

Vancouver Centre of Excellence



Research on Immigration and Integration in the Metropolis

Working Paper Series

No. 01-03

Immigration and Housing in Gateway Cities: The Cases of Sydney and
Vancouver

David Ley, Peter Murphy, Kris Olds, Bill Randolph

January 2001

RIIM

Research on Immigration and Integration in the Metropolis

The Vancouver Centre is funded by grants from the Social Sciences and Humanities Research Council of Canada, Citizenship & Immigration Canada, Simon Fraser University, the University of British Columbia and the University of Victoria. We also wish to acknowledge the financial support of the Metropolis partner agencies:

- Health Canada
- Human Resources Development Canada
- Department of Canadian Heritage
- Department of the Solicitor General of Canada
- Status of Women Canada
- Canada Mortgage and Housing Corporation
- Correctional Service of Canada
- Immigration & Refugee Board

Views expressed in this manuscript are those of the author(s) alone. For more information contact the Co-Directors of the Centre, Dr. Don DeVoretz, Department of Economics, SFU (e-mail: devoretz@sfu.ca) or Dr. David Ley, Department of Geography, UBC (e-mail: davidley@unixg.ubc.ca).

**IMMIGRATION AND HOUSING IN GATEWAY CITIES:
THE CASES OF SYDNEY AND VANCOUVER**

David Ley

Department of Geography
University of British Columbia
Vancouver, BC V6T 1Z2
dley@geog.ubc.ca

Peter Murphy

School of the Built Environment
University of New South Wales
Sydney, NSW 2052
p.murphy@unsw.edu.au

Kris Olds

Department of Geography
National University of Singapore
Singapore 119260
geoko@nus.edu.sg

Bill Randolph

Urban Frontiers Program
University of Western Sydney
Penrith, NSW 1797
b.randolph@uws.edu.au

January 2001

Abstract: This paper addresses a range of processes and planning issues concerning immigrants and housing. First, tenure and the type of housing chosen by migrants are associated with a variety of policy issues, in particular the affordability of housing for recent immigrants. The achievement of home ownership is widely regarded as an index of social progress and therefore conducive to social integration. Second, the impacts of immigration-driven demand on housing prices are examined, not least because they have been used as an argument against high immigration. Third, the character of certain neighbourhoods has been transformed by immigrant settlement and associated housing preferences, sometimes creating conflict with existing residents, sometimes supporting metropolitan planning objectives, in particular, increased population densities. Finally, consideration is given to investment in housing stock by foreign buyers and a broader internationalisation of the property market in Vancouver and Sydney, a process directly and indirectly associated with immigration.

Key words: housing affordability, tenure, prices, neighbourhood conflict, off-shore investment

Immigration and Housing

This paper identifies key housing issues in immigrant gateway cities that are relevant to public policy, with reference to Sydney and Vancouver and secondary consideration to other metropolitan areas in Australia and Canada. First, we discuss affordability and tenure questions as they affect (particularly recent) migrants. Second, we analyse the vexing association between immigration and housing prices. Third, we draw attention to neighbourhood impacts of migrants, expressed through their own housing preferences and how these influence their reception by ‘host’ communities. Finally, we consider relationships between immigration and property investment and development, with the insertion of local real estate into a global assets portfolio.

Each of these four housing issues is mediated by the key demographic features of immigration to Australia and Canada, Sydney and Vancouver. They include the shift away from European sources since the 1970s; the increased metropolitan orientation of newcomers, particularly in gateway cities; and the growing socio-economic diversity of new arrivals. The combined outcome of these demographic effects is that immigrants make a very significant contribution to housing demand, housing prices and changes in the built environment of gateway cities.

Affordability and Tenure

When immigrants settle in a city their capacity to obtain suitable housing, in appropriate locations, at affordable prices is, along with success in the job market, a key factor in their material welfare and in their capacity to achieve social integration. Some, but not all, recent arrivals to both Sydney and Vancouver have encountered considerable difficulties in this regard; for example, in 1996, 50 percent of immigrant households who landed in Vancouver during the preceding ten years had incomes that fell below the poverty line. Predictably, as we shall see, recent arrivals also confront the greatest barriers in the housing market.

To date relatively little Canadian research has examined the needs and housing strategies of immigrants at the bottom end of the market, particularly in Vancouver (though see the work of NGOs such as MOSAIC 1996). Their circumstances are particularly dire because immigrants are typically concentrated in more expensive regional housing markets; Bourne (1998) noted a strong positive correlation between average house prices and immigrant proportions in Canadian urban places ($r = 0.67$, $N = 140$). This is also the case in Australia where the four largest cities – in order, Sydney, Melbourne, Brisbane and Perth - now capture 80 per cent of migrants and also have by far the most expensive housing (Burnley, Murphy and Fagan 1997).

Work in Toronto indicates multiple barriers to housing entry for certain groups, particularly refugees with large families from outside Europe (Hulchanski 1998). One answer is the classic response of the poor to double up; in Toronto membership in a multiple family household greatly increases the probability of homeownership (Ray 1998). Multiple family households in Vancouver are associated disproportionately with immigrants, especially visible minorities, and this family arrangement helps mitigate low levels of personal income (Ley 1999a). While in the short term such doubling up is likely to be associated with overcrowding (cf. Clark 1998), we might expect in the medium-term that households with multiple wage earners would move more readily into higher quality housing and home ownership. The paucity of recent Australian research precludes direct comparison, although it is likely that trends are similar. Certainly, overcrowding in inner city migrant districts of Sydney and Melbourne in the 1950s and 1960s was widely noted, especially in Italian and Greek reception areas, groups with high levels of homeownership. The importance placed by migrants on achieving home-ownership as a basis for financial security and social mobility is a ubiquitous theme (cf. Kendig, 1979).

