City Profile

Vancouver - Critical Reflections on the Development Experience of a Peripheral Global City

Juliet Carpenter & Tom Hutton

1. Introduction: Situating Vancouver in Time and Space

Located on the western coast of Canada and at the eastern edge of the Asia-Pacific Rim, Vancouver is a mid-sized gateway city between North America and Asia (Hutton, 1998). With a population in the City of Vancouver of 631,000, and 2.46 million in the wider agglomeration of ‘Metro Vancouver’ that is made up of 21 municipalities, Vancouver is Canada’s third largest metropolitan area, after Toronto and Montreal (Metro Vancouver, 2016).

Geographically, it is bounded on all sides by a number of barriers. To the north and east lie the Coast Mountain range, while around 40 km (25 miles) to the south of central Vancouver is the border with the US. Directly west, 60 km (37 miles) across the Salish Sea, is Vancouver Island, the last landfall before the Pacific Ocean, and the largest island in the eastern Pacific Ocean. These barriers constrain physical growth of the city, and are one of the reasons why the city has tended to grow upwards, rather than outwards, in recent years. Furthermore, some 22% of the Metro Vancouver area is designated as “Agricultural Land Reserve” (ALR), a zoning introduced in 1973 which protects land for farming and therefore presents further constraints on growth outwards (Metro Vancouver, 2014), while generous allocations of land resources for wilderness and parks further constrain urban development in the region.

The Vancouver metropolitan area has undergone enormous changes over the past 40 years, both in terms of population growth and diversification as well as the densification of its built environment. The City of Vancouver’s population grew by 48% between 1971 and 2016, while Metro Vancouver’s population has grown by 140% over the same period, growth mostly attributed to migration both from within Canada and internationally. There has also been a rapid urbanization of Vancouver’s suburban

---

1 Metro Vancouver is made up of 21 municipalities, plus one Electoral area and one Treaty First Nation.
municipalities such as Surrey, Burnaby and Richmond, with high-density housing developments situated near public transport nodes in the suburbs.

But these growth figures mask the extraordinary population diversity that this migration has brought to the region, shaped by Vancouver’s sustained engagement with the societies and economies of the Asia-Pacific. In 2011, over 40% of Metro Vancouver’s population spoke a mother tongue other than one of Canada’s official languages (English and French). Of these 40%, the five most spoken languages were Chinese (languages combined), Punjabi, Tagalog (Filipino), Korean and Farsi (Duff and Becker-Zavas, 2017). The 2016 census revealed that “visible minorities” (“people of colour”) make up the majority of the population in five Metro Vancouver municipalities including Richmond, Burnaby and Surrey2 (Statistics Canada, 2016). While these population changes have brought a remarkable diversity and dynamism to the city, they have also brought challenges in terms of managing growth, in particular related to housing, transport, public services and integration.

Vancouver presents a city of contrasts. On the one hand, it is cited as one of the most desirable places to live globally, in relation to quality of life and livability indices. Ranked by The Economist as the most livable city in the world for 10 years running (2002 to 2011), it is currently ranked in 6th place globally (Economist Intelligence Unit, 2018). Factors that contribute to its high ranking include the ‘west coast’ lifestyle of outdoors living and access to green space, as well as high scores on infrastructure, education and culture.

On the other hand, Vancouver regularly features on lists of the most unaffordable cities in the world. For example, it ranks 3rd globally (after Hong Kong and Sydney) on the list of unaffordable cities, when measured using ‘house price-to-income’ ratios (Demographia, 2017). In relation to social exclusion, Vancouver’s Downtown Eastside [DTES] is one of Canada’s most deprived neighbourhoods, and yet it sits just a stone’s throw away from wealthy residential downtown districts, where high-rise slim-line condominium apartment blocks are marketed for millions, with their stunning views of Vancouver’s north shore and coastal mountains (Figure 1). But even within the spaces of the historically marginalized Downtown Eastside we can readily find acute contrasts, as the deep poverty and marginalization of the Oppenheimer community is bracketed by the nascent ‘innovation economy’ of Railtown on the northern crescent of the DTES, and by the rapidly gentrifying Strathcona community just to the south.

---

2 Statistics Canada’s definition of visible minority does not include First Nations, Métis or Inuit.
This city profile will critically explore signifying contrasts in Vancouver’s development trajectory, by analyzing the history and current positioning of Vancouver on the world stage, in particular looking beyond the headline data in relation to desirability and livability, to explore some of the challenges that the city faces. Our storyline acknowledges the progressive management of space and territory in the larger region, including sustained investments in ecological, social and cultural amenity, and the cosmopolitan civility of the region’s communities and neighbourhoods. These underpin both the established local narrative of livability and (relatedly) the positive urban imaginary successfully marketed internationally. Other key continuities include the key international gateway installations of Vancouver International Airport and Port Metro Vancouver which efficiently connect the region to global markets and societies.

But viewed through a more stringent analytical lens Vancouver’s experience of growth and change discloses more problematic aspects, shaped both by contemporary factors as well as a history of underdevelopment associated with geographical marginality since first European contact (1792). The downtown corporate complex of high-rise offices which constitute key markers of global cities as elucidated by Saskia Sassen (2001[1991]) lacks the power projection shaped by clusters of intermediate banking and head offices—sought with limited success by successive civic administrations in Vancouver since the 1980s. There are within Vancouver elements of contemporary growth industries in the cultural and innovation economy sectors. But the scale of these key enterprises is constrained by limits of capital, supportive policies and, increasingly, well-located land resources and sites. The services sector overall remains dominant in the regional economy as it has been since the 1960s, but the mix of constituent industries includes large numbers of low-wage jobs in the retail, distribution and consumption sectors.

