Gentrification in West Broadway?

Contested Space in a Winnipeg Inner City Neighbourhood

By Jim Silver
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GENTRIFICATION IN WEST BROADWAY?

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Since the mid-20th century, urban decline has become almost ubiquitous in North American inner city neighbourhoods. The result has been increased rates of poverty and crime, deterioration of residential facilities, diminishment of property values and a corresponding reduction in the tax value of these districts to municipal governments, and the emergence of the commonly-held view that inner city neighbourhoods are places of deviance, dereliction and decay (see Martin, 2000; Sommers and Blomley, 2002).

Winnipeg, too, has experienced decline. Inner city neighbourhoods have become areas in which poverty, crime and substandard housing are concentrated. In some such neighbourhoods, old homes once occupied by Winnipeg’s elite have been converted to rooming houses. Like many other cities, Winnipeg’s inner city decline is causally connected to post-Second World War suburban sprawl (Leo et al., 1998).

Gentrification has been touted by some as a solution to the persistence of depressed inner city neighbourhoods (Lees, 2000, p. 391; Smith and Derksen, 2002, p. 64). Redevelopment and rehabilitation of deteriorated but architecturally unique housing, stabilization of the population through a shift from rental to owner-occupier tenure, and the removal of criminal elements, all speak of a future in which inner cities can once again be vibrant, healthy urban spaces.

This paper examines recent developments in a Winnipeg inner city neighbourhood, West Broadway, to determine whether gentrification is underway there, and if it is, what its effects may be. Through an analysis of both the existing literature on gentrification, and the current dynamics of change in West Broadway, we will attempt to develop a way of framing the issue of gentrification in inner city neighbourhoods, and will make some preliminary observations about likely outcomes in West Broadway.

The paper proceeds as follows. In Part One we review the existing literature on gentrification, particularly that which addresses differing explanations of the process, and attempt to develop our own, ‘holistic’ explanation of gentrification, with an eye to determining why some inner city neighbourhoods gentrify while others do not. In Part Two we examine West Broadway.
Broadway, a Winnipeg inner city neighbourhood, to identify the forces making it more, or less, vulnerable to gentrification. In Part Three we examine the dangers of gentrification. In Part Four we make use of both quantitative and qualitative data to determine whether and to what extent gentrification is occurring in West Broadway. In Part Five we develop an explanation for gentrification in West Broadway which differs from the two dominant explanations in the literature. In Part Six we advance the argument that the provision in West Broadway of low-income rental housing is essential if the adverse effects of gentrification — the displacement of low-income residents — are to be halted. Finally, in Part Seven, by way of a conclusion, we reflect upon future prospects for the neighbourhood.
Gentrification: A Brief Review of the Literature

Gentrification, the concept, entered academic discourse in 1964, in the work of British sociologist Ruth Glass. Glass observed that after decades of inner city disinvestment — the consequence in part of the post-war phenomenon of suburban sprawl — older working class neighbourhoods in London were being re-settled by middle class or higher-income groups, and the original residents were being displaced.

“One by one, many of the working-class quarters of London have been invaded by the middle-classes — upper and lower. Shabby, modest mews and cottages — two rooms up and two down — have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in an earlier or recent period — which were used as lodging houses or were otherwise in multiple occupation — have been upgraded once again....Once this process of ‘gentrification’ starts in a district it goes on rapidly until all or most of the original working-class occupiers are displaced and the whole social character of the district is changed” (Glass, 1964, p. xviii).

Writing some 25 years later, American sociologist Elijah Anderson described a similar process in New York City.

“The Village can increasingly be described as a middle-to upper middle-class oasis. It is at present beset by the forces of gentrification, with developers, speculators, and more privileged classes gradually buying up properties inhabited by less well-off people of diverse backgrounds.

Gambling on a steady rise in property values, many old and new residents hope the area will become ‘hot’, trendy and expensive” (E. Anderson, 1990).

All the elements of a definition of gentrification are to be found in these passages: the movement of money into older, core area neighbourhoods, i.e., reinvestment; the movement of new and different groups of people into, and older, usually lower-income groups of people out of, such neighbourhoods; and the resulting creation of neighbourhoods with a different social character. This process is not confined to London or New York. “Gentrification today is ubiquitous in the central and inner cities of the advanced capitalist world” (Smith, 1996, p. 38).

A question arising from the early accounts of gentrification some forty years ago, that inspired a long and fruitful debate in the gentrification literature, was: which is the primary causal variable in a neighbourhood’s being gentrified, the movement of money into an older core area neighbourhood, i.e., reinvestment; or the movement of a new class of people into an older core area neighbourhood?

Another way of expressing this debate is, who are the agents of gentrification: developers/investors who move their money into older neighbourhoods in search of the profits to be made from renovating and re-selling buildings; or particular classes of people who move into such older neighbourhoods in search of different, non-suburban kinds of urban living experiences, i.e., for reasons more related to cultural experience. The first can be thought of as a ‘production-side’ or economic explanation; the second a ‘consumption-side’ or cultural explanation.
The Production-Side or Economic Argument

Geographer Neil Smith has been the leading exponent of the argument that it is the developers or other investors whose search for profits is the primary cause of gentrification. Smith (1979) advanced the ‘rent gap’ theory to explain gentrification: the notion that as older downtown or core area neighbourhoods deteriorate, and property values decline, a gap emerges between ground rents attainable under existing, deteriorated conditions, and the potentially much higher ground rents possible following reinvestment in the area. When the ‘rent gap’ grows large enough, investors move in.

“Capital flows where the rate of return is highest, and the movement of capital to the suburbs, along with the continual devalorization of inner-city capital, eventually produces the rent gap. When this gap grows sufficiently large, rehabilitation (or, for that matter, redevelopment) can begin to challenge the rates of return available elsewhere, and capital flows back in. Gentrification is a back-to-the-city movement all right, but a back-to-the-city movement by capital rather than people” (Smith, 1996, p. 70).

Smith’s rent gap hypothesis is an economic explanation for gentrification. Investors, seeing the profits to be made by investing in the core area, renovate/convert older buildings or build new ones and rent them out at higher rates to people able to pay. Those who occupied the premises prior to renovation or conversion are at risk of being displaced, unable to pay the higher rates. Money moves in, searching for profits; existing residents move out, replaced by residents more able to pay the higher rents that are the source of the profits. The character of the neighbourhood is changed as a consequence.

The rent gap theory has been subjected to many criticisms. Perhaps most central is that in its emphasis on capital flows it omits, or at least downplays, any consideration of the people who move into a neighbourhood as part of the process of gentrification, and gentrification involves the movement of people as well as capital (Hamnett, 1991, p. 180). Who are the gentrifiers, where do they come from, and what are the socio-economic processes that produce them?

The Consumption-Side or Cultural Argument

Urban geographer David Ley, a leading exponent of the more cultural explanation — the explanation that sees people more than capital as the causal agents of gentrification — has argued that the agents of gentrification are not developers/investors, but ‘pioneering’ urbanites in search of a different, non-suburban, urban living experience. The primary causal variable is more cultural than economic. Such people move into previously run-down neighbourhoods where existing housing stock is capable of being renovated/converted, and, in search of a different urban living experience, they engage in a process that gradually re-builds the neighbourhood. In the Smith rent gap explanation, people follow money; in the Ley explanation, money follows people. For Ley, the more important research question is, who are the people who are the gentrifiers?

The answers that have emerged in response to this question have their roots in broad, late twentieth century economic and social changes. Such changes have created a more service-based economy, which in turn has generated an increase in the numbers of well-educated,
well-paid and often younger professional and managerial people (Ley, 1998; 1996; 1992; Rose, 1996). These people not only may want a different urban experience, including for example shorter commuting times, but also may see the investment potential in renovating older, inner city housing (Mills, 1988, p. 179), and may be seeking to construct an identity based on non-suburban forms of consumption (Jager, 1986), with the resulting emergence in gentrified neighbourhoods of trendy, up-scale bars, restaurants, shops and boutiques.