Affordability problems impact recent immigrants most of all, as their incomes typically show a marked shortfall relative to the native-born and longer established immigrants; several Canadian studies have suggested a 10-15 year residence period before immigrant incomes catch up with the national average. Affordability problems make it difficult for immigrants to

achieve home ownership, to live in areas with adequate social and community services, and to purchase or rent the type of housing that they require. A report of the National Housing Strategy (1991, 31-33) addressed the specific problem of 'housing stress' and how it affects low income immigrants in Australia. Housing stress, defined as affecting "those with incomes in the lowest 40 per cent of the income distribution paying over 25 to 30 per cent of income on housing" (1991, 26), was higher for more recently arrived migrants, and included 17 per cent of those who arrived after 1983, particularly those from Lebanon, Vietnam and South America, most of whom were refugees.

Affordability for the 'average migrant' in Australia worsened by more than 50 per cent in the six years between 1984 and 1990 (the peak immigration year), with recent immigrants being the worst off, especially in Sydney, disproportionately so in the case of non-English speaking households (Junankar et al. 1993). Inasmuch as income and earnings studies consistently show that recency of arrival and inability to speak English lead to an income and earnings penalty, we would expect to see a direct transmission of this disadvantage into the housing market. The National Population Council (1990,1-2) summarised the situation as follows:

Migrant housing affordability is extremely low in Sydney; for some migrant categories dropping to less than half the level for the total population. A continuation of recent trends would put home ownership out of reach of nearly all migrants in the family stream in both Sydney and Melbourne.

It should be emphasised that these conclusions were reached at the peak of the late 1980s immigration surge. Affordability improved markedly during the recession of the early 1990s, when immigration also dropped sharply, but worsened again from the mid-1990s as Australia entered its longest period of economic growth since the 1960s. In the latter half of the 1990s, whilst immigration has been low compared with the late 1980s, housing affordability has again become a major public issue.

The story has been similar in Canada. In 1996, 21 per cent of immigrant households, compared with 17 per cent of the native-born, suffered "core housing need", a measure of housing stress combining quality and affordability criteria (CMHC nd). Predictably, the

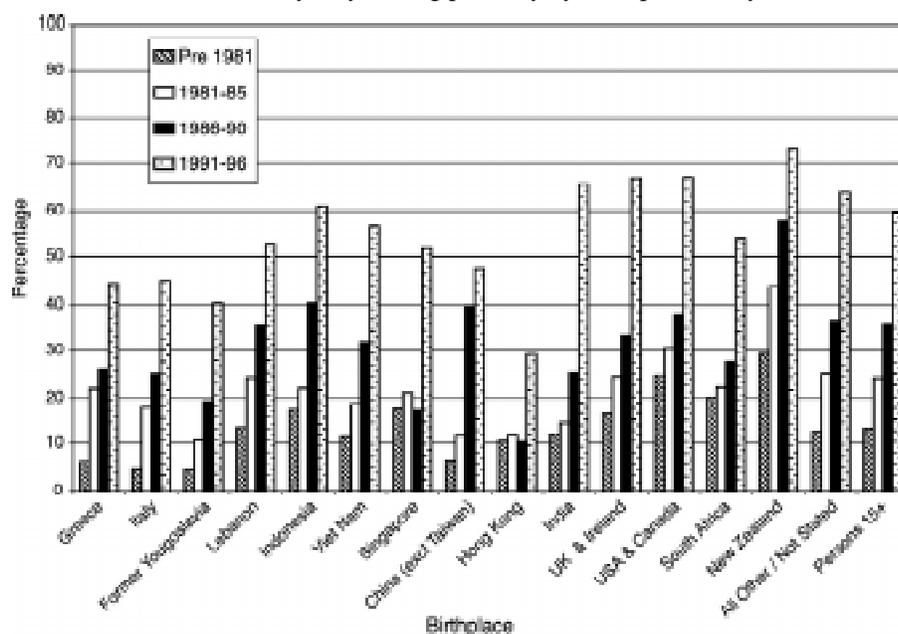
numbers in core housing need swelled among recent (1991-96) immigrant households to 39 per cent. Vancouver, with its high numbers of business immigrants, primarily from Hong Kong and Taiwan, is not representative of the national profile. Cross-tabulations from the 1996 Census show only small variations between Vancouver immigrants and non-immigrants in terms of rental affordability, or indeed in affordability stress between immigrants classed as visible minorities (non-white) and the rest (white). Among owners, in contrast, visible minority immigrants faced heavier charges, particularly recent ethnic Chinese arrivals where an affordability burden confronted over 40 per cent of households.

There is little research on immigrant proportions in public or social housing. In general immigrants are under-represented in Australian public housing (a mere five per cent of the housing stock), though there is considerable between-group variation in this regard (Hassell and Hugo 1996). This regularity repeats Canadian evidence that has shown that immigrants as a whole have a lower take-up of government programs and transfer payments than non-immigrants, certainly in relation to their modest socio-economic status (Baker and Benjamin 1995). Where immigrants are over-represented in the public stock, it is frequently in massive housing projects from the pre-1975 era (Murdie 1994), or more positively, in the relatively limited inventory of large units required for immigrant families of above average size.

Newly arrived immigrants find themselves disproportionately in the private rental market (Figure 1). There is also considerable variation in tenure patterns amongst birthplace groups, with the lowest rental tenure in Sydney among Southern Europeans and immigrants from Hong Kong, who enter home-ownership speedily. Note also the rapid movement away from rental tenure for all national groups, though the rate of change is quite variable; perhaps unexpectedly, New Zealanders are the slowest to leave the private rental stock. Earlier research in Canada revealed a similar variation in tenure by national background and by region, age and period of immigration (Ray and Moore 1991). Laryea (1999) undertook a comprehensive analysis of the public use sample tapes from the 1991 Census in a comparison of ethno-cultural and socio-economic effects upon homeownership in Canada. As a whole, immigrants had higher levels of homeownership (60.5 per cent) than non-immigrants (54 per cent), and for those who had moved to Canada in 1967 or earlier, the figure reached 77 per

cent. Income and household type were also highly correlated with ownership. The highest ownership levels were associated with European and American origins, followed by Asian origins, with African and Caribbean places of birth somewhat lower. Nonetheless, inter-city variations were considerable. Laryea's logit model predicted a 0.38 probability that Asian immigrants would be owners in Montreal, compared with a 0.71 probability for Europeans/Americans, while in Vancouver the ranks were reversed with Asians more likely (0.77) to be homeowners than Europeans and Americans (0.55).

