

## **Downtown Montreal and Toronto: Distinct Places with Much in Common**

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Discourses over the last twenty years have emphasized the differences between Montreal and Toronto, including the differences in the pace of development in their downtown areas. In spite of different growth rates and absolute size, these two downtown areas have shared a trajectory of urban development which has been shaped by their membership in the Canadian economy, and more widely by their status as substantial cities with diverse economies within north-eastern North America. This paper pays attention to these downtowns as places with distinct character shaped within a broader framework of change. A more detailed description of the last two decades highlights some of their current differences. The following text focuses to a large extent on office development and those activities which are accommodated in office buildings. The reasons for this emphasis are the dominance of offices in the downtowns between the 1950s and 1990s and my personal research interests. This paper reports on work in progress. While other features of downtown are considered, they deserve far more empirical research and critical reflection.

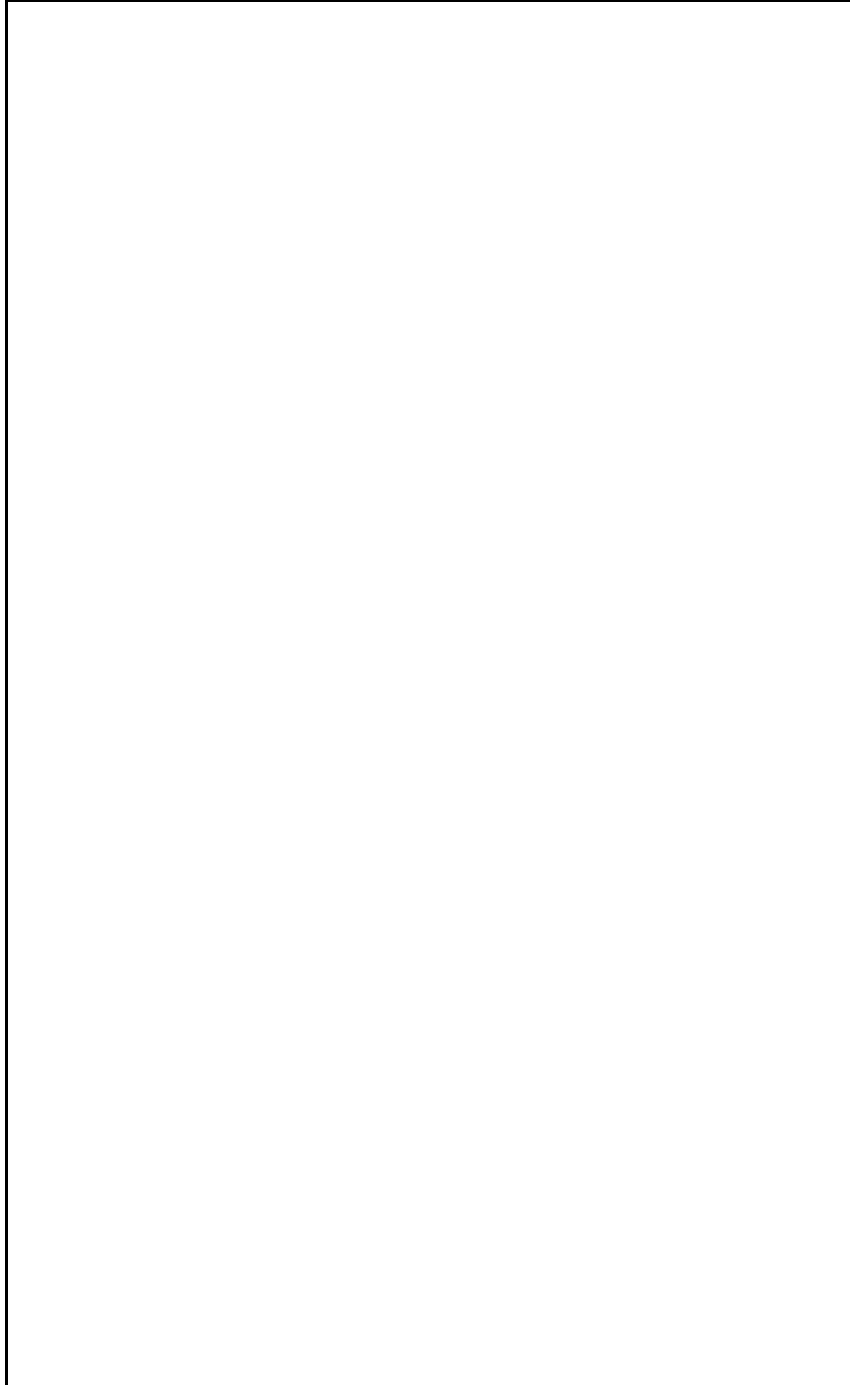
“Downtown”, the object of this paper, is a flexible notion. Here, the focus is on central areas rather than narrowly defined central business districts. Municipal governments have some notion of a special district at the centre of the metropolis and I shall follow their delimitations. In Montreal, the central area is the Ville-Marie District (Montréal, Ville 1990), which succeeds an earlier delimitation and the name Centre-Ville. In Toronto, the central area bears the official name Central Area (Toronto, City 1993). Therefore, throughout this paper I use central area as a generic term, and Central Area as a politically defined territory in the case of Toronto.

## Defining the Territory

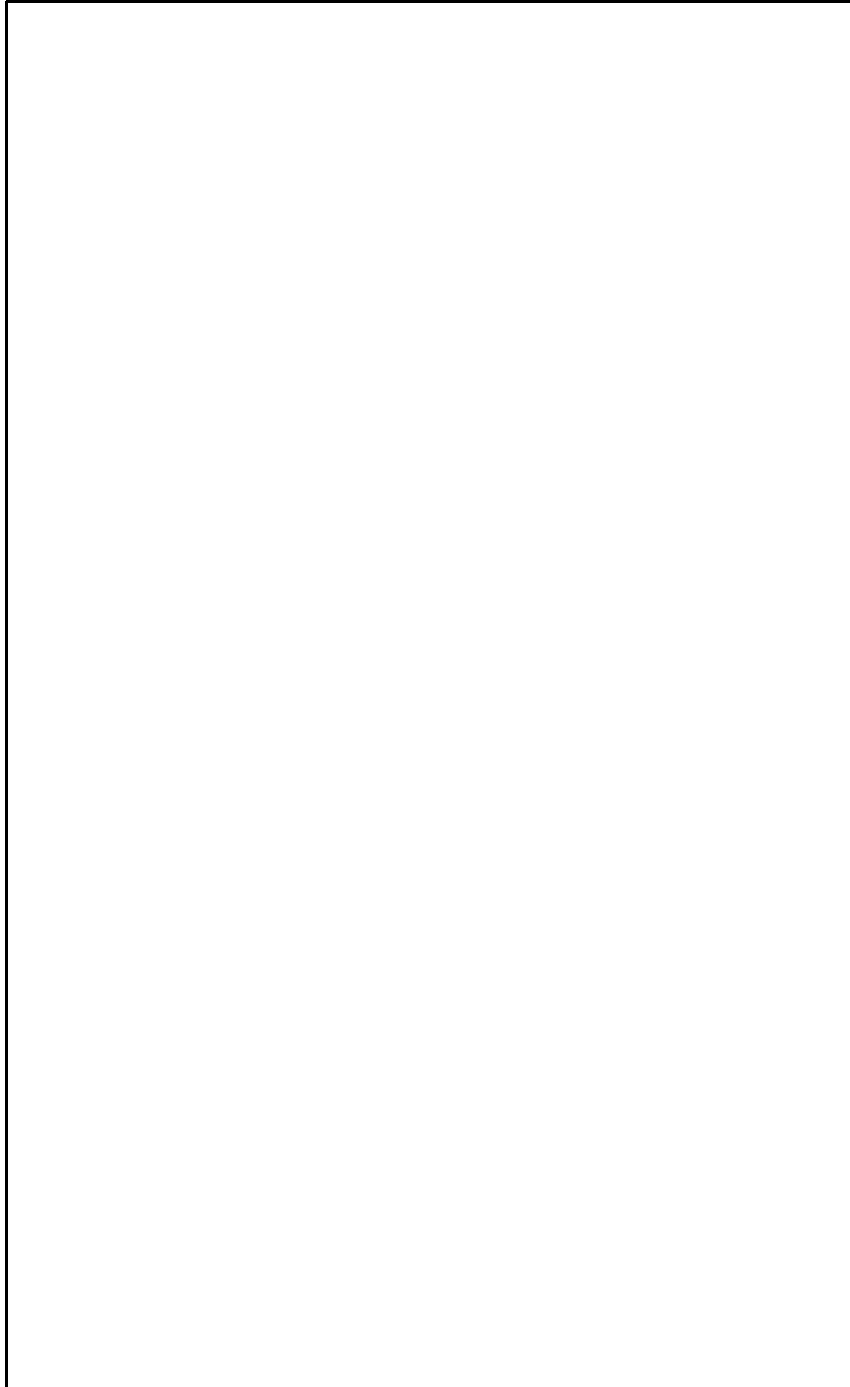
The Ville-Marie District officially consists of 12 square kilometres, stretching over six kilometres from the top of the “Mountain” to the south shore of the St. Lawrence River (Figure 1). From its western extreme at the boundary of Westmount at Atwater Avenue, the Ville-Marie District stretches east to Amherst Street over a distance of almost four kilometres. Toronto’s Central Area reaches from the Islands in the south to north of Bloor Street (Figure 2). It stretches four kilometres from Bathurst Street in the west to the Don River in the east, and south of Queen Street the Central Area includes the “central industrial districts”. Thus, the Central Area stretches over seven kilometres. The Central Area, without the Toronto Islands and the Port of Toronto area, covers about 20 square kilometres. The inverted T-shape of the Central Area is a creation of the 1976 Central Area Plan, a political document discussed later. Due to political decisions taken in the late 1960s, in order to appease residents, the office clusters along the Yonge Street subway axis between Bloor Street and Eglinton Avenue have been declared as “regional commerce centres”. Although it can be argued that these areas are part of a central office corridor (Gad 1979), they have been excluded from the Central Area definition by the City of Toronto. If central city versus suburban employment or office space comparisons are made, it makes sense to include these clusters in a “central district” (Gad 1985; also see Figure 2).

