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To: Regional Parks Committee

From: David Leavers, Division Manager, Visitor and Operations Services, Regional Parks

Date: October 24, 2024 Meeting Date: November 6, 2024

Subject: **Regional Parks Public Programming Strategy Implementation Update**

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## RECOMMENDATION

That the Regional Parks Committee receive for information the report dated October 24, 2024, titled "Regional Parks Public Programming Strategy Implementation Update."

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## EXECUTIVE SUMMARY

Public programs and events in regional parks are designed to inspire appreciation and understanding of the environment. In 2023, Regional Parks interpretation specialists delivered 578 total programs, events and outreach activities throughout the region and connected 49,828 participants to nature.

All programs and events are guided by the Metro Vancouver Regional Parks *Public Programming Strategy* that was approved by the MVRD Board on April 24, 2020. Significant progress has been made regarding the implementation of the adopted strategic actions. This report provides an update on the deliverables of the strategy in the following five theme areas that are described in the report:

- Broaden Your Base
- Extend Your Reach
- Make a Deeper Connection
- Invest in Children and Youth
- Ensure Financial Sustainability

This report fulfills the commitment to report out on the progress of the strategy as part of the Regional Parks Committee 2024 Work Plan.

## PURPOSE

To provide the Regional Parks Committee with an update regarding the implementation of the *Public Programming Strategy* (2020).

## BACKGROUND

Most Metro Vancouver residents live in an urban environment with less access to natural areas than previous generations. This growing urban population has increased visitation in our regional parks and is placing more pressure on local green spaces. Public programming in regional parks responds to these challenges by deepening audience understanding, appreciation, and protection of the natural environment. Experienced-based programs and events are designed to inspire appreciation and understanding of the environment.

In 2023, 49,828 people participated in 578 total programs, events, and outreach activities. These activities were led by Regional Parks interpretation specialists and guided by the *Public Programming Strategy* that was approved by the MVRD Board on April 24, 2020. The strategy provides strategic direction for staff who deliver public programs and events within regional parks. The strategy includes a number of recommendations and deliverables for implementation between 2021-2025. These deliverables are grouped within the following five themes, as described in the strategy:

**Broaden Your Base:** Metro Vancouver is one of the most culturally diverse of Canada's metropolitan areas, yet that diversity is not reflected in Metro Vancouver Regional Parks' programming audiences. Work needs to be done to expand programming styles to connect with culturally diverse families, seniors, young adults and older teens. To ensure continued relevance, programming will need to acknowledge the full diversity of the public.

**Extend Your Reach:** In Metro Vancouver, awareness of Metro Vancouver Regional Parks' outdoor programming is still low. Public programs are not always fully subscribed, and many new programs are only offered once. According to the 2017 Coleman Canada Get Outside survey, 29 per cent of Canadians say they spend less than a half hour per week outside, and 64 per cent are enjoying the outdoors for less than two hours per week. Over 300 regional schools have never taken advantage of the high quality, low fee experiences offered in regional parks. Regional residents are increasingly disconnected from nature, and the program's potential is unrealized. The main goals within this strategy are to increase awareness of Metro Vancouver Regional Parks programming, and increase program subscription.

**Make a Deeper Connection:** Currently, the role of Indigenous themes and Indigenous people in programming is vague and falls short of its potential and staff lack specialized training in programming techniques beyond the "by-naturalists-for-naturalists" paradigm. The deliverables here aim to increase the quality and memorability of programs and events by updating professional skills, adding a cultural component to nature programs, partnering with Indigenous programmers to present relevant Indigenous content, increasing experiential and dialogic programming, and continuing to move away from presentational programming styles.

**Invest in Children and Youth:** Children today lead structured lives, and much of that structure keeps them indoors. A typical child will spend an average of seven hours each day looking at screens. When they do get outside, they may be carefully constrained and supervised by parents worried about their safety. Many of the region's children live too far to walk to a green space or a regional park. Research shows that for children, a profound experience in nature facilitated by a trusted mentor can foster a lifetime of environmental engagement. To achieve Metro Vancouver's long-term vision of a community of engaged stewards of their environment, public and school programs should continue to connect with children and youth.

**Ensure Financial Sustainability:** Program fees are currently set based on an analysis of operating costs against a detailed review of fees for services offered by member municipalities and other government and non-profit agencies. Research is completed on comparable programs and events in municipal park systems in Metro Vancouver. A median rate is targeted for Metro Vancouver's fees



as to generally stay in line with comparable market rates and not unduly subsidize program and event costs through the tax levy. Educational programming is relatively expensive, and Metro Vancouver Regional Parks must adhere to sound financial management and strategic long term planning. The strategy makes recommendations to streamline program and event development and delivery, and to increase the return on investment.

#### **ALIGNMENT WITH REGIONAL PARKS PLAN (2022)**

Regional Parks public programming is supported by Strategy 12 from the Board-approved *Regional Parks Plan* to provide diverse and meaningful learning and volunteer opportunities that deepen people's connection to nature. Specifically, the following actions are guided by the Plan:

12.1: Implement the *Public Programming Strategy* to provide relevant content for the region's growing, diverse population.

12.3: Deliver events that provide equitable opportunities for many people to experience interpretive and educational programming in regional parks.

12.7: Develop interpretive plans for each regional park that tell the story of the park, incorporating natural and cultural history.

12.8: Seek partnerships in program delivery, community engagement and provision of special programs where others have expertise.

Public programming is also aligned with Strategy 14 that encourages Regional Parks to learn and share knowledge. Specifically, the following action is guided by the Plan.

14.1: Partner with health organizations to provide specific mental health and well-being opportunities in regional parks.

#### **IMPLEMENTATION FOCUS 2024 - 2025**

Guided by the five strategic directions, the Metro Vancouver Regional Parks *Public Programming Strategy* identifies milestones and actions looking out to the year 2025. "2024 Regional Parks - Public Programming Strategy Implementation Update" (Attachment 1) provides a summary of the completed and ongoing actions grouped by strategic theme.

#### **ALTERNATIVES**

This is an information report. No alternatives are presented.

#### **FINANCIAL IMPLICATIONS**

None at this time. Any additional financial implications to advance the implementation of the *Public Programming Strategy* are considered as part of the annual budgeting process.

#### **CONCLUSION**

The *Public Programming Strategy* confirmed the need for regionally provided nature-based public programs and events and provided clear recommendations on how Regional Parks programming

and interpretation will help Metro Vancouver Regional Parks meet the future needs of the region's growing diverse population.

Staff are continuing their work to address the five strategic themes to successfully implement the *Public Programming Strategy* and its deliverables. The strategy provides a clear plan to help guide staff and its partners over the coming years. The implementation of the deliverables will ensure Metro Vancouver Regional Parks programs continue to be engaging, high quality, memorable, authentic experiences that reach a representative sample of Metro Vancouver's regional population.

#### **ATTACHMENTS**

1. 2024 Regional Parks - Public Programming Strategy Implementation Update
2. Presentation re: Regional Parks Public Programming Strategy Implementation Update

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## 2024 Regional Parks - Public Programming Strategy Implementation Update

### **BROADEN YOUR BASE**

*Metro Vancouver is one of the most culturally diverse of Canada's metropolitan areas, yet that diversity is not reflected in Metro Vancouver Regional Parks' programming audiences. Work needs to be done to expand programming styles to connect with culturally diverse families, seniors, young adults and older teens. To ensure continued relevance, programming will need to acknowledge the full diversity of the public.*

### **English Language Learner (ELL) Walks**

The Regional Parks interpretive team received Reel Green™ grant funding in 2024 to deliver nine ELL nature walks across the region. These walks give English language learners the opportunity to practice their developing English language skills on a walk with park staff in a safe and fun way. So far, walks have been delivered in Campbell Valley, Tynehead and Burnaby Lake regional parks.

Benefits of these programs to community members include:

- The opportunity to practice English
- Learn about the importance of nature and learn nature vocabulary
- Meet other community members and build support systems
- Appreciate and steward regional parks
- Participate in healthy activities
- Gain comfort in new and unfamiliar surroundings
- Share their experience with friends and families and encourage others to visit Regional Parks
- Understand regional parks management issues (e.g., wildlife feeding, wildlife encounters, no harvesting)

The program has received positive feedback. Some examples include:

- "It's a great opportunity to learn English and about the environment."
- "A wonderful event! ... hope we all understand more about nature around us and do the right thing to protect our surroundings."
- "Excellent program. I wish there were more of these in the different parks."

### **Picnic in a Park Event**

Metro Vancouver Regional Parks recently commissioned a survey that was delivered in English, Punjabi, and Chinese to better understand the barriers immigrants face to attend Regional Parks programs and events. The report outlined that participation and the awareness of our programming is lowest amongst recent immigrants. However, the survey also reflected that recent immigrants are more likely to participate in a future program or event versus non-immigrants, specifically:

"Recent immigrants are twice as likely as both non-recent immigrants and non-immigrants to have picnics at regional parks. This is one of several results highlighting how regional parks serve an important social destination for recent immigrants." (Sentis 2023)

The survey also revealed that primary motivators for recent immigrants to participate include: spending time with family and friends, experiencing the health benefits of nature, and feeling safe in an outdoor setting. With these motivations in mind, Regional Parks, in partnership with the City of Surrey, delivered an event in May 2024 for immigrants, to introduce them to the beauty and benefits of regional parks. The event was a great success with 150 recent immigrants travelling to Surrey Bend Regional Park for the first time. Participants travelled by bus to the site in groups from different organizations (e.g., Burnaby School District, Nature Kids and Options Community Services). The cost of the buses was funded by the Metro Vancouver Regional Parks Foundation bus grant program. Families enjoyed sharing a meal at the picnic shelter, playing games, and interacting with all the nature activities. When asked if participants would return to a regional park after this experience, staff heard that “they enjoyed their time and would definitely go back to a park.”



## EXTEND YOUR REACH

*In Metro Vancouver, awareness of Metro Vancouver Regional Parks’ outdoor programming is still low. Public programs are not always fully subscribed, and many new programs are only offered once. According to the 2017 Coleman Canada Get Outside survey, 29 per cent of Canadians say they spend less than a half hour per week outside, and 64 per cent are enjoying the outdoors for less than two hours per week. Over 300 regional schools have never taken advantage of the high quality, low fee experiences offered in regional parks. Regional residents are increasingly disconnected from nature, and the program’s potential is unrealized. The main goals within this strategy are to increase awareness of Metro Vancouver Regional Parks programming, and increase program subscription.*

The Public Programming Strategy included a deliverable that public programs will be 90 per cent subscribed.

Below are some enrollment statistics from the past two years that demonstrate progress towards this goal.

Year	Average enrollment	% of programs >90% enrolled
2022	81.5%	49%
2023	84.5%	89%

In 2023, Regional Parks staff worked closely with Metro Vancouver External Relations staff and a contractor to develop a communication strategy to create a plan to target promotion to priority audiences. In order to achieve this deliverable, a new template was created for all promotional posters and social media posts and a new communications strategy was created, which includes strategic info (audiences, barriers/benefits, key messages, etc.) and several “How To Guides.” The “How To Guides” are simple communications plans to be used by Regional Parks to promote programs and events. Each plan is a “how to manual” and includes a list of tactics, timing, draft copy, and recommended budget, as well as links to the appropriate guidelines and templates. The results from 2022 – 2023 exhibited above demonstrate that Regional Parks is having more success filling programs.

### **MAKE A DEEPER CONNECTION**

*Currently, the role of Indigenous themes and Indigenous people in programming is vague and falls short of its potential and staff lack specialized training in programming techniques beyond the “by-naturalists-for-naturalists” paradigm. The deliverables here aim to increase the quality and memorability of programs and events by updating professional skills, adding a cultural component to nature programs, partnering with Indigenous programmers to present relevant Indigenous content, increasing experiential and dialogic programming and continuing to move away from presentational programming styles.*

### **Indigenous Program Collaborations**

A deliverable of the *Public Programming Strategy* is that Partner First Nations will be meaningfully involved in education programming with indigenous voices. Park interpreters continue to contract Elder Karen Gabriel from ᑭᓂᓐᓂᓐᓂᓐ (Kwantlen First Nation) to deliver her Indigenous Tools and animal programs at the Campbell Valley Nature House. A new pilot was offered to teachers this year where Karen shared her Indigenous Plant Knowledge within Metro Vancouver Regional Parks’ Biodiversity Connections field trip. Staff also added extra public programs from Deanna Miller of ᑭᓂᓐᓂᓐᓂᓐ (Katzie First Nation), and are in conversations with ᑭᓂᓐᓂᓐᓂᓐ to develop translated activities for park trails.

## **Regional Park Interpretation Plans**

An additional deliverable of the strategy is that each regional park that hosts public programs will have its own interpretive plan. Within the plan, programs will be crafted around strong interpretive themes, and evaluated against visitors' understanding and connection.

A draft Interpretation Conceptual Framework was written to provide an overarching framework for why, what and how Regional Parks' interpretation is delivered. With this document will be a suite of individual Regional Park Interpretation Plans that focus key messages and programming for each regional park in relation to their unique landforms, organisms and communities. A plan for Campbell Valley Regional Park is currently underway and awaiting input and feedback from local First Nations.

## **INVEST IN CHILDREN AND YOUTH**

*Children today lead structured lives, and much of that structure keeps them indoors. A typical child will spend an average of seven hours each day looking at screens. When they do get outside, they may be carefully constrained and supervised by parents worried about their safety. Many of the region's children live too far to walk to a green space or a regional park. Research shows that for children, a profound experience in nature facilitated by a trusted mentor can foster a lifetime of environmental engagement. To achieve Metro Vancouver's long-term vision of a community of engaged stewards of their environment, public and school programs should continue to connect with children and youth.*

Regional Parks staff have been active in achieving the deliverables set forth in the Public Programming Strategy, and have accomplished every deliverable in this strategic theme. This includes creating online and physical Nature Connection Kits that are currently being utilized in Nature Houses, and collaborating with External Relations staff to create a Youth and Education Advisory Panel ([Terms of Reference for Youth Education and Advisory Panel](#)) that consists of teachers, high school students, and post-secondary students. Another recent success is with the deliverable: Partner with health organizations to provide mental health and wellness programs in regional parks. Staff continue to lead wellness walks for out-patients from within the Fraser Health pediatric psychiatry unit.

## **CTS Youth Society**

Through an annual contribution funding agreement, Regional Parks continued to support the CTS Youth Society in the past year.

In 2024, CTS Youth Society engaged with Regional Parks to provide 21 camp sessions (13 Overnight and 7 Day Camp) at 4 locations: Burnaby Lake, Capilano River, Pacific Spirit and Tynehead regional parks. In total, CTS Youth Society accommodated 556 registrations for youth aged 12-18 for in-park programs by increasing registration capacity to 22 participants per program. The program's overnight sessions operated at 100% capacity in 2024. Every camp session had wait lists and in total, over 300 youth were waitlisted to participate in overnight camps. Program registrations included youth from 16 of Metro Vancouver's member jurisdictions. The program was made possible by volunteers that contributed 4,572 hours of support in 2024. Every camp included a



stewardship aspect and the campers completed important stewardship work in each of the four parks.

The following data was collected voluntarily from the registered youth and their parents:

- 38.5 per cent self-identified as a member of a visible minority
- 15.4 per cent self-identified as a recent immigrant (in Canada less than 5 years)

The following data was collected voluntarily from the Peer Leader group (camp volunteers):

- 62.5 per cent self-identified as a member of a visible minority
- 18.2 per cent self-identified as a member of the LGBTQIA2+ community

### **ENSURE FINANCIAL SUSTAINABILITY**

*Program fees are currently set based on an analysis of operating costs against a detailed review of fees for services offered by member municipalities and other government and non-profit agencies. Research is completed on comparable programs and events in municipal park systems in Metro Vancouver. A median rate is targeted for Metro Vancouver's fees as to generally stay in line with comparable market rates and not unduly subsidize program and event costs through the tax levy. Educational programming is relatively expensive, and Metro Vancouver Regional Parks must adhere to sound financial management and strategic long term planning. The strategy makes recommendations to streamline program and event development and delivery, and to increase the return on investment.*

The *Public Programming Strategy* suggested that in order to increase the financial recovery rate within public programs, fees for public programs should be increased to recover a higher percentage of immediate staff and materials costs, “while a bursary/subsidy program facilitates increased access to audiences in need.” Staff continued to gently increase program fees in 2024 to increase the recovery rate associated with Regional Parks programs and events. In addition, staff have been able to deliver on the recommendation to introduce a bursary/subsidy program to facilitate increased access.

### **Program Enrollment**

Increasing the 2023 enrollment average to 84.5 per cent and the percentage of programs to exceed 90 per cent enrolled (see enrollment statistics in the Extend Your Reach section of the report) is also contributing to the financial sustainability of Regional Parks public programming. Given many of the program costs are fixed, increasing participation increased return on investment and further decreased the subsidy rate for Regional Parks public programming.

## Attachment 2



Regional Parks Interpreter delivering a program

# Strengthening Nature Connections for our Region

## REGIONAL PARKS PUBLIC PROGRAMMING STRATEGY

Lori Bartley

Park Interpretation Specialist

Peter Lawrance

Park Interpretation Specialist

Regional Parks Committee November 6, 2024  
71531608

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## STRENGTHENING CONNECTION

- Collaboration
- Diversity and inclusion
- Reconciliation
- Health and wellness



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## COLLABORATION

- Programming with libraries
- Municipal events
- Joint training and information sharing



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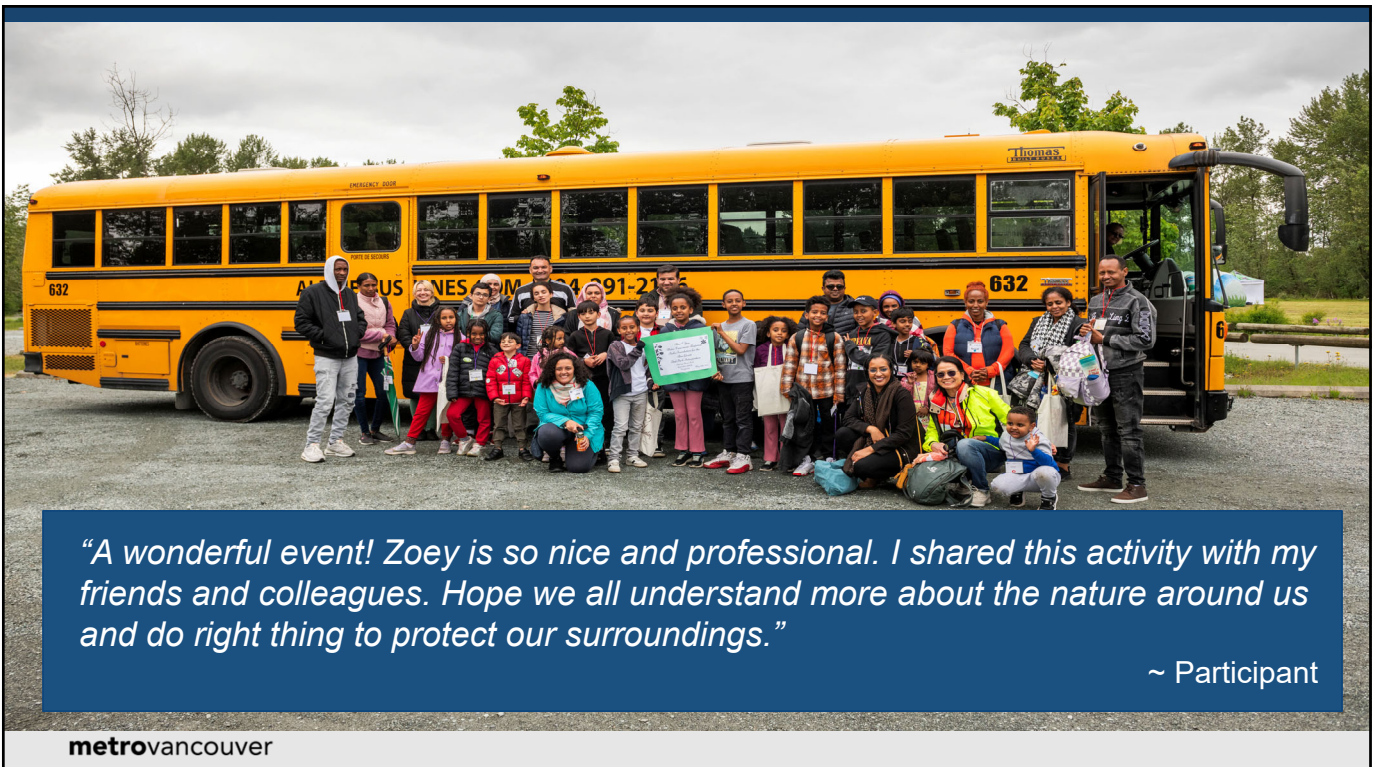


## DIVERSITY AND INCLUSION

- Picnic in a Park event
- Practice English in a Park public programs
- Collaboration with SUCCESS, Mosaic, Options, Parks Canada, and Nature Kids



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*"A wonderful event! Zoey is so nice and professional. I shared this activity with my friends and colleagues. Hope we all understand more about the nature around us and do right thing to protect our surroundings."*

~ Participant

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## RECONCILIATION

- Ensure programs start with territorial acknowledgements
- Work with First Nations to tell their own stories



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*"[I enjoyed] Deanna's wisdom and clear, informative, heartfelt delivery of knowledge about plants growing locally, First Nations history, the opportunity to see and smell the dried plants, taking home tea to enjoy."*

~ Participant  
*Indigenous Plant Knowledge Workshop*



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## HEALTH AND WELLNESS

- Nurture with Nature
- Forest Bathing
- Forest Harmonies
- Youth Wellness Walks



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## YOUTH WELLNESS WALKS

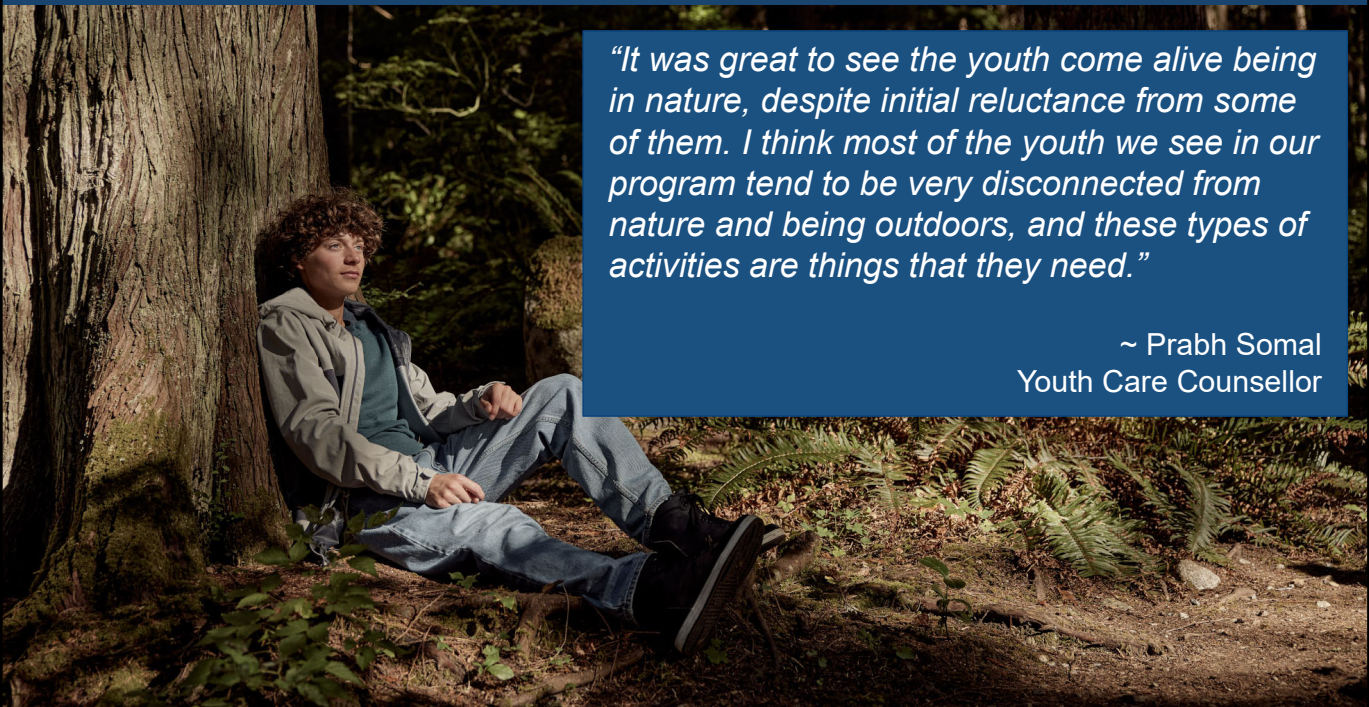
- Partnership with Fraser Health's Adolescent Day Treatment Program
- Supported by Reel Green Grant



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*"It was great to see the youth come alive being in nature, despite initial reluctance from some of them. I think most of the youth we see in our program tend to be very disconnected from nature and being outdoors, and these types of activities are things that they need."*

~ Prabh Somal  
Youth Care Counsellor

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Pacific Spirit Regional Park

Questions?

**metro**vancouver  
Together we make our region strong



To: Regional Parks Committee

From: Mike Redpath, Director, Regional Parks

Date: October 29, 2024

Meeting Date: November 6, 2024

Subject: **Manager's Report – Regional Parks**

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## RECOMMENDATION

That the Regional Parks Committee receive for information the report dated October 29, 2024, titled "Manager's Report – Regional Parks."

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## EXECUTIVE SUMMARY

Attachment 1 to this report sets out the Regional Parks Committee Work Plan for 2024. The status of work program elements is indicated as pending, in progress, or complete. The listing is updated as needed to include new issues that arrive, items requested by the Committee, and changes in the schedule.

## ATMOSPHERIC RIVER EFFECTS

The atmospheric river event on October 18-20 brought heavy downpours and flooding to B.C.'s South Coast, resulting in flooding, fallen trees, and trail washouts in many regional parks. Over 300 millimetres of rain fell on the North Shore, making it a 1 in 50-year storm event.

At Lynn Headwaters Regional Park, the entrance road was temporarily closed as a precautionary measure (at the request of the District of North Vancouver), and creek levels rose to 7 feet on the creek gauge. At Capilano River Regional Park, river levels were also very high and significant water damage and erosion was incurred on trails, along with a large landslide in West Vancouver, adjacent to the park.



*High water levels at Lynn Headwaters Regional Park*

Grouse Mountain Regional Park was closed all weekend due to the heavy rains. The East Mackay Creek received significant flows and crossings at the Baden Powell trail and BCMC route became impassable. Regional Parks staff are working with colleagues in Water Services to inspect and repair any damage created along the East Mackay Creek drainage channel. A large slide occurred at Wreck Beach at Pacific Spirit Regional Park, closing the Foreshore Trail. Staff are still assessing the damage, removing fallen trees on trails, clearing drainage structures, and repairing trail surfaces.



The service yard at Minnehada Regional Park was flooded with approximately 1 ft of water in the building and around the stables and access road. Flood levels fluctuated from 1-4 ft at the entrance to the Delta Nature Reserve, with additional flooding along the Delta South Surrey Regional Greenway, near the site of the 2023 train derailment. Inside the Delta Nature Reserve, a big Sitka spruce was uprooted, taking a section of boardwalk with it and rendering the outer loop impassable.



*Sitka spruce uprooted by the atmospheric river storm at Delta Nature Reserve*



*Debris on road at Widgeon Marsh Regional Park Reserve*

Access to Widgeon Marsh Regional Park Reserve was blocked by the Quarry Road mudslide, in which a house was swept away and debris covered the road. Widgeon Marsh Regional Park Reserve remains inaccessible by road, and there is currently no estimated timeline from the City of Coquitlam for clearing the road. Within the park reserve, staff observed two rock slides and three washouts along the park's road.

Tynehead Regional Park saw significant trail washouts in Serpentine Hollow and the West Perimeter Trail. Both areas were temporarily closed to the public, and repairs are underway. The Tynehead Hatchery also saw significant flooding, with the road to the Serpentine River and the Hatchery fish gate completely washed out. The Hatchery was temporarily closed due to unsafe conditions.

At Kanaka Creek Regional Park, a number of trees fell, breaking split rail fencing and blocking trails. The Canyon Trail saw some washouts, and the water level was at the 100-year event levels. Additionally, the Bell-Irving fish fence was closed due to flooding and log jams. Campbell Valley Regional Park saw some overflow at the Rowlett Pond, flooding around the washrooms, and washouts along Rowlett Trail.



*Bell-Irving fish fence flooded at Kanaka Creek Regional Park*

Regional Parks staff are continuing to monitor the situation, patrolling for hazards, clearing debris from culverts and trails, and will continue to address any ongoing to subsequent issues.

## REGIONAL PARKS UPDATES

### **təmtəxʷtən/Belcarra Regional Park - Cultural Planning and Co-Operation Agreement with səliwətaʔ (Tseil-Waututh Nation)**

The relationship between səliwətaʔ and Metro Vancouver Regional Parks continues to be strengthened through the implementation of the Cultural Planning and Co-operation Agreement at təmtəxʷtən/Belcarra Regional Park, which recognizes səliwətaʔ ancestral ties to the land and the present use by its members. Both parties have worked together to implement several priority projects during the current term, which ends in February 2025, and renewal discussions are underway.

In Fall 2023, two community engagement events brought səliwətaʔ members together to discuss how their cultural values, teachings, and perspectives can help inform park planning and management. The knowledge and feedback shared during the engagement process resulted in emerging priorities related to cultural visibility, stewardship of the land, and access to the park.

The installation of səliwətaʔ' s Welcome Pole was one such priority project that stands as a tangible symbol of the shared commitment to cultural preservation and celebration. The Welcome Pole, carved by səliwətaʔ artist Jonas Jones, stands in the park's ocean-front picnic area and was honoured in a cedar-brushing ceremony in May 2024. Due to the challenges of travelling to the park by car, another community priority is having better access by boat. In response to this, Metro Vancouver piloted a regular water taxi service in the spring and summer of 2024. On select dates,



the water taxi provided round-trip service between Whey-ah-wichen (Cates Park) and təmtəx̱w̱tən/Belcarra Regional Park for students at the səliwətał school, elders, and families in the səliwətał community.

**təmtəx̱w̱tən/Belcarra Regional Park - Amended təmtəx̱w̱tən/Belcarra South Design Concept**

An amended təmtəx̱w̱tən/Belcarra South Design Concept was developed and approved by Metro Vancouver's Board which reflects the repeal of Port Moody's heritage designation bylaw on six cabins, and ongoing collaboration with səliwətał. Metro Vancouver and səliwətał are working closely on the planning and design of the təmtəx̱w̱tən/Belcarra South area with key areas of collaboration being ecosystem restoration and cultural revitalization.

**Capilano River Regional Park – Coho Commotion**

Over 650 people attended the Coho Commotion event on a beautiful fall day at Capilano River Regional Park. Event participants celebrated the Coho salmon migration and spawning season by engaging in hands-on park interpretive activities related to the salmon lifecycle. People were invited to write the word "salmon" on a whiteboard in their first language. Over 15 different languages were recorded.



*Participants learning about salmon at Coho Commotion in Capilano River Regional Park*

Highlights included discovering the large amount of plants and animals in the rainforest that rely on salmon to survive, viewing live salmon, and participating in a salmon dissection. Participants also enjoyed exhibitor displays by Metro Vancouver Water which showcased the importance of river safety, and by the North Shore Black Bear Society where visitors learned how to co-exist with our "wild" neighbours.

**Boundary Bay Regional Park – Centennial Beach Concession Building/Services Update**

Metro Vancouver Regional Parks staff are currently engaged with a varied consultant team comprising architects, business/budgeting professionals, and a kitchen consultant in a project to evaluate potential uses for the Boundary Bay Regional Park Centennial Beach pavilion concession building. This study is comparing the current facility with concepts of possible future configurations providing combinations of food services and public use of the pavilion space. The analysis will examine park operational impacts and any capital



*Centennial Beach pavilion concession building at Boundary Bay Regional Park*

improvements. Viability for potential concessionaires/food service providers, as well as public amenities will be reviewed. If a reconfiguration of the space is recommended based on the consultants' work, detailed design and construction would be budgeted in future years.

### **Tynehead Regional Park – Light Up the Night: Lantern Walk**

Held on October 25, 2024, Light Up the Night created a magical and intimate experience in a regional park at night. The unique night event celebrated the life of salmon and all their deeply important connections. Park Interpreters wove a beautiful story about the salmon rainforest using song, storytelling, and interactive activities along a beautifully lit trail. Participants of all ages brought a bit of their own magic with lanterns that they made after watching an online lantern-making workshop.



*Light Up the Night event at Tynehead Regional Park*

### **Ḵéxətəm Regional Park – Port Mann Main 2 Perimeter Trail**

Metro Vancouver is pleased to have welcomed back park visitors to Ḵéxətəm Regional Park's western perimeter trail this October. This multi-use trail follows the western boundary of the park south from Lougheed Highway and Ḵéxətəm Road to a trail connecting to the park's day use area.

The trail has been closed since March 8, 2021 while Trans Mountain used the area for temporary workspace during construction of its pipeline expansion. Trans Mountain has completed restoration of the trail facility, and will be carrying out restoration planting this fall in the natural areas adjacent to the trail that were impacted by their project.



*łéxatam Regional Park's western perimeter trail, looking south*

#### **ATTACHMENTS**

1. Regional Parks Committee 2024 Work Plan
2. Presentation re: Manager's Report – October 19, 2024 Atmospheric River Event

70826793

## Regional Parks Committee 2024 Work Plan

Report Date: October 29, 2024

## Priorities

1 <sup>st</sup> Quarter	Status
Regional Parks Committee Priorities and 2024 Work Plan	Completed
Regional Parks Land Dedication Bylaw	Completed
Cape Roger Curtis Engagement Process and Rezoning – Update	Completed
Pilot Program to Permit Alcohol Consumption in Regional Parks	Completed
Regional Parks Real-Time Parking Availability Program	Completed
Mobile Vending Pilot Project	Completed
Belcarra South Picnic Area Revised Plan	Completed
2 <sup>nd</sup> Quarter	
Regional Greenways Plan Implementation Updates	Completed
Pacific Spirit Regional Park - Wreck Beach Update	Completed
Regional Parks Community Involvement Update	Completed
Cultural Planning and Cooperation Agreement Update	Completed
Regional Parks Annual Report 2023	Completed
Kiosk Information Panels Review	Completed
Metro Vancouver Regional District Filming Update	Completed
Metro Vancouver Regional District Consumption of Liquor in Regional Parks Bylaw	Completed
Metro Vancouver Regional District Regional Parks Regulation Amendment Bylaw	Completed
Cape Roger Curtis Update	Completed
Regional Parks Committee Tour of Regional Parks	Completed
3 <sup>rd</sup> Quarter	
Draft 2025 - 2029 Capital Plan Overview	Completed
Natural Resource Management Program Stewardship Program Update	Completed
Metro Vancouver Regional Parks Foundation Update	Completed
Natural Asset Management Update	Completed
Metro Vancouver 10 Year Salmon Enhancement Action Plan Update	Completed
Kanaka Education and Environmental Partnership Society (KEEPS) Contribution Agreement and Presentation	Completed
Pacific Spirit Park Society Contribution Agreement and Presentation	Completed
4 <sup>th</sup> Quarter	
2025 - 2029 Financial Plan – Regional Parks	Completed
Amendment of the Regional Parks Regulation Bylaw – Fees and Charges	Pending
Atmospheric River Updates for Regional Parks	Pending

Centennial Beach Concession Building/Services Update	Pending
Regional Parks Public Programming Strategy Implementation Update	Pending

Status = Pending, In Progress or Completed





Grouse Mountain Regional Park

# Atmospheric River Impacts – Regional Parks

OCTOBER 19, 2024 ATMOSPHERIC RIVER EVENT

Richard Wallis

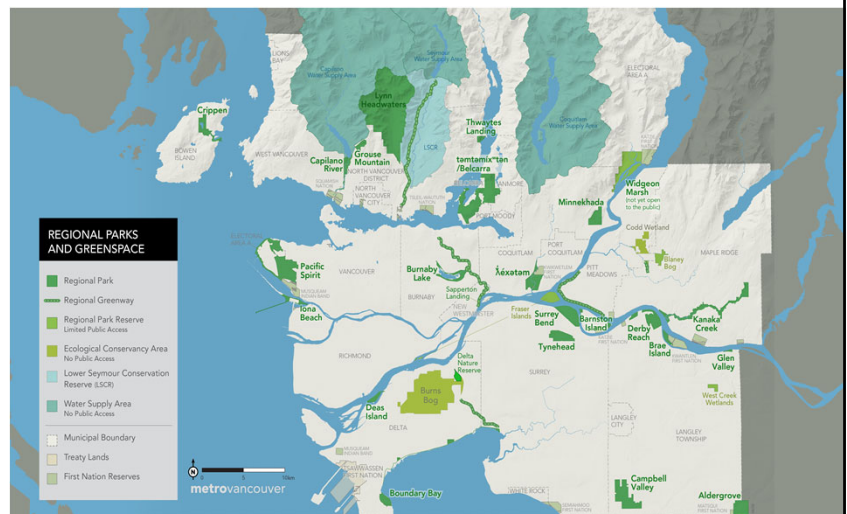
Park Operations Supervisor

Regional Parks Committee November 6, 2024  
71587788

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## PREPARING FOR STORM EVENTS

- Climate change
- Emergency Plans
- Inter-agency contacts
- Trained staff
- Duty Officer



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## PRE-PLANNING ACTIONS

### Communications

- Social media
- Website
- Staff information



At 11, when park staff will assess and determine if trails are safe to reopen.  
[ow.ly/F8qN50TOYxC](https://ow.ly/F8qN50TOYxC)



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## PRE-PLANNING ACTIONS

### Physical preparation

- Signage
- Barricades and cones
- Trail closures
- Sandbagging



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## TRAIL FLOODING

Capilano River, Kanaka Creek



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## TRAIL FLOODING

Campbell Valley, Delta South Surrey Greenway



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## TRAIL IMPACTS

Capilano River, Tynehead



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## FLOODING

Kanaka Creek, Minnekhada



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8



## WINDFALL TREES

Pacific Spirit, Belcarra



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9

## WINDFALL TREES

Delta Nature Reserve Boardwalk



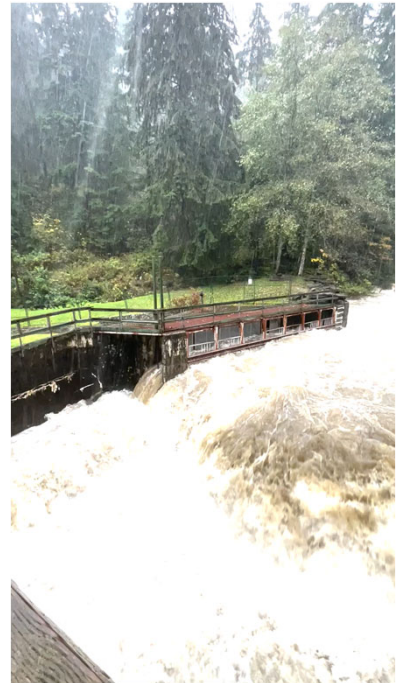
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## HIGH WATER FLOWS

Lynn Headwaters



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## HIGH WATER FLOWS

Kanaka Creek



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12



# LANDSLIDES

Pacific Spirit, Widgeon Marsh



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13

## NEXT STEPS

- Storm Impact clean-up underway
- Documenting storm impacts and reviewing lessons learned to prepare for next storm event
- Letting 'nature take its course' (**adaptation**)
- Implementing engineered/ manufactured or natural based solutions to future impacts (**mitigation**)



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Camosun Bog

TOGETHER  
WE MAKE OUR REGION  
STRONG

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To: Regional Planning Committee

From: Marcin Pachcinski, Division Manager, Electoral Area and Implementation Services,  
Regional Planning and Housing Services

Date: October 16, 2024 Meeting Date: November 8, 2024

Subject: **Scott Road Supply and Demand Study**

---

## RECOMMENDATION

That the Regional Planning Committee receive for information the report dated October 16, 2024, titled "Scott Road Supply and Demand Study".

---

## EXECUTIVE SUMMARY

Metro Vancouver regularly supports member jurisdictions and TransLink through the completion of collaborative corridor studies. In 2023, Metro Vancouver hired Urban Systems to prepare a Supply and Demand Study for Scott Road on behalf of Metro Vancouver, the City of Delta, and the City of Surrey. The study's aim is to support and unify ongoing planning efforts by the members along this busy inter-municipal corridor, which recently received RapidBus service from TransLink.

Key study findings include:

- The Scott Road corridor can accommodate a broader range of housing types and densities to help support increased transit ridership and provide developers with greater flexibility to meet housing demand;
- 6-storey wood frame apartments and concrete towers are expected to be the most viable development form along the corridor; and
- The future retail-commercial potential of the Scott Road area is expected to be relatively modest.

The completed study was presented to the City of Surrey Council on July 8, 2024, as part of its Imagine Scott Road Visioning Study, and to the City of Delta Council on July 10, 2024, where it was used to inform the City of Delta's new official community plan. The study is an example of how Metro Vancouver partners with member jurisdictions on inter-municipal planning projects that help support the goals and objective of *Metro 2050*.

## PURPOSE

This report provides a summary of the Scott Road Supply and Demand Study for information.

## BACKGROUND

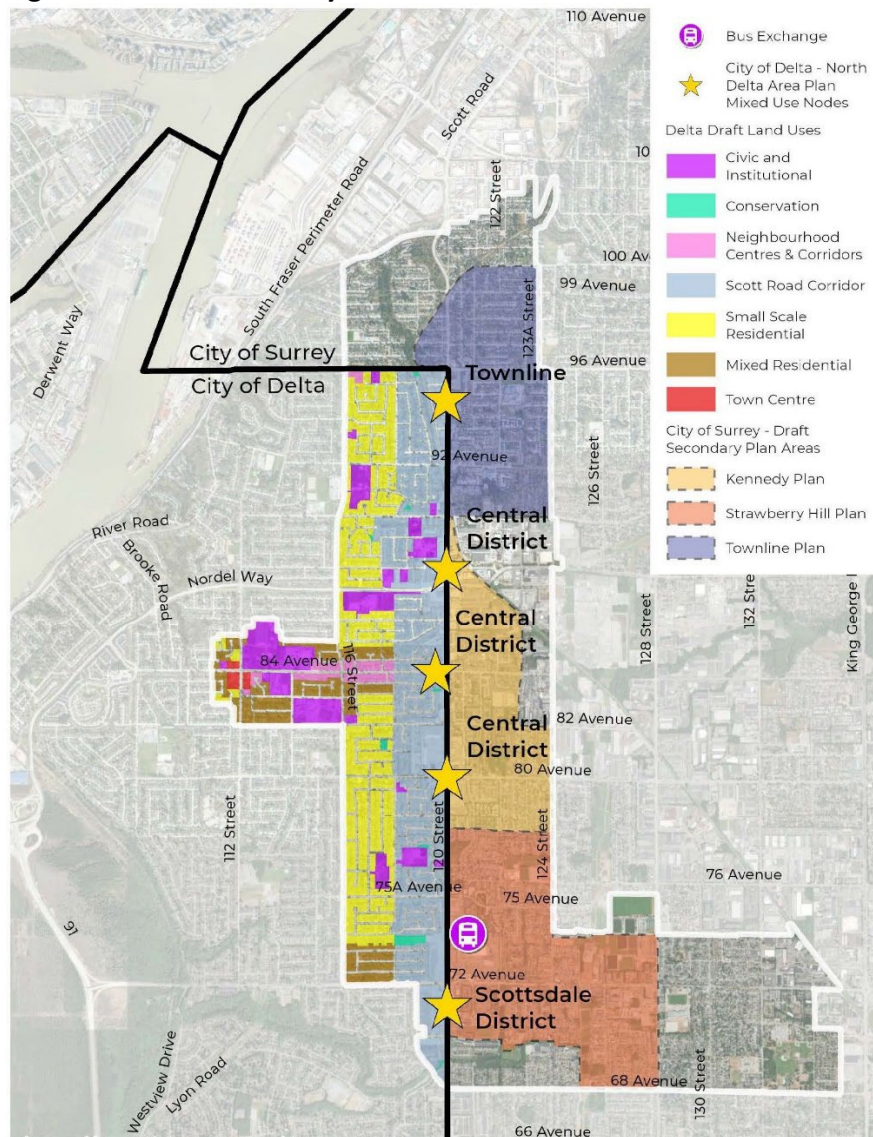
One of the roles that Metro Vancouver plays through its Regional Planning function is assisting with the coordination of inter-municipal planning along major transportation corridors. Past examples of this work include the 2017 Marine-Main Frequent Transit Corridor Study and 2019 Loughheed Corridor Study. In 2022, staff from the City of Delta approached Metro Vancouver and the City of Surrey regarding the potential to partner on a planning study for the Scott Road corridor. The 2023

Board-approved budget for Regional Planning included funding for this study, and that year, staff from both member jurisdictions and Metro Vancouver worked together to develop the terms of reference and scope of the study. Metro Vancouver led the procurement process and contracted Urban Systems to prepare the Scott Road Supply and Demand Study on behalf of the three parties. The study was completed in the first half of 2024, and presented to Delta and Surrey Councils in July 2024. It is now ready to be presented to the Regional Planning Committee and the MVRD Board.

### SCOTT ROAD SUPPLY AND DEMAND STUDY (Attachment 1)

The Scott Road Supply and Demand Study was commissioned to support and unify ongoing planning efforts by the City of Delta and City of Surrey as the inter-municipal corridor redevelops, in line with *Metro 2050* policies (Reference 1). The study is intended to provide a framework for creating and coordinating financial mechanisms and development parameters for both cities.

**Figure 1: Scott Road Study Area**



## **Key Findings**

The following is an excerpt of the key findings of the analysis taken from the executive summary of the study:

- The Scott Road corridor presents itself as an opportunity to accommodate a broader range of housing types and densities, which has the potential in turn to better support increased transit ridership, and from a market perspective, to provide developers with greater flexibility to meet housing demand as it evolves.
- Population and dwelling projections are presented in "low growth" and "high growth" scenarios to provide an estimated range of future market demand. There are uncertainties surrounding the timing of redevelopment for large sites, which could create market absorption challenges from a developer's standpoint. These larger sites are also likely to be developed in phases, and developers tend to adjust to market conditions based on lessons learned from earlier project phases.
- Presently, levels of development activity are notably higher on the Delta side, indicating opportunities for Delta and Surrey to complement each other's planning initiatives at key density nodes. Under current market conditions, the most viable development typologies along the Scott Road corridor are 6-storey wood frame apartments (including potential for at-grade commercial uses) and concrete towers.
- Despite assuming a high growth scenario for retail-trade evaluation purposes, the anticipated incremental opportunity for the Scott Road study area from a retail-commercial perspective is expected to be modest. While the study area presents significant opportunities for redevelopment intensification and integration of higher-density residential uses, developers are more inclined to pursue development plans that either maintain current commercial footprints or, in some cases, rationalize current commercial space into a slightly more modest amount of new commercial floorspace. This is in part to do with more focused reinvestment in major comparison retail centres and clusters outside the study area, coupled with current area business needs to increase annual revenues to maintain parity with cost-side escalation.
- Although development fees, including development cost charges and community amenity contributions, do not exert a significant influence on development attractiveness on either side of the corridor, there exists a pressing need for balance in land use plans and policies, particularly concerning future consideration of any market rental or below-market rental housing requirements.
- Due to the high levels of development activity observed on the Delta side, the report recommends prioritizing the area around Kennedy Plan for development first. Subsequently, the formulation of the Strawberry Hill Plan can be undertaken, followed by the Townline Plan, which will be contingent upon a comprehensive review of market conditions and current land use patterns



### **Metro 2050**

*Metro 2050* recognizes Scott Road north of 72 Avenue as being part of Transport 2050's Major Transit Network. The ~1km area on either side is identified as a Major Transit Growth Corridor in *Metro 2050*. The intent of these corridors is to provide a framework for the region to support the regional planning principle of directing significant proportions of the region's growth towards Urban Centres and areas around transit. *Metro 2050* notes that further local planning will be needed along these corridors to ensure that settlement patterns support the development of healthy, walkable, and complete communities. To help support these goals, Metro Vancouver participated in the study with the City of Delta and City of Surrey to help inform local planning efforts in this important inter-municipal corridor.

### **City of Surrey**

This study is one of several background studies that provided the basis for the City of Surrey's Imagine Scott Road Visioning Study, which presents a framework to guide growth along Scott Road and 72 Avenue. By examining model proformas and growth demands, the Scott Road Supply and Demand Study will inform the phasing of secondary planning and detailed land use designations, ensuring that future land use plans are market responsive. It was presented to the City of Surrey Council on July 8, 2024 (Reference 2).

### **City of Delta**

The study was used to inform the City of Delta's 2024 official community plan. The official community plan identifies the Scott Road Corridor for the City's highest density forms of development. City staff have noted that the study will be helpful for land use planning and policy work along the Scott Road Corridor. This includes developing a density bonus framework to determine levels of community contributions that can be supported given development potential. The study was presented to the City of Delta Council on July 10, 2024 (Attachment 2).

### **ALTERNATIVES**

This is an information report. No alternatives are presented.

### **FINANCIAL IMPLICATIONS**

The study was approved as part of the Board approved 2023 Regional Planning budget. The total cost was approximately \$68,000, divided equally among Metro Vancouver, the City of Delta, and the City of Surrey.

### **CONCLUSION**

This report presents the completed Scott Road Supply and Demand Study. Key takeaways from the study include:

- The Scott Road corridor offers an opportunity for Delta and Surrey to better align their planning objectives for key priority nodes along the corridor.
- The market wants to provide increased density throughout the corridor, including higher density redevelopment opportunities within the major density nodes and more modest levels of density in areas between these higher priority locations.

- The Scott Road corridor is ideally suited to provide a wider array of housing typologies and tenures, which would more directly support increased transit usage. This also provides flexibility for developers to meet market demand.

The study was used to support local planning efforts by the Cities of Delta and Surrey along the Scott Road corridor, and is in line with *Metro 2050* policies for local planning in Major Transit Growth Corridors.

#### **ATTACHMENTS**

1. Scott Road Supply and Demand Study
2. City of Delta “Supply and Demand Study for Scott Road”, July 10, 2024 Council Report

#### **REFERENCES**

1. [Metro 2050](#)
2. [City of Surrey “Imagine Scott Road Visioning Study”, July 8, 2024 Council Report](#)

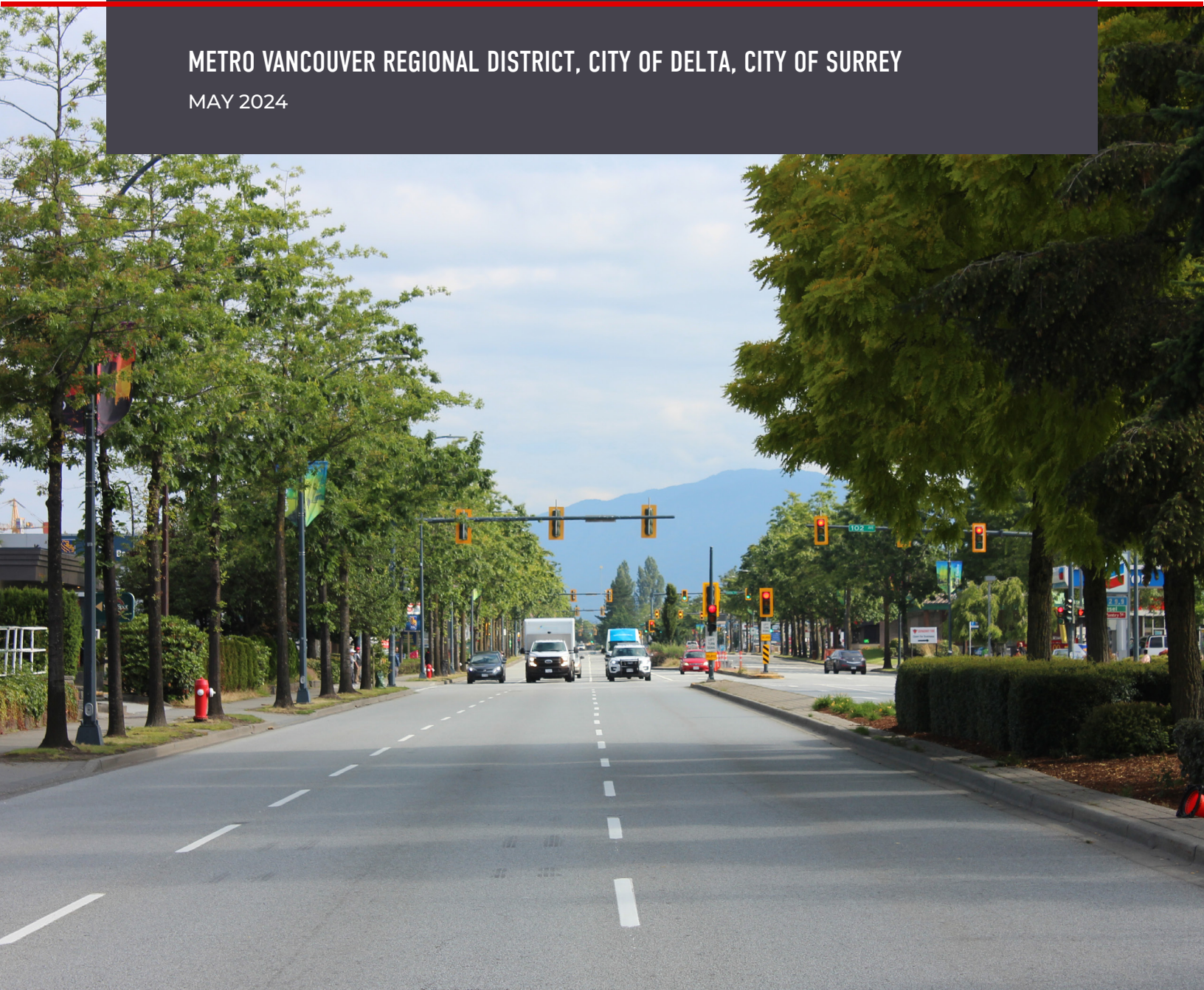
**URBAN**  
SYSTEMS

# SUPPLY AND DEMAND STUDY FOR SCOTT ROAD

R6 RAPIDBUS CORRIDOR

METRO VANCOUVER REGIONAL DISTRICT, CITY OF DELTA, CITY OF SURREY

MAY 2024



**PREPARED FOR**

Metro Vancouver Regional District  
City of Delta  
City of Surrey

**PREPARED BY**

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DATE: MAY 28, 2024

FILE 1311.0047.01

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## EXECUTIVE SUMMARY

Implementation of the R6 RapidBus service has enhanced both the walkability and market appeal of the Scott Road corridor. With increased transit accessibility, there emerges promising potential for redevelopment opportunities along this key north-south thoroughfare. This market-driven report underscores the identification of strategic opportunities for Delta and Surrey to align their planning objectives, particularly within key priority nodes, including timing considerations.

The following are key takeaways from the analysis:

- The Scott Road corridor presents itself as an opportunity to accommodate a broader range of housing types and densities, which has the potential in turn to better support increased transit ridership, and from a market perspective, to provide developers with greater flexibility to meet housing demand as it evolves.
- Population and dwelling projections are presented in "low growth" and "high growth" scenarios to provide an estimated range of future market demand. There are uncertainties surrounding the timing of redevelopment for large sites, which could create market absorption challenges from a developer's standpoint. These larger sites are also likely to be developed in phases, and developers tend to adjust to market conditions based on lessons learned from earlier project phases.
- Presently, levels of development activity are notably higher on the Delta side, indicating opportunities for Delta and Surrey to complement each other's planning initiatives at key density nodes. Under current market conditions, the most viable development typologies along the Scott Road corridor are 6-storey wood frame apartments (including potential for at-grade commercial uses) and concrete towers.
  - This study assesses the development potential in the categories of "Up to 12 Storeys" and "More than 12 Storeys" areas in order to account for the long term evolution of advanced building technologies, approaches, and materials of hybrid construction materials which may enable the development of 7 to 12 storey buildings.
  - Major density nodes are anticipated to emerge at intersections such as 72nd Avenue, 80th Avenue, 88th Avenue, and 92nd Avenue along Scott Road. These intersections with Scott Road exhibit varying levels of improvement to total assessment ratios, along with surrounding land use context indicating potential for mixed-use redevelopment or further development triggered by recent redevelopment activities.



- Other intersections with R6 RapidBus stops, including 96th Avenue, 84th Avenue, and 75th Avenue, may not show large areas with low improvement to total assessment ratios but still harbor smaller sites with high redevelopment potential. These sites are expected to accommodate medium nodes of density due to existing built form.
- Despite assuming a high growth scenario for retail-trade evaluation purposes, the anticipated incremental opportunity for the Scott Road study area from a retail-commercial perspective is expected to be modest. While the study area presents significant opportunities for redevelopment intensification and integration of higher-density residential uses, developers are more inclined to pursue development plans that either maintain current commercial footprints or, in some cases, rationalize current commercial space into a slightly more modest amount of new commercial floorspace. This is in part due with more focused reinvestment in major comparison retail centres and clusters outside the study area, coupled with current area business needs to increase annual revenues to maintain parity with cost-side escalation.
- Although development fees, including development cost charges and community amenity contributions, do not exert a significant influence on development attractiveness on either side of the corridor, there exists a pressing need for balance in land use plans and policies, particularly concerning future consideration of any market rental or below-market rental housing requirements.
- Due to the high levels of development activity observed on the Delta side, the report recommends prioritizing the area around Kennedy Plan for development first. Subsequently, the formulation of the Strawberry Hill Plan can be undertaken, followed by the Townline Plan, which will be contingent upon a comprehensive review of market conditions and current land use patterns.

# 1.0 INTRODUCTION

## 1.1 PURPOSE

Metro Vancouver in partnership with the City of Delta and the City of Surrey commissioned this Scott Road market study to support planning efforts being undertaken for the Scott Road corridor given the introduction of R6 RapidBus transit service, which launched in January 2024. The objective of this report is to provide insights related to market-supportable development typologies along the Scott Road Corridor given historical trends, developer experience and sentiment, the extent of competitive residential and retail nodes located outside the study area (e.g. SkyTrain-oriented locations) and its expanded role as a high frequency transit corridor.

This report is intended to provide market commentary intended to support the City of Delta, City of Surrey, and Metro Vancouver in making land use policy and planning decisions. Through this report, the authors have provided:

- Historical residential development trends and forecast likely demand for residential units given anticipated population growth pressures along the Scott Road Corridor over the next 10-20+ years;
- Anticipated retail-commercial demand along the Scott Road Corridor, driven by a clear understanding of potential population growth and related residential intensification;

This report is intended to:

- Inform updates to the Official Community Plan, including designation of the Scott Road Corridor as a Frequent Transit Development Area;
  - Inform future Surrey policy decisions through the identification of high priority density nodes and to support related sub-area planning initiative; and
  - Advance key goals of the Metro Vancouver's regional growth Strategy, *Metro 2050*.

