
Richard Florida: Toronto Coming of Age Amidst New Urban Crisis

April 20, 2017 5:35 pm | by Stefan Novakovic | [2 Comments](#) (/news/2017/04/richard-florida-toronto-coming-age-amidst-new-urban-crisis#disqus_thread)

In 2017, the cacophony of Toronto's urban discourse—and urban realities—makes understanding the city a daunting prospect. The skyrocketing rents, record waitlists for affordable housing, growing economic disparities, and inadequate transit, are being met with staggering development and densification, growing economic status, and a waxing global cachet that's rivalled by few cities. Our city leads the world in livability and human development indices, while simultaneously facing an affordability crisis that threatens to make good urban housing the sole purview of the rich. Depending on your politics, we've never had it this good, or bad, in Toronto. For urbanist and academic Richard Florida, this dichotomy is the "Janus face of the modern metropolis," and the root of what he calls *The New Urban Crisis*.

Published 15 years after Florida's seminal *Rise of the Creative Class* helped usher in an era of renewed urban optimism, *The New Urban Crisis* diagnoses a "crisis of success" across western cities, including Toronto. According to Florida, "the very same force that drives the growth of our cities and economy broadly also generates the divides that separate us and the contradictions that hold us back."



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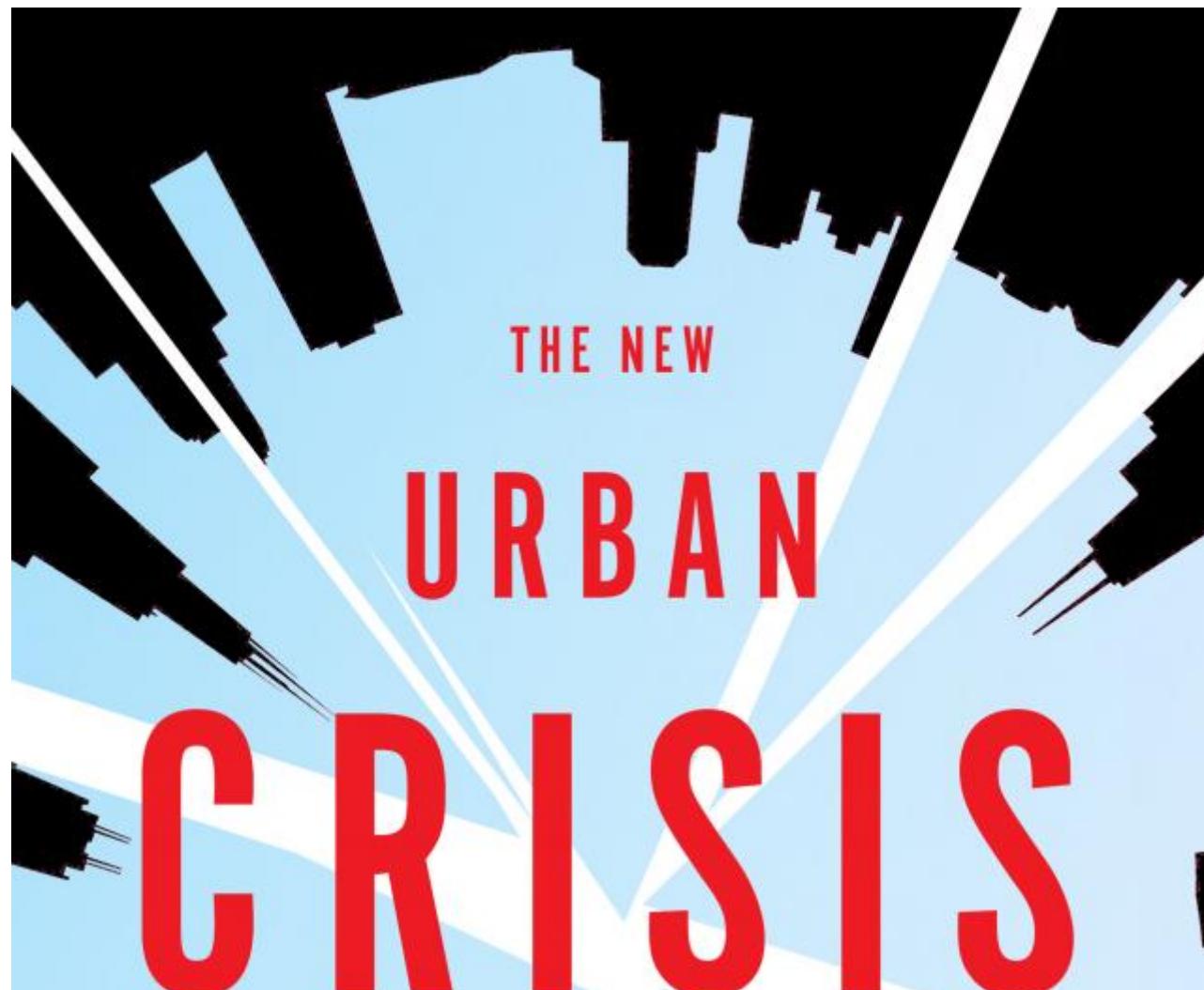
Richard Florida, image via Creative Class