Within these central areas are more narrowly defined core areas. Montreal’s Master Plan of 1990 delineates a Central Business District (Figure 1) stretching from Sherbrooke Street to Notre Dame Street over a distance of 1.2 kilometres and from Drummond Street to St. Urbain Street over 1.5 kilometres for a total area of nearly two square kilometres (Montreal, Ville 1990). Toronto’s Official Plan shows a Central Core Area (Figure 2) measuring four kilometres from the waterfront to Davenport Road (north of Bloor Street) and 1.4 kilometres from just west of University Avenue to Jarvis Street, comprising about six square kilometres (Toronto, City 1993).

Both central areas contain huge employment concentrations: about 250,000 jobs in Montreal’s case and about 400,000 in Toronto’s case (at the beginning of the 1990s). This means about 20% of the respective urban region’s jobs are located in these relatively small cores of the metropolitan regions. The share of office space, and most likely office employment, is even higher: about 50% in Toronto and in the order of 60-70% in Montreal. These central areas also contain important retail concentrations, and they are even more important as places of high-order public and semi-public services: education facilities such as the University of Toronto, Ryerson Polytechnic University, McGill University, UQAM, parts of Concordia University and several community colleges. There are major hospitals, many with links to universities, as well as cultural facilities in the form of museums and performing arts centres. At the edges of these central areas are major green spaces for recreation purposes. In both central areas, government agencies play a strong role as employers. These central areas



**FIGURE 1** Reference Map, Montreal



**FIGURE 2 Reference Map, Tor onto**

also have substantial and growing residential components, particularly since the early 1980s. Parts of the residential function of the central areas are public housing projects, shelters and places for the homeless.

The central areas of both Montreal and Toronto contain many buildings associated with the histories of their respective cities: Fort York, St. James' Cathedral, St. Lawrence Market or St. Michael's Cathedral in Toronto; Vieux-Montréal, Hotel de Ville, Bonsecours Market, the Notre Dame Basilica, and the Anglican Christ Church Cathedral in Montreal. In both cities the central areas cover a substantial part if not the whole of the city as it had developed by 1900. These central areas are the locus of control functions of the Canadian economy, but they are also areas with a high symbolic content. Growth and "modernisation" in these districts has meant redevelopment and thus conflict with the "historic" and the symbolic.

### **The Formation of Areas for High-Order Functions in the 19<sup>th</sup> Century**

In Montreal and Toronto, as elsewhere, districts without residential populations but with high-order businesses and high-order public functions emerged between about 1850 and 1880. All these functions were located close together, but were also weakly segregated. One of the most important features of Montreal's and Toronto's central areas was the wholesale function, which was, both functionally and spatially, tightly linked with transportation and banking. Montreal and Toronto played important roles in the second part of the 19th century as cities organising the export of staples and the import of manufactured goods from Europe and the United States. Wholesale establishments in both cities required banks, shipping companies, and other services such as insurance, freight agencies, or customs brokers. Intensively developed sub-areas had been formed by the 1880s, where wholesale and related businesses clustered not far from the actual/physical port and rail facilities and key institutions such as the federal government's customs houses.

The central areas also catered to local consumption through retailing, which, by the 1880s, was separated from the wholesale areas, although only by a very short distance. Urban development required the services of architects, lawyers, land companies, and the beginnings of mortgage financing through, amongst others, financial institutions. The emerging Canadian life insurance companies, including Sun Life in Montreal and a range of companies in Toronto, provided some of the mortgage money. In Toronto, unlike Montreal, a sub-area emerged where life insurance and mortgage loan companies clustered in proximity to the Court House and Post Office (Gad and Holdsworth 1984). In Montreal, banks along St. James Street west of Place d'Armes became somewhat separated from the clusters of lawyers further east near the courts. However, Montreal did not have a vigorous set of mortgage-providing loan companies and therefore no distinct spatial cluster of services that catered primarily to land development had

emerged.

The central areas of both cities were also important manufacturing districts, especially for printing and clothing. Above the shops and mixed in with wholesalers and office establishments were many small and, in terms of employment, not so small goods-producing firms. Large scale firms (in terms of capital deployed or land used) had moved to, or originated in, corridors along the railways (for Toronto, see Gad 1994) or along the St. Lawrence River and especially along the Lachine Canal from the middle of the 19th century onward (Lewis 1991, 1994).

### **The Enlargement of the Central Areas Between 1890 and 1930**

The central areas of Montreal and Toronto expanded dramatically and changed profoundly in their internal organisation in the period between 1890 and 1930, pre-configuring the spatial structure of the late 20th century central areas. In Montreal, the move of high-order retailing, including the newly emerging department stores, from the area around St. Paul, Notre Dame, and St. James streets to St. Catherine Street, over a distance of one kilometre, occurred very rapidly in the 1890s (Beaugregard 1972; Nader 1976). At the same time, the Dupuis Frères department store complex expanded at St. Catherine Street east of St. Denis Street (Nader 1976, 148), leading to a polarised development of high-order retailing along the emerging St. Catherine Street axis, with a Quartier Français in the east and a string of anglophone stores between Phillips Square and Guy Street in the west. In Toronto, King Street lost its retailing functions largely in the first decade of the 20th century (Gad and Holdsworth 1988). Yonge Street between King Street and Bloor Street already was an axis with high-order retail stores by 1880. However, from the 1880s onward, Eaton's and Simpsons started to expand dramatically and, in the early 20th century, were joined over the two blocks south and north of Queen Street by many new high-order retail stores (Gad and Holdsworth 1990). Attempts by Eaton's to create a new retail cluster at Yonge and College in the late 1920s did not fully materialise, but the Yonge Street axis up to Bloor remained an important shopping street. From 1900 to 1930 commercial buildings, especially medical and other professional offices and some hotels, replaced houses on Bloor Street between Avenue Road and Jarvis Street, paralleling similar changes along Montreal's Sherbrooke Street.

#### **The Emergence of a General Office District**

The old business districts and especially their chief streets, such as St. James Street and Notre Dame Street in Montreal and King Street and Bay Street in Toronto, became office districts. Banks became the most prominent establishments on St. James Street and on King Street. By 1930, all Canadian banks, which evolved from

regional to national businesses between the 1890s and 1930s, had their head offices on St. James or King. All other bank head offices in Canada had ceased to exist. It is a curious incident that St. James Street, Montreal's "little Wall Street" (Beauregard 1981), became a symbol for high finance in pre-World War II Canada, although the Montreal Stock Exchange was on St. François-Xavier Street from 1903 to 1968. Bay Street became a symbol for Canadian capitalism after World War II, but not because of its bank addresses; between 1913 and 1983 the Toronto Stock Exchange was on Bay.

