Condominium Development and Gentrification: The Relationship Between Policies, Building Activities and Socio-economic Development in Toronto

Ute Lehrer
Thorben Wieditz
Faculty of Environmental Studies
York University

Résumé

Depuis quelques années, on a constaté un réinvestissement massif dans le centre ville de Toronto, particulièrement sous la forme de "tours à condominiums", suivi par la plus grande augmentation de la population des 30 dernières années. La cité qui se vantait d'être multiculturelle, avec une grande diversité ethnique et mixité sociale, s'est divisée—comme l'indiquent de récentes études—en trois cités distinctes: la cité inchangée des riches, la cité en décroissance des ménages à revenus moyens, et la cité où croîent les concentrations de pauvreté. Dans cet article, nous suggérons que les tours à condominiums représente une nouvelle forme de "gentrification", qui contribue à la division tri-partite spatiale de la cité. Nous l'appelons la "condofication" de Toronto. Nous commençons avec une discussion de certains aspects de la "gentrification", suivi d'une analyse des règlements et des rapports qui ont guidé le développement urbain de Toronto. Nous jetons enfin un coup d'oeil aux nouveaux habitants de condos avant de conclure que la Cité se doit de revoir ses instruments de planification afin de prévenir une encore plus grande ségrégation spatiale de Toronto.

Mots clés: Gentrification; boom des condominiums; Toronto; politique et aménagement urbain

Abstract

Over the past few years, Toronto has experienced a massive reinvestment into the inner city, mostly in the form of high-rise condominium towers, which was followed by the largest population growth in over 30 years. The city that used to praise itself as multicultural, ethnically diverse and socially-mixed, has, as recent studies indicate, become spatially divided into three distinct cities: the constant city of the rich, the shrinking city of middle-income households, and the growing city of concentrated poverty. In this paper we suggest that the condominium towers are a new form of gentrification that contributes to the spatial trifurcation of the city. We call it the condofication of Toronto. We start with a discussion of some important aspects of gentrification, followed by an analysis of policy documents and reports that have been guiding urban development in Toronto. We then take a look at the incoming condo-dwellers, before we conclude that the City needs to revisit its planning instruments in order to prevent further spatial segregation in Toronto.

Key words: gentrification; condominium boom; Toronto; urban politics; planning

Introduction

There has been some discussion lately about the changing face of Toronto's neighbourhoods. The report *Poverty by Postal Code* released by United Way of Toronto (MacDonnell et al. 2004) demonstrated beyond doubt that family poverty in the City of Toronto is increasing and even concentrating within neighbourhoods. The results of this report were confirmed more recently with a detailed study by the Centre for Urban and Community Studies (Hulchanski 2007) which exposes an alarming trend of income disparity that starts to divide the city into three distinct entities: those whose income has increased since 1970 by more than 20%, those whose income remained more or less stable and those whose income decreased by more than 20%. The spatial representation of these trends clearly indicates that the City of Toronto is divided into three distinct cities, with a fast disappearance of neighborhoods with predominantly middle income groups and a dramatic increase of poor neighborhoods, particularly in the inner suburbs and, at the same time, a concentration and consolidation of rich neighborhoods in the inner city and selective pockets at a few other places throughout the city.

These trends can be seen as the result of what Hackworth (2007) calls the three emerging forms of a 'neoliberal spatial fix': the relationship between (1) continued rapid suburban growth, (2) a volatile decline and disinvestment in the inner sub-

urbs, and (3) considerable inner city reinvestment, often in the form of gentrification. These simultaneous processes are at the core of Toronto's socio-spatial transformation: the increasing urban poverty in the new zones of disinvestment, the inner suburbs, is closely linked to the increasing wealth in Toronto's inner city. Thus, we will take a closer look at contemporary processes of gentrification and the 'new face' of Toronto's inner city, which has significantly changed since the mid-1990s. We will start with a general discussion of gentrification and suggest that the condominium tower is a new form of gentrification. Then, we will analyze some of the policies and reports that are relevant for current urban development in Toronto. This will be followed by a discussion of the findings of a study done by the City of Toronto on inner city dwellers. We will conclude with a cautionary remark about Toronto's strategy to allow massive, homogenous forms of condominiums in the inner city without developing strong instruments that would help to diversify the socio-economic composition of Toronto's inner city.

Gentrification in Toronto

The field of gentrification research has its roots in Ruth Glass's observation of socio-spatial transformations in London's inner city in the 1960s (Glass 1964). Her account provides a 'classic' definition of a process that became known as gentrification—the transformation of working-class neighbourhoods into middle and upper-class residential neighbourhoods through reinvestment and stresses gentrification's undercurrent class character as well as its negative impact on low income communities. Since then the concept of gentrification has become more elaborate. No longer is it only about the upgrading of individual houses that leads to gentrification but the process per se has become more complex:

> How in the larger context of changing social geographies, are we to distinguish adequately between the rehabilitation of nineteenth-century housing, *the construction of new condominium towers*, the opening of festival markets to attract local and not so local tourists, the proliferation of wine bars—and boutiques for everything—and the construction of modern and postmodern office buildings employing thousands of professionals, all looking for a place to live? (Smith 1996, 39, emphasis added)

Because of its complexity and its various forms, researchers around the world have tried to excavate the specificities of various forms of gentrification. For the purpose of this paper the concept of 'new-build gentrification' is of particular interest to us (Davidson and Lees 2005). It includes a range of building types, for example townhouses and condominiums, as well as new-build in-fills closer to the core (Cameron 2003; Hackworth 2002; Mills 1988, 1989, 1993; Rose

2002; Slater 2004; Zukin 1991). With it also came a plethora of terms: 're-gentrification', 'super-gentrification' or 'financification' describing processes in neighbourhoods that had experienced earlier waves of gentrification (Lees 2000, 2003; Hackworth and Smith 2001; Butler and Lees 2006); the 'studentification' of particular neighbourhoods in university towns (D. Smith 2002); and the 'tourist gentrification' of the French Quarter in New Orleans (Gotham 2005). As David Ley (1996, 34) reminds us, we need to widen the definition of gentrification to include "renovation and redevelopment […] on non-residential sites" occurring in areas zoned for commercial, retail and even industrial uses.

