

SHAPING TOMORROW: COMMERCIAL AND RETAIL LANDS ANALYSIS

BRIEFING REPORT

City of Vernon
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In Collaboration With:





1.0 Introduction

"Cities thrive when they embrace change with foresight and innovation. Vernon's growth presents an opportunity to shape a future that balances economic progress with community well-being."

The City of Vernon stands at a transformative juncture in its development. With a growing population, shifting business dynamics, and increasing tourism pressures, the city's approach to commercial land use must evolve to address these challenges effectively. Strategic land-use planning is critical to maintaining Vernon's economic resilience and ensuring its capacity to support local businesses, attract investment, and enhance the quality of life for residents and visitors alike.

This briefing is designed for elected officials and community stakeholders, offering a concise summary of the comprehensive technical report prepared for City staff. By simplifying complex analyses into actionable insights, this document provides the foundation for informed decision-making and meaningful community engagement.

The decisions made today will have a lasting impact on Vernon's economic landscape. With a clear understanding of future needs and opportunities, the city can create a framework for sustainable growth, making it a place where businesses thrive, tourism flourishes, and residents enjoy a high quality of life.

2.0 Purpose of this Briefing

This document serves as an accessible companion to the technical report, designed to:

- 1. Engage Decision-Makers and Stakeholders:** Present key findings and recommendations in a clear, actionable format that resonates with both technical experts and the broader community.
- 2. Support Informed Decision-Making:** Provide insights that guide strategic planning and policy updates, ensuring alignment with the city's long-term vision.
- 3. Bridge Understanding:** Translate complex technical analyses into digestible content for audiences of varying levels of expertise.
- 4. Facilitate Advocacy and Planning:** Equip stakeholders with the knowledge and tools needed to support innovative policies and initiatives that balance growth, adaptability, and sustainability.

The value of this briefing lies in its ability to connect the technical findings to the practical decisions that shape Vernon's future, ensuring that all stakeholders are aligned and empowered to act.



3.0 Purpose of Study

The City of Vernon initiated this commercial land study with a forward-thinking purpose:

- **Anticipation of Future Needs:** Assess the adequacy of existing commercial land supply to meet the demands of a growing population and evolving economic landscape.
- **Adaptation to Change:** Evaluate how shifting business models, consumer behaviours, and tourism trends are impacting commercial land use and future requirements.
- **Identification of Strategic Opportunities:** Highlight pathways to optimize land use and enhance the city's ability to attract investment and support economic growth.
- **Alignment of Policies with Growth:** Ensure that Vernon's Official Community Plan (OCP) and Zoning Bylaw reflect current realities and prepare the city for long-term success.

This study provides a data-driven foundation for making informed, proactive decisions. It empowers the city to balance growth with sustainability, ensuring that commercial land use supports both immediate and future needs.

4.0 Approach and Methodology

Why Understanding the Approach Matters: The methodology used in this study ensures that the findings are robust, comprehensive, and reflective of both current realities and future possibilities. By employing a dual approach, the study balances long-term planning stability with the need to adapt to evolving trends.

1. **The Per Capita Approach:** This method estimates commercial land demand based on population growth, providing a conservative and stable baseline for long-term planning. It focuses on historical trends and demographic projections, offering a clear picture of how traditional demand patterns will evolve over time.
2. **The Consumer Spending Approach:** This dynamic method considers how changing consumer behaviours, such as the rise of e-commerce and experiential retail, influence commercial land requirements. It integrates market trends, technological advancements, and shifts in spending patterns to provide a more adaptable and forward-looking perspective.

By combining these two approaches, the study offers a holistic view of Vernon's commercial land needs, ensuring that recommendations are both practical and visionary.

5.0 Contextual Analysis

"Understanding the unique interplay of trade areas, tourism, and demographic trends is not just data analysis—it's the blueprint for a sustainable and resilient Vernon."

Why Context Matters: Understanding Vernon's broader economic and geographic context is critical for aligning commercial land-use strategies with the city's unique challenges and opportunities.

1. **Trade Areas:** Vernon serves as a commercial hub for a regional trade area that includes over 90,000 people. This area draws customers from smaller neighbouring communities and rural regions, extending the city's economic influence. However, this also places additional pressure on Vernon's infrastructure and commercial land supply, particularly in high-demand sectors such as retail and tourism. This study considered three trade areas (primary, secondary, tertiary) respecting the difference in their contribution to the local economy based on their distance from Vernon. The primary, secondary, and tertiary trade area are described and represented here below.



