

# Economic Newsletter



## Key Highlights

- Downtown Yonge BIA members indicated they have seen a steady improvement in the state of their businesses during 2022, and with the loosening restrictions also brought a cautious return to regional travel.
- While visitor levels are still lower than before the pandemic, there are signs of growth that are expected to increase as the year progresses.
- Downtown Yonge also saw pedestrian volumes more than doubling in Q4 2021, signalling a strong recovery to come.



- Throughout the COVID-19 pandemic, commercial retail has stayed relatively stable in Downtown Yonge, with slight increases to the vacancy rate due to pending redevelopments.
- Although subsequent waves of COVID-19 stalled the return to work for many offices, occupancy in the downtown Toronto office towers has continued to steadily increase.

## Welcome

In this newsletter you'll find:

- DYBIA Member Survey Summary
- Visitor Trends
- Resident Mobility Analysis
- Pedestrian Flow Analysis
- Retail Sector Update
- Downtown Toronto Office Occupancy Update



# Member Survey Summary<sup>1</sup>



2022

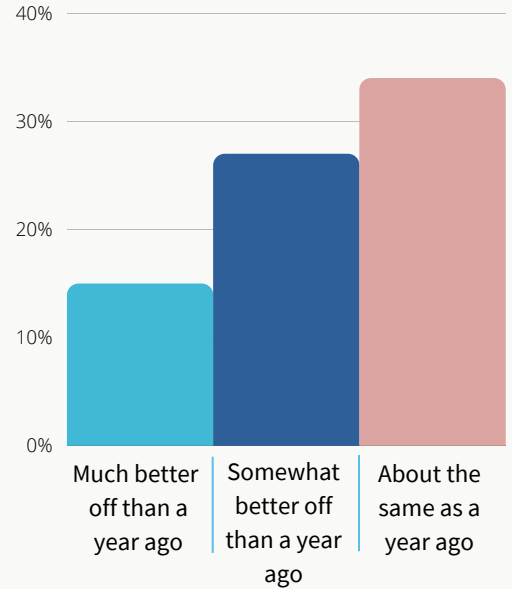
## Businesses are seeing improvements

The new variants slowed down the recovery slightly in Q1 2022, however 42% of businesses indicated that the state of their business had improved when compared to the year prior.

When asked what initiatives would be most beneficial during the recovery, 50% of members indicated there should be "much more" of the following:

- Advertising to reach both residents and visitors
- Incentives to attract people back into the neighbourhood
- Advocacy at all levels of government for business interests

**Thinking about the overall state of your business now compared to a year ago (February 2021), would you say your business now is...<sup>1</sup>**



## Visitor Analysis<sup>2</sup>

2019-2022

### A cautious return of inter-regional travel begins

With the gradual changes in public health restrictions came growth in the visitor sector in Downtown Yonge.

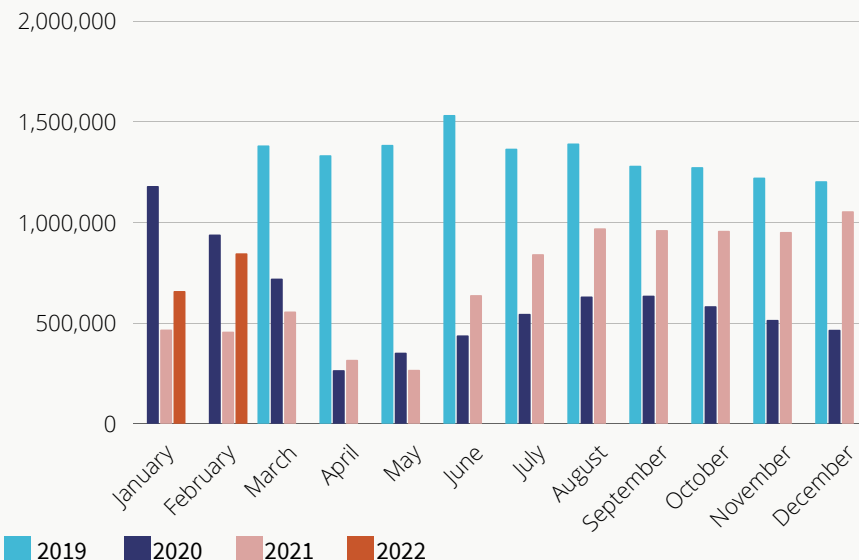
2021 saw steady increases, peaking in December only 12% below the 2019 level. In the first two months of 2022, there were steady gains that point to a stronger year overall if restrictions continue to ease.

