“Be Bold or Move to Suburbia.” The old Woodward’s department store once anchored Vancouver’s downtown commercial district. In the middle years of the twentieth century, however, commercial vitality moved south and west towards Granville Street, accelerating the decline of Hastings Street. By the time Woodward’s closed in the 1990s, its surrounding neighborhood had become the last refuge of Vancouver’s poorest residents struggling to survive in a city evolving into a fast-paced real estate growth machine. Community advocates, and many planners, sought to secure funds from higher levels of government to transform Woodward’s into social housing for Downtown Eastside residents, but developers and other officials pursued plans for upscale private development. Woodward’s thus became a major site of struggles over the future of the neighborhood, and the city at large -- culminating in an extended squat to protest a plan for luxury condominiums in 2002 (“Woodsquat.”). Several years later, revised plans integrated social housing and affordable rentals with luxury condominiums and a branch of Simon Fraser University’s art department, and Woodward’s was advertised as “An Intellectual Property.” “If you’ve lived in Vancouver all your life,” the advertising copy began, “you may think of Woodward’s as Edgy. But if you moved to Vancouver in the last 10 to 15 years, or have resided in any other major city in the World like New York or London, you will recognize the incredible potential. This is an emerging area, not a sanitized environment. Neighbourhoods like this are rare and offer an authentic mix of cutting-edge culture, heritage and character. That’s why the intelligent buyer will get in early. This is the future. This is your neighbourhood. Be bold or move to suburbia.” Quote source: Rennie Marketing Systems (2006). *Woodward’s District*. Available at http://www.woodwardsdistrict.com, last accessed November 20, 2007. Photograph by Elvin Wyly, February 2006.

Gentrification[1]
Geography 350, *Introduction to Urban Geography*
Elvin Wyly and Tim Drinovz

Gentrification has been one of the most pervasive and controversial topics in urban geography for many years. At various points, gentrification has been dismissed as irrelevant and trivial, analyzed as a fundamental indicator of the underlying dynamics of urban economic or cultural change, advocated as a savior for older, declining cities in need of revitalization, and fought by social movements resisting displacement and claiming a right to the city. Some geographers have argued that there is now so much writing under the heading of 'gentrification' that the term has lost its meaning – it means too many things to too many people, and thus confuses rather than enlightens.

The term and its meaning

But the word is still widely used, because the process is important as ever; it "has become not a sideshow in the city, but rather a major component of the urban imaginary." (Ley, 2003: 2527). The term was first coined by the British sociologist Ruth Glass in 1964. She used it to describe some new and distinct processes of urban change that were beginning to affect inner London. The changes she described are now known as those of 'classical gentrification':

> 'One by one, many of the working class quarters of London have been invaded by the middle classes -upper and lower. Shabby, modest mews and cottages – two rooms up and two down – have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in an earlier or recent period – which were used as lodging houses or were otherwise in multiple occupation – have been upgraded once again… Once this process of 'gentrification' starts in a district it goes on rapidly until all or most of the original working class occupiers are displaced and the social character of the district is changed'.

Gentrification is the transformation of working-class and poor spaces of the city to serve the needs of the middle and upper classes.

Gentrification can be defined simply as the transformation of working-class and poor spaces of the city to serve the needs of the middle and upper classes. The process is most commonly associated with the inner-city, but it happens in other kinds of settings as well. The process usually involves the displacement of poor and working-class households by wealthier residents – but not always. In some cases – the development of old industrial waterfront land, for example – there is no direct displacement. Yet one kind of urban space gives way to another: sites for blue-collar industrial or waterfront jobs are replaced by luxury condos and upscale restaurants. In other cases, existing poor

[1] Adapted and excerpted from Loretta Lees, Tom Slater, and Elvin Wyly (2007). *Gentrification.* London and New York: Routledge. The "Gastown Gamble" case study at the end was authored by Tim Drinovz, who took the Urban Studies 400 Seminar in Spring, 2012.

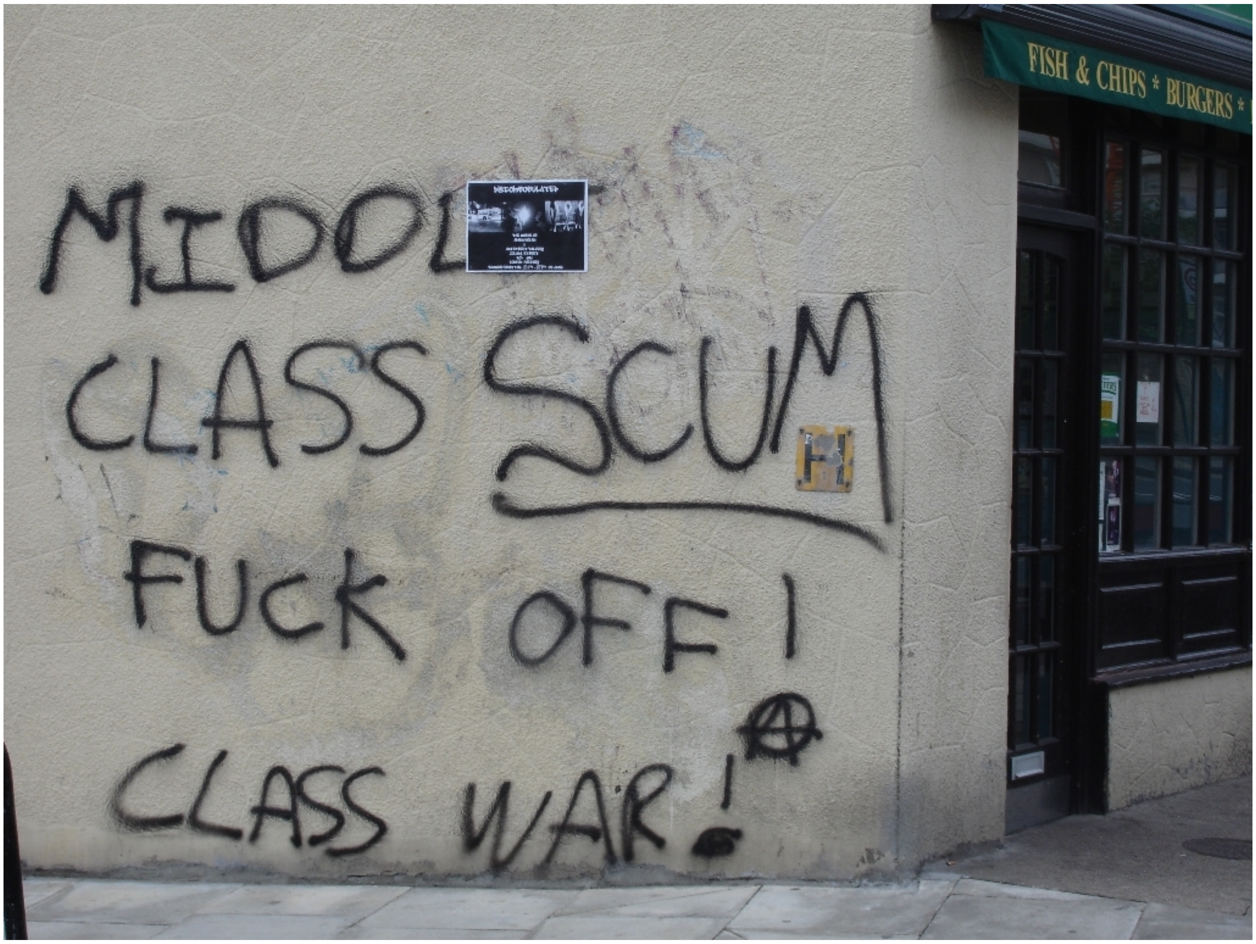
Woodward's Redevelopment, August 2007 (top), May 2008 (bottom). Photographs by Elvin Wyly.

neighborhoods with an attractive, historic housing stock become attractive to middle-class and wealthy households, and before long the neighborhood's poorer residents are displaced.

Gentrification inspires considerable controversy. On the one hand, the process usually replaces things that many agree are bad: it seems to rescue distressed, run-down old neighborhoods from poverty, decay, abandonment, crime, and many other bad things. It brings lots of new investment, and it often leads city governments to provide better public services. Yet these new services and new investments are often not enjoyed by the original lower-income residents, who are displaced by rising rents and house prices (and, in some cases, by landlord harassment or government redevelopment schemes). Poor renters are displaced in favor of higher-income renters or home-buyers. Poor residents fortunate enough to own their homes are usually able to hold on longer, but eventually rising property taxes (tied to rising home values) lead many of them to leave too; those who do leave often get a windfall from the sale of a home made more valuable by the gentrification of the surrounding neighborhood. The process is thus often quite bittersweet, as residents of the old neighborhood lament the loss of an old sense of community even while some cash in on the financial benefits. Even the redevelopment of old industrial lands can inspire controversy: when luxury condos or upscale retail districts appear, it brings into sharp relief the inequalities of the contemporary city – because everywhere we look, there are enormous investments for homes and spaces for wealthy folks, while housing affordability becomes ever more difficult for poor and working-class people. As the poor- and working-class spaces of the city are remade for the upper classes, many choose to stand and fight.

The word "gentrification" was introduced in 1964. The process has become very controversial -- it transforms neighborhoods suffering from decay and crime, but in so doing it displaces the original poor and working-class residents.

The class conflict has become so intense that even the word "gentrification" itself is now controversial. Developers, officials, and voters who support gentrification have learned to avoid the word -- to speak instead of renewal, revitalization, or regeneration.



London, Hackney, Summer 2006. Tom Slater describes the neighborhood as the front line of the 2012 Olympics redevelopment that will (directly or indirectly) displace several thousand residents. Courtesy of Tom Slater.

[Next page.] "End to Poor Bashing and Gentrification." Vancouver Citywide March for Housing, April 2009. Photographs by Elvin Wyly. See also Jean Swanson (2001). *Poor-Bashing: The Politics of Exclusion.* Toronto: Between the Lines Publishing.


HOMES
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Explanations

Gentrification attracted a lot of attention as word spread that the urban changes underway in many cities could be identified with a specific label. At first, much of the attention – by residents, journalists, developers, city officials, and academics – was purely descriptive. Many people could identify neighborhoods they knew that were undergoing the changes that Ruth Glass and others were describing.

But it quickly became clear that we needed more than pure description. What was causing gentrification? Quite rapidly, the answers to this question tended to fall into two generally distinct groups: consumption explanations, which emphasized changes in the tastes and preferences of middle-class and upper-class residents, versus production explanations, which emphasized the economics of land markets that made it profitable for some places to be gentrified. For years, many analysts have seen these explanations as competing, separate explanations; there is now a recognition that the two are complementary, however.[2]

Consumption Explanations

In consumption-side explanations, gentrification is the result of changes in consumer preferences in "post-industrial" society.

