsided for restaurants.

## 2022 DOWNTOWN RESTAURANT SALES AVERAGE WEEKLY YEAR-OVER-YEAR GROWTH



## OPENTABLE RESERVATIONS PERCENT CHANGE FROM 2019



## FOOD + BEVERAGE OPENINGS + CLOSINGS SINCE NOV. 2021

OPENINGS 34

CLOSINGS 22

NET GAIN +12



# TOURISM

Vancouver's tourism sector continued its recovery in 2022. Downtown hotel occupancy was 72% in 2022, an 80% improvement over 2021. Metro Vancouver's overall hotel occupancy was only slightly above downtown Vancouver's at 73%, while the province was at 67% in 2022. Destination Vancouver expects 10 million overnight visitors in metro Vancouver in 2023, which is comparable to the record 11 million visitors in 2019.

Air travel to and from Vancouver International Airport (YVR) recovered better than expected in 2022. By the end of the year, 19 million passengers passed through YVR, reaching 72% of 2019 volumes. Domestic air travel has recovered better than international travel to and from Vancouver with 2022 domestic volumes reaching 84% of 2019 and international volumes reaching 61%. International travel to and from Europe and the United States recovered better than Asian Pacific travel. This is partly due to travel restrictions that remained in place in China throughout 2022. YVR is projecting passenger volume of 22 million in 2023 which represents roughly 84% of 2019.

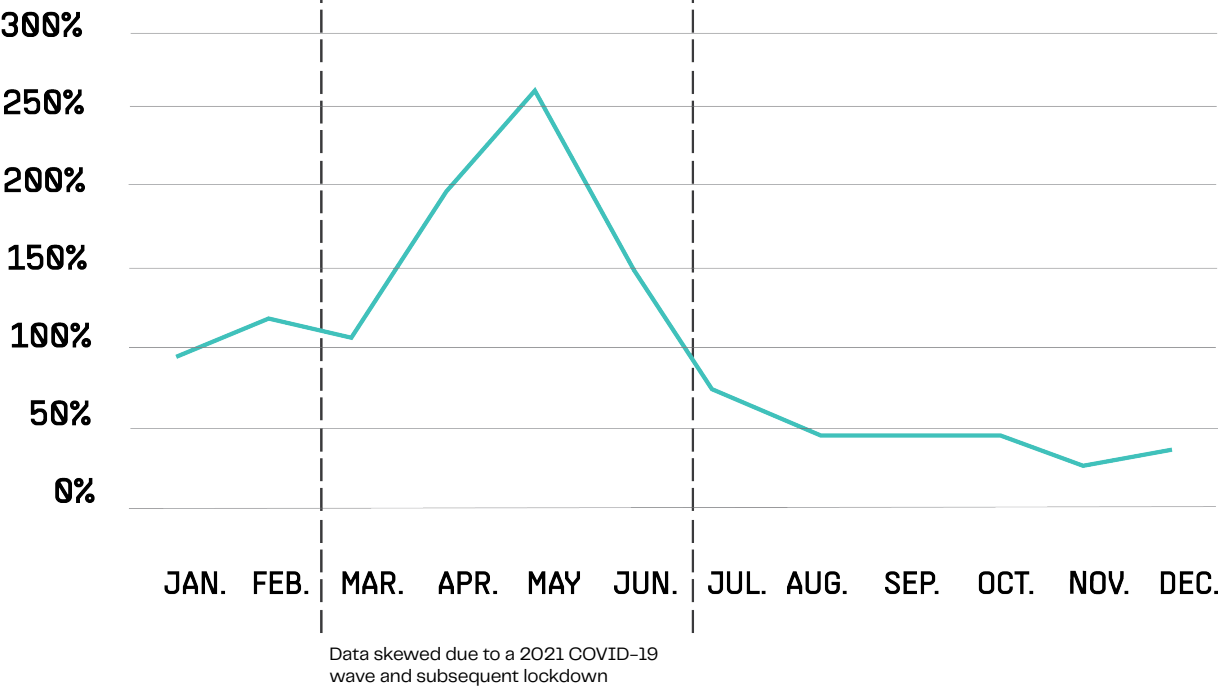
Vancouver's cruise season returned for the first time since the pandemic in 2022. The first cruise ship to dock at Canada Place since 2019 was Holland America Line's Koningsdam on April 10th. A record 306 cruise ships came to Vancouver in 2022, bringing 815,000 passengers downtown. While this is short of the pre-COVID-19 figures of 1.1 million passengers, cruise ships were not operating at full capacity in 2022. Vancouver Fraser Port Authority expects 2023 to be another record year for cruise ship volume, forecasting 334 ships bringing 1.3 million passengers.

