About the Author

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Preface

This is a look at the state of one neighbourhood, and how it is changing. It is about who has been responsible for this change, and what patterns have been set in motion. It is a study about who has the power to initiate change, what groups lack this power, and how they can achieve it. This is a study of who loses and who benefits from neighbourhood change, and how a more equitable future can be achieved for these groups. Equity and justice—in the sense of achieving fair outcomes for all social groups—are founding principles of this study. Neighbourhood and neighbourhood meaning are founding concepts. The importance of space, and neighbourhood, to the principle of social justice follows from these convictions.

This study is a project of the Manitoba Research Alliance (MRA), which strives to assist in the transformation of inner-city and Aboriginal communities debilitated by persistent poverty and social exclusion. Focusing on the second of the MRA’s four major themes—justice, safety and security; neighbourhood revitalization and housing; skill- and capacity-building and employment; and community economic development—this study presents a critical perspective on neighbourhood revitalization and its tendency in practice to benefit some while penalizing others. In order to achieve socially just revitalization, inner-city communities must be transformed for existing low-income residents, rather than for property owners and incoming higher-income groups.
From Revitalization to Revaluation in the Spence Neighbourhood

Introduction

This paper takes as its subject the Spence neighbourhood, the area in Winnipeg bounded by Portage Avenue, Balmoral Street, Notre Dame Avenue, and Sherbrook Street. After decades of disinvestment free from concerns over gentrification, the last decade has brought notable changes to Spence. In many ways, Spence remains a low-income inner-city neighbourhood: the overall deterioration of the neighbourhood’s housing stock has continued and poverty is still very present. While many rooming houses and low-income rental properties have been converted to single-family homes, the proportion of residents who are tenants has continued to rise slightly, and still constitutes a large majority of the population. However, the neighbourhood is also undergoing a clear transformation and revaluation, with negative results for the lowest-income renters.

Three major forces have contributed to these changes. The first is Spence Neighbourhood Association (SNA), which has kick-started a process of investment in Spence, largely through its leveraging of public money for housing rehabilitation. This investment has led to a dilemma for SNA—one that is inherent in the problematic nature of market-based housing rehabilitation, attendant decreases in affordability and the resulting displacement of low-income residents, a process that amounts to incipient gentrification.

The second is the University of Winnipeg (UW), as it enters a period of expansion, property acquisition, and construction. Responding to the cramped confines of its urban location and mobilized by a vision of the transformation of the historic spatial and social divisions between campus and community, the UW is spreading out on all sides. As investors and developers, SNA and the UW are major sources of confidence for private sector property-owners in Spence.

The third player, landlords and property developers, have reacted to the climate of re-investment nurtured by SNA and the UW by investing heavily in capital improvements to the Spence housing stock. Taking their cues from earlier processes of private investment in adjacent West Broadway, developers now see significant potential for the revaluation and transformation of the Spence neighbourhood.

This paper will examine the impacts of all three actors. It concludes that the public sector must intervene with a non-market affordable housing strategy to ensure that neighbourhood revitalization does not amount to displacement for the most economically vulnerable of Spence’s residents.

Methodology

To construct a picture of housing trends in Spence, we conducted a series of focus groups and interviews with relevant groups through-
out the summer of 2008. To learn about residents’ housing experiences in Spence, the Spence Community Research Hub conducted six focus groups with an average of eight residents each, for a total of 48 residents. These focus group participants were drawn from all geographic areas of the neighbourhood, with a mixed representation of tenants and homeowners roughly proportional to the neighbourhood as a whole. Approximately two thirds of these participants were women. The age and race of participants was not recorded. Focus group leaders wrote down participants’ comments, and these comments were coded and divided into themes. The most frequently voiced themes were attributed the greatest importance. Twenty homeowners in Spence were also interviewed to determine the capacity and willingness of these residents to house U of W students in any extra, unused housing space. This was hypothesized to be a potential benefit of the neighbourhood’s student presence to existing residents, as it could provide an additional source of income for homeowners.

To learn about the supply-side of housing in Spence, we aimed to interview twenty rental property owners—i.e. landlords—about their recent experiences and speculation on the future of owning and renting housing in the neighbourhood. This task proved especially challenging, but was eventually achieved. Of 58 landlords with whom we either spoke or left messages, eleven refused to be interviewed for the project and 27 failed to return messages. By the end of the summer, though, we had succeeded in interviewing twenty landlords who owned, together, approximately 678 units of rental housing in Spence. We also conducted a focus group with five Spence landlords, yielding a richer set of data. These landlords talked enthusiastically, and in great detail, about their experiences in Spence. Of these five focus group participants, two owned over 100 units of rental housing in Spence. Together, the focus group participants represented over 695 units. In 2006, Statistics Canada counted 1,535 tenant-occupied dwellings in Spence. Our landlord interviewees and focus group participants represented an approximate total of 1,373 tenant-occupied units, or 89.4 percent of the 2006 Statistics Canada number. Though likely not this extensive, our representation of the rental housing stock in Spence, from the perspective of those who own and rent it, was especially comprehensive.

To learn about the role of Spence’s largest and most powerful player—the University of Winnipeg—we interviewed several of its official representatives. Interviews with the UW Community Renewal Corporation (UWCRC) Property Manager; UW Director of Strategic Initiatives, President’s Office; and UW Facilities Management Executive Director supplemented the UW’s extensive, publicly accessible, 2007 development plan (available on the UW’s web site).

In the fall, we conducted a focus group with five UW students to gauge their perspectives and experiences in Spence. All five participants were women and had lived in Spence for at least one year.

Quantitative data for Spence were obtained from Statistics Canada, the Winnipeg Real Estate Board, and the provincial Residential Tenancies Branch. Together, these sources provided statistics on demographic patterns, dwelling characteristics, housing costs, and property values in Spence, to supplement our qualitative focus.

To the above research methods were added regular meetings with Spence Neighbourhood Association (SNA) staff, who provided detailed knowledge of neighbourhood processes. Together, these sources and methods produced a broad, detailed picture of housing patterns in the Spence neighbourhood in the late 2000s.
Gentrification

The process of gentrification entails a transformative infusion of economic value into formerly devalued urban spaces. As space, and thus real estate, in a neighbourhood becomes more attractive, and thus more valuable, it becomes more expensive, therefore excluding those who lack the means to pay for it. Gentrification is problematic, then, because it involves the displacement of low-income families and individuals from their homes and neighbourhoods against their will, and the taking of these homes and neighbourhoods for the use and enjoyment of a separate, more affluent group of people. In this manner gentrification is also a political conflict between two groups over the right to urban space.

The gentrification literature points to several negative consequences of the process. In their study of gentrification in Canadian cities, Walks and Maaranen (2008: 293) cite “increased social conflict, displacement of poorer residents to lower-quality housing elsewhere, and, ultimately social polarization” as fundamentally undesirable qualities of gentrification. Although migration of middle class households into low-income neighbourhoods could conceivably be a source of social mix and the breaking down of segregation and social isolation, the Canadian context has not shown this to be the case. In Toronto, Montreal, and Vancouver, re-valuation of disinvested housing stock and in-migration of middle class households into low-income neighbourhoods has overwhelmingly resulted in lower levels of social mix, enhanced spatial polarization of income by neighbourhood, and intensified inequality (Walks and Maaranen 2008: 293).

Neighbourhood housing stock is a key site of conflict in gentrifying neighbourhoods. Geographic concentrations of deteriorating, disinvested housing stock—as exist in many North American inner cities—are gentrified through the investment of capital in the form of renovations and repairs, and the subsequent revaluation of that housing stock. This private housing stock—that which can be owned, controlled, bought and sold—is thus a key source of power within the struggle over urban space.

Gentrification is the product of urban housing markets that tend towards homogeneity and the geographic clustering of similar classes and similar housing stock. Williams and Smith (1986: 206) describe this tendency as the “geographical division of residential location by class” and the resultant tendency towards the “creation of exclusive domains”. This tendency is itself part and parcel of the way many North American people make sense of the cities we live in, that is, the way in which we often divide cities into distinct parts and the way we ascribe different meanings to those parts (Lynch 1960). In this way, city dwellers come to construct and reify particular urban spaces as places of danger, safety, poverty, affluence, work, recreation, education, vice, morality, etc., in a process of symbolic mental mapping (Shields 1991: 131). Because we live in cities of “good” and “bad” neighbourhoods, and because the proximity of high-value housing provides an economic incentive to create further high-value housing, while an abundance of low-value housing provides a disincentive to the same, gentrification tends towards the total transformation of a neighbourhood’s housing stock and inhabitants, replacing an exclusive domain of low-income people with an exclusive domain of the affluent. In this way, gentrification takes its place beside inner-city decline and suburban expansion as a distinct process of urban change resulting in homogenous urban space.
Just as inner-city decline and suburban expansion were products of specific historical circumstances, so has gentrification been a specific product of complex trends in the past several decades. Beauregard (1993) discusses the circumstantial factors that lead to the attractiveness of inner-city neighbourhoods versus suburbs, and to the first wave of gentrification in the 1980s. These circumstances included: rising gas prices; rising suburban housing costs; decreased urban crime; decreased cost of renovation; and decreased urban fiscal problems.

Gentrification must be seen as both an economically and socially driven process—that is, as driven both by developers seeking a profit and by households seeking an attractive neighbourhood to live in. The “rent-gap” theory—first introduced by Neil Smith—describes a process whereby a gap grows between existing “capitalized ground rent (land value)” of properties in a deteriorated area, and the greater potential ground rent of those properties given reinvestment and repair or replacement (Smith 1987: 462; Clark 1995). If this gap is sufficiently large to recoup the costs of reinvestment, according to the theory, developers will see the potential value and commit to improving the properties in order to obtain higher rents or to sell the property for a profit. Homeowners, in addition to landlords, will often attempt to capitalize on the rent gap by making improvements to their homes in hope of a higher resale value (Hamnett and Randolph 1986). As such, gentrification can be seen as a developer and homeowner-driven process of maximizing the potential value of property in the housing market.

Gentrification is also socially and culturally driven, however, by those buying condos or paying the increased rents in gentrifying areas. The upper-end of the rent gap—the potential revenue to be gained as a result of reno-

vation—is a product of investor confidence in the willingness of middle class people to pay for good quality housing in formerly stigmatized low-income neighbourhoods (Andersen 1995). This confidence often comes from the presence of people reacting against the traditional middle-class domain of the mass-produced postwar suburb, people who may seek out the historic character and urban diversity of older inner-city neighbourhoods. More and more, these people are the childless, university educated young professionals—yuppies—of the post-fordist service economy who seek to construct their identity via the consumption of “authentic” urban neighbourhoods (Ley 1996).

Indeed, older neighbourhoods are often attractive to higher-income groups for their historic character, and the “symbolic capital” (Bourdieu and Johnson 1993: 75) that comes with living in an older urban neighbourhood. “Gentrification”, Mills (1993: 157) posits, is for many a “cultural tactic” through which gentrifiers carve out a specific social niche for themselves. Ley (1996: 175) speculates that the first instances of gentrification in the 1970s were driven by the “hippie” generation of the 1960s, who were motivated by a rejection of sterile, mass-produced suburbs. The emergence of gentrification can also be linked to a cultural transition from modernism to postmodernism (Mills 1993). The North American suburbs, highways, and housing projects of the postwar era were very much modernist, utopian rejections of traditional urban form. The rise of gentrification signalled a return to this “outmoded” form, and a newfound appreciation for heritage architecture and dense (“congested” in the words of modernists) urban living.

The presence and proximity of valuable urban amenities is also an important factor in establishing developer confidence and deciding which inner-city neighbourhoods undergo
gentrification. Public transit, stores, restaurants, and especially proximity to the central business district (CBD) and its concentration of white-collar employment, represent important sources of neighbourhood value. In addition to the CBD, stand-alone white-collar institutions such as universities, hospitals, or concentrations of government employment also represent significant sources of employment for young professionals who may fill and/or initiate reinvestment in nearby housing (Silver 2006: 11).

Across North America, then, disinvested inner-city neighbourhoods have seen capital and middle class households rush back in, decades after abandoning them for the suburbs. Gentrification has not replaced suburbanization, as the latter continues apace, but has opened up a new, different frontier of middle class housing and its inherent opportunities for capital accumulation. Indeed, gentrification has often been accompanied by a sense of discovery, pioneering, expansion and the creation of something valuable for a city’s higher-income groups where before disinvestment and deterioration dominated. Under this logic, disinvested inner cities are re-imagined not as the impoverished, disorderly urban jungles of white-flight suburbanization, but as the fruitful, untamed urban jungle of the gentrifying pioneer and the colonial property developer (Smith and Williams 1986: 16). The urban wilderness becomes the exciting new frontier of expansion, and just as colonialism disregarded the pre-existing inhabitants of its targeted space, the re-discovery of the inner city ignores those who reside there already. Indeed, the influx of pioneers into both these spaces results in the displacement of native inhabitants and their expulsion to far-flung, less valuable places.

Proponents of gentrification tend to uncritically embrace this process, presenting it as simple, objective improvement and renewal, when in reality gentrification adheres more to the rearranging of spatial and class divisions. Those who benefit from gentrification—the re-valuation of space—are generally those who own property in the area undergoing gentrification. The politics of a process whereby a class of property-owners benefits and a class of low-income tenants lose out is ignored by those who construct gentrification as mere improvement. The celebratory transformation of inner-city neighbourhoods into valuable, exclusive middle-class areas negates the fact that this process merely shifts poverty and social problems around a city. As the below quotations suggest, gentrification does nothing to change an urban process whereby devalued citizens concentrate in segregated areas of devalued housing stock, and therefore does nothing to prevent the emergence of new and identical forms of concentrated poverty away from the gentrified area:

“The popularity of the renaissance/revival theme lies in its inherent optimism and belief that squalor is being expunged and the city is being reclaimed for the respectable classes. As such it is a sharply partisan view of contemporary urban change and one which negates the real history of urban development and change. There was no such simple fall and there is no such simple rebirth”. (Williams and Smith 1986: 204)

“The originators and supporters of such policies either do not comprehend that “success” and “social balance” generally lead to the replacement of one population by another, or else they comprehend it and support this displacement”. (Williams and Smith 1986: 217)

The above statements refer to those with an active stake in the promotion of neighbourhood change and gentrification. These actors tend to be those with the most to gain from
increased property values and enhanced neighbourhood attractiveness as judged by middle class interests. It follows that these interests are generally area business owners, large institutions, landlords, and homeowners. These groups often come together in organizations—“growth machines”—to attract investment and promote the general re-valuation of the area (Molotch 1976). In this way, gentrification can often also be a somewhat internally-driven process, as existing stakeholders who stand to gain from outside gentrification encourage it, while those who stand to lose their homes—i.e. low-income tenants—oppose it.

The difference between these two groups is essentially the difference between how they value urban space. Those who stand to benefit from gentrification stand to benefit from the exchange value of neighbourhood property—the capital that land can generate for its owner. Those who stand to lose-out from gentrification stand to lose the use value they take from the neighbourhood as their home—as a place to live and a community to be a part of (Silver 2006: 11). As Burley and Maunder (2008: vi) assert in their recent history of Winnipeg’s Furby Street, the use value accruing to those who manage to secure a stable home constitutes nothing less than “emotional and psychological satisfaction”. Gentrification, then, as it pits property owners against less-powerful tenants, constitutes the disruption of this personal stability and the erasure of home and community for the inner-city tenants it displaces.

