



**EXECUTIVE
SUMMARY**

Metro Vancouver 2022 Regional Office Building Inventory

Office Space in Urban Centres

Actions that encourage office development in Urban Centres and areas close to frequent transit are key elements of *Metro 2050*, the Regional Growth Strategy. Well-located office development accommodates growth of businesses and jobs, benefits the regional transportation system, and advances livability in a number of ways, including: supporting complete and walkable communities; reducing vehicle commutes and employee transportation costs; protecting lands for other uses; complementing commercial and residential land uses; and increasing the vibrancy and success of the region's Urban Centres.

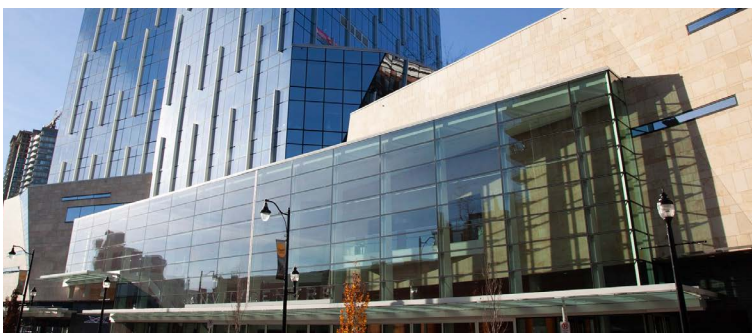
COVID-19 significantly impacted the office market and business accommodation decisions, with many employees working from home rather than at the office. The long-term impacts of the pandemic on the demand for office space is yet unknown.

Inventory Scope and Development

The *Office Development in Metro Vancouver 2022 Inventory* explores regional-scale office development and occupancy patterns and decisions, and identifies challenges and opportunities for office growth in Metro Vancouver's Urban Centres.

The Inventory was informed by investigating market and planning factors that influence the location, type, and amount of office space in Metro Vancouver. Information was gathered through an office building inventory, publication review, and in-depth interviews with industry participants, including major office developers, commercial brokers, and municipal planning and economic development staff.

The Inventory includes an analysis of the region's office building stock, key issues relating to office development, and recommendations for Metro Vancouver, member municipalities, developers, and other organizations to encourage office development in Urban Centres.





Regional Office Overview

The office market in Metro Vancouver is diverse, accommodating different tenant types throughout the region: the Vancouver Metro Core, Regional City Centres, Municipal Town Centres, rapid transit stations, and elsewhere.

Compared to other large North American markets, Metro Vancouver has fewer headquarter companies and more smaller-sized office tenants. The large tech tenants that entered the market in the past few years represent a significant shift in Vancouver Metro Core office market dynamics.

Office tenants and employees increasingly prefer transit-accessible locations, particularly rail rapid transit stations. Overall, a greater proportion of new office developments are locating near the region's Frequent Transit Network.

Key Findings from Interviews

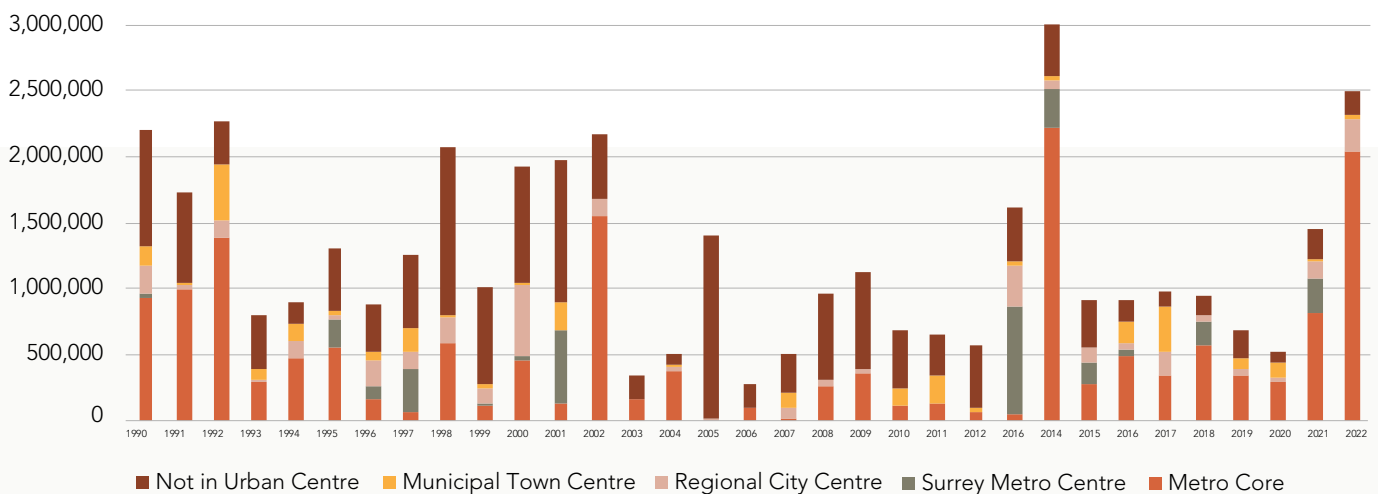
Many office tenants desire locations that are well-served by rapid transit and urban amenities, though some tenants require highway access, in the form of suburban auto-oriented office parks.

