

PRINT THIS PAGE

Downtowns Provide Opportunity For Tech

570 News 2011/01/17

Residential development in downtown cores is driving new business in city centres. And technology companies are leading the way in this downtown renaissance.

"Digital technology companies have a greater propensity for this (moving into a downtown)," notes Ian Portsmouth, editor of Profit Magazine. "They have fewer physical assets and they require less space."

That makes a downtown more affordable since businesses with a larger footprint have been pushed out into the suburbs where real estate is less expensive.

This evolution in the downtown is being driven, in part, by the children of baby boomers who are buying up downtown real estate. The condo explosion in downtowns across Canada is bringing these well-educated, high income earners into the core. And Portsmouth says many of them are content to stay close to home.

"We're seeing such high density of knowledge workers in downtown cores and many of those people would much rather work downtown than have to make the drive from the suburbs every morning," says Portsmouth.

This demographic, which researchers say enjoy the noise and activity in the downtown, are also creating opportunities for new business, particularly in the service industry.

Tony Lea, chief methodologist with Toronto-based Environics Analytics suggests one such business could be an on-demand cleaning service for emergencies such as "My mom's coming this weekend and I don't have hours to clean my place."

But Portsmouth takes it a step further in keeping with his theme of opportunity for tech. He believes downtown dwellers are high users of technology and are looking for any way to leverage their gadgets to make their lives more convenient.

"Something as simple as going to get their morning coffee in the mad rush to get to work," Portsmouth speculates. "They might want to be able to order their coffee and pay for it with a cell phone and when they get to their local coffee shop, the coffee is sitting there, waiting for them."

The City of Kitchener received a \$5-million federal grant in September, 2008, that would mark the start of development for a downtown digital media centre. Today, that cluster is home to [The Communitech Hub: Digital Media and Mobile Accelerator, located within The Tannery District.](#)

The city describes the district as "a clubhouse of innovation for digital-media companies and entrepreneurs, and driving the creation of new companies and jobs locally, across Waterloo Region and throughout Ontario."

[Internet giant Google is one of the most recent additions to The Tannery workspace, re-locating its offices from Waterloo to downtown Kitchener last summer. The Tannery is now home to about two dozen tenants and, when full, will be a workplace for hundreds of employees.](#)