The following Section 2 will sketch out the history of the city, and its increasingly complex links globally, particularly with the states, societies and economies of the Asia-Pacific, and including discussion of both the development opportunities and limitations associated with this experience. Section 3 will set out the particular governance structures and planning approaches that are in place in the Metro Vancouver area, with reference to the ‘Vancouver Model’, (or so-called “Vancouverism”) that attracted attention in the 1990s and 2000s. Section 4 will then take up three of the core issues faced by the city, affordable housing, the urban economy and environmental sustainability, each of which presents particular
challenges to the future sustainability of the city. The profile will conclude with critical reflections on key issues to be addressed, in order for the city to develop along a more sustainable path.

2. Historical Context

[See: FIGURE 2]

Vancouver’s situation on what is known as Burrard Inlet, English Bay and the channels of the Fraser River comprised multiple sites of continuous First Nations’ settlement for five millennia or more (Figure 2). These settlements, including the Squamish, Musqueam and Tsleil-Waututh First Nations, were characterized by a distinctive social organization, rich cultural values and practices, and sustainable use of resources for habitation and food sourcing and production. These settlements and societies were forcibly disrupted by the arrival of the Royal Navy, with Captain George Vancouver (a lieutenant of Cook’s on the latter’s Pacific voyages) meeting with Captain Dionysio Galiano of the Spanish Navy, at what is now Spanish Banks off Point Grey. This initial contact in 1792 was followed by British colonization and settlement in the region, drawing on the site’s advantage as a deep-water port, and abundant natural resources including coniferous forests, fisheries and minerals, with the indigenous population of the region displaced without either a treaty or meaningful compensation, and with a committed program of recognition, reconciliation and compensation only recently on the agenda of government and other public agencies.

Over the nineteenth century the nascent settlement experienced growth, including seaborne trade with other Pacific ports, as the Crown colony of British Columbia was incorporated as an outpost of the British Empire, and (later) in part to forestall possible encroachment by American forces pursuing ‘manifest destiny’ in its westward territorial expansion. Vancouver’s early growth was stimulated by the gold rush centred on the Fraser Canyon (260 km (160 miles) north east of Vancouver) and further into the interior of British Columbia, drawing migrants and settlers as well as new investments and business establishments. The City of Vancouver was incorporated in 1886, with its own municipal charter, with British Columbia (B.C.) joining the Canadian confederation five years later, just four years later than the original confederation of Upper (Ontario) and Lower (Quebec) Canada – and far earlier than the prairie provinces of Alberta and Saskatchewan (1905). Prominent industries shaping Vancouver’s development included forestry, fisheries, and the vital port, rail and distributional functions, with the moniker ‘Terminal City’ a tribute to the latter set of linked industries. But even in the early years real estate and
property development comprised particularly vibrant (and profitable) activities, presaging the increasing centrality of the property market to twenty-first-century Vancouver, and more particularly its dislocative effects and distortions.

Vancouver generally thrived over the twentieth-century (apart from the great depression of the early thirties) on a platform comprising the linked industries, infrastructure and labour associated with the city and region’s vocation as ‘core’ to the provincial resource ‘periphery’ (Davis and Hutton 1992), aligning with the classic staples theory of Harold Innis (1933). These core functions included head offices of major resource companies, as well as management, finance and business services, and branch banks and financial agencies, centralised in the business district ensconced within the downtown Vancouver peninsula, and providing Vancouver with a more stable economic base (and high wage employment) relative to the more volatile extraction industries which formed the economic base of peripheral regions in situ. This economic base of services and resource processing, and both natural growth and sustained immigration, also gave Vancouver growth advantages over the cities in the so-called ‘prairie Provinces’ (Alberta, Saskatchewan and Manitoba), and indeed Metro Vancouver still has a population larger than the combined populations of the two largest cities in the Province of Alberta, Calgary and Edmonton.

The particular structure of management functions shaped a residential pattern which included a small elite population resident in Shaughnessy, with a more raffish contingent of high-income earners in the British Properties (owned by the Guinness family) in West Vancouver, linked to the City of Vancouver by the Lions Gate Bridge (constructed in 1938, one year after San Francisco’s famous Golden Gate Bridge linking the City to Marin County). Middle class communities of managers and other mostly white-collar workers developed in Vancouver’s West Side, while a growing East Vancouver and inner suburban municipalities encompassed working class and lower middle class communities. These and other places mentioned in this profile can be found on the map on Figure 3.

[See: FIGURE 3]

Vancouver’s connections with the cities and the societies of Asia in the first half of the twentieth-century provided a further stimulus to growth and development. These networks included seaborne trade, with B.C.’s commodities shipped through the Port of Vancouver, and passenger traffic associated with the steamship division of Canadian Pacific. Vancouver was also an important reception area for immigrants from the Asia-Pacific, notably from China and South Asia although anti-immigrant attitudes on the part of government and elements of Vancouver’s society represent a major blemish on the city’s
record. Despite this entrenched prejudice Asian immigrants made very significant contributions to Vancouver’s business establishment, economic energy and cultural identity, and thus Vancouver’s development experience has been quite substantially shaped by trans-Pacific linkages.

