

2021

DOWNTOWN

OCCUPANCY STUDY



CITY OF
PRINCE GEORGE

2021 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 2021 Downtown Occupancy Study will summarize data from study years 2012-2020, and 2021 study data will be contrasted with these previous years to help illustrate historical trends.

METHODOLOGY

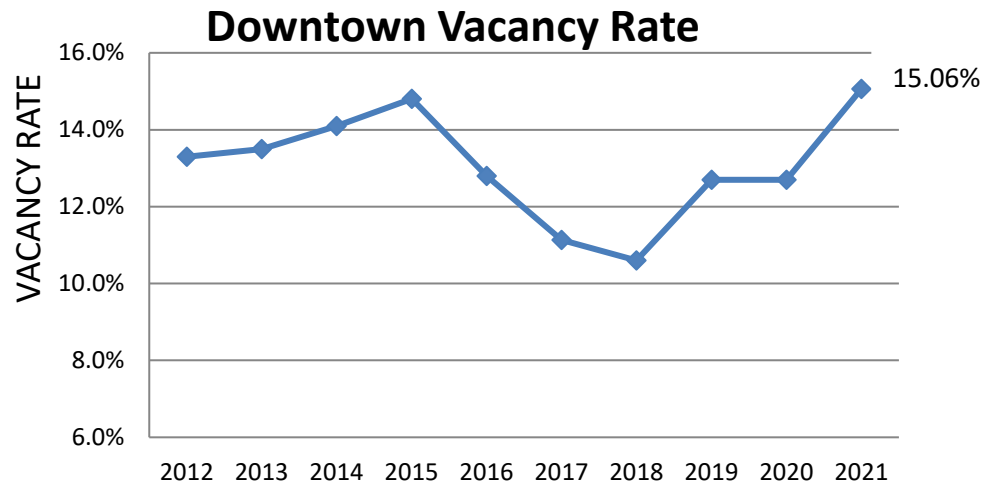
The data collected for the Downtown Occupancy Study is categorized between 'street level' space and 'upper levels' (second floor level and above), as well as by building use, 'retail/service' and 'office'. For street level space, the survey included a visual assessment of each block in the CBD to confirm 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 2021 Occupancy Study was conducted in August.

**2021
DOWNTOWN
VACANCY RATE
CHANGED WITH
A 2.36%
INCREASE FROM
2020.**

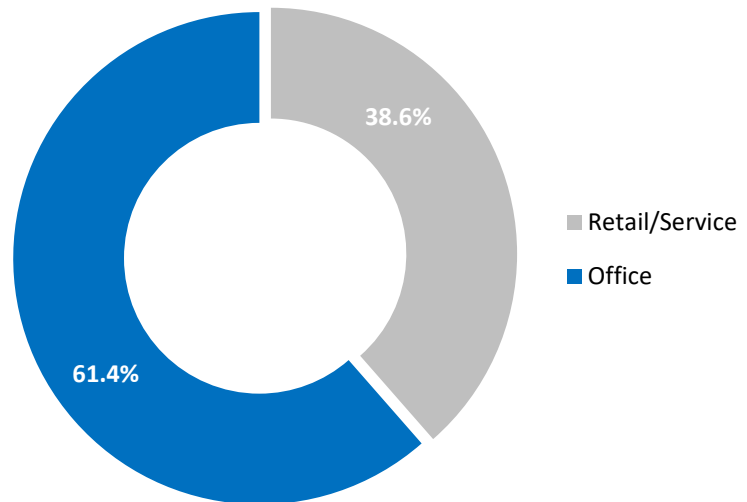


CBD TOTAL FLOOR AREA

The CBD hosted over 219,309 square metres of retail/service and office space in street level and upper level building space, a decrease of 2,546 square metres from 2020 due to updated information provided by a property owner. 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.

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 2021 survey indicates 38.6 percent was used for retail/service and 61.4 percent was for office. Retail/service area use saw a 0.6 percent decrease from 2020, while office area saw a 0.54 percent increase; traditionally office space at both street and upper levels has steadily occupied more downtown real estate over the last nine survey years.

