



British Columbia

# The first legal Vancouver pot shops opened 5 years ago. Some owners say business isn't booming

✂ Hefty markups, competition among the challenges, say shop owners

Jon Hernandez · CBC News · Posted: Jan 04, 2024 9:52 PM PST | Last Updated: January 5



Cannabis products are pictured at Sunrise Cannabis store in Vancouver, B.C., on Tuesday, May 10, 2022. (Justine Boulin/CBC)



margins.

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\*A 15-per-cent wholesale markup on cannabis products charged to retailers by B.C.'s Liquor and Cannabis Regulation Branch (LCRB) continues to eat away at profit margins.

"Five years is tough to do that in any business — especially this one," said Babins. "It's been ups and downs, ups and downs, lots and lots of work, and lots of people gunning for us competition-wise.

"But we keep on going on."



Mike Babins says competition has been fierce in the Kitsilano neighbourhood, where he owns and operates Evergreen Cannabis. (Gian-Paolo Mendoza/CBC)

## Mounting markups

When Mike Babins opened his legal cannabis shop on Jan. 5, 2019, he had a vision of where he'd be in five years — even if it was admittedly pie in the sky.

"I kind of thought I'd be on my private island in the Caribbean with people feeding me grapes, but that was a bit of a pipe dream," he told CBC News from his Evergreen Cannabis shop in Vancouver's Kitsilano neighbourhood.

Evergreen Cannabis was one of Vancouver's first two legal pot shops to open that day. There was a lineup around the block and no shortage of enthusiasm from customers.

"It was the first time we had to get a velvet rope to hold the crowd back, and I felt the significance of the velvet rope as a big deal to me," he recalled.

But times have changed. Many cannabis shops in B.C. have come and gone throughout the course of the first five years of legalization. Owners like Babins say competition is fierce, with many shops fighting over market share.

### **B.C. cannabis retailers say they're being pushed out by deeply discounted government stores**

Many private retailers complain they're being undercut by government-operated B.C. Cannabis Stores (BCCS), which offer razor-thin, unsustainable

Licence Number	Establishment	Establishment Address Street	Open? (Establishment)	(Esta
450495	Rise Cannabis Colwood Co	Unit 2 - 1905 Sooke Road	Yes	1
450494	Pacificanna	#7-425 Simcoe Street	Yes	2
450461	Fernwood Green	1-1725 Cook St.	Yes	3
450460	Rock Bay Cannabis	2622 Douglas Street	Yes	4
450446	Seed and Stone	1150 Douglas St	Yes	5
450421	Pacificanna	1881 Fort Street	Yes	6
450398	Trees Cannabis	1545 Fort St	Yes	7
450387	Songhees Cannabis Store	1502 Admirals Road	Yes	8
450381	Trees Cannabis	103 - 230 Cook Street	Yes	9
450380	Cloud Nine Cannabis	28 - 3605 Shelbourne St	Yes	10
450379	Costa Canna	4-4144 Wilkinson Rd	Yes	11
450377	Costa Canna	202-310 Wale rd.	Yes	12
450353	Honeycomb Cannabis	2317 Millstream Road	Yes	13
450337	Trees Cannabis	695 Alpha Street	No	14
450321	Village Bloomery	1010 Cook Street	No	15
450302	Flight Cannabis Co.	101 - 977 Langford Parkway	Yes	16
450284	BURNSIDE CANNABIS	3175 Harriet Rd	Yes	17
450280	Rise Cannabis	103 - 1505 Admirals Road	Yes	18
450226	Pacificanna	1560-1564 Fairfield Rd	Yes	19
450217	Alternative Aromatics	2641 Quadra St	Yes	20
450205	Kiaro	475 Gorge Road East	Yes	21
450187	Pineapple Victoria	608 Esquimalt Road	Yes	22
450186	High5 Cannabis	732 Tyee Rd	Yes	23
450036	Clarity Cannabis	1400 Quadra St	Yes	24
450025	Clarity Cannabis	1-603 Gorge Road East	Yes	24
450019	The Original FARM	3055A Scott St	Yes	26
450016	The Original FARM	1402 Douglas St	Yes	27
450015	Cloud Nine Collective	778 Fort St	Yes	28
	BC Cannabis Store	Unit E-109 3561 Blanshard Street	Yes	29

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## Daily Operation Expenses

City's Insurance	\$4.10
Province Insurance	\$4.10
Rent	\$89.75
Banking Fee	\$8.22
Tracking software	\$18.42
Transaction fee	0
Camera, Alarm. Internet	\$12.53
Utility	\$16.45
Advertising	\$8.92
Wage	\$394.56
	\$557.05



"storefront cannabis retailer"

means a business where cannabis is sold or otherwise provided to a person who attends the premises.