Community-University Relations and “Studentification”

As old downtowns and inner-city neighbourhoods across North America have experienced major disinvestment and the flight of residents and commercial institutions to the suburbs, urban universities have mostly remained in the centre cities in which they were established (Perry and Wiewel 2005: 11). Universities have proven much less fickle than their original commercially-driven neighbours, likely because they face fewer local competitors; draw their students and faculty from an extra-city base; and often have large, historic campuses which make relocation unwieldy and undesirable. This has often left universities as the single largest employer, consumer and service-provider in contemporary disinvested inner-city neighbourhoods. Importantly, universities today constitute some of the greatest and most consistent inner-city land owners and developers. As such, as universities grow, acquire land, and develop, they have emerged as some of the most influential shapers of the North American inner-city (Perry and Wiewel 2005: 5).

The powerful position of universities in North American core cities has left them with a strong role to play in the future of inner-city neighbourhoods, but with such power concentrated within a single institution, tension and controversy have regularly followed. “Almost from the beginning, the relationship between the university and its surroundings has been as conflictive as it has been important—captured most commonly in the time-worn phrase “town-gown” relations”, Perry and Wiewel write (2005: 3). The power imbalance between “town and gown”, that is, between universities and the residents of their surrounding neighbourhoods—especially if such residents are already marginalized low-income tenants—often results in a sense of fear and uncertainty about what actions a university will take and how they will affect the neighbourhood.

“It is not uncommon” Austrian and Norton write (2005: 196-197) “to hear communities angrily critique universities for their imperious, unresponsive development policies and intrusive real estate impacts”. But this is also
because universities, more than other institutions, tend to expand so frequently. Universities are motivated to expand for a number of reasons, including the need to accommodate steady increases in student enrolment and the continuous desire to build up-to-date facilities in order to attract and retain quality students and faculty. More ambitiously, universities are often motivated to develop into adjacent neighbourhoods by concerns that these neighbourhoods have a negative impact on the institution.

These concerns are most prevalent, of course, among urban universities who find themselves in deteriorating areas of concentrated poverty. Many American universities, for instance, took advantage of federal Urban Renewal funds in the 1950s and 1960s in order to expand and redevelop inner-city areas simultaneously (Perry and Wiewel 2005). North American universities, more and more, are coming to believe that the health of their surroundings has a direct impact on their own well-being, and are thus prompted to intervene in more and more declining inner city neighbourhoods.

University expansions have directly displaced thousands of low-income families, and contributed to rising rents and the indirect displacement of many more in North American cities since the 1950s (Marcuse and Potter 2005: 50).

The pattern of university students acting as gentrifiers has been termed “studentification”. Emerging from the UK context, the term was introduced by Darren P. Smith, who uses it to describe a migration of students into a residential neighbourhood, accompanied by a pattern of housing renovation and raised rents on the part of landlords. Smith (2005) documented this process in a series of UK cities and college towns. Studentification is, moreover, often encouraged by universities and local governments as a form of neighbourhood revaluation (Smith and Holt 2007).
From Revitalization to Revaluation in the Spence Neighbourhood

If gentrification and university expansion cause the character of neighbourhoods to change—in as much as they constitute infusions of capital, transformations of the built environment, in-migration of more affluent groups and displacement of existing low-income residents—what is at risk of being lost in Spence, and how did the neighbourhood arrive at this point? To answer this question, the particular character of Spence and its historical context will be the focus of this section.

First, Spence has always been a rough, unique, working-class neighbourhood. Historically, it has been home to a great number of recent immigrants and rural migrants. Most houses in Spence today were built in and around 1905 by European immigrants moving south down Sherbrook Street and adjacent streets, from settlements near the CPR tracks (SNA 2001). Sargent Avenue became known as “Icelandic Main Street” and the neighbourhood established its identity apart from the city’s Anglo elite. The neighbourhood’s early 20th century history, according to SNA, featured such things as cows being slaughtered in back lanes; smoked-meat smoke wafting over rooftops; and starving cartoonists such as Charlie Thorson (creator of Disney’s Snow White and Lil’ Pumpkin Head) sketching women and the little creatures of their imaginations. Living hand to mouth in these days, as people in Spence have always done, a rich and distinctive neighbourhood character—“use value”—was cultivated (SNA 2001).

Today, Spence is just as singular, and just as evocative of ramshackle do-what-you-can working class life in Winnipeg. The West End BIZ uses the generic “We are the World” as a slogan for Spence; but Spence is not simply “the world”, it is a distinct place at a distinct time, and it is a product of particular economic, social, cultural and political circumstances both local and global. The relationships between these circumstances, processes, and expressions reveal the special character of Spence as it exists today. These processes and expressions include: colonialism, third-world genocide, white flight, the invention of crack cocaine, the global flow of illegal firearms, Turtle Island, Asia City, Michelle Kwan murals, Discount Everything, the Furby Boys, Zookie, bingo, men’s clubs, Halal Fried Chicken, McDonald’s coffee, Hollywood and Vine, Sherbrook and Ellice, Phil Haiart, the Krazies, life-size synthetic palm trees, Galaxy romances, Vietnamese beaches, methamphetamine laboratories and Erik the Great. Some of these things cause great pain and hardship for Spence residents, and many of them cause great joy. It is this neighbourhood culture, this montage of good, bad, and questionable, that so many Spence residents have come to respect and appreciate over the years. It is this singularity—at times sparked, and always incubated by the de-valued status of land in Spence—that is one aspect at stake in struggles over neighbourhood character, gentrification and encroachment.

More pertinent than the above discussion is the fact that Spence provides meaningful assets and supports to the people who live there. Focus Groups with residents revealed many specific assets: Magnus Eliason Recreation Centre (MERC) was cited in five out of six focus groups: “MERC (is helpful) when your having problems with your kid”, one participant said, “It’s good to know there is a place they can go to (where) programs are run by responsible people. They can come (to MERC) to be safe”.

Good access to public transit and amenities, especially compared to the north end, were often cited. “There is no need to own a car (in Spence)”, one participant said, while others
added that “grocery stores are all close by”, “transportation is easier”, and “I can walk downtown or to Polo Park”.

Free or affordable programs and services offered by Spence’s extensive network of grassroots CBOs, quality schools, and the Health Sciences Centre also rounded out the list. “Programs for kids that are free (are helpful)” another participant said “because I’m on social assistance (and) couldn’t afford programs that you pay for. So it’s real important to have that”. “(There are) a lot of resources (in Spence)”, one participant said, “(such as) the women’s centre and other organizations”, while another added “I like the organizations, non-profits like the Family Centre, Ma Mawi, et cetera”.

The most commonly mentioned asset, however, was the simple proximity of friends and family, and a keen sense of community and of people working together. “Everyone knows each other (in Spence)”, one participant said, as another added “(there is a) sense of community”. “I know a lot of people (in Spence) and my family lives in the area”, said another, “people help each other out”. West Central Streets, Spence’s neighbourhood newspaper, is “the best in Winnipeg” according to one focus group participant.

In the above ways, for all its struggles, Spence offers serious material and social supports to its residents—often people with serious social and material challenges—and functions as a source of strength for those who call the neighbourhood home.

Importantly, Spence has also always been associated with the survival of Aboriginal people. The winter survival skills of Aboriginal people in the area—and their willingness to share them with white settlers—attracted some of the first settlers to the area. The Spence family—for whom the neighbourhood is named—were the original farmers of the land where the neighbourhood now is, and quickly married into local Aboriginal families. The Spence family name persists in the neighbourhood to this day.

In the 21st century, Spence has become a place where urban Aboriginal people struggle, survive and often thrive despite centuries of attacks on their families, culture and autonomy by white colonizers. As an urban space, Spence is a particularly valuable tool for Aboriginal people attempting to strengthen their communities in the face of colonialism, because colonization is at its base a spatial process. While it has deep social consequences, and is aimed at a particular social group by another group, it takes its roots from the desire to gain power over a defined space (e.g. North America, the prairies, etc.) which subsequently necessitates gaining power over the social group which already occupies that space. Thus, any process of decolonization necessarily includes a spatial power logic whereby particular spaces and places are “taken back” from the colonizer, and power over those spaces is regained.

In Spence, a process similar to this has developed since about the 1960s. Fundamentally, the urbanization of Aboriginal people—the migration of Aboriginal people to Winnipeg, and Spence, from Northern communities and rural reserves—represents an antithetical process to that which segregated Aboriginal people on reserves and kept them separated from the mainstream, white, centre of economic, cultural, and social power. With the movement of Aboriginal people into the city, a formerly segregated group has taken its place within the mainstream urban culture, staking a claim to urban citizenship in the region’s premier urban centre.

Next, urban Aboriginal people in Winnipeg, and in Spence in particular, began a process of place-based decolonization through the formation of neighbourhood Aboriginal organizations such as Mamawi, Inner City Aborigi-
nal Neighbours (ICAN), and many others; by impacting existing institutions such as elementary schools, high schools, and even the University of Winnipeg; and through visible representations such as murals, signage, demonstrations, and graffiti (for evidence of Aboriginal-led community development in Spence see Silver 2006).

With this picture of the Spence neighbourhood in mind, we turn to a more quantitative look at how the neighbourhood, and especially its housing stock, has changed since the post-war era.

By 1948, the original neighbourhood housing stock was beginning to show signs of age. A city housing survey in this year described Spence as a “desirable”, but “slowly deteriorating” neighbourhood. By comparison, inner-city railroad neighbourhoods such as Centennial and Salter-Jarvis were considered abject “slums”, in a different league than Spence’s gentle deterioration (City of Winnipeg 1948). Still, as suburbanization took hold of the city in the decades following, Spence’s aging housing stock was gradually abandoned for more spacious new homes on the booming city fringes. In this era, between 1940 and 1970, Spence saw more and more of its single-family homes sold off by their owners and transformed into rooming houses, mostly for low-income single people. But even as housing conditions, values, and population continued to decline, Spence remained a relatively untroubled—in the sense that the worst stigma and social problems were yet to come—and respected working class neighbourhood in this period (Burley and Maunder 2008).

By the late 1970s though, the decline of the Spence neighbourhood had accelerated. For most of the next two decades—the 1980s and 1990s—Spence experienced accelerated population loss, the devaluation of its housing stock, and an influx of Aboriginal people and other racialized groups replacing out-going white residents. From its 1961 population of 7,490, Spence dropped to 4,895 residents in 1981 and to 3,912 in 2001. According to a city-authored study, between 1991 and 1996, two out of every three Spence residents left the neighbourhood. The degree to which these residents were replaced by incoming households did not come close to full replacement (Housing Policy Neighbourhood Housing Indicator Data, City of Winnipeg Community Services 2000).

Housing conditions also deteriorated rapidly during this era, as Spence’s housing stock fell from 39 percent in “good condition” and 8 percent in “poor condition” in 1985, to 18 percent in “good condition” and 26 percent in “poor condition” in 1993 (City of Winnipeg Planning Department 1993). Housing values followed closely, as the average selling price of a house in Spence fell from $44,100 in 1989 to $30,200 in 1997—a 31.5 percent decline in only eight years. By 1999 the median selling price of a house in the area was $16,500, giving Spence the lowest property values of any Winnipeg neighbourhood (City of Winnipeg Community Services 2000).

As value disappeared from the Spence hous-

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<td>1986</td>
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<tr>
<td>1991</td>
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<td>1996</td>
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<td>2001</td>
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<tr>
<td>2006</td>
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</table>

(Source: 1971-2006 City of Winnipeg Census Data; 1951-1961 Millenium Library Census Collection)
ing stock, so too did the incentive for landlords and homeowners to repair it, as money invested in renovations could not be recouped in the overall value of the property and housing conditions spiralled further. Owner-occupied dwellings were rapidly converted into low-income rental housing, again, often through the creation of rooming houses. By 2001, the number of rooming houses in Spence was 137, or 20 percent of all houses in Spence (City of Winnipeg June 2001). Meanwhile, the perception of rooming houses since the postwar era had tarnished, changing from an accepted and respected form of housing to deteriorated warehouses for the city’s most marginalized citizens (Burley and Maunder 2008: 1).

As rents and housing values plummeted in the 1980s and 1990s, Spence saw a concomitant rise in poverty levels. Spence was the only place in the city where many families could afford to live. As one family explained, “If we lived in a different neighbourhood, then we couldn’t afford to pay the rent and buy groceries” (City of Winnipeg Community Services 2000). By 2001, 62.8 percent of households in Spence lived below the low-income cut-off (LICO), while more than nine in every ten Aboriginal families in Spence—92.7 percent—lived below the LICO in 1996 (SNA 2007).

Moreover, the proportion of Aboriginal residents in Spence had grown rapidly, peaking at 32.3 percent by 2001. This number may actually be even higher, as SNA speculates that many Aboriginal people are unwilling to self-identify as such, and that Aboriginal people participate in census surveys at a lower than average rate (SNA 2007). Aboriginal and international migration changed the face of Spence during this era, and by 2001 half of Spence’s residents were either Aboriginal or Filipino (City of Winnipeg and Census Canada 2001).

From its early existence as a desirable, hard-nosed European immigrant community of homeowners in the first half of the 20th century, then, Spence had been transformed—in only a few decades—into a deteriorated, devalued concentration of now-stigmatized rooming houses and low-income rental properties for an increasingly racialized, concentrated inner-city poor.

At the nadir of the decline of the Spence neighbourhood, though, a small group of friends came together in the Soap Opera laundromat and coffee shop on Sargent Avenue in the mid-1990s, often talking about what they saw as the sorry state of the neighbourhood. This small group of residents soon turned their dissatisfaction into “Inner-City Home Ownership Inc.”, which would later become SNA. The small group started with ad-hoc projects such as cleaning up a back lane and renovating a single house, and did not receive government funding. In the late 1990s, however, the group secured funding from the Winnipeg Development Agreement to install outdoor lights on a number of houses. This project allowed the group to recruit more volunteers and take on more projects. As the group grew, permanent staff members were added, and in the early 2000s the organization “made the shift to a representative community development

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. Selling Price (x $1,000)</th>
</tr>
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<tbody>
<tr>
<td>1989</td>
<td>39.2</td>
</tr>
<tr>
<td>1990</td>
<td>40.4</td>
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<tr>
<td>1991</td>
<td>38.1</td>
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<tr>
<td>1992</td>
<td>36.6</td>
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<tr>
<td>1993</td>
<td>35.6</td>
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<tr>
<td>1994</td>
<td>38.5</td>
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<tr>
<td>1995</td>
<td>35.4</td>
</tr>
<tr>
<td>1996</td>
<td>29.7</td>
</tr>
<tr>
<td>1997</td>
<td>32.5</td>
</tr>
</tbody>
</table>

(Source: Winnipeg Real Estate Board, June 1997)
group” by electing a board of neighbourhood residents and securing core funding from the provincial government (<http://www.spenceneighbourhood.org>).

It is noteworthy that organized resistance to neighbourhood decline in Spence came not from the neighbourhood’s most marginalized residents—i.e. low-income tenants—but from property owners. This origin would shape the activities of neighbourhood revitalization in Spence for years to come, as housing values and home-ownership took precedence over the interests of tenants and affordable rental housing in Spence. Chief among the organization’s first strategic goals were renovation of the deteriorated housing stock, raising neighbourhood property values, and re-establishing higher levels of home ownership. The SNA has received substantial government funds for these goals through the WDA and the province’s Neighbourhoods Alive! program. This investment has had a negative impact on many households in the Spence neighbourhood, and forms a large part of this paper’s focus.

