



Vancouver Economy Report

Taking stock:
**preparing for the
future with tech and
venture capital**

Plus
**Latest business growth,
Canadian IP creation,
green housing starts
and crime rate**

Photo: Alexandra Tran via Unsplash

Summer 2023



**VANCOUVER
ECONOMIC
COMMISSION**



For months, Canada has nervously anticipated a recession forecasted by economists

These predictions are due to the ongoing impacts of COVID-19, high inflation, and geopolitical tensions, among other global megatrends.

Media coverage sounded the alarm around Vancouver's downtown office vacancy rate, which exceeded 10 per cent for the first time in 20 years (with a range of 6-8% being deemed healthy). Some economists have predicted this number will increase to 12% by the end of 2023.

Not even the technology industry has escaped unscathed. Tech giants like Amazon and Meta laid off tens of thousands of workers globally over the last several months. Despite this, unemployment in the sector has remained relatively low, attributed by [some recruitment firms](#) as being due to the tightness of the labour market and a corresponding boom in retirements. Meanwhile, skilled workers remain in demand.

Consider that Vancouver's economy has proven remarkably resilient even when suffering two recessions in the wake of a global financial crisis and a pandemic. While travel-based industries like tourism and hospitality were devastated globally, Vancouver's economic diversification helped mitigate some of the negative impacts. Moreover, the business and economic development ecosystem continues to collaborate on bolstering Vancouver's economic performance.

The community has united to plan for FIFA World Cup 2026. BIAs and organizations like Small Business BC and Destination Vancouver are constantly working to support the vibrancy of our high streets and storefront businesses. VEC is also particularly focused on developing Vancouver's circular economy and working to deliver Indigenous prosperity – two opportunities we think will help provide the foundation for a strong future economy.

It's worth taking the time to prioritize the foundational economic issues we can address. These include continuing to support local businesses; facilitate investment and FDI; encourage innovation, economic reconciliation and Indigenous economic prosperity; and ensure workforce readiness. It is also imperative to remember for whom we are building this economy: the region's present and future residents.

By shoring up our economy of today, we will be better prepared to protect against the economic shocks of tomorrow.

Tell us what you think

Thank you for downloading the Vancouver Economic Commission's latest economy report. As you read it, please note we are always open to feedback to improve this publication. We invite you to complete our brief survey on its value to you.

Provide Feedback

Photo: Kevin Mueller via Unsplash

In this issue

Economic Dashboard shows
Vancouver's economy at a glance

- Employment
- Business counts
- Intellectual property
- Energy-efficient housing starts
- Life expectancy
- Crime rates

[Page 1](#)

Industry Feature: Technology

- Education and workforce
- Supportive programs
- Subsector spotlights

[Page 8](#)

Economic Explained: Venture Capital

- Venture capital and diversity
- Cross-border capital
- Select venture capital firms
in Vancouver

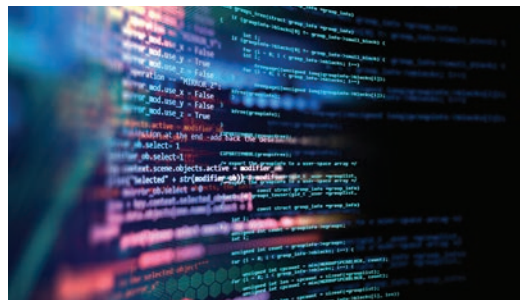
[Page 14](#)

VEC respectfully acknowledges that it is located on the unceded territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətaʔ / selilwitulh (Tsleil-Waututh) Nations.



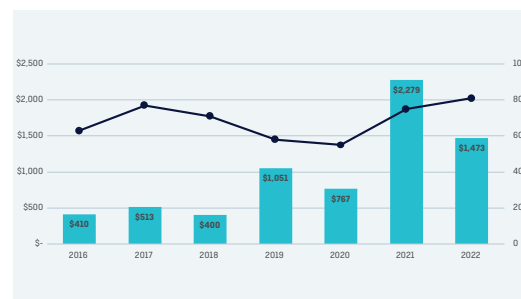
Green housing starts

[Page 6](#)



Technology

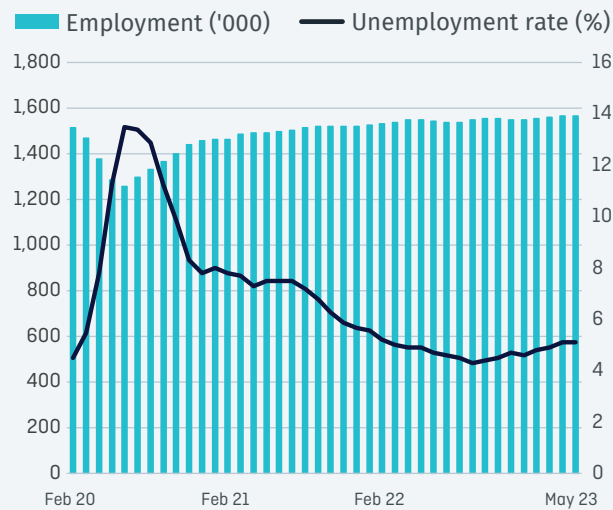
[Page 8](#)



Venture capital explained

[Page 14](#)

Metro Vancouver Employment



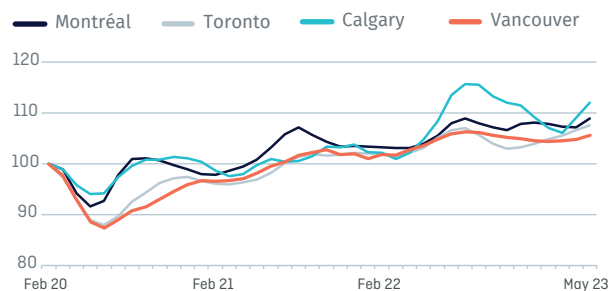
Metro Vancouver employment growth slows

Slowing economic activity has limited the employment gains in Metro Vancouver. From April to May 2023, net total employment increased by 3,000 (+0.2%) in Metro Vancouver. Despite gains in **accommodation and food services** (3,400), more than half of all industries saw a decline: particularly in **other services** (except public administration) (-2,300) and **business, building & other support services*** (-1,500). Vancouver held the lowest unemployment rate among Canada's four largest cities for most of 2021–2022, but this rose back to above 5% in May 2023, last seen in March 2022.

