



Centre for Urban  
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## **Downtown Toronto: Economic Importance, Challenges and Actions to Revitalize**

**Prepared by**

**Jim Clayton, Ph.D.  
Timothy R. Price Chair in Real Estate and Infrastructure  
Schulich School of Business  
York University**

**and**

**Frank Clayton, Ph.D.  
Senior Research Fellow  
Centre for Urban Research and Land Development  
Toronto Metropolitan University**

**For**

**The Centre for Urban Research and Land Development  
Toronto Metropolitan University**

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# Table of Contents

<b>Executive Summary .....</b>	<b>3</b>
<b>The Economic Importance of Downtown Toronto Pre-Pandemic (2019) .....</b>	<b>3</b>
<b>Economic Performance of the Downtown, 2019-2024 .....</b>	<b>5</b>
<b>Challenges to Revitalize Downtown Toronto .....</b>	<b>6</b>
<b>Strategic Policy Considerations.....</b>	<b>6</b>
Improve the TTC Rider Experience .....	6
Enhance Safety and Cleanliness Consistently Across the Downtown.....	6
Enhance the Efficiency of Vehicle Access and Encourage plus Promote the Use of GO Transit .....	7
Provide More Accommodation and Support Services for Homeless Persons and People with Addictions.....	7
Enhance Access to the Toronto Islands Green Space .....	7
More Effectively Harness the Collective Strength, Power and Drive of the Downtown Six BIAs to Help Execute the Recommendations for a Vibrant Downtown .....	7
Seek Funding from the Provincial and Federal Governments.....	7
<b>Introduction.....</b>	<b>8</b>
<b>The Economic Importance of Downtown Toronto and Pre-COVID Momentum .....</b>	<b>9</b>
<b>COVID-19 Shock, Structural Change &amp; Recovery with a Focus on Office Markets .....</b>	<b>11</b>
<b>Beyond Remote Work: Barriers to Downtown Access and Other Key Factors Hampering and Driving Downtown Vitality and Revitalization .....</b>	<b>14</b>
<b>What Do They Think? Perceptions of Downtown Influence Behaviour and Recovery .....</b>	<b>18</b>
A large reservoir of goodwill for Toronto's downtown .....	18
Downtown elements that would draw more Toronto residents.....	18
Rider dissatisfaction with the TTC part of a broader transportation malaise – worsening congestion ...	18
Personal safety on transit is a significant concern of Toronto residents .....	19
Downtown crime is also a significant concern .....	20
The attractiveness of the downtown is an important element in inducing more people downtown .....	20
<b>Challenges to Revitalize Downtown Toronto .....</b>	<b>21</b>
<b>Strategic Policy Considerations .....</b>	<b>22</b>
Improve the TTC Rider Experience.....	22
Enhance Safety and Cleanliness Consistently Across the Downtown .....	23
Enhance the Efficiency of Vehicle Access and Encourage plus Promote the Use of GO Transit.....	23
Provide More Accommodation and Support Services for Homeless Persons and People with Addictions .....	24

Enhance Access to the Toronto Islands ..... 24

More Effectively Harness the Collective Strength, Power and Drive of the Downtown Six BIAs to  
Help Execute the Recommendations for a Vibrant Downtown ..... 25

Seek Funding from the Provincial and Federal Governments ..... 25

**References ..... 26**

Statistical Appendix: The data compiled for this study is contained in a separate document titled,  
**Statistical Appendix – Downtown Toronto: Economic Importance, Challenges and Actions to  
Revitalize.**

# Downtown Toronto: Economic Importance, Challenges and Actions to Revitalize

*GREAT CITIES START DOWNTOWN. Strong downtowns are at the heart of any successful city or region. Their density brings people, firms, and ideas together in ways that grow the economy, create new opportunities, and form the basis of a community identity. As urbanist Richard Florida describes, "downtowns today are not just places to live, work and shop: They are the very best places for people and businesses to connect to each other. In big metros and small, downtowns occupy the most central locations and have the highest concentrations of spaces where people can come together."*<sup>1</sup>

## Executive Summary

This report examines and assesses downtown Toronto's economic significance, the impact of the COVID-19 pandemic, and the challenges it faces today. It also proposes strategic policy considerations to help ensure sustained and resilient vitality for the downtown core of Canada's largest city.

## The Economic Importance of Downtown Toronto Pre-Pandemic (2019)

The figure on the next page highlights downtown Toronto's economic importance and rising dominance at the end of 2019, prior to the onset of the COVID-19 pandemic, and the subsequent changes over the 2019-2024 period.

### As of 2019, Downtown Toronto was or had provided:

- ❖ **41.8%** of the city's Gross Domestic Product (**GDP**) (20.0% of CMA and 10.2% of the province)
- ❖ **\$30.9 Billion in Tax Revenues** – distributed mainly to the provincial and federal governments
- ❖ **37.2% of Total Employment** and **50.4% of Office Employment** in the city
- ❖ **237,698 Resident Population** - almost 10% of the city population
- ❖ **22,369 Housing Units Under Construction** – 43% of units being built in the city
- ❖ **53.2% of Office Building Inventory** in the Toronto CMA; 1/3 of downtown office space nationally
- ❖ **2.2% Office Vacancy Rate** – the lowest amongst all major downtowns in North America
- ❖ **# 7** ranking amongst **Global Financial Centers** – a move into the top 10

### Downtown Toronto is a Major Generator of Gross Domestic Product (GDP)

*Accounts for an estimated*

- **41.8%** of GDP produced in the City of Toronto
- **20.0%** of GDP produced in the Toronto Metropolitan Area (CMA)

*Source: Statistical Appendix Table A-5.*

<sup>1</sup> Excerpt from the Introduction to, "The Value of U.S. Downtowns and Center Cities." International Downtown Association (2024).

**Economic Importance of *Downtown Toronto* by the Numbers  
& Current Status Compared to the Booming Period Pre-COVID Time**

Metric	2019	2024
<b>Gross Domestic Product (GDP)<sup>+</sup></b> <small>* Nominal; unadjusted for inflation</small>	<b>\$84.6 Billion</b> 41.8% of city 20.0% of CMA	<b>\$117.7 Billion (2023)</b> 43.7% of city 22.4% of CMA
<b>Tax Revenue</b>	<b>\$30.9 Billion</b> 55% Federal, 37% Provincial & 12% local	<b>\$39.5 Billion (2023)</b> 53% Federal, 39% Provincial & 8% local
<b>Total Employment</b>	<b>584,660</b> 37.2% of city	<b>515,298*</b> *=643,350 actual less 30% remote work office employees
<b>Office Employment</b>	<b>380,029</b> 65% of downtown	<b>298,700**</b> **= 426,840 actual less 30% working remotely
<b>Office Building Inventory</b> (square feet)	<b>86.7 Million</b> 53.2% of Toronto CMA 33.8% of major CMAs	<b>95.9 Million</b> 55.4% of Toronto CMA 35.3% of major CMAs
<b>Office Vacancy Rate</b>	<b>2.2%</b> <i>Lowest in North America</i> vs. 11.8% suburban rate	<b>18.2%</b> Class A 15.5%; Class B&C 24.6% vs. 20.7% suburban rate
<b>Global Financial Centers Rank</b>	<b>#7</b> in the world <i>moved into the top 10</i>	<b>#23</b> in the world <i>precipitous fall</i>
<b>Value of Office Buildings</b> held by institutional investors	<b>\$26.9 Billion</b> 78.6% of Toronto CMA 38.7% of downtown Canada	<b>\$19.0 Billion</b> 80.0% of Toronto CMA 42.4% of downtown Canada
<b>Population</b> (2016 & 2021 est.)	<b>237,698</b> 8.3% of city	<b>275,900</b> 10.0% of city
<b>Housing Units Under Construction</b>	<b>22,369</b> 43% of city	<b>25,579</b> 41% of city

