



Economic Development Strategy

APPENDIX B: Employment Lands & Economy Review

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About This Report

This report provides a contextual overview of the local and regional characteristics, factors and trends affecting the City of Coquitlam's economy. The purpose of this report is to serve as an analytical foundation for the ongoing development of the Economic Development Strategy (EDS), covering both quantitative and qualitative data sources to inform future policy development. This analysis also serves to support the emerging economic **vision** for success, along with the **values** and **themes** outlined in the **Appendix A: Vision** document by providing a means to further develop and evaluate the **goals** and **strategies** of the EDS. The eventual Economic Development Strategy document will have a succinct and compelling summary findings and direction document that will become the Strategy, and which will be informed and supported by all appendices as companion pieces that collectively detail the EDS process and inputs.

This report includes:

- A summary of the methodology for reviewing Coquitlam's economy.
- An overview of Coquitlam in the context of local and regional factors.
- A summary of how regional population and employment projections inform the outlook for Coquitlam.
- An analysis of trends relevant to Coquitlam's economic potential.
- An analysis of future demand against existing employment capacity.
- An assessment of Coquitlam's current competitive Strengths and Weaknesses, measured against potential future Opportunities and Challenges.

Executive Summary

A. Purpose of the Employment Lands & Economy Review

This Employment Lands & Economy Review (EL&ER) serves to inform the development of Coquitlam's Economic Development Strategy (EDS). It does so by providing quantitative and qualitative analysis related to employment, market and land use trends in order to understand where Coquitlam fits in today's regional economy, how we got here, and where we might go based on our understanding of trends and growth pressures as we understand them. Through this process, the EL&ER identifies Coquitlam's existing strengths and weaknesses, whilst also identifying opportunities and challenges facing future economic and employment growth.

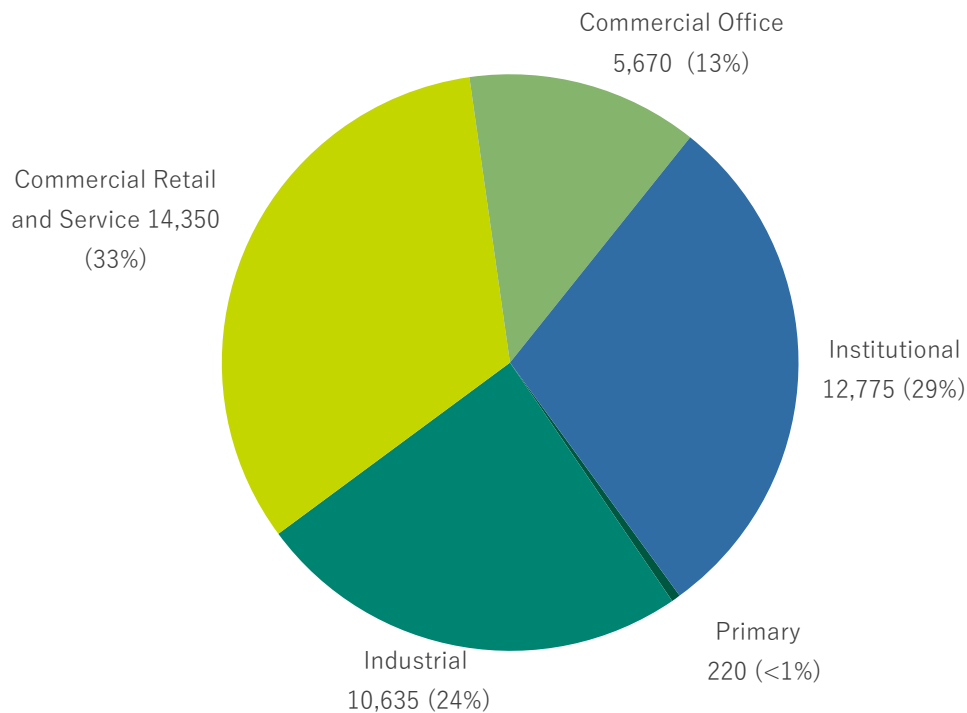
B. Coquitlam's Economic Profile, Yesterday and Today

The City of Coquitlam has a long history of community development oriented around local economic opportunities. From the original First Nations communities oriented around fishing and goods production along the Coquitlam River well before the arrival of European settlers, to the establishment of Maillardville in relationship to Fraser Mills, to the regional-destination shopping centre at the core of Coquitlam's Town Centre, economic activity has both supported and shaped the evolving character of Coquitlam.

As of the 2021 Canadian Census, the City of Coquitlam served as home to 148,600 people, while accommodating 62,200 jobs. This accounts to a local employment activity rate of 41.9% of Coquitlam's total population. In terms of Coquitlam's standing in the broader economic region, the city accounts for 5.6% of Metro Vancouver's population and 4.7% of the region's employment.

Like many other suburban communities, Coquitlam’s current economic profile is oriented towards serving its local population. At a high level, local jobs are predominantly comprised of Commercial Retail and Service uses (33%), followed by Institutional uses (29%), Industrial uses (24%), and Commercial Office uses (13%)¹.

Employment Profile by Sector, Jobs with a Usual Place of Work Located in City of Coquitlam, 2021



Source: Hemson Consulting, using data from Statistics Canada, 2021

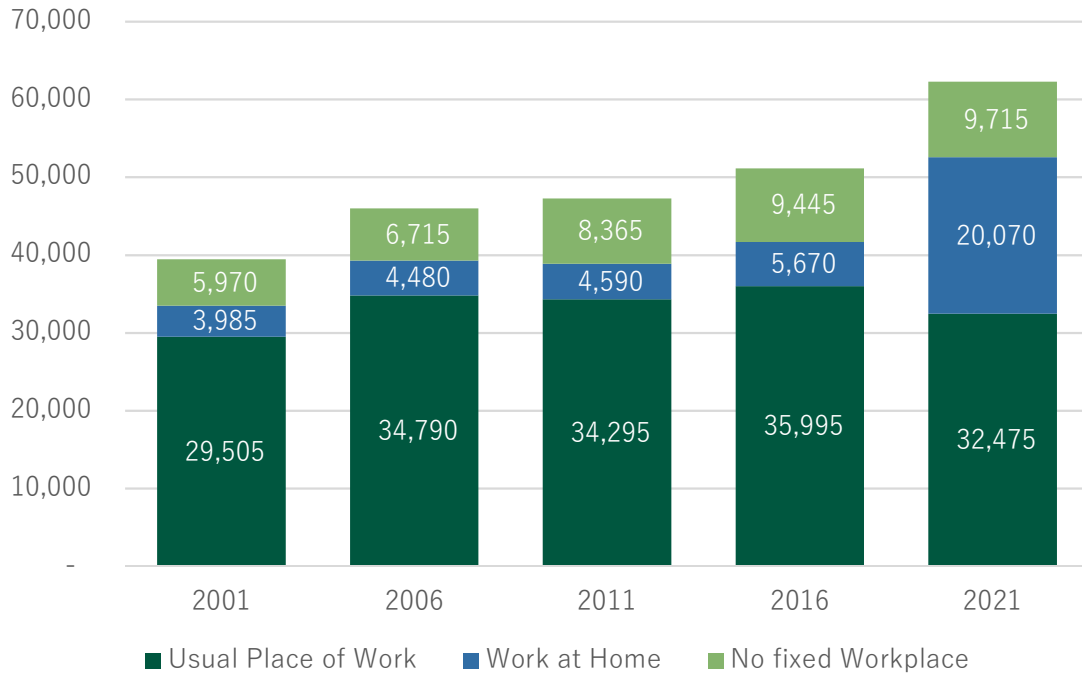
Note: Does not include employment from Coquitlam residents Working From Home nor those with No Fixed Place of Work.

The total number of jobs based in the City of Coquitlam has increased steadily over the past five census periods, growing from 39,460 in 2001 to 62,300 in 2021. However, following 2006 much of this growth was the result of jobs that were either based at home or those without a regular place of

¹ The categories shown here represent 2-digit sector codes as defined by the North American Industry Classification System (NAICS), grouped together based on common characteristics in employment activity and land use.

work, often reporting to job sites which could be based anywhere based on the day and nature of the work.

Total Employment by Type, City of Coquitlam, 2001-2021



Source: Hemson Consulting, using data from Statistics Canada, 2021

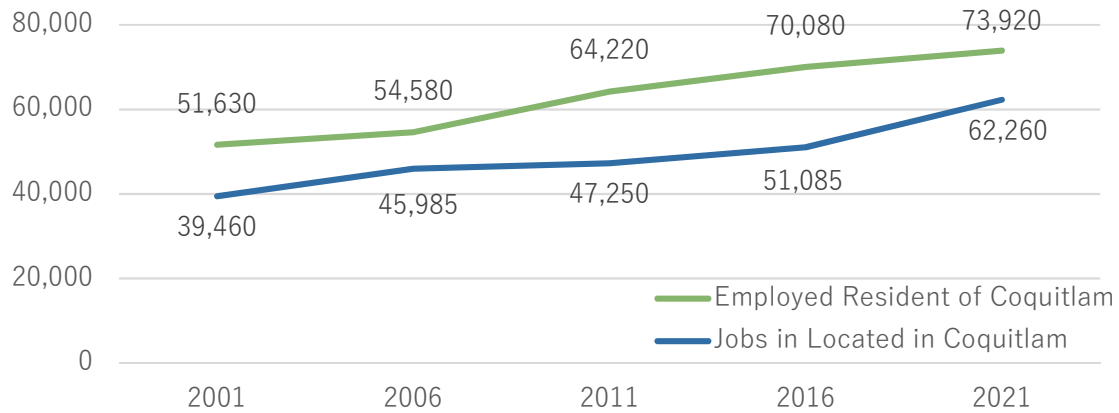
Some of this change is the result of general economic shifts that have occurred over the last decade, with the rise of the gig-economy and technology making it easier to work-from-home or on the go, while employment in the construction industry has likewise become more prevalent in British Columbia in recent years. These trends were already occurring before the beginning of the COVID-19 pandemic, which has only further accelerated these shifts as a result of its impacts.

Meanwhile, the somewhat more sluggish growth in jobs tied to regular places of work in Coquitlam is potentially indicative of a number of factors, including general economic trends in certain sectors, a limited supply of employment land and space, and closures amongst certain key employers.

C. Coquitlam is a Net-Out Commuting Community

Overall, these changes in local employment have resulted in a steady shift towards more out-commuting over time, with a gradual deviation between local employed residents and jobs located within Coquitlam only widening following the 2008-09 recession.

Change in Total Employed Residents and Jobs in Coquitlam, 2001-2021



Source: Hemson Consulting, using data from Statistics Canada

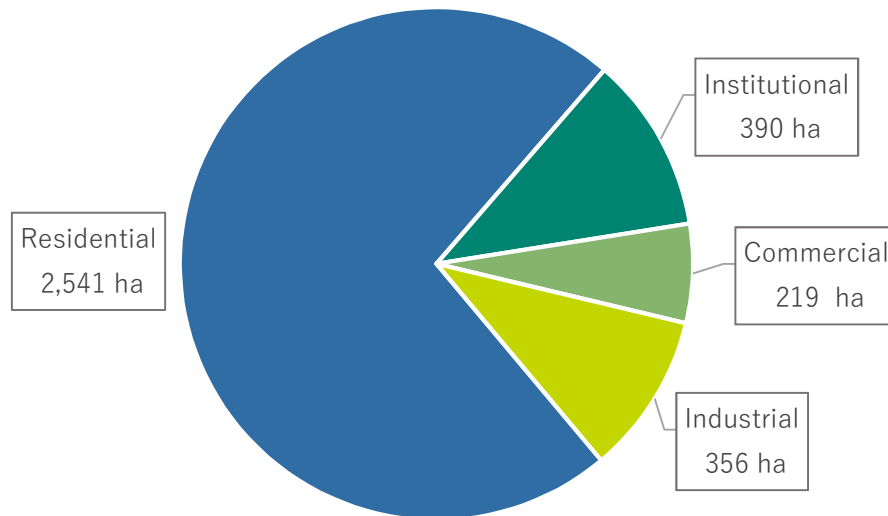
As a result of this shift, Coquitlam has seen its net out-commute rate, which represents the number of employed residents in the community versus the number of jobs based in the community, rise from 12,170 (24%) in 2001 to 18,995 (27%) in 2016. This trend was not necessarily unique to Coquitlam, as many suburban municipalities saw their out-commute rate rise as the central office market in Vancouver drew more and more employees to the regional core, largely on account of major office employers located in the downtown core.

However, this trend has been thrown into question following the arrival of the global COVID-19 pandemic, presenting potential opportunities for Coquitlam to attract a greater share of regional employment, increase local investment in the community, and reduce the rate of net out-commuting through appropriate policy implementation, focus on attracting investment and businesses, and protection of employment-supporting lands.

D. Employment-Supporting Land in Coquitlam is Nearly Fully Built-Out

Oftentimes employment activity is dependent on the availability of specific types of land and space to accommodate it. An analysis of Coquitlam’s land supply and OCP land use designations show that while the City is over 122 square kilometres in total area, only about 35.1 square kilometres (3,506 ha) of that land considered developable land. Just over one-quarter of these lands are designated for employment uses, split between Institutional (11%), Industrial (10%) and Commercial uses (6%).

Net Urban Land Area in Coquitlam by OCP Designation



Source: Hemson Consulting, using data from City of Coquitlam

Of this land, very little is not already occupied, leaving very little vacancy for future development. For example, review of Industrial lands considered only 7.1 ha to be vacant or underutilized. In the same regard, Commercial lands feature very few protections or requirements for employment space, and face the erosion of economic activity through commercial mixed-use developments. With limited opportunities to expand outward, future employment growth will need to be accommodated through the protection and intensification of these lands.

E. Market Analysis Suggests New Opportunities are Already Emerging

An analysis of key market data and trends was undertaken for each of the major employment land categories located in Coquitlam. The most relevant findings are summarized as follows:

i. Industrial Uses

- The region as a whole is facing a shortage of industrial lands, which is leading to increased competition amongst existing space, driving up rents and land prices, and resulting in demand spilling over to neighbouring regions (including the Fraser Valley Regional District and Squamish-Lillooet Regional District).
- Over the past three years, Coquitlam's industrial vacancy rate has fallen to effectively 0%, while net asking rents have risen by 157% to \$25.00 per square foot. This is more than double the Metro Vancouver average of \$16.31, indicating the comparatively high demand and quality of space in Coquitlam.
- Rents in Metro Vancouver are now reaching the point where it is becoming economically viable for developers to build multi-storey industrial buildings, including both stratified and spec-built space, on well-located industrial parcels. This includes proposals for similar forms of industrial redevelopment in Coquitlam.
- It is important to note that these forms of development remain challenging, and are often limited to properties where zoning, infrastructure and soil conditions will permit and support this kind of development. However, as the region's industrial land supply dwindles, Coquitlam may be able to attract new forms of industrial redevelopment via intensification, thereby grow its industrial employment base, if the right set of policies are in place.

ii. **Commercial Office**

- With almost 800,000 square feet of office space, Coquitlam currently accounts for only 1.1% of the Metro Vancouver office market, but can continue to grow its office employment base with support, policies, and incentives in a manner competitive with regional neighbours.
- As of year-end 2021, Coquitlam's office vacancy rate of 4.2% remains below the regional average of 5.9%. At the same time, the average net asking rental rate of \$24.80 per square foot (sq. ft.) remains below the regional average of \$32.40 per sq. ft., but has demonstrated some of the highest rates of growth over that time.
- Some of the discrepancies in net asking rents in Coquitlam are attributed to the older nature of some of the existing office stock in the City, but recent new developments and rising rental rates suggest market interest in on the rise.
- The arrival of the SkyTrain and pandemic-related shifts in employment location preferences are recent changes that could continue to increase demand for office-type employment in Coquitlam over time, particularly as employers experiment with hybrid working models and the gradual return to the office over time.

iii. **Commercial Retail & Service**

- The COVID-19 pandemic has resulted in the shift towards e-commerce, e-retailing, and automation which decreased the overall demand for space. However, there is potential to recapture annual spending from existing trade area residents naturally flowing to other parts of the region, including near places of work and unique retail concentrations.
- Pandemic-related impacts appear to have impacted Coquitlam's larger retail spaces in particular, resulting in higher vacancies specifically amongst big box and regional mall space over the past three years.

- Conversely, experiential and street level retail, including restaurants and services, have demonstrated a strong bounce back in demand following the lifting of pandemic-related restrictions, which suggests an opportunity for Coquitlam to grow its Commercial Retail and Service employment base if it is able to attract more office-workers and regional tourism-related visitors.
- There is a concern that the redevelopment of Coquitlam’s commercial areas into new mixed-residential forms of development may result in a net loss to Commercial Retail and Service space. Without proper policy protection for these uses, the long term effects could limit the City’s potential for population-serving employment growth.

iv. Institutional

- The outlook for institutional based employment, particularly education and health care, is strongly tied to population growth and is expected to grow with the community.
- Recently announced provincial and federal plans to expand the \$10 a Day ChildCareBC program over the coming years will likely drive considerable demand for qualified workers and space, and may have economic spinoffs to other parts of the labour force.

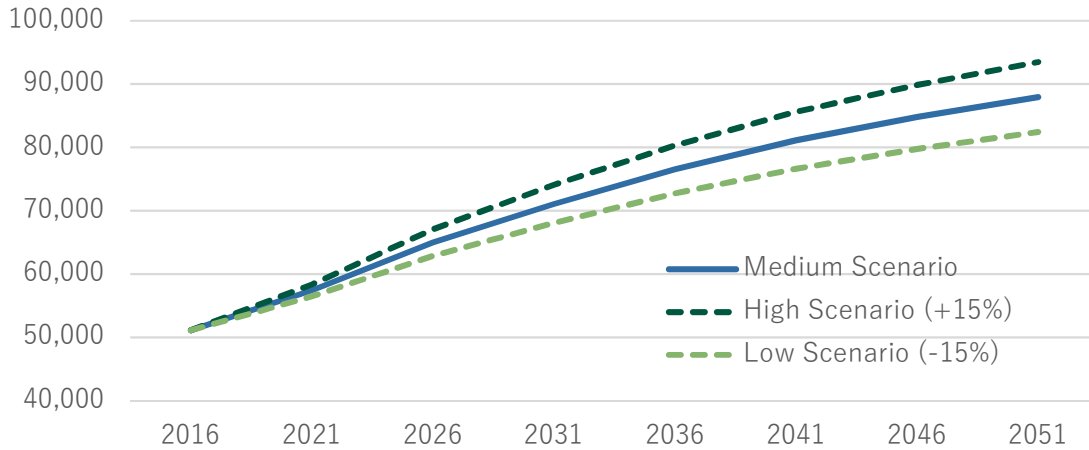
F. Growth Forecasts Indicate Significant Demand for Additional Jobs... If They Can Be Accommodated

Employment demand forecasts for jobs and space were prepared based on regional forecasts prepared by Metro Vancouver, coupled with an assessment of local retail and office market employment potential.

From a population perspective, Coquitlam is projected to grow by over 106,000 residents to a total of 245,450 by 2051. Representing a growth rate of 76%, this would make Coquitlam one of the fastest growing municipalities in Metro Vancouver. The accompanying employment projections result in

Coquitlam growing to a total of nearly 88,000 jobs, representing a growth of almost 36,900 (72%) new employment opportunities compared to 2016.

Employment Projections, Coquitlam, 2016 - 2051



Source: Metro Vancouver

This level of employment growth is quite ambitious, with the biggest constraint being the City’s limited supply of employment supporting lands and its ability to attract new, higher density forms of employment development and activity to accommodate such levels of growth. An analysis related to employment by land use prepared by Hemson and assessed against retail analysis conducted by Urban Systems and office market assessments prepared by Colliers indicates that, while the vacant supply of land is constrained, the accommodation of potential growth through intensification is Coquitlam’s most significant avenue for employment growth.

The analysis indicates that the retail, office and institutional space needs are likely be met within the urban area on some vacant lands in the northeast but otherwise within the existing developed area, though there may be some challenges in competing for lands for other uses, particularly residential uses. Industrial, however, is a much different situation, where all development would need to rely on redevelopment to higher density industrial uses.

To date there has only been a limited amount of such industrial development anywhere in Metro Vancouver, though the recently completed, under construction and proposed industrial buildings in the King Edward Street area are likely to be a higher employment density than currently predominates in the City. However, to make up all of the forecast, very large parts of the industrial areas would need to redevelop. Redevelopment of industrial at this scale is would represent a significant deviation away from historic trends, and may not be possible for the City to fully achieve within the 30-year forecast window.

G. SWOC Analysis

Based on the comprehensive review of employment and economic data, trends and general outlooks, a high-level assessment of the current Strengths and Weaknesses of the Coquitlam market have been prepared, along with an identification of potential future Opportunities and Challenges.

Strengths	<ul style="list-style-type: none">• Close proximity to the Evergreen Line (SkyTrain), Coquitlam Centre, post-secondary institutions, film studio infrastructure, and beautiful natural landscapes.• Coquitlam’s large population of young adults and families whom may be amenable to finding work or starting business ventures closer to home.• Industrial areas are active, well-located, and full.• Low vacancy rates and recent rises in local rents suggest growing demand office space.• High share of those who work-from-home who may seek employment space closer to home as the pandemic wanes.• Community diversity offers a range of goods and services that serve as emerging retail destinations.
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Weaknesses	<ul style="list-style-type: none"> • Current commuting patterns corroborate Coquitlam's perception as a 'bedroom community'. • Relative lack of diverse employment opportunities and isolated employment clusters by sector. • Coquitlam's industrial lands are largely built out and feature zero vacancies, forcing new and expanding businesses to consider finding space elsewhere. • Limited major institutional, office employer, and lodging options to serve as an anchor tenant to create momentum for the type of agglomeration to encourage the further growth. • SkyTrain has improved access to Coquitlam, although it still remains on the periphery of the Metro Vancouver Region • Housing affordability and non-residential property tax rates are higher than some neighbouring municipalities.
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Opportunities	<ul style="list-style-type: none"> • Leverage access to natural amenities and beautiful "picture perfect" landscapes and leverage expansion of the SkyTrain network. • Coquitlam is projected to be one of the faster growing communities in the region. • The shift to work-from-home arrangements could attract workers who are no longer amenable to longer commutes to local businesses. • Recapture the retail market through local businesses/shopping centres. • Development of the new convention centre, office development, and trail system draws in a broader range of businesses and visitors. • Coquitlam's well-located industrial parcels are likely to benefit from intensification and redevelopment. • Increased recognition of climate change/mitigation and participation in Project Greenlight to assist in attracting strategic partnerships to develop green-tech.
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Challenges	<ul style="list-style-type: none"> • The need to re-brand Coquitlam as a business-friendly complete community. • Competing needs for affordable housing and employment. • Need to develop a minimum commercial replacement policy to prevent loss of commercial property space through mixed-use developments. • Erosion of remaining industrial lands in the face of residential encroachment and lack of land to expand industrial land base. • Uncertainty in office occupancy patterns may mean anticipated demand for office space may be mitigated or may fail to materialize. • Dispersed nature of employment nodes could result in diluted supply of employment (specifically office employment). • Global and national economic headwinds stemming from rising inflation and interest rates could blunt investment activity and the slow the rate of employment and economic growth in the near term.
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H. Conclusions and Key Takeaways

Building on the emerging framework of **People, Place** and **Partnerships** developed in Appendix A, the key takeaways for the EDS to consider are summarized as follows:

People	<ul style="list-style-type: none"> • Coquitlam is poised to become one of the fastest growing communities in the region by 2051, creating demand for local employment and new investment • The range of economic activities supported by the City should reflect the diversity of the community in regards to ages, experiences, cultures, and perspectives. • Expanding linkages between existing/new educational and technical institutions, people and businesses to meet the changing needs of the economy • Affordability of housing and employment space is critical to future economic opportunities. • Depending on changing locational preferences as we emerge from the pandemic, Coquitlam’s high share of professionals working from home could be attracted to a well-serviced and well-connected office cluster in the community.
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Place

- Leverage infrastructure, natural environment, and community amenities to establish Coquitlam as a vibrant economic hub north of the Fraser River.
- Improving linkages between employment lands to the broader community will support continued operation and growth.
- Limited industrial land supply means Coquitlam will need to protect its remaining supply and encourage strategic reinvestment in existing sites.
- The creation of complete, walkable and attractive community hubs will serve the City as strategic locations to attract investment.
- A shortage of hotels/lodging options may restrict opportunities to attract tourism and visitors for business, sporting and cultural events.
- City owned lands in strategic locations represent keystone opportunities to develop the kind of spaces necessary to attract foundational economic functions and anchor tenants to the area.

Partnerships

- Coquitlam needs to offer a complete mix of land use policies, business supports, and incentives to attract investment and development.
- Positioning the municipality as a partner in economic development and offering strategic incentives will pay dividends towards establishing Coquitlam's regional reputation as being 'open for business'.
- Efforts to engage and collaborate with neighbouring First Nations as partners in the development of the community present meaningful opportunities to make progress towards economic reconciliation, whilst also offering valuable linkages between the past and future.
- By supporting and improving linkages amongst the already established community of small businesses, entrepreneurs and home-based businesses, Coquitlam stands to encourage local innovation and grow local enterprises.
- Leveraging existing and new partnerships with local educational institutions will ensure the right programs are being offered to meet local business needs, and that students have meaningful opportunities to connect with employers.
- Continued cooperation and support between the City and local Business Improvement Areas and other community organizations will foster Coquitlam's local economic ecosystem as a collaborative and resilience place to work and do business.

1. Introduction

The City of Coquitlam retained Hemson Consulting and Urban Systems Ltd. to develop and assist in establishing a five-year Economic Development Strategy (EDS). The Strategy serves as a unifying plan that establishes a sustainable vision for Coquitlam’s economic future, and provides a set of clear and actionable goals in order to achieve that vision.

As a foundation to the EDS, this Employment Lands and Economy Review (EL&ER) report provides both a quantitative and qualitative overview of Coquitlam’s economy in the context of the broader Metro Vancouver region, accompanied by an assessment of the trends, opportunities, and challenges which might influence Coquitlam’s economic future. This includes an assessment of how recent shocks and shifts resulting from the global COVID-19 pandemic have impacted the outlook for Coquitlam’s economic growth in the years to come.

A. How the Employment Lands and Economy Review Informs the Economic Development Strategy

The purpose of the EL&ER report is to understand the diverse and dynamic needs of employment activities across the City of Coquitlam. Additionally, this report aims to understand how the needs of the City have changed and evolved over time, and how the changing nature of work may affect the demand for different types of employment land and built space into the future.

Through a review of historical and current data, this report provides a contextual assessment of Coquitlam’s economy and employment ecosystem in relation to current land use policies and broader market trends.

