

2020

DOWNTOWN

OCCUPANCY STUDY



CITY OF
PRINCE GEORGE

2020 DOWNTOWN OCCUPANCY STUDY

The purpose of the Downtown Occupancy Study is to collect and analyze vacancy rates of retail/service and office use building space located in Prince George's Central Business District (CBD). This report will provide valuable information to help identify opportunities for redevelopment and revitalization in the CBD, as well as further downtown objectives proposed from the Official Community Plan (OCP). The study will examine four main aspects of occupancy in the CBD in Prince George: floor area available to retail/service and office use; vacant and leasable space; commercial high-rise vacancy, parcels of bare lands, and downtown use as a function of the total area.

The 2020 Downtown Occupancy Study will summarize data from study years 2012-2019, and 2020 study data will be contrasted with these previous years to help illustrate historical trends.

METHODOLOGY

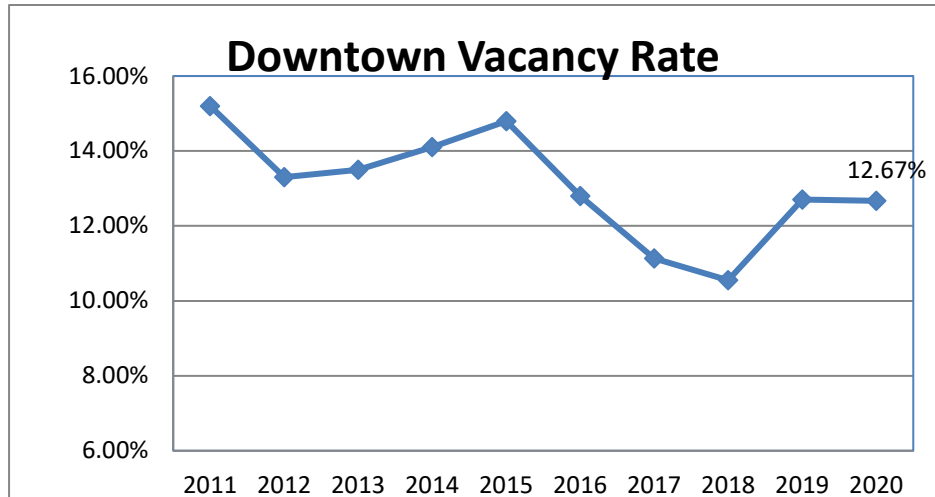
The data collected for the Downtown Occupancy Study is categorized between 'street level' space and 'upper levels' (second floor level and above), as well as by building use, 'retail/service' and 'office'. For street level space, the survey included a visual assessment of each block in the CBD to confirm the building's status; vacant or occupied. The floor area is calculated based on the outside dimensions of the building. For upper level space, the appropriate property owners or managers were contacted to estimate their building vacancy rates. Any remaining data that could not be verified by this method was drawn from past totals.

There was a significant change to the methodology in 2014, which accounts for an increase in available floor space in the CBD (see Appendix B, Table 1). The 2014 Downtown Occupancy Study introduced changes to the buildings eligible to be included in the study which resulted in the addition of gas stations, automotive repair shops, car dealerships, businesses located on the ground levels of hotels, churches, community service clubs, municipal or provincial buildings, and buildings under renovation (these spaces are considered vacant until they are operational). This standard was modified as the use of buildings had changed over time. Exclusions to the study data include residential and hotel/motel properties, as well as incomplete buildings. The Downtown Occupancy Study is exclusive to properties located in the CBD (see Appendix A for CBD boundary).

The survey method used to determine Downtown Vacancy rates is standardized; however, there may be some fluctuations in the accuracy of the data from year to year. The reader should be aware of the following:

- The vacancy rate of upper level space is left to the discretion of the property owners or managers who estimate the data when contacted by researchers. Some property owners or managers provide detailed responses while some estimate their vacancy rate and others do not respond to the information request. Vacancy data on record from previous years is used when responses are not provided by the property owners or managers.
- The survey reflects the vacancy as a snap-shot in time as opposed to an annual average. The 2020 Occupancy Study was conducted in July.