The new office buildings of banks, but also the buildings of trust and insurance companies, newspapers, or even speculative office buildings put up by a variety of developers, replaced the buildings of the 19th century. Although buildings were already crowded together, a dramatic intensification of land use or building density took place. While Montreal could boast the first skyscraper in Canada, the eight-storey New York Life Building of 1887 (Marsan 1981; Forget 1990), the first crop of 10- to 20- floor office buildings was to emerge at King and Yonge in Toronto between 1907 and 1914 (Gad and Holdsworth 1984). In the late 1920s, the traditional 10-floor limit was breached in Montreal with the construction of the 20-storey Royal Bank Building on St. James Street (Marsan 1981; Gournay 1998). At the same time, however, the Canadian Bank of Commerce built a 34-storey structure on King Street in Toronto. Both buildings were designed by the same New York firm of architects, and for both buildings whole blocks with older buildings were cleared. Not all banks built tall structures; most of them still built in forms closer in design to Greek temples or in boxy medium-rise forms, especially before 1920. Also, it would be wrong to see these emerging office districts simply as financial districts, since they included almost every kind of office establishment known at the time (for Toronto see, Gad and Holdsworth 1984).

### **The Beginnings of Larger Office Districts**

While these office districts functioned as general office areas even into the 1950s and 1960s, not all offices stayed in them and not all new kinds of office establishment located there. Between 1910 and 1930 major office buildings began to scatter over a much larger area: in Montreal as far north as St. Catherine Street, and in Toronto at least as far north as College Street-Carlton Street. In Montreal, the Sun Life Assurance Company was one of the first major relocators, moving from cramped quarters on Notre Dame Street in the general office district (within Old/Vieux-Montréal) to Dorchester Boulevard and Dominion Square in 1917. In Toronto, the Manufacturers Life Assurance Company moved from King and Yonge to Bloor Street east of Yonge in 1924. This latter move was over a distance of three kilometres, whereas Sun Life's move was over a distance of barely one kilometre, indicating an emerging difference in the size of Toronto's and Montreal's central areas. Sun Life and Manufacturers Life were joined by several more insurance companies throughout the 1920s. Other companies, including manufac-

turing companies (e.g. Canada Cement in Montreal and Canadian General Electric in Toronto) and utilities such as the Shawinigan Light and Power Company and Bell Telephone in Montreal or the Ontario Hydro-Electric Power Commission in Toronto, set up their new head offices outside of the general office district. Professional offices of various kinds became scattered across an enlarging central area. Architects', accountants', and lawyers' offices became established in many office buildings. One spectacular 17-storey building on Dorchester Boulevard east of Beaver Hall Hill was the Architects' Building, developed by Ross and Macdonald, a prominent firm of architects in Montreal (Vanlaethem 1998). In 1934, Canadian Industries Ltd., a manufacturer of explosives, acquired this building for its head office functions (Lank and Williams 1982), providing another example of the beginning of differentiation of office districts within the central areas.

Government offices or office clusters generally stayed fixed in location in the early 20th century. In Montreal, City Hall and court houses at the eastern end of the general office district were renewed and/or expanded. In Toronto, important moves were decided in the 1880s and completed in the 1890s: the Provincial Legislature moved north from Front Street to its present location at Queen's Park, and the City Hall and Provincial Courts moved to the north side of Queen Street at Bay Street. These Toronto facilities were thus outside the general office district of the inter-war years and became important growth poles in the enlarging central area, whereas in Montreal government did not take part in a northward and westward shift of high-order functions. The enlarged central areas became also the districts with new hospitals or greatly expanding older hospitals. Important educational institutions such as McGill University and the forerunners of the University of Toronto were already in place by the middle of the 19th century. However, they expanded in situ, and commercial and institutional developments gradually approached the campus gates.

### **The Decline of Wholesale and the Formation of New Central Manufacturing Clusters**

In contrast to the expanding edges of downtown were the wholesale districts, the pride of 19th century Montreal and Toronto. These areas, south of Notre Dame Street in Old/Vieux-Montréal and south of Wellington Street in Toronto, became "zones of discard" (Murphy et al 1995) in the early 20th century. Wholesaling lost much of its importance, because retailers, especially the big department store chains, bypassed "middle-men" (Gad and Holdsworth 1984). Also, manufacturers, especially the newly-arriving U.S. consumer-products firms, established their own marketing, distribution and servicing systems. The new type of "wholesale" organisation, together with the flourishing garment, tobacco, and printing industries, found new spaces in new areas. In Montreal, many loft buildings emerged along the Bleury Street and St. Alexander Street axis north of Old/Vieux-Montréal in what became known as Paper Hill (Lewis forthcoming; Linteau 1998; Zacharias 1991). In Toronto, this new kind of industrial district emerged, year after year from



about 1900 until 1930, west along King, Adelaide, and Richmond streets to Spadina and even Bathurst, and along Spadina north from Front to Dundas (Hiebert 1993). Also, a smaller area east of Jarvis Street and over to Sherbourne Street was transformed in these years from a mixed industrial-residential area to an area with loft buildings.

### **Implications for the Post-War Period**

The time between 1890 and 1930 was of enormous importance for the spatial structure of downtown Montreal and Toronto. Since the early 1890s electric streetcars united a much enlarged urban territory. New labour pools emerged; after 1900 women became an increasing part of the work process in retail stores and offices. The old urban nuclei (the city territories established before 1800, which became the central areas of the 19th century) now became the old central areas. They were partially devalued and partially redeveloped as general office districts. Enlarged new central areas emerged as districts for a wide range of private and public high-order functions, offices, retail stores, institutional facilities, and mixed industrial-commercial clusters. Some of these new clusters were contiguous areas, but there was also a scattering over a large territory. Almost all the development in the expanded central areas occurred on 19th century residential land. These developments, together with the spread of parking lots after the 1920s, further eroded residential functions. With the exception of opposition to high-rise office buildings, especially in Montreal (Gournay 1998; for Toronto, see Gad and Holdsworth 1984), little is known of conflicts regarding redevelopment of the urban fabric in the years between the 1890s and World War II. Canadian urban history is relatively silent about the pre-World War II changes within the growing central areas.

### **The Fordist Boom, Modernisation, and the Redevelopment of Downtown**

The thirty years after World War II brought a new wave of growth to Montreal and Toronto. This phase saw the enormous expansion of the urban area at the periphery, and a surge of redevelopment within the central areas pre-shaped in the 1890s to 1930s period. Change in these central areas shared many common features: modernisation in the sense of the international modernist movement in urban planning, which involved large scale projects, land use segregation, modern movement systems such as expressways and underground rapid transit, and the international style of commercial, institutional, and residential architecture. Also, governments of all three levels became much more active in urban develop- **TABLE 1 Office Floorspace in the Central Area of Montreal and the Inner Core Area of Toronto, 1940s - 1970s**

| MONTREAL  |      | in million square feet <sup>1</sup> |                   |  |
|---|------|-------------------------------------|-------------------|--|
| Area  | 1949 | 1962                                | 1972 <sup>2</sup> |  |
| Financial core (noyau financier) <sup>3</sup>         | 3.1  | 4.2                                 | na                |  |
| Commercial core (noyau commercial) <sup>4</sup>       | 4.1  | 9.8                                 | na                |  |
| “Frame”   | 4.2  | 6.2                                 | na                |  |
| Total central business district (centre des affaires) | 11.4 | 20.2                                | 25.7              |  |
| Periphery of central area                             | 0.5  | 0.9                                 | 4.3               |  |
| Total central area (centre-ville)                     | 11.9 | 21.0                                | 30.0              |  |
| Government services                                   | na   | na                                  | 5.1               |  |
| Total, including government services                  | na   | na                                  | 35.6              |  |
| TORONTO   |      |                                     |                   |  |
| Area  |      | 1962                                | 1973              |  |
| Inner Core Area <sup>5</sup>                          |      | 22.1 <sup>6</sup>                   | 38.1 <sup>6</sup> |  |

- Notes:
1. Gross floorspace. (Net floor space excludes walls and building services).
  2. In the case of Montreal, part of the growth between 1962 and 1972 is due to changes in area definitions.
  3. Area along St. James Street (see Barlow and Taylor, 1981: 143).
  4. Area centred on Peel, St. Catherine, University and Dorchester (see Barlow and Taylor, 1981: 143).
  5. The Inner Core Area probably accounted for 90% or more of the Central Area's office floor space. However, a significant amount of floor space was built along the Yonge Street axis north of the Inner Core/Central Area.
  6. Includes government offices.
- Sources: For Montreal 1949 and 1962 Nader 1975: 119; Barlow and Taylor 1981:143-4; Beauregard 1981: 15-19. For Montreal 1972 Montreal, Ville 1974: 7,19, 21. For Toronto 1962 and 1973 Toronto, City 1974: 392, 398.

ment than before.

