Land Use Planning for Economic Development

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Housing has been getting top billing by planners, the public, and politicians for years, but world events are now pushing economic development and employment growth to the top of the agenda.

Challenges are emerging from multiple directions, including disrupted trade patterns, anxiety about artificial intelligence, tensions in achieving Indigenous reconciliation, and extreme weather. The need for communities to prioritize adaptability and economic resilience has never been greater.

Federal and provincial governments are responding with major initiatives aimed at strengthening the labour force, accelerating project delivery, diversifying markets, and supporting targeted sectors.

These initiatives carry significant land-use, transportation, and infrastructure planning implications – and opportunities – for local governments. Planners achieve stronger economic outcomes when supportive land uses are paired with close collaboration from economic development professionals.

Municipal Economic Development Functions

Municipal economic development functions vary widely by resource level and organizational structure. Some communities operate stand alone departments, others embed the function within planning or the City Manager's office, and many rely on arms length organizations or contracted partners.

Regardless of the model, economic development and land-use planning should be mutually reinforcing. Planners can integrate an economic lens through policy informed by land economics, market trends, and financial feasibility. Real estate developers need projects to be viable to build new accommodations for residents and businesses.

In practice, regular communication between community planning and economic development staff enables shared data and ideas, coordinated problem solving, and policies that reflect business needs and market factors.

Employment Lands

Employment lands – broadly defined as places that support economic activity – have distinct physical characteristics and requirements compared to residential uses.

Businesses are continually adapting to new technologies, practices, and conditions. Yet municipal bylaws and regulations often lag behind these rapid changes.

Some of the issues currently affecting employment lands include:

- **Major projects and their local impacts.** The federal government's Major Projects Office has seven priority projects in BC, including large natural resource and infrastructure projects in the North. While these projects are largely outside municipal jurisdiction, the impacts extend widely, including the need for industrial staging areas, support services, and workforce housing, to roads, infrastructure, and public services.
- **Emerging industries.** The provincial government is targeting emerging sectors to diversify international trading relationships, including life sciences, mass timber, food processing, aerospace manufacturing, and quantum computing. There is also a push for more homegrown production of military goods for national defence.
- **Changing downtowns.** Continued hybrid work arrangements reduce office demand and daytime activity in city centres. Retail shops, restaurants, and personal services are experiencing lower foot traffic, prompting municipalities to rethink downtown land uses, public spaces, and business-retention strategies.

Municipalities that understand these needs can better position themselves to attract and support growth sectors. It is essential to appreciate how major investments reverberate across the local and regional economies. This includes both direct and indirect effects, such as growth among business suppliers, and the housing, transportation, infrastructure, and public-service needs associated with a larger workforce.

The same is true on the downside. When a major facility closes, communities should consider what can be done to retain related businesses or to repurpose lands for the next opportunity.

Information and Communication

Communication and promotion help build support for economy-supportive initiatives. Relatable statistics resonate strongly with the public, such as the fact that Metro Vancouver industrial lands comprise 4% of the region's land base, yet have 22% of the region's jobs. That commercial and industrial property tax rates are three to four times higher than residential rates, meaning business growth helps fund local programs while moderating household tax increases. And that the BC government collects billions of dollars in revenue from natural resource sectors that fund provincial social services.

There is a need to better communicate how planning and development decisions about infrastructure, housing, and employment lands intersect with economic development. Community plans benefit from an economic development perspective to ensure feasibility, and equally, economic development opportunities require a supportive land-use framework.

