

Neighbourhood Gentrification

and upgrading in Montreal, Toronto and Vancouver

By **R. Alan Walks and Richard Maaranen**
Centre for Urban and Community Studies,
University of Toronto

Gentrification is an urban phenomenon with important policy implications. It is associated with declining stocks of affordable rental housing, displacement of the working class from the communities where they have traditionally lived and accessed services, the conversion of inner-city neighbourhoods from production to consumption spaces for the upper middle class, and speculative real-estate markets that drive up the cost of housing across the metropolitan area.

The term *gentrification* is typically used to refer to three important related processes tied to the renovation of old residential areas in the cores of cities:

- change in the tenure status of the housing in the neighbourhood;
- increases in relative land and housing values and concomitant declines in affordability;
- upgrading in the social character of the neighbourhood from predominantly working class to middle class or elite status.

A well-developed literature identifies stages through which gentrification often progresses in a working-class neighbourhood. The first, termed the “pioneer” stage, often involves the invasion of artists and countercultural individuals. These groups bring a certain aesthetic identity to the neighbourhood that increases its attractiveness to others. In the next stage, rental tenants who have more locational options are attracted to the neighbourhood. Through further renovation of the housing stock, land values begin to rise, prompting speculation and developer

interest, while nearby commercial strips attract those living outside the neighbourhood. Working-class tenants and even the pioneer artists find themselves displaced by rising rents.

In later stages, risk-averse groups of residents (professionals and managers), retailers, and developers buy up property in the neighbourhood as it becomes perceived as a safer investment. Remaining tenanted buildings are de-converted, housing and retail properties are re-renovated, and the neighbourhood completes its transformation, potentially into one of the more “desirable” locations in the city.

Each stage provides the context for subsequent waves of gentrification in nearby neighbourhoods. Therefore, to truly understand gentrification, it is necessary to track neighbourhood changes within and across a succession of these waves. We have developed a method for detecting and classifying different neighbourhood gentrification and upgrading trajectories during the postwar period, using the central cities of Canada’s three largest Census Metropolitan Areas (CMAs) as examples. This method traces how the residential population and housing stock in gentrified and gentrifying neighbourhoods have changed over the period and compares these shifts with the population and housing stock in areas that did not gentrify. We also delineate which neighbourhoods have gentrified because of transitions within the existing pre-war housing stock, new development (often called “new-build gentrification”), conversions of older buildings to new residential uses, or combinations of these changes.

Measuring gentrification and upgrading

The data for our study come from the census of Canada. We traced the attributes of a consistent sample

TABLE 1 Gentrification and Upgrading in Montreal, Toronto, and Vancouver Census Tracts, 1961–2001

Calculated by the authors from Census of Canada, various years

Name	Montreal			Toronto			Vancouver			All Three Cities		
	CTs	% of CTs	% of Dwellings	CTs	% of CTs	% of Dwellings	CTs	% of CTs	% of Dwellings	CTs	% of CTs	% of Dwellings
Gentrification – Complete & Incomplete:	105	20.8	14.1*	85	16.4	16.8*	18	17.1	23.4	208	18.4	16.6*
Wave 1a - 1960s Gentrification	5	1	0.6	16	3.1	3	-	-	-	21	1.9	1.7
Wave 1b - 1970s Gentrification	14	2.8	2	13	2.5	2.8*	7	6.7	9.6	34	3.0	3.3*
Wave 2 - 1980s Gentrification	8	1.6	1.3	7	1.4	1.7	4	3.8	5.1	19	1.7	1.9
Wave 3 - 1990s Gentrification	2	0.4	0.1	4	0.8	0.7	1	1	1.3	7	0.6	0.6
Wave 1 - 1970s Incomplete Gentrification	16	3.2	2.4	12	2.3	2.9*	-	-	-	28	2.5	2.4*
Wave 2 - 1980s Incomplete Gentrification	35	6.9	4.2*	20	3.9	3.5	2	1.9	2.8	57	5.0	3.7*
Wave 3 - 1990s Incomplete Gentrification	25	4.9	3.5	13	2.5	2.2	4	3.8	4.6	42	3.7	3.0
Potential Future Gentrification	35	6.9	6.3	15	2.9	3.2	3	2.9	3.4	53	4.7	4.5
Other Upgrading:	60	11.8	11.4	74	14.3	14.5	26	24.8	24.4	160	14.2	14.4
Elite Consolidation	33	6.5	5.7	59	11.4	11.8	13	12.4	11.7	105	9.3	9.3
Elite / Middle-Class Recapture	7	1.4	1.4	6	1.2	1	3	2.9	3.1	16	1.4	1.4
Potential Future / Incomplete Recapture	20	3.9	4.3	9	1.7	1.7	10	9.5	9.6	39	3.5	3.7
Mixed Trends / Stability / Decline	306	60.5	68.1	345	66.4	65.4	58	55.3	48.8	306	60.5	68.1
Central City Totals	506	100	100	519	100	100	105	100	100	1130	100	100

