Impacts of Gentrification on Residents of Vancouver’s Downtown Eastside

Katherine Ernst
Abstract

This paper addresses a unique area in Vancouver—the Downtown Eastside—and how its residents experience gentrification. While the presence of gentrification in the Downtown Eastside is undeniable, to what extent has it and will it affect the region’s residents? Given my own personal knowledge of the area and its residents, I expected the effects to be far-reaching.

To assess the impacts of gentrification, I utilised a wide range of sources. I looked first at the area’s historical, demographic, and climatic data in order to provide a clear picture of those whom gentrification impacts and might impact.

Stemming from an understanding of the area’s general characteristics, I investigated how changes in housing and businesses would specifically influence people who live there. I examined changes already evident, looked at census data, read news articles, conducted an interview, and personally observed physical transformations in the area. To organize this information, I took photographs, made charts, drew maps, and used Spearman’s Rank Correlation Coefficients.

All my research supports the conclusion that the greatest effect of gentrification is—and will continue to be—the displacement of the Downtown Eastside’s low-income residents, primarily by the transformation of affordable housing to more expensive market housing that gentrification inevitably brings. These findings were consistent with my hypothesis that impacts of gentrification would be extensive, especially for those without alternative housing options.

Because the gentrification of this drug- and crime-riddled area is viewed by many as a necessary step for Vancouver’s economic development, at the heart of gentrification lies a tension: the pursuit of economic prosperity and development versus the protection of the area’s current residents. Keeping in mind the ramifications of gentrification, the City of Vancouver must find a balance that takes into account the interest of all residents.
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The Downtown Eastside

Something is wrong. Needles litter the sidewalks. Drugs are openly traded in alleyways. Women and children walk the streets, prostituting themselves to make quick cash. Shopping carts filled with empty bottles squeak and rattle as they are pushed along the sidewalk. Dilapidated buildings lining the streets look on. No, we are not in a lawless, undeveloped country. We are in beautiful Vancouver, British Columbia, Canada’s third largest city, which only recently was rated as the world’s most liveable city ("Go north" and “Population and Dwelling Counts”). However, the poorest postal code in Canada also belongs here (Christoff and Kalachie). This is Vancouver’s Downtown Eastside.
Gentrification

As a means by which to help address the complex problems of the Downtown Eastside, the City of Vancouver has allowed increased development in the area. Urban geographers call this development “gentrification.” Gentrification is the systematic displacement of low-income groups as upper-middle-income groups move to old housing, previously inhabited by low-income groups.

The notorious Downtown Eastside has begun to see developers and the provincial government gentrify the area. Well-intentioned projects to bring about community stability, cultural diversity, and economic viability in the Downtown Eastside are creating a unique new set of complicated problems in a historically rich and financially poor community (British Columbia. Central Area Planning. 12 and “10 Years of Downtown Eastside Revitalization” 2).
Having personally witnessed some of these projects unfold, I became interested in the neighbourhood and the process of gentrification. I seek to answer the question, “to what extent has and will gentrification impact the residents of the Downtown Eastside?”

**History of the Downtown Eastside**

The history of the Downtown Eastside is intricately connected to its present state. Once the hub of Vancouver early in the twentieth century, Gastown, one sub-area of the Downtown Eastside, was a vibrant area (“Community History”). All the functioning components of a city were located here; the city hall, streetcar terminus, hotels, shops, and business district all contributed to a bustling community centre. Low-income and working class individuals populated the area as well as men, warehoused between their shifts in the nearby forests, mines, or fishing boats (“10 Years of Downtown Eastside Revitalization” 5).

In the late fifties when the streetcar terminus and library—the commercial “centre of gravity”—shifted west, foot traffic in the area receded considerably (“Community History”). Through disuse, the area gradually began to fall into disrepair. In the seventies, a shift in government funding resulted in the de-institutionalization of thousands of psychiatric patients. For many, the Downtown Eastside proved to be an accessible source of affordable housing. Then, with the arrival of cocaine in the eighties came increased crime as users sought ways to pay for an expensive habit. Consequently, legitimate businesses experienced greater difficulty to maintain profitability as illicit activity took over the area. Finally, with the closing of the Woodward’s department store in 1993 and subsequent loss of customers to the area, many other stores and businesses found it impossible to survive and eventually shut their doors.
Many of the buildings erected in the early twentieth century still stand but have fallen into extreme disrepair as landlords and tenants neglect building maintenance.

