

Housing Regime Change & the Geography of Low Income in Toronto

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- 1) Regimes and housing
 - 2) Postwar Canada
 - 3) Rental development in Toronto
 - 4) Social and private rental
 - 5) Inner and outer suburbs
 - 6) Reflections and Implications

1. Regimes and housing

- Relationship of welfare-capitalist regime (state ↔ market) to housing regime

Liberal-welfare & Latin-rim

- Rental as a byproduct of homeowner market
- Rental as “residual” (priority, status, incomes, etc.)

Corporatist & Social democratic

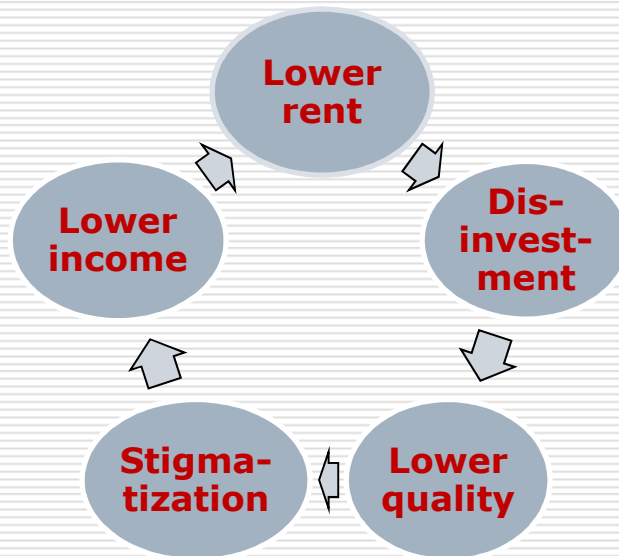
- Build for rental (then)
- Rental a policy priority (then)
- Strong state role

- **“Socio-tenure polarization” (Arbaci)**
- **Elements of mixed regime in postwar Canada**

Spatial tendencies...Inconsistent but...

Added rental supply by market filtering

- Tendency to spatial concentration + lower quality



Added rental supply by building

- Spatial tendency is contingent on the particular production regime /delivery model
- Rental as a sector with institutionally structured patterns of production, financing, access, location
- Quality is higher (at least initially)

2. Postwar Canada

- GDP/capita doubled
- Income & car ownership accelerated
- Suburbanization / suburbanation (like USA & Australia)
- Toronto doubling every 15 years, ca. 1940–1970
- But...
 - Rental was
 - 42% of postwar net demand
 - 57% of net demand in full decade of the 1960s
- “Mixed economy of urban development”
- Not just about “tax breaks to big developers”

Why was rental so big in postwar Canada?

A. Postwar demand factors

- Rapid urbanization (globally associated with mass towers)
- Incomes & car ownership less than US
- Income security less than Australia
- More immigration than US / More rural→urban than Australia
- Middle-income demand

B. Postwar supply system

- Rental = “purpose-built”, financed & operated as such, multi-unit
- Large development firms doing ownership + rental
- Global '65-73 property boom ...boomed in sectors that were active
- Prices doubled 1964-74 ... and interest rates started rising
- Cheap peripheral land restricted (in Toronto)
- Plannerly ideas of mixed-income urban development
(Don Mills≠ design ... Don Mills= tenure & income mix)

Why so big (continued...)

C. Policy (1) – rental generally

- Favourable tax regime for rental investors
- CMHC producer financing (development & construction loans)
- Less support for homeowners (no US mortg. interest deductibility; no Austral. building societies /state loans /public housing sell-offs)
- Rental as the suitable option for low-to-moderate incomes

D. Policy (2) – social housing

- Trivial 1949-1964 nationally
- But...part of Metro Toronto governance regime
400 units/year (equivalent per capita to 1,600 today)
- 1963-1968 Pearson Liberals – transform Canadian welfare state
- Ont. “Red Tories” –manage urban growth, golden goose/horseshoe
- Social housing part of this agenda
- Social housing production volume increased 10-fold, 1965-67

Canada's "Postwar plus" period

D. Policy (3) Why continuing in 1980s?

In most affluent Western countries,

- Social housing – much less production after mid-1970s ec. crisis
- Rapid shift to homeownership in Europe, 1970s onward

In Canada, Political-economic factors delayed neoliberal housing policy:

- *Floating on oil thru 1970s economic crisis* • *"Positive" urban agenda*
- *Quebec politics – stronger state* • *Toronto/Montreal ↔ fed. political axis*
- *Political support for non-profit housing* • *"Discourse of rental supply"*
- *Mulroney's "regional brokerage" politics*
- Private rental production continued into early 1980s
- Support to private rental 1975-82: Big tax breaks + big grants
- 10% social housing = 18,000/year, full 30 years 1965-1995

E. Policy (4) 1993-95 onward

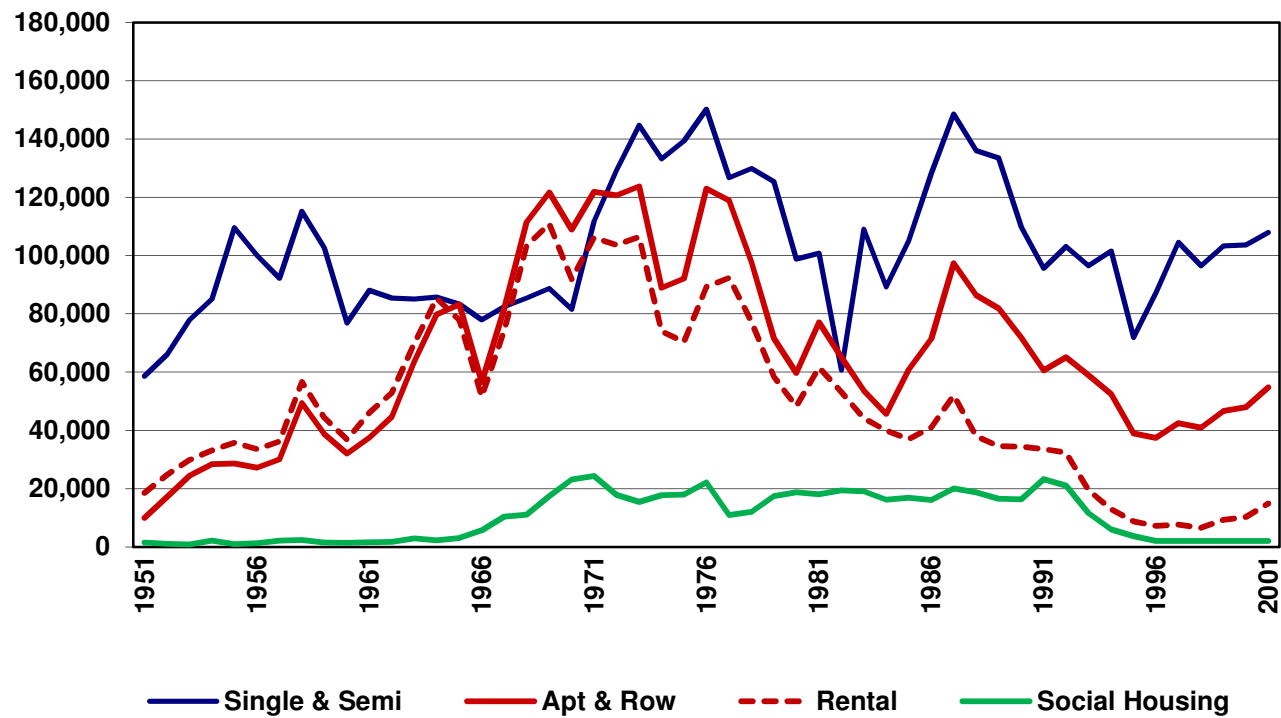
- Economic crisis → fundamental scaling-down of welfare state
- End of social housing production was "collateral damage" in this

3. Rental dev't in Toronto

- Apartments >50% of production by 1955
- Apartment building predominantly suburban by ca. 1960
- Integrated land use policies (OK but...)
- Property boom 1965-75
- Subsidies to private rental & social housing sustained rental production for 2 decades after mid-70s collapse in the market