## 1.2 APPROACH

This study integrates population projections, market data, analysis of local government development fees, and interview findings with development industry stakeholders to provide a broad picture of potential commercial and residential development opportunities along Scott Road corridor over the short vs. medium to longer terms. Planning timeframes referred to throughout this report are defined as:

- **Short term:** 2024 to 2029
- **Medium term:** 2029 to 2034

- **Long term:** 2034 to 2051

Market data is collected to reflect the economic reality, including challenges and opportunities that the development industry is experiencing in Delta and Surrey through the last quarter of 2023. The slowdown in the development industry is not limited to these two markets as higher interest rates and construction costs have impacted the development industry across the nation and the Metro Vancouver region.

A total of nine (9) interviews were conducted between November 2023 through to the end of January 2024. This outreach included a cross-section of development industry stakeholders on either side of Scott Road and other relevant development and property organizations who are not currently active along the corridor.

### **1.3 LIMITATIONS TO THIS STUDY**

As with any projections work, the forecasting is subject to further uncertainty, such as new policies or unexpected changes in socio-economic conditions, as the time horizon expands. This makes the estimates for longer time horizons generally less reliable and therefore related implications must be considered with some caution. As such, the projections are presented in this report for the time horizons highlighted below:

- Population and household projections are from 2024 to 2051
- Dwelling projections are from 2024 to 2034
- Commercial-retail projections are from 2024 to 2041

This study does not provide estimates of the financial performance of possible future urban redevelopment projects, as this level of site-specific feasibility testing is beyond the scope of this study.

This section outlines the data sources and limitations to each data source.

- **BC Statistics Population Projection:** The BC Stats population projections at the municipal level (i.e. City of Surrey and City of Delta) are used as the basis to determine overall growth in each municipality, and two sets of shares of the future population based on possible demand scenarios (Low Growth scenario, and High Growth scenario) on each side of the Scott Road corridor relative to the municipal population are then applied to derive the future population growth in the study area.

As noted by BC Stats, the population projections are based on existing immigration policies and observed historical trends assuming that the population dynamics will return to pre-COVID19 pandemic trend lines, changes in immigration policies and unobserved long-term impacts from the pandemic have not been captured in the projection and could have significant impacts on future population growth.



- **Environics:** Environics data is used to inform the estimated 2018 and 2021 census population and dwelling structural type data for the study area. These are determined through a custom-defined geographical area extracted by Enrich tool at the Dissemination Area (DA) level. Out of the 28 DAs, eight had areas outside of the study area. In these occurrences, the Enrich tool calculates households falling within geographic boundaries and then apportions all the Census variables based on known household numbers at the DA level
- **Retail:** Urban Systems has assessed the retail spending potential (and thus market support for commercial floor area) for the Scott Road corridor based on trade area population growth and spending by category as quantified in its proprietary retail demand model. This model adapts provincial level retail sales data by North American Industry Classification System (NAICS) category to local geographies (i.e., local trade areas) by extrapolating relationships between income levels and spending by category, and deriving the market supportable area by assessing potential on-site spending based on trade-area-specific market shares and market-supportable floor area. This demand model has proven reliable in assessing potential for both site-specific and study area development and redevelopment opportunities.

## **1.4 DISCLAIMER**

This document contains estimates and forecasts of future growth and urban development prospects and opinions regarding likelihood of approval of development projects. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts and opinions are based on interpreting trends, gauging current conditions, and making judgements about the future. As with all judgements concerning future trends and events, there is significant uncertainty and risk that conditions change or unanticipated changes occur such that actual events materialize differently than anticipated in this document.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favour of, any third party relying upon this document. In no event shall Urban Systems Ltd. be liable to the Metro Vancouver Regional District, City of Delta, and City of Surrey or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

## 2.0 PLANNING CONTEXT

### 2.1 STUDY AREA

Figure 1 below shows the extent of the study area. The study area encompasses two jurisdictions – the City of Delta to the west side of Scott Road/120<sup>th</sup> Street<sup>1</sup> and the City of Surrey to the east side. There are no rapid transit stations (e.g., Skytrain) in the study area except for the Scottsdale Exchange, which is a bus exchange station located at 74<sup>th</sup> Avenue and Scott Road.

The existing uses of the Scott Road corridor comprise a mix of commercial-retail and light industrial uses (e.g., autobody shops), with some higher intensity residential uses in the form of townhouses and apartments. This residential use transitions into lower density single-detached dwellings on either side of the corridor with the occasional clustering of townhouses on the Surrey side.

The commercial-retail use is a mix of mostly older retail strip malls, Class B and C office space, and a couple of large shopping strip malls with big box stores including Canadian Tire, the Real Canadian Superstore, Home Depot, Homesense, Cineplex Cinemas, and Save-on-Foods, among others. A few of the anchor restaurants include Cactus Club, the Keg, Boston Pizza, IHOP, Tasty Indian Bistro, Tandoori Flame, and Denny's. Many of the retail uses, especially in the mid- to north-end of the Scott Road corridor are operated by small local businesses. A more detailed description of Scott Road Corridor shopping centres along Scott Road corridor is provided in Section 5, which evaluates retail-commercial supply and demand conditions.

### 2.2 EXISTING LAND USE PLANS

This section outlines the land use plans currently in place for the Scott Road corridor.

#### 2.2.1 METRO VANCOUVER

Metro Vancouver adopted Metro 2050 as the Regional Growth Strategy on February 24, 2023. Metro 2050 outlines the region's vision for growth over the next 25 years while accounting for projected trends in population, housing, employment, and considers Translink's Transport 2050. The Regional Growth Strategy applies to the Scott Road corridor.

---

<sup>1</sup> Although the City of Delta and City of Surrey use different names for the corridor (i.e., Scott Road on the Delta side / 120<sup>th</sup> Street on the Surrey side), for consistency and simplicity, "Scott Road" refers to 120<sup>th</sup> Street throughout this report.

## **2.2.2 CITY OF DELTA**

The City of Delta adopted a North Delta Area Plan in 2014 which provides a land use framework for future development along Scott Road corridor, focused on three main districts:

- Townline Innovation District
- Central District
- Garden District

Delta is currently finalizing an update to the Official Community Plan, which will see the North Delta Area Plan removed and replaced with City-wide policies and a height map for the Scott Road Corridor.

## **2.2.3 CITY OF SURREY**

The City of Surrey's Official Community Plan designates the Scott Road corridor as a mix of Commercial, Urban, and Multiple Residential uses. There are no secondary plan areas covering the Scott Road corridor. The City of Surrey is undertaking an Imagine Scott Road Visioning Study for the Scott Road study area. The Visioning Study is intended to identify key infrastructure and community projects, to set development fees, and to identify smaller areas that require focused neighbourhood plans.

As the City of Surrey begins planning the corridor, it is considering three potential secondary plan areas defined as follows:

- Townline Plan
- Kennedy Plan
- Strawberry Hill Plan

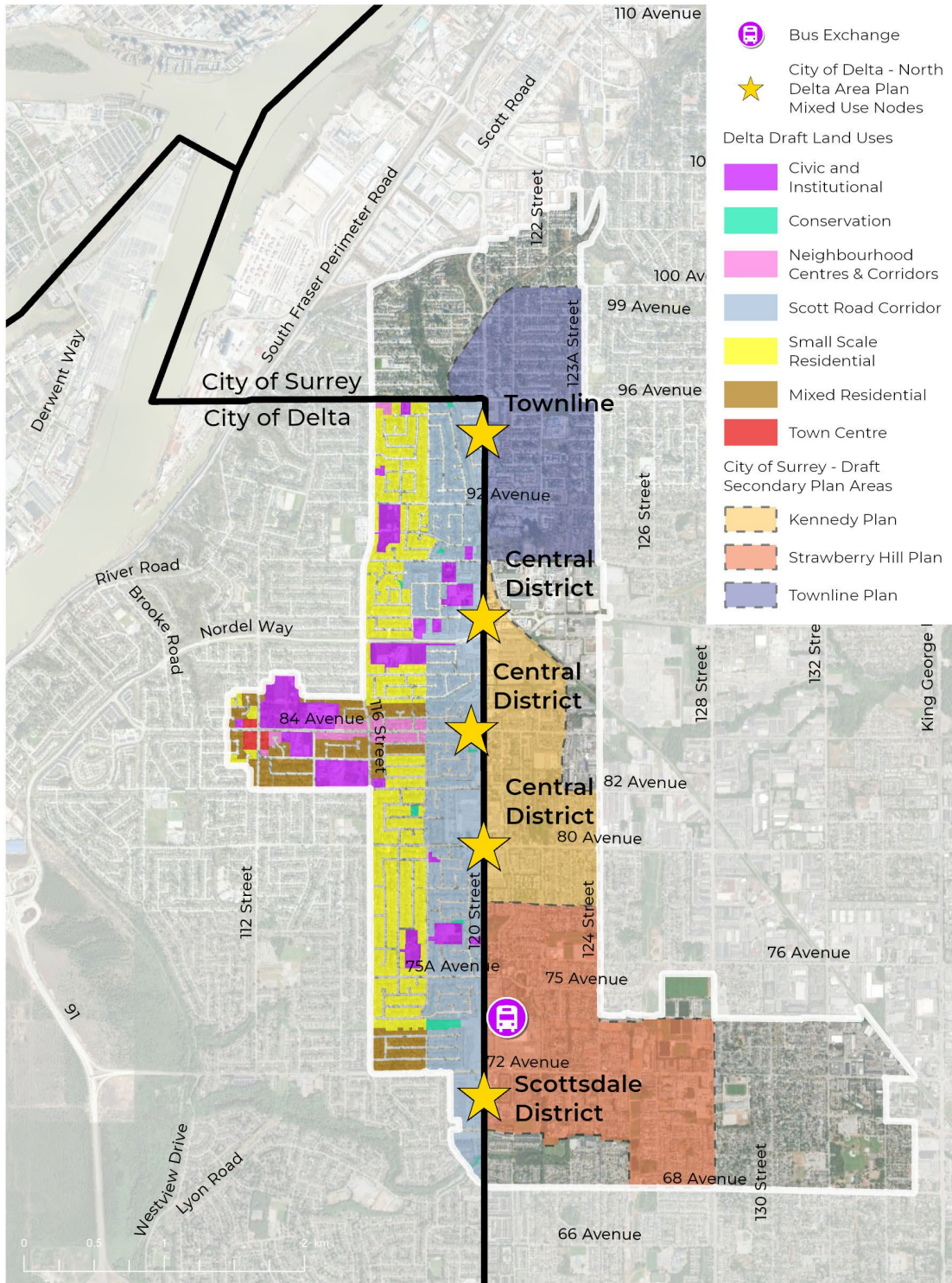
The plan areas identified by Delta, including the draft Scott Road Official Community Plan designations, and Surrey are shown in **Figure 1** below.



# METRO VANCOUVER, CITY OF DELTA, AND CITY OF SURREY

## SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR

Figure 1: Scott Road Corridor Study Area



## 2.3 PROVINCIAL LEGISLATIVE CHANGES IMPACTING DEVELOPMENT

In November 2023, the BC Ministry of Municipal Affairs and the Ministry of Housing passed new bills that amend the Local Government Act, the legislation that provides local governments its authority to govern. This section highlights the key changes that will impact development opportunities. Bills 44 and 46 will have a partial impact on development opportunities along Scott Road, while Bill 47 has the biggest potential impact on the southern portion of the study area as it directly impacts the Scottsdale Exchange transit stop area.

### 2.3.1 BILL 44 – HOUSING STATUTES (RESIDENTIAL DEVELOPMENT)

Bill 44 introduces changes intended to increase the supply of housing by requiring local governments to pre-zone land to permit small-scale multi-unit housing (SSMUH). It permits:

- One secondary suite or one accessory dwelling units on single-family lots
- Three to six units on single-family or duplex lots, depending on the lot size.

In addition, no parking requirement minimums are required for development projects within 400 metres of a transit stop.

### 2.3.2 BILL 46 – HOUSING STATUTES (DEVELOPMENT FINANCING)

Bill 46 introduces a new development financing tool – the amenity cost charge (ACC) – to local governments with high growth communities. ACCs are intended to shift local governments away from negotiating community amenity contributions.

- ACCs allow local governments to pay for capital costs associated with providing or altering amenities for development projects which increased population.
- To impose ACCs, local governments must adopt a bylaw outlining location, land use, densities or other objective qualities.
- Development cost charges may be imposed for expanded amenities such as fire protection, police, solid waste, recycling facilities, and highway facilities that are cost-shared with Ministry of Transportation and Infrastructure (MOTI) (e.g. highway overpasses).

### 2.3.3 BILL 47 – HOUSING STATUTES (TRANSIT-ORIENTED AREAS)

Bill 47 aims to encourage more housing around transit nodes. It requires local governments to designate transit-oriented areas (TOAs) which are defined as the land within 800 metres of rapid transit stations (e.g., Skytrain) and within 400 metres of major bus exchanges. For Metro Vancouver bus exchange areas, the minimum allowable densities and heights are as follows:

- **Within 200 metres of the bus exchange:** 4.0 floor space ratio (FSR) and 12 storeys in height
- **Within 400 metres of the bus exchange:** 3.0 floor space ratio (FSR) and eight (8) storeys in height

As it is too early to understand the full implications of each of the housing statutes on potential development opportunities in communities across the province of BC, we provide commentary throughout the report on how the legislative changes may influence the market in the future.

## 2.4 R6 SCOTT ROAD RAPIDBUS

The R6 RapidBus is a high frequency, limited-stop bus service connecting Scott Road SkyTrain Station with Newton Exchange. The major construction required to accommodate the new R6 bus stops was completed in 2023 and R6 bus service was initiated along Scott Road on January 4, 2024. During peak hours, the bus service is offered every 7.5 minutes and every 15 minutes during off-peak hours.

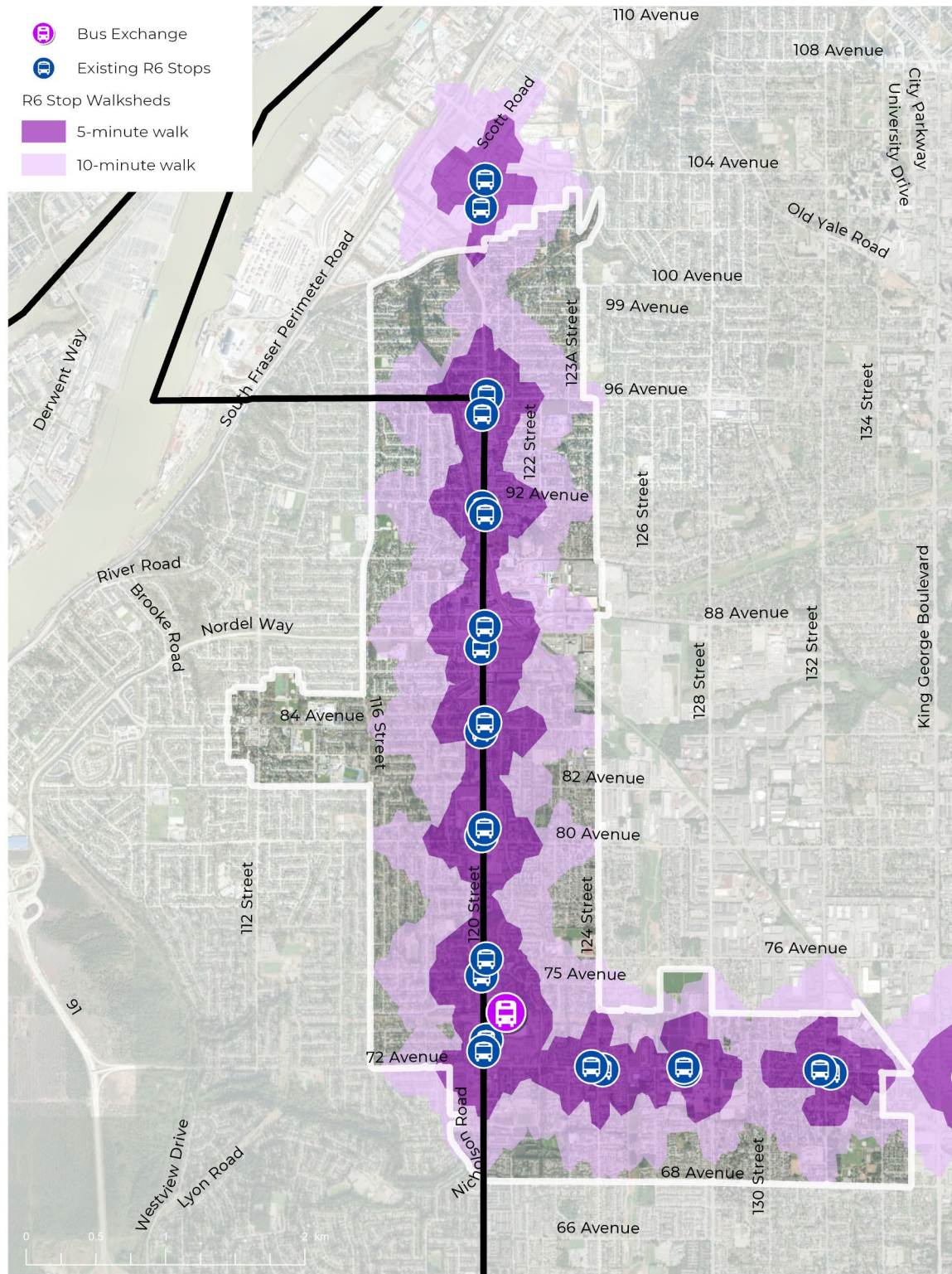
Introduction of R6 RapidBus service along the Scott Road Corridor sets the stage for a potential future Bus Rapid Transit (BRT) upgrade. To model walkability around the R6 bus stops and Scottsdale Exchange, **Figure 2** below highlights 5-minute and 10-minute walksheds and the encapsulated land area.



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Figure 2: Walksheds for the R6 RapidBus Stops and Scottsdale Exchange



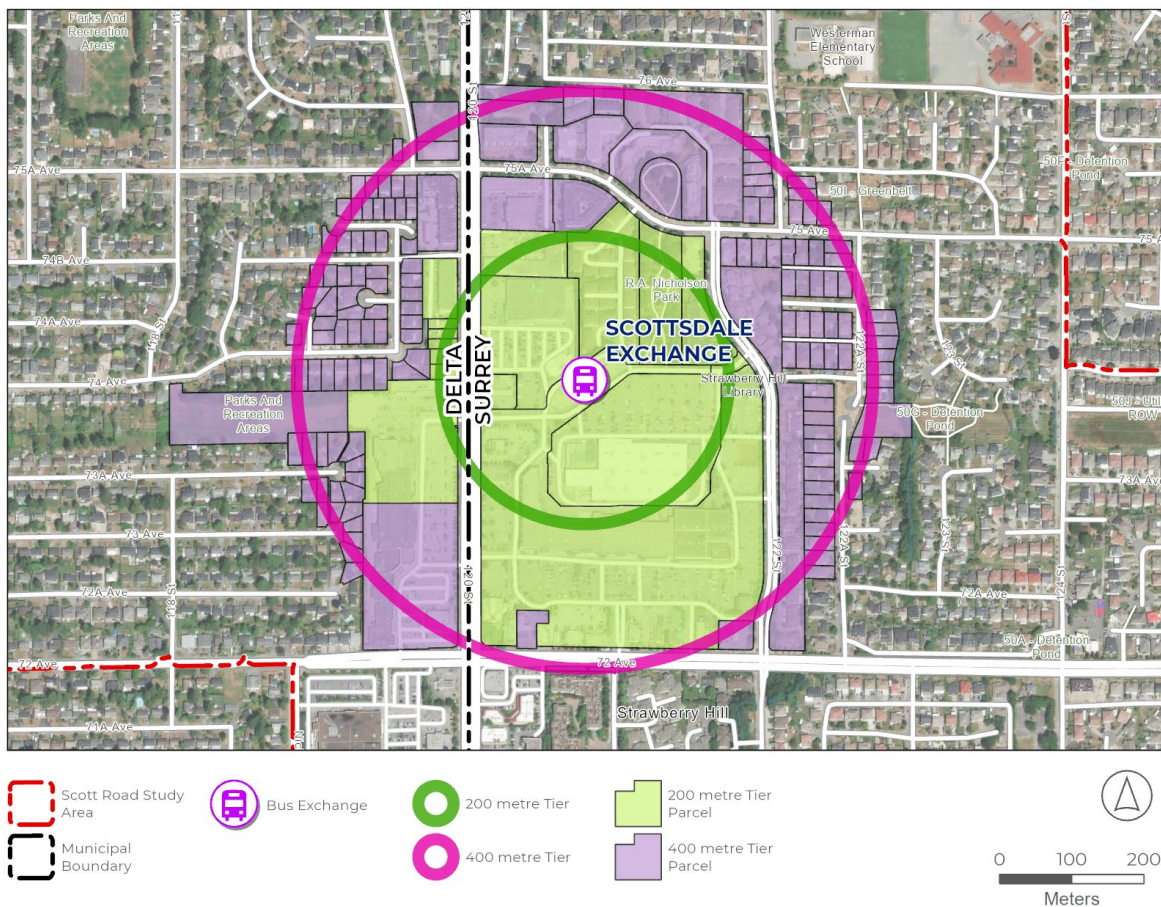


## 2.5 SCOTTSDALE EXCHANGE

Scottsdale Exchange is a bus exchange located on the Surrey side of the Scott Road corridor, south of 75 Avenue. Under the new legislative changes brought on by Bill 47, the local government must designate this station as a transit-oriented development area.

Figure 3 shows the areas within 200 metres and 400 metres of Scottsdale Exchange. All land parcels within 200 metres of the station area are permitted to develop to a minimum of 4.0 FSR and 12 storeys in height, while all land parcels within 400 metres of the station area are permitted to be developed to a minimum of 3.0 FSR and eight (8) storeys in height. Parcels touching the perimeter of the next tier are permitted the corresponding density within that tier.<sup>2</sup>

Figure 3: Scottsdale Exchange Transit-Oriented Area, 400 and 200 Metre Tiers



<sup>2</sup> Note that the parcels are delineated based on information sourced from the land title.

## 3.0 ANTICIPATED DEVELOPMENT

This section reviews any major development applications proposing any new residential and commercial uses on either side of the Scott Road corridor.

Overall, the proposed number of residential units is currently higher on the Delta side than on the Surrey side, with 2,074 units being considered as shown below in **Table 1**. We assume that if these units are approved, they are likely to be brought to market on or before 2034.

### 3.1 RESIDENTIAL UNITS IN THE DEVELOPMENT PIPELINE

*Table 1: Residential Development Applications, Delta*

Civic Address	Status	Development Type	Residential (Units)		
			Market	Market Rental	Non-market Rental
<b>8507 120 St</b>	Pre-Application	Apartment	225	99	0
<b>11805 89A Ave</b>	Under Review / Pre-Third Reading	Townhouse	31	0	0
<b>8037-8087 120 St</b>	Under Review / Pre-Third Reading	Mixed Use	793	66	
<b>7728 119A St</b>	Under Review / Pre-Third Reading	Apartment	291		
<b>7592, 7594 119A St / 7551, 7565, 7595, 7597 120 St</b>	Third Reading	Apartment with Townhouse	165	0	0
<b>11996 70 Ave</b>	Third Reading	Mixed Use	90		
<b>11959 – 11969 93A Ave / 9365 – 9383 120 St</b>	Building Permit Under Review	Mixed Use	264	40	10
<b>Total</b>			1,859	205	10

Source: City of Delta, September 2023

On the Surrey side of the Scott Road Corridor study area, there are 378 units under planning review and approval, as shown in **Table 2** below. We also assume that these units will be brought to market on or before 2034. Proposed development projects on the Surrey side are notably smaller in scale than those in process on the Delta side.



Table 2: Residential Development Applications, Surrey

Civic Address	Status	Development Type	Residential (Units)		
			Market	Market Rental	Non-market Rental
<b>6998 120 St</b>	Initial Review	Mixed Use	53		
<b>9288 120 St</b>	Initial Review	Mixed Use	32		
<b>9609 120 St</b>	Initial Review	Mixed Use	59		
<b>6828 128 St</b>	Initial Review	Mixed Use	98		
<b>7070 128 St</b>	Conditional Approval	Mixed Use		26	
<b>7112 128 St</b>	Conditional Approval	Mixed Use		47	
<b>7091 134 St</b>	Initial Review	Townhouse	8		
<b>12140 96 Ave</b>	Conditional Approval	Townhouse	4		
<b>12156 96 Ave</b>	Conditional Approval	Townhouse	4		
<b>12149 80 Ave</b>	Initial Review	Apartment	47		
<b>Total</b>			305	73	0

Source: City of Surrey, October 2023

### 3.2 COMMERCIAL SPACE IN THE DEVELOPMENT PIPELINE

In terms of proposed commercial-retail and office space, there is more commercial space proposed on the Delta side than on the Surrey side (**Table 3**) of the study area. The Surrey side has active development applications proposing a total 94,622 square feet of space (**Table 4**). This is lower than the proposed use of 192,552 square feet of retail and office space on the Delta side. Two of the major commercial development applications listed are south of 72<sup>nd</sup> and Scott Road in Surrey, each comprising 22,637 and 50,924 square feet, whereas Delta currently has one major commercial development application at 80<sup>th</sup> and 120 Street comprising 184,191 square feet and a smaller node at 11996 and 70 Avenue.

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*Table 3: Commercial Development Applications, Delta*

Civic Address	Commercial (sq. ft.)		Total Commercial Space
	Retail	Office	
<b>8507 120 St</b>	0	0	324
<b>11805 89A Ave</b>	0	0	31
<b>8037-8087 120 St</b>	70,637	113,554	184,191
<b>7728 119A St</b>	0	0	291
<b>7592, 7594 119A St / 7551, 7565, 7595, 7597 120 St</b>	0	0	165
<b>11996 70 Ave</b>	8,361	0	8,361
<b>11959 – 11969 93A Ave / 9365 – 9383 120 St</b>	0	0	314
<b>Total</b>	78,998	113,554	192,552

Source: City of Delta, September 2023

*Table 4: Commercial Development Applications, Surrey*

Civic Address	Status	Commercial (sq. ft.)		Total Commercial Space
		Retail	Office	
<b>6998 120 St</b>	Initial Review	50,924	0	50,924
<b>7002 120 St</b>	Initial Review	4,446	18,191	22,637
<b>9288 120 St</b>	Initial Review	7,137	0	7,137
<b>9609 120 St</b>	Initial Review	474	0	474
<b>7070 128 St</b>	Conditional Approval	5,690	0	5,690
<b>7112 128 St</b>	Conditional Approval	4,585	0	4,585
<b>12149 80 Ave</b>	Initial Review	3,175	0	3,175
<b>Total</b>		76,431	18,191	94,622

Source: City of Surrey, October 2023

## 4.0 PROJECTED RESIDENTIAL DEMAND

To understand future potential market demand for residential development along the Scott Road corridor, this section examines anticipated population growth for Delta and Surrey, respectively, over the short, medium, and long term. As mentioned previously, the planning timeframes referred to throughout this report are defined as:

- **Short term:** 2024 to 2029
- **Medium term:** 2029 to 2034
- **Long term:** 2034 to 2051

To inform land use planning policy over the next 27 years, Urban Systems presents a set of demand-driven population and household projections for the Delta side and Surrey side of the Scott Road corridor. These projections are informed by market data, or how residential and commercial development patterns are anticipated to trend over time.

While a more detailed land capacity model would identify what population growth is effectively possible through development typology change at a land parcel level, this level of analysis is outside the scope of this study.

As with any projection, projected population growth is subject to further uncertainty, such as new policies or unexpected changes in socio-economic conditions, as the time horizon expands. This makes the estimates for longer time horizons generally less reliable and therefore related implications must be considered with some caution. As such, the long-term projections included in this report are intended to guide land use planning with the understanding that conditions and trends are likely to shift as the market evolves in response to new legislated changes which introduce Small-Scale Multi-Unit Housing (SSMUH) and Transit-Oriented Development (TOD) Areas.

While we have captured a segment of this demand in the projections, it is recommended that regular market updates (say, 2 to 3 years) be undertaken as a “pulse check” on the market, which can impact both the provision and absorption of residential and commercial space and the ability of a land use plan to meet its long-term goals.

### 4.1 POPULATION AND HOUSEHOLD PROJECTIONS

The projected population of the Delta and Surrey sides of the Scott Road study area have been derived separately by applying a set of anticipated market shares of the study area population relative to the projected citywide populations as released by BC Statistics in December 2023 for the City of Delta, and City of Surrey projections, and then aggregated together. The citywide population projection by BC Stats covers future years from 2024 to 2046. For years beyond 2046, the projected population is extrapolated using the projected population growth trajectory from 2021 to 2045.



Both a “lower growth” scenario and a “higher growth” scenario have been modeled for both sides of the Scott Road corridor study area based on anticipated reasonable shares of city-wide population growth.<sup>3</sup> These are described below:

- **“Lower growth” scenario:** represents a case in which the population and household growth generally align with observed trends, factoring in the number of potential new residential units as observed in the development pipeline, as well as other competing residential-commercial nodes in each of the two subject cities, and the introduction of the R6 RapidBus service.
- **“Higher growth” scenario:** reflects a moderate increase in residential density and multi-family residential development activity relative to the base low-growth scenario, in large part due to the potential for significant redevelopment of existing single-purpose shopping centre sites and the longer-term potential for R6 Rapid Bus service to be upgraded to BRT (bus rapid transit) in the future.

*Table 5: Anticipated share of Scott Road Corridor population relative to City Population, 2021 to 2051*

	2021 (Census)	2024	2034		2051	
			Low Growth	High Growth	Low Growth	High Growth
<b>Delta</b>	19.7%	20.5%	23.0%	25.0%	24.0%	26.7%
<b>Surrey</b>	7.6%	7.6%	7.4%	7.6%	7.0%	7.6%

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

#### Delta Side of Scott Road Study Area – Share of Delta Growth

- In the lower growth scenario, it is expected that the Delta-side study area share of the city-wide population increases from 19.7% in 2021 to 23.0% in 2034 in the medium term, reaching 24.0% by 2051.
- In the higher growth scenario, it is expected that the Delta-side corridor share of the citywide population increases from 19.7% in 2021 to 25.0% in 2034 in the medium term, reaching 26.7% in 2051.

#### Surrey Side of Scott Road Study Area – Share of Surrey Growth

- In the lower growth scenario, it is expected that the population share of the Surrey-side corridor population relative to the city gradually declines from 7.6% in 2021 to 7.4% in 2034, and further declines to 7.0% in 2051, due to the extent of anticipated

<sup>3</sup> A low and high population growth scenario was developed to understand market trends consistently across Surrey and Delta. Alternative growth scenarios may be developed by the local governments, such as in Delta’s OCP review which reviews a higher growth scenario than what is shown here.

## METRO VANCOUVER, CITY OF DELTA, AND CITY OF SURREY

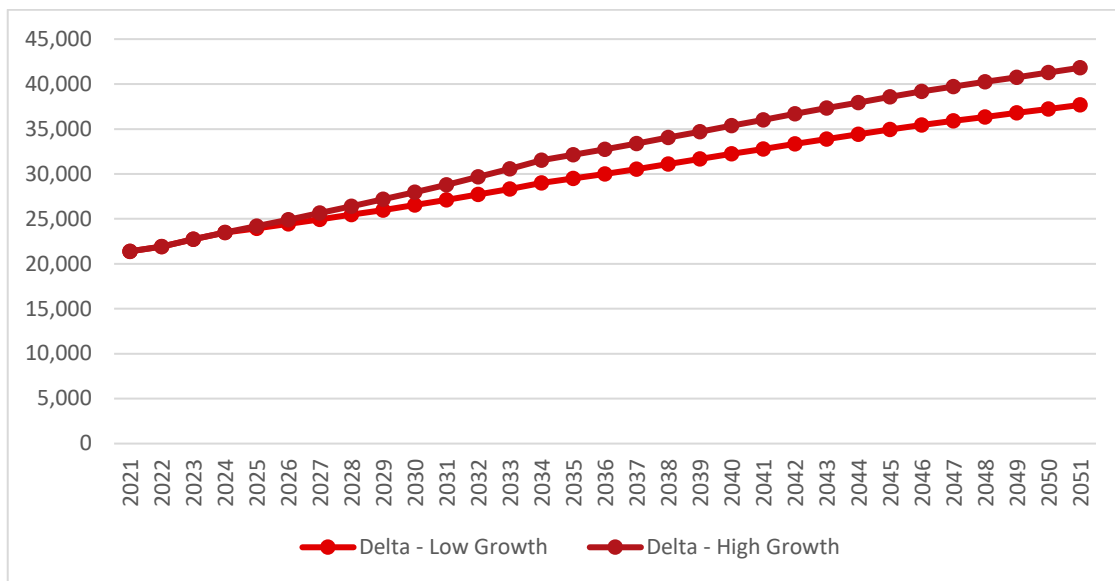
### SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR

development in more numerous competitive residential-commercial nodes across the City, including those in Surrey Central, Newton, Guildford, and in the corridor along the Surrey to Langley Skytrain extension.

- In the higher growth scenario, it is assumed that the corridor population share relative to city population remains relatively constant after 2021. This share of city-wide population is less likely to materialize given the extent of competing density nodes across the City of Surrey, but is included for comparative planning purposes.

Figure 4 and **Figure 5** below show the projected population growth scenarios for the Scott Road corridor study area, for Delta and Surrey, respectively.

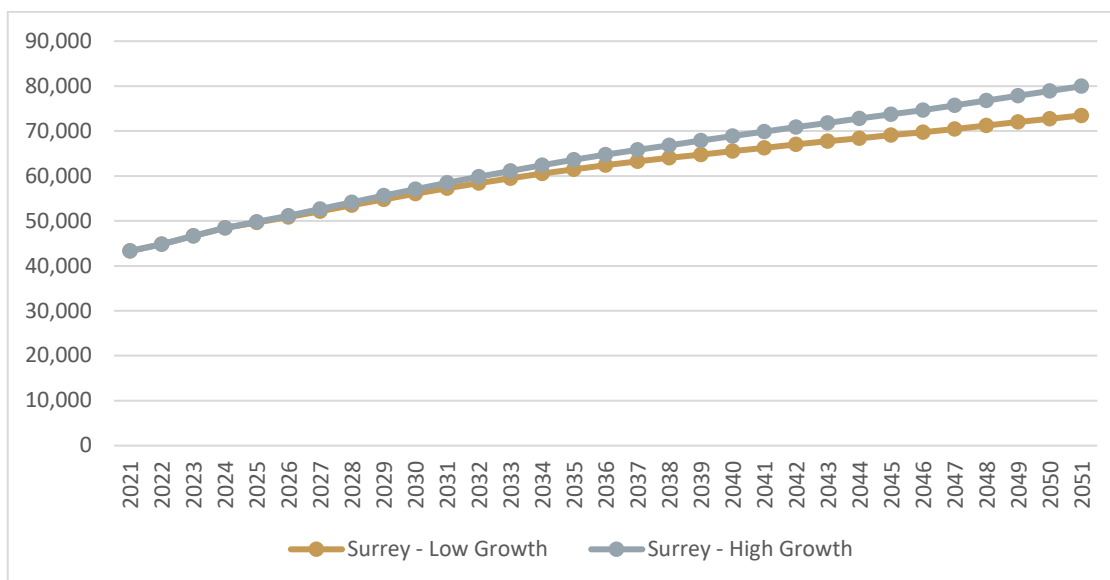
*Figure 4: Population Projections, Delta-Side of Scott Road Corridor, 2021 to 2051*



Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

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*Figure 5: Population Projections, Surrey-Side of Scott Road Corridor, 2021 to 2051*



Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

**Table 6** below summarizes the projected lower and higher growth study area population increases anticipated over the 2021 to 2051 period. The Delta side population is projected to grow from 23,469 residents in 2024 to a low growth mark of 37,673 residents and a high growth figure of 41,811 residents by 2051. The Surrey side population is projected to grow from 48,463 residents in 2024 to a low growth number of 73,467 residents and a high growth figure of 79,964 residents by 2051.

*Table 6: Population Projection by Community, Scott Road Corridor, 2021 to 2051*

	2021 (Census)	2024	2029	2034	2051
<b>Low Growth – Total</b>	64,693	71,933	80,770	89,526	111,140
Delta	21,392	23,469	25,983	29,002	37,673
Surrey	43,301	48,463	54,787	60,525	73,467
<b>High Growth – Total</b>	64,693	71,933	82,803	93,926	121,776
Delta	21,392	23,469	27,179	31,524	41,811
Surrey	43,301	48,463	55,624	62,403	79,964

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

**Table 7** below shows the absolute growth and pace of growth for the Delta and Surrey sides over the three time horizons (short term to 2029, medium term to 2034 and longer term):

- In the low growth scenario, the pace of growth on the Delta side is expected to be generally higher over the short and medium terms. This reflects immediate unit



absorption for the sites already known to be in the planning and development pipeline and the implementation of the provincial housing targets, followed by a more moderate pace after 2034, as larger sites are expected to redevelop in phases over time.

- In the higher growth scenario, Delta's pace of growth is assumed to be higher over the medium-term as more permissive land use plans and zoning are adopted to encourage and support redevelopment.

Similar to Delta, the pace of growth on the Surrey side is expected to be higher over the short to medium terms in both **the low and high growth scenarios**. This assumes the redevelopment of sites with high potential will be built out first if a future neighbourhood/sub-area plan permits the change. However, Surrey's growth is expected to slow down more than Delta after 2034 as the development market becomes more competitive relative to other urban town centres, including Guildford, Fleetwood, and the City Centre.

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Table 7: Population Projection Growth by Community, Scott Road Corridor, 2024 to 2051

	Short Term (2024 to 2029)		Medium Term (2029 to 2034)		Long Term (2034 to 2051)	
	#	Avg Annual (%)	#	Avg Annual (%)	#	Avg Annual (%)
<b>Low Growth – Total</b>	8,837	2.3%	8,756	2.1%	21,614	1.3%
Delta	2,514	2.1%	3,019	2.2%	8,671	1.6%
Surrey	6,324	2.5%	5,738	2.0%	12,942	1.1%
<b>High Growth – Total</b>	10,870	2.9%	11,123	2.6%	27,850	1.5%
Delta	3,710	3.0%	4,345	3.0%	10,287	1.7%
Surrey	3,710	2.8%	6,779	2.3%	17,561	1.5%

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

These projections are important to note as the development forms permitted in the land use plans, policies, regulations and supporting infrastructure can change this range of growth.

To project household growth, we apply the average household size for the respective areas. Household projections for the Scott Road corridor are derived from the population projections using the respective average household size exhibited on each side of the corridor. On the Delta side, this average is 3.1 persons per household, and on the Surrey side of the study area this average is 3.4 persons per household based on the 2021 Census. **Table 8** below summarizes the projected households of the Scott Road corridor by municipality.

Table 8: Household Projections by Community, Scott Road Corridor, 2021 to 2051

	2021 (Census)	2024	2029	2034	2051
<b>Low Growth – Total</b>	19,645	21,836	24,510	27,173	33,770
Delta	6,822	7,484	8,286	9,249	12,014
Surrey	12,823	14,352	16,224	17,924	21,756
<b>High Growth – Total</b>	19,645	21,836	25,139	28,533	37,014
Delta	6,822	7,484	8,667	10,053	13,334
Surrey	12,823	14,352	16,472	18,480	23,680

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

**Table 9** below shows the absolute growth of households across the three timeframes. The growth rate is the same as the population projections for Delta and Surrey, as it follows the

same trendlines. Note that the household growth rate is assumed to be the same rate as projected population growth.

*Table 9: Household Projection Growth by Community, Scott Road Corridor, 2024 to 2051*

	Short Term (2024 to 2029)		Medium Term (2029 to 2034)		Long Term (2034 to 2051)	
	#	Avg Annual (%)	#	Avg Annual (%)	#	Avg Annual (%)
<b>Low Growth – Total</b>	2,675	2.3%	2,662	2.1%	6,598	1.3%
Delta	802	2.1%	963	2.2%	2,765	1.6%
Surrey	1,873	2.3%	1,699	2.0%	3,833	1.1%
<b>High Growth – Total</b>	3,304	2.1%	3,393	2.6%	8,482	1.5%
Delta	1,183	1.9%	2,569	3.0%	5,850	1.7%
Surrey	2,121	2.8%	4,128	2.3%	9,329	1.5%

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

## HOUSING UNIT DEMAND

Based on current development market conditions and the development potential of the Scott Road corridor post the introduction of R6 RapidBus service, the distribution of housing structural types is likely to shift somewhat over the medium term. **Table 10** below shows the historical and projected change in overall housing typology distribution. The housing distribution takes into consideration three major trends:

- A moderate shift from single-detached housing to an apartment or flat in a duplex (e.g., addition of a secondary suite to a single-detached house or duplex) due to renovation and redevelopment pressures related to the SSMUH legislation and implementation;
- A slow, but increased uptake in semi-detached/duplex, and small-scale high density townhouse (rowhouse) developments due to the SSMUH legislation and related implementation<sup>4</sup>, having regard to the challenges associated with finding suitable sites for assembly (as outlined by developers in interviews); and
- Increased demand for 6-storey wood-frame or taller apartments, which are deemed to be the most suitable housing form for locations immediately adjacent

<sup>4</sup> In Delta, it is anticipated that the SSMUH legislation will be implemented as primarily single-detached and duplex with accessory dwelling units. As such, the market uptake on rowhouses would be attributed to townhouses permitted along 84<sup>th</sup> and 72<sup>nd</sup> Avenue rather than multiplexes.



to the corridor. Within at least the short-term, the most likely and achievable development forms are up to 6-storey wood-frame (with potential to include at-grade commercial uses) and 20 or more storeys of concrete apartments. Under current market conditions, the economics of building concrete residential towers do not allow for viability unless a certain height threshold allowing for economies of scale is reached.

Nonetheless, in the future, as market conditions evolve and financing rates for land and construction adjust downward, there is anticipated to be demand from developers to pursue development concrete towers. As indicated in Section 6.0 of this report, interested development groups are likely to be more experienced firms with some track record of multi-family tower development in their portfolio who have the capital needed to invest within higher density nodes along the Scott Road corridor. This would likely be a subset of developers, as the South of Fraser region has multiple competitive submarkets, and some developers have indicated a preference to developing high-rise concrete towers around Skytrain station areas for the time being.

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Table 10: Dwelling Structural Type, 2018 to 2034

	Delta						Surrey					
	2018	2021	2034		Projected Change (2018-2034)		2018	2021	2034		Projected Change (2018-2034)	
			Low Growth	High Growth	Low Growth	High Growth			Low Growth	High Growth	Low Growth	High Growth
<b>Total</b>	<b>100 %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>99% *</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>
Detached Dwelling	70%	68%	55%	50%	-15%	-20%	41%	42%	35%	35%	-7%	-7%
Single-detached house	31%	29%	21%	18%	-10%	-13%	15%	15%	11%	11%	-5%	-5%
Apt or flat in a duplex	39%	39%	34%	32%	-5%	-7%	26%	27%	24%	24%	-2%	-2%
Townhouse/Row	8%	8%	10%	10%	3%	3%	18%	18%	16%	16%	-2%	-2%
Semi-detached house	2%	2%	3%	3%	1%	1%	2%	2%	3%	3%	0%	0%
Row house	6%	6%	7%	7%	1%	1%	15%	15%	13%	13%	-2%	-2%
Apartments	23%	24%	36%	40%	13%	17%	41%	40%	50%	50%	9%	9%
Less than five storeys	19%	19%	16%	16%	-3%	-3%	39%	38%	26%	26%	-13%	-13%
Five or more storeys	4%	5%	20%	25%	16%	20%	2%	2%	24%	24%	23%	23%

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

\*The remaining 0.5% are other dwelling types

For the Delta side of the Scott Road Corridor study area, two sets of dwelling typology distributions are assigned for each of the growth scenarios. In the high growth scenario, a higher share of apartments is allocated, corresponding to the higher population growth driven by increasing high-density development activities. By 2034, detached dwellings will still be the most common type of dwelling at a range of 50%-55%, while apartments will move to a range of 36%-40% and townhouse/row typology homes are expected to adjust to a proportion of 10%. The proportion of detached dwellings is projected to decline by 15%-20% after 2018, while apartments are likely to grow by 13%-17%, and townhouses/row can be expected to grow by roughly 3%.

On the Surrey side by 2034, it is projected that the proportion of detached dwellings will decline by 7%, townhouse/row homes will decline by 2%, and apartments will grow by 9%. Overall, apartments will become the most common type of residential dwelling at 50%, while detached dwellings will decline to 35%, and townhouse/row will decline slightly to 16%.

Based on the dwelling distributions in 2034 (Table 10 above), the projected housing demand over the short and medium terms are summarized below.

On the Delta side of the study area, housing demand from the low to high growth scenarios are as follows over the 2024 to 2034 period:

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- **Detached Dwelling:** -49 to -63 net units<sup>5</sup>
- **Townhouse/Row:** 345 to 425 net units
- **Apartments:** 1,469 to 2,207 net units

Table 11: Projected Housing Demand by Structural Type, Low Growth Scenario, Delta-side of Scott Road, 2021-2034

	Delta				Projected Change (2024-2034)
	2021	2024	2029	2034	
<b>Total</b>	6,814	7,484	8,286	9,249	1,765
<b>Detached Dwelling</b>	4,637	5,090	5,076	5,041	-49
<b>Single-detached house</b>	2,004	2,200	2,067	1,896	-304
<b>Apt or flat in a duplex</b>	2,633	2,890	3,009	3,145	254
<b>Townhouse/Row</b>	528	580	735	925	345
<b>Semi-detached house</b>	124	136	200	277	141
<b>Row house</b>	404	444	536	647	204
<b>Apartments</b>	1,649	1,814	2,473	3,283	1,469
<b>Less than five</b>	1,324	1,453	1,447	1,434	-20
<b>Five or more floors</b>	325	361	1,026	1,850	1,489

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Summary highlights for the lower growth scenario for the Delta side of the study area include:

- Decline in standard single-family homes, but with an increase in homes that include an apartment flat or suite
- Moderate increases in both semi-detached/duplex (+ 140 homes) and row homes/townhouses (+200 homes) to 2034
- Significant increase in apartment style homes (+nearly 1,500 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

<sup>5</sup> The detached dwelling category may increase if the Delta SSMUH legislation is implemented as primarily single-detached and duplex with accessory dwelling units, however, it remains to be seen what the potential uptake of this is, and whether secondary suites or cottages would be more common.



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### SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR

Table 12: Potential Market Delivery of Apartment Units by Structural Type, Delta-side of Scott Road, 2021-2034

	Low	High
<b>Net Apartment Units</b>	1,469	2,207
Wood-Frame Up to 6 Storeys	940	1,412
Concrete/Alternative Building Technology* (7-20+ Storeys)	529	795

Source: Urban Systems

\*Based on current market conditions, these units will most likely be delivered in 20+ storey concrete towers over the short term. This breakdown of potential market delivery by structure type has been provided in the absence of a more detailed capacity review for areas along the Scott Road corridor. Additional analysis should be undertaken to explore potential for infill density throughout the study area.

Table 13: Projected Housing Demand by Structural Type, High Growth Scenario, Delta-side of Scott Road, 2021-2034

	Delta				Projected Change (2024-2034)
	2021	2024	2029	2034	
<b>Total</b>	6,814	7,484	8,667	10,053	2,569
<b>Detached Dwelling</b>	4,637	5,090	5,114	5,027	-63
<b>Single-detached house</b>	2,004	2,200	2,054	1,810	-390
<b>Apt or flat in a duplex</b>	2,633	2,890	3,060	3,217	327
<b>Townhouse/Row</b>	528	580	769	1,005	425
<b>Semi-detached house</b>	124	136	209	302	165
<b>Row house</b>	404	444	560	704	260
<b>Apartments</b>	1,649	1,814	2,782	4,021	2,207
<b>Less than five</b>	1,324	1,453	1,513	1,558	105
<b>Five or more floors</b>	325	361	1,268	2,463	2,102

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Summary highlights for the higher growth scenario for the Delta side of the study area include:

- Slightly more decline in standard single-detached homes, but with an increase in homes that include an apartment flat or suite
- Moderately more substantial increases in both semi-detached/duplex (+165 homes) and row homes/townhouses (+260 homes) to 2034

- More significant increase in apartment style homes (+2,100 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

On the Surrey side, housing demand from the low to high growth scenarios is expected to be as follows over the 2024 to 2034 period:

- **Detached Dwelling:** 180 to 372 net units
- **Townhouse/Row:** 246 to 333 net units
- **Apartments:** 3,218 to 3,496 net units

*Table 14: Projected Housing Demand by Structural Type, Low Growth Scenario, Surrey-side of Scott Road, 2021-2034*

	Surrey				
	2021	2024	2029	2034	Projected Change (2024-2034)
<b>Total</b>	12,782	14,352	16,224	17,924	3,572
<b>Detached Dwelling</b>	5,374	6,003	6,176	6,184	180
<b>Single-detached house</b>	1,916	2,140	2,056	1,882	-258
<b>Apt or flat in a duplex</b>	3,458	3,864	4,120	4,302	438
<b>Townhouse/Row</b>	2,266	2,532	2,682	2,778	246
<b>Semi-detached house</b>	313	350	400	448	98
<b>Row house</b>	1,953	2,181	2,282	2,330	149
<b>Apartments</b>	5,142	5,744	7,284	8,962	3,218
<b>Less than five</b>	4,941	5,520	5,216	4,660	-860
<b>Five or more floors</b>	201	224	2,068	4,302	4,078

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Summary highlights for the lower growth scenario for the Surrey side of the study area include:

- Slight decrease in standard single-family homes but with a significant increase in homes that include an apartment flat or suite
- Moderate increases in both semi-detached/, (+ 100 homes) and row homes/townhouses (+150 homes) to 2034
- Significant increase in apartment style homes (+net 3,200 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

*Table 15: Projected Housing Demand by Structural Type, High Growth Scenario, Surrey-side of Scott Road, 2021-2034*

	Surrey				
	2021	2024	2029	2034	Projected Change (2024-2034)
<b>Total</b>	12,782	14,352	16,472	18,480	4,128
<b>Detached Dwelling</b>	5,374	6,003	6,271	6,375	372
<b>Single-detached house</b>	1,916	2,140	2,087	1,940	-199
<b>Apt or flat in a duplex</b>	3,458	3,864	4,183	4,435	572
<b>Townhouse/Row</b>	2,266	2,532	2,722	2,864	333
<b>Semi-detached house</b>	313	350	406	462	111
<b>Row house</b>	1,953	2,181	2,317	2,402	220
<b>Apartments</b>	5,142	5,744	7,395	9,240	3,496
<b>Less than five</b>	4,941	5,520	5,295	4,805	-714
<b>Five or more floors</b>	201	224	2,100	4,435	4,211

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

*Table 16: Potential Market Delivery of Apartment Units by Structural Type, Surrey-side of Scott Road, 2021-2034*

	Low	High
<b>Net Apartment Units</b>	3,218	3,496
Wood-Frame Up to 6 Storeys	2,220	2,412
Concrete/Alternative Building Technology* (7-20+ Storeys)	998	1,084

Source: Urban Systems

\*Based on current market conditions, these units will most likely be delivered in 20+ storey concrete towers over the short term. This breakdown of potential market delivery by structure type has been provided in the absence of a more detailed capacity review for areas along the Scott Road corridor. Additional analysis should be undertaken to explore potential for infill density throughout the study area.

Summary highlights for the higher growth scenario for the Surrey side of the study area include:

- Decline in standard single-family homes, but with a significant increase in homes that include an apartment flat or suite
- Moderate increases in both semi-detached/duplex (+ 110 homes) and row homes/townhouses (+220 homes) to 2034

- Significant increase in apartment style homes (+net 3,500 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

If the trend of an increasing proportion of multi-family housing mid/high-density residential development continues through the defined longer term (year 2034 to 2051), the demand for new housing units by dwelling types on each side of the Scott Road corridor could potentially reach the following ranges summarized in **Table 15** below.

It is important to note that the household choice of typologies through the medium to longer term are subject to continued shifts in market conditions and household preferences, including location preferences relative to other potential higher density areas of the city or region. Therefore, these longer-term projections are naturally subject to increased levels of uncertainty and should be revisited periodically.

*Table 17: Projected Additional Housing Demand by Structural Type (Net Units), 2024-2034, and 2034-2051*

	Delta-side		Surrey-side	
	2024-2034 (Short to Medium Term)	2034-2051 (Medium to Long Term)	2024-2034 (Short to Medium Term)	2034-2051 (Medium to Long Term)
<b>Total</b>	<b>1,765 to 2,569</b>	<b>2,765 to 3,281</b>	<b>3,572 to 4,128*</b>	<b>3,833 to 5,201</b>
<b>Detached Dwelling</b>	-49 to -63	-235 to -360	180 to 372	240 to 616
<b>Townhouse/Row</b>	345 to 425	584 to 670	246 to 333	299 to 485
<b>Apartments</b>	1,469 to 2,207	2,416 to 2,971	3,218 to 3,496	3,294 to 4,100

Source: Urban Systems adapted from Environics, 2018, Statistics Canada, Census 2021, and BC Statistics, 2024

\*Including other dwelling types not listed in this table

#### 4.1.1 HOUSING DEMAND BY TENURE IN THE SCOTT ROAD STUDY AREA

This section highlights anticipated demand for housing units by tenure; however, this does not mean that all rental units could be provided by the primary rental market (i.e., developed as purpose-built rental). Historically in both Delta and Surrey, the majority of the renter households have tended to be served by the secondary rental market.

The 2021 household tenure split for the study area is projected into the future by assuming the proportion of renter households will remain relatively constant over the 2021 to 2051 period. In 2021, the proportion of renter households on the Delta side was estimated at 37%. On the Surrey side the proportion was closer to 38%. For the purposes of this planning level assessment, we assume that this proportion will generally remain stable through to 2051.

Owner-driven housing demand for the low to high growth scenarios is expected to be as follows for 2024 to 2034:



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- **Delta side:** 1,138 to 1,657 net units
- **Surrey side:** 2,164 to 2,502 net units

Rental housing demand<sup>6</sup> for the low to high growth scenarios is expected to be as follows for 2024 to 2034:

- **Delta side:** 627 to 912 net units
- **Surrey side:** 1,407 to 1,626 net units

A more detailed breakdown is provided in the tables below.

*Table 18: Projected Housing Demand – Home Ownership, Scott Road Corridor, 2024 to 2051*

	2021 (Census)	2024	2029	2034	2051	Change (2024- 2034)
<b>Low Growth – Total</b>	12,171	13,524	15,176	16,827	20,933	3,303
Delta	4,400	4,827	5,344	5,966	7,749	1,138
Surrey	7,771	8,697	9,832	10,862	13,184	2,164
<b>High Growth – Total</b>	12,171	13,524	15,572	17,683	22,951	4,159
Delta	4,400	4,827	5,590	6,484	8,600	1,657
Surrey	7,771	8,697	9,982	11,199	14,350	2,502

Source: Urban Systems adapted from Environics, 2018, Statistics Canada, Census 2021, and BC Statistics, 2024

*Table 19: Projected Housing Demand – Rental Tenure, Scott Road Corridor, 2024 to 2051*

	2021 (Census)	2024	2029	2034	2051	Change (2024- 2034)
<b>Low Growth – Total</b>	7,474	8,311	9,334	10,345	12,837	2,034
Delta	2,422	2,657	2,942	3,283	4,265	627
Surrey	5,052	5,655	6,392	7,062	8,572	1,407
<b>High Growth – Total</b>	7,474	8,311	9,567	10,850	14,064	2,538
Delta	2,422	2,657	3,077	3,569	4,734	912
Surrey	5,052	5,655	6,490	7,281	9,330	1,626

Source: Urban Systems adapted from Environics, 2018, Statistics Canada, Census 2021, and BC Statistics, 2024

<sup>6</sup> As previously highlighted, this does not mean that all rental units would be provided by the primary rental market (i.e., developed as purpose-built rental). Historically in both Delta and Surrey, the majority of renter households have been served by the secondary rental market.

## ADDITIONAL RENTAL DEMAND GENERATED FROM THE CITY-WIDE MARKET

The proportion of renter households along the Delta side of Scott Road is much higher than that observed at the city-wide level in 2021 (37% compared to 24%, respectively). In Delta, while the Housing Needs Report conducted in 2019 did not specify the number of rental units needed over the short-term across the City, the new ministerial Housing Targets Order<sup>7</sup> has indicated that the suggested 5 year rental target is 1,199 units for the 2023 to 2028 period (Table 18).

Using CMHC's rental housing data to track historical progress, only 11 net new units have been built across Delta city-wide from 2018 to 2023 and none of the units were in North Delta. This historical development pattern, along with the upgrading of public transit service to R6-RapidBus service, indicates that there is potential to accommodate additional purpose-built rental housing in the study area.

Table 20: Ministerial Housing Target Order, Guideline for Unit Tenure Split, Delta

5 Year Rental Target (Guideline for 2023 to 2028)	
<b>Delta</b>	3,607
<b>Owner</b>	2,408
<b>Renter</b>	1,199

Source: Ministry of Housing

On the Surrey side of the Scott Road Corridor study area, the proportion of renter households is higher than that observed city-wide in 2021 – 38% compared to 31%. Using CMHC's rental housing data to understand development progress, Surrey has gained 1,432 net new primary rental units city-wide from 2018 to 2023. Forty-seven (47% or 680 units) of these new units were built in the Whalley neighbourhood, and only 7% (97 units) were built in the Newton neighbourhood.

This growth represents less than half of the 5-year rental apartment demand of 3,900 units from 2021 to 2026 reported in the Surrey Housing Needs Report (2020). This indicates that there is significant potential to encourage more purpose-built rental apartment units along Scott Road Corridor on the Surrey side of the study area.

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<sup>7</sup> Announced September 26, 2023.

## 5.0 PROJECTED RETAIL-COMMERCIAL DEMAND

With a clear understanding of residential redevelopment and related population growth potential along the Scott Road corridor study area, the Scott Road corridor's potential from an incremental retail-commercial demand perspective can be reviewed. The following section provides a summary assessment of the corridor's anticipated potential from an incremental (beyond current day commercial footprint) growth perspective, assuming that the study area attracts increased levels of redevelopment interest over the forecast study period.

### 5.1 SCOTT ROAD RETAIL COMMERCIAL TRADE AREA DELINEATION

The following retail trade area was delineated for the Scott Road study area, informed by input from the developer outreach interviews, the north south extent of the corridor, and the location and orientation of competitive retail-commercial nodes/corridors.