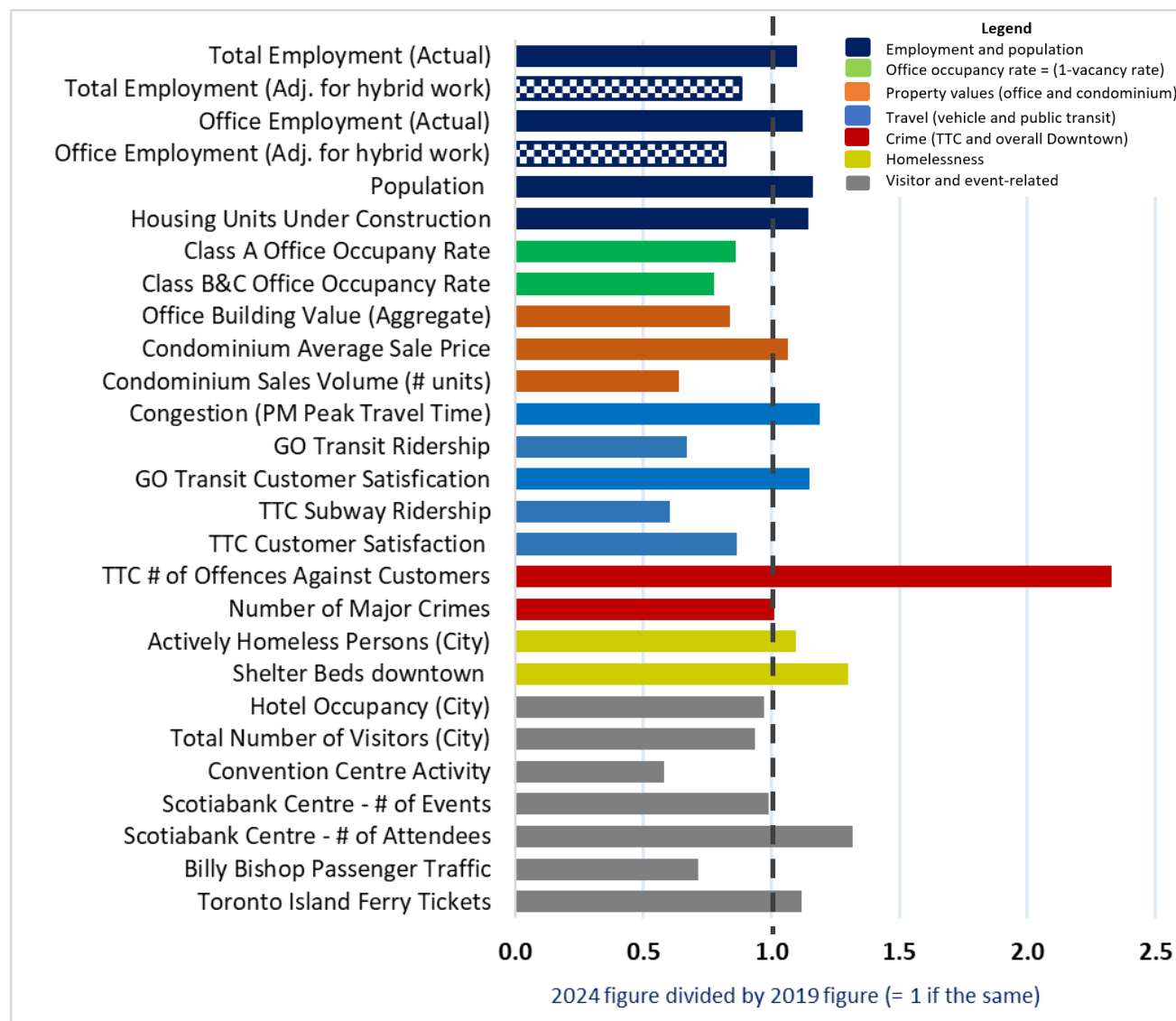
Sources: Details provided in the Statistical Appendix, except for *The Global Financial Centers Index* annual ranking from Long Finance & Financial Centre Futures [www.longfinance.net/publications/long-finance-reports/the-global-financial-centres-index-36/](http://www.longfinance.net/publications/long-finance-reports/the-global-financial-centres-index-36/).

## Economic Performance of the Downtown, 2019-2024

The status of key performance drivers and vibrancy indicators in 2024 relative to where they were pre-pandemic in 2019 is shown in the following figure:

### Key Downtown Toronto Vitality Metrics, 2024 Relative to 2019\*

(Right of the dashed line at 1.0 indicates a 2024 figure above 2019; left of 1.0 means 2024 is below 2019)



\*2019 and 2024 or the closest years to these, depending on data availability. Sources: See Statistical Appendix.

It is apparent that there are challenges for downtown, but there are also plenty of positives. On the negative side, transportation, housing affordability and safety - especially on the TTC - stand out. Despite lower transaction activity, condominium prices remain above the pre-pandemic level, even with some recent decline. Visitor metrics reveal multiple bright spots including the overall number of visitors, hotel occupancy, attendance at Scotiabank Centre events and ferry tickets to the Toronto Islands. Conference Centre occupancies and traffic at Billy Bishop Airport remain subdued but represent opportunity as the

two are likely highly correlated. Visitor and entertainment-related metrics nearing or exceeding full recovery bode well for the future of downtown as visitors have taken on increased importance for the future success of downtowns, which should be nurtured.

## **Challenges to Revitalize Downtown Toronto**

A strong and growing downtown is imperative not just for the city of Toronto but for the broader region, the province and the country. Not only does the downtown generate significant economic activity, but it is the source of tax revenue for the city and even more so for the federal and provincial governments.

The key to a renewed downtown vibrancy is getting more people to visit downtown. Like many of its counterparts, Toronto shares the dampening impact of the structural shift from jobs in downtown offices five days a week to remote work at home or the more widespread hybrid working arrangements. However, unlike many downtown areas, Toronto has a varied array of destination anchors that attract day and overnight visitors. In addition, it has a large population living in or adjacent to the downtown area, which is growing rapidly. It is also fortunate to have an extensive reservoir of goodwill among city residents and downtown workers, providing a great experience as a place to be.

Several real and perceived impediments, though, are hindering the downtown's recovery toward a growth path beyond pre-pandemic levels (2019). Among the real impediments are the difficulty and frustration of accessing the downtown by car and TTC, inadequate upkeep of the public realm, green space shortage, a rising crime rate, and increased homelessness.

## **Strategic Policy Considerations**

We provide seven key strategic policy considerations that we believe governments should prioritize in collaboration with and the support of downtown stakeholders including the six downtown Business Improvement Areas (BIAs)<sup>2</sup>:

### **Improve the TTC Rider Experience**

- Improvements to the subway and streetcar experience are critical for the downtown. These include:
  - ✓ More frequent and consistent service.
  - ✓ Improving the cleanliness of cars and stations.
  - ✓ Enhancing safety (dealing with actual crimes and perceptions of a lack of safety) by increasing the visibility of TTC special constables and/or police at stations and on trains.
  - ✓ Giving TTC special constables the power to arrest.

### **Enhance Safety and Cleanliness Consistently Across the Downtown**

- Address growing concerns about personal safety and the state of the public realm and facilities among downtown workers, residents and visitors by:
  - ✓ Increasing the physical presence of police on sidewalks and other public spaces and at events.

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<sup>2</sup> There are six BIAs covering territories within downtown Toronto. They include the Financial District, the Waterfront, the Downtown Yonge Street corridor, Yorkville and downtown areas east and west of the Financial District.

- ✓ Doing a much better job keeping streets, sidewalks and public spaces attractive and clean.

### **Enhance the Efficiency of Vehicle Access and Encourage plus Promote the Use of GO Transit**

- Downtown traffic congestion is a serious and growing problem which the city should address by:
  - ✓ Continuing to monitor and measure downtown congestion and expand its recently introduced measures to enhance traffic flows.
  - ✓ Rigorously examine its policies and practices (existing and planned future) to ascertain if they directly or indirectly impede traffic flows and make changes to modify policies to reduce negative impacts on traffic.
  - ✓ Adopt a more vehicle- and parking-focused lens in its policymaking.
  - ✓ Examine the appropriateness of a road congestion charge for vehicles entering the downtown area.

### **Provide More Accommodation and Support Services for Homeless Persons and People with Addictions**

- Address the public perception that greater numbers of homeless people and addicted people are on the streets and in transit and associated with increased risk to personal safety by:
  - ✓ Continuing actions aimed at reducing the number of homeless and addicted people on the street by providing shelter and support services.

### **Enhance Access to the Toronto Islands Green Space**

- Significantly improve ferry and water taxi services in the short run.
  - ✓ Explore alternative ways of access, including a fixed link.

### **More Effectively Harness the Collective Strength, Power and Drive of the Downtown Six BIAs to Help Execute the Recommendations for a Vibrant Downtown**

- A recent economic development report released by the city recommends that the city *create a downtown stewardship organization to speak with a unified voice on the needs of Toronto's downtown*:
  - ✓ Instead, we suggest that the Downtown Six BIAs be given this responsibility as a collaborative group, working with city support, including financial support, as well as funding to be secured from the provincial and federal governments as they already work in partnership with the City of Toronto to promote and enhance the downtown area.

### **Seek Funding from the Provincial and Federal Governments**

- With over 90% of the tax revenue generated by downtown economic activity flowing to them, there is strong support for financial assistance from the federal and provincial governments to fund, at least in part, downtown improvements.



# **Downtown Toronto: Economic Importance, Challenges and Actions to Revitalize**

## **Introduction**

Downtown Toronto has long been the heart of Canada's largest city and metropolitan area, serving as the region and country's business, financial, cultural and entertainment hub. Increasingly recognized as a global city, it has attracted diverse residents, employees, and visitors, contributing to and reinforcing its economic vitality and multicultural vibrancy. Home to major corporations, a burgeoning technology sector, world-renowned education and cultural institutions, and key transit networks, downtown Toronto plays a crucial role in shaping the city's identity and global standing.

However, downtown Toronto faces significant challenges that threaten its prominence and livability. The effects of the COVID-19 pandemic have led to a shift in work patterns, with work-from-home (WFH) and hybrid models reducing foot traffic and impacting local businesses. In addition, rising housing costs, concerns over public safety, particularly on the TTC, and increased traffic congestion have affected resident, commuter and visitor confidence. As the city navigates these issues, revitalizing and adapting its downtown core remains crucial to ensuring Toronto's continued growth and resilience.

