

State of Downtown

The impact of the pandemic to date

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Our downtown is on Treaty No. 1 territory
and the traditional homeland of the Métis Nation

“Through the pandemic, we have seen how connected we are and the power of collective effort. We have a window of opportunity to make downtown better for all of us, and I believe we not only can, but will.” **Connie Walker** — PRESIDENT & CEO, UNITED WAY WINNIPEG

COVER PHOTOGRAPHY, FRONT & BACK: DAN HARPER

Our downtown is the front door to our city. It is the economic engine and the heart of Winnipeg where arts, culture, entertainment, and business come together for Winnipeg’s greater good.

The COVID-19 pandemic has had an impact on everyone. Since March 2020, several key industries that contribute to our downtown’s strength have slowed or stopped including hospitality, business tourism and major arts, cultural and sporting events. The loss of public space and closure of public facilities has led to increased challenges for our city’s vulnerable population with little to no access to public washrooms or safe spaces to cool off in the summer or warm up in the winter.



This report is a culmination of research and data collected over the course of the pandemic. The impact on our downtown is significant and while many of the challenges we face are unique to downtown, our entire city will be affected if we don’t take action. Several organizations have come together to work with the City of Winnipeg and other levels of government to put together an actionable strategy to aid in the economic and social recovery of our downtown. Collaboration among all sectors, governments and stakeholders is critical to forming a strategy that meets the needs of a diverse downtown.

Stakeholder consultation and open dialogue is taking place in various ways to gather input and solutions that will be worked into a strategy to be released this fall. What we’ve heard so far is that while we face notable barriers, there is a sense of optimism and a collective commitment to making sure our downtown thrives. The group would like to thank everyone who is contributing time and ideas to this work and who have already committed to making our downtown a vibrant community once again.

“It’s critical we have a plan for our downtown. We need to take care of what’s here and build a bold vision for our city’s future.”
Bram Strain
PRESIDENT AND CEO, BUSINESS COUNCIL OF MANITOBA



DAN HARPER



MIKE PETERS



MIKE PETERS

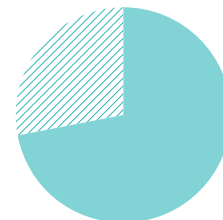
"Downtown is our front door. If we can't get it right, our city's reputation hangs in the balance" **Curt Vossen** — PRESIDENT & CEO, RICHARDSON INTERNATIONAL

Why downtown?

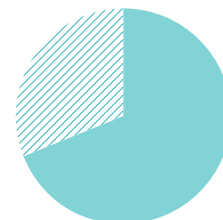
Downtowns are small geographic areas that attract high investment and generate tax revenue much greater than their size, benefitting the entire city. Our downtown is less than one per cent of Winnipeg's land area but comprises approximately 17 per cent of the commercial property tax base, and about 14 per cent of our city's business tax base.¹ This revenue helps support services and amenities throughout Winnipeg.

Cities are judged by their downtown. A safe and vibrant downtown is critical to attracting and retaining talent and capital. Talented, highly skilled workers are choosing to live in quality, urban areas and a strong downtown helps Winnipeg's competitive edge, creating a greater economic return.

Downtowns have unique identities and intrinsic cultural significance. Over 30 nationalities are represented and celebrated in downtown Winnipeg. The neighbourhood has a rich history and includes many of the city's most significant heritage assets. Downtown is Winnipeg's economic driver with the largest employment concentration and highest density of office development that benefits all Winnipeggers. It's also home to world-class arts, culture and sporting venues that separate us from other cities.



72% of Winnipeggers are worried about the future of downtown



69% of Winnipeggers feel government should spend money to help downtown recover from the pandemic

ACCORDING TO A PROBE RESEARCH SURVEY FOR THE WINNIPEG FREE PRESS, 2021

Downtown =
less than 1% of
Winnipeg's total
land area

17% of
commercial
property tax

14% of
business tax

70% of
office space



¹ CENTREVENTURE, 2021

Where are all the people?

COVID-19 has hit city centres across Canada the hardest and a 2021 report by PWC states that downtowns should be recognized as a distinct and separate sector.² The greatest impact to our downtown was the mass exodus of employees who worked from home to protect Manitobans. Approximately 70,000 people worked in downtown Winnipeg pre-pandemic and more than a year later, only 20 per cent of downtown workers reported being back downtown fulltime.³

The numbers are staggering. Transit ridership downtown dropped more than 60 per cent and parking stats show more than a 50 per cent decrease in on-street paid parking demand from 2019 to 2020.⁴

People are what bring energy to a downtown, making it vibrant and increasing safety. Since the pandemic began, over 2,000 arts, culture, sports, and entertainment events were cancelled leaving our key attractions and streets nearly empty.