Particularly important drivers of retail spending patterns, and therefore trade area delineation, are the following:

- The sheer length of the Scott Road corridor, stretching from roughly 68<sup>th</sup> Avenue to the south and 99<sup>th</sup> Avenue to the north;
- Presence and orientation of competitive commercial corridors – particularly King George Highway to the east, which limits eastern extension of the trade area
- Physical and land use barriers – orientation of the Fraser River and riverfront industrial uses in the northern portion of the trade area
- Higher profile commercial nodes focused on key intersections (72<sup>nd</sup> Avenue, 80<sup>th</sup> Avenue, 88<sup>th</sup> Avenue/Nordel Way)

Generally speaking, one can expect relatively similar retail spending behaviour patterns within each of the defined trade area geographies, in part due to the nature, quality, and extent of existing retail-commercial centres and businesses.

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## SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR

This map illustrates the retail trade areas and mixed-use nodes for the City of Delta, BC, as part of the City of Delta - North Delta Area Plan. The map is divided into three main retail trade areas: North Retail Trade Area (top), Central Retail Trade Area (middle), and South Retail Trade Area (bottom). These areas are further subdivided into secondary plan areas: Kennedy Plan (yellow), Strawberry Hill Plan (orange), and Townline Plan (purple). The map also shows the locations of bus exchanges (purple bus icons) and mixed-use nodes (yellow star icons). Key roads and landmarks are labeled, including Derwent Way, River Road, Brooke Road, Nordel Way, Westview Drive, Lyon Road, South Fraser Perimeter Road, Scott Road, 122 Street, 123A Street, 126 Street, 120 Street, 124 Street, 130 Street, 132 Street, 134 Street, 110 Avenue, 108 Avenue, 104 Avenue, 100 Avenue, 99 Avenue, 96 Avenue, 92 Avenue, 88 Avenue, 84 Avenue, 82 Avenue, 80 Avenue, 76 Avenue, 72 Avenue, 68 Avenue, 66 Avenue, 75A Avenue, 75 Avenue, and 716 Street. The map includes a scale bar (0 to 2 km) and a north arrow.

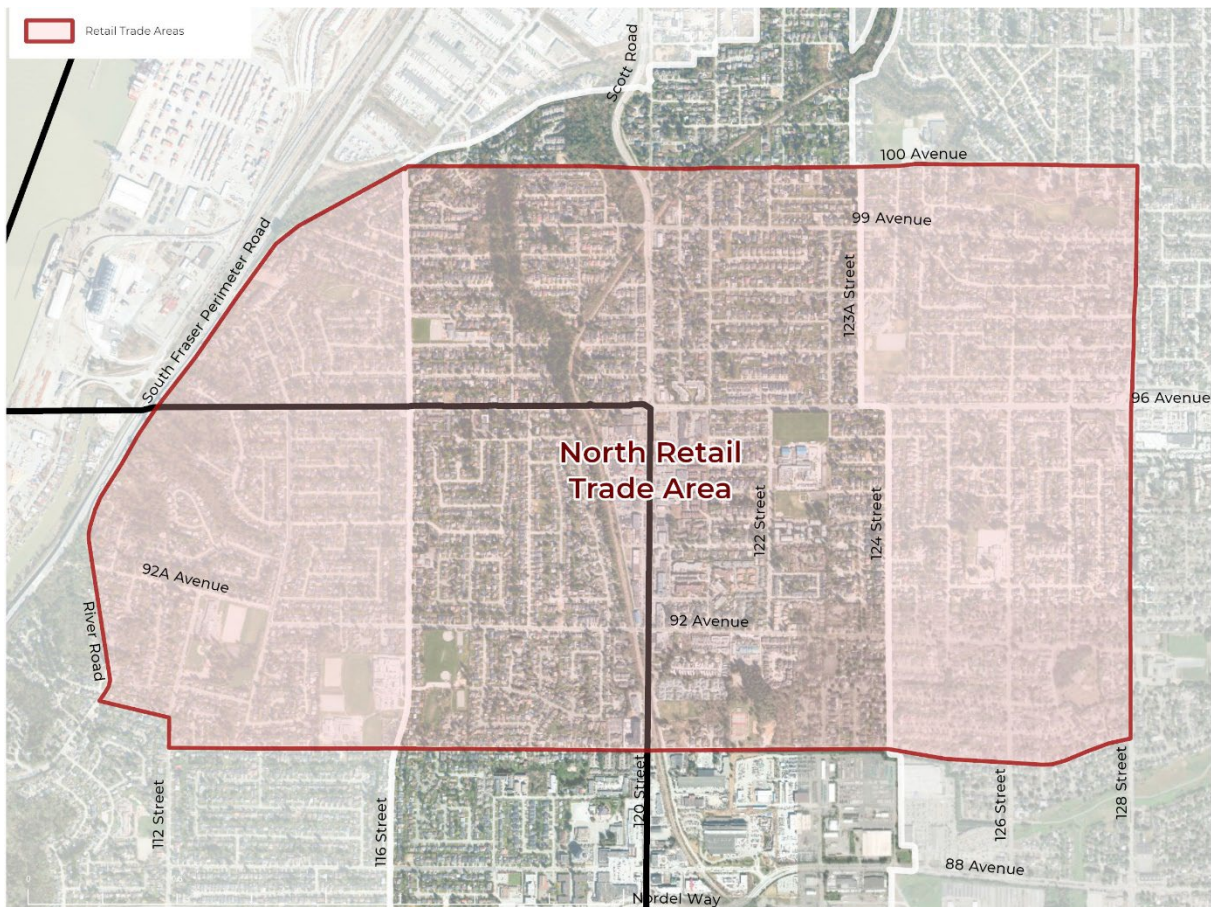


The northern section of the Scott Road retail trade area is the least populated in terms of traditional retail-commercial offerings, with many of the corridor's larger enclosed shopping centre properties being situated closer to 80<sup>th</sup> Avenue (Central Scott Road) and 72<sup>nd</sup> Avenue (South Scott Road).

The North Scott Road portion of the retail trade area does include the following smaller neighbourhood commercial centre:

- **Scott Town Plaza (9500-9570 120<sup>th</sup> Street – Surrey)** – This roughly 58,000 sq. ft. commercial centre, including 26 commercial retail units (CRUs), was first opened in 1959. The site includes 202 parking stalls, which equates to a parking ratio of 3.49 stalls per 1,000 sq. ft. of gross leasable area (GLA). Representative commercial tenants include a 10,000 sq. ft. Dollarama general merchandise dollar store, a 4,200 sq. ft. Liquor Depot liquor store, and a 4,700 sq. ft. Pharmasave pharmacy.

*Figure 7: Northern Retail Trade Area*

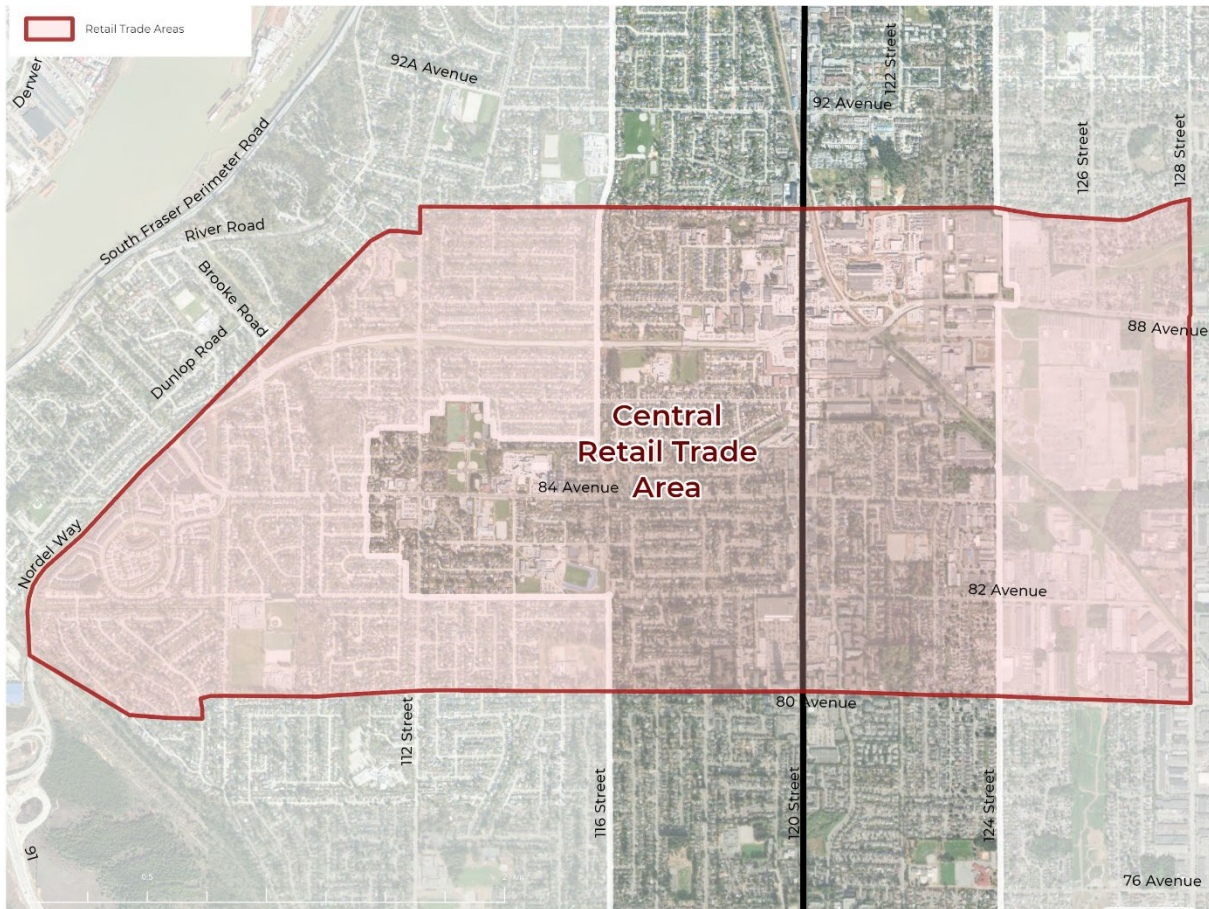


The Central Scott Road portion of the trade area offers a denser array of competitive retail offerings, particularly on the Delta side of Scott Road, and includes the following major shopping centre properties:

- **Delta Shoppers Mall (8037-8087 120<sup>th</sup> Street – Delta)** – 187,000 sq. ft. open-format shopping centre on a 5.9-acre site, first opened in 1972; features 340 parking stalls for a parking ratio of only 1.82 stalls per 1,000 sq. ft. of gross leasable area (GLA). This is very low by traditional shopping centre standards, but the property is supported by high-frequency transit. The property is shadow-anchored by a 145,000 sq. ft. Real Canadian Superstore, located at 8195 120<sup>th</sup> Street. The site is also the subject of a recently approved redevelopment application which would see the site accommodate 876 new homes, including 643 market ownership condominiums, 150 market-rate seniors homes and 83 purpose-built rental apartments.
- **8195 120<sup>th</sup> Street (Delta)** – 153,600 sq. ft. open-format centre anchored by a 145,000 sq. ft. Real Canadian Superstore; also features a Dollarama dollar store (7,800 sq. ft.) and Domo gas bar. The site offers 363 parking stalls for a parking ratio of 2.36.
- **Kennedy Heights Shopping Centre (8821-8899 120<sup>th</sup> Street – Delta)** – 160,000 sq. ft. open-format centre first with 40 commercial retail units (CRUs) opened in 1960; features 579 parking stalls for a more substantial parking ratio of 3.61 stalls per 1,000 sq. ft. of GLA.
- **Scott Road Centre (8066-8112 120<sup>th</sup> Street – Surrey)** – 62,000 sq. ft. neighbourhood-oriented shopping centre with 12 CRUs, first opened in 1990; site offers 323 parking stalls for a parking ratio of 5.21. A 19,100 sq. ft. Salvation Army Thrift Store anchors the property.
- **Scott Road Crossing (12030-12048 80<sup>th</sup> Ave. – Surrey)** – 115,000 sq. ft. open-format shopping centre featuring 10 CRUs and 478 parking stalls for a ratio of 4.16. The centre is anchored by a 70,000 sq. ft. Canadian Tire general merchandise/auto store and a 25,700 sq. ft. Best Buy electronics store. Other notable tenants include The Keg Steakhouse & Bar (8,200 sq. ft.).



Figure 8: Central Retail Trade Area

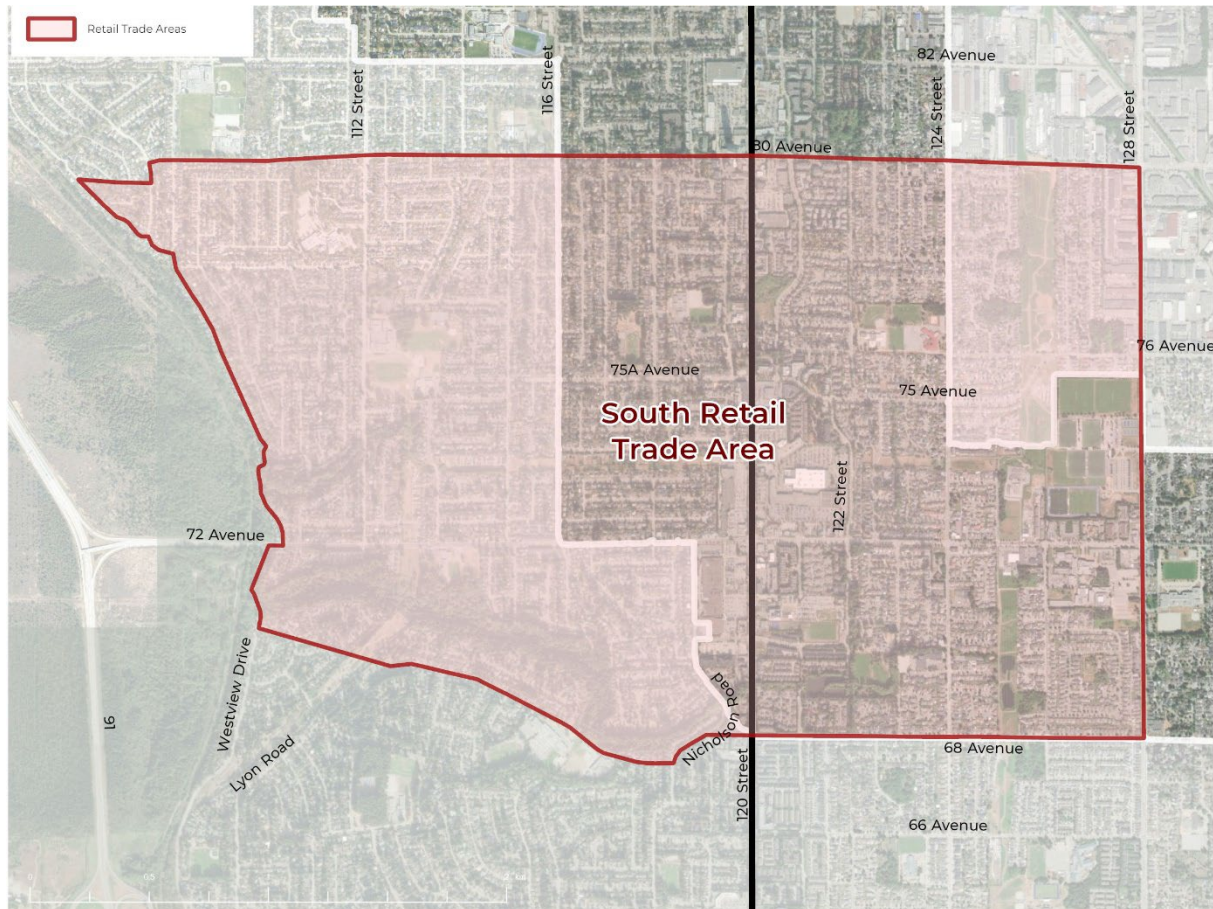


The southern portion of the Scott Road trade area features the following significant retail properties:

- **Scott 72 Shopping Centre (7227 120<sup>th</sup> Street – Delta)** – 167,000 sq. ft. open-format shopping centre with 50 CRUs, featuring 826 parking stalls for a more traditional shopping centre parking ratio of 4.95.
- **Scottsdale Centre (7031 120<sup>th</sup> Street – Delta)** – 267,000 sq. ft. enclosed shopping centre including 42 CRUs on a 19-acre site; site offers 1,203 parking stalls, for a parking ratio of 4.51. The centre is anchored by a 114,600 sq. ft. Walmart general merchandise store and a full-service 72,900 sq. ft. Save-On-Foods supermarket.



Figure 9: Southern Retail Trade Area



## 5.2 SCOTT ROAD TRADE AREA DEMOGRAPHIC INDICATORS<sup>8</sup>

### 5.2.1 POPULATION GROWTH PROFILE

Population growth by trade area, as quantified through an evaluation of residential redevelopment potential throughout the study area, and a high growth scenario, could evolve as follows:

Table 21: Trade Area Population Growth Potential, 2021-2041

Trade Area	2021	2026	2031	2036	2041
North	28,514	33,541	38,467	42,969	46,668
Central	27,932	32,856	37,682	42,092	45,716
South	40,704	47,880	54,912	61,339	66,620

<sup>8</sup> Demographic data tables are based on Urban Systems-delineated geographic trade areas and Environics Analytics data as packaged within its SitewisePro platform.

Between 2021 and 2041, the total trade area population in this higher-growth scenario could reach 159,000 residents. This represents a potential increase of roughly 60% over a 20-year period. A higher growth scenario has been selected to better evaluate potential incremental retail-commercial demand over the study period given the extensive inventory of existing shopping and service clusters throughout the study area.

## 5.2.2 HOUSEHOLD SIZE PROFILE

The Scott Road study area is characterized by significantly larger average household sizes relative to provincial figures, which is driven in large part by the prevalence of larger single-family home structures and multi-generational households. While the study area is likely to see an increase in higher-density multi-family housing forms closer to Scott Road over the course of the study period, the extent of lower-density neighbourhoods and larger households will moderate downward shifts in average household size at the trade area level.

Table 22: Private Households by Household Size, 2021

2021 Census Households	North		Central		South		British Columbia	
		%		%		%		%
<b>Private Households by Household Size</b>	<b>8,300</b>		<b>8,947</b>		<b>12,004</b>		<b>2,041,835</b>	
1 person	1,274	15%	1,651	18%	1,811	15%	600,705	29%
<b>2 persons</b>	<b>1,923</b>	<b>23%</b>	<b>2,314</b>	<b>26%</b>	<b>2,834</b>	<b>24%</b>	<b>719,865</b>	<b>35%</b>
3 persons	1,454	18%	1,587	18%	2,105	18%	296,200	15%
4 persons	1,602	19%	1,705	19%	2,298	19%	256,700	13%
<b>5 or more persons</b>	<b>2,061</b>	<b>25%</b>	<b>1,706</b>	<b>19%</b>	<b>2,923</b>	<b>24%</b>	<b>168,355</b>	<b>8%</b>
<b>Persons per household</b>	<b>3.42</b>		<b>3.11</b>		<b>3.39</b>		<b>2.41</b>	

Source: SiteWise based on Statistics Canada, Census 2021

## 5.2.3 HOUSEHOLD TENURE AND TYPE PROFILE

Trade area housing tenure proportions are fairly consistent across the defined trade areas and reflect home ownership and renter rates similar to those evident at the provincial level. The highest proportion of renter households reside in the North Scott Road area, followed by South and Central Scott Road.

Table 23: Household Tenure & Type, 2021

2021 Census Dwellings	North		Central		South		British Columbia	
		%		%		%		%
<b>Private Households by Tenure</b>	<b>8,333</b>		<b>8,965</b>		<b>11,938</b>		<b>2,041,835</b>	
Owner	5,199	62%	6,136	68%	7,994	67%	1,363,190	67%
Renter	3,113	37%	2,832	32%	3,929	33%	669,450	33%
Dwelling provided by the local government, First Nation or Indian band	0	0%	0	0%	0	0%	9,190	0%
<b>Occupied Private Dwellings by Structure Type</b>	<b>8,297</b>		<b>8,949</b>		<b>11,982</b>		<b>2,041,835</b>	
Single-detached house	2,734	33%	3,012	34%	3,395	28%	866,340	42%
Semi-detached house	186	2%	205	2%	178	1%	62,890	3%
Row house	635	8%	1,040	12%	972	8%	168,590	8%
Apartment or flat in a duplex	3,315	40%	2,659	30%	3,597	30%	249,835	12%
Apartment in a building that has fewer than five storeys	1,176	14%	1,912	21%	3,578	30%	417,475	20%
Apartment in a building that has five or more storeys	180	2%	105	1%	240	2%	221,845	11%
Other single-attached house	0	0%	5	0%	20	0%	3,760	0%
Movable dwelling	40	0%	0	0%	0	0%	51,100	3%

Source: SiteWise based on Statistics Canada, Census 2021

As discussed in the housing demand section of this report, a decrease in the proportion of single-family detached homes in the study area should be observed over time, as redevelopment opportunities for lower and medium to higher density residential development forms are introduced into the study area. Given the market outlook, as characterized through developer outreach interviews, a significant proportion of anticipated multi-family redevelopment activity over the short term along Scott Road is likely to be 6-storey wood-frame construction, with at-grade retail-commercial uses primarily serving local neighbourhood and community needs.

## 5.2.4 INDIVIDUAL INCOME PROFILE (2021)

Trade area individual incomes average between \$41,000 and \$45,000 per annum, well below the provincial mark of \$54,500. These income levels, coupled with an anticipated broader array of housing options, including rental apartments, are likely to support increases in transit mode share over the course of the study period. This strong alignment with public transit as a commuting option is evident in the transit route ridership volumes between the Scott Road and King George Highway corridors.

Table 24: Individual Income Levels, 2021

2021 Census Individual Income by Sex	North		Central		South		British Columbia	
		%		%		%		%
<b>Population 15 years and over with Total Income</b>	<b>23,053</b>		<b>22,478</b>		<b>32,653</b>		<b>4,076,350</b>	
Under \$20,000	5,957	26%	5,310	24%	8,644	26%	859,475	21%
<b>\$20,000 to \$40,000</b>	<b>7,477</b>	<b>32%</b>	<b>6,896</b>	<b>31%</b>	<b>10,288</b>	<b>32%</b>	<b>1,143,675</b>	<b>28%</b>
\$40,000 to \$60,000	4,833	21%	4,778	21%	6,629	20%	805,465	20%
\$60,000 to \$80,000	2,546	11%	2,728	12%	3,530	11%	505,885	12%
\$80,000 to \$100,000	1,148	5%	1,355	6%	1,703	5%	308,295	8%
<b>\$100,000 to \$149,999</b>	<b>845</b>	<b>4%</b>	<b>1,130</b>	<b>5%</b>	<b>1,387</b>	<b>4%</b>	<b>297,440</b>	<b>7%</b>
<b>\$150,000 and over</b>	<b>255</b>	<b>1%</b>	<b>298</b>	<b>1%</b>	<b>429</b>	<b>1%</b>	<b>156,105</b>	<b>4%</b>
<b>Average Income</b>	<b>\$ 40,901</b>		<b>\$ 44,840</b>		<b>\$ 41,419</b>		<b>\$ 54,450</b>	
<b>Median Income</b>	<b>\$ 34,168</b>		<b>\$ 36,942</b>		<b>\$ 33,954</b>		<b>\$ 40,792</b>	

Source: SiteWise based on Statistics Canada, Census 2021

## 5.2.5 COMMUTING TO WORK MODE PROFILE (2021)

As can be expected in a high frequency transit corridor, Scott Road corridor trade area commuting patterns reflect a significantly higher propensity to leverage public transit options for commuting to work. As noted in the table below, public transit usage is highest in the northern portion of the study area (19%), followed by South Scott Road at 15% and Central Scott Road at 14%. This compares to a province-wide proportion of only 9%.

Table 25: Commuting to Work Mode, 2021

2021 Census Mode of Commuting	North		Central		South		British Columbia	
		%		%		%		%
<b>Employed Labour Force aged 15 years and over with a usual place of work or no fixed workplace address by Main Mode of Commuting</b>	<b>13,248</b>		<b>12,687</b>		<b>18,024</b>		<b>1,873,690</b>	
Car, truck, van - as a driver	9,083	69%	9,254	73%	12,912	72%	1,376,410	73%
Car, truck, van - as a passenger	1,297	10%	1,126	9%	1,551	9%	121,350	6%
<b>Public transit</b>	<b>2,538</b>	<b>19%</b>	<b>1,733</b>	<b>14%</b>	<b>2,629</b>	<b>15%</b>	<b>174,045</b>	<b>9%</b>
Walked	100	1%	328	3%	417	2%	121,550	6%
Bicycle	0	0%	10	0%	15	0%	36,790	2%
Other method	101	1%	130	1%	245	1%	43,535	2%

Source: SiteWise based on Statistics Canada, Census 2021

\*Note: In the official Census reporting, respondents are permitted to self-report on their preferred mode of commuting to work. A bicycle-focused commute to work share of 0% is more likely due to non-reporting residents than to accurate local mode share estimates.

With the introduction of R6 Rapid bus service into the corridor early in 2024, and an anticipated uptick in multi-family redevelopment activity over time, these proportions can be expected to increase moderately over the forecast study period.



## 5.2.6 ANNUAL HOUSEHOLD EXPENDITURE PROFILE

The following table provides a comparison of annual household expenditures by category, as collected by Statistics Canada in its household survey. Variations in spending levels across the defined trade areas are captured in subsequent demand modeling, which estimates per capita retail trade spending by category and household based on variations in key demographic characteristics, including household income levels and category-specific elasticities of demand.

Table 26: Annual Household Expenditures by Category and Trade Area

2023 Household Spend Summary	North			Central			South		
	Total Expenditure	Expenditure per Household	%	Total Expenditure	Expenditure per Household	%	Total Expenditure	Expenditure per Household	%
<b>Total Expenditure</b>	<b>\$ 1,153,856,637</b>	<b>\$ 138,885</b>		<b>\$ 1,272,330,199</b>	<b>\$ 135,834</b>		<b>\$ 1,678,149,522</b>	<b>\$ 140,987</b>	
Shelter	\$ 248,624,471	\$ 29,926	22%	\$ 269,163,991	\$ 28,736	21%	\$ 360,466,192	\$ 30,284	21%
<b>Food</b>	<b>\$ 126,670,758</b>	<b>\$ 15,247</b>	<b>11%</b>	<b>\$ 139,580,659</b>	<b>\$ 14,902</b>	<b>11%</b>	<b>\$ 177,399,920</b>	<b>\$ 14,904</b>	<b>11%</b>
Household operation	\$ 51,882,370	\$ 6,245	4%	\$ 56,844,091	\$ 6,069	4%	\$ 73,599,996	\$ 6,183	4%
Health care	\$ 43,458,662	\$ 5,231	4%	\$ 48,840,016	\$ 5,214	4%	\$ 65,317,218	\$ 5,488	4%
Household furnishings and equipment	\$ 37,375,259	\$ 4,499	3%	\$ 42,476,447	\$ 4,535	3%	\$ 53,365,498	\$ 4,483	3%
Transportation	\$ 125,721,701	\$ 15,133	11%	\$ 137,540,332	\$ 14,684	11%	\$ 181,232,776	\$ 15,226	11%
Recreation	\$ 49,667,537	\$ 5,978	4%	\$ 53,039,587	\$ 5,662	4%	\$ 71,925,807	\$ 6,043	4%
<b>Personal care</b>	<b>\$ 21,547,994</b>	<b>\$ 2,594</b>	<b>2%</b>	<b>\$ 23,360,256</b>	<b>\$ 2,494</b>	<b>2%</b>	<b>\$ 29,750,453</b>	<b>\$ 2,499</b>	<b>2%</b>
Clothing	\$ 46,584,250	\$ 5,607	4%	\$ 48,401,929	\$ 5,167	4%	\$ 68,445,579	\$ 5,750	4%
<b>Education</b>	<b>\$ 28,285,132</b>	<b>\$ 3,405</b>	<b>2%</b>	<b>\$ 28,223,064</b>	<b>\$ 3,013</b>	<b>2%</b>	<b>\$ 40,666,553</b>	<b>\$ 3,417</b>	<b>2%</b>
Reading materials and other printed matter	\$ 1,464,255	\$ 176	0%	\$ 1,752,924	\$ 187	0%	\$ 2,091,604	\$ 176	0%
Tobacco products and alcoholic beverages	\$ 28,763,307	\$ 3,462	2%	\$ 33,007,923	\$ 3,524	3%	\$ 40,507,425	\$ 3,403	2%
Games of chance	\$ 9,483,685	\$ 1,142	1%	\$ 12,012,149	\$ 1,282	1%	\$ 11,116,292	\$ 934	1%
Miscellaneous expenditures	\$ 21,663,380	\$ 2,608	2%	\$ 23,281,532	\$ 2,486	2%	\$ 32,786,028	\$ 2,754	2%

Source: SiteWise based on Statistics Canada, Census 2021

## 5.2.7 SCOTT ROAD ANNUAL EXPENDITURE POTENTIAL

Total gross annual spending potential for each of the defined trade areas was projected over the 2021 to 2041 study period and combined to show total growth in annual spending power by category<sup>9</sup> for the Scott Road trade area as a whole. While some portion of this spending potential may be captured by study area businesses, the majority of spending will continue to flow to a wide variety of competitive nodes throughout the Metro Vancouver region. This is particularly true for comparison retail shopping categories (such as clothing and household furniture and furnishings), which tend to agglomerate in larger traditional shopping centre nodes.

<sup>9</sup> As defined by the 3-digit code North American Industry Classification System (NAICS), 2022.

Table 27: Scott Road Trade Area Expenditure Potential Growth (2021-41)

SCOTT ROAD TRADE AREA Gross Spending (x1,000)	2021	2026	2031	2036	2041	Change 2021-41	Change (%)
Retail trade - All categories	1,402,602	1,708,694	2,030,531	2,351,420	2,648,872	1,246,271	89%
Furniture and home furnishings stores	47,914	56,916	65,944	74,447	81,753	33,839	71%
Electronics and appliances	47,822	54,378	60,104	64,486	67,010	19,188	40%
Building materials, garden equipment, supplies	85,768	106,846	129,717	153,329	176,153	90,385	105%
Supermarkets and Other Grocery	235,315	278,649	321,801	362,081	396,241	160,926	68%
Convenience Stores	11,721	14,052	16,436	18,734	20,776	9,055	77%
Specialty Food Stores	18,106	21,767	25,529	29,181	32,452	14,346	79%
Liquor stores	75,777	93,954	113,560	133,669	152,960	77,183	102%
Clothing Stores	65,590	80,849	97,177	113,780	129,545	63,956	98%
Shoe Stores	8,689	10,285	11,872	13,352	14,605	5,916	68%
Jewellery, Luggage, Leather Goods Stores	9,690	12,116	14,761	17,505	20,172	10,482	108%
Sporting goods, hobby, book, and music stores	36,219	42,524	48,672	54,255	58,797	22,578	62%
General merchandise stores	157,021	192,707	230,654	268,975	305,060	148,039	94%
Miscellaneous store retailers	42,381	53,350	65,402	78,006	90,372	47,992	113%
Health and personal care	92,352	114,919	139,374	164,582	188,906	96,554	105%

Source: Urban Systems

Trade area expenditure potential growth is vital as it offers a clear understanding of incremental growth in spending power over the defined period. Some notable highlights:

- Building materials, garden equipment – growth of \$90.4M by 2041 or 105%
- Supermarkets and grocery stores – growth of \$160.9M by 2041 or 68%
- Liquor stores – growth of \$77.2M or 102%
- General merchandise stores<sup>10</sup> – growth of \$148.0M or 94%
- Health and personal care stores – growth of \$96.6M or 105%

## 5.2.8 SCOTT ROAD MARKET CAPTURE RATES (INCREMENTAL POTENTIAL)

Projecting likely net spending capture of incremental growth within the defined Scott Road study area requires assessing the potential for new Scott Road study area businesses to attract incremental spending growth. As this is not a site-specific evaluation, but rather a study-area wide assessment, market shares by category have, for the purposes of this review, been assumed to be similar throughout the trade area. The following market shares are reasonable and achievable, as they allow for the continued natural flow of spending to competitive shopping districts, shopping centres and nodes in other areas of the region.

<sup>10</sup>General Merchandise Stores comprise of establishments primarily engaged in retailing a general line of merchandise that may, or may not, include a general line of grocery items. This differs from Miscellaneous Store Retailers, which includes florists; office supplies, stationary and gift retailers; used merchandise retailers; and other miscellaneous store retailers.

**METRO VANCOUVER, CITY OF DELTA, AND CITY OF SURREY**  
SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR

*Table 28: Anticipated Retail Market Shares by Category (share of incremental growth)*

<b>Retail-Commercial Category</b>	<b>North</b>	<b>Central</b>	<b>South</b>
Furniture and home furnishings stores	20%	20%	20%
Electronics and appliances	30%	30%	30%
Building materials, garden equipment, supplies	30%	30%	30%
<b>Supermarkets and Other Grocery</b>	30%	30%	30%
<b>Convenience Stores</b>	30%	30%	30%
<b>Specialty Food Stores</b>	30%	30%	30%
<b>Liquor stores</b>	20%	20%	20%
Clothing Stores	20%	20%	20%
Shoe Stores	20%	20%	20%
Jewellery, Luggage, Leather Goods Stores	20%	20%	20%
Sporting goods, hobby, book, and music stores	20%	20%	20%
<b>General merchandise stores</b>	15%	15%	15%
Miscellaneous store retailers	20%	20%	20%
<b>Health and personal care</b>	30%	30%	30%
<b>Food &amp; Beverage</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>

Source: Urban Systems

In addition to market shares of incremental growth in trade area resident spending, there will also naturally be inflow spending into the trade area, generated by visitors from the broader region, daytime workers living outside the trade area and tourists. Inflow spending factors assumed by category are shown below:

*Table 29: Inflow Spending Factors by Category*

<b>Scott Road Retail-Commercial Category</b>	<b>Inflow</b>
Furniture and home furnishings stores	2%
Electronics and appliances	2%
Building materials, garden equipment, supplies	15%
Supermarkets and Other Grocery	15%
Convenience Stores	25%
Specialty Food Stores	20%
Liquor stores	10%
Clothing Stores	10%
Shoe Stores	10%
Jewellery, Luggage, Leather Goods Stores	5%
Sporting goods, hobby, book, and music stores	5%
General merchandise stores	25%
Miscellaneous store retailers	25%
Health and personal care	15%
Food & Beverage	30%

Source: Urban Systems

These are also deemed to be reasonable given the relative popularity of Scott Road's offerings in this range of spending categories.

## 5.2.9 SCOTT ROAD INCREMENTAL RETAIL-COMMERCIAL FLOOR AREA (2024-2041)

After applying realistic and achievable market shares to incremental growth potential in the Scott Road Corridor study area, along with reasonable assumptions regarding the extent of likely inflow spending (from non-trade area residents), the following summary of anticipated additional market-supportable floor area estimates by category have been assessed.

Table 30: Incremental Retail-Commercial Floor Area Demand by Category (2024 to 2041)

<b>Scott Road Corridor</b>				
<b>Incremental Retail-Commercial Demand (2024 to 2041)</b>				
<b>Retail-Commercial Category</b>	<b>2026</b>	<b>2031</b>	<b>2036</b>	<b>2041</b>
Furniture and home furnishings stores	1,500	5,600	9,200	12,100
Electronics and appliances	400	1,300	1,900	2,200
<b>Building materials, garden equipment, supplies</b>	<b>6,700</b>	<b>25,100</b>	<b>43,100</b>	<b>59,500</b>
<b>Supermarkets and Other Grocery</b>	<b>6,400</b>	<b>23,300</b>	<b>38,200</b>	<b>49,900</b>
<b>Convenience Stores</b>	<b>400</b>	<b>1,500</b>	<b>2,400</b>	<b>3,200</b>
<b>Specialty Food Stores</b>	<b>400</b>	<b>1,500</b>	<b>2,500</b>	<b>3,300</b>
<b>Liquor stores</b>	<b>1,500</b>	<b>5,700</b>	<b>9,700</b>	<b>13,400</b>
Clothing Stores	2,600	9,600	16,500	22,600
Shoe Stores	200	900	1,400	1,900
Jewellery, Luggage, Leather Goods Stores	200	900	1,600	2,200
Sporting goods, hobby, book, and music stores	800	2,800	4,600	5,900
<b>General merchandise stores</b>	<b>7,100</b>	<b>26,200</b>	<b>44,600</b>	<b>60,900</b>
<b>Miscellaneous store retailers</b>	<b>2,800</b>	<b>10,600</b>	<b>18,400</b>	<b>25,600</b>
<b>Health and personal care</b>	<b>3,700</b>	<b>13,700</b>	<b>23,500</b>	<b>32,400</b>
<b>Food &amp; Beverage</b>	<b>3,300</b>	<b>12,200</b>	<b>20,900</b>	<b>28,700</b>
<b>TOTAL - ABOVE RETAIL-COMMERCIAL</b>	<b>38,200</b>	<b>141,000</b>	<b>238,500</b>	<b>323,800</b>
<b>TOTAL - Net of Building Materials, General Merch.</b>	<b>24,400</b>	<b>89,700</b>	<b>150,800</b>	<b>203,400</b>

Source: Urban Systems

As noted, if the market shares assumed above hold, there is potential for the Scott Road Study area to see an increase in market-supportable floorspace of roughly 141,000 sq. ft. by 2031 and 324,000 sq. ft. by 2041. As some key categories, notable building materials/garden supply and general merchandise stores are not likely to land within the study area (due to the extent and pattern of competitive offerings in these categories and limited company rosters), the extent of incremental growth opportunity is likely to be more focused on categories less reliant on a short list of major operators.

While a more detailed breakdown of potential CRU sizes on a category-by-category basis is beyond the scope of this study, the following inferences can be drawn from the above floor area market support table:

- **Building materials, garden equipment and supply stores** – given sufficient market coverage in the home improvement category from a supply perspective, this is



most likely to materialize in the study area in the form of a larger (30,000 + sq. ft.) garden and supply centre, with the aim of better serving a growing study area population. This the most box-retail oriented category likely to be supportable from a market perspective over the foreseeable future.

- **Supermarkets and grocery stores** – this is a retail category which could see the addition of several smaller to medium-scale specialty supermarkets (10,000 to 15,000 sq. ft.) over time, or the addition of a single larger full-scale supermarket (of 35,000 sq. ft. or more) over the medium term.
- **General merchandise stores** – While an additional large-scale general merchandiser such as Walmart is not likely supportable within the study area given the extent of realistic market support, what is more likely is the addition, over time, of smaller-scale general merchandise businesses such as dollar stores and significant general merchandise components of businesses in other categories (e.g. specialty supermarkets offering some general merchandise).
- **Other retail categories** – Other listed retail categories will likely see study area additions in CRUs ranging from 800 to 3,000 sq. ft.
- **Restaurant Food & Beverage** – This important category includes business types comprising a wide arrange of commercial floor area sizes, from 300 sq. ft. kiosks, to 800-1,000 sq. ft. street front CRUs, neighbourhood restaurants ranging from 1,500 to 3,000 sq. ft., and, periodically, the addition of larger destination restaurants (typically chain operated) requiring larger 3,500 to 5,000 sq. ft. floorplates.

As such, the likely extent of incremental demand is likely to be modest – 90,000 sq. ft. by 2031 and 203,000 sq. ft. by 2041.

### **5.2.10 IMPLICATIONS OF INCREMENTAL RETAIL-COMMERCIAL FLOOR AREA DEMAND**

Despite assuming a high growth scenario for retail-trade evaluation purposes, the extent of incremental opportunity for the Scott Road study area from a retail-commercial perspective is expected to be modest and best suited to delivery in mixed-use redevelopment formats over time.

Though the study area offers considerable opportunities for significant redevelopment intensification and integration of higher-density residential uses in particular, developers are most likely to seek development plans that either maintain current commercial footprints or, in some cases, move to rationalize current commercial space into a slightly more modest amount of new commercial floorspace. As newer (relative to older) commercial spaces require more in the way of sales dollars per sq. ft. per year to ensure healthy operations and bottom lines, and given the ease with which current and future trade area residents can access competitive facilities in neighbouring markets, developers and property owners are likely to be cautious in terms of provision of additional commercial floorspace (beyond current levels).

## 6.0 INSIGHTS FROM DEVELOPER OUTREACH

Between November 22, 2023 and January 25, 2024, representatives from Urban Systems conducted nine (9) interviews with development firms. The organizations represented in the following notes and highlights are outlined below in Table 29.

Table 31: Scott Road Interview Participants

Company	Interviewee	Date
<b>Wesgroup</b>	Dean Johnson	November 22, 2023
<b>Beedie</b>	Carl Funk	November 24, 2023
<b>Fifth Ave</b>	Scott Brown	November 28, 2023 and January 15, 2024
<b>RioCan REIT</b>	Stuart Craig	November 28, 2023
<b>Sutton Group Alliance</b>	Tanvir Sooch	December 4, 2023
<b>Marathon Group</b>	Jas Gill	December 5, 2023
<b>Mosaic Homes</b>	Alec Katchur-Marsh	December 7, 2023
<b>Choice Properties REIT</b>	David Major	January 17, 2024
<b>Headwater Projects</b>	Veronique Turner, Caitlin Clark, McGregor Wark	January 25, 2024

The interviewees were selected, within the scope of this study, to represent a reasonable cross-section of development industry stakeholders on either side of Scott Road, including property owners and developers familiar with either side of the Scott Road Corridor (e.g., Surrey or Delta) or developers who are not currently active in the Corridor but are active in Surrey and Delta and the surrounding region. Note that not all invited organizations participated in the requested interviews.

### 6.1 DEVELOPMENT INTERVIEW FINDINGS

At the request of several interviewees, the individual developer outreach interview notes have been synthesized into a series of broader insights related to market drivers, challenges, and development market trends. This section presents the strengths, limitations, and opportunities that developers and property owners are observing in terms of pursuing redevelopment potential along the Scott Road Corridor.

#### 6.1.1 NODES OF DEVELOPMENT OPPORTUNITY

In terms of development opportunity, the Scott Road Corridor was noted as a great development opportunity for Delta as it is an area that is considered, relative to other surrounding jurisdictions, to be overdue for increased densification. Interviewees identified the following nodes as offering particularly strong redevelopment opportunities.

*Primary Nodes of Opportunity*

- **72<sup>nd</sup> Avenue and Scott Road:** Many interviewees agreed that development opportunities radiate out from this intersection due to its east-west corridor connection, the quality and size of existing shopping centres (e.g., Strawberry Hill Shopping Centre, Scottsdale Mall), and established, higher income residential neighbourhoods to the south.
- **80<sup>th</sup> Avenue and Scott Road:** is a place of frequent visitation for both vehicular and pedestrian traffic, anchored by the Scott Road Centre and the first residential high rise on the corridor – the “Delta Rise”. This central area of the Scott Road Corridor can also potentially serve as a catalyst for further redevelopment activity in areas to the north and south.
- **88<sup>th</sup> Avenue and Scott Road:** was also mentioned as a major node, however, its existing surrounding low-density built form currently encourages more vehicle-oriented patterns than do other major nodes of opportunity along the corridor.

*Secondary Nodes of Opportunity*

- **75<sup>th</sup> Avenue and Scott Road:** This intersection offers strong connections to the busy 72<sup>nd</sup> Avenue intersection, which promotes walkability to commercial uses.
- **84<sup>th</sup> Avenue and Scott Road:** was noted as a busier intersection, however, some new commercial development has already taken place and this built form is likely to persist through at least the medium term.
- **96<sup>th</sup> Avenue and Scott Road:** was noted as a quieter area relative to the rest of the Corridor with less established east-west connections. There are fewer commercial uses and more single-detached dwellings along the main corridor.

*Development Areas In Between “Nodes of Opportunity”*

- Interviewees suggested that Surrey and Delta should consider distributing the infill development opportunity across the length of the entire corridor (i.e., allow medium density in areas between key high-density nodes). Areas in between the nodes are very important for encouraging smaller scale projects, as a wider array of potential redevelopment sites provide a higher degree of market accessibility to a broader range of potential development firms. This flexibility will be important given the extent of infill development opportunities in TOA areas surrounding existing and future SkyTrain stations.
- Some interviewees shared that the average developer (e.g., smaller to medium sized organization) cannot realistically compete with larger developers at the scale being pursued for larger town centre nodes, as the scale of development is beyond their experience and financing capabilities.
- Some sites along Scott Road are small in size, and reducing parking requirements throughout the study area could alleviate the costs associated with building many levels of underground parking.

### 6.1.2 EASE OF DEVELOPMENT

- Two interviewees shared their experience and perception that it was easier to develop on the Delta side of Scott Road due to an approachable and interactive development approvals process (e.g., preliminary workshops with Council and staff prior to application – e.g. North Area Delta Plan).
- One interviewee shared that exploration of potential development opportunities was better supported in Surrey due to the number of existing neighbourhood community plans in place, additional sub-area plans to come, a larger more varied geography which offers more options to choose sites from, and significantly higher overall population growth.
- On the Surrey side, one interviewee noted that development permit and development variance permitting processes are easy to navigate and relatively quick in terms of approvals.
- Several interviewees spoke about their increased interest in the development potential for Scott Road corridor after the new R6 RapidBus transit announcement.
- One interviewee mentioned that the Scott Road corridor has a strong cultural component (e.g., York Gurdwara Sahib Society, ethnic businesses) close to the residential uses, with few industrial uses, and that there is a natural link between local-serving business types and residents of various cultural backgrounds.

### 6.1.3 BARRIERS TO DEVELOPMENT

#### *Development Approvals Process*

- Two interviewees noted that Surrey's current land use plans and policies along Scott Road are not yet aligned with the higher densities required to support mixed-use shopping centre redevelopment under current and evolving market conditions.
- For phased development of larger shopping centres, lot severance was identified by one interviewee as an area for improvement on the Surrey side. It was noted that the current City development policies trigger servicing improvements required for the entirety of the site.
- Interviewees on both sides of the corridor noted that there is a perception of significant community opposition against intensification. They noted that the municipalities should give a balanced view to benefits of intensification and related planning trade-offs to better educate local community groups and residents.

#### *Current Market Conditions Are Challenging*

- Two interviewees noted that the timing of tenant lease end dates presents significant challenges with respect to considering shopping centre redevelopment, and under today's market conditions of high interest rates and bank financing



requirements, developers do not necessarily have the funds or incentives to buy the leases out early.

- Some developers indicated their development interest is focused more intently on higher profile rail corridors (e.g., SkyTrain station areas) where major development projects and higher-density residential and office components can be better supported given the array of existing and planned amenities. Several submarkets specifically mentioned include: North Road corridor in Coquitlam and Lougheed, Metrotown and Brentwood in Burnaby, Surrey City Centre and Surrey Fraser Highway.
- Two developers noted that any potential development site along the Scott Road corridor requires relative ease of land assembly. Currently, other submarkets can command higher redeveloped multi-family sales prices in comparison to Scott Road, which serves as an immediate-term disincentive for development along the corridor. A good example of this is the Oakdale area in Coquitlam, where for similar costs of single-family site assembly, higher sales per sq. ft. can be secured for new multi-family homes, in part due to the presence of SkyTrain access and related amenities.
- Concrete tower construction costs are high and projects are not financially viable until a certain density threshold is met. In the current market context, this is typically 20 storeys or more (varies depending on the site size). Many interviewees indicated that, due to construction costs, building forms between 7 and 12 storeys and between 12 and 18 storeys are difficult to pencil out given the increased costs associated with required building technologies.
- Townhouse sites are better suited in other areas in Delta or Surrey (e.g., greenfield development rather than infill development) as a larger lot size is typically required (ideally 3 to 4 acres to allow for double loading and access to parking), and the cost and identification of suitable land assembly sites along Scott Road is challenging.

#### **6.1.4 OPPORTUNITIES TO ENCOURAGE MORE DEVELOPMENT**

##### *Land Use Policies, Plans and Regulations*

- Two interviewees noted that, given land use legislation and regulations changing at the provincial level, an interim municipal land use policy for the Scott Road corridor would be beneficial for developers to reduce development uncertainty. This could be especially beneficial on the Surrey side, as the land use plans and zoning could better reflect development opportunities with a functioning R6 RapidBus service.

##### *Market Rental Housing*

- One developer noted that building purpose-built market rental housing is becoming more difficult due to rent controls and increasing operational costs.

- Two interviewees suggested that Delta and Surrey should better align their land use policies along Scott Road corridor, especially when it comes to housing affordability policies (e.g., integration of market rental, below market rental, etc.) to ensure balanced development potential.
- One interviewee noted that while there is a GST exemption for market rental developments, it is unclear whether it applies to buildings with a mix of market rental and strata units. These exemptions also only apply to projects which are primarily rental, which significantly limits potential impact given the need for most developers to provide a mix of housing tenure options in their projects.

#### *Sense of Public Realm*

- Two interviewees recognized that Scott Road Corridor covers a large area of geography, and the extent of land on either side of the corridor tends to create a perception that there are no clear recognizable landmarks or focal points to draw attention or interest. A more intentional focus on improving the public realm which radiates out from key priority nodes, would be more attractive to developers, homebuyers and renters.

## 6.2 DENSITY NODES / AREAS IN BETWEEN DENSITY NODES

To inform the market-based commentary heard through interviews with developers, a series of maps were produced using several datasets, along with developer interviews to demonstrate where the density nodes are likely to occur, what scale of development is likely to be market-supportable, and to provide a clearer idea of timing of redevelopment.

Figure 10 below shows patterns with respect to higher likelihood of redevelopment by combining 5- and 10- minute walksheds to the R6 RapidBus stop locations and improvement (i.e. building value) to total assessment ratios. Areas where there is low improvement to total assessment value ratios, all else being equal, indicate areas which are more likely to redevelop earlier in the study period. This redevelopment potential is likely to increase if the parcel is located within a 5- or 10- minute walkshed of the R6 RapidBus, which provides end-users with increased ease of access to frequent transit.

### 6.2.1 DENSITY NODES

Based on the patterns outlined in **Figure 10**, the major density nodes along Scott Road are likely to occur in the following intersections:

- **72<sup>nd</sup> Avenue and Scott Road:** three large shopping centres in the Northeast, Southwest, and Northwest are showing lower range improvement to total assessment ratios. While not necessarily indicative of income-generation, RioCan's interest in exploring redevelopment options for the site previous to its sale of the site is a good indicator of the likelihood that the site is ultimately best suited for mixed-use redevelopment. This intersection also contains the future TOD area, Scottsdale Exchange, which is intended to permit higher density uses.

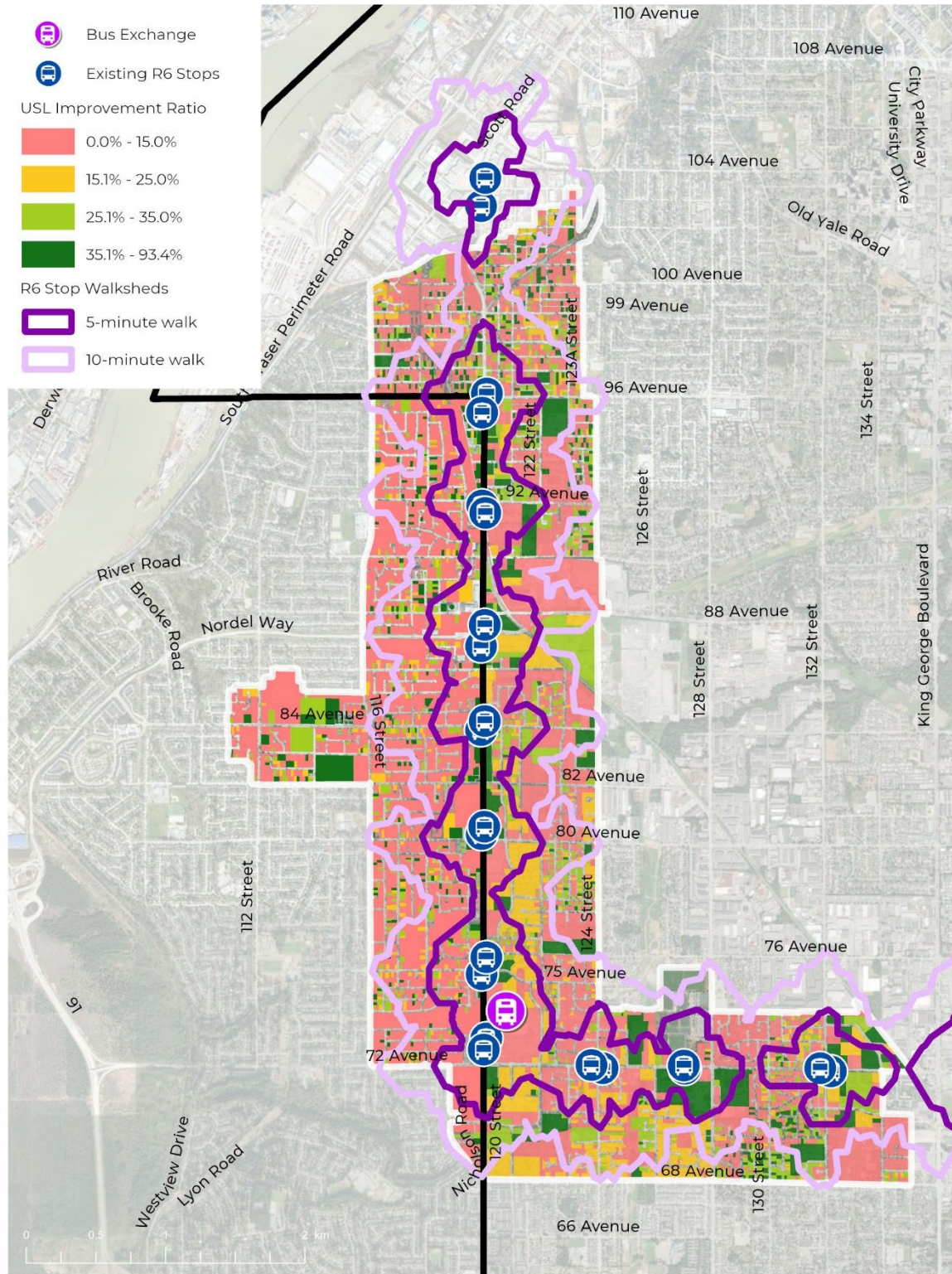
- **80<sup>th</sup> Avenue and Scott Road:** shows low improvement to total assessment ratio around some parcels with high improvement to total assessment ratios indicating more recent development. This indicates that some parcels have already been redeveloped or were recently redeveloped, which could trigger further redevelopment on surrounding parcels.
- **88<sup>th</sup> Avenue and Scott Road:** some parcels show high improvement to total assessment ratios, but there are remaining large parcels around the R6 RapidBus stops that show low improvement to total assessment ratios.
- **92<sup>nd</sup> Avenue and Scott Road:** most parcels around this intersection show lower improvement to assessment ratios and are located around the R6 bus stop.

96<sup>th</sup> Avenue, 84<sup>th</sup> Avenue and 75<sup>th</sup> Avenue at Scott Road are the remaining intersections with R6 RapidBus stops. These intersections do not show large areas with low improvement to total assessment ratios, however, there may still be smaller sites with high redevelopment potential. These are likely able to accommodate or become medium nodes of density due to the existing built form.

# METRO VANCOUVER, CITY OF DELTA, AND CITY OF SURREY

## SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR

Figure 10: R6 Stops, Improvement to Total Assessment Ratio (2023), and Walksheds





## 6.3 DENSITY TIERS

Based on the findings from the earlier sections in this report, it is anticipated that the following density patterns could be accommodated by the market, as shown in **Figure 11** (note: a full size of the map is available in Appendix B) and described below. These areas are shown to reflect likely market-support over the forecast study period and to inform future land use planning as Delta and Surrey may have further adjustments based on additional considerations (e.g., ownership parcel delineation, transition away from the corridor, etc.).

While current industry building practices and market conditions have centered on either wood-frame construction (townhomes and low-rise apartment buildings up to 6-storeys) or larger concrete multi-family apartment buildings, the time frame of this Scott Road study also covers the longer term market outlook - 2034 and to 2051. As such, and supported by outreach conversations to some local builders and architects, it is worth considering the potential for introduction of a broader array of building materials, technologies and methods that could yield changes to the viability of certain built forms (e.g., hybrid building materials for constructing 7 to 12 storeys).

*Figure 11: Timber-Hybrid CREE 12 Storey Mixed Use Building in Toronto, Ontario,*



Source: CREE Buildings

While any new technology would need to be regulated by the BC Building Code, forward looking land use planning and policies should anticipate the potential for alternative building formats given the longer planning horizon. Though current market conditions

indicate the predominance of viable two to three-level townhouse, 5 to 6 storey wood-frame apartments and larger concrete apartment buildings, additional building formats may become more viable over the medium to longer terms. Figure 11 above is an example of a 12-storey mixed use building anticipated to start construction in December 2024, which uses a timber-hybrid construction material developed by CREE.

### **6.3.1 MORE THAN 12 STOREYS**

The areas highlighted in brown have the potential to accommodate developments of more than 12 storeys in height. There are three (3) areas suitable for developments taller than 12 storeys: 70<sup>th</sup> to 75A Avenue, 78B Avenue to 82<sup>nd</sup> Avenue, and 86<sup>th</sup> Avenue to 90<sup>th</sup> Avenue. Within the foreseeable future, and as supported by outreach to developers active in the regional and local markets, only concrete multi-family buildings of 20 storeys or more are likely to meet base development viability thresholds.

The intersections in these areas represent major east-west road connections. In the current development market, concrete is the most common building construction material for buildings taller than 12 storeys. Along the Scott Road corridor, developers clearly indicated that 20+ storeys is a critical threshold under current market conditions in supporting the viability of concrete tower projects.

### **6.3.2 UP TO 12 STOREYS**

The areas shaded in light orange have the potential to accommodate developments of up to 12 storeys in height. There are three (3) areas suitable for up to 12 storeys areas along Scott Road: between 90<sup>th</sup> and 92<sup>th</sup> Avenue, between 82<sup>th</sup> and 86<sup>th</sup> Avenue, and between 75A Avenue and 78B Avenue.

Within the current development market, the most common multi-family building forms are wood-frame – which readily supports up to 6 storeys – or a mix of concrete at base and 5 storeys of wood-frame residential on floors 2 to 6. It was noted by one developer that additional building technologies are being used outside of Canada which could potentially be feasible for use in Canada within the foreseeable future (e.g. the medium term) and which would allow for non-concrete construction for 7+ storey structures (e.g., Finnish Peikko system, or timber hybrid forms by CREE). While it will take time for the local market to adjust to such advancements in building technology and to incorporate them appropriately into market pricing, it is appropriate to allow for such forms given the potential for building technology advancement over the medium to longer term.

### **6.3.3 MULTI-FAMILY UP TO 6 STOREYS**

The areas highlighted in yellow have the potential to accommodate multi-family developments of up to 6 storeys in height. There are two (2) areas suitable for multi-family development forms up to 6 storeys along Scott Road: on the north end, encompassing the

Townline Plan (Surrey) / Townline (Delta), and on the southeast end of the study area, encompassing the Strawberry Hill Plan (Surrey)<sup>11</sup>.

