



# ECONOMIC IMPACTS OF COVID-19

**December 17, 2020**

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# SETTING THE STAGE FOR ECONOMIC RECOVERY

COVID-19 has impacted municipalities across Canada in different ways. A strong response at a municipal, provincial, and federal level has helped to mitigate economic damage. The federal response has included substantial financial support for both individuals and businesses; the provincial response has included strong operating guidelines for businesses to maintain safe and healthy workforces; and the municipal response has included shifting local policies and programs to support small business and protect citizens through physical distancing measures. In addition, all three levels of government have provided financial relief for businesses—deferring tax payments and other government charges.

As Canada moves from economic response to economic recovery, new investments will need to be made in addressing skills gaps in the labour force, developing spaces that suit the changing shape of business, and establishing resilient supply chains, business models, and workforces in emerging or growing sectors.

This research was developed to help inform economic recovery efforts in the City of Richmond by:

- Identifying the economic role Richmond plays in the region and opportunities for leadership in province-wide economic recovery efforts;
- Identifying the specific workforce, sector, and space impacts of COVID-19 in the City of Richmond; and
- Identifying areas of economic potential for further investigation by the City of Richmond's economic development team and partner organizations

The analysis contained in this report centres not only on economic recovery but on opportunities for building long-term economic resilience. It looks at the economic impacts of COVID-19 on the City of Richmond from three angles: the impact to specific business sectors, the impact to specific occupations & demographics, and the impacts to commercial, industrial, and retail spaces in the city.

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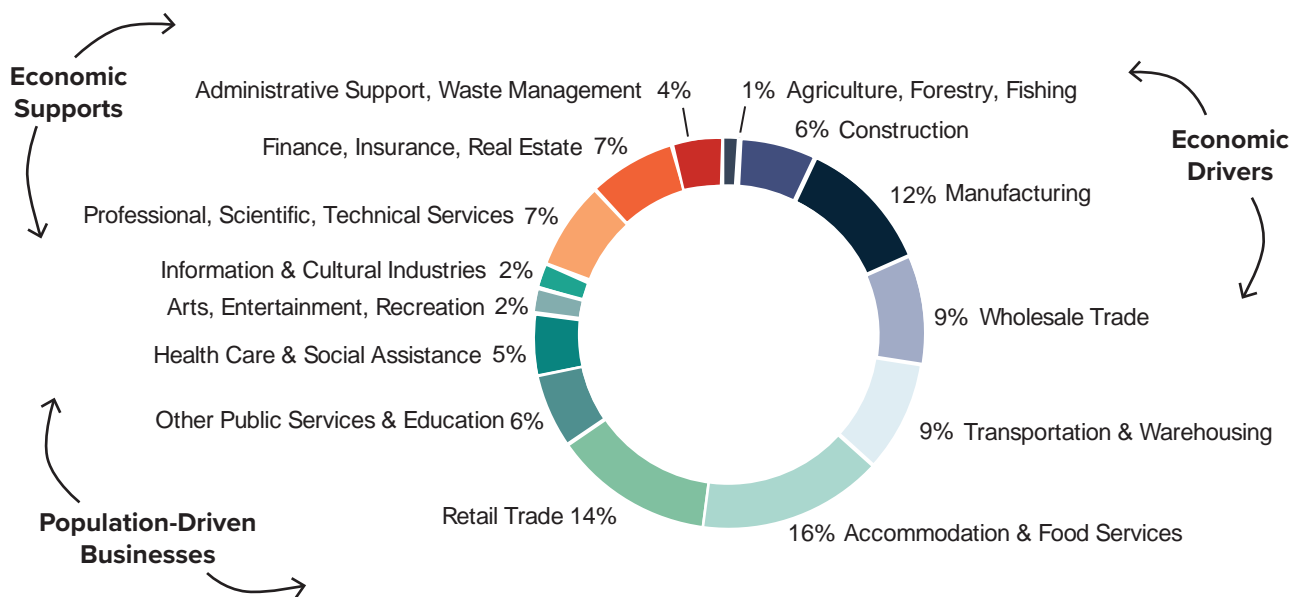
## INTRODUCTION

# Richmond Economy

The City of Richmond plays an important role in the regional economy. Although Richmond represents less than 9% of the regional population (by residents), it represents 10% of the regional workforce, meaning Richmond attracts more workers than it sends out to other municipalities across the region. In total, there are about 110,000 Richmond residents in the workforce and more than 140,000 jobs within the City of Richmond borders. The Metro Vancouver economy has grown by about 10% since the last census in 2016.

	POPULATION	EMPLOYMENT
METRO VANCOUVER	2,580,000	1,430,000 Jobs
CITY OF RICHMOND	225,000 8.7% of Regional Population	143,000 Jobs 10% of Regional Employment

## EMPLOYMENT BY SECTOR IN THE CITY OF RICHMOND: PRE-COVID



The employment sectors outlined in the figure above represent three distinct types of businesses in the Richmond community:

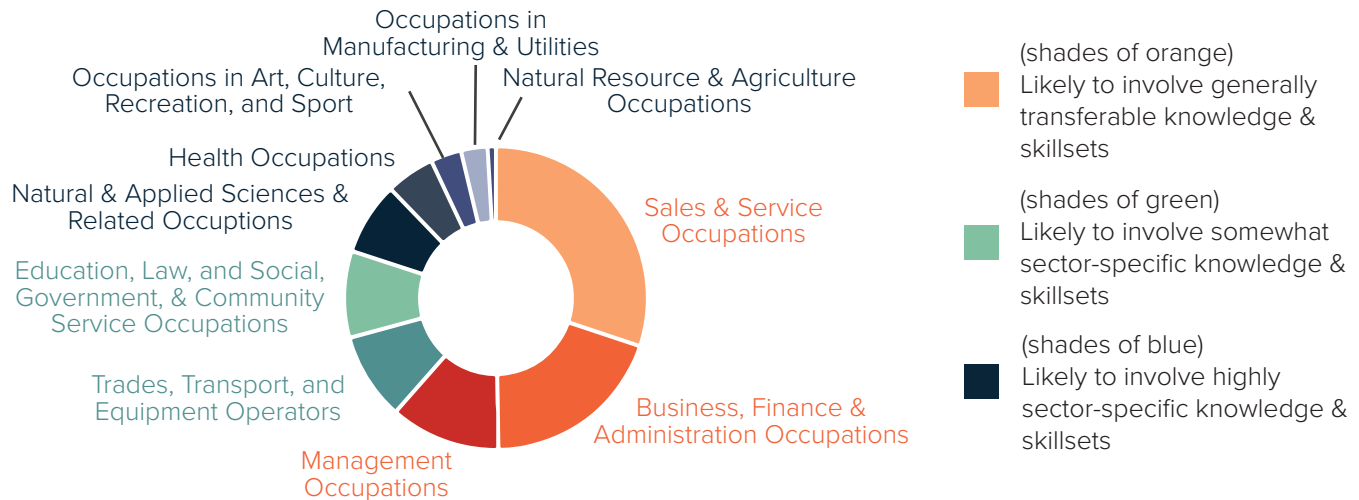
- **Economic Drivers:** Sectors that are at the centre of the value chain, driving economic activity in the region through product development, trade, and tourism.
- **Economic Supports:** Sectors that comprise a business service network.
- **Population-Driven Businesses:** Sectors that tend to grow alongside population growth, driven by serving residents.

These distinctions are far from perfect; however, they can help guide economic recovery efforts.

The recovery of economic drivers is critical to stimulating employment and innovation in economic support sector, whereas population-driven businesses are more likely to rebound naturally as restrictions are lifted and tourism returns (although potentially in a different form).

Many of the economic drivers in Richmond are light-industrial operations that support middle-income employment and a wide variety of education levels. Population-driven businesses tend to support lower income employment, often favoured by young people and part-time workers. Many of the professional services and sectors that make up the economic supports segment of the economy are higher-paid positions requiring additional levels of education.

## COMMON OCCUPATIONS OF RICHMOND RESIDENTS (PRE-COVID)



Analysis of the occupations of Richmond residents is based on the 2016 (NOCs) census data. It is important to note that occupations do not align with industry sectors. For instance, numerous management, sales & service, and administration occupations are in the manufacturing sector. The occupations of Richmond residents also do not clearly align with city's employment profile. Richmond brings in tens of thousands of employees from outside the city and many Richmond residents work elsewhere in the region.

## INDUSTRIAL SPACE TREND

Metro Vancouver has the lowest industrial vacancy rate in North America. Substantial growth in both trade-enabling industrial activity and light industrial activity combined with rezoning of industrial land across the region to accommodate a growing need for housing, office, and retail space has meant that local demand for industrial space has consistently outstripped supply of industrial space over the better part of the past decade. Richmond has a uniquely strong base of both heavy and light industrial space in the region.