Despite many subsequent and varied attempts to restore the Downtown Eastside, the area continued to fade into its present grievous state: dangerous, dirty, destabilized.

Due in part to the negative reputation the area has garnered internationally, safety and aesthetic concerns, and favourable property values, there has been a movement in the past decade to renovate and “upgrade” the neighbourhood to suit a demographic more like that of Metro Vancouver (“Brethour” and “10 Years of Downtown Eastside Revitalization” 8). By all accounts the process of gentrification is in full swing in the Downtown Eastside. But how will this shift in development priorities affect the residents of the area? To tackle this question, the unique demographics of the area must first be explored.

Demographics of the Downtown Eastside

There are a number of demographic characteristics of the Downtown Eastside that have shaped the area’s present state and can help inform our study of the effects of gentrification on the region’s residents.

While the immigrant population of the Downtown Eastside does not differ proportionately from the immigrant population of Metro Vancouver, the Aboriginal, Chinese, and Vietnamese groups are overrepresented in the Downtown Eastside. This is significant as these immigrant groups often have lower earning power than Canadian-born residents (Brethour). Aboriginals account for one seventh of the area’s population, which is seven times that of Vancouver’s Aboriginal population (Brethour). And as is generally characteristic of inner cities, the minority
groups found in the Downtown Eastside live in a concentrated area (Nagle and Spencer). These minorities are affected already by the presence of gentrification, and will continue to be so as more affordable housing is converted into expensive condominiums.

The economy in the Downtown Eastside is tenuous. The unemployment rate is relatively low, however this is skewed by a low participation rate—a number reflecting those actually working or those looking for work (Brethour). Consider these statistics: thirty-eight per cent of Downtown Eastside residents work or are currently holding a job, versus 67 per cent in British Columbia and Canada (Brethour). Of course, these numbers do not take into account black market services, which, for many Downtown Eastside residents, are their sole source of income. A lack of formal education—thirty-eight per cent of Downtown Eastside residents do not have their high school diploma—can make sustaining a job difficult (Brethour). Subtracting government transfer payments, a single person over the age of 15 in the Downtown Eastside made only $6,282 in 2008; Canada’s average for that same group is $21,000 (Brethour).

Gentrification will decrease the supply of housing available in particular for those whose annual income falls below the Low Income Cut-off, a monetary value which Statistics Canada assigns to indicate how much money is necessary for average living expenses in Canada (Lochhead, Ross, and Shillington).

The affordability of housing is affected by the composition of households in the Downtown Eastside. While the average house size in Vancouver, British Columbia, as well as Canada overall is approximately 2.6 persons, the same figure in the Downtown Eastside has been measured at 1.3 persons (Brethour). Eighty-two per cent of those living in the neighbourhood live alone. Gentrification or no gentrification, finding affordable accommodation in Vancouver
on a single income can be challenging. Single residents with dependents would be still more burdened by an increase in housing cost.

Data from the Vancouver newspaper *The Vancouver Sun* points to astounding statistics about the costly Vancouver housing market:

- Between June 2005 and June 2006, Vancouver East’s average house prices increased 22%, to $459,685;
- in the Vancouver Census Metropolitan Area, the median house price is currently 6.6 times the median income. A multiple of over 5.1 is considered severely unaffordable; and
- seventeen per cent of Greater Vancouver citizens were under the Low Income Cut-off (after-tax), a value often used as a measure of poverty (“Vancouver’s VitalSigns 2006”).

The rise in house prices represents increased property value. By extension, landlords might be more inclined to raise rents to a comparable level. The cost of living in Vancouver can only drive the Downtown Eastside’s already compromised residents further into poverty.

These statistics serve to make the housing issue even more concrete:

- Between 2002 and 2005, the number of homeless individuals in the City of Vancouver increased 106%. There are currently 702 shelter beds in the City of Vancouver, leaving 46% of Vancouver’s homeless without access to shelters (“Vancouver’s VitalSigns 2006”).
With facts like these, it is no surprise, then, that gentrification will affect many residents of the Downtown Eastside.

**Factors Leading to the Concentration of Low-Income Residents**

Canada’s West Coast boasts the warmest winters in the country. Compared to other major Canadian cities—Calgary, Toronto, and Montreal—Vancouver’s winters emerge as “harmless.”