In Montreal's as in Toronto's central area, the post-1945 boom was predominantly an office boom. Table 1 shows that office development had already been far-flung in Montreal by 1949, with the old general office district along St. James Street being overtaken by the new “commercial core” north of Victoria Square. By 1962, Montreal's and Toronto's downtowns had roughly equal amounts of office floor space. By 1972, however, Toronto was ahead of Montreal, even when only using data for Toronto's “inner core area”, a sub-district of the larger Central Area (Table 1).

Several of the major projects carried out in the 1950s and early 1960s had a long history. In Montreal, the Canadian National Railway built over the railway tracks that its predecessor, the Canadian Northern Railway, had laid in a great ditch across the city in a south-north direction with a tunnel through Mount Royal (Hanna 1998). Apart from the new railway station (1938) and the Queen Elizabeth Hotel, the huge Place Ville-Marie multi-use complex with its two million square feet of office floor space was built over the railway tracks between 1959 and 1962. This brought to fruition plans announced by the Canadian National Railway in the 1930s and before that by the Canadian Northern Railway in 1913 (Gournay 1998). In Toronto, a new city hall was opened in 1965 on a site that was suggested in 1911 as a place for a civic centre (Dendy 1978). A small public building had been

put there in the 1910s, beginning the replacement of the Ward (a “slum” area) and leaving only a remnant of Toronto’s Chinatown. Also in Toronto, a long demanded subway/ underground rapid transit line was opened in 1954 along Yonge Street as far north as Eglinton Avenue. Both the Toronto Transit Commission and the City of Toronto encouraged office development at the subway stations (Lemon 1986). There was a considerable development boom both in the pre-World War II general office district south of Queen Street, and at the subway stations north of Queen along Yonge Street and University Avenue. In Montreal, the Place Ville-Marie project found many imitators, especially along Dorchester Boulevard (Collier 1974; Barlow and Taylor 1981), which was widened under the City of Montreal’s “urban renewal program” (Nader 1976). In 1966, the year before Expo, Montreal’s Metro was opened. Unlike Toronto’s Subway, the Metro was not buried under major axes like St. Catherine Street, Dorchester Boulevard, or St. James Street. It was put halfway between the most important east-west streets under relatively quiet Maisonneuve Boulevard and Craig/Viger Streets. Apparently this had two advantages: minimal disturbance of busy streets and plenty of space for building rather spacious and splendid stations (Marsan 1981).

In the 1960s, Toronto caught up with Montreal in terms of large office/ multi-use complexes, especially when the first phase of the Toronto-Dominion Centre was opened in 1967, financed to a considerable extent with Montreal money (while the Place Ville-Marie project was financed by U.S. and British interests, see Collier 1974). Both Toronto and Montreal saw continued office development into the first half of the 1970s. In both cities, office development spread over much larger areas than before. However, there were also considerable differences emerging between the central areas of the two cities.

### **The Fracturing of Montreal’s Central Area**

In Montreal, there was almost no office development in the old office district or “financial district”, i.e. the St. James Street area. Exceptions were a 1968 head office building for the Banque Canadienne Nationale on Place d’Armes, and the Victoria Place/Montreal Stock Exchange building on Victoria Square. Office development in the 1960s and 1970s followed the trend created from the 1890s onward; locations on or north of Dorchester and west of the Beaver Hall Hill axis were preferred. In the 1970s, three levels of government were also successful in shifting development eastward to the axis along St. Urbain Street and to some extent to the Sherbrooke/Berri intersection in the Quartier Français. The central area of Montreal broke up into quite different nuclei, some of which also attracted high-level offices of financial businesses. Several banks stayed behind in the St. James Street district, but many high-order offices, including the head office of the Royal Bank, the regional offices of the Canadian Imperial Bank of Commerce and the head offices of Royal Trust and Montreal Trust, moved to Dorchester Boulevard west of University Street. The Quebec-based Desjardins financial conglomerate, together with Quebec Hydro, Quebec Provincial Government

offices, and the regional offices of the federal government, established themselves in the eastern cluster in projects including Complexe Desjardins and Complexe Guy Favreau (Louder 1975). Still further east, where, in the 1970s, the Université du Québec à Montréal (UQAM) was established, other offices and many public institutions already existed and new ones found a place.

### **Toronto's and Montreal's Financial Clusters in the 1970s**

Although offices in Toronto were scattered all over the central area and beyond its northern boundary along the subway, the major financial businesses, especially banks, trust companies and stock brokers, stayed in a very small space. The fracturing that developed in Montreal was not visible in Toronto, where financial businesses shifted gradually and only over a very small distance from Yonge Street to Bay Street and York Street along the King Street axis. Indeed, because the "old office district" (the general office district of the first half of the 20<sup>th</sup> century) shed all kinds of offices (especially those of architects, engineering consultants, advertising agencies, life insurance companies, manufacturing company head and sales offices), a specialised financial district emerged for the first time in Canadian history (Gad 1991a). Whether this difference between the two central areas of Montreal and Toronto was of significance is hard to say. Given the continued importance of face-to-face contacts within the set of financial businesses and also between financial functions and certain other business service firms, such as large law and accounting firms, it could be argued that Toronto's spatial configuration was more efficient than Montreal's. However, the distances between the clusters in Montreal's central area were not large and should not have constituted a hindrance, at least for the efficient conduct of scheduled meetings. For the more serendipitous encounters this may have been another matter.

What Montreal ended up with, on the other hand, is a unique former business district, which has examples of a wide range of historic buildings and enormously impressive ensembles of 19th century warehouses and offices, and even more impressive early 20th century offices. The northward shift of new office development from the 1910s onward and during the 1960s and 1970s and the relative remoteness of the Metro devalued, and preserved, Old/Vieux-Montréal. In Toronto, the eastern parts of the 19th century wholesale district were partially demolished to be used as parking lots for office employees; the western parts, together with retail and office buildings erected between the 1860s and 1950s, were demolished to make room for the large complexes and buildings of the 1960s, 1970s, and 1980s.

### **Beyond Offices**

The development of office space was the prominent activity in reshaping the terrain of the central areas in the 40 years after World War II in both Montreal and

Toronto. Retailing stayed fairly constant in terms of floorspace and land area in the central areas of the two cities (Montreal, Ville 1974; Toronto, City 1974), while in both cases retail facilities were added at a fast pace in the suburbs. The residential land area (and also the industrial area) shrank, but more significant than this shrinkage was the reshaping of residential space from low-rise to high-rise buildings and with it a turnover of population. In the 1960s, a blue-collar labour force gave way to white-collar office workers. Some of the redevelopment projects also strengthened the role of the central areas as territories for newly emerging or expanding strata of the labour force. High-order entertainment facilities, such as Montreal's Place des Arts, and Toronto's O'Keefe (later Hummingbird) Centre, St. Lawrence Centre, and the refurbished Royal Alexandra Theatre, were all established in the 1960s. Yorkville in Toronto and the Crescent Street area in Montreal provided entertainment for the vast army of central area white-collar workers as well as for the increasing numbers of students and tourists. The "modernisation" of the central areas had many consequences, including the resistance by vocal population groups (who suddenly became interested in the central area because of these changes). Tall office buildings, foreign investment, the loss of "historic" buildings, high-rise apartments, erosion of existing "neighbourhoods", traffic overspill into well established and newly emerging inner city elite or gentrifying areas, and rather monolithic "pro-growth/pro-development" municipal governments came under attack (for Montreal, see Sancton 1983; for Toronto, see Magnussen 1983). In Toronto, a protest ("Reform") movement took over City Hall in 1972; in Montreal, the Montreal Citizen's Movement managed to replace the Drapeau or Drapeau-style government only in 1986. The Toronto "Reform" council, consisting of members associated with all three of the prominent Ontario political parties, immediately began to revise the City's 1969 Official Plan (Toronto, City 1975, 1976, 1979) for a newly-designated Central Area.