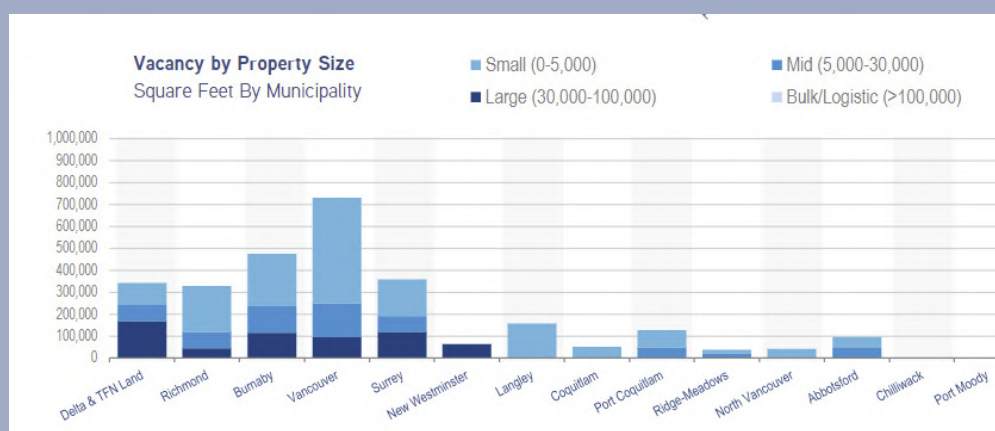
## OFFICE SPACE TREND

In Q3 of 2019, Richmond had an 8.3% vacancy rate for office space, which is similar to New Westminster but substantially higher than Surrey, Vancouver, and Burnaby which ranged from less than 2% vacancy in downtown Vancouver to 5% vacancy in Burnaby. Richmond had some of the least expensive office space on the market in 2019, asking on average \$31.63 for all classes or \$32.50 for class A office space.<sup>2</sup> Limited transit access to some business districts has been noted as a barrier to attracting tenants.

## RETAIL SPACE TREND

Suburban shopping centre and mall vacancy was increasing prior to the start of COVID-19 with vacancy rates increasing from 4.1% in 2018 to 4.5% in 2019. This trend has been exacerbated by COVID-19 with vacancy rates for suburban malls now hovering around 5.7% across the region.

\*CBRE and Colliers Office, Industrial, and Retail Market Reports from 2018, 2019, and 2020 were used to inform these space trends, along with limited interviews with Richmond property developers and managers.



This graph taken from Colliers Q3 2020 Greater Vancouver Area Industrial Report identified the vacant industrial space across the region by product type.

## OVERVIEW

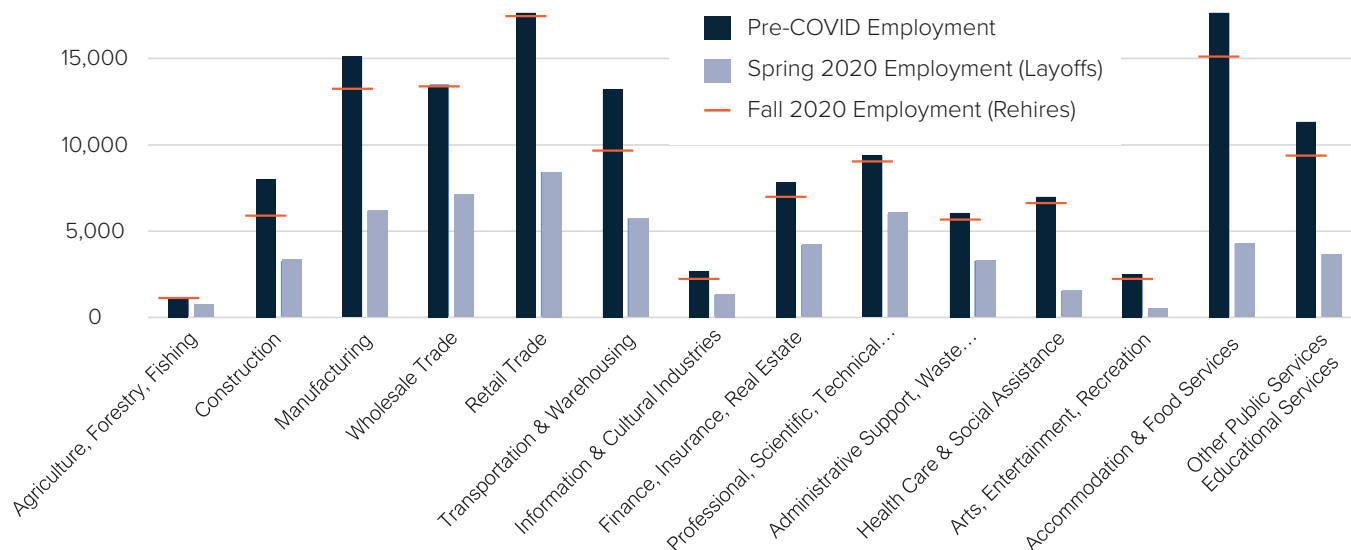
# Economic Impacts of COVID-19

## KEY STATS:

As of November 2020...

- **Employment in Richmond remains down 13% from January of 2020**
- **Business revenues remain down 17% from the same time the prior year**
- **26% of BC businesses have reduced their business hours**
- **16.5% of BC businesses estimate they can continue to operate at current revenues and expenditures for 6 months or less**
- **Younger and less well-educated employees have been the most likely to be displaced from the workplace rather than temporarily laid-off and re-hired<sup>1</sup>**

## SECTOR EMPLOYMENT: PRE-COVID, SPRING 2020, FALL 2020<sup>2</sup>



The most persistent employment impacts are in the construction, manufacturing, transportation & warehousing, and accommodation & food services sectors. Construction, manufacturing, and warehousing have all seen significant disruptions to their supply chains. Transportation (including tourism-related transportation and aviation), accommodation, and food service businesses have been the primary sectors temporarily shut down in full or in part due to public health restrictions and other operational impacts.

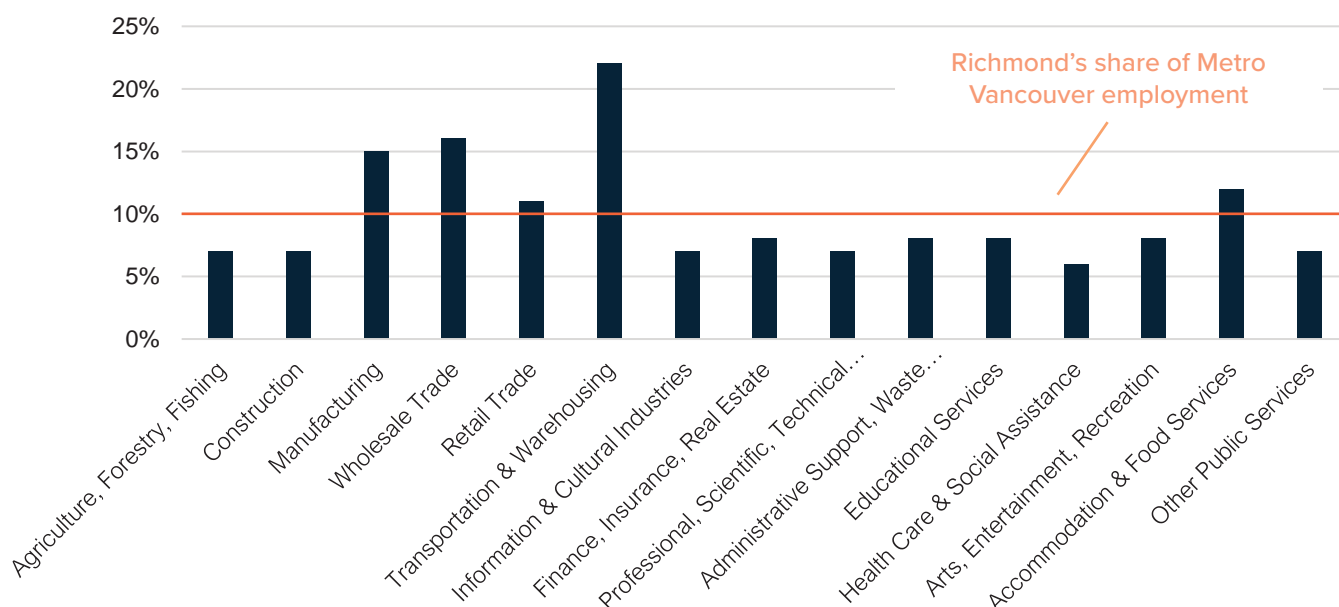
Several regional trends have been driving economic development efforts in Richmond, including:

- A regional industrial space shortage that creates opportunities to attract manufacturing, production, and trade activity to Richmond
- Growth in the technology, film, and tourism sectors, supported by strong civic amenities, arts & culture
- Strong demand for labour in the technology sector, professional services, and construction

<sup>1</sup> World Economic Forum, The Future of Jobs Report: October 2020.