At the same time, though, there were over the twentieth-century quite salient limitations to Vancouver’s development, relative to other metropolitan Canadian cities. Montreal and Toronto (and later Hamilton) evolved as the principal industrial metropoles of the Canadian economy, derived from structural advantages of urban scale, skilled labour, and access to the large markets of central and eastern Canada and the U.S. heartland. The largest central Canadian cities, first Montreal and then Toronto, dominated the control functions of the Canadian economy as a whole, including head offices, major banks and stock exchanges, and business services.

Efforts to counter this dominance, seen in the foundation of a Vancouver Stock Exchange (VSE), which came to be dominated by highly speculative penny stocks and volatile resource companies, and in the establishment of the short-lived Bank of British Columbia intended to remedy chronic shortages of investment capital in B.C., amounted to little, with each provincial institution subject to takeovers by larger entities in the 1980s. Vancouver, like Seattle 240 km (150 miles) down the Interstate 5 highway, was subject to the cyclical volatility and dependency associated with a staples trajectory. But Seattle’s economy was buttressed in the twentieth-century by two propulsive companies, Weyerhaeuser (the world’s largest integrated forestry company, founded in 1900) and Boeing (1916), which emerged as a global aeronautics company. In 1999 Weyerhaeuser purchased Macmillan Bloedel, B.C.’s largest forestry company and most important resource corporation, in an act rife with portent and symbolism.

3. Governance and Planning

The Vancouver Metropolitan Area comprises the City of Vancouver and 20 adjacent municipalities (see footnote 1). The regional governance body, ‘Metro Vancouver’ (originally named Greater Vancouver Regional District), was created in 1967 by the Province of British Columbia (B.C.), in recognition of the need for a regional tier of government to focus on three key areas. Firstly, Metro Vancouver is responsible for delivering core utility services, such as water, sewerage and solid waste management, as well as having responsibility for regional parks in the Metro Vancouver area. Secondly, it oversees planning at the regional level including strategies for issues of regional interest, most recently through the Regional Growth Strategy “Metro 2040: Shaping Our Future” (2011). Thirdly, it provides a political
forum for debate and discussion of community issues that are relevant at the regional level such as affordable housing and transportation. In July 2015, for example, Metro Vancouver organized a referendum in relation to a $7.5 billion CAD ($5.7 billion USD) regional transportation plan. Voters were asked whether they agreed with a proposed 0.5% sales tax to help fund major infrastructure projects for the city-region (a model used in other cities such as Seattle, Los Angeles and Denver in the US). Overall, the proposal was voted down, 62% to 38%, which has left Metro Vancouver debating about how future transport improvements and upgrades will be funded.

While Metro Vancouver is focused on the strategic regional planning scale, the City of Vancouver has historically concentrated on developing a city-wide and neighborhood-based approach to planning, seen by some as a model of good planning practice (Grant, 2009). The City’s traditional commitment to community dialogue and sensitive regulation of development unraveled significantly over the term of the Vision Vancouver dominated Council (2008-2018), with the municipal elections of October 2018 (in which no Vision candidate was elected to City Council) being seen in part as a repudiation of this variant of the growth machine model elucidated by Harvey Molotch (1976) over forty years ago. However, at the mid-point of the twentieth-century, the City of Vancouver was a very different place. Beyond the compact central business district of the downtown, low rise, low density housing dominated the skyline. With questions of urban expansion and city centre accessibility on the agenda in the 1960s, planners proposed the ‘à la mode’ solution of urban renewal coupled with a downtown urban expressway to eliminate dilapidated housing and industrial buildings, while promoting car accessibility from the growing suburbs to the city centre. But a vocal campaign was mounted by local residents and business leaders to protest against the proposed destruction of the historic Chinatown neighbourhood, and the plan was later defeated.

The 1970s and ‘80s saw a succession of centre-left and social democratic city governments, during which time, city planners began experimenting with alternative ways to plan urban neighbourhoods. One of the first areas to be transformed was False Creek South, where a development of mixed housing types was built on former industrial lands, involving a partnership between the City and the federal Government. This was further extended following the hosting of the World Exhibition Expo ’86, held in Vancouver’s centenary year, seen as a major turning point in the city’s planning and design history (Brunet-Jailly, 2008). Following the event, the Expo site on the shore of False Creek North, was sold in one lot, to a Hong Kong real estate investment firm, which then set about transforming the area with narrow, high-rise, high-density condominium blocks, set on podiums of single-family housing opening
onto the street. This style of downtown living was set to become the trademark of so-called ‘Vancouverism’, an urban design strategy involving the creation of livable, socially-mixed, high-density neighbourhoods with high-level amenities (Punter, 2003). According to Larry Beasley (Beasley, 2000), co-director of urban planning for the City of Vancouver from 1992 to 2006, ‘Vancouverism’ was facilitated by four factors: first, rezoning neighbourhoods in favour of residential rather than commercial and industrial uses; second, highly conducive market conditions, including high demand from wealthy immigrants; third, a design ethos oriented to walkability and mixed-use neighbourhoods; and fourth, the introduction of planning practice innovations related to capturing development premiums for public reinvestment in community facilities (see also, Sandercock, 2005; Peck et al, 2014). This so called “social bonus zoning” granted extra density to developers in return for investment in public realm projects and other amenities such as community centres, cultural facilities and parks, which in turn, raised the value (and price) of the initial housing developments (Boddy, 2005).