*Formerly "Management of companies and administrative and other support services"

Employment Indexes

Males, February 2020=100, Census Metropolitan Areas

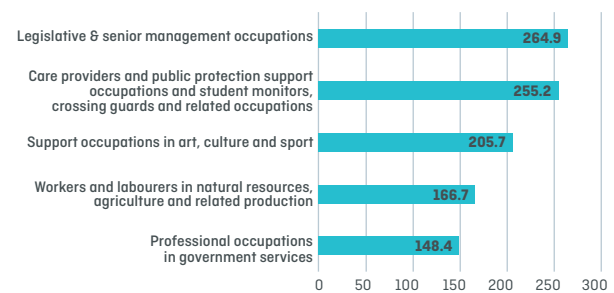


Full-time employment lagging somewhat in Vancouver

The pandemic hit full-time workers in Vancouver hardest compared with other major Canadian cities. The employment index (February 2020 = 100) for full-time jobs hit 105.7 in May 2023 – the weakest recovery across major cities in Canada, but still above pre-COVID levels. Despite full-time job gains among male workers across almost all age groups, some reductions were seen in full-time jobs for female workers aged 25 to 54 years (-1,200 from April to May 2023).

Metro Vancouver Top Employment Gains by Occupation

Employment Indexes, February 2020 to May 2023, February 2020=100



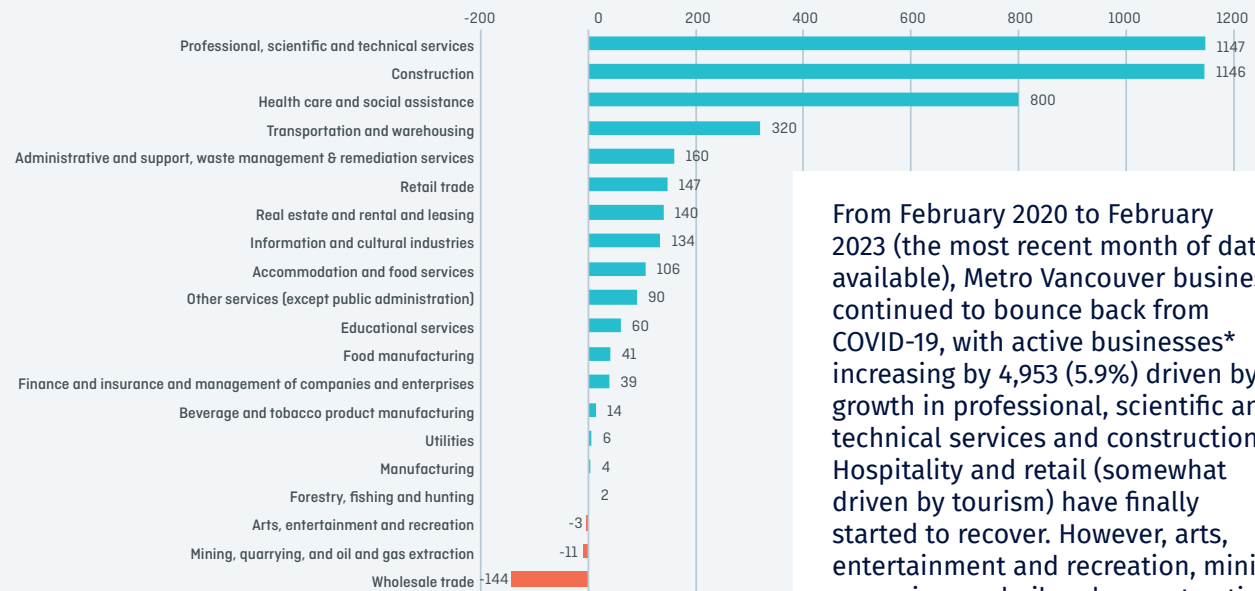
Job opportunity varies by occupation

Although total employment remains strong in Metro Vancouver, significant variance exists between occupations. This chart shows the employment index for occupations with the most employment gains. Legislative and senior management occupations reached 264.9 in May 2023 (6,100 positions added from February 2020). While management occupations saw overall gains, other groups (such as professional occupations in natural sciences) dropped to half (52.1) of their pre-pandemic levels.

Active and opening businesses on the rise

Metro Vancouver Business Numbers

Experimental estimates, Active businesses, February 2020 to February 2023



From February 2020 to February 2023 (the most recent month of data available), Metro Vancouver businesses continued to bounce back from COVID-19, with active businesses* increasing by 4,953 (5.9%) driven by growth in professional, scientific and technical services and construction. Hospitality and retail (somewhat driven by tourism) have finally started to recover. However, arts, entertainment and recreation, mining, quarrying, and oil and gas extraction, and wholesale trade slightly dropped to below pre-pandemic levels.

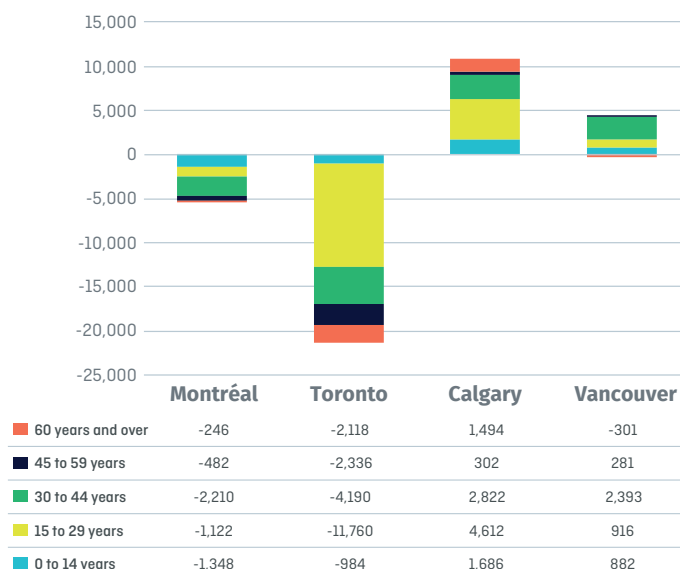
Source(s): VEC Analysis, [Statistics Canada](#)

*Active businesses: businesses that reported having one or more employees in a given month.

Net interprovincial migration sees steady increase

Net Interprovincial Migration

By age group, 2021/2022, Census metropolitan areas



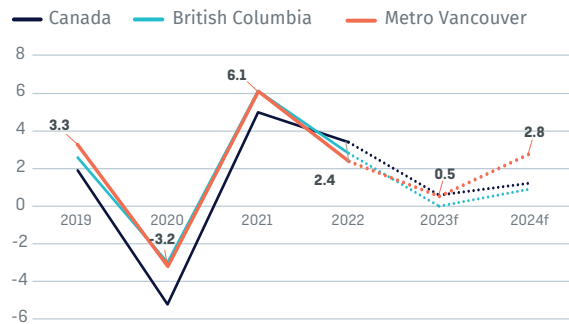
Between July 2021 and July 2022, net 4,171 people came to and stayed in Metro Vancouver, with more than 90% of these people being under 45 years of age.