While its processes were initially identified as small pockets of reinvestment in larger cities, such as London, New York, San Francisco and Toronto, gentrification now has become not only a global phenomenon (Atkinson and Bridge 2005) but also has spread outwards, including suburban and rural regions (Caulfield 1994; Parsons 1980; Phillips 1993; Smith and Phillips 2001). With all this reinvestment into the built environment over the past three decades, Wyly and Hammel (1999) suggest that one should revise Berry's famous maxim (1985) describing gentrification as 'islands of renewal in seas of decay' into its opposite: 'islands of decay in seas of renewal.'

Towards the end of the 1990s a massive wave of capital reinvestment in inner cities caused accelerated geographic expansion of gentrification processes. This has been described by Hackworth and Smith (2001) as 'post-recession' or 'third-wave' gentrification and is characterized as follows: (1) it has expanded within both the inner-city neighbourhoods that had experienced earlier waves of gentrification as well as within neighbourhoods that are located beyond the immediate core; (2) larger developers are becoming involved in gentrification processes due to restructuring and globalization in the real estate industry; (3) resistance has declined as the working class is continuously displaced from the inner city; and (4) the state has become more involved in the processes than before (see also Hackworth 2002; Smith and Defilippis 1999). The last point has particular relevance for Toronto where, over the past few years, the rewriting of policies and vision statements are facilitating processes of gentrification (Lehrer 2008). In this understanding, and thanks to Richard Florida's increasing influence in Toronto, the 'creative class' (Florida 2002) has been put forward as the ideal model of a *burgher* who needs specific urban environments in order to be attracted to, and to remain located in, Toronto. This led to a plethora of activities that support, directly or indirectly, processes of gentrification. Toronto's long collaboration with non-profit organizations such as Artscape,[1] which has become a veritable developer of arts districts and live/work experiences for artists over the past twenty years and which is currently one of the most pronounced voices of the creative city approach, constitutes Toronto's own local version of creativity-inspired gentrification as a new global urban strategy.[2]

Toronto is not alone in its attempt of using local neighbourhoods as place marketing strategies in order to compete for capital investment, tourists and 'creative workers' (Atkinson and Bridge 2005). The relationship between promoting arts districts and gentrification processes has already been reported since the 1980s (Deutsche and Ryan 1984; Zukin 1982; for a more recent example see Pasquinelli forthcoming). What is more strategic now is the wide use of cultural urban policies in order to attract and retain investors as well as the new middle classes; branding exercises and place making via flagship projects are part of this new urban strategy (Cochrane 2007). Therefore, gentrification has turned into a 'global urban strategy' (N. Smith 2002) and is closely connected to neo-liberal inspired urban policies, often materialized in form of 'revanchism' (Smith 1996) that ensures the taming of targeted neighbourhoods, making urban space "safe, clean and secure for real estate capital, investors and the new urban middle classes" (Kipfer and Keil 2002, 237). The result, as Davidson and Lees (2005) point out, is a 'blueprint' that is being mass-produced, mass-marketed and mass-consumed around the world. This 'blueprint', we argue, has taken yet a new shape in the form of new build, residential high-rise condominium developments in Toronto, and elsewhere.

The recent growth of new build, inner city residential development in the form of condominium high-rise towers illustrates the massive reinvestment of productive capital into the 'secondary circuit' (Harvey 1978) since the late 1980s and early 1990s recession. This 'condofication' of Toronto's inner city, we suggest, can be understood as the latest phase of gentrification in Toronto.

Gentrification and Urban Policy

> The state is the nurse that nourishes capitalism from disease to disease, guaranteeing its survival, but does not heal the wounds it invariability inflicts. But the good nurse is 'flexible'; (s)he finds endless new ways to facilitate investment and capital accumulation. (Moulaert et al. 2001, 101)

Toronto's condominium boom needs to be understood within the context of a number of new municipal and provincial policies, aiming to redirect growth to already built-up areas, transforming inner city brown field sites, rejuvenating social housing complexes and intensifying the existing urban fabric. Such urban intensification is regarded as a healthy, sustainable and efficient form of managing existing and projected population growth in Toronto as well as the Golden Horseshoe area. Equally important are attempts to link the production of Toronto's inner city housing and the need for workers in the knowledge-based economy. Over the past few years a good number of reports have been produced that speak to the need for strengthening the creative industries and their workers.

The approval of *Toronto's Central Area Plan* in 1976 (City of Toronto 1975) was a first in the reorientation of real estate investments *towards* the city center; and it was very different from the centrifugal postwar 'spatial fix' that let to the suburbanization of production and reproduction. It demonstrated a commitment to expand Toronto's finance, insurance and real estate industries and it laid the foundation for later planning proposals in response to both the real estate slump from 1989/1990 and the economic and political restructuring that heralded Toronto's process of 'going global' (Todd 1995). This policy shift away from the traditional blue-collar jobs, that once had made Toronto the industrial heart of Canada, and its commitment for a presence of working class residents in the core, happened at the same time as the St. Lawrence Neighborhood was built. A mid-rise large-scale development that provided a range of housing types—public, coop and private—is arguably the most successful mixed-income housing complex in Canada (Grant 2006; Hulchanski 1990). However, with cuts in federal housing support in the 1980s, and provincial cuts in the 1990s (Bourne 1986; Keil 2002; Shapcott 2001; Wolfe 1998), this successful example remained unique. Without a strong commitment from the provincial and federal governments, the City of Toronto had to leave it up to the private sector. With their dislike for less profitable mid-rise housing structures, developers prefer almost exclusively high-rise condominium buildings. This explains to a certain degree why we find so many proposals for condominium towers in Toronto's attempts to redevelop and intensify.

In 1994, then mayor Barbara Hall chose the old industrial district at King Street West and Dufferin Street, (known and marketed today as Liberty Village) (Wieditz 2006, 2007; Catungal et al. 2009), as the backdrop for her news conference to outline her new economic development policies that aim at the speedy conversion of industrial buildings for residential and mixed uses (Armstrong 1994; Chung 2004). Strategically staged, Hall's announcement signaled a shift towards urban policies that were seen by Toronto's business elites as proactive, entrepreneurial and a stimulant for local economic development: "Even if it fails to live up to its considerable promise, it vaults Toronto right back into the front rank of creative urban policy making" (Barber 1995). In the following years and under Toronto's chief planner Paul Bedford two industrial areas east and west of Toronto's Central Business District—King and Spadina as well as King and Parliament—were rezoned to allow mixed uses. According to one local developer, the deregulations of local zoning bylaws by the City of Toronto "made everything easier, it opened up the whole area" (John Berman quoted in Sewell 1998). Combined with the weakening of rent control by the decisively neoliberal provincial government under then Progressive Conservative leader Mike Harris (Keil 2002) the area was prepared for higher and better uses. Property owners charged unregulated rents and often did not renew leases for small businesses and low-income tenants. In the following years, reinvestment in the form of loft conversions and

residential condominium developments augmented property values in the areas (Blackwell 2006; Walks and August 2008). Although it is always problematic to pinpoint the origin of a process down to a certain event, Hall's announcement can be interpreted as an important symbol in sparking a renewed, post-recession real estate interest in Toronto's inner city. It demonstrates a new emphasis on the (re-)creation of markets in the inner city, and the reintegration of former Fordist areas into the circuits of the global economy. The renaissance of the 'two Kings' was considered a success, and the recipe—deregulation of zoning.

