AMBIGUITY AT HOME: UNAUTHORIZED GEOGRAPHIES
OF HOUSING IN VANCouver

by

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Abstract

At least 20 percent of the city of Vancouver's rental housing consists of unauthorized secondary suites -- apartments built without permits inside detached houses. Local authorities have largely come to tolerate the existence of such units, seeing them as a vital means of dealing with the city's long-standing housing affordability problems. But despite the significance of this now-common local phenomenon, there is a tendency in the media, government documents and the popular imagination to view it from a singular perspective that reduces it to a strictly law-and-markets issue. Given Vancouver's highly competitive housing market, this restricted approach to thinking about the proliferation and lenient regulation of secondary suites is in many ways justifiable, but it has also served to erase a host of other important aspects of this local phenomenon. Examining the issue through the lens of various sub-fields in Human Geography, I seek to complicate its hegemonic understandings, and suggest that thinking about secondary suites from multiple perspectives can help us grasp many of the crucial geographical problems associated with contemporary life. I argue that even if legal or market frameworks are afforded privilege, there is more to be said about this issue, for example on the role of this so-called informal housing market in the local and global economy. The widespread notion that an insufficient supply of affordable housing is the main motivation to own or live in an unauthorized secondary suite is questioned using empirical evidence from the Census. The regulatory order to which these housing units are subject is shown to be less an effect of market forces than the historical product of a series of legal landmarks stretching from the mid-nineteenth century to today. Market forces are also shown to be a problematic explanation that obscures the role of politics and social norms in the formal and informal regulation of these apartments. In addition, I examine the politics of tenant/homeowner-landlord relations associated with this unconventional housing arrangement. Finally, I argue that secondary suites are not only an object of analysis for planning and other experts, but also a forgotten site of lay-knowledge production.
Preface

Research for this dissertation involved interviews with human subjects. Ethics approval was obtained from the UBC Behavioural Research Ethics Board, Certificate Number H08-01033 Contents.
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Dedication

To Fiona, Marina, and Julio.
Chapter 1: Introduction

1.1. Encountering Vancouver's informal housing market

Shortly after I moved to Vancouver to pursue undergraduate studies, I found myself living in a small apartment not far from the university campus. My newly gained independence -- having my own place away from my family home -- was something I remember cherishing, but there were certain aspects of that experience to which I recall having some difficulty adapting. Not only was I sharing the apartment with somebody I had never met before, but the place itself was something I could not have predicted before arriving to Canada: two thirds of the flat were underground, with two narrow windows close to the ceiling letting in only a small amount of light. My home was now in fact a dark and often-musty basement in a detached 1950s stucco bungalow, amateurishly retrofitted by its owner into a self-contained apartment with a separate entrance at the back. The suite had a strong improvised feeling to it, and so did the many other basement apartments I had visited when I was searching for housing. I remember being initially reluctant to move into such a cavernous type of accommodation, but I very quickly discovered I did not have many other options: nothing I could find within my limited budget was above ground.

A few weeks later, talking to classmates about the large number of basement apartments that were advertised for rent all over the metropolitan area, I learned that these housing units -- including, it turned out, the one I was renting -- were considered to be illegal: they were being rented out without a required license, and they had been built in contravention of local zoning regulations and without the proper permits that would ensure they were set up according to official building standards. While this in itself was not much different from what I was used to in Guatemala -- my family after all had done what many other households there usually do, building a small addition to our house without any consultation with local authorities -- I was surprised to discover that a large Canadian city like Vancouver could have such a thriving informal market in rental housing. I naively thought: was this not something supposed to exist only in developing
countries, where there is widespread suspicion of historically weakened formal institutions and their ability to apply the law fairly and evenly?

There was another thing that surprised me just as much. Being a university student, I had access to a library and so I tried to do some research about these informal basement apartments (known locally as "secondary suites" because they are attached to a principal dwelling unit). There were a few studies that discussed what was termed "accessory apartments" as a possible solution for ageing homeowners who wish to remain in their property but can no longer take care of a large house, and some that mentioned this arrangement as a novel housing option for people with disabilities who needed to live in close proximity to relatives or others who could assist them.¹ But I could find nothing about their existence in North America as an illegal form of housing. I dropped my research efforts promptly, but the matter stayed for a long time in the back of my mind.

1.2. Ivory towers and the common

Years later, as a graduate student, I began to think about the reasons why this phenomenon had not attracted the attention of scholars in more significant ways. In his book Bourdieu's Secret Admirer in the Caucasus, Georgi Derlugian mentions a conversation with his then-thesis advisor, Immanuel Wallerstein, who told him that one need not be concerned with "small things."² While such a comment is not surprising coming from a world-system scholar, it struck me as highly revealing. Aside from scholars in cultural studies and the material cultures field, the common and unremarkable is typically not a main focus of research in the academy. When taken into account, it often figures as no more than a backdrop to larger questions such as the transformation of the built environment, social inequality, neoliberalization, the production of scientific knowledge, biopolitics, war, or environmental degradation. There are very good reasons why these larger issues should occupy the attention of the scholarly community. They are


central to the dynamic processes of uneven geographical development, and it is through them that power relations are more readily apprehended in their social context. But while everybody is in one way or another implicated in or impacted by these larger processes, people here and everywhere are also confronted with a plethora of more mundane questions that affect their day to day existence. Should these not also be the subject of sustained concern? Could closer attention to them not also help us grapple with some of those larger questions?

Picture for example the following scenario -- a common occurrence in any large North American city: a man hops on a public bus on his way to work, pays his fare and moves toward the back in the hopes of finding an empty seat. The bus is crowded and a small altercation with another passenger ensues, but dissolves without incident as a seat becomes available and he jumps to take it. What should we make of such a trivial event? There is nothing unusual to this story: the man is on his way to work, making his contribution to the functioning of the larger economic system that links him to his city and, at a larger scale, to the worldwide flows of capital, commodities and performed services. He pays the bus fare and is therefore acting as a responsible citizen; his contretemps with another passenger is kept to a quick exchange of words in a loud voice and never escalates into violence, avoiding an encounter with law enforcement agents and the justice system.

Economically and legally, then, there is not much we seem to be able to say about this scenario. But with a little imagination, we can assume the perspective of various different members of society to read this story in ways that our own training and experience do not immediately enable us to do. This is exactly what Raymond Queneau does in his brilliant little book *Exercises in Style.* Queneau recounts the very same fictitious event I describe above, but he does it in 99 different ways. Each version of the story is written in a different "style," and many of these styles assume the point of view of various professions such as bureaucrat, lawyer, playwright or musician. Here is, for

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example, how Queneau (in Barbara Wright's impressive translation) imagines how a
doctor would describe the incident:

After a short session of heliotherapy I was afraid I might get put in
quarantine but managed to climb without mishap into an ambulance full of
stretcher cases. Amongst them I diagnosed a dyspeptic who was suffering
from chronic gigantism with tracheal elongation and who was wearing a
hat whose ribbon was deformed by rheumatism. This cretin suddenly
worked himself up into a hysterical fit because a cacochymic was
pounding his gomphous tylosis; then, having discharged his bile, he
isolated himself to nurse his convulsions.4

Queneau also assumes the persona of a chef:

After slowly roasting in the browned butter of the sun I finally managed to
get into a pistachio bus which was crawling with customers as an overripe
cheese crawls with maggots. Having paid my fare, I noticed among all
these noodles a poor fish with a neck as large as a stick of celery and a loaf
surmounted by a ridiculous donkey's dinner. This unsavoury character
started to beef because a chap was pounding the joints of his cheeses to a
pulp. But when he found that he had bitten off more than he could chew,
he quailed like a lily-livered dunghill-cock and bolted off to stew in his
own juice.5

Another imagined point of view offered by Queneau is that of the philosopher:

Great cities alone can provide phenomenological spirituality with the
essentialities of temporal and improbabilistic coincidences. The
philosopher who occasionally ascends into the futile and utilitarian
inexistentiality of an S bus can perceive therein with the lucidity of his
pineal eye the transitory and faded appearance of a profane consciousness
afflicted by the long neck of vanity and the hatly plait of ignorance. This
matter, void of true entelechy, occasionally plunges into the categorical
imperative of its recriminatory life force against the neo-Berkleyan [sic]
unreality of a corporeal mechanism unburdened by conscience. This moral
attitude then carries the more unconscious of the two towards a void
spatiality where it disintegrates into its primary and crooked elements.6

Kanako Goto has noted that *Exercises de style* was very well received by the public at the
time of its publication in France in 1947, but has never gathered the attention it merits

5 Queneau, Exercises in Style, p. 177.
6 Queneau, *Exercises in Style*, p. 188-189.
from the academic community. Its unusual structure -- not a novel, not an essay, not a poem either -- did not fit neatly into the classic conventions of literary production, and is not easily classifiable into a well-established genre. As a linguist, however, Goto argues that the book can be read as a treatise on communication understood as the "transmission of the utterance," a process which, like Queneau's book, at times involves a sort of intertextuality or reliance on shared references, but also requires at times a more engaged degree of attention to enable forms of translation to occur. It is impossible to do justice to Goto's argument here, but one of her conclusions is that Queneau's book is a treasure trove whose riches still await to be fully unearthed.

1.3. Multidisciplinarity

Reaching into the treasure trove of Exercises in Style, there is indeed at least one more lesson we can extract from Queneau's efforts, and that is how much we can learn from looking at the common and unremarkable aspects of the world from a variety of assumed perspectives. Queneau was not a lawyer or an astrologist or a botanist (though besides a poet and a fiction writer he was also a mathematician), but through the hard work of research he was able to see a commonplace event in ways that he would not have normally been able to. Assuming the perspective of these professionals from a reasonably well-informed standpoint, he could envision the incident on the bus as having many aspects that would not be necessarily noticed by somebody with a different set of experiences and professional training, or in ways he may not have had the language to express by keeping to one single point of view. Goto perceptively notes that not all of Queneau's versions of the story contain all of the information that is described by their narrator. For example, versions presented in the first pages of the book do not mention that the story takes places on a hot sunny day, or that the reason for the altercation is that another passenger had stepped on the protagonist's foot. Yet both the doctor and the chef make reference to this fact through the use of a language that is highly specialized yet

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broadly descriptive. Different narrators seem to be observing different things. Or perhaps what is implied by the serial accumulation of differently incomplete versions of the same story is that not all narrators have the technical vocabulary to account for all aspects of what happened on that bus. The terminology and the concepts of one profession can elucidate aspects of the story that other professions fail to represent for lack of a fitting language and theory. In some cases, however, the language in a given version of the story is so specialized that the reader who has not been initiated into that particular field of expertise can make little sense of what is being described.

Queneau is showing us here something that scholars who defend inter- and multidisciplinarity have been arguing for some time. Academic disciplines are valuable because they enable their practitioners to engage at a deeper level with questions that are difficult to grasp without a comprehensive understanding of the ways in which other specialists in the same field have tried to grapple with them. Arguably, however, disciplines become even more valuable when we are able to bring together their multiple learned perspectives on the same questions or topics. In many ways, this has been one of the strengths of human geography. Geographers' interest in the potential that other disciplines offer to reach more rounded understandings of the production of space and the strengths and limitations of the concepts of place and scale, for example, has led them to engage in debates with scholars in other disciplines; these efforts have in turn brought geography into the toolbox of scholars in many other disciplines, thus enriching overall the ways the meanings and significance of spatiality are apprehended.

In her discussion on existing "taxonomies" of interdisciplinarity, Julie Thompson Klein distinguishes between the latter and the concepts of multidisciplinarity and transdisciplinarity. Each of these three approaches to the production of knowledge has its own strengths and weaknesses, but they all share some important limitations. In particular, they all lack, at least so far, the efficiency that specialization makes possible through the facilitation of inter-expert communication, which becomes easier as concepts,

theories, and other fragments of advanced knowledge become well known within the discipline.¹²

Multidisciplinarity is perhaps best understood in reference to the encyclopedic model. Like an encyclopedia, multidisciplinarity functions through the juxtaposition, sequencing and, in some cases, the coordination of disciplinary knowledges.¹³ Juxtaposition, Thompson Klein argues, has advantages and disadvantages: it "fosters wider knowledge, information, and methods. Yet, disciplines remain separate, disciplinary elements retain their original identity, and the existing structure of knowledge is not questioned."¹⁴ This is most obvious in the approach's reliance on sequencing, the key characteristic of formats typically adopted in "conferences, publications, and research projects," and which generally "present different views of the same topic or problem in serial order."¹⁵ Rebecca Burns distinguishes between mere sequencing and a coordinating mode of multidisciplinarity, the latter corresponding to projects where the disciplinary contributions are aligned in an intentional order.¹⁶ Through a coordinating strategy, multidisciplinarity is able to produce a common framework for analysis by contextualizing each disciplinary contribution. The main problem with multidisciplinarity and its two modes of presenting disciplinary knowledge, however, is that they are seen as "typically lacking in intercommunication" between the different disciplines.¹⁷

It is here that the project of interdisciplinarity enters the picture. Interdisciplinarity is seen as a way of integrating and hybridizing knowledges through disciplinary interactions and collaborations. One benefit of achieving this goal is the minimization of theoretical and empirical blind spots that may result from a singular disciplinary focus, since each discipline tends to privilege specific ways of looking at the world. This integration of knowledge is regarded as being particularly promising in tackling practical

¹² Brewer, "The challenges of interdisciplinarity."
¹³ Thompson Klein, "A taxonomy of interdisciplinarity."
¹⁵ Ibid.
¹⁶ Rebecca Burns, Dissolving the boundaries: planning for curriculum integration in middle and secondary schools (Charleston: Appalachia Educational Laboratory, 1995). Cited in Thompson Klein, "A taxonomy of interdisciplinarity."
social or environmental problems that do not conform with one single way of looking at them. Interdisciplinarity's key advantage, as Garry Brewer phrases it, is that its way of combining disciplinary knowledge "adds value: the total is more interesting than the sum of the individual contributions or parts." The same advantage is attributed to transdisciplinarity, although here the goal is to transform the production of knowledge through its complete unification. For Jean Piaget, transdisciplinarity achieves "a higher stage in the epistemology of interdisciplinary relationships based on reciprocal assimilations." It is regarded as the most ambitious of the three projects, but also the most distant from actualization.

The promise that interdisciplinarity offers to identify and materialize opportunities or practical solutions to social, medical, environmental, but also commercial problems and challenges has led to its enthusiastic embrace by university administrators. This has given rise to numerous programs and departments across North America and elsewhere, and has also led to the promotion of collaborative interdisciplinary research projects by funding institutions. Some scholars have been critical of interdisciplinarity for what is perceived as its contribution to the erosion of support for disciplinary research. But I am more concerned with other critiques of the interdisciplinary approach to the production of knowledge. In their extensive review of the interdisciplinary field at the end of the first decade of the new millennium, Jerry Jacobs and Scott Frickel argue that,

Many interdisciplinary projects make only limited gains (as do many disciplinary-based investigations), and those that are spectacularly successful can become established as new fields of inquiry, leading to a new round of differentiation and fragmentation.

Despite its enticing prospects, interdisciplinarity has yet to fulfill its promises as a synthesizing mode of knowledge production, precisely because successful instances of interdisciplinarity research tend to follow a process of reversion in which they coalesce

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21 Ibid., p. 60.
into new bounded fields, as it has been the case for Science and Technology Studies or Organizational Science. While these relatively new "topic-based domains [are] fostering new skill sets, [and developments] in one area are stimulating new understandings in multiple fields as well," they run the risk of coalescing into new disciplines that will require a new set of efforts to integrate them into the aspired unitary whole. In their current forms, then, the unifying projects of inter- and trans-disciplinarity ultimately seem to bring us back to the more pragmatic approach of multidisciplinarity.

In this dissertation, I want to "involve" the aims of multidisciplinarity and the valorization of the common and unremarkable into the discipline of geography itself. Engaging in a multidisciplinary approach to the examination of common phenomena which have come to be regarded as unremarkable may help bring out aspects that are obscured by commonplace ways of understanding them. There are many sub-fields that make up human geography: urban geography, economic geography, legal geography, social geography, cultural geography, feminist geography, historical geography, and so on. Each of these fields has its own areas of specialized knowledge, its own debates, and its methodological strengths. Despite the challenges involved in acquiring an acceptable mastery of them, there is no reason to eschew the prospects offered to the study of the common and unremarkable by the project of bringing together, in a coordinating mode (to use Burn's terminology), the different perspectives of each of the discipline's sub-fields. We should not lose confidence in the possibilities for uncovering previously unaddressed questions that an intentionally sequenced amalgamation of standpoints can provide.

I do not mean to suggest here that the projects of transdisciplinarity and interdisciplinarity need to be abandoned, but simply to acknowledge the continued relevance of multidisciplinarity given the current stage of development of the latter two. A multidisciplinarity approach that seeks to incorporate some of the various sub-fields of geography into one single research report, I argue, can act as a foundational platform to pursue the ambitious aims of inter- and trans-disciplinary modes of knowledge production at the scale of the single discipline and beyond. This approach, moreover, is

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22 Thompson Klein, p. 28.
particularly helpful when dealing with topics that have not received enough scholarly attention and therefore lack a pre-established set of questions and debates or ways of problematizing them. Unauthorized secondary suites, the object at the centre of this dissertation, is one of such topics.

Given the potential benefits of multidisciplinarity but also its limitations with regard to the lack of communication between different disciplinary producers of knowledge, it makes sense to explore ways of addressing the latter. In this dissertation, I explore the potential of bringing together, in what Burns calls a "coordinating" mode, the perspectives of various geographical sub-fields as an individual scholar's pursuit, rather than relying exclusively on collaborative projects between scholars in each sub-field of the discipline.23

Individually pursued projects that bring together multiple areas of geography in a coordinating mode can be operationalized by means of what Trevor Barnes and Eric Sheppard, borrowing from philosophers William James and Richard Bernstein, have called "engaged pluralism."24 For Barnes and Sheppard, engaged pluralism is a faithfulness to the idea that, "however much we are committed to our styles of thinking, we are willing to listen to others without denying or suppressing the otherness of the other," even if the outcome is not unanimous agreement.25 And when scholars with different points of view do manage to achieve or approach consensus rather than disagreement, they all benefit from the engagement with each other's perspective. Not only do they enrich knowledge in general, but they also enhance their own capacities to facilitate its production and expand their own understandings of the world. Geographers committed to the idea of engaged pluralism are more likely, through an engagement with different sub-fields of geography, to develop their own thinking and research approaches in the direction of "(1) enhanced experimentation, creativity, and innovativeness; (2) the

23 Burns, Dissolving the boundaries.
invention of new enabling vocabularies; (3) novel theories; [and] (4) new models of academic debate and discourse."26 One implication of this philosophy, not explicitly discussed by Barnes and Sheppard, is that scholars who adopt an attitude of engaged pluralism may gain the ability to make the perspectives and approaches of other sub-fields part of their own, making possible the sort of individual multidisciplinarity that I am advocating in this dissertation.27

In the last pages of this Introduction, I would like to explain how I have undertaken what I am calling, for lack of a better term, a multidisciplinary approach to the study of the common and unremarkable, treating the city of Vancouver's pervasive phenomenon of the unauthorized secondary suite as the object of my study. There are many reasons why the practice of living in an owner-occupied subdivided house -- either as a homeowner or as a tenant -- should be of interest to geographers despite its apparent triviality. Social practices do not only happen in space: they also produce space in particular ways. Building and renting out a secondary suite in one's home is not only something that takes place on a parcel of land; it is also a practice that produces a host of intricate geographies at a variety of scales. Some of these geographies are deemed self-evident and tend to shape public opinion; examining the ways these geographies are generally apprehended is important because they help shape popular understandings of the unauthorized suite phenomenon and they influence how City authorities approach it through policy. But other relevant geographies are rarely noticed or receive much less scrutiny, especially from policy-makers and scholars, in part because they are centred on the complex particularity of individual experiences with this informal type of housing. Such geographies, I argue, also call for a deeper understanding.

1.4. Secondary suites, the market, and the law

Illegal secondary suites exist to various degrees in numerous cities across North America. Authorities and residents in many localities pay a blind eye to their existence, but in some

27 I am certainly not implying that all scholars in Human Geography should follow this approach. After all, the specialized advancement of each sub-discipline is necessary to continue to provide the foundation for pursuing a multiple perspectives approach.
other places they have attracted considerable negative attention. In New York City, a tragic fire in an illegal secondary suite in the borough of Queens killed three people on November 7, 2009; a subsequent investigation revealed that more than 20,000 complaints about illegal secondary suites had been filed at City Hall in the previous three years alone.28 And in California, the City of Escondido began in 2008 to cite residents with garage conversions in an attempt to deal with what officials there call "public nuisances' of illegal immigration."29 Significantly, the City had two years earlier "passed an ordinance to punish landlords for renting to illegal immigrants. But it rescinded the rental restriction after a legal challenge was filed and bills began to mount."30

In contrast to Escondido, many North American cities have started to encourage the construction of legal secondary suites by making changes to local land use regulations and their building standards codes, as is the case in the city of Vancouver. Subdividing houses in low-density neighbourhoods is now seen by local politicians and planners in many rapidly growing cities as a practical way to intensify the use of residential land, increase the supply of rental housing, and promote the affordability of homeownership by enabling home buyers to rely on rental revenue from a legal suite and thus improve their mortgage payments-to-income ratio, all with minimal expenditure of public funds. Cities in the United States that have taken steps to enable legal secondary suites include Cambridge (MA), Fort Lauderdale (FL), Seattle (WA), Ann Arbor (MI), Nashville (TN), Greensboro (NC), and Madison (WI), while the state of California recently passed bill AB 1866, requiring all of the state's cities and counties to set up procedures to allow the construction of secondary suites.31

In Canada, the City of Calgary in Alberta is one of several municipalities that have recently changed their zoning regulations to allow the construction of secondary suites in certain parts of the city. But like the city of Vancouver, Calgary has already

30 Ibid.
thousands of illegally built suites. Since 2004, the City of Vancouver has allowed one legally built secondary suite per detached dwelling in all formerly "single-family" areas of the city, but the vast majority of suites still have not been brought up to standards and for this reason continue to be considered illegal. A recent study of the illegal secondary suite phenomenon in the city of Calgary often reads as if it had been written about the city of Vancouver.\textsuperscript{32} In both cities, economic growth and rapid population linked to incoming migration have exercised tremendous upward pressure on housing prices and to a lesser extent on rents, while the purpose-built rental housing stock (also known as the "primary rental market" supply) has been in decline due to a mix of conversions of existing stock to condominiums and lack of new construction. A non-existent federal housing policy, a slow and inadequate response at the provincial level, and restricted municipal taxation capacities have also contributed to a severe lack of affordable housing. But both cities are major employment centres and sites of social service delivery, which creates a motivation among many households to seek housing in the cities' central areas (including their inner suburbs).