This report examines and assesses downtown Toronto's economic significance, the impact of the COVID-19 pandemic, and the challenges it faces today. It also proposes strategic policy considerations to help ensure sustained and resilient vitality for the downtown core of Canada's largest city. The report is accompanied by a separate statistical appendix that describes much of the supporting backup data used in the analyses.<sup>3</sup>

Four plus years after the COVID-19 pandemic, downtowns in all major cities around the world are undergoing profound transformation. Once synonymous with bustling workplaces, vibrant cultural hubs, and dense social activity, many urban cores are now grappling with unprecedented challenges but also unanticipated opportunities. With many companies embracing or reluctantly accepting flexible/hybrid work models, downtowns' role is shifting from primarily economic centres (the office & labour market) to more spaces that cater to a broader array of functions. Toronto is not immune to these structural shifts and is at risk of losing its status as a rising global city. Recent academic research on recoveries of downtowns in North America based on foot traffic counts suggests that as of the end of 2023, Toronto was 70% recovered.<sup>4</sup> This is comparable to or better than many large U.S. cities, but recovery lagged behind other Canadian cities in the study, including Vancouver, Calgary, and Edmonton.

While encouraging, the findings are also concerning. Activity is not yet back to what it was in 2019 prior to the pandemic. The ensuing years saw the downtown lose more than 5 years of economic growth. Moving forward, the goal should be to exceed growth, not simply regain the activity of 2019, and establish a new path to sustainable vibrancy in a growing, evolving and transforming downtown. This recovery does not look or feel like previous ones. The pandemic fundamentally altered how people work, shop, and interact with their cities, accelerating trends such as remote work and e-commerce and pushing people away

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<sup>3</sup> The definition of downtown Toronto adopted here is the boundaries delineated in the City of Toronto's Official Plan. See Figure A-1 in the Statistical Appendix.

<sup>4</sup> Source: Forouhar, A., Chapple, K., Allen, J., Jeong, B., & Greenberg, J. (2024). "Assessing downtown recovery rates and determinants in North American cities after the COVID-19 pandemic," *Urban Studies*. It is important to recognize, and emphasize, that foot traffic in this study refers to all individuals physically present in the downtown, not only office workers that garner much of the attention. See Figure A-13 in the Statistical Appendix for more details.

from downtown to the suburbs and beyond. There is growing recognition and acceptance that hybrid/flexible work is here to stay. Downtowns must adapt to this new office market reality and the implications for related activities historically relying on the office sector.

## The Economic Importance of Downtown Toronto and Pre-COVID Momentum

Downtown Toronto is an economic powerhouse of vital importance. While this has been the case for some time, downtown's status was elevated and more recognized in the decade leading up to the COVID-19 pandemic, especially on the global stage. The downtown was dynamic and expanding, riding a wave of momentum in the years prior to the pandemic, led by an explosion of condominium apartment and office building construction. Toronto's downtown core dominated North American rankings of the tightest office market and tech-based employment growth. Its growth fundamentals were positive, though the prospects of a cyclical adjustment in both markets were becoming increasingly possible, which was not unusual since real estate markets are cyclical.

Figure 1 on the next page showcases downtown Toronto's economic importance and rising dominance as of the end of 2019, prior to the onset of the COVID-19 pandemic. Data highlights illustrating the vital role of downtown Toronto as an economic driver for the City of Toronto (city) and beyond (region, province, country) include the following factoids:<sup>5</sup>

### As of 2019, Downtown Toronto was or had provided (Figure 1):

- ❖ **41.8%** of the city's Gross Domestic Product (**GDP**) (20.0% of CMA and 10.2% of the province)
- ❖ **\$30.9 Billion in Tax Revenues** – distributed mainly to the provincial and federal governments
- ❖ **37.2% of Total Employment** and **50.4% of Office Employment** in the city
- ❖ **237,698 Resident Population** - almost 10% of the city population
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- ❖ **53.2% of Office Space** in the Toronto CMA; 1/3 of downtown office space nationally
- ❖ **2.2% Office Vacancy Rate** – the lowest amongst all major downtowns in North America
- ❖ **# 7** ranking amongst **Global Financial Centers** – a move into the top 10

The downtown had many things going for it, including a large and growing office space market and resident population. Major attractors, including sports venues, the Eaton Centre, two universities, the health precincts, entertainment venues, the waterfront and the Toronto Islands, fueled substantial visitor foot traffic flow. The city's transit system and the regional transit centre focused on getting people to and from the downtown. Crime was relatively low. The world envied Toronto and its people-centric downtown.

However, there were some negatives: growing congestion, longer commuting times, unreliable city transit, crime and a growing homeless population. Still, these issues were not overwhelming and often the typical challenges/negatives/costs of a large, growing city. Although, in retrospect, it seems that the 'good times' may have veiled these issues, so they were not seen or noticed. Hence, long-term

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<sup>5</sup> Most of the factoids are derived from the Statistical Appendix. The statistics pertain to 2019 and 2024 or the closest year available.

policy/investment to address viable proactive solutions was lacking. The end of the positive momentum, due partly to the global COVID-19 pandemic, brought these realities into light with a magnified impact.

**Figure 1. Economic Importance of *Downtown Toronto* by the Numbers & Current Status Compared to the Booming Period Pre-COVID Time**

Metric	2019	2024
<b>Gross Domestic Product (GDP)<sup>+</sup></b> <small>* Nominal; unadjusted for inflation</small>	<b>\$84.6 Billion</b> 41.8% of city 20.0% of CMA	<b>\$117.7 Billion (2023)</b> 43.7% of city 22.4% of CMA
<b>Tax Revenue</b>	<b>\$30.9 Billion</b> 55% Federal, 37% Provincial & 12% local	<b>\$39.5 Billion (2023)</b> 53% Federal, 39% Provincial & 8% local
<b>Total Employment</b>	<b>584,660</b> 37.2% of city	<b>515,298*</b> *=643,350 actual less 30% remote work office employees
<b>Office Employment</b>	<b>380,029</b> 65% of downtown	<b>298,700**</b> **= 426,840 actual less 30% working remotely
<b>Office Building Inventory</b> (square feet)	<b>86.7 Million</b> 53.2% of Toronto CMA 33.8% of major CMAs	<b>95.9 Million</b> 55.4% of Toronto CMA 35.3% of major CMAs
<b>Office Vacancy Rate</b>	<b>2.2%</b> <i>Lowest in North America</i> vs. 11.8% suburban rate	<b>18.2%</b> Class A 15.5%; Class B&C 24.6% vs. 20.7% suburban rate
<b>Global Financial Centers Rank</b>	<b>#7 in the world</b> <i>moved into the top 10</i>	<b>#23 in the world</b> <i>precipitous fall</i>
<b>Value of Office Buildings</b> held by institutional investors	<b>\$26.9 Billion</b> 78.6% of Toronto CMA 38.7% of downtown Canada	<b>\$19.0 Billion</b> 80.0% of Toronto CMA 42.4% of downtown Canada
<b>Population</b> (2016 & 2021 est.)	<b>237,698</b> 8.3% of city	<b>275,900</b> 10.0% of city
<b>Housing Units Under Construction</b>	<b>22,369</b> 43% of city	<b>25,579</b> 41% of city

Sources: Details provided in the Statistical Appendix, except for *The Global Financial Centers Index* annual ranking from Long Finance & Financial Centre Futures [www.longfinance.net/publications/long-finance-reports/the-global-financial-centres-index-36/](http://www.longfinance.net/publications/long-finance-reports/the-global-financial-centres-index-36/).

As recognized above and discussed in more detail below, these are certainly challenging times for downtown cores of major cities. But it is important to appreciate that cities and their downtown cores ebb and flow over time, much like real estate and the other activities located within them do. It is also important to appreciate the fundamental differences in Canadian versus U.S. cities, especially Toronto, which has benefited from a relatively large resident population and other amenities that provide solid support for long-term viability, assuming short-term negative factors and forces can be addressed.

## **COVID-19 Shock, Structural Change & Recovery with a Focus on Office Markets**

The global COVID-19 pandemic has ushered in profound and lasting changes to downtowns around the world. Lockdowns, remote work mandates, and public health measures disrupted the rhythms of daily life, leading to empty office buildings, shuttered businesses, and reduced foot traffic. While previous public health shocks in history had similar impacts, ultimately proving temporary, the COVID-19 shock that impacted our ability to interact in person coincided with, and accelerated, a technology disruption that led to rapid improvements in and swift adoption of work from home (WFH) technology.<sup>6</sup> The aftermath of COVID-19 is fundamentally and structurally altering how people live, work, and interact within cities, especially the downtown core.