The Central Area Plan, adopted by City Council in 1976 and approved by the Ontario Municipal Board in 1978, attempted to contain office development by restricting high densities (Floor Space Index 8) to a newly designated Financial District, while lowering densities dramatically elsewhere in the Central Area from an FSI of 12 to an FSI of 4. Residential areas were to be stabilised, and, on the whole, residential development was to be encouraged, because a larger labour force in the Central Area would mean less commuting from the suburbs (Nowlan and Stewart 1991). Expressway and subway construction linking the Central Area and outer areas were not allowed under the 1976 plan. Growth in office employment was to be managed by "deconcentration" and the establishment of suburban office or mixed-use centres. The City of Toronto made arrangements with the Metropolitan suburbs (especially North York, Scarborough, and Etobicoke) and even with Mississauga (Toronto, City 1975; Toronto, Metropolitan 1976, 1980). In Montreal too, accommodations seem to have been made between the City of Montreal and the suburbs concerning office development across the metropolitan area from the middle of the 1980s onward (Montréal, Communauté 1986; Montréal, Ville 1992; Montréal, Task Force 1993). However, the language

concerning office decentralisation was far more cautious in Montreal than in Toronto.

### **The Economic and Spatial Structure of the Central Areas in the 1980s and 1990s**

Between 1971 and 1991, the central areas of Montreal and Toronto have grown in terms of employment (Table 2). However, the cross-sectional data used to chart employment changes are by no means easy to use. Different data-collecting agencies use different methods and spatial units. Researchers and planning agencies also keep defining and redefining their areas. Ten and five year cross-sectional data hide recessions (for example in 1981-82) and boom years (1989 in Toronto). Montreal's Ville-Marie District seems to have grown by about 45,000 jobs in the 1970s according to census place-of-work data. The picture for the 1980s and 1990s is less clear, however. Consistent surveys by the City of Montreal and INRS-Urbanisation show a level of about 225,000 to 233,000 jobs over the period 1987 to 1996. On the other hand, data compiled by Coffey, Polèse and Drolet (1996) show an increase from 276,000 to 309,000 jobs over the period 1981 to 1991. While these numbers are probably too high, the upward trend in the 1980s remains a possibility. There are, at times, large differences between Statistics Canada census (place-of-work) data and the establishment-based employment data collected by the Metropolitan Toronto Planning Department. The 1971 level of employment in Toronto's central area is especially difficult to establish: the lowest estimate is 268,000, the highest 313,000. By the early 1980s, employment levels rose to about 350,000, and a peak of 430,000 jobs was reached in the late 1980s. After that, employment levels in Toronto's Central Area dropped to about 366,000 by the mid-1990s. This means that employment was back to where it was in the early 1980s. In this last recession, as in the 1981-82 recession, many office jobs were lost.

#### **The Predominance of Office Jobs**

Office employment has become the major component of the job markets in the central areas of Montreal and Toronto. It increased gradually in absolute and relative terms over several decades, and around 1970 office jobs accounted for more than 50% of central area jobs in both cities. Office jobs accounted for 69% of all jobs in Montreal's narrowly defined Centre-Ville in 1981, and for 61% of all jobs in the Central Area of Toronto.

Office development was very visible in the centres of Montreal and Toronto

**TABLE 2 Employment Change in Montreal's and Toronto's Central Area, 1960-1996**

| Montreal | Toronto<br>Central Area |
|----------|-------------------------|
|----------|-------------------------|

| Year | Centre-Ville         | Ville-Marie<br>District/CBD                  | Census                                       | City/Metro<br>Planning Depts.   |
|------|----------------------|--|--|---------------------------------|
| 1960 | --                   | --   | --   | 294,300 <sup>9</sup>            |
| 1971 | 168,200 <sup>1</sup> | 193,400 <sup>2</sup>                         | 268,000 <sup>6</sup>                         | 314,500 <sup>10</sup><br>(1970) |
| 1981 | 179,100 <sup>1</sup> | 238,800 <sup>3</sup><br>276,300 <sup>3</sup> | 352,700 <sup>6</sup><br>376,400 <sup>7</sup> | --                              |
| 1983 | --                   | --   | --   | 351,100 <sup>10</sup>           |
| 1987 | --                   | 225,000 <sup>4</sup><br>272,000 <sup>4</sup> | --   | --                              |
| 1989 | --                   | --   | --   | 431,400 <sup>10</sup>           |
| 1991 | --                   | 308,900 <sup>3</sup>                         | 438,900 <sup>8</sup>                         | 402,100 <sup>10</sup>           |
| 1992 | --                   | 233,200 <sup>5</sup>                         | --   | --                              |
| 1996 | --                   | 223,200 <sup>5</sup>                         | --   | 366,300 <sup>10</sup>           |

- Notes:
1. Figures are for a relatively small area bounded by Guy, Sherbrooke, Amherst and the St. Lawrence. Polèse 1988: 11, 37-38.
  2. Statistics Canada, special tabulation of 1971 and 1981 Census place-of-work data prepared for Damaris Rose and Paul Villeneuve. Aggregation of "destination zones" by author. Aggregated zones correspond closely to Ville-Marie District.
  3. Coffey, Polèse and Drolet 1996: 1813 based on custom order from Dun and Bradstreet data base. The "CBD" corresponds to the Ville-Marie District.
  4. The 225,000 figure is for the "centre-ville élargi", an area closely resembling the Ville-Marie District (see Polèse 1988: 11, 28). This employment number is also given as the official Ville-Marie District employment level (Montreal, Ville 1990: 19). The 272,000 number is for the "arrondissement Centre élargi", an area somewhat larger than the Ville-Marie District (see Polèse 1988: 11, 27). Both numbers are based on employment surveys conducted by INRS - Urbanisation.
  5. Répertoire des établissements et de l'emploi à Montréal (REEM). Survey conducted by INRS - Urbanisation; data courtesy of Yvon Martineau, INRS - Urbanisation. Numbers are for the Ville-Marie District.
  6. Statistics Canada 1971 and 1981 census place-of-work data. Special tabulations for the City of Toronto Planning Department. Aggregations by Huang (1986: 27).
  7. Statistics Canada 1971 and 1981 Census place-of-work data. Special tabulations for Miller et al (1984: Appendix) by traffic zones. Aggregations by author.
  8. Statistics Canada 1991 census place-of-work data. Special tabulations for City of Mississauga by census tract. Aggregation by author.
  9. Nader (1975: 112), based on City of Toronto Planning Department.
  10. Metropolitan Toronto Planning Department (MTPD) employment surveys. For 1970: MTPD 1976, *The Central Area and Sub-Centres*: 7, aggregation by author; for 1983 and 1989: MTPD 1990, *Metro Toronto's Employment Picture 1983-1989*: 11; for 1991: MTPD unpublished table; for 1996: MTPD unpublished tables for Basic Planning Units, aggregation by author.

in the 1970s and 80s, but less so in the 1990s. Table 3 shows in a crude cross-sectional fashion the office stock in millions of square feet in each of the central areas. Again, the numbers are not straightforward, particularly in the case of Montreal. Since the middle of the 1970s municipal planning departments seem to have given up attempts to monitor land use and floor space meticulously. Data on office floor space, especially for the whole urban regions of Montreal and **TABLE 3 Office Floor Space in the Central Areas of Montreal and Toronto, 1971-1998**

| Year | Montreal<br>Central Districts/Central Area <sup>1</sup> |  | Toronto<br>Central Area <sup>2</sup>            |  |
|------|---|--|---|--|
|      | Floor Space in<br>1000 square feet <sup>3</sup>         | Central Area as %<br>of Montreal Total | Floor Space in<br>1000 square feet <sup>4</sup> | Central Area as %<br>of Toronto Total <sup>5</sup> |
| 1963 | --  | --                                     | 14,199  | 76.0   |
| 1971 | 18,704  | 91.0                                   | 24,498  | 68.8   |
|      | (1974)  | (1974)                                 |   |  |
| 1978 | 24,834  | 93.1                                   | --  | --   |
| 1981 | --  | --                                     | 41,501  | 56.3   |
| 1988 | 38,357  | 61.5                                   | --  | --   |
| 1991 | 43,426  | 57.4                                   | 65,453  | 46.1   |
| 1996 | --  | --                                     | 69,296  | 47.3   |
| 1998 | 45,800  | 57.8                                   | --  | --   |

Notes:

1. "Zones 1, 2 and 3", in 1974 and 1978. These zones included most of the Ville-Marie District and a rather large area west along Sherbrooke Street to Cavendish Boulevard. In 1988, 1991, and 1998 the Central Area included the Ville-Marie District and part of Westmount.
2. Central Area only. Excludes the office concentrations north of the Central Area but within the "central district" (see Figure 2).
3. In the 1971 and 1978 surveys, public office space was probably not included, which resulted in rather low totals. The 1971 and 1978 surveys included only one suburban area, largely St. Laurent. Since the Montreal total was deflated, the Central Districts %age for 1971 and 1978 is rather high. 1988, 1991 and 1998 data include public office floor space.
4. At least since 1971, the Toronto office floor space inventory has included public buildings and other not-for-rent (especially owner-occupied) buildings.
5. If the important office nodes in the "central district" north of the Central Area along the Yonge Street subway axis are included (see Figure 2) the percentages for the centrally located office space would be: 80.4 for 1971, 65.8 for 1981, 52.1 for 1991, and 53.1 for 1996.

