

The background of the entire page is a photograph of a harbor scene. In the foreground, there are various flowers, including yellow and red tulips and blue pansies. In the middle ground, there is a concrete wall. Behind the wall, a harbor is filled with many sailboats. In the far background, there are city buildings under a clear blue sky.

# --- DOWNTOWN Victoria ---

# 2019

**First Annual  
Report on Downtown**

# Introduction

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Victoria is home to one of the best mid-sized downtowns in North America. The downtown economy is healthy and vibrant. Using multiple data sets, this Downtown Victoria: First Annual Report paints a fact-based picture of downtown and sets a benchmark to annually measure the economic health and vitality of our downtown. This report reflects what many of us may have experienced and also challenges some of our assumptions.

Our downtown is evolving, and the Downtown Victoria Business Association (DVBA) is evolving along with it. As the only organization in the region whose membership is geographically based, the DVBA is positioned to be the expert on all things downtown.

One of main purposes of this report is to highlight the strengths of our downtown, identify what our members need to see improved, and dispel some of the false narratives that exist. Do we have challenges downtown; yes. However, we have a downtown that is the envy of many, and we should feel free to celebrate this.

Our businesses, entrepreneurs, professional services, festivals, events, and natural beauty all contribute to a vibrant downtown that is now on the world stage. Our job is to preserve what is working and focus on solving those issues that will serve to make our downtown even more vibrant, inclusive, and economically resilient for years to come.



Jeff Bray, Executive Director, Downtown Victoria Business Association.

# Report at a Glance

## 2016 Population Density



## Population



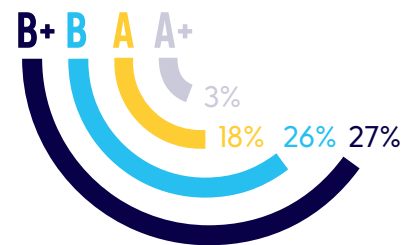
## Top 3 Elements to Improve Downtown Business Environment



## Top 3 Factors Negatively Impacting Businesses



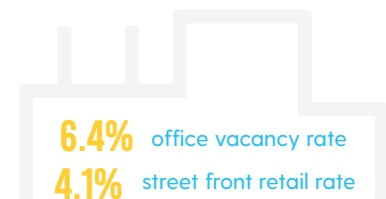
## Letter Grade for Victoria as a Place of Business



## Median Income



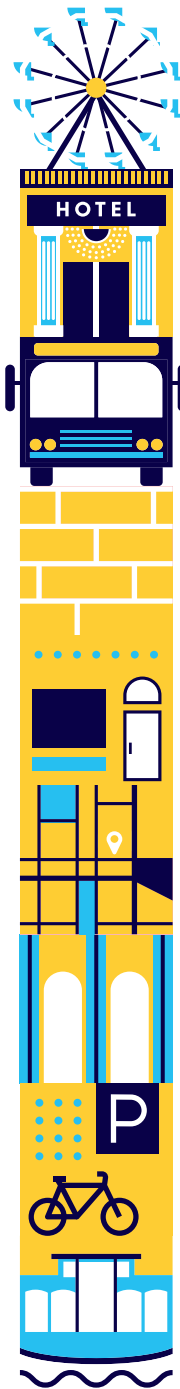
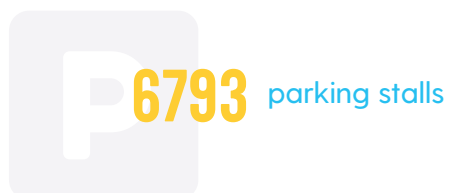
## Commercial / Retail Vacancy Rates



## Condos Completed / Under Construction



## Parking









# 1

# The Downtown Economy

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Looking at 2018, we see a healthy, vibrant economy in downtown Victoria.

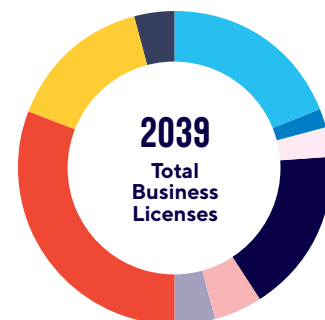


The economy of downtown Victoria is well diversified. There are a significant number of retail, accommodation, and food service businesses in the mix, which are key attractors for customers to the downtown area and a positive sign of a healthy economy. Other key industry sectors represented in the downtown core include:

- professional, scientific and technical
- other services (such as non-profit organizations and personal services)
- administrative and support services
- healthcare and social assistance
- real estate
- finance and insurance
- public administration

**“Our business is heritage consulting, and so our location in a historic building and historic district is important to us.”**

**Business Licenses by Sector**



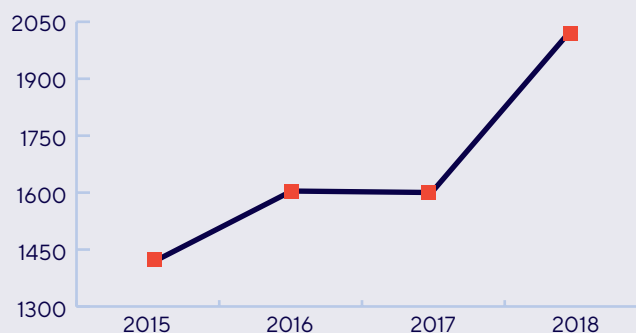
19% Retail trade	4% Health care & social assistance
2% Finance & insurance	31% Accommodation & food services
3% Real estate	15% Other services (except Public Administration)
17% Professional, scientific & technical services	4% Other
5% Administrative & support services	

Note: Public Administration and Education are also key sectors in downtown, but are not represented via the City's business license data.