Primary Trade Area

Description: The Primary Trade Area encompasses Vernon’s municipal boundaries and nearby residential zones, defined by consumer behavior and proximity to key commercial hubs like the downtown core, Anderson Subdivision, and Village Green Mall, catering to local residents’ shopping needs with convenient access and strong transportation links.

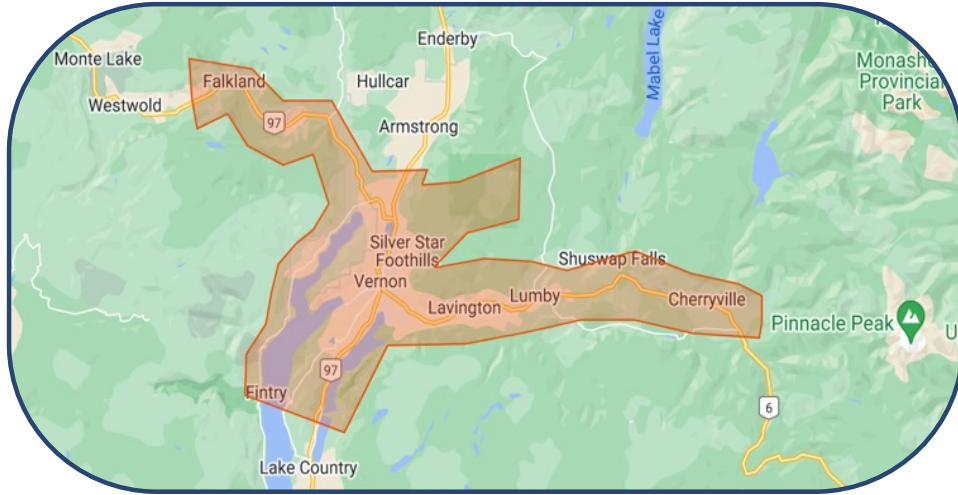


Figure 1. Primary Trade Area

Table 5: Primary Trade Area Demographic Statistics for 2024 and 2044

Category	2024	2044
Population	62,860	87,564
Labour Force	29,691	41,485
Median Age	48	51
Median Household Income	\$ 84,000	95,200

Secondary Trade Area

Description: The Secondary Trade Area spans the North Okanagan, including communities like Lumby, Armstrong, and Shuswap Falls, where rural and semi-rural residents rely on Vernon’s commercial hubs, for essential shopping, healthcare, and services despite longer drive times.

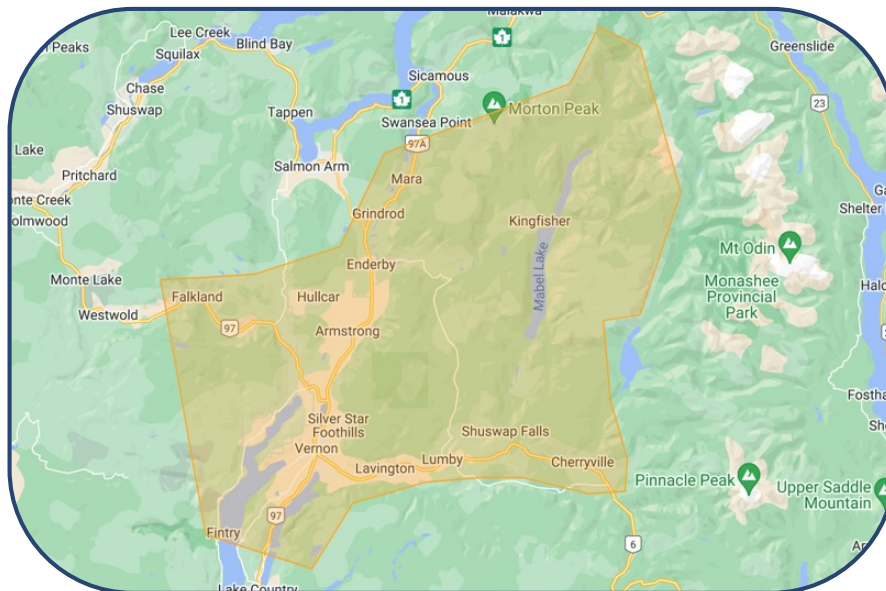


Figure 2. Secondary Trade Area



Table 6: Secondary Trade Area Demographic Statistics for 2024 and 2044

Category	2024	2044
Population	27,816	32,218
Labour Force	13,226	15,345
Median Age	50	51
Median Household Income	\$ 77,000	\$ 84,500

Tertiary Trade Area

Description: The Tertiary Trade Area encompasses a broad region, including communities like Revelstoke and the Shuswap, highlighting Vernon's role as a regional shopping and tourist destination that significantly supports the local economy through visitor-driven retail demand.