Compared with other major Canadian cities, the migration of young people away from cities was most pronounced in Montréal and Toronto – 21,388 people relocated out of the Toronto area during the same period and 80% of those who left were under 45 years of age.

Calgary saw the most gains.

Source(s): VEC Analysis, [Statistics Canada](#)

Real GDP* Growth Rate Forecast (%)



* Chained (2012) CAD dollars, e: estimate, f: forecast

Source(s): [The Conference Board of Canada](#); [RBC Economics](#)

GDP forecasted to decline due to economic pressures

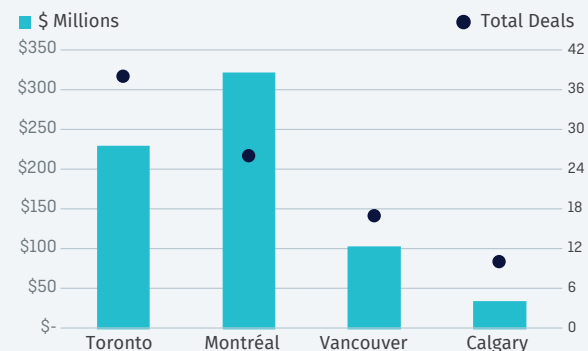
Slow economic activity, supply chain disturbances and weaker domestic and global demand are set to slow Metro Vancouver's GDP growth. Metro Vancouver's real GDP is forecast to hit \$158 billion in 2023 (0.5% annual growth). Industries such as Information & cultural (-3.4%), Wholesale & retail (-2.5%) and Industrial (-0.6%) are forecast to experience negative growth this year. Metro Vancouver's economy remains less fragile compared with other Canadian metropolitan cities and is forecasted to jump back up to 2.8% in 2024.

Venture capital investors are exercising caution in first quarter

Metro Vancouver saw a total of 17 deals representing \$102 million in investment in the first quarter of 2023 – 26% down in deals and 86% down in investment from last quarter. Declines in investment amounts were seen across major Canadian cities. Vancouver remained third in total investments behind Toronto and Montréal. Two companies from BC were listed in Canada's largest 10 deals in Q1 2023 – the second-largest disclosed mega-deal in Q1 across Canada was by Surrey-based [No Meat Factory](#) (CA\$56 million) and Vancouver-based [Operto Guest Technologies](#) (CA\$34 million); both were early-stage deals.

Top Venture Capital Deals Q1, 2023

Census metropolitan areas



Source(s): [Venture Capital Canadian Market Overview](#), CVCA

Top recent deals



Total Raised: \$56 million

[No Meat Factory](#) is a food production and packaging facility specializing in delicious and healthy plant-based protein foods.



Total Raised: \$34 million

[Operto Guest Technologies](#) is all-in-one hospitality platform for vacation rentals, hotels, and multifamily properties.

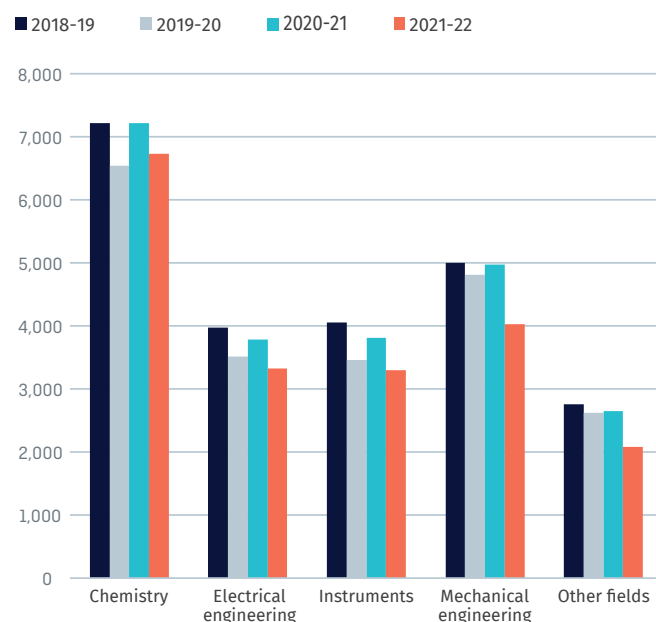
Intellectual Property

Ontario leads the charge

From 2021–2022, Canadian residents filed 4,757 patent applications, with 2,027 patents granted; 11.1% (530) applications were filed from British Columbia with 10.8% (219) patents granted. Canada's top four sectors in terms of patent applications were chemistry, electrical engineering, instruments, and mechanical engineering, with all of them seeing an increase in filed applications from 2018–2019 to 2021–2022, but with a decline in granted applications during the same period.

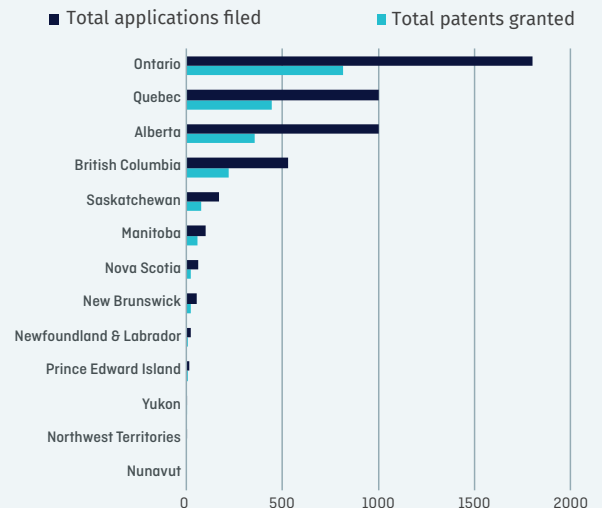
According to the Canadian Intellectual Property Office (CIPO), average turnaround times for granting a patent after a request for examination (which may be done at filing) was 30.8 months from 2021–2022. This is eight months shorter than 2015–2016, but still six months longer than the US where the average patent application took 24.6 months). Most innovative companies spent significant amounts of money in R&D, despite the long processing time. It is always a good practice to file patents not only for property protection (in Canada, protection lasts up to 20 years starting from the date the patent application is filed) but also for potential future profits and company valuation increases.