Source: City of Victoria

Over the past several years, the number of business licenses issued by the City of Victoria for operations in downtown Victoria has shown continuous growth, demonstrating strength and confidence in the local economy.

**Number of Business Licenses  
Downtown Victoria**



Source: City of Victoria

The health of the downtown economy is also demonstrated by the decline in office vacancy from 7.2% in 2017 to 6.4% in 2018, despite a significant addition of new supply (280,000 square feet) into the market. According to Colliers, the absorption of new space in 2018 was the highest recorded since 1982 when they began tracking this information. Colliers predicts further reductions in office vacancy in 2019 based on continued demand from both the private and public sectors in downtown.

Although downtown retail storefront vacancy rates climbed slightly from 3.8% in 2017 to 4.1% in 2018, we are nowhere near the vacancy peak we saw in 2014 of 10.2%. The slight increase this year can be attributed to increased inventory as projects such as Yello on Yates, 1515 Douglas, and Legato were completed.

**Downtown Building Vacancy Rates**

	Office	Retail - street front
2015	9.5%	8.5%
2016	7.8%	5.5%
2017	7.2%	3.8%
2018	6.4%	4.1%

Source: Colliers



According to the 2019 DVBA member survey, over 33% of its members have been in business for over 20 years, and a further 20% have been operating in downtown Victoria for 11-20 years. When asked about the overall business climate in downtown, 67% of respondents indicated that they felt that it had improved or remained stable. In fact, over 52% indicated that their business had experienced growth in net profits between 2017 and 2018 of up to 25%. Further, over 25% of respondents indicated that they intend to expand their products, services, or square footage in downtown Victoria.

**“ We love working downtown. I wish there were more options for large office spaces in the downtown core to expand into. Anything over 8000 square feet (and that doesn’t need a complete reno) has been a challenge to find.**

### Development

Downtown Victoria has experienced substantial development in 2018. As of this report writing date, according to Citified Media Inc., there are currently 15 projects under construction for a total of about 1,700 rental and condo units. Victoria is seeing an increase in the percentage of purpose-built rental units vs. owned units as developers respond to increased demand for rental properties. On the office and retail front, after consistent modest growth in 2016 and 2017, 2018 saw a significant increase in supply including a huge jump in office space inventory with the completion of 1515 Douglas and 750 Pandora.

Downtown Victoria Large-Scale Development Activity				
	2016	2017	2018	2019*
Condos (# units)	122	162	120	1,218
Rentals (# units)	176	171	352	529
Retail (sq. ft.)	18,690	13,957	39,855	145,230
Office (sq. ft.)	0	11,087	278,963	0

\*Under construction and/or due to complete in 2019.

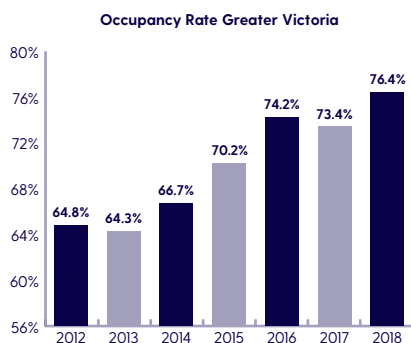
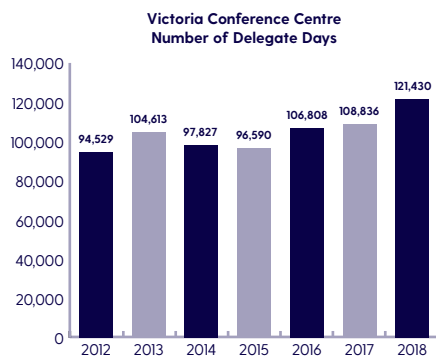
Source: Citified Media



## Employment

Employment levels for the downtown population are equivalent to those of the broader City of Victoria area at 94% – the only difference being that we see a larger percentage of self-employed people in the downtown area (19.4% vs 12.7%). The city is currently experiencing Canada's lowest unemployment rate at 3.1%.

The key industry categories for employment of the downtown population are very similar to those industries identified as predominant in downtown Victoria's business licenses, with the addition of Public Administration and Educational services.



Source: Chemistry Consulting Group

## Key Sectors

As the provincial capital and seat of government, Victoria offers a significant number of public service jobs, many of which are located in the downtown core.