Lockdowns during the early stages hollowed out downtowns and brought about proclamations of "the death of the downtown".<sup>7</sup> Time and more reasoned reflection have generally tempered such claims, but concern with the economic and financial health of downtowns remains. This is particularly true of downtown Toronto owing to its importance as the economic engine of the region, province and nation. Headlines and opinion pieces about the "death of downtown" and, in particular, the "dying office market" in the Toronto core continue to appear and impact public perception.<sup>8</sup> South of the border debate about a so-called "Doom Loop", driven by an office sector apocalypse in major cities like New York and San Francisco, with sharp drops in downtown office property values driving a deterioration in municipal tax revenue has also moderated. However, proponents argue that we are not out of the woods yet, and the impacts will take time to materialize.<sup>9</sup>

Downtown Toronto is not 'dying' but suffering and at risk of longer-term decay or malaise without new and targeted support (vision and policy), both immediate and longer-lasting. It is recovering from and adapting to a massive shock that has caused considerable damage exacerbated by a subsequent economic and real estate cyclical downturn. Negative impacts of U.S. President Donald Trump's tariffs on international trade and the global economy represent a new and potentially significant challenge that could further strain downtown businesses. Impacts could include increased costs, supply chain disruptions, and a slowdown in overall economic growth, which could hinder Toronto's continued revitalization.

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<sup>6</sup> We use the terms "remote work" and "work from home (WFH)" synonymously to describe work being done by an office employee away from their employer's downtown physical location. *Fully* remote and *only* WFH imply employees are rarely or never in a physical office space. *Hybrid* work, which seems to be the structure many firms are permanently adopting, implies a blend of remote, or WFH, one to three days plus in-person work at the office downtown.

<sup>7</sup> See for example, "The core problem: Cities' downtowns are hollowing out as suburbs bustle." Globe & Mail Nov. 22.

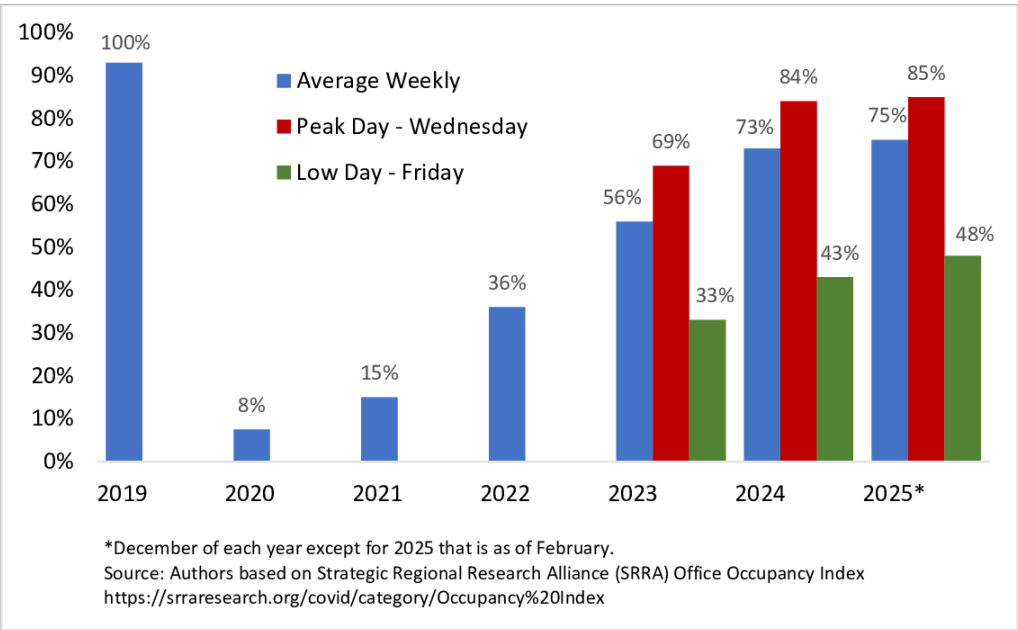
<sup>8</sup> Recent examples include a BlogTO article (Landau 2024) about the implications of Toronto's dying office market for future large-scale projects in the planning stage, and a STOREYS opinion (Blonder 2024) "Condolences, Toronto: Your Downtown is Dying".

<sup>9</sup> Gupta, Mittal, Peeters and Van Nieuwerburgh (2022a and 2022b) provide early evidence that portended the "doom loop" or "death spiral" of downtown cores. More recent assessments as cities adapt include Karma (2024) and a full issue of Vital City journal – see especially Glazer and Berman (2024) and Van Nieuwerburgh and Gupta (2024).

Figure 1 above presents evidence of recovery, with downtown employment (total and office) and population in 2024 surpassing 2019 levels and robust housing construction.<sup>10</sup> However, the shift to hybrid work for many office jobs means many employees are only physically present in a downtown office fewer than five days per week. Accounting for this dynamic suggests that the number of office workers downtown each week remains less than pre-pandemic, even though there are more office workers overall. We adjusted the published office and, hence, total employment figures using an estimated 70% of employees being in the office on average each weekday over the month. Figure 1 also highlights a concerning precipitous drop in Toronto's ranking as a global financial centre, falling from #7 in 2019 to #23 in 2024.

Figure 2 displays the survey-based estimates of downtown Toronto office recovery from the economic consulting firm Strategic Regional Research Alliance (SRRA).

**Figure 2. Downtown Toronto Office Recovery Index**  
Average Weekly Employee Occupancy vs. 2019 Baseline\*



The most recent estimate puts the downtown office market recovery at 75% of employee occupancy relative to pre-COVID levels as of February 15, 2025. While still 25% below pre-pandemic levels, this figure has increased sharply each year since falling below 10% during the height of the pandemic.

<sup>10</sup> Another important barometer of downtown recovery and vitality is retail foot traffic and spending. Sales at the Eaton Centre, downtown Toronto's largest retail establishment and an important visitor destination, are recovering but remain below pre-Covid levels as of the end of 2023. Eaton Centre retail sales totaled \$3.0 Billion (\$1,529 per square foot) in 2019 and \$2.8 Billion (\$1,496 per square foot) in 2023. Despite rising from the number 3 ranked mall in Canada by sales per square foot to number 2 over the 2019-2023 period, recovery in sales at the Eaton Centre has lagged behind those of suburban located and number one ranked Yorkdale Mall. See Appendix Figure A-24 for detailed data and source reports for data through 2023. Comparable 2024 retail sales and mall rankings are yet to be published. However, Eaton Centre owner Cadillac Fairview does report mall store sales of \$1,511 per sq. ft. in February 2025 on its website. See: [https://assets.cadillacfairview.com/m/39cc970a7c681a15/original/CF\\_1P\\_TEC\\_Feb25.pdf](https://assets.cadillacfairview.com/m/39cc970a7c681a15/original/CF_1P_TEC_Feb25.pdf).

While not strictly comparable owing to different data sources and methodologies, the extent of recovery follows similar patterns, albeit with varying magnitudes across U.S. cities, as shown in Appendix Figure A-14. These numbers place downtown Toronto's recovery ahead of many U.S. cities, though lagging behind New York City and Miami, which have jockeyed for the top spot over the past few months.<sup>11</sup>

Overall weekly and monthly recovery numbers mask the emerging reality of work from home (WFH) all of the time for some and part of the work week for many others. As shown in the downtown Toronto office recovery chart (Figure 2), the overall data hides the variation on 'Peak Day', typically Wednesday, though sometimes Tuesday, and 'Light Day', typically Friday, though Monday is a close second. For many, the new 3-day on-site work week (with others at 2 or 4 days) is here to stay and has important implications and ramifications for downtown. This reduction in the downtown workforce has a dampening and pervasive effect on the entire downtown economy, which must be offset in other ways.

The "hybrid" or blended office work model is not a temporary phenomenon but a permanent shift in sectors where it is feasible for employees to do so. Recent research from CBRE (2024) suggests that 80% of office occupiers in the U.S. have adopted and will sustain hybrid work policies. The monthly "Survey of Working Arrangements and Attitudes" from WFH Research provides strong support for and unique insight into the new hybrid nature of office work.<sup>12</sup>

Of particular relevance to the future of downtown Toronto are the findings that the hybrid work model is most widely adopted in firms with a concentration in finance, tech, and business services.<sup>13</sup> Moreover, hybrid work is more of a "big city" phenomenon, a finding likely driven by the length and experience of the commute; "no commute" is the number one benefit of working from home, as expressed by workers.<sup>14</sup>

***Working from Home (WFH)\* is Most Prevalent in Finance, Technology & Business & Professional Services***

***Work from Home More Prevalent in Big Cities***

***No Commute is a Major Benefit of WFH***

\*WFH applies to both fully remote or WFH all days of the week or Hybrid with a mix of WFH days and days in the office. Source: WFH Research Survey of Working Arrangements and Attitudes (SWAA) December 2024. [www.wfhresearch.com](http://www.wfhresearch.com)

Figure 3 reflects the pain felt in the downtown office market, clearly visible with vacancy rates skyrocketing from record lows near 2% to above 18%. Downtown vacancy rate increases outpaced their suburban counterparts by a wide margin, a common dynamic in all major metro downtowns but

<sup>11</sup> Placier.ai cellphone foot traffic-based data is derived from activity at more than 700 office properties in the U.S. For more information see, "The Return to the Office. White Paper on Foot Traffic Methodology and Findings". [www.placier.ai/wp-form/the-return-to-office](http://www.placier.ai/wp-form/the-return-to-office). Another widely reported source of return to the office (RTO) data is the Kastle Back to Work Barometer <https://www.kastle.com/safety-wellness/getting-america-back-to-work/>. Kastle's data, derived from counts of employee security card swipes, shows considerably lower recovery in major U.S. markets compared to Placier.ai. Kastle's coverage of office properties varies considerably across metros and tends to be skewed towards smaller Class B and C properties and in some markets the suburbs. For more on the evaluation of alternative sources with a NYC focus, see Boyle (2022) and Cuzzo (2023).

