BC Small Businesses Record Worst Sales Decline in Canada as Costs, Crime and Policy Pressures Mount

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Vancouver, BC – British Columbia recorded the steepest decline in small business sales in Canada at the end of 2025, reinforcing growing concerns about the mounting pressures facing storefront businesses across the province.

According to the latest Xero Small Business Insights report, small business sales in British Columbia fell 8.2% year-over-year in the final quarter of 2025, significantly worse than the national decline of 4.1%.

The Business Improvement Areas of British Columbia (BIABC) says the data confirms what many small businesses have been experiencing in recent years.

"For many small businesses in British Columbia, these numbers simply reflect what they are seeing on the ground," said Jeremy Heighton, President of BIABC. "Business owners are facing rising operating costs, declining consumer spending tied to affordability pressures, and ongoing public safety challenges in many commercial districts."

Heighton said recent provincial policy decisions are also adding new pressures.

"Small businesses are already operating on very thin margins. The province's recent decision to expand the Provincial Sales Tax to additional services is the latest policy change that will increase the cost of doing business at a time when many storefront businesses are already struggling."

BIABC represents the majority of 80 Business Improvement Areas and approximately 55,000 storefront businesses across British Columbia.

Heighton says many businesses also continue to face persistent challenges related to property crime, vandalism, shoplifting, and non-violent repeat offenders, forcing some businesses to absorb additional costs for repairs, security, and lost inventory.

"Small businesses are often on the front lines of broader social challenges related to mental health, addiction, and public safety," Heighton said. "Those impacts are felt directly in our commercial districts and must be recognized in policy decisions."

BIABC continues to advocate for action in several key areas, including increased community policing and business-focused security supports, stronger recognition of business impacts within provincial mental health and addictions strategies, and policies that strengthen the resilience of small businesses.

This includes ensuring small-business input in any provincial tariff-response strategy, expanding Buy BC and Shop Local initiatives, removing interprovincial trade barriers, reviewing the cost burden associated with mandatory paid sick days, and establishing a stand-alone Ministry of State for Small Business to ensure consistent representation of the sector within government.

"Small businesses are the backbone of communities across British Columbia," Heighton said. "When our province records the steepest sales decline in the country, it should prompt serious reflection about the environment our local businesses are operating in."

BIABC says supporting small businesses will be essential to maintaining the vitality of local economies and neighbourhood commercial districts across the province.

About BIABC

The Business Improvement Areas of BC (BIABC) is the provincial champion of strong, vibrant, and successful downtowns, main streets, and commercial districts throughout the province. Its members represent more than 80 business districts, employing hundreds of thousands of retail, service, and office workers.

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Media Contact:
Kelly Gleeson
kgleeson@lbmg.ca
604-240-6231