Although the Vancouver model and subsequent innovative planning approaches in the city have attracted considerable international attention through policy mobility (McCann, 2013), there have been growing critiques of the Vancouver model (Peck et al, 2014), which despite its marketing straplines of “Living First”, “livability” and “sustainability”, has been criticized for encouraging the proliferation of high-rise condominiums (Rosol, 2013). Rather than serving a housing function, they represent a commodity in the so-called “Hedge City” (a term coined by Andy Yan, quoted in Dorfmann, 2015): a safe financial haven for overseas investors looking to expand their portfolios.

Moving from the City to strategic planning at the regional level, the Regional Growth Strategy (RGS) “Metro 2040: Shaping Our Future” was launched in July 2011, with strategies to address five objectives, related to urban development, the regional economy, the environment and climate change, housing and community amenities, and integrating land use and transportation (Metro Vancouver, 2011). However, it is significant that Metro Vancouver does not have sufficient policy capacity in matters related to economic development, which could be argued are crucial for the future of the city-region, as the municipalities (rather than Metro) represent the basic units of local government. The RGS aims to support the regional economy through its land use policies, rather than setting out an economic development strategy per se, although a recent study sets out some constructive ideas for promoting a networked economy within Metro Vancouver (Barnes and Hutton, 2016). Critics suggest that for the successful economic development of the city-region, the 22 municipalities of Metro Vancouver should work together strategically, rather than in competition (Friedmann, 2018 forthcoming). However, this is
some way from being realized. The Regional Growth Strategy’s five-year review period passed in 2016 with no significant revisions to the “Shaping our Future” document, but there are nevertheless ongoing debates about how the city-region will accommodate the estimated 1 million additional people and half a million additional jobs that are predicted to swell the city-region in the coming decades.

4. Key challenges for the city

4.1 Housing, homelessness and poverty

One of the crucial issues for Vancouver today is housing affordability, and the related themes of poverty and homelessness. Vancouver City and the Metro Vancouver region more widely have both seen significant inflation in housing costs over the last 20 years, costs that have far outstripped growth in incomes, and a situation that has brought an acute housing crisis to the city. Studies estimate that between 2001 and 2014, the cost of housing in Metro Vancouver increased by 63%, while salaries only rose by 36.2% (VanCity, 2015). Compared to the rest of Canada, Vancouver has some of the highest rents and lowest vacancy rates, currently around 0.5% (VanCity, 2016), with house price to income ratios a significant challenge (see Figure 4). The average sale price in Greater Vancouver for a detached home in 2017 was over $1.7 million CAD ($1.29 USD) (see Figure 5).

[See: FIGURE 4]

This housing crisis can be attributed to a complex interplay of supply and demand factors. These include housing market restructuring, the retraction of the welfare state and withdrawal of public investment in social housing, as well as institutional restructuring, processes of neoliberalism, and the promotion of global flows of capital and people through a Federal immigration policy that has encouraged inward investment of global finance (Short, 2017).

This flow of international capital from foreign investors is seen by some as a key factor driving house price inflation in Vancouver, in particular from Asia (Ley, 2010; Gordon, 2016). Since the 1980s, Canada has encouraged wealthy foreign migrants to settle in Canada through the Business Immigration Programme (BIP) that was established in 1978, through which Canadian citizenship could be ‘bought’ in exchange for 5 year interest-free investment of as little as $800,000 CAD ($608,000 USD). By way of comparison, a similar system in the UK, the Tier 1 Investor Visa, requires a minimum investment of £2
million ($2.55 million USD), and up to £10 million ($12.76 million USD), for an accelerated permanent resident status.

Initially the Canadian BIP immigration programme was popular with wealthy Hong Kong residents, who were uncertain about their future in the lead up to the hand-over of Hong Kong to China in 1997. As a gateway city to the Asia-Pacific region, Vancouver was seen as an attractive environment, both financially as well as culturally, with a significant diverse Asian population and a reputation for tolerance and inclusion. In the years up to 1997, the number of Hong Kong Chinese in the city increased significantly, together with investment of foreign capital, particularly into the property market.

These population flows continued into the 2000s and beyond. Between 2001-2011, over 30% of new immigrants to Metro Vancouver originated from Greater China, and a further 14% from the Philippines, according to 2011 data from the National Household Survey, Statistics Canada 2011 (Leaf and Feng, 2018 forthcoming). More recently, there has also been a significant influx of capital from Greater China, including significant volumes into the globalized property market of Vancouver (Ley, 2017).

“Millionaire migrants” (Ley 2010) have invested heavily in Vancouver’s property market. However, evidence suggests that these immigrants continue to earn their wealth in China, rather than in Canada. A Federal Government evaluation of the Business Immigration Programme (BIP) demonstrated that 10 years after settling in Canada, immigrants who entered through the BIP declared significantly lower incomes (compared to other immigrant programmes) and paid just 20% of the average income tax of other Canadians (Citizenship and Immigration Canada, 2014, quoted in the Guardian, 2016a). The lack of wealth generation ‘locally’ in Vancouver or Canada, coupled with disproportionate and significant investment in the Vancouver property market, has led to a disconnect between the labour and housing markets. Influxes of wealth originating in Greater China into the Vancouver property market have driven prices skywards, putting large swathes of housing out of reach for people earning local wages. This decoupling is a major source of the housing crisis in the Metro Vancouver area (Moos and Skaburskis, 2010).

