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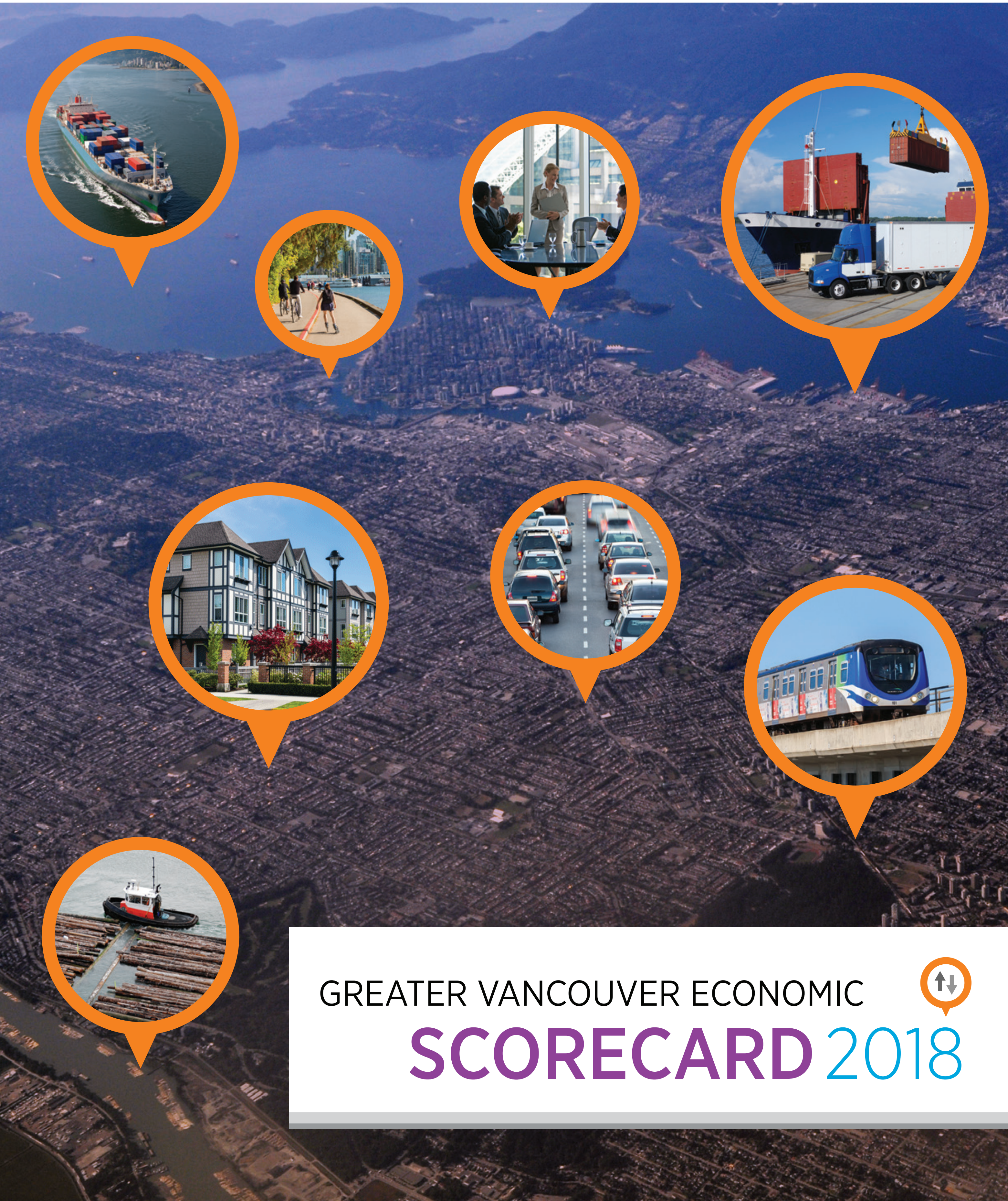
BOARD OF TRADE

The Conference Board
of Canada



GREATER VANCOUVER ECONOMIC SCORECARD 2018

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2018 SCORECARD COMMITTEE

The Greater Vancouver Board of Trade would like to thank our 2018 Scorecard Committee Members for their expert guidance. This year's Committee was composed of the following members of GVBOT's Board of Directors:

EVI MUSTEL, CMRP, Principal, Mustel Group and Chair, 2018 Greater Vancouver Economic Scorecard Committee

CRAIG RICHMOND, President and CEO, Vancouver Airport Authority (YVR)

KARI YUERS, President and CEO, Kryton International Inc.

KIRSTEN SUTTON, Vice-President and Managing Director, SAP Labs Canada

LORI MATHISON, LLB, FCPA, FCGA, President and CEO, CPABC

ROBIN SILVESTER, ICD.D, President and CEO, Vancouver Fraser Port Authority

2018 SCORECARD CHAMPIONS

The Greater Vancouver Board of Trade also extends thanks to this year's sponsors, listed on the page opposite, whose support made this summary report and the Conference Board of Canada's research possible.

The 2018 Scorecard Champions include Telus, CN, Vancouver International Airport, BCIT, MNP, Port of Vancouver, and Chartered Professional Accountants of British Columbia.

About this Summary Report
The Greater Vancouver Board of Trade thanks *Business in Vancouver* for the creation and publication of this summary report, John Belisle for designing the infographic insert, and Signals Design for creating the *Scorecard 2018* website at boardoftrade.com/scorecard2018.

Iain J.S. Black,
President and CEO,
Greater Vancouver
Board of Trade

MESSAGE FROM THE CEO

The Greater Vancouver Board of Trade is pleased to collaborate with the Conference Board of Canada to produce *Scorecard 2018*, a comprehensive anaylsis of our region, our economy and how we stack up against other cities around the globe.

Much like our first Scorecard released in 2016, this year's report will serve as a road map, guiding our public policy and advocacy work for years to come.

The report highlights both Greater Vancouver's pain points and areas of strength relative to 19 competitor cities around the world. By comparing ourselves to other jurisdictions, we can identify economic and social issues that command greater consideration from all levels of government.

The inaugural *Scorecard 2016* was a seminal piece of work supported in large part by our Pillar Partners and other Members of the Greater Vancouver Board of Trade. The findings of *Scorecard 2016* were instrumental as we developed our 2017 Provincial Election Engagement Strategy, and they also prompted our organization to undertake influential initiatives to move the dial on housing affordability in our region, including a half-day housing forum and the release of a report on housing affordability.

Scorecard 2018 will build upon the knowledge established in *Scorecard 2016* and expand our understanding of our developing region. New findings will provide valuable guidance to key policy-makers and stakeholders alike. The Board of Trade will continue to leverage this new knowledge to inform its advocacy initiatives, and will undoubtedly look to *Scorecard 2018* to shape its recommendations and commentary around the upcoming municipal elections in British Columbia.

I would like to thank the Conference Board of Canada, all of our sponsors, and the Members of our Scorecard Committee for their tremendous work on *Scorecard 2018*. Their efforts ensure that the best interests of our region's business community are brought to the forefront, and that we can collaboratively work together to improve not only our region's economic competitiveness, but also livability for all of us who call Greater Vancouver home.

ABOUT THE GREATER VANCOUVER BOARD OF TRADE

Since its inception in 1887, the Greater Vancouver Board of Trade has been recognized as Pacific Canada's leading business association, engaging members to impact public policy at all levels of government and to succeed and prosper in the global economy. With a Membership whose employees comprise one-third of B.C.'s workforce, we are the largest business association between Victoria and Toronto. We leverage this collective strength, facilitating networking opportunities, and providing professional development through four unique Signature Programs. In addition, we operate one of the largest events programs in the country, providing a platform for national and international thought leaders to enlighten B.C.'s business leaders.

MESSAGE FROM THE SCORECARD COMMITTEE CHAIR

Evi Mustel,
Chair, 2018 Greater Vancouver Economic Scorecard Committee

When we released the first *Greater Vancouver Economic Scorecard* in 2016, it was widely acknowledged to be the most important public policy survey of this region in a generation, and a defining moment for the Greater Vancouver Board of Trade.

In the two years since its release, the results and findings in *Scorecard 2016* have informed the Greater Vancouver Board of Trade's advocacy work, ensuring we deliver actionable items and recommendations to decision-makers at all levels of government. *Scorecard 2016* has been a lens through which to assess our region and focus on this community's most pressing issues.

Two years later, it is time to take a fresh look around our region.

Scorecard 2018, like its predecessor, brings together all levels of government, policy-makers and stakeholders in dialogue about the future of our region. For too long, our region has operated in silos. *Scorecard 2018* will help to ensure that we work collectively in pursuit of progress across the economic, social, and political spectrums.

As Greater Vancouver's economy transitions into higher-tech, lower-carbon, more knowledge-intensive industries, we find ourselves at an inflection point. The region's future prosperity depends upon how well we collectively address its vulnerabilities. For this reason, the Scorecard Committee selected several additional indicators that grant a more comprehensive view of the region, including five new social measures and one new economic measure.

Scoring well on these measures underpins our region's ability to attract educated, creative and diverse people. Greater Vancouver competes for highly skilled workers across the globe, against a backdrop of British Columbia's aging population. Workers and investors will consider quality-of-life attributes, such as those evaluated in *Scorecard 2018*, as they decide whether to move or invest here. Assessing our region's strengths and weaknesses compared to other cities will help us understand how to attract and retain vital but mobile talent and investment.

Greater Vancouver is regularly named as one of the best places in the world to live, and is becoming known as an international hub to do business. As we continue to compete with the likes of Shanghai, San Francisco and Sydney, *Scorecard 2018* will provide a road map that signposts our shortcomings and our strengths.

ABOUT THE CONFERENCE BOARD OF CANADA

The Conference Board of Canada is the largest non-partisan, not-for-profit, evidence-based research organization in Canada. For more than 60 years, the organization has been bringing together ideas across research disciplines and people across sectors to address the complex issues that matter most to Canada's future. They are specialists in the areas of economic trends, industry and business strategy, leadership and human resources, and public policy.

CONTENTS

SCORECARD METHODOLOGY

- The Scorecard uses a report card-style ranking of A–B–C–D to assess performance of each metro area for each indicator.
- For each indicator, the Conference Board calculated the difference between the top and bottom performer and divided this figure by four.
- A metropolitan area received a Scorecard ranking of "A" on a given indicator if its score was in the top quartile, a "B" if its score was in the second quartile, a "C" if its score was in the third quartile and a "D" if its score was in the bottom quartile. A metropolitan area was assigned an N/A if the data was unavailable for that indicator.
- The overall ranking is calculated as an average of the Economy and Social domain scores.


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INTRODUCTION

How do cities replenish and renew themselves? How do they grow, prosper and improve the quality of life for residents? And why is it important that they do so?

We want a lot for our cities: livability, safety, opportunity, prosperity, affordability, inclusivity, mobility, efficiency, creativity, and much more. Where we live is a large part of our identity, and we want a place that is not at a disadvantage in cultivating the skills and attracting the investment we need to sustain a high-quality life, build families and enjoy the fruits of our labour.

Cities are dynamic places, never sitting still – nor can they. The most successful cities know that they must attract new people and new businesses and investment, as well as foster the conditions that retain people and nurture existing industries.

Since 1887 the Greater Vancouver Board of Trade has been recognized as Western Canada's leading business association. Two years ago, the Greater Vancouver Board of Trade partnered with the Conference Board of Canada – the foremost independent, objective, evidence-based, not-for-profit applied research organization in Canada – to release our inaugural *Greater Vancouver Economic Scorecard 2016*. *Scorecard 2016* benchmarked Greater Vancouver as a region against 19 comparable metro regions around the world. The seven challenges identified in that report signalled the priorities that we recommended that civic and business leaders address to strengthen Greater Vancouver's attractiveness and competitiveness.

Two years later, the Greater Vancouver Board of Trade has again commissioned the Conference Board of Canada to produce a new Scorecard.

Our region is in a global race for talent and investment. The findings of *Scorecard 2018* can help our region attract and retain talented employees | ISTOCK

Scorecard 2018 is the follow-up report, checking in on Greater Vancouver's progress against the same 19 metro regions that were examined in 2016. This is a ranked guide with report card letter grades on several significant indicators that comprise attractiveness and competitiveness across economic and social dimensions. The source data gathered by the Conference Board to calculate Greater Vancouver's performance and rankings in *Scorecard 2018* are as current as possible (in some instances this will involve statistics from 2016 and 2017).