Figure 1: Percent overseas-born in Sydney renting privately by birth place and year of arrival (aged 15+)



Variations between cities also exist in relations between immigrants and native-born. In Toronto and Montreal it took a period of residence of about fifteen years before immigrants had overtaken native-born in their ownership levels. However, in Vancouver the 1991 Census indicated that after five years of residence immigrants were already ahead (Laryea 1999; Lapointe and Murdie 1996). Clearly the distinctive cohort of Vancouver business immigrants has swollen the ranks of homeowners.

A fuller data set from the 1996 Census reveals little difference in ownership – some 65 per cent of households – between immigrants and non-immigrants for the non-farm, non-Aboriginal population in Canada (CMHC nd). As expected, immigrant ownership rises

steadily with length of residence, from 77 per cent of households landing before 1976 to 30 per cent of 1991-96 landings. Consistent with other studies, Vancouver data show a variation on this theme. Immigrant homeownership exceeds that of the rest of the population by eight points (71 to 63 per cent). Moreover, immigrants classed as visible minorities show greater propensity to ownership than others, particularly those landing in recent years. These figures are remarkable considering that Vancouver has been Canada's most expensive housing market for most of the 1990s, and are driven by extraordinary levels of ownership among affluent households of the Chinese diaspora – though as we noted earlier, this group also registers above average affordability problems.

In Australia home ownership rates for immigrants as a whole also exceed those for the native-born, given sufficient time resident in the country (Junankar et al. 1993; Hassell and Hugo 1996). Most Australian research, however, has not considered this question at the urban, let alone the intra-urban scale. Clark's (1998) comparative study of ethnic housing trajectories in California that traced the speed of suburban movement and the transition to home-ownership for different minorities of similar-aged cohorts is highly relevant in this regard.

Immigration and Housing Prices

Immigration in recent years has been the primary source of population growth and thus of new housing demand in gateway cities in Canada and Australia. As such it should be linked to house price movements; remember that Bourne (1998) found a strong relationship in the Canadian urban system between house prices and immigrant levels, while Burnley and Murphy (1994) demonstrated the same strong relationship in Australia. Detailed analysis of the relationship has been undertaken in both Sydney and Vancouver with consistent, and consistently puzzling, results.

Growing divergence in average house prices has occurred within the urban systems of both Australia and Canada. Travers Morgan and Applied Economics (1991) showed that between 1974 and 1989 average real house prices increased by 64.3 per cent in Sydney, 35 per cent in

Melbourne and 3.4 per cent in Adelaide, a divergence that continued through the 1990s. Maher (1994), commenting on this trend, linked Sydney's late 1980s boom in prices with a number of factors, including economic restructuring toward high level professional and managerial jobs, consistent with the emergent post-industrial economy of global cities. In this respect a similar trajectory of price growth for Toronto during the same period suggests membership in a common club of global cities exposed to the same international perturbations, including an abrupt downturn at the end of the 1980s (Ley and Tutchener 1999). Like Sydney, Toronto prices broke clear from the rest of the pack after 1986, but unlike Sydney primacy was not sustained, for Canada has two international viewing posts. Vancouver's linkage to the then booming Pacific Rim aided continuous price inflation, and, surpassing Toronto prices in 1992, the West Coast city remained ahead for the rest of the decade, despite a modest downturn beginning in 1996 that coincided with the abrupt chilling of East Asian economies. There is, however, an inconsistency to this argument. Sydney too is part of the same Asia-Pacific region; why then have its price movements approximated Toronto's rather than Vancouver's?

Might an answer lie in the role and composition of immigrants to the metropolis? Certainly the overwhelming contribution of immigration as a component of population growth during the decade after 1986 in Vancouver and Toronto, like Sydney, means that immigrants have to be implicated in the dynamics of the housing market. The housing markets of both Vancouver and Sydney have shown themselves to be highly sensitive to immigrant arrivals over the medium term of 15-25 years (Figures 2, 3). A strong correlation existed between metropolitan immigration rates and median house prices in Sydney between 1976 and 1991 (Burnley and Murphy 1994; Burnley, Murphy and Fagan 1997). Robust correlations also occurred between average house prices and immigration rates in Toronto and Vancouver over the period from 1971 to 1996; indeed the Vancouver analysis showed an astonishing correlation of 0.96 (Ley and Tutchener 1999). Correlation of course need not mean causality, and it is notable that strong correlations also occurred between economic growth and house price changes in both Canadian cities, and in Sydney as well in the period from 1967 to 1989 (Travers Morgan and Applied Economics 1991, 85). At the same time, the affluent composition of the immigrant stream to Vancouver, with business immigrants peaking in the

early 1990s, might well have been a factor that sustained a higher price trajectory than in Sydney or Toronto.

