

# Living it up in Hollywood North

## SEGMENTING AND CLUSTERING NEIGHBORHOODS IN TORONTO

### I. Introduction

This notebook contains a basic exploration, segmentation and clustering of neighborhoods in Toronto, Canada. The goal of this analysis is to strategically target Toronto's best neighborhoods for television and film professionals. Toronto is a well-known hub of cultural and artistic expression with an abundance of opportunities for filmmakers, actors and crew. As such, the area supports a wide variety of sector jobs in production, distribution and exhibition. Let's take a look at Toronto's film scene and why now is a great time to consider a move. Further, let's discuss what motivates professionals looking to move to Hollywood North.

### A. Background

For professionals looking for opportunities and networking, moving to Toronto, even for a few years, can make a difference. Toronto offers economic and social benefits of city living, but without the saturated markets of New York and Los Angeles. Not to mention the extreme costs of living. Consider that living in Toronto is 14% cheaper than Los Angeles and 31% cheaper than New York City (Expatisian, 2020). Tax credits are stackable, in addition to domestic and treaty co-production tax credits (City of Toronto, 2019)

Even though Toronto boasts a lower cost of living, industry professionals will find an abundance of highly profitable commercial enterprises. Take the case of Netflix, which recently set up a major production hub in Toronto. Netflix's expansion will give it eight sound stages, with four at Cinespace and another four at Parkwood Studios. Also consider CBS Television, which just launched CBS Stages Canada (Vlessing, 2019). This expansion will give CBS Television a total of six sound stages (Vlessing, 2019). In effect, these two production hubs will utilize over a half a million square feet of sound stage space and add thousands of jobs. For those with entrepreneurial intentions there are a number of resources, plus coworking and shared spaces.

“In 2017, screen-based production companies invested \$1.8 billion in on-location filming in Toronto, exceeding the \$1 billion mark for the seventh consecutive year.” (ACTRA Toronto, 2018)

All things considered, Toronto has a complicated history with the television and film industry. One reason is that Toronto's market share gains are heavily affected by the fluctuations in global regulation patterns and taxes. While this has been an issue in the past, the industry has stabilized considerably. However, those relocating should plan their move when the Canadian dollar is low and the tax situation is favorable to growth. Let's look at the history of Toronto's film scene to understand why this is.

## 1. Toronto's Complicated Television & Film History

Since 1897, Canadians have been involved in the global film industry (Morris, Handling, & Magder, 2012). Despite a strong start, Canada's initial market proliferation, marked by the rise of production companies, faded by the 1920s. During this time, the rise of Hollywood production giants prompted governments around the world to institute film production quotas. By the 1930s, Canada's relationship with the United States had grown contentious as Hollywood's domination of the industry neared totality. During these tough times, hundreds of complaints against American film interests operating in Canada were lodged with Canada's federal government (Morris, Handling, & Magder, 2012). By the 1950's, Canada's film industry was stagnant and very little was being produced outside of Quebec.

Then in 1956, Toronto's trajectory was forever changed with the production of "Hawkeye and the Last of the Mohicans" (Hilliard, 1956). The television show was filmed just east of Toronto at Pickering Farm. Lured by hopes of dodging quota regulations limiting production, American filmmakers formed a profit sharing alliance with CBC Television. At the time, CBC Television was still a relatively new network, having only been established in 1952 (Wikipedia, 2020). Although Canadian-American relations had been strained in the past, stakeholders fought hard to make sure both sides benefited from the resulting agreement.

Notably, the deal established a precedent that 99% of the production's jobs and workforce would be filled by Toronto locals. Newspapers hailed Pickering Farm as a "Little Hollywood" (Hilliard, 1956). Subsequently, the deal strategically placed Toronto as the third largest pool of actors in the world trailing only Los Angeles and New York City. By the 1970s, Toronto cemented its place as an established movie production center earning it the nickname "Hollywood North".

## 2. Current State of the Industry

Since the 1970s, Toronto's market has had some ups and downs. However, through the process of crafting creative deals and offering valuable incentives, Toronto has held on to its status. Today, Toronto is a venerable film and television industry hub with a distinct culture. Immigrating to Canada for economic reasons, typically requires a job offer. For this reason, it is significant that the industry directly employs more than 24,000 full-time workers (ACTRA Toronto, 2018). Additionally, Toronto is;

- one of North America's top five locations for screen-based industries,
- the base of FilmOntario, a 30,000 strong consortium,

- home to over 10,000 Alliance of Canadian Cinema, Television & Radio Artists (ACTRA) members,
- offers enhanced on-location filming access at 11 properties, though xoTO Schools, and
- contains approximately 2 million square feet of production space (City of Toronto, 2019).

### **a. Technology & Innovation**

In recent years, Toronto is also increasingly on the forefront of industry technology and innovation. Not only are Toronto-based teams responsible for the invention of IMAX and stereoscopic 3D, but also the development of Maya and Houdini (City of Toronto, 2019). As such, there are expanded roles for people in the industry working in information technology, computer science and research.