High Tech is commonly recognized as a key industry sector in Victoria. Although data is not available for downtown specifically, on a regional basis, high tech companies in Victoria currently employ an estimated 16,775 people and contribute \$5.22 billion in economic impact to the local economy.

Total employment in Greater Victoria's technology sector is expected to reach 18,280 by the end of 2019, and its tech firms are projected to total 1,000 by 2020.

The tourism industry is another important industry sector for Victoria and has also experienced very strong performance and growth in the past several years, with a particularly good year in 2018. According to 2016 Census data, there are 22,300 people employed in tourism in Greater Victoria and the industry contributes \$2.3 billion in economic impacts.

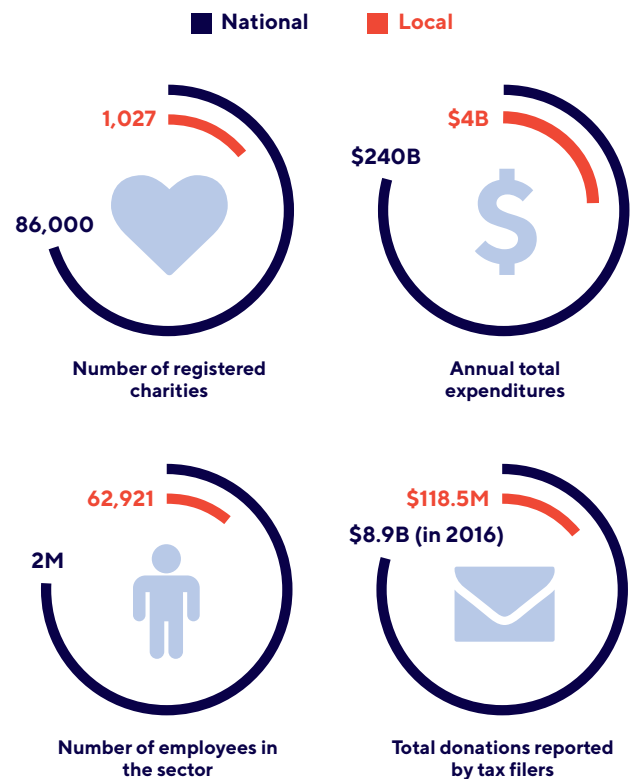






A sector that is often overlooked when discussing economic performance but deserves to be mentioned due to its impact is the charitable sector. According to a recent report published in partnership by the Victoria Foundation and University of Victoria, the civil society contributes economic activity of just over \$4 billion to the Greater Victoria region which supports the equivalent of 63,000 jobs.

### Registered Charities Both Locally and Nationally by Comparison



Source: Victoria Foundation



# 2

## DVBA Membership Survey - Key Results

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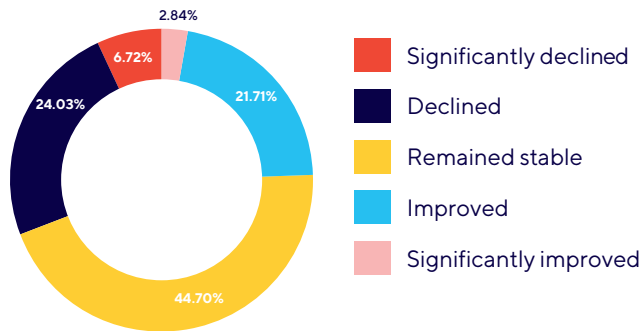
The inaugural 2019 DVBA Member Survey was implemented to gather quantitative economic indicators and qualitative information on the vibrancy and diversity of downtown Victoria. Baseline data from this survey and the trends and information gathered will guide decision making and gauge DVBA progress in nurturing and promoting the vibrancy of downtown Victoria. Full survey results are available online at [dvba.ca/report](http://dvba.ca/report)



