

RESEARCH REPORT

External Research Program



Growth Management and Affordable Housing in Greater Toronto



CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for more than 60 years.

Together with other housing stakeholders, we help ensure that Canada maintains one of the best housing systems in the world. We are committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

For more information, visit our website at **www.cmhc.ca**

You can also reach us by phone at 1-800-668-2642
or by fax at 1-800-245-9274.

Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

Growth Management and Affordable Housing in Greater Toronto

December, 2006

by Greg Suttor

This project was funded by Canada Mortgage and Housing Corporation (CMHC) under the terms of the External Research Program, but the views expressed are the personal views of the author and do not represent the official views of CMHC.

Acknowledgements and Disclaimer

Housing policy needs its feet in social policy and urban development policy, and clear eyes on the housing and labour markets. This study attempts to connect such dots in Greater Toronto. Perhaps in time such efforts can help nudge housing policy beyond today's ambivalent regime. These themes are enduring interests of mine, threads from earlier work on the 1996 housing needs study and the 1998-99 homelessness report.

I greatly appreciate the opportunity CMHC's External Research Program has given me to do this study. I thank David Hulchanski and Bob Murdie for encouraging my research interests generally, and David for my association with the Centre for Urban and Community Studies (and the U of T libraries!). Peter Pathinather and David Lou of Statistics Canada facilitated the custom census data; Doug Pollard was helpful as CMHC liaison. Richard Maaranen of CUCS did the wonderful maps. This report benefited from Blair Badcock's comments on a draft of Parts 1 to 5. The study's errors and shortcomings are mine.

This report is unrelated to my employment at the City of Toronto and was prepared on my own time. The views and analysis presented here are mine and are not those of the City of Toronto.

Greg Suttor
December 2006

Growth Management and Affordable Housing in Greater Toronto

Affordable housing has strong links to two issues prominent on the urban agenda: high-need neighbourhoods with concentrated poverty and urban growth management. Both are connected to broader urban prosperity and quality of life.

Using the large body of prior research and custom census data, strong links can be drawn in Greater Toronto between widening income disparities, suburban growth patterns, affordable housing, inner-suburban poverty and immigrant settlement.

CONVERGING FORCES

In the years since 1980, the patterns of “who lives where” in Greater Toronto have greatly shifted. Affluent majorities and lower-income minorities increasingly live in different districts and neighbourhoods.

Since 1980, two great changes have converged to create the new housing landscape.

The first is in the labour market—and immigration is tightly entwined with this. The second is in the “city-building” or urban development regime—and affordable housing patterns (social and private rental) are inseparable from that.

Disparities are much wider today in jobs and income. Most of the disparities affect new immigrants. New suburbs are built with little rental or affordable housing, and therefore there is much less income mix. Renters and newcomers, with lower incomes than before, are channelled into the limited supply of moderate-cost housing, mostly in inner suburbs. These factors and these housing market dynamics have driven the rise in concentrated poverty.

A CHANGED LABOUR MARKET AND POPULATION

Professional and managerial jobs account for half of urban job growth in recent years—a disproportionate share. This has meant great upward movement in income and has propelled great outward mobility to newer suburbs—but not for lower-income households.

The lower-income, one-third of households have flat or declining incomes. Until the 1990s the Canadian tax and transfer system offset polarizing trends in income. Since then, the evidence of widening disparities is conclusive: Canada and Toronto are inching toward the polarized labour force seen more sharply in the United States and United Kingdom since the 1980s.

In the Toronto city-region, low and moderate incomes—the bottom 40 per cent of the income spectrum—barely rose in real terms from 1981 to 1991 and declined from 1991 to 2001. The median income for this group was \$23,700 in 1981; \$27,400 in 1991 and \$26,200 in 2001.¹ Top quintile income rose greatly: above \$80,100 in 1981; above \$99,400 in 1991 and above \$106,200 in 2001.

New entrants to the regional labour market, that is, youth and new immigrants, are most affected by change, as firms come and go, as one sort of job replaces another. Declining immigrant incomes and slower catch-up are a nationwide trend. New immigrants have absorbed the entire impact of rising disparities, with no worsening in low income among Canadian-born. For Greater Toronto, receiving about 100,000 new immigrants a year, the neighbourhood impacts are profound.

Middle- and upper-income demand dominates homebuilding and prices more strongly than lower- and moderate-income demand. Wider income differences mean larger disparities between the homes and neighbourhoods that poor and affluent households can afford.

1 CMA first quintile cut-offs census data for prior year, CPI-adjusted and rounded.

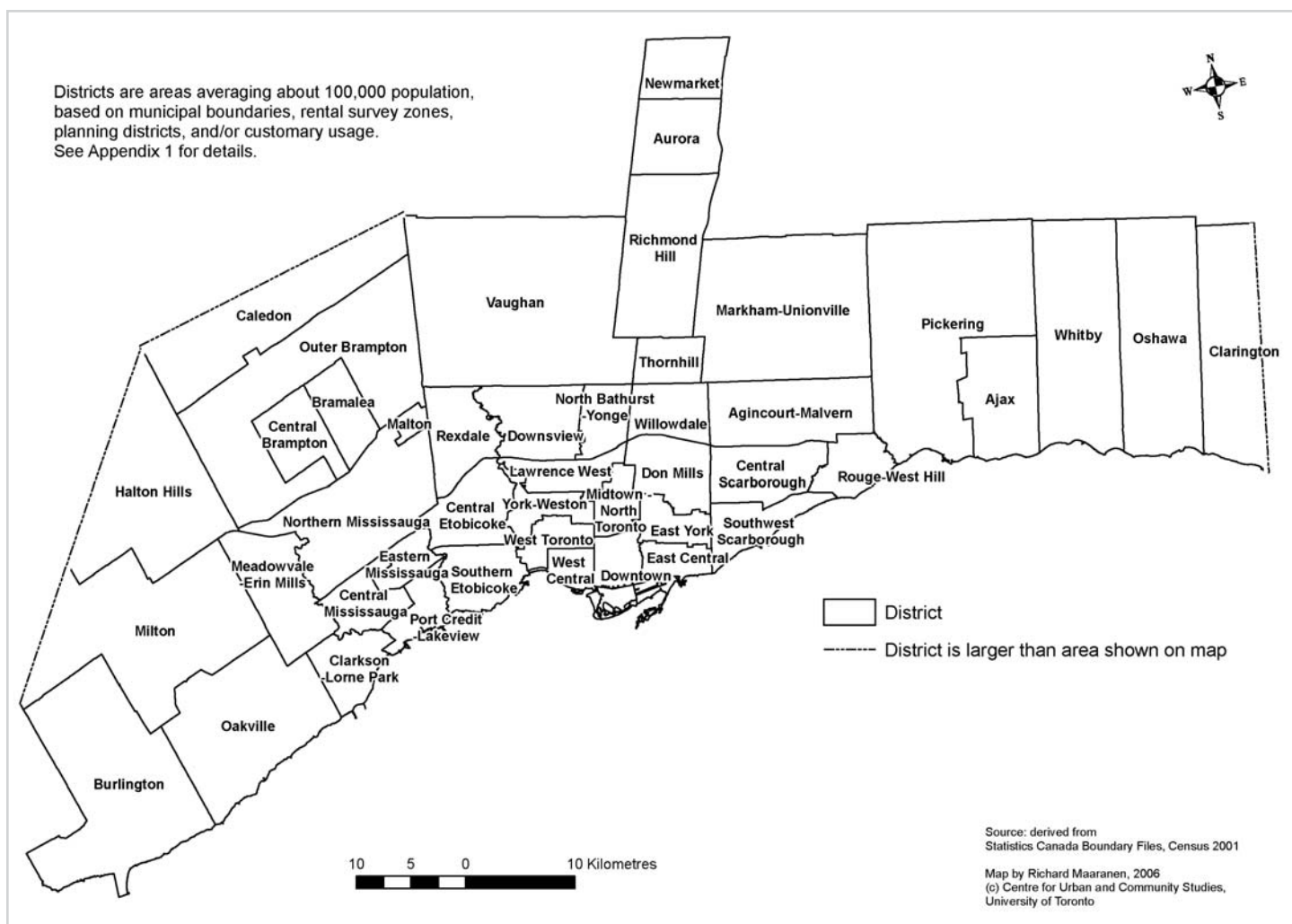


Figure 1 Greater Toronto districts

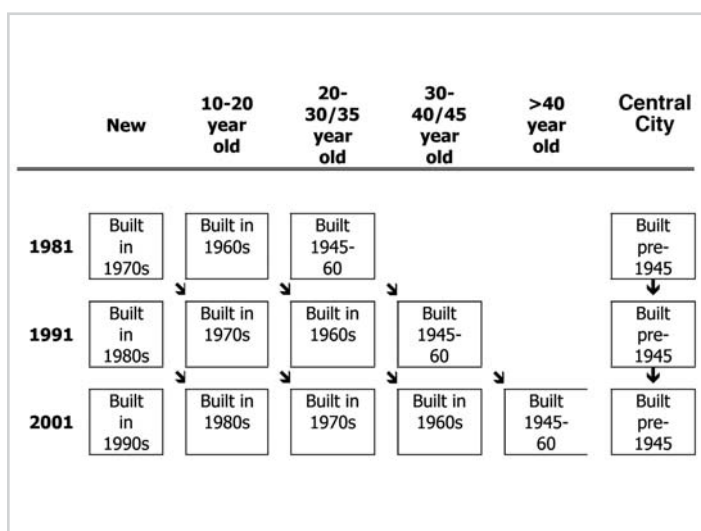


Figure 2 Aging of Suburban “Cohorts”

NEW CITY-BUILDING MODEL

Inner suburbs, outer suburbs and the central city have quite different income and tenure profiles, and quite different “trajectories.” Inner suburbs are those built from 1945 to the 1970s; outer suburbs are those built since then. We can compare the mix of income, housing type and tenure, family type and immigration status, for urban and suburban “districts” of about 100,000 people (*see* figure 1). Districts are grouped into “age-zones” based on predominant age of housing (*see* figure 2).

The difference between inner and outer suburbs arises from their different stages of maturity, but also the different amounts of multi-rental housing. From 38 to 46 per cent of inner-suburb households are low- and moderate-income. Not surprisingly, there are fewer (25 per cent) in newer, outer suburbs. But in 1981, in the then-still young postwar suburbs, 38 per cent of households were low- and moderate-income—almost the city-region level (*see* figure 3).

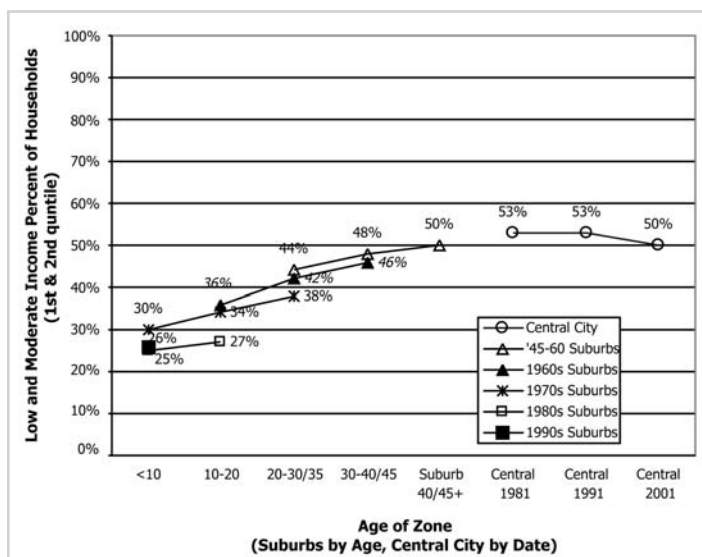


Figure 3 Low and moderate income trajectory by zone

Today's new suburbs are built with little multi-rental housing: generally, between 10 to 20 per cent of units, but lower—and dropping year by year—in newer areas. By contrast, in Toronto's postwar suburbs in 1981, when the oldest was 35, 40 to 45 per cent of the housing stock was multi-unit rental (*see* figure 4, figure 5).

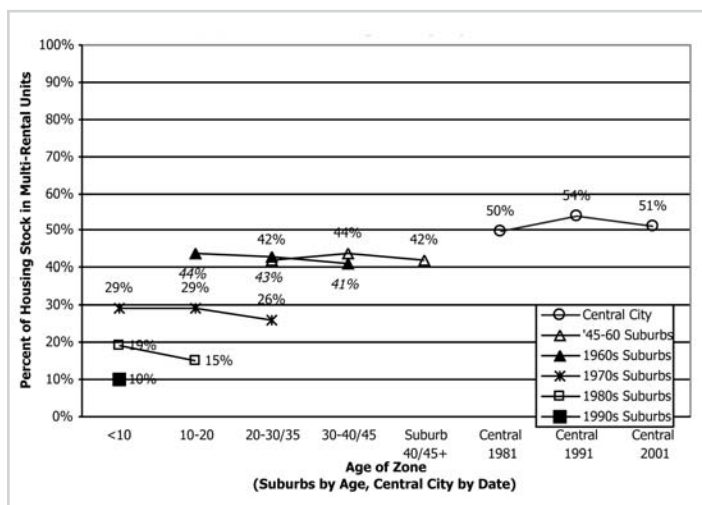


Figure 4 Multi-rental trajectory by zone

From the 1950s to the 1970s, market and policy conditions created a large rental stock sprinkled across the postwar suburbs. An average year saw about 3,000 private rental units built. These conditions no longer hold.

- **Market and demographics.** Baby boomers, once young and renting, are middle-aged; the elderly have better incomes; mortgage interest rates are lower. So more people own their home; rentals are a smaller market share with dropping incomes.
- **Policy.** Tax law was favourable to rental developers in the 1960s. From the 1960s to the 1980s, Toronto averaged more than 2,000 new social housing units a year. Most of the new units were in inner suburbs. From 1976 to 1990, the average dropped to more than 1,000 new, publicly assisted, private rental units a year.

Inner-suburb locales were reinforced by metropolitan planning of public housing in the 1960s, and by the roots of community-based non-profit housing sponsors after that.

In the mid-60s, Toronto's poor and new immigrants still lived in a ring around the central city. By 1980 they mostly rented where they still do today, in suburbs built from the '50s to the '70s. There was a fairly even spread of poor and affluent, of newcomers and others across Toronto. This meant more "macro" social mix than in most U.S. cities or in Greater Toronto today.

Since about 1980, as the city-region grew each year, the homeowner sector moved steadily out of the inner suburbs while the income profile of the rental sector in the inner suburbs shifted downward. In 1981 a renter was 15 per cent more likely than an owner to live in an inner suburb; by 2001, 50 per cent more likely.

RENTAL AND OTHER TRENDS

Homeowner incomes subside predictably as suburbs mature, the pattern changing little from 1981 or 2001. Low- and moderate-income owners grow from 1 in 5 owners from 1981 to 1991 to 1 in 3 by 1991 to 2001. This shift accounts for just over half of inner-suburban income decline.

In the rental sector today, newcomers and others, with lower incomes than before, find few options in the outer suburbs and are outbid in the gentrifying central city. The pull of ethnic neighbourhoods and better transit plays a role, but the housing market drives it. At any time, inner suburbs have most of the available lower-cost rental units and most of the family-sized units. On average, the number of low-income (bottom quintile) renters grew by 2,400 to 3,300 a year from 1981 to 2001. Between 55 and 60 per cent were absorbed in the inner suburbs.

Social housing is estimated to have absorbed less than half the net increase in low and moderate-income multi-rental households from 1981 to 2001. As production tailed off in the '90s and income trends worsened, more of each year's added low- and moderate-income renters have been absorbed by private rental, especially in the inner suburbs.

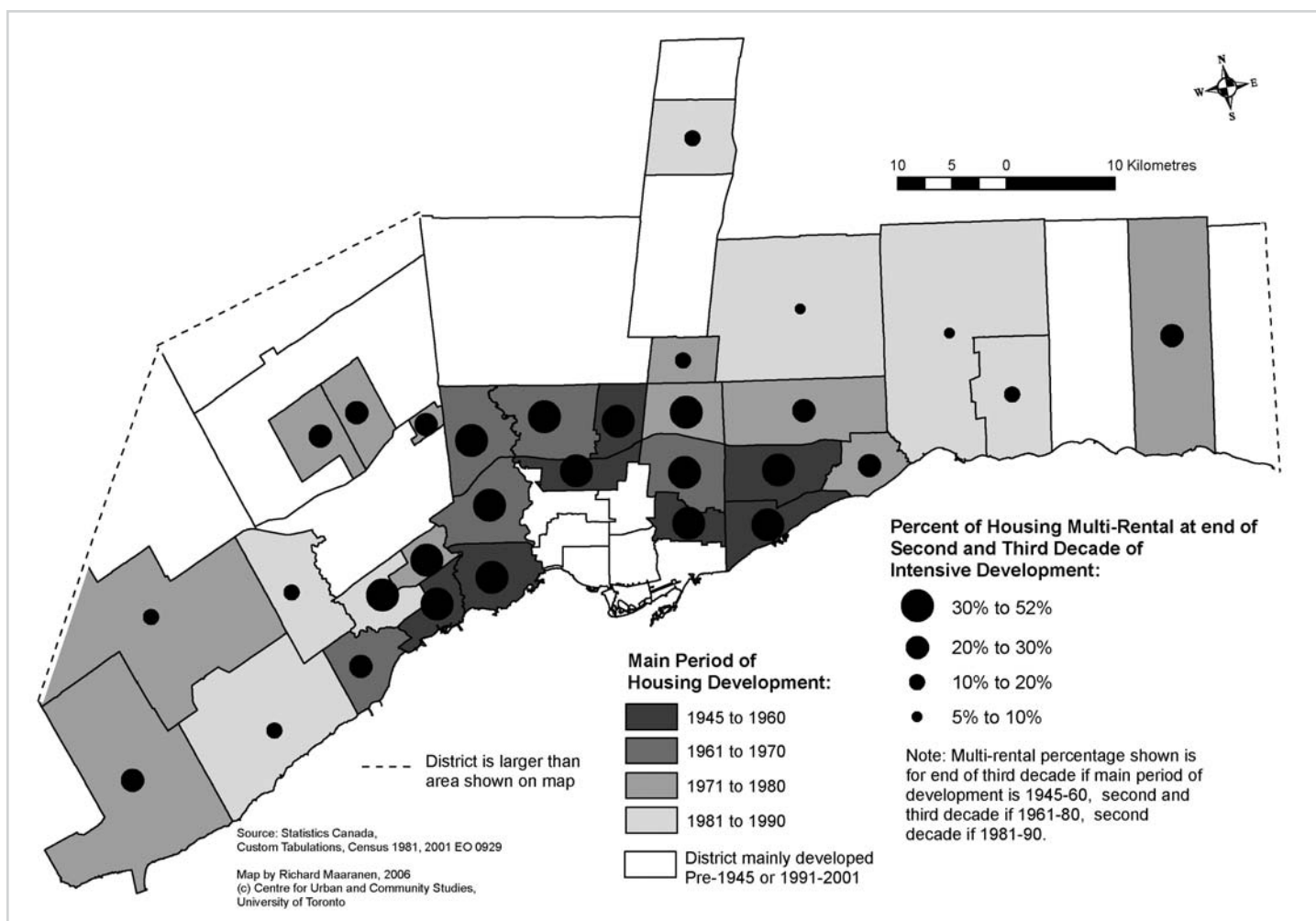


Figure 5 Per cent multi-tenant as suburbs mature by district in Greater Toronto

Recent immigrants' presence in the multi-unit rental sector doubled between 1981 and 2001, reaching 1 in 4 households. These accounted for 85 per cent of increase in low- and moderate-income households and all net rental growth. Between 1981 and 2001, there was a net annual increase in Greater Toronto of 4,000 to 5,000 low- and moderate-income immigrants. Close to half of these immigrants were housed in inner-suburban rental units. New-immigrant renter-income profiles, and income decline, are similar to other renters, except in the central city. New-immigrant homeowners have very different locations, similar to other homeowners (see figure 6). All this suggests income and rental locations as main drivers of where new immigrants live.

The result is that the multi-tenant housing which once created "macro" social mix is now the "site of disadvantage" in a polarizing and more racially stratified city-region. Rental growth is skewed to low incomes; indeed "very low" incomes (bottom decile) accounted for one-third of rental growth in the 1980s and half in the 1990s. Within inner-suburban rental, low incomes rose from 32 to 38 per cent of households from 1981 to 2001; the broader "low and moderate" category from 60 to 67 per cent. Spread unevenly by neighbourhood, this was enough to produce a leap in concentrated poverty.

THE CITY-REGION'S THREE RINGS

These patterns reinforce Greater Toronto's three distinct and well-known rings. Without purposeful intervention, today's trajectory in Greater Toronto appears likely to continue.

- The **central city, built up to 1945**, has rising homeowner incomes, but retains far more social mix than outer suburbs. The private rental sector is quite distinct, with higher and rising incomes. The apparent trend and prospect is more gentrification, development more skewed to middle and upper incomes and a rental sector more polarized between middle-class tenants and social housing.
- The **inner suburbs, built from 1946 to the 1970s**, offer the main lower-cost housing options, and absorb close to half the city-region's annual growth of 12,000 low- and moderate-income households. These are mixed, not deprived areas, but with rising disparities by neighbourhood; low- and moderate-incomes account for most net growth. The trajectory of many residents is upward and outward to better incomes and areas; but the area's trajectory is downward, as newcomers arrive each year and second-generation disadvantage deepens in some cases.
- The **outer suburbs, built since circa 1980**, have a broad mix of middle and upper incomes, and capture almost 90 per cent of such growth. But their fast growth accounts for a large slice of increase in all income levels and household types. But homeowners are dominant and the rental sector shrinks each year in relative terms.

New suburbs will continue absorbing most middle- and upper-income growth. But outer suburbs are now half the city-region, and with age they will diversify further, with more elderly, working poor, young adults and new immigrants.

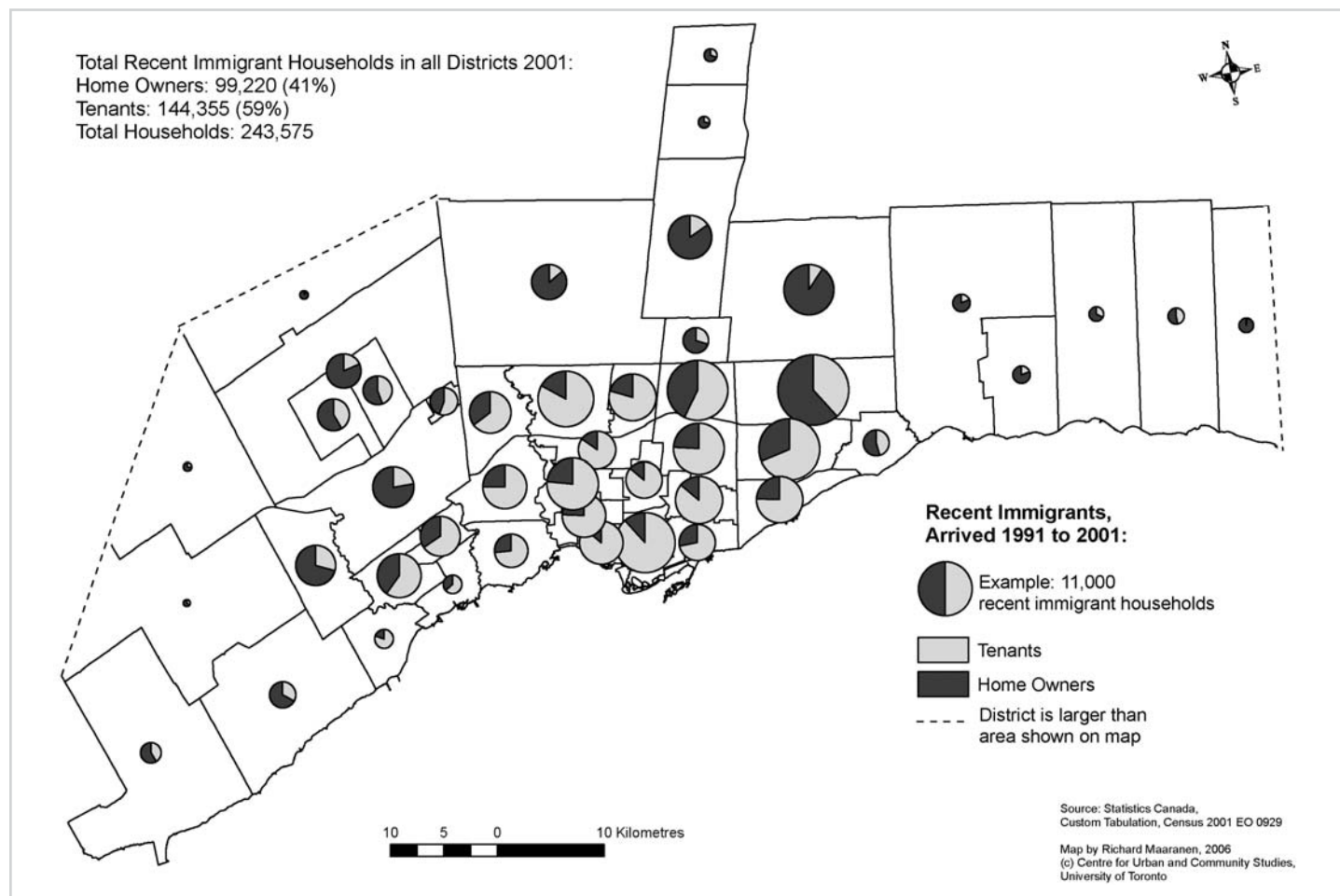


Figure 6 Recent immigrant households by district—Greater Toronto, 2001

GLOBAL PATTERNS

Like global labour force and migration patterns, versions of this urban landscape are found in most “world cities” of the Western world.

Toronto’s trends are usefully understood in this context, as resulting from high-level forces. For example:

- High immigration, rising ethno-racial diversity and more racially stratified labour forces are found in most “world cities.” Few second-tier world cities match Toronto’s population of more than 40 per cent foreign-born, yet most have 25 to 40 per cent foreign-born, one-third or more being recent immigrants. Job growth in “world cities,” the nodal points of the global economy, propels upward mobility for established residents, and draws migrants seeking opportunities.
- Most big Western cities today have more neighbourhood separation by income and ethno-racial group, central-city gentrification, a postwar rental sector in “declining” inner suburbs and outer suburbs more auto-dependent than before.

THE FALLOUT FROM THESE PATTERNS

These “world city” patterns feed a city-region of widening social distances. The greatest fallout is borne by disadvantaged residents and neighbourhoods. Housing market dynamics feed concentrated poverty and related social problems. “Neighbourhood effects” have adverse consequences for children and youth, and for schools and local services. Housing stress—affordability, quality, crowding, risk of homelessness—is concentrated here, as are adverse effects on health and quality of life.

But a more divided urban landscape has implications for the broader community. A widening gap between affluent and disadvantaged areas may fray overall social cohesion and sense of community. It creates uneven fiscal stresses on different municipalities and may undermine an already fragmented city-region polity. It may affect successful integration of immigrants and lead to rising ethno-racial inequality. It can contribute to more crime. It poses risks of disinvestment and neighbourhood “decline.” It may impair urban quality of life and, therefore, prosperity.

CONNECTING AFFORDABLE HOUSING AND GROWTH MANAGEMENT

These challenges point to making affordable housing policy more fully part of urban growth management. Policy discourse in the United States has started to embrace the language of “regional equity” and “fair growth.” This aims at giving people of all income levels a chance to live across the city-region; ensuring housing mix in new areas to avoid concentrated poverty in older areas and enabling low-wage workers to live near jobs.

Affordable housing is a central part of regional equity, along with transit investment, labour force training and child care, equitable school funding and standards, fair taxation, adequate local services and neighbourhood interventions.

The regional equity agenda in American cities is not just about race, the American divide of black and white, and the American “inner city.” It is explicitly about income and social class, inner suburbs, “Canadian-like” cities such as Seattle or Minneapolis, and cities where ethno-racial disparities today are immigration-related.

Several strategic thoughts can be drawn from the policy literature:

- **Growth management can pose challenges to affordable housing, but there are also synergies.** Affordable housing supports growth management goals of less commuting, transit-supportive densities and less outward pull of “sprawl.”
- **Neighbourhood issues must be understood in the context of the city-region housing market.** Conditions in poor neighbourhoods arise from unequal access to opportunities across the city-region. While neighbourhood problems require responses in local services and in broad social policy, concentrated poverty cannot be addressed within a neighbourhood or in broad social policy. It arises from the way the housing market functions across the city-region.
- **Affordable housing is an immigrant settlement issue.** High immigration and cumulative workforce trends mean that many immigrants first settle in pockets of concentrated poverty, away from areas of job growth. If stemming the trend to low-income immigrant enclaves is a goal, housing policy is the main route to it.
- **Job access is an issue to watch for in Greater Toronto.** Low-wage workers should be able to get to areas of job growth and employers should be able to readily find workers. The legacy of mixed-income inner suburbs still puts low-wage workers within 5 to 10 km (3 to 6 mi.) of the main job growth areas. But another 20 years of suburban expansion on today’s model would mean U.S.-style job access issues.

- **The city-region, along with the neighbourhood, is the spatial scale where “place-based policy” gets most real.** Alleviating concentrated poverty or tackling job access requires action at the scale of the city-region housing market and labour market. In the absence of governance reform, regional approaches can be led by the province and through unitary/upper-tier municipal co-operation.
- **Third sector, business or multi-sector voices have played a vital role** in putting regional equity on the public agenda in American cities. Social-sector voices in the U.S. have moved beyond the focus on existing communities and neighbourhood interventions and increasingly see the regional frame for local trends and issues.
- **Housing mix in new suburbs is paramount in regional equity.** The mix of housing stock created when each area is young shapes an enduring income profile. Lack of mix in outer suburbs, far more than gentrification, channels low- and moderate-income demand into parts of the inner suburbs. Funding and regional growth management are far more important in this than local land use planning.
- **Careful housing program choices are vital for inner suburban areas under pressure.** They can safeguard housing quality, create reinvestment, alleviate affordability issues and rebalance the social mix. The menu is wide.
- **Social housing is not a main vector of declining income and neighbourhood change.** Most low-income people live in private rental housing. The increase in low-income renters per year is a couple of thousand or more; the increase in affordable housing units is a few hundred. Social housing investment is the main way to offset negative market trends.
- **Inclusive development.** Requiring all new development to include some affordable housing is standard in planning in England and in many U.S. locales. This responds fittingly to the urban land market, where land value is created by public decisions, and where dominant middle- and upper-income demand prices out the poor. Inclusive development does not replace the need for public investment, but can ensure mixed communities and housing near jobs.
- **Rental assistance.** Housing allowances (vouchers) are a tool for de-concentrating poverty in U.S. city-regions. Vouchers are not a substitute for creating affordable rental in new suburbs. But they give people with low incomes a wider choice of neighbourhood. Choices between supply-side and demand-side programs must consider macro social mix across the city-region.
- **Land use and development policy.** Regional equity reinforces the importance of zoning for multi-unit developments, and reducing barriers in the development approval processes.
- **Reinvestment and renewal in low-demand districts.** Reinvesting in “declining” areas—whether social housing, private rental or homeownership—is a counterforce to sprawl, a way to draw housing demand back from the fringe to existing urban districts. The market will lead in some areas, but public funding and incentives are often needed in areas of concentrated poverty and declining status.
- **Protecting existing rental.** Protecting existing affordable housing is important, even when it is the locale for concentrated poverty. Market-led reductions of rental housing stock will tend to displace low- and moderate-income households to other areas, deepening or spreading concentrated poverty elsewhere.

POLICY OPTIONS

The market trends described here are far beyond the scale of any likely policy response. But policy choices can mitigate these trends and help maintain a mixed city-region.

Other jurisdictions show several main housing policy options as means to regional equity. Many are familiar, but there is a need to understand them more fully as means to ensure mixed communities, job access and social inclusion across the city-region.

- **Public investment and subsidy.** Building affordable housing in new suburbs will shape social mix and integration there and in older neighbourhoods too. But this requires a scale of funding and is only sufficient to absorb a good share of ongoing annual increase in low-income renters. U.S. regional funds and revenue sources are means to augment federal/state funding, and well-suited to supporting regional strategies. Region-wide allocations and targets are essential.

CMHC Project Manager: Doug Pollard

Consultant: Greg Suttor

This project was funded (or partially funded) by Canada Mortgage and Housing Corporation (CMHC) under the terms of the External Research Program (ERP), an annual research grant competition. The views expressed are the personal views of the author(s) and do not represent the official views of CMHC. For more information on the ERP, please visit the CMHC website at www.cmhc.ca or contact the Project Officer, Responsive Programs by e-mail at erp@cmhc-schl.gc.ca, or by regular mail: Project Officer, Responsive Programs, External Research Program, Policy and Research Division, Canada Mortgage and Housing Corporation, 700 Montreal Road, Ottawa ON K1A 0P7.

To find more *Research Highlights* plus a wide variety of information products, visit our website at

www.cmhc.ca

or contact:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Phone: 1-800-668-2642

Fax: 1-800-245-9274

©2007, Canada Mortgage and Housing Corporation
Printed in Canada
Produced by CMHC

26-09-07

Although this information product reflects housing experts' current knowledge, it is provided for general information purposes only. Any reliance or action taken based on the information, materials and techniques described are the responsibility of the user. Readers are advised to consult appropriate professional resources to determine what is safe and suitable in their particular case. Canada Mortgage and Housing Corporation assumes no responsibility for any consequence arising from use of the information, materials and techniques described.

Gestion de la croissance et logement abordable dans le Grand Toronto

Le logement abordable est étroitement lié à deux problèmes urbains importants : les besoins criants des quartiers fortement défavorisés et la gestion de la croissance urbaine. Ces deux problèmes sont liés à la prospérité urbaine dans son ensemble et à la qualité de vie.

À l'aide d'un vaste corpus de recherches et de données de recensement adaptées, des rapports significatifs peuvent être établis dans le Grand Toronto entre les écarts de revenus grandissants, les modèles de croissance suburbaine, le logement abordable, la pauvreté dans les banlieues proches et l'établissement des immigrants.

FORCES CONVERGENTES

Depuis 1980, les tendances de répartition démographique du Grand Toronto ont grandement changé. Les majorités nanties et les minorités à faible revenu vivent de plus en plus dans des districts et des quartiers différents.

Depuis 1980, deux changements importants ont convergé pour redessiner le paysage de l'habitation.

Le premier s'est produit sur le marché du travail et est étroitement lié à l'immigration. Le deuxième concerne la « construction de la ville », soit le régime de développement urbain, dont les tendances des logements abordables (sociaux ou privés) sont indissociables.

Les inégalités en matière d'emploi et les écarts de revenus sont encore plus grands aujourd'hui. La plupart des écarts touchent les nouveaux immigrants. Dans les nouvelles banlieues, peu de logements locatifs ou abordables sont construits, raison pour laquelle il y a une moins grande diversité des revenus des ménages. Les locataires et les nouveaux venus, dont le revenu est plus bas qu'auparavant, sont concentrés dans un nombre limité d'habitations à loyer modique, situées pour la plupart dans les banlieues proches. Ces facteurs et ces dynamiques du marché de l'habitation ont mené à une plus grande concentration de la pauvreté.

CHANGEMENTS SUR LE MARCHÉ DU TRAVAIL ET DANS LA POPULATION

Les professions libérales et les emplois de cadres représentent la moitié de la croissance du secteur de l'emploi en milieu urbain depuis les dernières années, une part démesurée. Cela a entraîné une forte hausse des revenus et un mouvement spectaculaire vers les nouvelles banlieues, excepté pour les ménages à faible revenu.

Ces derniers, soit le tiers des ménages, ont un revenu stable ou à la baisse. Jusqu'à dans les années 1990, le système de transfert et d'imposition du Canada avait compensé les tendances d'écarts de revenus démesurés. Depuis, les preuves d'écarts grandissants sont concluantes : le Canada et la ville de Toronto se dirigent peu à peu vers une population active polarisée, phénomène observé de façon plus marquée aux États-Unis et au Royaume-Uni depuis les années 1980.

Dans la région de Toronto, les ménages à revenus faible ou modeste, soit 40 % de l'éventail, ont vu leurs revenus augmenter légèrement en termes réels entre 1981 et 1991 et diminuer de 1991 à 2001. Le revenu médian pour cette tranche était de 23 700 \$ en 1981, de 27 400 \$ en 1991, et de 26 200 \$ en 2001.¹ Les revenus du quintile le plus élevé ont augmenté considérablement et dépassaient 80 100 \$ en 1981, 99 400 \$ en 1991, et 106 200 \$ en 2001.

Les nouveaux venus sur le marché du travail régional, c'est à dire les jeunes et les nouveaux immigrants, sont ceux qui sont le plus affectés par les changements parce que certaines entreprises voient le jour pour disparaître ensuite ou parce qu'un type d'emploi est remplacé par un autre. Les revenus à la baisse des immigrants et leur difficulté à remonter la pente représentent une tendance observée à l'échelle du pays. L'impact des écarts grandissants a été entièrement absorbé par les nouveaux immigrants et n'a aucunement touché les travailleurs à revenu faible nés au Canada. Pour le Grand Toronto, accueillir environ 100 000 nouveaux immigrants par année produit un impact considérable sur les quartiers.

1 Données de recensement de la RMR pour le premier quintile de l'année précédente, rajustées et arrondies en fonction de l'IPC.

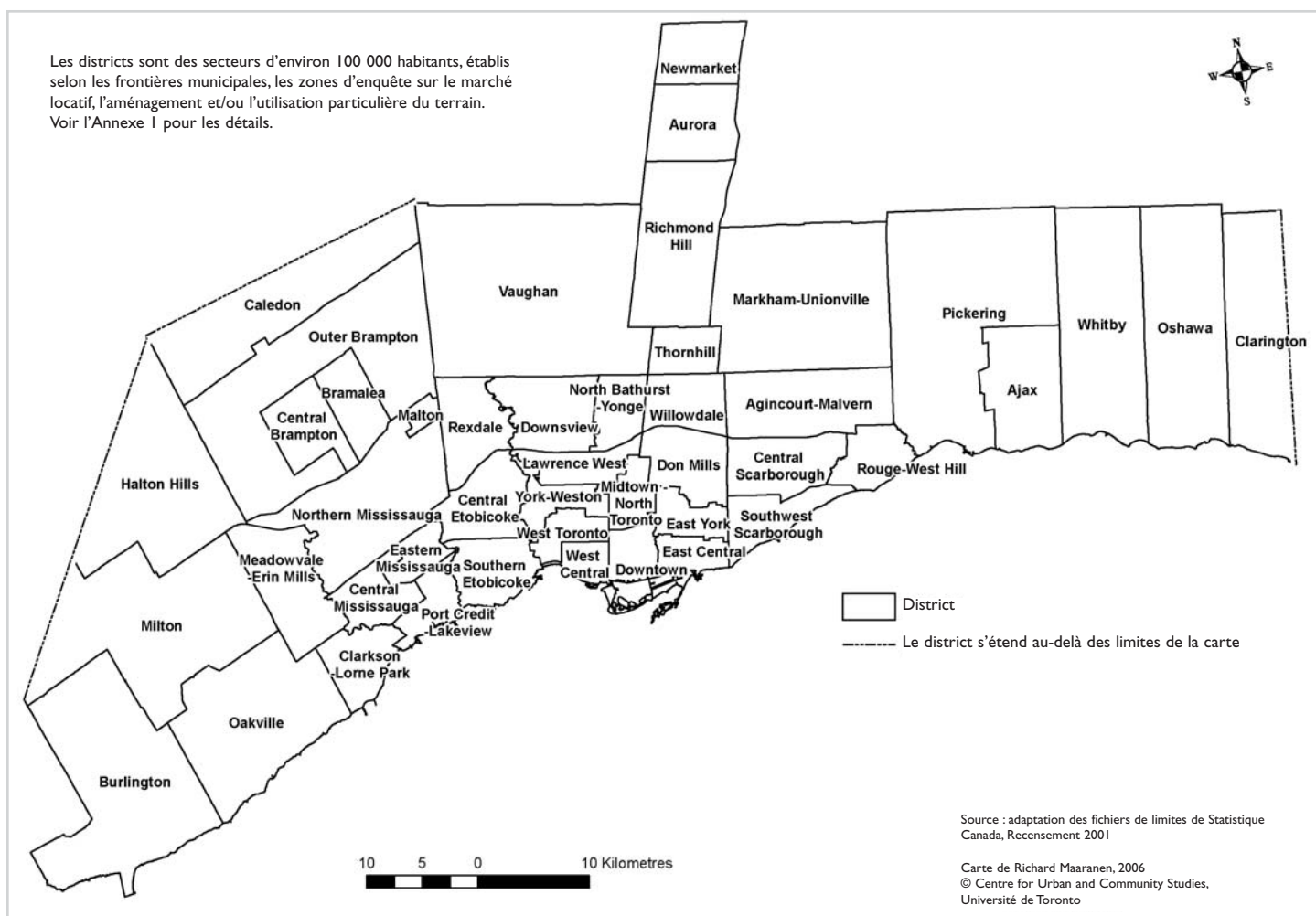


Figure 1 Districts du Grand Toronto

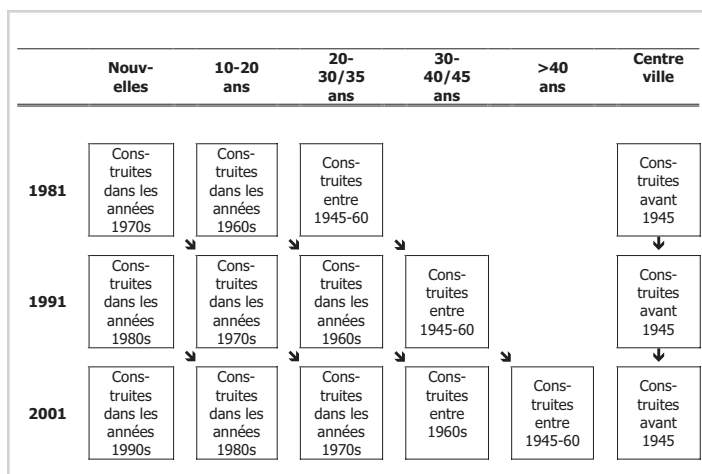


Figure 2 Cohortes selon l'âge des banlieues

La demande des ménages à revenus moyen et élevé pour la construction d'habitations et l'influence qu'elle exerce sur les prix prévaut sur la demande des ménages à revenus faible ou modeste. Les écarts de revenus grandissants sont proportionnels aux prix des habitations et aux quartiers que les ménages pauvres et nantis peuvent se permettre.

NOUVEAU MODÈLE D'AMÉNAGEMENT URBAIN

Les banlieues proches, les banlieues lointaines et le centre de la ville ont des profils de revenus et d'occupation bien différents et ont des « trajectoires » également très différentes. Les banlieues proches ont été construites entre 1945 et les années 1970, les banlieues lointaines ont été construites après cette période. Il est possible de comparer les différents profils de revenus, les types d'habitation, les modes d'occupation, les types de familles et le statut des immigrants dans des « districts » urbains et suburbains d'environ 100 000 habitants (figure 1). Les districts sont groupés en « zones d'âge », en fonction de l'âge de la plupart des habitations (figure 2).

Les banlieues proches et les banlieues lointaines se distinguent non seulement par leur âge, mais aussi par leur proportion différente des logements locatifs. De 38 % à 46 % des ménages vivant dans les banlieues proches ont un revenu faible ou modeste. Naturellement, cette proportion est moindre (25 %) dans les banlieues plus jeunes et lointaines. Toutefois, en 1981, dans les banlieues de l'après-guerre encore jeunes à l'époque, 38 % des ménages avaient un revenu faible ou modeste, pratiquement la même proportion que dans la région du centre (figure 3).

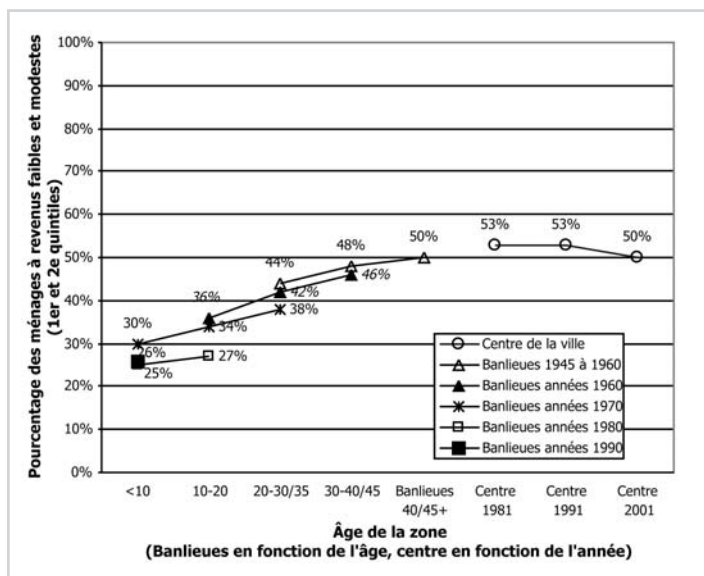


Figure 3 Trajectoire des classes de revenus faibles et modestes par zone

Dans les nouvelles banlieues d'aujourd'hui, une faible proportion est réservée à la construction de logements locatifs : en général, de 10 % à 20 %, et cette proportion diminue d'année en année, surtout dans les secteurs les plus récents. À l'inverse, en 1981, dans les banlieues de l'après-guerre de Toronto, lorsque la plus vieille de ces banlieues avait 35 ans, de 40 % à 45 % du parc résidentiel était composé de logements locatifs (figures 4 et 5).

Des années 1950 aux années 1970, le marché et les conditions politiques ont mené à la croissance du parc de logements locatifs dans les banlieues de l'après-guerre. En moyenne, 3 000 logements locatifs privés étaient construits chaque année. Aujourd'hui, ces conditions ont changé.

■ **Marché et démographie.** Les baby-boomers, autrefois jeunes et locataires, sont maintenant d'âge moyen; les personnes âgées ont un meilleur revenu; les taux d'intérêt hypothécaires sont plus bas. Un plus grand nombre de personnes sont donc propriétaires; les logements locatifs occupent une moins grande part du marché, avec

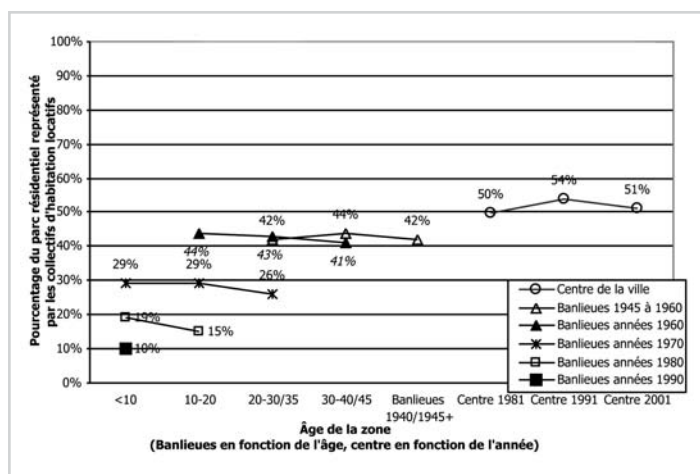


Figure 4 Trajectoire des collectifs d'habitation locatifs par zone

des revenus à la baisse.

■ **Politiques.** La réglementation fiscale était favorable aux promoteurs de logements locatifs dans les années 1960. Des années 1960 jusqu'aux années 1980, plus de 2 000 nouveaux logements sociaux étaient construits par année en moyenne à Toronto, la plupart dans les banlieues proches. De 1976 à 1990, la moyenne est passée à plus de 1 000 nouveaux logements sociaux privés par année.

Les banlieues proches ont été renforcées par l'aménagement de logements sociaux en milieu urbain dans les années 1960, et ensuite par l'arrivée de promoteurs de logements communautaires sans but lucratif.

Au milieu des années 1960, les démunis et les nouveaux immigrants de Toronto vivaient toujours dans les banlieues entourant le cœur de la ville. Avant 1980, la plupart d'entre eux étaient locataires au même endroit qu'aujourd'hui, dans les banlieues aménagées entre les années 1950 et les années 1970. Les démunis, les nantis, les nouveaux arrivants et les autres étaient répartis de façon relativement homogène dans Toronto. Cela donnait une plus grande diversité « macro-sociale » que dans la plupart des villes des États-Unis ou du Grand Toronto d'aujourd'hui.

Depuis 1980 environ, alors que la région urbaine grossissait chaque année, le secteur de la propriété foncière a délaissé progressivement les banlieues proches, tandis que le revenu des locataires habitant les banlieues proches était en baisse. En 1981, un locataire avait 15 % plus de chances d'habiter une banlieue proche qu'un propriétaire; en 2001, cette probabilité était de 50 %.

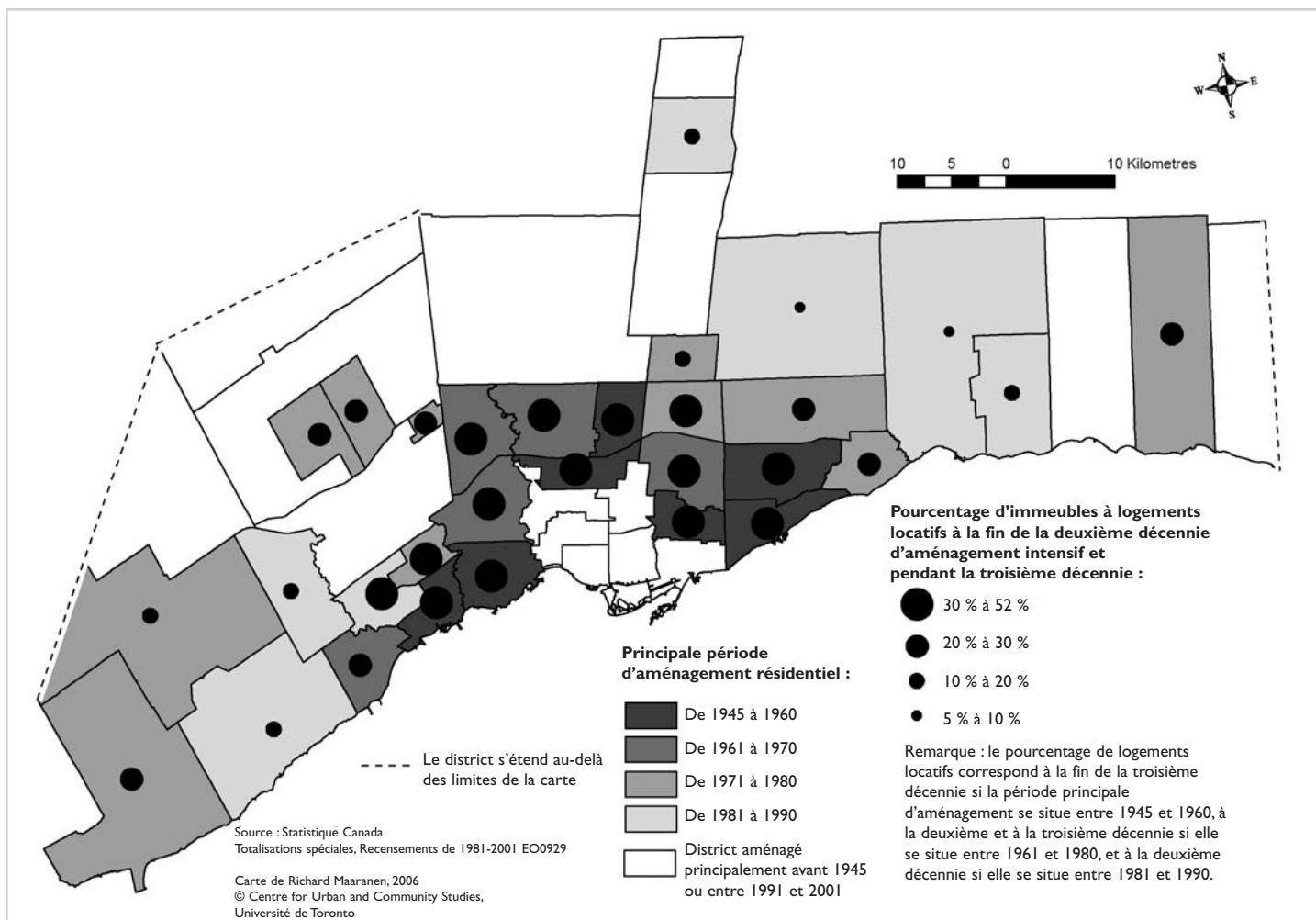


Figure 5 Pourcentage des logements locatifs en fonction de l'âge des banlieues par district dans le Grand Toronto

SECTEUR LOCATIF ET AUTRES TENDANCES

Le revenu des propriétaires fonciers diminue de façon prévisible à mesure que les banlieues vieillissent, tendance qui a peu changé de 1981 à 2001. La proportion de propriétaires ayant un revenu faible ou modeste a augmenté pour passer de 1 sur 5 entre 1981 et 1991 à 1 sur 3 de 1991 à 2001. Ce changement représente un peu plus de la moitié de la baisse des revenus dans les banlieues proches.

Aujourd'hui, dans le secteur locatif, les nouveaux venus et ceux dont le revenu est moins élevé qu'auparavant ont un choix restreint dans les banlieues lointaines et ne peuvent se permettre un loyer dans le centre de la ville qui s'embourgeoise. La force d'attraction des quartiers ethniques et un système de transport plus efficace jouent un rôle, mais c'est le marché de l'habitation qui mène le bal. Peu importe l'époque, ce sont les banlieues proches qui comptent la plupart des logements

abordables libres et la plupart des logements familiaux. En moyenne, le nombre de locataires ayant un revenu faible (dernier quintile) a augmenté entre 1981 et 2001 de 2 400 à 3 300 par année. Entre 55 % et 60 % d'entre eux ont abouti dans les banlieues proches.

On estime que les logements sociaux ont absorbé moins de la moitié de l'augmentation nette des ménages locataires à revenus faible ou modeste entre 1981 et 2001. À mesure que la construction s'essouffait pendant les années 1990 et que les revenus diminuaient de plus en plus, le nombre grandissant de locataires à revenu faible ou modeste qui s'ajoutait chaque année a dû être absorbé par le marché locatif privé, en particulier dans les banlieues proches.

La présence d'immigrants récents dans le secteur des logements locatifs a doublé entre 1981 et 2001, pour s'établir à 1 ménage sur 4. Cela représente 85 % de l'augmentation des ménages à revenu faible ou modeste et de la croissance nette de l'ensemble du secteur locatif.

Entre 1981 et 2001, il y a eu une augmentation annuelle nette de 4 000 à 5 000 immigrants ayant un revenu faible ou modeste dans le Grand Toronto. Près de la moitié de ces immigrants habitaient dans des logements locatifs situés dans les banlieues proches. Les profils et les baisses de revenu des nouveaux immigrants locataires sont comparables à ceux des autres locataires, excepté dans le centre de la ville. Les nouveaux immigrants qui sont propriétaires habitent dans des secteurs très différents, tout comme les autres propriétaires (figure 6). Tout cela porte à croire que ce sont le revenu et l'emplacement des logements qui détermineraient où les nouveaux immigrants s'établissent.

Le résultat en est que les immeubles locatifs, qui avaient créé autrefois une diversité « macro-sociale », sont devenus le « lieu des défavorisés » dans une région urbaine qui se polarise et où la stratification ethnique est de plus en plus évidente. La croissance du secteur locatif a dévié vers les ménages à revenu faible; en fait, un tiers de la croissance du secteur locatif des années 1980 jusqu'au milieu des années 1990 est attribuable aux ménages à revenu « très faible » (dernier décile). Dans le secteur locatif des banlieues proches, le pourcentage des ménages à revenu faible est passé de 32 % à 38 % entre 1981 à 2001; le pourcentage de la catégorie plus vaste « revenu faible ou modeste » est passé de 60 % à 67 %. Cette tendance répandue de façon inégale selon les quartiers a suffi pour provoquer subitement une plus grande concentration de la pauvreté.

LES TROIS ANNEAUX DE LA RÉGION URBAINE

Ces tendances marquent clairement les limites des trois anneaux bien connus du Grand Toronto. Sans intervention ciblée, il est fort probable que la trajectoire actuelle du Grand Toronto se poursuivra.

- Le **centre de la ville, construit jusqu'en 1945**, comprend des propriétaires dont le revenu est à la hausse, mais conserve une diversité sociale beaucoup plus grande que les banlieues lointaines. Le secteur locatif privé est passablement distinct, avec des ménages dont le revenu est élevé ou à la hausse. Les tendances et perspectives laissent entrevoir un embourgeoisement, un développement ciblant davantage les catégories de revenu moyen et élevé et un secteur locatif plus polarisé entre les locataires de la classe moyenne et ceux des logements sociaux.
- Les **banlieues proches, construites entre 1946 et les années 1970**, constituent les principales options de logement abordable et elles absorbent près de la moitié de la croissance urbaine annuelle de 12 000 ménages à revenus faible ou modeste. Ce sont des secteurs diversifiés qui ne sont pas défavorisés, mais il y a des écarts grandissants entre les quartiers; les ménages ayant un revenu faible ou modeste représentent la majeure partie de la croissance nette. La trajectoire d'un grand nombre de résidents y est vers le haut et vers

l'extérieur – vers de meilleurs revenus et de meilleurs secteurs – mais la trajectoire de la zone est vers le bas, puisqu'elle accueille de nouveaux venus chaque année et que le niveau de pauvreté de la deuxième génération s'aggrave dans certains cas

Les banlieues proches devront continuer à répondre à la demande croissante des ménages à revenus faible et modeste. Cette situation est attribuable aux propriétaires qui vieillissent en demeurant au même endroit, à une concentration du parc locatif, à une baisse des revenus des locataires et des nouveaux immigrants et à une tendance inversée du secteur locatif dans le centre de la ville. Cela implique une diminution de jusqu'à 20 000 logements locatifs par décennie pour les ménages à revenu modeste et surtout pour les ménages à revenu faible. Un marché locatif plus segmenté entraînera une plus grande concentration de la pauvreté. Si les tendances se maintiennent, la part du marché qu'occupent les locataires à revenus faible ou moyen dans les banlieues proches atteindra 75 % avant 2021, par rapport à 60 % en 1981.

- Les **banlieues lointaines, construites depuis 1980 environ**, sont un composé hétérogène de ménages à revenu moyen ou élevé; elles absorbent près de 90 % de la croissance de ces classes. Toutefois, leur croissance rapide représente une grande partie de l'augmentation dans toutes les classes de revenus et pour tous les types de ménages. Les propriétaires-occupants sont tout de même les plus nombreux et, en termes relatifs, le secteur locatif se contracte chaque année. Les nouvelles banlieues continueront d'absorber une grande partie de la croissance des ménages ayant un revenu moyen et élevé. Cependant, les banlieues lointaines représentent maintenant la moitié de la région urbaine; elles se diversifieront davantage en vieillissant et comporteront un plus grand nombre de personnes âgées, de jeunes travailleurs adultes défavorisés et de nouveaux immigrants.

TENDANCES MONDIALES

Comme c'est le cas pour les tendances mondiales de la population active et des mouvements de population, on retrouve aussi des versions de ce paysage urbain dans la plupart des villes cosmopolites d'Occident. Il est très utile de comprendre les tendances de la ville de Toronto dans ce contexte, puisqu'elles sont le résultat de forces globales. Par exemple :

- Un taux élevé d'immigration, une diversité ethnique croissante et une population active plus stratifiée sur le plan ethnique sont des phénomènes observés dans la plupart des villes cosmopolites. Peu de villes cosmopolites de second rang ont une démographie comparable à celle de Toronto pour ce qui est de la proportion d'habitants nés à l'étranger, qui y est de 40 %, mais leur taux varie tout de même entre 25 % et 40 %, dont au moins le tiers sont des immigrants récents. La croissance de l'emploi dans les villes cosmopolites, points centraux de l'économie mondiale, favorise la mobilité ascendante des résidents établis et attire les migrants à la recherche d'un emploi.

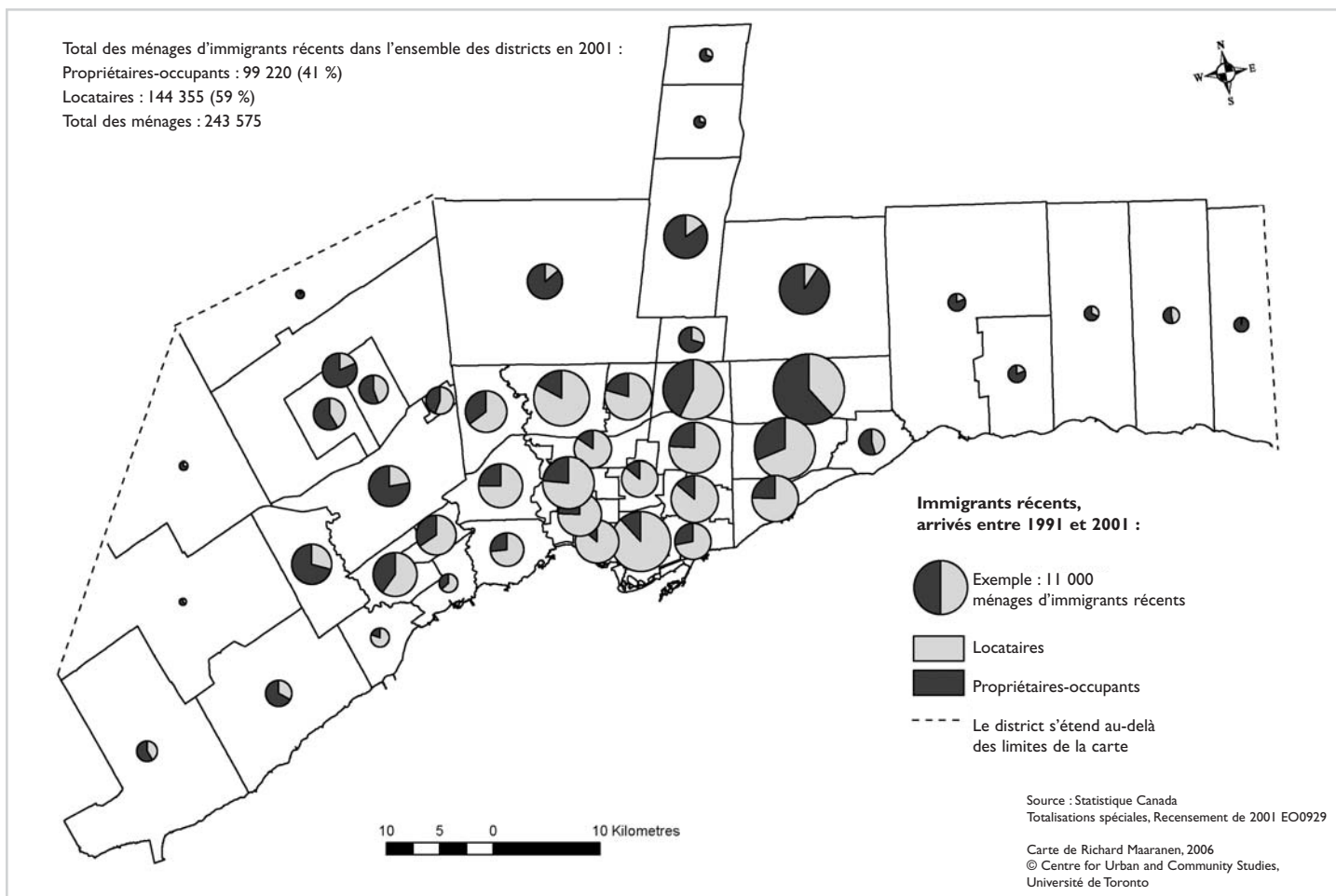


Figure 6 Ménages composés d'immigrants récents par district – Grand Toronto, 2001

- Aujourd'hui, la plupart des grandes villes occidentales ont des quartiers qui se distinguent facilement par les classes de revenus, les groupes ethniques, l'embourgeoisement du centre de la ville, un secteur locatif de l'après-guerre en baisse dans les banlieues proches et des banlieues lointaines encore plus axées sur le transport automobile qu'auparavant.

RÉPERCUSSIONS DE CES TENDANCES

Ces tendances observées dans les villes cosmopolites élargissent les écarts sociaux en région urbaine, et ont leurs répercussions les plus importantes sur les habitants et les quartiers défavorisés. La dynamique du marché de l'habitation favorise une concentration de la pauvreté et les problèmes sociaux qui y sont rattachés. Les « effets de quartier » ont des conséquences négatives sur les enfants et les jeunes, sur les écoles et les services régionaux. Le niveau de stress relié à l'habitation (abordabilité, qualité, surpeuplement, risque de devenir sans-abri) est élevé, tout comme les effets négatifs sur la santé et la qualité de vie.

Toutefois, un paysage urbain plus divisé a des répercussions sur l'ensemble de la collectivité. Un écart grandissant entre les secteurs nantis et défavorisés peut affaiblir la cohésion sociale et le sentiment d'appartenance à la collectivité. Cela entraîne des tensions fiscales inégales sur les différentes municipalités et peut miner l'organisation civile de la ville, déjà fragmentée. Cela peut également affecter la réussite de l'intégration des immigrants et faire augmenter les inégalités ethniques et la criminalité. Cette situation présente des risques de désinvestissement et de « déclin » des quartiers. Finalement, elle pourrait détériorer la qualité de vie urbaine et donc la prospérité.

RELIER LE LOGEMENT ABORDABLE À LA GESTION DE LA CROISSANCE

Ces défis font ressortir la nécessité que les politiques en matière de logement abordable prennent une importance accrue dans la gestion de la croissance urbaine. Aux États-Unis, le discours sur les politiques a commencé à adopter les concepts d'« équité régionale » et de « croissance équitable ».

Cela vise à donner la chance à tous, sans égard à leur revenu, d'habiter partout dans la région urbaine, à assurer une diversification des habitations dans les nouveaux secteurs pour éviter une concentration de la pauvreté et à permettre aux travailleurs à revenu faible d'habiter près de leur travail.

Le logement abordable est un point central de l'équité régionale, tout comme l'investissement dans le transport, la formation de la main-d'œuvre, les garderies, le financement équitable des établissements d'enseignement, le régime fiscal équitable, les services régionaux adéquats et les interventions dans les quartiers.

Le programme d'équité régionale dans les villes américaines ne se penche pas uniquement sur les questions ethniques, la division entre les noirs et les blancs et le noyau de la ville américaine. Il traite clairement des classes de revenu et des classes sociales, des banlieues proches, des villes comparables aux villes canadiennes, comme Seattle ou Minneapolis, et des villes où les inégalités ethniques d'aujourd'hui sont liées à l'immigration.

Plusieurs pensées stratégiques peuvent être retenues des documents de politiques :

- **La gestion de la croissance peut présenter des défis à l'égard du logement abordable, mais il y a également des synergies.** Le logement abordable soutient les objectifs de gestion de la croissance qui visent à réduire les déplacements quotidiens, à favoriser des densités viables pour le transport public et à contrôler l'étalement urbain.
- **Les problèmes de quartiers doivent être étudiés dans le contexte du marché de l'habitation de la région urbaine.** Les mauvaises conditions des quartiers défavorisés sont dues à l'accès inégal aux possibilités dans la région urbaine. Alors que les problèmes de quartiers nécessitent des solutions des services régionaux et des politiques sociales à plus grande échelle, la concentration de la pauvreté ne peut être réglée à l'intérieur d'un quartier ou par des politiques sociales générales. Ce problème est dû à la dynamique du marché de l'habitation en région urbaine.
- **Le logement abordable est un problème qui touche l'établissement des immigrants.** Le taux élevé d'immigration et la résultante des tendances de la population active font en sorte que de nombreux immigrants s'établissent d'abord dans les foyers de pauvreté concentrée, loin de la croissance de l'emploi. Si freiner la tendance des immigrants à revenu faible à s'enclaver est un objectif, les politiques d'habitation sont le meilleur moyen de l'atteindre.
- **L'accès à l'emploi est un problème préoccupant dans le Grand Toronto.** Les travailleurs à revenu faible devraient avoir accès aux quartiers où il y a une croissance de l'emploi et les employeurs devraient pouvoir trouver de la main-d'œuvre facilement. L'héritage qu'ont laissé les banlieues proches à revenu mixte continue de garder les travailleurs à revenu faible à 5 à 10 km (3 à 6 miles) des principaux centres de croissance de l'emploi. Si le modèle actuel d'expansion des banlieues se poursuit encore pendant 20 ans, nous ferons face aux mêmes problèmes d'accès à l'emploi qu'aux États-Unis.
- **La région urbaine et sa périphérie sont l'échelle spatiale où les « politiques fondées sur l'emplacement » se concrétisent.** Décentraliser la pauvreté et s'attaquer au problème d'accès à l'emploi nécessitent que des mesures soient prises sur le marché de l'habitation et sur le marché du travail, à l'échelle de la région urbaine. En l'absence d'une réforme de la gouvernance, des approches régionales peuvent être menées par la province et par la coopération des municipalités individuelles ou du palier supérieur du gouvernement municipal.
- **Le secteur de l'économie sociale, les entreprises et les intervenants provenant de divers secteurs jouent un rôle essentiel** pour mettre l'équité régionale au programme des activités des villes américaines. Aux États-Unis, les intervenants du secteur social sont allés au-delà des priorités des collectivités existantes et des interventions dans les quartiers et croient de plus en plus que le cadre régional est destiné aux tendances et aux problèmes régionaux.
- **La composition des habitations dans les nouvelles banlieues a une importance capitale pour l'équité régionale.** La composition du parc résidentiel lorsque le secteur est encore jeune détermine pour une longue période son profil de revenu. Le manque de diversité dans les banlieues lointaines, encore plus que l'embourgeoisement, concentre la demande provenant des ménages à revenus faible ou modeste dans certains secteurs des banlieues proches. À cet égard, le financement et la gestion de la croissance régionale sont beaucoup plus importants que l'aménagement du territoire régional.
- **Des programmes d'habitation judicieux sont essentiels pour aborder la pression subie par les banlieues proches.** Ces choix peuvent assurer la qualité des habitations, encourager le réinvestissement, alléger les problèmes d'abordabilité et rééquilibrer la diversité sociale. Les possibilités sont nombreuses.
- **Le logement social n'est pas une cause importante des baisses de revenus et des changements dans les quartiers.** La plupart des personnes ayant un revenu faible vivent dans des logements locatifs privés. Le nombre de locataires à revenu faible augmente d'au moins 2 000 par année; le nombre de logements abordables augmente de quelques centaines. L'investissement dans le logement social est le principal moyen de compenser les tendances négatives du marché.

ORIENTATIONS

Les tendances du marché décrites dans la présente étude vont bien au-delà de n'importe quelle mesure stratégique éventuelle. Cependant, les politiques peuvent atténuer ces tendances et aider à maintenir une diversité dans la région urbaine.

D'autres compétences ont mis de l'avant diverses politiques en matière d'habitation pour maintenir l'équité régionale. Bon nombre sont connues, mais il est nécessaire de bien les comprendre pour assurer la diversité des collectivités, l'accès à l'emploi et l'inclusion sociale à l'échelle de la région urbaine.

- **Investissement public et subventions.** Construire des logements abordables dans les nouvelles banlieues y déterminera la composition et l'intégration sociales, et aussi dans les quartiers plus âgés. Toutefois, cela exige un financement suffisant pour absorber une grande partie de l'augmentation annuelle des locataires à revenu faible. Aux États-Unis, les fonds et les sources de revenus régionaux constituent des moyens d'accroître le financement provenant du gouvernement fédéral et des États et appuient bien les stratégies régionales. Les crédits et les cibles établis à l'échelle de la région sont essentiels.
- **Développement inclusif.** Exiger que tous les nouveaux aménagements comprennent des logements abordables est une norme d'urbanisme répandue en Angleterre et à plusieurs endroits aux États-Unis. C'est un moyen adéquat de contrôler un marché foncier urbain dans lequel la valeur d'un terrain est déterminée par des décisions publiques et la demande provenant des classes de revenus moyen et élevé exclut les démunis du marché. Le développement inclusif n'élimine pas le besoin d'investissement public, mais il peut assurer la diversité des collectivités et des logements à proximité des emplois.
- **Aide au loyer.** Les allocations de loyer (bons) servent à décentraliser la pauvreté dans les régions urbaines des États-Unis. Ces bons ne remplacent pas la création de logements abordables dans les nouvelles banlieues, mais ils offrent un plus grand choix de quartiers aux personnes ayant un revenu faible. Les choix de programmes axés soit sur l'offre ou la demande doivent tenir compte de la diversité macro-sociale de la région urbaine.
- **Utilisation des terres et politiques d'aménagement.** L'équité régionale renforce l'importance du zonage pour les aménagements de collectifs d'habitation, ce qui réduit les obstacles dans les processus d'approbation des aménagements.
- **Réinvestissement et revitalisation des quartiers de faible demande.** Réinvestir dans les secteurs « en déclin » (que ce soit dans le logement social, le logement locatif privé ou l'accès à la propriété) est un moyen de contrer l'étalement et de contenir la demande de logements dans les limites des districts urbains existants. Le marché dominera certains secteurs, mais le financement public et les incitatifs sont souvent nécessaires dans les secteurs très défavorisés et dans ceux qui sont en déclin.
- **Protection des logements locatifs existants.** Protéger les logements abordables existants est important, même si la pauvreté se concentre dans ces endroits. Une diminution du parc de logements locatifs dictée par le marché tendrait à déplacer les ménages à revenus faible et modeste vers d'autres secteurs, ce qui causerait une plus grande concentration de la pauvreté ou la répandrait ailleurs.

Directeur de projet à la SCHL : Doug Pollard

Consultants pour le projet de recherche : Greg Suttor

Ce projet a été réalisé (ou réalisé en partie) grâce au soutien financier de la Société canadienne d'hypothèques et de logement (SCHL) dans le cadre de son Programme de subventions de recherche, subventions qui sont octroyées au terme d'un concours annuel. Les idées exprimées sont toutefois celles de l'auteur (ou des auteurs) et ne représentent pas la position officielle de la SCHL. Pour en savoir plus sur ce programme, visitez le site Web de la SCHL à www.schl.ca ou communiquez avec l'agent de projets, Recherche d'initiative privée, par courriel, à erp@cmhc-schl.gc.ca, ou par la poste à : Agent de projets, Recherche d'initiative privée, Programme de subventions de recherche, Division de la recherche et des politiques, Société canadienne d'hypothèques et de logement, 700 chemin de Montréal, Ottawa (Ontario) K1A 0P7.

Pour consulter d'autres feuillets *Le Point en recherche* et pour prendre connaissance d'un large éventail de produits d'information, visitez notre site Web au

www.schl.ca

ou communiquez avec la

Société canadienne d'hypothèques et de logement
700, chemin de Montréal
Ottawa (Ontario)
K1A 0P7
Téléphone : 1-800-668-2642
Télécopieur : 1-800-245-9274

©2007, Société canadienne d'hypothèques et de logement
Imprimé au Canada
Réalisation : SCHL

26-09-07

Bien que ce produit d'information se fonde sur les connaissances actuelles des experts en habitation, il n'a pour but que d'offrir des renseignements d'ordre général. Les lecteurs assument la responsabilité des mesures ou décisions prises sur la foi des renseignements contenus dans le présent ouvrage. Il revient aux lecteurs de consulter les ressources documentaires pertinentes et les spécialistes du domaine concerné afin de déterminer si, dans leur cas, les renseignements, les matériaux et les techniques sont sécuritaires et conviennent à leurs besoins. La Société canadienne d'hypothèques et de logement se dégage de toute responsabilité relativement aux conséquences résultant de l'utilisation des renseignements, des matériaux et des techniques contenus dans le présent ouvrage.



National Office

Bureau national

700 Montreal Road
Ottawa ON K1A 0P7
Telephone: (613) 748-2000

700 chemin de Montréal
Ottawa ON K1A 0P7
Téléphone : (613) 748-2000

Puisqu'on prévoit une demande restreinte pour ce document de recherche, seul le résumé a été traduit.

La SCHL fera traduire le document si la demande le justifie.

Pour nous aider à déterminer si la demande justifie que ce rapport soit traduit en français, veuillez remplir la partie ci-dessous et la retourner à l'adresse suivante :

Centre canadien de documentation sur l'habitation
Société canadienne d'hypothèques et de logement
700, chemin Montréal, bureau CI-200
Ottawa (Ontario)
K1A 0P7

Titre du rapport: _____

Je préférerais que ce rapport soit disponible en français.

NOM _____

ADRESSE _____

rue

App.

ville

province

Code postal

No de téléphone () _____

Executive Summary

In the Toronto city-region over the generation since 1980, several factors have converged to make the landscape of the comfortable or affluent majority diverge from that of the low and moderate-income minority. This emerging polarity overlaps considerably with the landscape of homeowner versus renter, of outer versus inner suburbs, and of established resident versus newcomer.

This pattern is commonplace among big cities of the Western world. But it's a notable shift from the Toronto city-region of a generation ago – especially in the suburbs. The change is incremental, happening amid enduring patterns of diversity in the centre and upper-income growth at the edge. But over two decades the shift is large, and it continues.

Greater Toronto has three distinct and well-known rings: central city, inner suburbs, and outer suburbs. Defined by period of development, each has a distinct mix in housing type, tenure, household type, income, and immigration. The notable feature in the centre is great diversity despite gentrification. In inner suburbs it is declining incomes, immigrant settlement, widening disparities, and dramatic emergence of high-need neighbourhoods by the 1990s. In outer suburbs it is rapid spreading growth, home-ownership, and mostly middle and upper incomes.

Housing market dynamics have created this: they channel demand and supply, sending people with lower incomes to some places and those with upper incomes to others. Understanding how this happens is important if society wishes to achieve social equity goals in urban growth management, and mitigate the trend to high-need neighbourhoods. The housing market is shaped by the labour market and migration, and by the policy regime in city-building (urban development) and affordable housing.

In the past generation two great changes have converged to create the new landscape. The first great change is in the labour market and – inseparably – immigration. The second great change is the city-building and affordable housing regime. Disparities are much wider today in jobs and income, most affecting new immigrants and some visible minorities. New suburbs are built with little rental or affordable housing, and therefore much less income mix. Renters and especially newcomers, with lower incomes than before, are channelled into the limited supply of moderate-cost housing. This is located mostly in inner suburbs, the built legacy of a past model of mixed-income city-building.

A changed labour market and population

The new economic and migration forces are seen across big cities of the Western world. The middle class is not declining, not squeezed like an hourglass partly upward, partly downward. The better analogy is a weather system, with a strong updraft in income and housing demand, and a strong onshore breeze.

Half of job growth in recent years – quite disproportionate – has been professional middle class jobs. But this benefits the upper-income half of the population, or those moving into it. Manufacturing has declined relatively, with some shift toward lower-skilled and

lower-paid service jobs in all sectors.

Growth in professional jobs propels enormous upward mobility in income, and outward mobility in urban space. Incomes of the upper half dominate housing production and housing prices, and others can't keep up. The lower-income one-third of households struggles with flat or declining incomes and insecure jobs, amid rising housing prices.

The most vulnerable in the restructured, globalizing economy are people new to the labour market: youth and new immigrants. These groups are most affected by change at the margin, as firms come and go, as one sort of job replaces another. Many of them fare quite well. But declining immigrant incomes and slower catch-up to Canadian-born are a nationwide trend. There has been no increase in low income among Canadian-born: new immigrants have absorbed the entire impact of rising disparities. For Toronto, receiving some 100,000 new immigrants a year – almost half of Canada's total – the neighbourhood impacts are profound.

Rising income inequality is documented for most Western nations. But until the 1990s the Canadian tax and transfer system offset polarizing trends in market income. Since then the evidence of widening income disparities is conclusive. Canada and Toronto are now inching toward a more polarized labour force seen much more sharply in the US and UK from the 1980s onward.

High immigration and rising ethno-racial diversity too are patterns found across the Western world. Few second-tier world cities match Toronto's over 40 percent foreign-born, yet most have 25 to 40 percent foreign-born, one-third or more being recent immigrants. Racially stratified labour forces accompany this everywhere. Job growth in these nodal points of the global economy propels upward mobility for established residents, and draws new immigrants seeking opportunities.

These new patterns in labour force and population are layered onto past and present patterns of city-building. Wider income differences today mean larger disparities in the sort of home and neighbourhood that poor households and affluent ones can afford.

New city-building model

In Toronto, policy and market circumstance from the 1950s to the 1970s created a large rental apartment stock, sprinkled across most post-war suburbs. It was built to meet high overall growth and baby-boomer demand; by some mix of chance and intent it created socially mixed suburban districts. By the late 1970s, the broad spatial distribution of rental housing was only modestly different from home-owner housing. One-quarter of suburban homes were in multi-unit rental buildings. Following from this city-building pattern was a fairly even spread of poor and affluent, of newcomers and others. In inner suburbs of 1981, 37 percent of households were low and moderate-income: proportionate to the city-region and much the same as the central city.

Then came the 1980s and '90s, layering the new economic and demographic trends onto this landscape. Suburban social mix and social need of circa 1980 ("suburbs in transition")

is sometimes conflated with the changes since then. But these recent changes are distinct overlays on socially mixed inner suburbs created in the 1960s and '70s.

In this past generation, several factors have changed the landscape of housing tenure:

- Outward expansion of home-owner suburbs has continued steadily. The income profile of home-owners has been remarkably stable. But the trend is "more so": more households are owners, and those with upper incomes have more money both in real terms and relatively. Suburbs of the 1980s and '90s are much more skewed to low-density ownership housing than post-war suburbs: they house disproportionately the people who do fairly well in today's economy.
- Widening income inequality means lower incomes for tenants in general, and for new immigrants. The once young-and-childless boomers aged out into family life and ownership and newer suburbs, and new immigrants replaced them as inner-suburban renters. More renters have low and moderate incomes; there is zero net growth in middle and upper-income renters. From the 1990s onward, low-income renters have replaced moderate-income renters departing for home-ownership.
- Market and demographic factors turned against rental demand. In the 1960s and '70s, rising mortgage interest rates and demographics (young adult baby-boomers, and elderly often lacking public and private pensions) favoured high rental demand. In recent years, dropping interest rates and demographics (middle-aged boomers, and elderly with better incomes) mean much slower growth in rental demand. The result is slow growth in rental supply, and little rental in new suburban development.

All this leaves behind the slow-growing multi-rental sector as a distinct feature of inner suburbs. This sector, which once contributed to Toronto's socially mixed landscape, has become the "site of disadvantage" in a polarizing and more racially stratified city-region. The rental income profile shifts downward in existing locations; the home-owner sector expands outward in space and upward in income. In 1981 a renter was 15 percent more likely than an owner to live in an inner suburb; by 2001, 50 percent more likely.

The city-region's three rings

The **central city** has rising home-owner incomes, but retains far more social mix than outer suburbs. New apartments and new condos have been a far larger driver of social change than gentrification of low-density housing. Added rental units far outweighed any loss by tenure conversion – at least until the latter 1990s. Central-city private rental has a larger presence of middle and upper incomes and a rising income trend, unlike anywhere else. Gentrification is big in the literature and among Toronto's opinion-shapers, but a modest part the broader picture. The central city absorbed just 11 percent of two decades' growth in upper-middle and upper-income households. All this produces a central city with rising disparities by neighbourhood in income and social profile.

The ***inner suburbs*** – built in the post-war era of 1946 to the 1970s – are where the crunch occurs. Of annual 12,000 city-region growth of low and moderate-income households, the inner suburbs absorb close to half: 3,000 or more home-owners and up to 2,000 renters annually. Among *low-income* multi-rental households, the inner suburbs absorb 55 to 60 percent of city-region growth: about 1,400-1,600 of 2,400-2,800 annually.