Consumption explanations of gentrification emphasize the broad social changes associated with what Daniel Bell (1973) called "post-industrial society." Bell's postindustrial thesis noted the broad social and cultural implications of the shift from manufacturing to services, the rise of new science- and expertise- based industries and activities, and the increasing influence of artistic avant-gardes in shaping the priorities of consumer culture. One of the most visible immediate consequences was the appearance of new segments of the middle class who had different living preference from the dominant suburban single-family house. John Short (1989: 174) described some of these new segments in a vivid account of 'the new urban order':

> "In summary there has been a loss of manufacturing employment and an increase in service employment all against a background of rising unemployment. The social effects have been a reduction in the power of the traditional male working class, an increase in female employment and the emergence of a new middle class. These trends have been given popular recognition in the terms yuppie and yuffie, themselves part of a plethora of new words coined in the 1980s including buppies, swells and (my favourite) lombards. A yuppie is a young upwardly mobile person though the u can also denote urban. Yuffies are young urban failures. If the yuppies are the successful new middle class, yuffies are the

[2] Below, the section describing consumption explanations is shorter than the one on production explanations; this is not because one is more important than the other. It's just that I wrote most of the production chapter for the book. I swiped and summarized the consumption material from what Tom and Loretta wrote.

> stranded and blocked working class. The other terms? Buppie is the yuppie's black equivalent, swell is single women earning lots in London, a term which summarizes the rise of the female executive and perhaps the beginnings of the end for the monopoly of the male domination of senior and responsible positions. Lombard is lots of money but a right dickhead, a term of abuse whose real quality is only recognized if you know that one of the main streets in the City of London is Lombard Street."

These terms certainly poke fun at various folks, but it was clear to many observers that occupational and industrial patterns were changing a great deal. And the new patterns brought new geographies, especially in the inner city. David Ley, who joined UBC's Geography department in 1972, found himself in a particularly fascinating position to observe some aspects of the new middle class and its consequences for the inner city. Canadian cities were experiencing dramatic economic and cultural change, and Ley argued that postindustrial society had altered the rationale behind the allocation of land use in urban contexts in Canada, as new middle-class professionals (what he called a 'cultural new class') were an expanding cohort with 'a vocation to enhance the quality of life in pursuits that are not simply economistic' (1996: 15). Ley argued that gentrification represented a new phase in urban development where consumption factors, taste, and a particular aesthetic outlook towards the city from an expanding middle class saw an 'imagineering of an alternative urbanism to suburbanization' (p. 15). This new outlook emphasized 'quality of life' and urban diversity and tolerance in place of what was seen as a modernist conformity of the suburbs of the industrial age. Over the years, Ley and others have studied many neighborhoods in Vancouver and other Canadian cities; but one of his early studies focused on the redevelopment of the old manufacturing landscapes of Granville Island and the south side of False Creek, in which Walter Hardwick, Chair of Urban Studies at UBC, played a leading role. There's now a street named after Walter Hardwick (who died a few years ago) in the Olympic Village.

In consumption-side explanations, gentrification is a rejection of the modernist homogeneity of industrial-age suburbanization; it is an embrace of the diversity, tolerance, and quality of life of the postmodern inner city.

Consumption explanations view gentrification, then, as the geographical result of social and cultural transformations. Gentrified inner-city districts represent an alternative to the suburbs. They welcome diversity, and reject suburban conformity. These places are thus more welcoming to gays, lesbians, and others who may not feel accepted in 'traditional' suburban living environments. These neighborhoods tend to be much easier places to live for single mothers and career-oriented single professional women.

The increasing social and cultural diversity of Western society, then, created new geographies of the city. Post 1968, the year when the student protests against the repressive colonization of everyday life by an overregulated society reached their peak all over the world (Watts 2001), many centrally located neighborhoods in urban Canada saw their social and economic status

Changes in consumption practices were made possible by the increasing incomes of a "new middle class" that emerged after the 1960s. David Ley puts it eloquently: "Hippies became yuppies."

elevate as the central city became the arena for countercultural awareness, tolerance, diversity, and liberation. This occurred in the context of a laissez-faire state, the rapidly changing industrial and occupational structure -- where 'hippies became yuppies', as Ley so tellingly put it, in the shift towards a postindustrial city -- welfare retrenchment, a real estate and new construction boom, the advent of postmodern niche marketing and conspicuous consumption (Ley and Mills 1993), and the aestheticization and commodification of art and artistic lifestyles (Ley 2003). In the 1970s, neighborhoods such as Yorkville and the Annex in Toronto, Kitsilano and Fairview Slopes in Vancouver, and Le Plateau Mont-Royal in Montréal became hotbeds of 'hippie' youth reaction against political conservatism, modernist planning, and suburban ideologies.

Production Explanations

Consumption explanations present a fascinating historical, social, and cultural narrative. But preferences and cultural changes capture only part of the story. Gentrification is also the product of the hard-edged calculus of speculation, risk, profit, and loss. Neil Smith (1986: 34), a prominent gentrification researcher, insists that gentrification is a "frontier on which fortunes are made." Understanding it requires that we consider the motivations and logic followed by aggressive developers, flambouyant real-estate brokers, savvy buyers in the market for million-dollar condos, and budget-conscious government officials. Production explanations explain how the possibility of winning enormous fortunes provides powerful incentives that shape the behavior of individuals, groups, and institutions who have a stake in what happens on the urban frontier. Although individuals and organizations certainly consider a wide variety of factors when they make the kinds of decisions that can affect a neighborhood, many of the constraints that narrow the field of attractive choices can be traced to fundamental rules of economic production in market economies. Production explanations show how neighborhood change is connected to underlying rules of the game -- economic relations, legal principles and practices, institutional arrangements, and pure political struggles -- in which value and profit are produced and distributed.

In production-side explanations, gentrification results from the calculus of speculation and risk, profit and loss.

Gentrification is a frontier, and fortunes are made on this frontier.

Back to the City? The Limits of Neoclassical Economics

In the late 1970s, the future of old industrial cities seemed uncertain and precarious. Especially in the United States, urban centers had been battered by deindustrialization and suburbanization since the 1950s. Suburbanization accelerated in the 1960s, when many middle- and working-class Whites fled as African Americans sought to challenge police brutality, housing and school discrimination, and other mechanisms of racial segregation and stratification (Jackson, 1985; Sugrue, 2005). At the same time, however, small pockets of the old inner city showed signs of reversal: in some places, government-driven urban renewal programs had created new offices, malls, or upscale residential developments for middle-class, mostly white households. Elsewhere, there seemed to be signs of "spontaneous" neighborhood revitalization by middle-class households, many of them young, white, and well-educated. After a massive spike in gasoline prices in 1973 (a shock that was repeated six years later) commuting costs spiralled for suburbanites even as the combined effects of recession, inflation, and high interest rates played havoc with housing market activity. All of these trends seemed to call into question the survival of the 'American dream' of owning the single-family suburban house.

In the midst of this gloomy picture signs of change in several inner-city neighborhoods seemed to offer hope for a brighter urban future. Popular-media observations of inner-city change led scholars and policy analysts to see an encouraging 'back to the city' movement that might be able to reverse the effects of decades of white-flight suburbanization. In 1977, Everett Ortner, the managing editor of *Popular Science Monthly*, claimed that "[b]ack to the city is an important movement that is going on in every city in the country" (quoted in Beauregard, 2003, p.207). That same year, in one of the first widely-cited scholarly analyses of gentrification, Gregory Lipton (1977) suggested that:

> "While the dominant pattern may involve the loss of a middle- and upper-income, predominantly white population from the center and their replacement by lower-income, predominantly black and other minority populations, a fairly large number of cities are experiencing some population changes running counter to this major trend." (p.137).

Most observers saw the changes underway as the result of middle-class lifestyle changes that were altering locational preferences. For Lipton and many others, the distinctive features of the baby-boom generation (postponed marriages, fewer or no children, rising divorce rates) combined with the rising costs in money and time spent for commuting all served to "decrease the relative desirability of single-family, suburban homes compared to central city multiple-family dwellings." (p.147). A flood of statements appeared soon afterwards with the 'back to the city' theme, predictably accompanied by euphoria over a timely possible remedy to decades of decay. In 1977, for example, Baltimore's Mayor Fred Schaefer trumpeted that "people are starting to come back and live here…they're beginning to find out there is something alive here. They're coming back for…life, pride, activity." (quoted in Ley, 1996, p.33). And for the preface of an edited collection titled *Back to the City* (Laska and Spain, 1980), former New Orleans Mayor Moon Landreau declared that

> "Americans are coming back to the city. All across the country, older inner-city neighborhoods are exhibiting a new vitality and a renewed sense of community." (Laska and Spain, 1980: ix).

This type of view had become mainstream through the 1970s. Although the fate of the city was uncertain, the conventional wisdom held that a growing wave of young, well-educated professionals were choosing to come back to the city -- and the choices of these "urban pioneers" were helping to spur renewal, renovation, revitalization, and perhaps a full-fledged urban renaissance. At the time, these sunny, optimistic terms overshadowed the cumbersome, class-laden word *gentrification*. Years later, Neil Smith reflected on his experience coming from small-town Scotland to Philadelphia in 1976:

> "In those days I had to explain to everyone -- friends, fellow students, professors, casual acquaintances, smalltalkers at parties -- what precisely this arcane academic term meant. Gentrification is the process, I would begin, by which poor and working-class neighborhoods in the inner city are refurbished via an influx of private capital and middle-class homebuyers and renters .... The poorest working-class neighborhoods are getting a remake; capital and the gentry are coming home, and for some in their wake it is not an entirely pretty sight. Often as not that ended the conversation, but it also occasionally led to exclamations that gentrification sounded like a great idea: had I come up with it?" (Smith, 1996: 32).

Challenging The Sovereign Consumer

This sunny view of "revitalization" and "renaissance" ignored the harsh realities of poverty, displacement, and chronic shortages of affordable housing. And the popular debate began to expose fundamental flaws in the dominant framework used to study cities and urban problems. Press accounts and quick-turnaround tabulations of census data were producing a vast literature that for the most part *described* changes in life-style, demographic conditions, and locational patterns -- while appealing to self-evident *explanations*. But if there was a back-to-the-city movement driven by changes in locational preferences, *why* were middle-class preferences changing? There was a palpable sense of surprise and shock during these years, because gentrification was not at all what neoclassical urban theory had predicted.