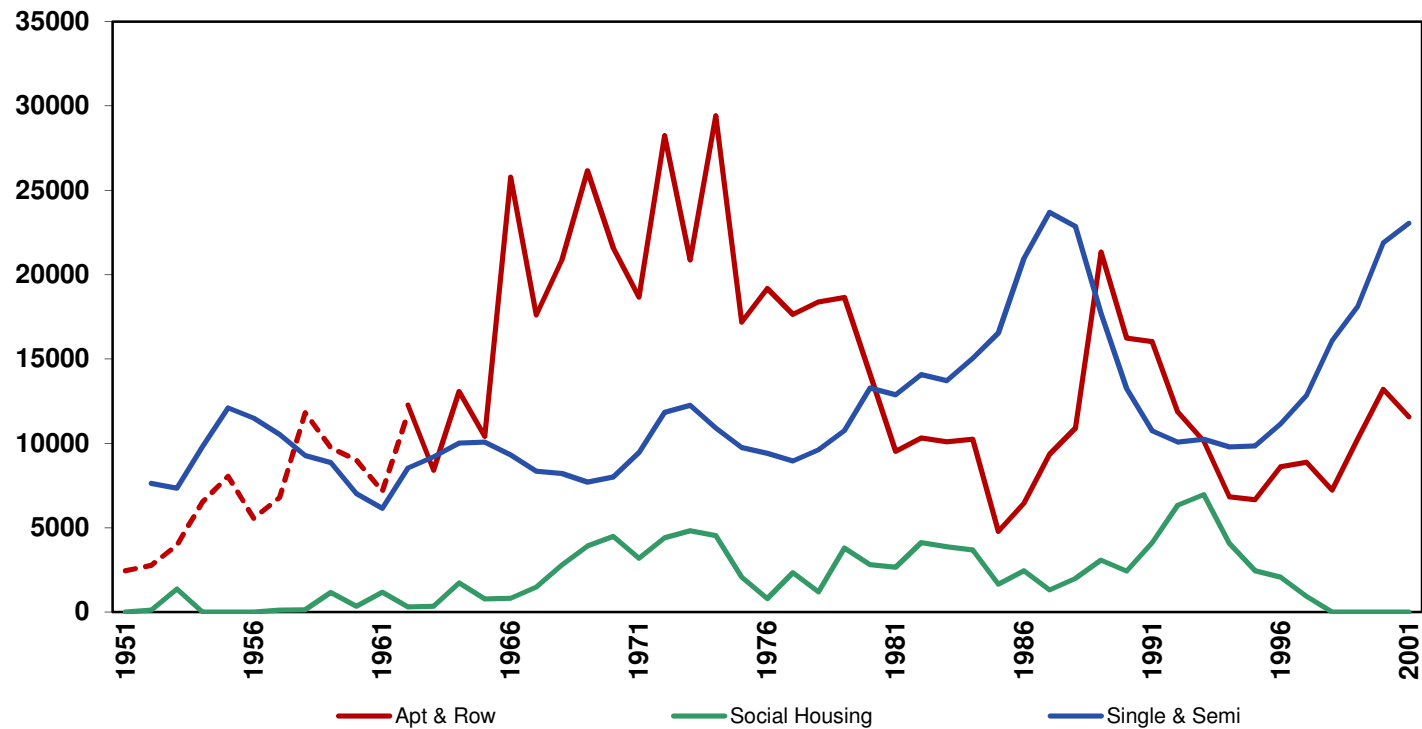
- Ultimate results in Toronto in 2nd half of 20th century :
 - 300,000+ rental units in private-sector apt. buildings
 - Almost two-thirds were built in 1955-1975, 85% 1945-85
 - Social housing sector, 122,000 units of which 90,000 RGI

Annual Housing Production, Canada, 1951-2001



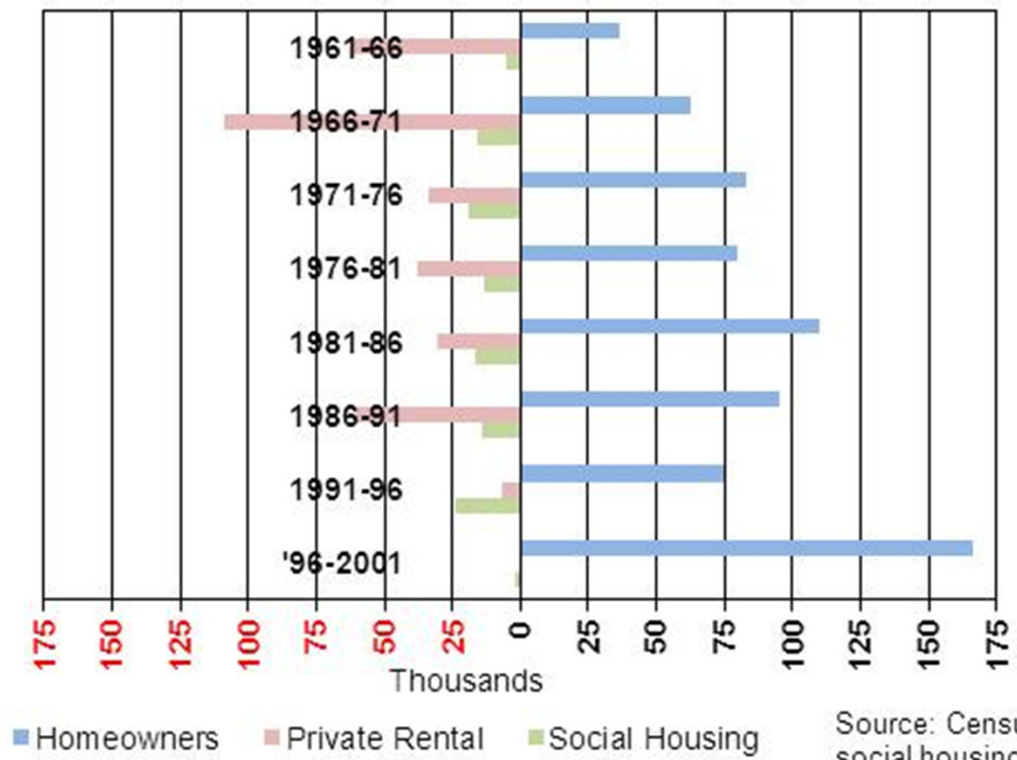
Source: CMHC, starts and completions data; social housing from CMHC, Canadian Housing Statistics; selected supplementary data.

