

Economic Newsletter



Key Highlights

- The Downtown Yonge neighbourhood reached over 1 million monthly visitors over the summer of 2023.
- Pedestrian volumes saw significant gains through the fall, surpassing 2019 levels in October 2023 with nearly 6 million pedestrians and a 40% increase in November compared to 2019.
- Retail vacancy has remained stable at 12%, with over 40 new businesses opening in the first 6 months of 2023.
- The return to offices continues to grow, with office occupancy in some downtown Toronto office towers peaking at 71% during mid-week. However, overall, the downtown office occupancy sits at 56% as of November 2023.



Welcome

In this newsletter you'll find:

- DYBIA Visitor Analysis
- Pedestrian Flow Analysis
- Retail Sector Update
- Downtown Toronto Office Occupancy Update



Visitor Analysis¹

2019 & 2023

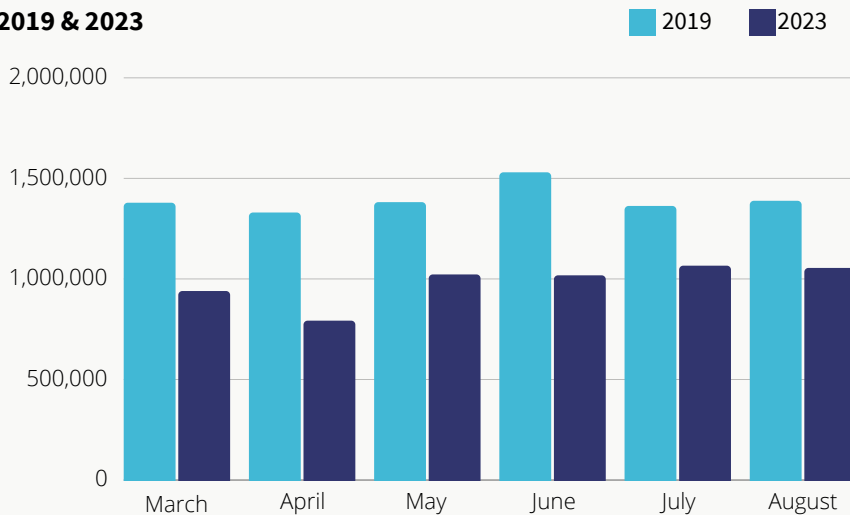
Inter-regional travel stabilizes

2023 saw the first full year with no public health restrictions since the pandemic hit in 2020. While visitor levels are still averaging around 30% below 2019 levels, the Downtown Yonge neighbourhood saw growth in the summer months, to reach over 1 million visitors a month.

When analyzing mobility trends, early in the pandemic saw most visitors coming from nearby neighbourhoods, with 70% living within a 33-minute drive.

Visitor Volume (Count)¹

2019 & 2023



By summer 2023, the distance from the point of origin for visitors increased by 10%, and the neighbourhood is now seeing 70% of its visitors living within a 43-minute drive.

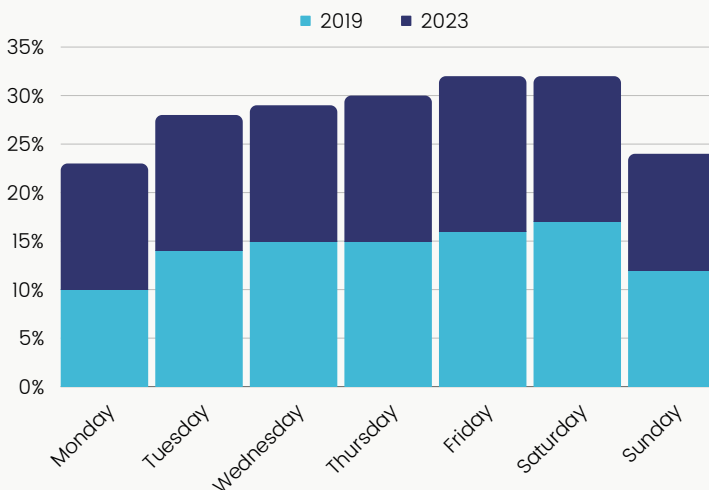
The Downtown Yonge neighbourhood has seen a stabilizing of visitor volumes from across the city, with specific downtown postal codes encompassing the majority of visitors. These include M4Y (bounded by Bloor St., Bay St., Carlton St. and Sherbourne St.) and M5A (bounded by the Don Valley Pkwy, Cherry Beach, Jarvis St., and Carlton St.) as the top 2.

