To: Industrial Lands Strategy Task Force

From: Gord Tycho, Senior Planner, Regional Planning

Date: January 22, 2019

Meeting Date: February 14, 2019

Subject: Regional Industrial Lands Strategy: Survey of Industrial Users

RECOMMENDATION
That the MVRD Board receive for information the report dated January 22, 2019, titled “Regional Industrial Lands Strategy: Survey of Industrial Users”.

PURPOSE
To provide the Industrial Lands Strategy Task Force with the results of a survey of industrial users undertaken as part of the Regional Industrial Lands Strategy project.

BACKGROUND
As part of developing the Regional Industrial Lands Strategy, a series of white papers, reports, and other deliverables are under development. In 2018, the Task Force expressed interest in better understanding the issues and challenges facing industrial users and tenants in the region. The consultant report is now ready for Task Force consideration.

INDUSTRIAL BUSINESS ISSUES AND CHALLENGES
A review of the issues and challenges facing industrial lands and industrial stakeholders was undertaken in July 2018 and the results, reported out to the Task Force were grouped into the following four categories:

- A constrained land supply;
- Pressures on industrial lands from other uses;
- Site issues; and
- Governance (i.e. complexity and the need for regional coordination).

In 2018, the Task Force received a presentation from the Vancouver Economic Commission (VEC) on their recently released report “Industrial Insights – Vancouver 2018”. In an effort to better understand the issues and challenges being faced by industrial firms and operators in the region, to query whether and how the findings of the VEC report are reflected throughout the region, and to identify additional findings based on the geographical and sectoral differences in other member jurisdictions, Metro Vancouver undertook a survey of industrial users. In developing the survey, staff worked with VEC and leveraged their survey to bring some level of consistency and ability to extrapolate findings.
SURVEY METHODOLOGY

Questionnaire and Approach
The online survey questionnaire was designed by Metro Vancouver and included up to 43 questions, taking an average of 15 to 20 minutes to complete, and covering the following topic areas:

- profile of businesses;
- challenges and opportunities;
- building and tenure;
- location and space requirements; and,
- suppliers and markets.

To encourage participation, Metro Vancouver staff sent a series of reminder emails to those invited to complete the survey. Additional phone calls were undertaken to further encourage participation by staff and Mustel Group, the consultant that was contracted to assist with compiling and interpreting the results.

Sampling and Fieldwork
The survey fieldwork period ran from November 23, 2018 to December 16, 2018. A targeted list of survey invitees was designed by staff to ensure a variety of industrial firms that met certain qualifying criteria, namely: business sector, business size, and distributed geographic location.

The list was augmented with a similarly targeted list of qualifying businesses sourced from a publicly available database (i.e. Dun and Bradstreet). Business sectors included: Manufacturing/production/materials; Transportation/storage/wholesale-distribution; Service/repair; Deign/R&D/Professional Services; Arts/Culture/Rehearsal; and Retail/Restaurant.

A total of 504 survey invitations were distributed by email and 66 surveys were completed, which translates into a response rate of 13%.

SUMMARY OF FINDINGS
Metro Vancouver contracted the Mustel Group to support the implementation of the online survey, complete data analysis, and develop key findings. Attached is Mustel’s compilation and analysis of the survey results (Attachment). Various information was analyzed and summarized under the questionnaire topic areas. This staff report highlights key findings under Challenges and Opportunities, Building and Tenure, Location and Space Requirements, and Suppliers and Markets.

Challenges
Respondents were asked to identify their top challenges from a list of challenges. Finding and retaining qualified employees (77%) and increased operational costs (75%) were identified as the biggest challenges. For those citing operational costs, the main components include input materials, property tax and rent. Other notable challenges include:

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1 A range exists because a particular response to some questions triggers additional questions.
• Transportation and parking (41%); Finding and retaining affordable land (34%);
• Regulatory issues (31%); Competition in the market (30%);
• Lack of skills/knowledge/need for mentorship (25%); and
• Finding and retaining affordable building space (22%).

Opportunities
Respondents were asked to identify their top opportunities from a list of opportunities. The most common opportunities foreseen by businesses for the next 5 years focus on opportunities for expansion or growth of their businesses. For more than half of participating businesses, the most commonly cited opportunity in the next five years, is “Scaling up current operations” (56%).

Building and Tenure
On average, businesses have been in their current space for 15 years. 90% of respondents occupy the first floor of their location, with two-thirds of them stating they would be unable to occupy upper floors, primarily citing the need for loading bays, use of heavy equipment, and needed warehouse space.

53% of respondents are located in single tenant locations, while 44% are located in multi-tenant spaces. Approximately two thirds of businesses are located in leased buildings and a third own their space. The stated preference in terms of tenure is for fee simple owned space. Affordability is the main barrier to change.

Location and Space Requirements
Approximately 80% of respondents report that their space (leased or owned) accounts for 20% or less of business expenses; 56% say their space accounts for 10% or less of their business expenses.

The cost of land/lease rate is a paramount consideration in choosing a location for businesses (71%), followed by the availability of outdoor space (57%), and freight movement space (41%). Approximately 70% of businesses say their existing space fully meets their needs, with 10% of businesses anticipating relocation in the next 10 years, most commonly within Metro Vancouver (35%) or to the Fraser Valley (48%).

Location of Suppliers and Markets
Suppliers used by businesses are most commonly located in Metro Vancouver (50%), with smaller groups of suppliers coming from the US (18%), Fraser Valley (12%), outside the province in Canada (11%), or internationally (7%). In terms of markets for their products or services, the majority distribute within the region (65%), followed by the US (13%), Canada outside of BC (12%), and internationally (9%).

STAFF ANALYSIS
The objective of the survey was to better understand the issues and challenges facing industrial users in the region. Land availability and affordability are clearly important topics, with one third of respondents ranking availability of space, and 57% ranking affordability of space (measured as rent under operating costs) as their biggest challenges. These findings may imply that there are sharp divisions among industry sector needs and experiences in the market. That said, if these same
surveyed businesses were to move (and only 10% say they plan to in the next 10 years), almost three quarters say they would move to another location in Metro Vancouver or the Fraser Valley. This finding implies that the Lower Mainland would not lose the economic benefits of many of these businesses, should they relocate. Of course, benefits will be lost from those that do leave, and for those that stay, economic costs and environmental externalities associated with increased supply and distribution logistics chains may increase.

It is important to note, however, that the sample size of this survey should draw caution to any conclusions. It is also noted that the survey results represent aggregated responses from all sectors. Staff recognize and appreciate that each industry sector will have its own market challenges.

Finally, it is beneficial to compare the survey results with the results of two other recent and similar initiatives: Vancouver Economic Commission’s 2018 Industrial Insights Survey and the Issues and Challenges workshop undertaken by Metro Vancouver staff in July 2018 as part of the Regional Industrial Lands Strategy.

**Relationship to the Vancouver Economic Commission’s 2018 Industrial Insights Survey**

The 2018 VEC survey focused on businesses occupying both industrial and employment lands in the City of Vancouver, and analyzed findings based on the following business sectors: Manufacturing/production/materials; Transportation/storage/wholesale-distribution; Service/repair; Design/R&D/Professional Services; Arts/culture/rehearsal; and Retail/restaurant.

