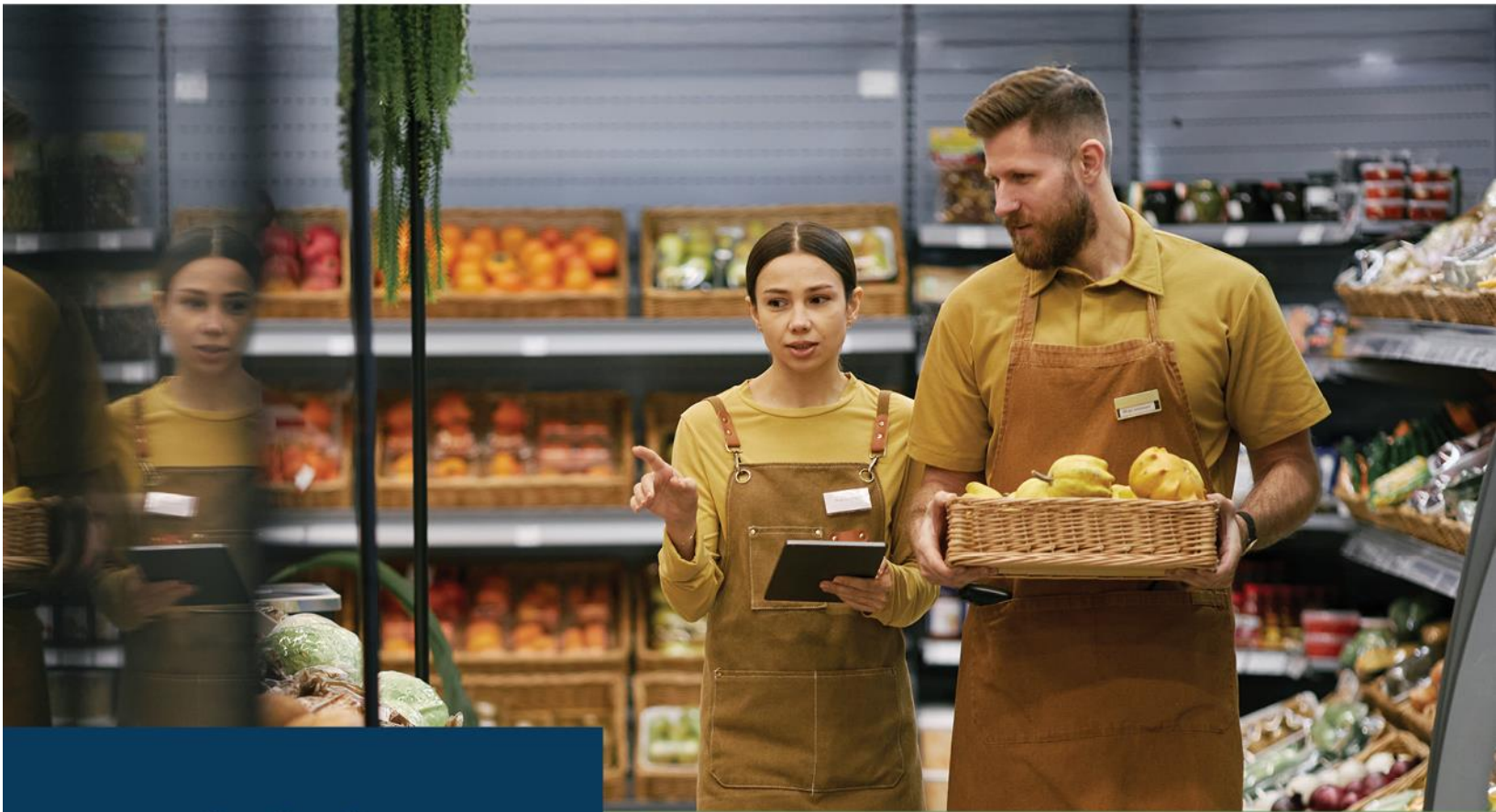




2025

Annual Business Survey Results

letstalkabbotsford.ca/businesssurvey



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Executive Summary and Recommendations

In May 2025, the Economic Development department conducted the first Annual Business Survey using the City's Let's Talk engagement platform. This annual survey is one of the key deliverables identified in the 2024-2026 Business Retention and Expansion Strategy. The survey is designed to gain insights into the local business environment from current, former, and aspiring business owners. Key goals of the survey are to benchmark progress on the BR+E Strategy and identify changes in the local business environment, as well as to help identify emerging issues affecting local businesses.

The 2025 Annual Business Survey was conducted from May 5 to May 16. The survey design included a core set of "longitudinal" questions that will be asked each year to benchmark progress on the BR&E strategy, and a set of "emergent issues" questions that will be developed each year to address issues related to the current economic climate.

a. Summary of results

There were a total of 129 completed surveys submitted on the Let's Talk platform. The respondents included:

- 88 current business owners,
- 17 former business owners, and
- 24 aspiring business owners.

Most current owners who responded to the survey own small, well-established businesses that primarily serve the local market. They are generally optimistic about the future of their business; their most common responses were that Abbotsford is a good place to locate a business and believe that their business will grow over the next 12 months. They would like the City to focus on improving municipal processes, reducing municipal costs (taxes and fees), improving public safety, addressing parking/parking limitations, and improving overall cleanliness.

The majority of current business owner respondents serve local markets in both Abbotsford and the Fraser Valley. They are not exporting goods/services internationally and are not likely to be impacted by US tariffs and trade restrictions; however, more businesses import products and services and are therefore more likely to be impacted by Canadian import tariffs. These businesses should benefit from the federal government's recent decision to drop retaliatory tariffs on CUSMA-compliant American goods.

b. Recommendations

1. Conduct a series of targeted focus groups/roundtables with local businesses to identify specific examples of municipal "red tape" or process bottlenecks where businesses would like to see specific improvements.
2. Continue to work with senior levels of government, Export Navigator Canada, the Chamber of Commerce, and industry associations on helping local businesses understand current

- international trade opportunities. This will include an emphasis on understanding the process of becoming CUSMA-compliant.
3. Work with the ADBA, Chamber and other business groups to address safety, security and “social disorder” concerns. Specific examples include arranging meetings between the ADBA and Bylaws, APD, Operations, and the Homeless Action team to develop coordinated actions to address these issues.
 4. Work with the Chamber, Community Futures, Business Development Canada (BDC), and UFV to develop a mentorship program pairing aspiring entrepreneurs with established business leaders.
 5. Incorporate incentives for the 2026 survey to increase survey response rate.
 6. Explore how the City can help long-term businesses with succession planning.

Background

a. Purpose

The Annual Business Survey is one of the key deliverables identified in the 2024-2026 Business Retention and Expansion Strategy. The primary purpose of this initiative is to gain insights into the local business environment from current, former, and aspiring business owners. The goal is to benchmark progress on the BR+E Strategy and identify changes in the local business environment, as well as to help identify emerging issues affecting local business.

b. Methodology

The 2025 Annual Business Survey was conducted using the City's Let's Talk platform and ran from May 5 to May 16. The survey design included a core set of "longitudinal" questions that will be asked each year to benchmark progress on the BR&E strategy, and a set of "emergent issues" questions that will be developed each year to address issues related to the current economic climate.

c. Structure of the Survey

The survey included three streams targeting current, former, and aspiring business owners.

- The "current business owner" survey stream was the most extensive stream and was designed to provide information on the current business climate.
- The "former" business stream was designed to learn why businesses closed.
- The "aspiring business owner" stream was designed to learn what attracts aspiring entrepreneurs to open their business in Abbotsford.