Notes: * indicates that census figure is slightly lower than the actual share of the city’s housing stock due to suppression in 2001 of total dwellings for two census tracts in Toronto and one in Montreal. These particular census tracts had sufficient data unsuppressed in previous years to manually classify them as experiencing gentrification. Dwelling percentages are for private occupied dwellings in 2001 in the different types of neighbourhoods and should not be interpreted as the percentage of the city’s housing that has specifically gentrified, upgraded, or declined because of the census procedure of 20% random non-longitudinal sampling of dwellings for income and other characteristics.

census periods are classified as “elite and middle-class consolidation.”

- Middle-class tracts in which income levels dipped below the metropolitan average for part of the postwar period (including the 1970s) before rising again above the average income for the region are classified as instances of “middle-class recapture.”
- Tracts that fall into the upgrading category of “recapture” but in which the average income had not returned to the metro-wide average by the end of the period (2001) are classified as “potential future recapture.”

The result of this multi-step methodology is a 13-category taxonomy of neighbourhood trajectories (see Table 1). The three waves of gentrification are each divided into complete and incomplete categories, while a separate category identifies neighbourhoods that may potentially gentrify in a subsequent wave. The first wave is divided into those tracts that began gentrifying in the late 1960s (Wave 1a) and those that began slightly later in the 1970s (Wave 1b). Each of the tracts that began gentrifying in the 1960s (Wave 1a) also showed positive scores in our analysis for the 1970s (Wave 1b), confirming that they are part of the same wave.

For more information on the methodology used to detect and classify processes of upgrading and gentrification, see R. Alan Walks and Richard Maaranen, *The Timing, Patterning, and*

Forms of Community Gentrification and Neighbourhood Change in Montreal, Toronto, and Vancouver, 1961 to 2001, Research paper 211 (Toronto: Centre for Urban and Community Studies, University of Toronto, 2008).