Sources: A.E. Le Page / Royal Le Page Office Leasing directories, Real Estate Market Surveys, and special tabulations (Montreal 1988; Toronto 1996).

Toronto, became available mainly through commercial leasing firms. These firms have built up a much more accurate and consistent database for Toronto than for Montreal. In the case of Toronto, numbers for all office buildings, whether rentable or not, have been available at least since 1970. In the case of Montreal it is not clear whether government office buildings and non-leasable (fully owner-occupied) buildings are included in the inventories. Thus, the Montreal inventory may be somewhat deflated in comparison to that of Toronto, especially in the earlier years. In the mid-1970s, a difference of about 6 million square feet of office floor space seems to have existed between Montreal's and Toronto's central areas. In the 1980s, this gap widened to a level of about 20 million square feet. In both cities historic highs in terms of office floor space increases occurred in the 1980s: in Montreal the inventory increased by about 8 to 10 million square feet, and in Toronto by 24 million square feet. Net additions in the 1990s were small in the downtowns of both cities. Indeed, there were years with an absolute decline in Toronto's office stock due to conversion or redevelopment from office to residential uses.



### Sectoral Composition of Employment

The central areas contain a wide variety of jobs. Their sectoral, occupational, and spatial patterns have not been fully analysed and therefore comparisons between Montreal and Toronto are sketchy. A very crude picture, however, shows, once again, a number of similarities (see Tables 4 and 5). In spite of the importance of office jobs and the images generated by high-rise office buildings, a great percentage of jobs, 44.6% in Toronto's case and 38.9% in Montreal's case, are in a group of activities that provides goods and services to individuals. This includes employment in retail (and wholesale), personal services, entertainment, education, and medical services. The importance of high-level education and medical services for the economy of downtown Montreal has been stressed by Montreal-based researchers (e.g. Polèse 1988). The finance, insurance, and real estate sector, as well as the business service sector, are also large. These two sectors together account for 25.8% in Montreal's central area and 29.1% of all employment in Toronto's central area. Public administration is 2.4% points larger in Montreal than in Toronto, which is surprising given Toronto's status as the provincial capital of Ontario. While employment in manufacturing accounts for only about 9-10% in each of the two central areas, big differences exist in the transportation, communication and utilities sector. Due to its port status and its status as head office city for companies in this sector (for instance, Bell Canada, Hydro Quebec, Air Canada in 1981, CN Rail, Via Rail), employment in this sector is much more important in downtown Montreal than in downtown Toronto.

### Spatial Patterns: Core and Periphery

A considerable degree of spatial differentiation exists within the two central areas as far as economic sectors are concerned. Montreal researchers have emphasized a core-periphery pattern, with private sector office jobs at the centre and public sector jobs, presumably many of them not office jobs, in the outer zone of the central area (Polèse 1988). This zonal pattern is also apparent in the detailed land use maps published in the mid-1970s (Montréal, Ville 1974): a very distinct office core, with clusters of institutional land uses to the west, north and east.

Research on Toronto has shown the distinctness of the Financial District (Gad 1991a), but has made few other generalisations about the sub-sections or internal regions of the Central Area. Numbers in Table 4 point to a general pattern in Toronto, which is quite comparable to that in Montreal. The finance, insurance, and real estate sector accounts for a very high percentage of jobs in the Financial District. The business services sector is also strongly over-represented there. In the Central Core Area around the Financial District in Toronto

**TABLE 4 Percentage of Employment by Economic Sector in the Central Area of Toronto, 1981**

| Sector | Financial District | Inner Zone <sup>1</sup> | Periphery | Total Central |
|--------|--------------------|-------------------------|-----------|---------------|
|        |                    |                         |           |               |

|  |         |         |        |         |
|--|---------|---------|--------|---------|
| Manufacturing                            | 1.2     | 2.8     | 32.8   | 10.1    |
| Transportation, Communication, Utilities | 2.5     | 14.2    | 7.4    | 8.9     |
| Finance, Insurance, Real Estate          | 54.5    | 9.4     | 1.1    | 20.8    |
| Business Services                        | 17.9    | 5.4     | 2.0    | 8.3     |
| Trade (Wholesale and Retail)             | 4.1     | 15.2    | 10.4   | 10.6    |
| Community and Personal Services          | 18.8    | 37.3    | 45.6   | 34.0    |
| Public Administration and Defense        | 0.8     | 15.8    | 0.6    | 7.4     |
| Total, %                                 | 100.0   | 100.0   | 100.0  | 100.0   |
| Total, n                                 | 105,590 | 155,585 | 91,544 | 352,719 |

Note 1. The Central Core Area minus the Financial District; see Figure 2.

Source: 1981 Census Place-of-Work data tabulated by Huang (1986: 27-28).

**TABLE 5 Employment by Economic Sector in the Central Area<sup>1</sup> of Montreal, 1987**

| Sector   | Number  | %     |
|--|---------|-------|
| Manufacturing and Construction                   | 19,529  | 8.7   |
| Transportation, comm. and other Public Services  | 33,555  | 14.9  |
| Finance, Insurance, Real Estate                  | 39,180  | 17.4  |
| Business Services                                | 28,389  | 12.6  |
| Trade  | 19,402  | 8.6   |
| Personal Services <sup>2</sup>                   | 28,755  | 12.8  |
| Government and Para-Public Services <sup>3</sup> | 56,195  | 25.0  |
| All Sectors                                      | 225,005 | 100.0 |

Notes: 1. "Centre-ville élargi", which includes the Ville-Marie District and a small area of the "Sud-Ouest" District (see Polèse 1988, 11 and Montreal, Ville 1990, 19).

2. Without "community services".

3. Includes "community services". The breakdown of the Government and Para-Public Services sector is as follows: Education... 15,434 (6.9%), Medical and Social Services 17,535 (7.8%), and Public Administration 23,226 (10.3%).

Sources: Polèse 1988: 28; Montreal, Ville 1990: 19.

(Figure 2), finance, insurance, real estate, and business services are under-represented. Together, they account for only 14.8% of the jobs in this zone. Manufacturing is also under-represented, but all other sectors, especially public administration, are over-represented. Many government offices and hospitals are mixed with private sector offices and retail stores (including the Eaton Centre) in this zone. At the periphery of the Central Area manufacturing still plays a role and community/personal services have a major presence. The University of Toronto and several large hospitals are in this outer zone.

These generalisations are reasonable, but they should not be taken too far. Especially in Toronto, the inner zone, the Central Core Area outside of the Financial District, contains many public and private sector offices side by side, and across the street from hospitals are life insurance company head offices or the head offices of Swiss banks. In the Bloor Street/Bay Street area, a part of the head office of the Bank of Montreal is close to offices of the Government of Ontario, and across the street from both of these are the offices of numerous large advertising agencies. Luxury stores at the street level provide no clues about the mix of offices above street level.