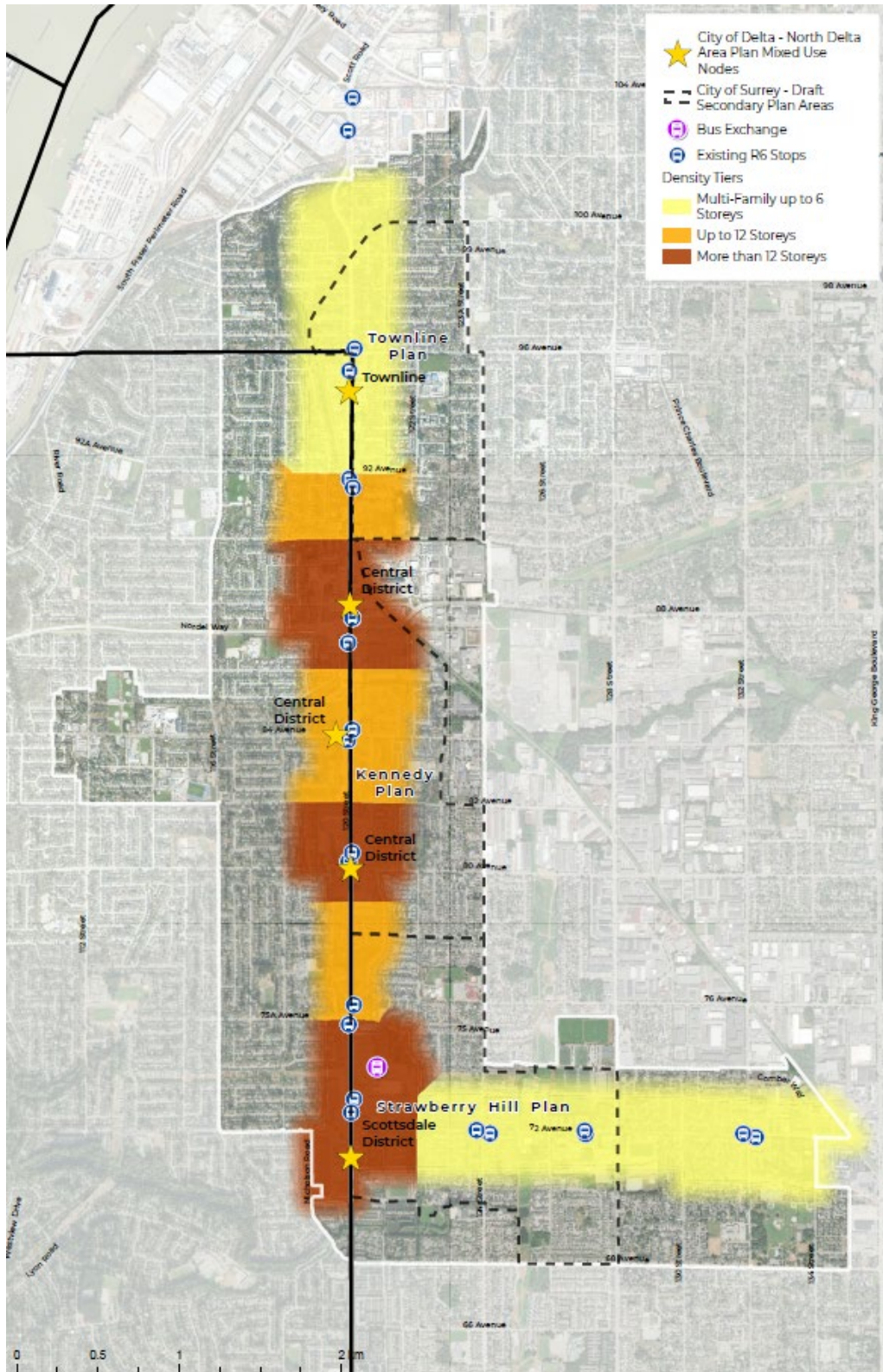
Given the relatively weaker connections to key retail areas, institutional facilities, and the existing built form, the future uses will likely support lower density development, especially with the introduction of the SSMUH legislative changes. The range of market-supportable housing typologies could include ground-oriented housing, including housing with an accessory dwelling unit, multiplexes, townhouses, and wood-frame apartments of up to 6 storeys in height.

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<sup>11</sup> We note that Kwantlen Polytechnic University is included in the Strawberry Hill Plan, and the institution's development needs will be driven by faculty, staff and student market demand which is not included within the scope of work for this report.

**METRO VANCOUVER, CITY OF DELTA, AND CITY OF SURREY**  
**SUPPLY AND DEMAND STUDY FOR SCOTT ROAD R6 – RAPIDBUS CORRIDOR**

Figure 12: Density Tiers





## 6.4 TIMING CONSIDERATIONS FOR LAND USE PLANS AND POLICIES

This section highlights considerations related to likely development timing within each of the identified density nodes along the Scott Road Corridor and areas between priority density nodes. The parcels that would likely be redeveloped first will have the fewest barriers to development, and this will be determined by a range of factors, including individual site characteristics<sup>12</sup>, complexities related to surrounding site context, and local vs. regional market conditions (including development costs and achievable sales per sq. ft. rates for new-build).

As of early 2024, market conditions create a challenging environment for developers due to higher financing interest rates and a short-term slowing of market absorption, which means developers are likely to err on the side of caution and invest in properties that are less risky (i.e., more certain development approvals process and more predictable returns on investment).

At the core, redevelopment opportunities are likely to occur when there is incentive for the developer to purchase the land and for the property owner to sell the land:

1. **Developer's incentive** - As in, the site's permitted density and use, and sales revenue will yield a residual land value that is attractive enough for developers to invest their capital dollars and financing leverage to pursue redevelopment.
2. **Property owner's incentive** - As in, the property owner can achieve their ideal selling price, which needs to be higher than the net revenue generated from the current site activities (e.g., from retail and/or housing tenants).

To encourage future development, the adoption of land use plans and policies can be timed to align with areas with the most immediate potential and to focus on permitting a range of development typologies within these areas. Based on one actively selling concrete residential tower in North Delta on Scott Road ("Walker House"), the market absorption is 10.6 units per month meaning an estimated 72% of the units were sold over a period of 18 months. On the other hand, a recent 6-storey wood-frame apartment project ("Village at Sunshine Hills"), located just outside of the study area, sold out more quickly, with market absorption of 90 units per month, meaning the project was 100% sold out within a month.

This data shows that the market requires time to absorb the units, and this timing will differ by housing typology. To encourage development throughout periods of economic change, having land use plans and policies that encourage a range of housing densities and

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<sup>12</sup> Insights from the developer outreach revealed that additional factors which delay development potential on Scott Road include land assembly costs, severance of lots (applicable to the Surrey side), and existing tenant agreements on a given site, which provide income-generating opportunities.

typologies will provide flexibility for the market to provide housing that is most suitable based on demand at any given time.

### **6.4.1 SHORT TERM**

The development typologies deemed to be most viable under current market conditions, and depending on site context, are 6-storey wood-frame apartments (including potential for at-grade commercial uses) and concrete towers, which are supported by the market to be accommodated in the “Up to 12 Storeys” areas and “More than 12 Storeys” areas.

While these two typologies are dispersed along the Scott Road corridor, the segment with the most immediate market demand is the Central District (Delta) and Kennedy Plan (Surrey). This segment of the study area comprises a mix of shopping centre sites and land parcels of smaller sizes which would be of redevelopment interest to a sliding scale of development firm sizes. On the Delta side, a 37-storey residential building exists at 80<sup>th</sup> Avenue and the recently approved Delta Shoppers Mall development application on a site north of the intersection will bring 876 units onto the market.

Due to the recently approved project, the multi-phase Delta Shoppers Mall development can potentially serve as a catalyst for residential development in this segment of the study area. The level of success achieved on this project will influence nearby property owners, who may become more interested in selling their site as the market becomes tried and tested, and this area becomes more walkable over time with the addition of an improved public realm (including street furniture, lighting, transit shelters, and other amenities). As the Delta Shoppers Mall will be constructed in phases, the units will be released in phases which will leave uptake room in the market for other development project units in this area to be absorbed.

### **6.4.2 MEDIUM TERM**

In the medium term, the market will trend towards redevelopment of larger shopping centres, many of which are anchored by big box stores. These large-scale redevelopment plans are anticipated to take time to construct as developers will time the release of units with anticipated market absorption rates and the conclusion of lease terms, wherever possible. For example, a 900-unit project at a constant monthly absorption rate of 10.6 units will take roughly seven (7) years to completely sell out.

Within the Strawberry Hill Plan, the Scottsdale Exchange TOD area will likely spur development interest, particularly as the Strawberry Hill Shopping Centre was sold to a new owner recently for \$155M<sup>13</sup>. On the Delta side, planning should consider aligning with the TOD area densities on the Surrey side. These large development sites will likely be developed in phases as tenant agreements come to an end, and will support high-intensity,

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<sup>13</sup> <https://renx.ca/riocan-sell-surrey-vancouver-strawberry-hill-shopping-centre-155m>

mixed use towers. In more established neighbourhoods, the market could support 6-storey wood-frame apartments and other multi-family housing units up to 6 storeys.

Within the northern segment of the corridor, the market for the Townline (Delta) and Townline Plan (Surrey) is similar to the yellow area in the Strawberry Hill Plan and will trend towards 6-storey wood-frame apartments and other multi-family housing units up to 6 storeys. While there is an approved high-rise residential building on the Delta side (e.g., Walker House), our findings indicated that this form may be better suited to clusters along Scott Road where the density can be supported by nearby amenities.

### **6.4.3 LONG TERM**

It is anticipated that, as the prime development sites are built out (likely in phases), the Scott Road corridor will likely become more attractive as the sense of public realm and identity is defined through increased population, walkability, increased land values and sales prices, and a growing number and quality of services/amenities to serve the resident population. This may begin to draw attention towards the shopping centres which have not been redeveloped until now, and towards some of the less ideal redevelopment sites across the three segments of the corridor. Some property owners who were not interested in selling previously may become more motivated to sell as the land values change and tenants begin to seek newer and improved spaces.

## **6.5 DEVELOPMENT FEES**

Based on the current active development applications, there are 2,064 dwelling units on the Delta side of Scott Road and 378 dwellings units on the Surrey side. While the interview findings pointed to competitive markets and some degree of misalignment between permitted densities and market opportunity as two reasons for lower development interest, a review of local development fees was conducted, as covered in the scope of work.

### **6.5.1 COMMUNITY AMENITY CONTRIBUTIONS**

This review of Community Amenity Contributions (CACs) and density bonusing policies is intended to better understand whether there are any major development cost differences in Delta or Surrey that could be influencing development trends along Scott Road corridor. CACs are a tool adopted by some municipalities in British Columbia to secure community amenities in exchange for a change in use, change in density, or both.

CACs are an agreed-upon contribution obtained by the local government at the time of rezoning. It is optional in that development could be undertaken under as-of-right conditions without a CAC.

#### *CAC Policies in City of Surrey*

The CAC program in City of Surrey is implemented in the form of a density bonus program as part of the Zoning Bylaw. In 1996, the City began utilizing density bonus legislation to assist in the provision of community amenities and continues to do so today. The approach

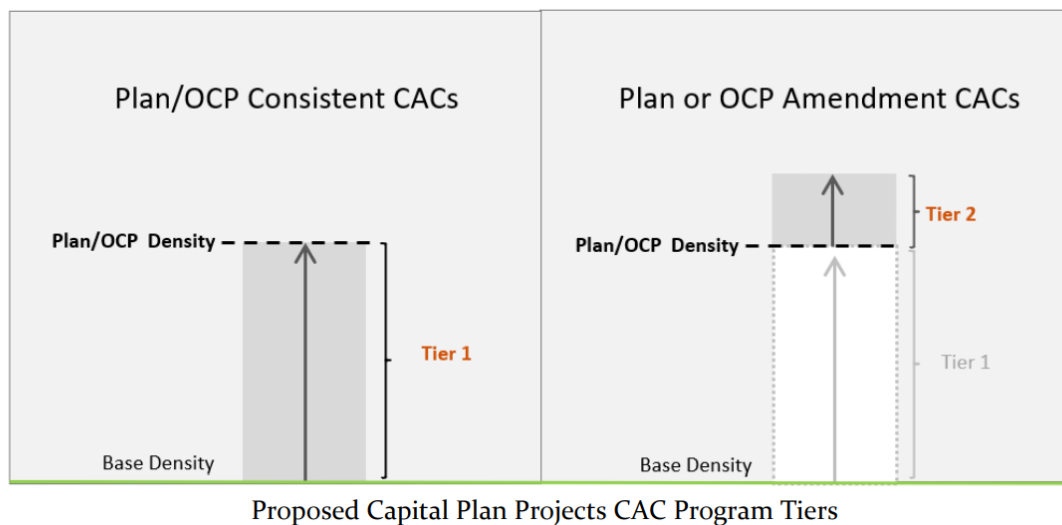
began with the City's Secondary Land Use Plans, whereby increased density was exchanged through fixed-rate contributions through a Secondary Plan and several infill area CACs to fund the provision of community facilities, amenities and services such as park development, police, fire and library materials.

Currently, Surrey's Density Bonus Program consists of two tiers of fixed-rate Capital Project CACs based on the community and whether the site is inside Secondary Plan Area, along with other universally applicable CAC contribution.

### Capital Projects CACs

The Capital Project CAC consists of two program tiers based on the proposed density relative to the base density and density allowed by the Official Community Plan (OCP). The details are summarized as follows in Figure 13 below. The rates reported are based on the latest City CACs rates in March 2024.

*Figure 13: Surrey Community Amenity Contribution Tiers*



Source: Surrey Corporate Report R224, 2019

**Tier 1 Capital Projects CACs** apply to all residential development<sup>14</sup> seeking increased density and are applicable to **the portion of units that are consistent** with the density of an existing Secondary Plan identified in Section E of Schedule G of the Zoning Bylaw or the Official Community Plan (OCP). A fixed Tier 1 CAC rate of \$4,455.70 per additional dwelling unit (beyond base density) is applied on projects outside Secondary Plan Area, while the rate for

<sup>14</sup> Excluding secondary suites, purpose-built rental (with a Housing Agreement), social or non-market affordable housing dwelling units or dwelling units used as a caretaker's residence, and non-residential uses.



projects inside Secondary Plan Area is half of the rate for non-Secondary Plan Area project (i.e. \$2,227.85 per dwelling unit).

The **Tier 2 Capital Projects CACs** apply to the Tier 2 density bonus developments in areas of the City where development density increases are proposed greater than those identified in the Official Community Plan. In most cases, a flat-rate community-specific capital project CAC would apply, except for projects involving major Official Community Plan (OCP) amendment where negotiated CACs at a targeted rate of 75% of land lift would apply.

#### **Universally applicable CAC contribution**

Other universal applicable CACs in the City of Surrey are listed as follows:

- **Affordable Housing CACs:** The Affordable Housing CACs are applied to any city-wide re-zoning or subdivision that permits an additional residential dwelling unit in excess of the minimum density permitted in that Zone. The fee for the affordable housing CACs is \$1,113.92 per residential unit.
- **Secondary Plan and Infill Area CACs:** The Secondary Plan and Infill Area CACs is applied to any rezoning for additional bonus density within a Secondary Plan or Infill area identified in Surrey Zoning Bylaw in Schedule G - Section D. In the Scott Road corridor, none of the areas fall within the Secondary Plan or Infill area identified.
- **Public Art Contribution:** The Public Art Contribution applies to re-zoning that includes more than 10 dwelling units, and/or any rezoning for Commercial or Industrial with a total floor area of greater than 1,000 square metres. The Public Art contribution is a fixed rate of 0.50% of the total project construction cost. Public Art Contributions may also include (in-kind) contributions towards public art.

#### ***CAC Policies in City of Delta***

In 2021, the City of Delta implemented Parks, Recreation and Culture Amenity Contributions (PRCAC) Policy to fund community amenities, where the priority amenities to be funded are primarily Parks, Recreation and Culture projects.

A blended methodology with both a flat rate as well as a negotiated project-specific land lift analysis approach is applied for new multi-unit and/or mixed-use developments except the Ladner Village Exempt Area in the Ladner Village Renewal Area. On April 22, 2024, the new Delta OCP passed third reading at Council which requires a community amenity contribution for all new development along Scott Road corridor and in other urban centres with buildings taller than 6 storeys in building height. Projects over 18 storeys are expected to include a rental and non-market housing contribution.

A city-wide flat rate PRCAC of \$1,000 per unit is applicable for all typical multi-unit residential and mixed-use rezoning applications involving more than three units which are consistent with existing Official Community Plan land use designations. For unique large projects that involve rezoning for buildings more than six storeys or Official Community Plan amendments, the City negotiate a project-specific amenity contribution with developers at a targeted rate of 25 percent of the calculated land lift.

Purpose-built rental housing<sup>15</sup>, townhouses, affordable non-profit housing and institutional developments (i.e. civic, educational, faith-based or care facilities, etc.) are exempt from providing a PRCAC.

## 6.5.2 DEVELOPMENT COST CHARGES (DCC)

Both the City of Delta and the City of Surrey implement Development Cost Charges (DCC) at a municipal level. On top of municipal DCCs, developments are also subject to Metro Vancouver DCCs and Translink DCCs.

The following table summarizes the DCCs for both the City of Surrey and the City of Delta. Under the 2023 DCC Program of the City of Delta which has been approved in 2024 January, the change in rates will come in two stages: changes in rates for the Date of Adoption (Stage 1) and 366 days after the Date of Adoption (Stage 2), so both the Stage 1 and 2 DCCs rates have been included.

Surrey <sup>16</sup> (Based on 2024 approved rates)		Dwelling Type	Delta	
			Approved, Stage 1	Approved, Stage 2
Low Density (RM-10, RM-15, RM-30, RC(III))	\$29.63/unit sq. ft. (Maximum \$51,847/unit)	Townhomes	\$9,873/unit	\$13,413/unit
Mid-density (RM-45, RM-70)	\$33.47/unit sq. ft. (Maximum \$45,191/unit)	Apartment	\$7,202/unit	\$9,822/unit
Medium-High Density (RM-135, RMC-135, RMC-150)	\$33.18/unit sq. ft. (Maximum \$41,473/unit)			

Source: Urban Systems based on City of Surrey and City of Delta

Two hypothetical development examples are listed to compare the difference in DCCs between City of Surrey and City of Delta.

### Example 1: 6-storey Wood-frame Apartment

Assuming the site has a size of 0.8-acre, a floor space ratio (FSR) of 2.6 and 56% site coverage, an average unit size of 654 square feet (sq. ft.) with a total of 118 units.

- DCC for City of Surrey (Based on Medium-high density rates)  
= \$33.18 x 654 x 118 = \$2,560,567

<sup>15</sup> Purpose-built market rentals over six storeys may require the provision of on-site amenities above zoning requirements.

<sup>16</sup> Non-City Centre rates are applied in correspondence to the geographical location of the Scott Road Corridor.

- DCC based on Delta's approved Stage 2 rate =  $\$9,822 \times 118 = \$1,158,996$

The DCC expenditure for this hypothetical apartment project in Surrey is roughly double that in Delta based on the proposed new Stage 2 DCC rates.

### **Example 2: Townhouse Development at 0.68 FSR**

Assuming the site is 0.8 acre in land area, has a floor space ratio (FSR) of 0.68, with an average unit size of 1,500 square feet (sq. ft.) with a total of 16 units.

- DCC for City of Surrey (Based on Low density rates)  
=  $\$29.63 \times 1,500 \times 16 = \$711,120$
- DCC based on current City of Delta rate =  $\$8,252 \times 16 = \$132,032$   
DCC based on Delta's proposed Stage 2 rate =  $\$13,413 \times 16 = \$214,608$

The DCC expenditure for this hypothetical apartment project in Surrey is over three times that of Delta based on the proposed new Stage 2 DCC rates.

## **7.0 TEST SITES**

As part of this study, we evaluated six hypothetical but high potential redevelopment sites from a high-level market-driven development perspective to better understand what development typologies might occur and when the market would be well aligned with development. These reviews were informed by our assessment of market trends, market demand as well as developer outreach. There are three sites for Delta and three sites for Surrey, distributed across the three segments of the Scott Road corridor. Our review of trends, interviews with developers, and retail modelling are not showing significant amounts of incremental retail opportunity for this corridor, but there is clear untapped potential for significantly more intensive residential development.

These test sites do not represent actual development applications, nor have they been explicitly tested for more detailed financial viability, as this more detailed site-specific analysis – including development proforma analysis – would need to be undertaken as a separate, complementary piece of work.

### **7.1 NORTH END – TOWNLINE / TOWNLINE PLAN**

#### **7.1.1 DELTA SITE 1**

- Address: 9441-9465 120 St, Delta, BC
- Existing use: Commercial strip mall built in 1971.
- Site size: 28,000 square feet in site size
- Site Assembly Required for Redevelopment: No

The market supportable redevelopment use for this site would likely be 6-storey wood-frame apartments with underground parking. To the immediate west of the site are light industrial uses (e.g., warehousing, storage, etc.) backed against a rail corridor which does not facilitate high amounts of vehicle or foot traffic. As such, at-grade retail uses would be limited to local serving businesses. In addition, parking requirements could be difficult to meet on this site unless an additional site is acquired.

Based on our research, the market would support the development of these sites over the short to medium term (5 to 10 years) given the appropriate land use plans and zoning are in place to support the use, especially if any nearby properties are redeveloped first.

This site falls within the “multi-family up to 6 storeys” density tier (in the Townline District), as shown previously in **Figure 12**.

*Figure 14: Delta Site 1*



### 7.1.2 SURREY SITE 1

- Address: 9412, 9430, 9444, 9450, 9470 120 St, Surrey, BC
- Existing use: Commercial strip mall built in 1977
- Site size: 158,343 square feet in site size
- Site Assembly Required for Redevelopment: Yes



This site offers challenges from a development perspective due to the number of distinct properties and related ownership (e.g., 4 individual properties and 1 stratified property) and the shared surface parking lot. The market supportable redevelopment use for this site would likely be 6-storey wood-frame apartments with a shared underground parkade. Immediately adjacent properties include townhouses to the east and light industrial uses to the north and west.

If this site were to be assembled and redeveloped, the resulting retail footprint in a mixed-use development format would likely be at – or slightly below – the current commercial footprint.

*Figure 15: Surrey Site 1*



Based on the existing ownership structure of the lot, this site would likely be redeveloped over a longer period (10+ years). Typically, a significant price premium over assessed value is required to incent property owners to vend land into a land assembly for development (often 20%+ over assessed value).

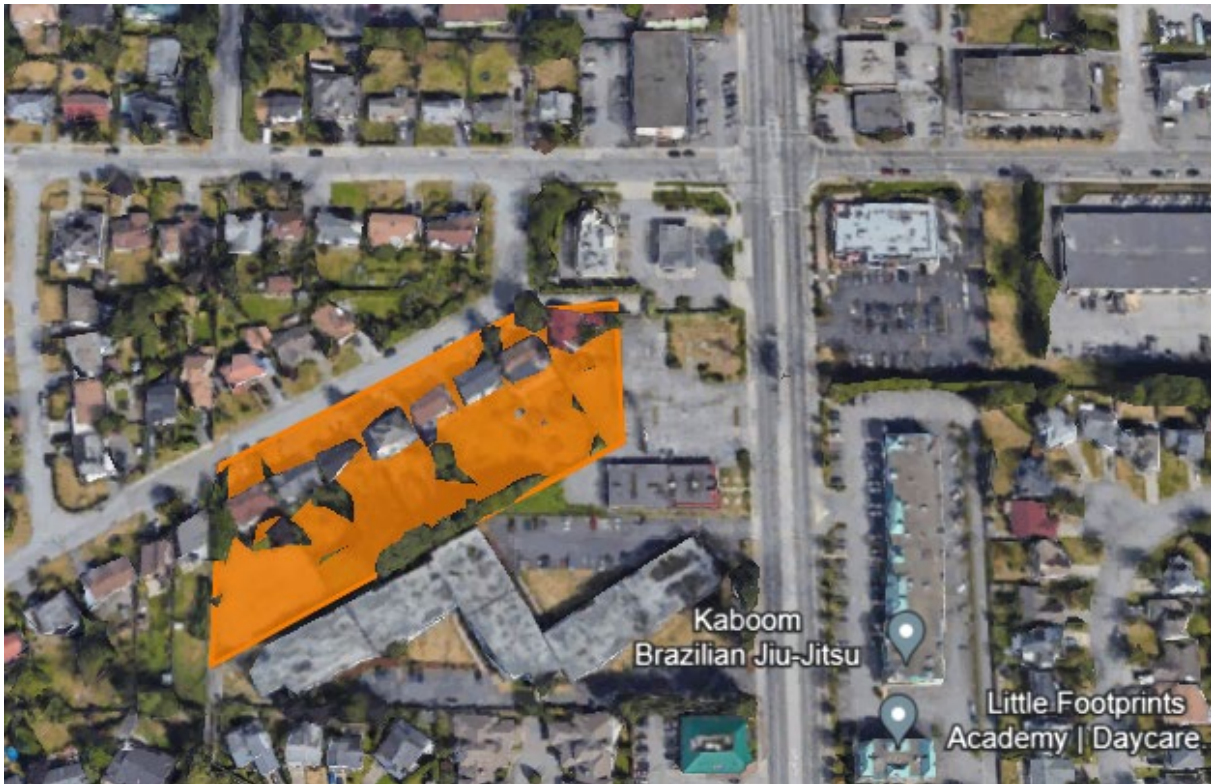
This site falls within the “multi-family up to 6 storeys” density tier (in the draft Townline Plan area), as shown previously in **Figure 12**.

## 7.2 CENTRAL – CENTRAL DISTRICT / KENNEDY PLAN

### 7.2.1 DELTA SITE 2

- Address: 11902-72 85A Avenue, Delta, BC
- Existing use: Eight (8) single-detached dwelling units
- Site size: 91,000 square feet in site size
- Site Assembly Required for Redevelopment: Yes

Figure 16: Delta Site 2



The market supportable redevelopment typology for this site would likely be primarily 6-storey wood-frame apartments with shared underground parking, with potential for site edge townhouses. The site would be too small to allow for townhouse-only development unless additional sites are acquired, as developers stated a strong preference for sites of three (3) to four (4) acres with sufficient site depth to allow for double-loaded townhouse rows. Furthermore, a BC Hydro Corridor runs along the back end of the properties so these sites would be limited for future development.

If a similar and larger site area could be acquired that is nearby to this site, there is potential for it to be developed into a larger, phased development project with a larger mixed-use building adjacent to the corridor and 6-storey wood-frame apartments tucked behind the corridor. The immediate surrounding areas include a range of development typologies,



including single-detached houses, low-rise apartments and some commercial uses with low site coverage.

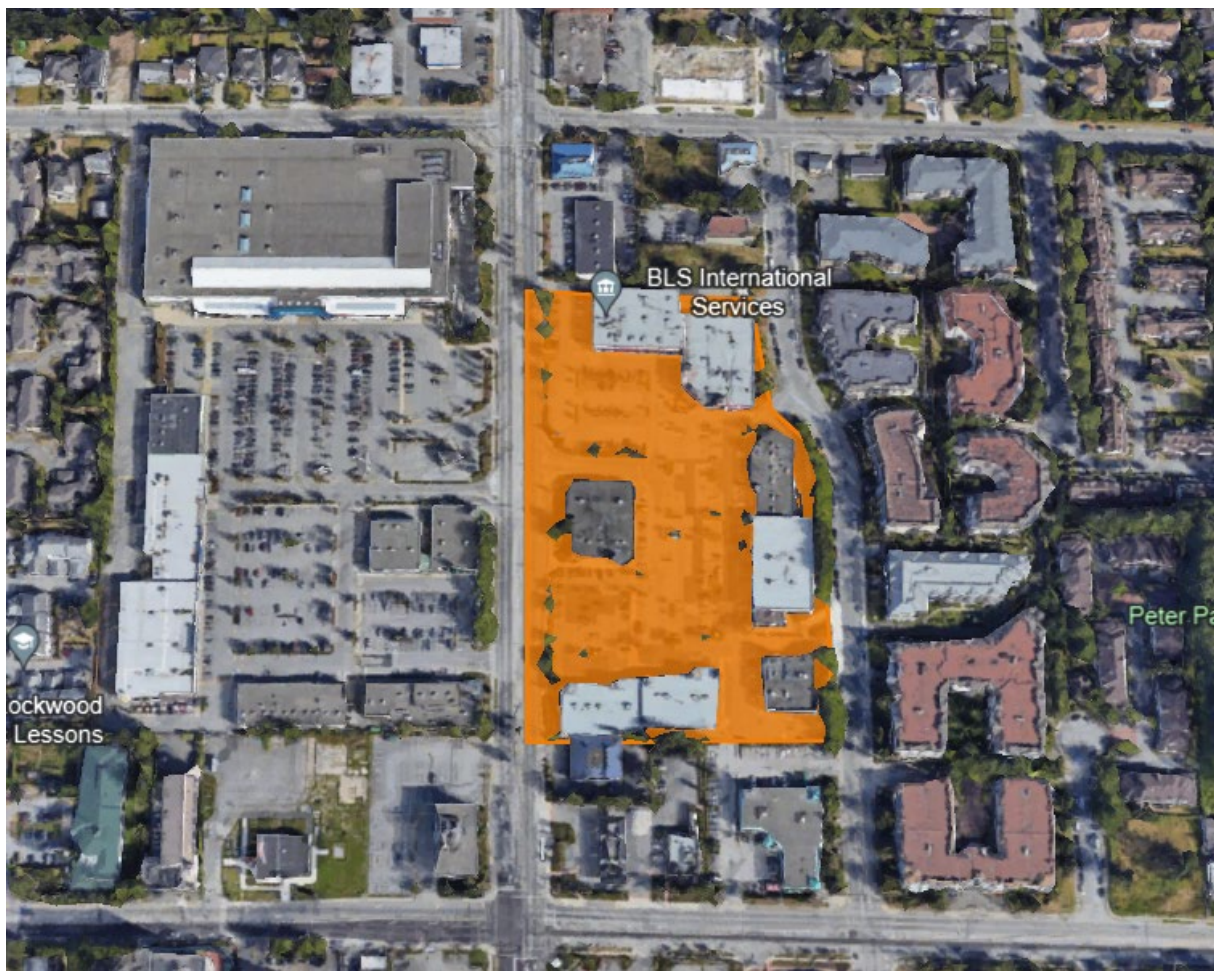
Based on our research, the market would support the development of these sites over the short to medium term (5 to 10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “up to 12 storeys” density tier (in the Central District), as shown previously in Figure 12.

## 7.2.2 SURREY SITE 2

- Address: 8066-8080 120 Street
- Existing use: Scott Road Centre built in 1989 and 1990
- Site size: 320,000 square feet in site size
- Site Assembly Required for Redevelopment: No

Figure 17: Surrey Site 2



The redevelopment use of this site would need to generate higher value than the current use of the site as a commercial strip mall. The market supportable use for this site would be a large scale, phased development including high-rise mixed-use buildings along the corridor and 6-storey mixed-use wood-frame apartments tucked behind the corridor, transitioning down to the existing 4-storey apartments. Other surrounding land uses on the Delta side are commercial shopping centres, one high-rise building and a recently approved master-plan development of just under 900 units (Delta Shoppers Mall).

Based on our research, the market would support the development of these sites to begin in the medium term (10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “more than 12 storeys” density tier (in the draft Kennedy Plan area), as shown previously in **Figure 12**.

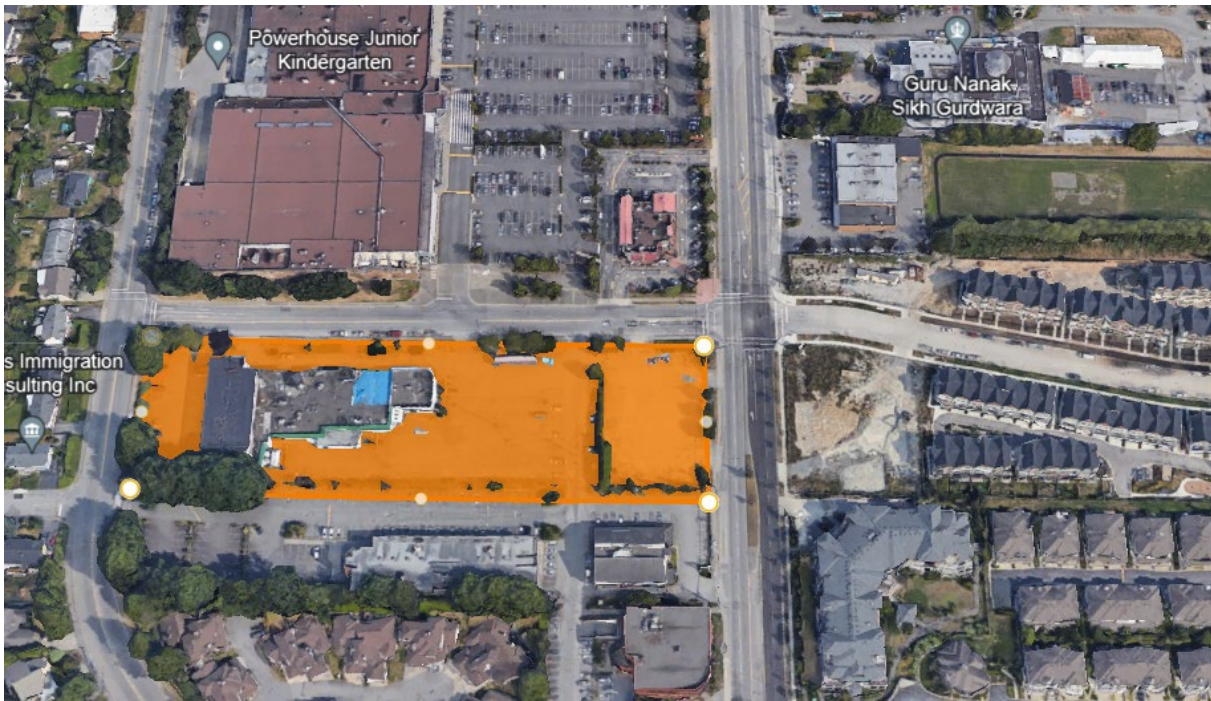
## **7.3 SOUTH END – SCOTTSDALE DISTRICT / STRAWBERRY HILL PLAN**

### **7.3.1 DELTA SITE 3**

- Address: 11920 70 Avenue, Delta
- Existing use: Vacant lot
- Site size: 93,650 square feet in site size
- Site Assembly Required for Redevelopment: No



Figure 18: Delta Site 3



Note: The satellite image above shows a building which has since been demolished.

Over the short term, the market supportable redevelopment for this site would most likely support 6-storey wood-frame apartments with shared underground parking. Over the medium to longer term, more dense, mid-rise (or higher) residential buildings are likely supportable (12 storeys or taller). It would be situated north of a recent 6-storey wood-frame apartment and just south of site. Given its proximity to Scottsdale Mall, developers of this site are likely to approach at-grade commercial opportunities with caution.

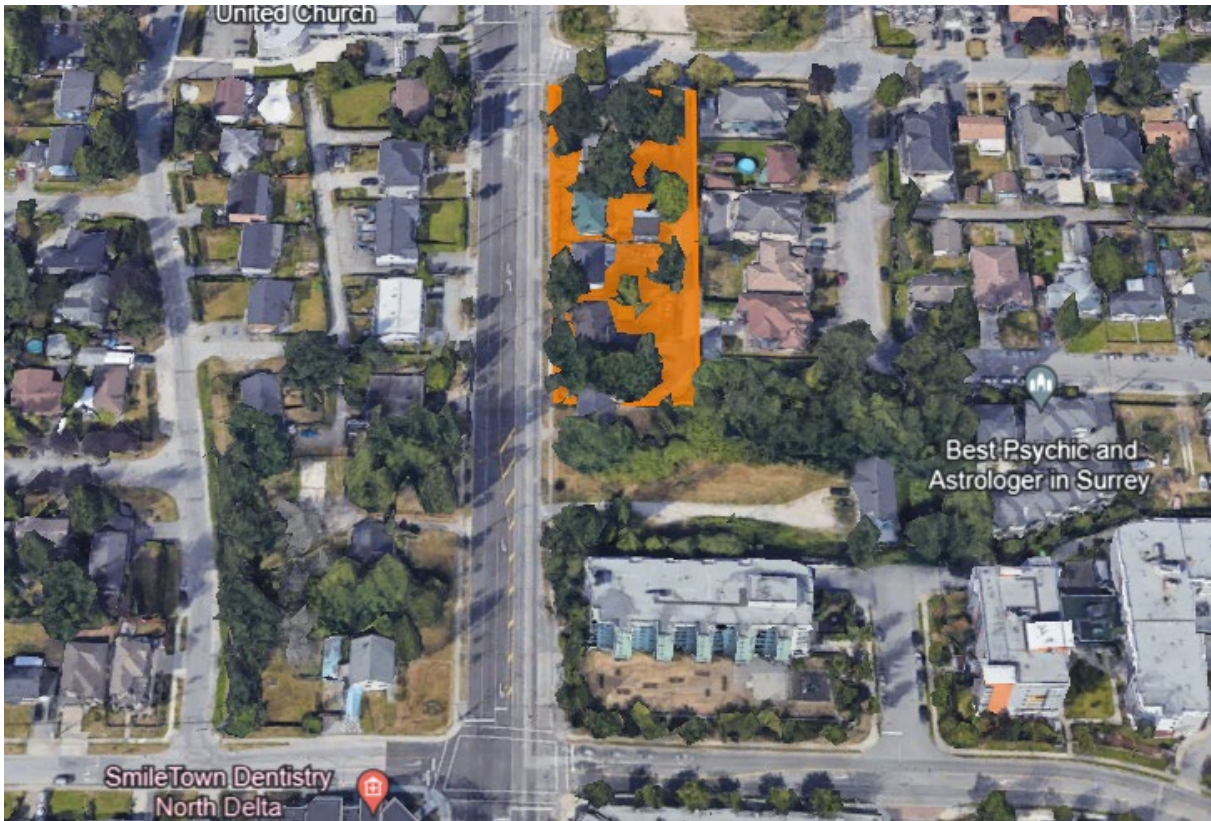
Based on our research, the market would support the development of these sites over the short to medium term (5 to 10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “more than 12 storeys” density tier (Scottsdale District), as shown previously in Figure 12.

### 7.3.2 SURREY SITE 3

- Address: 7626 120 Street, Surrey
- Existing use: Five (5) single-detached dwellings
- Site size: 52,000 square feet
- Site Assembly Required for Redevelopment: Yes

Figure 19: Surrey Site 3



The market supportable redevelopment use for this site would likely be 6-storey wood-frame apartment with shared underground parking. The market is not likely to support any additional commercial-retail uses on site given the extent of commercial-retail space currently in the South Scott Road retail trade area. Immediate surrounding land uses on the Surrey side are single-detached dwellings and a mid-rise wood-frame apartment.

Based on our research, the market would support the development of these sites over the medium term (10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “up to 12 storeys” density tier (in the draft Strawberry Hill Plan area), as shown previously in Figure 12.

## 8.0 FINDINGS

The introduction of the R6 RapidBus service along Scott Road has increased the walkability, multi-modal accessibility, and general market appeal of the Scott Road corridor. In turn, increased transit access and frequency generally supports higher redevelopment potential opportunities along the corridor, with higher density nodes to be located at key intersections with important east-west road connections. Key findings from the report are summarized below, arranged by common theme.

### Aligning Land Use Plans and Policies

- The Scott Road corridor offers an opportunity for Delta and Surrey to better align their planning objectives for key priority nodes along the corridor.
- The market wants to provide increased density throughout the corridor, including higher density redevelopment opportunities within the major density nodes and more modest levels of density in areas between these higher priority locations.
- Development fees are not a significant factor in terms of relative overall development attractiveness on either side of the corridor, however, land use plans and policies need to be balanced on both sides when it comes to introducing policies around market rental or below-market rental housing requirements, as these requirements could impact development viability.

### Providing Flexibility to Accommodate Residential and Commercial Development Market Demand

- Scott Road corridor is ideally suited to provide a wider array of housing typologies and tenures, which would more directly support increased transit usage. This also provides flexibility for developers to meet market demand.
- While our analysis has modelled “low growth” and “high growth” demand projection scenarios, it is possible that the extent of higher density nodes within and outside of the corridor offer more intensive competition than is currently being recognized. Under this condition, there could be potential for a slightly lower market demand scenario which would shift our projections presented here to “medium growth” and “high growth” scenarios.
- There are several high-performing single-use shopping centres on both sides along the corridor which are likely to persist as income-generating properties through at least the medium term.
- Given the extent and quality of retail-commercial supply along the corridor, developers are likely to approach redevelopment scenarios with considerable caution with respect to provision of at-grade commercial floor area.

### **Building on Development Activity Momentum**

- Current development activity levels (as measured by proposed units under planning approvals) are higher on the Delta side than on the Surrey side of the corridor. This provides an opportunity for Delta and Surrey to complement their planning initiatives at key density nodes and to build on recent levels of development interest.
- There is more market uncertainty around the redevelopment timing of the Strawberry Hill Shopping Centre, as the site has recently changed ownership. Due to this, the development of the Strawberry Hill Plan should be prioritized after the development of the Kennedy Plan.

### **Phasing of Neighbourhood Plans**

- Due to the high development activity levels on the Delta side in the Central District (on the Delta side), it would be worthwhile for Surrey to consider prioritizing the development of the Kennedy Plan first.
- A review of market conditions and current land use patterns suggests that Surrey could undertake the development of the Townline Plan following both the Kennedy Plan and Strawberry Hill Plan.

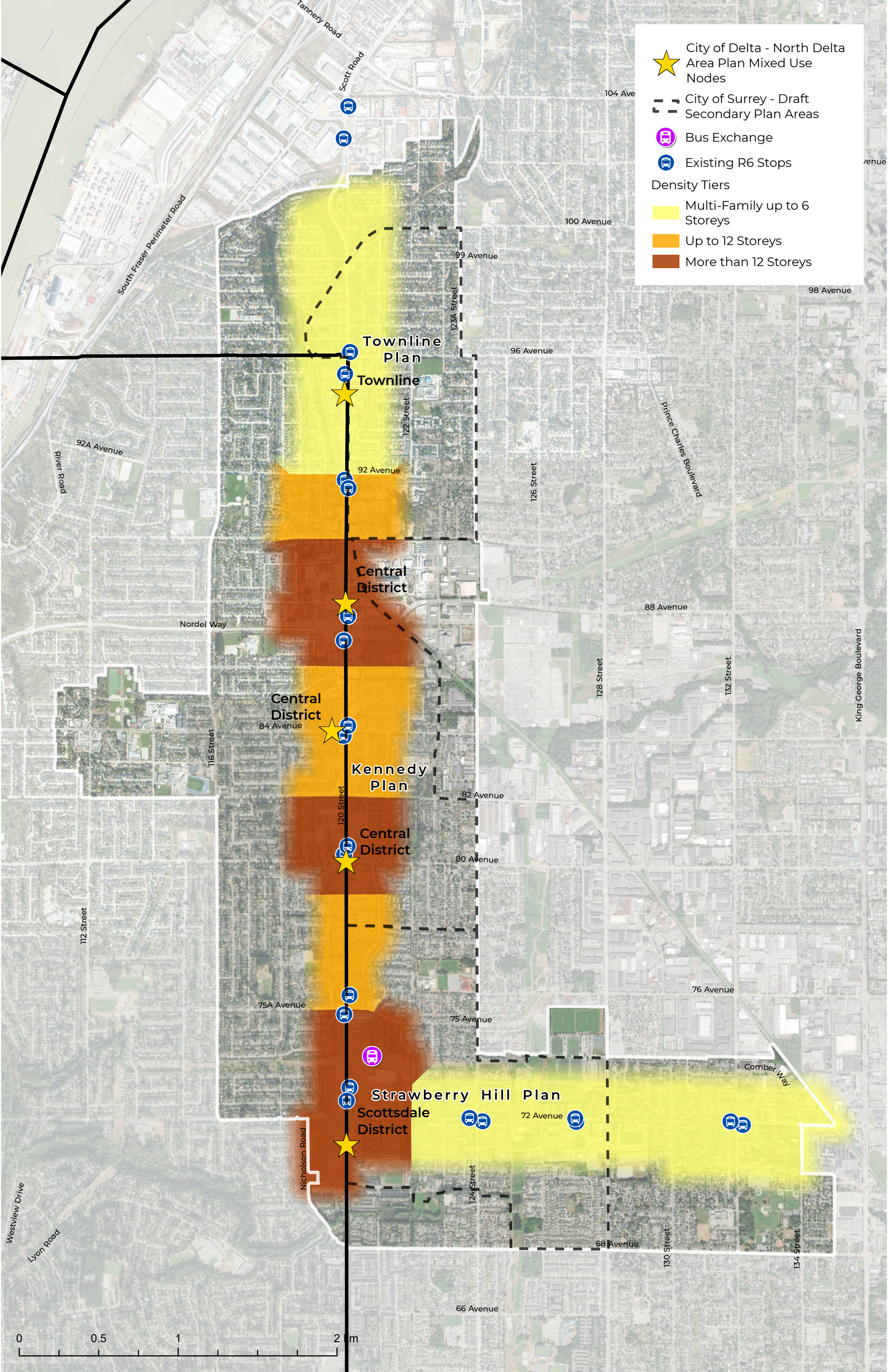




# APPENDIX

## Density Tiers (Full Size)





City of Delta - North Delta  
Area Plan Mixed Use  
Nodes



City of Surrey - Draft  
Secondary Plan Areas



Bus Exchange



Existing R6 Stops

Density Tiers



Multi-Family up to 6  
Storeys



Up to 12 Storeys



More than 12 Storeys





City of Delta  
COUNCIL REPORT  
Regular Meeting

To: **Mayor and Council**

File No.: **P19-13**

From: **Development Department**

Date: **July 10, 2024**

---

**Supply and Demand Study for Scott Road**

---

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATION:**

THAT Council receive the attached Supply and Demand Study for Scott Road for information.

---

▪ **PURPOSE:**

This report presents the Supply and Demand Study for Scott Road for Council's information (Attachment A).

▪ **DISCUSSION**

In July 2023, a Supply and Demand Study for Scott Road (the "Study") was commissioned jointly by Delta, City of Surrey, and Metro Vancouver to support land use planning and policy decisions along the Scott Road Corridor. The Scott Road Corridor is one of the busiest rapid transit corridors in Metro Vancouver and received RapidBus service from TransLink starting in January 2024. Delta's 2024 Official Community Plan identifies the Scott Road Corridor for the City's highest density forms of development.

The Study provides insights for market-supportable development opportunities and typologies along the Scott Road Corridor (Corridor). Delta staff provided data on Delta's development pipeline and relevant BC Assessment Census data for properties within the study area, and worked with project partners. The Study integrates population projections, market data, development fees, and interview findings to provide a broad picture of potential commercial and residential development opportunities over the short and long term. Key findings are summarized below.

**Development Potential**

- There is market demand for higher density throughout the corridor, with higher density nodes and more moderately dense areas in between.
- Providing flexibility to accommodate residential and commercial development will help potential developments better meet market demand.

- There are several high-performing single-use shopping centres on both sides along the corridor, which are likely to persist as income-generating properties through at least the medium term.
- Developers identified nodes at 72 Avenue, 80 Avenue, and 88 Avenue to be primary opportunities for redevelopment on the Delta side of the corridor.
- As of September 2023, development activity levels were higher on the Delta side than the Surrey side of the corridor.

### **Development Approvals and Land Use Planning**

- Development fees do not appear to be a significant factor affecting development attractiveness for either Delta or Surrey.
- There are opportunities for Delta and Surrey to align planning objectives along the Corridor for priority nodes. It will be especially important to collaborate regarding any potential specific requirements for rental or non-market rental housing contributions.
- Developers noted that Delta's approachable and interactive development approvals process made it easier to develop on the Delta side of the corridor, However, Surrey's approach to neighbourhood plans better supports exploration of potential opportunities.
- Surrey is developing neighbourhood plans for the corridor and is advised to consider developing them in the following order: Kennedy (between 90 Avenue and 78 Avenue); Strawberry Hill (south of 78 Avenue); then Townline (north of 90 Avenue).

Findings from this Study informed the preparation of the height map for the Scott Road Corridor as part of the 2024 Official Community Plan.

#### **▪ NEXT STEPS:**

This Study offers insights into market demand that will be helpful for land use planning and policy work along the Scott Road Corridor. This includes developing a density bonus framework to determine levels of community contributions that can be supported given development potential. It also includes potential future work related to defining rental/non-market housing expectations for medium to high density developments.

#### **Implications:**

Intergovernmental Implications – City of Surrey will present the Study to Surrey City Council at a future meeting. Metro Vancouver will present the Study to the Regional Planning Committee at a future meeting.

Financial Implications – There are no financial implications.



▪ **CONCLUSION:**

This report presents a Supply and Demand Study for Scott Road for Council's information, highlighting key findings regarding development potential and land use planning. Study results have been incorporated into the 2024 Official Community Plan and will be helpful for on-going land use planning and policy work.



Doreann Mayhew  
General Manager, Development

Department submission prepared by: Emily Gray, Acting Senior Community Planner  
EG/rl

▪ **ATTACHMENT:**

A. Supply and Demand Study for Scott Road Corridor

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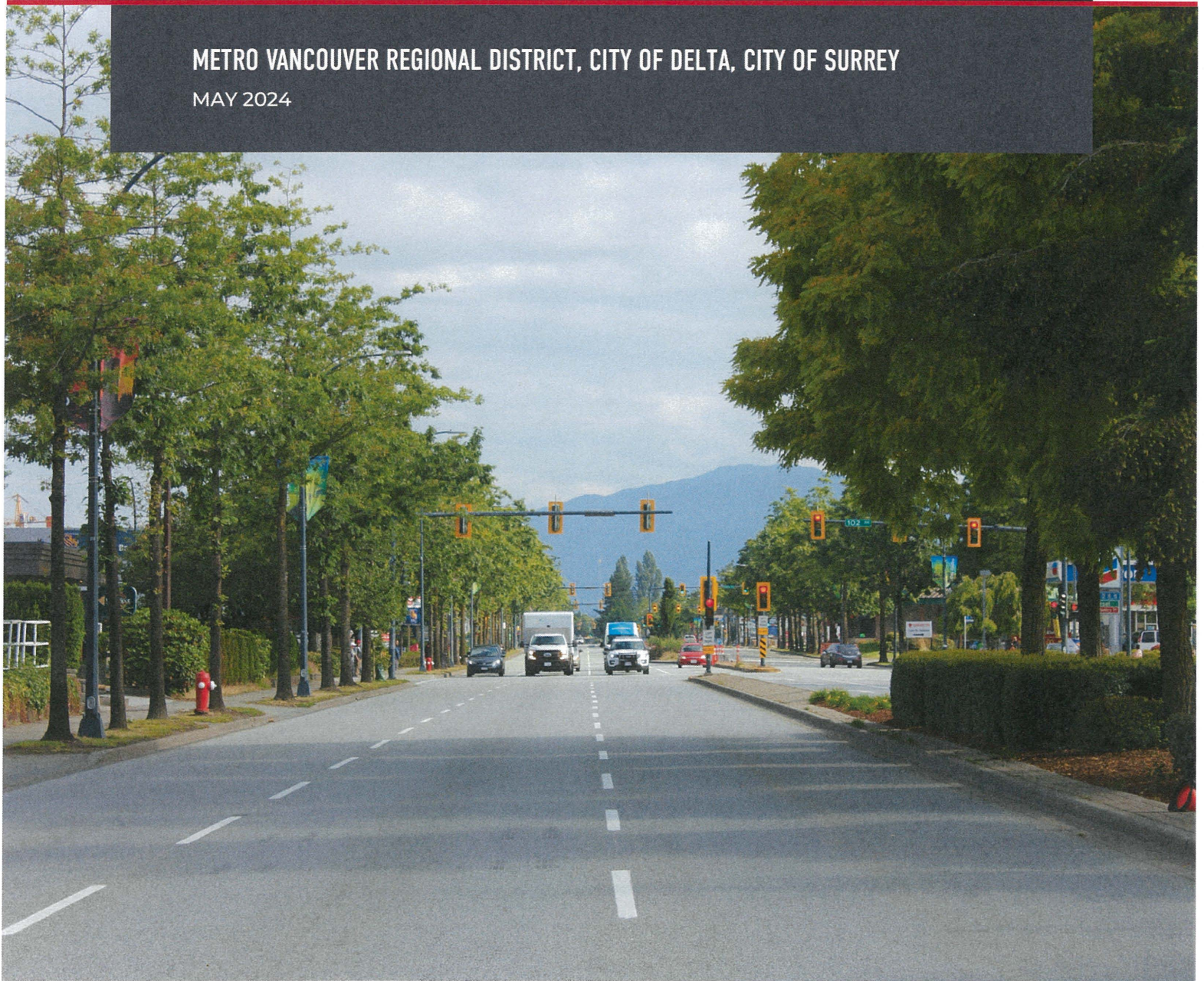


**URBAN**  
SYSTEMS

# SUPPLY AND DEMAND STUDY FOR SCOTT ROAD

R6 RAPIDBUS CORRIDOR

METRO VANCOUVER REGIONAL DISTRICT, CITY OF DELTA, CITY OF SURREY  
MAY 2024





**PREPARED FOR**

Metro Vancouver Regional District  
City of Delta  
City of Surrey

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DATE: MAY 28, 2024

FILE 1311.0047.01

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## EXECUTIVE SUMMARY

Implementation of the R6 RapidBus service has enhanced both the walkability and market appeal of the Scott Road corridor. With increased transit accessibility, there emerges promising potential for redevelopment opportunities along this key north-south thoroughfare. This market-driven report underscores the identification of strategic opportunities for Delta and Surrey to align their planning objectives, particularly within key priority nodes, including timing considerations.

The following are key takeaways from the analysis:

- The Scott Road corridor presents itself as an opportunity to accommodate a broader range of housing types and densities, which has the potential in turn to better support increased transit ridership, and from a market perspective, to provide developers with greater flexibility to meet housing demand as it evolves.
- Population and dwelling projections are presented in "low growth" and "high growth" scenarios to provide an estimated range of future market demand. There are uncertainties surrounding the timing of redevelopment for large sites, which could create market absorption challenges from a developer's standpoint. These larger sites are also likely to be developed in phases, and developers tend to adjust to market conditions based on lessons learned from earlier project phases.
- Presently, levels of development activity are notably higher on the Delta side, indicating opportunities for Delta and Surrey to complement each other's planning initiatives at key density nodes. Under current market conditions, the most viable development typologies along the Scott Road corridor are 6-storey wood frame apartments (including potential for at-grade commercial uses) and concrete towers.
  - This study assesses the development potential in the categories of "Up to 12 Storeys" and "More than 12 Storeys" areas in order to account for the long term evolution of advanced building technologies, approaches, and materials of hybrid construction materials which may enable the development of 7 to 12 storey buildings.
  - Major density nodes are anticipated to emerge at intersections such as 72nd Avenue, 80th Avenue, 88th Avenue, and 92nd Avenue along Scott Road. These intersections with Scott Road exhibit varying levels of improvement to total assessment ratios, along with surrounding land use context indicating potential for mixed-use redevelopment or further development triggered by recent redevelopment activities.

- Other intersections with R6 RapidBus stops, including 96th Avenue, 84th Avenue, and 75th Avenue, may not show large areas with low improvement to total assessment ratios but still harbor smaller sites with high redevelopment potential. These sites are expected to accommodate medium nodes of density due to existing built form.
- Despite assuming a high growth scenario for retail-trade evaluation purposes, the anticipated incremental opportunity for the Scott Road study area from a retail-commercial perspective is expected to be modest. While the study area presents significant opportunities for redevelopment intensification and integration of higher-density residential uses, developers are more inclined to pursue development plans that either maintain current commercial footprints or, in some cases, rationalize current commercial space into a slightly more modest amount of new commercial floorspace. This is in part due to more focused reinvestment in major comparison retail centres and clusters outside the study area, coupled with current area business needs to increase annual revenues to maintain parity with cost-side escalation.
- Although development fees, including development cost charges and community amenity contributions, do not exert a significant influence on development attractiveness on either side of the corridor, there exists a pressing need for balance in land use plans and policies, particularly concerning future consideration of any market rental or below-market rental housing requirements.
- Due to the high levels of development activity observed on the Delta side, the report recommends prioritizing the area around Kennedy Plan for development first. Subsequently, the formulation of the Strawberry Hill Plan can be undertaken, followed by the Townline Plan, which will be contingent upon a comprehensive review of market conditions and current land use patterns.

## 1.0 INTRODUCTION

### 1.1 PURPOSE

Metro Vancouver in partnership with the City of Delta and the City of Surrey commissioned this Scott Road market study to support planning efforts being undertaken for the Scott Road corridor given the introduction of R6 RapidBus transit service, which launched in January 2024. The objective of this report is to provide insights related to market-supportable development typologies along the Scott Road Corridor given historical trends, developer experience and sentiment, the extent of competitive residential and retail nodes located outside the study area (e.g. SkyTrain-oriented locations) and its expanded role as a high frequency transit corridor.

This report is intended to provide market commentary intended to support the City of Delta, City of Surrey, and Metro Vancouver in making land use policy and planning decisions. Through this report, the authors have provided:

- Historical residential development trends and forecast likely demand for residential units given anticipated population growth pressures along the Scott Road Corridor over the next 10-20+ years;
- Anticipated retail-commercial demand along the Scott Road Corridor, driven by a clear understanding of potential population growth and related residential intensification;

This report is intended to:

- Inform updates to the Official Community Plan, including designation of the Scott Road Corridor as a Frequent Transit Development Area;
  - Inform future Surrey policy decisions through the identification of high priority density nodes and to support related sub-area planning initiative; and
  - Advance key goals of the Metro Vancouver's regional growth Strategy, *Metro 2050*.

### 1.2 APPROACH

This study integrates population projections, market data, analysis of local government development fees, and interview findings with development industry stakeholders to provide a broad picture of potential commercial and residential development opportunities along Scott Road corridor over the short vs. medium to longer terms. Planning timeframes referred to throughout this report are defined as:

- **Short term:** 2024 to 2029
- **Medium term:** 2029 to 2034



- Long term: 2034 to 2051

Market data is collected to reflect the economic reality, including challenges and opportunities that the development industry is experiencing in Delta and Surrey through the last quarter of 2023. The slowdown in the development industry is not limited to these two markets as higher interest rates and construction costs have impacted the development industry across the nation and the Metro Vancouver region.

A total of nine (9) interviews were conducted between November 2023 through to the end of January 2024. This outreach included a cross-section of development industry stakeholders on either side of Scott Road and other relevant development and property organizations who are not currently active along the corridor.