Incorporating recently prepared employment forecasts as part of Metro Vancouver's Metro 2050 update to the Regional Growth Strategy, alongside other recent economic outlooks prepared for the City, the EL&ER also presents a series of employment projections by key land use category, and their implications for land and built space over the next thirty years. Analysis of these employment forecasts and land demand projections will assist with identifying gaps between supply and demand within the City of Coquitlam. Such gap analysis serves to guide the City as it evaluates current land use designations and policies against a range of future possibilities.

Considered together, these findings will serve as the basis to develop proactive and contextually appropriate policy recommendations, in the form of goals and strategies, in order to achieve the City of Coquitlam's vision for a responsible and resilient economic future for all of its residents.

B. Methodology

The following methods were used to update the Employment Lands and Economic Review for the City of Coquitlam:

- A comprehensive review of the City of Coquitlam's previous Economic Action Plan (2012), alongside the City's more recent strategies focused specifically on the areas of tourism (2015), film (2017), technology (2019), the office market (2022), and housing affordability (2022).
- An updated literature review of recent studies, strategies, and data pertaining to population growth, employment trends, economic trends, and land use mapping/visualization prepared by the City of Coquitlam, Metro Vancouver, Census Canada, BC Assessment, and local businesses and regional governments.
- A comprehensive review of the City of Coquitlam and surrounding area (i.e., Burnaby, Metro Vancouver Regional District) data regarding employment land and floor space and usage.

- An up-to-date review of key market indicators as tracked by leading brokerages tracking retail, office and industrial space in the City of Coquitlam and across the Metro Vancouver region.
- Collection and analysis of data from the City of Coquitlam’s data base and mapping systems to:
 - Calculate the existing amount and use of lands designated for industrial, commercial, and retail uses;
 - Identifying vacant or underdeveloped land; and
 - Explore current and future opportunities for employment land.
- An assessment of Metro Vancouver’s draft population and employment projections through to 2051, and their potential implications for employment land and developed space demand based on floor space per worker trends in various sectors. These projections were then assessed against similar growth projections for retail spending supported space demand prepared by Urban Systems, and office space demand prepared by Colliers International.

In addition, guidance for this review has been informed by a comprehensive community engagement process, including:

- Workshops with Coquitlam City Council and the City’s Economic Development Advisory Committee;
- Presentations and feedback from the City of Coquitlam’s other Advisory Committees;
- An online survey which was conducted through LetsTalkCoquitlam from May 2, 2022 to June 15, 2022; and
- Interviews and meetings conducted with key community members, including neighbouring First Nations communities, youth, major employers, developers, institutional partners, and other individuals representing a range of sectors and economic interests across Coquitlam.

A summary of this consultation work is provided in **Appendix A** of the EDS.

C. Definitions

Employment uses and their land needs can vary considerably between types of jobs and businesses. The EL&ER primarily relies upon data from Statistics Canada, which is reported based on the North American Industry Classification System (NAICS)². For the purpose of reporting, most data has been organized into five high-level groups which are described in Table 1 on the following page. These include references to 15 sub-groups which represent the groupings used by Metro Vancouver as part of their employment forecasts, which are discussed in more detail in Chapter 4.

These 15 sub-groupings have been adjusted slightly for the purpose of this study to reflect how different NAICS categories tend to locate in different types of employment land in Coquitlam.

The sectors in Table 1 have been organized into categories based on general similarities in land and space needs and the nature of the activity associated with the production of the good or service in question. The intent of the groupings is to provide a contextual linkage with the land use analysis that follows. However, it is important to note upfront that these groupings are by no means exclusive of each other. For example, financial service employment may be located in a bank branch located in a retail storefront location, public administration services may be located in commercial office buildings, while a restaurant or professional service office may also be found in industrial areas.

² The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States, and provides common definitions of industrial structure and a common statistical framework across North America. NAICS divides the economy into twenty sectors (identified by 2-digit code), with industries within these sectors grouped according to production criterion. Various, more detailed sub-sectors also exist within these groupings.

Table 1: NAICS Code Groupings into Land Use Types

Industry - North American Industry Classification System (NAICS) 2012		
Grouping Method		Census Grouping
(#5)	(#15)	(#20)
Primary	Primary	11 Agriculture, forestry, fishing and hunting
		21 Mining, quarrying, and oil and gas extraction
Industry	Transportation Warehousing	48-49 Transportation and warehousing
	Construction	23 Construction
	Manufacturing	31-33 Manufacturing
	Wholesale	41 Wholesale trade
	Admin, Support and Waste Management	56 Administrative and support, waste management and remediation services
Commercial Retail and Service	Retail	44-45 Retail trade
	Information and Cultural Industries	51 Information and cultural industries
		71 Arts, entertainment and recreation
	Accommodation Food	72 Accommodation and food services
Other Services	81 Other services (except public administration)	
Commercial Office	FIRE	52 Finance and insurance
		53 Real estate and rental and leasing
	Professional Technical & Management	54 Professional, scientific and technical services
		55 Management of companies and enterprises
Institutional	Education	61 Educational services
	Health and Welfare	62 Health care and social assistance
	Public Admin	22 Utilities
		91 Public administration

Source: Hemson Consulting, adapted from Statistics Canada and Metro Vancouver

Additional details on the five key groupings are as follows:

Primary

Typically, the primary sector involves activities which produce goods and materials directly from the land. These activities include services such as agricultural uses, fishing, forestry, hunting, mining, quarrying, and oil and gas extraction. While some activity linked to the primary sectors can be based in offices in certain contexts, most activity in this grouping is tied to farmland or extractive activities found outside of the built-up urban area.

Industrial

Industrial activities include transportation and warehousing, construction, manufacturing, wholesale trade, administrative support and waste management. Jobs in these categories are typically found in employment-only areas and are usually accommodated in low-rise industrial-type buildings with greater floor space or on larger parcels necessary to accommodate the movement and storage of goods and equipment. In most cases, industrial areas and industrial uses are not compatible with mixed or sensitive uses such as residential because of the noise, traffic, and/or other externalities resulting from the industrial activity. While industrial uses are often associated with the production of goods for export, many industrial uses also support other local businesses within the area and provide a range of goods and services necessary for supporting the broader economic ecosystem.

Commercial

Commercial uses include a range of employment activities that typically involves the trading or the exchange of goods and services to end users. These activities can be accommodated amongst a range of built forms, including brick and mortar storefronts, offices, hotels, regional malls, and a range of mixed-use and home-based businesses. Commercial Office and

Commercial Retail and Service are the two major employment sub-sectors within the Commercial category.

Commercial Office: The Commercial Office sector is any type of property that is being used by business professions, technology firms, medical and dental professionals, etc. In the conventional sense, commercial office spaces are typically divided up into several sections or separate rooms to accommodate employees. The commercial office sector includes finance, insurance, and professional technical and management services.

Commercial Retail and Service: Commercial Retail and Service uses provide goods and services directly to the consumer. Examples of commercial retail services include retail trade, information and cultural industries, arts and culture, entertainment, and recreation, food and accommodation, and other services (excluding public administration). In most cases, the demand for commercial retail uses is driven by the local population, though it can also serve a regional role in the case of major shopping centres and tourism-related businesses.

Institutional

Institutional is largely comprised government and the delivery of community-focused goods and services, including health care and education. This sector has a wide range of knowledge regarding the levels of government and have a commitment to their communities and to contribute to the overall improvement of the community. Employment activities in this category may be found in retail or office-type spaces, but often is associated with major institutional land uses – such as hospitals, schools, and government offices. Like Commercial Retail and Service employment, a significant portion of employment in this sector is driven by local population, but may be

influenced by regional demand in the case of certain activities like regional hospitals.

D. Data Limitations

There are a number of significant challenges associated with data collection and comparability when it comes to employment and space use, particularly when considered at the local level for a jurisdiction like that of the City of Coquitlam.

The primary source of data for preparing the analysis is the Census of Canada, which is undertaken by Statistics Canada every five years. While the Census does provide a reasonable starting point for tracking broader sectoral trends in employment over time, its use of NAICS for tracking employment amongst different sub-sectors is less effective for certain types of economic groupings. For example, the film, tourism and technology sectors, which have each been identified as strategically important sub-sectors by the City of Coquitlam, cross multiple NAICS categories, making it somewhat difficult to tease out employment activity that results specifically from these uses without supplementary data.

The timing of this report also presents an issue of data availability. The Census is only conducted once every five years, with the most recent instance being in May of 2021. However, due to the time needed to review and prepare the raw data, Statistics Canada did not release employment and economic data until November 30th, 2022, with various special runs of the data necessary for assessing employment trends at the local level not yet available at time of report publication. This means that some data specific to Coquitlam's employment, such as commuting patterns by sector, are only available to 2016. Relevant parts of this profile have been updated as data has been made available by Statistics Canada.

Statistics Canada released the first wave of employment data from the 2021 Census on November 30th, 2022. The updated employment data was reviewed and data relevant to this report was updated.

It is important to note that the Census shows a substantial shift to “work from home” employment in Coquitlam and various other suburban municipalities. This is largely attributable to the COVID-19 pandemic and the associated lockdowns and resulting work accommodations that were still in place when the Census was conducted in May of 2021. While working from home is anticipated continue to a greater than pre-pandemic rate, it is unlikely to persist at the level indicated by the 2021 Census. It is recommended the City continue to monitor these trends as more data is made available, with a more fulsome review at the time of the next Census in 2026.

To account for this, the analysis has been supplemented with a review of the Statistics Canada Labour Force Survey, which provides updated employment and economic estimates at a regional Census Metropolitan Area (CMA) level. While helpful in tracking the trends in employment that have occurred in the interim, these data do not include the level of detail necessary to properly assess more detailed economic change at a municipal or sub-municipal level.

In preparing the Employment Lands & Economy Review, every effort has been made to resolve differences between data sources as to present a comprehensive picture of both current and future employment in terms of both jobs and space needs. No data set is perfect, and every single source of data has inherent limitations and inconsistencies compared with other sources because of how, when, where and why it was collected. Where possible, data sets and assumptions have been cross-checked and supplemented by a range of sources, including the Statistics Canada Labour Force Survey, market brokerage data, and consultation with various community members and subject matter experts.

2. Coquitlam's Economy in Context

This chapter provides a contextual overview of the City of Coquitlam's economy and its historical development in relation to the broader economic region.

A. A Brief History of Coquitlam's Economic Development

The area now known as Coquitlam has a long history of economic activity tied to the land, stretching back well before the arrival of the first European settlers³. Serving as the ancestral territory of the k^wik^wə^łəm (Kwikwetlem) First Nation and other Coastal Salish peoples, archaeological evidence indicates human settlement of the area dates back at least four thousand years. The name of the municipality itself stems back to k^wik^wə^łəm, which refers to the sockeye salmon that were once abundant in the Coquitlam River and Coquitlam Lake, serving as the foundation of a lively economy based on fishing, gathering resources and trading goods.

European settlement of the area began in earnest in the 1860s following the tail end of the Fraser Canyon gold rush, and the surge of settlers it brought to the region. Coquitlam's development began as a "place-in-between" following the development of North Road, which was constructed to provide year-round access between New Westminster to facilities in Port Moody. Growth in this time was confined primarily to the gradual development of agricultural uses.

In 1889, shortly before the incorporation of the District of Coquitlam in 1891, the Canadian Western Lumber Company founded Fraser Mills on the banks of the Fraser River. Fraser Mills would soon grow to become the largest

³ History of Coquitlam, Coquitlam Heritage Society, 2022:
<https://www.coquitlamheritage.ca/history-coquitlam>

sawmill in the British Commonwealth at the time, attracting a range of immigrants to work in the mills and settle nearby. In 1909, the mills were responsible for inviting numerous French Canadians and their families to the area, spurring the development of Maillardville, which would become the largest Francophone community in Western Canada.

In more than a century following its incorporation, Coquitlam's growth and development were shaped and influenced by major economic activities within its borders. These include the establishment of major institutional uses including Riverview Hospital in 1913 and the Forensic Psychiatric Hospital at Colony Farm in 1964, the quarry operations in central and northern Coquitlam through the 1950s to the 1970s, and the development of a regional shopping centre with Coquitlam Town Centre Mall in 1979.

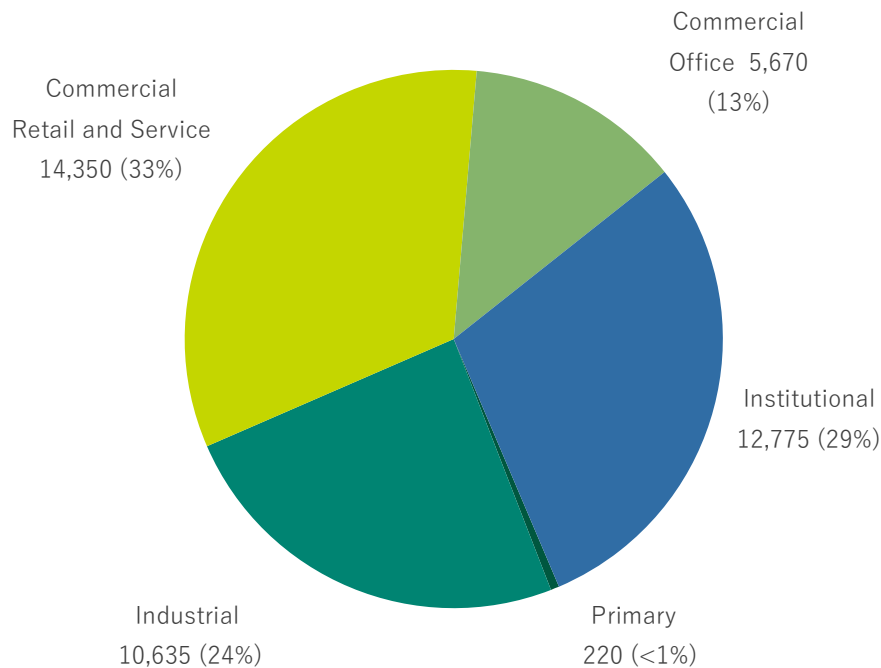
Each of these uses represent just some of the catalytic economic activities that shaped the community around them. At the same regard, as the community has continued to grow and evolve, these uses have likewise transformed and reconfigured themselves. For example, the Lafarge quarries were donated to the City following the end of their operations in the 1980s, eventually being developed into Town Centre Park which has since served to host numerous sporting and cultural events. More recently, the winding down of operations at Fraser Mills and Riverview Hospital have given rise to new opportunities.

In many ways, these examples are indicative of Coquitlam's ongoing growth and maturation as a community, alongside the transformative nature of its employment lands and activities.

B. A Snapshot of Coquitlam’s Economic Profile Today

As of the 2021 Canadian Census, the City of Coquitlam served as home to 148,600 people, while accommodating 62,200 jobs⁴. This accounts to a local employment activity rate of 41.9% of Coquitlam’s total population. Coquitlam’s economic profile in 2021 is summarized in Figure 1 below.

Figure 1: Employment Profile by Sector, City of Coquitlam, 2021



Source: Hemson Consulting, using data from Statistics Canada, 2021

Note: Does not include employment from Coquitlam residents Working From Home nor those with No Fixed Place of Work.

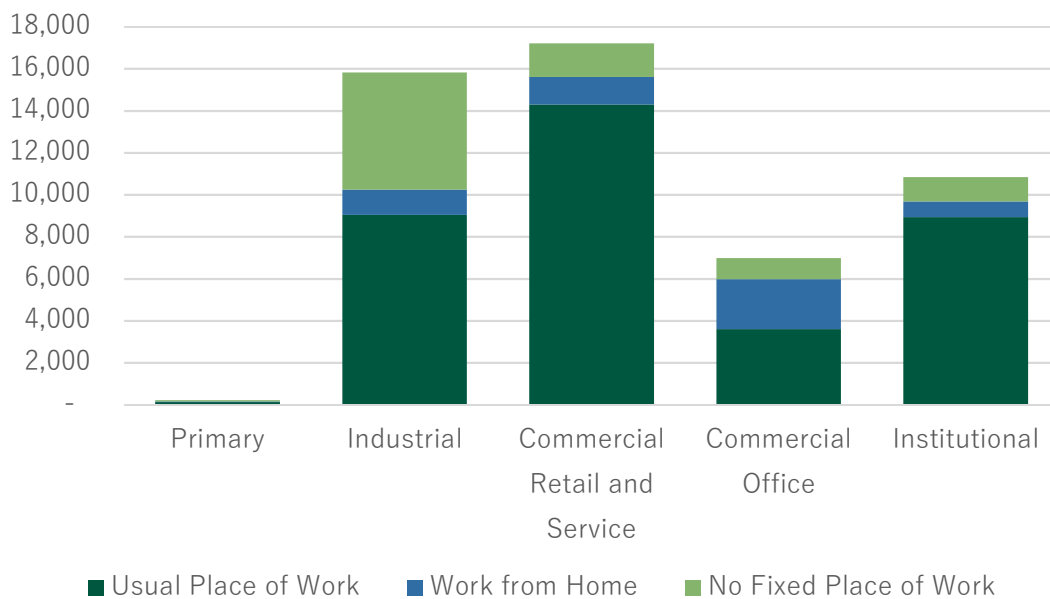
⁴ The jobs figure shown here includes individuals reporting that their primary form of employment by Usual Place of Work (UPOW) is located within the municipal boundaries of the City of Coquitlam, plus all residents of Coquitlam that reported either Working From Home (WFH) or having employment with No-Fixed Place of Work (NFPOW) (e.g., those jobs such as construction workers or in-home health care providers that may report to a different location or job site depending on the day).

When it comes to employment land planning, UPOW employment is particularly important as it comprises all jobs which require either land or built space to accommodate the employment activity. WFH and NFPOW jobs are also important to the broader economic ecosystem, and may create induced demand for other employment activities, but do not create direct demand for employment space as tracked at the municipal level.

Like many suburban communities, Coquitlam’s economy is predominantly comprised of Commercial Retail and Service uses (33%), followed by Institutional uses (29%), Industrial uses (24%), and Commercial Office uses (13%). While Primary industries account for less than one percent of jobs located within the municipality, they do include active aggregate quarries located in north Coquitlam, which continue to contribute to the regional economy.

Employment within these categories varies in its relationship to space. Figure 2 shows the breakdown of employment by high-level sectors, broken out between jobs with a report to a usual place of work, jobs that are exclusively based at home, and jobs that do not typically report to any one specific job site on a day-to-day basis (i.e., construction workers, real estate agents, etc.). Please note that due to the staggered release of employment data from Statistics Canada, sectoral analysis by location of work is limited to the 2016 Census at this time.

Figure 2: Employment by Sector and Place of Work, Coquitlam, 2016



Source: Statistics Canada, 2016

Of the nearly 51,100 jobs based in Coquitlam in 2016, 36,000 reported to a regular work address, while 9,450 reported no-fixed place of work, and 5,650 were based at home. These figures are strongly influenced by specific sub-sectors of employment within Coquitlam. For example, 35% of jobs in the Industrial category did not report to a regular place of work, largely on account of the significant number of residents that work in the construction industry whom may report to a number of job sites depending on the day.

Meanwhile, over one-third (34%) of Commercial Office-type jobs reported working from home in 2016, led primarily by jobs in the professional, scientific and technical services sector. This figure indicates that work-from-home was already a common trend in Coquitlam well before the shifts caused by the COVID-19 pandemic, and may also indicate some latent potential for increased office demand amongst Coquitlam residents that are not reporting to offices in Downtown Vancouver or other regional major office hubs. These trends and opportunities are discussed further in Chapter 3 of this report.

While sectoral data is not yet available, the 2021 Census indicated a number of significant shifts in where jobs are located in Coquitlam. Of the 62,200 total jobs located in Coquitlam in 2021, Work from Home increased to over 20,000 jobs (more than a 2.5 times increase). Jobs with No-Fixed Place of Work increased to 9,700 (an increase of 3%). Meanwhile, jobs reporting to a Usual Place of Work declined by nearly 10% to 32,500.

These shifts are indicative of the time at which the Census was conducted in May of 2021 when the impact of the pandemic and associated work accommodations were still very much in effect. While a shift towards Work From Home is expected over previous pre-pandemic rates, the scale of the shift indicated by the 2021 results is not anticipated to be the norm as we continue to emerge from the shadow of the pandemic.

C. Employment Lands in Coquitlam

Economic and employment activity is often dependent on the availability of specific types of land and space to accommodate it, with different types of jobs and businesses requiring different types of space. This is reflected in how the City plans for and regulates different types of land uses through the Official Community Plan (OCP) and its zoning by-law.

The City of Coquitlam is over 122 square kilometres in area, but as shown in Figure 3 on the following page, a significant portion of that area is comprised of areas that are not developable. After removing all non-developable Rural land, Environmentally Sensitive Areas, and Parkland and accounting for roads and other constraints, this figure is reduced to 35.1 square kilometres (3,506 ha) of net developable land.

As shown in Table 2, just over one-quarter of these lands are designated for employment uses, split between Institutional (11%), Industrial (10%) and Commercial uses (6%). Of this land, very little is not already occupied. For example, review of Industrial lands considered only 7.1 ha to be vacant or underutilized⁵. In the same regard, Commercial lands feature very few protections or requirements for employment space, and face the erosion of economic activity through mixed-use residential activity.

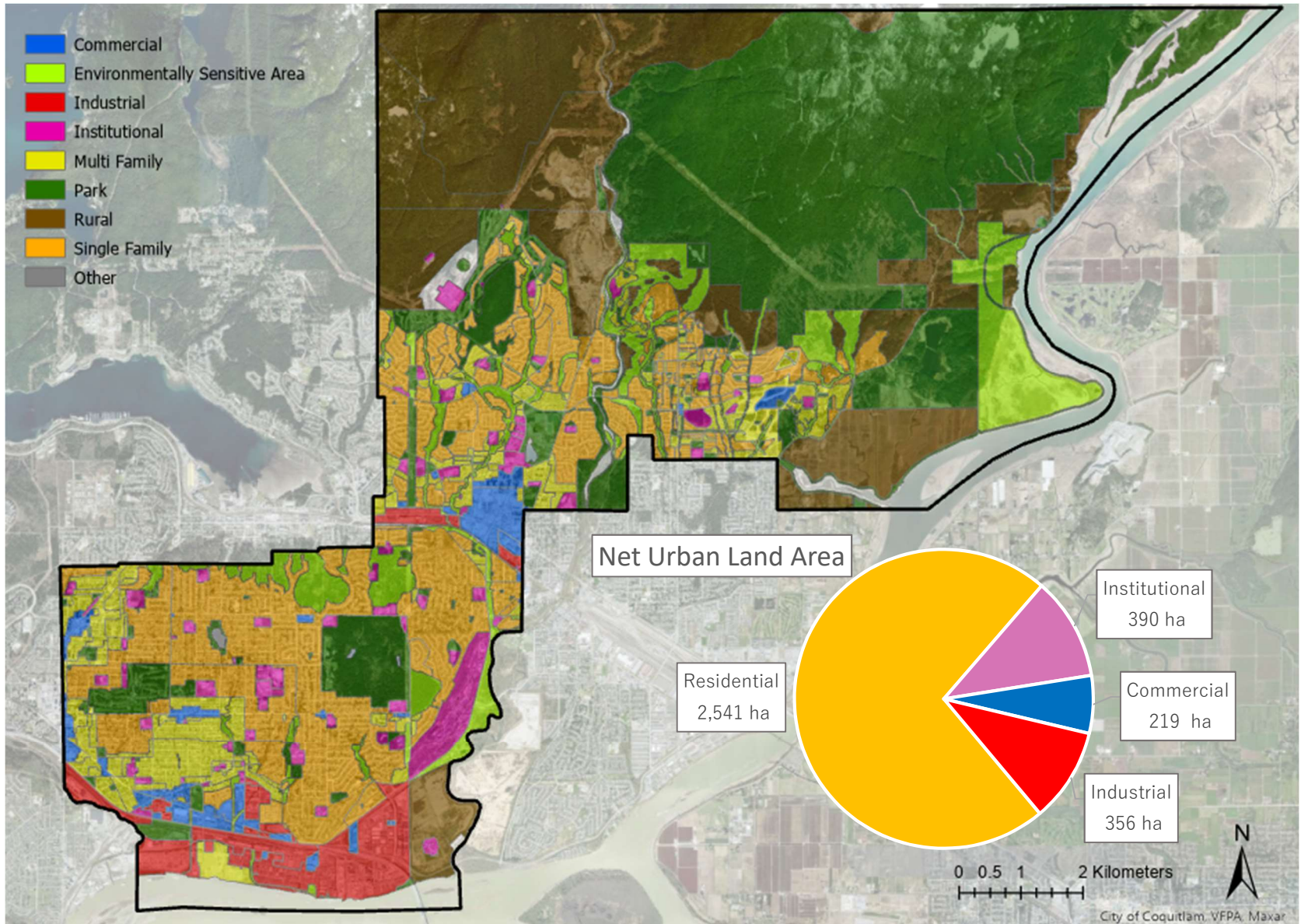
Table 2: Urban Land Supply, Gross and Net

Land Use	Gross Area (ha)	Share of Gross	Net Area (ha)	Share of Net
Residential	3,194	74%	2,541	72%
Institutional	402	9%	390	11%
Commercial	279	6%	219	6%
Industrial	470	11%	356	10%
Total	4,345	100%	3,506	100%

Source: Hemson Consulting, using data from the City of Coquitlam

⁵ Based on a consulting team review of 2022 satellite imagery using Google Earth.