Patents Granted by Sector



Source(s): [Canadian Intellectual Property Office](#)

Applications and Patents Granted to Residents of Canada, 2021–2022



Source(s): [Canadian Intellectual Property Office](#)

4,700+
patent applications filed in
Canada in 2021-2022

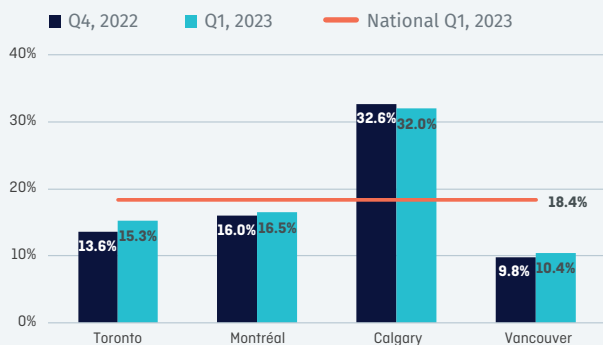
2,000+
patent applications granted
in Canada in 2021-2022

Top 5 Canadian Patentees 2021-2022

Blackberry Ltd.	63
10353744 Canada Ltd.	58
Schlumberger Canada Ltd.	49
Pratt & Whitney Canada Corp.	39
CNH Industrial Canada, Ltd.	30

Office vacancy rates remain lowest in Canada

Downtown Office Vacancy Rate



Source(s): [Canada Office Figures](#), CBRE

According to CBRE, the office vacancy rate in downtown Vancouver increased for the third consecutive quarter, jumping to 10.4% in Q1 2023 (up from 9.8% in Q4 2022) – the highest level in almost 20 years. Despite this, of the 1.7 million, of the 1.7 million square feet under construction in downtown Vancouver, 99.0% is pre-leased. Significant spaces added to the downtown core include Bosa Waterfront Centre. Despite the increasing vacancy rate, Vancouver maintains its position as the city with the lowest office vacancy rate in North America.

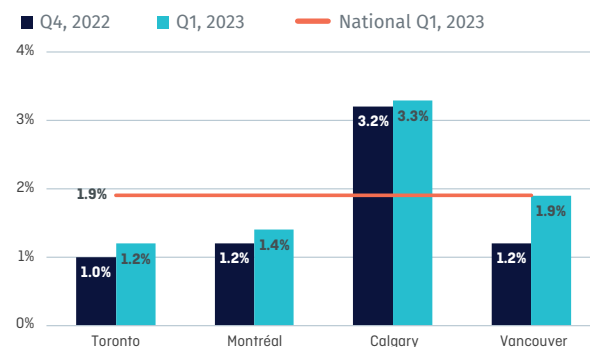
Looking for more data?

Refer to our online **Economic Snapshot** for the latest data sets, rankings and economic metrics.

[Go to Snapshot](#)

Industrial land availability remains low in Metro Vancouver

Industrial Availability Rate



Source(s): [Canada Industrial Figures](#), CBRE

According to CBRE, industrial availability in Metro Vancouver hit the national average level at 1.9% in Q1 2023 (up from 1.2% in Q4 2022), with the vacancy rate up from 0.8% to 1.1%. The average sale price dropped slightly from \$650 to \$600 per square foot, but the average asking rental rate jumped to a new high of \$21.33 (from \$20.83) per square foot- both remain the highest in Canada. Despite the new supply of 2,272,905 square feet added to the market in Q1, challenges remain in Vancouver due to the strong demand for industrial and logistics properties.

Availability rate:

total available sq. ft. divided by the total building area (space ready for occupancy within 60 days; can be occupied or vacant).

Vacancy rate:

total vacant sq. ft. divided by the total building area (space that can be occupied within 30 days).



In addition to important economic indicators like GDP, employment and total business counts, each issue of the economy report curates the best of VEC's research into other indicators and metrics that are traditionally overlooked but help provide a more holistic view of economic health and prosperity. For more on this, please refer to [our report on the topic](#).

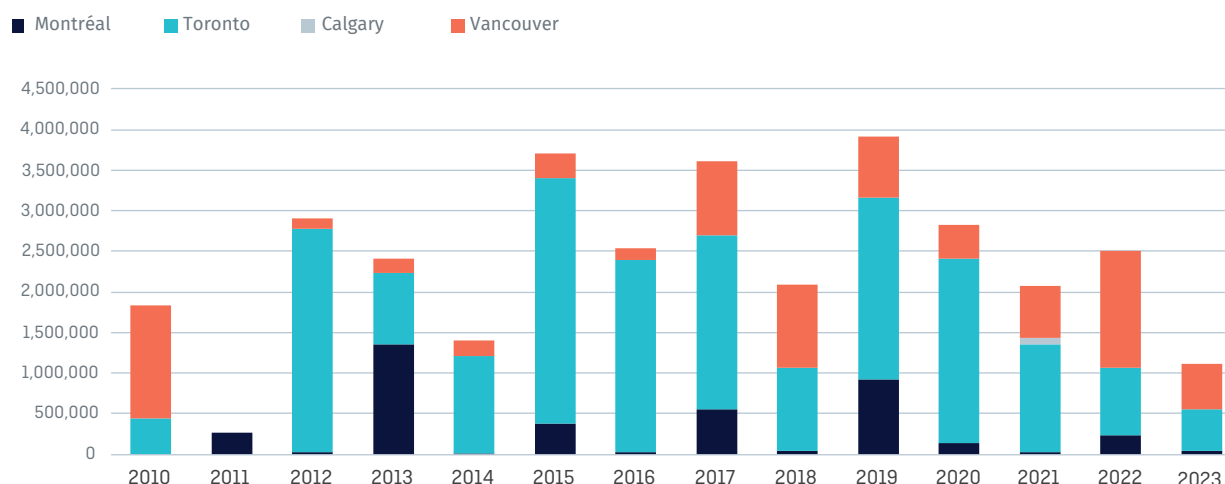
This edition looks at three important metrics: green homes being built, crime rate and healthy life expectancy.

Green housing starts

Does Canada need to step up LEED-certified construction?

Energy-efficient Comfortable Dwellings

Square footage of residential buildings that meet LEED Gold standard, Census metropolitan areas



Source(s): VEC Analysis; [Canada Green Building Council](#)

Leadership in Energy and Environmental Design (LEED) is an internationally recognized sustainable building certification that ranks the health benefits, resource efficiency and cost-saving of green buildings.

Toronto currently leads the nation with 21 million sq ft of LEED Gold and Platinum residential new construction certifications. Vancouver and Montreal follow with 8.0 million and 3.9 million sq ft respectively. Vancouver received certification for over a million sq ft of energy-efficient comfortable dwellings in the years 2010, 2018 and 2022.