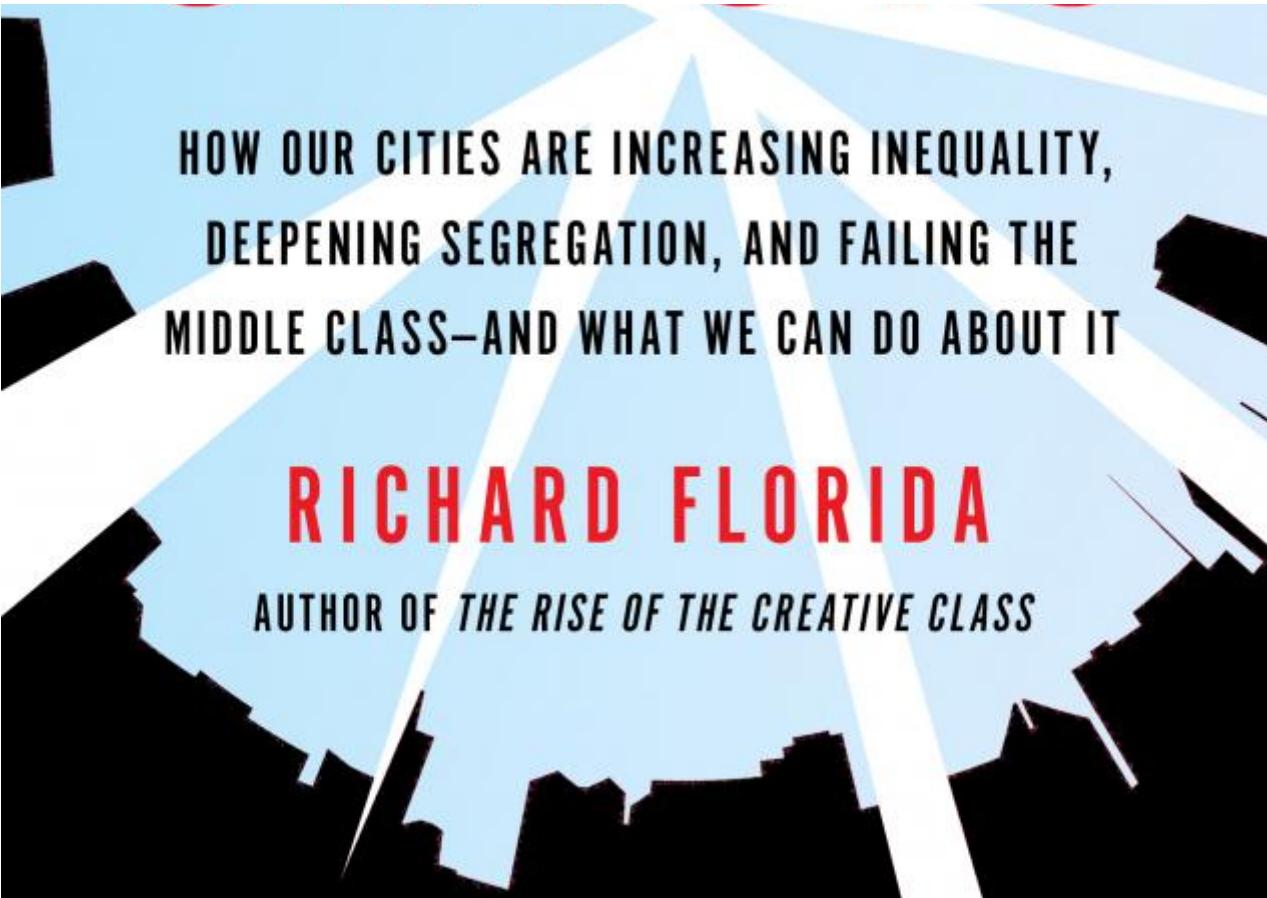
Florida's thesis has and continues to be that the geography of dense, transit-friendly, and walkable urban environments, are catalysts for the talent-clustering that drives the growth of the knowledge economy. In the post-industrial west, the success of the knowledge-based "creative class" is as critical to 21st-century prosperity as manufacturing and heavy industry was to much of the 20th century. For Florida, the quality of space facilitated by cities is crucial to broader economic success. In the early years of the millennium, the "creative class" theory crescendoed in what some critics decried amounted to a near-utopian celebration of urban cool as the wellspring of modern prosperity.