Information collected from the three streams helps provide a comprehensive overview of the current strengths, challenges, and opportunities for the Abbotsford business community.

d. Responses Rate

The survey generated 1,019 visits over the 12-day period it was conducted on the Let's Talk site. There was a total of 129 respondents who completed the survey, a lower response rate than anticipated. In contrast, the BR+E Survey conducted in Spring of 2024 was open for a similar length of time and garnered over 400 responses; however, the 2024 survey included an opportunity to win one of three \$100 gift cards for respondents. The 2025 Annual Business Survey was also conducted during the same period as the City was engaged in extensive public consultation for the Official Community Plan.

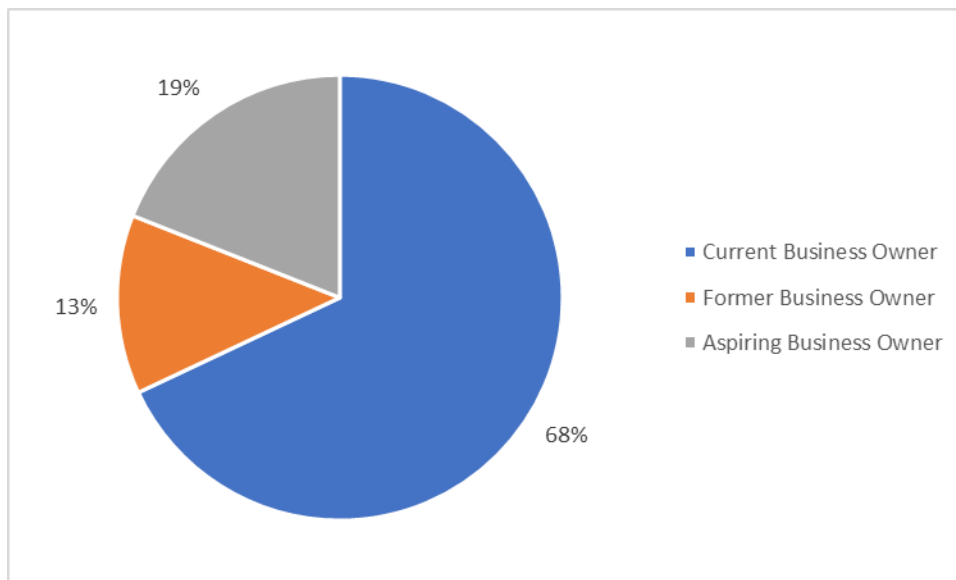
Respondent Characteristics

Of the 129 responses received, 68% came from Current Business Owners, followed by 19% from Aspiring Business Owners, and 13% were from Former Business Owners.

Most responses from Current Business Owners came from well-established small, locally owned and operated businesses:

- 68% of business respondents have been in operation for 10 or more years,
- 72% have 10 or fewer employees,
- 90% classified themselves as locally owned and operated: businesses; 67% have one location, and 23% have more than one location in Abbotsford.

Figure 1: Overall Survey Respondents



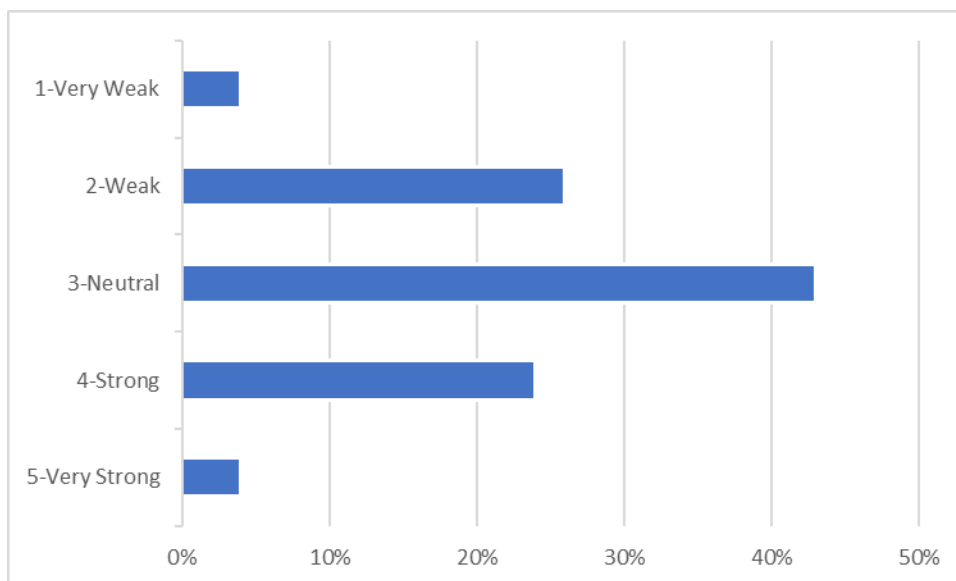
Abbotsford Economic Outlook

Respondents in all three survey streams were asked a set of standard questions about their perceptions of Abbotsford's economic strength, their perceptions about Abbotsford as a place to locate a business, what the City's top priorities should be to better support businesses, and what Economic Development programs they are familiar with. Current business owners were further asked to rate the current state of their business as well as their perceptions of business conditions for the coming year.

a. Health of the Local Economy

Respondents had mixed views about the overall health of the Abbotsford economy: 43% ranked the local economy as "Neutral" with nearly equal percentages rating it as "Very Strong" or "Strong" (28%) as compared to those who rated it "Very Weak" or "Weak" (29%). This ranking is likely reflective of larger trends in the Canadian and global economy related to increasing concerns and uncertainty around international trade, inflation, interest rates, employment and slowing population growth.

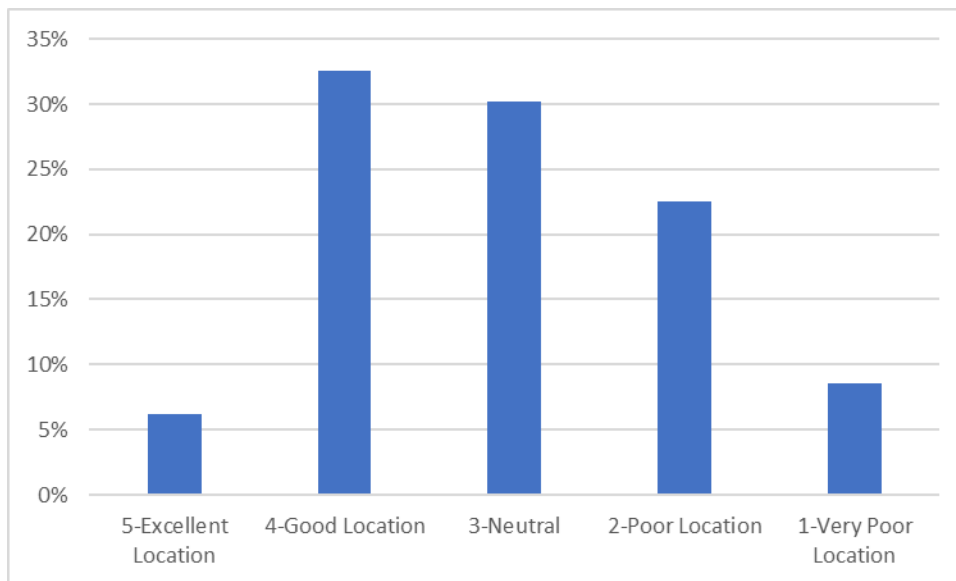
Figure 2: How do you perceive Abbotsford's economic strength?



b. View of Abbotsford as a Place to do Business

There was an interesting divergence of opinion on the respondents' grade of Abbotsford as a place to do business, with nearly equal percentages choosing “good to excellent” (39%), “poor to very poor” (31%), and neutral (30%).