With Toronto's amalgamation in 1998, the City needed a new Official Plan as well as a new outlook on economic, social and cultural objectives. Under the umbrella of City Council's Strategic Plan[3] a whole range of reports was prepared. The City embraced a more entrepreneurial stance, using its financial deficit as the key argument to facilitate and enhance the private sector's influence in city building processes. Toronto's urban entrepreneurialism found its expression in urban policies that ever more tightly integrated real estate interests into policy documents, hoping to reposition Toronto within the global economy (Keil 2002). In this context, processes of gentrification were seen as positive for urban development, cleaning up the inner city and reintroducing spaces of consumption, luxury housing and new economic uses. These 'soft' urban policies often 'municipally managed' (Slater 2004), would allow a socio-economic upgrading of entire neighbourhoods, and therefore became a means for transforming Toronto into a global city.

Following Toronto's amalgamation, an economic analysis was carried out by an international team of experts in consultation with private sector businesses, labour and community leaders with the objective to evaluate the economic competitiveness of Toronto's key export clusters and to compare its economic performance against other leading international cities. This benchmark exercise resulted in *Toronto Competes: An Assessment of Toronto's Global Competitiveness* (ICF Consulting 2000), an economic 'internationalization strategy' (Clark 2007) geared towards facilitating Toronto's process of 'going global' (Todd 1995) and consolidating its place among other global cities. Based on the experience of domestic and international private sector leaders and their investment decisions, it outlines carefully planning and decision-making in line with "market realities" and champions the private sector in taking on a leading role in adjusting Toronto's economy. It stresses the importance of investments from all levels of government, while, at the same time, it highlights the need for "*institutional changes*", especially in the form of public-private partnerships (ICF Consulting 2000, 57, emphasis original). Though mentioning new media and knowledge-based industries regularly, a creative city rhetoric was still absent in Toronto's policy environment at that time. This report, however, plants the seeds for the future transition of Toronto's urban policy regime from policies focusing on traditional forms of 'urban entrepreneur-

ialism' (Harvey 1989) and boosterism into the yet to be developed, creative-city inspired policies that come to dominate today's urban planning and policy environment (Peck 2005). To firmly include the private sector, and particular, the property development industry in Toronto's economic development strategy, the report identifies the global knowledge-based economy as a significant area for future economic growth and develops strategic linkages "between economic development and planning" (ICF Consulting 2000, 66). For the purpose of our argument, we will focus on two of these linkages in more detail.

(1) Reurbanization is singled out as an essential strategy for a continued economic success in the global, knowledge-based economy. While reurbanization generally entails "attracting additional population and jobs to locate within the City", the report stresses the importance to attract not just anybody to locate within the City, but "highly skilled, innovative and entrepreneurial knowledge workers [which] are much in demand and highly mobile". This fastidious labour force needs to be attracted through "a unique city that cannot be found elsewhere", "a city with low crime rates" and a "vital arts and cultural scene, and through the production of high quality urban amenities such as shopping and restaurants" (ICF Consulting 2000, 67-68).

(2) Housing policy is another key linkage between economic developments and planning in Toronto's reurbanization strategy. The report states that "the availability of appropriate housing is an important factor in ensuring a labour force with the needed knowledge-economy skills. Providing the right kind of housing in the right location [...] the availability of affordable, funky downtown housing and loft units [...] can play a key role in economic development. [Housing policy] must create an appropriate mix of housing, in terms of type and location geared to attract and retain the knowledge-economy workforce that drives the City's economy." While reurbanization and housing strategies are clearly aimed at attracting a very particular segment of incoming residents, namely "high-skilled, innovative and entrepreneurial knowledge workers," it is important to note that the report highlights that housing policy might also be applied "to mitigate the potential of *increasing spatial polarization* within the City" by aiming to ensure mixed household types and mixed housing types at the local level (ICF Consulting 2000, 67-69, emphasis added).

Based on the results of the previous report, the City of Toronto published the *Toronto Economic Development Strategy* (City of Toronto 2000). Its main objective is to reconcile livability and quality of life with economic growth and competitiveness, and it implies that economic growth would result in high quality jobs, wealth and investment for all Torontonians and thereby secure the fiscal well-being of the City. It identifies processes of revitalization as "strategic directions" and "action areas" aiming at the competitive repositioning of the newly amalgamated City of Toronto within a global space of accumulation, by creating "'develop-

ment ready' sites as a catalyst to attract new investment in targeted revitalization areas [and to] work with private sector partners" (City of Toronto 2000, 76, 93). Two objectives stand out: (1) stimulating investment through renovation, renewal, new development, and infrastructure improvement in already existing neighbourhoods; and (2) improving Toronto's business climate by creating an environment in which "businesses feel welcomed, appreciated, and recognized as the principal generators of employment and wealth" (City of Toronto 2000, 87). Thus, private sector real estate investments in the inner city become an integral part of Toronto's competitive repositioning.

Toronto's Culture Plan for the Creative City (City of Toronto 2003) incorporates culture as an economic development strategy (e.g. Scott 2008, Florida 2002) aiming to promoting Toronto's 'cultural capital' to further private economic interests, albeit with a promised trickle down effect to low-income youth and Toronto's elderly. It stresses a distinct departure from Toronto's past as a manufacturing center (and with it, from the working class history of the city): "once upon a time, most Torontonians laboured with their hands" and announces the arrival in a post-industrial time: today, "Toronto works with their minds" (City of Toronto 2003, 5). It shows how culture, arts, heritage, as well as ethnic diversity are being absorbed and commodified under neoliberal conditions, into a marketing strategy that strives to demonstrate Toronto's uniqueness to the world while, ironically, replicating and following the entrepreneurial strategies of other urban governments around the world. Toronto's future, so the report says, depends on the money made available to support its culture and arts scene. No other proclamation reappears more frequently than the fear provoking statement that Toronto is already losing out to its direct competitors, such as New York, San Francisco, Paris, Madrid and London, in funding the arts and attracting global (media) attention and "the kind of people Toronto wants to attract" (City of Toronto 2003, 1). The document implies that only the strategic commodification of culture and ethnic diversity can possibly prevent Toronto's bleak future of falling behind other global cities. Although not providing any further details, this document highlights that arts, culture and heritage will play "much more than supporting roles in Toronto's intensification" (City of Toronto 2003, 5). One way in which the arts can be used to facilitate urban development in Toronto is through Section 37 of the Planning Act.

