

**THE LOCATION DECISIONS OF PRODUCER SERVICES  
IN A COMMERCIALY TRANSFORMED AREA**

by

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## ABSTRACT

During the past two decades, producer services have grown enormously, playing an increasingly vital role within the global economy. While economic and functional factors affecting location decisions of firms have been examined, little is known about the role that the character and milieu of an area plays in the decision making process. The objective of this thesis is to begin to uncover the roles which character and milieu played in the location decisions of producer service firms in the community of Yaletown, located in the City of Vancouver.

Yaletown is a former warehousing district located on the outskirts of the CBD. Described as a transition area that had never transformed, in recent years the area has undergone considerable re-development, gaining a reputation as a creative design area with an attractive milieu and unique character. Although the area is known as a design area, a significant number of producer service firms have also located there.

The primary objective of this study was to determine if the milieu and character of Yaletown played a significant role in the location decisions of producer services. If so, were they as important as factors such as rent, proximity to clients, and proximity to services.

Research methodology included conducting archival research, preliminary interviews, surveys, and in-depth interviews. Through the use of intensive research methods, the general characteristics and perceptions of firms were identified. Extensive research methods uncovered the motivations behind the location decisions of the firms.

The results conclude that the milieu and character of Yaletown played a significant role in the location decisions of firms. Although they did not precede rent in importance,

they were arguably as important as proximity to clients, and were considered more important than proximity to services.

The findings of this study suggest that the milieu and character of an area can play a significant role in the location decisions of producer services. Given that producer service firms are projected to act as a significant generator of urban economic growth, understanding the motivations and implications of their location decisions will assist in planning for the re-development of urban areas.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction

Producer services have grown substantially during the past two decades, playing an increasingly vital role within the contemporary global economy, significantly shaping not only *how* business is structured, but also *where* it is conducted. Geographers have assumed a leading role in understanding and explaining both aspects, with particular emphasis on where business is conducted, specifically focusing on identifying the determining factors which affect the location of producer services. While the research has been relatively thorough, there remain two key aspects that have not been explored in any significant detail; the location of firms *within* urban areas, and the motivating factors underlying producer service location decisions.

Up to this point, the study of the location decisions of producer services has focused primarily upon factors affecting international, national, regional and interurban locational patterns. Unfortunately, with the exception of a few studies and a significant body of work on the CBD corporate complex, the *intraurban* locational patterns of producer services has not been addressed by researchers and is acknowledged as a significant gap in the literature. As noted by William Coffey;

“In my view, the intrametropolitan locational issue represents one of the ‘new frontiers’ of service research for the coming decade as central city governments become increasingly concerned with the possibility of losing their traditional monopoly on high order service activities” (1995, p. 77)

Further, the studies which have been conducted focus on the factors which attract producer service firms to the Central Business District (CBD) or suburbs of a city, not taking into consideration inner-city areas adjacent to the CBD which, as this thesis will demonstrate, is a very important factor that should be considered as distinct. The reason that this is a crucial oversight is because producer services have come to play a significant role in the economy of urban areas. Not understanding why firms locate where they do within an urban area, can seriously hamper any attempt to accommodate and facilitate growth of the producer services sector, and thereby diminish further economic benefits.

This highlights the second gap in the literature. If the location decisions of producer services within an urban area are to be understood, all aspects of the location decision process must be examined. The majority of research to date has only taken into consideration economic factors (rent, proximity to clients, transportation costs, etc.) and functional factors (availability of communications, availability of public transit, suitability of the labour force, etc.), without examining more subjective, or 'soft', factors such as the character and the cultural milieu of an area. Michalak and Fairbairn in their study of producer service location in Edmonton note this broader omission in the research;

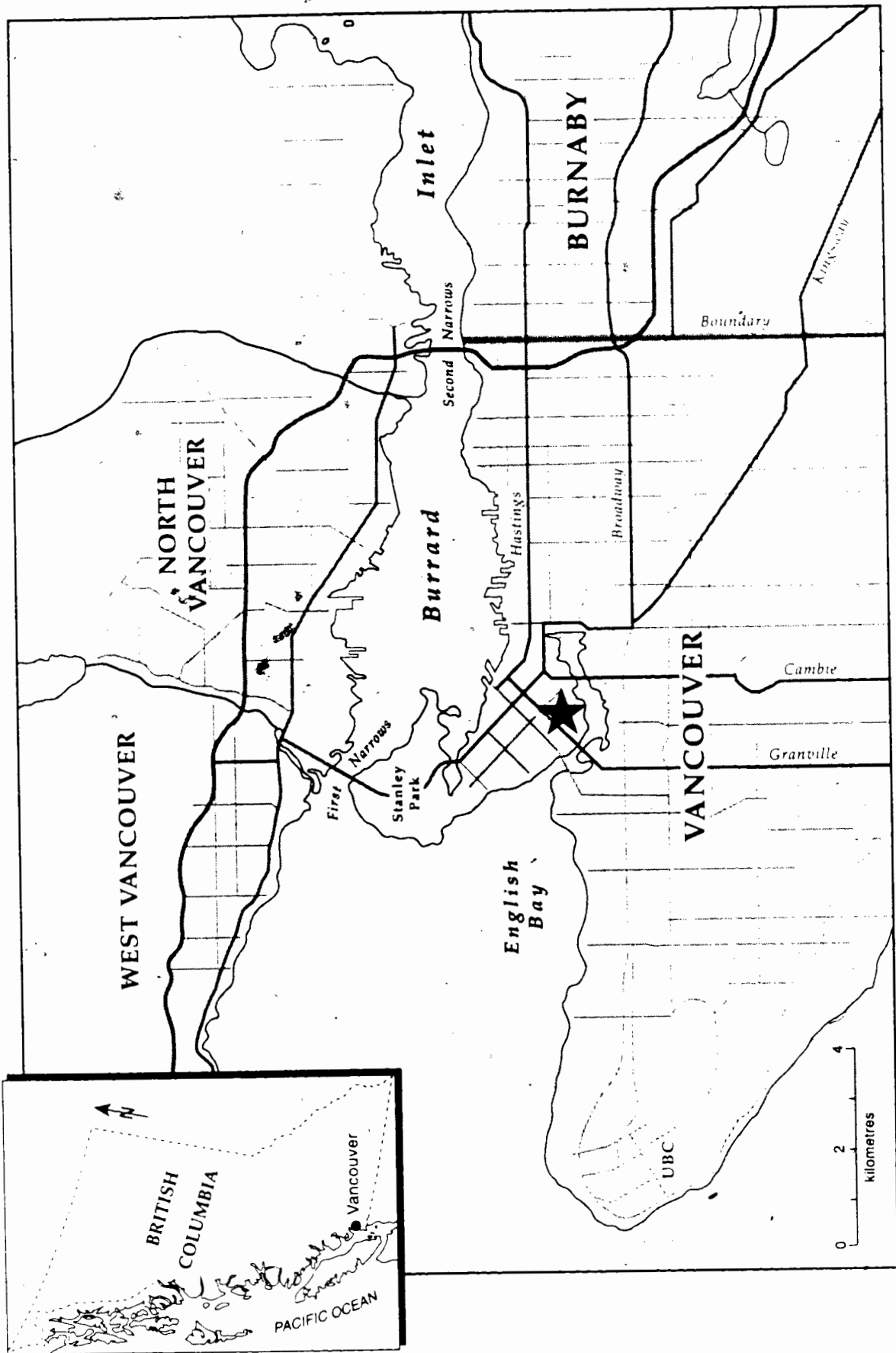
"It has become increasingly clear that subjective and personal factors play an important role in determining office location patterns. Executives of producer service firms very often base their location decisions on vague and personal ideas rather than hard economic data." (1993, p.4)

Therein lies the crux of this study. Recognizing the importance of producer services to the vitality and growth of urban areas, it is important to gain an understanding of the intraurban location decisions of producer services. In order to accomplish this the

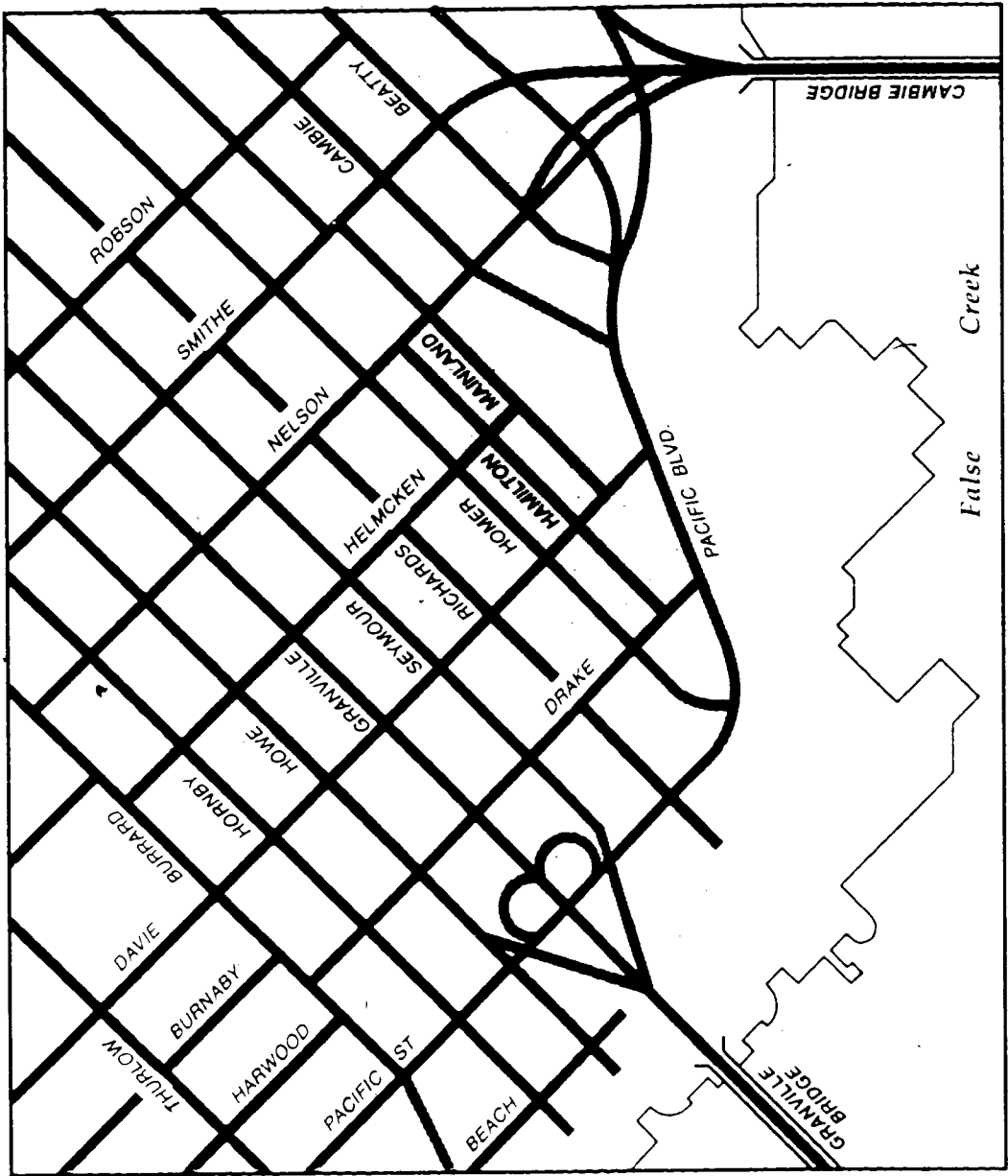
research must go beyond the 'hard economic data' and begin to determine the 'the socio-cultural agglomeration factors' which are recognized as playing a substantial role in the decision process. This study begins to bridge this gap by also uncovering the role which the character and the milieu of an area play in location decisions. Therefore, the formal research question is; what role does character and milieu play in the location decisions of producer services in the community of Yaletown, located in the City of Vancouver, BC. It is hoped that the information presented can contribute to the current understanding of the location patterns of producer services and lead to more effective urban planning and economic development both within the City of Vancouver, and other urban areas.

## 1.2 The Study Area

As discussed in the previous section, the primary objective of this research is to determine the role which character and milieu play in the location decisions of the various producer services in Yaletown. In postulating that factors such as the character and milieu of an area are important, it is vital to also determine what these factors are comprised of. Merely determining that character and milieu *are* important without a clear understanding of *what* the character and milieu of the area is, would severely limit any insights which could be taken from this study. Therefore, the concept of 'a homogeneous plain', which is often used in locational analysis does not apply to this study. Rather, it is hypothesized that the unique components of the character and milieu form a very influential component in the location decisions of firms in the area.




Map 1.1 Location of Yaletown in Vancouver Metropolitan Area



Map 1.2 Location of Yaletown





The study area for this thesis is the community of Yaletown, located in the City of Vancouver, British Columbia.(Map 1.1 & Map 1.2) In recent years the area has undergone a significant commercial transformation from a warehousing area to an upscale, physically and culturally unique area of the city housing an eclectic mix of office, restaurants, retail and residential uses. The area, located on the fringe of the CBD, is predominantly known as a design district, however, there is also a significant number of producer service firms located in the area. The concentration of producer service firms, located in a culturally unique and geographically distinct area of the city, made Yaletown an ideal location for this study.

### **1.3 Methodology**

The methodology for this study was designed with two goals in mind. The first, was to determine and describe the general characteristics of the firms such as: type of firm, length of residency, size of firm, gross revenue, employment and organization structure, rent, and location of clientele. This was done to identify the similarities and differences amongst producer service firms within Yaletown. It was hypothesized that by identifying basic attributes, the firms in the area could be characterized and comparisons made to recent research, areas of a similar nature, as well as establish a basis for future studies. The second, and more important goal was to examine and define the milieu of Yaletown from the perceptions of the respondents, and then ascertain its importance in the location decisions of firms.

To accomplish this, three methods of information collection were utilized. The first method was to review all the current information available on the location decisions of producer services, paying special attention work which has examined producer services in the Canadian context. The second method was extensive in nature and used survey research to identify the principal characteristics of firms located in the study area as well as to begin to uncover the importance of character and milieu in their location decisions. The third method, an intensive approach, involved conducting in-person interviews. Following-up with a qualitative study allowed for further exploration of the role of character and milieu in a firm's location decision, illuminated any interesting or unusual findings from the survey, as well as identified perceptions of previous and future changes in the area.

#### **1.4 Scope and Limitations**

As noted in section 1.1, the intent of this thesis is to further bridge a gap in the understanding of producer service location decisions. Given that the research conducted for this thesis was exploratory, and that the study was conducted in a geographically and culturally unique area, any conclusions drawn from this thesis are limited in their applicability to other urban areas. That said, it is important to note that considerable care has been taken to ensure that the information collected has sufficient amount of breadth and depth (eg. the characteristics of firms and the level of detail on the character and milieu of the area) to be a suitable starting point for further comparative study.

## **1.5 Thesis Organization**

The thesis is organized into seven chapters. Chapter 1 provides an introduction to the context, purpose and focus of the research, as well as presenting the significance of the study.

Chapter 2 presents the working definition of producer services, outlines the effects of global economic restructuring, examines the growth of the producer services, reviews current literature on the intraurban location decisions of producer services, and concludes with a brief examination of the producer service sector in Vancouver.

Chapter 3 outlines the importance of defining the character of the area to this study, provides a brief history of the community of Yaletown, examines the factors causing the commercial and cultural transformation of Yaletown in recent years, identifies elements which have contributed to the area's unique identity, and in conclusion notes the social impact which Yaletown is having on the surrounding vicinity.

Chapter 4 outlines the research methodology used, including an outline of the research objectives, methods of conducting preliminary interviews, questionnaire design and distribution, follow-up interviews, and identifies limitations to the study.

Chapters 5 and 6 present the findings from the research. Chapter 5 focuses on the results of the survey research which includes an assessment of the general characteristics of firms and the preliminary results from questions on location decisions. Chapter 6 presents the results from the follow-up interviews and more closely examines location decisions, level of interaction amongst firms, as well as perceptions on recent changes to the community and some insights regarding future changes.

The final chapter, 7, presents the conclusions from the study, outlines policy and planning implications, and recommends areas of future research.

## **CHAPTER 2**

### **THE GROWTH AND LOCATION OF PRODUCER SERVICES**

#### **2.1 Introduction**

As discussed in Chapter 1, producer services have grown enormously during the past two decades, playing an increasingly vital role within the contemporary global economy. The purpose of this portion of the thesis is to review what is known about producer services, specifically their growth and intraurban location decisions. This chapter is designed to start at a 'macro' level of understanding, first defining producer services and then examining the current global economic restructuring which has resulted in a high demand for producer services, and reviewing the specific reasons for growth in the producer service sector. The focus then narrows to a 'micro' level and examines what is currently understood about the intraurban location decisions of producer service firms and also discusses how the changes at the macro level have manifested themselves on the urban landscape of Vancouver.

#### **2.2 Definition of Producer Services**

While there is some debate as to the exact definition of producer services, for the purpose of this thesis, the following will be considered as the working definition;

"Producer services are intermediate-demand functions that serve as inputs into the production of goods or of other services; they enhance the efficiency of operation and enhance the value of output at various stages of the production process, broadly defined so as to include activities that are

both upstream and downstream of actual production (e.g., research and development, marketing)." (Coffey and Bailly, 1991, pp. 99)

Therefore, producer services can be obtained at all levels of the production and distribution process, augmenting and enhancing existing knowledge or services. Producer services can be employed at the resource extraction stage (eg. accounting or computer systems consulting for a mining company), the manufacturing stage (eg. human resource management, payroll services for a small manufacturing company), and up to the final point of consumption (eg. marketing firm hired to promote a product, contracted delivery services). Another interesting point is that producer service firms have a greater propensity than other types of businesses to hire producer service firms (eg. a real estate development company contracting the services of a marketing firm).(Coffey and Bailly, 1991)

### **2.3 Global Economic Restructuring**

The global economy has undergone a fundamental transition as to how and where goods and services are produced. While there are several reasons for this transition, the two most influential factors are the continued move to a more open global economy, and the resulting changes in production processes to meet the challenges of increased competition.

Since World War Two, developed nations have promoted increased global trade through the reduction of trade barriers and the formation of various trade agreements such as GATT and EFTA. However, these agreements had limited success as they could only promote and facilitate trade since they lacked the authority (i.e. legislative teeth) to enforce fair and open trade practices. As a result, while global trade was increasing

(especially with the rise of the multinational corporation), the agreements and their effects were incremental and were often rescinded under protectionist policies during times of economic recession. During the last decade however, several binding trade associations such as NAFTA, ASEAN and EU have been formed, fundamentally changing international trading practices. Not only have these agreements increased the level of economic integration between participating nations, but they also contain the legislative authority to ensure and ultimately promote open and fair trade practices. As a result, competition has increased dramatically for national economies, causing fundamental and radical changes in methods of production as firms strive to become more efficient.

To become more efficient, industrial firms among advanced economies have begun to move from traditional 'Fordist' means of production to more competitive 'flexible modes of production'. 'Fordism', named after auto manufacturer Henry Ford, is characterized by large organizations directly controlling all aspects of production, with a semi-skilled workforce performing standardized tasks to produce relatively standardized products (Filion and Mock, 1991, p. 407). Flexible production however, is a radical departure from Fordism, emphasizing not only greater efficiency but also increased flexibility to meet new and diverse market demands. Flexible production entails a vertical disintegration of the corporate structure to where only key aspects of the production process are kept internal, replacing the notion of 'the firm as an organization' with that of 'the organization of firms'. (Coffey and Bailly, 1991, p. 97) With this type of corporate structure, industry is able to achieve external economies of scale and access external expertise as the need arises. In addition, with the advancement of telecommunications

some firms can realize further locational advantages and efficiencies through the division of tasks internal to the firm (back office separated from head office functions, etc.):

Finally, extending beyond the corporate structure, flexible production also utilizes more cost-effective methods, including flexible machinery and equipment, drastic cut-backs in labour, and more innovative production processes to meet the diverse needs of an expanded market. The end result of flexible means of production is that industrial firms are able to adjust more quickly and more efficiently to the rapid changes brought on by increased international competition.

Due to increased global competition and the subsequent rise of flexible production systems, a dramatic shift in the location decisions of some industries has occurred. They not only have a much wider and diverse geographical scope when deciding to locate, but considering the paramount importance of efficiency and flexibility, location has become an even more crucial, yet varied factor of production.

## **2.4 Growth of Producer Services**

As a result of global economic restructuring, a multi-sector market niche has developed for a variety of producer services and the growth in the number of producer services has been dramatic. In a 1991 study of 12 metropolitan areas, it was determined that since 1970 producer services have had the highest average annual growth rates of any sector. (Daniels, O'Connor and Hutton, 1991) What are the specific reasons for growth in producer services? Businesses require the assistance of producer service firms due to a variety of motivating factors, factors which are both external and internal to the business. It is crucial to note that the line between internal and external factors which motivate firms to



contract a producer service is rather hazy because there is a certain amount of overlap.

External motivating factors refer to changes a business must make as a result of a change in the marketplace and the expertise of a producer service firm is needed to help compensate.

Internal motivating factors refer to a business seeking greater internal efficiencies to improve its economic profitability. Again, there is some overlap but differentiating between internal and external factors is vital to understanding the myriad of economic situations faced by businesses which precipitates in the hiring of a producer service firm, and explains their dramatic growth.

Understanding the factors behind the growth of producer services is an important component of this research because before it can be determined why a firm locates in a specific area, it must first be known why that firm exists and what function it serves. In essence, what is the firm's purpose in the production process and how will it affect its location decision? For example, if the purpose of a producer service firm is to provide expertise throughout the production process which involves a frequent amount of hands-on consulting, then the firm may be tied to the area where clients are located.

#### ***2.4.1 External Motivating Factors***

Coffey and Bailly (1991) provide a particularly thorough examination of the external motivating factors for a business to hire a producer service firm. The following is a summary of their findings.

1) Transformations in what goods and services are produced.

Market demands have caused producers to increase product differentiation and target special groups of consumers. This results in the need for greater understanding of various market segments and ability of the firm to adapt quickly.

eg., a large coffee manufacturer employing a market analyst to investigate the growing market for speciality coffee.

2) Transformations in how goods and services are produced.

Production processes have been innovated as new tasks, functions and techniques have appeared to meet the requirements of greater efficiency and adaptation ability, eg., an automobile manufacturer hiring a firm to implement the 'teams' concept over traditional assembly line manufacturing techniques.

3) Increasingly complex national and international financial environments.

As global markets have expanded, so to has the need for financial information and expertise, eg., firms specialising in minimising financial difficulties in trading with the countries of the former Soviet Union.

4) The international integration of both production and consumption.

With increased emphasis on maintaining or expanding off-shore markets, firms must become increasingly involved in establishing relationships with foreign trading partners, eg., firms employed to help eliminate the cultural and financial obstacles faced by North American business in expanding to Pacific Rim nations.

5) Increased government intervention and regulation.

Despite the signs of a more open global economy, there has been a general trend towards higher levels of government involvement in the private sector, eg., increased environmental regulations by government has lead to the rapid growth of firms specialising in different national and provincial environmental review processes.