Figure 2: Net immigration, net internal migration, and house prices, Vancouver, 1971-1995

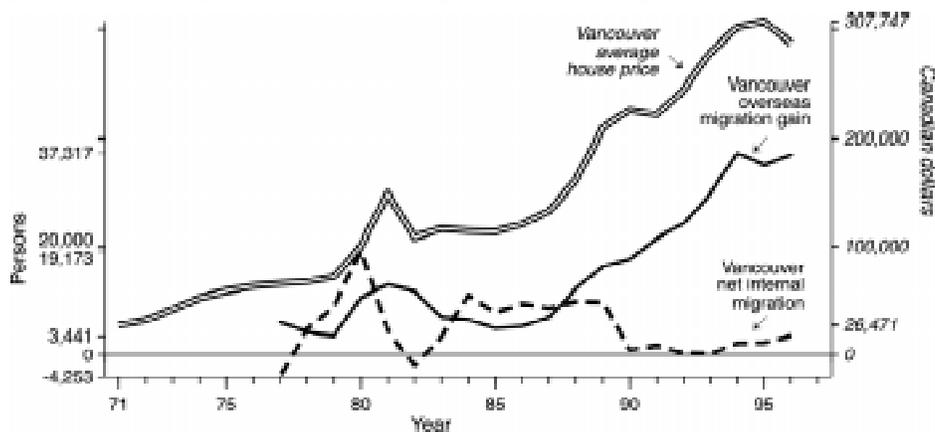
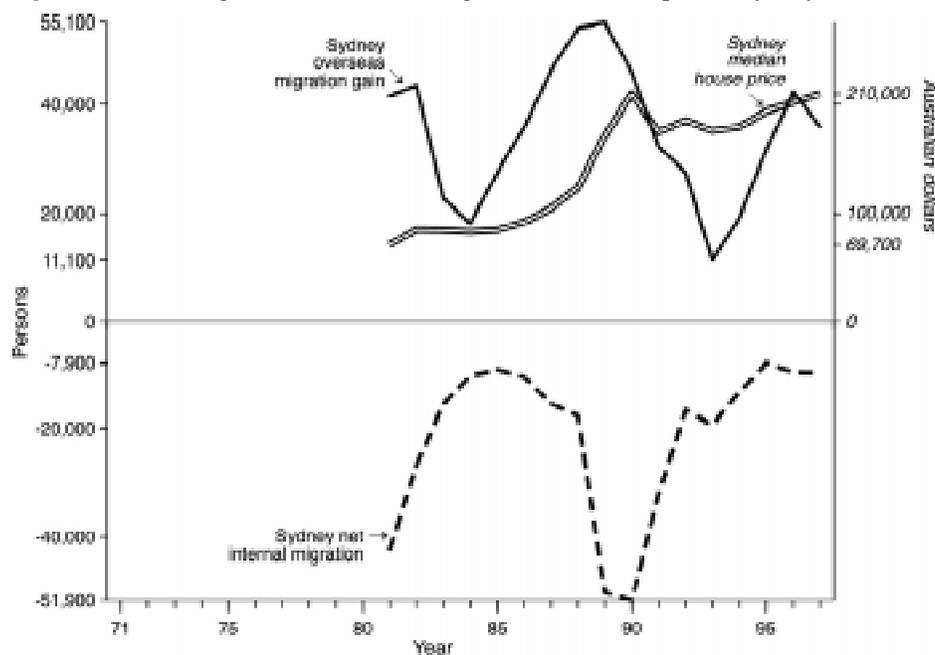


Figure 3: Net immigration, net internal migration, and house prices, Sydney 1981-1997



Once we partition the price data by period or by geographical scale, however, relationships become more puzzling. The relationship between immigration and price movements is much

more modest in Toronto when the 1971-1996 time series is divided in two; indeed a negative correlation is the outcome for 1971-1985. Murphy (1993) demonstrated a similar negative relationship for the period from 1970 to 1975 in Sydney but thereafter the correlation was strongly positive up to the end of the 1990s. In Vancouver correlations remained high for the whole period though, like Sydney, much more so after 1985 than before that date. Geographical disaggregation also confuses the relationship. The major gateway cities have experienced considerable centralisation of price gains in older central neighbourhoods since the 1970s (Maher 1994; Burnley et al. 1994; Tutchener 1998), what Badcock (1992) in Adelaide called an 'urban heart transplant'. How does this geography of central area and inner city reinvestment coincide with the map of immigrants? While relations between price change and the foreign-born remain positive at the census tract scale in Vancouver in the 1986-1991 period, they are modest, and in Toronto they are consistently negative. This difference presumably reflects the different composition of newcomers in the two cities, with Vancouver receiving a far smaller share of (generally poor) refugees and a much higher share of wealthy business immigrants. The overall erosion of the relationship matches a detailed analysis in Sydney that includes the same period of high immigrant in-take, where a clear association between prices and immigration at the metropolitan scale dissolved once the data were disaggregated to the scale of local government units (Burnley and Murphy 1994). The resolution to this paradox remains unclear but is probably due to the fact that if demand pressures from significant numbers of immigrants in a particular district start to push up prices, demand will be deferred to adjacent localities. If this is the case then price effects of intra-urban settlement choices by immigrants will be difficult to detect. Another consideration is that while many immigrants settle in the inner areas of Sydney many more now settle in the outer suburbs where price levels are relatively low and the elasticity of land supply is relatively high.

So overall the nature of the linkage between immigration and house prices remains elusive. Visible at the macro-scale over a medium-term time series for both Sydney and Vancouver, it becomes much less evident with additional periodisation or with spatial disaggregation to the local government or census tract level. While the sheer volume of immigration since the mid 1980s in particular must be reflected in the behaviour of the housing market, that relationship

is clearly highly variable at the local scale, perhaps not surprising when one considers the huge diversity of sub-markets in a large metropolitan area, a heterogeneity that affects immigrants like other groups in the population. Moreover, immigrant impacts may well be lagged, as an initial period of rental tenure gives way for many newcomers after 5-15 years to movement into owner-occupation. In this manner the effects of any one annual cohort of immigrants may be dispersed over the ownership market for a number of years, thereby weakening any discernible annual impact, a context in which other sub-markets of the population may exercise a stronger influence. A countervailing interpretation is that demand pressure on rental housing is equivalent to pressure on owner occupied housing so the net effect on metropolitan prices will be the same no matter what the tenure preferences of immigrants might be.