The VEC survey captured businesses that include ‘traditional’ sectors (such as production, distribution, and repair), businesses in emerging sectors with some industrial characteristics (i.e. film, clean technology, bio-tech), and businesses in some non-industrial sub-sectors. Due to the inclusion of the latter sub-sectors and of activities on the City’s employment lands, the opinions of various businesses that may be regarded as non-industrial (i.e. animal services) were also captured. VEC received a response rate of approximately 10% from the 1,892 businesses contacted to complete the 2018 Industrial Insights Survey.

In contrast, the Metro Vancouver survey focused on businesses occupying industrial lands identified as such in the Metro Vancouver 2015 Industrial Lands Inventory. For further clarity, businesses across Metro Vancouver considered to be ‘Non-industrial’ or ‘Employment’ (according to the working definition of ‘industrial’ for the Regional Industrial Lands Strategy) were excluded from the Metro Vancouver survey. Consequently, there are differing responses (by sector and in aggregate) between the two surveys.

The VEC survey report provides contextual highlights for market trends in food processing, apparel, industrial technology, cleantech, biotech, and digital entertainment. Industrial technology, for example, which includes activities in cleantech, biotech, agritech, and robotics, can be classified as professional services or office businesses, but increasingly, these firms seek space to house R&D, production, and distribution activities. These sectors are experiencing growth in the region, do not always conform to traditional office settings, and sometimes require ‘commercial – industrial’ hybrid

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2 Businesses involved in, for example, renewable energy, wastewater processing, green buildings.
spaces. Research undertaken by Metro Vancouver in 2018 as part of the Regional Industrial Lands Strategy on the rise of the innovation economy\(^3\) echoes these findings by drawing attention to the space needs of up-and-coming businesses utilizing emerging technologies.

In terms of the VEC survey findings, the top three challenges for industrial businesses in the City of Vancouver were increased operational costs, finding or keeping qualified employees, and gaining access to affordable operating spaces. Similarly, for the Metro Vancouver User Survey, the top two challenges were ‘Finding and retaining qualified employees’ (77%) and ‘increased operational costs (including input materials, property tax, and rent)’ (75%). Finding and retaining affordable land (34%) was also deemed important. Although the smaller sample size of the Metro Vancouver User Survey should draw caution to any results, these issues appear to be reflected in the region at large.

**Relationship to Metro Vancouver’s 2018 Issues and Challenges Workshop**

A review of the issues and challenges regarding industrial lands in the region was undertaken with (primarily) municipal stakeholders in July 2018 and the results were grouped into the following four categories:

- a constrained land supply;
- pressures on industrial lands from other uses;
- site issues; and
- governance (i.e. complexity and the need for regional coordination).

The findings of the Metro Vancouver User Survey largely reflect the issues and challenges of municipal stakeholders under the category ‘constrained land supply’. Specifically, and with respect to land availability and affordability, the workshop stakeholders highlighted the high demand for (and lack of availability of) industrial lands, as well as record low vacancy rates. A regional scarcity of employment lands in general, and larger parcel sizes in particular (15+ acres), was also noted. Similarly, the Metro Vancouver survey of industrial users identified land availability and affordability as an important topic, with one third of respondents ranking availability of space, and 57% ranking affordability of space (measured as rent under operating costs) as their biggest challenges. Again, these issues appear to be reflected in the region at large from both a municipal and industrial user perspective.

**ALTERNATIVES**

This is an information report. No alternatives are presented.

**FINANCIAL IMPLICATIONS**

There are no financial implications associated with this report.

**SUMMARY / CONCLUSION**

This report provides the Industrial Lands Strategy Task Force with results from the industrial users’ survey undertaken as part of the Regional Industrial Lands Strategy project. The Strategy’s scope of

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work includes the completion of a number of background studies, including exploring the issues and challenges of stakeholders and industrial users in the region. This survey targets the industrial users in the region.

It appears that businesses identified their greatest opportunities as acquiring new equipment/automation and expanding into new markets. Conversely, their greatest challenges include finding and retaining qualified employees and increased operational costs (material, property tax, rent). With regard to land and affordability, it appears that although the cost of land/lease rate is a paramount consideration for locating a business, only 1 in 4 businesses would choose an alternative tenure arrangement, 72% say their current space meets their needs, and only 10% of businesses anticipate relocating in the next 10 years. If they were to move, approximately one third say they would move to another location within Metro Vancouver and half say they would move to another location in the Fraser Valley.

When compared with the 2018 VEC survey results, the most commonly mentioned challenges faced by businesses across the region appear to be focused around increased operational costs, finding and retaining qualified employees, and finding affordable business space. Similar issues arose from the Metro Vancouver issues and challenges workshop where stakeholders highlighted the high demand for (and lack of availability of) industrial lands as well as record low vacancy rates. A regional scarcity of employment lands in general, and larger parcel sizes in particular (15+ acres), was also mentioned. It is important to note, however, that the sample size of this survey should draw caution to any conclusions in this report. It is also noted that the survey results represent aggregated responses from all sectors. Staff recognize and appreciate that each industry sector will have its own market challenges.

**Attachment:** Report titled “Metro Vancouver Industrial Lands Research – Survey Results”, dated December 2018  (Orbit Doc #28324528)
Metro Vancouver
Industrial Lands Research

Survey Results

December 2018

Presented to:

Metro Vancouver
Burnaby, BC
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- Questionnaire
Executive Overview

Background and Objectives

Seeking to ensure sufficient industrial land to meet the needs of a growing and changing regional economy, Metro Vancouver Regional Government conducted market research in support of a Regional Industrial Lands Strategy.

The Strategy has been designed to identify a series of recommendations for a broad range of stakeholders centred around four main issue areas:

- Constrained land supply;
- Pressures on industrial lands;
- Site issues; and,
- Governance – complexity and need for regional coordination.

Metro Vancouver was interested in leveraging the work completed by the Vancouver Economic Commission (VEC) in their 2018 Industrial Insights Survey to explore whether and how their findings are reflected throughout the Metro Vancouver region, and to identify additional findings based on the geographical and sectoral differences found in different parts of the region.

The survey employed by Metro Vancouver uses the VEC survey as a framework with some minor amendments made to it by Metro Vancouver to meet regional needs and to reflect learnings from VEC.

Metro Vancouver designed the survey, developed the sample frame and fielded the questionnaire online, Mustel Group Market Research was then engaged to process the resulting data and report the results.
Methodology

**Questionnaire:** The survey questionnaire was designed by Metro Vancouver and includes approximately forty questions, taking on average between 15 and 20 minutes to complete (see appendix). Respondents were not required to answer all questions and so response bases vary throughout.

**Approach:** To meet the data collection requirements, a similar approach was followed to that used by the Vancouver Economic Commission for their Industrial Insights survey, that of a self-administered, online survey. The questionnaire was programmed and hosted by Metro Vancouver who then, at the end of the fieldwork period, delivered survey data to Mustel Group for processing and reporting.

In order to encourage participation, Metro Vancouver sent a series of reminder emails to those invited to complete, and towards the end of the fieldwork period, Mustel Group made telephone follow-up calls to further encourage participation amongst those who had not yet completed a survey.

**Sampling:** The sampling frame was designed and built by Metro Vancouver and made up of a list of 504 businesses identified by Metro Vancouver for inclusion in the survey that met certain qualifying criteria (e.g. sector, size and location), augmented with a similarly targeted list of qualifying businesses sourced from a publicly available database (e.g. Dun and Bradstreet).

**Fieldwork:** The survey fieldwork period ran from 23 November 2018, until 16 December 2018, and resulted in a total of 66 completed surveys, a response rate of approximately 13%.