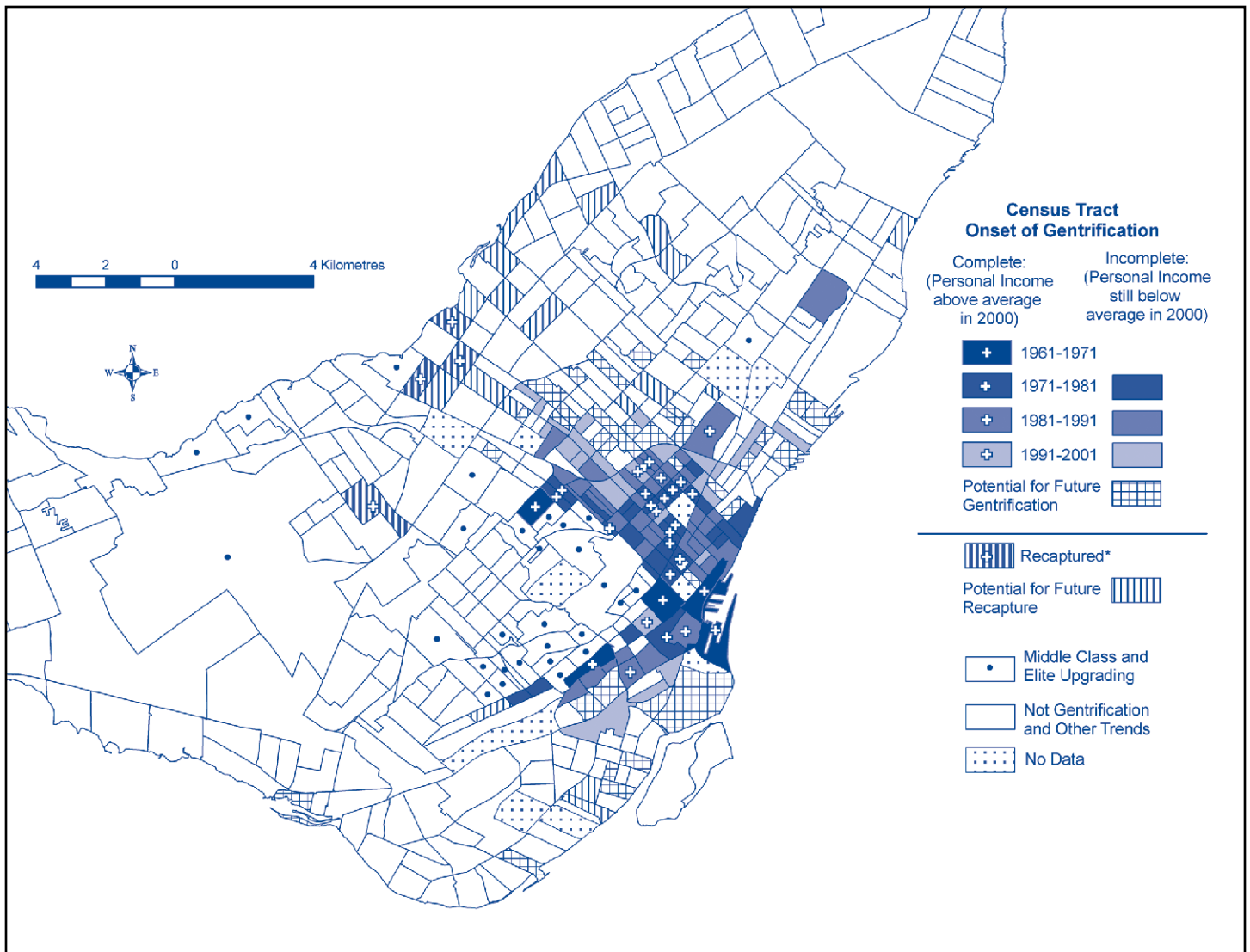
The timing and pattern of gentrification and upgrading

Out of 1,130 census tracts analyzed across the three central cities, 18.4 percent (208 tracts) have experienced some form of gentrification, representing 16.5 percent of all dwellings. As a proportion of the housing stock, gentrification would appear more prevalent in Vancouver, followed by Toronto, and then Montreal (see Table 1). However, the actual numbers of dwellings present in gentrified and gentrifying neighbourhoods is highest in Toronto (158,437), followed by Montreal (113,420), and then Vancouver (55,246).

Although gentrification affected 18.4 percent of all the census tracts across the three *central* cities, this represents a significant proportion (36.6 percent) of the total tracts within their more narrowly defined “inner cities” – those areas with older housing stock built up before the Second World War. As a proportion of the old prewar *inner* city, gentrification is most prevalent in Toronto (39 percent of census tracts), followed by Montreal (38 percent) and Vancouver (24 percent).

Of the 18.4 percent of tracts that experienced some gentrification, only 7.2 percent were fully gentrified by 2001, while

FIGURE 1 The timing and patterning of gentrification and upgrading in the Montreal Urban Community (MUC), 1961–2001 Calculated by the authors from Census of Canada data, various years



Notes: Only the portion of the Montreal Urban Community containing instances of gentrification is shown. Recapture and potential future recapture refer to instances of neighbourhood upgrading in which a census tract regains its prior middle-class/elite status after spending a minimum of two consecutive census decades below the metropolitan average income.

in the other 11.2 percent, the gentrification process had either tapered off or was continuing, but slowly (and thus remaining incomplete). See **Table 1**.

Census tracts in Montreal were more likely to reveal instances of incomplete gentrification, whereas gentrification was more likely to be complete in affected neighbourhoods in Vancouver. In roughly half of the CTs experiencing gentrification in Toronto, the level of gentrification remained incomplete by 2001.