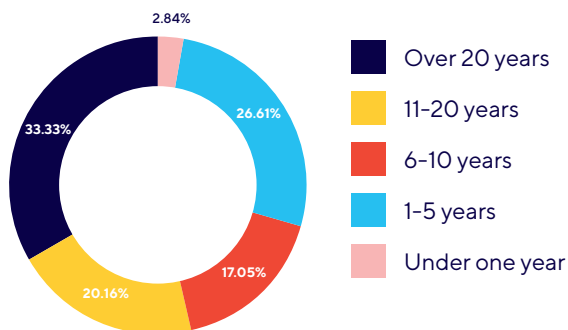


# Doing Business Downtown

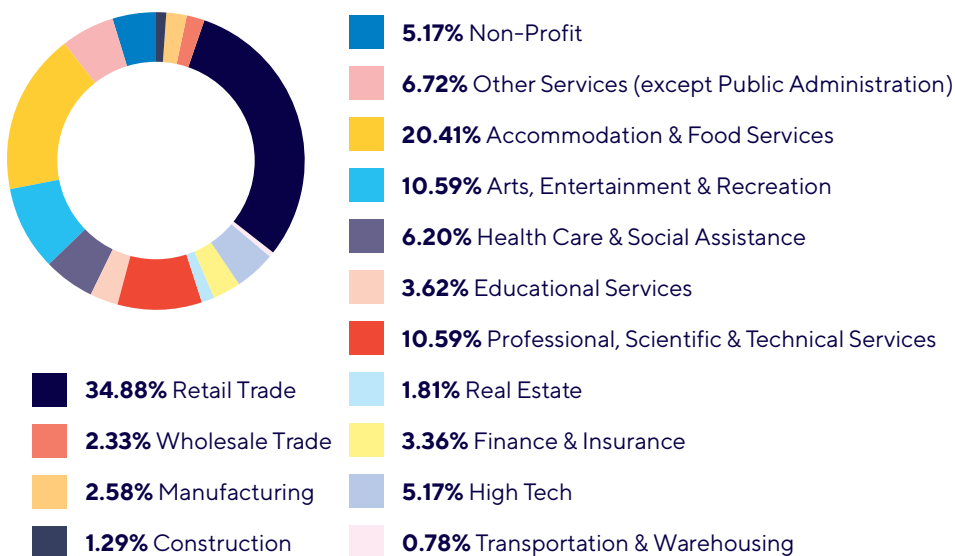
**How would you describe the overall business climate of Downtown Victoria in the past year?**



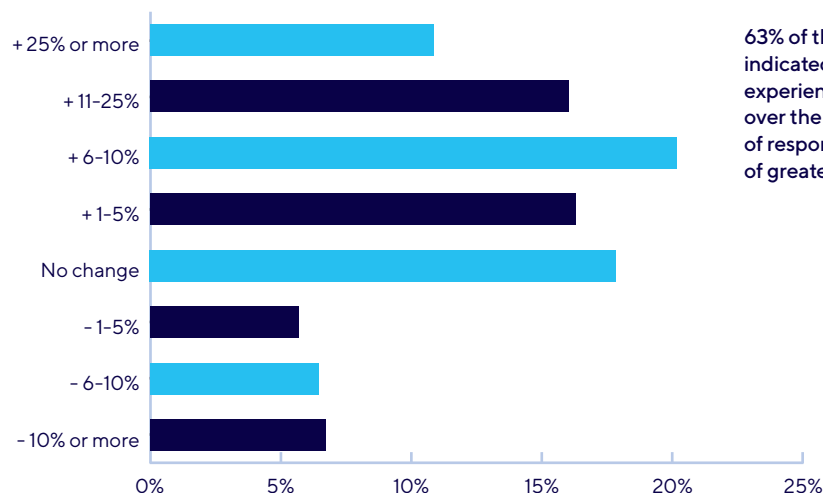
**How long have you been in operation in Downtown Victoria?**



**In which Industry Sector do you operate?**

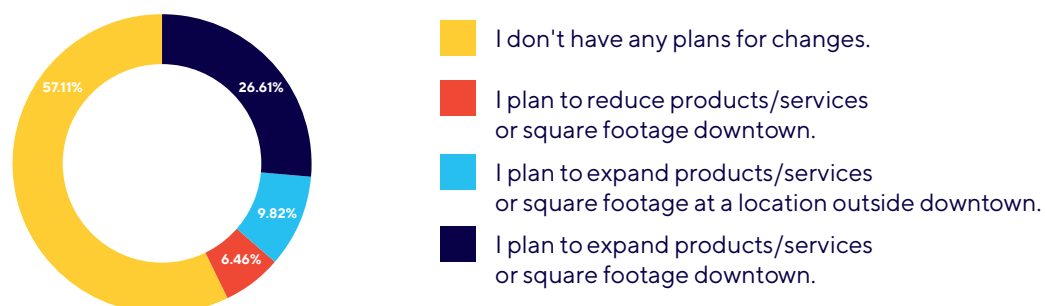


**Please indicate how your business performance has changed in terms of growth of net profit from 2017 to 2018.**

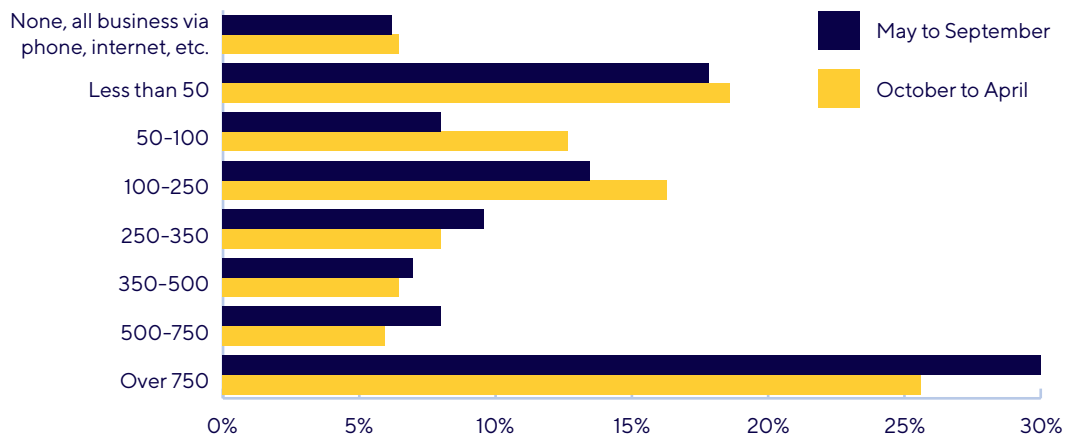


63% of the survey respondents indicated that their business had experienced a growth in net profit over the last year with almost 27% of respondents indicating growth of greater than 10%.

