

The Global Marketplace

There continues to be outstanding opportunities for sustainable, high quality economic development for municipalities with a clear vision and a smart action plan. However, the pace of business is accelerating and competition is strong from the many regions in the world that are chasing businesses, especially in the desirable technology sectors. There are also great challenges in our region with diminishing land supply, rising land values, and increasing traffic congestion. While Burnaby has been very successful, it can't afford to be complacent about its past gains. There is potential in Burnaby that has not yet been tapped. There are opportunities that will take work to realize. There are constraints that Burnaby could be working to reduce.

A Good Community Plus Pointed Work

While many of the forces that affect a community's economic base are beyond local control, the City can influence economic development patterns in a variety of ways: if the City has a clear vision of what it is trying to achieve, has a sound understanding of Burnaby's economic prospects within the regional market context, and adopts practical strategies that have a good chance of success. This is the purpose of this Strategy.

Burnaby is quite fortunate in that it now has the opportunity to move forward from a position of strength. Because of its central location in Greater Vancouver (which is one of the most attractive urban regions in the world), its already-established positions in growing sectors of the global economy, and its outstanding array of community assets, there is a momentum that ensures that Burnaby is going to attract more investment and jobs whether or not the City adopts an economic plan. This Strategy simply aims to influence that growth by: identifying the kinds of economic development that are most appropriate; finding ways to make better advantage of Burnaby's strengths; chipping away at obstacles; and helping to make sure that economic growth does not come at the expense of Burnaby's social fabric, quality of life, or environment.

Looking Back

Burnaby adopted an Economic Development Strategy in 1990. The 1990 Strategy played a key role in helping Burnaby become a stronger regional centre for education, technology, communications, film/television, tourism, good quality light industry, the arts, not-for-profits, and retail/service, while celebrating its multicultural character and maintaining its position in agriculture and heavy industry.

Changes in Burnaby's Economy from 1991 to 2006

Burnaby's economy has changed from 1990 to 2006, as have many of the factors that influence and reflect the performance of the economy. The following is a small sample of change from the time since the 1990 Burnaby EDS was adopted.

Locally

- About 35,000 (or 22%) more people lived in Burnaby, 11,000 (or 12%) more people were in the work force in Burnaby, and 14,000 (or 15%) more people worked in Burnaby 10 years later in 2001 compared to 1991.¹
- About 43,500 (or 27%) more people lived in Burnaby 15 years later in 2005 compared to 1990.²
- The unemployment rate in Burnaby declined from 9.0 % in 1993 to 8.3% in 2003, a decrease of 0.7% (or 8%) over 10 years.³
- There continued to be more jobs than people in the labour force and jobs increased at a faster rate - the adjusted ratio was 1.2 in 2001 compared to 1.0 in 1991, 10 years earlier.⁴
- Average household income in Burnaby has remained at similar levels (expressed in 1997 dollars) - \$48,300 in 2001, was slightly lower compared to \$48,700 for 1991, 10 years earlier.⁵
- Vancouver's annual inflation rate fell from 3.6% in 1993 to 2.1% in 2003, a net decrease of 1.5% (or 42%) over 10 years.⁶

Provincially

- The total economic output of British Columbia (GDP) increased by \$28 billion (or 27%); high tech GDP increased by \$1.7 billion (or 85%), and tourism GDP increased by \$1.0 billion (or 25%) in the 10 years from 1993 to 2003.⁷

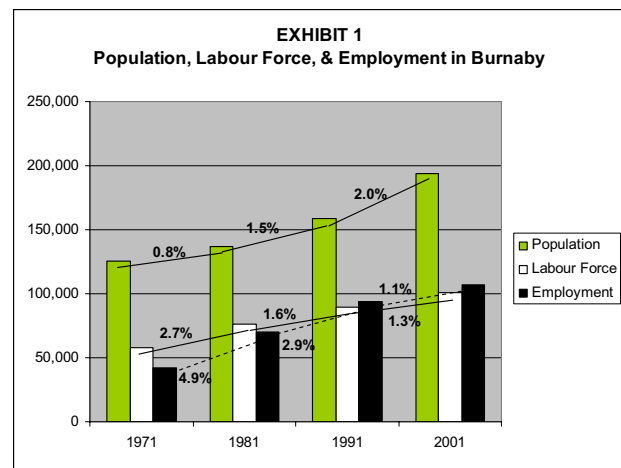
Nationally

- The exchange rate between the U.S and Canadian dollars, which was 77.53 cents in 1993, fell to the 62 cent range in 2001, then rose to 71.38 cents in 2003⁸ and is presently 86.29 cents as of February 2007⁹ - an 8.76 cent (or 11%) net gain over 14 years.
- The prime interest rate, which was 5.94% in 1993 had fallen to 4.69% in 2003¹⁰ and to 4.25% as of January 2007¹¹ a net decrease of 1.69% (or 28%) over 14 years.