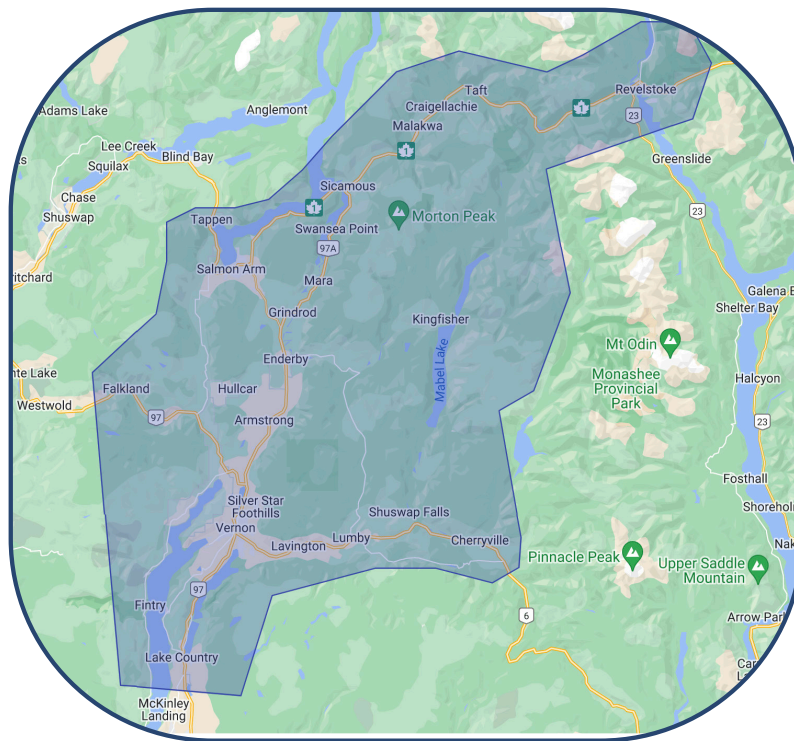


Table 7: Tertiary Trade Area Demographic Statistics for 2024 and 2044

Category	2024	2044
Population	54,143	66,048
Labour Force	26,700	31,410
Median Age	49	50
Median Household Income	\$ 75,000	\$ 75,600



2. **Tourism Impact:** Tourism plays a vital role in Vernon's economy, contributing approximately \$150 million annually in direct visitor spending. With over 1.8 million annual visitors, peak seasons drive significant demand for retail, dining, and entertainment spaces. Planning must account for these seasonal fluctuations to balance year-round functionality with capacity during high-demand periods.
3. **Demographic Trends:** Vernon's population, projected to grow by 1.5% annually, is influenced by both residential migration and a rising number of retirees. This demographic shift increases demand for service-oriented businesses, medical offices, and experiential retail spaces that cater to an older yet active population.
4. **Economic Drivers:** Agriculture, tourism, retail, and light industry are the city's key economic pillars. Retail trade accounts for 15% of Vernon's workforce, highlighting the importance of adaptable commercial spaces to support this critical sector. Balancing land use among these industries is essential to sustaining economic growth.

5.1 Summary of Supply

1. Existing Commercial Land Supply:

- Vernon's current supply of commercial land is approximately 27.93 million square feet.
- This supply is fixed under current zoning assumptions and remains unchanged across scenarios without policy intervention.

2. Limitations in Supply:

- The static nature of the current land supply creates challenges in accommodating new businesses or expanding existing ones, particularly in high-demand sectors like e-commerce logistics and experiential retail.
- Approximately 20% of Vernon's commercial spaces are aging, requiring redevelopment or rezoning to meet modern business needs.

5.2 Summary of Demand

1. Projected Demand:

- By 2044, the demand for commercial land is expected to range between 24.25 million square feet (Per Capita Approach) and 47.49 million square feet (Consumer Spending Approach).
- The Consumer Spending Approach highlights significant increases driven by changing consumer behaviour, including the growth of e-commerce and service-oriented businesses.

2. Demand Drivers:

- **Population Growth:** A steadily increasing population will create demand for diverse commercial services.
- **Tourism:** Seasonal peaks in visitor numbers drive higher demand in hospitality, retail, and entertainment sectors.
- **Technological Shifts:** The rise of e-commerce is reshaping space requirements, reducing the need for traditional retail footprints while increasing demand for logistics hubs.

6.0 Key Findings

Why These Findings Matter: The study's findings reveal the critical trends shaping Vernon's commercial landscape, providing actionable insights that highlight the urgency for strategic planning.

1. Mismatch Between Supply and Demand:

- The gap between existing supply and projected demand highlights the urgency for strategic planning, including rezoning, redevelopment, and flexible land-use policies.