In fact, governments and community-based organizations (CBOs) similar to SNA have deliberately fostered gentrification since the process gained notoriety in the 1980s (Smith and Holt 2007). Governments and CBOs, as the first parties to invest in devalued neighbourhoods, have in many cases removed a significant level of financial risk, paving the way for private investors to follow. There is evidence that this is what has occurred in Spence. In the next section we will discuss some of the impacts of government investment in Spence, as it has coalesced with additional sources of investment in the area and lead the Spence neighbourhood to a period of potential transition.

**Neighbourhood Change in the 2000s**

While the introduction of SNA and increased levels of housing improvement has had a significant impact on the character of the neighbourhood, which will be detailed shortly, it is important to note that in many ways Spence remains an inner-city neighbourhood struggling with serious problems. Neighbourhood statistics paint neither a black nor white picture, indicating processes of renewal and investment at the same time as they show the continued presence of impoverished families and deteriorating housing stock. Housing rehabilitation seems only to have slowed the process of deterioration in Spence, as the proportion of housing in need of major repair increased significantly from 10.6 percent to 17.0 percent of all neighbourhood housing units between 2001 and 2006 (Statistics Canada 2006). Neither did homeownership take hold in Spence the way SNA envisioned. In 2006, 83.0 percent of Spence residents rented their homes, up slightly from 81.5 percent in 2001 (ibid). Moreover, almost half (44.0 percent) of Spence tenants still spent more than 30.0 percent of their income on housing, leaving fewer resources for other day-to-day needs (ibid). These trends are mirrored by a growth in neighbourhood rooming houses. Between 2002 and 2004 the number of rooming houses in Spence grew by 30, to approximately 145—or 20 percent of the neighbourhood’s total housing stock—a further indication of the concentration of poverty and dire need for affordable housing in Spence (Institute of Urban Studies 2005: 1).

**Table 3: Spence Housing in Need of Major Repair**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>1996</td>
<td>11.0%</td>
</tr>
<tr>
<td>2001</td>
<td>10.6%</td>
</tr>
<tr>
<td>2006</td>
<td>17.0%</td>
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</tbody>
</table>

(Source: City of Winnipeg census data)
Since reaching the nadir of its decline in the early 2000s, however, Spence has steadily changed in many ways. Indicators of this change include an increased population, rising average household incomes, a smaller proportion of residents paying more than 30 percent of their income on housing, skyrocketing property values, and higher rents. After decades of population decline, Spence grew by 12.5 percent between 2001 and 2006, adding 488 people (Statistics Canada 2006). By comparison, the City of Winnipeg as a whole grew by only 2.2 percent during this period. Between 2001 and 2005, average household incomes in Spence rose from $24,752 to $28,729 (all figures in 2009 dollars), even as median family incomes in the city as a whole dropped (Statistics Canada 2001 and 2006). As incomes rose in the first half of this decade, people in Spence spent less of their money on housing, leaving more money for things like food, transportation and child care. While still high, at 44.0 percent, the proportion of Spence rental households spending more than 30 percent of their income on housing decreased 3.6 percentage points compared to 2001 (Statistics Canada 2006). This number for households who owned their home dropped more precipitously, from 14.8 percent to 8.0 percent (ibid).

With more and higher income people now living in Spence, the value of housing in the neighbourhood swelled to remarkable levels. In 2000, homes in Spence and neighbouring West Broadway sold for an average of $34,377—some for much less. By 2007, the same homes sold for an average of $81,649 (Winnipeg Realtors Association, 2000, 2003 and 2006). This rapid seven-year 138 percent increase in property values more than doubled the city-wide increase of 63 percent over the same period (ibid). Today, homes in these neighbourhoods sell for over $100,000, when just a few years ago properties were regularly purchased for under $5,000 (Focus Group with Spence landlords, August 6th, 2008; the Institute of Urban Studies 2005: 12). For a disinvested inner-city neighbourhood down on its heels in the early 2000s, when houses were so cheap landlords occasionally picked them up with credit cards, the transformation was unimaginable (ibid).

Winnipeg’s perception of Spence had changed for the better since the 1990s (Instructor and Class of 62.375 Department of Family Studies, University of Manitoba 2001: 5). The changes underfoot in Spence were visible, and to the brand-new houses, fresh paint jobs and picket fences were added new and different commercial amenities along its most high-profile commuter streets. Though pawn shops, storefront CBOs, and sex-trade workers still make up a large part of the activity on Ellice and Sargent avenues, to this mix the commu-

<table>
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<tr>
<th>Table 5: Average Household Incomes in Spence</th>
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<tr>
<td>Year</td>
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<tr>
<td></td>
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<td></td>
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<tr>
<td>(Source: City of Winnipeg census data, all values in 2009 dollars)</td>
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<table>
<thead>
<tr>
<th>Table 6: Spence Households Spending 30 Percent or More of Their Income on Housing</th>
</tr>
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<tbody>
<tr>
<td>Year</td>
</tr>
<tr>
<td>1996</td>
</tr>
<tr>
<td>2001</td>
</tr>
<tr>
<td>2006</td>
</tr>
<tr>
<td>(Source: City of Winnipeg census data)</td>
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</tbody>
</table>

Canadian Centre for Policy Alternatives–Manitoba

13
nity has noticed the subtle addition of several storefronts that mostly cater to higher income people. Three new and popular cafes have opened in and around Ellice Avenue in the past few years. An old Ellice Avenue pawn shop has been converted into a new lunch spot, a student-friendly bookstore has opened across from Asia City on Sargent Avenue, a vintage clothing store and art gallery have opened across from the site of the university’s new residence hall, and a former single-room occupancy (SRO) hotel—the Gordon Downtowner—has been transformed into a youth hostel and one of the city’s most popular new live-music venues. These are minor changes to be sure, but taken together and added to the plethora of ethnic restaurants in Spence already catering to primarily middle-income non-residents, the neighbourhood’s middle-class attractiveness—and therefore value—has visibly increased in the past few years. So while Spence still remains a source of fear and derision for many Winnipeggers—shrouded in “inner-city” stereotypes of violence, drugs, disorder and, especially, car-theft—more and more of the city’s university students and middle classes have found things to like about Spence.

In the following sections, we will discuss three major sources of the investment, revitalization, and improved perceptions in Spence just described. The first is SNA, which has kick-started a process of investment in Spence, largely through its leveraging of public money for housing rehabilitation. This investment has led to a dilemma for SNA inherent in the problematic nature of housing rehabilitation through market-led strategies—particularly when the proponents do not provide one-on-one replacement—which includes attendant decreases in affordability and the resulting displacement of low-income residents.

The second is the University of Winnipeg (UW), as it has entered a period of expansion, property acquisition, and new construction. Responding to the cramped confines of its urban location, as well as to historic spatial and social divisions between campus and community, the UW is spreading out on all sides and sees itself as a major player in the transformation of Spence and downtown. As investors and developers, SNA and the UW are major sources of confidence for private sector property-owners in Spence.

As a third player, landlords and property developers tell us they have reacted to the climate of re-investment nurtured by SNA and the UW by investing heavily in capital improvements to the Spence housing stock. Taking their cues from earlier processes of investment in adjacent West Broadway, developers now see significant potential for the revaluation and transformation of the Spence neighbourhood.

Together, these three sources of investment provide the seeds of gentrification in Spence. But together, alongside government, these three players could also be the source of equitable revitalization and the retention of everything that makes Spence a good place to live.

<table>
<thead>
<tr>
<th>Table 7: Changes in Average MLS Sale Price for Residential Detached Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multiple Listing Service (MLS) Area</strong></td>
</tr>
<tr>
<td>5A (Spence and West Broadway neighbourhoods)</td>
</tr>
<tr>
<td>City of Winnipeg</td>
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</tbody>
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live—for new groups of people as well as those who live there today.

**Investment and Housing Revitalization: the Spence Neighbourhood Association**

Housing re-investment has always been at the fore of SNA’s agenda. In its 2007 Housing Plan it writes that “Improving housing was the reason community members organized to form Spence Neighbourhood Association”. Much of SNA’s original strategy for housing revitalization revolved around encouraging homeownership over rental housing. In 1997 Inner-City Homeownership Inc. adopted a list of founding goals to direct its revitalization activities, including: assisting residents and non-residents alike in purchasing homes in Spence; improving the quality of owner-occupied homes and demolishing abandoned houses; creating opportunities for landlords to buy housing in Spence for the purpose of renovation and re-sale to homeowners; eliminating illegal rooming houses and creating better options for childless households; improving the attractiveness of housing exteriors; and improving the quality of rental housing (City of Winnipeg Community Services Department, 1998). With these goals, SNA embarked on a mission—in partnership with several other non-profit groups, including Lazarus Housing, the Housing Opportunity Program, and Winnipeg Housing and Rehabilitation Corporation—to improve the quality and attractiveness of housing in Spence, bolster non-resident perceptions, and increase the market value of property in the neighbourhood (Canada Mortgage and Housing Corporation 2005: 118). At this time little foresight seems to have been given regarding how, exactly, low-income Spence residents were to afford re-valued neighbourhood housing.

In the early going, SNA’s goals of increased homeownership and higher property values were not realized. In the late 1990s and early 2000s housing disinvestment in Spence continued apace, showing little regard for the SNA’s activities. Average housing values fell from $51,160 to $44,654 in SNA’s first five years, as average gross monthly rents also dropped, decreasing by 21.2 percent (City of Winnipeg census data 1996 and 2001). In the next five year period, however, SNA’s steady investment in housing rehabilitation would begin to achieve some of the organization’s goals.

The year 2005 appears to have been a key tipping point in the fate of the Spence neighbourhood. After almost ten years of SNA activity and active support for homeownership, housing values had now begun a precipitous rise, higher levels of homeownership were noticeable, rents had increased much faster than in the city as a whole, and for only the second time in fifty years the neighbourhood’s population had not declined, but grown. The goals of increased homeownership SNA originally brought to neighbourhood revitalization were now being realized. In its 2007 five-year plan, it wrote:

“In 2000, 67.8% of “residential dwellings” — or houses — were rental. In 2005 the number was 64.9%. This means that approximately 50 houses moved from rental to owner occupied. While in a larger community this may not seem like a large amount, it is a significant enough change that people in the Spence area are noticing the movement”. (SNA 2007)

Furthermore, the stemming of neighbourhood out-migration by 2005 was credited to the work of SNA and its non-profit partners on the homeownership front: “SNA officials attribute this (12 percent population increase) to their substantial efforts in the last decade rehabilitating existing housing and building infill housing that targeted stable families and owners” (Kohm 2007: 9). Indeed, many non-
profit housing groups, including Lazarus Housing and the Manitoba Housing and Renewal Corporation (MHRC), have been actively involved in the conversion of neighbourhood rooming houses to single-family occupancy (Interview with SNA staff June 2008).

These new “stable families and owners”, brought in by SNA, were now generating a somewhat self-sustaining process of neighbourhood revaluation. By 2005, many small non-profit groups, including SNA, could no longer afford to purchase houses for renovation—housing prices were simply too high. To some extent, private investors had picked up where SNA and its non-profit partners had left-off. The upcoming section on neighbourhood landlords looks at the significant extent to which for-profit property developers in Spence have accelerated their investment and housing renovation since 2005.

As SNA had drawn government funding into Spence, it had encouraged the activities of a number of other housing organizations and worked in tandem with several state-run programs, including the Winnipeg Housing and Homelessness Initiative. By 2007, “over 100 homes (had) been renovated by Winnipeg Housing Renovation Corp, Lazarus Housing and Housing Opportunities Program and sold for private ownership” (SNA 2007). Between 2000 and 2008—but largely before 2005—SNA and its partners renovated and created a total of more than 200 housing units in Spence, or roughly 12% of the neighbourhood’s housing stock. Over this period, these organizations renovated 99 rental units and 45 owner-occupied houses, adding 16 new rental units and 42 new houses for private ownership.

The organization was also making progress towards its goal of eliminating the most troubled rooming houses and “houses of concern”—houses that were particular eye-sores and often where people with substance-abuse issues, sex-trade workers, loud noises, and troubling behaviour concentrated. Thirty-three of these houses were eliminated between 2006 and 2008, often with the help of the province’s new “Safer Communities and Neighbourhoods Act”—a new law with the power to respond to neighbours’ complaints by ordering disruptive tenants to leave their homes for a specific period of time. Investment in the elimination of these properties likely had a substantial impact on the overall attractiveness of Spence housing stock, as the presence of even one dilapidated house has been shown to bring down the values of all properties on a given block.

Through this investment, SNA had directly achieved its goal of re-valuation in Spence. As average selling prices in Spence and West Broadway reached $80,000, the Winnipeg Realtors gave their assessment of the neighbourhoods’ recent changes:

“The dramatic turnaround in MLS housing prices in the designated inner city neighbourhoods [Spence and West Broadway] is testimony to the work of the many housing providers working in these communities. This neighbourhood resurgence would not have happened without the coordinated financial support of the Winnipeg Housing and Homelessness Initiative. Despite this progress, much work remains to be done and the continued involvement of the WHHI is essential”. (City of Winnipeg 2007: 1033)

<table>
<thead>
<tr>
<th>Table 8: Average Gross Rents in Winnipeg and Spence 2001-2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spence Avg. Gross Rent</td>
</tr>
<tr>
<td>2001 $402</td>
</tr>
<tr>
<td>2006 $449</td>
</tr>
<tr>
<td>% increase 11.7</td>
</tr>
</tbody>
</table>

(Source: City of Winnipeg census data, all figures in 2009 dollars)
“The improvements in Spence and West Broadway, coordinated and stimulated in large part by the work of the SNA and the WBDC, have been capitalized into the price of housing in the two neighbourhoods in the way that Galster et al (2005: 1) identify as “the single best measure of neighbourhood improvement”. And housing prices have increased in the two neighbourhoods by 91.5 percent more than in the city as a whole, which is even higher than the 69 percent that Galster et al found in the best case in their US study” (Silver, McCracken and Sjoberg, forthcoming).

By 2005, Spence was seeing two new, simultaneous processes—the in-migration of new, stable, home-owning families (Kohm 2007: 9; Canada Mortgage and Housing Corporation 2005: 118) and the steep rise of housing values (Winnipeg Realtors Association 2000 and 2006). These trends—the realization of clearly-stated SNA goals—were met with concern by many residents. Beginning to see the consequences of rising housing prices, and thus rising housing costs, a 2005 CMHC study found that the lowest-income residents of Spence were having increasing difficulty affording housing in Spence (121). Many residents felt left out of SNA’s housing programs, which were often aimed at “low to moderate income” people, but generally excluded low-income residents (CMHC 2005: 118).