2020 DOWNTOWN VACANCY RATES CHANGED MINIMALLY WITH A 0.03% DECREASE FROM 2019.



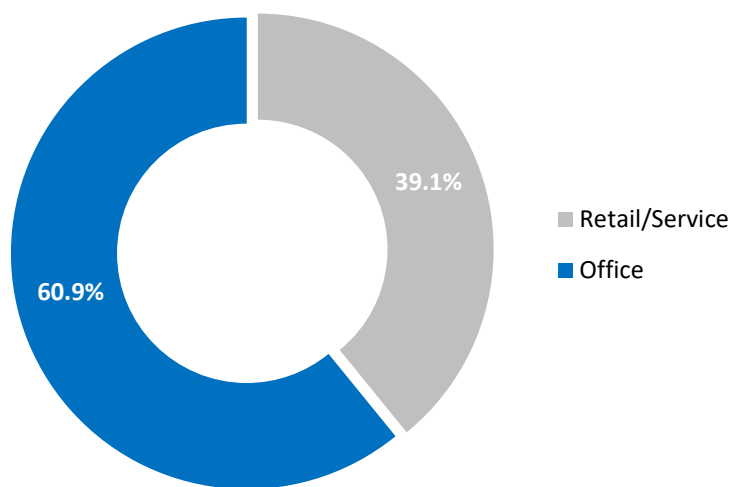
CBD TOTAL FLOOR AREA

The CBD hosted over 221,855 square metres of retail/service and office space in street level and upper level building space, an increase of 987 square metres from 2019. By prescribing floor area, patterns are easily identifiable; increases and decrease in specific spaces can signify evolving interest levels in the retail/service and office uses.

Total floor area in the CBD has seen marginal increases; some of the increase is, in part, due to the addition of previously excluded buildings, as mentioned in the methodology, but new floor space in the CBD can also be attributed to this increase.

CBD USE AS A FUNCTION OF TOTAL AREA

The percentage of area used for retail/service and office in the CBD is similar to the previous year's study. Of the total amount of commercial office space in the CBD, the 2020 survey indicates 39.1 percent was used for retail/service and 60.9 percent was for office. Retail/service area use saw a 2.8 percent increase from 2019, while office area saw a 2.8 percent decrease; traditionally office space at both street and upper levels has steadily occupied more downtown real estate over the last nine survey years.

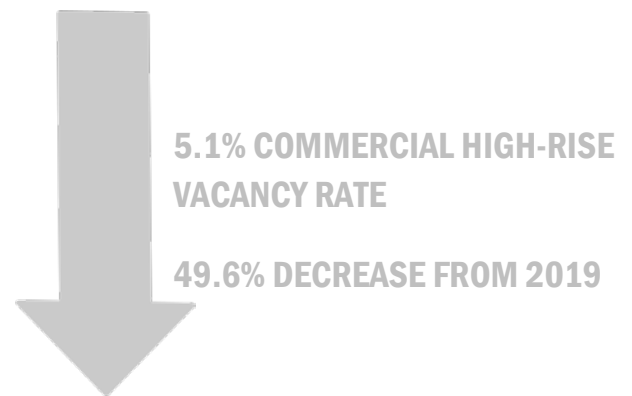
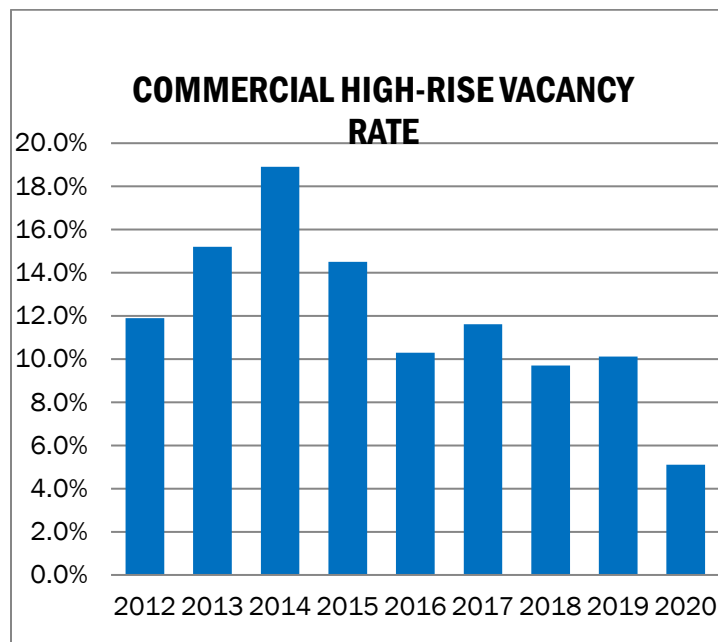


CBD BARE LAND INVENTORY

There are 11 parcels of bare land totaling 17899.8m² in the CBD. Two parcels totaling approximately 13800m² are currently under development. The remaining parcels are an average size of 300m².

CBD COMMERCIAL HIGH-RISE

In 2020, commercial high-rise buildings (four or more floors) reported a 5.1 percent vacancy rate, a 49.6 percent decrease in vacancy from 2019. Historical data trends reflecting high-rise vacancies indicate rates have declined since peaking in 2014.



