

Small businesses pushed out by new development

New buildings demand higher rent only large chain stores can afford

For more than four decades, Ethel's Boutique has been a fixture in Kitsilano, with the last 30 of those years spent serving customers out of a quaint, one-storey storefront in the 2300-block of West 4th Ave.



GERRY KAHRMANN Six small businesses, including Ethel's Boutique, have moved from the 2300 block of West 4th Avenue because it is being redeveloped and will demand higher rents.

Owner Margie Sheppard says her mom, Ethel Pollock, combined her love of fashion and sewing by opening the business in 1970 in the same neighbourhood where she lived.

Sheppard, who took over the shop about 20 years ago, was forced out of the neighbourhood recently, moving Ethel's Boutique to a new site at West Broadway and Macdonald Street. The reason? Her landlord plans to redevelop the property. Ethel's Boutique and five other small businesses had to go.

"It's difficult being a small business. It's hard to find reasonable rents. Especially when they build new, the rents are out of the ballpark," Sheppard said.

When she went looking for a new 1,000-sq.-ft store in the area, she discovered rents as high as \$10,000 a month, which, she said, is impossibly high for a small shop owner.

"These rents push the smaller stores out. It's just the chains and higher-end stores that can afford rents like that," she said. **"It's sad because it does change the neighbourhood when the smaller stores are forced out."**

What happened in Kitsilano to Ethel's Boutique, Pirate Joe's, Babes on Fourth, Kate French Wear, William Parton Agencies and Buen Cafe (which closed permanently) isn't unusual in Vancouver. As older buildings are either renovated or torn down and replaced with newer developments, higher rents are inevitable. What that means for independent stores is often a push further east.

Rents on Main Street, a popular shopping and dining destination, are still reasonable for smaller businesses, ranging from \$40 to \$60 per square foot, said Sherman Scott, associate vice-president at Colliers International. He said Robson Street is more difficult for independent businesses since the rates would be around \$200 per square foot in the popular 1000-block, dropping to \$65 per square foot in the 1400-block.

"There's a couple of independents in the 1000-block of Robson, but a lot are chains," Scott said. "There's a lot of redevelopment going on in the city, so obviously if you are tearing down a building tenants are going to be displaced, and we are seeing a lot of displacement of tenants. Depending on the scope of the development, it could take two years in some cases (for the new development to be available). People don't want to shut down their businesses for two years, so they are moving."

Jane McFadden, executive director of the Kitsilano 4th Avenue Business Association, said the association's motto is "Shop local, shop West 4th." Having smaller, independent businesses is key to the neighbourhood.

"It's unfortunate what happened to these businesses (in the 2300-block of West 4th). They were there a long time.

"The city is promoting development, which doesn't help. It's hard for smaller businesses to set up shop anywhere in the city. You have to have deep pockets since costs are getting more expensive. Prices have gone up and taken out smaller businesses."

McFadden agreed there has been a shift of smaller businesses moving east and it's mainly the larger chains that can afford the pricey retail locations in new developments.

"If you look at the larger frame of how cities have changed over the last 100 years, there's been a push in retail toward bigger and bigger stores," said Sara Stevens, an assistant professor at UBC's School of Architecture and Landscape Architecture.

At the same time, Stevens said the legacy of architectural critic Jane Jacobs, author of *The Death and Life of Great American Cities*, is alive in Vancouver.

Jacobs was instrumental in ensuring Greenwich Village in New York remained a vibrant urban community when there were plans in the 1960s to change the neighbourhood.

"It seems Vancouver has tried to carry that legacy on. To have the dry cleaner, the mom-and-pop grocery stores and shoe repair mixed with residential, like it was in the 19th century. This is the fabric of the city. It's wonderful and it should be preserved, but it's impossible to do it just as (Jacobs) did it in the 1960s."

Anita Molaro, assistant director of planning for the City of Vancouver, said there is nothing the city can do when a commercial property owner redevelops a property and it's no longer cost-effective for small businesses.