6) Proliferation of tasks related to the internal management and administration of the firm.

With the move to more flexible production systems, the organisational structure of firm management has become more complex, eg., an appliance manufacturer hiring a firm to implement and initially help manage the 'teams' production process.

7) The increase in the scope and intensity of interaction between firms.

As firms expand externally both vertically and horizontally, new management processes must be created for control, eg., the transition team hired by a large mining company to oversee the take-over of a junior mining firm.

Therefore, the external motivating factors have increased the role of the 'specialist' in the economy, as individuals such as engineers, lawyers, management consultants, etc., are brought in to analyse and hopefully solve new situations. This can increase a firm's flexibility and efficiencies, hopefully increasing market share and ultimately profits.

#### ***2.4.2 Internal Reasons for the Growth of Producer Services***

As discussed in the previous section, there are many outside forces which cause the growth of producer services. This section examines the internal factors motivating a firm to externalise certain aspects of their operation. Several studies have been completed on the internal factors which motivate a firm to contract a producer service. Specific articles include Coffey and Bailly (1991 & 1992); Daniels (1991 & 1987); Goe (1991); Marshall et al. (1987); MacPherson (1988); Michalak & Fairbairn (1988 & 1993); O'Farrell & Hitchens (1990). Synthesizing the ideas brought forth in these articles, the internal motivating factors to externalise certain aspects of production are listed below.

##### **1) In-house technical limitations.**

Pertaining to transformations in what goods and services are produced, often a firm will find that they are lacking in expertise needed to expand or augment production. Depending on the length of time the expertise is needed, the firm may contract out, eg., computer software firm hiring an individual to consult on how to market the product.

##### **2) Characteristics of the firm (size of firm, local/national/global scope, high-end vs. low-end, etc.).**

Based on empirical research, it has been found that independent firms, small to medium-sized establishments and technologically sophisticated firms purchase a greater degree of producer services than businesses in other categories of their respective sectors, eg., a medium size communications firm is more likely to rely on external expertise than a large communications firm which can afford to keep more aspects of production in house.

### 3) Advantages of external economies.

A firm is able to purchase external services cheaper than producing them internally due to economies of scale, eg., a logging company with 10 to 20 employees hires a payroll company to do their bi-weekly payroll.

### 4) Non-standardization and unpredictability of demand.

With the ever-changing business environment, firms increasingly look to external expertise to change production to meet new demands, eg., a real estate development firm hiring a demographics consultant to predict new areas of growth in housing.

### 5) Organizational strategy.

Some firms choose to maintain only a small core of key individuals within the company. This reason is especially significant when examining highly specialized and innovative firms, eg., a R&D firm hiring an accounting firm to do the yearly taxes.

### 6) Avoidance of risk and fixed costs.

A firm may reduce the costs of social insurance programs, health benefits and office overhead costs by externalizing certain services, eg., a small engineering consulting firm hiring a personal communication company to answer phones rather than hiring a secretary.

### 7) In-house administrative limitations

Different from technical limitations, this acknowledges the increasingly complex business environment which goes beyond the administrative expertise of the firm, eg., small manufacturer dealing with new environmental regulations.

With a world-wide recession and freer global trade, industry has realized that the traditional Fordist ways of production are no longer as effective. This has resulted in leaner, more dynamic firms utilizing methods of production which are more cost effective, more efficient and have the flexibility to respond to a wide variety of client needs. In fact, many industries have experienced 'vertical disintegration' as the main enterprise controls only the final product and key technology. Those activities which are not vital to the production

process are contracted out. MacPherson (1988) notes that there is a direct association between the incidence of product innovation and expenditures for producer services by firms. This has important implications for the growth of producer services. It is evident that in an economy driven by innovation, those firms which use producer services expertise to augment production are more innovative. An interesting point to also consider is the new nature of the relationship which has evolved between producer services and flexible production methods. According to Coffey and Bailly;

" To a certain extent, the rise of flexible production methods in both goods producing and service producing sectors has stimulated the growth of producer service activities; on the other hand, however, increases in the number and variety of available producer services have clearly contributed to the development of flexible production systems." (Coffey and Bailly, 1991, p.112-113)

Therefore, the rise of producer services occurred for the reasons listed above, yet as Coffey and Bailly point out they now play a pivotal role within the economy by facilitating development, economic growth and employment opportunities. In essence, producer services have become an integral part of flexible production systems and firms are becoming reliant on the technical and economic benefits of acquiring external expertise. It can be deduced then, that if the current economic trends discussed in the first section of this chapter continue, producer services will continue to grow and play a propulsive role in the contemporary economy.

## **2.5 Intraurban Location of Producer Services**

Having established the reasons that producer services have grown substantially, the focus now turns to what is known about the role which character and milieu plays in the

intraurban location decisions of producer services. As discussed in Chapter 1, to date the majority of studies have focused on the economic and functional factors considered by producer service firms in conducting a national, regional, or interurban search for the optimum location. Studies have been conducted in this area by, for example: Beyers (1991, 1989); Coffey and Polese (1987); Daniels et. al. (1992); Daniels and Holly (1983); Ettliger and Clay (1991); Harrington (1989); Harrington and Lombard (1989); Kim et al. (1990); MacPherson (1988); Marshall et al. (1987); McConnell et al. (1989); Michalak and Fairbairn (1993b); O'Connor (1987); O'Farrell and Hitchens (1990); Schwartz (1992); and Van dinteren (1987). With the exception of recent research on the location of creative services (a sub-sector of producer services), surprisingly little is known about the role which character and milieu play in the location decision process of producer services.

Therefore, this section is designed to present what is known about the intraurban location of producer services and the role which character and milieu plays in the location decisions of creative services. The first sub-section, 2.5.1, will review the producer service literature on the intraurban location decisions of producer services. The second sub-section, 2.5.2, will examine the creative services literature. The combination of these bodies of literature forms the basic understanding from which this study was conducted.

### ***2.5.1 Intraurban Location Decisions of Producer Services***

For a little over two decades researchers have been exploring the intraurban location of producer services. As noted by Coffey, in the beginning the research concentrated on identifying the economic and functional factors (eg. rent, location of clientele, access to

public transportation, etc.) which helped explain the geographical pattern of producer services in an urban area:

“A third, although relatively minor research theme of the 1980’s concerned the intrametropolitan location of service activities... much of it was devoted to demonstrating the important numerical and functional polarization between establishments in the central business district and those surrounding in the surrounding central city and suburban areas.” (1995, p.75)

Researchers who explored this aspect of producer service location include: Goddard (1975), Daniels (1975), Ley and Hutton (1984); Gad (1985); Hutton and Davis (1985); and Matthew (1988). Interestingly, although the surrounding central city was considered as separate, no studies were conducted which specifically dealt with that area. In terms of location patterns, the majority of interest lay in examining CBD vs. suburban location, which was to become the focus of research in the 1990’s. As noted by Coffey;

“Increasingly attention is beginning to focus upon intra-metropolitan locational dynamics: in particular upon issues concerning the concentration of high order services (“front office” as well as “back office” activities) in the CBD’s of large metropolitan areas, and the possible decentralization of these activities towards suburban zones.” (1995, p.75)

As noted in Chapter 1, any model that is to explain the intraurban location decisions of producer services must go beyond examining only CBD vs. suburban locations and consider inner city areas separately. In this context, the literature must also recognize and examine geographically and culturally distinct communities such as Yaletown which are located downtown, but are not contained within the CBD core, but rather the CBD ‘frame’. (Ford, 1994) Some may postulate that the ‘fringe’ areas are a natural extension of the CBD, however, this study demonstrates that this may not be the case and that the producer

services located in Yaletown see the area as physically, culturally and psychologically distinct from both the CBD and the suburbs.

Despite the omission of inner-city areas in the location decision models, the economic and functional factors identified by the research are obviously very relevant to fringe areas, and thus important to this study. The most important intraurban locational factors that have been consistently identified in the literature are: type of firm; price of land/rent; cost of labour; importance of face-to-face contact with clients; and availability of support services. In addition, researchers such as Michalak and Fairbairn (1993a) have identified that the more subjective and personal factors such as prestige and tradition also play a role. The degree to which this is so however, has not been examined, which leads to the next section on creative services.

### ***2.5.2 The Role of Character and Milieu in the Location Decision Process***

While little is known about the role of amenity and quality of life in the location decisions of producer services, there is some literature closely related to the subject which can offer an insight. The location decisions of creative services, a sub-sector of producer services, has been studied by Brail (1994), Hutton (1994) and Shaughnessy (1988). The creative service sector is comprised of businesses that provide design services to both the public and private sectors, such as architectural firms, creative design firms, and interior design firms. (Brail, p.2) Hutton has characterised the location decisions of creative services compared to those of corporate support services in Figure 2.1.



<b>Figure 2.1: Comparison of Corporate and Creative Service Firms</b>		
<b>Attributes</b>	<b>Corporate Support Services</b>	<b>Creative Services</b>
<b>Location</b>	1) CBD 2) Major suburban nodes and edge cities	CBD fringe and inner city
<b>Infrastructure</b>	High rise office towers	1) Converted industrial structures 2) Low rise office and studios
<b>Milieu</b>	Corporate and modernist; emphasis on projection of corporate power	More explicit cultural context; ambience of social interaction and consumption with the design community
<b>Working Environment</b>	Formalistic: emphasis on efficiency values and expression of corporate identity	Creative workstyle to complement aesthetic lifestyle; expression of high design values
<b>Organisational Structure</b>	Traditionally hierarchical; some evidence of more collective approaches in progressive firms	Relatively 'flat' firm structures, facilitating teamwork and creativity
<b>Occupational Structure</b>	Typically stratified	Often fluid

Source: Hutton, 1994b, Figure 4

From Hutton's analysis it is apparent that there are very clear distinctions between the location decisions of corporate services and creative services, and these distinctions can provide valuable insight into producer service locations. The locational attributes identified as belonging to the creative services sector clearly illustrate the importance of 'personal' and 'lifestyle' choices, rather than just 'hard economic data' mentioned by Michalak and Fairbairn.(1993a) In her 1994 study, Brail found that the creative design firms in Yaletown displayed the same characteristics as those outlined in Table 2.1. For example: the area is located on the fringe of the CBD; the majority of buildings in Yaletown are converted industrial structures; the unique character and milieu of the area was important to firms;

they had a creative workstyle; firms were 'flat' in their organizational structure; and the occupational structure was often fluid. These findings are extremely important to this study because, as noted in Chapter 1, there is also a significant agglomeration of non-design, producer service firms in Yaletown. It is postulated that if the design firms located in Yaletown placed a high degree of importance on 'personal' and 'lifestyle' factors, and located in the area because of the unique character and milieu, then it is reasonable to hypothesise that the non-design producer services may also consider these attributes to be important in their location decision. If this is true, it raises some very interesting questions. First, to what extent did the character and milieu of the area influence the location decision, and did they supplant 'hard economic factors' such as rent and proximity to clients in terms of importance? Second, is this further evidence that some types of producer services are becoming more footloose in their location decisions? And finally, if they are becoming more footloose, how will this affect the producer service complex in downtown Vancouver?

## **2.6 Vancouver's Producer Service Complex**

Any time there is a significant transformation in how goods and services are produced, there is a corresponding impact upon the people and the landscape of urban areas. As will be discussed in Chapter 3, due to the significant economic restructuring over the past two decades, Vancouver has transformed from being a predominantly goods production and distribution centre, to a service providing centre. This change in economic focus has resulted in significant changes in the labour force, and has had a direct impact upon the urban environment.

In Vancouver, producer services have come to play a significant role in the employment structure of the region. In 1961 'services to business' was only one-seventh the size of the manufacturing sector. By 1991, that had changed to where these services equalled the entire manufacturing labour force in Vancouver. (Hutton, 1991, p.20) Obviously, part of this change has been as a result of the decentralisation of manufacturing. However, a large part was due to the growth of producer services within the economy from 1971 to 1980, when the entire metropolitan area is taken in to consideration, the growth of business services quadrupled. (Davis and Hutton, 1992, p.16)

Another significant aspect of Vancouver's economic restructuring has been the location of producer services. According to Barnes et al (1992), over 70 percent of all the producer services within the Greater Vancouver region are located within the City of Vancouver. Further, Hutton and Ley determined that producer service firms and associated employment are "...disproportionately located in the urban core, the downtown and its fringe areas, which received four-fifths of the new positions in the city and a quarter of new metropolitan jobs in the 1971 - 1981 period". (Hutton and Ley, 1987, p.129) As can be expected, during that same period the number of producer service firms in Vancouver also increased dramatically. Davis and Hutton (1992) found that the number of firms classified as business and professional services virtually doubled from 1,800 to 3,500. Therefore, it is obvious that during the last thirty to thirty-five years there has been a significant restructuring of Vancouver's employment and business sectors. Not only have the number of service activities and the number of people employed in that sector risen dramatically, but as is the situation in other North American cities, these activities have also shown a high

propensity to agglomerate within the downtown core. These facts have interesting implications for this study. Specifically, is the growth of producer services in Yaletown a deliberate attempt by firms to be physically and psychologically separate from the downtown (as hypothesised), or is it simply a result of the downtown core extending its boundaries to include the area?

## **2.7 Chapter Summary**

This chapter has presented an overview of what is currently understood about the growth and intraurban location of producer services, as well as a brief description of the producer service complex in Vancouver. In summary, it can be said that producer services have come to play a vital role in the economy, accounting for a large percentage of the overall growth in the workforce and significantly shaping the urban environment. One area, which until now has been largely ignored, is the intraurban location of producer service firms and the role which the character and milieu of an area plays in the location decision process. In the community of Yaletown which is located on the fringe of Vancouver's CBD, there is a significant number of producer service firms. It is postulated that similar to the creative design firms located in Yaletown, the other types of producer services located in the area placed a high degree of importance on character and milieu when making their location decision. Having hypothesised that character and milieu will be important factors, the next part of this thesis, Chapter 3, will continue to the next stage in the process, which is to define the character and milieu of Yaletown.

## **CHAPTER 3**

### **THE COMMERCIAL AND CULTURAL TRANSFORMATION OF YALETOWN**

#### **3.1 Introduction**

As outlined in the introductory chapter, the character and milieu of the community of Yaletown plays an important role in this research. Before assessing why the character and milieu of Yaletown is important to firms, first we must define these attributes. Yaletown has been transformed over the last decade from a little-known, blue-collar industrial area, to a culturally and economically prominent white-collar retail, office, and residential area. Yet, an industrial 'essence' remains within the area (unintentionally and intentionally enhanced) which is consistently identified as one of the most prominent reasons people are attracted to the area either to visit or to invest.

The purpose of this portion of the thesis is not to quantitatively measure the character and milieu of Yaletown. Rather, the intent is to identify and communicate the history and the attributes which might help create the unique character and milieu of the area. Section 3.2 will explore the history of the area, identifying the major events which have had an impact on shaping and defining both the physical and cultural character of the area. Following the historical analysis of the area, section 3.3 will examine Yaletown as it is today, identifying the most recent trends which have contributed to the perception of Yaletown as a socio-culturally prominent and distinct area of the city. Section 3.4 will discuss the role which planning initiatives implemented by both the City of Vancouver and the Greater Vancouver Regional District (GVRD) have had in the transformation of

Yaletown, and the overall transformation of the Downtown South area of Vancouver. This leads to section 3.5 which will look at the potential social impacts which the re-development of Yaletown and the Downtown South area will have on the economically disadvantaged residents of the area. The final section, 3.6, will review the findings from Chapter 3.

### **3.2 History of Yaletown**

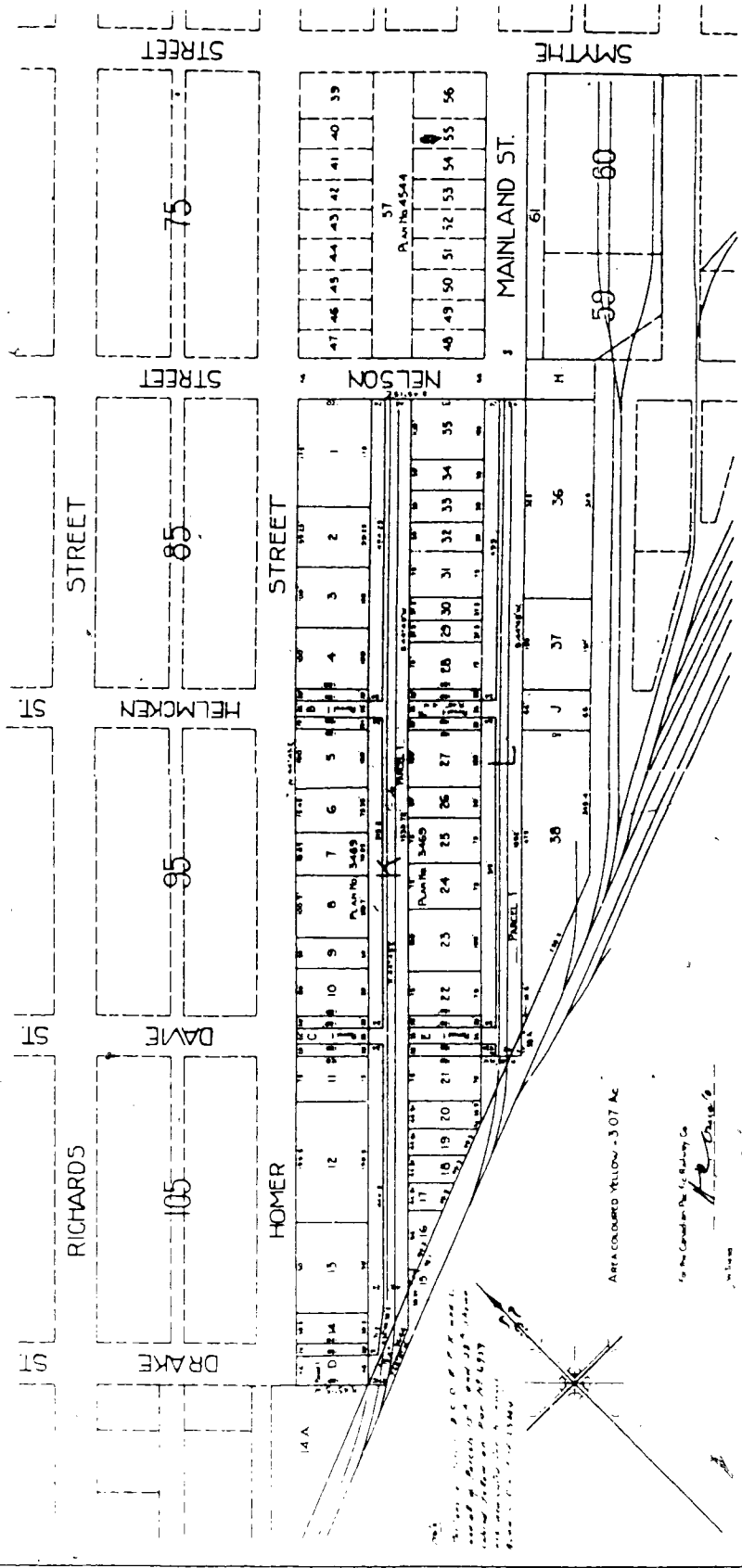
The area known as Yaletown is referred to as the first suburb of Vancouver, founded in 1886 at the terminus of the Canadian Pacific Railway (C.P.R.) line. Originally, the yards of the C.P.R. were to be located on the south side of False Creek near Greer's Beach (now known as Kitsilano Beach) in the Municipality of Point Grey. (The Province, 1936) However, the Municipality of Vancouver, in a move to attract the railway yards, offered a twenty-six year tax exemption to Canadian Pacific and as a result, the railway yards were located on the north side of False Creek. (Hanson, 1975) Subsequently, the railway workshops, machinery and even some workers' homes were moved from the former terminus in the town of Yale, B.C, to the new site and hence the area was named 'Yaletown'. During the next twenty years, the community of Yaletown grew and became an important heavy industrial area. By 1907, in addition to the railway yards, a shingle mill, cooerage and a cement works had located in the area. As well, the surrounding residential community also grew as workers, to save street car fare, usually lived within the immediate area. (Vancouver Museum, 1985) Indeed, historical accounts portray Yaletown as a distinct, industrial, blue-collar community.(Vancouver Museum, 1985)

# PLAN OF

**PART OF LOT 541, VANGR DIST. B.C.**  
(FORMERLY G.P.I. WOODS)

SITING PROPERTY TO BE CONVEYED TO THE CITY OF VANCOUVER  
BY THE CANADIAN PACIFIC RAILWAY CO.

4957



1179 and 1180 Land Survey Party and  
The dimensions shown on this plan are  
in accordance with original plan No. 3403  
H.P.G.  
1179 Book 100

Source: City of Vancouver Planning Department

Map 3.1 Historical Map of Yaletown

Fuelling the growth of Yaletown was the economic boom which British Columbia was experiencing. With the opening up of the province, British Columbia was growing rapidly due to mining in the Kootenays, farming in the Okanagan, coastal fishing, and the growth of the forest sector. (Vancouver Museum, 1985) With the rapid increase in external trade, Vancouver soon gained prominence as the wholesaling centre for the province. To accommodate this growth, a burst of warehouse building activity occurred between 1909 and 1913 within an eight-block area bordered by Nelson, Homer, Drake and Pacific streets. (see map 3.1) These warehouses (examples shown in figures 3.1 & 3.2) were typically three to six storeys, had eight to ten-foot ceilings and were constructed of masonry, heavy timber and concrete. At the rear of the warehouses were canopied loading docks to unload cargo from the rail tracks located on Mainland Street and the street between Mainland and Homer which is now known as Hamilton Street.

Despite planning and promotion by the City of Vancouver in 1929 for continued industrial and warehouse growth along the north shore of False Creek, the area around Yaletown did not expand as much as anticipated. As was the case in most North American cities, major industry began to locate along arterial routes on low-rent suburban land. (Vancouver Museum, 1985) The zoning changes and continued growth of the city over the next twenty years, however, did encourage shops and some factories to locate in Yaletown, resulting in the transformation of the area from an industrial/residential mix to primarily an industrial/warehousing area as the residential population in the area declined. (Vancouver Museum, 1985) With the exception of a few landmarks such as the Yale Hotel





Figure 3.1 Yaletown Warehouses and Loading Docks



Figure 3.2 Restored Yaletown Warehouse and Loading Dock

and the C.P.R. Roundhouse, the eight-block warehousing district is all that remains of the original community.