Low and moderate incomes accounted for almost all net inner-suburb growth in 1981 to 2001, by which point virtually half of inner-suburban households had such incomes.

Yet income decline in inner suburbs is mostly quite benign. The majority of it is among home-owners. Four main factors are suggested: aging in place, with dropping income at retirement or lagging incomes after that; a possible relative decline in prices and buyer incomes compared to outer suburbs; ongoing condo-building for buyers with quite mixed incomes; and the filling out of initially up-market areas with a fuller housing and price mix.

But renter incomes do decline, and slightly more in inner 'burbs than elsewhere. Low-income family renters, many of them new immigrants, are replacing households with higher incomes moving out to home-ownership. In the 1980s, Toronto's inner suburbs and central city absorbed similar shares of added low and moderate-income renters each year, with new social housing accounting for most of it. By the 1990s, the inner suburbs absorbed twice as much as the central city, and increasingly this was happening in private rental housing as middle and upper income tenants moved out. By 2001, 38 percent of inner-suburban multi-rental households had low incomes, up from 32 percent in 1981. Given uneven impact by neighbourhood, this was enough to create the well-known leap in concentrated poverty.

Housing market dynamics channel low and moderate-income renters to the inner suburbs. The pull of ethnic neighbourhoods plays a role. But at any given point in time, inner suburbs areas account for most available lower-cost rental units, and most available family-sized units. Renters have few options in the outer suburbs, and are outbid in the central city. But inner suburbs are diverse and disadvantaged residents live in particular neighbourhoods; so inner suburbs slide toward the same degree of neighbourhood disparity as the central city.

Inner suburbs in these terms are not only within the City of Toronto: they include some older areas in the "905" suburbs.

The ***outer suburbs*** – built since circa 1980 – have a broad mix of middle and upper incomes, much as new suburbs always did. They capture almost 90 percent of growth in middle and upper-income home-owners. Their fast growth accounts for a significant slice of growth in all income levels and household types. This leads to notable increases in low-income immigrants, working poor, single parents and others, as areas mature. But home-owner growth is dominant; the rental sector shrinks each year in relative terms.

Gentrification, inner-suburban change, and less diverse outer suburbs are three sides of an odd coin. The building of diverse inner suburbs in the 1970s and even '80s was precisely what limited gentrification's negative effects on aggregate low-rent housing supply and on

neighbourhood conditions. By the 1990s the limits of that were reached. But in the broader scheme, gentrification is a modest trend. Lack of diversity in outer suburbs does far more to channel low and moderate-income rental demand into inner suburbs.

Like global labour force and migration patterns, versions of this urban landscape are found around the Western world. Gentrification's links with rising downtown professional employment are well studied. Declining inner suburbs are well documented in US cities and Australia, for very similar reasons. Rising ethno-racial segregation is characteristic of all world cities in the West. Not only in Toronto but in Sydney, Paris, and various European cities, we see a residualized, inner/middle-suburb rental housing sector, a part of diverse post-war city-building but now the site of disadvantage in the new economy.

Different trajectories for inner and outer suburbs

Toronto's inner and outer suburbs are on different trajectories, reflecting two main factors. The differences are not in the home-owner sector. There are only trivial differences between areas of different vintage in the income mix of home-owners, or how that changes as suburbs mature. Inner suburbs' more advanced aging-in-place will fade over time.

- The first factor in the different trajectories is the different rental housing mix, rooted less in local planning policy than in different market and demographic contexts when the inner and outer suburbs were developed, and in active or absent housing policy at the metropolitan and higher levels. This will endure.
- The second factor is the differing histories of intensification, decade by decade, arising from different regimes in private rental construction, affordable housing policy, condo-building, and transit investment. Inner suburbs have seen a relatively large share of city-region condo-building and social housing over the past generation. Whether this continues can be shaped by policy.

Outer suburbs that are 10 or 20 years old today are far less diverse than inner suburbs that were 10 or 20 years old a generation ago. They have less mix of multiple housing forms, rental housing, and low and moderate incomes. Inner suburbs at their 20-year point a generation ago had just passed a boom period of rental construction, responding to vast baby-boomer demand and large public funding. They had steady urban intensification /consolidation through new social housing. They were diversifying in housing and income mix. Nothing like it is in prospect for outer suburbs at their 20-year point today, or any time soon.

Inner suburbs remain areas of mix and opportunity, not deprivation. Though the trajectory of the area may be downward in income, the trajectory of many residents is upward. It is still a land of opportunity for new immigrants, with high mobility to better incomes, home-ownership, and outer suburbs. But this does not erase the increasing pockets of disadvantage. The city-region's large low and moderate-income population is replenished every year with overall growth, a new wave of hopeful immigrants, and some situations of deepening disadvantage in the second and third generation. Housing and neighbourhood

options for low and moderate-income people are ever more focused on parts of the inner suburbs, unlike the options for people with more money and more choice.

Without purposeful intervention, today's trajectory appears likely to continue.

- New suburbs will continue to absorb the lion's share of middle and upper-income growth. Most net household growth will be among home-owners and located in these areas. A more diverse suburb-building model is not possible as long as renters are barely rising in numbers and declining in income. Rental demand may be increasingly absorbed in single and semi-detached houses and in condos.
- The inner suburbs appear set to continue absorbing most added low and moderate-income demand, including up to 2,000 tenant households annually. This arises from the concentration of rental stock, the down-drift in renter and new-immigrant incomes, and the contrary central-city rental trend. This means a shift of up to 20,000 of multi-rental units each decade from middle and upper income to moderate and (especially) low income. A more segmented rental market may be emerging, auguring more concentrated poverty in certain neighbourhoods.
- In the central city, there is scope for much more gentrification, including upper-income renters in new condos or older rental stock, and consolidation of upper-income areas or partly-gentrified ones. A rental sector more skewed than ever to either social housing or the upper end may mean ongoing polarization.

The fallout from these patterns

These patterns are feeding a city-region of widening social distances. The greatest fallout is borne by disadvantaged residents and neighbourhoods. Housing market dynamics feed concentrated poverty and related social problems. The extensive US and UK research suggests we be concerned on "neighbourhood effects," with consequences for children and youth, and for schools and local services. Housing stress – affordability, quality, crowding, risk of homelessness – is concentrated in these neighbourhoods, as are adverse effects on health and quality of life.

But a more divided urban landscape has implications for the broader community too. A widening dichotomy between affluent and disadvantaged areas may fray overall social cohesion and sense of community. This may undermine an already fragmented city-region polity. It is already putting heavier fiscal stresses on the "416" than the "905". It may affect successful integration of immigrants, lead to rising ethno-racial inequality. It can contribute to more crime. At the extreme, it poses risks of disinvestment and neighbourhood "decline". A widely accepted argument today is that general urban quality of life supports economic vitality or "competitiveness." Access to peripheral low-wage jobs from the places low-income people live is an issue to watch for, affecting not just workers but employers.

Connecting affordable housing and growth management

These challenges point to making affordable housing policy more fully part of urban growth management. Policy discussions in other jurisdictions, especially the US, have started to embrace the language of “regional equity” and “fair growth”. Regional equity means giving people of all income levels and backgrounds a chance to live in neighbourhoods they choose, across the city-region. It means ensuring housing mix in new areas to avoid concentrated poverty in older areas. It means giving low-wage workers a chance to find moderate-cost housing near areas of job growth, and avoid three-hour daily commutes. It means enabling children to grow up in mixed neighbourhoods, rather than where concentrated poverty weighs on school achievement and limits dreams and opportunities.

Affordable housing is a central part of a regional equity agenda, along with other matters such as transit investment, labour force training and child care, equitable school funding and standards, fair taxation, adequate local services, and neighbourhood interventions.

Neighbourhood issues must be understood in the context of the city-region housing market. Conditions in poor neighbourhoods arise from unequal access to opportunities across the city-region. Yes, neighbourhood problems require responses in local services and in broad social policy. But concentrated poverty cannot be addressed within a neighbourhood or in broad social policy: it arises from the way the housing market functions across the city-region. US and UK best practice is evolving from neighbourhood-focused strategies to regional equity approaches.

The regional equity agenda in US cities is not just about “race”, about the particular American divide of Black and White, and the American “inner city”. It is explicitly about income and social class. It is about inner suburbs. It is about “Canadian-like” cities such as Seattle or Minneapolis. It is about cities where the main ethno-racial disparities relate to immigrant communities, as in Toronto. But yes, regional equity is partly about race – highly relevant to Toronto today.

Growth management can pose challenges to affordable housing, but there are also synergies. Affordable housing across the city-region will support growth management objectives of reducing commuting, achieving transit-supportive densities, and achieving social mix. The outward pull of “sprawl” is inseparable from the push of declining status and disinvestment in older areas such as inner suburbs. Most important is how affordable housing as part of growth management serves regional equity objectives.

Other jurisdictions offer many examples of affordable housing policy proposals as part of growth management, in support of regional equity. So far, these are mostly good ideas and there is no model of success as fine as Toronto of a generation ago.

Strategic thoughts

Affordable housing is an immigrant settlement issue. Immigrant settlement has not shifted recently from central city to periphery: the majority of new arrivals settle today in rental housing in inner suburbs, as they have since the 1970s. But high immigration and

cumulative workforce trends mean that many of these areas are now pockets of concentrated poverty, away from areas of job growth. If stemming the trend to low-income immigrant enclaves by is a goal – making it a choice rather than the “only alternative” – then housing policy is the main route to this.

Job access is an issue to watch in Greater Toronto: whether low-wage workers can get to areas of job growth, and whether employers can readily find workers to fill openings. Today, the legacy of mixed-income inner suburbs still puts low-wage workers within 5 to 10 kilometres of the main job growth areas. But given another 20 years of suburban expansion with poor transit access, Toronto would face job access issues like most US big cities.

The city-region, along with the neighbourhood, is the spatial scale where “place-based policy” gets most real. Alleviating concentrated poverty or tackling job access requires thinking and response at the scale of the city-region housing market and labour market. The 1990s decisions on housing devolution and City of Toronto governance amounted to a retreat from necessary regional approaches. The regional imperative is not to shift policy and delivery to a new body, but to co-ordinate the priorities and some of the resources. This can build on existing provincial or regional arrangements such as transportation, housing funding, and provincial investment. The City of Toronto and “905” regional governments can find common cause in issues such as workforce housing, trends in older rental neighbourhoods, and achieving or maintaining community mix.

Third sector, business or multi-sector voices have played a vital role in putting regional equity on the public agenda in US cities. They also play roles in implementing or monitoring it. Social-sector voices in the US have moved beyond the focus on existing communities and neighbourhood interventions. They are now embracing a regional frame as essential for tackling the deepening local issues and widening disparities. Third sector or business partnerships can more easily see the regional dimension than political discourse and public policy which are often confined within political boundaries. Examples include advocacy coalitions on regional equity, think tanks, business-third sector alliances, ongoing regional housing partnerships, and other bodies.

The main challenges in income and social mix pertain to the inner suburbs and outer suburbs, not the central city. The outer suburbs are half the city-region and rising. Lack of mix in outer suburbs, far more than gentrification, channels low and moderate-income demand into certain parts of the inner suburbs, giving rise to concentrated poverty there. Building new suburbs that are more mixed is paramount in regional equity,

For inner suburban areas under pressure, careful choices of housing programs are needed, to ensure housing quality, create reinvestment, alleviate affordability issues, and rebalance the social mix. The menu may include rent supplement, rental vouchers or allowances, non-profit acquisition, mixing in market units, increasing home-ownership, and general reinvestment and renewal.

Social housing is commonly seen as the vector and locale for declining incomes and neighbourhood change. This is largely misconceived: most low-income people live in

private rental housing; the increase in affordable housing over the past decade is a few hundred units while the increase in low-income renters is several thousand. Social and affordable housing investment is the main way to offset negative market-driven trends: the channelling of low and moderate-income demand to lower-cost areas of inner suburbs.

Policy options

The market trends described here are far beyond the scale of any likely policy response. But policy choices can mitigate these trends and help maintain a mixed city-region.

From other jurisdictions, several main housing policy options emerge as means to regional equity. If some of these are familiar, what is new is to see them as means to ensure mixed communities at the macro level: for job access and social inclusion across the city-region. The first three are of special interest and potential benefit in this vein.

- *Public investment and subsidy.* Building affordable rental housing is more than a response to pleas to meet low-income housing needs. Building affordable housing in new suburbs will shape how socially mixed our communities will be, and how integrated our immigrant communities. It is truly an investment in mixed communities and a prosperous city-region. But this is all moot unless the scale of funding and building makes a dent in the ongoing annual increase in low-income rental households. Regional funds and revenue sources may be one means to augment this – a supplement to senior government funding and well-suited to supporting regional strategies. Some form of region-wide allocation of targets and funding is essential – to overcome the perverse logic that high-need areas need yet more affordable housing, while middle and upper-income areas do not. Affordable housing must be built near areas of job growth, to ensure low-wage workers can live near jobs.
- *Inclusive development.* Requiring all new development to include some percentage of affordable housing has become standard in the planning and development system in England and in many US locales. This is not about hitting up developers to pay for public responsibilities. Rather, it responds fittingly to the urban land market, where land value is created by public decisions, and where dominant middle and upper-income supply and demand prices out the poor. Inclusive development does not remove the need for public investment, but it can ensure mixed communities, housing near jobs, and efficiency in affordable housing development.
- *Rental assistance.* Housing allowances (vouchers) are a major tool for de-concentrating poverty in US city-regions. They help low and moderate-income people live wherever moderate-cost rental is found. Because they do not create affordable housing, they are not a substitute for building affordable housing in new suburbs. But they give lower-income people a wider choice of neighbourhood, beyond deep-poverty areas. Discussion of rental assistance as a policy option must get beyond old debates on supply versus demand-side approaches, and consider the effects on people's choices and the city-region social landscape.

- *Land use and development policy.* Ensuring zoning for multi-unit developments, or few barriers in the development approval processes, helps provide affordable housing. Often stated and yet still true, the regional equity lens points to its importance: planning for affordable housing should be integral in land use planning.
- *Reinvestment and renewal in low-demand districts.* Reinvesting in “declining” areas is not just good for property-owners and residents there. It is a counter-force to sprawl, a way to draw housing demand back into existing districts and away from the fringe. The market will lead in some such areas, but public policy may need to lead in others, through funding and incentives. The more concentrated poverty and aging neighbourhoods, the more likely that public policy may have to lead.
- *Protecting existing rental.* Protecting existing affordable housing is important, even when it is the locale for concentrated poverty. It is better to find a moderate-rent apartment in such a neighbourhood than to find it nowhere. Market-led reductions of rental housing stock will tend to displace low and moderate-income households to other areas, deepening or spreading concentrated poverty elsewhere.

Growth Management and Affordable Housing in Greater Toronto

Table of Contents

Executive Summary

1.	Introduction	1
1.1	Why this Study: Urban Growth, Social Equity and Affordable Housing.	
1.2	This Study's Approach	
2.	The Context: Urban Change in Toronto	7
2.1	Irresistible Forces: Economic	7
	2.1.1 Restructuring and Job Change	
	2.1.2 Changing Income Distribution	
	2.1.3 Changing Non-market Income	
	2.1.4 Disadvantage to Low Skills and New Workers	
	2.1.5 Declining Immigrant Incomes	
2.2	Irresistible Forces: Population	18
	2.2.1 Migration	
	2.2.2 Demographic Trends	
2.3	Immovable Stock	21
	2.3.1 City-Building History: Inner and Outer Suburbs	
	2.3.2 Pillars of the Inner Suburban Model	
	2.3.3 Changing Landscape of Home-ownership	
2.4	Implications for the Urban Landscape	30
	2.4.1 The Landscape of Rings and Sectors	
	2.4.2 Gentrification in the Central City	
	2.4.3 Inner-suburban Change	
	2.4.4 Neighbourhood Disparities	
	2.4.5 Deep-Poverty Neighbourhoods	
	2.4.6 Disadvantaged Ethno-Racial Neighbourhoods	
	2.4.7 Landscapes of Diversity and Opportunity	

2.5	Rental Housing, Constrained Choice, and Residualization	42
2.5.1	Constrained Housing Choice	
2.5.2	How Disadvantage Operates in the Rental Market	
2.5.3	Access to Home-ownership	
2.5.4	Residualized Social and Rental Housing	
3.	Housing and Toronto's Social Landscape	49
3.1	Introduction and Summary	49
3.1.1	Introduction	
3.1.2	Summary of Empirical Findings	
3.1.3	Districts and Age-Zones in Greater Toronto	
3.2	The Life Paths of Suburbs	56
3.2.1	Bands of Income, Rings of Suburbs	
3.2.2	The Landscape of Home-ownership	
3.2.3	The Location of Multi-Rental Housing	
3.3	The Social Profile of Multi-Rental Housing	73
3.3.1	Changing Rental Income Profile	
3.3.2	Private and Social Rented Housing	
3.3.3	This City and Immigrants	
3.4	Change in Central, Inner and Outer Rings	86
3.4.1	Central City Trends	
3.4.2	Declining Inner Suburbs?	
3.4.3	Absorbing Low and Moderate-Income Demand	
4.	Is Toronto Different? The Landscape in World Cities	101
4.1	World Cities, Globalizing Cities	
4.2	Jobs, Income and New Inequalities	
4.3	Immigration, Diversity, and Racial Disadvantage	
4.4	Parallel New Landscapes	
4.3.1	More Separation on the Landscape	
4.3.2	Central-City Gentrification	
4.3.3	Inner Suburban Decline	
4.3.4	Residualized Rental Sector	

5.	How Much Does it Matter?	121
5.1	Consequences: Disadvantaged Residents	121
5.1.1	Social Inclusion and Exclusion	
5.1.2	Neighbourhood and Area Effects	
5.1.3	Social Capital and Opportunities	
5.1.4	Children and Youth	
5.1.5	Schools	
5.1.6	Local Services	
5.1.7	Housing Stress and Homelessness	
5.1.8	Health and Quality of Life	
5.2	Consequences: The Broader Community	130
5.2.1	Social Cohesion	
5.2.2	Immigrant Integration	
5.2.3	Ethno-Racial Inequity	
5.2.4	Crime and Security	
5.2.5	Metropolitan Job Access	
5.2.6	Disinvestment and Neighbourhood Decline	
5.2.7	Prosperity, "Competitiveness"	
5.3	Consequences: The Polity	137
5.3.1	Fragmented Polity	
5.3.2	Fiscal Health and Public Services	
6.	Growth Management and Housing: Lessons from Elsewhere	139
6.1	Regional Markets and Regional Equity	
6.2	Challenges and Opportunities: Growth Management and Housing	
6.3	Third-sector and Multi-partite Response	
6.4	Public Policy Options – Other Jurisdictions	
6.5	Policy Options – Discussion	
7.	Conclusion: Implications for Greater Toronto	167
7.1	A More Unequal Housing Market	
7.2	Strategic Thoughts	
7.3	Policy options for Greater Toronto	
	<u>Bibliography</u>	181
	<u>Appendix 1 – Data and Methodology</u>	199
	<u>Appendix 2 – Supplementary Tables</u>	213

List of Tables

1. The Rise in Immigrant Low Income
2. Assisted and Other Production in the "905" GTA, 1986-1995
3. Description of Districts
4. Change in Household Type Composition by Age of Zone
5. Multi-unit Ownership and Income Change in Inner Suburbs
6. Location of Owners and Tenants over Time
7. Percent Low and Moderate Income among Multi-Rental Tenants
8. Estimates of Net Change in Private and Social Multi-Rental Housing
9. Tenant Households by Income and Age-Zone, 1981-2001
10. Low-Income Multi-Rental Households (lowest quintile)
11. New Immigrant and Other Home-owners by Age Zone
12. Recent Immigrant and Other Renters (Multi-Unit)
13. Components of Central City Net Change, 1981-2001
- 14a. Imputed Tenure Shares of Income Shift, 1946-70 Suburbs, 1981-2001
- 14b. Imputed Tenure Shares of Income Shift, 1970s Suburbs, 1981-2001
15. Scenario: Tenant Income Profiles by Age-Zone
16. Immigrants in Selected World Cities

Tables in Appendix 1 – Notes on Data and Method

- 17a. CMA – Study Area Comparison: Tenure and Income, 2001
- 17b. CMA – Study Area Comparison: Household Type and Immigration, 2001
- 17c. CMA – Study Area Comparison: Tenure and Structural Type, 2001
- 18. Multi-Rental Compared to Rented Single and Semi-Detached Houses
- 19. Rented Single and Semi-Detached Houses
- 20. Income and Tenure by Household Type

Appendix 2 – Additional Tables

- 21. Change in Recent Immigrant and Other Renters (Multi-Unit)
- 22. Total Home-owners by Income and Age-Zone
- 23. High-Rise Home-owners by Income and Age-Zone
- 24. Household Type in Multi-rental Housing by Age-Zone
- 25. Recent Immigrants and Renting
- 26. Age Zone Shares of Increase in Low and Moderate Income
- 27. Absorption of Low and Moderate Income vs. Middle and Upper by Zone
- 28. Scenario of Net Change in Private and Other Multi-Rental Housing
- 29. New Immigrant and Other Owners by Age-Zone, 2001
- 30a. Household Projection: Actual counts 1981-2001
- 30b. Household Projection: Actual Change 1981-2001
- 30c. Household Projection: Percent Shares of Actual Change by Age-zone, 1981-2001
- 30d. Household Projection: Distribution of 300,000 Decennial Change
- 30e. Household Projection: Scenarios for 1 and 2 Decades Forward
- 30f. Household Projection: Percent Change by Tenure, Income and Age-zone
- 31. Quintile Income Values in 1981, 1991, 2001
- 32a. Imputing Tenure Shares of Income Shift, 1946-70 Suburbs, 1981-2001
- 32b. Imputing Tenure Shares of Income Shift, 1970s Suburbs, 1981-2001
- 33. Imputing Shares of Inner-Suburban Income Change
- 34. Low and Moderate Income by Individual District, 1981-2001
- 35. Multi-rental Households by Individual District 1981-2001

List of Figures

1. Quintile Incomes in Real Dollars
2. Aging of Suburban "Cohorts"
3. Low and Moderate Income Households by Zone
4. Low & Moderate Income Trajectory by Zone
5. Subsiding Home-owner Income as Suburbs Age
6. Multi-Rental Units by Zone
7. Multi-Rental Trajectory by Zone
8. Multi-Rental Percent of Units at End of Each District's Second Decade
9. Low and Moderate Income Tenants by Zone
10. Low and Moderate Income Progression of Multi-Rental Households
- 11a. Home-owner Household Growth by Income and Zone, 1981-2001
- 11b. Tenant Household Growth by Income and Zone, 1981-2001
- 12a. Equal Absorption of Upper and Lower Income Growth
- 12b. Actual Absorption of Upper and Lower Income Growth
13. Scenario: Percent Low and Moderate Income among Tenants by Age-Zone
14. Scenario: Low and Moderate Income by Age-Zone

List of Maps

1. Boundaries of Greater Toronto, Toronto CMA and Study Area
2. Below Average Household Income, City of Toronto 2000
3. Districts – Greater Toronto
4. Main Period of Development by District – Greater Toronto
5. Home Owners and Renters by District – Greater Toronto 2001
6. Low and Moderate Household Income by District – Greater Toronto, 2000
7. Percent Multi-Rental Dwellings by District – Greater Toronto, 2001
8. Percent Multi-Rental as Suburbs Mature by District – Greater Toronto
9. Growth in Multi-Rental and Other Dwellings by District – Greater Toronto, 1981 to 2001
10. Recent Immigrant Households by District – Greater Toronto, 2001
11. Recent Immigrant and Other renters by District – Greater Toronto, 2001
12. Growth of Households by Income by District – Greater Toronto, 1980 to 2000
13. Main Period of Development by Census Tract – Greater Toronto

1. INTRODUCTION

1.1 Why this Study: Urban Growth, Social Equity and Affordable Housing

Social mix in neighbourhoods, de-concentrating poverty, ensuring low-wage workers' access to jobs, integrating new immigrants: social objectives are closely linked to urban development patterns, and the location of rental and affordable housing. A large body of urban research makes clear the links between social objectives, growth management, and affordable housing. This study explores these links for a place where they are little spoken of or understood: Greater Toronto.

In Toronto today, the public agenda includes affordable housing, and city-region growth management. It grapples with challenges of fast economic change, high migration, and concentrated poverty in inner suburbs. These have become part of public discourse on a "cities" or "communities" agenda, concerned with how public investment can foster high quality of life and vigorous local and national economies.

Affordable housing returned as a federal-provincial priority in 2000-2005 after a decade of withdrawal. A new federal-provincial housing program got under way, with additional federal funds earmarked in 2006 for the near future.

Also in recent years, urban growth management re-emerged in recent years on Ontario's agenda. At first "smart growth" concepts were adopted from the US: a new spin on Ontario's lost legacy of city-region planning. After the new provincial government took office in 2003 growth management became a priority. The emphasis has been environment, land use, and infrastructure: to preserve headwaters, conserve farmland, guide local land use planning, and restrain public costs (Ontario 2006).

Meanwhile, inner-suburban social issues exploded in the news headlines: concentrated poverty, the ethno-racial face of poverty, and fears on crime and safety. The City of Toronto and United Way established a "Strong Neighbourhoods Task Force," its main thrust to beef up community-based social services and facilities, draw provincial and federal governments in on this agenda, and safeguard quality of life in vulnerable neighbourhoods. A wave of research has documented the rising correlation of racial and ethnic minority status with poverty, and the slowing economic catch-up of the 95,000 or more immigrants who settle each year in Greater Toronto, mostly in inner suburbs.

Opinion is now widespread that Greater Toronto is no longer the model it once was (Toronto City Summit Alliance 2003; TD Economics 2002b): not in governance, social equity, city-region planning, public facilities, or general quality of life. Toronto, still among the best big cities to live in the world, faces challenges similar to other big cities.

Greater Toronto, with 5.8 million residents (2006), has among the highest growth rates on the continent. The labour force grew by 43,000 per year in the 1990s (Statistics Canada 2003) – the average of a severe recession and strong expansion. Population grows by 40,000 annually, and households by 30,000. This is both a challenge and an opportunity. It propels rapid change in some older areas, especially inner suburbs. Yet it provides

broader scope for effective public intervention than in slow-growth cities.

"...[W]e also need, and this seems to me a research priority, to continue to work on trying to articulate the links between spatial distribution and social inclusion" (Andrew 2003). This report rests on the hope that by better understanding links between affordable housing, growth management, and social conditions, our cities-and-communities agenda can better address the challenges.

Growth Management and Regional Social Equity: "Fair Growth"

Growth management discourse and research in the US, and somewhat the UK, is not just about infrastructure, "sprawl", and environmental objectives. Canada's "smart growth" literature nods to affordable housing as an element in growth management (e.g. Tomalty and Alexander 2005) but has only taken first steps to analyse and articulate the links (e.g. Smart Growth BC 2005).

US research brings out strongly the links between socially mixed suburbs, deprived inner neighbourhoods, access to jobs, and growth management (Part 6). Concentrated neighbourhood poverty can be understood partly through the revealing lens of local shares of regional population. These have also emerged strongly in British housing and urban policy.

In existing studies on growth management vis-à-vis affordable housing, three main dimensions appear.

Affordable housing and regional social objectives: Growth management can include social objectives of equitable and efficient access of different social groups to work locations, and avoiding concentrations of the poor in deprived locations. Programs such as inclusionary zoning, vouchers, and low-income housing development can become ways to further these objectives. Regional social objectives include "job access" and "jobs-housing balance": ensuring that low-wage households can find and get to peripheral job locations, and that firms can get workers to fill the jobs.

Impact of Growth management on housing affordability: Various studies (Downs 2004) have looked at whether growth management's restriction on land conversion tends to raise the price of land and therefore housing. Or conversely, might growth management lead to wider availability of multi-unit sites and thereby better affordability at the low end of the market?

How affordable housing may contribute to other "smart growth" objectives: It is widely suggested that affordable housing, like other forms of multi-residential housing, can contribute to compact, transit-oriented development.

This study examines the first dimension: affordable housing and regional social objectives. It pursues four questions:

- 1) There is evidence of trends of lesser income and housing diversity in newer suburbs, and concentration of lower-income households in older inner suburbs. To what extent are these occurring in ways different from 20 years ago, to what extent are they associated with stock trends, and to what extent are they related to each other?
- 2) What are the main causes and implications of such patterns, in Toronto and other comparable cities?
- 3) What are the salient concepts, experience and lessons from US and other research on growth management vis-à-vis these trends and challenges, and affordable housing?
- 4) What does all this imply for the need, the potential, and the limitations for affordable housing as an aspect of regional growth management in Greater Toronto?

1.2 This Study's Approach

This study examines these issues from several angles.

Part 2 – following this introduction – is a portrait of main forces and trends, distilled from existing research. This attempts to draw an outline of economic and social change, as this relates to this study's focus on affordable housing, city-building, and social equity.

Part 2 is organized around key dimensions. The housing market shapes who lives where across the city-region. The housing market is strongly influenced by workforce and income trends (section 2.1); it interacts with migration and demographic trends (section 2.2) and with housing supply and city-building patterns (section 2.3) including public policy. All this shapes a shifting urban social landscape which is well documented for Toronto (section 2.4).

- The economic context (section 2.1) is necessarily first. Links between labour market and housing market are pervasive and all-important.
- It then looks at population trends (section 2.2). Touching briefly on ongoing demographic trends, the main focus is migration. Migration and high population growth are drivers of rapid neighbourhood change in Greater Toronto.
- Next it examines patterns in urban development or "city-building" (section 2.3). The model of roughly the 1960s and '70s is contrasted with that of the two decades after. The policy and market context of each era's city-building model is described.
- This sets up a description of implications for the social landscape (section 2.4). A rich body of research offers abundant evidence on themes and trends such as gentrification, widening neighbourhood disparities, disadvantaged ethno-racial neighbourhoods, and a shifting pattern of broad geographic rings and sectors.
- Next comes a focus on disadvantaged elements of city-region society, with

particular attention to the rental market and new immigrants.

Within Part 2, sections 2.3 and 2.5 also incorporate some material from local knowledge – in particular on city-building history and disadvantage in the rental market.

Part 2 may well read differently for different eyes. Much of it may be familiar to the academic specialist. For the more general reader, it may paint an overall picture not readily available for Greater Toronto.

Part 3 is the empirical core of the study, building on Part 2 and exploring the changing social geography (who lives where) in Greater Toronto. Using census data, it focuses on household income, housing tenure, structural type of dwelling, household (family) type, and immigrant status. Rather than fine-grained neighbourhood patterns so often studied, the spatial filter is the district – averaging just over 100,000 people – defined by dominant period of development. This captures some important dynamics of housing stock, city-building, and social landscape.

Parts 4 and 5 then pull away to wider perspectives. Part 4 asks how different is Toronto in these matters from other big cities in the Western world. Toronto shares many common points with big cities in the US, Europe and Australia: in how job and income trends, immigration and ethno-racial diversity, gentrification and inner-suburban decline all play out across the urban landscape. Part 5 reviews ideas on why this matters. There can be big impacts on disadvantaged residents and areas. But there can also be large consequences for the broader community, and in the sphere of politics, governance, and public spending.

This framework of analysis is intended ultimately to inform policy. Part 6 reviews examples of how policy thinking and advocacy, mostly in the US, has responded to similar issues. It attempts a sorting of policy options.

Part 7 offers conclusions: some review, some strategic thoughts and broader implications, and some consideration of policy options for Greater Toronto.

Some clarifications

A few points of framework and language are important to clarify:

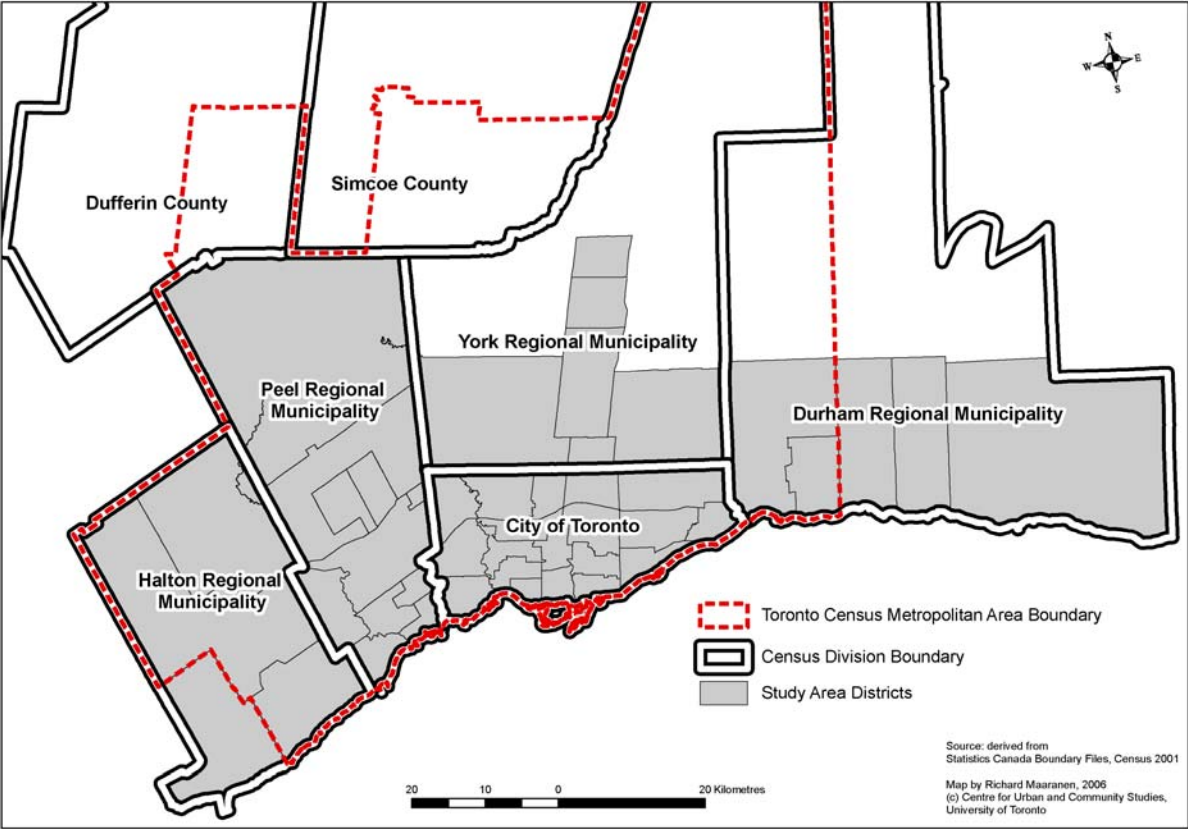
- The frame is Greater Toronto: the local housing and labour market as a whole. The terms “Toronto”, “city” and “city-region” all mean the same here. We cannot assess these issues in municipal slices. If ever the “City of Toronto” is meant, it is said.
- The term “social landscape” is lay shorthand to refer to who lives where, by income and household type and housing type. This is what urban scholars call social geography, socio-spatial patterns, socio-spatial segregation, and (formerly) urban social ecology.
- The main geographic unit of analysis is the “district.” These are areas of typically

100,000 people or 30,000 dwellings, sorted by period of development into “age zones”. These are building blocks in understanding the structure of the city-region, at a less fine-grained scale than census tracts or “neighbourhoods”. A fuller rationale is given in Appendix 1.

- This report refers to communities across Greater Toronto as “suburbs.” This underplays the distinct character and history of each local community. But local communities in Greater Toronto are part of a city-region with close daily interconnections; local community profiles and recent histories reflect, above all, forces across the city-region. In this sense they are “suburbs” or “districts” of the city-region.
- “Inner suburbs” refers to districts developed primarily before 1980; “outer suburbs” to those built since 1980. (Suburbs developed in the 1970s have somewhat intermediate characteristics.) In certain contexts made clear in the text, “inner suburbs” refers to the City of Toronto outside the central city – that is, former North York, Scarborough, and Etobicoke.
- Data are not disaggregated at the level of the City of Toronto or the upper-tier regional governments in Greater Toronto. Something may be lost by not providing that data here for policy research purposes at those municipal levels. But something is gained by avoiding the City-versus-“905” lens that detracts from a regional understanding. Patterns of city-building are mostly a function of the period of development, not local policy. The “districts” used in this study capture that, as upper-tier municipal or City boundaries do not.
- “Multi-rental” housing refers to all rental housing other than rented single and semi-detached houses. Most of it is apartment buildings, but some is purpose-built duplexes and townhouses, and a small part of it is houses attached to stores and other buildings. Multi-rental housing has a distinct built form, development economics, ownership pattern, and income and household profile. (See Appendix 1.)
- Considerable focus is on “low income” and “moderate income.” These are defined in specific ways. *Low income* means the bottom (first) quintile, with income up to \$26,200 (2001 census). *Moderate income* means the lower-middle (second) quintile, \$26,200-\$47,800 in 2001. In US terms these were respectively 44 and 80 percent of area median income in 2001 (\$59,500, Canadian dollars). Low and moderate income generally mean either renting, or having the mortgage paid off. They mean much less choice of location, and more frequent affordability problems and other housing stress.
- “Affordable housing” refers loosely to housing affordable to those with low and moderate incomes. It includes most private rental housing, as well as social or publicly-funded housing; it may include some home-owner units. For reasons of history and economics it does not refer only to social or publicly-funded housing. Public policy has strongly shaped private rental production in Toronto, and since the mid-1970s at least a third of it has received some public funding (section 2.3.2). Demand and supply (low tenant incomes vis-à-vis development costs) will necessitate the same for most new rental housing in the foreseeable future.

Boundaries of Greater Toronto, Toronto CMA and Study Area

Map 1



2. THE CONTEXT: URBAN CHANGE IN TORONTO

2.1 Irresistible Forces: Economic

Income, above all factors except age, predicts whether a person rents or owns, has a house or apartment, lives at the centre or the fringe. Economic and labour force restructuring are essential context for trends in incomes. A person benefits from resources of the family (household), the state, and the local community – but employment income is primary. Income in turn is the driver of trends in housing and the urban landscape.

This section reviews the research literature on economic change, with three aims: to provide a missing summary of this context for Toronto; to set the scene for the empirical analysis in Part 3; and to offer a brief corrective for common naïve notions of a bifurcating workforce.

2.1.1 Restructuring and Job change

“Economic restructuring” and “globalization” have shaped and reshaped society for generations. The wave of the past generation has shifted jobs toward the service sector and away from manufacturing. This coin has two sides and two languages: opportunity for “knowledge workers” in a dynamic new economy, and insecurity for less-skilled workers in the “post-Fordist” era.

Technological drivers of this wave of change include new technologies in automation, telecommunications, medicine and computers. Political economy factors include liberalized global financial flows, and surging manufacturing capacity and wage competition in newly industrializing countries. Many factors feed growth in service jobs: complex command-and-control needs of modern corporations; urban society’s greater need for public goods; affluence which supports higher spending on clothes, recreation, and leisure; and much higher levels of education and health care.

The shift from manufacturing to unskilled service jobs is much analysed. Unionized manufacturing jobs were a route to middle-class living standards and security for lower-skilled workers in the post-war period (1945 to the mid-1970s). The shift to unskilled service jobs means lower incomes and less job security for workers without post-secondary qualifications.

Key dimensions of job trends in Canada and Toronto are these (Myles et al. 1993; others as noted):

- The dominant labour force trend has been growth of higher-skilled professional and managerial jobs: the professional middle class¹. They account for one-third of all jobs but a much higher share of *job growth*. In Toronto, half the net extra 300,000 jobs in the boom years of 1984-90 were professional or managerial (Murdie 1998, p. 76). In the 1990s professional jobs accounted for almost half of net new jobs 156,000 or 48

¹ This is Barbara Ehrenreich’s (1990) clear descriptive term, though not her analysis.

percent, similar to national trends; managerial jobs for another 22 percent. Jobs requiring a university degree are now fully 20 percent of jobs in Toronto, higher than the 16 percent nation-wide (Statistics Canada 2003). This means more opportunities for upward than downward job mobility.

- The service sector creates a wide range of jobs, at all income levels. Major areas of growth include sales (ranging from low skilled to specialized); social services (such as health care and education); financial services and IT which led Toronto's 1990s job growth; and diverse business and personal services.
- The rise in low-skilled jobs is real, but very much smaller than the growth of professional /managerial jobs. Low-skilled job growth is neither concentrated in services nor a product of growth there (Myles et al. 1993; Statistics Canada 2003). Slight loss of middle-skilled jobs and stronger growth of lower-skilled jobs has occurred in all broad sectors. Low-skilled jobs rose from 40 to 44 percent of Toronto jobs in the 1990s; Toronto's rate of increase was similar to Canada's (+23%, +25%). Middle-skilled jobs increased a bit in numbers but declined as a share of the total.
- There has also been *decreasing* job security and reliability of income for many workers. This arises from more contracting out and more employment in small firms – which more often come and go (Myles et al. 1993). Temporary jobs, even excluding youth, have doubled in the past 15 years: 5 percent of jobs in 1989 but 9 percent in 2004/05. For new hires, this looms much larger: part-time work likewise doubled from 11 to 21 percent (Morissette and Picot 2005, p. 11-12; see also Saunders 2006).

Restructuring and job change as context for Toronto's changing urban landscape was examined by Walks (2001) for the key transition period of 1971 to '91:²

- Professional/managerial/sales jobs rose from 367,000 to 893,000 and from 30 to 42 percent of total jobs. They had double the rate of overall job growth (143%, 72%).
- Manufacturing jobs accounted for a fractional 3 percent of total growth and declined from 14 to 10 percent of all workers. Yet numbers nudged up from 176,000 to 204,000.
- In 1971 there were just 2 low-skilled service workers for every 3 in manufacturing. Although their share of the pie held steady at 10 percent (± 1 pt.), their numbers doubled in 20 years, exceeding manufacturing jobs by 1991.
- Other jobs rose by 227,000 absolutely but declined from 46 to 38 percent of the workforce. These were mostly non-manufacturing manual jobs (construction, transportation, etc.) and mid-skilled technical, clerical, and service jobs.

The dominance of professional/managerial jobs reflects Toronto's specialized "producer service" functions as a world city and national economic capital, and as provincial capital,

² Source: Walks 2001, esp. p. 415-416, with derived calculations, checked with the author.

education centre, and health centre. This perspective is amplified in Part 4.

De-industrialization in Toronto crept in amid rapid overall growth (3% annually), weakly enough to avoid the immiseration seen in many cities. Manufacturing *sector* jobs scarcely increased in Toronto in the boom years of 1984-90, declining in the latter part of that period. They dropped by 60,000 in the recession of 1990-92 – proportionately twice as many as in other sectors (Murdie 1998, pp. 72, 73, 76.) In the robust growth of the latter 1990s they increased by 10 percent, to 407,000.

This vast expansion of professional/managerial jobs has provided enormous job mobility, between generations and within the lifetime of most workers today. Canada has among the highest job mobility of Western nations. Job mobility means income and housing mobility, propelling the fast urban change sketched later.

The shift to service-sector jobs, together with higher education and the lowering of sexist barriers, has benefited women. Many women are in expanding mid-level service jobs, and professional-managerial jobs; less-skilled men are over-represented in declining manufacturing. Women working has made the two-earner family the norm.

2.1.2 Changing Income Distribution

Labour force changes of the past generation have created a more unequal income distribution. But what do we mean by this?

This subsection focuses mostly on household and family income: this is what matters in the housing market. Changing individual earnings do not translate directly to changing household incomes or housing consumption. Effects are mediated by changes in people's career paths and patterns of household formation (section 2.2.2). But parallel trends of widening inequality are found in individual, family, and household incomes.

The middle class is not declining. The largest change has been vast growth of income and numbers in the upper half, propelled by growth of professional/managerial jobs. But in the lower third, incomes are stagnating and numbers slightly rising. The largest share of people remains in the middle. But the distance between top and bottom is greater, and most income growth has gone to the upper half. These trends accelerated in the 1990s.

At the upper end, Walks (2001) found that from 1971 to '91 households with upper incomes (over \$85,000 household income in 2001 dollars) more than doubled in numbers from 190,000 to 411,000, and increased their share of households from 23 percent to over 30 percent (see also Metro 1996, pp. 26-27, on 1980s trends).³

At the bottom end, incomes have been flat, and there are somewhat more people and households who are poor. Despite enormous GDP growth, the incidence of low-paid work

³ Analysis in terms of absolute income brackets (see some of the sources cited here), does show absolute losses in some middle-income brackets. But the general trend is clearly of wider disparities as the upper end pulls further up – not of a middle that is squeezed like an hourglass into upward and downward segments.

did not change much from 1980 to 2000 (Morissette and Picot 2005). Nationally, one in every six jobs paid less than \$10 an hour in 2004 (constant dollars), the same as in 1981. Declining earnings in low-skilled jobs is not unique to the service sector. These trends are found across most sectors: the labour force position and earnings are declining for less-educated workers, younger workers, and part-time workers.

These trends have gradually gathered force over the past generation, affected by dramatic swings in the business cycle.

- In the 1970s – despite “stagflation” and striking declines in youth incomes – real incomes rose overall. Polarization trends were evident but not marked. In Toronto, inflation-adjusted incomes for the lowest quartile of households stagnated at about \$14,000 or below from 1970-80 (Toronto, 1984), while among families the share with real incomes of \$60,000 or more rose from under 10 percent to over 20 percent from 1975 to 1985.
- The 15 years from circa 1980 to the mid 1990s produced no increase in Canada’s average personal and household income, but shifted income slightly toward the upper end. Incomes rose and fell through two recessions and a strong late-80s expansion. The net effect was to just track inflation (Metro, 1996, p. 27). Looking at the 1980s decade (recession then expansion), median income and low-income rates improved, though there was more benefit at the top end (Heisz and McLeod 2004). Looking alternatively at the 1985-1995 decade (expansion then recession), the percent increase in income was similar at the low and high ends (Wolfson and Murphy 1998). Either way, the high end pulled further away in absolute terms.
- The decade of robust growth since the mid-90s has produced quite uneven benefits. The sum of 1990s recession then recovery left median incomes flat nation-wide, and low-income rates too. Average personal and household incomes have risen significantly. But all income growth went to the upper end (Heisz and McLeod 2004), while the rest stagnated. In the 1990s only upper-quintile incomes beat inflation; the upper-middle trod water while the middle and lower lost ground (Figure 1). Overall income inequality had not widened in Canada in the 1980s, but did widen in the 1990s. The top income decile took 31 percent of income by 2000, up from about 26 percent across the decade of 1980-90 (Heisz and McLeod 2004).

This fed gradual polarization. Toronto households with incomes under 25 percent of average levels (about \$16,000 in 2001) rose in number from 68,000 to 158,000 over the 1980s and '90s, and from 6 to 12 percent of households (Walks 2001). Toronto and Vancouver were exceptions to the net stability in low-income in the 1990s: they had slight rises in low-income rates, concentrated among recent immigrants (Heisz and McLeod 2004).

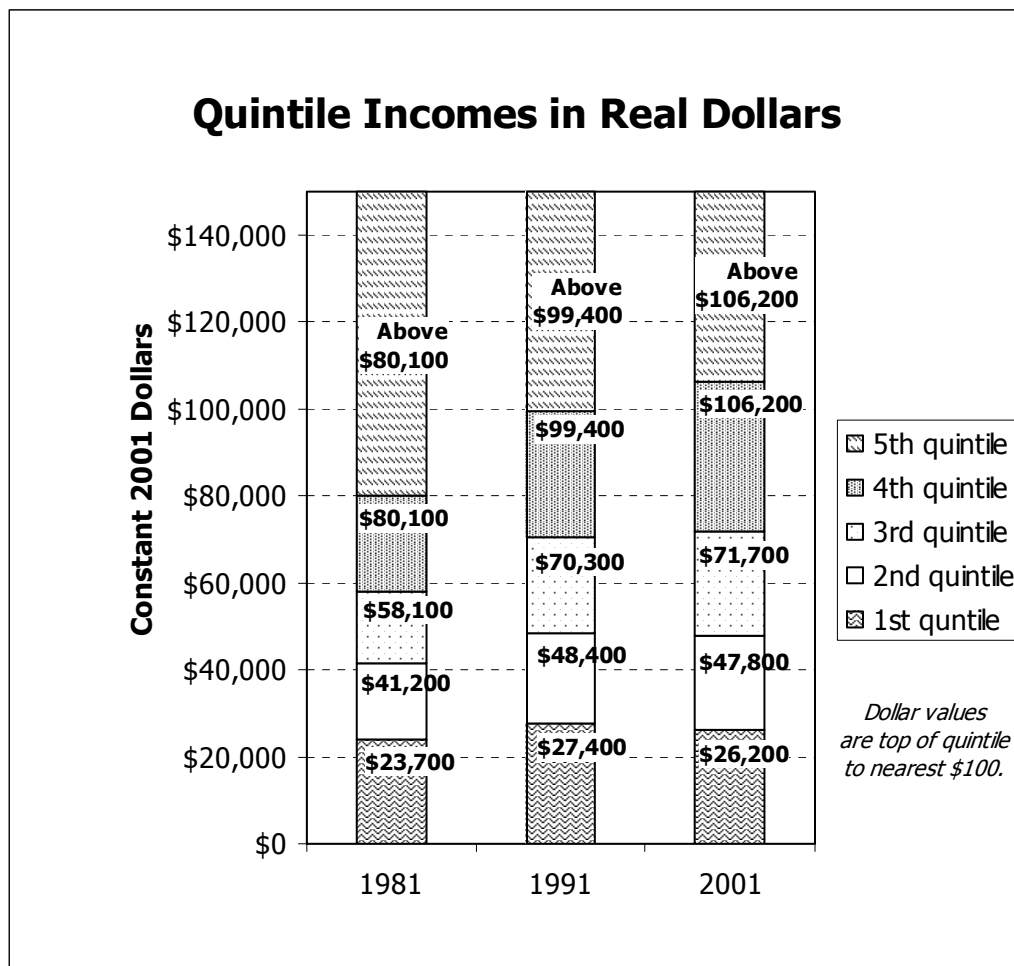
For families (as distinct from all households) this wider income inequality applies, and is perhaps even more pronounced. Inequality accelerated from the 1980s to the 1990s.

- In the 1980s, inequality in market income (mostly earnings) increased nationally but

the tax and transfer system offset this, producing no significant change in inequality.

- In the 1990s there *was* a slight rise in inequality, with a relative rise at the top and either lagging increases or absolute declines at the bottom – evidence is mixed (Frenette et al. 2004)
- For the bottom quintile of families in Toronto, median income was fairly steady in the 1980s; but across the 1990s it dropped 4 percent (Heisz and McLeod 2004, pp. 77-79). Gains of the latter-90s expansion did not make up for the hit of the recession.
- For the top quintile of families, by contrast, median income rose in both decades, and was 23 higher in 2000 than in 1980 (*ibid.*).
- 60 percent of families with children had a decline in market income in the 1980s, and families with children were most affected by income decline through the early and mid 1990s (Yalnizyan 1998, p. 53; 2000, p. 22).

Figure 1



And so 1990s trends were the sum of three patterns: rising inequality in the early-90s recession; subsequent recovery and expansion that barely rectified this; and rising inequality in the tax-and-transfer system from mid-decade onward.

In the 1980s, “. . . despite some worrying developments, Canada had largely avoided the sharp rise in income inequality evident in both the U.S. and the U.K. since the mid-seventies. The ‘worrying developments’ included the declining earnings of younger adults (under 35) and the corresponding impact of this development on young families. Changes in earnings combined with changing patterns of labour market participation and family structure produced a sharp rise in inequality in market incomes (earnings) among families. However, through the mid-nineties most if not all of this change was offset by rising income transfers” (Picot and Myles 2005, pp. 26-27).

The next subsections review two “worrying developments”: changing non-market income and declining earnings for the young.

Canada has great income mobility by the standards of Western nations, and this mobility has been maintained recently (Morissette and Picot 2005). But about half of poor people have long-term poverty lasting more than 4 or 5 years (Morissette and Drolet 2000; Finnie 2000; Laroche 1998; Picot and Myles 2005 differ). Four or five years is a long time in a child’s life or in an adult’s career. Likewise, half of low-paid workers had not moved over the low-pay threshold in a recent 5-year period (Saunders 2006, p. 17).

In sum, professionalization of the workforce has meant lots of upward mobility in individual careers, and for most workers today compared to their parents. Yet those with lower incomes are being left behind in a way few were in the rising tide of the post-war era (1945 to mid-1970s).

2.1.3 Changing Non-market Income

Economic forces and market trends are surrounded by human institutions and social structures. “[M]arkets are always embedded in particular social and political relations: economic restructuring is not a single, global process” (Logan and Swanston 1990, p. 5). Corporation law, banking and lending, education, systems of property, public infrastructure, public spending and taxation are all part of these structures.

Direct government spending on income transfers is also a key part of this. It emerged mostly in the mid-20th century to ensure social solidarity, counter political challenges, spread rising post-war wealth, moderate the business cycle, and avoid a repeat of the 1930s. Transfers mostly benefit the poor: old age pensions and supplement, employment insurance, public disability pensions, and social assistance.

Government transfers in the 1970s and ‘80s cushioned widening inequality in employment income. “[U]nlike the US, the Canadian welfare state was not seriously retrenched until the 1990s . . . helping to mitigate more serious immiseration until that time” (Ley and Smith, p. 11). Family income equality was stable in Canada through this period, in contrast

to the US and UK, reflecting the cushion of the tax-and-transfer system (Myles et al. 1993; see also Bourne 1993, p. 1298; Murdie 1998, p. 70).

Transfers were key in maintaining a fairly stable Canadian income distribution amid economic restructuring from 1980 to 1996 (Yalnizyan 1998, pp. 45ff.). In Ontario, social assistance rates were improved in 1989 and adjusted to track inflation through the recession of 1990-93 (Yalnizyan 2000, p. 20).

"Recent evidence indicates all this began changing in the 1990s. The gains associated with the economic expansion of the '90s went mainly to higher income families while the earnings of poorer families stagnated and social transfers fell. The result was an increase in family income inequality....

"The mid 1990s also saw an unexpected increase in the low-income rate . . . as unemployment fell, the low-income rate continued to rise. As with the increase in inequality, this development was associated both with earnings problems among poorer families and declining social transfers Overall, the economic position of families in low income deteriorated over the 1990s, basically eliminating the gains made during the 1980s" (Picot and Myles 2005, pp. 26-27).

Transfers remain very important. Across urban Canada except Toronto, a larger share of low-income people's income was from transfers in 2000 than in 1980 (Heisz and McLeod). This reflected labour force instability of the 1990s layered on 1980s enhancements to the transfer system. The bottom one-tenth of households, which lives mostly on public transfers, has seen less income decline in the 1990s than the next-up decile (\$15,000 to \$26,000) who are mostly working poor. Toronto's lagging national low-income trends in the 1990s reflects its larger relative share of working poor.

From the mid-90s, government transfer income (except Old Age Security/Supplements) was flatlined and then cut back (Prince 1998 and others). Federal and Ontario changes included:

- Social assistance rates were flatlined in the deep recession and provincial fiscal crisis of the early '90s; Ontario reduced rates by more than 20 percent in 1995; flatlining reduced their value a further 15 percent in real terms to 2005. This was driven by market-oriented political views but reinforced by large federal reductions in social transfers to provinces, associated with the shift from the Canada Assistance Plan (CAP) to a consolidated Canada Health and Social Transfer (CHST) in 1996.
- The "Social Security Review" of 1994-95, part of fiscally-driven federal cutbacks, confirmed major reductions in unemployment benefits. By the mid-90s the majority of Ontario's unemployed were on social assistance, not (un)employment insurance (Ontario Ministry of Finance 1995, p. 29). A decade later the percentage of unemployed receiving EI benefits on was down to 27 percent in Ontario (Task Force on Modernizing Income Security, 2006, p. 21).
- This was offset by one significant increase to non-market income: the National Child

Tax Credit and National Child Benefit Supplement, introduced in the mid-90s, which increased the disposable income of working poor families.

Other aspects of welfare state retrenchment also affected earnings. Minimum wages were unchanged for nine years in Ontario (1995 to 2003) in the face of low but steady inflation. Unionization rates for workers in low-paid jobs declined by 50 almost percent, over the two decades from the early 1980s to 2004 (*ibid.*, p. 20).

Thus Canada and Toronto edged toward the income polarization seen strongly in the US and UK a decade or two earlier (Part 4). For the past decade, the weakened safety net has been a modest concern amid the strongest economic expansion in 40 years. But a recession today, with a reduced social safety net, would have bigger effects on income and living conditions than recessions of the early 1980s or '90s.

2.1.4 Disadvantage to Low Skills and New Workers

The losers in employment and income trends of the past generation have been people with low skills, and new entrants to the labour force. Low skills today means almost anyone without post-secondary education. New entrants are youth – much discussed in the labour force literature – but also new immigrants. Further factors affect new immigrants, discussed in the next section.

Declining earnings of young people (up to the mid-30s age group) was a focus of much research in the 1970s and '80s. The trends were very strong: "...rather than a new class structure, post-industrialism appears to [be] bringing about a new economic life-course" (Myles et al. 1993, p. 192). Young workers start from a lower rung of earnings, and lack robust overall earnings growth overall to move them up. Yes, ever more jobs require higher education – but the expansion of university educated workers is even greater. Despite much better education of young workers today, income mobility over time for a worker is no greater than in the 1980s (Morissette and Picot 2005, p. 13). For the better educated young, education is a matter of running harder to keep up. For those with only secondary education, income and life prospects are much worse than before.

There was much debate in the 1970s and '80s about the cause of declining earnings of the young. Was it too much supply – a great surge of then-young baby boomers competing for jobs – or was it about labour demand: structural changes in the economy that devalued lower-skilled work? In due course the consensus answer emerged as structural changes (Myles et al. 1993). Declining wages for young people is one aspect of declining wages for unskilled labour and part-time work (Morissette and Picot 2005). Youth are first affected and most affected, because they are *new entrants* to the labour force. It is especially young men and less educated people who have seen their earnings decline (Morissette and Picot 2005).

The low-skilled service sector has a unique role. Unlike most other job types, earnings in such jobs do not rise much as one gets older. Instead there is high career mobility out of these jobs and into better ones; and other new workers come along to occupy the

low-skilled jobs (Jacobs 1993). This sector is the main entry point for workers newly entering the labour force.

Wage polarization occurs between new arrivals in the workforce and more established workers – more than between different industries and occupations. New entrants to the labour force are first and most affected as firms change their job composition, and as firms are born and die. “Wage restructuring within firms (e.g. two-tier contracting) will begin among new employees who are not yet protected by seniority or tenure provisions. Inter-firm restructuring will have much the same result since new firms and industries . . . also draw their employees mainly from new labor market entrants” (Myles et al. 1993, p. 186). People who are first entering the workforce, or changing jobs often, or coming in and out of unemployment or education – all typical of youth – will be most affected by change. People already employed in the more constant stock of jobs are less affected.

2.1.5 Declining Immigrant Incomes

Widening economic inequality has badly affected new immigrants, well documented in a wave of recent research (Picot and Hou 2003; Aydemir and Skuterud 2005). New immigrants are a large part of Toronto society, economy, and social landscape; no picture is complete without them.

“[L]ow-income rates among ‘recent’ immigrants (in Canada for less than 5 years) almost doubled between 1980 and 1995, and then fell during the strong recovery of the late 1990s.” (*ibid.*) Similar but lesser effects apply to those 5 to 10 years after landing. The gap between new immigrants and others has risen for each successive cohort of immigrants, as have low-income rates.

Table 1			
The Rise in Immigrant Low Income			
	1980	1990	2000
<i>Immigrant Low-Income rate (LICO)</i>			
< 5 years in Canada	24.6	31.3	35.8
6-10 years in Canada	18.7	24.2	28.3
<i>Rates relative to Canadian-born:</i>			
< 5 years in Canada	1.4 times higher	2.1 times higher	2.5 times higher
6-10 years in Canada	1.1 times higher	1.6 times higher	2.0 times higher

Source: Picot and Hou 2003, table 1⁴

⁴ The income measured includes government transfers, before taxes, and a LICO measure of low income. By happy chance these census dates effectively net out business cycle effects. For pre-1980, other sources suggest 1.2 times higher for recent immigrants in 1970 (*ibid.*, p. 6).

This pattern is well documented for the US (e.g. Clark 2002) and Canada alike. The incidence of low income among Canada's recent immigrants rose across all main categories of language spoken, source country, family type, age, and education levels (Picot and Hou 2003, p. 12-13). The changing "composition" of recent immigrants in terms of language, source country, family type, age, and education accounted for no more than half the rise in low-income rates, and possibly very little (*ibid.*, p. 11).

The trend defies education levels. A university degree meant very different prospects for Canadian-born versus new immigrants. It protected Canadian-born from declining income in this period. By contrast, recent immigrants with degrees were most affected by declining income – although still better off than those without degrees (*ibid.*, p. 13 and table 5). Such disadvantages affect people for up to 20 years after arrival.

Incomes for immigrants and younger workers alike are typically low but rise over time; how do they compare as cohorts age? In other words, what happens as "twenty-somethings" age and are replaced by the next set of 20-somethings; what happens as one decade's "recent immigrants" are replaced by the next? In both decades from 1981 to 2001, incomes of Canadian-born have risen in each age group. In both decades, incomes have fallen for foreign-born, particularly in the '90s and especially for the younger cohort. The gap between younger and older workers grew for both groups, but more so for immigrants (Haan 2005).

All is not adverse. Immigrants still catch up over time, and those with highest incidence of low income at landing have the fastest movement out of low income. The late-80s immigrants caught up with the prior cohort (1981-86 arrivals) within 12 to 16 years; the early-90s arrivals caught up (with 1986-91 arrivals) within 7 to 11 years of landing, helped by high growth after 1996 (*ibid.*, p. 2; Morissette and Picot 2005, p. 16, on growth).

Explanations for declining immigrant incomes have several main strands and some missing threads (Picot and Hou 2003; Aydemir and Skuterud 2005):

- The shift to non-English speaking source countries may account for one-third of the trend. But this "variable" is a black box of factors, that may include "difference in the quality of foreign labour market experience and schooling, familiarity with Canadian labour markets, access to effective social networks, and discrimination" (*ibid.*, p. 656).
- One-quarter to one-half the declining earnings trends is explained by declining returns to foreign work experience (*ibid.*) In other words, one still gets more income for every extra year's experience, but that added benefit has been shrinking.
- Declining macro-economic conditions affected new immigrants: job and earnings growth was much weaker in the 1980s than the prior decade, and very weak in the early '90s.
- New immigrants have declining returns to education. In other words, one still get more income for every extra year of education, but that benefit has been shrinking. Poor recognition of foreign credentials is part of this, and is getting some policy attention

today.⁵ But it is naïve to think that recognizing credentials better will solve the problem. “Declining returns” applies to immigrants’ foreign education *and* their Canadian education (Aydemir and Skuterud 2005, p. 656). And the trend contrasts to rising returns to education not only for Canadian-born but for immigrants from Western countries (*ibid.*). Nor are declining returns associated with lesser literacy or numeracy (Picot 2004). So this too is a black box with other factors inside.

- New immigrants may have sparser social networks – “who you know” – to help with job search in the early years in Canada, compared to earlier immigrant cohorts. Contacts are all-important in looking for a professional job, where a typical employer needs quite specific skills and will rely on known references as a main way to reduce hiring risks.
- There may be a widening gap between higher-income immigrants and lower-income immigrants, reflecting overall gaps in Canadian society.
- Direct discrimination in hiring occurs.

In the research literature, three factors stand out as under-emphasized and under-explored (Picot 2004, pp. 40-42 on the first two; Reitz 2002 on the second):

- Immigrants are new entrants to the (Canadian) workforce, experiencing very much the same problems as youth do. Like youth, new immigrants often have in less secure employment, look for work or change jobs, and sometimes return to school. And so new immigrants are strongly affected by change at the margin – the substitution of less secure for more secure employment, the credentialism, the ebb and flow of jobs – which affects established workers far less. New immigrants, like youth, are most affected by strong competition for higher-skilled work, lagging incomes at the bottom, and the shift to part-time and temporary work. Worsening conditions for new entrants to the labour force may account for some 40 percent of the decline in entry-level earnings for new immigrant men (*ibid.*, p. 40-41; Green and Worsick cited in Picot and Hou, p. 4).
- There is more Canadian-born competition than a generation ago, when far fewer Canadians a generation ago had higher education. This factor is of paramount importance. In 1970 only 8 percent of young Canadians had a university degree, half the US level; by 1990 it was 16 percent and provided a lot more competition (Reitz 2002, pp. 64ff).⁶ The number of women with university degrees quadrupled between 1980 and 2000 and doubled for men, and this is more pronounced in the large urban centres where immigrants go. Labour supply may exceed the increase in demand for those skill levels. This will tend to depress earnings for these categories; which people then lose out depends on other factors noted here (*ibid.*; Reitz and Lum 2001).
- Cultural disadvantage: Immigrants may face disadvantages in the cultural nuances of

⁵ See Galarneau and Morissette 2004; Teelucksingh and Galabuzi 2005, pp. 20ff; the “Hire Immigrants initiative at <http://www.hireimmigrants.ca/home.htm>).

⁶ The 25-34 age group is used, because it reflects an age where university is mostly completed, but reflects recent conditions at any point rather than education levels of earlier decades.

job search, with its cold-call networking and first impressions and interview norms. Every society, including English-speaking Canada, will have such culturally-specific nuances. In a typical hiring for a professional/managerial or sales job today, the hiring manager screens for qualifications, has a large number of candidates to choose from, and then *hires who he or she is most comfortable working with*. The potential for constructive discrimination against new immigrants is large, regardless of the hiring manager's good will. Cultural disadvantage may also apply on the job, in matters of social style – so all-important in professional and sales jobs.

Declining immigrant incomes are experienced profoundly in Toronto, being a place with high numbers of immigrants. New immigrants have risen sharply as a share of Toronto low-income population: reaching about one-third in the latter 1990s compared to one-fifth through the decade of 1980-90.⁷ New immigrants absorbed the entire relative increase in low-income: others had no rise in low-income rates across the two decades despite massive restructuring (Picot and Myles 2005, p. 27; Heisz and McLeod 2004; Picot and Hou p. 2).

All this has enormous implications for the social landscape of Toronto (Part 3). Some 250,000 Toronto households at any point are recent immigrants of the prior decade; 100,000 of them are low and moderate-income renters, double the numbers in 1980.⁸ Facing an adverse labour market for new workers, youth can stay in the parental home, but new immigrants must make their way in the housing market. The chances of being both low-paid and part of a low-income household have doubled for new immigrants between 1980 and 2000, unlike other groups for whom there was negligible change (Morissette and Picot 2005, p. 15).

To catch up after a decade is good for long-run social cohesion and social equity. But 10 to 20 years is a long time in the life of a person, or a neighbourhood.

2.2 Irresistible Forces: Population

Focusing so far on economic factors, this discussion now turns briefly to demographic ones. Age structure, household formation, migration and overall rates of growth have large roles in explaining the change in who lives where across the Toronto city-region.

2.2.1 Migration

Immigration helps fuel fast growth, contributing to rapid changes in the workforce, housing market, and the urban social landscape.

Immigrant flows to Toronto have recently averaged 95,000 each year (1996-2003). This accounts for 44 percent of immigrants to Canada, almost touching 50 percent in 2000-2002 (Canada Citizenship and Immigration website; Engeland et al. 2005, p. 20;

⁷ Heisz and McLeod 2004, p. 35: 32% to 35% vs. 21% or lower.

⁸ Exact data (2001): 241,000, 92,300; details in Part 3.

Suttor 2004). The period 1986-90 marked the big shift in federal immigration policy; annual immigrant flows to Toronto more than doubled, edging up slightly since then (Toronto 2000, Appendix B).

The widening labour force and income disparities of Toronto or other world cities are perhaps best seen as the results of two divergent streams of labour force “recruitment” and resulting in-migration – rather than as internally-driven disparities (Reitz 2002, pp. 68-69; contrast to Sassen 2001). Big cities generate large numbers of professional jobs, and draw people who fill them. At the same time their high job growth (and existing immigrant communities) attract new immigrants who often compete at first for lower-paying jobs.

Large-scale migration drives deep and rapid changes in the urban landscape. Differential migration as a driver of urban change, including declining incomes, is documented for many cities (Jargowsky 2002; Pomeroy 2005; Hamnett 1986; Squires and Kubrin 2005).

Migration as a driver of urban change was analysed for Toronto in the Metro housing needs study (Metro 1996a) and subsequently (Toronto 2000). The two main migrant flows are immigration, mostly to the central city and inner suburbs, and migration from those areas to the outer suburbs: each about 12,000 households annually. This differential migration pushes the inner suburbs and central city (i.e. the City of Toronto) in a more polarized direction each year. One in six City of Toronto homes (over 150,000) – including 1 in 4 rental homes – turn over each decade from established residents to new immigrants (Part 3 data). This is the major driver of housing trends and needs (Metro 1996a esp. p. 75 ff., p. A53; Toronto 2000):

- Three-quarters⁹ of new immigrants to the central city and inner suburbs are renters – far more than in other population. This reflects their low to moderate household incomes: three-quarters under \$40,000.
- By contrast, new immigrants settling in the outer suburbs span the income spectrum, and three-quarters are home-owners.
- Other migrant flows – to and from other parts of Canada, plus inflows from outer suburbs – are of much smaller magnitude, but reinforce the differential profile.

In the decade since the mid-1990s, more immigrants settle directly or sooner in the outer suburbs, as low interest rates make home-ownership more accessible, and as ethno-racial communities spread out. Yet still in 2001, 59 percent of households immigrating in the prior decade rented their home: 5 points lower than in 1991 but the same as in 1981.

The effects of migration on income profile are clear. Net migration for the City of Toronto was highly skewed to gain in lower and lower-middle quintile households (under \$59,000

⁹ 72% were renters among immigrants 0 to 10 years after arrival (Part 3 data); slightly higher for immigrants 0 to 5 years (Metro 1996a). At six months after landing, 73 percent of new immigrants to the Toronto CMA were renters in 2001; another 9 percent were living in apparently temporary situations (Mendez et al. 2006).

in 2001), the magnitude of the difference being 6,000 to 8,000 per year. These figures cannot be translated directly to change in household counts by quintile. Immigrants get established, incomes rise, young adults form new households, people die, immigrants and other buy homes in the City of Toronto. There are additions to the housing stock, skewed to middle and upper-income households. Yet these data capture the magnitude of income change associated with immigration. By implication, migration produced a 5 to 9 percent rise in low and moderate-income households and a 3 to 7 percent decline in other households per five-year period (City of Toronto, 2004, quinquennial data).

This differential migration drives rapid change in neighbourhood composition and declining income in the inner suburbs. Toronto's ethno-racial diversity gets richer year by year, but the income profile of immigrant areas gets poorer.

2.2.2 Demographic Trends

Other social forces besides migration are strong shapers of income trends and the changing urban landscape. Social factors shape or mediate the way individual earnings translate to household incomes. These factors include changing career paths, household formation patterns, inheritance, and "housing careers." For example, this includes when one leaves the parental home, whether one lives single or in a couple or has children, and so on (Metro 1996, pp.49 ff).

The salient trends are these:

- Far more people live in small non-family households than was the case in mid-20th century. Most of these are people living alone, but some are two or more relatives or unrelated people sharing. Rising incomes, delayed marriage, more separation and divorce, and longer old age brought about rapid increases in small households, especially from the 1950s to the '80s. Still today, most people marry and have children, yet most spend less of their lifetime in a family. Rising numbers of young adults now feeds this again, as we move well past the "baby bust" of a generation ago.
- Though non-family households span the age spectrum, the housing spectrum, and the income spectrum, they have fewer earners and less income than family households. Average non-family income in Toronto, at \$29,800 in 2000, was just under half of average family income. But this arises from social and not workforce trends. Through this lens, some growth in low and moderate income households is neutral: it simply results from living longer, or choices to live alone, delay marrying, pursue education or career.
- The rise in dual-earner households takes workforce trends and amplifies their effects on *household* income inequality. Women's labour force participation rose in the 1970s and '80s, stabilizing at 60 percent in Toronto for 1991-2001. Dual-earner families with both spouses having university educations are now 10 percent of Canadian-born families, more than double the level of 1980 (Morissette and Picot 2005, p. 18). Half of Toronto's dual-earner families with children make over \$78,000 (2000). This group,

many in professional/managerial jobs, are the main price-setters in the housing market. The contrast is sharp between them and most single-earner households.

- Losing out in this situation is the single-parent family. One income, except for upper-income professionals, cannot buy any home of two bedrooms or more. The more so because most single parents are women, and female earnings do not match those of men, despite recent gains.
- Young adult life is spent in prolonged years of education, to gain the skills needed in the new economy. This means longer years of part-time and low-pay service jobs until graduation, and then large student debt (Myles et al. 1993). This is the main place to look for explanations of the “boomerang” generation. Young adults now far more often live in the parental home than 20 years ago: fully 40 percent of Canadians in their 20s (Engeland et al. 2005, p. 13). Declining affordability of rental housing contributes too. In the housing market, fewer renters than before are young people on upward career tracks; some skip the rental stage and move directly to ownership once student debt is paid down.
- Driven by such factors, average household size continues to shrink. More housing is needed to house the same population: about half of the Toronto region’s 30,000 annual household growth just absorbs existing residents in smaller households. Household size shrinks in the owner sector, especially in older inner suburbs, but not in the hard-pressed rental sector. This is a large shaper of who lives where, and contributes to polarization between those who are affluent and “over-housed” and those who are poor and increasingly overcrowded (Metro 1996a).
- Inherited housing equity is a large driver of inequality in the housing market today: between generations and between new immigrants and others (Jackson 2004). Those who bought before price escalations of the mid-1970s, or late 1980s, or early 2000s have a big advantage in housing and neighbourhood choices. Those who inherit housing wealth from parents – and this excludes most newcomers – are privileged.

2.3 Immovable Stock

Toronto’s housing stock increases by about 20 to 25 percent in a decade. The majority of this is in outer suburbs, with most of the rest downtown and in selected condo nodes. Not only does city-building (urban development) shape the new suburban districts. The built legacy of past city-building channels and affects patterns of change in older districts.

This legacy of past city-building never *determines* who lives where, or what changes happen. St. James Town’s post-war high-rises and adjacent Victorian Cabbagetown have traded social places over 40 years: the high-rises built as “lifestyle” homes for middle-class young adults, amid working-class houses, now house low-income immigrants amid gentrified streets below. Gentrification has transformed alike the apartments of Hausmann’s Paris, the urban townhouses of London or Boston, and the small-city streetscapes of Victorian Toronto or Sydney. Some Toronto inner suburbs drift up-market

and some drift down.

Yet patterns of change are strongly shaped by the built legacy of past city-building. This section reviews major differences in city-building over the past four decades.

2.3.1 City-Building History: Inner and Outer Suburbs

The contrast is well-known between the pre-war North American central city and the post-war suburbs. The first had varied stock in fine-grained landscapes structured mostly by the streetcar. Post-war suburbs were less diverse and far more spread, built for people who drive cars. The central city reflects a time of steep income and class divides, but with mixing street by street, and boarders in most family homes. The suburbs expressed mass prosperity, a society where most people were “middle class”.

In Toronto, an equally striking contrast is found between the form of the suburbs built in the 1960s and '70s, and that of recent suburbs since about 1980. The inner suburbs were built with housing diverse in form and tenure. Distinctive on the inner suburban landscape are many clusters of high-rise apartments. They are found in other Canadian cities, but nowhere more prominent than in Toronto's inner suburbs: lining main roads and forming one-quarter of its housing stock.¹⁰

Don Mills is widely and sometimes negatively cited (Sewell 1977) as Toronto's original post-war suburban model. Low-density automobile suburbs were then sprouting across North America and Australia. But Don Mills was a model in another way: a low-density suburb with a shopping centre and cluster of apartments at its core. This model was replicated in nodal and linear form across Toronto suburbs of the 1960s and '70s, through market happenstance but also planning (see next subsection).

The age profile of multi-rental stock (net of 25,000 pre-war units) is very similar in Toronto's central city and inner suburbs. This reflects shared post-war city-building. The first towers were built downtown and in select inner areas of Midtown and inner-west Parkdale. By the early and mid '60s the main locations were inter-war and early post-war suburbs then just 0 to 20 years old (Spelt, *ibid.*); but by 1965-75 the entire inner suburbs. Rental apartment production averaged 4,400 units annually in the central city (former Toronto, York and East York) from 1955 to 1974, and 5,200 annually in the inner suburbs. This peaked annually at 6,100 and 8,100 units respectively in the brief years of 1965 to '69, when over 20 percent of today's rental apartments in each area were built (background data for Metro 1996a).

Apartment production subsided to 7,000 annually in 1976-80 in the combined central city and inner suburbs; 3,500 annually in 1981-90, and 2,900 rental annually in 1991-95 (Metro 1996b, table 3; see also Spelt, 1973, pp. 118-125).

¹⁰ See also John Bentley Mays, “A city of tall, aging buildings”, *The Globe and Mail*, November 9, 2006, describing forthcoming historical city-building research of architect Graeme Stewart. <http://www.theglobeandmail.com/servlet/story/RTGAM.20061109.remays10/BNStory/Technology/einsider/>

The rapid shift in 1970s Toronto suburbia was recognized at the time and since. In 1979 the *Metro's Suburbs in Transition* study looked at changing social profile and service needs (Social Planning Council 1979). Construction of private rental and public housing has been cited as a reason for the rise in low-income and other socio-economic disadvantage in the inner suburbs (Murdie 1998, pp. 81-82; Bourne 1993, p. 1307). "The suburbanisation of deprivation in Toronto is closely associated with the location of public housing built in then Greenfield sites in the 1960s" (Ley and Smith 2000; see also United Way and CCSD 2004, p. 18-19).

In 1961 the inner half of the city-region – today's central city – had three-quarters of total rental stock. "In the 1960s this changed rapidly, so that . . . in 1971 the outer half had 50 per cent of the rental stock. But this transformation of suburban Metro was achieved in the heyday of rental development, the "great apartment boom" (Miron 1995). Private-sector investment combined with a massive public construction program to produce several thousand units each year in Metro, most of it in the suburbs" (Metro 1996a, p. 61). "The 1960s, in particular were marked by a spectacular increase in the number of renter households: an increase of 161,000... or 4 new renter households for every new owner household" (Toronto 2006, p. 3).

Urban "intensification" or consolidation reinforced this inner-suburb form of city-building through the 1980s and 1990s. Meanwhile from the 1970s onward, low-density outer suburbs expanded rapidly with a very different built form. And so by 1991 the city-region had come full circle, with three-quarters of rental stock in the "inner half" which by then encompassed inner suburbs.

Today, condo production continues in selected nodes in inner and outer suburbs: North York Centre, Scarborough Centre, Mississauga City Centre. But nowhere are volumes of suburban apartment production – condo or rental – comparable to those of the 1960s and '70s. There is little possibility that today's outer suburbs will undergo the same transformation. Production volume on the scale of 1965-80 would well exceed total added Toronto-region rental demand each year (Metro 1996a), and perhaps the outer-suburb segment of condo production too.

The outer suburbs have transitional areas: early parts of Peel Region in the west, with major rental clusters in Brampton and eastern/central Mississauga. All areas had substantial assisted rental production in the first half of the 1990s (Table 2). But the decade since 1995 has seen some 30,000 units added annually in outer suburbs, with almost no rental.

Today, owner-occupied single and semi-detached homes are a far larger percentage of outer-suburban than inner-suburban stock. This means few options for low- and moderate-income households except in basement apartments, in modest volumes of affordable housing built in 1980-95, and in the few intrepid affordable rental projects of the past five years.

This city-building history has given Toronto three distinct zones in both physical and social

terms. First is the pre-war central city of dense fine-grained development and polarized social mix. Next are the inner suburbs, built in the post-war era at automobile densities, but with clusters of private and social rented housing along a bare grid of rapid transit and good bus access to employment zones. Thirdly – now half the city-region – are the outer suburbs, different from both central city and the inner suburbs, built at lower densities on a standard North American model, with only minor rental or high-density clusters and scarce transit (Bourne 2003; Bunting and Filion, 2004, p. 387).

The outer suburbs are increasingly diverse. Their mature areas are seeing notable increases in low-income immigrants, working poor, single parents, homeless people and others. Newspapers tell of them struggling in these areas where jobs are plentiful but buses sparse, and low-cost apartments scarce.¹¹

Yet this city-building history makes the City of Toronto boundary into a “hard line” on the urban landscape that will endure for years. In inner suburbs just inside the northern and eastern boundaries (Steeles Avenue and the Rouge River): detached homes but also rental buildings from the 1960s and '70s, and frequent social housing. Beyond that line: outer suburbs of mostly detached home-owner stock, with a few condominium towers. The transition is more uneven to the west, but the overall contrast holds.

This boundary, though later and softer, echoes Paris or New York. In Paris the military walls of 1855-1924 (today's peripheral freeway) define the “city” the world knows, with Manhattan densities; beyond are post-war suburbs where 80 percent of Parisians live. The New York City boundary girds dense districts built in tandem with the subway; beyond it the freeway and commuter rail dictate much lower densities in the city-region's outer half.

2.3.2 Pillars of the Inner Suburban Model

Why were suburban housing stock profiles so different in the pre- and post-1980 periods? There have been great changes in demand, as described above. In city-building and housing supply, eight factors are evident:

- *Economics of rental production*
- *Norms of suburban development*
- *Property assessment incentives*
- *Provincial social housing policy*
- *Metropolitan planning of low-income housing*
- *The geography of non-profit housing*
- *Private rental incentive programs*
- *Transit Network*

Economics of rental production – In the 1960s and early '70s rental development was economically viable in a way that ended after the mid-1970s. Rents could support a landlord mortgage that largely covered development costs; only modest and viable

¹¹ For example: “Suffering in suburban splendour: Homelessness a rising concern in the GTA's rich regions”, *Toronto Star* August 8, 2005.

investor equity was required. Sometimes mortgages were available to cover *all* development costs. Development costs were in sync with rents, partly reflecting the mixed-income profile of the rental population. Rental demand was looking good, as young baby-boomers flooded the market and immigrants got established quickly in well-paying jobs.

By the mid-70s “a number of factors converged to make private production less viable. Rent control deterred investors; corporate income tax changes in 1971 reduced income tax deductions associated with rental development; condominiums emerged as an attractive alternative for investor/developers; tenant incomes started lagging behind rising land and building costs; interest rates rose to 11 percent or higher; and pre-zoned land became scarcer” (Metro, 1996, p.7; see also Lampert 1999; Clayton Research 1998).

Norms of suburban development – Arguably, norms of suburban development were different a generation ago, among planners if not among home-buyers. Housing need studies identified the range of housing the population needed. Don Mills with its apartment cluster was the model. Planners argued for “cities in the suburbs” (Carver 1962) – the precursor of today’s ideas of regional nodes, but emphasizing mixed housing to meet the needs of a range of incomes and household types. This was reflected in suburban zoning which designated various sites for higher-density housing from the outset. Don Mills was replicated explicitly in Agincourt and more loosely elsewhere. The contrast is striking between Toronto’s inner suburbs and most US and Australian suburbs of that period.

Property assessment incentives – In the 1960s, suburban Toronto municipalities actually competed for the tax assessment that multi-residential development provided. The inequity of different tax rates for low-density and rental apartment properties has been much discussed and is now widely acknowledged (Metro Toronto 1997; Lampert 1999), but at the time it provided an incentive for apartment development.