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<th>December</th>
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<th>February</th>
<th>March</th>
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<td>5</td>
<td>6</td>
</tr>
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<td>Calgary</td>
<td>-7</td>
<td>-9</td>
<td>-5</td>
<td>-2</td>
</tr>
<tr>
<td>Toronto</td>
<td>-3</td>
<td>-6</td>
<td>-5</td>
<td>0</td>
</tr>
<tr>
<td>Montreal</td>
<td>-6</td>
<td>-9</td>
<td>-8</td>
<td>-1</td>
</tr>
</tbody>
</table>

Figure 3 - Mean Winter Months Temperature, degrees Celsius, in Canada’s Biggest Cities (“Statistics: North America”)

The combination of a maritime climate and mountains which block cold Arctic air mean that Vancouver’s winter temperatures are consistently above the freezing mark (Figure 3).

<table>
<thead>
<tr>
<th></th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
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<tbody>
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<td>21</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Calgary</td>
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<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Toronto</td>
<td>31</td>
<td>32</td>
<td>26</td>
<td>20</td>
</tr>
<tr>
<td>Montreal</td>
<td>55</td>
<td>48</td>
<td>41</td>
<td>31</td>
</tr>
</tbody>
</table>

Figure 4 - Total Monthly Snowfall, centimetres, in Canada’s Biggest Cities (“Statistics: North America”)

The city does have a reputation for being wet and foggy, but snow occurs much less frequently (Figure 4). Mild winters are an attractive prospect for anyone who is uncertain about their housing stability. Most Downtown Eastside residents claim to have moved from other Canadian cities. Westward migration could be partially attributed to a search for milder weather.
For individuals with drug addictions the Downtown Eastside provides an unusual benefit. Though the hub of the area, Main Street and East Hastings Street, is directly across from the Vancouver Police Station and Vancouver Courthouse, drug trades and prostitution occur openly. This is because the city has sanctioned a ten-block radius where illegitimate activity may occur without penalty in order for illegal activity to remain contained (Cernetig, “Amnesty for being poor”). Dealers and addicts flock to the area in search of “business.”

Given this situation, a cluster of supportive social services—including drug rehabilitation centres, the controversial Safe Injection Site, and food banks—has emerged (Figure 5). It is no wonder that the disadvantaged, mentally ill, and drug-addicted congregate most densely in the Downtown Eastside. By obvious extension, the disappearance of housing for at-risk community members could be tragic, especially if buildings newly zoned for residential have previously housed the social services on which many Downtown Eastside community members so depend.

Figure 5 - Distribution of Social Services in Metro Vancouver (“Social Services in Vancouver”, modified by author)
Impacts of Changes in Downtown Eastside Housing

The presence of gentrification in the Downtown Eastside will be more palpable to its residents because of the relative lack of housing in Metro Vancouver as it is. Consider this, as reported by a Vancouver newspaper: “In 2004, the City of Vancouver’s population was estimated at 570 000; the city’s land area (excluding Stanley Park) was 110.8 kilometres squared. This gives a population density of 5 145 people per kilometre squared, which is higher than most major Canadian cities” (“Vancouver’s VitalSigns 2006”). Consequently, there has been a push to build upwards, rather than out, in order to increase housing stock and financial return for builders. This could involve the destruction of smaller, century-old buildings which presently house low-income residents. New, state-of-the-art “replacement” buildings are not financially viable for those who could barely afford to live in the previous structures.