Until the late 1980s, very little changed with regards to the function and character of this warehousing district of Yaletown. (Hlavach, 1984) The area, largely devoid of a residential community, was considered 'rough', with Vancouver's prostitution trade one block away and squatters locating in nearby vacant buildings. In fact, until recently, there had not been a new building constructed in that area since 1949. (Constantineau, 1989) This however, does not mean that Yaletown was not recognized as an area with potential for re-development. As early as 1975, City of Vancouver planners considered Yaletown a character area, identifying it as; "...a homogeneous zone of four and five-storey warm brick buildings with an interesting history and a nostalgic sense of place". (Hanson, 1975) A wide variety of re-development possibilities were considered during the late 1970's and early 80's, including residential development and a pedestrian-only shopping area, to more outlandish ideas such as Venice-like canals or a transparent roof to cover the narrow streets. (Banks, 1983) It is interesting to note that although Yaletown was a historic area similar to Gastown, planners conceived that Yaletown should somehow be different, less touristy than what had occurred in Gastown. (Banks, 1983) Indeed, at the time there were some changes occurring in Yaletown which gave a hint of what was to come. Although the area was still a prime warehousing district, the narrow streets, congestion and relatively small buildings were making it uneconomical for some warehousing businesses to be located there. In addition, some office functions began to appear in Yaletown, including an architectural firm, a public relations firm and a publisher. One firm, interviewed for this thesis, located in

the area in 1973. The interviewee stated that although the primary reason for locating was largely cheap rent, they liked the character of the building they were in, and they enjoyed being located in an area with an industrial 'feel'.

Despite planning by city hall, the pioneering moves of some firms into Yaletown, land speculation, (Banks, 1983) and large developments nearby such as B.C. Place and Expo '86, (Lindsay, 1980) Yaletown continued on as primarily a warehouse district. This was in large part due to the fact that redeveloping the area did not make economic sense and the zoning (particularly parking requirements) in the area was restrictive. The early 1980's was a time of tremendous economic uncertainty in Vancouver and all over Canada. Land prices in the downtown Vancouver area were depressed (McPhee, 1992) and office vacancies were high, therefore the redevelopment of these buildings (most requiring extensive seismic upgrading) was not economically feasible. By the late 1980's however, Yaletown began to re-establish itself in an entirely new light. Fuelled by a relaxation of parking requirements, an emerging reputation as a fashion and design area, a strategic location relative to the CBD and most importantly, changing market conditions which improved the financial viability of upgrading buildings, redevelopment began to occur. (Constantineau, 1989)

The early part of the rapid metamorphosis of this area was led largely by the furniture and fashion industries, as well as artists who were attracted to the unique character of the area. Due to the relatively low lease costs, large amount of square footage and architecturally unique quality of the warehousing space available, 'high-end' furniture stores began to move into the area in the late 1980s (Deslauriers, 1989) and by 1989 the area

housed at least 15 furniture galleries. (Constantineau, 1989) The design, production and distribution functions of the fashion industry were also an important part in the transformation of Yaletown. The Show-Mart Building (formerly the Hudson Bay Company warehouse) located on the edge of Yaletown at 900 Mainland, was a very important harbinger of change, bringing the fashion industry to the area, housing a substantial collection and variety of fashion designers. This concentration of activity resulted in other fashion industries beginning to agglomerate within the lower cost Yaletown warehouses. These businesses, when combined with the architectural and graphic design firms moving to the area, began to give Yaletown a very distinct urban identity as a creative and artistic area.

### **3.3 Yaletown Today**

This brings us to the Yaletown of today. Not only has the pace of re-development become more rapid, but the character of the area is continuing to evolve in several ways. While applied design and creative service firms (eg. architects, graphic designers, print services) have continued to locate in the area, an increasing number of corporate support services (accounting, consulting, public relations) as well as computer software firms have moved in. (Confidential Interview, 1993) Yaletown is also beginning to become somewhat of an entertainment district. This is evidenced through the arrival of several trendy pool halls, upscale restaurants, the recent growth in the numbers of deli/coffee-shops and the addition of a micro-brewery/pub. Finally, Yaletown is also experiencing a growth in residential development, specifically loft-style residences converted from former warehouse space. It is ironic that with the increase in demand for space in Yaletown, some of the

furniture and fashion businesses which helped create the image of the area are now being priced out.(Confidential Interview, 1993)

Yaletown is an clear example of how a commercial area can be transformed dramatically over a relatively short period of time. While Yaletown was once the epitome of a blue collar industrial area with a “wrong side of the tracks feel”, (Lindsay, 1980) it has become a culturally trendy area, with predominantly white collar, design-oriented producer service firms. Indeed, with extensive renovation of the buildings and street beautification, one might argue that all that remains of the historic community of Yaletown is the weathered brick facades of the buildings.

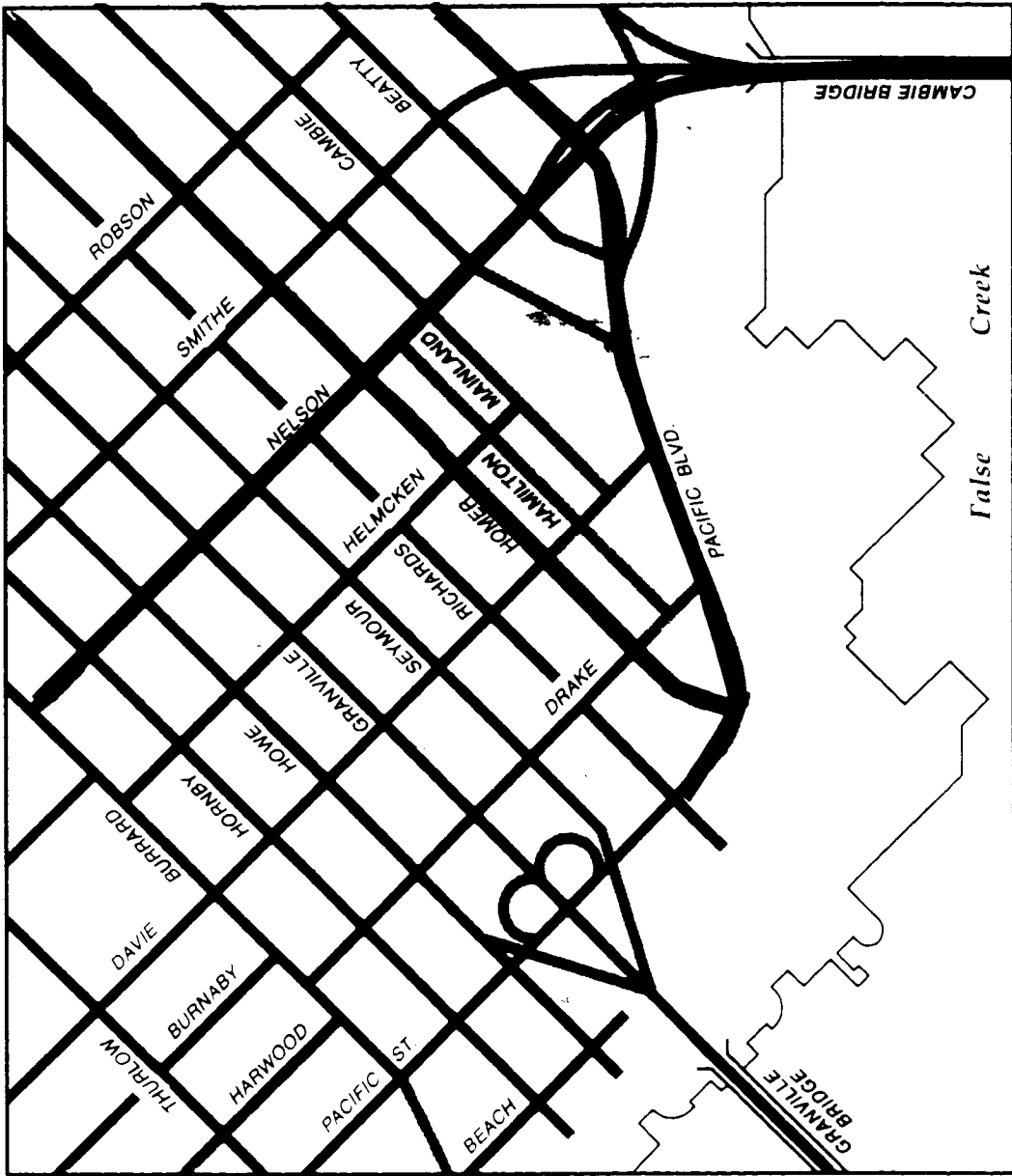
Recent newspaper articles refer to Yaletown as being part of Vancouver’s new “culture zone” (Mackie, 1994) and words such as ‘neo-chic’, ‘funky’(Perry, 1992), and ‘trendy’(Fitterman, 1993) trumpet the areas continued transformation as Vancouver’s “new place to see and be seen”. (Perry, 1992) However, what are the current factors which play a substantial role in creating the character and milieu of the area, in essence, what makes Yaletown “neo-chic”, “funky” and “trendy”? As noted, observation, archival research and preliminary study of the area suggests that there are a several key identifiable components which play a substantial role in creating Yaletown’s distinctive image and milieu. For the purpose of this research, the components are categorised as, but not exclusively: the built environment; geographical location; fashion and furniture; and the entertainment attractions.

### ***3.3.1 Built Environment***

The built environment is possibly the most obvious and influential factor in defining the milieu and image of Yaletown. As discussed in the previous section, Yaletown is an

eight block area characterised by narrow streets, compactly situated former warehouse buildings featuring brick and beam construction, and loading docks with large overhanging canopies.(see figures 3.1 & 3.2) This type of warehousing district was at one time common in western Canadian rail cities; however, because of urban renewal initiatives of the late 1960s, very few remain in their entirety and as a result the area is also historically distinct.(Confidential Interview, 1993) Indeed, within the immediate vicinity of Yaletown and the greater Vancouver metropolitan area there is no other area with a similar built environment. Emphasising the appearance of physical distinctiveness of this area is the fact that Yaletown is bordered by three multi-lane collector routes (see map 3.2) including Nelson street to the north, Homer street to the west, and Pacific Boulevard running at approximately a sixty five degree angle from the east to west along False Creek, intersecting Homer Street. Therefore, upon approaching Yaletown, one can immediately observe very distinct boundaries to the area due to the unique building design, increased density of buildings and the physical borders of the street lay-out.

One of the most interesting aspect in the transformation of Yaletown, is the influence which the area is having on new developments occurring in the area and in the surrounding community. Up until the late 1980s Yaletown was an all but forgotten area of Vancouver. This has changed dramatically however, as residential and commercial developers within the immediate vicinity of Yaletown are very aware of the marketing benefits and financial benefits of being associated with the area's image and promote it quite extensively in their advertising. As part of the preliminary research for this thesis, a senior manager with Concord Pacific was interviewed. The manager acknowledged that



Map 3.2 Location of Collector Routes Bordering Yaletown



Figure 3.3 Overhanging Canopy of New Building Adjacent to Yaletown



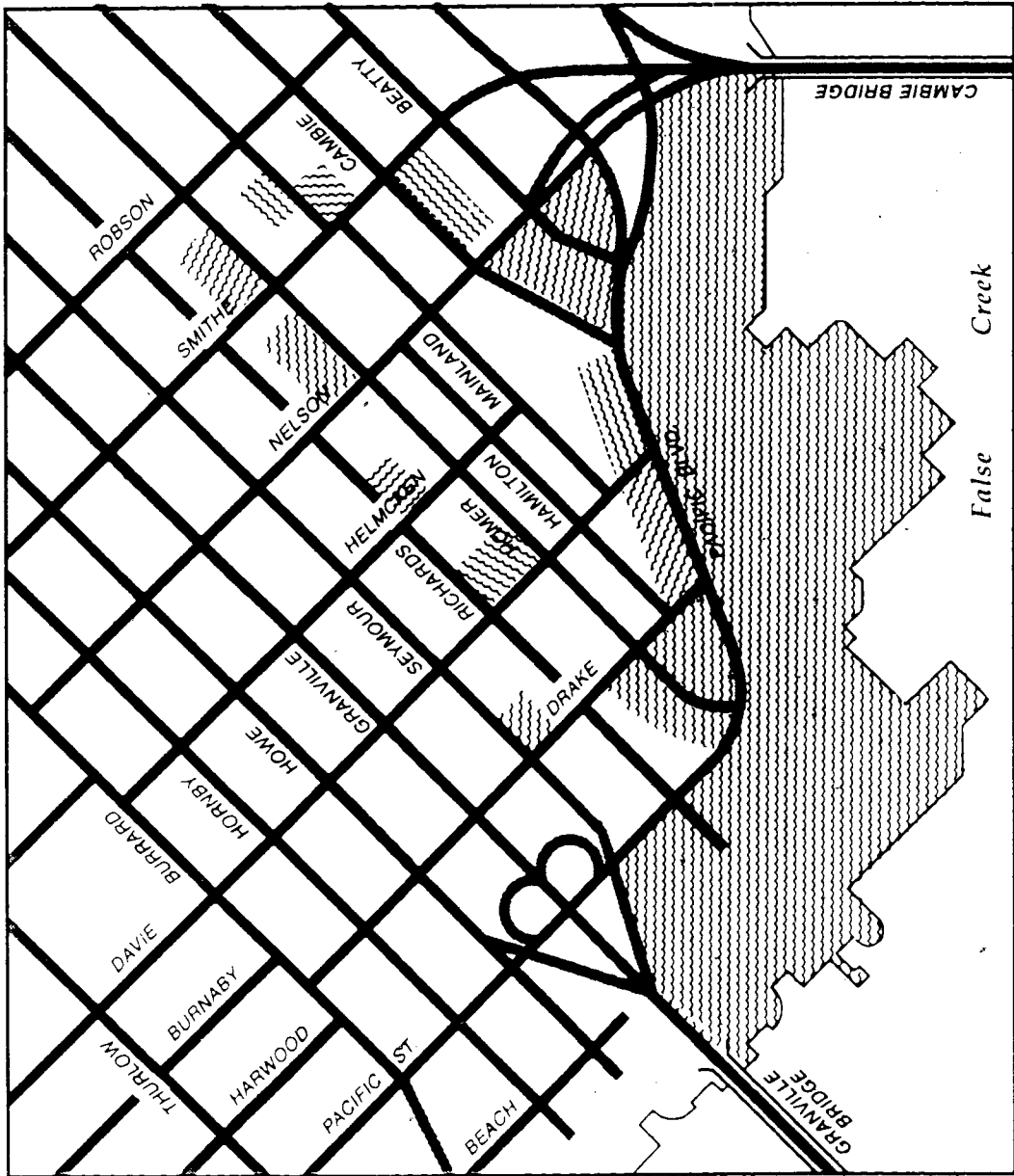
Figure 3.4 Overhanging Canopy and Brick Facade of Concord Pacific Building



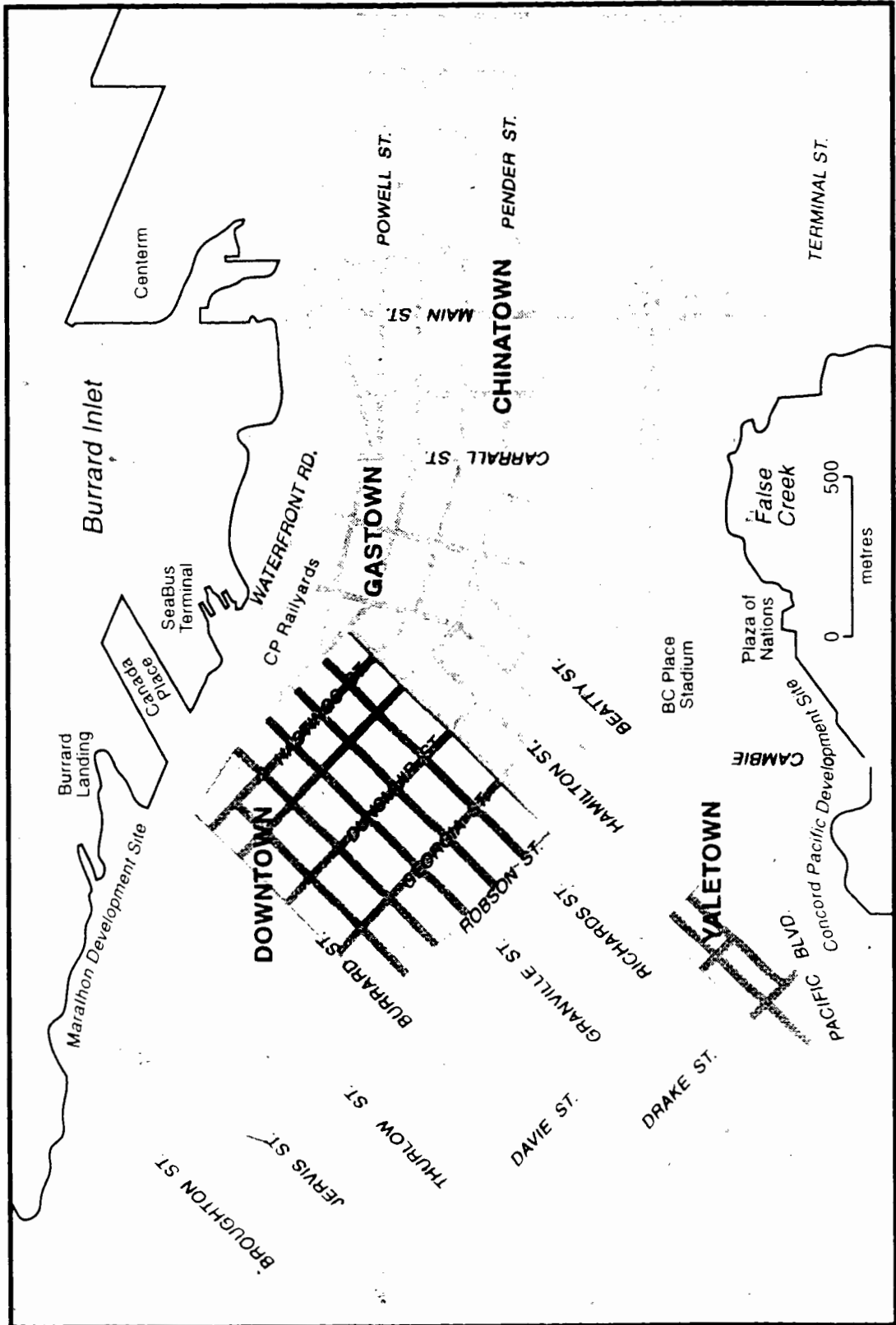
Concord Pacific viewed Yaletown as a culturally and architecturally unique area, and that Yaletown “was somewhat of a catalyst” in their selection of the architectural design of Concord Pacific Place (see Map 3.3), and their design emphasized “things like balconies and brick facades”. Other new developments have also used an adaptation of the ‘overhanging canopy’ to replicate a very identifiable feature of the Yaletown warehouses. This association, or desire to be associated with the community of Yaletown not only clearly illustrates the perception of Yaletown as an attractive downtown urban location, but it can be argued that it also further enhances that perception.

### ***3.3.2 Geographical Location***

The geographical location of Yaletown and its role in contributing to the unique identity of Yaletown is another interesting aspect of the study. Consistently in articles, research and discussions, Yaletown is often identified as being located on the edge of, but not within, the downtown business core. As shown in Map 3.4, this is indeed the case as Yaletown is separated from what is generally considered the downtown business core by approximately three blocks. To some firms however, those three blocks can represent a world of difference. As will be discussed further in the results section, this geographical separation appears to be of significance to many firms as they have purposely chosen a location away from the traditional area to reflect a different corporate culture and the more creative nature of the firm. By choosing Yaletown to do this, it reinforces the areas uniqueness from the downtown corporate complex.



Map 3.3 New Development in Surrounding Area



Map 3.4 Proximity of Yaletown to the CBD Core

### ***3.3.3 Fashion and Furniture***

As noted in the examination of the history of Yaletown, the area was primarily a warehousing district with some light manufacturing activities also occurring however, during the 1980s a significant number of 'creative' businesses began to locate in the area. Due to the concentration of firms and the artistic and design nature of their operations, the area began to be recognised as a 'creative' business area and this early perception had a very influential role in the initial creation of the current Yaletown identity. The most notable of these businesses are the fashion design and manufacture industry, and the high-end furniture retail industry.

The fashion design and manufacture industry began to locate in Yaletown for primarily two reasons: proximity to the Showmart building; and availability of relatively inexpensive commercial space. While there is limited documentation on the fashion industry in the area (type, size, linkages, etc.), it is worth noting that in the preliminary research conducted for this study on what constitutes the milieu of Yaletown, the area was consistently identified as a creative fashion design and manufacture area. This indicates that even though there is relatively little information on the fashion industry in the area, it is recognised and perceived as important to people in defining the area.

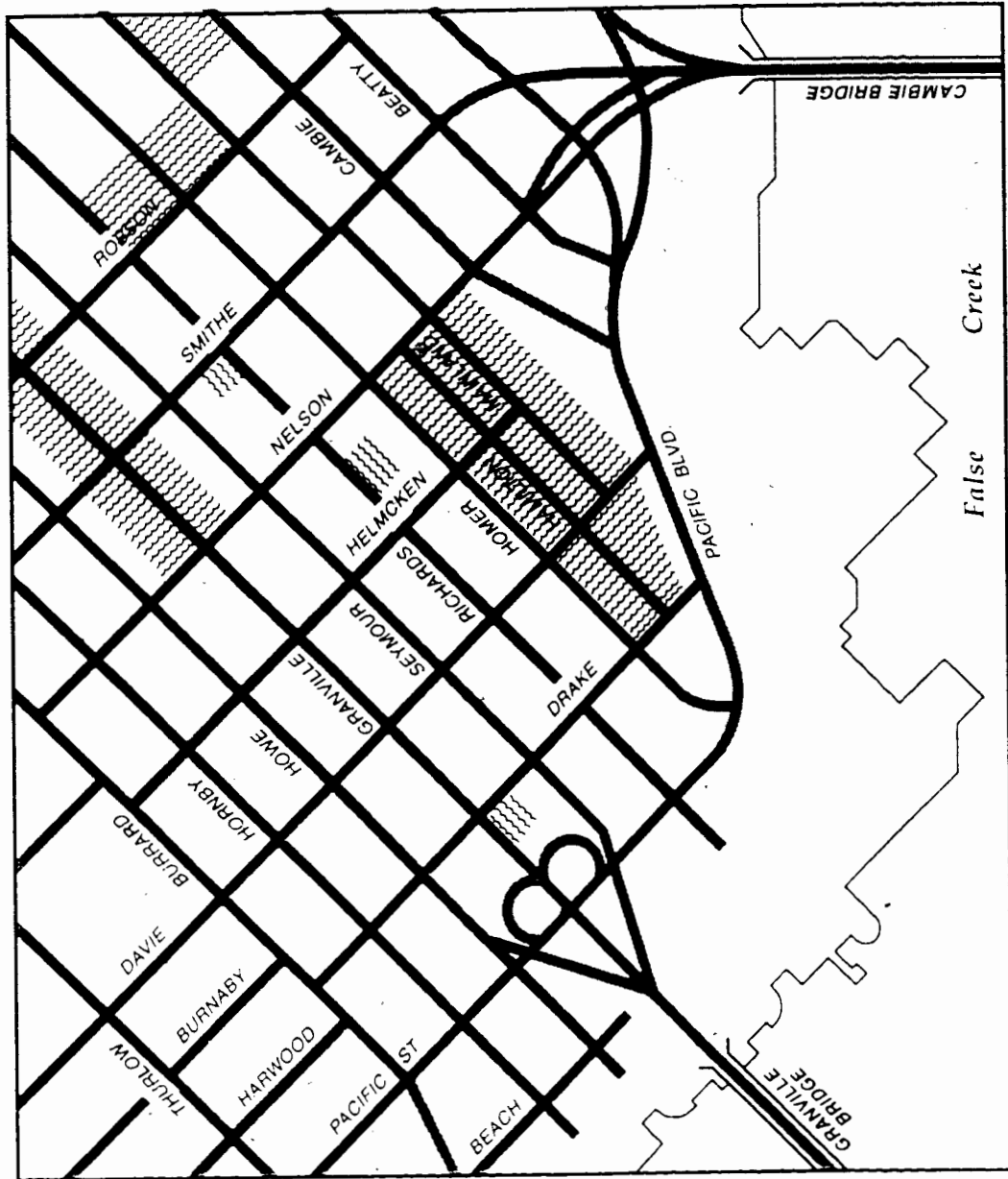
When one thinks of design and creative industries, rarely does the retail furniture industry immediately come to mind. In the case of Yaletown however, the high-end retail furniture stores located there have proven to be an important component to defining the character of area. These stores were originally attracted to the area because of: the low cost per square foot of floor space; the amount of large and continuous floor space available;

loading docks (while no longer suitable for larger trucks, still adequate for smaller furniture trucks); and the unique character of the space available. (Constantineau, 1989; Deslauriers, 1989) Similar to the fashion industry, when the character or milieu of Yaletown was discussed, consistently the agglomeration of high-end furniture stores was noted as an important characteristic.