Extreme house price inflation in the City of Vancouver is now having knock-on effects in the outer municipalities of Metro Vancouver. New migrants to the city are now mostly settling in suburban areas, such as Richmond, Surrey and Burnaby, where new housing demand has created further pressures on the housing market (Teixeira, 2014). This is particularly the case for neighbourhoods adjacent to the rapid transit system. While access to an efficient transport network opens up access to employment
opportunities and services in the wider city, research has also identified that low-income housing close
to the rapid transit corridor is at risk of development pressures and state-aided gentrification (Jones and
Ley, 2016). Furthermore, these fast growing municipalities in Metro Vancouver are also facing pressures
on core services, such as schools, public transport and social and health services.

In relation to the supply of affordable housing, withdrawal of Federal funding for social housing
programmes has left a vacuum in the housing offer (Gurstein and Yan, 2018 forthcoming), precipitating
increased housing insecurity and a notable growth in homelessness. Although developers are required
to allocate parts of their sites for social housing, reduction of Federal funding for social housing has cut
off supply, with a consequent and growing mismatch in demand for and supply of, affordable housing.

A number of policies have been introduced recently, aimed at dampening the extreme inflation in
Vancouver’s housing market. Historically, the Provincial Government of British Columbia (B.C.) has been
reluctant to intervene in the real estate and construction industries due to their importance to B.C.’s
economy, which accounted for some 25% of provincial GDP in 2014. Nevertheless, in August 2016 the
Province introduced a 15% foreign buyers’ tax in the Metro Vancouver area, levied on non-Canadian
buyers or corporations controlled outside of Canada purchasing property, which was further extended in
the 2018 budget. The aim was to address house price inflation, while revenue collected through the tax
would be reinvested in housing initiatives for renters, low-income residents and first-time buyers. While
the tax had an initial impact on the sale price of detached homes, prices have now risen again to reach
their pre-tax levels. Furthermore, the tax made little dent on the sale price of apartments and attached
houses, which have continued to rise despite the introduction of the tax (Figure 5).

[See: FIGURE 5]

In July 2017, the City of Vancouver also introduced an empty property tax of 1% of a property’s assessed
taxable value, in an attempt to boost supply of rental properties. It is estimated that over 10,000
properties are left empty in the city (Guardian, 2016b) and a similar number are under-occupied, being
vacant for long periods of time during the year (Vancity, 2016).

One of the serious consequences of the housing crisis has been the growing number of homeless in the
city. The 2017 Homeless Count in Metro Vancouver found that homelessness had increased by 30%
since 2014 (B.C. Non-Profit Housing Association, 2017). In the City of Vancouver, homelessness is
concentrated in the Downtown Eastside, one of Canada’s most deprived neighbourhoods. An inner city
district, it is characterized by a high proportion of Single Room Occupancy (SRO) hotels, social housing
and obsolescent buildings, together with a significant population with substance dependency issues. For many decades, the area has been a focus for low-income and vulnerable communities, drawn to the neighbourhood by more affordable housing options as well as a strong network of community organisations and social and health services. A high proportion of homeless people in the Downtown Eastside (40% of those surveyed in the 2018 Homeless Count) identified as Indigenous, illustrating the vulnerability of the First Nations population in the city (Urban Matters CCC and BC Non-Profit Housing Association, 2018).

The Downtown Eastside is also home to North America’s first supervised injection site, ‘Insite’, and other innovative approaches to the challenges of drug and alcohol addiction (Campbell et al, 2009), issues that were self-reported by 65% of those participating in the 2018 Homeless Count. But due to its prime downtown location, the area is coming under increasing development pressure, as permits are issued for market housing to replace the SRO hotels. Indeed a home in Strathcona, part of the Downtown Eastside, sold for $1.8 million CAD ($1.37 USD) in 2017, evidence of more affluent groups entering this historically deprived community. These development pressures are being felt throughout the Metro Vancouver area, and are compounding the problems of housing insecurity and homelessness in the city.

4.2 The urban economy

In important respects Vancouver’s experience of economic growth and change follows the basic pattern of many north American cities, where an industrial trajectory was effectively truncated by obsolescence and disinvestment from the 1970s onward, supplanted by a services economy and a new social order dominated by a ‘new middle class’ (Ley 1996) of professionals and managers. This new middle class was implicated in an increasingly insistent gentrification tendency, in particular recolonizing the older housing stock ringing the CBD and inner city, with Fairview, Kitsilano and the West End among the principal staging grounds for social upgrading.

The centerpiece of Vancouver’s emergent services economy was the downtown central business district, with its axis around Burrard and Georgia streets, and comprising management and financial roles in keeping with Vancouver’s established vocation as ‘core’ to British Columbia’s staples (resource) economy (Hayter and Barnes 1992). This ‘old’ industrial economy featured sawmilling, wood processing, equipment supply, engineering and exports of timber as well as minerals processing. Vancouver failed to develop an advanced industrial production economy, owing to distance from markets, lack of capital,
and the entrenched advantages of cities such as Toronto and Montreal in particular (Wynn and Oke 1992).

