

ABSTRACT

Gentrification is a phenomenon that most urban planners are intimately familiar with, and it is a subject that has been documented and debated extensively within academic literature. Proponents argue that gentrification has the potential to increase social mixing and rejuvenate depressed inner city neighbourhoods. Detractors claim that gentrification displaces working-class residents who cannot afford the increases in rent, housing prices, or property taxes. This report examines the relationship between displacement and gentrification through a comparative case study of Montreal and Toronto. Household composition and income characteristics have been analyzed using census data from 1971 to 2001. Consistent with the findings from Higgins (2010), gentrified neighbourhoods in Montreal also exhibited an increase in individual and household income, an increase in the proportion of individuals in higher income groups, and a decrease in the proportion of individuals in lower income groups. In Toronto, individual and household average income rose much higher than it did in Montreal, but changes in housing tenure indicate that gentrification might be more extensive in Montreal than previously thought. This research has implications for planners and policy-makers that should not be underestimated. Widespread displacement of working-class residents is possible if city planners continue to embrace it as a revitalization tool without a strategy to alleviate displacement. Cities therefore have a responsibility to prevent displacement, using policy tools like rent control and inclusionary zoning, and by supporting affordable and non-market housing alternatives.

1. INTRODUCTION

Gentrification – the process of transforming predominately working-class neighbourhoods or vacant areas in the inner city into ones that are dominated by higher-educated, middle-class residents – is certainly one of the most popular topics for urban researchers. Critics of gentrification claim that in addition to rent and housing price increases, as more affluent individuals move in, the amenities that they desire essentially ‘price out’ working class residents. Those in favour, however contend that gentrification fosters social mixing and revitalizes inner city neighbourhoods that have been blighted.

On one hand, gentrification stabilizes declining areas, increases property values, reduces vacancy rates, increases local tax bases, and reduces urban sprawl (Lees, Slater and Wyly 2008, 196). On the other, it creates community conflict, reduces affordable housing, increases homelessness, creates unsustainable speculative property price increases, creates housing demand on surrounding poor areas, and results in a loss of social diversity (from socially disparate to rich ghettos) (Ibid). This research will examine socioeconomic indicators over the course of 30 years in neighbourhoods that were identified as having gentrified in the 1970s (Ley 1986), and compare them to other inner city neighbourhoods, suburban neighbourhoods, and the entire CMA. Refer to Figure-1 and Figure-2 for the location of the aforementioned gentrified census tracts in Montreal and Toronto.

Gentrification was first examined in the 1960s in London and several east coast cities in the United States. Since this period, researchers and planners alike have been striving to achieve a balance between neighbourhood revitalization and displacement.

Forty-plus years of observing gentrification have shown that it is indeed a very powerful tool for urban revitalization (Newman and Wyly 2006, 26). As a result, under the current neo-liberal paradigm, gentrification appeals to many as the “ideal solution to urban decay; and the state, which in the past has been hesitant to encourage gentrification, has since taken a much more aggressive role by acting as a catalyst to encourage gentrification” (Ibid). Indeed, many see it as the panacea, since gentrification can be used as a ‘hands-off’ urban renewal policy. Freeman (2002) claimed that gentrification is a natural succession in the inner city housing market and explained that low-income households are actually less likely to move out because they enjoy and benefit from living in a neighbourhood that has moved up in social standing.

Conversely, in a study by Newman and Wyly (2006), the authors surveyed New York City residents who had recently moved within the city, in order to measure displacement by proxy. They found that between 6.2 and 9.9 percent of moves were due to displacement and that the “vast majority of these households were forced to move by cost considerations; landlord harassment and displacement by private action are rarely cited as primary reasons for moving and these factors show no signs of worsening over time” (Ibid).

There is still no consensus, but much of the literature points to an increase in income inequality associated with the gentrification process (Meligrana and Skaburskis 2005; Walks and Maaranen 2008b). This research will continue to investigate household and individual socioeconomic indicators to add to the body of literature on the subject. Focusing on the Toronto and Montreal CMAs, this analysis will be used to determine what impact gentrification has had on neighbourhood income equality.