15 years later, the economic shape of North America has increasingly come to reflect—and undermine—Florida's economic model. Even in the internet era, economic output is becoming more concentrated in Canada and America's leading cities. A growing number of new jobs in knowledge-based fields as diverse as

tech, journalism, finance, fashion, medicine, and law, are being concentrated in so-called "superstar cities" like New York, San Francisco, and Toronto, as startups and venture capital also become more urban.

It comes with disadvantages, Florida concedes, noting that "the metros with the highest level of wage inequality were also those with the most dynamic and successful creative economies." For the service and blue-collar workers outside the privileged creative class, parts of the urban core are effectively becoming off-limits. "I found myself confronting the dark side of the urban revival I had once championed and celebrated," Florida notes, arguing that growing polarization threatens to undermine the economic potential of urban areas. It's happening in cities like Boston, Seattle, and Washington D.C., and it's happening in Toronto.





HOW OUR CITIES ARE INCREASING INEQUALITY,
DEEPENING SEGREGATION, AND FAILING THE
MIDDLE CLASS—AND WHAT WE CAN DO ABOUT IT

RICHARD FLORIDA

AUTHOR OF *THE RISE OF THE CREATIVE CLASS*

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The New Urban Crisis, image via Creative Class

"[E]ven as I was documenting these new divides, I had no idea how fast they would metastasize, or how deeply polarized these cities would become," Florida writes. In Toronto, the writing has been on the wall for some time, with David Hulchanski's 2005 'Three Cities Within Toronto' study identifying an increasingly prosperous urban core surrounded by eroding middle-class pockets and growing expanses of suburban disadvantage. "And it's only gotten worse since then," Florida tells me, adding that the Harper Government's removal of the long-form census prevented more accurate data from taking shape in the intervening years.

Reversing the "white flight" that characterized mid-to-late 20th century suburbanization, the return-to-the-city movement has created its own inverse set of racial and socio-economic divisions. In the long term, growing socio-economic homogeneity threatens the diverse urban fabric that fosters creativity. "You can't

create good neighbourhoods without accommodating service jobs," Florida stresses, arguing that a framework for more inclusive urbanism needs to develop as cities continue to densify.

In recent years, Toronto's precipitously rising real estate prices are making the urban core unaffordable to much of the population. A hotly debated topic full of both supply- and demand-side arguments, the general consensus is that the rate of price inflation is unsustainable and distorted. Florida only partially agrees. "The market may very well be overheated," he says, "but looking at Toronto within the context of 21st century superstar cities puts it in another perspective." Acknowledging Toronto's growing global status is key to understanding land values.