The authors of the Calgary study also show how the illegality of secondary suites in that city is ambiguous, and in some respects this is also the case in the city of Vancouver.\textsuperscript{33} In both cities, agencies and actors at various levels of government -- including the federal tax agency and the provincial tenant-landlord arbitration system -- do not distinguish between illegal and legal secondary suites when dealing with the residents or owners of such apartments. And while it is their own local regulations that make suites illegal, officials in both cities tolerate unauthorized units by choosing not to enforce proactively their own rules; in the city of Vancouver, authorities only act in response to complaints from negatively affected tenants or neighbours. Officials in both cities maintain that these rules would be too expensive to enforce proactively (citing the high costs of hiring inspectors and legal staff), and argue that aggressive enforcement would have negative consequences on housing availability by removing thousands of

\textsuperscript{32} Alina Tanasescu, Ernest Chui Wing-tak, and Alan Smart, "Tops and bottoms: State tolerance of illegal housing in Hong Kong and Calgary." \textit{Habitat International} 34: 478-484 (2010).

\textsuperscript{33} \textit{Ibid.}
existing secondary rental market units from the stock. Despite their contribution to the local housing supplies, however, illegal secondary suites in both cities tend to pose health and safety concerns for tenants and potentially for owners as well, including inappropriate electrical installations that constitute a fire hazard and, in the case of basement apartments, the accumulation of mildew that may result in respiratory diseases for tenants and negative impacts on their mental health due to a lack of natural light in the suite.

The Calgary study also reports that "basement suite tenants do not display notable signs of collective consciousness regarding their shared concern with state treatment of illegal suites, or safety and security issues . . . although progressive social organizations and levels of government have pursued policy changes in this direction strongly on tenants’ behalf." The same words could have been used to describe the situation in the city of Vancouver. The Calgary study adds:

collective action has been much more visible from the reaction of homeowners concerned with the impact of legalization and increased illegal basement suite activity in their neighbourhoods. As City Council considered bylaw changes to accommodate legalization, concerned homeowners were extremely vocal in denouncing the negative impacts of renters in their neighbourhoods pointing to increasing density, lack of parking, and deteriorating properties. The lack of mobilization may further reinforce state practices of toleration.

This description matches closely the situation that prevailed in the city of Vancouver from the 1970s to the 1990s. It was only at the turn of the millennium that opposition to secondary suites and their potential legalization by local homeowner associations fizzled out, perhaps because by then it had become clear that the proliferation of illegal suites was not having an adverse impact on property prices.

These comparisons of unauthorized secondary suites in the cities of Calgary and Vancouver provide a good introduction to the most common way of understanding this


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phenomenon. In the typical narrative, two agents dominate the general dynamics leading to the proliferation of unauthorized secondary suites: one is the market and the other one is the law. The law is in theory what enables the distinction to be made between a legal and an illegal secondary suite; as we have seen, however, the law in practice functions in more ambiguous ways: different levels of government have different concerns with legality, and City authorities do not proactively enforce their regulations. Similarly, we have seen how the market is put in charge of the allocation of housing by the lack of adequate housing policies, leading to the promotion of privatized market responses to the resulting housing affordability problem in both cities -- including of course a reliance on secondary suite rentals. However, it is not yet clear how efficient the secondary suite phenomenon is in addressing that problem. An argument could be made -- not yet tested as far as I am aware -- that secondary suites (either legal or illegal ones) in these two cities may contribute to the rise in detached house prices by enabling more households to bid for the limited existing stock.

A more sophisticated version of this law and markets analysis was provided by Barbara Pettit in her analysis of large new houses in the city of Vancouver.\(^{37}\) Pettit argues that zoning changes made by the City in the 1970s were meant to accommodate the taste of European and Asian immigrants for large houses, a hedonic transformation in the local housing market that was accelerated by changes to the federal Immigration Act in the 1960s and early 1970s. The "Vancouver Special" house design that immigrant homeowners created in the lead up to the City's zoning changes, she argues, was conducive to illegal subdivision to create unauthorized secondary suites. Pettit shows how the proliferation of large houses with illegal suites eventually led the City to introduce regulatory changes in the late 1980s in an attempt to legalize them. In this analysis, the effects of globalization on laws and markets provide a more complex view of the phenomenon.

1.5. Research aims and thesis structure

The broader point I am making here is that to anyone familiar with Vancouver's housing market and its dearth of affordable options for buyers and renters alike, the reason for the widespread existence of illegal but officially tolerated secondary suites seems obvious. To afford homeownership, many buyers are compelled to rely on supplementary revenue derived from renting out an illegally built secondary suite; to find a place to live in the city, many tenants are constrained to rent secondary suites despite the legal status and varying levels of quality of this mostly unauthorized component of the local housing stock; and finally, to avoid the massive displacement of residents that would result from shutting down these unauthorized dwelling units, City officials must turn a blind eye to violations of zoning bylaws and building code standards by the owners of secondary suites. Market pressures, in other words, are seen as severely restricting the options available for homebuyers, renters, and City authorities alike.

As the proportion of unauthorized secondary suites in the Vancouver housing stock began to reach significant levels in the 1980s and 1990s, this narrative about the reasons for their officially tolerated proliferation started to gain wider acceptance. Evidence that this viewpoint has become prevalent can be found in different formats. Because my curiosity about the city's unauthorized secondary suite phenomenon spans more than a decade, my own experience in discussing it with countless Vancouver residents is worth noting. Over the years, the theme that my interlocutors have most commonly raised is by far the idea that the characteristics of the local housing market are behind the proliferation of unauthorized secondary suites and the City's lenient approach to regulating them. This opinion is undoubtedly justified by the situation on the ground, and it is therefore unsurprising to see it recur also in media coverage of the phenomenon. An analysis of articles where the term "secondary suites" appears in The Vancouver Sun, the city's daily broadsheet with the largest circulation, reveals that between October 2001 and September 2011, a total of 104 out of 140 stories, equivalent to 74 percent of the total, mention secondary suites in the context of coverage about local housing prices, housing affordability, housing supply and demand, or housing and residential land-use
regulation, primarily in the metropolitan area. A law and markets perspective, in other words, clearly dominates coverage of the issue in the city's "newspaper of record."

Finally, I have also read City Hall's official reports on secondary suites, and here again the principal concern is regulation in the face of an extremely competitive and unaffordable housing market.39

It seems clear to me, therefore, that a law and markets perspective has largely shaped the way this phenomenon is most typically talked about today, not only by City authorities but also by long-established and newly arrived residents, as well as journalists, newspaper columnists, and editorialists. Unfortunately, the growing hold that this widely repeated narrative has gained over Vancouver's collective imagination also appears to have narrowed down official and popular understandings of the significance of illegally subdivided houses in the city. Based on this anecdotal, newspaper, and official report evidence, it appears that what ordinary residents and City officials most typically consider to be of interest when it comes to the unauthorized secondary suite phenomenon is the role of market forces in their largely tolerated proliferation. In other words, the way this increasingly common form of housing is typically talked about has itself turned into a commonplace.

The goal of this dissertation is to complicate this narrow view of the significance of unauthorized secondary suites in the city of Vancouver. In particular, I will explore two critical ideas about the limitations of relying exclusively on market and regulatory perspectives when forming an understanding of the geographies of unauthorized secondary suites in the city. The first of these ideas is that a singular focus on markets and their regulation restricts our understanding of the much more complex ways in which economy and law relate to the multiple geographies and the history of secondary suites in the city. Here, rather than attempting to catalogue and explain the totality of relationships between markets, legal norms, and the residential spaces of the subdivided house, I will discuss a few examples of such relationships. The choice of examples emerged from an

38 Of the 36 articles that include the term secondary suites in a different context, four simply mention them as sites where the newsworthy incidents being reported took place, and 13 mention them as an attractive characteristic of a house featured in real estate listings or the "Home" section of the paper, or in reports about seminars for first-time home buyers.

39 See chapters 4 and 6 for a closer examination of these official reports.
analysis of empirical evidence and through theoretical reflection as I researched and wrote the dissertation, and is partly meant to illustrate how the now-commonplace narrative about the reasons for the officially tolerated proliferation of secondary suites in Vancouver provides but a limited impression of what a closer look reveals to be a multiplicity of interactions at a variety of scales.

The second critical idea I will explore in this dissertation is that restricting analysis of Vancouver's unauthorized secondary suite phenomenon to a single optic effectively obscures a host of important social entailments associated with the illegally subdivided house. Again, my goal here is not to capture all of these entailments in a few chapters but rather to suggest that, besides the commonplace view about the effects of housing supply and demand on homebuyers and renters (and the City authorities as well), other crucial social dynamics are at work and must also be taken into account.

To engage in my exploration of these two ideas, I have turned to the "multidisciplinarity" approach I discussed earlier in this Introduction. By serially assuming different geographical perspectives to interrogate this particular phenomenon, I am able to go beyond market-based accounts to complicate popular explanations of secondary suites, showing how regulations and markets are in fact but a slice of many other complex relationships with the unauthorized secondary suite.40 I would have of course liked to have more time and space to explore additional examples, and to do so by assuming a diversity of perspectives from within each sub-field of Human Geography. A broad enough stock of knowledge about such relationships could eventually lead to an interdisciplinary analysis capable of synthesizing the results into a more unified but sufficiently nuanced narrative about Vancouver's secondary suite phenomenon. While such a project is beyond the scope of this dissertation, the findings I present in the following chapters can serve as a helpful starting point.

It may be argued that the important role played by unauthorized secondary suites in Vancouver's complex housing environment is strictly a "local interest" issue. If this

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40 The distinctions that I draw here between the discipline's sub-fields are not unproblematic, for their boundaries are rarely clear cut -- particularly when dealing with spatial phenomena that are simultaneously about markets, laws and cities. However, they represent my best effort at matching the various themes of my research into a categorization of the sub-disciplines.
were true, my study's potential readership would be rather restricted. I believe, however, that this dissertation can have a much broader appeal, one that derives from the general message which can be taken from it. Beyond the specifics of the secondary suite issue in Vancouver, my study suggests that approaching geographical questions from a singular perspective (such as that of the market and the law) has the effect of limiting the horizons of understanding regarding particular spaces, turning common spatial processes into phenomena seemingly unworthy of continuous reflection and questioning. In many ways, then, this thesis can be read as a response to ideological and political economic projects (such as neoliberalization, though it could be others as well) that seek to turn the exclusive reliance on one perspective (for example, a markets and regulation perspective) into the norm. In these pages, I offer a modest contribution toward the development of multi-faceted ways of thinking about space that counter intellectually and politically restrictive schemes of that kind.

In Chapter 2, the first substantive chapter of this dissertation, I adopt the perspective of the economic geographer to think about the connections between the housing practices of owners and renters of unauthorized secondary suites and the larger economy at the local, national and global scales. Shifting away from the traditional focus in market analyses on production and commodities in the formal sector, I turn specifically to the flows of money that go in and out of the formal and informal economies through the unauthorized secondary suite, in order to grasp the role of this type of housing in the broader capitalist economy of Vancouver and beyond. To this end, I call attention to two different axes of market-based flows associated with unauthorized secondary suites. One of them is the informal/formal-market axis, and the other is the capital circulation/revenue circulation one. As I show through a review of the literature on informality and on commodity chains, studies that seek to understand the connections between the local and the global typically focus on the flows of capital through formal commodity markets, ignoring the links between capital flows and the circulation of formal and informal revenue (and money in particular) at multiple scales. The chapter proposes what I call a fictitious-commodity networks framework to analyze these multiple links, using the case of the unauthorized secondary suite to illustrate it. In this
way, the inter-relationship between suites, markets and the law is made more indicative of the local-global connections of which they are part.

In Chapter 3, I return explicitly to the local scale to examine the limits of law and market explanations for the ubiquity of unauthorized secondary suites, and do so from the assumed perspective of the urban geographer. On the one hand, I argue, the distinction between legal and illegal is not a given, but rather one that is made possible historically through the introduction of territorial and land-use laws that were prompted by more than simply market motivations. I therefore examine a series of legal landmarks dating back to the 1860s and reaching into the 1980s, showing how the legal status that is attributed today to a secondary suite in the city of Vancouver has both market and non-market antecedents. On the other hand, I examine the widespread assumption that market affordability issues are the drivers of the unauthorized secondary suite phenomenon. Through an analysis of Census 2006 data, I show we cannot simply assume the widespread belief that there is a relationship between the local built environment (manifested in this case as the incidence of secondary suites in a given neighbourhood) and the degree of affordability challenges at the neighbourhood level. Other non-market factors are seen as having a more statistically significant relationship to the incidence of secondary suites in a given area than the extent of the affordability deficit of its residents.

Having established the limits to the market and law explanations of the phenomenon, I turn my attention to the question of market motivations, for the assumption that the unauthorized secondary suite phenomenon is reducible to a market problem is the most commonly held view and the one that dominates policy reports and scholarly research on this issue. In Chapter 4, I assume the standpoint of the legal geographer to explore the hold of the market on the collective imagination of contemporary society. This is done through an analysis of the City of Vancouver's policy of lenient enforcement of its secondary suite regulations, in order to shed some light on the reasons behind the pervasiveness and persistence of this narrow viewpoint. Through a close reading of the work on commodification by legal scholar Margaret Radin, I discuss a theoretical approach that helps us go beyond a market-centric reasoning to understand the City's approach to the enforcement of its own secondary suite regulations. An
"incomplete commodification" approach, I show, proves more useful than the market motives thesis in answering two important questions raised by this peculiar policy: first, how do we explain that in a place like Vancouver, where the notion of rule of law is highly valued, a local government adopts an explicit policy of contingent enforcement of its own regulations? And secondly, how do we explain that only a fraction of all secondary-suite landlords in the city take advantage of a policy that allows them to maximize their returns by providing the lowest standards of housing that the market will bear?

If the first two substantive chapters engage directly with questions of the market and the law, and the third one begins to point in the direction of other related aspects of the unauthorized secondary suite phenomenon in the city of Vancouver, the last two ones are fully devoted to thinking about the more-than-market implications of the common and unremarkable in the illegally subdivided house. In Chapter 5, I assume the perspective of the social geographer to explore the kinds of relations that can take place between a tenant and a homeowner-landlord in a house with a secondary suite rental. The chapter examines the economic difference that marks the average Vancouver resident as either a tenant or a homeowner, and then turns to a typology of "encounters with difference" introduced recently by geographer Gill Valentine. Testing Valentine's promising framework, I explore her proposed three types of encounter with difference in the context of the subdivided house in the city of Vancouver. Based on a reading of Wendy Brown's critique of the concept of tolerance and on comments made by tenants and homeowner-landlords about their experiences of living together in this unorthodox type of home space, I seek to fill some conceptual gaps in Valentine's framework.

In Chapter 6, I assume the perspective of the cultural geographer to consider the the kinds of knowledge that are produced and circulated with respect to the unauthorized secondary suite phenomenon in Vancouver. Drawing a parallel with the Science and Technology Studies literature, I show how professionals in the fields of mortgage lending, real estate sales, and urban planning produce an expert knowledge about secondary suites that is consistent with their professional interests, and which planning experts must seek to reconcile with the private interests of residents to produce
knowledge that will improve the opportunity of success of specific City policies and regulations. I also show, however, how some home-buyers mistakenly assume that borrowing this expert knowledge is all they need to successfully extract all the benefits of building and renting out an unauthorized suite, only to discover to their cost that this situated practice requires a different type of local or "placed" knowledge produced and circulated by homeowner-landlords and tenants. In formulating this argument, I also show how the unauthorized secondary suite is both an object and a site of various forms of knowledge production, and how through this process homeowners and tenants become "local experts" themselves.

I should note from the outset that an unknown number of houses with authorized or unauthorized secondary suites are owned by people who do not live in the premises and who rent out both the principal unit and the secondary suite. While here, too, market considerations may perhaps tell only a part of the story, the concerns of absentee landlords are generally very different than the ones that interest me as part of this research. In the case of absentee landlords, for one thing, the relationship between the property owner and the tenant is not tied to their sharing of home space on the same urban parcel of land. For the owner, moreover, questions of affordability and reliance on rental revenue pertain to a different register, given that ownership in this instance is not about the basic need to secure housing. It is for these reasons that I have decided not to address issues relating to absentee secondary suite landlords in this dissertation. It is hoped, however, that this effort to bring secondary suites to the attention of geographers and other scholars will lead to further research that does take it into account.

1.6. Methodological considerations

It should be obvious that when I state that I am assuming the perspective of a geographer in a particular sub-field of the discipline, I am not pretending that there is a single perspective within each sub-field. Queneau's narrators cannot aspire to express the perspective of all doctors, chefs and philosophers, just as I cannot aspire to represent all the different perspectives that constitute each sub-field of the discipline. The plurality of perspectives within each sub-field is precisely what gives rise to Barnes and Sheppard's
call for an engaged pluralism, although they have formulated it more narrowly in the context of Anglo-American economic geography. It should be clear that the unitary formulations I employ in the descriptions of each chapter are merely responses to the necessities of convenience and style. Convenience considerations, as I explain shortly, also entered in the formulation of my decision to adopt the city of Vancouver as my research site, and figured to some extent in other methodological choices as well.

Even though illegal secondary suites are widespread throughout the Vancouver metropolitan area, the focus of this dissertation is specifically and more narrowly the city of Vancouver (Figure 1.1). One reason for restricting the geographic scope of my study is that the Metro Vancouver area comprises more than 20 districts and municipalities, each with its own Mayor and City Council and its own land use regulations. Since my goal was not to contrast and compare the different local rules and policies that apply to secondary suites in the region (in part because this work has already been done and is available in various official reports), I decided to focus on one municipality and one set of local policies and regulations.41 The city of Vancouver is the region's central area and the municipality with the largest number of households and the largest number of jobs, as well as the largest estimated number of unauthorized secondary suites. It is also the municipality with the highest house prices and rents in the metropolitan region, providing an ideal setting to investigate the law and markets theses. This confluence of factors made the city of Vancouver an obvious option. The decision was also influenced by my existing knowledge of the city's geography and local politics, as this is the place where I have lived, except for brief interruptions, since the late 1990s. Finally, issues of mobility and convenience also shaped my choice of site: reaching homeowners and tenants for interviews was made easier by restricting the distances I would be required to travel. It should be noted that I have adopted the convention of referring to the City of Vancouver (or just "the City" for short) as the local government, while the city of Vancouver without

Figure 1.1: British Columbia (above), and Metro Vancouver with the city of Vancouver in black and selected municipalities labelled in white (below). Maps by the author, with data from Statistics Canada.
a capital "c" refers to the place itself, with its boundaries defined by the local government's official jurisdiction.

Most of this dissertation employs qualitative research methods. Qualitative approaches to research lend themselves to the purposes of this project, for they enable us to approximate an understanding of mundane aspects of the world from the perspective of its social actors and their experiences, observations and constructions of the world. To this end, I have analyzed the transcription of a series of audio-taped semi-structured interviews I conducted with tenants who have had experience with renting and living in an unauthorized secondary suite (21 interviews), homeowners who have had experience as "landlords-at-home" of an unauthorized secondary suite (32 interviews, including two with former tenants of unauthorized secondary suites who were landlords at the time of the interview), and with professional experts whose work brings them into contact with the unauthorized secondary suite phenomenon, namely mortgage specialists, real estate agents, contractors who have retrofitted house basements into unauthorized secondary suites, and City of Vancouver staff (25 interviews in total). The samples are not random, and participants were recruited using a snowball technique. While the sample is therefore unrepresentative of the population, limiting to a large extent my ability to generalize from the findings, it nonetheless provides evidence of the existence of views and opinions that are not typically recognized in common understandings of this local phenomenon, and highlights diversity where homogeneity has been generally assumed. Except for Chapter 3, the results of these interviews appear in all of the dissertation's chapters.

While interviews are helpful in capturing the complexities of micro-scale dynamics as they relate to the people involved in unauthorized secondary suite practices of living and home-making, I have also sought to link these local knowledges, relations and experiences to the spatio-temporal macro-scale of national and global economic and legal flows. This has been achieved in part through content analyses of policy reports and newspaper articles, and also through preparing a brief history of legal developments

42 See www.geog.ubc.ca/~peck/documents/450Fall2008syllabus.pdf for Jamie Peck's original formulation.
affecting the practice of building and renting or renting out unauthorized secondary suites, which I base on a reading of existing histories of the city of Vancouver.

The dissertation also includes statistical analysis of Census 2006 data, aggregated at the scale of the Dissemination Area. Statistics Canada defines Dissemination Areas (DAs) as "small, relatively stable geographic [units] composed of one or more adjacent dissemination blocks." The population of a DA varies, averaging between 400 and 700 persons. As I explain in Chapter 3, the 2006 Census includes for the first time a category of dwelling structure that is believed to capture a large proportion of all secondary suites in the city, although the data do not distinguish between legal and illegal ones. This limitation, however, is tempered by the high estimated proportion of suites that are considered illegal (close to four fifths of the total).