One example provided by the report’s authors, who focused particularly on Aboriginal households, focused on SNA’s rent-to-own housing program. This program excluded households reliant on social assistance or with similarly low income levels, restricting applicants to those with incomes above the LICO up to $46,379. Because of the economic requirements of homeownership—i.e. mortgage payments and reserve funds for maintenance and repairs—it doesn’t make practical economic sense to encourage those citizens with the lowest incomes to own homes—they simply can’t afford to. The concern with programs like SNA’s rent-to-own initiative, then, is not prejudicial income discrimination on the part of SNA staff, but the fact that homeownership as a goal of revitalization inherently leaves out the neediest residents of any area. With its above-LICO minimum income requirement, SNA’s rent-to-own program essentially left out the approximately 90 percent of Aboriginal households in Spence below the LICO (SNA 2007). This feeling of exclusion from SNA housing programs on the part of Spence’s lowest-income residents mirrors broader feelings of exclusion from SNA as a whole, particularly among Aboriginal residents (Silver 2006: 43). By subsidizing homeownership, converting rental homes to owner-occupation, attracting new and more affluent households, enhancing outside perceptions of the neighbourhood, and raising housing costs in Spence, SNA had achieved many of its goals of neighbourhood attractiveness, but had largely failed to serve the housing needs of Spence’s lowest-income families. As SNA moves into an era of higher neighbourhood housing costs—an era, in part, of its own making—will the organization seek to protect the most vulnerable resident from displacement? Early signs point to an awareness and willingness on the part of SNA staff to make this a priority.

By the second half of the 2000s SNA had almost single-handedly triggered a sweeping process of housing renovation and rising property values in Spence. Although many homes in Spence continued to deteriorate, SNA had laid a foundation of value and investment in Spence, through the leveraging of government money and the injection of capital into a significant proportion of neighbourhood housing, and in the process had become a key source of private confidence in the neighbourhood’s housing stock. Another key source of investment and burgeoning confidence in Spence—the UW—is the subject of the next section.
The University of Winnipeg: An Era of Expansion

The key injection of capital into Spence by SNA in the 2000s was met, towards the middle of the decade, by a new era of geographic expansion and investment for the UW. The university appointed a new, high-profile president—former MP and federal Cabinet Minister Lloyd Axworthy—who brought a bold vision for the future of the U of W campus and its surroundings. The national media took notice, portraying Axworthy as saviour of both Spence and the UW:

“Shortly after he arrived in Winnipeg, Axworthy threw out the university’s old development plan, which called for modest renovations. He envisioned something far more dramatic—for which the university did not have the capital. So Axworthy went trolling for funds outside the confines of the campus, tapping local connections he had developed over his 27-year political career… In meetings with local developers, downtown business owners, and representatives from the chamber of commerce, he dangled the economic clout of a 10,000-strong student body”.

(Macdonald, March 12, 2007)

Axworthy arrived at the UW with a lengthy background in downtown redevelopment, moving from an early position as director of UW’s Institute of Urban Studies to craft Winnipeg’s first $200 million Core Area Initiative (CAI) in 1981 as federal Minister of Immigration and Transportation (Decter and Kowall 1990: 4). Axworthy’s CAI, though it funded a number of grassroots CBOs and affordable housing initiatives, was criticized for directing much more public money to privately-owned shopping malls and office towers than to people actually living in the inner city (Inter-Agency Group: Community Inquiry Board 1990: 9).

The UW soon initiated an aggressive fundraising campaign, attracting the largest private contribution in UW history and its largest ever corporate donation (Macdonald, March 12 2007). The UW also successfully lobbied the provincial government, which handed up to $25 million of public money for the UW’s expansion—the largest single injection of government funding in the UW’s history. With a powerful new president at the helm—one with a deep network of political connections and a history of downtown development—and the most money it had ever leveraged at one time, the UW set to work addressing a couple of long-standing concerns.

Like many other inner-city universities, the UW was—and is—motivated by both internal and external factors in its decision to expand. It is driven internally by its needs as an institution to remain competitive, offer state-of-the-art facilities, attract and retain students and faculty, and accommodate the everyday needs—e.g. housing—of those people. But it is also driven by the desire to transform that which is external to the university—the neighbourhood around it—as it realizes its fate as an institution is vitally bound to the health of its surroundings. In this way, the UW is motivated by the desire to make Spence as safe, comfortable, and attractive as possible for its students, professors, and visitors. The UW had long-grappled with these issues before the arrival of its new president in the middle of the decade.

The main internal impetus for the UW’s expansion is simply that the university feels cramped in its existing confines, wedged between two older low-income neighbourhoods—Spence to the north and west, West Broadway to the south—and the city’s central business district to the west, and is desperate for additional space. Its existing campus (until the completion of its Langside Street expan-
sion in Fall 2009), was constructed to accommodate a relatively small student population of 3,500, while today its buildings and classrooms play host to a student population of over 9,000 (Interview July 29 2008). If it were to follow the spatial requirements of its initial construction, the university would require a campus 2.5 times the size of its existing area just to accommodate its current student base. Where the average Canadian university campus provides approximately 200 square feet for every one of its students, the UW can currently offer only about 63 square feet (Interview July 21 2008). And while at many Canadian universities on-campus student housing is a constant, integral aspect of university life, the UW has historically never emphasized student housing on its campus, indeed, it has never had room to do so (Interview July 29 2008). In order to sufficiently accommodate its existing student population, then, the UW feels the need to take additional space around its existing campus in a process of outward expansion:

“The University has not expanded the general academic space since the construction of Centennial Hall in 1972.... During the last 35 years, the University population has expanded dramatically. Additional academic space has been carved out of all existing buildings with rooftop additions, hallway reductions and classroom conversions. Many of the existing labs survive on patchwork upgrades... the University anticipates requiring additional building area of between 215,000 to 350,000 sf within the next 10-12 years”. (U of W Development Plan 2007: 30)

The UW does not want simply to react to its present circumstances, though, but to plan for future growth. In order to evolve and remain competitive, the UW wants to grow both demographically and spatially (Rattray July 18th 2008; Interview July 21 2008). To this end, the university has been actively recruiting international students in recent years, particularly from Asia, and believes its new science complex and Richardson College for the Environment—now under construction on Langside Street—will attract huge numbers of Asian students (Interview July 17th 2008). In addition to international students, the UW also sees a major source of student growth in rural and out-of-province areas (Interview July 21st 2008). Growth in these “new Winnipegger” students automatically necessitates for the U of W, it says, the need to house these students. Expansion of student residences in the planned McFeetors-Great West Life Student Residence Hall on Langside and in its existing Lions Manor complex on Sherbrook Street is intended, in large part, to meet this need. Proximity to the university is very important in this respect, as the UW moves toward the provision of increased amounts of student housing in and around the Spence neighbourhood (Interview July 21st 2008).

More than just meeting its basic institutional needs for growth, the UW’s recent expansion and development is motivated by a drive to transform the character of its surroundings. The university has long faced challenges related to the fear generated by the concentrated, racialized poverty on its doorstep. In its current development plan, the UW includes as a driving principle the concept of “University as Urban Village”—that is, of transformative integration of the university into the surrounding low-income neighbourhood (UW Development Plan 2007). Within this plan, the UW consciously views itself as a partner in the larger revaluation of Spence, as initiated by SNA and other non-profits:

“The new village will fuse the University into the surrounding residential neighbourhoods. The revitalization of the University will go hand in hand with the continuing community development of
adjacent urban neighbourhoods and the wider downtown. Like European precedents, the new village will break down the isolation of the University and interconnect it within the fabric of the city—town and gown will become more closely interrelated". (U of W Development Plan 2007: 13)

In much of its planning rhetoric, then, the university discusses its aspiration to break down the barriers between university and community—to “open itself up” to the residential neighbourhood (Interview July 21 2008; UW Development Plan 2007). But the problems of division between town and gown are, in many ways, problems of communication. One person’s “opening up”, for instance, is another’s “encroachment”. More than a simple opening up, the university wants to change the character of Spence. Although the streets and back lanes of the neighbourhood have been attractive and exciting spaces, for certain people, for years, the UW has an interest in making them even more vibrant, attractive, and student-friendly through the creation of this new “urban village”.

Within the university’s mission of transformation for Spence lies, in principle at least, the desire to include Aboriginal people. This clearly-stated principle of development (UW Development Plan 2007: 16) appears to reveal the university’s recognition of what Spence has become to Aboriginal people over the years—a source of strength, community, and decolonization—and is to the UW’s great credit. To clarify, though, the UW’s development plan consistently emphasizes the inclusion of Aboriginal people as students at the university, rather than as residents of Spence:

“The new village must have a strong Aboriginal presence in order to provide a place of belonging for Manitoba’s growing First Nations, Métis and Inuit student community. The University of Winnipeg, as an urban campus, is uniquely situated to become the academic home for this growing population”. (U of W Development Plan 2007: 16, emphasis added)

This subtle emphasis on Aboriginal people as students, rather than as residents, or tenants, is important. Most Aboriginal people living in Spence do not attend university. Many, living in poverty, raising families, and scraping by everyday, will never attend the UW. These are the people vulnerable to displacement through the revaluation of Spence, a process in which the UW is an active participant.

“Community Development” in Spence is another driving principle of the UW’s recent expansion (UW Development Plan 2007: 18). In many ways, the university’s conception of community development is constituted by the desire to strengthen local commercial businesses and make the neighbourhood as consumer-friendly as possible.

“The University will strengthen the economic fabric of the surrounding community by continuing to develop an alliance with local businesses. The West End BIZ and Downtown BIZ districts work to promote the economic and cultural vitality in the areas surrounding the University. By encouraging Winnipeg residents and tourists to visit downtown and the urban neighbourhoods, the BIZ organizations hope to create a safe and prosperous area to live, work and play”. (UW Development Plan, 2007, p.18)

Problems like unemployment and low incomes in Spence, though, most often have their roots in structural and personal barriers to employment, as well as the poor quality of post-Fordist working-class jobs, rather than in a lack of local economic strength or the availability of such jobs (Broad 2006: 49).
In addition to its planned transformation of Spence into a “university village”, the UW sees itself as becoming a greater part of the downtown’s lagging, but perpetually up-and-coming, business district. This aspect of its motivation is in keeping with Axworthy’s history of central business district investment as part of the CAI. Through expansion in all directions, the UW now seeks to change the face of “downtown west” and claim exposure for itself, especially via development along highly-visible Portage Avenue (Interview July 17th 2008). In this way, the UW has entered itself in the long history of attempts by Winnipeg’s commercial downtown to promote and sell itself to the city’s suburban populace. Inherent in all the UW’s recent development, then, is a desire to attract more and more non-residents into Spence, and to imbue the area with a new attractiveness and desirability.

**The UWCRC and Community Consultation**

With the goals of inner-city and downtown transformation in mind, the UW under the new direction of Lloyd Axworthy created the University of Winnipeg Community Renewal Corporation (UWCRC)—an internal body tasked with the development of priorities and plans for expansion. From the start, the university stressed a combination of sensitivity to its low-income neighbourhood and a desire for private commercial investment to lead the way.

“After six months, numerous research projects and over two hundred consultations with the community we launched the University of Winnipeg Community Renewal Corporation (UWCRC) which was designed to deal directly with the community and based in part on their recommendations to investigate private sector partnerships to create new retail and office space”. (Axworthy 2005)

Between 2004 and 2006, the UW initiated extensive community consultations in Spence, including a series of open houses and design “charettes”. The events organized by the university yielded a rosy perception of the plans presented, as 83 percent of participants reacted positively (Rattray July 18th 2008). The power of the community within this process was evident in changes made to the initial plans. For instance, a two-story parking garage planned for the university’s proposed Langside expansion was vetoed by neighbourhood residents during the consultations. Moreover, the university has ensured the inclusion of neighbourhood residents on the boards of the UWCRC and a sub-group that helped create the 2007 development plan. This inclusion has provided the community with a formal and legal voice at the table of development decisions (Rattray July 18th 2008).

Despite these gestures towards the Spence community, however, significant dissatisfaction with university real estate practices has emerged. One key site of controversy between Spence residents and the UW involved the university’s demolition of an historic and still much-loved neighbourhood roller rink—one of the oldest in western Canada. In a neighbourhood with often debilitating youth gang activity, on good nights the Galaxy Roller Rink provided hundreds of inner-city children and teenagers with a safe night-time recreation opportunity. That the university would demolish this resource seemed hypocritical to many Spence residents familiar with the UW’s repeatedly-expressed sensitivity to community needs. One former UWCRC board member explains that while the renewal corporation was initially very receptive to community interests in regard to its plans for expansion, the receptiveness was not sustained. After this early phase, the corporation became increasingly unreceptive and unresponsive to community interests (Interview June 17 2008). And it was during this period that the university
carried out its massive demolition and clearance of the area between Portage Avenue, Ellice Avenue, Langside Street, and Furby Street which contained the Galaxy Roller Rink, several houses, a bookstore, and a car dealership (Interview June 17 2008). With respect to SNA, many workers say the UW seems not to consult the community’s housing plan as part of its own development plans, and does not generally share its plans with the community until very late in its planning process.

Present and Planned Expansion

This section will discuss the projects that constitute UW’s present agenda of expansion. In the mid-2000s the UW received government funding through the Winnipeg Partnership Agreement (WPA)—the continued legacy of Axworthy’s 1981 CAI—to plan its new expansion (U of W Development Plan 2007: 2). The university’s current development plan, published in 2007, is the result of this process. Of the many expansion and development initiatives detailed in this document—including the development of its Canwest Theatre and Film complex on Colony Street, the expansion of the Duckworth Centre athletic facility, and expansion into the bus depot complex at 491 Portage Avenue (in addition, the UW has added space in the nearby Rice building, acquired the former Army Surplus building, and considered acquisitions in the Hudson’s Bay building and Holiday Inn tower)—the most significant is its planned science building and student residence on the Galaxy demolition site.

The $30 million (Macdonald March 12 2007) science building—the Richardson College for the Environment—will replace the UW’s outdated laboratory facilities with a “highly visible”, “state-of-the-art” complex on Langside Street (UW Development Plan 2007: 38). To aid its western expansion, the UW plans to create a new “loop road” and “green corridor” system to connect the new college to the existing campus (UW press release July 11 2008) The college is a key piece of the UW’s internally-motivated mandate to remain competitive and attract greater numbers of students. These new students, many of whom are expected to come from outside Winnipeg, will require housing nearby.

To this end, the UW has at the same time broken ground on its estimated $9 million McFeetors-Great West Life Residence Hall, a stone’s throw from the site of the science building. Expected to open for the Fall semester of 2009, the hall will bring approximately 176 students into Spence to live, eat, study, and shop (Interview July 17 2008). Student housing, is, after all, a vital component of the UW’s planned “urban village”: “in order to define the University as an urban village, it is essential to reach a critical mass of residents on campus. Increasing residents on campus will also help support the new retail and food service facilities” (UW Development Plan 2007: 54, emphasis added). The hall will be comprised mostly of dorm housing for single students, with 25 units allocated to families. Of these 25 larger units, 15 will go to students of the UW—or any other local post-secondary institution—who have children, and 10 will go to low-income families already living in Spence. Manitoba Housing and SNA will reportedly assist the U of W in finding families to fill these units. To the new housing the university will add a new childcare facility open to children of UW students and neighbourhood families (UW Development Plan 2007: 16). The inclusion of housing for low-income families connects with a $500,000 grant from the provincial government’s new Housing Development and Rehabilitation Fund, which redirects government profits from new suburban housing developments to inner-city housing (Province of Manitoba News Release November 22 2007).
This addition of 10 units of quality affordable housing in Spence could well be a valuable asset in allowing low-income families to remain in the neighbourhood if rents and housing costs continue to rise. With luck, the UW will maintain these units for low-income families in perpetuity. It is unclear, however, if the UW has a binding agreement with Manitoba Housing to maintain these units at an affordable rate. Unpromisingly, UW officials claimed in the summer of 2008 that 12-13 units in the new complex would be set-aside for low-income families, but by May of 2009 that number had shrunk to 10 according to an advertisement in the May 20th edition of the UW student newspaper the Uniter.