Price inflation associated with immigration may be a factor forcing some lower income earners to distant suburbs or even to leave gateway cities altogether. Such claims have led some to argue that either immigration should be restricted or that immigrant dispersion should be encouraged. The negative correlation between immigration and domestic migration in Sydney and Vancouver (Figures 2, 3) matches the pattern noted around major gateway cities in the United States (Frey and Liaw 1998). The cause of these inverse flows is presently unknown, though a controversial thesis is that it represents a pattern of avoidance by the native-born of immigrant concentrations. The reason(s) for countervailing population flows in the major gateway cities of Canada and Australia merit closer scrutiny.

Housing Preferences and Land Use Conflicts

Price of course is only one measure of the housing impacts of immigration and the meaning of housing for newcomers and established residents alike. The high levels of homeownership among many minority groups indicate an inflation of the value of the home to cover a range of psychological and cultural priorities. Thompson's (1996) research in Sydney indicates the profound meaning of homeownership particularly for minority groups who have struggled to gain economic independence and financial security. Hard work and sacrifice over a period of years are tolerated in order to attain the ideal of a home with a garden, a place to demonstrate

economic success and sustain cultural and religious affiliations that may be less easily broadcast in the public realm.

Land use conflict can also emerge when immigrant housing preferences clash with pre-existing norms. Certain large houses with unfamiliar styles or materials, attributed to some immigrants to Australia, have on occasion been at odds with local heritage conservation principles (Apperly, Irving and Reynolds 1989), for the Eurocentric focus of heritage control at the local level has often failed to embrace cultural diversity (Armstrong 1994). There is a need to extend multicultural planning in a variety of ways – for example, how does the zoning map with its attention to clearly demarcated zones of nuclear family housing integrate with a non-northwest European desire to live in extended family or multifamily households? On the whole though, such matters have not been at the forefront of public concern in Sydney.

In contrast, for a decade after 1985 in Vancouver and several of its older suburbs, there was prolonged debate about the reshaping of existing affluent neighbourhoods through the redevelopment of the housing stock during a period of high immigration. The common pattern was that existing detached houses were demolished regardless of their state of repair, and replaced by new properties, often on clear-cut lots, that made maximum use of the dwelling size permitted by zoning. Large, square properties on minimally-landscaped lots best fitted this objective, giving rise to the uncomplimentary moniker of the ‘monster house’.

While some unease with the size and bulk of these properties was general, in certain high-priced neighbourhoods in Vancouver there was sustained resistance against the extent and form of transformation (Mitchell 1993; Ley 1995). The old, elite district of Shaughnessy and the adjacent middle class neighbourhood of Kerrisdale consist of leafy, landscaped streets and gardens with character homes in northwest European revival styles, interspersed with more modest California and arts and craft bungalows. The clearance of these properties with their trees and shrubs led to concerted complaints to City Hall and the media, and a series of attempts by the City to modify local zoning. Events came to a head in a prolonged public hearing in 1992, when with some exceptions long-settled Caucasian residents were pitted

against their recently-arrived Hong Kong neighbours, the usual occupants of new, large houses. Though the City had expected an outcome favouring the longer-established residents, the strength of immigrant intervention precluded a simple decision. The stalemate led to a joint planning process and the eventual recommendation that traditional designs would be preferred but not mandatory in new construction, though builders would receive a density bonus if they built in a traditional neighbourhood idiom. This solution seems to have satisfied most parties, enough anyway that the problem has disappeared, and a new style, a reworked Tudor revival, has become the builder's choice for a new vernacular (Ley 1999b).

There has been considerable diversity in interpretation of this conflict, a furore that at one point attracted full-page attention in Hong Kong's *South China Morning Post* under the headline 'The battle for Shaughnessy'. On the one side are attacks of racism launched by real estate interests, a pattern Ong (1999) has also noted in California, and a view that has support from several political directions. On the other is the insistence of long-settled residents that the issue is not one of racism but of rapid development and landscape change, the destruction of a landscape that is closely bonded with their cultural identity, a squabble around identity politics. Confusing the alignment of interests has been the position of leftist politicians siding with wealthy long-established residents in an endorsement of community rights over intrusions from external capital. There are many ironies in this conflict, not least in the protectionist arguments of the old elite, whose forbears began the exploitation of British Columbia's resource economy on aboriginal land, while Chinese-origin homeowners, whose identity in the public psyche is associated with the orientalist motifs of a preserved Chinatown, are advocates of the hyper-modernity of creative destruction.

The wider issue in both nations is the reception of new immigrants by what is sometimes, and usually inappropriately, called the 'host society'. There has been remarkably little detailed work on this theme in Canada or Australia other than some highly generalised opinion polls (but see Ip et al. 1992). One of the first detailed case studies examining rapid urban ethno-cultural transition has raised a number of pertinent challenges to the immediate recourse to racism as an explanation of opposition to neighbourhood change (Rose 1999; cf. Dunn 1999). First, we might note the over-determination of resistance that can as readily be

accounted for by opposition to growth as by opposition to new inhabitants. Some separation of these effects is necessary, especially during a period when Vancouver was the fastest growing metropolis in Canada and one of the top half-dozen in North America. Rose also identifies the ethnic character of long-established residents who are not only Caucasian but also of Japanese and Chinese origin. Do we account for the criticism of the latter groups, he asks, any differently than we would the position of European-origin groups (cf. Lo and Preston 2000)? Moreover, what citizenship rights might long-established groups legitimately claim to preserve their culture in a multicultural state, particularly when special advantages for original occupants are already argued in the case of aboriginal groups, francophones in Quebec, and, even a few urban minorities with the ethnic theming of neighbourhoods encouraged by multicultural policy? The whole issue of the reception of immigrants by longer-settled citizens in their homes and neighbourhoods is a vital policy question requiring careful empirical work.