Physically, change can be seen in the form of building transformation. One such renovation is the Burns building on East Hastings (Wiebe, “Gentlemen and Gentrification). In 2003, it was listed at $550 000 and sold to an owner who left mentally unstable and drug-addicted tenants to care for themselves. In 2006, the City of Vancouver shut down the building citing fire safety violations. Eighteen tenants were given one hour’s notice to vacate. It was relisted at $2.5 million—too expensive to be bought and subsequently converted to affordable housing. It passed into new ownership in 2007 after being auctioned for $1.45 million. Finally, in 2008 the city accepted a renovation proposal to convert the building to self-contained working class rental units with $3.3 million in incentives (Bula, “When East Meets West”). The result of transformations to this building and others’ is that the poor have a shrinking supply of buildings in which they can live.
Considering that the Downtown Eastside is valuable waterfront property, the clearance or conversion of slum housing to more expensive real estate is a naturally profitable venture for investors. Robert Wilson is one such financier. He has sold seven SROs (Single Room Occupancy Hotels) to the British Columbian government for a total of $27.8 million, which is an estimated $11.7 million more than he paid for them less than two years ago (Paulsen). And, when he one day resells his recently vacated slum housing apartments as condominiums, he stands to make millions more in a thriving Vancouver real estate market. City bylaws allow this kind of building “flipping” as it is considered beneficial to the economy. With condominiums each fetching $400 000 and up, a shortage of affordable housing is inevitable. In 2001, Downtown Eastside residents were only paying approximately half of what the average Vancouverite pays for rent (British Columbia. Central Area Planning. 14). One could predict that increasing housing costs prompted by gentrification will be unaffordable for low-income Downtown Eastside residents. Eventually, these people will be pushed out of the community they call home.

Much can be learned about the impact that the gentrification process will have on Downtown Eastside residents by looking at the ways in which the area has already experienced gentrification. For instance, there were 43 buildings listed on the real estate market on Hastings Street alone in May of 2006. One of those buildings, 18 West Hastings, was once home to eighteen of the city’s poorest people. Now it is listed for $2.5 million (Bula, “When East Meets West”). This is not a unique story. It is understandable that tenant-less buildings are more valuable to their owners in a housing market like Vancouver’s, as they can be held and then more easily sold when market values are high.
Furthermore, there is a tendency for a landowner to sell an aging building rather than to undertake expensive repairs. In this way, the city has been able to buy and thereby gain access to buildings which were once privately owned and managed. As a result, many of these buildings will never be reconverted to social housing. More social housing is being lost through sale or demolition than is being built as builders seek to acquire prime real estate downtown and resell it to a wealthier demographic. The product of gentrification is the displacement of those who have no other housing options in the city of Vancouver.

SROs are the most affordable type of housing found in Vancouver. Often they are a last resort before homelessness. As described in the previous paragraph, SROs have dropped in number and in availability. According to the following numbers from Vancouver’s City Planning Report released in 2005 (Figure 6, next page), there has been a decrease of 757 rooms present in the Downtown Eastside (16). While this figure may appear insignificant, when scaled to the Downtown Eastside’s small population of 18 000, that is a 4.21 per cent reduction in beds over a short, ten-year period.

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</tr>
</thead>
<tbody>
<tr>
<td>Number of Rooms</td>
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<td>5731</td>
<td>5551</td>
<td>5349</td>
<td>5327</td>
<td>5149</td>
<td>5162</td>
<td>5139</td>
<td>4997</td>
<td>5041</td>
<td>5005</td>
</tr>
</tbody>
</table>

Figure 6 - Number of SRO Rooms Present in the Downtown Eastside from 1995-2005 (British Columbia. Central Area Planning. 17)
One possible correlation between the decrease in total SROs could be the increase of total market housing available. Below, SRO and market housing totals are ranked.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total SROs</th>
<th>Rank of Total</th>
<th>Total Market</th>
<th>Rank of Total</th>
<th>Difference of Rates (d)</th>
<th>d²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>5762</td>
<td>1</td>
<td>1284</td>
<td>10.5</td>
<td>9.5</td>
<td>90.25</td>
</tr>
<tr>
<td>1996</td>
<td>5731</td>
<td>2</td>
<td>1284</td>
<td>10.5</td>
<td>8.5</td>
<td>72.25</td>
</tr>
<tr>
<td>1997</td>
<td>5551</td>
<td>3</td>
<td>1392</td>
<td>9</td>
<td>6</td>
<td>36</td>
</tr>
<tr>
<td>1998</td>
<td>5349</td>
<td>4</td>
<td>1795</td>
<td>8</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>1999</td>
<td>5327</td>
<td>5</td>
<td>1855</td>
<td>7</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>2001</td>
<td>5162</td>
<td>6</td>
<td>1897</td>
<td>5.5</td>
<td>-1.5</td>
<td>2.25</td>
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<tr>
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<td>2002</td>
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<td>8</td>
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<tr>
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<td>2005</td>
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<td>1</td>
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<td>2003</td>
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<td>11</td>
<td>1996</td>
<td>3</td>
<td>-8</td>
<td>64</td>
</tr>
</tbody>
</table>

\[ \sum d^2 = 437 \]

