Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 5, 2020
SUBJECT/REPORT NO:	Downtown Office Vacancy and Employment Survey (PED20006) (Wards 2 and 3)
WARD(S) AFFECTED:	Wards 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

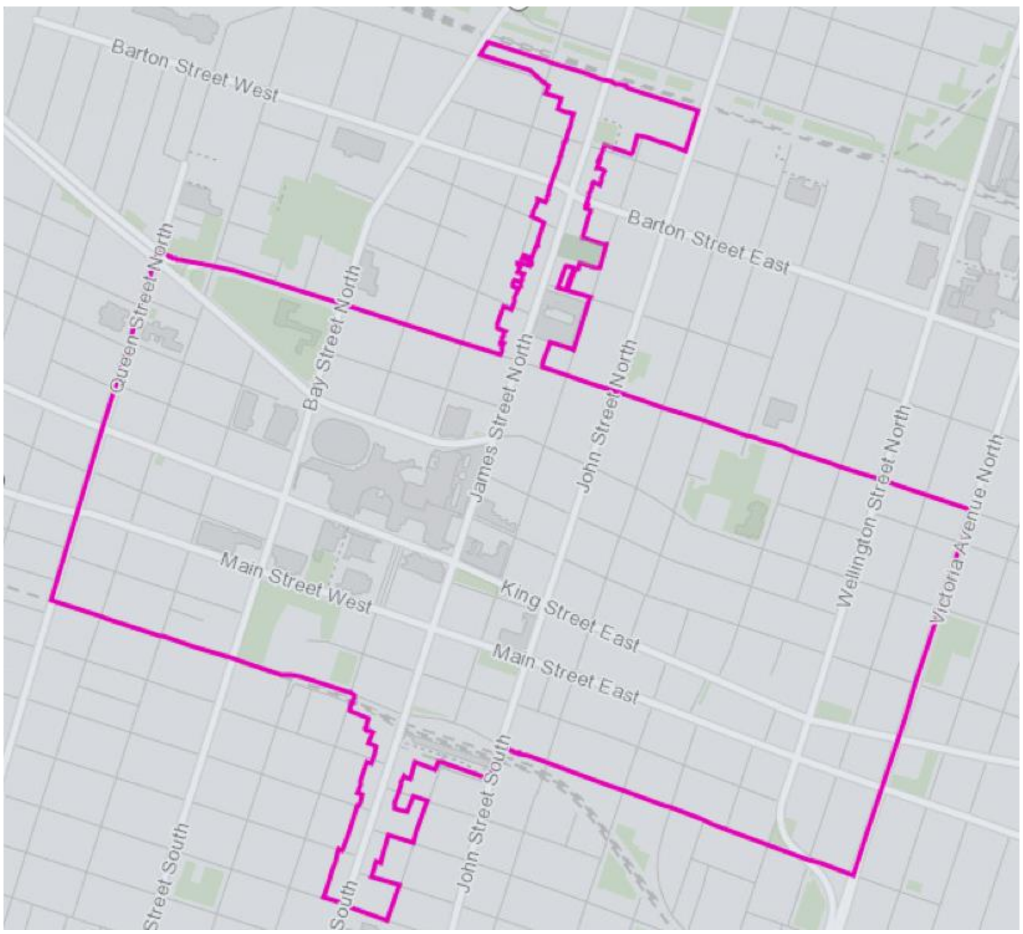
INFORMATION

The purpose of this Report is to provide Council with an update on the results of the 2019 Employment Survey and to provide information on the Downtown office vacancy rate and the Downtown commercial vacancy rate.

This Report summarizes the Urban Growth Centre (UGC) portion of the overall employment survey completed during the summer of 2019 in consultation with the Employment Survey Team within the Planning Division. The information regarding employment numbers for the entire City is available for review on the corporate City of Hamilton website, tallied and posted on an annual basis. Report PED20006 also summarizes the results of the Downtown office vacancy survey completed in Q4 2019. The scope of the area included in Report PED20006 includes the boundary streets which are Queen Street to Victoria Avenue, Hunter Street to Cannon Street, 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 commercial districts and small business incentives along with various Planning policies and plans in redeveloping the downtown and measuring employment and office vacancy. In 2019, the pjh measured 209 in the UGC compared to 207 pjh in 2018.

Survey Area



Employment Survey

In 2019, public consultation to complete the employment survey was conducted by the Employment Survey Team who consulted with 2,233 properties within the UGC determining that there were 26,305 jobs within the boundaries, an increase of 0.7% for a total of 186 more jobs since the 2018 survey. Within the survey results it was found that the tenure with the highest concentration was in full-time jobs (68.9%), followed by part-time (23.6%) and seasonal jobs (7.5%).

Tenure	Jobs	%
Full-time	18,123	68.9%
Part-time	6,213	23.6%
Seasonal	1,969	7.5%
Total	26,305	100%

Appendix "A" to Report PED20006 – 2019 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.

Downtown Office Vacancy Survey

The commercial districts and small business 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 2019 when the survey was completed, there was 5,598,287 sq. ft. of office space available in the UGC, with 667,720 sq. ft. vacant. These results totalled a 11.9% office vacancy rate and a drop of 0.8% compared with 2018. This is the first time since 2011 that the office vacancy rate has dropped below 12% and is a good indicator of improving economic conditions within the UGC.

Most of the large office towers continue to hold the highest vacant office space and contribute a significant proportion of the vacancies in the 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 9.9% which is a slight decrease of 0.5% over the 2018 results which showed a 10.4% street level vacancy. It is noted that the vacancy in some buildings in 2019 resulted from the restoration/renovation of the space and was only temporary. The percentage vacant can vary by locations, but in general, staff have seen fewer vacancies across the board.

The lower number of vacant commercial units and office suits 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"-2019 Urban Growth Centre Update

JD:dt