This statistical analysis shows that the relationships between variables for secondary suite incidence and those for housing affordability for homeowners and tenants do not follow a consistent pattern, and for this reason I have relied on a variety of descriptive statistical tests to understand the degree of association between these and other housing-market and neighbourhood-related variables and the incidence of secondary suites in the city. This quantitative analysis provided one avenue for evaluating empirically the market-motives thesis, and the results were confirmed through triangulation with my investigation of the history of secondary suite regulation and with my interviews with actors related to the unauthorized secondary suite phenomenon.

A final note is warranted on the process of writing this dissertation. Writing should not be equated with the final stage of the research process: instead, it should be regarded more holistically as a component of the "method of enquiry, the means by which we come to know about the social world and our relationship to it." In that sense, writing this dissertation has been a project that I unknowingly began when I first made my home in an unauthorized secondary suite in this city, and it has therefore involved years of countless conversations with a large number of people both inside and outside

the scholarly community. These pages reflect only a miniscule fraction of that rich past, but I am grateful for everything I have learned from those encounters.
Chapter 2: Unauthorized secondary suites and fictitious-commodity networks: A framework for analyzing money flows between formal and informal economies

2.1. Introduction

On September 7, 2006, at a forum organized by the International Monetary Fund in Washington, D.C., economist Nouriel Roubini delivered a now-famous speech in which he warned of an imminent global meltdown linked directly to the unravelling foreclosure crisis in the United States.1 As Stephen Mihm reported two years later in The New York Times Magazine, Roubini "laid out a bleak sequence of events: homeowners defaulting on mortgages, trillions of dollars of mortgage-backed securities unraveling worldwide and the global financial system shuddering to a halt."2 His audience, Mihm adds in hindsight, "was skeptical, even dismissive." IMF economist Prakash Loungani, who had invited Roubini to speak at the forum, stated that the New York University economics professor, also known as "Dr. Doom" in financial circles, "sounded like a madman” at the time.3

We all know what happened within a year of Roubini's prophetic speech. The geographic concentration of subprime and predatory mortgage lending which took hold of U.S. inner cities starting in the 1990s and began expanding into the nation's suburbs and exurbs by the early 2000s culminated in a wave of foreclosures that continues to be present. As Roubini (among others) had predicted, the collapse of a housing finance system "built on the myriad decisions of individual homeowners [in America] and lenders around the world" shook the core of the planet's financial systems, paralysing the flow of

1 The speech can be accessed at: http://www.businesscycle.com/news/press/1062/
3 Quoted in Mihm, "Dr. Doom."
capital and triggering a major transnational recession that appears to be still unfolding.\textsuperscript{4} The crisis painfully reminded us of the intricate connections between the global economy and local housing finance.

But the links that tie the local processes of housing to the broader economy extend beyond housing finance. Housing \textit{delivery} is also intensely woven into the urban economy, incorporating not only residential construction and real estate activities but also the markets in home renovations, decoration, maintenance, and repairs.\textsuperscript{5} Discussions about the role of the housing sector have typically emphasized the relationship between employment and housing. For example, a recent report on "The Direct Impact of Home Building and Remodeling on the U.S. Economy," sponsored by the National Association of Home Builders (NAHB), opens with the following paragraph:

Residential construction - including the building of new structures as well as the remodeling of existing ones - has direct, positive impacts on the U.S. economy. The most obvious impacts are the work opportunities created in the housing industry, as well as in other industries that provide products or services to home builders and buyers. Workers are employed to directly engage in the construction activity. Jobs are generated in the industries where lumber, concrete, lighting fixtures, heating equipment, and other products that go into a home are produced. More jobs are created when real estate agents, lawyers, and brokers provide services to home builders and home buyers.\textsuperscript{6}

There is more. Besides finance and employment, another equally important source of interconnection between housing markets and broader economic processes is constituted

\textsuperscript{4} Zachary Karabell, "The One Who Saw It Coming. Robert Shiller forecast the credit crisis for the right reasons, and has a novel idea for how to fix it." \textit{Newsweek} January 10 (2009). Last accessed July 20, 2011 at: http://www.newsweek.com/2009/01/09/the-one-who-saw-it-coming.print.html . As Kathe Newman has argued, however, it is important not to think of this crisis simply in terms of the actions of individuals and a minor group of investors, and to recognize it instead as also being "embedded in the financial institutional relations that support the economic health of the country, that evolve over time and are globally networked." Kathe Newman, "Post-Industrial Widgets: Capital Flows and the Production of the Urban." \textit{International Journal of Urban and Regional Research}, 33: 314–331 (2009), p. 315.


by various sorts of payments that flow in relation to the construction and trade in residential real estate. In many cases, as the NAHB report observes, "the purchase of a home induces purchases of other goods not included in the price of the home - furniture or certain types of home appliances, for example." In addition,

[other economic impacts include the revenues generated for federal and local governments. The incomes of workers are subject to federal, state and Social Security taxes. Profits made by the business owners are similarly taxed. Beyond this, states often impose sales taxes on material sold to home builders, and many local jurisdictions levy fees for approving building permits and extending utility services.]

To this list we should add, among other things, rent payments by tenants and the repayment of mortgage loans by home buyers -- two types of payment that are also a form of revenue circulation deriving directly from the housing sector. Thus, the housing sector not only contributes directly to capital accumulation through the use of labour but also participates in its lubrication through the necessary mechanism of the circulation of revenue -- which in this case takes place by means of commercial, financial, and fiscal payments of various kinds.

Anecdotally, we also know that these important connections are also relevant in the case of the informal housing sector. Unfortunately, urban scholars until now have had little to say about the linkages between the formal and informal sectors with regards to housing, particularly in the context of the housing markets of the global north. In the North American context, where the informal housing sector is rarely given much consideration by analysts, these connections occur for example through the unauthorized construction of dwelling units and their decoration, maintenance and so on, or when these units are rented out without a licence. As I will show in more detail later in this dissertation, unauthorized secondary suites play a crucial role in Vancouver's housing market; the City of Vancouver estimates that as of 2009, at least 25,000 properties in the city’s single-family zoned areas had secondary suites, a figure equivalent to 36 percent of

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7 Ibid., p. 6.
8 Ibid., p. 1.
all such properties. At least another 1,000 suites were estimated to exist in mixed zoned areas. Overall, the estimated total number of secondary suites was equivalent to 24 percent of all the market rental housing available in the city in 2006, yet only about one fifth of this accessory housing stock had been built with the necessary permits and in accordance with local regulations. For this reason, an inventory of all existing secondary suites is not available to the local authorities and the exact size of this informal market is unknown.

In a city where the vacancy rate for rental housing in the primary market has consistently remained below three percent for decades, the importance of the informal secondary rental market cannot be overstated: almost one quarter of renter households depend on it, and more than a third of owners of ground-oriented housing units benefit from this rental revenue (a portion of these owners in fact would be unable to afford homeownership without it). But if these estimates of the size of the unauthorized secondary suite rental market provide a helpful perspective on the role played by the informal sector in the local housing market, they say little about its importance to the city’s broader economy. The building of unauthorized secondary suites and their ongoing operation as what amounts to a small business in rental housing is both enabled by and a component of the circulation of land titles, money, labour and materials as these course through a variety of economic sectors tied to the housing market. Seen in this way, participation in the informal market in secondary suites is clearly not limited to the homeowner who rents out an illegally built suite on the one hand and the renter who enters into a tenancy agreement to use that unauthorized residential space on the other. Rather, this market extends outwards from the subdivided home and into the broader economy.

Yet the lack of precise statistics about the existence of unlicenced secondary suites, the rents charged for unlicenced units, the degree to which landlords depend on these rents to sustain their status as homeowners, and the rate at which suites are placed into and taken out of the rental housing market presents an enormous challenge to

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comprehending the magnitude of connections between this informal sector to the formal housing market and, more generally, its broader impact on the overall economy. The distinction between the accumulation of capital and the circulation of revenue which I noted above (and will examine in more detail later in this chapter) further complicates any attempt to understand the linkages between the formal and informal sectors with regards to housing. How might we trace such linkages when we know they can be located not only in a given labour or land market but also in the broader domain of monetary disbursements in general?

In the context of the secondary-suite rental market in the city of Vancouver, it may not be possible to reliably address this question quantitatively due to the lack of data. But we can begin to fill this gap in the housing literature at the conceptual level, by mobilizing some of the theoretical resources at our disposal. In this initial chapter, I examine some of these resources and how they can be combined into a conceptual framework to think productively about the linkages between formal and informal housing markets. In particular, I am interested in understanding how the housing sector (a) provides a location where flows of money, land titles and labour touch ground for varying periods of time, and (b) how it activates interactions between formal and informal economic activities. The illegally subdivided house provides an excellent site to explore these geographies.

The chapter is organized into three substantive sections. The first one endeavours to situate the discussion within the very large literature on the informal sector, contrasting the emphasis on labour markets that dominates research in the global north with the dual coverage of labour and land/housing markets by scholars of the global south. This section also provides a definition of what I mean by "informality," examines existing conceptualizations of the linkages between the formal and informal sectors, and discusses their limitations in dealing with formal-informal linkages associated with rental housing submarkets where small landlords are the norm. In the second section of the chapter, I propose a theoretical framework that enables researchers to conceptually localize what I will call the "boundary transactions" linking together formal and informal activities in rental housing markets, and more specifically in the secondary-suite rental market. I
name this framework a "fictitious-commodity network" analysis, in direct reference both to the work of Karl Polanyi and to recent developments in the commodity chains literature. The concepts of "networks" and "fictitious commodities," I argue, permit an analysis that does not ignore the importance of the circulation of revenue in relation to housing markets (a point highlighted from a different but related perspective by the geographic literature on the devastatingly tight links between housing and so-called financial innovation). This section also pays attention to various actors with whom owners of secondary suites in the city of Vancouver engage in economic activity, based on evidence culled from interviews I conducted with more than 50 homeowners and renters of secondary suites in the city. Here, I seek to represent the networked flows of materials, money, labour, and land titles that are variously involved with this particular informal housing market, in a way that highlights the "boundary transactions" where formality and informality meet. A final section briefly considers the relationship of this local fictitious-commodity network to broader economic processes at the global scale.

2.2. Informality and the labour and housing markets

The concepts of "informality" and "informal sector" were coined by analysts in the United Nation's International Labour Office (ILO) in a 1972 report on labour markets in Kenya. The phenomenon to which the concept originally referred -- namely the precarious and often non-waged modes of social reproduction upon which a large proportion of Kenya's economically active urban population were forced to rely -- was certainly not a new empirical development, nor was its existence restricted to that nation. As Klarity Gerxhani explains in her review of the informality literature, other terms had been used at other times and in many other places around the world to describe this type

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of economic activity. Historians of World War II, for example, had written about the so-called "black markets" of Europe in the war and early post-war eras, and in the 1960s, anthropologist Clifford Geertz famously contrasted what he called "the bazaar economy" of the Indonesian towns of Modjokutu and Tabanan to the emerging nation's larger-scale "firm-centered" economy. Prior to 1972, however, this type of activity had been treated as merely a residual process linked to much larger and central ones (such as war or modernization in the examples mentioned above). According to Lisa Peattie, the ILO analysts were the first to treat the phenomenon more systemically, but also the first to use the term "informal sector" conceptually -- in this case as "a way of describing the structure of the economy as a whole." Peattie convincingly argues that this novel usage of the term enabled researchers from a wide spectrum of theoretical and political backgrounds to make generalizations about the rapidly growing phenomenon to which it was being applied, and that is what effectively "launched the concept of the 'informal sector' into its meteoric career in the world of policy" and the academy.

Despite its continued and widespread use by scholars and development analysts over the past four decades, the concept of informality has never acquired a universally recognized definition, nor is there consensus as to the type of economic activity to which it applies. This is due largely to the nature of economic activity in general, which is too dynamic, complex and socially embedded to lend itself to a neat division into two distinct and putatively independent spheres such as the formal and the informal. Nevertheless, the concept continues to prove helpful as a means to expand the focus of economic analysis into areas of social activity and exchange that have traditionally been dismissed as marginal and inconsequential. For some scholars, the exchange of money for goods or

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15 Ibid., p. 853.
services is not necessary to define an economic activity as part of the informal sector. For my purposes, however, the distinction popularized by economist J.J. Thomas between what he calls household activities (namely those that do not involve market transactions) and informal ones (those that do) is much more pertinent.¹⁷ In this dissertation, I focus strictly on the latter activities.

Other adjectives -- including underground, subterranean, shadow, hidden, parallel, and clandestine -- have also been used in the past three decades in an attempt to more specifically define the activities under study.¹⁸ These alternative terms reflect a conceptual shift that began in the late 1980s in this field of research, marked by a turn toward emphasizing the legal status of the economic activity in question and away from early views of informality as the domain of small-scale systems of production or social reproduction. In their introduction to an influential edited volume on the topic, for example, sociologists Manuel Castells and Alejandro Portes, argued that

[t]he basic distinction between formal and informal activities proper does not hinge on the character of the final product, but on the manner in which it is produced and/or exchanged. Thus, articles of clothing, restaurant food, or automobile parts -- all perfectly licit commodities -- may have their origins in legally regulated or unregulated production arrangements.¹⁹

Under this definition of informality, the trade in prohibited goods and services such as street drugs or (in many places) prostitution is considered a criminal activity and seen as separate from or outside the boundaries of the informal sector. Secondary suite rentals, by contrast, are "licit commodities" by virtue of being a type of dwelling unit, but they become part of the informal sector when they are built without permits, in contravention of building standards regulations, and rented out without a licence or without declaring the rental income for tax purposes.²⁰ Whereas a secondary suite can be regularized by declaring the rental income, obtaining the required permits and licences, and refurbishing

¹⁸ Edgar Feige, "Defining and estimating underground and informal economies: the new institutional economics approach." *World Development* 18(7): 989-1002 (1990); Gerxhani, "The informal sector in developed and less developed countries."
it according to local regulations, street drugs and prostitution cannot be modified to comply with existing laws without transforming them into an altogether different "commodity." Informality, from this perspective, is closely linked to legal status. This approach to understanding informality is still common, and apart from an important modification that I will introduce later in this chapter, it is the one I have adopted in this dissertation.

The legal distinction at the centre of this now-prevalent approach to identifying informal economic activities ultimately rests on the state and its power to create laws and enforce them. A common mistake in the literature, however, is to regard the informal sector as a set of activities beyond the realm of the state. Removing the activities they study from the context in which their participants come to engage in them, many scholars and analysts narrowly explain participation in the informal sector as ultimately an effort to conceal the trade of goods and services from the state with the intention of avoiding official regulations (such as licensing, safety standards, and the filing of administrative forms) and legally mandated disbursements (such as taxes and social benefits contributions). By emphasizing concealment and avoidance, this viewpoint often wrongly assumes that the informal sector is "a sphere of activity operating, by definition, 'outside the state'." But as Julia Elyachar has suggested, the state "cannot always be so neatly located outside informality," and the case of Vancouver's rental market in unauthorized secondary suites helpfully illustrates her point. Even when built without

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20 In 2004, the City of Vancouver modified its zoning by-laws to allow all owners of detached houses throughout the city to have one secondary suite, provided all building standards code regulations were met. The vast majority of secondary suites in the city have not been upgraded to meet such regulations, and therefore are still technically considered illegal.

21 It goes without saying that the creation, modification, enforcement and abrogation of laws is part of a political process that involves non-state actors as well.


permits, in contravention of building standards regulations, and rented out without a licence, secondary suites are located in somebody's private property which, like a tenancy agreement, is protected by myriad laws and state powers. Moreover, governments play a role in the perpetuation of informal secondary suite markets (and any other informal market) when they openly tolerate them as a means to achieve other policy goals.\textsuperscript{25}

From a scholarly perspective, paying attention to an activity's legal status is not equivalent to passing judgement on the morality of its participants. Social scientists who work with the concept of "labelling" remind us that activities which at a certain point in time are deemed illegal may later be considered legal as the political and cultural climate changes and legislative or regulatory reforms are introduced; similarly, activities that authorities would regard as legal in some places may be prohibited by law in others.\textsuperscript{26} Alejandro Portes cogently remarks that an appropriate definition of informality should not seek to "advance an a priori judgement of whether such activities are good or bad, [and should instead leave] the matter to empirical inquiry."\textsuperscript{27}

\subsection*{2.2.1. The informal trade in access to land and housing}

The shift to a legalistic approach to defining informality in the 1980s coincided with a growing interest among development scholars and analysts in the multiplication and rapid expansion of unplanned urban settlements in Latin America, Africa and Asia. The residents of these settlements were being identified as the urban poor, who could not afford to access mainstream housing markets and often relied instead on "self-built" dwellings erected on land for which they typically did not hold title.\textsuperscript{28} Because of its legal status, the phenomenon seemed to fit within the redefined concept of "informality" as it was increasingly being applied to the study of labour markets, and soon became \textit{de rigueur} in research that sought to document and understand it. The relationship between

\begin{itemize}
\item \textsuperscript{25} I revisit this point throughout the dissertation, but especially in Chapters 3, 4 and 6.
\item \textsuperscript{28} For an early discussion of "self-built" housing, see John Turner and Robert Fichter, (eds.), \textit{Freedom to build: dweller control of the housing process} (New York: Macmillan, 1972). Turner is credited with coining the term in the 1960s.
\end{itemize}
this type of housing and the legal status of the land on which it is built has since become one of the key preoccupations of the informal housing literature.

In the 1950s and 1960s, these types of settlement had been regarded as a much maligned threat to the development of formally planned cities.29 The use for construction purposes of foraged materials such as mud, cardboard and tar paper, as well as the lack of basic infrastructure such as sewage, electricity and water delivery systems or paved streets, were antithetical to the ambitious pursuit of modernist urbanism -- the prevalent development strategy at that time. Authorities often responded to the formation of squatter settlements by periodically bulldozing them to the ground in an attempt to discourage further land invasions, but as critics began to point out in the late 1960s, government agencies rarely managed to rehouse more than a small fraction of the displaced residents.30 A few of these critics began to argue that the housing produced through "self-help" means by settlement residents needed to be valorized as an economically and even culturally appropriate solution to the inadequacy of efforts to deliver social housing that up until then had been pursued in developing countries.31 This viewpoint also ran contrary to the modernization thesis -- which saw government as playing a direct central role in the process of economic development -- and initially failed to gather much support.

By the mid-1970s, however, a drastic change of perspective had taken place and the self-help housing view had become the dominant approach to thinking about squatter settlements among both researchers and policy makers.32 Governments in the global south were abandoning the idea of social housing delivery (as were their counterparts in the global north), and the physical upgrading of informal settlements became the backbone of

29 See Ashraf Huque, The myth of self-help housing: a critical analysis of the conventional depiction of shanty towns (Stockholm: Royal Institute of Technology, 1982).
their housing strategy.\textsuperscript{33} Perceiving the irony of this shift, Lisa Peattie observed that "[w]hat appeared in the 1960s as an emancipatory movement with populist overtones: 'squatters' rights,' 'freedom to build,' 'self help' and 'dweller control of the housing process' [had] been transmuted into a language of privatization more compatible with a conservative political climate."\textsuperscript{34} With financing from international organizations like the World Bank, US AID and the Canadian International Development Agency, centrally planned "sites and services" projects were undertaken to introduce basic infrastructure and to support "self-help" gradual improvement and new housing construction efforts through, among other things, financial and technical assistance for individual households as well as subsidized building materials. Later, as the focus of informal housing research shifted to issues of legality and illegality in the 1980s, internationally financed upgrading projects also sought to regularize land tenure in numerous settlements.\textsuperscript{35}

The promotion of self-help housing at the expense of direct state involvement in housing delivery was the subject of multiple critiques, particularly from structuralist scholars who were primarily concerned with systemic patterns of social organization.\textsuperscript{36} Critics at the time also started paying attention to a new kind of empirical development that was becoming common-place across cities of the global south: in parallel with the new emphasis on legality, studies of peripheral areas in major cities of Latin America and Africa began to critically document incidences of land taken over without title to provide shelter for better resourced households. Elizabeth Palmer and Carl Patton, for example, reported that:


\textsuperscript{34} Peattie, "An idea in good currency", p. 857.


since the mid-1970s, [...] above the level of the poor, including the former poor who have upgraded themselves by means of unauthorized building activities, have increasingly captured public land on which they are building their housing. [...] These illegal efforts are having a number of side effects, including the thwarting of city plans, increasing the burden on public infrastructure, and destroying sensitive lands. At the same time, the new middle-class squatters are taking away some of the land on which the poor would have built spontaneous shelters. [...] In some locales where land is scarce, it works against the interests of the poor.37

Since then, numerous studies have shown that informal land tenure cannot simply be considered the exclusive domain of the poor, for it has also become a means of housing delivery and land speculation used by the middle class.

Some of this literature has also documented how the emergence of a housing market in Eastern Europe in the 1990s resulted in a similar set of outcomes, particularly as the system of restitution that was adopted in most countries as the mechanism of privatization tended to benefit "more affluent households who [were] relatively well advantaged in the housing system."38 Despite this incipient literature on the former Soviet Bloc, however, most of the research on this issue focuses on the global south. In South Asian cities like Karachi and Calcutta, legal titling of informal settlements has been found to further exacerbate the segmentation of the urban population into "haves" and "have-nots," through the removal of one important channel for the self-procurement of housing among those who are financially excluded from the formal sector.39 In Mexico City, as architect Jose Castillo reports, developing land illegally and regularizing it later by obtaining legal title from the state has become an increasingly common strategy among middle-class households.40 Ahmed Soliman’s research in Greater Cairo and Alexandria, moreover, shows how formal actors find opportunities for real estate

investment that would remain financially unattractive without previous incursions by the informal sector. For my purposes, it is important to note on the one hand the participation of middle class home buyers (and even, as Julia Elyachar shows in the case of Cairo, upper middle class ones) in the informal housing sector, and on the other hand the emergence of strong connections binding the formal and informal sectors in the global south.