The reason for including this sample of local, provincial, and national factors is to draw attention to the reality that the fate of a municipality within a region is greatly influenced by a broad range of complex economic factors which often operate at different levels. Before moving forward, the following points highlight some recent trends in key local factors (i.e., population, labour force, employment; industries with regional competitive advantage; and development cost charges and tax rates).

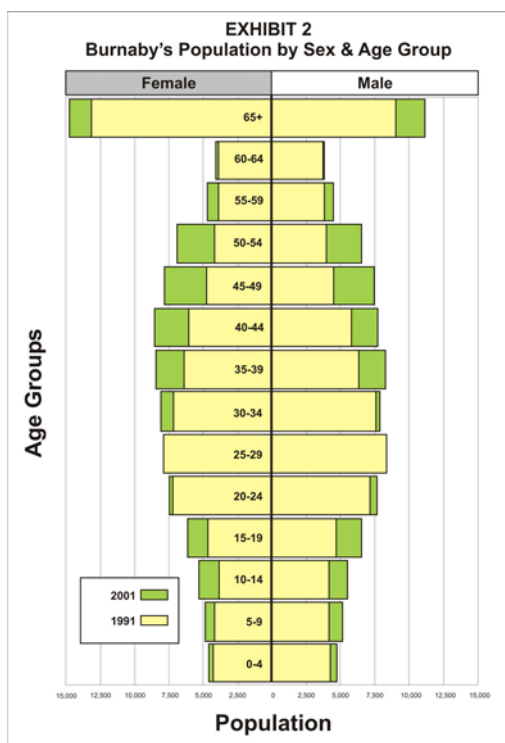
Population, Labour Force, Employment (1971, 1981, 1991, 2001)

Exhibit 1 shows trends in Burnaby's population, labour force, and employment over the last three decades. Burnaby has shown gains in all three indicators in each of the four decades shown. Burnaby's employment has grown at about 1.4% per year from 1991 to 2001 and remained at about 11% of total regional jobs through the last four decades.



The ratio of people working to jobs available within the city (labour force divided by employment) shifted from 0.7 in 1971 to 1.2 in 2001. This demonstrates that employment growth within Burnaby increased at a faster rate than labour force in each of the four decades shown in **Exhibit 1**.

Burnaby's Population is Aging



Burnaby's population increased by about 35,000 in the 10 years between 1991 and 2001. **Exhibit 2** shows the change in population from 1991 to 2001 by age group. 1991 is shown in yellow and the growth to 2001 is shown in green. This graph lists age groups from youngest at the bottom to oldest at the top. It also shows the female population on the left and the male population on the right.

In the 10 years from 1991 to 2001 all age groups increased, with the exception of 25-29 years of age. Although pre-school and school age children (ages 0 through 14) showed increases, the largest increases were in the working years (ages 15 through 65) with the largest increase of almost 6,000 people occurring in age group 45 to 49.

These Burnaby population trends are generally consistent with regional population trends over the same 10 year period.

Employment by Detailed Industry (1991 & 2001)

Exhibit 3 shows Burnaby's change in employment by industry type for those industries with a net gain during the 10 year period from 1991 to 2001:

- *Information and cultural industries* accounted for the largest increase of about 4,100 jobs (or 3.8% of total 2001 employment).
- *Administrative support* followed with about 3,400 jobs (or 3.2%).
- *Professional/scientific/technical* were next with about 2,900 jobs (or 2.7%).
- Six of the other eight industrial groups all have more than 1,000 jobs added (or more than 1.2%).¹²