In 2010, Vancouver certified over a million square feet of LEED Gold dwellings used as athlete's housing during the 2010 Winter Olympics

Crime Rate

Trending downwards over time

Historical Crime Rate, Municipality of Vancouver Per 1,000 population



Source(s): Vancouver Police Department

What is the relevance of the economy to crime statistics? According to the International Monetary Fund (IMF), there is a high correlation: a more prosperous economy seems to reduce the propensity for crime.

The Vancouver Police Department reports that crime incidents in the municipality of Vancouver increased by 5.7% in 2022, resulting in a 3.9% increase in the total crime rate, from 58.18 to 60.47 crime incidents per 1,000 people:

- violent crime (8.70↑)
- property crime (43.93↑)
- other crime (7.84↓)

Despite the increased incidents, recorded total crime rate has significantly dropped from 117.80 to 60.47 in the past 20 years.

The recorded total of violent crimes declined by 425 incidents from 2002 to 2022, mainly from a reduction in robbery. However, notable violent crimes were observed in other sub-categories, such as sexual offences and assaults during the same period.

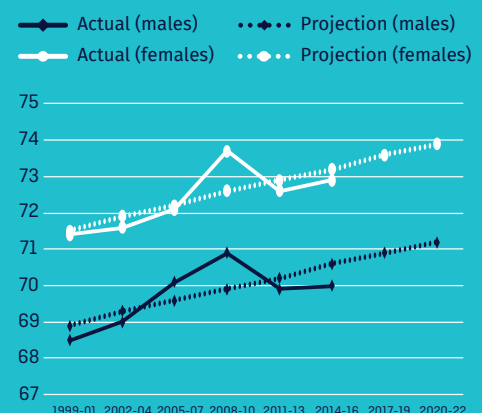
25,214 ↓
reported crime incidents between
2002–2022 in Vancouver

Healthy life expectancy Are British Columbians living longer?

Health-adjusted life expectancy (HALE) is a core indicator of population health status that measures the average number of years in full health that a person can expect to live given current morbidity and mortality conditions. According to British Columbia's Health Officer Annual Report, HALE at birth for BC residents increased between 1999–2001 to 2014–2016, from 68.5 to 70.0 for males and from 71.4 to 72.9 for females. Despite the differences among genders, HALE is highest in the Vancouver Coastal region versus the rest of BC.

Source(s): B.C. Provincial Health Officer's Annual Report

Health-adjusted Life Expectancy At Birth, British Columbia





Technology

A cornerstone of Vancouver's 21st-century economy

Technology is a critical pillar of BC's economy and has supported Vancouver's maturation into a global hub for cleantech, life sciences and digital entertainment, which includes animation, visual effects, games development, and virtual reality, augmented and extended reality. The industry includes information and communications technology (ICT), software development and engineering services, along with their applications in fields like new mobility, education and smart cities.

With more than 194,000 tech workers across all industries – of which 123,000 work in tech-primary companies – BC has the fastest-growing tech workforce in Canada. BC's tech employment growth was more than double the Canadian average during the past five years, with tech sector jobs paying 79.4% more than the BC provincial average.

As Vancouver's ecosystem grew and matured, so has its network of advocates and supporters. [Innovate BC](#), [BC Tech Association](#) and [TAP Network](#) provide support to the tech ecosystem overall. Organizations like [Life Sciences BC](#), [Foresight Canada](#), [DigiBC](#), and [AInBC](#) provide more sector-specific support and networking opportunities, and prominent venture capital firms include [Pangaea Ventures](#), [Victory Square Technologies](#), [Yaletown Partners](#) and [Chrysalix Energy Venture Capital](#).

The [Vancouver Tech Journal](#) and [Frontier Collective](#) serve the community with sector-specific news, event activation, networking opportunities and advocacy. Lastly, the city is home to a rich mix of regularly recurring tech-facing events and conferences, including [SIGGRAPH](#), [Vancouver Startup Week](#), and [Traction Conference](#).

#1

**Fastest-growing
tech employment in
North America**

2022, CBRE

115,400

**Tech jobs in
Metro Vancouver**

2022, CBRE

9.1%

**of total Metro
Vancouver jobs
are tech jobs**

2022, CBRE

Global companies choose Vancouver

Unparalleled technology talent, geographic advantages, and among the lowest operating costs and taxes of major North American cities have driven a strong roster of the world's leading companies to Vancouver. In addition to global brands such as [Microsoft](#), [Amazon](#), [Mastercard](#), [Electronic Arts](#), [Fujitsu](#), [Intel](#), [Samsung](#), and [SAP](#), the city has produced renowned successes like [Slack](#), [Mobify](#), [AbCellera](#), [Bardel Entertainment](#), [Image Engine](#), [D-Wave Systems](#), [Clio](#), [1Qbit](#) and [Trulioo](#).

Today, three of the top 10 global tech companies by market capitalization (Microsoft, Amazon, and Samsung) have a significant physical presence in the city. Digital entertainment giants [Sony Picture Imageworks](#), [Industrial Light and Magic](#), [Netflix Productions](#), [Nintendo](#), [Electronic Arts](#), and [DNEG](#) also have sizeable footprints in Vancouver.

Breakdown: The local tech job landscape

52,600 ^{+85.8%}

Software Developers
and Programmers

42,600 ^{+73.7%}

Computer Support, Database
and Systems

12,400 ^{+1.3%}

Technology Engineering-Related

7,800 ^{+24.0%}

Computer and Information Systems
Managers

115,400 ^{↑ 62.7%*}
Total Tech Jobs

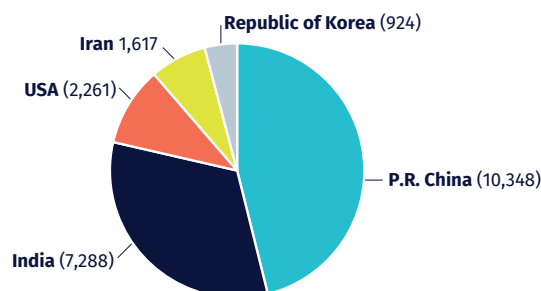
*Growth during 2016-2021,
[CBRE Tech Talent 2022](#)

A tech talent hub

Vancouver's bustling tech ecosystem – home to thousands of homegrown startups and global technology companies – has captured the attention of tech talent from around the world. Couple that with Vancouver's reputation as one of the world's most livable and diverse cities, as well as favourable immigration policies, and it's no wonder that tech workers view Vancouver as an unparalleled place to transform their career.