**Do you have plans to expand or reduce operations for your business in the next two years?**



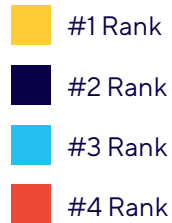
**How many customers/clients visit your business per week during the months of May to September and October to April?**





# Areas for Improvement

With your business in mind, rank the top four factors that negatively impact the vitality of your business.



Parking availability



Ranked as a top 4 factor by **78.8%** of respondents

Cost of parking



Ranked as a top 4 factor by **53.2%** of respondents

Safety / Security



Ranked as a top 4 factor by **43.7%** of respondents

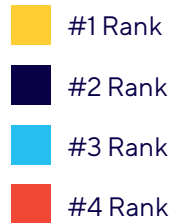
Public perception of a clean downtown



Ranked as a top 4 factor by **41.1%** of respondents



Please rank the top four elements that you feel would improve the downtown business environment.



Emphasis on Clean Downtown



Ranked as a top 4 factor by 61.2% of respondents

Real-time Parking Availability



Ranked as a top 4 factor by 51.9% of respondents

Public Transportation



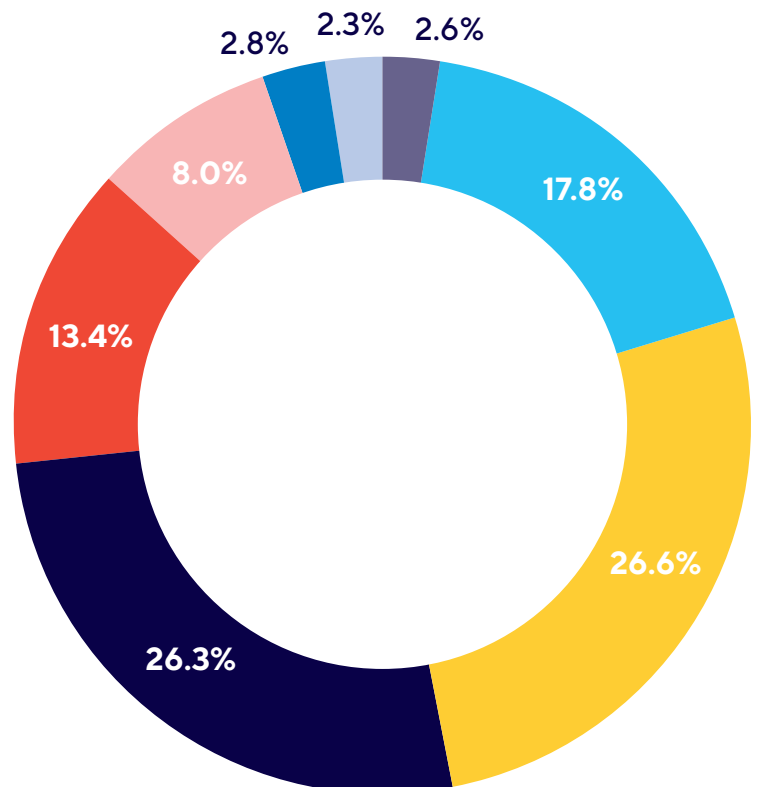
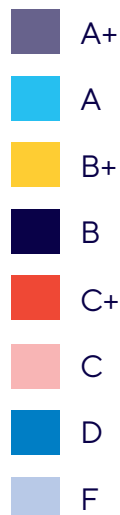
Ranked as a top 4 factor by 48.3% of respondents

Increased Police Presence



Ranked as a top 4 factor by 46.3% of respondents

Please give a letter grade that indicates your overall satisfaction with downtown Victoria as a place for business.









# 3

## Downtown Vitality

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Downtown Victoria is the commercial, cultural, and historic heart of the greater Victoria area and residents and visitors alike enjoy its walkability and scenic setting.