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

By February 2022, the distance from the point of origin for visitors increased by 34%, and the neighbourhood is now seeing 70% of its visitors living within a 50-minute drive.

#### Visitor Volume (Count)

2019-2022<sup>2</sup>



While the distance travelled has fluctuated throughout the pandemic, the Downtown Yonge neighbourhood saw consistently larger volumes of visitors from specific postal codes. 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.) are where we have seen the highest concentration of visitors throughout the last two years.



# Resident Mobility Analysis<sup>2</sup>

2019-2022

## Movement patterns are shifting closer to pre-pandemic levels

There are over 100,000 residents within a 10-minute walk of Downtown Yonge, and similarly to the visitor sector, the mobility of residents changed significantly during the beginning of the COVID-19 pandemic.

The second half of 2021 saw evolving public health restrictions and an average increase of 35% in residents out and about compared to the end of 2020.

Early in the COVID-19 pandemic, public health restrictions meant that the average time spent away from a residents' home was 92 minutes, with the average distance being 4-5km. As of February 2022, residents have increased their outings, spending 187 minutes out of their home with a furthest distance travelled of 8km.

While the Fall and Winter 2020 saw only half of residents commuting in comparison to 2019, the second half of 2021 saw those numbers double, indicating a shift in resident behaviours as restrictions ease.



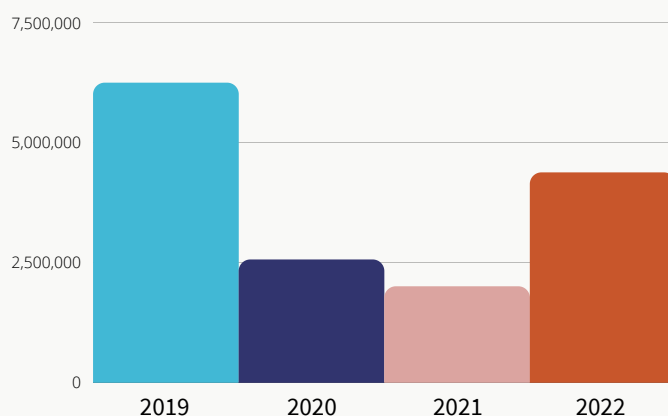
# Pedestrian Flow Analysis<sup>3</sup>

2019-2022

## Traffic flows rebound as restrictions ease

Pedestrian traffic on Yonge Street increased steadily every month in 2021 as public health indicators rebounded. Renewed consumer confidence and loosening restrictions meant that downtown Yonge Street saw more than double the number of pedestrians in March 2022 when compared to 2021.

**Total Pedestrian Traffic on Yonge Street (Count)  
March 2019, 2020, 2021, 2022<sup>3</sup>**



***Pedestrian traffic growth is an indicator of increased economic activity in Downtown Yonge.***

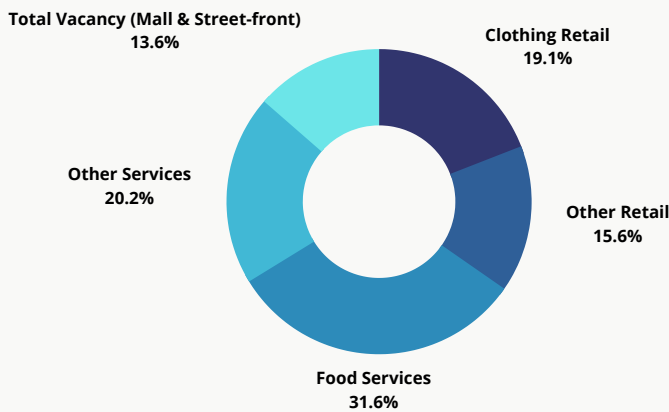
2022

## Holding steady through redevelopments

As of February 2022, the Downtown Yonge neighbourhood saw an improvement in retail vacancy when compared to the previous assessment done in October 2021. While the total vacancy stands at 13.6%, the street-front vacancy currently sits at 18.8%. Food Services is still the largest retail sector, currently representing 31.6% of total retail in Downtown Yonge.