The return of travelers is encouraging for downtown, but Vancouver could risk not being able to meet increased hotel room demand as tourism continues to grow. Destination Vancouver reported that Metro Vancouver will need 20,000 additional hotel rooms by 2050 and half of these additional hotels will need to be in Vancouver. Since 2010, Metro Vancouver lost around 2,000 hotel rooms and Vancouver lost 1,100 rooms between 2008 and 2018. By 2026, real demand will exceed supply in the summer months if hotel room supply remains at current levels.

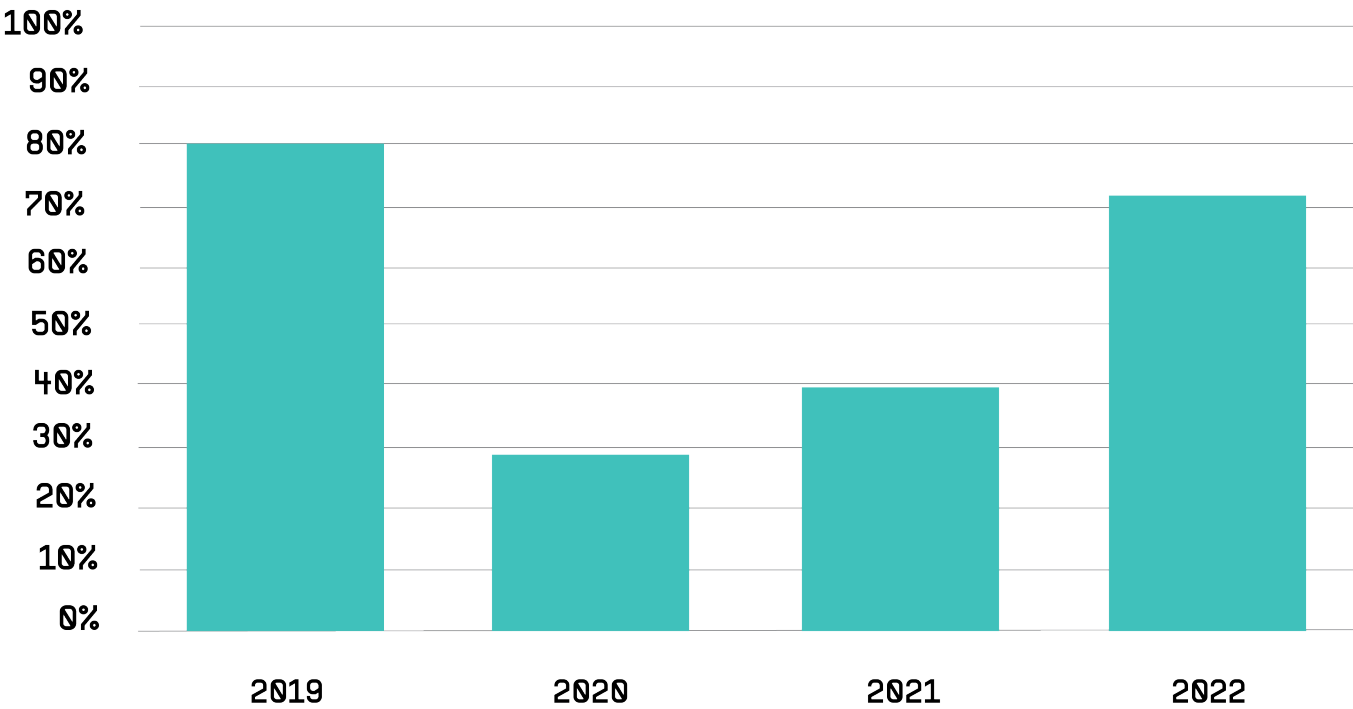
A new hotel with 106 rooms is currently under construction at 833 West Pender Street and others have been proposed elsewhere in the downtown core. The proposed hotels include a 32-storey development with 578 rooms at 516-534 West Pender Street, a 30-storey hotel with 393 rooms at 848 Seymour Street, and a new hotel with a complete renovation of the former Four Seasons Hotel Vancouver at CF Pacific Centre. While these proposals would bring over one thousand new rooms downtown, they are unlikely to be built in time for the 2026 FIFA World Cup given current approval and construction timelines. Additionally, these proposals will not adequately meet the short-term and long-term demand projections from Destination Vancouver.