Therefore, while these two business types were not the only businesses which contributed to the initial transformation of Yaletown, evidence seems to suggest that they were the most influential in initially establishing the new character of Yaletown.

#### ***3.3.4 Entertainment Area***

The final substructure which has helped to define and expand the character and milieu of Yaletown is the recent growth of unique entertainment establishments in and around the area. Since around 1990, Yaletown has proven to be an increasingly attractive area for upscale pool halls (often including coffee and juice bars), speciality coffee and baked goods shops (desserts, bagels, etc.) and upscale dining establishments (unique restaurants, brew-pub/restaurant, delis). (see Map 3.5) This has resulted in Yaletown taking on a very distinct identity from the communities surrounding it. As noted on Map 3.5, within the immediate vicinity of Yaletown are several night clubs (including the new 'Entertainment District' being considered by the City of Vancouver in Downtown South), the newly proclaimed 'Theatre District' (Queen Elizabeth Theatre, Ford Theatre), the new city library, and sports entertainment venues such as GM Place and BC Place. Therefore, much like the built environment where there is a very discernible difference between



Map 3.5 Downtown South 'Entertainment Area'

Yaletown and the surrounding neighbourhoods, when examining the entertainment venues a distinct character is also evident.

### **3.4 Transformation of Downtown Vancouver**

Having examined specific components and factors which led to the cultural and commercial transformation of Yaletown, it is important to also recognise that these events have occurred against the larger backdrop of the overall transformation of downtown Vancouver. Because the objective of this chapter is to identify and discuss the character and milieu of Yaletown, this section is intended to provide a brief overview of some of the major factors which have led to the transformation of Downtown Vancouver, and recognize that these factors have both direct and indirect influences on the study area. For a more thorough examination of the re-development of Downtown Vancouver, the work of McPhee (1994), Hutton (1994), and Ley (1997) is highly recommended.

Over the past ten to fifteen years there has been a renewed interest in downtown areas within North America cities and Vancouver is no exception. While the renewed interest and activity in downtown Vancouver is a result of several factors, the primary factors include: an increased awareness of historical preservation; a renewed appreciation of urban lifestyles amongst white collar professionals; the rise of Vancouver from a provincial service centre to an internationally oriented city; the recent period of sustained economic growth; and a deliberate attempt by the City of Vancouver to redefine and re-develop their downtown through a series of planning initiatives.

In their Concentric Zone Model of 1926, Park and Burgess modelled the growth of contemporary North American cities as a series of zones. The first zone was the inner core, or CBD, which housed corporate, retail and entertainment facilities. The second zone which was located outside the CBD, the zone of transition, contained 'blue-collar' residential areas, factories and other industrial uses. The third and final zone was the suburban residential area extending beyond the zone of transition. It was predicted that over time, business and industry within the zone of transition would be forced out of the city due to the process of invasion and succession, and as industry left re-development would occur and the area would become amalgamated into the CBD. (Yeates and Garner, 1980, p.198) This did not occur however, as industry vacated the zones of transition, corporate, retail, and entertainment developments leapfrogged over transition zones to suburban locations, leaving them to slowly become economically marginalized and dilapidated over many decades.

In an attempt by some cities to deal with these decaying areas, urban renewal programs were initiated as early as the 1930s and culminated in the 1960s. These programs were infamously unsuccessful, focusing on the physical rehabilitation of areas (often by bulldozing and re-locating the community) ignoring the social, cultural and economic components of existing communities that they were hoping to 'fix'. (Goldberg and Seelig, 1975, p.10) Most often these programs eliminated vibrant communities and often destroyed historically significant buildings.

The one good thing that came from the urban renewal initiatives of that time was an increased awareness of the importance of downtown communities, and an appreciation of



historical preservation. Paul Knox noted that the abandonment of urban renewal schemes in the 1960's led to movements within cities to reclaim their landscapes through preservation and conservation. (Knox, 1993, p.228) Further, not only was it a matter of restoring the built environment, but also trying to preserve and restore downtown communities as well. This appreciation of downtown areas continues today and perhaps there is no better example of this than the Yaletown area. A former industrial/warehousing area (ie. a zone of transition), it has been architecturally rehabilitated and transformed in to a culturally prominent and unique part of the city.

The transformation of downtown Vancouver has also been caused by an increased interest in "urban lifestyles" among white collar professionals working in the downtown core. As noted by David Ley in his work on gentrification, increasingly professionals are locating in downtown areas and "sections of the post industrial inner city have begun a transformation from the home of the labouring classes toward a zone of privilege...". (Ley, 1981, p.145) In the case of Vancouver, downtown has become a very attractive place for middle to high income individuals because of older, architecturally unique buildings and the variety of amenities and services available. As discussed in the section 3.3.4, social and entertainment possibilities are rapidly increasing as well as unique residential opportunities such as lofts and waterfront condominiums. One need only look from Yaletown across Pacific Boulevard to the Concord Pacific development currently under construction (a total of 9,016 residential units once build-out is completed in ten to twelve years) to see the projected residential growth within this part of the city. Similar developments on the north side of the downtown peninsula include the Coal Harbour and Bayshore projects, which

will add an additional 3,246 units (City of Vancouver Planning Department). Within Yaletown, a unique residential housing niche is being filled as several buildings have been converted to 'New York-style' lofts, and by realtors accounts have sold quite quickly.(Confidential Interview, 1993)

The third major factor to be examined is the rise of Vancouver from a provincial service centre to an internationally oriented city. Craig Davis and Thomas Hutton in examining this factor found that during the 1980s Vancouver experienced an "acceleration" of extraprovincial service exports which underlined "a shift in the city's role from a provincial high-order services centre to that of a Pacific Rim city in a spatially extensive urban network" (Davis and Hutton, 1991, p.385) Contributing factors to this growth was a severe recession in BC's staple sector; a sustained growth in demand for services provincially and regionally (specifically producer services); and public policy initiatives which decreased regulation governing the trade of financial and producer services at all three levels of government.(Davis and Hutton, 1991, p.385) Indeed, these changes are reflected in Yaletown with a rather significant proportion of service firms located there, and as will be shown in Chapter 5, a variety of local, national and internationally-oriented firms. An interesting research note is that the last time Yaletown underwent a rapid transformation such as this, was when it was first established. As you will recall in Section 3.1 Yaletown was formed as a direct result of Vancouver moving from being a local trade centre to a provincial trade centre. At that time, Vancouver's economy was based on raw material extraction and export, and firms in Yaletown catered to the distribution of those goods.

Now that Vancouver's economy has become more service oriented, Yaletown has transformed once again and reflects that change.

The fourth factor which has played a major role in the transformation of Vancouver's downtown is the recent period of sustained economic growth. During the last five to seven years the rest of Canada has been going through a severe recession which has resulted in massive lay-offs and substantial government cut-backs. During that same time frame however, Vancouver's economy continued to grow with unemployment staying relatively stable (despite a large immigration of people), minimal government cut-backs, and a sizeable increase in investment. While several factors contributed to this, the two most influential were the continued value of resources for export from the City's hinterland and a high level of investment from the Pacific Rim, especially Hong Kong. (Hutton, 1994)

The final factor to be examined is the role which planning initiatives have played in the redevelopment of downtown Vancouver. As noted by McPhee (1994), during the 1980s and on into the 1990's, Vancouver has been encouraging the re-development of the downtown area as part of a larger economic development strategy for the City. Over the past decade there has been four separate planning initiatives which have all looked at redefining and ultimately re-developing the City of Vancouver. (Hutton 1994, McPhee 1994) The 'Coreplan in early 1980's, followed by the 'Vancouver Plan' in 1985/1986, the 'Central Area Plan' (CAP) in the autumn of 1991, and finally 'CityPlan' which is currently under in progress. Hutton notes that of all four plans, the CAP "...represents a particularly well-managed and successful attempt to secure a growth management policy for Vancouver's core area". (1994, p.24) Of particular interest to this thesis is that the intent of CAP is to also

“protect the City’s crucial producer services sub sector and corporate complex, while providing for substantial new housing opportunities in the urban core”.(Hutton, 1994, p.25) While it would appear that this management strategy has been successful in many ways, strong doubts still remain regarding the social costs the re-development is having on the economically disadvantaged residents of the area.

With the culmination of all these factors it is clear why Vancouver’s downtown area has been undergoing a tremendous redevelopment and how this transformation has manifested itself on the landscape. As noted by Harvey, as a direct result of the economic restructuring process and the renewed appreciation of historical preservation and urban living, there will be pressure to re-organise the interior space of the city.(Harvey, 1989, p.264) Certainly within Yaletown these changes have manifested quite quickly and noticeably within the neighbourhood, and most consider the changes to be very positive. Ultimately however, there is a social price to be paid for this re-development which leads to section 3.5 on the social impact which Yaletown is having the surrounding area.

### **3.5 Social Impact of Yaletown’s Transformation**

As discussed in section 3.1, prior to the late 1980s Yaletown was almost exclusively a commercial and industrial area with little residential accommodation. Despite the rather rapid and drastic transformation of the area, there has been little opposition to new developments; in fact most have lauded these new initiatives as a very positive change. And indeed, the research conducted for this thesis would tend to concur that the transformation has been very positive for Yaletown, breathing new life and vitality into a once-forgotten

part of the city. Despite the positive view of changes however, one must remain aware that the transformation of Yaletown is part of the larger re-organisation of Vancouver's downtown, and it will potentially have a significant impact on existing residents of the surrounding area. As Hutton notes, there are "vulnerable communities in the metropolitan core" of Vancouver. (1994, p.28)

The City of Vancouver has specifically targeted the downtown area for re-organisation and re-development as part of the ongoing shift towards the City taking on a more international focus.(McPhee, 1992) To date, most of the major development in the CBD has involved re-developing old industrial lands and buildings (Concord Pacific, Coal Harbour, Bayshore, etc.), with very little immediate impact upon existing residential areas. With these larger developments, amenities in the area have or will actually increase (eg. retail shops, a planned large supermarket, all weather sports field, waterfront walkways, public plazas, etc.), and it could be confidently postulated that quality of life has risen. However, as noted by McPhee in his examination of the redevelopment projects and policies of downtown Vancouver during the 1980's, while 'entrepreneurial redevelopment' can improve opportunities for some segments of the population (usually the economically advantaged), other segments of the population (usually those economically disadvantaged) can experience "a continued lack of access to improved social and economic opportunities".(McPhee, 1992, p.iii). McPhee's study concluded that the neighbourhoods of Kitsilano, Fairview and the West End were primarily becoming home to well educated individuals engaged in higher skill, higher pay occupations, with lower income individuals priced out of those areas and primarily concentrated into the neighbourhoods of Strathcona

and the CBD. (McPhee, p.170) Now that redevelopment is increasingly in the area of the CBD (most of which is office space, hotels and middle to high-end market condominiums) the question remains; where are the working class and economically disadvantaged members of the population going to reside? While the research conducted for this thesis is not intended to explore this situation in great detail, it is important to recognise that just as Yaletown has been part of and has benefited from a substantive social and economic shift, it is also part of the negative consequences that are occurring such as the social polarization of the urban core.(Hutton, 1994, p.17)

Areas such as Yaletown can add character and a new vitality to a city but it rarely comes without a cost. In the case of Yaletown that cost is not directly evident and in fact may be minimal in the short run, but should development continue in Yaletown and surrounding areas without a clearly articulated social plan, problems will grow considerably.

### **3.6 Chapter Summary**

This chapter presented an examination of the commercial and cultural transformation of the community of Yaletown, as well as a brief discussion on the transformation of the Downtown South area of Vancouver. In summary, it can be confidently stated that Yaletown has a very unique character and milieu. Yaletown's 'uniqueness' was borne out of an interesting history and it is considered to be a culturally prominent area in Vancouver, a fact that is reinforced by the areas built environment, geographical location, and the eclectic mix of businesses. Yaletown did not 'occur' on its

own however, relatively successful growth strategies promoted by the City of Vancouver have had a direct impact on the community and the entire urban core. The question remains however, at what cost to the existing residents?

Having identified the major components of Yaletown's unique character and milieu, Chapter 4 will discuss how these components were incorporated into the methodology of this thesis.

## CHAPTER 4

### RESEARCH METHODOLOGY

#### 4.1 Introduction

Determining a methodological approach for the research component of this thesis is dictated by two very important factors within the research question. As stated in the introductory chapter, this research is intended to not only examine the characteristics of the agglomeration of producer service firms in Yaletown, but to also determine their location decisions and the extent to which the character and milieu of the area played in that decision. Therefore, the research centres around two complementary components. The first component is to search for and analyse similarities and differences amongst producer service firms within Yaletown. It is hypothesized that from this firms in the area can be characterized and comparisons to future studies or areas of a similar nature can be made. The second component is to examine and define the milieu of Yaletown from the perceptions of the respondents, and ascertain its importance in the location decision of the firms. In essence, 'What kinds of firms are in Yaletown, and what role does the milieu of the area play in the decision making process'? Further, conducting an exploratory analysis as opposed to a strictly descriptive analysis, reflects the current trend in the study of the locational patterns of producer services. Coffey notes:

"...in terms of the nature of the research conducted, we are witnessing a transition from largely descriptive studies towards those that place an increased emphasis upon explanation, i.e., upon identifying the factors underlying the spatial and functional patterns that we observe. In order to develop a deeper understanding, researchers have begun to delve into the motivations, the decision-making processes, and the organizational strategies of firms." (Coffey, 1995, p.77)



This chapter will present the methodological approaches utilized to conduct the field research for this thesis. Section 4.2 will outline the research design, providing a brief overview of the theoretical approach used. In section 4.3, the design of the preliminary interviews, which is used to gather preliminary information and identify influential factors, will be discussed. Sections 4.4 and 4.5 will present the structure and reasoning behind the questionnaire design, and discuss how the questionnaire was distributed. These section lead to 4.6, which reviews how some of the information gathered in the questionnaires forms the basis of the questions asked in the follow-up interviews. Section 4.7 then briefly discusses how the information gathered is analyzed, while section 4.8 notes the weaknesses and gaps in the study. The final section, 4.9, summarizes the methodology section.

## **4.2 Research Design**

As noted in Chapter 2, with the exception of a small body of literature on the location of creative services, there has been little research on the role of character and milieu in the intraurban location decisions of producer services. Therefore, it was clear that with the scarcity of previous studies and literature on the subject, the research design would have to be of an exploratory nature. In addition, considering the importance of uncovering firms perceptions, attitudes and feelings on the role of milieu in their location decision, it was also determined that a substantial portion of the research would have to be intensive, with analysis more qualitative than quantitative in nature.

In his 1992 book *Method in Social Science: A Realist Approach*, Andrew Sayer discusses the importance and validity of qualitative research. Sayer examines and differentiates research design into extensive and intensive approaches. Extensive research is concerned with examining taxonomic groups to discover regularities and common patterns across a population. Methods often include large-scale surveys, formal questionnaires, standardized interviews and statistical analysis. Intensive research examines causal groups, focusing on what caused or produced a certain change and to what extent were certain agents involved. Methods of inquiry are often study of individual agents, interactive interviews and qualitative analysis. Sayer points out that because extensive research discovers formal relations such as "...similarity, dissimilarity, correlation and the like, rather than causal, structural, substantial, i.e. relations of connection", they are limited to "...produce explanations where they demonstrate that a certain aggregate pattern can be contributed to the effects of separable components".(p.246) Intensive research, as Sayer notes, can go beyond the limitations of strictly extensive research to uncover "...causal explanation of the production of certain objects or events".( p.243) The major limitation of intensive research is that results are not representative of the whole population which brings into question the extent to which models or theories can be formulated from it. This does not mean that neither of the two methods is effective, but rather the two types define their boundaries of inquiry differently and ask different sorts of questions.(p. 242) And as Sayer notes, both methods can be used in a complementary fashion depending on the type of study being conducted and as long as the limitations of both methods are recognized.(p.246)

Therefore, to address the research question it was determined that a combination of extensive and intensive research methods would be used. Extensive methods are used to identify common characteristics amongst firms and begin to understand major issues, trends, and events which had attracted firms to the area. Intensive research is then undertaken to uncover the roles of amenity, quality of life and overall milieu of the area in the location decision.

### **4.3 Preliminary Interviews**

To establish the parameters of the study, a series of preliminary key informant interviews were conducted prior to the formation and distribution of the questionnaires. With the concepts of community and milieu playing an integral part in the examination of producer services in Yaletown, it is imperative to gain insight into what urban and social dynamics had occurred, and were occurring, in this area. From this basic understanding a concise and relevant questionnaire could be constructed which not only examined issues of producer service location in a general context (issues brought forth in the review of producer service literature), but also began to examine very community-specific reasons for location decisions of firms.

A total of six individuals were interviewed during this stage of the research. Interviewees included a real estate agent responsible for commercial space in Yaletown and surrounding area, a Yaletown land developer, the new owner of a warehouse in Yaletown, a City of Vancouver Planner, a long-time producer service firm in Yaletown (fifteen years), and a producer service firm that had recently moved into Yaletown (three

months). The interview format was altered depending on who was being interviewed; however the following list of questions were included in all preliminary interviews:

- 1. In your opinion, has Yaletown changed in recent years? If so, how has Yaletown changed? What, in your opinion, acted as a catalyst to that change?*
- 2. How would you characterize the types of office firms that locate in Yaletown?*
- 3. Why would a professional office want to locate in Yaletown? (amenities, rent, proximity to CBD, etc.) Are there any other areas in the Lower Mainland which would be as suitable?*
- 4. It has been mentioned in a Vancouver Sun article that Yaletown has a different 'feel' to it? Do you agree with this, and if so, how would you characterize the 'feel' or 'milieu' of the area?*
- 5. Do you think that Yaletown is going to continue to transform, and if so, how do you see it changing over the next few years?*

The preliminary interviews provided a clearer understanding of the recent evolution of Yaletown, the types of firms which have located in the area, current issues within the area, and a better understanding of how people perceive and relate to Yaletown. The information gained at this stage was then incorporated into the questionnaire.

#### **4.4 Questionnaire Design**

The questionnaire was designed with three distinct goals in mind. The first goal was to determine the general attributes and characteristics of firms, the second was to determine linkages firms had with others in the area, and the third was to begin to uncover the role and importance of milieu in the location decision. Therefore, assuming

that the firms in Yaletown were comparable to those examined in other studies, we could begin to draw some preliminary inferences about the importance of milieu in a firm's location decision, and how similar producer services might be attracted to areas with a similar milieu.

Accompanying the questionnaire (Appendix 1) was a letter of introduction (see Appendix 2). In keeping with the outline for letters of introduction noted by Rea and Parker (1992), the letter thanked the respondent for being part of the survey, mentioned the organization conducting the study (in this instance, a masters student at SFU), and stated the objectives and goals of the research. The first section of the questionnaire, was designed to discern any common characteristics of producer service firms in Yaletown. It was hypothesized that producer services within Yaletown were generally small (two to ten people), creative design-oriented firms (Hutton 1994, Brail 1994), with a highly focused pool of human resources, which, while conscious of cost of rent, purposely chose Yaletown because of amenities and dynamics within the area. Questions included type of firm, previous corporate location, length of time in Yaletown, size of firm, corporate management structure, total square footage and approximate lease rates. It was hoped that from those questions a clear representation of the types of producer services attracted to Yaletown would emerge, and if the producer services were somewhat similar to, or unique from, those in other studies.

The second section of the questionnaire was designed to determine the geographical scope and interaction with clients for firms in Yaletown. One factor currently being debated in the literature was if there is a correlation between the size of a

firm and the percentage of local, regional, national or international clients. Therefore, questions eight through ten were included to cross-reference with question five (size of firm) to determine if the geographical scope of firms in Yaletown was relatively local as hypothesized. The next series of questions (12 through 14) were based on the perception that producer services tend to communicate frequently with clients, and that the majority of communication occurs in the form of face-to-face meetings. There is some debate in the literature however, as to the importance of face-to-face meetings. It was hypothesized that in Yaletown face-to-face meetings would also be the most important method of communication for producer services, followed by telephone and fax. In addition, where meetings took place was another factor which was considered. It was felt that while a majority of meetings would occur at the client's, that the character and 'ambiance' of Yaletown could possibly entice clients to conduct meetings at the producer service firm.

The final section of questions, entitled 'location decisions', had some open-ended questions and was designed with several goals in mind. The first was to gain an idea of the importance of factors which attracted producer services to Yaletown (question 15). It was not expected that the character and milieu of the area would supersede price (rent) as the most important determinant of location. However, it was believed that it could be possibly be ranked second above proximity to clients (considering improvements to communication technology as often mentioned with the growth of producer services) and proximity to support services. The second goal (questions 16, 16i, 17, 17i, & 17ii) was to begin to uncover the level of satisfaction respondents had with the area. While their level of satisfaction would be further examined during the follow-up interviews, it was

important to begin to identify positive and negative issues within Yaletown as it continued to evolve. The third aim (questions 18 & 19) was to identify possible benefits (agglomeration and corporate image) derived from locating in Yaletown. As mentioned in the discussion of present-day Yaletown, the area has become a very dynamic and socially attractive area of Vancouver for a variety of land uses. It was hypothesized that while businesses may not derive any direct and measurable financial gain from being located in the area, they could perceive it as important to their corporate image to be associated with such an area. The fourth goal (questions 20 to 22) was to highlight the perceptions which firms had of Yaletown, so that they could be examined in a more complete context during the follow-up interview. The final question (23), asked for the firms total sales per year. This question was part of the general information section, but it was placed at the end of the questionnaire and put on a separate piece of paper in an attempt to increase response rate. As noted in Rea and Parker (1992, p. 46) with questions of a sensitive nature, it is often best to place these questions late in the questionnaire for two reasons. First, if respondents react negatively to the question and terminate the questionnaire at that point, then all information prior to that question is not lost. Second, by placing a sensitive question at the end, it is hoped that respondents gain a clear understanding of the nature of your research (in essence, a trust or 'rapport' is developed) and there is an increased likelihood that the respondent will answer.

