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## Combating the winner-takes-all 'New Urban Crisis'

Richard Florida outlines the steps that must be taken to if Toronto and other superstar cities are to make cities more livable and equitable for the middle and lower classes.



Research in 2014 by U of T income disparity expert David Hulchanski showed how these five neighbourhoods, clockwise from top left: Leslieville, Allenby-Forest Hill, West Humber-Clairville, Niagara-Queen-King and Malvern, were rapidly growing in different directions in terms of income, race and more. It's only getting worse, writes Richard Florida. (TORONTO STAR) | [ORDER THIS PHOTO](#)

By **RICHARD FLORIDA**

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When we moved to Toronto from Washington, D.C. about a decade ago, my wife and I were shocked by the cost of housing. Since we arrived, Toronto's housing prices have risen by more than 200 per cent. In the past year alone, prices have increased by 34 per cent.

Today, the average house in Greater Toronto will set you back \$916,567 while a detached single-family home will run you more than \$1.6 million on average.

Torontonians comfort themselves by noting housing here is more affordable than say London or New York. And while an apartment or townhouse in Manhattan or central London is likely to cost more in dollars or pounds, taking into account the lower incomes Torontonians make, housing is actually less affordable here than in New York and on par with central London.

Toronto ranks as the ninth most expensive city in the world. Affordable housing is supposed to cost no more than three times a family's income, yet a Toronto home now costs roughly eight times the average income.

Such rising housing prices and worsening affordability are a key indicator of what I call the "New Urban Crisis." This is the dark-side of the sweeping back-to-the-city movement of the past decade or two, which has brought affluent, highly educated people back to the urban cores of superstar cities, such as Toronto, New York, London, Paris and others.

The New Urban Crisis is defined by a new model of winner-take-all urbanism. In a winner-take-all economy, talented superstars such as Beyoncé, Brad Pitt or LeBron James make outsized money. In winner-take-all urbanism, superstar cities house disproportionate concentrations of talent and leading edge industries.

Toronto is the 11th leading global city in the world according to my Superstar City Index. Toronto is even more dominant in Canada than New York is in the United States. Greater Toronto generates about 20 per cent of Canada's economic output compared New York, which generates about 9 per cent of U.S. GDP. In fact, Greater Toronto's share of Canadian GDP is equivalent to that generated by America's five largest metros: New York, Los Angeles, Chicago, San Francisco, and Boston.

Winner-take-all urbanism generates winners and losers within cities as well. While affluent knowledge, professional and creative workers have been squeezed, it is lower-paid blue-collar and service workers who bear the brunt of rising housing prices. Across Canada, the former have roughly \$45,000 per year after paying for housing, but blue collar workers are left with \$26,400 and service workers have just \$11,500 to live on after paying for housing.

Inequality and economic segregation are central features of the New Urban Crisis. Across Canada and the United States, both are higher in large, dense, knowledge-based cities. Toronto ranks 11th out of 24 large global cities on inequality. And while inequality here is much less than in New York

or L.A., it is on par with that of Tunisia and Mali. The so-called 1 per cent in Toronto earn roughly 12 times as much as the average Torontonian, up from six times in 1982.

Even more staggering, Toronto is home to 12 billionaires with a total net worth in excess of \$56 billion; this is roughly 100,000 times greater than the income of the average Torontonian. This super-rich wealth gap is the fourth largest of any North American city and 19th in the world.

Another signature of the New Urban Crisis is the decline of the middle class and of the once sturdy middle-class neighbourhoods it called home. As the pioneering research of my University of Toronto colleague David Hulchanski has shown, middle-class neighbourhoods made up two-thirds of all Toronto neighbourhoods in 1970, but they declined to less than 30 per cent of all neighbourhoods by 2005. Poor neighbourhoods increased from just 19 per cent of all Toronto neighbourhoods in 1970 to more than half (53 per cent) by 2005.

As its middle class and middle class neighborhoods erode, Toronto is morphing into a new kind of patchwork metropolis. The advantaged are living in small areas concentrated in the downtown core, around subway and transit stations, or in affluent suburban areas, surrounded by much large spans of concentrated disadvantaged residents.

The New Urban Crisis has considerable political repercussions as well. The geographic divides it gives rise to are behind the rise of populism in the form of Brexit in England and Donald Trump's presidential victory last fall. Torontonians may rest easy with John Tory in the mayor's office and Justin Trudeau as prime minister, but remember that Toronto was one of the first places in the world to experience the populist backlash that propelled Rob Ford into the mayor's office.

It is imperative that the city and region act aggressively to address the New Urban Crisis across three related fronts:

- It must overcome NIMBYism by increasing density and building more housing, especially more affordable rental housing.
- It must engage the private sector in upgrading low-wage service jobs into family-supporting employment.
- It must invest in better transit infrastructure to connect more people and places to its centres of employment.

Despite the challenges it faces, Toronto, and other great cities, remain our basic engines of innovation, wealth and progress. Ultimately, the solution to the New Urban Crisis is more, not less urbanism.

Getting there requires us to shift from the current lopsided and unequal model of winner-takes-all urbanism to a fairer and fuller urbanism from which all workers and residents can benefit.

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