

2011

State of the Downtown Report



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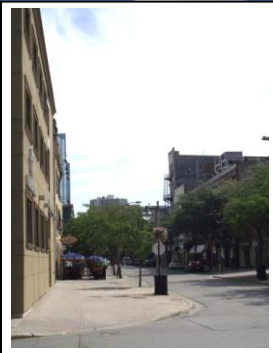
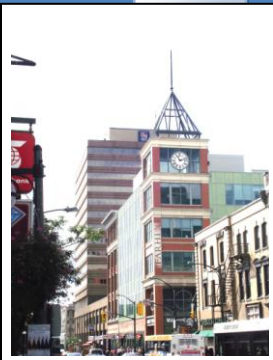
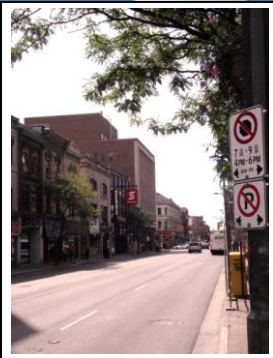
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*Where possible, data included within the report is current as of July 2011

Executive Summary



- Since 2002, the total current value assessment in the Downtown has risen by 3.8% annually, combining for a total increase of 59% from \$567.6 million to \$902.0 million.
- In 2010, each of Downtown's major corridors experienced a growth in assessment value; Richmond 5.8%, Dundas 2.5%, Clarence 1.4%, and King 137.7%. The massive increase on King Street can be attributed to the inclusion of the new Renaissance apartment building at 71 King Street.
- Downtown's rate of assessment growth (15.1%) exceeded the city-wide rate (6.0%) for 2009 – 2011.
- Between 2002 and 2011, current value assessment within the Targeted Incentive Zone (TIZ) on Dundas and Richmond Streets has increased by 17.8% from \$54.2 million to \$63.8 million. The TIZ experienced some volatility in annual assessment growth providing for a net growth of 1.2%, or \$635,000 between 2002 and 2008. Since the implementation of the enhanced incentive programs in 2008, the TIZ has experienced a 16.4% growth in current value assessment, an increase of \$9.0 million.
- 1135 building permits have been issued in Downtown London since 2000 and which have an associated construction value of \$352.7 million. In 2010, the median value of building permits issued Downtown increased by 25% to \$30,000. The enhanced incentive programs introduced in 2008 appear to have had a moderate impact on building permit activity within the Targeted Incentive Zone; there was a slight decline in 2009 and an increase of 13.3% in 2010 to 26 building permits worth a total construction value of \$1.1 million.
- Street level vacancy (as a percentage of the total length of the corridor) along Dundas, Richmond, and King Streets declined 1.2% since 2009 to 12.1% in 2011. King Street recorded the lowest street level vacancy rate of the three corridors at 9.0%. Richmond Street experienced the largest decrease in street level vacancy of 3.2 % from 2009 to 2011. Vacancy on Dundas Street has also decreased by 2.3% since 2009.
- Based on the 2006 census, population projections are predicting a 31.4% increase in the Downtown population and increase of 25.6% in dwelling counts. Between 2001 and 2006, of those choosing to live Downtown the 0-19, 20-44, and 65+ age cohorts experienced the largest growth of 46%, 29%, and 15% respectively.
- Median Household Income increased by 35.3% from \$34,667 to \$46,908. This increase far exceeded that of Central London as well as the City as a whole.
- Since 2008, the City of London has handed out a combined 104 grants and loans worth \$1.1 million, leveraging an incredible \$3.8 million in construction value. In 2010, a total of 49 loans and grants equalling \$0.6 million were used to leverage \$2.2 million in construction value, a return on investment of 346%
- Downtown London (formerly MainStreet London) has been a key player in the revitalization of Downtown London focusing on the attraction and retention of new business and promoting London's incentive programs as well as their own. In 2010, 26 new businesses opened in the Downtown bringing 133 new employees. Downtown London's incentive programs include the Tennant Improvement Loan and About Face Grant Programs. Combined they have issued 28 loans and grants worth \$403,681.

Introduction

This now marks the 5th instalment of the State of the Downtown Report which monitors the impact of City Council's investments in the Downtown. Several indicators have been used since 2003 to measure the success and relevance of City Council's initiatives to revitalize the Downtown:

Current Value Assessment

In general, revitalized areas often yield higher market (property) values than those in decline. Since assessment values are based on market value, they provide an effective tool for measuring the impact of revitalization.

Building Permit Activity

Tracking building investment activity often provides one of the strongest measures of revitalization within an area. The amount of investment is directly linked to the private investor's (property owners) confidence in the area. If an area is in decline and there is some uncertainty with regards to its viability, investment activity may be relatively low. A lack of investment can result in physical deterioration and decline of the building stock, reducing the attractiveness of the area effectively lowering investor confidence. Alternatively, high investment activity reflects strong investor confidence in the viability of the area.

Street Level Vacancy Rates

Vacant ground level floor space creates "dead spaces" in streetscapes and can significantly diminish the overall attractiveness of the area, especially when vacancies are concentrated within a specific area. Tracking vacant ground floor space not only helps identify the problem areas, it helps recognize opportunities for the revitalization of particular areas throughout the Downtown.

Residential Growth

The Downtown residential population is an important consideration when measuring revitalization as it provides the primary market for retailers located within the Downtown as well as increases activity on Downtown streets. This market supports Downtown retailers after typical office hours. As the population residing within the Downtown increases, the market for certain products and services will strengthen and new demand will be created for more diverse, higher order products and services. An area undergoing revitalization area will often include a growing residential population.



Incentive Program Activity

The City of London began offering financial incentives to Downtown property owners in 1988 to promote the maintenance, improvement, and adaptive reuse of the existing building stock within the Downtown. The building stock in the Downtown is unique and carries a large amount of historical value; the incentives provide property owners with the opportunity to update the building stock without the large financial commitment that often comes with restoring heritage properties.

Much like building permit activity, program participation rates and the associated investment activity provide a good measure of investor confidence in the Downtown. Furthermore, participation rates reflect the continued relevance of specific incentive programs.

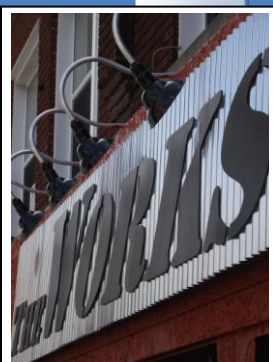
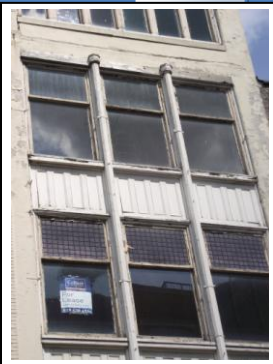
Office Vacancy Rates

The importance of a high concentration of jobs in the Downtown cannot be overstated. The Downtown employees are critical to the long-term sustainability of the Downtown as they provide the main source of revenue to local retailers, especially during typical business hours.

Downtown office vacancy rates provide a “snap shot” of the current employment situation, and by extension, they provide insight into the strength of the office market. Furthermore, office vacancy rates reflect the Downtown’s ability to attract and retain new businesses. A strong, healthy Downtown will have a relatively low office vacancy rate, typically around 5%.

Changes to Downtown Business Structure

Attracting a diverse set of businesses to provide the many products and services people look for in the Downtown is essential to the long-term vitality of the Downtown. Recording changes to the business structure provides a means of measuring the ability of London’s Downtown to attract and retain business. Changes to the business structure include the number of new business to locate Downtown on an annual basis as well as the composition of existing businesses in terms of their function.



Education Centres

Education centres located in the Downtown can play a large role in revitalization efforts since they can have a very large economic impact on the Downtown. They provide more jobs, bring more people Downtown, and the expenditures by both staff and students can give a boost to the local retail market. Many thriving Downtowns include education as an integral part of their success. Knowing how many education centres are located Downtown along with their staff, faculty, and student populations can shed some light on their role and impact in revitalization.

Activity Generators

Critical to the success of a Downtown revitalization effort is the ability to attract people. Activity generators, defined within this report as any major attraction that brings people to the Downtown, are therefore vital to the success of any revitalization effort. Analyzing attendance records at Downtown London's events and activities can reflect London's ability to attract people both from within London as well as outside of London to the Downtown.



Part I: Current Value Assessment (CVA)

Downtown

Comparing assessment data from year to year can be difficult as an increase in assessment value can be brought about by either an appreciation in property value or the construction of new buildings. There are however further complications, for example, tax appeals can have a significant impact on aggregated tax values, particularly when a tax appeal leads to the reduction in assessed value of a large property. “Claw backs and caps” associated with tax reform of the late 1990s also present an issue, as do changes to the property tax class that could come with a change in the use of an existing building.

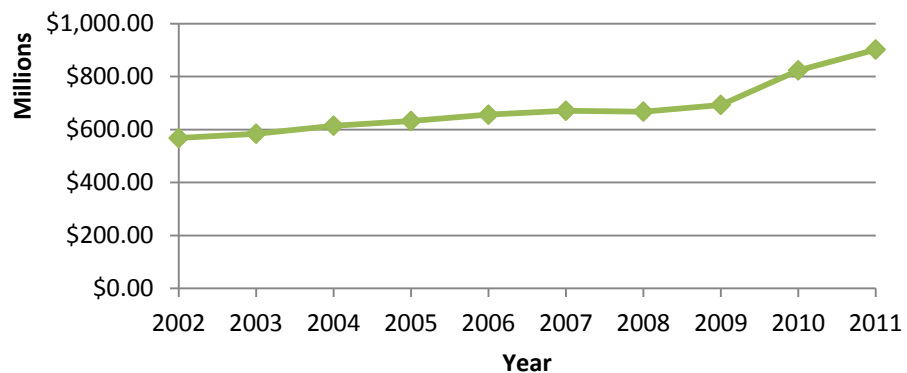
In 1998, the Provincial Government set current value assessment as the new standard for determining property tax assessment in Ontario. A transition period of 3 years from 1998 to 2001 followed the decision and as a result consistent data was not available until the 2001 assessment year.

The major declines experienced by Downtown London in the 1990s led City Council to incorporate an increase in tax assessment in the Downtown as one of the major goals of the Downtown Millennium Plan.

It should be noted that in the following graphs, there is a spike in assessment values between 2009 and 2011. This is a result of the addition of new properties located within the Downtown where assessment information was previously unavailable; they do not necessarily reflect an increase in property value.

Since 2002, current value assessment in the Downtown has grown by an incredible 59%, from \$567.6 million to approximately \$902.0 million. This is a result of the construction of several new high rise apartment buildings; “The Renaissance” building at 71 King Street, “City Place” at the intersection of Dundas and Waterloo Streets, and “The Harriston” at 536 Ridout Street.

Downtown Current Value Assessment



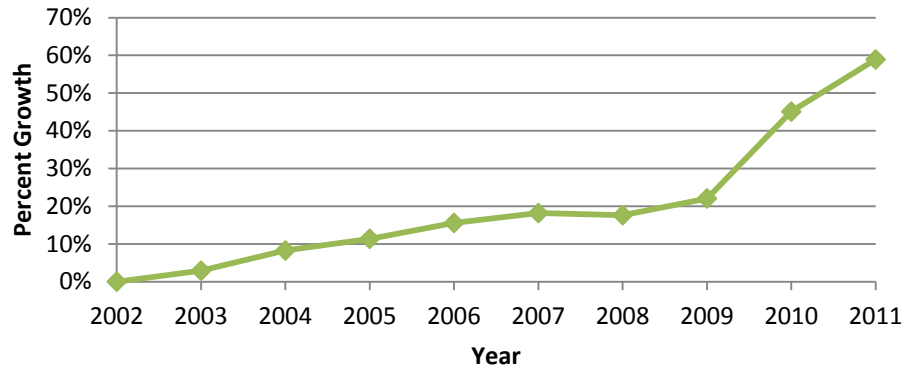
Apart from the slight decline in assessment values in 2008, Downtown properties have increased in value by approximately 3.8% per year. The large spikes between 2009 and 2011 can largely be attributed to the construction of new buildings; however, existing properties still appreciated by 9.2%, or \$57.7 million during the same period.

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Downtown properties have increased in value by approximately 3.8% per year

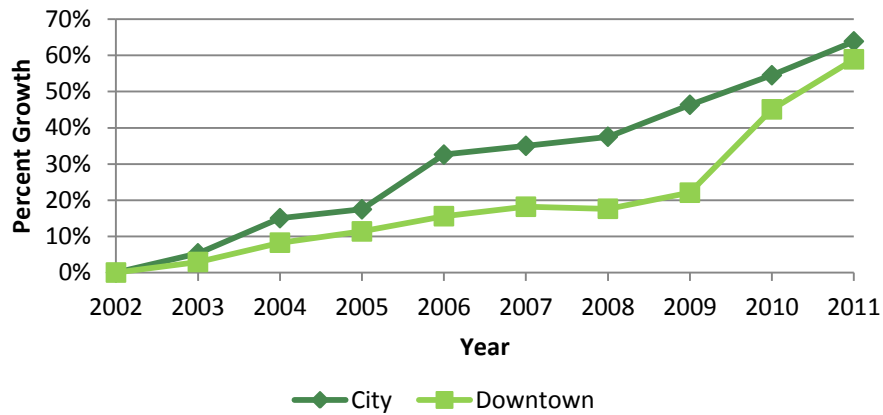
Current Value Assessment - Downtown

Downtown Percent Growth in CVA



It is important to note that the current value assessment figures utilized for this analysis include both public and private sector properties. Public sector properties have recently been included to reflect the inherent value they add to the Downtown.

**Percent Growth in CVA
Downtown vs. City**



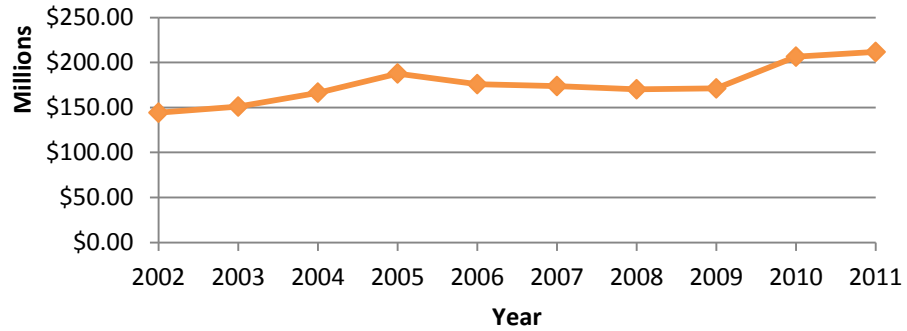
Since 2002, both Downtown and London as a whole have experienced remarkable growth in assessment values. City wide, London has experienced an average growth rate in assessment value slightly higher than that of the Downtown at 5.9% per year since 2002. However, the average yearly Downtown assessment growth rate between 2009 – 2011 exceeded the city-wide rate (15.1% and 6.0% respectively).

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Dundas Street

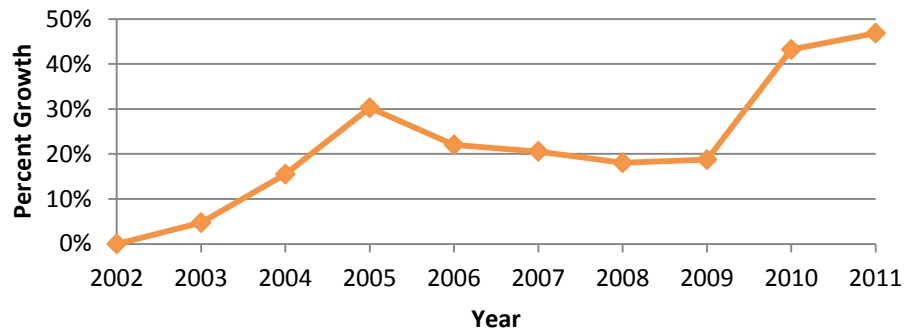
Between 2002 and 2011 current value assessment on Dundas Street has grown by 46.8% (\$67.5 million) from \$144.2 million to \$211.7 million.

**Current Value Assessment
(Dundas Street)**



Prior to 2005, Dundas Street experienced strong growth in assessment value of 30.2% from 2002 levels. The period between 2005 and 2008 saw consecutive declines averaging -3.2%. After 2008, Dundas Street began to rebound with a modest increase of 0.6% in 2009. The large spike between 2009 and 2010 is attributed to the inclusion of the current value assessment for the City Place apartment at Dundas and Waterloo Streets; however, other properties still appreciated by 2.4%.

**Percent Growth in CVA
(Dundas Street)**



Between 2010 and 2011 properties on Dundas Street continued to appreciate at a rate of 2.5% despite a large drop in assessed value for a couple of properties along the corridor.

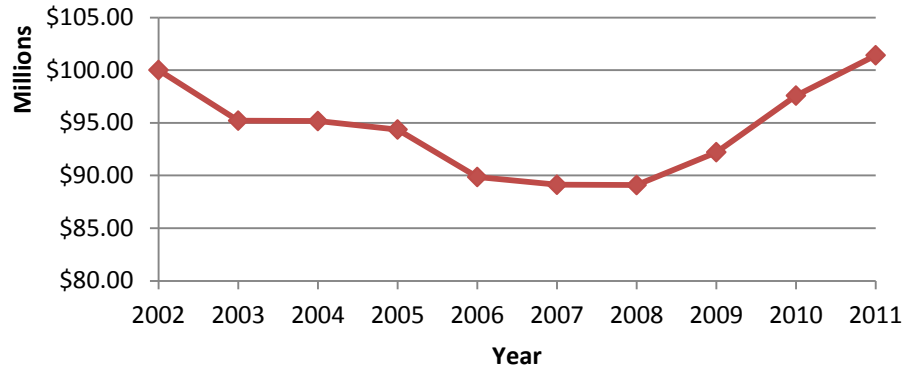
Between 2002 and 2011 current value assessment on Dundas Street has grown by 46.8% (\$67.5 million) from \$144.1 million to \$211.6 million.

Between 2010 and 2011 properties on Dundas Street continued to appreciate at a rate of 2.5%.

Richmond Street

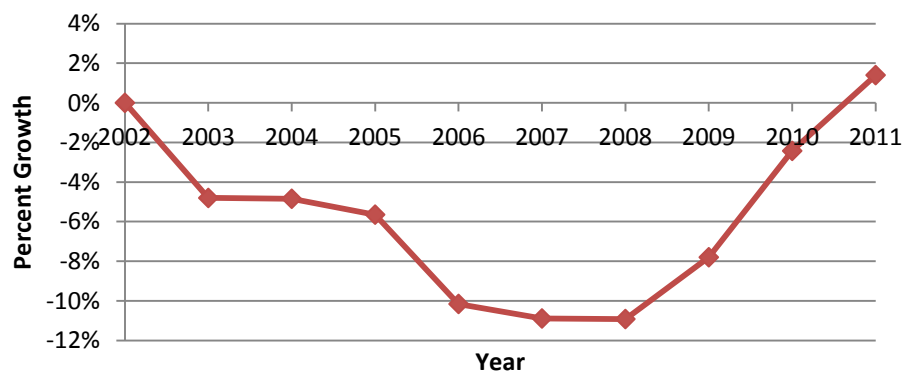
Since 2002, the current value assessment on Richmond Street has appreciated by a mere 1.4% from \$100.0 million to \$101.4 million.

**Current Value Assessment
(Richmond Street)**



Between 2002 and 2008 Richmond Street experienced consecutive annual decreases in assessment value averaging -1.9%. Further analysis of the assessment data revealed that although 2009 had many more properties decrease in value than in previous years, current value assessment increased by 3.5% overall – Richmond Street’s first annual increase since 2002. 2010 proved to be a great year for Richmond Street; the assessed values of the corridor increased by 5.8%, or \$5.7 million. A total of 45 properties along the corridor appreciated in value while zero depreciated. The remaining 14 properties accounted for did not record a change in value.