<sup>2</sup> Employment figures come from two data sources: The Canadian Labour Force Survey (3-month rolling averages) and the Statistics Canada Survey on Business Conditions (Data collected in October 2020 and applied to City of Richmond Pre-COVID employment baseline)

## PERCENTAGE OF METRO VANCOUVER WORKFORCE IN THE CITY OF RICHMOND BY SECTOR (2020)



Several of the sectors that have been slowest to recover to date are also industry sectors that are highly represented in Richmond's economy. While Richmond represents a total of 10% of employment in the region, it represents 15% of employment in manufacturing, 16% of employment in wholesale trade, 22% of employment in transportation & warehousing, and 12% of employment in accommodation & food services, meaning employment in Richmond is recovering more slowly than elsewhere in the region.

Richmond plays a critical role in supporting two regional economic anchors—YVR and the Vancouver Port. The performance of these two economic anchors has a

significant impact on Richmond's economic activity. Since the start of 2020, airport passenger travel has dropped to less than 40% of typical volumes (as low as 10% some months). Air cargo saw a substantial disruption with the reduction of plane movements but is recovering more quickly than passenger volumes.

The Vancouver Port also experienced a substantial disruption to normal volumes in the spring of 2020. While these volumes have since picked up, the spring brought major disruptions to global supply chains, resulting in missed ocean liner sailings and volatility in the demand for local trucking, transloading, warehousing, and wholesaling services.

## INDUSTRIAL, RETAIL, AND OFFICE SPACE IMPACTS IN RICHMOND<sup>3</sup>

INDUSTRIAL SPACE			OFFICE SPACE			RETAIL SPACE		
2020	TREND		2020	TREND		2020	TREND	
VACANCY RATE	0.9%	▼	VACANCY RATE	8.8%	▲	VACANCY RATE	5.7%	▲
NET RENT PSF	\$13.57	▲	NET RENT PSF	\$17.79	▲	NET RENT PSF	VARIABLE	

<sup>3</sup> Colliers, Q3 2020 Office Market Report and Industrial Market Reports, Metro Vancouver; CBRE H1 Retail Market Report, Metro Vancouver.

Real estate impacts of COVID-19 have been minimal to date. Although transaction volumes dropped in the spring, overall vacancy rates and prices per square foot for commercial, industrial, and retail space are yet to show substantial shifts. According to business surveying conducted by Statistics Canada in fall of 2020, 6% of businesses in real estate and leasing, as well as scientific and professional services intend to sublet all or part of their space, which could have substantial long-term impacts on office space.

The number of businesses that have expressed an intention to break their lease in BC is about 2%, but there are some notable sectors that have expressed a higher proclivity to break their lease. These include 11% of transportation & warehousing businesses, 5% of information & cultural services businesses, and 8% of administration & waste management businesses. These sectors may be impacted by high costs of light industrial space in Metro Vancouver in addition to revenue losses affiliated with COVID-19.

## SECTOR IMPACTS

# Manufacturing

### EMPLOYMENT (fall 2020)

**Down 13% or 1,900 jobs** since January 2020

### REVENUES (fall 2020)

**Down 20%** from the same time last year

### BUSINESS CLOSURES (fall 2020)

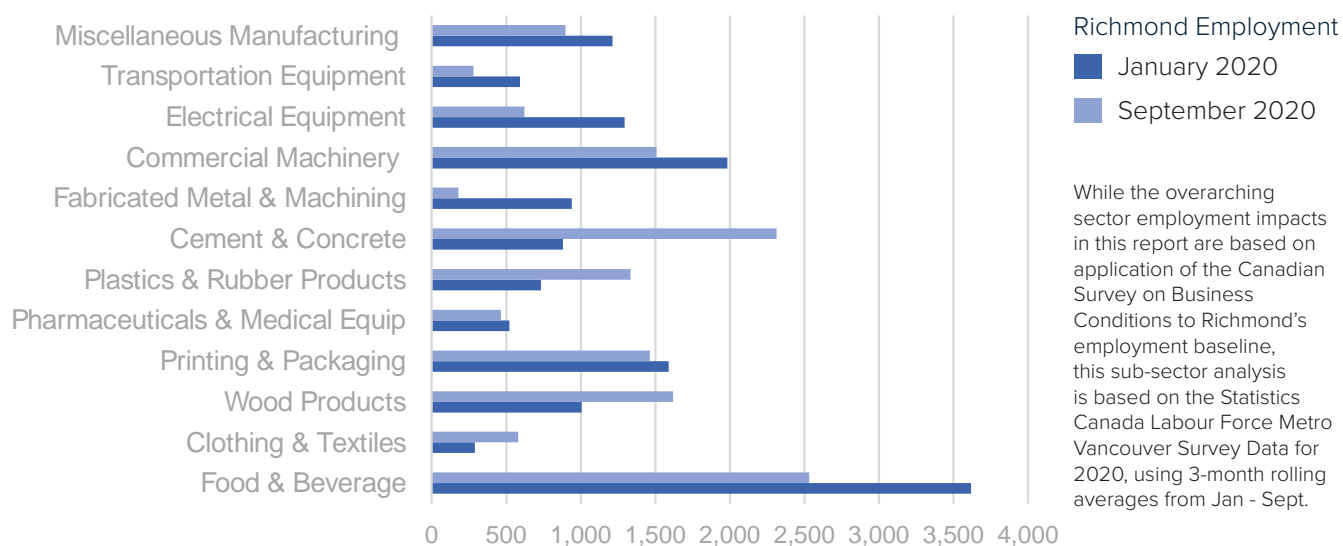
**24%** of businesses were temporarily closed but have since re-opened  
**18%** of businesses expect to continue to operate at current revenue and expenditures for less than 6 months

**Richmond has 15%** of Metro Vancouver's Employment in Manufacturing

### PREVALENT SUBSECTORS

- Food & Beverage Manufacturing
- Clothing & Textile Manufacturing
- Wood Products Manufacturing
- Printing & Packaging Manufacturing
- Pharmaceuticals & Medical Equipment Production
- Plastics & Packaging Manufacturing
- Cement & Concrete Production
- Fabricated Metal & Machining
- Commercial Machinery Manufacturing
- Electrical Component Production
- Transportation Equipment Production

## EMPLOYMENT IMPACTS BY SUB-SECTOR



Employment in concrete and plastic product production, as well as wood product manufacturing and clothing manufacturing increased in BC from January to September. The employment gains in these sub-sectors, however, did not offset the significant employment losses in transportation equipment, commercial equipment, food & beverage manufacturing (Richmond's largest manufacturing subsector), and electrical equipment.

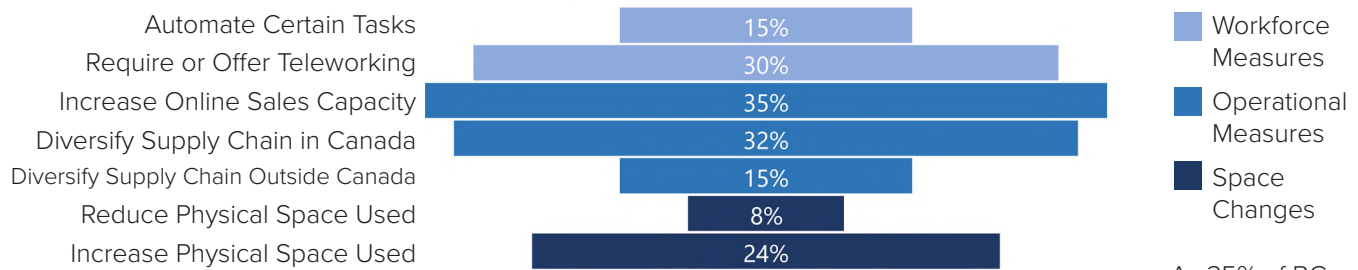
Losses in transportation and commercial equipment employment may stem from disrupted supply chains and paused investment in new equipment as businesses respond and recover to COVID-19. Employment losses

in food and beverage manufacturing may be related to decreases in tourism, restaurant activity, and events. Seafood processors, for instance, serve the local and international restaurant market, and some Richmond food manufacturers supply airlines, cruise lines, and event companies.

Pharmaceutical and medical equipment manufacturing represents a small but growing employment base in Richmond. Given the lack of lab space in the region, Richmond's light industrial building stock could be converted to include lab space, helping attract emerging and growing companies in this sector.



### Anticipated Measures Adopted Permanently by BC Businesses



As 35% of BC manufacturers build increased online sales capacity, demand for printing and packaging design & production is likely to grow.