The Globalization of Urban Property Markets

International investment in the property market is an old story in settler societies like Australia and Canada. What is new, however, is the current diversity of investment sources, as the former Euro-American trading world has been joined, and in some instances supplanted, by Asian capital (Hajdu 1994). Investment has now moved beyond office and retail property to include hotel and recreational sites, favoured in particular by Japanese investors (Edgington 1996), and large residential projects, particularly close to downtown, frequently associated with Malaysian, Hong Kong, Taiwanese and Singaporean investors. For example, as of May 1999, the Sydney CBD had approximately 5,860 apartment units, another 1,800 units under construction, and a further 1,450 strata units operating as serviced apartments. Of this total approximately 35 per cent were developed by property firms based in East and Southeast Asia or their local subsidiaries. Off-shore interests were also well-represented among the 1,936 units that had received development approval, and six other residential developments (another 2,200 units) that were mooted or awaiting approval (Colliers Jardine, unpublished data). In addition, 69 per cent of residents in Sydney's CBD

were born overseas in 1996, more than twice the proportion for the metropolitan area. These examples far from exhaust the impact of immigration on property markets. Other forms of investment include purchase of older apartments in the inner city as part of smaller portfolios, and absentee purchase of one or several houses with a view to possible eventual migration or to provide a home for a college-age child. Immigrants are also highly involved in the construction and retailing of property, with Italian-Australians in Sydney and Chinese-Canadians in Vancouver occupying significant niches in real estate sales.

Asian firms are also active outside the CBD in residential construction, retail (including mall) development, and in the acquisition of Australian firms. For example, the Development Bank of Singapore's subsidiary, DBS Land, is effectively Australia's largest residential and industrial developer, through their control of Australand and the Walker Corporation. Both in the development of specific projects, and in the acquisition of indigenous property firms, migration plays a critical role. However, it is also important to note that Australia, unlike Canada, restricts foreign investment in "developed" residential real estate. The Foreign Investment Review Board (1999, 29) has noted that "The policy on foreign purchase of developed residential real estate is otherwise restrictive to help reduce the possibility of excess demand building up in the existing housing market while aiming to encourage investment in the supply of new dwellings".

As many of these trends are recent and have not been well-studied we shall consider in more detail Pacific Place, a mega-project in downtown Vancouver, prototypical of other current and planned projects orchestrated by foreign capital in gateway cities with a significant immigrant concentration. Migration extends the spatial reach of social relations crucial for enabling the transmission of trustworthy investment information. The presence of co-ethnics can grease business networks that provide local knowledge, specialised business skills, and access to key decision-makers in the private and public sectors. In other words, Asian property capital has a greater capacity to flow to gateway cities like Vancouver or Sydney because of the existence of relatively deep trans-Pacific information networks.

A key project inaugurating recent Asian-funded redevelopment of parts of central Vancouver was the world's fair, Expo 86, situated on the edge of downtown on former industrial land. Mega-events are designed to "reimagine" the city in a manner that reshapes dominant perceptions about the desirability of urban living, thereby attracting the new middle class to visit and (preferably) live within the confines of a more vibrant city centre (Harvey, 1989; Ley, 1996). Equally important, such spectacles are designed to attract potential property investors, both local and foreign. Over 22 million visits were recorded to the fair, including many of the Asian investors associated with subsequent redevelopment initiatives.

Expo 86 took place at a time when immigration flows between Vancouver and Hong Kong were about to increase at an unprecedented rate, facilitated by changes in Canadian immigration policy and deepening fears about Hong Kong's 1997 repatriation to China, and, later, the 1989 Tiananmen crisis. It was these coincidences that enabled Expo 86 to play so pivotal a role. This is important to consider when assessing the potential impact of the Sydney Olympics in 2000 for immigration and property investment. The scale of migration to Australia is presently relatively limited in comparison to that experienced in Canada (and Vancouver) during the late 1980s, while the Olympics are being held at a time when tensions in Asia are subdued, neither driving wealthy households out of the region, nor generating significant incentives for Asian property developers to further geographical diversification of their investment portfolios.

In 1988, following a policy of privatisation, the Government of British Columbia sold the 204 acres (80 hectares) of the former Expo site in downtown Vancouver for Cdn \$320 million to Li Ka-shing, Hong Kong's richest and best-connected property tycoon. Acquisition followed Li's decision, as patriarch of the Li Group, to deepen his linkages with Vancouver (Olds 1995, 1998). Fellow Hong Kong tycoons Cheng Yu-Tung and Lee Shau Kee were also drawn into the project, thereby diversifying their portfolios and 'cushioning' their holdings in Hong Kong and China in the context of political and economic uncertainties. The prominent Kwok family of Hong Kong who control the sprawling Sun Hung Kai conglomerate followed the Li's as the lead investor in Vancouver's other large downtown residential redevelopment, Coal Harbour. Victor, Li Ka-shing's son, became a Canadian citizen to

oversee the early years of the Pacific Place project. He remarked that while Canada may not “offer a very high immediate return, it's an essential part of a healthy, balanced portfolio, providing good mid- to long-term asset growth” (Li, 1992, 3). The acquisition of such a high profile site enabled Victor Li to be ‘groomed’ in a strategic non-Hong Kong locale for his eventual (1993) appointment as an executive of Cheung Kong (Holdings) Ltd. The Li Group has also used Pacific Place as a springboard for economic activities in major cities across Canada and the United States.

Closely bonded then to the transnationalism of the overseas Chinese, Pacific Place is one of North America's largest downtown redevelopment projects, and is currently valued at Cdn\$3 billion. Approximately 8,500 units of high rise housing are being built on the site, along with a range of retail, community and leisure facilities. The units are pre-sold for the most part at property exhibitions in Vancouver, as well as in Hong Kong, Singapore and other Asian cities where estimates suggest that between 20 and 50 per cent of units have been purchased, often to buyers with family linkages in Vancouver.