By the time Neil Smith was being asked at parties if he had invented gentrification, the dominant perspective in urban studies was a blend of the social and spatial theories of the Chicago School of sociology, and the methods and assumptions of neoclassical economics. These frameworks portrayed the suburbanization of middle-class and wealthy households as the driving force of urban growth, suburban expansion, and overall metropolitan housing market change. Among the many legacies of the Chicago School, one of the most enduring was the idea that the urban environment tends towards equilibrium much as an organism does, with individuals and groups sorting themselves into 'natural areas' that constituted a city symbiotically balanced between cooperation and conflict (see Hiebert, 2000, for a concise summary of the Chicago School's influence on geography). This logic laid the foundation for ideas of spatial equilibrium and economic competition that were used to develop neoclassical models of urban land markets in the late 1950s and early 1960s (Alonso, 1964; Muth, 1969). These models explained suburbanization in terms of an overriding consumer preference for space, combined with differences in the ability of high- and low-income households to engage in locational tradeoffs between access to centralized employment and the cheaper land prices available on the lower-density urban fringe. Measuring these trade-offs in terms of the costs per unit of area, the neoclassical models seemed to account for the spatial paradox of the U.S. city: middle-class and wealthy households living on cheap suburban land, poor and working-class households forced to crowd into dense apartment blocks on expensive, centrally-located inner-city land. Layered on top of these models was the concept of residential 'filtering,' advanced by Homer Hoyt based on his analysis of new kinds of housing statistics first collected by government agencies in the 1930s and 1940s. Hoyt observed that new houses and new neighborhoods were almost always built for higher-income households, and that as homes (and neighborhoods) aged, they "filtered down" and became more affordable for progressively poorer groups (Hoyt, 1939; Galster, 1995).

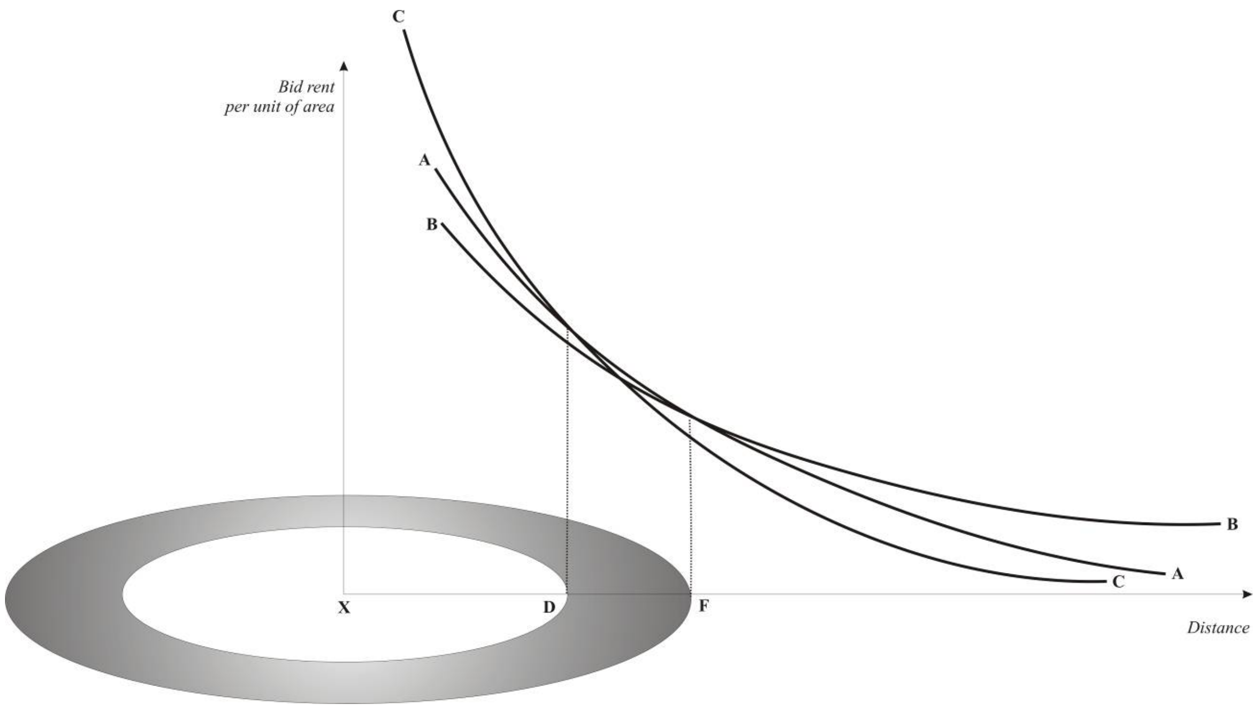
As the influence of neoclassical economics grew in the 1960s, many of the descriptive and qualitative accounts of the Chicago School came to be formalized and expressed in increasingly sophisticated mathematical and quantitative terms. In the course of creating these formal models, however, the neoclassical urbanists had built everything on the foundations of equilibrium and consumer sovereignty (Lake, 1983). The form and function of the city, the argument went, could be understood as the result of choices made by innumerable individual decision-makers. Each consumer rationally chooses amongst available options in order to maximize satisfaction or 'utility,' subject to the constraints of their available resources. Firms compete to serve the needs of these utility-maximizing consumers, and in the case of neighborhoods and housing, the resulting market will yield the spatial tradeoffs between space and accessibility that structure different residential patterns. If such a competitive market is allowed to operate free of cumbersome regulations and other distortions, the neoclassical reasoning continues, the incentives for both producers and consumers to optimize their behavior will push the urban environment towards an equilibrium -- such that there will be no systematic shortages of housing, for example -- while yielding the maximum amount of utility for the maximum number of people. The conceptual simplicity of such arguments -- along with the confidence of their moral implications and the mathematical sophistication of their expression in textbooks and articles -- has allowed neoclassical economics to play a decisive role in dicussions among urban scholars and government officials with the power to shape the rules of the game of urban life. As new sources of data on urban population and housing proliferated, developments in computer technologies and applied multivariate statistics made it possible for the neoclassical urbanists to provide increasingly detailed measures, simulations, and predictions. Government planning efforts expanded, and neoclassical frameworks that had been devised to *explain* urban structure came to be *imposed on* cities in the form of planning and zoning regulations, transportation investments, and housing policies (Metzger, 2000). Together, all of these dominant tendencies in 1960s urbanism created a compelling narrative -- making it appear that suburban wealth and growth juxtaposed with inner-city poverty and decline were all natural, logical, and inevitable (Beauregard, 1993; Harvey, 1973; Hiebert, 2000; Metzger, 2000).

Gentrification directly contradicted this narrative. The appearance of substantial pockets of gentrification in dozens of cities rendered consumer sovereignty explanations deeply problematic -- challenging the foundational assumptions of spatial preferences, filtering, and perhaps the axiom of individual consumer choice itself. On the one hand, initial proclamations of a "back to the city" movement were contradicted by evidence that gentrifiers came mostly from other central-city locations (and not the suburbs). As Beauregard (2003) pointed out when discussing the late 1970s, "[a]mid the good news about population growth in the cities, middle-income households were still fleeing to the suburbs." (p.209). On the other hand, attempts to refine the standard neoclassical models raised even more fundamental questions of interpretation. Gentrification certainly could be predicted with the standard approach if the model assumptions were revised -- to consider the effects, for example, if wealthier households become more sensitive to the transportation expenses of the suburbs (Kern, 1981; LeRoy and Sonstelie, 1983; Wheaton, 1977). Schill and Nathan (1983, p. 15) offered the most explicit attempt to rework the Alonso-Muth bid-rent models:

In neoclassical economic theory, gentrification can be explained through Alonso bid-rent models: gentrification is simply a new spatial equilibrium in the urban land market.

> "Although these land use models have most frequently been used to explain the creation of affluent suburbs, they can also explain the location of affluent neighborhoods near the central business district. Economists would say that in such neighborhoods the bid rent curve of the inmovers must be steeper than the curves of both the poor who live in the central city and the inmovers' suburban counterparts. That is, the well-to-do people who move into revitalizing neighborhoods value both land and accessibility, and can afford to pay for them both. They thus outbid all other groups for land close to the urban core."

Following this logic, gentrification is the natural outcome of shifts in the tradeoffs between accessibility and space that make inner-city locations more attractive for wealthier households. It's just a new spatial equilibrium. But revising assumptions on consumer choices left critics wondering how useful the neoclassical models really were: was this *explanation* or *description*? And if so many consumers were changing their decisions in response to new conditions, why not reconsider the ideology of consumer 'choice' and examine the role of those constraints instead? What about the choices available to the poor and working classes? Perhaps it would be best to consider the limits on individual choice, the boundaries set by inequalities of wealth and power.



Gentrification as Bid-Rent Consumer Sovereignty. Neoclassical theory explains gentrification as the equilibrium solution to a change in the housing and transportation trade-offs made by middle- and upper-income consumers. In *Revitalizing America's Cities,* Schill and Nathan (1983) revised the dominant bid-rent model (Alonso, 1964; Muth, 1969) to incorporate different assumptions on the preference for space and accessibility among higher-income consumers. In the standard formulation, middle-class and wealthy households have a preference for spacious residential environments, and can easily afford the transportation expenses of distant, low-density suburbs. Upper-income households thus outbid lower-income households in the suburbs, while lower-income households crowd into centrally-located land in order to be closer to work, which in the traditional model is assumed as the central business district. Schill and Nathan (1983, p. 15) continue: "Curve AA represents a lower-income household's bid rent curve, BB represents an upper-income suburban dweller's, and CC the inmover's. If X denotes the center of the city, the inmigrant will consume land denoted by segment XD, the poor household will locate on segment DF, and the upper-income suburban household will live on land to the right of point F. Before reinvestment, the poor would have consumed segment XF." Similar neoclassical accounts of gentrification include Kern (1981), LeRoy and Sonstelie (1983), and Wheaton (1977). Updated and refined versions of the approach include Brueckner et al. (1999), Brueckner and Rosenthal (2005), De Bartolome and Ross (2002), De Salvo and Huq (1996), Glaeser (2000), and Kwon (2006). *Source*: Modified and adapted from Schill and Nathan (1983, pp. 15-16).

'We Wish the Theory to Become Not True'

Neoclassical theories continue to dominate urban theory and urban policy, and several economists have worked to refine bid-rent models to chart gentrification and other shifts in the contours of urban spatial structure (Brueckner et al., 1999; Brueckner and Rosenthal 2005; De Bartolome and Ross, 2002; De Salvo and Huq, 1996; Glaeser, 2000; Kwon, 2006). Yet Chris Hamnett's (1992, p. 116) merciless caricature of the approach sums up the frustration of many urbanists:

> "It is only necessary to attend a few economics conferences or to read some of the neoclassical literature to realize that this perspective is as vibrant and ill-informed as ever. The recipe is simple. Take a set of behavioral outcomes, add a handful

> of socio-economic predictor variables, whisk the mixture thoroughly until it has a thick consistencey, insert a regression equation for half an hour until half baked, garnish the results with a sprinkling of significance tests and serve with consommé à choix. Voila!"