#### **4.5 Questionnaire Distribution**

Prior to distribution of the questionnaire, a reconnaissance of the business directories (located in the foyer or at the front entrance to office buildings) and building facade signage was completed to determine the approximate number of producer service firms within Yaletown. In buildings which did not have a directory yet were accessible to the public, a survey of names on office doors was conducted. The name and address of possible producer service firms was recorded, with firms only omitted at this stage if they were obviously not a producer service firm, (e.g. XYZ Hair Design, ABC Office Supplies, etc.). It was felt that using a field survey was more suitable than a survey of telephone listings, postal addresses, and using membership directories from various professional associations.

There are two reasons that the field survey method was more effective than a survey of telephone directories ('white' and 'yellow' pages). The first is the high level of activity and office turnover in Yaletown. Telephone directories are produced once a year (deadline for inclusion in white pages is March 15th, yellow pages April 1st), therefore, firms which re-locate or are established following the deadline are not included, which is particularly important considering that research was conducted at the end of July and early August. The second reason for using a field survey over a telephone directory survey was because the term 'producer service' as defined in this study can relate to such a wide variety of firms, that a preliminary survey in small geographical area such as Yaletown was more time efficient and more effective in ensuring greater breadth to the study.



The field survey method was chosen over postal information because of efficiency. Addresses of firms in Yaletown were not easily available, so by the time that the addresses could be obtained from Canada Post and sorted (postal codes did not conform to the boundaries of the study area), it was more efficient to conduct a field survey.

The final possible source considered was membership directories from professional associations. Similar to the problem faced with using telephone directories, membership directories are not always current, and because the term 'producer service' relates to such a wide variety of firms it was more efficient and effective to use a field survey. An additional limitation was that several producer service professions do not have membership associations or require membership to an association.

Another important justification for conducting reconnaissance to gather names of possible producer service firms relates to the nature of the research being conducted. Once again, the milieu of Yaletown played an important part in the research, therefore it was vital to spend time in the area to observe and begin to formulate a better understanding of the locational and social dynamics of the area. While this part of the research was informal (in that there was no attempt to quantify or qualify observations), it did have an impact on the research process in that it helped create an awareness of issues such as the business make-up and spatial dynamics of the area. For example, it illuminated the prominence of the fashion industry, the lack of dining establishments and the lack of convenient parking. As noted by Marshall and Rossman in *Designing Qualitative Research* (1989), a great deal of understanding can be derived from the

researcher being able "...to hear, see, and begin to experience reality as the participants do." (p.79)

There were two limitations of using the field survey approach. The first was that if a building had no business directory, there was no external signage, the building was closed to the public, and a firm's name did not appear on the door of the office, the firm would be excluded from the survey. While this was a concern, it was felt that because a key component to doing business is ensuring that a business is accessible to clients such a firm would be a rare exception. Further, within the study area there were only two buildings which did not have a business directory and both of those buildings allowed public access. Therefore, as long as a firm's name appeared on their door, they were considered. The second limitation was that a field survey would include firms which were on business directories or had signage, however, were no longer located in the building. This problem was eliminated in the second step of the questionnaire distribution process, which involved contacting firms to determine if they were a producer service firm. The address of the firm was confirmed at that time, and if they were no longer in the area, they were excluded from the survey.

In total, the field survey identified 334 firms in Yaletown as possible producer service firms. As mentioned, the next step was to contact firms on the phone and determine if they were a producer service (according to the working definition, see Chapter 2, p.7), would they be willing to complete a questionnaire, and if so, who would be the most knowledgeable person to fill out the questionnaire. Excluding businesses which were not classified as producer services, that had moved from Yaletown, which

were no longer in business, or whose telephone number could not be located, a total of 116 firms were identified as producer services in Yaletown. Of the 116 producer services, 53 (45.7 percent) agreed to complete questionnaires.

The questionnaires were distributed in person over a two day period starting July 28th, 1994. When possible, the questionnaire was given directly to the individual responsible for completing it. Arrangements were made to pick it up the following week (August 5th & 6th, 1994), allowing for five to six business days to complete. While a mail-out could have been done, distributing and collecting the questionnaire in person was chosen for the following reasons. Firstly, it was felt that making personal contact with the respondent and establishing a quasi-deadline would increase the response rate. As noted by Rea and Parker (1992), response rates to questionnaires which are not of a personal or sensitive nature are often higher when personal contact has been made and the respondent feels individually responsible for returning the questionnaire. Further, if the researcher returns at the pre-agreed time and the questionnaire is not completed it will often serve as a reminder (perhaps the questionnaire was misplaced, as had occurred during this research) to the respondent. The second reason to establish personal contact was to increase the chance of scheduling a follow-up interview than had a mail-out been done. While personal interaction was limited prior to completion of the survey, it was felt that by establishing a connection with the respondent (in essence, putting a face to the name), they would be more willing to agree to a follow-up interview. The third reason for distributing the questionnaire personally was because the study site was easily

accessible and geographically compact, so personal delivery was a much more cost-effective method than a mail-out.

The primary concerns of using such a method of distribution and collection were twofold. The first concern was that by contacting the respondent, there is a possibility of creating a bias. To minimize or eliminate the potential for this, when distributing the questionnaire a minimum amount of time was spent with the respondent. They were informed what the purpose of the research was (also listed on the introduction letter to the questionnaire), a date was established for pick-up of the questionnaire, any concerns or questions they had were addressed, and they were thanked for their participation. The second concern was that by establishing a date for pick-up, a 'deadline' was created which could make the respondent feel pressured. By establishing a five to six day period to finish the questionnaire, it was felt that any 'deadline' pressure, while possibly still evident, would be eased.

A total of 18 of the 53 questionnaires were collected on August 5th and 6th. The remaining firms who had not completed the questionnaire at that time were given a pre-addressed envelope so they could return it once complete. This resulted in 15 additional surveys being sent in, to bring the total number of responses to 33 (a return rate of 62.2 percent). Of the 33 returned, 18 firms agreed to participate in a follow-up interview.

#### **4.6 Follow-up Interviews**

Similar to the preliminary interviews, the follow-up interviews were structured around a set established questions. In addition however, each interviewee was also asked

specific questions based on responses given in their completed questionnaire as well as responses to the interview questions. The interviews were conducted during a four day period starting August 28th and ending September 1st, 1994, with each interview lasting an average of 30 minutes. The interview style was open-ended, conversations were recorded (with permission) and later transcribed. The set of established questions were as follows:

*1) Since locating in Yaletown, what changes (if any) have you seen occur? Were they positive or negative changes? Are there any changes you would like to see in Yaletown?*

*2) Yaletown is increasingly gaining a reputation as an agglomeration of 'creative/innovative' or 'design-type' firms. Do you agree? With regards to conducting business, is it important for your firm to be associated with a creative area such as Yaletown? If so, how is it important? (business contacts?, image?, backward linkages?).*

*3) When first looking for a location for your firm, what were some of the attributes/factors you were looking for? Of those which one was the most important?*

*4) Before deciding upon your present location, did you consider locating in other areas?*

*If yes, which ones and why?*

*If no, why were no other areas considered?*

*5) It has been stated that Yaletown offers a not only a unique urban infrastructure, but also contains a unique business environment. What are your feelings on this? If your firm was to re-locate would you try and seek out a similar area?*

*6) Does your firm use the business services located here in Yaletown? If so, how often?*

*7) Returning to the first question, how do you see Yaletown changing in the future? Do you see your firm remaining in Yaletown? What might cause you to move?*

#### **4.7 Methods of Analysis**

There are two methods of analysis utilized in this study, quantitative and qualitative. Referring back to section 4.2, Research Design, given the exploratory nature, of this research it is important to first identify and to a certain degree 'measure' the certain characteristics about the firms located in the study area. Therefore, an 'extensive' research approach is used for that segment of the study. The second segment of the study examines the location decisions of producer services in the study area, specifically the role which character and milieu played in that process. As a result, an 'intensive' approach is utilized. The analysis of the information gathered follows these same approaches.

The information gathered on the general attributes and characteristics of firms is analysed using relatively simple statistical methods such as averages and percentages. This is done because of the nature of this component of the research, which is to provide a general profile of firms in the area, and from there delve into the purpose of the research; to determine the role which character and milieu play in the location decision process.

The second component of the research, centred around the open-ended questions and follow-up interviews, is analysed using qualitative (or intensive) methods such as causal explanation and interpretation. Similar to the reasons that quantitative measures were chosen to analyse the survey research, these methods are chosen because of the nature of the questions being asked. This is an exploratory study in a unique area, and given the nature of the information that is being sought (character and milieu), it would

not be practical to attempt to quantify the results. This however, does not suggest that the findings are any less valid. As noted by Coffey; "...in this micro-level form of analysis, survey and interview techniques have become more important than multivariate statistical methods...". (1995, p.77) As a result, the intent of the analysis is to define as accurately as possible the situation occurring in the study area, while providing enough concrete evidence so that the knowledge gained from this research can be used elsewhere.

#### **4.8 Weaknesses or Gaps in the Research Methodology**

Although the research methodology is designed to eliminate as many weaknesses or gaps as possible, as with all research of this nature there will be gaps and this study is certainly not immune.

It is important to acknowledge that with field work of this type, the results are somewhat temporally static in nature - in essence, they provide a 'snapshot' of what is occurring. To minimize this, a concerted effort has been made to analyse the historical change in Yaletown, the growth of producer services globally and in Yaletown, and the actions of firms over time. Not only has archival research has been conducted, but to gain a clearer understanding of the change over time, temporal questions have also been included in the preliminary interviews, the questionnaire, and follow-up interviews. Furthermore, revisiting the thesis statement, the purpose of the research is to look at the location decisions of firms within Yaletown and what attracted them to the area at that time. Therefore, while the evolution of the area is fascinating and has affected location decisions, it is not the principal focus of the research. An interesting exercise would be to

replicate the study every two to five years to see the role which producer services play in the continuing transformation of the area.

The second gap within the methodology relates to the transferability of the knowledge gained in this study in explaining agglomerations of producer services in other areas. First of all, this study is limited by survey size. In total, 33 firms were surveyed using questionnaire of which a further 18 agreed to follow-up interviews. While some extensive methods are utilised in this study (which identified common characteristics, linkages, etc.), the size of the study is purposely small to allow for research to be conducted on an intensive scale. As Sayer (1992) and Pratt (1995) note, this does not make the results any less valid, just that one must be careful of the inferences drawn from them. This study is designed to be exploratory and the inferences drawn from it will be preliminary in nature to help *understand* producer service agglomerations in other similar areas, not *explain*. That leads to the second concern regarding transferability of knowledge. A significant portion of this research has shown that Yaletown is a unique area (historically, architecturally, socially, culturally, and economically) with a unique milieu. Therefore, it is obvious that because the area is unique, there are limits to what can be inferred about the role of milieu in the location decisions of producer services in other areas. To partially compensate for this firm-specific research was included in the study (size and type of firm, corporate structure, rent, linkages, etc.) and a great deal of attention was paid to describing the study area. It is hoped that if other areas have comparable firms and are undergoing a similar transformation, that a greater



understanding will be possible and some further inferences made to help bridge this knowledge gap.

#### **4.9 Chapter Summary**

This chapter has outlined the methods of information collection and analysis which were used to conduct this research. As noted, the research involves two very distinct approaches: an extensive approach which used a survey and relied on basic statistics to analyse the information gathered; and an intensive approach which built upon the information gathered by the survey to expand the understanding of the location decisions of firms in Yaletown. The amount which can be inferred about the role which character and milieu plays in the location decisions of producer services is limited given the size of the study, the static nature of the research, and the narrow geographical focus. However, the study is of an exploratory nature and the results presented will help to bridge the knowledge gap in the literature.

## **CHAPTER 5**

### **SURVEY RESULTS**

#### **5.1 Introduction**

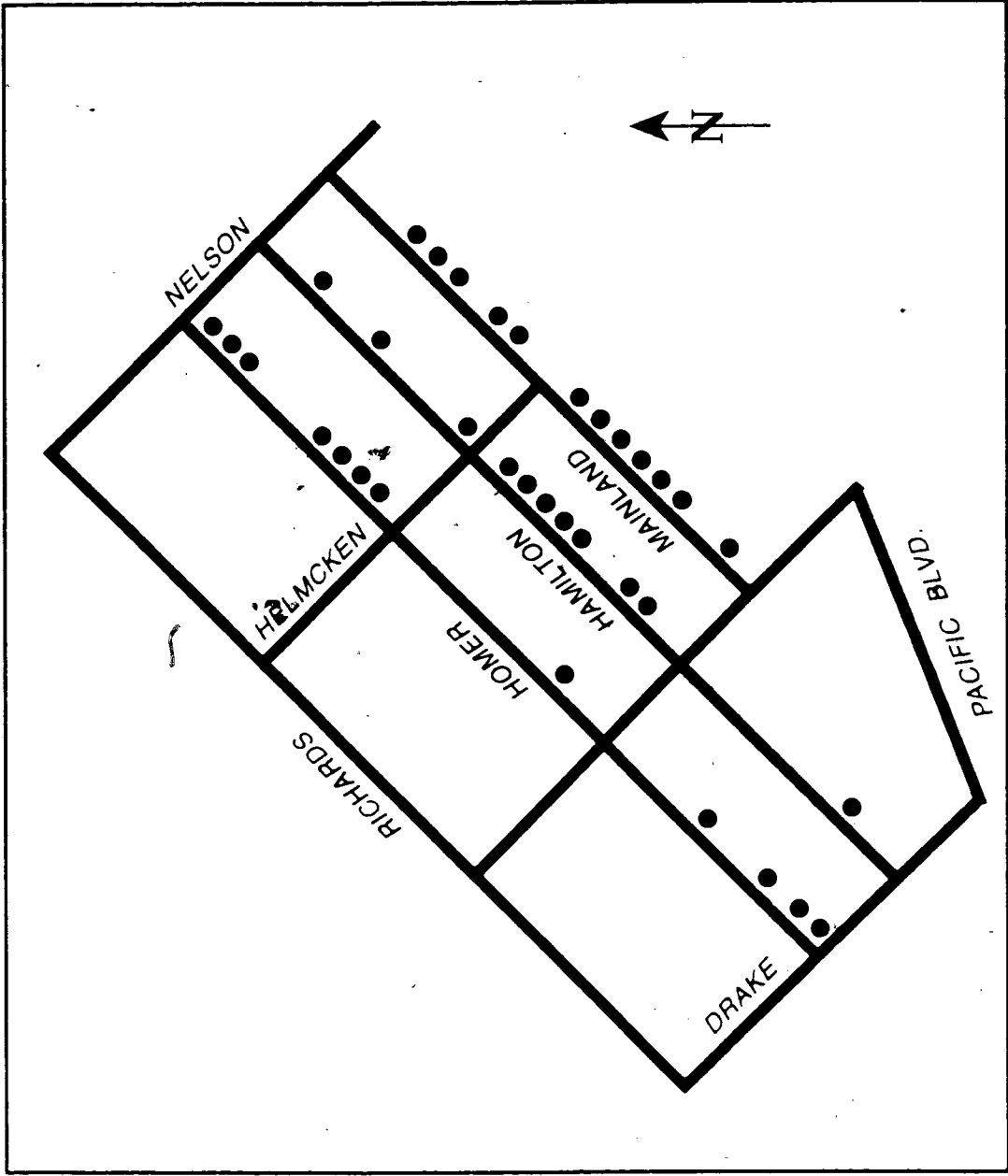
In this chapter the results of the research survey will be presented. As noted in the methodology chapter, the purpose of the survey was to identify some of the general characteristics of firms located in the study area, to begin uncovering some of the perceptions which firms had of the area, and to explore the role which amenity and milieu played in the location decision process.

#### **5.2 Survey Results**

The firms surveyed can be characterized as generally smaller firms, who have been in the area for a relatively short amount of time and whose average revenue reflects their smaller size. In terms of employment and organizational structure, the firms were male dominated, positions were primarily full-time and the firms had a relatively 'flat' organizational structure with a high number of managerial, professional and technical staff, and few 'support' positions. The majority of the firm's clientele was located within the GVRD, followed by international clientele. Overall, with the exception of parking, perceptions of the changes in Yaletown were very positive. Further, while rent and proximity to clients were the most important factors in location decisions, unique office space and the ambiance of the area were ranked a very strong third and fourth.

### 5.3 Geographical Distribution

As shown in Map 5.1, there was a relatively even distribution of firms surveyed in Yaletown. The slightly higher concentration of firms on Hamilton and Mainland between Nelson and Davie is due to the fact that at the time of the study, the majority of usable office space was located there. Therefore, the geographical distribution of firms surveyed, generally represents the distribution of office space within the study area. It was important to obtain a representative distribution because when an area is undergoing a substantial transformation quickly, very different perceptions of the area can be formed, even if only a few blocks away. An example of this was evident during the study when the issue of parking arose. A majority of the firms located on Hamilton and Mainland streets when questioned about negative aspects of the area noted the "chronic" lack of parking. Interestingly, of the firms surveyed on Homer Street, none complained about parking, even though they were only one-half to one full block away. The reasons for this difference were simply that several parking lots bordered Homer, both sides of the street were available for parking on Homer (the loading docks on Hamilton & Mainland are often 'no parking' areas) and there were fewer businesses (hence lower demand for parking) located on Homer. This is a simple example, but it illustrates potential differences in perceptions over a relatively small geographical area, and thereby emphasizes the importance of ensuring even distribution, even at a relatively small scale.



Map 5.1 Geographical Distribution of Respondents

## 5.4 Types of Firms Surveyed

Figure 5.1 is a list of the producer service firms (by category) which were surveyed for this study. As noted, there was a wide and interesting variety of firms and while they could have been categorized further (e.g. F.I.R.E., Creative Design, etc.), it was felt that by keeping categorization to a minimum, greater insight as to the eclectic nature of the firms in this area could be appreciated.

**Figure 5.1: Firms Surveyed by Type**

Type	Number Surveyed
Graphic Design	7
Software Development	4
Architecture	3
Film Post Production	3
Public Relations and Marketing	3
Real Estate and Planning Consultants	3
Advertising	2
Communications Consultants	2
Education and Training Consultants	2
Engineering Consultants	2
Computer Systems Consultants	1
Environmental Consultants	1
Manufacturer's Agent	1
Other	1
Total	35

As noted by Brail (1994), Yaletown is known as being an established design district and indeed in this study graphic design firms and architectural firms are well represented with 10 out of 35 respondents. However, judging by the survey, other types of firms are also located in Yaletown, including those in the public relations,

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\* The type of business which this firm was involved in was unique. To respect confidentiality, the type of business has been categorized as "other".

communications, marketing and advertising fields (seven respondents), as well as firms associated with the computer industry (five respondents). Therefore, while the area is well known as a design district, other types of firms are quite prominent.

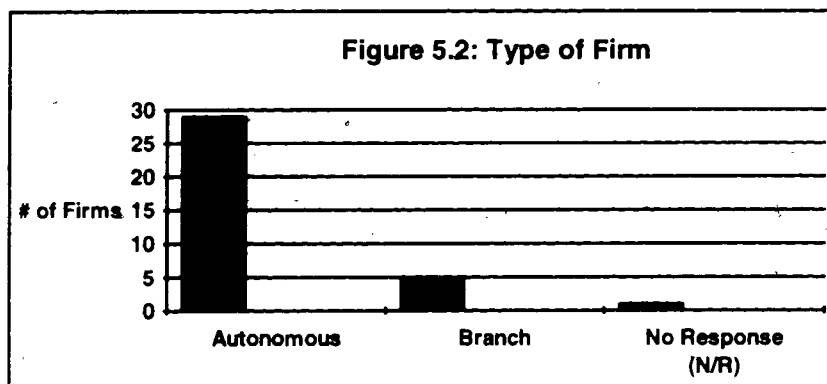
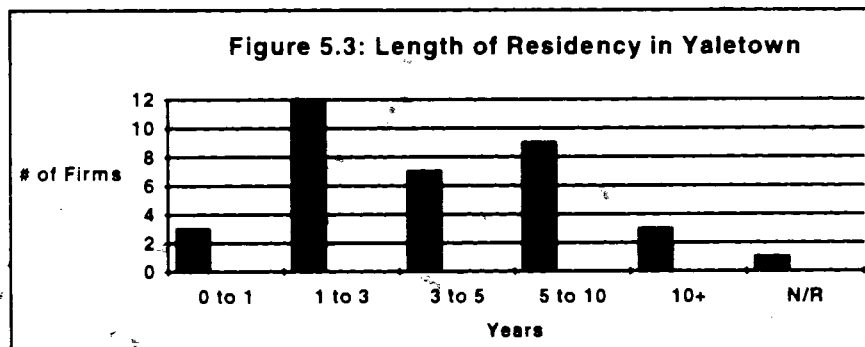


Figure 5.2 illustrates that the majority of the firms in the area were autonomous, with just five firms being 'branch' offices. This factor was examined to see if there were any differences between to location decisions of an autonomous firm (which would have the final decision in office location) and a branch office (which theoretically would not have the final say). Results from the survey research determined that there were no noticeable differences between the two types of firms in terms of office location decisions.