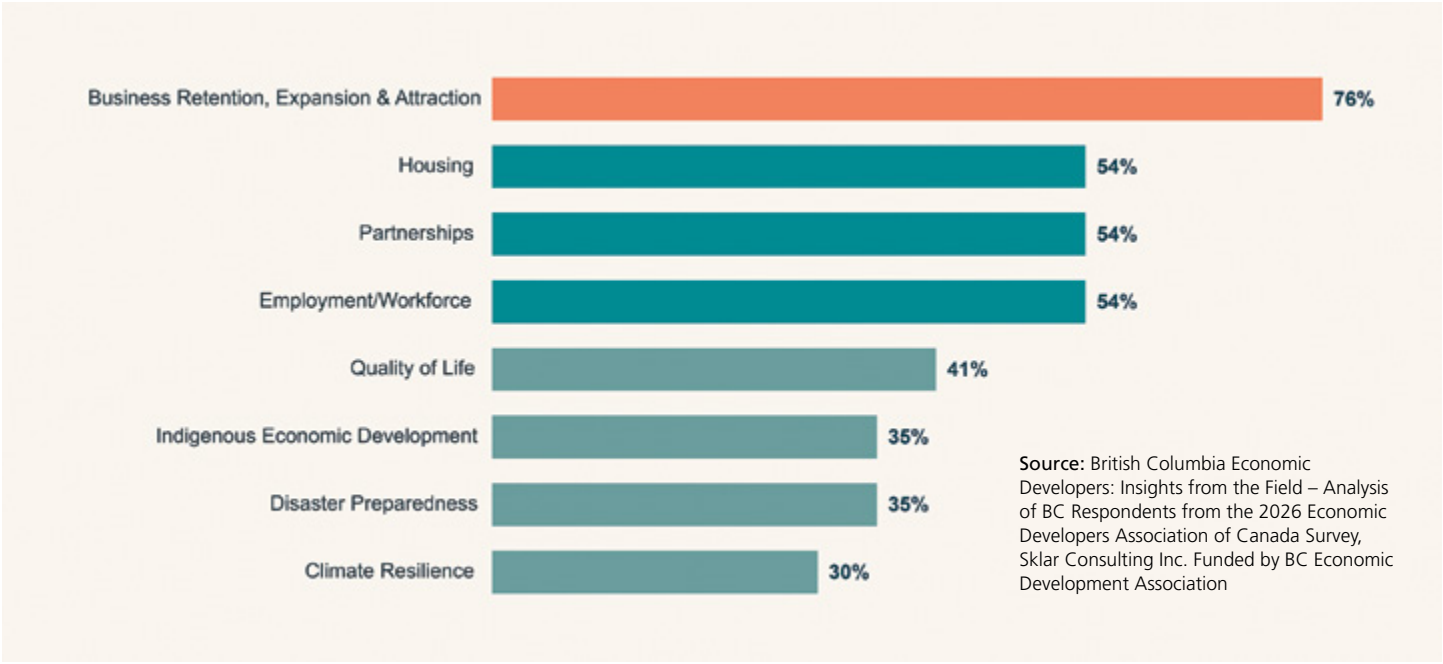
Municipal Plans and Market Realities

Municipalities increasingly coordinate policy objectives through complementary Official Community Plans and Economic Development Strategies. Actions can take many forms, including: creating new downtown and employment area plans; updating policies to align with changing market conditions; improving development approval processes; inventorying lands to document their capacity; investing in efficient transportation networks; and incentivizing priority commercial and industrial developments that advance business and job growth.

Investment attraction and business expansion programs further define and advance these initiatives with associated implementation plans. For example, the City of Maple Ridge recently completed an investment attraction strategy that assessed local economic assets and competitive advantages to identify high growth sectors and align municipal initiatives with market opportunities.

It is a reality that businesses and developers shift their investments toward jurisdictions that have a more 'business-friendly' environment. City plans and policies

Top Priorities of BC Economic Developers
Supporting local business is #1, but many overlaps with planning



Source: British Columbia Economic Developers: Insights from the Field – Analysis of BC Respondents from the 2026 Economic Developers Association of Canada Survey, Sklar Consulting Inc. Funded by BC Economic Development Association

should proactively guide and support economic opportunities, with close attention to execution.

Planning for Business

Large-scale projects require significant infrastructure investments, Indigenous engagement, and federal and provincial permits. At the municipal scale, development may involve complex building forms, strict space and access specifications for end-users, and specialized equipment, all while satisfying evolving business needs and complying with municipal rules.

While not strictly planning matters, occupancy permits and business licences receive less attention, yet they affect when a building can be ready for a new tenant. The cliché is true – time (and risk) is money, providing a sense of urgency for the applicant that is not always matched by the approving authority. The cumulative impact of these 'details' can dissuade investors and stall projects.

Programs such as the City of Vancouver's TIPS Program (Tenant Improvement Permit System) allow for easier permitting of space in select office buildings that have previously gone through the permitting process.

Cities can proactively identify and prepare investment-ready sites in strategic locations to de-risk development. A great investment opportunity needs the right land supply with compatible zoning, servicing, access, and other enabling conditions. But planning for roads and infrastructure is only part of the equation – timely funding and delivery are required to achieve results.

This all unfolds in the context of a weak real estate market, flat population levels, limited job growth, a slow economy, and rising government deficits. This reality underscores the renewed need for close coordination between multiple governments, agencies, and private sector actors.

Building from Within

While attracting flashy new investments may get headlines, economic developers typically devote their effort meeting with, learning from, and addressing the needs of existing businesses. Although low profile, the most effective and durable way to build a strong community is through retaining and expanding businesses that are already invested and committed.

Long-term economic success is increasingly about people – attracting and retaining talented, working-age individuals and their families. This requires sound land-use planning that supports housing, commercial, recreational, services, and amenities.

Just as communities need an adequate supply of affordable housing for workers, they also require sufficient space for businesses to form and expand. This ranges from small workshops and older commercial spaces for start-ups, to modern equipment for tech companies, and new office space for corporate headquarters.

Closing

Proactive municipalities can move beyond strategies and plans, through simplified regulatory frameworks, timely permitting and licensing processes, reduced development fees and property taxes, bring-to-market efforts to facilitate land development, and investments in attractive public facilities and amenities.

Successful land-use planning and economic development require concerted, coordinated efforts among planners, economic development professionals, elected officials, governments, businesses, developers, and other stakeholders. Alongside homes and jobs, business growth and economic resiliency are essential to achieving a truly 'complete community'.

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