## 2022 DOWNTOWN TRAVEL + ENTERTAINMENT SALES AVERAGE WEEKLY YEAR-OVER-YEAR GROWTH



## DOWNTOWN HOTEL OCCUPANCY





# CONVENTION

The Vancouver Convention Centre was BC's largest immunization clinic during the pandemic, delivering 600,000 doses. In 2022, major national and international conferences, including the TED conference, SIGGRAPH, AME Roundup, and GLOBE Forum, returned. Over the year, the Vancouver Convention Centre hosted 340 events with an estimated total of 890,000 attendees.

The Convention Centre also hosted a number of warehouse sales and consumer shows. Aritzia, OVO, Herschel, and Estee Lauder all held sales at the facility. Additionally, more than 125,000 people attended Canada Together — Vancouver's largest Canada Day celebration.



# FILM

Downtown Vancouver plays a key role in the film and television production sector and often serves as the backdrop to some of the industry's biggest productions. The North Plaza, areas around the CBC building, the Vancouver Public Library, 1000 West Hastings Street block, and Queen Elizabeth Theatre are some of downtown's most popular filming locations.

Within the Downtown Van district, there were 179 filming days and 114 prep and wrap days over 200 locations in 2022. This is similar to a typical filming year with a slight increase in filming days compared to 2021. Most film permits for downtown Vancouver were for television series with roughly the same amount of film days being devoted to feature films and commercials.