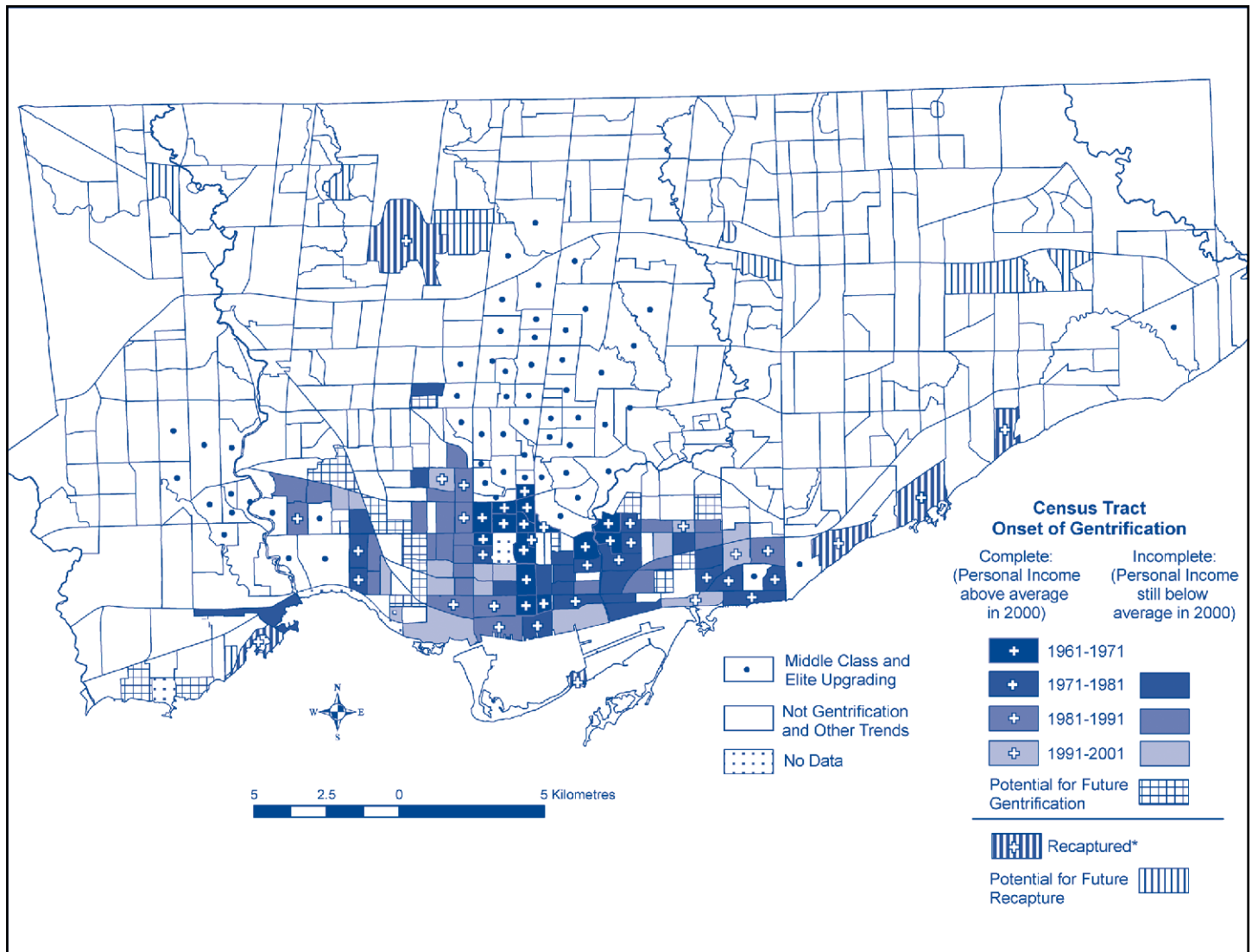
First-wave gentrification represents a smaller proportion of the inner city than subsequent waves, as gentrification spread out from initial “islands of renewal.” In both Montreal and Vancouver, just under 6 percent of all tracts fall into the first

wave, whereas 13.8 and 10.5 percent respectively occurred in the second or third waves. The exception is Toronto, where gentrification received an earlier boost from subway development, so that the first wave (at 7.9 percent) almost reaches the level of later waves (8.5 percent). As neighbourhoods in earlier waves had more time to consolidate their position, a greater proportion of them had fully gentrified by 2001 (66.3 percent) than tracts in subsequent waves (20.8 percent). Tracts with the potential for future gentrification were more common in Montreal than in Toronto or Vancouver.