For *Scorecard 2018*, the Conference Board analyzed six additional indicators, for a total of 38: 22 economic indicators and 16 social indicators. These were added to provide a fuller picture of the region, particularly in the social realm. The indicators on which Greater Vancouver is benchmarked against those other city regions illuminates, sometimes in very stark terms, where we sit. The seven challenges identified in *Scorecard 2016* resurface in *Scorecard 2018*, and they are considered throughout the new report. The call for improved regional coordination in *Scorecard 2016* inspired the focus of our Special Lens in *Scorecard 2018*.

Scorecard 2018 does not include all factors that make a city livable and it is impossible for a single report to fully capture the essence of what makes a region such as Greater Vancouver attractive to people and capital. The indicators selected and their rankings are ones that help our region not only measure itself against competitor cities, but also understand ways to make our region as attractive and as competitive as possible to new people, businesses and investment. The benchmarking undertaken by the Conference Board helps point us in the right direction to leverage our advantages, and to improve or course-correct on indicators where Greater Vancouver performs poorly.

Vancouver is in a global race for talent and investment. To be attractive to new businesses, to retain businesses that have their roots here, and to draw the global workforce, a city region should have a unique identity, function efficiently, be economically competitive, and deliver a high quality of life.

Log booms along the Fraser River, a vital shipping route in the Greater Vancouver region | ISTOCK

ABOUT THE SUMMARY REPORT

This Summary Report sets the context for and provides in condensed form the Benchmarking and Special Lens chapters of the full report. It concludes with the Greater Vancouver Board of Trade's takeaways and recommended next steps.

Like the conclusions in *Scorecard 2016*, the findings in this *Scorecard 2018* are both hopeful and a continuing reality check. Greater Vancouver's performance on a number of the indicators has not moved substantially in two years. This is not overly surprising: many were selected because they measure big issues that cannot be solved or improved upon rapidly. And while *Scorecard 2018* cannot be discussed in terms of trends ("two data points do not a trend make"), the findings this year add to those in 2016, helping to identify a set of priorities that the region as a whole, as well as senior levels of government, should take up now and in the coming years. We at the Greater Vancouver Board of Trade will use *Scorecard 2018* as we did *Scorecard 2016*: to guide our research and advocacy work for the coming years.

In brief: there is good news and bad news for the Greater Vancouver region.

We have clean air, a diverse population, and a well-established gateway to the Asia-Pacific region. We live in a safe and democratic setting with comparably favourable levels of business taxation (although this has changed in light of recent U.S. tax legislation). But we have unaffordable housing, relatively low after-tax personal income, a weak regimen of capital investment, and a small market. These factors increase the pressure for Greater Vancouver to compete globally if we are to continue to enjoy our economic success and the resulting standard of living.

Nationally, Canada's trading patterns are diversifying away from a traditional reliance on the United States to include more commerce with the Asia-Pacific region. British Columbia clearly leads Canada in this regard.

Current uncertainties in the U.S. political climate

More than one million new people are expected to move to the Greater Vancouver region over the next 25 years | ISTOCK

may accelerate this trend. While geographic proximity and economic heft likely mean the U.S. will remain Canada's largest trading partner, the Asia-Pacific has claimed second place on this list, surpassing Europe in 2010.

The Asia-Pacific region, with huge populations and rising wealth, is highly attractive to Canadian exporters. The new Comprehensive and Progressive Agreement for Trans-Pacific Partnership arose in part out of the withdrawal of the United States from the Trans-Pacific Partnership (TPP). It is encouraging that Canada and the 10 other remaining countries of the TPP concluded discussions and finalized the text, scheduled for ratification in 2018. This should remove many barriers to strengthen Canada's trade relationship with the region.

Bringing this close to home, Greater Vancouver is well positioned to benefit from increased trade with Asia: trans-Pacific trade already underpins a significant share of our region's economy (in 2017 37 per cent of B.C.'s exports went to the Pacific Rim). Trade diversification also contributes to the increase in Greater Vancouver's real GDP growth per capita: between 2013 and 2017 it more than doubled the national average.

Our conclusion? Greater Vancouver scores a "B" for Economy and "B" for Social indicators. In the overall ranking, it moves up two places from *Scorecard 2016* to rank seventh out of the 20 regions examined.

Singapore ranks first overall for the second time. Calgary, Seattle, San Francisco, Copenhagen, and Toronto all come in ahead of Greater Vancouver. Montreal ranks 10th and Halifax 14th. Rotterdam and Miami are 19th and 20th, respectively.

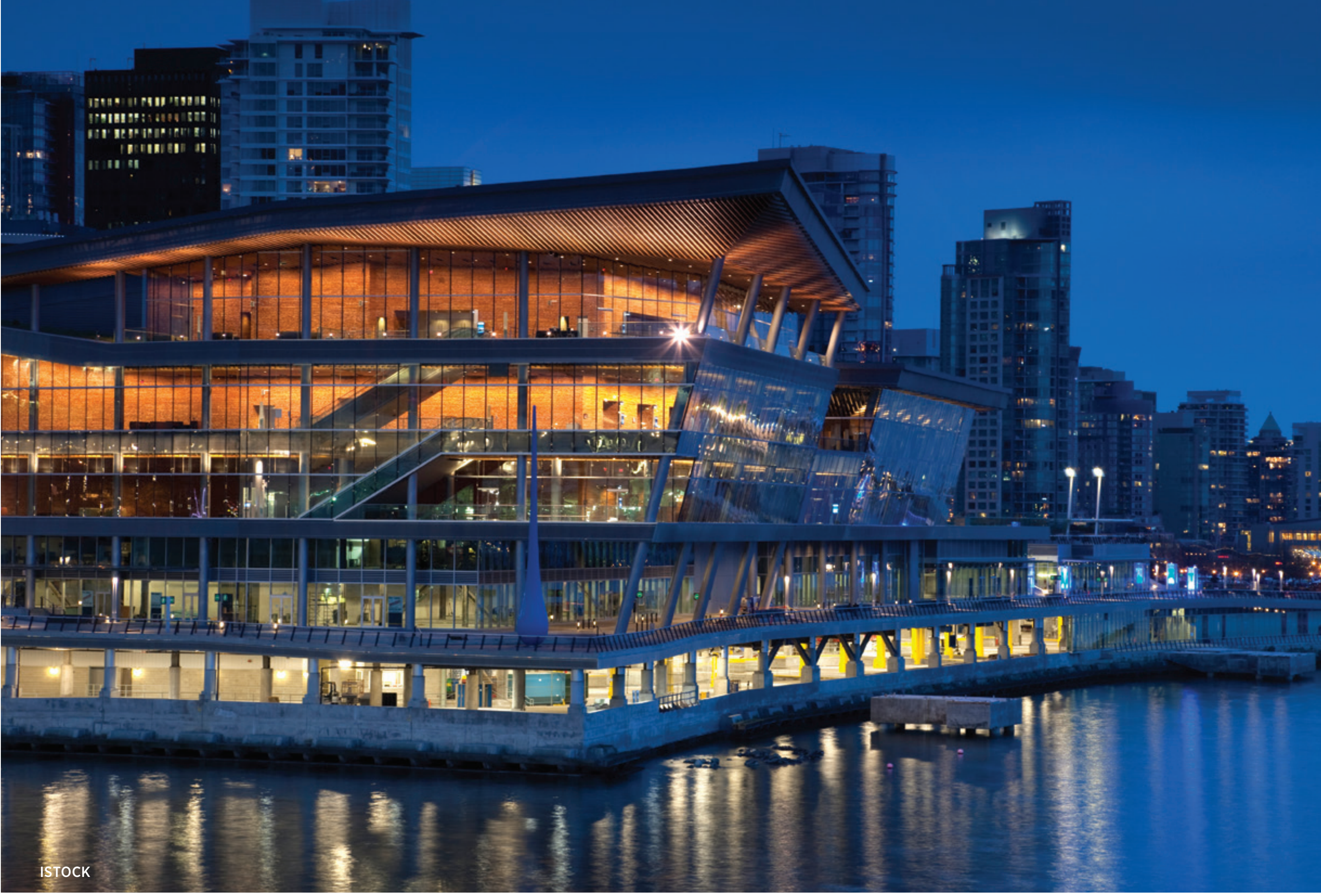
This Summary Report proceeds in three chapters.

The first chapter summarizes the Conference Board's findings on Greater Vancouver's rankings and provides details of other markets' accomplishments and challenges, together with some prescriptions for local improvement.

The second chapter summarizes the Conference Board's Special Lens on regional coordination and governance, and provides our recommended actions.

The third chapter sets out the Greater Vancouver Board of Trade's interpretation of the benchmarking and Special Lens, and offers our takeaways and next steps.

In the next chapter on benchmarking, the Conference Board's findings indicate Greater Vancouver continues to reflect a mix of successes and areas needing improvement. None of Greater Vancouver's potential hurdles is insurmountable, however, and the region can realistically hope for at least some progress on each.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CHAPTER 1: BENCHMARKING

HOW SCORING WORKS

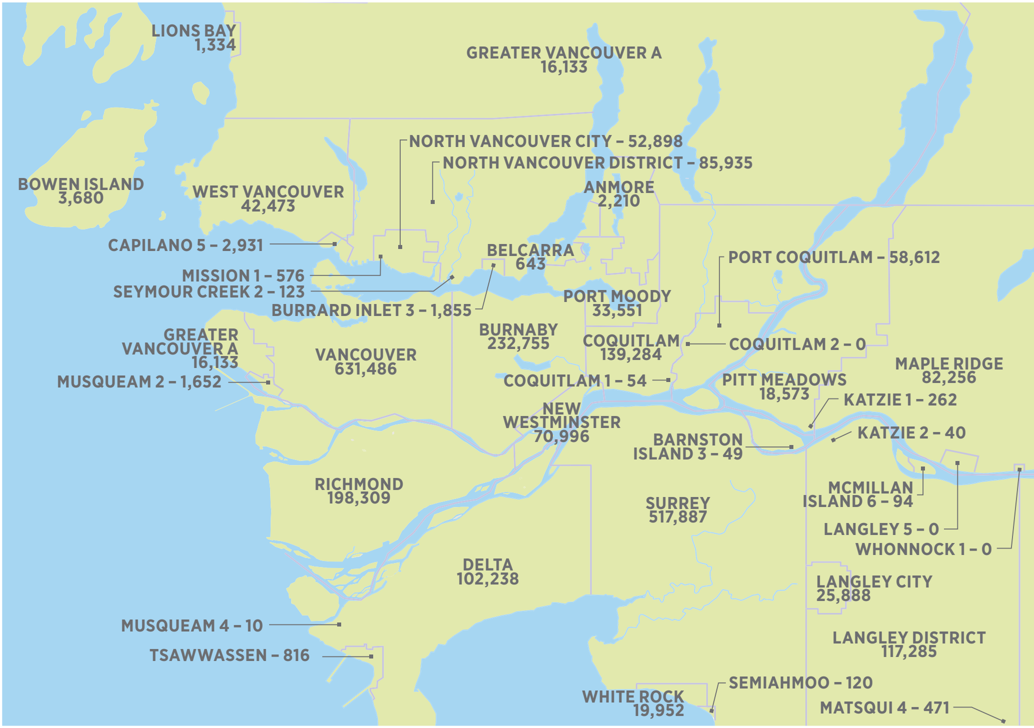
One of the main purposes of this report is to assess, through benchmarking, Greater Vancouver's relative performance in and potential to attract labour and business investment against 19 other global metro regions.

Given the strategic importance of transportation to Greater Vancouver's economy, as confirmed by the *Scorecard 2016* traded cluster analysis, 18 of these 19 competitor regions were selected because they are also major transportation gateways. Calgary, the lone metro region without an outsized transportation sector, is included in the rankings because its relative proximity to Vancouver makes it a valuable competitive measuring stick.

The results of *Scorecard 2018* are based on 38 indicators grouped into two categories: Economy and Social. A total of six indicators are gateway (port and airport) related. The Conference Board used a report card-style ranking of A–B–C–D to assess the performance of metropolitan areas for each indicator.