## DOWNTOWN VANCOUVER FILMING

- 179 FILMING DAYS
- 114 PREP/WRAP DAYS
- 211 LOCATION PERMITS

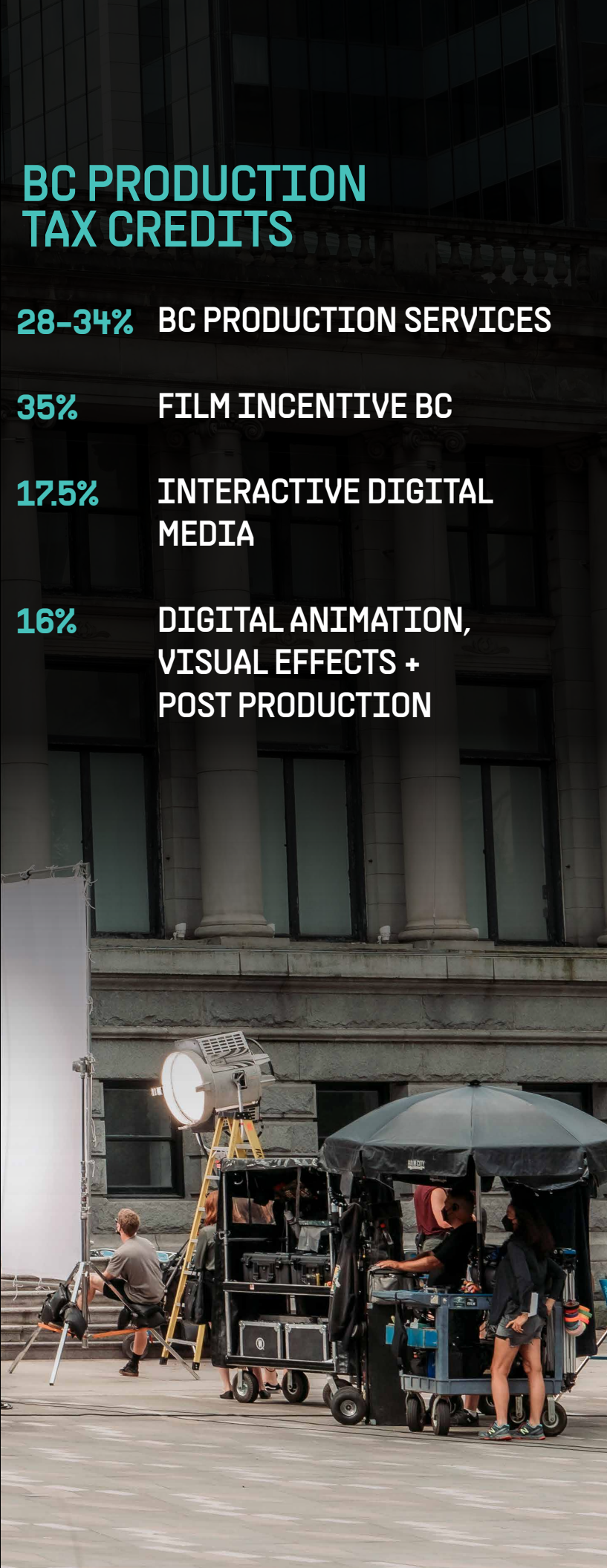
## BC PRODUCTION TAX CREDITS

28-34% BC PRODUCTION SERVICES

35% FILM INCENTIVE BC

17.5% INTERACTIVE DIGITAL MEDIA

16% DIGITAL ANIMATION, VISUAL EFFECTS + POST PRODUCTION







# DOWNTOWN EXPERIENCE



# 2026 FIFA WORLD CUP

After a successful bid, Vancouver was selected as one of sixteen North American cities that will host games during the 2026 FIFA World Cup. Toronto is the only other Canadian city selected. Canada has been allocated ten games for the tournament, with Vancouver likely hosting six games and Toronto hosting four. Vancouver is also in the running to be the host city for the televised 2026 FIFA World Cup draw — the high-profile event where the 32 teams are split into eight groups for the tournament. Canada Soccer has committed to staging at least five international matches in Vancouver in the lead-up to the tournament.

The BC Ministry of Tourism, Arts, Culture and Sport estimates that the cost of hosting the games in Vancouver will be between \$240 million and \$260 million. The costs will be split between the municipal, provincial, and federal governments. The province and Destination BC estimate that hosting five World Cup games in Vancouver could generate \$1 billion in revenue. For reference, the 2010 Winter Olympics generated \$1.9 billion in total revenue.

As the host stadium in Vancouver, BC Place will upgrade its facility to accommodate the World Cup. The artificial turf will be replaced with natural grass because natural grass is less likely to cause injuries and is therefore required by FIFA. BC Place will also expand the private suites on level three of the stadium.

## 2026 HOST CITIES

### CANADA

Toronto  
Vancouver

### USA

Atlanta  
Boston  
Dallas  
Houston  
Kansas City  
Los Angeles  
Miami  
New York/New Jersey  
Philadelphia  
San Francisco Bay Area  
Seattle

### MEXICO

Guadalajara  
Mexico City  
Monterrey



# GRANVILLE STREET

In January of 2023, City Council approved the launch of an eighteen-month planning process to develop a new vision for the Granville Entertainment District. The plan will look at zoning and public space opportunities with the objective of energizing Granville Street as an exciting, welcoming, safe, and inclusive entertainment district. The plan will consider the need to preserve the area's unique heritage character while exploring new opportunities for entertainment, dining, tourism, retail, and office space. The current lack of daytime activity on Granville Street will also be a key area of focus for the plan. Downtown Van will play a significant advocacy role during the Granville Plan process.