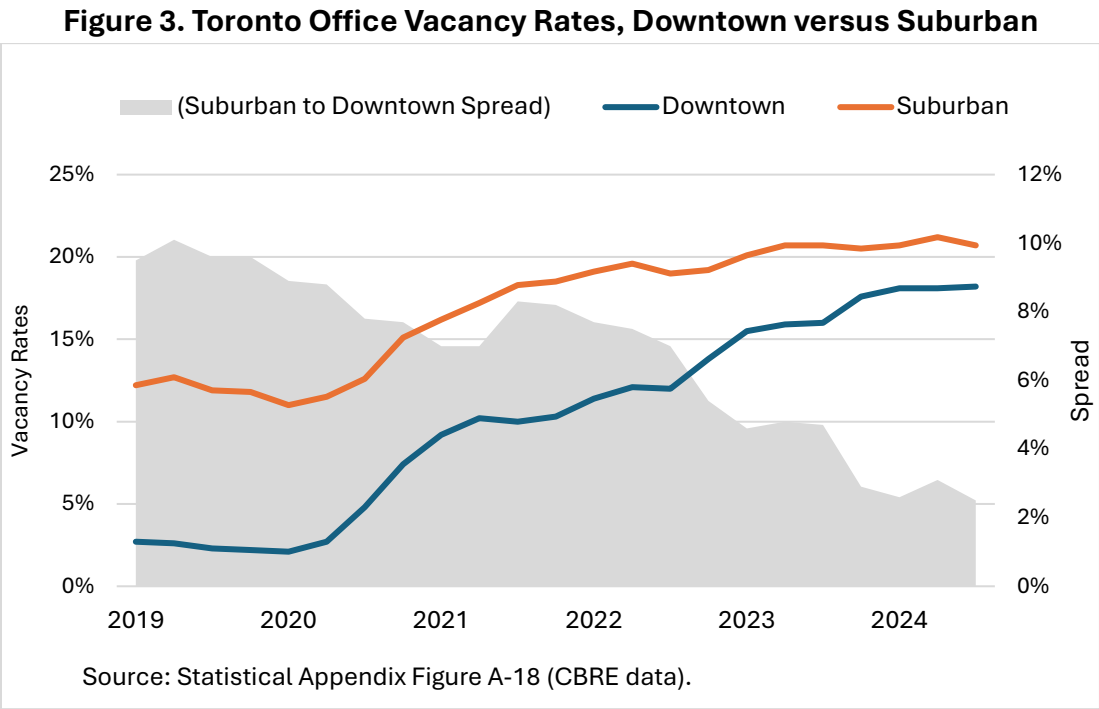
<sup>12</sup> WFH Research was founded in May 2020 in response to the dramatic impact of COVID-19 on working arrangements. The paper "The Evolution of Working from Home" provides insightful context about the history of working from home and the acceleration caused by the intersection of the COVID-19 pandemic and technology innovations related to video/virtual meetings and collaboration <https://wfhresearch.com/wp-content/uploads/2023/07/SIEPR1.pdf>

<sup>13</sup> Forouhar, Chapple, Allen, Jeong & Greenberg (2024) report statistical evidence that downtown recoveries of foot traffic were inversely related to the concentration of employment in the same top three sectors with a propensity for WFH.

<sup>14</sup> It is important to note that acceptance of the hybrid office & WFH model is not only coming from the employee side. The monthly SWAA conducted by WFH Research also surveys employers about their plans/policies looking ahead 1 year. The average number of days employers plan to have/allow employees to WFH has stabilized at about 2.2 to 2.3 over the past two years.

particularly pronounced in Toronto.<sup>15</sup> It is also important to recognize a significant cyclical component at work here. The downtown saw a surge in new development, culminating in adding 10 million square feet of space to the downtown office stock. In contrast, the suburbs added only 1.5 million square feet of new space during the same period. Considering this vast supply of new office space, the downtown office market performed exceptionally well during and after the pandemic.

Figure 3 also displays the time path of quarterly downtown and suburban office vacancy rates since 2019. It highlights the rapid change from a record low to historically high relative to suburban. On the encouraging side, it seems the worst is over, and downtown vacancy rates are stabilizing. Additional support for this claim is the stabilization and reduction in the proportion of vacant space accounted for by sublease space. This dynamic and the dramatic rise in vacancies in classes B and C buildings relative to class A are covered in more depth later in the report.



### Beyond Remote Work: Barriers to Downtown Access and Other Key Factors Hampering and Driving Downtown Vitality and Revitalization

The impact of COVID-19 on downtown extends beyond remote work. Remote work is here to stay in some capacity, leaving a lasting impact.<sup>16</sup> It will be years before the number of on-site workdays in downtown Toronto recovers, let alone surpasses pre-pandemic levels. This does not imply that employers and public bodies should not strive to encourage and incentivize fully remote and hybrid workers to return to the office (RTO) downtown more often or spend more time there.

<sup>15</sup> Jacobs (2024) nicely illustrates and discusses this in “Revenge of the Suburbs,” Colliers blog, October 1<sup>st</sup>.

<sup>16</sup> For an insightful, in-depth analysis of the remote work phenomenon in a Toronto context that complements the discussion here, see Brail, S. and Vinodrai, T. (2024) “Remote work: Urban panacea or curse?” Intergovernmental Committee for Economic and Labour Force Development (ICE), Toronto, Canada.

But it does mean that it is imperative to recognize other factors crucial to recovery and shaping the future of the downtown. Several of these factors are in control of, or at least can be influenced by, local governments and other groups like downtown business associations. These include addressing barriers to accessing downtown, recognizing visitors' vital roles, investing in placemaking strategies to attract residents, office workers, and tourists alike, and countering negative perceptions.

Figure 4 below displays recovery in a broad array of key downtown metrics. It highlights and summarizes the status of key performance drivers and vibrancy indicators in 2024 relative to their pre-pandemic levels in 2019.<sup>17</sup> These indicators are described in more depth in the Statistical Appendix.

It is apparent from Figure 4 that there are challenges, but there are also plenty of positives. On the negative side, transportation, housing affordability and safety - especially on the TTC - stand out. Despite lower transaction activity, condominium prices remain above the pre-pandemic level, even with some recent decline. Visitor metrics reveal multiple bright spots, including the overall number of visitors, hotel occupancy, attendance at Scotiabank Centre events and ferry tickets to the Toronto Islands. Conference activity and traffic at Billy Bishop Airport remain subdued but represent an opportunity as the two are likely highly correlated. Visitor and entertainment-related metrics nearing or exceeding full recovery bode well for the future of downtown as visitors have taken on increased importance for the future success of downtowns, which should be nurtured.<sup>18</sup>

TTC subway and GO Transit ridership remain below pre-pandemic levels, partly due to the persistence of remote work. However, the decline in subway ridership is driven by more than just work-from-home trends. Surveys indicate that rider satisfaction has not recovered on the TTC, though it has more than fully recovered on GO Transit. As detailed more in the next section, concerns over safety, reliability, and service quality are deterring commuters. Crime statistics on the TTC remain elevated, and the number of homeless persons on the subway is growing, further reinforcing hesitation by some to return to public transit, even as downtown activity gradually rebounds.

### **Riders are becoming more dissatisfied with the TTC but not GO**

With transit being such a significant mode for accessing downtown Toronto, reliability, frequency, safety, and cleanliness are essential considerations for riders and potential riders.

Available data suggests that the TTC's performance in its customers' minds has deteriorated. TTC's customer satisfaction fell from 79% in 2021 to 71%. In contrast, Metrolinx reports that GO customer satisfaction climbed from 76% in 2021 to 84%.

Source: Appendix Figure A-37.