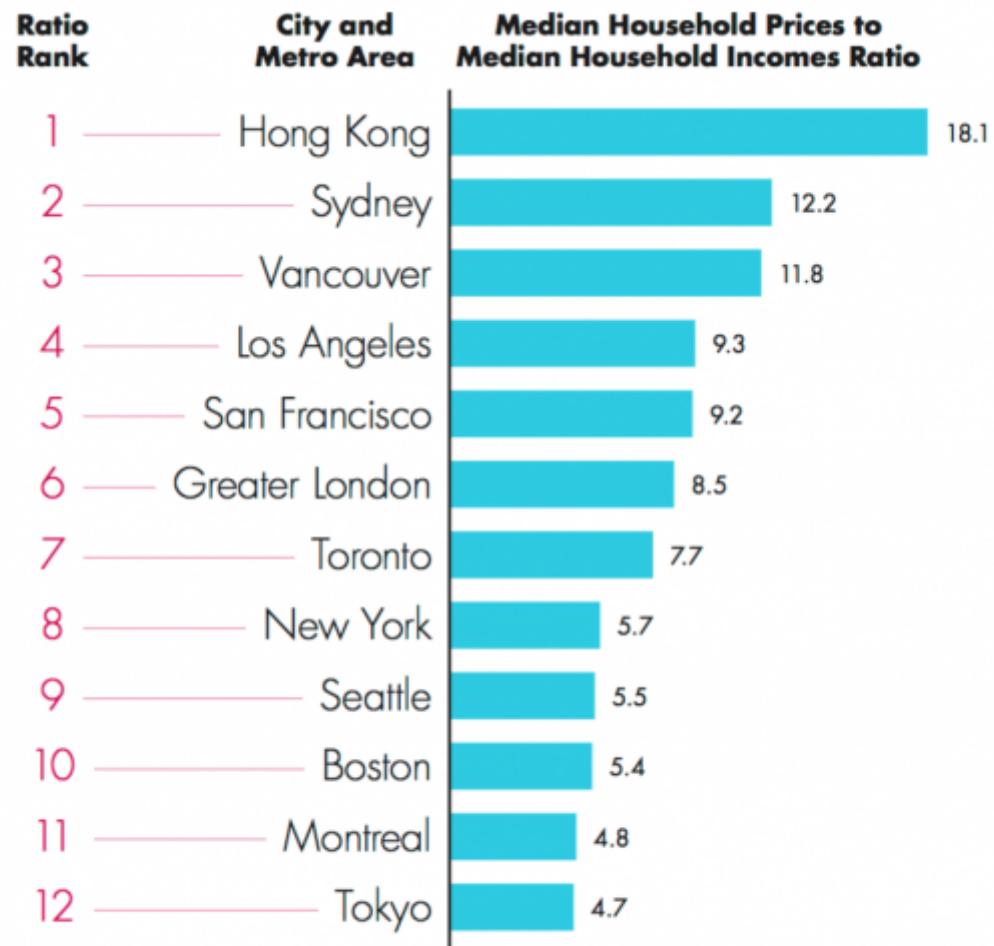


Exhibit 3: The World's Most Expensive Housing Markets

Source: Wendell Cox and Hugh Pavleitch, *13th Annual Demographia International Housing Affordability Survey: 2017 Rating Middle-Income Housing Affordability*, Demographia, 2016.

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By some metrics, Toronto is less affordable than New York, image via MPI

This means that comparisons to the previous bubble of 1989 offer somewhat limited contextual insight. The Toronto of 25 years ago was "nothing close to the place it is now," he tells me, arguing that the city's global emergence makes comparisons to London and New York more commensurate. "We have to accept the fact that we're no longer just a regional economic hub, and a provincial city," Florida stresses. For all the benefits of Toronto's growth, this makes tackling our affordability problems all the more difficult. Within a global economic context, our crisis is not an aberration.