When the provincial staples economy encountered a major downturn in the 1980s, the lack of a high-value production sector left the city vulnerable, with unemployment in the region exceeding 14% in 1982. Further, the weakening of linkages between the city and the provincial resource economy was felt in Vancouver’s office complex, marked by the closure of the Vancouver Stock Exchange and the sale of the Bank of British Columbia to the Hong Kong and Shanghai Banking Corporation (HSBC) – an event with great symbolic import, and pointing to the growing presence of Asia-Pacific financial and business interests in the city and region.

In the wake of these tendencies, Vancouver embarked upon a search for a new economic vocation to replace a staples trajectory clearly in steep decline. A successful class ‘B’ world’s Fair, Expo ‘86, themed around innovations in transportation and communications, was held on the postindustrial terrain of False Creek North between March and November 1986. The success of Expo ‘86, and in particular the attraction of the event for a large number of attendees from the societies of the Asia-Pacific, stimulated a deeper civic engagement with the principal ‘growth economies’ of East and Southeast Asia. The federal government committed to major investments in the Port of Vancouver, Canada’s largest seaport, and in Vancouver International Airport, the second busiest in Canada, as linchpins of engagement in trading circuits, travel and immigrant flows.

The City of Vancouver deployed its limited agency in partnership with the provincial and federal governments to stimulate investment and immigration from Asian societies and markets. These initiatives included programs to attract investment, high-net worth individuals (BIP program), and trade. The City of Vancouver entered into a partnership with Hong Kong billionaire Li Ka-Shing (Cheung Kong Holdings) to redevelop the former Expo ‘86 site as a high-density residential district, imbued with progressive design ideals and a commitment to a convivial public realm (Punter 2004), through what became known as the ‘Vancouver Model’ of urban design.

Three decades on from these pivotal policy decisions and directions some assessments can be made on how Vancouver has fared in its quest for a high-wage economy, infused with talent and capital from the Asia-Pacific and other source regions and societies. As we note elsewhere in this paper, there are many positives to be acknowledged in terms of transit investment, a broadly successful experiment in multiculturalism, and the protection of green spaces (recreation, wilderness and agriculture –
comprising over 60 per cent of the regional land base). The Port of Vancouver (Port Metro Vancouver), Canada’s largest, is a clear success story, including a large and growing cruise ship business as well as commodity trade. Vancouver International Airport (YVR) functions as a very efficient nodal hub, and has been consistently ranked as North America’s best airport. Other key sectors of the economy include a large and growing tourism sector, a sizable film industry and certain (though limited) high tech sectors such as biotechnology and telecommunications (Wixted and Holbrook, 2014). However, it is noteworthy that the city lacks a major industrial player, with the single biggest employer being the public University of British Columbia (UBC), with some 14,500 employees.

Vancouver’s economic record therefore presents a mixed set of outcomes. Although unemployment is at historically low rates (4% in March 2018, Statistics Canada, 2018), the labour market is quite problematic from a number of perspectives, including the low average wage levels relative to other major metropolitan cities in Canada. There have been very substantial inflows of capital from the Asia-Pacific, but these have been mostly directed toward housing (new projects and the secondary housing market) rather than to business start-ups or to augmenting the capital base of operating firms. Indeed senior governments have recently abandoned programs to incentivize business immigration and capital from the Asia-Pacific to Vancouver, a tacit acknowledgement of the shortcomings of these efforts over an extended period.

The abandonment of the CBD office complex in the city by resource companies, and associated high-level management and financial institutions, has left a void only partially filled by a heterogeneous mix of business services, consultancies, and other mostly small businesses. The suburban town centres of Burnaby Metrotown and Surrey City Centre have attracted significant investment capital, including new enterprises and commercial buildings, but in many ways are increasingly shaped by high-rise condominiums – in effect a spatial diffusion of ‘Vancouverism’ or the Vancouver model of high-density residential development.

A particular problem for Vancouver is the overall failure to gain traction in the ‘new economy’ combining creativity, technology and entrepreneurship, along with the high-wage jobs that these companies offer. In comparison with the global success stories of Seattle and the San Francisco-Bay area, 240 km (150 miles) and 960 km (600 miles) respectively, south on the I-5 (Interstate Highway 5), Vancouver has a lively platform of startups, a number of medium-size companies, and branch plants of American corporations, but lacks the propulsive industries and leading corporations which comprise the platforms for major urban economies in a globalizing world. Factors here include a lack of
entrepreneurship and networking on a regional basis, and dearth of strategic land resources. Here we
can cite the serial program of residential redevelopment in the City and inner suburbs which has taken
up key sites that would be valuable for the potential ‘innovation economy’, areas that cities such as
Seattle and San Francisco have successfully exploited for their world-leading ‘innovation economies’.
This is not to necessarily critique the overall program of residential development per se, as the ‘Living
First’ planning model favouring high-density towers represents both an economic program as well as a
housing strategy. But ‘big decisions have big consequences’, as the Vancouver developmental storyline
demonstrates, and so the ramifications of these choices resonate down to the present.

4.3 Environmental issues

As in other domains, so with the environmental storyline: while Vancouver purports to be a world-
leading ‘sustainable city’, there is a gap identified between the rhetoric of sustainability and reality on
the ground. The history of environmental awareness in Vancouver arguably has its roots in the First
Nations communities that have lived in territories around the Salish Sea for millennia, with their strong
traditions linked to understanding and living in harmony with their environment.