In the global north, the construction of housing without land title was common up until the middle of the twentieth century, but by the 1970s it had become an extremely marginal phenomenon. In the United States, however, the construction of housing in areas where subdivisions are poorly regulated or existing regulations are poorly enforced is, according to Peter Ward, more common today than is usually acknowledged. This mode of accessing housing is considered informal because of its departure from laws that regulate local land use. Unfortunately, research on informal housing in the North American context is still scarce. One thematic exception relates to the low-income "colonia" neighbourhoods on the American side of the border with Mexico (where households erect dwellings that do not conform with building standards and zoning ordinances), around which a modest literature has developed over the past two decades. Informality as a middle-class housing strategy, however, is rarely discussed in the housing literature on the global north. In part, one goal of this dissertation is to address that gap.

It is worth reviewing briefly here the colonia literature and what it reveals about informal housing markets in North America. Carlos Reimers-Arias' recent study of ten

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42 Elyachar, Markets of Dispossession.
44 Peter Ward, "Informality of housing production at the urban-rural interface: the ‘not so strange case’ of Texas Colonias." In Ananya Roy and Nezar AlSayyad (eds), Urban Informality: Transnational Perspectives from the Middle East, South Asia, and Latin America, pp. 243-270 (New York: Lexington Press, 2004).
colonias in Webb County, Texas, captures the key parallels. Reimers-Arias notes that "there is an urgent need to bring the level of services up to the needs of the majority of colonia households." While this fits the stereotype of informal housing districts, he also finds certain characteristics that depart from it. For example, the majority of residential structures in those neighbourhoods are permanent, with residents making gradual improvements to their houses over periods that stretch from five to 15 years or more. Rental tenure is not common; colonia houses are generally considered a form of affordable homeownership and continue to attract households in the early stages of the life cycle. A few of the lots in these areas have been illegally subdivided to accommodate more than one household, typically the adult offspring of long-term colonia residents; on occasion, lots are subdivided in order to combine small-scale economic activities with residential use. Reimers-Arias also reports that for a small proportion of the households in these neighbourhoods (mostly those having recently moved there), formal-sector dealers of second-hand trailers and manufactured homes constitute a supply of temporary dwelling structures.

This latter finding in particular points to the existence of a variety of linkages between the formal and informal housing sectors, and parallels a feature of the informal housing sector in the global south. Reimers-Arias explains that


47 Reimers-Arias, Housing Diversity and Consolidation in Low-Income Colonias, p. 221.

48 On this last point, see also Ward, Colonias and Public Policy.
colonias mobilize financial resources even in sectors of the formal economy. For instance, construction workers and contractors are hired by households to work in colonias. [...] Residents of colonias are also consumers of diverse materials for the construction of their homes. These include class II and class III quality products (with small defects that do not classify as class I in quality inspections) and recycled construction materials [...]. Colonias also use new or used materials intended for purposes other than construction (corrugated cardboard, plastic sheets, scrap wood and metal, etc.). [...] Informal settlements are a relevant and attractive sector of the local economies.  

Although rarely examined in any systematic way, such formal-informal sector linkages constitute a common thread between the informal housing literature on the global south and its modest counterpart on the global north. As I discuss below, formal-informal linkages are also a recurring theme in the study of informal labour markets in the global north and south, a literature where those connections have been the subject of much closer theoretical and empirical scrutiny.

### 2.2.2. Chains and linkages between the formal and informal labour markets

The connections between the formal and informal sector have long been a central concern of the literature on labour informality. In the 1980s, structuralist scholars were interested in showing that informality was not an economic aberration and that its existence could be explained within the logic of dominant capitalist relations. Manuel Castells and Alejandro Portes, for example, suggested that "[s]tate interference, competition from large firms, [and the cost and availability] of capital and technology" in the formal sector could lead firms to rely to a varying degree on the informal sector, while the latter could supply "[c]heaper consumer goods and industrial inputs [and] flexible reserves of labor" to the former.  

Vittorio Capecci summed up this view when he stated that "[i]nformality cannot be studied separately from the official economy. There is, in fact, a single economy in which informal and informal activities intersect."  

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Influenced by dependency theory and core-periphery arguments, structuralist analyses of informality often sought to understand the nature and direction of the interconnected flows between one sector and the other. In the 1960s and 1970s, the concept of "articulations" was a popular if controversial one in Marxist political economy, used by scholars to connote the relationship between a capitalist mode of production and other modes of production that might co-exist at any given point in time in particular places. The concept not surprisingly made its way into the scholarship on informality, although its use departed somewhat from its original definition. Reviewing the literature on the informal sector in Latin America in the mid-1980s, Portes and Sassen-Koob listed four "modes of articulation of the formal and informal sectors" that they believed were the most common empirically; each mode reflected a particular type of production or distribution "chain," corresponding to specific industries described in that literature (Figure 2.1). In the first mode of articulation, which they termed "an informal marketing chain," the informal sector sells goods produced in the formal sector; studies of this kind of linkage examine street vending of "foodstuffs, cigarettes, and [news]papers and magazines." In the second mode (which they call an "input supply chain"), a producer of goods in the formal sector acquires some or all of its production inputs from the informal sector; examples from the literature here include studies of low-income people "who collect trash from garbage dumps and from the street" and then sell it to local buyers who further process these materials and sell them to central wholesalers. By contrast, in a so-called vertical production chain (the third mode of formality-informality articulation reported in the article) the informal sector provides subcontracted labour to the formal sector; a typical example cited for this type of linkage is the construction industry. Finally, in a "multiple production and marketing chain" the informal sector provides not only labour power to formal-sector manufacturers but also commodities-as-inputs to

Figure 2.1: “Modes of articulation between formal and informal sectors in Latin America.” Adapted from: Alejandro Portes and Saskia Sassen-Koob, “Making it underground: Comparative material on the informal sector in Western market economies. American Journal of Sociology 93(1): 30-61 (1987), Fig. 1, p. 39. Published by University of Chicago Press. © 1987 by The University of Chicago. All rights reserved. Used with permission from the University of Chicago Press.
retailers in the formal sector; studies of the footwear and electrical appliance industries are cited as typical for this type of linkage.

These formality-informality links are not all of the same nature. On the one hand, some are related to distribution activities (chain A) while others pertain to production processes (chains B, C, and D). On the other hand, the direction of these linkages is not constant, as suggested by the heads of the arrows in Figure 2.1. In some cases, the flow moves up the chain as the informal sector supplies materials or commodities to formal actors, while in other cases the flow moves down the chain as the formal sector subcontracts the production or distribution of commodities to informal actors. Borrowing from the language of classic urban economic development theory, Kate Meagher calls the latter "forward" linkages; the former -- where the informal actor is involved in "the procurement of inputs, spares and producer goods" for the formal sector -- she calls "backward" linkages. 54

The vertical "chain" framework of formal-informal linkages proposed by Portes and Sassen-Koob and the forward/backward linkages distinction discussed by Meagher were developed in the context of exchanges relating to the buying and selling of outputs and the labour power that produced them. Ambulatory paper and plastic collectors, for example, are considered part of an "input supply chain" because the work they carry out in collecting and delivering these items is part of what local buyers in the formal sector are paying for. Similarly, when middlemen or wholesalers in an "informal marketing chain" opt to sell their wares to street vendors instead of hiring their own sales workforce, it is street vendors who perform informally the work of selling these items to consumers. One of the arguments I want to make in this chapter is that putting together these concepts of chains and linkages can help us understand the formal-informal connections involved in the production and distribution of commodities, specifically by following the labour that is directly involved in each of these two processes.

Through their focus on outputs or commodities, these production and distribution frameworks echo the concept of commodity chains introduced in the late 1970s by

Terence Hopkins and Immanuel Wallerstein. Hopkins and Wallerstein saw the commodity chain concept as a tool for analyzing and explaining what they saw as the cyclical variation in the degree of vertical integration of production at the spatio-temporal scale of the so-called world-system.\(^{55}\) The linkages that mattered to Hopkins and Wallerstein were not those associated with informality and formality but rather those that occurred as empirical manifestations of historical periods marked by high degrees of concentration in the production of commodities (expressed in an extensive use of sub-contracting) or, conversely, high degrees of vertical integration. Since then, scholars have extensively used the concept of commodity chains, typically by abandoning its origins in world-system analysis and modifying it to fit their particular research needs. Those working with the concept of Global Value Chains (GVCs), for example, emphasize the linkages along the production and distribution chain where profitability may be maximized.\(^{56}\) Cultural production chains scholars, by contrast, focus on linkages between production and consumption in the realm of the so-called cultural industries.\(^{57}\) In economic geography, the concept of Global Production Networks (GPNs) eschews the terminology of chains altogether to emphasize the non-linearity and plurality of the connections that define the production and distribution process.\(^{58}\) Finally, as we have already seen, the linkages that matter to Portes and Sassen-Koob and Meagher are those that show the nature of the economic interaction between the formal and informal sectors of the labour market. In all of these cases, the context of analysis is the organization of production, distribution and consumption of \textit{commodities}. Labour processes, therefore, are always

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\(^{57}\) Pratt, "Cultural commodity chains, cultural clusters, or cultural production chains?"

central to the chains framework, which in turn reflects the emphasis that these various schools place on the circulation of capital for the purposes of accumulation.

2.2.3. The importance of the circulation of revenue

But in order to produce and distribute commodities, a firm must engage in a variety of other economic activities that do not directly add value but are nonetheless necessary to stay in business, from raising financial capital, hiring employees, and renting or acquiring commercial or industrial space, to taking out an insurance policy, paying for the purchase and maintenance of equipment, and collecting receivables in arrears. Such activities involve labour power and a variety of commodities, but also other kinds of resources such as cash and credit or land and its appurtenances. Some (or all) of these resources may be obtained either formally or informally, and can therefore constitute the site of a linkage between the formal and informal sectors. A similar point can be made with respect to the economic transactions that are enabled by the wages people receive from their employment. A critical contribution of the feminist political economy project has been to show that payments made for housing but also for food, clothing, leisure, education and other expenditures required to access resources for social reproduction have become a growing part of what enables the members of a household to renew their participation in waged processes of production and distribution.\(^{59}\) Here, too, there may be a series of linkages between formality and informality that would need to be explored.

Payments made in the form of wages enable the purchase of commodities and services and, as I mentioned earlier, help ensure the social reproduction of a large proportion of a city's residents. Such payments are, together with various other types of payment such as interest and taxes, part of what David Harvey calls the circulation of revenue, in distinction to the circulation of capital to which it is nevertheless necessarily related. Harvey argues that "any system of production and distribution requires ... certain transfer payments to be made out of value produced to support socially necessary

institutions, services, and physical infrastructure," from the insurance companies that provide coverage against accidents and the trade unions that help stabilize labour relations in certain sectors, to the parks where residents engage in recreational activities and the roads where goods and people move within the city and into and out of it.\footnote{David Harvey, "Class-monopoly rent, finance capital, and the urban revolution." In \textit{The Urbanization of Capital}, pp. 62-89 (Oxford: Basil Blackwell, 1985), p. 63.} More importantly, Harvey adds, without this circulation of revenue in the form of "wages, profits of enterprise, interest, taxes, rents, etc.," the flows of money that are indispensable to the realization of capital would come to a complete halt.\footnote{David Harvey, "Land rent under capitalism." In \textit{The Urbanization of Capital}, pp. 90-108 (Oxford: Basil Blackwell, 1985), p. 98.} A monetary paralysis, as Harvey explains, would be equivalent to "what Keynes called the 'liquidity trap' -- the more people or institutions (including banks and corporations) hoard money rather than spend it, the more likely that effective demand will collapse and the less profitable reinvestment in production will become."\footnote{David Harvey, \textit{The Enigma of Capital And the Crises of Capitalism} (London: Profile Books, 2010), p. 111.} As the aftermath of the stock market crash of 1929 showed, cities would be severely impacted by an impeded circulation of revenue because much of what is consumed by its residents is not produced within their territory, and access to money is therefore required to import it.

There are also various types of payment that function as a more or less sophisticated mechanism to deal with temporal "displacements" in the realization of profit or capital. Until the financial crisis of 2008, credit instruments such as commercial paper and the more obscure "auction-rate securities" were easily accessible to firms, enabling them to immediately reinvest their liquid assets instead of tying these up in a variety of cash payments that were nevertheless indispensable to their operations. This explains why vast numbers of firms, taking advantage of the enormous changes introduced between the 1970s and the 1990s in the regulation of financial markets, began to rely on credit markets to meet all of their periodic obligations. For each firm, the goal of this systemically dangerous practice was to avoid what Harvey calls the "drag upon accumulation" represented by "time lost in the circulation of revenue."\footnote{Harvey, "Land rent under capitalism," p. 99.} Other examples of these types of payment include the amortization of mortgages and the collection of
building rents, which are mechanisms for capitalizing the built environment stretched out over time. Even the time it takes workers to spend their wages in consumption is crucial to the process of accumulation because their purchases ensure the realization of profits, and reinvestment of accumulated capital is therefore dependent on the time it takes to close the production/profit realization/reinvestment loop. Consumer credit is in fact one mechanism to speed up that process. It is significant in that context to note that for most households, rents and mortgage payments take up the largest proportion of income.

The financial crisis of 2008 has brought renewed attention to the centrality of the circulation of revenue to capital accumulation, in the form of discussions on financialization. The concept of financialization is perhaps best understood in two interrelated ways. First, as the process through which financial markets transform an ever increasing source of stable periodic payments into tradable financial securities. Secondly, and more generally, as a defining feature or moment of contemporary capitalism whereby, following a global trend of financial market deregulation, a whole new range "of everyday cultural practices are now connected to global financial networks: pensions, retirement schemes, and superannuation; the purchase of houses, cars, holidays, consumer goods; the payment of phone bills, credit card, and student loans; and of course home ownership and mortgages." As we have seen, an important aspect of this literature is the connection it draws between financialization and housing, but the focus so far has been strictly on the formal housing sector. The city of Vancouver's secondary suite rental market, I argue, brings to the fore another aspect of the circulation of revenue -- one that helps us locate the linkages between formal and informal sectors in a housing market of the global north.

Given that "[t]he extent of this circulation of revenue varies, but it can be quite massive," it seems crucial to understand where it is that the informal sector becomes part

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64 Harvey, The Enigma of Capital.


of these essential economic flows.67 However, the contribution made by all these different kinds of payments to the production or distribution process typically remains unaccounted for in the production and distribution chain frameworks discussed above. The relevance of such activities has generally been regarded as marginal relative to the use of labour power in the production and distribution of commodities, rather than being recognized as an essential part of the broader process of accumulation. Commodity chain analysis, moreover, seems poorly suited to the study of these temporally structured flows, with their less-than-evident links to future commodities or those that have already been produced and distributed. This type of analysis therefore keeps problematically out of sight any formality-informality linkages that might be part of the circulation of revenue. Other analytical approaches, I argue, must be devised to bring them conceptually to light.

2.3. Fictitious-commodity networks and boundary transactions

Consider the following three scenarios:

1) As with all kinds of dwelling unit, an unauthorized secondary suite must be built before it can be rented out. In the city of Vancouver, homeowners hire electricians, plumbers, carpenters and other subcontractors and labourers to build (or help build) a suite, and some of these workers may be unlicensed. Homeowners sometimes also hire a licenced contractor to design the suite and oversee the building process. If this licenced contractor then hires unlicenced subcontractors and labourers to build the suite without permits, we might say that we are dealing with a "forward vertical production" type of chain where the formality-informality linkage is situated in the economic exchanges between the licenced contractor and the unlicenced workers hired to do the job. This type of chain is represented as chain "X" in Figure 2.2.

2) In Vancouver, as in many other places, there is a small market in second-hand doors, window frames, beams and other fixtures and building materials that people collect from demolition sites and then sell informally through classified ads in newspapers or online services such as Craigslist or eBay. A licenced contractor who buys fixtures and building

67 Harvey, "Land rent under capitalism," p. 98.
Figure 2.2: Some possible production-related linkages between the formal and informal sectors associated with the market in unauthorized secondary suites. Based on: Alejandro Portes and Saskia Sassen-Koob, “Making it underground: Comparative material on the informal sector in Western market economies.” American Journal of Sociology 93(1): 30-61 (1987), Fig. 1, p. 39. Published by University of Chicago Press. © 1987 by The University of Chicago. All rights reserved. Used with permission from the University of Chicago Press.

Materials from these informal markets would be participating in what might be characterized as a "backward input supply" type of chain (chain Y in Figure 2.2), in which the transaction constitutes the site of a formal-informal sector linkage.
3) Once built, an unauthorized secondary suite may be used as a site of commodity production in a sort of put-out system such as the one represented by transactions 2 and 6 of the multiple production and marketing chain in Figure 2.2 (chain Z). In this forward type of linkage between the formal and informal sectors, the occupant of the secondary suite is informally subcontracted to assemble commodities for a formal sector firm.

Each of these three cases corresponds to an instance of the process of housing production that can be associated with the secondary suite market. But how can we represent the formality-informality linkages that are more broadly associated with *renting out* an unauthorized secondary suite as an ongoing source of revenue, particularly when this revenue is used by the homeowner to afford her mortgage payments? Typically, it is the homeowner who performs the informal work of "marketing" the suite, collecting rental payments, ensuring the unit is kept in marketable condition, and so on. The homeowner must also ensure the timely repayment of the mortgage loan in periodic instalments. These kinds of economic activity involve the circulation of revenue, which commodity chain studies typically marginalize from their analysis, and are also potential sites of linkages between the formal and informal sectors of the local economy. To the degree that unauthorized secondary suites constitute a significant proportion of the local housing stock, such linkages are likely to constitute an important part of the city's economic activity. How can we retrieve circulation-of-revenue activities from the conceptual margins to which the commodity chains and formal-informal linkages approaches typically relegate them? How, in other words, can we bring them more directly into analytical focus?

2.3.1. *Fictitious commodities*

It is useful at this point to recall Karl Polanyi's discussion of "fictitious commodities," the term employed by the famed economic historian and anthropologist to describe land, labour and money.\(^{68}\) While they can be bought and sold, Polanyi argues, their status as commodities is dubious. Labour, he explains, "is only another name for a human activity

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which goes with life itself [...] ; land is only another name for nature, which is not produced by man; actual money, finally, is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance.  

Commodities, in turn, are empirically defined as objects produced for sale on the market [...]. Labor, land and money are essential elements of industry [and in a market economy] they also must be organized in markets [...]. But labor, land and money are obviously not commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them. In other words, according to the empirical definition of a commodity they are not commodities.  

In order to organize access to labour, land and money through the market, Polanyi avers, these need to be treated as if they were commodities. His key argument in *The Great Transformation* is that the historical development of this "commodity fiction" as a "vital organizing principle" of the market economy necessarily had to take the form of a "double movement" in which "the extension of the market organization in respect to genuine commodities was accompanied by its restriction in respect to fictitious ones." Polanyi argues that in a market society, institutional arrangements -- like labour unions and factory laws in the case of labour and exchange rate regulations in the case of money -- are always needed in order to regulate the trade in fictitious commodities, adding that the absence of such institutions would eventually result in "the demolition of society." As he explains,  

the alleged commodity 'labor power' cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this peculiar commodity. In disposing of a man's labor power the system would, incidentally, dispose of the physical, psychological, and moral entity 'man' attached to that tag. [...] Nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted, military safety jeopardized, the power to produce food and raw materials destroyed. Finally, the market administration of purchasing power would periodically liquidate business

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69 Ibid., pp.75-6.  
70 Ibid., p.77.  
71 Ibid., p.76 and 79.  
72 Ibid., p.76.
enterprise, for shortages and surfeits of money would prove as disastrous to business as floods and droughts in primitive society. Undoubtedly, labor, land and money markets are essential to a market economy. But no society could stand the effects of such a system of crude fictions even for the shortest stretch of time unless its human and natural substance as well as its business organization was protected against the ravages of this satanic mill.\footnote{Ibid., p.76-7.}

In the context of this chapter, two points in Polanyi's argument need to be highlighted. The first one is that labour is not the only fictitious commodity that is "essential" to a market economy, as the emphasis on production and distribution in the various chain types of analysis described above would imply; land and money, as Polanyi argues, are equally important. It follows that a deeper understanding of the urban market economy -- including its multiplicity of linkages between formality and informality -- is likely to require the development of ways to map out flows of land titles and money \textit{in addition} to labour power. The second important point here is that fictitious commodities are defined not only by their being traded in the market economy as if they were real commodities, but also by the fact that they are subject to various forms of regulation. Consequently, any attempt to map out the role of land, money and labour flows in linking formality to informality will also require this regulatory aspect to be taken into account.