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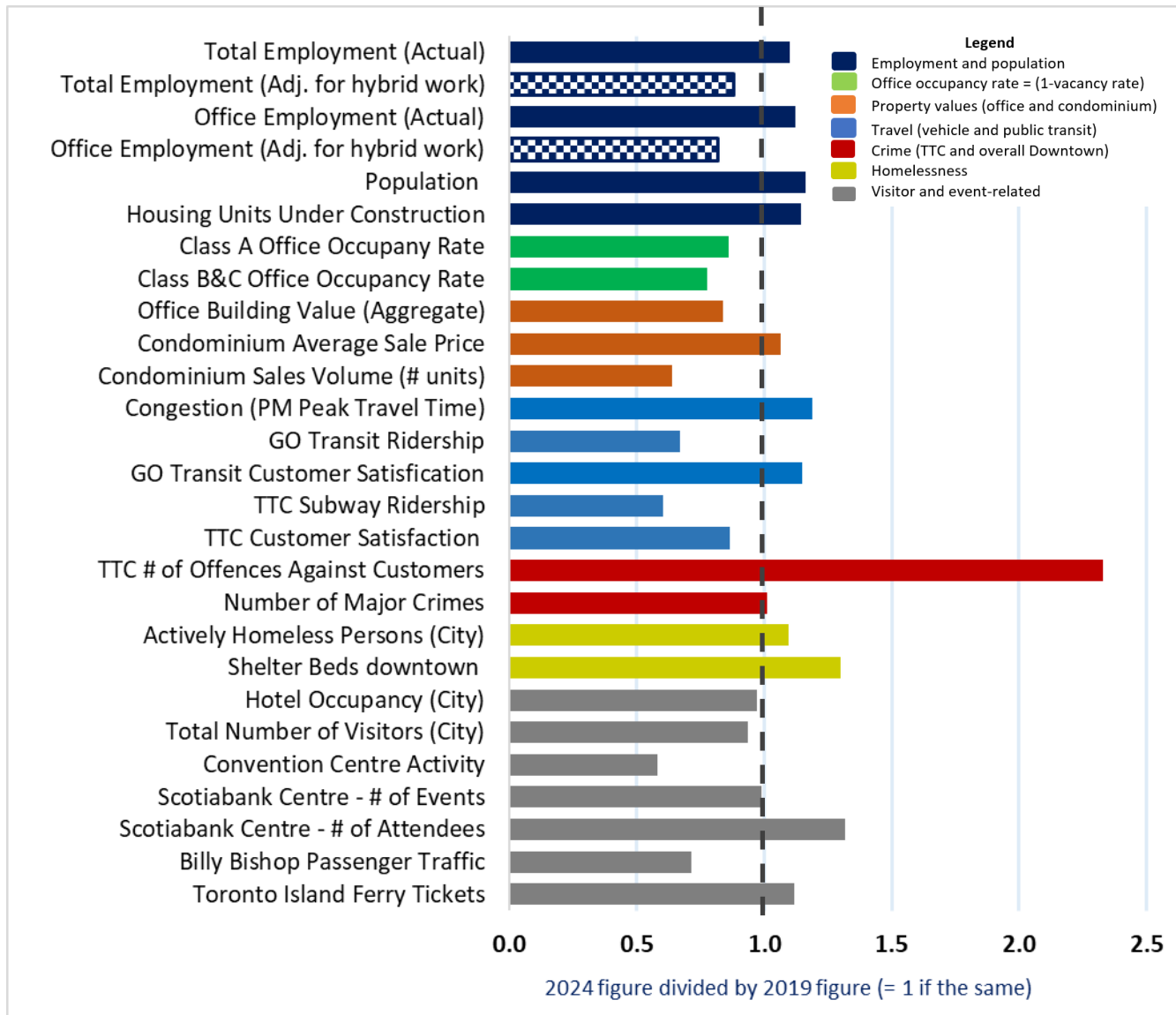
<sup>17</sup> In this section we focus mainly on “hard data” – numbers (counts, dollars, percentages of key drivers and outcomes) from official sources – with only marginal focus on “perceptions” derived from surveys. The next section delves deeper into perceptions of downtown related factors that might impact behaviour and activity.

<sup>18</sup> A 2023 study by the Center City District (CCD) for Downtown Philadelphia analyzed the recoveries in 26 downtowns across the U.S. The report found that, while downtown residents are vital to the vibrancy of city centers, they represented only 11.2% of the total volume of people on downtown streets in 2023 in these U.S. metros. In contrast, non-resident workers in the 26 cities made up 27.1% of the daily population, while visitors accounted for the majority, at 61.7%. See Center City District (CCD), City of Philadelphia. (2023). “Downtowns Rebound: The Data Driven Path to Recovery”. October. <https://centercityphila.org/research-reports/downtowns-rebound-report-2023>. See also Milder, N. David. (2023). “More Visitors, Not the 100% Return of Office Workers, Are the Key to the Full Recovery of Our Downtowns”. The Downtown Curmudgeon blog ([September 5, 2023](#)) and Cushman & Wakefield and Places Platform LLC. (2024). “Reimagining Cities: Disrupting the Urban Doom Loop”. September. [www.cushmanwakefield.com/en/united-states/insights/reimagining-cities-disrupting-the-urban-doom-loop](http://www.cushmanwakefield.com/en/united-states/insights/reimagining-cities-disrupting-the-urban-doom-loop).



**Figure 4. Key Downtown Toronto Vitality Metrics, 2024 Relative to 2019\***

(Right of the dashed line at 1.0 indicates a 2024 figure above 2019; left of 1.0 means 2024 is below 2019)



\*2019 and 2024 or the closest years to these, depending on data availability. *Office Occupancy Rate* equals one minus the overall office vacancy rate shown in Figure 3. This differs from the "office occupancy" estimated by SRRA as part of its Office Recovery Index shown in Figure 2. The Office Occupancy Rate shown here reflects the percentage of the stock of office that is leased by tenants – it does not account for remote (or WFH) either fully or hybrid directly. The SRRA data estimates the frequency that employees are working in person downtown in leased space. *Convention Centre Activity* derives from the number of conventions, tradeshow, meetings, public shows and theatre. See Appendix Figure A-46.

Full details of the other variable definitions and sources are provided in the Statistical Appendix.

Traffic congestion also stands out as one of the metrics exceeding pre-pandemic levels.<sup>19</sup> The post-pandemic rise in traffic congestion is a major concern, with fewer workers relying on public transit. The result is heavier vehicular traffic and longer commutes. When commuting by car becomes an increasingly time-consuming and frustrating experience, full-time remote work or a hybrid option becomes particularly attractive.

Public transit safety concerns further exacerbate downtown's recovery struggles. Reports of crime, disorder, and mental health incidents on subways and buses have led to a decline in ridership. Many commuters report feeling unsafe using public transportation, especially during off-peak hours. The decline in ridership creates a vicious cycle: fewer people using transit can lead to less surveillance, making stations and subway cars feel more vulnerable to crime. Negative media coverage of violent incidents has also reinforced the public perception that subways are unsafe, further deterring potential riders.

### **Commuting Patterns, Modes & Shifts Since COVID Vary by Resident Location**

#### **Public Transit plays a much larger role in trips to downtown Toronto than many suspect**

The latest data (2022) on all trips by downtown residents and trips to the downtown by residents in the rest of the Greater Toronto and Hamilton Area (GTHA) indicate that:

In general, downtown commuters living in the downtown walk or take the TTC to work. Commuters from elsewhere in the city rely heavily on the TTC, followed by driving. Commuters living in other parts of the Toronto CMA utilize GO Transit or drive to the downtown.

#### **Pandemic-induced shift in commuter travel to cars particularly pronounced for downtown commuters from outside the city of Toronto**

Shifts in travel modes between the 2016 and 2022 Toronto Transportation Tomorrow Surveys:

- ❖ Relatively fewer downtown commuters walked (51% vs 57%) and more cycled (12% vs 8%)
- ❖ Commuters living in other parts of the city took TTC somewhat less (60% vs 64%) and drove a car or biked more (each up by two percentage points)
- ❖ A marked shift occurred among commuters living elsewhere in the Toronto CMA from transit (especially GO) to driving; **GO shares down from 52% to 36%; Autos up from 30% to 49%**

#### **Majority of drivers and transit riders live in the city of Toronto**

Almost three quarters of downtown commuters live in the city of Toronto. Many private vehicle drivers are residents of Toronto, and most transit users are residents of Toronto.

This is supported by workday population surveys conducted by the Toronto Financial District BIA. These surveys show that about three-quarters of the workers surveyed live in the city of Toronto, with most of the remainder living in the adjacent regional municipalities.

*\* See Statistical Appendix Figures A-32 and A-33.*

<sup>19</sup> City of Toronto. (2024). Congestion Management Dashboard. December. [www.toronto.ca/wp-content/uploads/2024/12/966b-2024-12-19-TS-Congestion-Management-Dashboard.pdf](https://www.toronto.ca/wp-content/uploads/2024/12/966b-2024-12-19-TS-Congestion-Management-Dashboard.pdf) provides data on traffic flows, construction related bottlenecks and congestion with data on PM peak hour congestion shown back to early 2020 before the pandemic that is detailed in the appendix to this report.

These commuting challenges directly impact downtown businesses, restaurants, and retail establishments, which rely on a steady influx of office workers and visitors. If employees and consumers avoid downtown due to transit difficulties and safety concerns, foot traffic remains low, limiting economic recovery. Addressing these issues - whether through improved public transit security, infrastructure investments, or congestion mitigation strategies - is essential to ensuring the long-term resilience of downtown cores.

