

**Toronto job growth depends on developing more downtown office space  
Toronto Office Coalition warns that the target of 15,000 new financial services  
jobs cannot be met without attention to development in the city core**

**Toronto, Sept. 21, 2011** – The City of Toronto is reaching a tipping point where it may no longer be able to accommodate the thousands of new jobs projected to be destined for the city, according to a [report](#) prepared for the Toronto Office Coalition (TOC) by the Canadian Urban Institute (CUI) and Real Estate Search Corporation (RESC).

The report notes that half of the jobs in the 416 area are in office buildings and between half and two thirds of these jobs are in the financial services sector. These are high paying jobs which feed the life of the city around it. Current targets set by the Boston Consulting Group for the Toronto Financial Services Alliance call for the creation of 15,000 jobs in the financial services sector to be created by 2015. The TOC report challenges this assumption because there are simply not enough development ready building sites that could house those jobs in downtown Toronto.

“What this means is that those jobs will go to car-dependent locations outside the 416 region, adding to existing high levels of congestion,” said Jeff Orlans, TOC Chairman. “Consider the obstacles to office development - commercial taxes that are uncompetitive, a condo boom eating up prime office development space, creating a severe shortage of sites for commercial development, and the fact that it takes five years from a commitment to lease to moving day.”

“Frankly that’s two years too long for most businesses,” Orlans said. “The playing field favours our neighbours in the 905 region who will clear the permits in half the time.”

The CUI report’s authors, Glenn Miller and Iain Dobson, note that over the years, the location of employment in Toronto has changed dramatically with companies other than those connected to the financial services sector leaving the core and growing in Brick and Beam areas on either side of the core, but most notably in industrial parks outside of the 416 region. As a result Toronto is rapidly becoming a one industry town, dependent on the health of the financial sector.

“No city should be so dependent on one sector,” said Dobson. “Nor should such a singularly important sector be taken for granted. Imagine if Oshawa turned a deaf ear to the needs of General Motors,” he added. “It could be devastating.”

“Toronto is an extraordinary city,” Orlans said. “We know what to do to help it grow and provide well paying jobs that are minutes away from home not hours. What we lack at the moment is the public policy and public awareness that we need to act now.”

The [report](#) urges city and provincial planners to take a number of steps including:

- Drafting planning and incentive policies which meet the competitive needs of tenants so that they are able to grow where transit and other amenities are available.
- Introducing tax and land use policies that recognize that office jobs are the *only* form of high density employment. Steps need to be taken to modify public policy to create a competitive environment for office development.

- Creating conditions on the ground which meet the needs of employers, encouraging them not discouraging them.
- Amending the current provincial Growth Plan to recognize that significant concentrations of office space exist outside of the designated Growth Centres, and need to be integrated into the strategy for creating Growth Centres.
- Committing the province to work with local municipalities in the GTA to adjust priorities and fine tune the planned roll-out of rapid transit projects to better connect to approximately 108 million square feet of office space that is currently dependent on automobile access.
- Creating the necessary provincial legislation to require binding commitments for transit-supportive development along transportation corridors in advance of transit construction.

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The Toronto Office Coalition represents the interests of property owners and tenants of office buildings in the City of Toronto, who occupy approximately 55 million square feet of office space (35 per cent of the leasable commercial space in the Greater Toronto Area) and employ some 250,000 people in the Greater Toronto Area, the majority in the downtown core.

For more information or to obtain a copy of the report, please contact:

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