Section 37 of Ontario's *Planning Act* is often used by developers of condominium projects to provide public art in exchange for added density and height (Devine and Casgrain 2008). The key argument in favor of Section 37 agreements between the City of Toronto and private sector developer is that it allows communities to benefit from developer activities, mainly through financial contributions that are reinvested into the neighbourhood. The specific provisions set out

in the Section allow a municipality to permit zoning density increases in return for community benefits in the form of park land, public art, daycare centres, street improvements or cash-in-lieu (Down 2008).

Since 1998, developers that required density bonusing have paid the city a total of $35-million in Section 37 agreements (Lorinc 2007), most of which, according to Jane Purdue, Toronto's public art coordinator, ended up providing community benefits in the form of public art (MacKinnon 2009). While ideally, the Section 37 money should be used to benefit the community in the direct vicinity of the new building, Section 37 does not specify its geographical boundaries which means that funds collected in one part of the city might be used in another (Lorinc 2007). One example of this is the transformation of Toronto's Wychwood Barns, a former street-car repair barn, into a live-work artist hub by Toronto's Artscape organization, funded through density bonusing fees taken from a 22-storey condominium development located six blocks away (Lorinc 2006). Often described as 'cheque book planning' or 'let's make a deal planning' (Scrivener 2007), Section 37 can be criticized for its broad, non-specific nature that allows for much interpretation. While the City of Vancouver, for instance, poses very strict regulations on developers in terms of, for instance, providing affordable housing (Leo and Anderson 2006), Toronto effectively reduced and removed restrictions on developers with the introduction of Toronto's new Official Plan (see below) in an effort to attract private sector real estate investment. Section 37 agreements, which could be used for a strict provision of affordable housing in Toronto, are used to provide art and park space rather than community centres and affordable housing, as the former more likely enhances developer's property values (Duncan 2005). *Toronto's Culture Plan for the Creative City* (City of Toronto 2003) shows that supporting arts and culture is recognized to further Toronto's urban renaissance. The application of cultural policies, in combination with Section 37 agreements, has become one key tool in the armory of place promotion that shades uneasily into processes of gentrification. In that sense, rather than playing a "supporting" role, as indicated in the *Toronto's Culture Plan for the Creative City* (City of Toronto 2003, 5), the role of arts and culture has become, much rather, a facilitator in the intensification, and by implication gentrification, of Toronto's inner city.

The *Agenda for Prosperity* (Toronto Mayor's Economic Competiveness Advisory Committee 2008) refined and replaced the *Toronto Economic Development Strategy* (City of Toronto 2000) as the most current document that outlines Toronto's economic development strategies. In tandem, the City released its *Creative City Planning Framework* (AuthentiCity 2008) stating that "Toronto's success and the momentum built over the past several years did not just happen, it is the result of strong plans and policies, as well as will and determination." In order to

move Toronto from the cusp of becoming a world city to *being* a world city the report demands even "more flexible and responsive municipal planning systems and capacities to cut through administrative silos and layers of bureaucracy." It celebrates the deregulation of the Two Kings as a success story that had turned the area into "a thriving, distinctive, authentic neighbourhood [..] including multimedia entrepreneurs, artists, high-end services and live-work condos" and it promotes "the generation of new ideas and the translation/commercialization of these into new products, services and experiences" as the primary source of economic wealth creation in today's economy. It further declares the production of "vibrant, authentic places" as "critical to attracting the best talent in the world." While not mentioning the necessity to keep real state values low in order for certain industries and income groups to remain in Toronto's inner city, it promotes tools, such as tax increment financing, to fund developments "based on projected revenue from uplifts in property value" (AuthentiCity 2008, 3-6). In addition, it states that "returns from creative policies, partnerships or projects can be calculated in greater asset and property value, higher revenue, stronger quality of place, smarter and more sustainable processes and technologies and more inclusive social practices and outcomes" (AuthentiCity 2008, 18). With this the *Creative City Planning Framework*, created by a third party consultancy, not only appears to be a promoter of forms of gentrification but it also introduced Richard Florida's language of the creative city into Toronto's economic and cultural planning documents. We suggest, therefore, that by 2008 Toronto had subscribed to a planning regime that embraces the ideology of the creative class.

All these previous reports need to be seen in relation to planning policies as they are defined on the municipal and provincial level. The most important document for planning practice in contemporary Toronto is its Official Plan (City of Toronto 2002),[4] which lays out a coordinated approach to re-urbanization and intensification through redevelopment of land within the existing urban fabric. The Official Plan has been developed in conjunction with the overall economic development strategy for the City of Toronto and City Council's Corporate Strategic Plan, and stresses the overarching significance of entrepreneurialism and competitiveness in framing current planning discourses. This plan does not entail any specifics of previous official plans, such as building codes and zoning bylaws. Rather, it reduces bureaucratic 'red tape' through the provision of a broad vision that speaks the language of urban reform—vibrant neighbourhoods, public space, quality of life, liveability etc.—but these are generally open to interpretation and emptied of their redistributive content (Kipfer and Keil 2002, 249). It identifies particular areas as key sites capable of accommodating much of the above-mentioned growth and intensification, among them avenues, employment districts, several nodes or centres across the city, and the city's downtown and central waterfront area. Growth and intensification via private sector investment is

sold as a 'smart growth' strategy capable of reducing urban sprawl and enhancing Toronto's environmental sustainability. As an ecological modernization strategy, the Official Plan promotes private sector entrepreneurialism as the solution to environmental problems, without any reflection of the plan's possible negative implications (Bunce 2004). In the absence of a substantive affordable housing strategy, for instance, redevelopment, growth and intensification will likely lead to rising property and rent values and therefore, as some observers have warned us, Official Plan policies likely lead to displacement and gentrification (Blackwell and Goonewardena 2004).

