



PROTECTION OF INDUSTRIAL LANDS FOR FUTURE PROSPERITY (2016)

With a growing population and increasing housing demand in Metro Vancouver and other cities around the province, industrial lands have been significantly decreased through both absorption and rezoning over the last 30 years. Much of the land base is lost to market pressure to convert industrial lands to uses such as multi-family residential and commercial developments. The challenge is that valuable, employment- generating industrial lands located near airports, rivers and roadways, are being lost forever and this will stifle our future economic growth.

With forecasts that the Metro Vancouver region, for example, will run out of industrial space within the decade, the provincial government needs to make preserving industrial land a top priority, and work with local and regional governments to protect and increase the supply of industrial land available for future economic activity.

BACKGROUND

Industrial land use is an important issue across the province as populations continue to grow and there are competing demands on available lands. Vancouver’s Lower Mainland is most at risk given its limited size, projected population growth and its strategic border/port location. Various municipalities in the region have rezoned more than 3,000 hectares worth of industrial land to other uses in just the past 30 years.

Industrial land is vitally important to our economic performance and in Metro Vancouver, for example, almost one-quarter of all jobs are housed on industrial lands. However, the supply is quickly running out. A 2015 Site Economics Ltd study which examined the inventory of industrial land reported that based on average annual absorption rates and anticipated demand, the supply of vacant industrial land in the region could be depleted within a decade.²⁴¹ This warning was recently echoed by real estate brokerage CBRE which reported Metro Vancouver’s industrial vacancy rate at its lowest level ever²⁴², and whose vice chairman has commented that the region could “literally run out of industrial land by the early 2020s.”²⁴³

An additional million people are expected to move into the Metro Vancouver region by 2040. To accommodate this growth, there needs to be a strong local economy, which will require readily available high paying employment generating industrial lands. Lands zoned for industrial use typically generate jobs that pay double the average annual compensation rate per person. Retaining centrally-located industrial land is important for long term sustainability for local communities as it ensures high paying employment within the city core and contributes significantly to municipalities by subsidizing the residential tax base. For every

\$1 paid in taxes, industrial lands typically receive on average only \$0.25 in services.



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