- **World-renowned education.** Vancouver is home to the [University of British Columbia](#) (UBC) and [Simon Fraser University](#) (SFU), two of Canada's top 10 universities for technology. UBC and SFU, along with the [University of Victoria](#) (UVIC), rank among Canada's top 10 post-secondary computer science and engineering programs. Even tech-focused institutes like [Northeastern University](#) have set up satellite campuses here to service the job market.
- **A net attractor of talent from other provinces – and the world.** BC has the highest number of net interprovincial migrants in Canada – 85,558 between 2017 and 2022, outpacing Ontario (-46,250), Quebec (-18,950), and Alberta (4,546). In 2022, BC attracted almost 20,000 students from China, India and the US alone.

BC International Students,
Countries of Origin,** 2022



- **Diverse job prospects.** Despite concerns over recessions and significant layoffs by the technology industry over the past year, skilled talent remains in demand. The unemployment rate in the sector remains relatively low due to Vancouver's ability to weather economic downturns and its tight-knit, collaborative tech ecosystem, which banded together to create [job boards](#) for laid-off tech workers.

Sources: [British Columbia Labour Market Outlook](#) (2022-2032 Forecast); BC HEADset International Student

**Sum of registered international students as of December 1st, 2022 at UBC, SFU, UVic, UNBC, TRU, RRU

Catalyzing new ventures

Canada is renowned for diverse R&D funding supports by government and academia, and our companies and universities have a high output of quality intellectual property (IP). The creation and retention of high-value IP is a significant component of building a resilient and prosperous economy – owning IP means having the right to commercialize and otherwise monetize it. When successfully scaled, these ventures may in turn mature into Vancouver and BC-based anchor companies that generate jobs and revenue, and whose decisions are made and rooted in the local context.

245

spinoff companies from UBC research as March 2022

75+

companies have spun out of SFU to date

It should be noted that scientific research and development grants do not support IP translation – a critical early-stage process whereby technology or concepts may be explored or “translated” to a product or service. Filling this gap in early-stage funding would intensify the value of research and IP coming out of universities.

Sources: [UBC University-Industry Liaison Office](#), [BC Tech Association](#), [SFU VentureLabs](#)

Investing in STEM

In May 2023, the BC government announced new investment into its post-secondary institutions to increase the number of science, technology, engineering and math (STEM) students. This involves adding 3,000 more tech-related spaces on top of the 2,900 new student spaces created over the last six years, for a total of nearly 6,000 new spaces through BC since 2017.

Indigenous tech accelerators and catalysts

There is growing support for tech innovators from First Nations and other Indigenous communities:

- [**BC Tech Association’s Indigenous-led Technology Company Accelerator**](#) is a dedicated stream of programming and resources to accelerate the success of Indigenous-led tech companies in BC.
- [**Indigenous Digital Accelerator at Capilano University**](#) developed with support by [IndigiNEXT](#) provides resources to nurture Indigenous business growth in the tech, digital-creative and cultural sectors.
- [**First Nations Technology Council**](#) (FNTC) is an Indigenous-led not-for-profit organization that supports Indigenous peoples in taking advantage of the opportunities of the digital age.



Climate tech programs

Vancouver’s strength in the green economy, coupled with ambitious climate action policy from all orders of government, has unlocked innumerable opportunities in climate technology.

- Vancouver Economic Commission’s [**Angels for Climate Solutions program**](#) helps catalyze the growth of climate technology by connecting local startups with angel investors.
- The BC [**Centre for Innovation and Clean Energy**](#) (CICE) funds the commercial development and global scaling of made-in-BC clean energy innovations.
- [**Foresight Canada’s NEXT sectors**](#) connect ecosystems with groundbreaking interdisciplinary and inter-industry clean- and climate-tech innovation.

Robust support from provincial & federal government

British Columbia's economic growth depends on having enough skilled and qualified people to meet labour market needs. The provincial and federal government also provides considerable research and development (R&D) incentives, and on scaling and anchoring high-potential companies. Here is a non-exhaustive list of some of these supports and opportunities.



Talent

Global Skills Strategy (GSS) – designed for employers seeking a fast and predictable process to attract top talent. The strategy features faster application processing times, work permit exemptions and enhanced customer service.

MITACS – a national, not-for-profit organization that has designed and delivered research and training programs in Canada for 20 years. Working with 70 universities, 6,000 companies, and both federal and provincial governments, MITACS builds partnerships that support industrial and social innovation in Canada.

The BC Provincial Nominee Program (BC PNP) is an employer-sponsored program that helps high-demand foreign workers and experienced entrepreneurs gain permanent residency. The **BC Provincial Nominee Program Tech Pilot** offers an expedited immigration pathway for people with tech skills applying to be permanent Canadian residents, with a focus on 29 in-demand tech occupations.

Digital Technology Supercluster – The Digital Technology Supercluster bridges opportunities across industry, researchers, data scientists, innovators, and governments to accelerate the advancement of digital technology solutions and talent across Canada's largest sectors.

Commercialization

The **BC Fast Pilot program** helps SMEs design, build and operate a pilot plant or small demonstration of their technology in real-world conditions. Administered by Innovate BC, this program allows BC technology companies to demonstrate the impact of their product, measure the value of their solution, and encourage customer adoption.

National Research Council (NRC) – the Government of Canada's premier research and technology organization. NRC's Industrial Research Assistance Program (IRAP) helps firms develop, adopt and adapt technologies and incorporate them into competitive products and services to be commercialized in the global marketplace.

Scaling

PacifiCan invests strategically in growing companies through its Business Scale-up and Productivity (BSP) program, and one of its focuses include technology commercialization.

The Innovation Solutions Canada program is a business productivity and scaleup program run by Innovation, Science and Economic Development Canada (ISED), and provides funding opportunities and calls for technology solutions to commercialize and scale.

InBC – a \$500 million strategic investment fund of the provincial government that invests in potential high-growth firms, with an eye towards growing and anchoring talent, intellectual property, innovation, investment and jobs, and driving economic growth in every region of BC.

Tax Credits

Scientific Research & Experimental Development (SR&ED) – this tax credit program provides companies with refundable or non-refundable credits for eligible expenditures incurred in Canada supporting research and development activities.

Digital Animation, Visual Effects, Post-Production Tax Credit (DAVE) – This line of the British Columbia film and television tax credit is calculated at 16% of eligible salary and wages to BC-based labour for animation and post-production labour.

Interactive Digital Media Tax Credit (IDMTC) – calculated at 17.5% of eligible salary and wages incurred in the tax year, and granted to eligible registered corporations that develop interactive digital media products. In recent years, this federal program has expanded its scope to include augmented and virtual reality products designed for entertainment.