## **PART 2 - BUSINESS LICENCES**

### **Business licences required for storefront cannabis retailers**

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- (1) A person must not operate a storefront cannabis retailer unless the person holds a valid licence issued under the provisions of this Bylaw and the Business Licence Bylaw.
  - (2) A person applying for the issuance or renewal of a licence to operate a storefront cannabis retailer must:
    - (a) make an application to the Licence Inspector on the form provided for that purpose; and
    - (b) pay to the City a \$5,000 annual licence fee.

### **Licence Inspector's authority to suspend or refuse a storefront cannabis retail licence**

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- (1) The License Inspector may suspend a licence or refuse to issue or renew a license where the applicant does not have a provincial cannabis retail store licence.
  - (2) A decision of the Licence Inspector under subsection (1) may be appealed to Council by submitting a request in writing to the City Clerk within 30 days of the decision.

## **PART 3 - OPERATING REGULATIONS**

### **Regulation of storefront cannabis retailers**

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- A person carrying on a storefront cannabis retailer must:
- (a) install and maintain an air filtration system that effectively minimizes odour impacts on neighbouring properties;
  - (b) ensure that two employees are present on the premises at all times when the business is open to the public, including one manager;
  - (c) ensure that windows on any street frontage of the premises are not blocked by translucent or opaque material, artwork, posters, shelving, display cases or similar elements;
  - (d) not be open for business between the hours of 10:00pm and 9:00am the next day;
  - (e) display any advertising or sign that is visible from outside of the premises except for a maximum of two signs which display no images and contain only:

managers discretion.

**The Employer agrees to enable the selectable digital tipping feature in point-of- sale (POS) systems, to allow for voluntary customer tips via debit or credit methods of payment.**

### **7.03 Sick Pay**

**As per Section 49.1 of the *Employment Standards Act*, the Employer will provide five days of paid sick time, and three (3) days of unpaid sick time, to all employees who are unable to report for work on account of a medical illness.**

✱ Employees will not be required to provide a doctor's note or the note of a medical practitioner as a condition of approval for paid sick time.

### **7.04 Pay Periods**

Pay periods shall be bi-weekly and each employee shall be provided with a statement of earnings and deductions for each pay period.

### **7.05 Classification Change**

Where new classifications are introduced into the bargaining unit, or where the Employer requires bargaining unit members to perform acting responsibilities outside of the scope of their job description, the Employer and the Union shall meet in good faith to discuss the job responsibilities and rates of pay. Where the parties are unable to agree on wage rates for new classifications or

## Sect: 4.12 Call in Shifts

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- \* Call-in shifts are to be accepted or denied at the sole discretion of the employee.

The Employer will contact each employee by seniority when filling a call in-shift. If the employee does not answer a phone call immediately, or a text within reasonable amount of time, then the Employer will contact the next employee by seniority.

**Call-In Shift Premium:** All employees who attend to work a Call-In Shift will be paid a one dollar (\$1.00) per hour premium for hours of work during the Call-In Shift.

Employees who accept a call-in to start prior to a regularly scheduled shift will be paid a premium of fifty cents (\$0.50) for hours of work during the early start Call-In Shift.

Employees accepting a Call-In Shift in advance of a scheduled shift are to be paid a minimum of four (4) hours. Employees accepting a call-in to complete a scheduled shift that has already commenced are to be paid the greater of two (2) hours or the hours worked.

### 4.13 Meal and Rest Breaks

Employees who work a shift of four (4) hours, but not more than five (5) hours shall receive one (1) paid fifteen (15) minute rest period.

Employees, working over five (5) hours are entitled to a thirty (30) minute meal period and 1 additional fifteen-minute



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Friday 9:11 AM

Hey Rose, sorry for the short notice but I am not feeling well today, stomach is super sore and woke up in a cold sweat which has yet to pass, ill keep you updated but I'm not gonna be able to make it in today ill need a sick day, again so sorry for the short notice.



Friday 7:25 PM

**Heya Rose just wanted to give you a heads up I'm not feeling well still, spent most of my day in the bathroom or laying down, I was hoping it would pass so I could be there tomorrow but I believe i will need a second day at this rate, so sorry for any inconvenience**

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