Annual Housing Production, Toronto CMA, 1951-2001



Source: CMHC, starts and completions data, with selected supplementary data; social housing from project database for this study.

Net Housing Change by Tenure Toronto CMA 1951-2001



Source: Census & social housing data ...

4. Social and private rental

Low-income
≈ first-quintile

Greater Toronto growth
≈ 30,000/year

- Where was 6,000 net (added) low-income demand absorbed?
 - Almost entirely in rental sector (unlike many countries)
 - Almost entirely in high-density stock (unlike ...)
 - Almost equally in social housing and private rental

1971-1996 Increase in first-quintile renters		Incr. total	Incr. annual	% of growth
	Private rental	59,000	2,400	8%
	Social housing	67,000	2,700	9%

(Δ RGI > Δ Market rental 1st-quintile in: Central city; 1991-96)

Some notable consequences

Mix by building, by neighbourhood, or by district?

Mix at end of postwar (1981):

- 38% of inner-suburb households low & moderate-income
 ≈ same as city-region or central city
- Some concentrations but generally wide dispersed mix
- 47% of recent immigrants (<5 years) lived in postwar suburbs: more than in central city; unchanged by 2001

Social housing vis-à-vis spatial patterns

- 1965-75:
 - “Metro” scope of social housing fed dispersion & mix
- 1975 onward:
 - Overall growth (homeowner) mostly outside Metro
 - “Metro” scope of most social housing reinforced inner-suburban concentrations of poor renters

5. Inner & outer suburbs

Rental vis-à-vis spatial patterns of income:

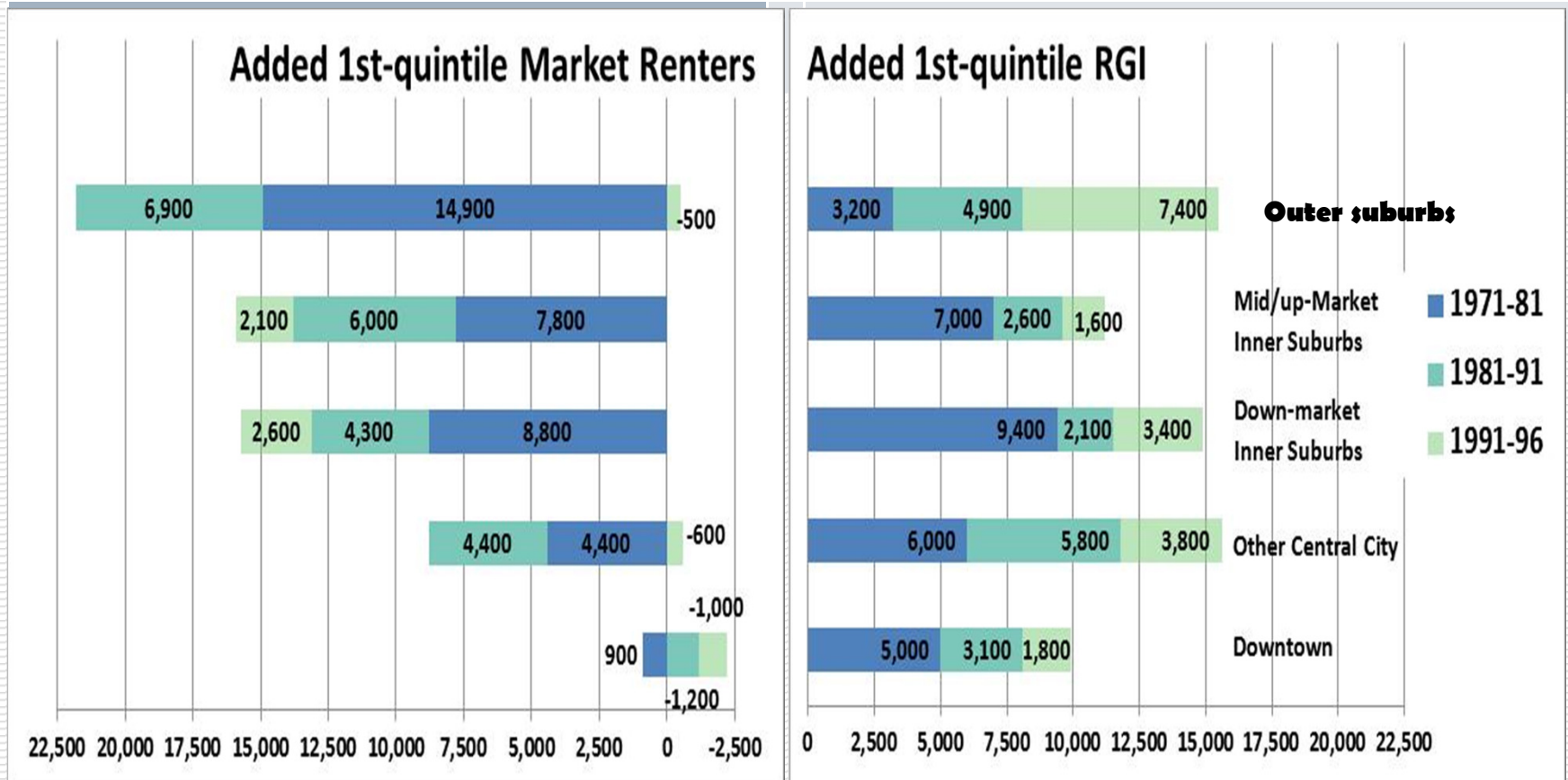
- End of private rental production regime coincided with accelerating growth in outer suburbs
- Main vector of lesser income/social class mix
- Income differences in homeowner sector are much smaller

Multi-rental % of stock	1981	1991	2001
'45-70 suburbs	44%	43%	42%
1970s suburbs	29%	29%	26%
1980s suburbs	-	19%	15%
1990s suburbs	-	-	10%