Over 2,000 arts, culture, sports and entertainment events cancelled



Only 20% of downtown office workers have returned downtown fulltime*



* PROBE RESEARCH OMNIBUS, MARCH 2021



50% decrease in on-street paid parking demand

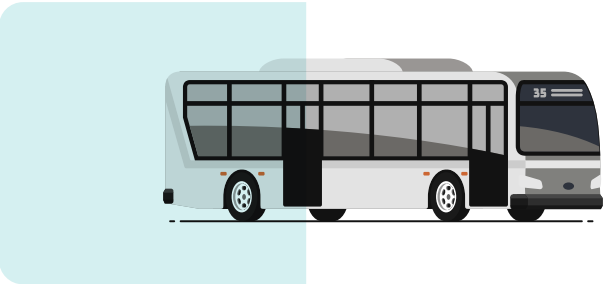


“Everything came to a grinding halt with the pandemic.” **André Lewis** — ARTISTIC DIRECTOR + CEO, ROYAL WINNIPEG BALLET

Over 30,000 staff and students transitioned to remote learning



Transit ridership is down over 60%



² THE IMPACT OF THE PANDEMIC ON THE DOWNTOWN AREAS OF CANADA’S SIX MAJOR CITIES, PWC, 2021
³ PROBE RESEARCH OMNIBUS SURVEY, MARCH 2021
⁴ WINNIPEG PARKING AUTHORITY, 2021

Revenue drops*



82% of storefront businesses have reported a drop in revenue

Storefront businesses downtown have lost an average of **\$2 million a week** in gross revenue since the pandemic began

Estimated **\$139 million total revenue** loss to downtown storefront businesses over a 15-month period

*PROBE RESEARCH, JUNE 2021



Local businesses hit hard

Covid-19 has posed a challenge to local businesses like no other. As downtown businesses rely primarily on downtown workers for their customer base, the struggle is even more challenging for owners and operators in our city's core that have seen an average 65 per cent decrease in foot traffic.⁵

In a survey conducted in June 2021, 80 per cent of Winnipeggers reported spending less money downtown during the pandemic than they usually would.⁶ That has been a big hit for downtown storefront businesses (includes restaurants and personal services) that lost an average of \$2 million a week in gross revenue since the pandemic began, an estimated \$139 million in total revenue loss.⁷

The ongoing capacity restrictions and closures of storefront businesses also resulted in significant job loss. More than 2,000 people working at downtown storefront businesses lost their jobs, an estimated 40 per cent decrease.⁸



The recovery for downtown businesses will be slower than in the rest of the city and business owners worry it will be difficult to regain momentum, particularly in the short term. Businesses continue to lose money every single day. While it has been an extremely difficult time and many businesses have taken on high debt, there is cautious optimism. Our entrepreneur community is resilient and over 80 per cent of storefront businesses found innovative ways to increase efficiencies or reduce their expenses while more than half found new revenue streams.⁹

⁵ PROBE RESEARCH, 2021
⁶ PROBE RESEARCH OMNIBUS, JUNE 2021
⁷ PROBE RESEARCH, 2021
⁸ PROBE RESEARCH, 2021
⁹ PROBE RESEARCH, 2021

Living downtown

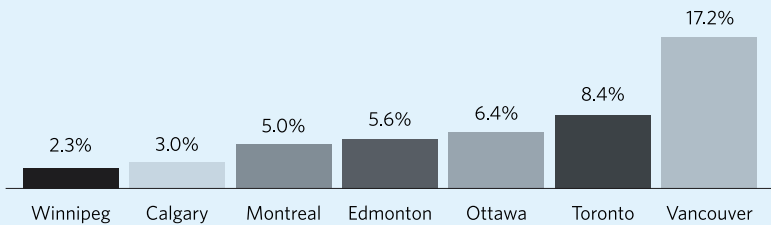
“It’s hard to build community around office towers and surface parking lots. Bricks and mortar make buildings, but people make cities.”

Johanna Hurme
PRINCIPAL, 5468796 ARCHITECTURE



Growing downtown’s residential population has been the cornerstone of Winnipeg’s revitalization strategy for the last 20 years. More than 4,800 new housing units have been built or are currently under construction, with downtown’s population estimated at 16,800, growing 31 per cent since 2001.¹⁰ Despite this tremendous progress, Winnipeg’s downtown residential density still lags other major Canadian cities. During the pandemic, downtown’s residential population has not been sufficient to sustain its ground floor retail, service, and hospitality businesses.