### Measures Taken to Date by BC Businesses



## SKILLS PATHWAYS

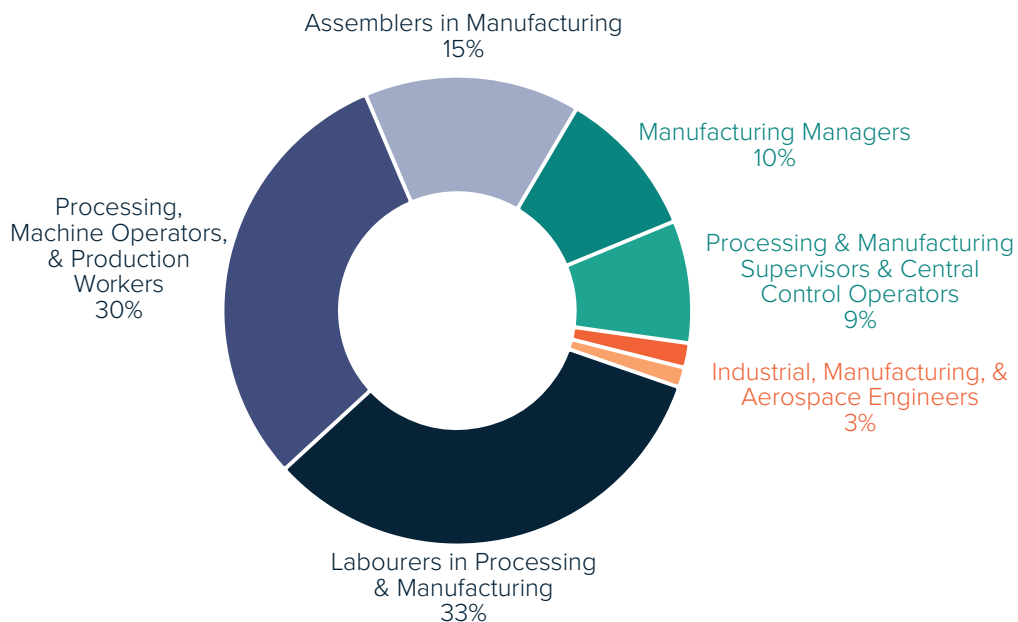
Emerging skills identified as being in high demand in manufacturing by the World Economic Forum include:

- Active learning strategies
- Technology use, monitoring and control
- Analytical thinking and innovation
- Systems analysis and evaluation
- Technology design and programming

Roles identified as being in high demand in manufacturing include:

- Data Analysts and Scientists
- Business Development Professionals
- Software and Applications Developers
- Internet of Things Specialists
- Big Data Specialists
- AI and Machine Learning Specialists

## COMMON MANUFACTURING OCCUPATIONS FOR RICHMOND RESIDENTS



These are the most common occupations held in manufacturing by Richmond residents according to the 2016 census.

The orange shades represent occupations that are the highest paid and tend to represent the most highly educated workers, followed by those in shades of green. The blue shades represent occupations most likely to be held by lower paid workers with on-the-job training.



## SECTOR IMPACTS

# Construction

### EMPLOYMENT (fall 2020)

**Down 23% or 1.875 jobs** since January 2020

### REVENUES (fall 2020)

**Down 20%** from the same time last year

### BUSINESS CLOSURES (fall 2020)

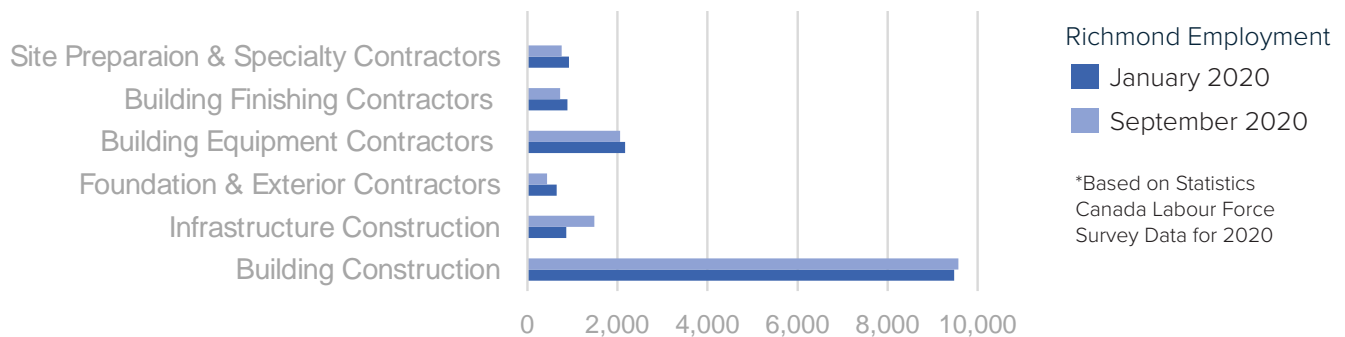
**14%** of businesses were temporarily closed but have since re-opened  
**16%** of businesses expect to continue to operate at current revenue and expenditures for less than 6 months

**Richmond has 7%** of Metro Vancouver's Employment in the Construction Sector

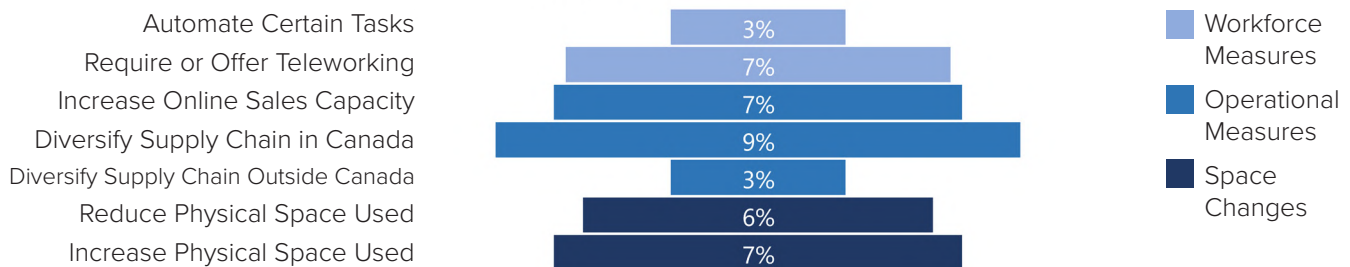
### PREVALENT SUBSECTORS

- Building Construction (Residential, Commercial, Industrial)
- Infrastructure Construction
- Foundation, Structure, & Exterior Contractors
- Building Equipment Contractors (Plumbing, Electrical, Elevator)
- Building Finishing Contractors (Drywall, Painting, Tiling, Flooring)
- Site Preparation & Specialty Contractors

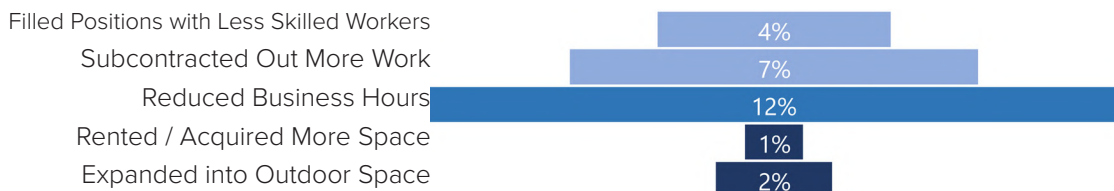
### EMPLOYMENT IMPACTS BY SUB-SECTOR



### Anticipated Measures Adopted Permanently by BC Businesses



### Measures Taken to Date by BC Businesses



The construction industry saw some of the fewest shifts in operations. Supply chain diversification was the primary COVID response for construction.

## SECTOR IMPACTS

# Wholesale Trade

### EMPLOYMENT (fall 2020)

**Down 1% or 100 jobs** since January 2020

### REVENUES (fall 2020)

**Down 15%** from the same time last year

### BUSINESS CLOSURES (fall 2020)

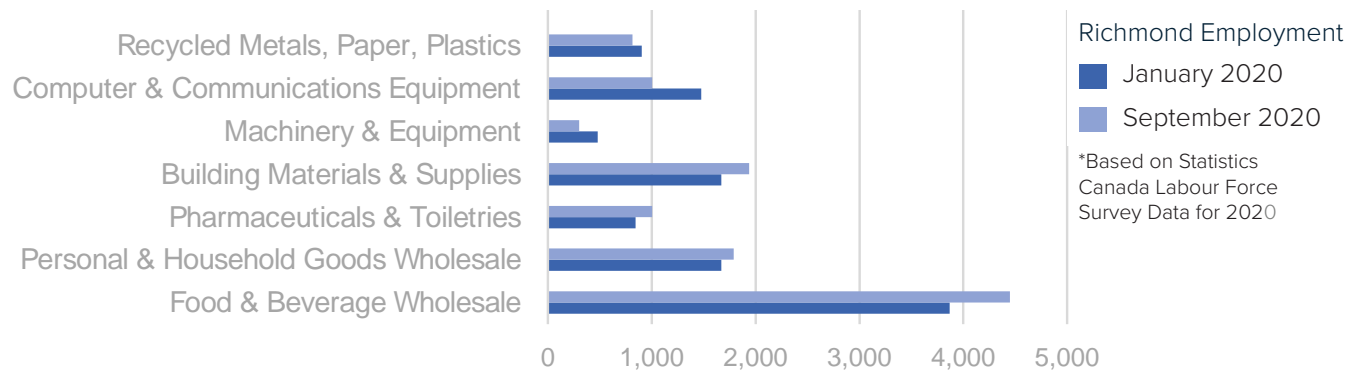
**27%** of businesses were temporarily closed but have since re-opened  
**11%** of businesses expect to continue to operate at current revenue and expenditures for less than 6 months