There are significant new office development projects in the Vancouver Metro Core. This responds to tenant demand, especially in the tech sector, for urban locations and amenities to attract workers. Office growth in other Urban Centres has been limited.

Smaller Urban Centres continue to see less demand for office space, and less growth. This may change as populations grow and there is increased need for local-serving office space.

The geographic distribution of new office development by location has varied over the past decades. More recently, the ratio of office space in the region's Urban Centres and particularly the Vancouver Metro Core has increased.

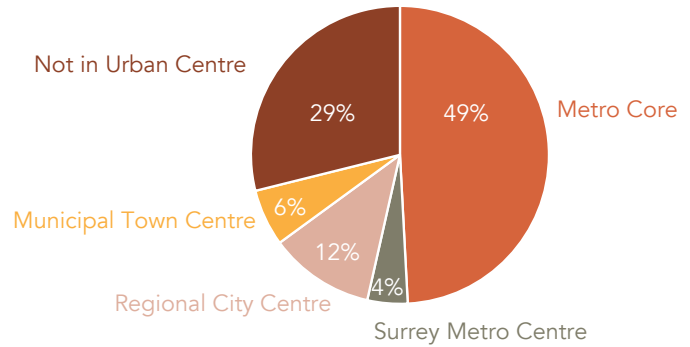
Inventory by Year Built and Urban Centre Type (1990-2022)