This is surely a bit harsh, an unfair distortion of some of the work in the neoclassical tradition. But the sentiment was behind a sea-change in urban studies that revolutionized urban thinking beginning in the 1970s, and continues to shape our understanding of cities today (Zukin, 2006). David Harvey was the leading force of a new perspective that went back to the roots of contemporary neoclassical theory -- the classical political economy debates between Adam Smith, Ricardo, Malthus, and Marx -- to understand the origins of urban inequality. Harvey's (1973) *Social Justice and the City* was the manifesto of this new urban studies, which sought to understand how cities

> "...are founded upon the exploitation of the many by the few. An urbanism founded on exploitation is a legacy of history. A genuinely humanizing urbanism has yet to be brought into being. It remains for revolutionary theory to chart the path...." (Harvey, 1973: 314).

Harvey offered a panoramic view of urbanism and society, and in later work he outlined a comprehensive analysis of economic, urban, and cultural change (Harvey, 1982, 1985, 1989, 2000; 2003; see also Zukin, 2006). But his attack on the dominant neoclassical explanation of inner-city decline and ghetto formation is crucial for our analysis of gentrification. Harvey took aim at the models of urban structure that Alonso (1964) and Muth (1969) had built using the principles of agricultural land-use patterns that had been devised by a Prussian landowner, Johann Heinrich von Thünen (1793-1850):

> "After an analytic presentation of the theory, Muth seeks to evaluate the empirical relevance of the theory by testing it against the existing structure of residential land use in Chicago. His tests indicate that the theory is broadly correct, with, however, certain deviations explicable by such things as racial discrimination in the housing market. We may thus infer that the theory is a true theory. This truth, arrived at by classical positivist means, can be used to help us identify the problem. What for Muth was a successful test of a social theory becomes an indicator of what the problem is. The theory prodicts that poor groups must, of necessity, live where they can least afford to live.
>
> Our objective is to eliminate ghettos. Therefore, the only valid policy ... is to eliminate the conditions which give rise to the truth of the theory. In other words, we wish the von Thünen theory of the urban land market to become not true. The simplest approach here is to eliminate those mechanisms which serve to generate the theory. The mechanism in this case is very simple -- competitive bidding for the use of the land." (Harvey, 1973, p. 137).

This is part of the context that shaped Neil Smith's reaction to the optimistic, uncritical celebrations of an urban renaissance in the late 1970s. And it is acutely relevant today, when neo-classical assumptions have been revitalized and hijacked by the political triumphs of neo-liberalism, such that city governments now act less as regulators of markets to protect marginalized residents -- and more as entrepreneurial agents of market processes and capital accumulation (Harvey, 1989; Peck, 2006). One of the recent descendants of the back-to-the city tradition, for example, models high-income households' locational choices as a function of spatial variations in the age of housing, and calibrates equations to develop projections for the future magnitude of gentrification: "Such predictions are crucial for local policymakers and real-estate developers who must plan for the future despite their limited ability to predict the city's evolution." (Brueckner and Rosenthal, 2005, p. 1; see also Vigdor, 2002; Massey, 2002; Rivlin, 2002). There is a remarkable continuity in the internal dynamics of the neoclassical approach, but the context of policy and politics has dramatically increased the risks for poor and marginalized residents facing gentrification pressures. Unfortunately, estimating complex models to show how elite locational preference narrows the options for lower-income households distracts our attention from the fundamental inequalities of class power. There is nothing natural or optimal about gentrification, displacement, and neighborhood polarization. *Who* stands to profit from these geographies of inequality? *Why* has consumer preference changed in such a way that gentrification has swept across so many cities for nearly forty years? Neil Smith took a knife to the soft underbelly of mainstream thinking when he approached these questions:

> "In the decision to rehabilitate an inner city structure, one consumer preference tends to stand out above the others -- the preference for profit, or, more accurately, a sound financial investment. ... A theory of gentrification must therefore explain why some neighborhoods are profitable to redevelop while others are not. *What are the conditions of profitability? Consumer sovereignty explanations took for granted the availability of areas ripe for gentrification when this was precisely what had to be explained*." (Smith, 1979: 540-541, emphasis added).

Development, Disinvestment, and the Rent Gap

Geography creates powerful contradictions for capital investment. Particularly in the urban realm, massive investments are required to create the places that must exist in order for profits to be made -- offices, factories, shops, homes, and all the rest of the infrastructure that makes up what is often called the built environment. Yet once these investments are committed and quite literally put in place, capital cannot be quickly or easily shifted to newer, more profitable opportunities elsewhere. Technological change, expanding networks of trade, migration, and settlement -- in short, every element of economic development -- can threaten and undermine the profitability of previous investments. Individual investors committed to older technologies in older places lose out to those able to take advantage of new development in new places, while *as a group* capitalists are always forced to choose between investing to maintain the viability of previous capital commitments or exploiting new opportunities (and neglecting or abandoning the old). Moreover, capital investment is always animated by a geographical tension: between the need to equalize conditions and seek out new markets in new places, versus the need for differentiation and a division of labor that is matched to various places' comparative advantage. The result is a dynamic "see-saw" of investment and disinvestment over time and across space, in an ongoing process of uneven geographical development (Smith, 1982, 1984; Harvey, 1973, 1982, 2003). Capitalism is always creating new places, new environments designed for profit and accumulation, in the process devalorizing previous investments and landscapes. This paradox of development fascinated Marx and generations of political economists, and the process was distilled beautifully in the early twentieth century by Joseph Schumpeter's (1934) concept of creative destruction. But Neil Smith was the first to connect these fundamental dynamics of capitalist development to the fine-grained circumstances of individual land parcels in the inner city, where gentrified wealth collides with disinvested poverty.

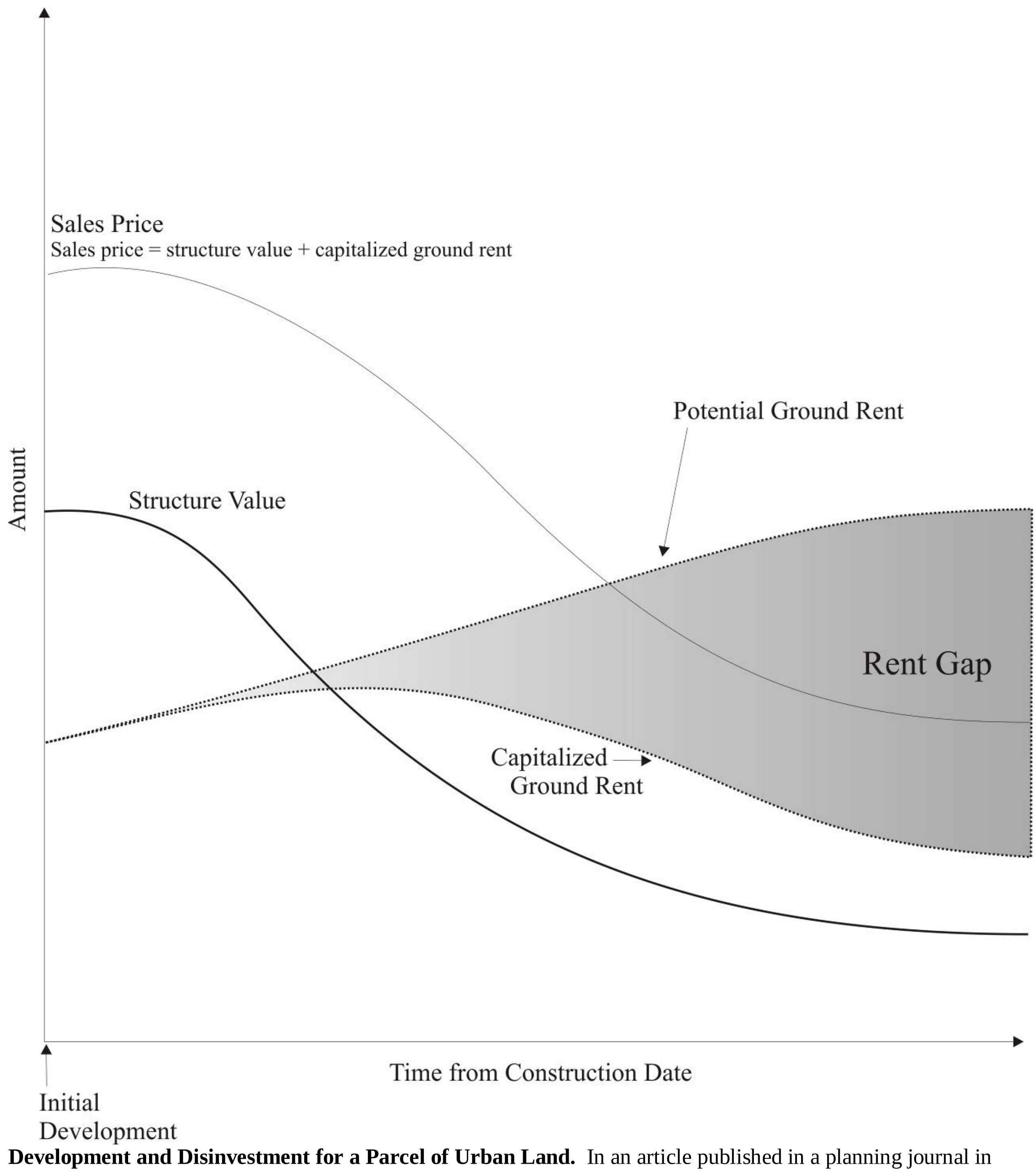
In a competitive market economy, new urban development is geared to maximize profit: landowners, developers, and everyone else involved in the development process all have incentives to use a particular land parcel for the most profitable function possible, given the available construction technology, prevailing regulations, building styles and fashions, nearby competitors, and local urban context. For some parcels, the economically optimal use -- what planners and economists call the highest and best use -- will be high-end retail, for others upper middle class residential. Location is obviously crucial in deciding the highest and best use for a particular parcel -- and once a structure is built, it is quite literally anchored to its location. The *value* of a house, shop, condominium or any other structure is the total labor invested to create it, given a society's prevailing technologies, wage rates, and so on. But if the structure is sold, the transaction *sales price* will also depend on the relative attractiveness of the land where the structure is situated. Land itself, though, has very little intrinsic value: particularly in the urban environment, the attractiveness of land is based mainly on location, accessibility, and the labor and technology devoted to improving a site. This means that the value of urban land is primarily a collective social creation: if a tiny piece of land located in the heart of a large, vibrant, growing city commands a premium on the market, it is because a) centrality and accessibility are valued in the society, and b) collective social investments over time produced a large, vibrant city. Private property rights, however, allow land owners to capture most of this social investment in the form of *ground rent,* which is simply the charge that owners are able to demand for the rights to use their land (Ball, 1985; Krueckeberg, 1995; Blomley, 2004). For landlords, ground rent is received primarily as a stream of payments from tenants. Owners who prefer not to be landlords forego this stream of payments, but they can replace it by engaging in economic activity on the site (essentially paying rent to themselves). And whenever an owner sells a piece of land, the price will incorporate buyers' expectations of the future stream of payments for the rights to use the land. Ground rent, therefore, is capitalized for each owner through some combination of tenant payments, entrepreneurial activity, and asset appreciation captured at resale.