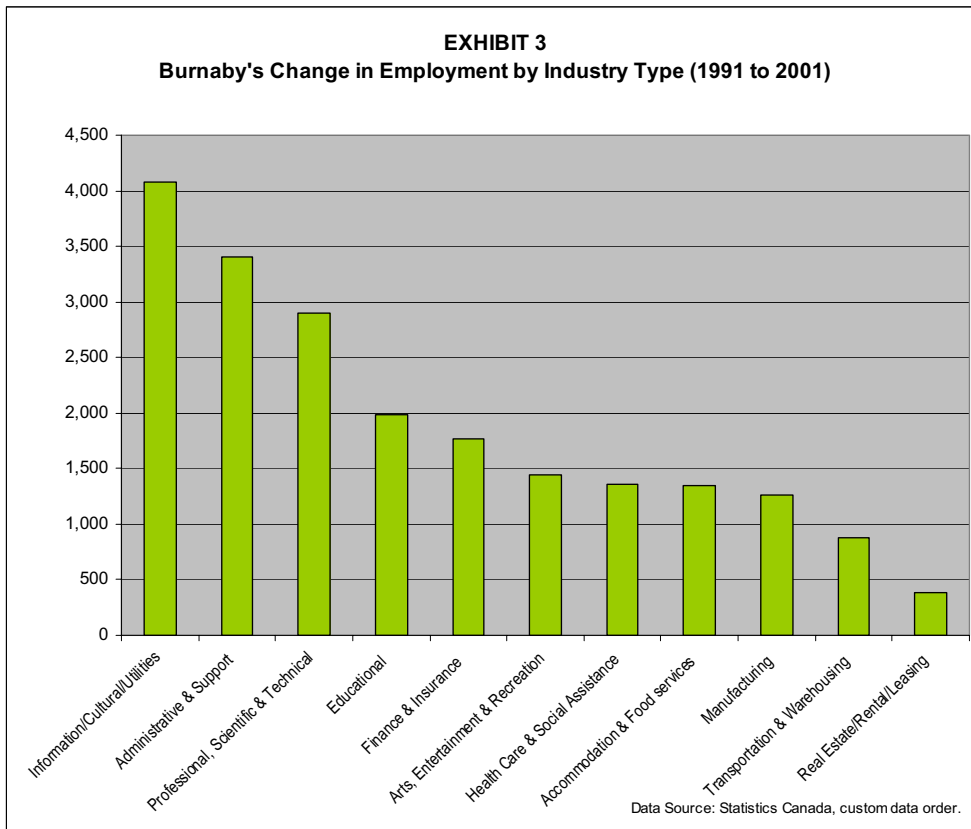
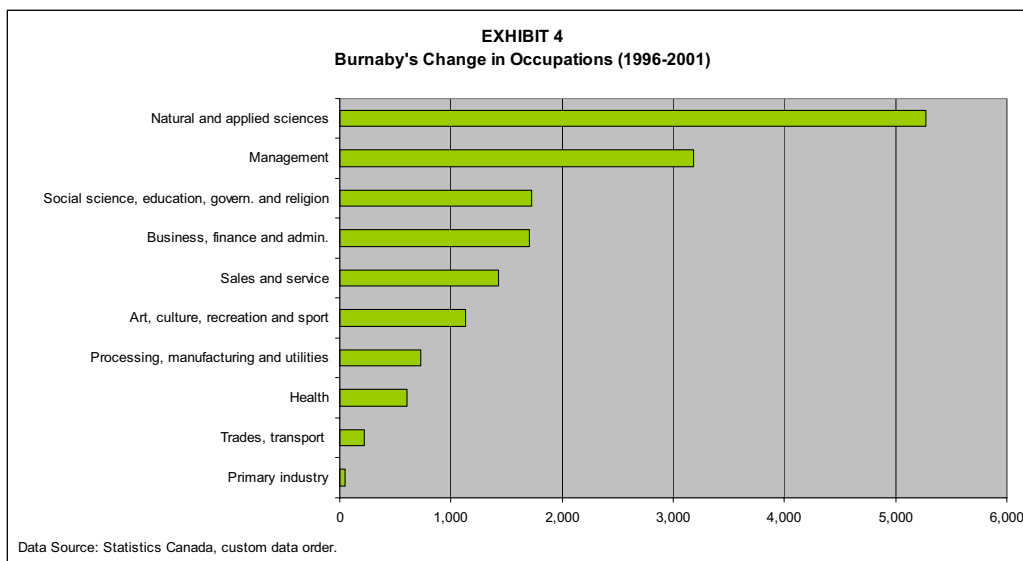