**Percent Growth in CVA
(Richmond Street)**



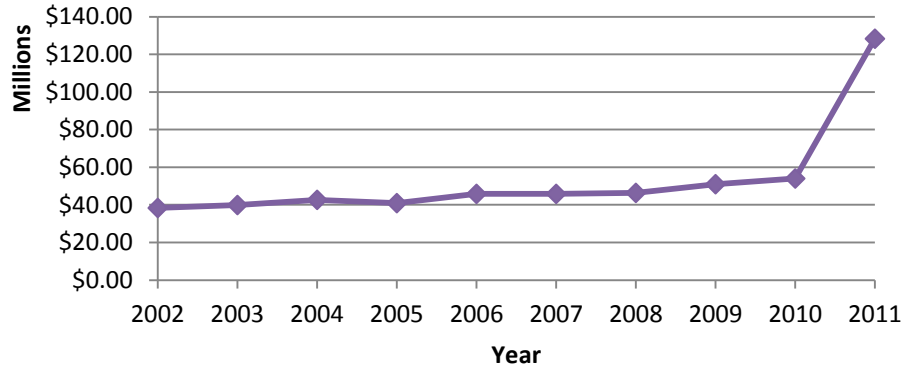
Between 2010 and 2011, Richmond Street experienced a growth in assessment value of 3.9%, or \$3.8 million dollars, which surpassed 2002 assessment levels. A total of 44 properties along the corridor recorded increased assessment values while only two had decreases.

2010 proved to be a great year for Richmond Street, the assessed value of the corridor increased by 5.8%, or \$5.7 million.

King Street

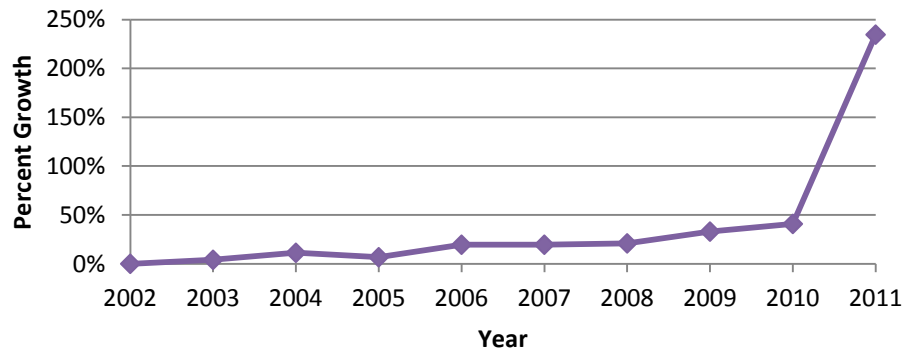
Between 2002 and 2011, current value assessment on King Street increased by a tremendous 234.7%, from \$38.3 million to \$128.3 million. A large portion of the increase in assessment values is attributed to the construction of 278 units for Phase 1 of the “Renaissance” apartment buildings, which was finished in 2009.

**Current Value Assessment
(King Street)**



After the slight decline in assessed values that occurred in 2005 (a result of the removal of a parking lot for the construction of the “Renaissance” building), King Street has responded well with consecutive positive appreciation in each of the following years. In the period 2006 to 2010, the current value assessment on King Street grew on average 5.8% per annum – an overall increase of \$8.2 million since 2006. It should be noted, however, that increases in 2006 (12.0%) and 2009 (10.0%) significantly inflated the average for this period.

**Percent Growth in CVA
(King Street)**

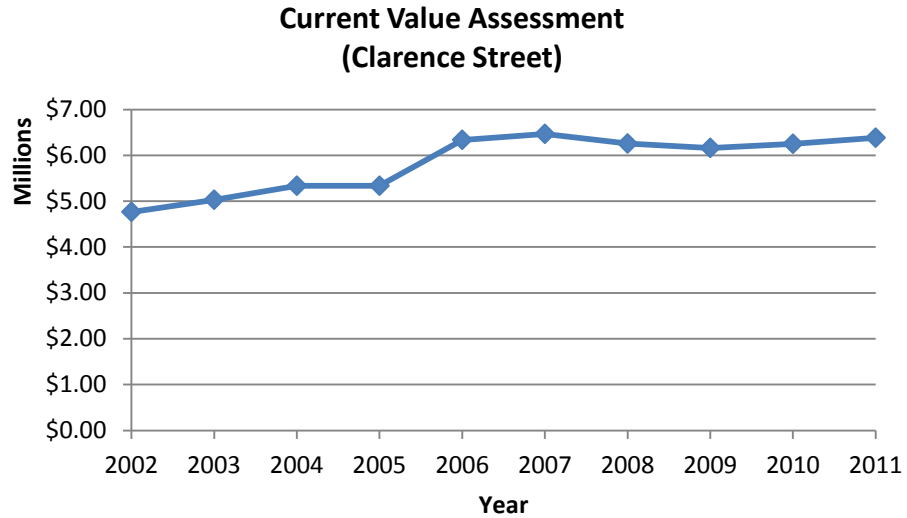


Between 2002 and 2011, current value assessment on King Street increased by a tremendous 234.5%, from \$38.3 million to \$128.3 million.

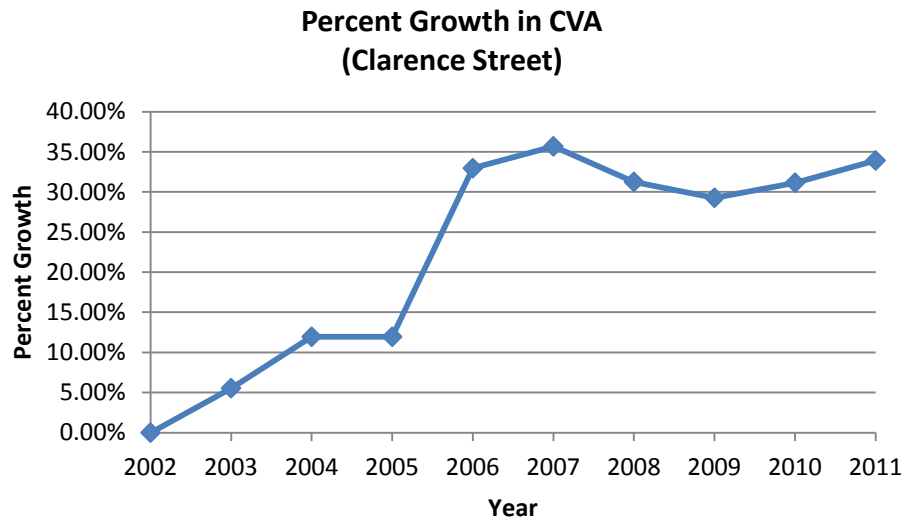
In 2010, the 278 unit “Renaissance” apartment building located at 71 King Street was added to the assessment data producing the large spike on the above graph. This created a 137.7% increase in the assessed value along King Street between 2010 and 2011. Excluding the Renaissance apartment building, the properties along King Street declined in assessed value by -4.1%.

Clarence Street

Between 2002 and 2011, current value assessment along Clarence Street has increased by 33.9% from \$4.8 million to \$6.4 million.



After experiencing a large increase in assessment value of 18.8% in 2006, assessment growth began to taper off and dip into the negatives for the period between 2007 and 2009. The average assessment growth during that period was -0.9%. In 2010, of the 18 properties inventoried 10 reported gains and 8 reported losses in assessment value, producing a net increase of 1.5% or \$89,751; the first increase since 2007.

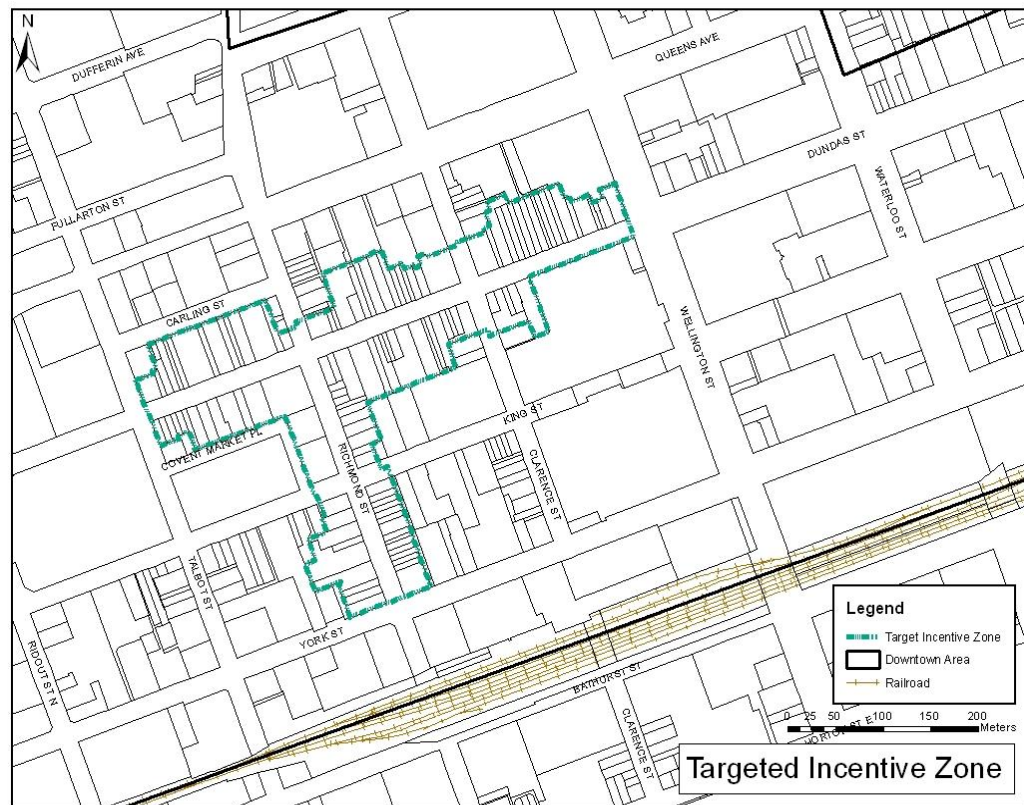


In 2010, of the 18 properties inventoried, 10 reported gains and 8 reported losses in assessment value producing a net increase of 1.5% or \$89,751; the first increase since 2007.

2011 has proven to be a much better year for Clarence Street. Assessed values along the corridor increased by 2.1% or \$131,999 where 10 properties reported an increase and no properties reported a decrease in assessment value.

Targeted Incentive Zone

The Targeted Incentive Zone (TIZ) was established in 2008 to revitalize Dundas and Richmond Streets, the main pedestrian corridors, in an effort to create a vibrant, distinct pedestrian-oriented area; maintain the unique heritage building stock; and ensure daytime and evening activity. Geographically, the TIZ runs primarily along Dundas Street from Wellington Street to Talbot Street, as well as along Richmond Street from Dundas Street to York Street (Refer to the following map). The City of London created several incentive programs for property owners located within this area.



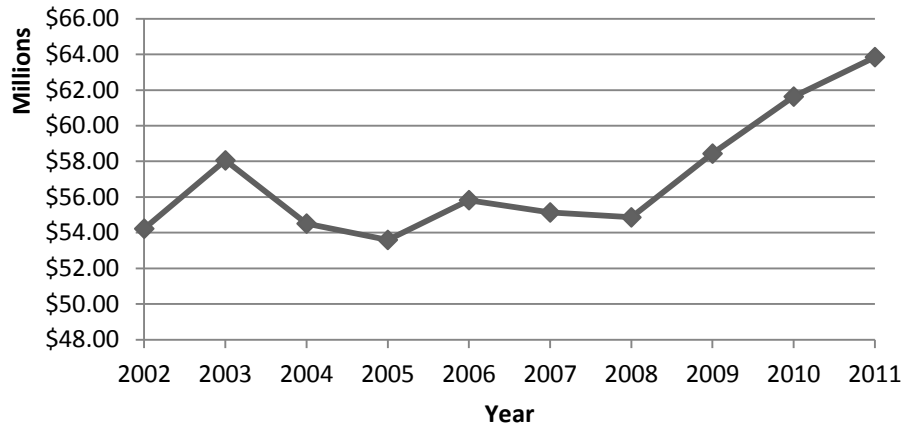
It must be noted that the TIZ was formally established in 2008; however, the data from years prior have been aggregated to the same geographical area to allow for proper analysis and evaluation of the effect of the Downtown incentive programs on the current value assessment of properties located within the TIZ.

Between 2002 and 2011, current value assessment within the TIZ has increased by 17.8% from \$54.2 million to \$63.8 million.

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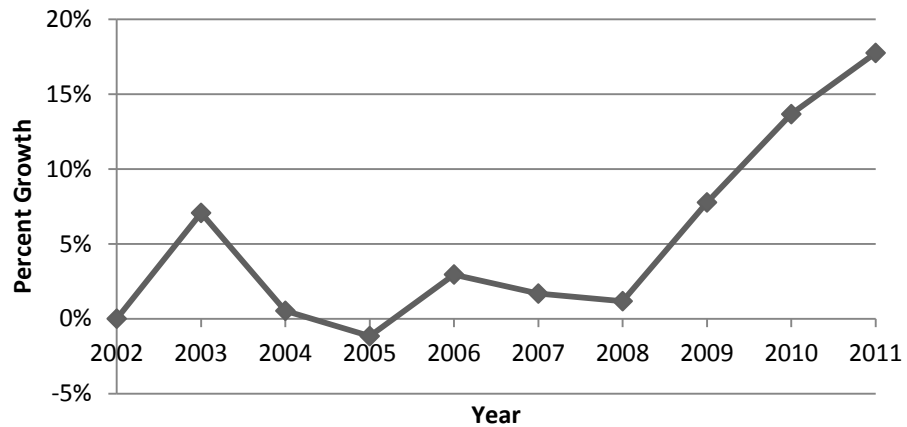
Current Value Assessment – Targeted Incentive Zone

Downtown Current Value Assessment within Targeted Incentive Zone



There was no consistent trend in assessed value for the period leading up to the implementation of the incentive programs (2002-2008). The TIZ experienced some volatility in annual assessment growth providing for a net growth of 1.2%, or \$635,000 between 2002 and 2008. Since the implementation of the incentive programs in 2008, the TIZ has experienced a 16.4% growth in current value assessment – an increase of \$9.0 million.

Downtown Percent Growth in CVA within Targeted Incentive Zone



The growth seen in the current value assessment within the TIZ is a tribute to the success of the Downtown incentive programs implemented by the City of London in 2008. To further illustrate the success of the programs see the following chart that compares those properties that increased in value to those properties that decreased in value in the pre-incentive (2002-2008) and incentive (2009-2011) program time periods:

Since 2008, the TIZ has experienced a 16.4% growth in CVA, an increase of \$9.0 million.

Current Value Assessment – Targeted Incentive Zone

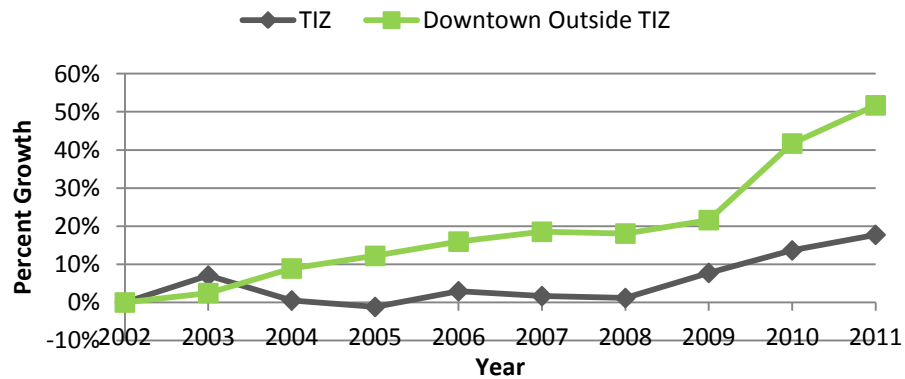
Pre-Incentive Programs (2002-2008)					
# of Properties	Average # Increased/year	Average % Increased/year	Average # Decreased/year	Average % Decreased/year	Average # with No Change /year
117	21	17.9 %	6	5.1%	90

Incentive Programs (2009-2011)					
# of Properties	Average # Increased/year	Average % Increased/year	Average # Decreased/year	Average % Decreased/year	Average # with No Change /year
117	43	36.8%	11	9.4%	63

Prior to the implementation of the incentive programs, on average only 17.9% of properties located within the TIZ appreciated within any given year leading up to 2008. Since the implementation of the programs in 2008, the yearly average of properties that increased in value more than doubled to 36.8%. The increase in the number of properties that increased in value for the incentive program period reflects the high potential for a positive return on investment should property owners choose to participate in any of the incentive programs.

Between 2002 and 2011, the current value assessment in the Downtown outside of the TIZ increased by 63.3% compared to that within the TIZ which only increased by 17.8%. Keep in mind that the Downtown has had several large-scale residential developments in the “Renaissance”, “The Harriston”, and “City Place” apartment buildings. These developments have propelled the lands outside the TIZ past the TIZ; however, the overall trend in assessment growth has remained fairly similar between the two.

**Percent Growth in CVA
Downtown Vs. TIZ**



In 2009, the year after the implementation of the incentive programs, the TIZ out grew the Downtown in terms of current value assessment by 3.0%

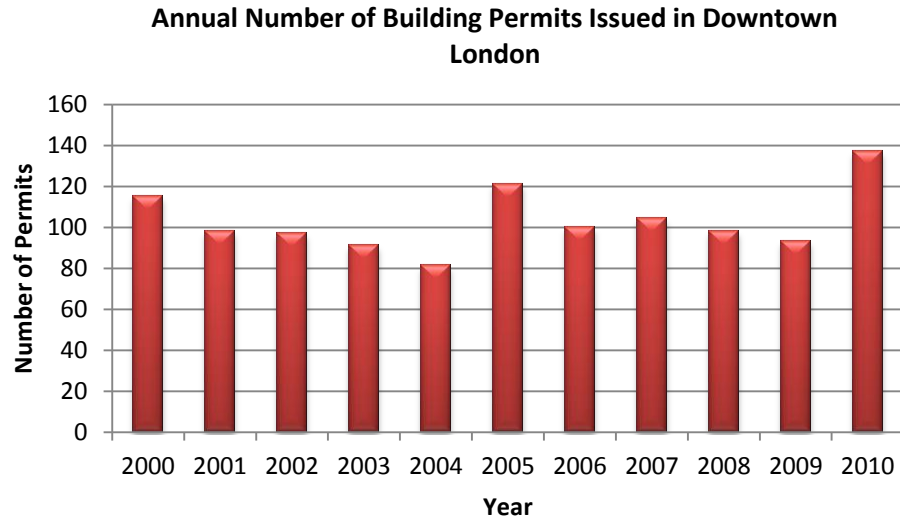
In 2009, the year after the implementation of the incentive programs, the TIZ out grew the rest of the Downtown in terms of current value assessment by 3.0% (TIZ 6.5%, Rest of Downtown 3.5%) – the first time since 2003. Since 2009, the TIZ has had consecutive positive growth in assessment value (2010 5.5%, 2011 3.6%) and is showing promise that it may soon catch up to that of the rest of the Downtown. This is an indication of the success of the incentive programs and their role in the revitalization of the area.

Part II: Building Permit Activity

Building permit values include the costs associated with structure alterations, installations and the construction of new buildings.

Downtown

Since 2000, 1135 building permits have been issued for alterations, installations, or new construction in the Downtown. These include both public and private works and carry a total reported value of \$352.7 million.

