

Neighbourhood Change Research Partnership

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Condominium Development and Neighbourhood Change in Winnipeg

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Community Partner/s	TBD (see section 6)

1. Rationale: Why is this research important?

In many small and medium sized cities in Canada the development of condominiums has been a relatively recent phenomenon, Winnipeg being no exception. Currently there are approximately 22,000 condominium units in Winnipeg (City of Winnipeg, 2016), which represents 7.3% of the total housing stock, and the majority have been developed since 1981 (Statistics Canada, 2013). There are two components to condominium development in Winnipeg: 1) the conversion of what were originally rental apartments; and 2) new purpose built units.

Research has shown that condominiums can have considerable effect on neighbourhoods and their housing stock, on the demographic and socio-economic characteristics of neighbourhood residents, on the demand for neighbourhood services, and on the dynamics related to neighbourhood stability or cohesiveness (Walk, 2008; Lehrer and Wieditz, 2009; Wrobel, 2014; Rutland, 2014; Rose, 2016). Conversions, it is argued, have also reduced the availability of the older and generally more affordable rental stock (Thorne, 2007; Lee and Bethany, 2015; Bennett, 2015; Gorska and Crispell, 2016). Newer, higher density condominiums also add pressure to a range of services including traffic, public transit, and sewer and water services. Demands for a range of retail and business services also change as a result of their development (Slater, 2004; CitySpaces, 2009; Harris, 2011; Webb and Webber, 2017).

As condominium development gained momentum across Canada in the 1980s there was a flurry of research activity, particularly activity focused on conversions (e.g., Fine, 1980; Goldstein, 1981; Lewin, 1982; Gellin, 1983; Pinfold, 1984; Seto, 1987). In recent years, low rental vacancy rates and rising rents have stimulated work on conversions, because of the possible loss of affordable rental units and the displacement of tenants (Chambers, 2006; Rutland, 2014; Sirkin, 2015). In Winnipeg, Smirl et. al (2012) examine some of the general effects of condominium development on Winnipeg's inner city, and Mackinnon (2014) and Brandon (2015) highlighted some of the effects of conversions on the affordable rental stock. Aside from these few exceptions, however, there has been very little work done on the effects of condominium development at the neighbourhood level. More specifically, there has been only a modest amount of work that examines the impact of conversions on the affordable rental stock, particularly in neighbourhoods that are home to low and moderate income households, where conversions are likely to have had the greatest effect.

2. Potential Policy Relevance: Who will use and/or benefit from this research?

The primary aim of the project is to develop neighbourhood-level databases related to condominium development. These data will provide a foundation for further research exploring broader neighbourhood effects of condominium development. While this project will not involve a comprehensive review of policies related to condominium development, we will comment on policy implications related to our findings—for example regarding what policy initiatives have been enacted and how successful they may have been. This project will serve as groundwork and facilitate future work that reviews municipal and

provincial policies, or lack of such policies, to ensure condominium development strengthens neighbourhoods and protects vulnerable residents from the loss of affordable rental stock. The research will build a better understanding of the effects the dynamics within the condominium sector have on urban neighbourhoods, on the socio-spatial patterns within these neighbourhoods, and on equity within the rental housing sector—and will thus contribute to understanding potential policy responses to alleviate negative outcomes associated with condominium development.

3. Research Questions

The IUS, working with the City of Winnipeg Taxation and Assessment Office has a database of property information that can be used to identify and analyze the distribution of condominiums by neighbourhood. We have also accessed data from the Land Titles Office of The Property Registry, which has enabled us to identify within the database two separate components: conversions and new builds.

More specifically, the database provides:

- The age and location (civic address) of condominiums, which includes the number of projects and the total number of units by neighbourhood;
- Using this data base, combined with field work and some interviews, it is possible to determine the age, conversion date, and location of all rental apartments that have been converted to condominiums, including the number of projects and total number of units by neighbourhood;
- These data can be organized, analyzed and mapped by City designated neighbourhoods, illustrating new built projects by unit number, conversion projects by unit numbers, and the proportion of condominiums (new builds and conversions) as a proportion of the entire stock and of the rental stock in a neighbourhood.

Analysis of the database will facilitate some basic work necessary to better determine the effect of condominium development on City neighbourhoods. The initial research questions that will be addressed in this study include:

- What is the distribution of condominiums in Winnipeg by neighbourhood;
- How does the distribution of new purpose built projects differ from conversion projects;
- Which neighbourhoods have been most affected, how have the characteristics of the housing stock in these neighbourhoods changed, and how does this compare to the neighbourhood-level data related to income inequality (that is, how do spatial trends related condo development map against the Neighbourhood Change project definitions of the various neighbourhoods (as identified in Distasio and Kaufman 2015)); and,
- What effect have conversions had on the availability of the affordable rental stock in these neighbourhoods?