Legally above the Official Plan for Toronto stands the *Provincial Policy Statement (PPS)*, which provides policy directions related to land use planning and development. In its most current version from 2005, it focuses particularly on the growth, vitality and regeneration of settlement areas and suggests an intensification of already built-up areas as well as a redevelopment of brownfields (Ontario Ministry of Municipal Affairs and Housing 2005). It redirects growth towards settlement areas and prescribes the intensification of such areas as economically and environmentally sustainable form of land use. Since 2005, all locally generated Official Plan policies have to be 'consistent with' with the directions of the PPS, thus municipalities, such as the City of Toronto, need to follow the policy directions of the Province.

The *Places to Grow Act* (Ontario Ministry for Public Infrastructure and Renewal 2005), also a provincial level document, provides the legislative framework for the *Growth Plan for the Greater Golden Horseshoe Area* (Ontario Ministry for Public Infrastructure and Renewal 2006). This policy document presents additional, and more region-specific directions for where and how to grow within the Greater Golden Horseshoe. It gives a further legitimization for the intensification of Toronto's inner city through condofication by using arguments of sustainability and the need to curb urban sprawl in order to remain competitive with other city regions.

These policies are intended to steer growth away from greenfields while increasing density in already built-up areas with the goal of making urban areas more diverse and more sustainable. These are laudable goals. However, unintended consequences of this redirection of growth are that certain areas are exposed to tremendous development pressure, as intensification leads to an increase of real estate value with the result that people who depend on affordable housing are pushed out due to rent increases or demolition of existing and affordable housing stock, all the while industries that rely on a low ground rent are forced to relocate. The withdrawal of the federal government from social housing as well as the reluctant position of the provincial government does not help in counteracting these negative effects. By now there have been a number of studies that steer our attention to the socio-economic transformation of Toronto, and can be linked to these

policies. Without strong policies and financial commitment in place that support housing for low income people and production sites for marginal industries, processes of gentrification will increase throughout Toronto.

Profile of Toronto's Condofiers

Over the last few years, a number of reports produced by government agencies, institutions and community groups address the recent socio-economic transformation of Toronto. These reports allow some preliminary comments on the effectiveness of municipal and provincial policies for directing growth to certain areas, and give us a better understanding of the potential impact the newcomers might have on transforming the inner city.

**Figure 1: Distribution of Proposed Residential Units in Growth Areas**
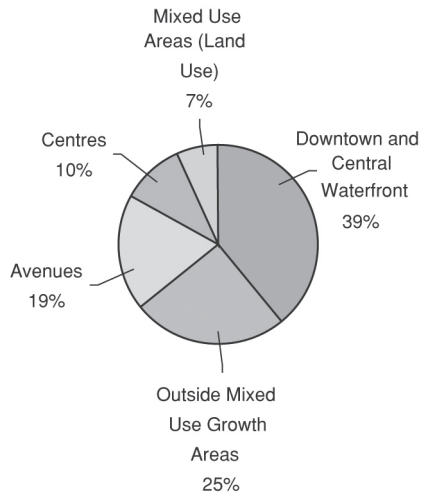
Source: City of Toronto (2007a)

In April 2007, the City Planning and Policy Research Unit released the report *Profile Toronto. How Does The City Grow?* (City of Toronto 2007a), focusing on the inner core of the city and the physical aspects of its growth and development patterns from 2002 to 2006. This report confirms that Toronto is on track to accommodate the forecasted residential growth as suggested by the Official Plan (see Figure 1). The report illustrates that in downtown Toronto alone, 17,000 new housing units were built, between 2002 and 2006, thus 25% of residential growth occurred on only 3% of the City's land area (City of Toronto 2007a). Together with the central waterfront, Toronto's downtown accounted for the majority of residential growth in the form of high-rise condominium buildings (see Figure 2).

Over the last 30 years, the downtown population grew by 65% with the largest increase occurring between 2001 and 2006 (over 14,800 people). With another 155 projects—or an additional 39,000 units—reurbanization has continued (City of Toronto 2007a), but first signs of the global financial crisis slowing down the building boom (Hanes 2009; Kuitenbrouwer 2009; Marr 2008; Wong 2008).

Figure 2: Height of Proposed Residential Buildings in the Growth Areas: City of Toronto 2007
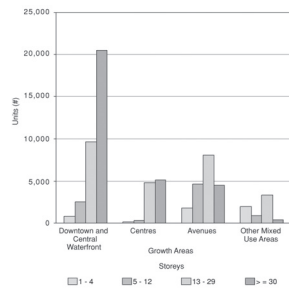
Source: City of Toronto (2007a)

The City of Toronto City Planning and Policy Research Unit released the study *Profile Toronto: Living Downtown* in October 2007. Its focuses on analyzing the effectiveness of the links between 'quality of place' and workers in the 'new economy' by utilizing 2006 Census data for understanding the demographic composition of the downtown dwellers. The outcomes are not surprising: condofiers tend to be young (between 20 and 40 years of age); highly educated; couples or singles without children; full-time employed; they live in close proximity to work; earn above average household incomes; and are likely to own their bachelor or one to two bedroom units. The survey component of this study shows that condofiers were attracted to the area by aspects of an 'urban lifestyle,' such as the proximity to work/school, public transit, entertainment and shopping. The report indicates that economic planning policies with the objective to attract young urban professionals to Toronto's inner city were successful; that marketing strategies that sell the inner city as an urban lifestyle experience and as a place to 'live, work and play' have been a fruitful approach in luring the 'right kind of people,' the white-collar workforce that has been envisioned in economic and cultural planning documents (City of Toronto 2000; 2003), to Toronto's inner city. Moreover, it reconfirms to city planners that the City of Toronto has been acting in the 'right way,' promoting 'sustainability' through intensification, closely following the policy directions as they are laid out in provincial planning documents.