Another important post-war economic and social change has been the dramatic increase in the numbers of women in the paid labour force and in institutions of higher education. This, together with the advent of the pill in 1964, has led to growing numbers of women postponing marriage and child-bearing to advance their careers. In some cases this has contributed to creating the small, relatively well-off dual-income families, some of whom may be more likely to want to live in older, refurbished neighbourhoods closer to downtown than in the suburbs, where the cultural orientation is more likely to be towards families with children. A similar analysis may be thought to apply to gay and lesbian populations as agents of gentrification, as most famously in San Francisco (Castells, 1983; Caulfield, 1994, pp. 135-137). In other cases changing gender relations are seen to be important aspects of a more cultural explanation of gentrification in that they have led to a rejection by some women of the repressive gender relations and stifling life-styles sometimes associated with the roles of women in the suburbs, and a consequent move to more downtown locations in search of different cultural experiences and gender relations (Bondi, 1991; Thrift, 1987, pp. 209-10). One analysis of gentrification in East London argues that it is:

“...not solely a class process, but neither is it solely a gender process. It involves the consumption of inner city housing by middle class people who have an identifiable class and cultural formation, one of whose major identifying characteristics centres around the occupational identity of its female members” (Butler and Hamnett, 1994, p. 491).

**Gentrification as Emancipatory**

More broadly, a rejection of suburban values in favour of what are seen by some groups of people to be more emancipatory and more community-oriented downtown urban values, has been advanced as a consumption-side explanation of gentrification, particularly in analyses of Canadian cities (see, for example, Caulfield, 1994, p. 139-140; Ley, 1996;1985). In this explanation gentrification is seen to be a form of ‘resistance’ to dominant suburban values—“...to the perceived blandness and standardization of the suburbs” (Ley, 1985, p. 24. See also Ley, 1996, p. 25; Caulfield, 1989, pp. 624-25)—and an attempt to create a different, and what some have called a more ‘emancipatory’, kind of urban experience.

“A collective disdain for the blandness and monotony of suburban living, and for the stultifying conventions of the post-war Fordism that facilitated suburban expansion, overcame resilient pathological images of inner city neighbourhoods and transformed them into sites of resistance, or ‘oppositional spaces’ as Ley [1996, p. 210] termed them, ‘socially diverse, welcoming difference, tolerant, creative, valuing the old, the hand-crafted, the personalized, countering hierarchical lines of authority’” (Slater, 2002, p. 17).
Gentrification as ‘Revanchist’

Others have argued that a process that results in higher-income individuals replacing lower-income residents can hardly be considered ‘emancipatory’, particularly given that the clash that often occurs between those moving into an older neighbourhood and those already resident there, and who may not want to move, can take the form of conflict based upon class and race. Lees (2000), for example, advances a much more conflictual image of gentrification, arguing that if:

“...gentrifiers win out over others, it is because they are willing and able to pay more for the privilege...the rhetoric of the emancipatory city tends to conceal the brutal inequalities of fortune and economic circumstance that are produced through the process of gentrification”.

This argument has perhaps been most powerfully advanced by Neil Smith (1996), who argues that far from gentrification being emancipatory, in American cities it has, in the 1980s and 1990s, taken a ‘revanchist’ form: characterized by a harsh backlash — what Smith considers to be a form of revenge, thus the term ‘revanchist’ — directed at lower-income original inhabitants of ‘gentrifiable’ neighbourhoods, by higher-income, more middle class people.

“More than anything the revanchist city expresses a race/class/gender terror felt by middle and ruling class whites who are suddenly stuck in place by a ravaged property market, the threat and reality of unemployment, the decimation of social services, and the emergence of minority and immigrant groups, as well as women, as powerful urban actors. It portends a vicious reaction against minorities, the working class, homeless people, the unemployed, women, gays and lesbians, immigrants” (Smith, 1996, p. 211).

The ‘revanchist’ image of gentrification in the 1990s as expressed by Smith and others arises primarily from analyses of gentrification in American cities. The ‘emancipatory’ image of gentrification, by contrast, has arisen primarily from analyses of gentrification in large Canadian cities. Whether any particular case of gentrification is revanchist or emancipatory in character is, in our view, an empirical question.

In more recent years there have been many appeals in the literature for the two dominant modes of explanation for the process of gentrification — the production side and the consumption side explanations—to move closer together, as complementary rather than competing approaches to understanding gentrification. The claim has been made by some of the leading scholars of gentrification that it is a process best seen as a product both of the movement of capital and the movement of people into (and other people out of) older downtown and inner city neighbourhoods (Lees, 1994; Smith and Williams, 1986; Ley, 1986; Smith, 1996; Slater, 2002 ). However, as Wyly and Hammel (1999, p. 718) have observed, “...despite attempts to forge a new synthesis, much of the gentrification literature remains balkanised along lines of debate established a generation ago”. Similarly, the question of the consequences of gentrification — is it ‘emancipatory’, the expression of a more tolerant form of urban life; or is it ‘revanchist’, the expression of more conflictual urban experience — is still a central part of the debate.
An Approach to Understanding Gentrification

It is our contention that gentrification is best seen in a holistic fashion, by which we mean that it is necessary, in attempts to understand gentrification, to examine the movements of both capital and people, to see gentrification in the context of the socio-economic circumstances of the city as a whole, and to situate the city in the context of broader, more global forces of socio-economic change. Further, there is no inevitability to the process: whether gentrification occurs in any given neighbourhood is the outcome of a conflict that is political, and that takes the form of a struggle over ‘contested space’. Our argument is that as powerful an explanatory tool as Smith’s rent gap may be, it is a partial tool in that it does not explain why some inner city neighbourhoods where property values have collapsed become gentrified, while others do not (Beauregard, 1990).

Why Do Some Neighbourhoods Become Gentrified While Others Do Not?

The literature contains references to neighbourhood characteristics that correlate with gentrification. Neighbourhoods which become gentrified tend to have architecturally interesting housing capable of renovation; proximity to the central business district, or to an ‘elite’ district; and access to good mass transport services. They may have commercial facilities capable of being transformed into the kinds of shops and boutiques often associated with gentrified neighbourhoods (Beauregard, 1986; Ley, 1996, pp. 23-24). More broadly, gentrified neighbourhoods require “...an economy that supports the production of gentrifiers”, that is, an economy that produces “…a substantial body of professionals and managers working for government and for universities, hospitals, and other institutions. Gentrification is limited or absent in such cities as manufacturing centres, where advanced white-collar services are weakly established” (Ley, 1996, pp. 24-25).

While these variables are important, the literature is not completely satisfying about the question: why do some neighbourhoods become gentrified while others do not? In trying to understand the process of gentrification we contend that it is useful to see the process as being ‘chaotic’, that is, gentrification takes multiple forms — there is no single process of gentrification (Beauregard, 1986; Rose, 1984). Each case of gentrification differs in important respects from every other case, and gentrification is not inevitable in any given neighbourhood, even those ‘vulnerable’ to the process. That this is so, we argue, is in large part because gentrification is a political process. There are contending forces at play in any potentially gentrifiable neighbourhood. Some of these forces see the ‘exchange value’ in a neighbourhood, ie., they see the neighbourhood as a place to make profits, and others see the ‘use value’ in a neighbourhood, ie., they see the neighbourhood as a place to live, as a community (Logan and Molotch, 1987).

Gentrification as a Political Question

The result is political conflict between those who see a neighbourhood as a place to make money, and those who see a neighbourhood as a place to live. The outcome of this conflict is a product of the relative strengths, skills and tenacity of the contending forces. This neighbourhood-level political conflict occurs within the context of broader socio-economic forces: the movements of capital in search of profits; the ‘rent gap’; the shifting character of social class...
as the consequence of broad economic change; the changing place of women in the social structure; the search for non-suburban urban experiences; and the role played by the state. But within these broad parameters, whether a neighbourhood does or does not become gentrified is a political question, that is, it has to do with the differing interests of various forces at play within and outside a neighbourhood, and their relative strengths and skills in pursuit of those interests.

Following from this, we believe that a fruitful way to approach the question of whether or not a neighbourhood is likely to be gentrified, is with the use of the concepts of ‘vulnerability’, and ‘contested space’. Some neighbourhoods are ‘vulnerable’ to gentrification. They exhibit some or even all of the characteristics of neighbourhoods that are gentrified. This does not necessarily mean that they will be gentrified, but rather means that they have some or most or even all of the characteristics that make a neighbourhood a candidate to be gentrified. In the process of gentrification, a neighbourhood becomes ‘contested space’: some forces promote and some oppose gentrification. Thus it becomes important to identify the players contesting this space. Who sees the neighbourhood as ‘exchange value’, and seeks to make profits from it? Who sees the neighbourhood as ‘use value’, and seeks to revitalize it without displacing existing residents? In whose interests does the local state act, and how? Neighbourhoods may be vulnerable to gentrification because of their particular characteristics; whether they will in fact be gentrified is the consequence, among other things, of a political struggle.