The results of these surveys are presented in this report. Due to the limited base sizes of the various sectors responding to the survey, results are analyzed, illustrated, and presented as “total answering.”
Key Findings

Profile of Businesses

- More than half of businesses surveyed are in manufacturing/production/material processing (56%).
- More than one-in-ten are in each of design/R&D/professional services (17%), transportation/storage/wholesale distribution (14%), and services/repair (11%).
- Among businesses in manufacturing/production/material processing, construction/renovation/contracting is the most common activity (30%), followed by metalworks/machining/fabrication (22%).
- Among those in transportation/storage/wholesale distribution, logistics operation is the most common activity (44%), followed by truck terminal/courier depot/taxi station (22%).
- Those in service/repair tend to be in equipment repair/service (57%).
- Those in design/R&D/professional services are primarily focused on engineering services (36%).
- Almost three-in-four report to be either designated and/or zoned as “industrial” (72%).
- The majority of businesses (63%) earn in excess of $5 million revenue per year; 30% earn between $1-$5 million.
- On average, these businesses employ 68 full-time employees, 6 part-time, and 5 contract/informal staff.
- The majority operate only during the day-time (78%) but 22% are 24-hour operations.

Challenges and Opportunities

- The two key challenges impacting business are:
  - Finding and retaining qualified employees (77%)
  - Increased operational costs (75%)
- Other notable challenges include:
  - Transportation/parking (41%)
  - Finding and retaining affordable land (34%)
  - Regulatory issues (31%)
  - Competition in the market (30%)
  - Lack of skills/knowledge/need for mentorship (25%)
  - Finding and retaining affordable building space (22%)
- Those who noted increased operational costs as a key challenge are almost equally as likely to attribute the increases to material costs (70%), property tax (60%), and rent (57%).
- In terms of their biggest opportunities in the next five years, the most common cited is:
  - Scaling up current operations (chosen by 56%)
Other notable opportunities, each mentioned by one-in-five or more businesses include:

- Acquiring new equipment/technology/automation (38%)
- Entering new local or regional markets (37%)
- Entering new national or international markets (37%)
- Pursuing collaborative opportunities / partnerships (29%)
- Developing new products / IP/ patents (24%)
- Developing new equipment / processes / technology (21%)

Building and Tenure

- Currently about half are in single tenant buildings and half in multi-tenant (primarily with separate operating spaces).
- Businesses on average have been in their current space 15 years.
- Most occupy the first floor (also known as the ground floor) of their building but about half are located on or also occupy the second floor or above.
- Two-thirds of those located on the first floor are unable to occupy a floor other than the ground floor. Loading/unloading of trucks, heavy equipment usage, warehouse needs with heavy items, heavy machinery, and need for direct access to outdoors (e.g., storefront) are the main reasons.
- Approximately two-thirds of businesses are in leased buildings, divided between triple net (37%) and gross (26%), and one-third own their building, primarily fee simple (27%).
- Those leasing pay on average $13.11 per square foot ($10.56 base and $2.56 additional).
- About one-in-four businesses would choose an alternative tenure arrangement in the same or other location if available. Their preference is for fee simple owned space.
- Affordability (available locations too expensive) is the main barrier to a change in tenure.

Location and Space Requirements

- Approximately 80% report that their space (leased or owned) accounts for 20% or less of the business expenses; 56% say their space accounts for 10% or less.
- On average, these businesses occupy 33,329 square feet of indoor space; the median or mid-point is 15, 250 square feet.
- Approximately 35% of indoor space is used for manufacturing/ processing/ repair/ fabricating, 29% for warehousing, 27% for office/ admin, 7% for labs/ R&D, and 3% for retail/ showroom/ gallery/display.
- In terms of outdoor space, on average businesses occupy 183,400 square feet (median 25,000 square feet).
- The majority of outdoor space is used for parking (61%) followed by outdoor storage (24%), utilities/ waste/ recycling containers/ onsite fueling (5%) washing/ material processing (4%) and social/ employee space (1%).
The cost of the land is the paramount consideration in the location of their business, followed by outdoor space, loading bays/freight movement space, proximity to clients, proximity to major roads/transportation routes, employee accessibility, and ground floor occupancy.

For the majority, their space fully meets their needs but for 28% it does not. More space in general and specifically for storage/warehouse are the primary needs.

10% of businesses anticipate relocating in the next 10 years, most commonly within the Metro Vancouver or Fraser Valley area.

Affordability of real estate and availability of labour are the two key drivers. Other factors include need for more land to expand, issues with their municipality, and need to reduce operational costs.

Location of Suppliers and Markets

On average, suppliers used by businesses replying to the survey are most commonly located in Metro Vancouver. Smaller groups of suppliers are also sourced from the US (18%), the Fraser Valley (12%), outside the province in Canada (11%) or internationally (7%); few are sourced from other parts of BC (2%).

In terms of markets for their products or services, the majority distribute within the region (65%), followed by the US (13%), Canada outside of BC (12%), and internationally (9%).

With respect to collaboration with other businesses that are nearby, the most common form of collaboration is purchasing of services or products, and selling their services or products to other businesses. Small groups also report sharing outdoor space and to lesser extent indoor space, and sharing technical expertise and community news and opportunities.

Summary

Among those businesses responding to this survey, most are currently in a space that meets their needs, having been at their location an average of about fifteen years. However, many see future opportunities for growth and expansion of their business in the next ten years while facing the key challenges of finding and retaining qualified staff, increased operational costs, and finding suitable, affordable land or building space, with many limited by the need for a ground/1st floor location.

So, a sizeable proportion think they will or might need to move in the next ten years, many of whom would move out to the Fraser Valley.

While following a similar design and methodology, few questions in this survey can be directly compared to the available results from the VEC Industrial Insights survey, however, the two surveys highlight some of the same, most commonly mentioned challenges faced by businesses across the region, that of “increased operational costs”, “finding and retaining qualified employees”, and “finding affordable building space”.

Metro Vancouver Industrial Lands, December 2018

Mustel Group Market Research
Industrial Lands Strategy Task Force
Detailed Findings

1.0 Profile of Businesses

1.1 Business Category

- More than half of businesses surveyed are in manufacturing/production/material processing (56%).
- More than one-in-ten are in each of design/R&D/professional services (17%), transportation/storage/wholesale distribution (14%), and services/repair 11%.

**Business Categories**

- Manufacturing/ Production/ Materials Processing: 56%
- Design/ R&D/ Professional Services: 17%
- Transportation/ Storage/ Wholesale-Distribution: 14%
- Service/ Repair: 11%
- Retail/ Restaurant: 2%
- Arts/ Culture/ Rehearsal/ TV Production: 2%

*Base: Total (n=66)*

Q.4 Business Category (select the option that best represents your business)?
Among businesses in manufacturing/production/material processing, construction/renovation/contracting is the most common activity, followed by metalworks/machining/fabrication.

Among those in transportation/storage/wholesale distribution, logistics operation is the most common activity.

Those in service/repair tend to be in equipment repair/service.

Those in design/R&D/professional services are primarily focused on engineering services.