Provincial social housing policy – Amendments in 1964 to the National Housing Act, in the context of an expanding welfare state, set a foundation for a new federal-provincial partnership and priority for low-income housing. The Province created Ontario Housing Corporation (OHC) to put to use the new funding and implement its own housing priorities. Over the decade 1964-73 it produced 5,000 new units of public housing annually, half of it in today’s City of Toronto (Metro 1996b). This stock remains the majority of rent-geared-to-income (RGI) housing in today’s Greater Toronto, a city now twice the size.

Subsequently, the non-profit programs of 1974-95 produced 43,000 units in today’s City of Toronto, or about 2,000 annually (Metro, 1996b, table 3). This accounted for one-third of rental production in the latter 1970s (32%), rising to half in the 1980s (52%), and 91 percent in 1991-95.¹²

Metropolitan planning of low-income housing – As OHC geared up in 1964-66, the challenge was how to achieve ambitious production targets. “The problem in Metro was

¹² This allows that a fraction of non-profit development was acquisition, not production, in the absence of precise data on acquisition.

resolved by having the Metropolitan Toronto and Region Planning Board do the need studies, and vet all the proposals through a joint Metro/OHC staff group" (Richmond 1995, p. 8). This was done without reference to the local municipality, by way of "builder's proposals", where developers were invited to build for OHC using ready-to-go zoned sites and plans. In many cases the a public housing tower went up on a lot adjacent to a private-rental tower built by the same firm (*ibid.*; Frisken et al 2000.; Metro 1996b; Rose 1980, pp. 101-106). This was done without reference to suburban municipal approvals -- and to the wrath of suburban home-owners and councils.

But while this briefly lasted – barely a decade – OHC and its arm the Metropolitan Toronto Housing Authority (MTHA) developed over 2,000 units annually, mostly in the suburbs. "The dispersion of public housing in Metropolitan Toronto reflect the 'fair share' policy adopted by Metro to avoid the mistakes made in American cities" (Richmond 1995, p. 8). OHC and MTHA were much criticized for building low-income communities in ill-served suburbs on remote bus lines. Many in Toronto's community-based social service sector still see it in these terms. But ideas of suburban social mix and relieving low-income demand pressure in the central city were strongly in the minds of officials who framed and implemented these policies (Rose 1980; Frisken et al. 2000).

This model did not endure. Local municipal political reaction "was not long in coming" (Richmond, 1995), feeding into criticisms of public housing that led to abandoning that development form, supplanted by non-profit housing. The Metropolitan Toronto Planning Board was eliminated as the provincial government brought in today's structure of four upper-tier municipalities for the outer suburbs. Suburban development took place mostly in those areas after 1975.

Several sides to public housing's role in mixed inner suburbs can be seen: some good, some bad, some unexpected. Social mix was achieved at the district level. Yet social problems of peripheral low-income public housing estates are known across the Western world (Part 4). And this city-building legacy of public and private rental construction has become the locale for deepening poverty in parts of the inner suburbs today (Part 3), in a workforce and migration context never then imagined.

The geography of non-profit housing – The shift from public housing to non-profit housing strongly affected where social housing was built. By contrast with the public housing era when policy directed production to the new suburbs, production in the non-profit era was skewed toward intensification of the central city and inner suburbs.

Funding-unit allocations under the non-profit programs of 1974-95, varying by period, were about 40 percent to private non-profit (community-based groups), 30 to 35 percent municipal and 25 to 30 percent co-op. Non-profit and co-op groups were rooted in churches/faith groups, service clubs, labour unions, tenant groups, ethno-racial organizations and social service agencies. These were more numerous, more developed, and had stronger social missions in older districts than in newer suburbs, so third-sector housing was concentrated there.

Housing corporations of the former City of Toronto and Metro (today's central city and City

of Toronto respectively) immediately in 1974-75 started using the new funding. Peel followed in 1976, and Ajax in the same period. Other municipalities – Duham, Halton, York – had a small legacy of 1960s public housing, but did not form companies to develop suburban non-profit housing until a decade later (e.g. Durham in 1985, Halton 1988). This was well into their second decade of intensive suburban city-building. After ramping up, the housing corporations of York, Durham and Halton had just a brief few years of construction before the then social housing programs ended.

By 1990-95, the outer suburbs finally saw as much non-profit rental production as today's City of Toronto. This was a function of policy-driven unit-allocations of new social housing; private rental production had then stopped. Clearly this brief spurt could not offset a generation of rental production concentrated in inner suburbs and downtown.

Private rental incentive programs – As private rental development became less viable in the mid to late 1970s, the federal and Ontario governments stepped in with a series of incentives to keep it going. The context was surging rental demand as the younger half of baby boomers entered the market: politically it was a matter of meeting mainstream housing needs, not only housing poor people. Programs included grants and loans under the Assisted Rental Program (ARP) of 1975-80; Canada Rental Supply Plan (CRSP) of 1981-84; Ontario Rental Construction Loan Program (ORCL) of 1981; Canada-Ontario Rental Supply Program (CORSP) of 1984; Convert to Rent (1983); and Renterprise (1985). In addition there was the MURB (Multiple Unit Residential Building) tax incentive of 1974-79 and 1980-81 (Toronto 1990).

These funding programs accounted for at least 14,500 units over 1976-90 in today's City of Toronto – about 1,000 per year or 20 percent of rental production. CRSP/CORSP alone funded 2,300 units in today's City of Toronto (Metro, 1996, p.7, table 3, table 7, drawing on Toronto 1990 and other sources). MURBs assisted an unknown but large additional number. These programs were likewise significant in Peel Region's districts of that vintage. These programs – whatever their much-debated policy merits or relative cost-effectiveness – are a big fact of Toronto's inner-suburban city-building history.

Transit Network – City-building and urban structure are closely connected with transport modes. A vast city planning literature in Toronto and elsewhere has made the case for transit-supportive densities. Toronto suburbs of the 1960s and '70s had not just new rental apartments, but a basic grid of rapid transit. By the 1970s this reached into then 20-year old suburbs, linked to good bus service on all main roads. This was significant for developers, public agencies, or non-profit groups investing in new apartments.

Provincial funding was the main anchor of this transit system from the early 1970s until the mid-90s. In Toronto's outer suburbs, the transit model is sparser as well as the city-building model. Rather than all-day rapid transit, there has been US-style "commuter rail" to serve the rush hour to and from downtown, and varied local bus service. This may now shift as higher public funding returns, and transit authorities move toward high-quality rapid-bus and more all-day service. But only provincial funding on a scale now absent could replicate the scale and pace of transit expansion in inner suburbs in the 1970s, or achieve the suburban railway or light rail networks taken for granted in much of Northern

Europe or Australia.

In sum, development of the inner suburbs in the 1960s and '70s took place in a market context and welfare state context – national, provincial, and metropolitan – that favoured mixed housing. Private rental apartment production was quite viable, and a publicly-driven program of thousands of units annually. The resulting mix of stock was reinforced by intensification from late 1980s until the mid-1990s, led by community-based and municipal non-profit production, and with public incentives to support private rental developers facing declining viability. All this was integrated with good transit.

Early outer suburbs, notably southern and eastern Mississauga and central Brampton, caught the end of this era. Political priorities of centrist then centre-left governments of 1985-95 pushed up funding and encouraged municipal involvement for a brief decade. The "905" suburbs were achieving 3 percent of production as assisted rental by the latter 1980s. In the early 1990s this hit 2,700 units per year and 16 percent – the combined result of the decade of support and shrinking private production in the 1991-1993 recession (Table 2).

But the market has dominated since then, as the programs tapered off in 1993 and ended in 1995. The suburbs have expanded rapidly in the past decade on a model dominated by market production and low-density home-ownership.

Table 2
Assisted and Other Production in the "905" GTA, 1986-1995

Production:	1986-90			1991-95		
	<i>Total</i>	<i>Assisted</i>		<i>Total</i>	<i>Assisted</i>	
Peel Region	45,965	1,653	4%	31,091	5,407	17%
York Region	47,101	1,207	3%	25,489	3,378	13%
Durham Region	30,597	1,156	4%	16,518	2,868	17%
Halton Region	17,652	159	1%	10,600	1,895	18%
Total by 5-year period	141,315	4,175	3%	83,698	13,548	16%
Total 1986-95						
	225,013	17,723	8%			

Source: CMHC, housing completions data.

2.3.3 Changing Landscape of Home-ownership

Also important in Toronto's city-building history are two forces that changed the landscape of home-ownership. The first was the period of high interest rates for over 15 years starting in the mid 1970s, and the rapid end of this in 1990-93. The second is the history of the apartment condominium sector.

In the 1980s and '90s, access to home-ownership dropped and then bounced back – the trendline a reverse mirror of mortgage interest rates. Just 58 to 59 percent of households owned their homes in 1981 and 1991, rising strongly to 64% in 2001 (63% in Engeland et al. 2005), the highest since the 1960s. Other factors played a role, notably the baby boom aging into prime home-owning years.

High interest rates, plus young boomer demand and the 1986-89 price spike, sustained rental demand at very high levels throughout the 1970s and '80s (Metro 1993). The dramatic drop in interest rates – by 4 to 6 percentage points in four short years from 1990 to '93 (Engeland et al. 2005, p. 31), combined with strong income growth after the mid-1990s, opened up home-ownership to far more middle-income families and singles. Stock in the upper-income northern suburbs has diversified (York Region 2005a). This shift to home-ownership has intensified since 2000, first as global and Canadian interest rates tracked even lower to sustain demand after the stock market crash, and then as a global commodities boom buoyed Canada's economy. Such trends underlie the marginally declining rental unit counts from 1996 to 2001, and rising rental vacancies since then.

Condominiums arrived in Ontario law in the late 1960s. Condo apartment production has consistently been concentrated downtown, but with notable clusters in inner and outer suburbs. High-rise owners have an income distribution remarkably similar to overall incomes, tilted far more to moderate and middle incomes than most home-owners (Part 3). Moderate-income family units were a significant part of the first 1970s cycle; units for seniors dominated the 1970s and '80s cycles (Metro 1993); and moderate-income singles and couples have dominated the decade of condo boom that started circa 1997.

But condominiums have contributed to less rental, and the changing profile of renters.

- Condos have “creamed off” a large part of middle-income rental demand, moving it into home-ownership. In a city growing by 30,000 households annually, there has been virtually *no net growth* in middle and upper-income apartment rental in 20 years (Part 3). Many of those left renting are low- and moderate-income or newcomers.
- Compared to the 1960s and '70s, this has reduced overall rental demand not only in numbers of households, but in aggregate potential demand for the premium price needed to carry a new rental unit. This has made new rental production less viable.
- Condos are more attractive to developers, allowing quick recouping of capital rather than long-term investment; this has shifted investment away from rental (Lampert et al. 1997, Lampert 1999).

This has had effects on the urban landscape. Multi-unit production once fed suburban social mix, in the form of rental apartments. Today, in the form of condo apartments, it is part of ongoing income mix (and polarization) in central city and inner suburbs, yet only marginally dampens the middle and upper-income tilt of outer suburbs. Indirectly through its creaming of renter incomes, the condo sector arguably contributes to declining income profiles in inner suburbs with large amounts of multi-rental housing.

2.4 Implications for the Urban Landscape

New economic and social forces sweeping across the immovable built city create a “restless urban landscape” (Knox 1993), with rapid neighbourhood change. As context and complement for the empirical analysis in Part 3, this section summarizes what prior research says of this, under six themes ranging from broad to neighbourhood level:

- The Landscape of Rings and Sectors
- Gentrification in the Central city
- Inner-Suburban Change
- Neighbourhood Disparities
- Deep-poverty Neighbourhoods
- Disadvantaged Ethno-Racial Neighbourhoods
- Landscapes of Diversity and Opportunity

As the city-region grows by 6,000 households annually in *each* income quintile, shifting housing needs are met in various ways: new houses and households, income shift of those in place (especially elderly), and change in price or income as units turn over to other households. The city is like an engine constantly generating new jobs, new households, and new locations for these. Rapid growth, profound restructuring, and large migration fuels rapid change in the landscape (Myers 1999, p. 923).

Rising overall inequality gets magnified in particular places, producing divergence among zones and sectors, and between neighbourhoods (Hiebert 2000 citing Bourne 1997). In some places or some housing types, households that arrive are like those who leave, and change is gradual. In other areas, a decade brings large income or household change.

2.4.1 The Landscape of Rings and Sectors

Four trends that started in 1970s Toronto have deepened over the past generation:

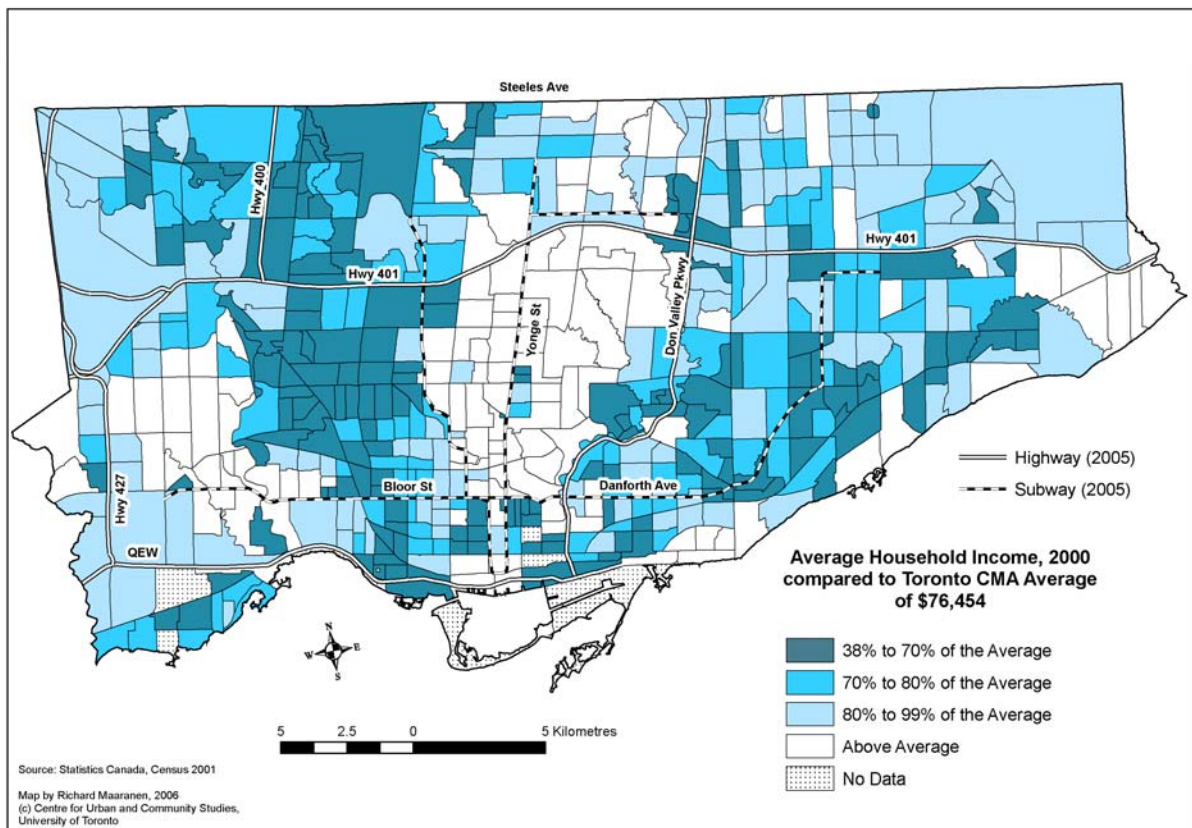
- The central city has rising incomes; inner suburbs have declining incomes; the ever-expanding outer suburbs are middle- and upper-income.
- The map maintains the classic 20th-century pattern of income rising as one heads outward from the centre – despite the newer gentrification and inner-suburb trends. Most growth in middle and upper incomes *locates* in outer suburbs.
- Low- and moderate-income districts shifted from a former discontinuous ring around the central city, to a “U” on the map: two sectors stretching northeasterly and northwesterly from central city through inner suburbs (Map 2).
- Inner suburban trends, combined with gentrification, make central city and inner suburbs more alike, and together unlike the outer suburbs.

These patterns were there to see by 1980. Nascent outer-suburbia tilted to upper

incomes, and inner suburbs drifted toward more households with lower incomes and fewer with higher income. In the central city, sharp rises in income were evident in gentrifying areas and the affluent-consolidating Midtown-North Toronto (City of Toronto, 1984). All this has continued: average incomes in the central city have risen but became more polarized, those in inner suburbs have fallen, and those in the outer suburbs have risen to exceed city-region averages (Bourne 1993, p. 1036, p. 1308; Walks 2001, p. 432).

**Below Average Household Income, City of Toronto 2000
Census Tracts**

Map 2



Toronto's map of affluence and poverty had been transformed in the 1970s, like its national economic role. Dual forces of gentrification and inner-suburb city-building replaced central-city poverty with the "U". Change from then to 1991 was linked with job change: thinning out of manufacturing workers, and the rising professional middle class (Walks 2001).

- Professional workers in 1971 lived disproportionately in the Yonge Corridor (Rosedale, North Toronto, York Mills, Willowdale, Thornhill), and the Kingsway (Central Etobicoke), plus early outer suburbs of Lorne Park-Clarkson and Oakville. These areas have maintained their status but have been dwarfed by three decades of professional

workers expanding across the landscape in outer suburbs and gentrifying central city.

- Manufacturing workers in 1971 were concentrated in today's "U", northeasterly and northwesterly from near downtown through inner suburbs. These were already areas of immigrant settlement. Most such workers had by 1991 shifted to middle suburbs.
- Low-skilled service workers in 1971 were concentrated in East-Central, West-Central, and West Toronto. By 1991 they had consolidated there and throughout the "U" where manufacturing workers once lived, with new concentrations in '60s and '70s suburbs: Downsview, Rexdale and pockets of Scarborough.

2.4.2 Gentrification in the Central city

Toronto's central city, like others, has been transformed by the twin forces of gentrification and condo development. Gentrifiers have outbid lower-income tenants and their landlords for central-city housing stock.

Gentrification is linked to the changing economic and job structure, and the rise of the new middle class or "knowledge class" (Ley 2000a; Filion 1991). Middle and upper-income households move into what were low and moderate-income neighbourhoods. Renovation and price appreciation brings displacement of the people or types of people who lived there before (Meligrana and Skaburskis 2005, pp. 1571-72). It brings rising local spending power supporting diverse, lively business strips with up-market shops. High incomes are expressed not in demand for space, but in housing with status markers of style and history, and "housing in close proximity to work and densely developed sites of consumption" (Knox 1993, p. 184).

Yet in Toronto the central city's net growth has exceeded gentrification. The central city grew by 72,000 households from 1980 to 2000, – over 10 percent. There was rough stability (relative loss) in middle-income households, and a rise in upper-income (over \$90,000 in 2000 dollars) from 50,000 to 90,000 households (Toronto 2004).

"Since 1971, the incipient impoverished area east of downtown (and to a lesser extent west of downtown) has been fragmented and massively displaced by gentrification and reinvestment. In the next two decades, there was a net gain of 60,000 professional, administrative and managerial workers living in Toronto's inner city, and a net loss of 75,000 residents working in less-privileged parts of the labour market. . . . The redefinition of the inner city as had much to do with the downtown office boom of the 1970s and 1980s, and the rapid growth of senior white-collar jobs in the private and the public sectors . . ." (Ley and Smith 2000). When multiplied by non-working population in these workers' households, the magnitude of the shift is 150,000 to 200,000 more middle-class people in the central city, and a loss of working class.

Toronto's average central-city incomes were fairly steady at about 90 percent of city-region average over 1970 to 1985, but two divergent trends lay behind this. On one hand, there are more families and others with upper incomes; on the other are more small

households of all sorts: singles, single parents, elderly, students, others. The central city, with a built legacy of apartments, will continue to have many small households with small income (Bourne 1993, p. 1301-1302; see also Walks 2001, p. 433). In the downtown proper, where condo-building is concentrated, family incomes rose more sharply from a lower start, to equal the city-region median by 1990 (Bourne 1994; Murdie 1998, p. 79).

Gentrification has progressed steadily since the 1970s. Meligrana and Skaburskis (2005), building on the landmark study of David Ley (2000), estimate that at least 20 percent and probably 40 percent of central-city stock has been gentrified. Gentrification has spread well beyond its early sites to embrace most of the East-central and West-central areas. Incipient gentrification affects most of pre-war Toronto, including once unlikely neighbourhoods. As well, affluent older areas have seen strongly rising income and much renovation and many replacement houses: visible in a broad swath of North Toronto, Rosedale-Moore Park, York Mills, Willowdale, and the Kingsway (Meligrana and Skaburskis, 2005).

But gentrification in Toronto has so far kept a fair social mix. Gentrifying areas have maintained their population levels over 1981-2001 (unlike such areas in most Canadian cities), and increased their household counts. The correlation is clear between gentrification and rising income, more young adults (24-39), and more university education. But tenant households are increasing; non-family households have doubled in Toronto's gentrifying areas (*ibid*, pp. 1581, 1585). The central city (former City of Toronto) accounted for one-quarter of the newly emerging deep-poverty neighbourhoods in the 1980s and '90s (United Way and CCSD, p. 30). Still, overall the central city saw a decline in poverty among economic families, unlike the dramatic increases in the inner suburbs, and less concentration of poverty (*ibid*, 2004, p. 25).

2.4.3 Inner-Suburban Change

Inner suburbs as a whole have been declining in "status" for the past generation, and are more polarized. The main geographic pattern is not a declining "ring", but northwesterly and northeasterly sectors forming the "U" on the map (Map 2), where lower-income households have become more numerous. Most of the Toronto discourse on social polarization and marginalization has been about the parts of the inner suburbs.

The inner suburbs have strongly converged with the central city profile: evident by the latter 1980s in tenure, income mix, immigrant settlement, and more non-family households. There was a striking decline in middle and upper-middle income family home-ownership (Metro, 1996, p. 30-33). Average household income in inner suburbs fell from above the city-region average in 1970 to below it by 1990 (Murdie 1998a). In 1980-2000, low-income households (under \$22,500 in 2001 dollars) rose from 65,000 to 109,000 in number, and from 15 to 20 percent of households, accounting for half the total growth (Toronto 2004).

Recent inner-suburban change is what created today's contrast today between the City of Toronto (central city plus inner suburbs) and the "905" or outer suburbs (Metro 1996a).

This is the context for population shifts much spotlighted in the City of Toronto, including families with children shifting to a sharply lower income profile overall, with incomes dropping in the '90s by 12 to 26 percent in the various parental age groups 25-54 (Family Services Association and Community Social Planning Council 2004, p. 13).

Deep-poverty neighbourhoods in the inner suburbs rose five-fold from 12 to 57 from 1980-2000 but rose to just one in the outer suburbs. Very-high-poverty neighbourhoods rose from 1 to 15, with none in the outer suburbs (United Way and CCSD 2004, p. 23; see below). Most increase in concentrated poverty was in inner suburbs plus the working-class fringe of the central city (former York and East York). The number of poor families approximately doubled. The biggest change was in Downsview and Rexdale, working-class industrial districts of the inner northwest, and Scarborough in the northeast.

Inner suburbs have rising socio-economic diversity, and sharp neighbourhood -to-neighbourhood differences, now akin to the central city. Inner suburbia "contains some of the poorest tracts, as well as some of the wealthiest and most expensive neighbourhoods in the entire urban region; the former appear to have 'filtered down' while the latter have largely held on to, or increased, their wealth." (Walks 2001, p. 438).

Inner-suburban change is powerfully driven by different in- and out-migration (section 2.2.1). Most new immigrants have low incomes and rent in the inner suburbs, for the first decade or more. After the first decade there is high mobility to home-ownership, often in the outer suburbs; but meanwhile, other newcomers arrive. The US parallel applies: these areas "are not distinct islands disconnected from the rest of society. Their problems are closely connected to regional and national dynamics -- in particular, the migration of upper-income households and jobs to exclusive outer-ring suburbs. The problems associated with the growing spatial concentration of poverty also beset many inner-ring suburbs" (Dreier et al., 2001, p. 29).

Entwined patterns of migration, rental housing locales, and transit access, reinforced by ethno-racial neighbourhoods, continue to shift inner suburbs toward a higher-need profile (Metro 1996a). Differences in housing type and tenure between inner and outer suburbs can only mean rising shares of disadvantaged population in inner suburbs. The rising number of immigrants settling directly today in outer suburbs does not alter this: they are mostly middle and upper-income home-buyers, unlike most who settle in inner suburbs (*ibid.*; Frisken et al. 2000; Part 3; Map 10).

In the inner suburbs for the foreseeable future, "the majority of the GTA's less-affluent residents will be accommodated in pockets of 'affordable' housing, including concentrations of social housing and private low-rental units, with little or no transit access to emerging job concentrations in the outer suburbs" (Frisken et al. 2000, p. 91).

2.4.4 Neighbourhood Disparities

Hand in hand with the broad patterns just discussed are rising differences from one neighbourhood to another. Across Canada the income gap between low-income and

high-income areas has widened over 1980 to 2000, but especially in Toronto (Heisz and McLeod 2004, p. 42):

- The bottom quintile of Toronto neighbourhoods (CTs) saw income declines of 7 to 10 percent in real terms; the lower-middle and middle quintile saw declines of 0 to 5 percent.
- Upper-middle and upper-income Toronto neighbourhoods had rising income; the higher up the neighbourhood the more the increase. If ranked on family income rather than all households, the upper two quintiles had growth of 15 to 20 percent in income (constant dollars) versus 3 to 8 percent growth for low and moderate income areas.
- Overall, there are fewer middle-income areas: in 1971, half (49%) of census tracts had average incomes within 15 percent of CMA average; by 1991 this was down to 38% (Walks 2001).
- The result is wider neighbourhood disparities, regardless of spatial scale. At the small-neighbourhood level, the gap in average income between upper and lower areas rose from \$14,00 to \$25,000 from 1970 to 1990 (Murdie 1998a, p. 79-80, using interquartile range for census enumeration areas). This becomes extreme at the top and bottom deciles: household income in the lowest areas barely beat inflation, while for the top areas incomes rose from \$48,000 to \$79,000 in constant 1990 dollars. The ratio of average income of highest to lowest neighbourhood in 1950 was 3 to 1; by 1985 it was 14 to 1 (see also Bourne 1993, pp. 1294, 1311-1313).

Neighbourhood inequality has risen faster than overall income inequality. This is mostly because workforce trends hit poor areas harder, and secondly because of more “sorting” of poor households into poor areas and affluent into affluent. From 1980 to 1995, income fell in poorer areas (-15 to -23 percent for the lowest 30 percent of neighbourhoods) and rose in affluent areas. The broad trend of rising inequality among households accounted for most of the neighbourhood-level income change. Like overall income change, it progressed in each 5-year period, but most rapidly in the early '90s (Myles et al. 2000, esp. pp. 2, 10-11).

In poor Toronto neighbourhoods over 1980 to 1995, the share of income from earnings declined from 85 to 65 percent, as employment rates of prime working-age adults (25-54) declined from 75 to 60 percent. These factors were stable in higher-income neighbourhoods. Only 12 percent of rising differences in earned income was offset by government transfers (except for elderly). Trends in public transfers for non-elderly were fairly even across poor, middle and affluent neighbourhoods; for elderly they favoured middle-income areas (*ibid.*, pp. 17-18).

Toronto's and Vancouver's neighbourhood-level polarization is higher than other Canadian cities (United Way and CCSD 2004, p. 15). Toronto scores high because its upper-income areas are very affluent (Myles et al. 2000, p. 8). This reflects the presence of a national economic élite, and Toronto's role as economic capital and second-tier global city.

Neighbourhood inequality varies between the central city, inner suburbs, and outer suburbs, although it has widened by any measure (Walks 2001, p. 431-436):

- “[S]patial inequality has increased at the level of the whole CMA, the level of each zone [central city, inner suburbs, outer suburbs, exurbs], between tracts at the neighbourhood level and within individual census tracts. The inner area reveals on average the most income inequality, while the mature suburbs exhibit the largest increase in income disparity” (Walks 2001, p. 436).
- Income disparities are much less in outer suburbs (Bourne 1993, p. 1311), mostly because of fewer low-income people there. Disparities in outer suburbs of 1991 are comparable to the suburbs of 1971 (inner suburbs by 1991) -- in contrast to sharper disparities in today’s central city and inner suburbs (Walks 2001, p. 433).
- The central city retains the most extreme polarization: it has the highest neighbourhood-level segregation by occupation, but especially between professional occupations and others (Walks 2001, p. 424). From 1981 to 2001, it saw increases in both low-poverty and high-poverty neighbourhoods, and fewer in the middle. Poverty deepened in existing high-poverty areas (United Way and CCSD, p. 30).

2.4.5 Deep-poverty Neighbourhoods

For a generation or so from the 1960s, Toronto prided itself as a city without slums. Visiting American housing officials still see little distress by US standards. But rapid emergence of deep-poverty neighbourhoods has alarmed Toronto’s opinion-shapers, and feeds strongly into advocacy and discourse on the “urban agenda”. High-profile studies were done to galvanize public attention, and spur area-based initiatives on the US or UK model (United Way 1997; United Way and CCSD, 2004).

As with other poverty trends, concentration of poverty rose sharply in the recession and slow recovery of the early ’90s, then subsided in the economic expansion -- but not to levels better than 1990. By 2000, 5 percent of tracts had over 40 percent of households in low income, down by half from 1995 (post-recession) but still higher than the 3 percent in 1990. By 2000, 13 percent of low-income people lived in these areas, down from the 21 percent in 1995 but higher than the 8 to 9 percent of 1980-90 (Heisz and McLeod 2004, p. 51).

Toronto’s trend in this direction is like most large Canadian cities; it was less segregated than the cities of Quebec and the Prairies (Kazemipur and Halli 2000).

The *Poverty by Postal Code* report – adapting a UK term – focused on “deep-poverty” and “very deep poverty” neighbourhoods (census tracts), where at least 26 percent and 40 percent respectively of economic families were below the Low Income Cut Off.¹³ Highlights were these (with inner suburban locations noted above):

¹³ United Way and CCSD, 2004. The 26 percent was chosen as a benchmark about equal to double the Canadian poverty rate for families.

- Deep-poverty neighbourhoods rose in number from 30 to 66 and then to 120 from 1981-91 and 1991-2001 – over one-fifth of tracts in the City of Toronto.
- Very-deep-poverty neighbourhoods rose from 4 to 9 to 23.
- The share of poor economic families (below LICO) living in deep-poverty neighbourhoods rose from 18 to 30 to 43 percent over the two decades.
- The proportion of poor families living in these very-high-poverty areas doubled every 5 years, reaching 11 percent by 2001.
- These trends particularly affect families, with the number of children growing up in deep-poverty neighbourhoods doubling in the 1990s, to reach 160,000, and youth rising by 60 percent to 99,000.

Toronto's recent immigrants are highly concentrated in high-poverty neighbourhoods: they are only 5 percent of overall population but 11 percent of them live in these areas. By 2000 recent immigrants accounted for 40 percent of people in these areas, up from 25 percent or less during 1980-90 (Heisz and McLeod 2004, pp. 64-65).

In neighbourhoods with high Core Housing Need, Toronto is a very different place from the "liveable metropolis" of a generation ago. Disadvantaged neighbourhoods are where housing stress is concentrated (Engeland et al. 2005, p. 74-75):

- Median income, at \$33,000, is half that of other areas, and one in every six household income dollars is from government transfers, double the norm;
- Fully 70 percent of households are renters;
- Average rents are 25 percent below other areas (reflecting both subsidized and market rents – see below);
- Virtually 40 percent of households are in Core Need (39.2%);
- One quarter of homes are overcrowded (27.5%);
- 17 percent of households are recent immigrants, double the average.

High Core Need neighbourhoods (the worst 10 percent of census tracts ranked on Core Need) account for 20 percent of Toronto households in Core Need, double their 10 percent share of all households. This concentration is similar to other Canadian cities, as are the inner-suburban locations (Engeland et al. 2005, p. 71, 78; Bunting et al. 2004, pp. 374-375, 378). But Toronto's scale now creates much larger concentrations.

People live longer in low-income neighbourhoods than they spend in poverty, despite relatively high turnover in such areas (Frenette et al. 2004). In Toronto the average resident of such an area stays for 5.7 years – two years longer than the Canadian average.

The focus of the high-profile recent studies was not to explain the emergence of these neighbourhoods in terms of income and housing market dynamics. But the income, migration and city-building trends described in the present study are the context and cause of this new social landscape.

2.4.6 Disadvantaged Ethno-Racial Neighbourhoods

Ethno-racial diversity is not the same as immigration; young visible-minority Canadians rightly react to being labelled “immigrant”. Toronto’s outer suburbs have far fewer recent immigrants (proportionately) than the central city and inner suburbs, yet are almost as ethno-racially diverse.¹⁴ And the most acute concerns about ethno-racial disadvantage in Toronto’s inner suburbs are not about new immigrants, but about youth of the second and third generation, and whether long-term racialized poverty and exclusion are emerging.

But at this point in Toronto’s history, most members of visible minorities are immigrants or their children; most new immigrants are members of ethno-racial minorities. Immigration of the past 20 years has been from Asia, Latin America, Africa and the Caribbean, into a population – until now – of mainly European background. So in this section immigration and ethno-racial issues are taken together.

Well before the late-1980s shift to high immigration, areas of first settlement had expanded from the inner-west and inner-east central city to the inner suburbs (Metro 1993, 1996, Walks 1991). As new immigrants became an ever-larger part of Toronto population since then, these districts consolidated and expanded as immigrant and visible-minority areas. On the map, these areas are much the same as the low and moderate-income “U” extending northeasterly and northwesterly (Map 2).

“Two simultaneous trends over the past 10 – 15 years easily become merged in the Canadian imagination. The first is the growing polarisation of the urban population, with an overall growth of families in poverty ... [and] its consequences, including such deprivation indicators as unemployment, welfare dependency, family instability and crime. The second trend is a sizable and visible immigration to major cities . . .” (Ley and Smith 2000; see also Murdie 1998a, p. 83-85).

To what extent are immigration, visible-minority status, and disadvantage linked? (Ley and Smith 2000; others as noted).

- The correlation of deprivation and immigrant population is far greater in Toronto than in Montreal or Vancouver. (Montreal has lower incomes overall and more native-born poverty, Vancouver a larger share of wealthy immigrants.)
- At the neighbourhood level by the mid 1990s, deprivation and immigrant population were correlated modestly (the highest correlation in 1991 being 0.56). Also correlated are immigration from non-European countries, and presence of recent immigrants.
- Recent immigrants and visible minorities have replaced others as the dominant low-income population. Toronto’s poverty rate for visible minorities rose from 20 percent to 30 percent from 1981 to 2001, while the rate was stable for others (United Way and CCSD 2004, p. 49). This accounts in part for the correlation of low income, visible minority status, poor neighbourhoods, and housing stress. Visible minorities by

¹⁴ Visible minorities are 38 percent of Peel population and 30 percent of York Region, compared to 42 percent in the City of Toronto (Census of Canada, 2001, community profiles website).

2001 accounted for 78 percent of poor family population in deep-poverty neighbourhoods, double the proportion in 1981. The visible-minority population in deep-poverty neighbourhoods by 2001 was 334,000 (*ibid.*). "Immigrants" by 2001 comprised 80 percent of City of Toronto poor families with children, a disproportionate share. Visible minorities comprised 70 percent of poor families with children but only half of all families with children (Family Services Association and CSPC 2004).

- Compared to US cities, the knot of multiple deprivation is much less in Toronto, with fewer neighbourhoods of multiple deprivation; no entire districts of deprivation; more dispersion across the city; more shift from place to place over time; and more upward mobility of individuals (Ley and Smith 2000; see also Frisken et al. 2000). There is little correlation today of labour force disadvantage with living in an ethno-racial neighbourhood (Hou and Picot 2003).
- Correlation of income polarization, poverty and immigration is small for recent immigrants taken overall, but significant for certain ethno-racial groups. Canadian patterns in this are more like those of Europe than America (Kazemipur and Halli 2000, Chapter 6); ethnicity is more significant than "race" if one accepts that distinction. Ethno-racial groups most likely to live in high-poverty Toronto neighbourhoods are Vietnamese (9 percent of that group living in such areas), Spanish, Aboriginals, and Blacks (3 to 4 percent) – all similar to other Canadian cities. The trend is toward more correlation on these factors.
- Affordability problems are great among recent immigrants. Among households (maintainers) in urban Canada less than five years, 39 percent of are in Core Need, as compared to 28–32 percent for most other immigrant/non-immigrant categories. As with most such indicators, good economic times reduced the problems somewhat from 1996 to 2001, but not to levels better than 1991 (Engeland et al. 2005, pp. 59 - 60). Compared to other households in Core Housing Need, recent immigrants are far more concentrated in certain neighbourhoods (Engeland et al. 2005, p. 71, 78).

2.4.7 Landscapes of Diversity and Opportunity

Immigration and ethno-racial diversity in Toronto are a complex mosaic, and disadvantaged neighbourhoods just one part of it. Urban spatial patterns are more variable than a generation ago, not only with more differences on income and class lines, but on other lines including ethnicity and race (Bourne 1989, Bauder & Sharpe 2002).

To balance the perspective of deprived ethno-racial areas, let us review the urban immigrant landscape in other lights, under four themes:

- The landscape of opportunity
- Ethno-racial segregation beyond class lines
- Choice and constraint in segregation
- Relationship to broader urban landscape themes

Landscape of Opportunity – A “declining inner suburb” lens can miss the character and role of urban places. Inner suburbs are not just as landing points, and locales for a period of economic struggle. They are also launching-point for immigrants as they benefit from the dynamism of the city, contribute to it, and build their own communities.

“This leads to an odd paradox: The downward trend for the place is the opposite indicator of the upward trend enjoyed by the residents themselves.” Profiles at any point in time capture disadvantaged people recently arrived, not the upwardly mobile who move out. The typical experience is mostly of upward mobility from the difficult years on first arriving, with rapid improvement in income and housing, including homeownership (Myers 1999, pp. 924, 950).

Most immigrants catch up to other Canadians in their second decade after arriving; this remains the case despite adverse income trends. “[I]mmigrants experience a tough first decade when they are at risk from various forms of deprivation; in the second decade, they become indistinguishable from the rest of the population; after two decades, they are out-achieving the population at large. This general trend repeats the old story of longitudinal betterment, a narrative at odds with the intergenerational entrapment of underclass theorising” (Ley and Smith 2000, pp. 14-15).

The second decade sees immigrants’ incomes rise strongly, many buying homes, and many dispersing from the areas of first settlement into mixed or White-majority areas. Moving into social-mainstream neighbourhoods is still associated with longer time in Canada, higher incomes, and more use of English at home (Myles and Hou 2003, pp. 18-22). For many immigrants, the experience over time is indeed of movement “toward a comfortable neighbourhood and appropriate housing” (Murdie and Teixeira 2001). But the patterns are diverse by ethno-racial group and social class.

For Toronto’s Black residents, this pattern of residential integration and dispersion holds, despite much higher incidence of poverty than most groups and a few notable deprived areas. Toronto’s Black residential patterns are part of the overall multi-ethnic quilt, much different from the US, with much lower segregation (Myles and Hou 2003, pp. 18-23).

Ethno-racial segregation beyond class lines – Immigrants today are more segregated at the neighbourhood level, *despite* upward mobility and outward spread of new-immigrant districts. Immigrants arriving recently are more likely to live in “ethno-racial enclaves” than were immigrants arriving 10 or 20 years ago. And the odds of living in such an area do not decline even after being in Canada for 10 to 20 year (Hou 2004). But rising tendency toward living in such “enclaves” is partly a statistical artefact: if the city has more people of one’s ethno-racial community then the odds are higher that one will live near them; and more neighbourhoods will cross “concentration” thresholds (Hou and Picot 2003).

The ethno-racial mosaic is partly a matter of choice, found alike among poorer and more affluent immigrants. Segregation of affluent groups such as Jewish people or (in part) Chinese is as great as for less prosperous groups, such as Blacks (Hiebert 2000, p. 14).

Exhibit “A” in the choice argument are upper-income “ethnoburbs.” Mid-suburban

Agincourt and contiguous outer-suburban Markham and Richmond Hill were prime destinations for middle and upper-income Hong Kong immigrants of circa 1987-97. Since then, as South Asian (Indian, Pakistani, etc.) immigration rose, Brampton and newer parts of Mississauga have emerged as the main locale for middle and upper-income people of these backgrounds. Markham and Richmond Hill are upper income; Brampton is middle and upper-income. Agincourt, spanning the socio-economic spectrum, illustrates the tendency of Chinese-Canadians to live in cultural enclaves, with little mobility away from these areas as income rises (Myles and Hou 2003, p. 20; Ley and Smith 2000).

Choice and constraint in segregation – The earliest theories of immigrant settlement and the urban landscape identified the role of ethnic social networks and of constrained housing choice (discussion of Burgess and Park in Bauder and Sharpe, 2002; Massey 1985). Brian Ray's landmark study of Montreal and Toronto showed the interplay of constraint and choice, and how "the process of settlement is considerably different in the two cities, owing in part to differences in overall segregation levels, types of housing, histories of development, and the location, accessibility and availability of kin and friends" (Ray 1998, p. 221).

While section 2.5 details the key role of constrained choice, the choice to live near others of the same origin in an "ethnic neighbourhood" may be for various reasons (Bauder and Sharpe 2002, p. 206). Income and housing market are prominent, but not the only factors.

- Social networks may lead to finding housing in an ethno-racial neighbourhood;
- There may be less housing-related discrimination in such an area;
- The neighbourhood may offer comfort and belonging, amid a hostile or indifferent social mainstream;
- Informal social interactions may be easier with people of one's own background;
- The area may offer ethnic foods and other goods available in local businesses;
- There may be a church or religious community to belong to;
- Contacts and networks in the community may help in finding work, child care, business opportunities, or help with the many other challenges of life.

Ethno-racial segregation has good and not-so-good sides: the positive sides being in voluntary choice and group identity, the negative ones in economic disadvantage, constrained choice and discrimination. "[R]esidential patterns, whether concentrated or dispersed, are the result of overlaying systems of choice and constraint", varying from group to group" (Hiebert 2000, p. 14). Ethno-racial enclaves are "rich in social capital, mutual support networks, and community organization," yet they can also be isolating, "inhibiting immigrants' acculturation to the ways of Canadian job market[s] and social mores and precluding networking in mainstream society" (Qadeer 2003).

Relationship to broader urban landscape themes – A frame for understanding the new landscape of immigration was articulated by Hiebert (2000), in terms of broader urban landscape themes of gentrification, social polarization, and suburbanization.

- Gentrification is making inner, older neighbourhoods too expensive for immigrants, and perhaps also less socially welcoming. Thirty years ago, an immigrant could buy a

cheaper house in the central city within a few years of arrival. This option is no longer open in Toronto today, nor in many other cities.

- Overall income inequality creates growing social distances, which engender shifts in attitudes and behaviour. Though we celebrate diversity, most people still prefer to live in neighbourhoods with people like themselves. So, amid rising inequality and widening ethno-racial diversity, people are more prone to live with people who are like themselves in *both* social class and ethno-racial group (*ibid.*, p. 10). Rising separation by income and class includes upper-income immigrants' separation by choice.
- Immigrant movement from central city to suburbs has a different meaning today than in early and mid 20th century. Classic assimilation theory saw the move to the suburbs as occurring in tandem with cultural assimilation, rising incomes, and buying a home. It meant less identification with the community of origin and more adoption of mainstream values and consumption. Today, on one hand, some upper- and middle-income immigrant groups settle immediately in suburbs. On the other certain inner suburbs play the former central-city role as first settlement area, and are as segregated as the central city (*ibid.*, pp. 11, 13).

In Toronto, with among Canada's strongest trends of economic inequality, its highest immigration, and most diverse ethno-racial mix, we should therefore expect to see the sharpest rise in separation across the landscape.

2.5 Rental Housing, Constrained Choice, and Residualization

2.5.1 Constrained Housing Choice

Few choices are unconstrained, but low income or other disadvantages mean more constraints. Constrained housing choice entwines with other factors, neutral or positive, to create ethno-racial neighbourhoods, and disadvantaged ones. Constrained choice – not some abstract geometry of core and periphery – creates the new urban landscape patterns. Low income is the main reason most new immigrants rent a home.

Relative poverty arguably matters more in housing than in other aspects of urban life. With the distinct exceptions of social housing and down-market rental buildings, prices are set by people with middle and upper incomes. Housing and neighbourhood options are far different for affluent people than for those with low and moderate incomes.

In the housing market just as in the labour market (section 2.1), new arrivals are most affected by change at the margin. New immigrants must find a unit on the active market, not in the total stock of rental housing units. They are more affected by uneven availability by area (see next section) than are other tenants already in place. Young adults are strongly affected too, but may have the alternative of remaining in the parental home.

Women-led households too are especially affected. They have much lower average incomes, and two-thirds are renters – with no shift in tenure over the past 20 years. Within

immigrant groups, women report more discrimination than men (Joint Centre 2003).

New immigrants may or may not see their housing issues this critically. The Longitudinal Survey of Immigrants shows that at the 6-month point in Canada, 56 percent of new-immigrant renters in Toronto were paying half or more of their income on housing. "In this context, one would expect a vast majority of respondents to report some form of difficulty finding housing. But... only 37 percent of those who had to look for housing said that this was the case.... One possible explanation is that while housing is certainly an important factor in shaping the settlement experience, immigrants appear to assign higher priority to the labour market and to education... [R]espondents were considerably more concerned with the pronounced level of difficulty experienced in finding employment..." (Mendez et al., 2006, p. 98). One can readily find an apartment, though it costs a lot and the area may not be great; one cannot so readily find work, or good work.

In any case, low- and moderate-income renters, especially new immigrants, are channelled into a relatively shrinking slice of the city-region: inner suburbs.

2.5.2 How Disadvantage Operates in the Rental Market

Disadvantage in the housing market operates in some obvious ways, and some less obvious. The focus here is on rental housing: where most low and moderate-income people live, and the dominant housing in lower-income areas. Constraints and choices in the housing market are borne out by many researchers (Bauder and Sharpe 2002, p. 207; Ray 1998; Ray and Moore 1991; Murdie 1998; Murdie 2002).

- Most obviously, low income means less purchasing power, and fewer units available to the household, with options tightening over the 1980-2000 period. Incomes for low and moderate income households overall have barely risen in 25 years. Yet numbers of moderate-priced rental units have dramatically declined (Toronto 2003b, p. 28).

At median income for low and moderate income households (first quintile: \$26,200 by 2000) one could afford an average 1-bedroom unit at 29 percent of income in 1980 or 1990, or a 2-bedroom at 35 percent of income. By 2000 it took 38 percent for a one-bedroom and 45 percent for a two-bedroom. Nominal income had gone up just 13 percent, falling behind inflation, while rents had risen 44 to 50 percent.

- Giving preference to people with better income and job status is normal and prudent business practice in leasing. In better rental buildings, irregular employment and income is a barrier as employment references are essential (Joint Centre 2003, p. 16). Low-income tenants will be unable to show an income that meets rent-to-income hurdles for leasing, and many will have a record of more irregular employment.
- Low-income tenants will more often have records of arrears and evictions; most evictions have roots in inability to pay (Lapointe et al. 2004), but language problems may worsen the odds of eviction resulting. Landlords will apply stringent arrears standards in middle-class buildings or neighbourhoods, and less stringent ones in

low-rent districts which middle-income tenants avoid.

- Income and ethno-racial group affects who you know, and thereby what leads and tips you get in looking for a place to live. Differences exist between various groups, especially between “strong” social networks of kin and friends versus “weak” social networks of neighbours; each affects how the search for housing proceeds and what the results are (Ray 1998; Murdie 2002; see synthesis in Hiebert 2000).
- There is direct discrimination by some landlords on ethno-racial grounds. For example, in a survey of Latin American and Muslims in west-central Toronto, 68 percent of 300 respondents reported experiencing some form of housing discrimination (Joint Centre 2003, pp. 16, 23). Accent and facility in English become screening factors when an apartment-seeker first calls to inquire (Novac et al. 2002).

Constrained choice limits not just choice of home but choice of neighbourhood. In searching for housing, the options are a function of total supply, turnover and resulting availability.

- Conventional rental units – privately owned multi-unit buildings – are mostly found in inner suburban districts (131,000 units or 43 percent) and the central city (122,000); the outer suburbs have just 51,000 (CMHC 2004).
- Availability of units for leasing favours inner suburbs. Turnover averages about 20 percent annually; in a given month the sum of turnover and vacancies makes about 6 percent of units available. Turnover is higher in low-income, low-rent areas than elsewhere. Availability rates are also somewhat higher: 7 to 8 percent in lower-rent districts compared to 4 to 5 percent in prime areas (*ibid.*). In a typical month, the 9,000 units available for leasing in inner suburbs accounts for half of all units available in the Toronto city-region.
- Cheaper options are found in a low-rent district. Areas such as Downsview or York-Weston or Eastern Scarborough have market rents typically 20 to 25 percent lower than up-market districts. At \$26,000 income, a typical one-bedroom can perhaps be had at 35 percent of income in low-rent districts, a typical two-bedroom for 40 percent. The extra \$150 monthly this frees up may be important for other needs.
- Families have more constrained choice than others at similar income. Market-wide, the larger units’ rents are more mismatched to low and moderate incomes. Availability for family-sized units is skewed to inner suburbs. Precisely half the units in the conventional rental market are two-bedroom units or larger. In the inner suburbs, 63 percent are the larger units but only 27 percent in the central city. Availability rates for larger units are also higher in inner suburbs: 6 to 7 percent versus 4 to 5 percent (*ibid.*). Inner suburbs account for two-thirds of available larger units in a typical month.
- Low incomes means depending on public transit. Even if a family has a car, one spouse often takes transit to work. Toronto has wide choice of rental housing available on good bus lines or near the subway. But choice of housing and locations is far more

constrained for transit-dependent renters than for those who own a car and can afford to buy a home. Moreover, transit use is higher for recent immigrants than for others, even controlling for income (Heisz and Schellenberg 2004).

Thus income and the structure of the rental market are probably more important than discrimination in creating constrained choice for low and moderate-income renters.

2.5.3 Access to Home-ownership

New-immigrant rental demand stays high because of lower incomes, but also due to declining rates of home-ownership. The reasons for this decline are not fully understood. They were explored by Haan (2005) for Canada's three big cities over the same 1981-2001 period this study covers.

- In 1981, 65 percent of working-age foreign-born families in Toronto owned their home, ten points higher than Canadian-born. By 2001 this was more or less reversed: 61 percent of immigrant families owned and 64 percent of Canadian-born.
- Declining earnings did not affect home-ownership among Canadian-born young adults (perhaps due to lower interest rates and better affordability), but was correlated with much reduced home-ownership for immigrants.
- Declining incomes only partly explained statistically this declining immigrant home-ownership. Other factors explained smaller parts, all in all less than the whole.

Nearly two-thirds of the difference in ownership rates between Canadian- and foreign-born was unexplained. Here are some possible reasons, for future exploration:

- Declining wealth (equity) of immigrants (Haan 2005). Low incomes and *irregular* incomes make it harder to save equity, take the risk of buying, and get approval as a borrower: a year or three's delay for a household multiplies out to a big difference across society. Higher rents levels today vis-à-vis incomes will also reduce the rate of savings. The much greater income gap between Canada and source countries today than a generation ago suggests that immigrants may be sending higher remittances to the home country than a generation ago (cf. Arbaci 2005), reducing the rate of savings.
- There may be more mismatches of supply by price and location. One aspect of this (Haan 2005, p. 26 and elsewhere) is lesser supply of cheap central-city houses than a generation ago. Inner suburbs have some moderate-priced resale homes, but are they in the neighbourhood of first settlement as was typically the case for central-city immigrants a generation ago? And are more low-cost buying opportunities in areas of weak second-suite renter demand, or weaker demand from ethno-racial kin, which could reduce affordability? Any of these hurdles might delay buying a home.
- There may be threshold and volume effects: purchase will be most affected by the income difference between being in the middle quintile versus moderate quintile. If

large new-immigrant moderate-income and middle-income demand is not matched by large volumes of suitably priced supply, ownership rates will lag.

- Ethno-racial neighbourhood patterns and constrained choice may reinforce each other in ways not understood. Cumulative disadvantage in low-poverty neighbourhoods may affect this (Part 5). The pull of ethno-racial business and services in immigrant neighbourhoods may delay the move to farther afield.

2.5.4 Residualized Social and Rental Housing

As rising income gives most people a wider choice of housing and location, certain housing types and locations are those left open for people with low incomes. Social housing and some – not all – private rental stock becomes the “location of social disadvantage”. This is the “residualization” of social and rental housing, an international trend (Part 4) whose face in Toronto is sketched here.

Coined in Britain, the term alludes to social and rental housing being the “residual” tenure for those who lack the income and housing choice that others have. It contrasts to 30 years ago when many young middle class people and manufacturing workers rented. It also hints at rental housing being quite marginal today in housing production and city-building, unlike a generation ago. Early explorations of this theme in Canada suggested little problem (Pomeroy 1998), but recent fuller information suggests otherwise.

Residualization is driven mostly by the changing economic, labour force and income structure of the globalizing city-region. Rental-sector incomes and social profile today contrast to those of the 1960s and 1970s. Tenants then included a rising number of young baby-boomer households, with mostly favourable life prospects. Single parents were fewer, rising in number in the 1970s. Incomes had risen steadily for a generation (except 1959-60), and this continued strongly through “stagflation” of the 1970s. Immigrants had a fast catch-up to the incomes of Canadian-born, and readily found decent jobs and mainstream apartments.

Since then, creeping income polarization and other trends have produced a rising gap between typical home-owner and tenant household incomes and wealth (Hulchanski 2001). The rising incomes in the upper half have accrued to people who are home-owners or who enter home-ownership. Lower tenant incomes have also helped undermine the economic viability of rental housing production, starting in the 1970s (section 2.3.3).

As so in Toronto today, the rental sector becomes home to people in these broad categories: young adults, low-income seniors, recent immigrants, others in transitional stages of life, single parents with pre-school children, and people with low and moderate income for the long term. Similar trends have been trenchantly documented at the Canadian and sub-national level (Miron 1998).

In geared-to-income social housing, the trend is general. Declining incomes here were evident as early as the 1970s. Housing managers report anecdotally that this trend has

accelerated in the past decade or two; hard data are scarce. With waiting lists 10 times annual turnover, the scarce openings deter all but the very needy from applying. This reinforces the low-income profile of applicants and, over time, of social housing tenants. The changing social profile and costs of social housing are driven mostly by broad changes in society and the housing market, not by supposed faults within the social housing sector: bad policy recipe, hapless tenants, poor architecture, inept management.

"Public housing in Toronto has become increasingly a residual form of social rented housing, a shift noted . . . for various European countries where the trend has been towards accommodating an increasingly narrow segment of society in social housing." But compared to the US or the more deprived European inner suburbs, indicators of deprivation in Toronto are less severe and physical conditions better (Murdie 1998a, p. 90).

At the extreme, residualization refers to housing becoming not only a locale of disadvantage, but evolving into communities with social pathologies of deep poverty: welfare dependency, dropping out, drug-dealing, teen pregnancies, social exclusion, and the reproduction of a culture of poverty (Part 5). Some neighbourhoods in Toronto are now spoken of this way. "The public housing areas with the most severe deprivation scores were overwhelmingly in the inner suburbs, not the central city" (Murdie 1998a, p. 88).

In private rental stock, and in the roughly 40,000 market-rent units in Toronto-area social housing, the picture is mixed. If measured by rising numbers with low incomes, most trend to residualization in the private sector (Part 3). But residualization is one trend among others. Some private stock (e.g. St. James Town, Parkdale, Downsview) evolves to a disadvantaged profile while other stock of identical vintage and design (High Park, Midtown, Church St. "Village") retains strong middle class and non-family demand.

Toronto has a relatively larger middle and up-market rental sector than most Canadian centres, because of its large population of students, central-city non-family households gay and straight, middle-class new migrants, and assorted people in transition in the dynamic job market. Developers have responded to this in the past five years with construction of luxury rental buildings not seen elsewhere in Ontario.

For affected private rental housing, residualization so far is mostly in income profile and neighbourhood status, and only slightly in rents and property value. Filtering – in the sense of down-filtering in price – is at best a trivial source of cheap rental housing in urban Canada, including Toronto (Skaburskis 2006). There is only modest variation in rents by district, and a weak trend toward more difference, amid great overall shift of lower-rent units to higher rents. Overall in 1992-2002, third and fourth (upper) quintile rents rose less than lower quintiles, though not in the 1998-2002 sub-period of de-control.

Future price, income and quality filtering of this stock is a question, given the income trends. With rent regulation in Ontario since 1975, rent trends are driven by a complex interplay of regulation and market forces.

- Data for diverse US metropolitan areas over 1984-94 showed that units tended to filter

up in up-market neighbourhoods, and down in down-market ones (Somerville and Holmes 2001). Such severely low-rent stock is not found in Toronto (affordable to households at or below 35 percent of median income: \$500 rent in Toronto terms). But combined with the overall inner-suburb trajectory, this is suggestive. Up-market areas – Downtown, the Yonge Corridor, and a few other spots of choice – may tend to filter up in price, quality, status, and social profile, while many inner suburbs filter down.

- The effects on future rental stock from lack of new rental supply were modelled by Mok and Skaburskis (2000), with more work under way. The prospect is of ever more low and moderate-income demand for existing rental stock, resulting in increased crowding, declining age and quality, and pervasive affordability problems. By 2021, some 50,000 households were projected to be in overcrowded or poor-quality housing yet paying over 70 percent of income on shelter.

3. HOUSING AND TORONTO'S SOCIAL LANDSCAPE

3.1 Introduction and Summary

3.1.1 Introduction

On the foundation of other studies (Part 2), Part 3 now explores empirically some core concerns. Gentrification, less diverse outer suburbs, and declining inner suburbs are entwined parts of the city-region housing market. The central story is of quite different trajectories for districts of different periods of development, in income and social profile – reflecting their different mix of housing.

Expanding on general questions set out in the introduction (section 1.1), this section explores the following. The methodology and data are set out in Appendix 1.

- How much less diverse, in housing stock and social profile, are recent (outer) suburbs than the new suburbs (now inner) of a generation earlier?
- Are inner and outer suburbs maturing in similar ways or not?
- To what extent have inner suburbs come to house increasing shares of Greater Toronto's low and moderate-income households?
- In what sorts of housing and households does inner-suburban "decline" occur?
- How is inner-suburban decline and concentrated poverty connected with gentrification and with the profile of outer suburbs?
- To what extent has rental housing become more low or moderate-income, and is this in private rental or social housing?
- How is the changing geography of rental associated with immigrant settlement?
- To what extent have the locations of home-owners diverged from those of tenants?
- What is the significance of central-city gentrification, in the broader scheme?

Part 3 first examines where low and moderate-income households live, and the relation to age of suburb and housing mix. This includes patterns in the home-owner sector and the multi-rental sector, particularly income change over time. Secondly Part 3 explores the relationship of multi-rental stock and locations to immigrant settlement and disadvantage in the housing market. Finally it explores the broad effects for the city-region's three rings (central, inner, outer), especially where ongoing growth of low and moderate-income segments of housing demand is being *absorbed* and what will happen if this continues.

3.1.2 Summary of Empirical Findings

Inner suburbs, outer suburbs and the central city have quite different income and tenure profiles, and quite different trajectories. The difference between inner and outer suburbs arises from their different stages of maturation, but also their quite different presence of multi-rental housing.

Inner suburbs, built in the post-war years of 1945 to the 1970s, have far more low and moderate-income households: 38-46 percent versus 25 percent in outer suburbs. This difference is partly maturation and partly different trajectory. Post-war suburbs in 1981, then 0 to 35 years old, had 38 percent of their households at low and moderate incomes – proportionate to the city-region (40 percent) and much higher than new suburbs today.

Home-owners incomes subside predictably as suburbs mature: the home-owner income profile (by quintile) in 10 or 20-year-old suburbs in 2001 was very similar to 10- or 20-year-old suburbs in 1981, at an equivalent stage of maturation. Low and moderate income rises from 1 in 5 owners in the first decade, to 1 in 3 by the third decade; the presence of upper incomes declines accordingly. Condo development contributes to or absorbs some of the low and moderate-income owners as suburbs mature.

Inner and outer suburbs diverge not in the owner sector but in multi-rental housing. It accounted for 40 to 45 percent of stock in post-war suburbs by the time they were 10 to 30 years old. Such levels were maintained through the 1980s and '90s – though the multi-rental percent of housing stock has nudged downward everywhere. This pattern applies to varying vintages within the post-war era, and to any date from 1981 to 2001; zone-by-zone variations stay within the range of this general truth. The outer suburbs are quite different. Districts built in the 1980s had about 20 percent multi-rental housing when new (1991), declining to about 15 percent by 2001 as the home-owner sector expanded. 1990s suburbs were even lower, at 10 percent multi-rental in 2001.

The mix of housing stock created when each area is young shapes an enduring income profile. The central city and inner suburbs retain about 70 percent of city-region tenants, while their share of city-region home-owners has steadily declined: from two-thirds to half during 1981-2001. In 1981 a tenant was only 15 percent more likely than a home-owner to live in a post-war suburb; by 2001 about 50 percent more likely.

The shrunken presence of rental development and its unchanging geography have both fed the changing landscape of tenure – reinforced by 1990s market conditions. If added rental units had had the same locations as added home-owner units in the study period, there would have been over 50,000 more tenant households in the outer suburbs by 2001. Rental growth would have been minor in the central city, and only half its actual levels in the inner suburbs. And if 1990s rental growth had been closer to long-run averages – instead of drained by a once-a-generation shift to ownership – the outer suburbs would have had an extra 20,000 low and moderate-income tenants by 2001.

The low and moderate-income presence in the multi-rental sector has been rising gradually in inner suburbs – from 60 percent in 1981 to 67 percent by 2001 – but not in the central

city and barely in the outer suburbs. The low-income share of inner suburban multi-rental rose from 32 to 38 percent of households over the period. Inner suburbs have absorbed a share of city-region growth in such categories barely higher than the share they started with, but this makes it a very large part of their growth, unlike anywhere else.

Social housing is estimated to have absorbed less than half the net increase in low and moderate income multi-rental households over the study period. It absorbed the majority of that growth when production was strong: in the 1980s, especially in the inner suburbs. As production tailed off in the '90s and income trends worsened, more and more of each year's added low and moderate-income renters have been absorbed in private rental – especially in the inner suburbs.

Recent immigrants far more often rent a home: 74 percent versus 54 percent for others, and about 15 percentage points higher in *each* income quintile. Yet new-immigrant renter income profiles, and renter income decline, are very similar to other renters, except in the central city. The higher incidence of renting among new immigrants is found in all age-zones of suburbs. New immigrant home-owners have very different locations, similar to other home-owners (with some skew to areas of recent growth and fewer seniors).

All this supports an interpretation that incomes and the location of rental housing are main determinants of where new immigrants live. Concentrations of new-immigrant renters in inner suburbs mostly arise from more overall renting there; ethnic neighbourhoods and better transit create just a slight extra pull. The newcomer presence is not new: already by 1981, 47 percent of new immigrants lived in post-war suburbs; what's new since then is larger numbers, lower incomes, and more diverse origins, all registering the immigrant presence more strongly in the public mind.

Within the multi-rental sector, the recent immigrant presence doubled over the two decades, to 1 in 4 households. They accounted for 85 percent of the increase in low and moderate income households, and for all net rental growth. Toronto has averaged 4,000 to 5,000 net annual increases in low and moderate-income immigrants, of which 2,000 or more each year settle in multi-rental buildings in inner suburbs. About half the net new immigrant renters over the study period are estimated to have replaced baby-boomers aging out into home-ownership and the outer 'burbs.

The central city has distinct trends. Gentrification narrowly defined – income and tenure change in low-density stock – is much smaller than net increases to the stock. In the study period, the increase in multi-rental was half again as large as increase in home-owners (2,000 versus 1,300 annually). It was an order of magnitude greater than net income or tenure change in low-density stock. Condo growth accounts for far more increase in middle and upper-income households than gentrification narrowly defined. The rising income profile of central-city owners is notable, but the net effect to 2001 was to bring it closer to city-region averages; it remained less tilted to middle and upper incomes than the outer suburbs. The central city absorbed just 11 percent of city-region growth in middle and upper-income households over the period. The rising income profile of central-city tenants is unlike anywhere else. In sum – at least up to 2001 – the central city preserved a strong income mix. The channelling low and moderate-income renters to inner suburbs

arises far less from gentrification than from lack of tenure mix in new suburbs.

Inner suburban income decline is mostly benign: two-thirds or more is in the home-owner sector. This is interpreted here as related to four factors: aging home-owners whose incomes drop at retirement or lag afterwards; possibly lower prices and home-buyer incomes vis-à-vis the new-growth suburbs; fuller housing mix emerging in initially up-market areas; and condo-building. Inner suburbs remain very mixed-income.

For Toronto's future social mix, a key question is where ongoing growth in the various income and tenure segments will be absorbed or be located. In the study period, middle and upper-income growth was mostly in the outer suburbs (about 12,000 annually). Low and moderate-income home-owners are added fairly evenly across the map, at 1,000 to 2,000 annually in each age-zone.

Rental growth is another matter. In the study period, all net rental growth was low and moderate-income; 20 years and 600,000 added households saw zero net increase in middle and upper-income renters. This middle-and-upper segment of renters is growing a bit in central city and outer suburbs, but shrinking in the inner suburbs.

Rental growth is skewed to low incomes; indeed "very low" incomes (bottom decile) accounted for one-third of rental growth in the 1980s and half in the 1990s. In outer suburbs, the low and moderate-income renters added annually are just 10 percent of overall growth; in the inner suburbs they are much of the net change. The City of Toronto (central city and especially inner suburbs) has been absorbing 40 to 45 percent of city-region rental growth, among moderate-income and low-income tenants alike.

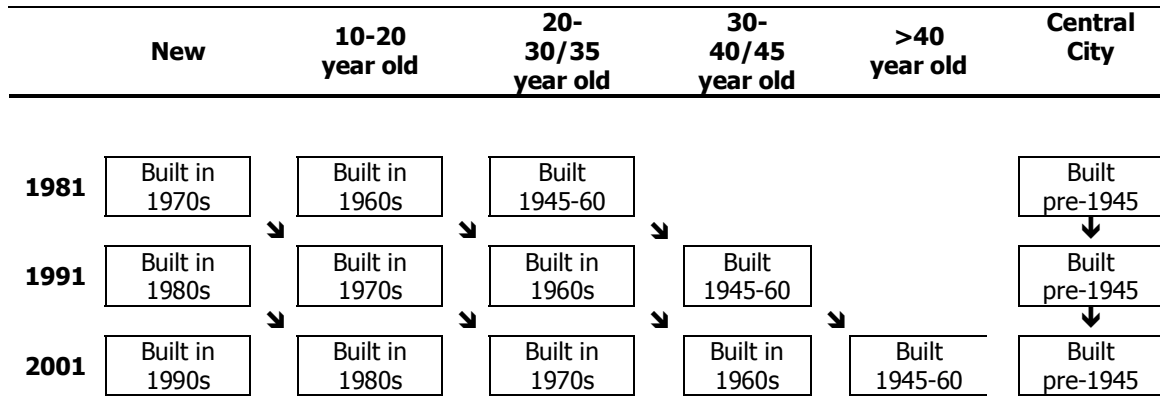
If such trends continue, the inner suburbs will see an added 20,000 to 30,000 added low and moderate income households per decade – though low and moderate-income renters would remain about 25 percent of households if other intensification continues apace. The low and moderate-income share of inner-suburb tenants would approach 75 percent by 2021, compared to 60 percent in 1981. Low and very-low income renters would inch up proportionately, and slightly more in inner suburbs.

Map 3



Each of these “age zones” was built in a certain period and matures and changes over time. We can visualize districts of the city-regions aging in “cohorts” which each show different patterns. For example, 10-to-20-year-old suburbs in 1981 (built mostly in the 1960s) can be compared to 10-to-20-year-old suburbs in 2001 (built mostly in the 1980s).

Figure 2
Aging of Suburban "Cohorts"



**Main Period of Development
by District - Greater Toronto**

Map 4

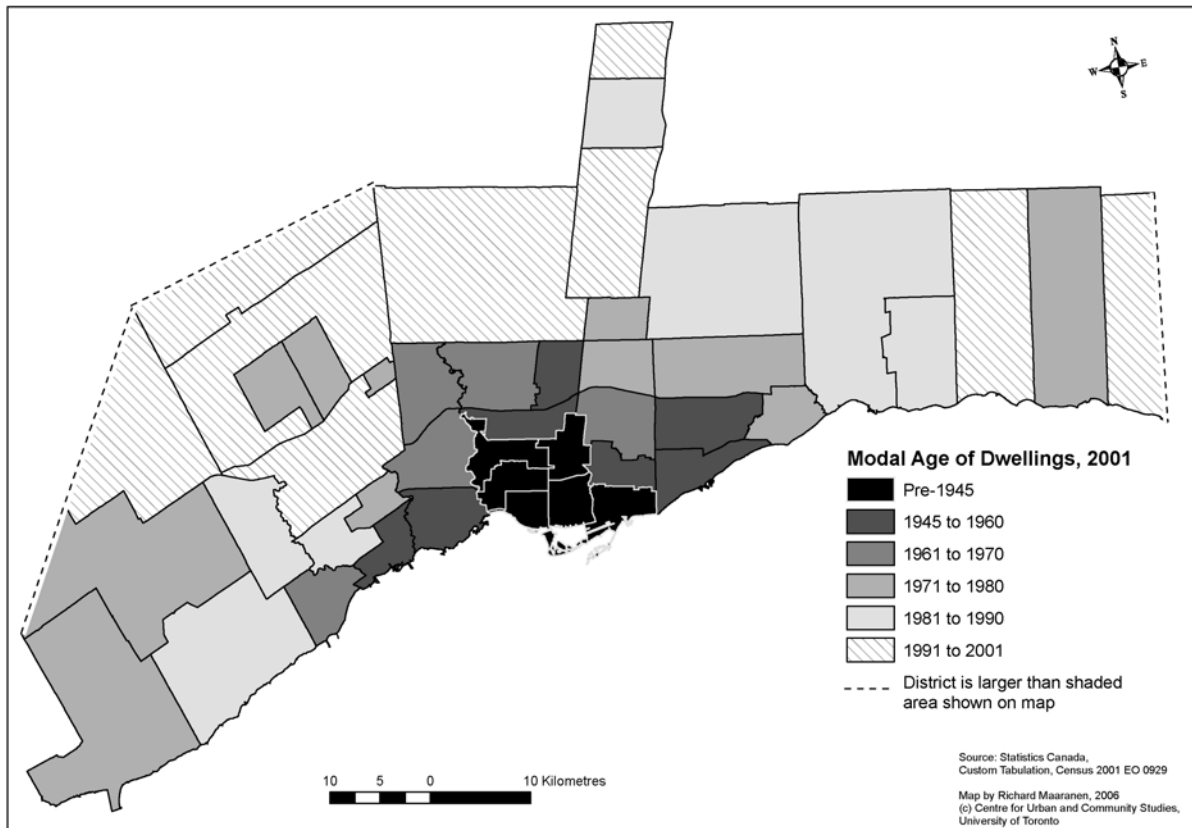


Table 3
Description of Districts

	Zone	Local Municipality	Regional Municipality	Households 2001	Main Period of Development						% of Stock
					Pre-46	45-60	61-70	71-80	81-90	91-01	
1	Downtown Toronto	City of Toronto		83,345	X						21%
2	East Central	City of Toronto		54,700	X						61%
3	West Central	City of Toronto		49,020	X						55%
4	West Toronto	City of Toronto		52,360	X						50%
5	Midtown-Nth. Toronto	City of Toronto		62,745	X	*	*				39%
6	York-Weston	City of Toronto		58,035	X	*					28%
7	East York	City of Toronto		46,590	*	X	*				30%
8	Lawrence West	City of Toronto		35,450		X	*				36%
9	North Bathurst-Yonge	City of Toronto		37,260		X	*				31%
10	Don Mills	City of Toronto		46,420		*	X	*			33%
11	Downsview	City of Toronto		48,505		*	X	*			39%
12	Willowdale	City of Toronto		50,350			*	X			25%
13	Southern Etobicoke	City of Toronto		39,400		X					35%
14	Central Etobicoke	City of Toronto		55,790		*	X	*			30%
15	Rexdale	City of Toronto		28,745		*	X				28%
16	Southwest Scarboro'	City of Toronto		45,090		X	*				32%
17	Central Scarborough	City of Toronto		58,930		X	*				38%
18	Agincourt-Malvern	City of Toronto		67,210				X	*		40%
19	Rouge-West Hill	City of Toronto		23,100				X	*		43%
20	Port Credit-Lakeview	Mississauga	Peel	16,685		X	*				35%
21	Clarkson-Lorne Park	Mississauga	Peel	18,920			X	*			33%
22	Central Mississauga	Mississauga	Peel	35,960				*	X		32%
23	Eastern Mississauga	Mississauga	Peel	29,890			*	X	*		43%
24	Meadowvale-Erin Mills	Mississauga	Peel	49,810				*	X	*	35%
25	Northern Mississauga	Mississauga	Peel	33,310					*	X	63%
26	Malton	Mississauga	Peel	10,605			*	X			41%
27	Central Brampton	Brampton	Peel	38,645				X	*		25%
28	Bramalea	Brampton	Peel	27,695			*	X	*		41%
29	Outer Brampton	Brampton	Peel	31,220					*	X	55%
30	Caledon	Caledon	Peel	16,110				*	*	X	32%
35	Thornhill	Markham	York	15,735			*	X	*		42%
32	Markham-Unionville	Markham	York	44,925					X	*	42%
36	Vaughan	Vaughan	York	58,930					*	X	45%
34	Richmond Hill	Richmond Hill	York	41,345					*	X	40%
31	Aurora	Aurora	York	12,995					X	*	33%
33	Newmarket	Newmarket	York	21,310					*	X	31%
37	Oakville	Oakville	Halton	49,260					X	*	30%
38	Burlington	Burlington	Halton	57,340			*	X			23%
39	Milton	Milton	Halton	10,680				X			38%
40	Halton Hills	Halton Hills	Halton	16,380			*			X	25%
41	Pickering	Pickering	Durham	26,945					X	*	38%
42	Ajax	Ajax	Durham	23,185					X	*	42%
43	Whitby	Whitby	Durham	28,645					*	X	31%
44	Oshawa	Oshawa	Durham	52,355			*	X			23%
45	Clarington	Clarington	Durham	23,210					*	X	31%
				1,735,13							

X denotes main (modal) period of development

* denotes other periods accounting for 20 or more percent of stock

Percentage figure shows percent of stock built in main period of development.

3.2 The Life Paths of Suburbs

3.2.1 Bands of Income, Rings of Suburbs

Greater Toronto's outer suburbs, built since circa 1980, have an income distribution notably tilted toward middle and upper incomes (Map 6). But how much does this result from their being new, young suburbs, and how much from their being built in a different "city-building" era with a different housing mix?

The outer suburban income profile contrasts with both the central city and inner suburbs:

- Just over one-quarter of households in newer suburbs are low and moderate-income, compared to one-third to half (38 to 46 percent) in 1960-80 suburbs, and about half in the central city and oldest (1945-60) suburbs.
- This outer-suburb pattern is shared by suburbs of the 1980s and the 1990s. It was evident by 1990, and changed little as 1980s suburbs ended their second decade.

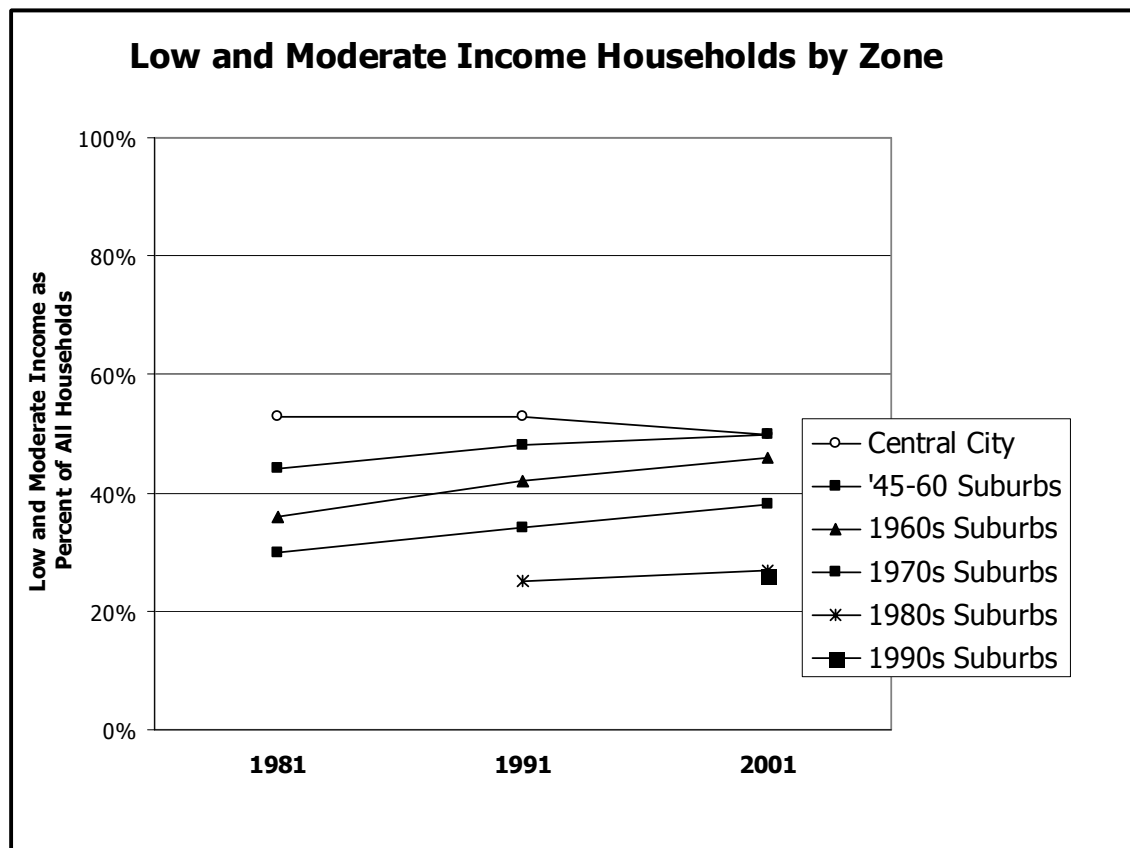
Urban theory suggests that as suburbs mature, the mix of housing demand will diversify, and higher-density infill occur. This should result in a greater mix of household types of incomes, including more multi-rental housing. This is only partly true in suburban Toronto. The income shift with maturation was strongly marked in inner but not outer suburbs.

By 1981, post-war suburbs (built up to 1970) had a wide diversity of income, and so did 1970s suburbs which were then very new. In 1981 both these suburban "age-zones" had:

- About 38 percent low and moderate income. This is almost a proportionate (40%) share and much higher than today's 25 percent in 1980s and '90s suburbs.
- 44 to 48 percent of their households at upper-middle and upper incomes, notably lower than the 54 percent in equivalent 10-to-30-year old suburbs today.

As suburbs built in the 1960s aged through their second and third decades, the low and moderate-income share of households rose slightly (39 to 46 percent). As 1970s areas aged through their second decade, the share was stable at about 38 percent. Outer suburbs have not seen these sorts of increases.

Figure 3



Of course, all this varies district by district (Table 34). Some districts of any period have a fuller income mix, or develop it more as they mature. Yet there is broad consistency by age-zone in the pattern described here.

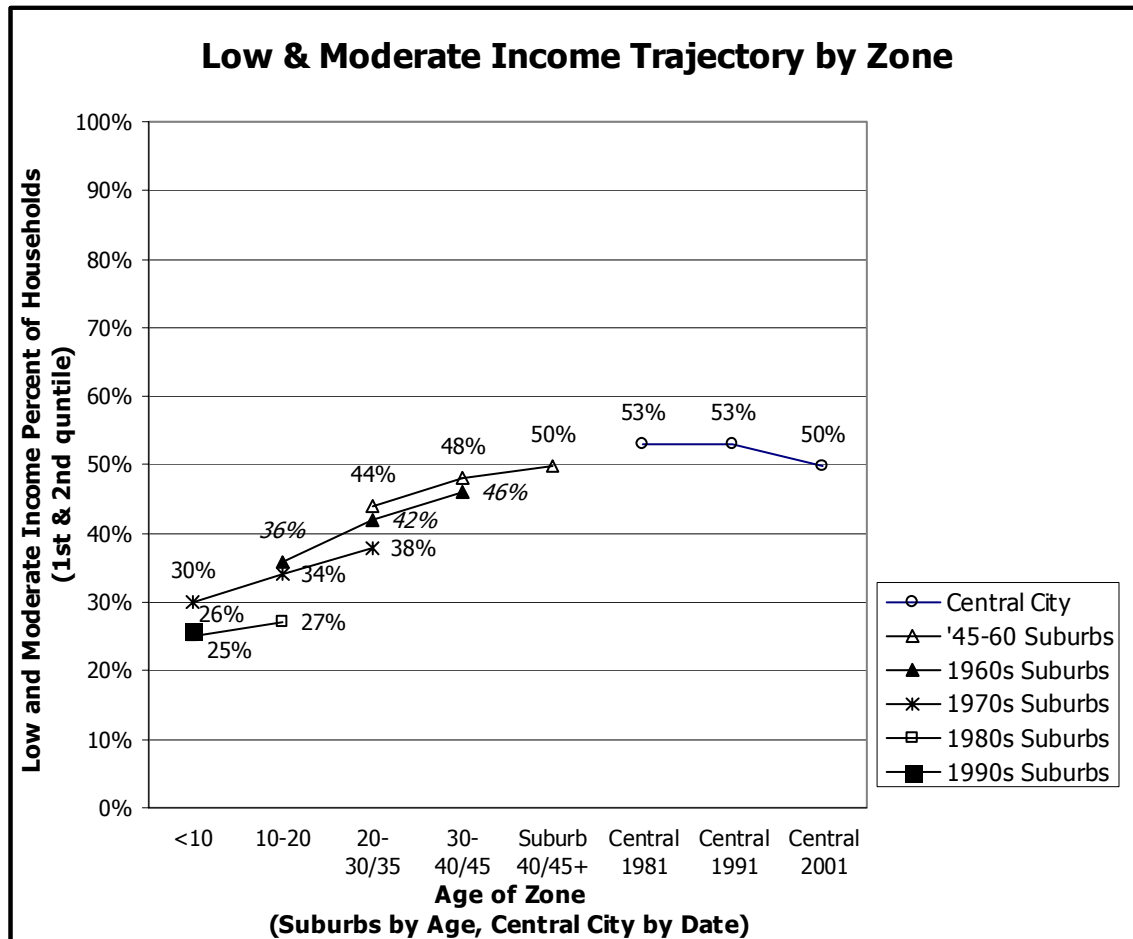
From the same data, one can portray the income “trajectory” of suburban age-zones over time. Figure 4 shows this. It compares, for example, 20-year old suburbs in 2001 to 20-year-old suburbs in 1981. Newer suburbs are not reaching the same extent of income mix as older suburbs did at an equivalent age.