2 The West Broadway Neighbourhood

The West Broadway neighbourhood which is the focus of this study has a long and diverse history. At the beginning of the twentieth century it was home to many of Winnipeg's elite, who built large and architecturally beautiful homes and apartment buildings in the area (Basham, 2000; WBDC/A, 2001).

Like many inner city neighbourhoods, however, West Broadway suffered the effects of suburbanization in the post-Second World War era. Families who had helped build the neighbourhood moved outward as new suburban space was made available for development, and the automobile made it possible to travel longer distances to work (WBDC/A, 2001). By the familiar process of 'filtering' (Baer and Williamson, 1988), those relatively well-to-do families who left for the suburbs were replaced by less well-to-do families and individuals. Over time, the neighbourhood experienced population decline, socio-economic decline, an aging and deterioration of the housing stock, and a shift from home ownership to rental. The population of West Broadway was 6745 in 1971; it declined sharply during the 1970s, rebounded between 1981 and 1986, and then declined by more than 20 percent to 5045 in 2001 (City of Winnipeg and Statistics Canada, 2001). By the mid- to late-90s—widely considered the low point of the neighbourhood's long decline — average household incomes were about one-third of average household incomes for the city as a whole; more than three-quarters of West Broadway households had incomes below the Statistics Canada Low-Income Cut-Off; almost one-third of West Broadway residents were unemployed; and nearly two-thirds of households were in core housing need, spending 30 percent or more of household income on shelter.
Is West Broadway Vulnerable to Gentrification?

West Broadway is vulnerable to gentrification. The many indicators of neighbourhood decline, and the resultant drop in housing values, have created in West Broadway a potential ‘rent gap’, and the neighbourhood has many of the features that are attractive to gentrifiers.

First, the location of the West Broadway neighbourhood makes it a prime candidate for gentrification (see map, p. 13). It is located on the immediate west flank of the city’s central business district and the beautiful provincial Legislature and Legislative grounds. On the other side of West Broadway, to the neighbourhood’s immediate west, is Wolseley, one of the city’s relatively few non-suburban, middle class neighbourhoods, itself largely gentrified in the past quarter-century. To West Broadway’s south-west is Armstrong’s Point, a small, semi-gated enclave nestled into a curve in the Assiniboine River, boasting some of the city’s largest and most stately homes. To the south-east and just across the river is Osborne Village, one of Winnipeg’s few ‘trendy’ neighbourhoods, with small boutiques and coffee shops and a lively atmosphere. To West Broadway’s immediate north is the University of Winnipeg, now in the process of reaching out to neighbouring communities in order to contribute to inner city revitalization. West Broadway is, for the most part, surrounded by more up-scale neighbourhoods, is a short walk from the city’s downtown, and is well-serviced by public transit. Its location certainly fits the profile of a gentrifiable neighbourhood.

Second, West Broadway boasts a number of large, older houses, many of which are suitable for renovation. Some, for example those on Balmoral south of Broadway on the neighbourhood’s eastern edge facing the downtown,
are especially large and attractive buildings that once housed some of the city's elite. In addition, there is a large supply of rooming houses (Distasio, Dudley and Maunder, 2002), many of which are suitable candidates for conversion to single-detached housing units for middle class homeowners. The presence of large numbers of rooming houses is particularly significant, given that if they were to be bought up and converted to single occupancy use for middle class homeowners, many very low-income, single men and women would be displaced. This suggests the class character of gentrification — Slater (2002, p. 3), for example, has said about gentrification that it is "...a process fundamentally rooted in class" (See also: Redfern, 2003; Lees, 2000; Caulfield, 1994). Thus the presence of large numbers of rooming houses can add to a neighbourhood's vulnerability to gentrification.

Further, the neighbourhood is beautifully tree-lined and potentially very charming, and thus attractive to the kinds of people who Ley and others argue are typically the gentrifiers.

Despite these features, houses in West Broadway can be purchased at prices that are relatively low. For example, house prices in the neighbourhood compare favourably with neighbouring Wolseley, and with anticipated prices in the city's proposed new suburban development of Waverley West. In 2001 the average dollar value of houses was as follows: Winnipeg, $100,525; Wolseley, $87,728; West Broadway, $62,729 (City of Winnipeg, Neighbourhood Profiles, 2001). In other words, there is a 'rent gap' in West Broadway, and this at a time when it is being argued — for example by those who are the advocates of the new suburban Waverley West development — that there is a housing and land shortage in the city (City of Winnipeg, October, 2004). In short, the character and the price of housing in West Broadway, and the potentially aesthetic character of the neighbourhood, also fit the profile of a neighbourhood vulnerable to gentrification.

If West Broadway is vulnerable to gentrification for reasons having to do with its location and the character and price of its housing, we need to ask: does Winnipeg’s economy produce sufficient numbers of the class of people who, as is argued by Ley et al, are most likely to be the gentrifiers? We consider this question in several parts: first, we refer to current developments in Winnipeg’s downtown; second, we discuss the provincial government’s Manitoba Innovation Framework; and third, we comment on the housing preferences of Winnipeggers who fit the profile of those who are typically the gentrifiers.

Winnipeg’s downtown is rapidly redeveloping. The MTS Centre on Portage Avenue, in the heart of the city’s central business district, has recently been completed, as has the downtown campus of Red River College and the Mountain Equipment Co-op building. The new Credit Union Central building has just been constructed, the Centennial Library has just been renovated and expanded, and the new Centre for the Commercialization of Biomedical Technology building has just been completed adjacent to the University of Winnipeg and the National Research Council’s Institute for Biodiagnostics. Manitoba Hydro has begun construction of its new headquarters on Portage Avenue. There is discussion under way about new developments at the Bay — the city’s remaining large, multi-story, downtown department store — possibly including, among others, a University of Winnipeg expansion, while the University has recently secured City of Winnipeg approval for the closure and redevelopment of Spence Street. The result of these developments will be an increase in the numbers of people working and studying in Winnipeg’s downtown, and perhaps in an improvement in the kinds of
amenities that can be found there. This activity will add to the attractiveness of West Broadway both to the growing numbers of young, well-paid professionals and managers who will be working nearby in the city’s downtown, and to the developers who will see profits to be made by investing in the neighbourhood.

One of the arguments advanced about the agents of gentrification is that artists play a key role in the process. Artists are ‘pioneers’ of gentrification. Gentrification is said to follow artists because “...the surfeit of meaning in places habituated by artists becomes a valued resource for the entrepreneur”, and “it is the societal valorisation of the cultural competencies of the artist that brings followers richer in economic capital” (Ley, 2002, pp. 11 and 16). Winnipeg is a city rich in the arts and culture; the large open spaces in the old warehouses in the city’s Exchange District are home to many artists’ studios; and West Broadway is a neighbourhood already characterized by the presence of artists, most notably nationally and internationally renowned painter Wanda Koop. Koop is the founder of Art City, a highly successful, store front arts centre for inner city children, located in the heart of West Broadway. Art City not only makes art available to inner city children, but also makes paid work available to artists, a disproportionate number of whom live in the immediate West Broadway neighbourhood. To the extent that gentrification follows artists, this is yet another reason to be able to say that West Broadway is a neighbourhood vulnerable to gentrification.

But are the young, well-paid professionals and managers who constitute the core of the gentrifiers in other Canadian cities being produced by the Winnipeg economy in sufficient numbers to gentrify West Broadway, and if so, are they prepared to spend their housing money in what is currently an inner city location? The availability of such gentrifiers is a crucial consideration in West Broadway’s potential gentrification:

“...it is widely accepted in the literature that the growth of a strong advanced tertiary sector in the central city is a necessary (although not sufficient) precondition for the process commonly referred to as ‘gentrification’, in which members of the ‘new middle class’ move into and physically and culturally reshape working class inner city neighbourhoods” (Rose, 1996, p. 132).

Further, there is evidence that in some of Canada’s larger urban centres, such workers — ‘urban professionals’ — comprise a growing proportion of the downtown workforce (Ley, 1988, 1992). This is because “...the central cores of these Canadian cities have retained most of their attraction as foci of high-level corporate and government activity, higher education, specialized health care, telecommunications, and arts and culture” (Rose, 1996, pp. 138-139).