### 1.3 LIMITATIONS TO THIS STUDY

As with any projections work, the forecasting is subject to further uncertainty, such as new policies or unexpected changes in socio-economic conditions, as the time horizon expands. This makes the estimates for longer time horizons generally less reliable and therefore related implications must be considered with some caution. As such, the projections are presented in this report for the time horizons highlighted below:

- Population and household projections are from 2024 to 2051
- Dwelling projections are from 2024 to 2034
- Commercial-retail projections are from 2024 to 2041

This study does not provide estimates of the financial performance of possible future urban redevelopment projects, as this level of site-specific feasibility testing is beyond the scope of this study.

This section outlines the data sources and limitations to each data source.

- BC Statistics Population Projection: The BC Stats population projections at the municipal level (i.e. City of Surrey and City of Delta) are used as the basis to determine overall growth in each municipality, and two sets of shares of the future population based on possible demand scenarios (Low Growth scenario, and High Growth scenario) on each side of the Scott Road corridor relative to the municipal population are then applied to derive the future population growth in the study area.

As noted by BC Stats, the population projections are based on existing immigration policies and observed historical trends assuming that the population dynamics will return to pre-COVID19 pandemic trend lines, changes in immigration policies and unobserved long-term impacts from the pandemic have not been captured in the projection and could have significant impacts on future population growth.

- **Environics:** Environics data is used to inform the estimated 2018 and 2021 census population and dwelling structural type data for the study area. These are determined through a custom-defined geographical area extracted by Enrich tool at the Dissemination Area (DA) level. Out of the 28 DAs, eight had areas outside of the study area. In these occurrences, the Enrich tool calculates households falling within geographic boundaries and then apportions all the Census variables based on known household numbers at the DA level
- **Retail:** Urban Systems has assessed the retail spending potential (and thus market support for commercial floor area) for the Scott Road corridor based on trade area population growth and spending by category as quantified in its proprietary retail demand model. This model adapts provincial level retail sales data by North American Industry Classification System (NAICS) category to local geographies (i.e., local trade areas) by extrapolating relationships between income levels and spending by category, and deriving the market supportable area by assessing potential on-site spending based on trade-area-specific market shares and market-supportable floor area. This demand model has proven reliable in assessing potential for both site-specific and study area development and redevelopment opportunities.

#### 1.4 DISCLAIMER

This document contains estimates and forecasts of future growth and urban development prospects and opinions regarding likelihood of approval of development projects. All such estimates, forecasts, opinions, and recommendations are based in part on forecasts and assumptions regarding economic growth, policy, market conditions, development costs and other variables. The assumptions, estimates, forecasts and opinions are based on interpreting trends, gauging current conditions, and making judgements about the future. As with all judgements concerning future trends and events, there is significant uncertainty and risk that conditions change or unanticipated changes occur such that actual events materialize differently than anticipated in this document.

Nothing contained in this report, express or implied, shall confer rights or remedies upon, or create any contractual relationship with, or cause of action in favour of, any third party relying upon this document. In no event shall Urban Systems Ltd. be liable to the Metro Vancouver Regional District, City of Delta, and City of Surrey or any third party for any indirect, incidental, special, or consequential damages whatsoever, including lost revenues or profits.

## 2.0 PLANNING CONTEXT

### 2.1 STUDY AREA

Figure 1 below shows the extent of the study area. The study area encompasses two jurisdictions – the City of Delta to the west side of Scott Road/120<sup>th</sup> Street<sup>1</sup> and the City of Surrey to the east side. There are no rapid transit stations (e.g., Skytrain) in the study area except for the Scottsdale Exchange, which is a bus exchange station located at 74<sup>th</sup> Avenue and Scott Road.

The existing uses of the Scott Road corridor comprise a mix of commercial-retail and light industrial uses (e.g., autobody shops), with some higher intensity residential uses in the form of townhouses and apartments. This residential use transitions into lower density single-detached dwellings on either side of the corridor with the occasional clustering of townhouses on the Surrey side.

The commercial-retail use is a mix of mostly older retail strip malls, Class B and C office space, and a couple of large shopping strip malls with big box stores including Canadian Tire, the Real Canadian Superstore, Home Depot, Homesense, Cineplex Cinemas, and Save-on-Foods, among others. A few of the anchor restaurants include Cactus Club, the Keg, Boston Pizza, IHOP, Tasty Indian Bistro, Tandoori Flame, and Denny's. Many of the retail uses, especially in the mid- to north-end of the Scott Road corridor are operated by small local businesses. A more detailed description of Scott Road Corridor shopping centres along Scott Road corridor is provided in Section 5, which evaluates retail-commercial supply and demand conditions.

### 2.2 EXISTING LAND USE PLANS

This section outlines the land use plans currently in place for the Scott Road corridor.

#### 2.2.1 METRO VANCOUVER

Metro Vancouver adopted Metro 2050 as the Regional Growth Strategy on February 24, 2023. Metro 2050 outlines the region's vision for growth over the next 25 years while accounting for projected trends in population, housing, employment, and considers Translink's Transport 2050. The Regional Growth Strategy applies to the Scott Road corridor.

<sup>1</sup> Although the City of Delta and City of Surrey use different names for the corridor (i.e., Scott Road on the Delta side / 120<sup>th</sup> Street on the Surrey side), for consistency and simplicity, "Scott Road" refers to 120<sup>th</sup> Street throughout this report.



### 2.2.2 CITY OF DELTA

The City of Delta adopted a North Delta Area Plan in 2014 which provides a land use framework for future development along Scott Road corridor, focused on three main districts:

- Townline Innovation District
- Central District
- Garden District

Delta is currently finalizing an update to the Official Community Plan, which will see the North Delta Area Plan removed and replaced with City-wide policies and a height map for the Scott Road Corridor.

### 2.2.3 CITY OF SURREY

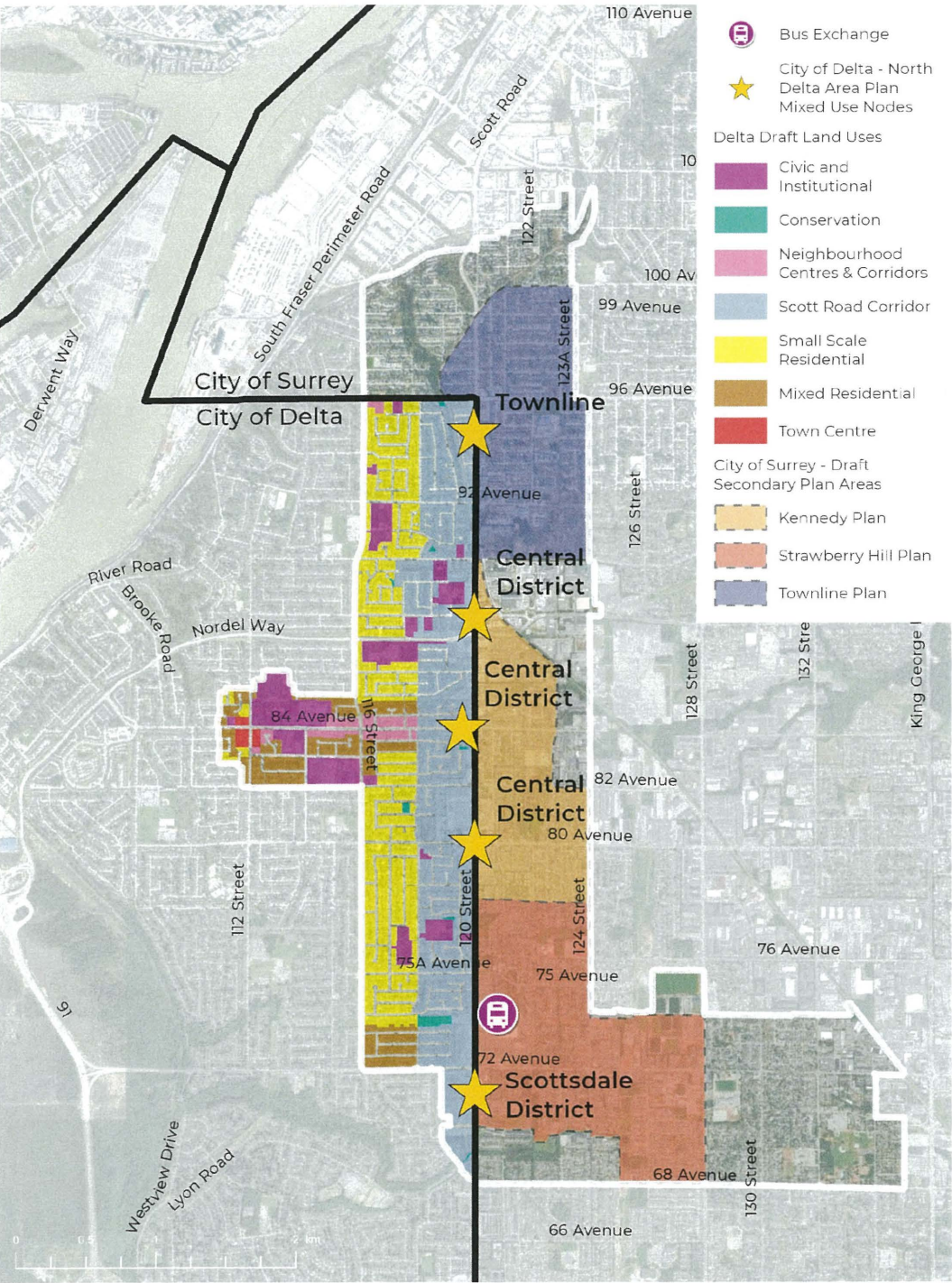
The City of Surrey's Official Community Plan designates the Scott Road corridor as a mix of Commercial, Urban, and Multiple Residential uses. There are no secondary plan areas covering the Scott Road corridor. The City of Surrey is undertaking an Imagine Scott Road Visioning Study for the Scott Road study area. The Visioning Study is intended to identify key infrastructure and community projects, to set development fees, and to identify smaller areas that require focused neighbourhood plans.

As the City of Surrey begins planning the corridor, it is considering three potential secondary plan areas defined as follows:

- Townline Plan
- Kennedy Plan
- Strawberry Hill Plan

The plan areas identified by Delta, including the draft Scott Road Official Community Plan designations, and Surrey are shown in **Figure 1** below.

Figure 1: Scott Road Corridor Study Area



## **2.3 PROVINCIAL LEGISLATIVE CHANGES IMPACTING DEVELOPMENT**

In November 2023, the BC Ministry of Municipal Affairs and the Ministry of Housing passed new bills that amend the Local Government Act, the legislation that provides local governments its authority to govern. This section highlights the key changes that will impact development opportunities. Bills 44 and 46 will have a partial impact on development opportunities along Scott Road, while Bill 47 has the biggest potential impact on the southern portion of the study area as it directly impacts the Scottsdale Exchange transit stop area.

### **2.3.1 BILL 44 – HOUSING STATUTES (RESIDENTIAL DEVELOPMENT)**

Bill 44 introduces changes intended to increase the supply of housing by requiring local governments to pre-zone land to permit small-scale multi-unit housing (SSMUH). It permits:

- One secondary suite or one accessory dwelling units on single-family lots
- Three to six units on single-family or duplex lots, depending on the lot size.

In addition, no parking requirement minimums are required for development projects within 400 metres of a transit stop.

### **2.3.2 BILL 46 – HOUSING STATUTES (DEVELOPMENT FINANCING)**

Bill 46 introduces a new development financing tool – the amenity cost charge (ACC) – to local governments with high growth communities. ACCs are intended to shift local governments away from negotiating community amenity contributions.

- ACCs allow local governments to pay for capital costs associated with providing or altering amenities for development projects which increased population.
- To impose ACCs, local governments must adopt a bylaw outlining location, land use, densities or other objective qualities.
- Development cost charges may be imposed for expanded amenities such as fire protection, police, solid waste, recycling facilities, and highway facilities that are cost-shared with Ministry of Transportation and Infrastructure (MOTI) (e.g. highway overpasses).



### 2.3.3 BILL 47 – HOUSING STATUTES (TRANSIT-ORIENTED AREAS)

Bill 47 aims to encourage more housing around transit nodes. It requires local governments to designate transit-oriented areas (TOAs) which are defined as the land within 800 metres of rapid transit stations (e.g., Skytrain) and within 400 metres of major bus exchanges. For Metro Vancouver bus exchange areas, the minimum allowable densities and heights are as follows:

- **Within 200 metres of the bus exchange:** 4.0 floor space ratio (FSR) and 12 storeys in height
- **Within 400 metres of the bus exchange:** 3.0 floor space ratio (FSR) and eight (8) storeys in height

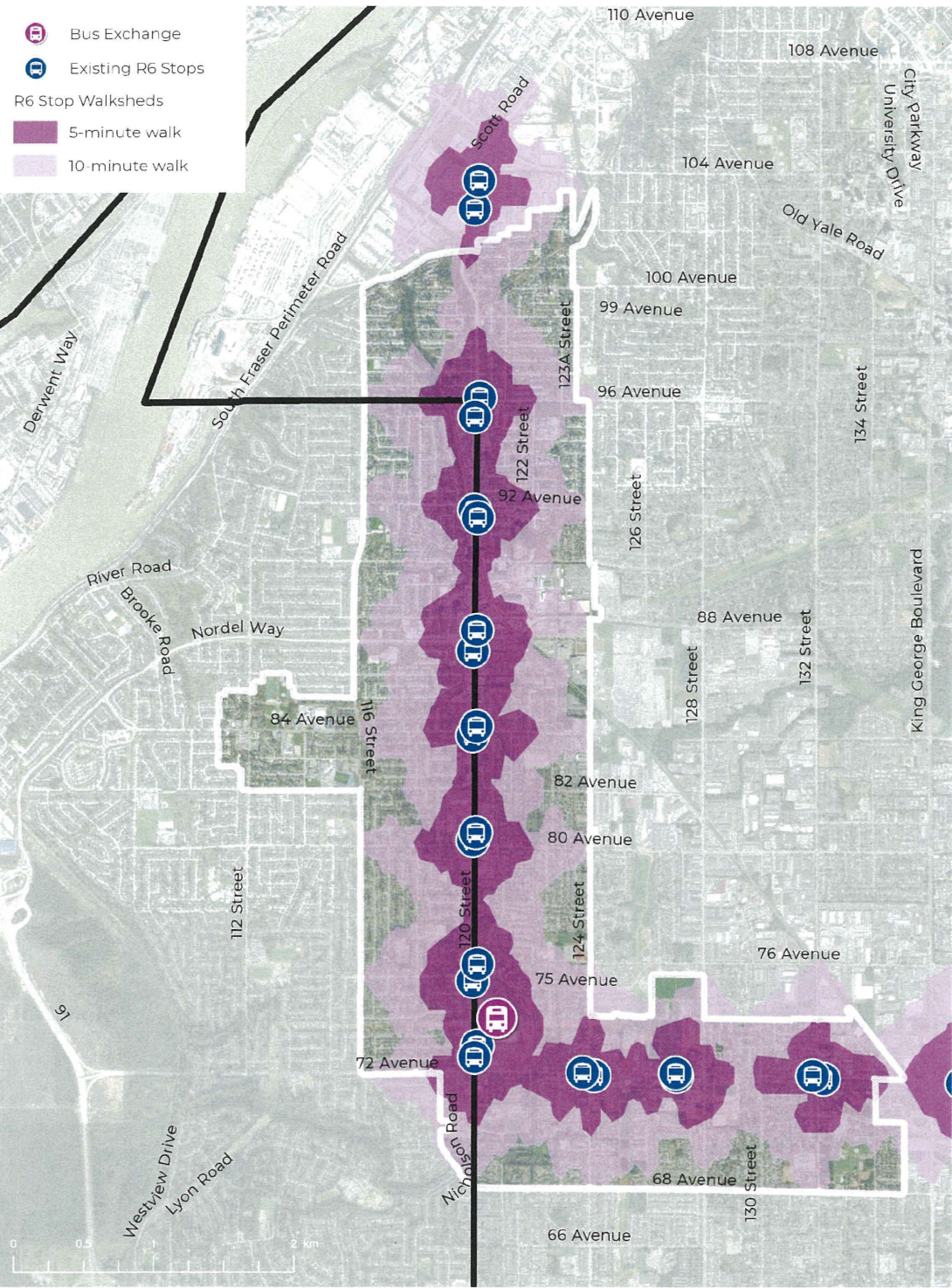
As it is too early to understand the full implications of each of the housing statutes on potential development opportunities in communities across the province of BC, we provide commentary throughout the report on how the legislative changes may influence the market in the future.

## 2.4 R6 SCOTT ROAD RAPIDBUS

The R6 RapidBus is a high frequency, limited-stop bus service connecting Scott Road SkyTrain Station with Newton Exchange. The major construction required to accommodate the new R6 bus stops was completed in 2023 and R6 bus service was initiated along Scott Road on January 4, 2024. During peak hours, the bus service is offered every 7.5 minutes and every 15 minutes during off-peak hours.

Introduction of R6 RapidBus service along the Scott Road Corridor sets the stage for a potential future Bus Rapid Transit (BRT) upgrade. To model walkability around the R6 bus stops and Scottsdale Exchange, **Figure 2** below highlights 5-minute and 10-minute walksheds and the encapsulated land area.

Figure 2: Walksheds for the R6 RapidBus Stops and Scottsdale Exchange





## 2.5 SCOTTSDALE EXCHANGE

Scottsdale Exchange is a bus exchange located on the Surrey side of the Scott Road corridor, south of 75 Avenue. Under the new legislative changes brought on by Bill 47, the local government must designate this station as a transit-oriented development area.

Figure 3 shows the areas within 200 metres and 400 metres of Scottsdale Exchange. All land parcels within 200 metres of the station area are permitted to develop to a minimum of 4.0 FSR and 12 storeys in height, while all land parcels within 400 metres of the station area are permitted to be developed to a minimum of 3.0 FSR and eight (8) storeys in height. Parcels touching the perimeter of the next tier are permitted the corresponding density within that tier.<sup>2</sup>

Figure 3: Scottsdale Exchange Transit-Oriented Area, 400 and 200 Metre Tiers



<sup>2</sup> Note that the parcels are delineated based on information sourced from the land title.



## 3.0 ANTICIPATED DEVELOPMENT

This section reviews any major development applications proposing any new residential and commercial uses on either side of the Scott Road corridor.

Overall, the proposed number of residential units is currently higher on the Delta side than on the Surrey side, with 2,074 units being considered as shown below in **Table 1**. We assume that if these units are approved, they are likely to be brought to market on or before 2034.

### 3.1 RESIDENTIAL UNITS IN THE DEVELOPMENT PIPELINE

Table 1: Residential Development Applications, Delta

Civic Address	Status	Development Type	Residential (Units)		
			Market	Market Rental	Non-market Rental
8507 120 St	Pre-Application	Apartment	225	99	0
11805 89A Ave	Under Review / Pre-Third Reading	Townhouse	31	0	0
8037-8087 120 St	Under Review / Pre-Third Reading	Mixed Use	793	66	
7728 119A St	Under Review / Pre-Third Reading	Apartment	291		
7592, 7594 119A St / 7551, 7565, 7595, 7597 120 St	Third Reading	Apartment with Townhouse	165	0	0
11996 70 Ave	Third Reading	Mixed Use	90		
11959 – 11969 93A Ave / 9365 – 9383 120 St	Building Permit Under Review	Mixed Use	264	40	10
<b>Total</b>			1,859	205	10

Source: City of Delta, September 2023

On the Surrey side of the Scott Road Corridor study area, there are 378 units under planning review and approval, as shown in **Table 2** below. We also assume that these units will be brought to market on or before 2034. Proposed development projects on the Surrey side are notably smaller in scale than those in process on the Delta side.

Table 2: Residential Development Applications, Surrey

Civic Address	Status	Development Type	Residential (Units)		
			Market	Market Rental	Non-market Rental
6998 120 St	Initial Review	Mixed Use	53		
9288 120 St	Initial Review	Mixed Use	32		
9609 120 St	Initial Review	Mixed Use	59		
6828 128 St	Initial Review	Mixed Use	98		
7070 128 St	Conditional Approval	Mixed Use		26	
7112 128 St	Conditional Approval	Mixed Use		47	
7091 134 St	Initial Review	Townhouse	8		
12140 96 Ave	Conditional Approval	Townhouse	4		
12156 96 Ave	Conditional Approval	Townhouse	4		
12149 80 Ave	Initial Review	Apartment	47		
<b>Total</b>			305	73	0

Source: City of Surrey, October 2023

### 3.2 COMMERCIAL SPACE IN THE DEVELOPMENT PIPELINE

In terms of proposed commercial-retail and office space, there is more commercial space proposed on the Delta side than on the Surrey side (Table 3) of the study area. The Surrey side has active development applications proposing a total 94,622 square feet of space (Table 4). This is lower than the proposed use of 192,552 square feet of retail and office space on the Delta side. Two of the major commercial development applications listed are south of 72<sup>nd</sup> and Scott Road in Surrey, each comprising 22,637 and 50,924 square feet, whereas Delta currently has one major commercial development application at 80<sup>th</sup> and 120 Street comprising 184,191 square feet and a smaller node at 11996 and 70 Avenue.

Table 3: Commercial Development Applications, Delta

Civic Address	Commercial (sq. ft.)		Total Commercial Space
	Retail	Office	
8507 120 St	0	0	324
11805 89A Ave	0	0	31
8037-8087 120 St	70,637	113,554	184,191
7728 119A St	0	0	291
7592, 7594 119A St / 7551, 7565, 7595, 7597 120 St	0	0	165
11996 70 Ave	8,361	0	8,361
11959 – 11969 93A Ave / 9365 – 9383 120 St	0	0	314
<b>Total</b>	78,998	113,554	192,552

Source: City of Delta, September 2023

Table 4: Commercial Development Applications, Surrey

Civic Address	Status	Commercial (sq. ft.)		Total Commercial Space
		Retail	Office	
6998 120 St	Initial Review	50,924	0	50,924
7002 120 St	Initial Review	4,446	18,191	22,637
9288 120 St	Initial Review	7,137	0	7,137
9609 120 St	Initial Review	474	0	474
7070 128 St	Conditional Approval	5,690	0	5,690
7112 128 St	Conditional Approval	4,585	0	4,585
12149 80 Ave	Initial Review	3,175	0	3,175
<b>Total</b>		76,431	18,191	94,622

Source: City of Surrey, October 2023



## 4.0 PROJECTED RESIDENTIAL DEMAND

To understand future potential market demand for residential development along the Scott Road corridor, this section examines anticipated population growth for Delta and Surrey, respectively, over the short, medium, and long term. As mentioned previously, the planning timeframes referred to throughout this report are defined as:

- **Short term:** 2024 to 2029
- **Medium term:** 2029 to 2034
- **Long term:** 2034 to 2051

To inform land use planning policy over the next 27 years, Urban Systems presents a set of demand-driven population and household projections for the Delta side and Surrey side of the Scott Road corridor. These projections are informed by market data, or how residential and commercial development patterns are anticipated to trend over time.

While a more detailed land capacity model would identify what population growth is effectively possible through development typology change at a land parcel level, this level of analysis is outside the scope of this study.

As with any projection, projected population growth is subject to further uncertainty, such as new policies or unexpected changes in socio-economic conditions, as the time horizon expands. This makes the estimates for longer time horizons generally less reliable and therefore related implications must be considered with some caution. As such, the long-term projections included in this report are intended to guide land use planning with the understanding that conditions and trends are likely to shift as the market evolves in response to new legislated changes which introduce Small-Scale Multi-Unit Housing (SSMUH) and Transit-Oriented Development (TOD) Areas.

While we have captured a segment of this demand in the projections, it is recommended that regular market updates (say, 2 to 3 years) be undertaken as a “pulse check” on the market, which can impact both the provision and absorption of residential and commercial space and the ability of a land use plan to meet its long-term goals.

### 4.1 POPULATION AND HOUSEHOLD PROJECTIONS

The projected population of the Delta and Surrey sides of the Scott Road study area have been derived separately by applying a set of anticipated market shares of the study area population relative to the projected citywide populations as released by BC Statistics in December 2023 for the City of Delta, and City of Surrey projections, and then aggregated together. The citywide population projection by BC Stats covers future years from 2024 to 2046. For years beyond 2046, the projected population is extrapolated using the projected population growth trajectory from 2021 to 2045.

Both a “lower growth” scenario and a “higher growth” scenario have been modeled for both sides of the Scott Road corridor study area based on anticipated reasonable shares of city-wide population growth.<sup>3</sup> These are described below:

- **“Lower growth” scenario:** represents a case in which the population and household growth generally align with observed trends, factoring in the number of potential new residential units as observed in the development pipeline, as well as other competing residential-commercial nodes in each of the two subject cities, and the introduction of the R6 RapidBus service.
- **“Higher growth” scenario:** reflects a moderate increase in residential density and multi-family residential development activity relative to the base low-growth scenario, in large part due to the potential for significant redevelopment of existing single-purpose shopping centre sites and the longer-term potential for R6 Rapid Bus service to be upgraded to BRT (bus rapid transit) in the future.

Table 5: Anticipated share of Scott Road Corridor population relative to City Population, 2021 to 2051

	2021 (Census)	2024	2034		2051	
			Low Growth	High Growth	Low Growth	High Growth
<b>Delta</b>	19.7%	20.5%	23.0%	25.0%	24.0%	26.7%
<b>Surrey</b>	7.6%	7.6%	7.4%	7.6%	7.0%	7.6%

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

#### Delta Side of Scott Road Study Area – Share of Delta Growth

- In the lower growth scenario, it is expected that the Delta-side study area share of the city-wide population increases from 19.7% in 2021 to 23.0% in 2034 in the medium term, reaching 24.0% by 2051.
- In the higher growth scenario, it is expected that the Delta-side corridor share of the citywide population increases from 19.7% in 2021 to 25.0% in 2034 in the medium term, reaching 26.7% in 2051.

#### Surrey Side of Scott Road Study Area – Share of Surrey Growth

- In the lower growth scenario, it is expected that the population share of the Surrey-side corridor population relative to the city gradually declines from 7.6% in 2021 to 7.4% in 2034, and further declines to 7.0% in 2051, due to the extent of anticipated

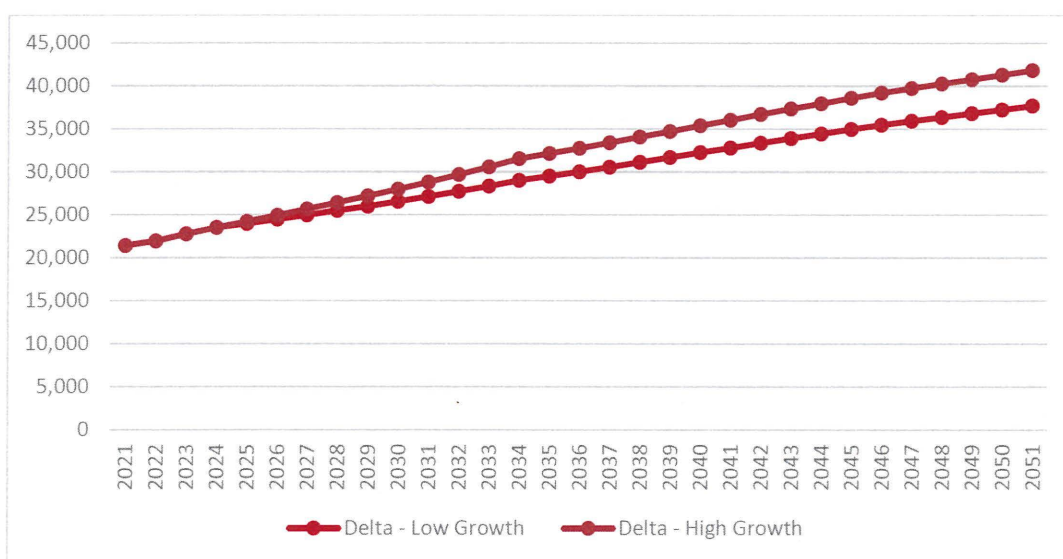
<sup>3</sup> A low and high population growth scenario was developed to understand market trends consistently across Surrey and Delta. Alternative growth scenarios may be developed by the local governments, such as in Delta’s OCP review which reviews a higher growth scenario than what is shown here.

development in more numerous competitive residential-commercial nodes across the City, including those in Surrey Central, Newton, Guilford, and in the corridor along the Surrey to Langley Skytrain extension.

- In the higher growth scenario, it is assumed that the corridor population share relative to city population remains relatively constant after 2021. This share of city-wide population is less likely to materialize given the extent of competing density nodes across the City of Surrey, but is included for comparative planning purposes.

Figure 4 and Figure 5 below show the projected population growth scenarios for the Scott Road corridor study area, for Delta and Surrey, respectively.

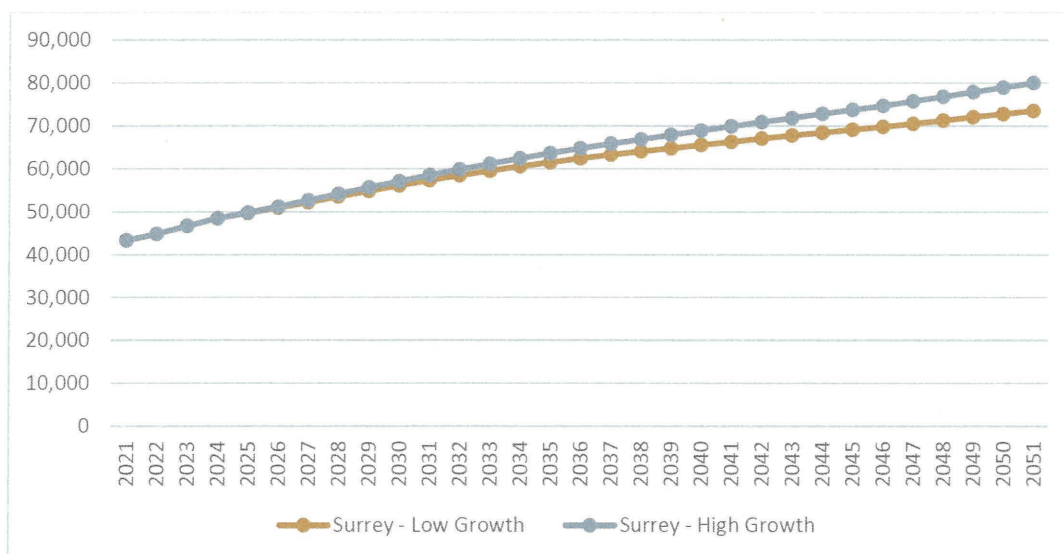
Figure 4: Population Projections, Delta-Side of Scott Road Corridor, 2021 to 2051



Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024



Figure 5: Population Projections, Surrey-Side of Scott Road Corridor, 2021 to 2051



Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

Table 6 below summarizes the projected lower and higher growth study area population increases anticipated over the 2021 to 2051 period. The Delta side population is projected to grow from 23,469 residents in 2024 to a low growth mark of 37,673 residents and a high growth figure of 41,811 residents by 2051. The Surrey side population is projected to grow from 48,463 residents in 2024 to a low growth number of 73,467 residents and a high growth figure of 79,964 residents by 2051.

Table 6: Population Projection by Community, Scott Road Corridor, 2021 to 2051

	2021 (Census)	2024	2029	2034	2051
<b>Low Growth – Total</b>	64,693	71,933	80,770	89,526	111,140
Delta	21,392	23,469	25,983	29,002	37,673
Surrey	43,301	48,463	54,787	60,525	73,467
<b>High Growth – Total</b>	64,693	71,933	82,803	93,926	121,776
Delta	21,392	23,469	27,179	31,524	41,811
Surrey	43,301	48,463	55,624	62,403	79,964

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

Table 7 below shows the absolute growth and pace of growth for the Delta and Surrey sides over the three time horizons (short term to 2029, medium term to 2034 and longer term):

- In the low growth scenario, the pace of growth on the Delta side is expected to be generally higher over the short and medium terms. This reflects immediate unit

absorption for the sites already known to be in the planning and development pipeline and the implementation of the provincial housing targets, followed by a more moderate pace after 2034, as larger sites are expected to redevelop in phases over time.

- In the higher growth scenario, Delta's pace of growth is assumed to be higher over the medium-term as more permissive land use plans and zoning are adopted to encourage and support redevelopment.

Similar to Delta, the pace of growth on the Surrey side is expected to be higher over the short to medium terms in both **the low and high growth scenarios**. This assumes the redevelopment of sites with high potential will be built out first if a future neighbourhood/sub-area plan permits the change. However, Surrey's growth is expected to slow down more than Delta after 2034 as the development market becomes more competitive relative to other urban town centres, including Guildford, Fleetwood, and the City Centre.

Table 7: Population Projection Growth by Community, Scott Road Corridor, 2024 to 2051

	Short Term (2024 to 2029)		Medium Term (2029 to 2034)		Long Term (2034 to 2051)	
	#	Avg Annual (%)	#	Avg Annual (%)	#	Avg Annual (%)
<b>Low Growth – Total</b>	8,837	2.3%	8,756	2.1%	21,614	1.3%
Delta	2,514	2.1%	3,019	2.2%	8,671	1.6%
Surrey	6,324	2.5%	5,738	2.0%	12,942	1.1%
<b>High Growth – Total</b>	10,870	2.9%	11,123	2.6%	27,850	1.5%
Delta	3,710	3.0%	4,345	3.0%	10,287	1.7%
Surrey	3,710	2.8%	6,779	2.3%	17,561	1.5%

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

These projections are important to note as the development forms permitted in the land use plans, policies, regulations and supporting infrastructure can change this range of growth.

To project household growth, we apply the average household size for the respective areas. Household projections for the Scott Road corridor are derived from the population projections using the respective average household size exhibited on each side of the corridor. On the Delta side, this average is 3.1 persons per household, and on the Surrey side of the study area this average is 3.4 persons per household based on the 2021 Census. **Table 8** below summarizes the projected households of the Scott Road corridor by municipality.

Table 8: Household Projections by Community, Scott Road Corridor, 2021 to 2051

	2021 (Census)	2024	2029	2034	2051
<b>Low Growth – Total</b>	19,645	21,836	24,510	27,173	33,770
Delta	6,822	7,484	8,286	9,249	12,014
Surrey	12,823	14,352	16,224	17,924	21,756
<b>High Growth – Total</b>	19,645	21,836	25,139	28,533	37,014
Delta	6,822	7,484	8,667	10,053	13,334
Surrey	12,823	14,352	16,472	18,480	23,680

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

**Table 9** below shows the absolute growth of households across the three timeframes. The growth rate is the same as the population projections for Delta and Surrey, as it follows the



same trendlines. Note that the household growth rate is assumed to be the same rate as projected population growth.

Table 9: Household Projection Growth by Community, Scott Road Corridor, 2024 to 2051

	Short Term (2024 to 2029)		Medium Term (2029 to 2034)		Long Term (2034 to 2051)	
	#	Avg Annual (%)	#	Avg Annual (%)	#	Avg Annual (%)
<b>Low Growth – Total</b>	2,675	2.3%	2,662	2.1%	6,598	1.3%
Delta	802	2.1%	963	2.2%	2,765	1.6%
Surrey	1,873	2.3%	1,699	2.0%	3,833	1.1%
<b>High Growth – Total</b>	3,304	2.1%	3,393	2.6%	8,482	1.5%
Delta	1,183	1.9%	2,569	3.0%	5,850	1.7%
Surrey	2,121	2.8%	4,128	2.3%	9,329	1.5%

Source: Urban Systems adapted from Statistics Canada, Census 2021 and BC Statistics, 2024

## HOUSING UNIT DEMAND

Based on current development market conditions and the development potential of the Scott Road corridor post the introduction of R6 RapidBus service, the distribution of housing structural types is likely to shift somewhat over the medium term. **Table 10** below shows the historical and projected change in overall housing typology distribution. The housing distribution takes into consideration three major trends:

- A moderate shift from single-detached housing to an apartment or flat in a duplex (e.g., addition of a secondary suite to a single-detached house or duplex) due to renovation and redevelopment pressures related to the SSMUH legislation and implementation;
- A slow, but increased uptake in semi-detached/duplex, and small-scale high density townhouse (rowhouse) developments due to the SSMUH legislation and related implementation<sup>4</sup>, having regard to the challenges associated with finding suitable sites for assembly (as outlined by developers in interviews); and
- Increased demand for 6-storey wood-frame or taller apartments, which are deemed to be the most suitable housing form for locations immediately adjacent

<sup>4</sup> In Delta, it is anticipated that the SSMUH legislation will be implemented as primarily single-detached and duplex with accessory dwelling units. As such, the market uptake on rowhouses would be attributed to townhouses permitted along 84<sup>th</sup> and 72<sup>nd</sup> Avenue rather than multiplexes.

to the corridor. Within at least the short-term, the most likely and achievable development forms are up to 6-storey wood-frame (with potential to include at-grade commercial uses) and 20 or more storeys of concrete apartments. Under current market conditions, the economics of building concrete residential towers do not allow for viability unless a certain height threshold allowing for economies of scale is reached.

Nonetheless, in the future, as market conditions evolve and financing rates for land and construction adjust downward, there is anticipated to be demand from developers to pursue development concrete towers. As indicated in Section 6.0 of this report, interested development groups are likely to be more experienced firms with some track record of multi-family tower development in their portfolio who have the capital needed to invest within higher density nodes along the Scott Road corridor. This would likely be a subset of developers, as the South of Fraser region has multiple competitive submarkets, and some developers have indicated a preference to developing high-rise concrete towers around Skytrain station areas for the time being.

Table 10: Dwelling Structural Type, 2018 to 2034

	Delta						Surrey					
	2018	2021	2034		Projected Change (2018-2034)		2018	2021	2034		Projected Change (2018-2034)	
			Low Growth	High Growth	Low Growth	High Growth			Low Growth	High Growth		
Total	100 %	100%	100%	100%	-	-	100%	99% *	100%	100%	-	-
Detached Dwelling Single-detached house Apt or flat in a duplex	70%	68%	55%	50%	-15%	-20%	41%	42%	35%	35%	-7%	-7%
	31%	29%	21%	18%	-10%	-13%	15%	15%	11%	11%	-5%	-5%
	39%	39%	34%	32%	-5%	-7%	26%	27%	24%	24%	-2%	-2%
Townhouse/Row Semi-detached house Row house	8%	8%	10%	10%	3%	3%	18%	18%	16%	16%	-2%	-2%
	2%	2%	3%	3%	1%	1%	2%	2%	3%	3%	0%	0%
	6%	6%	7%	7%	1%	1%	15%	15%	13%	13%	-2%	-2%
Apartments Less than five storeys Five or more storeys	23%	24%	36%	40%	13%	17%	41%	40%	50%	50%	9%	9%
	19%	19%	16%	16%	-3%	-3%	39%	38%	26%	26%	-13%	-13%
	4%	5%	20%	25%	16%	20%	2%	2%	24%	24%	23%	23%

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

\*The remaining 0.5% are other dwelling types

For the Delta side of the Scott Road Corridor study area, two sets of dwelling typology distributions are assigned for each of the growth scenarios. In the high growth scenario, a higher share of apartments is allocated, corresponding to the higher population growth driven by increasing high-density development activities. By 2034, detached dwellings will still be the most common type of dwelling at a range of 50%-55%, while apartments will move to a range of 36%-40% and townhouse/row typology homes are expected to adjust to a proportion of 10%. The proportion of detached dwellings is projected to decline by 15%-20% after 2018, while apartments are likely to grow by 13%-17%, and townhouses/row can be expected to grow by roughly 3%.

On the Surrey side by 2034, it is projected that the proportion of detached dwellings will decline by 7%, townhouse/row homes will decline by 2%, and apartments will grow by 9%. Overall, apartments will become the most common type of residential dwelling at 50%, while detached dwellings will decline to 35%, and townhouse/row will decline slightly to 16%.

Based on the dwelling distributions in 2034 (Table 10 above), the projected housing demand over the short and medium terms are summarized below.

On the Delta side of the study area, housing demand from the low to high growth scenarios are as follows over the 2024 to 2034 period:



- Detached Dwelling: -49 to -63 net units<sup>5</sup>
- Townhouse/Row: 345 to 425 net units
- Apartments: 1,469 to 2,207 net units

Table 11: Projected Housing Demand by Structural Type, Low Growth Scenario, Delta-side of Scott Road, 2021-2034

	Delta				Projected Change (2024-2034)
	2021	2024	2029	2034	
<b>Total</b>	6,814	7,484	8,286	9,249	1,765
<b>Detached Dwelling</b>	4,637	5,090	5,076	5,041	-49
<b>Single-detached house</b>	2,004	2,200	2,067	1,896	-304
<b>Apt or flat in a duplex</b>	2,633	2,890	3,009	3,145	254
<b>Townhouse/Row</b>	528	580	735	925	345
<b>Semi-detached house</b>	124	136	200	277	141
<b>Row house</b>	404	444	536	647	204
<b>Apartments</b>	1,649	1,814	2,473	3,283	1,469
<b>Less than five</b>	1,324	1,453	1,447	1,434	-20
<b>Five or more floors</b>	325	361	1,026	1,850	1,489

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Summary highlights for the lower growth scenario for the Delta side of the study area include:

- Decline in standard single-family homes, but with an increase in homes that include an apartment flat or suite
- Moderate increases in both semi-detached/duplex (+ 140 homes) and row homes/townhouses (+200 homes) to 2034
- Significant increase in apartment style homes (+nearly 1,500 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

<sup>5</sup> The detached dwelling category may increase if the Delta SSMUH legislation is implemented as primarily single-detached and duplex with accessory dwelling units, however, it remains to be seen what the potential uptake of this is, and whether secondary suites or cottages would be more common.

Table 12: Potential Market Delivery of Apartment Units by Structural Type, Delta-side of Scott Road, 2021-2034

	Low	High
<b>Net Apartment Units</b>	1,469	2,207
Wood-Frame Up to 6 Storeys	940	1,412
Concrete/Alternative Building Technology* (7-20+ Storeys)	529	795

Source: Urban Systems

\*Based on current market conditions, these units will most likely be delivered in 20+ storey concrete towers over the short term. This breakdown of potential market delivery by structure type has been provided in the absence of a more detailed capacity review for areas along the Scott Road corridor. Additional analysis should be undertaken to explore potential for infill density throughout the study area.

Table 13: Projected Housing Demand by Structural Type, High Growth Scenario, Delta-side of Scott Road, 2021-2034

	Delta				Projected Change (2024-2034)
	2021	2024	2029	2034	
<b>Total</b>	6,814	7,484	8,667	10,053	2,569
<b>Detached Dwelling</b>	4,637	5,090	5,114	5,027	-63
<b>Single-detached house</b>	2,004	2,200	2,054	1,810	-390
<b>Apt or flat in a duplex</b>	2,633	2,890	3,060	3,217	327
<b>Townhouse/Row</b>	528	580	769	1,005	425
<b>Semi-detached house</b>	124	136	209	302	165
<b>Row house</b>	404	444	560	704	260
<b>Apartments</b>	1,649	1,814	2,782	4,021	2,207
<b>Less than five</b>	1,324	1,453	1,513	1,558	105
<b>Five or more floors</b>	325	361	1,268	2,463	2,102

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Summary highlights for the higher growth scenario for the Delta side of the study area include:

- Slightly more decline in standard single-detached homes, but with an increase in homes that include an apartment flat or suite
- Moderately more substantial increases in both semi-detached/duplex (+165 homes) and row homes/townhouses (+260 homes) to 2034



- More significant increase in apartment style homes (+2,100 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

On the Surrey side, housing demand from the low to high growth scenarios is expected to be as follows over the 2024 to 2034 period:

- Detached Dwelling: 180 to 372 net units
- Townhouse/Row: 246 to 333 net units
- Apartments: 3,218 to 3,496 net units

Table 14: Projected Housing Demand by Structural Type, Low Growth Scenario, Surrey-side of Scott Road, 2021-2034

	Surrey				
	2021	2024	2029	2034	Projected Change (2024-2034)
<b>Total</b>	12,782	14,352	16,224	17,924	3,572
<b>Detached Dwelling</b>	5,374	6,003	6,176	6,184	180
<b>Single-detached house</b>	1,916	2,140	2,056	1,882	-258
<b>Apt or flat in a duplex</b>	3,458	3,864	4,120	4,302	438
<b>Townhouse/Row</b>	2,266	2,532	2,682	2,778	246
<b>Semi-detached house</b>	313	350	400	448	98
<b>Row house</b>	1,953	2,181	2,282	2,330	149
<b>Apartments</b>	5,142	5,744	7,284	8,962	3,218
<b>Less than five</b>	4,941	5,520	5,216	4,660	-860
<b>Five or more floors</b>	201	224	2,068	4,302	4,078

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Summary highlights for the lower growth scenario for the Surrey side of the study area include:

- Slight decrease in standard single-family homes but with a significant increase in homes that include an apartment flat or suite
- Moderate increases in both semi-detached/, (+ 100 homes) and row homes/townhouses (+150 homes) to 2034
- Significant increase in apartment style homes (+net 3,200 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.



Table 15: Projected Housing Demand by Structural Type, High Growth Scenario, Surrey-side of Scott Road, 2021-2034

	Surrey				Projected Change (2024-2034)
	2021	2024	2029	2034	
<b>Total</b>	12,782	14,352	16,472	18,480	4,128
<b>Detached Dwelling</b>	5,374	6,003	6,271	6,375	372
<b>Single-detached house</b>	1,916	2,140	2,087	1,940	-199
<b>Apt or flat in a duplex</b>	3,458	3,864	4,183	4,435	572
<b>Townhouse/Row</b>	2,266	2,532	2,722	2,864	333
<b>Semi-detached house</b>	313	350	406	462	111
<b>Row house</b>	1,953	2,181	2,317	2,402	220
<b>Apartments</b>	5,142	5,744	7,395	9,240	3,496
<b>Less than five</b>	4,941	5,520	5,295	4,805	-714
<b>Five or more floors</b>	201	224	2,100	4,435	4,211

Source: Urban Systems adapted from Environics, 2018 and Statistics Canada, Census 2021

Table 16: Potential Market Delivery of Apartment Units by Structural Type, Surrey-side of Scott Road, 2021-2034

	Low	High
<b>Net Apartment Units</b>	3,218	3,496
Wood-Frame Up to 6 Storeys	2,220	2,412
Concrete/Alternative Building Technology* (7-20+ Storeys)	998	1,084

Source: Urban Systems

\*Based on current market conditions, these units will most likely be delivered in 20+ storey concrete towers over the short term. This breakdown of potential market delivery by structure type has been provided in the absence of a more detailed capacity review for areas along the Scott Road corridor. Additional analysis should be undertaken to explore potential for infill density throughout the study area.

Summary highlights for the higher growth scenario for the Surrey side of the study area include:

- Decline in standard single-family homes, but with a significant increase in homes that include an apartment flat or suite
- Moderate increases in both semi-detached/duplex (+ 110 homes) and row homes/townhouses (+220 homes) to 2034

- Significant increase in apartment style homes (+net 3,500 homes), in formats of 5-6 or more storeys. Older wood-frame apartment stock will see its proportional share of total housing stock decline over time, as newer, more dense forms are introduced.

If the trend of an increasing proportion of multi-family housing mid/high-density residential development continues through the defined longer term (year 2034 to 2051), the demand for new housing units by dwelling types on each side of the Scott Road corridor could potentially reach the following ranges summarized in **Table 15** below.

It is important to note that the household choice of typologies through the medium to longer term are subject to continued shifts in market conditions and household preferences, including location preferences relative to other potential higher density areas of the city or region. Therefore, these longer-term projections are naturally subject to increased levels of uncertainty and should be revisited periodically.

*Table 17: Projected Additional Housing Demand by Structural Type (Net Units), 2024-2034, and 2034-2051*

	Delta-side		Surrey-side	
	2024-2034 (Short to Medium Term)	2034-2051 (Medium to Long Term)	2024-2034 (Short to Medium Term)	2034-2051 (Medium to Long Term)
<b>Total</b>	<b>1,765 to 2,569</b>	<b>2,765 to 3,281</b>	<b>3,572 to 4,128*</b>	<b>3,833 to 5,201</b>
<b>Detached Dwelling</b>	-49 to -63	-235 to -360	180 to 372	240 to 616
<b>Townhouse/Row</b>	345 to 425	584 to 670	246 to 333	299 to 485
<b>Apartments</b>	1,469 to 2,207	2,416 to 2,971	3,218 to 3,496	3,294 to 4,100

Source: Urban Systems adapted from Environics, 2018, Statistics Canada, Census 2021, and BC Statistics, 2024

\*Including other dwelling types not listed in this table

#### 4.1.1 HOUSING DEMAND BY TENURE IN THE SCOTT ROAD STUDY AREA

This section highlights anticipated demand for housing units by tenure; however, this does not mean that all rental units could be provided by the primary rental market (i.e., developed as purpose-built rental). Historically in both Delta and Surrey, the majority of the renter households have tended to be served by the secondary rental market.

The 2021 household tenure split for the study area is projected into the future by assuming the proportion of renter households will remain relatively constant over the 2021 to 2051 period. In 2021, the proportion of renter households on the Delta side was estimated at 37%. On the Surrey side the proportion was closer to 38%. For the purposes of this planning level assessment, we assume that this proportion will generally remain stable through to 2051.

Owner-driven housing demand for the low to high growth scenarios is expected to be as follows for 2024 to 2034:



- Delta side: 1,138 to 1,657 net units
- Surrey side: 2,164 to 2,502 net units

Rental housing demand<sup>6</sup> for the low to high growth scenarios is expected to be as follows for 2024 to 2034:

- Delta side: 627 to 912 net units
- Surrey side: 1,407 to 1,626 net units

A more detailed breakdown is provided in the tables below.

Table 18: Projected Housing Demand – Home Ownership, Scott Road Corridor, 2024 to 2051

	2021 (Census)	2024	2029	2034	2051	Change (2024- 2034)
<b>Low Growth – Total</b>	12,171	13,524	15,176	16,827	20,933	3,303
Delta	4,400	4,827	5,344	5,966	7,749	1,138
Surrey	7,771	8,697	9,832	10,862	13,184	2,164
<b>High Growth – Total</b>	12,171	13,524	15,572	17,683	22,951	4,159
Delta	4,400	4,827	5,590	6,484	8,600	1,657
Surrey	7,771	8,697	9,982	11,199	14,350	2,502

Source: Urban Systems adapted from Environics, 2018, Statistics Canada, Census 2021, and BC Statistics, 2024

Table 19: Projected Housing Demand – Rental Tenure, Scott Road Corridor, 2024 to 2051

	2021 (Census)	2024	2029	2034	2051	Change (2024- 2034)
<b>Low Growth – Total</b>	7,474	8,311	9,334	10,345	12,837	2,034
Delta	2,422	2,657	2,942	3,283	4,265	627
Surrey	5,052	5,655	6,392	7,062	8,572	1,407
<b>High Growth – Total</b>	7,474	8,311	9,567	10,850	14,064	2,538
Delta	2,422	2,657	3,077	3,569	4,734	912
Surrey	5,052	5,655	6,490	7,281	9,330	1,626

Source: Urban Systems adapted from Environics, 2018, Statistics Canada, Census 2021, and BC Statistics, 2024

<sup>6</sup> As previously highlighted, this does not mean that all rental units would be provided by the primary rental market (i.e., developed as purpose-built rental). Historically in both Delta and Surrey, the majority of renter households have been served by the secondary rental market.



## ADDITIONAL RENTAL DEMAND GENERATED FROM THE CITY-WIDE MARKET

The proportion of renter households along the Delta side of Scott Road is much higher than that observed at the city-wide level in 2021 (37% compared to 24%, respectively). In Delta, while the Housing Needs Report conducted in 2019 did not specify the number of rental units needed over the short-term across the City, the new ministerial Housing Targets Order<sup>7</sup> has indicated that the suggested 5 year rental target is 1,199 units for the 2023 to 2028 period (Table 18).

Using CMHC's rental housing data to track historical progress, only 11 net new units have been built across Delta city-wide from 2018 to 2023 and none of the units were in North Delta. This historical development pattern, along with the upgrading of public transit service to R6-RapidBus service, indicates that there is potential to accommodate additional purpose-built rental housing in the study area.

Table 20: Ministerial Housing Target Order, Guideline for Unit Tenure Split, Delta

5 Year Rental Target (Guideline for 2023 to 2028)	
<b>Delta</b>	3,607
<b>Owner</b>	2,408
<b>Renter</b>	1,199

Source: Ministry of Housing

On the Surrey side of the Scott Road Corridor study area, the proportion of renter households is higher than that observed city-wide in 2021 – 38% compared to 31%. Using CMHC's rental housing data to understand development progress, Surrey has gained 1,432 net new primary rental units city-wide from 2018 to 2023. Forty-seven (47% or 680 units) of these new units were built in the Whalley neighbourhood, and only 7% (97 units) were built in the Newton neighbourhood.

This growth represents less than half of the 5-year rental apartment demand of 3,900 units from 2021 to 2026 reported in the Surrey Housing Needs Report (2020). This indicates that there is significant potential to encourage more purpose-built rental apartment units along Scott Road Corridor on the Surrey side of the study area.

<sup>7</sup> Announced September 26, 2023.

## 5.0 PROJECTED RETAIL-COMMERCIAL DEMAND

With a clear understanding of residential redevelopment and related population growth potential along the Scott Road corridor study area, the Scott Road corridor's potential from an incremental retail-commercial demand perspective can be reviewed. The following section provides a summary assessment of the corridor's anticipated potential from an incremental (beyond current day commercial footprint) growth perspective, assuming that the study area attracts increased levels of redevelopment interest over the forecast study period.

### 5.1 SCOTT ROAD RETAIL COMMERCIAL TRADE AREA DELINEATION

The following retail trade area was delineated for the Scott Road study area, informed by input from the developer outreach interviews, the north south extent of the corridor, and the location and orientation of competitive retail-commercial nodes/corridors.

Particularly important drivers of retail spending patterns, and therefore trade area delineation, are the following:

- The sheer length of the Scott Road corridor, stretching from roughly 68<sup>th</sup> Avenue to the south and 99<sup>th</sup> Avenue to the north;
- Presence and orientation of competitive commercial corridors – particularly King George Highway to the east, which limits eastern extension of the trade area
- Physical and land use barriers – orientation of the Fraser River and riverfront industrial uses in the northern portion of the trade area
- Higher profile commercial nodes focused on key intersections (72<sup>nd</sup> Avenue, 80<sup>th</sup> Avenue, 88<sup>th</sup> Avenue/Nordel Way)

Generally speaking, one can expect relatively similar retail spending behaviour patterns within each of the defined trade area geographies, in part due to the nature, quality, and extent of existing retail-commercial centres and businesses.







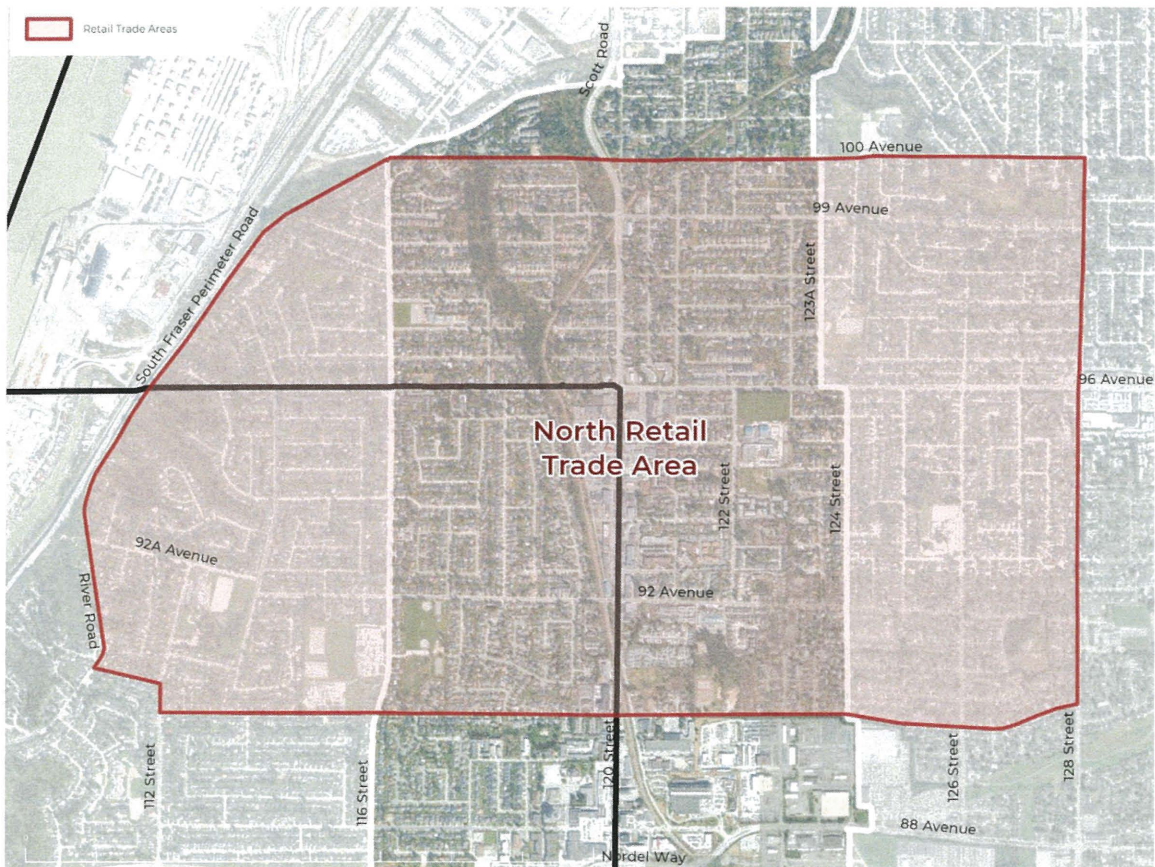


The northern section of the Scott Road retail trade area is the least populated in terms of traditional retail-commercial offerings, with many of the corridor's larger enclosed shopping centre properties being situated closer to 80<sup>th</sup> Avenue (Central Scott Road) and 72<sup>nd</sup> Avenue (South Scott Road).

The North Scott Road portion of the retail trade area does include the following smaller neighbourhood commercial centre:

- **Scott Town Plaza (9500-9570 120<sup>th</sup> Street – Surrey)** – This roughly 58,000 sq. ft. commercial centre, including 26 commercial retail units (CRUs), was first opened in 1959. The site includes 202 parking stalls, which equates to a parking ratio of 3.49 stalls per 1,000 sq. ft. of gross leasable area (GLA). Representative commercial tenants include a 10,000 sq. ft. Dollarama general merchandise dollar store, a 4,200 sq. ft. Liquor Depot liquor store, and a 4,700 sq. ft. Pharmasave pharmacy.

