INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 5, 2019
SUBJECT/REPORT NO:	Downtown Office Vacancy and Employment Survey (PED19112) (Wards 1, 2 and 3)
WARD(S) AFFECTED:	Wards 1, 2 and 3
PREPARED BY:	Julia Davis (905) 546-2424 Ext. 2632
SUBMITTED BY: **SIGNATURE:**	Glen Norton Director, Economic Development Planning and Economic Development Department

COUNCIL DIRECTION

Not Applicable.

INFORMATION

The purpose of this Report is to provide Council with an update on the results of the 2018 Employment Survey, provide information on the Downtown Office Vacancy rate and the Downtown Commercial Vacancy Rate.

This Report summarizes the Employment Survey completed during the summer of 2018 in consultation with the Geographical Information Systems (GIS) Section and the Downtown Office Vacancy Survey completed in Q4 2018. The scope of the surveys includes the Downtown Hamilton Urban Growth Centre (UGC), which for the purposes of this review includes both sides of the boundary streets which are Queen Street to Victoria Avenue, Hunter Street to Cannon Street and also includes James Street North to the CN Railway and James Street South to Charlton Avenue. These surveys are conducted annually in conjunction with the Urban Hamilton Official Plan (UHOP) target of 250 persons and jobs per hectare (pjh) by 2031 and assess the effectiveness of Urban Renewal incentives and various Planning policies and plans in redeveloping the downtown and measuring employment and office vacancy. In 2018, the pjh measured 205 in the UGC, compared to 189 pjh in 2017.

Survey Area

<u>Employment Survey</u>

Public consultation to complete the Employment Survey was conducted by the GIS team to 2,163 businesses and properties within the UGC. In 2018, the survey determined that there were 25,666 jobs within the UGC boundaries, an increase of 1.2%, 307 jobs, in employment since the 2017 survey. Within the survey results it was found that the tenure with the highest concentration was in full-time jobs (68.3%), followed by part-time (25.6%) and seasonal jobs (6.1%).

2018 Survey

Tenure	Jobs	%
Full-time	17,526	68.3%
Part-time	6,566	25.6%
Seasonal	1,574	6.1%
Total	25,666	100%

Appendix "A" to Report PED19112 – 2018 Downtown Urban Growth Centre Update identifies the number of jobs in each sector and the realized changes as well as an explanation of the trends being seen.

<u>Downtown Office Vacancy Survey</u>

The Urban Renewal Section also tracks vacancies within office buildings with a minimum of 5,000 sq. ft. of office space or greater in the Downtown UGC. In Q4 2018 when the survey was completed, there was 5,316,916 sq. ft. of office space available in the UGC, with 677,585 sq. ft. vacant. These results totalled a 12.7% office vacancy rate and a drop of 1% overall compared with 2017.

Most of the large office towers continue to hold the highest vacant office space and contribute a significant proportion of vacancy rate in the Downtown UGC. Hypothetically, if these spaces were removed from the inventory, the office vacancy rate would be closer to 7%.

Downtown Commercial Vacancies

In addition to the number of jobs, the survey records the number of vacant and occupied commercial units and office suites in storefronts with direct access from the street. The overall visible commercial street front vacancy indicator in the UGC is 10.4% which is a slight increase over the 2017 results which showed a 10% vacancy. It is noted that the vacancy in some buildings in 2018 resulted from the restoration/renovation of the space and was only temporary. The percentage vacant can vary by location, but in general, we have seen fewer vacancies across the board.

The lower number of vacant commercial units and office suites in storefronts with direct access from the street generates a positive and vibrant street level, fostering increased activity and investment.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A”-2018 Urban Growth Centre Update

JD:dt