In Winnipeg, the downtown is redeveloping rapidly, as described earlier, bringing hundreds of young professionals and managers into the downtown area; at the same time the provincial government has launched its Manitoba Innovation Framework, aimed at attracting and developing precisely the kinds of ‘new economy’ industries that the literature argues are most likely to produce the kinds of people likely to be gentrifiers. Winnipeg has already had considerable success, for example, in developing a bio-tech/health cluster of companies, research institutes and related institutional infrastructure, much of which is located in or near the downtown. It seems reasonable to conclude that the local Winnipeg economy is producing and/or will soon be producing a supply of potential gentrifiers.
Are such people likely to be interested in living in West Broadway? They may, but they may not. Gentrification does not necessarily happen in any given neighbourhood, even when such a neighbourhood is vulnerable to gentrification, as we have argued is the case for West Broadway. One factor is the residential locational preferences of professionals and managers with money. In Montreal, for example, Rose argues that “better off professionals” have tended to choose suburban life, despite its logistical difficulties. “Among the factors that help explain this situation are a history of pro-automobile planning policies making long car commutes to downtown fairly easy, few regulations restricting ‘urban sprawl’, and (until quite recently) the failure of government to pass on infrastructure costs to those purchasing homes in new subdivisions” (Rose, 1996, p. 145). It would be difficult to describe the case in Winnipeg more accurately. In Winnipeg, decades of pro-automobile, pro-suburban development policies have promoted a car-dependent city characterized by dramatic suburban sprawl/inner city decay (Harris and Scarth, 1999; Leo and Shaw, 1998), and by a very strong preference on the part of managers and professionals for suburban and increasingly ex-urban life. We take “…the residential preferences of the urban elite…” (Wyly and Hammel, 2002, p. 4) in Winnipeg to be a factor mitigating against the likelihood of the gentrification of West Broadway.

However, there are objective interests at play which may lead to different policies in Winnipeg, policies more likely to promote the gentrification of downtown neighbourhoods like West Broadway. The high degree of poverty in Winnipeg, especially in Winnipeg’s inner city (CCPA-MB, 2005; Luzubski, Silver and Black, 2000), is expensive. The decay of inner city housing, for example, seriously erodes the City of Winnipeg’s property tax base, and Winnipeg is a city with a particularly high reliance on the property tax. In Montreal, where the rate of poverty is typically as high as Winnipeg’s and where the “residential preferences of the urban elite” were suburban, “[t]hese developments were taking a severe toll on the municipal tax base”, with the result that “[c]ity housing and economic development agencies launched a panoply of efforts to promote middle class resettlement in inner city areas which had lost population and industry” (Rose, 1996, p. 145). It is a logical possibility that in Winnipeg, where the problems are strikingly similar, policies may be introduced to make it attractive for the growing numbers of professionals and managers to consider inner city living. If that were to be the case, West Broadway would be a likely neighbourhood to be gentrified, for all the reasons described above. Indeed, one could imagine the possibility of governments concluding that the gentrification of West Broadway would be a useful means of attracting precisely the kinds of young, well-paid, urban-oriented professionals and managers needed in the ‘new economy’ industries now being promoted by the province, and working in the revitalized downtown now being created in Winnipeg.
3 The Dangers of Gentrification

Several dangers arise in the event of West Broadway being gentrified. One is the possibility of displacement of lower-income residents. The large number of rooming houses in West Broadway creates the possibility of a particularly serious displacement problem affecting the large numbers of low-income, mostly single men and women who now reside in West Broadway rooming houses. There is evidence in the literature that rooming houses typically are targeted by those who promote gentrification (Slater, 2002; Caulfield, 1994). As Ley (1996, p. 27) puts it: “Rooming houses have proven exceedingly vulnerable to the restructuring of residential space in the central city”. He refers to the case of Ottawa, where in a seven year period from 1976 to 1983, two-thirds of the city’s rooming house units disappeared, “...with the most severe losses in wards experiencing the highest incidence of gentrification”. Similarly, a downtown neighbourhood in Montreal experienced “...a precipitous decline in rooming houses as reinvestment took hold; tenants were evicted from the 72 listed rooming houses in the district in 1977, and by 1982 only six such properties remained, as the structures were converted into middle class flats and single-family dwellings”. In short, precedents exist for the wholesale removal of large numbers of low-income rooming house tenants in the event of the gentrification of West Broadway.

It is important to acknowledge, however, that there is considerable debate in the literature about the extent of displacement as the consequence of gentrification. While most commentators agree that some degree of displacement of incumbent residents accompanies the gentrification of inner city neighbourhoods, mobility in such neighbourhoods is often so high in any event that there are methodological difficulties in determining the extent to which displacement occurs as the consequence of gentrification. Evictions and other reasons for frequent movement are present in inner city neighbourhoods prior to upgrading (for the Winnipeg case see, for example: Skelton, 2002; Hunter, 2000; Silver, 2000), and researchers are therefore hard-pressed to convincingly associate incumbent moves with gentrification (see Sumka, 1979).

Despite the methodological problems with displacement, attempts have been made to empirically explore the issue. Early studies suggest displacement due to gentrification was lower than many suspected (Sumka, 1979), but these studies have been criticized for methodological shortcomings (Hartman, 1979). More recently, Freeman and Braconi (2004) have posited a rethinking of displacement assumptions. Far from being inevitable, they argue that displacement is non-existent in some cases. New York City data suggest that upward demographic shifts are not the result of population replacement, but rather higher status households occupying once-vacant units. Moreover, they suggest that poorer households, pleased with changes for the better, will accept heavier rent burdens to stay in their neighbourhoods. These conclusions are drawn from the lower mobility rates identified among poor households in gentrifying neighbourhoods than in other areas, and are similar to earlier arguments that gentrification benefits poor households through stock upgrades and reinvestment.

Caulfield (1994, chapter 8), by contrast, used qualitative interviews with residents of Toronto’s working-class districts to confirm the occurrence of displacement. Though his purpose was to document the conflict that arises between incumbents and gentrifiers over the course of gentrification, and not specifically to treat the
issue of displacement, respondents’ comments indicate that displacement featured prominently in the outcomes of the conflicts that typically arise in response to gentrification.

While the literature is still far from conclusive about the extent of the displacement that may or may not occur as the consequence of gentrification, we remain convinced that the particular character of West Broadway—particularly the large numbers of rooming houses—make displacement a likely consequence of any gentrification that may occur there, and as we will show later, there is considerable qualitative evidence to suggest that a good deal of displacement has already occurred.

A second danger following from the gentrification of West Broadway is the possibility of the emergence of the kinds of ‘revanchist’ policies described by Smith (1996). The full-fledged gentrification of West Broadway is now rendered less likely by the image of Winnipeg’s inner city as dangerous and crime-ridden. Serious attempts at gentrification in West Broadway would be likely to involve ‘cleaning up’ the neighbourhood, which in turn conjures up the dangers of revanchist policies. What is more, West Broadway is now home to significant numbers of Aboriginal people, and the US literature in particular (Smith, 1996; Wyly and Hammel, 2002) strongly suggests that gentrification carries with it the risk of strategies aimed at the removal of those who do not fit the image of a gentrified neighbourhood, strategies intended:

“...to maintain and contain class and racial inequalities in the urban environment to provide an attractive ‘quality of life’ for the footloose firms and professional cadres working for globalized capital. Such policies are most clear in the spatial policies of squat evictions, aggressive privatization of public spaces, rampant proliferation of security and surveillance technologies... inspired sciences of crime mapping and policing strategies, and the vicious use of panhandling laws and other anti-homeless policies” (Wylie and Hammel, 2002, p. 4).

A government and/or development industry decision to promote downtown, middle class residency would be likely to generate an interest in “...the new locational choices presented to wealthy homebuyers searching for a distinctive residential environment cleansed of undesirable people or behaviours, and the intensification of racial and ethnic discrimination” (Wylie and Hammel, 2002, p. 11). Slater (2002, p. 12) observes that not only Smith but:

“a large number of other researchers — working in the American context — are in concert with his viewpoint that gentrification is a serious injustice that makes the American city more unequal than it already is, restructuring its geography along extant divisions of class and race and further dividing it into a maelstrom of privilege and underprivilege”.

The danger is that gentrification in West Broadway might bring with it similar problems.