Not only is the City interested in finding out how the new Official Plan and other guiding principles for urban growth are working 'on the ground' but also

community-based organizations who have a long-term history of social service provision in inner city neighborhoods. One of these not-for-profit organizations is St. Christopher House, which "is concerned with the proliferation of condominiums in their catchment area. Central to this concern is the difficulty of integrating condo in-movers with the existing community." They are worried that "this type of conflict is likely to happen repeatedly throughout Toronto, as the new Official Plan unfolds and neighbourhoods intensify" (St. Christopher House 2005, 3). While overall the study came to similar results as the Profile Toronto: Living Downtown study in 2007, it also addressed the problem that "condominium residents could potentially view the activities of government differently than other community residents with serious implications for the overall community, especially one which has an identified need for social service delivery to its constituents" (St. Christopher House 2005, 10). This would mean that social service provision for low-income groups would not find the political support that it needs and would be replaced by higher spending for crime control. The organization also alerted to the likelihood that due to their higher buying power and life style, condo-dwellers will change the existing retail and commercial composition of downtown neighborhoods in which they reside as they demand more value added services and products. Thus, many of the existing businesses and services that cater to lower income residents and communities will be under displacement pressure. The study was prompted by the conflict surrounding long standing social service institutions in a downtown neighborhood subject to intense gentrification pressures through the influx of residential condominium buildings and residents, incoming residents had expressed opposition to community services for fear of safety and a concern of property values in this particular neighbourhood. The report found that condominium residents have disproportionately high incomes and a substantial amount of spare time available in comparison to the existing residents in downtown neighborhoods. The report concluded that this makes them well suited to volunteering and thereby serving as a valuable resource in existing downtown communities, a resource that should be used to build bridges among existing communities and incoming residents. This integration strategy could shatter myths and help build strong relationships among old and new residents in Toronto's downtown neighborhoods.

The Looming End of Toronto's Condofication?

The concept of gentrification has undergone many mutations since Ruth Glass' original description of processes of displacement in the mid 1960s. No longer is it only about reinvestment into already existing, yet, devalued, building stock. It is equally about what in policy language often is referred to as urban renaissance (Porter and Shaw 2008): a concerted effort from all level of governments, combined with the interest of the private sector, to reinvest in underused areas in the

inner city. Toronto's newly built condominium towers are in this context just as much a form of gentrification as its more traditional spatial expression. While in most, but not all, cases they were built on former industrial lands, and thus, as some would argue, this type of development doesn't qualify as gentrification, they have the effect of changing the surrounding neighborhood through the social practices, politics, and economic buying power of their inhabitants.

It is a fine line between growth and gentrification, and as we tried to demonstrate, the policy arena provides a language and conceptual thinking that is geared toward urban growth that can easily take the form of gentrification, displacing entire populations, services and jobs from the newly re-valued places. While one can find lip service in some of the documents, none of them addresses this problem upfront. Growth in the inner city, we suggest, is largely the result of the deregulation of zoning by-laws and the reduction of bureaucratic 'red tape' for the development industry following the economic downtown of the late 1980s and early 1990s. Toronto's new Official Plan, in combination with the recent provincial shift in emphasis on the significance of reurbanization and intensification for the economic well-being of the Province of Ontario as expressed in the *Provincial Policy Statement* and the *Growth Plan for the Greater Golden Horseshoe*, are the legal frameworks within which this new form of gentrification takes place.

Although we are aware of the different types of bias introduced by using age-, occupation-, education- and household income-based data to qualify the incoming population as gentrifiers, we argue that these indicators still represent essential elements in defining and assessing gentrification processes. Thus, the data published in Toronto's *Living Downtown* report (City of Toronto 2007b) convincingly reveals gentrification processes at work, on a scale that rapidly changes the face of Toronto's inner city; the results from the Centre for Urban and Community Studies (Hulchanski 2007) confirm this trend and describe the City of Toronto as divided into three distinct parts. The concentration of poverty within Toronto's inner suburbs goes hand-in-hand with the consolidation of rich neighborhoods in the inner city. Incoming condominium developments play a significant role in this trifurcation of Toronto's socio-economic landscape that, as we suggest, is indirectly facilitated by provincial and municipal planning policies. In addition, it illustrates that specific urban policies in combination with a general upswing of the wider economy can produce a state-facilitated and market-led landscape of condominium towers that permanently alters the socio-spatial and political landscape of Toronto's inner city.

Given the immaculate, yet discrete integration of gentrification into Toronto's urban policy documents and the wider recognition of the significant role gentrification plays in connecting Toronto's inner city to global economic and cultural circuits, it is hardly surprising that Toronto's condominium boom—the condofication of Toronto's inner city—can thus be regarded as a form of gentrification.

The economic recession caused by the US subprime mortgage crisis might slow down or even halt the 11-year long steady condofication of Toronto's inner city. This would allow a rethinking of the current policy documents with their unintended consequences of urban spatial segregation and displacement of not only low-income people but also of services and forms of employment that can't survive in an environment of high land values (Lehrer and Wieditz in print). We strongly recommend that gentrification needs to be recognized by the City of Toronto as a socio-spatial process that is highly unsustainable and socially unjust. It needs to be understood not only as an unfortunate by-product of market-led and state-facilitated development in Toronto's inner city (and beyond), but as an integral part of Toronto's planning and policy regime. For a city that praises itself as a multicultural, divers and inclusive city, current socio-spatial trends suggest that Toronto's inner city has become increasingly homogenous, less diverse, less multicultural, highly exclusive and thus only accessible to higher income groups, who happen to be mostly white. Although it facilitates private sector real estate investment, Toronto's current policy and planning regime undermines many of the 'official' goals and objectives outlined in Toronto's Official Plan.

Any future review of Toronto's Official Plan policies has to entail a critical reflection of intensification policies in relation to gentrification, social sustainability and inclusivity. Toronto's commitment to diversity needs to be fostered and not displaced. We strongly suggest that anti-gentrification policies, which used to exist in Toronto during an arguably more socially progressive period of city building and neighbourhood planning in the 1970s and early 1980s, need to be incorporated into Toronto's Official Plan policies.

Acknowledgements

Notes

1 Inspired by Minneapolis-based Artscape, which since 1979 started to renovate warehouses, schools and factories as live-work spaces, the former Toronto Arts Council set up a similar enterprise in 1985 (Conlogue 2000).

2 Ironically this new urban strategy reduces affordable rental space in general and the availability of studio spaces in particular (Wieditz 2007).

3 The Strategic Plan is the outcome of City Council's approval of a strategic planning process in October 1998. It sets out Council's strategic agenda, includes its vision for post-amalgamated Toronto and guides all other planning initiatives. (http://www.toronto.ca/strategic_plan/overview.htm, accessed Feb 10, 2009).

4 Toronto's Official plan was adopted by Council in November 2002, with some parts being outstanding due to appeals at the Ontario Municipal Board (OMB). Approved in part, with modification by the OMB, in June 2006 and further approved by the Board in September 2007.

References

Armstrong, J. 1994. Recycle abandoned warehouses, Hall says Mayoral hopeful says she'll invite building initiative. *The Toronto Star.* Toronto. Nov 5, 1994: A.6.