Ground rent is the economic charge that owners are able to demand for the rights to use their land.

For landlords, ground rent is received as a stream of rental payments; for homeowners, ground rent is captured through asset appreciation (selling a property for more than it was purchased).

All of these elements change over time with urban development, spatial restructuring, and advances in technology. When a land parcel is newly developed, all actors in the development process work to maximize profitability: competition amongst and between buyers and sellers, renters and landlords, ensures that the rights to use a particular land parcel are capitalized as nearly as possible up to the full potential. But the capital invested to develop a place is now anchored there, and thus it is vulnerable to anything that alters the urban-economic circumstances of that place. For a few years, intensified development nearby may make it more accessible and desirable -- thus allowing an owner to demand higher ground rent. But the investment in a particular land use will eventually face an unavoidable depreciation: buildings and other infrastructure age, and require ongoing labor and capital for maintenance and repair. As new urban growth adopts better construction and design technologies, land uses developed in previous generations become less competitive and less profitable. With each passing year, we are bit more likely to see a divergence between *capitalized ground rent* -- the actual rent captured with the present land use -- and *potential ground rent* -- the maximum that could be appropriated based on the highest and best use. Capitalized ground rent is constrained by the terms and conditions of previous investments and commitments of labor, and is undermined by the mounting costs of repair and maintenance. Potential ground rent, by contrast, almost always increases steadily over time: so long as an urban region enjoys some combination of population growth, employment expansion, and technological innovation, then any particular location will become more highly valued over time if an owner is willing to put the land to its optimal, highest and best use.

Gentrification results from a ***rent gap****. Over time, capitalized ground rent -- the economic return from a land use that gradually becomes obsolete -- falls well below potential ground rent -- the economic return available if the land is redeveloped to its "highest and best use."*



Development and Disinvestment for a Parcel of Urban Land. In an article published in a planning journal in 1979, Neil Smith offered what was to become one of the most influential explanations for gentrification. Smith challenged the conventional wisdom of the time, pointing out the lack of evidence to support the widespread notion that an urban "renaissance" was being driven by the choices of suburbanites coming "back to the city." Smith showed how the rules of the game in urban land markets created disinvested, devalorized places -- and how the tension between dynamic new urban growth and the legacy of previous investments created a gap between the current returns from a parcel of land with an outdated use and the potential if it were put to its optimal, "highest and best" use. This gap makes gentrification economically rational and highly profitable, and encourages both large-scale physical redevelopment (often subsidized by governments) and block-by-block changes as middle-class and wealthy residents displace lower-income people. For Smith, then, gentrification was indeed a movement back to the city, but it was a return of *capital*. *Source:* Modified and adapted from Smith (1979).

This cycle of depreciation and disinvestment is urban creative destruction with a vengeance. New development undermines older investments, and ongoing depreciation forces owners to consider carefully before sinking more capital into aging land uses. When the contrast between old and new tends to have a clear spatial imprint -- older land uses and structures near the core, for instance, newer development on the fringe -- then disinvestment can become increasingly logical, rational, and attractive for those saddled with older commitments. Landlords in poorer inner-city neighborhoods, for example, are holding investments in buildings that may have represented the highest and best use of a century ago; spending money to maintain these assets as low-cost rental units becomes ever more difficult to justify, since the investments will be difficult to recover from low-income tenants. It becomes rational and logical for landlords to "milk" the property, extracting capitalized ground rent from the tenants, spending the absolute minimum to maintain the structure, and waiting as potential ground rent increases in the hopes of eventually capturing a windfall through redevelopment. In the early stages, disinvestment is extremely difficult to detect: we are not accustomed to taking notice when an owner does not repaint the house, replace the windows, or rebuild the roof. But gradually the deferred maintenance becomes apparent: people with the money to do so will leave a neighborhood, and financial institutions "red-line" the neighborhood as too risky to make loans. Neighborhood decline accelerates, and moderate-income residents and businesses moving away are replaced by successively poorer tenants who move in. In any society where class inequalities are bound up with racial-ethnic divisions or other socio-cultural polarization, this turnover almost invariably unleashes racist and xenophobic arguments that a particular group is "causing" neighborhood decline. But poorer residents and businesses can only afford to move in *after* a neighborhood has been devalorized -- after capital disinvestment and the departure of the wealthy and middle classes.

The disinvestment dynamic explains the apparent contradiction of poverty-ridden inner cities across so much of the developed world -- the paradox of poor people living on valuable land in the heart of large, vibrant cities (Alonso, 1964; Harvey, 1973; Knox and McCarthy, 2005: 132-135). Ground rent capitalized under an existing land use (e.g., working-class residential) falls farther below the growth- and technology-driven increasing potential that could be captured under the optimal, highest and best use -- for instance, if the land could be used for luxury residential or high-end retail. This divergence between capitalized and potential is the rent gap, and it is fundamental to the production of gentrified landscapes. As Smith puts it: "Only when this gap emerges can gentrification be expected since if the present use succeeded in capitalizing all or most of the ground rent, little economic benefit could be derived from redevelopment." (Smith, 1979: 545). Changing the land use -- so that a land owner can chase that ever-rising curve of potential ground rent -- can involve wholesale redevelopment on a neighborhood scale:

> "Gentrification occurs when the gap is wide enough that developers can purchase shells cheaply, can pay the builders' costs and profit for rehabilitation, can pay interest on mortgage and construction loans, and can then sell the end product for a sale prices that leaves a satisfactory return to the developer. The entire ground rent, or a large portion of it, is now capitalized: the neighborhood has been 'recycled' and begins a new cycle of use." (Smith, 1979: 545).

But redevelopment can also proceed block by block or house by house -- the "spontaneous" revival that attracts so much popular attention -- as middle-class "pioneers" venture into poor neighborhoods in search of historic structures that can be renovated and restored. Moreover, the rent gap is often closed with heavy assistance and subsidy by government action -- clearing old land uses through various forms of urban renewal, upgrading streets and other public infrastructure, providing incentives for developers, new businesses, or new middle-class residents. The specific form of reinvestment, its physical appearance or architectural style, and the particular coalitions of individuals involved vary widely with the context of different neighborhoods, cities, and national circumstances; but one common element across all of these variations is the fundamental structure of incentives in the capitalist city. Urban growth and neighborhood change proceed with the dynamics of profit and accumulation, and so the calculus of capital becomes interwoven with the entire range of social and cultural dimensions of individuals' choices of where and how to live in the urban environment. Even the most apparently individual, personal decisions turn out to be bound up with larger social and collective processes. An individual homebuyer, for example, will carefully consider resale value when deciding how much to offer for a house; the buyer is not simply expressing an independent consumer preference, then, but is negotiating the tension between personal or family needs and the broader social relations of what a house means as an asset -- as a vehicle for long-term savings and wealth accumulation.

One of the most important implications of the rent gap theory, then, involves the way we understand the individual consumer preferences at the heart of neoclassical theory and in the glare of media fascination with the latest neighborhood 'frontier.' The rent gap places the experience of individual land-market actors in the context of collective social relations. In capitalist property markets, the decisive consumer preference is the desire to achieve a reasonable rate of return on a sound financial investment. And the rent gap shows how this preference, once seen as impossible in the inner city, can be satisfied there once the process of devalorization is driven far enough by metropolitan growth and suburbanization. As Smith (1979, p. 546) sums up:

> "...gentrification is a structural product of the land and housing markets. Capital flows where the rate of return is highest, and the movement of capital to the suburbs, along with the continual depreciation of inner-city capital, eventually produces the rent gap. When this gap grows sufficiently large, rehabilitation (or for that matter, renewal) can begin to challenge the rates of return available elsewhere, and capital flows back."

The Rent Gap Debates

Distilled to a potent ten-page essay in the October, 1979 issue of the *American Planning Association Journal*, Smith's rent gap hypothesis was a provocative intervention in urban theory. Years later, Smith reflected, "Long after it was dispatched to an interested editor, my advisor delivered his own verdict on the paper: 'It's OK,' he muttered, 'but it's so simple. Everybody knows that." (Smith, 1992, p. 110). Perhaps not. The rent gap has been at the center of intense debate for more than a quarter-century, appropriate if we consider the etymology of *gap* -- from the Old Norse, for "chasm," denoting a breach in a wall or fence, a breach in defenses, a break in continuity, or a wide difference in ideas or views. The rent gap is part of an assault to breach the defensive wall of mainstream urban studies, by challenging the assumption that urban landscapes can be explained in large part as the result of consumer preferences, and the notion that neighborhood change can be understood in terms of who moves in and who moves out. Scholars therefore take its implications very seriously.

Disagreement persists in three areas. First, there are concerns over terminology. Some of these appear minor at first, but hint at deeper issues. Smith's approach to the centuries-old literature on land rent led him to base his concepts on Marx's labor theory of value, and so he was cautious to avoid the common phrase "land value" because housing is usually bought and sold together with the land it occupies, and land itself is not produced by human labor: "Here it is preferable to talk of ground rent rather than land value, since the price of land does not reflect a quantity of labor power applied to it, as with the value of commodities proper." (Smith, 1979, p. 543). The ground shifted quickly, however, as most of the subsequent work on the topic dropped "ground rent" in favor of *capitalized land rent* and *potential land rent*. Other ambiguities crept in with concepts like Hamnett and Randolph's (1986) "value gap," which in technical terms should really be called a price gap. And some of the confusion over terminology has become quite serious. Steven Bourassa (1990, 1993, p. 1733), challenged the entire rent gap framework, largely on neoclassical economic grounds, and accused Smith of misusing "terms that have well-established meanings in the land economics literature (Marxian as well as neoclassical)." Bourassa argued instead for definitions that would distinguish accounting, cash-flow concepts from the economic notion of opportunity cost. Smith (1996, p. 1199) fired back at Bourassa:

> "The first response to Bourassa's argument has to be a certain incredulity at its own terminological confusion. Here, for example, is a partial list of the terms for *rent*, *ground rent*, and *land price* -- crucial but different concepts in the rent gap theory -- that show up in the first four pages of the text alone: actual rent...actual land rent...actual ground rent...potential rent...potential land rent...potential value...ground rent...potential ground rent...land rent...land value...opportunity costs...latent opportunity cost...cash flows...accounting cash flows...accounting rent...economic rent...actual cash flows...contract rent...capitalized ground rent...annual site value..."

