

Downtown is running out of working space

Planners try to rebalance after explosion of residential development

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VANCOUVER - For 30 years, Vancouver's policy for its downtown was "living first."

Now, it looks like that may change to "living and working equally" as new data show that Vancouver could run out of space for jobs downtown within five years, and with planners and the business community saying there needs to be more balance.

"The 'living first' strategy has been very successful," says the city's new planning director, Brent Toderian.

"But we do now have a clear understanding that, around 2011, there may be a capacity issue in the peninsula. Residential is an important piece of the puzzle downtown, but there has to be balance."

The living first policy resulted in the city's downtown population doubling to 80,000 within just three decades.

A new, finely detailed analysis done by the city's planning department indicates that Vancouver, if it sticks to existing zoning policies, could run out of space for jobs in its downtown core within five to 25 years.

As a result, planners are considering all kinds of possible solutions to the space crunch, including:

- Allowing higher towers.
- Putting a cap on residential development.
- Offering incentives for office developers.

Toderian, along with other city planners, said no one has made any decisions yet about which solutions are the best to make sure the city has enough room for jobs.

The city could choose to put a moratorium on residential development in certain parts of the downtown, but Toderian isn't convinced that's the right

answer.

"There may be more clever ideas out there."

Commercial brokers and the Vancouver Board of Trade have been sounding the alarm about a potential shortage of commercial space for several years, after the city allowed two sites -- the Shangri-La tower on West Georgia and the Hudson, next to the Bay, on Granville -- in what was supposed to be the commercial-only district of downtown to be developed as residential.

Two years ago, the city put a moratorium on residential developments in two areas right next to the central business district that had, until then, been optional areas where developers were free to build either commercial or residential.

Since then, a team of planners has been examining the city's potential job growth and the capacity of the "metro core" -- an area that includes the downtown peninsula, the industrial land east of False Creek, and the Broadway area.

Using projections developed by demographer David Baxter, senior planner Ronda Howard and her team calculated that the number of jobs in the metro core will grow to about 250,000 by 2031.

The biggest growing sector is professional and commercial services, which includes everything from computer-software developers to engineers to lawyers to accounting firms.

Based on the amount of space that an average job-holder usually needs, that means the downtown peninsula would need about 65 million square feet of room by 2031.

That's almost 10 million more than there is capacity for under current building regulations, was the conclusion of her team of planners, who went out and looked at dozens of individual sites downtown.

If job-holders start to get less space to work in -- a choice some employers may make -- the city has just enough capacity to absorb all the new jobs until 2031.

Some developers, enticed by the high demand for office space downtown, are starting to add office space to existing buildings or retain office space rather than converting in optional areas.

Another reason the city is not panicking, says Howard, is that trends indicate companies are providing less space per worker.

But the analysis, one of the most detailed studies of jobs and commercial space yet done for a city, clearly indicates the city needs to look at options to maintain a balance of work and residential space throughout the metro core, she said. The Broadway area also shows signs of losing commercial capacity if

the city maintains existing policies.

Dave Park, an economist with the board of trade, said his group likes the city's thorough analysis, which will set the stage for talking about policy changes in the next few months -- something the city is addressing just in the nick of time.

"It seems to be the living first policy has resulted in such a massive wave of construction that, if it continued, it would have been a danger."

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