Vancouver's tech strengths

Artificial Intelligence

Vancouver's pool of tech talent, entrepreneurial spirit and bench strengths in disciplines like computer vision and generative learning have made the city a key node in Canada's robust artificial intelligence and Web 3.0 industry.

MetaOptima – intelligent dermatology analytics

Variational AI – applying AI to drug discovery

Visier – cloud-based workforce analytics



Life Sciences

Vancouver and BC have a proud history of supporting globally impactful life sciences organizations, with the industry employing an estimated one in 140 workers in the province.

Stemcell Technologies – cell culture creation

Zymeworks – cancer & autoimmune treatment

AbCellera – human antibody discovery

Acuitas Therapeutics – COVID-19 vaccine innovation

Virtual, augmented, mixed and extended reality (VR/AR/MR/XR)

BC has the largest cluster of computer vision companies in the world, as well as the second largest concentration of VR, AR and mixed MR startups. Enabled by new immersive platforms, Vancouver companies are ushering in a new era.

LlamaZOO – 3D Digital Twins and VR

Precision OS – virtual reality surgical training

LNG Studios – 3D & architectural rendering



Visual effects & animation

Vancouver is the world's foremost visual effects (VFX) and animation centre. The city's tech talent produces VFX for the world's biggest films and top-selling video games. Many top VFX firms develop proprietary animation and VFX software.

[Image Engine](#) – photoreal VFX for Film & TV

[Ziva Dynamics](#) – award-winning VR tools

[Pixomondo Studios](#) – virtual production & VFX expertise



Cleantech

Vancouver is fertile ground for cleantech, with the highest concentration of cleantech companies in Canada: according to Invest in Canada, more than 300 of Canada's approximately 1,000 cleantech companies are based in BC, and the Vancouver region accounts for some 75% of them.

[Corvus](#) – energy generation and storage

[Saltworks](#) – wastewater treatment & remediation

[Ronin8](#) – waste and materials management

[Core Energy Recovery Solutions](#) – green buildings

Agritech

Sometimes grouped under cleantech, agritech innovations in Vancouver and BC are breaking new frontiers in vertical and regenerative farming systems, green chemistry, and waste reduction technologies.

[Terramera](#) – sustainable agriculture & chemistry

[Ostara](#) – wastewater fertilizer & nutrient recovery

[Semios](#) – smart crop management platform



Venture Capital

What is venture capital?

Venture capital refers to private financing that services early-stage and high-growth companies. Venture capitalists (VCs) typically provide financial capital in exchange for an ownership stake in the company (equity) and may take an active role in guiding the company's growth, development and maturity.

The importance of venture capital

Venture capital is crucial to the innovation ecosystem, as venture capitalists typically provide a specialist source of funding for companies that may not otherwise be able to secure funding due to not yet having proven track records or sufficient collateral to secure loans. These characteristics make them less desirable to risk-averse lenders like banks. VCs nonetheless conduct thorough due diligence in portfolio companies, typically searching out investment-ready enterprises that showcase innovative ideas, strong management teams, and the potential for high returns.

The benefits to the investors include the opportunity to earn significant returns far beyond the market indices. Although not all investments yield high returns, a well-managed portfolio makes it an attractive asset class for investors seeking high-risk, high-reward opportunities.

Considerations when raising venture capital

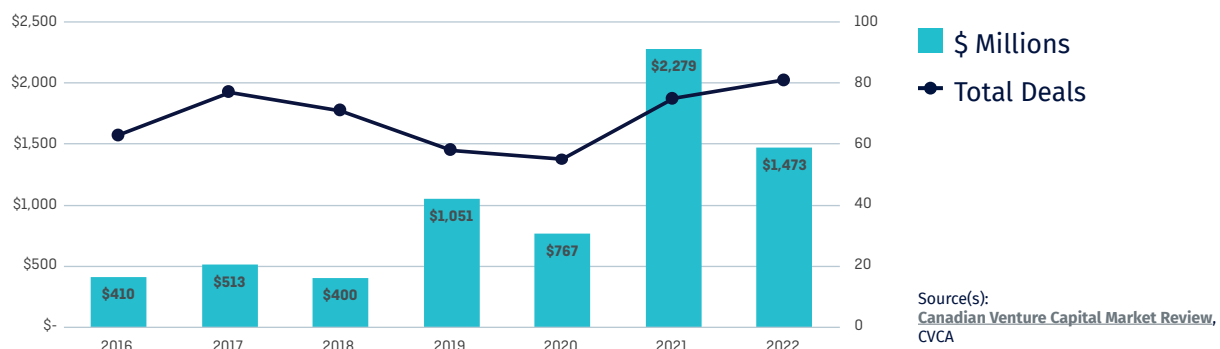
For enterprises, pursuing venture capital is not without its drawbacks. Although VCs play a vital role in the development of many successful Vancouver businesses, not all entrepreneurs seek it out for a myriad of reasons:

Diminishment of company ownership: VCs demanding a significant share of company equity may not be attractive to founders.

Loss of creative control: companies may find themselves more restricted than they'd like when it comes to company decisions or employees, and VCs can request founders step down from executive positions if they feel the enterprise would benefit from stronger leadership.

Short-term focus: There is a perception that VCs might pressure companies to "exit," such as go public on the stock market or sell the company.

Historical Venture Capital Investment, Metro Vancouver



Venture capital and diversity

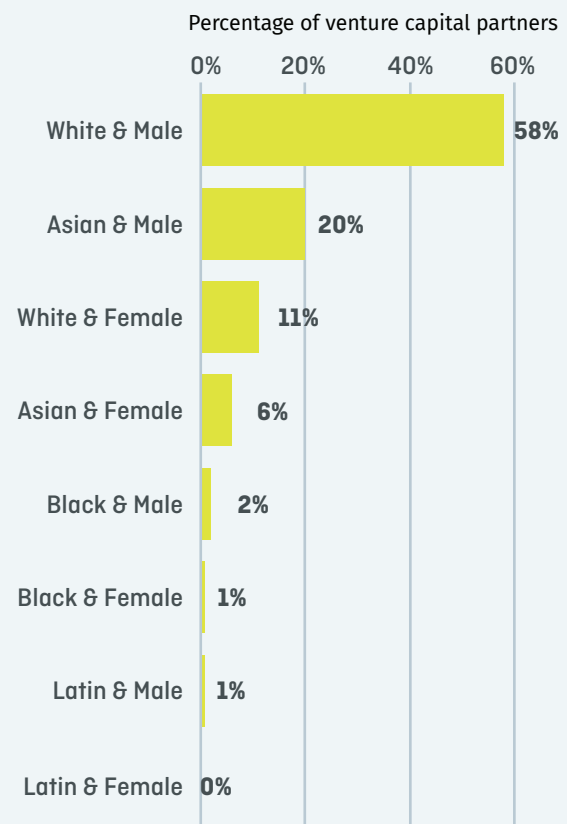
One of the main criticisms of venture capital is the uneven distribution of investments across demographic groups: various studies suggest that less than three percent of total venture capital investment went to female-founded businesses in 2019 and 2020, and an even smaller amount to businesses founded by Indigenous, Black or People of Colour (IBPOC). Some argue that [one of the reasons](#) for this is a lack of understanding or awareness due to [unconscious bias](#), possibly attributable to lack of diversity in the venture capital firms themselves (see the below breakdown of US venture capitalists).