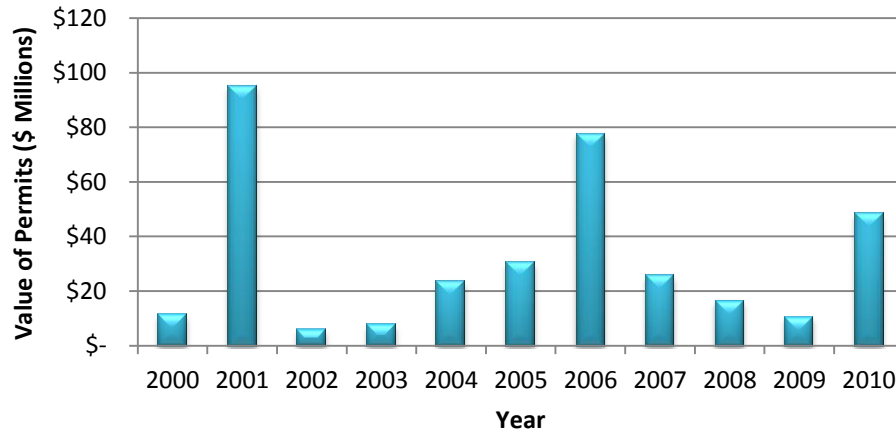


In the last decade, the public sector invested a sizeable amount of money in the construction of the John Labatt Centre (JLC), Covent Garden Market, and Central Library. Since the JLC was approved for construction in 2001, the value of building permits issued in the Downtown increased in consecutive years before peaking in 2006. In the years following 2006 (when two major Downtown apartment buildings were approved for construction), the reported value of building permits decreased annually by an average of 46.4%.

Since 2000, 1135 building permits have been issued Downtown with a reported value of \$352.7 million.

Building Permit Activity - Downtown

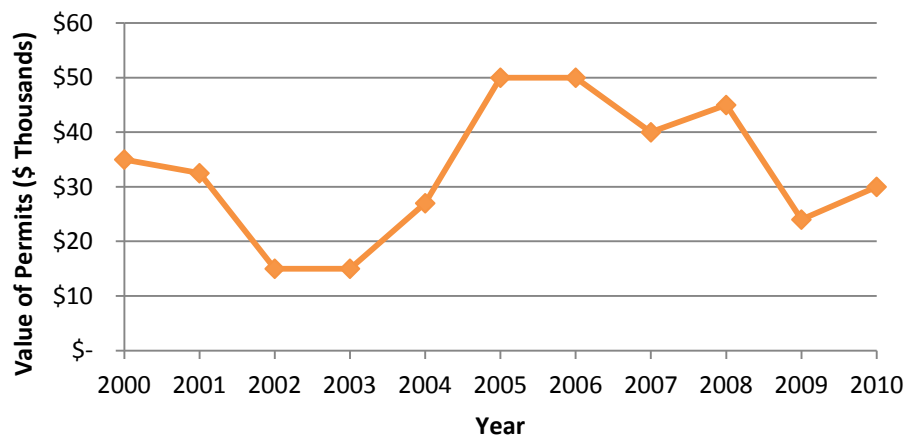
Reported Value of Building Permits Issued in Downtown London



2010 proved to be a great year for building permit activity in Downtown London. Not only did the number of permits issued increase by 47.3%, but the total reported value of the permits increased by 361.9% from \$10.4 million in 2009 to \$48.2 million in 2010.

Additional analysis of the building permit data, in particular the median value of building permits, reveals that after a positive year in 2008, median building permit values decreased by 46.7% in 2009. However, in 2010 the median value of building permits rebounded slightly with a 25% increase from \$24,000 to \$30,000.

Median Value of Building Permits in Downtown London



In 2010:
The median value of building permits increased by 25% from \$24,000 to \$30,000.

Total number of permits increased by 47.3% and the reported value of those permits

It is interesting to compare the distribution of Downtown institutional, commercial and industrial (ICI) building permits among various land uses as it will identify which land uses were more active than others in terms of building alterations, installations, and new construction.

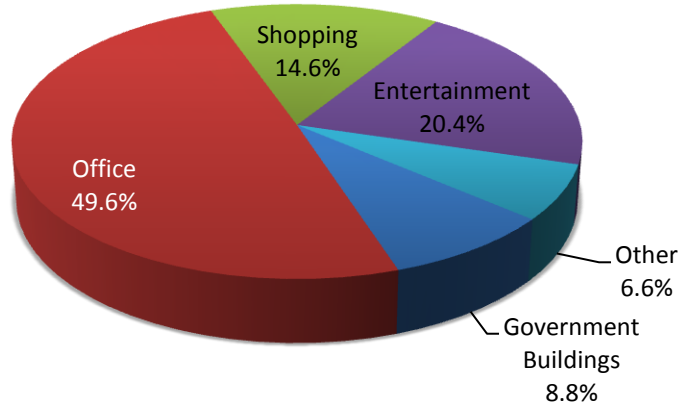
Building Permit Activity - Downtown

The 2010 building permit data for the Downtown has been aggregated into 5 categories: government buildings, office, shopping, entertainment, and other. Government buildings include permits for works on any structure that contains a municipal, provincial, or federal government use. Office includes permits for works on any structure that contains office space. Shopping includes permits for any works to structures containing retail plazas, shopping centres, or convenience stores. Entertainment includes permits for works to any structure containing a restaurant, bar, or movie theatre. Finally, other includes permits for works to any structure containing anything other than what is mentioned above.

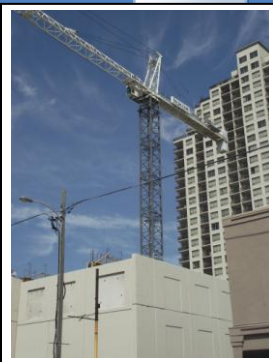
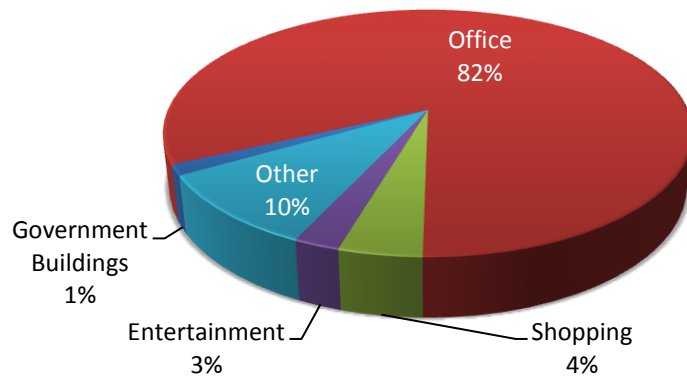
Almost half of the building permits in 2010 were issued for works carried out on office space (49.6%), of which the total reported value of those permits was 82% of the total reported construction value of all building permits issued in 2010. Combined, entertainment and shopping received 35.0% of the building permit activity in 2010 which surprisingly only amounted to 7% of the total reported construction value of building permits issued in 2010.

Building Permit Activity - Downtown

Number of Building Permits Issued in 2010 Among Various Land Uses



Reported Construction Value of Building Permits Issued in 2010 Among Various Land Uses



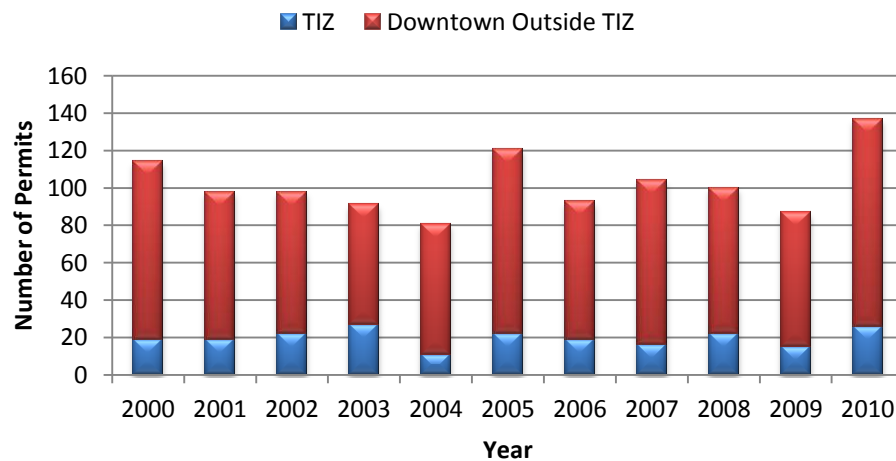
Targeted Incentive Zone

Analyzing and comparing the building permit data for the Targeted Incentive Zone (TIZ) to that of the rest of Downtown allows for a second opportunity to monitor the success or failure of the enhanced Downtown incentive programs implemented in 2008.

Again, it must be noted that the TIZ was formally established in 2008, however the data from years prior have been aggregated to the same geographical area for comparison purposes.

Between 2000 and 2008, an average of 20 building permits has been issued annually within the TIZ with very little volatility between years. After the enhanced financial programs were implemented in 2008, the average building permits per year increased modestly to 21.

Annual Building Permits Issued in Downtown London

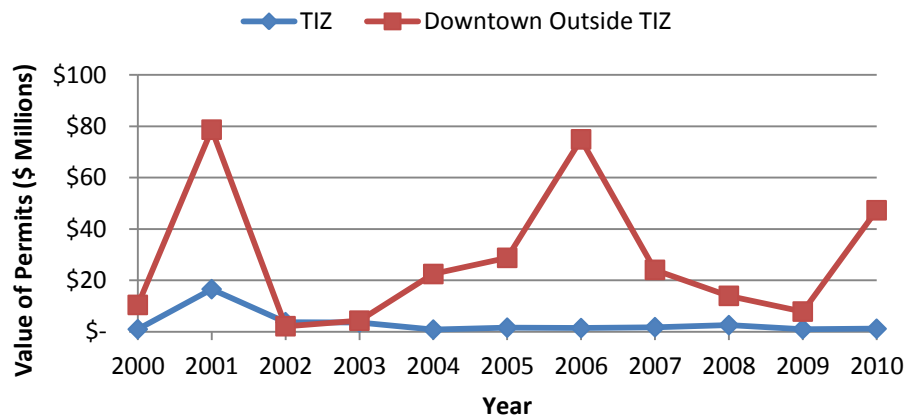


Although the total reported value of building permits issued within the Downtown fluctuated on an annual basis, it remained fairly consistent within the TIZ. In 2010, the total reported value of building permits issued within the TIZ increased by 13.3%.

In 2010, the total reported value of building permits issued within the TIZ increased by 13.3%

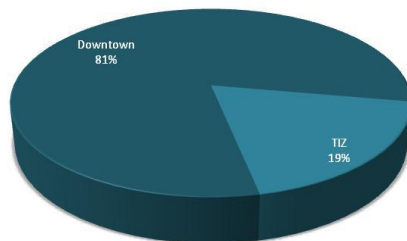
Building Permit Activity – Targeted Incentive Zone

Reported Value of Building Permits Issued in Downtown London

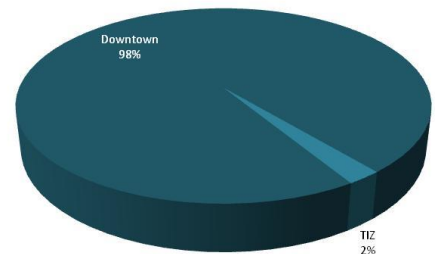


In 2010, 26 building permits were issued within the TIZ, approximately 19% of the total building permits issued in the Downtown. Although the total reported value for these permits was \$1.1 million, it only represents a mere 2% of the total reported value of all building permits issued in 2010 within the Downtown.

Targeted Incentive Zone Vs. Downtown
Number of Building Permits (2010)



Targeted Incentive Zone Vs. Downtown
Reported Construction Value (2010)



The Targeted Incentive Zone received 19% of all building permits issued in Downtown London.

Part III: Street Level Vacancy

Street level vacancy was measured along 3 major corridors in Downtown London; Richmond Street from York Street to Kent Street, Dundas Street from Talbot Street to Wellington Street, and King Street from Ridout Street to Clarence Street.

Street level vacancy is defined within this report as an absence of ground floor business activity fronting onto one of the major corridors. The rate was calculated by measuring the total length of the frontage from vacant units and expressing it as a percentage of the total length of the built form along the corridor. It is important to note that since the vacancy rates shown below are measured over the course of one day, they merely represent a “snap shot” of the current street level vacancy situation and do not necessarily represent an annual average.

Measuring street level vacancy identifies where there are breaks in the streetscape resulting from vacant storefronts. There are several negative externalities associated with vacant storefronts such as unattractiveness, physical building deterioration, and the potential for increased criminal activity (vandalism); all of which can deter people and business from locating Downtown. By identifying these breaks in the streetscape, this measure therefore helps speculate on the ability of the corridor to support a healthy pedestrian and business environment. Furthermore, it identifies opportunities for revitalization through the intensification and redevelopment of the breaks in the streetscape.

In Downtown London, King Street had the lowest overall street level vacancy rate at 9.0%, followed closely by Richmond Street at 10.9%, and finally Dundas Street at 15.1%. Richmond Street experienced the largest decrease in overall street level vacancy with 34.5 metres of positive net absorption between 2009 and 2011, a decrease of 3.2%. Dundas also had a decrease in overall vacancy of 2.3%, or 19.6 metres. On the other hand, street level vacancy on King Street increased by 3.8%, or 21.1 metres (Refer to Appendix 1).



Overall, the three major corridors experienced a net decrease in street level vacancy of 1.2% between 2009 and 2011.

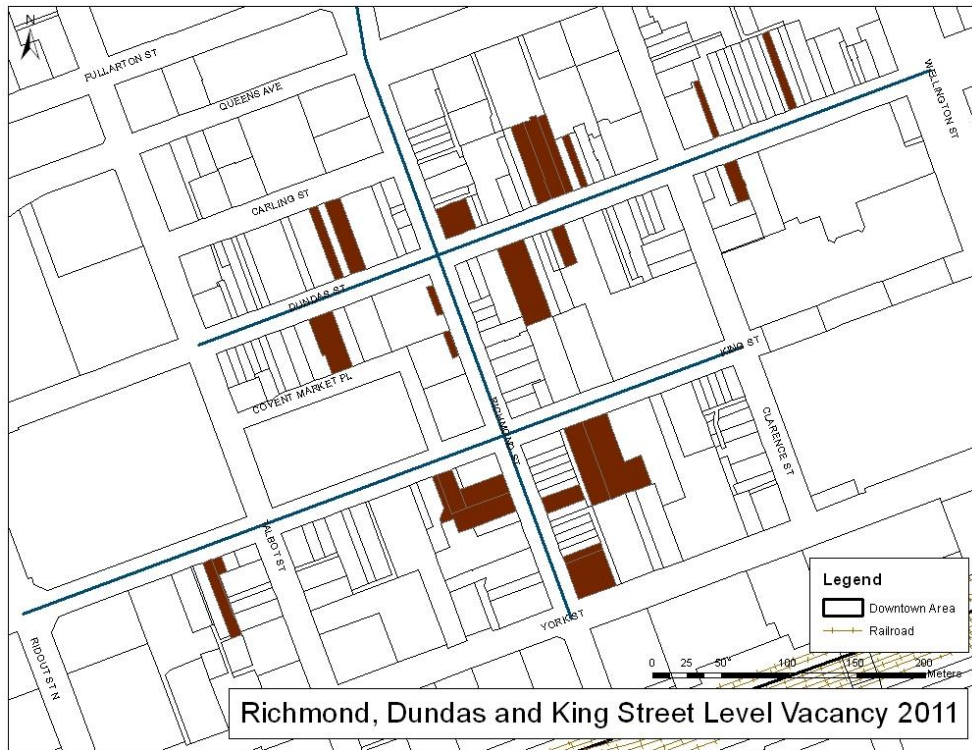
King Street had the lowest street level vacancy rate (9.0%), followed by Richmond Street (10.9%), and Dundas Street (15.1%).

Street	Vacant Street Frontage		Total Street Frontage
	Length (m)	Percentage of Street	Length (m)
Richmond Street	114.21	10.9%	1044.40
Dundas Street	143.53	15.1%	950.30
King Street	51.29	9.0%	566.90
Total	309.03	12.1%	2561.60

Street Level Vacancy

Overall, the three major Downtown corridors experienced a net decrease in street level vacancy of 1.2% between 2009 and 2011. This represents a positive net absorption of 35.7 metres of street frontage (Refer to Appendix 2).

As seen in the following map and further confirmed by the table on page 25, the vacancies are not evenly distributed among the Richmond, Dundas, and King Street corridors.



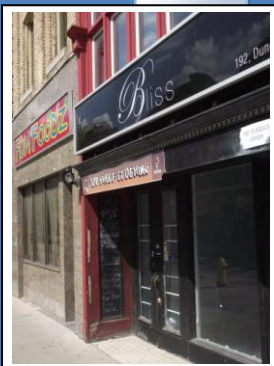
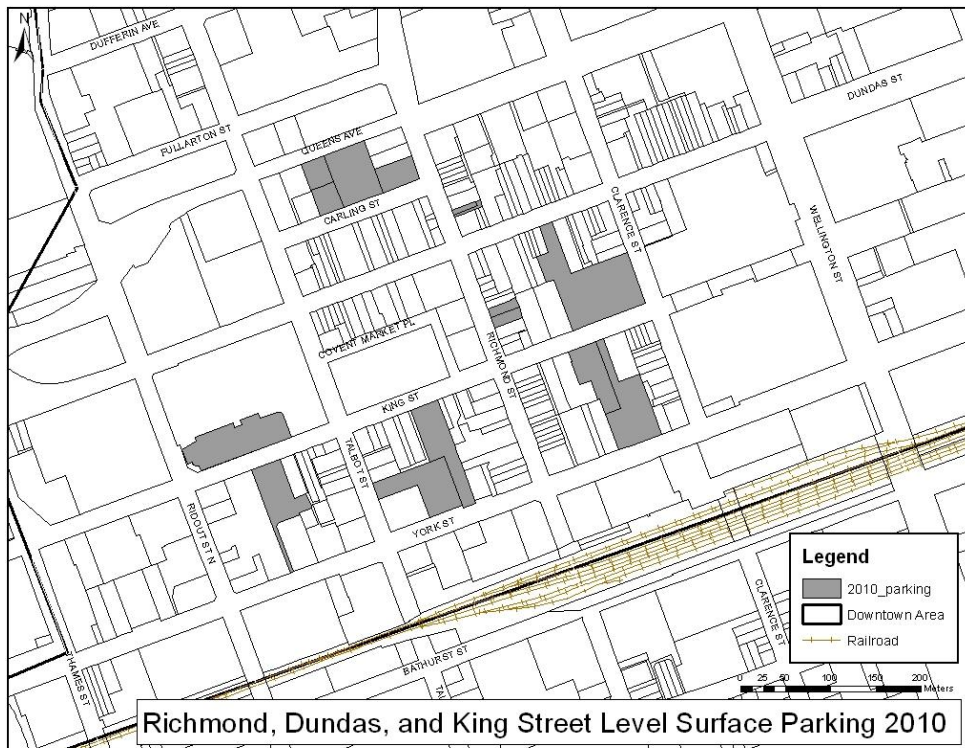
Richmond Street has vacancy rates as low as 0.0% in some areas (Queens to Kent) and as high as 27.5% in others (York to King). Dundas Street between Richmond and Clarence has the highest vacancy rate at 27.6%, a total of 87.15 metres of vacant store frontage. Vacancies on Dundas Street are as low as 6.4% (Clarence to Wellington). The vacancy on King Street ranges from as high as 17.6% (Richmond to Clarence) down to 1.2% (Talbot to Richmond).

Between 2009 and 2011, overall street level vacancy among the Richmond, Dundas, and King Street corridors decreased by 1.2%.

Street Level Vacancy

Richmond	Length (m)	Percentage of Street
York to King	62.23	27.58%
King to Dundas	31.08	14.48%
Dundas to Queens	20.90	11.11%
Queens to Dufferin	0.00	0.00%
Dufferin to Kent	0.00	0.00%
Dundas	Length (m)	Percentage of Street
Talbot to Richmond	36.36	11.29%
Richmond to Clarence	87.15	27.62%
Clarence to Wellington	20.02	6.40%
King	Length (m)	Percentage of Street
Ridout to Talbot	14.57	11.47%
Talbot to Richmond	2.95	1.19%
Richmond to Clarence	33.77	17.63%

Another indicator of vitality is the length of street frontage occupied by surface level parking. Surface level parking in the Downtown, produces gaps in the building fabric which can negatively impact the visual appearance of the Downtown, potentially reducing the attractiveness of the Downtown area. In 1999, Council approved amendments to Zoning By-law Z-1 to preclude commercial and accessory surface parking lots from the Dundas and Richmond Street corridors. Parking garages and underground parking are still permitted uses.



