

# Economic Newsletter



## Key Highlights

- Neighbourhood spend has been steadily increasing over the first eight months of 2022, signaling a positive return of visitors, shoppers, employees and students.
- The three largest sectors in Downtown Yonge (Retail, Services & Foodservice) all saw significant gains when compared to the beginning of the year.
- Downtown Yonge also saw pedestrian volumes surpass 2019 levels for the first time since 2020, a strong indicator of where recovery is headed.



- Throughout the COVID-19 pandemic and into early recovery, commercial retail has stayed relatively stable in Downtown Yonge, with a slight improvement in the overall vacancy rate observed in the Fall.
- The return to work for many offices is in full swing, with occupancy in some downtown Toronto office towers peaking at 60% during the mid-week. However, overall, the office occupancy remains 36% as of November 2022.

## Welcome

In this newsletter you'll find:

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



# Neighbourhood Spend<sup>1</sup>

January-August 2022

## Recovery has begun

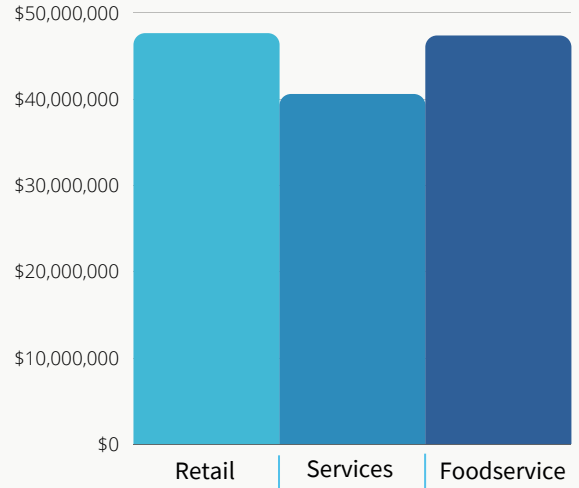
The Downtown Yonge BIA saw nearly \$200 million in transactions using debit and credit through Moneris™ payment portals between January and August 2022 across all sectors. The Foodservice industry saw a 160% increase in number of transactions in August compared to January 2022, while Retail saw a 300% increase in number of transactions for the same comparison periods.

The top eleven postal codes accounted for 26% of the total spend in the Downtown Yonge area during the first 8 months of 2022.

### Top Postal Codes by \$ Spend All Sectors January-August 2022<sup>1</sup>

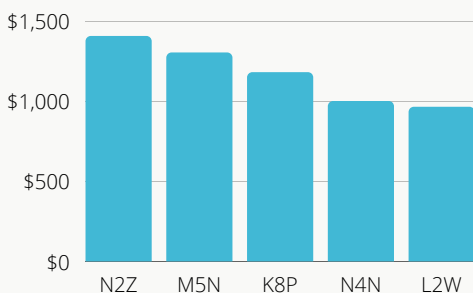
POSTAL CODE	GEOGRAPHIC LOCATION	% OF TOTAL NEIGHBOURHOOD SPEND
M5G	University to Bay St, College to Queen St	6%
M5B	Yonge to Jarvis St, Carlton to Queen St	5%
M4Y	Church-Wellesley	3%
M7A	Bay-Cloverhill	3%
M5H	Financial District	2%
M5T	Kensington Market	2%
M5C	St. Lawrence Market	1%
M5S	The Annex	1%
M4T	Rosedale North	1%
M5V	Fashion District, Fort York	1%