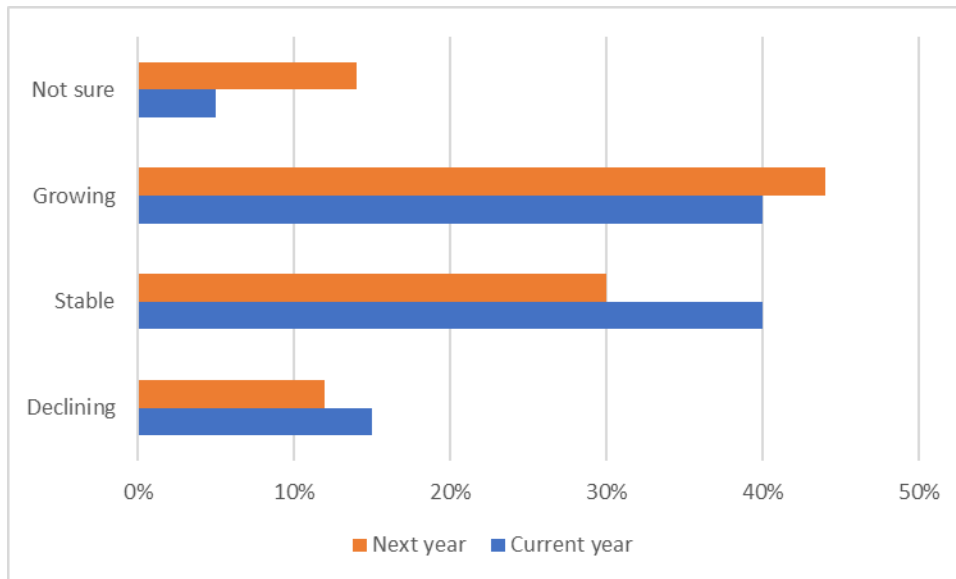
Figure 3: What overall grade would you give Abbotsford as a place to locate a business?

**c. State of Business: Current Year vs Next year**

Current business owner survey respondents were generally positive about the current state of their business: 40% said their business is growing compared to 16% who said their business is declining with another 40% saying their business is currently stable (Figure 4).

Current business owners are generally positive about their future with 44% believing their business will grow next year (an increase of four basis points); there was also a concurrent two basis point decrease (from 15% to 13%) in the percentage of current business owners who believe their sales will decline next year (Figure 4).

Interestingly, there was also a significant decline in the percentage of respondents who believe their sales will remain stable (from 40% to 30%) and a significant increase in percentage who are “Not Sure” about their sales next year (from 5% to 14%). This may be reflective of the mixed signals the Canadian economy has been sending to consumers and businesses throughout most of this year. The rate of inflation seems to have levelled off, and employment levels have generally remained stable, allowing the Bank of Canada to ease interest rates. However, the threat of increased tariffs and protectionism leading to slower growth and higher input prices, along with slower population growth, continues to lead to concerns about a potential economic downturn.

Figure 4: State of business: Current Year vs Next Year***Note: Interpreting Stable vs Growth Responses***

One challenge in analyzing the data collected in this survey is how to interpret what it means when businesses classify their business as “stable” or that they expect revenues to remain the same year over year.

Interpreting “stable growth” in many ways depends on the larger economic context. In a stagnant or declining economy, “stable” may mean that while a business is neither growing nor shrinking, it remains profitable and can continue to operate. In this case, “stable” can be interpreted as a success.

Business theory, though, tends to emphasize the importance of long-term business growth. A business that does not or cannot grow over the long term will have an increasingly challenging time remaining competitive. In this view, a “stable” business will have challenges in developing new products or services, attracting new capital, or implementing innovative new practices to remain competitive with growth-oriented businesses. At a minimum, businesses generally want revenues to grow at least at the rate of inflation to allow them to remain competitive and profitable.

What should the City's priorities be to help businesses?

When asked what the City's top priorities should be to better support Abbotsford businesses, the following top five priorities were identified:

1. Improve City Hall processes,
2. Reduce City costs (municipal taxes, water/wastewater fees, development charges, permit fees),
3. Improve public safety,
4. Address parking/parking limitations, and
5. Improve overall cleanliness.

These findings are generally consistent with the results of the 2024 BR+E Survey and the 2023 Historic Downtown Abbotsford Business Walk as well as with anecdotal information collected during the Sectoral roundtables.

Although it was ranked as the third most important priority for the City, the largest number comments collected in this section referred to "improving public safety"; in many cases, respondents viewed "improving public safety" and "improving overall cleanliness" as inter-linked "social disorder" issues.

D) Knowledge of Existing Services

When asked which of the following City of Abbotsford Economic Development programs respondents were familiar with, the five most selected were:

1. Film Office/Filming Opportunities
2. Business Visitation Program (Business Visits, Business Walks, Business Spotlight Visits, Industry/Sector Tours – Manufacturing Bus Tour)
3. Business Resource Guide
4. Economic Development Table
5. GIS Sitefinder

The Film Office is one of the most well-established functions in the Economic Development Department, and the industry has a relatively high public profile in Abbotsford. Residents can see active film locations throughout the city and are able to recognize Abbotsford locations in films, TV and streaming series, and commercials.

One of the key initiatives identified in the 2024-2026 BR+E Strategy was strengthening relationships with the business community. The updated Business Visitation Program is one example of how the Economic Development Team is achieving this. The Business Visitation Program which includes requested business visits, Mayor and Council Business Spotlights, the annual Manufacturing Tour with the Abbotsford Chamber of Commerce, and business walks, have been marketed through City social channels, and integrated into the updated website design. The Business Visitation program is designed to both improve communication with the business community and to help the City better understand the issues facing businesses in the community with an eye to improving City processes.

The Business Resources Guide is an updated and expanded tool used to support creating a one-stop-shop for businesses as outlined as a key initiative in the 2024-2026 BR+E strategy. The Business Resource Guide provides extensive resources with direct links to highlight and recognize our close economic stakeholders represented at the Economic Development Table. The Business Resource Guide also references the recent partnership between the City of Abbotsford and Fundica to provide businesses with an in-depth, user-friendly grant and funding search engine.

Relationships with key economic stakeholders in Abbotsford, represented at the City hosted Economic Development Table, are of key importance. That is why there has been an increase in marketing on social channels and web page updates to recognize these relationships and encourage Abbotsford economic organizations to work together to better support the business community.

The GIS Sitefinder is a tool that is marketed via City social channels, web page design and the business resource guide. This is the Economic Development team often recommends aspiring business owners looking to invest in Abbotsford. It is also an excellent tool for businesses looking to expand or relocate their business as it provides available commercial listings and significant demographic information.

Note: Seventy-seven respondents did state that they were not aware of any of the services that Economic Development offers.

Current Business Owners

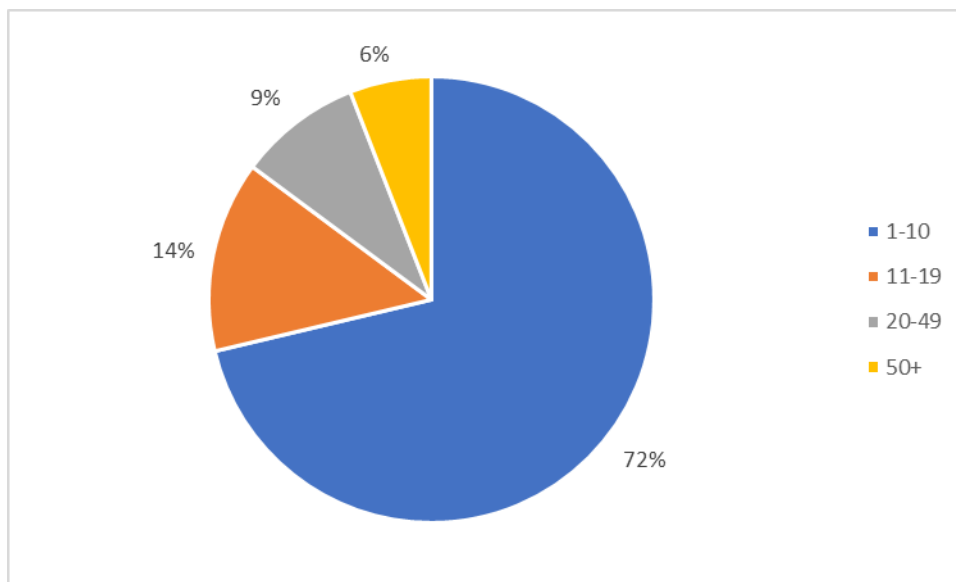
Current business owners represent 68% of the total responses to the survey. Most of the current business owners who responded to the survey classified themselves as small, locally owned and operated, and well-established businesses.

a. Size of Respondent Businesses

The Canadian government classifies a “small business” as having 99 or fewer employees, a “medium” business as having 100-499 employees; and a “large” business as having 500 or more employees.

