Deconstructing Neighbourhood Transitions: The Contributions of Demographic, Immigration, Life Style and Housing Stock Changes

Larry S. Bourne
Professor of Geography and Planning
Centre for Urban and Community Studies
University of Toronto
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Neighbourhood Change Community University Research Alliance, Toronto

Context

- Neighbourhoods change for many reasons, and in response to both internal and external forces
- A rich academic literature exists highlighting the wide diversity of neighbourhood experience from place to place
- Less is known about the evolutionary dynamics - of the in-flows and out-flows, the effects of compositional shifts, and the changing determinants that define alternative neighbourhood trajectories
Objectives

- To examine the dynamics - here called ‘transitions’ in neighbourhood social status - in Toronto and other large metros in Canada in response to recent social, demographic and housing changes
- To identify trends, directions of change
- To evaluate the relative contributions of specific components of change and to assess their relationships and consequences
- Set in context as part of the ongoing UofT CURA project on inclusive neighbourhoods

Data/Methods

- Analysis primarily uses census data on social, ethnic and housing characteristics for 1971 -2001
- Supported by special cross-tabulations, specifically on income, household and housing stock attributes
- Spatial units are census tracts and aggregations of tracts - used as pseudo-neighbourhoods
- Special focus on large metropolitan areas – Toronto, Montreal, Vancouver with case studies of Toronto (including our west Toronto CURA neighbourhood)
- Key dependent variable: individual and household incomes
- Employ correlation/regression analyses and transition (probability) matrices (e.g. Markovian)
- Note: the metro area of 1971 is now the central city of 2001/6
Alternative Theoretical Frameworks

- Ecological models
- Micro-Economic models
- Life cycle/stage models
- Social/behavioral models
- Real estate/triage models
- Neighbourhoods as public goods
- Capital investment/disinvestment models
- Accounting models
- Stochastic/probability models
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Change in Average Household Income, 1970 to 2000
City of Toronto

Change in the Census Tract
Average Individual Income Ratio: Ratio in 2000 compared to 1991
- Increase of 0.2 (20%) or More
- Increase or Decrease is Less than 0.2 (20%)
- Decrease of 0.2 (20%) or More
Note: Census Tract 2011 boundaries shown

Source: Statistics Canada
Census Map 2001
(s) Centre for Urban and Community Studies, University of Toronto, 2007
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Change in Rented Dwelling Percentage, 1971 to 2001
City of Toronto

Change in the Census Tract Rented Dwelling Share: 2001 compared to 1971
- Increase of any amount
- Decrease up to 10% of Total Dwellings
- Decrease of 10% or More of Total Dwellings
Note: Census Tract 2001 boundaries shown

Source: Statistics Canada
Census Map 2001
(s) Centre for Urban and Community Studies, University of Toronto, 2007
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Toronto’s Formerly Middle Income Neighbourhoods
Change in Average Household Income, 1970 to 2000

Montreal’s Formerly Middle Income Neighbourhoods
Change in Average Household Income, 1970 to 2000

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Vancouver's Formerly Middle Income Neighbourhoods
Change in Average Household Income, 1970 to 2000

Change in Census Tract Household Income Distribution,
City of Toronto 1970 to 2000

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Probability of Census Tract Change in Household Income 1970-2000
City of Toronto

Change in Census Tract Household Income Distribution,
City of Toronto 1970 to 2000 and Forecast to 2020

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### Table 1

**Neighbourhood Transitions: Household Income Changes, City of Toronto, 1971-2001**

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Number of Census Tracts</th>
<th>VH (1970)</th>
<th>Income Level in 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very high</td>
<td>35</td>
<td>29 (.83)</td>
<td>1 (.03) 4 (.11) 1 (.03) 0 (0)</td>
</tr>
<tr>
<td>High</td>
<td>45</td>
<td>5 (.11)</td>
<td>5 (.04) 26 (.58) 7 (.16) 2 (.04)</td>
</tr>
<tr>
<td>Medium (HM)</td>
<td>344</td>
<td>17 (.05)</td>
<td>15 (.04) 128 (.37) 142 (.41) 42 (.12)</td>
</tr>
<tr>
<td>Medium (M)</td>
<td>81</td>
<td>3 (.04)</td>
<td>2 (.02) 17 (.21) 37 (.46) 22 (.29)</td>
</tr>
<tr>
<td>Low (L)</td>
<td>81</td>
<td>1 (.10)</td>
<td>0 (.0) 1 (.10) 3 (.30) 5 (.50)</td>
</tr>
<tr>
<td>Very Low (VL)</td>
<td>10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Census Tracts</th>
<th>515</th>
</tr>
</thead>
</table>