This struggle over words might seem obscure or tedious, stranding us "on the desert island of terminological debate." (Smith, 1996, p. 1203). But words are important: it's only a slight exaggeration to say that the difference between "regeneration" and "gentrification" is akin to the gap between "terrorist" and "freedom fighter." Moreover, this terminological struggle blurred into a second set of more conceptual disputes. Chris Hamnett (1984) suggested that the rent gap was nothing new, while Steve Bourassa (1993) claimed it was an unnecessary departure from conventional economic concepts with no legitimate precedent. But Eric Clark (1988) had already provided a concise review of several alternative formulations of the basic idea, in the classical and neo-classical tradition as well as Marxist thought going back to Engels' *The Housing Question* in 1872:

> "The expansion of the big modern cities gives the land in certain sections of them, particularly in those which are centrally situated, an artificial and often

> enormously increasing value; the buildings erected in these areas depress this value, instead of increasing it, because they no longer correspond to the changed circumstances. They are pulled down and replaced by others. This takes place above all with centrally located workers' houses, whose rents, even with the greatest overcrowding, can never, or only very slowly, increase above a certain maximum. They are pulled down and in their stead shops, warehouses, and public buildings are erected. ... The result is that the workers are forced out of the center of the towns towards the outskirts; ..." (Engels, 1975, p. 20, quoted in Clark, 1988, p. 244).

As Clark (1988, p. 245) concluded, "Engels and Marshall were early to articulate the idea; Smith and Asplund et al. retrieve it from oblivion a century later." But a century of scholarship failed to produce any consensus on Engel's comment that "the buildings erected in this area depress this value." Bourassa argued that in classical economic theory, land rent is *independent of land use* – invalidating Smith's definition of capitalized ground rent. But the difficulty of distinguishing 'pure' land rent from returns on capital invested in buildings had long obsessed the classical political economists; the puzzle led von Thunen to use the illustrative case of a fire sweeping through farm buildings -- immediately completing the disinvestment process and allowing pure land rent to determine the optimal land use without the distortions created by sunk costs in outdated buildings. He noted that "Fire destroys at once. Time too destroys buildings, though more slowly." (von Thunen, 1966: 21; cited in Clark, 1995: 1498). Sadly, such hypothetical experiments often shape the everyday lives of residents in urban disaster zones -- most recently in New Orleans, where local experts have been surprised at the prices paid for flood-damaged properties by investors moving into the market less than a year after Hurricane Katrina (Saulny, 2006).

Yet the conceptual difficulty of land rent and land use *does* have a solution. Hammel (1999b) noted that in his original formulation, Smith examined capitalized ground rent only at the level of the individual land parcel, and potential ground rent at the metropolitan scale. But capitalized ground rent can also be influenced by conditions in the surrounding neighborhood:

> "In urban areas, we have created a pattern of land use that, despite the pace of change, is often remarkably permanent. Inner-city areas have many sites with a potential for development that could return high levels of rent. That development never occurs, however, because the perception of an impoverished neighborhood prevents large amounts of capital from being applied to the land. The surrounding uses make high levels of development infeasible, and the property continues to languish. Thus, the potential land rent of a parcel based on metropolitan-wide factors is quite high, but factors at the neighborhood scale constrain the capitalized land rent to a lower level." (Hammel, 1999b, p. 1290).

This integration of the rent gap with theories of scale resolves a number of crucial difficulties. Scale effects provide one way of explaining why the tendency for capitalized ground rent to fall over time -- with the aging of buildings and the rising costs of maintenance and repair -- can be resisted: if a sufficient number of property owners have the wealth to reinvest, and if this continued investment in the building stock is geographically concentrated, the formation of the rent gap will be minimized and delayed. Even cities with vast areas of poverty and disinvestment also usually have old, elite neighborhoods with many of the city's wealthiest families.

But in the absence of an agglomeration effect among wealthy households strongly committed to a particular neighborhood, the devalorization cycle will push capitalized ground rent farther below its potential. And here, scale effects also help to resolve certain questions about where gentrification is most likely to take place. Although we might expect gentrification to begin where the gap is greatest -- where the potential for profit is maximized -- in most cities gentrification follows a different path: it often begins in a relatively depressed, devalorized, working-class part of the city – but *not* the absolute epicenter of the region's worst poverty and disinvestment. The very poorest districts have the largest rent gap measured at the parcel level in relation to the metropolitan level – but not when we consider effects at the neighborhood scale. Neighborhood effects – entrenched regional perceptions of an area, the physical location of social services and nonprofits serving the poor and the homeless, the real and perceived risks of crime – all of these and many other factors mediate the operation of the rent gap. In other words, neighborhood effects determine whether it will be possible to close the gap between a parcel's capitalized ground rent and the broader, metropolitan-wide potential ground rent. In New York, gentrification began in Greenwich Village and the Lower East Side – not the far poorer (but more isolated and stigmatized) neighborhoods of Harlem, the South Bronx, Bushwick, or Bedford-Stuyvesant. In Chicago, gentrification did not begin in the heavily-disinvested South Side; rather, it began first in a small pocket of poverty and disinvestment in the Near North Side, then expanded with heavy public subsidy to a somewhat larger poverty area just west of downtown. But many things have changed at the neighborhood scale in both of these cities, including major government action to demolish low-income housing projects and disperse the residents into private-market rentals. And so now, once these neighborhood-scale barriers are coming down, gentrification is moving into parts of Chicago's South Side, and further into New York's Harlem, Bed-Stuy, SoBro, and even onto the edges of the dirty industrial Gowanus Canal, where one of the members of the Community Planning Board refuses to be diplomatic: "They call it gentrification, I call it genocide. They're killing neighborhoods." (Berger, 2005).

Still, a <u>third</u> point of disagreement persists in the rent gap literatures. How do we translate all the concepts involved in the theory into "an easily applied language of observation" (Clark, 1995, p. 1493)? As David Ley (1987) has emphasized, empirical tests are essential to maintain accountability in our theorizing and our thinking (but see Smith's, 1987 response to Ley, 1986, 1987, and also Clark, 1995). Unfortunately, the rent gap involves concepts that are extremely hard to measure: nothing close to the phenomenon of capitalized ground rent appears in any public database or accounting ledger. To measure the rent gap properly, a researcher has to construct specialized indicators after sifting through decades of land records and becoming familiar with the details of historical market conditions, neighborhood settings, tax assessment practices, the provisions of government subsidies, and other factors. It's not surprising that very few researchers have invested the time and effort. The results of these studies do provide qualified support for the rent gap thesis, with certain modifications and adjustments for local and historical context; additional support for the framework comes from empirical studies that measure other aspects of urban investment and disinvestment (Engels, 1994; Hackworth, 2002; Smith, 1996; Smith and Defilippis, 1999; Smith et al., 2001). Nevertheless, conceptual and terminological debates over the rent gap persist, and empirical research is unlikely to reconcile every last dispute.

Gentrification and Uneven Development

Millard-Ball (2000, p. 1673) notes that "production-side explanations have come to be virtually synonymous with 'gap' theories of gentrification" and Redfern (1997, p. 1277) observes, "Normally, rejection of Smith's rent-gap model would appear implicitly or explicitly to mean endorsement of the consumption-oriented accounts." But the minutiae of the rent gap debates -- important though they may be to land-rent specialists and empirical researchers -- should not distract us from the "wider conceptual framework" for production explanations. Smith (1996, p. 1202) emphasized that his original theorization was deliberately simplified: "If the rent-gap theory works at all, it works because of its simplicity and its limited theoretical claims. It should certainly be subjected to theoretical criticism, but I do think that this will be useful only if the theoretical premises are taken seriously from the start." And the central theoretical premise concerns the fundamentally social and political dimensions of economic power in urban land markets: all the lines in those graphs and curves of potential and capitalized ground rent are the outcome of political contests and class relations. These contests and relations certainly vary widely from place to place, but the fundamental question is always this: *Who gets to profit from capitalized ground rent?* This is not simply an abstract theoretical discussion of factors of production, but goes to the heart of the rules of the game in property markets. Analyzing the terrible racism and exploitation in Baltimore's inner city housing market in the early 1970s, David Harvey (1974, p. 251) siezed on the fundamental social and political nature of rent: "actual payments are made to real live people and not to pieces of land. Tenants are not easily convinced that the rent collector merely represents a scarce factor of production." More recently, surveying the growing competitive pressures for cities to mobilize their built environments as vehicles of capital accumulation, Neil Smith (2002, p. 427) notes that these social relations are being reconfigured: the urban scale, once defined in terms of the locally-oriented needs of social reproduction, is now shifting to a definition "in which the investment of productive capital holds definitive precedence."

Ultimately, the rent gap remains controversial not only because of its role in an explanation of gentrification, but because it weaves the explanation *and interpretation* of gentrification into a broader, critical perspective on capitalist urbanization and uneven development from the local scale to the global.

Spatial Fixes and Circuits of Capital

Recall that urbanization involves massive capital investments that, once committed, are tied up in buildings and other facilities for long periods of time, creating barriers to new kinds of investment in these places. Geographical expansion provides a 'spatial fix' to this dilemma, allowing capital investment to gravitate to new markets in new *places* that can be built with the most current and advanced (and thus most profitable) technologies. But as we've already seen, this spatial expansion accelerates the devalorization of previous investments in older parts of the urban fabric: "The movement of capital into suburban development," Smith observed, "led to a systematic devalorization of inner and central city capital, and this, in turn, with the development of the rent gap, led to the creation of new investment opportunities in the inner city *precisely because* an effective *barrier* to new investment had previously operated there." (Smith, 1982, p. 149). As it turns out, new investment opportunities are crucially important in the periodic crises that punctuate the boom-and-bust cycles of capitalism. When rates of profit begin to fall in the major sectors of industrial production – the 'first circuit' of capital investment – investors and financial institutions seek out more profitable opportunities in other sectors. At this point, the 'second circuit' – real estate and the built environment – becomes an especially attractive vehicle for investment. Capital switches away from goods- and service-producing industries into construction and real estate, driving building booms and rapid inflation in real estate markets until here, too, overaccumulation drives down the rate of profit (Harvey, 1978; Beauregard, 1994; Charney, 2001, 2003; Lefebvre, 1991). In the most extreme cases, property booms are leading indicators of recession, appearing as a "kind of last-ditch hope for finding productive uses for rapidly overaccumulating capital" (Harvey, 1985, p. 20).

Gentrification is tightly bound up with much larger processes: it is the leading edge of the spatial restructuring of capitalist urbanization, and it

> "is part of a larger redevelopment process dedicated to the revitalization of the profit rate. In the process, many downtowns are being converted into bourgeois playgrounds replete with quaint markets, restored townhouses, boutique rows, yachting marinas, and Hyatt Regencies. These very visual alterations to the urban landscape are not at all an accidental side-effect of temporary economic disequilibrium but are as rooted in the structure of capitalist society as was the advent of suburbanization." (Smith, 1982, pp. 151-152).

And this also means that the negative consequences of gentrification -- the rising housing expense burden for poor renters, the personal catastrophes of displacement, eviction, and homelessness -- are not simply isolated local anomalies. They are symptoms of the fundamental inequalities of capitalist property markets, which favor the creation of urban environments to serve the needs of capital accumulation, often at the expense of the needs of home, community, family, and everyday social life.