Most respondents (94%) fall into the standard “small business” category. As can be seen in Figure 5, 72% have fewer the 10 employees, 14% have 11- 19 employees, and 9% have 20-49 employees. Please note that in the survey, no businesses reported having 50-99 employees; all the remaining businesses reported having 100 or more employees, pushing them into at least the “medium” sized business category.

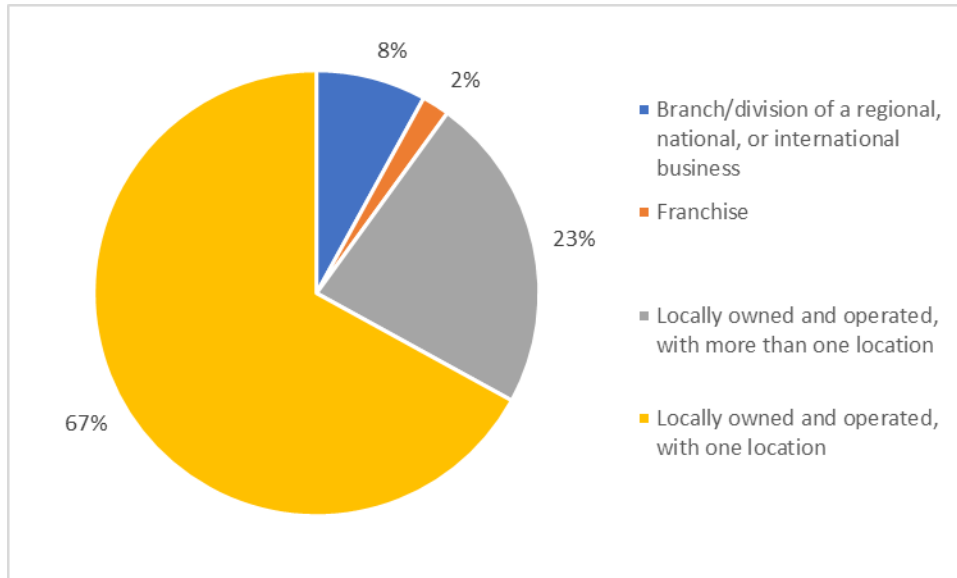
Figure 5: Number of Employees



b. Business Structure, Number of Locations, and Length of Time in Business

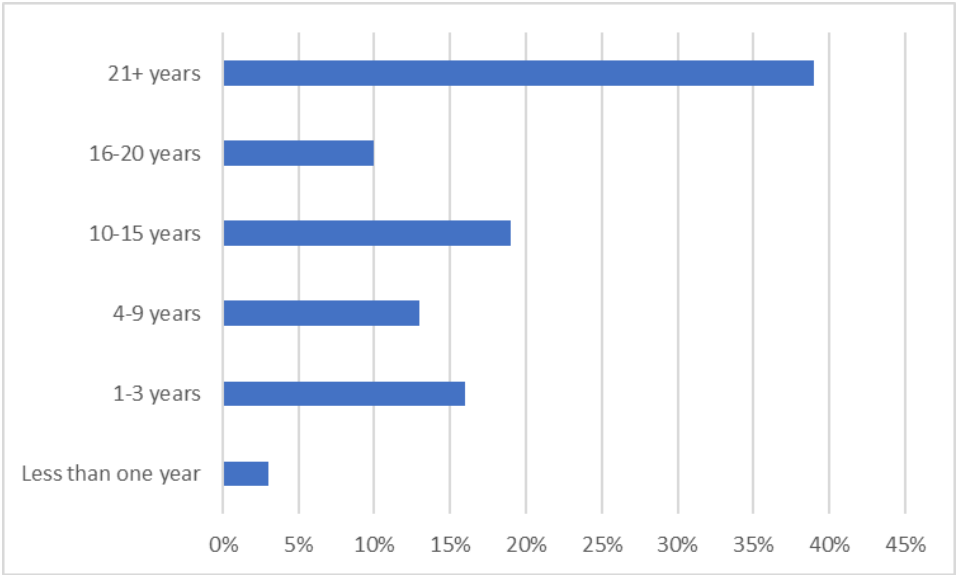
Ninety percent (Figure 6) of respondents classified their business as locally owned and operated, with the majority (67%) having a single location in Abbotsford, and a further 23% having more than one location in Abbotsford. The majority of respondents (68%) are also from businesses that have been in business for 10 or more years (Figure 7).

Figure 6: How would you classify your business?



These two findings combined point to the relative health of the small business community in Abbotsford. In contrast, a recent report from Innovation, Science and Economic Development Canada's recently released *Key Small Business Statistics* reports that only 50% of firms will survive past their first 10 years of operation and less than 20% will survive for 20 or more years. It is important to recognize and celebrate that 38% of current business owners have been in business for 21 or more years (Figure 7).

Figure 7: How many years has your business been in operation?



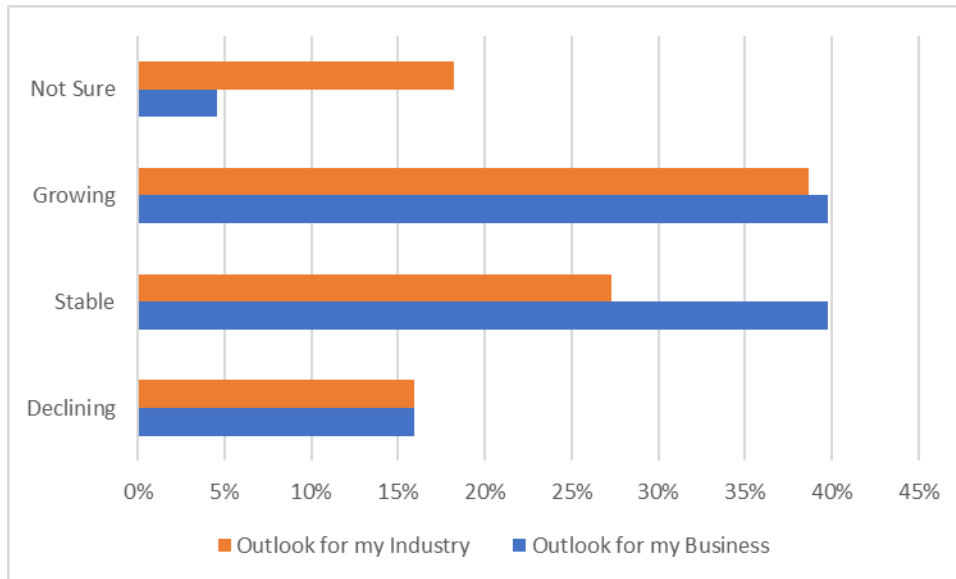
Respondents in this stream represented a broad range of business sectors with the highest number of responses from Retail (12), Food Services (11), Agriculture and Agri-tech (8), Healthcare (7), and Personal Services (7), and Other (16).