**Richmond has 16%** of Metro Vancouver's Employment in Wholesale Trade

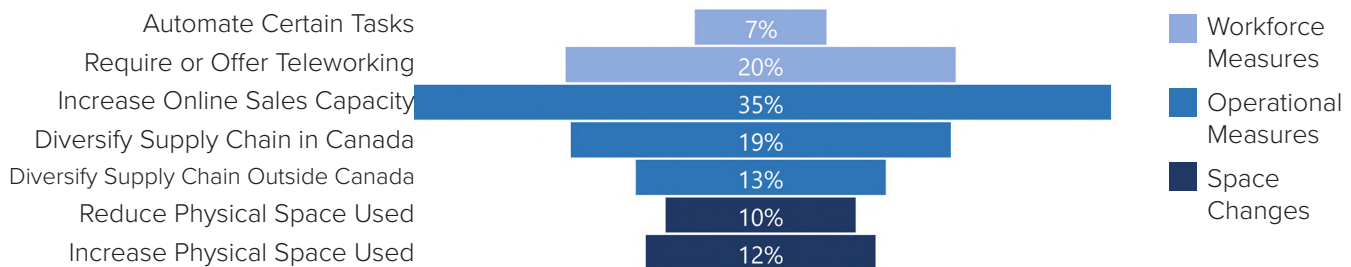
### PREVALENT SUBSECTORS

- Food & Beverage Wholesale
- Personal & Household Goods Wholesale
- Pharmaceuticals & Toiletries Wholesale
- Building Material and Supplies Wholesale
- Machinery, Equipment, and Supplies Wholesale
- Computer and Communications Equipment and Supplies Wholesale
- Recyclable Metals, Paper, & Plastics Trade & Wholesale

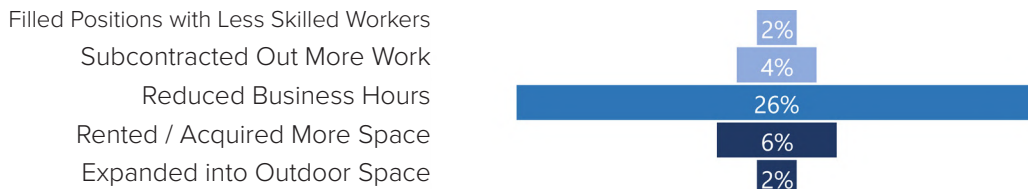
### EMPLOYMENT IMPACTS BY SUB-SECTOR



### Anticipated Measures Adopted Permanently by BC Businesses



### Measures Taken to Date by BC Businesses



Wholesale trade saw a massive shift to diversifying their supply chains and increasing online sales as a result of COVID-19.

## SECTOR IMPACTS

# Transportation & Warehousing

### EMPLOYMENT (fall 2020)

**Down 29% or 3,875 jobs** since January 2020

### REVENUES (fall 2020)

**Down 20%** from the same time last year

### BUSINESS CLOSURES (fall 2020)

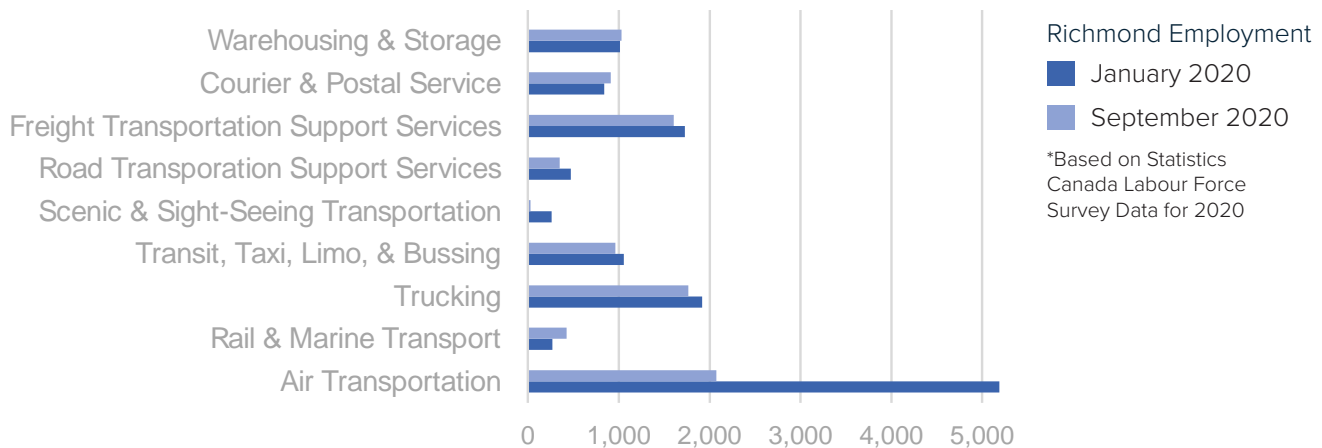
**24%** of businesses were temporarily closed but have since re-opened  
**21%** of businesses expect to continue to operate at current revenue and expenditures for less than 6 months

**Richmond has 22%** of Metro Vancouver's Employment in Transportation & Warehousing

### PREVALENT SUBSECTORS

- Warehousing & Storage Services
- Courier & Postal Services
- Freight Transportation, including freight forwarding
- Road transportation maintenance & support services
- Urban transit, bus, taxi, and limo services
- Local and long haul trucking
- Air transportation, including air transport support services

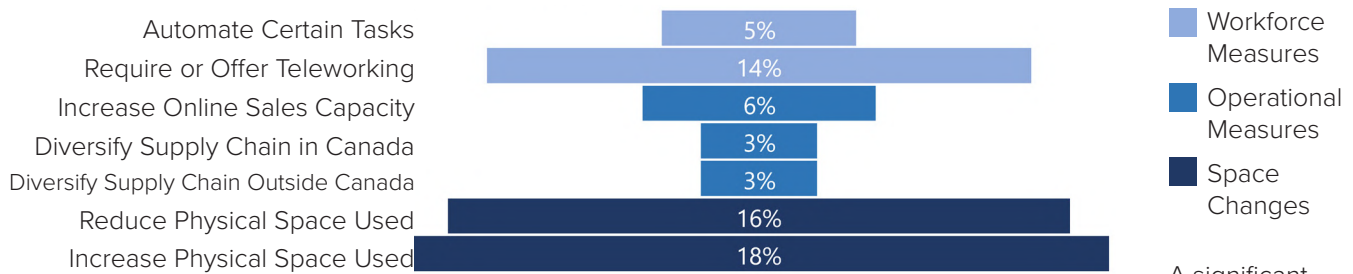
### EMPLOYMENT IMPACTS BY SUB-SECTOR



Employment in transportation and warehousing in Richmond is closely tied with two regional economic anchors—the Vancouver Port and YVR. Passenger travel at the airport has dropped by more than 60% over the course of 2020 (seeing some months where passenger volumes were less than 10% of ‘normal’ or anticipated volumes). Drops in international travel and local urban tourism saw knock-on effects for other transportation services including bus and boat sightseeing tours, taxi & limo services, and urban transit services.

The Port saw a return to ‘near normal’ activity in the third and fourth quarter of 2020, but the spring brought substantial supply chain disruptions which caused missed ocean liner sailings and lower and more volatile trucking demand. Employment in freight movement started to recover quickly in the summer and early fall and a transition to door-to-door delivery services has generated new employment opportunities in the transportation sector that are anticipated to remain permanent.

### Anticipated Measures Adopted Permanently by BC Businesses



A significant percentage of transportation & wholesaling businesses have anticipated changes in their needs for physical space.