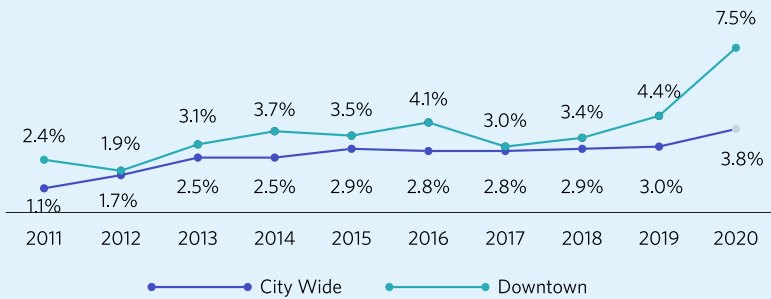
PERCENTAGE OF POPULATION LIVING DOWNTOWN



CENSUS DATA, 2016

Downtown Winnipeg has also experienced a sharper increase in apartment vacancies through the pandemic, now 7.5 per cent when compared to 3.8 per cent city-wide.¹¹ A key contributing factor is the move to remote learning at downtown’s major academic institutions, which has reduced the number of students renting apartments in the downtown. As well, downtown’s population is comprised of a higher proportion of young adults and newcomers when compared to the rest of the city, groups more impacted by job losses in the service and hospitality sectors. And with 37 per cent of downtown households spending more than one-third of their income on shelter, compared to 22 per cent city-wide, the economic consequences of the pandemic may be causing some downtown residents to seek lower-cost apartments in other neighbourhoods, to move in with families, or to double up with friends.¹²

APARTMENT VACANCY RATES



CMHC ANNUAL (OCTOBER) RENTAL MARKET SURVEY, 2020

¹⁰ CENTREVENTURE, 2021
¹¹ CMHC ANNUAL (OCTOBER) RENTAL MARKET SURVEY
¹² CENTREVENTURE, 2021

“We need people back in the office and have to build confidence that it’s safe to return to work.”

Mike Del Buono — OWNER, KING + BANNATYNE



Working downtown

During the pandemic a significant number of office employees have been working from home and that’s had a dramatic impact on Winnipeg’s downtown economy. Statistics Canada reports that 80 per cent of new teleworkers indicated that they would like to work at least half of their hours from home once the pandemic is over. Here in Winnipeg, some large downtown companies indicate they will continue offering a flexible hybrid work-location model post-pandemic which will mean less density on downtown streets during the week days. Some companies plan a complete ‘return to the office’ approach, but it will be in phases over the coming months.

With approximately 12 million square feet, downtown is home to 70 per cent of all office space in Winnipeg. The beginning of 2021 showed a significant rise in class C office vacancy compared to the year prior and overall, downtown office vacancy has increased. More than 1.5 million square feet of office space was available for lease in the first quarter of this year.¹³

Education goes online

As tens of thousands of workers left downtown in the spring of 2020, so too did the estimated 30,000 staff and students that typically learn and study here. The departure of students from campus also meant a reduction of the number of students renting apartments downtown, leading to increased vacancy rates.

In March 2021, the government of Alberta directed post-secondary to prepare to return to the classroom in the fall. There is no similar directive here in Manitoba but it is expected that this fall will bring a mix of on-campus and remote learning. While academic institutions are exploring new ways to deliver education, there is a commitment to having students and staff be part of the downtown community.



“Almost all of our 1000+ employees have been working from home since the start of the pandemic. We are committed to being downtown, helping it grow and be a thriving community. We want our employees to look forward to coming downtown and we’ll welcome them back in phases.” **Cathy Pickard** — VICE PRESIDENT PEOPLE SYSTEMS & PROGRAMS, WAWANESA INSURANCE