Industry and Individual Business Outlook

The survey asked current business owners for their opinion about the outlook for their industry over the next year, and then about their projections for their own business over the next year.

When asked about their outlook in the next year for their industry, 66% of current business owners believe their industry is either stable or growing. Conversely, 16% of current business owners shared that their industry will see a decline over the next year.

Figure 8: Current Business Owners' Outlook for Industry vs their Business



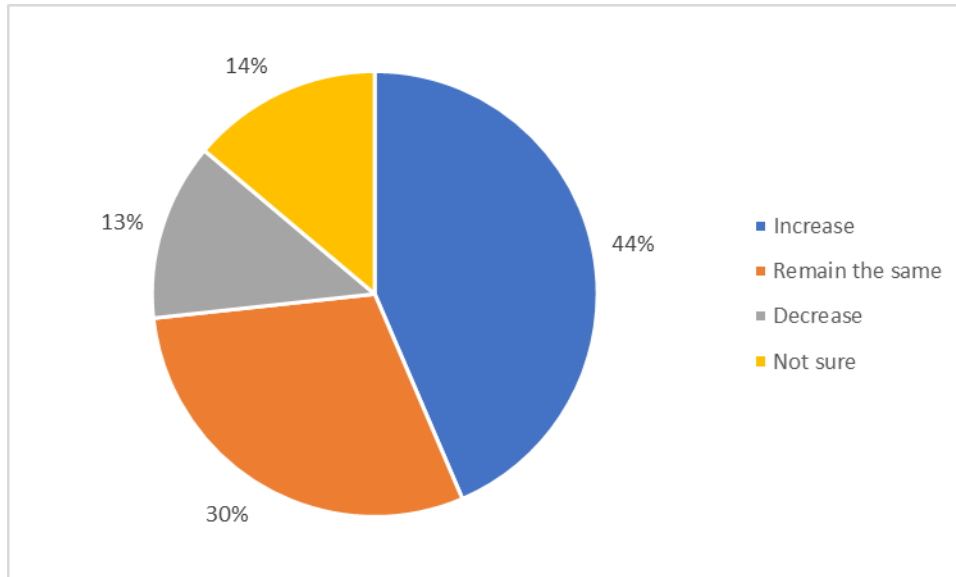
c. Individual Business Outlook

Interestingly, business owners are much more optimistic about the future of their own business than they are for their industry: 74% expect their sales to grow or remain stable over the next year versus 66% who believe their industry will grow or remain the same next year.

d. Projections for Next Year's Sales

When asked about the future of their own business, 44% of current business owners project that their sales will increase in the next year with a further 30% expecting their sales to remain about the same. Only 13% of respondents project their sales to decrease.

This overall positive outlook on their business was further reiterated with 82% of respondents sharing that they either plan to maintain (47%) or expand their business (35%).

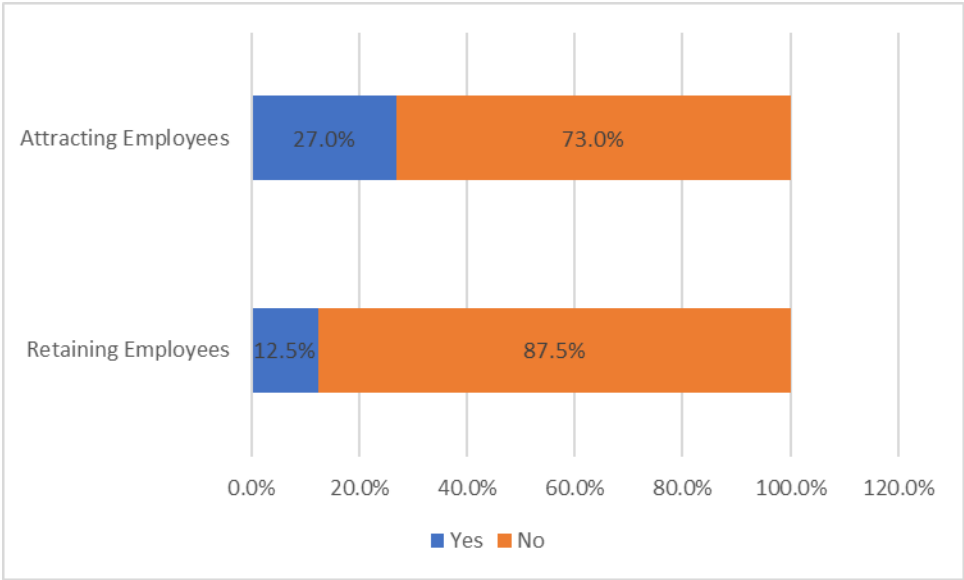
Figure 9: Projected Sales for the Next Year**e. Physical Space Remains Important.**

Most respondents (92%) do not intend to reduce their physical footprint by going virtually in the next year. This finding could be reflective of the nature of their business (e.g., service-based), the terms of their individual lease agreements, or other factors unique to their specific circumstances. It should also be noted that businesses may plan to facilitate future growth through expanded online sales and/or remote work options that would not necessarily require a change in physical space requirements.

f. Employee Attraction and Retention

Most respondents (73%) said they did not have trouble attracting employees and an even larger percentage (87.5%) said they did not have trouble retaining employees (Figure 10).

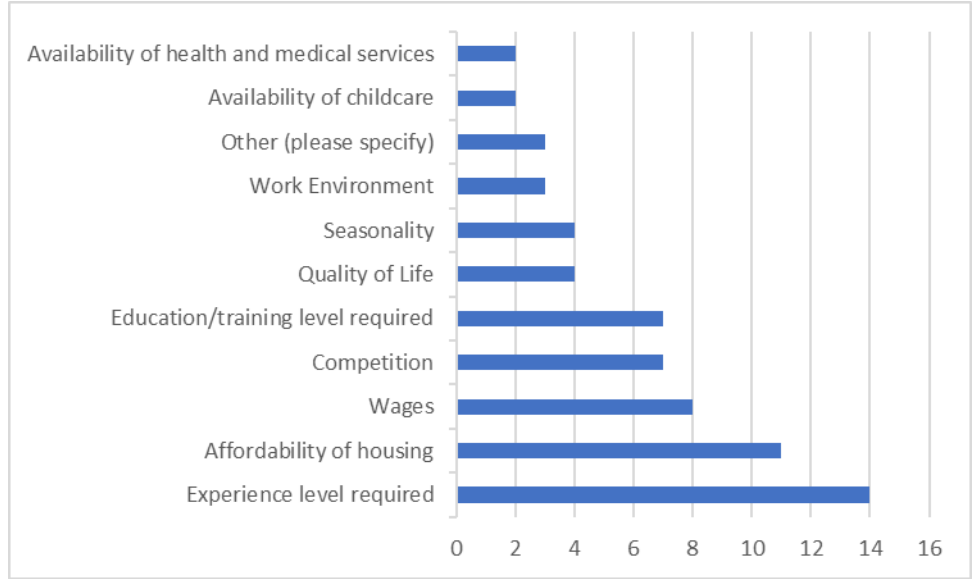
Figure 10: Do you have trouble attracting or retaining employees?



g. Employee Attraction Challenges

Slightly over a quarter (27%) of respondents reported difficulties attracting employees. The five most cited challenges were: employee attraction, experience levels required, affordability of housing, wages, education/training levels, and competition.