CBD TOTAL VACANCY

2020 CBD VACANCY RATES

ARROWS INDICATE CHANGE FROM PREVIOUS YEAR

	RETAIL/SERVICE USE		OFFICE USE		TOTAL USE	
STREET LEVEL	18.25%	↑	7.13%	↑	13.41%	↑
UPPER LEVELS	20.58%	↑	9.73%	↓	11.22%	↓
TOTAL LEVELS	18.96%	↑	8.63%	↓	12.67%	↓

The 2020 Downtown Occupancy Study concludes that the overall vacancy rate of the CBD has decreased by 0.03 percent since 2019; total CBD building vacancy rate concludes at 12.67 percent.

CBD INCENTIVE PROGRAMS

The City of Prince George and community partners have implemented programs to incent the development of the CBD, and as a result, the CBD has seen new construction and façade improvements over recent years. Programs include:

- **Downtown Incentives Program:** This program, facilitated by the City of Prince George in partnership with Northern Development Initiative Trust, offers 10-year tax exemptions for eligible commercial and multi-family developments in the downtown. This program will be discontinued on September 30, 2024
- **Façade Improvement:** Downtown Prince George, in partnership with the City of Prince George, provides grants to eligible businesses in the downtown area to improve the character and physical appearance of their buildings' exteriors. Downtown Prince George provides a 25% reimbursement grant (up to a maximum of \$5,000) per project/building. The goal of this program is to contribute toward significant improvements in the downtown area. The 2020 program has approved 3 projects that, when completed, will invest almost \$75,000 of improvements into downtown streetscapes.
- **Downtown Business Improvement Association Support:** Downtown Prince George is the business improvement association serving all business/tenants and property owners in the downtown area and focuses on promoting and advocating for a better downtown through partnerships, programs, promotions and events. The ultimate goal is to create a positive culture of safety, vibrancy and beauty that will attract businesses owners and citizens to live, work and play downtown. Hosting seasonal events such as Downtown Winterfest, Summerfest and Fallfest builds a strong sense of pride while highlighting the unique attributes of our community and increases downtown visits. Love Downtown PG is a comprehensive marketing program designed specifically for locally owned and independently operated retail services and shops in the downtown area.
- **My Downtown PG Micro Grants:** Downtown Prince George has been offering three small grant programs to support downtown businesses in the area of beautification, events and safety. These micro grants offer up to \$500 towards small projects or initiatives that help to attract customers, improve community pride, protect, beautify and celebrate downtown businesses. In 2020, two new micro grants were added to respond to the impacts of COVID-19. The Re-Imagine Micro Grant supports the costs of re-engineering business space for safe customer and staff interactions. The E-commerce Micro Grant supports businesses in their efforts to go digital. To date, in 2020, there are 26 businesses who have leveraged this small contribution to initiate close to \$34,000 of enhancements in all five categories.
- **Downtown Bylaw Compliance Team:** The City operates a Downtown Bylaw Compliance Team with a goal to enhance health, safety, and security in the downtown and surrounding area. Bylaw Compliance officers patrol daily, assist with clean-up of illegal camps, discarded belongings, syringes, and other paraphernalia.
- **Graffiti Free PG:** From May 1 – September 30 (weather permitting), the City of Prince George works in partnership with the POUNDS Project Society to provide free graffiti removal on private property (business and residential).

CONCLUSION

The City of Prince George has been conducting annual surveys of downtown buildings since 1983. The Downtown Occupancy Study observes vacancy rates of office and retail/service use in buildings located in Prince George's Central Business District. The information gained is valuable to provide a snap-shot into occupancy of CBD buildings for that calendar year. These findings will assist in redevelopment and revitalization efforts to maintain a healthy downtown core.

The 2020 Downtown Occupancy Study indicates vacancy increased slightly, however it remains relatively steady. The downtown has seen 28 new business license applications and 16 development permit applications since the last study, which was completed in August 2019 and reported 13 development permits and 24 new business licenses.

Prince George City Council has prioritized the continued revitalization of downtown by improving its urban offerings and public space within the 2020-2025 Economic Development Strategy. The strategy recognizes that a community's downtown is the front porch to the city. Significant strides have been made in Prince George's downtown, but there are still place making needs and gaps that must be addressed in order to continue to enhance its revitalization, and appeal to more residents and visitors alike. The City will improve the activation of the Central Business District through its partnership with business and community organizations as well as by hosting and attracting events to the area, supporting the arts and collaborating with Tourism Prince George to attract tourists to the downtown.

APPENDIX A – CBD BOUNDARY

New Business Licenses and Development Permits in the CBD from August 2019 – August 2020.