Figure 7 - Ranked Data for SRO and Market Housing Totals (British Columbia. Central Area Planning. 17, 24-25)

To assess whether a correlation indeed exists, Spearman’s Rank Correlation Coefficient can be used to test the null hypothesis that there is no significant relationship between SRO and market housing totals. Given the data from this table, the correlation coefficient can be calculated with the formula

\[
r = 1 - \frac{6 \sum d^2}{n^3 - n}
\]

where \( \sum d^2 \) is the sum of \( d^2 \) values and \( n \) is the number of years data was taken.

\[
r = 1 - \frac{6(437)}{(11)^3 - 11}
\]
\[ r = 1 - \frac{2622}{1320} \]

\[ r = 1 - 1.9863 \]

\[ r \approx -0.99 \]

A value of \(-0.99\) is considered to be a near-perfect negative correlation. In context, this signifies that as SRO housing decreases, market housing increases. With this correlation the statistical significance of this relationship must still be verified with the Spearman’s Rank Significance table. To do this, the degrees of freedom must be calculated with the formula

\[ n - 2 \]

where \(n\) is the number of pairs (or years the data was taken, as before).

\[ 11 - 2 = 9 \]

The numbers 0.99 and 9 are then plotted on the graph (Figure 8, next page).
A significance level above 0.1% suggests 99.9% statistical confidence. In other words, this correlation has not occurred by chance. These findings prove that the hypothesis stating there is no significant relationship between SRO and market housing totals is incorrect. This supports, then, the theory that SROs are continually being replaced with market housing, which is indicative of gentrification. If this trend continues and SROs continue to be lost to regular market housing, Downtown Eastside residents will find themselves with even fewer housing options.
Impacts of New Businesses

There are other new entrepreneurial developments characteristic of gentrification occurring in the Downtown Eastside. For instance, Starbucks has the reputation of being a higher-end coffee chain. Logically, these stores would open only in areas with a solid base of potential customers. Note the Starbucks outlets encroaching on the heart of the Downtown Eastside, which could be considered a soft indicator of social change. This “circling in” can be seen in the following map (Figure 9).

![Figure 9 - Distribution of Starbucks Retail Outlets (Starbucks.com, modified by author)](image)

A shift in demographic is also evident in the arrival of restaurants like The Salt Tasting Room. The trendy minimalist décor of this establishment, evident even on the restaurant’s outside face (Figure 10, next page), speaks volumes about the demographic that the eatery is targeting. Having won multiple awards for its featured wines and cuisine, the restaurant boasts an expensive menu: $300 bottles of wine and $30 entrees. The Salt Tasting Room’s location on
Blood Alley is a prime example of gentrification (Figure 11, next page); this was once a notorious alleyway in which drugs and crime ran rampant. Now, it is pristinely landscaped and decorated to attract foot traffic off the main street. The Salt Tasting Room, tucked away in the alley, epitomizes the target market shift emerging in the Downtown Eastside.

Figure 140 - The Salt Tasting Room Storefront (personal photograph)
In contrast to the gourmet food served at The Salt Tasting Room, entire meals can be purchased for $1.75 at the Carnegie Hall, a community centre, only blocks away in the heart of the Downtown Eastside. Another community hangout, “The 77” on Alexander Street just north of East Hastings, offers a hot meal complete with beverage and dessert for $2.00. Compared to these government-subsidized meals served in multiple locations throughout the Downtown Eastside, the newer avant-garde restaurants like The Salt Tasting Room stand out in stark contrast.

Some residents of the Downtown Eastside harbour resentment towards businesses like Starbucks and The Salt Tasting Room; it is their view that these ventures are commercializing the traditionally community-oriented neighbourhood (Wiebe, personal interview). A similar
story involves another coffee franchise, Waves. The Waves outlet on Main and Cordova replaced Vick’s, a locally-owned coffee shop (Wiebe, personal interview). Community members took pride in Vick’s; its local ownership and homey, inexpensive food made it a charming location in which to socialize. Now Waves is filled with white-collar workers. Many local residents report feeling uncomfortable in this setting (Wiebe, personal interview).

The shifting demographic appears to be creating tension in the social fabric of this neighbourhood. Is it possible to accommodate change with positive outcomes?