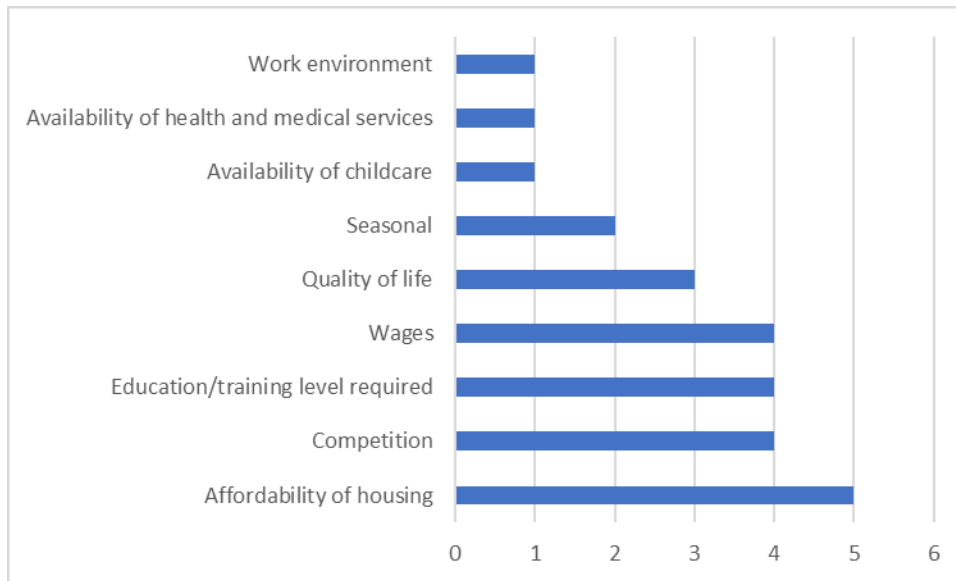
Figure 11: Reasons cited for Challenges Attracting Employees.



h. Employee Retention Challenges.

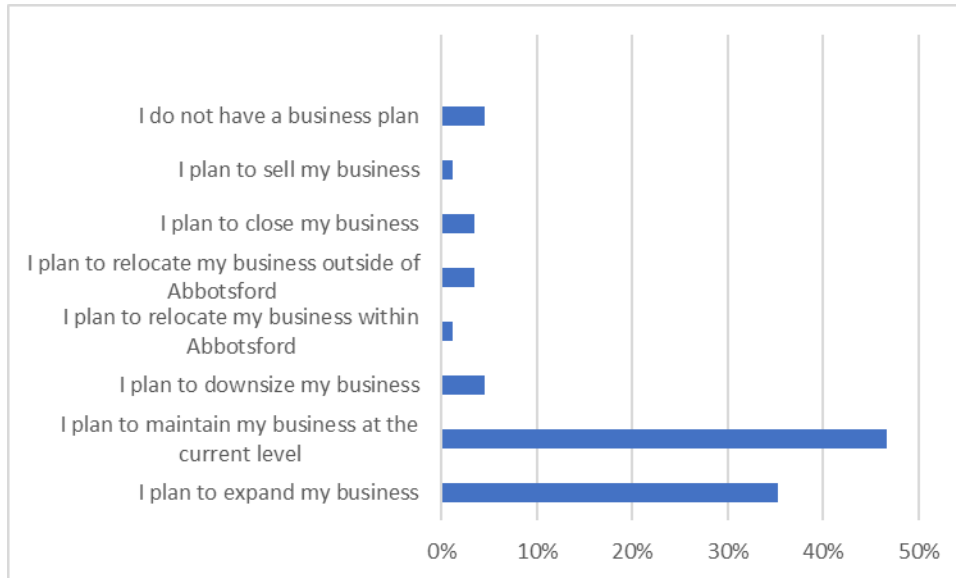
“Affordability of housing” was the most cited challenge for retaining employees, followed by “Competition,” “Education/training level required,” “Wages,” and “Quality of Life.” Due to the small number of responses to this question, it is difficult to draw inferences from this data.

Figure 12: Reasons cited for troubles retaining employees.



i. Future Plans for Business

The survey asked current business owners about their plans for their businesses over the next 12 months (Figure 31). Almost half (47%) plan to maintain their business at its current size, while another third (35%) plan to expand their business. In contrast, 5% plan to downsize, 3% plan to close, and another 3% plan to relocate outside of Abbotsford.

Figure 13: Business plans for the next 12 months

Decision to expand or close/downsize/relocate businesses.

The survey asked respondents to choose the top three reasons they are either planning to **expand** or **close/downsize/relocate** their businesses. Of the 88 business owners who responded:

- 31 are planning to expand their business,
- 41 are planning to maintain their business at the current level,
- 11 are planning to downsize/close/sell/ relocate outside of Abbotsford,
- one is planning to sell or relocate within Abbotsford, and
- four do not have a specific plan for the next 12 months.

a. Businesses Planning to Expand.

A common theme throughout the survey was that a plurality of businesses are optimistic about the future of their own businesses. Of the respondents who are planning to expand their businesses, the five most common reasons given were:

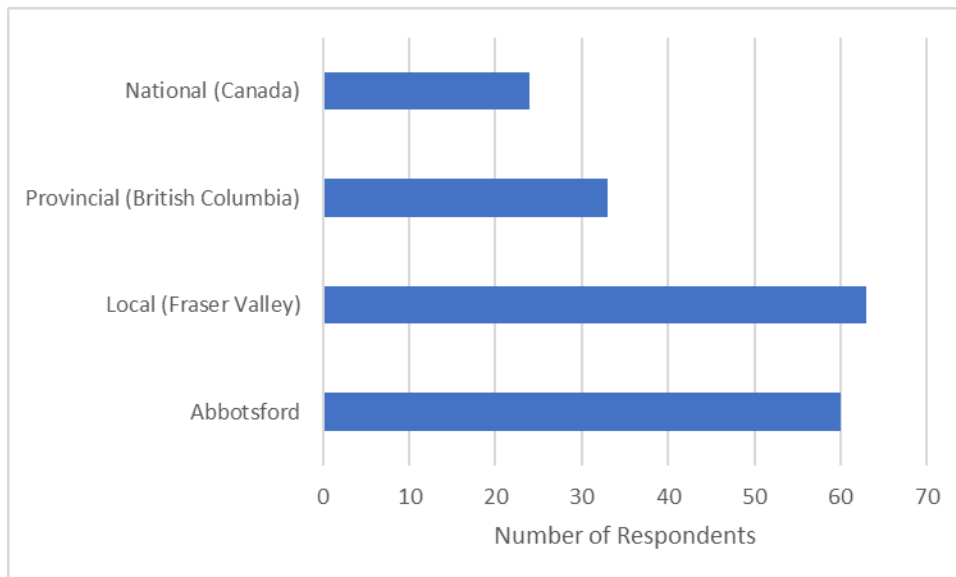
- Growing customer base (19 selections)
- Adding new products or services (17 selections)
- Able to expand on current site (12 selections)
- Increased demand for products or services (11 selections)
- Increase in profitability/margins (8 selections)

Emergent Theme: Impact of Tariffs

The survey asked **current business owners** a series of questions about the impact that tariffs on both imports and exports are having on their business.

Most of the respondents to the survey are small businesses with fewer than 20 employees and appear to be focused on serving local clientele: 38% have a provincial customer base and 27% serve the national market in Canada (Figure 14). Just 15% of respondents export their products and/or services internationally (Figure 15). Conversely, 35% of respondents are importing products and/or services from international markets. Given the nature of this sample population, import tariffs imposed by the Canadian government are more likely to have an impact on businesses than tariffs levied by foreign governments.

