



Toronto's Gentrification Hotspots: A Study of Current and Future Urban Renewal

Gentrification, the process of urban renewal through the influx of more deep-pocketed residents, has been, and still is, a politically charged topic in Toronto. As Toronto continues to experience rapid economic growth, many neighbourhoods are undergoing significant transformation. While many residents are open to the idea of revitalization of often neglected areas, others worry about the displacement of long-time residents and erosion of community culture.

In recent years, the City of Toronto has partnered with the private sector and implemented several initiatives designed to encourage growth and development in neglected areas. For example, the city's "Tower Renewal Program" aims to revitalize aging apartment buildings by incentivizing private developers to invest in upgrades and renovations. The Tower Renewal Partnership conducts significant research, and partners with companies such as CMHC, Federation of Canada Municipalities and University of Toronto to provide solutions and advice to support their objective of preserving affordable housing. While the goal of the policies is to improve the quality of life of tenants, they also can contribute to the displacement of lower-income residents who can no longer afford the new higher cost of living.

Looking ahead, there are several areas in Toronto that may be impacted by gentrification in the coming years, and even more which are currently undergoing transformations. These include neighborhoods close to downtown, where property values are rapidly rising, and developers are looking to build high-density residential and commercial projects.

This report will explore the current state of gentrification in Toronto, including its drivers and impacts. Additionally, it will identify potential future areas that may undergo gentrification, examining the factors that make them attractive to developers and the potential consequences for existing communities. By providing a comprehensive analysis of gentrification in Toronto, the aim is to shed light on this complex issue and inform discussions about how to address its challenges.

Happening Now:

Firgrove Grassways



Firgrove Grassways is a prime example of a neighbourhood currently undergoing the process of revitalization. Firgrove is a neighbourhood located near the intersection Jane and Finch that has historically been home to a diverse population of immigrants, refugees, and low-income residents. The median pre-tax income for the area ranges between \$56,831 and \$60,000 which is among the bottom 40% of median income in Toronto. In 2016 the

Toronto Community Housing Corporation found that many buildings were structurally unfit and deemed unsafe. In 2017 TCHC relocated over 423 residents, a number which has now grown to nearly 800. The city plans to demolish much of the area to develop a new “mixed income” community for Firgrove Tenants. When the project is finished the previous tenants will have the option to move back into residences, however there will also be new market rate housing which could lead to gentrification in the surrounding area. With no timeline on the project’s completion date, it will be interesting to see how long it takes before private developers invest in the area and high-density housing on every block.



Lawrence Heights

Development of Lawrence Heights began in 2015 when Phase 1 of the revitalization of the neighbourhood began. The project is set to complete in 2035 and involves the demolition of over 1,200 homes, and the construction of over 4,000 private condos and townhouses. Additionally, residents can expect to see a new school, park, and community center. Brand new condos such as “New Lawrence Heights” have already been completely leased up in the new buildings. The mall nearby has also undergone significant overhaul with external and internal renovations. With most of the new, higher density housing still yet to be built the plan is like Firgrove Grassways and is set to incorporate mixed-income housing. The Primary developers in the area include experienced names such as RIOCAN and Metropia.





Alexandra Park

Alexandra Park, is a small neighbourhood located just south of Kensington market and similar to the other two neighbourhoods is a lower income neighbourhood, characterized by outdated housing, rich culture and a diverse population. Despite being just north of both the Financial and Entertainment districts, the average median income is nearly 50% lower than Toronto average. In 2014 the Toronto Community Housing Corporation began with phase 1 of their revitalization plan which involves creating 806 new TCHC units and 1540 market units across the 18-acre community. As of 2023 the project is currently in Phase 2A which involves the development of new roads, as well as construction on the new high rise public rental building and high-rise private condominium at the intersection of Dundas and Denison. On top of the new residential space Alexandra Park is also getting a new community centre. Those curious on the current state of the Alexandra park revitalization plan can view [a live stream of construction](#) which is updated daily.



Neighbourhood to Watch:

The Golden Mile

Victoria Park and Eglinton is characterised by a large, slightly outdated commercial presence with a combination of outdated condos and townhomes. Residents have an average total income of \$43,451.22 which is 32% lower than surrounding areas in Toronto. Golden Mile is currently undergoing some revitalization with construction of brand-new residential towers, and renovations of the nearby commercial center, Eglinton Square. These factors, coupled with the planned construction of the new LRT line which will run right through the area means that private developers may see it as an investment opportunity. Some investors have already spotted this trend and as such 11 new buildings are already being planned which will be a mix of high rise residential, retail, and commercial space. Furthermore, rents in the area are lower than the rest of Toronto, with average rents of \$1,478 vs Toronto's \$1,678 making the acquisition of buildings cheaper than other areas. However, as mentioned previously, income of residents in the area is much lower than Toronto average meaning that if when the new developments take place and units begin to be leased up for market it's only a matter of time before long time residents can no longer afford to live in the area. The Primary developers in the area are industry leaders which include but are not limited to: Dream, RioCan, Choice Properties and the Daniels Corporation.



Source: United Way Greater Toronto Website

Is the Grass Always Greener? Analyzing Its Upsides and Downsides

The Case for Investors:

From the perspective of a developer or investor there's little not to love. You purchase a property in an underdeveloped area, likely demolish it or undertake significant renovations, and then bring rents to market all while the area surrounding is completely revitalized giving the property an even greater value and thus the investor, an even greater return. Additionally, because property values go up, so do property taxes, meaning that more revenue is available to be spend on services for the community. This results in better schools, roads, community centers and more increasing the desirability to live in the area. The potential downside of undertaking a development is the politically charged nature of the project. Due to the complex social and economic issues associated with gentrification investing in new builds may cause some damage to a company's reputation.

The Case for Residents:

While gentrification is seen by many as a positive outcome, it is important to weigh both sides of the spectrum. What many fail to look at is why the income in these areas is increasing. It is not because residents of this area are suddenly doing better financially, or because the large increase in

available housing causes higher income families and individuals to move in. Much of the time it is due to the fact that low-income families are being forced out of their own neighbourhoods due to the rising costs of rent. "What gentrification involves is the displacement of renters from the very neighbourhoods that are best for renters." Says Alan Walks, a researcher of the University of Toronto who studies gentrification. On the other hand, if done correctly impact on current residents has the potential to be minimal. In many of the Toronto Community Housing Corporation's projects

residents are only potentially displaced and are given the option to move back into their units at affordable rates. This can reduce poverty in the area by creating more affordable housing for those in need. Additionally, after revitalization is complete many new restaurants, recreational centers, and jobs become available for members of the community increasing the quality of life and welfare for residents.