### Total Neighbourhood CAD (\$) Spend by Sector January-August 2022<sup>1</sup>

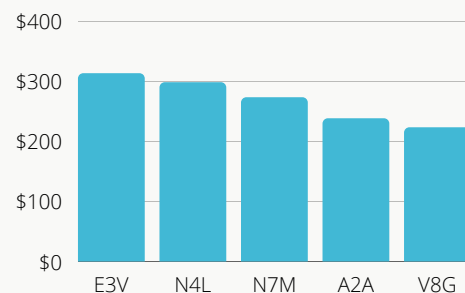


While the top eleven postal codes by total spend were mainly located within the downtown core, when analyzing the spend by Average Transaction Size (ATS), the majority of the highest spenders were located outside of Toronto. This would suggest a focus on local customers for businesses looking for repeat customers, whereas customers from outside Toronto will visit fewer times with higher transaction amounts. For "Services" the top 3 were "N2Z" (located near Goderich, ON), "M5N" (located in Forest Hill, ON) and "K8P" (located in Belleville, ON). For Retail, the top 3 were "E3V" (located in New Brunswick), "N4L" (located in Meaford, near Owen Sound, ON) and "N7M" (located in Chatham, closer to Windsor, ON). For "Foodservice", the top 3 were "E4W" (located in New Brunswick), P0R (located near Sault Ste Marie, ON) and G3Z (located in Quebec).

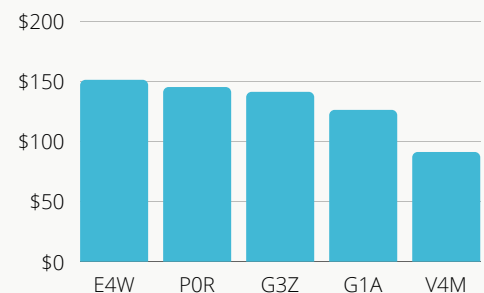
### Top Postal Codes by Average Transaction Size Services January-August 2022<sup>1</sup>



### Top Postal Codes by Average Transaction Size Retail January-August 2022<sup>1</sup>



### Top Postal Codes by Average Transaction Size Foodservice January-August 2022<sup>1</sup>





# Pedestrian Flow Analysis<sup>2</sup>

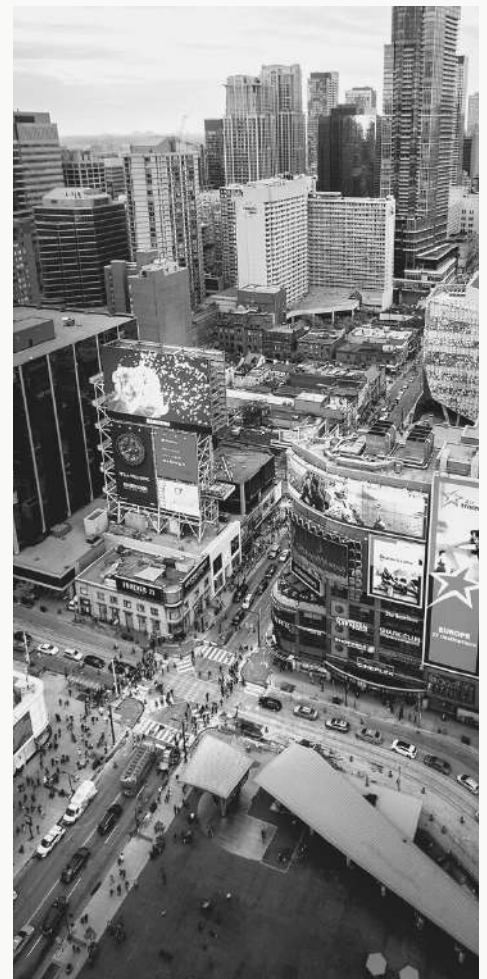
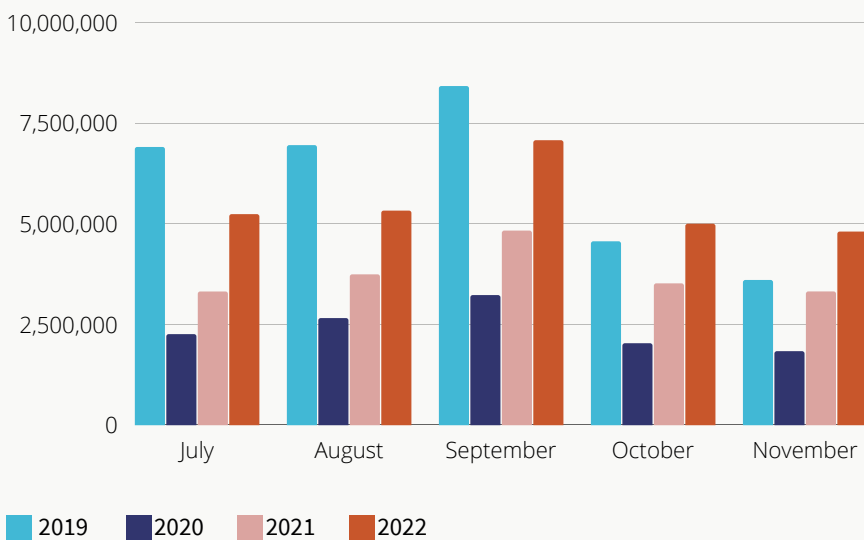
2019-2022