“Venture capital is a historically difficult industry to break into. The lack of diversity that exists within the ecosystem creates an even higher barrier for minorities and individuals with non-traditional backgrounds. This is why the most important thing we can do for our network is to create the conditions for them to gain meaningful experiences, drive relevant opportunities and develop their own strategy for startup investing.”

Marlon Thompson, Founder and CEO
Future Capital

In Canada, however, associates in venture capital firms have [begun to diversify](#), although a report commissioned by the Canadian Venture Capital and Private Equity Association and BDC Capital found there remains a [significant gap](#) in IBPOC and women partners at private equity and venture capital firms, and reports challenges on [retaining these hires](#).

Breakdown of venture capital partners by ethnic, race and gender identity



Source: Richard Kerby of Equal Ventures, [Forbes](#)

Vancouver-based organizations like [Future Capital](#), [Raven Indigenous Capital Partners](#) and [WEL Vancouver](#) are working to move the dial by providing education in startup investing, networking opportunities and communities for investors, as well as to catalyze wealth generation in equity-seeking communities.

This transformation [cannot come too soon](#): the Globe & Mail reports fears by the startup community that an economic downturn would have [greater impacts on women-founded startups](#), and IBPOC-owned businesses have likewise been reported to experience greater hardship during economic downturns.

What is the difference between **angel investors** and **venture capitalists**?

Angel investors are high-net-worth individuals who invest their own money into early-stage startups in exchange for an equity stake. Depending on their experience or motivations, they may be looking to include a high-risk, high-return class in their investment portfolios, to support entrepreneurs, teams, or missions in which they believe, or simply to lend aid to friends or family.

Due to the risks inherent in many early-stage companies, angels typically invest smaller quantities of cash (\$5,000-\$150,000, as opposed to millions of dollars). They may provide a one-time infusion of seed money to a single firm or be highly engaged in the journeys of multiple startups.

Venture capitalists (VCs) work in firms to invest larger sums from a fund at a much later stage in company growth than angel investors, and for a larger share of equity. VCs raise money from other investors and entities into a venture fund; as they invest on behalf of others, they may have additional requirements of the companies they choose, such as a seasoned founder, or a board seat. The amount of money invested may vary greatly, depending on the stage of the company, its prospects and the relationship and trust the VC partners have with the founders.

The level of engagement by angels or VCs varies greatly. Both may take active roles in managing the companies they invest in, sit on the company's board of directors, or provide additional mentorship, networking and guidance to firms.

Select venture capital firms in Vancouver

7 Gate Ventures

Enterprise software, marketplaces, health tech

BDC Venture Capital

Deep tech, industry, cleantech, health tech

CE Venture Capital

Cleantech, biotech, health tech

Chrysalix Energy Venture Capital

Capital intensive businesses (e.g. industry)

Kensington Capital

Healthcare, fintech, mobile

Lumira Ventures

Biotech, medtech, health tech

Panache Ventures

Technology

Pangaea Ventures

Advanced materials, energy, enviro tech

Pender Ventures

Technology

Quark Venture

Biotech, health tech

Raven Indigenous Capital

Indigenous-owned businesses

Renewal Funds

Environment, greentech

Rhino Ventures

Technology

Vanedge Capital

Hardtech, analytics, computational biology

Versant Ventures

Healthcare

Yaletown Partners

Technology



Cross-border capital

A significant source of venture capital for Vancouver businesses comes from the US. Research conducted by VEC suggests many US investors struggle to understand the advantages, as well as the legal and financial considerations, of investing in Vancouver businesses. Our Vancouver [Cross Border Investment Guide](#) is a resource to support US investors in navigating these systems when investing in Vancouver.

[Download \[PDF\]](#)



VEC Highlights

REPORT

Vancouver's Global Competitiveness for ESG Investment

With the support of CanExport, VEC commissioned Delphi Group to complete a study that uses environment, social and governance (ESG) metrics to assess the competitiveness of Vancouver's economy against comparable cities around the world. These findings make the case that there is no greater place to invest than Vancouver – particularly for companies with similar values to advance climate action and achieve a zero-emissions economy.

[Read Key Findings](#)

PROGRAM

Digital Innovation and Leadership (DIAL)

With functional digital skills and knowledge becoming critical for staying competitive in the market, the DIAL program offers streamlined training for business professionals who are driving digital transformation in their organizations. Senior leaders getting ready to take their business to the next level may be interested in the Digital Transformation Leadership program, which offers a comprehensive approach to digital transformation.

Apply by September 11, 2023 | [Learn more](#)

Additional Economic Development Reports and Resources

- [First Nations Technology Council](#)
Indigenous Leadership in Technology: Understanding Access and Opportunities in BC
- [TransLink](#)
Transport 2050
- [Greater Vancouver Board of Trade](#)
Counting the Costs: Assessing Economic Challenges for Businesses in British Columbia
- [Retail Council of Canada](#)
State of Downtown Vancouver Report 2023
- [PitchBook](#)
Carbon & Emissions Tech Report Q1 2023
- [Asia Pacific Foundation of Canada](#)
Investment Monitor 2023: Canada-Asia Pacific Investment Trends
- [Metro Vancouver](#)
Office Development in Metro Vancouver – 2022 Inventory and Report
- [KPMG](#)
Emerging Trends in Infrastructure 2023
- [CVCA](#)
The 50: A Guide to the Canadian Venture Capital Ecosystem 2022
- [OECD](#)
OECD Economic Outlook, June 2023

Project Team

- Claire Campbell
- Anne Farrer
- Mike Lai
- Fionn Li
- Eleena Marley
- John McPherson
- James Raymond
- Peter Sun
- Ingrid Valou

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500-555 W 8th Avenue
Vancouver, British Columbia
V5Z 1C6

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