Street Level Vacancy

Noting that this statistic also represents a “snap shot” of Downtown parking, the Richmond, Dundas, and King Street corridors have a total of 392.6 metres of frontage occupied by surface level parking. This amounts to approximately 12.6% of the overall frontage among the three corridors. As seen in the following table, the majority of the surface level parking in the Downtown is located on King Street where it occupies 32.0% (313.9 m) of the total street frontage. Richmond and Dundas Streets have significantly less surface level parking compared to King Street; a result of Council’s zoning amendments in 1999. Approximately 35 metres of frontage occupied by surface level parking on Richmond Street is being replaced in 2011 with a three storey structure containing ground floor retail and upper floor office space (431 Richmond Street). There has been no new surface level parking added Downtown which fronts onto Richmond, Dundas, or King Street since 2006.

Street	Parking Lots		Net Length of Corridor
	Length Along Street (m)	% of Street	Length (m)
Richmond	65.4	5.8%	1126.1
Dundas	13.3	1.3%	1008.5
King	313.9	32.0%	981.9
Total	392.6	12.6%	3116.5

Part IV: Residential Growth and Demographics

Residential Growth

One of the major goals of the Downtown Millennium Plan was to promote initiatives that would foster an economic environment conducive to the establishment and maintenance of a strong residential presence in the Downtown. Attracting a strong and vibrant residential population to the Downtown is essential to successful revitalization and the establishment of a critical mass of people to support the local retail market and other urban amenities.

The following table includes several **new residential developments** which have occurred in the Downtown since 1998. The table does not include new residential units which have been created through the conversion of previously vacant or underutilized 2nd or 3rd floor space in a number of existing structures.

Year	Address	Units	Construction \$
1998	22 Picton	140	\$7,300,000
1999	536 Ridout	110	\$2,291,000
1999	330 Clarence	29	\$800,000
2001	310 Dundas	440	\$23,992,000
2004	520 Talbot	175	\$15,000,000
2005	129 Dundas	25	\$1,800,000
2006	500 Ridout	200	\$29,000,000
2006	71 King	278	\$35,000,000
2007	435 Colborne	43	\$5,000,000
Total		1,440	\$120,183,000

The recent construction of large residential apartments reflects the private sector's confidence in investing in the Downtown. There have been several other large scale residential apartment buildings constructed in close proximity to the Downtown including 250 Pall Mall, 75 Ann Street, and 544 Talbot Street. The growing private sector confidence creates an optimistic outlook for London's Downtown. Between 1996 and 2006, the total population in the Downtown area increased 36.8% from 2,500 to 3,420. Dwelling counts also rose by 35.6% during the same period from 1575 to 2135 units. The growth in population and dwelling counts is expected to continue with respective increases of 31.4% and 26.5% between 2006 and 2011.

Downtown Area	1996 Census	2001 Census	2006 Census	2011 [Estimate]
Total Population	2,500	2,795	3,420	4,495
Dwelling Counts	1,575	1,790	2,135	2,700

Between 1996 and 2006, the total population in the Downtown area increased 36.8% from 2,500 to 3,420. This growth is expected to increase into 2011 with an estimated Downtown population of 4,495.

Demographics

Statistics Canada information specific to the Downtown boundaries is now available to identify who is living in the Downtown, what they do, and that what their education and income levels are. The City of London has prepared a specific Downtown Neighbourhood Profile which looks at 1996, 2001, and 2006 Census information. Considering the Census is carried out every 5 years and 2011 is the next census year, the most recent statistical information available is from the 2006 census. The 2011 Statistics Canada information will not be released until February and May of 2012.

Between the 2001 and 2006 census years, the Downtown residential **population** increased by 22.4% from 2,795 to 3,420. The growth in the Downtown residential population far exceeded that of the broader Central London Planning District (composed of multiple planning areas including Downtown) which recorded a growth of only 1% between the 2001 and 2006 census years.

Further examination of the 2006 census data with the previous census shows that Downtown has seen growth in all four **age cohorts**, with the biggest growth coming from the 0-19 cohort at 46.7%. Growth rates in the 20-44 and 65+ age cohorts were of 29.2% and 15.2% respectively. This shows that Downtown is attractive to a wide range of people other than students and young professionals. It also shows the growing number of seniors moving Downtown in order to be closer to the many services and amenities located downtown. The age cohort that experienced the least amount of growth was 45-64, with only a 4.1% increase between the 2001 and 2006 census years.

Age Cohort	1996	2001	2006	% Change
0-19	195	150	220	46.7%
20-44	1,445	1,575	2,035	29.2%
45-64	460	610	635	4.1%
65+	400	460	530	15.2%
Total	2500	2795	3420	22.4%

The **Average Household Income** of the Downtown population in the 2006 census year was \$53,807, an increase of 16% from the 2001 census year.

Planning Area	Average Household Income		Percentage
	2001	2006	Change
City-wide	\$57,589	\$68,899	20%
Central London	\$38,416	\$44,334	16%
Downtown	\$46,201	\$53,807	16%

2006 census data shows that Downtown has seen growth in all four age cohorts.

Median Household Income rose by 35.3% between 2001 and 2006 from \$34,667 to \$46,908

While the increase in Average Household Income was impressive, **Median Household Income** rose by twice as much, 35.3% from \$34,667 to \$46,908. This increase far exceeded that of Central London as well as the City as a whole.

Planning Area	Median Household Income		Percentage
	2001	2006	Change
City-wide	\$46,153	\$53,564	16.1%
Central London	\$27,375	\$31,004	13.3%
Downtown	\$34,667	\$46,908	35.3%

The **Labour Force Participation Rate** and **Unemployment Rates** were also given consideration.

Planning Area	Labour Force Participation Rate		Percentage
	2001	2006	Change
City-wide	68%	68%	No Change
Central London	71%	67%	-4%
Downtown	71%	71%	No Change

Approximately 71% of Downtown residents participated in the **labour force** in the 2006 census year, no change from the 2001 census year. However, the unemployment rate dropped by 2%, from 9% to 7% during the same period.

Planning Area	Unemployment Rate		Percentage
	2001	2006	Change
City-wide	7.10%	6.20%	-0.90%
Central London	9%	9%	No Change
Downtown	9%	7%	-2%

Nearly half of Downtown residents have **occupations** in business, finance and administration, as well as sales and services. Growth in the number of occupations in social science, education, government service, and religion along with the natural and applied sciences make up a further quarter of the population.

Between 2001 and 2006, Downtown noticed an increase in population with **post-secondary levels of education** and had higher attainment rates for most levels of education (excluding Master's Degree and Doctorate) than both Central London and the City as a whole.

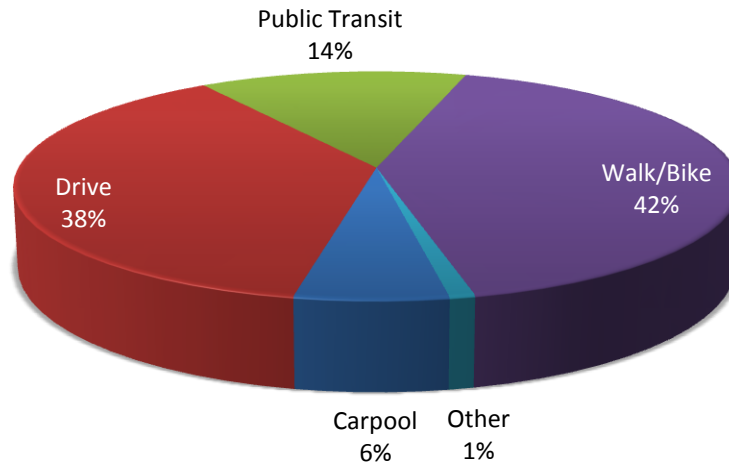
The following chart illustrates how the Downtown population makes their **commute** to work each day. Knowing how the Downtown population moves about over the course of the day is interesting and sheds some light on the effectiveness of Downtown London's bike, pedestrian, and public transportation networks. In 2006, 57% of Downtown residents reported using alternative modes of transportation to the automobile for their commute to work compared to 43% city wide. Specifically, 41% reported walking or

57% of Downtown residents reported using alternative modes of transportation to the automobile for their commute to work compared to 43% city wide.

Residential Growth and Demographics

biking, 14% reported the use of public transit, and 1% commuted by other means.

Downtown Resident's Transportation Mode to Work



Part V: Incentive Programs

In 1988, the City of London created the Facade Improvement Loan Program as a way to encourage the improvement of building facades of existing buildings to revitalize the Downtown. In 1998, Council adopted the Downtown Millennium Plan which included two new incentive programs – the Upgrade to Building Code Loan Program and the Redevelopment Grant Program. These programs were implemented to:

- *Support the maintenance, improvement, beautification and viability of the historic building stock in the Downtown. The building stock in the Downtown is a unique and integral part of the Downtown and cannot be replicated outside the Downtown. The building stock also plays a large role in projecting London's image not only to current residents of the City of London, but to potential investors as well as tourists.*
- *Encourage the development of residential units in older buildings through conversion and adaptive reuse. Help property owners ensure their buildings meet current building code regulations.*
- *Assist in the regeneration of London's Downtown by supporting the development of distinctive, interesting, and attractive commercial facades and spaces in existing Downtown buildings.*
- *Assist in the solidification of the Downtown assessment base.*

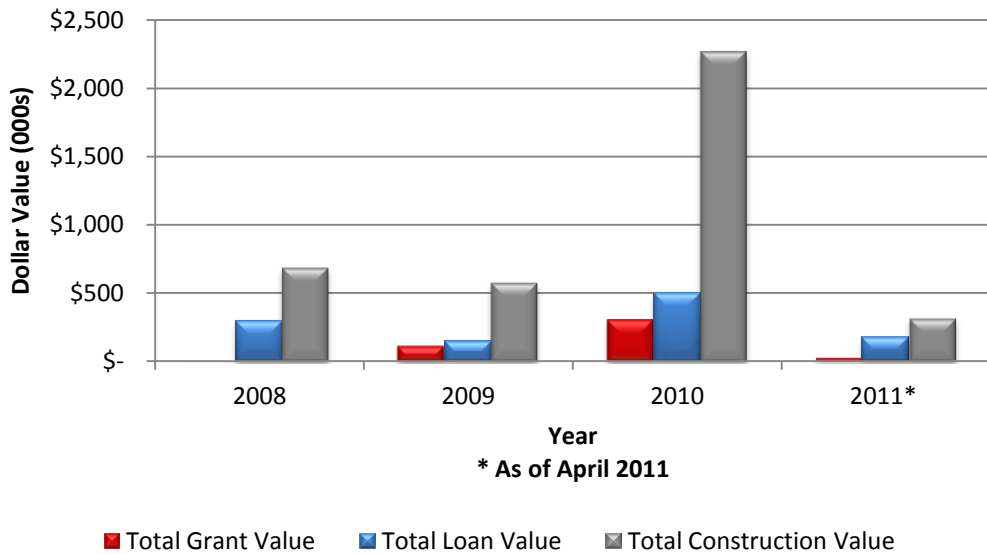
The three aforementioned incentive programs helped drastically improve the state of London's Downtown with noticeable increases in the assessment base, private sector investment, and residential development. While this was extremely positive for the Downtown, the main commercial corridors along Dundas and Richmond Streets were still in a state of decline. Recognizing this, in 2008 Council adopted a second set of incentive programs aimed at Downtown property owners located within a newly created Targeted Incentive Zone – the Dundas and Richmond Street corridors. The new programs include:

- *Forgivable Facade Improvement Loan Program*
- *Forgivable Upgrade to Building Code Loan Program*
- *Non-Street Front Facade Improvement Loan Program*
- *Awning, Lighting and Signage Grant Program*
- *Heritage Building Assessment Grant Program*
- *Heritage Building Improvement Grant Program*
- *Tax Holiday Grant Program*

Incentive Programs

Since 2008, the City of London has issued a combined total of 104 grants and loans worth \$1.1 million, leveraging an incredible \$3.8 million in construction value. This means that the Downtown receives \$2.44 of investment for every \$1.00 given out in loans and grants by the City of London. From 2008 to 2010, the number of applications has increased steadily from 16 to 33 to 49 applications respectively. The increase is in part due to a significant jump in Tax Holiday Grant Applications in 2009, and a significant jump in all other programs in 2010.

Total Value of Construction Generated from Downtown Incentive Programs Since 2008



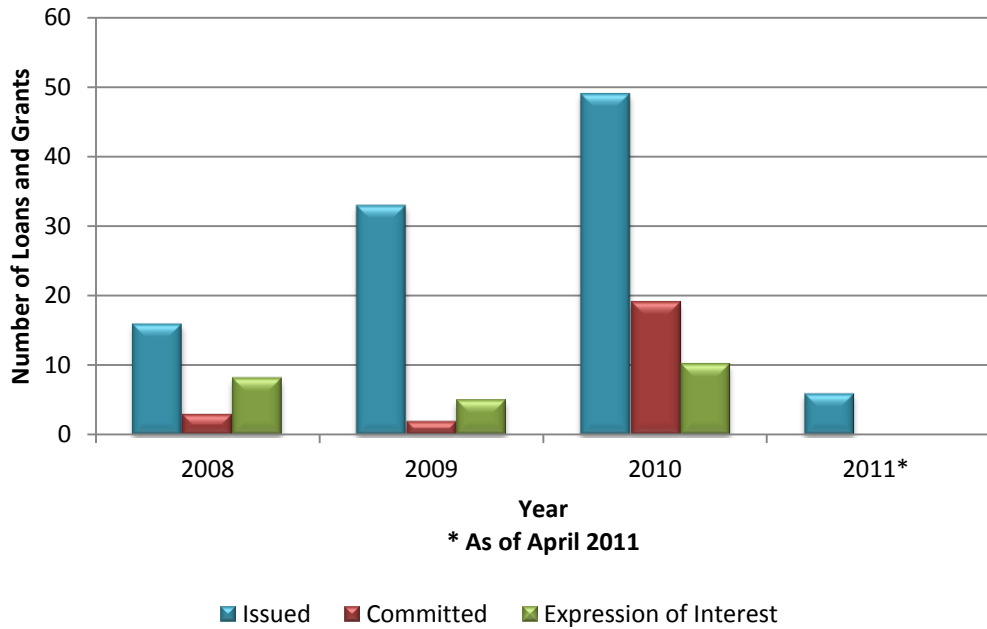
It is important to note that some of the grants identified in the table above correspond to forgivable components of loans issued. Therefore, these amounts may be influenced during the repayment process of the loans.

Since 2008, the interest in these programs has increased rapidly with a larger portion of these projects being completed and loans and grants issued in 2010. A total of 49 loans and grants equalling \$621,292 were issued in 2010 to leverage into \$2,263,131 in construction value. This correlates into an average return on investment of \$2.64 of private investment for every \$1 dollar of municipal loaned or granted money.

Since 2008, the City of London has issued a combined total of 104 grants and loans worth \$1.1 million leveraging \$3.8 million in construction value.

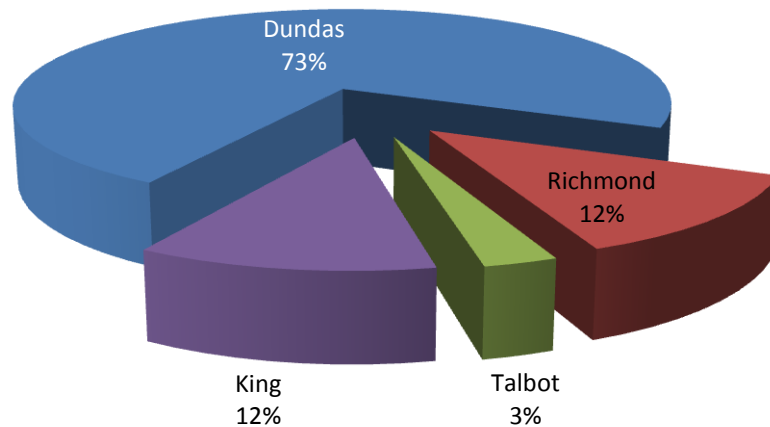
Incentive Programs

Downtown Incentive Program Funding Activity



The majority (73%) of incentive program loans and grants have been issued to owners of buildings located on Dundas Street. King (12%) and Richmond (12%) Streets have received a fairly equal share of the loans and grants issued since 2008 and Talbot Street (3%) has received the least.

Distribution of Downtown Incentive Programs Since 2008



A total of 49 loans and grants equalling \$621,292 were used in 2010 to leverage \$2.2 million in construction value, a return on investment of 346%

Facade and Forgivable Facade Improvement Loan Programs

The Facade Improvement Loan Program, implemented in 1988, was the first incentive program used to assist Downtown property owners with street front facade improvements. The program provides 10 year interest free loans for half the value of eligible exterior improvements, up to a maximum of \$25,000. In 2008, the Forgivable Facade Improvement Loan Program was implemented and provides grants of up to half of the annual loan repayments to property owners within the Targeted Incentive Zone that maintain a targeted use on the ground floor.

Between 1999 and 2008, there has been continued interest in the Facade Improvement Loans Program. Since 1999, the total spent in the downtown by way of facade improvements is \$0.8 million and has leveraged a total of \$2.6 million in private investment. Annually, the City of London has issued an average of \$70,748 in loans and received an average of \$219,752 in construction value. Interest in the program increased immensely with the introduction of the Forgivable Facade Improvement Loan Program in 2008. Since then, the City of London has issued an annual average of \$157,800 in loans and grants and leveraged \$537,992 in construction value. Refer to Appendix 4 for the locations of program participants.

**228 Dundas Street
Before:**

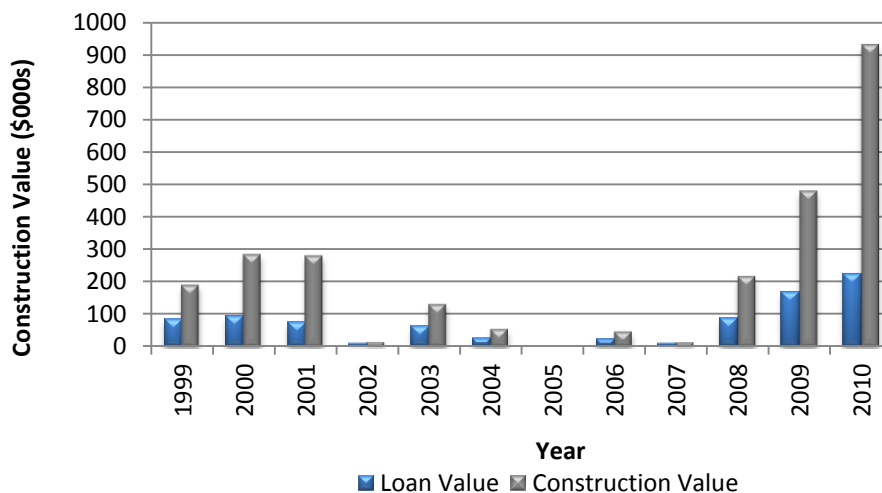


After:



Since 2008, the City of London has leveraged \$734,465 in construction by providing grants up to a maximum of \$55,798.

Facade and Forgivable Facade Improvement Loan Programs



Specifically as a result of the Forgivable Facade Improvement Loans Program, the City of London has generated a total of \$734,465 in construction value since 2008, issuing \$126,596 in loans of which up to \$55,798 may be granted back to eligible property owners over 10 years. **Through the forgivable facade program alone, every \$1 invested by way of grants scheduled to be allotted over the next ten years by the City has resulted in more than \$12 of investments by the private sector over the last 3 years.** Refer to Appendix 5 for the locations of 2010 program participants.