In short, we are suggesting that there are good reasons why local governments might want to promote middle class residency in what are currently inner city neighbourhoods, and there are good reasons why, if that were to happen, West Broadway is the Winnipeg neighbourhood most vulnerable to gentrification. We use the term ‘vulnerability’ to draw attention to the negative consequences of gentrification: the high likelihood of the large-scale elimination of low-income rental housing and the consequent displacement of lower-income people currently
residing in West Broadway; and the possibility — given the experience elsewhere — that such a process could be accompanied by a series of extremely regressive measures targeting at least some of the neighbourhoods’ current residents.

We now turn to a consideration of what has been happening in West Broadway in recent years, drawing upon some quantitative evidence, plus the results of interviews with many of those active in the community around housing issues, plus two developers who were good enough to agree to be interviewed.

4 Evidence of Gentrification in West Broadway

Quantitative Evidence

There are several kinds of quantitative evidence pointing to gentrification in West Broadway. First, rents appear to be rising faster in West Broadway than in other inner city neighbourhoods. Census Canada data for 1996 and 2001 report an increase in average gross rent from $382 to $493 in the neighbourhood, an increase of almost 30 percent. This is well above the inner city average increase from $463 to $490, about 6 percent, and the city-wide average increase from $508 to $541, also about 6 percent. West Broadway’s rising rents stand in contrast to nearby inner city neighbourhoods: between 1996 and 2001, average gross rents decreased from $581 to $518 in Colony, and from $438 to $345 in Spence. Thus rents in the 1996-2001 period were going up in West Broadway at the same time that they were declining in other, adjoining, inner city neighbourhoods. Data for a more recent period confirm the exceptional rate of growth of rental rates in West Broadway. A detailed analysis conducted by Logan (2006), using the Winnipeg Renters Guide, found that in the five-year period from 2001 to 2005 inclusive, rents for bachelors suites grew by $87 per month, or 27.4 percent; rents for one-bedroom apartments grew by $104 per month, or 29.1 percent; and rents for two-bedroom apartments grew by $218 per month, or 50.9 percent.

Second, there is some quantitative evidence that the public investment in housing renovations in West Broadway has stimulated additional private investment. Anderson et al. (2005) examined the relationship between
public sector housing interventions, and unassisted private sector housing activity, the latter as evidenced by permits for residential construction and modification for the period 1999 to July 2003. By examining the temporal and spatial patterns of such permits for the period under review, they wanted to determine if public investment in housing in West Broadway was the catalyst for additional private sector investment in housing. They concluded that: “It is very likely that the [public] interventions have paid off in terms of upgrading the housing stock by fostering additional [private] investment in the area” (Anderson et al., 2005, p. 25).

Third, we examined data from the Province of Manitoba’s Residential Tenancies Branch to determine whether there were more requests for exemptions from the rent control guidelines on the grounds of expenditures for renovations in West Broadway than in comparison inner city neighbourhoods. Manitoba’s rent control guidelines can be circumvented by landlords if they have made substantial expenditures on renovations to a rental building. The principle is that landlords should be able to recoup investments made to their rental buildings with higher rents; if they cannot charge higher rents, they will be deterred from investing in improvements to rental buildings. We hypothesized that, if a process of gentrification were underway in West Broadway, it would be reflected in higher numbers of applications to the Rental Tenancies Branch for permission to exceed the rent control guidelines, because developers would be purchasing rental properties for renovation and applying for permission to rent at higher rates. This appears to be happening. Table One shows that the number of applications, the number of buildings and units affected, and the total capital involved in renovations approved for above-guideline rent increases are all far higher in West Broadway than in adjoining neighbourhoods and other inner city neighbourhoods. A total of 513 rental units in West Broadway experienced rent increases between 1999 and September, 2005, averaging 10.3 percent.

Fourth, there are some data relating to educational attainment and household income which also suggest that a process of gentrification is underway in West Broadway. If gentrification were underway in a neighbourhood, one would expect — consistent with the literature — that the number of adults with a university degree living in a neighbourhood would increase. In Spence, Centennial and William

### Table One  Above-Guideline Rent Increases, by Neighbourhood, 1999 to Sept., 2005

<table>
<thead>
<tr>
<th>Neighbourhood</th>
<th># Applications Approved</th>
<th># Buildings</th>
<th># Units</th>
<th>Total Capital ($)</th>
<th>Average Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centennial</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dufferin</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>7.5</td>
</tr>
<tr>
<td>Lord Selkirk Park</td>
<td>3</td>
<td>3</td>
<td>118</td>
<td>21,611</td>
<td>17.2</td>
</tr>
<tr>
<td>Spence</td>
<td>13</td>
<td>10</td>
<td>189</td>
<td>210,514</td>
<td>9.6</td>
</tr>
<tr>
<td>Wolseley</td>
<td>7</td>
<td>2</td>
<td>101</td>
<td>146,508</td>
<td>5.0</td>
</tr>
<tr>
<td>West Broadway</td>
<td>40</td>
<td>27</td>
<td>513</td>
<td>1,234,879</td>
<td>10.3</td>
</tr>
</tbody>
</table>

Source: Province of Manitoba, Residential Tenancies Branch
Whyte — other inner city neighbourhoods selected for comparison purposes — the number of adults 20 years of age and over with a University degree declined between 1991 and 2001; for West Broadway over the same period the number of adults 20 years of age and older with a University degree increased by 6.3 percent (Custom Census Data, 1991 and 2001 Census of Canada, obtained from the Social Planning Council of Winnipeg, calculations performed by D.W. Lezubski). This suggests a change in the composition of West Broadway residents consistent with what one would expect with gentrification. A similarly suggestive conclusion arises from household income data. Between 1990 and 2000, using constant 2000 dollars, the average household income in West Broadway declined by 4.5 percent. However, if we separate home owners and renters, we find that: the average household income of home owners in West Broadway increased by 12.4 percent; while the average household income of renters decreased by 6.9 percent. By comparison, for the inner city as a whole the average household income of homeowners declined by 0.7 percent (Custom Census Data, 1991 and 2001 Census of Canada, obtained from the Social Planning Council of Winnipeg, calculations performed by D.W. Lezubski). These data suggest the likelihood that higher-income, better-educated people are moving into West Broadway at a rate much higher than is the case in comparison inner city neighbourhoods. If this is so it represents, by definition, a process of gentrification, particularly when coupled with the strong evidence presented below that a significant process of displacement of lower-income people from West Broadway is occurring simultaneously. However, these data also suggest that the process of gentrification is incomplete; while some higher-income individuals are moving into the neighbourhood, there are still high rates of poverty and other indicators of marginalization.

**Qualitative Evidence**

There is qualitative evidence arising from our interviews that supports these quantitative findings. Our interviews make it very clear that there has recently been a great deal of private capital invested in the housing stock, and especially in apartment buildings, in West Broadway. One developer told us that his firm bought, on its own account and for other clients, eight apartment buildings in West Broadway in the three years from early 2002 to early 2005. He added that almost every apartment block in West Broadway has been purchased by a new owner in recent years — an observation confirmed by a second developer interviewed for this project — a development that is consistent with increased numbers of applications at the Rental Tenancies Branch, and rising rents. This developer added, with respect to apartment block prices in the neighbourhood: “I would confidently say they have doubled in the last three years” (Interview, April 8, 2005).

He explained that his firm moved into West Broadway in early 2002 because prices were depressed on a price per square foot basis, vacancy rates were low, money was cheap — ie., interest rates were low — and prices were rising in other areas in the city. The result, he said, was that “West Broadway was the only area left in Winnipeg” in which to make money. This suggests a version of Smith’s ‘rent gap’ thesis. He added that prior to that time, three years ago, he would not have invested in West Broadway, but his firm’s assessment was that prices were rising in the neighbourhood and it was a good time to buy. He explained that when his firm decided to invest in West Broadway, in early 2002, he toured representatives of two local
financial institutions through the neighbourhood in an effort to convince them to change their lending policies. He said that prior to that time “...neither of them liked this area...they had ‘red-lined’ this district as ‘don’t lend’”. He was successful, however, in convincing them that the neighbourhood was undergoing a change and that the red-lining policy should be lifted.

He confirmed that the catalyst for this turnaround in investor attitudes in West Broadway was the public money that has been invested in the neighbourhood in the years leading up to 2002. “The houses sparked it”, he said, meaning that the public money invested via community-based organizations in housing renovations since the mid-late 1990s sparked the revitalization that created what his firm saw, correctly, as a profitable investment opportunity in the area. This is consistent with the findings of Anderson et al. (2005) as reported above. The developer referred in particular to the houses on Langside, south of Broadway — what had previously been dubbed, by the Winnipeg Free Press, as ‘murders’ half-acre’ — that had been renovated with public money, as the starting point for the neighbourhood’s revival. “I don’t think there’s any doubt about that”, he said, in response to our asking for confirmation that it was the public money that created the conditions for the private investment that followed.