\textbf{2.3.2. A fictitious-commodity network approach}

As I mentioned earlier, the metaphor of chains and linkages has been critiqued for its implications of linearity and uni-directionality. Economic geographers have instead proposed the concept of networks, as a way of taking into account the complexity and multi-directionality of economic activity.\footnote{See for example Hazel Barrett, Angela Browne and Brian Ilbery, "From farm to supermarket: The trade in fresh horticultural produce from Sub-Saharan Africa to the United Kingdom." In Alex Hughes and Suzanne Reimer (eds.), \textit{Geographies of Commodity Chains}, pp.19-38 (London: Routledge, 2004), and Peter Dicken, Phillip Kelly, Kris Olds and Henry Yeung, "Chains and networks, territories and scales: Towards a relational framework for analysing the global economy." \textit{Global Networks} 1(2): 89-112 (2001).} Given the limitations of a production-oriented conceptualization of economic activity chains in the context of the housing markets (particularly with regards to rental housing submarkets dominated by small landlords, as...
is the case with the unauthorized secondary suite rental market), I am proposing the notion of a "fictitious-commodity network" approach to studying the economic activities associated with such markets. Production chain and distribution chain analyses focus predominantly on "genuine" commodities and labour as part of the accumulation of capital, and typically disregarding flows of money, land titles and labour that are constitutive of the process of circulation of revenue. One advantage of a fictitious-commodity network approach is that it enables the researcher to conceptually map out a larger range of transactions where formal and informal sectors are likely to intersect by incorporating into the analysis the circulation of revenue (and the role played by money and land titles in it).

This approach seeks to account for the flow of money payments or disbursements made not only for the use of labour but also those made in relation to activities associated with the transfer of land titles (or of temporary rights to access portions of land and its appurtenances in the case of rents) or with the use of credit. In the case of the secondary suite rental market, these payments in some instances flow to the homeowner, while in others they flow from the homeowner to a variety of actors. Moreover, not all of these flows happen at the time of the purchase of the home, or even when the secondary suite is being built. Mortgage payments will be made by homeowners out of a variety of forms of income or revenue -- which may not be available to them at those two specific points in time but which they expect to have in their possession at a later date (for example, rental revenue from a secondary suite may not begin to flow immediately after a house is purchased: some homeowners may decide to build and rent out a suite in their basement only after having lived in the house for a few years). A similar point can be made with respect to the rents that homeowners will collect for their secondary suites, a source of revenue that will continue to flow for as long as they keep the suites in the rental market. The timeframe of the various flows of the three types of fictitious commodity will therefore need to be accounted for as part of the proposed analytical approach. Once all of these factors have been taken into consideration, it becomes possible to locate the

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75 Each of these actors is also likely to be part of another set or network of transactions, mediating the connections between the homeowner and the larger economy at the local, regional and global scale. I will return to this point later in the chapter.
transactions where formality and informality meet, and which we might call "boundary transactions."

2.3.3. Boundary transactions
The formal sector, as I defined it earlier in this chapter, comprises production and distribution activities that legally comply with existing regulations, but when either production or exchange activities violate existing regulations, they are classified as part of the informal sector. To distinguish one sector from the other, according to this definition, we must examine the legality of the labour processes that make up the economic activity in question. The introduction of land and money as complements to labour raises the need to expand this definition of informality to take into account regulations that apply to these two additional fictitious commodities. Under this expanded definition, then, the informal sector can be said to comprise economic activities where land, money and/or labour are mobilized in ways that violate existing regulations.

In the case of the secondary suite market in the city of Vancouver, the regulations that apply to land consist of land-use zoning bylaws limiting the number of suites that can be built in a detached dwelling, as well as the requirement for building permits (meant to ensure adherence to local building and health-and-safety standards) and for a business licence authorizing the homeowner to rent out the suite. In the case of money, the key regulation that applies is the reporting of rental income for tax purposes. Finally, the labour provided in exchange for money must be performed in accordance with regulations that apply to each particular industry -- a good example being the installation of electrical outlets in a secondary suite, for which City authorities generally require the hiring of a licenced electrician who is legally expected to work in accordance to professional standards approved by government authorities.

Theoretically, then, three different kinds of monetary transaction can be posited: formal, informal, and what might be called "boundary" transactions -- those transactions

76 The difference between regulatory "avoidance" and "evasion" should be noted here. Economic actors may seek to avoid regulation through legal means, as in the case of tax avoidance strategies or the relocation of a portion of their activities to unregulated or deregulated spaces like free trade zones and tax havens. These activities would still qualify as formal sector activities because they are conducted within a framework permitted by the law.
where formality and informality meet. Applied to the secondary suite rental market, the characteristics of these three types of transaction are summarized in Table 2.1. A formal transaction is one in which: a) labour is performed in accordance with existing regulations, b) the income generated from the transaction is declared for tax purposes, and c) the secondary suite is licenced, having been built with permits and in accordance with local building regulations and zoning bylaws (Table 2.1). An informal transaction is one in which: a) labour is performed in contravention of existing regulations, b) the income is not declared for tax purposes, and c) the secondary suite is not licenced, potentially because it was built without permits and does not meet local building standards. Finally, a boundary transaction occurs when regulatory non-compliance is present in relation to at least one, but not more than two, of the three fictitious commodities (Table 2.1). Examples of boundary transactions include payments by a homeowner for physical repairs done on his unlicenced secondary suite by a licenced contractor who declares the income from the job for tax purposes, or a homeowner's purchase of a second-hand refrigerator, to be placed in her licenced secondary suite, from an individual who does not declare for tax purposes the income from that informal sale.

This approach therefore allow us to identify and represent the fictitious-commodity network of interest and then examine the nature of the transactions involved over time, classifying them as either strictly formal, strictly informal, or boundary ones. Below, I elaborate on this fictitious-commodity network approach by applying it to the secondary suite rental market in the city of Vancouver.

2.3.4. Unlicenced secondary suites as a fictitious-commodity network

An initial step in this proposed conceptual mapping exercise consists of cataloguing the range of monetary disbursements that concern us. To this end, a rich source of information can be found in the 52 interviews I conducted with homeowner-landlords and renters of unauthorized secondary suites in the city of Vancouver. While the questions that guided these "close dialogues" were not intended to collect this specific kind of information, several respondents did make reference at various points in the interviews to numerous economic transactions to which they had been or were currently party as
<table>
<thead>
<tr>
<th>Regulation Description</th>
<th>Fictitious commodity</th>
<th>Type of transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is worker or company licenced to perform that job?</td>
<td>Labour</td>
<td>Is income declared for tax purposes?</td>
</tr>
<tr>
<td>Is suite licenced?</td>
<td>Money</td>
<td>Is suite licenced?</td>
</tr>
<tr>
<td>Yes or N/A</td>
<td>Yes</td>
<td>Formal transaction</td>
</tr>
<tr>
<td>Yes or N/A</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Yes or N/A</td>
<td>No</td>
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<td>Yes or N/A</td>
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<td>Yes or N/A</td>
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<td>No</td>
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<td>No</td>
<td>No</td>
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</tbody>
</table>

Table 2.1: Boundaries between formal and informal markets associated with secondary suites

homeowner-landlords.\textsuperscript{77} Analysis of the transcribed text of these interviews, geared specifically to highlighting the comments that referred to economic activities associated with being homeowner-landlords, yielded four different sets of suite-related monetary transactions, each associated with a temporal framework: the purchase of the home where the unauthorized rental suite is or will be located; the construction or renovation of the suite (if applicable, as some home buyers reported acquiring houses that already had a rental suite with an existing tenant); the operation of the suite rental as a small home-based business; and the non-suite related economic transactions that the homeowner carries out using the suite-generated rental revenue.

\textsuperscript{77} See the Introduction to this dissertation for further details about these interviews.
i) Purchasing the home

Among the first set of activities raised by the interviewed subjects (namely those activities relating to the purchase of the house where the secondary suite is located or would eventually be built), I identified five different types of actor in addition to the home buyer: a) the previous homeowner who sells the house to its new owner and collects payment for the sale; b) the real estate agent who acts as an intermediary between the house buyer and seller and may receive a commission and fees from either or both parties; c) the financial institution that may provide financing to the buyer and eventually collects payments of principal, interest and various fees; d) the home buyer's relatives who in some cases provide financial assistance and may also eventually collect payments of principal and interest; and e) the insurance company or agent who insures the property and collects insurance premiums from the homeowner but may also have to make insurance claim payments at some point (Table 2.2). Here again, it is important to note that certain money flows happen in the short term but that other payments associated with these activities -- in particular, the repayment of borrowed funds from a financial institutions or from relatives -- will be made over extended periods of time.

ii) Building and setting up the secondary suite

The second set of activities pertains to the building and setting up of the secondary suite. Analysis of the interviews yielded four types of actor: a) the contractors who build or help build or renovate the suite and who collect payment from the homeowner for that work; the suppliers of b) building materials and fixtures and c) home appliances, all of whom receive payment from the home buyer for purchases required to build, renovate, decorate, or equip the suite; and d) the providers of utilities such as electricity, natural gas, cable television, telephone and internet service which homeowners in some instances pay as part of the secondary suite rental agreement (Table 2.3). A similar temporal set of considerations as those that apply to the first set of activities need to be taken into account here as well (for example, when the homeowner uses credit to pay for these expenses).
<table>
<thead>
<tr>
<th>Actors:</th>
<th>Examples of interviewee statements:</th>
</tr>
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</table>
| The previous homeowner          | **HL03:** My [relative] offered to sell us her house. It was only so that we could own that house, that we did it. I wouldn't have targeted that place particularly to buy without there being a relationship with [her].  
**HL12:** We made contact with the owner and then . . . he became interested in selling. |
| The real estate agent           | **HL16:** Our realtor definitely knew that we were interested in having something that either had a suite or had suite potential. She definitely, when she went through the houses with us, would comment on either how hard or easy it would be to change something to a suite. She also gave us an idea of how much she thought it would probably cost, as well, to convert into a suite, so she gave us lots of information.  
**HL23:** I would say that real estate agents see basement apartments always as an income generator and as our premises changed regarding the price, our real estate agent was always there giving us the idea of rental income as an offset against mortgage or as a helper with mortgage. |
| The bank employee or mortgage broker | **HL07:** We had a mortgage broker, we met with him and he looked at the details. I don't think he really pulled out too much about the suite but he certainly put it in there.  
**HL22:** Eventually I had a lot of thoughts about it and they looked at me because I was self-employed and it was a $200,000 mortgage. But then one bank said okay, we should show them all the contracts which could demonstrate the business and they considered it as income. Today I realize, I could have not negotiated it in a better way. |
| Relatives as lenders             | **HL01:** I'd already worked over ten years in my sector and there's no pension, just relatively low wages; our rent was going up every single year as tenants. So, I was saving money for a down payment and I knew also that my parents would help me. It always has been a goal to own for financial security reasons.  
**HL15:** We got financing, from my parents, basically. We got a $100,000 for all our "renos." . . . $500 a month to eternally. We pay them interest.  
[Laughs]                      |
| Insurance company                | **HL15:** The insurance company didn't seem to care one way or the other. The only thing they cared about was, did anybody in the house smoke.  
**HL24:** Well, our insurance company asked if we were renting out the space to make sure that we are covered. . . . It probably made our insurance higher but I don't know how much. |

Table 2.2: Purchasing the home: Actors involved in suite-related monetary transactions with the home-owner landlord.

### iii) Operating the secondary suite as a small rental business

Operating the suite as a small rental business constitutes the third set of transactions on the list, and here I identified five different types of actor: a) the tenant who pays rent to
<table>
<thead>
<tr>
<th>Actors:</th>
<th>Examples of interviewee statements:</th>
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<tbody>
<tr>
<td>Contractors</td>
<td><strong>HL11:</strong> I hired a contractor. One person. And he told us that he needed a helper, and he chose somebody. He wanted it to be somebody he knew and so, we paid the helper, as well. And we found an electrician on our own. And [partner] did some work, worked as sort of a general labourer with the contractor.                                                                                     <em>HL19:</em> For the drywall, I hired somebody. For plumbing. And... an electrician.</td>
</tr>
<tr>
<td>Suppliers of building materials and fixtures</td>
<td><strong>HL14:</strong> Within that first month... I spent a lot of time at Rona, which was... I forget what it was called in the old days.</td>
</tr>
<tr>
<td>Suppliers of home appliances</td>
<td><strong>HL12:</strong> So it was sort of a full month of concentrated work. Luckily there was nothing structural. Oh, you know what else we did, we replaced the fridge.</td>
</tr>
<tr>
<td>Utilities</td>
<td><strong>HL16:</strong> Really the only time we hear from [our tenant] is when she's using our wireless internet, so sometimes -- we have the repeater which sometimes needs to be readjusted so she gets better reception down there. That's really the only time we hear from her. I guess she did contact us, when she was going to get a TV there, and cable put in down there, and there was a deal with Telus to get digital cable. So, she contacted us to see if we would like to share that and we decided that we would. But that's been it.</td>
</tr>
</tbody>
</table>

Table 2.3: Building and setting up the suite: Actors involved in suite-related monetary transactions with the home-owner landlord.

the homeowner in exchange for temporary and conditional possession of the suite; b) repair and maintenance persons who may be called in to deal with pests, fix broken appliances or damaged sections of the suite and are paid by the homeowner-landlord for their services and materials; c) tax accountants who are paid some homeowner-landlords to file tax returns and calculate tax credits related to the rental suite; d) the federal and provincial governments, who grant the homeowner tax credits against the declared rental income and receive payment of taxes on the net rental income from the homeowner; and e) the local government that provides amenities and garbage collection services and receives property taxes from the homeowner (Table 2.4). Some of these payments will
<table>
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<tr>
<th>Actors:</th>
<th>Examples of interviewee statements:</th>
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| Tenants                      | *HL01*: The financial advantage is clear, really obvious. It's $10,000 a year in revenue, gross, and that covers a lot of expenses. It covers our property tax, it covers some of our insurance for the structure. . . . It covers the cost of all maintenance, whether it be landscaping or a leak in the roof or a broken major appliance that needs to be fixed. We use the revenue from the rental income to finance utilities costs – like I just mentioned, utilities are included in the rent.  
*HL14*: Yeah, and so then, I began to realize that the rent, just [was not covering all expenses, and] I needed to do some major renovations anyway. [The tenant] moved to a co-op. He was happy with that, and I was able to raise the rent to market value, at that point. |
| Repair and maintenance persons or companies: | *HL11*: The house had rats . . . I wanted to do something right away for me but also, always, recognizing I'm responsible for keeping [the tenant's] premises in good order, too. I managed to get somebody here by the end of the day. . . . So, they came and set up traps and everything. Set up traps outside and plugged up holes.  
*HL22*: There are other fixed costs which come up to around $2,000 to $4,000 a year for repairs. I mean there is always something because the house is 80 years old. It has been renovated but there are small things. |
| Tax accountants              | *HL11*: The repairs and maintenance to the house and for the property in general, all that goes on my, you know, I save all my receipts and give them to my tax guy.  
*HL19*: I just take my stuff to an accountant and he does it. . . . He's pretty above and onboard with stuff like that. I just kind of let him know exactly what I'm doing. |
| Federal and provincial governments | *HL10*: And the city does consider this as a tear down still. Which is good, because it keeps the tax lower. As far as taxes and things like that, you always benefit when you have a suite because you get the income, but then you get all the deductions also.  
*HL14*: I don't know what the return is dollar-wise, you might get 10 percent back in your income tax return, but at least it's something. Because you've got the income, so it's a trade-off. |
| Local government             | *HL07*: The money that the tenant gives us goes to pay things like property taxes.  
*HL14*: I can't remember how that actually got registered. I know what. I think it had to do with multiple-family dwellings for water charges and for garbage. And that came through in the property taxes. |

*Table 2.4*: Running the suite as a small business: Actors involved in suite-related monetary transactions with the home-owner landlord.
occur at the time the expense is incurred, but other payments -- notably the rent received by the homeowner-landlord -- will occur periodically (often monthly) over the long run.

v) Transactions indirectly related to the secondary suite

A final set of economic activities represents transactions that are not related to the secondary suite but which pertain to expenses deriving from the social reproduction of the homeowner and his or her household. As I discuss in later chapters, many of the homeowner-landlords I interviewed reported that their home-purchase financing had been approved without taking into account potential rental revenue from a secondary suite; this was the case for households that qualified for the desired amount of mortgaged funds simply on the basis of their savings and employment income. These households often mentioned that, due to the size of their mortgage payments, they needed the rental revenue from a secondary suite to maintain the consumer lifestyle they desired. Elvin Wyly has described the "strong interdependency of markets and family life, [linking] the suburban built environment [with] consumption patterns" in the context of the contemporary American suburb, where growing numbers of dual-income households find themselves outsourcing their domestic work.78 But the expenses that these households mentioned in the interviews were of a different kind: rather than outsourced domestic work, the revenue supplement was meant to help these households afford leisure activities like travelling, practising equipment-dependent sports, and so on.

The interviews revealed two types of transaction within this last set of economic activities (Table 2.5). First is the payment of wages or salaries by employers to members of the homeowner household and, secondly, there are payments made by the homeowner household to suppliers of food, clothes, transportation, leisure activities, etc. The rental income from the secondary suite contributes to the household's ability to make some of these payments. As in the third set of activities (operating the suite as a rental business), some of the payments in this second category are short-term oriented, but they extend over a long period of time (at least in as far as they are partly enabled by revenues derived from the ongoing rental of a suite).

78 Wyly, "Continuity and change in the restless urban landscape."
<table>
<thead>
<tr>
<th>Types of payment:</th>
<th>Examples of interviewee statements:</th>
</tr>
</thead>
</table>
| Wages and salaries received by the household | HL03: [My partner] is a medical resident and in a few years her income will go up quite a bit and then the issues will evaporate.  
HL17: You have your regular salary and at that stage in life be able to add that value [to your assets], I think that's something that appeals to me. |
| Payments made for purchase of basic needs, leisure activities, etc. | HL02: If we did not have the basement suite... we would be able to survive but our lifestyles would be different for sure. Not drastically, but we would have to pay out-of-pocket for things that we're currently not.  
HL14: I use that rent basically for summer expenses because [as a school teacher] I simply can't save enough during the year to make it [without] a salary for two months.  
HL19: And you know, because I own it by myself, it's like when I go away on holidays, I always try and find a friend or somebody that [the tenants] could call while I'm away, you know, should something happen.  
HL20: It had to have suite potential... Another thing we wanted was a garage. Not so much for a car but for our kayaks and outdoor-type equipment. |

Table 2.5: Transactions indirectly related to the secondary suite.

This list of economic activities emphasizes the circulation of revenue in the form of monetary disbursements exchanged for commodities (fictitious or otherwise), rather than their production and distribution as in the case of the Portes and Sassen-Koob diagrams. Those diagrams, as I discussed earlier, are implicitly geared to the analysis of the circulation of capital and therefore give primacy to the labour behind a particular set of exchanges leading to a formal-informal linkage. The list above, by contrast, pays attention not only to labour but also to land and money flowing along between formality and informality with every suite-related transaction spread out over time (Table 2.6). Acquiring the house where the secondary suite is or will be located constitutes a permanent transfer of title to land and its appurtenances, just as the renting out of the suite enacts a temporary and conditional transfer of possession rights. Some monetary disbursements constitute periodic repayments of borrowed capital distributed at a certain interest rate over an extended period of time, while others are regarded as one-time payments for work completed and goods purchased either in the time-delimited process...
<table>
<thead>
<tr>
<th>Set of transactions</th>
<th>Economic actors conducting transactions with a homeowner-landlord</th>
<th>Description of the transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing the home</td>
<td>Previous homeowners</td>
<td>Collect payment for house sold to new homeowner</td>
</tr>
<tr>
<td></td>
<td>Real estate agents</td>
<td>Mediate the purchase of the house from the previous owner</td>
</tr>
<tr>
<td></td>
<td>Financial institutions</td>
<td>Lend mortgaged funds Collect payments of principal, interest, and fees</td>
</tr>
<tr>
<td></td>
<td>Relatives</td>
<td>Make financial gift Lend funds Collect payments of principal and interest</td>
</tr>
<tr>
<td></td>
<td>Insurance companies and brokers</td>
<td>Sell home insurance policy Collect home insurance premiums Make insurance claim payments</td>
</tr>
<tr>
<td>Building and setting up the secondary suite</td>
<td>Contractors</td>
<td>Sell and provide building, renovation, and repair services</td>
</tr>
<tr>
<td></td>
<td>Suppliers of building materials and fixtures</td>
<td>Sell (and deliver) building materials, fixtures, tools</td>
</tr>
<tr>
<td></td>
<td>Suppliers of appliances</td>
<td>Sell (and deliver) appliances, equipment</td>
</tr>
<tr>
<td></td>
<td>Electricity, natural gas, phone/cable/Internet providers</td>
<td>Sell, install, deliver and maintain utilities Collect fees for utilities</td>
</tr>
<tr>
<td>Operating the suite rental as a small business</td>
<td>Tenants</td>
<td>Pay rent for use of secondary suite</td>
</tr>
<tr>
<td></td>
<td>Building, equipment, and appliance repair persons and suppliers</td>
<td>Sell and provide repair services</td>
</tr>
<tr>
<td></td>
<td>Tax accountants</td>
<td>Sell and provide tax accounting services</td>
</tr>
<tr>
<td></td>
<td>Federal and provincial governments</td>
<td>Grant rental property tax credits Receive payment of taxes on net rental income</td>
</tr>
<tr>
<td></td>
<td>Local governments</td>
<td>Receive payment of property taxes Provide garbage collection, amenities</td>
</tr>
<tr>
<td>Non-suite related economic transactions</td>
<td>Homeowners' employers or other business concerns</td>
<td>Pay wages, salaries or dividends</td>
</tr>
<tr>
<td></td>
<td>Suppliers of food, clothes, transportation, leisure activities, etc.</td>
<td>Sell (and deliver or provide) goods and services</td>
</tr>
</tbody>
</table>

Table 2.6: Secondary-suite-related transactions and economic actors
of building the secondary suite or during its long-term operation as a small rental-housing business.

Having catalogued the transactions associated with the secondary suite, we are in a better position to make sense of its network of related commodity and fictitious-commodity flows. I begin with an attempt to chart out the various money payments flowing to and from the homeowner, without accounting yet for their formal/informal status. This can be helpfully achieved through a graphic representation. For the purposes of clarity, I have opted to graphically place the homeowner at the centre of these flows, and to separate the other actors into two sets (Figure 2.3). One set comprises actors that both receive payments from and make payments to the homeowner. The other set consists of actors that only receive payments from the homeowner. It should be clear that the spatial arrangement of the various actors in this graph is not representative of the geography of exchanges.