Figure 7: Northern Retail Trade Area

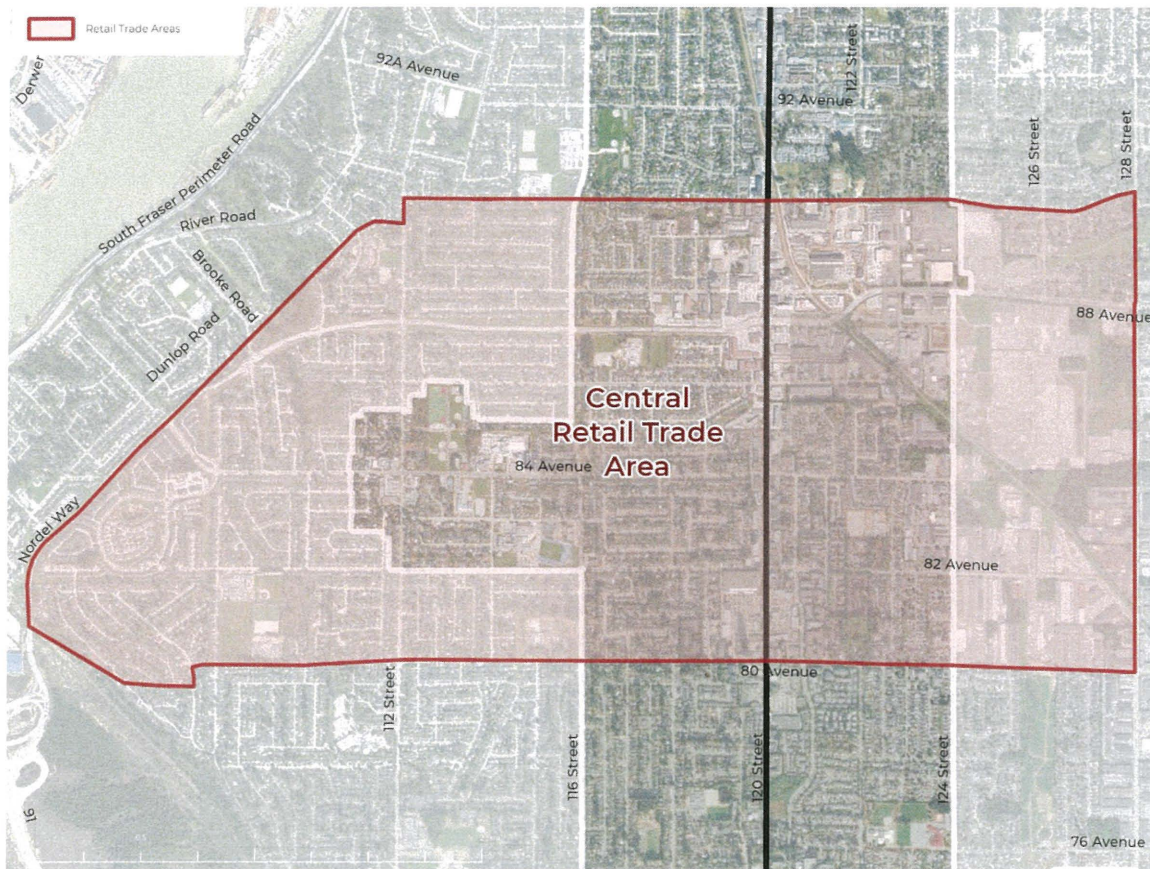


The Central Scott Road portion of the trade area offers a denser array of competitive retail offerings, particularly on the Delta side of Scott Road, and includes the following major shopping centre properties:

- **Delta Shoppers Mall (8037-8087 120<sup>th</sup> Street – Delta)** – 187,000 sq. ft. open-format shopping centre on a 5.9-acre site, first opened in 1972; features 340 parking stalls for a parking ratio of only 1.82 stalls per 1,000 sq. ft. of gross leasable area (GLA). This is very low by traditional shopping centre standards, but the property is supported by high-frequency transit. The property is shadow-anchored by a 145,000 sq. ft. Real Canadian Superstore, located at 8195 120<sup>th</sup> Street. The site is also the subject of a recently approved redevelopment application which would see the site accommodate 876 new homes, including 643 market ownership condominiums, 150 market-rate seniors homes and 83 purpose-built rental apartments.
- **8195 120<sup>th</sup> Street (Delta)** – 153,600 sq. ft. open-format centre anchored by a 145,000 sq. ft. Real Canadian Superstore; also features a Dollarama dollar store (7,800 sq. ft.) and Domo gas bar. The site offers 363 parking stalls for a parking ratio of 2.36.
- **Kennedy Heights Shopping Centre (8821-8899 120<sup>th</sup> Street – Delta)** – 160,000 sq. ft. open-format centre first with 40 commercial retail units (CRUs) opened in 1960; features 579 parking stalls for a more substantial parking ratio of 3.61 stalls per 1,000 sq. ft. of GLA.
- **Scott Road Centre (8066-8112 120<sup>th</sup> Street – Surrey)** – 62,000 sq. ft. neighbourhood-oriented shopping centre with 12 CRUs, first opened in 1990; site offers 323 parking stalls for a parking ratio of 5.21. A 19,100 sq. ft. Salvation Army Thrift Store anchors the property.
- **Scott Road Crossing (12030-12048 80<sup>th</sup> Ave. – Surrey)** – 115,000 sq. ft. open-format shopping centre featuring 10 CRUs and 478 parking stalls for a ratio of 4.16. The centre is anchored by a 70,000 sq. ft. Canadian Tire general merchandise/auto store and a 25,700 sq. ft. Best Buy electronics store. Other notable tenants include The Keg Steakhouse & Bar (8,200 sq. ft.).



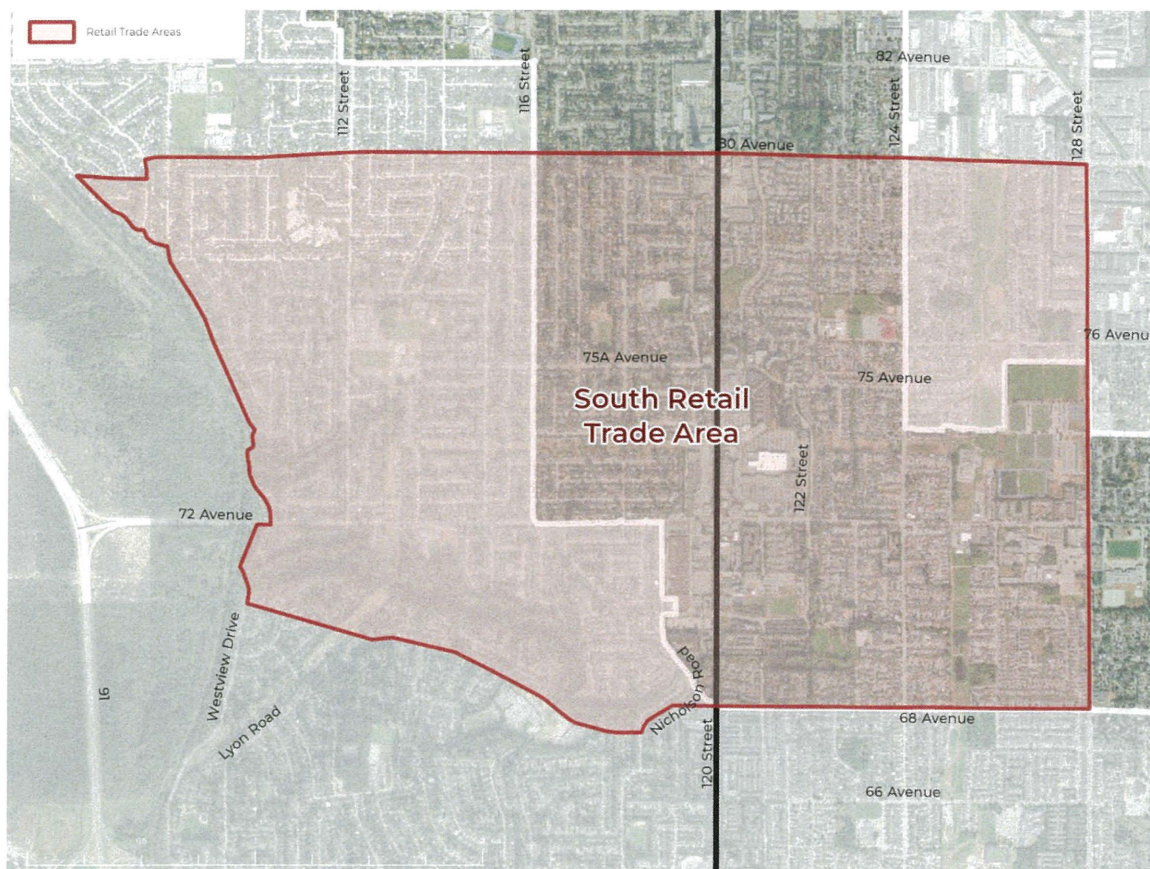
Figure 8: Central Retail Trade Area



The southern portion of the Scott Road trade area features the following significant retail properties:

- **Scott 72 Shopping Centre (7227 120<sup>th</sup> Street – Delta)** – 167,000 sq. ft. open-format shopping centre with 50 CRUs, featuring 826 parking stalls for a more traditional shopping centre parking ratio of 4.95.
- **Scottsdale Centre (7031 120<sup>th</sup> Street – Delta)** – 267,000 sq. ft. enclosed shopping centre including 42 CRUs on a 19-acre site; site offers 1,203 parking stalls, for a parking ratio of 4.51. The centre is anchored by a 114,600 sq. ft. Walmart general merchandise store and a full-service 72,900 sq. ft. Save-On-Foods supermarket.

Figure 9: Southern Retail Trade Area



## 5.2 SCOTT ROAD TRADE AREA DEMOGRAPHIC INDICATORS<sup>8</sup>

### 5.2.1 POPULATION GROWTH PROFILE

Population growth by trade area, as quantified through an evaluation of residential redevelopment potential throughout the study area, and a high growth scenario, could evolve as follows:

Table 21: Trade Area Population Growth Potential, 2021-2041

Trade Area	2021	2026	2031	2036	2041
North	28,514	33,541	38,467	42,969	46,668
Central	27,932	32,856	37,682	42,092	45,716
South	40,704	47,880	54,912	61,339	66,620

<sup>8</sup> Demographic data tables are based on Urban Systems-delineated geographic trade areas and Environics Analytics data as packaged within its SitewisePro platform.



Between 2021 and 2041, the total trade area population in this higher-growth scenario could reach 159,000 residents. This represents a potential increase of roughly 60% over a 20-year period. A higher growth scenario has been selected to better evaluate potential incremental retail-commercial demand over the study period given the extensive inventory of existing shopping and service clusters throughout the study area.

## 5.2.2 HOUSEHOLD SIZE PROFILE

The Scott Road study area is characterized by significantly larger average household sizes relative to provincial figures, which is driven in large part by the prevalence of larger single-family home structures and multi-generational households. While the study area is likely to see an increase in higher-density multi-family housing forms closer to Scott Road over the course of the study period, the extent of lower-density neighbourhoods and larger households will moderate downward shifts in average household size at the trade area level.

Table 22: Private Households by Household Size, 2021

2021 Census Households	North		Central		South		British Columbia	
		%		%		%		%
<b>Private Households by Household Size</b>	<b>8,300</b>		<b>8,947</b>		<b>12,004</b>		<b>2,041,835</b>	
1 person	1,274	15%	1,651	18%	1,811	15%	600,705	29%
2 persons	1,923	23%	2,314	26%	2,834	24%	719,865	35%
3 persons	1,454	18%	1,587	18%	2,105	18%	296,200	15%
4 persons	1,602	19%	1,705	19%	2,298	19%	256,700	13%
5 or more persons	2,061	25%	1,706	19%	2,923	24%	168,355	8%
Persons per household	3.42		3.11		3.39		2.41	

Source: SiteWise based on Statistics Canada, Census 2021

## 5.2.3 HOUSEHOLD TENURE AND TYPE PROFILE

Trade area housing tenure proportions are fairly consistent across the defined trade areas and reflect home ownership and renter rates similar to those evident at the provincial level. The highest proportion of renter households reside in the North Scott Road area, followed by South and Central Scott Road.



Table 23: Household Tenure & Type, 2021

2021 Census Dwellings	North		Central		South		British Columbia	
		%		%		%		%
<b>Private Households by Tenure</b>	<b>8,333</b>		<b>8,965</b>		<b>11,938</b>		<b>2,041,835</b>	
Owner	5,199	62%	6,136	68%	7,994	67%	1,363,190	67%
Renter	3,113	37%	2,832	32%	3,929	33%	669,450	33%
Dwelling provided by the local government, First Nation or Indian band	0	0%	0	0%	0	0%	9,190	0%
<b>Occupied Private Dwellings by Structure Type</b>	<b>8,297</b>		<b>8,949</b>		<b>11,982</b>		<b>2,041,835</b>	
Single-detached house	2,734	33%	3,012	34%	3,395	28%	866,340	42%
Semi-detached house	186	2%	205	2%	178	1%	62,890	3%
Row house	635	8%	1,040	12%	972	8%	168,590	8%
Apartment or flat in a duplex	3,315	40%	2,659	30%	3,597	30%	249,835	12%
Apartment in a building that has fewer than five storeys	1,176	14%	1,912	21%	3,578	30%	417,475	20%
Apartment in a building that has five or more storeys	180	2%	105	1%	240	2%	221,845	11%
Other single-attached house	0	0%	5	0%	20	0%	3,760	0%
Movable dwelling	40	0%	0	0%	0	0%	51,100	3%

Source: SiteWise based on Statistics Canada, Census 2021

As discussed in the housing demand section of this report, a decrease in the proportion of single-family detached homes in the study area should be observed over time, as redevelopment opportunities for lower and medium to higher density residential development forms are introduced into the study area. Given the market outlook, as characterized through developer outreach interviews, a significant proportion of anticipated multi-family redevelopment activity over the short term along Scott Road is likely to be 6-storey wood-frame construction, with at-grade retail-commercial uses primarily serving local neighbourhood and community needs.

#### 5.2.4 INDIVIDUAL INCOME PROFILE (2021)

Trade area individual incomes average between \$41,000 and \$45,000 per annum, well below the provincial mark of \$54,500. These income levels, coupled with an anticipated broader array of housing options, including rental apartments, are likely to support increases in transit mode share over the course of the study period. This strong alignment with public transit as a commuting option is evident in the transit route ridership volumes between the Scott Road and King George Highway corridors.

Table 24: Individual Income Levels, 2021

2021 Census Individual Income by Sex	North		Central		South		British Columbia	
		%		%		%		%
<b>Population 15 years and over with Total Income</b>	<b>23,053</b>		<b>22,478</b>		<b>32,653</b>		<b>4,076,350</b>	
Under \$20,000	5,957	26%	5,310	24%	8,644	26%	859,475	21%
\$20,000 to \$40,000	7,477	32%	6,896	31%	10,288	32%	1,143,675	28%
\$40,000 to \$60,000	4,833	21%	4,778	21%	6,629	20%	805,465	20%
\$60,000 to \$80,000	2,546	11%	2,728	12%	3,530	11%	505,885	12%
\$80,000 to \$100,000	1,148	5%	1,355	6%	1,703	5%	308,295	8%
\$100,000 to \$149,999	845	4%	1,130	5%	1,387	4%	297,440	7%
\$150,000 and over	255	1%	298	1%	429	1%	156,105	4%
<b>Average Income</b>	<b>\$ 40,901</b>		<b>\$ 44,840</b>		<b>\$ 41,419</b>		<b>\$ 54,450</b>	
<b>Median Income</b>	<b>\$ 34,168</b>		<b>\$ 36,942</b>		<b>\$ 33,954</b>		<b>\$ 40,792</b>	

Source: SiteWise based on Statistics Canada, Census 2021

## 5.2.5 COMMUTING TO WORK MODE PROFILE (2021)

As can be expected in a high frequency transit corridor, Scott Road corridor trade area commuting patterns reflect a significantly higher propensity to leverage public transit options for commuting to work. As noted in the table below, public transit usage is highest in the northern portion of the study area (19%), followed by South Scott Road at 15% and Central Scott Road at 14%. This compares to a province-wide proportion of only 9%.

Table 25: Commuting to Work Mode, 2021

2021 Census Mode of Commuting	North		Central		South		British Columbia	
		%		%		%		%
<b>Employed Labour Force aged 15 years and over with a usual place of work or no fixed workplace address by Main Mode of Commuting</b>	<b>13,248</b>		<b>12,687</b>		<b>18,024</b>		<b>1,873,690</b>	
Car, truck, van - as a driver	9,083	69%	9,254	73%	12,912	72%	1,376,410	73%
Car, truck, van - as a passenger	1,297	10%	1,126	9%	1,551	9%	121,350	6%
<b>Public transit</b>	<b>2,538</b>	<b>19%</b>	<b>1,733</b>	<b>14%</b>	<b>2,629</b>	<b>15%</b>	<b>174,045</b>	<b>9%</b>
Walked	100	1%	328	3%	417	2%	121,550	6%
Bicycle	0	0%	10	0%	15	0%	36,790	2%
Other method	101	1%	130	1%	245	1%	43,535	2%

Source: SiteWise based on Statistics Canada, Census 2021

\*Note: In the official Census reporting, respondents are permitted to self-report on their preferred mode of commuting to work. A bicycle-focused commute to work share of 0% is more likely due to non-reporting residents than to accurate local mode share estimates.

With the introduction of R6 Rapid bus service into the corridor early in 2024, and an anticipated uptick in multi-family redevelopment activity over time, these proportions can be expected to increase moderately over the forecast study period.



## 5.2.6 ANNUAL HOUSEHOLD EXPENDITURE PROFILE

The following table provides a comparison of annual household expenditures by category, as collected by Statistics Canada in its household survey. Variations in spending levels across the defined trade areas are captured in subsequent demand modeling, which estimates per capita retail trade spending by category and household based on variations in key demographic characteristics, including household income levels and category-specific elasticities of demand.

Table 26: Annual Household Expenditures by Category and Trade Area

2023 Household Spend Summary	North			Central			South		
	Total Expenditure	Expenditure per Household	%	Total Expenditure	Expenditure per Household	%	Total Expenditure	Expenditure per Household	%
<b>Total Expenditure</b>	<b>\$ 1,153,856,637</b>	<b>\$ 138,885</b>		<b>\$ 1,272,330,199</b>	<b>\$ 135,834</b>		<b>\$ 1,678,149,522</b>	<b>\$ 140,987</b>	
Shelter	\$ 248,624,471	\$ 29,926	22%	\$ 269,163,991	\$ 28,736	21%	\$ 360,466,192	\$ 30,284	21%
<b>Food</b>	<b>\$ 126,670,758</b>	<b>\$ 15,247</b>	<b>11%</b>	<b>\$ 139,580,659</b>	<b>\$ 14,902</b>	<b>11%</b>	<b>\$ 177,399,920</b>	<b>\$ 14,904</b>	<b>11%</b>
Household operation	\$ 51,882,370	\$ 6,245	4%	\$ 56,844,091	\$ 6,069	4%	\$ 73,599,996	\$ 6,183	4%
Health care	\$ 43,458,662	\$ 5,231	4%	\$ 48,840,016	\$ 5,214	4%	\$ 65,317,218	\$ 5,488	4%
Household furnishings and equipment	\$ 37,375,259	\$ 4,499	3%	\$ 42,476,447	\$ 4,535	3%	\$ 53,365,498	\$ 4,483	3%
Transportation	\$ 125,721,701	\$ 15,133	11%	\$ 137,540,332	\$ 14,684	11%	\$ 181,232,776	\$ 15,226	11%
Recreation	\$ 49,667,537	\$ 5,978	4%	\$ 53,039,587	\$ 5,662	4%	\$ 71,925,807	\$ 6,043	4%
<b>Personal care</b>	<b>\$ 21,547,994</b>	<b>\$ 2,594</b>	<b>2%</b>	<b>\$ 23,360,256</b>	<b>\$ 2,494</b>	<b>2%</b>	<b>\$ 29,750,453</b>	<b>\$ 2,499</b>	<b>2%</b>
Clothing	\$ 46,584,250	\$ 5,607	4%	\$ 48,401,929	\$ 5,167	4%	\$ 68,445,579	\$ 5,750	4%
<b>Education</b>	<b>\$ 28,285,132</b>	<b>\$ 3,405</b>	<b>2%</b>	<b>\$ 28,223,064</b>	<b>\$ 3,013</b>	<b>2%</b>	<b>\$ 40,666,553</b>	<b>\$ 3,417</b>	<b>2%</b>
Reading materials and other printed matter	\$ 1,464,255	\$ 176	0%	\$ 1,752,924	\$ 187	0%	\$ 2,091,604	\$ 176	0%
Tobacco products and alcoholic beverages	\$ 28,763,307	\$ 3,462	2%	\$ 33,007,923	\$ 3,524	3%	\$ 40,507,425	\$ 3,403	2%
Games of chance	\$ 9,483,685	\$ 1,142	1%	\$ 12,012,149	\$ 1,282	1%	\$ 11,116,292	\$ 934	1%
Miscellaneous expenditures	\$ 21,663,380	\$ 2,608	2%	\$ 23,281,532	\$ 2,486	2%	\$ 32,786,028	\$ 2,754	2%

Source: SiteWise based on Statistics Canada, Census 2021

## 5.2.7 SCOTT ROAD ANNUAL EXPENDITURE POTENTIAL

Total gross annual spending potential for each of the defined trade areas was projected over the 2021 to 2041 study period and combined to show total growth in annual spending power by category<sup>9</sup> for the Scott Road trade area as a whole. While some portion of this spending potential may be captured by study area businesses, the majority of spending will continue to flow to a wide variety of competitive nodes throughout the Metro Vancouver region. This is particularly true for comparison retail shopping categories (such as clothing and household furniture and furnishings), which tend to agglomerate in larger traditional shopping centre nodes.

<sup>9</sup> As defined by the 3-digit code North American Industry Classification System (NAICS), 2022.



Table 27: Scott Road Trade Area Expenditure Potential Growth (2021-41)

SCOTT ROAD TRADE AREA Gross Spending (x1,000)	2021	2026	2031	2036	2041	Change 2021-41	Change (%)
Retail trade - All categories	1,402,602	1,708,694	2,030,531	2,351,420	2,648,872	1,246,271	89%
Furniture and home furnishings stores	47,914	56,916	65,944	74,447	81,753	33,839	71%
Electronics and appliances	47,822	54,378	60,104	64,486	67,010	19,188	40%
Building materials, garden equipment, supplies	85,768	106,846	129,717	153,329	176,153	90,385	105%
Supermarkets and Other Grocery	235,315	278,649	321,801	362,081	396,241	160,926	68%
Convenience Stores	11,721	14,052	16,436	18,734	20,776	9,055	77%
Specialty Food Stores	18,106	21,767	25,529	29,181	32,452	14,346	79%
Liquor stores	75,777	93,954	113,560	133,669	152,960	77,183	102%
Clothing Stores	65,590	80,849	97,177	113,780	129,545	63,956	98%
Shoe Stores	8,689	10,285	11,872	13,352	14,605	5,916	68%
Jewellery, Luggage, Leather Goods Stores	9,690	12,116	14,761	17,505	20,172	10,482	108%
Sporting goods, hobby, book, and music stores	36,219	42,524	48,672	54,255	58,797	22,578	62%
General merchandise stores	157,021	192,707	230,654	268,975	305,060	148,039	94%
Miscellaneous store retailers	42,381	53,350	65,402	78,006	90,372	47,992	113%
Health and personal care	92,352	114,919	139,374	164,582	188,906	96,554	105%

Source: Urban Systems

Trade area expenditure potential growth is vital as it offers a clear understanding of incremental growth in spending power over the defined period. Some notable highlights:

- Building materials, garden equipment – growth of \$90.4M by 2041 or 105%
- Supermarkets and grocery stores – growth of \$160.9M by 2041 or 68%
- Liquor stores – growth of \$77.2M or 102%
- General merchandise stores<sup>10</sup> – growth of \$148.0M or 94%
- Health and personal care stores – growth of \$96.6M or 105%

## 5.2.8 SCOTT ROAD MARKET CAPTURE RATES (INCREMENTAL POTENTIAL)

Projecting likely net spending capture of incremental growth within the defined Scott Road study area requires assessing the potential for new Scott Road study area businesses to attract incremental spending growth. As this is not a site-specific evaluation, but rather a study-area wide assessment, market shares by category have, for the purposes of this review, been assumed to be similar throughout the trade area. The following market shares are reasonable and achievable, as they allow for the continued natural flow of spending to competitive shopping districts, shopping centres and nodes in other areas of the region.

<sup>10</sup>General Merchandise Stores comprise of establishments primarily engaged in retailing a general line of merchandise that may, or may not, include a general line of grocery items. This differs from Miscellaneous Store Retailers, which includes florists; office supplies, stationary and gift retailers; used merchandise retailers; and other miscellaneous store retailers.

Table 28: Anticipated Retail Market Shares by Category (share of incremental growth)

Retail-Commercial Category	North	Central	South
Furniture and home furnishings stores	20%	20%	20%
Electronics and appliances	30%	30%	30%
Building materials, garden equipment, supplies	30%	30%	30%
<b>Supermarkets and Other Grocery</b>	30%	30%	30%
<b>Convenience Stores</b>	30%	30%	30%
<b>Specialty Food Stores</b>	30%	30%	30%
<b>Liquor stores</b>	20%	20%	20%
Clothing Stores	20%	20%	20%
Shoe Stores	20%	20%	20%
Jewellery, Luggage, Leather Goods Stores	20%	20%	20%
Sporting goods, hobby, book, and music stores	20%	20%	20%
<b>General merchandise stores</b>	15%	15%	15%
Miscellaneous store retailers	20%	20%	20%
<b>Health and personal care</b>	30%	30%	30%
<b>Food &amp; Beverage</b>	<b>20%</b>	<b>20%</b>	<b>20%</b>

Source: Urban Systems

In addition to market shares of incremental growth in trade area resident spending, there will also naturally be inflow spending into the trade area, generated by visitors from the broader region, daytime workers living outside the trade area and tourists. Inflow spending factors assumed by category are shown below:

Table 29: Inflow Spending Factors by Category

Scott Road Retail-Commercial Category	Inflow
Furniture and home furnishings stores	2%
Electronics and appliances	2%
Building materials, garden equipment, supplies	15%
Supermarkets and Other Grocery	15%
Convenience Stores	25%
Specialty Food Stores	20%
Liquor stores	10%
Clothing Stores	10%
Shoe Stores	10%
Jewellery, Luggage, Leather Goods Stores	5%
Sporting goods, hobby, book, and music stores	5%
General merchandise stores	25%
Miscellaneous store retailers	25%
Health and personal care	15%
Food & Beverage	30%

Source: Urban Systems

These are also deemed to be reasonable given the relative popularity of Scott Road's offerings in this range of spending categories.

## 5.2.9 SCOTT ROAD INCREMENTAL RETAIL-COMMERCIAL FLOOR AREA (2024-2041)

After applying realistic and achievable market shares to incremental growth potential in the Scott Road Corridor study area, along with reasonable assumptions regarding the extent of likely inflow spending (from non-trade area residents), the following summary of anticipated additional market-supportable floor area estimates by category have been assessed.

Table 30: Incremental Retail-Commercial Floor Area Demand by Category (2024 to 2041)

<b>Scott Road Corridor</b>				
<b>Incremental Retail-Commercial Demand (2024 to 2041)</b>				
<b>Retail-Commercial Category</b>	<b>2026</b>	<b>2031</b>	<b>2036</b>	<b>2041</b>
Furniture and home furnishings stores	1,500	5,600	9,200	12,100
Electronics and appliances	400	1,300	1,900	2,200
<b>Building materials, garden equipment, supplies</b>	<b>6,700</b>	<b>25,100</b>	<b>43,100</b>	<b>59,500</b>
<b>Supermarkets and Other Grocery</b>	<b>6,400</b>	<b>23,300</b>	<b>38,200</b>	<b>49,900</b>
<b>Convenience Stores</b>	<b>400</b>	<b>1,500</b>	<b>2,400</b>	<b>3,200</b>
<b>Specialty Food Stores</b>	<b>400</b>	<b>1,500</b>	<b>2,500</b>	<b>3,300</b>
<b>Liquor stores</b>	<b>1,500</b>	<b>5,700</b>	<b>9,700</b>	<b>13,400</b>
Clothing Stores	2,600	9,600	16,500	22,600
Shoe Stores	200	900	1,400	1,900
Jewellery, Luggage, Leather Goods Stores	200	900	1,600	2,200
Sporting goods, hobby, book, and music stores	800	2,800	4,600	5,900
<b>General merchandise stores</b>	<b>7,100</b>	<b>26,200</b>	<b>44,600</b>	<b>60,900</b>
<b>Miscellaneous store retailers</b>	<b>2,800</b>	<b>10,600</b>	<b>18,400</b>	<b>25,600</b>
<b>Health and personal care</b>	<b>3,700</b>	<b>13,700</b>	<b>23,500</b>	<b>32,400</b>
<b>Food &amp; Beverage</b>	<b>3,300</b>	<b>12,200</b>	<b>20,900</b>	<b>28,700</b>
<b>TOTAL - ABOVE RETAIL-COMMERCIAL</b>	<b>38,200</b>	<b>141,000</b>	<b>238,500</b>	<b>323,800</b>
<b>TOTAL - Net of Building Materials, General Merch.</b>	<b>24,400</b>	<b>89,700</b>	<b>150,800</b>	<b>203,400</b>

Source: Urban Systems

As noted, if the market shares assumed above hold, there is potential for the Scott Road Study area to see an increase in market-supportable floorspace of roughly 141,000 sq. ft. by 2031 and 324,000 sq. ft. by 2041. As some key categories, notable building materials/garden supply and general merchandise stores are not likely to land within the study area (due to the extent and pattern of competitive offerings in these categories and limited company rosters), the extent of incremental growth opportunity is likely to be more focused on categories less reliant on a short list of major operators.

While a more detailed breakdown of potential CRU sizes on a category-by-category basis is beyond the scope of this study, the following inferences can be drawn from the above floor area market support table:

- Building materials, garden equipment and supply stores – given sufficient market coverage in the home improvement category from a supply perspective, this is



most likely to materialize in the study area in the form of a larger (30,000 + sq. ft.) garden and supply centre, with the aim of better serving a growing study area population. This the most box-retail oriented category likely to be supportable from a market perspective over the foreseeable future.

- **Supermarkets and grocery stores** – this is a retail category which could see the addition of several smaller to medium-scale specialty supermarkets (10,000 to 15,000 sq. ft.) over time, or the addition of a single larger full-scale supermarket (of 35,000 sq. ft. or more) over the medium term.
- **General merchandise stores** – While an additional large-scale general merchandiser such as Walmart is not likely supportable within the study area given the extent of realistic market support, what is more likely is the addition, over time, of smaller-scale general merchandise businesses such as dollar stores and significant general merchandise components of businesses in other categories (e.g. specialty supermarkets offering some general merchandise).
- **Other retail categories** – Other listed retail categories will likely see study area additions in CRUs ranging from 800 to 3,000 sq. ft.
- **Restaurant Food & Beverage** – This important category includes business types comprising a wide arrange of commercial floor area sizes, from 300 sq. ft. kiosks, to 800-1,000 sq. ft. street front CRUs, neighbourhood restaurants ranging from 1,500 to 3,000 sq. ft., and, periodically, the addition of larger destination restaurants (typically chain operated) requiring larger 3,500 to 5,000 sq. ft. floorplates.

As such, the likely extent of incremental demand is likely to be modest – 90,000 sq. ft. by 2031 and 203,000 sq. ft. by 2041.

## 5.2.10 IMPLICATIONS OF INCREMENTAL RETAIL-COMMERCIAL FLOOR AREA DEMAND

Despite assuming a high growth scenario for retail-trade evaluation purposes, the extent of incremental opportunity for the Scott Road study area from a retail-commercial perspective is expected to be modest and best suited to delivery in mixed-use redevelopment formats over time.

Though the study area offers considerable opportunities for significant redevelopment intensification and integration of higher-density residential uses in particular, developers are most likely to seek development plans that either maintain current commercial footprints or, in some cases, move to rationalize current commercial space into a slightly more modest amount of new commercial floorspace. As newer (relative to older) commercial spaces require more in the way of sales dollars per sq. ft. per year to ensure healthy operations and bottom lines, and given the ease with which current and future trade area residents can access competitive facilities in neighbouring markets, developers and property owners are likely to be cautious in terms of provision of additional commercial floorspace (beyond current levels).

## 6.0 INSIGHTS FROM DEVELOPER OUTREACH

Between November 22, 2023 and January 25, 2024, representatives from Urban Systems conducted nine (9) interviews with development firms. The organizations represented in the following notes and highlights are outlined below in Table 29.

Table 31: Scott Road Interview Participants

Company	Interviewee	Date
<b>Wesgroup</b>	Dean Johnson	November 22, 2023
<b>Beedie</b>	Carl Funk	November 24, 2023
<b>Fifth Ave</b>	Scott Brown	November 28, 2023 and January 15, 2024
<b>RioCan REIT</b>	Stuart Craig	November 28, 2023
<b>Sutton Group Alliance</b>	Tanvir Sooch	December 4, 2023
<b>Marathon Group</b>	Jas Gill	December 5, 2023
<b>Mosaic Homes</b>	Alec Katchur-Marsh	December 7, 2023
<b>Choice Properties REIT</b>	David Major	January 17, 2024
<b>Headwater Projects</b>	Veronique Turner, Caitlin Clark, McGregor Wark	January 25, 2024

The interviewees were selected, within the scope of this study, to represent a reasonable cross-section of development industry stakeholders on either side of Scott Road, including property owners and developers familiar with either side of the Scott Road Corridor (e.g., Surrey or Delta) or developers who are not currently active in the Corridor but are active in Surrey and Delta and the surrounding region. Note that not all invited organizations participated in the requested interviews.

### 6.1 DEVELOPMENT INTERVIEW FINDINGS

At the request of several interviewees, the individual developer outreach interview notes have been synthesized into a series of broader insights related to market drivers, challenges, and development market trends. This section presents the strengths, limitations, and opportunities that developers and property owners are observing in terms of pursuing redevelopment potential along the Scott Road Corridor.

#### 6.1.1 NODES OF DEVELOPMENT OPPORTUNITY

In terms of development opportunity, the Scott Road Corridor was noted as a great development opportunity for Delta as it is an area that is considered, relative to other surrounding jurisdictions, to be overdue for increased densification. Interviewees identified the following nodes as offering particularly strong redevelopment opportunities.

*Primary Nodes of Opportunity*

- **72<sup>nd</sup> Avenue and Scott Road:** Many interviewees agreed that development opportunities radiate out from this intersection due to its east-west corridor connection, the quality and size of existing shopping centres (e.g., Strawberry Hill Shopping Centre, Scottsdale Mall), and established, higher income residential neighbourhoods to the south.
- **80<sup>th</sup> Avenue and Scott Road:** is a place of frequent visitation for both vehicular and pedestrian traffic, anchored by the Scott Road Centre and the first residential high rise on the corridor – the “Delta Rise”. This central area of the Scott Road Corridor can also potentially serve as a catalyst for further redevelopment activity in areas to the north and south.
- **88<sup>th</sup> Avenue and Scott Road:** was also mentioned as a major node, however, its existing surrounding low-density built form currently encourages more vehicle-oriented patterns than do other major nodes of opportunity along the corridor.

*Secondary Nodes of Opportunity*

- **75<sup>th</sup> Avenue and Scott Road:** This intersection offers strong connections to the busy 72<sup>nd</sup> Avenue intersection, which promotes walkability to commercial uses.
- **84<sup>th</sup> Avenue and Scott Road:** was noted as a busier intersection, however, some new commercial development has already taken place and this built form is likely to persist through at least the medium term.
- **96<sup>th</sup> Avenue and Scott Road:** was noted as a quieter area relative to the rest of the Corridor with less established east-west connections. There are fewer commercial uses and more single-detached dwellings along the main corridor.

*Development Areas In Between “Nodes of Opportunity”*

- Interviewees suggested that Surrey and Delta should consider distributing the infill development opportunity across the length of the entire corridor (i.e., allow medium density in areas between key high-density nodes). Areas in between the nodes are very important for encouraging smaller scale projects, as a wider array of potential redevelopment sites provide a higher degree of market accessibility to a broader range of potential development firms. This flexibility will be important given the extent of infill development opportunities in TOA areas surrounding existing and future SkyTrain stations.
- Some interviewees shared that the average developer (e.g., smaller to medium sized organization) cannot realistically compete with larger developers at the scale being pursued for larger town centre nodes, as the scale of development is beyond their experience and financing capabilities.
- Some sites along Scott Road are small in size, and reducing parking requirements throughout the study area could alleviate the costs associated with building many levels of underground parking.



### 6.1.2 EASE OF DEVELOPMENT

- Two interviewees shared their experience and perception that it was easier to develop on the Delta side of Scott Road due to an approachable and interactive development approvals process (e.g., preliminary workshops with Council and staff prior to application – e.g. North Area Delta Plan).
- One interviewee shared that exploration of potential development opportunities was better supported in Surrey due to the number of existing neighbourhood community plans in place, additional sub-area plans to come, a larger more varied geography which offers more options to choose sites from, and significantly higher overall population growth.
- On the Surrey side, one interviewee noted that development permit and development variance permitting processes are easy to navigate and relatively quick in terms of approvals.
- Several interviewees spoke about their increased interest in the development potential for Scott Road corridor after the new R6 RapidBus transit announcement.
- One interviewee mentioned that the Scott Road corridor has a strong cultural component (e.g., York Gurdwara Sahib Society, ethnic businesses) close to the residential uses, with few industrial uses, and that there is a natural link between local-serving business types and residents of various cultural backgrounds.

### 6.1.3 BARRIERS TO DEVELOPMENT

#### *Development Approvals Process*

- Two interviewees noted that Surrey's current land use plans and policies along Scott Road are not yet aligned with the higher densities required to support mixed-use shopping centre redevelopment under current and evolving market conditions.
- For phased development of larger shopping centres, lot severance was identified by one interviewee as an area for improvement on the Surrey side. It was noted that the current City development policies trigger servicing improvements required for the entirety of the site.
- Interviewees on both sides of the corridor noted that there is a perception of significant community opposition against intensification. They noted that the municipalities should give a balanced view to benefits of intensification and related planning trade-offs to better educate local community groups and residents.

#### *Current Market Conditions Are Challenging*

- Two interviewees noted that the timing of tenant lease end dates presents significant challenges with respect to considering shopping centre redevelopment, and under today's market conditions of high interest rates and bank financing

requirements, developers do not necessarily have the funds or incentives to buy the leases out early.

- Some developers indicated their development interest is focused more intently on higher profile rail corridors (e.g., SkyTrain station areas) where major development projects and higher-density residential and office components can be better supported given the array of existing and planned amenities. Several submarkets specifically mentioned include: North Road corridor in Coquitlam and Lougheed, Metrotown and Brentwood in Burnaby, Surrey City Centre and Surrey Fraser Highway.
- Two developers noted that any potential development site along the Scott Road corridor requires relative ease of land assembly. Currently, other submarkets can command higher redeveloped multi-family sales prices in comparison to Scott Road, which serves as an immediate-term disincentive for development along the corridor. A good example of this is the Oakdale area in Coquitlam, where for similar costs of single-family site assembly, higher sales per sq. ft. can be secured for new multi-family homes, in part due to the presence of SkyTrain access and related amenities.
- Concrete tower construction costs are high and projects are not financially viable until a certain density threshold is met. In the current market context, this is typically 20 storeys or more (varies depending on the site size). Many interviewees indicated that, due to construction costs, building forms between 7 and 12 storeys and between 12 and 18 storeys are difficult to pencil out given the increased costs associated with required building technologies.
- Townhouse sites are better suited in other areas in Delta or Surrey (e.g., greenfield development rather than infill development) as a larger lot size is typically required (ideally 3 to 4 acres to allow for double loading and access to parking), and the cost and identification of suitable land assembly sites along Scott Road is challenging.

#### 6.1.4 OPPORTUNITIES TO ENCOURAGE MORE DEVELOPMENT

##### *Land Use Policies, Plans and Regulations*

- Two interviewees noted that, given land use legislation and regulations changing at the provincial level, an interim municipal land use policy for the Scott Road corridor would be beneficial for developers to reduce development uncertainty. This could be especially beneficial on the Surrey side, as the land use plans and zoning could better reflect development opportunities with a functioning R6 RapidBus service.

##### *Market Rental Housing*

- One developer noted that building purpose-built market rental housing is becoming more difficult due to rent controls and increasing operational costs.

- Two interviewees suggested that Delta and Surrey should better align their land use policies along Scott Road corridor, especially when it comes to housing affordability policies (e.g., integration of market rental, below market rental, etc.) to ensure balanced development potential.
- One interviewee noted that while there is a GST exemption for market rental developments, it is unclear whether it applies to buildings with a mix of market rental and strata units. These exemptions also only apply to projects which are primarily rental, which significantly limits potential impact given the need for most developers to provide a mix of housing tenure options in their projects.

#### *Sense of Public Realm*

- Two interviewees recognized that Scott Road Corridor covers a large area of geography, and the extent of land on either side of the corridor tends to create a perception that there are no clear recognizable landmarks or focal points to draw attention or interest. A more intentional focus on improving the public realm which radiates out from key priority nodes, would be more attractive to developers, homebuyers and renters.

## **6.2 DENSITY NODES / AREAS IN BETWEEN DENSITY NODES**

To inform the market-based commentary heard through interviews with developers, a series of maps were produced using several datasets, along with developer interviews to demonstrate where the density nodes are likely to occur, what scale of development is likely to be market-supportable, and to provide a clearer idea of timing of redevelopment.

Figure 10 below shows patterns with respect to higher likelihood of redevelopment by combining 5- and 10- minute walksheds to the R6 RapidBus stop locations and improvement (i.e. building value) to total assessment ratios. Areas where there is low improvement to total assessment value ratios, all else being equal, indicate areas which are more likely to redevelop earlier in the study period. This redevelopment potential is likely to increase if the parcel is located within a 5- or 10- minute walkshed of the R6 RapidBus, which provides end-users with increased ease of access to frequent transit.

### **6.2.1 DENSITY NODES**

Based on the patterns outlined in **Figure 10**, the major density nodes along Scott Road are likely to occur in the following intersections:

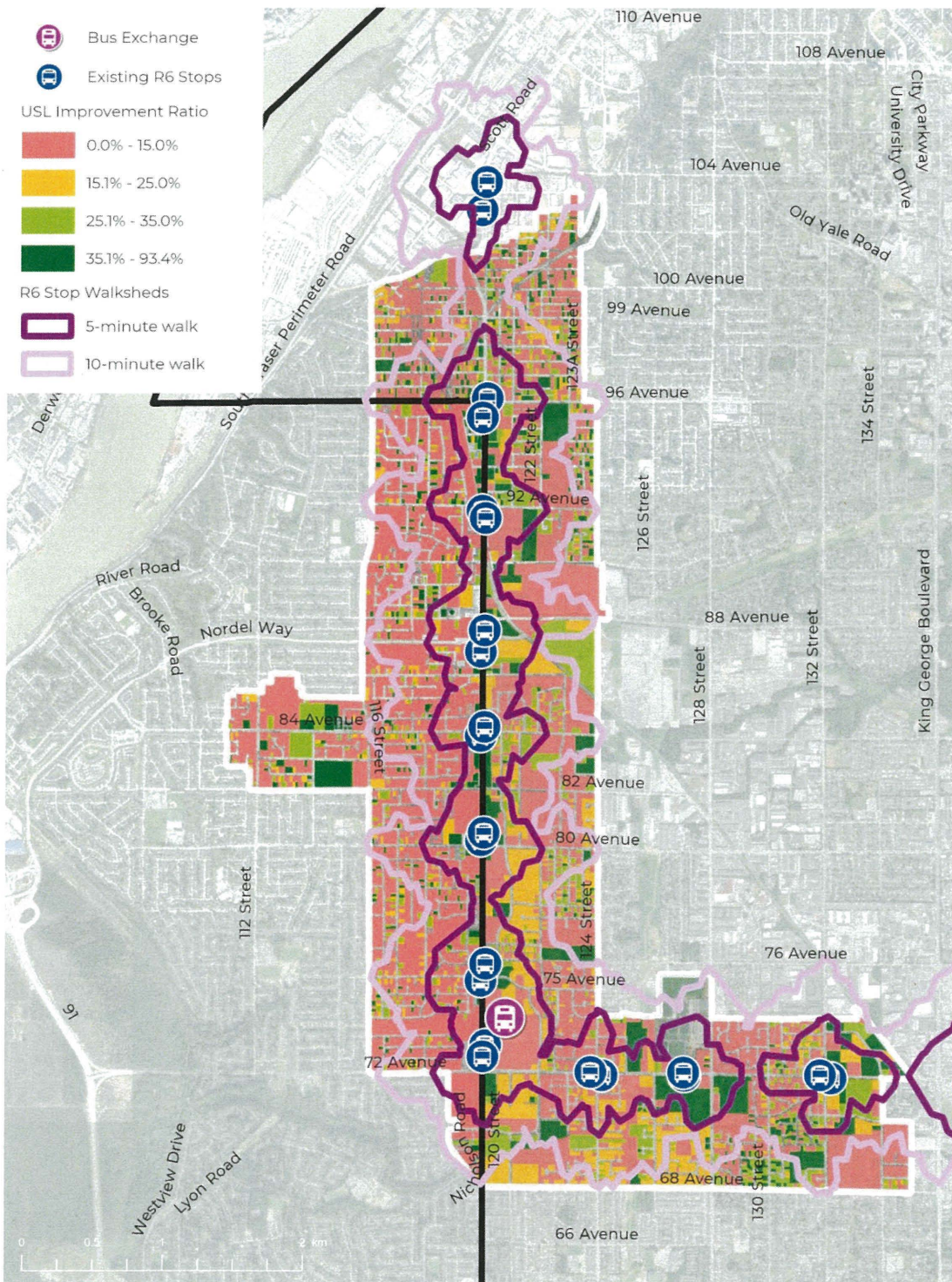
- **72<sup>nd</sup> Avenue and Scott Road:** three large shopping centres in the Northeast, Southwest, and Northwest are showing lower range improvement to total assessment ratios. While not necessarily indicative of income-generation, RioCan's interest in exploring redevelopment options for the site previous to its sale of the site is a good indicator of the likelihood that the site is ultimately best suited for mixed-use redevelopment. This intersection also contains the future TOD area, Scottsdale Exchange, which is intended to permit higher density uses.



- **80<sup>th</sup> Avenue and Scott Road:** shows low improvement to total assessment ratio around some parcels with high improvement to total assessment ratios indicating more recent development. This indicates that some parcels have already been redeveloped or were recently redeveloped, which could trigger further redevelopment on surrounding parcels.
- **88<sup>th</sup> Avenue and Scott Road:** some parcels show high improvement to total assessment ratios, but there are remaining large parcels around the R6 RapidBus stops that show low improvement to total assessment ratios.
- **92<sup>nd</sup> Avenue and Scott Road:** most parcels around this intersection show lower improvement to assessment ratios and are located around the R6 bus stop.

96<sup>th</sup> Avenue, 84<sup>th</sup> Avenue and 75<sup>th</sup> Avenue at Scott Road are the remaining intersections with R6 RapidBus stops. These intersections do not show large areas with low improvement to total assessment ratios, however, there may still be smaller sites with high redevelopment potential. These are likely able to accommodate or become medium nodes of density due to the existing built form.

Figure 10: R6 Stops, Improvement to Total Assessment Ratio (2023), and Walksheds





### 6.3 DENSITY TIERS

Based on the findings from the earlier sections in this report, it is anticipated that the following density patterns could be accommodated by the market, as shown in **Figure 11** (note: a full size of the map is available in Appendix B) and described below. These areas are shown to reflect likely market-support over the forecast study period and to inform future land use planning as Delta and Surrey may have further adjustments based on additional considerations (e.g., ownership parcel delineation, transition away from the corridor, etc.).

While current industry building practices and market conditions have centered on either wood-frame construction (townhomes and low-rise apartment buildings up to 6-storeys) or larger concrete multi-family apartment buildings, the time frame of this Scott Road study also covers the longer term market outlook - 2034 and to 2051. As such, and supported by outreach conversations to some local builders and architects, it is worth considering the potential for introduction of a broader array of building materials, technologies and methods that could yield changes to the viability of certain built forms (e.g., hybrid building materials for constructing 7 to 12 storeys).

*Figure 11: Timber-Hybrid CREE 12 Storey Mixed Use Building in Toronto, Ontario,*



Source: CREE Buildings

While any new technology would need to be regulated by the BC Building Code, forward looking land use planning and policies should anticipate the potential for alternative building formats given the longer planning horizon. Though current market conditions



indicate the predominance of viable two to three-level townhouse, 5 to 6 storey wood-frame apartments and larger concrete apartment buildings, additional building formats may become more viable over the medium to longer terms. Figure 11 above is an example of a 12-storey mixed use building anticipated to start construction in December 2024, which uses a timber-hybrid construction material developed by CREE.

### **6.3.1 MORE THAN 12 STOREYS**

The areas highlighted in brown have the potential to accommodate developments of more than 12 storeys in height. There are three (3) areas suitable for developments taller than 12 storeys: 70<sup>th</sup> to 75A Avenue, 78B Avenue to 82<sup>nd</sup> Avenue, and 86<sup>th</sup> Avenue to 90<sup>th</sup> Avenue. Within the foreseeable future, and as supported by outreach to developers active in the regional and local markets, only concrete multi-family buildings of 20 storeys or more are likely to meet base development viability thresholds.

The intersections in these areas represent major east-west road connections. In the current development market, concrete is the most common building construction material for buildings taller than 12 storeys. Along the Scott Road corridor, developers clearly indicated that 20+ storeys is a critical threshold under current market conditions in supporting the viability of concrete tower projects.

### **6.3.2 UP TO 12 STOREYS**

The areas shaded in light orange have the potential to accommodate developments of up to 12 storeys in height. There are three (3) areas suitable for up to 12 storeys areas along Scott Road: between 90<sup>th</sup> and 92<sup>th</sup> Avenue, between 82<sup>th</sup> and 86<sup>th</sup> Avenue, and between 75A Avenue and 78B Avenue.

Within the current development market, the most common multi-family building forms are wood-frame – which readily supports up to 6 storeys – or a mix of concrete at base and 5 storeys of wood-frame residential on floors 2 to 6. It was noted by one developer that additional building technologies are being used outside of Canada which could potentially be feasible for use in Canada within the foreseeable future (e.g. the medium term) and which would allow for non-concrete construction for 7+ storey structures (e.g., Finnish Peikko system, or timber hybrid forms by CREE). While it will take time for the local market to adjust to such advancements in building technology and to incorporate them appropriately into market pricing, it is appropriate to allow for such forms given the potential for building technology advancement over the medium to longer term.

### **6.3.3 MULTI-FAMILY UP TO 6 STOREYS**

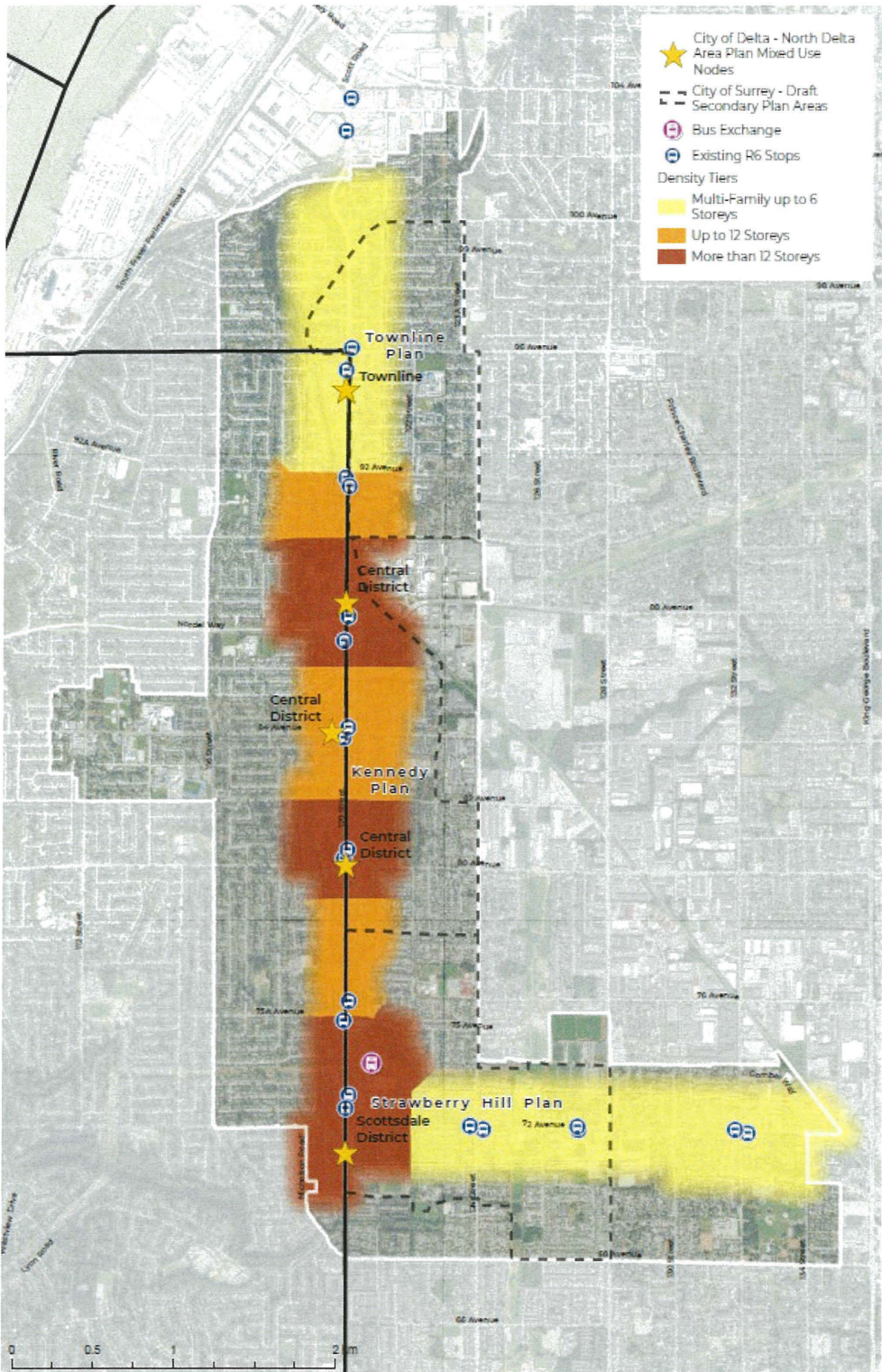
The areas highlighted in yellow have the potential to accommodate multi-family developments of up to 6 storeys in height. There are two (2) areas suitable for multi-family development forms up to 6 storeys along Scott Road: on the north end, encompassing the

Townline Plan (Surrey) / Townline (Delta), and on the southeast end of the study area, encompassing the Strawberry Hill Plan (Surrey)<sup>11</sup>.

Given the relatively weaker connections to key retail areas, institutional facilities, and the existing built form, the future uses will likely support lower density development, especially with the introduction of the SSMUH legislative changes. The range of market-supportable housing typologies could include ground-oriented housing, including housing with an accessory dwelling unit, multiplexes, townhouses, and wood-frame apartments of up to 6 storeys in height.

<sup>11</sup> We note that Kwantlen Polytechnic University is included in the Strawberry Hill Plan, and the institution's development needs will be driven by faculty, staff and student market demand which is not included within the scope of work for this report.

Figure 12: Density Tiers





## 6.4 TIMING CONSIDERATIONS FOR LAND USE PLANS AND POLICIES

This section highlights considerations related to likely development timing within each of the identified density nodes along the Scott Road Corridor and areas between priority density nodes. The parcels that would likely be redeveloped first will have the fewest barriers to development, and this will be determined by a range of factors, including individual site characteristics<sup>12</sup>, complexities related to surrounding site context, and local vs. regional market conditions (including development costs and achievable sales per sq. ft. rates for new-build).

As of early 2024, market conditions create a challenging environment for developers due to higher financing interest rates and a short-term slowing of market absorption, which means developers are likely to err on the side of caution and invest in properties that are less risky (i.e., more certain development approvals process and more predictable returns on investment).

At the core, redevelopment opportunities are likely to occur when there is incentive for the developer to purchase the land and for the property owner to sell the land:

1. **Developer's incentive** - As in, the site's permitted density and use, and sales revenue will yield a residual land value that is attractive enough for developers to invest their capital dollars and financing leverage to pursue redevelopment.
2. **Property owner's incentive** - As in, the property owner can achieve their ideal selling price, which needs to be higher than the net revenue generated from the current site activities (e.g., from retail and/or housing tenants).

To encourage future development, the adoption of land use plans and policies can be timed to align with areas with the most immediate potential and to focus on permitting a range of development typologies within these areas. Based on one actively selling concrete residential tower in North Delta on Scott Road ("Walker House"), the market absorption is 10.6 units per month meaning an estimated 72% of the units were sold over a period of 18 months. On the other hand, a recent 6-storey wood-frame apartment project ("Village at Sunshine Hills"), located just outside of the study area, sold out more quickly, with market absorption of 90 units per month, meaning the project was 100% sold out within a month.

This data shows that the market requires time to absorb the units, and this timing will differ by housing typology. To encourage development throughout periods of economic change, having land use plans and policies that encourage a range of housing densities and

<sup>12</sup> Insights from the developer outreach revealed that additional factors which delay development potential on Scott Road include land assembly costs, severance of lots (applicable to the Surrey side), and existing tenant agreements on a given site, which provide income-generating opportunities.

typologies will provide flexibility for the market to provide housing that is most suitable based on demand at any given time.

#### **6.4.1 SHORT TERM**

The development typologies deemed to be most viable under current market conditions, and depending on site context, are 6-storey wood-frame apartments (including potential for at-grade commercial uses) and concrete towers, which are supported by the market to be accommodated in the “Up to 12 Storeys” areas and “More than 12 Storeys” areas.

While these two typologies are dispersed along the Scott Road corridor, the segment with the most immediate market demand is the Central District (Delta) and Kennedy Plan (Surrey). This segment of the study area comprises a mix of shopping centre sites and land parcels of smaller sizes which would be of redevelopment interest to a sliding scale of development firm sizes. On the Delta side, a 37-storey residential building exists at 80<sup>th</sup> Avenue and the recently approved Delta Shoppers Mall development application on a site north of the intersection will bring 876 units onto the market.

Due to the recently approved project, the multi-phase Delta Shoppers Mall development can potentially serve as a catalyst for residential development in this segment of the study area. The level of success achieved on this project will influence nearby property owners, who may become more interested in selling their site as the market becomes tried and tested, and this area becomes more walkable over time with the addition of an improved public realm (including street furniture, lighting, transit shelters, and other amenities). As the Delta Shoppers Mall will be constructed in phases, the units will be released in phases which will leave uptake room in the market for other development project units in this area to be absorbed.

#### **6.4.2 MEDIUM TERM**

In the medium term, the market will trend towards redevelopment of larger shopping centres, many of which are anchored by big box stores. These large-scale redevelopment plans are anticipated to take time to construct as developers will time the release of units with anticipated market absorption rates and the conclusion of lease terms, wherever possible. For example, a 900-unit project at a constant monthly absorption rate of 10.6 units will take roughly seven (7) years to completely sell out.