Pre-pandemic, visitor volumes would peak on Saturdays, with the busiest weekday being Friday. While these patterns varied during the pandemic, 2023 saw a levelling off of visitor volumes in a similar manner to pre-pandemic levels, with Fridays now being the peak day of the week at 16% of total visitor volume.

Similarly, the times that people are visiting have returned to pre-pandemic levels, with 3-6pm being the peak time (21%), followed by 12-3pm (19%). The timeframe that saw the biggest change compared to pre-pandemic levels is 9am-12pm, however only a slight decrease in visitor volumes was observed. Comparatively, the evening/overnight timeframes of 9pm-6am saw an increase in visitors, signaling a growth in the nighttime economy in Downtown Yonge.

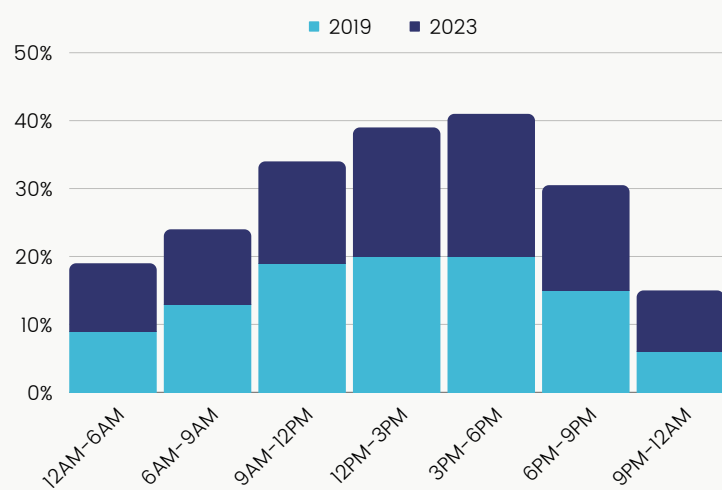
Visitor Volume by day of week (Count)¹

March-August 2019, 2023



Visitor Volume by time of day (Count)¹

March-August 2019, 2023



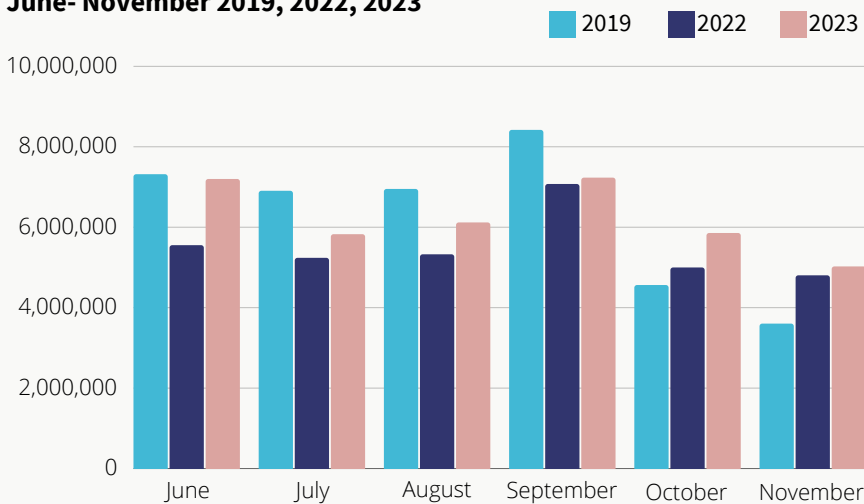
Pedestrian Flow Analysis²

2019, 2022, 2023

Steady flows return

While pedestrian flows were averaging 10-15% below pre-pandemic levels in Q1 and Q2 2023, the Downtown Yonge neighbourhood has seen significant upticks through the fall and holiday weekends. November saw a nearly 40% increase in foot traffic compared to 2019, a sign of the continued draw the neighbourhood has for its entertainment, retail and culture, despite the cooler weather.