### The Financial Districts

The sub-areas of both Montreal and Toronto with the highest degree of imageability are undoubtedly the financial districts. It has been mentioned before that a special district has gradually emerged in Toronto, and was formally designated the Financial District by the City of Toronto in 1976 as part of the office containment policy. By the late 1980s, finance, insurance, and real estate employment had reached about 56% of all office employment in the Financial District (Gad 1991a). It is important to note that the share of insurance employment had actually started to decline in the 1970-1989 period from 14.6 to 9.8%. Business services had also reached a high percentage (28.0) in 1989. Employment in law firms more than doubled in the 1970s and 1980s and their share of office employment increased from 8.8 to 13.3%. Some kinds of business services were insignificant in the Financial District by 1970; in terms of absolute numbers and, of course, in terms of employment share, advertising agencies, architects' offices, and engineering consulting firms had almost disappeared from the area around King and Bay.

The picture in Montreal is different. As mentioned above, the (old) financial cluster along St. James Street began to be challenged by new locations of financial businesses along boulevard René-Lévesque (formerly Dorchester Boulevard). For some time between the mid-1960s and mid-1980s, high level financial activities were strung out over a relatively large area. By the 1990s, however, a new financial district was in the making. Several authors mention "the financial district" bounded by Sherbrooke Street in the north, Stanley Street in the west, St. James and Notre Dame streets in the south, and University Street in the east (Coffey and Drolet 1993). This small area of about 500 by 1000 metres (or 0.5 square kilometres compared to Toronto's Financial District of about 0.6 square kilometres) now contains a great deal of high-level financial and business services functions. Since no detailed employment data by sub-sectors for small spatial units is available at this time, a series of indicator variables have been assembled to test the notion of financial district re-formation. The evidence is displayed in Table 6 (although a slightly different spatial definition of the "financial district" has been used). This table shows that the area referred to in Montreal as the "financial district" is becoming similar to the Financial District in Toronto. Both districts, Toronto's Financial District and Montreal's "new financial district" (NFD in Table 6), account for the vast majority of Canadian bank, foreign bank and investment dealer offices. Also, the largest law firms, which are intimately tied to financial activities (Gad 1991a), are almost exclusively located in these districts.

The importance of Montreal's Complexe Desjardins as a financial node  
**TABLE 6 The Formation of (New) Financial Districts: Indicators (Number of Establishments), Late 1990s**

| Activities | Montreal         |                          |                  | Toronto         |  |
|------------|------------------|--------------------------|------------------|-----------------|--|
|            | NFD <sup>1</sup> | Rest of VMD <sup>2</sup> | Elsewhere in CMA | FD <sup>3</sup> | Rest of CA <sup>4</sup> Elsewhere in CMA |
|            |                  |                          |                  |                 |  |

|   |   |       |      |      |       |      |      |
|---|---|-------|------|------|-------|------|------|
| Cnd Bank Head<br>/Regional Offices <sup>5</sup> | n | 5     | 2    | 0    | 8     | 0    | 0    |
|   | % | 71.4  | 28.6 | 0.0  | 100.0 | 0.0  | 0.0  |
| Foreign Banks,<br>Cnd Head Offices <sup>6</sup> | n | 4     | 1    | 0    | 26    | 2    | 6    |
|   | % | 80.0  | 20.0 | 0.0  | 76.5  | 5.9  | 17.6 |
| Investment<br>Dealers <sup>7</sup>              | n | 42    | 9    | 1    | 66    | 7    | 5    |
|   | % | 80.8  | 17.3 | 1.9  | 84.6  | 9.0  | 6.4  |
| Twenty Largest<br>Law Firms <sup>8</sup>        | n | 20    | 0    | 0    | 19    | 1    | 0    |
|   | % | 100.0 | 0.0  | 0.0  | 95.0  | 5.0  | 0.0  |
| Ins. Company <sup>9</sup><br>Head Offices       | n | 15    | 7    | 9    | 53    | 17   | 56   |
|   | % | 48.4  | 22.6 | 29.0 | 42.1  | 13.5 | 44.4 |
| Advertising <sup>10</sup><br>Agencies           | n | 13    | 39   | 34   | 5     | 76   | 136  |
|   | % | 15.1  | 45.3 | 39.6 | 2.3   | 35.0 | 62.7 |

- Notes:
1. NFD=New Financial District (author). "Centre financier du centre-ville de Montréal", Coffey and Drolet (1993: 25). Boundaries according to Royal Le Page's "Financial District": Sherbrooke, Stanley south to de la Gauchetière, then Peel south to St. James, St. James to University, University south to Notre-Dame, McGill, Beaver Hall Hill, Phillips Square, Aylmer. Royal Le Page 1999 map of office districts. Streets are shown in Figure 1 (detail).
  2. Ville-Marie District without New Financial District.
  3. FD=Financial District. See Figure 2 (detail).
  4. Central Area without Financial District.
  5. Canadian Schedule I and II banks. Principal offices (head offices, regional offices and/or main branch) in Montreal and Toronto. - Source: Canadian Bankers Association 1999. Canadian Bank Facts. 1998/1999 Edition (n.p.: Canadian Bankers Association). 1999 telephone directories. Data are for early 1999.
  6. Head offices of Schedule II Foreign Bank Subsidiaries. - Sources: see note 5.
  7. Montreal offices of Montreal Stock Exchange Member Firms - Source: <http://www.me.org/en.cool.html>, October 1997. - Toronto offices of Toronto Stock Exchange Member Firms. - Source: Toronto Stock Exchange 1997. Directory of Member Firms (Toronto: Toronto Stock Exchange) June.
  8. Twenty largest law firms in Montreal and Toronto respectively measured according to number of lawyers. Range for Montreal firms: 39-144. Range for Toronto firms: 63-278. - Source: Canadian LawList 1997. The directory reflects the number of firms and number of lawyers in 1996.
  9. Head offices of Canadian and foreign insurance companies. - Source: Micromedia 1998. Financial Services Canada 1999. Second Edition. Toronto: Micromedia. Data are for late 1997, early 1998.
  10. Offices of advertising agencies. Agencies with same address and phone number combined to one office. - Source: Canadian Advertising Rates and Data November 1996: 453-460.

cannot be easily determined. This complex is isolated from the "new financial district" and it could be considered as the spatially separate stronghold of a Quebec-based financial system. However, the notion of an "anglophone" new financial district around boulevard René-Lévesque and McGill College Avenue on

the one side, and a “francophone” financial node in the eastern part of the central area, cannot be sustained. If one reads the names of the lawyers practising in the 20 largest firms that are located in the “new financial district”, one is struck by the minority of “Anglo” names. Also, key institutions of Quebec’s financial control apparatus, such as the Caisse de dépôt et placement du Québec, are located in the “new financial district”. The formation of a new financial district has probably not gone as far as the equivalent financial district formation in Toronto. There appears to be more of a mix of offices (and the St. Catherine Street retail cluster) in Montreal’s new financial district than in Toronto’s Financial District. For instance, advertising agencies are, in 1999, almost completely absent from Toronto’s Financial District, but they are still relatively numerous in Montreal’s “new financial district” and are also still important in terms of the “new financial district’s” share of all of Montreal’s advertising agencies (Table 6). How far specialisation will go in Montreal will depend on the employment increases in financial activities in the next decade.

#### **Frontiers of Change in the 1980s and 1990s: Peripheries of Central Areas**

Other important changes in the fabric of the central areas are the far-reaching transformations of their peripheral parts. Especially in Toronto, residential development has proceeded rapidly in the southern part of the Central Area along the waterfront and along the axes east and west of the Financial District (Bourne 1992), although in Montreal the process of converting commercial spaces to residential use is probably older (see, for instance, the Cours le Royer project in Old/ Vieux-Montréal; Viau 1977). Toronto’s 1976 policy of retaining existing residential areas within the Central Area and creating new ones has been an enormous success (when judged by the narrow criterion of the numerical size of the residential population). Between 1981 and 1996, the Central Area population increased steadily from 112,400 to 153,800 people, an increase of 36.9%. In Montreal, population increase in the Ville-Marie District was more modest, from 47,800 to 54,400 (a 13.8% increase) in the same time period. The housing thrust along the east-west axis parallel to the harbour and railways in Toronto is an inevitable outcome of the policies which protect old elite and emerging “new class” (Gouldner 1979) or “new middle class” (Ley 1996) neighbourhoods on three sides of the Central Area from invasion by high-density housing, and from the traffic piercing through these districts on the way to offices, hospitals, universities, museums, theatres and sports facilities.