Within the Strawberry Hill Plan, the Scottsdale Exchange TOD area will likely spur development interest, particularly as the Strawberry Hill Shopping Centre was sold to a new owner recently for \$155M<sup>13</sup>. On the Delta side, planning should consider aligning with the TOD area densities on the Surrey side. These large development sites will likely be developed in phases as tenant agreements come to an end, and will support high-intensity,

<sup>13</sup> <https://renx.ca/riocan-sell-surrey-vancouver-strawberry-hill-shopping-centre-155m>

mixed use towers. In more established neighbourhoods, the market could support 6-storey wood-frame apartments and other multi-family housing units up to 6 storeys.

Within the northern segment of the corridor, the market for the Townline (Delta) and Townline Plan (Surrey) is similar to the yellow area in the Strawberry Hill Plan and will trend towards 6-storey wood-frame apartments and other multi-family housing units up to 6 storeys. While there is an approved high-rise residential building on the Delta side (e.g., Walker House), our findings indicated that this form may be better suited to clusters along Scott Road where the density can be supported by nearby amenities.

### 6.4.3 LONG TERM

It is anticipated that, as the prime development sites are built out (likely in phases), the Scott Road corridor will likely become more attractive as the sense of public realm and identity is defined through increased population, walkability, increased land values and sales prices, and a growing number and quality of services/amenities to serve the resident population. This may begin to draw attention towards the shopping centres which have not been redeveloped until now, and towards some of the less ideal redevelopment sites across the three segments of the corridor. Some property owners who were not interested in selling previously may become more motivated to sell as the land values change and tenants begin to seek newer and improved spaces.

## 6.5 DEVELOPMENT FEES

Based on the current active development applications, there are 2,064 dwelling units on the Delta side of Scott Road and 378 dwellings units on the Surrey side. While the interview findings pointed to competitive markets and some degree of misalignment between permitted densities and market opportunity as two reasons for lower development interest, a review of local development fees was conducted, as covered in the scope of work.

### 6.5.1 COMMUNITY AMENITY CONTRIBUTIONS

This review of Community Amenity Contributions (CACs) and density bonusing policies is intended to better understand whether there are any major development cost differences in Delta or Surrey that could be influencing development trends along Scott Road corridor. CACs are a tool adopted by some municipalities in British Columbia to secure community amenities in exchange for a change in use, change in density, or both.

CACs are an agreed-upon contribution obtained by the local government at the time of rezoning. It is optional in that development could be undertaken under as-of-right conditions without a CAC.

#### *CAC Policies in City of Surrey*

The CAC program in City of Surrey is implemented in the form of a density bonus program as part of the Zoning Bylaw. In 1996, the City began utilizing density bonus legislation to assist in the provision of community amenities and continues to do so today. The approach



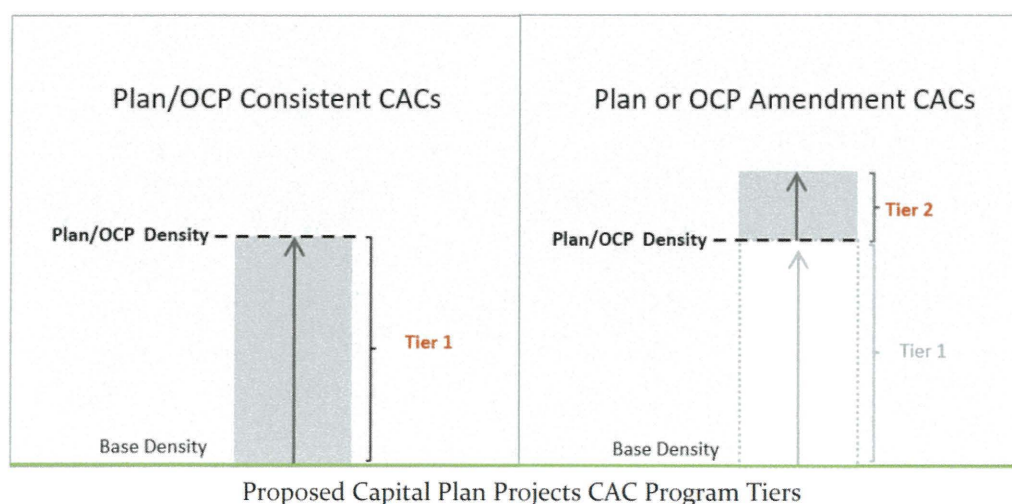
began with the City's Secondary Land Use Plans, whereby increased density was exchanged through fixed-rate contributions through a Secondary Plan and several infill area CACs to fund the provision of community facilities, amenities and services such as park development, police, fire and library materials.

Currently, Surrey's Density Bonus Program consists of two tiers of fixed-rate Capital Project CACs based on the community and whether the site is inside Secondary Plan Area, along with other universally applicable CAC contribution.

### Capital Projects CACs

The Capital Project CAC consists of two program tiers based on the proposed density relative to the base density and density allowed by the Official Community Plan (OCP). The details are summarized as follows in Figure 13 below. The rates reported are based on the latest City CACs rates in March 2024.

Figure 13: Surrey Community Amenity Contribution Tiers



Source: Surrey Corporate Report R224, 2019

**Tier 1 Capital Projects CACs** apply to all residential development<sup>14</sup> seeking increased density and are applicable to **the portion of units that are consistent** with the density of an existing Secondary Plan identified in Section E of Schedule G of the Zoning Bylaw or the Official Community Plan (OCP). A fixed Tier 1 CAC rate of \$4,455.70 per additional dwelling unit (beyond base density) is applied on projects outside Secondary Plan Area, while the rate for

<sup>14</sup> Excluding secondary suites, purpose-built rental (with a Housing Agreement), social or non-market affordable housing dwelling units or dwelling units used as a caretaker's residence, and non-residential uses.

projects inside Secondary Plan Area is half of the rate for non-Secondary Plan Area project (i.e. \$2,227.85 per dwelling unit).

The **Tier 2 Capital Projects CACs** apply to the Tier 2 density bonus developments in areas of the City where development density increases are proposed greater than those identified in the Official Community Plan. In most cases, a flat-rate community-specific capital project CAC would apply, except for projects involving major Official Community Plan (OCP) amendment where negotiated CACs at a targeted rate of 75% of land lift would apply.

#### **Universally applicable CAC contribution**

Other universal applicable CACs in the City of Surrey are listed as follows:

- **Affordable Housing CACs:** The Affordable Housing CACs are applied to any city-wide re-zoning or subdivision that permits an additional residential dwelling unit in excess of the minimum density permitted in that Zone. The fee for the affordable housing CACs is \$1,113.92 per residential unit.
- **Secondary Plan and Infill Area CACs:** The Secondary Plan and Infill Area CACs is applied to any rezoning for additional bonus density within a Secondary Plan or Infill area identified in Surrey Zoning Bylaw in Schedule G - Section D. In the Scott Road corridor, none of the areas fall within the Secondary Plan or Infill area identified.
- **Public Art Contribution:** The Public Art Contribution applies to re-zoning that includes more than 10 dwelling units, and/or any rezoning for Commercial or Industrial with a total floor area of greater than 1,000 square metres. The Public Art contribution is a fixed rate of 0.50% of the total project construction cost. Public Art Contributions may also include (in-kind) contributions towards public art.

#### ***CAC Policies in City of Delta***

In 2021, the City of Delta implemented Parks, Recreation and Culture Amenity Contributions (PRCAC) Policy to fund community amenities, where the priority amenities to be funded are primarily Parks, Recreation and Culture projects.

A blended methodology with both a flat rate as well as a negotiated project-specific land lift analysis approach is applied for new multi-unit and/or mixed-use developments except the Ladner Village Exempt Area in the Ladner Village Renewal Area. On April 22, 2024, the new Delta OCP passed third reading at Council which requires a community amenity contribution for all new development along Scott Road corridor and in other urban centres with buildings taller than 6 storeys in building height. Projects over 18 storeys are expected to include a rental and non-market housing contribution.

A city-wide flat rate PRCAC of \$1,000 per unit is applicable for all typical multi-unit residential and mixed-use rezoning applications involving more than three units which are consistent with existing Official Community Plan land use designations. For unique large projects that involve rezoning for buildings more than six storeys or Official Community Plan amendments, the City negotiate a project-specific amenity contribution with developers at a targeted rate of 25 percent of the calculated land lift.

Purpose-built rental housing<sup>15</sup>, townhouses, affordable non-profit housing and institutional developments (i.e. civic, educational, faith-based or care facilities, etc.) are exempt from providing a PRCAC.

## 6.5.2 DEVELOPMENT COST CHARGES (DCC)

Both the City of Delta and the City of Surrey implement Development Cost Charges (DCC) at a municipal level. On top of municipal DCCs, developments are also subject to Metro Vancouver DCCs and Translink DCCs.

The following table summarizes the DCCs for both the City of Surrey and the City of Delta. Under the 2023 DCC Program of the City of Delta which has been approved in 2024 January, the change in rates will come in two stages: changes in rates for the Date of Adoption (Stage 1) and 366 days after the Date of Adoption (Stage 2), so both the Stage 1 and 2 DCCs rates have been included.

Surrey <sup>16</sup> (Based on 2024 approved rates)		Dwelling Type	Delta	
			Approved, Stage 1	Approved, Stage 2
Low Density (RM-10, RM-15, RM-30, RC(III))	\$29.63/unit sq. ft. (Maximum \$51,847/unit)	Townhomes	\$9,873/unit	\$13,413/unit
Mid-density (RM-45, RM-70)	\$33.47/unit sq. ft. (Maximum \$45,191/unit)	Apartment	\$7,202/unit	\$9,822/unit
Medium-High Density (RM-135, RMC-135, RMC-150)	\$33.18/unit sq. ft. (Maximum \$41,473/unit)			

Source: Urban Systems based on City of Surrey and City of Delta

Two hypothetical development examples are listed to compare the difference in DCCs between City of Surrey and City of Delta.

### Example 1: 6-storey Wood-frame Apartment

Assuming the site has a size of 0.8-acre, a floor space ratio (FSR) of 2.6 and 56% site coverage, an average unit size of 654 square feet (sq. ft.) with a total of 118 units.

- DCC for City of Surrey (Based on Medium-high density rates)  
=  $\$33.18 \times 654 \times 118 = \$2,560,567$

<sup>15</sup> Purpose-built market rentals over six storeys may require the provision of on-site amenities above zoning requirements.

<sup>16</sup> Non-City Centre rates are applied in correspondence to the geographical location of the Scott Road Corridor.



- DCC based on Delta's approved Stage 2 rate =  $\$9,822 \times 118 = \$1,158,996$

The DCC expenditure for this hypothetical apartment project in Surrey is roughly double that in Delta based on the proposed new Stage 2 DCC rates.

#### Example 2: Townhouse Development at 0.68 FSR

Assuming the site is 0.8 acre in land area, has a floor space ratio (FSR) of 0.68, with an average unit size of 1,500 square feet (sq. ft.) with a total of 16 units.

- DCC for City of Surrey (Based on Low density rates)  
=  $\$29.63 \times 1,500 \times 16 = \$711,120$
- DCC based on current City of Delta rate =  $\$8,252 \times 16 = \$132,032$   
DCC based on Delta's proposed Stage 2 rate =  $\$13,413 \times 16 = \$214,608$

The DCC expenditure for this hypothetical apartment project in Surrey is over three times that of Delta based on the proposed new Stage 2 DCC rates.

## 7.0 TEST SITES

As part of this study, we evaluated six hypothetical but high potential redevelopment sites from a high-level market-driven development perspective to better understand what development typologies might occur and when the market would be well aligned with development. These reviews were informed by our assessment of market trends, market demand as well as developer outreach. There are three sites for Delta and three sites for Surrey, distributed across the three segments of the Scott Road corridor. Our review of trends, interviews with developers, and retail modelling are not showing significant amounts of incremental retail opportunity for this corridor, but there is clear untapped potential for significantly more intensive residential development.

These test sites do not represent actual development applications, nor have they been explicitly tested for more detailed financial viability, as this more detailed site-specific analysis – including development proforma analysis – would need to be undertaken as a separate, complementary piece of work.

### 7.1 NORTH END – TOWNLINE / TOWNLINE PLAN

#### 7.1.1 DELTA SITE 1

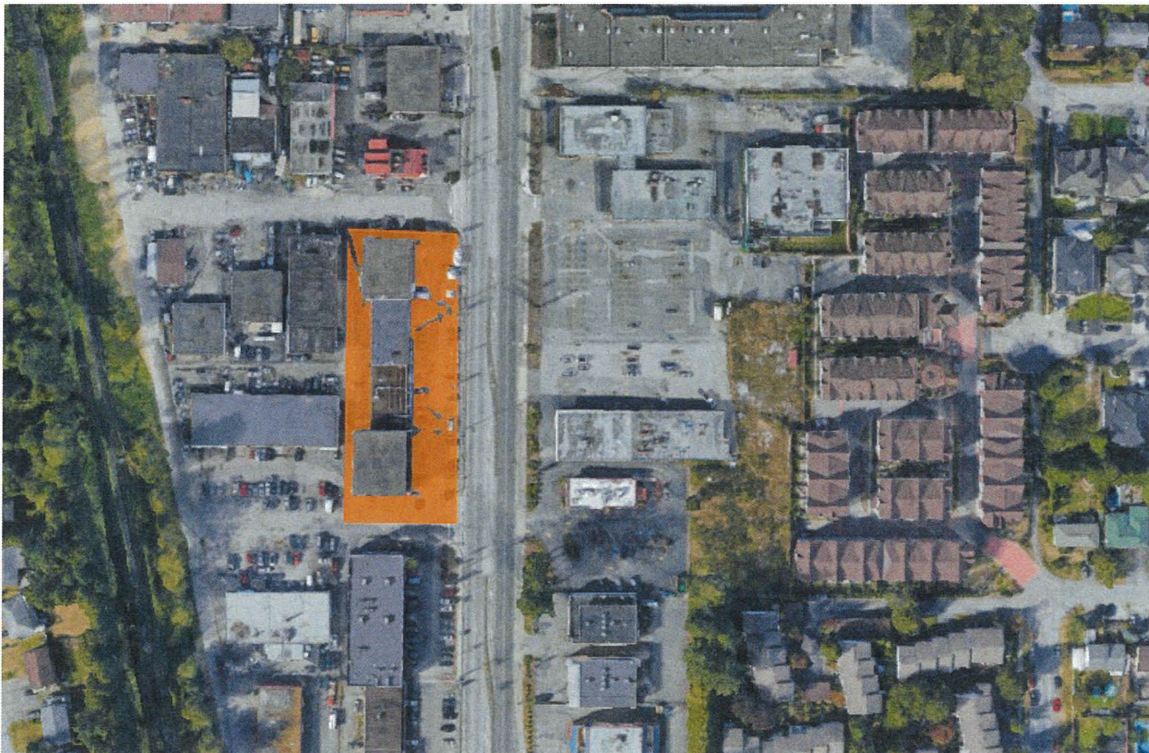
- Address: 9441-9465 120 St, Delta, BC
- Existing use: Commercial strip mall built in 1971.
- Site size: 28,000 square feet in site size
- Site Assembly Required for Redevelopment: No

The market supportable redevelopment use for this site would likely be 6-storey wood-frame apartments with underground parking. To the immediate west of the site are light industrial uses (e.g., warehousing, storage, etc.) backed against a rail corridor which does not facilitate high amounts of vehicle or foot traffic. As such, at-grade retail uses would be limited to local serving businesses. In addition, parking requirements could be difficult to meet on this site unless an additional site is acquired.

Based on our research, the market would support the development of these sites over the short to medium term (5 to 10 years) given the appropriate land use plans and zoning are in place to support the use, especially if any nearby properties are redeveloped first.

This site falls within the “multi-family up to 6 storeys” density tier (in the Townline District), as shown previously in Figure 12.

*Figure 14: Delta Site 1*



### 7.1.2 SURREY SITE 1

- Address: 9412, 9430, 9444, 9450, 9470 120 St, Surrey, BC
- Existing use: Commercial strip mall built in 1977
- Site size: 158,343 square feet in site size
- Site Assembly Required for Redevelopment: Yes



This site offers challenges from a development perspective due to the number of distinct properties and related ownership (e.g., 4 individual properties and 1 stratified property) and the shared surface parking lot. The market supportable redevelopment use for this site would likely be 6-storey wood-frame apartments with a shared underground parkade. Immediately adjacent properties include townhouses to the east and light industrial uses to the north and west.

If this site were to be assembled and redeveloped, the resulting retail footprint in a mixed-use development format would likely be at – or slightly below – the current commercial footprint.

*Figure 15: Surrey Site 1*



Based on the existing ownership structure of the lot, this site would likely be redeveloped over a longer period (10+ years). Typically, a significant price premium over assessed value is required to incent property owners to vend land into a land assembly for development (often 20%+ over assessed value).

This site falls within the “multi-family up to 6 storeys” density tier (in the draft Townline Plan area), as shown previously in Figure 12.

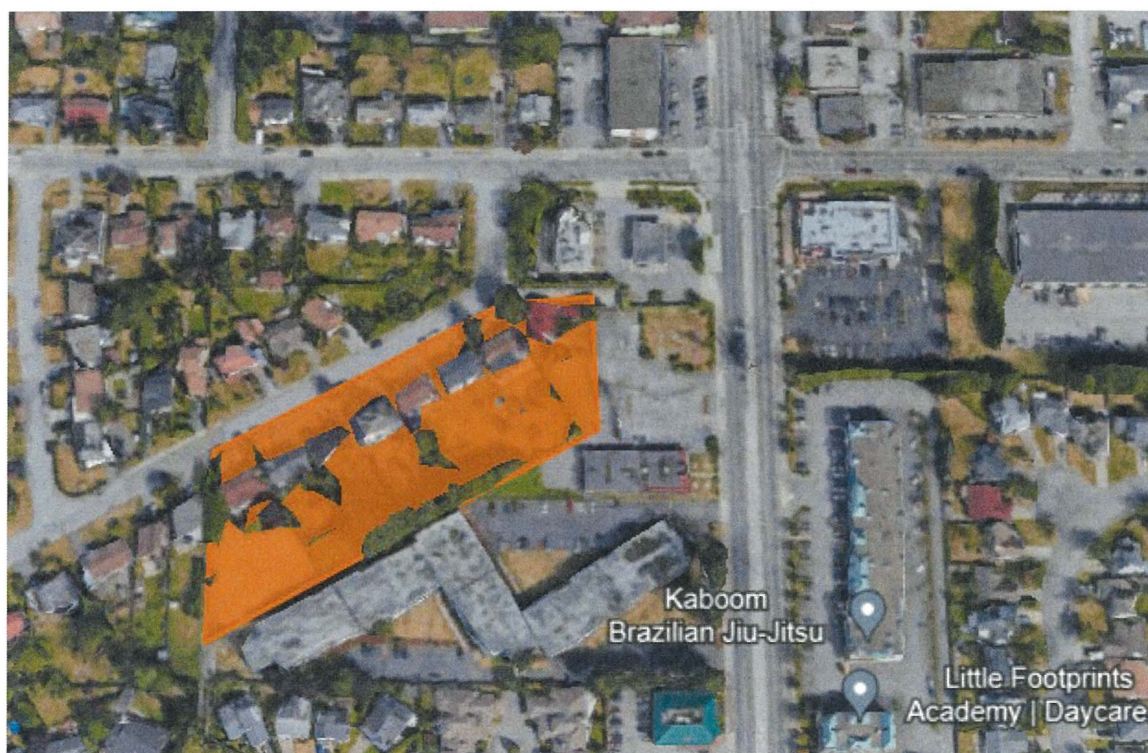


## 7.2 CENTRAL – CENTRAL DISTRICT / KENNEDY PLAN

### 7.2.1 DELTA SITE 2

- Address: 11902-72 85A Avenue, Delta, BC
- Existing use: Eight (8) single-detached dwelling units
- Site size: 91,000 square feet in site size
- Site Assembly Required for Redevelopment: Yes

Figure 16: Delta Site 2



The market supportable redevelopment typology for this site would likely be primarily 6-storey wood-frame apartments with shared underground parking, with potential for site edge townhouses. The site would be too small to allow for townhouse-only development unless additional sites are acquired, as developers stated a strong preference for sites of three (3) to four (4) acres with sufficient site depth to allow for double-loaded townhouse rows. Furthermore, a BC Hydro Corridor runs along the back end of the properties so these sites would be limited for future development.

If a similar and larger site area could be acquired that is nearby to this site, there is potential for it to be developed into a larger, phased development project with a larger mixed-use building adjacent to the corridor and 6-storey wood-frame apartments tucked behind the corridor. The immediate surrounding areas include a range of development typologies,



including single-detached houses, low-rise apartments and some commercial uses with low site coverage.

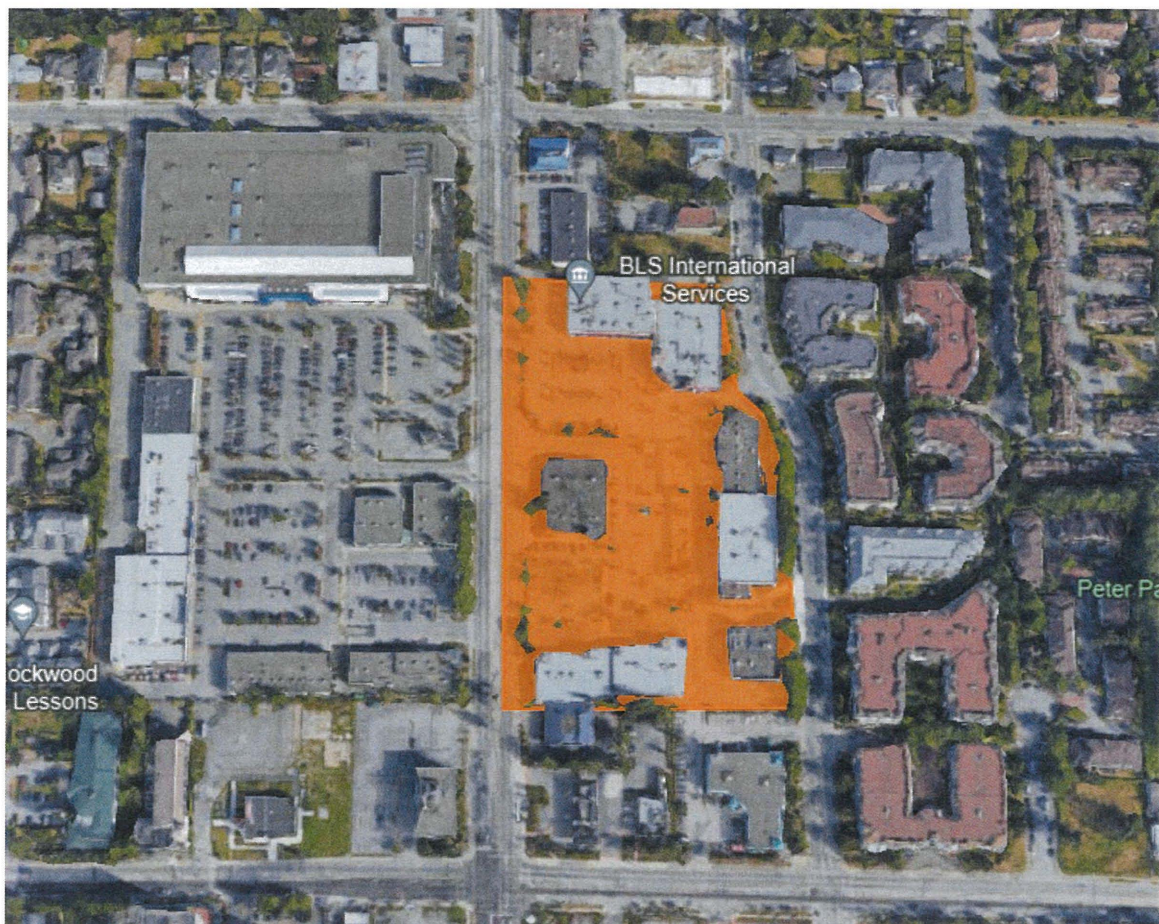
Based on our research, the market would support the development of these sites over the short to medium term (5 to 10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “up to 12 storeys” density tier (in the Central District), as shown previously in Figure 12.

### 7.2.2 SURREY SITE 2

- Address: 8066-8080 120 Street
- Existing use: Scott Road Centre built in 1989 and 1990
- Site size: 320,000 square feet in site size
- Site Assembly Required for Redevelopment: No

Figure 17: Surrey Site 2



The redevelopment use of this site would need to generate higher value than the current use of the site as a commercial strip mall. The market supportable use for this site would be a large scale, phased development including high-rise mixed-use buildings along the corridor and 6-storey mixed-use wood-frame apartments tucked behind the corridor, transitioning down to the existing 4-storey apartments. Other surrounding land uses on the Delta side are commercial shopping centres, one high-rise building and a recently approved master-plan development of just under 900 units (Delta Shoppers Mall).

Based on our research, the market would support the development of these sites to begin in the medium term (10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “more than 12 storeys” density tier (in the draft Kennedy Plan area), as shown previously in Figure 12.

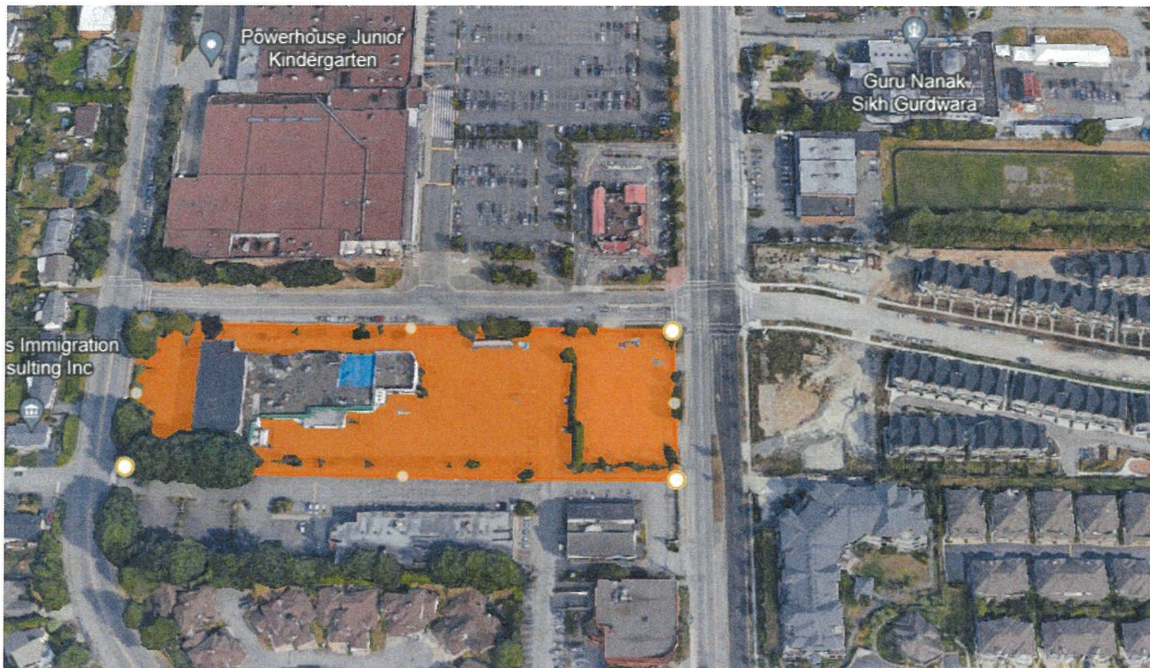
## **7.3 SOUTH END – SCOTTSDALE DISTRICT / STRAWBERRY HILL PLAN**

### **7.3.1 DELTA SITE 3**

- Address: 11920 70 Avenue, Delta
- Existing use: Vacant lot
- Site size: 93,650 square feet in site size
- Site Assembly Required for Redevelopment: No



Figure 18: Delta Site 3



Note: The satellite image above shows a building which has since been demolished.

Over the short term, the market supportable redevelopment for this site would most likely support 6-storey wood-frame apartments with shared underground parking. Over the medium to longer term, more dense, mid-rise (or higher) residential buildings are likely supportable (12 storeys or taller). It would be situated north of a recent 6-storey wood-frame apartment and just south of site. Given its proximity to Scottsdale Mall, developers of this site are likely to approach at-grade commercial opportunities with caution.

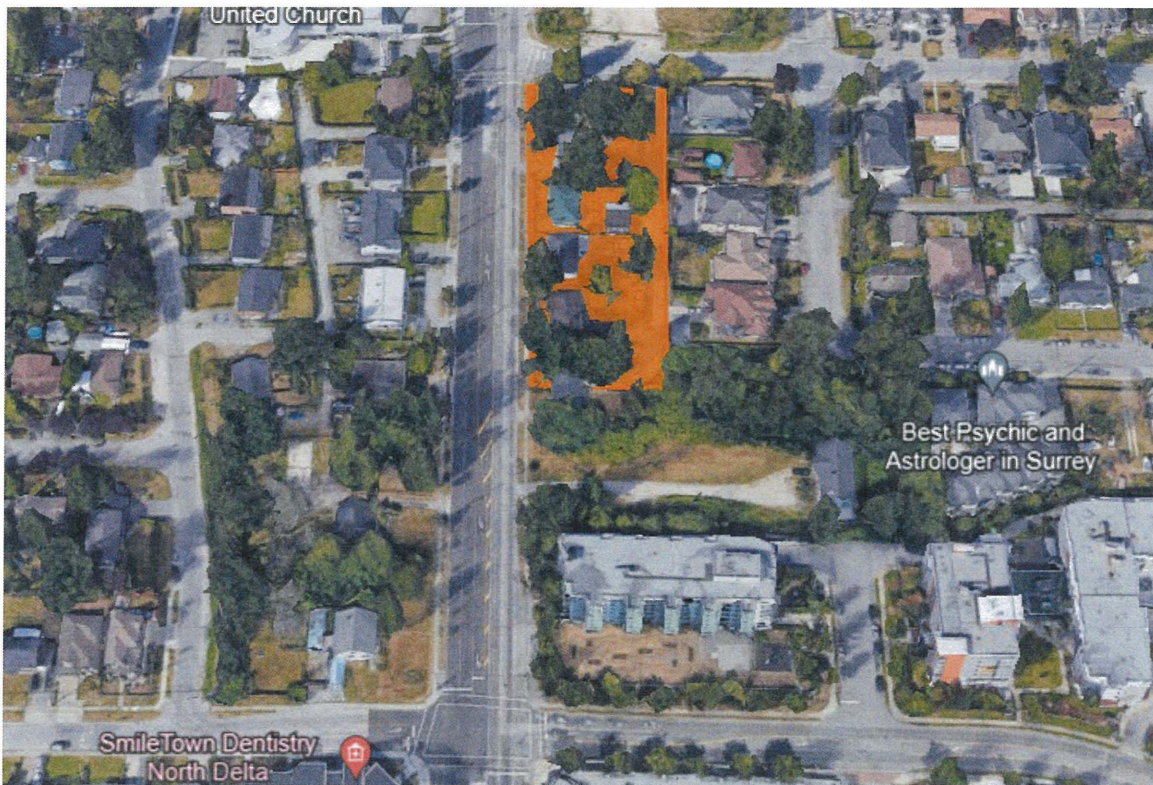
Based on our research, the market would support the development of these sites over the short to medium term (5 to 10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the “more than 12 storeys” density tier (Scottsdale District), as shown previously in Figure 12.

### 7.3.2 SURREY SITE 3

- Address: 7626 120 Street, Surrey
- Existing use: Five (5) single-detached dwellings
- Site size: 52,000 square feet
- Site Assembly Required for Redevelopment: Yes

Figure 19: Surrey Site 3



The market supportable redevelopment use for this site would likely be 6-storey wood-frame apartment with shared underground parking. The market is not likely to support any additional commercial-retail uses on site given the extent of commercial-retail space currently in the South Scott Road retail trade area. Immediate surrounding land uses on the Surrey side are single-detached dwellings and a mid-rise wood-frame apartment.

Based on our research, the market would support the development of these sites over the medium term (10 years) given the appropriate land use plans and zoning are in place to support the use.

This site falls within the "up to 12 storeys" density tier (in the draft Strawberry Hill Plan area), as shown previously in Figure 12.



## 8.0 FINDINGS

The introduction of the R6 RapidBus service along Scott Road has increased the walkability, multi-modal accessibility, and general market appeal of the Scott Road corridor. In turn, increased transit access and frequency generally supports higher redevelopment potential opportunities along the corridor, with higher density nodes to be located at key intersections with important east-west road connections. Key findings from the report are summarized below, arranged by common theme.

### Aligning Land Use Plans and Policies

- The Scott Road corridor offers an opportunity for Delta and Surrey to better align their planning objectives for key priority nodes along the corridor.
- The market wants to provide increased density throughout the corridor, including higher density redevelopment opportunities within the major density nodes and more modest levels of density in areas between these higher priority locations.
- Development fees are not a significant factor in terms of relative overall development attractiveness on either side of the corridor, however, land use plans and policies need to be balanced on both sides when it comes to introducing policies around market rental or below-market rental housing requirements, as these requirements could impact development viability.

### Providing Flexibility to Accommodate Residential and Commercial Development Market Demand

- Scott Road corridor is ideally suited to provide a wider array of housing typologies and tenures, which would more directly support increased transit usage. This also provides flexibility for developers to meet market demand.
- While our analysis has modelled “low growth” and “high growth” demand projection scenarios, it is possible that the extent of higher density nodes within and outside of the corridor offer more intensive competition than is currently being recognized. Under this condition, there could be potential for a slightly lower market demand scenario which would shift our projections presented here to “medium growth” and “high growth” scenarios.
- There are several high-performing single-use shopping centres on both sides along the corridor which are likely to persist as income-generating properties through at least the medium term.
- Given the extent and quality of retail-commercial supply along the corridor, developers are likely to approach redevelopment scenarios with considerable caution with respect to provision of at-grade commercial floor area.



#### Building on Development Activity Momentum

- Current development activity levels (as measured by proposed units under planning approvals) are higher on the Delta side than on the Surrey side of the corridor. This provides an opportunity for Delta and Surrey to complement their planning initiatives at key density nodes and to build on recent levels of development interest.
- There is more market uncertainty around the redevelopment timing of the Strawberry Hill Shopping Centre, as the site has recently changed ownership. Due to this, the development of the Strawberry Hill Plan should be prioritized after the development of the Kennedy Plan.

#### Phasing of Neighbourhood Plans

- Due to the high development activity levels on the Delta side in the Central District (on the Delta side), it would be worthwhile for Surrey to consider prioritizing the development of the Kennedy Plan first.
- A review of market conditions and current land use patterns suggests that Surrey could undertake the development of the Townline Plan following both the Kennedy Plan and Strawberry Hill Plan.

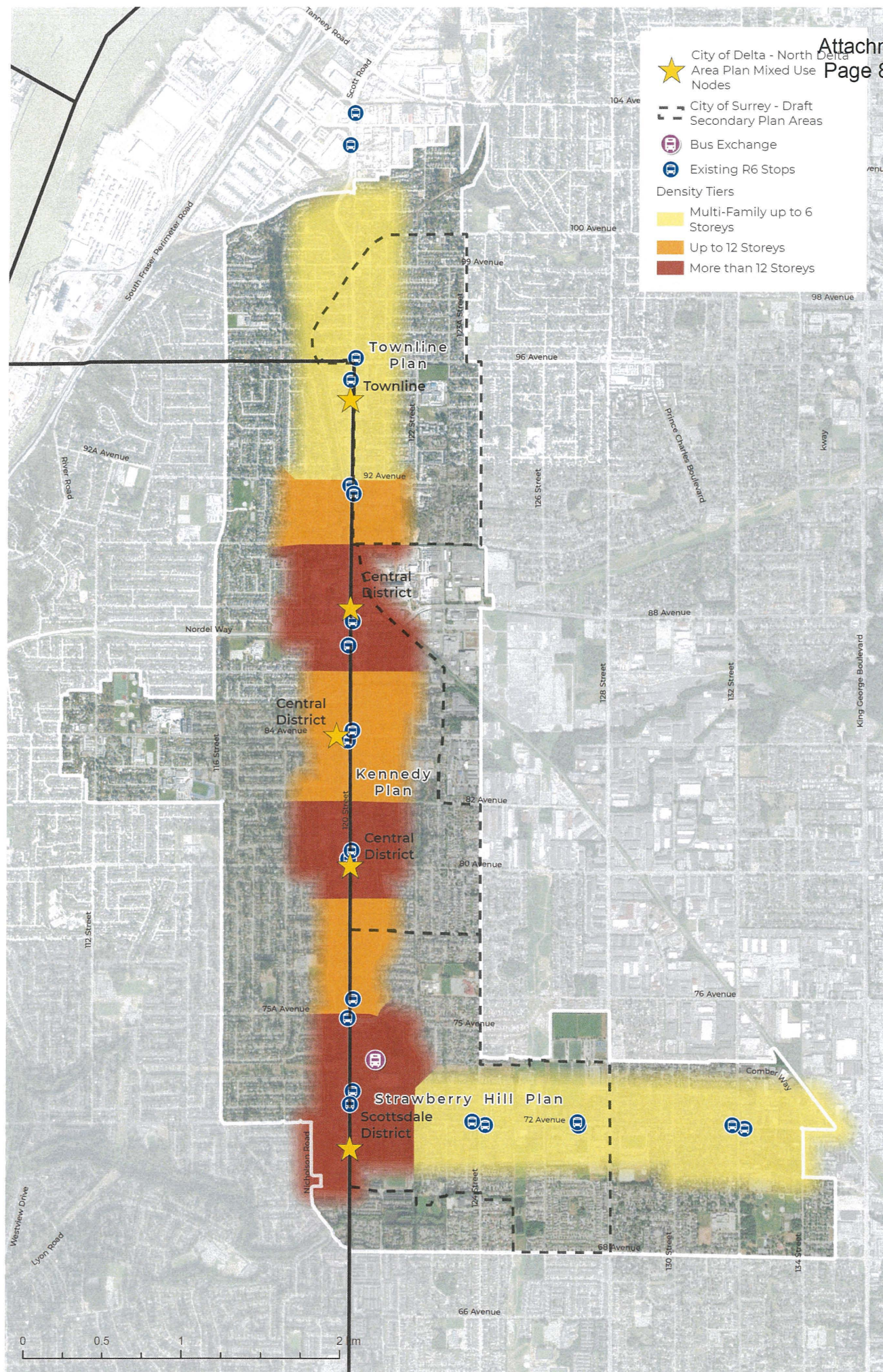




# APPENDIX

## Density Tiers (Full Size)







To: Finance Committee

From: Linda Sabatini, Director, Financial Operations

Date: November 6, 2024

Meeting Date: November 13, 2024

Subject: **MVRD Audit Plan from KPMG LLP**

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## **RECOMMENDATION**

That the Finance Committee receive for information the report dated November 6, 2024, titled "MVRD Audit Plan from KPMG LLP".

---

## **EXECUTIVE SUMMARY**

Metro Vancouver Districts and the Metro Vancouver Housing Corporation are required under provincial legislation to prepare annual financial statements, audited by a public accounting firm and approved by the Board by May 15<sup>th</sup> each year. The 2024 Annual Financial Statements, along with the draft auditors report, will be presented to the Finance Committee at its April meeting, prior to Board approval.

KPMG was approved by the Board on July 26<sup>th</sup>, 2024 as Metro Vancouver's external auditors for a five-year period. Fiscal year 2024 is the first year of the five-year contract. Attached for information is the audit planning report prepared by KPMG LLP. This report outlines the audit approach, key audit areas, auditor responsibilities and audit deliverables.

## **PURPOSE**

To provide the Finance Committee with our external auditor's plan for the completion of the annual external audit for the Metro Vancouver Districts and Housing Corporation for fiscal year 2024.

## **BACKGROUND**

Under provincial legislation, an external audit is required to be undertaken annually for all Metro Vancouver Districts and the Metro Vancouver Housing Corporation. This audit must be conducted by a public accounting firm that is licensed to conduct such audits. The results of the annual audit along with the draft audit report and the 2024 Audited Financial Statements will be presented to this Committee at its April meeting with the financial statements to be forwarded to the Board for approval. Legislation requires that the final Board approval of the annual financial statements take place on or prior to May 15, 2025.

KPMG LLP was approved by the Board on July 26<sup>th</sup>, 2024 as Metro Vancouver's external auditors for a five-year period. Fiscal year 2024 is the first year of the five-year contract.

**ANNUAL AUDIT PLAN**

The Audit Plan from KPMG LLP for the Metro Vancouver Districts and Housing Corporation is included as an attachment to this report. The audit plan outlines the audit approach, key audit areas, auditor responsibilities and audit deliverables.

**ALTERNATIVES**

This is an information report. No alternatives are presented.

**FINANCIAL IMPLICATIONS**

The completion of the annual financial statement audit fulfills a statutory requirement. The cost of the audit is included in the approved annual budget.

**CONCLUSION**

As prepared by KPMG LLP, our external auditors, the plan for the 2024 external audit of the Metro Vancouver Districts' and the Metro Vancouver Housing Corporation is presented to the Committee for information.

**ATTACHMENTS**

1. "MVRD Audit Planning Report to the Finance Committee", dated, November 6, 2024



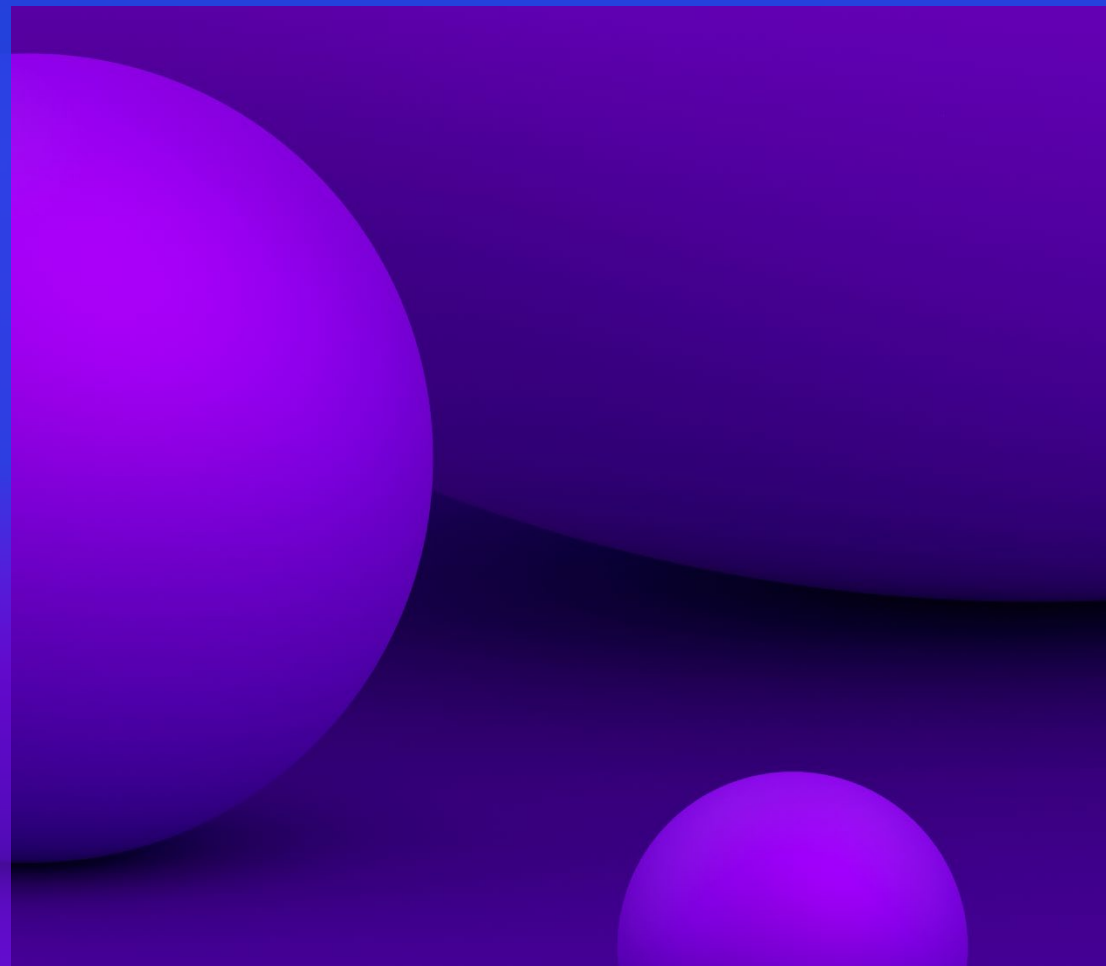
# Metro Vancouver Regional District

**Audit Planning Report  
for the year ended  
December 31, 2024**

The KPMG LLP logo, featuring the text 'KPMG LLP' in a stylized, handwritten font, with a horizontal line underneath.

Prepared as of November 6, 2024 for presentation to the Finance  
Committee on November 13, 2024

[kpmg.ca/audit](https://kpmg.ca/audit)





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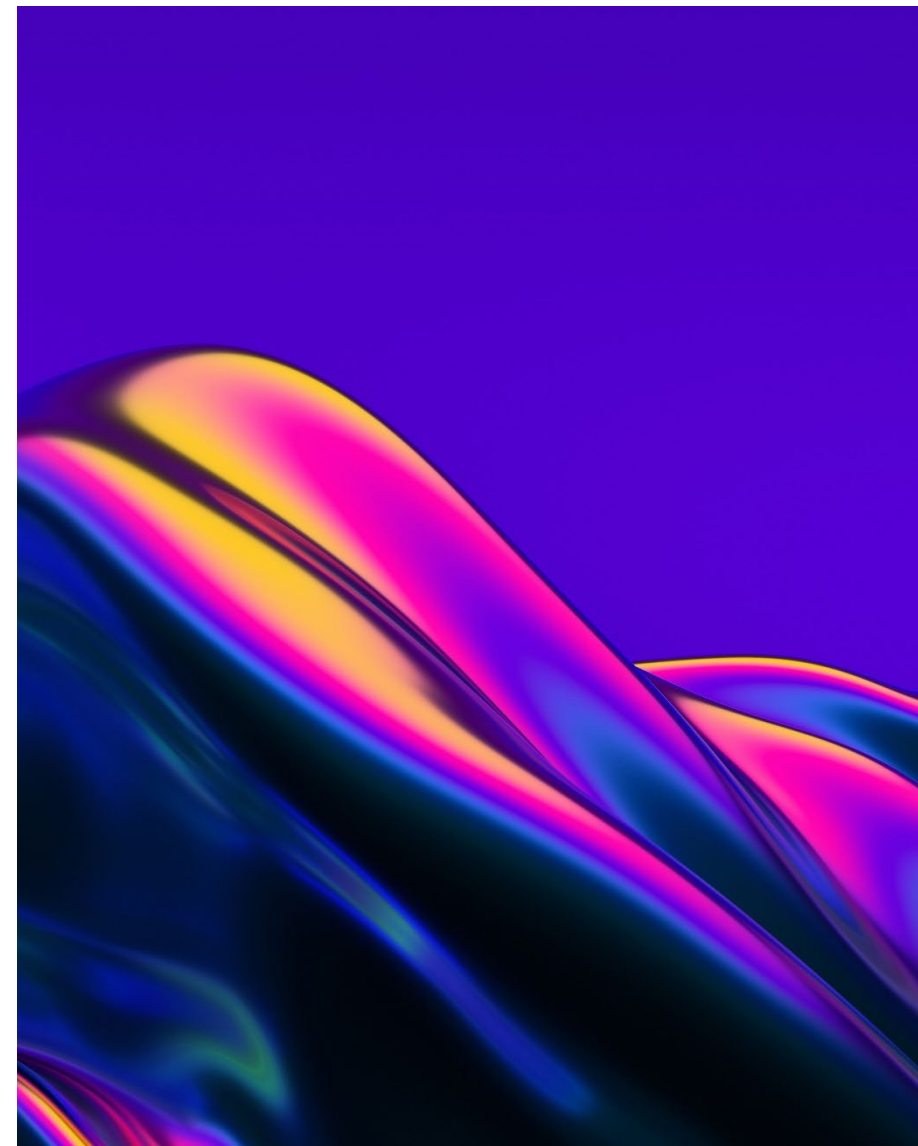
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# Table of contents

## Digital use information

This Audit Planning Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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# Audit highlights



No matters to report



Matters to report – see link for details

## Scope

Our audit of the consolidated financial statements (“financial statements”) of Metro Vancouver Regional District (“the District”) as of and for the year ending December 31, 2024, will be performed in accordance with Canadian generally accepted auditing standards. Our work will also include the standalone audits of the financial statements of Greater Vancouver Sewerage and Drainage District (“GVSD”), Greater Vancouver Water District (“GVWD”) and Metro Vancouver Housing Corporation (“MVHC”) (together “the Entities”) as of and for the year ending December 31, 2024.

We welcome your input and feedback on our audit plan as enumerated in this report.

## Audit strategy

Materiality \$32 million



Involvement of others



## New accounting standards

PS 3400 *Revenue*, PSG-8 *Purchased Intangibles* and PS 3160 *Public Private Partnerships* are new accounting standards effective for the 2024 fiscal year. Based on our preliminary discussions with management, PS 3400, PS 3160 and PSG-8 is not expected to have a material impact on the financial statements. We are in the process of working with management on their implementation of PS 3400.

## Risk assessment



Risk of management override of controls



Other significant risks



Other areas of elevated focus



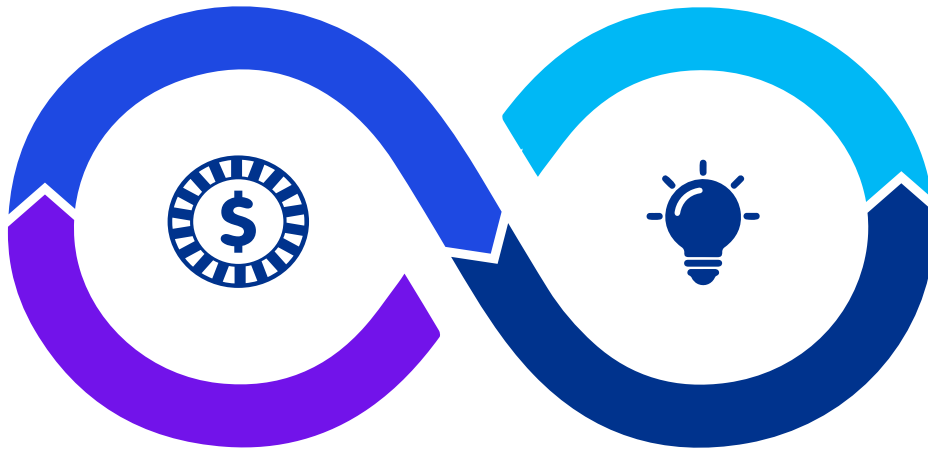
- Contingencies
- Tangible capital assets

The purpose of this report is to assist you, as a member of the Finance Committee, in your review of the plan for our audit of the financial statements. This report is intended solely for the information and use of Management, the Finance Committee, and the Boards of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report to the Finance Committee has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





# Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

## Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

## Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



# Materiality



**Prior period total revenues\***

**\$1.25 billion**

*\*Normalized for one-off Growing Communities grant received in prior year*

**% Benchmark**

**2.56%**

**Audit Misstatement Posting Threshold**

**\$1.6 million**

The above is the materiality for the consolidated financial statements of the District. Materiality for GVSDD, GVWD and MVHC is provided on page 9.



# Involvement of others

The following parties are involved in the audit of the financial statements:

Involved party	Nature and extent of planned involvement
Management’s specialists	<p><b>Landfill closure and post-closure liability:</b></p> <p>Information provided by the City of Vancouver specialist is used in management’s calculation of the landfill closure and post-closure liability.</p> <p><b>Asset retirement obligation:</b></p> <p>Information provided by Management’s specialist is used in management’s calculation of the asset retirement obligation.</p> <p><b>Employee benefit obligation:</b></p> <p>Information provided by Management’s specialist is used in management’s calculation of employee benefits obligation.</p>

Involved party	Nature and extent of planned involvement
KPMG professionals with specialized skill or knowledge	<p><b>Understanding of IT:</b></p> <p>Members of our IT audit professionals group will support the core audit team in obtaining our understanding of IT.</p>







# Group audit – Scoping

Professional standards require that we obtain an understanding of the District’s organizational structure, including its components and their environments that is sufficient to identify those components that are financially significant or that contain specific risks that must be addressed during our audit of the District. The components included in the District over which we plan to perform our audit procedures are as follows:

	Individually financially significant component	Individually financially significant component	Individually financially significant component	Individually financially significant component
	District	GVSDD	GVWD	MVHC
Full-scope audit	✓	✓	✓	✓
Audit, as a standalone audit is being performed due to statutory requirements		✓	✓	✓





# Group audit – Component / Standalone Materiality

## Metro Vancouver Regional District (component)

\$10 million

Benchmark: Group audit materiality

% of benchmark: 31%

Audit misstatement posting threshold: \$500,000

## Greater Vancouver Water District (standalone)

\$10 million

Benchmark: prior year total revenues

% of benchmark: 2.55%

Audit misstatement posting threshold: \$500,000

## Greater Vancouver Sewerage and Drainage District (standalone)

\$17 million

Benchmark: prior year total revenues

% of benchmark: 2.57%

Audit misstatement posting threshold: \$850,000

## Metro Vancouver Housing Corporation (standalone)

\$1.3 million

Benchmark: prior year total revenues

% of benchmark: 2.55%

Audit misstatement posting threshold: \$64,000



# Audit approach

We highlight below examples of audit procedures we will perform to obtain an understanding of the organization and its internal controls to inform our risk assessment and design procedures to address where material errors could occur.

## Procedures

- Obtain an understanding of the Entities and their environment (industry, economic environment, regulatory and legislative requirements).
- Identify key business processes (Treasury and Debt, Revenue, Purchases and Payments, Payroll) and where material errors in the financial statements could arise, including from error and fraud.
- Validate our understanding of key business processes by performing a walkthrough of each significant process to determine if the process operates as described.
- Obtain an understanding of the Entities' internal controls and risk assessment processes and evaluate their suitability based on the nature and complexity of the organization.
- Evaluate if a culture of honesty and ethical behaviour has been created and maintained.
- Evaluate if appropriate policies and procedures for communications and information systems are in place to support accurate and timely preparation of the financial statements.
- Documents inspected will include Code of Conduct, Reporting of Serious Misconduct Policy and Procedure, Quarterly financial reporting and management updates.





# Audit approach

The following are inquiries that we are required to make to those charged with governance:



## Inquiries regarding risk assessment, including fraud risks

- What are the Committee's views about fraud risks, including management override of controls, in the Entities? And have you taken any actions to respond to any identified fraud risks?
- Is the Committee aware of, or has the Committee identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
  - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Committee exercise oversight of the Entities' fraud risks and the establishment of controls to address fraud risks?



## Inquiries regarding organization processes

- Is the Committee aware of tips or complaints regarding the Entities' financial reporting (including those received through the Committee's internal whistleblower program, if such programs exist)? If so, the Committee's responses to such tips and complaints?



## Inquires regarding related parties and significant unusual transactions

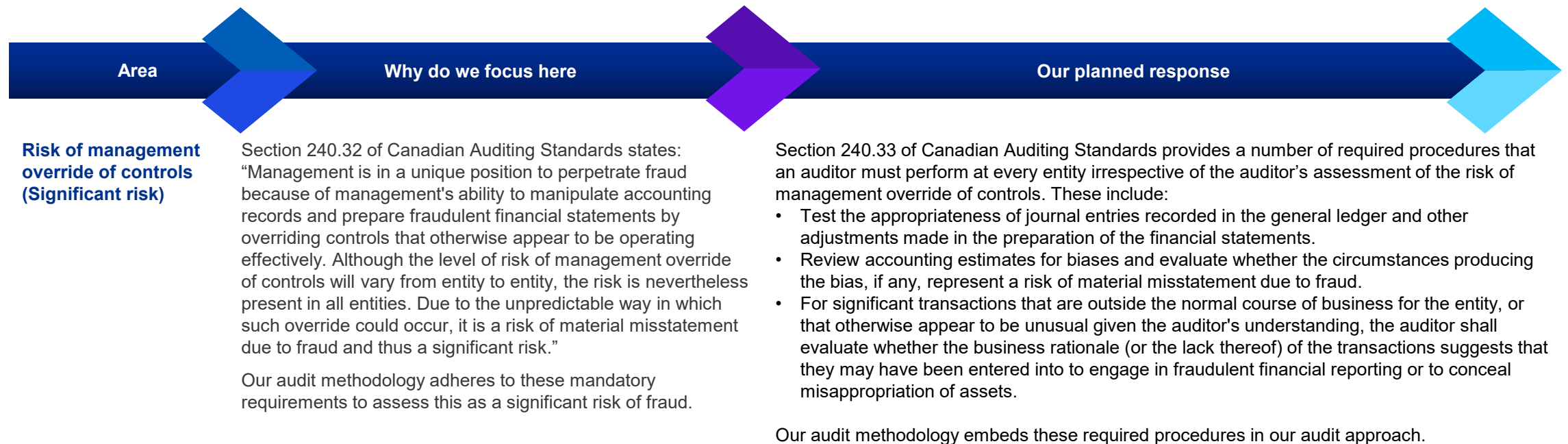
- Is the Committee aware of any instances where the Entities entered into any significant unusual transactions?
- What is the Committee's understanding of the Entity's relationships and transactions with related parties that are significant to the Entity?
- Is the Committee concerned about those relationships or transactions with related parties? If so, the substance of those concerns?



# Audit approach

Our planning begins with an assessment of risks of material misstatement in your financial statements based on our understanding and risk assessment procedures. In assessing inherent risk, the auditor uses professional judgment in determining the significance of the combination of the likelihood and magnitude of a misstatement along a spectrum. We assess inherent risk at one of three levels: Base, Elevated, or Significant, depending on where it is on the spectrum.

Based on our assessment, we have identified the following areas of audit focus at other than base risk. Risk assessment is an iterative in nature rather than something we perform only at the beginning of the audit. As we perform the audit, we will continue to consider our risk assessment.