A key piece of the Granville Entertainment District's future is the proposed development on the 800 block of Granville. The project submitted by Bonnis Properties was approved to move forward through the re-zoning application process by City Council in July of 2022. The proposal retains the historic façade of the Commodore Ballroom and Lanes as well as the Orpheum Theatre while adding more than 400,000 sq. ft. of office space and tripling the retail space of the heritage buildings. This proposal includes a restaurant and lounge promenade on the fourth level overlooking Granville Street and incorporates improvements to the Commodore Ballroom allowing for 40% more shows. These capacity improvements will bring 75,000 additional visitors to Granville and the office space will accommodate between 2,000 and 4,000 new jobs in the area, bringing in an estimated \$24.5 million annually.

Another key to Granville Street's future is the redevelopment proposal for the Hudson's Bay building. This proposal by the Hudson's Bay Company and Streetworks Development includes one million sq. ft. of new office space while preserving the building's historic façade. The Hudson's Bay retail floors will be redesigned for an improved shopping experience and the ground floor will be reactivated to contribute to Granville Street's long-term streetscape vibrancy. The office space added above the historic structure will bring in 5,000 more workers to Granville Street.

Construction has begun on the pedestrian and cycling pathways on the Granville Bridge. This project was merged with the removal of the Granville loops on the north end of the bridge. The loops are the circular on- and off-ramps between the bridge and Pacific Street. In place of the north loops, a new street grid will be built establishing 1.9 acres of new parcels for development. These new parcels have been zoned for high-density residential development with a combination of condominiums, market rental, and social housing. The additional ground-level space includes retail and restaurant space as well as a new childcare facility.

**A NEW VISION FOR GRANVILLE STREET IS BEING ESTABLISHED WITH TWO TRANSFORMATIVE DEVELOPMENT PROPOSALS AND THE GRANVILLE STREET PLANNING PROGRAM**







# UKRAINE

On February 24th, 2022, Russia launched a full-scale invasion of Ukraine after years of Russian attempts at destabilization. Through its unprovoked aggression, Russia has violated international law and the principles of the UN Charter by targeting Ukrainian civilians. Canada has provided Ukraine with more than \$5 Billion in assistance including financial, humanitarian, and military aid. Between 2015 and 2022, Canada accepted 228,000 refugees who were forcibly displaced worldwide. Since the beginning of the war in Ukraine, an estimated 150,000 Ukrainian refugees have settled in Canada, including 11,000 in BC.

The Russia-Ukraine war and COVID-related lockdowns in China have had economic ripple effects that have negatively impacted Canada. According to the Bank of Canada, the impact is primarily supply chain disruptions that continue to weigh down economic activity and worsen inflation rates. The war has also caused uncertainty around energy and agricultural prices, creating increased volatility in financial markets. Although some regions of Canada could benefit from worldwide sanctions against Russia, as Canada exports many of the same commodities, the rising global cost of oil will likely outweigh these potential benefits.

Sources: Government of Canada, Global News, Statistics Canada, Bank of Canada, BMO Financial Group

