

Why we need to care about Metro Vancouver's industrial land shortage

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<https://dailyhive.com/vancouver/metro-vancouver-industrial-lands-eric-aderneck>



Completed solar panel system atop Lululemon's distribution centre in Delta. (Wesgroup)

Written for Daily Hive Urbanized by [Eric Aderneck](#), an urban planner in Metro Vancouver who has extensively tracked the region's industrial land shortage at [Metro Vancouver Industrial Lands](#).

Unlike housing (and [nowadays offices](#)), few people ask: What's the latest about industrial lands?

Industrial lands contain businesses and activities that serve the wider economy and community, yet don't often receive much attention. And just like the affordable housing crisis, there is an industrial lands crisis in Metro Vancouver.

For years now, we — industrial lands advocates/aficionados — have been saying the same thing, and it's only gotten more severe. There's nothing cute about an acute shortage of industrial accommodations for businesses and employment to grow. There's a limited

amount of industrial land in Metro Vancouver (and some other regions too) and a strong demand for industrial space.

In response, more planners and developers are exploring ways to use the limited land base as effectively as possible, including through industrial densification and intensification. These new buildings fit more floor space onto a given amount of land, using a valuable resource more efficiently.

Industrial uses: What is it exactly?

The term “industrial” represents a wide spectrum of uses and intensities, which do not all fit into conventional definitions of heavy and light, or traditional and modern. An industrial use can include everything from large transportation, distribution, and manufacturing facilities, to small local-serving producers and suppliers, as well as new sectors like advanced technology, media/design, bio-tech, and e-commerce.

Historically, the need for urban industrial land declined with the movement of warehouses to highway-oriented suburban locations and the relocation of manufacturing factories to other continents.

But more recently, there has been a heightened recognition of the need for industrial space that serves the city and urban core, be it for growing e-commerce sorting and delivery, reshoring of some manufacturing, new innovative light industrial or quasi-industrial sectors, and local serving businesses.

Notably, in the case of Metro Vancouver, the region accommodates the largest port in Canada and associated transportation and off-dock distribution activities, which amplify the demand for industrial space.

Just as there is a housing continuum, there is also an industrial spectrum, from heavy to light, analog to digital, and land-oriented to building-oriented activities. New multi-level buildings can range from small format urban units, designed with **light industrial at grade and tech office above** connected by freight elevators, to **large format suburban structures with full size ramps for commercial transport trucks**.

How to measure industrial activities?

Industrial development is the essence of form follows function – the land and building are often designed around the operational requirements of the business occupant. There are **two ways to define industrial land uses and associated measures of utilization**:

- Intensity/intensification refers to the amount of activity – measured as jobs per building or land area, or the volume of goods produced or processed.
- Density/densification refers to the dimensions of a building – measured as floor area ratio, site coverage or building heights/volumes.

Industrial activities can be building intensive (such as needing indoor building space and facilities) and/or land extensive (such as needing outdoor space for material storage, equipment loading, and vehicle maneuvering). Higher intensities are often associated with higher densities, but this is not always the case.

Different utilization measures may be relevant depending on the type of use and the intended outcomes.

While employment is important, the number of jobs on a site should not be the primary or only measure of success for industrial uses and utilization. Some industrial functions are inherently equipment-intensive and thus do not require many employees or are being made more efficient through automation.

Industrial uses support local innovation

With industrial densification, the opportunity is to build higher to increase the yield and allocate land costs over a greater floor space. The wider community can benefit from increased capacity to accommodate jobs and improve transportation accessibility. Close proximity of related businesses, workers, suppliers, and customers are an important part of an efficient and integrated economy, which also contributes to reduced travel distances and times which can provide financial, social, and environmental benefits.

Industrial uses are not simply a land use matter. They also accommodate businesses and economic and employment activities. Higher-density buildings with integrated uses can

house light and new types of industrial activities, including ones contributing to the modern and innovative economy.

Different industrial (and quasi-industrial) types of uses (or mix of uses) or ‘typologies’ are possible. It is important to note that some combinations of uses are entirely industrial, whereas others can include commercial which may or may not be accessory or supportive to the industrial function.

Excessive commercial can risk leading to land use conflicts, changes in uses, and speculation, which destabilize an industrial district. Accordingly, municipal plans should consider the local context and community objectives, in addition to development interests.

Moving forward on addressing the industrial space shortage

Viability requires the availability of appropriate sites, transportation accessibility, government approvals, efficient designs, manageable costs, and high rents. For example, the four-level Evolution Block building by PC Urban in Vancouver, completed in 2022, accommodates a premium auto repair shop on the ground floor and a growing bio-tech firm on the upper floors.

Industrial zones typically permit some accessory and commercial activities that are supportive of the primary industrial use. These include limited office, retail, and other uses.

However, excessive commercial uses, especially ones that are not associated with the area’s primary industrial intent, may lead to negative consequences. Some types of tenants may seek locations/accommodations that provide urban amenities for their workforce, such as local shops, services, and transit. Substantial commercial uses (and even more so with residential) can displace industrial users by increasing land values, property taxes, and rental rates, and introduce land use conflicts from noise, odour, and traffic.

In Metro Vancouver, there is a Regional Industrial Lands Strategy which states that:

“Industrial lands are crucial to supporting a prosperous and sustainable regional economy. Industrial lands accommodate over one-quarter of the region’s total employment, and contribute to the region’s economic well-being, along with important linkages to transportation, trade, and taxation matters.”

The strategy seeks to: “Ensure sufficient industrial lands to meet the needs of a growing and evolving regional economy to the year 2050.” It identifies four major challenges as follows, and provides a series of associated responses, including the constrained land supply, pressures on industrial lands, site and adjacency issues, and a complex jurisdictional environment.

But in a region with a rapidly growing population and economy, the question remains: will we make it to the year 2050?

To encourage higher-density industrial development, municipalities should consider updating zoning provisions and planning policies to accommodate new build forms. Policies could include incentives such as expedited approval processes, reducing parking and loading requirements, waiving development charges/fees for industrial floor space on upper levels, and assisting with land assembly, infrastructure servicing, and soil remediation. Strategies could target older properties that could be redeveloped into higher-density industrial uses.

Other considerations relate to developers. For example, unique sites with slopes might not need ramps or elevators to achieve a two-level building design. An interesting mix of co-related industrial uses in a building could be explored, along with on-site facilities and amenities. A combination of increased rental space and high lease rates could offset high construction costs. In some cases, developers have owned the lands for years, thereby allowing them to use their historic lower land prices to rationalize the higher development costs.

All of this must be considered as we continue to plan and develop growing cities and economies.