Upgrade and Forgivable Upgrade to Building Code Loan Programs

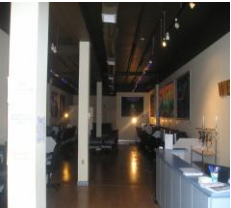
Established in 1995, the Upgrade to Building Code Loan Program is focused on assisting Downtown property owners with funding improvements of building interiors to meet the requirements of the Building and Fire Codes. This program provides 10 year interest free loans for half the value of eligible interior improvements up to a maximum of \$50,000. In 2008, Council adopted the Forgivable Upgrade to Building Code Loan Program which is intended for property owners located within the Targeted Incentive Zone. This program issues grants for half the value of the annual loan repayments if the property owner maintains a targeted use on the ground floor. Both the Upgrade and Forgivable Upgrade to Building Code Loan Programs have attracted a great amount of interest (Refer to Appendices 6 & 7).

Since 1999, the City of London has issued \$1.6 million in loans and grants and received \$7.0 million in construction value from the Upgrade and Forgivable Upgrade to Building Code Programs. Annually, interest in the programs has been consistent averaging \$149,733 in issued loans and grants with an associated average construction value of \$785,521. Interest in the program increased immensely with the introduction of the Forgivable Upgrade to Building Code Loan Program in 2008. Since then, the City of London has issued an annual average of \$237,083 in loans and grants and leveraged \$794,683 in construction value.

**211 Dundas Street
Before:**

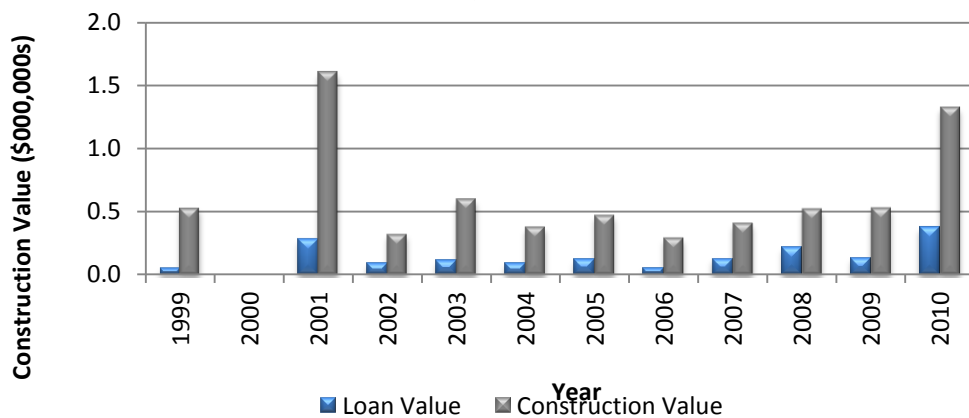


After:



Since 1999, the City of London has issued \$1.6 million in loans and grants to receive \$7 million in construction value from the Upgrade and Forgivable Upgrade to Building Code Programs

Upgrade and Forgivable Upgrade to Building Code Loan Programs



Specifically as a result of the Forgivable Upgrade to Building Code Program, the City of London has generated a total of \$1,529,326 in construction value since 2008, issuing \$375,125 in loans of which up to \$185,063 may be granted back to eligible property owners over 10 years. **Through the forgivable upgrade to building code program alone, every \$1 invested by way of grants scheduled to be allotted over the next ten years by the City has resulted in more than \$7 in private investments over the last 3 years.** Refer to Appendix 5 for the locations of 2010 program participants.

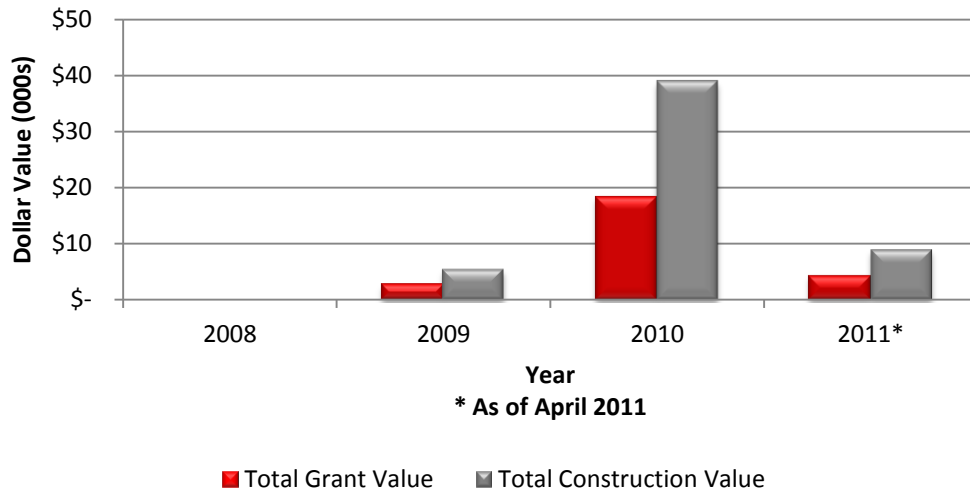
Awning, Signage & Lighting Grant Program

The Awning, Signage and Lighting Grant Program was included in the series of incentive programs adopted by Council in 2008 for the Targeted Incentive Zone (Dundas and Richmond Street corridors). This program works closely alongside the Forgivable Facade Improvement Loan Program and is intended to encourage street level retrofits that are conducive to the creation of a welcoming, functional pedestrian environment.

The program provides grants to eligible property owners equal to half the value of eligible works up to a maximum of \$3,000. To be eligible for the grant, the building must contain a targeted use on the ground floor and the proposed improvements must coincide with the Downtown Design Guidelines and/or be subject to Urban Design Review.

With only a few property owners expressing interest in the program's first year, considerable interest has been shown in following years. Since 2008, a total of \$25,326 in grants has been handed out leveraging \$53,534 in construction value. Refer to Appendix 8 for the locations of the 2010 program participants.

Awning, Signage and Decorative Lighting Grant Program



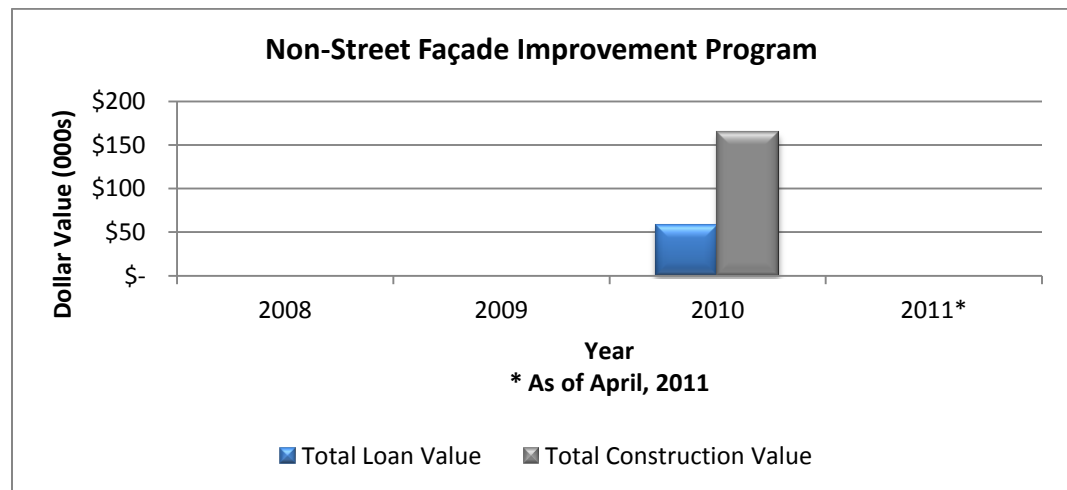
Since 2008, a total of \$25,326 in grants has been handed out leveraging \$53,534 in construction value.

Through the awning, signage and decorative lighting grant program alone, every \$1 invested by way of grants scheduled to be allotted over the next ten years by the City has resulted in more than \$1.1 in private investments over the last 3 years.

Non-Street Front Façade Improvement Loan Program

Adopted by Council in 2008, the Non-Street Front Façade Improvement Program was created to assist property owners located within the Targeted Incentive Zone with improvements to the non-street front façades of their properties. This program provides 10 year interest free loans for half the value of the eligible improvements up to a maximum of \$25,000. Property owners are eligible for the program only after the street front façade has been improved or improvements are deemed unnecessary. Property owners must also maintain a targeted or non-targeted use on the ground floor of the buildings. There is no forgivable portion to this program.

Since the program's inception in 2008, the City of London has issued \$58,127 in loans in return for \$163,998 in construction value. The criteria and intent of this program is to target specific high visibility sites, such as corner lots. As such, the uptake in the program has been limited as expected. Three loans have been provided by way of this program (Refer to Appendix 9).



Through the Non-street Façade Improvement Program, every \$1 invested by way of loans scheduled to be recuperated over the next ten years by the City has resulted in more than \$1.82 in private investments in 2010. These programs typically are provided as supplementary incentives for larger projects.

Since the program's inception in 2008, the City of London has issued \$58,127 in loans in return for \$163,998 in construction value.

Tax Holiday Grant Program

The Tax Holiday Grant Program, started in 2008, encourages the leasing of ground floor space located within the Targeted Incentive Zone to a targeted use as defined in Appendix 18. The City may provide a grant for a portion of the municipal property taxes paid by the property owner. The amount of the grant is determined based the municipal property taxes owed and the percentage of ground floor space occupied by a targeted use pro-rated by active occupancy of a targeted use throughout the tax year. The grant is provided on an annual basis.

Tax Holiday Grant Program				
Year	2008	2009	2010	Total
# of Grants Issued	6	23	20	49
# of Grant Applications	11	26	38	75*
Value of Grants	\$4,191	\$23,033	\$19,895	\$47,119

*includes properties that re-applied for the program

There is no direct measure of dollars leveraged under this program; however, the intent of the program is to encourage property owners to provide ground floor commercial uses that provide consistent pedestrian activity throughout the week. **This program has shown success based on the significant uptake seen over the life of this program.**

The number of applications has increased significantly over the life of this program.

In 2010, the City of London issued \$19,895 in grants under this program.

Heritage Building Assessment & Heritage Building Improvement Grant Programs

Heritage Building Assessment Grant Program

The Heritage Building Assessment Grant Program was adopted in 2008 to help owners of Priority 1 or 2 listed heritage structures in the City of London Inventory of Heritage Resources and designated heritage buildings under Part IV of the Ontario Heritage Act in the Downtown have an expert assessment of a structure completed. The program provides a grant for half of the professional consulting fees for the assessment up to a maximum of \$5,000.

Heritage Building Improvement Grant Program

Also adopted in 2008, The Heritage Building Improvement Grant Program was created to assist owners of buildings designated under Part IV of the Ontario Heritage Act with the maintenance and/or restoration of the properties. The program provides grants for half of the eligible improvements up to a maximum of \$5,000.

The Downtown contains approximately 20 buildings that have been designated under Part IV of the Ontario Heritage Act and a further 160 that have been identified as Priority 1 or 2 in the City of London Inventory of Heritage Resources. As a result, these programs were expected to generate a high degree of interest from owners of the aforementioned heritage properties. However, since 2008 only 4 grants have been issued among two properties located Downtown (Refer to Appendices 11 & 12), totalling \$20,000.

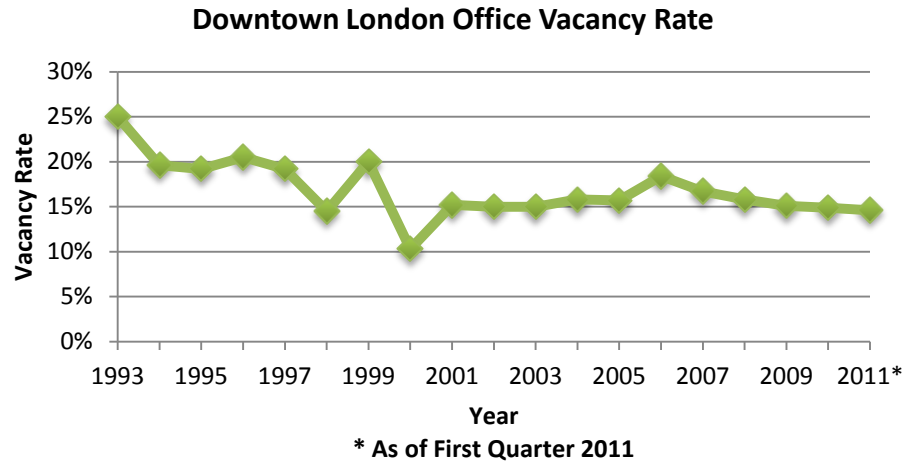
Heritage Building Assessment & Heritage Building Improvement Grant Program

Total Number of Grants Issued since 2008:	4
Total Value of Grants Issued*:	\$ 20,000.00

* All were in 2009

Part VI: Office Vacancy Rates

CB Richard Ellis publishes annual and quarterly reports on the Downtown London office market in an attempt to track the strength of the area. The vacancy rate expresses the total square footage of office space that is vacant as a percentage of the total leasable square feet of office space in the Downtown.



Since 2006 when Bell Canada left their offices at 100 Dundas Street, Downtown London has seen a consistent annual decline in vacancy rates. As of first quarter 2011, London's vacancy rate for Downtown office space is 14.6%, down 3.8% since 2006. In 2010, Teletech, a worldwide corporation that provides outsourced marketing, sales, and customer service solutions, left their offices in Citi Plaza resulting in a large amount of open floor space on the market. Teletech are however being replaced by Digital Extremes, as software development company. CB Richard Ellis reports in its 2010 Market Outlook report that the strong Canadian Dollar has taken a toll on the market. Reduced competitiveness for many businesses, specifically on call centres and much like the case with Teletech, have resulted in closures leaving large amounts of office space on the open market. Furthermore, the conversion of Citi Plaza from retail to office space brought an additional 5,574 square metres of office space to the market in 2010. The addition of large office spaces to the Downtown was offset by a spike in demand for smaller office spaces, so much so that the overall vacancy rate declined between 2009 and 2010 by 0.3%. The consistent decrease in London Downtown office vacancy rates reflects the growing interest in operating a business in London's Downtown.

The beginning of 2011 has brought London's first major development of new office space in the Downtown since One London Place opened in 1992. The new development on the corner of Richmond Street and Carling Street is a three storey structure with ground floor retail, already leased by Shoppers Drug Mart, and two floors of leasable office space above. Overall, two-thirds of the new development was already leased prior to construction. This development further reflects the growing interest in London's downtown office space.

Office Vacancy Rates	
1993	25.00%
1994	19.60%
1995	19.20%
1996	20.50%
1997	19.20%
1998	14.50%
1999	20.00%
2000	10.30%
2001	15.20%
2002	15.00%
2003	15.00%
2004	15.80%
2005	15.70%
2006	18.40%
2007	16.70%
2008	15.80%
2009	15.10%
2010	14.90%
2011*	14.60%

* As of First Quarter 2011

Part VII: Education Facilities in the Downtown

Education centres can draw large amounts of people to the Downtown in the form of faculty, staff, students, and visitors. London’s Downtown is home to a total of 9 post-secondary education centres. (Refer to Appendix 15). Continuing Studies at Western, Downtown London’s largest education centre has approximately 3,400 students and 180 faculty members. Fanshawe College has a satellite Downtown Campus for its Theatre Arts Program which is located in Citi Plaza near London’s Fringe Festival and Grand Theatres.

The remaining education centres located in London’s Downtown specialize in education to international students, musical education, information technology, business, and much more.

London City Council recently approved a plan to provide Fanshawe College with \$20 million in funding to purchase and renovate heritage buildings for a new Downtown campus. The new campus will bring an additional 1,000 students and 75 staff to the Downtown.

Post-Secondary Education Centres
Everest College <i>355 Wellington Street (Citi Plaza)</i>
Micah's Place LDCS Board Alt. Learning Centre <i>394 Clarence Street</i>
Conservatory Of Music <i>130 King Street</i>
Nancy Campbell Collegiate Institute <i>451 Ridout Street N</i>
London International Academy <i>365 Richmond Street</i>
Thames Valley College Of Business & IT <i>151 Dundas Street</i>
Continuing Studies at Western <i>355 Wellington Street (Citi Plaza)</i>
College Boreal <i>355 Wellington Street (Citi Plaza)</i>
Fanshawe College <i>355 Wellington Street (Citi Plaza)</i>

Downtown London is home to 9 post-secondary educational facilities.

The education facilities Downtown provide learning opportunities in Music, Performing Arts, IT, Business, Continuing Education, and much more.

Part VIII: Activity Generators

The ability of a Downtown to attract people to the many shops and entertainment venues located within the area is critical to its long-term success and sustainability. Downtown London has obtained attendance records for Downtown London’s top five activity generators since 2008 (Refer to Appendix 16).

Downtown Activity Generators		
Venue	Number of Events since 2008 (If applicable)	Total Attendance Since 2008
Central Library	-	3,600,000*
Covent Garden Market	-	1,440,000**
Downtown Festivals	62	2,068,476
London Convention Centre	1164	380,630
John Labatt Centre	178 non-London Knights	765,401
	121 London Knights Games	939,853

* Based on estimates of 100,000 patrons per month

** Based on estimates of 40,000 patrons per month

Interestingly, the Central Library is Downtown London’s most successful activity generator bringing in an average of 100,000 people per month. The Covent Garden Market also provides a great pull for people to come to the Downtown attracting about 40,000 per month. London is host to several festivals over the summer months which take place in both Harris and Victoria Parks. Combined, the 62 festivals held since 2008 have attracted almost 700,000 people annually to the Downtown. The London Convention Centre is a great asset to Downtown London having held over 1100 events since 2008, bringing just over 380,000 people to the area. Perhaps Downtown London’s greatest public investment, the John Labatt Centre is not only home to the London Knights OHL hockey team but hosts several other events such as concerts, theatre productions, and other sporting events. The John Labatt Centre has brought 939,853 people to the Downtown for London Knights hockey games alone, and a further 765,401 people for non-London Knights events. The John Labatt Centre has had an incredible impact on the surrounding area creating a new market for restaurants, bars, hotels, and even new residential developments. The above activity generators provide London’s Downtown with a constant flow of people to satisfy the local economy both during and outside of normal working hours.



**Downtown
London’s 5 major
activity generators
attract on average
3.1 million people to
the Downtown
annually.**

Part IX: Downtown London

Downtown London is located at 167 Dundas Street and is a not-for-profit incorporated organization that is focused entirely on the revitalization of the Downtown. Downtown London focuses on attracting new businesses to the Downtown, street maintenance, as well as event organizing and programming. To further support revitalization in the Downtown, Downtown London spearheads a number of initiatives that attempt to get more “feet on the street” which will directly benefit Downtown merchants and property owners. The following highlights some of Downtown London’s initiatives.

New Businesses

Since Council adopted the Downtown Millennium Plan in 1998, there has been increasing effort and work put into promoting the Downtown. The goals are to change any negative perceptions of the Downtown and improve overall quality of life for all visitors and residents of the Downtown. Downtown London has been a key player in the retention and attraction of businesses in the Downtown as a means of accomplishing these goals.

As a way of measuring the appeal of London’s Downtown to new businesses, Downtown London has recorded the number of new businesses that have opened within the Downtown on an annual basis. Furthermore, Downtown London keeps track of the number of new employees brought to the Downtown from each new business, since employees are a major driver of the retail market during normal working hours. This data gives a general idea of the economic impact new businesses can make on the Downtown.

Since 2008 a total of 80 new businesses have opened in the Downtown, bringing with them 1106 new employees. Excluding 2011, because it is a partial year, the average number of businesses opened annually since 2008 is 20, each bringing an average of 15 new employees to the Downtown.