"It's a private matter between the property owners and the tenants," Molaro said.

However, she said, in some areas of Vancouver, the city does put restrictions on the size of retail to encourage "an active streetscape with a number of active smaller retailers instead of one big one."

“We want a diversity of retail sizes in a lot of our commercial areas to accommodate and support the smaller retailers,” she said.

Molaro said the 2300-block of West 4th is not one of the city’s designated areas that ensure property owners continue to accommodate small businesses.

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Business lost over construction areas

As neighbourhoods are altered, there will be fewer commercial services and less local entrepreneurial activity.

Neighbourhoods that once were vibrant during the streetcar era are typically those that continue to have smaller commercial buildings that attract independent business owners, said Patrick M. Condon, chair of UBC’s Master of Urban Design Program.



KIM STALLKNECHT Michelle Barile, executive director of the West Broadway Business Improvement Association, says in most cases there is no compensation to small businesses when a new development is being built.

“Visually, you can see a difference between the smaller commercial structures — the legacy of the streetcar era — and the newer, larger and more substantial buildings with a different kind of tenancy and a higher percentage of national chains,” he said. “The evidence suggests that as neighbourhoods are altered, there will be fewer commercial services and less local entrepreneurial activity. The city should, can and does try to encourage local entrepreneurship. It would be unfortunate to lose that.”

He said losses are happening in some locations, such as Cambie and West Broadway, and near the new Rise commercial/residential building. But it will take a long time before the city loses the thousands of small commercial buildings in areas such as Commercial Drive, Hastings Street and Main Street.

“The larger problem is the changes happening to neighbourhoods where commercial services like hardware stores, dry cleaners and entrepreneurs are having a harder time, places like Dunbar. There’s quite a few vacancies there which are a consequence of hyper-investment and an absolute decline of population,” he said. “Dunbar is a poster child for what can go wrong to a once-thriving neighbourhood.”

He said 20 years ago, there was a concern that Main Street was also floundering, but it has undergone a rejuvenation with a younger demographic. Condon said foot traffic on Main Street is augmented by a good transit system, creating a vibrant neighbourhood “akin to the strength of West Broadway, Hastings and Commercial Street.”

“The buildings are substantially occupied and the residents are walking and using transit, creating an opportunity for commercial services to capitalize on people,” he said. “They’ll get fruit in one store, then go to a drugstore — doing many of their errands in a block close to their home.”

Condon said the city should now turn its attention and work to a similar revival for Victoria Drive.

“That is a street that could become more vital over the coming decades. But it’s not receiving the kind of city services it deserves with additional transit and investment,” he said.

Sabrina Faas, owner of Bayswater Tea Company in the 2900-block of West Broadway, said what would help small businesses the most is a decrease in property taxes. She said since commercial properties have risen in value, so have their taxes, and that cost has been passed along by the property owners to tenants. Faas, who has been in the same building for 11 years, said if the trend continues, she will have to consider a move.

“A lot of people want to shop locally. It’s a draw if you have an area that has a lot of small businesses. They add character, depth and care to a neighbourhood,” said Faas, who is encouraged that in her neighbourhood a number of new small businesses are opening.

She said it has been a struggle in the past few years since many of the nearby residences have been sold to absentee owners, which translates into fewer customers. And a new development project next door to her shop took two years to complete, resulting in a 20 per cent decrease in business.

“It was a huge inconvenience to customers, so they didn’t bother coming. When it takes so long (for a development project to complete), people will find somewhere else to shop. I think developers are very unaware of the magnitude of their impact on small businesses in the same area,” Faas said.

Michelle Barile, executive director of the West Broadway Business Improvement Association, said in most cases there is no compensation to small businesses when a new development is being built. But there are some exceptions.

“For recent property developments in the West Broadway BIA (from Collingwood to Larch Street), developers have assisted tenants in relocating within the business area, and have also provided rental housing options,” she said. “Small businesses rely on people who shop locally and live in the area, and developments carried out in consultation with the community to mitigate negative impacts ... can enhance and bring people to the area.”