The letter grades were assigned using the following method. For each indicator, the Conference Board calculated the difference between the top and bottom performer and divided this figure by four. A metropolitan area received a Scorecard ranking of "A" on a given indicator if its score was in the top quartile, a "B" if its score was in the second quartile, a "C" if its score was in the third quartile, and a "D" if its score was in the bottom quartile. A metropolitan area was assigned an N.A. if data was unavailable for that indicator.

POPULATION RANKING	
1	Vancouver
2	Surrey
3	Burnaby
4	Richmond
5	Coquitlam
6	Langley,District
7	Delta
8	North Vancouver District
9	Maple Ridge
10	New Westminster
11	Port Coquitlam
12	North Vancouver City
13	West Vancouver
14	Port Moody
15	Langley, City of
16	White Rock
17	Pitt Meadows
18	Greater Vancouver A (electoral area)
19	Bowen Island
20	Anmore
21	Lions Bay
22	Belcarra
23	Capilano 5
24	Burrard Inlet 3
25	Musqueam 2
26	Tsawwassen
27	Mission 1
28	Matsqui 4
29	Katzie 1
30	Seymour Creek 2
31	Semiahmoo
32	McMillan Island 6
33	Coquitlam 1
34	Barnston Island 3
35	Katzie 2
36	Musqueam 4
37	Coquitlam 2
38	Langley 5
39	Whonnock 1



SOURCE: STATISTICS CANADA, 2016 CENSUS

OVERALL RANKING

(SEE TABLE 1, P13)

Singapore retains its position at the top of the overall rankings. The metro area is ranked first and obtains an "A" grade in the Economy and comes in 12th with a "B" in the Social rankings.

Calgary moves up to No. 2 in our overall rankings from fourth position in 2016, making it once again the top Canadian performer in the Scorecard. It obtained top ranking in the Social category, with an "A" grade and ranked eighth with a "B" in the Economy grouping.

Seattle is ranked third in 2018 following a fifth-place finish in 2016. This year, the metro area comes in third in our Social ranking and fifth in the Economy domain, earning an "A" in both categories.

San Francisco made a jump to fourth place this year, up from eighth place in 2016. This means two metropolitan areas with world-renowned high-tech clusters, San Francisco and Seattle, rank in the top five.

Copenhagen, the second-ranked city in 2016, comes in fifth place this time. The city finishes in second place in the Economy section, and scores a healthy "B" grade in the Social category.

Our sixth-ranked metro area is **Toronto**, which moved up four spots from 2016. Toronto is ranked 11th in the Economy category and second in the Social orderings.

Greater Vancouver, the subject of this report, is ranked seventh overall, up two places from 2016, while retaining a "B" grade for its Economy and a "B" grade for its Social indicators.

Manchester, **Seoul**, and **Montreal** round out the top 10.

Sydney and **Hong Kong** finish in 11th and 12th positions, respectively. Sydney fell four spots in our overall rankings in 2018, while Hong Kong dropped from third to 12th place (this decline is entirely due to a sharp six-position drop in the Social rankings, as Hong Kong's standing in the Economy category remained nearly constant).

Los Angeles ranks 13th this year, up from 19th place in *Scorecard 2016*.

Halifax ranks 14th, the lowest-placed Canadian metropolitan area. However, this also means that the five Canadian metro areas in this year's Scorecard collectively perform well, ranking no lower than 14th position.

Portland and **Houston** rank 15th and 16th, respectively.

Barcelona finishes 17th and **Shanghai** comes in at 18th. Despite doing very well on Social indicators, Barcelona was drawn down by its "D" in the Economy category. Conversely, Shanghai finished dead last in the Social category, which more than offsets its "A" in our Economy ordering. **Rotterdam** places 19th and gets Cs in both Economy and Social categories.

Bottom-ranked **Miami** is pulled down by "C" and "D" grades in the Economy and Social categories.

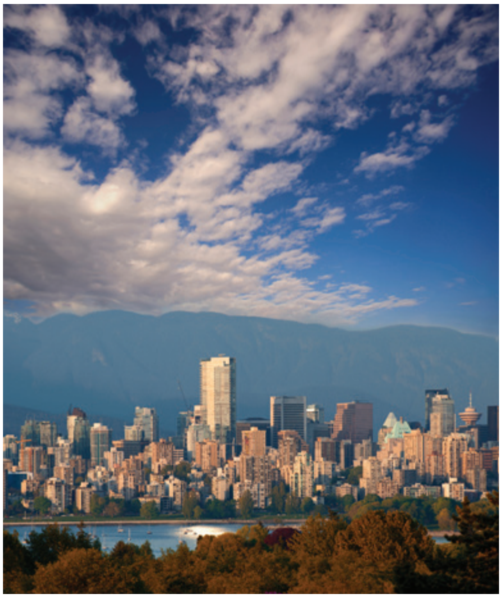
ECONOMY: GREATER VANCOUVER RANKS SEVENTH

The Economy rankings determine each region's relative attractiveness to both business investment and high-skilled workers.

Indicators attempting to gauge a metropolitan area's economic and wealth performance include real gross domestic product (GDP) per capita, after-tax income per capita, labour productivity (real GDP per worker), employment and the unemployment rate, high-tech employment, market size, and various indicators of the cost of doing business, including KPMG's total tax index.

Six indicators, one new in this year's report, attempt to gauge selected dimensions of a metropolitan area's transportation sector. Most of the regions selected for this report, including Greater Vancouver, qualify as transportation gateways.

The Economy category includes two indicators of an area's high-tech capacity: venture capital investment per US$1 million of GDP and high-tech



Greater Vancouver ranked sixth for office rents, based on an average rent of US$40 per square foot | ISTOCK

TABLE 1

OVERALL RANKING

Ranking		
2018	*2016*	*Metro Area*
1	1	Singapore
2	4	Calgary
3	5	Seattle
4	8	San Francisco
5	2	Copenhagen
6	10	Toronto
7	9	**Greater Vancouver**
8	17	Manchester
9	12	Seoul
10	14	Montreal
11	7	Sydney
12	3	Hong Kong
13	19	Los Angeles
14	16	Halifax
15	11	Portland
16	15	Houston
17	6	Barcelona
18	18	Shanghai
19	13	Rotterdam
20	20	Miami

7th

Greater Vancouver rose to seventh spot in the Economy category, doing well in venture capital investment and gateway-related indicators

employment as a share of total employment. It also includes three specific tourism indicators: number of cruise ship calls, number of international visitors and number of participants in international association meetings.

ECONOMIC RANKING

(SEE TABLE 2, P14)

WHO IS BEST?

Singapore is the top-ranked city in the Economy category, and one of three Asian metro regions to score an "A" grade. Copenhagen and Hong Kong round out the top three. These top performers are well situated in the global competition for businesses and investment.

Singapore's retention of its position as the category's leader is buoyed by "A" grades on four indicators: the unemployment rate (where it ranks first overall with an astonishing 2.1 per cent rate), its inbound airport cargo tonnage (a third-place showing), port cargo tonnage (it finishes second here) and its port container throughput (also a second-place showing).

Copenhagen, Denmark's capital and most populous metro area, is ranked second on the strength of four "A" grades. These start with low office rents, and include the number of participants in international association meetings, inbound airplane seats per capita, and the marginal effective tax rate on capital investment.

Hong Kong, a special administrative region of the People's Republic of China, comes third in our rankings. The area's international orientation is signalled by the "A" grade (one of four) it receives for its number of international visitors, along with the "B" grades it gets for the number of participants in international association meetings, inbound airplane seats per capita, and the number of destinations its airport serves.

The group of five B-ranked metro regions starts with **Greater Vancouver** and includes **Calgary** and **Houston**. **Los Angeles** and **Toronto** round out the B-graded cities. Of the nine municipalities graded "C" or "D", North American metro regions account for four.

TABLE 2

ECONOMIC RANKING

Ranking *2018 (2016)*	*Metro Area*	*Value*	*Grade*
1 (1)	Singapore	0.538	A
2 (6)	Copenhagen	0.483	A
3 (2)	Hong Kong	0.472	A
4 (8)	San Francisco	0.471	A
5 (5)	Seattle	0.469	A
6 (3)	Shanghai	0.454	A
7 (9)	**Greater Vancouver**	**0.417**	**B**
8 (4)	Calgary	0.417	B
9 (7)	Houston	0.416	B
10 (18)	Los Angeles	0.388	B
11 (13)	Toronto	0.388	B
12 (10)	Seoul	0.384	C
13 (19)	Manchester	0.365	C
14 (12)	Rotterdam	0.357	C
15 (20)	Miami	0.355	C
16 (16)	Montréal	0.341	C
17 (15)	Barcelona	0.323	D
18 (17)	Portland	0.321	D
19 (11)	Sydney	0.320	D
20 (14)	Halifax	0.292	D

GREATER VANCOUVER'S ECONOMIC PICTURE

(SEE TABLE 3, P15)

Greater Vancouver places seventh in the Economy category, up two spots from *Scorecard 2016*. With 10 "C" grades, bookended by two "A" grades, five "B" grades and five "D"s, Greater Vancouver maintains its overall "B" grade. While Greater Vancouver falls into the middle of the pack, its overall marks are within close range of the next region up, suggesting it could improve in these measures in future.

Greater Vancouver's highest ranking in any one Economy indicator, and one of its two "A" grades, is KPMG's total tax index, where it places fourth in a group of 14 metro areas for which statistics are available.

This index measures the total taxes paid by similar corporations in a location and industry, benchmarked against the total taxes paid by similar corporations across the United States. But caution is necessary; because trailing data was used, the measure has not been updated to reflect either recent U.S. tax legislation changes or measures announced in the 2018 British Columbia and federal budgets.

Another indicator suggesting the region's tax competitiveness is more ambiguous than it would seem at first glance is the marginal effective tax rate (METR). The METR measures the proportion of the rate of return from a new investment that is required to pay all capital-related taxes. Everything else being equal, a lower METR will result in a higher return for investment.

Greater Vancouver meaningfully struggles with the METR, and the competitive conditions are worsening.

For the METR indicator, the Conference Board updated its calculation to incorporate the impact of the 2018 U.S. tax reform on the relative position of Greater Vancouver. The changes mean that the U.S. METR on capital investment (federal and state combined) stands at 18.8 per cent, down sharply from 34.6 per cent prior to the recent tax overhaul. This improves the standing of U.S. metro areas and pushes Greater Vancouver all the way down to last place. Our region's METR is now nine percentage points higher than those of its U.S. counterparts, a significant competitive disadvantage.

The effects of these tax cuts suggest that Greater Vancouver's relative position in this index, along with all other Canadian cities measured, will decline unless the federal and British Columbia governments respond appropriately.

Greater Vancouver's poor showing on the METR can be traced directly to British Columbia's unharmonized retail sales tax, which results in a significant tax on business capital purchases. This competitive disadvantage gives greater urgency to the need to replace the provincial sales tax with a value-added harmonized sales tax, a policy recommendation made in *Scorecard 2016*.

An indicator in which Greater Vancouver does well is office rents, its other A-grade performance. The region ranks sixth out of 18 based on an average rent of US$40 per square foot. In comparison, average rents in Hong Kong, the Scorecard's most expensive office market, are more than seven times higher at US$300 per square foot. However, it should be noted that the data does not capture the recent uptick in office rents in the Greater Vancouver region.

"D"

Greater Vancouver ranks 17th of 17 metro regions for the marginal effective tax rate on capital investment for business

TABLE 3

GREATER VANCOUVER'S ECONOMIC PERFORMANCE

Indicator	*Grade*		*Ranking*	
	2018	*2016*	*2018*	*2016*
KPMG's total tax index	A	A	4/14	3/12
Office rents (US$ per square foot)	A	A	6/18	5/17
Unemployment rate	B	C	6/20	10/20
Port cargo tonnage per $1 million of GDP	B	B	3/19	3/19
Venture capital investment per $1 million of GDP	B	C	3/14	4/11
Labour productivity growth	B	B	4/20	7/20
Inbound airplane seats per capita	B	C	8/20	10/20
Real GDP per capita growth	C	C	4/20	7/20
Port container traffic (TEUs) per $1 million GDP	C	C	5/19	5/19
Inbound airport cargo tonnage capacity	C	C	8/20	9/20
High-tech employment share	C	C	8/20	9/19
Number of cruise vessel calls	C	C	9/18	7/18
Employment growth	C	B	13/20	12/20
Labour productivity	C	C	13/20	12/20
Real GDP per capita	C	C	13/20	14/20
No. of flight destinations at major airport	C	-	14/20	-
After-tax income growth	C	C	14/20	8/19
No. of participants at int'l association meetings	D	C	9/20	8/19
International visitors	D	C	12/18	11/18
After-tax income per capita	D	C	12/20	13/20
Market size	D	D	16/20	16/20
METR on capital investment for businesses	D	C	17/17	10/17

4.5%

of the Greater Vancouver population is employed in high-tech jobs

This advantage, however, might be cloaking a much larger problem. Lower rents could be due to variable demand for office space, tied to Vancouver's perennial struggles to attract corporate head offices.