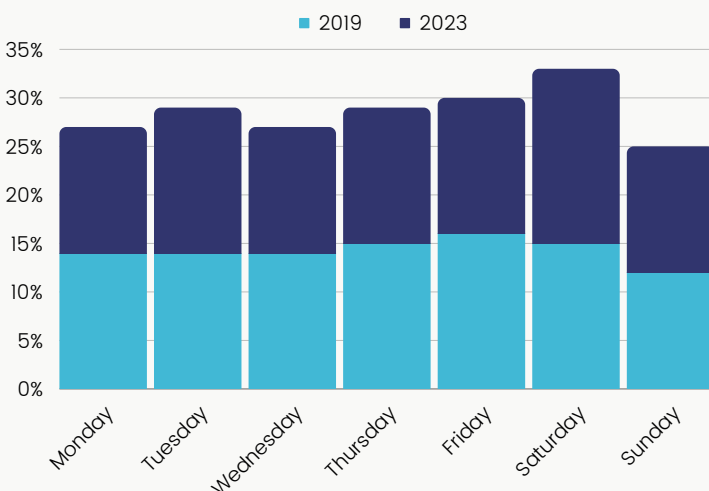
Total Pedestrian Traffic on Yonge Street (Count)
June- November 2019, 2022, 2023²



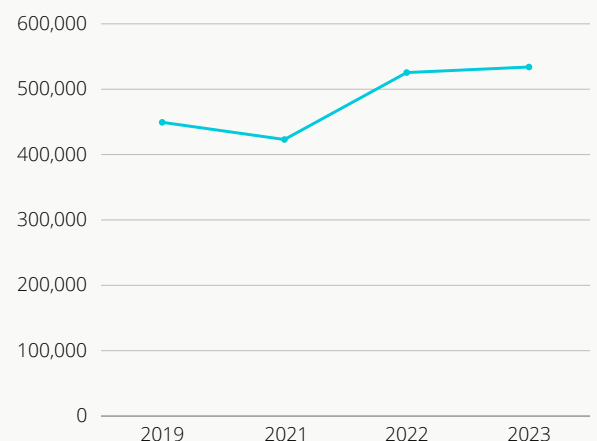
When analyzing pedestrian flows based on day of week, the percentage breakdown remains fairly consistent with pre-pandemic levels. The first 9 months of 2023 saw the peak on Saturdays at 18% of the total pedestrian flow, while pre-pandemic saw the peak on Fridays at 16%. Every other day of the week is within 1% of 2019 levels.

Downtown Yonge has seen consistent surges in pedestrian flows on holiday weekends, especially Thanksgiving, which saw over half a million pedestrians over the 3-day weekend, a nearly 20% increase from 2019. Saturday was the peak day in 2023, accounting for nearly 45% of pedestrian flow for the 3-day period.

Total Pedestrian Traffic on Yonge Street by Day of Week (%) January-September 2019, 2023²



Total Pedestrian Traffic on Yonge Street (Count)- Thanksgiving Long weekend (Saturday-Monday)²



June 2023

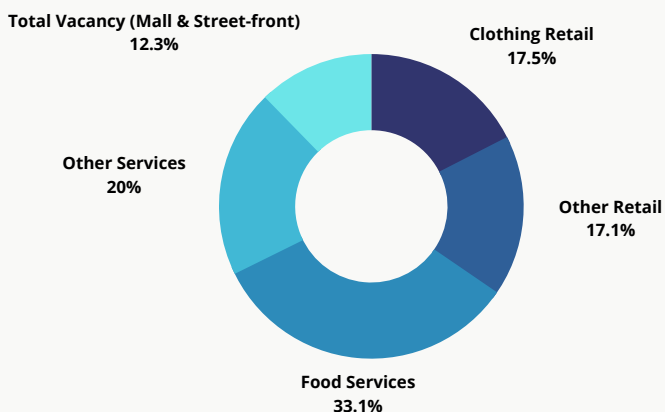
Neighbourhood change continues apace

As of June 2023, the Downtown Yonge neighbourhood saw retail vacancy remaining steady at 12%, and over 20 residential redevelopments ongoing or under review in and around the Downtown Yonge neighbourhood, signifying strong growth in the years to come.