The remainder of the UW’s current student housing strategy focuses largely on units in Lions Manor—the high-rise seniors’ housing complex on Sherbrook Street and Portage Avenue. Since the Fall of 2007, the UW has converted approximately half of the 100 units in the south tower of Lions Manor to student housing, and steadily increases its share by 2 to 3 units a month (Interview July 17th 2008). Although we did not speak with Lions Manor residents, SNA staff report that many seniors, displaced or shuffled around by incoming university students, have had their lives significantly disrupted by the process. By 2010, the UW hopes to have its students occupy the entire south tower of Lions Manor (ibid). Although the UW owned and operated 32 units in 4 homes on Spence Street in 2008, the university is moving away from this small-scale model of student housing, towards the larger developments exemplified by McFeetors Hall and Lions Manor (Interview July 29th 2008). The UW’s latest housing expansion, then, signals a new step in its gradually increasing student housing presence in Spence. In the 1980s, for instance, the UW operated no student housing around its main campus (Interview July 29th 2008). By 2001, the UW had acquired and renovated seven mostly low-income rooming houses for student occupation, and struck a marketing agreement with Kinkora Developments whereby the university directs its students to the developer’s neighbourhood properties—two apartment blocks, on Young and Furby Streets, and a house on Furby. The apartment block on Young Street was initially intended to house both students and low-income residents, but has since come to be filled almost entirely with UW students (Interview SNA Housing Coordinator June 2008). Today these three properties together are filled with upwards of 70 percent UW students, and have their rents set under UW standards, not provincial RTB regulations (Interview July 17th 2008). Eight years after this initial foray into housing development in Spence, the U of W will open its first major new residence hall on Langside Street in 2009.

The UW, however, does not intend to complete this process with the construction of McFeetor’s Hall and its Lions Manor acquisitions. Once established, the latter two clusters will comprise approximately 418 student housing units (Interview July 17th 2008). But the UW needs more than this—“The University presently anticipates a need for an additional 500 student residences over the next five years to meet the needs of international and rural students” (UW Development Plan 2007: 54). The nature and location of the remaining 82 units, which the UW would like to acquire by 2011, has not been confirmed by the university (Interview July 17 2008). The UWCRC’s property manager, however, notes that the university is interested in leasing an entire privately-owned apartment block in Spence to fill this need (ibid).

In 2006, approximately 3,652 Spence residents were tenants. With the addition of 176-unit McFeetors Hall and 82 more student housing units, this figure would rise to 3,910. If 500 of these tenants were students, as the UW plans,
students in official student residences (not including those students renting non-university housing) would represent approximately 12.8 percent of renters in Spence, and 10.7 percent of the total population (500 of 4,656 residents). This figure is a significant increase from the zero student residences in Spence in the 1980s.

Safety and proximity are two fundamental characteristics of the student housing the UW wants to provide for its students (Interview July 21 2008). With regard to the latter, the UW has its sights set on housing in the immediate vicinity of the university campus—even Beverley Street, at seven blocks from McFeetors Hall, is too remote for the university to consider (Interview July 17 2008). And as housing in the vicinity of the UW’s expanded campus becomes the target of a developer in need of at least 80 additional housing units, urban space in the vicinity has also come under intensified surveillance and security from the UW, in the name of its students’ safety.

The UW has, in recent years, ramped up its surveillance of the neighbourhood. The university’s “mobile patrol”, on foot and from inside its vehicles, patrols Spence day and night, mostly between Portage and Sargent Avenues, between Sherbrook and Balmoral Streets. Night security guards and patrols, especially, have been intensified, now making regular and frequent rounds of the neighbourhood after dark (Interview July 17 2008). Moreover, with the advent of the UW’s expansion beyond its main, insular campus, the university has seen the need for increased foot patrols in the area surrounding the western expansion, negotiating with the Downtown BIZ to have that organization’s patrol unit watch over neighbourhood university students. As a sign of the new, secure times, the U of W’s electronic video surveillance of Spence has reportedly increased ten fold.

Taken together, these efforts betray what seems to be a keen sense of combat on the part of the UW in Spence. Rounding up its 2007 profile of Axworthy-as-urban-cowboy, Macdonald fittingly wrote: “Axworthy points from the lone window in his office to a row of crack houses overlooking a snowy back lane. “That’s our competition.” (March 12th 2007).

For many hardworking low-income families in Spence, though, these houses are also “competition”. Regardless of any concern over excessive university-driven social control these expanded security initiatives may prompt, they represent a double-edged sword for the low-income community in Spence. Most neighbourhood residents welcome any effort to make the neighbourhood safe, and everyone has a right to live in a safe neighbourhood, but safety can also be the number one factor, according to landlords in our focus group, in determining neighbourhood attractiveness, in-migration of middle class people and significantly increased rents—in short, of gentrification. Spence residents—sick of living in fear and having friends and family fall victim to street violence—may justifiably welcome the enhanced security. Whether or not they can afford it becomes another issue.

The UW in Spence:
Analysis and Conclusions

The UW’s “university as urban village” is an intriguing and in some ways troubling concept. It takes as its basis the notion that currently two separate entities exist—the UW and the Spence neighbourhood—and it takes as its goal the fusion of these two entities. What will this look like? Will one have more influence over the other, and if so, which one? Will the university transform the Spence neighbourhood in its image, or vice versa? It is again a question of power and value. The UW is more powerful, and more economically valuable, inch-by-inch, than the Spence neighbourhood.
The UW has stated its intentions—as have universities across North America—to transform its surrounding neighbourhood so as to offer a safer, more comfortable, and more attractive environment to those groups whose interests it exists to serve. As such, it must be asked: will the UW’s transformative agenda preserve Spence’s existing residential community, and protect its lowest-income residents from displacement? Or will it change the character of the neighbourhood entirely, so that there is no longer a distinction between university and community, but only the university’s “urban village” of students, faculty, and other middle class households able and willing to afford property in the newly re-valued area?

For one indication, we can look to the many deeply caring actions the UW has taken towards Spence residents. Indeed, in many ways, the UW has been an exceedingly good neighbour to low-income Spence residents (to use its own language). One of its greatest contributions to neighbourhood residents has been the Wii Chiwakanak Learning Centre—a building on Ellice Avenue that offers drop-in educational and recreational resources to approximately 4,000 people per month (Interview July 29 2008). Hundreds of children and teenagers participate in programs offered through the university’s Innovative Learning Centre in ten inner-city schools (ibid). Community groups have been given space within the university campus for events and meetings, and neighbourhood residents are offered a discounted $10 rate for monthly memberships at the new fitness facility (Rattray July 18 2008). The UW has even introduced several “community minded” programs to its course offerings, including an Aboriginal science program and an Urban and Inner-City Studies degree (ibid). President Lloyd Axworthy consistently emphasizes Aboriginal issues, and has been integral in the “Aboriginal Education Roundtable” that brings together 23 western Canadian university presidents to discuss ways to increase Aboriginal enrolment. The university has a consistently-voiced interest in sharing its resources with the community, and being respectful of its needs (Interview July 29 2008).

The above gestures are commendable—the UW could easily not have provided these services to the community. What these peace offerings have little to do with, however, is land and rent. That is, with the UW’s taking and transforming of neighbourhood space in such a way as to contribute to a process of rising housing costs that may well displace low-income Spence tenants from their homes, intensify inequality, and increase the polarized nature of this city (Walk and Maaranen 2008: 293). Because although the UW deeply and undoubtedly values the inclusion of low-income residents in Spence—“The University of Winnipeg’s commitment to inclusion speaks to participation and equity for all Winnipeg citizens” Axworthy states (2005)—it has in no way, yet, shown a willingness to invest in practical solutions to keep low-income residents in their homes and in their neighbourhood, despite rapidly rising rents at a time of university-led revaluation in Spence. If the UW does, indeed, value the inclusion—that is, the actual, literal residential inclusion in the Spence neighbourhood—of low-income people, it must consider the potential gentrifying effects of its real estate and expansion policies, and take action to ameliorate them.

Will the UW do this? The reality that the university is a particular institution, with a particular set of interests must be acknowledged. The UW seems truly to care about low-income residents of Spence. Its representatives say it everywhere, everyday, and they show it with programs, consultations, and new course offerings. But the UW also truly cares about meeting its own needs as an institution—i.e. expanding when it needs more space and making its surroundings safer and more at-
tractive. It makes sense for the UW always to prioritize the latter—it is, after all, a university, not an anti-poverty organization—and that when the two may conflict, as in the case of valuable transformation and potential gentrification, it will prioritize its own needs as an institution above the needs of the low-income community. This is why the only way to guard against gentrification must involve the securing of affordable non-market housing for Spence residents, even if this involves overt political opposition to the university. Examples of such action will be discussed toward the end of this paper.

Private Sector Investment

Our interviews and focus group with landlords in Spence revealed several neighbourhood housing trends, often taking place in only the last two to three years. First, Spence has received massive private capital reinvestment through the restoration of its housing stock. Second, the neighbourhood’s increasing attractiveness has resulted in a new, higher-income group of people moving into Spence, and the displacement of pre-existing low-income residents. Last, much of this renovation and private investment has been prompted by SNA and other non-profit housing grants, as well as by investor confidence generated by the U of W’s recently-announced “urban village” expansion and transformation of Spence. While our initial hypothesis was that an increased student presence was having a significant impact on neighbourhood housing patterns, this seems not to be entirely the case. Instead, while many landlords certainly consider them to be more desirable than many existing low-income tenants, UW students appear to represent merely a single piece of the broader trend of confidence and revaluation in Spence.

Renovation and Investment

The spectre of increased profits and gentrification is very much alive in the minds of Spence landlords. “(Spence) will be exactly like Wolseley” says one landlord. One developer, who does not actually own land in Spence, nevertheless observed that land speculation and demand for property in Spence has been particularly strong recently, and that Spence “seems like a replication of West Broadway”—referring to the broad-reaching investment Spence’s neighbour to the south has received. When asked to comment on any changes to the neighbourhood in the past few years, the majority of landlords interviewed said Spence has changed for the better, and overwhelmingly cited improvements to the housing stock. Spence landlords say they have revamped many more properties since 2005 than in any period in recent memory: “Apartments are getting better, there

<table>
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<th>Neighbourhood</th>
<th># Rental Units Affected</th>
<th># of Applications</th>
<th>Total Capital</th>
<th>Avg. Capital</th>
<th>Avg. Rent Increase Requested</th>
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<td>$76,981</td>
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<td>$1,820,046</td>
<td>$58,711</td>
<td>17</td>
<td>15.1%</td>
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Manitoba Residential Tenancies Branch

Table 9: Applications for Above-Guideline Rent Increase Applications in Selected Neighbourhoods for the Period October 2005 to September 2008

From Revitalization to Revaluation in the Spence Neighbourhood
are more students, I got grants for fixing win-
dows from SNA, (it's been) very positive” one
landlord related. Another said “we have per-
sonally renovated ten buildings, raising their
rent (and) attracting better tenants—that’s our
business”. “(There have been) huge improve-
ments in the area, new buildings, and reno-
vations” said another. Yet another added “Values
are going up, (there have been) more reno-
vations to properties, (change has been) very
positive”. These are only a few of many simi-
lar statements we received from landlords.

For many landlords, rent-control regulations
have provided incentive to make large-scale,
transformative renovations. Looking to in-
crease profits beyond the small annual rent
increase allowed under rent control, landlords
have gone big. “Huge capital investment” is
the only way to make improvements to the
housing stock, one landlord said, because of
the minimum capital expenditure on renova-
tions required in order to legally qualify for
larger rent increases. As such, “the bar has
been raised” for housing quality in Spence, as
landlords strive to reach the new standard and
prospective tenants come to expect better
houses and apartments.

Conversion of rental housing to home-
ownership, too, is a trend landlords identified
in Spence. Focus group participants described
a sweeping process of ownership taking hold
in the neighbourhood. Rental houses, espe-
cially, are being sold for homeownership as
values rise. Either through demolition or capi-
tal improvements, low-income rooming
houses are being replaced by owner-occupied
housing. This trend is especially troubling,
given that for many, a room in a rooming
house is the last step above homelessness.

In a neighbourhood where homes now sell for
more than $100,000, homeownership becomes
the “higher and better” use of many rental
houses. Rooming-house revenue, after all, is
almost always fixed at the rate of social hous-
ing allowances, multiplied only by the number
of bedrooms in a house. As selling prices have
increased, they have eclipsed the value that
can be derived from renting rooms to low-in-
come people. Where this conversion has not
happened already, owners of rooming houses
keenly await it. Moreover, a number of rental
units in Spence are currently being converted
to owner-occupied condominiums. North
Central Properties is currently in the process
of converting two large apartment blocks in
Spence—one on Maryland Street and one on
Notre Dame Avenue—into condo develop-
ments (Interview with SNA staff June 2008;
Focus Group August 6 2008). The consequence
of this trend toward ownership, landlords told
us, is that their rental vacancies in Spence are
fast dwindling. Between 2001 and 2006, how-
ever, the proportion of rental housing in
Spence rose slightly, suggesting that what
landlords tell us about shrinking rental avail-
ability may be a very recent trend. This is con-
sistent with the two to three year timeframe
most landlords described.

Increased Rents and
Housing Values

What few vacancies do remain, however, will
be subject to significant neighbourhood-wide
rent increases. When their rental units become
vacant, landlords say, the opportunity arises
to remodel them and raise rents to much
higher levels. In Spence, where tenant turno-
ver is relatively high, this process can be
achieved more quickly. Indeed, landlords say
that above-guideline rent increases in Spence
are common today, as landlords “get creative”
in their struggle against rent control. The re-
result is the gradual erosion, one-by-one, of
Spence’s affordable housing stock.

Higher rents in Spence are mirrored, as pre-
viously described, by much higher property
values. Unprecedented increases in property
values are both cause and effect of these hous-
ing stock improvements. As landlords make improvements to their properties because of speculation that neighbourhood values are rising, the improved housing stock contributes to a self-reinforcing process, and values rise even higher. One landlord told us he would never have guessed, ten years ago, as he purchased a house in Spence with his credit card for under $5,000, that a house there would sell for $100,000. Today this is a reality, an occasion that has “shocked” at least one Winnipeg housing developer. What’s more, landlords say the changes of the past few years are “only the tip of the iceberg”—that even with current levels of improvement and revaluation, there remains ample room for improvement, and that massive reinvestment will almost certainly occur.

**Improved Safety and Attractiveness**

With these housing improvements and processes the neighbourhood has gradually become safer and more attractive in the eyes of landlords. Because while the dividing line of Portage Avenue, between valued housing to the south and devalued housing to the north, is still powerful, one developer says, the north-of-Portage stigma is being steadily overcome. With its proximity to the UW, CBC, Health Sciences Centre and other downtown institutions, Spence contains many individual sources of value and attractiveness to professionals and middle-class people. To these are added a plethora of unique small businesses and services that lend Spence a distinctive appeal:

“(Spence is home to a high number of) ethnic restaurants, small grocery stores, hairdressers, laundromats, pizza places and doctor’s offices, which serve the residents. This is an element which is not found to the same extent in any other inner-city Winnipeg community”. (2007 SNA 5-Year Plan)

In recent years, as discussed previously, Spence has seen an injection of particularly student-friendly storefronts, and landlords have taken note—“(there are) a lot more houses spruced up, the neighbourhood is looking better, and it’s more vibrant, (with) more cafés and funky little shops (that) attract students” one landlord described.