Figure 3: City of Coquitlam Official Community Plan Land Use Designations and Net Urban Land Area



Source: Hemson Consulting, using data from City of Coquitlam

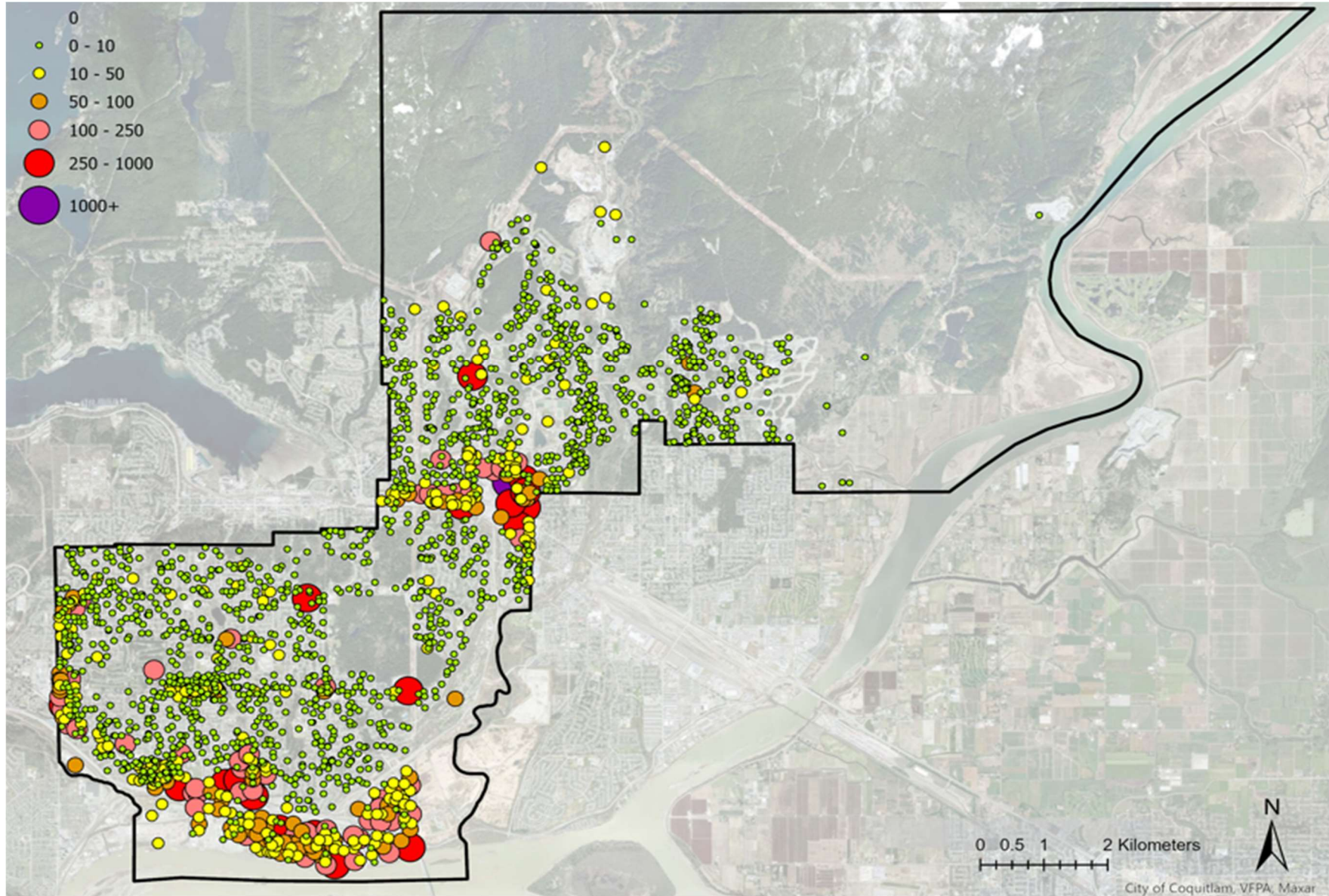
Most of Coquitlam’s employment lands are clustered around key nodes. This includes the commercial core of the City’s Town Centre, along with other commercial corridors along Lougheed Highway, Burquitlam/North Road and Austin Avenue, plus the planned commercial node at Burke Mountain Village. Similarly, Coquitlam’s industrial lands are concentrated along key transportation infrastructure along the Fraser River and Barnet and Lougheed Highways. Institutional lands are scattered across the city, largely made up of school sites and civic facilities, along with the Riverview lands, which have recently been renamed to səmiqʷəʔelə (Suh-MEE-kwuh-El-uh) and are under a planning review considering a mix of uses in the future.

The link between these employment lands and the economic activity they support is apparent when tracking the number of reported jobs by address using business permit data as tracked by the City of Coquitlam⁶. As shown in Figure 4 on the following page, there is a significant concentration of employment within the areas reserved for Commercial and Industrial uses in the OCP, most notably in Coquitlam Town Centre, along the North Road corridor, and in the industrial and commercial lands in southern Coquitlam along Lougheed Highway and United Boulevard.

⁶ Statistics Canada does not publicly release employment data to this degree of granularity, making it difficult to conduct sub-municipal assessments of Census employment counts. For this exercise, the consulting team was able to use employment counts linked to municipal addresses as tracked by the City’s business permitting process for the year 2022.

It should be noted that the business permit data does not pick up all forms of local employment (e.g., most institutional jobs like teachers and health care workers do not require a business permit). As such, the business permit data does not present an apples-to-apples comparison with the Census, and is used for high-level spatial analysis purposes only.

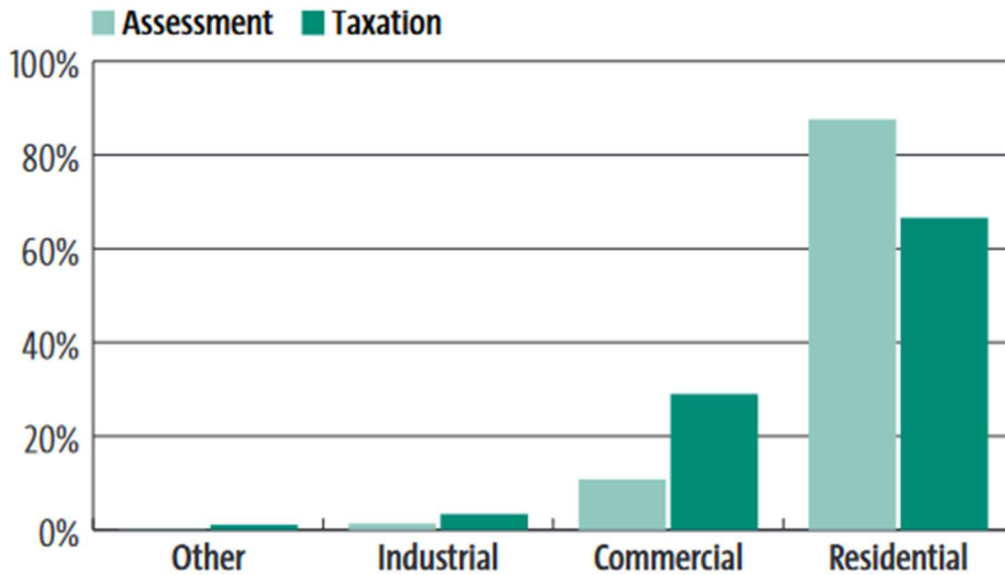
Figure 4: Distribution of Jobs by Business Permit Address, City of Coquitlam, 2022



Source: Hemson Consulting, using data from City of Coquitlam

In addition to accommodating local jobs, Coquitlam’s employment lands also provide a notable contribution towards the City’s tax base. As shown in Figure 5 below, despite accounting for approximately 15% of the City’s assessed land value, Coquitlam’s non-residential lands contribute nearly 35% of the property tax revenues generated in 2021.

Figure 5: Property Assessment and Taxation by Property Class



Source: City of Coquitlam, Annual Report, 2021.

D. Coquitlam is Part of a Much Larger Economic Region

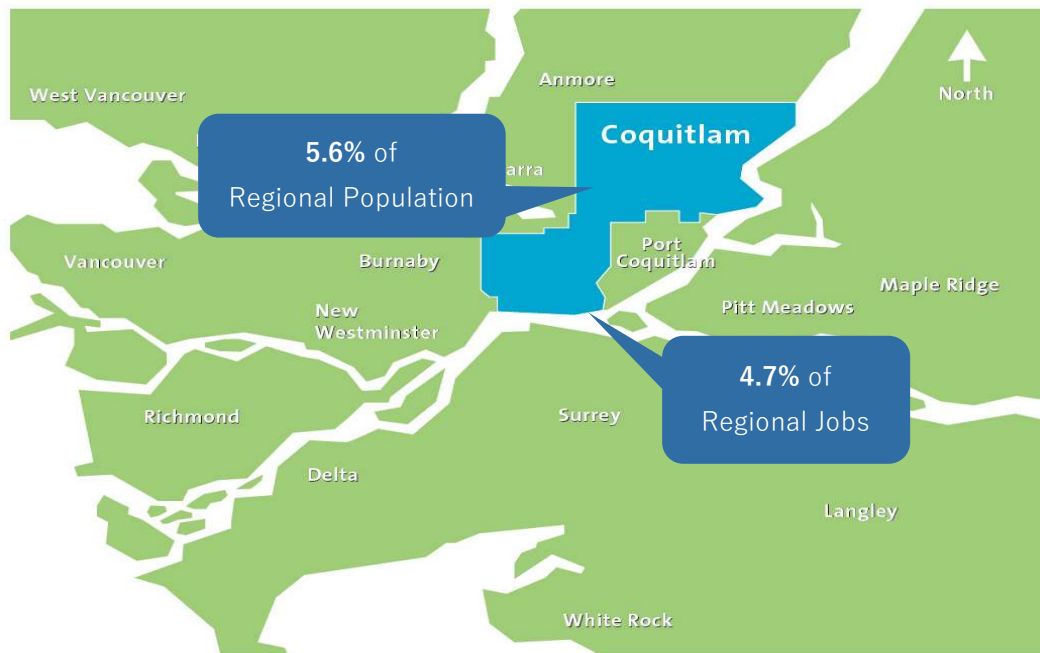
When considering matters of economic development, it is crucial to recognize that the economy and employment market do not take place within a bubble that ends at municipal borders. Coquitlam is part of a much larger economic region and cannot be considered without acknowledging the interconnected nature of local employment and the impacts neighbouring employment areas have on economic activity within the City. A brief overview of this broader economic context is described as follows:

i. Metro Vancouver

The City of Coquitlam is one of the 23 member jurisdictions that comprise the Metro Vancouver region. Metro Vancouver itself is a regional planning body that provides high-level planning policies, land use designations, and economic planning for land use plans, transportation services, and infrastructure development. This broader regional area also forms the Vancouver Census Metropolitan Area which is tracked more frequently as part of Statistics Canada’s Labour Force Survey in the years between the Censuses.

Coquitlam’s orientation within the broader region is illustrated in Figure 6 and detailed in Table 3 below.

Figure 6: The City of Coquitlam and the Metro Vancouver Region



Source: Statistics Canada, 2021

Table 3: Population and Employment Rates, 2021

	City of Coquitlam	Metro Vancouver	Share
Population	148,600	2,642,800	5.6%
Employment	62,200	1,318,800	4.7%

Source: Statistics Canada, 2021

With a population of over 2.64 million and 1.32 million jobs located in Metro Vancouver in 2021, Coquitlam accounted for just under 5.6% and 4.7% of the region’s local population and jobs, respectively.

A further breakdown of Coquitlam’s share of regional employment by high-level sector is provided in Table 4⁷. No one category shows a higher regional share when weighted against Coquitlam’s share of regional population, but the City does have slightly higher shares in Industrial and Commercial Retail and Service type employment. Coquitlam’s share of jobs linked to the Commercial Office grouping of employment activities is notably lower, at 3.1% of the regional total. This is not altogether unexpected, as these types of jobs tend to gravitate to major office hubs, most notably those found in Downtown Vancouver.

Table 4: Employment Sectors, Metro Vancouver & Coquitlam, 2016

	City of Coquitlam	Metro Vancouver	Share
Primary	215	14,625	1.5%
Industrial	15,825	363,575	4.4%
Commercial Office	6,985	227,780	3.1%
Commercial Retail and Service	17,215	384,890	4.5%
Institutional	10,840	289,890	3.7%

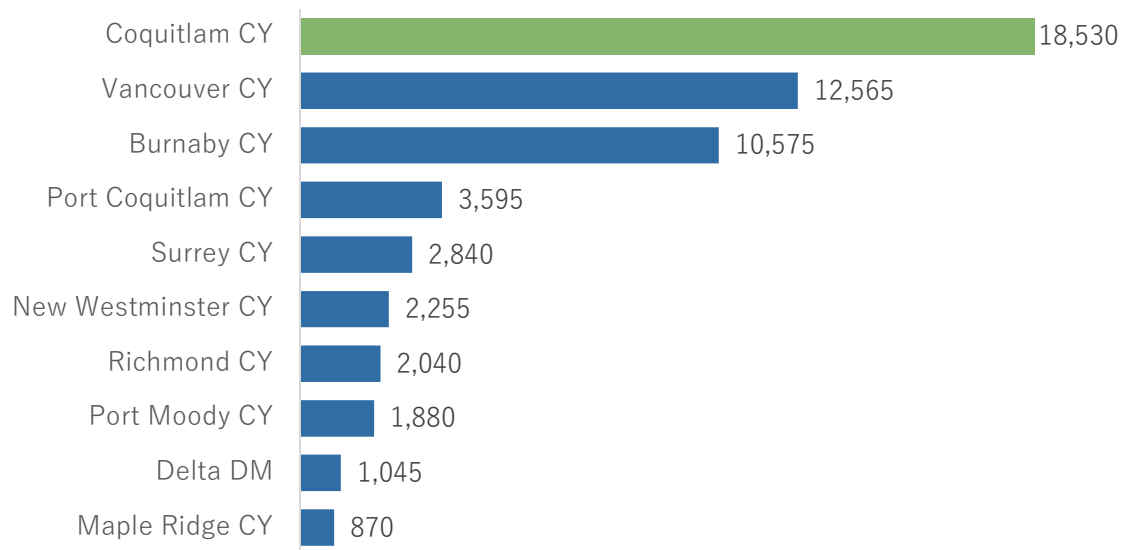
Source: Statistics, Canada

These regional employment shares are indicative of the fact that Coquitlam, like many other suburban municipalities, is a community experiencing a net out-commute of workers. That is to say – more Coquitlam residents commute to other communities to work, than those that regularly report to a place of work within the City. This is evident when reviewing commuting patterns for people with a Usual Place of Work (UPOW).

⁷ The remainder of the sectoral analysis is based on the 2016 Census due to the special run data of Place of Work by NAICS sector not being available at time of publishing.

Excluding those residents that work-from-home, and those with no-fixed place of work, 54,970 residents of Coquitlam reported to a Usual Place of Work for their jobs in 2016. However, only 18,530 (34%) of those jobs were located within the City. The remaining 36,260 jobs were located elsewhere, with the Cities of Vancouver and Burnaby being the two most notable destinations for Coquitlam based commuters, as shown in Figure 7 below.

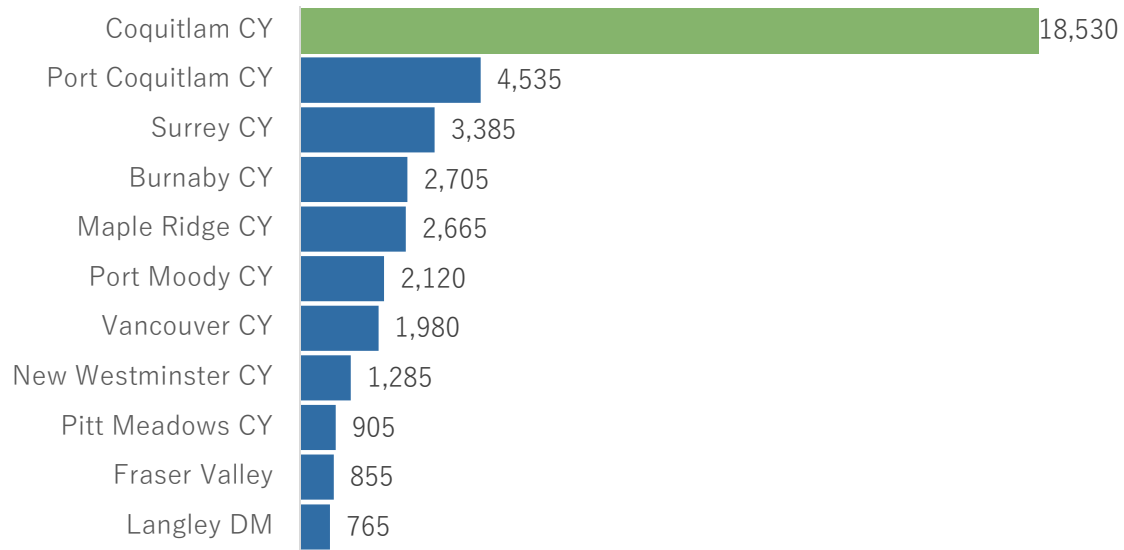
Figure 7: Where Coquitlam Residents Work, by Place of Work, 2016



Source: Statistics Canada

At the same time, those 18,530 jobs filled by residents accounted for just over half (51%) of 35,995 Usual Place of Work jobs located in Coquitlam. This means that the almost half of jobs based in Coquitlam are being filled by people that commute to the city from elsewhere, with the most out-of-town commutes starting in the neighbouring Cities of Port Coquitlam, Surrey, Burnaby, Maple Ridge and Port Moody, as shown in Figure 8 on the following page.

Figure 8: Who Works in Coquitlam, by Place of Residence, 2016



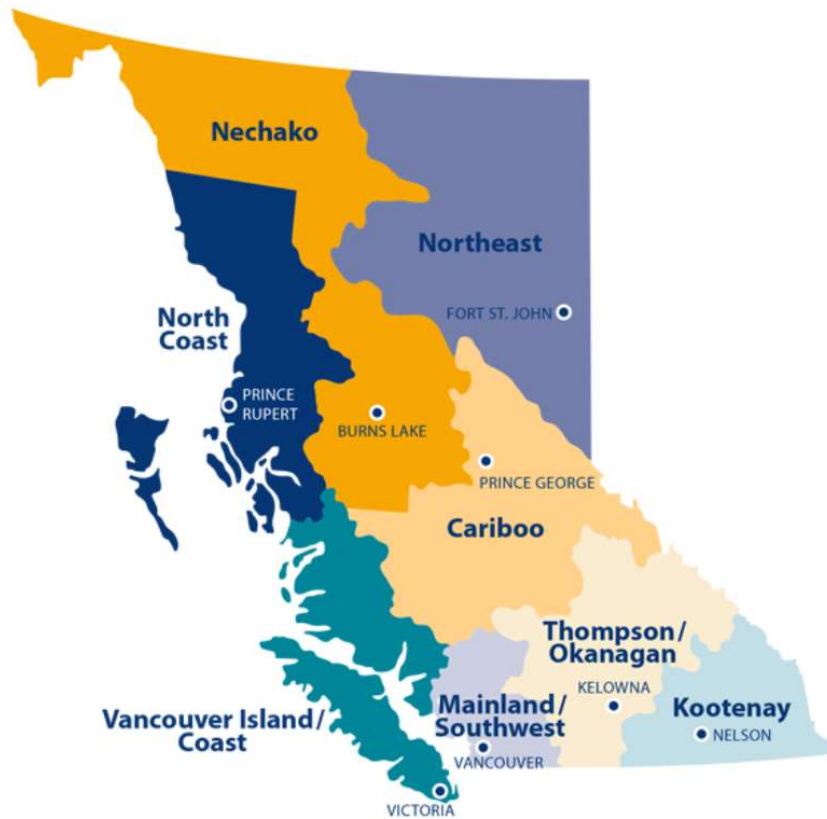
Source: Statistics Canada

Taken together, Coquitlam experienced a net out-commute of 18,995 workers in 2016, as there were more employed Coquitlam residents than there were jobs based in Coquitlam.

ii. Southwestern British Columbia

Metro Vancouver itself is part of the broader Lower Mainland / Southwest economic region located in the southwest corner of the mainland of British Columbia. The economic region is comprised of the regional districts of Metro Vancouver, Fraser Valley, Squamish-Lillooet, and the Sunshine Coast. Despite being the British Columbia's smallest economic region by land mass, Lower Mainland / Southwest is the largest in terms of population and economic activity, with a population of 3.15 million and a labour force of 1.83 million in 2021.

Figure 9: Map of Economic Regions in British Columbia



Source: Province of British Columbia

As the land base of Metro Vancouver approaches build out, an increasing share of economic growth is spilling over into other economic regions within Southwestern BC (particularly in the Fraser Valley and Squamish-Lillooet areas). A recent B.C. Labour Market Outlook forecast an additional 653,200 jobs to be needed in the region by 2031, including a net of 260,000 new job openings created by economic growth over the next 10 years⁸. Given these growth pressures, the Province is placing increased focus on economic coordination at the regional level, including improved infrastructure and logistics planning between regional districts.

⁸ WorkBC, 2022. <https://www.workbc.ca/labour-market-information/regional-profiles/mainland-southwest#view-full-profile>

iii. First Nations Communities

It is also critical to understand Coquitlam in the context of its relationship to neighbouring First Nations communities. The City of Coquitlam is located on the unceded traditional and ancestral lands of the k^wik^wə́łəm (Kwikwetlem), sq'əcīy'ałt təməx^w (Katzie), and other Coastal Salish Peoples. k^wik^wə́łəm in particular has two reserves; the slakəyánc (Coquitlam IR #1, approximately 6.5 acres of land) and setłamékmən (Coquitlam IR #2, approximately 200 acres of land)⁹ located along the southern Coquitlam River.

In the spirit of reconciliation, the City of Coquitlam has a duty to consult with its First Nation's neighbours. This includes recognition of k^wik^wə́łəm's recently announced intentions to develop the lands at Coquitlam IR #2 managed by the First Nation, and continued discussion on how to support sustainable economic development on the lands we share.

⁹ k^wik^wə́łəm First Nation. 2022. <https://www.kwikwetlem.com/our-territory.htm>

3. Trend Analysis

This chapter details the changes and trends in regards to Coquitlam's population, employment, and land use over time. Doing so provides a basis to better predict Coquitlam's future employment and economic needs, while also identifying new opportunities and potential challenges to be addressed through the EDS. This includes an assessment of how recent shifts resulting from the global COVID-19 pandemic have impacted the outlook for Coquitlam's future economic growth.

A. Coquitlam's Population is Growing Older

According to Statistics Canada, the population in Coquitlam increased by 32% over the last 20 years, making it one of the faster growing communities in the region over that time. However, it is the demographic change within that growth that is most illuminating in terms of its implications for economic planning. As shown in Table 5 on the following page, the number of Coquitlam residents aged 65 and older has grown almost four times faster than the prime working aged (25-64) cohort. This is not unique to Coquitlam as most Metro Vancouver municipalities and, indeed, most communities across North America, are experiencing significant demographic shifts as the members of the Baby Boomer generation (those born between 1946 and 1964) begin to approach retirement age. It does, however, demonstrate changing needs and potential challenges in the future, as more members of the local community will consider leaving the workforce.

Table 5: Comparison of Census Population and Age Group Growth Percentages, 2001 - 2021

	Coquitlam	Port Coquitlam	Burnaby	Surrey	Vancouver
2001 Census Population	112,890	51,245	193,945	347,825	545,675
2021 Census Population	148,630	61,495	249,110	568,300	662,250
20-year Growth Rate:	32%	20%	28%	63%	21%
Demographic Change (2001-2021)					
Growth % (0-24)	6%	-9%	4%	42%	-2%
Growth % (25-64)	31%	20%	31%	64%	23%
Growth % (65+)	120%	154%	70%	131%	60%

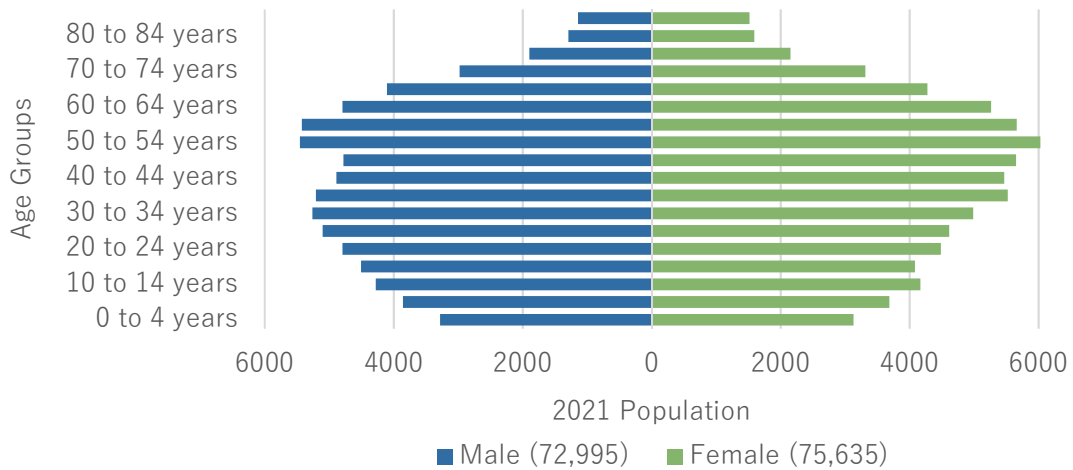
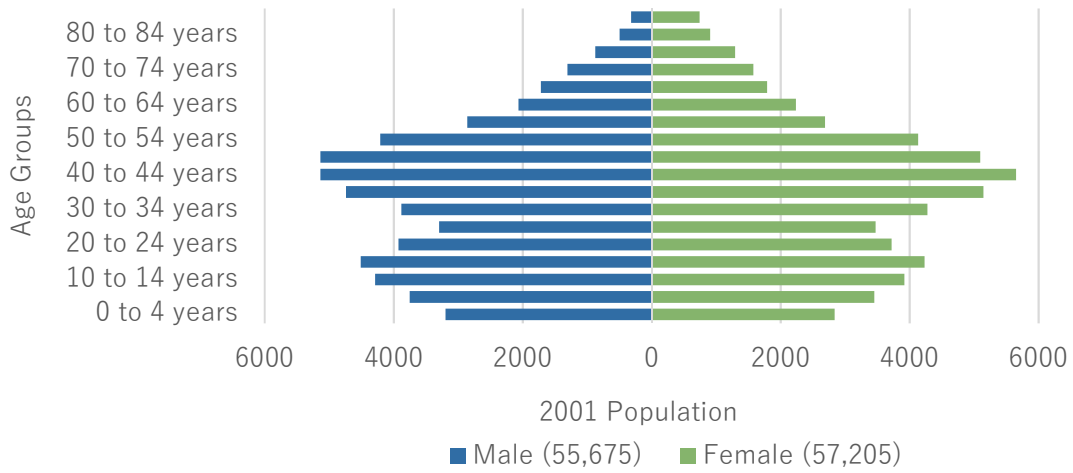
Source: Hemson Consulting, using data from Statistics Canada

Growth in the youth cohort (0-24) was modest in Coquitlam, as has been the case with many neighbouring municipalities as well – with Surrey being the primary outlier on account of its overall growth rate over this period.

Figure 10 on the following page illustrates the shape of Coquitlam’s demographic change over time. In 2001 and 2011, people aged 30 to 54 represent the largest cohort in the City of Coquitlam representing an age range likely to participate in the labour force, while also forming families and new households. However, as of 2021, the predominant portion of the graph has shifted upwards, demonstrating how the City of Coquitlam’s population is continuing to grow and age on average.

Also noteworthy is the flattening of the dip between the Baby Boomers and Millennial Generation (the peak of which just entered the 30-34 age range) as of 2021. This indicates that Coquitlam remains an attractive place for younger families, and is attracting an in-migration of young adults choosing to live here, in addition to those that are currently already part of the community.