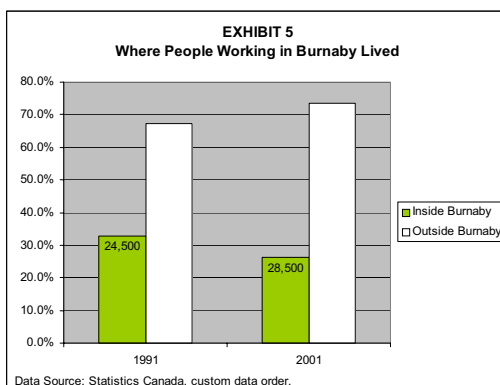
Exhibit 4 shows the change in occupations in Burnaby over the five years (1996 to 2001):

- Occupations related to natural and applied science gained over 5,200 jobs (or 4.9% of the 2001 total employment).
- Management gained over 3,100 jobs (or 3.0%).
- The remaining eight categories each represent less than 2,000 jobs (or 1.6%).

It is interesting to note that five of the six occupations with the largest net gains in employment are involved in knowledge-based industries.



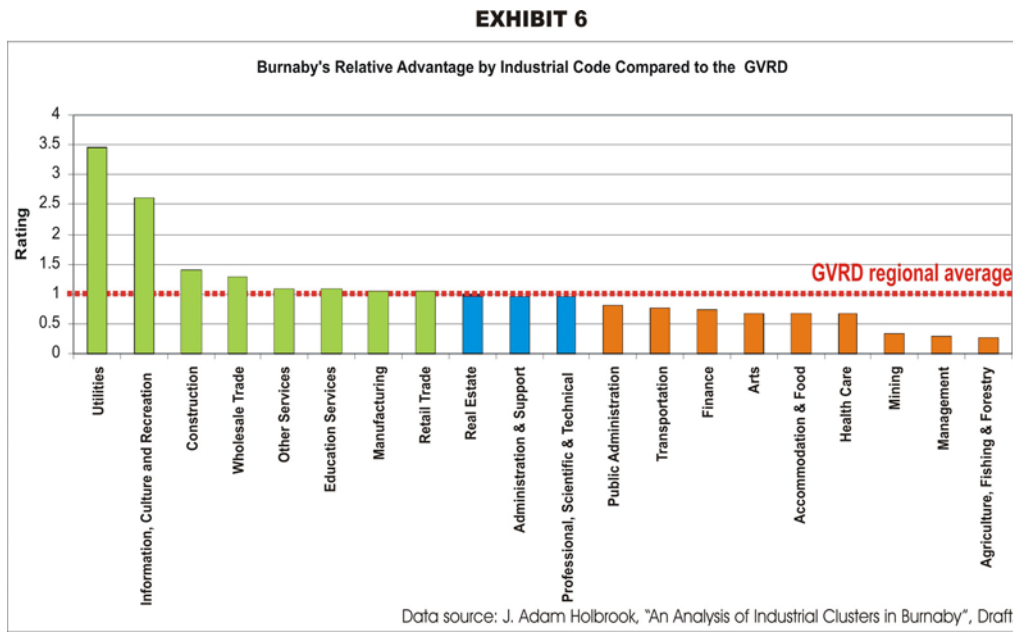
Place of Residence of Burnaby Employees (1991 & 2001)



The total number of people working in Burnaby who also live in Burnaby increased from about 24,500 to about 28,500 in the 10 year period from 1991 to 2001. When expressed as a percentage, as shown in **Exhibit 5**, the percentage decreased from 32.7% in 1991 to 26.4% in 2001.

Industries with Regional Competitive Advantage

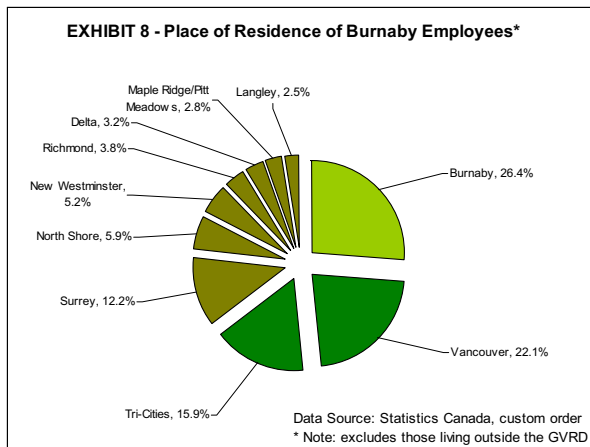
Exhibit 6 shows the business clusters in which Burnaby is relatively strong or relatively weak compared to the Greater Vancouver Regional District (GVRD) on average. In **Exhibit 6**, a value less than 1 means that this sector is under-represented in Burnaby. A value greater than 1 indicates that this sector is concentrated or clustered, suggesting that Burnaby has a competitive advantage in attracting this type of business.