2. Growing Demand for Commercial Land

- Over the next 20 years, Vernon's commercial land demand is projected to increase significantly due to population growth, tourism, and shifting consumer preferences.
- The city must prepare to accommodate this demand while balancing efficient land use with community needs.

3. Tourism as a Major Driver

- Tourism exerts a substantial influence on commercial demand, particularly in retail, dining, and entertainment sectors.
- Seasonal fluctuations necessitate flexible planning strategies that can support peak periods while maintaining year-round functionality.

4. Rapid Evolution of Business Models

- Technological advancements, such as AI and e-commerce, are reshaping the commercial landscape. Businesses now require adaptable spaces that can accommodate shorter lifecycles and dynamic needs.
- Municipal policies must enable zoning flexibility and innovative land-use strategies to keep pace with these shifts.

5. Land Supply Challenges

- Existing commercial land supply is insufficient to meet future demands under dynamic growth scenarios.
- Strategic rezoning and creative solutions, such as mixed-use developments and high-density designs, are critical to addressing these gaps.

6. Qualitative Analysis

- Stakeholders indicated that modern business models are evolving rapidly due to technological advances, such as e-commerce and automation, placing pressure on traditional commercial zones.
- Consumer preferences are shifting toward experiential retail, blending shopping with dining and entertainment, necessitating flexible zoning and mixed-use spaces.
- Tourism was consistently highlighted as a key driver of economic activity, emphasizing the need for seasonal adaptability in commercial land use planning.

- Vernon’s existing bylaws and policies were identified as both enablers and barriers to effective commercial land use. On the enabling side, existing zoning supports high-density development in key areas, which aligns with sustainability and land optimization goals. However, stakeholders noted that certain zoning regulations and approval processes are outdated, creating barriers for modern business models such as experiential retail or mixed-use developments.

7. Opportunities for Innovation

- Compact, multi-use developments and tourism-driven commercial zones offer pathways to optimize land use while enhancing community vibrancy and economic resilience.



7.0 Recommendations

Why These Recommendations Matter: The following recommendations provide a practical roadmap for addressing the challenges and opportunities identified in the study. They align with Vernon’s vision for sustainable growth and offer clear, actionable steps.

1. Strategic Rezoning

- Action: Rezone underutilized lands to meet demand in high-growth sectors, such as logistics and tourism infrastructure.
- Example: Convert industrial lands near transportation corridors into mixed-use zones to support e-commerce hubs.

2. Encourage Mixed-Use Developments

- Action: Promote developments that integrate commercial, residential, and recreational uses to maximize land efficiency.
- Example: A downtown project featuring ground-floor retail, second-floor offices, and upper-level residential units to foster a vibrant, connected community.

3. Tourism-Sensitive Planning

- Action: Designate zones near visitor hotspots for tourism-focused businesses, such as boutique hotels and experience-based retail.
- Example: Develop commercial infrastructure near Okanagan Lake to cater to seasonal demand and enhance Vernon’s reputation as a tourism destination.

4. Flexible Zoning Policies

- Action: Implement adaptive zoning regulations that accommodate evolving business models and market trends.
- Example: Allow for temporary pop-up retail spaces and modular co-working hubs in underutilized areas to foster innovation.

5. Market Monitoring and Policy Updates

- Action: Establish annual reviews to monitor market trends, business needs, and consumer behaviour.
- Example: Host annual “Future of Commerce” forums to gather input from local stakeholders and proactively adjust policies.

6. Support Experiential and Service-Oriented Businesses

- Action: Facilitate the development of spaces catering to experiential retail and service industries.
- Example: Encourage zoning overlays for areas suitable for innovative businesses like entertainment venues or VR arcades.

7. Phased Implementation of Zoning Changes

- **Explanation:** Implement zoning changes incrementally to allow businesses, developers, and city infrastructure to adjust. This phased approach ensures stability and minimizes disruption.
- **Example:** Introducing temporary zoning overlays that allow mixed-use developments in certain districts for a trial period before permanent rezoning decisions are made



8.0 Conclusion

The City of Vernon has a unique opportunity to lead in adaptive and sustainable commercial land-use planning. By implementing these recommendations, Vernon can:

- Align policies with evolving market dynamics and community needs.
- Optimize land use to support economic resilience and vibrant community spaces.
- Strengthen its position as a desirable destination for investment, tourism, and long-term growth.

This is a pivotal moment to act. By embracing forward-thinking strategies, Vernon can secure its future as a thriving, inclusive, and sustainable community—balancing innovation with tradition to meet the needs of today while planning for the possibilities of tomorrow.