We are particularly interested in exploring the implications of condominium development in neighbourhoods where incomes are modest and/or poverty levels are high and where the availability of the affordable rental stock is of particular importance.

Drawing on data from the Canada Mortgage and Housing Corporation (CMHC) Rental Vacancy surveys, the census (particularly 2006 and 2016), and interviews with realtors and members of condominium boards, we will be able to determine with reasonable accuracy the proportion of rental units in both converted and new purpose built units and the range of rents in these projects. This will help provide good estimates of the effect that condominium development has had on the availability and affordability of the rental stock.

Subsidiary data sets that will strengthen the analysis will include census data by census tract and neighbourhood from the period 1971 to 2006 and the more recent 2016 census. Data from the 2016 census will be available prior to the completion of this project. Data on the sales prices of condominiums is also available to assist in determining affordability by neighbourhood.

Analysis of the various data sets available will provide:

- Mapping of the concentration of condominiums projects by neighbourhood;
- The number of condominium units by neighbourhood;
- The number of newly built condominiums by neighbourhood by units numbers;
- The number of rental apartments that have been converted to condominiums and the number of units affected by neighbourhood;
- The potential loss (or gain) of rental stock by neighbourhood;
- Changes in the affordability of the rental stock; and,
- A time series of many of these data sets (maps and tables) from the period 1971 to 2015/16.

Although the initial research will focus on developing the neighbourhood databases and addressing the above general research questions on neighbourhood effects, the work sets the stage for further research projects that will explore the broader neighbourhood effects of condominium development.

4. Specific Fit with the NCRP Objectives & Research Questions

The objective of better understanding some of the socio-spatial trends in urban neighbourhoods and their housing market dynamics are at the core of this project. The project focuses on an analysis of socio-spatial change and re-structuring trends and processes, both social and physical, in urban neighbourhoods as a result of the market dynamics associated with condominium development. The research will also help increase our understanding of how condominium development has, or has not, contributed to socio-spatial trends in inequality in the City. The focus will be on low and moderate income neighbourhoods. This is a good match for the general objectives of the NCRP.

More specifically, the research aligns with some of the research questions established by the Rental Housing Working Group, examining as it does some of the key problems in the existing rental housing market; where these problems are concentrated; how and why these problems developed; what policies have been enacted to try and alleviate these problems and how successful these policy initiatives have been; and, what other policies might be effective.

5. Research Design & Methods

The project will adopt a mixed methods approach that involves both quantitative and qualitative work:

- a) A review of the relevant literature on the effects of condominium development, particularly the effect of condominium conversions, on the availability and affordability of rental housing in impoverished neighbourhoods;
- b) Construction of databases and analysis of the distribution of condominium development in Winnipeg by neighbourhood. This will include:
 - i. Analysis and mapping of City Assessment data on condominiums.
 - ii. Fieldwork/interviews to verify condominium conversions.
 - iii. Interviews with condominium board members (approximately 20) to determine the proportion of rental units and rents in conversions and new purpose built condominiums
- c) Analysis of the impact of condominium development on the housing stock in neighbourhoods. This will involve:
 - i. Analysis of CMHC vacancy survey data to help determine rental units, vacancies and rents in condominiums;
 - ii. Analysis of condominium sales data to determine sales prices of condominiums and general affordability for residents of urban neighbourhoods;
 - iii. Interviews or focus groups with real estate personnel (approximately 10) to build a better understanding of the dynamics within the condominium sector, and to ascertain broader impacts (e.g., changes in socio-demographic characteristics, service provision/demand, etc.) of development/conversion in neighbourhoods of interest;

- d) Analysis of census data by neighbourhood to determine trends and patterns in socio-spatial characteristics of neighbourhoods affected by condominium development. Specific variables that will be examined include dwelling type, tenure, housing costs, housing age, changing household characteristics and household types, etc.
- e) Comparative analysis of condo/rental housing market findings with neighbourhood-level data and typologies based on income inequality/polarization. Finally, we will map spatial trends in condo development in the city against the neighbourhood typologies established in previous Neighbourhood Change project work (e.g., as identified in Distasio and Kaufman 2015)

6. Role of Community Partners

The project will benefit from an Advisory Panel of interested and informed community, government, and private sector representatives. The panel will include members from the three levels of government as well as representatives from public and non-profit housing organizations, likely from the Canadian Mortgage and Housing Corporation, the Winnipeg Real Estate Board, the Planning, Property & Development Department in the City of Winnipeg, the Winnipeg Rental Network, and Manitoba Housing. Individuals will be approached in the first few months of the project and asked to participate in an advisory capacity.