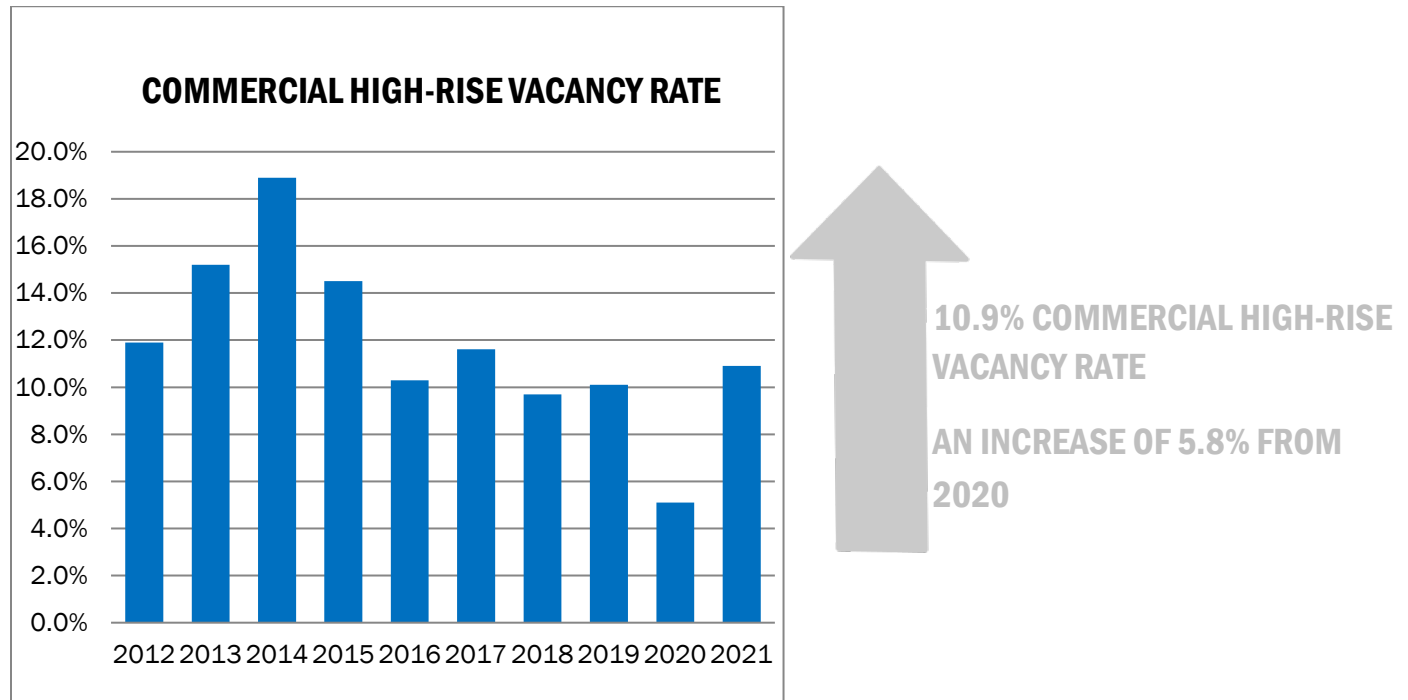


CBD BARE LAND INVENTORY

There are 8 parcels of bare land totaling 3475.8m² in the CBD.

CBD COMMERCIAL HIGH-RISE

In 2021, commercial high-rise buildings (four or more floors) reported a 10.9 percent vacancy rate, a 5.8 percent increase in vacancy from 2020.



CBD TOTAL VACANCY

2021 CBD VACANCY RATES

ARROWS INDICATE CHANGE FROM PREVIOUS YEAR

	RETAIL/SERVICE USE		OFFICE USE		TOTAL USE	
STREET LEVEL	18.24%	↓	8.73%	↑	14.09%	↑
UPPER LEVELS	22.16%	↑	15.55%	↑	16.44%	↑
TOTAL LEVELS	18.81%	↓	12.71%	↑	15.06%	↑