Other forms of upgrading are also noticeable, although to a lesser extent than gentrification. In the three cities, 9 percent of the tracts fall into the elite and middle-class consolidation

FIGURE 2 The timing and patterning of gentrification and upgrading in the City of Toronto, 1961–2001

Calculated by the authors from Census of Canada data, various years



Notes: Recapture and potential future recapture refer to instances of neighbourhood upgrading in which a census tract regains its prior middle-class/elite status after spending a minimum of two consecutive census decades below the metropolitan average income.

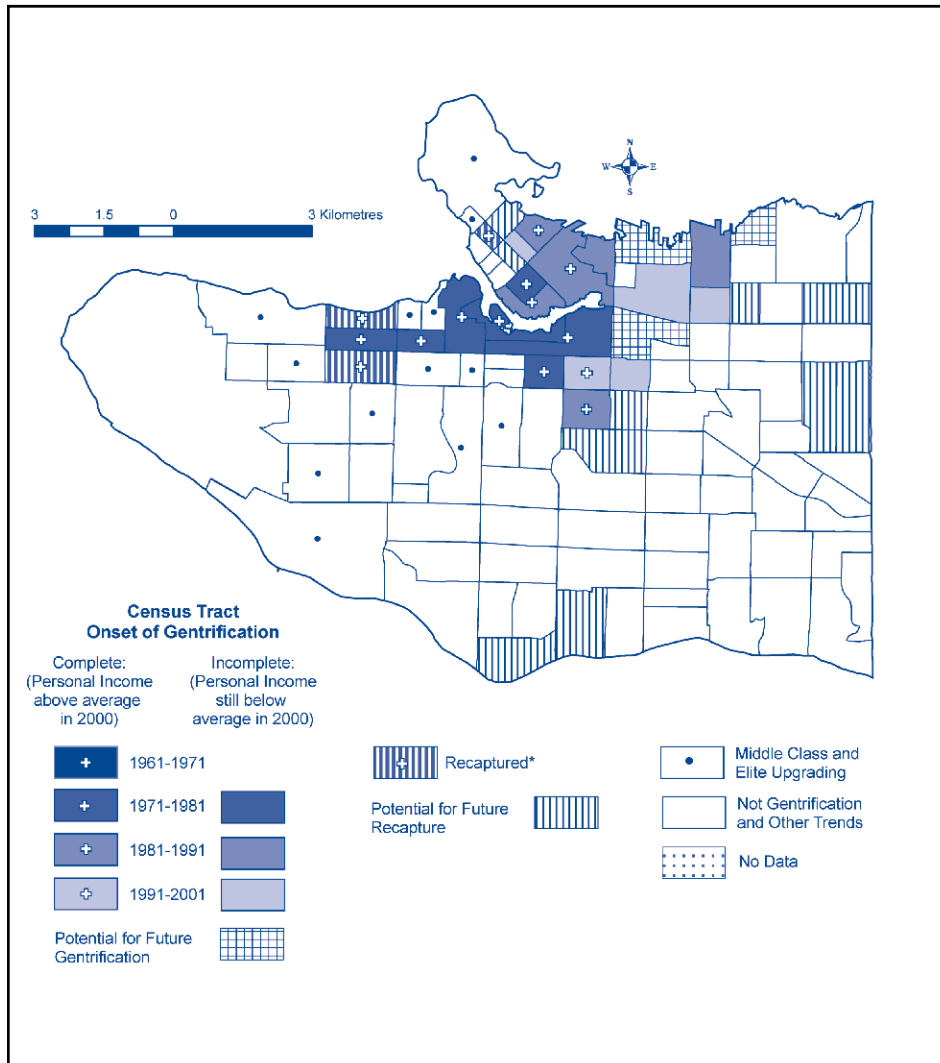
group, 1.4 percent have been “recaptured,” and another 3.5 percent have the potential for “future recapture.” Elite consolidation is a feature of both Toronto and Vancouver, while middle-class recapture and potential future recapture are both more prominent in Vancouver.