New Businesses 2008-2011*

Year	Number of New Businesses	Total Number of new Employees	Average New Employees per Business
2008	10	676	68
2009	30	202	7
2010	26	133	5
2011*	14	95	7
Total	80	1106	14

*As of May 2011

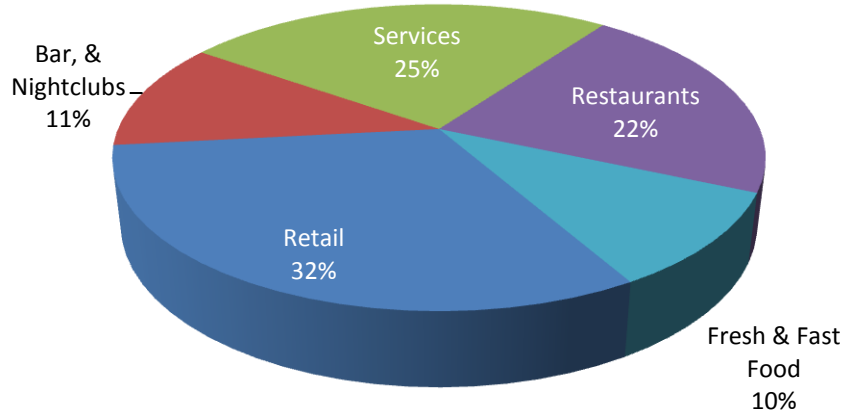


On average, Downtown has become home to 20 new businesses each year since 2008.

Downtown London – New Businesses

Of all the new businesses opened Downtown since 2008, 33% of them are bars, clubs, and restaurants. Retail businesses make up a further 32% of the new businesses opened Downtown and the remaining 35% consists of service type businesses as well as fresh and fast food stores.

New Businesses Opened Downtown London 2008-2011*



* Up to and including May 2011

Over the past few years Downtown London has consistently been able to attract a fair number and variety of new businesses, each bringing new employees to the Downtown to fuel the growing retail market. Refer to Appendix 14 for a list of the most recent new businesses opened Downtown and their locations.



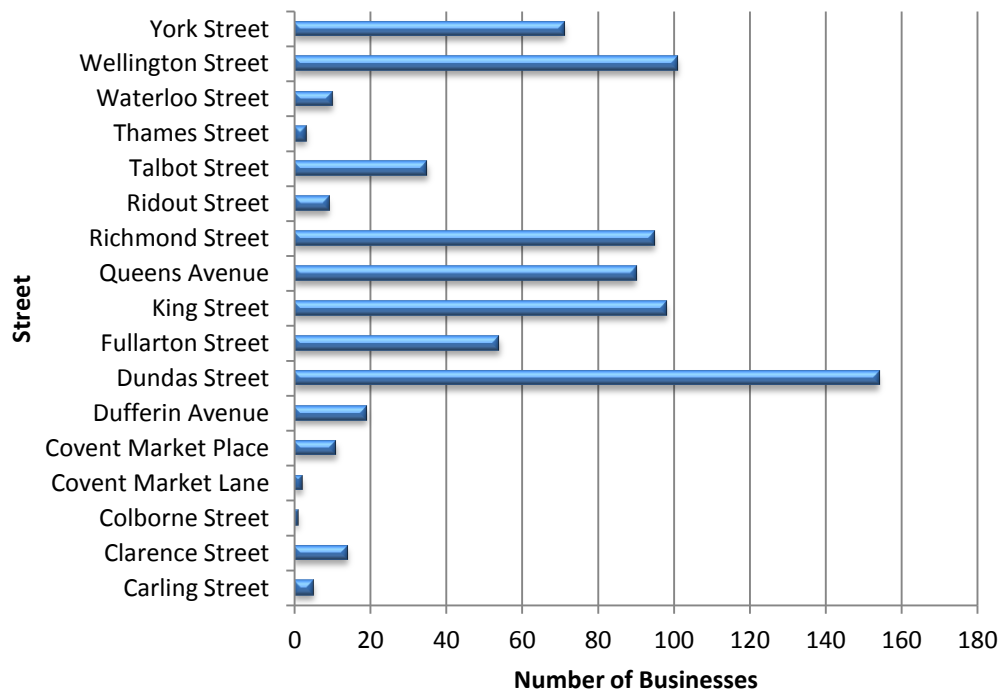
**London's
Downtown
welcomed 26 new
businesses in 2010
and 133 new
employees.**

Existing Businesses

Equally as important as attracting new business is the retention of existing ones. Downtown London keeps an up-to-date list of all current Downtown businesses as a means of tracking business activity within the Downtown. Currently there are a total of 772 businesses operating in Downtown London.

The graph below illustrates the distribution of businesses among the various streets running through the Downtown. Dundas Street is London’s busiest street in terms of business activity and is home to approximately 20% of all Downtown London businesses, (a total of 154). King, Queen, Richmond, and Wellington Streets each contain a fairly equal number of businesses, around 100 or 13% of the total. About 71 businesses (9%) are located on King Street. Fullarton and Talbot Streets contain 54 and 35 business respectively and the remaining streets running through Downtown each contain only a few businesses.

Distribution of Downtown Businesses



Currently there are approximately 772 businesses operating Downtown.

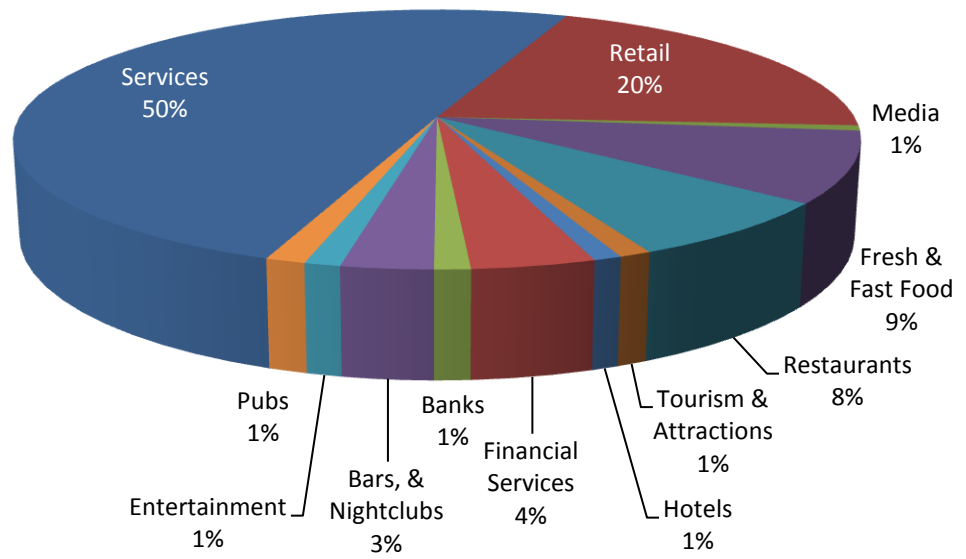
Dundas Street has the highest concentration of businesses compared to all other Downtown street. About 20% of all Downtown businesses have located on Dundas Street.

Half (50%) of London’s Downtown businesses are in the services sector which includes everything from post offices, insurance companies, telecommunications, and legal services to salons and spas, travel centres, tattoo parlours, and dance studios. Apart from services, London’s Downtown is largely a retail shopping and entertainment district with 254 businesses operating in the retail, restaurant, bar, pub, nightclub club, and entertainment sectors. This represents 33% of all Downtown London businesses. Other industries such as financial services, banking, media, as well as fresh and fast food

Downtown London – Existing Businesses

occupy the remaining 17% of businesses located within London’s Downtown.

Businesses Located Downtown London



Approximately 50% of all Downtown businesses operate in the services sector. A further 33% operate in the entertainment sector.

Grant Programs

Apart from the City of London’s incentive programs, Downtown London has loan and grant programs of its own available to property owners and potential investors - Tennant Improvement Loans and About Face Grants. Downtown London has provided \$164,383 in loans to property owners and investors through the Tennant Improvement Loan program for improvements to interior features of buildings. Downtown London’s About Face Grant program has given out \$239,298 through 20 grants since 2008 for improvements to building facades. (Refer to Appendix 17)

Tennant Improvement Loans		
Year	# Businesses	\$ Loaned Out
2011	1	\$ 25,000.00
2010	1	\$ 17,630.00
2009	3	\$ 61,753.00
2008	3	\$ 60,000.00

About Face Grants		
Year	# Businesses	\$ Given Out
2011	1	\$ 15,000.00
2010	9	\$ 87,196.00
2009	4	\$ 36,350.00
2008	6	\$100,752.00

Downtown London has provided \$403,681 in loans and grants to Downtown property owners for improvements to interior and exterior features of the existing building stock.

Conclusion

2010 was a great year for London's Downtown. All key indicators show signs of continued revitalization. Total current value assessment is up 9.5% and building permit activity is up a total of 47.3% from 2009. Increasing interest in the City of London's Downtown incentive programs reflects the private sector's confidence in investing in the Downtown.

Since 2008 when Council adopted the new incentive programs, the Targeted Incentive Zone has experienced a growth in assessed value of 16.4% or \$9.0 million. Building permit activity in the Targeted Incentive Zone is up 18.1% since 2008. The City of London's incentive programs have played a large role in the revitalization of the Dundas and Richmond Street corridors within the Targeted Incentive Zone. Look for the interest in these programs to continue in the future.

Downtown office vacancy rates have declined yet again to 14.6%, the lowest it has been since 2001. Street level vacancy on the three major corridors running through Downtown (Richmond, Dundas, and King Streets) has declined 1.2% since 2009.

New businesses continue to open annually in the Downtown. 2010 saw 26 new businesses open bringing a total of 133 new employees to the Downtown. Since 2008, the Downtown has averaged 20 new businesses annually, each bringing approximately 15 new employees.

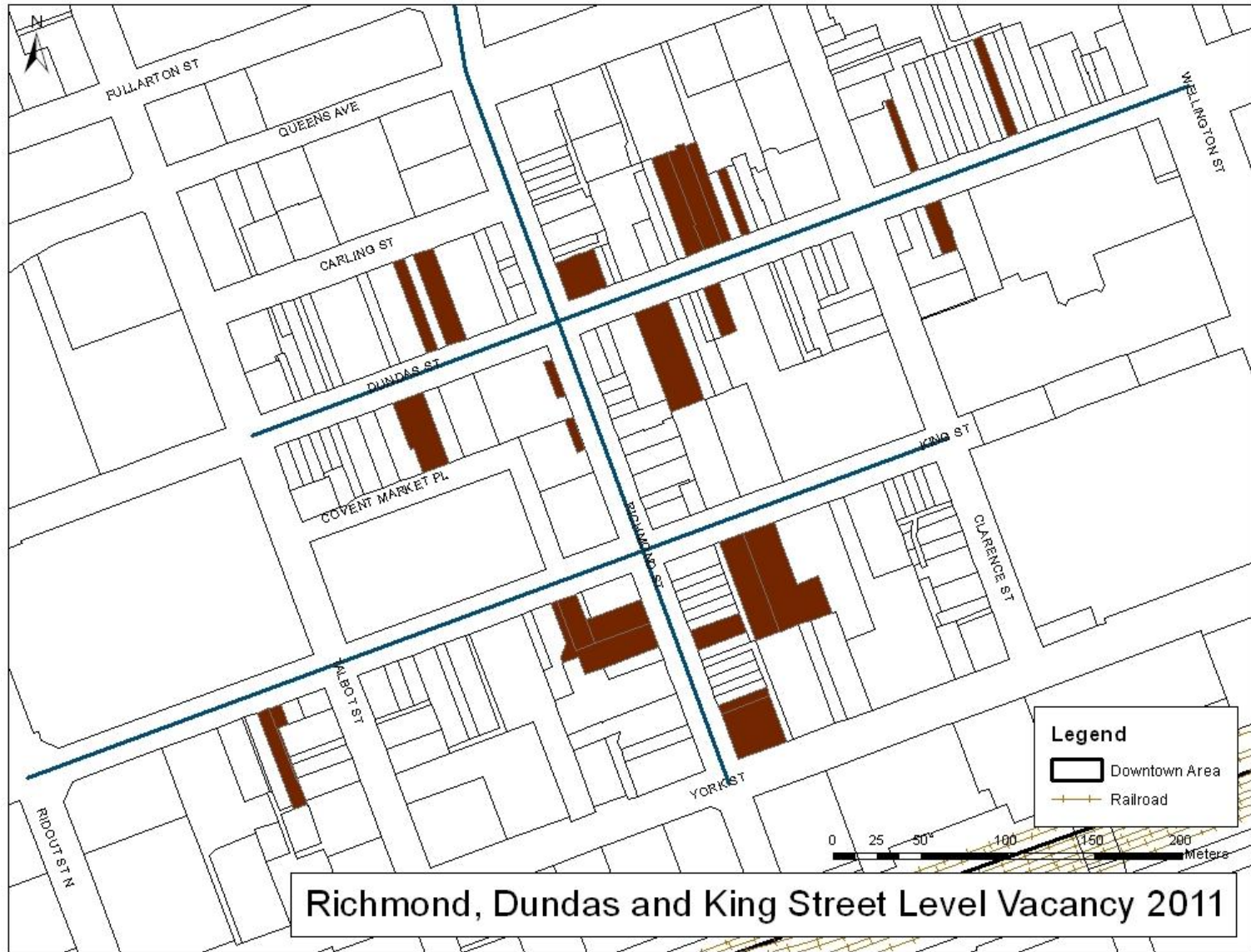
With the John Labatt Centre, Covent Garden Market, London Convention Centre, Central Library, and the many festivals hosted in both Harris and Victoria Parks, the Downtown has had no problem attracting enough people to stimulate the local economy. Since 2008, the above five activity generators alone have been able to attract an annual average of 3.1 million people to the Downtown.

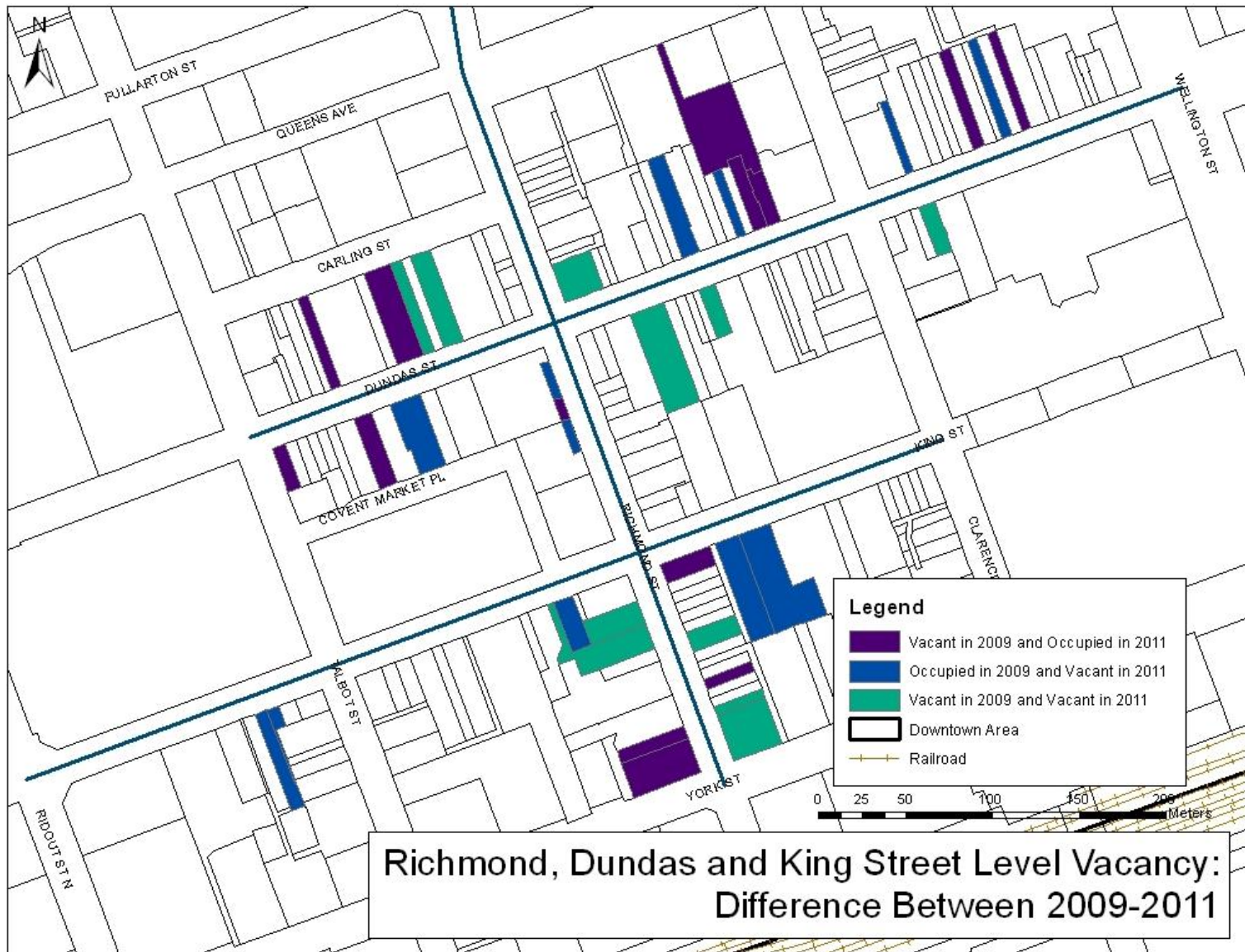
Looking Forward

These are exciting times for the Downtown. The new Downtown Master Plan, Downtown Heritage Conservation District Plan, and Downtown Urban Design Guidelines are nearing completion and will build upon the success of the Downtown Millennium Plan, creating a new vision for the Downtown focused on further revitalization and sustainability.

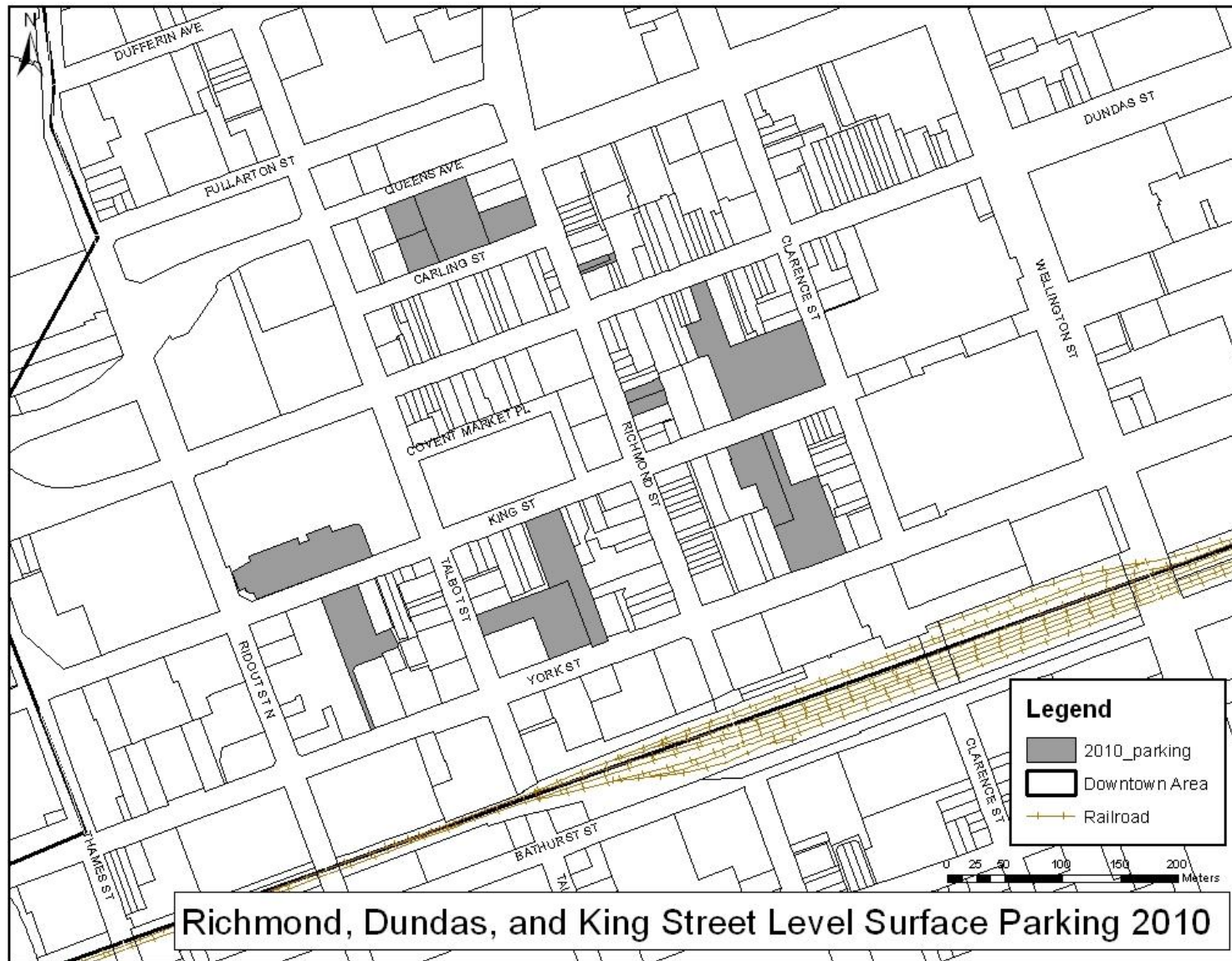
Downtown London can also look forward to the opening of the "Renaissance II" condominium apartment building located at 70 York Street. Furthermore, the City of London has approved funding to help Fanshawe College move a new Downtown campus to the Downtown. London can also look forward to hosting the World Figure Skating Championships in 2013 which will bring invaluable exposure of what London's Downtown has to offer on a local, national, and international level.