## **What Do They Think? Perceptions of Downtown Influence Behaviour and Recovery**

### **A large reservoir of goodwill for Toronto's downtown**

Downtown Toronto has plenty of goodwill among Toronto residents. A global survey of residents in 53 cities conducted for the Gensler Research Institute in 2023 found that 69% of the city of Toronto respondents agreed that the downtown (the Gensler report refers to it as the central business district, or CBD) provides a great experience.<sup>20</sup> While it was lower than the 76% of global respondents, it is positive that more than two-thirds of Toronto respondents agreed with this statement.<sup>21</sup>

The downtown also scored high on most activities in the Gensler survey, including working, dining/eating out, shopping, seeing performances/exhibits, working, discovering new things, and having fun. Where it lagged in the ratings was as a place to live and especially as a place to raise children.

An illustration of the downtown's anchor destinations is contained in a recent report dealing with unlocking the waterfront's potential. These include Billy Bishop Toronto City Airport, St. Lawrence Market, the CN Tower, sports and music venues and public spaces like Sugar Beach and Love Park.<sup>22</sup>

### **Downtown elements that would draw more Toronto residents**

The Gensler survey also included a question on which elements having a greater presence downtown would draw Toronto residents more often to the downtown. The top four were safety (28%), parking (25%), the ability to discover new things (25%) and parks (21%).

Surprisingly, accessibility (9%) did not rank higher in the survey.

### **Rider dissatisfaction with the TTC part of a broader transportation malaise – worsening congestion**

A recent survey of a sample of Toronto residents conducted by Ipsos Research on behalf of the City of Toronto asked respondents whether they were very or somewhat satisfied with the City's street and

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<sup>20</sup> Gensler Research Institute. "City Pulse 2023: The Future of Central Business Districts". The boundaries of the Toronto CBD are not provided, but they are likely similar to the "downtown" as delineated in the report excluding areas north of Bloor Street. Details of the Toronto sample are not provided. Qualtrics surveyed 26,007 urban residents in 53 cities for an average of 491 residents per city. The respondents were divided into three groups: downtown residents and employees, and local visitors (city residents living outside the CBD).

<sup>21</sup> Toronto's percentage may be lower because its amalgamated boundaries include postwar suburban municipalities, which many other central cities do not.

<sup>22</sup> Toronto Region Board of Trade. "Ripple Effect: Unlocking Toronto's Waterfront Potential". Sponsored by Waterfront BIA. May 2024.

transportation system overall. Here are the responses by mode (percentage of very or somewhat satisfied):<sup>23</sup>

- ❖ 58% drive/carpool
- ❖ 59% walk
- ❖ 60% transit
- ❖ 64% bike

In other words, about 40% of the respondents driving/carpooling or taking transit were somewhat or very dissatisfied with their experience. Many cyclists and walkers are also dissatisfied.

Congestion has become a major problem. An Ipsos survey conducted for the Toronto Region Board of Trade found that 86% of respondents across the GTA (an area similar to the Toronto CMA) strongly agreed or somewhat agreed that there is a traffic and congestion crisis in the GTA.<sup>24</sup>

The Globe and Mail recently published an in-depth investigation of traffic gridlock in the GTA.<sup>25</sup> It vividly documented the worsening congestion problems across the GTA, including downtown Toronto.

Incidentally, when city respondents were asked in a Maru Public Opinion survey what should be done to address the issue of traffic congestion and gridlock for those coming and going from Toronto's downtown core, only 7% responded favourably to implementing toll charges.<sup>26</sup>

### **Personal safety on transit is a significant concern of Toronto residents**

Personal safety on transit is a concern of many Torontonians. A recent survey of city residents by Maru Public Opinion asked respondents to reply to the statement: "I am afraid of being a victim of violence on public transit". Sixty-four percent of respondents somewhat or very much agreed.<sup>27</sup>

A second survey by Abacus Data commissioned by the Toronto Police Association found that respondents rated crime and public safety as the fourth top issue facing the city of Toronto (34% of respondents), following housing affordability (52%), local economy/affordability (41%) and homelessness (40%).<sup>28</sup>

There has been a rise in major crimes, mainly assaults, reported to police on the TTC downtown over the past several years (Appendix Figure A-50) and reported to TTC staff but not to police (Appendix Figure A-51).

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<sup>23</sup> Ipsos. "Listening to Toronto Survey." Commissioned by the City of Toronto. November 2024.

<sup>24</sup> Ipsos. "Congestion Crisis Polling Results". Commissioned by the Toronto Region Board of Trade. July 16, 2024.

<sup>25</sup> Mariya Postelnayak. "Gridlocked". Globe and Mail. November 12, 2024.

<sup>26</sup> Maru Public Opinion. "City Life in Toronto, Calgary, Edmonton, and Vancouver". Commissioned by CityNews. September 25, 2024.

<sup>27</sup> Maru Public Opinion. "Prospectives on Crime and Policing in Toronto, Calgary, Edmonton, and Vancouver". Commissioned by CityNews. September 26, 2024.

<sup>28</sup> Abacus Data. "Toronto's Safety Crossroads: Unveiling Concerns, Policy Priorities, and the Push for Adequate Funding". Commissioned by the Toronto Police Association. January 20, 2024.

## Downtown crime is also a significant concern

Respondents to the Gensler survey placed safety at the top of the list as a factor in why Torontonians do not go downtown more often. While survey data are not available just for the downtown area, city-wide responses to separate surveys place crime among the top four issues facing the city's leaders.

In the City-commissioned survey conducted by Ipsos, crime ranked third as a top issue, ahead of poverty/homelessness and behind transportation and housing (Appendix Figure A-25).

An Abacus Data survey commissioned by the Toronto Police Association places crime and public safety as the fourth top issue, following homelessness, local economy/affordability, and housing (Appendix Figure A-27).

The number of major crimes (mostly assaults) declined in the downtown during the pandemic years before rising again in 2023 and 2024 (Appendix Figure A-52).

As noted, respondents to the Ipsos and Abacus surveys rank homelessness or poverty/homelessness among the top issues facing Toronto. A survey conducted by Environics Research supports these concerns. The percentage of Toronto respondents thinking homelessness is the most critical or one of the more serious problems in Toronto rose from a high of 84% in 2021 to 90% in 2024 (Appendix Figure A-57).

There is much concern about community safety and well-being within the downtown BIAs and BIAs elsewhere in the city. In 2023, the Downtown Yonge BIA partnered with Safe TO on a year-long pilot project to address the growing challenges. Over the year, they engaged with BIA staff, city staff, and BIA business members. They held a summit attended by city staff and councillors, Toronto Police Services and not-for-profit organizations.<sup>29</sup> Their concerns ranged from violence and vulnerable people to safe streets and built environments.

Worry about the risk of ...  
**“Escalated, unpredictable behaviour”**  
is impacting perceptions of safety on the TTC and in the downtown today  
Source: Based on conversations with downtown BIA leaders.

Sixty percent of the Safe TO and BIA survey respondents from downtown Toronto and east Toronto were concerned about themselves or visitors being a victim of crime.

Eighty-two percent of these respondents were concerned about vulnerable people in crisis, vulnerable people on the streets and in public spaces, and aggressive or escalated behaviour in public spaces. In this regard, the number of actively homeless people in the city increased over the past three years (Appendix Figure A-55). While a data split for the downtown is unavailable, the downtown's proportion of the city's annual shelter bed inventory (45%) provides a proxy (Appendix Figure A-56).

## The attractiveness of the downtown is an important element in inducing more people downtown

According to the Gensler survey report, the built environment and its cleanliness not only attract more people downtown but also make people feel safe. Gensler states that the downtown's cleanliness, lighting, and attractiveness are predicted to contribute to how people perceive their sense of safety.

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<sup>29</sup> SafeTO BIA Survey Results (2024).

Respondents want to see reduced traffic, more green space, and improved streetscapes in their downtowns.

The public realm includes sidewalks, roads, laneways, parks, and open space. It also includes the primarily privately owned and maintained PATH underground walkway. Investment in the public realm is said to generate higher property value, better employee retention, improved transportation, and a safer and healthier environment.

Regarding green space, there is an ample supply on the Toronto Islands adjacent to the downtown. The challenge is access. Right now, the only access is by boat, ferries for most visitors, and there can be long waits.

## **Challenges to Revitalize Downtown Toronto**

A strong and growing downtown is imperative not just for the city of Toronto but for the broader region, the province and the country. Not only does the downtown generate significant economic activity, but it is the source of tax revenue for the city and even more so for the federal and provincial governments.

The key to a renewed downtown vibrancy is getting more people to visit downtown. Like many of its counterparts, Toronto shares the dampening impact of the structural shift from jobs in downtown offices five days a week to remote work at home or the more widespread hybrid working arrangements. However, unlike many downtown areas, Toronto has a varied array of destination anchors that attract day and overnight visitors. In addition, it has a large population living in or adjacent to the downtown area, which is growing rapidly. It is also fortunate to have a large reservoir of goodwill among city residents and downtown workers, providing a great experience as a place to be.

There are several impediments, though, both real and perceived, which are hindering the recovery of the downtown toward a growth path beyond pre-pandemic levels (2019). Among the real impediments are the difficulty and frustration of accessing the downtown by car and TTC, a rising crime rate, and increased homelessness.

There are also negative perceptions about the downtown area, which may or may not reflect the reality of the situation. Personal safety is a concern of many Torontonians, including on the TTC. Perceptions about the cleanliness of the public realm, including roads, sidewalks, and a lack of green space, are other concerns.