Adding greatly to the attractiveness of Spence, just as SNA reports, landlords say that the number of “houses of concern” or “problem properties”—the phenomenon of drug-addiction, noise, and violence concentrating in particular houses or apartment blocks—has decreased significantly in recent years. “Many of the problem neighbours have moved out, including criminals” one landlord said. There is a feeling of empowerment among people in Spence, landlords say, in getting rid of drug dealers and taking back the neighbourhood from threatening people. Spence is getting safer, landlords say, and housing demand will become even greater because of it. Crime and safety, and perceptions of such—the landlords at our focus group believe—are directly correlated to housing prices in Spence.

Apart from safety concerns, Spence is, in the view of these landlords, a highly desirable neighbourhood, objectively speaking. Its proximity to the CBD, quality public transportation, and historic housing stock make it so. Moreover, landlords in Spence are highly aware of the attractiveness of downtown living in other Canadian urban centres, and with rising gas prices making suburban living more expensive, they see much potential in the Spence housing market. The only mitigating factor that landlords see is the perception that Spence is unsafe. As this perception disappears over time—as landlords say it is, and as the UW, West End BIZ, Downtown BIZ, SNA and other non-profits are committed to working towards—housing demand and prices in Spence will rise concurrently, landlords say.
A New Group of People Move In

As this process of increased neighbourhood attractiveness coincides with rising housing values, accelerated renovation, increased rents, and conversion of rental housing to homeownership, the social character of tenants—and thus the neighbourhood—has gradually changed. Landlords talked to us repeatedly of a higher calibre of rental applicants in Spence coming to them in recent years. Whereas a few years ago several landlords said their tenants were almost exclusively unemployed people on social assistance, today they are receiving higher numbers of applications from employed individuals, and have therefore “tightened up” their application standards. Even though rents in many cases are still far lower than the city average, landlords say an entirely different group of people have come to fill their rental units. The change for instance, from a unit renting for about $270 to someone on social assistance, to one renting for $350 to a working person is significant. The result is that Spence’s most vulnerable families and individuals—those on social assistance—are losing their homes and being replaced by a slightly more affluent, or less down-on-their-luck, group of households.

For their part, landlords say that renting to people with small social housing allowances, or at restricted rent-control rates is simply not profitable. The nature of the private, for-profit, housing market, and the way in which it is regulated by governments, has produced these results. Landlords are business people and capitalists, and they play the game according to the rules set forth. Their capital flows to where profit can be maximized. Because they are not forced to pay the social cost—the economic externality—of displacement and gentrification, landlords have no built-in motive to avoid it. The landlords we interviewed are aware of the negative impacts of displacement and gentrification, and are empathetic to them, but the structure of the private, for-profit, housing market drives them to seek profits in such a way as to result in these processes.

For this reason, the establishment of affordable non-market housing is the most viable way of ensuring the provision of affordable housing for low-income households.

Student Perspectives on Spence

Our focus group with U of W students revealed a similar narrative of neighbourhood improvement and increased attractiveness in Spence. Though U of W students still have safety concerns about Spence and are aware of the degree of disrepair that many buildings are in compared to those in suburban neighbourhoods, they told us these concerns have been reduced over the past couple of years. “(Spence) is starting to clean up” one participant said. “It’s way better than it was four years ago,” another added. Spence is safer, according to students, its housing stock is improving, and the visible social character of the neighbourhood has changed, with fewer intoxicated people and sex workers on the streets. The U of W’s security measures have improved student perceptions of safety (“we have back up”) and students are pleased by the introduction of new kinds of businesses in the neighbourhood (“you don’t have to go to the Exchange for a coffee anymore”) and welcome the U of W’s “urban village” concept. Participants also said Spence has become much more of a student neighbourhood. “The amount of students (in Spence) has doubled (in the past few years) at least” one student estimated. Another added, “There are more students (in Spence) than people know about”. Several student participants foresaw living in the neighbourhood for years after they graduated.
The Role of the UW and its Students in Private-sector Confidence

University students fit well into the new group of Spence tenants who can afford slightly higher rents of $350 or $400 a month, while the neighbourhood’s former low-income households are moved out. And while it is not evident that huge numbers of UW students are filling Spence’s housing stock, given a choice, landlords tend to favour a strong student presence in the neighbourhood. Seventy percent, or 14 out of the 20 landlords we interviewed, said they would welcome a greater student presence in the neighbourhood, and half said they had tried explicitly to attract students to their properties in the past. As tenants, university students are not most landlords’ ideal—their short-term nature, high turnover rates, and unstable incomes are some of the main reasons for this. But there is a general consensus that they are more desirable, and cause fewer headaches, than many low-income Spence households, especially those who are unemployed or have mental health issues. “(The student presence) brings a new type of tenant to the area—they are young and they are working” one landlord said. “(Students are a) better type of person, seeking to improve themselves”, and “students have fewer stresses” two landlords, respectively, described. One landlord and soon-to-be developer told us: “When I start developing my place I want students. I want to buy the building behind me and put in underground parking and commercialize the main floor, with a place where students can study”. “More students”, landlords believe, “are better for the (Spence) economy”. “We hoped that students would come because of there being fewer per-suite (compared to a family), and less hard on the property” one landlord said. “They are more peaceful, and they often rent parking spaces” said another. “If it reduced the number of the worst tenants”, one landlord put it bluntly, “it would be a good thing”.

The relative desirability of student tenants, then, coupled with the UW’s huge investment in neighbourhood transformation, plays a significant role in the confidence of private-sector housing developers. The UW is the single largest player in the future of the Spence housing market, landlords in our focus group said, while one developer told us he sees the UW as playing a key role in private-sector confidence in Spence. “I think that (the student presence) has inspired others to fix up their properties” another landlord said.

The area adjacent the UW’s now under-construction expansion between Langside and Furby Streets certainly seems to illustrate this process. Property owners on the block of Furby Street between Portage and Ellice Avenues—across from the new development—have shown a strong interest in renting to students. The owner of Victory Hall, a boarded-up 12 to 13 unit private apartment block at 432 Furby, has expressed interest to SNA in converting to student housing (Interview SNA staff June 2008). The landlord of a building down the street at 460-462 Furby, which currently houses people on social assistance, has discussed major renovations with the goal of moving the existing tenants out and moving students in. And a former public park directly across from the new residence hall site has been privately purchased, the new owner developing a duplex that now houses U of W students (Interview SNA staff June 2008). The previously-mentioned vintage clothing store, directly across the street from what will soon be the UW’s Langside campus, is yet another example of speculative real estate activity seemingly driven by the university’s expansion. Another developer, SAM Management, has considered renting its pocket suites—publicly funded and originally intended for low-income tenants—to UW students. The university itself receives almost constant calls and emails from property owners looking to convert their units to student housing (Interview
July 17 2008). In most cases, though, these are the owners of rental houses—something the U of W is no longer interested in developing, it says. The UW is well aware of the scope of this speculative activity, acknowledging that Spence property owners seem to have perceived that the university is growing and investing in Spence, and would like to latch on to this growth in whatever way possible (Interview July 17 2008).

Of course, the process of speculation and investment described above does not exist in a vacuum. Caulfield (1994: 127), for instance, critiques economistic theories of gentrification by citing Toronto case-studies where political action and/or social practices have limited or negated the power of investors to gentrify particular neighbourhoods. The political dimensions of housing trends in Spence, and potential tools of resistance will be discussed at the conclusion of this piece.

To summarize this section, Spence has seen a gradual process of investment throughout the 2000s, and especially very recently—beginning with SNA, taken up recently by the private sector, and now accelerated by the UW. Together, these three players have constituted a veritable Spence neighbourhood growth-machine, bringing capital into Spence in a process of astonishing revaluation, and generating increased rents and at least some resultant displacement of Spence’s lowest-income, most vulnerable residents. The “rent-gap”, production-side argument for gentrification states that disinvested areas become the target of capital (developers) following opportunities for profit (Silver 2006: 8). The case of Spence seems to constitute a slight alteration to this explanation. Instead of capital seeking profit, as the result of a sufficiently large gap between existing ground rents and potential ground rents, the initial investment in Spence was the product of a sufficiently large gap between existing housing conditions and the conditions Spence home owners aspired to. Fed up with neighbourhood deterioration, this gap was sufficiently large to motivate Spence residents to form SNA, which then leveraged significant public funds for the re-valorization of the neighbourhood’s housing stock. It was this grassroots movement that removed a level of risk for private developers—capital seeking profit—entering Spence. Smith (1986: 30) relates a similar sort of process in his study of gentrification, whereby state-led inner-city Urban Renewal “absorbed the early risks associated with gentrification”. In Spence, 2000s-era publicly-funded grassroots renewal and now university-led revaluation, have served the same function.
Residents’ Housing Experiences

We have already seen, in the statements of landlords who describe rising rents and a changing tenant-base, evidence of recent displacement and gentrification in Spence. In this section, we will discuss the results of a series of focus groups conducted with Spence residents in the summer of 2008, in which residents talked about the state of housing in Spence; the impacts of the UW and its student presence on the neighbourhood; and their perceptions, experiences, and opinions regarding related issues.

The focus groups revealed that people in Spence face serious challenges in their quest to secure affordable, safe, adequate-quality rental housing. There is not enough of this housing to meet demand in Spence, nor in the inner city, nor in Winnipeg (Mulligan 2008). Tenants in Spence said they have cultivated valuable relationships in their neighbourhood—with neighbours, schools, community centres, and a network of CBOs—and value the community’s historic character, many amenities, and proximity to downtown and other helpful areas such as Polo Park. Thus, focus group participants conveyed a keen desire to remain in their neighbourhood.

According to focus group participants, the most powerful barriers they face in attempting to secure a place to live are rents that are too high, housing that is too poor and/or too small, and various forms of discrimination and prejudice from landlords. As we have seen, the role of SNA and other government and non-profit actors has been in many ways counterproductive to these needs—improving quality but eroding affordability. But focus group participants also said that an increased UW presence in the neighbourhood has had negative affects for their pursuit of housing, and they foresee greater difficulties as the university and its students expand their reach into the neighbourhood.

Despite these fears, however, there was a strong current of appreciation among focus group participants for the UW and its students. Like landlords, Spence residents appear to value the new and unique student presence in the neighbourhood, as Spence’s concentrated and often racialized poverty is broken down, slightly, by the presence of university students. Focus group participants appreciated these students for being good role models for neighbourhood children, educated people, volunteers, and friendly neighbours. Focus group participants do not want to insulate themselves against an invading student population, but rather want to enjoy the benefits of this population while avoiding the difficulties it poses to their access to housing. To this end, focus group participants proposed several housing solutions, including increased public, subsidized housing; co-operative housing; rent-to-own housing for low-income people; and housing specifically for disabled people and neighbourhood elders.

Barriers to Housing in Spence

Winnipeg has suffered from a serious shortage of affordable housing for at least the last 68 years—“a housing shortage of unprecedented scale was reported in the 1941 housing survey” the Winnipeg Tribune reported in 1942 (Winnipeg Tribune Jan. 28 1942 in Silver 2006b:12). Winnipeggers and their governments have known this, and experienced its ill-effects, since the 1940s, with little done to ameliorate the situation. In 2008, the circumstances are much the same, and appear to be worsening:

“(The evidence shows) that there is indeed a housing crisis in Winnipeg for those who...”

From Revitalization to Revaluation in the Spence Neighbourhood
are on limited incomes... The private rental market analysis shows that rents are higher while vacancy rates have decreased. The evidence also shows that many persons with limited incomes are resorting to inadequate housing, such as rooming houses and residential hotels”.
(Mulligan, 2008)

In July of 2008 we conducted six focus groups with a total of 48 Spence residents to identify trends across their individual housing experiences, in the context of this housing crisis. In asking what barriers people face to securing a home for themselves and their family, affordability came up repeatedly in every focus group. Rents in Spence are not aligned with residents’ incomes. Census data indicate that almost half of tenants in Spence spend more than 30 percent of their monthly incomes on rent (Statistics Canada 2006). This gap between incomes and rents is debilitating for many focus group participants, as they take money away from food budgets and other costs in order to pay landlords. “If you are on social assistance” one Spence tenant said, “you cannot find market value rent. You have to take it out of your budget”. Another told us “the rent is high for a decent place, or a place that suits your needs. Then you have to take money from your food budget to cover your rent. Then you run out of food and have to go to Harvest”. Social assistance rates do not correspond with the actual cost of housing in Spence. A single person on provincial employment and income assistance in Manitoba receives $243 for rent, while a family of four receives $351. The average gross rent of rental unit in Spence in 2006 was $430 (Statistics Canada 2006).

Other financial factors related to rental housing in Manitoba, such as security deposits—often set at half the monthly rent—were cited by residents as preventing them from being able to afford housing in the neighbourhood. Many focus group participants notice the neighbourhood’s housing stock improving, but cannot afford to rent it. This has been the primary contradiction of non-profit housing revitalization in Spence. One neighbourhood tenant told us, for instance: “There is a house that was renovated. It had 4 suites and each had two bedrooms but too much rent”. Physical improvements to Spence’s housing stock have not come with, or have outpaced, any concomitant economic improvements in the lives of lower-income residents, therefore leading to the continuation of rental costs as a key barrier to housing for Spence tenants.

The housing that Spence tenants can afford is of exceedingly poor quality. “What is decent is taken” says one resident, echoing landlords’ statements that their vacancy rates are steadily shrinking. As such, low-income people in Spence are left with neglected housing. The worst rental units in Spence are in severe disrepair. Things break and deteriorate over time and are not fixed. “Lots of places are broken down or damaged” says one participant, “the slum landlords say they will fix it up and then they don’t”. Many rental units in Spence are also filled with bugs—bed bugs especially—and mice, according to residents. “There is a

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Basic Rent</th>
</tr>
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<tbody>
<tr>
<td>1 Person *</td>
<td>$243</td>
</tr>
<tr>
<td>1 Person- Disability</td>
<td>$243</td>
</tr>
<tr>
<td>2 Persons</td>
<td>$285</td>
</tr>
<tr>
<td>3 Persons</td>
<td>$310</td>
</tr>
<tr>
<td>4 Persons</td>
<td>$351</td>
</tr>
<tr>
<td>5 Persons</td>
<td>$371</td>
</tr>
<tr>
<td>6 Persons</td>
<td>$387</td>
</tr>
</tbody>
</table>

* A single person in this first category who shares rent or rents a suite with a shared kitchen or bathroom will get a maximum of $236.00 per month for rent.
(Source: Manitoba Family Services and Housing, 2008)
bed bug crisis going on” one resident says, “It’s kind of hard since bed bugs are out” says another. “I viewed a two bedroom. There was a storage room and one bedroom. She called the storage room a bedroom and it was mice-infested” one resident said, describing a recent apartment viewing. The pattern of “slum landlords”—landlords who allow homes to deteriorate without investing in repairs—was a frequent concern of residents. Private, for-profit, housing in Spence, according to focus group participants, is either too-expensive or too dilapidated.

Evidently there are simultaneous processes of decline and investment in Spence, with many properties being remodelled and filled with higher-income tenants, while many are still left to deteriorate. But even bad housing has become more expensive, residents say. “I went to see an apartment—it had 3 rooms. The rent was $500.00. It was filthy and full of junk. He said he would fix it up. It was really disgusting” said one resident. “Places are slummy”, says another, “with high rent”.