Figure 10: Historic Population by 5-year Age Group, Coquitlam, 2001, 2011, & 2021

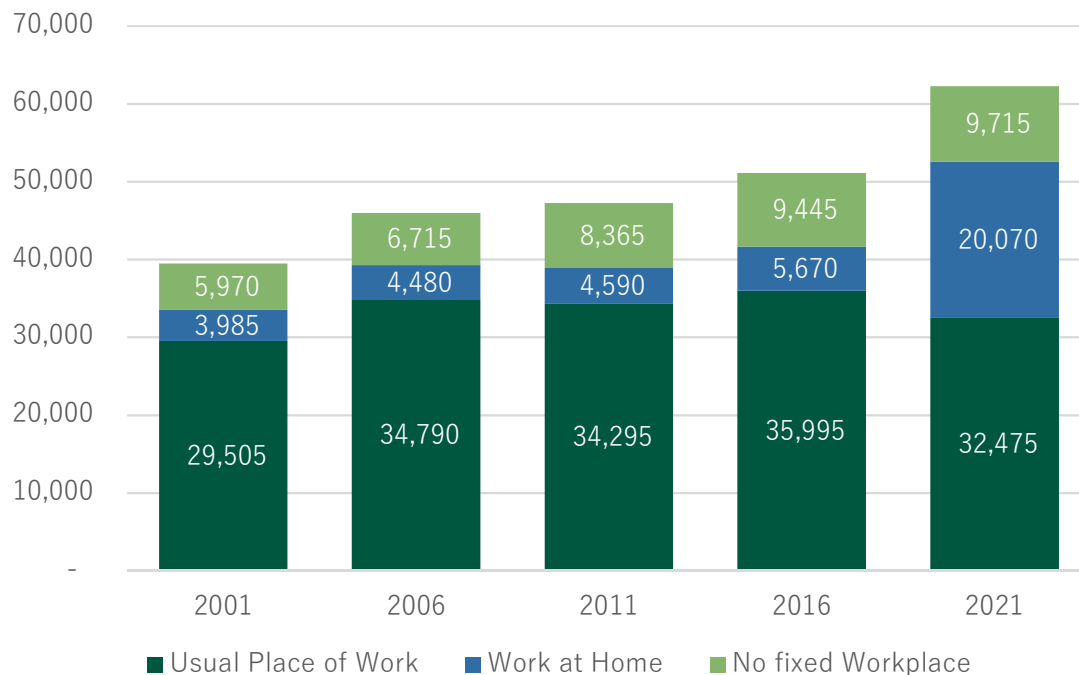


Source: Hemson Consulting, using data from Statistics Canada

B. Employment Growth Has Taken New Forms

The total number of jobs based in the City of Coquitlam has increased steadily over the past five census periods, growing from 39,460 in 2001 to 62,300 in 2021. However, following 2006 much of this growth was the result of jobs that were either based at home or those without a fixed place of work, as shown in Figure 11 below.

Figure 11: Total Employment by Type, City of Coquitlam, 2001-2021



Some of this change is the result of general economic shifts that have occurred over the last decade, with the rise of the gig-economy and technology making it easier to work-from-home or on the go, while employment in the construction industry has likewise become more prevalent in British Columbia in recent years. These trends were already occurring before the beginning of the COVID-19 pandemic, which has only further accelerated these shifts as a result of its impacts.

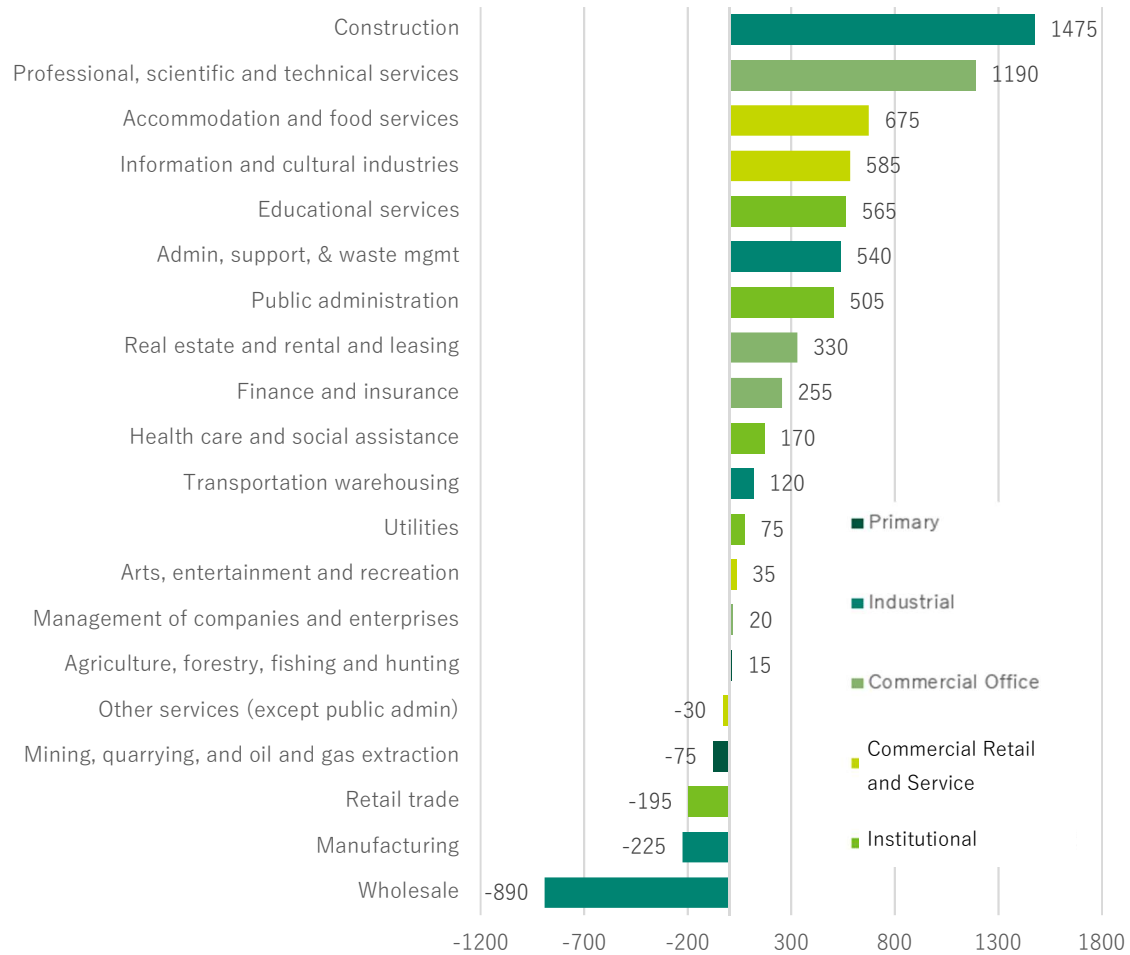
Meanwhile, the somewhat more sluggish growth in jobs with a Usual Place of Work in Coquitlam is potentially indicative of a number of factors,

including general economic trends in certain sectors, a limited supply of employment land and space, and closures amongst certain key employers. For example:

- The 2008-2009 global recession had a significant impact on traditional manufacturing and logistics-based employment which resulted in losses in these sectors that many communities had not fully recovered from by 2016.
- The closure of Fraser Mills and winding down of operations at Riverview resulted in notable job declines for Coquitlam in the years between 2005 and 2012.
- The redevelopment of existing Commercial Retail and Service uses to comprehensive mixed-use hubs along Austin Avenue and Clarke Road displaced a number of existing retail jobs while construction was underway.

These trends are more visible when looking at employment change in the City of Coquitlam between different NAICS categories, as shown in Figure 12 on the following page. Between 2006 and 2016, Coquitlam experienced considerable growth in the Construction sector (+1,475 jobs), followed by the Professional, scientific and technical services sector (+1,190 jobs). Changes in these two sectors account for the lion's share of new jobs with no-fixed place of work and those that are likely to work at home, respectively.

Figure 12: Employment Change by Sector, Coquitlam, 2006 – 2016

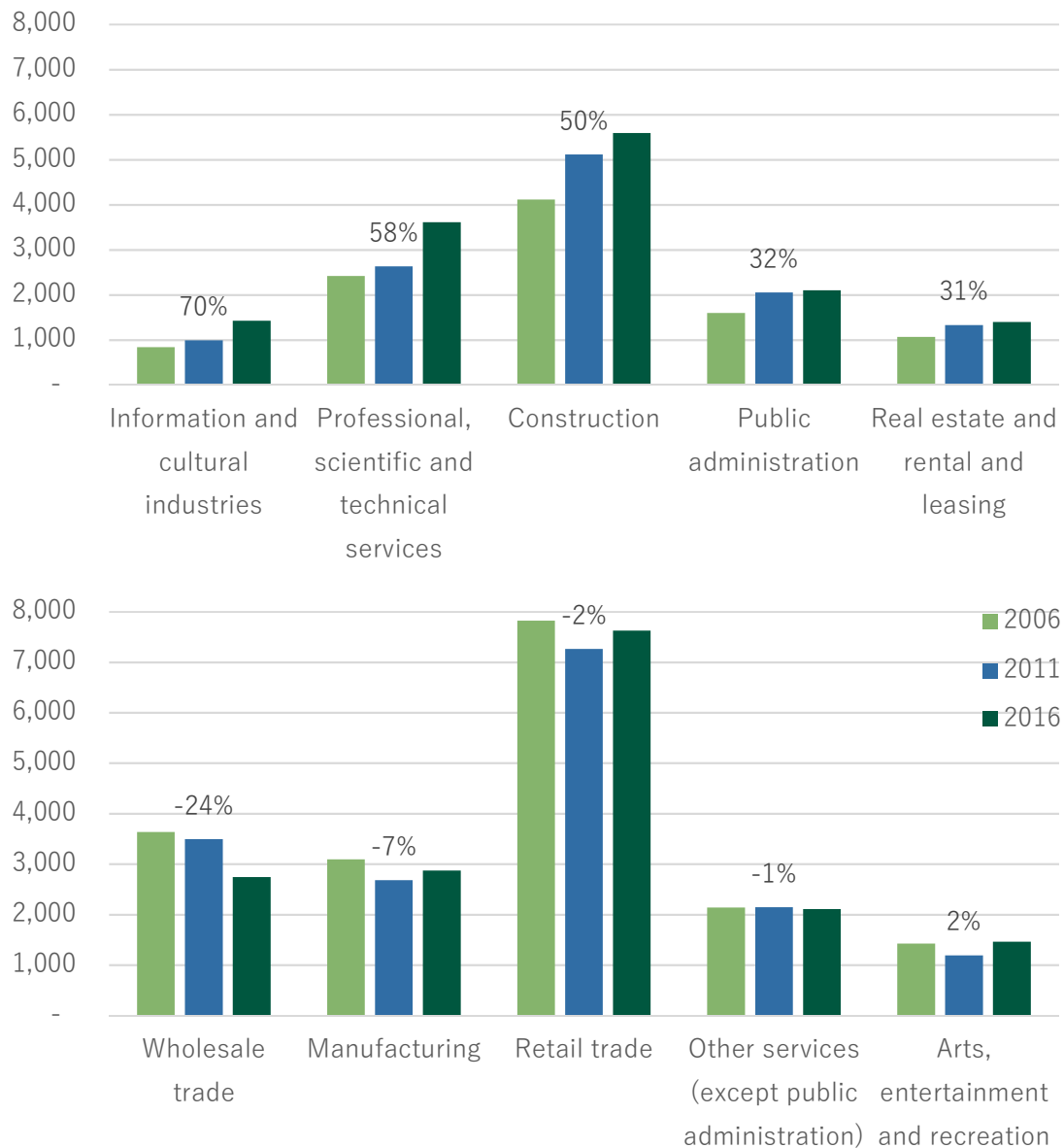


Source: Hemson Consulting, using data from Statistics Canada, 2006 and 2016

On the other hand, some of the most significant losses over this period occurred in the Manufacturing and Wholesale trade sectors, mirroring broader economic trends experienced across North America. It is worth noting that the declines in Coquitlam’s Manufacturing and Retail employment appear to be slowly recovering from a low in 2011, while the decline in Wholesale trade is a more recent occurrence.

For additional context, a breakdown of the five fastest growing sectors and five slowest growing sectors between 2006 and 2016 is provided in Figure 13 on the following page.

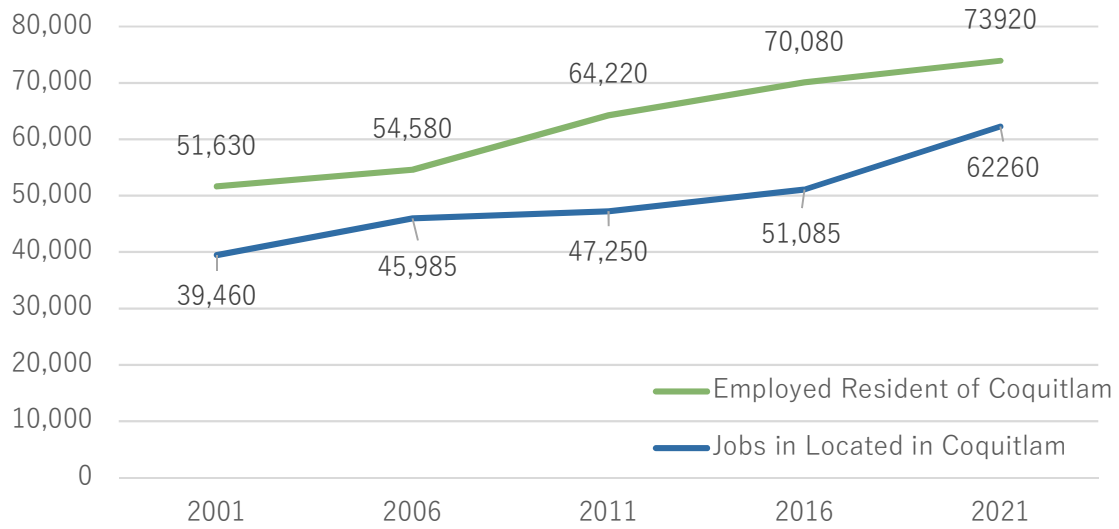
Figure 13: Fastest and Slowest Growing Sectors with over 1,000 Jobs, City of Coquitlam, 2006-2016



Source: Hemson Consulting, using data from Statistics Canada

Overall, these changes in local employment have resulted in a steady shift towards more out-commuting over time, with a gradual deviation between local employed residents and jobs located within Coquitlam only widening following the 2008-09 recession, as shown in Figure 14 on the following page.

Figure 14: Change in Total Employed Residents and Jobs Located in Coquitlam, 2001-2021



Source: Hemson Consulting, using data from Statistics Canada

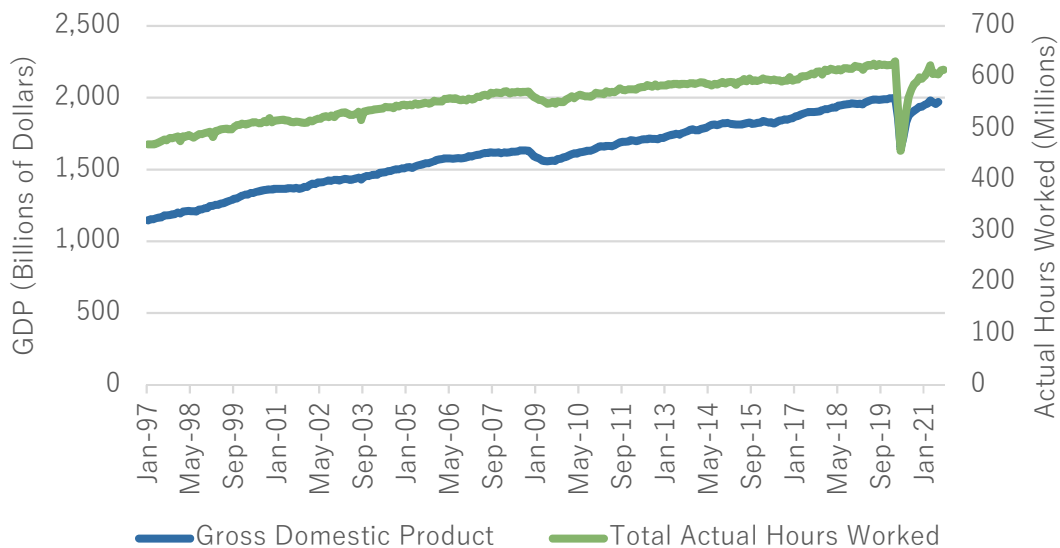
As a result of this shift, Coquitlam has seen its net out-commute rate rise from 12,170 (24%) in 2001 to 18,995 (27%) in 2016. Again, this trend was not necessarily unique to Coquitlam, as many suburban municipalities experienced similar growth in their net out-commuting rates over this period. This was primarily the result of the rising primacy of the central office market in Vancouver which, like many other north American markets, saw a steadily growing share of regional employment over the past two decades, largely on account of major office employers located in the downtown core.

However, this trend has been thrown into question following the arrival of the global COVID-19 pandemic, presenting potential opportunities for Coquitlam to attract a greater share of regional employment, increase local investment in the community, and reduce the rate of net out-commuting through appropriate policy implementation, employment lands designations, and focus on attracting investment and businesses.

C. COVID-19 Resulted in Significant Shocks and Potential Long-term Shifts

The COVID-19 pandemic continues to represent an unprecedented event in modern history, with personal and social impacts that are still actively being felt to this day. In an economic context, the impacts of the pandemic have dwarfed all recessions in terms of both productivity and employment since the Second World War. Figure 15 below illustrates just how significant this impact was at a national level, with the impacts to Gross Domestic Product (GDP) and total hours worked far exceeding that of the 2008-09 recession.

Figure 15: Change in Total GDP and Hours Worked, All Industries, Canada, 1997-2021



Source: Statistics Canada

As various health and safety measures were implemented across the globe in an effort to contain and limit the impact of the virus, we experienced major disruptions to the movement of people and goods between regions, communities and even local businesses. Local lockdowns starting in March of 2020 effectively put many businesses on hold, almost overnight, with businesses scrambling to adapt.

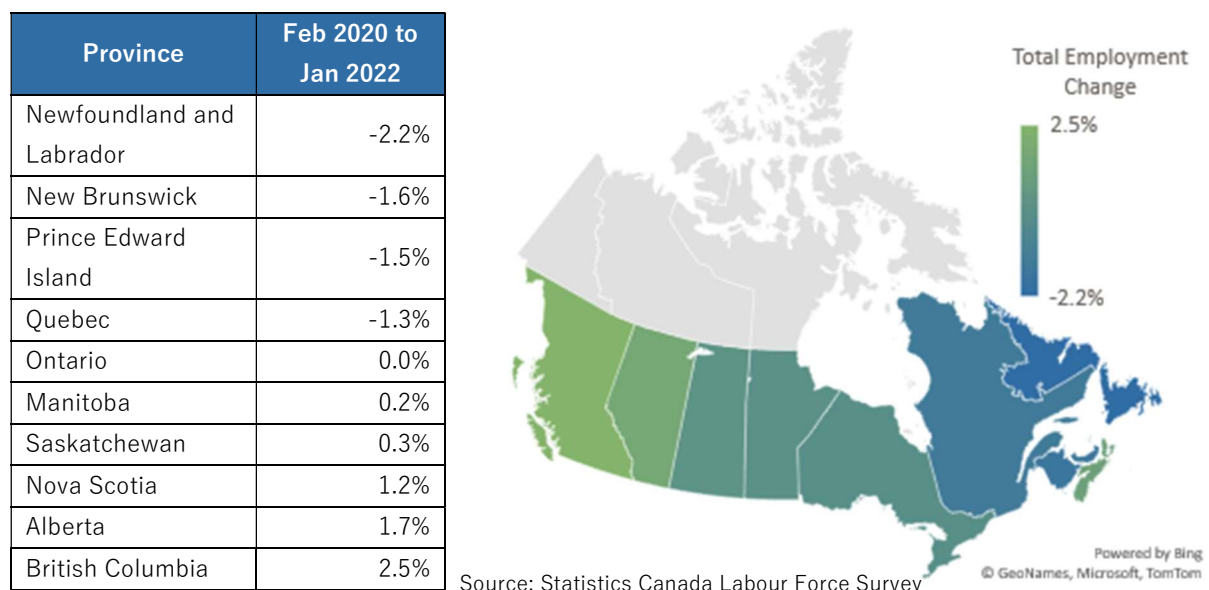
Organizations that were able to, quickly pivoted to work-from-home in order to continue their operations, while others attempted to implement necessary safety measures in order to remain open in some shape or form. Many others were not so lucky, and found themselves forced to shutter their doors and furlough staff while attempting to determine the best course forward.

This rapid change also resulted in new shocks, demands and constraints on our increasingly globalized supply chains, as production and logistics operations struggled to provide and maintain inventory, resulting in shortages and rapidly increasing prices as a result.

At its worst in April 2020, Canada-wide employment was down nearly 16%. For comparison, a typical recession only sees declines of 3% to 5% - a rate to which the country only recovered to this level around June of 2021.

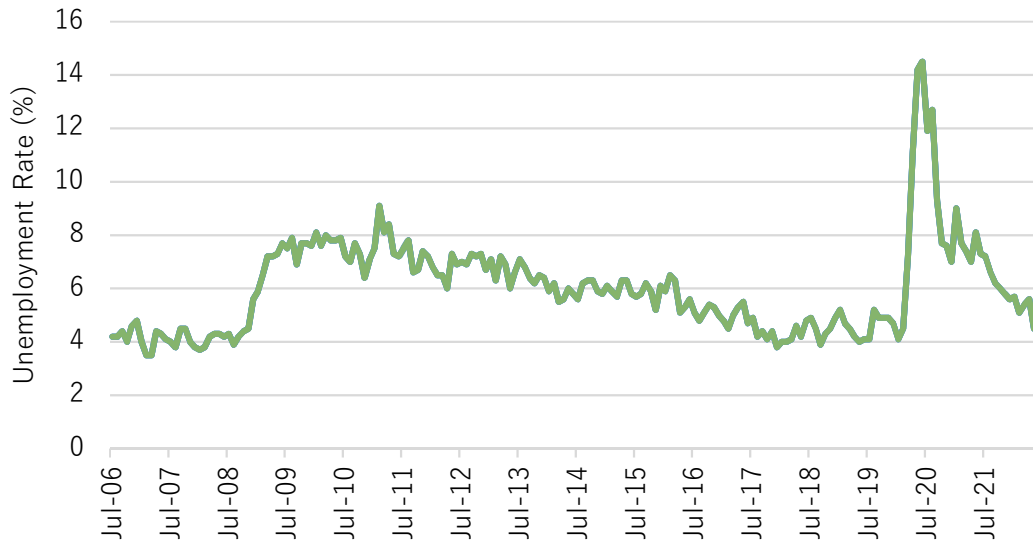
British Columbia has been relatively lucky in the employment context, having weathered and rebounded from the local impacts of the virus better than other parts of the country. B.C. was the first province to reach pre-pandemic levels of employment in August of 2021, and continued to lead the other provinces in job growth in the months that followed as shown in Figure 16.

Figure 16: Employment Change by Province, Seasonally Adjusted



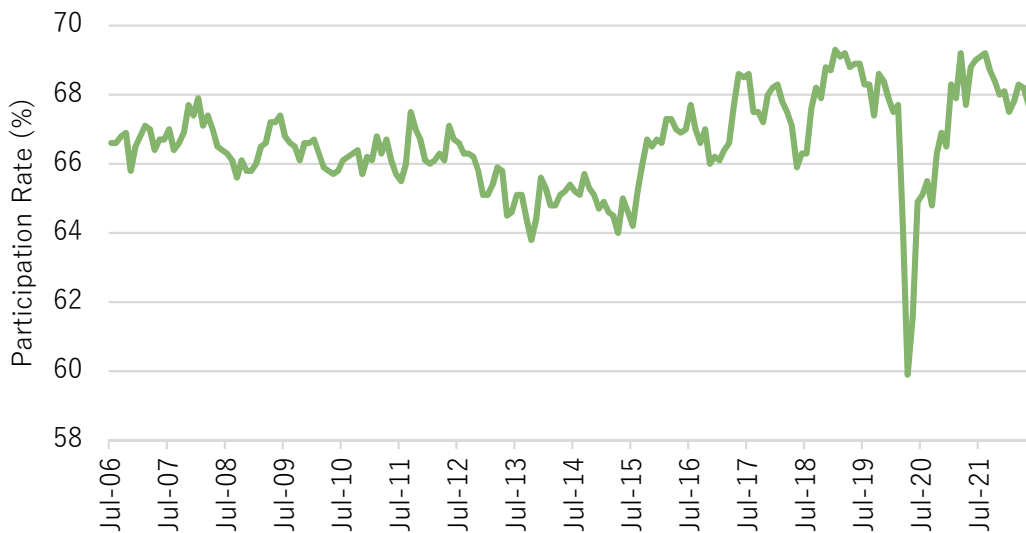
While the Labour Force Survey does not publish data for the pandemic period at the local municipal level, we are able to glean some insights at the regional level, where such data is available. Figure 17 and Figure 18 show the unemployment rate and labour force participation rate in Metro Vancouver from 2006 to 2021, respectively.

Figure 17: Unemployment Rate, Metro Vancouver, 2006 - 2021



Source: Statistics Canada Labour Force Survey

Figure 18: Labour Force Participation Rate, Metro Vancouver, 2006 - 2021

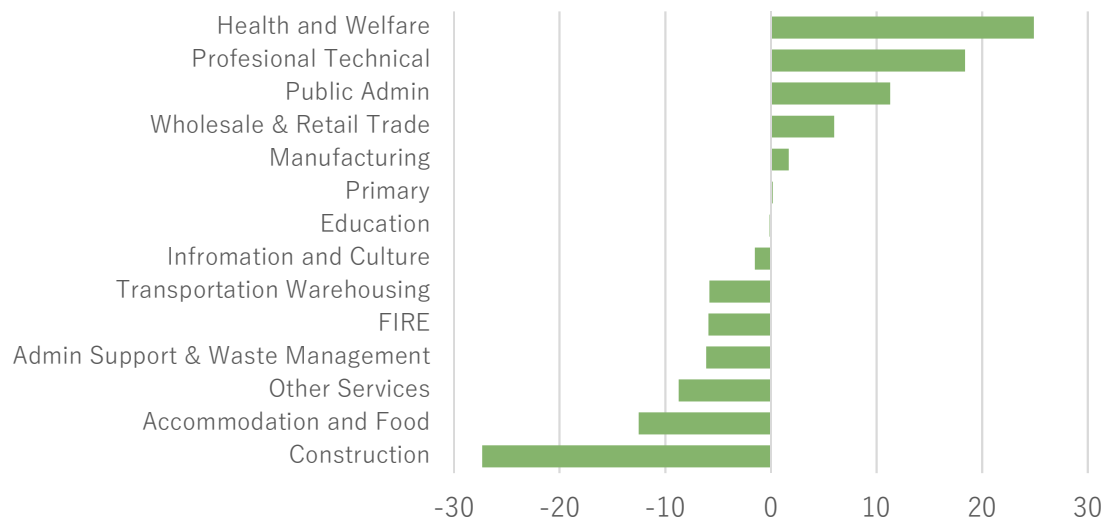


Source: Statistics Canada Labour Force Survey

The two figures depict a significant increase in unemployment rates and a decrease in participation rates from January 2020 to July 2020 due to the COVID-19 pandemic. However, since July 2020 there has been a steady decrease in unemployment rates and resurgence in the participation rate, back to well within pre-pandemic levels. This suggests that the growth of the employment sectors and labour force at the regional level show that employment activity has largely recovered since the COVID-19 pandemic.