### Measures Taken to Date by BC Businesses



## SKILLS PATHWAYS

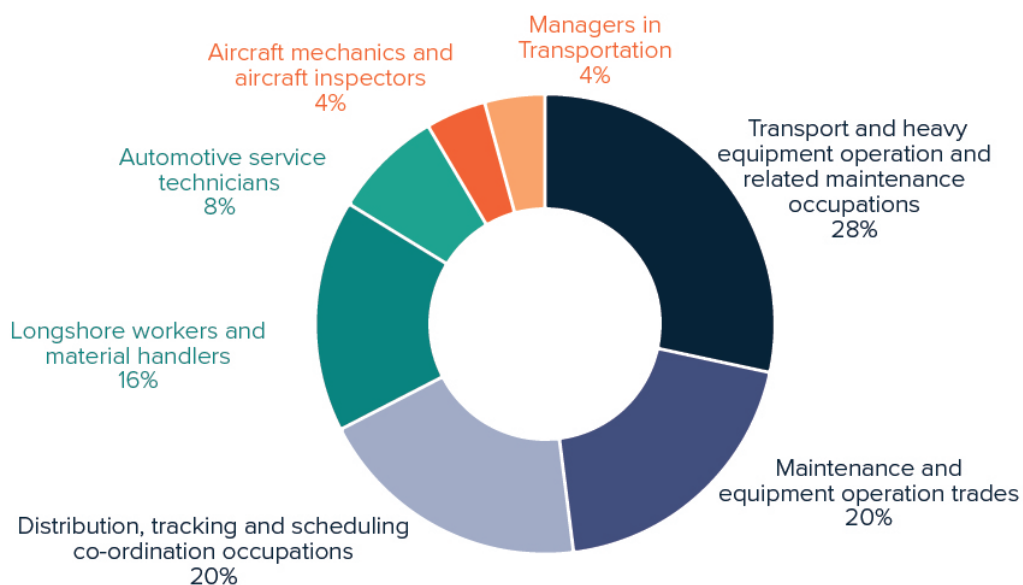
Emerging skills identified as being in high demand in the transportation & storage sector by the World Economic Forum include:

- Active learning strategies
- Complex problem-solving & analytical thinking
- Technology use, monitoring and control
- Technology design and programming
- Systems analysis and evaluation
- Quality control and safety awareness
- Reasoning, problem-solving and ideation

Roles identified as being in high demand in transportation & storage include:

- AI and Machine Learning Specialists
- Digital Marketing and Strategy Specialists
- Data Analysts and Scientists
- Architects and Surveyors
- Software and Applications Developers
- Supply Chain and Logistics Specialists
- Environmental Protection Professionals
- Organizational Development Specialists

## COMMON TRANSPORTATION OCCUPATIONS FOR RICHMOND RESIDENTS



These are the most common occupations held in transportation by Richmond residents according to the 2016 census.

The orange shades represent occupations that are the highest paid and tend to represent the most highly educated workers, followed by those in shades of green. The blue shades represent occupations most likely to be held by lower paid workers with on-the-job training.

## SECTOR IMPACTS

# Retail Trade

### EMPLOYMENT (fall 2020)

**Down 4% or 800 jobs** since January 2020

### REVENUES (fall 2020)

**Down 13%** from the same time last year

### BUSINESS CLOSURES (fall 2020)

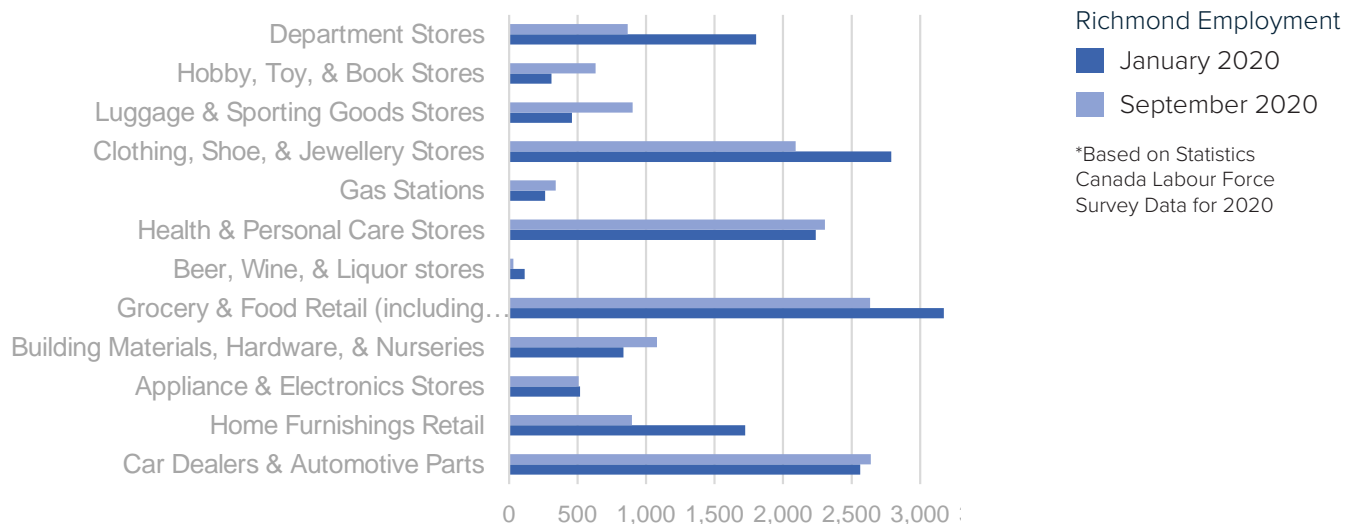
**10%** of businesses were temporarily closed but have since re-opened  
**23%** of businesses expect to continue to operate at current revenue and expenditures for less than 6 months

**Richmond has 11%** of Metro Vancouver's Employment in Retail Trade

### PREVALENT SUBSECTORS

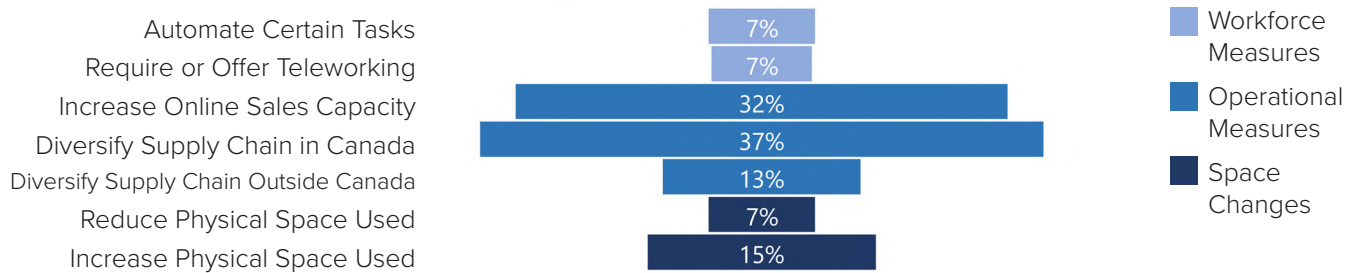
- Car Dealers & Automotive Parts
- Home Furnishings (Furniture, Floor Coverings, & Window Treatment)
- Appliance & Electronics Stores
- Building Materials, Hardware Stores, & Nurseries
- Grocery Stores, Convenience Stores, Specialty Food Stores
- Beer, Wine, & Liquor Stores
- Health & Personal Care Stores
- Gas Stations
- Clothing, Shoe, & Jewellery Stores
- Luggage & Sporting Goods Stores
- Hobby, Toy, & Book Stores
- Department Stores

## EMPLOYMENT IMPACTS BY SUB-SECTOR



Retail has not been uniformly or consistently impacted by COVID-19. Retailers with significant online sales & marketing capacity have excelled above their peers that rely on in-store sales. Similarly, some retail sectors have seen increased sales as consumer spending patterns have changed. Home improvement products, outdoor sporting equipment (such as bikes), automobiles, and personal care products have all seen a boost in activity as people stay home and shift their spending to making their homes and hobbies more comfortable and accessible.

### Anticipated Measures Adopted Permanently by BC Businesses



### Measures Taken to Date by BC Businesses



Reduced business hours and physical distancing at retail outlets has resulted in a substantial shift to online sales for many retailers.