Families, according to focus group participants, have particular trouble finding adequate housing in Spence. There are simply not enough large rental units in the neighbourhood. “There are no vacancies, what vacancies there are, they are not family or child oriented” says one resident. “It’s hard when you have more than one kid” says another. “There’s a lack of housing, huge (extended) families are living together” another observes. Tenants with children also have a hard time accessing non-market housing programs: “(There are) long waiting lists for appropriate housing like Kinew, especially if you have a large family”, said one participant with reference to a local housing CBO. “My daughter is living with me for the summer, she may live with me permanently” one focus group participant said, “I have one room and we are sharing everything else... I tried to get help from government housing... they don’t do anything. I get no help from welfare because she doesn’t live with me officially. It’s a challenge”.

A large number of focus group participants also feel that the power allotted to the discretion of landlords leads to a rental application process ripe with prejudicial discrimination, and thus contributes to the exclusion of particular households from rental housing in Spence, and their concentration in the worst of the worst housing stock. “If (landlords) don’t like you, they say it is rented” one resident said.

Racism towards Aboriginal people was one of the most frequently cited landlord prejudices by focus group participants. “(Landlords) will not rent to you if you are not of the same culture” one focus group participant said. When looking for a place, “(I’m) told it’s rented, because I’m Native” said another. “My landlord is racist” a different participant said “and wants to kick all of us out. They only want working people. (My landlord) went as far as calling us “Dirty Indians”.

Lacking employer references, many people in Spence are turned away from potential housing. “They take advantage of immigrants and people on social assistance” one resident asserts. “Welfare people” says another “are not looked at as a good business investment”, and thus excluded by landlords. Single mothers on welfare face particular difficulty: “There is a social stigma—‘take what I give you’—towards single women and people on social assistance” said one participant.

Families with children, as this quote also touches on, face their own brand of discrimination. “Landlords don’t want children in their units” one resident says. “For women with children, on welfare” says another “it is harder to get housing”. Many residents say single people, and especially single men, have far better opportunities to secure housing than do
low-income, often single-mother families. “There are apartments that are just for adults” one resident says, “there were two apartments that were renovated and cleaned. One is a rooming house and one with suites. They are for adults only and preferably men”. “There are quite a few rooming houses for men” another said “(but) there is nothing for a woman who wanted to rent with one child”. Thus, Spence tenants point out, there is both a racialization and a feminization of the housing problem in Spence.

Building on our earlier discussion of landlord preferences, Spence residents also perceive landlords to favour university students over unemployed people or single-mother families, often giving available rental units to this more desirable group. “Young white people are preferred (by landlords), one participant said, as another recalled noticing rental signs around the neighbourhood stating “students welcome, working people, or 55+”. At least one “students only” rental sign has also been reported in Spence to SNA’s housing coordinator. Thus, Spence residents perceive many landlords as discriminatory in a multifaceted, comprehensive way, resulting in the barring of Aboriginal people, single mothers, and the unemployed from much neighbourhood housing, and the moving of students and employed people into this housing.

Impacts of the U of W and its Students on Spence Housing Experiences

While actual numbers of students living in Spence—either in official UW housing or private-market housing—are not available, the U of W’s number of official student housing units in Spence, for one, has certainly increased. From zero student housing units in Spence in the 1980s, the U of W has added 32 units on Spence Street; two majority-student apartment blocks and a house owned by Kinkora; and approximately 125 units in the Lions Manor seniors home, and counting, since 2001. Indeed, a majority—60 percent—of focus group participants said they had seen an increase in the number of students in Spence in recent years. When asked about the impacts of this student presence in the neighbourhood, participants had both negative and positive things to say.

For many focus group participants looking for housing in the neighbourhood, more students meant fewer rental opportunities. The phenomenon has also always had a seasonal dimension, according to participants: “Summer is easier (for finding housing) because all the students are gone. In the fall it gets harder” one resident said. SNA itself has experienced first hand the taking of neighbourhood housing by students. Before changing its policy in 2007, SNA sold at least three of its infill-construction houses to UW students. Application requirements were subsequently changed to favour neighbourhood families of two or more people.

One of the biggest challenges focus group participants experienced as a result of the student presence was an inability to compete financially. “Students can financially cover the rent”, whereas many low-income households cannot, one resident said, echoing the landlords in our focus group who described the difference even an $80 increase in rent can make with regard to what kinds of people can afford housing. “Rent has gone up since there are more students” one participant said, the student presence has “pushed the (rental) rate up” and “even grocery stores have raised their prices” added another. The student presence in Spence “can cause rent to go up” one resident said, “because students have more money, with big grants”. “Remodelling of properties is good for standards” another participant said, “but prices of housing are high” because of it.
The presence of university student renters in Spence also fuels landlord discrimination, residents say. In almost every focus group this phenomenon was mentioned. Low-income Spence residents feel they simply cannot compete with university students as rental applicants. “Between the students and the people that want to live in the community, I am sure that the landlords will give it to the students. Especially if the students have money” one resident said, “finding housing is hard for the people in the community and the landlords will give to the students” another added. “Landlords choose students over residents” said another—“it’s pushing people out of here”. Displacement of Spence residents is cited here and in the voices of many other residents who attended our focus groups. The presence of the UW, then, causes difficulties for low-income Spence tenants. But these are structural difficulties, and are caused by the structural realities of inequality, not the ill-intent of people at the UW or its students. Spence residents recognize this, and are aware of displacement occurring as the direct result of students moving in to the neighbourhood. As such, residents often construct this process as an inherently political thing.

Identifying students and low-income households as two groups who both desire the same Spence housing stock, one resident put it thusly: “It’s a matter of (the UW) needs housing and the families down here need housing”. Pointing out the often inequitable results of these competing needs, another resident added: “(students) tend to take space from people that have been there longer”. And, explicitly politicizing the process, a third resident said: “you can’t displace one group for another group. You can’t provide for one group and displace another group. This can cause some serious conflicts between two groups”.

For several residents, the UW’s expansion into Lions Manor was a source of frustration. The university currently has an arrangement with Lions Manor to place students in Lions Manor apartments when tenants die or move elsewhere. This is a more profitable state of affairs for Lions Manor, according to the UW’s Vice President of finance Bill Balan (April 27 2009). “Lions Manor elders had to move because of students” said one participant, another adding “I don’t like the seniors having to give up spaces and apartments for the students”. While one resident wondered where displaced families would be able to find affordable housing, one offered an answer: “With more student housing, community people can be displaced, usually to the North End”. The spectre of displacement—motivated by the lack of quality affordable housing in Spence, and stoked by the possible encroachment of university students—sparks fear in some neighbourhood residents who value Spence as their home. “I am afraid I may have to move out of the area to get decent housing. That would be a real drawback for me because I’m really involved in the area. Organizations are not transferable and not in other areas of the city”.

The above accounts, and the accounts of landlords, point to at least some displacement of low-income tenants in Spence. Together with the barriers to housing that Spence tenants face—including rents that are too high, units that are too deteriorated and too small, and multiple intersecting types of discrimination—

<table>
<thead>
<tr>
<th>Year</th>
<th>% Spence Residents of Aboriginal Identity</th>
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<tbody>
<tr>
<td>1991</td>
<td>17.0</td>
</tr>
<tr>
<td>1996</td>
<td>28.0</td>
</tr>
<tr>
<td>2001</td>
<td>32.3</td>
</tr>
<tr>
<td>2006</td>
<td>30.7</td>
</tr>
</tbody>
</table>

(Source: City of Winnipeg census data)
and an increasing presence of students, who have slightly more to spend on housing, and whom landlords tend to favour, a process of displacement seems to be occurring to some degree. At least some residents are noticing a change, and fearing for their future in the neighbourhood. The Aboriginal presence built up in Spence since the 1960s, for instance, has been eroded in relative terms in the past few years.

As much as Spence residents experience the student presence in the neighbourhood negatively, they identify many positive aspects as well. One of the most oft-cited benefits in our focus groups with residents was a feeling of increased neighbourhood safety and security. Again, this is in keeping with what landlords say about increasing levels of safety in Spence. “More students”, one focus group participant said, means “more security”. “I think (more students living in Spence) would be positive”, said another, explaining that it would make the neighbourhood safer. This is a major benefit accruing from university students, in the eyes of focus group participants. Another is the positive influence university students have on youth in Spence. “(Students) take an active role at MERC (Magnus Eliason Recreation Centre)” one participant said, “(and are) positive role models”. As tutors, mentors, coaches, and volunteers, UW students have made a positive impression on Spence residents, and are highly valued for these contributions. One resident even said that the presence of university students may “motivate others to go back to school”. Residents also perceived students as supporting existing businesses and bringing valuable new ones to the neighbourhood. “More cafés and businesses”, one resident said, are a valuable result of more students. Last, students are generally well-regarded—except for the occasional noise and partying—as neighbours and citizens. “Students are friendly and well-mannered” one resident said, “(they) tend to want to help people” said another. “It would be nice” to have more students in the neighbourhood, one resident said, “because there (would) be more smart people around”. One resident noted that university students probably brought more registered voters to Spence, helping the neighbourhood politically.

As such, even though university students are seen by residents to take needed housing away from pre-existing residents, to contribute to prohibitively high rents in Spence, and to offer a preferred alternative to discriminatory landlords, most (about 70 percent) of the residents in our focus groups did not agree that the student presence in Spence should be limited to avoid these adverse affects. Indeed, having experienced housing discrimination and exclusion themselves, many residents expressed a strong conviction that university students have a right to live wherever they choose. As one resident put it, “if we stop them, that will be discrimination against students”. Another participant said: “students are human-beings, they have the right (to live in the neighbourhood)”. Indeed, the idea of universal housing rights came up often: “Give (students) a chance to live where they want to, they have the right to (live where) they want, like us”; and “(students have) the right to choose like anyone else”.

Thus, rather than limiting the rights of one group to protect those of another, residents asserted the rights of both students and low-income people to live in Spence. “It goes back to the shortage of housing, there needs to be substantial housing starts in this neighbourhood because of demand” one resident noted. “It isn’t about the people (i.e. students vs. low-income residents), it is about the shortage of housing” said another, emphasizing the importance that “women and children get homes”. To address this shortage of quality affordable housing, residents suggested several housing solutions.
In every focus group, the need for more publicly subsidized housing in Spence was expressed. Focus group participants want good-quality affordable housing that allows them to stay in their neighbourhood. Although the actual quality of public housing came under attack from residents—“Winnipeg Housing Authority is not the landlord they are supposed to be”, one participant said, “(those housing units) need repairs and they are not up to standard, they are falling down”—the capacity of public housing to provide units sizable enough for large families, at an affordable rate, was seen as a particular strength.”Governments need to stay in social housing”, one participant told us, and another added: “housing like Manitoba housing (is needed) for low-income and people with children”. Cooperative housing was also mentioned several times by people in Spence who wanted to take control over the state of their housing. “Co-ops (are needed in Spence)”, one focus group participant said, “where the tenants have a say of who can live there or not (and) where the people clean up the garbage”. Both of the above approaches are examples of de-commodified housing. That is, of housing provided not as a private, for-profit commodity, but as a solution to the social problem of housing need.

Many focus group participants also expressed a desire for more rent-to-own, or “affordable ownership” housing. The desire for ownership seems especially pertinent in a neighbourhood subject to rising rents and property values, as this process generally rewards property owners while penalizing tenants. On the other end of the spectrum, just as many participants said the neighbourhood needs “more rooming houses”, which one participant said are “needed for single working people”. This emphasis may reflect what landlords tell us about the loss of neighbourhood rooming houses to homeownership conversion. Last, residents in every focus group emphasized that Spence needs more housing for people with disabilities and elderly people—“neighbourhood elders”. “Women and the elderly need a secure place”, as one participant put it. As Spence residents face multiple barriers to quality affordable housing, and as these barriers are, or may in future be, intensified by an increased student presence, these are the housing solutions focus group participants valued.

Within this section on the housing experiences of Spence residents we have discussed the nature of barriers faced by prospective tenants to housing, and the deepening of these barriers as a result of an increased UW presence in Spence. Spence housing stock, residents told us, rents at often prohibitively high rates compared to residents’ incomes; is of generally unacceptable size and quality; and is too often kept from them through a multi-faceted, comprehensive pattern of discrimination—on the part of landlords—which tends to exclude Aboriginal people, single mothers, and the unemployed while moving white people, students, and employed people into neighbourhood housing. But even as UW students are seen to take highly-needed housing away from pre-existing or potential low-income residents, and to contribute to prohibitively high rents while offering a preferred alternative to discriminatory landlords, focus group participants valued their presence and right to live in the neighbourhood. As solutions to the above challenges, participants emphasized the need for more quality affordable housing and the production of subsidized public housing, co-op housing, rent-to-own housing, rooming houses, and housing for disabled people and neighbourhood elders. In the following section we will discuss methods for achieving these badly-needed forms of housing; how SNA is planning to address this; and additional approaches that may be used by the community to halt the displacement associated with gentrification.
Summary

The Spence neighbourhood is in a period of transition. After decades of decline, rents and property values in Spence have increased at well above city averages throughout the 2000s, and especially very recently. SNA and other non-profit housing developers, after a decade of revitalization activity, in most cases can no longer afford to renovate homes—the new cost of purchasing them is too high. The private, for-profit, sector has taken up this work, investing in massive capital improvements, converting rental housing to homeownership, raising rents and attracting a new, higher-income group of residents. Low-income tenants are feeling the squeeze, as they struggle to find safe, quality affordable housing in the midst of an on-going housing crisis in Winnipeg. Thanks in large part to SNA—perhaps the best regarded neighbourhood renewal corporation in Winnipeg—perceptions of safety and the desirability of Spence are steadily overtaking decades of stigma. To this has now been added unprecedented UW investment and expansion into Spence, with a transformative vision for the neighbourhood as a university-driven “urban village”. Private-market housing investment—and the conversion to homeownership, raised rents, and new resident base this entails—has received added confidence from the UW’s investment. And the UW’s incremental increases—soon to be large scale increases—in student housing in Spence have served to intensify the housing barriers low-income residents already face.

But the process is contradictory, because despite these processes, Spence remains in many ways a struggling inner-city neighbourhood. While many properties have been remodelled for higher income people, the overall deterioration of the neighbourhood’s housing stock has continued. Similarly, while many rooming houses and low-income rental properties have been converted to homeownership, the proportion of residents who are tenants has continued to rise slightly, and still constitutes a large majority. At this point, displacement of low-income tenants and in-migration of higher income groups appears evident, but incipient. What is important to note is that a very early stage of gentrification is identifiable in Spence and, crucially, that certain powerful actors have an interest in the revaluation and middle-class desirability of Spence—chief among them the UW. To this we can add a long history of harmful university impositions on low-income inner-city neighbourhoods throughout North America. Together, the future of low-income community residents in Spence becomes cause for concern.
From Revitalization to Revaluation in the Spence Neighbourhood

Gentrification in Spence: Injustice for Low-income Tenants

Up to this point we have focused on certain damaging, unjust consequences of gentrification for low-income residents. As the poorest of the poor are displaced from their homes they seek lower-quality housing in lower-cost areas of the city—the only housing they can afford. In Winnipeg, as residents told us, this likely means a move to the North End. The North End is further from downtown and affluent south-end neighbourhoods than Spence is, further from mainstream shopping nodes like Polo Park, more intensely stigmatized for violence, poverty, and destitution, and therefore less economically valuable. Moreover, North End housing is generally older, smaller, and plotted on smaller lots. This move means the abandonment of neighbours and familiar, well-loved community institutions, and the network of support these things provide to Spence residents. This is a common element of the gentrification literature. “As rents rise (in gentrifying neighbourhoods)” Grengs (2007: 343) writes, many poor people are forced to flee their established social networks”. The political strength of marginalized groups is also diluted by gentrification (Grengs 2007: 343), which in Spence means the gradual dissolution of a key urban space of strength, empowerment, and decolonization for Aboriginal people. Those not displaced from their homes will withstand rental increases by eating less. Households who find homes elsewhere will be subject to moving costs and the emotional trauma—anger, sadness, feelings of powerlessness, etc.—of displacement against their will. But these will be the fortunate ones. For many, especially residents of low-income rooming houses—the last rung of the housing ladder—homelessness will be the inevitable step down.