That said, the impacts of the pandemic affected different parts of the economy differently, as illustrated in Figure 19. Certain sectors, particularly those that were able to pivot and adapt quickly, experienced minimal losses and have even been able to increase beyond their pre-pandemic counts. In Metro Vancouver, the biggest success stories were Health and welfare, Professional and technical services, and Public admin, though Wholesale and retail trade¹⁰ and Manufacturing were also able to show gains.

Figure 19: Change in Employment by Sector, Vancouver CMA, 2019 - 2021



Source: Statistics Canada Labour Force Survey

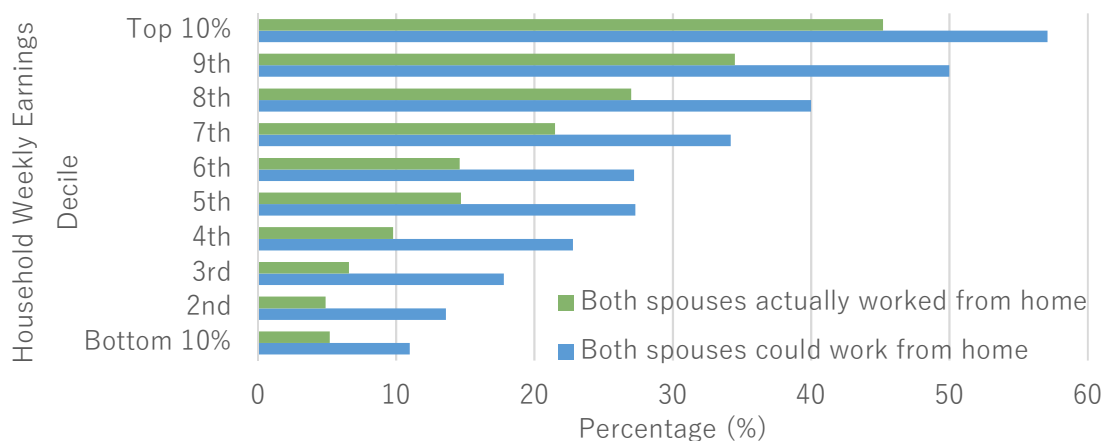
¹⁰ The Labour Force Survey groups both Wholesale and Retail trade together for the purpose of their regional employment estimates.

Conversely, employment in the Construction, Accommodation and food, and Other services sectors were some of the most negatively impacted, remaining well below their pre-pandemic levels. In addition to the difference between employment sectors, the pandemic also resulted in notable inequities in terms of impacts when compared across different genders, races and classes, with women, visible minorities, and lower income individuals experiencing more significant reductions in hours worked.

Much of this imbalance is attributed to the limited impact experienced by office workers. By nature of the activity associated with office jobs, most were well-suited to make the shift towards a work-from-home model when the pandemic occurred. Indeed, many office-based businesses had already been experimenting with a range of flexible work options prior to the pandemic, largely in response to limited space availability rising costs in the downtown office market.

In 2016, only 4% of jobs across the country were based primarily at home. By summer of 2021, this figure is estimated to have risen to 30%, largely comprised of higher earning jobs located traditionally in offices. Figure 20 demonstrates how the shift to work-from-home varied across income brackets, with higher income deciles being more able to make the switch.

Figure 20: Percentage of Dual-earner Salaried Couples Where Both Spouses Worked from Home, April 2020 to June 2021



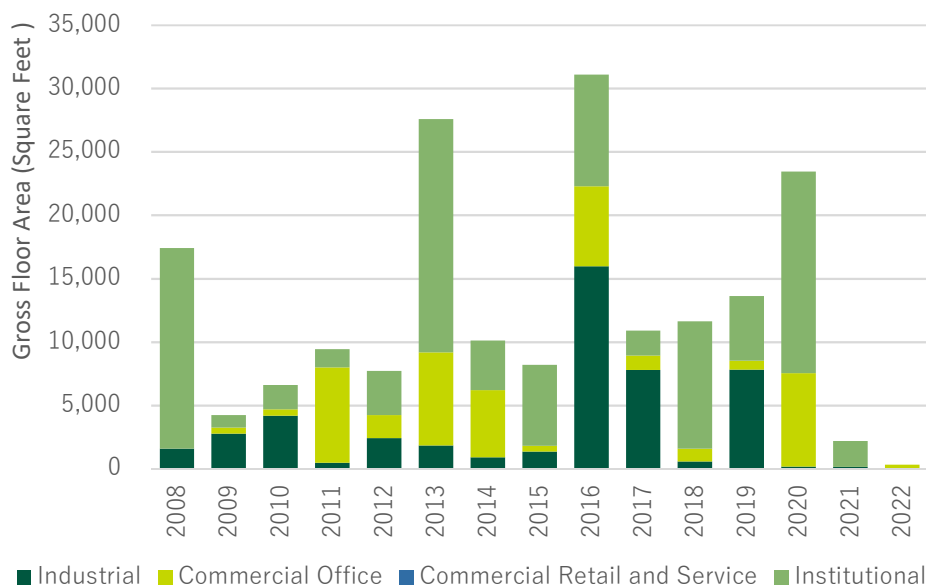
Source: Statistics Canada Labour Force Survey

As the health concerns of the pandemic ebb and more employers start requiring more workers to report back to the office, questions remain about what this will mean for office space demand, and what future office needs will look like. The pandemic-spurred shift to work-from-home could have significant implications for Coquitlam’s labour force, a significant number of whom already were working from home in office-linked sectors. Whether or not this will translate into a significant amount of demand that can be realized in Coquitlam remains to be seen.

D. Employment Development Activity

In terms of historic development trends, building permit data indicates that the City of Coquitlam has added just shy of 224,000 square feet of new non-residential space between 2008 and the end of 2021. This works out to an average annual addition of just under 15,000 square feet per year, though actual activity tends to vary from year-to-year, and between different land use types, as shown in Figure 21.

Figure 21: Non-Residential Building Permit Activity, 2008-2021



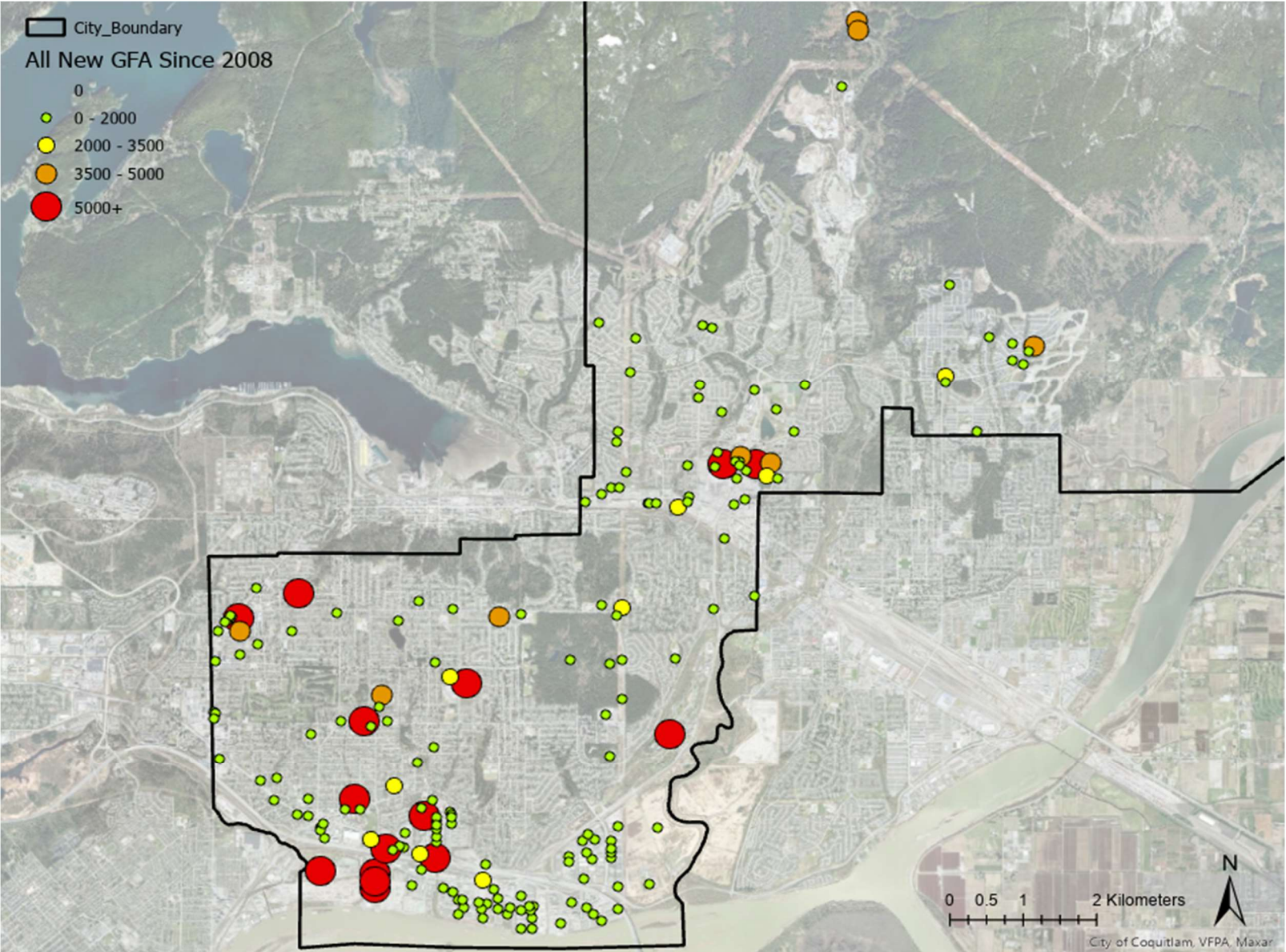
Source: City of Coquitlam, Building Permit Data

Institutional development was the most active category amongst non-residential permits, accounting for 43% of all floor space over this period, followed by Industrial (21%), and Commercial Retail and Service, and Office (18%).

While the total level of activity varied by year, Coquitlam was experiencing a higher-than-average rate of development for the 2016 to 2020 period. This included a fair amount of new development across all asset classes, including some significant industrial activity. However, it is worth noting that permit activity dropped off through 2021 and the first months of 2022, indicating the pandemic has had a chilling effect on the development of new non-residential space. Whether or not this will recover in the coming years remains to be seen, but market sales and development proposal activity, which is discussed further on in this chapter, suggest there is reason to be optimistic.

The locations of these building permit projects are mapped in Figure 22 on the following page. As shown, many projects constitute minor additions or renovations of less than 2,000 square feet, spread across the city, with a number of major projects (>5,000 square feet) clustered around the City Centre and along United Boulevard and the Lougheed Highway corridor. Other significant projects include the development of the new Safeway grocery stores on Austin Avenue and Clarke Road (which replaced existing grocery stores), the new Metro Vancouver waste transfer station, and major school upgrades.

Figure 22: Non-Residential Building Activity, Coquitlam, 2008-2022



Source: Hemson Consulting, City of Coquitlam, 2022, Open Data

E. Key Market Analysis

The following provides a summary of key market-based analysis for each of the land use categories identified in the study.

i. Primary Uses

Coquitlam has a long history of agriculture and aggregate extraction, both activities that account for primary sector employment. Today, only a limited amount of land within Coquitlam's municipal boundaries is actively farmed. These lands, located in Northeast Coquitlam near the Pitt River, are protected as part of the provincial Agricultural Land Reserve, and are not expected to be redeveloped for other employment.

Similarly, a limited number of aggregate resource extraction operations remain in Coquitlam's north east along Pipeline Road and Quarry Road. While these areas are still active extractive uses, they are unlikely to grow.

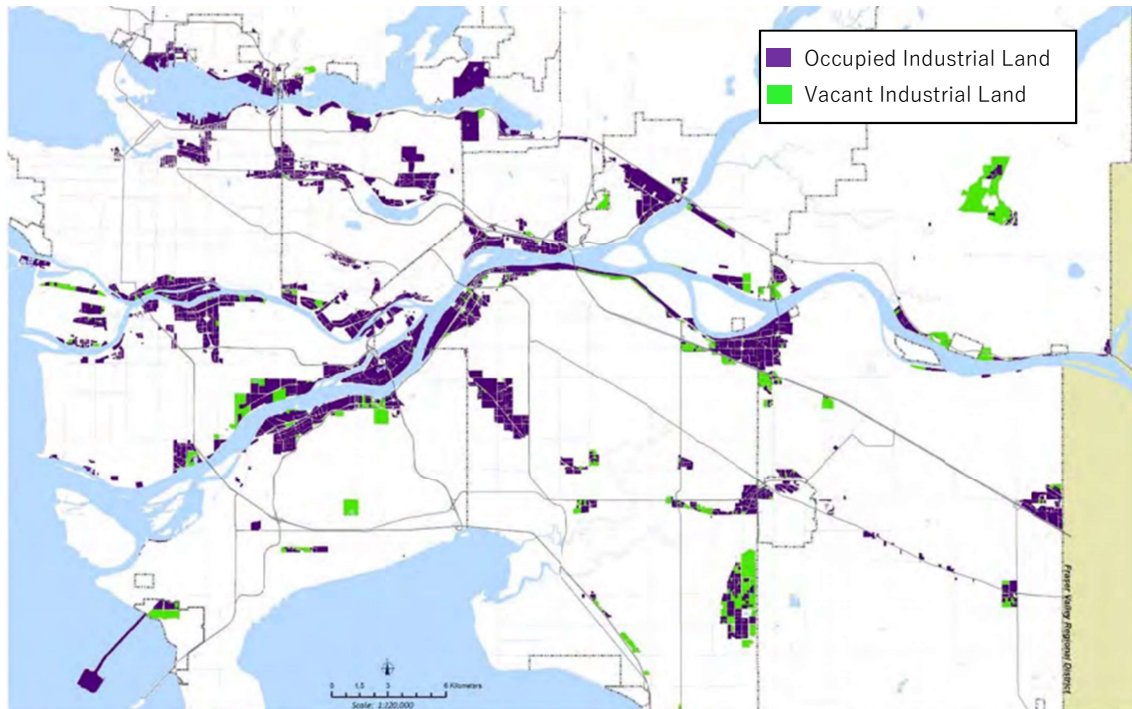
ii. Industrial Uses

As of year-end 2021, Coquitlam's industrial space inventory totaled 7.3 million square feet of built space. Most of the industrial activity in the City is centralized in southern Coquitlam, with some additional industrial lands located along Barnet Highway.

Traditionally, industrial development has largely been driven by the availability of vacant large, well-located sites with few constraints or nearby sensitive uses. As municipalities matured and intensified over the course of the 20th century, these lands become increasingly harder to come by, with other uses encroaching upon and competing with existing industrial lands, driving the development of new industrial space further afield into the suburbs and beyond. However, in a land constrained market like Metro Vancouver, there is a finite amount of land available for such expansion. A

map of the regional industrial land supply is provided in Figure 23 below, highlighting both occupied and vacant lands as of 2021.

Figure 23: Metro Vancouver Industrial Lands Inventory, Occupied and Vacant Lands, 2021



Source: Metro Vancouver Industrial Lands Inventory 2021

Based on analysis of industrial land take-up prepared by Hemson as part of the Metro Vancouver Regional Industrial Lands Strategy, it is expected that the region's existing industrial land supply would be depleted by 2047, with most of the easier to develop lands tapped out by 2035¹¹. While some additional industrial lands have been added to the inventory since that time, the limited supply is resulting in industrial investment spilling over to nearby regions, including the Fraser Valley Regional District and Squamish-Lillooet Regional District, while also driving up the competition for those lands that remain.

¹¹ *Regional Industrial Lands Strategy*, Metro Vancouver, June 2020

At the same time, recent macro-level economic shifts have resulted in increased demand for industrial space. Even before the pandemic, the rise of e-commerce and a resurgence of local manufacturing activities were putting increased pressure on local industrial lands, trends which only accelerated through the pandemic. With such high demand for industrial land in the region, space and land costs are on the rise, but this also brings with it new opportunities for investment and innovation amongst Coquitlam’s existing industrial land supply.

According to Colliers International, there is effectively no vacant industrial space left in Coquitlam, resulting in the asking gross rental rate increasing by 116% from 2018 to 2021. As shown in Table 6, Coquitlam’s industrial space is in comparatively high demand when compared against nearby municipalities. Despite only having ¼ of total industrial space inventory compared to neighbouring Burnaby, Coquitlam’s average asking industrial rental rates are over 50% higher on a per square foot basis. The same is true when compared against the regional average.

Table 6: Industrial Market Indicators

Q4 2018 – Q4 2021	Coquitlam	Burnaby	Metro Vancouver
Inventory Growth %	3.0%	7.4%	11.5%
Industrial vacancy % (3-year change)	0.0% (-1.2%)	0.5% (-1.5%)	0.4% (-1.7%)
Asking net rental rate \$ (3-year change)	\$25.00 (+157%)	\$16.40 (+79%)	\$16.31 (+98%)
Asking gross rental rate \$ (3-year change)	\$30.49 (+116%)	\$22.04 (+70%)	\$22.13 (+92%)
Total industrial inventory	7,343,000 sf	27,337,000 sf	217.73M sf
Share of Regional Total	3.4%	12.6%	-

Source: Colliers International

As outlined in Table 7, there were only two industrial land sale transactions recorded in Coquitlam since 2019, both of which transpired in 2021. The average industrial land parcel size for these Coquitlam transactions was 8.13 acres.

Table 7: Industrial Land Sales Statistics in Greater Vancouver Area, 2019-2022 YTD

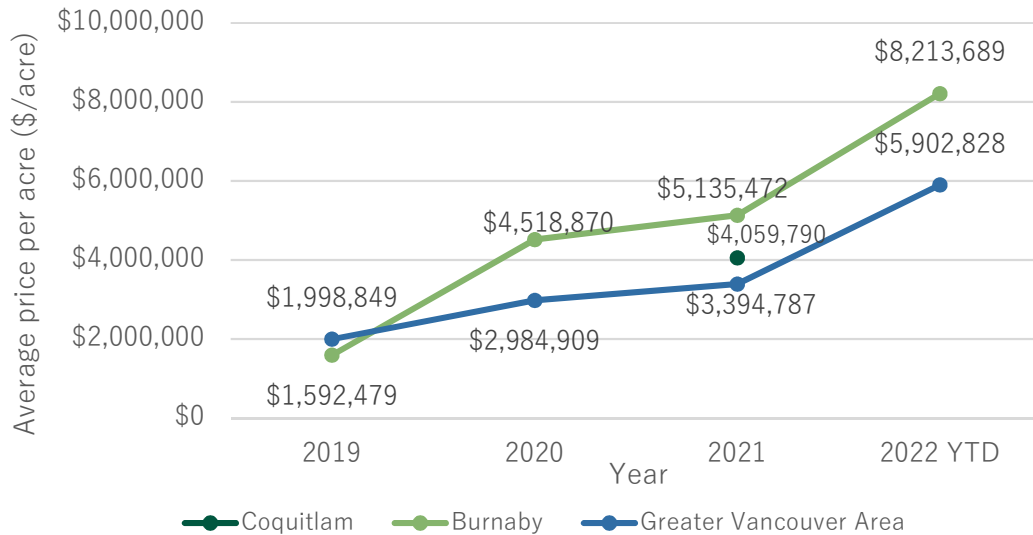
	Number of transactions				Average size of parcel (acres)			
	2019	2020	2021	2022 YTD	2019	2020	2021	2022 YTD
Coquitlam	0	0	2	0	N/A	N/A	8.13	N/A
Port Coquitlam	2	3	0	1	10.02	4.44	N/A	5.00
Port Moody	2	0	0	0	0.52	N/A	N/A	N/A
Vancouver	4	4	8	2	0.38	2.68	2.06	2.68
Burnaby	2	2	3	3	2.58	2.00	2.94	2.00
Richmond	4	4	6	2	4.54	1.18	1.14	8.60
North Fraser Market (Including Maple Ridge, Mission, and Pitt Meadows)	9	7	6	0	3.82	2.30	6.92	N/A
South of Fraser Market (Including Surrey, Delta, and Langley)	51	28	33	10	3.75	3.71	2.78	5.26
North Vancouver	1	0	0	0	1.02	N/A	N/A	N/A
Fraser Valley Market (Including Abbotsford and Chilliwack)	24	7	12	0	1.88	2.96	4.09	N/A
Greater Vancouver Area	99	55	70	18	3.21	3.16	3.30	4.79

Source: Altus Data Studio

Given the extent of market demand for industrial land across the region, this limited amount of activity is directly related to constrained land supply conditions in the Coquitlam market. As shown in Figure 24 on the following page, two industrial land transactions in 2021 in Coquitlam achieved an average price of \$4,059,790 per acre in 2021, which is higher than the average of the Greater Vancouver Area of \$3,394,787 per acre during the

same year. At the same time, the average industrial land price per acre in the Greater Vancouver Area has increased by nearly 70%, from \$1,998,849 in 2019 to \$3,394,787 in 2021, and further increased by 73.9% to \$5,902,828 this year in 2022 as of today.

Figure 24: Industrial Land Sales Statistics in Coquitlam, Burnaby, and Greater Vancouver Area, 2019 - 2022 YTD



Source: Colliers International

This dramatic escalation in industrial land values region-wide is due to an array of contributing factors, namely:

- Increased demand for industrial land due to both general market growth and growth in ecommerce driving warehouse demand.
- Constrained supply conditions, driven in part by absorption and conversion of industrial lands to other uses.

As outlined in Table 8, the number of industrial property transactions in Coquitlam more than doubled, from 7 sale records in 2019 to 18 sale records in 2021, while the average size of the industrial properties sold nearly tripled, from 6,143 square feet (sq. ft.) in 2019 to 17,118 sq. ft. in 2021. Thus far in 2022, two industrial property transactions have been recorded in Coquitlam with an average size of 5,160 sq. ft. YTD.

Table 8: Industrial Property Sales Statistics in Greater Vancouver Area, 2019 - 2022 YTD

	Number of transactions				Average size of property (sq. ft.)			
	2019	2020	2021	2022 YTD	2019	2020	2021	2022 YTD
Coquitlam	7	18	18	2	6,143	7,029	17,118	5,160
Port Coquitlam	32	43	64	8	8,707	10,587	5,858	13,192
Port Moody	2	1	0	0	6,095	6,650	N/A	N/A
Vancouver	51	33	52	8	6,833	6,017	6,701	4,525
Burnaby	37	64	41	10	10,636	19,382	13,127	20,033
New Westminster	1	3	0	2	63,593	5,014	N/A	76,375
Richmond	111	117	157	55	7,549	8,933	9,081	5,688
North of Fraser Market (Including Maple Ridge and Mission)	22	31	22	2	11,522	6,789	11,749	4,139
South of Fraser Market (Including Surrey, Delta and Langley)	177	171	222	49	11,097	13,035	9,985	12,694
North Vancouver	13	19	30	6	5,311	10,428	15,223	3,774
Fraser Valley Market (Including Abbotsford and Chilliwack)	56	38	48	11	11,396	15,584	11,694	7,167
Greater Vancouver Area	509	538	654	153	9,631	11,742	9,921	10,129

Source: Altus Data Studio

These increasing rents and land values pose challenges in terms of increasing competition and reduced affordability for existing space, but they also bring new opportunities for the creation of new space as well. Rents in Metro Vancouver are now reaching the point where it is becoming economically viable for developers to build multi-storey industrial buildings, including both stratified and spec-built space, on well-located industrial parcels.

Where previously, such forms of industrial development were incredibly rare in North America, recent years have seen new multi-storey industrial projects being proposed and built across the Lower Mainland. This includes recent development proposals in Coquitlam for a 196,000 square foot multi-

storey industrial building at 11 King Edward Street¹², and stated plans to build over 100,000 square feet of stratified industrial space at 2660 Barnet Highway¹³.

It is important to note that these forms of development remain challenging, and are often limited to properties where zoning, infrastructure and soil conditions will permit and support this kind of development. However, as the region's industrial land supply dwindles, Coquitlam may be able to attract new forms of industrial redevelopment via intensification, thereby grow its industrial employment base, if the right set of policies are in place.

Key Industry: Film Production

Coquitlam has long served as a regional destination for on-location film shoots, leveraging both access to nature and other assets like the Riverview campus to accommodate local production activity without a major film studio located in the city proper. These facilities, which are primarily based in neighbouring municipalities, typically require large (>10 acre) sites located in industrial areas to accommodate their operational needs. In addition to the City's 'one-stop' film office to coordinate local production activities, the City has also made progress on recent Film Strategy objectives in attracting new film studio infrastructure to south Coquitlam, with a pending application to develop six film studios on at 1050 United Boulevard. Based on data from Creative BC, collective the cultural industries directly employed 2,416 residents within the City of Coquitlam in 2021, of which audio-visual and interactive media (including film) employed 917 residents.

¹² *Coquitlam industrial project addresses the municipality's near-zero vacancy rate.* Business in Vancouver. August 10, 2021. <https://biv.com/article/2021/08/coquitlam-industrial-project-addresses-municipalities-near-zero-vacancy-rate>

¹³ *Coquitlam 3.4 acres of industrial sells \$6.4 million above assessed value.* Business in Vancouver. June 21, 2022. <https://biv.com/article/2022/06/coquitlam-34-acres-industrial-sells-64-million-above-assessed-value>

iii. Commercial Office Uses

The market for large commercial office space is typically concentrated into a few specific regional nodes. As outlined in Table 9, major office land transactions in the Metro Vancouver region over the past three years were largely limited to the Cities of Vancouver (12 sales, including 8 properties averaging 0.96 acres in 2020) and Surrey (2 smaller property sales averaging 0.17 acres in 2020). Though Vancouver office land sale prices per acre topped \$60M in 2020, the two listed sales in the Surrey sub-market, a more relevant comparable, averaged nearly \$7.8M per acre.