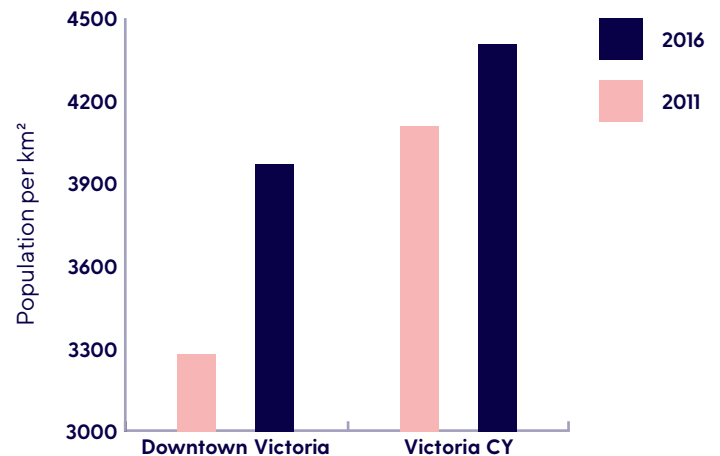
## Living Downtown

According to the 2016 Census, the population of downtown Victoria is 6,150, which is about 7% of the City of Victoria (Census Subdivision CY) population.

The average household size in downtown Victoria is 1.52 members as compared to the City of Victoria with a household size of 1.8.

The median income for individuals living in downtown Victoria is \$34,117 – very similar to that of the City of Victoria residents at \$34,164.

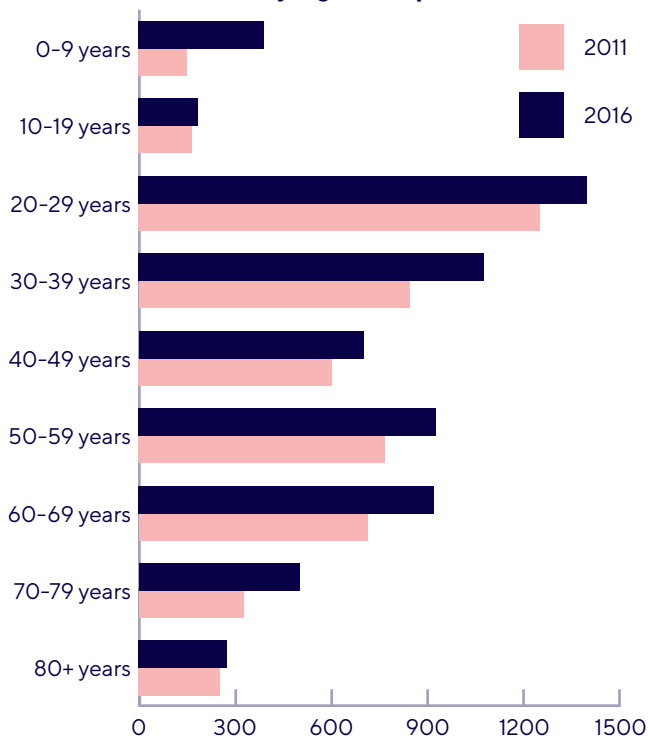
## Population Density



Between 2011 and 2016, downtown Victoria has seen a 21% growth in population density—a far greater rate of growth than the rest of the city at 7%.

Source: Statistics Canada

## Downtown Victoria Population by Age Group

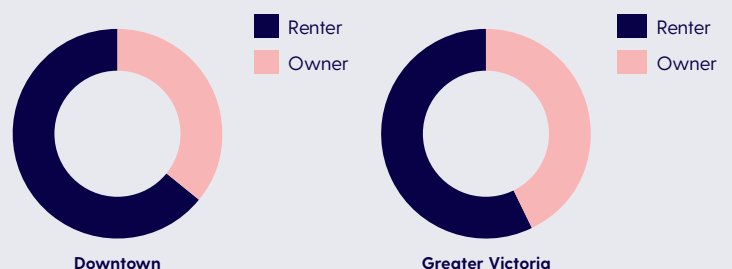


Source: Statistics Canada

A significant portion of the residents in downtown Victoria are renters, and demand for rental units has been very strong for several years.

Developers are responding to this demand with increased supply that began impacting the market in 2018. With additional inventory online, the rental market has seen a slight increase in the vacancy rate, somewhat easing the tough market of the past few years. However, continued demand for rental housing has ensured that prices continue to climb.

## Renters Vs. Owners



Source: Statistics Canada



Of the DVBA member survey respondents, nearly 40% have indicated that 10% or fewer of their staff live in downtown Victoria. This highlights the need for additional and diverse housing in the downtown area.



Rental Market Data Based on a 1BR Unit					
Vacancy %		Number of units		Rent	
2017	2018	2017	2018	2017	2018
0.7	1.2	9858	10082	\$991	\$1,086

Source: CMHC

### Supporting Services

Anecdotally, there is an increasing demand for services to support the growing population of downtown Victoria. Currently, the Market on Yates is the only downtown supermarket, providing both groceries and sundries. However, there are specialty product stores such as butchers, cheese shops, bakeries, and produce suppliers that can be found in various locations including the Victoria Public Market and Chinatown.



106

Infant/toddler spaces



163

3 to 5-year-old spaces



3

Health clinics in downtown

Source: Island Health

### Events and Culture

“ Later evening hours and more heated outdoor patios for downtown businesses might help create a more vibrant atmosphere.