Atkinson, R., and G. Bridge. 2005. *Gentrification in a global context: The New urban colonialism.* London and New York: Routledge.

AuthentiCity. 2008. *Creative city planning framework: A supporting document to the Agenda for prosperity: Prospectus for a great city.* Toronto: City of Toronto and AuthentiCity..

Barber, J. 1995. Hall's move may solve some of our real problems. *The Globe and Mail.* Toronto. Oct 19, 1995: A.9.

Berry, B. 1985. Islands of renewal in seas of decay. In *The New Urban Reality,* ed. P. Preston, 1985, 69-96. Washington, DC: Brookings.

Blackwell, A. 2006. The gentrification of gentrification and other strategies of Toronto's creative class. *Fuse* 29 (1): 28-37.

Blackwell, A., and K. Goonewardena. 2004. Poverty of planning: Tent City, City Hall and Toronto's New Official Plan. In *The Contested Metropolis. Six Cities at the Beginning of the 21 st Century*, ed. INURA, 2004, 221-225. Basel: Birkhäuser.

Bourne, L. S. 1986. Recent housing policy issues in Canada: a retreat from social housing? *Housing Studies* 1 (2): 122-128.

Bourne, L. 1993. The demise of gentrification? A commentary and perspective view. *Urban Geography* 14: 99-107.

Bunce, S. 2004. The emergence of 'smart growth' intensification in Toronto: Environment and economy in the new Official Plan. *Local Environment* 9 (2): 177-191.

Butler, T., and L. Lees. 2006. Supergentrification in Barnsbury, London: Globalization and gentrifying global elites at the neighbourhood level. *Transactions of the Institute of British Geographers* 31: 467-487.

Cameron, S. 2003. Gentrification, housing redifferentiation and urban regeneration: 'Going for Growth' in Newcastle upon Tyne. *Urban Studies* 40 (12): 2367-2382.

Catungal, J. P. et al. 2009. Geographies of displacement in the creative city: The case

of Liberty Village, Toronto. *Urban Affairs* 46 (5&6): 1095–1114.

Caulfield, J. 1994. *City form and everyday life: Toronto's gentrification and critical social practice.* Toronto: University of Toronto Press.

Chung, E. 2004. Reduce, reuse and redevelop: Downtown boom becomes a plus for the environment. 'Recycling' old buildings was once the norm. *The Toronto Star.* Toronto. Nov 7, 2004: F7.

City of Toronto. 1975. *Proposals: Central area plan review. Part I: General plan.* Toronto: City of Toronto Planning Board.

City of Toronto. 2000. *Toronto economic development strategy.* Toronto: City of Toronto Economic Development Office.

City of Toronto. 2002. *Toronto official plan.* Toronto: City of Toronto Planning Division.

City of Toronto. 2003. *Toronto's culture plan for the creative city.* Toronto: City of Toronto Culture Division.

City of Toronto. 2007a. *Profile Toronto: How does the city grow?* Toronto: City Planning Policy and Research.

City of Toronto. 2007b. *Profile Toronto: Living downtown.* Toronto: City Planning Division.

Clark, G. 2007. *World cities and economic development: Case studies in economic strategies to address globalization in established and emerging cities.* Toronto: City of Toronto.

Cochrane, A. 2007. *Understanding urban policy.* Oxford: Blackwell Publishing.

Conlogue, R. 2000. Artist colonizing, American style. *The Globe and Mail.* Toronto. Jun 21, 2000: R5.

Davidson, M., and L. Lees. 2005. New-build 'gentrification' and London's riverside renaissance. *Environment and Planning A* 37: 1165-1190.

Deutsche, R. and C. G. Ryan. 1984. The fine art of gentrification. *October* 31: 91-111.

Devine, P., and F. M. Casgrain. 2008. Section 37: An update on "let's make a deal" planning. Toronto: Fraser Milner Casgrain LLP. (http://www.fmc-law.com/upload/en/publications/2008/RealEstate_Mar2008_Devine_Sliwa_Section37.pdf. Accessed April 23, 2009).

Down, S. 2008. Ground-breaking condo development. *National Post.* Toronto. Jun 28, 2008: H6.

Duncan, D. 2005. How did that get there? *Spacing Magazine Online.* http://spacing.ca/art-how-did-that-get-there.htm. Accessed Apr 23, 2009.

Florida, R. 2002. *The rise of the creative class: And how it's transforming work, leisure, community and everyday life.* New York: Basic Books.

Glass, R. 1964. *London: Aspects of change.* London, McGibben & Kee.

Gotham, K. F. 2005. Tourism gentrification: The case of New Orleans' Vieux Carre (French Quarter). *Urban Studies* 42 (7): 1099-1121.

Grant, J. 2006. *Planning the good community: New urbanism in theory and practice*. London and New York: Routledge.

Hackworth, J. 2002. Postrecession gentrification in New York City. *Urban Affairs Review* 37: 815-843.

Hackworth, J. 2007. *The neoliberal city*. Ithaca and London: Cornell University Press.

Hackworth, J., and N. Smith. 2001. The changing state of gentrification. *Tijdschrift voor Economische en Sociale Geografie* 92: 464-477.

Harvey, D. 1978. The urban process under capitalism: A framework for analysis. *International Journal of Urban and Regional Research* 2: 101-131.

Hanes, A. 2009. Condo sales hit low: 73% Decline. National Post. Toronto. May 12, 2009: A: 10.

Harvey, D. 1989. From managerialism to entrepreneurialism: The transformation in urban governance. *Geografiska Annaler B* 71 (1): 3-17.

Hulchanski, D. 1990. *Planning new urban neighbourhoods: Lessons from Toronto's St. Lawrence Neighbourhood*. UBC Planning Papers, Canadian Planning Issues #28. Vancouver: School of Community and Regional Planning.

Hulchanski, D. 2007. The three cities within Toronto: Income polarization among Toronto's neighbourhoods, 1970-2000. Toronto: Centre for Urban and Community Studies.

ICF Consulting. 2000. *Toronto competes: An assessment of Toronto's global competitiveness*. Toronto: Economic Development Office.

Keil, R. 2002. 'Common-sense' neoliberalism: Progressive conservative urbanism in Toronto, Canada. *Antipode* 34 (3): 578-601.

Kipfer, S., and R. Keil. 2002. Toronto Inc? Planning the competitive city in the new Toronto. *Antipode* 34: 227-264.

Kuitenbrouwer, P. 2009. Reversal of fortune in condo land: Councillor who sought to rein in development now talking bailout. National Post. Toronto. Jan 22, 2009: A8.