## A steady return to pre-pandemic pedestrian flows

Pedestrian traffic has been steadily improving in 2022, with pedestrian flows surpassing 2019 levels for the first time since the pandemic began. September 2022 saw many encouraging changes, including the full return of in-person classes at Toronto Metropolitan University, which led to the 32% increase in pedestrian flows in September 2022 compared to August 2022.

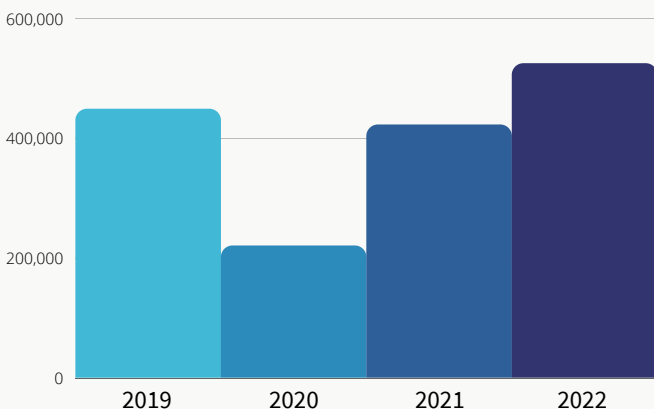
October 2022 saw the first time the pedestrian flows surpassed 2019 levels since March 2020, reaching just below 5 million people. These are encouraging signs as the holiday season approaches.

### Total Pedestrian Traffic on Yonge Street (Count) July- November 2019-2022<sup>2</sup>



The 2022 Thanksgiving long weekend was also the first holiday since early 2020 to have exceeded the 2019 level, seeing more than 500,000 pedestrians over the 3-day long weekend. This meant a 17% increase this year when compared to 2019.

### Total Pedestrian Traffic on Yonge Street (Count) Thanksgiving Long Weekend 2019-2022<sup>2</sup>



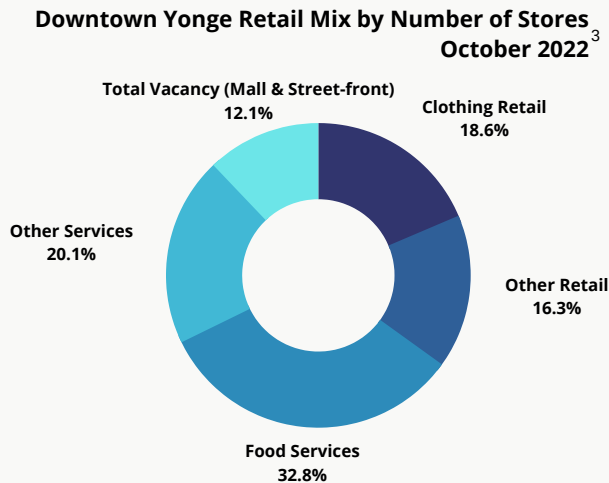
*Continuous pedestrian traffic is being observed, an indicator of stabilizing economic activity in Downtown Yonge.*

October 2022

## Steady growth ahead

As of October 2022, the Downtown Yonge neighbourhood saw slight improvements in retail vacancy when compared to the previous assessment done in June 2022. While the total vacancy stands at 12.1% (a 1.5% decrease from June), there are over 20 redevelopments ongoing or under review in and around the Downtown Yonge neighbourhood, signifying strong growth in the years to come.<sup>5</sup>

Food Services is still the largest retail sector, currently representing 32.8% of total retail in Downtown Yonge.