Greater Vancouver also does generally well on the transportation gateway-related indicators. Among this group, Greater Vancouver's best result is in port cargo tonnage, for which it ranks third and receives a "B" grade, maintaining its strong position from *Scorecard 2016*. That being said, its port cargo tonnage actually declined relative to GDP between the two reports.

Greater Vancouver also remains the highest-ranked North American port in terms of container throughput scaled by GDP, despite obtaining a slightly lower value compared to *Scorecard 2016*, signalling Greater Vancouver's relative strength in this indicator. Greater Vancouver's port cargo tonnage per $1 million of GDP trails that of second-place Singapore by 25 per cent in *Scorecard 2018*, compared to nearly 40 per cent in *Scorecard 2016*. But a first-place finish is not on the horizon – Rotterdam is far and away the indicator leader, with GDP-adjusted volumes nearly six-and-a-half times higher than Greater Vancouver's. Moreover, Greater Vancouver is falling further behind Rotterdam – the latter's port cargo tonnage has increased relative to GDP since *Scorecard 2016*.

Greater Vancouver is also home to Canada's largest cruise port. But the region earns a "C" grade and ranks ninth out of 18 for the number of cruise vessel calls, two spots lower than in *Scorecard 2016*, below Shanghai and Houston. Greater Vancouver ranks one spot ahead of Seattle and remains Canada's most popular cruise ship landing destination, but Halifax has partly closed the gap.

Activity at Greater Vancouver's airport is more middle of the pack. A new statistic added to this year's benchmarking analysis is the number of flight destinations served by the local airport, for which the region earns a "C" grade.

For inbound airplane seat capacity per capita, the region does much better, coming in eighth place and receiving a "B" grade, although topped by two other Canadian metro areas, Calgary and Halifax. However, Greater Vancouver's score is higher than those of Toronto and Montreal, its main Canadian competitors. This is up two spots from Greater Vancouver's C-grade performance in *Scorecard 2016*.

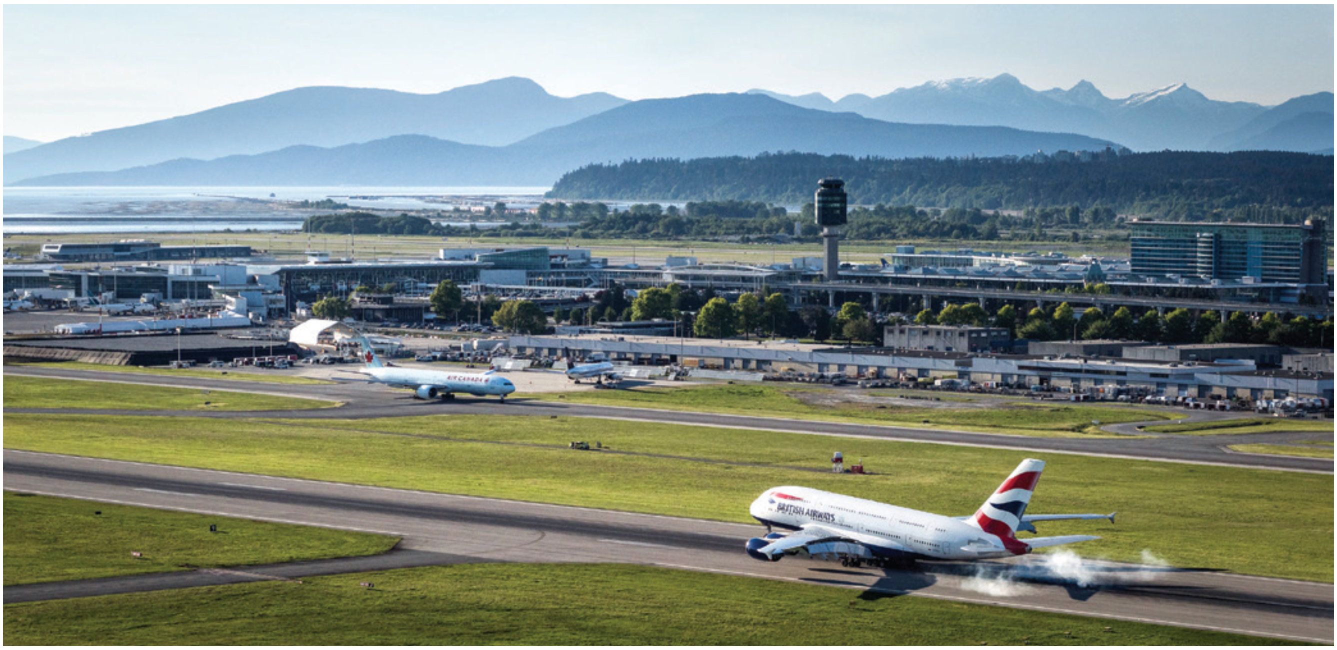
Greater Vancouver is also middle of the pack in inbound airport cargo tonnage capacity per $1 million dollars of GDP, coming in 8th place, one spot higher than in *Scorecard 2016*, though still only good enough to maintain its "C" grade from the previous report. At six tonnes of cargo per $1 million dollars of GDP, the airport's cargo capacity pales in comparison with such heavyweight air hubs as Hong Kong and Seoul, where GDP-adjusted freight capacity exceeds 12 tonnes. Still, Greater Vancouver is the highest-ranking North American metro area measured by this indicator, surpassing previously top-ranked Miami.

Our region ranks 14th out of 20 on the number of non-stop flight destinations offered at a region's major airport and garners a "C" grade. According to Conference Board calculations, Vancouver International Airport offers flights to 125 destinations, nearly 100 fewer than destinations offered from Manchester, the indicator leader. Greater Vancouver is also a middle-of-the-pack performer when compared against its Canadian counterparts. It ranks behind Toronto and Montreal, but ahead of Calgary and Halifax.

The two indicators that measure the strength of the high-tech sector, the predominant growth driver in innovation-focused city regions, offer glimmers of hope for Greater Vancouver.

First, the region climbed one spot in venture capital per $1 million of GDP, moving into third place and flipping a "C" grade in *Scorecard 2016* to a "B" grade in this year's report. Still, it remains eclipsed by San Francisco, where venture capital per $1 million of GDP is 10 times higher, and the gap with Greater Vancouver is growing. Second, Greater Vancouver moved up one spot in the high-tech sector's share of total employment, climbing from ninth to eighth place; however, the underlying proportion remains unchanged.

Vancouver earns two "B" grades for a low



Vancouver International Airport is a key economic generator for the region | YVR

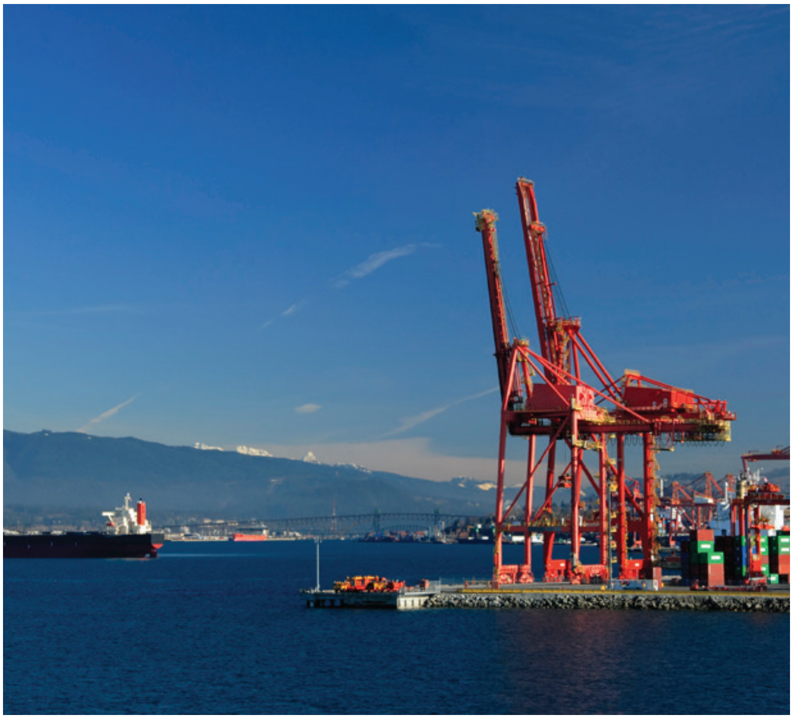
unemployment rate and for labour productivity growth. The first “B” grade suggests that labour markets are tightening and job seekers will have an easier time finding work, thus making the region more attractive to people. The second “B” grade is particularly noteworthy, since labour productivity growth is often linked to income growth: strength in the first often results in strength in the latter. However, the relationship between these two indicators has weakened in recent years in many countries, and this is evident in Greater Vancouver’s “C” grade and disappointing 14th-place position in after-tax income growth. While Greater Vancouver’s “B” grade in productivity growth remains unchanged from *Scorecard 2016*, its jump from seventh to fourth position is notable and reflects an increase in productivity growth from 1.4 per cent in *Scorecard 2016* to 2.1 per cent in *Scorecard 2018*.

Despite coming in fourth place in GDP per capita growth, Greater Vancouver earns only a “C” grade, given that average annual growth was less than half the pace of front-runner Shanghai’s. Similarly, decent employment growth of 1.6 per cent per year in Greater Vancouver was only good enough for 13th place and a “C” grade, given that many jurisdictions saw employment growth over three per cent. Shanghai, the leading city in this indicator, saw a rate of employment growth nearly three times that of Greater Vancouver.

The region finishes 13th and earns “C” grades in both labour productivity (real GDP per worker) and real GDP per capita, nearly identical to the results in the previous report. Interestingly, while Greater Vancouver’s overall productivity level increased between *Scorecard 2016* and *Scorecard 2018*, it dropped in rank from 12th to 13th position, suggesting that competitor cities are outpacing Greater Vancouver’s gains in productivity.

The Conference Board estimates Greater Vancouver’s output per worker at just above US$77,000, or 63 per cent of front-runner Houston. Among the Canadian metro areas, Calgary and Toronto both do better, Calgary by a wide margin. Houston and Calgary can largely thank the significant presence of the capital-intensive oil industry for their high productivity levels, about which Greater Vancouver can do little. But other regions also rank higher, including San Francisco, Sydney, and Seattle.

The poor performance in these two indicators



Many of the cities measured in *Scorecard 2018* are port cities. Shown above is the Port of Vancouver's facility in Burrard Inlet | ISTOCK

is particularly disappointing, since they are so closely connected to a region's standard of living. With mediocre results in these two indicators, it is not surprising that Greater Vancouver's ranking in after-tax income per capita is similarly poor and earns it one of five "D" grades. Greater Vancouver's after-tax income per capita is US$25,400, while front-runner San Francisco's is US$64,300 or 2.5 times higher. The average across all 20 regions in this benchmarking study is US$32,700, considerably higher than that of Greater Vancouver. Low per capita incomes, in combination with other economic and social factors benchmarked here, contribute to Greater Vancouver's housing affordability challenges.

The results of the Economy ranking also reveal that Greater Vancouver suffers from its small market size. Market size is measured by the total income of the population within a 500-mile radius. A smaller market makes it more difficult for local businesses to realize economies of scale. Greater Vancouver gets a "D" in this indicator, trailing all Canadian metro areas except Calgary. Toronto's market is more than seven times the size of Greater Vancouver's, while Montreal's is nearly six times larger. Both Toronto and Montreal benefit from their proximity to major markets in the U.S. Northeast, particularly Boston, New York, Philadelphia, and Washington. In contrast, the markets around Greater Vancouver, such as Seattle, Portland, and Victoria, are much smaller. Because of its small market size, the region must be even more competitive and productive than its competitors to make up for the distance of major markets. As well, in an open economy like Canada's, businesses can realize economies of scale through trade with foreign markets.