Canada's business immigration program, and especially its non-residency taxation rules are contextual factors that attracted the Li family, and many other Asian entrepreneurs to Canada as immigrants and investors in the 1980s and early 1990s. But taxation revisions, particularly the requirement of foreign asset disclosure, have become a significant disincentive to wealthy immigrants and are said to be a force for return migration. Such regulatory contexts of immigration and property investment require closer study.

Conclusions

The relationships between immigration and housing in Sydney and Vancouver, and generically in other gateway cities, are central to an understanding of broader issues surrounding the success of the settlement process and the maintenance of social cohesion. Access to affordable, appropriately sized, and suitably located housing is a major cause and consequence of successful settlement. Whilst skilled and business immigrants may be able to satisfy their requirements in the expensive housing markets of gateway cities there are many

who arrive with minimal assets and lower income earning potential for whom the bar is too high. At the same time, in cities where migrants choose to settle in large numbers there are housing-market impacts affecting the existing population that, if not carefully managed by local politicians and public officials, can exacerbate negative attitudes towards immigration. The dynamic interaction between the shifting social, cultural and economic profiles of immigrants and the social, cultural and economic configurations of the cities in which they choose to live ensures a constant flow of public interest questions demanding both sound research and political skills.

References

- Apperly, R., Irving, R. and Reynolds, P. 1989. *Identifying Australian Architecture: Styles and Terms from 1788 to the Present*. Angus and Robertson, Sydney.
- Armstrong, H. 1994. Cultural continuity in multicultural sub/urban places, in Gibson, K. and Watson, S. (eds) *Metropolis Now: Planning and the Urban in Contemporary Australia*. Pluto Press, Sydney, 102-13.
- Badcock, B. 1992. Adelaide's heart transplant 1970-88, *Environment and Planning A* 24, 215-41.
- Baker, M. and Benjamin, D. 1995. The receipt of transfer payments by immigrants to Canada, *Journal of Human Resources* 30, 650-76.
- Bourne, L. 1998. Migration, immigration and social sustainability: the Toronto experience in comparative perspective, Paper presented to the UNESCO-MOST conference, Cape Town.
- Burnley, I. and Murphy, P. A. 1994. *Immigration, Housing costs and Population Dynamics in Sydney*. AGPS, Canberra.
- Burnley, I., Murphy, P. and Fagan R. 1997. *Immigration and Australian Cities*. The Federation Press, Sydney.
- Clark, W. 1998. *The California Cauldron: Immigration and the Fortunes of Local Communities*. Guilford Press, New York.
- CMHC (Canada Mortgage and Housing Corporation) (n.d.) *Special Studies on 1996 Census Data: Housing Conditions of Immigrants*. Socio-Economic Series 55-3, Ottawa.
- Dunn, K. 1999. *Mosques and Islamic Centres in Sydney: Representations of Islam and Multiculturalism*. Ph.D. Thesis, University of Newcastle, Newcastle.
- Edgington, D. 1996. Japanese real estate investment in Canadian cities and regions, 1985-1993, *Canadian Geographer* 40, 292-305.
- Foreign Investment Review Board (Australia). 1999. *Foreign Investment Report*. AGPS, Canberra.
- Frey, W. and Liaw, K-L. 1998. Immigrant concentration and domestic migrant dispersal, *Professional Geographer* 50, 215-32.
- Hadju, J. 1994. Recent cycles of property investment in Central Sydney and Melbourne, *Urban Geography* 15, 246-57.
- Harvey, D. 1989. From managerialism to entrepreneurialism, *Geografiska Annaler* 71B, 3-17.
- Hassell with Hugo, G. 1996. *Immigrants and Public Housing*. Department of Immigration and Multicultural Affairs, Canberra.

- Hulchanski, D. 1998. Immigrants and access to housing: how welcome are newcomers to Canada? In McAndrew, M. and Lapierre V. N. (eds) *Metropolis Year II: The Development of a Comparative Research Agenda*, Immigrations et Metropoles, Montreal, 263-83.
- Ip, D., et al. 1992. *Images of Asians in Multicultural Australia*. Multicultural Centre, University of Sydney, Sydney.
- Junankar P. N. et al. 1993. *Recent Immigrants and Housing*. Bureau of Immigration and Population Research AGPS, Canberra.
- Kendig, H. 1979. *New Life for Old Suburbs: Post-War Land Use and Housing in the Australian Inner City*. Allen and Unwin, Sydney.
- Lapointe Consulting and Murdie, R. 1996. *Immigrants and the Canadian Housing Market*. CMHC, Ottawa.
- Laryea, S. 1999. Housing Ownership Patterns of Immigrants in Canada. RIIM Working paper 99-10, Simon Fraser University, Vancouver.
- Ley, D. 1995. Between Europe and Asia: the case of the missing sequoias, *Ecumene* 2, 185-210.
- . 1996. *The New Middle Class and the Remaking of the Central City*. OUP, Oxford.
- . 1999a. Myths and meanings of immigration and the metropolis, *The Canadian Geographer* 43, 2-19.
- . 1999b. Multicultural planning: whose city, whose identity? Paper presented to the Fourth International Metropolis Conference, Washington.
- Ley, D. and Tutchener J. 1999. Immigration and Metropolitan House Values in Canada. RIIM Working Papers 99-09, University of British Columbia, Vancouver.
- Li, V. T. K. 1992. Why we invest in Canada, *Dialogue* [Asia Pacific Foundation of Canada] 6 February, 3-8.
- Lo, L. and Preston V. 2000. Asian theme malls in suburban Toronto: land use conflict in Richmond Hill, *The Canadian Geographer* 44, 182-90.
- Maher, C. 1994. Housing prices and geographical scale: Australia in the 1980s, *Urban Studies* 31, 5-27.
- Mitchell, K. 1993. Multi-culturalism, or the united colors of capitalism, *Antipode* 25, 263-94.
- MOSAIC. 1996. Housing Needs of Ethno-Cultural Communities. MOSAIC, Vancouver.
- Murdie, R. A. 1994. Blacks in near-ghettoes? Black visible minority population in Metropolitan Toronto Housing Authority public housing units, *Housing Studies* 9, 435-57.
- Murphy, P. A. 1993. Immigration and the management of Australian cities: the case of Sydney, *Urban Studies* 30, 1501-19.