<table>
<thead>
<tr>
<th>Business Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manufacturing/ Production/ Materials</strong></td>
<td>37</td>
</tr>
<tr>
<td>Construction/ Renovation/ Contracting</td>
<td>11</td>
</tr>
<tr>
<td>Metalwork/ Machining/ Fabrication</td>
<td>8</td>
</tr>
<tr>
<td>Machinery equipment</td>
<td>5</td>
</tr>
<tr>
<td>Materials Manufacturing</td>
<td>4</td>
</tr>
<tr>
<td>Food &amp; Beverage/ Animal Products</td>
<td>4</td>
</tr>
<tr>
<td>Recycling/ Composting/ Materials Processing</td>
<td>2</td>
</tr>
<tr>
<td>Chemical/ Mineral Processing</td>
<td>1</td>
</tr>
<tr>
<td>Woodworking/ Furniture Making</td>
<td>1</td>
</tr>
<tr>
<td>Computers/ Electronics/ Appliances</td>
<td>1</td>
</tr>
<tr>
<td><strong>Design/ R&amp;D/ Professional Services</strong></td>
<td>11</td>
</tr>
<tr>
<td>Engineering Services</td>
<td>4</td>
</tr>
<tr>
<td>BioSciences / LifeSciences / Medical Services / Laboratory</td>
<td>2</td>
</tr>
<tr>
<td>Cleantech/ Environmental Services</td>
<td>1</td>
</tr>
<tr>
<td>Architecture/ Design/ Consulting</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
</tr>
<tr>
<td><strong>Transportation/ Storage/ Wholesale-Distribution</strong></td>
<td>9</td>
</tr>
<tr>
<td>Logistics Operation</td>
<td>4</td>
</tr>
<tr>
<td>Truck Terminal/ Courier Depot/ Taxi Station</td>
<td>2</td>
</tr>
<tr>
<td>Packaging/ Distribution</td>
<td>1</td>
</tr>
<tr>
<td>Warehousing/ Stockyard</td>
<td>1</td>
</tr>
<tr>
<td>Recycling Depot/ Materials Sorting</td>
<td>1</td>
</tr>
<tr>
<td><strong>Service/ Repair</strong></td>
<td>7</td>
</tr>
<tr>
<td>Equipment Repair/ Service</td>
<td>4</td>
</tr>
<tr>
<td>Equipment/ Vehicle Rental</td>
<td>1</td>
</tr>
<tr>
<td>Animal Specialty Services</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td><strong>Arts/ Culture/ Rehearsal</strong></td>
<td>1</td>
</tr>
<tr>
<td>Film/ TV Production</td>
<td>1</td>
</tr>
<tr>
<td><strong>Retail/ Restaurant</strong></td>
<td>1</td>
</tr>
<tr>
<td>Grocery Store</td>
<td>1</td>
</tr>
</tbody>
</table>

NB: Due to the small base sizes for the business categories, distribution in the table is represented in actual numbers instead of percentages.
1.2 Land Designation

Almost three-quarters report to be either designated and/or zoned as “industrial”.

![Pie chart showing land designation percentages]

*Base: Total answering (n=65)*

Q.11) Is your business occupying land that is either DESIGNATED (in the local Official Community Plan) and/or ZONED (in the local government zoning bylaw) as “Industrial”?

1.3 Total Gross Revenue for 2017

The majority of businesses (63%) earn in excess of $5 million revenue per year, while almost one-third (30%) earn between $1-$5 million.

![Bar chart showing total gross revenue in 2017]

*Base: Total answering (n=57)*

Q.12) What was your business’ total gross revenue in 2017?

A healthy economy requires a diversity of business types and sizes. The following question is meant to understand the relative size of your business and in doing so, help us understand how business size is related to business requirements and concerns. Although responding to this question is beneficial to the survey, note that this question is optional.
1.4 Number of Employees

- On average, those businesses responding to the survey employ 68 full-time employees. Just over half of businesses employ part-time staff (56%), employing on average about 6 of them.
- The majority of businesses do not currently employ any contract or informal staff (69%), but those who do employ an average of 5 people.

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Full time</th>
<th>Part time</th>
<th>Contract/ informal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 9</td>
<td>17%</td>
<td>44%</td>
<td>69%</td>
</tr>
<tr>
<td>10 - 49</td>
<td>42%</td>
<td>44%</td>
<td>19%</td>
</tr>
<tr>
<td>50 +</td>
<td>41%</td>
<td>9%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Average**
- Full time: 67.7
- Part time: 5.8
- Contract/ informal: 5.1

1.5 Hours of Operation

- On weekdays, the majority of businesses operate only during the day-time (78%), but 22% are 24-hour operations.
- Less than half operate at weekends (45%), divided quite evenly between those operating daytime only (24%) and those operating 24-hours (21%).
2.0 Challenges and Opportunities

2.1 Key Challenges

The two key challenges impacting business are:

- Finding and retaining **qualified employees** (77%)
- Increased **operational costs** (75%)

Other notable challenges, each cited by one-in-five or more businesses include transportation/parking, finding and retaining affordable land, regulatory issues, competition, lack of skills/knowledge/need for mentorship, and finding and retaining affordable building space.

### Biggest Current Challenges Impacting Business

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finding/ keeping qualified employees</td>
<td>77%</td>
</tr>
<tr>
<td>Increased operational costs</td>
<td>75%</td>
</tr>
<tr>
<td>Transportation/ parking</td>
<td>41%</td>
</tr>
<tr>
<td>Finding/ retaining affordable land</td>
<td>34%</td>
</tr>
<tr>
<td>Regulatory issues</td>
<td>31%</td>
</tr>
<tr>
<td>Competition in the market</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of skills and knowledge/ need for mentorship</td>
<td>25%</td>
</tr>
<tr>
<td>Finding / retaining affordable building space</td>
<td>22%</td>
</tr>
<tr>
<td>Finding retailers/ researching new customers</td>
<td>17%</td>
</tr>
<tr>
<td>Supply chain challenges/ trade deals</td>
<td>17%</td>
</tr>
<tr>
<td>Strategic planning/ adapting to new business climate</td>
<td>11%</td>
</tr>
<tr>
<td>Shifts in consumer demand</td>
<td>11%</td>
</tr>
<tr>
<td>Access to capital/ financing</td>
<td>9%</td>
</tr>
<tr>
<td>Technology changes</td>
<td>6%</td>
</tr>
<tr>
<td>Crime/ safety</td>
<td>6%</td>
</tr>
<tr>
<td>Technology limitations</td>
<td>3%</td>
</tr>
<tr>
<td>IP development/ R&amp;D</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Base: Total answering (n=64)*

Q.14) Please identify the five biggest CURRENT challenges impacting your business (select the top five challenges)
2.2 Top Operational Cost Contributors

Those who noted increased operational costs as a key challenge are almost equally as likely to attribute the increases to material costs, property tax and rent.

**Top Operational Cost Contributors**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input material costs</td>
<td>70%</td>
</tr>
<tr>
<td>Property Tax</td>
<td>60%</td>
</tr>
<tr>
<td>Rent</td>
<td>57%</td>
</tr>
<tr>
<td>Relative value of Canadian currency</td>
<td>38%</td>
</tr>
<tr>
<td>Other</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Base: Total noted increased operational costs (n=47)
Q.15) You noted that increased operational costs are a big challenge for your business. Please select the top 3 most important operational cost contributors.*
2.3 Biggest Opportunities in the Next 5 Years

The most common opportunities foreseen by businesses for the next 5 years focus on opportunities for expansion or growth of their businesses.

For more than half of participating businesses, the most commonly cited opportunity in the next five years, is “Scaling up current operations” (56%).