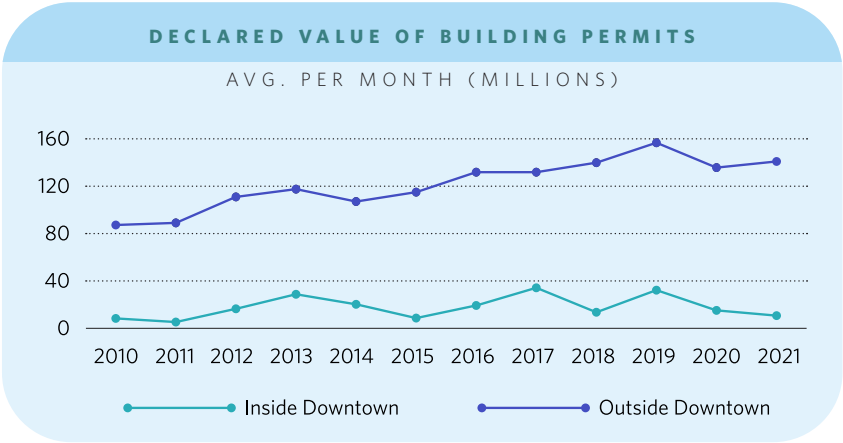
¹³ COLLIER'S WINNIPEG OFFICE MR Q1, 2021

“If downtown property values go down by 25%, what does that mean for the overall tax base? It will have to be picked up by suburban properties and houses.”

Trevor Clay — PRINCIPAL,
CAPITAL COMMERCIAL REAL ESTATE SERVICES INC.

Building downtown

Over the last decade downtown Winnipeg has seen an unprecedented level of investment in both the commercial and residential development sectors. New buildings have been constructed and older buildings have been renovated and repurposed, representing more than \$1.5 billion in private sector investment in the last 10 years. Construction during the pandemic has slowed across the city, measured through the declared value of building permit applications. However, in the first six months of 2021 permit values outside the downtown have started to rise, while downtown has continued to decline.¹⁴



“The opportunity is significant. We need government to come to the table as partners and leverage the investment that’s been put in by the private sector.”

Rosanne Hill Blaisdell
MANAGING DIRECTOR & COO,
HARVARD DEVELOPMENTS

¹⁴ CITY OF WINNIPEG OPEN DATA, AGGREGATE BUILDING PERMITS, JULY 2021





Arts, entertainment and tourism grind to a halt

Communities are shaped by the vibrancy and diversity of people and a downtown community is a destination because of a thriving arts, culture, entertainment, and sports scene. COVID-19 has had an acute impact on downtown vibrancy as festivals, concerts, sporting events and conferences were cancelled and museums, galleries and theatres were forced to close.

In 2019, attendance reached over 6.8 million visits to more than 2,200 events downtown. That number was cut drastically as over 75 per cent of events were cancelled in 2020. Remaining capacity restrictions for indoor venues over the coming months, the delayed return of national and international meetings and conferences until 2022, and cancelled summer events, will continue to put a strain on downtown organizations and businesses.¹⁵

“In 2019 our business was absolutely on fire and we were just so busy so it was traumatic for us to see it go down by so much; it was really stressful. It’s critical we get the borders open again if we’re going to get through this.”

Ben Sparrow — CEO, SPARROW HOTELS

“Our revenues were down by about 70% at The Forks overall. We use those dollars to not only look after the site and buildings, but they fund things like the River Trail, public art, new public spaces like The Common, celebrations and other programming that we do that make us special.”

Clare MacKay

VICE-PRESIDENT STRATEGIC INITIATIVES AND EXECUTIVE DIRECTOR,
THE FORKS FOUNDATION AT THE FORKS NORTH PORTAGE

Tourism has been a key economic driver in downtown Winnipeg for decades and steadily growing with major meeting infrastructure enhancements. 2020 was expected to be a record year. This industry founded on people gathering was decimated as continued lockdowns and travelling restrictions saw all meetings and events cancelled. During the pandemic, the limited demand shifted away from urban markets due to the desire for ‘getaways’ outside of cities. Canadian urban centres continue to be the hardest hit. Based on Q1 Winnipeg hotel occupancy downtown remains disproportionately lower at 11 per cent compared to the hotel occupancy in the rest of Winnipeg which is at over 30 per cent.¹⁶

¹⁴ TOURISM WINNIPEG, 2021
¹⁵ CANADA AND MANITOBA, STR, 2021

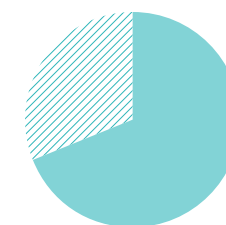


“As federal and provincial support programs diminish, it will be left to individual organizations’ resilience to weather any upcoming storms.”