Employers, governments and business groups should continue to strive to encourage and incentivize fully remote and hybrid workers to return to the office downtown more often or spend more time there. However, it is imperative to recognize other factors crucial to recovery and shaping the future success of the downtown. Several of these factors are controlled or can be influenced by governments and other groups like the downtown business improvement areas (BIAs). These include addressing barriers to accessing downtown, recognizing visitors' vital role, investing in placemaking strategies to attract residents, office workers, and tourists alike, and countering negative perceptions.

## Strategic Policy Considerations

An essential first step is to build awareness amongst key stakeholders, including all three levels of government, of downtown Toronto's economic and societal importance to the city, province and country. The crucial role of the downtown and the importance of having it be a robust, vibrant, welcoming central hub for all does not seem to be fully appreciated. The City of Toronto recently published an extensive future-looking economic report that contains 73 recommendations.<sup>30</sup> Only two of these recommendations reference downtown Toronto. Politicians need to be focused on the city as a whole. However, they also need to understand that perceptions about the downtown impact residents' and visitors' perceptions about their city. This interconnectedness should be appreciated and incorporated into policies related to downtown success.

**The importance of downtowns cannot be overstated.**

*Perhaps most importantly, the relationship that people have to their CBDs is inextricably linked with the relationship they have to their cities as a whole.*

***People who feel that their CBD provides a great experience are 79% more likely to say that their city provides a great experience.***

Gensler Research Institute. "City Pulse 2023: The Future of Central Business Districts".

What specific actions are available to help nudge and guide us on a positive trajectory toward a thriving downtown core that benefits all stakeholders? How can this be done, especially in the short or medium term?

We provide seven key strategic policy considerations that we believe governments should prioritize in collaboration with and the support of stakeholders like the Downtown Six BIAs.

### Improve the TTC Rider Experience

Ridership has not fully recovered, and negative perceptions impact willingness to use public transit to commute and travel downtown for other reasons. This negativity only reinforces the work-from-home impact and pushes more people to drive, exacerbating road congestion and further disincentivizing trips downtown.

According to surveys conducted by the TTC, transit users are increasingly dissatisfied with Toronto's transit system. Notably, GO Transit customers are increasingly satisfied with its service. Substantial improvements to the TTC subway and streetcar experience, in terms of reliability, frequency, safety, and cleanliness, are critical for downtown vitality.

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<sup>30</sup> City of Toronto. "Sidewalks to Skylines: A 10-Year Action Plan for Toronto's Economy (2025 – 2035)." September. [www.toronto.ca/legdocs/mmis/2024/ec/bgrd/backgroundfile-249432.pdf](http://www.toronto.ca/legdocs/mmis/2024/ec/bgrd/backgroundfile-249432.pdf).

For all slowdowns of vehicles and closures of sections of tracks, the TTC should provide customers with a website that provides up-to-date information on the problem being addressed and work being undertaken, when it started and the estimated completion date for each work location.

A key action to improve personal safety (actual and perceptions) would be to significantly enhance the visibility of TTC special constables and/or police at stations and on trains. More constables and police walking trains, even if only in the late evenings, would be a perception-changer. Serious consideration should be given to giving TTC special constables the power to arrest.

## **Enhance Safety and Cleanliness Consistently Across the Downtown**

Personal safety and the state of the public realm and facilities are growing concerns among downtown workers, residents and visitors. Police data show a modest rise in downtown crime, but population perceptions suggest a more significant problem than there may actually be. A growing number of businesses hiring private security guards with a public presence on-site indicates growing criminal activity.

Having more police with a physical presence on sidewalks and other public spaces, in malls, and at events, including more community-focused on-the-ground policing and interaction with workers, residents and visitors, would help to deter and reduce the public's concerns about crime.

The accepted standard of cleanliness of the public sphere in the downtown should be enhanced and carried out with increased frequency. Public facilities in the downtown area, such as sidewalks, garbage containers, parks, and parkettes, lack ongoing cleanliness. Pressure washing should be used more frequently.

The City of Toronto should take on a larger role in maintaining a clean, welcoming downtown environment. Or provide the resources to support the BIAs in doing it. The BIAs and select property owners have taken it upon themselves to do this on behalf of the city. However, this is not enough, and the BIAs do not have the financial resources to support what is a city function.

## **Enhance the Efficiency of Vehicle Access and Encourage plus Promote the Use of GO Transit**

Congestion is a serious and growing problem throughout the metropolitan Toronto region and is particularly bad in downtown Toronto. Research by the City shows that downtown congestion is worse now than before the pandemic. More availability of parking downtown should attract more people, according to a survey conducted by the Gensler Research Institute.

The city is monitoring and measuring downtown congestion and implementing measures to reduce it. They should be encouraged to continue to explore ways to get traffic moving more efficiently. Our main suggestion here is for the city to rigorously examine its policies and practices (both existing and planned future) to ascertain if they are, in fact, impeding traffic flows and make changes to modify policies to reduce negative impacts on traffic. For downtown viability, the city should adopt a more vehicle- and parking-focused lens in its policymaking, especially related to impediments and bottlenecks created by construction projects over extended periods of time.



The appropriateness of a road congestion charge for vehicles entering the downtown area at peak times should be carefully examined to help reduce congestion and potentially generate significant revenue to pay for public transit and other downtown improvement expenditures.<sup>31, 32</sup>

Despite positive customer satisfaction reviews of GO Transit, overall ridership remains below pre-COVID levels, adding to the surge in congestion entering the downtown core. Policy focused on enhancing the experience, efficiency and integration of the overall regional transportation system for all downtown trips and customers (commuters and visitors) is a top priority.

## **Provide More Accommodation and Support Services for Homeless Persons and People with Addictions**

There is a public perception that greater numbers of homeless people and addicted people on the streets and in transit are associated with increased risk to the personal safety of the public at large. Actions to reduce the numbers on the street would be a step toward reducing personal safety concerns and hopefully help vulnerable individuals as well.

## **Enhance Access to the Toronto Islands**

A survey by Gensler highlighted a role for more green space as a way to attract more visitors downtown. Most visitors to the islands get there by ferry. While ferry traffic picked up between 2019 and 2024, it is still less than in some years before 2019.

The islands are untapped as a green space resource for visitors and downtown residents, principally because of the ferries' capacity limits, which hinder convenient and timely access. Actions to significantly increase ferry capacities in the short run should be considered. The benefits of a fixed link to the islands should be studied and costed as a longer-term solution to opening their potential and a source of green space adjacent to the downtown.

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<sup>31</sup> While political and public support for this option is lacking, to truly and effectively manage congestion (and pollution) at peak-time rush hour, the city should be instituting congestion charges for downtown Toronto. A recent report on the impact of congestion in Ontario and the GTHA devotes significant attention to the need for management of congestion, the fact it will get worse in the future, and has massive economic and social costs. However, there is no mention whatsoever of a congestion toll as an efficient means to raise revenue to help pay for public transit and other downtown improvements. Canadian Centre for Economic Analysis. (2024). "Impact of Congestion in the GTHA and Ontario: Economic and Social Risks". [www.cancea.ca/index.php/2024/12/09/impact-of-congestion-in-the-gtha-and-ontario-economic-and-social-risks/](http://www.cancea.ca/index.php/2024/12/09/impact-of-congestion-in-the-gtha-and-ontario-economic-and-social-risks/).

<sup>32</sup> A recent analysis and assessment of a congestion toll in downtown Toronto with revenue projections is provided in Lanrick Bennet Jr. and Jeff Allen. (2025). "Could Congestion Pricing Unlock a Better Toronto?" University of Toronto School of Cities blog, February 7. <https://schoolofcities.utoronto.ca/could-congestion-pricing-unlock-a-better-toronto/>. Despite initial opposition, emerging evidence reveals that the congestion toll in New York City (NYC) is gaining support post-implementation and having the desired positive effects in terms of decreased traffic volumes in the core, increased transit ridership and significant revenue inflow plus other positive impacts – see Kaske (2025) and Gupta (2025).

## **More Effectively Harness the Collective Strength, Power and Drive of the Downtown Six BIAs to Help Execute the Recommendations for a Vibrant Downtown**

The City of Toronto recently released "Sidewalks to Skylines: A 10-Year Action Plan for Toronto's Economy (2025 – 2035)", which has been referenced in this report. As noted above, relatively little attention is paid to the importance of downtown, with only 2 of 73 recommendations in the report (#s 20 and 21) focused on the downtown specifically.

One recommendation is to *create a downtown stewardship organization to speak with a unified voice on the needs of Toronto's downtown*. We suggest that the city does not create a new stewardship group. Instead, it consider giving the Downtown Six BIAs this responsibility as a collaborative group, working with city support, including financial and additional funding to be secured from the provincial and federal governments.

## **Seek Funding from the Provincial and Federal Governments**

There is a strong case to support provincial and federal funding for the city and the BIAs to execute improvements related to public transit, safety/policing, and cleanliness of public spaces. More than 50% of the tax revenue generated downtown flows to the federal government and nearly 40% to the province.

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