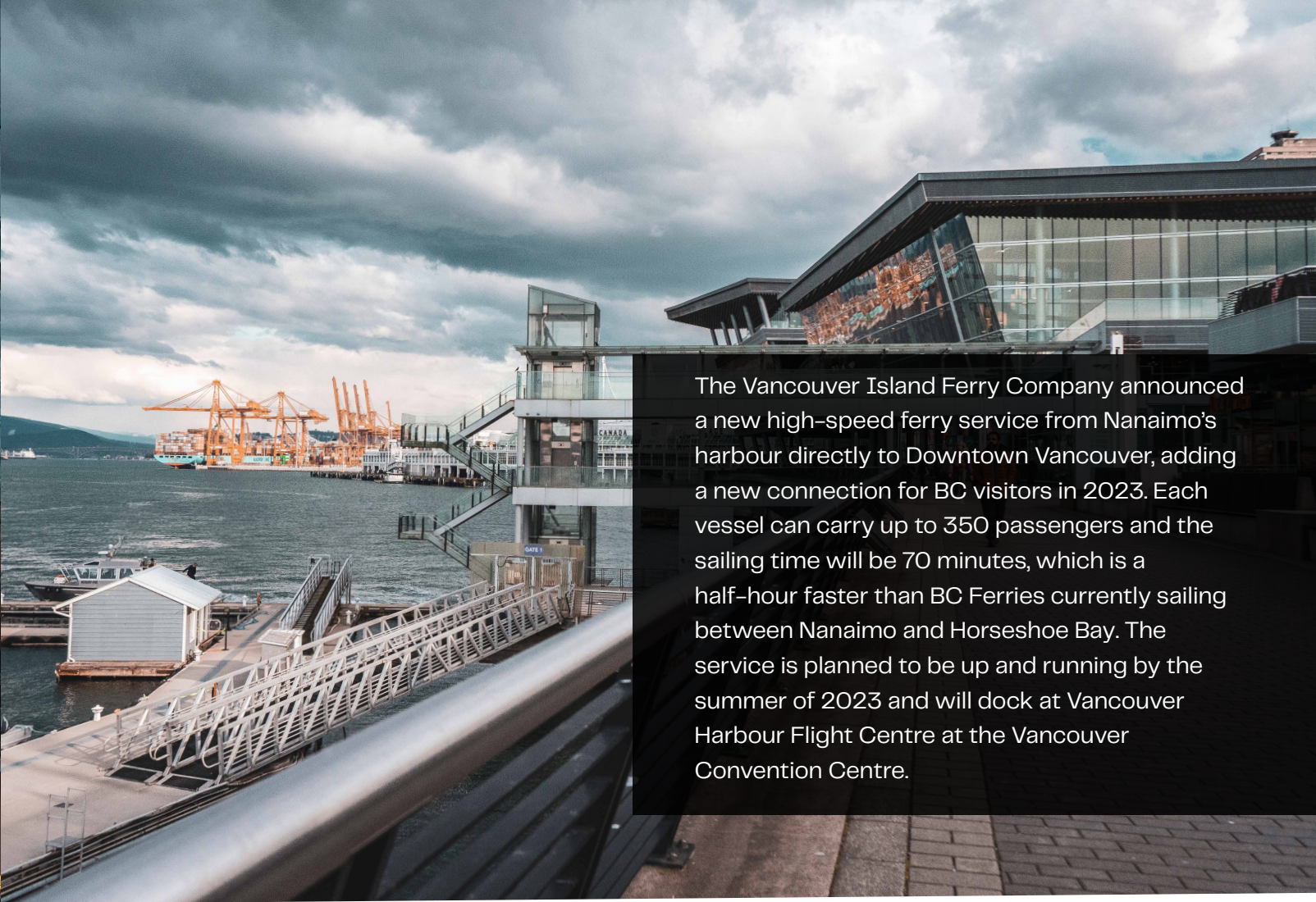




# DOWNTOWN TRANSIT

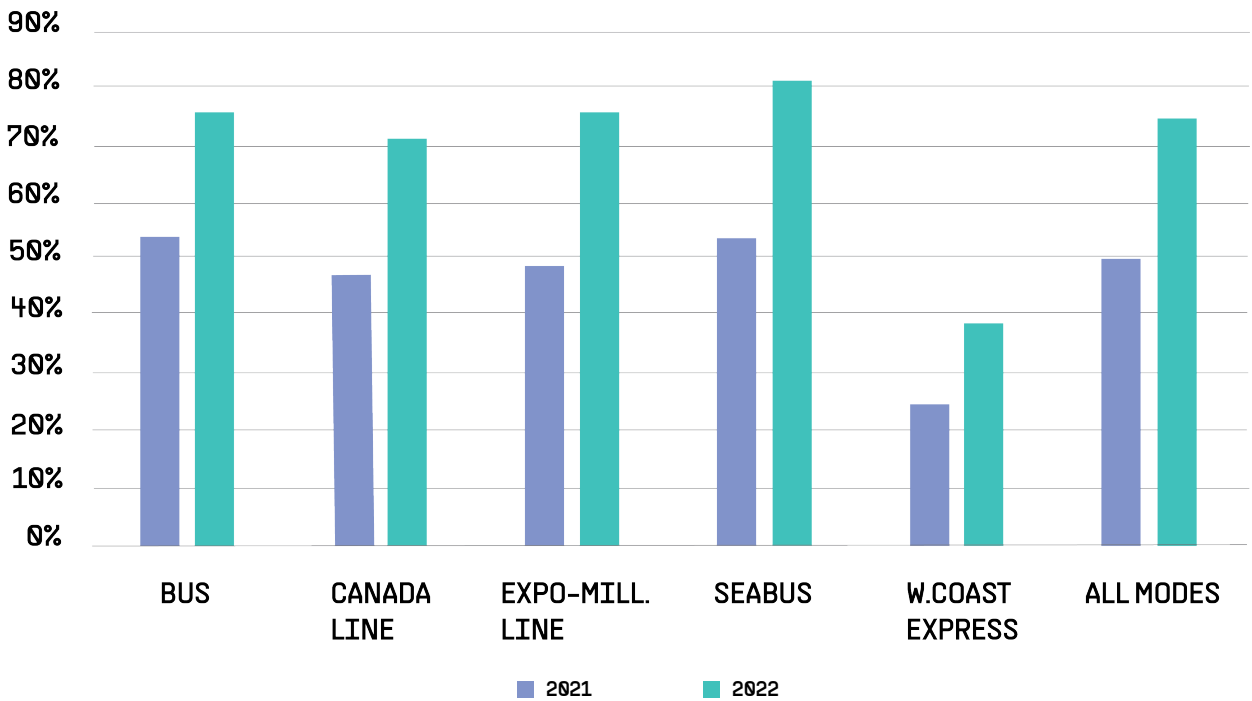
Downtown transit ridership continues to trend toward pre-pandemic levels. In an analysis of September and October 2022, downtown TransLink boardings recovered to 75% of 2019. This is an improvement from 50% in 2021. Weekend travel in 2022 has recovered better than weekdays with Saturdays and Sundays recovering to 82% and 83%, respectively. Weekday boardings, on the other hand, recovered to only 66% of 2019. This is consistent with Downtown Van's analysis of workplace mobility during weekdays.

In 2021, downtown bus ridership recovered better than SkyTrain ridership. However, in 2022, SkyTrain boardings at downtown stations increased, narrowing the gap. Bus ridership recovery to 2019 volumes improved from 54% in 2021 to 76% in 2022, while SkyTrain boardings improved from 48% to 74%. The SeaBus recovery outpaced both buses and the SkyTrain, with ridership reaching 54% of pre-pandemic levels in 2021 and 82% in 2022. The best recovery of all transit modes was the SeaBus on Saturdays, reaching 92% of 2019 boardings.



The Vancouver Island Ferry Company announced a new high-speed ferry service from Nanaimo's harbour directly to Downtown Vancouver, adding a new connection for BC visitors in 2023. Each vessel can carry up to 350 passengers and the sailing time will be 70 minutes, which is a half-hour faster than BC Ferries currently sailing between Nanaimo and Horseshoe Bay. The service is planned to be up and running by the summer of 2023 and will dock at Vancouver Harbour Flight Centre at the Vancouver Convention Centre.