So how effective will our solutions be? Today, the Province of Ontario's newly announced 'Fair Housing Plan' introduced a tax on 'non-resident speculative buyers' while extending rent control to units built after 1991. Compensating for the potentially negative impacts that rent control can have on new construction starts (since they limit long-term revenue), the Province has also introduced new incentives for purpose-built rental development, while opening the door to a Municipal tax on vacant units. Without giving a definite verdict on the new legislation—though one is probably already in the works—Florida argues that tackling the affordability crisis requires more daring intervention.

Rejecting both laissez-faire market urbanism and ultra-densification, Florida promotes zoning policies that encourage "mid-rise growth and intensification, with an emphasis on a strong street level and pedestrian scale," as well as "massive public investment in affordable housing." Transit is also key, particularly for metro areas—like Toronto—that straddle a population of 5-6 million, "where car-based growth is no longer really possible."

In *The New Urban Crisis*, Florida examines the immense economic impact of higher-order transit, which creates what he refers to as the "patchwork metropolis." Creative professionals cluster around transit stops, Florida notes, creating metro areas where prosperity spreads from the urban core via rail. The problem for cities like Toronto is that "we just don't have enough transit," which also means we don't have enough good urban neighbourhoods. Ultimately, the scarcity at the heart of the new urban crisis is the lack of vibrant urban environments, which leaves the ones that exist economically out of reach.



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A far cry from 1989, image by UT Forum contributor junctionist

Then there's Donald Trump. In 2017, one of the major differences between Toronto and its American counterparts is the potential for Federal leadership on urban issues. While the Trump Presidency makes the promotion of urban priorities "all but impossible," the potential for Federal partnership on urban issues—including the creating of a possible Ministry of Urban Affairs—is much more real.

Meanwhile, the relative political instability of the U.S. makes cities like Toronto and Vancouver more attractive on the world stage. "It's already being felt at U of T," says Florida, noting that the University's rise up the international rankings—and rise in foreign applicants—reflects growing global interest.

Florida is also bullish about the potential of the Port Lands, which "could be a great urban laboratory, far beyond New York's Hudson Yards," as well as the proposed Pearson Mobility Hub, and he also celebrates the ravine system as "a great natural asset, and probably my favourite thing about the city." To ensure the city's continued livability, Florida argues that the protection of green spaces like the ravines and The Greenbelt is

vital. "People are living in smaller spaces as the city gets bigger, so third spaces—particularly natural environments—are really important," he adds.

"Toronto's really a unique place. It's got elements of an American city, a European city, and an Asian city, and there's nowhere quite like it in the world." But it's also a deeply troubled and socio-economically divided city, he warns. "This is the city that elected Rob Ford" Florida stresses. "So don't think it can't happen here, because it already has."

Accompanying [The New Urban Crisis](https://www.amazon.ca/New-Urban-Crisis-Increasing-Segregation/dp/0465079741) (<https://www.amazon.ca/New-Urban-Crisis-Increasing-Segregation/dp/0465079741>) — which focuses primarily on American cities—Florida recently released a Canadian addendum to the book. Published by U of T's Martin Prosperity Institute, the "[Canada's New Urban Crisis](https://www.google.com/url?hl=en&q=http://martinprosperity.org/media/Canadas-New-Urban-Crisis.pdf&source=gmail&tust=1492808713354000&usg=AFQjCNFrGXOEjOgYO5fYzf8Qkonlf170cw) (<https://www.google.com/url?hl=en&q=http://martinprosperity.org/media/Canadas-New-Urban-Crisis.pdf&source=gmail&tust=1492808713354000&usg=AFQjCNFrGXOEjOgYO5fYzf8Qkonlf170cw>)" report provides more Canadian context. Richard Florida will also be a keynote speaker at this year's [ULI Toronto Symposium](http://toronto.ulipro.org/event/uli-toronto-symposium-3/) (<http://toronto.ulipro.org/event/uli-toronto-symposium-3/>), taking place on April 24th-25th.

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Florida is a fantastic asset for the city and urban thinkers; so glad he did not give up on the place and retreat to the US during the Rob Ford Era of Ignorance.

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Good article. I've been trying to say the same thing about Toronto for a couple of years now.

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