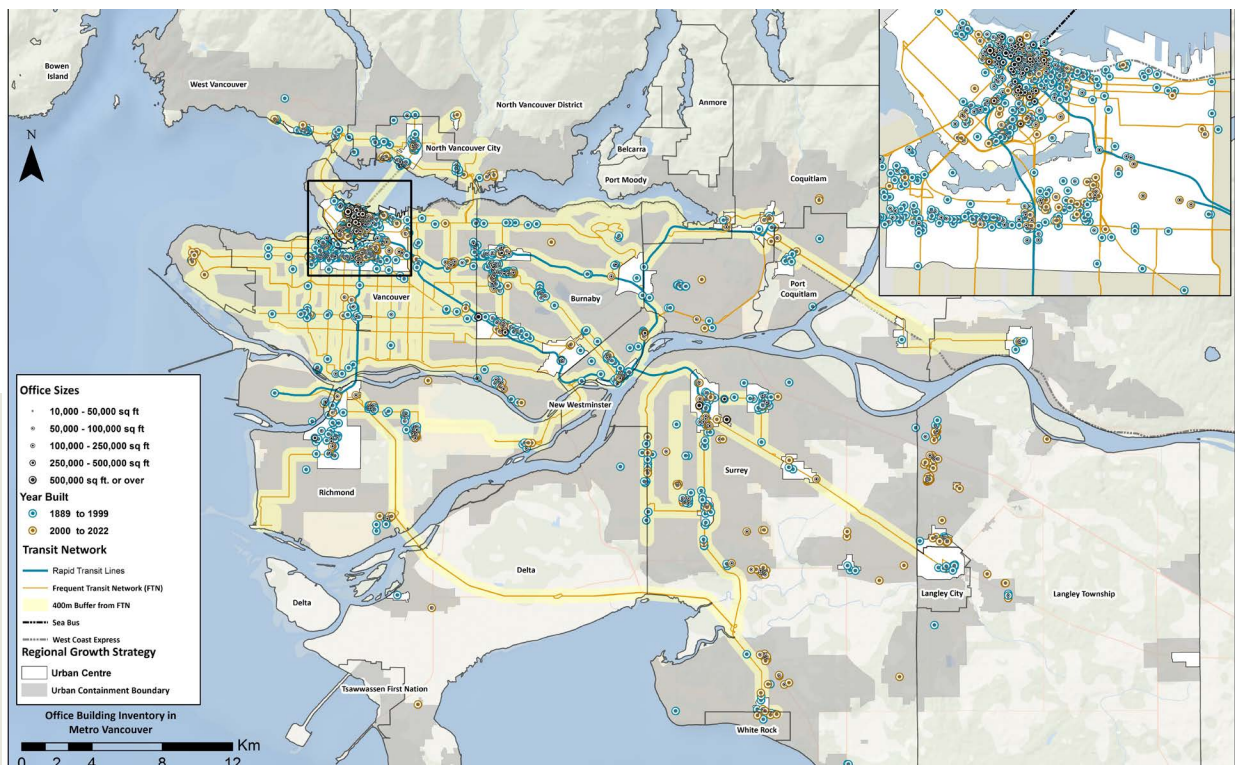
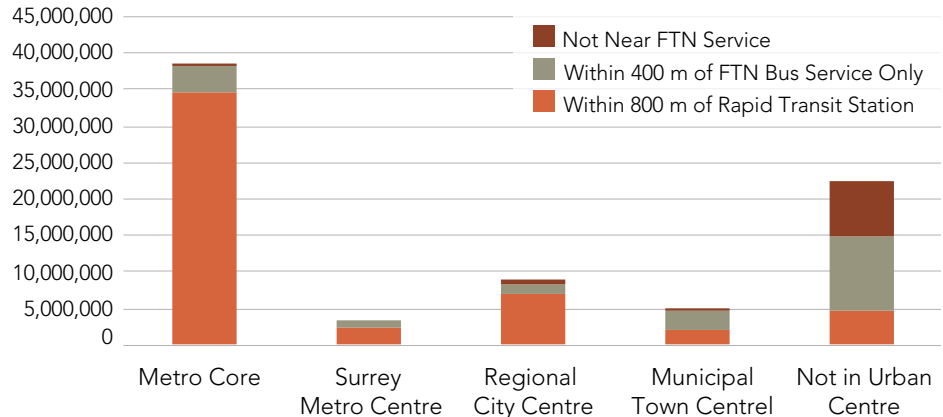
Key Findings from the 2022 Office Building Inventory

- There was a total of 78 million sq ft of office space; 1,338 buildings include 10,000 sq ft or more of office space.
- The average office building size was 58,000 sq ft, and the median size was 31,000 sq ft.
- Approximately half of the inventory (47% of buildings and 55% of floor space) was located in Vancouver, with most of that in the Metro Core area (downtown and the Broadway Corridor). The other significant sub-markets, such as Burnaby / New Westminster, Surrey, and Richmond, are much smaller
- Of the region's total inventory, 71% or 55 million sq ft was located within Urban Centres.
- For office space within Urban Centres, 69% was located in the Metro Core, 16% in Regional City Centres, 9% in Municipal Town Centres, and 6% in the Surrey Metro Centre.
- Relative to the Frequent Transit Network (FTN), 65% or 51 million sq ft of office space was located within a 10-minute walk (800 m) of a rapid transit station, and 24% or 19 million sq ft was located within a 5-minute walk (400 m) of FTN bus only.
- 90% of the region's office space is located within either an Urban Centre, within 400 m of the FTN bus service, or within 800 m of rail rapid transit stations.