- All zones except the central city do see more low and moderate-income households as they age.
- But older suburbs started with more of that income group, and maintain more mix at any given age.
- The differences from one age-zone to the next are slight, but the pattern is consistent, and the overall difference from oldest to newest suburbs is great.
- Above all, post-1980s suburbs appear on a lower trajectory – that is, less income mix – than pre-1980s areas.

In sum, all suburbs mature toward a fuller mix of incomes, and less skew to upper incomes. But Toronto’s outer suburbs start with fewer low and moderate-income households when

young, and as they mature they are not catching up to the income mix found in inner suburbs at an equivalent age.

Figure 4



The difference in household type by age-zone shows rather different patterns. Everywhere except the central city and oldest suburbs, two-parent families have risen or held steady as a share of households. In suburbs more than 20 years old, they have tended to replace couples without children whose share has dropped. This consistency, in the face of divergent tenure trends, is striking. It probably relates to trends named elsewhere in this report: declining family incomes in inner suburbs, and more two-parent families in inner-suburban rental (Table 24). This is associated with new immigrants in some measure replacing young baby-boomers as a dominant inner-suburban renter group.

Table 4
Change in Household Type Composition by Age of Zone

	<i>Age-Zone of Suburb at Each Date</i>					
	Central City	>30/35 Year-Old	20-30/35 Year-Old	10-20 Year-Old	<10 Year-Old	Total
2001						
Two-parent	82,960	163,295	158,360	122,680	140,640	667,935
Couple	66,695	102,860	83,060	49,815	54,935	357,365
Single parent	33,955	59,015	42,610	22,310	21,320	179,210
Multi-family	6,470	14,435	15,880	9,375	11,075	57,235
Non-family	170,120	138,205	83,710	38,910	36,520	467,465
Total	360,205	477,825	383,605	243,080	264,490	1,729,205
1991						
Two-parent	74,695	79,130	70,810	149,800	181,900	556,335
Couple	64,000	64,855	44,615	76,265	72,595	322,330
Single parent	28,810	26,700	20,740	32,520	23,530	132,300
Multi-family	6,195	5,270	5,020	10,200	9,795	36,480
Non-family	153,000	82,125	46,430	68,605	47,150	397,310
Total	326,695	258,075	187,630	337,400	334,995	1,444,795
1981						
Two-parent	77,415		89,350	78,565	232,120	477,450
Couple	58,040		62,640	39,585	97,220	257,485
Single parent	22,595		21,830	16,000	31,335	91,760
Multi-family	6,300		4,575	3,670	8,150	22,695
Non-family	127,965		63,850	35,450	69,270	296,535
Total	292,320		242,240	173,265	438,120	1,145,945
Couples with children						
2001	23%	34%	41%	50%	53%	39%
1991	23%	31%	38%	44%	54%	39%
1981	26%		37%	45%	53%	42%
Couples without children						
2001	19%	22%	22%	20%	21%	21%
1991	20%	25%	24%	23%	22%	22%
1981	20%		26%	23%	22%	22%
Lone parents						
2001	9%	12%	11%	9%	8%	10%
1991	9%	10%	11%	10%	7%	9%
1981	8%		9%	9%	7%	8%
Non-family households						
2001	47%	29%	22%	20%	14%	27%
1991	47%	32%	25%	20%	14%	27%
1981	44%		26%	20%	16%	26%
LOCATION QUOTIENTS						
Couples with children						
2001	0.6	0.9	1.1	1.3	1.4	1.0
1991	0.6	0.8	1.0	1.2	1.4	1.0
1981	0.6	0.0	0.9	1.1	1.3	1.0
Couples without children						
2001	0.9	1.0	1.0	1.0	1.0	1.0
1991	0.9	1.1	1.1	1.0	1.0	1.0
1981	0.9	0.0	1.2	1.0	1.0	1.0
Lone parents						
2001	0.9	1.2	1.1	0.9	0.8	1.0
1991	1.0	1.1	1.2	1.1	0.8	1.0
1981	1.0	0.0	1.1	1.2	0.9	1.0
Non-family households						
2001	1.7	1.1	0.9	0.7	0.5	1.0
1991	1.7	1.2	0.9	0.7	0.5	1.0
1981	1.7	0.0	1.0	0.8	0.6	1.0

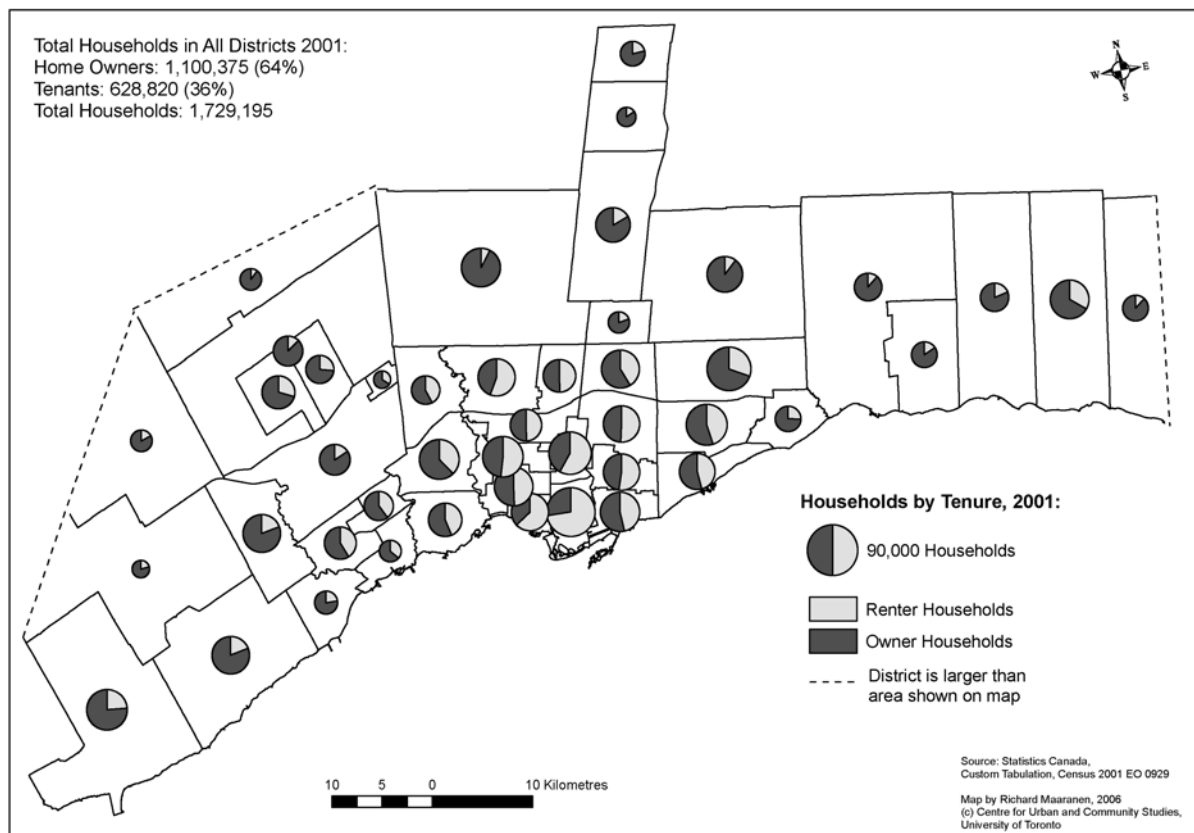
3.2.2 The Landscape of Home-ownership

Home-ownership dominates housing demand and new production, and more today than a generation ago (section 2.3.3). With more middle-aged and elderly – always more likely to own – and dropping mortgage interest rates, home-ownership in Toronto rose to 64 percent of households by 2001, up from 58 percent in 1981 and '91. The difference from 1981/1991 rates to 2001 rates means about 90,000 extra owners in 2001.

To know how the difference between inner and outer suburbs is rooted in built form and tenure, the first step is to examine patterns of this dominant sector: the incomes of home-owners over suburban space and time. Clearly the outer suburbs have proportionately more home-owners (Map 5); is this just because these areas have yet to mature and diversify?

**Home Owners and Renters
by District - Greater Toronto, 2001**

Map 5



If suburban areas are organized by “age zone” or period of development, the income of suburban home-owners has been strikingly consistent over time and space. Less-than-20-year-old suburbs have slightly more upper and upper-middle income households (about 60% rather than 45 – 55% elsewhere), likely reflecting the price of new

“product”. As suburbs age their income shifts toward more low and moderate income households – from 1 in 5 in the first decade, toward 1 in 3 by the third or fourth decade. Suburbs more than 30 years old have slightly more low and moderate-income owners (relatively) than the central city.

As each suburban ring matures, incomes change in consistent and predictable ways. New suburbs, 10 to 20-year old suburbs, or rings of older vintage: each has quite similar owner income profiles at any given age during 1981-2001. Yes, house styles and net densities have changed. Perhaps home-owner profiles changed before this period or since. And of course there is district-to-district variability. But from 1981 to 2001, the life paths of suburban age-zones were remarkably constant in terms of home-owner income change.

Figure 5 shows these enduring income curves, with the skew to upper incomes subsiding predictably as suburbs age.¹⁵

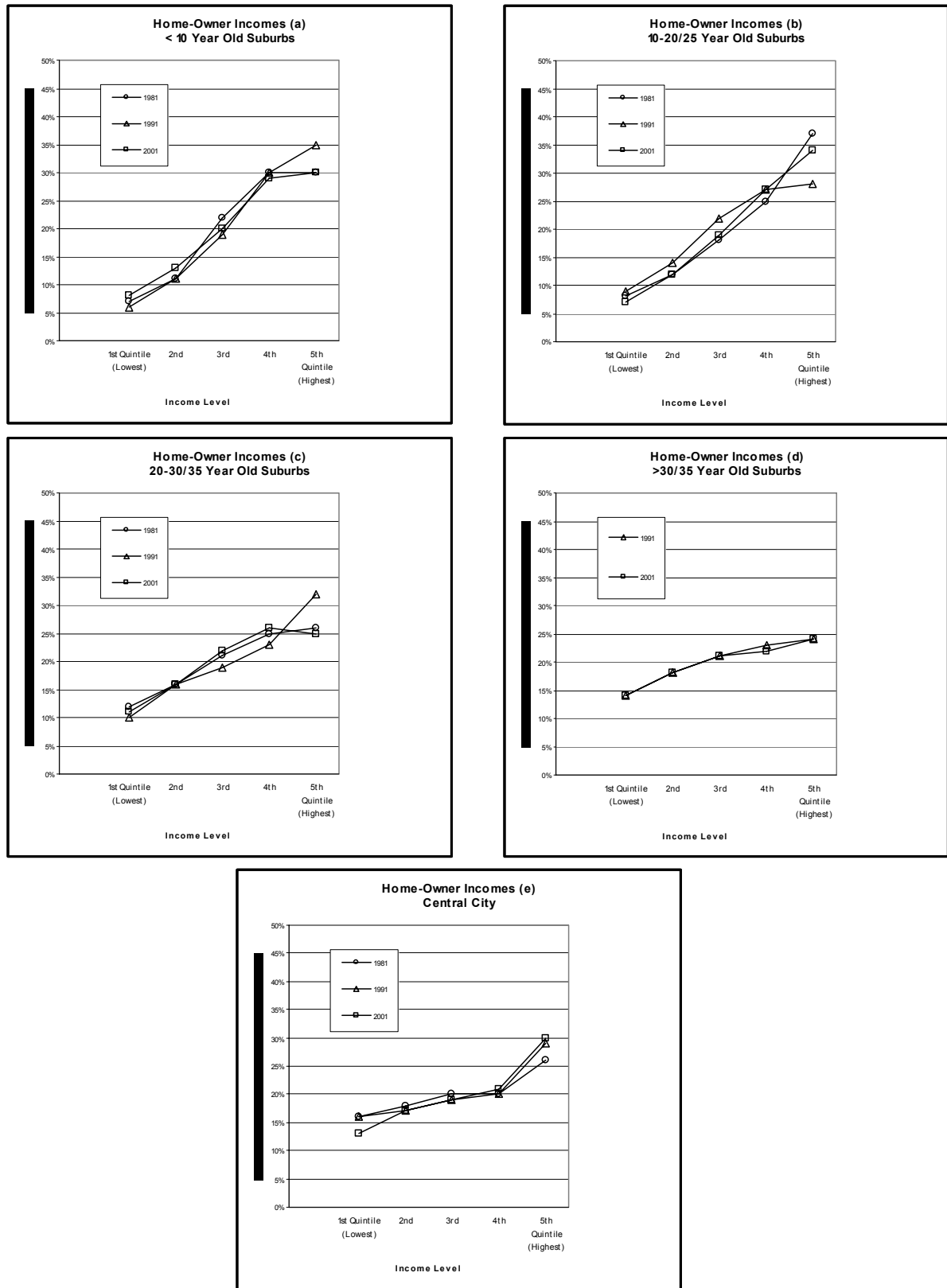
Much of total increase in low and moderate income households is among home-owners. Relatively more, not less, of that income group has come to own since 1981, in spite of price increases. This income group accounts for only one-quarter of the total increase in home-owners, but their rate of increase has been greater than for other owners.

The added low and moderate income owners are concentrated in inner suburbs. This study’s data do not tell us all the components of this change, but four factors are likely:

- *Elderly*: Income decline is associated with the rising number of elderly home-owners, whose income falls at retirement, or is outpaced by others’ incomes over time. A significant minority of owners buy a new home then remain in it for most of their life, and for them the third decade after development marks a large shift in income, at or after retirement.
- *Relative status*: Some inner suburbs may be declining in price and home-buyer income – perhaps not absolutely, but relatively compared to outer suburbs or compared to overall home-owner incomes and to the ongoing income rise in the top two quintiles.
- *Mix with maturation*: Some inner suburbs started out as middle and upper-middle areas, but then became more diverse in housing stock and population. For example, Agincourt’s upper-income profile (circa 1980) reflects an area then only half developed. Home-owner income decline in such areas may tell a story of diversification.
- *Condo intensification (consolidation)*: The building of condominiums contributes to a more balanced income mix – the next subject of discussion.

¹⁵ Within this broad consistency, the main modest difference is that new suburbs of the 1980s had more top-quintile households than new suburbs of other periods (35% vs. 30%). This may be an artefact of the coarse-grained district geography, but likely also reflects high interest rates and the up-market skew of 1980s production. Once in place, this persisted through those suburbs’ second decade.

Figure 5



What of condo apartment owners: how do they affect these patterns? In this study's census data, home-owners in high-rise apartments (5 stories or more) are a rough surrogate for this category. High-rise home-owners in high-rises were 10 percent of city-region home-owners in 2001, up 2 points each decade from 6 percent in 1981. These households have tripled in number from 36,995 to 107,570 over the period, with growth averaging 3,500 units annually from 1981 to 2001.

This has ratcheted to levels over 10,000 annually in the past decade, with an apparent skew to central-city middle-income households. This study does not capture that recent condo boom and its consequences for the urban landscape.

1981-2001 growth in high-rise home-owners was spread across the age-zones, but with concentrations in central city and 1970s suburbs. Aggregating the age-zones (central city; combined 1950s and 60 suburbs; 1970s; combined 1980s and '90s), each ring accounted for about one quarter of the increase in high-rise owners in the study period. In the central city and pre-1960 suburbs, high-rise owners account for two-thirds of net increase in home-owners over the two decades. In the outer suburbs it is a minor part of growth.

**Low and Moderate Household Income
by District - Greater Toronto, 2000**

Map 6

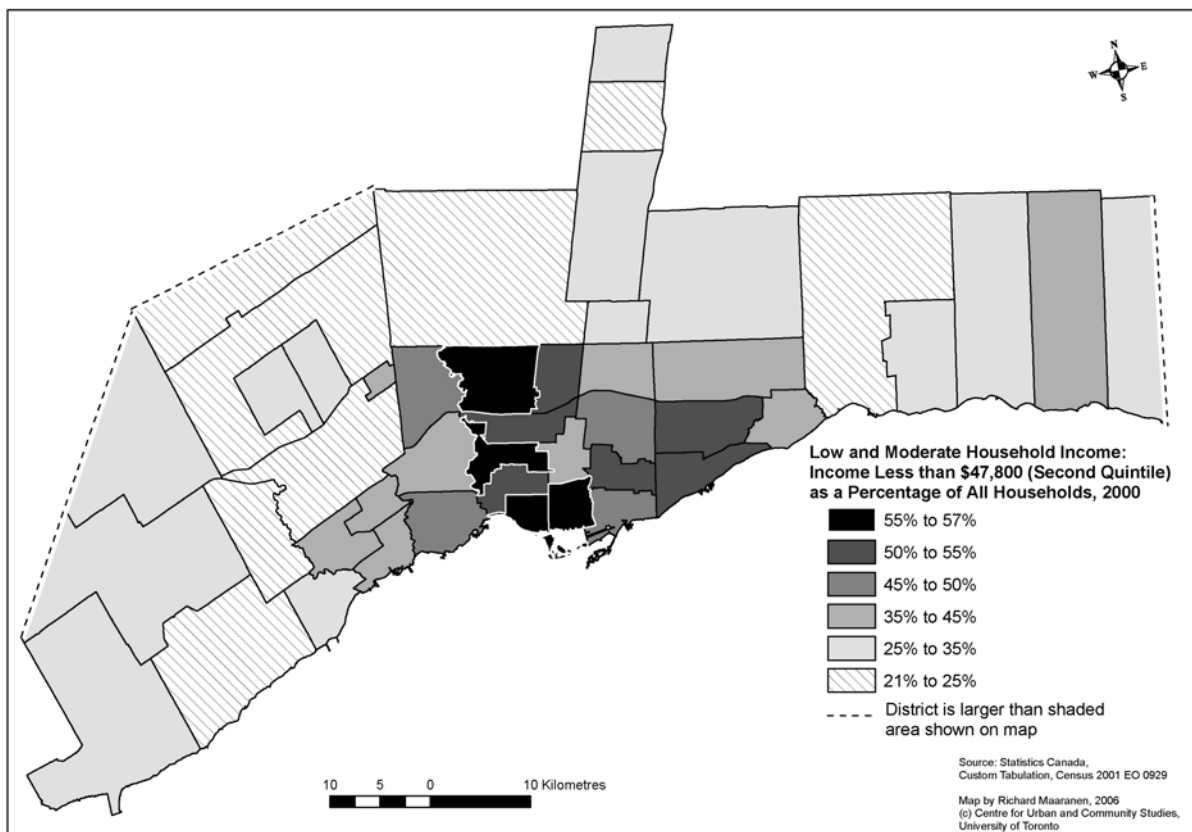


Table 5
Multi-unit Ownership and Income Change
in Inner Suburbs

<i>Net Change 1981-2001</i>		Period of Suburb	
		1946-1960	1961-1970
1st quintile (lowest) net change	Row/low-rise	1,070	600
	High-rise	2,965	2,575
	Subtotal	4,035	3,175
	<i>subtotal % of total</i>	65%	45%
	Total 1st quintile owners	6,240	7,100
2nd quintile (moderate) net change	Row/low-rise	1,330	1,295
	High-rise	3,460	2,295
	Subtotal	4,790	3,590
	<i>subtotal % of total</i>	63%	43%
	Total 2nd quintile owners	7,610	8,415
Subtotal 1st & 2nd quintiles net change	Row/low-rise	2,400	1,895
	High-rise	6,425	4,870
	Subtotal	8,825	6,765
	<i>subtotal % of total</i>	64%	44%
	Total 1st & 2nd quint. owners	13,850	15,515
Total net change all quintiles	Row/low-rise	5,865	3,880
	High-rise	11,995	7,425
	Subtotal	17,860	11,305
	<i>subtotal % of total</i>	102%	71%
	Total home-owner change (all structural types)	17,455	15,935

Multi-unit ownership housing has been part of low and moderate income growth in inner suburbs, but has fed above-average income growth in the central city:

- High-rise owners have been more evenly spread in income than other home-owners. Only 30 percent of high-rise owners have been in the top two quintiles – compared to 60 percent for owners of single and semi-detached homes. In inner and outer suburbs alike, half of high-rise owners have been low and moderate income.

- Central city profiles and trends have been distinctive. Here, the low and moderate share falls to 36%, with about one-fifth in each of the top three quintiles. Middle and upper incomes have dominated central-city *growth* in multi-unit ownership.¹⁶

In inner suburbs, net increase in high-rise owners is associated with declining incomes:

- Added high-rise owners have accounted for one-third to one-half the increase in low or moderate income owners. The combined multi-unit home-owner categories has accounted for half to two thirds of that increase. This is far beyond their overall share of housing stock.
- This does not mean that addition of such housing *caused* that income shift. In some cases it may have mitigated it. Many such home-owners are seniors who moved from other homes in those same areas, potentially replaced by buyers with higher average incomes than their own (not shown in this study's data).

To summarize the patterns for high-rise owners to 2001 – a surrogate for condos: they have contributed to – or been a locale for – the shift to low and moderate incomes in inner suburbs, and the upward shift of incomes in the central city. They were a minor part of outer-suburb trends, and remain so.

Conclusion – Home-owner incomes

The consistent pattern of home-owner incomes over time tells us that the contrast between inner and outer suburbs is not a function of suburban maturation in the home-owner sector. There is an element of this: an aging-in-place threshold effect when a suburb enters its third decade. As well, there is maturation in the form of multi-unit ownership housing urban consolidation or intensification, feeding inner suburb and central city trends.

But the different character and trajectory of inner and outer suburbs is largely a matter of different city-building histories, and the much greater presence of multi-rental housing.

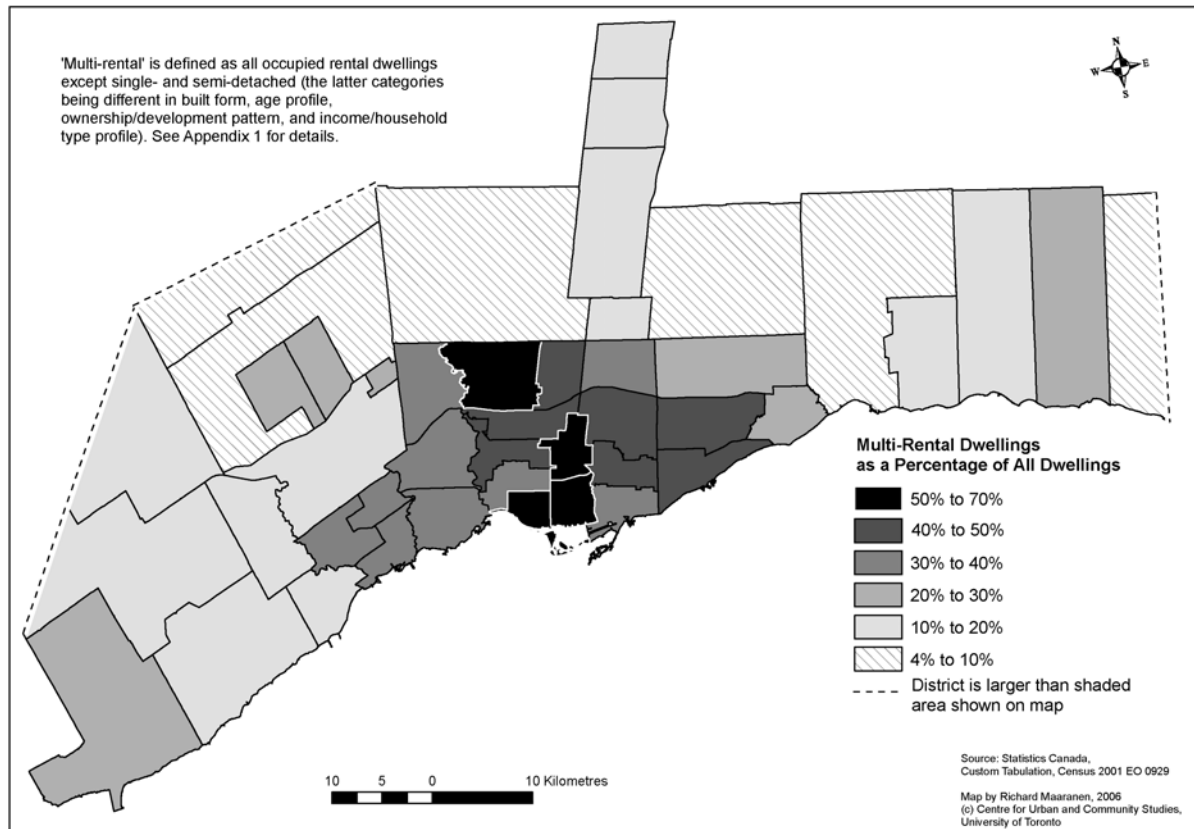
3.2.3 The Location of Multi-Rental Housing

Inner suburbs, built before about 1980, contrast with outer suburbs in the much larger presence of multi-rental housing (Map 7). This is the legacy of different eras of city-building (section 2.3), in tenure and housing form. On this foundation, gradual income decline in multi-rental housing fed inner-suburban income trends. In the outer suburbs, multi-rental trends are a footnote.

¹⁶ Attached/low-rise home-owner housing in the central city is likewise skewed to higher incomes – unlike other age-zones. The top quintile accounts for 1 in 4 of them in the central city, but 1 in every 6 to 10 in other rings.

Percent Multi-Rental Dwellings by District - Greater Toronto, 2001

Map 7



Inner suburbs were always more mixed in housing form and tenure (Map 8).

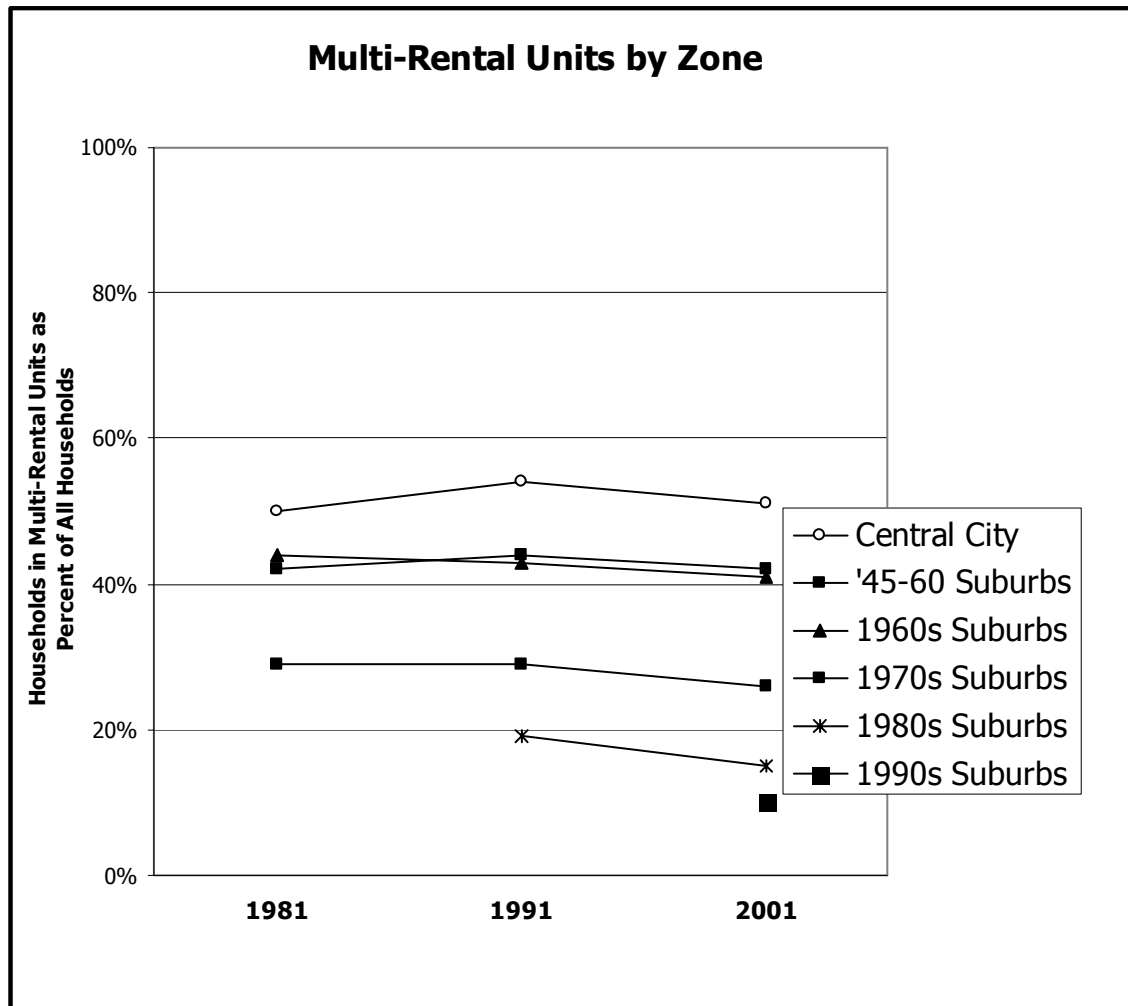
- Suburbs of post-war era – 1945 to 1970 – had reached 40 to 45 percent of their housing in multi-rental units when they were 10 to 30 years old. They maintained that level as they matured over the two decades from 1981 to 2001.

Within the “inner suburb” category, these levels of multi-rental hold for younger suburbs and older suburbs; they hold for recent dates and older dates during 1980-2000. There was a slight relative decline in multi-rental in 1960s and '70s suburbs as they finished filling out or intensified during the period – but this was not major change and they remained far above the level of outer suburbs.

- 1970s suburbs had reached 25 to 30 percent multi-rental by the end of their first decade, when they were still new. This is similar to the city-region overall. The levels declined only slightly over 1981-2001.
- Post-1980 suburbs had lower and dropping shares of multi-rental units. 1980s suburbs had 20 percent (in round terms) when they were new, dropping to 15

percent a decade later as rental production tailed off and these areas filled out with more home-owners. The suburbs built in the 1990s were even lower, at 10 percent of total stock in 2001 – and that was mostly a legacy of prior years of early growth before their intensive post-1990 development.

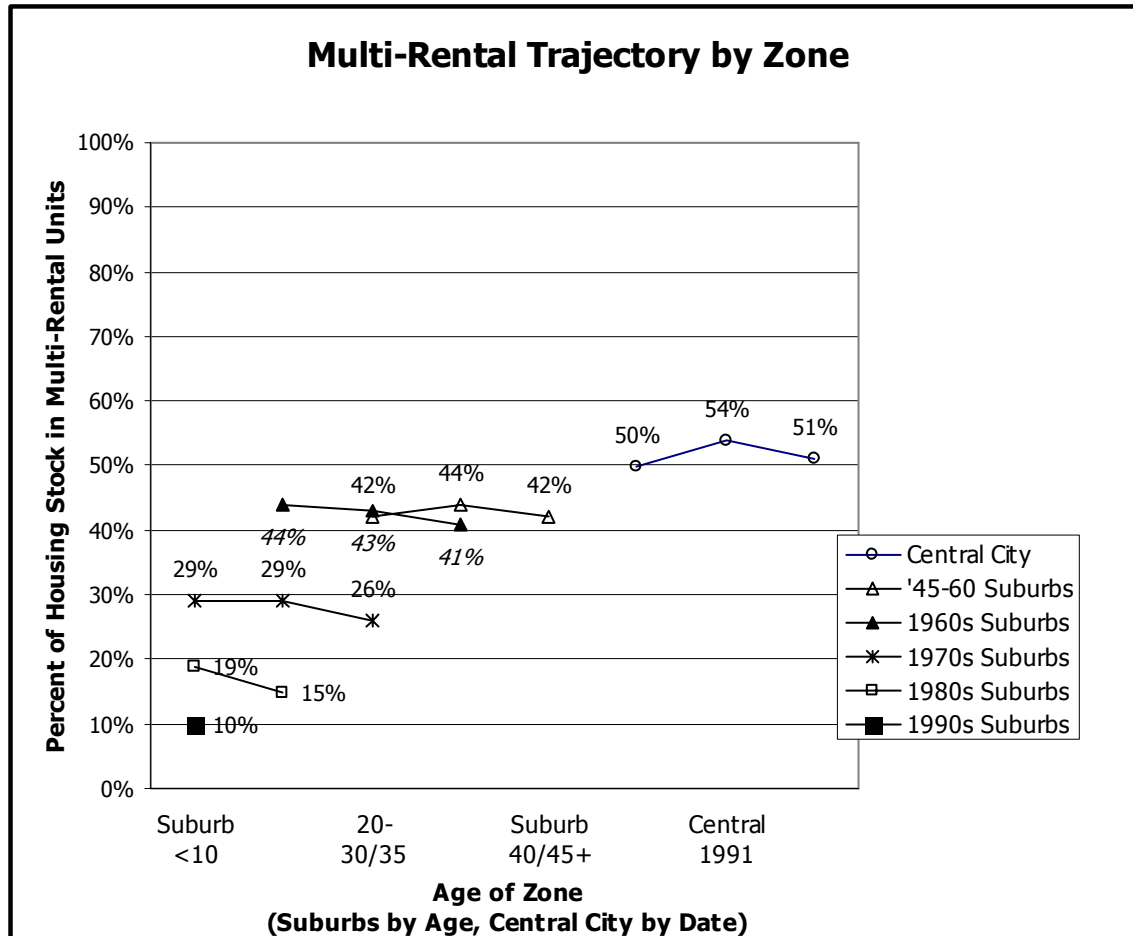
Figure 6



The break from post-war city-building was both in the locations and in the volumes of multi-rental housing (Map 9). In 1981-1996, multi-rental development was relatively concentrated in the central city and inner suburbs. This contrasted with 1960s and '70s multi-rental production which was strongly represented in then-new suburbs. Since the mid-1990s, there has been scant multi-rental development. Flat rental demand and supply – only 27,000 more renters across the city-region – removed the possibility that multi-rental could figure strongly in suburban expansion.

Figure 7 takes this and shows the “trajectory” of multi-rental housing by age-zone, just as was done above for low and moderate income. The multi-rental share of housing stock has subsided slightly in all age-zones. But the dominant trend is this: the different age-zones are staying at very different levels as they mature, in the multi-rental percentage of total housing stock. Newer, outer zones are not catching up to older, inner zones in the presence of multi-rental housing. Rather, the original housing mix and early intensification during the years of rapid rental growth combined to set a pattern which now endures.

Figure 7

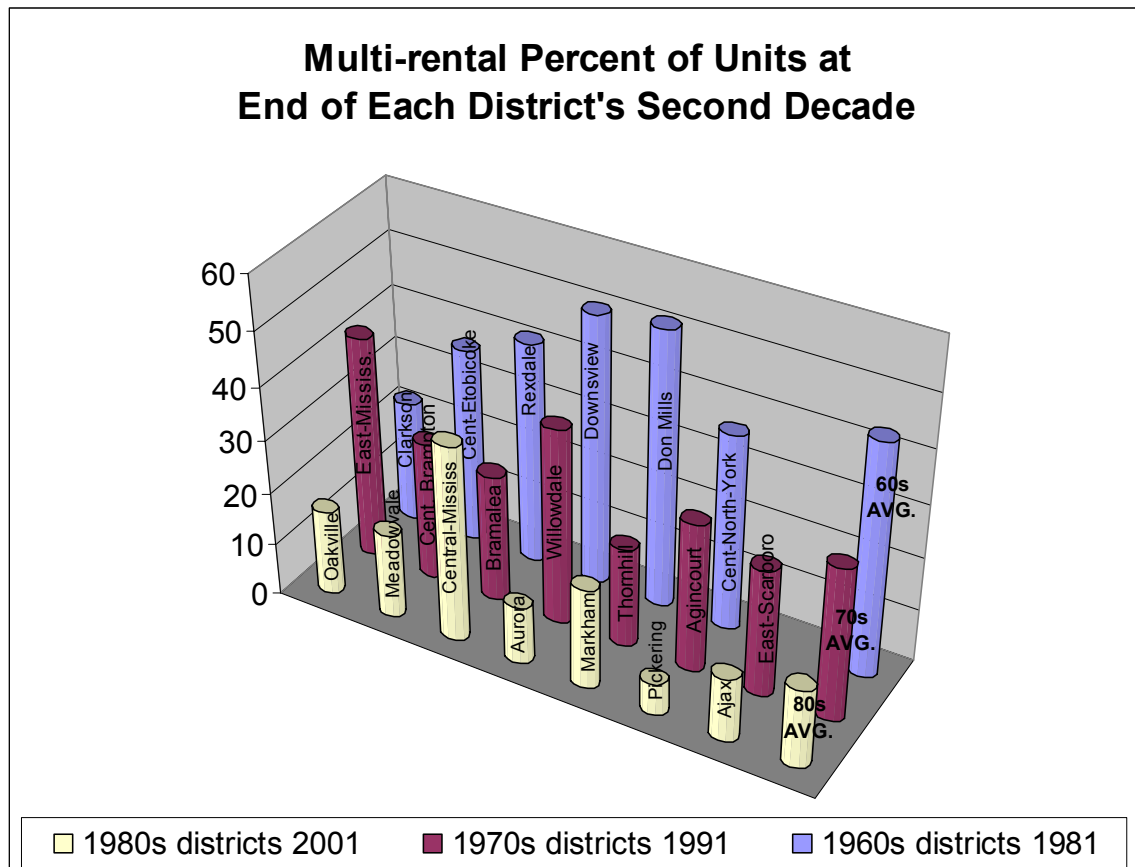


Of course there are variations by district (Figure 8). The 1970s suburbs with relatively more multi-rental housing are at levels typical of 1960s areas. City-building after 1980 in central and eastern Mississauga contrasts to the northern and eastern suburbs. Yet the overall pattern holds. This relates to the “regime change” in housing market and housing policy factors discussed in Part 2, which weighs heavier than local differences in planning and development policy or affordable housing development.

The result of the differences by age-zone is this: central city and inner suburbs (1946-80)

retain a fairly stable share of city-region tenants (around 70 percent) while their share of city-region owners declines steadily – from two-thirds to half during 1981-2001. Home-owners but not tenants have become far more likely than before to live in outer suburbs.

Figure 8



This is gradually but profoundly changing the relative location of owners and renters, and thus of affluent and poor. Table 6 shows this using location quotients of age-zones' share of each tenure vis-à-vis shares its share of all dwellings.

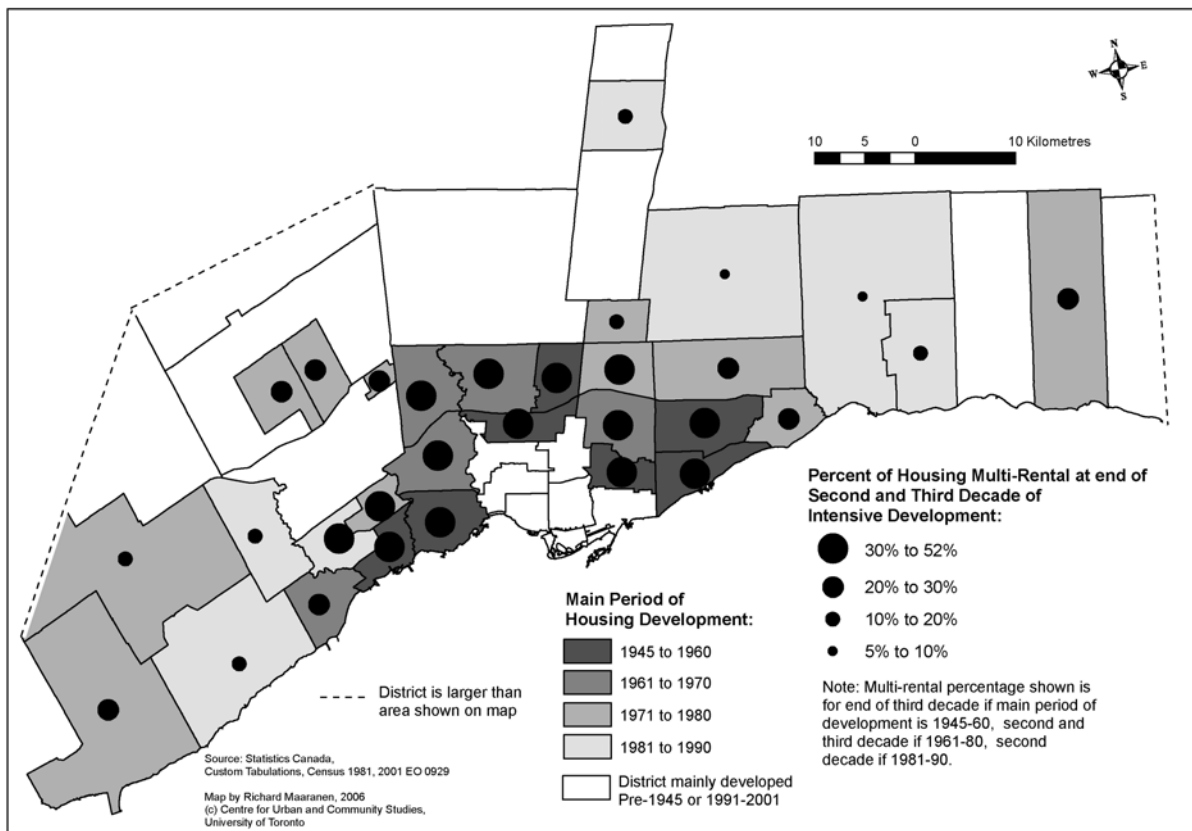
- In 1981 a tenant was only about 15 percent more likely than a home-owner to live in a post-war suburb (Location quotient 1.08 vs. 0.94) or the central city.
- By 2001 the tenant was about 50 percent more likely as the home-owner to live in the inner suburbs.

Because two-thirds of multi-rental households have low and moderate-incomes, the areas with more of this housing have more income mix. The multi-rental income profiles are

fairly similar by age-zone, at least compared to owners, as the next subsection will show.

**Percent Multi-Rental as Suburbs Mature
by District - Greater Toronto**

Map 8



Back-mapping to Illustrate

What if the patterns of the 1960s and '70s had continued: what difference would this have made to where rental households live, especially those with low and moderate incomes?

Of course, this different history was not possible. As noted earlier, the composition of housing demand shifted fundamentally in the 1980s and especially 1990s, with fewer renters overall, especially at middle and upper incomes. Yet back-mapping usefully illustrates the difference from pre-1980 to post-1980 patterns.

First let us consider the location of added rental units from 1981 to 2001.

- If the 115,000 added rental units had been distributed by age-zone in the same proportions as new home-owner units, there would have been 25,000 more renters in 1980s suburbs and 30,000 more in 1990s suburbs. Central city rental growth

would have been negligible; inner-suburb rental growth would have been almost halved.

- Applying the income profile of multi-rental (city-region, 61% of such households being low and moderate income), this would have shifted 33,000 low and moderate income households from central city and inner suburbs to outer suburbs by 2001.

Secondly let us consider the volume of added rental units:

- What if 1990s rental growth had been closer to a long-run average, rather than drained by a once-in-a-generation shift to ownership? If rental sector had taken 24 percent of net 1990s growth (its 1981-2001 share), rather than 9 percent, there would have been 70,000 more renters over the decade instead of 27,000.
- If that higher growth were distributed by age-zone in the same way as new home-owner units, this would mean 33,000 more rental households (20,000 low and moderate income) in the outer suburbs.

This illustrates the impact of two shifts in Toronto's city-building that took place from circa 1980 onward. The first was reduced volume of rental demand and supply. The second was a shift in where multi-rental was built: no longer across the city-region but now concentrated in the central city and inner suburbs.

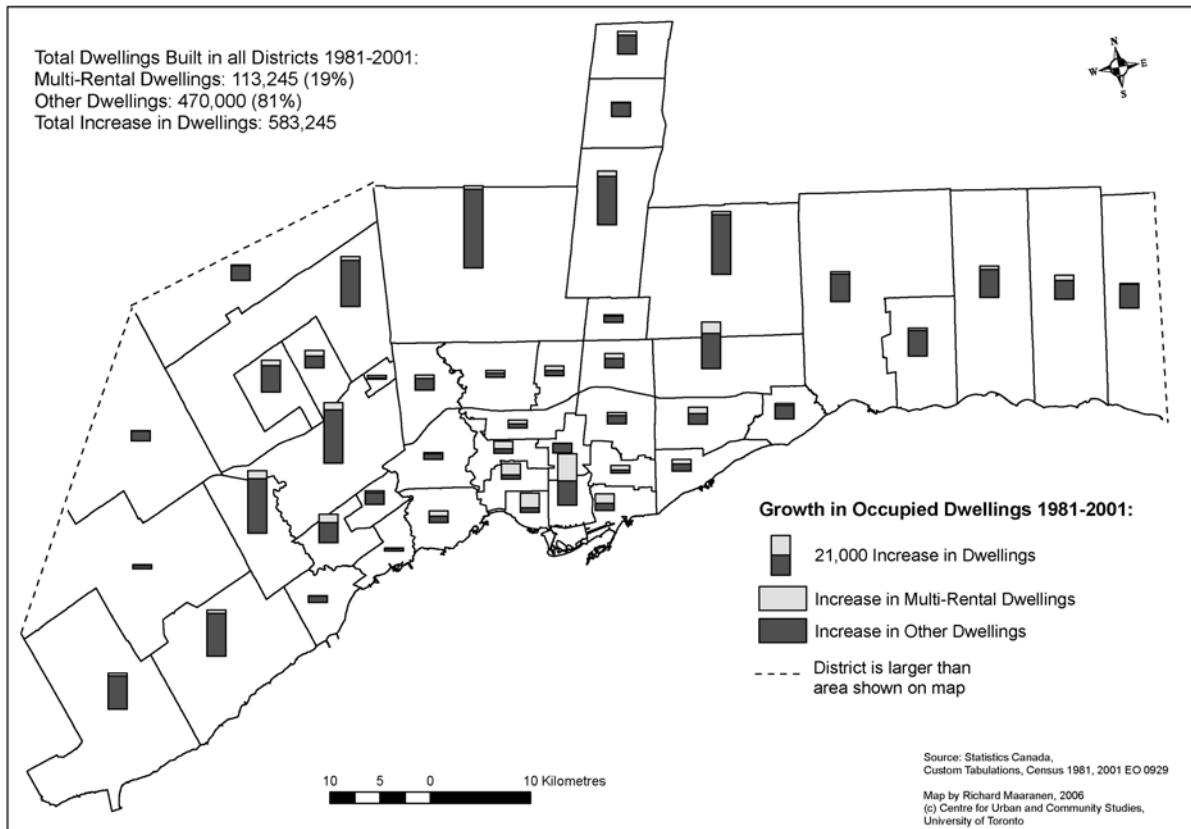
Conclusion – Income change and multi-rental

The difference between older (inner) suburbs and newer (outer) suburbs – in tenure, housing and income mix – has little to do with patterns of suburban maturation (Map 8). Twenty years of suburban maturation from 1980 to 2000 did not weaken but reinforced the difference between inner and outer suburbs. The difference arises mostly from a different mix of housing demand and of new housing supply: a different social mix and city-building model. The main difference is the much smaller presence of multi-rental housing stock in areas built after about 1980. Changes in housing production created a sharply different suburban profile in tenure and housing form. Outer suburbs will undoubtedly see their home-owner incomes subside as they age, but fuller income mix will be limited by the scarcity of rental housing.

Table 6					
Location of Owners and Tenants Over Time					
<i>Households</i>	<i>Zone by Period of Development</i>				
	Pre-1946	1946-70	1970s	1980s-1990s	Total
2001					
Total	360,205	477,815	383,605	507,570	1,729,195
Owners	151,070	259,245	266,435	423,635	1,100,385
Tenants	209,135	218,570	117,170	83,935	628,810
1991					
Total	326,700	445,710	337,400	335,000	1,444,810
Owners	127,050	231,500	222,585	261,860	842,995
Tenants	199,650	214,210	114,815	73,140	601,815
1981					
Total	292,320	415,525	267,275	170,850	1,145,970
Owners	124,635	225,855	181,500	127,820	659,810
Tenants	167,685	189,670	85,775	43,030	486,160
Shares of City-Region					
2001					
Total	21%	28%	22%	29%	100%
Owners	14%	24%	24%	38%	100%
Tenants	33%	35%	19%	13%	100%
1991					
Total	23%	31%	23%	23%	100%
Owners	15%	27%	26%	31%	100%
Tenants	33%	36%	19%	12%	100%
1981					
Total	26%	36%	23%	15%	100%
Owners	19%	34%	28%	19%	100%
Tenants	34%	39%	18%	9%	100%
Location Quotients by tenure					
2001					
Total					
Owners	0.66	0.85	1.09	1.31	1.00
Tenants	1.60	1.26	0.84	0.45	1.00
1991					
Total					
Owners	0.67	0.89	1.13	1.34	1.00
Tenants	1.47	1.15	0.82	0.52	1.00
1981					
Total					
Owners	0.74	0.94	1.18	1.30	1.00
Tenants	1.35	1.08	0.76	0.59	1.00

Growth in Multi-Rental and Other Dwellings by District - Greater Toronto, 1981 to 2001

Map 9



3.3 The Social Profile of Multi-Rental Housing

3.3.1 Changing Rental Income Profile

Entwining with the distinct locations of the multi-rental sector are its distinct income trends. In the face of large labour force changes (section 2.1), the shift in tenant incomes looks slight and gradual. But the change is concentrated in inner suburbs, reinforced by a contrary central-city trend.

Low and moderate-income households in 2001 were 64 percent of renters, up from 61 percent in 1981 and 1991. For multi-unit tenants, the rise was from 63 to 66 percent. Total growth of low and moderate-income tenants was 89,000 households over two decades (4,500 annual average).

Table 7
Percent Low and Moderate Income
among Multi-Rental Tenants

	Age of Zone						Total
	Central City	1945-60	1960s	1970s	1980s	1990s	
1981	68%	65%	56%	57%	61%*		63%
1991	67%	67%	61%	59%	56%	60%	64%
2001	66%	71%	66%	64%	60%	65%	66%
*aggregated from small 1981 counts							

Most of this is due to overall rental growth. The increase arising from shifting income profile was modest: just 18,000 more low and moderate-income tenant households in 2001 than if the 1981 rates had held. This 18,000 is an income shift of a bit under 1,000 a year in the 1980s, a bit over 1,000 a year in the '90s.

Yet the change in income profile is profound. All net additions to multi-rental stock from 1981 to 2001 housed low and moderate-income households. There was zero net increase in middle and upper-income multi-rental households over 20 years despite enormous city-region growth.

All suburban age-rings have seen a trend to slightly more low and moderate income among multi-rental households. In most age-zones it is higher by 5 to 10 percentage points in two decades. The shift was stronger in the 1990s, corresponding to the sharper income disparities (Part 2). Middle and recent (post-1971) suburbs remain below the overall city-region percentage of low and moderate income in this sector.

This decline in renter income profile is confirmed if we look at suburban cohorts aging over time. Most newish suburbs today have higher percentages of low and moderate income in their multi-rental housing than their predecessors at similar age a generation ago. For example, low and moderate income percentage of multi-rental stock households in 10-to-20 year old suburbs was 56 percent in 1981, rising to 60 percent by 2001 for different 10-to-20 year old suburbs (Figure 10).

Rental growth is skewed to low incomes and inner suburbs:

- The distribution by age-zone has not changed much; the central city's share has slipped a bit (despite absolute increases), offset by a rising share in outer suburbs.
- The increase in low-income multi-rental households averaged 3,300 annually in the 1980s and 2,400 annually in the '90s. About 1,800 and 1,400 respectively was in

inner suburbs. As a share of multi-rental tenants in inner suburbs, those with low incomes have moved upward from 32 percent in 1981 to 38 percent by 2001 (calculations from tables 9a and 9b).

- Using the 1990s and 20-year (1981-2001 trends) to define the range, increases in low-income multi-rental households average 2,400 to 2,800 annually, with 1,400 to 1,600 (55 to 60 percent) of it inner suburbs (table 10).
- “Very low” incomes (bottom decile) accounted for one-third of rental growth in the 1980s and half in the 1990s; the inner suburbs accounted for 57 percent of city-region growth (calculations from tables 9 and 10).

The central city multi-rental stock stands out in the *declining* percentage of low and moderate income. By 2001 it was no higher than the city-region average.

Central-city multi-rental stock is also different from other zones in its household (family) profile. It has far more non-family households (62% vs. 35 to 45% elsewhere and 48% overall). This distinct profile has been slightly reinforced by trends of these two decades. And under-representation of recent immigrants in central-city multi-rental has become more pronounced.

Thus the central city’s distinct place in the tenant income spectrum and life-cycle has been reinforced. It is the locale of far more renters who are non-family, non-immigrant or old-immigrant, with middle and upper incomes. These are people often described as choosing an “urban lifestyle,” with incomes to outbid lower-income family households for central locations. Yet the central city remains the most socio-economically diverse area, with many low-income renters.

This rising income profile of central city rental households is the more striking considering its concentration in private rental stock:

- The increase in middle and upper-income rental was *not* a function of condo rental. Apartment condo rental units were declining during the period, as the ownership market gradually absorbed the glut from speculative late-80s production.¹⁷
- The increase in middle and upper-income renters cannot have been occurring much in the 40,000-unit social housing stock which was subject to the same trends as other social housing.¹⁸ Instead, it was almost all occurring in central-city private rental. (See also Table 8).

¹⁷ The number of condo apartment rental units is recorded from 1992 onward (CMHC, 1995 et seq.), giving us an almost complete series for 1991-2001.

¹⁸ Of the central city’s 207,000 multi-rental units (2001), approximately 40,000 are social housing (very few other than multi-rental), including just over 30,000 RGI. The latter is from counts at devolution in 1998: 31,087 in the former City of Toronto, City of York, and East York (source: Ministry of Municipal Affairs and Housing, DR5). There were another 1,000 or more in federally administered co-ops; flux since then has been \pm 1,000.

Figure 9

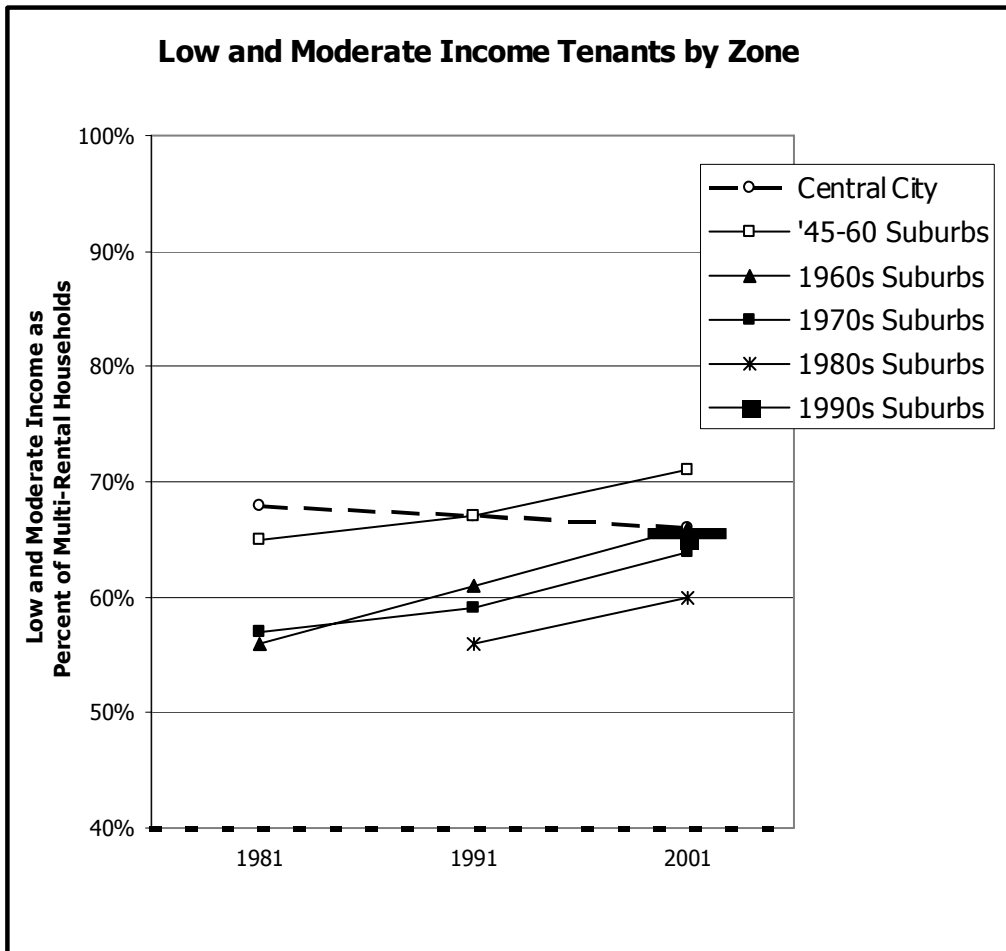


Figure 10
Low and Moderate Income Progression
Of Multi-Rental Households

	New	10-20 year old	20-30/35 year old	30-40/45 year old	>40 year old	Central City
1981	57%	56%	65%			68%
1991	56%	59%	61%	67%		67%
2001	65%	60%	64%	66%	71%	66%

3.3.2 Private and Social Rental Housing

How much has the growth of low and moderate-income households been associated with new subsidized housing? The focus here is on the central city and inner suburbs, where the greatest change has occurred. In the decade 1981-90, new social housing averaged 1,970 units annually – 1,050 in the central city and 920 in inner suburbs. In 1991-96 it averaged 2,300 – again evenly divided.¹⁹ Program cancellation in 1996 ended production for the remainder of the decade. New social housing units are far fewer than the ongoing increase in low and moderate-income households.

The changing trends of central city and inner suburbs are evident in Table 8, which estimates net change by income for private and social housing in each decade.

For inner-suburb multi-rental households:

- Overall, social housing accounted for almost all the increase in both decades.
- For low and moderate income, the 1980s increase was absorbed almost all by social housing. In the 1990s, their growth was accommodated about equally by new social housing, and by income shift in private rental housing.

Viewed through alternative lenses, new social housing in the 1980s was either propelling the increase in low and moderate-income multi-rental tenants in certain areas, or was absorbing an increase that was being generated in any case by the regional labour market. The second view is more persuasive, seeing that in the 1990s private rental started absorbing that low-income increase – as production tailed off and income trends worsened.

For central-city multi-rental households:

- Overall, social housing accommodated less than half the net increase over the two decades. The majority was accommodated in private rental housing in the 1980s – when private production was higher – but in social housing in the 1990s.
- For low and moderate income, the pattern is similar but with more skew to social housing. In the 1980s, half of low and moderate-income growth (more of low, less of moderate) was in social housing. In the 1990s, the lion's share of growth was in social housing.

In sum, new social housing absorbed the majority of low and moderate-income multi-rental growth in periods and locales where production was strong. In other times and places, private rental housing absorbed that growth. In 1980-1996, the locations of new social housing largely determined where each year's added low and moderate-income

¹⁹ CMHC housing completions data. Data are 20,481 over 1981-90, of which 10,459 in the central city (former Toronto, York and East York); 14,093 over 1991-96, of which 6,892 in the central city (just 691 in 1996).

households would live. This was especially true in the inner suburbs; less so in the central city with its variegated housing stock. In the 1990s as production tailed off and income trends worsened, more and more of each year's added low and moderate-income renters came to be absorbed in private rental, especially in inner suburbs. They replaced middle and upper income tenants departing for home-ownership.

Table 8
Estimates of Net Change
In Private and Social Multi-Rental Housing

	Subtotal Central City	Inner Suburbs	Amalgamated City of Toronto
1991-2001			
Total – estimates by income			
Low Income	5,100	10,500	16,200
Moderate Income	-100	3,100	3,300
Middle & Upper	4,300	-6,600	-3,900
Total	9,300	7,000	15,600
Social Housing – estimates by income			
Low Income	4,800	4,900	8,500
Moderate Income	1,400	1,400	4,200
Middle & Upper	700	700	1,400
Total	6,900	7,000	14,100
Private Rental – estimates by income			
Low Income	300	5,600	7,700
Moderate Income	-1,500	1,700	-900
Middle & Upper	3,600	-7,300	-5,300
Total	2,400	0	1,500
1981-1991			
Total – estimates by income			
Low Income	11,500	12,100	27,000
Moderate Income	8,900	6,800	19,300
Middle & Upper	10,500	2,500	21,700
Total	30,900	21,400	68,000
Social Housing – estimates by income			
Low Income	7,300	12,300	12,300
Moderate Income	2,100	6,100	6,100
Middle & Upper	1,000	2,000	2,000
Total	10,400	20,400	20,400
Private Rental – estimates by income			
Low Income	4,200	-200	14,700
Moderate Income	6,800	700	13,200
Middle & Upper	9,500	500	19,700
Total	20,500	1,000	47,600
Source: See Appendix			

Table 9
Tenant Households by Income and Age-Zone 1981-2001

	Age of Zone						
	Central City	1945-60	1960s	1970s	1980s	1990s	Total
2001							
<u>Rented Homes:</u>							
Single & Semi-detached	24,330	12,420	6,640	17,205	9,400	11,165	81,160
Multi-unit	184,820	118,240	81,290	99,965	37,585	25,775	547,675
Total	209,135	130,640	87,930	117,170	46,975	36,960	628,810
<u>All Renters:</u>							
Very low income (1st decile)	45,170	28,565	17,125	20,760	6,710	5,910	124,240
Low income (1st quintile)	79,300	51,385	30,850	38,745	13,420	11,445	225,145
Low & Moderate	135,350	89,590	56,580	72,430	26,095	21,575	401,620
Middle & Upper income	73,785	41,050	31,345	44,755	20,875	15,365	227,175
<i>% Low & Moderate</i>	<i>64.7%</i>	<i>68.6%</i>	<i>64.3%</i>	<i>61.8%</i>	<i>55.6%</i>	<i>58.4%</i>	<i>63.9%</i>
<u>Multi-Unit Renters:</u>							
Low income (1st quintile)	71,985	48,565	29,170	34,905	11,890	9,430	205,945
Low & Moderate	122,250	83,445	53,320	64,025	22,425	16,800	362,265
<i>% Low & Moderate</i>	<i>66.1%</i>	<i>70.6%</i>	<i>65.6%</i>	<i>64.0%</i>	<i>59.7%</i>	<i>65.2%</i>	<i>66.1%</i>

1991							
<u>Rented Homes:</u>							
Single & Semi-detached	23,270	14,180	6,820	18,265	10,255	10,705	83,495
Multi-unit	176,365	112,270	80,910	96,565	34,360	17,825	518,295
Total	199,650	126,480	87,730	114,815	44,630	28,510	601,815
<u>All Renters:</u>							
Very low income (1st decile)	41,215	24,385	13,880	17,775	5,650	4,165	107,070
Low income (1st quintile)	74,705	46,145	26,925	34,110	11,180	7,830	200,895
Low & Moderate	131,385	82,125	52,640	64,495	22,720	14,975	368,340
Middle & Upper income	68,260	44,325	35,085	50,340	21,900	13,525	233,435
<i>% Low & Moderate</i>	<i>65.8%</i>	<i>64.9%</i>	<i>60.0%</i>	<i>56.2%</i>	<i>50.9%</i>	<i>52.5%</i>	<i>61.2%</i>
<u>Multi-Unit Renters:</u>							
Low income (1st quintile)	67,780	42,635	25,620	30,545	9,695	5,945	182,220
Low & Moderate	118,510	75,510	49,725	56,885	19,090	10,765	330,485
<i>% Low & Moderate</i>	<i>67.2%</i>	<i>67.3%</i>	<i>61.5%</i>	<i>58.9%</i>	<i>55.6%</i>	<i>60.4%</i>	<i>63.8%</i>

1981							
<u>Rented Homes:</u>							
Single & Semi-detached	20,855	8,435	3,040	8,745	1980s & 90s		51,750
Multi-unit	146,835	102,525	75,670	77,040	32,375		434,445
Total	167,685	110,955	78,715	85,775	43,030		486,160
<u>All Renters:</u>							
Very low income (1st decile)	34,450	19,635	11,175	12,915	6,280		84,455
Low income (1st quintile)	64,770	38,175	21,880	24,720	12,560		162,105
Low & Moderate	112,065	70,535	43,640	47,660	24,470		298,370
Middle & Upper income	55,600	40,410	35,075	38,135	18,590		187,810
<i>% Low & Moderate</i>	<i>66.8%</i>	<i>63.6%</i>	<i>55.4%</i>	<i>55.6%</i>	<i>56.9%</i>		<i>61.4%</i>
<u>Multi-Unit Renters:</u>							
Low income (1st quintile)	58,035	36,330	21,425	23,115	10,555		149,460
Low & Moderate	99,895	66,780	42,620	44,090	19,805		273,190
<i>% Low & Moderate</i>	<i>68.0%</i>	<i>65.1%</i>	<i>56.3%</i>	<i>57.2%</i>	<i>61.2%</i>		<i>62.9%</i>

Note: Low and moderate (1st & 2nd quintile) includes "Low" (1st quintile), which includes "Very low" (1st decile)

Table 10
Low-Income Multi-Rental Households (lowest quintile)

		Age of Zone					
	Central City	1945-60	1960s	1970s	1980s	1990s	Total
Absolute numbers:							
2001	71,985	48,565	29,170	34,905	11,890	9,430	205,945
1991	67,780	42,635	25,620	30,545	9,695	5,945	182,220
1981	58,035	36,330	21,425	23,115	10,555		149,460
Distribution by age-zone:							
2001	35%	24%	14%	17%	6%	5%	100%
1991	37%	23%	14%	17%	5%	3%	100%
1981	39%	24%	14%	15%	7%		100%
Percent of multi-rental:							
2001	39%	41%	36%	35%	32%	37%	38%
1991	38%	38%	32%	32%	28%	33%	35%
1981	40%	35%	28%	30%	33%		34%
Absolute increase:							
1981-1991	9,745	6,305	4,195	7,430	5,085		32,760
1991-2001	4,205	5,930	3,550	4,360	5,680		23,725

3.3.3 This City and Immigrants

Multi-rental housing is central in the landscape of immigrant settlement. More recent immigrants rent – relatively more at any income level than among other residents. Part 2 reviewed the broad trends; this subsection why explores its place in the changing urban social landscape.

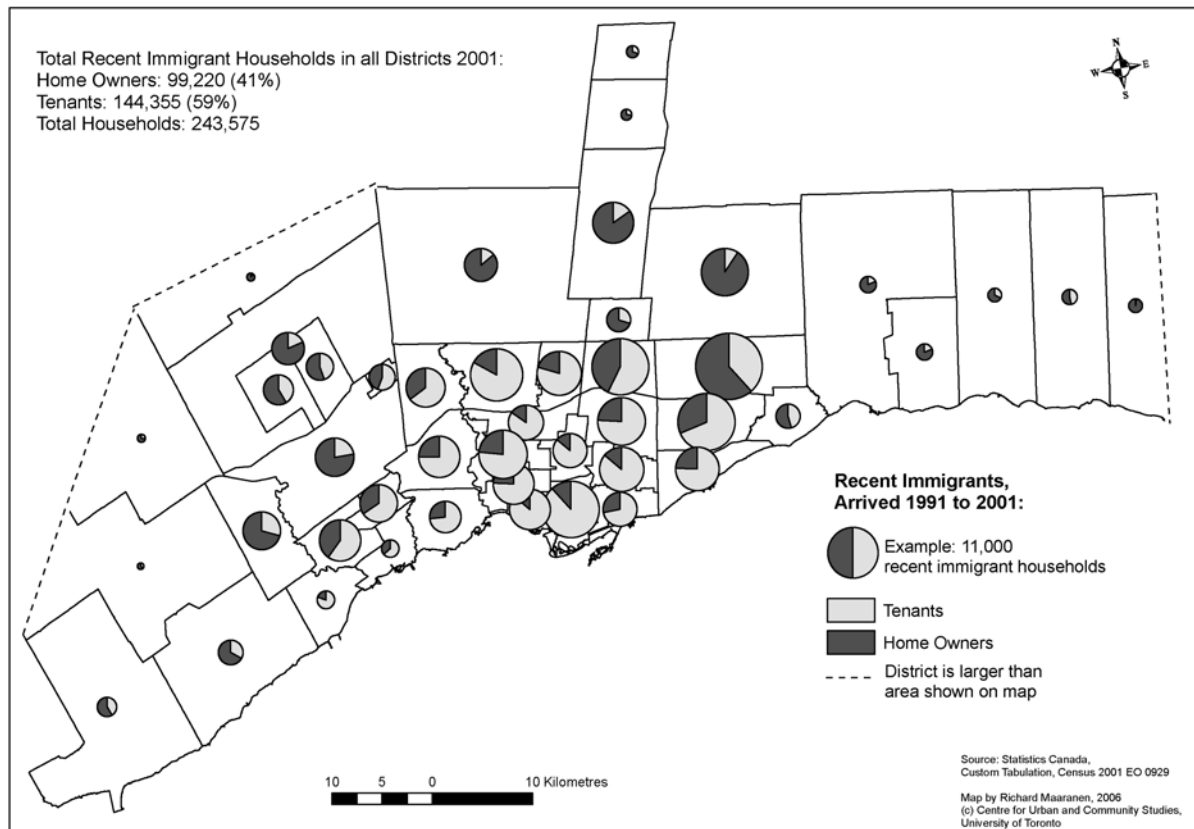
Recent immigrants are a large part of the multi-rental sector, reflecting their incomes:

- Overall, 59 percent of recent immigrants rented in 2001, the same as in 1981 after peaking at 64 percent in 1991. Some 56 percent of recent immigrants have low and moderate income. In those income ranges, about 90 percent of recent immigrant renters – just like other renters – live in multi-unit rental stock.
- Recent immigrants in multi-rental housing broadly reflect overall income profiles in that sector: they are not more skewed to low or moderate incomes. One in four multi-rental households was a recent immigrant (2001 – Table 12) as was one in four of the low and moderate-income subset.

- The share of new immigrants who rent is broadly about 15 percentage points higher in any quintile – a very large difference. This relates to the younger age profile of recent immigrants as well as income and ethno-racial neighbourhood factors reviewed in Part 2.

**Recent Immigrant Households
by District - Greater Toronto, 2001**

Map 10



The notable geographic patterns are these:

- This higher incidence of new-immigrant renting in each income band is found in all age-zones of suburbs. But among low and moderate income tenants it was (by 2001) highest in 1946-60 suburbs. But there is reason to suspect that, controlling for age of household head (maintainer), differences by zone may be slight.
- The recent immigrant share of multi-rental households is above the city-region average in post-war (1945-70) suburbs, and below the average in post-1990 suburbs.

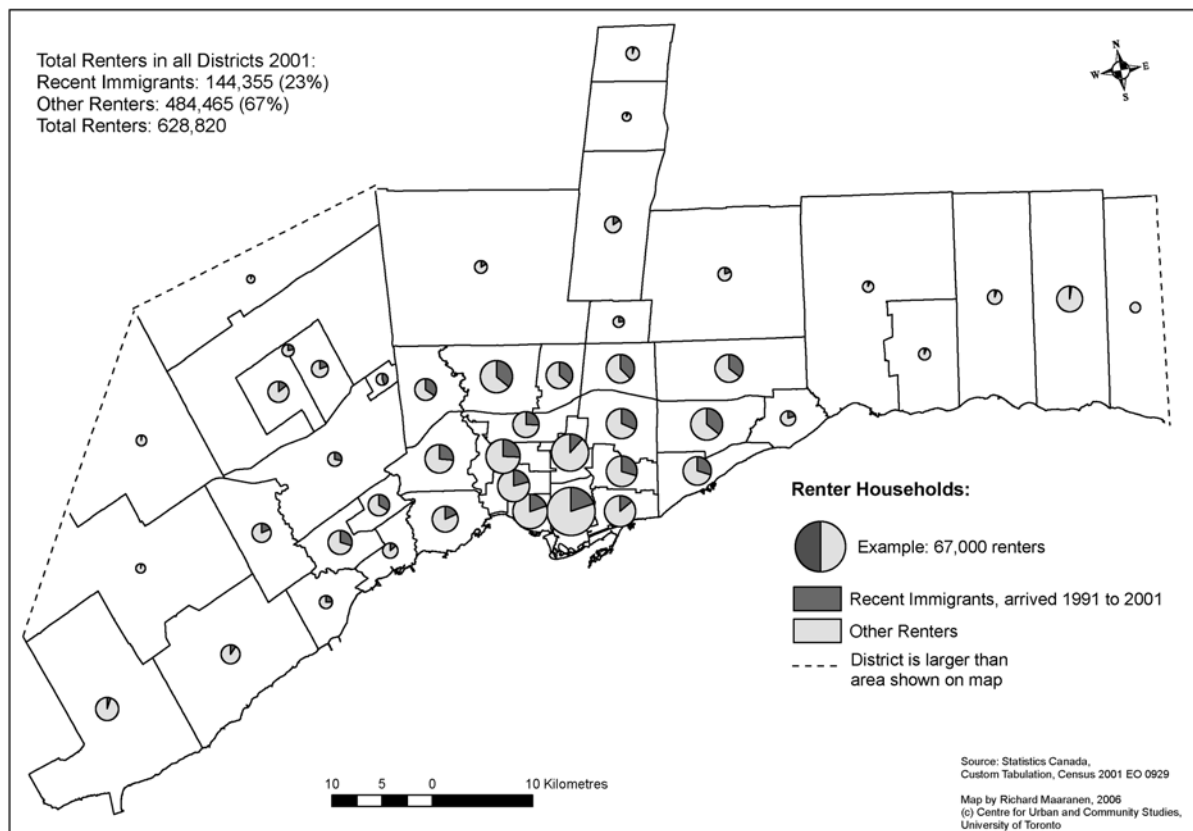
- The share of multi-tenant occupied by recent immigrants is highest – at about one-third – in former Scarborough and North York: 1950s to '70s suburbs (Map 11). The scant share in outer suburbs except central and eastern Mississauga is notable.

In sum, concentrations of immigrant renters in inner suburbs are mostly a function of more overall renting in those areas. But this is slightly reinforced by tenant profiles in those areas that tilt toward more low and moderate income recent immigrants.

Already by 1981 almost half (47%) of recent immigrants lived in post-war suburbs – more than in the central city. This relative concentration is about the same today. The central city share has declined just slightly from one-third to one-quarter (32%, 27%). While the magnitude of immigration is much larger today, their locations by zone have been quite stable over the past generation, for renters. These facts are at odds with the common notion that the new-immigrant shift to inner suburbs is recent. That notion may be a product of the expanding numbers, the dominance of visible minorities, and the increased poverty – all making recent immigrants more visible now in inner suburbs.

**Recent Immigrant and Other Renters
by District - Greater Toronto, 2001**

Map 11



Contrast: New Immigrants Home-owners

New immigrant home-owners – owning within their first decade of arrival – are distributed by age-zone fairly similarly to other home-owners, and very differently from new immigrant renters (Map 10).

There are some differences in location, brought out more strongly by comparing two-parent households (to exclude the long-settled elderly in inner suburbs, which skew the non-immigrant locations – see Table 11). New immigrant home-owners are less likely to be in the central city, at any broad income level. They are more likely to be in 1970s and '80s suburbs. These patterns are affected by specific concentrations in Agincourt, southern York Region (Markham, Vaughan, Richmond Hill), Brampton, and Northern Mississauga.

Location Quotients: New Immigrants versus All	Table 11 New Immigrant and Other Home-owners by Age Zone						
	<i>Age of Zone</i>						Inner Suburbs*
	Pre-1946	1946 -1960	1961 -1970	1971 -1980	1981 -1990	1991 -2001	
All Home-owners							
Low & Moderate	0.59	0.69	0.76	1.32	1.40	1.07	1.22
Middle & Upper	0.66	0.95	1.02	1.16	1.05	1.00	1.39
Total	0.64	0.87	0.94	1.23	1.11	0.99	1.36
Two-Parent Home-owners							
Low & Moderate	0.59	0.94	0.90	1.20	1.21	0.89	1.25
Middle & Upper	0.72	1.06	1.09	1.17	1.00	0.90	1.46
Total	0.70	1.04	1.05	1.21	1.02	0.87	1.46
Others							
Low & Moderate	0.77	0.75	0.73	1.42	1.17	0.97	1.28
Middle & Upper	0.81	0.87	0.89	1.09	1.07	1.18	1.30
Total	0.78	0.83	0.83	1.28	1.07	1.05	1.33
*Inner suburbs within the City of Toronto Underlying data in Appendix table							

But district-by-district variations do not outweigh the broad patterns. Income dominates the household choice of where to live. Recent immigrant renters mostly live in inner-suburban districts where other renters live – with some preference to areas with established immigrant communities. Recent immigrant home-owners mostly live in outer-suburban districts where new ownership housing is being built – with some preference to areas with emerging immigrant communities. The contrast between inner and outer suburbs is maintained (Map 10).

Immigrant Presence in the Multi-rental Sector

Recent immigrants have become a much larger presence in the multi-rental sector since the 1980s, as immigration increased and other residents moved up the income scale.

- They accounted for over half the growth of low and moderate-income renters over the two decades, and all of it in the 1990s. Low and moderate-income recent immigrants accounted for the entire increase in multi-rental households in the 1990s (about 3,000 units annually, \pm 200).

Among middle and upper-income renters in the '90s, recent immigrants grew in number, defying broad trends. Their 13,100 growth balanced off others' 15,700 decline.

Recent immigrants' rising presence among low and moderate income households is most pronounced in multi-rental housing, especially in inner suburbs.

- Recent immigrants were 1 in 8 low and moderate income households in 1981 but 1 in 5 by 2001.
- In multi-rental, low and moderate-income recent immigrants more than doubled to 92,000, rising from just over 15% to just over 25% of this group (1981-2001).
- In inner-suburb multi-rental, low and moderate-income recent immigrants rose from 1 in 5 households to 1 in 3. If we add immigrants in their second decade (not part of this study's data), relatively recent immigrants are now about half of inner-suburban low and moderate-income renters.
- In inner suburbs, recent immigrants accounted for over 85 percent of total increase in low and moderate-income multi-rental households (23,565/27,365); total increase in recent immigrants far exceeded net rental growth (29,325/21,335).

To generalize: Toronto has averaged 4,000 to 5,000 net annual increases in low and moderate-income immigrants, of which 2,000 or more each year settle in multi-rental buildings in inner suburbs.²⁰ Another 1,000 or more middle and upper-income immigrants replace other renters moving out to home-ownership.

The effect by the end of this decade will be this: a generation of high immigration has shifted the multi-rental sector from one where 1 in 6 households are recent immigrants (1981) to one where 1 in 3 households are recent immigrants.

²⁰ This increase is net of those each year who pass the 10-year mark and cease to be "recent immigrants, or who move to ownership or beyond 2nd-quintile income.

Table 12							
Recent Immigrant and Other Renters (Multi-Unit)							
	Development Period of Zone						
	Pre-1946	1946-60	1960s	1970s	1980s	1990s	Total
2001							
All multi-rental:							
Low & Moderate	122,250	83,445	53,320	64,025	22,425	16,800	362,265
Total	184,820	118,240	81,290	99,965	37,585	25,775	547,675
Recent							
Low & Moderate	26,290	25,775	18,090	15,085	4,890	2,135	92,265
Total	35,120	35,865	26,330	23,335	7,290	3,395	131,335
1991							
All multi-rental:							
Low & Moderate	118,510	75,510	49,725	56,885	19,090	10,765	330,485
Total	176,365	112,270	80,910	96,565	34,360	17,825	518,295
Recent							
Low & Moderate	20,410	15,530	11,805	8,690	2,890	745	60,070
Total	27,170	21,625	17,310	14,095	4,715	1,185	86,100
1981							
All multi-rental:							
Low & Moderate	99,895	66,780	42,620	44,090	13,165	6,640	273,190
Total	146,835	102,525	75,670	77,040	22,415	9,960	434,445
Recent							
Low & Moderate	15,630	11,410	8,890	5,525	1,625	305	43,385
Total	22,240	17,820	15,050	9,880	2,775	440	68,205
Recent Immigrants as percent of renters in multi-unit stock:							
Of total multi-rental:							
1981	15%	17%	20%	13%	12%	4%	16%
1991	15%	19%	21%	15%	14%	7%	17%
2001	19%	30%	32%	23%	19%	13%	24%
Of low & moderate income multi-rental:							
1981	16%	17%	21%	13%	12%	5%	16%
1991	17%	21%	24%	15%	15%	7%	18%
2001	22%	31%	34%	24%	22%	13%	25%
LQ 2001	1.1	1.0	1.0	1.0	1.1	1.0	1.1
Percent low and moderate income 2001:							
Recent immigrants	75%	72%	69%	65%	67%	63%	70%
Others	66%	71%	66%	64%	60%	65%	66%
LQ	1.1	1.0	1.0	1.0	1.1	1.0	1.1
See further details in Appendix 2.							

Baby Boomer to Immigrant Succession

In some measure, a wave of immigrant families into multi-rental housing in the past 20 years has replaced a wave of baby-boomers of a generation prior. The sector has half a million dwellings, rising from 435,000 in 1981 to 550,000 by 2001. The largest single changes in are associated with this succession. In this sector:

- The number of recent immigrant households grew by over 60,000, almost doubling in number to 130,000. Two-thirds of this increase was in the 1990s. The 60,000 recent immigrant growth was disproportionately among two-parent families (30,000, mostly in the 1990s), with the rest fairly spread among single-parents, couples, and non-family households. Recent immigrant single parents' *relative* rate of growth was almost as high.
- Among non-recent-immigrants, couples without children declined by at least 15,000 per decade; relative growth in non-family households lagged overall rental growth. In the face of rising numbers of elderly renters (Metro 1996), the implication is that most of this loss was younger renters. There is probably a connection with non-immigrant baby-boomers moving into middle age and home-ownership.
- Yet other trends remain prominent in the multi-rental sector. Among non-recent-immigrants, "typical renters" such as non-family and single-parent households increased predictably: the former by over 35,000 (all in the 1980s); the latter by almost 25,000 (more of it in the 1980s).

To generalize about this baby-boomer-to-immigrant succession, with emphasis on 1990s trends:

- A dominant trend in the multi- rental sector has been a shift of some 3,000 to 4,000 units annually on average to recent immigrant occupancy, half of them two-parent families. This amounts to 8 percent of stock per decade in this sector.
- The largest group they replace are non-recent-immigrant couples and two-parent families, declining by up to 2,000 annually (4 percent of stock in this sector).

3.4 Change in Central, Inner and Outer Rings

After these portrayals of housing mix by age-zone and multi-rental housing's social profile, this section turns to how all this plays out across the city-region landscape. The first concern is the two rings dominated more by change than by new growth: the central city and inner suburbs. The concluding concern is where low and moderate-income growth gets absorbed.

3.4.1 Central City Trends

Is gentrification displacing low and moderate income people from central Toronto? Displacement has been a large focus of research literature. It may occur either directly, as middle and upper-income demand squeezes others out by deconversion and tenure conversion. Or it may happen systemically, as higher incomes outbid others as units turn over, so that incomes shift gradually upward. This study's data permit only a view of systemic displacement.

The main features of overall central-city change across the two decades are these, in income, tenure, and housing type:

- Large increase in multi-unit ownership housing stock, averaging 1,300 units/year. These are almost all condominiums.
- Even larger increases in multi-rental stock, averaging almost 2,000 units/year. (This includes social housing, private rental, and rental condominiums.)
- Shift of low-density stock from low and moderate income to upper income. The majority of this, but not all, is in the home-owner stock. Unlike many other cities (but fitting with results noted in Part 2), there is no evidence of net tenure conversion to ownership.²¹
- Increase in multi-unit stock is an order of magnitude larger than change in the low-density stock; about 64,000 versus 4,000 to 8,000 units over the two decades.
- The pattern of growth of middle and upper-income households reflects that last point. In *each of* the multi-rental sector and multi-unit ownership sector, such growth is three times as large as middle and upper-income growth occurring via gentrification narrowly defined – that is, income change in low-density stock.