Camilla Holland — EXECUTIVE DIRECTOR, ROYAL MANITOBA THEATRE CENTRE

The cancellation and postponement of well over 100 national and international business conferences and large-scale events that Tourism Winnipeg had hoped to bring to our city resulted in a loss of at least 56,000 people coming downtown, 86,000 room nights and more than \$59 million in direct expenditures in our community. This is just a small representation of total events lost at venues such as the RBC Convention Centre and downtown hotels.¹⁷

Manitobans can play an important role in bolstering the recovery of the tourism economy, help create jobs and support local businesses by keeping their tourism dollars close to home and seeking urban staycations to explore their city and find unique experiences you can’t find anywhere else. Even more importantly, when it is safe to welcome visiting family and friends again, Winnipeggers need to continue to be ambassadors for downtown and share the unique experiences.

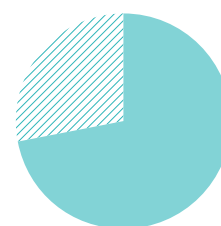


69% decrease in participation in arts and culture during the pandemic

Cancelled or postponed:

100 national and international business conferences and large-scale events that Tourism Winnipeg had hoped to bring to our city resulted in a loss of:

- at least 56,000 people coming downtown
- 86,000 hotel room nights
- more than \$59 million in direct expenditures downtown



2019 cultural events:
2200+

over 75% cancelled
in 2020

¹⁷ TOURISM WINNIPEG, 2021

Social challenges exacerbated

The economic and social impacts of COVID-19 are widespread. The pandemic has exacerbated long-standing challenges in our community and has made social issues more visible. In discussions with social service agencies and community organizations working the frontlines, it is clear the non-profit sector is strained trying to meet the needs of vulnerable individuals downtown.

The closure of safe public spaces limited access to supports, shelter from the elements and services as basic as public washrooms. Closed parkades, food courts, libraries and locked stairwells left the street as the only option. With less foot traffic downtown, transit shelters became the common place for refuge and gatherings. Hours spent cleaning transit shelters skyrocketed and the litter collected tripled in less than a year.¹⁸

Even with increased challenges there is hope. The grassroots community is leading change through increased collaboration. Overnight emergency shelter capacity increased in 2020 compared to 2019, and street outreach coverage also increased. There is also a growing commitment from the private sector to work together and take collective responsibility for the health and well-being of everyone in our downtown community.

“Indigenous Peoples want to lead the change. We know what the solutions are and if we’re going to be successful, we have to change how we look at housing.”

Damon Johnston
PRESIDENT + CEO, ABORIGINAL COUNCIL OF WINNIPEG

“We’re not going to solve these challenges unless we do so collectively and address the root causes. It will take a city-wide effort.”

Jamil Mahmood — EXECUTIVE DIRECTOR, MAIN STREET PROJECT

Consensus is that access to basic rights like public washrooms, drinking water and sanitization are critical and that housing and reconciliation are top priorities. There is an opportunity to lead change through collaborative efforts, but it will take a strong commitment from all levels of government and all sectors.



¹⁸ DOWNTOWN WINNIPEG BIZ, 2021



A safer downtown for everyone

Crime reported downtown dropped 31 per cent during the pandemic.¹⁹ Signs of poverty, mental illness and drug use may have become more visible in the city centre, but this did not correlate to increased criminal activity. Perceptions that downtown is unsafe could be fueled in part by widespread social stigma surrounding homelessness, mental health, and substance use.

In the summer of 2020, a new non-profit organization was formed to build a healthy, safe, and connected downtown. The Downtown Community Safety Partnership (DCSP) provides non-emergency response, outreach, and intervention for people with diverse needs in Winnipeg’s downtown. With an active and visible presence on downtown streets now operating 24 hours a day, seven days a week, the DCSP’s three frontline teams – CONNECT, MAC247 and COAR – offer supports and services to everyone downtown including vulnerable individuals, businesses, workers, students, and visitors.



“We all deserve to feel safe and be safe, no matter where we live, work, learn or play.”

Greg Burnett
EXECUTIVE DIRECTOR, DOWNTOWN COMMUNITY SAFETY PARTNERSHIP

¹⁹ WINNIPEG POLICE SERVICE, YTD STATS, 2021



Immediate calls to action

This report is just a snapshot of the current state of downtown 16 months into the COVID-19 pandemic. The impacts are felt everywhere and the solutions for economic and social recovery downtown will be multi-faceted and take time to implement. We must start now and through collective leadership and collaborative action we can begin taking steps on the path to recovery. Our community has been in survival mode and this summer we must strive together so we can thrive in the years to come.

These are some of the ideas and actions we can take in the coming months as the downtown recovery team works to develop a full strategy to be released this fall.