Given the natural beauty of Greater Vancouver and its surrounding area, one of the more surprising findings is the performance of the tourism sector. It earns "D" grades in two related indicators: the number of participants in international meetings and the number of international visitors.

Greater Vancouver receives just over 2.2 million international visitors annually, a healthy amount compared to most other Canadian destinations, but only about 11 per cent of the numbers posted by Hong Kong and Singapore. Those two city regions each receive around 20 million international visitors per year.

Against this backdrop, Greater Vancouver is ranked 12th and receives a "D" grade. Toronto also attracts more international visitors each year than does Greater Vancouver, although it is the only Canadian metro region to do so. Greater Vancouver ranks fifth among the nine North American cities for which data is available. While the number of international visitors to Greater Vancouver saw a healthy increase since the previous Scorecard, the increase does not keep pace with competitor cities, explaining the region's drop in both grade (from a "C" to a "D") and rank (from 11th to 12th).

Greater Vancouver's ability to attract international association meeting participants is similarly worrying. Specifically, Greater Vancouver saw a decrease in the number of participants in international association meetings and is ranked ninth in this indicator, down from eighth place in the previous Scorecard. Despite this top-half ranking, it still earns only a "D" grade because it attracts only about one-quarter the participants of first-place Seoul. When compared to its Canadian counterparts, it attracts fewer participants than Toronto and Montreal, but it attracts more than Calgary and Halifax, the latter two of which rank 19th and 20th.

This is a slight deterioration since *Scorecard 2016* when Greater Vancouver was bested only by Toronto. It is likely that the region's below-average grades are attributable to the limited amount of convention space in Greater Vancouver and its smaller market as compared to cities like Seoul and Barcelona.

Once again in 2018, Greater Vancouver's most disappointing performances among the economy-focused indicators are in per capita or per worker terms, issues flagged in *Scorecard 2016*. A pattern emerges: Greater Vancouver tends to do well on many of the indicators that measure growth, but struggles on those that measure absolute levels.

A more detailed discussion on the *Scorecard 2018* Economy rankings can be found in the Conference Board of Canada full report, available at boardoftrade.com/scorecard2018.

SOCIAL: GREATER VANCOUVER'S LIVABILITY SHINES THROUGH

(SEE TABLE 4, P19)

The Social category contributes to our understanding of how 20 metro areas are performing on 16 measures of socio-economic, environmental, and quality-of-life attributes. These measures underpin a region's ability to lure educated, creative, and diverse people. Such individuals are much in demand to fill cities now and will continue to be in the future. These people will consider regional quality-of-life attributes, such as those evaluated here, as they choose where to locate.

This year we have added five new Social indicators to better assess the quality-of-life elements of our region, and how Greater Vancouver is positioned against our global competitors.

WHO IS BEST?

Two Canadian metro areas, Calgary and Toronto, top the Social rankings.

Calgary, Canada's oil capital, moved from 11th to first in the Social ranking. It remains a young, attractive and dynamic metro area, despite the recent downturn in its economy from which it now appears to be recovering.

Toronto, Canada's most populous city, ranks second, an improvement from fifth in 2016. Similar to Calgary, Toronto's residents are well educated, diverse and relatively young. The city receives an "A" grade and is top-ranked for the share of its population that is foreign-born. Canada is a country of immigrants, and Toronto is a magnet for newcomers, with nearly half of its residents claiming a birthplace abroad.

Seattle and Halifax round out the "A" rated

8th

Greater Vancouver dropped one spot to eighth in the Social category, scoring highly in foreign-born population, low homicide rates and air quality

TABLE 4

SOCIAL RANKING

Ranking 2018 (2016)	Metro Area	Value	Grade
1 (11)	Calgary	0.64	A
2 (5)	Toronto	0.62	A
3 (6)	Seattle	0.58	A
4 (15)	Halifax	0.58	A
5 (3)	Sydney	0.57	B
6 (10)	San Francisco	0.57	B
7 (9)	Montreal	0.56	B
8 (7)	**Greater Vancouver**	**0.56**	**B**
9 (2)	Copenhagen	0.55	B
10 (4)	Portland	0.54	B
11 (8)	Manchester	0.54	B
12 (16)	Singapore	0.53	B
13 (1)	Barcelona	0.53	B
14 (14)	Seoul	0.52	B
15 (17)	Los Angeles	0.49	C
16 (13)	Rotterdam	0.46	C
17 (19)	Houston	0.45	D
18 (12)	Hong Kong	0.42	D
19 (18)	Miami	0.42	D
20 (20)	Shanghai	0.39	D

"C"

Greater Vancouver ranks 13th of 15 metro regions for housing affordability

jurisdictions, finishing in third and fourth place, respectively. **Seattle**, the major seaport, high-tech centre and the hub of the U.S. Pacific Northwest, finishes with an improvement on its sixth-place mark from *Scorecard 2016*.

Halifax is our last A-rated metro region. The region ranked 15th in Social rankings in 2016 and received a boost in performance as a result of the new indicators added to *Scorecard 2018*. It is a clean, affordable and equitable place.

The 10 cities receiving "B" grades are a disparate group featuring four cities from North America, three from Europe, two from Asia, and Sydney, Australia.

Greater Vancouver finishes in eighth place and earns a "B" grade, receiving nearly the same score as Montreal. While it ranks four positions below Halifax, the lowest-rated "A" region, only two percentage points separate them.

Two metro areas, **Los Angeles** and **Rotterdam**, each receive a C. The four cities receiving "D" grades are also a diverse group, including two U.S metropolitan statistical areas (**Houston** and **Miami**) and two Asian metropolitan areas (**Hong Kong** and **Shanghai**). Shanghai continues to languish in last place, finishing last in six indicators.

TABLE 5

GREATER VANCOUVER'S SOCIAL PERFORMANCE

Indicator	*Grade*		*Ranking*	
	2018	*2016*	*2018*	*2016*
EIU democracy index	A	-	2/20	-
Proportion of population that is foreign born	A	A	2/20	2/19
Air quality	A	A	4/20	1/20
Homicide rate	A	A	12/20	9/20
Female labour force participation rate	B	-	5/19	-
Income inequality	B	C	8/20	11/20
Average travel time to and from work	B	C	9/19	10/19
Proportion of population aged 25–34	B	D	9/19	7/19
Share of population employed in culture	B	B	11/20	10/20
Age dependency ratio	C	-	7/20	-
Non-car commuting	C	C	8/18	8/17
Share of population with at least a bachelor's degree	C	C	9/20	9/20
Housing affordability	C	D	12/15	15/17
Change in housing affordability	C	-	12/15	-
Climate	C	B	12/20	12/20
Public transit railway network length	D	-	14/20	-

GREATER VANCOUVER'S SOCIAL LANDSCAPE

(SEE TABLE 5, P20)

Greater Vancouver experienced a small drop in the rankings from seventh place in the 2016 report to eighth place in the 2018 version. The identical letter grade of "B" leaves us with the same conclusion as last time: Greater Vancouver remains one of the world's most livable areas but has some vulnerabilities that need to be addressed.

Greater Vancouver ranks a full two percentage points behind Halifax, the lowest-ranked "A" grade, and eight points behind Calgary, the overall social category leader. It earned a relatively balanced set of grades: four "A" grades, five "B" grades, six "C" grades and one "D" grade.

Among the category's 16 indicators, Greater Vancouver's highest ranking is 2nd place, and scores an "A" in two indicators: the democracy index and foreign-born proportion of the population.

The democracy index (compiled by the Economist Intelligence Unit) is assessed at a national level, so all Canadian cities benchmarked here receive the same score. Greater Vancouver's second-place ranking for foreign-born population is behind only Toronto, testament to Canada's relative openness to and encouragement of immigration.

The two other "A" grades for Greater Vancouver are for air quality and homicide rates, matching its performances in the previous report. Despite maintaining the "A" grades, the region fell in the rankings in both indicators – from first to fourth in air quality and from ninth to 12th in homicides.

Although Greater Vancouver's homicide rate has been on a downward trend for 20 years, it increased in 2014 and 2015. Thus the three-year moving

average edges up in this Scorecard compared to the 2016 result, increasing from 1.6 to 1.7 per 100,000 persons. In comparison, Miami's homicide rate, the highest among the metro areas covered in this report, averages 6.5 per 100,000 persons.

Included among Greater Vancouver's five "B" grades is the female labour force participation rate, one of this year's new Social indicators, where Canadian metro areas dominate the top of the rankings. Greater Vancouver sits in fifth place behind the other four Canadian cities benchmarked in this report. If successful, the Canadian government's commitment to female workforce participation, as reflected in the 2018-19 federal budget, may further strengthen the performance of Canadian cities in this indicator. Several factors likely explain why this ratio is elevated in Canada, including the country's comparably generous maternity leave policy. In 2014, the most recent period for which there are statistics, there was an almost eight-point difference between Canada and the U.S. in the participation rate of mothers with children under the age of three: 69.5 per cent in Canada compared to 61.8 per cent in the U.S.

The share of workers employed in cultural industries also earns Greater Vancouver a "B" grade, matching its result in *Scorecard 2016* and outperforming the other four Canadian cities benchmarked in this report. The remaining three indicators that receive "B" grades in *Scorecard 2018* all improved their showing compared to the previous benchmarking analysis.

Income inequality and average commuting times improved from a "C" to a "B". The higher grade for income inequality is a positive development, as the income gap between rich and poor is an important issue in Canada and elsewhere. While average commuting times in Greater Vancouver have increased by more than 2.5 minutes since the previous Scorecard, average commuting times in the region are deteriorating at a slower pace than in competitor cities, reflected in Greater Vancouver's improvement in rank from 10th to ninth.

The region's improvement in its concentration of those aged 25-34 years old is largely a function of a geographical definition change. This indicator was calculated at the city level in 2016, but is now calculated at the metro level. In other words, Greater Vancouver's age structure is relatively more favourable when the comparison is made at the metro-area level rather than at the city level, which explains the move from a "D" to a "B" grade. This indicator points to younger people living farther away from the region's more expensive economic centre.

ABOVE LEFT: A group of cyclists travel the seawall overlooking Coal Harbour | TOURISM VANCOUVER

ABOVE: Housing affordability remains one of Greater Vancouver's most pressing challenges, with the median household price being 12.6 times higher than gross yearly household income | ISTOCK

The "C" group of indicators includes a statistic new to the Scorecard: the age dependency ratio. Greater Vancouver places in the top 10, but a "C" grade is levied because its ratio, at 42.2 per cent, is almost 14 percentage points higher than that of first-place Shanghai. A lower ratio is deemed better because it signals lower pressure on the working age population to cover the costs of the dependent population. Greater Vancouver and coastal British Columbia are known as a magnet for retirees, given its temperate climate relative to the rest of the country, so a lower grade is not unexpected. However, it signals a strain on public resources in coming years.

The proportion of the workforce that commutes by modes other than car also earns Greater Vancouver a "C," the same grade it received in the previous report. About 70 per cent of Greater Vancouver's working-age population drives to and from work, well above the proportions found in the Asian areas that dominate the top of the rankings.