Next most common, each cited by more than one-third of businesses include “acquiring new equipment/technology/automation”, “entering new local or regional markets”, and “entering national or international markets”.

Also, of note, 29% see opportunities for pursuing partnerships and other collaborative opportunities, one-quarter foresee development of new products (24%), and one-in-five will look to develop new equipment, processes or technology (21%).

Most Important Opportunities

<table>
<thead>
<tr>
<th>Opportunity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scaling up current operations</td>
<td>56%</td>
</tr>
<tr>
<td>Acquiring new equipment/technology/automation</td>
<td>38%</td>
</tr>
<tr>
<td>Entering new local or regional markets</td>
<td>37%</td>
</tr>
<tr>
<td>Entering new national or international markets</td>
<td>37%</td>
</tr>
<tr>
<td>Pursuing collaborative opportunities/partnerships</td>
<td>29%</td>
</tr>
<tr>
<td>Developing new products/IP/patents</td>
<td>24%</td>
</tr>
<tr>
<td>Developing new equipment/processes/technology</td>
<td>21%</td>
</tr>
<tr>
<td>Online sales or services</td>
<td>11%</td>
</tr>
<tr>
<td>Government funding/incentives</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

Base: Total answering (n=63)
Q.16) What do you see as your business’ biggest opportunities in the next five years? Select the top 3 most important opportunities
3.0 Building and Tenure

3.1 Building Type

Currently about half are in single tenant buildings and half in multi-tenant (primarily with separate operating spaces).

**Business Building Type**

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single tenant</td>
<td>53%</td>
</tr>
<tr>
<td>Multi-tenant, separate operating spaces</td>
<td>44%</td>
</tr>
<tr>
<td>Multi-tenant, shared operating space</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

*Base: Total answering (n=62)*

Q.20) Please identify the building type your business resides in:

3.2 Numbers of Years in Current Space

Businesses on average have been in their current space 15 years.

Businesses are divided quite evenly, with one-third who have been at their current location less than ten years, one-third between nineteen and twenty years, and one-third for twenty years or more.

**Number of Years**

<table>
<thead>
<tr>
<th>Years</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 9 years</td>
<td>34%</td>
</tr>
<tr>
<td>10 to 19 years</td>
<td>36%</td>
</tr>
<tr>
<td>20 to 29 years</td>
<td>16%</td>
</tr>
<tr>
<td>30 plus years</td>
<td>13%</td>
</tr>
</tbody>
</table>

*Base: Total answering (n=61)*

Q.21) How many years has your business resided in its current space?
3.3 Floors Occupied

Most occupy the first floor (also known as the ground floor) of their building but about half are located on or also occupy the second floor or above.

**Floor(s) of Building Business Occupies**

<table>
<thead>
<tr>
<th>Floor(s)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basement</td>
<td>2%</td>
</tr>
<tr>
<td>1st floor (ground floor)</td>
<td>90%</td>
</tr>
<tr>
<td>2nd floor or above</td>
<td>47%</td>
</tr>
</tbody>
</table>

*Base: Total answering (n=62)*

Q.22) What floor(s) of the building does your business occupy?

3.4 Ability to Occupy Other Floors

Two-thirds of those located on the first floor are unable to occupy a floor other than the ground floor. Loading/unloading of trucks, heavy equipment usage, warehouse needs with heavy items, heavy machinery, and need for direct access to outdoors (e.g., storefront) are the main reasons.

**Ability to Occupy Floor Other than Frist/ Ground**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>18%</td>
</tr>
<tr>
<td>No</td>
<td>68%</td>
</tr>
<tr>
<td>Maybe</td>
<td>14%</td>
</tr>
</tbody>
</table>

*Base: Total who occupy the first/ground floor (n=56)*

Q.24) Based on your business’ operating requirements, would you be able to occupy a floor other than the first/ground floor?

**Reason Not Able to Occupy Floor other than First/ Ground**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loading/unloading trucks</td>
<td>37%</td>
</tr>
<tr>
<td>Heavy equipment usage (in manufacturing, processing, etc.)</td>
<td>29%</td>
</tr>
<tr>
<td>Warehousing space (heavy items)</td>
<td>29%</td>
</tr>
<tr>
<td>Heavy machinerery usage (forklifts, etc.)</td>
<td>29%</td>
</tr>
<tr>
<td>Need access (storefront, outdoor testing, etc.)</td>
<td>24%</td>
</tr>
</tbody>
</table>

*Base: Total not able to occupy floor other than first/ground (n=38)*

Q.25) Please explain the operational requirements or other reasons for this.
3.5 Building Tenure

Approximately two-thirds of businesses are in leased buildings (divided between triple net and gross) and one-third own their building, primarily fee simple.

Tenure Arrangement

- Owned - fee simple: 27%
- Owned - strata: 7%
- Leased (triple net): 37%
- Leased (gross): 26%
- Other: 3%

*Base: Total answering (n=62)*

Q.23) With regard to your businesses' current space and tenure arrangement, is it:

3.6 Lease Rate

Those leasing pay on average $13.11 per square foot ($10.56 base and $2.56 additional).

Lease Rate Per Sq. Foot

- Total:
  - <$10: 7%
  - $10+: 93%
- Base:
  - <$10: 27%
  - $10+: 53%
- Additional:
  - <$10: 7%
  - $10+: 13%

*Base: Total who lease (n=15)*

Q.26) What is the lease rate per square foot per annum for your space?
### 3.7 Alternative Tenure Arrangement

One-in-four businesses would choose an alternative tenure arrangement in the same or other location if available, with a further 40% that “might”. Their preference is for fee simple owned space.

![Diagram showing the results of the survey regarding alternative tenure arrangement.](image)

**Would Choose Alternate Tenure Arrangement if Available**

- Yes: 23%
- No: 37%
- Maybe: 40%

**Potential Tenure Arrangement**

- Owned - fee simple: 62%
- Leased (triple net): 18%
- Leased (gross): 18%
- Other: 3%

### 3.8 Obstacle Preventing Change in Tenure

Affordability, that is available locations are too expensive, is the main barrier to a change in tenure. Other barriers include a simple lack of available space or space meeting their needs.

![Diagram showing the results of the survey regarding obstacles preventing change in tenure.](image)

**Obstacle Preventing Tenure Change**

- Available locations are too expensive: 41%
- Location or logistics of available location is not adequate: 18%
- No available space: 12%
- Building space of available location is not adequate: 6%
- Other: 24%

*Base: Total answering (n=62)
Q.27) Would you choose an alternate tenure arrangement in the same space or in another location if it was available?*

*Base: Total would or likely to choose alternate tenure (n=34)
Q.28) Would you choose:*

*Base: Total would or likely to choose alternate tenure (n=34)
Q.29) What is preventing you from making this tenure change? Check the most applicable obstacle listed below:*
4.0 Location and Space Requirements

4.1 Proportion of Business Expenses Attributed to Leasing/Owning

Approximately 80% report that their space (leased or owned) accounts for 20% or less of the business expenses, this includes 56% who say their space accounts for 10% or less of their business expenses.