- National Housing Strategy (Australia). 1991. *The Affordability of Australian Housing*. National Housing Strategy, Canberra.
- National Population Council (Australia). 1990. *Immigration and Housing in the Major Cities*. AGPS, Canberra.
- Olds, K. 1995. Globalization and the production of new urban spaces: Pacific Rim mega-projects in the late 20th century, *Environment and Planning A* 27, 1713-43.
- . 1998. Globalization and urban change: tales from Vancouver via Hong Kong, *Urban Geography* 19, 360-85.
- Ong, A. 1999. *Flexible Citizenship: The Cultural Logics of Transnationality*. Duke University Press, Durham.
- Ray, B. 1998. *A Comparative Study of Immigrant Housing, Neighbourhoods and Social Networks in Toronto and Montreal*. CMHC, Ottawa.
- Ray, B. and Moore E. 1991. Access to homeownership among immigrant groups in Canada, *Canadian Review of Sociology and Anthropology* 28, 1-29.
- Rose, J. 1999. Immigration, Neighbourhood Change, and Racism: Immigrant Reception in Richmond, B.C.. RIIM Working Paper 99-08, University of British Columbia, Vancouver.
- Thompson, S. 1996. *Women's Stories of Home: Meanings of Home for Ethnic Women Living in Established Migrant Communities*, Ph.D. thesis, University of Sydney, Sydney.
- Travers Morgan Pty. Ltd. 1991. *Determinants of the Price of Established Housing*. Housing Costs Study No. 3, Australian Building Research Grants Scheme, Department of Industry, Technology and Commerce, Canberra.
- Tutchener, J. 1998. *Globalisation and Residential Real Estate in Canadian Cities*. Master's Thesis, Department of Geography, UBC, Vancouver.

Working paper series from 2000

No.	Author(s)	Title	Date
00-01	J. Atsu Amegashie	A Political Economy Model of the Permissible Number of Immigrants	01/00
00-02	David Ley	Seeking <i>Homo Economicus</i> : The Strange Story of Canada's Immigration Program	05/00
00-03	Chieko Tanimura	Immigration of Nikkeijin to Ease the Japanese Aging Crisis	05/00
00-04	Eden Nicole Thompson	Immigrant Occupational Skill Outcomes and the Role of Region-Specific Human Capital	05/00
00-05	Christiane Werner	A Taste of Canada: An Analysis of Food Expenditure Patterns for Canadian-born and Foreign-born Consumers	05/00
00-06	Don DeVoretz and Chona Iturralde	Probability of Staying in Canada	08/00
00-07	Ravi Pendakur, Fernanda Mata, Stan Lee and Natalie Dole	Job Mobility and Promotion in the Federal Public Service. A Joint Project with Strategic Research and Analysis, Multiculturalism Program, Canadian Heritage and Research Directorate. Public Service Commission.	05/00
00-08	Barry R. Chiswick and Paul W. Miller	The Complementarity of Language and Other Human Capital: Immigrant Earnings in Canada	07/00
00-09	John E. Hayfron	The Housing Market Outcomes of Immigrants in Norway	08/00
00-10	Greg Cunningham, Daniel Hiebert and Brian Klinkenberg	Immigration and Greater Vancouver: A 1996 Census Atlas http://www.geog.ubc.ca/metropolis/atlas	09/00
00-11	Barry R. Chiswick	The Economics of illegal Migration for the Host Economy	09/00
00-12	Daniel Hiebert	The Social Geography of Immigration and Urbanization in Canada: A Review and Interpretation	09/00
00-13	Barry R. Chiswick and Paul W. Miller	A Model of Destination Language Acquisition: Application to Male Immigrants in Canada	09/00
00-14	Jamie Winders	Immigration to Vancouver: An Analytical Review	09/00
00-15	Daniel Hiebert	Cosmopolitanism at the Local Level: Immigrant Settlement and the Development of Transnational Neighbourhoods	09/00
00-16	David Prescott, David Wilton, Canan Dadayli and Aaron Dickson	Visits to Canada: The Role of Canada's Immigrant Populations	08/00
00-17	J. Atsu Amegashie and John E. Hayfron	Perception and Labour Supply: A Theoretical Analysis with and Application to Immigrants	10/00
00-18	Geraldine Pratt	Studying Immigrants in Focus Groups	12/00
00-19	Allesandra Casarico and Carlo Devillanova	Social Security and Migration with Endogenous Skill Upgrading	12/00
00-20	Don DeVoretz, Holger Hinte, Christiane Werner	Some Immigrant Language Lessons from Canada to Germany	10/00

No.	Author(s)	Title	Date
00-21	Don DeVoretz	An Analysis of Turn-of-the-Century Canadian Immigration: 1891-1914	12/00
01-01	Shahrokh Shahabi-Azad	Immigrant Expenditure Patterns on Transportation	01/01
01-02	Johanna L. Waters	The Flexible Family? Recent Immigration and 'Astronaut' Households in Vancouver, British Columbia	01-01

For information on papers previous to 2000, please see our Website
<http://www.riim.metropolis.net/research/policy>

Back issues of working papers are available for \$5 from

Vancouver Centre of Excellence: Immigration, WMX4653, Simon Fraser University, 8888 University Drive, Burnaby, B.C, Canada V5A 1S6. Tel: (604) 291-4575 Fax: (604) 291-5336

E-mail: riim@sfu.ca

<http://www.riim.metropolis.net/>