## SKILLS PATHWAYS

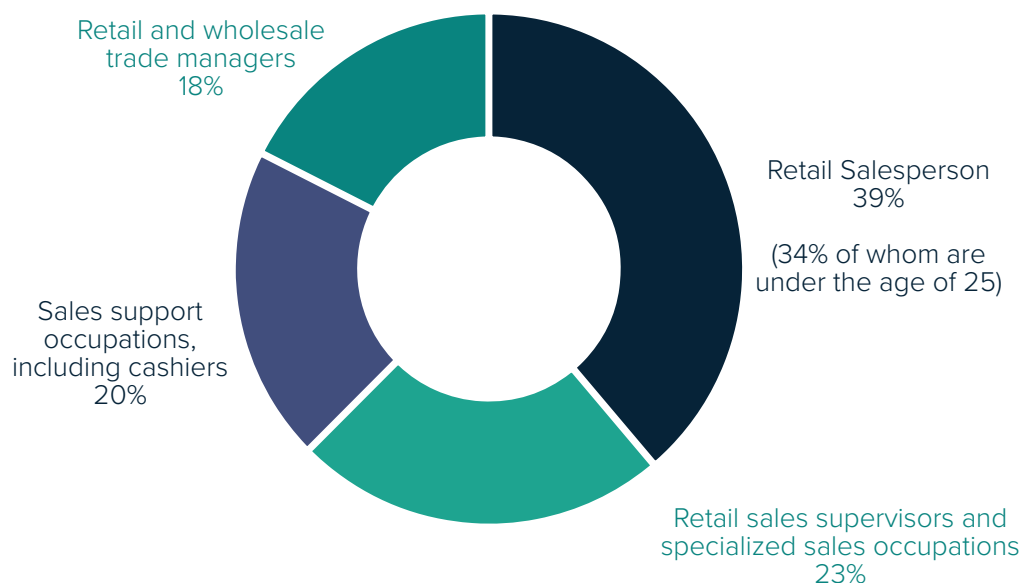
Emerging skills identified as being in high demand in the retail sector by the World Economic Forum include:

- Complex problem-solving
- Analytical thinking and innovation
- Creativity, originality and initiative
- Technology use, monitoring and control
- Leadership and social influence
- Troubleshooting and user experience
- Service orientation

Roles identified as being in high demand in retail include:

- Data Analysts and Scientists
- Big Data Specialists
- AI and Machine Learning Specialists
- Process Automation Specialists
- Organizational Development Specialists
- Management and Organisation Analysts
- Database and Network Professionals
- Business Development Professionals

## COMMON RETAIL OCCUPATIONS FOR RICHMOND RESIDENTS



These are the most common occupations held in retail by Richmond residents according to the 2016 census.

The blue shades represent occupations most likely to be held by lower paid workers with on-the-job training.

## SECTOR IMPACTS

# Accommodation & Food Services

As of November 2020...

EMPLOYMENT is **Down 25% or 5,150 jobs** since January 2020

REVENUES are **Down 26%** from the same time last year

BUSINESS CLOSURES:

**28%** of businesses were temporarily closed but have since re-opened;

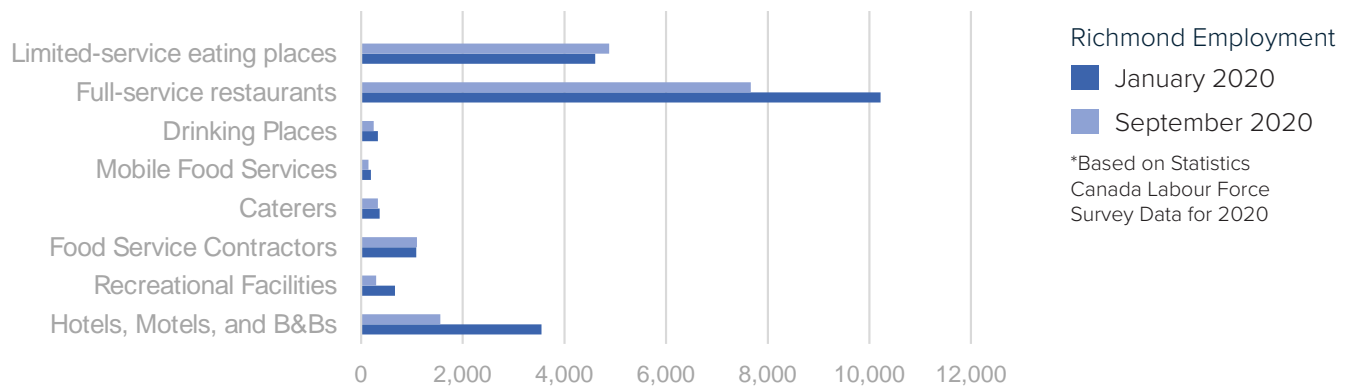
**27%** of businesses expect to continue to operate at current revenue & expenditures for less than 6 months

**12%** of Metro Vancouver's employment in Accommodation & Food Services is in Richmond

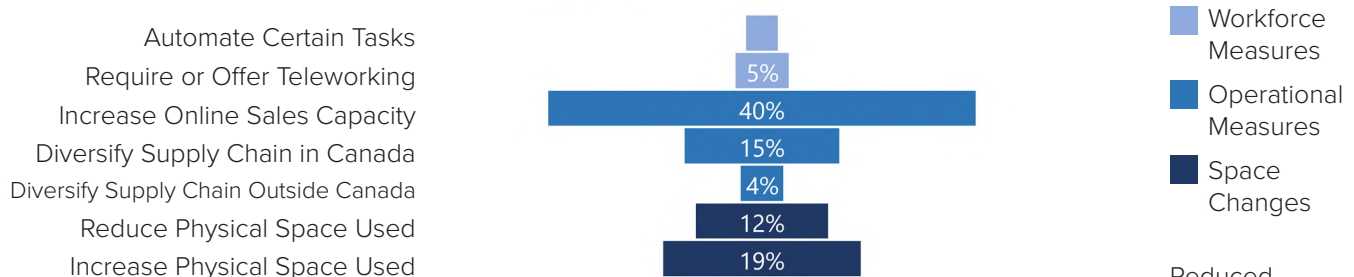
## PREVALENT SUBSECTORS

- Hotels, Motels, and B&Bs
- Food Service Contractors
- Caterers
- Mobile Food Services
- Drinking Places, Bars, & Lounges
- Full-service restaurants
- Limited-service eating places

## EMPLOYMENT IMPACTS BY SUB-SECTOR



## Anticipated Measures Adopted Permanently by BC Businesses



## Measures Taken to Date by BC Businesses



Reduced business hours and capacity at restaurants has been one of the greatest shifts for the food & accommodation sector.



## NEXT STEPS

# Economic Recovery in the City of Richmond

The purpose of this analysis of the impacts of COVID-19 in the City of Richmond is to reveal where the most substantial economic impacts have taken hold to-date and which impacts are anticipated to persist or take hold over the coming years. This is not an economic recovery strategy, but it reveals several economic recovery directions for further exploration.

## SUPPORT BUSINESS DEVELOPMENT & TRANSFORMATION OPPORTUNITIES

As businesses transition to new modes of working, many are likely to rethink their business models. Some manufacturers have already shifted to producing different products, retailers are seeing less need for large showrooms and more need for storage to fulfill online orders, and wholesalers have identified an intention to diversify their supply chains and keep more product on hand. In addition, many workplaces are considering offering permanent work-from-home options to employees. These shifts are happening quickly in some businesses and more slowly in others.

As businesses transition to new operating models permanently, many are likely to adjust their physical spaces to meet their new reality. This could include increasing flexible storage space or outdoor space, changing the configuration of retail and office spaces, downsizing or sharing spaces. These changes could result in a wave of permit applications for renovations, zoning variances, and changes to parking bylaws. These are just examples. The City of Richmond will have a significant role to play in being responsive to these requests and evaluating the City's policy and planning framework to make it flexible to emerging operating models.

Support from the City can come in many forms—from prioritizing the permits of small businesses in the throes of recovery to proactively engaging the businesses community around the shifts they are making and pre-emptively changing policies (permanently or temporarily) to accommodate these shifts. The temporary patio program launched in the summer of 2020 is a great example of this. In addition, the Richmond Economic Development team can play a connecting role for businesses making major business model shifts—helping identify prospective talent pools, funding partners, suppliers, project opportunities, and clientele.

## SUPPORT PRODUCT DEVELOPMENT & DESTINATION ENHANCEMENT FOR THE TOURISM SECTOR

The tourism sector is a major economic driver for the City of Richmond. It bouys up the accommodation and food service, retail, transportation, and other supporting sectors. Over the past several years, the tourism focus for Richmond has shifted to include destination development and enhancement as key components to the community's tourism strategy, creating a stronger foundation for destination marketing activities. International tourism is likely to recover gradually from COVID-19 as populations are vaccinated and testing protocols are established.

Throughout this recovery period, there is an opportunity to focus on product development and destination enhancement rather than destination marketing for the tourism sector. This means investing in green spaces, local tourism infrastructure, such as outdoor event venues, and capacity-building measures to ensure tourism is not constrained as borders open back up and global destinations compete for returning travellers. Partnering with local tourism stakeholders, such as Tourism Richmond and the Richmond Hotel Association, as well as regional bodies, such as Destination BC will be critical to shifting strategy from a period of marketing to one of investment in Richmond's tourism 'products'.

## DEVELOP PATHWAYS TO EMPLOYMENT FOR DISPLACED WORKERS

Young people (under the age of 25) are one of the demographic groups that have seen the biggest employment impacts as a result of the pandemic. Young people in Richmond are over-represented in retail jobs, as well as lower-skilled and lower paid work. The World Economic Forum has also identified this demographic as the most nimble to pivot to a new career path. Economic recovery efforts in the City of Richmond could help displaced workers pivot to emerging and

growing sectors through partnerships with academic institutions, community colleges, and other education program providers to design, market, and deliver micro-credentialling opportunities and skill-building programs in emerging fields with strong labour markets.