As shown in **Exhibit 6**, Burnaby has above-average strength in utilities, information/culture/recreation, construction, wholesale trade, other services, education services, manufacturing, and retail trade. Burnaby is at or near the regional average in real estate, administration/support, and professional/scientific/technical. Burnaby is well below average in public administration, transportation, finance, arts, accommodation/food, health care, mining, management, and agriculture/fishing/forestry.

Distribution of Occupations and Industries with Regional Competitive Advantage

Exhibit 7 (on the next page) shows the distribution of industries and occupations within Burnaby that were found to have regional advantage.



Where People Who Work in Burnaby Live

Exhibit 8 shows the place of residence of people who work in Burnaby. The chart shows that only 26% of the people who live in Burnaby actually work in Burnaby (excluding people who work at home). About 64% live on the Burrard Peninsula and therefore need not cross a bridge to reach Burnaby to travel to work.

EXHIBIT 9
Comparison of Burnaby's Employment and Labour Force, 2001

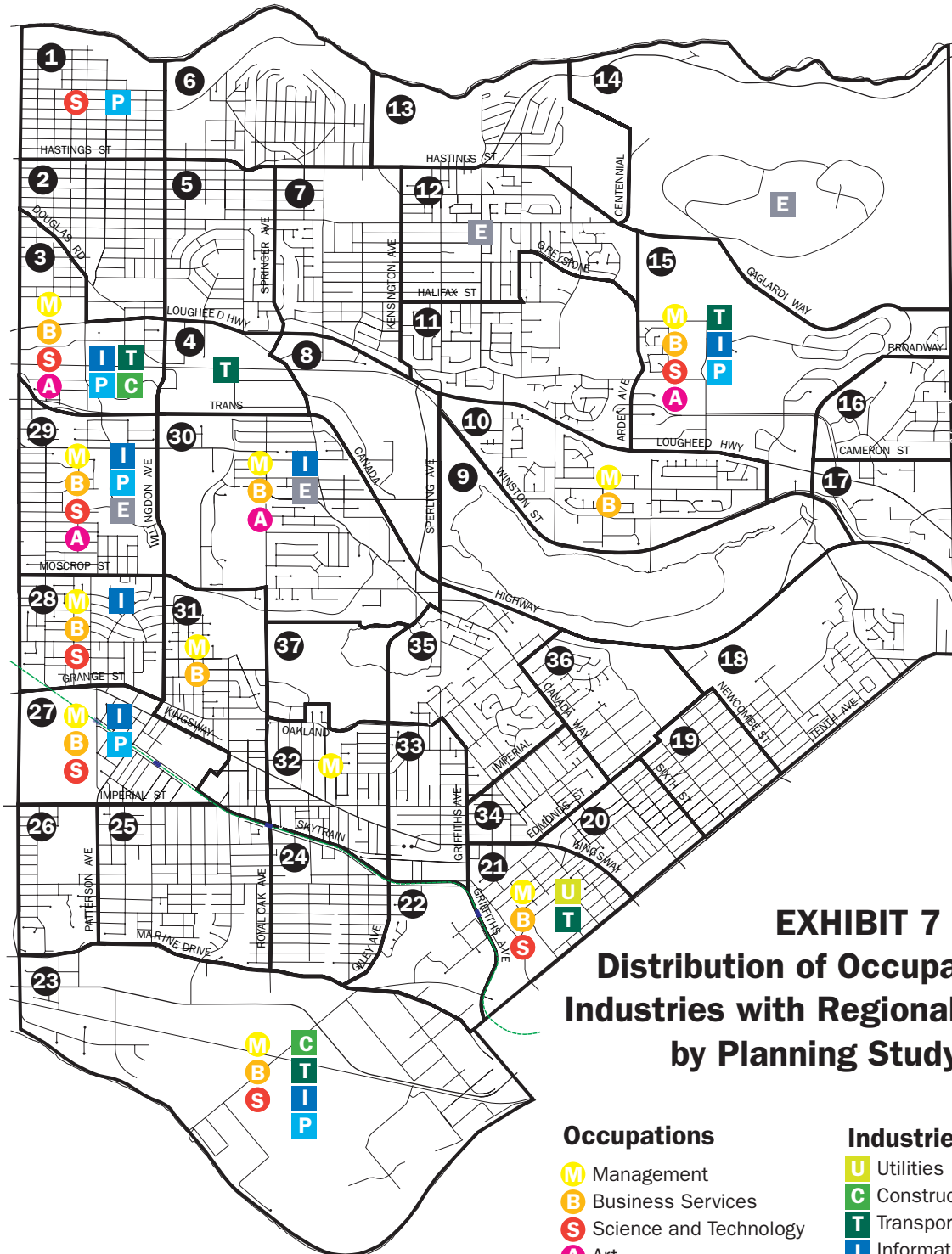
	Employment	Labour Force	Labour Force "Surplus" or "Deficit"
Accommodation & Food Services	5,940	7,795	1,855
Construction	3,410	5,190	1,780
Health Care & Social Assistance	6,890	8,575	1,685
Professional, Scientific, Technical Services	7,360	9,030	1,670
Administration & Support Services	3,065	4,400	1,335
Finance & Insurance	4,285	5,220	935
Arts, Entertainment & Recreation	1,260	1,865	605
Transportation & Warehousing	4,680	5,150	470
Other Sectors	305	770	465
Public administration	3,965	4,075	90
Real Estate, Rental, Leasing	2,020	2,075	55
Other services	5,435	5,230	-205
Wholesale Trade	7,215	5,550	-1,665
Educational Services	8,355	6,615	-1,740
Utilities	2,500	745	-1,755
Retail Trade	13,030	11,110	-1,920
Manufacturing	11,440	9,245	-2,195
Information & Cultural Industries	10,655	5,170	-5,485
Total	101,830	97,810	-4,020

