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The intuition underlying this paper is that central city neighborhoods have become the new focus of the technology-driven New Economy.\(^3\) Whereas before the best known concentrations of high-tech employment were often suburban-style research parks and campuses (e.g. Silicon Valley, Boston’s Highway 128…), we suggest that much of the growth is now taking place in old central districts.

In search of an answer, we examine the location of New Economy employment, at the census tract level, over a fifteen year period (1996-2011) for Canada’s three largest metropolitan areas: Toronto, Montreal, and Vancouver. These three metropolises are located in different parts of the country, with different economic histories and geographies, hopefully giving our results a generalizable value beyond that of simple case studies. The approach is essentially descriptive and is based on Statistics Canada geo-coded micro-data by place of work drawn from the 1996, 2001, 2006, and 2011 censuses.

The evidence largely supports the thesis of a shift to central neighborhoods. In all three metropolitan areas, New Economy employment got closer to the central business district (CBD) between 1996 and 2011, contrary to the (entirely predictable) trend for metropolitan employment as a whole, which continued to expand outward. In addition, in all three cities, the share of New Economy employment in central neighborhoods grew between 1996 and 2011. By the same token, central districts in all three cities are increasingly specializing in New Economy employment.

These general results do not preclude the existence of major differences between the three metropolitan areas nor do they preclude the continued strength of suburban poles as centers of New Economy activity. Toronto in particular stands out. In this city, major suburban New Economy poles continue to dominate the landscape (although with declining shares) and average distances from the CDB have begun to rise again in recent years, pointing to a parallel spatial expansion of New Economy employment. However, even in Toronto, the central New Economy pole has expanded both in size and in percentage share of total New Economy employment since 1996.

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\(^3\) New Economy refers here to technology-intensive computer and Internet-related services.