Appendix 1

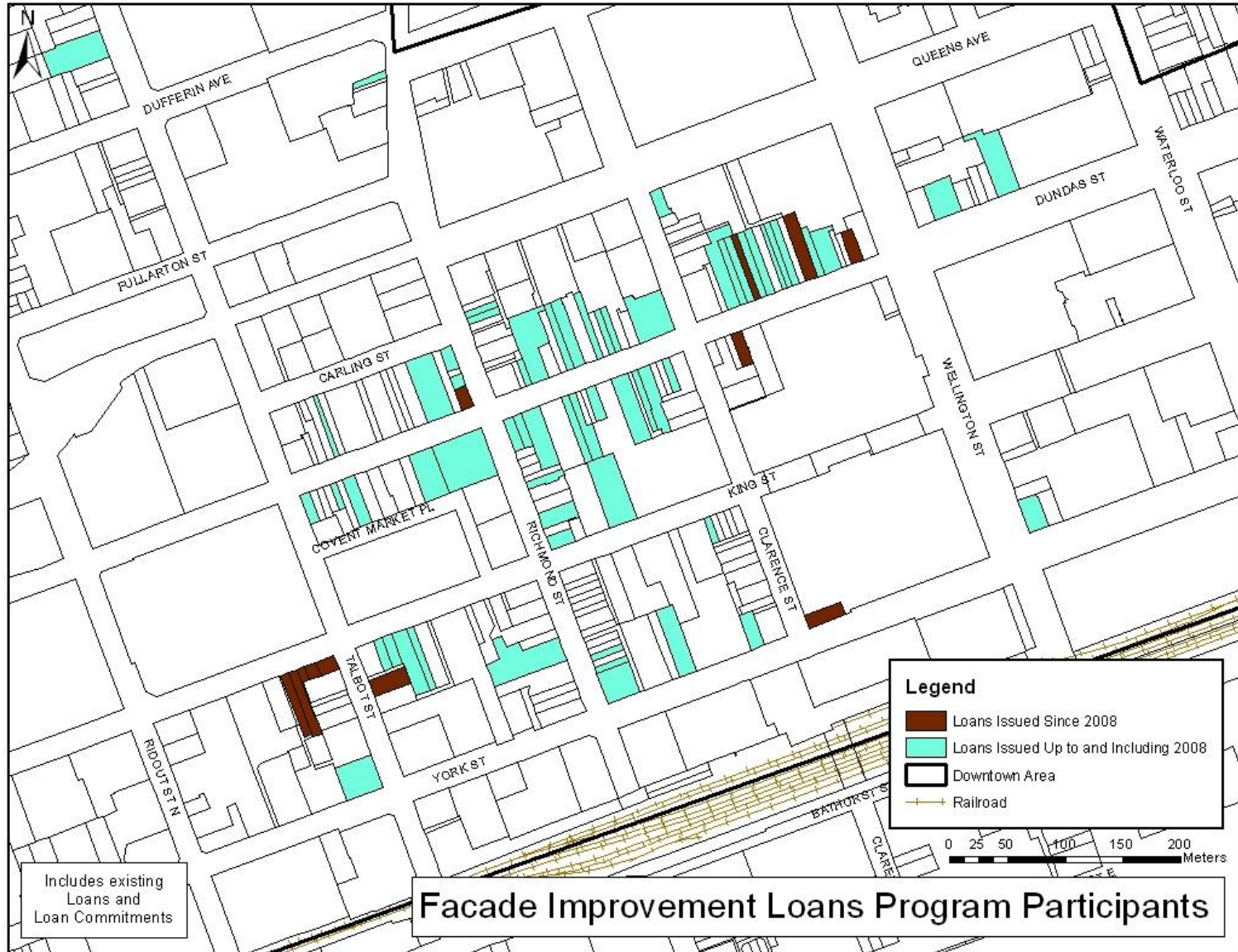




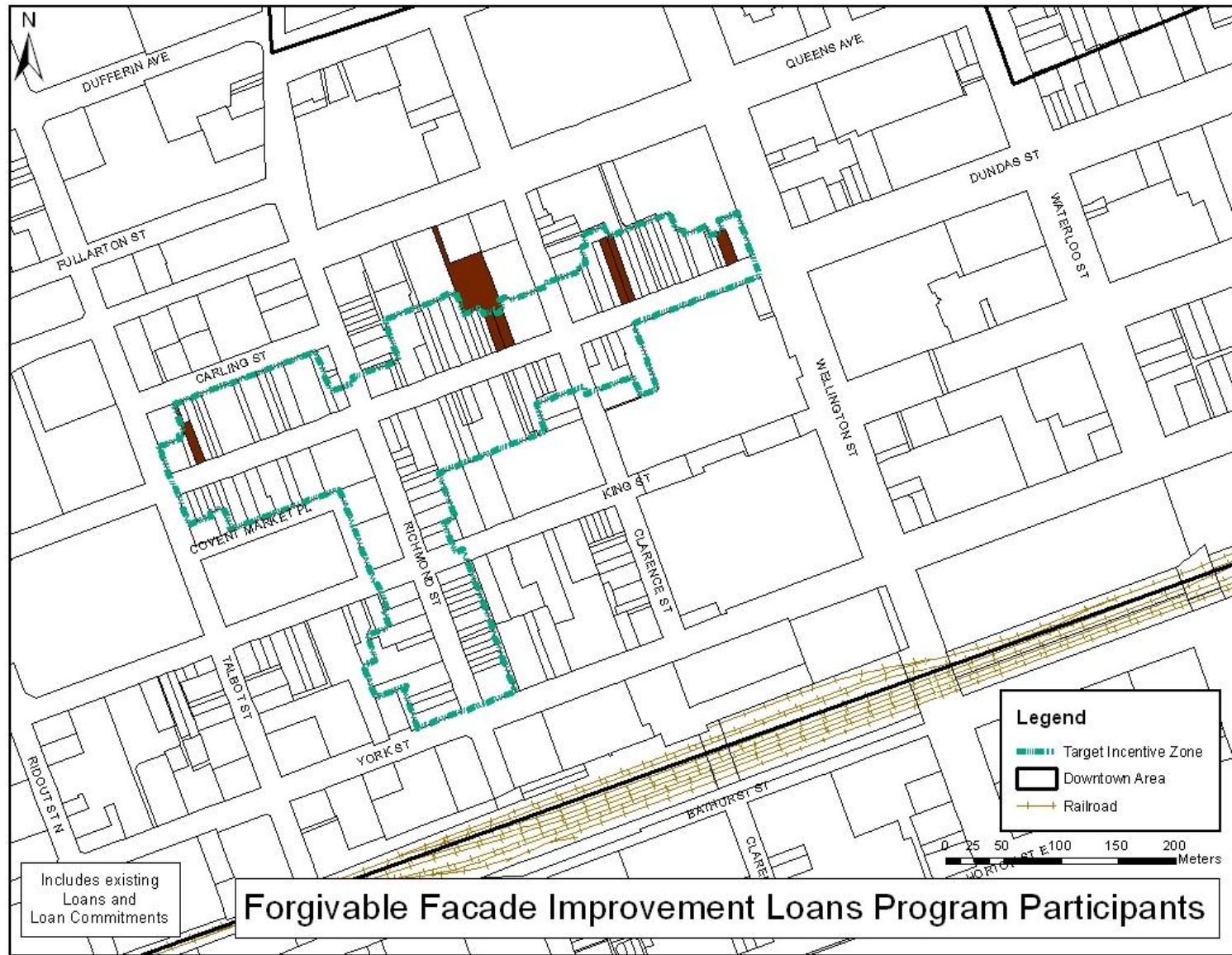
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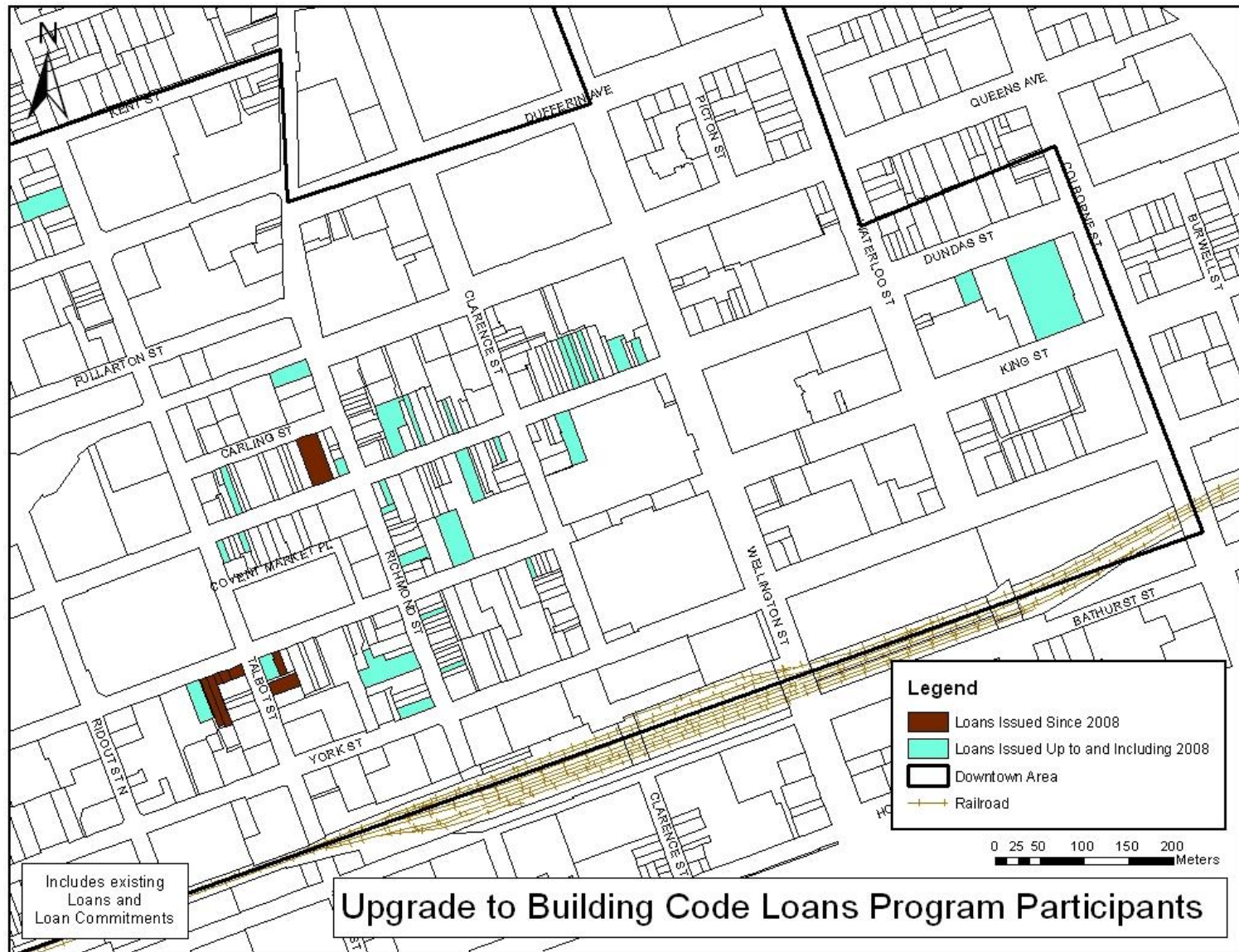
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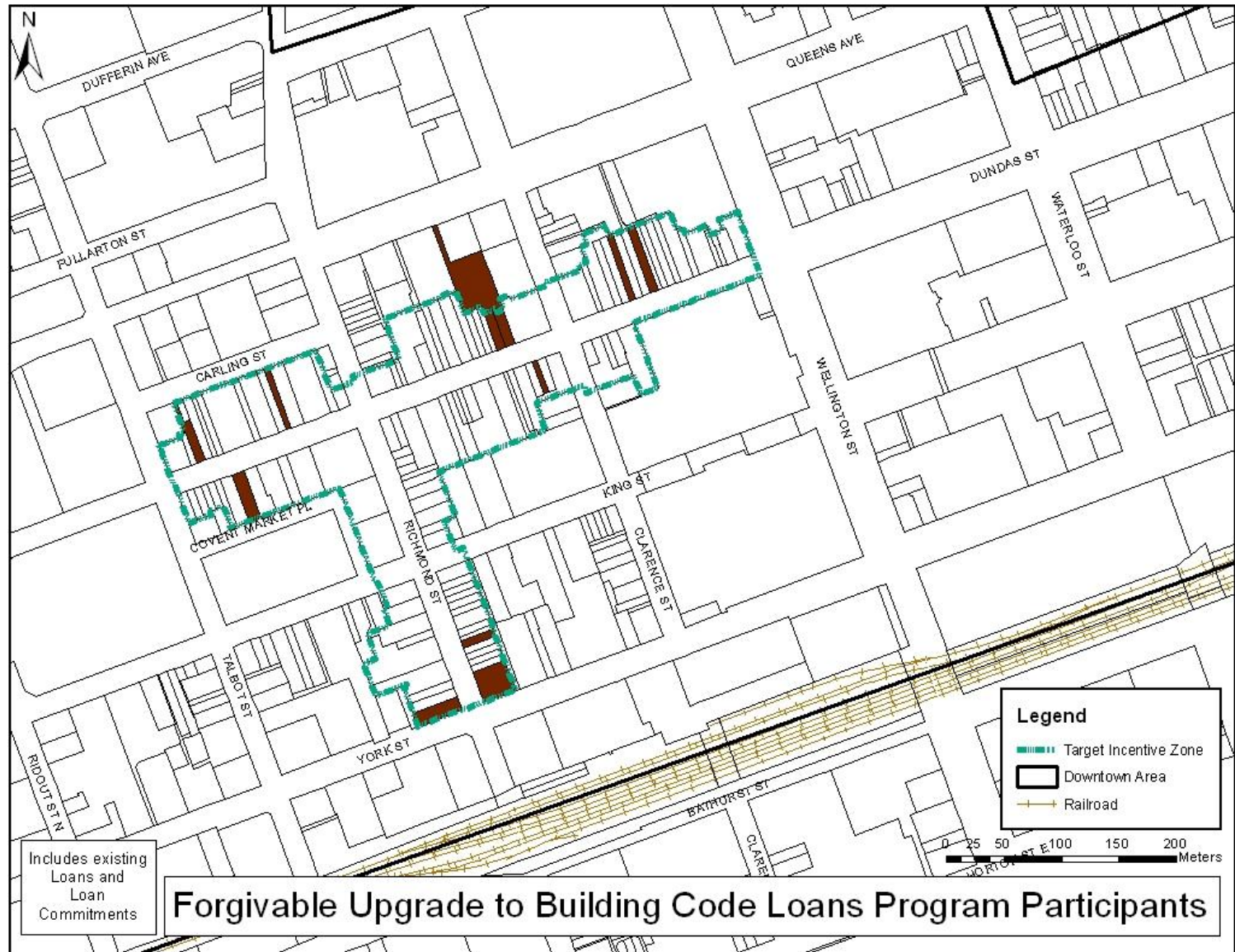
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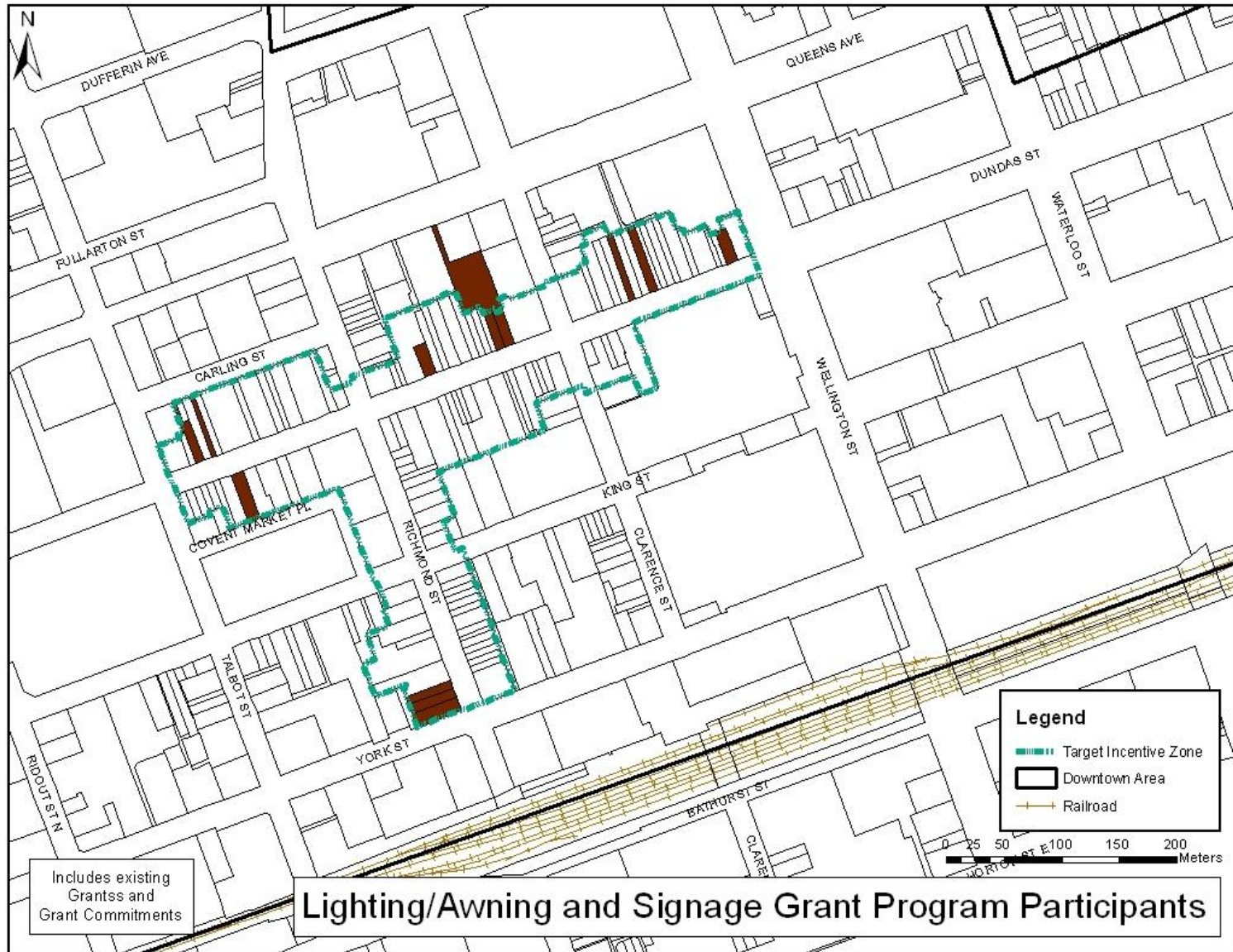
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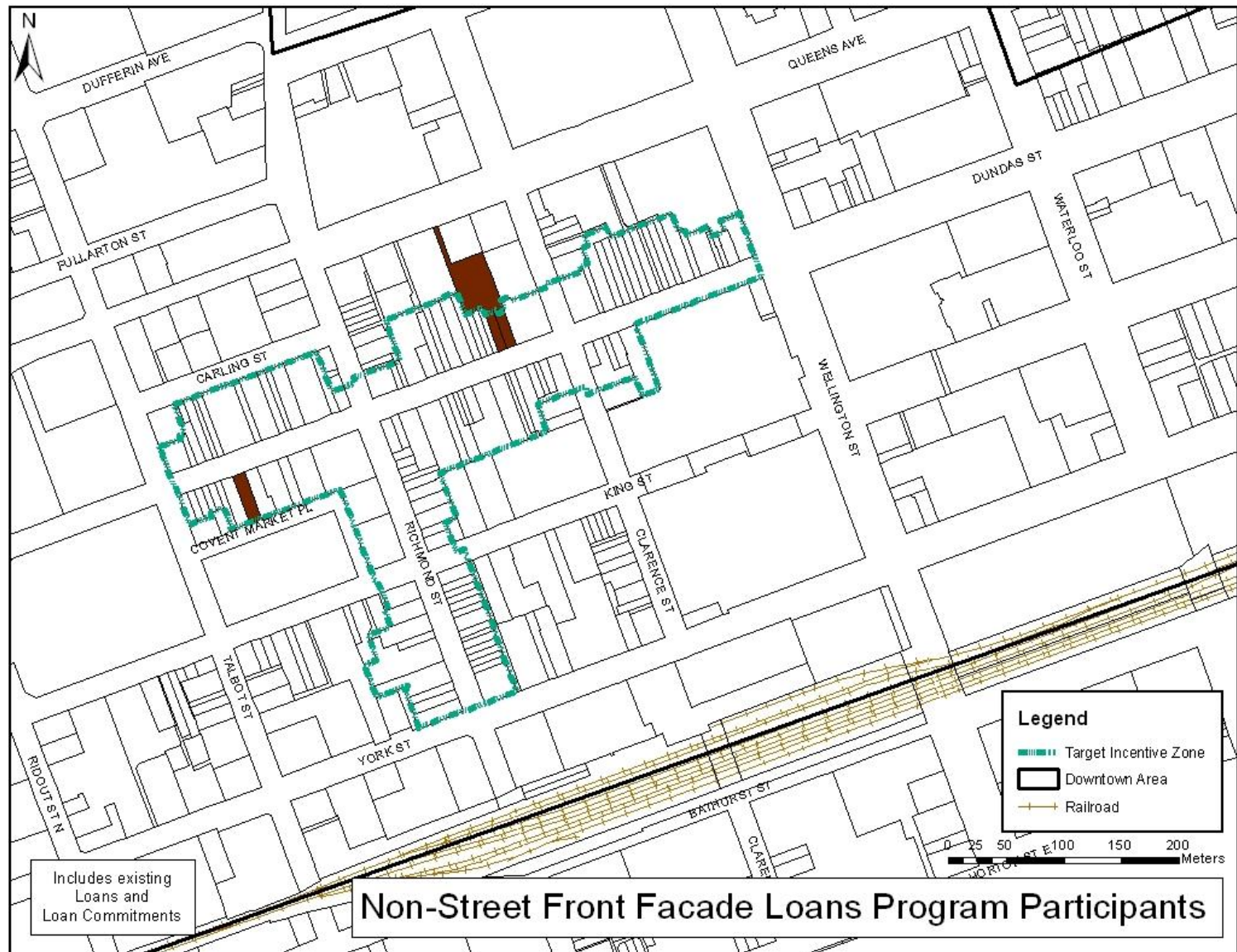
Appendix 7