Gentrification in Spence: Private Good

But neither does gentrification solve any problems for the wider city. Winnipeg has a serious problem of inner-city poverty, to which it has invested hundreds of millions of dollars over a half-century of revitalization initiatives. Spence is one such neighbourhood with inner-city problems, and desperately needs strengthening. But if all that is done is to change certain neighbourhoods from “bad” to “good”, devalued to valued, while moving low-income people out of them, and concentrating them in existing or incipient “bad” neighbourhoods, all that is achieved is a resorting of the “bad”—the concentrated poverty- within the city. Winnipeg will have just as many pockets—or swaths—of concentrated poverty as before, and just as many low-income people living (or not, as homelessness grows) in just as much deteriorated housing as before. No civic problems will be solved.

What will be solved, however, are the problems of the UW and other property owners in Spence, by moving the challenges and stigmas associated with concentrated poverty away from their property, therefore increasing its value. Tenants—those who do not own land in the neighbourhood, and who are thus denied any legal right to stay put in that place—are the most vulnerable to displacement. They are gentrification’s losers. Those who do own land in the neighbourhood, and who are thus legally entitled to stay put and reap the benefits of enhanced neighbourhood desirability are those most likely to profit from gentrification. They are gentrification’s winners.
Thus, gentrification is a private, spatially-specific good which benefits property owners, the UW being by far the largest and most powerful of these beneficiaries in Spence. It is therefore problematic that the UW has received public money for its role in a process that may well be closer to “revaluation” than “revitalization”. In part, this government funding has been provided to the UW in the name of “neighbourhood renewal” and the social benefits that represents. In reality, governments have funded the private good of Spence property owners, including the UW. This publicly funded real estate activity—which is separate from funding education—not only does not trickle down to most Winnipeggers, but creates real problems for the city, concentrating the most vulnerable residents in the city’s most marginal and de-valued areas, thus enhancing the divisive, segmented character of the city, whereby the city’s middle classes—including university students—occupy particular valued spaces, and the city’s low-income classes occupy other, de-valued, spaces.

What governments need to fund, if they are committed to socially just revitalization in Spence, is the creation of a valued neighbourhood that remains home to the people who lived in the former devalued neighbourhood. In addition to investing in low-income people, this requires funding for significant amounts of affordable housing. And this, in turn, means de-commodified housing, that is, housing that is removed from the volatility of the market place and profit-making, and exists as a dignified place for low-income people to live. Anything else becomes a project of moving middle-class people in to the neighbourhood and pushing low-income tenants out, to the material benefit of existing property owners.

Anti-gentrification: Pro-Affordable Housing, Not Anti-Middle Class

We should not confuse, however, the desire to halt displacement with the desire to insulate Spence from private investment and middle-class in-migration, including that of university students. Focus group participants, as described earlier, appreciate tremendously the presence of new and different kinds of people, the positive contributions students can make to the neighbourhood, and the improving housing stock. They also hold strong convictions about the right of anyone, including students, to live in Spence if they so choose. But low-income tenants in Spence will only be able to enjoy these contributions if they can afford to rent in the neighbourhood. With increased neighbourhood desirability and investment come increased property values and rents—this has happened in Spence in at least the past three years. It follows, then, that the ability of low-income people to remain in Spence will become increasingly dependent on the availability of non-market housing solutions that can guarantee affordability in the face of rising private housing costs.

If this kind of housing can be established and guaranteed over time, the in-migration of university students and, more generally, middle-income households, need not result in the massive displacement of low-income tenants and the wholesale change of Spence’s social character. If left entirely up to the free market, these things may well happen. If incipient stages of gentrification snowball and go unchecked, the city’s middle classes will appropriate Spence for their own purposes, and in their own image, as has happened in so many other Canadian cities—and as the UW envisions. If combated and controlled, primarily through the establishment of guaranteed quality, low-cost, de-commodified housing,
mass-displacement need not occur. And if displacement can be mitigated, then the in-migration of middle class residents can indeed be a positive step towards the amelioration of concentrated poverty in Spence, and class and race segregation in Winnipeg more broadly.

This is easier said than done. As Walks and Maaranen (2008: 293) find, processes of gentrification in Canadian cities almost always have the opposite effect. Overwhelmingly, they find that:

“...gentrification is followed by declining, rather than improving, levels of social mix, ethnic diversity, and immigrant concentration within affected neighbourhoods. At the same time, gentrification is implicated in the growth of neighbourhood income polarization and inequality”.

This is because gentrification is part of a general tendency of private, for-profit residential development toward class and race homogeneity, just as the original decline of Spence—through suburbanization and Aboriginal in-migration—was. Like North America’s other major processes of neighbourhood change—suburbanization and inner-city decline—gentrification entails the production of homogenous neighbourhoods at either end of the value scale. In Spence, the solution to class-homogeneity—be it concentrated poverty or concentrated affluence—may lie in the potential to foster a student and middle class presence in the neighbourhood without giving in to the pressures of gentrification and displacement. To retain both low-income and middle class populations in a context of rising housing costs and values, some form of subsidized guaranteed affordable housing will be required. Silver (2006: 32) comes to much the same conclusion for neighbouring West Broadway:

“...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”.

In the next section, we look at what SNA has planned for the future of Spence housing stock, and how it plans to emphasize the needs of low-income tenants. Last, we’ll discuss some additional approaches to ensuring the availability of quality affordable housing in gentrifying neighbourhoods, as practiced elsewhere in North America.

**SNA’s Housing Plans**

In light of rising property values and housing costs, SNA has recognized the renewed importance of affordable rental housing. Although SNA initially put much of its emphasis on the importance of homeownership in establishing neighbourhood stability, it now understands that for many in Spence, homeownership is not financially viable. Moreover, SNA recognizes that those community members who cannot afford home ownership are often those most in need of housing assistance. SNA knows this because this is what Spence residents have said. In consultations for their current neighbourhood plan, much like in our focus groups, residents said they appreciated SNA’s housing improvements, but “community members stress that this housing must also be affordable” (SNA 2007: 29).

The most important way to ensure that housing is more affordable for people in Spence, SNA’s consultations yielded, is to provide people with enough money to afford housing. To this end, in addition to supporting employment development at CBOs like House of Opportunities and CORE Labour, SNA is an active participant within a coalition of non-profits lobbying the provincial government to raise EIA housing allowances (SNA 2007).
In terms of housing development, SNA has shifted its focus resolutely to rental housing. Although SNA still aims to build ten infill houses for homeownership and provide grants to homeowners for repair, “...(SNA is) planning for the greatest impact to be in the rental area (as opposed to homeownership)” (SNA 2007: 29). Before 2011, in partnership with a series of housing organizations—including the Winnipeg Housing and Homelessness Initiative (WHHI), Winnipeg Housing and Rehabilitation Corporation (WHRC), Lazarus Housing, SAM Management, and others—SNA hopes to renovate 125 deteriorated units within neighbourhood rooming houses; renovate three derelict apartment buildings; establish one cooperative housing development and one other multi-family housing complex; and provide incentive grants to landlords to improve their properties while maintaining affordable rents. The latter measure should help to address landlords’ concern that incremental housing improvements are not financially viable under rent control. SNA also has plans to establish a neighbourhood rental registry, to better inform residents of rental vacancies, for which it has received federal funds. Crucially, as SNA moves toward renovating an increased proportion of rental housing, it will need to ensure the affordability of the rental stock it invests in. If this measure is not taken, SNA will only contribute to the process of rising housing costs and displacement.

SNA also wants to protect existing rental housing stock from conversion to homeownership, in order to maintain access to housing for low-income people. To address this concern, SNA is considering the creation of a community-run rental management company, which would also help to address other concerns relating to privately-managed housing, such as a lack of maintenance and repair (SNA 2007: 29). Under this plan, SNA would own and manage a collection of rental properties in Spence, ensuring the affordability of rents by removing the units from the for-profit housing market, i.e. by de-commodifying them, and providing quality housing to low-income people. This model appears perfectly-suited to the context of gentrification and the need to protect housing from the free-market forces of gentrification. In order for the Spence community to take control over its own housing through a community-run management company, though, SNA says direct government support will be necessary. As an initiative so well-suited to Spence’s context of gentrification and displacement, this option seems well-worth fighting for.

Additional Solutions: Public Housing, CBAs, Urban Land Reform and Community Land Trusts

As so many Spence residents reiterate, the government needs to stay in social housing. Governments are still the largest provider of subsidized low-income housing, and this stock must be maintained. Governments must be held to this commitment, and must be lobbied for further creation of affordable housing in Spence. To this end, SNA and other community groups while lobbying for increases to the EIA must also lobby for the creation of more public housing.

Within a neoliberal policy climate, where governments have largely abandoned the construction of new public housing, this will pose a serious challenge. But public housing has an advantage over housing allowances, in that it guarantees units unequivocally for low-income people, and guarantees them in a particular place. For people who value living in Spence, and for the character of the neighbourhood, this is important.

CBOs in Winnipeg’s inner-city also must become more politically active. In many ways,
these small, localized organizations are the products of the neoliberal times they struggle against. As governments got out of social spending towards the end of the last century, former state responsibilities were downloaded to communities themselves. In many ways, this has been positive, putting increased control in the hands of community members in an empowering way. But it has also come with much fewer resources for low-income people. CBOs need to act politically to win these resources back.

In Spence, the fact that revaluation and potential gentrification is being driven, in part, by the UW is in some ways a positive development. Because this single institution has so much power in Spence, by impacting the actions of just one institution, a great deal can be achieved. Again, SNA and other community organizations need to act politically for this to happen. One practical, positive outcome of this process for Spence could be the establishment of a community benefit agreement (CBA)—the result of a negotiation between the community and the university, whereby the community agrees to support the university’s expansion in exchange for a set of benefits for the community, to be provided by the university (Edelson 2008). The CBA movement has gathered steam around the world since the late 1990s, most often in response to large global developers moving into more and more relatively vulnerable communities, with little state-intervention. Often CBAs have tied into labour movements, as unions within the incoming institution join in solidarity with the community. In Spence, much potential exists for this sort of action, with the presence of student, faculty, and employee unions. And when public money is involved in development, as it is in Spence, communities who argue that development is contrary to the interests of poverty-alleviation can gain even more political leverage (Edelson 2008).

Moreover, universities that purport to have moral obligations as “global citizens”, as does the UW, leave themselves particularly open to criticism, and particularly sensitive to bad public relations. Axworthy, as the agent of the UW’s transformative agenda, is particularly responsible for the UW’s rhetoric of compassion and social responsibility. Indeed, Axworthy developed the concept, in international affairs, of a “responsibility to protect”. That is, of the responsibility of powerful nations to protect vulnerable groups in nations where the local state has failed to do so. As Spence’s single most powerful actor, it holds that the UW must have the same responsibility to protect vulnerable, low-income tenants in Spence who face the prospect of displacement, at least in part because of the UW’s actions. Similarly, it was government investment—in housing improvements—that initiated this process, or set it in motion, and so government must also be held to its “responsibility to protect”. For the UW’s rhetoric of social responsibility to come off as anything but a veneer, it must be obliged to protect affordable housing in Spence. This means more than recreation and summer jobs for kids.

In a scene from The Simpsons, where Springfield’s shabby streets are magically revitalized in the monorail developer’s promotional video, broken windows are transformed, litter disappears, shabby storefronts are made shiny, and on and on. The scene’s silent punch-line comes with the final transformation of a homeless man into a mailbox. The obvious, jarring insensitivity of this act of “renewal”, and its juxtaposition with more acceptable transformations of property and infrastructure, provide the humour. The message is universal, and instructive in all cases of “renewal” which cause the impoverished to disappear: replacing an area’s de-valued physical environment is welcomed and acceptable; replacing an area’s de-valued inhabitants is not.
which the university is able to provide without sacrificing any of its development objectives. Meaningful co-operation and assistance must include compromise and the promise to not—either directly or indirectly—push families out of their neighbourhood. It must involve land and rent, and the right of low-income tenants to remain in Spence.

To this end, SNA and other groups can hold the UW responsible, within a community benefit agreement, to provide affordable housing in Spence. There is a precedent for this: In Los Angeles, for instance, the low-income community surrounding the University of Southern California (USC), facing the university’s expansion, lobbied for and received from USC the preservation of existing affordable housing, and the production of new, permanently-affordable housing units (Levitt 2008). In a similar vein, SNA’s housing coordinator reports, the City of Winnipeg’s official plan provides for the development of secondary neighbourhood plans by communities. These plans, with binding legal power, can guide development in ways the community sees necessary.

Similar, additional methods to those mentioned above are being used in low-income communities across North America to combat gentrification and displacement within a movement for “urban land reform” and the “right to the city”. Generally, these movements take their cue from the principle that urban space, and particularly housing, should meet the needs of people and communities, rather than capital. This means securing the right of low-income people to quality housing in the neighbourhoods they value, against the whims of real estate speculation and redevelopment (Strategic Action for a Just Economy 2008). “When only a few people own land and make decisions about land” their proponents say “it is impossible to sustain democracy”. In response to encroachment by powerful developers, “land reform policies redistribute land and land rights from the few to the many”. Such land reform policies include calling on developers to provide affordable housing to current residents and homeless people before development takes place, to provide training and jobs to local residents, to build wealth and assets for these residents, and to provide public spaces for community use. Much like SNA’s proposed property management company, 130 low-income communities in the United States have created “community land trusts” within the urban land reform movement, to “remove land from the speculative market and hold land in trust for the long term” (Strategic Action for a Just Economy 2008). In the case of USC and the Figueroa Corridor, the community initiated a process of urban land reform to zone against student housing and establish rent controls beyond those that governments had set (Levitt 2008).
Conclusion

The future of Spence remains uncertain. Particular, ongoing patterns of change in Spence, though, have been identified. Housing values, and costs, are growing steadily, even rapidly. Landlords are engaged in a process of significant upgrading and revaluation of Spence’s housing stock, resulting in displacement of low-income households. New, higher-income groups are moving into the neighbourhood. The UW has steadily increased its stock of student housing in Spence and is engaged in a new, unprecedented era of expansion and investment in the neighbourhood. Low-income tenants, for the most part, cannot afford quality housing in Spence. Patterns of discrimination favour students and middle-class people while Aboriginal people and people on social assistance are excluded. In this context, the future of Spence as a source of strength, support, and community for low-income residents is in danger. Housing is a key site of these processes of change, and as such, a key site of community solutions. Together, SNA and other non-profit CBOs, governments, and the U of W must provide quality affordable housing to guarantee the right of low-income tenants to remain in Spence. It will be SNA’s job, in partnership with other community groups, to act politically in the recruitment of governments and the UW in this process.
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