Proportion of Expenses Attributed to Leasing/Owning

<table>
<thead>
<tr>
<th>Proportion</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>56%</td>
</tr>
<tr>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>30%</td>
<td>6%</td>
</tr>
<tr>
<td>40%</td>
<td>2%</td>
</tr>
<tr>
<td>50%</td>
<td>2%</td>
</tr>
<tr>
<td>60%</td>
<td>2%</td>
</tr>
<tr>
<td>90%</td>
<td>2%</td>
</tr>
<tr>
<td>100%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Base: Total answering (n=54)
Q.30) Approximately what proportion of your business’ expenses are attributed to leasing/owning your space?
4.2 Size of Indoor Space

On average, these businesses occupy 33,329 square feet of indoor space; the median or mid-point is 15,250 square feet.

Approximate Sq. Feet of Indoor Space

- Less than 5,000: 12%
- 5,000 to 9,999: 29%
- 10,000 to 19,999: 14%
- 20,000 to 49,999: 31%
- 50,000+: 15%

Average 33,329 Square Feet

Base: Total answering (n=52)
Q.31) Approximately how many square feet of indoor space does your business occupy?

4.3 Utilization of Indoor Space

Approximately 35% of indoor space is used for manufacturing/processing/repair/fabricating, 29% for warehousing, 27% for office/admin, 7% for labs/R&D, and 3% for retail/showroom/gallery/display.

Indoor Space Utilization

- Warehouse/Storage
  - 0
  - 1-24: 17%
  - 25-49: 40%
  - 50-74: 19%
  - 75-99: 17%
  - 100: 8%
  
  Average 28.5

- Lab/R&D/Prototyping
  - 0
  - 1-24: 17%
  - 25-49: 2%
  - 50-74: 6%
  - 75-99: 2%
  
  Average 6.6

- Manufacturing/Processing/Repair/Fabricating
  - 0
  - 1-24: 9%
  - 25-49: 13%
  - 50-74: 28%
  - 75-99: 15%
  
  Average 34.9

- Office/Administration
  - 0
  - 1-24: 6%
  - 25-49: 57%
  - 50-74: 21%
  - 75-99: 8%
  - 100: 4%
  
  Average 27.1

- Retail/Showroom/Gallery/Display
  - 0
  - 1-24: 23%
  - 25-49: 2%
  
  Average 2.6

Base: Total answering (n=53)
Q.32) How is your business’ indoor space utilized?
4.4 Size of Outdoor Space

In terms of outdoor space, on average businesses occupy 183,400 square feet (median 25,000 square feet).

Approximate Sq. Feet of Outdoor Space

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5,000</td>
<td>21%</td>
</tr>
<tr>
<td>5,000 to 9,999</td>
<td>8%</td>
</tr>
<tr>
<td>10,000 to 19,999</td>
<td>13%</td>
</tr>
<tr>
<td>20,000 to 49,999</td>
<td>18%</td>
</tr>
<tr>
<td>50,000 +</td>
<td>41%</td>
</tr>
</tbody>
</table>

Average 183,404 Square Feet

Base: Total answering (n=39)
Q.33) Approximately how many square feet of outdoor space does your business occupy?

4.5 Utilization of Outdoor Space

The majority of outdoor space is used for parking (61%) followed by outdoor storage (24%), utilities/waste/recycling containers/onsite fueling (5%) washing/material processing (4%) and social/employee space (1%).

Outdoor Space Utilization

Parking/Transportation>Loading

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Percentage</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>1 - 24</td>
<td>20%</td>
<td>60.5</td>
</tr>
<tr>
<td>25 - 49</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>50 - 74</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>75 - 99</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>22%</td>
<td></td>
</tr>
</tbody>
</table>

Outdoor Storage

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Percentage</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>33%</td>
<td>24.3</td>
</tr>
<tr>
<td>1 - 24</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>25 - 49</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>50 - 74</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>75 - 99</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

Outdoor Washing/Material Processing Space

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Percentage</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>67%</td>
<td>4.0</td>
</tr>
<tr>
<td>1 - 24</td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>25 - 49</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>50 - 74</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

Utilities/Waste & Recycling Containers/Onsite...

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Percentage</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>49%</td>
<td>5.4</td>
</tr>
<tr>
<td>1 - 24</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>50 - 74</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

Social/Employee Space

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Percentage</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>76%</td>
<td>1.4</td>
</tr>
<tr>
<td>1 - 24</td>
<td>24%</td>
<td></td>
</tr>
</tbody>
</table>

Base: Total answering (n=45)
Q.34) How is your business’ outdoor space utilized?
4.6 Location Factors

The cost of the land is the paramount consideration in the location of their business (71%), followed by outdoor space (57%), and loading bays/freight movement space (41%).

Other considerations, each noted by about one-in-five businesses, include proximity to clients, proximity to major roads/transportation routes, employee accessibility, and ground floor occupancy.

**Top 3 Location Factors**

- Cost of land/Lease rate: 71%
- Outdoor space (e.g., parking, storage, truck access): 57%
- Loading bays/Freight movement space: 41%
- Proximity to clients: 22%
- Proximity to major highways and transportation routes: 22%
- Proximity to employees/employee accessibility: 20%
- Ground floor occupancy: 20%
- High ceilings: 16%
- Proximity to suppliers: 6%
- Proximity to services and amenities: 6%
- Compatibility with surrounding land use: 2%
- Sustainability/energy efficiency: 2%
- Other: 4%

**Base:** Total answering (n=49)

Q. 35) Please indicate how important each factor is to the location of your business?

Top 3 most important factors
4.7 Current Space Meeting Business Needs

- For the majority of businesses surveyed, their space fully meets their needs but for 28% it does not.
- More space in general (47%) and specifically for storage/warehouse (40%) are the primary needs.

![Current Space Meets Business Needs](image)

*Base: Total answering (n=58)*

**Q.37** Does your space fully meet your business’ current needs?

![Reasons Space does not meet Current Business Needs](image)

*Base: Those whose space does not meet their current business needs (n=15)*

**Q.38** Please elaborate on why your space does not meet your business’ current needs.
4.8 Relocation Plans in the Next 2 Years

One-in-ten businesses anticipate relocating in the next 10 years, with a further one-third that thinks they “might”.

These businesses would most commonly consider moving within the Metro Vancouver or Fraser Valley area.

**Anticipate Moving in Next 2 Years**

![Chart showing percentages of businesses anticipating moving](chart)

*Base: Total answering (n=63)  
Q.17) In the next two years do you anticipate your business will relocate to another area/city/region?*

**Possible Relocation Area**

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Metro Vancouver</td>
<td>35%</td>
</tr>
<tr>
<td>The Fraser Valley</td>
<td>48%</td>
</tr>
<tr>
<td>The rest of BC</td>
<td>--</td>
</tr>
<tr>
<td>The rest of Canada</td>
<td>4%</td>
</tr>
<tr>
<td>The United States</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Base: Total would or likely to relocate in next 2 years (n=23)  
Q.18) Where would you likely relocate?*

4.9 Relocation Plans in the Next 2 Years

Affordability of real estate and availability of labour are the two key drivers for relocating. Other factors include the need for more land to expand, issues with their municipality, and the need to reduce operational costs.

**Reason for Relocating**

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable real estate/ better lease options</td>
<td>36%</td>
</tr>
<tr>
<td>Availability of labour</td>
<td>36%</td>
</tr>
<tr>
<td>Expansion/ lack of industrial space</td>
<td>27%</td>
</tr>
<tr>
<td>Issues with Municipality</td>
<td>23%</td>
</tr>
<tr>
<td>Reducing operational costs</td>
<td>18%</td>
</tr>
</tbody>
</table>

*Base: Total would or likely to relocate in next 2 years (n=22)  
Q.19) Please elaborate on why you anticipate your business will relocate?
5.0 Suppliers and Markets

5.1 Location of Suppliers

On average, suppliers used by businesses replying to the survey are most commonly located in Metro Vancouver. Smaller groups of suppliers are also sourced from the US (18%), the Fraser Valley (12%), outside the province in Canada (11%) or internationally (7%); few are sourced from other parts of BC (2%).

