

Economic Newsletter



Key Highlights

- The Downtown Yonge neighbourhood saw increased spending across all sectors in the second half of 2022, signaling a strong recovery that is expected to continue through 2023.
- A quarter of all neighbourhood spend came from 10 postal codes located within the downtown core, showcasing the regular customers who live nearby.
- Downtown Yonge also saw pedestrian volumes stabilize to pre-pandemic levels, a strong indicator of a robust recovery.
- The return to offices has stabilized, with office occupancy in some downtown Toronto office towers peaking at 59% during mid-week. However, overall, the office occupancy remains 49% as of May 2023.



Welcome

In this newsletter you'll find:

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



Neighbourhood Spend¹

January-December 2022

Recovery has begun

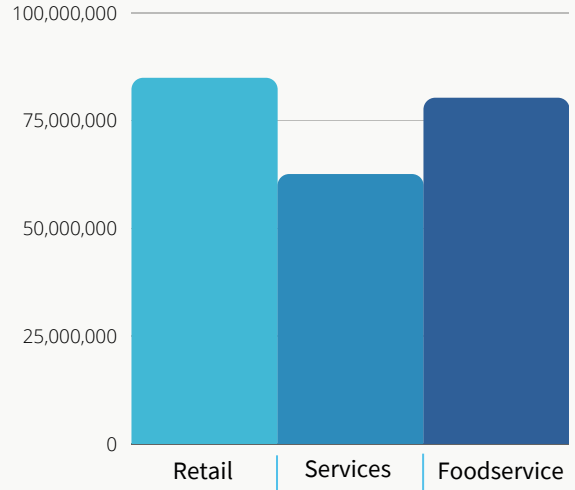
The Downtown Yonge BIA saw nearly \$230 million in transactions using debit and credit through Moneris™ payment portals between January and December 2022 across all sectors. December was the highest spending month for the Retail and Foodservice industries, representing 13% and 11% of total spend in each respective sector. The Service industry saw spending peak in August, representing 10% of total spend for the year.

The top ten postal codes accounted for 25% of the total spend in the Downtown Yonge area in 2022.

Top Postal Codes by \$ Spend All Sectors January-December 2022¹

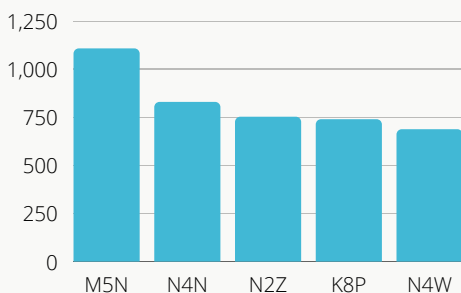
POSTAL CODE	GEOGRAPHIC LOCATION	% OF TOTAL NEIGHBOURHOOD SPEND
M5G	University to Bay St, College to Queen St	6%
M5B	Yonge to Jarvis St, Carlton to Queen St	5%
M7A	Bay-Cloverhill	3%
M4Y	Church-Wellesley	3%
M5T	Kensington Market	2%
M5H	Financial District	2%
M5S	The Annex	1%
M5C	St. Lawrence Market	1%
M4T	Rosedale North	1%
M4X	Cabbagetown/St. Jamestown	1%

Total Neighbourhood CAD (\$) Spend by Sector January-December 2022¹

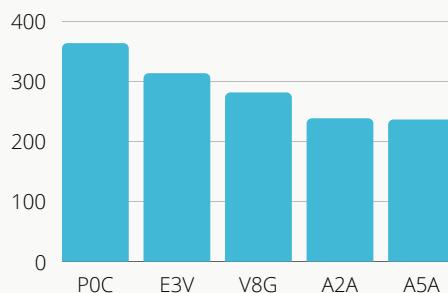


The top neighbourhoods in terms of overall spend are still those located within the downtown core, though when we look at Average Transaction Size (ATS), the majority of the highest spenders were located outside of Toronto. This would suggest a continued focus on local customers for businesses looking for repeat customers, whereas customers from outside Toronto will spend more per transaction. For "Services" the top 3 were "M5N" (located in Forest Hill, ON), "N4N" (located in Hanover, ON) and "N2Z" (located in Kincardine, ON). For Retail, the top 3 were "P0C" (located in Parry Sound, ON), "E3V" (located in New Brunswick) and "V8G" (located in British Columbia). For "Foodservice", the top 3 were "E4W" (located in New Brunswick), "P0R" (located near Sault Ste Marie, ON) and "H9P" (located in Quebec).