The final stage consists of matching these payments to cells in the last column of the matrix presented in Table 2.1 (above), in order to identify those boundary transactions where formality meets informality. In the case of an unlicenced secondary suite, for example, all the transactions occurring across time within this specific network will be considered either informal or boundary type ones, regardless of the legal status of the work and revenue involved (precisely because in such instances, transactions involving the fictitious commodity land are not compliant with existing regulations that apply to it).\footnote{One exception, however, relates to transactions conducted at the time of the purchase of the home in situations where the home buyer did not build a new secondary suite or use an existing illegal suite for rental purposes until some time after acquiring the property. This was in fact the case in a small number of interviews I conducted. Nevertheless, once the suite starts to be rented out without a permit, the formal lenders become involved in boundary transactions through the mortgage repayments of the homeowner-landlord.} Examples of strictly informal -- rather than boundary -- transactions in such situations might include the homeowner's repayment of borrowed funds to relatives who do not declare the interest income for taxation purposes, or the homeowner's hiring of an unlicenced electrician to install additional outlets in the suite. Examples of boundary transactions in the case of an unlicenced secondary suite include the homeowner's repayment of borrowed funds to a financial institution that operates in the formal sector,
or the homeowner payment of federal and provincial taxes on the rental revenue collected. This latter example in fact provides further evidence of the lack of a clear separation between the state and the informal sector, as I discussed in the first section of this chapter.

2.4. Extended networks and the urban economy

As I have presented it so far, the fictitious-commodity network approach has focused on the micro-scale of individual exchanges and the meso-scale of the city's local economy. But as a necessary supplement to the circulation of capital, the circulation of revenue happens at a broader range of scales, from the micro-exchange between two individual actors to the macro-economic context in which the globalization of capital unfolds. This is another way of saying that each of the nodes in the fictitious-commodity network is
also part of other fictitious-commodity networks that extend out to larger scales. Analyzing these extended networks situates secondary suites within multi-scalar representations of economic activity and its regulation, ranging from the local to the global. For example, a financial institution operating in the city of Vancouver such as BMO Financial Group has national headquarters in Toronto and is listed in the New York Stock Exchange, where it raises capital from global investors that makes its way to Vancouver in the form of, among other things, mortgage loans for buyers of homes with secondary suites.80 Similarly, a supplier of kitchen cabinets such as IKEA is part of another fictitious-commodity network where payments, cabinets and labour flow between the corporation's headquarters in Delft, Netherlands, its 1,300 suppliers in more than 50 countries, its regional distribution centres, its contracted shippers and carriers, the Vancouver Port Authority, Canada Border Services Agency, and IKEA's Canadian corporate offices and local stores in the Metro Vancouver suburbs of Richmond and Coquitlam, where local security and janitorial firms might also be employed.81 A homeowner who purchases kitchen cabinets at one of these stores and has them installed in her unauthorized secondary suite becomes a link between the local informal economy and the larger global network through which capital accumulation and the circulation of revenue take place.

In the case of IKEA, a production-chain type of analysis such as the one that would be typically applied to the production and distribution of furniture places the emphasis on the outputs of labour processes at the global scale. For this reason, such an analysis would yield a very different list of actors and linkages than a fictitious-

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80 See the article by Derrick Penner, "Nanny, granny or secondary suites are key for home ownership in Metro Vancouver." The Vancouver Sun, October 13, C2 (2009), where Carolyn Heaney, manager of mortgage development in Vancouver for the Bank of Montreal, reports that the bank's mortgage officers "will take about 80 per cent of the gross rental income that a legal secondary suite in a home generates, and use that when considering their approval."

81 Pervez Ghauri and Veronika Tarnovskaya, "Market driving supplier strategy: IKEA's global sourcing network in Europe." Paper presented at the 23rd Industrial Marketing and Purchasing Group conference, Manchester (2007). Last accessed on July 20, 2011 at: http://www.impgroup.org/uploads/papers/5951.pdf. An attempt was made to obtain information via email about local suppliers of services at the local stores, but an IKEA customer service representative informed me that "for competitive reasons, we do not answer specific questions or supply additional information related to marketing or business strategies, operations, human resources or other proprietary topics." Email communication, IKEA Canada Customer Service, July 25, 2011.
commodity network approach -- one that would have more in common with the "multiple production and marketing chains" of Portes and Sassen-Koob (chain D in Figure 2.1). Many of the economic transactions that are necessary to operate the stores would typically be left out of the analysis, including those that are temporally drawn out over the medium to long term. A similar contrast can be drawn in the context of secondary suite markets by comparing Figures 2 and 3 above. The production of secondary suites and the use of such suites as sites of production (if the suite is indeed used that way) can be represented through commodity chains diagrams, but such diagrams are less useful in accounting for the homeowner's rental business and the much larger assortment of actors and transactions that it involves.

Immanuel Wallerstein states that "[t]he primary feature of almost every commodity chain is that it crosses national frontiers [rather than being] entirely encapsulated within national boundaries."82 This observation is increasingly relevant as the globalization of the process of capital circulation rapidly intensifies. The production emphasis of chain-type analyses seems therefore well-suited to the study of economic activities at this largest of scales. However, such an approach seems less effective than a fictitious-commodity one when it comes to the study of economic activity at the local scale. This is particularly so in the case of temporally extended credit and rental activities based on the circulation of revenue, as opposed to activities that are directly related to production (in which case the focus of analysis tends to be the points in the chain where capital accumulates or is realized).

Commodity-chain-type analyses, as I have explained in this chapter, fail to take into account the role of residential rental markets and the networks of economic transactions to which they are connected. In a variety of ways, these and other forms of revenue circulation can be important sites of interaction between the formal and informal sectors of a local economy. Because they are essential components of the economic process writ large, understanding the role of such linkages is important. I have sought to show that paying attention to land rights transfers and monetary disbursement as

necessary complements of commodity production and capital circulation enables analysis at a much finer grain. This may prove distracting when the emphasis is the global scale, but as I have suggested here, it is a helpful approach when the goal is to improve our understanding of economic activity and its regulation in the city.

But local scale understandings of economic activity can in turn be essential to understanding the financialization of the global economy, as Elvin Wyly and his colleagues have shown in their studies of the geographies of predatory and subprime mortgage lending markets in the United States and their linkages to national and transnational finance capital.\textsuperscript{83} Kathe Newman has recently argued that a combination of national-level policy decisions in housing, market regulation, taxation and macroeconomic matters enabled residential mortgage lending -- a mechanism for fixing capital to place through the built environment -- to become the linchpin of the financialization of the global economy.\textsuperscript{84} Financial institutions became able to increase their profits (at least in the short term) by issuing residential mortgages to borrowers who would normally have been excluded from access to mortgage credit because they had little or no chance of paying it back. Thanks to securitization, lenders seemed able to transfer away all the default risk to somebody else: first, to the borrowers who stood to lose their mortgage properties and any equity they may have accumulated, and secondly, to the global financial markets where, "[l]ulled by what appeared to be powerful predictive risk pricing tools used by ratings agencies," and given the dearth of high-yielding investment opportunities in productive economic activities as a result of what Harvey calls an over-accumulation of capital, "remote investors gobbled up mortgage-backed securities."\textsuperscript{85} Spreading the default risk in these ways, however, also had the effect of extending the vulnerabilities of this "truly risky" investment model from individual, highly localized and questionable mortgage loans to the whole financial system, which eventually crashed in the summer of 2008 and severely compromised the financial


\textsuperscript{84} Newman, "Post-industrial widgets."

\textsuperscript{85} Both quotations are from Eric Belsky, "The causes and consequences of the subprime mortgage meltdown." \textit{Urban Geography} 29(8): 754-758 (2008), pp. 754-755.
dimension of the circulation of revenue at the global scale. This was exactly what scholars such as Roubini or the housing finance geographers -- who had been paying critical attention not only to the flows of commodities but also to the interconnected networks of labour, money and land title flows -- had warned us about.

2.5. Conclusion

I started this chapter by noting that the informal market in secondary suites extends outwards from the illegally subdivided home into the much larger economy. This observation raises the question of how important this informal housing market is to the city's economy. While it may not be possible to reliably address this question quantitatively due to a lack of detailed data on the market for unauthorized secondary suites, I have argued that it is nonetheless possible to work toward an answer from a conceptual standpoint. My goal in this chapter has been to gain a better understanding of the interaction between formal and informal economic activities, and more specifically to develop a way of theoretically locating what I have called "boundary transactions" (or economic exchanges where formality and informality meet) in relation to the secondary suite rental market. My approach has been to focus on the networked flows of money, labour, land titles and commodities that constitute this particular housing market, in a way that specifically highlights those boundary transactions.

In reviewing the informality literature, I argued that even though the informal sector has been the subject of a voluminous literature in the context of labour markets all around the planet and with respect to the housing and urban land markets in the case of the global south, its existence as a specific sub-sector of North America's middle-class housing market has received much less attention. In addition, I discussed how the existence of multiple interactions between formality and informality has been a recurring theme in the study of informal labour markets in the global north and south. I discussed how the chains and linkages metaphor -- as in "commodity chains," "global value chains," "cultural production chains," and so on -- has been fruitfully employed in the context of production and distribution processes involving labour from both the formal

86 Ibid., p. 756.
and informal sectors, reflecting an ongoing interest in understanding how various formality-informality linkages directly contribute to the accumulation of capital by differently situated economic actors.

I also called attention to another aspect of the process of accumulation, namely the circulation of revenue. Citing the work of David Harvey, I explained that the circulation of revenue consists of payments -- in the form of wages, rents, interest, taxes, and so on -- that make possible the physical, technical, legal and financial infrastructure that all firms require to carry out their production and distribution functions, and which enables them to realize profit and to reinvest it in a timely manner. These payments are therefore crucial to the circulation of capital, made in exchange not only for labour but also for money and land; these payments, I explained, do not always occur all at once but are instead often stretched out over time. The use of wages in consumption, I noted, is in turn essential to the social reproduction of large segments of the urban population.

Revenues do not always flow to or from economic actors operating in the formal sector, and therefore the circulation of revenue also relies in various ways on linkages between formality and informality. However, given that these payments do not directly contribute to value added, they are often left out of economic analyses that rely on the chains and linkages metaphor. Given that the sum of these payments can be massive and that they constitute a substantial and necessary component of the local and global economy, I have argued that it is important to account for the circulation of revenue in economic geography analyses. I also argued that formality-informality linkages play an important role in this process, and must therefore be included in such analyses. One way to do this, I proposed, is to modify the existing production and distribution chain frameworks in order to deal with the temporality of these essential types of transaction and their more complicated relationship with the production and distribution of commodities.

The modified framework that I have proposed is based on the concept of "fictitious commodities," which Karl Polanyi uses to describe the fact that money, land and labour cannot be manufactured yet are traded in the marketplace like "genuine" commodities. What I have called a fictitious-commodity network, then, is an analytical
framework that traces the flows of these fictitious commodities in relation to a particular economic activity -- in this case the renting of unauthorized secondary suites. As Polanyi argued, an important aspect of fictitious commodities is that they are subject to regulation in order to limit the damaging social, environmental and economic effects of treating them as mere commodities. The regulated character of fictitious commodities makes it possible to determine conceptually where their flows encounter boundary transactions -- my term for transactions where the formal and informal sectors meet -- within a particular network of economic activity, on the basis of the regulatory status of each type of fictitious commodity at the time of payment. In this chapter, I have sought to show that attending to land rights transfers and monetary disbursement as necessary complements of commodity production and capital circulation enables analyses at a much finer grain than is generally achieved by traditional commodity or production chain frameworks. While this approach may at first prove distracting when the research emphasis is the global character of the economy, it seems to provide a much better option when it comes to the study of economic activity and its regulation at the urban scale -- but it does so in a way that can ultimately help us understand important aspects of the economy at the global scale.

Applying this framework to the market in unauthorized secondary suite rentals in the city of Vancouver, I showed for example how informal contractors of various kinds do business on behalf of suite owners with the formal sector's home renovations industry, and not only at the time of building a suite but also later, when repairs and additions are required. Governments may not receive taxes on the income derived from sales of second-hand appliances to secondary suite owners, but in some cases they do collect on a portion of the rental revenue derived from unauthorized suites. Homeowners not only manage to stay up to date on their mortgage payments to (transnational) lending institutions with the help of the rental revenue from the informal housing they provide, but are also able to sustain an urbane consumer lifestyle that involves disbursements made to a wide range of local economic actors. The linkages between formality and informality associated with secondary suites are many, and they apply in various ways and to varying extents to a market of approximately 6,000 authorized and 20,000
Unauthorized suite rentals in the city of Vancouver alone. The application of a fictitious-commodity networks approach in this case suggests that the linkages between formality and informality are important not only in the context of the production and "distribution" of this particular type of dwelling unit, but also in terms of their contribution to the overall circulation of revenue in the local economy.

And what might such an analysis of Vancouver's informal housing market teach us about the broader global economy? We can start by considering the nature of the Canadian mortgage markets. In the primary market, which is largely dominated by depository institutions, almost 50 percent of all mortgages are insured to the full loan amount, and about 70 percent of these are insured by the federal government through a Crown corporation called Canada Mortgage and Housing Corporation (CMHC). But in order to discourage lenders from increasing their profits by simply issuing loans with a high chance of default and letting the Canadian government ultimately assume the risk, CMHC monitors the performance of lenders whose mortgages it insures, reserving the right to limit how much insurance it provides for loans that they originate. The regulatory system has kept subprime lending at levels below five percent of the market (compared to a peak of close to 15 percent in the United States prior to 2008). In terms of the secondary mortgage market, it is largely dominated by the federal government, which backs through CMCH (operating on a break-even basis) close to five-sixths of its total size of approximately $275 billion. Only about 30 percent of Canadian mortgages are securitized (compared to 60 percent in the United States), with financial institutions keeping approximately 70 percent of loans on their balance sheet. About 23 percent of the issued securities are purchased by investors outside Canada, including the US (18 percent), Europe (3 percent), and Asia (2 percent).

For these various reasons, the structure of the Canadian mortgage market compels lenders to find other mechanisms than subprime lending and securitization to constantly increase their pool of borrowers and their profitability. And this is where the rental market in licenced and unlicenced secondary suites may be playing an important role, by

acting as a mechanism that enables financial institutions to extend mortgaged loans to many households that would otherwise not qualify for one. If we assume an average annual rent of $10,000 for the approximately 20,000 unauthorized secondary suites in the city of Vancouver alone, informal rental revenues flowing from this type of unauthorized housing unit into the formal economy (or at least partially into the formal economy) reaches $200 million per year. If we make the further conservative assumption that a third of the illegally subdivided houses would not have been acquired by their owners if renting out an unauthorized secondary suite were not possible, and that the average amount borrowed to make such a house purchase is $500,000 for 300 subdivided houses per year, then this sector of the informal housing market would be contributing $50 million a year to the formal financial sector -- and that is for the city of Vancouver alone.

To these figures we would need to add estimates for the many other payments flowing between the formal and informal sectors and discussed in this chapter, including for example property and income taxes, insurance premiums and utilities payments, or the costs in labour and materials of retrofitting a basement into an unauthorized secondary suite.

The phenomenon of the unauthorized "mortgage-helper" suite appears not to be restricted to Vancouver: Calgary, Edmonton and Toronto are all anecdotally said to have a considerable number of such units as part of their housing stock. A fictitious-commodity networks approach, combined with a well-funded effort to collect survey data on Canada's secondary-suite markets, could go a long way in helping us understand the extent to which the informal sector fuels the housing market in various Canadian cities, and provides a useful tool for elucidating its significance as a linkage between local households, their built environment, and the broader local and global economies.
Chapter 3: Markets, laws, and unauthorized secondary suites

"$970 / 2 bedroom basement for rent!"

"$600 / Small, clean 1 bedroom basement unit. No smoking in house or property."

"$1200 / Small 2 bedroom basement suite one block west of [location]. Fridge, stove, microwave, washer and dryer, includes utilities and internet."

"$1000 / Newly Renovated Basement Suite. Be the first to live in a nicely renovated new 1 bedroom basement suite in well-kept 1960's bungalow. Ideal for quiet tenant."

--Craigslist Vancouver, September 14, 2010

3.1. Introduction

Unauthorized secondary suites, and particularly illegal basement apartments, are a widespread -- and widely known -- form of rental housing in Vancouver. Due perhaps to their ubiquity and their unorthodox nature, everybody in the city seems to have an opinion about why they are such a common feature of the local residential landscape. What is interesting is that virtually all of the opinions I have encountered in researching the topic over the past four years fit into a surprisingly small number of variations on one single theme. One commonly offered explanation takes as its starting point the idea that rents in unlicenced suites are typically much more affordable than in regular apartments buildings. The Canada Mortgage and Housing Corporation's (CMHC) annual rental market reports confirms this widely held perception: in 2010, rents for secondary suites in the Vancouver metropolitan region were an estimated 24 percent lower than their equivalents for apartments in the primary rental market (Table 3.1). Given this spread in market rents, the argument goes, it is only reasonable that there should be a brisk demand for this informal type of housing. A separate but related explanation attributes the proliferation of unauthorized suites to the startling inadequacy of the rental housing supply in the city. With local vacancy rates in the primary rental housing stock never surpassing two percent in the past two decades, this explanation undoubtedly carries some weight (Figure 3.1).
Table 3.1: Average rents, two-bedroom dwelling units, Vancouver Census Metropolitan Area (month of October). Source: Canada Mortgage and Housing Corporation, Rental Market Reports - Vancouver and Abbotsford CMAs.

Another popular explanation for the proliferation of unauthorized secondary suites adopts the perspective of home buyers, and sees the widespread adoption of illegal "mortgage helper" suites as a natural consequence of the skyrocketing prices for local detached houses over the past twenty years. Here again, the explanation is not without merit: on one official estimate, average residential prices for all dwelling unit types in the metropolitan area have risen at the equivalent of a 10 percent per annum rate between 1999 and 2009 (Figure 3.2). Under such market conditions, building and renting a secondary suite in the basement becomes a practical way of boosting a household's income and thus make the exorbitant mortgage payments that characterize homeownership in the city more affordable. Another commonly offered explanation of Vancouver's secondary suite phenomenon takes a less sanguine view of what motivates these homeowners: from this point of view, those who own real property and convert part of it into a source of supplementary revenue can only be regarded as a greedy lot, intent on selfishly taking advantage of the glaringly and exceedingly deficient supply of rental housing in the city. Given the distressing building conditions and shocking state of disrepair that are said to characterize much of the existing secondary suite stock, this explanation is perhaps not entirely off track.
One could argue at length about the individual merits of each of these four distinct lines of explanation. More interesting, however, is to note what they all have in common: in one way or another, they all hold the market as the sole reason for the proliferation of Vancouver's illegal suites. Any other "hand" that might have something to do with their existence remains more invisible here than Adam Smith's. Rarely raised as a matter for consideration, for example, is the fact that a distinguishable legal status has been assigned to these apartments; the only law that seems to hold any purchase in these explanations is the law of supply and demand. This is a peculiarly narrow way of evaluating a social phenomenon that directly or indirectly touches so many local lives. It is also a telling one, for it speaks volumes about contemporary ideas of "the market" and their power to efface the much more complex processes through which decisions are made at the level of both household and government -- and which are constitutive of a much broader panoply of social relations.

My goal in this chapter is not to deny the importance of markets in the production of the urban landscape in general and the residential built environment in particular. Instead, I want to examine two ways in which the mistake of turning uncritically to strictly market explanations for the ubiquity of unauthorized secondary suites can be made empirically apparent. To this end, I begin by examining official estimates of the incidence and distribution of secondary suites in both the city and its metropolitan region.
The magnitude of these estimates in turn invites inquiry into the reasons for the prevalence of this "illegal" type of housing. If, as Gordon Clark argues, we should not "accept simple-minded versions of law-and-principles that presume their unproblematic realization in practice," any study of illegality requires a critical consideration of the histories behind the rules that certain activities or behaviours are considered to break.¹ In this case, we need to ask through what laws are secondary suites made into an unauthorized use of somebody's private property, and what are the origins of such laws?

The second substantive section of this chapter seeks to answer this question, first by providing a summary overview of the rules that apply to secondary suites in the city of Vancouver, and then by tracing back their existence to a series of legal landmarks over a period of close to 140 years. I argue that the considerable role that various forms of government have historically played in shaping the contemporary secondary suite landscape in the city provides an initial indication of the limits of relying on strictly market-based explanations. A final section examines whether the widely assumed centrality of the market in explaining the proliferation of secondary suites in the city of Vancouver is supported by statistical analyses of data on housing affordability in the metropolitan region and in the city proper. I argue that empirical evidence provides little

¹ The quotation is from Gordon Clark, "Foreword," in Nicholas Blomley, David Delaney and Richard Ford (eds.) The Legal Geographies Reader (Oxford/Malden: Blackwell, 2001), p. xi.
support for this popular notion about the causes behind this phenomenon, and conclude by intimating some of the problems and limitations of yielding uncritically to such a narrowly economic view.