The Canada Line is part of the SkyTrain rapid transit line that runs from Vancouver to Richmond, a vital link between Vancouver International Airport and the downtown core | ISTOCK

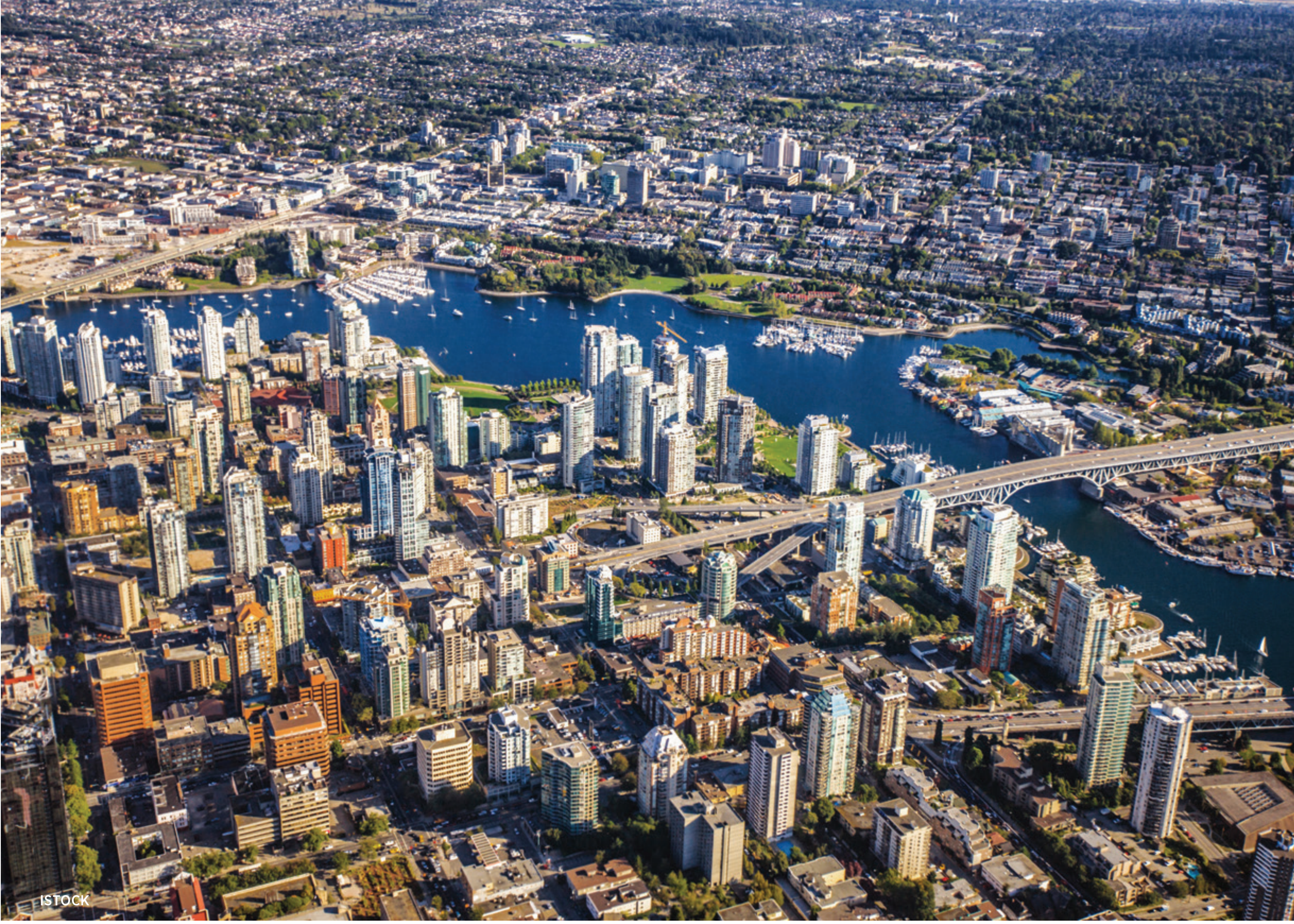
A "C" is also levied on the proportion of the population aged 25 and over that holds at least a bachelor's degree. Just over 34 per cent of this population cohort in Greater Vancouver has at least a bachelor's degree, while the share is closer to 50 per cent in first-place San Francisco.

Greater Vancouver also receives a "C" for its climate, as determined by the Conference Board's comfortable climate index. Although the region is well known for its mild climate, Greater Vancouver's high marks on that front are partly drowned out – literally – by too few days of sunshine, the other component of the index. A consolation: Greater Vancouver's climate is the highest-rated in Canada.

Greater Vancouver's final "C" grade is in housing affordability, measured as the median house price as a ratio of median household income. This is an improvement from *Scorecard 2016* when the metro area earned a "D" grade. This may seem incongruent with what is generally considered a market in which secure housing is out of reach for many. The principal reason for Greater Vancouver's letter grade improvement is that lowest-ranked Hong Kong experienced an even steeper drop in housing affordability.

Greater Vancouver's lone "D" grade in the Social grouping is also another new indicator: public transit railway network length in kilometres. This indicator is strictly a measurement of public transit rail network length, and is not calculated as a proportion in geographic or per capita terms, nor does the measurement take into account other transit services (e.g., buses). As such, Greater Vancouver performs relatively poorly, ranking 14th out of 20. Nonetheless, Greater Vancouver had 80 kilometres of public transit rail, compared to top-ranked Sydney (974 kilometres), at the time of measurement (2016).

A more detailed discussion on the *Scorecard 2018* Social rankings can be found in the Conference Board of Canada full report, available at boardoftrade.com/scorecard2018.



CHAPTER 2: SPECIAL LENS ON REGIONAL COORDINATION AND GOVERNANCE

INTRODUCTION

As discussed in *Scorecard 2016* and updated in this year's benchmarking results, improving coordination among the municipalities that make up Greater Vancouver is essential for successfully addressing our region's most pressing challenges, and for improving competitiveness.

Regional coordination and governance were touched upon in *Scorecard 2016* as areas of priority moving forward. Given their importance, this year's Special Lens is focused solely on these topics. Specifically, the Board of Trade identifies some of Greater Vancouver's most serious regional coordination and governance issues and suggest a set of best practices. The Special Lens also includes a benchmarking analysis that ranks Greater Vancouver against seven other North American metro regions. The Conference Board developed indicators that measure, or proxy, good governance enablers and the ability of municipalities to cooperate within a metropolitan area. This chapter concludes with recommendations by the Greater Vancouver Board of Trade.

The Conference Board's full report presents a discussion of the advantages and disadvantages of three of the most common approaches to improve metropolitan service delivery: centralization, private-sector engagement, and inter-municipal cooperation.

2nd

Greater Vancouver receives a "B" grade for overall governance

CURRENT GOVERNANCE STRUCTURES AND ISSUES

Regardless of which approach, or combination of approaches, is deployed to improve service delivery, good governance is a prerequisite for success. Greater Vancouver has faced a number of governance challenges over recent years, due in part to rapid growth placing region-wide pressures on available resources, and also to the area's patchwork of local jurisdictions.

Good governance is a complex concept, as its definition will vary across countries, economic actors, and researchers. For the Special Lens, the Conference Board's goal is to evaluate the quality of public governance. Because high-quality governing authorities and high-quality outcomes are typically related, it makes sense to first evaluate the structure of government.

This section evaluates the enablers of good governance in the region, examines the existing governance structures in Greater Vancouver, and highlights current issues in the region.

BENCHMARKING

Certain elements are necessary to enable a good governance structure, and thus better policy and service delivery outcomes. To evaluate these fundamentals, five indicators of good governance are benchmarked across eight metropolitan areas, offering a snapshot of the relative strength of regional governance. Given the diverse political and social contexts that exist on the local level, the Conference Board evaluated Greater Vancouver against major Canadian metropolitan areas (Toronto, Montréal and Calgary), against its Pacific Northwest competitors (Seattle and Portland); and against gateway metro regions with a major seaport (San Francisco and Halifax).

OVERALL GOVERNANCE RANKING, SELECTED METROPOLITAN AREAS

Ranking	*Metropolitan Area*	*Grade*
1	Seattle-Tacoma	A
2	**Greater Vancouver**	**B**
3	Halifax	B
4	Montreal	C
5	Toronto	C
6	San Francisco-Oakland-Hayward	C
7	Portland-Vancouver-Hillsboro	C
8	Calgary	D

INDICATORS

1. Number of local governments per 100,000 population in the metropolitan area

This indicator offers a sense of how easy or difficult it is to coordinate across the region. We suggest that the larger the number of governments, the more difficult it is to align regional interests and agendas. Greater Vancouver ranks fifth out of eight, with a grade of "C" (1.73 governments per 100,000 people).

Ranking	*Metropolitan Area*	*Grade*
1	Toronto	A
2	Halifax	A
3	Calgary	B
4	Seattle-Tacoma	B
5	**Greater Vancouver**	**C**
6	San Francisco-Oakland-Hayward	D
7	Portland-Vancouver-Hillsboro	D
8	Montreal	D

2. Percentage of women councillors

This indicator was selected as a proxy for inclusivity. Research by the Conference Board and others finds that public companies with more female representation in their boards of directors are more efficiently managed. The same reasoning can be applied to publicly managed institutions like municipal councils. Because some metropolitan areas have many local governments, multiple-tiered governments and overlap of elected officials at different levels of local government, we focus on the percentage of women councillors in the core municipality of each metropolitan area. Vancouver ranks fourth and earns a "B" grade, as women represent 45.5 per cent of the city's council.

Ranking	*Metropolitan Area*	*Grade*
1	Seattle-Tacoma	A
2	San Francisco-Oakland-Hayward	A
3	Portland-Vancouver-Hillsboro	B
4	**Greater Vancouver**	**B**
5	Montreal	C
6	Toronto	C
7	Calgary	D
8	Halifax	D

3. Own-source revenues as a share of total local government revenues

Conference Board research indicates that municipalities with greater financial and fiscal autonomy are more likely to exhibit good governance. Greater Vancouver ranks third, with 63.3 per cent.

Ranking	*Metropolitan Area*	*Grade*
1	Seattle-Tacoma	A
2	Montreal	A
3	**Greater Vancouver**	**A**
4	Halifax	B
5	Portland-Vancouver-Hillsboro[1]	C
6	Toronto	D
7	Calgary	D
8	San Francisco-Oakland-Hayward	D

1 The Portland-Vancouver-Hillsboro MSA spans two states (Oregon and Washington), so we used a population-weighted average to estimate its percentage of own-source revenue.

4. Regional economic development

This indicator is a binary variable, taking a value of "0" if there is no regional economic development agency, and a value of "1" if one exists. A regional economic development agency is key to promoting a metropolitan area's economic growth. Only three out of the eight metropolitan areas do not have a regional economic development: Greater Vancouver, Toronto and Seattle.

5. Regional transit agency

This indicator is also a binary variable. A regional transit agency is an indicator of coordination between the municipalities within a metro area. Greater Vancouver receives a score of "1" reflecting the presence of TransLink.

The benchmarking analysis in this Special Lens suggests that Greater Vancouver has a good foundation when it comes to good governance enablers, earning an overall "B" grade. However, this only evaluates the presence of necessary elements for quality governance. Indeed, there are several areas in which Greater Vancouver can improve the quality of its regional governance.

REGIONAL STRUCTURES

Metro Vancouver: Metro Vancouver* is a regional body responsible for the planning and delivery of several regional-scale services. Its core services are drinking water, waste-water treatment and solid-waste management.

As a governance structure, Metro Vancouver exhibits some characteristics of good governance. First, its board of directors is composed of locally elected officials, appointed by and from their municipal or First Nation councils. In addition, each director of the board holds voting power proportionate to the population she or he represents, with a maximum of five votes per director. From this perspective, Metro Vancouver's authority derives from the municipalities it encompasses. Finally, Metro Vancouver publishes board agendas and minutes, audited financial information, and service performance indicators.

On the other hand, since Metro Vancouver's board is not directly elected, it is vulnerable to the criticism that it is not accountable to the voters of the region. Currently, board members are primarily accountable to, and concerned with, their own municipality's priorities. This can result in a lengthy and sometimes difficult process around the Metro Vancouver board table. As an entity, Metro Vancouver is in the difficult position of facing contradictory pressures of improving and expanding service delivery to meet the needs of a growing urban region, while operating within the terms of its mandate and functioning with its

*For clarity: "Metro Vancouver" refers to the entity. This report uses "Greater Vancouver" to refer to the region.

present governance model of an unelected board.

Decisions that require unanimity can lead to suboptimal regional outcomes. The regional growth strategy "Metro Vancouver 2040," adopted in 2011 by 21 municipalities, TransLink and adjacent regional districts, illustrates some of these difficulties. Indeed, five years after adoption (2016), some area municipalities had not yet aligned their Official Community Plans with the regional plan's goals.