Retail, accommodation & food services, manufacturing, and transportation have all seen significant displacement of workers in Richmond. These sectors have also identified an emerging set of skills and positions that will help these sectors rebound stronger than before. These include:

- **TECHNOLOGY MANAGEMENT:** Technology use, monitoring and control, including IT support, technology design & programming, and systems analysis
- **PEOPLE MANAGEMENT:** Troubleshooting, organizational development, user experience management, and business development
- **DATA MANAGEMENT:** Data analysis, database management, and network professionals
- **CYBER SECURITY:** Data security, data privacy, Setting up systems for remote work and digitally-enabled operations that ensure businesses are resilient to cyber attacks

Some businesses and sectors have continued to add new jobs during the pandemic, the City can also play a role in communicating these employment opportunities to displaced workers and job seekers.

## CAPITALIZE ON INDUSTRIAL SPACE IN RICHMOND TO ATTRACT AND GROW COMPANIES IN ESTABLISHED AND EMERGING INDUSTRIAL SECTORS

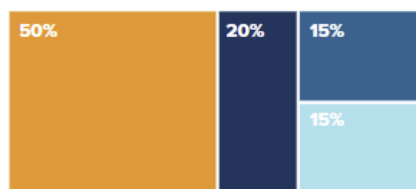
The market for light industrial space in Metro Vancouver is likely to remain constrained over the coming years, unlike traditional office and retail spaces which are likely to see more substantial market transformation. Richmond is uniquely positioned to attract emerging business sectors that require a unique mix of light industrial and office space for R&D, prototyping, storage, and distribution. Lab space has been identified as being in particularly short supply in the region and an area where land use policy and development of lab space could help spur the development of a stronger pharmaceutical and medical equipment sector in Richmond.

\*The graphic below was taken from the Vancouver Economic Commission's 2018 Industrial Insights Study. It demonstrated the unique mix of spaces needed by emerging light industrial sector businesses.

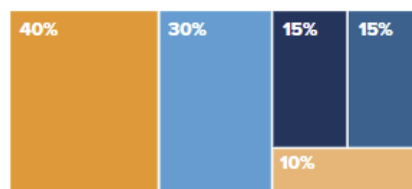
### SPACE UTILIZATION BY SUBSECTOR

Breakdown of How Indoor Space Is Utilized By Survey Respondents

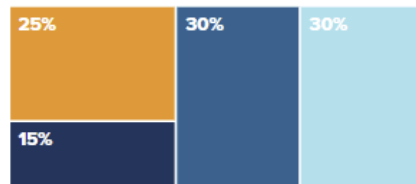
#### CLEAN TECHNOLOGY



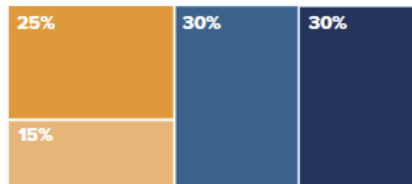
#### DIGITAL ENTERTAINMENT



#### BIOTECH



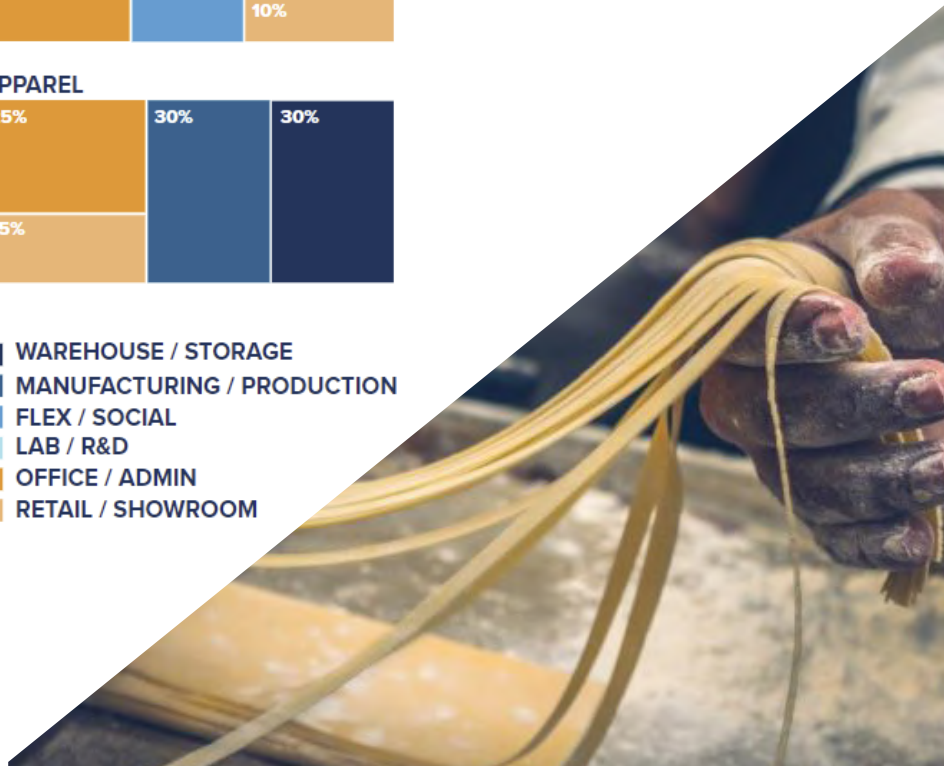
#### APPAREL



#### FOOD PROCESSING



- WAREHOUSE / STORAGE
- MANUFACTURING / PRODUCTION
- FLEX / SOCIAL
- LAB / R&D
- OFFICE / ADMIN
- RETAIL / SHOWROOM



# Study Methodology

This study looked specifically at the COVID-19 impacts in the City of Richmond using a business sector lens (What business sectors have been most impacted and in what ways?), an employment lens (Which types of occupations have been, and are likely to continue to be, most impacted and in what ways?), and a space lens (To what degree are the economic shifts underway likely to impact local demand for commercial, industrial, and retail space?).

## METHODOLOGY:

### STEP ONE: BASELINING THE RICHMOND ECONOMY

A baseline enterprise, employment, and revenues model was developed to understand the City of Richmond economy prior to COVID-19. Statistics Canada data, including enterprise data collected twice annually through the business registrar was used to build the 2020 baseline for number of businesses by subsector, employees by subsector. Regional revenue data was used to estimate total revenues per business based on size. This baseline was compared against 2016 census data to which Metro Vancouver economic growth rates were applied (from 2016 - 2020).

### STEP TWO: APPLICATION OF SURVEY INSIGHTS

Two primary sources were used to understand recent impacts of COVID-19 on the City of Richmond economy. The first was the Labour Force Survey, conducted on a rolling basis by subsector across the region which outlines employment impacts by subsector. The second was the Canadian Survey on Business Conditions: Impact of COVID-19 on businesses in Canada. This survey was conducted nationally in April, June, and October of 2020. Many national data sets lag in showing economic impacts of major events and are unable to provide insight into future events. Surveying in this situation can reveal what is happening within businesses now and how business owners anticipate continuing to respond to the impacts of COVID-19.

### STEP THREE: VERIFICATION WITH RICHMOND ECONOMIC ADVISORY COMMITTEE & 3RD PARTY RESEARCH

The initial analysis of economic trends and impacts in the City of Richmond was complemented with 3rd-party research from regional real estate brokerages, national, regional, and international studies on the economic impacts of COVID-19, meetings with Richmond Advisory

Committee members, as well as 2016 census data on Richmond occupations, labour force participation, labour force demographics. These additional sources were applied to the baseline economic impact model to help identify how the sector by sector impacts of COVID-19 are likely to impact Richmond residents, employment prospects, and commercial spaces.

## STUDY LIMITATIONS

The data used in this study gives an overview of “what” is happening but not “why” it is happening or where economic recovery leadership in the community lies. While this analysis can help set the direction for economic recovery efforts, further on-the-ground investigation will be needed to identify recovery pathways and partnership opportunities.

## DATA SOURCES:

### City of Richmond Data:

- City of Richmond Business License Data (2016 - 2020)

### Statistics Canada Data:

- 2019 & 2020 Enterprise & Employment Data, Metro Vancouver & City of Richmond scales
- 2016 City of Richmond Census, Occupations, Demographics, and Labour Force Education
- 2020 Metro Vancouver Revenue Distribution Data by Business Sector & Size
- Labour Force Survey (3-month rolling averages), 2020, Metro Vancouver
- Canadian Survey on Business Conditions (temporary survey program affiliated with COVID-19), National and Provincial survey data

### 3rd-Party Data & Research

- Canadian Federation of Independent Businesses, Monthly Survey Data on Impacts of COVID-19 on Independent Businesses
- CBRE and Colliers Metro Vancouver Quarterly Market Reports on Industrial, Retail, and Office Space
- World Economic Forum , Future of Jobs Report, October 2020.