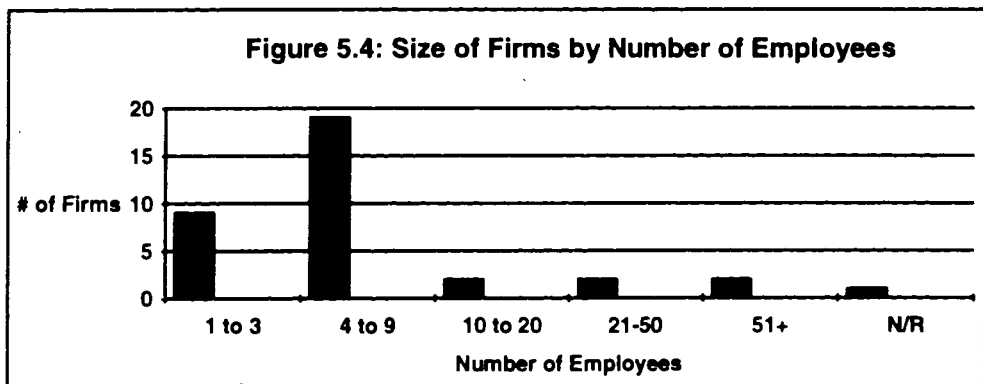
### 5.5 Length of Residency in Yaletown



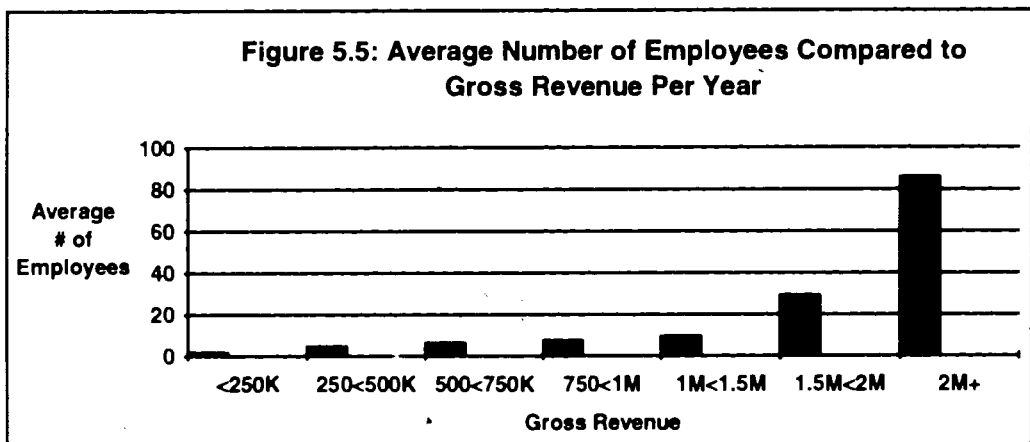
Two very interesting insights of the survey research came from examining the length of time which firms surveyed have been located within the area. The first point of interest, as shown in Figure 5.3, is that the number of producer service firms that have located in the area during the past year is comparatively smaller (three) than the previous two year time span which averaged six per year. At first glance the most probable explanation would appear to be that with the transformation of Yaletown, prices in the area have risen and firms could get a better deal on rent in other areas. That explanation however, was not likely the case. At the time of the study, the Vancouver office real estate market was in a slump, with vacancies averaging approximately 14 to 15 percent. This was not the case in Yaletown, however, as the office vacancy rate stood at approximately 3 percent.(Royal LePage, 1994b) Interestingly, with a vacancy of only 3 percent it would be expected that lease rates would rise, but in Yaletown they did not. Lease rates for the office space remained at approximately \$10.50 per square foot, most likely a result of comparatively high vacancy rates (9 %) for similar Class B and C office space outside of Yaletown.(Royal LePage, 1994)

A second point of interest shown in Figure 5.3, was that while the majority of firms had located within five years previous to the study (22), a significant number (12) had been in the area for five years or longer (on or before July 1989). This finding supports the historical analysis of the transformation of Yaletown in Chapter 3, which found Yaletown has undergone a significant transformation and has experienced a significant influx of firms since the late 1980s.

## 5.6 Size of Firms



The findings from the survey research on size of firms confirms what was postulated after the preliminary analysis of the area. As shown in Figure 5.4, the majority of firms (measured by number of employees) were small with 28 of 34 respondents having 9 employees or fewer.



As to be expected, in Figure 5.5, gross revenue per year went up as average number of employees per firm went up. One interesting aspect however, is the apparent 'threshold' after 1.5 million dollars in gross revenue which is associated with a significantly larger labour force. At first glance it might be tempting to assume that some factor such as increasing economies of scale is causing this. While this may indeed be

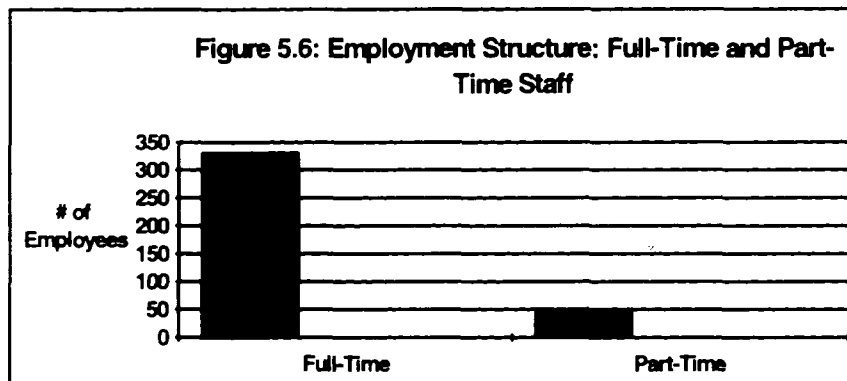


true, going back to the survey design, the question on gross revenue was categorical and was asked only to gain an estimate of revenue relative to size of firm. Calculating gross revenue per employee is not possible as exact revenue figures were not requested.

Further, given the small number of firms that this assumption would be based upon (only 5 firms earning more than 1.5 million), such conclusions cannot be drawn at this time. It would however be an interesting area for future research.

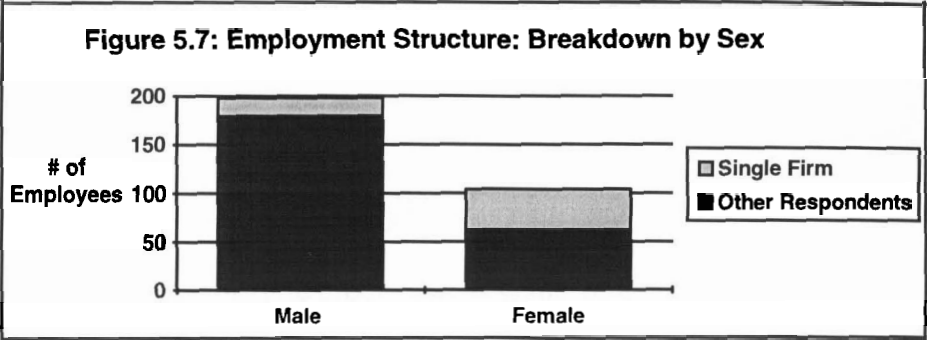
### 5.7 Employment Structure

In terms of employment structure, the majority of the employees working for the producer service firms were full-time and predominantly male.



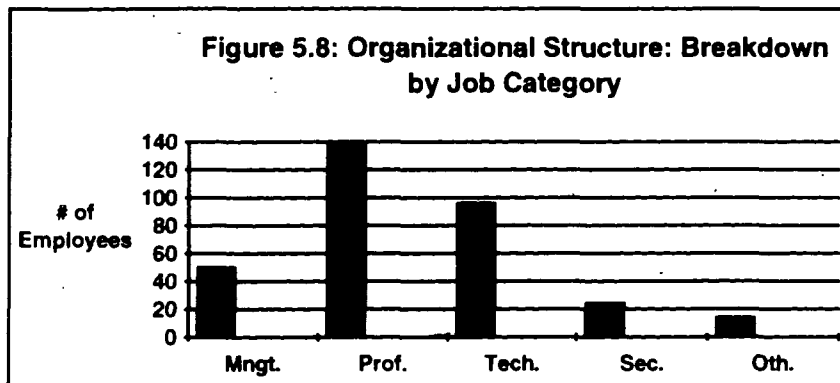
Comparing the number of full-time and part time employees was designed to provide insight into the employment structure of the firm, as well as provide some understanding of the internal dynamics of the firm. In Figure 5.6 it is quite clear that the majority of employees work full-time (roughly an 8:1 ratio) which is considerably higher than expected. As discussed in Chapter 2 (section 2.3.1 & 2.3.2 External and Internal Motivating Factors), producer services in addition to being part of the flexible production process can often be internally flexible themselves to meet fluctuations in the type and

supply of work available. These results confirm the findings of Brail (1994, p. 65) who found that among creative design firms 87% of employees were full-time. In hindsight, it is clear that a further distinction between full-time permanent and contract, and part-time permanent and contract employees would have provided some further information on the internal dynamics of the firms.



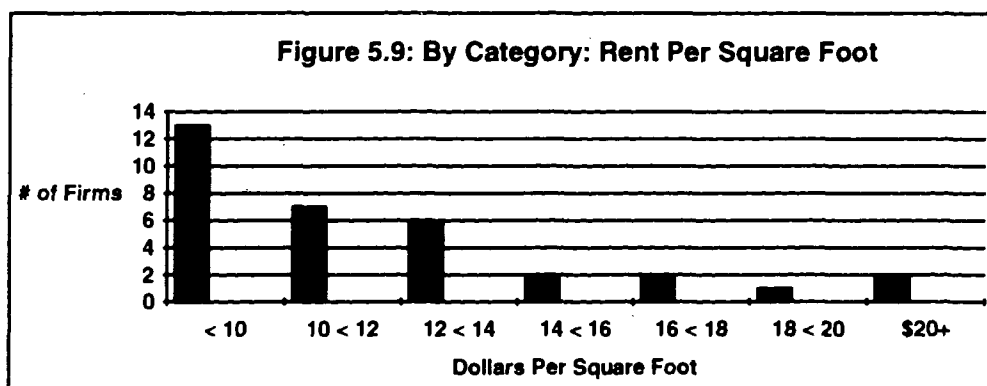
The other surprising result from this section of the questionnaire was the very high proportion of male employees to female employees. In Figure 5.7, the ratio of male to female employees in total is a little under 2 to 1. However, this may not be a true breakdown of gender representation because the largest firm in the study is predominantly female and once that firm is taken out of the statistics, the ratio of male to female rises to just under 3 to 1. As noted by Beyers (1993) the role of gender (and gender inequality) within producer service firms is not something that has been examined in great detail. While this study does not seek to explore this in any further detail, hopefully the information presented here can be used in further studies.

## 5.8 Organizational Structure



The organizational structure of firms, when broken down by job category, clearly illustrates that the firms surveyed typify what is understood about producer service firms. As a product of lean and flexible production systems, producer services are characterized as generally having a 'flat' organizational structure (few managers and support staff) with the majority of employees being highly skilled technical staff or professionals. From the results in Figure 5.8 it can be concluded that the producer service firms surveyed have a relatively flat organizational structure and the majority of employees fall into the professional (138) and technical (96) categories. The relatively high number of managers could be explained by the fact that the majority of firms are autonomous (Figure 5.2) and as a result the management duties of those firms are internal. Furthermore, as noted frequently in the follow-up interviews, while firms often identified the owners or partners in the firm as the management, when asked, the owners considered themselves to be professionals or technical staff "thrust" into the management role simply because they owned the business.

## 5.9 Cost of Rent

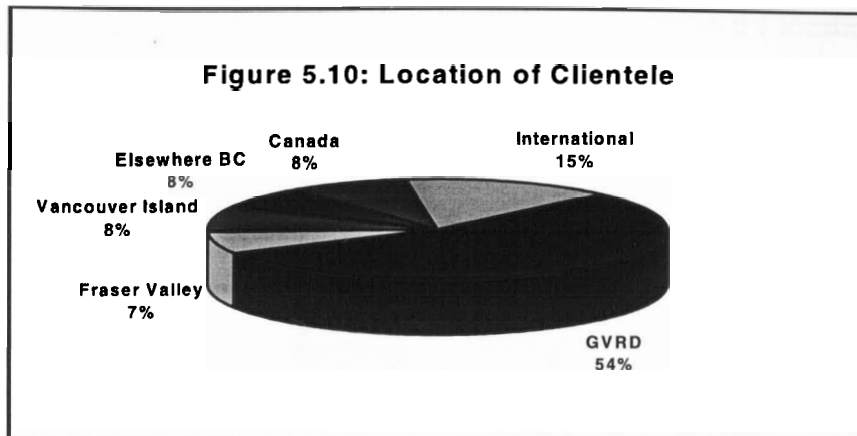


According to a 1994 market study by Royal LePage, the cost of office space in Yaletown is comparative to lease rates in other areas of Vancouver for similar Class 'C', 'B', and some class 'A' office space averaging around \$10 to \$14 per square foot (p.s.f.) The results from this survey confirms this. As Figure 5.10 illustrates, over 50% of firms (20) pay below \$12 p.s.f., and approximately 75% of firms (26) paid less than \$14 p.s.f. While this was to be expected considering the high office vacancy rate at the time, and the fact that the quality of most of the office space in the area was rated 'C' or 'B', it would be very interesting to do a similar study five years from the date of this survey. Considering the continuing influx of designer clothing houses, upscale dining establishments, high-end loft condominiums, etc. into Yaletown, coupled with the lowering office vacancy rate and continued re-development of land within the Downtown area, a very different situation would likely be evident.

## 5.10 Location of Clientele

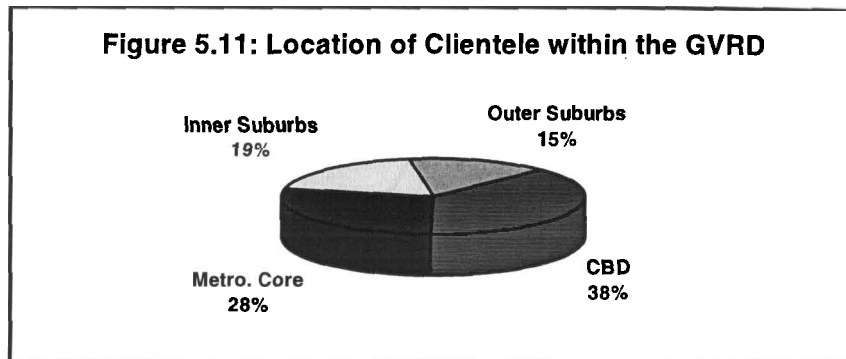
The primary location of clientele for firms in Yaletown (shown in Figure 5.10) was the Greater Vancouver Regional District (GVRD) (54%), followed by international

clients (15%), Vancouver Island (8%), elsewhere in BC (8%), the rest of Canada (8%), and finally the Fraser Valley (7%).

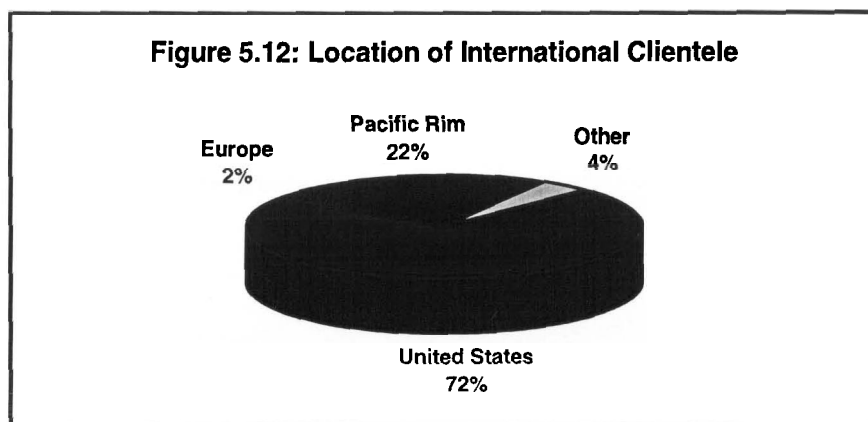


Of the clients located within the GVRD, 66% (see Figure 5.11) were located within the City of Vancouver which was divided into two parts; the CBD/Downtown (38%) and the metropolitan core (28%).(see map in Appendix 2) Therefore, when total number of clients is taken in to consideration (Figure 5.11), only 20% are located within the immediate area (the CBD) and in total, only an additional 16% (for a total of 36%) of clients are located within the entire metropolitan core (ie. the City of Vancouver). This brings forward an interesting insight. Proximity to clients was ranked as one of the top two factors in firm's location decisions. However, in this component of the study the total percentage of clients within close geographical proximity (ie. the metropolitan core) is considerably less (36%) than the majority (64%) which are located outside of that area. Even when the inner suburbs are factored in to ensure that any clients located just on the fringe of the metropolitan core are included, total clientele only equals 46%. Obviously, there is considerable latitude in what distances can be considered as being in 'close

proximity' or not. Despite that, the fact that the majority of clients are not located within a relatively close distance (within a 45 minute drive approximately) serves as an interesting starting point to uncovering the role of client location in the location decisions of firms within the study.



Internationally, the majority of clients are from the United States (72%), followed by the Pacific Rim (22%), Europe (2%), and other (4%) (identified as the Middle East and South America). While the numbers involved are too small to make any broad generalizations (a total of 12 firms with a percentage of international clients), it is interesting to note that the United States is by far the most important.



This finding would appear to reflect other findings (e.g. Hutton, 1994a), that despite the emergence and promotion of Vancouver as a Pacific Rim city, the majority of trade still occurs with the United States and producer service firms in Yaletown appear to be no different. This would be another interesting area to examine in five to ten years, to determine if the geographical location of clients has shifted and the importance of the Pacific Rim has grown in prominence.

### **5.11 Communication with Clients**

One main area of focus within the producer service literature is the methods which producer service firms use most often to communicate with clients. Over the last two decades it has seemed that with every new advance in computer or communications technology, there has been predictions of the dawn of a new era, where the majority of business will be conducted over the fax, modem, internet, etc. While these advances have increased the variety of ways which firms conduct business and increased the amount of interaction between firms, they have not replaced the necessity for face to face contact. The subject is especially topical for producer services because they produce ideas and services and therefore, could stand to benefit tremendously from any advance in the ability to communicate effectively.

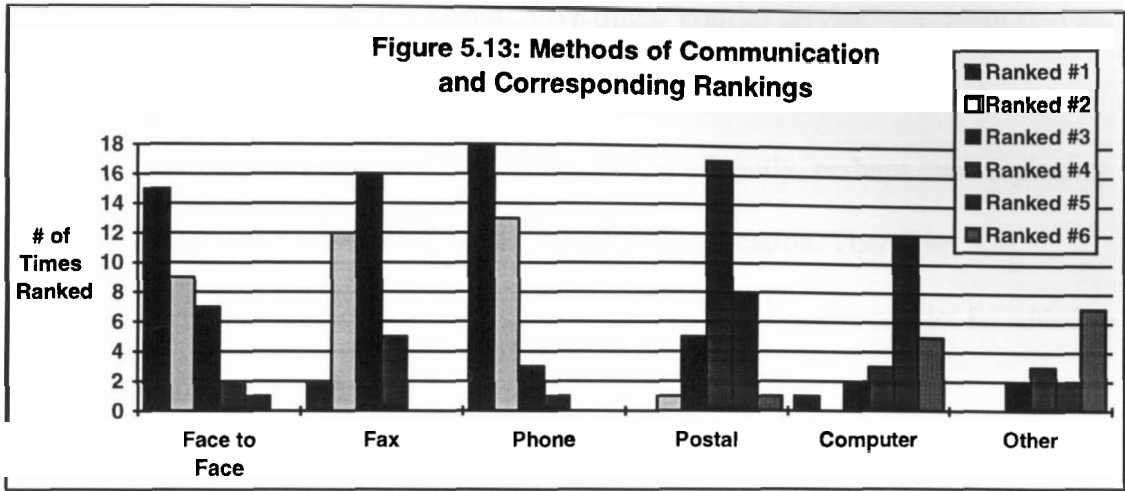


Figure 5.13 displays the results from the survey question on communication with clients. As noted, the phone was chosen as the most important method of contact, followed closely by face-to-face contact and the fax. This is a rather interesting result because the majority of research would tend to indicate that face-to-face would be the most important and phone, while perhaps a more frequent form of communication, would be second in terms of importance. While there are several potential explanations for this (face-to-face contact is becoming less important, the phone in combination with the fax is becoming more widely utilized, etc.), perhaps one possible explanation comes from the findings in section 5.10. Of the firms surveyed, the majority of clients were located outside of the metropolitan core, therefore, it may stand to reason that efficient time management would dictate that a certain amount of important communications be conducted over the phone.

Of the remaining methods of communication, postal services were the fourth most important, the computer was fifth and 'other' forms was sixth. One important research note is that within the 'other' category, respondents were asked to list what other method



of communication they were referring to. Five times 'courier service' was identified and ranked in importance from three to five. This result strongly suggests that had courier been included in the survey, it would have ranked significantly, perhaps even replacing computer in terms of importance as a method of communication. Therefore, it is recommended that should a study of this nature be conducted again, courier be added to the survey as a method of communication.

### 5.12 Level of Interaction with Other Businesses in Yaletown

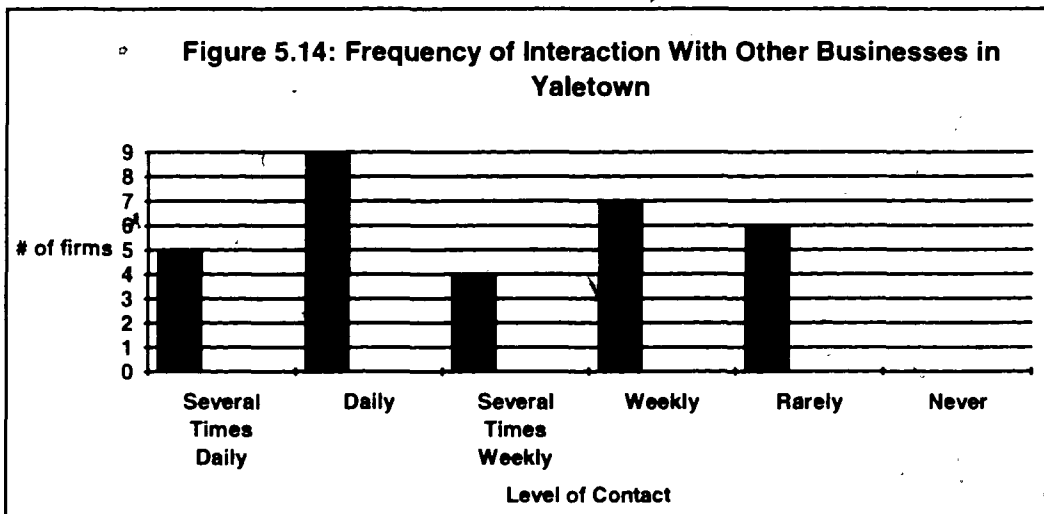
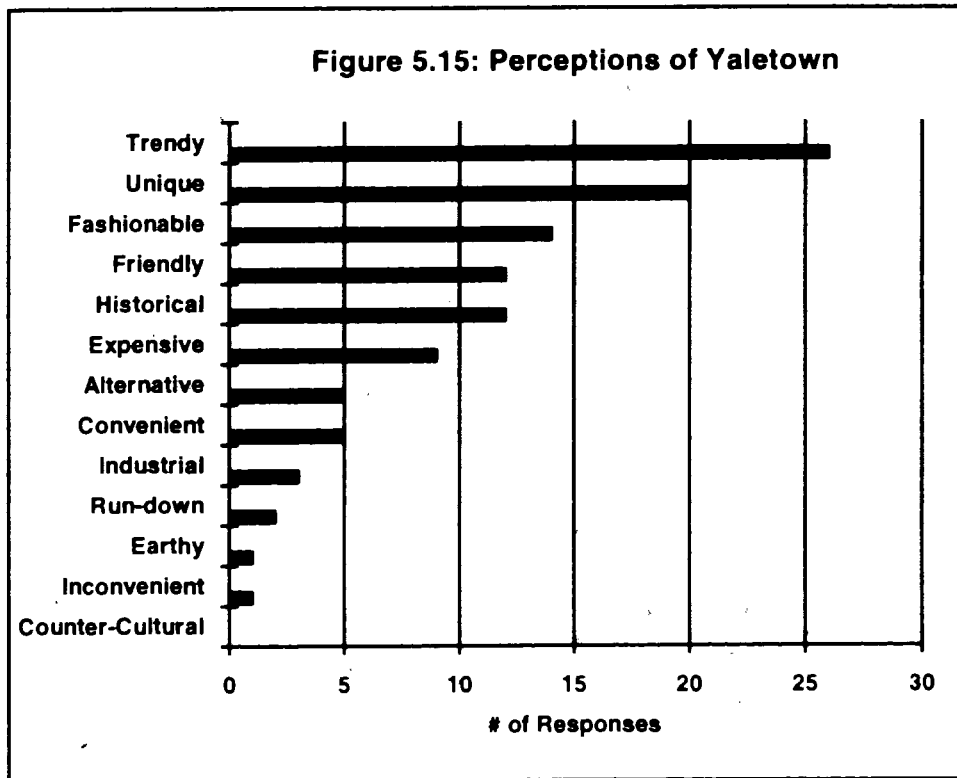


Figure 5.14 notes the level of interaction which firms have with all businesses located in Yaletown, from clients, to restaurants, to support services, etc. In total, the level of interaction between businesses appears to be fairly high (25 of 31 respondents interact with other Yaletown businesses at least weekly) and suggests there are some agglomeration benefits occurring. As will be discussed in Chapter 6 however, the majority of interaction occurs between producer service firms and business service firms

such as photocopy shops, office supply stores, etc., and not with other producer service firms or clients.