Note: Income groups defined relative to the CMA average household income (CMA = 1.00) as follows:

- VH = 1.4 or more,
- H = 1.2 to 1.4,
- M = 0.8 to 1.2,
- L = 0.6 to 0.8,
- VL = below 0.6

Source: Statistics Canada and CURA project

### Table 2

**Neighbourhood Transitions: Changes in Household Income for Middle Class Neighbourhoods, Toronto, Montreal, Vancouver, 1971-2001**

<table>
<thead>
<tr>
<th>City</th>
<th>Number of Census Tracts</th>
<th>Medium Income Tracts: Change 1971-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>Toronto</td>
<td>n= 344</td>
<td>32 (0.09)</td>
</tr>
<tr>
<td>Montreal</td>
<td>n= 249</td>
<td>18 (0.07)</td>
</tr>
<tr>
<td>Vancouver</td>
<td>n= 100</td>
<td>10 (0.10)</td>
</tr>
</tbody>
</table>

Note: Middle income defined as between 80 and 120 percent of the CMA average household income.
Table 3

<table>
<thead>
<tr>
<th>City</th>
<th>Number of Census Tracts</th>
<th>Low Income Tracts: Change 1971-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Up</td>
</tr>
<tr>
<td>Toronto</td>
<td>n= 81</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.27)</td>
</tr>
<tr>
<td>Montreal</td>
<td>n= 132</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.19)</td>
</tr>
<tr>
<td>Vancouver</td>
<td>n= 34</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.38)</td>
</tr>
</tbody>
</table>

Notes: Low income defined as household incomes between 60 and 80 percent of CMA average.

Conclusions 1

- The evidence confirms the conundrum: considerable neighbourhood stability combined with rapid social status change and high levels of transition.
- There are many different neighbourhood trajectories, with no guaranteed profiles of change. There are also different trajectories for social status, demography, ethnicity and the housing stock.
- Overall, neighbourhoods have been moving further apart in terms of social status and income levels - i.e. socio-spatial polarization has increased.
- The most vulnerable neighbourhoods - in terms of probable transitions to other states - seem to be those in the middle (the vanishing middle?).
- The most persistent are those with very high (and often increasing) incomes.
- There are also considerable differences in the dominant directions of transition in the three large metros - reflecting their different social geographies, immigration patterns, housing histories and economic fortunes.
- Within metro areas the sharpest transitions are downward in the post-war suburbs and upward within the old central city (near transit, the waterfront).
- New housing construction within the three cities has been impressive but has only been able to compensate for declining populations elsewhere (due to demographic thinning).
Conclusions 2

- The strongest correlations with upward or downward transitions in social status are:
  - occupational and educational levels (+)
  - % owned housing (excluding condos) (+)
  - % rental housing and % recent immigrant (-)
  - % lone parent families (-)
  - over time (1971-2001) the contribution of the latter three variables has increased
  - the contributions of average household size decreased after the 1980s; and the role of seniors switched from slightly negative in the 1960s to slightly positive after 1981
  - The association between spatial concentrations of recent immigrants and low incomes has increased, particularly in the older post-war suburbs
  - There is clear evidence of place-specific, and both staging and period effects

Conclusions 3

- The relative contribution of new housing tenures – notably the condo boom – has been muted to date. While they represent over 30% of new starts (2001-2006) they still equal less than 12% of the total housing stock (in both Toronto City and CMA)
- Condos have a highly polarized social character, including a sub-market for the elite and young professional households, but on balance they are catering to older households, female-headed households, those of lower incomes (and relative incomes have been declining for both new and old condo stock)
- The transition probabilities for neighbourhoods in the three metro areas suggest that social mix, at least in terms of income, is still common and likely to continue but that the dominant directions of change point away from socially inclusive neighbourhoods
- The relative decline in social status of inner suburban areas is attributable to several distinct but interrelated social processes.
Acknowledgements

Neighbourhood Change Community University Research Alliance Data Analysis Team
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Maps and graphs prepared by Richard Maaranen
Data Analyst, Centre for Urban & Community Studies
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