With over 100 annual festivals, downtown Victoria is a centre of celebration year-round, hosting a variety of community events and festivals such as the Victoria Day and Santa Claus Parades, Swiftsure Yacht Race, Canada Day celebrations, Goodlife Fitness Marathon, Car Free YYJ, Indigenous Cultural Festival, Victoria Pride Week, the Downtown Victoria Buskers Festival, and Capital City Comic Con.

“ There should be more support for businesses who focus on the arts, such as galleries and music venues.

Downtown Victoria is home to two of the city's key performance venues—the McPherson Playhouse and the Royal Theatre, as well as the main sports venue, the Save-On-Foods Memorial Arena. In addition there are 13 art galleries, 9 downtown performance venues, and 17 bars and nightclubs which offer live music.

## Mobility

“A free downtown shuttle would hugely increase business downtown and be better for events and employees. Look at cities like Portland or Houston for examples of how pedestrians and shuttles reinvigorated their downtown cores.”

Downtown Victoria is easy to get around no matter which mode of transportation you choose. Daily errands do not require a car. According to WalkScore, downtown gets top ratings for walkability and falls into the “Excellent Transit” and “Very Bikeable” ratings for those categories.



100

Walk Score



76

Transit Score



75

Bike Score

Source: WalkScore.com

“Having a downtown that’s lively and walkable, keeping a mix of modern and new, are things that people like.”

69% of downtown residents travel to work within the city of Victoria, while 28% travel to work outside of the municipality. Given the walkability of downtown Victoria, it is not a surprise that walking is the most popular mode of transportation for the journey to work (43%).

The construction of bike lanes in downtown Victoria over the past couple of years is a controversial topic, however, data does show significant usage levels.

### Bike Lanes

**172,000** trips on Fort St.  
since May 2018

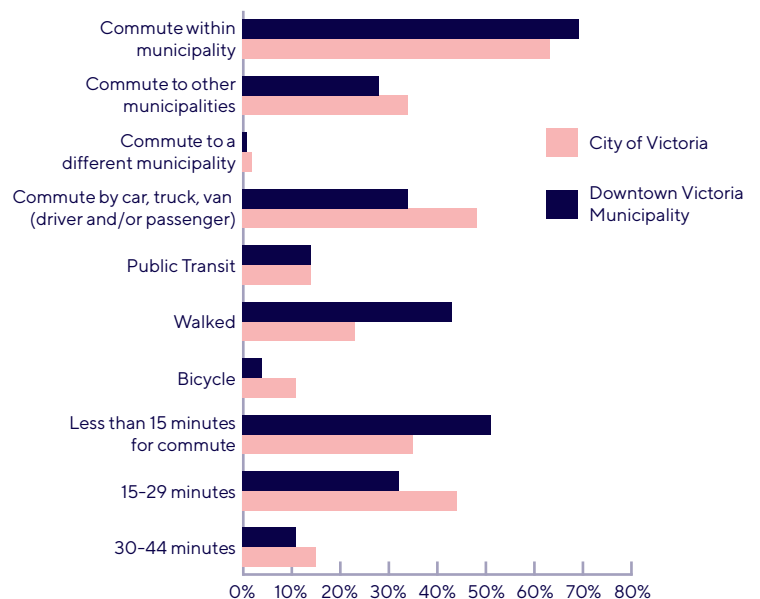
**777,000** trips on Pandora Ave.  
since May 2018

**32 km** of cycling corridors  
expected when complete

Source: City of Victoria



People who live downtown are most likely to work, live and play in the same neighbourhood.





## Parking

Parking remains a hot topic of discussion and debate amongst DVBA members. The overall perception is that there is a lack of parking and that the cost is too high. In fact, 78.8% of the respondents to the DVBA member survey ranked parking availability as a top factor negatively impacting the vitality of their business.

“People are extremely vocal and upset about the lack of parking downtown. I personally think the perceived lack of parking is a little blown out of proportion. I love downtown and make commuting here work through carpooling, biking, riding the bus, and seeking our free parkade parking spaces on Sundays. The narrative needs to change BIG TIME.

“Parking is a real problem downtown, and it’s being made worse by not requiring the dozens of new residential developments to provide parking for tenants and visitors.

“Keep pressure on BC Transit to continue improving service between the downtown core and other regions within Greater Victoria.

### Parking by the Numbers

**1850+** parking spots in city parkades

**2943** parking spots in privately managed lots

**2000** on-street spots

**5** parkades

Source: City of Victoria, Robbins Parking, and Westshore Parking



### Comparative Parking Costs Across Canada

City	Hourly Rate	Maximum stay	Day rate
Ottawa	\$2.50	3 hours	\$11-18
St. Johns	\$1.50	2 hours	\$10-16
Halifax	\$1.50	N/A	\$14-35
Fredericton	\$1.75	N/A	\$9
Charlottetown	\$1.50	2-3 hours	\$8.75-\$10.50
Quebec	\$4.00	N/A	\$18-25
Toronto	\$1-5	3 hours	\$20-37
Winnipeg	\$2.50 - 3.50	2 hours	\$14-18
Regina	\$2.00	2 hours	\$5-12
Edmonton	\$1-\$3.50	N/A	\$20-33
Victoria	\$1.50-\$3.00	N/A	\$16