Production Problems

We've deliberately simplified this overview of production theories. We've tried to accentuate the key challenges to the mainstream assumptions of consumer preference, individual behavior, and benign spatial equilibrium. But in the last twenty years, production narratives have evolved in much more subtle and nuanced directions in order to consider the interplay and mutual constitution of production and consumption (Beauregard, 1986; Clark, 1995; Hamnett, 1991; Ley, 2003; Rose, 1984; Smith and DeFilippis, 1999; Smith, 2002). These efforts -- variously understood as reconciliation, integration, or complementarity -- are the result of production theorists' dialogue with social and cultural theorists studying a new middle class that seems to have distinctive values and political sensibilities that favor gender, racial, sexual, and class diversity at the neighborhood scale. These social and cultural theories, which we examine more closely in the next chapter, are quite distinct from the neoclassical economic tradition. But both approaches share a reverence for understanding the motivations and decisions of individual actors, including gentrifiers. As the ambassadors of the ruling conventional wisdom of policy and politics, neoclassical analysts have rarely felt the need to respond directly to production-side challenges -- although Berry (1999) unsheathed his sword when insurgents rewrote his "Islands of Renewal in Seas of Decay" to describe public-housing projects surrounded by reinvestment as "Islands of Decay in Seas of Renewal" (see also Byrne, 2003; Vigdor, 2002). The result is a curious state of affairs: an intense, rich, and theoretically astute debate on the left, amongst those who generally agree on the inadequacy of the neoclassical approach, the significance of gentrification, and its costs and inequalities. The key point of disagreement is the causal explanation: Why? When? Where?

It's a fairly simple matter to summarize the problems that have been associated with production explanations.

First, the measurement and verification problems of the rent gap debates look settled by comparison with the controversy over attempts to document capital-switching and other facets of uneven economic development.

Second, both Marxist and neoclassical accounts rely on the axiom of economic rationality, and downplay the significance of individuals who (intentionally or not) defy the norm.

And third, for many readers, drawing a direct link between so many diverse local cases of gentrification and the entire anatomy of global capitalism seems to imply that individual gentrifiers behave first and foremost as ruthless capital accumulators. Some do. But many are in contradictory class positions (to borrow the terms of the sociologist Eric Wright) shaped by inequalities of gender, race, ethnicity, and sexual identity (Freeman, 2006; Rose, 1984; Lauria and Knopp, 1982); we should always be careful, then, to focus criticism on the rules and inequalities of *property* and to think very carefully before villainizing the *individual people* who are playing by those rules (Krueckeberg, 1999; Lees, 1994; Blomley, 2004). When gentrification inflates home prices in once-disinvested neighborhoods, it is common to find that poor homeowners are suddenly eager to cash out on the appreciation by selling and moving away; we should be sympathetic to this kind of accumulation, even as we remember that low-income renters don't have the same opportunity. Similarly, it is possible even in the tightest housing markets to find individual landlords who actually know their low-income tenants as individuals -- and who therefore resist the incentives to raise rents or evict a vulnerable household (Newman and Wyly, 2006). Consumption theorists are right: individual choices do matter in what happens in gentrifying neighborhoods. But so are production theorists: a few landlords keeping rents below rising market rates does not fundamentally alter the meaning of the renter-landlord relation, and does nothing to advance us to a long-term solution that would protect what Chester Hartman (1984) famously described as the "right to stay put," or what David Imbroscio (2004) has proposed as a full-fledged political philosophy for the "right to place." And the contingency of difference and identity should not blind us to the fundamental importance of class:

> "let's for a moment assume the priority of individual preference. Now let us ask: who has the greatest power to realize their preferences? Without in any way denying the ability of even very poor people to excercise some extent of

preference, I think it is obvious that in a capitalist society one's preferences are more likely to be actualized, and one can afford grander preferences, to the extent that one commands capital. We may regret that economics so strongly affects one's ability to excercise preferences, but it would hardly be prudent to deny it; preference is an inherently class question." (Smith, 1992, p. 114).

1. Consumer sovereignty has become urban policy. Throughout the Global North, many national governments are pursuing policies that restrict the rights of individuals as *citizens* -- redefining rights instead in terms of *consumers* and *investors* as cities seek to attract wealthy homeowners and free-spending tourists. In the Global South, many of these principles are imposed by the 'structural adjustment' dictates of the International Monetary Fund and other transnational financial institutions. Consumer sovereignty is becoming policy. Criticisms of production theories as determinist made sense thirty years ago, but not today. Not long ago, at a panel discussion in the meetings of the Association of American Geographers, Harvey was criticized for presenting an account of American imperialism that was "a totalizing discourse." Without missing a beat Harvey replied, "Well, it's a totalizing system."

2. Capital switches have become "mind-boggling" (Blackburn, 2006; *The Economist*, 2006). In the last generation, fictional capital has expanded dramatically with the proliferation of new types of hedge funds, real-estate investment trusts, risk-partitioned mortgage-backed securities, automated loan underwriting systems, credit-scoring algorithms tied to risk-based pricing schemes, collateralized debt obligations, and so on; "credit" has an increasingly complex vocabulary (Blackburn, 2006; Fabozzi, 2001). A new wave of research is documenting how at least some of these instruments of capital accumulation mediate the dynamics of gentrification and the political strategies of those who stand to profit from it (Hackworth, 2002a, 2002b; Lake, 1995; Smith and Hackworth, 2001).

3. The politics of methods have displaced attention from those displaced by gentrification. The displacement of poor- and working-class residents was once a prominent concern across much of the political spectrum in gentrification research (Hartman, 1984; Laska and Spain, 1980, chapters 15-19; Schill and Nathan, 1983, chapter 5). But a widespread backlash against the model-intensive flavor of neoclassical urban economics turned many political economists off to quantitative research, and the trend has accelerated as the cultural turn focused new interests in the construction of identity, difference, and community for people living in gentrifying neighborhoods. This social and cultural research is certainly important. Unfortunately, even the most sophisticated ethnographic accounts of the changes underway in dynamic inner-city neighborhoods cannot be used to gain generalizable knowledge of certain consequences of gentrification: anyone who participates in an interview or focus group in a gentrifying neighborhood has, by definition, not yet been displaced. Very few gentrification researchers are able to integrate quantitative and qualitative methods (but see Ley, 2003; Smith and DeFilippis, 1999). Even fewer have the specialized expertise to engage neoclassical analysts on the terrain of multivariate modeling and longitudinal socio-spatial analysis. As a consequence, when a series of studies based on government housing databases seemed to provide evidence that gentrification was not actually displacing low-income renters in gentrifying neighborhoods, few researchers were able to respond (Freeman and Braconi, 2002; Freeman, 2004; Vigdor, 2002). These studies received enormous press coverage, punctuated by a headline in *USA Today*:

"Gentrification: A Boost for Everyone?" Many community activists shouted "No!," and provided detailed accounts of the individual experiences of poor people whose lives were damaged by gentrification. But in mainstream public and policy discourse, such cases are always dismissed as "anecdotal."

Three Cheers for Gentrification? Or Three Cheers Against It?

Gentrification is nothing more and nothing less than the neighborhood expression of class inequality. It should thus come as no surprise that recent paths of neighborhood change reflect the well-documented increase in social polarization in urbanized societies throughout the world. Production accounts draw attention to three important shifts in the nature and implications of gentrification in these times of worsened inequality.

First, local rent gap dynamics have become much more tightly intertwined with transnational processes.

Second, the leading edge of uneven urban development has expanded dramatically *inside* gentrifying cities. In other words, reinvestment has moved beyond the comparatively small enclaves of gentrification, and is moving deeper into other parts of the devalorized urban environment.

Third, the politics of urban property markets have altered the terrain for opposition and resistance. Gentrification now receives more explicit governmental support, both through subsidies to large corporate developers and to targeted policies designed to attract individual gentrifiers. Expanded reinvestment has displaced and dispersed more and more low-income renters, effectively displacing opposition and resistance itself (DeFilippis, 2004; Hackworth, 2002; Hackworth and Smith, 2001; Goetz, 2003).

We should not underestimate the stakes in these conflicts, and we must not ignore the fundamentally political questions that masquerade as neutral rules and laws governing urban property markets. Property is about power, control, and the right to exclude. And as the philosophy of market justice has been used to justify extremes in wealth and power across more and more domains of society, those who stand to benefit from gentrification have become more bold in their claims. The clearest statement comes from Andres Duany, a prominent architect and leader of the "new urbanist" design movement who has become a key figure in the production of many gentrified landscapes in the United States. In an essay published by a right-wing think tank, Duany offers "Three Cheers for Gentrification":

> "These days, whenever more than a handful of middle-income people move into a formerly down-at-the-heels neighborhood, they are accused of committing that newest of social sins: 'gentrification.' This loaded term -- conjuring up images of yuppies stealing urban housing from rightful inhabitants -- has become embedded in the way many activists understand urban evolution. And the thinking behind it has become a serious obstacle to the revival of American cities. ... Gentrification rebalances a concentration of poverty by providing the tax base, rub-off work ethic, and political effectiveness of a middle class, and in the process

improves the quality of life for all of a community's residents. It is the rising tide that lifts all boats.

...people should not be prevented from profiting on the natural appreciation of their neighborhoods. Not in America." (Duany, 2001, p. 37, 39).

This kind of reasoning -- sort of a trickle-down theory applied to housing and neighborhoods -- has become the most powerful ideological weapon among developers, speculators, wealthy homeowners, and other advocates of gentrification. And the argument works by ignoring or suppressing the fundamental question posed by production theorists: what produced the "down-at-the-heels neighborhood" that subsequently becomes a popular place to invest and speculate? Ignoring the process of *disinvestment* and the *creation* of rent gaps allows advocates of gentrification to present reinvestment and redevelopment -- the closure of rent gaps -- as nothing more than common sense and good planning.

We Want our Cafe, Not Yuppie Flats!
Photograph courtesy of Tom Slater. See http://members.lycos.co.uk/gentrification

Unfortunately, the tax-base benefits of gentrification invariably subsidize more gentrifiers, or institutions that serve them. The poor and working-classes have no less of a work ethic than today's gentrifiers, many of whose main source of wealth is the "natural" house price appreciation that comes from that collective social creation -- urbanization itself. The politically effective middle classes have been more willing in recent years to villainize renters, the poor, the homeless, and any other individuals whose presence might possibly undermine property values. And improvements in the quality of life for a community's residents simply cannot be enjoyed by those who lose out on the right to be community residents. In recent years, these rights become more tenuous, as gentrification has accelerated and undermined the security of marginalized renters in many cities. But these rights are always bound up with the politics of production and consumption in the urban environment, creating possibilities for change.