The Woodward’s building exemplifies an attempt to integrate lower income earners with higher income earners in a single facility. Originally a department store, Woodward’s was known for its iconic “W” which lit up the Downtown Eastside skyline (Figure 12, next page). In 1993 the store declared bankruptcy and subsequently closed down (“Community History”). It was empty save for squatters living inside. A firm acquired the building and planned to build private housing; this plan was met with resistance as many in the area preferred the conversion of the Woodward’s site to social housing, a step towards the revitalization of the community. Then, in 2001 the province bought the property from the firm and proceeded to seek insight from a variety of interest groups to discern what the best plan of action might be for the site (“Woodward’s History”). The proposed $400 million project would incorporate market housing, non-market housing for singles and families—to be operated by a social service group—offices, and a handful of stores and amenities. An addition to the Simon Fraser University campus was also included (“Woodward’s District”). The project (Figure 13, next page), now underway, is set to be completed in the fall of 2009.
Figure 12 - Old Woodward’s Building (Images West Marketing)

Figure 13 - New Woodward’s Complex Computer Model, to be Completed in the Fall of 2009 (Woodwards District)
Complications

Because the problems in the Downtown Eastside are far-reaching and complex, a well-planned, integrated approach would be required for gentrification to produce a positive outcome overall. The prevalence of mental illness, HIV, drug use, crime, and an aging population creates challenges which should be addressed in the search for viable solutions.

If gentrification of the area continues, its impact on the Downtown Eastside community, and Vancouver as a whole, must be carefully considered. Charles Montgomery points out that problems are inevitable when economic strategies trump human rights, including the violation of basic human rights. He asks, “Is it possible to revitalize a poor neighbourhood without pushing out the poor?” (56). To be mindful of the interests of all its residents will be Vancouver’s biggest challenge as gentrification in the Downtown Eastside threatens to compromise the wellbeing of many Vancouverites.

Montgomery raises a valid point: where can those displaced by gentrification go? It seems that gentrification is a “solution” that only serves to create new problems, namely the displacement of thousands without other housing options. A report released by the Carnegie Community Action Project accused rooming hotel managers on the Downtown Eastside of charging more than the welfare monthly shelter allowance of $375 (Culbert). And as Hastings Street “faces the march of progress,” SROs and non-market housing continue to decline in numbers as well (Bula, “When East Meets West). Options seem few.

Whether physically removed from their homes or alienated in an environment suited for a wealthier demographic, gentrification inevitably displaces people. People cannot live comfortably in a community where they are made to feel unwelcome by businesses,
corporations, and other facilities directed towards serving a higher social class. Therefore, in the process of clearing slums the poor are moved to the periphery (Nagle and Spencer, 114), geographically and socially.

On the other hand, there are potential benefits to gentrifying the Downtown Eastside. For one, an attempt to bring diversity to a community can be advantageous. Economic diversity developed through varied commercial districts could provide an increased number of jobs, an influx of tourist cash, and more foot traffic. This economic diversity, however, would only be possible if those with capital infiltrated the neighbourhood. This option, no matter what, would change the face of the Downtown Eastside forever. Moreover, the presence of more quaternary industries, such as Simon Fraser’s cooperation with the Woodward’s development, could provide greater diversity yet.

The incorporation of more middle-class owners through non-programmed living could provide enough community stability to support the construction and maintenance of facilities that might be seen elsewhere in a city. This could include a hockey rink, library, or higher-end hotels. With the addition of more middle-class owners, the culture of the area would become increasingly diversified.

Increased density in the Downtown Eastside could relieve pressure in other parts of the city (Bula, “Downtown is running out of working space”); however, to accommodate high-occupancy buildings, existing housing must be torn down, thereby displacing tenants. Again, demand for low-income housing would increase as availability decreases.
Conclusion

Ultimately, the impact of gentrification on the Downtown Eastside will be most felt by its current low-income residents. It is understood that the complexity of the issues found in the Downtown Eastside does not allow for an easy fix. The extent to which gentrification’s impacts have been and will be felt by those living in the area are and will be great, respectively. While gentrification may bring diversity to Vancouver, it is at the expense of the many disadvantaged residents of the Downtown Eastside who will be displaced (Figure 14).