Data Source: John M. Munro, "Burnaby's Economy in 2013: An Analysis of Trends", 16 Aug 2004 Draft

Burnaby's Employment and Labour Force

Exhibit 9 shows a comparison of Burnaby's labour force (i.e., employed people who live in Burnaby) with Burnaby's employment (i.e., jobs located in Burnaby).

Exhibit 9 also shows that, while total resident labour force and total employment are nearly balanced, many non-Burnaby residents come to Burnaby to work and many Burnaby residents leave the community for jobs elsewhere.



Planning Study Areas

- 1 Burnaby Heights
- 2 Willingdon Heights
- 3 West Central Valley
- 4 Dawson - Delta
- 5 Brentwood
- 6 Capitol Hill
- 7 Parkcrest - Aubrey
- 8 Ardingley - Sprott
- 9 Burnaby Lake
- 10 Government Road
- 11 Sperling - Broadway
- 12 Lochdale
- 13 Westridge
- 14 Burnaby Mountain
- 15 Lake City
- 16 Lyndhurst
- 17 Cameron
- 18 Cariboo - Armstrong
- 19 Second Street
- 20 Edmonds
- 21 Stride Avenue
- 22 Stride Hill
- 23 Big Bend
- 24 Clinton - Glenwood
- 25 Sussex - Nelson
- 26 Suncrest
- 27 Maywood
- 28 Garden Village
- 29 Cascade - Schou
- 30 Douglas - Gilpin
- 31 Mariborough
- 32 Windsor
- 33 Kingsway - Beresford
- 34 Richmond Park
- 35 Morley - Buckingham
- 36 Lakeview - Mayfield
- 37 Oakalla

EXHIBIT 7 Distribution of Occupations and Industries with Regional Advantage by Planning Study Area

Occupations

- M Management
- B Business Services
- S Science and Technology
- A Art

Industries

- U Utilities
- C Construction
- T Transportation
- I Information and Culture
- P Professional and Scientific Services
- E Educational Services