Gastown Gamble, described as "a docu-reality series following a group of idealistic Vancouver restaurant owners ... on their quest to make an impact on the neighbourhood known as 'Canada's poorest postal code': Vancouver's downtown east side." Source: Harpo Productions, Inc. (2012). *Gastown Gamble*. Chicago: Harpo Productions, available at http://owncа.oprah.com/Shows/Gastown-Gamble.aspx. Image reproduced pursuant to Sections 29 ("Fair dealing for the purpose of research, private study, education, parody, or satire") and 30.04 ("work available through Internet") provisions of Canada Bill C-11, the Copyright Modernization Act.

Case Study: Mark Brand's "Gastown Gamble"

Tim Drinovz

It is clear that gentrification is a complex issue, with heated debate surrounding both its causes and its consequences. A brief case study from Vancouver's own geography of gentrification is provided to illustrate this tension. The story of Mark Brand serves as an illustration of both explanatory models, pointing to the necessity of both sides in explaining the phenomenon. At the same time it highlights the difficulties of deciphering consequences and desired outcomes in the real-world political terrain of the gentrification process. Hopefully this concrete example will make more clear the above theoretical discussion.

Mark Brand and the Save On Meats Story

Mark Brand is a well-known entrepreneur, restaurateur, and award-winning bartender who owns a fleet of successful businesses in Vancouver's Gastown neighbourhood. Brand "fell in love with the area" (Brioux 2012, 1) shortly upon moving to Vancouver in 2005 and chose it as the site for his first restaurant, Boneta, in 2007. Since then he has opened (with various partners) several other restaurants and businesses. These include: The Diamond, an upscale bar, Sea Monstr Sushi, a sushi restaurant, Catalog Art Gallery, and Shark + Hammers, a retail store that sells Brand's popular 'Welcome to East Van' clothing label.

His most recent venture was the purchase, renovation and re-opening of Save On Meats, an historic butcher shop in Vancouver's Downtown Eastside. Save On Meats was a cherished local landmark for 54 years until it as closed in 2009 after the previous owner, Al DesLauriers, retired (Brioux 2012, 1). The building stood empty for two years, until Brand secured the lease with the hopes of revitalizing the business. Since Gastown borders Vancouver's 'notorious' Downtown East Side (DTES), this story has attracted a fair amount of attention. The venture was chronicled in a reality TV documentary series entitled *Gastown Gamble,* which aired on the *Oprah Winfrey Network*, and advertised the project as a "quest to make an impact on the neighbourhood known as "Canada's poorest postal code."

As the tagline for the show suggests, Brand's mission for Save On Meats is more than merely selling meat. In an effort to practice a socially conscious kind of capitalism Brand is seeking to revitalize the disinvested DTES neighbourhood and provide jobs for at-risk community members. He is involved in the community, tries to have a positive impact on it, and has partnered with several community organizations. For example, Save-On-Meats provides space for SOLEfood, a non-profit focused on urban agriculture and providing jobs and training for DTES residents (Chambers 2011, 4). He also helps feed the community through initiatives such as grinding cuts from the butcher shop into meat loaf and distributing it to those in need (Brioux 2012, 2). Additionally, Brand's business model aims for the provision of lower cost items targeted at low-income members of the community. Items such as an all-day $1.50 breakfast sandwich and a $2.00 lunch sandwich that are sold at-cost are subsidized by higher cost items that are targeted at wealthier people who come to the diner (Chambers 2011, 4). A major part of Brand's vision is also the desire to create an inclusive space for the polarized community— both the high and low-income residents. In his own words: "maybe we're fuckin' nuts but we want Save On to be the place where everyone can eat, work and shop together" (Bush 2012).

Brand's entrepreneurialism is not without controversy. As the previous sections make clear, "the line between revitalization and gentrification is blurry and awkward" (Chambers 2011, 2). Redevelopment in Vancouver's Downtown Eastside is a highly politicized issue since it is one of the last remaining low-income neighbourhoods in Vancouver's inflated real-estate market, not yet subjected to the wave of gentrification that has swept across the city in the last 30 years. While the area has undergone significant redevelopment in recent years, it is still characterized by a polarized population, with the majority of residents living under the low-income cut-off line. These low-income residents view the movement of condos and high-end restaurants and bars (such as Brand's) into the area with suspicion and opposition, especially in a neighbourhood where "gentrification and homelessness are familiar bedfellows" (Chambers 2011, 2).

While Brand is quick to admit that gentrification is occurring in the DTES, he maintains that he is not a part of it. He defends his activities by stating that the buildings his businesses are in were vacant before he purchased them—he didn't physically displace anyone (Arrazola 2012, 2). This assurance does not, however, address the central definition of gentrification as noted above -- "the transformation of working-class and poor spaces of the city to serve the needs of the middle and upper classes." Direct displacement is not the sole criterion for identifying gentrification. Brand's redevelopments not only contribute to higher land values and rents, but are also changing the *nature* of the space— especially with upscale establishments such as Boneta and the Diamond. Many low-income residents complain that they feel mistreated and unwanted by new businesses such as Brand's that cater to higher-income clients. They feel their neighbourhood is slowly being infringed upon and they are being pushed out of their community (Bush 2012; Chambers 2, 2012). Brand counters these claims by stating that if it hadn't been for him the Save-On-Meats site would be home to condos (Brioux 2012, 1).

Socially conscious capitalist or wolf in sheep's clothing?

Brand therefore emerges as an ambiguous figure in the neighbourhood. His ambiguity is helpfully illustrative of the debates within the gentrification literature. On the one hand, Brand provides an example of gentrification that can be explained by consumption theories. One could say that Brand's upgrading of Save On Meats and other Gastown locations is fuelled by a demand from the 'new middle class' for places that are cool, edgy, and gritty. The popularity of Brand's businesses also reflects the new middle class' concern for heritage, preservation and an aesthetic of uniqueness: he has stated that his goal for the area is to help it thrive by keeping it unique, and keeping away chain stores and restaurants (Woo 2012, A9). Additionally, his aspiration for Save On to bridge the divide between people who live there and the people that are moving there reflects the new middle class' desire for tolerance and diversity in their perception of the inner city— a cultural desire for the rejection of suburban conformity. So from one side, Brand's activities can be explained by the tastes of 'sovereign consumers' who appreciate venues such as Brand's and therefore fuel their creation.

On the other hand, production-side explanations of gentrification also illuminate this case. Perhaps it is not the desires of consumers but the 'overriding' desire for profit and the 'fundamental incentives' of the capitalist land market that are driving Brand's investments. While he can be seen as a member of the new middle class, Brand can also be seen as a shrewd business owner making a smart investment in a disinvested area. His businesses represent the flow of capital back into an inner city that faced disinvestment when capital fled to the west, and is now returning because of the opportunity for profit opened by the rent gap there. One wonders if he opened his restaurants in Gastown and DTES because he "fell in love with the area," or because he saw a potential for profit and wanted to take advantage of cheap property prices. For example, he leased the entire Save On Meats building for the approximate cost of 750 sq. ft. on Robson St (Nield 2011, 2). Gastown is an area experiencing changing neighbourhood effects that are making it increasingly possible to close the gap between a capitalized ground rent and potential ground-rent. Brand's investments can therefore be seen as a response to the opportunity for profit that resulted from these changes in the local land market, as he converts land to its

Young & Affluent. Cordova & Columbia, June, 2010 (Elvin Wyly).

highest and best use. Taken even further, could Save On Meats be considered the furthest outpost in the middle class' retaking of the inner city?

While Brand's intentions cannot be known, one can speculate depending on which side of the gentrification debate he is presumed to reflect. One wonders whether he seeks to preserve the area for the sake of the low-income community that lives there, or in order to continue to attract new middle class, yuppie consumers? Are the impoverished residents of the neighbourhood merely ornaments that add to the emancipatory aesthetic experience of the new middle class? Does his "Welcome to East Van" clothing label reflect the fact that he is a proud member of the community and wants to support it, or is he an outsider (remember, he is not from the community and was not even born in Vancouver) who is commodifying the area's unique traits which have been created over time by its long-term residents, converting its gritty cultural capital into economic capital (Ley 2003) for his own profit? Does he have a social mission because he truly cares about the neighbourhood residents, or is he merely using it as a guise to justify his entry into the neighbourhood? While it is possible to speculate on Brand's motives, at the same time it is important to acknowledge the positive outcomes of his investments in a very distressed neighbourhood. For example, all his businesses combined employ some fifty DTES residents in total (Woo 2012 A9). Additionally, we must remember not to villanize the individual people playing by the rules of the property market, as warned above.

A helpful idea when evaluating Mark Brand's ventures is the temporal progression of gentrification. While Brand and his customers may possess a desire for diversity and social mixing, as Ley and Dobson (2008, p. 2474) note: "the tolerance of the middle class for living with social and cultural diversity in the inner city is variable." As the gentrification process continues and local property prices rise, "in-migrants with higher levels of economic capital become more protective of their investment, less enthusiastic about social mix and more likely to be socially exclusionary" (2008, p. 2474). This transition towards a 'logic of capital' (Lees 2000, p. 397) is more in line with the supply-side perception of gentrification and suggests that the success of Brand's vision of social mixing is questionable in the long run. While Brand may not be the 'heartless developer' stereotype, he is enacting the initial steps in the process of gentrification. Brand and his staff may carry out socially positive business practices, but it is unlikely that those who come after them will. As another owner of several restaurants in Gastown, Sean Heather, admits, "Maybe because I was stupid enough, or had no options, to come down here 15 years ago, I've paved the way for people who have less scruples than I feel I have" (Chambers 2011, p. 4). Another commentator notes, "If it weren't for Boneta, I doubt very much that Emad Yacoub would be angling to expand his Glowbal empire nearby (Morrison 2011, p. 7). Indeed, "the uncomfortable empirical truth is that the road to caramel macchiatos is paved by artists and daring entrepreneurs" (Chambers 2011, p. 4).

Friend or Foe?

Mark Brand's story shows that it is not so simple to say either explanation of gentrification is right— and in fact both are often needed. It is also tricky to untangle the positives and negatives of gentrification, especially when it is carried out by people with the best of intentions. Additionally, whatever one's theoretical disposition, we see that gentrification 'on the ground' is always a very complex, place-specific and contingent phenomenon.

For those within the community who seek to prevent gentrification Brand poses challenging questions. Should he be embraced, since his 'Brand' of positive gentrification is better than the introduction of mega project redevelopments and condos to the area? Indeed, "among some seasoned campaigners, there is a sense that the outcome after many years of struggle is as good as it gets in a neo-liberal era" (Ley and Dobson 2008, p. 2486). Or should Brand be opposed, being seen as a 'trojan horse' that is bringing gentrification into a space where it would be politically unfeasible to introduce it without his socially conscious practices? For those seeking to deter displacement, only time will tell if Brand is an enemy or an ally.

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