Central city home-owner incomes shifted noticeably away from low and moderate incomes and toward the top income quintile. Among owners of single and semi-detached houses – “*house-owners*” – the top quintile accounted for one-third by 2001, up from one-quarter in 1981, with an offsetting loss in the lower two quintiles.

But this shift has not produced a central city skewed to higher owner incomes than in the suburbs. Rather, central city *house-owner* income, once skewed to lower incomes, was looking more like the overall city-region by 2001 at the top end. The enduring difference in central-city *house-owner* incomes remained the presence of relatively more low and moderate-income owners than across the city-region.

Central city trends are a small slice of the city-region's upper-income growth. The central city's share of top-quintile home-owner increase is 7 percent across the two decades

²¹ This and related comments are subjects to caveats about census data quality on second suites: see Appendix 1.

(6,895 of 103,050); of upper middle it is 11 percent (12,735 of 115,130). The central city's share of total middle and upper income households (both tenures) is 11 percent. Looking just at single and semi-detached houses (gentrification narrowly defined), the respective percentages are 7 percent and 2 percent. The central city's share of upper-income home-owners has declined. Gentrification is the taste of a minority – though a prominent one – among upper-income home-owners.

In the rental sector, net additions to multi-rental stock far exceed the losses in low-density stock. This observation likewise applies to low and moderate income renters. As for middle and upper incomes, we have seen (section 3.3.1) the distinctive upward shift of central-city tenants. But this has not meant involved direct displacement – just net growth in middle and upper-income tenants, unlike inner suburbs.

Table 13			
Components of Central City Net Change, 1981-2001			
	Owner	Renter	Total
Single & Semi			
Low & Moderate	-5,400	900	-4,500
Middle & Upper	5,900	2,600	8,500
Subtotal	500	3,500	4,000
Multi-Unit			
Low & Moderate	8,400	22,400	30,800
Middle & Upper	17,600	15,600	33,200
Subtotal	26,000	38,000	64,000
Total	26,500	41,500	68,000

Stronger gentrification trends may well be shown by other variables not measured here. Other sources (Part 2) show that central-city residents now include more people with higher education. More of the central city's low and moderate-income households today than yesterday are probably students, people in creative and artistic fields, educated young workers with junior jobs but rosy future prospects, or retired professional people.

What does this picture of the central city imply for the place of gentrification in the city-region's changing social landscape? What does it say about deepening low and moderate-income concentrations in inner suburbs?

- Looking favourably, the shift to higher owner incomes in the central city has not displaced tenants in any substantial way. There have been large net increases in central-city tenants in all parts of the spectrum.
- Less favourable are two other conclusions. The pattern of the past generation depended in part on larger volumes of social housing production which are no longer occurring. As well, competition from middle and upper-income people in the central city (and probably too from educated people of modest means) is channelling mainstream low and moderate-income tenant demand to inner suburbs.

3.4.2 Declining Inner Suburbs?

Much is made of declining incomes in inner suburbs: the shift from middle and upper incomes toward low and moderate incomes. This shift accounted for all net growth in those areas in the two decades from 1980 to 2000. It meant increases of 43 percent in low-income households and 30 percent in moderate-income households.

Yet a look at the components of this change suggests a more benign trend than is sometimes portrayed.

In post-war suburbs (1945-70 – Table 14a):

- Substantially more income shift arises from change among of home-owners rather than tenants. This was attributed in section 3.2.2 to four likely factors, noted again below.
- Low-income growth (almost 60 percent of net change) arises in broadly equal shares from shifting incomes of owners; shifting incomes of renters; and the low-income share of ongoing growth.
- Moderate-income growth arises in broadly equal shares from shifting incomes of owners and the moderate-income share of ongoing growth.
- Growth in total home-owner households offsets what would otherwise be loss, driven by income trends, of close to 10 percent of middle and upper-income home-owners over two decades.

In 1970s suburbs (Table 14b) trends are similar but softer:

- Again, more downward income shift is in the owner than the renter sector.
- Home-owner numbers and income shift is similar (absolutely and relatively) to post-war suburbs. But 1970s zones have about half as many rental dwellings as post-war zones; the rental income shift is therefore a smaller part of the total.

- Rental income shift is to low and moderate income – not just to low income as in post-war suburbs. The shift averages less than 400 units/year across all 1970s suburbs.
- Net home-owner growth was 2½ times as large here as in post-war suburbs.
- Net growth is fairly evenly shared between low-to-moderate income and middle-to-upper income – in contrast to post-war suburbs where it is all low-to-moderate. This connects to the points just noted: ongoing home-owner growth; smaller presence and more stable incomes of tenants.

Table 14a
Imputed Tenure Shares of Income Shift, 1946-70 Suburbs, 1981-2001

<i>Income Level by Quintile</i>	1981 House- holds	Owner Income Shift	Renter Income Shift	Owner Growth Trend	Renter Growth Trend	Total Change	2001 House- holds
Low	82,900	10,000	13,000	3,400	9,200	35,600	118,400
Moderate	85,800	11,300	1,600	4,700	8,200	25,800	111,600
Middle & Upper	246,900	-21,300	-14,600	25,300	11,500	900	247,800
Total	415,500	0	0	33,400	28,900	62,300	477,800

Source: See details in Appendix 2, table 32a.

Table 14b
Imputed Tenure Shares of Income Shift, 1970s Suburbs, 1981-2001

<i>Income Level by Quintile</i>	1981 House- holds	Owner Income Shift	Renter Income Shift	Owner Growth Trend	Renter Growth Trend	Total Change	2001 House- holds
Low	37,030	11,300	5,000	5,800	9,000	31,100	68,180
Moderate	43,805	12,500	2,300	9,800	8,400	33,000	76,795
Middle & Upper	186,445	-23,800	-7,300	69,400	14,000	52,300	238,655
Total	267,280	0	0	85,000	31,400	116,400	383,630

Source: See details in Appendix, table 32b.

In sum, declining home-owner incomes are the main driver of declining inner-suburb incomes. These are likely associated with four factors noted earlier: aging home-owners whose incomes drop at retirement or lag afterwards; possibly lower prices and home-buyer incomes vis-à-vis the new-growth suburbs; fuller housing mix emerging in initially up-market areas; and condo-building. Inner suburbs remain very mixed income. Declining tenant incomes account for about one-third of the shift to low and moderate incomes in post-war (1946-60) suburbs, and rather less in 1970s districts.

The inference that much inner-suburban income decline arises from aging in place is supported by this study's data on household type.

- Loss of middle and upper income home-owners is tilted to two-parent family households, while gain in low and moderate income owners in both decades is dominated by non-family households, with some couples. Given prices today, very little of this change could be from new buyers: most must be aging in place.
- There was very little difference in the income distribution of two-parent home-owner households in inner suburbs from 1981 to 2001, but a notable downward shift among couples, especially in 1960s suburbs.
- There are more non-family households at all income levels, except the top quintile. This accounts for all net change in low and moderate income in 1946-60 suburbs, and three-quarters of it in 1960s suburbs.

What of immigrant incomes, given the concentration of rental housing and recent immigrants in inner suburbs? On preliminary analysis, the patterns of income shift among recent immigrants in inner suburbs is very similar to overall income shift there; and income change among the rest of the population (in both tenures) is close to twice as large as income shift among recent immigrants (Table 33, in Appendix 2). On this basis, it appears that the shift to more recent immigrants in the population is a marginal factor in overall income change. But this is preliminary; more detailed analysis may show different results.

3.4.3 Absorbing Low and Moderate-Income Demand

As the city-region grows, it grows in all income ranges. The structure of the labour force means low and moderate-income growth, as do various events in people's lives: job loss, immigration, divorce or separation, disability, retirement. The 30,000 households added in Greater Toronto each year include 6,000 in the low-income quintile and 6,000 in the moderate-income quintile. Where these added households live does much to shape a trend of income integration or segregation, of a polarizing or socially mixed urban landscape.

Therefore it is important to understand where – by tenure and location – added low and moderate-income households are “absorbed”, and how this compares to middle and upper incomes. This will help our understanding of the relation between housing and social landscape, and will bridge to the discussion of policy choices.

(a) The recent patterns

Home-owners, in recent years, have accounted for most low and moderate-income growth: about 60 percent of growth in the 1980s and 90 percent in the 1990s.

- *Middle and upper-income* owners are added mostly in outer suburbs: about 11,000 to 12,000 a year on average. The central city and 1970s suburbs each add 1,000 to 2,500 a year in round terms; post-war suburbs see losses. The drivers of this are suburban home-building, with a side-trend of gentrification.
- Owners account for the majority of *moderate-income* growth. Two-fold causes are likely. The first is the rising numbers of retirees: income usually declines at the point of retirement, and may be flat or relatively declining after that. The second is the better affordability of ownership, which has opened it up to more middle and moderate-income households. (Note: This is logically quite distinct from the four factors in inner-suburban income decline discussed above, which relate to their "slice" of overall change).
- *By age-zone*, low and moderate-income owners are added in broadly similar numbers in each area: 1,000 to 2,000 annually – except in post-war suburbs where numbers are already high. The number was nearer the high end of that range in the '90s and the lower end in the '80s – the difference probably due to aging and interest rates.

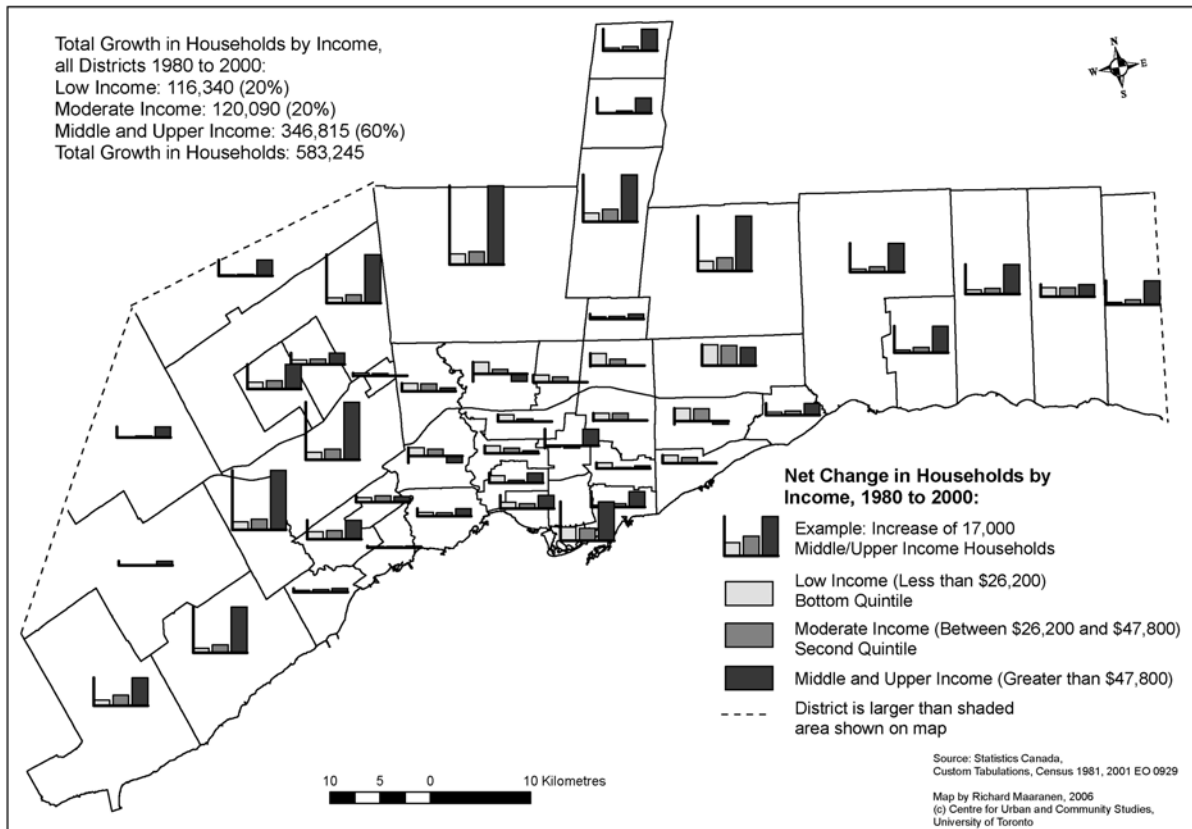
Rental growth varied greatly from the 1980s to the '90s, but overall patterns persist:

- *Middle and upper-income* renters are added mostly in the central city and the outer (post-1980) suburbs. Over the two decades there was zero net growth in middle and upper income tenants in post-war suburbs. In the '90s there were net losses in those areas. The driver of this is rental-sector gentrification and differentiation.
- Renters account for the majority of the annual increase in GTA *low-income* households; all rental growth was *low and moderate-income* in the 1990s. The majority of net new renters are very low income (<\$15,000 income), increasingly so in the 1990s. The driver of this is the shift to home-ownership.

Low and moderate-income renters are added in broadly similar numbers in most age zones: about 800 to 1,800 in each zone in the 1980s and half that level in the 1990s. This was formerly absorbed in new social housing production, but from the 1990s onward this is absorbed in private multi-rental housing as middle-income people move out to buy homes.

Growth of Households by Income by District - Greater Toronto, 1980 to 2000

Map 12

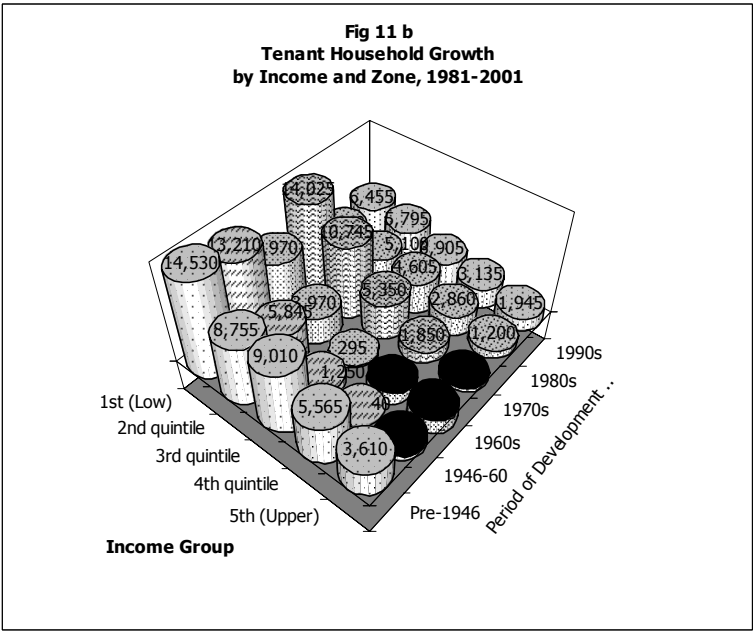
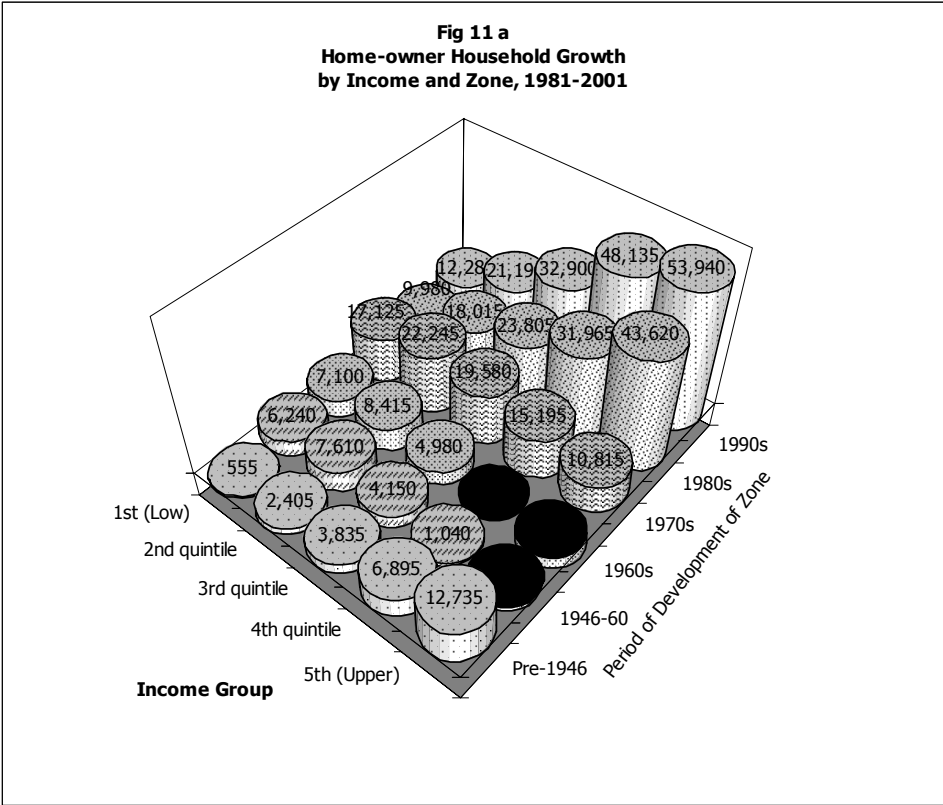


What of low and very-low-income tenants – of prime significance for affordable housing policy?²² Patterns changed strongly from the 1980s to the 1990s.

- In the 1980s, with high overall rental demand, added renters in the bottom 10 percent of incomes accounted for one-third of added rental households (19,000 of 57,300). In other words, their share of rental growth was fairly proportionate to their share of rental households.
- In the '90s, many moderate-income tenants moved to homeownership and the numbers renting scarcely rose. Very low-income tenants, though increasing a bit more slowly than before, accounted for virtually half of added low and moderate-income renters (16,400 of 31,800).

²² A majority of singles and seniors on the assisted housing waiting list are in the bottom decile (\$15,024 in 2001) and a majority of families with children in the bottom quintile (under \$26,196).

Figure 11



This skew of very low income tenants to inner suburbs may be correlated to locations of rent-geared-to-income (RGI) housing, and good transit. While social housing comprises about 20 percent of rental stock in inner and outer suburbs alike, more of these units in inner suburbs are pre-1974 “public housing” with all units rent-geared-to-income (RGI).

As for the locations of low-income multi-rental growth, the inner suburbs got slightly more than a proportionate share, and certainly a large share. City-region increases in low-income multi-rental households averaged 3,300 annually in the 1980s and 2,400 annually in the '90s (20-year average: 2,800). The shares by age-zone did not change much over the 20 years (Table 10); the inner suburbs were steady at about 55 percent. The inner-suburb share of city-region growth in this segment was marginally higher in the 1990s at 58 percent. The central city saw absolute increases, like other areas; but its relative share declined (from 39 to 35 percent of the city-region), offset by increases in outer suburbs. By 2001, 38 percent of share of inner-suburban multi-rental households had low incomes, up from 32 percent in 1981.

The absorption of added low and moderate-income renters has very different impacts in different zones. In outer suburbs it is a trivial part of large overall growth. In the central city it is part of a balanced spectrum of growth. In inner suburbs it accounts for a large share of net change. Low-and-moderate-income renters comprise a larger share of net growth in City of Toronto inner suburbs than in pre-1980 inner suburbs of the “905”.

This geographic spread has large political implications as well as social. The City of Toronto (central city and most of the inner suburbs) absorbs 40 to 45 percent of net GTA growth in low-and-moderate-income renters. It likewise absorbs 40 to 45 percent of net GTA growth in low-income taken separately. This is approximately double the City of Toronto’s share of overall city-region growth. Outer-suburb low-and-moderate-income renters rose by less than 1,500 annually in the 1990s, and accounted for just 10 percent of overall growth.

Such contrasts feed the social and political divergence between the City of Toronto and the “905” suburban regional municipalities.

(b) The Future, If these Trends Continue

What would Greater Toronto be like in the future, if these trends continued?

This is explored briefly here. Factors that will shape tomorrow’s urban development and social landscape are complex and unpredictable. It is easy to speculate on shifts that we may see from 1991-2001 patterns. For example:

- The relative *increase* in recent-immigrant numbers may taper off. Immigration in the present decade so far is just slightly higher than 1990s levels, not rising steeply as in circa 1985-95. The outer suburbs may take a larger share. The main pattern may become not more arrivals, but new arrivals replacing those of the prior decade. Yet levels are *slightly* higher now than in the 1990s, and immigrant earnings have declined: so perhaps recent impacts on the rental sector will progress further.

- Household composition may favour rental demand somewhat more. Non-family demand may be higher than the 1990s – when young-adult population bottomed out and which included a deep and long recession. And numbers of elderly are set to rise faster – many in the City of Toronto being renters, unlike most places.
- Overall price and interest rates trends may turn out quite differently for the decade starting 2001 than the decade prior. The 1990s saw great downward shifts in these, which expanded home-ownership. Net trends of 2001-2011 are yet unknown, but from the vantage of 2006 a decennial trend of *rising* prices and interest rates looks quite possible, returning rental growth to more “normal” levels.
- Income growth has generally been more robust in this decade so far than in 1991-2001.

The projection puts such speculations aside. This is simply a rough sketch of one possible future, no more than that. The purpose is simply to model what would happen if 1991-2001 trends continue, or 1981-2001 trends. Details are in tables 24 (a) through (f) in Appendix 2. The key distinctions are by tenure, and by low-and-moderate income versus others. Future city-region growth can be seen as consisting of four broad categories:

<i>Income</i>	Owner	Tenant
Middle & upper		
Low & moderate		

The two-fold question then becomes:

- how will growth be divided among these four categories?
- how will locations of each of these be distributed across the city-region?

In each case the shares (among the four cells) of overall future growth replicates the shares seen of that recent past; and in each case the distribution of each cell’s growth across the age-zones of the city-region replicates the pattern of that recent past. There are three scenarios:²³

- one decade forward on 1991-2001 trends
- two decades forward on 1991-2001 trends;
- two decades forward on 1981-2001 double-decade trends

Some main results for inner suburbs are these:

²³ The double-decade 1981-2001 case embodies quite different rental-sector trends: a larger share of overall growth, expansion at various income levels, and less downward income shift within rental. Trends of the current 2001-11 decade appear clearly to be closer to 1991-2001 trends.

- There would be an addition of 20,000 to 35,000 low-to-moderate-income households each decade. Their counts would rise from 220,000 in 2001 to between 260,000 and 280,000 by 2021.
- The low and moderate-income share of households would continue rising to between 53 and 55 percent for 1945-60 inner suburbs, up from about 40 percent in 1981 and just under 50 percent in 2001. 1970s zones have softer increases. This contrasts to post-1980 suburbs where the low and moderate-income share of households levels would remain 25 to 27 percent.
- Given growth in home-owners across the income spectrum, low and moderate income renters would remain at about 25 percent of inner-suburban households.
- The proportion of low and moderate-income households among inner-suburban tenants would rise to between 72 and 75 percent in 1946-70 suburbs, compared to about 60 percent in 1981 (Table 15, Fig. 13). The low-income portion of "low and moderate" is not modelled. But if 1981-2001 trends continued, about 43 percent of multi-rental households in inner suburbs would have low incomes by 2021, up from 32 percent in 1981.²⁴ In the slower rental growth scenario (1991-2001 trends), low and moderate-income tenants continue replacing those with higher incomes.

Table 15
Scenario: Tenant Income Profiles by Age-Zone

<i>Percent of tenants in each zone having low or moderate income</i>	<i>Development Period of Zone</i>						
	Pre- 1946	1946- 1960	1961- 1970	1971- 1980	1981- 1990	1991- 2001	All Zones
1981	67%	64%	56%	56%	56%	56%	61%
1991	66%	65%	60%	56%	51%	52%	61%
2001	65%	69%	65%	62%	55%	59%	64%
2011 A	63%	72%	69%	67%	59%	64%	67%
2021 A	62%	75%	74%	73%	63%	68%	69%
2021 B	63%	73%	72%	64%	57%	61%	66%

Actuals to 2001.

Scenario A -- Based on 1991-2001 trends (slow rental growth, associated shift to lower rental incomes)

Scenario B -- Based on 1981-2001 trends (higher rental growth, more mix of tenant incomes)

Source: Calculations from census, custom tabulation EO 0929.

In the central city, on 1990s trends, growth of middle and upper-income home-owners will dominate. The outer suburbs will continue a growth tilted strongly toward middle and upper incomes.

²⁴ "Low" rose from 53 to 56 percent of "low and moderate" in inner-suburb multi-rental, 1981 to 2001: therefore project 59 percent by 2021. 59 percent of 72 to 74 percent is 42 to 44 percent.

Figure 12a – Equal Absorption of Upper and Lower Income Growth

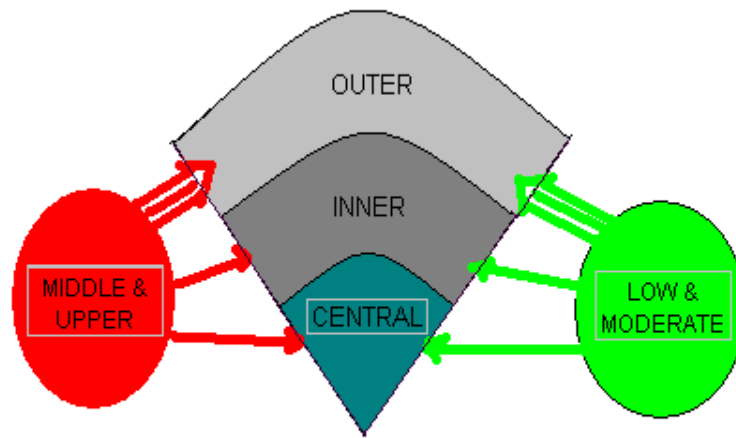
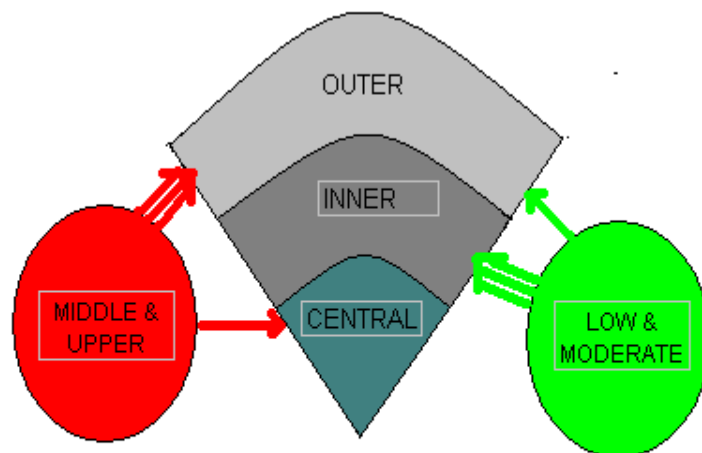


Figure 12b – Actual Absorption of Upper and Lower Income Growth



(c) Choosing a Future

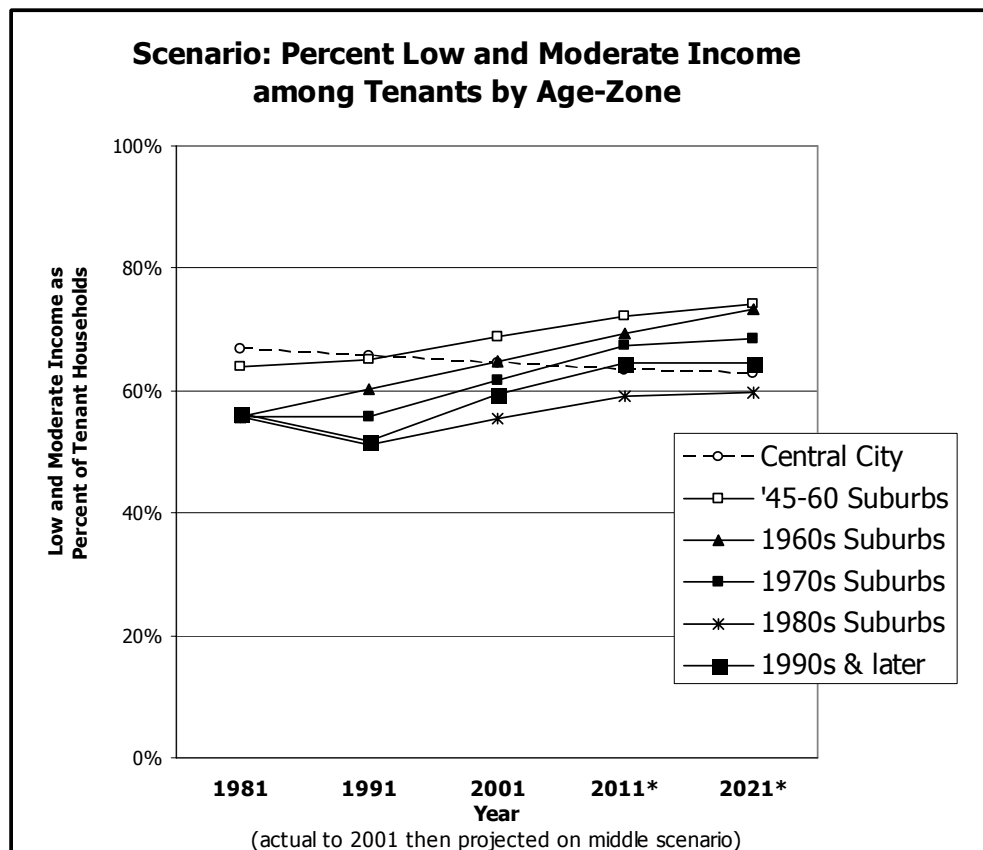
Figure 12 (a) and (b) show two alternative concepts for how low and moderate income growth can be absorbed and distributed in the city-region.

The broadest overall mix, in income and all its correlates, arises in a model of city-building where each of the broad rings (central, inner, and outer) capture a share of net low and moderate-income growth similar to its share of middle and upper-income growth. This is Figure 12a. It was, more or less, the model in Toronto from the mid-1950s through the 1970s.

The model in Toronto today is Figure 12b. Middle and upper-income growth is concentrated, as always, in the outer ring, with a prominent tenth of it in the central city. Low and moderate-income growth is concentrated in the inner suburbs, with a smaller share in outer suburbs, a quite small part of overall outer-suburban growth.

Not all of this is changeable. A large part of Greater Toronto's trajectory is set: by the large population of elderly home-owners in inner suburbs; by the fuller mix of housing type and tenure there. But choices can be made in city-building, to strive or not for better "macro" income mix across the city-region, with all the benefits that flow from that.

Figure 13



4. IS TORONTO DIFFERENT? THE LANDSCAPE IN WORLD CITIES

The forces and trends described in Parts 2 and 3 resonate across most “global cities” of the Western world.

The aim here is a brief scan of how Toronto’s trends reflect such global trends. For urban scholars, the themes are familiar. For other readers this is important context, not so far common currency in Toronto’s public discourse. The rich research on other world cities’ social and housing landscape can help us understand Toronto’s trends and prospects.

Toronto is clearly a second-tier world city – headquarters for a top-ten national economy; one of 12 to 20 world cities with high-order global and national functions, behind the “alpha” centres of London, New York, Tokyo and Paris (Beaverstock et al 1999; Taylor and Walker 2001; Taylor 2005). Toronto, with 1 in 6 of Canada’s workers, has 1 of every 4 jobs in business services and likewise in media and cultural industries (Statistics Canada 2003).

The emphasis here is therefore on international comparison, far less explored than Canadian comparisons to Montreal, Vancouver, or mid-sized cities. The main focus is the US as global trend-setter; Australia – a mirror for English-speaking Canada in history, economy, culture and institutions – and Western Europe.

4.1 World Cities, Globalizing Cities

The “global city” thesis and its critics are a starting point: a lens to view the forces of recent economic change and their urban social consequences. A decade of critical research has suggested nuanced interpretations, and other terms such as “globalizing” or “world city”.

The “global city” thesis (Sassen 2001) was developed studying New York, London and Tokyo: the top “command and control” centres of the global economy, cities with dramatic economic transformation and (except Tokyo) social polarization in the past 25 years. Its applicability to other world cities has been much examined and much challenged.

Observed and theorized features of the global, “globalizing” or world city include (Walks 2001; Sassen 2001; Marcuse and van Kempen 2000; Marcuse 1995; others):

- *Specialized economic functions:* A concentration of “producer services”: head-office functions, international finance, international accounting and law firms, and services which are a “hinge” between multinationals and their regional or national activities (in accounting, marketing, suppliers, investment law, taxation, labour relations, etc).
- *Connection to economic and technological change:* These concentrated functions arise from current-day globalization, including production co-ordinated by multinationals across the globe, vast increases in trade, and capital market flows thirty-fold greater than a generation ago (Marcuse and van Kempen 1994, p. 5; Sassen 2001, xix-xxii, Ch. 1). Command-and-control functions become all the more important in this context.

- *Reduced state role:* Such trends have gone hand-in-hand in the past 25 years with a reduced state role – in a wide range of areas including labour law, housing markets, levels of public investment, social welfare programs, and regulation of capital markets.
- *Globalized economy and population:* Loss of manufacturing jobs in Western cities is linked to production in lower-wage countries and reduced tariffs; the rise of financial services is linked to deregulated global markets. Meanwhile, immigration to Western cities rises, supplying labour which disproportionately fills low-skill, low-wage service jobs.
- *Associated job polarization:* Earlier theories of severe polarization have yielded to the observed fact that most growth is in high-skilled jobs. But there is as well some shift from mid-skilled and middle-paying jobs – especially manufacturing – to lower skilled ones that meet the needs of the globally-linked businesses and the professional class (see Walks 2001, p. 408; Sassen 2001, p. 226 ff.; section 2.1 above).
- *Arising spatial polarization:* Cities reflect these new functions and classes in their spatial patterns: affluent areas more affluent than before, gentrification alongside deeper concentrations of poverty, ethno-racial enclaves, gated communities or guarded condos, residualized social or rental housing, upscale redevelopment precincts, and so forth (Marcuse and van Kempen 1994, p. 3).
- *Functional closeness but wider distances in social and community life:* Though affluent and the poor are economically interdependent, their social worlds are further apart. Each is connected to the wider world through family or jobs, but connection to a common urban community is frayed (*ibid.*, pp. 6-7). For the affluent, place is less important: places of work and leisure are similar in cities around the globe. For the poor, by contrast, neighbourhood has become ever more constraining (see Part 5).
- *"New Urban poverty" with an ethno-racial face:* Job and income polarization, combined with other factors such as immigration, housing trends, and weaker family and community networks, are creating a "new urban poverty", often concentrated in particular minority communities, with worsening housing conditions for the poor.

How such new patterns play out is mediated and structured in various ways. These include national culture, government structures and policy, local economy and demography, race relations, and local systems of urban development (Marcuse and van Kempen 2000). The new forces are layered onto other and older patterns shaping society and urban landscape.

Few Western cities have the extremes of New York and London, the original Global City "types". There national policy took the sharpest turn toward open-market policies and decreased social programs in the 1980s. Of these new trends let us ask, like US urban scholar Peter Marcuse (1995) did of Australia a decade ago, "Is Toronto Different?"

Despite a shared shift to open-market policies, and a trend of more inequality, Marcuse noted the stronger state role in Australia than in the US. Key areas include health care; state support for higher education; revenue-sharing and less local autonomy and

property-tax reliance; labour law and centralized wage bargaining (see also Reitz 2002, p. 73); and the dominant role of State government, not municipalities, in urban infrastructure. These are rooted in a political tradition quite different from the US: elements of British manager-state tradition, a stronger Labour political tradition, and other factors. These have diminished in Australia in the past decade, but yet remain.

Likewise in Canada: public health care, social assistance, social housing and other public services make being poor in urban Canada more liveable than being a poor American. Section 2.3 discussed the strong role of public policy in shaping Toronto's urban structure and housing market in the 1960s and '70s. Canada and Australia share the same the broad differences from the US. Canada's slightly stronger welfare state (public health care, social housing, social assistance) perhaps balances off Australia's stronger public support for living wages, working-class home-ownership, and urban infrastructure.

Canada's model of welfare capitalism is often seen as intermediate on the global spectrum. Canada has smaller social program expenditures than Western Europe as a percent of GDP, though rising in the 1980s and greater than the US, Japan, Italy and Australia (Gottschalk and Smeeding 1997).

Canada's welfare state retrenchment in the 1990s extended beyond the income transfers discussed in section 2.1. These reductions lessen the still-large difference between urban Canada and American cities (Prince 1998 and other sources).

- Withdrawal of federal and provincial funding from urban infrastructure progressed gradually in the 1980s and '90s.
- Withdrawal of Ontario funding from local community services occurred in the early to mid 1990s – notably in Toronto case, the jointly funded Community and Neighbourhood Support Services Program (CNSSP) (Freiler 2004).
- Social housing production continued in the 1980s and early '90s at levels similar to the 1960s and '70s, with Ontario offsetting the declining federal funding commitments from 1986-93. Federal funding for new units ended in 1993, followed by Ontario in 1995. Devolution of social housing to the provinces, and flatlining of federal housing spending in the face of rising population and needs, was initiated in 1996 and implemented in bilateral agreements with most provinces over the next five years.

But countervailing steps have also occurred, including:

- The federal decision to shift back to a separate Canada Social Transfer, which, in the face of inexorable pressures in health spending, is expected to protect funds that provinces channel to social services and income transfers.
- The federal homelessness initiative since 2000 has provided an average of \$100 million annually, including \$17 million annually (average) in Toronto, toward services and capital improvements including about 1,000 units of transitional and supportive housing.

- The federal Affordable Housing Initiative and resulting Canada-Ontario Affordable Housing Program involve capital investments of some \$1 billion nation-wide over half a decade, including \$200 million in Greater Toronto, supplemented by municipal assistance and concessions worth close to half the latter level. This is set to result in over 5,000 units Ontario-wide ("Pilot" and "new" AHP), of which about one-third to half will be affordable to low incomes.
- Significant recent increases in federal and Ontario spending on urban infrastructure.

Also important is the political economy of city-building. The strong role of Ontario and the Metro Toronto government in shaping the urban structure of Toronto in the 1950s to '70s was noted in section 2.3. Canada is like Australia in the lesser local and greater provincial/state government role in urban development (Marcuse 1996, p. 55).

And so, acknowledging Canada's distinctiveness in social policy and city-building, let us now look at "global city" or "world city" trends in the following areas, and understand Toronto in this context:

- Jobs, Income and New Inequalities
- Immigration, Diversity, and Racial Disadvantage
- Parallel New Landscapes.

4.2 Jobs, Income and New Inequalities

Toronto fits a general pattern of shift from manufacturing to service jobs; great expansion of professional jobs; and a slightly increasing low-skill, low-income part of the workforce with stagnating or falling incomes. Income and job polarization are greatest in the US but proceeding in some degree in other Western countries (Sassen 2001, p. 224; Gottschalk & Smeeding 1997). Australia is akin to Canada: intermediate between US/UK trends and continental European trends.

The shift from manufacturing toward services and better-paying jobs is found across the Western world. A landmark six-nation comparison by Esping-Andersen (1993), showed the common trends for 1960 to 1980/85. Professional and semi-professional became the largest occupational category, almost doubling everywhere. Overall trends were of growth in good jobs rather than a declining middle. The service sector rose everywhere as a percentage of the whole. Canada followed the US 1970s and '80s trend in unskilled service jobs, steady there at 12 percent of jobs with just a slight upward wobble (Jacobs 1993). Earnings in such unskilled service jobs declined in the US as in Canada, more than for other workers. This was due to economy-wide trends: a deteriorating position of less-educated workers, younger ones, and part-time workers.

Across the Western world, inequality in earned income has been rising, especially for males, associated with rising numbers of high-skilled jobs. The US and UK remain the most unequal among leading Western nations; other countries are following in less extreme

fashion.

The equalizing effects of the tax system and public income transfer have been larger in Canada than the US. "With a high percentage of low wage jobs and modest social transfers for the working age population, the Canadian labour market functions more like those of the U.S. and U.K. than of most European countries. Canada, however, did not experience the sharp decline in union membership that has characterized the U.S. and U.K. since the 1970s." "The direct redistributive effect (excluding behavioral response) of cash transfers and taxes on inequality and low income is greater in Canada than in either the U.S. or U.K. although considerably less than in most European countries. The result is a lower level of family income inequality and lower relative low-income rates in Canada than in the U.S. or U.K., but levels significantly higher than that observed in most of Europe" (Picot and Myles 2005, p. 27; also pp. 13-14; also Morissette and Picot 2005).

Canada also has higher income mobility, within a lifetime and between generations, than the US or UK (Wolfson and Murphy 1998; section 2.1). But Canada in the 1990s did not match the US in wage gains for the bottom quintile (Morissette and Picot 2005).

Likewise in Australia, job change from "globalization and the new economy" has engendered a somewhat more polarized income distribution. The number of families living on less than A\$400 a week has risen (Baum 1997; Raskall 2002, p. 294). The Australian shift to market-oriented policies was sharper and more profound in the 1980s than in Canada, and earnings polarization apparently greater, despite centralized wage negotiations. As in Canada, the widening gap in market incomes in the 1980s and '90s was largely offset by social welfare programs (Badcock 1997, p. 245). As in Canada, this offset has weakened in the weaker welfare state of the past decade: half the income gains of 1994-2001 went to the top quintile (Randolph and Holloway 2004, p. 3).

Canada and Australia's income trends, reflecting our labour systems and welfare states, are intermediate between the US and UK on one hand and continental Europe on the other. Earnings in the lower deciles in the 1980s fell relatively in all Western countries, and fell absolutely in the US, Canada and Australia (Gottschalk and Smeeding 1997). Canada's trend to polarization and inequality is lesser than in the US, and more recent, but our earnings distribution is becoming more like the US (Wolfson and Murphy 1998). In the US, income polarization and inequality²⁵ were already rising by the 1970s when they were declining in Canada (*ibid.*; Gottschalk and Smeeding 1997). In 1973 to 2000 in the US, most income gain went to the upper quintile (Dreier et al. 2001, pp. 19-21); this did not start in earnest in Canada until the 1990s.

Toronto's shift in job structure has also been less dramatic than in many cities. New York lost half of its manufacturing jobs from 1969 to 1987 (Sassen 2001, p. 205), as did London in the 1980s (Marcuse and van Kempen 1994, p. 25). Among second-tier cities, Philadelphia lost 60 percent from 1950 to 1980 (*ibid.*); Chicago similarly.

In Greater Toronto (see Part 2), loss of manufacturing jobs was a great blow in the decade

²⁵ The sources cited here distinguish between polarization strictly defined (relatively fewer in the middle) and inequality (more gap between the top and bottom).

of 1986-95, but otherwise it has been swamped by rapid overall growth. The result is that few people in Toronto experience the immiseration and polarization seen in cities like London, New York, Chicago or LA. Toronto does not have New York or LA's large sectors of sweatshop production with wages enabling price competition with cheap Asian imports nor the large numbers in the "informal economy" of under-the table jobs, day labour, and street peddlers (Sassen 2001, p. 287).

Sydney is similar to Toronto in its change in occupational and income structure, associated with financial deregulation and a shift to market-oriented policies since the 1980s. Sydney has seen a large rise in professional and managerial jobs; service jobs have seen a moderate increase; manual and trades jobs have declined absolutely despite rapid overall growth (Baum 1997; Raskall 2002, p. 294). "At the 'top end', sectoral economic growth associated with the emergence of Sydney as a global city,combined with regulatory change have, among other things, fuelled large salary and other income increases for a sizeable minority of Sydney's population... But income growth at the top end has also been underpinned and reinforced [by] housing market windfalls in certain areas, and regressive social and welfare policy shifts. The growth of dual income households has helped to compound the economic benefits for those engaged in the labour market." (Randolph and Holloway 2004, p. 6). Similar patterns occurred in Melbourne, though less extreme, reflecting Sydney's clear lead as national economic capital and global city (Raskall 2002).

Emerging in the new workforce context of most Western nations is the "new urban poverty", different from poverty in the post-war period, or the pervasive poverty of most times and places. The concept comes from the US, but is emerging to some degree in most Western countries. Distinguishing features of the new urban poverty are these (Kazemipur and Halli, 2000, chapter 1; Da Costa Nunez 1996, chapter 1; Marcuse 1996, Ch. 4):

- It involves dropping incomes for the poor, a function of slower overall job growth in the 1980s and early '90s, loss of secure unionized manufacturing jobs, the rise in low-paying service jobs, and more casual and irregular employment.
- It has arisen in a context where most job and population growth is occurring in big cities with high market housing costs or their market alternative, urban slums. Low-cost housing was being lost on a massive scale, largely from gentrification but also as low-end incomes lagged the general and rising level of prices and incomes.
- The context includes large cutbacks in public income assistance in the 1980s and '90s, especially in the US and UK. As well, lesser social housing spending left most poor people no way to escape the squeeze between income trends and adverse rental trends.
- The new urban poverty is closely associated with the rising homelessness that has affected most Western cities since the 1980s.
- People most affected are from visible-minority groups, often immigrants. Rising concentration of poverty in visible-minority neighbourhoods is characteristic.

- Compared to poverty of the post-war era, some population groups with weaker labour market positions are less affected (e.g. seniors) while others in the labour market are strongly disadvantaged (parents with children, young singles).
- The net effect is “marginalization” or “social exclusion” of certain groups, with limited links to the broader society, low income, and segregated living places.

Toronto today is experiencing this, although in less extreme form than the US or UK.

4.3 **Immigration, Diversity, and Racial Disadvantage**

Toronto receives more immigrants proportionate to its size than any other first or second-tier world city. Yet large immigrant flows are a feature of global society, now typical of all global cities.

Immigration to Toronto has averaged 95,000 annually (section 2.2.1), and 1 in 6 residents are immigrants of the past decade. At 40 percent or more, Toronto and Vancouver have proportionately more foreign-born than any world city except Miami and Dubai (Benton-Short et al. 2005).²⁶ Proportionate to city-region size, Toronto gets twice as many immigrants as Chicago, and half as much again as Greater LA, San Francisco, New York, or Sydney.

Table 16
Immigrants in Selected World Cities

City-region²⁷	Population	Percent Foreign-born	Percent recent immigrants (<10 yrs)
Greater Toronto ²⁸	5.6 million	40	15
Greater Los Angeles	16.3 million	31	11
Greater New York	20.6 million	24	11
San Francisco Bay	7.1 million	27	11
Chicago	9.1 million	16	7
Miami	3.9 million	40	15
Sydney	4.0 million	31	10

²⁶ This excludes Benton-Short’s central-city-only data for Amsterdam and corrects it for Miami.

²⁷ Source: US census for CMSAs per Lewis Mumford Centre; Sydney estimated from separate 91-96 and 96-01 data (Australian Bureau of Statistics).

²⁸ The combined Toronto, Oshawa and Hamilton CMAs is cited here as most equivalent to a US CMSA. If the Toronto CMA alone is used, the data are 4.7 million, 43% foreign-born and 17% recent immigrant.

This global trend is wider and stronger than specific immigration policies of Canada or elsewhere (Sassen 1999). People come to “global cities” in affluent nations, because that is where new jobs, education, and other opportunities in the global economy are concentrated. This has been called “globalization from below” (Benton-Short et al. 2005).

Immigration is making almost all Western world cities more ethno-racially diverse, and making them different in this from their national hinterlands. Broadly speaking, the majority of Western world cities each have 25 to 40 percent of their population foreign-born. Toronto’s diversity is not substantially different from other world cities – only “more so”. All such cities now face the challenge and opportunity of integrating people of diverse origins (Musterd et al. 1998; Benton-Short et al. 2005; others as noted).

- In Greater London, visible-minority groups comprised 20 percent of population by 1991, including Black and South Asian at 8 percent each. Just over 12 percent of UK population lives in London, but 60 percent of UK Blacks and one-third of its South Asians live there. Total foreign-born were 27 percent of population by 1991.
- In Paris by 1990, 13 percent of metropolitan residents (Ile de France, 10.6 million) were of non-French “nationality”, and 16 percent in its centre, the City of Paris. Paris had 40 percent of France’s non-French, about three-quarters being from non-European countries. Factoring in a large portion of those with French “nationality” but non-French origin (*français par acquisition*) suggests an estimated 15 to 20 percent visible-minority (Pinçon and Pinçon-Charlot 2004, p. 31).
- In metropolitan Amsterdam (1.6 million people), people from backgrounds in Surinam, the Caribbean, Turkey and Morocco comprised 11 percent of population by the mid-1990s. In the City of Amsterdam (720,000) they numbered 157,000 or over 20 percent; total foreign-born were 47 percent. The 20 percent applied likewise to Rotterdam and The Hague, the other main centres of the Randstad city-region. The four largest cities accounted for 13 percent of Dutch population, but half of visible-minority population.
- In Frankfurt (620,000), the centre of a city-region of 3 million, 28 percent of population were “immigrants” by 1998, with Turks and former-Yugoslav groups accounting for close to half.
- Immigration to the US rose dramatically in the 1980s and ‘90s; the foreign-born population doubled from 14 to 31 million and from 6 to 11 percent of US population. The dominant source countries are in Latin America and Asia. The largest cities receive the lion’s share: New York, Los Angeles, San Francisco, Houston, and others. Places such as Washington DC and Seattle are now major immigrant destinations. “Suburbs”, not central cities, now house the majority of foreign-born, but central cities remain the main settlement centres for new immigrants (Singer 2004).
- Leading cities of Mediterranean Europe – until the 1970s countries of emigration – have

rising populations from Africa, the Middle East, and Latin America, as well as Western expatriates. Madrid, Barcelona and Lisbon have significant global city functions vis-à-vis Latin America and/or former African colonies; Rome and Athens are the world cities of the Mediterranean. Immigrant and visible-minority populations are still small by Northern European, Australian or North American standards (5 percent tops), but are rapidly increasing (Arbaci 2005).

- Sydney's 31 percent foreign-born is echoed in Melbourne (29 percent), and Auckland (39 percent). Most immigrants, as in Canada, are from Asia. Sydney's recent immigrants are over-represented among manual and less-skilled workers (Baum 1997, pp. 1897-1899).

In non-Western global cities outside the migrant-dependent Persian Gulf, immigrant minorities are small but rising: in the 1 to 3 percent range in globalized Bangkok, Singapore (net of Malaysians), Tokyo and Osaka (Sassen 2001, p. 278; 305ff; Benton-Short et al. 2005).

All Western global cities now face issues of "racialization" of poverty. Clearly most of the world's people are not from Europe or America, yet modern economic history and inequities of wealth have located most world cities there. So migrants from these cities' global hinterland arrive seeking opportunities, and many find only low-paid work. They arrive in cities where most domestic people have moved into expanding professional jobs.

Low-income people in big cities of the West are increasingly visible-minority immigrants. Class structuring by race or ethnic group is old as the empires of antiquity. But racialization of poverty spotlights inequalities, challenges our liberal values of equal opportunity, and presents issues for social harmony and cohesion (Part 5).

The Toronto case is more complex most of the US or Europe. Toronto is extremely diverse, with visible minorities approaching half the population (over half for children and youth), half foreign-born, and one in six residents at any recent point a recent immigrant of the prior decade. This means "there is no such person as the average immigrant" and correlations with disadvantage are weaker (Ley & Smith 2000, p. 16).

4.4 Parallel New Landscapes

4.4.1 More Separation on the Landscape

Cities across Western countries have come to have, in the past generation, more separation of rich and poor on the urban social landscape. This takes two main forms: rising concentration of poor people in high-poverty neighbourhoods; and less social mix in new suburban areas. This spatial separation entwines with social and labour force factors to create more "social exclusion" in deprived neighbourhoods and districts. Parallel patterns reflects parallel forces of high immigration, economic change, more unequal incomes, "residualized" social and rental housing, and wider access to suburban

home-ownership.

This greater separation can be seen as a new stage in modern urban history. The fine-grained class mixing of early to mid-nineteenth century cities was followed by the streetcar era (1880s to 1920s) which some see as producing greater separation between working-class and affluent neighbourhoods. The automobile – once ordinary people could afford one in affluent post-war times – led to *less* segregation by class, as the working class decanted from central city to suburbs. Today's macro-scale segregation by social class reflects professionalization of the upper half, and greater disadvantage in income and "place" for the poor (Dreier et al. 2001, p. 54). Spatial separation is by income and social class, and also by ethnicity and race.

On the upper side of the spectrum, the segmenting of middle and upper-income residential space shows a "more self-conscious, clearly defined segmenting" based on lifestyle or consumer identity (Knox 1993). Examples include retirement communities, downtown condos geared to singles and couples; central-city districts of students, artists and young professionals; and subdivisions targeted only to young families.

There is a general trend toward more "monoculture" and auto-dependent middle- and upper-class outer suburbs. No longer just a North American pattern, it is increasingly found in many other parts of the West. Within the UK's Southeast ("greater" Greater London), tenure polarization between the central city and inner suburbs (Greater London) and the commuter zone was documented 20 years ago (Hamnett 1987). There is even emerging concern about gated communities (Manzi and Smith Bowers 2004). Cities such as London or Paris or Sydney, with suburban railway systems far superior to Toronto, are still car-dependent and upper-income in their newer suburbs. Car-dependent moderate-income suburbs are a feature of recent urbanization in cities of Mediterranean Europe (Arbaci 2005).

Toronto is like other global cities in its emerging neighbourhoods or districts with concentrations of disadvantaged ethno-racial minorities. A still recent comparative study (Musterd et al. 1998, p. 192) concluded that Toronto's ethno-racial segregation is intermediate between the severe US pattern and the moderate pattern of Western Europe. A link could be drawn to Canada's middle status in market-driven income policies and its middle status in social housing. The Index of Segregation at the neighbourhood level in then Metro Toronto in 1991 was in the range of 40 to 65 for selected major ethno-racial groups: Black, Chinese, Portuguese, Italian. By comparison in Europe (Musterd et al. 1998; others as noted):²⁹

- In Greater London, the Index of Segregation at the ward level was in the 35 to 50 range for various visible-minority groups vis-à-vis the mainstream – except Chinese (p. 111)
- In Frankfurt, the index of Segregation at the neighbourhood level was lower – in the range of 15 to 25 for various groups vis-à-vis people of German nationality.

²⁹ The Index of Segregation is affected by the spatial scale of neighbourhood; these average about 5,000 in Toronto, 10,000 in London, 15,000 in Frankfurt, 8,000 in the Netherlands, larger in Madrid.

- In Amsterdam, Rotterdam and The Hague, the Index of Segregation by neighbourhood was in the 30 to 50 range for the four main visible-minority groups as a whole, and for each of them (also Arbaci 2005).
- In Paris, the working-class 10th, 11th and 18th to 20th arrondissements of the northeast had the highest percent foreign-born. Gentrification has deepened social class and racial differences between arrondissements of the eastern ring, where social housing is at least 30 percent of stock, and the other arrondissements where it is broadly less than 10 percent (Pinçon and Pinçon-Charlot, pp. 33-34, 94-98).
- In Madrid, the Index of Segregation is in the 20 to 30 range for Latin Americans and Moroccans; in Lisbon it is in the 30 to 40 range for Africans, Brazilians and Cape Verdians (Arbaci 2005).
- In Brussels, the small Belgian social housing sector puts more recent immigrants in the private rental sector than in most of Western Europe, and results in a highly segregated pattern.

In Europe, three or more factors – market income and housing trends, the built legacy of social housing, and recent weakening of social programs – are seen as braiding together to change the urban social landscape. They contribute to more disadvantaged population, more ethno-racial minority neighbourhoods, and the correlation between these (Musterd et al. 1998, p. 180, 194). Rising income inequality means more constrained choice in the market; reduced or flat social housing supply means less non-market allocation of housing.

The UK has seen rising differences between deprived and other neighbourhoods, particularly in the boom of the latter 1990s (Berube 2005, p. 8). Responding to social exclusion has become a major policy thrust under the “New Labour” government of the past decade. Area-based programs to address social exclusion have been the focus, reflecting this greater urban segregation and the residualization of Council housing. A pilot “New Deal for Communities” program, focusing on some 2,000 deprived neighbourhoods in 39 local communities, was followed by a National Strategy for Neighbourhood Renewal starting in 2001.

In the US the concentration of poverty progressed until the 1990s. For example, in Greater LA the proportion of poor people who live in poor neighbourhoods (with over 20 percent poverty rates) doubled from 29 percent to 57 percent from 1970 to 2000. The percent of neighbourhoods that were poor rose from 2 percent to 5 percent -- a great increase in the number of such neighbourhoods. The greatest change was in inner suburbs, where the proportion of poor neighbourhoods rose three-fold during the period. The change was driven by a rising overall poverty, in the context of vast migration from elsewhere and between parts of the city-region. This intensification of LA poverty continued in the 1990s – unlike most US cities – in the context of recession as severe as Toronto’s, followed by resurgence in a new global role (McConville and Ong 2003; see Jargowsky 2003 on 1990s de-concentration of poverty).

The case of Singapore, global city *par excellence*, illustrates an opposite pattern, arising

from a *dirigiste* state role in housing, purposeful mixing of populations, and widely shared income benefits from rapidly growing GDP. While ethnic Chinese are the most privileged of the three main ethno-racial groups, and guest workers are excluded, the highly planned housing system, with most home-ownership state-assisted, has prevented any extremes of segregation or concentrated disadvantage (Van Grunsven, 2000).

Sydney, far more than US comparisons such as Boston, Chicago or San Francisco, is useful to put Toronto in perspective. Parallels include recent fundamental shifts, three rings, widening disparities on the landscape, and the ethno-racial dimension.

- In Sydney as in Toronto, the rings-and-sectors landscape of poverty and affluence saw a fundamental change since the 1980s, associated with the "new economy" and rising inequality. Formerly the social class divide was an east-west line approximately along the harbour, with affluence to the north. This has now shifted to a north-south line, as neighbourhoods near the city centre and easterly to the ocean have gentrified, while middle-western suburbs decline (Raskall 2002). New peripheral suburbs are more up-market than previously.
- Sydney and Toronto share a new pattern of three rings: gentrified central city, declining inner/middle suburbs, and affluent outer suburbs. This is reinforced by different migration trends into and out of affluent and poor areas "[T]he emerging trend over the last decade in Sydney is the possibility of a three-tiered city: the gentrified older inner suburbs [i.e. central-city neighbourhoods] and existing high income areas, an upwardly mobile urban fringe associated with the new release [new development] areas, and a middle suburban area of increasing relative disadvantage centred on suburbs built predominantly between the 1930s and 1970s" (Randolph and Holloway 2004, p. 7). Sydney's ". . . urban restructuring is forming 'cones of wealth' in the inner areas, and selectively dispersing the 'new urban poverty' to the suburbs" (Badcock 1997, p. 245). As in Toronto it is to some, not all middle suburbs, and as in Toronto they are spatially in the middle of the regional labour market.
- Income disparities by area in Sydney and Melbourne have widened, whether measured by local government area, "postcode" districts, or mini-neighbourhoods (CDs, averaging 500 persons). Neighbourhoods in the upper decile doubled their average income while average income in the bottom decile declined absolutely. Disparities are greater in Sydney than in Melbourne, reflecting its stronger role today as economic capital and "global city" (Badcock 1997, p. 247-248; Raskall 2002; Randolph and Holloway 2004, p. 6).
- The types of ethno-racial separation seen in Sydney or Toronto are similar to spatial patterns of *immigrants* in US cities, and quite unlike the still extreme segregation of US Blacks/Afro-Americans (Marcuse 1995, p. 20ff, 31, 32, 64). Even in areas where immigrants are most concentrated there is a still great overall mix in Toronto; and rising separation in Toronto or Sydney applies to both high- and low-income ethno-racial minorities. But ethno-racial stratification of social class has emerged in notable degree; the proportion of visible-minority and/or foreign-born in public

housing and on social housing waiting lists in Sydney was in the 40 to 50 percent range by the early 1990s (Marcuse 1995, pp. 19-33).

Toronto's patterns, though softer, are driven now by similar forces that operate in the US and around the world. The US "inner city" of deep poverty is driven by five main factors, rarely articulated outside academe and think tanks, but fundamental to understanding US urban issues (Wilson 1996; Berube 2005; Dreier et al. 2001; Pomeroy 2004).

- rising inequality in jobs and income;
- differential migration to inner city and to suburbs;
- a racial structuring of social class;
- a weak state role in labour and social policy;
- localism in urban governance, with no metropolitan planning in most cases.

US and UK housing policy responses of recent years are strongly influenced by ideas of social mix, with regional or neighbourhood strategies to counter spatial segregation and improve access to jobs (Galster 2002, p. 7). These themes are taken up in Part 6.

4.4.2 Central-City Gentrification

Gentrification got its quaint name in 1960s London, but has long since gone global. It affects large parts of central areas in most global cities. It is highly associated with expansion of the "new middle class" in the past generation. There is a vast literature on this, not least in Canada (Ley 2000a); here are a few examples to illustrate:

- The "City of Paris" is the inner one-fifth of a region of 10 million people. At mid-century, 65 percent of the resident workforce of the City were in manual or other working-class occupations, but by the turn of the millennium this had reversed to 35 percent. The share in professional jobs had risen from 19 to 59 percent, and no arrondissement had under 40 percent. Effectively, the whole inner fifth of the city-region was gentrified except social housing districts of the northeastern 19th and 20th arrondissements (Pinçon and Pinçon-Charlot, pp. 56ff.).
- In Amsterdam, the tourist areas of the 17th century Canal Ring are also areas where gentrification in recent years has replaced low-income population with the new middle class (Musterd et al. 1998, p. 185).
- In New York, Manhattan's urban revival of the 1990s was not just a function of the economic boom and "tough love" for urban ills from homelessness to graffiti. It arose from vast gentrification of former industrial/warehouse zones and former low-rent gay/bohemian districts such as SoHo, Tribeca and the East Village.
- In Sydney and Melbourne, gentrification has proceeded in ways parallel to Toronto. Twice Toronto's size in late nineteenth and early twentieth century, they have more extensive central-city neighbourhoods ("inner suburbs") with late-Victorian heritage housing. In the post-war era these became immigrant settlement areas, much like

west-central Toronto, and were then gentrified in the 1970s onward. Sydney's Paddington, like Toronto's Cabbagetown, was ground zero for 1970s gentrification. Gentrification now affects vast areas of the central city (Badcock 2000, p. 223), including former working-class inner-west neighbourhoods and once middle-class eastern suburbs between the city centre and ocean.

Sydney's gentrification, like Toronto's is highly correlated with city-centre growth in professional employment. Gentrified neighbourhoods are characterized by high proportions of people with university education, working in "new economy" jobs, with high median income (Baum et al. 2005). "[T]he resettlement of the inner city and suburbs by the 'new middle class' has proceeded well beyond the preservation of historic urban precincts and the conversion of old tramway shopping strips for the 'café set.' Now, as gentrification begins to penetrate quite improbable and previously unwelcoming industrial 'backwaters' around the inner city [. . .], a luxury apartment and downtown condominium submarket is beginning to emerge for the first time in cities other than Sydney" (*ibid.*, p. 224). Parallels with Toronto are clear.

- In Washington DC, the District of Columbia is the inner half of a Toronto-sized region. While most of DC is among the most deprived "inner cities", by the 1990s extensive 19th century townhouse districts in the northern and western sectors were highly gentrified.
- In Mediterranean Europe, though many city centres always retained some élite population, "since the mid-70s, public policies have strongly promoted the rehabilitation of the oldest part of the cities, including their historical centre' . . . As a result, scattered processes of gentrification have started already in the 1980s in Milan and Rome and slightly later in Turin . . ." Since the 1990s, publicly-led renovation has also been seen in city-centre and historic port areas of Barcelona, Genoa, Athens and in some degree Lisbon. This has brought about rising rents, a more middle-class social profile, and more home-ownership (Arbaci 2005, pp. 6, 8).

4.4.3 Inner-Suburban Decline

Widening inequality of incomes across the Western world means more people with little to spend on housing. Faced with higher prices for city-centre and outer-suburban housing, their demand becomes focused on certain districts, disfavoured by the middle and upper classes, which have lower rents and become seen as areas of "decline". In the first place, this "decline" just means the presence of low-income people and cheaper housing; but there can be risks of concentrated poverty and a negative cycle of physical and social conditions (Part 5).

Theories of urban social change from the early 20th century described a process where older central-city neighbourhoods declined in status and became occupied by lower-income newcomers, as the upper and middle classes moved out to the suburbs (e.g., summary in Pomeroy 2005). The concept of low-rent housing supply by "filtering" has its origins in these theories. The place to look for this today is rental stock in inner suburbs. But filtering may occur in social status and income without conferring affordability.

In Sydney and Melbourne, the “suburbanization of disadvantage” is well documented. By the post-war era, rising incomes and state housing assistance had shifted most of the working class to outer and ill-served suburban zones. Over the past generation, as the central city and outer suburbs became more upper-income, a broad arc of post-war suburbs – some but not all of them – has become home to the disadvantaged, including immigrants. Concentration of low-income population is rising in these areas and falling in the central city and the outer suburbs (Randolph and Holloway 2004, pp. 14-16; 19-22).

Much of Australian public housing and assisted ownership housing was built in these areas as estates of detached houses for factory workers. It was therefore somewhat dispersed across the city-region, as in Toronto. “Since the early 1970s observers have kept remarking upon the economic and social costs of locating public rental housing for the poor in the outer and fringe suburbs of Australian cities, and upon the extent to which the *suburbanisation* of low income and poverty contrasts with the Anglo-American pattern.” (Badcock 1997, p. 246; see also Badcock 2000, pp. 217ff., p. 221; Marcuse 1995, p. 64).

“[T]he fall-out from structural decline in the Australian economy has impacted quite selectively upon those middle and outer suburbs within Australian cities that formerly contained both the vulnerable manufacturing jobs, and the public housing estates that used to house factory workers. But now these suburbs are housing more and more of the non-working poor.” There has been “...falling household income across many middle and outer suburbs combined with a localization of poverty on public housing estates” (Badcock 2000, p. 221). Characteristics of these middle-suburban areas, especially in Sydney, are (Baum et al. 2005, pp. 369-370; Randolph and Holloway 2004):

- High housing stress (24% of households versus 20% overall);
- More presence of public housing (14% of housing vs. 5% Sydney-wide);
- Double the unemployment rate (15 % vs. 7% overall);
- The lowest median incomes of any category of suburb, at A\$250 weekly in 2000;
- Concentrations of rented homes;
- Low car ownership;
- Half the population foreign-born (and 1 in 6 not fluent in English in the case of Sydney)

The parallel with Toronto is strong in genesis, profile, and geography. (Perhaps immigration may have a smaller role in Sydney and Melbourne, and de-industrialization a larger one.) What were once anomalous fringe low-income pockets are now part a broader inner/middle-suburban ring with declining employment levels and incomes, sidelined by economic change and bypassed by later suburb-building.

In the US, there is increasing attention to socio-economic and real estate decline in “inner ring” suburbs. There are innumerable local studies, especially in the Northeast and Midwest. Inner-ring suburban coalitions have been formed to press for suitable State funding and policies. Various academic studies have measured and assessed the trend, as part of overall patterns of shifting income distribution (e.g. Bollens 1988; Madden 2003). This trend is a significant element behind the search for metropolitan coalitions, discussed in Part 6.

- “[C]oncentrated poverty is being redistributed toward inner-ring suburbs, just over the city border.” (p. 56). The proportion of US poor people who live in “suburbs” has been rising for 30 years and is now (2003) at 39 percent: this is similar to Toronto, and almost equal to the 41 percent who live in US central cities (Dreier et al. 2001, pp. 46-51, 56).
- Half of US suburban population now lives in “at risk” suburbs in terms of tax/expenditure imbalances, declining tax base, and rising social needs (*ibid.*, p. 49-50). The gap between affluent and struggling suburbs is rising. As in Toronto, the inner suburbs include up-market, mid-market, and down-market districts.

To illustrate one example: In Greater LA, rapid growth and migration is dramatically changing many inner suburbs, including once-affluent inner-northeast areas such as Pasadena, Burbank and Glendale. “These trends dramatically transformed the older suburbs . . . , increasing their racial and ethnic diversity, heightening poverty, widening disparities between rich and poor, and causing growing concern about traffic congestion, pollution, crime, homelessness, and troubled schools” (Dreier et al. 2001, p. 11). Visible minority population increased from small levels to between 28 and 47 percent among these suburbs. In this broad suburban band, the poverty rate was 13 percent by 2000, and one-fifth of adults lacked health insurance (pp. 11-12). But poor people are concentrated in certain localities within this suburban zone, because they cannot afford housing in most of it.

In Europe, the inner-suburban spatial patterns are entwined with social housing residualization, discussed in the next section. The inner-suburban geography of disadvantage in European cities reflects, as in Toronto, a now-gone period of expanding welfare state and much state-led housing development.

- In Paris, disadvantage is concentrated in the “grands ensembles” of public housing (HLM – Habitation à loyer modique) built in the 1950s-70s in the first ring of suburban expansion, in what are now inner suburbs. They have become the sites of concentrated poverty but with the state, not the market, on the hook.
- In Greater London, the Inner-London boroughs with concentrations of inter-war and post-war Council housing have become the sites of disadvantage. By contrast, central and west-central London and the Outer London boroughs are largely middle- and mixed-income, while the vast commuterland and satellite towns of the Southeast, outside Greater London’s boundaries, are middle and upper-income.

These patterns are not an abstract geometry affecting middle rings. The common patterns are a product of economic conditions, housing markets, and urban development policies that shifted from one period to another, somewhat in sync across countries of the West.

4.4.4 Residualized Rental Sector

“Residualization” of social housing has been intensely discussed in the European context; in lesser degree in Canada and Australia. The US case is distinct, for there the trends in public housing are part of broad-based immiseration in the inner city.

Residualization of public housing is occurring strongly in Australia. In Sydney and Melbourne, the concentration of poor in social housing has increased and incomes there are declining. This is driven both by market income trends and, as in Canada, by greater targeting driven by policy. The proportion of Sydney’s low-income two-parent families who live in public housing rose from 26 to 35 in the short period from 1986 to 1991 (Badcock 2000, pp. 221, 246, 249; Marcuse 1995, pp. 32, 55). Social features of deep poverty are also more common: drugs, higher crime, unemployment, and family conflicts (Randolph and Holloway 2004, p. 8).

But in Sydney or Melbourne’s declining middle suburbs, as in Toronto’s equivalent inner suburbs, disadvantaged people are mostly *not* in social housing. Public housing is a smaller part of the market there: 3 percent in Melbourne and 5 percent in Sydney, compared to about 5½ to 7½ percent in Greater Toronto (the latter range defined by RGI units versus all social housing units). As many disadvantaged Sydney neighbourhoods have low levels of public housing as have high levels (*ibid.*, pp. 11-12).

Across Europe, “. . . the poor are increasingly becoming concentrated in the worst housing and better housing prospects for the European poor appear to be receding” (MacLennan and Pryce 1996). Housing conditions have deteriorated while costs have risen. This is associated with the dual impacts of labour force change and retrenchment in social housing spending.

Large European public housing estates were built in the 1950s to ’70s as part of post-war city-building and welfare state expansion. Originally this was affordable housing for the “lower working class”, but by the 1980s and ’90s many nearby manufacturing jobs had gone. These areas became home to racial-minorities – immigrants or the second generation – as other residents moved up into the professional middle class and/or to newer suburbs or the gentrifying city centre.

The resulting financial, physical and social problems of inner-suburban housing estates are similar across most of Northern Europe (Power 1997). Many of them have become areas of high unemployment, youth violence and drugs, with a vicious cycle of low rents, high vacancies, high turnover, and poor maintenance. In sum, yesterday’s state-led city-building in a less-globalized economy shapes where disadvantaged ethno-racial minority communities live in today’s economy, becoming an emblem of their disadvantage and exclusion.

In Britain, where residualization got its name, the social shift in council housing was profound. At mid-century, council housing was a pillar of the welfare state that had helped raise ordinary people’s living conditions from their Victorian-Edwardian depths. In British council housing in 1968, the income profile was like that of society: half (46%) of tenants

were in the upper half of the income distribution, and 31 percent were in the lowest three deciles. A mere 15 years later, amid massive economic restructuring, half of tenants were in those lowest three deciles, and only one-quarter in the upper half of incomes (Wilmott and Murie 1998, p. 31; see also MacLennan and Pryce 1996). Britain's percentage of social housing tenant households without a working, earning member skyrocketed from 11 percent in the 1970s to 69 percent by 2003, and the average household moving into social housing now had half the income of the household moving out (Berube 2005).

In Britain, three main things had brought about this change. Economic restructuring and loss of manufacturing jobs had etched a new divide between the winners and the losers. Policy and other changes had turned the middle of British society into home-owners: from 50 percent of households to 71 percent in the 30 years to 2003. And the collapse of the private rental sector (except in London) left the poor with little choice but council housing, at the same time as access policies became more targeted (*ibid.*; Lee and Murie 1998; Somerville 1998, pp. 772-773).

In Paris, social conditions in peripheral estates burst across the world news with riots in fall 2005, and not for the first time. The aim of De Gaulle's modernizing 5th republic when it built these was not to create pockets of visible-minority suburban deprivation. These developments were one part of a large suburban expansion, to meet rapid urban growth and eliminate the overcrowded tenements and peripheral *bidonvilles* that characterized Paris through mid-20th-century (Musterd et al. 1998, p. 146). Recent immiseration of these peripheral estates – attributed partly to racism and social exclusion – should be seen more fully in an international context of income trends, racialization of poverty, and loss of central-city affordable housing. It is the combination of 1950s and '60s social housing locations, labour force and migration trends, and central city gentrification that has created deprived inner-suburban districts.

In the US, the rental sector is strongly residualized, with an urban history and current profile very parallel to Toronto, but a generation earlier (Turk 2004):

- At mid-century, the ratio of owners to renters was almost equal, and renters averaged 85 percent of home-owner income. This changed rapidly from then to 1970; by that point renters were just one-third of all households, and averaged just 60 percent of home-owner income. Real median incomes had doubled in the post-war era (the 25 years ending 1973) – but not for tenants. The current figures are one-third of households renting, with incomes half that of home-owners: like Toronto.
- Suburb-building from the post-war years onward was mostly for middle and upper income home-owners, while central cities retained mixed tenure. Tenure polarization is a main difference between central city and suburb, correlated with income disparity. Renters are highly concentrated in big cities; most central cities have 40 to 55 percent of households renting (LA has 61 percent and New York 70 percent). Locations of rental housing contribute to a vicious cycle where low-income people can live only in cheap and sometimes declining areas of the city-regions (also Knox 1991).
- As in Canada and Toronto, multi-residential construction had a brief heyday in the late

1960s and early 1970s. Part of this was market-driven and part was new public housing, spurred by progressive federal urban policy and spending under Presidents Johnson and (yes) Nixon. As in Canada, this ended abruptly in the mid-1970s, affected by tax policy, rising interest rates, and lagging aggregate rental demand; there as here, it sank to even lower levels in the 1990s with lucky regional exceptions.

- Extreme affordability burdens are common, reflecting low tenant incomes. Patterns are generally similar to Toronto, with 2 in 5 tenants paying over 30 percent of income on rent, including 1 in 5 paying over 50 percent. Loss of cheaper rental units and pervasive affordability problems are major causes of rising homelessness (O'Flaherty 1996; Daly 1996; Burt 1997; Wright and Rubin 1997).

Across the big cities of the West, rental housing affordability has become a rising problem in the past generation. Income disparities, the sheer size of cities and resulting premiums for urban space, retrenchment in social housing: all have played a role.

5. HOW MUCH DOES IT MATTER?

Toronto remains a most liveable big city, yet the emerging picture is a city-region of widening inequality and social distances. How much does this matter? This Part 5 canvasses a range of thinking and evidence on this question which has emerged in Canada over the past five to ten years. This points to possible consequences of the new city-region landscape this study portrays.

The greatest fallout is borne by disadvantaged residents and neighbourhoods. Housing market dynamics feed concentrated poverty and related social problems. The extensive US and UK literature suggests we be concerned on “neighbourhood effects,” with consequences for children and youth, and for schools and local services. Housing stress – affordability, quality, crowding, risk of homelessness – is concentrated in these neighbourhoods, as are adverse effects on health and quality of life.

But a more divided urban landscape has implications for the broader community too. A widening dichotomy between affluent and disadvantaged areas may fray overall social cohesion and sense of community. This may reinforce an already fragmented city-region polity. It may affect successful integration of immigrants, lead to rising ethno-racial inequality, contribute to more crime, and even (at the extreme) pose risks of disinvestment in some neighbourhoods. A widely accepted argument today is that general urban quality of life supports economic vitality or “competitiveness.” Access to peripheral low-wage jobs from the places low-income people live is an issue to watch for, affecting not just workers but employers.

5.1 Consequences: Disadvantaged Residents

The unequal profile and resources of different neighbourhoods and their residents creates a “geography of metropolitan opportunity” that varies across the city-region. This shapes life chances and personal decisions unequally (Galster et al. 1995). Unequal housing conditions, schools, neighbourhood social networks, proximity to job openings, local services, social capital, and other factors are all parts of this.

5.1.1 Social Inclusion and Exclusion

Social inclusion and exclusion emerged in the 1990s in Europe and Canada as a new language for issues of social equity (Chisholm 2001; Shillington 2001; Burstein 2005). Its context is the “new urban poverty”, retrenched welfare state, and signs and fears of a society where – while most prosper – some are left behind, especially in certain demographic or ethno-racial groups (Burstein 2005).

Social exclusion has been described as involving three dimensions: economic deprivation; limited access to social or collective goods and services; and “social disaffiliation”. The latter means being “removed, or symbolically exiled, from kinship and social networks that would provide a sense of security and belonging within a family, a neighbourhood, a city, or a workplace” (Seguin, Chapter 2). More plainly, if I am an under-educated youth, a

low-income single mother, or face discrimination for my race or culture, then I lack the job opportunities others have, have little of the money or social networks that can make my life better, and may feel isolated and sidelined in society.

Originating in France in the 1970s and becoming dominant in EU discourse in the 1990s, “social inclusion” has an ambiguous relation to the housing landscape. In European societies where social solidarity and the post-war welfare state were stronger than in North America, social inclusion discourse emerged precisely at the same time as the current wave of globalization and market-oriented policy, racialization of poverty, and declining inner-suburban housing estates. Social exclusion is sometimes a loose, convenient substitute for unfashionable language of social equity, but other times a way of expressing disadvantage structured by a changed labour market, changed housing market, and wider social class and ethno-racial differences (Marsh and Mullins 1998).

In the UK, social exclusion language was adopted from 1997 onward by the New Labour government, without any “analysis” of the role of the housing market and social housing system in it. Yet British policy on “social exclusion” became highly targeted to deprived neighbourhoods, almost all of which are social housing estates (Lee and Murie 1998).

Social exclusion structured by the nature of deep-poverty neighbourhoods in post-industrial society is fundamental to understanding disadvantage in US cities (Wilson 1996). Ideas of social mix and social inclusion have strongly influenced recent US affordable housing policy (see Part 6). A more divided urban landscape, with high-poverty neighbourhoods, can feed the emergence of social exclusion.

Canadian discourse on social inclusion is borrowed directly from Europe and especially Britain. It has approached housing mostly in terms of usual indicators of housing stress, affordability, and aspects of poverty, and by noting the increase in deep-poverty neighbourhoods. It has usually lacked a perspective rooted in labour market dynamics or housing market dynamics, as this study attempts (e.g. Papillon 2002, pp. 9ff, 13; Chisholm 2001; Shillington 2001; Canada PRI 2005).

Canadian social housing policy has a strong legacy of ideas on social mix. The reaction to all-low-income *public housing* – in Toronto above all – led directly to the mixed-income, smaller-project, locally-based *non-profit housing* model. The premise was that poor residents would be better off, and society too, without the tracts or “ghettos” of unintegrated public housing. This was an implicit discourse about social inclusion. Today, it is not the mix within social housing that should concern us most: the long-standing public housing projects are home to less than 1 in 3 of Toronto’s low-income families with children. Rather, the challenge is rising overall neighbourhood polarization, and emerging social exclusion in segments of the private rental housing sector and the inner suburbs.

5.1.2 Neighbourhood and “Area Effects”

Are generations of middle-class parents right or wrong, that it is better to live in a better neighbourhood? Is this just snobbery, social distance, and “reproduction” of social class?

A wave of recent research in the US, UK and Canada has found that yes, “neighbourhood matters”, though other things matter more.

This subsection outlines some key points on “neighbourhood effects” or “area effects”. These are only one facet of disadvantage; poor neighbourhoods and rising separation on the urban landscape matter for reasons that go well beyond these (Lupton 2003, p. 4). Neighbourhood effects may play into social exclusion (Chisholm 2001).

“[M]ost extended reviews of the area effects literature . . . emerge with the conclusion that there are causal associations between poor neighbourhoods and other social problems which are more than the consequences of macroeconomic forces and household characteristics . . .” – but without consensus on how area effects work (Atkinson and Kintrea 2001, p. 2279).

It is difficult to separate “neighbourhood effects” from other factors shaping opportunities and how life works out, such as family income and education. Such traits are far more important than neighbourhood, and so are broad socio-economic conditions. The impact of neighbourhood is disputed; controlling for effects of traits and broader conditions is difficult; theoretical explanations are weak. Moreover, different spatial scales of “neighbourhood” may need to apply to different ages, activities, and realms of life (Freiler 2004; Lupton 2003; Atkinson and Kintrea 2001; Mayer and Jencks 1989)

“Research on neighbourhood impacts in Canada shows that neighbourhoods DO have an impact on outcomes such as health, educational attainment, employment success, [and] school readiness, but that the effects are “relatively small” compared to the effects of other ‘risk factors’ (e.g. low income, inequality)” (Freiler 2004, p. 18; see also United Way and CCSD 2004, pp. 6-7).

Neighbourhood matters more to some people than to others, and this varies by stage of life (Freiler 2004; Lupton 2003; Bradford 2002). Neighbourhood appears to matter most to people whose neighbourhoods offer least.

- “. . .the neighbourhood matters more for some people than for others, most often people with limited incomes, limited mobility, those who spend more time in their neighbourhoods, and those who rely on their neighbourhood as a source of social networking and use services close to where they live” (Freiler 2004, p. 17).
- “Clearly, neighbourhood matters more for elderly people and parents, particularly women with young children . . . People on low incomes, unemployed people, and many recent immigrants look to their neighbourhoods to meet both practical and emotional needs.” (*ibid.*, p. 17). Neighbourhood is important for the elderly in matters of informal assistance and social isolation.

Neighbourhoods of poverty may have particular or compounded neighbourhood effects:

- Concentrated poverty has a ‘multiplying effect’. A social and physical environment full of disadvantages can cumulate and multiply the results of each separate aspect of

disadvantage. This may be truer if the area's problems are long-lasting, or when deep-poverty neighbourhoods are clustered together. There are probably non-linear threshold effects: gradually rising concentration may suddenly produce more severe consequences; perhaps "neighbourhood effects" matter mostly in the worst 5 or 10 percent of areas (Berube 2005; Freiler 2005; Mayer and Jencks 1989).

- Many people speak of a "culture of poverty" that concentrated disadvantage may foster. It features a focus on short-term goals and needs, a wary and self-protective attitude, and alienation from broader society. It is a key part of US inner city life (Wilson 1996). Social norms may be less conducive to success at school and at work, and to building community links and social capital (Lupton 2003). Teen pregnancies are higher, which severely limits the mother's economic prospects and personal horizons.
- Residents of these areas may be stigmatized by others, with various consequences. Police may treat young men differently in such areas, feeding a vicious cycle of bad relations and petty crime. Employers may look askance at applicants from "ghetto" areas (Wilson 1996; Berube 2005, p. 24).
- Poverty usually gives rise to more crime, and other social problems (Berube 2005) such as drug use, higher domestic violence, and a macho disaffected youth culture. Hope VI public housing renewal in the US has had measurable effects on crime. Most of the rising gun violence in Toronto is in stigmatized deep-poverty neighbourhoods.
- Some people argue that shabby and deteriorated physical surrounds prompts vandalism and petty crime – "crime due to design".