This developer added that a number of other developers have invested in West Broadway in recent years — the past five or six years — but for the most part they were younger, smaller, more entrepreneurial firms. “The people that have invested there are not the old ones, not old money, not big money”. The reason is that for the bigger developers, investing in an inner city neighbourhood like West Broadway is “too messy”; and carries too much risk. When developers purchase an older, run-down building for the purpose of renovating it and renting it out at higher rates, they never know exactly what they are getting, because old buildings can bring many hidden and costly construction problems that are only identified once renovation work begins. He offered a different example of this high-risk and “too messy” phenomenon by recounting the experience of acquiring an apartment building in the east end of West Broadway that turned out to be “full of gangs”, requiring a considerable and ultimately successful effort to remove the gangs because you “can’t afford to have that element in the buildings” if you are going to renovate for the purpose of renting at higher rates.

In saying this, the developer confirmed that a consequence of his and other developers’ investments in West Broadway has been considerable displacement. He added that those displaced are not just gang members and “rowdies”, but “really good people”, and he offered the observation, based on his personal experience in renovating apartment buildings and then renting them out at higher rates, that “...a large number of them [ie., those displaced] are disabled”. He offered the further observation that the scandalously low levels of social assistance rates in Winnipeg — a single individual on social assistance, for example, gets a monthly housing allowance of $271 — adds significantly to the displacement problem, because it is almost impossible to recoup the costs of properly renovating a building at rents that are this low. The very low levels of social assistance rates are therefore adding significantly to West Broadway’s displacement problem.

The developer argued further that low social assistance rates have played a particularly important role in developments in West Broadway over the past three decades. Low social assistance rates have encouraged the proliferation in West Broadway of rooming houses — the only accommodation affordable to
many single people on social assistance — and have, in effect, acted as a ceiling on what property owners were able to charge social assistance recipients, thus contributing to the lack of maintenance and repair and the general decline of the neighbourhood. There is considerable merit to this observation. The value of social assistance rates for single employable recipients in Manitoba declined by 54.3 percent in real terms between 1989 and 2003 (National Council of Welfare, 2004, Table 4-1). Social assistance recipients in West Broadway are being displaced because social assistance rates will not cover the new rents that developers are charging in renovated apartment buildings. For the most part, these new rent levels are not high by Winnipeg standards, but social assistance rates are so low that many renters are being displaced. They are being displaced by rising rents; but they are also being displaced by declining social assistance rates.

That there has been a large amount of displacement from West Broadway because of rising rents, low social assistance rates, and the elimination of low-cost rental units, has been confirmed by every person interviewed in the course of this study. A second developer interviewed for this project estimated that 1000 low-income rental units have been lost due to the process of gentrification in West Broadway in the past ten years. The West Broadway Development Corporation Housing Coordinator told us that as many as 1000 people left the neighbourhood between late 2000 and late 2004 (Grant, Nov. 24, 2004). Numerous people in attendance at a West Broadway Neighbourhood Housing Forum held October 14, 2004, raised the concern that low-income residents were being forced out of West Broadway (Author’s notes, October 14, 2004). The Housing Coordinator at Young United Church in West Broadway told the Housing Forum that what he hears about most in the community is concerns about rising rents. The Young United Church 2004 Annual Report (p. 18) observes that many single people on social assistance “...are able to afford only rooming houses and these have been disappearing from the West Broadway area”. A person who has asked to remain anonymous and who deals with low-income renters in West Broadway on a daily basis confirms that rooming houses have been disappearing fast and that most of those that are left are “pretty disgusting”, and that rents have been rising rapidly—he provided some very specific examples—so that people on social assistance are either being pushed out of the neighbourhood or forced to use their food allowance to cover rising rents. The West Broadway Development Corporation Annual Report 2003 notes that the Development Corporation “...will be focusing our efforts on developing more low-income housing in order to retain residents who are displaced by increasing rents”, and adds that “...the most important change for residents of West Broadway in 2003 has been loss of affordable rental housing units for low-income families and individuals”. The West Broadway Development Corporation pamphlet inviting residents to the October 14, 2004 Housing Forum said that: “Over the past year there has been a mass displacement of the population of West Broadway”.

The loss of affordable housing since 2001 has become an increasing concern for many in West Broadway. It has been occurring not only because of the renovations by private developers, but also because of the renovations undertaken by community-based organizations with public money — many of these housing renovations have targeted rooming houses, with the result that better housing is built, but fewer people live in it, and most are displaced. Low-income rental housing is disappearing, rents
are rising, social assistance rates are flat, and wages at the low end of the income scale are very low (Black and Scarth, 2003; Black and Silver, 2004; TD Bank Financial Group, May, 2005; Saunders, May 2005) and not keeping pace with rising rent levels. The result is displacement.

However difficult it may be to quantify the degree of displacement that has occurred in recent years, people who are actively involved in working with housing in West Broadway are in no doubt, based on their day-to-day experience, that a great deal of displacement has occurred.

We conclude that a process of gentrification is underway in West Broadway, as evidenced by the investment of public and then private capital in the housing stock and apartment buildings in the neighbourhood, and the subsequent rise in rents and housing prices—housing prices doubled between 1999 and 2004, from an average sale price of $23,651 to $45,688 (Winnipeg Real Estate Board)—and the considerable displacement of low-income people unable to afford the higher rents.

It is important to note, however, that while there is considerable evidence of gentrification in West Broadway, the neighbourhood has not as yet been—and may never be—fully gentrified. As one community activist put it: “Subjectively, when I walk down Broadway or Sherbrook or shop at Pals or Food Fare, this does not feel like a gentrifying neighbourhood” (Chorney, personal communication, June 14, 2005). West Broadway is still a neighbourhood with many inner city characteristics, but one in which there is an abundance of evidence—quantitative and qualitative—of a process of gentrification being underway. The final outcome of this process is yet to be determined.

We now turn to a discussion of why a process of gentrification is underway in the neighbourhood.

5 Why is Gentrification Occurring in West Broadway?

We argued earlier that West Broadway was vulnerable to gentrification—it is close to downtown in a tree-lined neighbourhood, has a stock of unique old houses suitable for renovation, is surrounded by higher-income neighbourhoods, has ready access to public transit—but that although a neighbourhood may be vulnerable, gentrification is not inevitable. It may or may not occur in any given neighbourhood that is vulnerable. Why is gentrification underway in West Broadway? Our evidence suggests that two concurrent processes kick-started the process of gentrification in West Broadway.

First, the neighbourhood itself became active in housing renovation and neighbourhood revitalization. In the mid-1990s the Lions Club and Westminster Housing Society (WHS) invested in housing renovations, while the West Broadway Neighbourhood Housing Resource Centre started the Tenant Landlord Cooperation program, which sought to improve the quality of rental accommodations in the neighbourhood. The Lions Club reconverted 13 deteriorated rooming houses to single-family dwellings which were sold to owner-occupiers (Anderson et al., 2005, p. 17). The project displaced a considerable number of people, but fit with the thinking of at least some in the community at that time, who saw owner-occupancy—rather than tenancy—as the key to neighbourhood stability (Grant, Nov. 24, 2004).

The WHS has focused on rental and co-op housing. Their promotional leaflet (n.d., p. 2) describes them as being “...in the business of providing high quality housing to low-income people at reasonable rates”. Beginning in 1993 the WHS, created by Westminster United
Church, has undertaken 14 rehabilitation and 2 new construction projects in the area, and now owns and administers 62 housing units, responding directly to poor housing conditions in the neighbourhood.