In both cities, parts of the old business, industrial, and transportation areas have also been invaded by entertainment and sports facilities, and by offices of the “art set” or of “high-tech” businesses, including multi-media firms (Brail 1998). The spread of multi-media firms into older industrial /wholesale areas has happened in Montreal with the encouragement of both municipal and provincial governments (Quebec 1999). In Toronto, the same kinds of areas were officially protected through industrial zoning until 1996, but were then allowed to be taken

over by non-industrial uses in times of economic recession. These peripheral areas are the new battlegrounds of development. However, the discourse about “revitalisation” makes it almost impossible to bring into the open conflicts between a dispossessed blue-collar class and an ascendant professional class.

### **Suburbanisation and Uncertain Transitions at the Beginning of the Twenty-First Century**

In the 1950s and 1960s, the downtown areas of Montreal and Toronto were defended against the suburban drain of population, retail, and manufacturing activities, by stimulating office development. Through the success of municipal policies and rapid changes in the character of economic activity, office development booms and a rapidly expanding white-collar work force compensated for the stagnation or losses in retailing and manufacturing. The question is whether office development and office employment will sustain the central areas (and with them the central cities) in the decades ahead.

There is little doubt that in relative terms the central areas are losing offices. In Toronto, the volume of office development was greater in the outer areas (“suburbs”) than in the central area in the 1970s and 1980s (Table 7). Montreal was a decade behind; in the 1980s new office development in the central area was only 46.5% of the regional total (Table 7). The share of regional office space in the Central Area had fallen to below 50% in Toronto by 1991 (Table 3). Central Montreal’s share also plummeted in the 1980s, but it is still at about 58% in the 1990s (Table 3). Reasonably well-defined long-term data show the relative decline of the central areas in terms of office employment and/or establishments. For instance, Table 8 documents the consistent decline in the City of Toronto’s and City of Montreal’s share of the metropolitan employment in “separately located... offices ...” of manufacturing companies. (City data are used, because no information is available for central areas.) Again, this started to happen in Toronto a decade earlier than in Montreal. Also, the finance, insurance, real estate sector, and the business services sector show dramatic relative shifts from Toronto’s “central district” to the suburbs over several decades.

Montreal researchers have suggested that the “CBD” is not liable to suffer greatly from the challenge posed by the suburbs (Coffey and Drolet 1993; Coffey et al 1996, Drolet and Polèse 1996; Coffey et al 1996). Although they recognise absolute central area decline in head office employment of several sectors (primary, manufacturing, construction; transportation, communication, utilities; trade), they point to absolute increases in head office employment in the “producer services sector” and a generally strong absolute increase in high-order

**TABLE 7  
Average Annual Construction of Office Floorspace by Decade, Montreal and Toronto Sub-Areas, 1950 - 1990**

---

MONTREAL

| Decade         | Centre-Ville<br>in 1000 squ. ft | % of Total | Other Areas<br>in 1000 squ. ft | Total<br>in 1000 squ. ft |
|----------------|---------------------------------|------------|--------------------------------|--------------------------|
| 1950s          | 416                             | 74.4       | 143                            | 559                      |
| 1960s          | 1,048                           | 65.7       | 547                            | 1,596                    |
| 1970s          | 884                             | 53.0       | 784                            | 1,668                    |
| 1980s          | 1,033                           | 46.5       | 1,170                          | 2,220                    |
| <b>TORONTO</b> |                                 |            |                                |                          |
| 1950s          | 650                             | 84.6       | 118                            | 768                      |
| 1960s          | 1,179                           | 73.9       | 416                            | 1,595                    |
| 1970s          | 996                             | 27.6       | 1,490                          | 3,615                    |
| 1980s          | 1,797                           | 33.2       | 3,610                          | 5,407                    |

Sources: Montreal: based on Coffey and Drolet (1993: 108); Toronto: compilation by Igal Charney, Department of Geography, University of Toronto, based on Royal Le Page building inventory data.

**TABLE 8 The Changing Location of Manufacturing Company Office Employment<sup>1</sup>, 1971-96**

| <b>TORONTO</b>                      |          |               |               |               |               |               |               |
|-------------------------------------|----------|---------------|---------------|---------------|---------------|---------------|---------------|
| Employment (rounded to nearest 100) |          |               |               |               |               |               |               |
| Sub-Areas                           |          | 1971          | 1976          | 1981          | 1986          | 1991          | 1996          |
| City of Toronto                     | n        | 15,800        | 16,800        | 19,600        | 11,500        | 8,000         | 6,200         |
|                                     | %        | 64.0          | 55.3          | 48.6          | 31.1          | 26.3          | 23.8          |
| Metro Suburbs                       | n        | 6,200         | 8,900         | 14,000        | 16,800        | 13,700        | 10,000        |
| Outer Suburbs                       | n        | 2,800         | 4,700         | 6,800         | 8,700         | 8,700         | 9,800         |
| <b>CMA Total</b>                    | <b>n</b> | <b>24,700</b> | <b>30,400</b> | <b>40,300</b> | <b>37,000</b> | <b>30,400</b> | <b>26,000</b> |
| <b>MONTREAL</b>                     |          |               |               |               |               |               |               |
| City of Montreal                    | n        | 24,500        | 17,800        | 15,000        | 10,100        | 7,900         | 5,700         |
|                                     | %        | 83.9          | 70.5          | 67.9          | 57.1          | 54.2          | 35.6          |
| Suburbs                             | n        | 4,700         | 7,500         | 7,100         | 7,600         | 6,700         | 10,295        |
| <b>CMA Total</b>                    | <b>n</b> | <b>29,200</b> | <b>25,300</b> | <b>22,100</b> | <b>17,800</b> | <b>14,600</b> | <b>15,996</b> |

Note: 1. "Separately Located Head Offices, Sales Offices and Ancillary Units".  
Source: Canada, Statistics (annual). *Manufacturing Industries of Canada. Sub-Provincial Areas*. Catalogue No. 31-209 until 1986. For 1991 and 1996, special tabulations for author.

services (financial and business services) employment in Montreal's "CBD" (the Ville-Marie District) between 1981 and 1991 (see especially Coffey et al 1996). Instead of "CBD" decline, they suggest "CBD" specialisation (for Toronto, see Gad 1985).

Toronto data also show tremendous central area employment growth in the 1980s. Over the long run, however, the picture is uneven. Financial activities, especially insurance company offices have drifted away from Toronto's Central

Area quite markedly, foreign banks have established a presence in the suburbs, and the major Canadian banks' ties to downtown will become much weaker if the proposed sales of their office towers go ahead. Some producer services such as engineering consultants had already cut their downtown presence by 1981. For data processing and computer consultants, the arenas of activity were already the suburbs by 1981. In the late 1990s the boom in office development in suburban Mississauga is said to be driven by "high-tech" companies. Given the considerable degree of decentralisation of head offices of a wide range of activities and the immense growth of all sorts of economic activities in the suburbs, the clients for high-order services may be increasingly located outside of the central areas. Because of increases in the suburban labour force, lower property taxes, ease of development, and the widespread public support of car-oriented infrastructure, suburban office parks will provide a massive challenge to the central areas and the central cities. But, the suburban challenge is not the only reason for the current slower growth of office floor space and office employment downtown. The political circumstances in the inner cities have changed since the 1970s; large-scale office development and the infrastructure that supports it face many adversaries. Local conflict reflects a fundamental and universal restructuring of the labour process. Does a rapidly increasing professional labour force want deep hierarchical structures, regimented work hours, and large office floors, which are associated with centrally-controlled work processes? The answer is "no". Contemporary trends towards flat hierarchies, task-team operations, telecommuting and alternative information technologies, are rapidly destroying traditional concepts of the "office". Pin-stripe suits and international-style office towers give way to open collars and exposed wooden posts and beams. Finally, global processes may also drain some of the high-order functions from Montreal and Toronto and shift them upwards in the global urban hierarchy to New York, London or other global cities.

There is no space here to discuss the costs and benefits of continuing strong central area office clusters versus dispersed office locations. Analysts with different perspectives will come to quite different conclusions in any event. It is reasonably clear to me that the decades of office booms are over for the central areas of Montreal and Toronto. Offices will, of course, remain substantial components of downtown, although increasingly office-type work will be found in older industrial and warehouse structures (as in Montreal's "cité multimedia" and Toronto's King-Spadina and King-Parliament districts) and live-work buildings. The other high-order functions of the central areas, such as specialised medical services, tertiary educational institutions, media production facilities, and cultural/entertainment facilities, together with an expanding residential population, will most likely sustain Montreal's and Toronto's central areas as distinct places within their respective metropolitan regions over the next few decades.

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