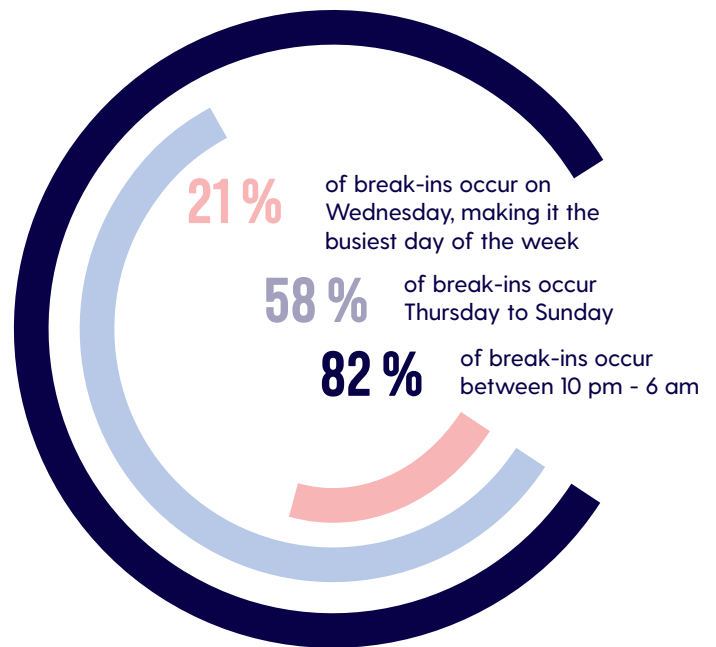


## Safety and Security

Safety and security is another area of concern for DVBA members, 33% of whom ranked this factor in the top four that negatively impact the vitality of their business.



## Business Break-in Data



Source: Victoria Police Department  
Crime Prevention Through Environmental Design Report

The DVBA Clean Team spends weekdays eliminating graffiti, picking up garbage, and removing drug paraphernalia to keep our downtown clean.

Clean Team Stats		
	Graffiti Vandalism	Drug Paraphernalia
2018	10445	6696
2017	6402	3271
2016	2556	4647
2015	3295	2189
2014	5257	1758
2013	5564	1031
2012	5527	1874
2011	5023	1028
2010	4687	2166
2009	7427	2412
2008	5049	1943

Source: Downtown Victoria Business Association

Crime Stats			
		Violent Crime	Property Crime
Downtown	2018	216	2869
	2017*	126	1702
City of Victoria	2018	410	6676
	2017*	244	3896

\*2017 data for May through December only.

Source: Crimereports.com, Victoria Police Department

# Looking Ahead

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There are many things to celebrate about Downtown Victoria. There are also challenges to be met. This report serves as the DVBA's first check-in on how downtown is doing. It identifies our members' priorities.

When we asked our members which elements would most improve the business environment downtown, they prioritized safety and security, parking availability and increased transit options, and cleanliness. They enjoy downtown events for their community-building purposes but would like to see a connection between the events and the role that businesses play in this community.

We will use this data help ensure the public narrative is factual. In 2020 we will produce our second annual report and measure what impact we have had on the key issues and how the economy is doing.

Victoria is home to one of the best mid-sized downtowns in North America and the DVBA is committed to maintaining and building on this fact.



# Sources

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- The Value of Investing in Canadian Downtowns, October 2013, Canadian Urban Institute
- Victoria's Vital Signs 2018, Victoria Foundation
- Civil Society Impact Report 2018, Victoria Foundation
- Economic Impact of the Technology Sector in Greater Victoria, October 2018, Alan Chaffe, VIATEC
- Royal & McPherson Theatres Society
- Citified Media / Citified.ca
- Greater Victoria Office Market Fourth Quarter 2018, Colliers International
- Greater Victoria Retail Market Fourth Quarter 2018, Colliers International
- Greater Victoria Multifamily Market Fourth Quarter 2018, Colliers International
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- The City of Victoria Open Data Portal – Business License and Development Permit data
- Chemistry Consulting Group – Tourism industry data
- 2017 Capital Regional District Origin Destination Household Travel Survey Report, Malatest
- Downtown Victoria Business Association – Clean Team stats
- Victoria Police Department – Crime stats, 2017 and 2018
- Crime Prevention Through Environmental Design Report, Victoria Police Department
- 2018 Residential Sales by District, Victoria Real Estate Board
- Statistics Canada, Census Profile 2016, Dissemination Areas 59170311, 59170400, 59170401, 59170158, 59170159, 59170160.
- Statistics Canada, Census Profile 2016, Victoria Census Subdivision 20181114050922
- Statistics Canada, Census Profile 2011, Victoria Census Subdivision 20181114050922
- Bike Lane Usage, Engineering & Public Works, City of Victoria
- Google Maps, 2019
- Child Care Licensing, Island Health
- WalkScore.com





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# **DOWNTOWN Victoria**

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