Figures 1, 2, and 3 show the location and extent of the various types of gentrification in Montreal, Toronto, and Vancouver, respectively. Gentrification is concentrated in the oldest parts of the inner cities (as might be expected), while upgrading and recapture are a feature of older suburbs and well-established elite areas. Significant spillover effects into adjacent neighbourhoods are evident. Neighbourhoods in the early part of the first wave (i.e., in the late 1960s) are clearly

associated with proximity to elite tracts, waterfront areas, and subway lines in Toronto and Montreal, which spurred redevelopment at higher densities. Tracts in the later part of the first wave (i.e., the 1970s) are all contiguous either to existing elite or middle-class neighbourhoods or to areas that experienced gentrification in the 1960s. Later waves emanate outward from these earlier waves. Third-wave neighbourhoods are typically more distant from early gentrified neighbourhoods than those in the second wave, and often bridge gaps between already gentrified spaces.

FIGURE 3 The timing and patterning of gentrification and upgrading in the City of Vancouver, 1961–2001

Calculated by the authors from Census of Canada data, various years



Notes: Recapture and potential future recapture refer to instances of neighbourhood upgrading in which a census tract regains its prior middle-class/elite status after spending a minimum of two consecutive census decades below the metropolitan average income.

Montreal

In Montreal (see Figure 1), gentrification proper is concentrated in and around Old Montreal and the port area, in the downtown core, and in the plateau, all areas bordering well-established elite areas at the base of the mountain to the east as well as Westmount and Outremont to the west and north respectively. Surrounding these pockets are areas of incomplete gentrification, especially along The Main (St. Laurent Blvd.) and in the Centre-Sud neighbourhood.

Recapture is a feature of several neighbourhoods along the metro line and along the north river separating Montreal from Laval. Meanwhile, several areas east of the Centre-Sud neighbourhood, in central Verdun, and northwest of the plateau

indicate increases in the number of artists and in social status, which suggest they may gentrify in the future (income in many of these CTs actually declined). Less-accessible areas with older housing, such as those in Lachine or the Côte de Neiges district around the University of Montreal, show no sign of gentrification.

Thus, while extensive, gentrification in Montreal is mainly concentrated in certain sections of the old inner city. The earliest onset of gentrification in Montreal occurred in Old Montreal near the port, and near McGill University to the northwest of Old Montreal, with two other nodes in Outremont and southern Westmount. From this base it spilled over into the downtown and across the plateau, although in a somewhat patchy pattern.

Toronto

Gentrification and upgrading are virtually ubiquitous across Toronto’s inner city (see Figure 2). By 2001, only a handful of prewar neighbourhoods had completely escaped gentrification, mostly in the old City of York (the Mount Dennis and Rogers Road areas) to the north of the Junction neighbourhood. The first wave of gentrification is clearly associated with proximity to elite areas, and accessibility to the subway system, which first opened in 1956 and continued expanding well into the early 1970s.

In addition to well-known examples of early gentrification, such as Don Vale, Cabbagetown, Riverdale, Playter Estates, the Annex, and Yorkville, our analysis has uncovered significant gentrification along the north-south subway line. These neighbourhoods were the first areas to benefit from the construction of the first part of the subway system, and many received substantial investment in the form of new buildings over the 1960s.

This first wave continued into the 1970s, when a number of tracts close to the first set, as well as those near High Park along Roncesvalles, in South Riverdale, and in the Beaches neighbourhood, first started gentrifying. Many of these were

increased throughout the inner cities over the 1980s, the effects were most strongly felt among the first two waves.

The 1990s, meanwhile, was a time when rents remained stable or changed more slowly across the inner cities, including among the first-wave gentrification groups. The exception is the group of third-wave gentrification areas, which rapidly joined the ranks of above-average rental among other fully gentrified neighbourhoods. By 2001, neighbourhoods that had started gentrifying in the 1960s had the highest rents, followed by all other fully gentrified neighbourhoods for which rent levels were roughly equal (at about 10 percent higher than their CMA average). Areas of incomplete gentrification were more affordable, with rents from 87 to 98 percent of their CMA averages, although they are still far less affordable than they were as late as 1981.