Table 9: Office Land Sales Statistics in Greater Vancouver Area, 2019 - 2022 YTD

	Number of transactions				Average size of parcel (acres)				Average land price per acre (\$/acre)			
	2019	2020	2021	2022 YTD	2019	2020	2021	2022 YTD	2019	2020	2021	2022 YTD
Vancouver	0	8	3	1	N/A	0.53	0.96	0.14	N/A	\$66,671,395	\$59,729,919	\$30,434,783
Surrey	0	2	0	0	N/A	0.17	N/A	N/A	N/A	\$7,757,575	N/A	N/A
Greater Vancouver Area	0	10	3	1	N/A	0.45	0.96	0.14	N/A	\$62,383,446	\$59,729,919	\$30,434,783

Source: Altus Data Studio

Coquitlam is an emerging player in the regional office market, and with support, policies, and incentives, the City can continue to grow its office employment base. Colliers International prepares reports for the Metro Vancouver region office market quarterly, with relevant statistics for Coquitlam over the past three years shown in Table 10 on the following page.

With almost 800,000 square feet of office space, Coquitlam currently accounts for only 1.1% of the Metro Vancouver office market. As of year-end 2021, Coquitlam's office vacancy rate of 4.2% remains below the regional average of 5.9%. At the same time, the average net asking rental rate of \$24.80 per square foot (sq. ft.) remains below the regional average of \$32.40 per sq. ft., but has demonstrated some of the highest rates of growth over

that time. Some of the discrepancies in net asking rents in Coquitlam are attributed to the older nature of some of the existing office stock in the City, but recent new developments and rising rates suggest market interest in on the rise.

Table 10: Commercial Office Market Indicators

Q4 2018 – Q4 2021	Coquitlam	Burnaby	Metro Vancouver
Inventory growth %	20.2%	12.4%	12.5%
Office vacancy % (3-year change)	4.2% (+1.3%)	4.8% (-1.1%)	5.9% (+1.4%)
Asking net rental rates (3-year change)	\$24.80 (+44%)	\$25.40 (+15%)	\$32.40 (+26%)
Asking gross rental rates (3-year change)	\$40.80 (+28%)	\$41.81 (+13%)	\$40.44 (-1.87%)
Total office inventory	798,300 sf	11,781,000 sf	73,544,000 sf
Share of Regional Total	1.1%	16.0%	-

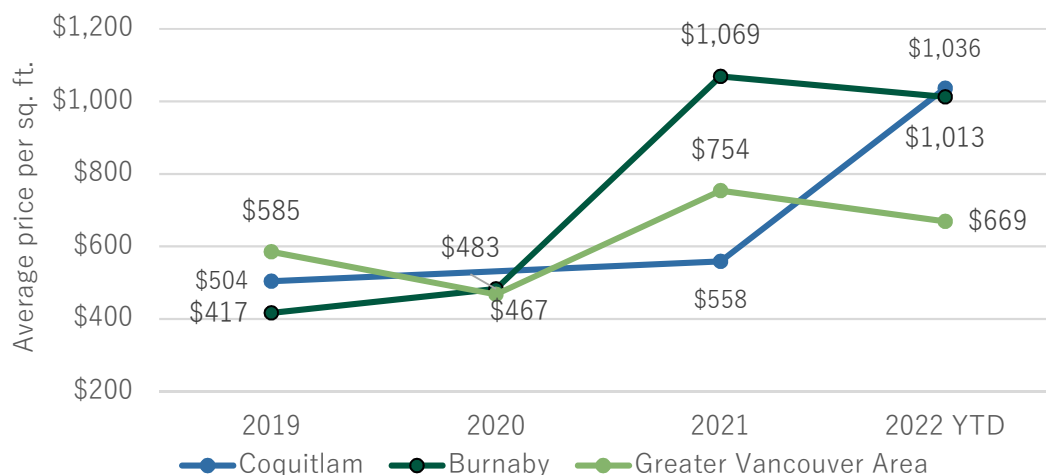
Source: Colliers International

When factoring in property taxes and other carrying costs, the gross rental rate of \$40.80 per sq. ft. in Coquitlam sits close to the regional average of \$40.44 per sq. ft.. This difference between net and gross rents illustrates some of the comparative cost challenges to attracting new office space to Coquitlam, as most triple-net lease agreements push the cost of property taxes onto the end tenant, reducing Coquitlam’s cost competitiveness for both tenants and office developers.

In terms of land values, the average office property price per square foot in Coquitlam increased by a modest 10.9% from \$504 in 2019 to \$558 in 2021, while the lone transaction recorded to date in 2022 reflected a per sq. ft. price more than twice the 2019 level (\$1,036/sq. ft.) as shown in Figure 25 on the following page. By comparison, the average office property price per sq. ft. throughout the Greater Vancouver Area increased by a more robust

28.8% from \$585/sq. ft. in 2019 to \$754/sq. ft. in 2021 but declined to \$669/sq. ft. for transactions in recorded thus far in 2022.

Figure 25: Office Property Sales Price in in Coquitlam, Burnaby, and Greater Vancouver Area, 2019 - 2022 YTD



Source: Altus Data Studio

Interestingly, the sole office property transaction recorded in 2022 achieved a per square foot sale price roughly in line with the average recorded for 4 property transactions in the Burnaby submarket. Burnaby is a particularly relevant comparative market given its adjacency and growing concentrations of mixed-use density around SkyTrain stations. The change in office inventory relative to both Burnaby and the Greater Vancouver office region, is presented in Table 10. Though showing positive signs of growth, this chart reflects Coquitlam’s role to date as a smaller, more local-serving office submarket, albeit one with considerable potential to better leverage its desirable SkyTrain accessibility.

Table 10 also show the average asking net lease rate for office space in Coquitlam, which increased by nearly 44%, from \$17.20 per square foot (sq. ft.) in 2018 Q4 to \$24.80 per sq. ft. in 2021 Q4. By comparison, the average net lease rate for office space in Metro Vancouver increased by a significant, but comparatively more modest 26.2% from \$25.70 to \$32.40 over the same

Q4 to \$32.40 in 2021 Q4 period. This office rate escalation is indicative of both increased demand and relatively limited supply/available inventory.



As noted in a recent analysis of Coquitlam’s office market by Colliers International¹⁴, proximity to SkyTrain (ideally within 400 metres) and aging of the buildings are key considerations for office end-users looking to attract and retain staff, particularly in a work environment likely to be oriented around hybrid in and out-of-office work schedules.

This strong recent growth in the asking lease rate in part reflects the City of Coquitlam’s improved status as a suburban market with strong SkyTrain accessibility. For firms seeking a balance between more amenity-rich environments and public transit accessibility, Coquitlam may offer a slight affordability edge relative to Burnaby, but the gap has significantly narrowed in recent years.

As noted above in Table 11 on the following page, only the Langley market recorded greater asking office lease rate escalation over the 2018 to 2021 period. Plans for the Surrey to Langley SkyTrain extension have certainly played a role in elevating Langley’s status as a more accessible suburban office market as well.

¹⁴ *City of Coquitlam Office Market Analysis*, Colliers International, 2022

Table 11: Average Lease Rate for Office Space in Greater Vancouver Area, 2018 and 2021

	Average Asking Net Lease Rate (\$/sq. ft.)			Average Asking Gross Lease Rate (\$/sq. ft.)		
	2018 Q4	2021 Q4	% Change	2018 Q4	2021 Q4	% Change
Coquitlam	\$17.2	\$24.8	43.6%	\$31.8	\$40.8	28.4%
Vancouver	\$30.7	\$37.0	20.7%	\$54.3	\$57.1	5.3%
Burnaby	\$22.1	\$25.4	15.0%	\$37.1	\$41.8	12.7%
New Westminister	\$20.3	\$20.1	-1.2%	\$33.7	\$35.0	3.9%
Richmond	\$18.2	\$17.8	-2.4%	\$29.2	\$29.7	1.4%
Surrey	\$25.5	\$23.0	-10.0%	\$36.4	\$34.4	-5.4%
Langley	\$18.2	\$27.0	48.3%	\$28.2	\$38.4	36.3%
North Vancouver	\$22.2	\$24.1	8.8%	\$37.1	\$38.9	5.0%
Metro Vancouver	\$25.7	\$32.4	26.2%	\$41.2	\$40.4	-1.9%

Source: Colliers Vancouver Office Market Report

In the aftermath of the COVID-19 pandemic, it is reasonable to anticipate a large share of the City of Coquitlam’s total employment population will work-from-home, or have no-fixed place of work. However, with return-to-work initiatives and hybrid working models taking place, a gradual shift back to the office could present new opportunities for Coquitlam over time.

iv. Commercial Retail Uses

As a result of the pandemic, the commercial retail industry saw a significant decreasing demand for space. The shift towards e-commerce, e-retailing and automation is still taking up a considerable amount of retail purchases and small-office type space will be required once the economy recovers. Though there will be some degree of potential to recapture annual spending from existing trade area residents naturally flowing to other parts of the region, including near places of work and unique retail concentrations (e.g. Robson Street and Oakridge in Vancouver, McArthur Glen at YVR,

Metrotown and Brentwood in Burnaby), the primary driver of demand for new retail, restaurant and commercial-services in Coquitlam will be driven by growth in population and other nearby employment uses.

According to Table 12, there was only one commercial retail-commercial land sale transaction recorded in the Coquitlam market since 2019 – a 0.6-acre parcel in 2020.

Table 12: Commercial and Retail Land Sale Statistics in Greater Vancouver Area, 2019-2022 YTD

	Number of transactions				Average size of parcel (acres)			
	2019	2020	2021	2022 YTD	2019	2020	2021	2022 YTD
Coquitlam	0	1	0	0	N/A	0.61	N/A	N/A
Port Coquitlam	0	1	1	0	N/A	0.29	8.68	N/A
Port Moody	1	1	1	0	0.09	0.61	0.05	N/A
Vancouver	5	3	9	1	0.54	0.18	0.41	0.28
Burnaby	2	1	2	0	1.29	0.42	0.23	N/A
New Westminster	0	0	1	0	N/A	N/A	2.34	N/A
Richmond	6	0	0	0	0.82	N/A	N/A	N/A
North Fraser Market (Including Maple Ridge, Mission and Pitt Meadows)	3	0	3	0	2.17	N/A	2.77	N/A
South of Fraser Market (Including Surrey, Delta and Langley)	33	12	14	1	2.82	1.49	2.10	4.79
Fraser Valley Market (Including Abbotsford and Chilliwack)	8	3	7	1	0.62	1.59	2.00	2.00
Greater Vancouver Area	58	22	38	3	1.98	1.14	1.76	2.36

Source: Altus Data Studio

Table 13 on the following page indicates that the City of Coquitlam’s commercial retail vacancies increased by 8.9% from 2018 to 2021, demonstrating a comparatively high rate of impact from the pandemic. However, it should be noted that the retail market inventory tracked here focuses primarily on larger format retail (including regional malls and retail plazas) and may not properly reflect smaller-scale, street-oriented retail uses across the city. Anecdotal evidence from street-level observations suggests the current vacancy figures are likely not indicative of Coquitlam’s broader retail inventory.

Table 13: Commercial Retail Market Indicators

H2 2018 – H1 2021	Coquitlam	Burnaby	Metro Vancouver
Tri-cities inventory growth %	0.13%	-5.0%	-3.9%
Vacancy %	10.4% (+8.9%)	7.8% (+6.0%)	5.5% (+1.4%)
Coquitlam retail inventory	1,907,030 sf	4,061,790 sf	31,297,000 sf
Share of Regional Total	6.1%	13.0%	-

Source: CRBE

It is also worth noting that larger format retail uses (including regional malls and big box retailers) have generally experienced the brunt of the impact from the pandemic accelerated shift towards e-commerce. Experiential and street level retail, including restaurants and services, have demonstrated a strong bounce back in demand following the lifting of pandemic-related restrictions, which suggests an opportunity for Coquitlam to grow its Commercial Retail and Service employment base if it is able to attract more office-workers and regional tourism-related visitors.

v. Institutional

With schools returning back to in-person learning in September 2021 and healthcare expected to be in demand due to the COVID-19 pandemic and other demographic trends. The overall outlook on institutional uses remains relatively strong, as demand will continue to be linked to local population growth. However, pandemic-related deficits may lead to cancellations, layoffs, and staff burnout and may slow employment growth in certain parts of the Institutional sector. This is already apparent in the case of health care which is continuing to experience funding and staffing challenges in the wake of the pandemic.

Similar post-pandemic related employment turnover is being experienced in the education sector as well. According to recent reporting¹⁵, School District 43 is currently looking to fill many job vacancies including teaching positions, clerical positions, educational assistants, supervisors, and support staff. With many institutional workers retiring, some of which are leaving the workforce earlier than expected on account of pandemic related stresses, the influx of new faces in the education employment sector is on the rise.

Other social services are also likely to be on the rise over the long term, particularly in the case of child care. The recently announced agreement between the Federal and Provincial government to expand the \$10 a Day ChildCareBC program over the coming years will drive considerable demand for qualified workers and space¹⁶. Since 2018, \$2.7 billion has been invested in ChildCareBC and an additional 1,179 new child care spaces and facilities have been funded in Coquitlam, Port Coquitlam, Port Moody, and Maple Ridge. This is being matched by an expansion of Early Childcare Education (ECE) programs which will lead to more qualified ECE workers to meet the planned expansion of the program.

¹⁵ TriCity News. 2022. <https://www.tricitynews.com/local-news/new-faces-at-tri-city-schools-after-multiple-retirements-5411087>

¹⁶ BC Government News. June 2022. <https://news.gov.bc.ca/releases/2022ECC0050-000973>

4. Growth Projections and Demand Analysis

Building upon the findings of the previous two chapters, this section turns its attention forward to what the future could have in store for the City of Coquitlam, and its implications for employment and land needs to come. Starting with regional population and employment forecast scenarios prepared by Metro Vancouver as part of the update to the Regional Growth Strategy, a demand analysis has been prepared to assess where future economic needs and potential gaps in land use development capacity are likely to occur.

A. How Regional Forecast Scenarios Inform Local Economic Development Planning

As a foundational piece to the preparation of the Regional Growth Strategy (RGS) and each of its subsequent updates, Metro Vancouver prepares a set of population, housing and employment growth projections in order to guide for land use and infrastructure planning. These projections provide a baseline scenario, with a plus or minus 15% range to represent a general reference for where and how growth is likely to occur based on the trends as they were understood at the time of the projections' preparation. The most recent projections were prepared as part of the recent Metro 2050 update to the RGS, which provide an outlook between 2021 and 2051¹⁷. As Coquitlam is required to prepare a Regional Context Statement that recognizes the growth projections from the RGS, it is reasonable that these same

¹⁷ It should be noted that as of the time of this report production, Metro 2050 has not been formally adopted by all member municipalities, and may still be subject to change.

projections serve as the baseline for the employment growth outlook for this study.

Population projections for the region show the region as a whole growing from 2.6 million residents in 2016 to upwards of 3.8 million in 2050, an increase of approximately 48%. Table 14 shows how population growth has been allocated to different sub-regions, including the Northeast which includes the Cities of Coquitlam, Port Moody, Port Coquitlam, and Villages of Anmore and Belcarra.

Table 14: Metro 2050 Population Projections by Sub-Region

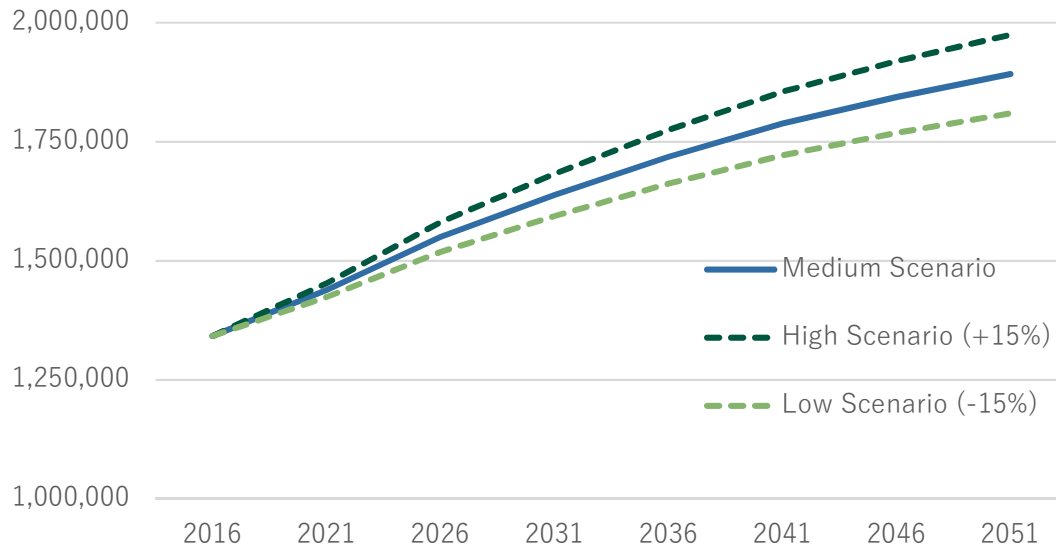
Sub-Region	2016 Population	2050 Population	Change
Burrard Peninsula	1,014,800	1,387,800	37%
North Shore	199,600	271,000	36%
Northeast	245,300	396,500	62%
Ridge Meadows	105,500	155,000	47%
South of Fraser – East	713,400	1,185,300	66%
South of Fraser – West	314,500	441,300	40%
Metro Vancouver Total	2,593,200	3,836,800	48%

Source: Metro Vancouver

As shown, the Northeast (which includes Coquitlam) is projected to grow by over 151,000 residents by the 2050 horizon. Representing a growth rate of 62%, this would make the Northeast the second fastest growing sub-region in Metro Vancouver, following only the South of Fraser – East sub-region, which is comprised of the Cities of Surrey and Langley and Langley Township. This rate of localized population growth has the potential to attract a range of employment and business activities, should such a growth rate be realized.

Metro Vancouver employment projections under the medium (reference) scenario suggest that by employment will grow to a total of 1.89 million jobs by 2051. As shown in Figure 26, this amounts to an increase of nearly 550,000 new employment opportunities across the region when compared to existing employment in 2016¹⁸.

Figure 26: Employment Projections, Metro Vancouver, 2016 - 2051

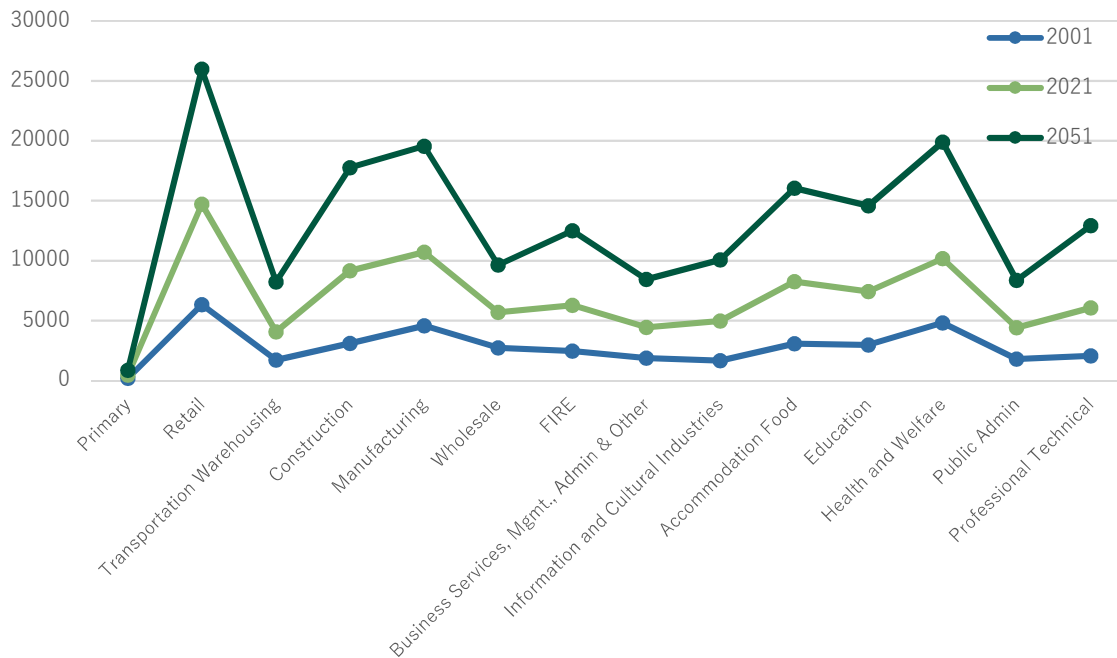


Source: Metro Vancouver

The breakdown of this employment by economic sector is shown in Figure 27 on the following page. Based on the reference scenario, it is projected that Metro Vancouver’s retail sector will see the most growth by 2051. Growth will follow historical trends across most other sectors, with most commercial related employment following population trends. A continued increase in the share of Professional, scientific and technical jobs is also expected as we continue a steady shift towards the knowledge economy.

¹⁸ It is important to note that the Metro Vancouver’s projections include a census under-coverage assumption of 4.6%. This factor is based on estimates prepared by Statistics Canada to estimate the number of persons that are missed when the Census is originally conducted. As such, the figures in the Metro Vancouver projections may appear slightly inflated when compared to the unadjusted numbers presented in the Census.

Figure 27: Historical and Projected Employment Breakdown by Sector, Metro Vancouver, 2001, 2021, and 2051



Source: Metro Vancouver

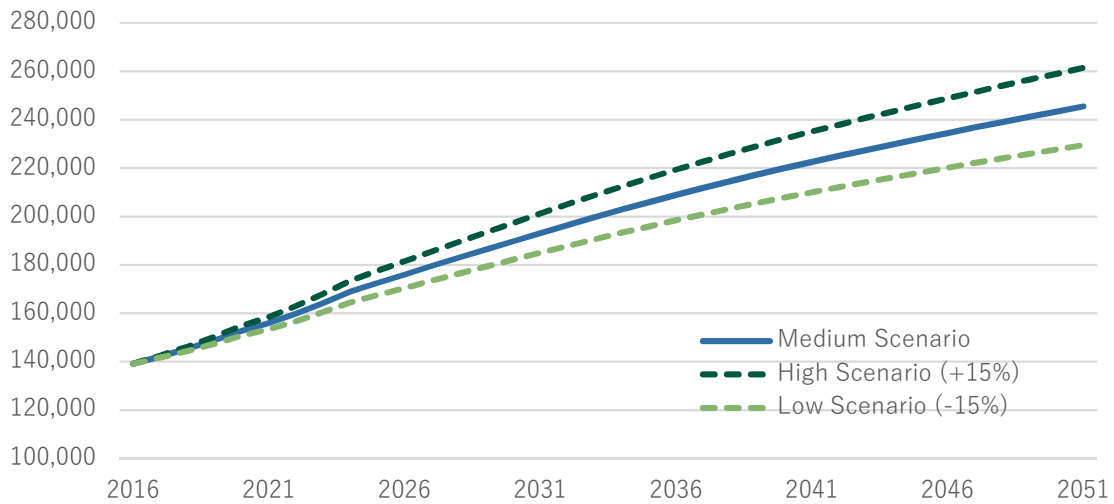
B. Projecting Local Employment and Space Needs

To understand the employment outlook at a local level, the regional projections were broken down to a municipal level and shared with the City of Coquitlam to assist with local land use planning.

From a population perspective, Coquitlam is projected to grow by over 106,000 residents to a total of 245,450 by the projection horizon in 2051¹⁹ in the reference scenario. The rate of population change across all three scenarios is shown in Figure 28 below. Representing a growth rate of 76%, this would make Coquitlam one of the fastest growing municipalities in Metro Vancouver.

¹⁹ Note: for the purposes of comparability with historical census data at the local level, and to avoid any confusion, we have removed the 4.6% undercoverage rate from Metro Vancouver’s projected population and employment figures for the purpose of this analysis.

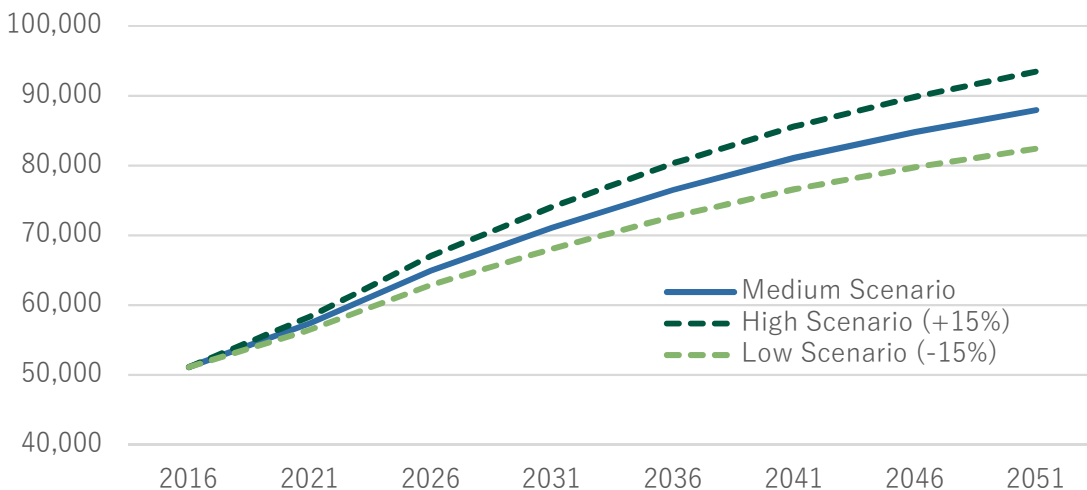
Figure 28: Population Projections, Coquitlam, 2016 - 2051



Source: Metro Vancouver

Under the reference scenario, the City of Coquitlam is expected to grow to a total of nearly 88,000 jobs, representing a growth of almost 36,900 (72%) new employment opportunities compared to 2016 (Figure 29).

Figure 29: Employment Projections, Coquitlam, 2016 - 2051



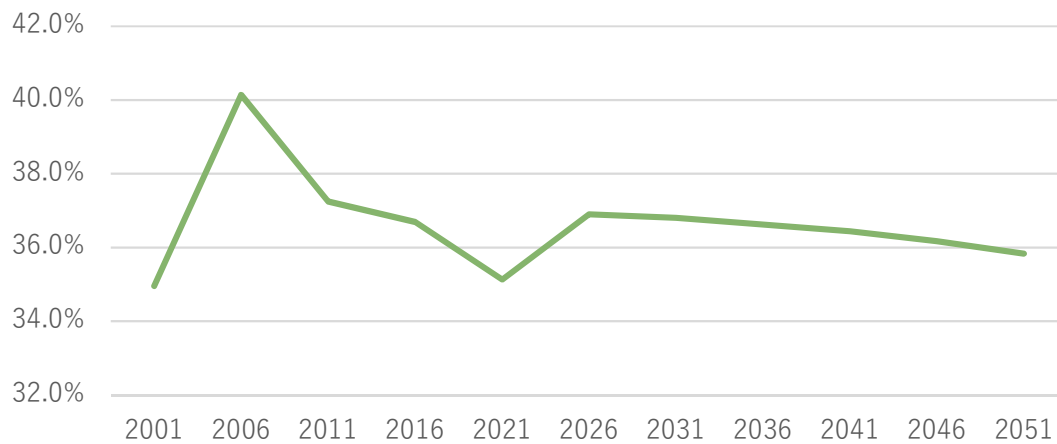
Source: Metro Vancouver

This level of employment growth is quite ambitious, but remains reasonable when assessed against historical activity rates and future estimated population, with the biggest constraint being the City's limited supply of

employment supporting lands and its ability to attract new, higher density forms of employment development and activity.