37 Planning Study Area



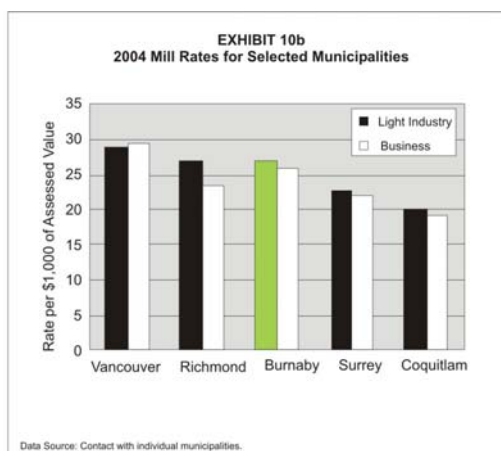
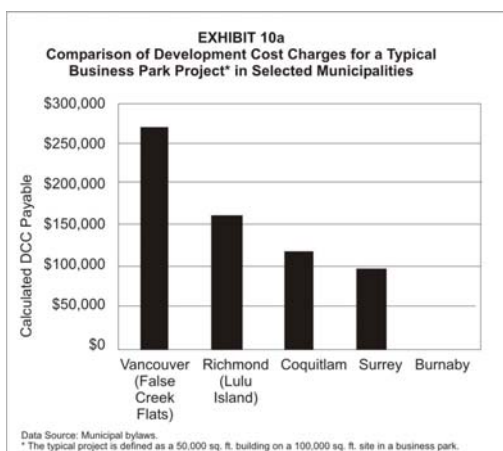
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There are particularly large imports in information/culture, manufacturing, retail trade, utilities, educational services, and wholesale trade. Conversely, Burnaby exports many workers in the accommodation/food, construction, health care/social assistance, professional/scientific/technical, and administration/support sectors.

Development Cost Charges and Tax Rates

Burnaby’s development approvals processes and development costs do not appear to be a significant constraint on Burnaby’s attractiveness. **Exhibit 10a** shows Burnaby’s estimated Development Cost Charges for a typical industrial project are the lowest of the selected communities in Greater Vancouver. **Exhibit 10b** shows Burnaby’s mill rates for light industrial and business taxes are competitive with the same selected communities.



From a Position of Strength

As shown by this selection of comparisons, Burnaby has made significant strides since the 1990 Burnaby EDS was adopted – moving from footholds in certain industries to a point of having a demonstrated regional advantage in a number of areas; capturing a large share of total regional employment; and achieving a leading role in sectors of the economy that match Burnaby’s vision for a sustainable, healthy community.

This growth is due in part to Burnaby’s decision in 1990 to adopt an Economic Development Strategy that identified specific ways in which the City could do its part in the creation of a strong local economy. It is from this position of strength that this strategy will focus on the next steps required to move forward.

Much has changed since 1990. The 1990 Strategy has run its course. Much of the planned work has been completed, many of the objectives have been achieved and, perhaps most importantly, Burnaby and Greater Vancouver are very different places with new challenges and new opportunities.

It is time for an updated look at Burnaby’s economic development prospects, a new articulation of Burnaby’s vision for the future, and a new action plan.

Looking Ahead

This Economic Development Strategy describes Burnaby’s vision for its local economy over the next fifteen or so years and outlines the actions the City and others can take to achieve this vision.

This Strategy reflects Burnaby’s basic attitude about economic growth: the local economy can be improved in ways that will enhance the quality of life, provide ongoing sustainable benefits (including jobs, investment opportunities, and tax base) for all members of the community, avoid environmental degradation, and make wise use of limited resources including land.

Process

Many hands contributed to the drafting of this Economic Development Strategy. City Council appointed a diverse and knowledgeable Steering Committee comprised of representatives of all sectors of the economy as well as people with social and environmental perspectives. A list of Steering Committee members is located in the ***Acknowledgements*** section of this report.

This Steering Committee guided the work of staff and consultants and also directed the creation of nine Sub-committees that completed detailed work on specific aspects of the economy and community that were identified as having growth prospects particularly appropriate to Burnaby.

The main technical steps in the work included:

- Analysis of Burnaby's economic base and prospects. This work is *attached* to this report as appendices (Taking Stock Discussion Paper, Trend Analysis, Cluster Analysis). All three of these documents are available on-line at www.burnaby.ca/EDS2020.
- Development of broad goals and principles for economic development.
- Selection of key sectors for detailed work.
- Updating the Strategy document.

The City also ensured that there were opportunities for consultation with the broader business community and the general public at two points in the process – the formation of broad goals, principles, and key sectors; and the release of the draft Burnaby EDS 2020.