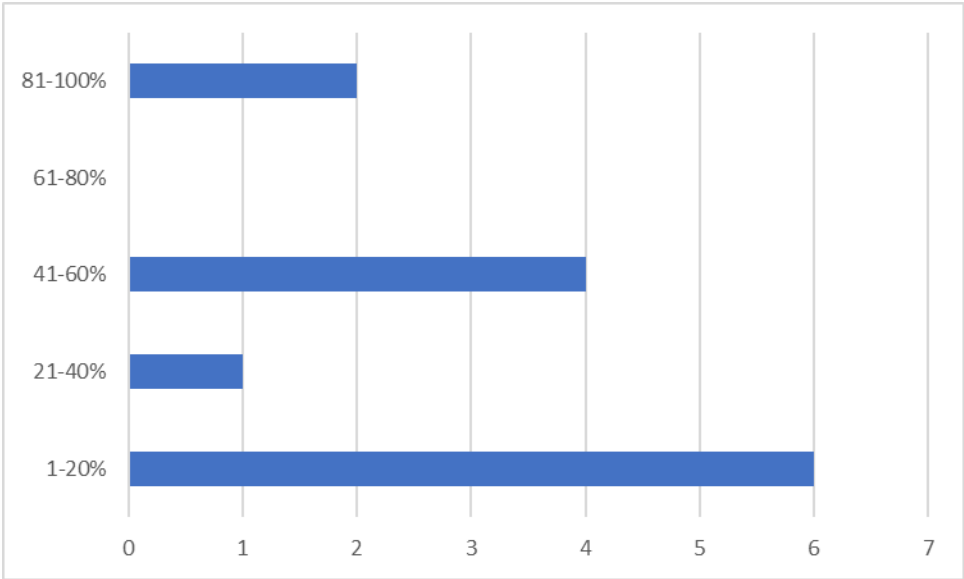
Figure 14: Which markets your business currently services in Canada (Select all that apply)



b. Impact of Tariffs on Exports

Of the 88 current businesses who responded, 13 indicated that they are exporting their products and/or services to markets outside of Canada. The United States was the most common export market (11 responses), with one respondent each citing Asia-Pacific and the European Union as their primary export market. Six businesses indicated they export 20% or less of their business, four export 41-60%, and two export 80% or more (Figure 15).

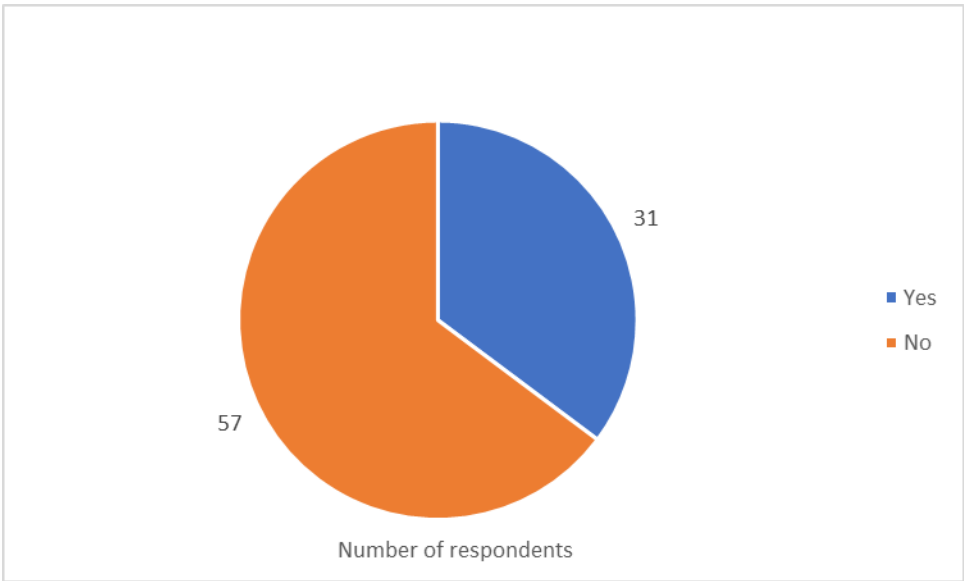
Figure 15: Percentage of Business that is Export-related



c. Impact of Import Tariffs

During the period when survey was taken, the Canadian government had instituted a regime of “retaliatory tariffs” on a wide range of imported products from the United States as well as on other trading partners, most notably China. Since that time, the Canadian government has removed tariffs on most goods that are compliant with the Canada-United State-Mexico trade agreement.

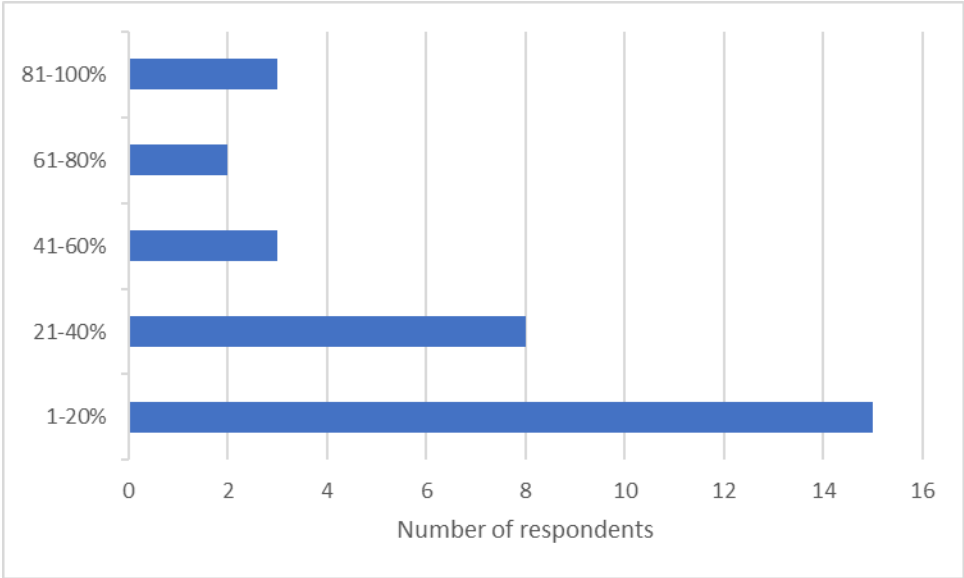
Figure 16: Do you import goods/services internationally?



Just over 1/3 of respondents say they are importing goods/services from international markets (Figure 16). The most common import markets are the USA (18 respondents), Asia-Pacific (8 respondents), and

the European Union (3 respondents). The majority of respondents said they export 40% or less of their product (Figure 17).

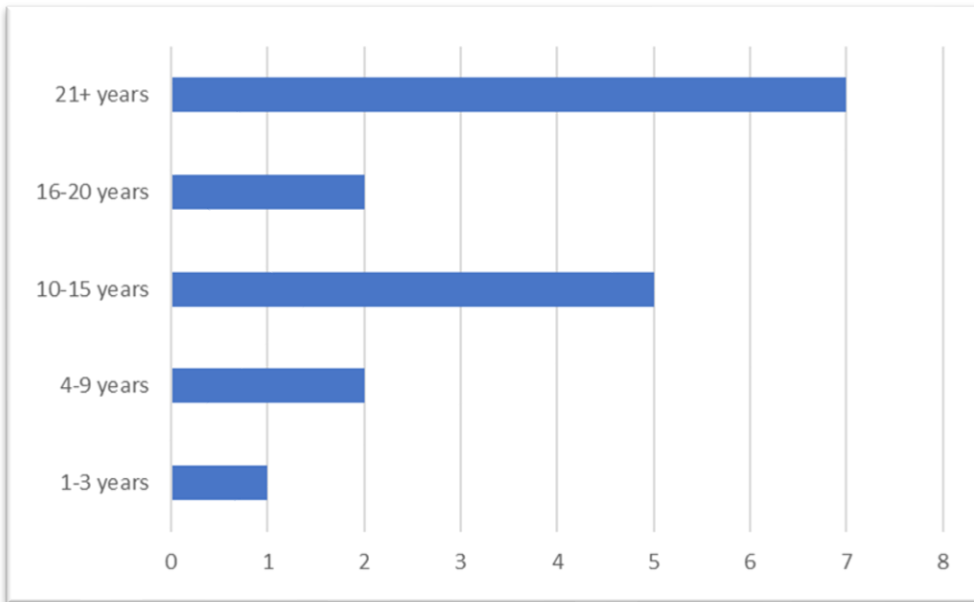
Figure 17: How much of your product is imported?