These beginnings were quickly followed by the establishment in 1997 of the West Broadway Development Corporation (WBDC), which took on the role of coordinating a more comprehensive community revitalization effort. The work of the WBDC initially focused on changing peoples’ perceptions of West Broadway, both within the neighbourhood and in Winnipeg generally. Improving the negative image of the area was seen as a crucial step in establishing a sense of hope among community members, which would then make possible a process of neighbourhood revitalization (Chorney, November 2, 2004). The work of the WBDC has included, in addition to facilitating the renovation of housing for resale in the neighbourhood, such programs as the West Broadway Education and Employment Centre, which offers computer training and serves as a drop-in job resource centre, and the Good Food Club, which operates as a sweat equity food distribution program that provides participants with free produce from a farm outside Winnipeg. WBDC also sponsors environment-friendly activities such as composting, community gardening, and the conversion of vacant lots into community gardens and parks. The community-building character of this work is evidenced by the comments of a resident active in community gardening:

“I passed out over a hundred tomato plants this spring. We share. Also helping a neighbour out with plants they may want in their yard, it brings people in the community closer together...just in growth of spirit itself, you make good friendships, you share ideas, there is just so many good things about it. It helps the community to become strong”.

In addition to its doing this community-building work, it is through the WBDC that most of the public money for neighbourhood housing renewal flows.

What is significant about these activities in West Broadway is that neighbourhood revitalization owes its beginnings to the work of the residents themselves. It has its roots in the mobilization of the community and the creation of community-based organizations. It is a process that involves not just building houses, but also building community, by promoting community involvement in a variety of ways in the revitalization of the neighbourhood.

Second, shortly after the community began to organize, all three levels of government became more active than they had been in funding inner city neighbourhood revitalization and housing improvements. The Province of Manitoba, following the 1999 election of an NDP government, introduced the Neighbourhoods Alive! program, which since 2000 has invested significant amounts in five low-income Winnipeg neighbourhoods, including West Broadway. The City of Winnipeg, under the leadership of then Mayor Glen Murray and as a response to increasing concern about the poor condition of housing in many of Winnipeg’s older neighbourhoods, introduced the Winnipeg Housing Policy (WHP), which has provided funding for the community coordination of housing renewal. The WHP is primarily a supportive policy aimed at stimulating neighbourhood rehabilitation and renewal, rather than directly financing the upgrading of residential structures, and commits the City to aligning its various authorities and activities with the goals of neighbourhood revitalization and improved
quality of life as regards housing conditions (City of Winnipeg, 1999). And in 2000 the three levels of government introduced the Winnipeg Housing and Homelessness Initiative, a ‘single-window’ housing initiative through which government housing money has flowed into neighbourhoods like West Broadway, in a way intended to be consistent with the needs of the neighbourhood. Community-based organizations have appreciated the way these governments have worked with the community in promoting neighbourhood revitalization and housing renewal. One housing activist said that: “You don’t realize how far they [governments] have come” in working with neighbourhoods (Williams, March 15, 2005). Working with neighbourhoods has included providing the crucial public funds without which inner city housing renovation projects driven by community-based organizations are simply not possible.

This concurrence of community and government — ie., public, non-profit — involvement in revitalizing the housing stock in West Broadway is what sparked the private investment that followed. Developers are very clear and emphatic in stating that it was the public investment in housing and neighbourhood renewal that was the catalyst for the revitalization process in West Broadway, creating the conditions that led some developers to think that they could make money by investing in the neighbourhood. In short, West Broadway is in the midst of a process of revitalization and gentrification not only because of its location close to downtown and the presence in the neighbourhood of houses suitable for renovation — although these are important preconditions for the process — but also because two additional conditions were met: first, the community itself became active and organized; second, governments were prepared to invest public money in support of the community’s goals, and private investment followed.

This is an explanation that differs from the dominant explanation to be found in the literature on gentrification, as described in Part One of this paper.
6 The Importance of Low-Income Rental Housing for West Broadway’s Future

The process of gentrification in West Broadway has been contradictory, bringing both benefits and problems. The benefits—improved housing stock, and a rejuvenated neighbourhood with a community development corporation able to provide employment and training opportunities and a host of community-building initiatives, for example—have been described above, and are significant.

The main problem is that there is a gap in the provision of an adequate supply of low-income rental housing, with the result that many low-income residents of West Broadway have been forced out of the community by the combination of rising rents, the reduced supply of inexpensive rental housing, and the very low and declining levels of social assistance rates. The conversion of rooming houses to single-family dwellings and the renovation of apartment buildings to enable the charging of higher rents—defining features of gentrification—have forced many of the neighbourhood’s lowest-income residents out. The community’s strategy of working with partners in diverse housing options—renovating housing for resale, creating a Land Trust, and developing affordable rental and student housing—has improved the housing stock of the neighbourhood, but neither the community, nor the government, nor private investors/developers, have done enough to meet the housing needs of the lowest-income members of West Broadway. It is these low-income members of the community who have paid the price for the neighbourhood’s improvement—a typical feature of gentrification. What they need is safe and secure low-income rental housing. The market, however, has long since stopped investing to meet this need—not only in Winnipeg but across the country.

Rental housing has been in declining supply all across Canada for years. This has been especially the case for low-income renters—those most in need of affordable housing. Tom Kent has recently called affordable housing “...the greatest of urban deficiencies” (Kent, 2002, p. 9). Private developers have not invested in low-income rental units for many years because the profits that can be earned are too low (Carter and Polevychk, 2004, p. 7). For example, rental housing was 27 percent of all new housing constructed in Ontario from 1989 to 1993; it was 2 percent of new housing built in Ontario in 1998 (Layton, 2000, p. 79). And since 1993 the federal government has effectively abandoned the production of social housing, with the result that there are now long waiting lists in most cities for access to social housing (Carter, 2000, pp. 5 and 11; Hulchanski, 2002, p. 8). This is certainly the case in Winnipeg, as evidenced by the *State of the Inner City Report, Part One, 2005* (CCPA-MB, 2005, p. 15). Canada now has “...the smallest social housing sector of any major Western nation...” other than the USA (Hulchanski, 2002, p. iv; Hulchanski and Shapcott, 2004, p. 6). The result is that in Canada, the “ultimate housing problem” is the shortage of low-income rental housing (Hulchanski, 2002, p. 17). As a recent study by the Toronto Dominion Bank noted: “...the overall supply of rental housing in Canada has stagnated in recent years, and has actually been receding at the lower end of the rent range—the segment of the market where lower-income individuals with affordability problems are concentrated” (Drummond, Burleton and Manning, 2003, p. ii. See also pp. 8 and 11-12). They add (p. 11): “...gentrification pressures caused much of the decline in affordable rent-
al housing supply in many Canadian CMAs”. Layton (2000, p. 140) observes that: “Canada’s urban centres...lost a minimum of 13,000 units of rental housing between 1995 and 1999 owing to demolition of often perfectly sound housing units, or its conversion to condominium ownership out of the range of those in need of affordable housing”. The result is that “...as gentrification moves through communities, there is a net reduction of low-cost housing” (Layton, 2000, p. 147). The gentrification of West Broadway — which has long been home to large numbers of low-income rental units, and thus fulfils what Ley refers to as “...the historic inner city role of providing affordable housing” (Ley, 1996, p. 26)—is eliminating large numbers of low-income rental housing units, thus making worse what is already the “ultimate housing problem”.

That this is so — ie., that the market does not meet the needs of low-income renters — illustrates the importance, in determining the outcome of a process of gentrification, of property ownership and access to capital. Most property in West Broadway is privately-owned; developers who choose to invest in the neighbourhood can do so, even if the result is to displace large numbers of low-income renters. For the community to be able to define the future direction of the neighbourhood requires that they have the power to decide how property is to be developed. However, inner city neighbourhoods like West Broadway are at a distinct disadvantage in this regard, because their ability to mobilize capital for the purpose of property acquisition is dwarfed by that of professional developers and property managers with close ties to financial institutions. That is why the role of government, acting in support of a community’s vision for the development of their neighbourhood, is so important. It is governments that can choose to make money available for the construction or renovation of low-income rental housing or other forms of low-income non-market housing, and it is governments that determine social assistance rates and minimum wage levels, the low levels of which are adding to displacement pressures in West Broadway. It is in this sense, among others, that gentrification becomes a political process.

In the case of West Broadway, while the role of governments has been generally positive in advancing the interests of the community and promoting the revitalization of the neighbourhood, it has fallen short of meeting the needs of those low-income renters who are paying the price of the neighbourhood’s renewal. To meet their needs would require governments going one step further, and acting to take property out of the market and turn it over to the community. The market will not meet the needs of low-income renters — there are not sufficient profits in doing so. And even if governments were to fund the building/renovation of low-income rental housing, once that housing entered the market, rents would be pushed up by market forces beyond the capacity of low-income people to pay. That is why the elimination of rent controls — often argued to be the reason for lack of investment in low-rent housing — would not solve the problem. Rents would be pushed by market forces to levels out of the reach of those most in need; still more displacement would be the result. Therefore, a central part of a neighbourhood strategy aimed at protecting low-income members against the threat of displacement is the construction/renovation of not just low-income rental housing, but of non-market forms of low-income housing.