Figure 15 - Signs of Protest Plastered to a Building Fated to Condominiums (personal photograph)
Unless there is adequate housing for low-income earners in the Metro Vancouver area, already impoverished residents of the Downtown Eastside may become homeless.

From the perspective of municipal development, gentrification may have value. Economically, there is potential for vast profits in the still relatively untapped Downtown Eastside market. This investigation is limited in that it does not address gentrification from this point of view. This study is also limited by the fact that it does not explore possible solutions to the problems posed by gentrification. For a more rounded analysis of the impacts of gentrification, the examination of alternatives for Downtown Eastside residents would be pertinent.

As this work has demonstrated, the Downtown Eastside defies simple solutions and simplistic judgments.

Doubtless, gentrification is a boon for municipal development. Middle to upper income gentry brings economic health and social stability that help to prosper a geographic area. Indeed, as money moves into the Downtown Eastside the potential for economic improvement is astronomical; small businesses become more successful, new enterprises start up, franchises appear and so on. And of course, as commercial ventures begin to thrive the municipality gains a commensurate increase in tax revenue.

However, the Downtown Eastside is currently home to thousands of low-income residents. *Home.* Are these citizens and our neighbours being fairly accounted for in the city’s enthusiasm to make a “problem” disappear? They will be the human cost of gentrification. Unless the city in partnership with the business community and its Downtown Eastside residents can attain a solution together, it is difficult to fathom a future that is just, regardless of its economic promise.
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Wiebe, Gordon. Personal interview. 18 June 2009.


Appendix

Interview with Gordon Wiebe, Member of the Community Builders Organization
Dodson Rooms, 25 East Hastings St.
June 18, 2009

Katherine Ernst: Tell me about the prospects of gentrification in the Downtown Eastside.

Gordon Wiebe: Gentrification will never be complete. Gentrification cannot sweep through the Downtown Eastside. For example, almost every one of those buildings on the south side of Hastings is owned by the provincial government. So it can’t—it’s not an easy move to gentrify a neighbourhood that already has so much social housing in it. It’s not like in the US where there were downtown areas that were run down and the property investors just bought them and made it a completely different area. That’s not possible. It’s a completely different area. So gentrification is here, and it’s planned; the city of Vancouver is planning to gentrify—and that’s not necessarily a bad thing; it’s diversity; it’s not bad—but it is displacing people.

KE: For an average low-income resident of the DTES, how would gentrification affect that person?

GW: Well, OK, we’ll talk about the “Korret Lots” on Cordova. Now that’s a warehouse, so it never was housing, but somebody with a lot of money bought the warehouse [and converted it to housing]. The condos at the top are worth over a million dollars. So it’s definitely gentrified. They have security people who walk around the building. [The Downtown Eastside] is already a small area. It’s like a force-field. It just keeps people away from that area. So people who are of low-income cannot physically move around. They’re either made to leave or made to [feel not] welcome. So gentrification limits people’s movements. They cannot move freely in the community. But the worst kind of gentrification is where housing is reduced. So the Burns
Building at Kitty Corner is a classic case of a property that was gentrified. About five years ago, we had an opportunity to buy the SRO for about $500 000, but we missed the sale. Someone else bought it. But what they did, for the next three years, they let the tenants live there without any help whatsoever, so organized crime came in there and then the city came and shut it down, gave everybody an hour to leave. We tried to buy it again, and the city said, “sure, we’ll sell it” but the asking price was now $2.7 million. And so, now, it’s in the line for gentrification. So [the new owner] paid the penalty to the city and they actually cut a deal with the city, and the city actually gave them some incentives and so now it’s going to be made into housing where the poor cannot live. So housing stock gets reduced.

KE: Supply and demand?

GW: Yeah, yeah. There are more people that are coming in that want the housing. There are more people that are being created that are poor. Less housing is available for them. That means they can no longer live in this community. They have to go elsewhere.

KE: Where might elsewhere be?

GW: Well the first “elsewheres” are nearby. So it’s like a physical migration where you go to Commercial Drive, or you go to Kitsilano, or whatever. It’s kind of hard in Yaletown; it’s hard to hide there. So you’re homeless, basically. You’re homeless or you’re “couch surfing.” The SkyTrain is a way, too, to transport people that are in poverty from one area to another quickly. Everywhere along the SkyTrain homelessness is creeping up. And then of course, in Surrey, yeah, there’s a ripple effect.
KE: You mentioned that maybe a “benefit” of gentrification would be an increased diversity in this area. Are there any other “benefits” you think would be seen here?