5.1.3 Social Capital and Opportunities

Weak "social capital" and constraining social networks are a key aspect of neighbourhood effects. Social capital is the "features of social organizations that facilitate co-ordination and cooperation for mutual benefit" (Frieler 2004, p. 6, citing Putnam): "... those stocks of social trust, norms and networks that people can draw upon to solve common problems. Networks of civic engagement, such as neighborhood associations, sports clubs, and cooperatives, are an essential for of social capital, and the denser these networks, the more likely that members of a community will cooperate for mutual benefit" (cited in *ibid.*, p. 11).

Kinship and social networks of trust and mutual benefit enable people to tackle life's challenges and problems. They are as vital as ever in today's market-driven, money-structured social system. They help in raising children, supporting adolescents, surviving financial crises, finding housing and jobs, building a sense of belonging and efficacy, and pooling knowledge and resources to meet common needs (Atkinson and Kintrea 2001; Berube 2005; Knox 1993, p. 166).

This may include *bonding social capital*, as between family members and within ethnic

groups, which helps people “get by”; *bridging social capital*, which crosses between such groups and helps people get ahead; and *linking social capital* which connects groups with the institutions of society at large.

- Bridging and linking social capital may often be weak in disadvantaged neighbourhoods; the social capital of more advantaged people and communities tends to exclude them. Low levels of participation in community organizations are common, and in political organizations (Freiler 2004, pp. 12-13; Dreier et al. 2001, p. 100).
- Disadvantaged neighbourhoods may be quite limiting for a resident looking for work (Berube 2005, p. 20; Ihlanfeldt and Sjoquist 1998, p. 869; Dreier et al. 2001, p. 68ff).³⁰ About half of jobs are found through social and neighbourhood networks. In a disadvantaged neighbourhood, fewer people are employed and more of them are in jobs that are low-paying and insecure. The chances of neighbourhood networks yielding leads to good long-term jobs are therefore less.

Finally, neighbourhood may matter more when social resources are less equally spread. “[T]he few Canadian studies conducted to date suggest that neighbourhood effects in Canada are much smaller [than in the US and UK], possibly as a result of policies and programs that aim to reduce economic and health disparities” (Freiler 2004, p. 18). Place-based policies are important, and Toronto is following the US and UK examples in pursuing these; but they are not a substitute for broad programs to ensure social equity.

5.1.4 Children and Youth

Neighbourhoods can affect the well-being of children and youth more than other people. Children live in the spaces of daily life in family and neighbourhood, unlike adults who go to work, have knowledge of a wider world, and diverse social networks (Beauvais and Jenson 2003). Neighbourhoods are where teenagers start to form their adult identity and create their life path in work, education, and adult relationships.

Importance of the neighbourhood varies by age of children and youth (Freiler 2004):

- It is least important to pre-schoolers, as parents and family all-important. But neighbourhood has been found to affect school readiness.
- In later childhood and elementary school, neighbourhood has more influence through friends, peers, teachers, and other adults. Poor neighbourhoods may have less opportunity for play (Covell 2004).
- For teenagers, peers and others become very important, but life extends beyond the immediate neighbourhood. This stage of life is about building a picture of the wider world and starting to find a place in it. Youth culture is very important for teenagers; it has a life independent of the adult world around it, is physically and emotionally

³⁰ However, there may be little difference between different types of public or social housing (Oreopoulos 2002).

direct, and can vary considerably by neighbourhood.

5.1.5 Schools

School quality and school learning tend to be poorer in disadvantaged neighbourhoods, though researchers have more reservations about this than the typical parent. In the US, the relative quality of schools is pivotal in the central city-suburban divide, and in middle-class families' choice of where to live.

Schools in disadvantaged areas face several disadvantages (Mayer and Jencks 1989; Berube 2005, p. 21; Dreier et al. 2001, p. 01):

- More students lack the leg-up that higher parental education provides; this may affect the average level of learning in the classroom;
- More students in such areas today are not native English speakers;
- Teachers and students may "relate" to each other less well than in middle-class areas, which may affect the learning process;
- Family background or youth culture (especially among boys) in some disadvantaged areas may value education less;
- The classroom may be more stressful for the teacher; expectations may be lower; more time may be spent on discipline and less on learning;
- Teacher turnover may be higher and it may be harder to attract the best teachers;
- Parents may have less time, knowledge or motivation to be involved with the school or to help their kids with homework;
- High mobility in lower-income rental housing neighbourhoods may mean more classroom turnover of students each school year.

All this can have a multiplier effect in the classroom, school, and schoolyard. Without enriched funding, schools in disadvantaged areas may therefore perform worse academically. With less family ability to pay the fees often needed for sports, music and other programs, they may fall short in those areas too.

Yet the vast US and UK research shows mixed evidence. Sussing out the effects of middle-class schools requires controlling for key variables like parental education, family income, and maternal marital status.

- Schools in more affluent areas were found to have higher secondary educational attainment and less dropping out, but not necessarily better post-secondary attainment or better cognitive skills (Mayer and Jencks 1989).
- The effect of schools accounts for 10 percent or less of variation in students' educational outcomes (cited in Lupton 2003). Yet there may be considerable benefits to a disadvantaged student from attending a middle-class school (Berube 2005, p. 21).
- Poor children do better in affluent or mixed areas than in poor neighbourhoods, both US and Canadian evidence suggests. The Moving to Opportunity program, where

housing vouchers enabled US inner-city families to relocate to other areas, improved educational outcomes for children – less dropping out, more moving on to college; and the same appears true of Hope VI public housing redevelopment (cited in Freiler 2004, pp. 19, 20, 27; Berube 2005).

In the City of Toronto, the belief in good public schools as an equalizer of opportunities and buttress to social cohesion is strong in public attitudes and school board politics. The relative performance of schools is now a high-profile provincial concern, with standardized exams and benchmarks and news coverage. Yet the Toronto public system has various specialized and alternative schools, which (within limits) one can choose above the local school. Middle-class parents go to great lengths to find information on various schools and get their children into a better one. It appears that most immigrant and working-class parents lack the time, networks and sense of efficacy to do the same. Anecdotally, this creates a rising unevenness in a system intended to ensure similar opportunities for all.

5.1.6 Local Services

Disadvantaged neighbourhoods have higher need for local public services, to meet practical needs arising from their social profile, and to equalize opportunities for residents. For example:

- With more new immigrants, there is more need for language instruction and a variety of settlement services.
- Youth programs are important in a neighbourhood where homes are overcrowded and lack outdoor space, more people are unemployed, parents cannot afford sports and music programs, and there is a presence of gangs, drugs and crime.
- With more low-income elderly, there is more need for volunteer assistance with navigating the system of home care and lining up informal assistance.
- More park space per person is needed in apartment neighbourhoods, especially if housing is crowded.
- With more single parents and more shift work, there is more need for child care, after-school programs, and family resource centres.
- People with lower marketable skills, less secure employment, and social networks of people in the same situation, will more often need help with finding work.
- When parents have less education, there will be more benefit from study clubs, tutoring, or school mentoring programs.
- Family violence is slightly higher in communities of higher unemployment.
- Overcrowded homes reinforce the value of youth programs, study clubs, and other services.
- Programs that build social networks, foster pride, and develop “social capital” are more important in communities where these are weak, or are disconnected from the mainstream of the labour force and public decisions.

Poor areas can be doubly disadvantaged. People with less income have a larger need to draw on public rather than their own resources to improve their lives. Providing an average level of services will leave unmet needs and will fail to equalize opportunities. Yet

disadvantaged neighbourhoods are less likely than middle-class ones to have the political know-how and clout to demand and create good local services (Freiler 2004, p. 15).

In Toronto, adequacy of local services has been a major thrust of local policy at two key points in time, each responding to large shifts in the social landscape. The first was in the early 1980s, after the *Metro's Suburbs in Transition* report (Social Planning Council, 1979) documented the transformed social profile of the Toronto suburbs and their new needs. This led to the Community and Neighbourhood Support Services Program funded jointly by the then Metro government, provincial government and United Way (Freiler 2004, p. 2). Two decades later, after the wave of change described in Part 3, the United Way, City of Toronto, and other partners have recently spearheaded a strategy to spotlight issues, assess needs and increase resources and "community capacity" in the new deep-poverty neighbourhoods in these same suburbs (Strong Neighbourhoods Task Force, 2005).

Low-income communities, having less spending power, support a narrower range of commercial and retail shops and services than middle- or upper-income areas. Low-income households support even fewer services when they pay high shares of income on rent. Good commercial and retail services are available to poor people in mixed-income neighbourhoods, but not in poor ones. In the US, low-income areas where many people lack cars also experience higher prices for groceries and other goods (Berube 2005, p. 20).

5.1.7 Housing Stress and Homelessness

Housing stress – excessive rent burdens, crowding, poor quality, and risk of homelessness – rose sharply in Canada and Toronto in the 1980s and '90s. This is highly concentrated with income, and is more concentrated in high-need neighbourhoods (Engeland et al. 2005, p. 74-75). It is therefore summarized here as a dimension of the fallout in today's city-region of wider disparities and concentrated poverty.

The average Toronto tenant by 2001 paid 29 percent of income on shelter. Rental Core Need in Toronto stabilized in 1996-2001, at 35 percent of tenants – 11 points above 1991 levels. Average tenant incomes in Toronto dipped slightly (2.8%) in 1990-95 then rose 21 percent in the next five years. But average shelter costs rose 24 percent over the decade, tracking well ahead of tenant incomes. Across Canada, only Toronto-Oshawa and two economically declining CMAs performed so poorly (Engeland et al. 2005, p. 24, 45; Lewis and Jakubec 2004).

Declining incomes mean more doubling-up and larger households. Immigrants stay longer in multi-family households, not just from cultural preferences but for economic security and spending power. Young tenants are now more likely to live with a roommate. Rising tenant household size results – a main reason for population growth in the City of Toronto over the past 20 years. It is also a factor leading to slower growth of rental demand.

Affordability problems are highly correlated with income: they mostly affect poor households, and severe problems affect few except the very poor. Differences by household type are quite small when controlled for income (Engeland et al. 2005, p. 52;

Moore and Skaburskis 2004, p. 400). CMHC and others have documented the role of falling income, especially earnings, in rising affordability in the context of early 1990s recession. Falling incomes combine with supply-side factors to cause rising homelessness (Burt 1997; Bright and Rubin 1997; O'Flaherty 1996).

5.1.8 Health and Quality of Life

Housing and neighbourhood conditions have effects on health: some known and some strongly suspected (Cooper 2003; Dreier et al 2001; Moloughney 2004). Moving away from disadvantaged areas has been found to lead to better health (Atkinson and Kintrea 2001; Berube 2005). The focus here is on general effects of poor urban housing, not on other housing-health connections such as homelessness or supportive housing.

Health consequences of the dwelling itself, effects of the neighbourhood, and health effects of poverty are all braided together in related cause and effect. These effects can be grouped under five categories. One by one they may not be large, but cumulatively there are significant consequences from poor housing.

Direct physical and biological effects: Poor housing is associated with higher exposure to certain toxins including lead paint and asbestos (both now less common), dust mites and cockroach droppings – the latter significant triggers for asthma. Poor housing may be associated with greater dampness and mould. It commonly has poor heating – either too cold or too hot. Fewer low-income middle-aged and elderly people with lung problems may have air conditioning. These things all raise risks for respiratory and other problems.

Effects of stress: Poverty and poor housing have “weathering effects” on a person (Dreier et al. 2001, pp. 81-82). Worries about crime and safety, paying the rent, lousy housing, or the children’s future are often greater in a disadvantaged neighbourhood. “For example, excessive noise, sleep deprivation, and lack of private space have various negative psychological effects, including irritability, aggression, depression and inability to concentrate, and may contribute to family tensions and violence” (Cooper 2003, p. 14).

Stress has follow-on effects: it raises susceptibility to cardiovascular disease, vulnerability to infection, and makes smoking or other addictions more likely, with all their ill effects. Poor families moving from the inner city to suburbs in the US had better health outcomes (Moloughney 2004, p. 16). Seniors in poor neighbourhoods may be more often socially isolated, for reasons ranging from fear for personal safety, to rapid turnover of neighbours. Fewer social connections leads to poorer physical and mental health.

Developmental effects on Children: “[L]ow-income children are exposed to a substantially greater number of housing-related stressors, such as noisy, crowded low-quality housing, than their middle-income counterparts. Moreover, low-income children exhibit higher levels of stress, as reflected by heightened levels of secretion of cortisone, epinephrine, and norepinephrine with exposure to each individual stressor” (Cooper 2003 p. 8). These effects increase over time and may contribute to the higher mental health risks.

Children's growing bodies are more susceptible to direct physical and biological effects. Children are sensitive to how others see them; they absorb the lesser neighbourly pride and attitudes of outsiders to a high-poverty area; they *feel* the effects of stigmatization or of lacking what others have; they resonate to parents' or neighbours' stress and worries; drab and ill-kept surroundings affect their insecurities and self-worth (Covell 2004).

Safety and design: Poor housing presents higher risks of injury. These range from children falling through loose window screens, to lack of grab bars and adaptations for seniors, to greater risk of fire in poorly maintained buildings. In extreme cases, the risk of injury from crime in the neighbourhood may be higher.

Effects of Crowding: Crowding, now common in pockets of Toronto, raises the spread of respiratory infections. Tuberculosis, the trigger for public health action on housing a century ago, is having a resurgence: much of this is among immigrants from countries where TB is endemic, but probably not helped by crowding.

5.2 Consequences: The Broader Community

5.2.1 Social Cohesion

The language of "social cohesion" touches a chord in Toronto today. This refers to the overall sense community, of trust and common bonds, and common fate or destiny. It is the underpinning of a political community or polity (see below).

Many writers raise concerns about the consequences of rising social and spatial disparities. Surveys of attitudes show that fewer people know or trust their neighbours (Freiler 2004, pp. 7ff.). The "troubling increases in social polarization both within the core city and between the old and new suburbs within the CMA . . . Raises concerns about increased social friction in the future" (Friskin et al. 2000, p. 75).

One part of this is racial harmony, discussed separately below. It has been suggested that multi-ethnic neighbourhoods – rather than the bi-racial US divide – may promote "pacific cohabitation because of a common sense of minority status (Germain 2000, p. 6ff.) – or indeed combined majority status. Diversity of neighbourhoods and ethno-racial groups may be compatible with social cohesion (Freiler 2004, p. 14) and that is Toronto's experience and success to date.

If "bridging social capital" is weak, then physical nearness to other groups in the neighbourhood can reinforce social distance rather than promoting integration and cohesion. "[P]articipation in community-based networks will enhance the capacity of immigrants to build relationships and strengthen the general cohesion of the community. Social networks and voluntary organizations are thus seen as key agents in promoting sustainable diversity" (Papillon 2002, p. 5). Social capital is important in bridging between communities, and disadvantaged neighbourhoods with weak social capital thus have consequences for broader social cohesion.

Distance in daily life may feed the dichotomy of “us and them” (Yalnizyan 2000). Disadvantaged areas may get blamed for their own problems rather than being seen as part of one city-region community, one local housing and labour market. Community services that are seen to serve all may be better supported than those seen as serving only needy people (Freiler 2004).

What of outer suburbia, which is now more “monoculture” in social class, income, and housing tenure? Much has been written about the ills of suburbia, yet those with choice still choose to live there, by wide margins (Part 2). Are there ill effects on social cohesion? (Ethno-racial mix is not the question asked right here, nor “sprawl” and the traffic and environmental impacts of a suburbanized urban structure.) Might a suburbia less diverse in class, income and tenure produce some long-term consequences?

- It may certainly feed the sense of “us and them”.
- For adolescents, growing up in this environment may limit the social horizons and an acquaintance with the full diversity of the city and society.
- This may feed the fragmentation of the polity, discussed below.
- As more of total city-region residents and jobs come to be suburban, the central city becomes less relevant to most people’s lives, and therefore to public decisions.
- Lack of diversity may also feed the demographic swings that affect public costs in matters like school closings.

5.2.2 Immigrant Integration

Does neighbourhood mix and quality affect the integration of immigrants? The answer will first affect immigrants, but in centres like Toronto, it will soon have consequences for all society (cited in Freiler 2004 p. 28; see also Hou and Picot 2003).

“Urban integration takes place before social integration” (Germain 2000). In other words, the neighbourhood is the context for the activities and connections of daily life, long before one develops deeper roots in the new society. This makes neighbourhood important for settlement and integration. Especially for children and youth, the neighbourhood will shape their experience of Canadian society and their sense of its opportunities and its attitudes toward them.

Ethno-racial enclaves, including low-income ones, may have both positive and negative effects (Galster et al. 1999, pp. 97-99).

- Positive effects include formation of social capital (see above); job training and greater use of skills in ethnic businesses; “character loans” for small business people who cannot get loans from mainstream institutions; investment from the country of origin; denser networks for job information and more job leads; better evaluation of foreign credentials in minority businesses.
- Negative effects may include less acquisition of skills and connections useful in the mainstream economy; and exploitation of workers in minority businesses.

Formation of strong social capital in an ethno-racial enclave can position the second generation to move ahead. This effect may be stronger in a single-group enclave than in a diverse generic high-poverty neighbourhood. (*ibid.*, p. 99).

In the US, there is evidence that ethno-racial enclaves may not help immigrants to succeed in the context the changed economy of the 1980s. "First,... a neighbourhood consisting of poorly educated, nonworking, welfare-dependent people retards the educational, professional and employment prospects of immigrants residing there." This is consistent with other studies on the importance of neighbourhood. "Second...[there is] evidence that higher residential exposure to other members of one's immigrant group is associated with greater increases in poverty and, perhaps, smaller gain in employment for that group during the subsequent decade" (Galster et al. 1999, p. 123).

For Toronto, this is a warning flag rather than a current truth. Evidence for Canadian cities in the 1980s and '90s found very weak correlations between living in neighbourhoods with more members of one's own group, and success in the labour force. There were exceptions however, notably for Blacks (Hou and Picot 2003).

Successful integration and favourable "trajectories" in this context may depend largely on good settlement services and other local services. "...Reitz ... demonstrates that despite their higher education and entry-level income overall, immigrants to the United States do much worse than their Canadian counterparts after the initial years of settlement. He suggests the difference can be explained by the greater access to institutional support for low-income immigrants in Canada in the early stages of settlement" (Papillon 2002, p. 11). A given level of settlement services may be battling uphill if the trend is toward more deep-poverty immigrant neighbourhoods and a weaker social safety net.

5.2.3 Ethno-Racial Inequity

Social inequality is ubiquitous; extremes are not inevitable. Racial inequality is especially freighted, riffing on all the terrible history of Western imperial power in Africa, the Caribbean and elsewhere, and the extreme disparities of today's globe. Segregation is highly visible, loaded with symbolism. It can shape perceptions of society self-perception, especially for youth.

Toronto's social peace and ethno-racial harmony is much discussed: its media, cultural festivals, educational access (Reitz and Lum 2001). Economic prosperity is an important underpinning of this. To the extent that incomes lag and inequality widens, the challenges are greater. Movement toward the US model in workforce disadvantage and urban landscape could augur less ethno-racial harmony. The American racial divide stands as a negative example to all other Western countries; One cannot help "looking over one's shoulder" at the US situation of deprived Black populations, and deprived immigrant and second-generation visible minorities in Western Europe (*ibid.*; Germain 2000).

Racialized poverty is seen as especially likely to become entrenched, to create "us and

them” attitudes among the better off. Even if realities of class are complex and vary widely by ethno-racial group, the disproportionate number of visible-minority poor will be foremost in the public mind. Humans respond strongly to the obvious and unalterable cues of age, race and gender: social class structured on race makes it doubly hard to overcome prejudices that block equal opportunity.

The fear of this sort of urban polarization is evident in public discourse on race and class in Toronto today, and in much of the research literature. Especially Toronto and other immigrant centres, the ethno-racial face of poverty has rung alarm bells (Ornstein 2006). Stronger critics have called it “creeping economic apartheid” (Galabuzi 2001). The social tolerance and racial mixing of Toronto is rare across the globe; some feel it is at risk.

5.2.4 Crime and Security

Crime tends to be higher in disadvantaged neighbourhoods, so personal security and property security are less. This has been borne out in US and UK studies (Freiler 2004, p. 4; Atkinson and Kintrea 2001, p. 2279). This is first off an issue for disadvantaged neighbourhoods, but it has big spill-over effects for crime and security in other areas. Lack of social cohesion feeds crime.

More incidents of crime mean a higher chance of sooner or later being victim; this engenders a climate of greater fear and distrust. This has effects on social solidarity and social capital. It also raises the odds that young men will associate with people involved in petty or other crime.

Higher crime is connected with blocked opportunities and relative deprivation (Dreier et al. 2001, pp. 90ff). Sure, Canada’s poor are better off than most people around the world, but we humans have deep-seated needs to have esteem and respect from others. Relative poverty matters when surrounding affluence makes certain consumer goods essential for social status. Higher crime is also related to “social disorganization”: weaker overall social and community ties and less trust in neighbours – also associated with ethno-racial heterogeneity and faster turnover of residents.

“Reduced access to jobs or poor quality schools may depress the opportunity costs of crime, and peer-group effects may contribute to crime and disorder, especially among younger people” (Berube 2005, p. 22). Lower “opportunity costs” means that one has less to lose or more to gain by getting involved in crime.

Many in Toronto are naming a connection the rising number of deep-poverty neighbourhoods, youth growing up in long-term poverty, and the rising gun violence (although not rising general violent crime) seen recently.

5.2.5 Metropolitan Job Access

Job opportunities are affected by where a person lives in the metropolitan area (Galster 2002). A large US literature looks at whether inner-city residents are disadvantaged in getting jobs which are largely now in peripheral suburbs with little low-cost housing nearby. Some analysts (Buki 2002) see US urban housing needs as transformed in recent years: it is no longer just lack of decent low-cost housing, but inability to live near job openings.

While job access is mostly framed in terms of race and inner city, its relevance to low-income people generally, and to inner suburbs, has been clearly named in US research.

US researchers still disagree on its significance, but the weight of opinion after much research in the 1980s and '90s is that job access is indeed an issue, though certainly not as important as overall patterns of poverty and labour force structure (Ihlanfeldt and Sjoquist 1998). Job access has been posed somewhat inconclusively as a question in Britain (Houston 2005) and Australia (Dodson 2005).

Job access has become a common lens among US social equity advocates – for example: “Minimal access to public transit to reach new jobs in the outer suburbs, or to reach jobs in central Boston from far-away communities, has left many low-income and minority residents with three bad choices: spend more of their earnings than they can afford to pay for a car; endure extremely long, multiple-transfer public transit trips; or limit their job opportunities” (Marsh 2003, p. 26).

The obverse of this *jobs-housing balance*: the idea that if jobs and housing are spread in even ways across the city-region this may reduce commuting, pollution from cars, and the unevenness of tax base between municipalities.

Job access presents several dimensions (*ibid.*):

- *Finding Jobs*: It may be harder to look for work in far-flung suburbs, requiring lots of travelling. Word-of-mouth on job openings is most likely about jobs nearby – a problem if few jobs are nearby. This is especially the case for lower-skilled jobs.
- *Trade-off of distance*: For a given wage, one will only travel so far. Most people limit their commute; transport engineers can name clear limits for given times and places. At lower wages, it may be less worthwhile to travel far to work.
- *Lacking a car*: Distance itself becomes more an issue if transit access is poor or absent, and a car is needed to get to suburban jobs.
- *Effects for Youth*: Job access issues may be strongest for young workers. They have the sparsest information networks, most often lack cars, work for lower wages, and more often change jobs.
- *Job openings, not just jobs*: Opportunities are greater in areas of job *growth*, which creates far more openings than turnover in established workplaces. In the US, 87 percent of low-paid jobs are created in suburbs (*ibid.*, p. 852). Job *growth* in hard-to-get-to places will feed job access issues.
- *Moving nearer to work*: If there is little low-cost housing near job openings,

low-income people cannot easily move to be nearer to work as middle-class people can. And if wages are low and the job is insecure, one is less likely to do so.

- *Scale of city-region:* Larger, wider-spread city-regions are more likely to face these issues. Access is more difficult if job growth is 20 kilometres away, than if only 10.

Job access issues can affect employers and neighbourhoods too. For employers, it may be difficult to attract or retain workers in lower-wage jobs in suburban locations. Low-income neighbourhoods will have more unemployment and lower wages if job access issues are common.

A recent report by York Region raises the job access issue gently for Toronto's northern outer suburbs. This area has rapid job growth, and employment equal in size to resident labour force (York 2004a, pp. 5, 8, 41-43). There is scant rental housing (14 percent of units) and above-average house prices.

- There is large in-commuting of manufacturing, processing, and construction workers: 60 to 70 percent come from outside York versus 46 percent for all workers.
- Among in-commuters, 32 percent (50,000) are renters versus 10 percent of resident workers (41 percent for in-commuters in manufacturing and processing jobs). Rental is strongly associated with lower incomes. In the southern three municipalities of Markham, Vaughan and Richmond Hill (which account for three-quarters of York's jobs), half of in-commuting is from the City of Toronto
- Employers name workers' ability to find local low-cost rental as a matter of concern (York 2004b).

For Toronto, this is either an emerging issue to keep an eye on, or already a problem. It is portrayed in the media as a large issue for new immigrants, the "thousands of blue-collar workers in the GTA who rely on transit for their livelihood, spending as many as five hours a day in a daily trek to and from sprawling suburban areas where industries locate..."³¹

Most recent Toronto job growth has been in Markham, Vaughan, Brampton and northern Mississauga. Most low-income people live in directly adjacent inner suburbs (Agincourt, Downsview, Rexdale, parts of Brampton, eastern Mississauga). There is some bus access to the job zones. Thus mixed-income city-building of the 1960s and '70s again stands us in good stead. Toronto is only now approaching the extent of "job sprawl" long common in US cities.

Job access becomes a larger issue as the scale of the metropolis expands. It may have been tough in the 1950s to commute by bus from central Toronto to industrial parks in Scarborough; but it is tougher to commute from Downsview to northern Mississauga. This may be more an issue today when both spouses often work: the household often cannot be near both jobs.

³¹ "A New life, living in transit". *Toronto Star*, June 2, 2006, p. A3

5.2.6 Disinvestment and Neighbourhood Decline

At extremes, concentrated poverty feeds disinvestment and snowballing neighbourhood decline. This is the experience of many US inner cities, and some slow-growth Prairie inner cities in Canada today. This refers to a vicious cycle of falling incomes, low housing demand, poor maintenance, falling rents and prices, and ultimately abandonment and demolition (CMHC 2001; Pomeroy 2005), all accompanied by rising social problems.

There are rather few signs of disinvestment in Toronto neighbourhoods today. Inflows of people and high housing demand support strong neighbourhood retail and property values. As noted earlier, down-filtering in price – often associated with neighbourhood trends – is no source of cheap rental housing in Toronto: any such trends are weak and much housing filters up.

Yet the experience of other cities suggests Toronto be watchful. Large influxes of low-income people into an area, with out-migration of those more affluent, could set in motion this dynamic. Disinvestment is a logical market response in such a context, and a leading market-driven way to house the poor.

5.2.7 Prosperity, “Competitiveness”

In Canadian discourse on urban quality of life, its link to economic “competitiveness” and prosperity has been strongly argued (Toronto City Summit Alliance 2003; Toronto Board of Trade 2003; TD Economics 2002b; United Way and CCSD 2004; Slack 2004; Seidle 2002; Gertler 2001; MacLennan 2004).

- In today’s economy, prosperity will be greatest if a city makes best use of its “human capital”: the education and skills, knowledge and experience, and the global connections of its workforce. This has arguably become equally or more important than capital investment decisions, which were paramount in the manufacturing era.
- Immigrants are a big advantage in this, given the young workers and high skills they contribute – as long as conditions create opportunities, not marginalization.
- Corporate decisions to maintain or increase specialized global-city functions – on which prosperity depends – will depend on local quality of life, much more than old-economy factors like land, labour and transportation costs.
- Individuals likewise, if they are “knowledge workers” of the burgeoning professional classes, will prefer to migrate to cities with high quality of life. Such cities will have an advantage in attracting and keeping a highly skilled workforce.
- Cities that have social inclusion, not exclusion, will therefore have economic strength.
- Good housing and pleasant neighbourhoods are a key part of overall quality of life, and therefore help sustain competitiveness and prosperity.

In this line of thinking, declining investment in urban infrastructure, signs of social exclusion and rising poverty, and declining neighbourhoods may all tend to undermine the liveability and therefore competitiveness and prosperity of the Toronto city-region.

5.3 Consequences: The Polity

5.3.1 Fragmented Polity

Social differences between areas of the city-region may feed into a fragmented polity (political community), with a weak sense of common issues or of common need and ability to solve them.

If suburbs are middle and upper-income and are municipally separate, equity and opportunity for low-income people will not be big public issues there. This weakens the common agenda among the central city, inner suburbs and outer suburbs. It raises the odds that central-city or inner-suburban problems will be seen as “their own fault”, rather than as arising from the dynamics of a shared housing and labour market.

Deep-poverty neighbourhoods tend to have low levels of political participation and involvement in community organizations. A lower sense of efficacy is common: the sense of one’s ability to effect change, achieve goals, and make a difference. The combination of satisfied or self-absorbed suburbia on one hand and disaffiliated areas of disadvantage on the other does not foster a sense of overall community and will to tackle common problems (Dreier et al. 2001, p. 100).

Some US cities are extreme cases of this, for reasons of social polarization and political separation. In the past decade, a large US discourse has emerged on finding common ground and common issues (Dreier et al. 2001, Orfield 2002), but it is an uphill battle.

Toronto now drifts toward this social and political model. The social distances are wide, though still modest by US standards (Friskin et al. 2000, p. 81). The distinction between “416” and “905” area codes, a decade old, immediately became shorthand for a full bundle of social and political differences. Most community-based research in the City of Toronto looks at social trends without reference to the Greater Toronto housing market!

The former metropolitan government was a key part of “how Toronto acquired its reputation as a socially sustainable city” (Friskin et al. 2000, pp. 68, 82): it ensured relatively uniform quality of local services, supported dispersion of rental and social housing, and created transit access. All this took place in the 1950s to ’70s the context of a strong economy which shared wealth better than today, and a strengthening welfare state, now frayed.

Toronto now has the US model of urban governance: “. . . an American-style dichotomy between fiscally flush suburban governments serving relatively modest social needs and a financially strapped central city government facing mounting social service demands and

costs" (Gertler 2001, p. 127).

The fracturing polity shows in rising disputes between Toronto and "905" regional municipalities about diverse matters of region-wide significance: transit investment and transit operating subsidies; pooled costs for social assistance and social housing; the new regional transit authority and integrated fare system. It shows in the commonplace references in political news to the "905 belt", as if unrelated to Toronto.

5.3.2 Fiscal Health and Public Services

Another risk is to urban quality of life, due to unequal tax base prospects in the City of Toronto and outer suburbs (Frisken et al. 2000). The Metro Toronto government sustained a level of local municipal services that was fairly equal across the city-region of the 1950s to '70s. Sharing the central-city tax base to service the suburbs was a central purpose in creating Metro; by assuming the major costs, including social costs in the mid-60s, and by pooling education costs, it ensured good service levels in poor and affluent areas alike. Metro Toronto in the 1980s took an assertive role in funding community-based services in the inner suburbs, though they never have become as well served as the central city.

Today, the City of Toronto has a higher level of most services than most outer suburbs. But its tax base growth is minimal, unlike those areas. The composition of its housing stock and population, combined with devolved fiscal and services responsibilities, portend ongoing increases in costs associated with low-income population: social housing subsidy, social assistance, community-based services, policing, transit, and others (Frisken et al. 2000). Fixing the revenue-expenditure gap in the operating budget has become an annual drama played out in the media. Revenue prospects, debt levels, and insufficient fiscal capacity were a main impetus in 2003 and 2004 for the City's advocacy to the provincial government for fundamental changes in City powers and governance.³² The legislation that recently ensued, granting the municipality some more powers, is widely seen as leaving most fiscal issues unaddressed.

³² See for example, staff reports adopted by City Council (public documents) on "Terms of Reference for Long-Term Fiscal Plan Committee" (2004); "Capital Financing Strategy – 2004"; and "Achieving an Improved Legislative Framework for Toronto – 'The Right Deal for Toronto is a Great Deal for Ontario'" (2003), respectively at:
<http://www.toronto.ca/legdocs/2004/agendas/council/cc040622/pof5rpt/cl009.pdf>;
<http://www.toronto.ca/legdocs/2004/agendas/council/cc041026/pof8rpt/cl001.pdf>;
at <http://www.toronto.ca/legdocs/2003/agendas/council/cc030521/pof4rpt/cl002.pdf>.

6. GROWTH MANAGEMENT AND HOUSING: LESSONS FROM ELSEWHERE

The experience of other cities, mostly in the US, offers many lessons on how Greater Toronto can connect affordable housing and growth management. This Part 6 canvasses these ideas under the following headings:

- *Regional markets and regional equity* – Because housing markets operate at a city-region scale, they need a policy response at that scale. Regional equity is a frame of thinking about the social goals of growth management, gaining currency in the US and highly relevant to Toronto.
- *Challenges and Opportunities* – Growth Management can pose challenges to achieving affordable housing, but there are large potential synergies.
- *Third sector and multi-partite responses* – In city-regions where no regional governance structure exists nor regional policy goals, third-sector or business-voluntary coalitions have played large roles in putting social goals including affordable housing on the growth management agenda.
- *Public policy responses* – Diverse sources have suggested specific policy/program responses to achieve affordable housing as part of overall growth management goals and strategies.

6.1 Regional Markets and Regional Equity

Thinkers and advocates in the US have found a language suited to the widening social disparities of Greater Toronto today: **regional equity**. When expressed in relation to growth management or “smart growth”, the term **fair growth** is also used. This analysis emphasizes the city-region scale, and the relationship of neighbourhood trends and opportunities to how the city-region is structured. **Metropolitics** is the term for the seeking and building of agendas and coalitions on these matters – across diverse areas of the city-region and at senior levels of government

The regional character of the housing market and its economic and social consequences calls for a regional approach – that is, at the geographic scale of the city-region.

“We have seen that a new ‘metropolitan reality’ has emerged ... over the past half century. Housing markets are metropolitan. Labor markets are metropolitan. Business networks are metropolitan. Commuting patterns are metropolitan. The metropolitan area, in short, sets the ‘geography of opportunity’ within which places, families and businesses exist, live and operate (Katz 2004, p. 18).

Duncan MacLennan (2005, p. 11) also names the regional scale as one of three main levels for “place-based” policy making.

Affordable housing – the focus here – is not the only policy realm needing a regional

approach in pursuit of regional equity, and it is not the largest. Other policy realms are equally or more important (Drier et al, 2001, and other sources):

- Incomes policy, including minimum wages, support to families with children, social assistance, public pensions, unemployment insurance, and job training.
- Transit policy, enabling access for all across the city-region and without which regional housing policies will be of limited effect.
- Provision of child care and a full range of community services in all areas of the city-region.
- Equitable fiscal resources for all municipalities in the city-region.
- "Place-based" strategies for high-need districts and neighbourhoods.

The "sprawl" form of growth is closely related to rising incomes on one hand and disinvestment in older areas on the other. The "pull" of rising incomes and city-region growth propels suburban expansion – as described in Part 2. Options for prosperous move-up buyers are usually greater in outer suburbs. But income inequality and household preferences for homogeneous neighbourhoods also involve a "push" away from poorer, older, or visible-minority areas. Investment in one area – such as new suburbs – means less investment or disinvestment in other areas – such as inner suburbs. "On the demand side, every metropolitan region, even the hottest, contains *relatively* weak submarkets (Buki 2002, p. 13 and elsewhere; Bier 2001).

The new regionalism in the US emerged out of the shortcomings of prior frames of approach. Extensive policy interventions in deprived neighbourhoods in the 1960s and '70s (building on earlier small-scale efforts) shifted in the 1980s to a "people relocation strategy", enabling residents to move to better neighbourhoods nearer to jobs. While this had some success, "the strategy ran into obstacles such as the exclusionary nature of suburban rental housing markets, political opposition to mixed income housing, and the absence of community support networks for those relocated." This led to the new regionalism, spearheaded by researchers, writers and advocates such as Bruce Katz and Myron Orfield. Viewed through the regional lens, "particular neighbourhoods cannot be revitalized without connection to the wider metropolitan labour markets, housing markets, and commuting patterns..." (Bradford 2005, p. 21).

"Despite this new [metropolitan] reality, however, the dominant neighborhood strategy – the neighborhood improvement strategy – has operated, until recently, mostly outside the metropolitan and regional context. This strategy has tended to take the administrative boundary of a neighborhood – often quite limited – as its geography of intervention and looked internally rather than externally to set its agenda and implement its programs...

"In the end, however, neighborhoods are not islands unto themselves. They exist as part of broader metropolitan communities and economies...

"For that reason the first tenet of a complete neighborhood policy is fairly straightforward. Neighborhood interventions need to operate in and relate to the metropolitan geography – the true geography of housing markets, of labor markets, of educational opportunity" (Katz 2004, p. 18).

"The emergence of the region – rather than the city – as the dominant economic and social geographic unit, as well as the decentralization of urban growth, has led advocates for social change to think and act regionally. This 'community based regionalism' is premised on the understanding that the future of low-income communities is tied to broader regional, social, political, and economic factors; and that improving the well-being of low-income neighborhoods requires an understanding of the regional context and taking action beyond a neighborhood or community level" (PolicyLink 2002, p.7).

In US regional equity thinking, the poor opportunities in inner areas and unequal access to opportunities in outer areas are two sides of a coin. "Increasingly, people's life chances are determined by where they live. In many of our nation's metropolitan regions, the outer edges enjoy growth and prosperity, while central cities and inner suburbs experience ... a declining tax base, and increasing concentrated poverty" (PolicyLink 2002).³³

"Regional equity means giving children and families of all races and classes the best possible environment in which to live. Advancing regional equity thus involves reducing social and economic disparities among individuals, social groups, neighbourhoods, and local jurisdictions within a metropolitan area. Regions grow healthier economically when all communities in the region are strong. In essence, 'the fate of the cities is linked with that of the suburbs, the fate of business with that of the workforce, and the fate of the middle class with that of the poor'...

"Reducing inequities within regions mean providing economic opportunity and secure, living-wage jobs for all residents. It involves building healthy, mixed-income neighbourhoods with sufficient affordable housing distributed throughout the region" (PolicyLink 2002, p. 6).

The link to overall city-region prosperity or "competitiveness" is part of this, and ties well with thinking on the urban agenda in Toronto today.

Regional equity is not just about "American" racial divide and inner-city decline, irrelevant to Canada. It has been articulated in US cases now similar to Toronto in various ways:

- City-regions with vibrant downtowns and Canada-like absence of severe urban distress and racial divide – such as Minneapolis, Portland (Oregon) or Seattle.

³³ This quote omits the original's words on population loss, which does not apply to high-growth, high-immigration second-tier cities such as Boston, San Francisco, or Toronto.

- City-regions where ethno-racial diversity and inequality is now immigrant-driven and is years past the post-war dichotomy of Black and White – Los Angeles or New York.
- City-regions where (inner city aside) the social and political geography evokes Toronto: a half-dozen large municipal counties, the centre socially mixed, and wedge-like sectors of privilege and disadvantage extending outward from the centre – Washington DC!

Regional equity is about class as well as race. Yes, race figures in US regional equity discourse, because social class is racialized. But race in many US cities is now about the multi-racialism of immigrant populations. All this applies today in Toronto.

Regional equity layers on a needed social dimension to growth management. “Although smart growth principles recognize the interconnectedness among a healthy environment, a prosperous economy, and social equity, early efforts at implementation often neglected equity concerns. Now, those concerned with equity are increasingly building broad-based, equity-focused alliances pushing for regional agendas to explicitly address the lack of affordable housing, poor school quality, poor transportation, and other dimensions of inequity, in addition to preserving open space and reducing traffic congestion” (PolicyLink 2002, p. 8).

6.2 Challenges and Opportunities: Growth Management and Housing

Making affordable housing part of growth management responds to three imperatives:

- The social imperative: to prevent the concentrated poverty that is arising through the functioning of the regional housing market;
- Potential synergies with growth management’s other goals, including higher-density housing, housing near job growth, and supporting transit usage;
- Addressing any negative effects of growth management on housing affordability, potentially arising from urban growth boundaries and constrained land supply.

(a) Challenges

Urban growth management involving tools such as growth boundaries *may* but *need not* tend to make housing less affordable. To the extent that this restricts land supply, it will tend to raise prices at any given level of demand – unless there are offsetting increases in density to accommodate demand (Downs 2003 speech; Buki 2002; Kalinosky 2001).

Much research and debate has gone on about the price effects of the Portland (Oregon) urban growth boundary: has it seen higher prices as a result, or merely price escalation similar to Seattle and other high tech growth nodes?. The evidence tilts toward the latter (Downs 2002).

It is also suggested that “mixed-use, attractive and well-designed dense communities often experience rising housing costs: vibrant, livable neighbourhoods are in high demand, which increases prices...” (Smart Growth BC, 2005).

Growth management is inherently dealing with how to balance households’ choices in the market with their spillover effects (externalities), in terms of segmented housing markets and the favoured and disfavoured locations that result (Buki 2002). From this viewpoint, growth management is inevitably grappling with housing affordability, even if not explicitly. Better that it grapple with it explicitly. To be effective, growth management must grapple with three related matters:

- How to accommodate middle and upper-income demand in denser forms of housing;
- How to subsidize lower-income housing so that it is not left to the market, reinforcing the push-pull of disinvestment and sprawl;
- How to draw investment to declining areas, to make them a focus for a broad spectrum of demand, and pull housing demand to such areas rather than ever outward in the city-region.

Perhaps inevitably, the elements of growth management that require significant public expenditure are the ones less often implemented (Downs 2003). These include transit investment and affordable housing. Perhaps growth management faces enough challenges without entangling it in affordable housing; but the tangles present opportunities.

(b) Opportunities

The potential synergies between affordable housing and growth management are these (see Downs 2003; Smart Growth BC 2005; Smart Growth Network 2001):

- *Denser housing:* Encouraging more diversity of housing types means more opportunities to build middle and higher-density housing. To be successful, intensification (urban consolidation) policy must identify and encourage denser housing forms that respond to segments of actual housing demand. Diverse and denser housing are most widely supported as a means to growth management objectives of reduced infrastructure costs and transit-supportive land use. Because affordable housing is usually in a multi-unit built form, it serves both social goals and urban structure goals.
- *Reducing commuting:* Encouraging low-cost housing near suburban job growth areas and in mixed-use areas contributes to growth management objectives of reducing traffic congestion and pollution.

- *Job access:* Mixed housing in all areas of the city-region makes it easier for employers to attract the various types of workers they need, and for low-income residents to find jobs – contributing the economic performance of the region.
- *Mixed use and transit orientation:* Multi-rental housing lends itself well to being part of mixed-use districts advocated as part of growth management.
- *Social mix:* Mix of housing enables people to live in a community at all stages of their life, from young renter to old age; this promotes social integration which is often stated as a growth management objective. Meaningful housing choice requires that price and tenure be factored in.
- *Regional targets:* At a practical level, regional targets for multi-unit housing are typically required to serve either or both growth management and/or affordable housing objectives.
- *Neighbourhood reinvestment:* A fundamental approach of growth management is to redirect some housing demand into existing developed areas, rather than out to new greenfields. This is compatible with affordable housing strategies that address neighbourhood disinvestment and seek to draw middle and upper-income demand to such areas, or to maintain mixed social profiles there.

6.3 Third-sector and Multi-partite Response

Bradford's review (2005) of "place-based" policy for Canada noted the distinctive and important role of US "intermediary" organizations in the housing agenda at the city-region scale. "National foundations, regional stewards, and local networks all contributed to the urban policy revival. Various anchored in the philanthropic, business, and community sectors, these organizations effectively cross the three scales of action relevant to an urban agenda" (Bradford 2005, p. 24).

"In between the local and national scales, *regional development alliances* have taken shape. ...business leaders and community representatives have mobilized broad-based civic networks for strategic regional leadership ... In support of such efforts, several regionally-focused urban policy research organizations have emerged. PolicyLink, for example, has developed a 'framework for regional development that places equity at the center of regional growth and development' ... Regional stewards are 'boundary crossers' who combine a 'strong sense of place' with recognition of more 'integrated regional approaches' that connect the economy, community, and inclusion..." (Bradford 2005, p. 24, this quote omitting references found in original).

The embrace of regional equity by voices of disadvantaged populations is a notable shift in the past decade:

"When the concept of regional equity began to emerge in the late-1990s as a

mechanism for understanding and changing opportunity structures in the United States, it was unclear if it would be embraced by social justice advocates...

"It is remarkable how quickly the regional equity framework has taken root in the minds and practices of change agents across the country. Many local and national organizations see that it offers a useful analysis of the structural roots of concentrated poverty in America....

"Building on neighborhood revitalization and community development efforts, regional equity efforts recognize that 'place matters'...the regional equity movement seeks holistic, comprehensive approaches to the needs of low-income communities, underscoring the connection between 'people' and 'place' based strategies" (Funders' Network 2004. p. 4).

Third-sector advocacy is seen as important in framing affordable housing in terms of helping the city-region labour market function efficiently. "The affordable housing issue must consequently be recast as an issue of jobs and housing or of housing for workers; it must be described as crucial to keep the region economically competitive..." (Meek et al. 2003, p. 190). The issues are social benefits in job access for the poor, and also wider benefits in regional prosperity.

Various third-sector, business, and multipartite coalitions are documented at the national and regional levels in the US.³⁴ For example:

- The *Greater Boston Action Committee* commissioned research work, with an ultimate aim to "Create a decision-making and action structure for social equity actors in the Greater Boston area that build a power base for regional equity (Marsh 2003).
- In Chicago, the Commercial Club, embodying the local business establishment, initiated *Chicago Metropolis 2020* almost a decade ago. The latter also includes representatives from labour, community-based and religious organizations and government. "The premise of the Metropolis Project was that the issues facing the region – Cook, DuPage, Lake, McHenry, Kane and Will counties – are interdependent. There are numerous issues vital to our social and economic well-being, which must be addressed regionally. These issues relate to unlimited, low density sprawl; concentration of poor minorities; the spatial mismatch between jobs, affordable housing and transportation; and disparate degrees of access to quality education."³⁵ Special committees were organized housing and five other areas. A housing needs report was issued in conjunction with a regional mayors' body in 2005.
- In the San Francisco Bay city-region, the Bay Area Council, representing 275 large businesses, took on an advocacy and action role in affordable housing among other priorities. These companies were concerned about the lack of affordable housing

³⁴ Examples include Funders' Network 2004; Kalinosky 2001.

³⁵ Chicago Metropolis 2020 webpage at http://www.chicagometropolis2020.org/5_3.htm

near job growth areas. The Council's objectives in housing have been to "(1) work toward regional strategies for housing in the Bay Area, (2) work at the state level to change the incentive and financial structure of housing development, and (3) change the investment and development patterns in the Bay Area to include more mixed-use projects" (Meek et al, 2003, p. 160). Its activities have included producing maps to show job and housing requirements by sub-area; advocating for certain State legislation; monitoring and reporting on local achievement of affordable housing targets; and capitalizing a US\$60 million-plus "Bay Area Smart Growth Fund" to assist mixed-income, mixed-use developments.

Larger, ongoing, proactive multi-partite initiatives exist in some US cities. Greater Boston and Minneapolis-St. Paul have multi-partite funding-and-resource bodies for affordable housing: the Metropolitan Boston Housing Partnership and the Minnesota Housing Partnership.³⁶

Advocates and thinkers see regional intermediaries as having a vital role. "Regional entities can fill an organizational vacuum in the suburbs by advocating for progressive policies like inclusionary zoning; working closely with employers on housing that serves the needs of their employees; working closely with churches, synagogues and mosques to lower the resistance of [to] affordable housing; and, where necessary, producing affordable housing to illustrate what needs to be done and how to do it" (Katz 2004, p. 24).

Third-sector advocacy groups have also mounted campaigns to induce local jurisdictions to embrace fair-share or support local production of affordable housing. For example, a coalition in the San Francisco Bay Area city-region released in 2001 "...a Bay Area Housing Crisis Report Card that brought public attention to cities that were making strides toward increasing the production of affordable housing, and those that were failing to do so. The report card graded each city on public participation in the housing element process [sic], identification of sites for multifamily housing, mixed-use and transit oriented development approaches, and available funding for affordable housing" (Fox and Truehaft 2005, p. 125). In Portland (Oregon), the Coalition for a Livable Future claims a role in putting social equity on the already remarkable regional planning agenda (Harmon, n.d.).

Advocates have frequently put forward principles to guide social aspects of growth management. Affordable housing is typically among a half-dozen or so policy focuses in regional equity, along with transportation, job access, infrastructure funding, land use and development planning, revenue-sharing, education, health and environment.

One example of regional equity principles on housing is found in the PolicyLink framing document of 2002 (PolicyLink 2002, p. 12):

"Achieving regional equity rests on four principles:

- Increase the overall supply of affordable housing;
- Distribute affordable units across the region;

³⁶ See, www.mbhp.org and www.mhponline.org.

- Include affordable housing as a key component of any urban revitalization strategy so that low-income residents are not displaced;
- Develop mixed-income housing as a way to build diverse, inclusive communities.”

Another is in a regional equity document for Greater Boston (Marsh 2003, p.), with:

“...four underlying principles:

- Environmental justice and social equity must be central components of regional development;
- Public transit, affordable housing, workforce development, and open space issues are closely linked and require integrated solutions at the regional level;
- Displacement of low-income residents should be avoided through local and regional mechanisms that connect low-income communities to opportunities and resources; and
- Equitable development is guided by policies that promote balanced land use decisions across jurisdictions.”

The Ontario Smart Growth Network includes affordable housing in its principles and advocacy, among other matters. Of the three principles, one addresses environmental matters, one addresses social and community matters, and one addresses local economies. “We believe that urban development should support healthy, distinctive and attractive communities, with affordable housing and easy access to employment, health care, education, and community services. Urban development should also create a strong sense of place where non-automobile based transportation modes, such as walking, bicycling and public transit, are the most appealing and viable transportation options” (Objective 2.). There are likewise three areas for priority action, the second one being “foster healthy communities”, comprising six points including “Provide a range of housing to meet the needs of all household incomes.”³⁷

A fuller articulation of affordable housing in growth management is found in the Smart Growth BC *Affordable Housing Policy*. “Thus any Smart Growth strategy must also include explicit planning for affordable housing, including a comprehensive evaluation of tools and techniques (such as policies, incentives, public funding, and regulations) that contribute to housing affordability” (Smart Growth BC, 2005). Its policy priorities are noted in the accompanying box.

Intelligent advocacy, business-sector buy-in, and ultimately, elite consensus (Dreier et al., 2003, p. 244) are key to putting these issues on the public agenda and addressing them.

6.4 Public Policy Options – Other Jurisdictions

Advocacy and policy documents from other jurisdictions offer a rich array of policy and program options to advance affordable housing and regional equity. In this discussion,

³⁷ Ontario Smart Growth Network website at <http://www.smartgrowth.on.ca/ourgoals.htm>

“policy” includes programs and activities whether systematic or *ad hoc* – not just comprehensive frameworks or stated intentions. The boxed text accompanying this subsection summarizes some leading examples from a web-search review: a well-rounded set of examples, perhaps not comprehensive. It is a rich set of ideas, though not a lot has been implemented.

What main policy options can be distilled from this miscellany of advocacy agendas and good ideas? Seven distinct policy options are most frequently proposed (named by half or more of these sources):

- Inclusionary zoning: requiring some affordable housing to be included in all or most development proposals.
- “Fair-share” funding allocations and/or fair-share targets, or (alternatively) allocations or targets relating to the locations of jobs or job growth;
- Trust funds for affordable housing, using dedicated revenue sources and/or operating on a regional basis;
- Adequate, reliable, or enhanced senior government funding for affordable housing;
- Senior government incentives, penalties or appeal systems to encourage or require local governments achieve fair-share or other targets;
- Zoning that permits or facilitates multi-unit development, and does not privilege single-detached or large-lot development;
- Protecting existing affordable housing, through measures including restrictions on condo conversion (and/or rental replacement requirements); encouraging second suites (accessory apartments); and local rent controls.

Also getting multiple mentions are these:

- Local incentives, cost reduction or in-kind funding, such as land trusts, lower development charges for affordable or multi-unit housing, and TIFF (tax increment financing, whereby capital funding for the development is borrowed against the future stream of property tax revenues from it);
- Permutations on zoning, development approvals, and regulatory policy, such as lower parking standards, fast-tracking affordable housing development proposals, or other generic reduction of regulatory barriers;
- Enforcing “fair housing” anti-discrimination laws;

Mentioned by one or two sources are these:

- Facilitating development or reducing development risk in low-demand or existing built-up areas of the city-regions, including sundry incentives, re-use of existing buildings, location-efficient mortgages, facilitating mortgage financing or reducing development risk in such areas, de-concentration of public housing à la Chicago, and supporting community development corporations (CDCs);
- Property tax reform or regional tax-base sharing – specifically as a way to affect housing choices (not just a route to equalization of fiscal resources and thereby residents' access to services).
- Housing vouchers to help low-income households get and afford housing in more areas of the city-region, especially near areas of jobs or job growth;
- Enabling or encouraging local planning and monitoring of affordable housing or fair-share;
- Employer-assisted housing, as another way to provide housing near jobs.

<p><i>i) PolicyLink framing paper, 2002:</i></p> <ul style="list-style-type: none"> • Inclusionary zoning, to distribute affordable housing across all areas of a city-region; • “Fair-share” housing allocations, as a means to impel local municipalities to enable affordable housing development; • Housing trust funds operated regionally, as a means to fund some affordable housing from dedicated revenue sources; <p>(PolicyLink 2002)</p>	<p><i>ii) Bruce Katz (Director, Metropolitan Policy Program, Brookings Institution) explaining evolving US thinking:</i></p> <p>“What does this [regional view] mean in practical terms? It means that new affordable housing will need to be constructed in fast-growing suburban areas where jobs increasingly proliferate. Yet this will require changes in the rules. The federal and state governments should consider, for example, leveling the allocation of low income housing tax credits, and placing equal emphasis on areas of growing employment as well as on areas of distress and poverty. In addition, fast-growing counties should consider adopting Inclusionary zoning ordinances that require a portion of all major subdivision developments to be affordable to low- and moderate-income renters.”</p> <p>(Katz 2004, p. 23)</p>
<p><i>iii) Consultant/expert Charles Buki:</i></p> <p>This expert presented a penetrating analysis of housing and regional issues to the blue-ribbon US Millennial Housing Commission:</p> <ul style="list-style-type: none"> • Make it easier for the private sector to develop for all income levels, by: <ul style="list-style-type: none"> ◦ addressing regulatory barriers; ◦ providing risk and financing incentives; ◦ providing more subsidy; ◦ harmonizing other policy realms that touch on housing. • Encourage changes in city-region settlement patterns by: <ul style="list-style-type: none"> ◦ making development easier in low-demand existing inner areas; ◦ encouraging mixed-income housing in new suburbs; [and other steps]. <p>(Buki 2002)</p>	<p><i>iv) Boston regional equity paper:</i></p> <ul style="list-style-type: none"> • State infrastructure incentives and funding penalties for municipalities not adhering to targets affordable housing production; • Rezoning for multi-unit housing, and fast-tracking such applications; • Inclusionary zoning for all metropolitan jurisdictions; • Increase the share of dedicated-use funds going to affordable housing; • Municipal “home rule” for rent stabilization/controls; • State government incentives for “smart growth” housing. <p>(Marsh 2003)</p>

<p>v) National Neighbourhood Coalition</p> <ul style="list-style-type: none"> • Reverse exclusionary large-lot zoning, and provide more multi-unit zoning; • Inclusionary zoning; • Development levies (impact fees) that are lower for multi-unit housing; • Fair-share housing targets, and federal funding allocations contingent on this; • Mitigating gentrification through community land trusts, condo conversion restrictions, replacement requirements, and other steps; • Enhanced funding for affordable housing, including federal allocations and local or regional measures such as trust funds <p>(Kalinovsky 2001).</p>	<p>vi) Smart Growth Network (US):</p> <ul style="list-style-type: none"> • Reduce zoning and regulatory restrictions against low-cost housing; • Regional fair-share housing allocations; • Fiscal incentives such as Tax Increment Financing for affordable housing; • Funding, including Low Income Housing Tax Credits, Community Development Block Grants, and public housing redevelopment; • Community land trusts, to assist non-profit groups in getting sites and to sustain these affordable housing for the long term; • Preserving and re-using existing housing and buildings <p>(Arigoni 2001);</p>
<p>vii) American Planning Association resource document:</p> <p>Four main thrusts from existing experience:</p> <ul style="list-style-type: none"> • Fair-share allocations of targets and/or funding, and related incentives • Regional housing trust funds • State-level appeals from local land use and development decisions • Private-sector coalitions and advocacy <p>Several “best practices” in policy/programs:</p> <ul style="list-style-type: none"> • State government leadership – essential for its fiscal capacity and legislative power, co-ordination with infrastructure planning and funding, and to lead monitoring/reporting. • Removing local regulatory barriers, especially in land use regulations. • Reliable sources of affordable housing funding; • A full policy/program “toolbox” for local governments: inclusionary zoning, planning and monitoring, trust funds, development charge waivers; allowing second suites, etc. <p>(Meek et al., 2003: ch. 4-7 and pp. 189-196)</p>	<p>viii) Chicago 2020 Alliance:</p> <ul style="list-style-type: none"> • Public housing redevelopment, to de-concentrate poverty; • Housing vouchers, to help people live outside deep-poverty areas and near jobs; • Expanding the federal Low Income Housing Tax Credit allocation for the City of Chicago (from US\$35 to US\$49 million) • Supporting local community development corporations • Steps to increase creditworthiness for low and moderate-income households • Enforcing “fair housing” anti-discrimination laws. • A commercial “compact” with employers to locate jobs in areas of mixed housing. • Employer-assisted housing; <p>(Johnson 1999, pp. 89-94)</p>

<p><i>ix) Portland metropolitics agenda:</i></p> <ul style="list-style-type: none"> • “Barrier-reduction” as a condition of federal, state or regional capital funding: <ul style="list-style-type: none"> ○ elimination of zoning deterrents such as large lot sizes, ○ eliminating prohibitive levies or scaling them by unit size ○ ensuring multi-unit zoning; • Regulatory mandates and incentives, e.g.: <ul style="list-style-type: none"> ○ fair-share targets ○ fair-share funds ○ regional revenue-sharing ○ inclusionary zoning ○ rental housing replacement requirements; • Region-wide housing and development fund; • Regional monitoring of discriminatory practices, and counselling households. <p>(Orfield 1998)</p>	<p><i>x) Smart Growth BC – housing priorities:</i></p> <ul style="list-style-type: none"> • Municipal housing strategies are required as part of growth management; • Municipalities should implement policies supporting “affordable housing and compact, complete communities”. • These strategies should include a range of housing in tenure and type, matching the demographics of the community, and integrated within neighbourhoods. • Rental housing should be protected. • Second suites should be legalized. • Development levies (“Development Cost Charges” in BC usage) should vary by density, unit size and location • Reduced parking standards are desirable to help make housing more affordable. • Targets should be set for the proportion of multi-unit housing and the proportion of rental tenure. • Federal and provincial funding for affordable housing should be provided. <p>(Smart Growth BC 2005)</p>
<p><i>xi) Regional Plan Assoc. (New York):</i></p> <p>Preliminary ideas in an analysis of the trends:</p> <ul style="list-style-type: none"> • Inclusionary zoning • Linkage fees or jobs-housing linkage fees • Accessory dwelling units • Regional housing trust funds • Employer-assisted housing • Location-efficient mortgages • Property tax reform • Regional tax base sharing <p>(Perrotta/Reg. Plan Assoc. 2004, pp. 45-46).</p>	<p><i>xii) Place Matters: Metropolitcs (Dreier):</i></p> <p>This source addresses overall metropolitan political and other policy strategies for regional equity. Threaded through its thoughts and proposals are several housing policy items:</p> <ul style="list-style-type: none"> • Inclusionary zoning, • Enforcing anti-discrimination “fair housing” laws, • Housing vouchers, administered on a city-region basis • Federal housing funding targeted to housing near low-wage jobs; • Regional administration of housing programs <p>Dreier et al., pp. 239ff; 257-258; 269-271)</p>

6.5 Policy Options – Discussion

(a) Sorting the policy options

How can such policy options be assessed? This report does not attempt a full sifting of pros, cons, feasibility and effectiveness of all options equally. Some options are important, others less so. Some are better-explored than others in the Canadian, Ontario or Greater Toronto context. The sources reviewed tend to stress options under municipal control, and not the all-important housing subsidy system.

The box-text miscellany of good ideas and advocacy agendas is sorted into three categories in this discussion:

- There are three policy options on which this report offers substantial reflections.
 - Public Investment and Subsidy
 - Inclusive development
 - Rental assistance

These are central for moving affordable housing policy thinking forward in the Greater Toronto context. The first of these embraces quite a number of the policy options identified above, including fair-share, levels of senior government funding, trust funds, and forms of local assistance. The second, inclusive development, homes in on the question of whether social mix will be part and parcel of urban development and city-region strategies, or will be just a minor element of city-building, a fiddling-at-the-edges, dependent on the vagaries of public funding. The third, rental assistance, appears fundamental for reasons argued below.

- There are three housing-and-planning policy options which are vitally important and yet – being either well-explored or under-explored elsewhere – are just briefly discussed here. These are land use and development policy; policies to draw investment to low-demand areas; and housing policy relating to existing rental.
- Finally are a handful of policy options which this discussion sets aside. Some appear far more general than housing policy vis-à-vis growth management: more equitable property taxes, regional revenue-sharing, generic regulatory barriers. Some appear rather marginal on an agenda for housing and regional equity: local strategies and monitoring, employer-assisted housing, and second suites (accessory apartments). The matter of senior government incentives, penalties or appeal systems falls partly under the funding rubric and partly under land use and development policy. One option – fair housing anti-discrimination laws – appears of small relevance in Toronto.

(b) Brief reflections – three key policy options

This subsection visits briefly three areas of housing and planning policy:

- Land use and development policy;
- Policies to draw investment to low-demand areas of the city-region.
- Policies relating to existing rental housing;

Land use and development policy

On land use regulation, strategic urban planning, and community design there are many studies, including Ontario or Toronto-related ones. This report's main focus is housing policy, not planning and development policy. Let us simply note in passing a few key points on planning and development policy that stand out vis-à-vis the themes of this report:

- Zoning regulations that limit multi-unit housing make it difficult to build affordable housing. Such restrictions are sometimes a deliberate way to exclude lower-income or rental households; in other cases they simply reflect planning norms, the market-oriented interests of developers, and attitudes of existing owner-residents. If land is pre-zoned, or if approval processes are simple, affordable housing developers can secure sites and make their way through community opposition to project approvals with far less cost and more certainty.
- Overall urban development plans (Official Plans, in Ontario) therefore need to ensure that planning for affordable housing is integrated into land use and development planning, with a foundation of study and analysis, and must ensure that such sites are available in each local development area;
- "New urbanism" proposals, with their merits in community design and diverse densities and building forms, can address goals of regional equity and social mix if they incorporate rental tenure, affordable housing, and transit orientation – but not otherwise.
- Affordable housing, just like condominiums, is a "natural" form of denser housing to achieve and build out transit-oriented intensification nodes and corridors.
- Land use decisions on affordable housing cannot be left only to local municipalities, whose mandate and political dynamic is to respond to local interests rather than regional needs. Systems for nesting local plans into broader plans are important to achieve affordable housing goals, as are systems of appeal from local decisions to ensure this is the case (Meek et al. 2003, chapter 6).
- Specific incentives such as fast-tracking or lower parking standards are enhancements but are not central in the barriers or the agenda.

Urban reinvestment in low-demand districts

Facilitating development and reducing development risk in low-demand districts in existing built-up areas of the city-region is important. US documents identify this as serving regional objectives, not just neighbourhood ones.

As income polarization proceeds in a city-region, “sprawl” becomes driven not only by the outward “pull” of middle and upper-income demand and the ease of greenfield development. Demand also becomes driven by a “push” away from poorer, older, low-quality or visible-minority areas (sections 6.1, 6.2). These become an unattractive option for middle-income buyers with real choice in the market. Disinvestment in older, inner areas is the flipside of investment that is skewed to urban fringe development.

In such a context, public investment in disadvantaged areas may be a vital tool to create demand where it is weak. “To the degree that the work of neighborhood revitalization is the work of creating demand where there isn’t any or where it is weak, or at least reducing the extent to which demand is *pushed* elsewhere within a region, large scale, place-based approaches should be reconsidered as a distribution tool” (Buki 2002, p. 13).

Addressing this may require public investment in areas where market-led investment will not otherwise happen. It may also be addressed through other incentives – a complex realm, beyond the scope of this report to assess. Incentives and options identified in the box-text sources above include re-use of existing buildings, location-efficient mortgages, mortgage financing / development risk incentives, and supporting CDCs.

Policies relating to existing rental housing

Protecting existing affordable rental housing remains important. It is so even if existing rental locations manifests or reinforce a relative concentration of low and moderate-income residents in certain neighbourhoods. None of the sources reviewed suggested that regional equity will be served by allowing market forces to reduce the supply of existing housing. It is better to find affordable housing in a less desirable neighbourhood than to find it nowhere.

So policy options that are entrenched or often advocated in affordable housing today – condo conversion controls, rent controls, encouraging second suites, and others – are not contrary to regional strategies. Regional strategies should recognize these policy options and then push the envelope elsewhere, to create the opportunities for social mix both in older, inner areas and outer, newer ones.

(c) Reflecting on Policy Options: Public Investment and Subsidy

Achieving mixed-income communities across city-regions requires building a purposeful mix in new suburbs; mixing in affordable units when intensifying existing suburbs; and regenerating older neighbourhoods. This usually calls for public investment and subsidy.

In housing investment and subsidy as an aspect of growth management, three main themes and ideas emerge from the examples reviewed. Also noted above was urban reinvestment, which may involve some mix of public investment and incentives.

- Sufficient public funding and investment
- Fair-share allocations and “jobtropic” allocations
- Dedicated revenue sources and regional funds

Sufficient public funding and investment

Rarely do US examples identify amounts of funding required to achieve affordable housing goals, whether capital investment or ongoing subsidy. This reflects the environment of scarce funding – although richer than in Canada. Few US documents provide any analysis, for example, of how much difference would be made with funding for 500 or 1,000 or 5,000 units over a period. It is more a case of pushing for a little bit more, or for spreading current funds around. A notable exception was the Chicago document recommending an increase in annual tax credit funds beyond \$35 million annually – for the central city!

Always in these documents – sometimes an implicit premise and sometimes a direct argument – is the idea that new supply is required. In a context of slow growth, simply helping low-income people where they now live would fail to address regional equity issues of housing mix, job access, disinvestment in some areas, and concentrated poverty. In a context of faster growth, failing to fund new supply will all but ensure that incremental low and moderate-income demand is channelled into a limited number of less-favoured locations in the city-region, creating concentrated poverty.

Local incentives, cost reduction or in-kind funding are useful but nowhere near sufficient. None of the sources reviewed give any sense of their potential; several of the sources place a far greater emphasis on larger-scale approaches from sources with a more suitable mandate and fiscal capacity. Local (as distinct from regional) contributions are on the list because they are a good thing, not because they respond, in any adequate way, to either the scale of need or the imperative of regional policy-making.

Fair-share allocations and “jobtropic” allocations

The distribution of new housing subsidy among local communities across the city-region has been flagged and analysed as having major consequences.

Prominent in many places is the concept of “fair share”. This is the idea that each municipality in a city-region should have – or try to achieve – an amount of affordable housing proportionate to its share of regional needs, growth, population or some mix of factors like these.

“Fair-share” affordable housing targets exist in many jurisdictions, quite apart from funding. In New Jersey, this uses a complex formula that takes account of present and future need; equalization (factoring in price levels, land supply, existing concentrations, and employment lands locations); changes in existing stock (price filtering, demolition,

conversion, etc.) and credits for recent affordable housing development. As with emissions trading, adding in some market principles may lubricate the system: New Jersey permits one municipality to transfer fair share targets to another by mutual consent – and with a payment for the units (Meek et al. 2003, pp. 32-40). Likewise, the (Greater San Francisco) Bay Area Council of Governments allocates the regional share of State-wide targets among the various municipalities or counties, based on a formula that includes household growth, employment growth, jobs-housing ratios, income distributions, and other factors (*ibid.*, pp. 48-55).

Regional strategy, and certainly fair share, requires a regional role in analysis and monitoring. Fair-share formulas depend on such capacity, and without capacity to report on performance there is little point in setting targets.

In some jurisdictions, incentives are in place, at least in principle. In Greater Minneapolis-St. Paul, the intended incentives include changes in local shares of regional funds for community development, transportation infrastructure, and environment. This is not to say that such incentives or targets operate with great effect in practice (Meek et al. 2003, p. 92).

Regional equity documents strongly question current allocation practices which target most funding to high-needs areas. For example, US Low Income Housing Tax Credit funding for new affordable rental has been skewed to central cities (58 percent), and neighbourhoods with already high needs and large visible-minority populations (Freeman 2004). This reflects federal criteria and State allocation formulas that are geared mostly to housing need. In Greater Boston, production over the years has been highly concentrated in a handful of mostly central-city municipalities and older working class satellite towns with political support for affordable housing (Marsh 2003, p. 12).

New affordable housing is typically targeted to high-need localities “because many residents there are in need, land is inexpensive, and there is often less community resistance to lower-cost housing. The problem, however, is that this reinforces regional concentrations of poverty. Providing opportunities for low-income residents to move into mixed-income neighborhoods allows access to jobs, better schools, and other important services” (Fox and Treuhaft 2005, p. 14).

Some jurisdictions have taken steps to allocate available funding to areas where job growth is occurring – what we may call “jobtropic” allocations.³⁸ For example, the responsible State agency in Wisconsin carried out an analysis to identify areas of job growth and give such areas added points in the formula for local allocations of Wisconsin’s federal funds (Fox and Treuhaft 2005, p. 129).

Advocating jobtropic allocations has become more common among social-sector voices in the US. This is a striking leap to embracing the big picture among people whose roots and constituencies are usually in high-need older local communities.

³⁸ If a sunflower is heliotropic, and a psychoactive drug is psychotropic, then an allocation that follows jobs is “jobtropic”.

Dedicated revenue sources and regional funds

Trust funds based on dedicated revenue sources repeatedly show up on lists of policy/program options. Likewise, several of these sources advocate region-wide funding sources. Trust funds have been catalogued in numerous US sources and have been reviewed for relevancy to the Canadian context.³⁹

But why are trust funds such a recurring idea when in one sense they are just a permutation of the basic question of funding? Six reasons are apparent:

- *Supplementary funding:* Trust funds have emerged as local and regional tools to grapple with an environment of scarce funding from federal and State/provincial revenues.
- *Borrowing a recipe:* It is easier politically to get approval for a contained, targeted proposal – to borrow a successful model from another place – than to set a full regional housing strategy, fully integrate development planning and affordable housing, or bring about substantial changes in public spending priorities.
- *Special funding sources:* Trust funds are often sourced from dedicated taxes, or shares of these, that are related to property development and urban growth. A dedicated funding source pairs well with a special trustee to administer it.
- *Regional function when regionalism is absent:* Operating regionally, a trust fund has advantages vis-à-vis either local or senior government approaches. It can be a step removed from local land use decisions, yet more geared to regional goals than federal and State/provincial funding ever could be. Trust funds can be put in place at a regional scale without any fundamental governance changes in a fragmented city-region.
- *Quasi-government, less political:* Trust funds can be operated on a quasi-government, third-sector basis, or on a more business-like basis, if there is weak political will or if there is a desire to remove funding from the vagaries of political tides, local land use decisions, or inter-municipal jealousies.
- *Lending as well as grant-making:* Trust funds can include a lending function, sourced from private-sector funds, as well as a grant-making function using public funds.

Regional funds are advocated because it is at the city-region level that the logic of allocating to growth areas can be seen and acted upon – or to some mix of growth areas, reinvestment areas, and areas of need.

³⁹ Drdla 2000. For a good overview of selected US funds, see Meek et al., 2003, chapter 5.

(d) Reflecting on Policy Options: Inclusive development

“Inclusionary zoning” or inclusive development involves requiring or encouraging developers to include affordable housing in private development, as a condition of planning or regulatory approval. Usually this involves developer contributions in the form of housing units or land. It has become an integral part of the urban planning and development system in England and in wide areas of the US.

The key arguments for inclusionary development are four:

- The gain in land value realized in urban development arises from overall growth of the city-region, facilitated by public infrastructure investment and triggered by public land use decisions. Only the value of the building and site improvements arises from the actions of an owner or developer. The public therefore has a fair and reasonable claim on a share of the gain in land value, for public purposes.
- Urban land and housing costs are set mostly by middle and upper-income demand: this is what makes housing so hard to afford for people with low incomes. It is therefore sweet and fitting that developments serving middle and upper-income demand make payments to mitigate the consequences for other people.
- Inclusive development is simply an effective and direct way to achieve socially mixed communities – an urgent agenda today.
- Inclusive development enables more cost-effective use of public dollars. It enables public-sector or non-profit development to readily get sites, to benefit from development efficiencies as part of larger projects, and to afford brownfield or higher-value locations without shelling out extra public dollars.

In England,⁴⁰ inclusive development is now an entrenched part of the planning system (Crook et al., 2002; Oxley 2004; UK, Whitehead et al. 2005). Originating in planning practice circa 1980, developer contributions to public benefits including affordable housing were explicitly enabled in section 106 of the 1990 *Town and Country Planning Act*. In the UK this is referred to as “planning gain”. This term evokes the underlying concept that the public authority takes a portion of the unearned increased land value.

The UK central government has made planning gain and section 106 a matter of systematic policy development, policy research, and policy guidelines to local authorities. The Rowntree Foundation has also supported research as part of its housing policy agenda. Section 106 agreements must be rooted in an analysis of local housing needs. Recent policy debates and proposals have considered how to resource local authorities to yield more efficient results, and whether to turn negotiated contributions into a fixed tariff.

Across England in the 1990s, 10,000 to 12,000 affordable dwellings annually were supported by section 106 agreements with developers (Crook et al., 2002). By 1999-2003,

⁴⁰ The discussion refers to England, not the UK, as Scottish and Welsh policy is now distinct.

the average was 18,000 units, rising through the period. In either period this equates to about 13 percent of total housing completions. About half of all affordable units involved section 106. Put another way, 2 in 7 housing units completed have been affordable, and 1 of 7 involved section 106 agreements. The same patterns apply to London and to the Southeast Region: about half of affordable rental completions involved section 106.

Most of these units still involve public subsidy – in fact as much public subsidy as is required for non-section-106 units. What section 106 has achieved is the following:

- Integration of affordable units into mixed-income developments;
- Affordable rental units in higher-density redevelopment and brownfield areas, which would otherwise require more than usual subsidy.

“...planning gain has probably changed the geography of social rented housing, providing more affordable homes in areas of high house and land prices and growing employment opportunities, and has fostered more mixed communities” (Crook et al. 2002, p. 45).

“...large, mono-tenure social housing developments are no longer being brought forward... High-profile developments supported by Government have underscored its commitment to building mixed communities. The Millennium Villages initiative organized by English Partnerships, has given rise to new developments that mix social housing with market-rate units for owner-occupiers” (Berube 2004, p. 28).

But inclusionary development has also achieved some units without subsidy: about 2,000 to 2,400 units annually England-wide, including close to 1,000 in London and the Southeast. It is believed that this can rise to 3,000 with clearer policy guidelines.

If the UK system were transposed to Greater Toronto, public funding would support about 3,000 new affordable rental units annually, half of them also benefiting from inclusionary development agreements; there would also be 500 or so affordable ownership units under such agreements and another 300 affordable units achieved without public funding. These would be equitably distributed across the central city, inner suburbs and outer suburbs.⁴¹

Inclusionary zoning in the US is well documented.⁴² It generally involves providing affordable housing as a fixed percentage of a negotiated density increase. It is facilitated by State law in California and New Jersey – though inconsistently implemented – and

⁴¹ Detailed data for 99/00 through 02/03 (from Whitehead et al. 2005), with calculations here on that data to yield these annual averages: London 2,472 (S106) of 5,365 affordable rental units (46%); SE 2,026 of 3,879 (52 percent); London 681 (S106) of 2,012 affordable ownership and miscellaneous categories; SE 897 of 2,269 (40 percent). Comparative European studies put the London “functional urban region” at 12 million, Greater London being the inner two-thirds. The combined population of London and the Southeast is 18 million, but this includes relatively autonomous urban centres such as Southampton, Portsmouth, Cambridge and Peterborough. To equate to Toronto we can reasonably take one-third of combined London and Southeast data.

⁴² Notably, California Coalition 2003; Brown 2001; Calavita and Grimes 1998; Calavita et al. 1997; Malach 1984.

commonplace in some other city-regions including Greater Washington. The priority in the US is lower-priced home-owner units with no public funding, in contrast to the UK where public funding is usually stacked on the developer contribution to achieve affordable rental.

In California, Inclusionary zoning has achieved 34,000 units in 30 years – a small total in a State almost doubling in size to 36 million. But its use has been escalating in the past decade with rising public concern about affordable housing. The 15 municipalities with the highest yields – mostly suburbs of middling size – each typically achieve 50 to 100 units annually (California Coalition 2003). The top-yielding jurisdictions each averaged 200 to 400 a year over varying periods up to 2003. These were Santa Barbara County (about 400,000 population, suburban LA), Irvine (200,000, suburban LA) and Roseville (100,000, suburban Sacramento).

In Greater Washington, Montgomery County (Maryland) is the poster-child of inclusionary zoning, starting in 1974. Suburban Washington – in both Maryland and Virginia – is governed mostly by large municipal-like counties akin to regional governments in Ontario. Each of the four main suburban counties has had inclusionary zoning in some form, each with ups and downs over the years responding to development volumes and political tides.

The inclusionary zoning yield for the Washington city-region is estimated at 15,250 units over almost 30 years to 2003 (Fox and Rose 2003, p. 15). This averages 500 units annually – a quite modest amount for region growing from about 3.2 to 5.8 million over the period. Montgomery County led; its 10,600 inclusionary units were about 7 percent of its household growth over the period.⁴³ Policies typically target lower-middle incomes – typically 65 to 80 percent of median and rarely below half of median (equating to about \$40,000 to \$50,000 income in Toronto). Just 3,800 units remained under restrictions by 2000 in Montgomery County, which by then was largely urbanized. As in the UK, inclusionary units accounted for half of Montgomery County's added affordable units over the period (Brown 2001).

Yet inclusionary zoning is much more than a tool for moderately-priced ownership in greenfield subdivisions. In recent years, it has been adopted by US central cities including San Francisco, Denver, and Boston, experiencing booming real estate markets and house price escalation.⁴⁴ In Montgomery County and various other areas, the local housing commission and non-profit housing agencies have preferential access to purchase up to 40 percent of units, to be operated as permanent affordable rental, using vouchers. (The actual total was just under 1,500 or 14 percent up to 2000.) Many jurisdictions are increasingly requiring long-term affordability for terms such as 30 years (Fox and Rose 2003, pp. 28-32; Brown 2001).

Inclusionary zoning has been variously examined and advocated for relevance in Canada.⁴⁵

⁴³ Montgomery County's decennial household counts 1970-2000: 156,700, 207,200, 282,200, 324,600 (US Census).

⁴⁴ I am indebted to Richard Drdla for informing me on this matter.

⁴⁵ Richard Drdla Associates 1993, 1997, 1999; Malone Given Parsons 1991; Starr and Pacini 2001; Comay Planning Consultants et al. 1990; British Columbia 2005. Drdla and others would make clearer distinctions than this report does, between mandatory and voluntary systems, and between

The City of Vancouver has implemented it in its requirement of 20 percent social housing (originally 20 percent Core Need) in new neighbourhoods. Not unlike the English experience, there the inclusionary policy provides the site for development; provincial or federal-provincial subsidies – and City funds in some cases – are still required to build and to achieve affordable rents (Gray and Ramsay 2002).

Some essential lessons can be drawn from the UK and US experience. Inclusive development does or can achieve:

- *Higher or more reliable levels of output* – Affordable housing production can happen wherever much private development is happening – rather than struggling with one-off site acquisition and land use approvals.
- *Housing in growth areas* – Inclusive development achieves a mix of housing in areas of growth, be they central-city or inner-suburb redevelopments, or in outer suburban greenfields and transit nodes. It piggy-backs on areas of market strength, and avoids isolating lower-income households in areas of disinvestment.
- *Integration with intensification nodes or corridors* – Being often multi-residential in form, affordable housing realized through inclusive development supports growth management objectives of higher densities and transit-oriented development.
- *Overall social mix* – Because it accompanies private development, it achieves a relatively fine-grained social mix at the local level. It avoids the isolated suburban social housing project.
- *Range of affordability* – It can produce housing ranging from affordable ownership to low-income rental. This tends to mitigate concentrated poverty.
- *Roles for public, private and non-profit sectors* – Inclusionary housing engages the private sector in meeting community objectives and encourages arrangements between the private and the non-profit sector.

But inclusive development is not shown to achieve:

- *Affordable rental housing without public funding* – The amount of implicit cross-subsidy is not sufficient to achieve significant amounts of affordable rental housing without public subsidy. It may achieve modest amounts of affordable ownership housing without subsidy, and minor amounts of affordable rental.
- *Simpler development process* – Inclusionary development involves some administrative steps and legal costs. If implemented on a negotiated basis as in the UK, it entails significant time and energy for developers and local authorities.

US “inclusionary zoning” and the UK or Vancouver negotiated systems with stacked public funding.

- *Sufficient scale to meet needs* – Inclusionary development has nowhere achieved a scale of production comparable to the annual increment in low and moderate-income housing needs.

e) Reflecting on Policy Options: Rental assistance

Rental assistance is a large part of housing policy and programs in most western countries. Such demand-side assistance is also called housing allowances, shelter allowances, or vouchers.⁴⁶

Why put rental assistance on a list of regional housing equity tools? Vouchers are not a frequent item in the box-text sources in section 6.4, of regional equity advocates' policy-program options. Yet efforts to de-concentrate poverty at the regional level have been a major focus of policy of the US Department of Housing and Urban Development (HUD) over the past two decades, through divergent presidential administrations.

In the US, housing vouchers are now the largest subsidized housing program, serving 1.2 million households, about the same as traditional public housing (see Katz 2004; McClure 2006). Voucher recipients live in far more dispersed locations than public housing tenants. Likewise in the UK, the Housing Benefit is a larger expenditure than supply-side programs.

HUD has systematically explored the use of housing vouchers to enable poor households to escape deep-poverty neighbourhoods and live near suburban jobs.