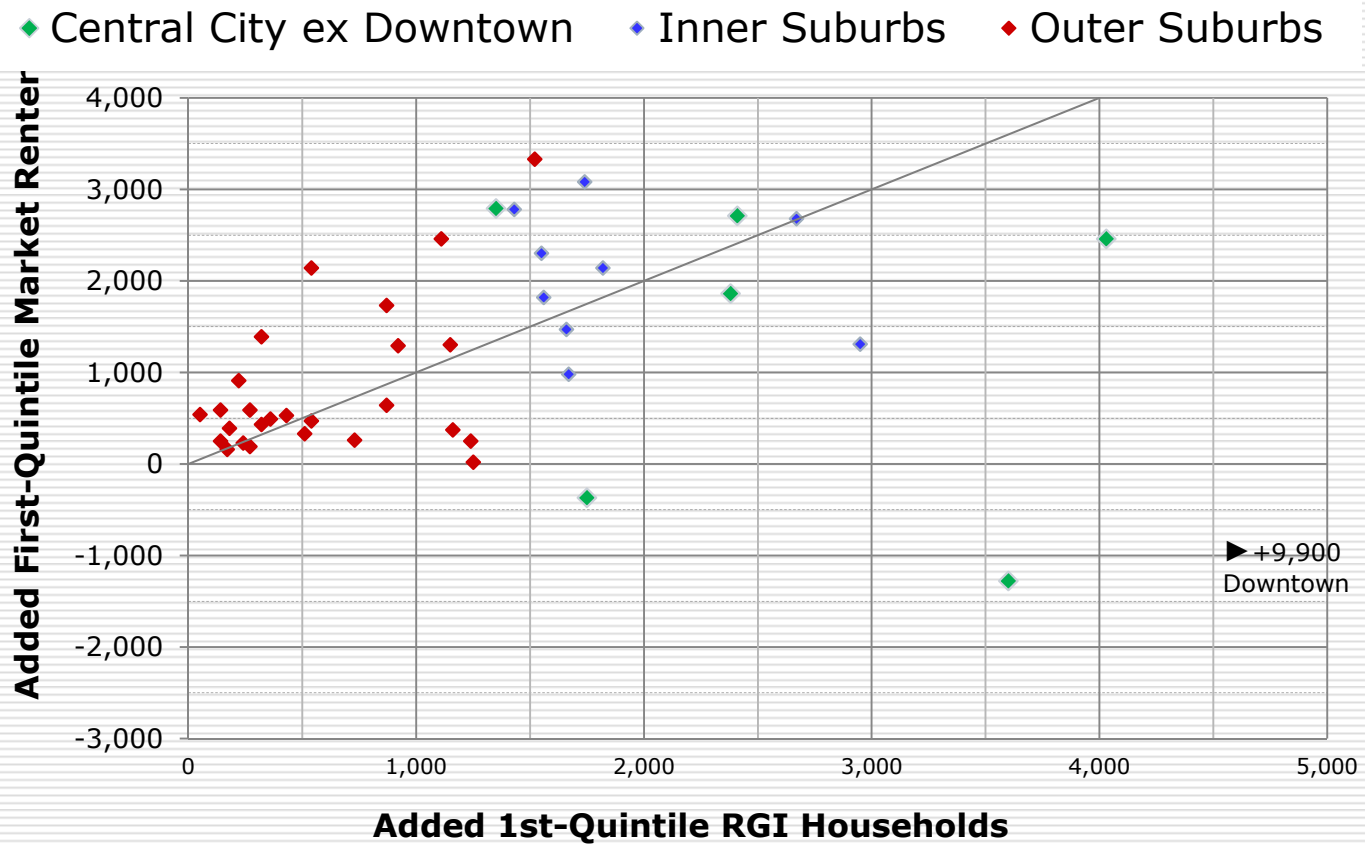
General spatial income trends in rental

Period→ ↓Area	1945-75 (Postwar)	1975-95 (Postwar+)	1995-Now (Neoliberal)
Central City (pre-war)	<ul style="list-style-type: none"> ▪ New private rental →broad social mix 	<ul style="list-style-type: none"> ▪ Low-income social housing maintains income & social mix amid gentrification 	<ul style="list-style-type: none"> ▪ Condo production, mid/upper income ▪ Rising incomes in rental sector
Inner 'burbs (Postwar)	<ul style="list-style-type: none"> ▪ Reinforced by social housing after 1965 ▪ Also filtering of housing in central city 	<ul style="list-style-type: none"> ▪ Little new private rental after 1982 ▪ Big income decline in private rental ▪ Social housing adds low-income renters 	<ul style="list-style-type: none"> ▪ Some ongoing income decline in private rental
Outer 'burbs (post-'75)	<ul style="list-style-type: none"> ▪ Mixed-income private rental in early areas →broad social mix ▪ Little social housing 	<ul style="list-style-type: none"> ▪ Little new private rental after 1982 ▪ More social housing but tiny % of growth 	<ul style="list-style-type: none"> ▪ Little added rental

Added First-quintile Market Rent & RGI Households by Period



Absolute Change in 1st-Quintile Market Renters & RGI GTA 1971-96



Source: Census data and project database (administrative data).

Focus – inner suburbs

- Social housing led early 1st-quintile renter spread to inner suburbs:
1971: 49% of 1st-quint. RGI but 30% of all 1st-quint. renters
- After 1971, private rental dominated this trend
 - Trend of income decline in inner-suburban private rental
- 1975-95 social housing production still concentrated there
- Also relative decline in homeowner income in some areas
- 1981-2001, inner suburbs absorbed almost 60% of low & moderate income growth in Greater Toronto.

6. Reflections & Implications

- a) 1950s-60s “Production agenda” then 1970s “Urban agenda” propelled rental housing policies that fostered income mix
- b) Housing regime far more significant than land use policy
- c) Long-run “Imprint” of housing regime history on urban space
 - Postwar suburbs have almost half the social housing
 - Postwar suburbs have most older/cheaper private rental
- d) Poverty concentration (or not):
 - Fine-grained patterns are knock-on to broad spatial imprint
 - Mix by block /by building, or mix by district?
- e) Building for lower income meant 50,000/decade less impetus for supply by filtering /tenure conversion /quality decline /etc.
 - This is now reversed → expect more quality issues
 - Vulnerable areas are in inner suburbs (houses + apts.)