3.2. The incidence of secondary suites in Vancouver

Secondary suites in the city of Vancouver are legally required to comply with various local land use regulations, building code standards, and licensing rules. Zoning bylaws since 2004 have allowed secondary suites to be built in all areas of the city, but there is an allowed limit of one secondary suite per detached house. In addition, the local building standards code stipulates that secondary suites must be at least 400 square feet and must have ceilings of no less than six feet and six inches tall in at least 80 percent of the suite and along its exit paths. Most secondary suites are also required to have at least one on-site parking space, and must comply with several other fire, electrical, plumbing and gas related City standards. To ensure that all these legal requirements are met, property owners must obtain building and development permits prior to commencing construction or upgrade work on the suite, and inspections by City officials are to be conducted at several stages of the process. Moreover, the owner of the property in which a secondary suite has been built must obtain an annual business licence if she intends to rent out the suite.²

In practice, however, owners of secondary suites routinely ignore many of these legal requirements and are able to rent out the unauthorized apartments without incurring penalties or suffering shut-downs by City officials. For almost three decades, a crucial element in the City's secondary suites policy has been to limit enforcement of zoning bylaws and building code standards to cases in which a negatively affected tenant or neighbour files a complaint.³ Over the years, this policy has reduced the risk to homeowners of setting up secondary suites without seeking official approval, and often using designs, building techniques, or materials that contravene zoning requirements and

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² The City of Vancouver's "Bulletin 2004- 006-BU/EL. April 19, 2007. Secondary Suites in Existing One-family Dwellings" provides a simplified guide to these and other applicable regulations.

applicable building standards and design rules. Typical violations include creating more than one suite on a given site, keeping lower-than-permitted ceiling heights, and carrying out substandard electrical or plumbing installations. In addition, the vast majority of rented suites are not operating under a business licence as is legally required, in part because such licences are only extended to property owners whose suites have been approved for occupancy after a final inspection.

This lack of licensing explains why City records can account for only a fraction of the total number of existing secondary suites. Without a central registry, it is practically impossible to know with certainty how many suites are occupied at any given point in time or in a particular area of the city. Officials must therefore rely on estimates, and the most recent ones come from two studies conducted in 2009. The first study, commissioned by the Metro Vancouver regional authority, was based on a combination of Census 2006 data and records from the British Columbia Assessment (BCA) authority. The BCA is the government agency in charge of assessing, for taxation purposes, the resale value of land and buildings in the province. While not all buildings are physically inspected every year, data from the BCA roll remain the most reliable source available for estimating the number of existing secondary suites anywhere in the province. The Metro Vancouver study found that in the year 2006 there were approximately 72,000 secondary suites in the metropolitan area; of these, approximately 27,500 (or 38 percent) were located in the city of Vancouver and approximately 18,000 (or 25 percent) in the municipality of Surrey. BCA data were also used on the second recent study, conducted by City of Vancouver staff as part of a research effort geared at the development of a rental housing strategy for the city. In this case, however, only the city of Vancouver was considered, and data were only extracted for areas of the city zoned for single-family housing. The resulting estimate was nevertheless very close to the one obtained by the Metro Vancouver study. Approximately 25,000 (or 35 percent) of the city's 68,000

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5 City of Vancouver, *The Role of Secondary Suites*.
6 The label "single family" continues to be used in non-technical discussions of local zoning districts despite the bylaw changes of 2004. Under the new zoning bylaw no district is exclusively zoned for single-family housing, given that any house in the city is now allowed to have a secondary suite (as long as it complies with all building regulations).
dwellings at the city level. These findings imply that as of 2009 there were at least 26,000 to 27,500 secondary suites in the city of Vancouver. To put these figures in context, it is worth noting that the total number of occupied dwelling units in the city of Vancouver was approximately 253,770 in 2006. Secondary suites at present are therefore likely to constitute at least 10 percent of all occupied dwelling units in the city.

Unfortunately, the City's study does not provide information on how many secondary suites were in compliance with existing bylaws and permit regulations. According to the City's own records, only 4,368 suites had some form of legal status at the beginning of 2004. Officials believe there has been little change in the proportion of legal secondary suites in existence since then: "the proportion of single-family houses being built with approved suites has remained low," a City documents report, "and a substantial portion of suites in new construction was still occurring without permits." The numbers I have been able to compile are incomplete, but between 2007 and 2009, during a period of marked increases in the number of newly built detached houses with legal suites and the number of new secondary suites built legally in existing houses, the total number of legal suites increased only by 800, with an additional 95 suites in newly built detached houses being added to the stock between 2004 and 2006 (Table 3.2). Making some conservative allowances for an estimate of the missing data, this suggests that no more than 1,000 or 1,500 secondary suites were built or retrofitted with the required permits between 2004 and 2009, which would mean that at least 75 percent of the city's secondary suites -- or more than 20,000 -- were not legal. How can a type of housing that is considered illegal constitute such a significant proportion of the city's residential stock?

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7 Census 2006 Cumulative Profile for the Vancouver Census Subdivision (CSD).
8 City of Vancouver Housing Centre, Report from the Director on secondary suites, January 13 (Vancouver: City of Vancouver, 2004).
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* The figures in this row were provided to the author by the Secondary Suite Branch of the licences & Inspections (By-law Compliance Division) at the City of Vancouver. Unlike the rest of the table, these figures apply to all districts in the city of Vancouver.

Table 3.2: Building permits issued by City of Vancouver in "single-family" zoned districts. Adapted from: City of Vancouver, The Role of Secondary Suites - Rental Housing Strategy Study 4 (2009), p. 8.

3.3. The emergence of local land use regulations

To answer this question, we must consider first a closely related one: if this housing practice is as widespread as the above estimates suggest, and if it involves the use of privately owned land and buildings by their owners, how can it be regarded as illegal? The answer here lies in the origins of the laws that the construction and occupation of a secondary suite are considered to break. In this section, I focus on seven legal milestones that have gradually transformed the regulation of land use in the area now called the city of Vancouver. The goal is to provide an overview of the changing regimes of land use control that have made it possible for local authorities today to categorize secondary suites as legal or not legal.
3.3.1. Colonial rule

The first of these legal milestones is the proclamation of the Colony of British Columbia by the Parliament of the United Kingdom in 1858. This act of law was applicable to an enormous stretch of territory that included the land known today as Vancouver. Up until the mid-1800s, human presence in the area had consisted exclusively of First Nations like the Musqueam and Squamish. Long before the arrival of European explorers, these peoples had occupied a few seasonal villages located throughout the region, engaging from spring to fall in various hunting, fishing, gathering and trading activities that extended far beyond the small stretches of land occupied by the villages themselves. Through a highly intertwined mode of organization, based on deep social and economic ties that linked the different peoples to one another, a complex system for regulating their shared utilization of the land was developed over time.

But this customary land use system, characterized by shared access rights and a lack of unitary title holders, was antithetical to the forms of socio-spatial organization based on private property that had become hegemonic in the United Kingdom following the historic enclosures of the commons in the seventeenth and eighteenth centuries. To Crown officials in the 1850s, the status of the First Nations' villages that European explorers had encountered and mapped out could be readily explained through the Lockean categories that underpinned their liberal political philosophy. That same philosophy, however, made the territory that surrounded these villages legible only as wilderness, as land in need of property. This transplanted interpretation of the sociopolitical landscape that predated the arrival of Europeans in the region provided a source of moral legitimacy for the massive appropriation of land that was enacted through the formation of the Colony by law. In turn, bringing the land under the authority of the Crown introduced a centralized mode of controlling its use through the application of formal rules.

3.3.2. Private property

Finding a practical way to exert control over this newly colonized territory soon became an urgent preoccupation for the Crown. Exaggerated reports of gold discovery in the 1850s had temporarily attracted thousands of prospectors, many of whom came from the United States. Colonial officials worried that the mere presence of Americans in the region might facilitate their government's suspected intentions of territorial annexation, especially if that presence were to become more permanent.\(^{13}\) But the colonial administration could ill afford an expensive increase in military presence to curtail the presumed expansionary ambitions of its southern neighbour, and opted instead to promote the settlement of the newly founded colony by enterprising individuals who would be prepared to submit to the authority of the Crown in pursuit of their own private interests. Following the logic of private property, colonial officials reasoned that guaranteeing monopoly access to pieces of land for the settlers was a necessary part of the project, and that this exclusionary right had to be represented through property titles and fully backed by the laws and enforcement powers of the British Empire.\(^{14}\)

It is at this point that the second legal development in this brief history of local land use regulation is launched: the colonial administration's land grant policy. Announced in 1860, it was meant to introduce private property throughout the territory in a way that reaffirmed the legal authority of the Crown. The policy was fine-tuned over the following decade to improve its attractiveness to settlers, leading eventually to a three-step process of land acquisition called “pre-emption.” Under this process, a would-be landowner was required to first stake out a lot, up to 160 acres in size, then settle it by making “improvements” to it for a period of two years, at the end of which the right would be granted to purchase the title to the lot from the colonial government.\(^{15}\) Land that from time immemorial had functioned as a shared space of circulation and subsistence was thus converted into a patchwork of real assets, each with an identifiable proprietor to

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whom exclusive use rights were assigned -- including the right to extract revenues from the owned land by means of leases or through the outright sale of a property title.

The entitlements, exclusions and prohibitions inherent to the private property regime constituted the first building block of the new system of land use regulation in the region. A land title was meant to give its holder the kind of certainty that would encourage settlement, as it effectively did; by turning land into an asset, it provided the power to exclude others from an estate marked by legally recognized boundaries, as well as the right to use the landed asset in whichever way the holder saw fit -- including the exploitation of natural resources within its boundaries, the extraction of ground rent, and even the transfer of title for a price. But as Nicholas Blomley has argued, the rights associated with private property are never as settled as they might appear. A series of commercial, financial and regulatory mechanisms would soon introduce Vancouver's land owners to many of the subtleties and limits of private property.

3.3.3. Restrictive covenants

By 1911, the city had grown to 120,000 inhabitants. It is difficult to date with precision the emergence of the third and fourth legal milestones in our land use regulation timeline -- the introduction of restrictive covenants and of legally enforceable building and fire codes. We know, however, that they were both in place by this time. Competition among land speculators eager to liquidate their investments had made real property affordable to many "common workers," especially out in the southeastern suburbs. Most of them were immigrants from Europe who, Deryck Holdsworth has argued, sought to leave behind the tenements and overcrowding of their home country. For this reason, Holdsworth maintains, the protection of real property assets and their value became an individual and social priority that transcended class lines. This was reflected in the concern shared by both well-to-do and striving property owners regarding who would be the buyers of

16 Nicholas Blomley, *Unsettling the City* (New York: Routledge, 2004).
17 This figure included Vancouver, Point Grey and South Vancouver, three neighbouring municipalities that would be later amalgamated into what is now known as the city of Vancouver. See Graeme Wynn, "The rise of Vancouver." In Graeme Wynn and Timothy Oke (eds.) *Vancouver and its Region*, pp. 69-145 (Vancouver: UBC Press, 1992).
property in their vicinity, and more specifically, what use they would make of it. Particularly undesirable were non-residential uses that exposed neighbours to unpleasant smells, fumes or noises such as those emitted by farming or industrial enterprises, as well as "the rowdy behaviour associated with licenced hotels."¹⁹

One way of protecting property values and keeping undesirable neighbours at a distance was to make use of "restrictive covenants." These covenants were a form of private agreement that lot buyers were required to sign as a condition of the sale, legally outlining a series of limits to what the new owners could do with the land. The initial development of Shaughnessy Heights in the 1910s, to mention one famous example, involved the signing of restrictive covenants that committed buyers of lots in the new elite neighbourhood to build homes at a cost of no less than $6,000 -- at a time when a unionized carpenter made $4 a day.²⁰ While these contracts implied a restriction on the use of private property by its owner, wealthy patrons of the development saw it as a valuable guarantee against what one buyer called the "threats of encroachment by business and the lower social orders," and which were commonly attributed to neighbourhoods where such covenants were not the norm.²¹

3.3.4. Building and fire code standards

The restrictive covenant was in effect a privately arranged and self-imposed limitation on property rights. But state-imposed constraints had also made their appearance by the end of the first decade of the twentieth century, in the form of local building and fire codes prescribed and enforced by local authorities to alleviate concerns about insalubrious conditions or fire hazards. While this mode of regulation was enacted in the name of public safety and containing health threats, not all property owners were interested in respecting it. Developers in the numerous subdivisions that sprouted in the region at the turn of the century, to cite one example, were often eager to avoid the costs of complying

²¹ The buyer's name was Hugh Keenleyside, and the quotation appears in McDonald, *Making Vancouver*, p. 156.
with these legal standards in order to maximize the return on their investment. Similarly, many tenement managers who regarded maintenance and repair expenditures as an inconvenient drain on their rental revenues denounced such regulations as instances of excessive civic intervention.\(^{22}\)

Other property owners had a different set of concerns. Resentment in their case was not directed at the existence of such regulations so much as to the arbitrariness of their application and enforcement. While the well-connected property owners among the city elite were frequently able to obtain exemptions or to convince civic authorities to dismiss public health or safety citations levelled against them, Asian and other non-Anglo-Saxon property owners were instead common targets of the prejudiced officials in charge of enforcing these regulations.\(^{23}\) As knowledge of the authorities' skewed predispositions in the application of health and safety regulations became more widespread, residents of suburban neighbourhoods began to invoke them successfully in petitions against the licensing of Chinese laundries, "on the pretext that the dirty laundry presented a health problem."\(^{24}\)

The victims of this discretionary approach to enforcing public health and safety regulation were sometimes able to take their case to the province's civil courts, where judges often ruled against the unwarranted and discriminatory use of these rules.\(^{25}\) These court rulings not only opened up the possibility of redress, but also exposed the precarious nature of the developing system of local spatial order. On the one hand, it was becoming clear that not all forms of land use deemed undesirable by the local elites could be legitimately kept out of a given neighbourhood by simply framing them as public-health and safety risks. On the other hand, restrictive covenants had their own limitations as well, for they were ineffective at controlling undesirable land uses in lots that were outside of, but proximate enough, to the buyers' properties. As a result, local politicians and the powerful property-industry elite began to develop an interest in finding more

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\(^{22}\) Weaver, "The Property Industry and Land Use Controls."


\(^{24}\) Weaver, "The Property Industry and Land Use Controls."

\(^{25}\) See Anderson, *Vancouver's Chinatown* (especially Chapter 3), and Weaver, "The Property Industry and Land Use Controls."
formal modes of land regulation. Shaughnessy's protective zoning, obtained in the 1910s as a political compromise in response to its "efforts at incorporation as a separate municipality," seemed to provide an attractive option.26

3.3.5. Zoning bylaws

The nascent town planning profession had been actively advocating the concept of exclusionary zoning in various Canadian cities for some time, and by the early 1920s, the idea had gathered enough support among the members of the politically influential Vancouver Board of Trade and with the City authorities.27 It is at this point that we reach the fifth legal development in our story. After a few years of lobbying, the provincial government granted to the City of Vancouver the powers to enact a zoning bylaw, which it did in interim form early in 1927 and more comprehensively at the end of 1928.28 The bylaw was part of a larger plan for the city and the region, written under contract for the Vancouver Town Planning Commission by Harland Bartholomew and his firm, Harland Bartholomew and Associates.29 While Bartholomew's plan was never adopted as a whole (in part as a result of the depression that followed the stock market crash of 1929), the introduction of his zoning bylaw had an enormous long-term impact on the city's social and physical development.

The bylaw partitioned the city into nine different types of district, each devoted to a specific type of land use. These included four types of residential district, three types of commercial and two industrial ones, plus one "general business" district.30 New construction within each of the districts was required to conform to the designated type of land use as a way of dealing with the "building difficulties," which as Bartholomew reported, "frequently tended to become a 'storm centre of conflicting opinion and

27 Weaver, "The Property Industry and Land Use Controls."
28 As Weaver reports, however, restrictive covenants persisted as a private form of land use control until they were overturned by the Canadian Supreme Court in 1951. "The Property Industry and Land Use Controls."
30 Ibid.
personal animosities' [and] beset the Council."³¹ In practice, sectioning the city into districts had the effect of sanctioning an exclusionary model of land use, where non-residential uses (except for parks, schools and churches) were for the most part to be kept separate from residential ones. In addition, the preamble to the bylaw stated that its adoption was also geared at controlling residential densities. Like the separation of residential and non-residential land uses, the regulation of density was achieved through the introduction of exclusions, in this case relating to type of dwelling, the minimum site area that a dwelling could occupy on a lot, and the intensity of lot occupancy. Only one type of dwelling was permitted in each of the residential districts, and the four types of dwelling were designated as follows: one-family dwelling, two-family dwelling, three-storey multiple dwelling, and six-storey multiple dwelling.

3.3.6. Restricted use of rooms inside a house

It is not surprising, then, that after the amalgamation of the city of Vancouver with its neighbouring municipalities of Point Grey and South Vancouver in 1929, more than 70 percent of the city's land mass was covered by low-density districts devoted exclusively to single-family dwellings. By 1931, however, the economic downturn was having a drastic impact on the city. Between August 1931 and April 1932, the Employment Service of Canada counted 25,643 jobless persons in Vancouver, at a time when the city's population was estimated at 250,000;³² from a high of $6,665,250 in building permits for new dwellings (or 1,964 permits) in 1929, City Hall processed only $3,868,760 in 1931, falling to a low of $440,000 (or just 199 permits) in 1933.³³ Without new dwellings to accommodate the city's growing population, access to housing became a source of compounded distress not only for low-income tenants and the rising numbers of homeless people but also for the expanding population of working- and middle-class homeowners who had been put out of work and were unable to find new employment.

³¹ Ibid., p. 211.
³³ Wade, Houses for All, p. 39.
As the demand for low-cost housing grew, the city's West End neighbourhood began to experience a mass conversion of one-family houses into lodging rooms or apartments -- a process that had already begun but at a much slower rate in the 1910s, as the area's well-to-do residents began to migrate to Shaughnessy Heights.\textsuperscript{34} In a study of the West End neighbourhood published in 1934, for example, the Town Planning Commission counted at least "83 licenced apartment houses converted from other buildings, and 550 lodging houses, of which only 155 had paid-up licences."\textsuperscript{35} House conversions also spread to the city's newly designated single-family districts, particularly in neighbourhoods such as Kitsilano, Fairview and Mount Pleasant (due to their proximity to the central area and its sources of relief and potential employment). As historian Jill Wade explains, the increased demand for rental rooms (which cost less than renting an entire house or an apartment) had turned into a precious source of revenue for hard-hit homeowners who worried over the prospect of foreclosure.\textsuperscript{36} But the 1928 zoning bylaw -- with its strict limits on the number of families that could occupy various types of residential lots -- had disallowed the existence of such living arrangements in the newly designated single-family neighbourhoods. Homeowners who had not adopted this practice -- those for example whose hold on their property title was not placed at risk by the economic ravages of the Depression -- were now able to use a law-and-order discourse to voice their discontent over what they saw as the unacceptable transformation of their neighbourhoods.

This troubled context helps situate the sixth legal milestone in our timeline. By 1938, no longer able to ignore the pressure from complying homeowners, City Hall tried to intervene on the matter of conversions by adopting a new bylaw that explicitly restricted the installation of gas appliances in rooming houses. The reasoning behind this policy was that lodging rooms without gas plates would be less attractive to potential tenants, whose financial situation typically required them to prepare their own meals at home (as this cost less than eating out), thus making conversions less attractive to

\textsuperscript{34} Ley, "Past elites and present gentry."
\textsuperscript{35} Wade, \textit{Houses for All}, p. 50.
\textsuperscript{36} \textit{Ibid.}, p. 48.
homeowners.\textsuperscript{37} The irony was that through their protest against housing conversions, the holders of real property had once again convinced City Council to introduce further limitations to local private property rights. In the process, the new bylaw introduced the distinction between legal and illegal lodging-house, a distinction that in the 1950s and 1960s would migrate to the secondary suite stock as growing numbers of homeowners built self-contained accessory apartments inside their single-family homes.

3.3.7. Conditional enforcement

The final legal development I want to mention here concerns the adoption of the City's current policy of enforcement of the zoning bylaws, building code standards, and licensing regulations pertaining to secondary suites. Since the 1950s, the City has followed two main different approaches to dealing with the existence of illegal secondary suites. The first one, lasting until the 1980s, consisted of a series of attempts to eliminate unauthorized suites altogether as a non-compliant land use. These efforts, however, continuously met with seemingly unexpected difficulties, including for example the challenging question of how to legally define what constituted a family for the purposes of satisfying the single-family requirement of the zoning bylaws.\textsuperscript{38} Moreover, as Patrick Condon explains,

\begin{quote}
The issue of illegal suites came up for debate in council on many occasions, but for every homeowner who complained, there was a renter or a rental-housing advocate who argued that these units were necessary to avert a housing crisis. Thus no action was taken; but the conversation was prolonged, seemingly indefinitely. The supply of these units gradually grew until there were tens of thousands.\textsuperscript{39}
\end{quote}

By the 1970s, closing down all existing unauthorized secondary suites would have resulted in thousands of tenant households immediately losing their home, at a time when the supply of new purpose-built rental housing was already falling drastically behind a

\textsuperscript{37} Ibid., p. 49.
growing demand. This situation prompted the City to slowly begin to shift its approach, seeking ways to assign some form of legal status to secondary suites rather than simply outlawing them. As part of this effort, City Council adopted in the 1980s a policy of only enforcing secondary-suite regulations in cases where complaints were registered by a negatively impacted neighbour or tenant. In many ways, this policy served to transfer much of the responsibility of law enforcement to residents, tacitly deputizing neighbours and tenants with the power to decide whether or not the way land is used by somebody else constitutes a suspected violation of local bylaws, and just as importantly, whether it deserves to be reported to City authorities. In bypassing the option of random inspections as a mechanism for enforcing secondary suite rules (an expensive option that had been frequently considered in the past), the decision provided an ambiguous sort of legitimacy to the unauthorized provision of housing through illegal secondary suites.

Despite this apparent contradiction, the conditional enforcement policy has been retained by every subsequent council and continues to be in effect today. If the large supply of unauthorized secondary suites in the city continues to make it "necessary" to preserve this policy, what is maintaining that supply? And conversely, what is behind the sustained demand for such apartments in spite of their legal status?