Part of the difficulty in doing this is that governments currently have no programs through which to fund low-income rental housing. Indeed, there is evidence that at least some gov-
ernment housing officials have a strong, anti-rental, pro-homeownership orientation to inner city housing (Skelton, Selig and Deane, 2005). Over and over we were told, by both community housing advocates and developers, that no government programs exist through which to fund low-income rental housing. “There is no program money” for low-income rental housing said one community housing activist (Pannell, March 16, 2005). Young United Church, through its Kikanaw Housing Inc., is renovating two small apartment blocks on Langside, with plans to make them available at rents affordable for social assistance recipients, and to include in the initiative a number of social supports for tenants. This is a much needed and important initiative, but as the Young United Church Housing Co-ordinator told us, doing this is extremely difficult in the absence of government programs designed to fund community-based low-income rental housing initiatives. It is a matter, he suggests, of trying to squeeze a “square project into a non-square program” (Pannell, March 16, 2005). The private sector partner in this initiative agrees, saying that in attempting to meet this need for good quality and affordable low-income rental housing in the absence of government programs through which to fund such initiatives, “We’re creating the mold” (Shere, March 22, 2005). The initiative to build ‘pocket housing’ in some inner city neighbourhoods — new rooming house-type accommodation in which tenants have, in addition to a room, their own kitchenette and bathroom — is a positive step, but as yet exists on the smallest scale, and has not yet come to West Broadway (CCPA-MB, 2005, p. 16). It is clear that government programs designed to meet the need for low-income rental housing are essential if West Broadway is to become a revitalized neighbourhood with secure housing for people of mixed incomes.

But the problem goes deeper than the lack of government programs. It goes directly to the issue of private property. Any solutions for an inner city neighbourhood attempting to defend low-income renters from the forces of gentrification, while promoting its own revitalization, require that the question of property ownership be addressed. The struggle over ‘contested space’ in a neighbourhood facing gentrification is, effectively, a struggle over the ownership and control of property.

Canada’s housing system is primarily a private, for-profit market — “Canada’s housing system is now the most private-sector market-based of any Western nation, including the United States” (Hulchanski, 2002, p. 4) — and as observed earlier, this private for-profit market is not delivering nearly as many units of low-income rental housing as are needed. There are many outlets for developers’ investment dollars that are more profitable than low-income rental housing.

The major part of the solution for neighbourhoods facing gentrification and related displacement of low-income renters is the acquisition of property by the community, so that it can be used in a manner consistent with the needs of those who might otherwise be displaced — ie., low-income renters. The community has several strategies available to it to protect against the displacement of lower-income renters. These include, for example, the development of co-op housing, of community land trusts, or of public low-income rental housing. To a very limited extent, these forms of housing exist in West Broadway, but in nothing like the numbers needed to meet the demand. Nor is there any government-enforced stipulation, as there ought to be, that developers who win approval for above-guideline rent increases be required to set aside a certain proportion of units in renovated buildings for
low-income renters. If the interests of the lowest-income members of a community are to be protected, and if revitalized neighbourhoods are to become mixed-income neighbourhoods, it is necessary to go beyond the private ownership of property and to invest public funds in non-market low-income housing. David Hulchanski, one of Canada’s leading housing authorities, argues that: “The only way to produce low-rent housing for people in serious need and to keep the rents on those units low, is to subsidize construction and protect this public investment by keeping the housing off the market, that is, in non-profit and non-equity co-op forms of ownership” (Hulchanski, 2002, p. 17). In other words, low-income housing needs to be de-commodified — made into something other than a commodity, something that is not bought and sold in the marketplace for a profit, but is constructed to meet human needs and kept off the market. This is the step that now needs to be taken in West Broadway, to a much greater extent than has been the case to date.

Is this likely to happen? Can a mixed-income neighbourhood that meets the housing needs of low-income as well as higher-income residents be created in the face of the forces of gentrification? Slater (2002, p. 12) quotes Abu-Lughod (1994), who correctly observed that: “Not every defense of a neighbourhood succeeds and, we must admit, not every successful defense succeeds in all ways...if the attacks against it are too powerful, the community can eventually lose its vitality and verve...it is also easier for government to destroy community than to nurture this intangible element of the human spirit”. Slater (2002, p. 14) adds: “Gentrification is Goliath, the community is David”. To the extent that the community seeks to protect the interests of its lowest-income members, it certainly is David to gentrification’s Goliath.

7 Prospects for West Broadway

West Broadway has changed significantly since the mid-1990s. Many of the changes have been positive: the increased community involvement; the employment development, greening, and food security initiatives; the public investment in housing and other community development initiatives; the private investment in housing that appears to have followed. Some of the changes have been negative: rising rents and housing prices in the neighbourhood; the elimination of much low-cost rental housing; and the considerable displacement of lower-income residents.

More needs to be done if the problem of displacement is to be adequately addressed. To date, at least a part of the focus on housing in West Broadway has concentrated on the acquisition and renovation of depreciated houses for resale. Even when housing prices in the neighbourhood were at rock-bottom levels in the late 1990s, the considerable costs of renovation put resale prices at a level to meet the needs of moderate-income, not low-income, residents. This is a reasonable component of an overall housing strategy aimed at creating a mixed-income neighbourhood. However, it created — in the case of the Lions Club housing project, for example, and in the case of rooming houses renovated by the WBDC — considerable displacement. And in any event the doubling of housing prices since 1999 has had the result that an acquisition/renovation-for-resale strategy would no longer work even for moderate-income residents. This part of the community’s housing strategy appears to have been a victim of its own success. The need now is for low-income rental units and other non-profit forms of low-income housing provision. This means an active government role in the neighbour-
hood since, as shown earlier, the creation of rental units at prices that are affordable for those of lower incomes is not possible on a for-profit basis. Non-market forms of low-income housing, or de-commodified low-income housing, together with a much-needed increase in social assistance rates, is what is needed now in West Broadway if displacement is to be slowed and a revitalized and mixed-income neighbourhood created.

It is not clear that this will happen. Although it is clear that it is public investment that has sparked the revitalization of West Broadway, this is not an era that favours public, non-market solutions, however necessary they may be for the creation of healthy, mixed-income neighbourhoods. What is more, governments may have a financial interest in ignoring concerns about displacement. The higher housing prices and property values that arise from flat-out gentrification as promoted by developers to meet the needs of higher-income residents are likely to result in higher property taxes and increased municipal revenues (see, for example, Betancur, 2001, p. 36). Efforts to build public housing that is removed from the market are likely to produce resistance from powerful interests, as would the much-needed increases in social assistance rates that would keep more low-income people in the neighbourhood.

Nevertheless, it is possible for governments to take housing out of the market, to de-commodify the housing and property markets so as to make housing available to lower-income residents who would otherwise be displaced, and it is equally possible for governments to improve social assistance rates.

We conclude that the process of gentrification underway in West Broadway is still incomplete and in flux. Considerable evidence of gentrification exists, but so does evidence of continued poverty and marginalization. If we attempt to project into the future for ten years, at least three broad outcomes seem to be possible.

First, the continued and further gentrification of West Broadway, to the benefit of new, higher-income residents, is a possibility, for all the reasons advanced earlier. The result would be continued displacement of lower-income residents, and a lost opportunity to create an attractive, mixed-income neighbourhood that could be a model for inner-city revitalization.

Second, the opportunity to create such a mixed-income neighbourhood could be seized by the community and by supportive governments, by means of public investment directed at the provision of non-market housing for low-income residents, together with increases to social assistance rates. This outcome is possible, but by no means certain. The continued involvement of the three levels of government — and particularly the necessary shift in their focus to the provision of non-market forms of low-income housing — cannot necessarily be relied upon, particularly given the housing policy advanced during the January, 2006 election campaign by the minority federal Conservative government.

This leaves a third possibility, which is the reversion of West Broadway to its pre-mid-1990s condition of decline and decay. The very real gains made to date in the neighbourhood are fragile, and can — in the absence of strong community-based organizations and committed government support — unravel.

It is our opinion that there is much work yet to be done in West Broadway, and the neighbourhood continues very much to be ‘contested space’.
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