Figure 30 depicts the employment activity rate from 2001 to 2051 in the City of Coquitlam, which is calculated based on the number of jobs in the city divided by the total population. Following a post-pandemic resurgence in 2026, the activity rate is expected to decline gradually over time, reflecting the demographic shifts towards an aging population, which may create some economic headwinds, while also creating demand for other services.

Figure 30: Employment Activity Rate, Coquitlam, 2001 - 2051



Source: Metro Vancouver

C. Commercial Retail Demand Forecasts

In addition to the Metro Vancouver growth projections, the consulting team also prepared a detailed retail forecast based on a review of per capita expenditures, forecasting these over a 20-year horizon (2021-2041²⁰) to assist with validating floor space demand estimates. The commercial retail demand forecasts are driven by category-specific spending trends, while also accounting for shifts to online spending, to estimate the amount of

²⁰ Retail demand forecasts typically do not exceed 15-20 year time horizons. For the purposes of this city-wide review, incremental retail demand has been modeled over a 20-year time horizon and then extrapolated out to 2051 based on this general trendline.

commercial space that could be supported in pure retail and food and beverage-based activity. It is important to note that the discussion in this section only relates the retail sales of goods and food and beverage establishments; occupants of commercial retail space for personal services, finance (banking), arts and culture, recreational activities, etc. are addressed in the next section. The 20-year outlook for City of Coquitlam per capita retail spending is outlined in Table 15 below.

Table 15: Per Capita Retail Expenditures, Coquitlam, 2021 - 2041

Per Capita Expenditure Forecast	2021	2031	2041
Retail trade – All Categories	\$17,095	\$18,320	\$19,675
Furniture and home furnishings stores	\$515	\$525	\$540
Electronics and appliances	\$400	\$360	\$310
Building materials, garden equipment, supplies	\$1,140	\$1,260	\$1,390
Supermarkets and Other Grocery	\$2,500	\$2,540	\$2,580
Convenience Stores	\$145	\$150	\$160
Specialty Food Stores	\$210	\$220	\$235
Liquor Stores	\$1,030	\$1,140	\$1,260
Clothing Stores	\$870	\$955	\$1,050
Shoe Stores	\$100	\$105	\$110
Jewelry, Luggage, Leather Goods Stores	\$135	\$150	\$165
Sporting goods, hobby, book, and music stores	\$365	\$365	\$360
General merchandise stores	\$1,920	\$2,060	\$2,220
Miscellaneous store retailers	\$520	\$565	\$615
Motor vehicle sales	\$3,810	\$4,200	\$4,640
Auto parts, accessories, tires	\$380	\$425	\$470
Health and personal care	\$1,285	\$1,435	\$1,600
Gasoline	\$1,785	\$1,870	\$1,970
Restaurant Food and Beverage	\$2,105	\$2,325	\$2,570

Sources: Statistics Canada retail spending data, Urban Systems trend-based forecast

Applying anticipated population growth figures for the City of Coquitlam as a whole, these annual per capita projections can then be converted into annual total spending potential by category, as summarized in Table 16.

Table 16: Total Annual Expenditure Potential by Category, Coquitlam, 2021 - 2041

Gross Spending (x 1,000)	2021	2031	2041
Retail trade – All Categories	\$2,786,000	\$3,576,000	\$4,600,000
Furniture and home furnishings stores	\$84,000	\$103,000	\$126,000
Electronics and appliances	\$65,000	\$70,000	\$73,000
Building materials, garden equipment, supplies	\$186,000	\$246,000	\$325,000
Supermarkets and Other Grocery	\$408,000	\$495,000	\$603,000
Convenience Stores	\$23,000	\$30,000	\$38,000
Specialty Food Stores	\$34,000	\$43,000	\$55,000
Liquor Stores	\$167,000	\$222,000	\$295,000
Clothing Stores	\$142,000	\$187,000	\$246,000
Shoe Stores	\$16,000	\$20,000	\$25,000
Jewelry, Luggage, Leather Goods Stores	\$22,000	\$29,000	\$39,000
Sporting goods, hobby, book, and music stores	\$60,000	\$71,000	\$84,000
General merchandise stores	\$312,000	\$402,000	\$519,000
Miscellaneous store retailers	\$85,000	\$110,000	\$144,000
Motor vehicle sales	\$621,000	\$820,000	\$1,085,000
Auto parts, accessories, tires	\$62,000	\$83,000	\$110,000
Health and personal care	\$209,000	\$280,000	\$374,000
Gasoline	\$291,000	\$365,000	\$460,000
Restaurant Food and Beverage	\$343,000	\$454,000	\$601,000

Sources: Statistics Canada retail spending data, Urban Systems trend-based forecast

As outlined in the preceding table, total annual spending potential for Coquitlam residents is expected to grow as follows (for an illustrative list of categories):

- **Retail Spending (All Categories):** \$2.79B in 2021 to \$4.6B by 2041 – an increase of 64.9% (\$1.81B)
 - Building materials, garden equipment: \$186M in 2021 to \$325M by 2041 (+\$139M or 74.7% increase)
 - Supermarkets / grocery: \$408M in 2021 to \$603M by 2041 (+\$195M or 47.8% increase)
 - General merchandise: \$312M in 2021, growing to \$519M by 2041 (+\$207M or 66.3% increase)
 - Health and personal care: \$209M in 2021 to \$374M by 2041 (+\$165M or 78.9% increase)
- **Restaurant Food & Beverage²¹:** \$343M in 2021, rising to \$601M by 2041 (+ \$258M or 75.2% increase)

As these are gross annual spending potential figures, it is then important to account for reasonable spending outflow (to other jurisdictions), which will continue to be driven both by the relative strength of retail-commercial offerings in other markets such as Vancouver and Burnaby and by proximity to places of work for Coquitlam residents commuting to neighbouring municipalities on a regular basis.

Beyond the core convenience retail categories (e.g., supermarkets and pharmacies), retail categories that are particularly well represented within the City of Coquitlam are those that abound in its destination retail nodes,

²¹ Not tracked as retail spending by Statistics Canada. Data for restaurant food & beverage derived from Statistics Canada's National Household Spending Survey and at City of Coquitlam level.

including nodes that are strong magnets for spending inflow from neighbouring municipalities:

- **United Boulevard:** Vast array of general and specialty home improvement, garden supplies, home furniture and home furnishings stores, as well as other box-format retailers (e.g., pet supplies, clothing and auto supply stores). Large-format retail businesses in this major retail-industrial node include: Home Depot, Lee Valley, Ashley HomeStore, Leon's Furniture, MJM Furniture, and Inspiration Furniture, End Of The Roll, and Jordans Interiors, among many others. Linkages to the surrounding industrial activities also present potential for intensified mixed-industrial uses.

- **Coquitlam Centre:** First opened in 1979, this two-level regional shopping centre owned by the Morguard Corporation includes nearly 200 CRUs and 935,000 sq. ft. of gross leasable area over a 57-acre site. With roughly 30% of its commercial mix focused on apparel, it is a true destination shopping centre, limiting the need for residents to travel to other centres and drawing inbound shopping from other neighbouring municipalities. While Coquitlam Centre's two commercial department store anchors (Hudson's Bay at 121,000 sq. ft. and Walmart at 116,000 sq. ft.) do have some regional drawing power, it is depth in the following categories that really drive the centre's destination drawing power:
 - **Clothing and Shoes** – Uniqlo (16,000 sq. ft.), H&M (23,000 sq. ft.), Aritzia (7,200 sq. ft.), among many others
 - **Home and Personal Electronics** – Best Buy (41,000 sq. ft.), London Drugs (36,600 sq. ft.), Apple Store (8,400 sq. ft.)

- **Sporting Goods** – Golf Town (20,700 sq. ft.), Atmosphere (9,600 sq. ft.)
- **Specialty Foods** – T&T Supermarket (33,000 sq. ft.)

Recently proposed redevelopment concepts for Coquitlam Centre put forward by Morguard suggest phased redevelopment of the mall into an outward facing, street-oriented commercial hub over the next thirty to sixty years²².

The presence and strength of these commercial clusters, among other community-serving centre and street districts, limits the extent of outflow spending by giving local residents opportunities to spend their dollars within the City of Coquitlam. There will, however, continue to be some outflow spending to other municipalities in the region, as noted in the following table, which outlines estimated market capture and thus implied outflow.

Categories with varying degrees of outflow spending are:

- Higher outflow spending: Clothing, Shoes, Jewelry, Luggage, Motor Vehicles and Restaurant Food & Beverage (35% or more likely outflow spending)
- Mid-range outflow spending: Specialty Foods, Sporting Goods, General Merchandise, and Auto Parts (25% to 30% outflow spending)
- Lower outflow spending: Furniture and Home Furnishings, Electronics and Appliances, Building Materials and Garden Supplies, Health and Personal Care (20% or less outflow spending)

²² *New details on Coquitlam Centre redevelopment project.* Urban YVR. November 24, 2018. <https://www.urbanyvr.com/coquitlam-centre-redevelopment-plans/>

Based on this analysis of retail trends, an estimate of the percentage of market-wide spending being captured within the City of Coquitlam was prepared and projected to 2041, as summarized in the Table 17 below.

Table 17: Market Capture by Retail Category, Coquitlam, 2021 – 2041

Net Expenditure Forecast (Ref. Year \$, x1,000)	Market-Wide Capture Rates	2021	2031	2041
Furniture and home furnishings stores	80%	\$67,000	\$82,000	\$101,000
Electronics and appliances	80%	\$52,000	\$56,000	\$58,000
Building materials, garden equipment, supplies	80%	\$149,000	\$197,000	\$260,000
Supermarkets and Other Grocery	75%	\$306,000	\$371,000	\$452,000
Convenience Stores	80%	\$18,000	\$24,000	\$30,000
Speciality Food Stores	70%	\$24,000	\$30,000	\$39,000
Liquor Stores	75%	\$125,000	\$167,000	\$221,000
Clothing Stores	65%	\$92,000	\$122,000	\$160,000
Shoe Stores	65%	\$10,000	\$13,000	\$16,000
Jewelry, Luggage, Leather Goods Stores	65%	\$14,000	\$19,000	\$25,000
Sporting goods, hobby, book, and music stores	75%	\$45,000	\$53,000	\$63,000
General merchandise stores	75%	\$234,000	\$302,000	\$389,000
Miscellaneous store retailers	70%	\$60,000	\$77,000	\$101,000
Motor vehicle stores	65%	\$404,000	\$533,000	\$705,000
Auto parts, accessories, tires	70%	\$43,000	\$58,000	\$77,000
Health and personal care	80%	\$167,000	\$224,000	\$299,000
Gasoline	75%	\$218,000	\$274,000	\$345,000
Food and Beverage	65%	\$223,000	\$295,000	\$390,000
Grand Total (Ref. Year \$, x1,000)		\$2,251,000	\$2,897,000	\$3,731,000

Sources: Urban Systems estimates based on understanding of extent of competitive facilities across Metro Vancouver

Some key highlights of growth on a net market capture basis (i.e., net of outflow) include the following:

- **Building material and garden equipment/supply stores:** \$149M in 2021, growing to \$260M by 2041 (increase of \$111M or 74.5%)
- **Supermarkets and grocery stores:** \$306M in 2021, growing to \$452M by 2041 (+ \$146M or 47.7%)
- **General merchandise stores:** \$234M in 2021, rising to \$389M by 2041 (+ \$155M or 66.2%)
- **Health and personal care:** \$167M in 2021, increasing to \$299M by 2041 (+ \$132M or 79.0%)
- **Restaurant food & beverage:** \$223M in 2021 to \$390M by 2041 – increase of \$167M (or 74.9%)

Incremental growth in City of Coquitlam resident spending will therefore be a major driver of market support for new retail-commercial floor area throughout the City, but particularly within areas expected to accommodate the bulk of new residential development.

Based on net projected sales capture the resulting sales volumes can then be converted into warranted floor area figures based on reasonable blended average estimates of sales per sq. ft. productivity by category. These sales productivity figures, adapted from productivity figures tracked by ICSC²³ for Metro Vancouver shopping centre performance, are listed in Table 18 on the following page for reference.

²³ International Council of Shopping Centres – figures tracked for shopping centre properties higher than blended rate assumed for city-wide as it includes a wider variety of formats and location types (including street front retail).

Table 18: Estimated Sales per Sq. Ft. Productivity Rates for Supporting New Space, Coquitlam, 2021 - 2041

Incremental Need Including Non-Resident Inflow	2021	2031	2041
Furniture and home furnishing stores	\$357	\$395	\$436
Electronic and appliances	\$1,443	\$1,594	\$1,760
Building materials, garden equipment, supplies	\$318	\$352	\$389
Supermarkets and Other Grocery	\$594	\$657	\$725
Convenience Stores	\$594	\$657	\$725
Speciality Food Stores	\$966	\$1,067	\$1,178
Liquor Stores	\$722	\$797	\$881
Clothing Stores	\$412	\$456	\$503
Show Stores	\$437	\$483	\$533
Jewellery, Luggage, Leather Goods Stores	\$606	\$669	\$739
Sporting goods, hobby, book, and music stores	\$510	\$563	\$622
General merchandise stores	\$285	\$315	\$348
Miscellaneous store retailers	\$320	\$353	\$390
Auto parts, accessories, tires	\$297	\$328	\$363
Health and personal care	\$688	\$759	\$839
Food and Beverage	\$666	\$735	\$812

Sources: ICSC, Urban Systems estimates for blended per sq. ft. sales productivity (retail across all formats)

By applying these reasonable category by category estimates of sales per sq. ft. productivity to the incremental sales volume capture outlined above, and by applying a suitable inflow factor to account for anticipated spending by non-trade-area residents, the following market-supportable floor area needs have been estimated in Table 19 on the following page.

Table 19: Market Support for New Floor Area by Category, Coquitlam, 2021 – 2051

Incremental Need (Including Non-Resident Inflow)	Inflow (%)	2021-31 (sq. ft.)	Est. 2041 (sq. ft.)	Est. 2051 (sq. ft.)
Furniture and home furnishing stores	80%	36,000	65,000	90,000
Building materials, garden equipment, supplies	30%	120,000	216,000	300,000
Supermarkets and Other Grocery	10%	55,000	99,000	138,000
Convenience Stores	10%	7,000	13,000	18,000
Speciality Food Stores	10%	4,000	7,000	10,000
Liquor Stores	10%	40,000	72,000	100,000
Clothing Stores	50%	67,000	121,000	168,000
Show Stores	50%	6,000	11,000	15,000
Jewellery, Luggage, Leather Goods Stores	50%	8,000	14,000	20,000
Sporting goods, hobby, book, and music stores	50%	9,000	16,000	22,000
General merchandise stores	10%	152,000	274,000	380,000
Miscellaneous store retailers	10%	33,000	59,000	82,000
Auto parts, accessories, tires	10%	35,000	63,000	88,000
Health and personal care	10%	57,000	103,000	143,000
Food and Beverage	20%	79,000	142,000	197,000
Total – Above Retail Categories		708,000	1,274,000	1,770,000
Service Commercial / Local Office	35%	248,000	446,000	620,000
Total – Retail + F&B + Service Comm.		956,000	1,721,000	2,390,000

Source: Urban Systems retail demand analysis – city-wide incremental approach

As noted above, city-wide incremental demand analysis indicates the need for more than 960,000 sq. ft. of new retail-commercial floor area by 2031, 1.72 M sq. ft. by 2041 and 2.39 M sq. ft. by 2051²⁴.

²⁴ Retail demand analysis is most accurate within a 10-year time horizon, within which shopping patterns and assumptions re: suitable formats can realistically be projected. Floor area estimates beyond this time horizon should be referred to with caution given the time frames and potential for wide-spread market shifts. As these figures are based on city-wide growth, they do not purport to replace trade-area based retail demand analysis, which could be undertaken for specific geographic sub-areas of the city.

As noted in the Colliers office market report for Coquitlam, retail-commercial uses can play a significant role in contributing to a vibrant, amenity rich environment that can support the location decisions of office firms and end users. This is particularly true of restaurant food & beverage uses, which increasingly leverage both indoor and outdoor seating areas to contribute to street level activity and serve as additional social gathering places (i.e. third places) outside of work and home.

Additional Demand Outlooks Considered: Colliers Office Report

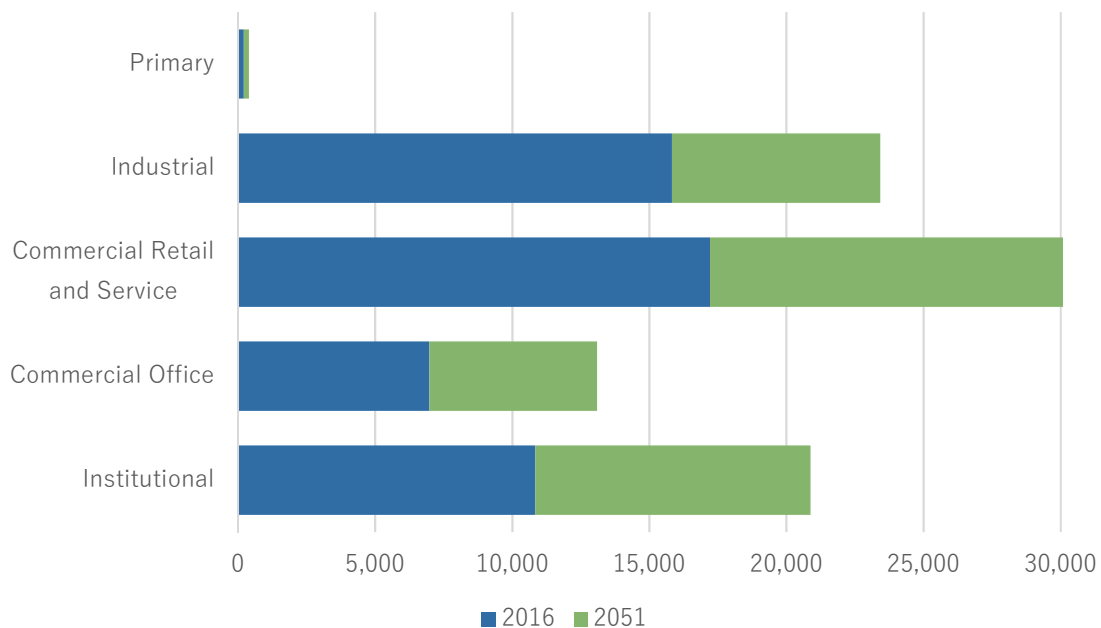
In addition to Metro Vancouver’s regional projections of population and housing and Urban System’s assessment of local retail demand, the forecast for employment space also takes into account recent analysis prepared by Colliers Strategy & Consulting Group as part of their 2022 Office Market Analysis for the City of Coquitlam. Similar to this EL&ER analysis, the Colliers Office Report considered population, employment and market trends with a specific focus on the office market and its potential for growth in Coquitlam. Findings from the Colliers report have been incorporated into trend review and have informed many of the assumptions in our own analysis.

As part of the Colliers Report, a population-based growth and potential demand analysis was prepared to estimate the amount of office space that Coquitlam could potentially attract and accommodate. The Colliers demand outlook relied on primarily on BC Stats P.E.O.P.L.E projections of population in order to estimate a baseline and high scenario of total jobs and office specific jobs between 2021 and 2040. This outlook follows similar principles to the EL&ER demand forecasts, but relies on different inputs and slightly different assumptions related to the number of office-related jobs that would result from the local population. As a result, the office demand projected in the Colliers Office Report is similar in total space, but is forecast to occur over a somewhat shorter time frame to 2041 rather than 2051 forecast horizon in the analysis that follows.

D. Future Employment Land Demand and the Competition for Space

Metro Vancouver has also provided the City of Coquitlam a breakdown of the employment projections based on its sectoral groupings. Hemson has adapted these projections to match the key land use categories identified earlier in this report based on historical employment splits²⁵. A summary of projected change in employment amongst the five key employment land categories as originally provided by Metro Vancouver is provided in Figure 31 below and Table 20 on the following page.

Figure 31: Projected Change in Employment by Key Land Use Category, Unadjusted, Coquitlam 2016-2051



Source: Hemson Consulting, based on projections prepared by Metro Vancouver

²⁵ Metro Vancouver's projections group the Management of companies and enterprises, Administrative and support, waste management and remediation services, and Other services NAICS codes into one category. Many of these uses are commonly located in Commercial Office and Retail space. However, Coquitlam is home to several industrial remediation and waste management businesses, so portion of this sector is allocated to Industrial.

Table 20: Project Change in Employment by Land Use Category, Unadjusted, 2021 – 2051

Land Use Category	2021	2051	Growth
Primary	270	400	130
Industrial	16,140	23,430	7,290
Commercial Retail and Service	20,680	30,140	9,460
Commercial Office	7,820	13,100	5,280
Institutional	12,490	20,880	8,390
Total	57,400	87,950	30,550

Source: Hemson Consulting, based on projections prepared by Metro Vancouver

Note: Figures have been rounded and may not sum to total.

As would be expected, Metro Vancouver’s sectoral forecasts account for economic shifts where Industrial has a lower share of growth than its share of the existing employment base, Commercial Retail has a similar share, and increased shares of growth to Commercial Office and Institutional. However, the shifts may be somewhat understated given virtually no vacant supply of industrial land and expectations by the City, Colliers, Hemson and others of a more significant increase in the office market.

i. Forecast Sector Adjustments

In reality, the limited supply of employment land in Coquitlam would likely necessitate a more significant shift towards different forms of higher density employment if the City were to achieve this total level of employment growth by 2051. In addition, while employment as grouped in the five land use categories is sufficient to describe the major land use occupied by the various sectors, the groupings are somewhat blunt for the purposes of preparing a specific forecast of non-residential space demand. To account for these issues, Hemson prepared an adjusted sectoral forecast which reallocated the growth increment to reflect the challenges facing Coquitlam’s economic potential. The adjustments are described as follows:

- In the Industrial category, some services which would otherwise fall under Commercial groupings, such as industrial-related repair services, commercial laundries and some private education activities have been included in Industrial, per their choice of locations. Similarly, in Information and Cultural Industries, publishing and the film industry are included in industrial.
- Commercial Retail and Service was adjusted to include some services that typically occupy retail space including bank branches from financial services, a portion of real estate and many personal services.
- Commercial Office was adjusted to include parts of the broader institutional sector, particular in health (doctors and dentists offices and lab services) and social assistance. Non-profit and charitable organizations are part of services but typically occupy office space.
- Institutional sector adjustments are as noted in Commercial Office.

With the adjusted employment outlook established, the forecast of building space can be undertaken. The total space forecast shown at the bottom of Table 21 and calculated according to the three steps shown in the table:

Table 21: Sectoral Employment Forecast, Assumptions and Adjustments

2021 to 2051 Growth	Industrial	Commercial Retail and Service	Commercial Office	Institutional	Total
Original Sector Forecast	7,290	9,460	5,280	8,390	30,550
Adjusted Sector Forecast	7,090	8,460	6,580	8,290	30,550
Building-based Share					
Share of Employment	56.9%	88.4%	71.5%	92.8%	78.3%
Employment	4,033	7,481	4,704	7,692	23,910
Floor Space per Worker					
in m²	100.0	37.2	21.5	57.5	51.2
in sq.ft.	1,076	400	231	619	551
Total Space					
in 000s of m²	403.3	278.0	101.1	442.3	1,224.7
in 000s of sq.ft.	4,341	2,992	1,088	4,761	13,183

Source: Hemson Consulting, based on projections prepared by Metro Vancouver

- First, the forecast growth increment of jobs from Table 20 is adjusted to reflect the revised allocation between major Land Use Categories as described above.
- This new growth increment is then translated to a building-based employment forecast, that is, the portion of employment in that Land Use Category expected to occupy non-residential space. Those not in buildings are all of those who work at home on a permanent basis and a portion, depending on the sector, of those with No Fixed Place of Work. The low proportion of Industrial workers in buildings is primarily the result of construction workers who often report working at home, having no fixed place of work or having a usual place of work at a construction company office, though they are, in fact, on site all of the work day on nearly every work day. The somewhat low figure in the Commercial Office category is the result mainly of a large number of real estate agents and insurance sales people not reporting a usual place of work. As well a significant number of social assistance workers do not report a usual place of work, presumably being at different locations in the community as needs warrant.
- Secondly, a floor space per worker is established for each sector:
 - In the Industrial sector the current average floor space per worker is about 125 m². This includes many uses with a very low employment density. For the forecast an FSW of 100 m² has been applied based on half of future development being at the 125 m² level and the other half of employment being at 75 m² per employee which is typical for newer forms of denser multi-tenant industrial. These multi-tenant buildings are also sometimes multi-story and sometimes under strata title, both of which are indicators of higher employment densities.
 - In Commercial Retail and Service, established industry standards for new stand-alone retail is about 40 m² per worker

but is often lower in large shopping centres at about 35 m² per employee. Restaurants are often more labour intensive with a lower FSW. Taking account of these rates, an overall FSW of 37.5 m² per worker has been applied.

- In Commercial Office, the FSW is similar to that used by Colliers in its forecast. For clarification, Colliers figures are understood to represent occupied Net Rentable Floor Area. This forecast is in Gross Floor Area, plus it includes a factor for a long-term average office vacancy rate and a factor for retail and restaurant uses on the main floor of some buildings. The result is an FSW of 21.5 m² per worker (231 sq. ft. per worker which approximately equates to Colliers at 175 sq. ft.).
- In Institutional space, the FSW is based on a combination of education and recreation at 100 m² per worker (40% of workers); 50 m² per worker in other uses (10% of workers) and 25 m² per worker in mainly office uses (50 of workers). The latter being higher than Commercial Office since public buildings often contain some other facilities.
- The final step in the space forecast is a simple calculation of the non-residential space forecast being employment multiplied by the FSW. This results in an overall forecast net non-residential space growth forecast of 1.2 million m² (13.2 million sq. ft.) over the next 30 years, as indicated at the end of Table 21.

ii. Forecast Comparisons

Both Urban Systems' retail space forecast and Colliers' office space forecast informed Hemson's employment and space outlook. Generally speaking, the outputs of these forecasts are similar, with deviations based on differing assumptions and timeframes. A more detailed comparison between these forecasts provided in Table 22 on the following pages.