Food Services is still the largest retail sector, currently representing 33% of total retail in Downtown Yonge. There were also over 40 new business openings in the first 6 months of 2023.



Downtown Yonge Retail Mix by Number of Stores⁴
June 2023



Downtown Toronto Office Occupancy³

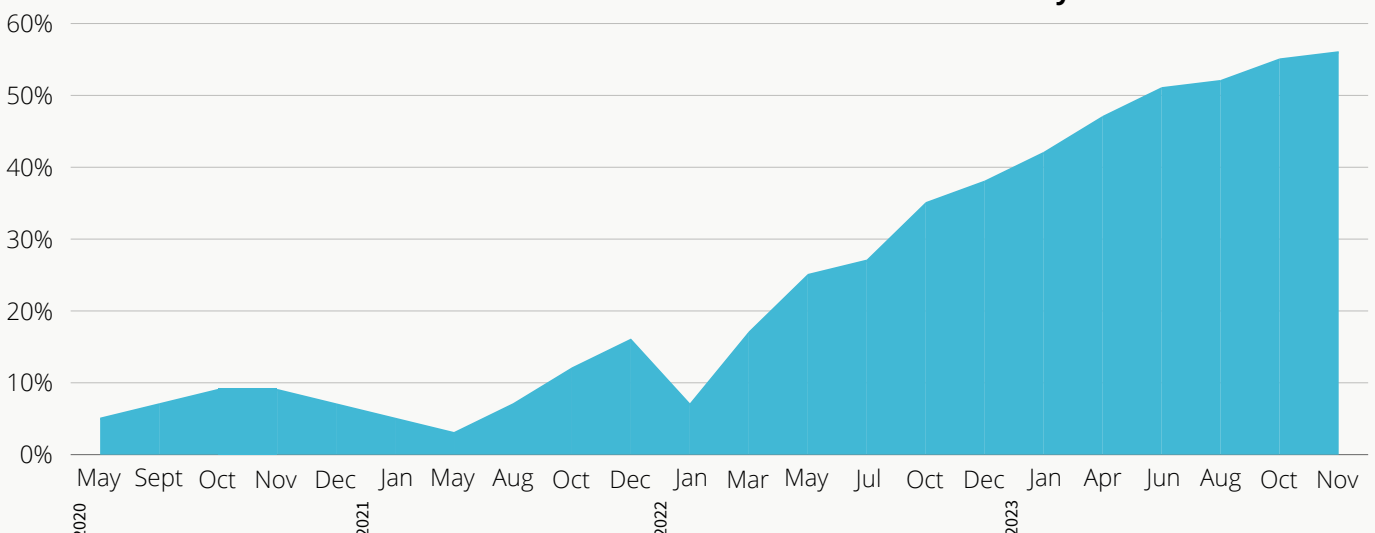
2020-2023

Office occupancy grows in 2023

The Occupancy Index measures the return of office employees to downtown Toronto. As of November 2023, it is sitting at 56% on average, peaking mid-week at 71% in certain downtown office towers.

"Mondays are beginning to attract more workers to the office while overall the Index shows a continued upward trend for the approximately 450,000 office workers in downtown Toronto."

Downtown Toronto Occupancy Index (%)³
May 2020-November 2023



Appendix



This report is provided for informational purposes only. The information contained herein is obtained from sources we believe to be reliable. However, we do not assume any responsibility for inaccuracies. All opinions expressed and data provided in this report are subject to change without notice.

Sources

1. Environics Analytics, 2023
2. MRI on Location, 2023
3. Strategic Regional Research Alliance, "Occupancy Index", October 15, 2023 and November 1, 2023
4. John Archer & Associates, hRz Research Insights, 2023

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