The 2021 Downtown Occupancy Study concludes that the overall vacancy rate of the CBD has increased by 2.36 percent since 2020; total CBD building vacancy rate concludes at 15.06 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.
- **Downtown Bylaw Team:** The City operates a Downtown Bylaw 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.
- **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 visit 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:** In 2018, Downtown Prince George introduced three small grant programs to support downtown businesses in the area of beautification, events and safety. 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. In 2021, the Broken Windows Micro Grant was introduced to assist business owners with the costs replacing windows that were broken due to an increase in theft and vandalism. All of these micro grants offer up to \$500 towards small projects or initiatives that help to attract customers, improve community pride, protect, beautify, repair and celebrate downtown businesses
- **Business Façade Improvement Grant Program:** In partnership with the City of Prince George, Downtown Prince George provides the Business Façade Improvement Grant program to give monetary assistance as an incentive to owners of buildings and business tenants, to improve the street facing character and physical appearance of their buildings and businesses. Downtown Prince George will provide a 25% reimbursement grant - up to a maximum of \$5,000 - per building/project. The building must be located in the Downtown C1 Zone. The objective of this program is to make significant improvements to the appearance of our downtown streetscape. In order to receive consideration, applicants must be looking to do more than just simply repaint their business exterior. Projects must include eligible components and cannot exceed \$200,000, in total.
- **Downtown Clean & Safe Partnerships:** Downtown Prince George provides the administration, communication and coordination of various partners to ensure the safety and cleanliness of the Downtown C1 Zone.
 - **Downtown Alley Clean Team – Drug Awareness Recovery Team (DART):** DART is an organization that employs people wanting to transition into mainstream life after struggling with additions.

2021 Downtown Occupancy Study

- These crews scour the laneways and alleys four mornings per week to clean-up litter and debris of all sorts
- **Downtown Clean Team** – Prince George Brain Injured Group Society (PG BIG): PG BIG enhances the lives of survivors of brain injury. These crews provide clean up services of curbs & sidewalks to remove trash, cigarette butts, dirt, needles and paraphernalia.
 - **Downtown Graffiti Free** – GroundWork PG – PG Activators: The PG Activators support men as they transition from incarceration to balanced community living. GroundWorks PG provides services on a call out basis to cover up graffiti in the Downtown C1 Zone from May to October.
 - **Downtown Biohazard Removal** – ACME Janitor Services (ACME) ACME provides biohazard removal on a daily basis on downtown business properties and sidewalks adjacent to businesses.

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.

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 – TABLES

TABLE 1 – CBD BUILDING VACANCY (%) 2013 – 2021

	2013	2014	2015	2016	2017	2018	2019	2020	2021
STREET LEVEL	12.80%	13.40%	14.30%	13.11%	9.30%	10.05%	11.68%	13.41%	14.09%
RETAIL/SERVICE	16.00%	18.30%	17.70%	13.13%	11.90%	12.06%	16.42%	18.25%	18.24%
OFFICE	8.20%	7.20%	10.20%	13.09%	5.90%	7.41%	5.40%	7.13%	8.73%
UPPER LEVELS	16.60%	15.00%	15.60%	11.53%	13.60%	11.25%	14.16%	11.22%	16.44%
RETAIL/SERVICE	24.60%	22.60%	26.90%	6.12%	8.60%	10.18%	16.27%	20.58%	22.16%
OFFICE	15.20%	13.80%	13.90%	12.40%	14.40%	11.42%	13.82%	9.73%	15.55%
TOTAL AREA	13.50%	14.10%	14.80%	12.46%	11.10%	10.55%	12.70%	12.67%	15.06%
TOTAL RETAIL/SERVICE	17.50%	19.00%	19.00%	12.07%	11.50%	11.79%	16.40%	18.96%	18.81%
TOTAL OFFICE	12.50%	11.10%	12.40%	12.69%	10.90%	9.76%	10.33%	8.63%	12.71%

TABLE 2 – CBD TOTAL AREA 2013 – 2021 (M²)

	2013	2014	2015	2016	2017	2018	2019	2020	2021
STREET LEVEL	109344	120697	119203	123638	126685	128647	129734	131072	128354
RETAIL/SERVICE	63139	67172	64936	68592	71066	72910	73985	74120	72337
OFFICE	46205	53525	54267	55046	55619	55737	55749	56952	56017
UPPER LEVELS	86010	90534	90367	85853	91692	91692	91134	90783	90955
RETAIL/SERVICE	12258	11951	10936	11786	12505	12505	12505	12690	12282
OFFICE	73752	78583	79431	74067	79187	79187	78630	78093	78673
TOTAL AREA	195354	211231	209570	209491	218377	220339	220868	221855	219309
TOTAL RETAIL/SERVICE	75397	79123	75872	80378	83571	85415	86489	86810	84618
TOTAL OFFICE	119957	132108	133698	129113	134806	134924	134379	135044	134690