- Most broadly, the generic Housing Choice Voucher Program (formerly Section 8 Vouchers) assists 1.2 million households.
- The specific court-ordered Gautreaux initiative in Greater Chicago targeted Afro-American (Black) households to help them move to non-segregated areas.
- Starting in 1992, the MTO (Moving to Opportunity) program in five metropolitan areas – New York, Los Angeles, Chicago, Boston and Baltimore – provided vouchers to 4,200 households that were required to move to low-poverty areas. MTO results have been carefully compared to households receiving regular vouchers without location restrictions and to those receiving no vouchers.⁴⁷
- The HOPE VI program of public housing redevelopment has likewise had an aim of de-concentrating poverty – on a non-voluntary basis. It typically achieves income mix by moving significant numbers of residents out, some of them replaced by middle incomes (in contrast to Toronto's Regent Park redevelopment which is

⁴⁶ This does not include the new Ontario "housing allowance" which is a shallow rent supplement, attached to the unit and not portable.

⁴⁷ Results of Gautreaux and MTO are voluminously documented. Summary or recent sources include Goetz (2004), McClure (2005), Feins and Shroder (2005), Varady and Walker (2005), Basolo and Nguyen (2005). McClure (2006) compares results from generic HCV, MTO and Gautreaux. Administrative strategies are the subject of Katz and Turner (2001), Marr (2005), Basolo (2003).

mixing by densifying). HOPE VI, however, fundamentally targets neighbourhood issues rather than being part of a regional strategy.

Results of these programs have a strong half-full, half-empty quality. On the positive side:

- Vouchers have enabled low-income households to live in a wider range of areas across the city-region. This has been more successful in some cities (e.g. Varady and Walker 2003 reporting on Alameda County/Oakland California) than in others.
- They have positive effects on the neighbourhood conditions of voucher recipients, especially safety.
- There is some benefit in employment and earnings, but not much.
- There are improved outcomes for children and youth, from growing up outside deep-poverty neighbourhoods.
- Vouchers perform much better than the market in terms of living in *high*-poverty areas: only 6 percent of voucher recipients live there versus 12 percent of low-income renters in general. Voucher recipients are less likely than other poor households to live in distressed neighbourhoods, although remain more likely to live there than tenants as a whole.

In MTO, 72 percent of voucher households that successfully found a place leased it in an area of less than 15 percent poverty. This is net of the many who could not successfully find a place to rent in the time allowed – common for vouchered and voucher-less alike. This 72 percent went down to 43 percent by a couple of years later, as households moved again (McClure 2006, esp. pp. 4-6).⁴⁸

Deconcentrating poverty through voucher programs has a number of shortcomings or criticisms (Goetz 2004, McClure 2006, and other sources):

- Voucher recipients' housing choices remain fundamentally restricted by lack of moderate-rental housing in suburban or other low-poverty areas. This is compounded by landlord discrimination and local backlash.
- Rent limits in the programs typically exclude half the rental units in the regional market.
- Vouchers sometimes just shift problems around. Programs that target low-poverty destinations "cream" those with higher motivation and most likely to succeed, leaving behind even more concentrated problems. Moving to slightly better-off areas can raise poverty levels there and put stresses on local services.

⁴⁸ The 72 percent was down to 39 percent in the first instance, if measured against a stricter criterion of tracts with less than 10% poverty rather than 15%. But to apply this strict criterion, as much of the literature does, is to expect voucher residents to move to the most affluent one-half (McClure, p. 8) of US urban census tracts – most likely the areas with higher prices and little rental.

- Recipients usually move relatively short distances, with only modest improvements in housing and neighbourhood conditions. Households tended to drift back to lower-rent areas, to save on rent or to be near local services and social networks.
- Vouchers perform little better than the market in terms of living in *low*-poverty areas: 43 percent of suburban voucher recipients are in low-poverty tracts versus 39 percent of poor renters there; for central cities it is 14 percent versus 11 percent. In a program of 1.2 million households, this is a difference of just 55,000 or 5 percent.

There are fundamental criticisms, too, on strategic grounds. The programs fail to address major dimensions of concentrated poverty. “they must remain small to remain politically viable, but smallness ensures they will never address concentrated poverty adequately”. These programs play on middle-class unease with low-income people – both in the high-poverty neighbourhoods people move from and the low-poverty areas where they move to. Vouchers do not create moderate-cost rental where it is lacking, nor address the middle-class exodus which is a key driver of concentrated poverty.

The US experience brings some other lessons as well:

- Vouchers are best administered on a region-wide (metropolitan) basis to give recipients effective choice in the market. US vouchers have achieved less than they might due to the fragmented geography of housing authorities that administer them. In some cases, co-operation among housing authorities has been important for program success
- It appears that counselling and landlord outreach by a public or community can assist successful outcomes – though opinions differ.
- Vouchers work best in soft markets (with higher vacancies and softer rent increases), as that makes landlords more interested in dealing with government agencies or taking low-income tenants.

In sum, vouchers can be a very useful tool to de-concentrate poverty and improve people’s neighbourhood conditions and job access – but they are not a sole solution. They give people wider access to rental housing in the many areas that have middling levels of poverty, but they do not give low-income people access to truly affluent areas. They will be useful in tandem with policies to ensure adequate moderate-rent supply in suburban or other middle-and-upper-income parts of the city-region.

7. CONCLUSION: IMPLICATIONS FOR GREATER TORONTO

7.1 A More Unequal Housing Market

The Toronto urban model of a generation ago is long gone. Not just in governance and infrastructure investment: it is profoundly true in the social landscape too, in “who lives where” and community mix. Greater Toronto now shares with most big cities of the Western world some difficult trends and challenges.

Changing Workforce, Population, and City-building Model

In the past generation two great changes have converged to create the new landscape. The first great change is in the labour market and – inseparably – immigration. The second great change is the city-building and affordable housing regime. Understanding how these have converged helps put a clearer light on housing needs and policy choices.

Disparities are much wider today in income and job security, reflecting global workforce trends and some reductions in social transfer income. The middle class is not declining: a disproportionate one-half of job growth has been professional/managerial jobs. But this benefits the upper-income half of the population, or those moving into it. Manufacturing has declined relatively, and there is some shift toward lower-skilled and lower-paid service jobs in all sectors. Despite enormous economic growth, wages of the lower 40 percent or so have not risen in real terms in close to 20 years. Canada and Toronto are inching toward a more polarized labour force seen earlier and more sharply in the US and UK. This most affects those new to the workforce: youth and newcomers.

The social consequences of workforce change are inseparable from immigration, and the ethno-racial disparities that result. New immigrants’ declining earnings are explained not only in language and source country and under-valued credentials. New immigrants are structurally disadvantaged as new entrants to the Canadian labour force, most affected by change at the margin, as firms come and go, as one sort of job replaces another. The large numbers have labour-supply impacts on wages and opportunities. Newcomers today compete with a domestic population (Canadian-born or -raised) that is much better educated than in the past. Such effects are creating a society where – though people from various ethno-racial groups are found in all social classes – people in certain visible minority groups are much more likely to be poor. People born in Canada have had, in aggregate, no growth in poverty since 1980; the fallout from the new inequality is entirely on newcomers.

Home-ownership has been more affordable in the past decade than anytime since the 1960s. Growth in professional jobs propels great upward mobility in income, and outward mobility in urban space. Owners are diverse in income and ethno-racial group; visible minority presence in the “905” suburbs tracks upward, just a bit behind the City of Toronto.

The suburbs expand at 25,000 homes a year or more. But incomes of the upper half dominate housing production and housing prices. Market and demographic factors have turned against rental demand. In the 1960s and ’70s, rising mortgage interest rates and

demographics (young adult baby-boomers, and elderly often lacking public and private pensions) favoured high rental demand. Since the 1990s, dropping interest rates and demographics (middle-aged boomers, and elderly with better incomes) mean slower growth in rental demand. The result is slow growth in rental supply, and little rental in new suburban development. Flat rental demand among people with middle incomes and stronger political voice have reinforced the weak priority for funding affordable housing.

And so new suburbs are built with little rental or affordable housing, and therefore much less low and moderate income mix. This contrasts sharply with city-building in inner suburbs when they were young. One one-quarter of homes built were multi-rental housing, about a third of these social housing. This housing mix endures in inner suburbs built from the 1950s to 1970s, the legacy of a less unequal post-war labour market and a more mixed city-building model.

The housing market creates inner suburban poverty

The lower-income one-third of households today struggles with flat or declining incomes and insecure jobs. They are channelled into the limited supply of moderate-cost housing in inner suburbs. As more people move out to home-ownership, those left renting have lower incomes than before. With little growth in the rental sector, lower-income people replace middle-income people in many rental neighbourhoods. Over one quarter of Canada's 200,000 or more new immigrants settle each year in these suburbs; one in four Toronto renters is an immigrant of the prior decade.

This is what creates concentrated poverty in inner suburbs, the "locale of disadvantage" with a visible-minority face. New, outer suburbs absorb most of the city-region's added 30,000 households each year. But the low-income renter segment – 3,000 or more annually – is absorbed mostly in inner suburban rental, as people with rising incomes leave. In 1981 a renter was only 15 percent more likely than a home-owner to live in inner suburbs – by 2001, 50 percent more likely, and rising.

These neighbourhoods are a landing-and-launching point, still a place of opportunity. Though neighbourhood income trends are downward, most households have rising incomes and soon or later move on to better housing and jobs and neighbourhoods. This housing is meeting people's needs as they make their place in a city-region community and labour market that is dynamic and full of opportunities. Their location in the middle ring of the city-region should be good for job access in the long run.

But the impacts are all around us. Concentrated poverty has fallout in housing conditions and lack of neighbourhood spending power. Community safety is a rising concern. Growing up is tougher for many – the classroom experience, the neighbourhood, the prospects. The sense of community is frayed, as ethno-racial differences entwine with economic ones, and different groups live in different spaces. Newspapers tell of new immigrants taking buses for two hours to reach outer-suburban jobs. The need for community services is rising, to make up for lack of household resources and the cumulative impacts on neighbourhoods.

These trends have been with us in Toronto for only 15 years or so. If forces and policies do not change, they will play out further. These trends are not a short-term difficulty: they arise from profound forces in the workforce and in city-building.

7.2 Strategic Thoughts

a) Housing and immigration

Housing is an immigrant settlement issue. The impact of narrowing housing choices, rising housing stress, and neighbourhood fallout is mostly on new immigrants. If stemming the trend to low-income immigrant enclaves is a goal, housing policy is a route to that, to give people affordable options in other locations. Integration happens in all sorts of ways, but neighbourhood is a key venue for children and youth. Living in low-income immigrant enclaves should be a choice, not a necessity driven by the housing market.

Policy-makers should be clear on what “suburbanization of immigration” means. Immigrant settlement has not shifted recently from central city to periphery. The middle and upper-income minority of new immigrants now buy homes in outer suburbs, like other home-buyers. The lower-income majority of new immigrants arrive today to rental housing in inner suburbs, just as they have done since the 1970s. The difference from yesterday is the cumulative workforce and neighbourhood trends. Jobs and neighbourhood and schools are key to successful integration, but many new immigrants are now settling in pockets of concentrated poverty, distant from job growth, with schools under pressure. Part of the solution is in local settlement services and other services, of course. But part of the solution is a housing strategy that gives newcomers options to live near job growth.

As ethno-racial communities become larger and more established in outer suburbs, this may be an opportunity. These are mostly the more affluent or established members of diverse communities. Among them there may be voices who can call for change.

b) Job Access

Job access is one of two leading risks in these regional imbalances, along with concentrated poverty. Job access refers to whether low-wage workers can get to areas of job growth, and whether employers can readily find workers to fill job openings. This is important for quality of daily life, for equality of opportunity in the labour market, and for overall prosperity or “competitiveness”.

Toronto benefits – so far – from accidents of post-war city-building. Things are unlike many US cities where commuting from the inner city to far-flung peripheral jobs is a great barrier. In Toronto, most low-wage workers are in a ring of 1960s and '70s suburbs (Scarborough, Downsview, Rexdale, Brampton, eastern Mississauga) and most job growth only 5 to 10 kilometres out in suburbs of the 1980s to today (Markham, Vaughan, Brampton again, and northern Mississauga).

Given another 20 years of transit-lite suburban expansion, this legacy will no longer sustain us. This issue is likely to arise, with or without growth management; either way most job growth will be in outer parts of the city-region. The risk will be stronger if highway-building proceeds in designated “future transportation corridors” northeast and northwest.

This issue needs more exploration. Most of the information in Toronto appears anecdotal, except the recent York Region studies. The US experience – though full of researchers’ debates – suggests it may be a serious risk.

c) Regional thinking

There are two spatial scales where “place-based policy” gets most real: the neighbourhood, and the city-region. At the neighbourhood level the issues are readily seen. But the regional level is all-important. Alleviating concentrated poverty or tackling job access requires thinking and response at the scale of the forces at play: the city-region housing market and labour market. It is at this “macro” scale of Greater Toronto that local community mix will be achieved or not!

The three main features of the post-war Toronto model that promoted social equity were the distribution of low-cost housing; relatively uniform local services; and transit access (Friskin et al., 2000). Ontario has a strong post-war tradition of city-region planning, although with mixed effect (Richardson 1981). The current provincial government has re-entered the field with the *Growth Plan for the Greater Golden Horseshoe* (Ontario 2006).⁴⁹ To the Province falls the lead in metropolitan policy, in the absence of a regional authority. New regional approaches could potentially tackle two of those three main features, adding regional co-ordination of housing priorities to the regional co-ordination of public transit now initiated.

This report suggests a need for stronger regional housing priorities to serve social goals in regional strategies. Affordable housing policy must be framed as a main dimension of growth management, taking it beyond its current emphasis on hard infrastructure, land use, and natural environment, and taking housing policy to a needed city-region scale.

The Growth Plan is a starting point.⁵⁰ There is scope to go deeper than its basic housing-planning linkages, to tackle the regional imbalances and polarized future toward

⁴⁹ For non-Ontario readers: the GGH name evokes, without intended irony, the post-war moniker for the high-growth “horseshoe” from Oshawa through Greater Toronto and around the lake to Hamilton and Niagara. Today, Hamilton and Niagara are slow-growth centres while Oshawa’s growth is largely Toronto-related.

⁵⁰ Ontario’s new *Growth Plan* touches on affordable housing. It has three main policy thrusts: development planning, infrastructure, and environmental protection. Within infrastructure, “community infrastructure” is one of three broad categories, and affordable housing is part of that. The Plan requires that “Upper- and single-tier municipalities will develop a housing strategy ... [which] will set out a plan, including policies for official plans, to meet the needs of all residents, including the need for *affordable* housing – both home ownership and rental housing. The housing strategy will include the planning and development of a range of housing types and densities to support the achievement of the *intensification target* and *density targets*” (Ontario 2006, p. 28).

which Greater Toronto is hurtling. There is also scope to focus narrower: linking affordable housing and growth management requires a spatial scale matched to the local housing and labour market. For the next decade or two the Greater Toronto Area, not the "Greater Golden Horseshoe", is the area of intensive urbanization, job growth, and commuting.

Regional-level analysis is needed to inform policy. The best sub-regional housing needs studies cannot escape circular reasoning and "begging the question." This leads, for example, to concluding that Downsview has low incomes and therefore high housing needs; across the street Vaughan has high incomes and therefore modest needs. But while city-region job and population growth drives city-region housing supply, the local slices of demand arise largely from the profile of local supply. Future Greater Toronto Area projections should consider some analysis by tenure and income, to inform negotiations or decisions on funding distributions.

City-region policy is not about displacing the unitary and upper-tier municipal governments (City of Toronto and the regional municipalities of Peel, York, Halton and Durham). In the long term, the case for city-region governance is clear. But today and for the foreseeable future, these jurisdictions are mandated with the strategic lead in development planning and affordable housing. The regional imperative is not to shift policy and delivery to a new body, but to co-ordinate the priorities and some of the resources, particularly in existing city-region policy spheres. Such existing policy realities include the new Greater Toronto Transportation Authority, provincial highway-building, the social housing funding system (see below), and the renewed provincial infrastructure priority.

Without this, the risk is that the enduring legacy of Ontario's neo-conservative decade may be the retreat from institutional capacity to tackle regional issues. Spending reductions were soon swamped by the annual ebb and flow of revenues, ongoing program pressures and new initiatives. But the institutional legacy is with us in Toronto's model of urban governance, and in social housing. Devolution has left social housing in the middle between the province and the upper-tier/unitary municipalities. Municipalities diligently carry out the funding responsibility, but have neither political nor fiscal capital to expand the system to keep abreast of growth or tackle regional issues. The US model of urban governance now in place in Greater Toronto (Gertler 2001; Frisken et al. 2000), the big central city and diverse suburban municipalities, entrenches a social, political and fiscal divide between parts of the city-region that are integrated in daily life.

The City of Toronto and "905" regional governments can find common cause in affordable housing as part of growth management. Older rental neighbourhoods experience the same trends in the City of Toronto and "905" alike. The regional governments are concerned about housing for the local workforce; housing options for rising numbers of elderly and young adults and single parents as local communities mature demographically; and housing mix to support transit-supportive land use and restrain commuting. The City of Toronto is concerned about high-need communities and how to meet rising needs. Understanding the links between what is happening in inner and outer suburbs, and between different vintages of "905" areas, may create common ground. Greater Toronto can take a cue from some US city-regions where regional coalitions are attempted.

Greater Toronto has advantages vis-à-vis most US cities in this. The potential for concerted action among the provincial government and the five unitary/upper-tier municipal governments is greater than in more fragmented city-regions.

d) Third sector and multi-partite responses

Regional thinking is also needed in the third sector. This includes the voluntary sector or social sector, local service providers, activists, and the institutions and prominent individuals that shape opinion. It also includes business-sector and multi-stakeholder coalitions. The stresses on poor neighbourhoods in Toronto today can be alleviated with enhanced community services. But the trend of concentrated poverty cannot be stopped without a regional housing strategy. There is common interest here between the social sector in the City of Toronto and the "905". A large slice of the US social sector and some business coalitions there have made this leap of thinking, and it must happen in Greater Toronto too.

It may fall to third-sector organizations to fill the regional gap when public policy is slow and regional governance lacking. A regional third-sector program initiative could be part of the solution, if government cannot think and act regionally. Greater Toronto can learn from US city-regions where ongoing regional partnerships and programs are operated by the third sector, or by multi-partite coalitions of business, third sector, and government.

Canada and Greater Toronto lack key elements of institutional infrastructure of the US, UK or Australia. Some of this gap is national: we have CMHC but no equivalent to the Joseph Rowntree Foundation, Brookings Institution, or Australian Housing and Urban Research Institute (AHURI). We have no equivalent to America's third-sector or quasi-government bodies from the Local Initiatives Support Corporation to the Fannie Mae Foundation.

Some of this gap is also regional, feeding absent discourse on housing and regional equity. We lack third-sector or multi-partite opinion-shaping which has emerged strongly in the US (Part 6). We have no ongoing regional housing partnership as in Boston or Minneapolis-St. Paul, no MacArthur Foundation like Chicago, no non-profits large enough to make a major impact on a local housing market, like some registered social landlords (RSLs) in the UK.

But there is potential for the third sector to move the regional issues forward. The vigorous discourse on inclusive communities can start considering how regional housing markets work. The United Way, Canadian Urban Institute, Toronto City Summit Alliance and Neptis Foundation have been strong voices in urban policy. Nationally, the Caledon Institute, Canadian Policy Research Networks, and Tamarack have broached housing policy as an aspect of social policy. There are new cities institutes at both York University and the University of Toronto. There is potential in social planning councils, regional alliances, academe, and think tanks.

e) Social mix in central, inner and outer rings

Some separation of social classes and ethno-racial groups is universal in cities. It is not inherently a problem if new suburbs don't match the wide diversity or the polarities of

central city and inner suburbs. The policy goal need not be to maximize social mix, but to prevent “detrimental non-mix” (Berube 2005, p. 4). But concentrated poverty in parts of Toronto today appears to reach that threshold.

In terms of scale, the main challenges in income and social mix pertain to the inner suburbs and outer suburbs, not the central city.

At the macro scale, the central city remains very mixed-income. In the last two decades of the twentieth century, new rental development apparently outweighed loss of rental through gentrification of low-density stock (with provisos on poor measurement of second suites). In the current decade, trends may have shifted in ways this study’s timeframe cannot capture. Housing development downtown is mostly condos and no longer as mixed; in the broader central city gentrification appears to have accelerated.

In overall scale, the outer suburbs are half the city-region and rising: far larger than the central city. The mix or lack of mix in suburban expansion is far larger than any shifts in central-city profile. Lack of mix in outer suburbs, far more than central-city gentrification, accounts for the channelling of low and moderate-income demand into inner suburbs, and concentrated poverty there.

Building new suburbs that are more mixed is paramount in regional equity, in marrying growth management and affordable housing. It will alleviate the market forces that propel deepening poverty in some inner suburbs. It will be good for job access and immigrant integration. It will meet the suburbs’ own need for a more mixed housing stock to accommodate local residents as the community ages and diversifies. The routes to this are in affordable housing investment, and inclusive development; more on these below.

Income decline in inner suburbs is mostly benign. The majority of income decline is among home-owners. Four reasons are suggested: aging in place, with dropping income at retirement or lagging incomes after that; a possible relative decline in prices and buyer incomes compared to outer suburbs; ongoing condo-building which houses people with mixed incomes; and the filling out of initially up-market areas with a fuller housing and price mix. All this requires further parsing, more research to understand its dimensions.

But there is valid concern about the rising poverty in older suburbs, concentrated in certain neighbourhoods.

f) Strategies for inner-suburban poor neighbourhoods

A more strategic response is needed in *housing policies and programs* in inner-suburban deep-poverty areas. To date, the response has mostly been about better community services, and about the municipal housing company role in its communities. Main subjects of attention are how publicly-owned housing is managed, and whether or not to build more affordable housing.

High-need, low demand neighbourhoods may need an array of diverse policy/program responses. Experience around the world shows that such areas will tend to lack new

private investment; the low incomes make this the main locale of high household housing stress – and they do not bode well for rental revenues and the stock itself. In sum, there are all sorts of needs and a risk of “disinvestment”. Housing program interventions will be needed as part of “place-based” strategies, to ensure housing quality, create reinvestment, alleviate affordability issues, and rebalance the social mix. The menu may include rent supplement, rental vouchers or allowances, non-profit acquisition, mixing in market units, increasing home-ownership, and general reinvestment and renewal. Non-profit acquisition of rental buildings responds aptly to today’s dominant trends and needs, which are affordability problems and downward income shift in existing rental, not rental-sector growth. And while protecting existing rental remains important, the coming issue in some locales may be how to retain or attract more middle incomes through home-owner housing. These neighbourhoods require a more careful sifting of needs and options.

In Toronto, publicly-led housing investment may need to make inner suburbs a bigger priority than downtown. In the 1970s and ’80s, Toronto looked at US cities and saw what it needed to avoid downtown. The legacy of that is a policy priority for affordable housing downtown. This is reinforced by less-contentious development politics, concentration of housing and social agencies, and special initiatives such as waterfront redevelopment. But today, downtowns are thriving in most big cities around the continent. Today, Toronto should look at US and European inner suburbs to find what it needs to avoid, and where it needs to invest.

g) Social housing: problem or solution?

Social housing is what many ordinary people and officials picture when they think of neighbourhood poverty, and when they think of neighbourhood change. Pre-1975 “public housing” communities are a large part of poor inner-suburban neighbourhoods. New affordable housing proposals are invariably a flashpoint for concerns about status and change. Social housing is seen as a vector of concentrated poverty, and of adding poor people to local communities. Racialization of poverty can make this even more fraught.

But this is largely misconceived. Most low-income people live in private rental housing, in certain down-market buildings and neighbourhoods. That is where the big increase in concentrated poverty since the 1990s has been. Yes, pre-1975 public housing has a lot of concentrated poverty, it houses people with the least resources, and their incomes are declining. But the increase in affordable housing over the past decade is a few hundred units; the increase in low-income renters is several thousand, as low and moderate-income tenants replace middle-income ones. Social housing accounts for a shrinking share each year of Greater Toronto’s lower-income renters. But, in community life as in politics, events and places are easier to see than processes, and social housing is the flashpoint.

The cause of concentrated poverty is not too much publicly-led housing development, now or in the past. Not is it too much of public program rules determining where low-income people live. The cause instead is too much of market-driven processes: unmixed city-building in outer suburbs, middle and upper-income tenant demand rising in the central city, the market channelling low and moderate-income demand to the lower-cost rental locales in inner suburbs.

Public investment in developing housing and/or spending on housing subsidies is a way to manage these stresses. Housing policy is not the only, nor fiscally the largest, policy realm where regional equity must be tackled. Incomes policy, transit policy, community services across the city-region, equitable fiscal resources, and “place-based” strategies for high-need areas: these are all important. But macro-scale, regional-scale housing policy is essential too for regional equity.

7.3 Policy options for Greater Toronto

Where should housing policy go from here, bearing in mind the changed social landscape, the precedents from elsewhere, and the strategic thoughts above? This section suggests paths to pursue, under a version of the headings from Part 6:

- *Planning and zoning for multi-unit development*
- *Protecting existing rental housing*
- *Sufficient public funding and investment*
- *Reinvestment in less-favoured districts and neighbourhoods*
- *Fair-share allocations and “jobtropic” allocations*
- *Dedicated revenue sources and regional funds*
- *Inclusive development*
- *Rental assistance*

a) Planning and zoning to facilitate multi-unit development

Greater Toronto already mixes regional priorities with local ones in planning and housing. Upper-tier municipal Official Plans set out some principles or policies on housing mix; local plans and decisions are formally required to conform. Housing strategies of one sort or another are in place or being developed in each of the five upper-tier/unitary municipalities. Zoning barriers to multi-unit rental development have been mostly a theoretical problem in the past decade.

This policy foundation, and the Growth Plan, places Greater Toronto in a much better position to move forward on regional planning for affordable housing. The relation of affordable housing to intensification (urban consolidation) goals is under-articulated in Greater Toronto, for all the discourse on growth management. Toronto’s inner suburbs, though lowly regarded in élite opinion, reached transit-supportive densities by having one-third or more of their dwellings in multi-rental buildings – about half of it publicly funded in whole or part – most of it along main roads with good bus service to the subway.

Such a strategy for multi-rental housing in transit nodes in the outer suburbs – be they commuter rail, rapid bus or light rail – will be required, if hopes of transit-oriented urban patterns and a more balanced modal split are to be realized. Outer-suburb condo units alone will not achieve this. There may be opportunities for collaboration between upper-tier and local land use planning on one hand, and the Greater Toronto

Transportation Authority and upper-tier or city-region housing bodies on the other.

b) Protecting existing rental housing

Protecting existing rental housing is a needed part of regional strategy. Shrinkage in the rental sector would worsen, not improve the trend to concentrated poverty in other rental buildings and neighbourhoods. The fortunes of low-income households and poor neighbourhoods will not be improved by losing existing private rental housing to disrepair or to condominium conversion. They will not be improved by losing social housing to disrepair, or to market-rent operation as subsidies start to expire in earnest over the next decade. This would magnify the capital requirements for new affordable housing, already beyond the fiscal will or capability of today's governments.

Protecting existing rental has been a main thrust of Ontario housing policy for two to three decades: rent controls yet with flexibility to allow pass-through of cost pressures; and provincial or City condo conversion controls, responding in either case to Toronto needs.

But protecting existing rental goes beyond this, from the viewpoint of this study. The stock of multi-rental housing, private and social, is a unique legacy of Toronto's post-war city-building history. It would never be created in today's conditions. This conception of that stock should guide policy-making. For social housing, an important aspect of this is the funding system, touched on below.

c) Sufficient public funding and investment

Toronto's history shows how public investment and subsidy on a sufficient scale can achieve mixed-income suburbs: the 1960s to 1980s averaged over 2,000 units annually, equating to between 5 and 10 percent of total housing production. It was truly an investment, not just subsidy: it created mixed-income suburbs at the time, an alternative to slums.

When new affordable housing competes with bigger priorities in budget-making, the question should be not only about housing lower-income residents. Investing in new affordable housing in growing parts of the city-region is an investment in overall social mix, and in avoiding market-driven concentrated poverty in less favoured parts of the metropolis.

Analysis should inform policy. Just what share of suburban growth should be affordable rental, or other affordable housing? The scale is important: if 2,000 or 3,000 or 5,000 households is the expected annual net increase in Greater Toronto's low and moderate-income renters, then hitting a certain threshold of affordable production will absorb much of that increase, and lower levels will not. Inevitably, some share of low-income growth will be met by turnover and income change in existing stock. But if existing stock becomes the main strategy by default, concentrated poverty is a likely result. Building mixed-income new suburbs can help avoid concentrated poverty in old suburbs.

Annual public investment in Greater Toronto's housing is below the level in comparable US

cities. Perhaps that is satisfactory if Toronto's challenges are milder, but perhaps that may change if housing stress and concentrated poverty deepen.

Meanwhile, given a quite modest annual affordable housing investment in affordable housing, it is important to be strategic. It should be informed by analysis of the main regional income and housing market trends and their implications. Perhaps, for example, the overall priority should be new affordable housing near the main areas of job growth. Perhaps the priority in inner suburbs should be renewal of older rental neighbourhoods. Perhaps the priority should be in intensification nodes or corridors. Public policy could set a target – developing 50 or 1,000 or 5,000 units in a period – by some sifting of needs, competing priorities, and potential resources.

But any such added funding is a small add-on to the existing social housing funding system, which entails some \$600 million in annual operating subsidies in Greater Toronto.

d) Reinvestment in less-favoured districts and neighbourhoods

Toronto can learn from experience elsewhere: reinvestment in low-demand, low-income districts and neighbourhoods serves not just local objectives but regional ones. It can help pull demand to existing built-up areas and away from unmixed fringe development. Neighbourhood renewal is a strong theme in Canada's housing policy history from the 1970s, but this needs to be reformulated to meet today's needs.

For years in Ontario and especially Greater Toronto, there has been worry and study about the future of multi-rental housing. But this was always about the *stock*. Then suddenly in the past decade or two came the reality of concentrated poverty. And post-devolution, the new municipal stewards of public housing put regeneration in motion after years talk.

So Greater Toronto has arrived at a new point. Neighbourhood renewal must be more fully part of housing policy. Stock issues and social issues entwine, with large implications not only for living conditions in the neighbourhood, but for where people can choose to live across the city-region and what social mix results. Neighbourhood reinvestment policy will need to serve both housing stock and social objectives, both neighbourhood and regional objectives, both social housing and private rental needs. Its large costs demand that it be part of overall priority-setting for affordable housing spending and investment.

e) Fair-share allocations and "jobtropic" allocations

Greater Toronto has a solid history with funding allocations that reflect principles of fair-share, or which are "jobtropic" in being geared to areas of job growth. By the early 1990s, the last period of building under the "old" social housing programs, the outer suburban regions received a much larger share of allocations than previously. This amounted to 3 percent of total outer suburban production in the latter 1980s expansion and 16 percent in the recessionary early 1990s. In the Canada-Ontario Affordable Housing Program (AHP), capital allocations have been roughly equal between the City of Toronto and the "905" suburban regional governments; the second-round (2005) allocations were explicitly on a formula that factored in both housing needs and growth.

But “fair share” discussions and debates are moot in the absence of funding. In a city-region growing at 30,000 households annually, volume matters. Arguably, fair shares of 2 percent of regional production (800 units a year) might as well be a random geographic spread. Greater Toronto hovers at about that level in the current decade.⁵¹

Regional strategies would require more discussion about the priorities and the basis for allocations. How should “jobtropic” principles and social mix in new suburbs be balanced with urban reinvestment, social housing repair, regeneration, private rental repair, acquisition, or alleviating needs in poorer areas?

f) Dedicated revenue sources and regional funds

Catalogues of good practice in affordable housing in the US often include dedicated revenue sources – but more rarely in Canada. The US is accustomed to fragmented local delivery responsibilities; to State budget-making hemmed in by one-off requirements and restrictions that impede an overall sifting of priorities. Cabinet government observes more closely the principles of central priority-setting and avoiding segregated revenues or expenditures. A similar political structure and culture holds at the municipal level. Yet dedicated revenue sources are not unknown, and Ontario municipalities rely considerably on Development Charges (levies) to cover infrastructure spending.

If affordable housing is to be an integral part of urban development, perhaps there is merit in considering a dedicated revenue source – a regional trust fund in US parlance. This would be a way to move beyond this decade’s experience of one-off housing initiatives all too small in scale to change the pattern of unbalanced, socially unmixed urban growth. Establishing this on a city-region basis would be one way to create a city-region strategic perspective. If established on a quasi-government model, it might also be possible to attract non-government contributions.

g) Inclusive development

Inclusionary development – mandatory inclusion of affordable units in most private development – makes it to virtually every list in the precedents examined. Social mix is best achieved by riding on areas of market strength (Berube 2005, p. 29), ensuring that affordable housing happens wherever other development happens. But inclusionary development faces a big political climb in Ontario before it gains the level of acceptance seen in the UK and several major US jurisdictions.

Inclusive development principles and opportunities apply alike in central city, inner suburbs and outer suburbs. In Toronto’s central city, especially downtown, new affordable housing development has been essential to maintaining social mix.⁵² In inner and outer suburbs,

⁵¹ This is based on 4,300 or more AHP units plus some 1,000 SCPI units and a few hundred other municipally-funded units – in total about 6,000 units over 8 years or more.

⁵² While this was not achieved through any “inclusionary zoning” *per se*, the policies of the City of Toronto from the 1970s to 1990s explicitly prioritized downtown locations for social housing in order to increase the population and achieve social mix.

inclusionary development can be a key to achieving good locations for affordable rental housing and transit-oriented development.

Inclusive development can achieve some things and not others. It can achieve higher or more reliable levels of output, better overall integration, a range of affordability, and some fruitful public-private-nonprofit alliances. But it will not achieve more than trivial amounts of affordable rental housing without public funding, nor will it alone support sufficient volume of development to keep abreast of needs.

To move this further in Greater Toronto will take several things. These include a fuller articulation of the rationale and justification; a better understanding of how entrenched it is in various US jurisdictions and in the UK, the latter perhaps adding to its legitimation as an option; clear enabling authority in provincial law; analysis of short- and long-term financial impacts (short-term and longer-term) in different market conditions; and grafting this approach into planning of major intensification and transit-oriented precincts.

h) Rental assistance

Rental assistance is a minuscule part of the Canadian housing system, in contrast to all our closest cousin-countries: the US, UK, France, Australia, New Zealand. This refers mostly to demand-side assistance directly to households, known as vouchers, housing allowances, housing benefit, rent assistance, etc.

In Ontario there is no demand-side subsidy outside social assistance, unlike several other Canadian provinces. In Greater Toronto there are just over 2,000 private rent supplement households funded through the devolved subsidy system and just over another 2,000 new short-term shallow rent supplements ("Canada-Ontario Housing Allowance Rent Supplement") now being put in place. All are tied to the unit, not portable.

Rental assistance can be a tool to de-concentrate poverty, because Toronto's multi-rental housing is more dispersed than its patterns of concentrated poverty. To clarify: concentrated poverty is greatest in social housing neighbourhoods, is rising strongly in private rental in some neighbourhoods, and somewhat affects the private rental sector broadly in inner suburbs. Based on this and US experience, what could rental assistance achieve? It would not provide low-income people unconstrained choice to live across the city-region. But it would give them wider choice across the inner suburbs where most moderately-priced private rental housing units are found.

From a regional equity vantage, rental assistance is a complementary tool to funding new affordable rental housing – not an alternative. Rental assistance would give low-income households a wider choice of housing locations and quality, but they would still mostly live in inner suburbs. Only new supply, not vouchers, can achieve mixed-income outer suburbs.

Rental assistance would need to be administered on a city-region basis. It is one thing to

administer social housing through five upper-tier/unitary municipal governments, even with regional revenue-sharing. It would somewhat defeat the purpose to administer vouchers on that sub-regional scale. To achieve choice and de-concentrate poverty, low and moderate-income renters in inner suburbs need access to rental housing across the city-region.

More broadly, this regional equity perspective suggests a need to broaden the Canadian debates on new supply versus rental assistance, supply-side versus demand-side. Not only – as we knew already – is point-in-time need of existing renters an order of magnitude greater than requirements for new low-income rental supply in any given decade. Most important is this: both policy tools are needed for urban social policy reasons. Rental assistance can de-concentrate poverty by giving people more choice in the market; development programs can achieve full income mix in new suburbs, helping people live near jobs, and it can regenerate older neighbourhoods.

Bibliography

Andrew, Caroline. 2003. "Cities and Polarization". (Draft text for workshop presentation on "Social Inclusion Research in Canada", conference of the Canadian Council on Social Development, Ottawa, March 2003.)

Arbaci, Sonia. 2005. "Housing and Urban Regimes in Southern European Multiethnic Cities: Structural Mechanisms of Ethnic Residential Marginalisation by Spatial Dispersal." (Paper presented at the 10th International Metropolis Conference, Toronto).

Arigoni, Danielle. 2001. *Affordable Housing and Smart Growth; Making the Connection*. (Washington DC: National Neighbourhood Coalition and Smart Growth Network).

Atkinson, Rowland. and Keith Kintrea. 2001. Disentangling Area Effects: Evidence from Deprived and Non-deprived Neighbourhoods. *Urban Studies* 38 (12): 2277-2298.

Aydemir, Abdurrahman, and Mikal Skuterud. 2005. Explaining the Deteriorating Entry Earnings of Canada's Immigrant Cohorts, 1996 -- 2000. *Canadian Journal of Economics* 38 (2): 641-671.

Badcock, Blair. 1997. Recently Observed Polarising Tendencies in Australian Cities. *Australian Geographical Studies* 35 (3): 243-259.

Badcock, Blair. 2000. The Imprint of the Post-Fordist Transition on Australian Cities. Chapter 10 in Peter Marcuse and Ronald van Kempen (eds.). *Globalizing Cities: A New Spatial Order?* (Oxford: Blackwell).

Basolo, Victoria. 2003. Local Responses to Federal Changes in the Housing Voucher Program: A Case Study of Intraregional Cooperation. *Housing Policy Debate* 14 (1 & 2): 142-168.

Basolo, Victoria, and Mai Thi Nguyen. 2005. Does Mobility Matter? The Neighborhood Condition of Housing Voucher Holders by Race and Ethnicity. *Housing Policy Debate* 16 (3 & 4): 297-324.

Bauder, Harald, and Bob Sharpe. 2002. Residential Segregation of Visible minorities in Canada's Gateway Cities. *The Canadian Geographer* 46 (3): 204-222.

Baum, Scott. 1997. Sydney, Australia: A Global City? Testing the Social Polarisation Thesis. *Urban Studies* 34 (11): 1881-1902.

Baum, Scott, Michelle Haynes, Yolanda van Gellecum, and Hoon Han. 2005. Typologies of Advantage and Disadvantage: Socio-economic Outcomes in Australian Metropolitan Cities. *Geographical Research* 43 (4): 361-378.

Beauvais, C., and Jane Jenson. 2003. The Well-being of Children: Are There "Neighbourhood Effects"? (Ottawa: Canadian Policy Research Networks, Discussion paper F/31).

Beaverstock, J.V., R.G. Smith and P.J. Taylor 1999. A Roster of World Cities. *Cities* 16 (6): 445-458.

Benton-Short, Lisa, Marie D. Price, and Samantha Friedman. 2005. Globalization from Below: the Ranking of Global Immigrant Cities. *International Journal of Urban and Regional Research* 29 (4): 945-959.

- Berube, Alan. 2005. *Mixed Communities in England: A US Perspective on Evidence and Policy Prospects*. (York: Joseph Rowntree Foundation, and Washington: Brookings Institution).
- Bier, Thomas. 2001. Moving Up, Filtering Down: Metropolitan Housing Dynamics and Public Policy. (Discussion paper. Washington DC: Brookings Institution).
- Bollens, Scott A. 1988. Municipal Decline and Inequality in American Suburban Rings, 1960-1980. *Regional Studies* 22 (4): 277-285.
- Bourne, Larry S. 1993. Close Together and Worlds Apart: An Analysis of Changes in the Ecology of Income in Canadian Cities. *Urban Studies* 30 (8): 1293-1317.
- Bourne, Larry S. 1999. Migration, Immigration and Social Sustainability: The Recent Toronto Experience in Comparative Context. (Joint Centre of Excellence for Research on Immigration and Settlement [CERIS] discussion paper).
- Bourne, Larry S. 2001. Designing a Metropolitan Region: The Lessons and Lost Opportunities of the Toronto Experience. In M. Freire and Richard Stren (eds.), *The Challenge of Urban Government: Policies and Practices* (Washington DC: The World Bank Institute).
- Bourne, Larry S. 2001. *Social Change in the Central Ontario Region*. (Toronto: Neptis Foundation for the Ontario Smart Growth Panel, Province of Ontario).
- Bourne, Larry S., and David Ley (eds.). 1993. *The Changing Social Geography of Canadian Cities*. (McGill-Queen's University Press).
- Bourne, Larry S., Sarah Blackweather, and Ranu Basu. 2000. *People and Places: A Portrait of the Evolving Social Character of the Greater Toronto Region*. (Toronto: Neptis Foundation).
- Bradford, Neil. 2002. *Why Cities Matter: Policy Research Perspectives for Canada*. (Ottawa: Canadian Policy Research Networks, discussion paper no. F/23).
- British Columbia, Housing Department. 2005. *Local Government Guide for Improving Market Housing Affordability*. (Victoria, BC: *idem.*).
- Brown, Karen Destorel. 2001. *Expanding Affordable Housing through Inclusionary Zoning: Lessons from the Washington Metropolitan Area*. (Washington DC: Brookings Institution).
- Buck, Nick. 2001. Identifying Neighbourhood Effects on Social Exclusion. *Urban Studies* 38 (1): 2251-2275.
- Buki, Charles. 2002. "Affordable Housing and Growth Management and Sprawl: Equity for Some Versus Affordability for Others" (Prepared for the US Millennial housing Commission)
- Bunting, Trudi, R. Alan Walks, and Pierre Filion. 2004. The Uneven Geography of Housing Affordability Stress in Canadian Metropolitan Areas. *Housing Studies* 19 (3): 361-393.
- Burstein, Meyer. 2005. *Combatting the Social Exclusion of At-Risk Groups*. (Ottawa: Policy Research Initiative, research paper).
- Burt, Martha R. 1997. Causes of the Growth of Homelessness during the 1980s. In Dennis P. Culhane and Steven P. Hornburg, *Understanding Homelessness: New Policy and Research*

Perspectives. (Fannie Mae Foundation).

Calavita, Nico, Kenneth Grimes, and Allan Mallach. 1997. Inclusionary Housing in California and New Jersey: A Comparative Analysis. *Housing Policy Debate* 8(1): 109-142.

Calavita, Nico, and Kenneth Grimes. 1998. Inclusionary Housing in California: The Experience of Two Decades. *Journal of the American Planning Association* (Spring): 150-169.

California Coalition for Rural Housing, and Non-Profit Housing Association of Northern California. 2003. *Inclusionary Housing in California: 30 Years of Innovation*. (Sacramento and San Francisco California: *idem.*).

Canada, External Advisory Committee on Cities and Communities. 2006. *From Restless Communities to Resilient Places: Building a Stronger Future for All Canadians*. (Ottawa: Infrastructure Canada).

Canada, Policy Research Initiative. 2005. *Housing Policy and Practice in the Context of Poverty and Exclusion*. (Ottawa: Policy Research Initiative).

Canada Mortgage and Housing Corporation (CMHC). 1995 et seq. *Condominium Report: Greater Toronto Area*. (*Annual; title may vary*).

Canada Mortgage and Housing Corporation (CMHC). 2001. *Disinvestment and the Decline of Urban Neighbourhoods*. (summary of research by Greg Mason, Prairie Research; socio-economic series 90).

Canada Mortgage and Housing Corporation (CMHC). 2004. *Rental Market Report: Toronto CMA*.

Canadian Council on Social Development and United Way of Greater Toronto. 2001. *A Decade of Decline*.

Canadian Policy Research Networks. 2005. "Urban Sprawl and Growth Management" (Issue of electronic bulletin "Urban Nexus" May 26, 2005).

Canadian Urban Institute. 2001. *Smart Growth in Canada*. (Toronto: Canadian Urban Institute).

Carter, Tom, and Chesya Polevychok. 2004. *Housing Policy is Good Social Policy*. (Ottawa: Canadian Policy Research Networks, research report F/50).

Carver, Humphrey. 1962 *Cities in the Suburbs*. (University of Toronto Press).

Chicago Metropolis 2020 and the Metropolitan Mayors Caucus. *Homes for a Changing Region*. (Chicago: *idem.*).

Chisholm, Sharon. 2001. "Housing and Social Inclusion: Asking the Right Questions". (presentation at the Laidlaw conference, November).

Chisholm, Sharon. 2003. *Affordable Housing in Canada's Urban Communities: A Literature Review*. (Canada Mortgage and Housing Corporation).

Clarke, William A.V. 2002. *A Comparative Perspective on Large-Scale Migration and Social Exclusion*

in US Entry-Point Cities. In Malcolm Cross and Robert Moore, *Globalization and the New City: Migrants, minorities and Urban Transformations in Comparative Perspective* (Palgrave publishers Ltd.).

Clayton Research Associates Ltd. 1998. *Economic Impact of Federal Tax Legislation on the Rental Housing Market in Canada*. (For the Canadian Federation of Apartment Associations).

Comay Planning Consultants et al. 1990. *Legislative, Administrative and Policy Mechanisms for Affordable Housing*. (For Ontario, Ministry of Housing and Ministry of Municipal Affairs).

Cooper, Merrill. 2003. *Health and Housing: A Call to Action*. Report on the National Symposium on Health and Housing (Ottawa: Canadian Housing and Renewal Association).

Covell, Katherine. 2004. "Why Quality Housing is Important for Children" (Presentation at the CHRA symposium on national housing strategy, June 2004).

Crook, Tony, Sarah Monk, et al. 2002. *Planning Gain and Affordable Housing: Making it Count*. (Cambridge University, and York: Joseph Rowntree Foundation).

Da Costa Nunez, Ralph. 1996. *The New Urban Poverty: Homeless Families in America*. (New York and London: Insight Books/Plenum Press).

Daly, Gerald. *Homeless: Policies, Strategies, and Lives on the Street*. (New York and London: Routledge).

Dodson, Jago. 2005. *Is there a Spatial Mismatch between Housing Affordability and Employment Opportunity in Melbourne?* (Australian Housing and Urban Research Institute).

Downs, Anthony. 2002. Have Housing Prices Risen Faster in Portland Than Elsewhere? *Housing Policy Debate* 13 (1): 7-31.

Downs, Anthony. 2003. "Growth Management, Smart Growth, and Affordable Housing" (Keynote speech given at Brookings Symposium on the relationship between affordable housing and growth management, May 2003. Washington DC: Brookings Institution [website]).

Downs, Anthony (ed.). 2004. *Growth Management and Affordable Housing: Do they Conflict?* (Washington: Brookings Institution Press).

Drdla, Richard. 1993. *Regulatory Mechanisms to Facilitate the Production of Affordable Housing*. (Ottawa: Canada Mortgage and Housing Corporation).

Drdla, Richard. 1997. *Case Studies of the Municipal Role in Housing*. (for the Municipality of Metropolitan Toronto).

Drdla, Richard. 1999. *Municipal Regulatory Initiatives: Providing for Affordable Housing*. (Ottawa: Canada Mortgage and Housing Corporation).

Drdla, Richard. 2000. *Housing Trust Funds: Their Nature, Applicability and Potential in Canada*. (Ottawa: Canada Mortgage and Housing Corporation).

Dreier, Peter, John Mollenkopf, and Todd Swanstrom. 2001. *Place Matters: Metropolitcs for the Twenty-first Century*. (University Press of Kansas).

Economic Council of Canada. 1990. *Good Jobs, Bad Jobs: Employment in the Service Economy*.

Ehrenreich, Barbara. 1990. *Fear of Falling: The Inner Life of the Middle Class*. (New York: HarperCollins; originally published 1989).

Ellen, Ingrid Gould and Margery Austin Turner. 1997. Does Neighbourhood Matter: Assessing Recent Evidence. *Housing Policy Debate* 8 (4): 833-866.

Elliot, James R. 1999. Putting 'Global Cities' in their Place: Urban Hierarchy and Low-income Employment During the Post-war Era. *Urban Geography* 20 (2): 5-115.

Engeland, John, Roger Lewis, Steven Ehrlich, and Janet Che. 2005. *Evolving Housing Conditions in Canada's Census Metropolitan Areas, 1991-2001*. (Statistics Canada, cat. 89-613-MWE2004005).

Esping-Andersen, Gøsta, Zina Assimakopoulos, and Kees van Kersbergen. 1993. Trends in Contemporary Class Structuration: A Six-Nation Comparison. Chapter 2 in: Esping-Andersen, Gøsta (ed.), *Changing Classes: Stratification and Mobility in Post-industrial Societies*. (Sage/International Sociological Association).

Fainstein, Susan S., Ian Gordon, and Michael Harloe (eds.). 1992. *Divided Cities: New York and London in the Contemporary World*. (Oxford and Cambridge MA: Blackwell).

Family Service Association of Toronto, and Community Social Planning Council of Toronto. 2004. *Falling Fortunes: A Report on the Status of Young Families in Toronto*.

Fannie Mae Foundation. 2000. "Fair Growth • Conference Connects Sprawl, Smart Growth, and Social Equity." (Fannie Mae Foundation website).

Feins, Judith D, and Mark D. Shroder. Moving to Opportunity: The Demonstration's Design and its Effects on Mobility. *Urban Studies* 42 (8): 1275-1299.

Filion, Pierre. 1991. The Gentrification-Social Structure Dialectic.: A Toronto Case Study. *International Journal of Urban and Regional Research* 15 (4): 553-574.

Filion, Pierre, and Trudi Bunting. 1990. Socio-economic Change within the Older Housing Stock of Canadian Cities. *Housing Studies* 5 (2) 75-91.

Finnie, Ross. 2000. Low Income (Poverty) Dynamics in Canada: Entry, Exit, Spell Durations, and Total Time (Ottawa: Human Resources Development Canada, Applied Research Branch, paper W-00-7E).

Fox, Radhika K., and Sarah Treuhaft, with Regan Douglass. 2005. *Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America's Older Core Cities*. (Oakland, California: PolicyLink).

Fox, Radhika K., and Kalima Rose. 2003. *Expanding Housing Opportunity in Washington, DC: The Case for Inclusionary Zoning*. (Prepared for a coalition in Washington, DC. Oakland California: PolicyLink).

Freeman, Lance. 2000. Fair Growth 2020: A Tale of Four Futures. *Housing Facts and Findings* 2 (4).

- Freiler, Christa. 2004. *Why Strong Neighbourhoods Matter: Implications for Policy and Practice*. (for the Strong Neighbourhoods Task Force, City of Toronto and United Way of Greater Toronto).
- Frenette, Marc, David Green, and Garnett Picot. 2004. *Rising Income Inequality in the 1990s: An Exploration of Three Data Sources*. (Statistics Canada, Analytical Studies Branch, paper 219).
- Frenette, Marc, Garnett Picot, and Roger Sceviour. 2004. *How Long Do People Live in Low-income Neighbourhoods? Evidence for Toronto, Montreal and Vancouver*. (Statistics Canada, Analytical Studies Branch, paper 204).
- Friskien, Frances (ed.). 1994. *The Changing Canadian Metropolis: A Public Policy Perspective*.
- Friskien, Frances, Larry S. Bourne, Gunter Gad, and Robert A. Murdie. 2000. Governance and Social Sustainability: The Toronto Experience. Chapter 3 in: Mario Polèse and Richard Stren, *The Social Sustainability of Cities: Diversity and the Management of Change*. (University of Toronto Press).
- Funders' Network for Smart Growth and Livable Communities. 1999. "Opportunities for Smarter Growth: Social Equity and the Smart Growth Movement" (website).
- Galabuzi, Grace-Edward. 2001. *Canada's Creeping Economic Apartheid* (Toronto: CSJ Foundation for Research and Education).
- Galarneau, Diane, and René Morissette. 2004. Immigrants: Settling for Less? *Perspectives on Labour and Income* 16 (3): 7-18.
- Galster, George. 1995. The Geography of Metropolitan Opportunity: A Reconnaissance and Conceptual Framework. *Housing Policy Debate* 6 (1): 7-43.
- Galster, George, Kurt Metzger, and Ruth White. 1999. Neighbourhood Opportunity Structures and Immigrants' Socioeconomic Advancement. *Journal of Housing Research* 10 (1): 95-127.
- Germain, Annick. 2000. "Immigrants and Cities: Does Neighbourhood Matter?" (Paper presented at the Transatlantic Learning Committee special meeting, Montreal, May 23, 2000).
- Gertler, Meric. 2001. Urban Economy and Society in Canada: Flows of People, Capital and Ideas. *Isuma* (Autumn 2001): 119-130.
- Goetz, Edward G. 2004. The Reality of Deconcentration. *Shelterforce Online* no. 138 (November-December). <http://www.nhi.org/online/>
- Gottschalk, Peter, and Timothy M. Smeeding. 1997. Cross-National Comparisons of Earnings and Income Inequality. *Journal of Economic Literature* 35 (2): 633-687.
- Gray, Cameron, and Shayne Ramsay. 2002. *Common Ground, Shared Purpose: Case Study: Vancouver*. (Paper for the 2002 Tri-country Housing Conference, Vancouver). http://www.chra-achru.ca/CMFiles/CDN_Case_Study-Vancouver.pdf
- Green, David A., and Christopher Worsick. 2002. *Earnings of Immigrant Men in Canada: The Roles of Labour Market Entry effects and Returns to Foreign Experience*. (UBC, Dept. of Economics, for Citizenship and Immigration Canada).
- Haan, Michael. 2005. *The Decline of the Immigrant Homeownership Advantage: Life-Cycle,*

Declining Fortunes and Changing Housing Careers in Montreal, Toronto and Vancouver, 1981-2001. (Statistics Canada, Analytical Studies Branch, research paper 238).

Hamnett, Chris. 1987. A tale of Two Cities: Sociotenuarial Polarisation in London and the South East, 1966-1981. *Environment and Planning A* 19 (4), 537-556.

Hamnett, Chris. 1994. Social polarisation in Global Cities -- Theory and Evidence. *Urban Studies* 31 (3) 401-424.

Hamnett, Chris. 1996. Social Polarisation, Economic Restructuring and Welfare State Regimes. *Urban Studies* 33 (8): 1407-1430.

Hare, Melanie. 2001. Exploring Growth Management Roles in Ontario: Learning from 'Who Does What' Elsewhere. (for the Ontario Professional Planners Institute Toronto: OPPI).

Harmon, Tasha. 1998. "Portland, Oregon -- Who Pays the Price for Regional Planning? How to Link Growth Management and Affordable Housing" (Planners Network [website]).

Harris, Richard. 2000. "Housing" . chapter 16 in Trudi Bunting and Pierre Filion, *Canadian Cities in Transition: The Twenty-first Century*. (Toronto: Oxford University Press).

Healy, Ernest, and Bob Birrell. 2005. *Housing and Community in the Compact City*. (Australian Housing and Urban Research Institute).

Heisz, Andrew, and Logan McLeod. 2004. *Low Income in Census Metropolitan Areas, 1980-2000*. (Statistics Canada, Analytical Paper -- cat. 89-613-M1E #1).

Heisz, Andrew, and Grant Schellenberg. 2004. *Public Transit Use Among Immigrants*. (Statistics Canada, Studies Branch, research paper no. 224).

Hiebert, Daniel. 2000. *The Social Geography of Immigration and Urbanization in Canada: A Review and Interpretation*. (Vancouver Centre of Excellence - Research on Immigration and Integration in the Metropolis [RIIM] working paper #00-12).

Hou, Feng, and Garnett Picot. 2003. *Visible Minority Neighbourhood Enclaves and Labour Market Outcomes of Immigrants*. (Statistics Canada, Analytical Studies Branch, paper 204).

Houston, Donald. 2005. Employability, Skills Mismatch and Spatial Mismatch in Metropolitan Labour Markets. *Urban Studies* 42 (2): 221-243.

Hulchanski, J. David. 2001. "A Tale of Two Canadas: Homeowners Getting Richer, Renters Getting Poorer: Income and Wealth Trends in Toronto, Montreal and Vancouver, 1984 and 1999". (Research Bulletin no. 2, Centre for Urban and Community Studies, University of Toronto).

Inlandfeldt, Keith R., and David L. Sjoquist. 1998. The Spatial Mismatch Hypothesis: A Review of Recent Studies and Their Implications for Welfare Reform. *Housing Policy Debate* 9 (4): 849-892.

Jackson, Andrew, Sylvain Schetagne, and Peter Smith. 2001. *A Community Growing Apart: Income Gaps and Changing Needs in the City of Toronto in the 1990s*. (Canadian Council on Social Development, for United Way of Greater Toronto).

Jackson, Andrew. 2004. *Home Truths: Why the Housing System Matters to All Canadians*.

(Ottawa: Canadian Centre for Policy Alternatives, and the Canadian Housing and Renewal Association).

Jacobs, Jerry A. 1993. Careers in the US Service Economy. Chapter 8 in: Esping-Andersen, Gøsta (ed.), *Changing Classes: Stratification and Mobility in Post-industrial Societies*. (Sage/International Sociological Association).

Jakubec, Lance, John Engeland, and Ian Melzer. 2003. *Special Studies on 1996 Census Data: Housing Conditions of Immigrants in the Toronto Census Metropolitan Area*. (Statistics Canada, socio-economic series 55-12).

Jargowsky, Paul A. 2002. Sprawl, Concentration of Poverty, and Urban Inequality. Chapter 3 in Gregory D. Squires (ed.), *Urban Sprawl: Causes, Consequences and Policy Responses*. (Washington: Urban Institute Press).

Jargowsky, Paul A. 2003. *Stunning Progress, Hidden problems: The Dramatic Decline of Concentrated Poverty in the 1990s*. (Washington: Brookings Institution).

Johnson, Elmer W. 1999. Chicago Metropolis 2020: Preparing Metropolitan Chicago for the 21st Century. (Chicago: The Commercial Club of Chicago).

Joint Centre of Excellence for Research on Immigration and Settlement (CERIS). 2003. *Living on the Ragged Edges: Immigrants, Refugees and Homelessness in Toronto*. (CERIS library).

Kalinosky, Leah. 2001. *Smart Growth for Neighborhoods: Affordable Housing and Regional Vision*. (Washington DC: National Neighborhood Coalition).

Kasarda, John D. 1993. Inner-City Concentrated Poverty and Neighbourhood Distress: 1970 to 1990. *Housing Policy Debate* 4 (3): 253-302.

Katz, Bruce. 2001. Who Should Run the Housing Voucher Program? A Reform Proposal. *Housing Policy Debate* 12 (2): 239-262.

Kazemipur, Abdolmohammad, and Shiva S. Halli. 2000. *The New Poverty in Canada: Ethnic Groups and Ghetto Neighbourhoods*. (Toronto: Thompson Educational Publishing Inc.).

Kazemipur, Abdolmohammad, and Shiva S. Halli. 2001. Immigrants and the New Poverty: The Case of Canada. *International Migration Review* 35 (4): 1129ff.

Knox, Paul L. (ed.). 1993. *The Restless Urban Landscape*. (New Jersey: Prentice Hall).

Lampert, Greg, Steve Pomeroy, and Helyar and Associates. 1997. *Prospects for Rental Production in Metro*. (for the Municipality of Metropolitan Toronto).

Lampert, Greg. 1999. *Responding to the Challenge: The Economics of Investment in New Rental Housing in 1999*. (For Ontario, Ministry of Municipal Affairs and Housing).

Lapointe, Linda, in association with Sylvia Novac and Marion Steele. 2004. *Analysis of Evictions under the Tenant Protection Act in the City of Toronto: Overall Rental Housing Market*. (for the City of Toronto, Shelter Housing and Support Division).

Laroche, Mirielle. 1998. *The Persistence of Low Income Spells in Canada, 1982-1993*. (Ottawa:

Department of Finance, analytical paper).

Lee, Peter, and Alan Murie. 1998. Targeting Social Exclusion: Targeting Deprivation through Housing Tenure is Flawed. *New Economy* 5 (2): 89-93.

Lee, Peter, and Alan Murie. 1999. Spatial and Social Divisions within British Cities: Beyond Residualisation. *Housing Studies* 14 (5): 625-640.

Lewis, Roger, and Lance Jakubec. 2004. Growth in Household Incomes and Shelter Costs, 1991-2001. (CMHC, 2001 Census Housing Series, Issue 5).

Lewis Mumford Center. "Metropolitan Racial and Ethnic Change -- Census 2000". (Website).

Ley, David. 2000a. *The New Middle Class and the Remaking of the Central City*. (Oxford University Press).

Ley, David. 2000b. The Inner City. Chapter 12 in Trudi Bunting and Pierre Filion, *Canadian Cities in Transition: The Twenty-first Century*. (Toronto: Oxford University Press).

Ley, David, and Heather Smith. 2000. Relations between Deprivation and Immigrant Groups in Large Canadian Cities. *Urban Studies* 37 (1): 37-62.

Logan, John R., and Todd Swanston (eds.). 1990. *Beyond the City Limits: Urban Policy and Economic Restructuring in Comparative Perspective*. (Philadelphia: Temple UP).

Lupton, Ruth. 2003. "Neighbourhood Effects: Can We Measure them and Does it Matter" (London: CASE Paper 73).

MacLennan, Duncan, and Gwilym Price. 1996. Global Economic Change, Labour Market Adjustment and the Challenges for European Housing Policies. *Urban Studies* 33 (10): 1849-1865.

MacLennan, Duncan. 2004. *Cities, Housing and Competitiveness*. (Background paper for the Tri-Country Conference on housing. Ottawa: Canadian Housing and Renewal Association).

MacLennan, Duncan. 2005. *Housing Policies: New Times, New Foundations*. (Ottawa: Canadian Policy Research Networks, and York: Joseph Rowntree Foundation).

Madden, Janice Fanning. 2003. The Changing Spatial Concentration of Income and Poverty among Suburbs of Large US Metropolitan Areas. *Urban Studies* 40 (3): 481-503.

Makuch, Stanley, with Marureen A. Houston. 1990. *Legal Issues in the Provision of Affordable Housing*. (for the Ontario Ministry of Housing and the Ontario Ministry of Municipal Affairs).

Mallach, Allan. 1984. *Inclusionary Housing Programs: Policies and Practices*. (New Brunswick, NJ: Center for Urban Policy Research).

Malone Given Parsons Ltd. 1991. *Inclusionary Zoning Study for Housing in the City of Toronto*. (for the City of Toronto).

Manzi, Tony, and Bill Smith Bowers. 2004. Partitioning Urban Space: Exclusivity or Social Integration? Gated Communities in the United Kingdom. (paper at the ISA International Housing Conference, University of Toronto).

- Marcuse, Peter. 1995. *Is Australia Different? Globalization and the New Poverty*. (AHURI 1995).
- Marcuse, Peter, and Ronald van Kempen (eds.). 2000. *Globalizing Cities: A New Spatial Order?* (Oxford: Blackwell).
- Marcuse, P. 1993. What is New About Divided Cities? *International Journal of Urban and Regional Research* 17 (3): 355-365.
- Marcuse, P. 1997. The Enclave, the Citadel and the Ghetto: What has changed in the Post-Fordist City. *Urban Affairs Review* 33: 228-264.
- Marr, Matthew D. 2005. Mitigating Apprehension about Section 8 Vouchers: The Positive Role of Housing Specialists in Search and Placement. *Housing Policy Debate* 16 (1): 85-111.
- Marsh, Alex, and David Mullins. 1998. The Social Exclusion Perspective and Housing Studies: Origins, Applications and Limitations. *Housing Studies* 13 (6):749-759.
- Marsh, Dwayne. 2003. *Promise and Challenge; Achieving Regional Equity in Greater Boston*. (Prepared for the "Greater Boston Action Committee". Oakland California: PolicyLink).
- Massey, Douglas S. 1985. Ethnic Residential Segregation: A Theoretical Synthesis and Empirical Review. *Sociology and Social Research* 69 (3): 315-350.
- Mayer, Susan E. and Christopher Jencks. 1989. Growing Up in Poor Neighbourhoods: How Much Does it Matter? *Science* 243: p. 4897ff.
- McClure, Kirk. 2005. Comment on Victoria Basolo and Mai Thi Nguyen's 'Does Mobility Matter? The Neighborhood Condition of Housing Voucher Holders by Race and Ethnicity'. *Housing Policy Debate* 16 (3 & 4): 347-359.
- McClure, Kirk. 2005. "Deconcentration of Poverty Using the Housing Choice Voucher Program". (Paper presented at the Urban Affairs Association Conference, Montreal, April 2006).
- McConville, Shannon, and Paul Ong. 2003. *The Trajectory of Poor Neighbourhoods in Southern California, 1970-2000*. (Washington: Brookings Institution).
- Meek, Stuart, Rebecca Retzlaff, and James Schwab. 2003. *Regional Approaches to Affordable Housing*. (Chicago: American Planning Association. Planning Advisory Service report no. 513/514).
- Meligrana, John, and Andrejs Skaburskis. 2005. Extent, Location and Profiles of Continuing Gentrification in Canadian Metropolitan Areas, 1981-2001. *Urban Studies* 42 (9): 1569-1592.
- Mendez, Pablo, Daniel Hiebert, and Elvin Wyly. 2006. Landing at Home: Insights on Immigration and Metropolitan Housing Markets from the Longitudinal Survey of Immigrants to Canada. *Canadian Journal of Urban Research* 15 (2): 82-104.
- Metropolitan Council. 2004. *Regional Development Framework*. (Minneapolis-St. Paul: Metropolitan Council).
- Metropolitan Toronto (Planning Department). 1993. *Metro's Changing Housing Scene, 1986-1991*. (Toronto: *idem*).

- Metropolitan Toronto (Planning Department). 1996a. *Housing Patterns and Prospects in Metro*. (Toronto: *idem*.)
- Metropolitan Toronto (Community Services Department). 1996b. *Background: Government Role and Public Costs for Housing*. (Toronto: *idem*.)
- Miron, John R. (ed.). 1993. *House, Home, and Community: Progress in Housing Canadians, 1945-1986*. (McGill-Queens University Press).
- Miron, John R. 1995. Private Rental Housing: The Canadian Experience. *Urban Studies* 32 (3): 579-604.
- Miron, John R. 1998. *Renters and their Housing Conditions: From the 1980s into the 1990s*. (Ottawa: Canada Mortgage and Housing Corporation).
- Mok, Diana, and Andrejs Skaburskis. 2000. The Impact of Withdrawing Subsidies for New Rental Housing in Ontario. *Journal of Housing Studies* 15 (2): 213-238.
- Moloughney, Brent. 2004. *Housing and Population Health – The State of Current Research Knowledge*. (Ottawa: Canadian Institute for Health Information, and Canada Mortgage and Housing Corporation).
- Moore, Eric, and Andrejs Skaburskis. 2004. Canada's Increasing Housing Affordability Problems. *Housing Studies* 19 (3): 395-413.
- Morissette, René, and Marie Drolet. 2000. *To What Extent are Canadians Exposed to Low Income?* (Statistics Canada, Analytical Studies Branch, paper 146).
- Morissette, René, and Garnett Picot. 2005. *Low-paid Work and Economically Vulnerable Families over the Last Two Decades*. (Statistics Canada, Analytical Studies Branch, research paper 248).
- Murdie, Robert A. 2002. "Blacks in Near-Ghettos?" Black Visible Minority Population in Metropolitan Toronto Housing Authority Public Housing Units. *Housing Studies* 9 (4): 435-456.
- Murdie, Robert A. 1969. *Factorial Ecology of Metropolitan Toronto, 1951-1961*. (Department of Geography, University of Chicago, research paper no. 116).
- Murdie, Robert A. 1998a. The Welfare State, Economic Restructuring and Immigrant Flows: Impacts on Socio-spatial Segregation in Greater Toronto. Chapter 5 in: Sako Musterd and Wim Ostendorf (eds.), *Urban Segregation and the Welfare State: Inequality and Exclusion in Western Cities*. (London and New York: Routledge).
- Murdie, Robert A. 1998b. The Housing Careers of Polish and Somali Newcomers in Toronto's Rental Market. *Housing Studies* 17 (3): 423-443.
- Murdie, Robert A., and Carlos Teixeira. ca. 2001. *Towards a Comfortable Neighbourhood and Appropriate Housing: Immigrant Experiences in Toronto*. (Toronto: CERIS Working Paper No. 10).
- Murphy, Peter, and S. Watson. 1994. Social Polarisation in Australian Cities. *International Journal of Urban and Regional Research* 8 (4).

Musterd, Sako, Wim Ostendorf, and Mathijs Breebaart. 1998. *Multi-Ethnic Metropolis: Patterns and Policies*. (Dordrecht, Boston, London: Kluwer Academic Publishers).

Musterd, Sako, and Wim Ostendorf (eds.). 1998. *Urban Segregation and the Welfare State: Inequality and Exclusion in Western Cities*. (London and New York: Routledge).

Myers, Dowell. 1999. Demographic Dynamism and Metropolitan Change: Comparing Los Angeles, New York, Chicago and Washington, DC. *Housing Policy Debate* 10 (4): 919-954.

Myles, John, Garnett Picot, and Ted Wannell. 1993. Does Post-industrialism Matter? The Canadian Experience. Chapter 7 in: Gøsta Esping-Andersen (ed.), *Changing Classes: Stratification and Mobility in Post-industrial Societies*. (Sage Publications).

Myles, John, and Feng Hou. 2003. *Neighbourhood Attainment and Residential Segregation Among Toronto's Visible Minorities*. (Statistics Canada, Analytical Studies Branch, research paper 206).

Myles, John, Garnett Picot, and W. Pyper. 2000. *Neighbourhood Inequality in Large Canadian Cities*. (Statistics Canada, Business and Labour Market Analysis Division, No. 160).

Nelson, Arthur C., Rolf Pendall, Casey J. Dawkins, and Gerrit J. Knaap. 2002. The Link between Growth Management and Housing Affordability: The Academic Evidence. (Brookings Institution, discussion paper).

Novac, Sylvia, Joe Darden, David Hulchanski, and Anne-Marie Seguin, with Francine Bernèche. 2002. *Housing Discrimination in Canada: The State of Knowledge*. (Canada Mortgage and Housing Corporation).

O'Flaherty, Brendan. 1996. *Making Room: The Economics of Homelessness*. (Harvard University Press).

Ontario, Ministry of Finance. 1995. *1995 Ontario Budget Plan*. (Toronto: *idem.*).

Ontario, Ministry of Public Infrastructure Renewal. 2006. *Places to Grow: Growth Plan for the Greater Golden Horseshoe*. (Toronto: *idem.*).

Oreopoulos, Philip. 2002. *Do Neighbourhoods Influence Labour Market Success? A Comparison of Adults Who Grew Up In Different Public Housing Projects*. (Statistics Canada. No. 185).

Orfield, Myron. 1998. Portland Metropolitcs: A Regional Agenda for Community and Stability. ("A report to the Coalition for a Livable Future", Portland Oregon).

Orfield, Myron. 2002. *American Metropolitcs: The New Suburban Reality* (Washington: Brookings Institution).

Ornstein, Michael. 2006. *Ethno-Racial Groups in Toronto, 1971-2001: A Demographic and Socio-Economic Profile..* (York University, Institute for Social Research, for the City of Toronto).

Palameta, Boris. 2004. Low Income among Immigrants and Visible Minorities. *Perspectives on Labour and Income* 16 (2): 32-37.

Papillon, Martin. 2002. *Immigration, Diversity and Social Inclusion in Canada's Cities*. (Ottawa: Canadian Policy Research Networks, Discussion paper F/27).

- Perrotta, Alexis F. 2004. *Out of Balance: The Housing Crisis from a Regional Perspective*. (New York: Regional Plan Association).
- Picot, Garnett. 1998. What is Happening to Earnings Inequality and Youth Wages in the 1990s? *Canadian Economic Observer* 11 (9).
- Picot, Garnett. 2004. The Deteriorating Economic Welfare of Canadian Immigrants. *Canadian Journal of Urban Research* 13 (1): 25-45.
- Picot, Garnett, and Feng Hou. 2003. *The Rise in Low-Income Rates Among Immigrants to Canada*. (Statistics Canada, Analytical Studies Branch, research paper 198).
- Picot, Garnett, and John Myles. 2005. *Income Inequality and Low Income in Canada: An International Perspective*. (Statistics Canada, Analytical Studies Branch, research paper 240).
- Pinçon. Michel, and Monique Pinçon-Charlot. 2004. *Sociologie de Paris*. (Paris: Editions La Découverte).
- Polèse, Mario and Richard Stren. 2000. Understanding the New Sociocultural Dynamics of Cities: Comparative Urban Policy in a Global Context. In: Mario Polèse and Richard Stren, *The Social Sustainability of Cities: Diversity and the Management of Change*. (University of Toronto Press).
- PolicyLink. 2002. *Promoting Regional Equity: A Framing Paper*. (Prepared for the "National Summit on Equitable Development, Social Justice, and Smart Growth", Los Angeles. Oakland California: PolicyLink).
- Pomeroy, Steve. 1998. *Residualization of Rental Tenure: Attitudes of Private Landlords Toward Housing Low Income Households*. (for Canada Mortgage and Housing Corporation, and BC Real Estate Foundation).
- Pomeroy, Steve. 2005. *Neighbourhood Change through a Housing Lens*. (Ottawa: Caledon Institute of Social Policy).
- Power, Anne. 1997. *Estates on the Edge: The Social Consequences of Mass Housing in Northern Europe*. (London: Macmillan).
- Power, Anne, and William Julius Wilson. 2000. *Social Exclusion and the Future of Cities*. (London: CASE Paper 35).
- Prince, Michael J. 1998. Holes in the Safety Net, Leaks in the Roof: Changes in Canadian Welfare Policy and Their Implications for Social Housing Programs. *Housing Policy Debate* 9 (4): 825-848.
- Qadeer, Mohammad. 2003. *Ethnic Segregation in Toronto and the New Multiculturalism*. (University of Toronto, Centre for Urban and Community Studies, Research Bulletin #12).
- Randolph, Bill, and Darren Holloway. 2004. *Social Disadvantage, Tenure and Location: An Analysis of Sydney and Melbourne*. (University of Western Sydney, Urban Frontiers Program, Research Paper No. 12).
- Raskall, Phillip. 2002. Equity Issues in the 'New Prosperity' of the 1990s: The Case of Sydney. *Australian Geographer* 33 (3): 281-299.

- Ray, Brian K. 1998. *A Comparative Study of Immigrant Housing, Neighbourhoods and Social Networks in Toronto and Montreal*. (Canada Mortgage and Housing Corporation).
- Reitz, Jeffrey G. 2002. Terms of Entry: Social Institutions and Immigrant Earnings in American, Canadian and Australian Cities. In Malcolm Cross and Robert Moore, *Globalization and the New City: Migrants, minorities and Urban Transformations in Comparative Perspective*. (Palgrave publishers Ltd.).
- Reitz, Jeffrey G., and Janet M. Lum. 2001. Immigration and Diversity in a Changing Canadian City: Social Bases of Inter-Group Relations in Toronto. (Toronto: CERIS library).
- Richardson, Nigel H. 1981. Insubstantial Pageant: The Rise and Fall of Provincial Planning in Ontario. *Canadian Public Administration* 24 (4).
- Richmond, Don. 1995. Public Housing: Options for the Future. (Toronto: Unpublished discussion paper).
- Richmond, Don. circa 1997. Public Housing in Toronto (Unpublished discussion paper).
- Rose, Albert. 1980. *Canadian Housing Policies (1935-1980)*. (Toronto: Butterworths and Company).
- Sassen, Saskia. 1999. *Guests and Aliens*. (New York: the New Press/ Norton).
- Sassen, Saskia. 2001. *The Global City*. (second edition) (Princeton University Press).
- Saunders, Ron. 2006. *Risk and Opportunity: Creating Options for Vulnerable Workers*. (Ottawa: Canadian Policy Research Networks, vulnerable workers series no. 7).
- Séguin, Anne-Marie, and Gérard Divay. 2002. Urban Poverty: Fostering Sustainable and Supportive Communities. (Ottawa: Canadian Policy Research Networks, discussion paper F/27).
- Seidle, Leslie. 2002. *The Federal Role in Canada's Cities: Overview of Issues and Proposed Actions*. (Ottawa: Canadian Policy Research Networks, discussion paper).
- Sewell, John. 1977. Don Mills: E.P. Taylor and Canada's First Corporate Suburb. *The Second City Book: Studies of Urban and Suburban Canada*. pp. 18-30. (Toronto: James Lorimer & Company).
- Sewell, John. 1994. Houses and Homes: Housing for Canadians. (Toronto: James Lorimer & Company).
- Shillington, Richard. 2001. *The Role of Housing in the Social Inclusion/Exclusion of Children: Conceptual Framework and Research Plan*. (Ottawa: Canadian Housing and Renewal Association).
- Singer, Audrey. 2004. *The Rise of the New Immigrant Gateways*. (Washington: Brookings Institution).
- Skaburskis, Andrejs. 1988. The Nature of Canadian Condominium Submarkets and their Effect on the Evolving Urban Spatial Structure. *Urban Studies* 25: 109-123.
- Skaburskis, Andrejs. 2006. Filtering, City Change and the Supply of Low-priced Housing in Canada.

Urban Studies 43 (3): 533-558.

Slack, Enid. 2004. "Why Housing Matters: An Urban Perspective". (Presentation at the CHRA symposium on national housing strategy, June 2004).

Smart Growth BC. 2005. *Smart Growth BC Affordable Housing Policy*. (Vancouver: *idem*).

Social Planning Council of Metropolitan Toronto. 1979. *Metro's Suburbs in Transition: Part I: Evolution and Overview*.

Social Planning Council of Metropolitan Toronto. 1980. *Planning Agenda for the Eighties: Part II: Metro's Suburbs in Transition*.

Somerville, Peter. 1998. Explanations of Social Exclusion: Where Does Housing Fit In? *Housing Studies* 13 (6): 761-780.

Somerville, C. Tsuriel, and Cynthia Holmes. 2001. Dynamics of the Affordable Housing Stock: Microdata Analysis of Filtering. *Journal of Housing Research* 12 (1): 115-140.

Spelt, Jacob. 1973. *Canadian Cities: Toronto*. (Toronto: Collier-Macmillan Canada).

Squires, Gregory D., and Charis E. Kubrin. 2005. Privileged Places: Race, Uneven Development and the Geography of Opportunity in Urban America. *Urban Studies* 42 (1): 47-68.

Starr, Edward, and Christine Pacini. 2001. *The Municipal Role in Meeting Ontario's Affordable Housing Needs: An Environmental Scan of Municipal Initiatives and Practices*. (Toronto: Ontario Professional Planners Institute.)

Statistics Canada. 2003. *2001 Census: Analysis Series: The changing Profile of Canada's Labour Force*. (cat. 96F00030XIE2001009).

Strong Neighbourhoods Task Force. 2005. *Strong Neighbourhoods: A Call to Action*. (City of Toronto, and United Way of Greater Toronto).

Suttor, Gregory. 2004. *Immigration in Urban Canada*. (Ottawa: Canadian Housing and Renewal Association, Background paper for the Tri-Country Conference on housing).

TD Economics. 2002a. *A Choice between Investing in Canada's Cities or Disinvesting in Canada's Future*. (Toronto: TD Bank Financial Group).

TD Economics. 2002b. *The Greater Toronto Area (GTA): Canada's Primary Economic Locomotive in Need of Repairs*. (Toronto: TD Bank Financial Group).

Task Force on Modernizing Income Security. 2006. *Time for a Fair Deal: Report of the Task Force on Modernizing Income Security for Working Age Adults*. (Toronto: Toronto City Summit Alliance and St, Christopher House).

Taylor, Peter J., and D.R.F. Walker. 2001. World Cities: A first Multivariate Analysis of their Service Complexes. *Urban Studies* 38 (1): 23-47.

Taylor, Peter J. 2005. Leading World Cities: Empirical Evaluations of Urban Nodes in Multiple Networks. *Urban Studies* 42 (9): 1593-1608.

Teelucksingh, Cheryl, and Grace-Edward Galabuzi. 2005. *Working Precariously: The Impact of Race and Immigrants Status on Employment Opportunities and Outcomes in Canada*. (Centre for Social Justice, and the Canadian Race Relations Foundation).

Tomalty, Ray, and Don Alexander (Co-operative Research and Policy Services). 2005. *Smart Growth in Canada: Implementation of a Planning Concept*. (Ottawa: Canada Mortgage and Housing Corporation. <http://www.smartgrowth.ca/research/SmartGrowth.pdf>)

Tomalty, Ray, and Don Alexander (Co-operative Research and Policy Services). 2005. Smart Growth in Canada: A Report Card. (Ottawa: Canada Mortgage and Housing Corporation, Research Highlight, summary of *ibid.*).
<http://www.smartgrowth.ca/research/Smart%20Growth%20-%20A%20Report%20Card.pdf>)

Toronto (City), Planning and Development Department. 1984. Toronto Region Incomes. (Research bulletin no. 24).

Toronto (City), Housing Department. 1990. "Private Sector Subsidy Programs, Rental and Ownership". Appendix 5 to *idem.*, "Tenancy Issues in Co-operative, Non-profit & Private Rental Housing Projects" (Report to City of Toronto Neighbourhoods Committee).

Toronto (City), City Planning Division. 2000. *Choosing Where to Live*.

Toronto (City), City Planning Division. 2003a. *Profile Toronto: Toronto's Housing*.

Toronto (City). 2003b. *Toronto Report Card on Housing and Homelessness 2003*.

Toronto (City), City Planning Division. 2004. *Profile Toronto: Perspectives on Household Income*.

Toronto (City), City Planning Division. 2006. *Perspectives on Housing Tenure*.

Toronto (City), Community and Neighbourhood Services Department. 2001. Immigrant Settlement Framework for the City of Toronto. (Report adopted by Toronto City Council).

Toronto Board of Trade. 2003. *Affordable, Available, Achievable: Practical Solutions to Affordable Housing Challenges*. (Toronto: *idem.*).

Toronto City Summit Alliance. 2003. *Enough Talk: An Action Plan for the Toronto Region*.

Turk, Michael. 2004. The Question of Rent: The Emerging Urban Housing Crisis in the New Century. *International Journal of Urban and Regional Research*. 28 (4): 909-918.

United Way of Greater Toronto. 1997. *Metro Toronto: A Community at Risk: Economic, Social and funding Trends in Metropolitan Toronto*.

United Way of Greater Toronto and Canadian Council on Social Development (CCSD). 2004. *Poverty by Postal Code: The Geography of Neighbourhood Poverty: City of Toronto, 1981-2001*.

Van Grunsven, Leo. 2000. Singapore: The Changing Residential Landscape in a Winner City. Chapter 6 in Peter Marcuse and Ronald van Kempen (eds.). *Globalizing Cities: A New Spatial Order?* (Oxford: Blackwell).