Dwelling values

Dwelling values in the ownership sector are more affected by changes in the size of units, the number of bedrooms, and the square footage of properties, than are rents in the rental stock. Thus, as condominiums are built in gentrifying neighbourhoods, dwelling values per unit may remain flat or decline, even as the land value per square foot rapidly increases. Unfortunately, the census contains data only on the average dwelling value per unit.

The rapid rise of values in areas that began gentrifying in the 1960s is pronounced. Neighbourhoods that began gentrifying in the 1970s, on the other hand, show only modest increases in that decade. Areas of second- and third-wave gentrification show a similar (albeit delayed) trend, with dwelling values falling during the 1970s, followed by consistent increases between 1981 and 2001. Neighbourhoods in the third wave saw rapid growth in average prices over the 1990s. The addition of very expensive infill developments dating from the late 1990s in some of these neighbourhoods in Toronto and Montreal explains the rapidity of this latter shift, particularly since this group contains fewer tracts than the other waves.


Areas of incomplete gentrification show similar changes, but to a more muted degree. Nonetheless, by 2001, there is a clear hierarchy of dwelling values which can be predicted by the level (complete or incomplete) and timing of gentrification. Areas that fully gentrified all have above-average dwelling values, whereas prices remain below-average in all of the areas of incomplete gentrification. Furthermore, in all cases but one (of the fully gentrified neighbourhoods of the third wave), a consistent rule seems to apply: the earlier the wave, the higher the prices.

Although neighbourhoods at the two extremes (areas of 1960s gentrification at the top end, and areas of potential future gentrification at the bottom end) show stable house prices during the 1990s, gentrification is clearly associated with growing values elsewhere. This is particularly notable,

considering that neighbourhoods in the rest of the central cities reveal declining relative values over this decade. Thus, by the next census, if areas of incomplete gentrification continue to increase in value, they will have surpassed both the central city and CMA averages, potentially pricing out average-income households from the homeownership sector.

Conclusion

Gentrification is shown to be an important facet of the contemporary landscape of large Canadian cities. It involves the transformation of older working-class neighbourhoods, where lower-income households and new immigrants could traditionally find affordable rental housing, into neighbourhoods that house middle- and high-income households. While there are potentially positive features of upgrading (higher levels of amenity and services, improved building quality, potentially lower levels of crime, etc.), these benefits are not likely to be enjoyed by lower-income populations under gentrification. Gentrification is tied to the displacement of low-income households from the inner city, declining levels of housing affordability in older neighbourhoods, and lower levels of accessibility for those who are then forced to find housing in more remote neighbourhoods.

Our research demonstrates that gentrification and upgrading have had significant effects on the central cities of Montreal, Toronto, and Vancouver. Gentrification has affected approximately 18 percent of census tracts across all three central cities, and more than 36 percent of more strictly-defined (pre-war) “inner-city” neighbourhoods where affordable housing has traditionally been located. This poses a problem for low-income households, who have fewer housing choices available in the inner cities, and who often must settle for accommodation that is less accessible by public transit, farther from work, and where fewer public services are available. If the trends outlined in our research continue, the inner cities of Canada’s three largest metropolitan areas will increasingly become the preserve of the middle classes and elites, while the poor – who gain the greatest marginal utility from an inner-city location – are relegated either to inaccessible fringe locations or to neighbourhoods of concentrated high-density rental apartments. This portends an increasingly segregated and fragmented urban realm, rather than an inclusive one. 

The complete study is reported on in R. Alan Walks and Richard Maaranen, *The Timing, Patterning, and Forms of Community Gentrification and Neighbourhood Change in Montreal, Toronto, and Vancouver, 1961 to 2001*, Research paper 211 (Toronto: Centre for Urban and Community Studies, University of Toronto, 2008).

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Centre for Urban and Community Studies, Cities Centre
UNIVERSITY OF TORONTO · 455 Spadina Ave, 4th Floor
Toronto, Ontario, M5S 2G8 · FAX 416-978-7162
urban.centre@utoronto.ca · www.urbancentre.utoronto.ca

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