“We need to provide opportunities for people to gather and connect. With ceremonies and Pow Wows cancelled it’s been such a difficult year. Now is the time to come together so we can heal, support each other and celebrate again.”

Jarred Baker
DIRECTOR OF URBAN RELATIONS, ASSEMBLY OF MANITOBA CHIEFS

What Winnipeggers can do:

Get vaccinated

Volunteer downtown

Enjoy downtown parks, green spaces and the Central Winnipeg Bike Loop

Support downtown businesses by shopping and eating at your favourite spots

Take a staycation downtown

Visit key attractions including museums and galleries

Purchase tickets to upcoming arts, culture and entertainment events

What governments can do:

Work together in the best interest of citizens

Develop a plan for government employees to return to work safely

Make a concerted commitment and take action to support vulnerable individuals including those experiencing homelessness and those who need access to addictions and mental health services

Provide access to public washrooms

Continue one-hour free parking and curbside pickup zones downtown

Support temporary street closures for outdoor events and programming

Increase financial support for downtown businesses where recovery will be slower

Support community cooling stations

What community organizations and the private sector can do:

Help clean and beautify our downtown

Activate vacant storefront windows

Hold a downtown community clothing drive

Create and enhance outdoor spaces for working, socializing and supporting local businesses

Provide opportunities for Indigenous ceremonies and celebrations

Provide safe events that draw people downtown

Run targeted campaigns that encourage visitation and spending downtown

Sponsor and support community cultural activities

Next steps



The Downtown Recovery Strategy will provide a framework and actionable plan for coordinated implementation by decision-makers, city-builders and citizens including government, grassroots, arts, culture, and non-profit organizations as well as the private sector. Everyone has a part to play in downtown recovery. The Downtown Recovery Strategy working group, a collaborative partnership led by Centre Venture, Tourism Winnipeg, Exchange District, West End and Downtown Winnipeg Business Improvement Zones, along with the City of Winnipeg Property, Planning and Development Department, will continue gathering input and leveraging expertise and resources from a broad stakeholder group. The project team will review all of the data, ideas and solutions collected, explore best practices, and develop an innovative Downtown Recovery Strategy to be released in fall of 2021. The strategy will include actions that can be implemented over the next one to three years.

Through the lenses of reconciliation, inclusion and social equity, the goals of the strategy include:

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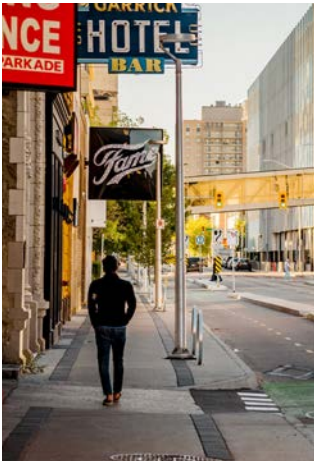
Facilitate private sector investment
- ↓

Encourage residential growth
- ↓

Bolster existing businesses
- ↓

Support and attract new businesses
- ↓

Foster safe and vibrant public spaces



It is key the Downtown Recovery Strategy aligns with the City of Winnipeg Economic Response and Recovery plan, the City's Downtown Secondary Plan as well as the Exchange District Neighbourhood Plan.

Through collective leadership and collaborative action, we can help restore our downtown following one of the most challenging times we have ever faced as a community. A strong and vibrant downtown is critical to the future success of our entire city, both financially and for the quality of life for all Winnipeggers.

Thank you

Our downtown will recover through collective leadership and collaborative action.

There are many Winnipeggers who contributed to this report. The Downtown Recovery Strategy working group would like to thank each individual and organization that has participated in roundtable discussions and interviews to date as well as the City of Winnipeg for its guidance and support. We would also like to thank those who helped dig through and analyze mounds of data that shows the true impact of the pandemic. It's with this knowledge we can begin to understand how to move forward together to aid in the economic and social recovery of our downtown.

We would also like to thank the Board of CentreVenture Development Corporation for providing funding to get this work off the ground.

We have already heard so many great ideas and solutions. This report is our starting point of great things to come and the conversations will continue. There is clearly a commitment in our city to working together for a strong downtown community. Thank you for being a part of something bigger than any one organization or effort.

Downtown Recovery Strategy working group partners:

- Downtown Winnipeg BIZ
- Exchange District BIZ
- West End BIZ
- Tourism Winnipeg
- CentreVenture Development Corporation
- City of Winnipeg

If you have ideas you would like to share, please connect with us through the Downtown Winnipeg BIZ:
info@downtownwinnipegbiz.com
204-958-4640