Inventory by Urban Centre Type



Inventory by Urban Centres and Transit Service

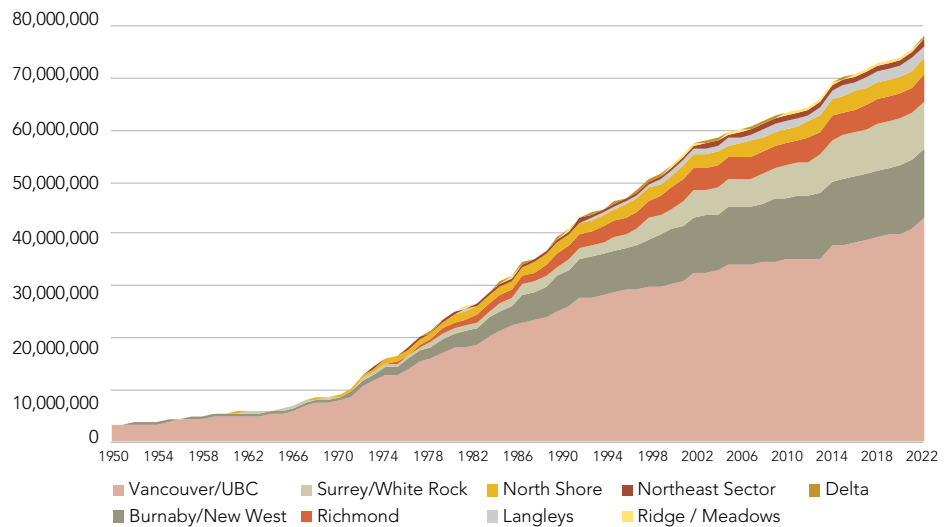


Change Over Time

Historically, office inventory and growth was primarily within the Vancouver Metro Core. More recently, the proportional amount of office space in Vancouver is declining over time, with new growth in other areas such as Burnaby / New Westminster, Surrey, and Richmond.

Developers and tenants want to work with municipalities to build and occupy new projects. Generally, the private sector desires flexibility to build the type of office space that is in demand and to allow for increased development densities to take advantage of 'strong' locations, while avoiding planning policies that require office development in locations with limited demand. In turn, municipalities want new office projects to support local economic goals and the private sector to help create spaces for jobs that advance complete community objectives, while also ensuring that development makes efficient use of infrastructure and amenity investments.

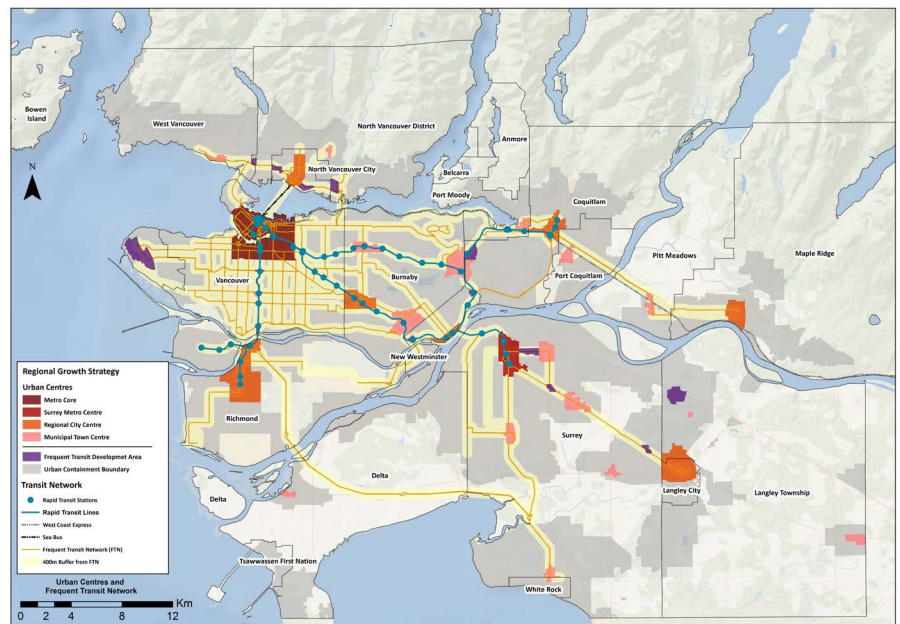
Cumulative Inventory Growth by Sub-Region (1950-2022)



Key Findings and Actions

Responses from interviewees and results from research support continuing to focus office development in the region's Urban Centres. Actions include:

- Development Approval Process - Streamline the development review process, reduce uncertainties and risks, and manage municipal charges / fees.
- Land Use Planning - Encourage, but do not mandate, mixed-use projects with office components in specific locations.
- Zoning Definition - Allow general office uses, rather than overly specific / limiting types of office business uses. This would improve tenancing flexibility and decrease landlord risk.
- Tenant Permits - Shorten and simplify the permitting process for basic interior improvements.
- Municipal Incentives - Explore financial or regulatory incentives to encourage office development, and reduce policy and regulatory barriers.
- Research - Explore case studies / best practices / innovation profiles into topics such as integrating office space into mixed-use or multi-use projects.



FIND OUT MORE

Learn more about *Metro 2050*: metrovancover.org/metro2050

Email us: regionalplanning@metrovancover.org

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Together we make our region strong