GW: I would never use the word “benefit” in the same sentence as “gentrification” but, you know, I know what people mean. So for example, you know, market housing isn’t necessarily a bad thing. If the community is diversified and you can coexist in the same community, that’s better than creating a ghetto, because then it’s stigmatized and it can’t grow and be healthy. Gentrification could add stability to the area; it could be seen as an area that is economically viable by the city. There could be more non-programmed living. There could be parks and you could have a hockey rink. I mean, who would ever build a hockey rink in the Downtown Eastside? But if there was, if the community was stabilized with diversity, you could have a Subway [restaurant]. Somebody should open up a Subway on Hastings! Because that’s normal, it looks normal, it feels normal. So gentrification would help economically, because the taxes would go up, it would help create more of a diversified, normal culture. Those would be the main benefits.

KE: How might people react to having to coexist with polar opposite social classes?

GW: Well you know you’d think they’d react very poorly, but we’re slowly getting that—like the Woodward’s complex was where people of means were purposely put with a few people that were in social housing. So the city is trying, but the people in that social housing would be the cream of social housing. They wouldn’t be people right off the streets. So the reason gentrification is so bad is because the vulnerable get chased away. So it’s not good. It’s not good. It’s not viable here either, because there’s so much extreme. It’s not a little bit different, it’s a lot different.
KE: It’s polarized. OK, you’ve been here seven years. Could you outline a timeline of things you’ve noticed that relate to gentrification? Has there been an increase of speed with the Olympics coming?

GW: The Olympics are an excuse to do some things around the community, but the city of Vancouver about three or four years ago came out with a draft housing plan. It was a hundred and fifty pages and now it’s not the draft, it’s their housing plan. But for anyone willing to read that document, they’re telling you that they’re taking lone SROs out of all the peripheral areas and leaving them primarily in the Oppenheimer district. It’s like circling the wagons. In Victory, Main St. near Terminal, they’ve systematically started taking those buildings down. I saw that. They were SROs down by Victory here, near Woodward’s. Those were changed, and along the Hastings corridor, near Strathcona, I’ve physically seen the change. And almost poetically, the big, big, tall—when I first got here there were no tall condominiums. So when those big cranes went up, they were like giants. And they were literally—you could see them walking closer. And you started to see Starbucks opening in circles. There’s a Starbucks on Powell. There’s a Starbucks here. There’s a Starbucks there. So now we’re circled by Starbucks. Starbucks only opens where they know the community is going to be suitable for people who want that type of coffee. So it’s circling and it’s infiltrating. And so Waves opens up on Main and Cordova and all the people from the courthouse—the judges and lawyers and whoever—buy their coffee there, and that used to be Vick’s. There used to be a guy there who would sell illegal tobacco. In the back room you could get a big bag of tobacco for $25. And you could buy really slimy hamburgers, but it was full of people who were poor, because they felt comfortable. So in the past seven years I have seen dramatic changes. This is not the same place as seven years ago.

KE: You said the SROs have been replaced. With what?
GW: The SROs have been closed down, number one. Let’s talk about the Marr building, the Marr Pub on Powell right by Jack’s in there, right by Oppenheimer Park. There was a Korean owner there and they did a sting there, saying he was doing illegal things. He was an elder in his church! What do I know, whether he was or wasn’t. I went in there and he looked pretty clean-cut to me. Anyway, that thing has been shut down for six years. So buildings have been shut down and never reopened. So twenty-three units were lost there. Units are lost to fires. Units are lost to speculators. [There] are people who own SROs and they don’t want to rent them out. Their property is now worth a fortune. So why rent them out? Just wait and eventually sell it. The provincial government [BC Housing] bought seventeen buildings so they’re now programmed housing. The very poor can’t get in there. So there is obvious gentrification. We’ll call this “direct gentrification” where you have money—like the Burns building—you just have money, you pay the fines, you redevelop it, everyone’s so tired, they say, “okay, whatever, just redevelop it.” That’s bold-faced gentrification. Then there’s “backdoor” and “sidedoor” gentrification. Then there’s gentrification that the City of Vancouver is doing [itself]. But the bottom line is that housing for the very poor is going down.