The panel will oversee and provide feedback on the research as it progresses. The Advisory Panel will meet three times: first to review the research plan, design, and methodology of the project and to suggest contacts for interviews and identify possible sources of data; and twice to review and provide comments on research progress and on the draft of the final report. All the representatives will have expertise in various aspects of the condominium and rental housing markets.

7. Role of Students / Research Assistants and Contributions to Training

Two students will be involved in the research: one Master of Planning student and one undergraduate student. Their work will be in the following general areas:

- Assist with the literature review, data collection, interviewing, note taking, transcription, and qualitative coding and data analysis.
- Mapping of assessment data on the condominium universe and census data.
- Involvement in project planning, meetings, and presentations of findings with other members of the research team.

8. Schedule

The project timeline will cover an 18-month period extending from May 2017 to November 2018, and the work will be structured according to the following time guideline:

- May 2017-Sept. 2017: analysis and mapping of the assessment data, formation of Advisory Panel;
- May 2017-Sept. 2018: field work to confirm apartment conversions, rental units in condos, etc.; Meeting with Advisory Panel to review research design and methodology and provide advice/identify key informants for interviews/focus groups
- June 2017- Dec. 2018: interviews/focus groups with real estate personnel, condo board members, municipal and provincial government officials, and community groups;
- Sept. 2017- March 2018: secondary data analysis and mapping (census data, condo sales, vacancy data, rental rate data etc. The final data from the 2016 census necessary for this project will not be released until October 2017. Meeting with Advisory Panel to review progress
- January 2018- March 2018: transcribing and analysis of interview and focus group data;
- March 2018 – October 2018: further analysis and writing; Meeting with Advisory Panel for feedback on final report draft
- November 2018: completion of final report and supporting documents.

9. Outcomes / Deliverables

Outcomes from the project will include a report to NCRP; presentations of findings to representatives from community groups, the municipal and provincial governments, and the private sector; an In-Brief publication through the Institute of Urban Studies; and a data base that can be used as a basis for further research and study in this area. It is also our aim to have at least one peer-reviewed article result from this study. The research will build a better understanding of the effects the dynamics within the condominium sector have on urban neighbourhoods, on the socio-spatial patterns within these neighbourhoods, and on equity within the rental housing sector.

10. Budget Explanation

Funding will primarily support two students involved in conducting the research and assisting with analysis. One Masters level student and one Undergraduate level student will receive mentorship and work experience through their engagement in the project.

Funding is also dedicated to knowledge mobilization, particularly through a community event aimed at dissemination of findings from the research.

The remaining funds will cover costs associated with conducting the research and related to project administration and meetings. The IUS is also providing substantial in-kind funding, particularly related to researcher funding, the knowledge mobilization community-based event, and project administration.

■ Funding approved \$16,400 date 9 June 2017

J David Hulchanski



SSHRC Budget Worksheet

	Amount requested from NCRP	Contributions (In-Kind / Cash)	Contribution source	Total Project Cost
Personnel costs				
Student salaries and benefits/Stipends				
Undergraduate*	6370	4410	IUS	10780
Masters *	7350			7350
Doctorate *				
Non-student salaries and benefits/Stipends				
Postdoctoral				
Other: Tom Carter in-kind work/assistance		(7500)		(7500)
Travel and subsistence costs				
Applicant/Team member(s)				
Canadian travel: field work: bus fare, mileage, etc.	250			250
Foreign travel				
Students				
Canadian travel: field work: bus fare, mileage, etc.	250			250
Foreign travel				
Other expenses				
Non-disposable equipment (specify)				
Project administration	750	250	IUS	1000
Other expenses (specify)				
Meeting Expenses	250	75	IUS/UW	325
Community Events – for 40 people (room reservation, half-day; technician \$45, projector \$50, PA \$100, podium/chairs \$100; food \$678, coffee \$70)	500	543	IUS/UW	1043
Supplies, printing etc.	530			500
Printing Final Report (In-Brief)	250	100	IUS	350
Total	\$16,400			\$29,000

* Hourly rates for students are \$13/hour for undergraduate, \$15/hour for Master's level