**Downtown Yonge Retail Mix by Number of Stores February 2022<sup>4</sup>**



# Downtown Toronto Office Occupancy<sup>5</sup>

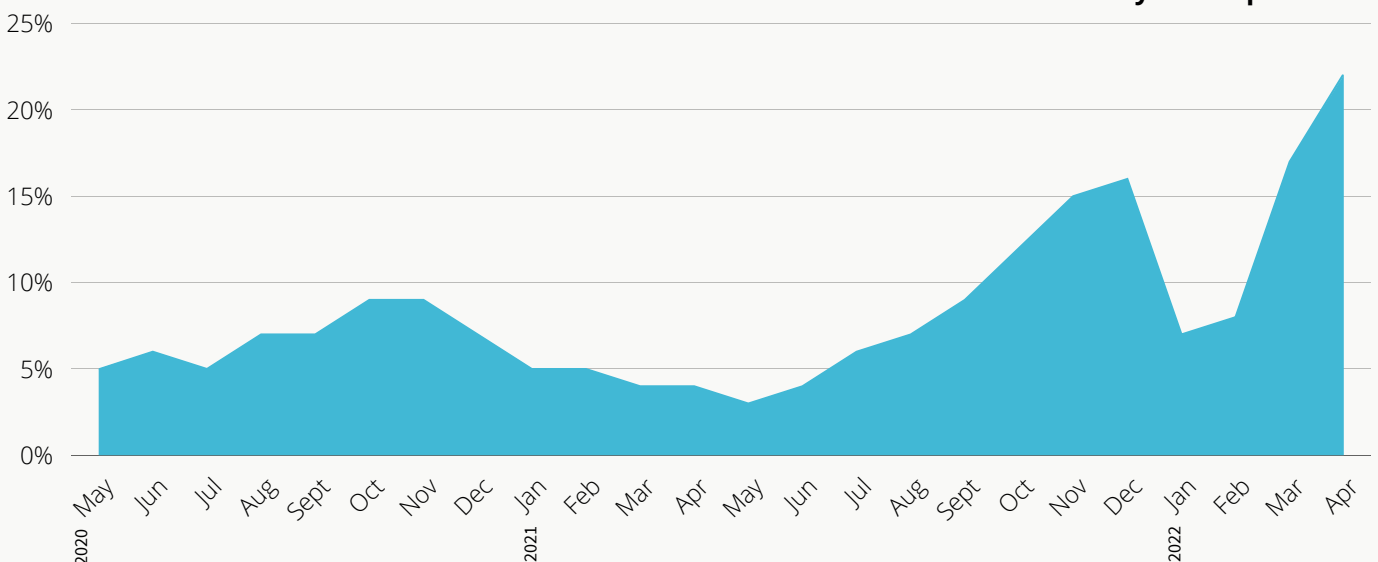
2020-2022

## Office occupancy rises firmly in 2022

The Occupancy Index measures the return of office employees to downtown Toronto. As of April 2022, it is sitting at 22%.

*"Many are returning to the downtown for the first time since last Fall. While March break may have slowed the momentum some, there is no question that permitted voluntary return to the office is finally being taken up."* March 2022

**Downtown Toronto Occupancy Index (%) May 2020-April 2022<sup>5</sup>**



# 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.

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## Sources

1. Downtown Yonge BIA Member Survey, 2022
2. Environics Analytics, 2022
3. Springboard, 2022
4. Three Sixty Collective, hRz Research Insights, "DYBIA Business Inventory", February 2022
5. Strategic Regional Research Alliance, "Occupancy Index", May 1, 2022

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