# Downtown Toronto Office Occupancy<sup>4</sup>

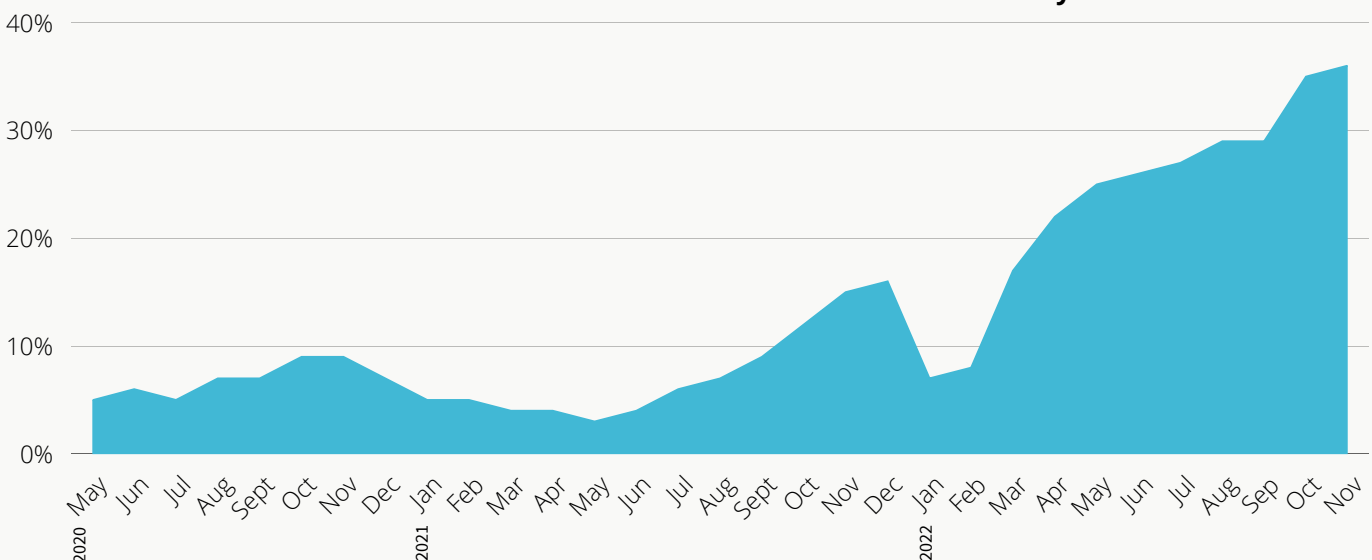
2020-2022

## Office occupancy rises firmly in 2022

The Occupancy Index measures the return of office employees to downtown Toronto. As of November 2022, it is sitting at 36%.

"The data is beginning to show a slow and measured return to work in the office. Anecdotally, we are seeing companies who have a higher rate of in-office work claiming a productivity and competitive advantage. Mondays and Fridays are the lowest attendance days of the week. On Wednesday and Thursday attendance in some sectors is crowding 60%, a sign that employees are valuing more work time in the office."

**Downtown Toronto Occupancy Index (%) May 2020-November 2022<sup>4</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. Moneris, 2022
2. Springboard, 2022
3. Three Sixty Collective, hRz Research Insights, "DYBIA Business Inventory", October 2022
4. Strategic Regional Research Alliance, "Occupancy Index", November 1, 2022
5. Downtown Yonge BIA Development Map, November 2022

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