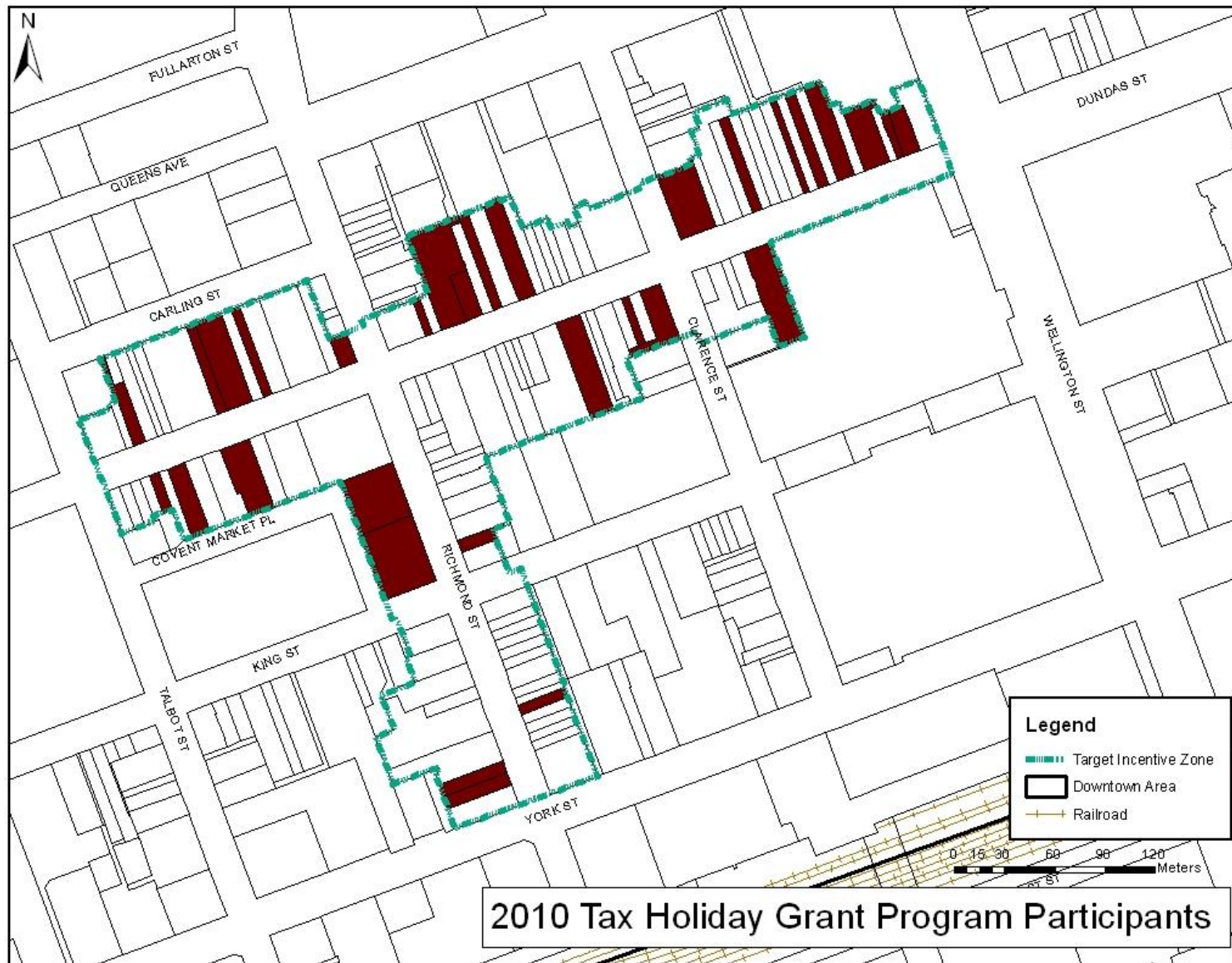


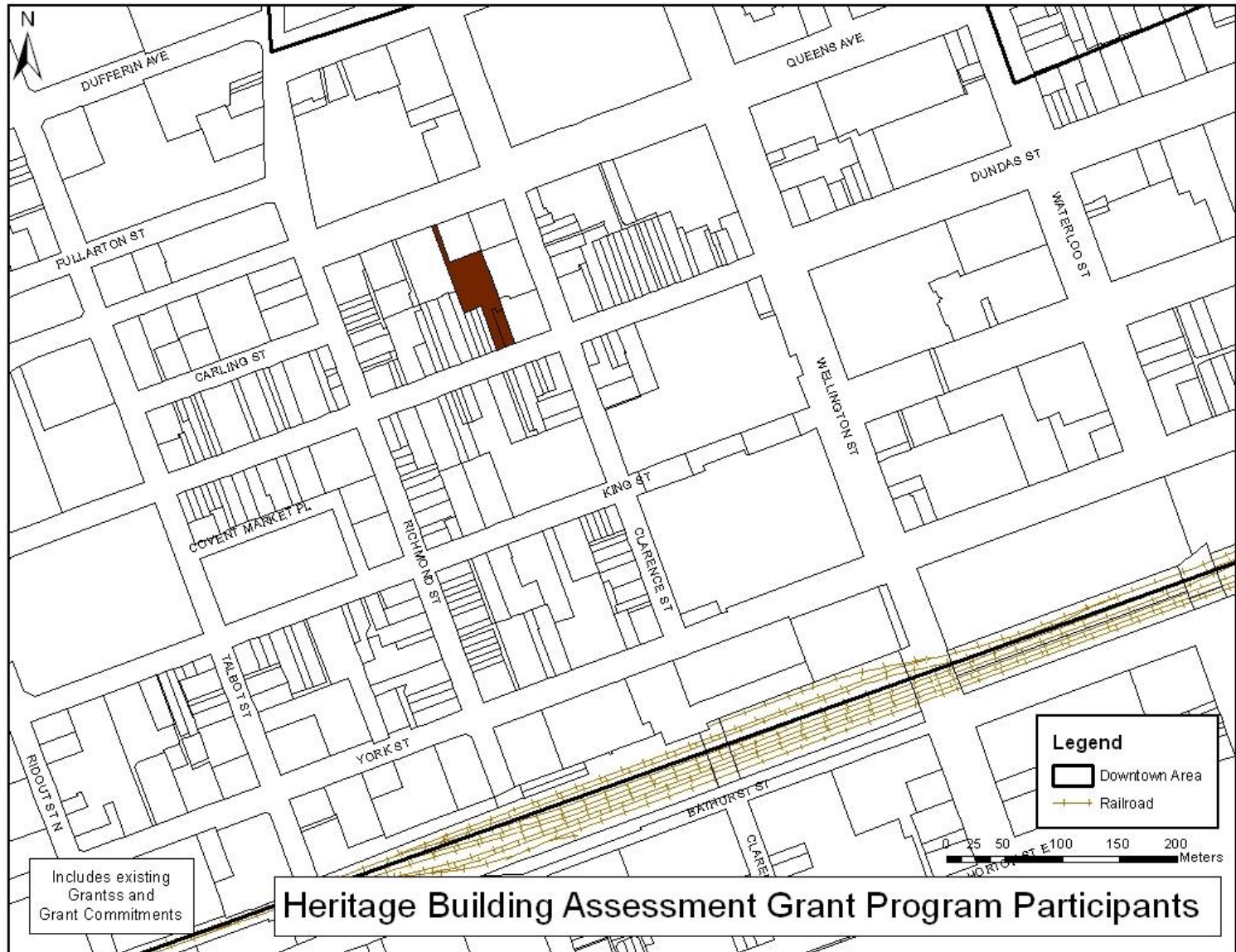
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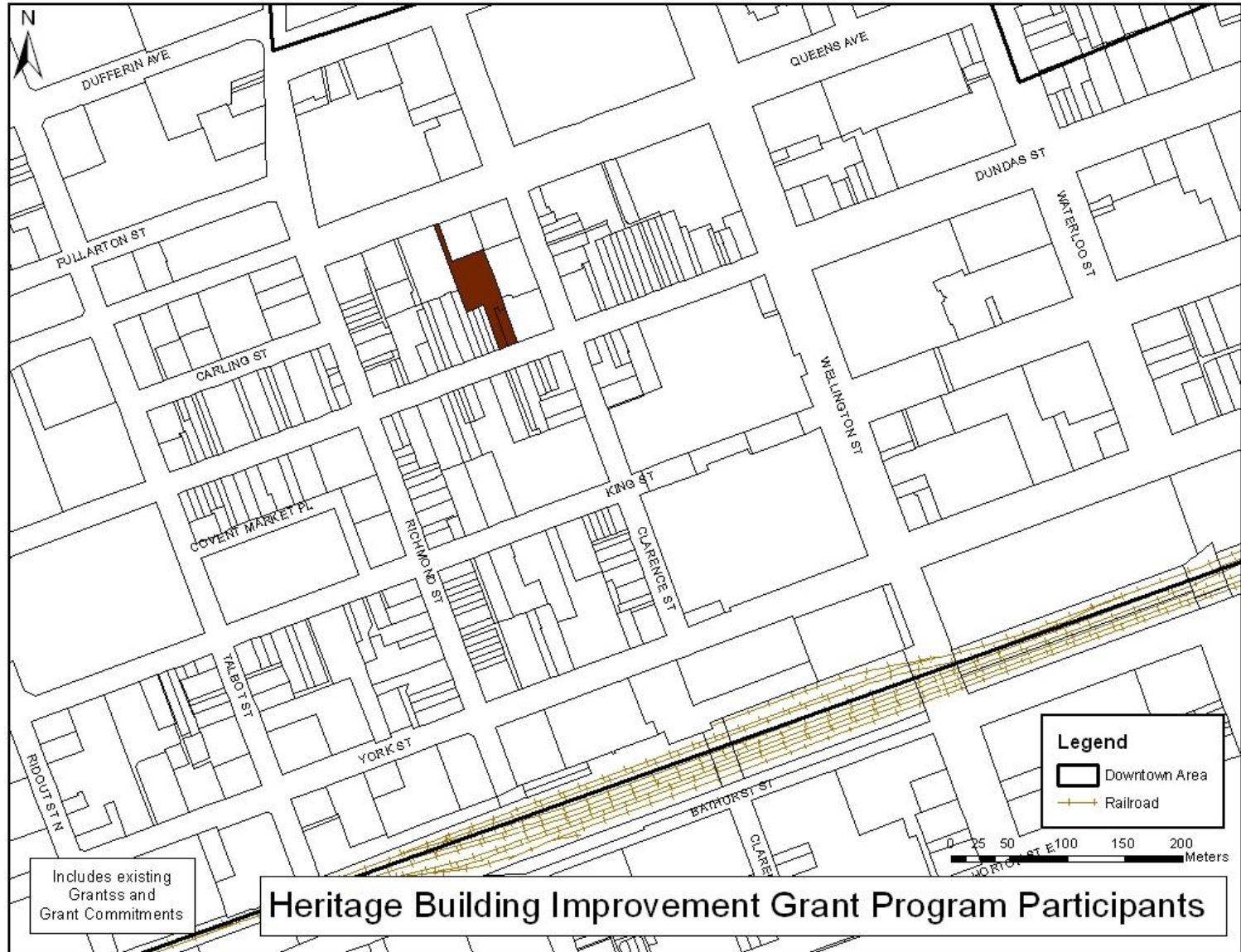
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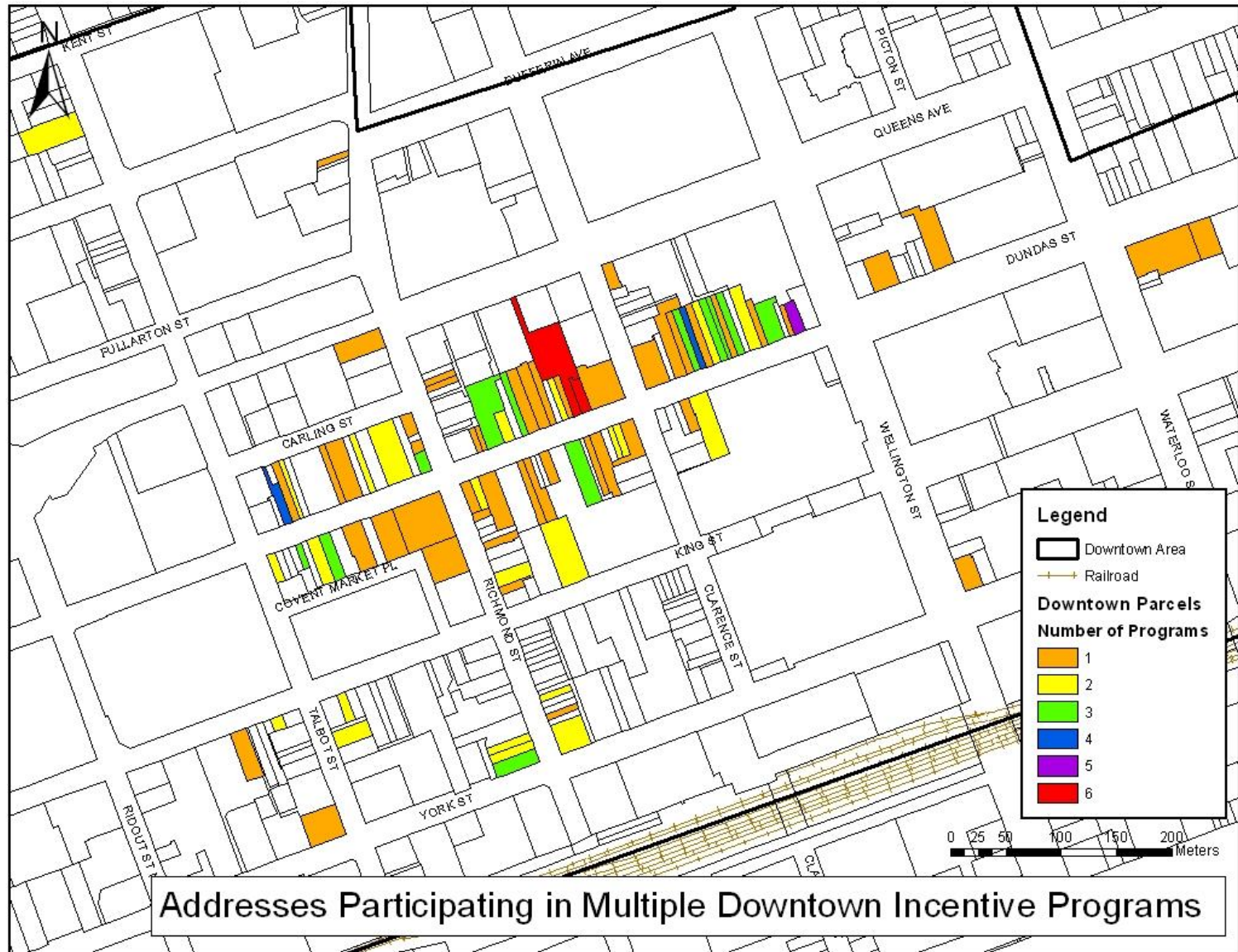






Appendix 12





Appendix 14

New Businesses 2011
Villa Resto Lounge <i>109 Dundas Street</i>
Fraumeni's Fresh Food <i>130 King Street</i>
Gambrinus Bistro and Café <i>130 King Street</i>
The Met <i>140 Dundas Street</i>
The Works <i>145 King Street</i>
Voices.com <i>150 Dufferin Avenue</i>
Body Logic <i>22 Covent Market Place</i>
Milano Hair Salon <i>330 Wellington Road North</i>
Arrow Auto Detailing <i>332 York Street</i>
Metro London <i>350 Talbot Street</i>
Corporate Imaging Centre <i>352 Talbot Street</i>
Kowork London <i>352 Talbot Street</i>
Marky's Crepes and Waffles <i>484 Richmond Street</i>
Ryce Fashion Design <i>495 Richmond Street</i>