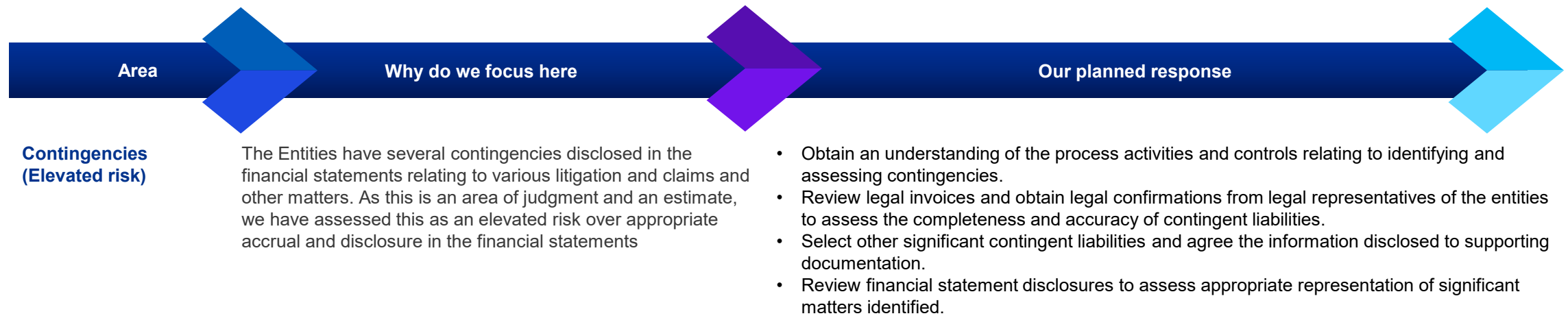
# Audit approach

Area	Why do we focus here	Our planned response
<b>North Shore Wastewater Treatment Plant (Significant risk)</b>	<p>The design and construction of the North Shore Wastewater Treatment Plant (“NSWWTP”) being built by GVSDD began in 2014. The NSWWTP is an area of focus as:</p> <ul style="list-style-type: none"> <li>• There are significant related construction costs incurred for the NSWWTP. There is a new vendor hired to continue construction.</li> <li>• There are ongoing legal actions relating to the NSWWTP. In prior years, the original vendor hired to design, build, and commission the NSWWTP filed a lawsuit against GVSDD and GVSDD filed a counter-suit.</li> </ul>	<ul style="list-style-type: none"> <li>• Inquire with management on the status of the NSWWTP project and related legal action.</li> <li>• Obtain an understanding and perform a walkthrough of relevant processes and controls related to the NSWWTP.</li> <li>• Agree a sample of capital purchases to supporting documentation, including testing of construction holdbacks, whether capital in nature, and classification/coding to the appropriate tangible capital asset category and/or component.</li> <li>• Review the amounts held as construction in progress related to the NSWWTP project for indicators of impairment.</li> <li>• Review significant manual adjustments and allocations recorded, if any.</li> <li>• Obtain confirmations from lawyers on the status of legal claims.</li> <li>• Review the related financial statement presentation and disclosure.</li> </ul>
<b>Tangible capital assets (Elevated risk)</b>	<p>The Entities’ 2024-2028 financial plans outlines a significant capital plan primarily driven by the growth of the region, including significant new projects in Water Services and Liquid Waste Services. As there are significant capital costs relating to these projects, we have assessed this as an elevated risk.</p>	<ul style="list-style-type: none"> <li>• Obtain an understanding and perform a walkthrough of processes and controls.</li> <li>• Agree a sample of capital purchases to supporting documentation, including testing of construction holdbacks, whether capital in nature, and classification/coding to the appropriate tangible capital asset category and/or component.</li> <li>• Review appropriateness of estimated useful lives for tangible capital assets, including whether these are reflective of current facts and circumstances such as, the impact of innovation and technology in construction methods and building materials, and current maintenance and replacement strategies and schedules.</li> <li>• Perform analytical procedures over amortization expense at an appropriate level of disaggregation, typically by asset category.</li> <li>• Review significant manual adjustments and allocations recorded, if any.</li> <li>• Assess the timing and recognition of capital grant funding for consistency with appropriate eligible expenditures and other performance obligations.</li> </ul>





# Audit approach





# Audit approach

In addition to the areas of focus previously described, we highlight below examples of audit procedures we will perform to obtain evidence over the existence, accuracy and completeness of the financial statements, including presentation and disclosure.

## Substantive Audit Procedures

- Cash, investments and debt balances will be confirmed with the respective financial institutions.
- A sample of payments made after year end will be tested to determine if they were recorded in the appropriate fiscal year.
- Analytical procedures over revenues and expenses will support our approach of using Clara AI over non-payroll expenses and point in time revenues.
- A sample of government transfers received and recognized will be tested to validate the appropriateness of accounting treatment either as revenue or deferred revenue.
- Develop an expectation for the current year payroll expense based on the prior year expense adjusted for changes in headcount, pay rates and other non-recurring items. Compare our expectation to the actual payroll expense recorded and corroborate any significant variances noted.



# Audit approach

We highlight below examples of audit procedures we will perform to conclude on the reasonability of financial statements as a whole.

## Concluding and Reporting Procedures

- Evaluate management bias in the preparation of financial statements, based on patterns in the selection and application of accounting policies and principles.
- Financial statement presentation and disclosure will be evaluated for compliance with accounting standards and comparability to industry leading practice.
- Disclosures in the financial statement notes will be evaluated for completeness based on our knowledge of ability to continue as a going concern, related party transactions, future contractual commitments and events occurring after year end.
- Deficiencies in internal control and other control observations will be discussed with management, and if significant, communicated to the Board through a separate communication entitled Management Letter.





# Key milestones and deliverables





# How do we deliver audit quality?

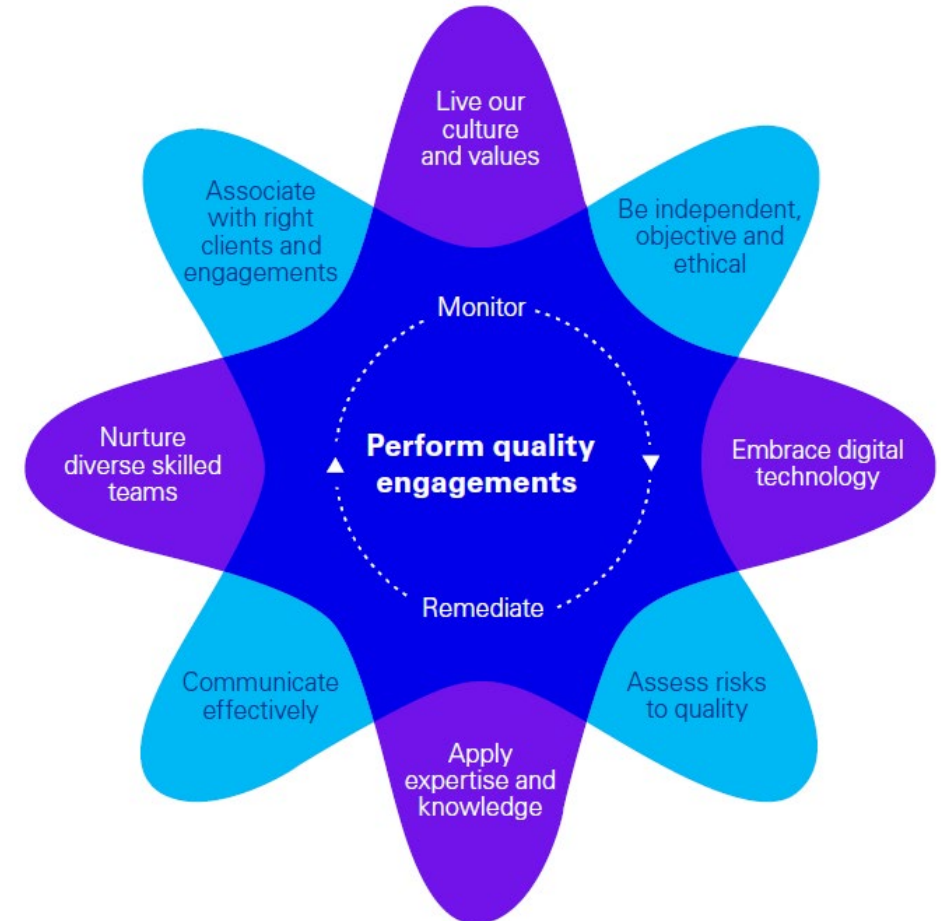
**Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.**

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG Canada Transparency Report](#)

**We define 'audit quality' as being the outcome when:**

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendices

**1**

Required  
communications

**2**

New auditing  
standards

**3**

New accounting  
standards

**4**

Thought leadership  
and insights







# Appendix 1: Required communications



## Auditor's report

## Engagement letter

A copy of our draft auditor's report setting out the conclusion of our audit will be provided at the completion of the audit.

The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter.



## Audit findings report

## Management representation letter

At the completion of the audit, we will provide our findings report to the Committee.

We will obtain from management certain representations at the completion of the audit. In accordance with professional standards, a copy of the representation letter will be provided to the Committee.



## Independence

## Internal control deficiencies

We are independent and have a robust and consistent system of quality control. We provide complete transparency on all services and follow the Committee's approved protocols. At the completion of our audit, we will re-confirm our independence to the Committee.

Significant control deficiencies identified during the audit will be communicated to management and the Committee.



# Appendix 2: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments



Effective for current year (periods beginning on or after December 15, 2023)

## ISA 600/CAS 600

.....  
Revised special considerations – Audits of group financial statements

Click here for information about CAS 600 from CPA Canada:  
[Revised CAS 600](#)

Effective for next year (periods beginning on or after December 15, 2024)

## ISA 260/CAS 260

.....  
Communications with those charged with governance

## ISA 700/CAS 700

.....  
Forming an opinion and reporting on the financial statements

Click here for information about CAS 260 and CAS 700 from CPA Canada:  
[Amended CAS 260 and CAS 700](#)



# Appendix 3: New accounting standards

Standard	Summary and implications
<b>Revenue</b>	<ul style="list-style-type: none"> <li>The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after January 1, 2024.</li> <li>The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.</li> <li>The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li> <li>The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li> </ul>
<b>Purchased Intangibles</b>	<ul style="list-style-type: none"> <li>The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after January 1, 2024 with earlier adoption permitted.</li> <li>The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles.</li> <li>Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized.</li> <li>The guideline can be applied retroactively or prospectively.</li> </ul>







# Appendix 3: New accounting standards

Standard	Summary and implications
<b>Public Private Partnerships (“P3”)</b>	<ul style="list-style-type: none"> <li>The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after January 1, 2024.</li> <li>The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership.</li> <li>The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.</li> <li>The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.</li> <li>The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.</li> <li>The standard can be applied retroactively or prospectively.</li> </ul>





# Appendix 3: New accounting standards

Standard	Summary and implications
<b>Concepts Underlying Financial Performance</b>	<ul style="list-style-type: none"> <li>The revised Conceptual Framework is effective for fiscal years beginning on or after January 1, 2027 with early adoption permitted.</li> <li>The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.</li> </ul>
<b>Financial Statement Presentation</b>	<ul style="list-style-type: none"> <li>The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after January 1, 2027 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted.</li> <li>The proposed section includes the following: <ul style="list-style-type: none"> <li>Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.</li> <li>Separating liabilities into financial liabilities and non-financial liabilities.</li> <li>Restructuring the statement of financial position to present total assets followed by total liabilities.</li> <li>Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.</li> <li>A new provision whereby an entity can use an amended budget in certain circumstances.</li> <li>Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li> </ul> </li> </ul>



# Appendix 3: New accounting standards

Standard	Summary and implications
<b>Employee Future Benefit Obligations</b>	<ul style="list-style-type: none"> <li>The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>.</li> <li>The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard.</li> <li>Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.</li> <li>The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively.</li> <li>This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations.</li> <li>The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.</li> </ul>







# Appendix 4: Thought leadership and insights

## 2024 Canadian CEO Outlook

KPMG interviewed more than 800 business owners and C-suite leaders across Canada on a variety of topics ranging from their top-of-mind concerns to their acquisition plans, the risks and rewards of artificial intelligence (AI), productivity, the omnipresent threat of cybercrime, and the impact of aging demographics on the workforce.

[Click here](#) to access KPMG's portal.

## Future of Risk

Enterprises are facing an array of reputational, environmental, regulatory and societal forces. To navigate this complex landscape, the C-suite should seek to embrace risk as an enabler of value and fundamentally transform their approach. KPMG's global survey of 400 executives reveals that their top priorities for the next few years are adapting to new risk types and adopting advanced analytics and AI. As organizations align risk management with strategic objectives, closer collaboration across the enterprise will be essential.

[Click here](#) to access KPMG's portal.

## Resilience Amid Complexity

In today's rapidly evolving and interconnected business landscape, organizations face unprecedented challenges and an increasingly complex and volatile risk landscape that can threaten their competitiveness and future survival. We share revealing real-world examples of how companies have overcome their challenges and emerged stronger as the rapid pace of change accelerates and look at the key components of KPMG's enterprise resilience framework and how it is helping these businesses build resilience and achieve their strategic objectives in an increasingly uncertain world.

[Click here](#) to access KPMG's portal.

## Future of Procurement

Procurement is at an exciting point where leaders have the opportunity to recast their functions as strategic powerhouses. In this global report we examine how these forces may affect procurement teams and discuss how procurement leaders can respond – and the capabilities they will need to thrive. Our insights are augmented by findings from the KPMG 2023 Global Procurement Survey, which captured the perspectives of 400 senior procurement professionals around the globe, representing a range of industries.

[Click here](#) to access KPMG's portal.



# Appendix 4: Thought leadership and insights

## Artificial Intelligence in Financial Reporting and Audit

Artificial intelligence (AI) is transforming the financial reporting and auditing landscape, and is set to dramatically grow across organizations and industries. In our new report, KPMG surveyed 1,800 senior executives across 10 countries, including Canada, confirming the importance of AI in financial reporting and auditing. This report highlights how organizations expect their auditors to lead the AI transformation and drive the transformation of financial reporting. They see a key role for auditors in supporting the safe and responsible rollout of AI, including assurance and attestation over the governance and controls in place to mitigate risks.

[Click here](#) to access KPMG's portal.

## Control System Cybersecurity Annual Report 2024

Based on a survey of more than 630 industry members (13% from government organizations), this report reveals that while the increase in cyberattacks is concerning, organizations have become more proactive in their cybersecurity budgets, focused on prevention, and acknowledging the threat of supply chain attacks. Furthermore, the report highlights a pressing need for skilled cybersecurity professionals in the face of escalating cyber threats. Explore the full report to help gain a clearer understanding of the growing cyber threat landscape and learn how to overcome the roadblocks to progress.

[Click here](#) to access KPMG's portal.

## Cybersecurity Considerations 2024: Government and Public Sector

In every industry, cybersecurity stands as a paramount concern for leaders. Yet, for government and public sector organizations, the game of digital defense takes on a whole new level of intensity. The reason? The sheer volume and sensitivity of data they manage, which can amplify the potential fallout from any breach. These agencies are the custodians of a vast array of personal and critical data, spanning from citizen welfare to public safety and national security. This article delves into the pivotal cybersecurity considerations for the government and public sector. It offers valuable perspectives on critical focus areas and provides actionable strategies for leaders and their security teams to fortify resilience, drive innovation, and uphold trust in an ever-changing environment.

[Click here](#) to access KPMG's portal.



# Appendix 4: Thought leadership and insights

## Why the Public Sector Must Take the Lead in Sustainability Reporting

As the world prepares for the implementation of sustainability reporting standards from the International Sustainability Board (ISSB), the need for public sector leadership is pronounced. While governments around the world have collaborated on vital policy and regulatory solutions, they have yet to provide sustainability reporting for their own government reporting entities. This presents a major obstacle to global sustainability ambitions, particularly considering the vast physical infrastructure, non-renewable resources, rare earth elements, water and natural assets controlled by governments around the world. .

[Click here](#) to access KPMG's portal.

## Fighting Modern Slavery in Canadian Supply Chain

The deadline for the first year of reporting under Canada's Fighting Forced Labour and Child Labour in Supply Chains Act (the Act) was May 31, 2024. Under the Act, eligible entities are required to publicly report on steps taken to reduce the risk of forced labour and child labour in their business and supply chain. KPMG in Canada reviewed 5,794 report submissions for the act to identify key takeaways.

[Click here](#) to access KPMG's portal.

## ESG for Cities Webinar Series

Cities and municipalities play a crucial role to drive climate action and resilience measures, acting as stewards for the communities they serve – including their constituents, and public, private and non-profit organizations. With the physical impacts of climate changes – including floods, wildfires and droughts – accelerating in terms of both increased frequency and severity, city and municipal leaders are increasingly considering how they can tackle the multifaceted challenge of achieving net zero greenhouse gas (GHG) emissions by 2050. KPMG in Canada's Public Sector and ESG practices completed a three-part national webinar series focusing on the journey to net zero – from strategic planning and stakeholder engagement to the implementation at the asset and operational level, and subsequent reporting obligations.

[Click here](#) to access KPMG's portal.





# Appendix 4: Thought leadership and insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

## Audit Committee Guide – Canadian Edition

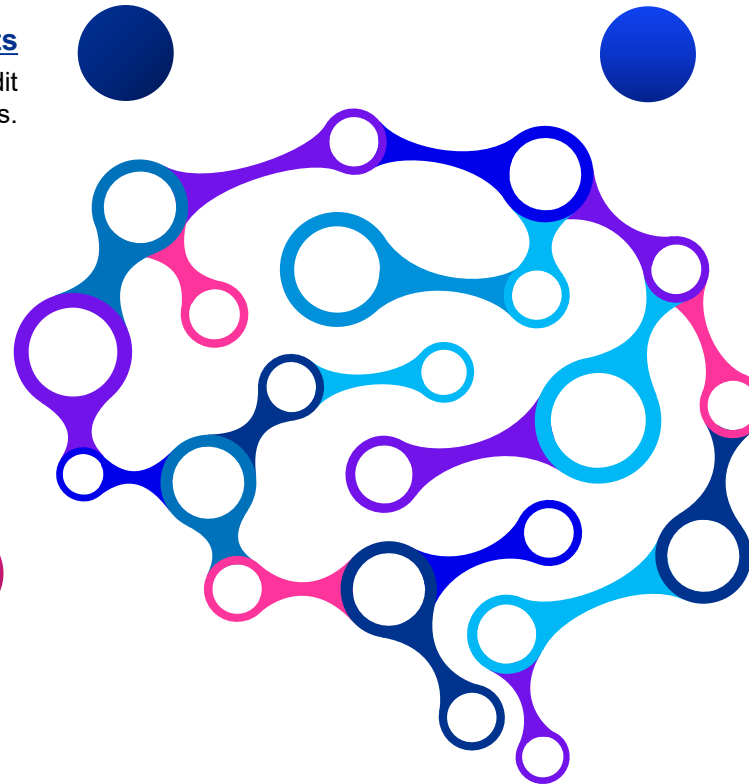
A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

## Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

## IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.





# Appendix 4: Thought leadership and insights



## KPMG research shows that:

Eighty-seven percent of IT decision makers believe that technologies powered by AI should be subject to regulation.

- Of that group, 32 percent believe that regulation should come from a combination of both government and industry.
- Twenty-five percent believe that regulation should be the responsibility of an independent industry consortium.

**Ninety-four percent of IT decision makers feel that firms need to focus more on corporate responsibility and ethics while developing AI solutions.**

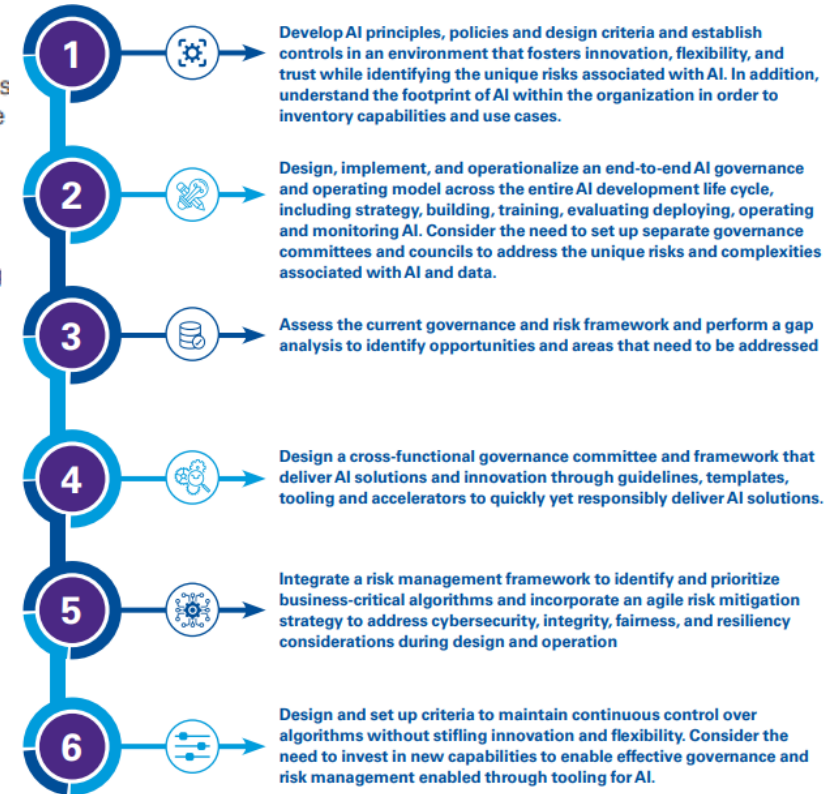
### Source:

Per a study of 300 ITDMs from the UK and the US, conducted by Vanson Bourne on behalf of SnapLogic:

<https://www.businesswire.com/news/home/20190326005362/en/AI-Ethics-Deficit-%E2%80%9494-Leaders-Call>

For AI solutions to be transformative, trust is imperative. This trust rests on four main anchors: integrity, explainability, fairness, and resilience. These four principles (enabled through governance) will help organizations drive greater trust, transparency, and accountability.

- 1. Integrity** — algorithm integrity and data validity including lineage and appropriateness of how data is used
- 2. Explainability** — transparency through understanding the algorithmic decision-making process in simple terms
- 3. Fairness** — ensuring AI systems are ethical, free from bias, free from prejudice and that protected attributes are not being used
- 4. Resilience** — technical robustness and compliance of your AI and its agility across platforms and resistance against bad actors



[home.kpmg/ShapeofAIGovernance](https://home.kpmg/ShapeofAIGovernance)



# Appendix 4: Thought leadership and insights

## Current trends in internal audit

Organizations continually face a wide spectrum of risks beyond the already complex financial and regulatory compliance risks. Many organizations are recognizing the impact and benefit of internal audit activity that is agile, properly resourced, effectively managed, and aligned with strategic priorities, which can improve risk management and control processes and drive better efficiencies.

Examples of internal audits are noted below.

### Cost reduction / efficiency planning

Review the governance arrangements for the monitoring and efficiency delivery of programs / services as required. This includes considering how efficiency requirements have been apportioned and communicated to support planning.

### Fraud risk management

Internal Audit assesses whether a fraud risk management framework exists and whether fraud risk assessment is performed at these levels. Internal Audit reviews the overall governance surrounding this process and review the communication and reporting protocols in place.

### Staff inclusion and diversity

Assess the strategy and plan in place for inclusion and diversity amongst staff, the governance of them and the measures in place to measure achievement of the goals. Training and awareness programs are offered to staff and faculty to provide understanding of roles and responsibilities and material is updated on a regular basis.

### Asset management / maintenance

Review the processes and controls in place to ensure assets are adequately managed based on an appropriate schedule.

### Well being (staff)

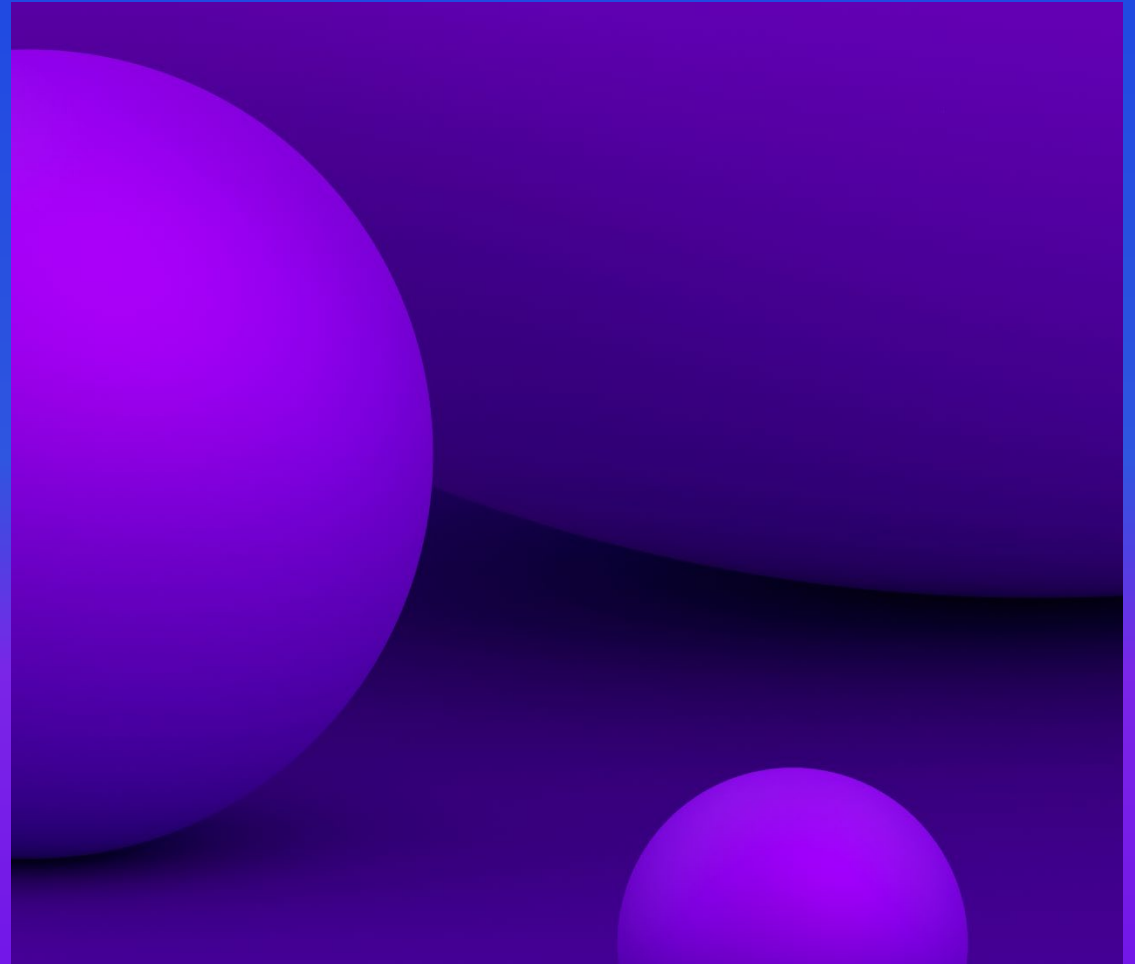
Review processes in place to develop and promote employee wellness programs and mental health strategies for staff. Areas of focus include overall program framework, communication to faculty and staff, feedback mechanisms and management's approach to assessing the suitability of the current wellness offerings version faculty and staff needs.





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To: Flood Resiliency Committee

From: Marcin Pachcinski, Division Manager Electoral Area and Implementation Services,  
Regional Planning and Housing Services

Date: November 8, 2024 Meeting Date: November 20, 2024

Subject: **Committee Discussion of Impacts of the October 2024 Atmospheric River on  
Member Jurisdictions**

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### RECOMMENDATION

That the Flood Resiliency Committee receive for information the report dated November 8, 2024, titled "Committee Discussion of Impacts of the October 2024 Atmospheric River on Member Jurisdictions".

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### EXECUTIVE SUMMARY

The October 19, 2024 atmospheric river impacted number Metro Vancouver member jurisdictions. Given the widespread and varying impacts, this report sets up an opportunity for members of the Flood Resiliency Committee to discuss how their communities were impacted and responded to the atmospheric river event.

### PURPOSE

To provide committee members an opportunity to discuss municipal responses and issues associated with the October 2024 atmospheric river event.

### BACKGROUND

On October 19, 2024, an atmospheric river hit the Metro Vancouver region and brought record breaking rainfall, flooding, widespread power outages, and a mudslide in Coquitlam that washed away a home and killed one person. The impacts were felt by member jurisdictions across the region.

To help frame a discussion on the impacts and responses, below are the key responsibilities of the Committee, as taken from the Terms of Reference (Reference 1):

Key responsibilities for the Committee include:

- Reviewing the Lower Mainland Flood Management Strategy and the Provincial Flood Management Strategy;
- Reviewing the potential impacts on the region and Metro Vancouver Regional District members by the severe flooding in November and December of 2021;
- Identifying risks and gaps in the existing infrastructure to mitigate flooding;
- Identifying short term capital investment to repair damage to the infrastructure from recent floods;
- Identifying longer term capital investment to bring infrastructure to withstand predicted flooding due to climate change;

- Considering Metro Vancouver regional priorities and issues for the Lower Mainland Flood Management Strategy;
- Identifying roles and responsibilities of all orders of government to financing, developing and maintaining the infrastructure;
- Considering options to coordinate and collaborate with:
  - a) Metro Vancouver Regional District members;
  - b) Fraser Valley Regional District;
  - c) First Nations;
  - d) Provincial government; and
  - e) Federal government; and
- Reporting back to the Metro Vancouver Board with advice and recommendations on flood resiliency and related matters.

### **ALTERNATIVES**

This is an information report; there are no alternatives presented.

### **FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

### **CONCLUSION**

This report sets the stage for a discussion by committee members on how the October 2024 atmospheric river impacted their communities, in line with the committee's terms of reference.

### **ATTACHMENT**

1. Prioritization Framework for Funding Capital Projects Presentation

### **REFERENCE**

1. Flood Resiliency Committee [Terms of Reference](#)





# Prioritization Framework for Funding Capital Projects

## FLOOD INFRASTRUCTURE INVESTMENT ACROSS THE REGION

Marcin Pachcinski

Division Manager, Electoral Area and Implementation Services

Linda Fang / Justin Chan

Ebbwater Consulting

Flood Resiliency Committee November 20, 2024

**metro**vancouver

### Metro Vancouver

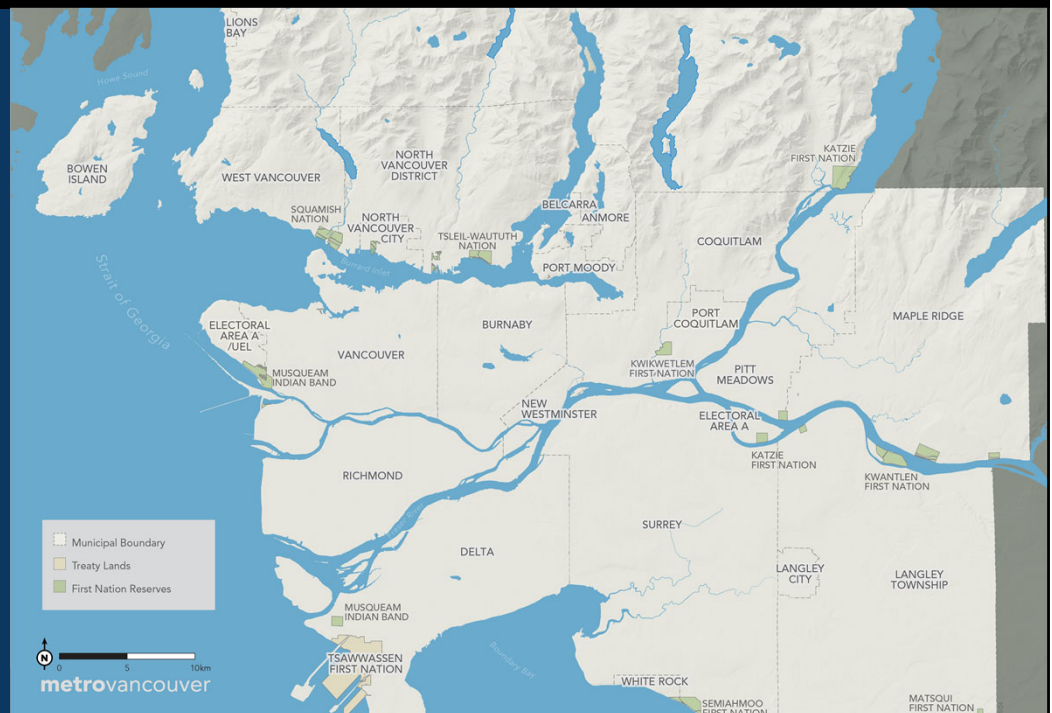
Federation of 21 municipalities, one electoral area, and one treaty First Nation

2.8 Million people  
(53% of provincial population)

Flood Resiliency Committee is standing Committee of MVRD Board

#### 2024 Work Plan

- Capital Projects Scan
- Prioritization Framework







Examples  
of Existing  
Funding  
Criteria

## RISK AND RESILIENCE

Examples of Existing Criteria Used in Funding Applications

- Community resilience defined by four key indicators:
  - loss of life
  - % directly affected
  - % local economic loss
  - % pop. without essential services
- Critical infrastructure
- Degree to which the community has evaluated mitigation options
- Project rationale and risk assessment, including map
- Risk and damage reduction from future natural hazards

## SUSTAINABILITY AND CLIMATE CHANGE ADAPTATION

Examples of Existing Criteria Used in Funding Applications

- Climate change impacts are considered
- Co-benefits (e.g. supports ecosystem services)
- Iterative and flexible actions; avoids locking in unsustainable actions
- Nature-based solutions / fish-friendly design



## INDIGENOUS ENGAGEMENT

Examples of Existing Criteria Used in Funding Applications

- Advances UNDRIP priorities
- First Nations leadership and involvement
- Protect areas of cultural significance

## EQUITY

Examples of Existing Criteria Used in Funding Applications

- Benefits diverse populations (e.g. “addresses the needs of groups disproportionately impacted by emergency events”)
- Regional equity
- Supports small and rural communities

## CAPACITY AND FINANCIAL CONSIDERATIONS

Examples of Existing Criteria Used in Funding Applications

- Capacity to deliver the project
- Cost-effectiveness
- Economic opportunities / job training or creation
- Leveraging other funding sources
- Project progress measures
- Return on investment (avoided response and recovery, avoided disruption, protection of critical infrastructure)

## SURVEY

- Survey
- Prioritize and add to existing criteria
- Will be used to inform current work to create a list of regionally-relevant criteria that can be used by communities to value different flood risk-reduction projects
- Identifiable information is optional
- Next steps



Thank you.

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To: Invest Vancouver Management Board

From: Jessica Hayes, Program Manager, Housing Policy and Planning,  
Regional Planning and Housing Services

Date: November 4, 2024 Meeting Date: November 21, 2024

Subject: **Streamlining Rental Housing through Standardized Designs and Regulations:  
Project Update**

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**RECOMMENDATION:**

That the Invest Vancouver Management Board receive for information the report titled “Streamlining Rental Housing through Standardized Designs and Regulations: Project Update”, dated November 4, 2024.

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On November 8, 2024, the Regional Planning Committee and Housing Committee received for information the report titled “Streamlining Rental Housing through Standardized Designs and Regulations: Project Update”, dated November 4, 2024. The report provides an update on the Rental Housing Blueprint project and resources available for member jurisdictions to advance implementation.

This matter is now before the Invest Vancouver Board for information.

**ATTACHMENTS**

1. “Streamlining Rental Housing through Standardized Designs and Regulations: Project Update”, report dated November 4, 2024
2. “Streamlining Rental Housing through Standardized Designs and Regulations: Project Update” Presentation

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To: Regional Planning Committee

From: Jessica Hayes, Program Manager, Housing Policy and Planning,  
Regional Planning and Housing Services

Date: November 4, 2024 Meeting Date: November 8, 2024

Subject: **Streamlining Rental Housing through Standardized Designs and Regulations:  
Project Update**

---

### RECOMMENDATION

That the MVRD Board receive for information the report titled “Streamlining Rental Housing through Standardized Designs and Regulations: Project Update”, dated November 4, 2024.

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### EXECUTIVE SUMMARY

Metro Vancouver, in partnership with the Province, member jurisdictions, and other partners is developing a blueprint to accelerate the delivery of six-storey rental housing through simplification of regulatory requirements and standardized design approaches. The project is supported by both the Metro Vancouver Regional District Sustainability Innovation Fund (SIF) and the Canada Mortgage and Housing Corporation's (CMHC) Housing Supply Challenge Round 5 – ‘Level Up’ and is rapidly advancing due to recently confirmed additional funding from the CMHC program and associated timelines.

The Rental Housing Blueprint project is focused on six-storey multi-family apartment buildings, a housing form with strong potential to help meet the acute need for rental housing in the region. Project objectives include reducing overall housing delivery timelines, addressing skilled trade labour shortages, and creating a supportive environment for off-site construction. Using technology and innovation, and moving toward off-site construction, there is potential to reduce the cost and complexity of rental housing delivery, while still constructing quality housing with high standards for livability and sustainability. A final draft of the standardized regulation is being reviewed by key partners, and will be presented to the Regional Planning and Housing Committees in early 2025. It is also anticipated that a full suite of reference designs will be available by February 2025, as well as training and support for municipalities who want to move toward using digital Building Information Modelling (BIM) and e-compliance systems in their approval processes.

There are opportunities for ongoing collaboration with member jurisdictions who want to participate in shaping the outcomes of the standardized regulatory and design approaches, and project milestones will be presented to the Regional Planning Advisory Committee (RPAC), the Regional Planning and Housing Committees and the Metro Vancouver Board at regular intervals. Resources will also be available through the project to support implementation and demonstration of the project’s outcomes in municipalities that are currently advancing initiatives related to simplification and digitization, and will be coordinated through the Regional Administrators’ Advisory Committee (RAAC).

This report provides a project update and overview, including upcoming opportunities for support to Metro Vancouver member jurisdictions, and is being presented to both the Regional Planning and Housing Committees for information.

## **PURPOSE**

To provide the Regional Planning and Housing Committees and Metro Vancouver Board with an update on the Rental Housing Blueprint project to streamline the delivery of six-storey rental apartment housing through simplification of regulatory requirements and standardized design approaches, including resources available for member jurisdictions to advance implementation.

## **BACKGROUND**

The Rental Housing Blueprint project was initiated in 2023 by Metro Vancouver and the Province of British Columbia to streamline multi-family rental housing delivery through standardization and modern construction methods.

At its September 29, 2023 meeting, the MVRD Board directed staff to send correspondence to member jurisdictions, inviting them to participate in the creation of standardized zoning and design standards for six-storey rental buildings as part of a collaborative project (Reference 1).

In November 2023, 11 member jurisdictions confirmed their interest in co-creating a standardized regulatory approach, participating in workshops and feedback sessions throughout Q1-Q3 2024. This phase of the project is nearing completion and will result in the development of an opt-in standardized and simplified regulatory approach for six-storey rental buildings (anticipated in Q1 2025). The second phase of the project has been advancing concurrently, and will result in vetted reference designs for six-storey rental buildings that are aligned with the standardized regulations, and be ready for pre-approval. These project components are discussed in more detail in the sections below.

The project components have been awarded multi-year funding through both the Metro Vancouver Regional District Sustainability Innovation Fund (SIF) and the Canada Mortgage and Housing Corporation's (CMHC) Housing Supply Challenge Round 5 – 'Level Up'. On November 1, 2024, CMHC announced the finalists in Round 5 of the Housing Supply Challenge, awarding an additional \$3M to support the project. Support, through expertise and funding, will be available for member jurisdictions to implement elements of the Rental Housing Blueprint as the project advances.

## **OVERVIEW OF PROJECT OBJECTIVES**

The demand for rental housing in Metro Vancouver has significantly outpaced the growth in the supply of purpose-built rental units. Between 2011 and 2021, only 10,000 new purpose-built rental units were added in the region, compared to 87,000 new renter households. To help meet regional housing needs, *Metro 2050*, the regional growth strategy, highlights the importance of increasing the supply of purpose-built rental housing as a key component of providing more diverse and affordable housing.



### **A Focus on Six-Storey Rental Apartments**

The Rental Housing Blueprint project is focused on streamlining designs and regulations to enable six-storey multi-family buildings. Six-storey wood frame apartments were selected as a focus for the initiative given that this form is generally cost effective, economically viable, and widely accepted in the region. This building form maximizes the amount of density provided by light wood-frame construction, reducing per-unit and per-square foot building costs when compared to higher-density forms of development that require concrete or mass timber construction. Six-storey wood frame construction also tends towards simpler architectural forms and massing which works well with standardization and simplified regulations, guidelines and codes. Six-storey buildings are supported across urban and suburban areas, and in various land use designations, such as transitional areas, corridors, mixed-use zones, towns, and village centers as indicated in Official Community Plans (OCPs) throughout the region.

### **Reducing Overall Delivery Times**

Six-storey rental buildings can contribute to increased purpose-built rental housing supply in the region, particularly if current approvals and construction timelines across Metro Vancouver can be accelerated. The current average project delivery time is approximately 4.5 years, with 2-2.5 years in municipal approvals. A standardized regional regulatory approach could streamline and clarify this process, making it easier and faster to deliver rental housing.

### **Addressing Critical Labour Shortages**

In addition, the project aims to address the skilled trades labour gap by creating an environment that encourages and facilitates off-site construction and the use of prefabricated components. By 2028, 700,000 trades workers in Canada are expected to retire, which will continue to pose challenges for the delivery of new housing. There is potential to cut the cost of construction and significantly speed up rental housing delivery using off-site manufacturing when it is fully scaled.

### **Creating a Supportive Environment for Off-Site Construction**

Consequently, the project aims to create the conditions for scaling up new approaches to construction, by creating a supportive environment for using off-site and prefabricated building components and predictable, simple, and uniform requirements and processes that enhance certainty and enable cost and time savings. A regulatory framework that is simple and easy to interpret will streamline the planning process and lend itself to modernization of the housing delivery system by enabling the use of electronic compliance checks, reference designs, and modern methods of construction. In addition, the project seeks to research, document, and promote best practices and successful off-site construction prototypes, to combat negative perceptions of quality that conflate modern methods of construction with temporary forms of prefabricated or modular housing, most often used as workforce housing or as a rapid response to homelessness.

### **PROJECT STATUS UPDATE**

Metro Vancouver, in partnership with the Province and 11 member jurisdictions, is developing a blueprint to accelerate the delivery of six-storey rental housing (Reference 2). Metro Vancouver has allocated \$2.1M from the Regional District Sustainability Innovation Fund (SIF) to support this work over three years. This includes a \$1M+ contribution for demonstration of the learnings in a future

Metro Vancouver Housing redevelopment project. The Rental Housing Blueprint has two main elements:

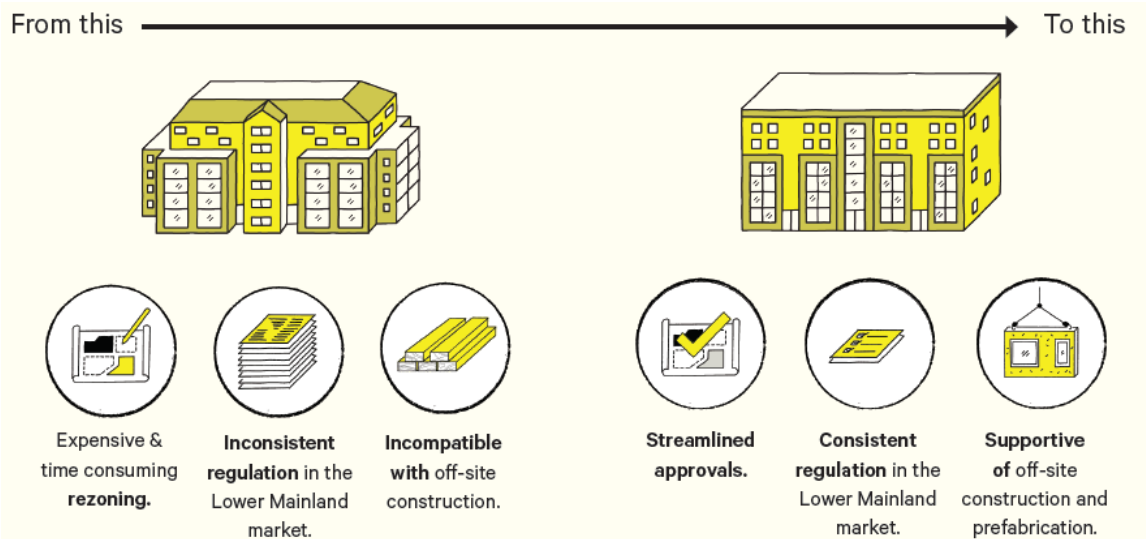
### 1. Standardized Regulations

In May 2023, SvN Architects & Planners and B Collective were contracted by Metro Vancouver to develop a regional approach to regulating six-storey rental buildings (e.g. zoning regulations and design standards). The regulatory framework is being co-developed in partnership with the following 11 member jurisdictions who signed up as local government champions of the initiative:

- Bowen Island Municipality
- City of Burnaby
- City of Delta
- City of Langley
- City of Maple Ridge
- City of New Westminster
- District of North Vancouver
- City of Richmond
- City of Surrey
- City of Vancouver
- City of White Rock

This phase of the project seeks to streamline approaches to governing building bulk and siting. In 2023, Metro Vancouver staff surveyed several off-site and modular construction manufacturers who identified a favourable regulatory environment as the biggest factor when evaluating potential markets for expansion. The opt-in regulation aims to use simplified measures such as maximum height, minimum setbacks and maximum unit depth values to control building bulk and siting. The approach seeks to eliminate complex calculations and variation between jurisdictions, which can be barriers to standardization. As a result, the use of Floor Area Ratio (FAR)/Floor Space Ratio (FSR) and lot coverage are not recommended. Instead, the regulations opt for an objective approach based on precedents in other leading jurisdictions, and the overall project objectives (Figure 1).

**Figure 1: Rental Housing Blueprint Standardized Regulatory Approach**



Source: SvN Architects and Planners

In addition, the standardized regulations aim to move away from design guidelines that require interpretation and discretion, and instead toward design standards are:

- **Measurable and verifiable:** Requirements are specified through criteria that can be objectively assessed and verified through quantifiable data, with no grey area—discretionary and subjective components create the need for negotiation which add to the timeline and complexity of projects; and,
- **Machine readable:** Objectivity is required to enable electronic compliance review (using specialized software which is rapidly increasing in capability), which will in turn accelerate the regulatory review process. These approaches provide manufacturers of prefabricated building components with greater clarity on requirements and improved certainty, which is a precondition for investment in this emerging sector.

As shown in the diagram below (Figure 2), design guidelines can introduce subjectivity and increase the time it takes for a development applicant to achieve desired design outcomes.

**Figure 2: Design Guideline Subjectivity vs. Objective Design Standards**

Design Guideline	Design Standard
<b>Example:</b> <i>Incorporate frequent entrances along commercial frontages to create visual interest and support pedestrian activity.</i>	<b>Example:</b> <i>Locate entrances along commercial frontages no more than 7 metres apart.</i>

A final draft of the standardized regulation is being circulated to these municipal partners for staff review in Q4 2024 and will be presented to the Regional Planning Committee and Housing Committee in early 2025.

## 2. Standardized Design Approach

The second stream of work is to develop a standardized design approach for six-storey rental buildings. This phase of the project is led by BC Housing, with Metro Vancouver as a key partner, and is supported by grant funding awarded through the CMHC Housing Supply Challenge. Round 5 of the Housing Supply Challenge is called Level-Up: Transforming the Way Canada Delivers Housing. This challenge seeks to increase the adoption of system-level solutions that transform Canada's ability to produce more community and market housing, faster. The project team has to date been awarded two prizes of \$1M and \$3M respectively, to continue scaling the project as finalists in the competition (Reference 3). In March 2025, there is an opportunity to advance to the final stage of the Housing Supply Challenge, with an additional \$5M prize available.

The project will produce several building designs that are vetted by local governments, funders, and industry, resulting in reference designs that are:

- **Simplified and cost effective:** Reduced design complexity and utilization of building components manufactured in controlled, off-site factories will maximize efficiency and cost effectiveness by reducing labour needs and customizations on a project-by-project basis;
- **Scalable and replicable:** Moving toward pre-zoning and pre-approval of replicable designs will de-risk projects and scale up production, increasing investments in rental housing;



- **Optimized for off-site construction:** Reference designs can create demand for off-site methods and opportunities for bulk production of prefabricated components to increase efficient delivery, particularly for frequent builders (e.g. public sector); and,
- **Flexible:** Standard unit types and other building components can be combined in different ways to adapt to site conditions.

While the first component of the project addresses the regulatory environment, this component of the project addresses all aspects of the design and construction process, applying new technologies and modern methods of construction, including hybrid approaches where a building is made up of a series of components, for example, design modules, flat packed wall panels, and structural components that can be scaled and modified for different site sizes and conditions (Figure 3).

**Figure 3: Standard Design Approach**

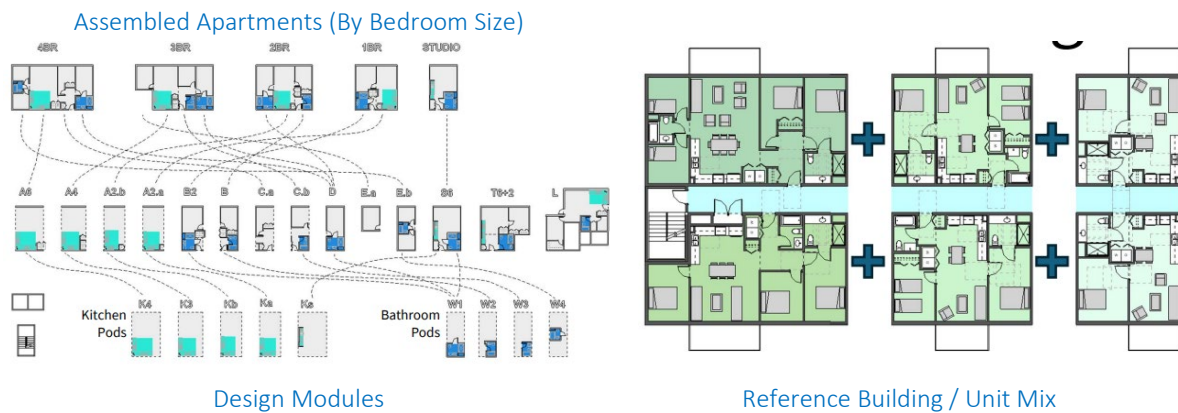
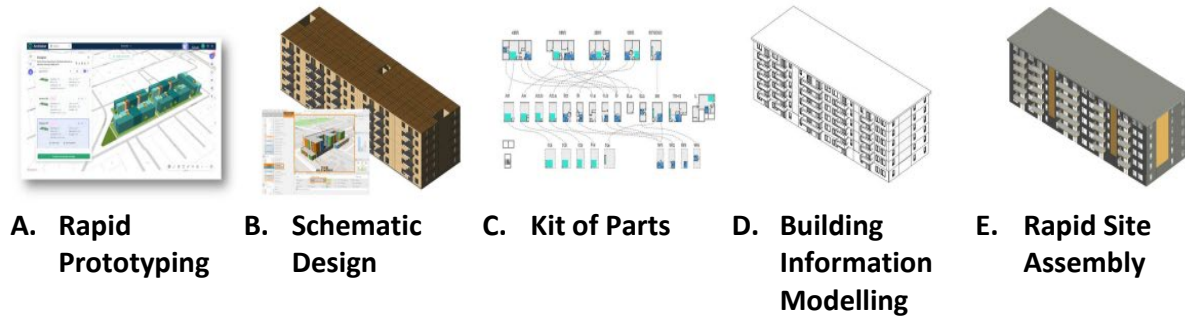


Figure 4 below further describes the innovations that will be integrated throughout the design and construction processes, including:

- Rapid Prototyping:** Ability to use rules-based generative design software to rapidly generate multiple viable building concepts for a site that fit with the standard regulation requirements and reference building design elements.
- Schematic Design:** Site concepts can be quickly expanded into more detailed designs by using and adapting the elements from open-source plan sets (reference building designs). This includes “modules” for units and structural elements which are non-proprietary and "open source," and which are designed to evolve based on experience of design consultants, manufacturers and builders.
- Kit of Parts:** The project will make a prefabrication optimizer widely available including an online platform and library of parts. A software system will allow design teams to easily test and apply prefabricated components. Manufacturers will have the ability to upload products to the library of parts.
- Building Information Modelling (BIM):** The design process will be integrated throughout using BIM – a system which creates a precise, three-dimensional set of plans and reduces waste from conflicts and errors in construction.

- E. Rapid Site Assembly:** The project is designed to progressively enable a greater percentage of building components to be produced off-site, starting with the simplest elements which can be easily produced and shipped, such as flat, open wall panels, and moving over time to include a full suite of building systems such as bathroom and kitchen pods, flooring, and structural elements.

**Figure 4: Accelerating the Design and Construction Process**



The use of technology and innovation, and moving toward off-site construction has the potential to reduce the cost of construction and speed up rental housing delivery, while delivering quality housing with high standards for livability and sustainability. The reference design and construction approaches will be tested through demonstration projects in future phases of the Rental Housing Blueprint project, including identifying demonstration projects on Metro Vancouver Housing sites. An initial version of the reference design adapted for non-market rental housing was created in the first phase of the project as proof of concept (Figure 5).

**Figure 5: Reference Design Sample Rendering**



Source: Iredale Architecture

## **NEXT STEPS**

A final draft of the standardized regulation is being circulated to staff in the participating 11 member jurisdictions for review in Q4 2024 and will be presented to the Regional Planning Committee and Housing Committee in early 2025. Concurrently, the standardized design approach is advancing rapidly, and it is anticipated that a full suite of reference designs will be available by February 2025, as well as training and support for any member jurisdictions who wish to move toward using digital Building Information Modelling (BIM) and e-compliance systems in their approval processes.

## **Opportunities to Support Member Jurisdictions**

At this stage, Metro Vancouver is inviting all member jurisdictions to re-engage with the project, beyond the initial 11 member jurisdictions who signed on as local government champions in late 2023. As the project continues, there will be opportunities for ongoing collaboration with all local governments who want to participate in shaping the outcomes of the standardized regulatory and design approaches. Project milestones will be presented to the Regional Planning Advisory Committee (RPAC), and the Regional Planning and Housing Committees at regular intervals.

In addition, resources are available through the project to support implementation and demonstration of the project's outcomes in municipalities that are currently advancing initiatives related to simplification and digitization. Examples of such initiatives might include planned implementation of electronic compliance, readiness to introduce or adopt changes to six-storey apartment zones to support increased standardization, or willingness to vet reference building designs through some form of pre-approval.

For jurisdictions that are interested and can demonstrate readiness to implement elements of the Rental Housing Blueprint, support through the grant could be in the form of consulting resources for making process improvements and/or bylaw changes that align with the objectives of the project, and other support as identified.

Metro Vancouver staff will work with member jurisdiction senior administrators through the Regional Administrators Advisory Committee (RAAC) to advance these opportunities.

## **ALTERNATIVES**

This is an information report. No alternatives are presented.

## **FINANCIAL IMPLICATIONS**

Stream 1 of the Rental Housing Blueprint project is supported through a mix of in-house staff and consultant support. Costs for consultant support are included in the 2024 and 2025 Housing Policy and Planning budgets and work plan, and supported through project-specific funding from the Metro Vancouver Regional District Sustainability and Innovation (SIF) Fund. Phase 2 of the Rental Housing Blueprint project is supported through a combination of SIF funding and additional grant funding awarded to a multi-agency team as part of the CMHC Housing Supply Challenge Round 5 – Level Up.



## CONCLUSION

The Rental Housing Blueprint project seeks to streamline rental housing through standardized designs and regulations. In November 2023, 11 member jurisdictions confirmed their interest in co-creating standardized regulations to expedite the delivery of rental housing. This phase of the project is nearing completion and will result in an opt-in standardized and simplified regulatory approach for six-storey buildings. The second phase of the project has been advancing concurrently, and will produce reference designs that are aligned with the standardized regulations. These project deliverables will be presented to the Regional Planning and Housing Committees in Q1 2025.

This report provides a status update on all aspects of the project and next steps, which include ongoing participation in shaping the outcomes of the standardized regulatory and design approaches, and opportunities for member jurisdictions to access resources to advance implementation of activities that align with the Rental Housing Blueprint in their communities.

## REFERENCES

1. Regional Planning Committee report dated August 14, 2023 titled "[Streamlining the Delivery of Rental Housing Through Pre-Approved Plans and Off-Site Construction](#)".
2. [Rental Housing Blueprint | Metro Vancouver](#)
3. [Funding Recipients for Round 5 of the Housing Supply Challenge | CMHC \(cmhc-schl.gc.ca\)](#)



# Rental Housing Blueprint – Project Update

STREAMLINING RENTAL HOUSING THROUGH STANDARDIZED DESIGNS AND REGULATIONS

Jessica Hayes

Program Manager, Housing Policy and Planning

Invest Vancouver Management Board Regular Meeting, November 21, 2024

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## TWO PROJECT COMPONENTS

Regulatory Approach

**metrovancover**

Design Approach



### Participating Jurisdictions

Bowen Island Municipality	District of North Vancouver
City of Burnaby	City of Richmond
City of Delta	City of Surrey
City of Langley	City of Vancouver
City of Maple Ridge	City of White Rock
City of New Westminster	

## TWO PROJECT COMPONENTS

Regulatory Approach

Design Approach

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SCIUS  
Advisory

Archistar

BIMOne  
Virtual Construction Technology

IREDALE  
ARCHITECTURE

KOPE

TIMBER  
ENGINEERING

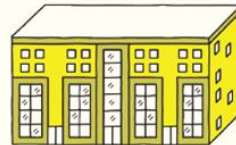
C2  
CORE TWO

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3

## STANDARDIZED REGULATORY APPROACH

From this → To this



Expensive &  
time consuming  
**rezoning.**



**Inconsistent  
regulation** in the  
Lower Mainland  
market.



**Incompatible  
with off-site  
construction.**



**Streamlined  
approvals.**



**Consistent  
regulation** in the  
Lower Mainland  
market.



**Supportive  
of off-site  
construction and  
prefabrication.**

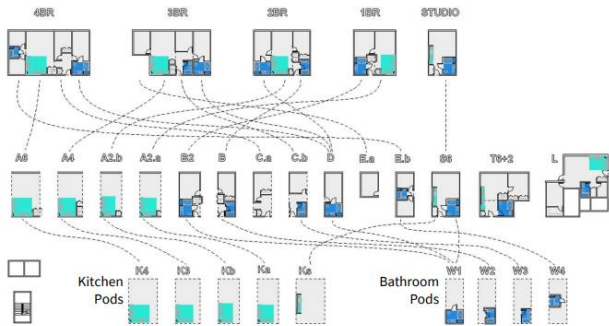
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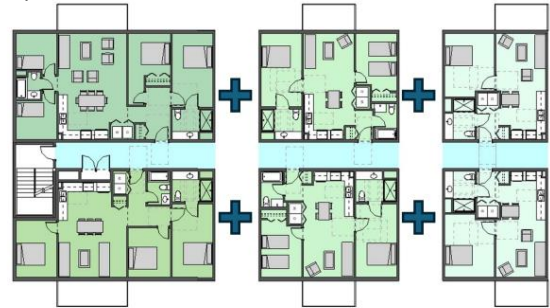


## STANDARDIZED DESIGN APPROACH

Assembled Apartments (By Bedroom Size)



Design Modules



Reference Building / Unit Mix

## WHY IS STANDARDIZATION IMPORTANT?

Survey of Off-site Manufacturers



## STANDARDIZED PRODUCT RANGE AND MANUFACTURING BASE



ALLIANCE  
TRAUSS

PASSIVEHOUSE

COLLECTIVE  
CARPENTRY

collective  
BOSS | BUILDING OFFICE  
SUSTAINABLE SYSTEMS

naikoon

WINTON

TAC  
PANELS

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Next Steps + Thank You

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