### 5.13 Perceptions of the Study Area



The most obvious result from the question on the perception of Yaletown by various firms is that the top five responses can all be considered as positive comments. These findings clearly suggest that firm's surveyed are very positive about the area. Another interesting finding is that the sixth most frequent response is 'expensive', which, as further discussed in Chapter 6, suggests that there is some concern over escalating rent and escalating costs (parking, eating establishments, etc.) in the area. Finally, the last term at the bottom of the chart "convenient" was not included in the original question, but was written in (in space provided) by respondents. Similar to the findings on level of

communication (Section 5.11), because the term was mentioned several times at the initiative of the respondent, it is reasonable to assume that it may have been selected more often had it been an option within the question. Further, it is also reasonable to assume that it re-emphasizes the importance of proximity in location decisions of producer services.

### 5.14 Location Decisions Of Firms

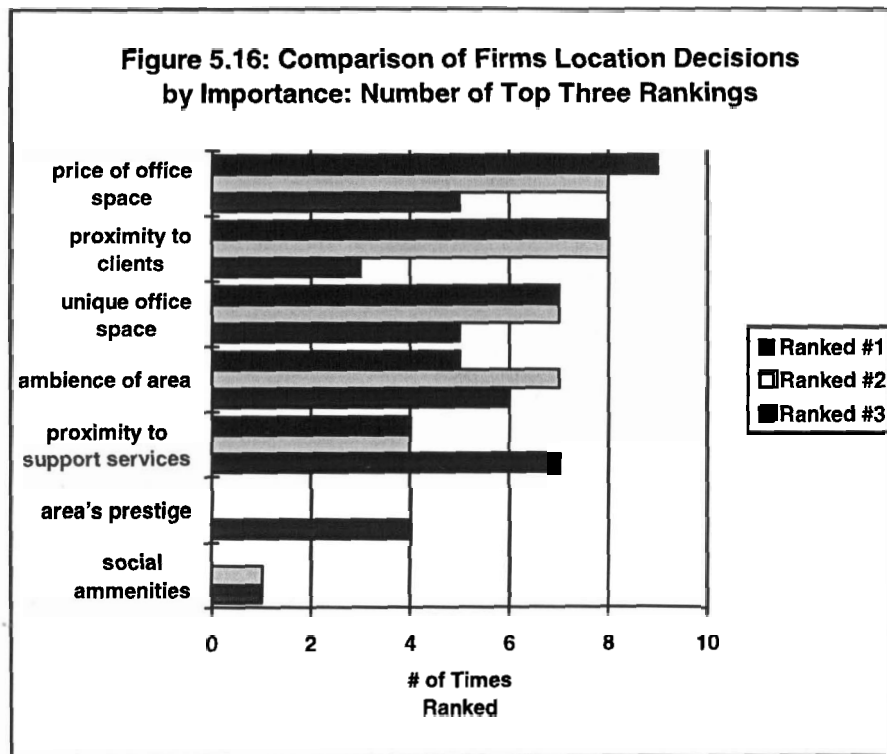


Figure 5.16 clearly indicates that of the firms surveyed, the price of office space (rent) and proximity to clients remain as the most influential factors in a firm’s location decision. This finding confirms Michalak and Fairbairn’s observation that “inner city” firms consider rent and proximity to clients to be the important locational factors.

(Michalak and Fairbairn, 1993, p.13) However, results shown also clearly indicate that the quality of office space and ambiance of the area (in essence milieu) play almost an equally important role, gaining a considerable portion of first and second place rankings, to rank third and fourth overall ahead of proximity to support services. Given the unique qualities of this study area as well as the nature of this research, it is obvious that these findings cannot be considered as the definitive proof that 'non-economic' factors such as milieu are almost playing as important a role as economic factors in location decisions. It does however offer concrete proof that for some firms, these factors are very important in the decision making process.

### **5.15 Chapter Summary**

The survey results presented in this chapter present some very significant findings. Overall, the firms surveyed for this study can be characterized as generally smaller firms, who have been in the area for a relatively short amount of time and whose average revenue reflects their smaller size. In terms of employment and organizational structure, the firms were male dominated, positions were primarily full-time and the firms had a relatively 'flat' organizational structure with a high number of managerial, professional and technical staff, and few 'support' positions. In regards to the location of clients and level of interaction with them, the majority of clients are located within the GVRD, and interestingly, the most popular method of interaction was the phone and not face-to-face contact as hypothesized. Finally, the findings suggest that the character and milieu of Yaletown is important to the firms surveyed. Level of interaction with other businesses in

the area appears to be high, although it should be noted that the majority of that interaction appears to be with business service firms and not other producer service firms. The overall perception of Yaletown appears to be very positive with the terms 'trendy', 'unique', 'fashionable', 'friendly' and 'historical' being the most frequently chosen terms to describe the area. The most significant result of the survey research is that while 'price of office space' and 'proximity to clients' are identified as the most important locational factors, 'unique office space' and 'ambiance of the area' are very strong third and fourth considerations, ahead of proximity to support services. The strong showing of unique office space and ambiance of the area will be further discussed in Chapter 6, which presents the findings from the follow-up interviews.

## **CHAPTER 6**

### **INTERVIEW RESULTS**

#### **6.1 Introduction**

In this chapter the results of the follow-up interviews, or intensive part of the research will be presented. The main purpose of this chapter is to build upon the findings from the survey, to further elucidate the motivating factors in firm's location decisions, and to gain an appreciation of the insights which firms have on the future of Yaletown. To illustrate the perceptions of firms, quotations were selected from the follow-up interviews which were representative of the responses. The issues to be examined are; the role which character and milieu had in the location decision process, the type and level of interaction firms have with other businesses in the area, the perceptions which firms have of the area, and the general perceptions and concerns which the firms had on the future direction of Yaletown. The final section will summarize the findings of this chapter.

#### **6.2 Role of Character and Milieu in Location Decisions**

The follow-up interviews concurred with findings from the survey that amenity and milieu of the area do play a significant role in the location decisions. However, they are not more important than rent and proximity. It stands to reason that economic factors such as rent and proximity precede character and milieu in terms of importance, because firms are in business to make a profit, and any excess spent on office space is going to cut into that. It would appear however, that in the case of Yaletown firms had a clear idea of the type of office space and the type of area they wanted to be located in. Several firms

noted that while there was similarly priced or cheaper office space available (Broadway Corridor, in the suburbs, even downtown), they specifically chose this area because it “fit” with their “aspirations” and “corporate image”. This section will emphasize and illustrate how important the character and milieu of the area was to these firms, and how in some cases firms paid “a higher price to be associated with Yaletown”. First, the factors identified by firms which made Yaletown a unique area will be examined, followed by a look at the importance of image to the firms located in the area, and finally the vital role which unique office space had in the location decision.

### ***6.2.1 Uniqueness of the Area***

Often communities tend to be define themselves not only by what they are, but also by what they are not. Indeed, it is the nature of research on urban areas to help define one area by using other areas as benchmarks. The community of Yaletown is no different, as many respondents chose to define their area by noting that it was similar or different from other areas of the city. As the next few excerpts will demonstrate, while firms did have an awareness of the attributes which made their area unique, they often would define their community by stating it was not “like those ‘suit’ areas downtown”, or “not your typical, touristy Gastown”. Interestingly, none of the respondents identified any other area of Vancouver as similar to Yaletown, the majority viewed the area as unique and were quite positive about the factors which they felt make the area “different”. One of the most frequently mentioned factors was the “more relaxed attitude” which was associated with Yaletown, yet it was felt that the image of the area was still professional enough to not reflect negatively on the firm

"The environment is way different than it is downtown and downtown is very suit oriented, very staunch and upright. Here, we have the opportunity to have that artistic creative flair that if you walk around here, everybody is very relaxed and yes we are a suit company and we have to be professional and all of that, but on the other hand, a lot of us are artists and in our own way and so they need that sort of environment to back it up, so I think part of the choice is difference from downtown core."

"To try and summarise, it is downscale, it is old, it is funky, it is low rent, it attracts people who... traditionally don't have a lot of money to blow on fancy offices, etc., and that certainly is a far cry from the downtown core where you are in a Park Place or a Cathedral Place or something like that and it is all very high tech, high rent, just a totally different physical environment, quite night and day. Also, it is not another Gastown, which is an important distinction for firms here."

Therefore, it is evident that firms perceive Yaletown as a unique area, not only in its physical characteristics but also in the business environment, or milieu. Several respondents noted that they enjoyed being in a unique area of the city, and that the areas 'uniqueness' reflected upon their firm. The importance to firms of locating in an area with a unique identity is discussed in the next section.

### ***6.2.2 Importance of Yaletown's Image to Firms***

The image of Yaletown also proved to be an important aspect in many firms location decision. Not surprisingly, it was those firms which emphasized the uniqueness of the area that tended to see that uniqueness as an important part of "the corporate identity and fabric of their firm". For several firms, locating in Yaletown emphasized and even enhanced the 'unique' image which they were trying to convey.

"A lot of the reason we are here is also profile... But (the company) is a very unique company and we like to stand out as unique, different from everybody else. We are a marketing firm so we want to stand out as unique. This area is really good for that because people look at it and say "Oh, they are down in that very trendy, new ever-changing kind of location", and it fits our personality as a company. It works well."



“We probably chose Yaletown as we felt comfortable... the right personality for our business and for our clients. There are a lot of corporations and it is village-like in some strange ways and considering how hip it is in so many other ways, that it is an interesting contrast.”

As mentioned in the previous section, for many firms, Yaletown also represented an appropriate mix of “creative-type flair” with enough “credibility” to be a good area to conduct business. As one firm put it, Yaletown was not too “out there” to still be considered a professional place to conduct business. Another firm commented:

“...we always feel like it is important that we look like we are slightly different, have a slightly different bent to things... We see ourselves as a progressive firm and it seems like a progressive part of town, therefore, the association with what is happening... It is very much an image thing, it is different but it is not grunge, it is not Commercial Drive, it is sort of upscale enough that it gives a credibility as well.”

The question of image is a vital component to the understanding of producer services in Yaletown. Image is widely acknowledged as an important factor to many different types of businesses, from high-end retail areas, to prestigious financial districts, etc.. Studies have noted that areas such as Yaletown attract artists, the fashion industry and creative design firms. Indeed that has been the case in Yaletown. However, a considerable number of non-creative design producer services identified the image of Yaletown as important to their firm. This provides further evidence that the location decisions of producer services may be reflecting changes in corporate structures and identity, and as a result factors such as character and milieu are rising in importance.

### ***6.2.3 Unique Quality of Office Space***

Perhaps one of the most important location factors emphasized by firms during interviews was the importance of the unique office space available in Yaletown.

Respondents demonstrated a strong appreciation for the built environment in Yaletown, frequently noting the brick and beam construction, the high ceilings, the windows that open, etc. Also of interest was that several respondents made a direct association between the buildings and the productivity of workers, environmental responsibility, and health of their workers.

Several firms noted that 'in their line of work' there was a high degree of creativity, unusual hours, a need for flexible space, etc., and perceived that the building they were in played a significant role in promoting that amongst employees.

"Comfortable non-corporate looking facility or space and price too was a pretty big thing for us. At the other places we looked at, it was right in line and it offered far cooler looking, the brick and the ceilings, and the wood beams are more conducive to our work."

"We really like this particular office, I think environment is really important, I think that is one of the most important things that we can do as a company is provide the right kind of space for people to do things that they do and I don't like the concrete and steel kinds of things. This building, in particular, has a sort of organic quality to it which I really like.

Another theme which came forward when questioning firms about the unique character of the office space was the perception that their location in Yaletown was also partially an environmental choice. Specifically, that some felt that they were adapting and re-using old warehousing space, which otherwise may have been demolished in favour of new development, which would not be environmentally friendly.

"I think we like the wood beams, we like the reuse of an old building, that very much fits sort of our beliefs environmentally sensitive and sort of give that environmental edge to our firm. It gives us almost like, has a sense of texture to it. That was important in our search for a space."

The third interesting aspect to come from the follow-up interviews was that some firms identified the buildings in Yaletown as providing a much healthier office environment because the windows opened and the air was not recirculated:

“We do a lot of environmental consulting and a lot of work looking at the inadequacies of the traditional modern office buildings for sick building syndrome. ...As a result, we have some insight and really wanted something just a little different.”

“...we wanted to be here because we wanted a place where we could open the windows and we did not want to be in a place with recirculated air... this is a much healthier office than what you would find downtown.”

The results from the interviews adds further credibility to the findings of the survey research. The survey indicated that unique office space was ranked as the third most influential factor in location decisions, closely following price of office space (#1) and proximity to clients (#2). If weighting of respective first, second and third place rankings was replaced with a straight count of the number of top three rankings, unique office space actually ties proximity to clients in order of importance with 19 top three rankings each.

### **6.3 Level of Interaction With Other Businesses in the Area**

As discussed in Section 5.12, the level of interaction with other businesses appears to be fairly high. However, survey results indicated that the interaction was primarily with business services (print shops, office supply stores, etc.), but not with other producer service firms or clients. The finding from the follow-up interviews confirms the survey results; while there is a high level of interaction amongst businesses in the area, there does not appear to be a significant amount of interaction between producer services.

### **6.3.1 Business Services**

In Yaletown there appears to be a fairly high level of satisfaction with the amount of business services (often referred to as 'backward linkages) in the area, and that to most firms there did not appear to be any disadvantage in being located in Yaletown compared to other areas of the city, including downtown.

"... there is a fair variety of businesses types here and we use some of the service industries here. I don't think we would work any differently if we were downtown as opposed to here."

"...it has got a reasonably good mix of suppliers for my business, Custom Colours down the street, two small printing shops within a block. There is a secretarial service immediately available, there is the speciality photo printing thing across the street. It has got the kind of supplier services that my particular business needs, within walking distance."

A second observation concerning the level of business services in the area was that to a certain degree, some firms appeared to feel responsible for ensuring that business services in the area did well. When asked about how often firms used business services in the area, several respondents said things such as "not as often as we should", or "we try to use as many as we can". Obviously, having a wide range of business services in the area helps a business in terms of day-to-day operations; however, there appeared to be a sense of 'personal' responsibility. As indicated by one respondent;

"Not as many as we should.... we do buy office supplies and drafting materials, anything that we can get within walking distance we certainly try to. After all, it helps the area."

It is this sense of responsibility; sense of belonging, and most of all, sense of pride in the area that was evident in the majority of interviewees.

These findings, coupled with the survey results, confirm Brail's (1994) findings that while there was a well established support service network of backward linkages in Yaletown, the level of interaction between producer service firms was minimal.

## **6.4 Perceptions of Changes in Yaletown**

Similar to the findings from the survey research, the perception of the changes in Yaletown has been *very* positive. Those interviewed noted that there was a "vibrancy" in the area and that Yaletown was an "exciting area to be in" at the time of the study. Further, the majority of firms felt that the increase in activity, both in terms of number of people and variety of activity was also very positive for safety reasons. The only drawbacks noted by firms was that perhaps Yaletown was losing its unique character, parking was getting far worse in the area, and that costs had begun to increase slightly as demand for space in the area grew.

### **6.4.1 Overall Perceptions**

The survey results indicated that overall firms had a very positive perception of the area. The information gathered during the follow-up interviews clearly supports these findings.

The two main points observed during the follow-up interviews was that interviewees were very positive about changes to the character and milieu of the area. Several firms saw the transition as "enhancing the area", making it "more unique" and a "really cool, kind of funky place to be".

"We have been here three years and in that time, we have seen really what you would call urban gentrification. There has certainly been an upgrade, there has been a much more positive perception by the local community or

by people in Vancouver of Yaletown. It really has become a much more desirable place to relocate. I think you can just see it in the changes over the last three years, in the increased amount of restaurants, cafeterias, and other service oriented industries coming in."

"There are changes happening and they are positive changes as far as we are concerned. It is a different culture, it is very artsy, there are good restaurants around and their funky designs. This one they are building in here is a new large self-brew pub and that is great for the area..."

Another interesting observation, eluded to in the preceding excerpts, was that not only were firms in Yaletown aware of the more physical or cosmetic changes which had occurred in the area, but they were very cognisant of how the area had transformed as a community. Further evidence of this awareness is noted in the following excerpt:

"Changes have been quite evident. It is rapidly transforming itself from its original licence as a warehouse semi-industrial sort of low rent commercial office area into an upscale office space for professionals, retail, furniture outlets, a lot of hospitality stuff, in terms of coffee houses and restaurants. It has become very lively, very interesting, very active area and overall the changes have been extremely positive."

Therefore, in terms of overall perception of the area, firms generally had a very positive outlook on the changes which had occurred both within Yaletown and within the surrounding area. Among interviewees there was an appreciation of the changes to the physical environment. However, more often the changes to the social and cultural fabric of the area received greater attention in the interview.

#### **6.4.2 Safety Issues**

According to some of the interviewees, one of the positive aspects of the increased amount of activity was that it would increase vehicle and pedestrian traffic in the area, and result in a safer community.

“...there is increased congestion which is good and bad. It means there is more activity in the area, it is becoming more self-policing in this area, things like Denny's open 24 hours a day, gives you the sense of security a little better in the neighbourhood now than it was before. Things shut down and went dark at the end of the work day.”

“...but I like the fact that there is more people down here. I like the fact that there are people here on the weekends. Quite often we work very late into the night and when we leave late at night, I would rather walk out there with a little bit of life going on”

Not all interviewees perceived that safety had increased. Some firms noted that with the increased night life in the area from entertainment establishments (eg. Bar None, Richards on Richards, etc.), they felt the level of safety in the area had gone down.

“...it is very busy also at night which should not affect us except for we work late so we are quite conscious of the night life coming into the area that wasn't here necessarily before. You can be up here and it is loud down on the street and coming and going for employees is not all that much fun.”

Unfortunately, in a recent Community Policing Task Force study of the area, it was concluded that the level of crime against property has increased significantly in the area. The task force determined that the rise in crime is largely as a result of the increase in the number of night clubs in the area. (Confidential Interview, January 1997)

#### ***6.4.3 Concerns Regarding Changes to Character***

As evident in this study, the transformation of Yaletown has been perceived as a very positive thing by a majority of people. At the time of the study however, there were some underlying concerns regarding current changes and potential changes in character and milieu. Several respondents enjoyed the “industrial feel of the area”, the “edginess of the area”, and the “downtown, but not *downtown*” environment. Their concerns were that the

area was evolving beyond the character and milieu and might become too “upscale” and “trendy”.

“This has become more, I guess, creative, but it has become more a really yuppie area... maybe it is becoming too trendy.”

“I think it was definitely considered creative, it is becoming almost too upscale to be creative anymore. Creative people tend to hang out in places that aren't too perfect. Yeah, it is a very cool place to be and people like it and stuff, but I almost think it was cooler four years ago when people did not know about it. For us, I think the things that are happening down here are positive...”

Another observation from the interviews was that in addition to individuals using terms such as ‘trendy’ and ‘funky’ to describe the area, the term “yuppie” was often mentioned as a negative connotation. The use of this term is interesting because it is most often associated with residential gentrification and the socio-economic transition an area goes through. Perhaps the use of this term is further proof that Yaletown is not merely undergoing an economic transition, but a socio-cultural one as well.

#### ***6.4.4 Lack of Parking***

Anyone who has ventured into Yaletown in recent years, especially by car, likely noticed that there is a lack of parking within the immediate area. This fact is quite evident to the firms in the area as well. By far, the most frequently-raised negative aspect of locating in Yaletown was the lack of daily/monthly parking for employees and chronic lack of hourly parking for clients. For many firms however, the benefits appeared to outweigh the costs as they have chosen to remain in the area and work around the parking shortage..

“There are a lot of changes, most of them are positive. We have seen more retail businesses come in, we saw a bank machine come in, we have seen a number of people come in... The downside is parking.”



"The firm has been here for actually 10 years because we were over on Homer and Davie before we were here. We have seen a lot of changes, this was really industrial when we first moved in. Some of the changes are for the good, but we do find that it is very busy. Parking is our main problem."

Further proof of the lack of parking was that even firms located on Homer Street, which as noted in this study did not have a problem with parking, were quite aware of the problems with parking faced by those on Hamilton and Mainland streets. The most frequently raised concern of firms on Homer was that their area would end up with a parking situation like Hamilton and Mainland.

#### **6.4.5 Increases in Cost**

Another significant concern raised by respondents was the cost increases which appeared to be occurring at the time of the study. Survey and market research indicated that costs associated with locating in Yaletown were comparable to other areas of the city. Concerns are being raised however, that costs were starting to go up and would continue to as the area became more "upscale" and "trendy". Several firms noted that as the area continues to become more attractive, demand will increase and begin to price firms out of the area. These fears are not unfounded because as noted in Chapter 3, this has already begun to a large extent, with some furniture, fashion, and producer service firms being priced-out of Yaletown.

"High rent caused the move out, taxes went up, back a couple of years, it started doubling every year. So when you are picking that up as your operating expense, the taxes are in there, you will find a lot of people in the area who are moving out it is because they basically like the location but the taxes are too high, taxes and parking."

In addition, there were concerns that several of the development initiatives which were catalysts to the transformation of the downtown south area (eg. Theatre District, the

'Entertainment District', the Concord Pacific development, etc.) were increasing pressure on costs in the area. As one respondent noted:

"Obviously, the introduction of all that residential up in Concord and the effects it has had in terms of, in one's mind's eye, "cleaning up the east side of the city:... Obviously, it has had an impact in terms of its effect on property values and its attractiveness as a place to work or a place to come and go for a meal, that kind of thing. Costs are going up."

The rise in cost have already caused some firms to move out of the area, and this study indicates that several more could follow if costs continue to rise. Unfortunately it appears that in some ways Yaletown is starting to become a victim of its own success as firms who helped define the image of the area, are being forced out.

## **6.5 Future Directions of Yaletown and Area**

As noted in Chapter 2 of this thesis, Yaletown has undergone a tremendous transformation in recent years, and by all indications it will continue to transform and re-define itself. A majority of the firms interviewed had very positive expectations for Yaletown, and were excited about the developments in the surrounding area such as the new library, the new Ford Theatre, and the Concord Pacific developments. Despite the level of optimism however, there were some underlying concerns about losing the unique character of the area, the ability of the infrastructure to support the re-developments and new developments, and the potential rise in costs.