TABLE 7

JURISDICTIONS WITHIN METRO VANCOUVER

Jurisdiction	*Population*
Anmore (village)	2,210
Belcarra (village)	643
Bowen Island (municipality)	3,680
Burnaby (city)	232,755
Coquitlam (city)	139,284
Delta (district municipality)	102,238
Langley (city)	25,888
Langley (district municipality)	117,285
Lions Bay (village)	1,334
Maple Ridge (city)	82,256
New Westminster (city)	70,996
North Vancouver (city)	52,898
North Vancouver (district municipality)	85,935
Pitt Meadows (city)	18,573
Port Coquitlam (city)	58,612
Port Moody (city)	33,551
Richmond (city)	198,309
Surrey (city)	517,887
Tsawwassen (First Nation)	816
Vancouver (city)	631,486
West Vancouver (district)	42,473
White Rock (city)	19,952
Electoral Area A[1]	16,133
Abbotsford (C)[2]	141,397

[1] Electoral Area A comprises about 818 square kilometres of unincorporated land within the regional district boundaries and includes University of British Columbia and the University Endowment Lands, among other areas.
[2] Abbotsford is a member of the Greater Vancouver Regional District parks function only.
Source: Statistics Canada

TransLink: TransLink is the regional transportation agency in Greater Vancouver. It is likely the most viable public transportation structure in a multi-jurisdiction metro region like Greater Vancouver, as it has a lens on many of the issues that arise from cross-jurisdictional commuting. It is governed by a board of directors and a Mayors' Council of 21 mayors of Metro Vancouver municipalities (excluding Anmore and Bowen Island) and the Chief of Tsawwassen First Nation. The Board appoints the CEO and elects the Chair, and oversees TransLink's management and resources including transit planning and operations, elements of the major road network, revenue measures and financing. The Mayors' Council appoints the majority of TransLink's board of directors from a candidate list put together by an independent screening panel. The two bodies jointly approve long-term strategies and the investment plan, and work together to secure senior government financing.

REGIONAL ISSUES

1. Transportation: Moving people through any densely populated metro region is a challenge. As cities have grown, transportation infrastructure development, advancements in transportation technology, and a preference for single-family homes have resulted in commuters living farther from their workplaces. Such commuters cross municipal boundaries, necessitating the coordination of transportation planning between jurisdictions. As such, regional transportation authorities are the preferred solution for most municipalities. In Greater Vancouver, the regional agency is TransLink.

Two probable reasons for Greater Vancouver's lower rankings in the Benchmarking chapter for non-car commuting and length of the public transit railway network relate to geographic constraints and the ways in which the population has grown. The current governance structure is intended to minimize difficulties in developing public transportation around Greater Vancouver. The recent affirmation and funding commitment by all levels of government to Phase 2 of TransLink's 10-Year Transportation Plan is a positive signal for the improvement of the regional transportation network.

2. Economic Development: There are at least 10 municipal economic development agencies operated by the 21 municipalities making up the Metro Vancouver regulatory entity, which almost certainly results in duplication of effort and unnecessary inter-jurisdictional competition. To attempt to address this duplication and bring a broader, cross-municipality focus, Metro Vancouver recently launched a Regional Prosperity Initiative (RPI). It has assembled a group of local public and private stakeholders with the objective of improving efficiency and promoting the region for mutual benefit. While not an operational entity, the RPI has proposed two projects so far: one to develop a regional mobile business licensing program and the other to streamline the film permitting and licensing process. The promotional activities proposed by the RPI may address some of the drawbacks of the current fragmented economic development landscape in the region.

However, without reform of Metro Vancouver's structure and authority, critiques such as the following continue to be valid: "Understanding the role of international and interprovincial trade in underpinning the economic well-being of Metro Vancouver has been hampered by the region's fragmentation into a multiplicity of distinct cities and towns – all overseen by a regional government that conspicuously lacks authority in matters such as economic development, trade, and business and investment attraction" (Finlayson, Peacock, 2017).

3. Housing Affordability: It is widely acknowledged that Greater Vancouver is facing a housing affordability crisis. The region's ratio of median house prices to median household income is one of the highest in *Scorecard 2018*. In addition, the Conference Board found that only three other competitor regions have seen a sharper deterioration in housing affordability over the past five years.

While a number of economic factors have sparked both local demand and offshore interest in the region's housing market, housing supply is constrained by geography, NIMBY (Not in My Back Yard) activism and regulatory barriers.

Possible measures to increase housing supply and help alleviate some of the pressure on housing affordability include:

- Improving municipal websites to include complete, accurate, and up-to-date permitting information and expand data collection on processing times.
- Setting predictable fees and levies, including standardized community access charges.
- Conducting concurrent reviews of different stages (e.g., rezoning and permitting) of the development application.
- Increasing certainty and transparency in Community Amenity Contribution (CAC) negotiations and documenting component prices of a new residential building.

Improved regulatory alignment and harmonization among the region's municipalities on the various items suggested above, especially in the building permitting process, should be effective in increasing housing supply in a timely manner.

4. Availability of Industrial Land: Greater Vancouver's well-known land constraints confront competing demands from residential, industrial, recreational and agricultural users. Various Vancouver Fraser Port Authority facilities occupy industrial lands. Encroachment on industrial lands by competing uses (particularly residential) could cut capacity at Canada's largest port, with potential adverse implications for the nation's economy.

A Metro Vancouver report estimated that, in 2015, the region's stock of vacant land was down

19%

The amount Metro Vancouver's stock of vacant land was down in 2015 compared to 2010

19 per cent from 2010. The report forecast that the vacant industrial land supply would be "substantially absorbed" by 2030 and noted that even "before full depletion, the remaining land supply would be small, scattered parcels that would not be viable for larger industrial development." The report also suggested that some of the developed land might be available for further intensification.

The municipalities making up Greater Vancouver should take concerted action to collectively protect and administer industrial land. It is acknowledged that the incentive to act regionally is negated by the fragmented structure of local governance around the region (and their resulting competition for industrial activities); on the other hand, the risks to industrial land provide a good example of the case for improved regional governance and cooperation. (SEE TABLE 8, P28)

TABLE 8

STOCK OF VACANT INDUSTRIAL LAND IN VANCOUVER REGION, 2015

DEVELOPED AND VACANT INVENTORY BY SUB-REGION (HECTARES)

	Developed	*Vacant*	*Total*	*% Vacant*
Burnaby/New Westminster	1,360	77	1,438	5
Delta/Tsawwassen F.N.	1,272	326	1,598	20
Langley	749	193	942	20
North Shore	398	28	426	7
Northeast Sector	1,156	36	1,192	3
Richmond	1,458	307	1,765	17
Maple Ridge/Pitt Meadows	324	419	743	56
Surrey/White Rock	1,728	857	2,584	33
Vancouver	625	17	642	3
Grand Total	9,070	2,260	11,330	20

Source: Metro Vancouver 2015 Industrial Lands Inventory: Technical Report

IMPROVING REGIONAL COORDINATION AND GOVERNANCE

Recommendations: By examining the quantitative and qualitative evaluation offered in the Benchmarking chapter, as well as the above discussion assessing the underpinnings of Greater Vancouver's regional structures, we suggest four possible ways to improve governance and service delivery in the region.

1. Directly Elect Metro Vancouver's Board: Metro Vancouver's balancing of local autonomy and regional planning while also encouraging voluntary municipal cooperation fares well when compared to its Canadian counterparts.

However, the localized interests represented on Metro Vancouver's board can compromise the best outcomes for the region. We recommend that Metro Vancouver, with appropriate involvement of the provincial government, consider making its board of directors directly elected. Directly elected board members could represent subdivisions of the metropolitan area and work closely with the municipal councils. This could incent board members to cooperate more and to adopt and then deliver on a regional vision. This and similar proposals have been made in the past by municipal councillors, journalists and scholars.

2. Centralize Economic Development and Investment Promotion: The Conference Board's full report discusses centralization as an appropriate approach for some regional outcomes. Economic development is one function that would clearly be best delivered on a regional scale. This could be done through a single-purpose body responsible for economic development and/or investment promotion. This body does not need to be newly created; however, it should not be one of the existing municipal/city economic development entities "elevated" to the regional level. Further, to ensure success, each municipal government should explicitly endorse and delegate authority to this body.

Literature and case studies have shown that a well-functioning investment promotion agency has a positive impact on attracting foreign direct investment. Separate mandates of municipal agencies bear the risk of competing for the same investment and ignoring the positive spillover of investments into neighbouring municipalities. One central agency would reduce some of these risks.

3. Promote Greater Inter-Municipal Cooperation Agreements or Private-Sector Provision: The Conference Board's full report discusses inter-municipal cooperation agreements and private-sector service provision, in certain circumstances, as appropriate tools for improved efficiency and cost savings in a metro region. Such initiatives do exist in Greater Vancouver and have resulted in cost savings and improved efficiency. For example, the City of North Vancouver, the District of North Vancouver, and the District of West Vancouver entered into an informal shared services arrangement in late 2010. The agreement initially was developed as a joint recruiting initiative for fire services, but later developed to cover training of recruits and the front-line ranks. Such arrangements among municipalities, where the case for cost savings and efficiency can be made, would promote greater regional vision and thinking. Services where metro regions have typically benefited include fire services, land-use planning, and waste collection and disposal.

4. Address the Imbalance Between Municipalities' Spending Responsibilities and Their Ability to Raise Revenue: The fiscal framework operating among all levels of government in Canada is a legitimate matter of governance. Since municipalities in British Columbia are "creatures of the Province," they have little autonomous ability to raise revenue other than through property taxes, fees and various types of assessments. The provincial government therefore has a role to play, both in setting consistent guidelines across municipalities and in facilitating new revenue sources.

However, businesses operating around the Greater Vancouver region are rightly wary of granting cities additional taxing authority. For decades, a notable imbalance has persisted in regional municipalities between the business and residential property taxation burden. Business owners are particularly sensitive to this imbalance because the taxed entity – the business – does not have a vote, while residential taxpayers do. In the city of Vancouver, for example, the ratio of the relative tax burden between commercial and residential property classifications hovers at close to 5 to 1. (The higher the ratio, the greater the tax burden on commercial taxpayers.) Despite both classifications in the city of Vancouver realizing overall decreases in property tax rates from the period between 2013 and 2017, the reduction in residential property taxes outpaces the reduction in business property taxes by 8 per cent. On average, for the largest five municipalities in Greater Vancouver (City of Vancouver, Burnaby, Coquitlam, Richmond and Surrey), the ratio between the property classifications is 4.3 to 1.

Further, policy-makers at all levels should bear in mind that Greater Vancouver's tax competitiveness has been significantly eroded by the recent U.S. tax overhaul. Any changes to B.C.'s intergovernmental fiscal arrangements would need to be undertaken with detailed study, consultation and modelling of consequences. Executed well, such reform could have a positive effect on the level and quality of service delivery. Local governments with access to stable and predictable revenues would be better positioned to fulfil their current and future responsibilities. If combined with other recommendations above, particularly around inter-municipal cooperation and the establishment of an economic development and investment attraction agency, an improved funding model could also improve the efficiency and competitiveness of the overall region.

A more detailed discussion on the *Scorecard 2018* Special Lens can be found in the Conference Board of Canada full report, available at boardoftrade.com/scorecard2018.

CHAPTER 3: TAKEAWAYS AND NEXT STEPS

INTRODUCTION

Competitiveness and **attractiveness** are essential precursors for prosperity and growth. Greater Vancouver continues to be a highly attractive place in which to reside. The Economist Intelligence Unit and Mercer both consistently rank our region at or near the top for quality of life. However, that reputation is becoming somewhat tarnished by deteriorating housing affordability, exacerbated by a reputation for mediocre salaries and wages. In addition, our region is hampered by low rankings for after-tax income per capita as well as poor productivity and weak real GDP per capita. Low performance on the latter two metrics directly compromises our standard of living.

ECONOMY

The competitiveness element is where *Scorecard 2018* reinforces concerns about our medium- and long-term economic sustainability. In our Economy benchmarking section, Greater Vancouver tends to score better on indicators that measure **growth** (e.g., gross domestic product) but less well on those that measure **levels** (e.g., per capita after-tax income, per worker productivity). The region suffers on these metrics in part because of our relatively small market size (ranking 16th of 20, for a "D" grade) and limitations on leveraging economies of scale, and due to our lack of a critical mass of corporate and head offices.

In turn, this is hurt by the Greater Vancouver region's lack of regional coordination on attracting investment. The region needs to speak and act with one voice to compete for talent and attract new capital.

Greater Vancouver's rock-bottom ranking (17th of 17 cities for which data is available) for the marginal effective tax rate on capital investment incorporates the recent U.S. tax legislation changes. Of any indicator in the Economy benchmarking, this best illustrates the hard reality that, despite our high rankings for safety, cleanliness, political stability and cultural diversity, it will remain difficult to draw new capital investment to Greater Vancouver when – due to taxation – it can be more profitably deployed elsewhere. It also serves as a reminder that the cumulative effects of high taxes deter potential new business activity and capital investment.

