

EXECUTIVE SUMMARY

Gentrification: Agent of Social Mix or Displacement?

Gentrification: Agent of Social Mix or Displacement? examines the relationship between social mix and gentrification using Toronto, a city that has experienced large amounts of gentrification, as a case study.

Gentrification is a complex urban phenomenon that has been hotly debated in the literature for its potential to either increase social mix or bring about working class displacement. Some argue that gentrification is an effective revitalization tool for neighbourhoods with concentrated populations of lower income groups and that displacement is not common enough to raise any concerns. Others argue that displacement is indeed a consequence of gentrification and are critical of using modern, municipally managed gentrification as a tool to diversify neighbourhoods. They argue that rather than diversifying neighbourhoods, gentrification simply transforms a working-class homogenous neighbourhood into a middle-class homogenous neighbourhood.

Theoretically, gentrification has the potential to foster social mix since it involves introducing middle class residents into a neighbourhood that was previously dominated by working class households. However, through analysis of census data from 1971-2001, this study found strong evidence for the displacement hypothesis, which limits the ability of gentrification to foster and sustain social mix.

Overall, gentrified neighbourhoods had the largest increases in average household and personal income compared to all other areas of the city. This indicates that gentrification is associated with affluence, rather than a balanced mix of incomes. This finding, coupled with the loss of households and individuals in the lowest income categories in gentrified areas, suggests that displacement has indeed occurred.

Further support for a displacement hypothesis comes from the finding that after an increase in inequality (as measured by the Gini index based on personal and household income) during the initial stages of gentrification, inequality returned to pre-gentrification levels by the end of the study period. This suggests that the social mix gentrification initially brings about is fleeting and that as gentrification progresses, displacement of lower income groups is likely. Moreover, over the study period, inequality levels consistently declined in gentrified neighbourhoods while the rest of the city experienced a trend towards greater inequality. This finding may be due to a major demographic shift brought about by the displacement of working class residents from gentrified neighbourhoods to more suburban areas of the city.

These findings have implications for urban policy. There is potential for mass displacement of working class residents if city administrators continue to promote gentrification for its potential to revitalize inner city neighbourhoods without implementing policies to mitigate displacement. Municipalities can play a key role in preventing displacement through various policy tools, such as inclusionary zoning.