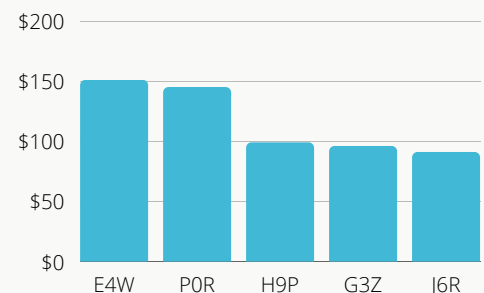
Top Postal Codes by Average Transaction Size Services January- December 2022¹



Top Postal Codes by Average Transaction Size Retail January- December 2022¹



Top Postal Codes by Average Transaction Size Foodservice January- December 2022¹



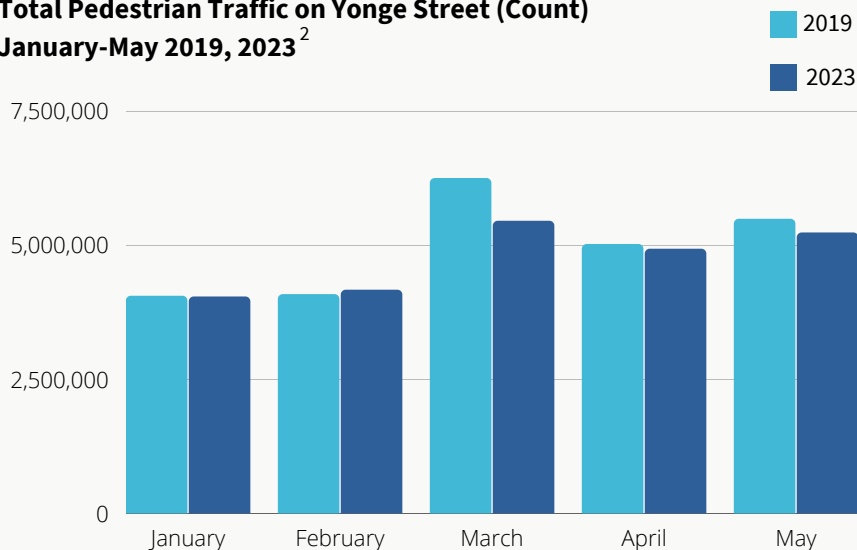
Pedestrian Flow Analysis²

2019-2023

The hustle and bustle returns

After three challenging years, 2023 saw a surge to pre-pandemic levels of pedestrian flows. Peaking in March at over 5 million people on our streets, the interest and attraction to Downtown Yonge has returned in full force.

Total Pedestrian Traffic on Yonge Street (Count)
January-May 2019, 2023²



Downtown Toronto Office Occupancy³

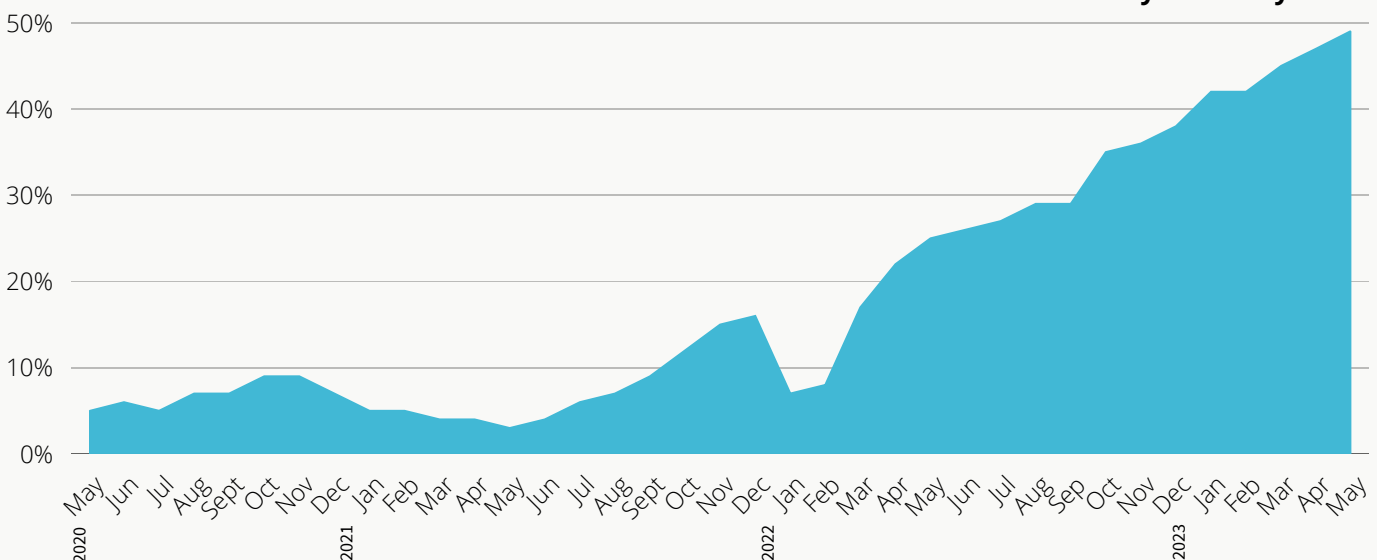
2020-2023

Office occupancy advances in 2023

The Occupancy Index measures the return of office employees to downtown Toronto. As of May 2023, it is sitting at 49%.

"Pre-pandemic, 77% of all people employed in offices actually went to the office daily over a five-day week. The data collected for the Index only counts the number of people coming into the office on a five day a week basis. Should the Index reach 100% that would represent the same number of people who attended the office before COVID."

Downtown Toronto Occupancy Index (%)
May 2020-May 2023³



Q2 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. Moneris, 2023
2. Springboard, 2023
3. Strategic Regional Research Alliance, "Occupancy Index", May 1, 2023

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