Most trade- and gateway-related indicators perform well in *Scorecard 2018*. These validate the substantial coordinated efforts that have gone into developing the infrastructure and services to leverage Greater Vancouver's geographic advantages to become Canada's Pacific Gateway, anchored by the Port of Vancouver and Vancouver International Airport.

Scorecard 2018 reveals that there are also opportunities to continue to leverage our natural and infrastructure advantages in terms of cruise vessel calls, air and port cargo tonnage and international visitors. While we see an opportunity to climb the rankings and further build out Greater Vancouver's trade-enabling capacity, impediments are also identified in *Scorecard 2018*: constraints on industrial land and lack of regional coordination discussed in the Special Lens chapter, and bottlenecks in parts of the transportation network.

While *Scorecard 2018* is not intended to be a sector-by-sector analysis (noting the Special Lens section of *Scorecard 2016* focused on the Traded Clusters of our regional economy), it is worth highlighting two areas from the previous Special Lens that continue to show tremendous upside opportunity.

As explored in the *Scorecard 2016* Special Lens, **tourism** and **technology** are highly promising sectors for Greater Vancouver. This year, rankings for the region's performance on **tourism** (international visitors, D; number of participants at international association meetings, D; and inbound airplane seats per capita, B) indicate unexceptional relative performance today, as well as a mid-size market, against substantially larger metro regions. But there is tremendous upside potential in the future, with some investments in tourism infrastructure and assets (e.g., accommodation and meeting space).

The **technology** sector also has a bright future in Greater Vancouver – if the region addresses the caution flags revealed by the relevant indicators. Capital investment is stronger in 2018, but the share of employment in the tech sector is static from 2016 (venture capital investment per $1 million of GDP, B; high-tech employment share, two "C" grades in a row). The vulnerabilities for this sector's future here come from the grouping of indicators on affordability, after-tax income, education attainment rates and population aged 25-34. If Greater Vancouver does not improve its reputation as a low-salary jurisdiction for the tech sector, and if the broader affordability challenge is not resolved (two sides of the same coin), it will be harder to attract or keep the 25-to-34 year-olds who bring advanced education with them and fill good jobs in the burgeoning tech sector.

SOCIAL

Among the new indicators in *Scorecard 2018*, the preponderance is in the Social rankings. These reveal important strengths of our region's population makeup and standard of living, and signal several vulnerabilities about the present composition and future risks to Greater Vancouver's **labour force**.

The unemployment rate for the region has been consistently low and stable (B). However, a cluster of indicators concerning the labour force reveals some vulnerabilities for its future composition and resilience. The age dependency ratio (B) and proportion of population aged 25-34 (B) confirm the sizable demographic pressures of the retirement of the baby boom generation, and a low natural replacement rate.

When these factors are combined with an already relatively strong female labour force participation rate (B) it becomes evident that new sources to replenish and augment Greater Vancouver's labour force will have to be found. Together with ongoing efforts by governments and the business community to further encourage women's labour

5th

Greater Vancouver is the top-ranked North American metro area in port container throughput per $1 million of GDP

FACING PAGE: Greater Vancouver is well positioned to be Canada's Gateway to the Asia-Pacific, an important factor underpinning our region's economy | ISTOCK

34%

of Greater Vancouver's population aged 25 and over has at least a bachelor's degree

force participation, there remain opportunities to draw Canada's Indigenous peoples into the labour force, including in the Greater Vancouver region.

However, most analyses suggest that domestic sources will not be sufficient to meet future labour force needs. The region will have to grapple with how to attract more international talent in the face of the very low rankings for housing affordability (C), and change in housing affordability (C – the fourth-greatest deterioration against 15 other regions). The somewhat low education attainment rates (C grade in proportion of the population with a bachelor's degree or higher) signal that there is room for improvement, particularly for the knowledge economy sectors on which the region will rely in the coming years to underpin our prosperity. This also illustrates plenty of opportunity for Greater Vancouver's post-secondary institutions to produce more homegrown graduates. These indicators also suggest Canada's immigration system should continue to place a priority on candidates with high education attainment.

The region's Social indicators around commute times (B), non-car commuting modes (C) and the length of the public transit railway network (D) signal only average performance, and raise cause-and-effect questions around regional movement patterns in response to deteriorating housing affordability: do residents live where they optimally would, and must they commute for longer or use different modes than they otherwise would?

Affirming and funding Phase 2 of the Mayors' Council 10-Year Transportation Plan, including developing two new public transit lines, are most welcome developments. Reducing the pressures on existing public transit and other transportation modes should help, but is only part of what is needed to improve Greater Vancouver's livability, affordability and attractiveness to current residents and new arrivals.

NEXT STEPS AND PRIORITIES

The *2018 Greater Vancouver Economic Scorecard* is a complex, comprehensive piece of analytical work. When presented with 38 indicators across Economy and Social dimensions, and a Special Lens that focuses on opportunities to improve co-ordination of the region's governance and service delivery, there are many themes to be drawn out, and many potential areas for concerted and collaborative effort to improve Greater Vancouver's competitiveness and attractiveness.

The Greater Vancouver Board of Trade presents this *Scorecard 2018* in collaboration with the Conference Board of Canada to contribute to our broad understanding of the region's strengths and vulnerabilities; to present opportunities to enhance our region's best attributes and work together to help solve the region's most intractable challenges.

No single organization and no one level of government can single-handedly address the complex issues facing Greater Vancouver. However, we at the Greater Vancouver Board of Trade advance three major areas for further consideration and analysis, and ultimately for collaborative action with local, regional, provincial and federal governments and other stakeholders and rights holders.

1. Addressing the Fiscal Setting

Greater Vancouver's and British Columbia's strong economy and low unemployment rate should not give us substantial comfort that we have a sufficiently resilient economy in the face of continental headwinds and highly competitive city regions around the world. Nor should the preceding 15 years of economic growth leadership be falsely interpreted by governments as an enabler to further shift societal burdens onto the job creators of the region. The Greater Vancouver Board of Trade will continue to analyze the high costs of doing business in the region, including the often-invisible costs of regulatory duplication and inefficiencies that come with a fragmented and uncoordinated regional governance structure.

Our work in this area will be underpinned by the takeaways in the above discussion: Greater Vancouver must sharpen its competitive pitch, and back it up with substantial analysis, to demonstrate that the region is a globally desirable and competitive place in which to do business and live.

2. Alleviating the Affordability Challenge

This challenge has multiple causes, and is thus far resistant to recently implemented policy levers intended to alleviate the punishing high costs of purchasing or renting a suitable home in Greater Vancouver. Several newly announced federal, provincial, regional and municipal plans and measures have not yet had sufficient time to take effect (nor have the inevitable unintended consequences had time to be revealed).

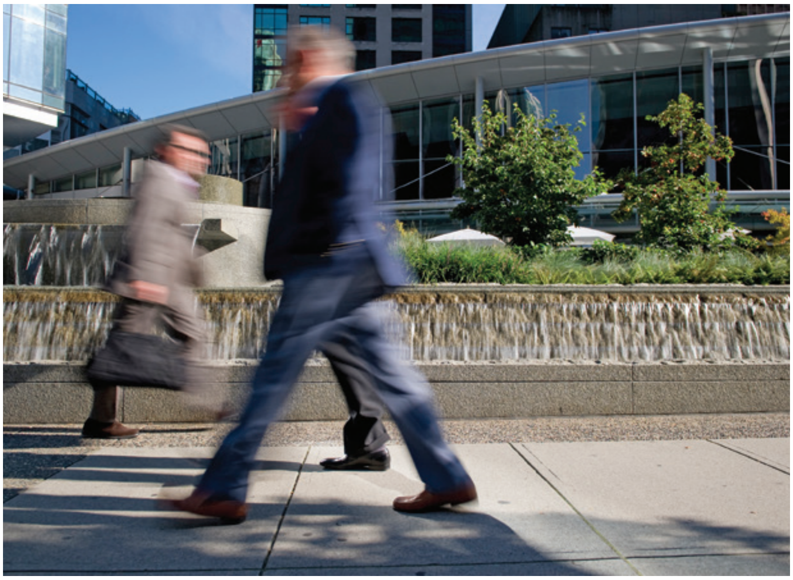
The Greater Vancouver Board of Trade is of the view that an integrated, cross-government framework of coordinated action is needed to address housing affordability, and believes that doing so will positively impact travel patterns and distances, measures of inequality, after-tax income and risks to retaining the 25-34 age group. The risks to employers in the region associated with the status quo include: shrinking of the labour force and lack of skills now and in the future; and a regional reputation that languishes internationally if Greater Vancouver is not seen as a viable place to relocate a family or expand a business. The Board of Trade will also be incorporating into our analysis the "flip side" of affordability: not just alleviating cost pressures for housing and overall cost of living, but improving after-tax incomes and boosting productivity and real GDP and employment growth.

3. Reaffirming the Priority of the Pacific Gateway

As a small, open trading economy, Greater Vancouver and British Columbia have relied heavily, and profitably, over the years on our exports and our ability to efficiently move commodities, finished goods, and people within and through our Pacific Gateway. Greater Vancouver has punched above its weight for many years, thanks to previous collaborative investments among levels of government and the private sector. *Scorecard 2018* affirms it is imperative that we all continue to make these investments, and keep the Gateway at the centre of our economic growth strategies.

Maturing the Gateway is an essential, if not sufficient, response to the protectionist headwinds blowing from the U.S. and from the fluid conditions around international trade agreements. In uncertainty there is opportunity, and we need to seize opportunities that otherwise accrue to our competitors. Concerted action by Canada's and British Columbia's businesses to seize opportunities afforded via the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) can help ensure long-term prosperity. Greater Vancouver has the opportunity to secure trading relationships around the Asia-Pacific region but will need to compete with U.S. West Coast cities.

The Greater Vancouver Board of Trade will thus continue to advocate for an efficient Pacific Gateway with trade-enabling infrastructure that is robustly funded and built by federal, provincial, regional and private-sector partners. *Scorecard 2018* has revealed improvement opportunities for new air routes and more passengers, for increased cargo and visitors, and for increased cruise ship and convention hosting. The Greater Vancouver Board of Trade will rely on the findings of *Scorecard 2018* and will leverage other Board of Trade initiatives, including trade-related research to be released in fall 2018 (by our colleagues at the World Trade Centre Vancouver), to take full advantage of opportunities to enhance Canada's Pacific Gateway as a globally significant trading hub.



Since the release of *Scorecard 2016*, Greater Vancouver has seen a decrease in the number of participants in international association meetings, attracting only one-quarter the participants of first-place Seoul | ISTOCK

CONCLUSION

The Greater Vancouver region has many of the right ingredients to be an international hub for business, a desirable place to live and thrive, a competitive region welcoming new investments and a city that nurtures industries and sectors that have comparative advantages.

The alternative is a less prosperous scenario that could become reality if, as a city region, province and country, we fail to respond to indications of where Greater Vancouver lags or does poorly.

Greater Vancouver is at risk of becoming an international bedroom/retirement community: a place too expensive to attract investment and retain the needed diverse and talented labour force. It could stagnate as a region where productivity and after-tax incomes remain moderate to low while at the same time marginal tax rates remain high, thus hollowing out the sources of economic activity that provide the foundation for any region's prosperity. It could become a home to second-tier economic activity, while other centres – including the 19 competitor cities benchmarked here – boast top talent and firms, and leverage their assets to greater advantage than does Greater Vancouver.

It is possible to address the region's pressing challenges, analyzed extensively in *Scorecard 2016* and updated in the *Scorecard 2018* performance ratings, but success will require concerted effort by the region's political, business and civic leaders. A spirit of collaboration and a shared vision for Greater Vancouver's future are needed to guide relationships with all levels of government. It will take dedicated, collaborative effort to first acknowledge and then work to solve the challenges of housing, transportation, regulatory inefficiency and taxation. However difficult and complex the task, meaningfully addressing these challenges will support wealth creation by growing business activity and attracting new investments to our region.

Canada's Pacific Gateway offers dynamic and multi-sector opportunities for work, investment and quality of life. *Scorecard 2018* highlights a path to ensuring these opportunities become reality.

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