## DOWNTOWN TRANSIT RECOVERY OCT - SEPT BOARDINGS % OF 2019





# NIGHTLIFE + EVENTS

2022 saw Vancouver's nightlife and entertainment industry return to full capacity. Nightclubs reopened in February of 2022 after the Omicron variant of COVID-19 caused provincial restrictions. In March 2022, the province lifted all pandemic restrictions limiting the capacity and operations of downtown's nightclubs and Vancouver Civic Theatres returned to full capacity as well. Vancouver Civic Theatre venues include the Queen Elizabeth Theatre, the Orpheum, Vancouver Playhouse, and the Annex, all of which are located downtown. In 2022, Vancouver Civic Theatres held 893 events bringing in 773,617 people. These attendance volumes and venue utilization rates are consistent with pre-pandemic levels.

Major festivals also returned in full swing in 2022. Downtown Vancouver hosted a number of large-scale events including Vancouver Pride, Vancouver Jazz Festival, Just for Laughs Comedy Festival, and saw the return of Broadway Across Canada. Additionally, the Vancouver Art Gallery hosted eighteen exhibitions, bringing in 130,000 visitors.

Downtown Van brought back Summer Movie Nights and Granville Promenade in 2022. Summer Movie Nights was hosted over seven Thursday evenings through July and August at the North Plaza. An average of 1,775 people attended each night to watch a blockbuster movie under the downtown skyline. Granville Promenade was a street festival that brought over 50,000 visitors to two blocks of Granville Street where they could join in on diverse programming through four weekends in August. Downtown Van also supported over fifty free public events through sponsorship and facilitation in 2022.

The City of Vancouver announced a proposal for the development of a new Office for Night Time Economy in June 2023. This office would serve as a single point of contact for Vancouver's tourism, hospitality, and arts and culture sectors. A major focus for this office is to liaise with entertainment and nightlife industries to identify economic development opportunities within a 24/7 economy. The proposal of an Office for Night Time Economy, along with the Granville Plan, demonstrates a deliberate push to further establish downtown as a thriving entertainment and cultural hub.







CHATEAU GRANVILLE

40 YEARS LATER

GRANVILLE  
PROMENADE  
PLAY  
ZONE

Lee's

CAMERA SUPPLY LTD.

Canon RICOH Pentax FUJIFILM SIGMA

PLANE ROCK



STATE OF DOWNTOWN 2023

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AUTHORED BY

**Sean Bailey**  
Research Analyst, Downtown Van

DESIGNED BY

**Shayna Andrus**  
Graphic Design, Downtown Van

ADDITIONAL ASSISTANCE FROM

**Joshua Davidson**  
Interim Director of Operations

**Gavin Duffus**  
Manager, Economic Development

PHOTOGRAPHY BY

**Matt Taylor**  
**Shayna Andrus**  
**Bohdan Lee**  
**Kenneth Chan**  
**Kai Jacobson Photography**  
**Various Unsplash Creators**

SPECIAL THANKS

**Pieter Boerma** | Environics Analytics  
**Gwendal Castellán** | Destination Vancouver  
**Krista Edwardson** | Vancouver Civic Theatres  
**Jacob Fox** | TransLink  
**Sandra Marchetti** | Copywriter  
**Andrew Petrozzi** | Altus Group  
**Jodie Shebib** | City of Vancouver  
**Sandra Ware** | Environics Analytics

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Vancouver Civic Theatres  
Vancouver Convention Centre  
Vancouver Fraser Port Authority  
Vancouver International Airport  
Vancouver Island Ferry Company  
Vancouver Sun  
Zumper



Downtown Van is a non-profit organization that represents 7,000 businesses and property owners in the central 90-block area of Vancouver's downtown core. Supporting them and making Downtown Vancouver a place where everyone feels welcome, drives us.

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 1380-1100 Melville Street, Vancouver, BC, V6E 4A6

dtvan.ca  
@downtownvan