Location of Suppliers

- **Metro Vancouver**
  - 0: 4%
  - 1 - 24: 25%
  - 25 - 49: 16%
  - 50 - 74: 22%
  - 75 - 99: 25%
  - 100: 8%
  - **Average**: 49.9

- **Fraser Valley**
  - 0: 37%
  - 1 - 24: 47%
  - 25 - 49: 10%
  - 50 - 74: 6%
  - **Average**: 12.1

- **The Rest of BC**
  - 0: 82%
  - 1 - 24: 18%
  - **Average**: 1.7

- **The Rest of Canada**
  - 0: 43%
  - 1 - 24: 41%
  - 25 - 49: 10%
  - 50 - 74: 2%
  - 75 - 99: 4%
  - **Average**: 11.5

- **The United States**
  - 0: 33%
  - 1 - 24: 51%
  - 25 - 49: 4%
  - 50 - 74: 8%
  - 75 - 99: 4%
  - **Average**: 17.5

- **Other International**
  - 0: 69%
  - 1 - 24: 20%
  - **Average**: 7.3

*Base: Total answering (n=49)  
Q.39) Where are your suppliers located?*
5.2 Location of Markets for Products and Services

In terms of markets for their products or services, they are, on average, most commonly distributed within the region (65%), followed by the US (14%), Canada outside of BC (12%), and internationally (9%).

Markets for Products and Services

- **Regional (within Metro Vancouver BC)**
  - 0: 8%
  - 1 - 24: 16%
  - 25 - 49: 6%
  - 50 - 74: 10%
  - 75 - 99: 36%
  - 100: 24%
  - **Average 65.3%

- **National (rest of Canada outside BC)**
  - 0: 34%
  - 1 - 24: 44%
  - 25 - 49: 16%
  - 50 - 74: 6%
  - **Average 12.4%

- **The United States**
  - 0: 48%
  - 1 - 24: 30%
  - 25 - 49: 12%
  - 50 - 74: 8%
  - 75 - 99: 2%
  - **Average 13.5%

- **Other International**
  - 0: 76%
  - 1 - 24: 8%
  - 50 - 74: 12%
  - 75 - 99: 4%
  - **Average 8.9%

*Base: Total answering (n=50)*

Q.40) In what markets are your products/services distributed?
### 5.3 Collaboration with Other Local Businesses

- With respect to collaboration with other businesses that are nearby, the most common form of collaboration is purchasing of services or products, and selling their services or products to other businesses.

- Small groups also report sharing outdoor space and to lesser extent indoor space, and sharing technical expertise and community news and opportunities.

#### Collaboration with Other Local Businesses

<table>
<thead>
<tr>
<th>Collaboration Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase services/products from other businesses</td>
<td>58%</td>
</tr>
<tr>
<td>Sell services/products to other businesses</td>
<td>50%</td>
</tr>
<tr>
<td>Share outdoor space (e.g. for parking, storage, workspace etc.)</td>
<td>21%</td>
</tr>
<tr>
<td>Share technical expertise</td>
<td>14%</td>
</tr>
<tr>
<td>Share indoor space (e.g. for storage, workspace etc.)</td>
<td>8%</td>
</tr>
<tr>
<td>Share community-relevant news or opportunities</td>
<td>6%</td>
</tr>
<tr>
<td>Make bulk or joint purchases together</td>
<td>3%</td>
</tr>
<tr>
<td>Share equipment</td>
<td>2%</td>
</tr>
<tr>
<td>Combine deliveries to other regions</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
<tr>
<td>None</td>
<td>33%</td>
</tr>
</tbody>
</table>

*Base: Total (n=66)*

Q.41) In what ways does your business collaborate with other businesses that are located nearby?
Appendix
Metro Vancouver Industrial Lands Survey
(From Survey Monkey)

1. Business Name
2. Business Address
3. Postal Code

4. Business Category (select the option that best represents your business)
   1. Manufacturing / Production / Materials Processing
   2. Transportation / Storage / Wholesale-Distribution
   3. Service / Repair
   4. Design / R&D / Professional Services
   5. Arts / Culture / Rehearsal/ Film/ TV Production
   6. Retail / Restaurant
   Other (please specify)

5. Manufacturing / Production / Materials * Processing
   1. Construction / Renovation / Contracting
   2. Woodworking / Furniture Making
   3. Metalwork / Machining / Fabrication
   4. Computers / Electronics / Appliances
   5. Machinery / Equipment
   6. Chemical / Mineral Processing
   7. Food & Beverage / Animal Products
   8. Agritech / BioSciences / LifeSciences
   9. Cleantech / Advanced Manufacturing / Robotics
   10. Materials Manufacturing (Composites / Paper / Rubber / Plastic / Metal / Wood)
   11. Printing / Publishing
   12. Apparel / Textiles / Leather
   13. Jewelry / Accessories / Ceramics
   14. Recycling / Composting / Materials Processing
   Other (please specify)

6. Transportation / Storage / Wholesale-Distribution
   1. Fuelling Station
   2. Logistics Operation
   3. Packaging / Distribution
   4. Packing & Storage
   5. Truck Terminal / Courier Depot / Taxi Station
   6. Tourism / Transportation (including public tour operators)
   7. Warehousing / Stockyard
   8. Recycling Depot / Materials Sorting
   9. Utility
   Other (please specify)

7. Service / Repair
   1. Catering
   2. Laundry Services
   3. Automotive Repair / Service
   4. Equipment Repair / Service
   5. Product Repair / Service
   6. Photofinishing / Print Shop
   7. Equipment / Vehicle Rental
   8. Animal Specialty Service
   Other (please specify)
8. Design / R&D / Professional Services
   1. Digital Entertainment (Animation / Game Development / Visual Effects / Sound Design)
   2. Interactive Technologies / Augmented Reality / Virtual Reality
   3. BioSciences / LifeSciences / Medical Services / Laboratory
   4. Cleantech / Environmental Services
   5. Architecture / Design / Consulting
   6. Engineering Services
   7. Administration & Business Services
      Other (please specify)

9. Arts / Culture / Rehearsal
   1. Visual Arts
   2. Performing Arts
   3. Artisan / Crafts
   4. Event Space
   5. Film / TV Production
      Other (please specify)

10. Retail / Restaurant
     1. Lumber / Building Materials
     2. Café / Restaurant / Bakery
     3. Homewares / Furniture
     4. Apparel
     5. Consumer Goods
     6. Vehicle Sales
     7. Equipment / Vehicle Rental
     Other (please specify)

11. Is your business occupying land that is either DESIGNATED (in the local Official Community Plan) and / or ZONED (in the local government zoning bylaw) as ‘Industrial’?
     1. Yes
     2. No
     3. Don't know

12. What was your business’ total gross revenue in 2017?

   A healthy economy requires a diversity of business types and sizes. The following question is meant to understand the relative size of your business and in doing so, help us understand how business size is related to business requirements and concerns. Although responding to this question is beneficial to the survey, note that this question is optional. Responses will not be attributed.