Table 22: Comparison to Other Space Forecasts for Retail and for Office Uses

Urban Systems Retail Space Forecast	<ul style="list-style-type: none"> Urban Systems prepared a retail space forecast for Coquitlam, as described in the previous chapter. The Urban Systems forecast uses a very different approach, based specifically on the expected space demand to serve the retail needs of a growing population. This approach is very different the one applied in this section, based on employment in retail and related activities as prepared by Metro Vancouver for the Metro 2050 plan. Notwithstanding the difference in approach, the two forecast are very similar in results, for what each forecasts.
	<ul style="list-style-type: none"> Urban Systems forecasts demand for retail space is 164,400 m² (1,770,000 sq. ft.) for the 2021 to 2051 period. The forecast is strictly the space needed for the retail sale of goods and for food and beverage establishments. In Urban Systems forecast, retail space is measured as net rentable floor area (NRFA), the standard for measure for leasing space in the real estate industry.
	<ul style="list-style-type: none"> Hemson has adopted the Urban System’s forecast within the retail forecast. Retail space in NRFA of 164,400 m² (1,770,000 sq. ft.) is the equivalent of 182,700 m² (1,966,300 sq. ft.) in Gross Floor Area (GFA) terms. In a category Hemson has renamed to Commercial Retail and Service (from just Commercial Retail), the forecast indicates a total space growth of 278,000 m² (2,990,000 sq. ft.) in GFA. The additional 95,300 m² (1,026,000 sq. ft.) GFA in the Hemson forecast is the wide range of commercial uses that often occupy retail or similar space but are not — strictly speaking — retail uses because they are not selling goods. These are not included within the Urban Systems retail forecast. The service commercial uses described here include bank branches, barbershops and beauty salons, nail shops, day spas, repair shops, main street auto maintenance and repair (e.g. Mr. Lube), dry cleaners, gyms, dance or martial arts studios, etc.

Table 22: Comparison to Other Space Forecasts for Retail and for Office Uses (Continued)

Colliers Twenty-Year Office Space Forecast to 2041	<ul style="list-style-type: none"> Colliers has prepared a forecast of office space demand for the City of Coquitlam for a 20-year period to 2041. Within this shorter time frame Colliers have a “Baseline” forecast growth of 4,790 office jobs occupying 77,800 m² (838,000 sq. ft.) NRFA of office space. A “High” forecast of 8,020 office jobs occupying 130,400 m² (1,403,000 sq. ft.) NFRA of office space. For comparability to the Hemson forecasts, we have restated the Colliers outlook to total GFA (rather than NFRA) and have introduced a factor for ongoing vacancy rate in the office building stock. There restated occupied and vacant GFA is range from a Baseline of 102,900 m² (1,108,000 sq. ft.) to a High forecast of 172,400 m² (1,855,000 sq. ft.).
	<ul style="list-style-type: none"> In relying on Metro Vancouver’s employment forecasts by employment type, deriving an office employment and space outlook is a somewhat tricky as significant amounts of office space are found in two categories. It is assumed that all workers in the “Commercial Office” category, except those working at home, occupy office space. In addition, we have conservatively assumed that one-quarter of institutional employment are occupants of commercial office space. Federal and Provincial offices typically lease commercial office space like other tenants, while municipal government is a mix of institutional city halls and police stations, with more limited amounts of leased space in commercial office buildings. As well, in the Health and Social Assistance sector many doctors, dentists and other health care providers occupy commercial office space.
	<ul style="list-style-type: none"> For a 20-year period to compare to Colliers, Hemson’s use of the Metro Vancouver’s forecast means that we have in the first 20 years 2,900 Commercial Office employment plus 1,480 Institutional Office employment for a total of 4,400 office jobs yielding a total 94,100 m² (1,013,000 sq. ft.) of office space. For the full 30-year forecast, there are 4,700 Commercial Office employment plus 1,900 Institutional Office employment for a total of 6,600 office jobs yielding a total 142,500 m² (1,534,000 sq. ft.) of office space.

Table 22: Comparison to Other Space Forecasts for Retail and for Office Uses (Continued)

Colliers (continued)	<ul style="list-style-type: none"> In comparing the results of both forecasts, at the 20-year mark on Hemson’s Metro Vancouver-based space forecast is well below Colliers Baseline forecast. However, by 2051, based on the 30-year forecast Hemson has a total 142,500 m² (1,534,000 sq. ft.) office space which sits nicely near the midpoint between Colliers range from 102,900 m² (1,108,000 sq. ft.) to 172,400 m² (1,855,000 sq. ft.).
	<ul style="list-style-type: none"> The major conclusion to be drawn on the office forecast is that Hemson’s single forecast is consistent with Colliers forecast range, though we might suggest that Colliers is somewhat aggressive in the timing of development though not but that the timing may

iii. Employment Space Demand Implications

In addition to providing the forecast of non-residential, it important to consider how the space growth may be accommodated in Coquitlam, given the constraints to its vacant land supply for all land uses. While the vacant supply of land is constrained, the accommodation of potential growth through intensification is extraordinarily large. Many communities have a large potential growth through intensification, though often on a more theoretical level than the current development outlook in Coquitlam. Lougheed Mall, the Coquitlam Centre area (including Tri-Cities Central) and in the Burquitlam area all have very significant proposals from large development companies capable of delivering the projects, providing a much higher level of certainty to the development.

There are two analyses that follow. The first is in Table 23 on the following page providing a potential outlook for how the City could accommodate development *if* there were sufficient vacant land supply to accommodate some of the development. This analysis does take account of a large proportion of the space being providing in mixed-use projects, because of the development currently underway and proposed in the City.

Table 23: How Non-Residential Space Forecast Might be Accommodated if Coquitlam had Sufficient Vacant Land Supply

	Industrial	Commercial Retail and Service	Commercial Office	Institutional	Total
Total Space					
in 000s of m ²	403.3	278.0	101.1	442.3	1,224.7
in 000s of sq. ft.	4,341	2,992	1,088	4,761	13,183
Share Splits					
Mixed Use Developments	0.0%	50.0%	50.0%	20.0%	22.7%
Stand-Alone Buildings	100.0%	50.0%	50.0%	80.0%	77.3%
Space Built in Mixed-Use Developments					
in 000s of m ²	0.0	139.0	50.6	88.5	278.0
in 000s of sq. ft.	0	1,496	544	952	2,993
Space Built in Stand Alone Buildings					
in 000s of m ²	403.3	139.0	50.6	353.8	946.7
in 000s of sq. ft.	4,341	1,496	544	3,809	10,190
Average Building Density (FSI)	0.56	0.30	0.70	0.50	2.07
Land Area Needed for Stand Alone Buildings					
in ha	71.7	46.3	7.2	70.8	196.0
in acres	177.2	114.5	17.8	174.9	484.4

Source: Hemson Consulting, based on projections prepared by Metro Vancouver

How does the conclusion of this table fit with the vacant land availability in the City? The one area with a significant amount of undeveloped land within the Urban Containment Boundary is the General Urban area in northeast Coquitlam. This area is currently planned to be primarily residential and it would therefore accommodate some of the vacant land suggested in Table 23 for Commercial Retail and Service and Institutional and perhaps some office space. No Industrial lands are planned in this area, meaning that the largely exhausted supply of vacant industrial land is not likely to change. The overall conclusion on the vacant supply shown in Table 23 is that it does not exist and will not exist for much of the Retail, Office and Institutional land and for none of the Industrial.

How Coquitlam could accommodate the non-residential space growth in this forecast is suggested in the analysis in Table 24 on the following pages. The analysis shown indicates that the retail, office and institutional space needs are likely be met within the urban area on some vacant lands in the northeast but otherwise within the existing developed area, though there may be some challenges in competing for lands for other uses, particularly residential uses. Industrial, however, is a much different situation, where all development would need to rely on redevelopment to higher density industrial uses.

To date there has only been a limited amount of such industrial development anywhere in Metro Vancouver, though the recently completed, under construction and proposed industrial buildings in the King Edward Street area are likely to be a higher employment density than currently predominates in the City. However, the scenario shown in the table, to make up all of the forecast, very large parts of the industrial areas would need to redevelop. Redevelopment of industrial at this scale is would represent a significant deviation away from historic trends, and may not be possible for the City to fully achieve within the 30-year forecast window.

Table 24: How Might Coquitlam Accommodate the Forecast Space Growth?

Industrial Space		
4,000 jobs	<ul style="list-style-type: none"> • Develop remaining 7.1 ha of vacant industrial land at 50.0 jobs per ha 	<u>Jobs</u>
403,300 m ²	<ul style="list-style-type: none"> • Recent buildings developed on King Edward, building now under construction on King Edward, two other proposed industrial building on King Edward, proposed film studio west of Fraser Mills and current industrial proposal on Barnet Highway 	350
4,341,000 sq.ft.	<ul style="list-style-type: none"> • Redevelop one-third of lands currently classified as land intensive, Large-Scale Infrastructure or Transportation Infrastructure (redevelop 11.5 of 34.5 ha at 50.0 jobs per ha) 	1,560
	<ul style="list-style-type: none"> • Redevelopment in existing building intensive areas to raise the overall employment density on a portion of the 290 hectares of building intensive lands from 44 jobs per hectare to 56 jobs per hectare. Accommodating remaining 1,500 jobs this way would require redevelopment of 87 hectares, or nearly one-third of all building intensive industrial lands in Coquitlam. 	570
	<ul style="list-style-type: none"> • The probability of the level of industrial redevelopment suggested by the two previous points occurring is much lower than any other aspect of this forecast. The notion of 30% of a relatively modern industrial base redeveloping over a 30-year period seems like too much, too quickly and too early in the lifecycle of Coquitlam industrial base. The City will need to think carefully through how to facilitate change and increased density in its industrial areas. 	<u>1,520</u>
	Total jobs accommodated	4,000

Table 24: How Might Coquitlam Accommodate the Forecast Space Growth? (Continued)

Commercial Retail and Service Space		
7,500 jobs	<ul style="list-style-type: none"> The analysis above indicated that a significant amount of the new space (50% was assumed) could be provided as part of the coming wave of mixed use development planned for Burquitlam, the Lougheed Mall and as well as Coquitlam Centre and surrounding lands. 	<u>Jobs</u>
278,000 m ²	<ul style="list-style-type: none"> The recent TriCity Central proposal, for example, contains about 40,500 m² (435,000 sq. ft.) of retail, hotel and conference centre and would be about 15% of the total forecast Commercial Retail and Service Space over the 30 year period. 	In mixed-use redevelopment
2,992,000 sq. ft.	<ul style="list-style-type: none"> For stand-alone retail and service development there is little vacant land available to accommodate development, there a number of locations along Barnet Highway, and near Lougheed Mall and Coquitlam Centre where there is significant potential for retail intensification, as the market requires the space. 	3,750
		In redevelopment of vacant or under-utilized sites or additions to existing modern retail sites
		<u>3,750</u>
	Total jobs accommodated	7,500

Table 24: How Might Coquitlam Accommodate the Forecast Space Growth? (Continued)

Commercial and Institutional Office Space		
4,700 + 1,900 = 6,600 jobs	<ul style="list-style-type: none"> • Office buildings are dense both in terms of space per worker and in building density relative to most other uses. Very little land is required to be able to accommodate a significant amount of office development, even at suburban office densities with large areas of surface parking. 	<u>Jobs</u>
101,100 + 41,300 = 142,500 m ²	<ul style="list-style-type: none"> • Offices are also a high value use relative to other non-residential use, so can compete well when there are limited lands available. The market will take care of providing sufficient sites for office development if the demand materializes. 	<u>6,600</u>
1,534,000 sq. ft.	<ul style="list-style-type: none"> • Notably, the Tri-City Central proposal includes 15,800 m² (170,000 sq. ft.) of office space, representing about 11% of the 30 year forecast office space demand. 	
	Total jobs accommodated	6,600

Table 25: How Might Coquitlam Accommodate the Forecast Space Growth? (Continued)

Other Institutional Space		
7,700 – 1,900 = 5,800 jobs	<ul style="list-style-type: none"> Most institutional space (or, at least, the sites) are provided for through the planning process both in greenfield development and in the approval of redevelopment schemes. Schools make up much of the space in this category. There are also community centres, police, fire and ambulance stations, all of which are generally adequately planned for where there are new residential development adding population and demand for the services. The systems in place to provide public services and institutional spaces should be sufficient to realize the space demand. 	<u>Jobs</u>
442,300 – 41,300 = 401,000 m ² 4,315,700 sq. ft.		<u>5,800</u>
Total jobs accommodated		5,800

5. SWOC Analysis and Conclusions

This chapter summarizes the findings of the EL&ER study in the form of a high-level breakdown of the City of Coquitlam's strengths, weaknesses, opportunities, challenges, and final conclusions.

A. Strengths

- The City of Coquitlam benefits from its close proximity to beautiful natural landscapes, mountains, parks, and outdoor recreational amenities/activities. These natural assets are a draw for local residents, businesses, and visitors to the community alike.
- Coquitlam Centre is already well served by a well performing shopping centre and numerous other shops and services, serving as a major amenity to residents and those that work in the city.
- With the arrival of the Evergreen Line, central Coquitlam and the Burquitlam Lougheed corridor now have convenient access to the broader transportation network via SkyTrain. This provides valuable 2-way access to both potential customers and employees, and likely will serve to attract business that value such access.
- Coquitlam is home to a sizeable population of young adults and young families. While many of these individuals currently commute outside of the community for work, some may be amenable to finding work or starting business ventures closer to home.
- Coquitlam's industrial areas are active and fully occupied, indicating their desirability as a well-located industrial cluster with good access to major regional infrastructure.

- Comparatively low vacancy rates and recent rises in local rents suggest a latent and possible growing demand for office space in the City. Coupled with access to the SkyTrain network, local services, and its plethora of natural amenities, Coquitlam could potentially grow this inventory through strategic developments.
- There is a relatively high share of individuals working from home in professional, scientific and technical fields prior to the pandemic, a statistic which is anticipated will increase once the 2021 employment figures are released. As the pandemic wanes, these individuals may seek employment space closer to home without the need for a more traditional commute downtown.
- There are numerous established immigrant communities within Coquitlam's various neighbourhoods, representing a range of diverse tastes, identities and perspectives. This includes numerous clusters of businesses that offer specific goods and services that serve as emerging retail destinations.
- Coquitlam is home to Douglas College's David Lam campus and is also located close to Simon Fraser University's main campus on Burnaby Mountain. These institutions provide valuable education and skills training services which could be tapped to create a pipeline of emerging talent to local businesses.
- Coquitlam is a well-known location for on-location film production in the Lower Mainland. Located in close proximity to existing film studio infrastructure in neighbouring Vancouver and Burnaby, Coquitlam's film office provides a 'one-stop' shop for location permits and production support in the municipality.

B. Weaknesses

- Current commuting patterns corroborate Coquitlam's perception as a 'bedroom community', with a majority of local residents, particularly those that work in high-skill white collar fields of employment, commuting elsewhere to their place of employment.
- Related to this, Coquitlam is perceived to feature a relative lack of diversity in terms of employment opportunities across different fields and different types of employment land uses – particularly major office uses, but also some forms of entertainment and cultural activities.
- While Coquitlam's employment clusters are relatively healthy, they are also somewhat isolated from each other and their customers by geography. The arrival of the SkyTrain has helped to alleviate some gaps between the City Centre and west Coquitlam, but other areas are inconvenient to access without access to a personal automobile. Even then, the dispersed nature of these clusters requires a fair bit of travel time to journey between them, making casual trips between unlikely.
- Coquitlam's industrial lands are largely built out and feature zero vacancies, forcing new and expanding businesses to consider finding space elsewhere. Without serious options to add to the industrial land base, new development will need to make more intensified use of the existing land supply. Doing so may create new industrial employment space – but the built form and rent requirements to make such developments feasible may preclude certain industrial users from occupying the space. Other existing industrial businesses also run the risk of being displaced as a result of this transition via rising land costs and tax assessments.

- Coquitlam currently lacks a major institutional or office employer to serve as an anchor tenant to create momentum for the type of agglomeration economics that would encourage the further growth of a specific type of economic cluster.
- Though the arrival of the SkyTrain has improved access between Coquitlam and other parts of the region, the city remains somewhat on the periphery of the Metro Vancouver region with limited direct access to potential workers and visitors from further afield.
- There are few hotel or other lodging options for visitors to Coquitlam, and those that do exist are not located close to some of the major destinations for visitors (including Coquitlam Centre Park, Pinecone Burke Provincial Park, Minnekhada Regional Park, and the Hard Rock Casino). Airbnb and other short-term rentals have thus far not been sufficient to meet this demand and are likely creating undue competition on the existing housing supply.
- Housing affordability is a notable concern amongst both residents and employers, with rising costs making it difficult for many members of the workforce to find attainable housing options in the community where they work. This, in turn, is stifling growth for employers who are unable to find workers to meet their operational needs.
- Coquitlam's non-residential property tax rates are higher than some neighbouring municipalities, which makes it difficult for the city to attract both employers and new development when competing against municipalities with lower mill rates for office and industrial space.

C. Opportunities

- Leveraging its access to natural amenities and beautiful “picture-perfect” landscape, Coquitlam has the opportunity to actively promote itself as a desirable tourism destination. Continued investment in and marketing of its natural and cultural features, alongside promotion of various civic events with the support of local businesses could do much to improve Coquitlam’s standing as a destination rather than a place in between.
- Coquitlam also has the potential to leverage this linkage to nature as part of the appeal to attract specific types of business and entrepreneurs that see themselves reflected in the values that the community has to offer.
- Coquitlam is projected to be one of the faster growing communities in the region, creating momentum for additional economic attraction to the area over the next 30-years.
- Pandemic-induced shifts to work-from-home arrangements could eventually lead to an increased demand for satellite office space for businesses that are seeking to attract workers that are no longer amenable to long commutes to the downtown.
- Despite the impacts of the COVID-19 pandemic on the commercial retail sector, Coquitlam has the opportunity to recapture the retail market through local business and shopping centres that bring in regional spending. The primary driver behind commercial retail sales is the new retail sector, commercial-services, and restaurants. Coquitlam has the opportunity to expand its commercial retail service outward to out-of-town services and draw in customers from nearby locations within the region.

- Discussions regarding further eastward expansion of the SkyTrain network would open up additional labour and visitor opportunities from growing communities to the east of Coquitlam, including Port Coquitlam, Pitt Meadows and Maple Ridge.
- Coquitlam's large, well-located industrial parcels are likely prime candidates to benefit from the emerging trend towards industrial intensification and redevelopment, if their economic activities can be protected for from encroachment from sensitive uses.
- The development of a new convention centre and office development in Coquitlam Town Centre has the potential to attract both regional events and spin-off economic opportunities and multipliers for surrounding businesses.
- Continued development of the trail system in north and eastern Coquitlam has the potential to both improve access to nature for existing residents and create an additional draw for various tourism related activities, drawing a broader range of visitors to the community.
- Increased recognition of the risk of climate change and the need for climate mitigation indicate a growing area of economic development linked to climate resiliency. The City of Coquitlam has an Environmental Sustainability Plan²⁶ (ESP) that incorporates goals and objectives to help guide future decisions and long-term resiliency. There are numerous opportunities for economic development to support the objectives of the ESP, while also serving to attract new

²⁶ City of Coquitlam. 2022.

<https://www.coquitlam.ca/DocumentCenter/View/5722/Environmental-Sustainability-Plan-Highlights-PDF>

green-tech and sustainability focused businesses that share Coquitlam's climate priorities.

- Leveraging Coquitlam's participation in Project Greenlight²⁷ to assist in the adoption of the City's Technology Strategy and the strategic implementation of other corporate initiatives. This could include innovative approaches to blend together the goals of the ESP with that of the EDS by attracting private sector partners that share the City's vision and priorities.

D. Challenges

- A major challenge the City of Coquitlam faces is the need to re-brand itself as a business-friendly complete community. Re-branding the City of Coquitlam and increasing marketing/advertising of major attractions can make the City a more competitive destination that draws in people from neighbouring towns.
- Competing needs for affordable housing and affordable employment space may limit the amount of each the City can realistically expect to require as a condition of new development without other significant abatements of financial incentives.
- Without a minimum commercial replacement policy, the redevelopment of existing commercial properties in new mixed-use residential formats may result in the net loss of commercial retail and service space, eroding the supply of street front retail in key locations.

²⁷ Project Greenlight is a regional membership-based initiative and procurement platform managed by the Vancouver Economic Commission that strategically links public and private sector asset holders with local innovators. The platform supports the development of the technology ecosystem via mentorship, coaching opportunities and partnership tools to amplify local and regional start-ups.

- The erosion of the viability of Coquitlam’s remaining industrial lands in the face of residential encroachment. Without conflict mitigation measures and strong policy direction to ensure their continued and long-term protection, sensitive uses like residential may inhibit the day-to-day operations of nearby industrial businesses, discouraging investment and potentially encouraging additional industrial land conversions to non-industrial uses.
- The lack of new land to expand the existing industrial land base may make it challenging to compete for certain industrial uses that will find it more cost effective to locate further out into the Fraser Valley.
- Continued uncertainty in office occupancy patterns and preferences may mean anticipated demand for office space may be mitigated or may fail to materialize. Increased competition as more new supply comes online in Vancouver and other markets may also make it difficult for Coquitlam to compete with other markets that have traditionally been preferred locations for office-based businesses.
- The dispersed geographic nature of Coquitlam’s employment nodes could result in diluted supply and discourage the kinds of clustering and agglomeration economics necessary for the city to compete with other, more concentrated nodes of business activity, particularly in the case of office employment.
- Global and national economic headwinds stemming from rising inflation and interest rates could blunt investment activity and slow the rate of employment and economic growth in the near term. Recognizing these risks, the EDS should take a long-term view while identifying strategies and supports to help the community weather economic cycles and proactively position itself to emerge from any downturns that may occur.

E. Conclusions and Key Takeaways

The analysis from this EL&ER report indicates that Coquitlam stands at a potential inflection point in its economic development. The arrival of the SkyTrain, changing locational preferences, and even the shifts caused by the COVID-19 pandemic all serve as potential points of opportunity for the city to grow its economic base, and its role on the regional economy.

Coquitlam already exhibits many characteristics and features that will provide a solid foundation to build future economic success upon, including a close connection to nature, an established history of industry and innovation, and a community rich in culture.

Based on the review of these features and the trends, the analysis of local and regional employment forecasts indicate demand across a range of employment land uses that will present opportunities, should the City be prepared to meet them. Building on the emerging framework of **People, Place** and **Partnerships** developed in Appendix A, the key takeaways for the EDS to consider are summarized as follows:

i. **People**

- Coquitlam is poised to become one of the fastest growing communities in the Metro Vancouver region between now and 2051. Demand for services and businesses that support the community will grow with this population, while also creating the potential to attract other economic functions, particularly in Commercial Office space.
- The city is home to a diverse range of residents representing different ages, experiences, cultures and perspectives. The range of economic activities supported by the City should reflect this diversity, including planning for jobs across the whole economic spectrum – accounting for different fields of work, skill sets, educations, and abilities.

- The City can expand the linkages between existing and new educational and technical institutions, people and businesses located in Coquitlam, creating a pipeline of talent that creates opportunity, supports innovation, and meets the changing needs of the economy all within the community.
- Affordability of housing and employment space will both be critical to future economic opportunities. Without attainable housing, local businesses will continue to struggle to attract local workers.
- Opportunities to grow Coquitlam's office market will depend on peoples' locational preferences as we emerge from the pandemic. Coquitlam's high share of professionals working from home could be attracted to a well-serviced and well-connected office cluster, depending on if the City is able to attract a sufficient degree of new space and businesses to create the momentum for such a hub.

ii. **Place**

- By leveraging infrastructure and community amenities, Coquitlam could establish itself in the region as a vibrant economic hub north of the Fraser River.
- Market data indicates Coquitlam already features a number of well occupied, active, and in demand employment lands, but they are somewhat dispersed across a broad geography. Improving linkages between these areas and the broader community will support their continued operation and growth.
- A limited supply of industrial lands means that Coquitlam will need to both protect its remaining industrial land supply, while seeking new ways to encourage strategic reinvestment in existing sites to gradually intensify their use, without preventing future industrial uses.

- Coquitlam’s natural environment and network of green, communal and recreational spaces provide a competitive advantage in attracting and retaining talent to the area, as well as business investment. The City should continue to seek ways to protect and leverage these assets as part of its economic development planning, with a key focus on resiliency and climate mitigation.
- The creation of complete, walkable and attractive community hubs will serve the City as strategic locations to attract investment while providing a range of employment opportunities, services and amenities. Given its broad geography, Coquitlam will need to be careful not to dilute investment by stretching it across too broad an area, while ensuring residents have equitable access to these locations through reliable transit and active transportation options.
- Coquitlam’s access to nature and community amenities presents various opportunities to encourage the growth of tourism and other visitor-focused business activities. Active and coordinated marketing campaigns, in cooperation with local businesses, events and cultural organizations will be critical to realizing this potential.
- Coquitlam’s shortage of hotels and other lodging options may restrict opportunities to attract visitors for business and cultural events. It may also prove a bottleneck for investment in certain priority economic areas, including the film and creative industries.
- City owned lands in strategic locations represent keystone opportunities to develop the kind of spaces necessary to attract foundational economic functions and anchor tenants to the area.

iii. Partnerships

- To compete with regional neighbours, Coquitlam will need to offer a comprehensive and complete mix of land use policies, business supports, and incentives to attract investment and encourage the development of preferred forms of employment space.
- Positioning the municipality as a partner in economic development through the continued development of business supports, process reviews, targeted grants and investments, and offering strategic incentives will pay dividends towards establishing Coquitlam's regional reputation as being 'open for business'.
- Efforts to engage and collaborate with neighbouring First Nations as partners in the development of the community present meaningful opportunities to make progress towards economic reconciliation, whilst also offering valuable linkages between the past and future.
- Coquitlam features an already established community of small businesses, entrepreneurs and home-based businesses. By supporting their operation and improving linkages with the broader business community, the City stands to encourage local innovation and grow local 'made in Coquitlam' enterprises.
- By leveraging existing and developing new partnerships with local educational institutions, Coquitlam can help to ensure the right programs are being offered to meet local business needs, and that students have meaningful opportunities to connect with employers.
- Continued cooperation and support between the City and local Business Improvement Areas, local business owners, community organizers, and arts and culture organizations will foster Coquitlam's local economic ecosystem as a collaborative and resilient place to work and do business.