Following European settlement in the 19th century, and the growth of the city of Vancouver during the
20th century, a nascent environmental movement grew in Vancouver during the late 1960s, with a first
milestone being the creation of the Greenpeace movement in the city in 1971. During the 1970s,
environmental activism at a community level took root, with events such as the defeat of the proposed
freeway through Chinatown in the 1970s, but also a growing understanding at the political level during
the 1970s and early 1980s of the importance of environmental stewardship and the role that city
governments can play in environmental leadership (Cameron et al, 2007). While the centre-right
position dominated city politics from the late 1980s to 2002 (with the Non-Partisan Association (NPA) in
power), the city shifted towards a more social democratic leadership between 2002 and 2005 under the
Social Democrat ‘Coalition of Progressive Electors’ (COPE), and then again to the centre-left green
‘Vision Vancouver’ from 2008 to 2018. The October 2018 municipal elections saw an Independent
candidate, Kennedy Stewart, elected as the Mayor of the City of Vancouver. Stewart has declared a
political commitment to housing over the next four years, downplaying the green agenda that
represented a signature policy agenda of outgoing Mayor Gregor Robertson and his Vision Vancouver
Council over the previous decade.
An example of the more holistic approach to sustainability that grew out of this increasing environmental consciousness was the development of the South East False Creek area, where brownfield land was redeveloped that included innovative features of environmental sustainability. The official development plan for South East False Creek was launched in 2003, and included a LEED (Leadership in Energy and Environmental Design) platinum-rated community centre, a mixed use central square around a pedestrian-oriented development, a range of housing types, and environmental sustainability features such as a renewable district heating system, solar energy systems and green roofs (Kear, 2007). Such a development attracted world-wide attention, in particular due to its links with the Olympic Village for the Winter Olympics that were held in Vancouver in 2010.

Beyond environmental features, evidence also suggests that the Vancouver model of high density living has positive impacts on environmental indicators. Research from the US suggests that there is a direct correlation between higher population densities and lower household and per capita greenhouse gas emissions (Cervero and Murakami, 2010). This is supported by evidence from the Vancouver case, which shows that the Vancouver model is more energy efficient, less polluting and more ‘climate-friendly’ than more dispersed forms of development (Senbel et al, 2014).

While it could be argued that the political shift that took place during the 2000s had a significant impact on the City’s policies of environmental reforms, it has also been suggested that these reforms were introduced selectively to support the ‘sustainability fix’ (Walker, 2005). The main environmental strategy adopted in recent years has been the City’s Greenest City Action Plan, which aims to make Vancouver “the Greenest City in the world by 2020” (City of Vancouver 2011). The plan covers 10 goals, under the themes of green economy, climate leadership, green buildings, green transportation, zero waste, access to nature, lighter footprint, clean water, clean air and local food. In particular, the city is committed to reducing greenhouse gas emissions by 33% of 2007 levels, by 2020, as well as setting a target for all residents to live within a five-minute walk of a park, greenway or other green space – and for planting 150,000 new trees by 2020. The City also aims to draw energy from 100% renewable sources by 2050.

Laudable as these goals are, Walker (2005: 167) suggests that Vancouver, along with other cities “use their sustainability programs as yet another indicator in the league tables that characterize interurban competition.” In this case, Vancouver uses the Siemen’s Green City Index to rank and compare their performance on a range of sustainability indicators (Economist Intelligence Unit, 2012). According to the Green City Index, Vancouver currently ranks second overall in the index for North America, and
ranks first for CO₂ and air quality. However, some critics have further suggested that Vancouver has harnessed its sustainability policy and Green City ranking to preserve and support economic growth and green capitalism, aiming to attract outside investment through its green credentials, while only selectively pursuing environmental and social sustainability policies, despite its ‘triple bottom line’ rhetoric (Kear, 2007; Quastel, 2009; Quastel et al., 2012). It could be argued that the City and the wider Metro Vancouver are ultimately driven by economic imperatives, with high resource consumption and waste production as inevitable consequences of their global economic vision. Although the City of Vancouver has made progress towards promoting walking, cycling and the use of public transport within the city, through investment in bike lanes, pedestrian areas and experimenting with car-free days, the population of the wider Metro agglomeration is still heavily dependent upon unsustainable fossil-fuel powered cars as a means of transportation.

4.4 Reconciliation with First Nations in post-colonial Vancouver

As we have observed the initial settlement and development of Vancouver was imposed upon the traditional (and unceded) territories of the Salish peoples. For much of Vancouver’s history this forceful overlay of a European colonial society and economy on the southern coast of the Salish Sea, and its deep dislocations and prejudicial attitudes, was effaced from accounts of urbanism and from the public imaginary of a progressive city emerging de novo from the wilderness. These disposessions included not just direct territorial displacement and the resettlement of constituent populations in much smaller reservations (Blomley 2004), but also the industrialized erosion of the natural resources upon which the First Nations had sustainably drawn upon for their livelihoods. In consequence, the once-abundant stocks of forest and fisheries are now stringently managed with generally shrinking allocations of the salmon stocks in particular to commercial, sports and First Nations constituencies.