     1. <$50,000
     2. $50,000 - $249,999
     3. $250,000 - $499,999
     4. $500,000 - $749,999
     5. $750,000 - $999,999
     6. $1 Million - $2 Million
     7. $2 Million - $5 Million
     8. $>5 Million

13. How many people does your business currently employ?
     1. Full time
     2. Part time
     3. Contract/Informal
14. Please identify the five biggest CURRENT challenges impacting your business (select the top five challenges)

1. Increased operational costs (e.g. taxes, materials)
2. Access to capital / Financing
3. Finding / Keeping qualified employees
4. Finding retailers / Reaching new customers
5. Finding / Retaining affordable land
6. Finding / Retaining affordable building space
7. Strategic planning / Adapting to new business climate
8. Competition in the market
9. Shifts in consumer demand
10. Technology limitations (e.g. equipment)
11. Technological changes (e.g. automation)
12. Lack of skills and knowledge / need for mentorship
13. IP development / R&D
14. Crime / Safety
15. Supply chain challenges / Trade deals
16. Regulatory issues (e.g. zoning, environmental, permitting)
17. Transportation / Parking

Other (please specify)

15. You noted that increased operational costs are a big challenge for your business. Please select the top 3 most important operational cost contributors.

1. Property Tax (if applicable)
2. Rent (if applicable)
3. Input material costs
4. Relative value of Canadian currency

Other (please specify)

16. What do you see as your business’ biggest opportunities in the next five years? Select the top 3 most important opportunities.

1. Entering new local or regional markets
2. Entering new national or international markets
3. Acquiring new equipment / technology / automation
4. Developing new equipment / processes / technology
5. Developing new products / IP/ patents
6. Pursuing collaborative opportunities / partnerships
7. Scaling up current operations
8. Online sales or services
9. Government funding/ incentives

Other (please specify)

17. In the next two years do you anticipate your business will relocate to another area / city / region?

1. Yes
2. Maybe
3. No

18. Where would you likely relocate?

1. Within Metro Vancouver
2. the Fraser Valley*
3. the rest of BC
4. the rest of Canada
5. the United States

Other (please specify)

*Fraser Valley is defined as areas east of Langley and west of Hope.
19. Please elaborate on WHY you anticipate your business will relocate?

20. Please identify the building type your business resides in:
   1. Single tenant
   2. Multi-tenant, separate operating spaces
   3. Multi-tenant, shared operating space
   Other (please specify)

21. How many years has your business resided in its current space? (round to the nearest half-year)

22. What floor(s) of the building DOES your business occupy?
   1. Basement
   2. 1st Floor (a.k.a. ground floor)
   3. 2nd floor or above

23. With regard to your business’ current space and tenure arrangement, is it:
   1. Owned – fee simple
   2. Owned – strata
   3. Leased (triple net)
   4. Leased (gross)
   Other (please specify)

24. Based on your business’ operating requirements, would you be able to occupy a floor other than the first / ground floor?
   1. Yes
   2. Maybe
   3. No

25. Please explain the operational requirements or other reasons for this.

26. What is the lease rate per sq. ft. per annum for your space?
   Base
   Additional
   Total

27. Would you choose an alternate tenure arrangement in the same space or in another location if it was available?
   1. Yes
   2. Maybe
   3. No

28. Would you choose:
   1. Owned – fee simple
   2. Owned – strata
   3. Leased (triple net)
   4. Leased (gross)
   Other (please specify)

29. What is preventing you from making this tenure change? Check the most applicable obstacle listed below:
   1. No available space
   2. Available locations are too expensive
   3. Location or logistics of available location is not adequate
   4. Building space of available location is not adequate
   Other (please describe)
30. Approximately what proportion of your business' expenses are attributed to leasing / owning your space?
   1. 10%
   2. 20%
   3. 30%
   4. 40%
   5. 50%
   6. 60%
   7. 70%
   8. 80%
   9. 90%
  10. 100%

31. Approximately how many square feet of indoor space does your business occupy?

32. How is your business' indoor space utilized? (Loosely estimate the percentage of total floor space used for each the following. Please ensure that your responses add up to 100%):
   a) Warehouse / Storage
   b) Lab / R&D / Prototyping
   c) Manufacturing / Processing / Repair / Fabricating
   d) Office / Administration
   e) Retail / Showroom / Gallery / Display
   f) Rehearsal / Events
   g) Other

33. Approximately how many square feet of outdoor space does your business occupy?

34. How is your business' outdoor space utilized? (Loosely estimate the percentage of total yard space used for each the following. Please ensure that your responses add up to 100%):
   a) Parking / Transportation / Loading
   b) Outdoor storage
   c) Outdoor washing / Material processing space
   d) Utilities / Waste & recycling containers / Onsite fueling
   e) Social / Employee space
   f) Other

35. Please indicate how important each factor is to the location of your business (Ranking the factors from most important at top, to least important at bottom. Drag and drop the answers to order them)
   a) Cost of land / Lease rate
   b) Outdoor space (e.g. parking, outdoor storage, truck access)
   c) Loading bays / Freight movement space
   d) High Ceilings
   e) Ground floor occupancy
   f) Proximity to clients
   g) Proximity to suppliers
   h) Proximity to employees / Employee accessibility
   i) Proximity to major highways & transportation routes (e.g. arterial roads, rail, airport)
   j) Proximity to services & amenities
   k) Compatibility with surrounding land use (e.g. residential areas)
   l) Sustainability / Energy efficiency
   m) Other

36. If other, please specify

37. Does your space fully meet your business' current needs?
   1. Yes
   2. No
38. Please elaborate on why your space does not meet your business’ current needs.

39. Where are your suppliers located? (Loosely estimate the percentage of suppliers in each area. Please ensure that your responses add up to 100%)
   1. Metro Vancouver
   2. the Fraser Valley*
   3. the rest of BC
   4. the rest of Canada
   5. the United States
   Other International

*Fraser Valley is defined as areas east of Langley and west of Hope.

40. In what market(s) are your products / services distributed? (Loosely estimate the percentage each market represents. Please ensure that your responses add up to 100%)
   1. Regional (within Metro Vancouver / BC)
   2. National (within the rest of Canada – i.e. outside of BC)
   3. United States
   Other International

41. In what ways does your business collaborate with other businesses that are located nearby? (select all that apply)
   1. Purchase services / products from other businesses
   2. Sell services / products to other businesses
   3. Share equipment
   4. Share vehicle(s)
   5. Share outdoor space (e.g. for parking, storage, workspace, etc.)
   6. Share indoor space (e.g. for storage, workspace, etc.)
   7. Make bulk or joint purchases together
   8. Combine deliveries to other regions
   9. Share technical expertise
   10. Share community-relevant news or opportunities
   11. None
   Other (please specify)

42. Please identify your business’ typical hours of operation:

<table>
<thead>
<tr>
<th></th>
<th>Daytime operation only</th>
<th>Night-time operation only</th>
<th>24 Hour operations</th>
<th>Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekdays</td>
<td>o</td>
<td>o</td>
<td>o</td>
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</tr>
<tr>
<td>Weekends</td>
<td>o</td>
<td>o</td>
<td>o</td>
<td>o</td>
</tr>
</tbody>
</table>

43. In general, is there anything else you would like us to know about your business?

44. Name of respondent
45. Position at company
46. Business Email address
47. Business Phone number

48. Would you be willing to be contacted if we have any follow up questions?
   1. Yes
   2. No