- Varady, David P., and Carole C. Walker. 2003. Using Housing Vouchers to Move to the Suburbs: How do Families Fare? *Housing Policy Debate* 14 (3): 347-382.
- Vosco, Leah F., Nancy Zukewich, and Cynthia Crawford. 2003. Precarious Jobs: A New Typology of Employment. *Perspectives on Labour and Income* 15 (4).
- Walks, R. Alan. 2001. The Social Ecology of the Post-Fordist/Global City? Economic Restructuring and Socio-spatial Polarisation in the Toronto Urban Region. *Urban Studies* 38 (3): 407-447.
- Whitehead, Christine, Tony Crook, et al. 2005. *The Value for Money of Delivering Affordable Housing through Section 106*. (London: Office of the Deputy Prime Minister).
- Wilmott, Peter, and Alan Murie. 1998. *Polarisation and Social Housing: The British and French Experience*. (Oxford: Policy Studies Institute).
- Willms, Douglass J. 2001. Three Hypotheses about Community Effects on Social Outcomes. *Canadian Journal of Policy Research* v. 2, n. 1 53-62.
- Wilson, William Julius. 1996. *When Work Disappears: The New World of the New Urban Poor*. (New York: Vintage/Random House).
- Wolfson, Michael C., and Brian B. Murphy. 1998. *New Views on Inequality Trends in Canada and the United States*. (Statistics Canada, cat. 11F0019MPE no 124).
- Wright, James D., and Beth A. Rubin. 1997. Is Homelessness a Housing Problem? In Dennis P. Culhane and Steven P. Hornburg, *Understanding Homelessness: New Policy and Research Perspectives*. (Fannie Mae Foundation).
- Yalnizyan, Armine. 1998. *The Growing Gap: A Report on Growing Inequality Between the Rich and Poor in Canada*. (Toronto: Centre for Social Justice).
- Yalnizyan, Armine. 2000. *Canada's Great Divide: The Politics of the Growing Gap Between Rich and Poor in the 1990s*. (Toronto: Centre for Social Justice).
- York Region. 2005a. *Housing and Our Economy: Remaining Competitive: 2004*.
- York Region. 2005b. "York Region Employers Opinion Survey 2004" (clause 2, report no. 9 of the Community Services and Housing Committee).

Appendix 1

Data and Methodology

This Appendix sketches the method of data analysis and the geography in Part 3.

This analysis uses primarily a census custom tabulation (EO 0929) with the following variables. All census data are from this source unless otherwise noted. Specific attribution is not always given on each table.

- Household income
- Housing tenure
- Structural type of dwelling
- Household (family) type
- Immigrant status of household head (maintainer)

Part 3 uses mostly descriptive statistics, sticking to what the writer knows. Because the census is a full population (or a 20 percent sample – see below) tests of correlation and statistical probability may be useful as an aid in judgement but are not needed as strict tests of the significance of any results. This report should till some fertile ground for more rigorous quantitative research on these matters.

a) Study area

Our focus is the broad patterns of the city-region, not finer-grained neighbourhood patterns. The city-region is the “community of daily life”: the local housing market and labour market, but also in local media, post-secondary education, entertainment, and other activities. This study uses a version of the Greater Toronto Area (GTA), the definition of the city-region that prevails in local media and politics. This is slightly larger than the Census Metropolitan Area. The study area is highly congruent with the CMA in 2001, as shown in Tables 17 (a) through (c). It may be just slightly less congruent with each earlier date.

Oshawa and Burlington are included (along with Clarington on the eastern fringe), though not part of the Toronto Census Metropolitan Area. Being in Durham and Halton Regions, they are part of the GTA (Greater Toronto Area) in Toronto-talk. The labour and housing markets of Oshawa and Burlington are each somewhat self-contained, the majority of working residents working locally. But Burlington now has far more commuters to the Toronto CMA than to Hamilton; about twice as many Whitby residents work in the Toronto CMA as work locally or in Oshawa. In sum, the boundaries between the Hamilton, Toronto and Oshawa CMAs are anachronisms; the “GTA” is a superior functional definition of the city-region.⁵³

In effect, the study area omits the northern commuter fringe: the satellite towns of

⁵³ For commuting data, see online profiles at www.statcan.ca: “search by topic” to cat. No. 93F0053XIE.

Orangeville, Alliston, Bradford, and their vicinities (including Mono), and the semi-rural commuter townships of King, Whitchurch-Stouffville, Uxbridge, East Gwillimbury, Georgina, Brock and Scugog. Each municipality omitted was below the 10,000-household threshold for this study's "districts"; various boundaries changed during the study period. The study area is a valid representation of the city-region, without these areas. Their exclusion does not materially affect the results; some have a fuller income mix than new suburbs but overall magnitude and growth is small yet; and there are few multi-rental units. Tables 17 (a) through (c) show the congruence of the study area and CMA.

Table 17a
CMA – Study Area Comparison:
Tenure and Income, 2001

	<i>Study Area</i>			<i>Percentages</i>			<i>Percent Rented</i>
	Total	Owned	Rented	Total	Owned	Rented	
1st (lowest)	342,750	117,585	225,160	19.8%	10.7%	35.8%	65.7%
2nd quintile	345,725	169,250	176,475	20.0%	15.4%	28.1%	51.0%
3rd quintile	346,615	226,485	120,130	20.0%	20.6%	19.1%	34.7%
4th quintile	349,480	277,950	71,525	20.2%	25.3%	11.4%	20.5%
5th (highest)	344,625	309,095	35,525	19.9%	28.1%	5.6%	10.3%
Total	1,729,195	1,100,375	628,820	100.0%	100.0%	100.0%	36.4%

	<i>Toronto CMA</i>			<i>Percentages</i>			
	Total	Owned	Rented	Total	Owned	Rented	
1st (lowest)	326,945	111,860	215,085	20.0%	10.8%	35.8%	65.8%
2nd quintile	327,110	159,275	167,830	20.0%	15.4%	27.9%	51.3%
3rd quintile	326,885	211,840	115,050	20.0%	20.5%	19.1%	35.2%
4th quintile	327,515	258,855	68,660	20.0%	25.0%	11.4%	21.0%
5th (highest)	326,290	291,630	34,665	20.0%	28.2%	5.8%	10.6%
Total	1,634,745	1,033,460	601,280	100.0%	100.0%	100.0%	36.8%

Source: Census, custom tabulation EO 0929.

Table 17b
CMA – Study Area Comparison:
Household Type and Immigration, 2001

	<i>Study Area</i>		<i>Percentages</i>		<i>Percent Recent Immigrant</i>
	Total	Recent Immigrant	Total	Recent Immigrant	
Two-parent	667,930	127,625	38.6%	52.4%	19.1%
Couple	357,370	32,120	20.7%	13.2%	9.0%
Lone Parent	179,195	26,895	10.4%	11.0%	15.0%
Multi-family	57,240	17,670	3.3%	7.3%	30.9%
Non-family	467,460	39,260	27.0%	16.1%	8.4%
Total	1,729,195	243,570	100.0%	100.0%	14.1%
	<i>Toronto CMA</i>		<i>Percentages</i>		
	Total	Recent Immigrant	Total	Recent Immigrant	
Two-parent	633,445	126,195	36.6%	51.8%	19.9%
Couple	333,695	31,650	19.3%	13.0%	9.5%
Lone Parent	168,855	26,685	9.8%	11.0%	15.8%
Multi-family	56,450	17,570	3.3%	7.2%	31.1%
Non-family	442,305	38,865	25.6%	16.0%	8.8%
Total	1,634,745	240,965	94.5%	98.9%	14.7%

Source: Census, custom tabulation EO 0929.

Table 17c
CMA – Study Area Comparison:
Tenure and Structural Type, 2001

Geography Tenure (3)	<i>Study Area</i>			<i>Percentages</i>		
	Total	Owned	Rented	Total	Owned	Rented
Single-detached	783,525	726,435	57,095	45.3%	66.0%	9.1%
Semi-detached	155,125	131,065	24,060	9.0%	11.9%	3.8%
High-rise*	465,125	107,565	357,560	26.9%	9.8%	56.9%
Other	325,410	135,315	190,095	18.8%	12.3%	30.2%
Total	1,729,195	1,100,375	628,820	100.0%	100.0%	100.0%
	<i>Toronto CMA</i>			<i>Percentages</i>		
	Total	Owned	Rented	Total	Owned	Rented
Single-detached	737,315	680,690	56,625	45.1%	65.9%	9.4%
Semi-detached	147,985	124,845	23,140	9.1%	12.1%	3.8%
High-rise*	447,240	104,590	342,650	27.4%	10.1%	57.0%
Other	302,210	123,340	178,870	18.5%	11.9%	29.7%
Total	1,634,745	1,033,460	601,280	100.0%	100.0%	100.0%

*Apartment in a building that has five or more storeys

Source: Census, custom tabulation EO 0929.

b) District geographic units

Data are analysed for 45 districts of typically 20,000 to 60,000 households and averaging just over 100,000 people (Table 2; Map 3). A district averages about 15 times the size of a typical census tract – the commonly used measure of a “neighbourhood”. Many studies address the neighbourhood or tract level.

The district level, better than neighbourhood, captures the broad structure of the city-region. Jane Jacobs argued that the district was an essential building block in a city. She saw a scale of about 100,000 people as exemplary, although the range might be 30,000 to 200,000. In the first instance is a political and administrative necessity – to mediate between the big municipal government and the all-but-powerless “street neighbourhood”, and to de-centralize but cross-coordinate administration. But it is also a scale for conveying information: “Only supermen could understand a great city as a total...”⁵⁴ – or, one may add, each small one-percent-of-a-big-city which is a census tract. At the outset of this study there was also concern that small cell counts might occur, at certain points in the analysis, using finer geographic scales.

⁵⁴ Jacobs 1961, pp. 121ff; pp. 405ff; p. 117 and 130 on the matter of scale; quote p. 410.

Precedents for the scale of districts used here include:

- Public Use Microdata Areas (PUMAs) used in the US census (see <http://www.census.gov/geo/www/maps/puma5pct.htm>);
- The existing scale of municipal governments in Toronto's outer suburbs except Mississauga and Brampton;
- The former Metropolitan Toronto government's planning districts;
- Analysis in Sydney using local government areas of similar average population;
- Districts used by CMHC in its annual Rental Market Survey.
- *Arrondissements* of the City of Paris, boroughs of the City of Montreal, and community districts (boards) of New York City – in each case averaging between 85,000 and 140,000.
- Postal districts formerly in official use – and still in some everyday use – such as Rexdale, Willowdale, Downsview and Agincourt.
- The scale and sometimes the general geography of federal-provincial electoral ridings (constituencies) which are intended to reflect real geographic communities.

Toronto lacks any official, standard, or conventional districts. The City of Toronto has 142 neighbourhoods of varying size, averaging 18,000 people. Mississauga has planning districts averaging slightly larger. The districts for this study were defined as follows.

- In the City of Toronto, CMHC Rental Market Survey districts are used, with two exceptions to avoid overly large size (west-central Toronto is divided into two areas; Scarborough south of Highway 401 is divided into three, not two districts)
- In Mississauga, districts are based on combinations of (usually three) planning districts of similar age, with some exceptions (Malton).⁵⁵
- Brampton is divided into three: the area approximately within the pre-1970 city boundary (including many areas developed subsequently); the distinctive 1960s and '70s new community of Bramalea; and the remainder developed recently.
- Markham is divided into Thornhill (developed much earlier, originally on City of Toronto pipes), and the remaining majority of the municipality.
- Elsewhere in the outer suburbs, the local municipality is the district.

Each district includes areas of sometimes areas of diverse vintage and character. Torontonians may point out the differences between Swansea and High Park and the

⁵⁵ As of 2006, Mississauga's 23 standard "communities" are mapped at: <http://www.mississauga.ca/ecity/download/?repositoryKey=Ecity&itemDesc=file&dataName=dat a&mimeTypeName=mimeType&id=3600043>

The main page for profiles are at:

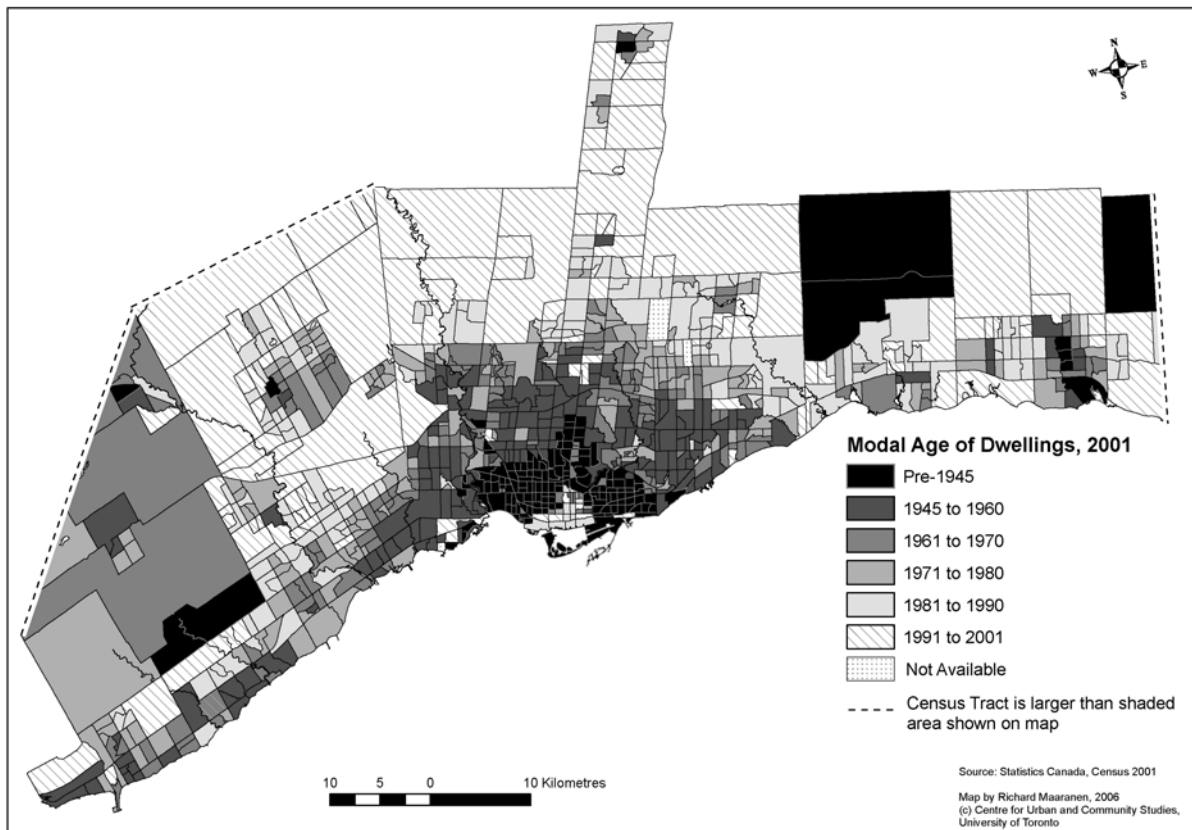
http://www.mississauga.ca/portal/residents/newsletters?paf_gear_id=11800021&itemId=1000091&returnUrl=%2Fportal%2Fresidents%2Fnewsletters

Junction; old East York and Leaside and Flemingdon Park; West Hill and the newer Highland Creek-Rouge area; Willowdale east and west of Bayview Avenue; the older parts of Erindale versus Meadowvale; Malvern and Agincourt; and so on. For the latter two pairings, 1981 census tract boundaries did not distinguish them. Yet all in all, these districts capture something real in both development history and social map. Development period by tract (Map 13) can be compared to the same generalized by district (Map 4). (Note: The large pre-1060 tracts near the east and west edges are largely unurbanized.)

There is one minor boundary discrepancy: That between Mississauga and Brampton was adjusted slightly after 1981 to run along Highway 407 rather than an adjacent original survey road. The number of dwellings in area affected was trivial at the time.

**Main Period of Development
by Census Tract - Greater Toronto**

Map 13



c) Income data

Income data is in terms of quintiles: equal "one-fifths" of total households ranked by household income. This produces five income categories: low, moderate, middle, upper-middle and upper. Quintile cut-offs for the whole CMA at each date are used, regardless of the scale of geographic unit analysed.

Relative incomes are what matter most in the housing market (Part 1). Quintiles provide comparability of relative income levels over a 20-year period, despite moderately high inflation in the 1980s and great changes in income patterns over the two decades.

“Low and moderate income” refers to the lower two quintiles where renting prevails, and “middle and upper income” to the other three quintiles. Some points in the analysis isolate the bottom decile (“very low income”): this is the lowest 10 percent of the income spectrum, or the lower half of the low-income quintile.

Relative income is the clearest way to compare across two decades. Yet the real dollar value of deciles has shifted. The upper half, as Part 1 shows, has pulled away from the lower half, which had flat incomes in the 1990s. Incomes of upper-middle and upper-income home-owners are much higher in real terms than in 1981: 32 percent higher at the median for this group (i.e. 4th quintile), compared to 10 percent higher for low and moderate income.

Quintiles for the custom tabulation used in this study are calculated on households with income, which excludes a small number of households. These quintiles will differ slightly from those calculated on incomes of all households; they differ slightly from quintiles in published and website information of the City of Toronto.

d) Data reliability and undercount

Census data are used not only because they are comprehensive and fairly consistent year to year, but because they are quite reliable. Some points in this vein:

- Canadian census data are not corrected for the undercount. Statistics Canada provides published estimates of population but not dwelling undercounts (*Coverage: 2001 Census Technical Report*, cat. no. 92-394-IE) The Toronto census metropolitan area has a relatively high undercount: 5.2 percent in 2001 compared to 3 percent Canada-wide or for CMAs overall; similarly high in other recent census years. This means 255,000 persons missed in the Toronto CMA the 2001 census.

Some people may be missed in households that are counted but many will be in households that are missed. By implication, there are some tens of thousands of dwellings missed.

The undercount three is times as high for people with non-English, non- French mother tongue (7.7% versus 2.4% for English), and by implication for new immigrants. It is skewed to younger, mobile age groups (20-34). Documents from earlier years show that it is five or more times as high for renters as for owners; and that it is higher for apartment-form than house-form dwellings, but above all higher for duplexes and for apartments attached to non-residential buildings. In general, then, one can say that the census understates the presence of poor households and poor housing in older areas of mixed stock and mobile population.

Statistics Canada reports do not discuss a question that is central from a local, on-the-ground viewpoint: how much of the undercounted dwellings are second suites (accessory apartments)? The more believable recent local estimates of these dwellings range from about 50,000 to 90,000 in the City of Toronto, with further units (but fewer) in the "905".

- Categorization of the structural type of dwellings has had some inconsistent reliability over the years when it comes to the middle "other" category (other than single and semi-detached, and other than high-rise apartments). When aggregated as in this study, they are believed to be fairly reliable and consistent.
- Numerous census variables used in this report are from the 20 percent sample census data. Statistics Canada provides estimates of standard error of sampling (*2001 Census Technical Report: Sampling and Weighting*, catalogue No. 92-395-XIE: table 9.1 etc.). For areas of 5,000 to 10,000 household counts and counts of 1,000 to 5,000 on given characteristics of interest – typical of this study – the error is typically in the range of 55 to 100. This report uses precise data in its tables but rounded data in its text. This sampling fraction is tantamount to a full population.
- Census income data are fairly reliable, despite the skew of the undercount. Various corrections and imputations are made by Statistics Canada in the processing of the collected data, to maximize its reliability and consistency. In 2001 it was comparable to income data in the national accounts and similar to relevant administrative data (*2001 Census Income Data, 2001 Census Technical Report*, cat. no. 92-393-XIE). It is comparable to taxation data in its coverage, i.e. higher than in the standard consumer spending surveys, and fairly reliable at the bottom end of the income distribution (Frenette et al., 2004).
- Period of construction is generally considered reliable; 5.2 percent of the observations (nation-wide) are imputed. (*Dwellings, Households and Shelter Costs: 2001 Census Technical Report*. Cat. No. 92-382-XIE).
- Temporary residents were included starting in 1991, producing minor inconsistency vis-à-vis earlier years – just 17,000 households by 2001.

e) Tenure and structural type

In this analysis, census structural type categories are aggregated into the following, These capture the built form and socio-economic differences that are central in the analysis.

- Single and semi-detached houses (the latter being a pair attached side by side)
- Attached/low-rise (census category: "other dwellings")
- High-rise (census category: "apartment in a building that has five or more stories")

The non-Ontario reader should note that Toronto's multi-residential rental buildings, built for that purpose, cannot readily shift to ownership tenure. To shift tenure requires a Plan

of Condominium, approved by the municipality but subject to appeal to the quasi-judicial Ontario Municipal Board.⁵⁶ In the City of Toronto where most Greater Toronto rental stock is found, provincial and municipal law have set legal barriers to such tenure conversion. This includes Ontario's *Rental Housing Protection Act*, in effect from 1986 to 1998, and vigorously-applied Official Plan policies continuously in effect since the 1970s.

Three sub-sectors of rental housing are distinguished in the analysis, apart from the mainstream private multi-unit stock. Only the middle one is distinguished in the census data used in this study.

- There are 35,000 rental units (2001) in condominium properties, to which tenure conversion restrictions do not apply.
- "House rental" (of single and semi-detached houses) is follow-on effect of low-density ownership, and (unlike some US and Australian cities) a small part of the rental sector. This sub-sector has a distinctly higher income profile than multi-unit rental, and is not the same distinct element of city-building and social landscape.
- Social housing, funded with public money and with distinct tenant intake and eligibility, forms about one-fifth of the rental sector.

About 1 in 10 tenants rents a single or semi-detached house (*house renters*). They have a distinct profile: far more middle and upper-income (52 percent) than other renters, and more families. Because theory suggests that renting may increase as neighbourhoods age, house rental can be viewed through the lens of "cohorts" at each date:

Patterns are little changed in 2001 from 1981: just a touch more renting. 1991 saw a peak in all zones – most likely due to the real estate crash of the early 1990s, and the high 1980s interest rates which kept more middle-income households renting. As the incidence of house renting subsided from that peak, house rental counts were flat through the following decade despite vast expansion of the stock of houses. In net 20-year terms, this sector absorbed added rental demand of 1,600 households annually. Recent immigrants rose from 12 to 14 to 16 percent of households from 1981 to 2001.

In sum, change in the rented houses sector played no significant role in 1980s and '90s income trends by area. It could be more significant in future.

⁵⁶ A few exceptions exist in the form of "equity co-ops" which are not condominium-registered, mostly in the central city.

Table 18
Multi-Rental Compared to Rented Single and Semi-Detached Houses

	Total Rental	Single & Semi	Multi-rental			Single & Semi	Multi-rental		
			<i>High- Rise*</i>	<i>Other</i>	<i>Sub- total</i>		<i>High- Rise*</i>	<i>Other</i>	<i>Sub- total</i>
Income distribution									
1st (lowest)	215,085	18,800	136,020	60,260	196,280	24%	40%	34%	38%
2nd quintile	167,830	19,590	96,495	51,740	148,235	25%	28%	29%	28%
3rd quintile	115,050	17,415	61,830	35,800	97,630	22%	18%	20%	19%
4th quintile	68,660	13,720	33,640	21,300	54,940	17%	10%	12%	11%
5th (highest)	34,665	10,240	14,660	9,765	24,425	13%	4%	5%	5%
Total	601,290	79,765	342,645	178,865	521,510	100%	100%	100%	100%
Household (family) type									
Two-parent	141580	26250	78600	36730	115330	33%	23%	21%	22%
Couple	96405	13485	55310	27605	82915	17%	16%	15%	16%
Lone Parent	86615	11665	45065	29885	74950	15%	13%	17%	14%
Multi-family	10350	3115	4920	2315	7235	4%	1%	1%	1%
Non-family	266335	25250	158750	82335	241085	32%	46%	46%	46%
Total	601280	79765	342650	178870	521520	100%	100%	100%	100%

*Apartment in a building that has five or more storeys

Source: Census, custom tabulation EO 0929.

Table 19
Rented Single and Semi-Detached Houses

<i>Rented Percent of Single & Semi</i>	<i>Age of Zone at Each Date</i>					Overall Percent	Total Units
	Central City	Over 30/35 Years old	20 to 30/35 years old	10-20 years old	New (<10 years)		
1981	17%	-	7%	4%	6%	8%	51,750
1991	24%	13%	9%	10%	9%	12%	83,495
2001	19%	9%	8%	5%	5%	9%	81,160

Source: Census, custom tabulation EO 0929.

f) Household Type

Custom census data in this study use the “pre-2001 census family concept”, defined as comprising either a “now-married couple (with or without never-married sons and/or daughters of either or both spouses)” or a “couple living common-law (with or without never-married sons and/or daughters of either or both partners)” or a “lone-parent of any marital status, with at least one never-married son or daughter living in the same dwelling.” This is slightly narrow than the “economic family” definition, which may includes other related persons. This is also slightly different from the 2001 census family definition. The “pre-2001 census family concept” applies to all years (including 2001) of custom census data used in this study.

In this report, standard census household type categories are used, but with reader-friendly terms for family households:

- *Two-parent*: a married or common-law couple with one or more children at home;
- *Couple*: a married or common-law couple without children at home;
- *Single-parent*: A lone parent, of any marital status, with one or more children at home.

Multiple-family households are few in number – 3 in 100. Their income profile is tilted toward higher incomes and toward ownership, even more than two-parent families. Among tenant households they are only half as frequent (1.7 percent). In the parts of this study that deal with household type, multi-family households are usually aggregated into the two-parent families, whose housing patterns they resemble. While this does not do full justice to the distinctive features of multi-family households, it is a satisfactory way of dealing with a very small category. It alters in only very minor ways the characteristics of the extended/combined two-parent category (Table 20).

Table 20
Income and Tenure by Household Type

Household Type	Multi-family	Two-parent	Multi+2-parent	Couple	Lone Parent	Non-family	Multi-family	Two-parent	Multi + 2-parent	Couple	Lone Parent	Non-family
Total												
1st (lowest)	2,195	52,800	54,995	45,720	49,180	177,055	4%	8%	8%	14%	29%	40%
2nd quintile	4,460	87,235	91,695	69,900	46,310	119,205	8%	14%	13%	21%	27%	27%
3rd quintile	9,180	130,460	139,640	73,250	36,070	77,920	16%	21%	20%	22%	21%	18%
4th quintile	15,480	169,315	184,795	75,260	24,485	42,975	27%	27%	27%	23%	15%	10%
5th(highest)	25,135	193,640	218,775	69,565	12,805	25,145	45%	31%	32%	21%	8%	6%
Total	56,450	633,445	689,895	333,695	168,855	442,305	100	100%	100%	100%	100%	100%
Percent renting												
1st (lowest)	44%	60%	59%	46%	78%	70%						
2nd quintile	40%	47%	47%	35%	58%	62%						
3rd quintile	27%	27%	27%	31%	37%	52%						
4th quintile	19%	13%	14%	24%	25%	46%						
5th (highest)	9%	5%	6%	15%	16%	38%						
Total	18%	22%	22%	29%	51%	60%						
Owners												
1st (lowest)	1,240	21,080	22,320	24,585	10,960	54,000	3%	4%	4%	10%	13%	31%
2nd quintile	2,695	45,840	48,535	45,710	19,405	45,635	6%	9%	9%	19%	24%	26%
3rd quintile	6,665	94,735	101,400	50,270	22,760	37,415	14%	19%	19%	21%	28%	21%
4th quintile	12,530	147,110	159,640	57,545	18,320	23,350	27%	30%	30%	24%	22%	13%
5th (highest)	22,980	183,100	206,080	59,185	10,795	15,570	50%	37%	38%	25%	13%	9%
Total	46,100	491,865	537,965	237,290	82,240	175,970	100	100%	100%	100%	100%	100%
Renters												
1st (lowest)	960	31,715	32,675	21,135	38,220	123,055	9%	22%	22%	22%	44%	46%
2nd quintile	1,770	41,390	43,160	24,190	26,905	73,570	17%	29%	28%	25%	31%	28%
3rd quintile	2,520	35,725	38,245	22,985	13,315	40,505	24%	25%	25%	24%	15%	15%
4th quintile	2,945	22,205	25,150	17,715	6,170	19,630	28%	16%	17%	18%	7%	7%
5th (highest)	2,155	10,535	12,690	10,380	2,015	9,575	21%	7%	8%	11%	2%	4%
Total	10,350	141,580	151,930	96,405	86,615	266,335	100	100%	100%	100%	100%	100%

Source: Census, custom tabulation EO 0929.

g) Recent Immigrants

Immigration is a large part of Toronto's social landscape. The focus is "recent immigrants": those who arrived in the decade immediately prior to a given census year (e.g. 1990s immigrants in 2001). "Recent immigrants" in 1981 are compared to "recent immigrants" in 1991 or 2001.

Recent immigrant "household maintainers" (heads) are what is counted in the data for this study. It is quite valid to count immigrants in this way, since immigrants typically arrive as households; and when they are formed later, housing consumption is shaped by the

income of the main breadwinner.

The cumulative population of immigrants of two decades, or three, is not examined. This may understate the impact of immigration socially, but it focuses on immigrant settlement as an aspect of the social landscape, and the disadvantaged income and housing consumption that dominates the first decade after arrival.

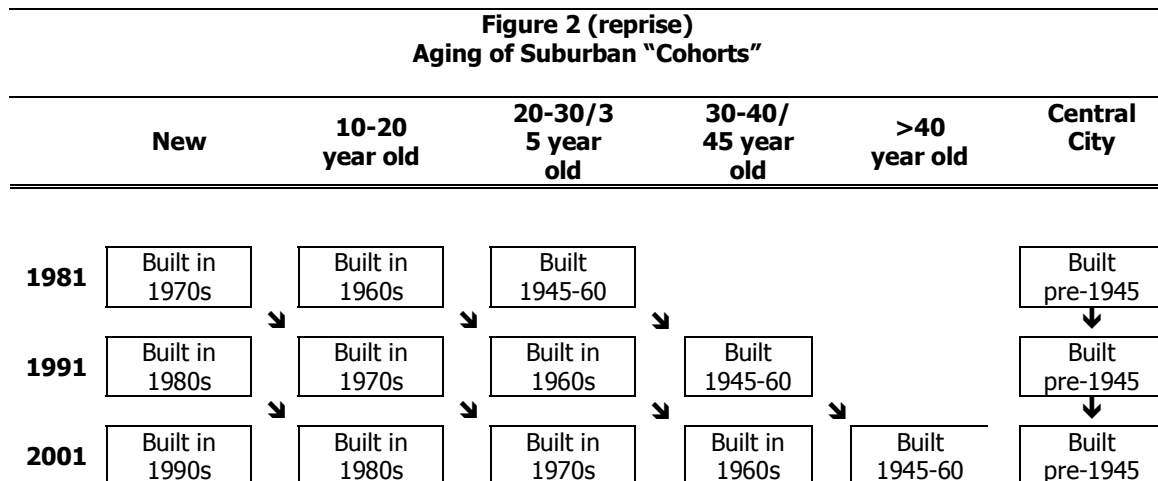
h) Time Periods

The analysis uses age-zones that portray the city-region's successive rings of city-region growth. These "age-zones" are districts grouped by modal age of housing: the period in which the largest share of each district's housing units was built. The modal period accounts for 30 to 40 percent of housing in most districts. The modal period and one adjoining period account for over 50 percent of housing in all but four cases⁵⁷ and over 60 percent in the majority. The district boundaries were chosen partly to draw out such differences.

The age-zone categories are 1945-60, 1961-70, 1971-80, 1981-90, and 1991-2001. Districts of each period are analysed as a class; patterns of individual districts are sometimes noted but no more than that.

For convenience areas built primarily in 1961-70 are referred to as "1960s suburbs", 1971-80 as "1980s suburbs", and so forth. "Inner" or "post-war" suburbs are those built 1945-70; "outer" suburbs are those built since 1981; 1970s suburbs are transitional.

These can then be analysed through a different lens: age of suburbs at a given census date. For example, one can compare 10-to-20-year-old suburbs in 1981 (built mostly in the 1960s) to 10-to-20-year-old suburbs in 2001 (built mostly in the 1980s, a different city-building era). We can visualize suburbs aging in cohorts over time:



⁵⁷ The exceptions are Rexdale (47%); Downtown Toronto, redeveloped decade by decade; and the gradually growing satellite communities of Central Brampton and Halton Hills.

Appendix 2
Additional Tables

Table 21 Change in Recent Immigrant and Other Renters (Multi-Unit) by Age-Zone							
	<i>Development Period of Zone</i>						
	Central City	>30/35 year old	20-30/35 year old	10-20 year old	<10 year old	Emerging	Total
20-year change							
Total Households:							
Low & Moderate	22,355	136,765	-2,755	-20,195	-27,290	-19,805	89,075
Total	37,985	199,530	-2,560	-38,085	-51,265	-32,375	113,230
Recent Immigrants:							
Low & Moderate	10,660	43,865	3,675	-4,000	-3,390	-1,930	48,880
Total	12,880	62,195	5,515	-7,760	-6,485	-3,215	63,130
1990s Change							
Total Households:							
Low & Moderate	3,740	61,255	14,300	-34,460	-2,290	-10,765	31,780
Total	8,455	87,260	19,055	-58,980	-8,585	-17,825	29,380
Recent Immigrants:							
Low & Moderate	5,880	28,335	3,280	-3,800	-755	-745	32,195
Total	7,950	40,570	6,025	-6,805	-1,320	-1,185	45,235
20-year change							
Total Households:							
Low & Moderate	22%		-4%	-47%	-62%		33%
Total	26%		-2%	-50%	-67%		26%
Recent Immigrants:							
Low & Moderate	68%		32%	-45%	-61%		113%
Total	58%		31%	-52%	-66%		93%
1990s Change							
Total Households:							
Low & Moderate	3%	81%	29%	-61%	-12%		10%
Total	5%	78%	24%	-61%	-25%		6%
Recent Immigrants:							
Low & Moderate	29%	182%	28%	-44%	-26%		54%
Total	29%	188%	35%	-48%	-28%		53%
20-year change							
LQ (Location quotient for {recent immigrant net increases/total net increase})							
All income levels	1.3	1.0	1.3	1.0	1.0		1.5
Low and moderate	1.4	1.0	1.4	1.0	1.0		1.6
1990s Change							
LQ (Location quotient for {recent immigrant net increases/total net increase})							
All income levels	1.2	1.6	1.1	1.3	1.0		1.4
Low and moderate	1.2	1.6	1.0	1.4	0.8		1.4
Note: "Emerging suburbs" refers to suburbs in 1981 and '91 with development period after that date (shown for purposes of counting all zones, but not analysed.)							

Table 22
Total Home-owners by Income and Age-Zone

		Age of Zone					
	Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	Total
2001							
1 st (lowest)	20,190	21,760	14,420	29,435	14,105	17,670	117,580
2 nd quintile	25,335	28,095	19,560	43,110	24,465	28,685	169,250
3 rd quintile	29,090	31,790	22,320	59,230	37,520	46,530	226,480
4 th quintile	31,540	34,200	23,845	69,205	53,515	65,675	277,980
5 th quintile	44,895	32,885	30,355	65,465	66,500	68,995	309,095
Total	151,070	148,760	110,485	266,435	196,095	227,540	1,100,385
1991							
1 st (lowest)	20,400	18,665	10,155	19,860	8,005	8,875	85,960
2 nd quintile	21,160	23,350	15,535	30,590	14,285	15,205	120,125
3 rd quintile	23,675	27,560	19,430	48,820	26,090	25,785	171,360
4 th quintile	24,965	29,855	22,600	60,875	39,995	37,825	216,115
5 th quintile	36,845	32,180	32,180	62,430	46,635	39,150	249,420
Total	127,050	131,605	99,895	222,585	135,020	126,840	842,995
1981							
1 st (lowest)	19,635	15,520	7,320	12,310	4,125	5,390	64,300
2 nd quintile	22,930	20,485	11,145	20,865	6,450	7,490	89,365
3 rd quintile	25,255	27,640	17,340	39,650	13,715	13,630	137,230
4 th quintile	24,645	33,160	24,025	54,010	21,550	17,540	174,930
5 th quintile	32,160	34,490	34,730	54,650	22,880	15,055	193,965
Total	124,635	131,305	94,550	181,500	68,725	59,095	659,810
20-year Change							
1 st (lowest)	555	6,240	7,100	17,125	9,980	12,280	53,280
2 nd quintile	2,405	7,610	8,415	22,245	18,015	21,195	79,885
3 rd quintile	3,835	4,150	4,980	19,580	23,805	32,900	89,250
4 th quintile	6,895	1,040	-180	15,195	31,965	48,135	103,050
5 th quintile	12,735	-1,605	-4,375	10,815	43,620	53,940	115,130
Total	2,960	13,850	15,515	39,370	27,995	33,475	133,165
	26,435	17,455	15,935	84,935	127,370	168,445	440,575

Table 23
High-Rise Home-owners by Income and Age-Zone

	Age of Zone						
	Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	Total
2001							
1 st (lowest)	3,420	4,115	4,060	7,105	1,850	2,070	22,620
2 nd quintile	4,705	4,945	4,905	7,835	2,735	2,365	27,490
3 rd quintile	4,925	4,700	4,655	6,610	2,660	2,155	25,705
4 th quintile	4,420	3,065	3,145	4,615	1,580	1,290	18,115
5 th quintile	5,205	2,075	2,020	2,420	975	940	13,635
Total	22,670	18,925	18,775	28,580	9,805	8,815	107,570
1991							
1 st (lowest)	1,890	2,380	2,410	3,525	745	715	11,665
2 nd quintile	2,190	2,795	3,545	4,660	1,350	860	15,400
3 rd quintile	2,165	2,850	3,160	4,415	1,425	1,060	15,075
4 th quintile	2,080	1,845	2,660	3,345	1,280	990	12,200
5 th quintile	3,275	1,960	2,215	2,575	1,095	805	11,925
Total	11,595	11,845	13,975	18,535	5,870	4,430	66,250
1981							
1 st (lowest)	820	1,150	1,485	1,395	225	120	5,195
2 nd quintile	1,080	1,485	2,610	2,360	355	80	7,970
3 rd quintile	1,010	1,560	2,705	2,430	560	140	8,405
4 th quintile	910	1,410	2,705	2,370	440	115	7,950
5 th quintile	1,875	1,335	1,865	1,990	340	90	7,495
Total	5,665	6,930	11,350	10,570	1,930	550	36,995
20-year Change							
1 st (lowest)	2,600	2,965	2,575	5,710	1,625	1,950	17,425
2 nd quintile	3,625	3,460	2,295	5,475	2,380	2,285	19,520
3 rd quintile	3,915	3,140	1,950	4,180	2,100	2,015	17,300
4 th quintile	3,510	1,655	440	2,245	1,140	1,175	10,165
5 th quintile	3,330	740	155	430	635	850	6,140
Total	6,225	6,425	4,870	11,185	4,005	4,235	36,945
	17,005	11,995	7,425	18,010	7,875	8,265	70,575

Table 24
Household Type in Multi-rental Housing by Age-Zone

	<i>Period of Development of District</i>						
	Pre- 1946	1946- 1960	1961- 1970	1971- 1980	1981- 1990	1991- 2001	Total
2001							
Two-parent	13%	27%	32%	28%	27%	22%	23%
Couple	15%	16%	15%	18%	18%	17%	16%
Single parent	10%	15%	19%	17%	17%	18%	15%
Non-family	62%	41%	34%	37%	38%	43%	46%
Total	100%	100%	100%	100%	100%	100%	100%
1991							
Two-parent	12%	21%	27%	25%	26%	20%	20%
Couple	17%	20%	19%	22%	22%	23%	19%
Single parent	9%	13%	15%	14%	13%	14%	12%
Non-family	63%	45%	38%	39%	38%	43%	49%
Total	100%	100%	100%	100%	100%	100%	100%
1981							
Two-parent	11%	22%	28%	24%	26%	19%	20%
Couple	18%	23%	24%	25%	25%	28%	22%
Single parent	7%	12%	13%	13%	10%	8%	11%
Non-family	64%	42%	35%	38%	39%	44%	48%
Total	100%	100%	100%	100%	100%	100%	100%
20-year change (percentage points)							
Two-parent	2%	5%	4%	4%	1%	3%	3%
Couple	-3%	-7%	-8%	-7%	-7%	-11%	-6%
Single parent	2%	3%	6%	4%	7%	10%	4%
Non-family	-2%	-1%	-1%	-1%	-1%	-1%	-1%
LQ							
Two-parent	0.7	1.5	1.3	1.2	0.4	0.8	1.0
Couple	0.4	1.2	1.4	1.2	1.2	1.9	1.0
Single parent	0.6	0.9	1.5	1.1	1.8	2.6	1.0
Non-family	1.7	0.8	1.2	0.4	0.8	1.2	1.0

Table 25
Recent Immigrants and Renting

	Households		Tenant Households		<i>Percent Recent Immig.</i>
	Total	Recent Immigrant	Total	Recent Immigrant	
1 st (lowest)	342,750	73,595	225,160	58,305	26%
2 nd quintile	345,725	62,950	176,475	42,565	24%
3 rd quintile	346,615	50,980	120,130	26,175	22%
4 th quintile	349,480	35,425	71,525	12,615	18%
5 th quintile	344,625	20,625	35,525	4,700	13%
Total	1,729,195	243,570	628,820	144,355	23%

	Income Distribution		Percent Renting		
	Total	Recent Immigrant	Total	Recent Immigrant	Differ- ence
1 st (lowest)	20%	30%	66%	79%	14%
2 nd quintile	20%	26%	51%	68%	17%
3 rd quintile	20%	21%	35%	51%	17%
4 th quintile	20%	15%	20%	36%	15%
5 th quintile	20%	8%	10%	23%	12%
Total	100%	100%	36%	59%	23%

	Tenants in Multi-Unit Housing		Multi-Unit as Percent of Tenants	
	Total	Recent Immigrant	Total	Recent Immigrant
1 st (lowest)	205,990	53,520	91%	92%
2 nd quintile	156,365	38,785	89%	91%
3 rd quintile	102,440	23,900	85%	91%
4 th quintile	57,640	11,250	81%	89%
5 th quintile	25,220	3,895	71%	83%
Total	547,655	131,350	87%	91%

Table 26
Age Zone Shares of Increase in Low and Moderate Income

20-year change 1981-2001	Period of Development						Total
	Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	
Low Income:							
Owners	-245	1,270	1,945	6,605	4,070	5,255	18,900
Renters	10,720	8,930	5,950	7,845	2,960	3,380	39,785
Total	10,475	10,200	7,895	14,450	7,030	8,635	58,685
Low and Moderate Income							
Owners	2,960	13,850	15,515	39,370	27,995	33,475	133,165
Renters	23,285	19,055	12,940	24,770	10,950	12,250	103,250
Total	26,245	32,905	28,455	64,140	38,945	45,725	236,415
Renters in Multi-unit rental:	22,355	16,665	10,700	19,935	9,260	10,160	89,075
Shares by Age-zone (low income):							
Renters	27%	22%	15%	20%	7%	8%	100%
Total	18%	17%	13%	25%	12%	15%	100%
Shares by Age-Zone (low & moderate):							
Renters	23%	18%	13%	24%	11%	12%	100%
Total	11%	14%	12%	27%	16%	19%	100%
Renters in Multi-unit rental:	25%	19%	12%	22%	10%	11%	100%

Table 27
Absorption of Low and Moderate Income vs. Middle and Upper by Zone

		<i>Development Period of Zone</i>					
		Pre-1946	1946-60	1960s	1970s	1980s	1990s
							Total
All households -- zone shares of total net change:							
20-year		12%	6%	4%	20%	25%	33%
1990s		12%	7%	4%	16%	22%	38%
							100%
							100%
Owners 20-year 1981- 2001	Zone shares of total net change:						
	Low and Moderate	2%	10%	12%	30%	21%	25%
	Middle & Upper	8%	1%	0%	15%	32%	44%
							100%
	Location Quotients*:						
	Low and Moderate	0.2	1.6	2.7	1.5	0.8	0.8
	Middle & Upper	0.7	0.2	0.0	0.7	1.3	1.3
							1.0
	Average annual net change (to nearest 100):						
	Low and Moderate	100	700	800	2,000	1,400	1,700
	Middle & Upper	1,200	200	0	2,200	5,000	6,700
							15,300
Owners 1990s	Zone shares of total net change:						
	Low and Moderate	5%	10%	10%	27%	20%	28%
	Middle & Upper	11%	5%	1%	12%	25%	44%
							100%
	Location Quotients*:						
	Low and Moderate	0.4	1.3	2.7	1.7	0.9	0.7
	Middle & Upper	1.0	0.7	0.3	0.8	1.1	1.2
							1.0
	Average annual net change (to nearest 100):						
	Low and Moderate	400	800	800	2,200	1,600	2,200
	Middle & Upper	2,000	900	300	2,200	4,500	7,900
							8,100
Renters 20-year 1981- 2001	Zone shares of total net change:						
	Low and Moderate	23%	18%	13%	24%	11%	12%
	Middle & Upper	46%	2%	-9%	17%	22%	23%
							100%
	Location Quotients*:						
	Low and Moderate	1.9	2.9	2.9	1.2	0.4	0.4
	Middle & Upper	4.0	0.3	-2.2	0.8	0.9	0.7
							1.0
	Average annual net change (to nearest 100):						
	Low and Moderate	1,200	1,000	600	1,200	500	600
	Middle & Upper	900	0	-100	400	500	500
							5,200
Renters 1990s	Zone shares of total net change:						
	Low and Moderate	12%	22%	12%	24%	10%	20%
	Middle & Upper	-88%	53%	60%	89%	16%	-29%
							100%
	Location Quotients*:						
	Low and Moderate	1.0	3.0	3.1	1.5	0.5	0.5
	Middle & Upper	-7.5	7.0	15.7	5.5	0.7	-0.8
							1.0
	Average annual net change (to nearest 100):						
	Low and Moderate	400	700	400	800	300	700
	Middle & Upper	500	-300	-400	-600	-100	100
							3,300

*Location Quotients measure concentration by zone, calculated as {zone share of increase by tenure / zone share of total

Table 28
Scenario of Net Change
In Private and Other Multi-Rental Housing

	Central City	Former North York	Former Scar- borough	Former Etobicoke	Total Amalgamated City of Toronto
<u>1991-2001</u>					
Total					
Low Income	5,100	5,200	3,400	1,900	16,200
Moderate Income	-100	1,500	1,800	-200	3,300
Middle & Upper	4,300	-2,600	-3,200	-800	-3,900
Total	9,300	4,100	2,000	900	15,600
Social Housing					
Low Income	4,100	1,800	1,200	1,300	8,500
Moderate Income	2,100	900	600	700	4,200
Middle & Upper	700	300	200	200	1,400
Total	6,900	3,000	2,000	2,200	14,100
Condo Apartments					
Low Income					
Moderate Income					
Middle & Upper					
Total	0	0	0	0	0
Imputed Private Rental					
Low Income	1,000	3,400	2,200	600	7,700
Moderate Income	-2,200	600	1,200	-900	-900
Middle & Upper	3,600	-2,900	-3,400	-1,000	-5,300
Total	2,400	1,100	0	-1,300	1,500
<u>1981-1991</u>					
Total					
Low Income	11,500	4,900	4,600	2,600	27,000
Moderate Income	8,900	1,600	3,000	2,200	19,300
Middle & Upper	10,500	-200	3,400	-700	21,700
Total	30,900	6,300	11,000	4,100	68,000
Imputed Private Rental					
Social Housing					
Low Income	6,300	2,000	2,400	1,100	11,100
Moderate Income	3,100	1,000	1,200	600	5,500
Middle & Upper	1,000	300	400	200	1,800
Total	10,400	3,300	4,000	1,900	18,400
Imputed Private Rental					
Low Income	5,200	2,900	2,200	1,500	15,900
Moderate Income	5,800	600	1,800	1,600	13,800
Middle & Upper	9,500	-500	3,000	-900	19,900
Total	20,500	3,000	7,000	2,200	49,600

Table 29: New Immigrant and Other Owners by Age-Zone, 2001

		Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	Total
Owners -- total								
Total	Low & Mod	45,525	49,855	33,980	72,545	38,570	46,355	286,830
	Middle & Upper	105,525	98,875	76,520	193,900	157,535	181,200	813,555
	Total	151,050	148,730	110,500	266,445	196,105	227,555	1,100,385
Total	Low & Mod	16%	17%	12%	25%	13%	16%	100%
	Middle & Upper	13%	12%	9%	24%	19%	22%	100%
	Total	14%	14%	10%	24%	18%	21%	100%
Two-Parent	Low & Mod	8,975	8,335	7,345	19,715	13,040	15,575	72,985
	Middle & Upper	50,260	52,600	44,100	118,695	104,830	125,430	495,915
	Total	59,235	60,935	51,445	138,410	117,870	141,005	568,900
Two-Parent	Low & Mod	12%	11%	10%	27%	18%	21%	100%
	Middle & Up	10%	11%	9%	24%	21%	25%	100%
	Total	10%	11%	9%	24%	21%	25%	100%
Others	Low & Mod	36,550	41,520	26,635	52,830	25,530	30,780	213,845
	Middle & Upper	55,265	46,275	32,420	75,205	52,705	55,770	317,640
	Total	91,815	87,795	59,055	128,035	78,235	86,550	531,485
Others	Low & Mod	17%	19%	12%	25%	12%	14%	100%
	Middle & Up	17%	15%	10%	24%	17%	18%	100%
	Total	17%	17%	11%	24%	15%	16%	100%
Owners -- Recent Immigrants								
Total	Low & Mod	3,335	4,305	3,225	11,935	6,730	6,150	35,680
	Middle & Up	5,460	7,335	6,100	17,515	12,970	14,155	63,535
	Total	8,795	11,640	9,325	29,450	19,700	20,305	99,215
Total	Low & Mod	9%	12%	9%	33%	19%	17%	100%
	Middle & Up	9%	12%	10%	28%	20%	22%	100%
	Total	9%	12%	9%	30%	20%	20%	100%
Two-Parent	Low & Mod	1,675	2,470	2,085	7,510	4,980	4,390	23,110
	Middle & Up	3,730	5,785	4,985	14,335	10,795	11,620	51,250
	Total	5,405	8,255	7,070	21,845	15,775	16,010	74,360
Two-Parent	Low & Mod	7%	11%	9%	32%	22%	19%	100%
	Middle & Up	7%	11%	10%	28%	21%	23%	100%
	Total	7%	11%	9%	29%	21%	22%	100%
Others	Low & Mod	1,660	1,835	1,140	4,425	1,750	1,760	12,570
	Middle & Up	1,730	1,550	1,115	3,180	2,175	2,535	12,285
	Total	3,390	3,385	2,255	7,605	3,925	4,295	24,855
Others	Low & Mod	13%	15%	9%	35%	14%	14%	100%
	Middle & Up	14%	13%	9%	26%	18%	21%	100%
	Total	14%	14%	9%	31%	16%	17%	100%
Others	Middle & Up	0.81	0.87	0.89	1.09	1.07	1.18	1.00
	Total	0.78	0.83	0.83	1.28	1.07	1.05	1.00

Table 30 (a)
Household Projection: Actual counts 1981-2001

<i>Data rounded for projection</i>		<i>Development Period of Zone</i>						Total
		Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	
2001								
Total	Middle & Upper	180,000	140,000	108,000	239,000	179,000	196,000	1,041,000
	Low & Moderate	181,000	140,000	91,000	145,000	65,000	68,000	689,000
	Total	360,000	280,000	198,000	383,000	243,000	265,000	1,729,000
Owner	Middle & Upper	106,000	99,000	77,000	194,000	158,000	181,000	814,000
	Low & Moderate	46,000	50,000	34,000	73,000	39,000	46,000	287,000
	Total	151,000	149,000	110,000	266,000	196,000	228,000	1,100,000
Renter	Middle & Upper	74,000	41,000	31,000	45,000	21,000	15,000	227,000
	Low & Moderate	135,000	90,000	57,000	72,000	26,000	22,000	402,000
	Total	209,000	131,000	88,000	117,000	47,000	37,000	629,000
1991								
Total	Middle & Upper	153,000	134,000	109,000	222,000	135,000	117,000	870,000
	Low & Moderate	173,000	124,000	79,000	114,000	45,000	39,000	574,000
	Total	327,000	258,000	188,000	338,000	180,000	156,000	1,445,000
Owner	Middle & Upper	85,000	90,000	74,000	172,000	113,000	103,000	637,000
	Low & Moderate	42,000	42,000	26,000	50,000	22,000	24,000	206,000
	Total	127,000	132,000	100,000	223,000	135,000	127,000	843,000
Renter	Middle & Upper	68,000	44,000	35,000	50,000	22,000	14,000	233,000
	Low & Moderate	131,000	82,000	53,000	64,000	23,000	15,000	368,000
	Total	200,000	126,000	88,000	115,000	45,000	29,000	602,000
1981								
Total	Middle & Upper	138,000	135,000	111,000	186,000	70,000	52,000	694,000
	Low & Moderate	155,000	107,000	62,000	81,000	26,000	22,000	452,000
	Total	293,000	242,000	174,000	268,000	96,000	75,000	1,146,000
Owner	Middle & Upper	82,000	95,000	76,000	148,000	58,000	46,000	506,000
	Low & Moderate	43,000	36,000	18,000	33,000	11,000	13,000	154,000
	Total	125,000	131,000	95,000	182,000	69,000	59,000	660,000
Renter	Middle & Upper	56,000	40,000	35,000	38,000	12,000	6,000	188,000
	Low & Moderate	112,000	71,000	44,000	48,000	15,000	9,000	298,000
	Total	168,000	111,000	79,000	86,000	27,000	16,000	486,000

Source: census, custom tabulation EO 0929

Table 30 (b)
Household Projection: Actual Change 1981-2001

Data rounded for projection		Development Period of Zone						Total
		Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	
1991-2001 decade								
Total	Middle & Upper	27,000	6,000	-1,000	17,000	44,000	79,000	171,000
	Low & Moderate	8,000	16,000	12,000	31,000	20,000	29,000	115,000
	Total	33,000	22,000	10,000	45,000	63,000	109,000	284,000
Owner	Middle & Upper	21,000	9,000	3,000	22,000	45,000	78,000	177,000
	Low & Moderate	4,000	8,000	8,000	23,000	17,000	22,000	81,000
	Total	24,000	17,000	10,000	43,000	61,000	101,000	257,000
Renter	Middle & Upper	6,000	-3,000	-4,000	-5,000	-1,000	1,000	-6,000
	Low & Moderate	4,000	8,000	4,000	8,000	3,000	7,000	34,000
	Total	9,000	5,000	0	2,000	2,000	8,000	27,000
1981-2001, decennial average of two decades								
Total	Middle & Upper	21,000	2,500	-1,500	26,500	54,500	72,000	173,500
	Low & Moderate	13,000	16,500	14,500	32,000	19,500	23,000	118,500
	Total	33,500	19,000	12,000	57,500	73,500	95,000	291,500
Owner	Middle & Upper	12,000	2,000	500	23,000	50,000	67,500	154,000
	Low & Moderate	1,500	7,000	8,000	20,000	14,000	16,500	66,500
	Total	13,000	9,000	7,500	42,000	63,500	84,500	220,000
Renter	Middle & Upper	68,000	44,000	35,000	50,000	22,000	14,000	233,000
	Low & Moderate	131,000	82,000	53,000	64,000	23,000	15,000	368,000
	Total	200,000	126,000	88,000	115,000	45,000	29,000	602,000

Source: Calculations from census, custom tabulation EO 0929

Table 30 (c)
Household Projection: Percent Shares of Actual Change
by Age-zone, 1981-2001

<i>Data rounded for projection</i>		<i>Development Period of Zone</i>						Total
		Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991-2001	
1991-2001 decade								
Total	Middle & Upper	16%	4%	-1%	10%	26%	46%	100%
	Low & Moderate	7%	14%	10%	27%	17%	25%	100%
	Total	12%	8%	4%	16%	22%	38%	100%
Owner	Middle & Upper	12%	5%	2%	12%	25%	44%	100%
	Low & Moderate	5%	10%	10%	28%	21%	27%	100%
	Total	9%	7%	4%	17%	24%	39%	100%
Renter	Middle & Upper	-100%	50%	67%	83%	17%	-17%	100%
	Low & Moderate	12%	24%	12%	24%	9%	21%	100%
	Total	33%	19%	0%	7%	7%	30%	100%
1981-2001, decennial average of two decades								
Total	Middle & Upper	12%	1%	-1%	15%	31%	41%	100%
	Low & Moderate	11%	14%	12%	27%	16%	19%	100%
	Total	11%	7%	4%	20%	25%	33%	100%
Owner	Middle & Upper	8%	1%	0%	15%	32%	44%	100%
	Low & Moderate	2%	11%	12%	30%	21%	25%	100%
	Total	6%	4%	3%	19%	29%	38%	100%
Renter	Middle & Upper	46%	3%	-10%	18%	23%	23%	100%
	Low & Moderate	22%	18%	13%	23%	11%	13%	100%
	Total	29%	14%	6%	22%	14%	15%	100%

Source: Calculations from census, custom tabulation EO 0929

Table 30 (d)
Household Projection: Distribution of 300,000 Decennial Change

Data rounded for projection		Development Period of Zone						Total
		Pre- 1946	1946- 1960	1961- 1970	1971- 1980	1981- 1990	1991 & later	
Projection on 1991-2001 Trends								
Total	Middle & Upper	29,000	6,000	-1,000	18,000	46,000	83,000	181,000
	Low & Moderate	8,000	17,000	13,000	33,000	21,000	31,000	121,000
	Total	35,000	23,000	11,000	48,000	67,000	115,000	300,000
Owner	Middle & Upper	22,000	10,000	3,000	23,000	48,000	82,000	187,000
	Low & Moderate	4,000	8,000	8,000	24,000	18,000	23,000	86,000
	Total	25,000	18,000	11,000	45,000	64,000	107,000	271,000
Renter	Middle & Upper	6,000	-3,000	-4,000	-5,000	-1,000	1,000	-6,000
	Low & Moderate	4,000	8,000	4,000	8,000	3,000	7,000	36,000
	Total	10,000	5,000	0	2,000	2,000	8,000	29,000
Projection on 1981-2001 Trends								
Total	Middle & Upper	22,000	3,000	-2,000	27,000	56,000	74,000	179,000
	Low & Moderate	13,000	17,000	15,000	33,000	20,000	24,000	122,000
	Total	34,000	20,000	12,000	59,000	76,000	98,000	300,000
Owner	Middle & Upper	12,000	2,000	1,000	24,000	51,000	69,000	158,000
	Low & Moderate	2,000	7,000	8,000	21,000	14,000	17,000	68,000
	Total	13,000	9,000	8,000	43,000	65,000	87,000	226,000
Renter	Middle & Upper	9,000	1,000	-2,000	4,000	5,000	5,000	20,000
	Low & Moderate	12,000	10,000	7,000	12,000	6,000	7,000	54,000
	Total	21,000	10,000	5,000	16,000	10,000	11,000	74,000

Source: Author's projections based on census, custom tabulation EO 0929

Table 30 (e)
Household Projection: Scenarios for 1 and 2 Decades Forward

Data rounded for projection		Development Period of Zone						Total
		Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991 & later	
Projection: 1 Decade forward based on 1991-2001 Trends								
Total	Middle & Upper	209,000	146,000	107,000	257,000	225,000	279,000	1,222,000
	Low & Moderate	189,000	157,000	104,000	178,000	86,000	99,000	810,000
	Total	395,000	303,000	209,000	431,000	310,000	380,000	2,029,000
Owner	Middle & Upper	128,000	109,000	80,000	217,000	206,000	263,000	1,001,000
	Low & Moderate	50,000	58,000	42,000	97,000	57,000	69,000	373,000
	Total	176,000	167,000	121,000	311,000	260,000	335,000	1,371,000
Renter	Middle & Upper	80,000	38,000	27,000	40,000	20,000	16,000	221,000
	Low & Moderate	139,000	98,000	61,000	80,000	29,000	29,000	438,000
	Total	219,000	136,000	88,000	119,000	49,000	45,000	658,000
Projection: 2 Decades forward based on 1991-2001 Trends								
Total	Middle & Upper	238,000	152,000	106,000	275,000	271,000	362,000	1,403,000
	Low & Moderate	197,000	174,000	117,000	211,000	107,000	130,000	931,000
	Total	430,000	326,000	220,000	479,000	377,000	495,000	2,329,000
Owner	Middle & Upper	150,000	119,000	83,000	240,000	254,000	345,000	1,188,000
	Low & Moderate	54,000	66,000	50,000	121,000	75,000	92,000	459,000
	Total	201,000	185,000	132,000	356,000	324,000	442,000	1,642,000
Renter	Middle & Upper	86,000	35,000	23,000	35,000	19,000	17,000	215,000
	Low & Moderate	143,000	106,000	65,000	88,000	32,000	36,000	474,000
	Total	229,000	141,000	88,000	121,000	51,000	53,000	687,000
Projection: 2 Decades forward based on 1981-2001 Trends								
Total	Middle & Upper	224,000	146,000	104,000	293,000	291,000	344,000	1,399,000
	Low & Moderate	207,000	174,000	121,000	211,000	105,000	116,000	933,000
	Total	428,000	320,000	222,000	501,000	395,000	461,000	2,329,000
Owner	Middle & Upper	130,000	103,000	79,000	242,000	260,000	319,000	1,130,000
	Low & Moderate	50,000	64,000	50,000	115,000	67,000	80,000	423,000
	Total	177,000	167,000	126,000	352,000	326,000	402,000	1,552,000
Renter	Middle & Upper	92,000	43,000	27,000	53,000	31,000	25,000	267,000
	Low & Moderate	159,000	110,000	71,000	96,000	38,000	36,000	510,000
	Total	251,000	151,000	98,000	149,000	67,000	59,000	777,000

Source: Author's projections based on census, custom tabulation EO 0929

Table 30 (f)
Household Projection: Percent Change by Tenure, Income and Age-zone

		Development Period of Zone						Total	
		Pre-1946	1946-1960	1961-1970	1971-1980	1981-1990	1991 & later		
Percentages show relative Change in households in each cell compared to 2001.									
Projection: 1 Decade forward based on 1991-2001 Trends (percent increase in 10 years)									
Total	Middle & Upper	16%	4%	-1%	8%	26%	42%	17%	
	Low & Moderate	4%	12%	14%	23%	32%	46%	18%	
	Total	10%	8%	6%	13%	28%	43%	17%	
Owner	Middle & Upper	21%	10%	4%	12%	30%	45%	23%	
	Low & Moderate	9%	16%	24%	33%	46%	50%	30%	
	Total	17%	12%	10%	17%	33%	47%	25%	
Renter	Middle & Upper	8%	-7%	-13%	-11%	-5%	7%	-3%	
	Low & Moderate	3%	9%	7%	11%	12%	32%	9%	
	Total	5%	4%	0%	2%	4%	22%	5%	
Projection: 2 Decades forward based on 1991-2001 Trends (percent increase in 20 years)									
Total	Middle & Upper	32%	9%	-2%	15%	51%	85%	35%	
	Low & Moderate	9%	24%	29%	46%	65%	91%	35%	
	Total	19%	16%	11%	25%	55%	87%	35%	
Owner	Middle & Upper	42%	20%	8%	24%	61%	91%	46%	
	Low & Moderate	17%	32%	47%	66%	92%	100%	60%	
	Total	33%	24%	20%	34%	65%	94%	49%	
Renter	Middle & Upper	16%	-15%	-26%	-22%	-10%	13%	-5%	
	Low & Moderate	6%	18%	14%	22%	23%	64%	18%	
	Total	10%	8%	0%	3%	9%	43%	9%	
Projection: 2 Decades forward based on 1981-2001 Trends (percent increase in 20 years)									
Total	Middle & Upper	24%	4%	-4%	23%	63%	76%	34%	
	Low & Moderate	14%	24%	33%	46%	62%	71%	35%	
	Total	19%	14%	12%	31%	63%	74%	35%	
Owner	Middle & Upper	23%	4%	3%	25%	65%	76%	39%	
	Low & Moderate	9%	28%	47%	58%	72%	74%	47%	
	Total	17%	12%	15%	32%	66%	76%	41%	
Renter	Middle & Upper	24%	5%	-13%	18%	48%	67%	18%	
	Low & Moderate	18%	22%	25%	33%	46%	64%	27%	
	Total	20%	15%	11%	27%	43%	59%	24%	

Source: Author's projections based on census, custom tabulation EO 0929

Table 31
Quintile Income Values in 1981, 1991, 2001

	Current (Nominal) Dollar Value			Factor	Constant 2001 Dollar Value (rounded)			Percent Increase			Ratio to next Lowest Quintile			Ratio: 4th to 1st Quintile
	Quintile upper limit	Quintile median			Quintile upper limit	Quintile median		Quintile upper limit	Quintile median		Quintile upper limit	Quintile median		
Quintile Cut-offs; CPI on 1992 Base														
1981														
	CPI 58.9													
1st quintile (<\$12,011)	12,010		6,633	0.506	23,700		13,100							
2nd quintile (\$12,011-\$20,839)	20,839			0.506	41,200					1.7				
3rd quintile (\$20,840-\$29,418)	29,418			0.506	58,100					1.4				
4th quintile (\$29,419-\$40,543)	40,543			0.506	80,100					1.4				3.4
5th quintile (>= \$40,544)														
1991														
	CPI 98.5													
1st quintile (<\$23,199)	23,198		13,279	0.846	27,400		15,700		16%					
2 nd quintile (\$23,199-\$40,987)	40,987		32,256	0.846	48,400		38,100		17%		1.8			
3rd quintile (\$40,988-\$59,513)	59,513		50,171	0.846	70,300		59,300		21%		1.5			
4th quintile (\$59,514-\$84,078)	84,078		70,091	0.846	99,400		82,800		24%		1.4			3.6
5th quintile (>= \$84,079)			114,179											
2001														
	CPI 116.4													
1st quintile (<\$26,195)	26,194		15,074	1.000	26,200		15,100		-4%					
2 nd quintile (\$26,195-\$47,752)	47,752		37,048	1.000	47,800		37,000		-1%		1.8			
3rd quintile (\$47,753-\$71,738)	71,738		59,502	1.000	71,700		59,500		2%		1.5			
4th quintile (\$71,739-\$106,163)	106,163		86,578	1.000	106,200		86,600		7%		1.5			4.1
5th quintile (\$106,164 and over)			140,632											

* Median for each quintile is 3rd, 5th, 7th and 9th decile. For 1991, these are taken from custom tabulations for the City of Toronto, with minor variation from the custom tabulation prepared for this study.

Table 32a
Imputing Tenure Shares of Income Shift
1946-70 Suburbs, 1981-2001

	Overall Change			Owner Change			Renter Change		
	Change prorated on 1981 Income Distribution <i>a</i>	Actual Change <i>b</i>	Inferred Overall Income Shift <i>c</i>	Change prorated on 1981 Income Distribution <i>d</i>	Actual Change <i>e</i>	Inferred Owner Income Shift <i>f</i>	Change prorated on 1981 Income Distribution <i>g</i>	Actual Change <i>h</i>	Inferred Renter Income Shift <i>i</i>
Low	12,425	35,520	23,095	3,375	13,340	9,965	9,153	22,180	13,027
Moderate	12,853	25,840	12,987	4,674	16,025	11,351	8,248	9,815	1,567
Middle & Upper	37,002	920	-36,082	25,326	4,010	-21,316	11,504	-3,090	-14,594
Total	62,280	62,280	0	33,375	33,375	0	28,905	28,905	0
	<i>b-a</i>			<i>e-d</i>			<i>h-g</i>		
Cols: <i>a, d, g</i> : Total actual change for the category, distributed by income according to 1981 income for the category									

Table 32b
Imputing Tenure Shares of Income Shift
1970s Suburbs, 1981-2001

	Overall Change			Owner Change			Renter Change		
	Change prorated on 1981 Income Distribution <i>a</i>	Actual Change <i>b</i>	Inferred Overall Income Shift <i>c</i>	Change prorated on 1981 Income Distribution <i>d</i>	Actual Change <i>e</i>	Inferred Owner Income Shift <i>f</i>	Change prorated on 1981 Income Distribution <i>g</i>	Actual Change <i>h</i>	Inferred Renter Income Shift <i>i</i>
Low	16,120	31,150	15,030	5,763	17,125	11,362	9,044	14,025	4,981
Moderate	19,069	32,990	13,921	9,768	22,245	12,477	8,393	10,745	2,352
Middle & Upper	81,162	52,210	-28,952	69,430	45,590	-23,840	13,953	6,620	-7,333
Total	116,350	116,350	0	84,960	84,960	0	31,390	31,390	0
	<i>b-a</i>			<i>e-d</i>			<i>h-g</i>		

Cols. *a*, *d*, *g*: Total actual change for the category, distributed by income according to 1981 income for the category

Table 33
Imputing Shares of Inner-Suburban Income Change
(Zones developed 1945-1970, Change 1981-2001)

	Recent Immigrant Growth at '81 Income Distribution <i>a</i>	Actual Recent Immigrant Growth <i>b</i>	Inferred Recent Immig. Income Shift <i>c</i>	Overall Growth at '81 Income Distri- bution <i>d</i>	Actual Overall Growth <i>e</i>	Inferred Overall Income Shift <i>f</i>	Others' Growth at 1981 Income Distri- bution <i>g</i>	Actual Others' Growth <i>h</i>	Inferred Others' Income Shift <i>i</i>	Inferred Shift from Increase in Recent Immi- grants <i>j</i>	Total Change
<i>Households</i>											
1981											
Low & Moderate	18,150	23,505	5,355	13,080	27,395	14,315	-4,910	3,890	8,800	160	27,395
Middle & Upper	11,200	5,770	-5,430	8,230	-6,080	-14,310	-3,100	-11,850	-8,750	-130	-6,080
Total	29,350	29,335	-15	21,310	21,315	5	-8,010	-8,020	-10	20	21,315
		<i>b-a</i>			<i>e-d</i>				<i>h-g</i>	<i>=f-i-c</i>	

Cols. a, d, g: Total actual growth for the category, distributed by income according to 1981 income for the category

Table 34
Low and Moderate Income by Individual District, 1981-2001

	Age-zone	Households			Low & Moderate Income			Percent Low & Mod.			LQ of Low and Moderate Income vis-à-vis Relevant Age-zone	Comments on outliers (if LQ <0.8 or >1.2)		
		1981	1991	2001	1981	1991	2001	1981	1991	2001				
1	Downtown Toronto	55,390	70,135	83,345	35,165	41,515	46,305	63%	59%	56%	1.20	1.12	1.11	Declining but still highest
2	East Central	45,620	49,945	54,700	23,045	24,790	25,365	51%	50%	46%	0.95	0.94	0.93	
3	West Central	38,555	43,400	49,020	22,555	26,130	27,410	59%	60%	56%	1.10	1.14	1.12	
4	West Toronto	43,985	48,630	52,360	22,075	25,130	26,270	50%	52%	50%	0.95	0.98	1.00	
5	Midtown-North Toronto	57,360	58,650	62,745	24,845	24,385	23,020	43%	42%	37%	0.82	0.78	0.73	L&M declining from 50s-zone to 70s-zone levels
6	York-Weston	51,410	55,940	58,035	26,945	30,995	32,505	52%	55%	56%	0.99	1.05	1.12	
7	East York	42,520	44,110	46,585	20,690	22,630	23,630	49%	51%	51%	1.11	1.07	1.01	
8	Lawrence West	31,145	32,595	35,460	14,325	15,540	18,505	46%	48%	52%	1.05	0.99	1.04	
9	North Bathurst-Yonge	31,955	35,600	37,260	13,805	17,530	19,155	43%	49%	51%	0.98	1.03	1.03	L&M rising to match Downtown and W. Central
10	Don Mills	40,220	42,975	46,415	14,560	17,890	20,925	36%	42%	45%	1.01	0.99	0.98	
11	Downsview	44,930	47,125	48,510	20,660	24,365	27,640	46%	52%	57%	1.28	1.23	1.24	
12	Willowdale	42,500	45,305	50,355	13,595	16,395	21,765	32%	36%	43%	1.07	1.06	1.14	
13	Southern Etobicoke	33,205	35,235	39,395	15,220	17,050	18,160	46%	48%	46%	1.04	1.01	0.92	
14	Central Etobicoke	52,250	54,635	55,790	16,240	20,855	22,695	31%	38%	41%	0.86	0.91	0.88	
15	Rexdale	20,495	25,370	28,785	7,220	10,685	14,000	35%	42%	49%	0.98	1.00	1.06	
16	Southwest Scarborough	38,705	41,905	45,085	17,480	20,860	23,335	45%	50%	52%	1.03	1.04	1.04	
17	Central Scarborough	49,520	52,935	58,930	19,375	24,375	30,130	39%	46%	51%	0.89	0.96	1.02	
18	Agincourt-Malvern	41,995	60,225	67,205	11,200	21,450	28,665	27%	36%	43%	0.89	1.05	1.12	
19	Rouge-West Hill	14,630	19,850	23,095	4,950	6,540	8,270	34%	33%	36%	1.13	0.97	0.94	Steady at level like 60s-70s zones
20	Port Credit-Lakeview	15,210	15,705	16,685	5,645	6,155	6,530	37%	39%	39%	0.84	0.82	0.78	
21	Clarkson-Lorne Park	15,370	17,520	18,915	3,425	4,535	5,300	22%	26%	28%	0.62	0.62	0.61	Fewer L&M, level like 80s-90s zones
22	Central Mississauga	20,500	31,015	35,960	7,185	11,620	14,310	35%	37%	40%	1.31	1.50	1.47	
23	Eastern Mississauga	22,485	28,155	29,895	7,030	10,270	11,855	31%	36%	40%	1.04	1.07	1.04	Steady at level like 60s-70s zones
24	Meadowdale-Erin Mills	16,140	33,545	49,810	3,720	7,510	11,740	23%	22%	24%	0.86	0.90	0.87	
25	Northern Mississauga	605	12,555	33,315	230	2,590	8,125	38%	21%	24%	0.82	0.94	0.87	
26	Malton	8,670	9,740	10,610	2,305	3,470	4,460	27%	36%	42%	0.89	1.05	1.11	
27	Central Brampton	21,415	30,580	38,640	6,350	9,555	12,835	30%	31%	33%	0.99	0.92	0.87	
28	Bramalea	18,345	25,835	27,690	3,970	6,655	8,275	22%	26%	30%	0.72	0.76	0.79	
29	Outer Brampton	4,190	14,255	31,220	810	2,920	6,860	19%	20%	22%	0.81	0.85	0.85	

30	Caledon	90s	7,855	10,760	16,115	2,045	2,460	3,405	26%	23%	21%	0.91	0.81	
31	Aurora	80s	5,145	9,370	12,990	1,550	2,305	2,780	30%	25%	21%	1.13	0.98	L&M subsiding from 70s-zone to 80s-zone level
32	Markham-Unionville	80s	11,070	29,190	44,930	2,060	5,625	12,040	19%	19%	27%	0.70	0.77	Notably few L&M until 90s
33	Newmarket	90s	9,040	14,170	21,315	2,865	3,720	5,825	32%	26%	27%	1.07	1.04	
34	Richmond Hill	90s	12,200	25,535	41,345	3,700	7,035	12,640	30%	28%	31%	1.10	1.18	
35	Thornhill	70s	11,645	14,440	15,740	2,455	3,320	4,525	21%	23%	29%	0.70	0.68	Few L&M, like 1980s-90s zones
36	Vaughan	90s	8,420	29,895	52,960	1,805	5,860	12,210	21%	20%	23%	0.78	0.89	
37	Oakville	80s	24,295	37,905	49,255	6,670	9,175	11,930	27%	24%	24%	1.03	0.97	
38	Burlington	70s	37,885	46,250	57,335	11,150	14,665	18,350	29%	32%	32%	0.98	0.93	
39	Milton	70s	8,500	10,085	10,685	2,565	2,740	2,900	30%	27%	27%	1.01	0.80	L&M subsiding with new dev't; level like 70s-zones
40	Halton Hills	90s	10,885	12,205	16,385	3,510	3,785	4,375	32%	31%	27%	1.23	1.03	L&M subsiding with new dev't; level like 70s-zones
41	Pickering	80s	10,915	20,540	26,945	2,340	4,195	5,995	21%	20%	22%	0.80	0.82	
42	Ajax	80s	8,000	18,085	23,180	2,195	4,580	5,870	27%	25%	25%	1.02	1.01	
43	Whitby	90s	11,700	19,620	28,635	3,515	5,400	7,675	30%	28%	27%	1.09	1.03	
44	Oshawa	70s	39,205	46,935	52,355	15,265	19,885	23,075	39%	42%	44%	1.30	1.25	Higher, like 1960s zones (older urban centre)

Table 35
Multi-rental Households by Individual District 1981-2001

		Age-zone	Households			Multi-rental			Percent Multi-rental			LQ of Multirental vis-à-vis Relevant Age-zone		Comments on outliers (if LQ <0.8 or >1.2)	
			1981	1991	2001	1981	1991	2001	1981	1991	2001	1.57	1.44		1.37
1	Downtown Toronto	pre-45	55,390	70,135	83,345	43,555	54,475	58,270	79%	78%	70%	1.57	1.44	1.37	Unique, reflects ongoing redevelopment Low for cent. city, more like 60s-70s zones
2	East Central	pre-45	45,620	49,945	54,700	14,320	18,550	19,555	31%	37%	36%	0.63	0.69	0.70	
3	West Central	pre-45	38,555	43,400	49,020	17,875	24,675	25,705	46%	57%	52%	0.93	1.05	1.03	
4	West Toronto	pre-45	43,985	48,630	52,360	14,790	18,970	20,755	34%	39%	40%	0.67	0.72	0.78	Low for cent. city, more like 60s-70s zones
5	Midtown-North Toronto	pre-45	57,360	58,650	62,745	33,945	33,590	34,130	59%	57%	54%	1.18	1.06	1.07	
6	York-Weston	pre-45	51,410	55,940	58,035	22,350	26,105	26,405	43%	47%	45%	0.87	0.86	0.89	
7	East York	50s	42,520	44,110	46,585	20,320	21,640	22,650	48%	49%	49%	1.14	1.11	1.16	Still in range of 60s-70s zones
8	Lawrence West	50s	31,145	32,595	35,460	13,475	14,155	15,640	43%	43%	44%	1.03	0.99	1.05	
9	North Bathurst-Yonge	50s	31,955	35,600	37,260	13,900	15,985	16,335	43%	45%	44%	1.04	1.02	1.04	
10	Don Mills	60s	40,220	42,975	46,415	20,855	22,210	22,495	52%	52%	48%	1.18	1.20	1.18	
11	Downsview	60s	44,930	47,125	48,510	23,085	23,975	24,525	51%	51%	51%	1.17	1.18	1.23	
12	Willowdale	70s	42,500	45,305	50,355	15,505	16,810	18,210	36%	37%	36%	1.26	1.28	1.39	
13	Southern Etobicoke	50s	33,205	35,235	39,395	12,820	14,150	15,505	39%	40%	39%	0.92	0.91	0.94	
14	Central Etobicoke	60s	52,250	54,635	55,790	19,470	20,185	20,015	37%	37%	36%	0.85	0.86	0.88	
15	Rexdale	60s	20,495	25,370	28,785	8,650	10,750	10,565	42%	42%	37%	0.96	0.99	0.90	
16	Southwest Scarborough	50s	38,705	41,905	45,085	16,450	18,180	18,800	43%	43%	42%	1.01	0.99	0.99	
17	Central Scarborough	50s	49,520	52,935	58,930	20,355	22,900	24,030	41%	43%	41%	0.98	0.98	0.97	
18	Agincourt-Malvern	70s	41,995	60,225	67,205	11,010	17,150	17,025	26%	28%	25%	0.90	0.98	0.97	
19	Rouge-West Hill	70s	14,630	19,850	23,095	4,140	4,700	5,125	28%	24%	22%	0.98	0.82	0.85	Lower, at levels like 60s-70s zones
20	Port Credit-Lakeview	50s	15,210	15,705	16,685	5,205	5,260	5,280	34%	33%	32%	0.81	0.76	0.75	
21	Clarkson-Lorne Park	60s	15,370	17,520	18,915	3,610	3,790	3,690	23%	22%	20%	0.53	0.50	0.48	
22	Central Mississauga	80s	20,500	31,015	35,960	8,755	12,960	13,365	43%	42%	37%	1.83	2.20	2.48	Higher, subsidizing from 50s to 70s zone levels
23	Eastern Mississauga	70s	22,485	28,155	29,895	10,155	11,695	11,080	45%	42%	37%	1.56	1.43	1.43	
24	Meadowdale-Erin Mills	80s	16,140	33,545	49,810	3,915	7,300	8,115	24%	22%	16%	1.04	1.15	1.09	
25	Northern Mississauga	90s	605	12,555	33,315	80	1,860	3,875	13%	15%	12%	1.29	1.16	1.16	Notably low
26	Malton	70s	8,670	9,740	10,610	1,490	2,305	2,620	17%	24%	25%	0.59	0.82	0.95	
27	Central Brampton	70s	21,415	30,580	38,640	5,810	7,910	8,715	27%	26%	23%	0.94	0.89	0.87	
28	Bramalea	70s	18,345	25,835	27,690	3,370	6,240	6,280	18%	24%	23%	0.63	0.83	0.87	
29	Outer Brampton	90s	4,190	14,255	31,220	225	1,240	2,350	5%	9%	8%	0.76	0.75	0.75	

Notably low

30	Caledon	90s	7,855	10,760	16,115	315	405	570	4%	4%	4%	0.33	0.35	Notably low (outlying communities)
31	Aurora	80s	5,145	9,370	12,990	970	1,480	1,390	19%	16%	11%	0.81	0.83	0.71
32	Markham-Unionville	80s	11,070	29,190	44,930	790	1,235	2,430	7%	4%	5%	0.31	0.22	0.36
33	Newmarket	90s	9,040	14,170	21,315	1,460	2,165	3,570	16%	15%	17%	1.33	1.67	Notably low
34	Richmond Hill	90s	12,200	25,535	41,345	2,190	4,190	5,095	18%	16%	12%	1.43	1.23	Levels like 80s zones, reflects gradual dev't
35	Thornhill	70s	11,645	14,440	15,740	1,925	2,750	2,660	17%	19%	17%	0.57	0.65	Levels like 80s zones, reflects gradual dev't
36	Vaughan	90s	8,420	29,895	52,960	350	1,310	2,225	4%	4%	4%	0.38	0.42	Low, at levels like 80s zones
37	Oakville	80s	24,295	37,905	49,255	5,985	7,275	7,825	25%	19%	16%	1.06	1.01	Notably low
38	Burlington	70s	37,885	46,250	57,335	10,895	11,660	12,310	29%	25%	21%	0.99	0.87	0.83
39	Milton	70s	8,500	10,085	10,685	1,330	1,580	1,670	16%	16%	16%	0.54	0.54	0.60
40	Halton Hills	90s	10,885	12,205	16,385	1,620	1,875	1,895	15%	15%	12%	1.34	1.16	Levels like 80s zones (slow growth to 2001)
41	Pickering	80s	10,915	20,540	26,945	465	1,715	1,680	4%	8%	6%	0.18	0.44	Levels like 80s zones (slow growth to 2001)
42	Ajax	80s	8,000	18,085	23,180	1,535	2,395	2,780	19%	13%	12%	0.82	0.70	Notably low
43	Whitby	90s	11,700	19,620	28,635	2,670	3,450	4,545	23%	18%	16%	1.53	1.59	Levels like 80s zones, reflects gradual dev't
44	Oshawa	70s	39,205	46,935	52,355	11,410	13,765	14,270	29%	29%	27%	1.00	1.01	Levels like 80s zones, reflects gradual dev't
45	Clarington	90s	9,890	16,355	23,210	1,050	1,330	1,650	11%	8%	7%	0.71	0.71	Notably low (outlying communities)

LQ 1981 values omitted for districts with mostly 1990s development.

Visit our website at www.cmhc.ca