### **b. Location, Location, Location**

Thanks to its unique juxtaposition of land and cityscapes, Toronto doubles for a number of US locales. Locations such as New York, Boston, Washington, and Chicago are frequently filmed in Toronto. Additionally, international cities such as Paris, London, Morocco, Saigon and Tehran are also filmed in Toronto (City of Toronto, 2019). One might be inclined to think this means the city lacks its own character. This couldn't be further from the truth.

Conversely, Toronto is a city of sights with skyscraper-lined avenues, luxurious lake views, verdant green spaces and rich architecture. In fact, the iconic CN tower makes any Toronto cityscape instantly recognizable. Although Toronto is a big city, it has a multitude of small cafes and friendly places to sit and sip coffee on almost every corner. In addition to its lower cost of living, Toronto typically has lesser commute times compared to Los Angeles and New York City (TomTom International BV, 2019). Toronto is diverse, socially progressive and home to immigrants from all over the world. As such, there are a wide variety of museums, restaurants, family activities, sports venues and much more for people to engage in.

### **c. Final Considerations**

At this point, we have discussed Toronto in comparison to Los Angeles and New York City. Not only does Toronto have a lower cost of living, but also easier commutes. There is, however, another formidable destination for film production, Georgia. Georgia could be preferential in a few ways. If one is unwilling to secure Canadian citizenship, or if colder climates are an issue, Georgia may be a more compelling choice. Not only does Georgia have a much lower cost of living but also substantially better commute times than Toronto (TomTom International BV, 2019). Contrarily, Georgia is a much newer market, less stable and less socially progressive.

## **3. The Problem of Relocation**

This analysis is written for American-based television and film students and professionals considering a move to Toronto. Before attempting to target which Toronto neighborhoods are ideal for this select population, let's build a profile of our potential relocater. Here is what we know.

Until they are established most newcomers to Canada will choose to rent, as opposed to buying a home. Given the demands of the television and film industry, newcomers will favor locations close to their job or the city's center. While many will come alone, others might relocate with their spouse. Further, though less likely, some will be relocating with children.

Immigration does have challenges and not all industry jobs are easy for Americans to obtain. After all, Canada does not need low-skilled workers, they need well-educated people at the top of their game. As such, people tend to migrate either as film students, recent graduates or more frequently as mid-level professionals. Keep in mind, age is a factor in determining immigration viability. As such, most of Toronto's economic immigrant population tends to fall between 25-years-old to 45-years-old at the time they immigrate.

### **a. Students & Recent Graduates**

Students and recent graduates tend to be industry newcomers seeking to “break into” the industry. Many studios dedicated foreign recruitment programs and immigration coordinators to make the move easier. This especially applies to studios in animation and VFX, where talent is harder to find.

### **b. Mid-Career Professionals**

Mid-career professionals with two or more years of experience also make up a large percentage of those relocating. Due to the financial requirements and film job restrictions placed on immigrants, these people tend to hold key positions. These key positions include creative roles such as director of photography, costume designer or production designer. Additionally, they include key technology roles, such as IT managers, technical directors and computer engineers.

### **c. H.E.N.R.Y.s (High-Earners-Not-Rich-Yet)**

H.E.N.R.Y.s (High-Earners-Not-Rich-Yet) are households with incomes exceeding \$100K, but under \$1 million in assets. H.E.N.R.Y.s are typically in their early 40s and are highly sought after by localities, retailers and others eager to capitalize on their heavy spending habits. Significantly, H.E.N.R.Y.s are found in many industry hubs, including New York, California, Georgia and Texas. This group will be able to immigrate easier, due to their earning potential (IXI™ Services, 2016).

### **d. Profile of Newcomers**

Taking these factors into account, here is our final profile. Our potential relocater will be;

- American,
- probably 25-45 years-of-old,
- possibly a H.E.N.R.Y.s (High-Earners-Not-Rich-Yet)
- more likely single, than married,
- more likely to have no children, or less than two,
- performs key functions and is a highly technical and/or creative type,
- could be either a student, recent graduate, or mid-career professional,

- considers reputation management and networking integral to success, and
- prefers to initially rent over buy a home, with an ideal location near work or city center.

#### e. Ideal Home Environments

Our ideal rental unit will be near downtown and/or near potential work venues, such as, sound stages. For networking purposes, apartments and condominiums along with homes in choice areas will make the most sense. Higher density areas of American expats are compelling, because networking with other expats can be a good way to gain support.

On account of busy schedules, amenities, such as on-site parking, in-unit laundry and personalized modular services will be important. Consideration will be given not only to amenities inside the rental, but also the neighbourhood. Locations will be weighted by attractiveness, affordability, walk and bikeability, and access to retail businesses and shops. Nearby shops should include high-quality chain grocers with organic and local produce, and/or farmer's markets.

People in the industry work hard and need outlets for relaxation. As such, it is important to have access to places to exercise and attend workout classes, as well as, attend live events, theatre and fashion shows. Additionally, places to commune with wildlife and nature and visit historic landmarks, cultural centers and entertainment venues.

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