Court decisions ruling in favour of First Nations’ rights across a number of policy domains, effective advocacy and a growing public awareness of the exigent need for social justice have opened new possibilities of reconciliation among the increasingly diverse populations of the region. Over the last decade significant progress includes the Musqueam First Nation’s community engagement program [https://www.musqueam.bc.ca/community-engagement/] which includes a range of programs, including high-value property development within its traditional territory. There are also programs within the region’s educational institutions which promote recognition and partnerships, exemplified by
the UBC School of Community & Regional Planning’s Indigenous Community Planning program. But this recent experience of recognition and development opportunity represents just a beginning on the longer journey towards Vancouver’s ambitions for both a sustainable and just future.

5. Conclusions

Vancouver is often held up as an example of a city that others aspire to emulate. It is a city that is ranked highly in global indices related to quality of life and liveability and has many characteristics that contribute to positive urban living. Unemployment is low, and there is good access to green space and leisure areas. Vancouver is also characterized by a multi-ethnic, hyper-diverse population, in a country where multi-culturalism lies at the heart of the national identity. The public transit authority (Translink) have made significant investments in public transit (although networks and capacity are stretched with the growing population), and there have been recent emphasis on healthy urban mobility, with focus on cycle and pedestrian ways. From a planning perspective, urban planning processes have emphasized principles of collaborative planning, community engagement, and highly regarded approaches to urban design that brought Vancouver’s skyline into the limelight, and prompted policy mobility of so-called ‘Vancouverism’ to other cities globally.

But beneath the headlines, serious issues emerge related to the sustainability of Vancouver if it remains on its current trajectory. In relation to housing affordability, the differential between the cost of housing and average incomes is increasing yearly, related to many factors including the influx of global capital, particularly investment from Asia. The urban economy of Vancouver is shaped by a lively ‘small and medium sized enterprise’ sector (SME), and important gateway installations, but lacks a high-wage, high-margin economic base, as it is comprised of a predominance of branch plants rather than headquarters of multinationals, and relatively small sectors in key growth areas of the ‘new economy’ such as information technology and biotech. Vancouver is on the margins of the power circuits and centres of the global economy, and indeed underdevelopment shaped by geographical marginality has been a recurrent feature of the city’s economic trajectory for a century and a half (Hutton, 2018 forthcoming). In relation to environmental issues, the city has ambitions to be the Greenest City in the world by 2020, but with the reliance on fossil-fuelled transport, and high per capita consumption levels, this goal is unlikely to be attained.

One of the greatest challenges for the city in the years to come is the housing crisis, which is having a number of consequences (Gordon, 2016). Firstly, there is growing intergenerational inequity in relation
to wealth, with younger generations unable to afford to live in or near the city, without significant levels of debt. Outmigration of younger generations is weakening communities, which is also putting a strain on key services such as health provision and education, as young professionals and key workers are unable to remain in the city. Further, there is evidence of a spread effect of residential price inflation throughout the broader region, contributing significantly to larger experiences of socioeconomic inequality and to struggles of low-income families which lack the resources and agency to achieve security of tenure. These factors point to an insecure future for the economic viability of the city region, and raise questions about its future social and economic sustainability.

Policy responses are needed that take into account these pressing issues, including the provision of more affordable housing, to ensure that Vancouver not only hits the headlines as a desirable place to live, but is also socially inclusive for all sections of society. The recent National Housing Strategy (Government of Canada, 2017) and the City of Vancouver’s Housing Strategy (2017) go some way to setting out plans to address the housing crisis, but there is an urgent need to focus on increasing the levels of low-cost housing units, in order to maintain the supply of affordable housing in the face of extreme development pressures. The recently elected Mayor of the City of Vancouver, Kennedy Stewart, was elected on a platform that spoke forcefully to the issue of housing, with a pledge to address the growing crisis of affordability in the city. As with other global cities, the influx of global capital into the housing market has skewed the relationship between house prices and local incomes, an issue that public policies, at national, provincial, regional and local levels need to address in consort.

**Acknowledgements**

This article was written with support from the European Union’s Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement no 749154 (SURGE Project, Social Sustainability and Urban Regeneration Governance: An International Perspective).
References


Peck J, Siemiatycki E and Wyly E (2014) Vancouver's suburban involution, City, 18:4-5, 386-415


Walker S (2015) Urban agriculture and the sustainability fix in Vancouver and Detroit, Urban Geography, 37, 2, pp163-182


FIGURE 1 – Downtown Vancouver with the backdrop of the north shore mountains

Source: Gord McKenna via Creative Commons (CC BY 2.0)
https://www.flickr.com/search/?user_id=23196822%40N00&view_all=1&text=vancouver
FIGURE 2 – Urban centres in the Metro Vancouver area, showing the Metropolitan Core (Downtown) and the suburban centres of Burnaby (Metrotown) and Surrey (Metro Centre)

Source: Metro Vancouver Regional Growth Strategy

http://www.metrovancouver.org/services/regional-planning/PlanningPublications/Map4.pdf
FIGURE 3 – Central Vancouver with key locations

Source: Google maps, with authors’ additions.
FIGURE 4 – Estimated house price to household income ratios in eleven major Canadian cities (January 2016)


https://www.sfu.ca/content/dam/sfu/mpp/pdfs/Vancouver’s%20Housing%20Affordability%20Crisis%20Report%202016%20Final%20Version.pdf
FIGURE 5 – Average residential sale prices, January 1977 – December 2017

Source: Real Estate Board of Greater Vancouver, 2017