2. Former Business Owners

The survey included six questions for respondents who self-identified as “former business owners.” There were 17 former business owners who responded, with the majority (82%) indicating they were in business for 10+ years (Figure 19).

Figure 19: How long were you in business?



The five most cited factors that influenced their decision to close their business included:

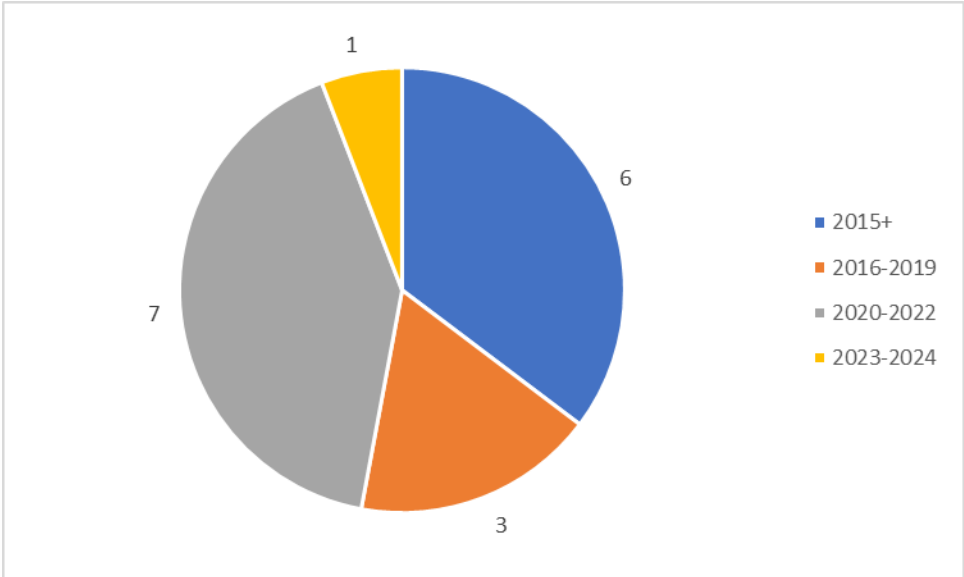
- the business sold (6 responses),
- personal reasons/planning to retire (5 responses),
- change in customer base (5 responses),
- Other (5 responses)
- change in demand for product or service (4 responses).

The reasons given for deciding to close their businesses reflect a mix of personal and market-driven factors. Two of the top factors cited for their decision to close their business— “the business was sold” and “personal reasons/planning to retire”— are not necessarily indicative of a business failure. In some cases, the owners are both retiring and selling their business at a profit. Four of the five “Other” responses referred to personal reasons including retirement, seeking work/life balance, and pursuing other business options. Changing market conditions rounded out the top five reasons owners chose to close their business.

Although it is a small sample, the timing of when business chose to close is interesting to note. Seven of the 17 former business owners closed their businesses between 2020 and 2022 (Figure 19). Although

none of the respondents mentioned the COVID-related restrictions, these restrictions were in place in various forms from March 2020 until March 2022.

Figure 19: What year did your business close?



3. Aspiring Business Owners

There were 24 respondents who identified themselves as aspiring business owners in the survey.

Aspiring business owners identified a number of positive community attributes (quality of life, housing affordability, and affordable commercial real estate) ahead of traditional site selections metric (available workforce, proximity to transportation network, and local economy).

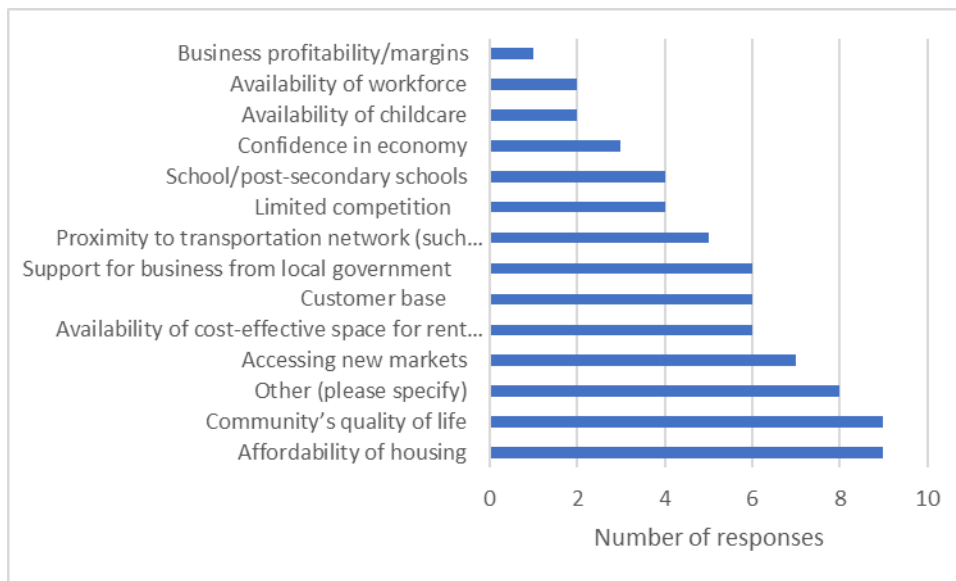
When asked what attracted them to opening a business in Abbotsford (Figure 19), the top five responses were:

- “Community’s quality of life” (9 responses),
- “Affordability of housing” (9 responses),
- “Other” (8 responses)
- “Access to new markets” (7 responses), and
- “Availability of cost-effective space,” “Customer Base,” and “support from local government” (6 responses each).

Interestingly, all the respondents who selected “Other” said they lived in Abbotsford, and this is the primary reason they want to start their business in Abbotsford.

Only three aspiring business owners were interested in City Staff following up with them, all of which have been emailed.

Figure 19: What attracts aspiring business owners to Abbotsford? (Select all that apply)



Summary

The 2025 Annual Business Survey provides a number of interesting insights into the health of the business community in Abbotsford. This data, coupled with insights from the Sectoral Roundtables and anecdotal information provided by businesses during the Mayor and Council Spotlight visits, paints a picture of a cautiously optimistic and resilient local business community.

Most current owners who responded to the survey are small, well-established businesses that primarily serve the local market. The majority are optimistic about the future of their business and believe that Abbotsford is a good place to locate a business. They would like the City to focus on improving municipal processes, reducing municipal costs (taxes and fees), Improving public safety, addressing parking/parking limitations, and improving overall cleanliness.

Most of these survey respondents serve local markets and are not significantly impacted by US tariffs and trade restrictions. In contrast, many of the respondents import products and services from the USA and are more likely to be impacted by Canadian import tariffs. These businesses should benefit from the federal government's recent decision to drop retaliatory tariffs on CUSMA-compliant American goods.

Recommendations

1. Conduct a series of targeted focus groups/roundtables with local businesses to identify specific examples of municipal “red tape” or process bottlenecks where businesses would like to see specific improvements.
2. Continue to work with senior levels of government, Export Navigator Canada, the Chamber of Commerce, and industry associations on helping local businesses understand current international trade opportunities. This will include an emphasis on understanding the process of becoming CUSMA-compliant.
3. Work with the ADBA, Chamber and other business groups to address safety, security and “social disorder” concerns. Specific examples include arranging meetings between the ADBA and Bylaws, APD, Operations, and the Homeless Action team to develop coordinated actions to address these issues.
4. Work with the Chamber, Community Futures, BDC, and UFV to develop a mentorship program pairing aspiring entrepreneurs with established business leaders.
5. Incorporate an incentive program for the 2026 survey to increase survey response rate.
6. Explore how the City can help long-term businesses with succession planning.