Lees, L. 2000. A re-appraisal of gentrification: Towards a geography of gentrification. *Progress in Human Geography* 24: 389-408.

Lees, L. 2003. Super-gentrification: The case of Brooklyn Heights, New York City. *Urban Studies* 40: 2487-2509.

Lehrer, U. 2008. Urban renaissance and resistance in Toronto. In *Whose urban renaissance? An international comparison of policy drivers and responses to urban regeneration strategies*, eds. L. Porter, and K. Shaw, 2008, 147-156. London: Routledge.

Lehrer, U., and T. Wieditz. 2009. Gentrification and the loss of employment lands: Toronto's studio district. *Critical Planning* 16.

Leo, C., and K. Anderson. 2006. Being realistic about urban growth. *Journal of Urban Affairs* 28 (2): 169-189.

Ley, D. 1996. *The new middle class and the remaking of the central city*. Oxford and New

York: Oxford University Press.

Lorinc, J. 2006. Let's make a deal, developers. *The Globe and Mail.* Toronto. Sep 16, 2006: M3.

Lorinc, J. 2007. Residents challenge cash-for-development program. *The Globe and Mail.* Toronto. Nov 8, 2007: A18.

MacDonnell, S., D. Embuldeniya, and F. Ratanshi. 2004. *Poverty by postal code: The geography of neighborhood poverty in the City of Toronto, 1981-2001.* Toronto: United Way of Toronto.

MacKinnon, D.J. 2009. Culture vultures thrive on public art policy: Plan requires builders of large properties to fund art, parks or community centres for all to enjoy. *Toronto Star.* Toronto. Mar 7, 2009: H13.

Marr, G. 2008. Big's better in the condo scene: Shrinking financing is putting smaller Toronto builders at risk. National Post, Toronto. Nov 15, 2008: F3.

Mills, C. 1988. Life on the upslope: The postmodern landscape of gentrification. *Environment and Planning D* 6: 169-89.

Mills, C. 1989. Interpreting gentrification: Postindustrial, postpatriarchial, postmodern? Department of Geography. Vancouver: University of British Columbia.

Mills, C. 1993. Myths and meanings of gentrification. In *Place/Culture/Representation*, eds. J. Duncan, and D. Ley, 1993, 149-170. London: Routledge.

Moulaert, F., E. Swyngedouw, and A. Rodriguez. 2001. Social polarization in metropolitan areas. *European Urban and Regional Studies* 8 (2): 99-102.

Ontario Ministry of Municipal Affairs and Housing. 2005. *Provincial policy statement.* Toronto: Queen's Printer for Ontario.

Ontario Ministry of Public Infrastructure and Renewal. 2005. *38:1 Bill 136. Places to Grow Act.* Toronto: The Ministry.

Ontario Ministry of Public Infrastructure and Renewal. 2006. *Places to grow. Better choices, better futures. Growth plan for the Greater Golden Horseshoe area.* Toronto: The Ministry.

Parsons, D. 1980. Rural gentrification: The influence of rural settlement planning policies. Department of Geography Research Paper 3. Brighton: University of Sussex.

Peck, J. 2005. Struggling with the creative class. *International Journal of Urban and Regional Research* 29 (4): 740-770.

Philips, D. 1993. Rural gentrification and the processes of class colonialization. *Journal of Rural Studies* 9: 123-140.

Porter, J., and K. Shaw eds. 2008. *Urban renaissance.* London: Routledge.

Rose, D. 2002. Gentrification through 'infill-tration'? New condo owners' relationship to neighbourhood in a gentrifying economy. Annual Meeting of the Association of American Geographers. Los Angeles: University of Quebec.

St Christopher House. 2002. Shattering myths: Strategies for integration and co-existence of condominium residents and existing communities in downtown

Toronto. Toronto: St Christopher House.

Scott, A. 2008. *Social economy of the metropolis: Cognitive-cultural capitalism and the global resurgence of cities*. Oxford: Oxford University Press.

Scrivener, L. 2007. Sculpting by numbers: How developers trade public art for added height and density. Chequebook planning? *Toronto Star*. Toronto. Jun 10, 2007: A1.

Sewell, J. 1998. Amid the Tory chaos, the city is blooming. *Now Magazine*. May 14-20, 1998.

Shapcott, M. 2001. Made in Ontario housing crisis: Ontario alternative budget. Technical paper no. 12. Toronto: Canadian Centre for Policy Alternatives.

Slater, T. 2004. Municipally-managed gentrification in South Parkdale, Toronto. *The Canadian Geographer* 48 (3): 303-325.

Smith N., and J. Defilippis. 1999. The reassertion of economics: 1990s gentrification in the Lower East Side. *International Journal for Urban and Regional Research* 23 (4): 638-653.

Smith, D. 2002. Patterns and processes of 'studentification' in Leeds. *Regional Review* 11: 17-19.

Smith, D., and D. Philips. 2001. Socio-cultural representations of greentrified Pennine rurality. *Journal of Rural Studies* 17: 457-469.

Smith, N. 1996. *The new urban frontier: Gentrification and the revanchist city*. London: Routledge.

Smith, N. 2002. New globalism, new urbanism: Gentrification as global urban strategy. *Antipode* 34: 427-450.

Todd, G. 1995. 'Going global' in the semi-periphery: World cities as political projects. The case of Toronto. In *World Cities in a World System,* eds. P. L. Knox and P. Taylor, 1995, 192-214. Cambridge: Cambridge University Press.

Toronto Mayor's Economic Competitiveness Advisory Committee. 2008. *Agenda for Prosperity*. Toronto: City of Toronto.

Walks, A., and M. August. 2008. The factors inhibiting gentrification in areas with little non-market housing: Policy lessons from the Toronto experience. *Urban Studies* 45 (12): 2594-2625.

Wieditz, T. 2007. Liberty Village: The makeover of Toronto's King and Dufferin area. Research Bulletin 32, Centre for Urban and Community Studies. Toronto: The Centre.

Wolfe, J. M. 1998. Canadian housing policy in the nineties. *Housing Studies* 13 (1): 121-133.

Wyly, E., and D. Hammel. 1999. Islands of decay in seas of renewal: Urban policy and the resurgence of gentrification. *Housing Policy Debate* 10: 711-771.

Zukin, S. 1982. *Loft living: Culture and capital in urban change*. New York: Rutgers University Press.

Zukin, S. 1991. *Landscapes of power: From Detroit to Disney World*. Berkeley: University of California Press.