### ***6.5.1 Overall Perceptions on the Future of Yaletown***

As noted in the introduction of this section, the general perception of the future of Yaletown is very positive. Most respondents hoped that the character of the area, as it had developed to that point, would stay the same, with more amenities and services contributing to the enhancement of the quality of life.

“I like to see these buildings stay the way they are. They are different, they are being modernised, I mean, this was an orange stucco and they spent so much money taking the orange stuff off. It is becoming a red brick building and that is great. That is beneficial to the area... It could perhaps have more trees around and bring some greenery into the place.”

“I think the changes will be good. I have noticed that around this area... they are actually exposing the natural brick that was up on the walls. What a great idea, it looks so much nicer to see it like that, I can't believe somebody would even cover that up. I think it is going to get busier, I think people are very friendly around here, I think it is going to get a lot more friendlier, there is going to be more and more people around, more and more businesses here, more and more services.”

This portion of the interviews was quite enlightening. It was postulated that firms might be somewhat anxious about the changes in Yaletown because of the possibility of being priced out of the area, problems with increased congestion, lack of parking, etc. Interestingly, while the firms were aware of the potential problems (discussed in the next two sections), the perception of the majority was that Yaletown was a very “exciting” place to be and they looked forward to being a part of it. An interesting study would be to interview the same firms a year from now and see if their perceptions are still the same in light of the continuing evolution of the area.

### **6.5.2 Concerns About Infrastructure**

One of the principal concerns about the future of Yaletown centered around the ability of the existing infrastructure (parking, traffic, etc.) to be able to handle all the new growth. The term 'pressure' was used several times in describing the effects which new growth will have on Yaletown, a response suggesting that firms see the area approaching a breaking point.

“Oh I think so, I think it is going to create an incredible pressure... I think it is approaching a critical mass where it can sustain itself.”

“...one thing that really concerns somebody here is the increased pressure on parking and the increased pressure on the infrastructure”

“there is more residential being put in up here. Unfortunately, that will increase the traffic down here, both vehicle and pedestrian so they will have to compensate for that. Some changes will have to be made in parking and in traffic direction and that sort of thing, so I think there will be a little bit of transition there.”

“It might get to the point that there is going to be too many sort of high rises going up all around this area and that seems to be happening a lot.”

Observing new development in the area of Yaletown (residential high-rises west of Homer, residential/commercial north of Nelson, Concorde Pacific development to the east and south), it is easy to envision Yaletown as a tiny few blocks of brick and beam buildings surrounded by high-rise residential development. Given the historical designation that Yaletown has, there is little fear that the area will disappear. However, with the large number of people scheduled to move into the surrounding area there is bound to be a significant impact on the infrastructure.

### **6.5.3 Concerns About Cost Increases**

Similar to the concerns raised over the pressure which will be placed on the infrastructure of the area by the substantial amount of growth planned for the next few years, firms are very concerned about possible increases in costs in the area.

“I guess the fear that we have is that it gets so trendy that the costs for offices goes up, that would be what would move us out because I think that we can get around the parking... But I think if the rent went up, it would not take very much I think for it to go up and we would probably think about moving.”

“Well, we are here for another two years, after that, I don't know that we would stay here, no. I think rent would be the initial factor, parking is another.”

Another concern raised by respondents was that ,if the area does continue to transform into a more socio-culturally attractive area (i.e. became more trendy), perhaps other professions which can afford to pay more for rent will begin moving to the area and price out those already in Yaletown. As Brail (1994) has noted, this has already occurred to some degree in Yaletown with creative design firms.

“It is an... appealing area for businesses to come here, providing that they don't price them out of the market. That is one of the reasons why a lot of people aren't here now, they are probably on grandfather leases which make it affordable for them to stay here, but if the costs increase significantly then it should probably end up leaving Yaletown I would guess. I know for us, costs are probably the number 1 consideration.”

It is reasonable to assume that in the future as more units of the Concord Pacific development and other residential developments are brought on line, and density increases, costs will go up significantly. Further, it is also apparent that the milieu of the area has, and will continue to change as a result of the continuing transformation the area is undergoing.

## 6.6 Chapter Summary

This chapter has presented the findings from the follow-up interviews conducted for this study. As noted in the introduction, the main purpose of this chapter is to build upon the findings from the survey, to further elucidate the motivating factors in firm's location decisions, and to gain an appreciation of the insights which firms have on the future of Yaletown. In summary, there are several conclusions which can be reached now that both the survey and interview research has been presented. The first, and most important to this study, is that it can be stated with a high degree of confidence that the character and milieu of Yaletown played a significant role in the location decisions of firms in the area. The second conclusion, is that while there is a high level of interaction between businesses in Yaletown, there does not appear to be a significant amount of interaction between producer service firms. The third and fourth conclusions are that overall, the recent changes in Yaletown are considered to be very beneficial, and the perception amongst firms of future changes appears to be equally as positive. These conclusions, as well as the significance and the implications of them, will be discussed more thoroughly in Chapter 7.

## CHAPTER 7

### CONCLUSIONS AND RECOMMENDATIONS

#### 7.1 Introduction

The objective of this thesis was to determine the role which character and milieu played in the location decisions of producer service firms situated in the community of Yaletown. Up to this point, the study of the location decisions of producer services has focused primarily upon the economic and functional factors affecting international, national, regional and interurban locational patterns. As noted in Chapter 2, the intraurban location of producer services has not been explored extensively and except for a small body of literature on the location of creative services, the role which 'soft' factors such as character and milieu play within the process have not been assessed. This is a significant gap in our understanding because producer services have come to play an important role in the economic vitality of contemporary urban centres, and cities such as Vancouver are actively promoting the growth of this sector. This final chapter will summarize the findings of the study, present the research conclusions, and make recommendations regarding planning and policy implications, as well as areas of future research.

#### 7.2 Summary of Findings

As noted in the Chapter 4, given the exploratory nature of the study, the research for this thesis was organized to accomplish two main objectives. The first objective was to construct a profile of the study area and the producer service firms located there, so that this study could act as a starting point for future research. The second objective was

to determine the role which the unique character and milieu of Yaletown played in the location decisions of producer services, and further, the level of satisfaction firms had with the recent changes in the area.

The results from archival research, survey and interviews conducted for this thesis clearly indicate that the community of Yaletown is a socially, culturally, and economically distinct area of Vancouver. The main attributes which have led to the distinct (and attractive) character and milieu of the area were identified as; the history of the area, the unique physical environment, the geographic and psychological separation from the CBD, the significant agglomeration of design industries, and the emerging reputation of Yaletown and the surrounding community as an entertainment area. In addition to these factors, the transformation of Yaletown has occurred as part of the larger transformation of downtown Vancouver. The City of Vancouver, like many other cities in North America, has implemented planning initiatives (eg. CAP, Coreplan) to promote economic growth and diversification in the downtown. While these initiatives have not been directly responsible for creating Yaletown's unique milieu and character, they have fostered an environment that is conducive to redevelopment opportunities such as this.

The findings from the survey research on the general characteristics of firms in Yaletown are consistent with the characteristics attributed to small producer service firms in other studies. The majority of firms can be characterized as generally smaller firms, who have been in the area for a relatively short amount of time and whose average revenue reflects their smaller size. In terms of employment and organizational structure, the firms were male dominated, positions were primarily full-time and the firms had a



relatively 'flat' organizational structure with a high number of managerial, professional and technical staff, and few 'support' positions. The majority of the firm's clientele was located within the GVRD, followed by international clientele. Establishing that firms in Yaletown are similar in size, organizational structure, proximity to clients, etc., to producer service firms in other areas is significant to this study. As noted, this research is exploratory in nature and the results presented here are not intended to be conclusive. However, given the fact that the firms in Yaletown are rather 'typical' in their structure and linkages, this suggests that their location decisions may also be similar.

Concerning the second objective of the research, the results from the survey and the interviews confirmed that the majority of producer service firms examined placed a high degree of importance on the character and milieu of Yaletown when making their location decisions. While character and milieu did not replace rent in terms of importance, the evidence suggests that they were as important as proximity to clients and were more important than proximity to support services. Given the limited size and scope of this study, it is not possible to make any generalizations about producer services and if they are becoming more 'footloose' in their location decisions. The results do clearly indicate however, that more study needs to be done in this area.

One of the most interesting results of the study was the perceptions which firm's had of the ongoing, substantive changes that were occurring in Yaletown. It was hypothesized that because of the rapid change in the area, the influx of activity, the decrease in parking, etc., that firms may have been beginning to form negative perceptions of the area. This, however, was not the case. Overall, the individuals

interviewed perceived the recent changes as being extremely positive, and felt that future growth (i.e., Concord Pacific) would only enhance the character and milieu of the area. Some concerns were raised however, about the ability of the infrastructure in and around Yaletown to accommodate the planned growth in the area, and the possibility of costs rising substantially as demand for space in the area increases. An interesting study would be to re-interview the firms who participated in this study five years from now and question if their perceptions of the area have changed.

### **7.3 Research Implications**

This study has reinforced two important implications for future research on the topic of producer service location. The first implication is that while economic and functional factors are important to the location decisions of producer services, 'soft' factors such as the character and milieu of the area can play a very significant role in the location decision process. As Michalak and Fairbairn (1993) note, often executives of companies place considerable importance on the personal and subjective factors that affect location decisions. This study is the only one of the many steps which must be taken if we are to truly understand the location decisions of producer services.

The second implication is that that inner-city areas such as Yaletown should be considered as separate from both the CBD and suburbs when examining intraurban location of producer services. As noted by Ford (1994), inner city areas can have a very distinctive character and milieu. In this study, many respondents stated that they were attracted to the area because it had a unique character and milieu that was quite different from both the CBD and the suburbs.

## 7.4 Planning and Policy Implications

As discussed in Chapter 2, producer services have grown enormously during the past two decades, playing an important role in enhancing and diversifying the economy of Vancouver. If Vancouver is going to maintain and promote its economic advantage in this sector, it will have to continue to implement policies that address the locational requirements of producer services.

The first recommendation is that city planners must continue to promote and enhance the unique character and milieu of urban communities. One of the most positive aspects of Yaletown was that it "was not a Gastown," or it "was not a Granville Island," rather it had its own unique identity which was rooted in its rich and colourful history. Authenticity of place appeared to be a very influential factor in this study.

The second recommendation relates to the amount of traffic and lack of parking in and around the community of Yaletown. As the Downtown South Area continues to grow, it is quickly reaching the 'critical mass' of what it can support given the current road network and the parking facilities available. As Brail (1994) noted, an increase in the availability of public transportation will not likely be highly effective because both producer services and clients often rely heavily on private transportation due to time constraints and convenience. Therefore, a transportation plan needs to be established for this area which integrates the private automobile and public transit. In addition to increasing the amount of parking available, possible solutions could include: financial incentives to for driving and parking downtown only two to three days a week (thereby

accommodating for scheduled meetings); establishing park and cycle areas outside of the CBD and inner-city; etc..

#### **7.4 Future Research**

The majority of research on the location of producer services has been descriptive in nature rather than explanatory. As a result, there are many possible areas of future research to pursue, even in this narrow field. Therefore, this section is going to focus on areas of future research stemming from the main objectives of this study; intraurban location, and character and milieu.

The results from this study indicate that the firms located in the community of Yaletown considered the area to be both physically and psychologically quite different from the CBD and the suburbs. More importantly, it appears that the difference in the areas played a significant role in the location decision, eg., several firms noted that they did not want to be in a "downtown, suit and tie atmosphere". Therefore, future research on the intraurban location of producer services should attempt to distinguish between the suburbs, inner-city areas, and the CBD.

As noted in Chapter 1, this study was intended to examine the role which character and milieu played in the intraurban location decisions of producer services, and by doing that, begin to bridge a gap in the literature. While the results from this study indicate that character and milieu do play an important role, clearly more studies should be conducted. Not only should more comprehensive studies be done on an intraurban level, but also at a regional, national and international level.

**APPENDIX 1**

**LETTER OF INTRODUCTION  
AND QUESTIONNAIRE**

July 26th, 1994

Dear respondent;

Thank-you for agreeing to complete the following questionnaire. This study is being conducted as part of a research project for a Master's degree at Simon Fraser University. Specifically, I am examining the general characteristics and location decisions of producer service firms located in Yaletown. Please feel free to elaborate on responses you provide to the questions as insights and observations from those within the community will add a greater understanding of what makes Yaletown a unique urban area.

Completion of this questionnaire is voluntary and all information gathered will be kept strictly confidential with the questionnaires being destroyed upon completion of the project. If you have any questions please feel free to contact me at the number listed below, or my supervisor, Professor Nick Blomley at 291-3713. If you have any concerns regarding the nature of this questionnaire, you are welcome to contact the Department of Geography Chair, Dr. John Pierce, at 291-3321. Once again, thank-you for your assistance. I will be collecting the questionnaire in about a week.

---

Matthew Ferguson  
Dept. of Geography,  
Simon Fraser University  
Phone 444-4041

**GENERAL INFORMATION**

1. Type of Firm: \_\_\_\_\_

2. a) Autonomous ( )    b) Branch Office ( )

3. Month and Year of Locating in Yaletown: \_\_\_\_\_

4. If having moved to Yaletown or moved within Yaletown,

a) Where was your previous location? \_\_\_\_\_

b) Reasons for moving? \_\_\_\_\_

5. Total Number of Employees: \_\_\_\_\_

i)     a) Full-time \_\_\_\_\_    b) Part-time \_\_\_\_\_

ii) Number of Employees by Job Category and Sex

		Total / Male	Female
a) Managerial	_____	_____	_____
b) Professional	_____	_____	_____
c) Technical	_____	_____	_____
d) Secretarial	_____	_____	_____
e) Other	_____	_____	_____

6. Total Square Footage Occupied: \_\_\_\_\_

7. If Leasing, Total Gross Rent (rent/operating/taxes) p.s.f./per month.

\$ 00.00 - \$ 9.99	( )	\$ 16.00 - \$ 17.99	( )
\$ 10.00 - \$ 11.99	( )	\$ 18.00 - \$ 19.99	( )
\$ 12.00 - \$ 13.99	( )	\$ 20.00 +	( )
\$ 14.00 - \$ 15.99	( )		

**CLIENTELE**

8. In terms of relative importance (revenue from contracts), indicate by percentage where your clients are located: (if zero, leave blank)

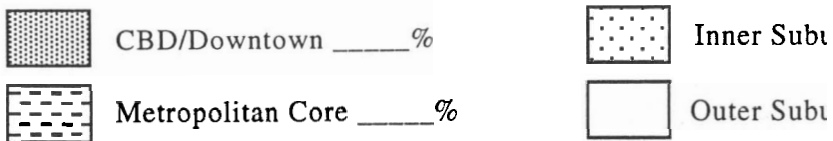
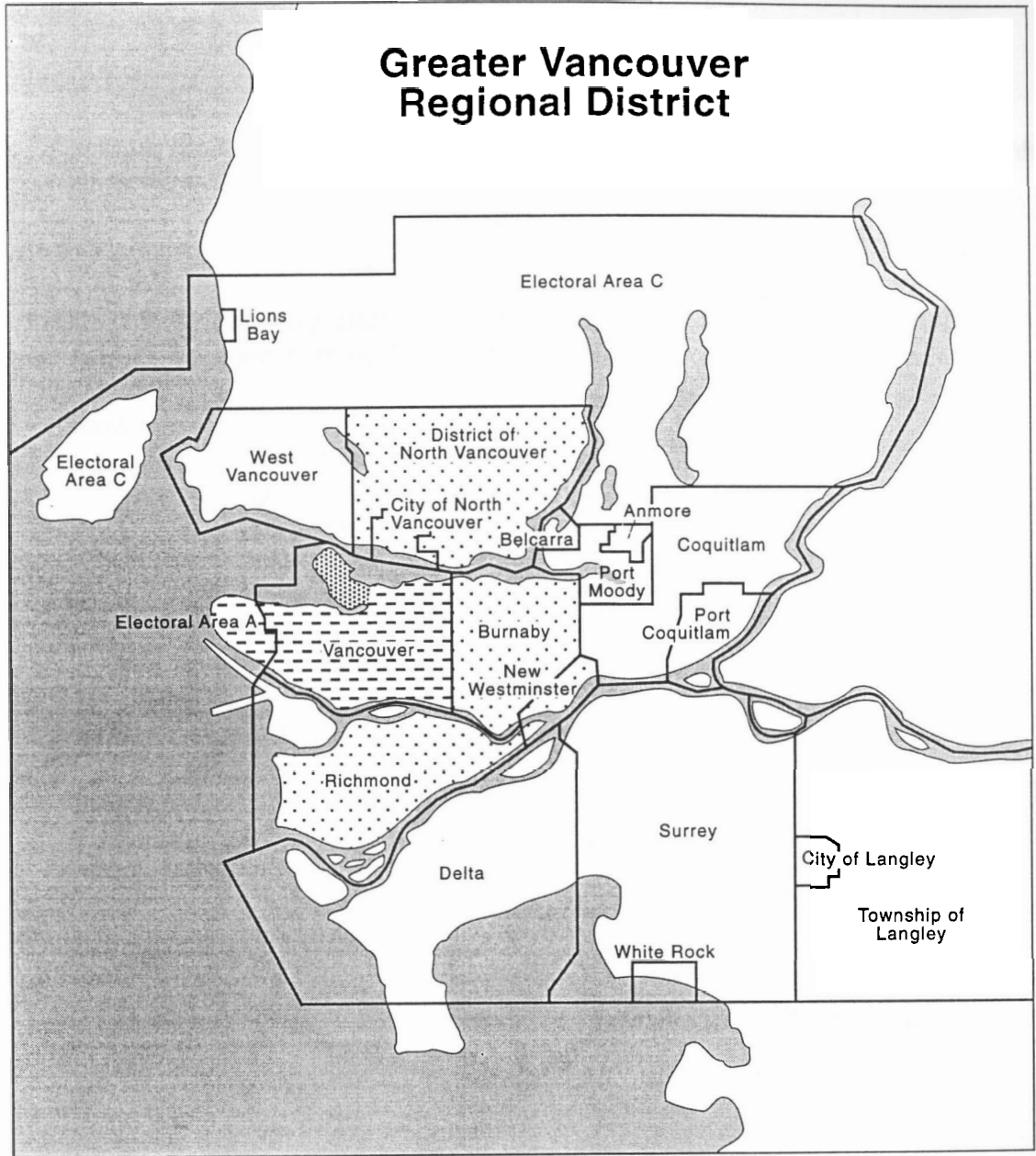
- GVRD \_\_\_\_\_%            Elsewhere B.C. \_\_\_\_\_%

- Fraser Valley \_\_\_\_\_%            Canada \_\_\_\_\_%

- Vancouver Island \_\_\_\_\_%            International \_\_\_\_\_%

- Other (please specify) \_\_\_\_\_%

9. If you have clients located in the GVRD, using the map below, please indicate in terms of relative importance (revenue from contracts) where they are located.





10) If you have international clients, please indicate in terms of relative importance (revenue from contracts) where they are located:

- United States \_\_\_\_%      Pacific Rim \_\_\_\_%
- Europe      \_\_\_\_%
- Other (please specify) \_\_\_\_\_ %

11. Of your clientelle, what is the approximate percentage of business/commercial clients vs. consumer clients?

Business/Commercial \_\_\_\_%      Consumer \_\_\_\_%

12. Please rank the following means of communication with clients in terms of importance to your firm. (1 being the most important, 6 being the least)

Rank	
_____	face-to-face meetings
_____	fax
_____	telephone
_____	mail
_____	computer networks
_____	other

13. If your firm conducts face to face meetings, where are these meetings most often held?

- i) a) your office      ( )
- b) clients office      ( )
- c) alternate site      ( )

ii) If alternate site, please specify \_\_\_\_\_

14. Is your location in the community of Yaletown helpful to face to face meetings?

- a) Yes ( )
- b) No ( )

i) If yes, why? \_\_\_\_\_  
\_\_\_\_\_

ii) If no, what factors hinder this? \_\_\_\_\_  
\_\_\_\_\_

## LOCATION DECISIONS

15. The following is a list of possible reasons for locating in Yaletown, please rank in order of importance from 1 to 8, with *1 being the most influential factor, 8 being the least influential.*

Rank

- \_\_\_ proximity to clients
- \_\_\_ proximity of support services and suppliers
- \_\_\_ price (rent) of office space
- \_\_\_ social amenities in the area
- \_\_\_ ambience and character of the area
- \_\_\_ unique quality/type of office space
- \_\_\_ prestige of the area
- \_\_\_ other (please specify) \_\_\_\_\_

16. Before deciding on your present location, did you consider other areas in the Lower Mainland?

a) Yes ( )

b) No ( )

i) If yes, what areas did you consider? \_\_\_\_\_

\_\_\_\_\_

17. Have you considered moving from Yaletown?

a) Yes ( )

b) No ( )

i) If yes, why have you considered moving and to where? \_\_\_\_\_

\_\_\_\_\_

ii) If no, what keeps you here? \_\_\_\_\_

\_\_\_\_\_

18. Please indicate the level of business interaction your firm has with other firms located in Yaletown.

- a) several times daily      ( )
- b) daily                      ( )
- c) several times weekly      ( )
- d) weekly                      ( )
- e) rarely                      ( )
- f) never                      ( )

19. Is being part of a neighbourhood or community such as Yaletown important to your business?

Yes ( )

No ( )

Why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

20. The following words were used to describe Yaletown in recent interviews and newspaper articles, please circle **three** words which you feel most accurately reflect the character of the area.

- |             |                  |            |
|-------------|------------------|------------|
| industrial  | trendy           | run-down   |
| fashionable | inconvenient     | historical |
| alternative | earthy           | expensive  |
| unique      | counter-cultural | friendly   |

21. Are there any other words not included above which you think would more accurately describe Yaletown?

\_\_\_\_\_  
\_\_\_\_\_

22. What attributes make Yaletown a suitable place for your firm?

\_\_\_\_\_  
\_\_\_\_\_

\*\* In order to analyze the data it will be very useful to have some general information on the economic profile of your firm. The following question will be kept strictly confidential and only used in an aggregate statistical manner. Individual firms will not be identified.

23. Approximate Total Sales Per Year:

- \$ 0.00 - \$ 249 999 ( )
- \$ 250 000 - \$ 499 999 ( )
- \$ 500 000 - \$ 749 999 ( )
- \$ 750 000 - \$ 999 999 ( )
- \$ 1 000 000 - \$ 1 249 999 ( )
- \$ 1 250 000 - \$ 1 499 999 ( )
- \$ 1 500 000 - \$ 1 749 999 ( )
- \$ 1 750 000 - \$ 1 999 999 ( )
- \$ 2 000 000 + ( )

Thank-you for completing the questionnaire. To provide a more complete understanding of the location decisions of firms in Yaletown, I will be conducting a series of **brief** follow-up interviews. If you are willing to be interviewed, please print your name and phone number where you can be reached in the space provided on this page. Thank-you once again.

Firms Name \_\_\_\_\_ Phone \_\_\_\_\_

Respondents Name \_\_\_\_\_

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