3.4. The state of Vancouver's housing markets

Vancouver and its region are known for having the most expensive housing markets of Canada's major cities, as well as for being among the priciest of the metropolitan world. The construction of subsidized and private purpose-built rental dwelling units in the city over the past four decades has been minimal relative to the demand for non-owner-occupied housing. In this context, secondary suites have come to be regarded by local officials and the majority of residents as a socially acceptable means of generating a much needed supply of rental accommodation, but also as a smart way to reduce the costs of owning a home -- either by renting out suites in order to generate revenue that offsets

41 See for example the Canada Housing and Mortgage Corporation's yearly Canadian Housing Observer reports (http://www.cmhc-schl.gc.ca/en/hoficlincl/homain/index.cfm) and the yearly Demographia International Housing Affordability Survey reports (http://www.fcpp.org/publication.php/3153).
mortgage and other housing costs, or by housing extended-family members in suites rather than in homes located on a separate lot.

A thriving metropolis with an impressive population growth rate of 14.5 percent between 1999 and 2009, Metro Vancouver saw an estimated net gain of 344,685 residents from outside Canada during that period (this includes a net increase of more than 58,000 in the number of non-permanent residents, and is tempered in part by an estimated net loss of more than 42,000 residents through domestic migration), reaching an estimated 2,318,500 inhabitants in 2009. Such a rapid pace of growth has in turn given rise to a substantial demand for housing. With experts forecasting an increase of 584,000 residents by 2021, the metropolitan urban authority has estimated that an average of 19,000 new housing units per year will be required to meet the growth in demand.

The city of Vancouver, which has the largest population of all municipalities in the metropolitan region, finds itself in a similar situation. Its population grew from 514,000 residents in 1996 to 578,000 in 2006 -- a 12.5 percent rate of growth. Immigration was responsible for much of this growth, with the net number of residents born outside Canada rising by 32,520 during this period and reaching 260,760. The total number of households in the city rose from 218,540 in 1996 to 253,215 in 2006 (an increase of 15.9 percent), and is expected to continue to grow at a fast pace. It is estimated that the resulting increase in demand for housing will average 2,450 units per year until 2021, and 35 percent (or 860 per year, assuming current tenure breakdown remains stable) of this total is expected to correspond specifically to the rental market.


44 Population and household figures for the city of Vancouver extracted by the author from the 1996 and 2006 Census Cumulative Profiles for the Vancouver CSD.
But what can we say about the present demand? In 2006, the proportion of households that rented their home was 51.9 percent, a considerably higher rate of tenant households than the 34.9 percent in the metropolitan area as a whole. According to a survey conducted by the Canada Mortgage and Housing Corporation (CMHC) in October of 2005, private rental market vacancy rates for a two-bedroom flat in an apartment building sat at 1.9 percent in metropolitan Vancouver and 0.9 percent in the city proper (availability has remained extremely low over the past four decades, particularly in the city), with corresponding average yearly rents of approximately $12,048 and $14,304 (Table 3.3). In terms of ability to pay such rents, before-tax average household incomes in 2005 were $73,258 per annum in the metropolitan area and $68,271 in the city of Vancouver, but the median equivalents were much lower at $55,231 and $47,299 respectively. This means that the average two-bedroom apartment flat would have cost at least 22 percent of household pretax income for one half of all households in the metropolitan area, and at least 30 percent for half the households in the city of Vancouver.

In the ownership market, the October 2005 average house price for a standard detached bungalow in the east side of the city of Vancouver was $450,000, and $775,000 in the city's west side -- equivalent to 6.6 times and 11.4 times the average pre-tax household income, respectively. (Economists believe that a "healthy" ratio is closer to three times average pre-tax income.) More recently, the Royal Bank of Canada estimates that at the end of March 2010, the cost of owning a standard two-storey home in the Vancouver metropolitan area market (including mortgage payments, utilities and property

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46 Figures extracted by the author from the Census 2006 Individuals Public Use Microdata File (PUMF).
49 Note, however, that these figures do not differentiate between tenant and owner-occupying households.
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<td>1995</td>
<td>826</td>
<td>1.3</td>
</tr>
<tr>
<td>1996</td>
<td>845</td>
<td>1.3</td>
</tr>
<tr>
<td>1997</td>
<td>852</td>
<td>1.6</td>
</tr>
<tr>
<td>1998</td>
<td>870</td>
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</tr>
<tr>
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<td>864</td>
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</tr>
<tr>
<td>2000</td>
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</tr>
<tr>
<td>2001</td>
<td>919</td>
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</tr>
<tr>
<td>2002</td>
<td>954</td>
<td>1.2</td>
</tr>
<tr>
<td>2003</td>
<td>965</td>
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</tr>
<tr>
<td>2004</td>
<td>984</td>
<td>1.6</td>
</tr>
<tr>
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<td>1004</td>
<td>1.9</td>
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<td>2006</td>
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<tr>
<td>2007</td>
<td>1084</td>
<td>1.0</td>
</tr>
<tr>
<td>2008</td>
<td>1124</td>
<td>0.7</td>
</tr>
<tr>
<td>2009</td>
<td>1169</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Notes:
1. Rental rates reported prior to 1991 are structures with six units and over.
2. All rental rates reported for 1991 to present are for structures containing three units and over.

Table 3.3: Private apartment average rents and vacancy rates, two-bedroom flat. Source: Canada Mortgage and Housing Corporation, reported by Metro Vancouver.

taxes) was equivalent to 80.9 percent of "a typical household's pre-tax income." Two major trends have largely shaped this extraordinary trajectory of local residential prices. The first was initially noted at the close of the twentieth century, when housing prices in Vancouver became dislocated from the local economy as a result of pressures imposed by the heightened globalization of people and financial capital.\footnote{David Ley and Peter Murphy, "Immigration and housing." \textit{Progress in Planning} 55: 141-152 (2001).} Aggravating this first trend
was the dip in interest rates between 2000 and 2005, as lower mortgage payments contributed to push local house prices upward by sustaining greater purchasing power (Figure 3.3).

But such housing-market trends have not impacted everyone in the same way, particularly when looking at differences by housing tenure. Data from the Survey of Financial Security for 1984 and 1999 provides early evidence of severe income disparities between households in rented and owner-occupied housing, uncovering also a drastic gap in terms of these households' financial net worth. Median household income in metropolitan Vancouver dropped for both renters and owners during that 15-year period, but it was renters who suffered the more drastic erosion in the amount of money they take home -- registering a 10 percent drop in income to $21,897 (in 1999 dollars), compared to a five percent drop to $47,310 in the case of owners. During that same period, however, the median net worth of owner households grew by 27 percent to $243,500, while that of renter households fell by 10 percent to $5,000.

More recent figures suggest that metropolitan Vancouver households in owner-occupied dwellings are considerably less likely than their renter counterparts to experience housing affordability problems. Based on the 2006 Census for the Vancouver metropolitan area, the CMHC estimates that approximately 52,500 renter households (or 20.6 percent of all households in the region) were spending 30 percent or more of their income on housing (the official standard for "unaffordability"), while the corresponding number of owner households was approximately 36,800 (or 7.3 percent of all households). These figures jump to 79,400 renter households (31.2 of all households) and 49,800 owner households (or 9.9 percent of all) when standards of adequacy (i.e., state of repair) and suitability (i.e., crowding) are also taken into account. In all, these numbers

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52 The following figures are presented in table form in Table 5.2 of Chapter 5.

98
suggest that the erosion of housing affordability has had an even more drastic impact on tenant households than on those that are able to own their home.

As I mentioned earlier, the affordability difficulties experienced by so many of Vancouver's tenants are accentuated by the insufficient supply of dwelling units in the social housing sector and the private rental market. Of the 96,734 housing units built in the metropolitan area between 2001 and 2006 (a period of time in which the total number of households increased by 53,440), only 6,808 were purpose-built rental.\textsuperscript{55} The problems that result from an inadequate supply of new affordable rental housing have been compounded by a growing incidence of rental unit conversions into condominiums for the ownership market. Most of the purpose-built rental units in the city are now at least four decades old, placing considerable development pressure on the stock.\textsuperscript{56} With property prices growing on average at 10 percent per annum or more, the booming real

\begin{itemize}
\item \textsuperscript{55} Metro Vancouver, \textit{Housing Data Book, Revised July 2010}. Accessed at: http://www.metrovancouver.org/planning/development/housingdiversity/HousingDataBookDocuments/Metro_Vancouver_Housing_Data_Book_2010.pdf
\end{itemize}
estate market has prompted many rental building owners to reconsider their investment strategy. Between 2001 and 2007, hundreds of much needed units were removed from the rental housing stock through the demolition and redevelopment into condominiums of single-room-occupancy (SRO) hotels and other rental buildings that used to supply some of the most affordable housing. In order to slow down this process of conversion, City Council introduced regulations in 2007 requiring the construction of new rental units as a condition for authorizing the demolition of existing rental buildings.\footnote{Ibid.} However, owners of rental buildings in good state of repair and in desirable areas of the city have been able to strata title their property without resorting to demolition, selling the units individually. Even though an estimated 17,000 condominium apartments (equivalent to 27 percent of the city's estimated total apartment condominium stock in 2008) are rented, the net effect of conversions in the context of minimal construction of purpose-built rental units has been a decline in the city's rental housing stock.\footnote{Cityspaces Consulting, Vancouver Condominium Rental Study, Prepared for City of Vancouver, Vancouver (2009).}\footnote{Figures extracted by the author from Census 2001 and 2006 Cumulative Profiles for the Vancouver CSD.} According to Census figures, the number of tenant-occupied dwelling units fell to 131,500 in 2006 from a peak of 132,755 in 2001 (Figure 3.4).\footnote{See for example Urban Development Institute, A New Agenda for Canada's Urban Environment. Submission to the Prime Minister the Right Honourable Stephen Harper. Vancouver (2007), and Housing Supply Working Group, Affordable Rental Housing Supply: The Dynamics of the Market and Recommendations for Encouraging New Supply. Toronto (2001). These documents were accessed at: http://www.udi.bc.ca/Publications/UDI/UDI_New.Urban.Agenda.feb.07.pdf and http://www.mah.gov.on.ca/AssetFactory.aspx?did=1052.}

Builders and developers have argued that federal taxation rules and, to a lesser extent, development levies, density restrictions and other municipal requirements make the construction of new rental housing a bad investment option compared to the building of units for the ownership market.\footnote{Ibid.} They maintain that the City of Vancouver could help reduce the cost of developing rental housing through a series of regulatory reforms, such as: providing density bonuses to developers, so as to reduce average land cost; eliminating development cost levies for rental buildings, to reduce project development costs; reducing parking requirements in rental buildings, to reduce construction costs;
Figure 3.4: Tenure distribution of occupied dwellings, city of Vancouver. Source: Census Cumulative Profiles for the Vancouver Census Subdivision, 1971 - 2006.

exempting rental buildings from paying local property taxes, to reduce ongoing operating costs of completed projects; and allowing rental housing in industrial areas, to reduce land acquisition costs (as long as rental is the only residential use permitted). The emphasis, however, is squarely placed -- controversially -- on opposing federal taxation rules on rental housing development. One recent report frames this complex taxation question as follows:

The principal reforms affected the tax deductibility of depreciation on rental properties. Prior to [these 1970s and subsequent reforms], all investors in rental housing were permitted to treat depreciation on a building -- often referred to as a capital cost allowance (CCA) -- as an expense that could be deducted from their taxable income. And, when the sale of a property triggered the recapture of this depreciation, investors could avoid the tax penalty if they applied the proceeds of the sale toward the purchase of another property of equal or greater value .... Other changes followed, including new restrictions on the use of "soft costs"

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[costs not related to the acquisition of land, building or equipment] as a deductible expense ... and the introduction of capital gain taxes on rental properties. ... [The] combined effect [of these reforms] was not limited to quelling speculative buying and selling of existing rental properties -- it also dampened construction of new properties for decades to come.62

But the industry's call to reverse the 1972 and subsequent tax code reforms is not uncontroversial: James Lorimer's examination of the deleterious effect of the CCA credit on the rental housing stock during the 1960s and 1970s provides an arresting reminder of the challenges inherent to this fiscal approach to improving the availability of affordable rental housing.63 Writing in the late 1970s, Lorimer described how corporate owners of rental buildings enjoyed the now-scrapped tax concession. This was an amount prescribed by the federal revenue agency that could be deducted by developers and real estate corporations to compensate for a rental building's depreciation expense. Corporations declared a generous federally prescribed amount of CCA expense for taxation purposes, but they recorded on their financial statements a "fair and accurate" depreciation amount that agreed with generally accepted accounting principles and which, crucially, was many orders smaller than the CCA amount (Lorimer cites the example of DAON, a developer that in 1977 reported $635,000 for depreciation on its financial statements, yet was allowed to deduct from its revenues a CCA amount of $21.5 million). This practice allowed corporate owners of rental buildings to offset virtually all of their annual profits, year after year. The declared CCA amount was then reported in their financial statements as a "provision for income taxes" liability accruing each year as an accumulating "deferred tax" amount, to be paid to the tax authority at the time the buildings were sold off. "To avoid this unhappy eventually," Lorimer explains, these companies would rarely sell their buildings but would "sell their company instead. And when the property [did] exchange hands, there [was] a last ditch-way to avoid paying back taxes: demolish the building, and sell only the land," for unlike a building, land is not depreciated. Companies were then able to keep the fruits of Ottawa's largesse, while

the rental housing stock (and the tenant population) suffered the loss of many buildings "before their useful life [was] up."64 It is not difficult to see why developers still clamour for the return of the CCA concession, but the prospects for its return are slim. This is not only due to the unfairness of this fiscal policy or to its ultimately negative effect on the rental housing stock; as economist Don Drummond has argued, "those tax measures are not specifically targeted at the affordable end, they're targeted to the entire rental supply. So in terms of the number of units they would generate at the affordable end, they [would] involve a fairly large public expense to generate a small number of units."65

What is clear is that today, the profits in residential development in the city of Vancouver (and its metropolitan region, more generally) sit squarely in the for-private-ownership market. One recent study estimated that in the city, "the cost of creating new rental housing needs to be reduced by about 15% to 25% to make it financially attractive."66 City officials report that "developers can obtain a 40% rate of return on an investment in condominiums, [which command an exceptional rate of return relative to other types of ownership-market housing,] but only a 2% return for purpose-built rental housing."67 In the suburban municipalities, the situation is similar: a 2006 study commissioned by Metro Vancouver found that a new rental housing development in Langley Township would result in an annual rate of return on equity of 1.69 percent, while a comparable condominium apartment development on the same site would command an astonishing 57 percent rate of return.68

It is not surprising, then, that developers in the region have been eager to attract tenant households into the ownership market through condominium construction. Their efforts in fact have had a substantial impact on the tenure composition of the metropolitan area. Further helped by historically low interest rates since the turn of this century and rapid innovation in the increasingly deregulated mortgage market (which has enabled

64 Lorimer, The Developers, p. 67.
66 Cariolis Consulting, Purpose-Built Rental Housing: Economics of New Supply, p. 34.
Canadian financial institutions to extend mortgage loans to households with credit profiles that would have previously disqualified them from such borrowing), the rate of homeownership in metropolitan Vancouver rose from 59.46 percent in 1996 to 64.35 percent in 2006. Slightly more than 53 percent of this change can be attributed to growth in the condominium market.\textsuperscript{69} As I mentioned earlier, the typical condominium in the metropolitan Vancouver region sold at less than half the average price of two-storey detached houses in March 2010 (an average price of $377,400 for condominiums compared to $762,900 for the average two-storey detached house).\textsuperscript{70} Their lower price relative to detached houses also makes condominiums attractive to investors who may place them in the rental market. Nevertheless, condominiums have not proved to be a viable solution to the city's housing affordability problems. Aspiring owner-occupier families generally do not consider condominium apartments as suitable places to raise children, while tenants find that most condominiums available for rent are located in the downtown core, which caters to the high end of the market.\textsuperscript{71}

\textit{3.4.1. Affordability, geography, and secondary suites}

Because dwelling prices and rents are differentially distributed across the space of the city, households may find a potential solution to the problem of affordability by seeking housing in specific locations where their capacity to pay most closely matches the typical level of housing costs for the area. In the city of Vancouver, dwellings in the east side generally attract lower average gross rents and have lower average market values than those of the west side. As it turns out, the east side is also the site of the largest concentration of secondary suites in the city (Table 3.4). According to the 2009 City of Vancouver study I discuss at the beginning of this chapter, more than 19,000 detached houses with one secondary suite in single-family-zoned districts (almost 81 percent of the city total) were located there.\textsuperscript{72} Similarly, no less than 46 percent of detached houses in the east side had a suite, whereas only 18 percent did so in the west side. The City's study

\textsuperscript{69} Figures extracted by the author from the Census 2006 Individuals file (PUMF).
\textsuperscript{71} Cityspaces Consulting, \textit{Vancouver Condominium Rental Study}.
\textsuperscript{72} City of Vancouver, \textit{The Role of Secondary Suites}.  

<table>
<thead>
<tr>
<th>District</th>
<th>Section</th>
<th>Median assessed market value ($)</th>
<th>Number of detached properties with one suite</th>
<th>Total number of detached properties</th>
<th>Percentage of detached properties with one suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renfrew – Collingwood</td>
<td>East</td>
<td>620,000</td>
<td>3,690</td>
<td>8,386</td>
<td>44%</td>
</tr>
<tr>
<td>Kensington – Cedar Cottage</td>
<td>East</td>
<td>620,000</td>
<td>3,680</td>
<td>6,456</td>
<td>57%</td>
</tr>
<tr>
<td>Sunset</td>
<td>East</td>
<td>640,000</td>
<td>3,480</td>
<td>6,105</td>
<td>57%</td>
</tr>
<tr>
<td>Hastings - Sunrise</td>
<td>East</td>
<td>610,000</td>
<td>2,840</td>
<td>7,474</td>
<td>38%</td>
</tr>
<tr>
<td>Victoria – Fraserview</td>
<td>East</td>
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<td>2,250</td>
<td>5,488</td>
<td>41%</td>
</tr>
<tr>
<td>Riley Park</td>
<td>East</td>
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<td>1,930</td>
<td>4,386</td>
<td>44%</td>
</tr>
<tr>
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<td>3,333</td>
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</tr>
<tr>
<td>Grandview – Woodlands</td>
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</tr>
<tr>
<td><strong>Total, East</strong></td>
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<td></td>
<td></td>
<td>19,410</td>
<td><strong>46%</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(80.9%)</td>
<td>(62.5%)</td>
</tr>
<tr>
<td>Dunbar – Southlands</td>
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<td>1,300,000</td>
<td>1,130</td>
<td>5,947</td>
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</tr>
<tr>
<td>Kitsilano</td>
<td>West</td>
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<td>800</td>
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</tr>
<tr>
<td>West Point Grey</td>
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</tr>
<tr>
<td>Marpole</td>
<td>West</td>
<td>900,000</td>
<td>620</td>
<td>2,952</td>
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</tr>
<tr>
<td>South Cambie</td>
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<td>400</td>
<td>1,333</td>
<td>30%</td>
</tr>
<tr>
<td>Arbutus Ridge</td>
<td>West</td>
<td>1,380,000</td>
<td>380</td>
<td>2,923</td>
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</tr>
<tr>
<td>Kerrisdale</td>
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</tr>
<tr>
<td>Oakridge</td>
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<td>140</td>
<td>2,333</td>
<td>6%</td>
</tr>
<tr>
<td>Shaughnessy</td>
<td>West</td>
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<td>140</td>
<td>1,750</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total, West</strong></td>
<td></td>
<td></td>
<td></td>
<td>4,590</td>
<td><strong>18%</strong></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>(19.1%)</td>
<td>(37.5%)</td>
</tr>
<tr>
<td><strong>Total, East and West</strong></td>
<td></td>
<td></td>
<td></td>
<td>24,000</td>
<td><strong>35%</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(19.1%)</td>
<td>(37.5%)</td>
</tr>
</tbody>
</table>

*Table 3.4: Number of RS-Zoned properties with one suite, BCA 2009. Adapted from: City of Vancouver. The role of secondary suites. Rental housing strategy, Study 4 (2009).*

...also finds that secondary suites "tend to be in less expensive properties. Overall, the median value of a property with a suite was 18% lower than one without a suite."73

But here too there are stark differences between the east and west sides of the city.

Whereas in the west side the proportion of detached houses with a secondary suite peaks at 30 percent and with properties assessed at the $700,000 to $799,999 range, in the east side the proportion rises from 39 percent of the lowest assessed properties to peak at 57 percent of properties assessed at the $800,000 to $899,999 range, "then declines rapidly as the value increases" (Table 3.5).74 The study also found that 60 percent of all detached...

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<table>
<thead>
<tr>
<th>Assessed value</th>
<th>East side</th>
<th>West side</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $600,000</td>
<td>39%</td>
<td>n/a</td>
</tr>
<tr>
<td>$600,000 - $699,999</td>
<td>47%</td>
<td>27%</td>
</tr>
<tr>
<td>$700,000 - $799,999</td>
<td>53%</td>
<td>30%</td>
</tr>
<tr>
<td>$800,000 - $899,999</td>
<td>57%</td>
<td>28%</td>
</tr>
<tr>
<td>$900,000 - $999,999</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>$1.0 - $1.24 million</td>
<td>36%</td>
<td>23%</td>
</tr>
<tr>
<td>$1.25 - $1.49 million</td>
<td>23%</td>
<td>15%</td>
</tr>
<tr>
<td>$1.5 - $1.74 million</td>
<td>n/a</td>
<td>12%</td>
</tr>
<tr>
<td>$1.75 million and over</td>
<td>n/a</td>
<td>80%</td>
</tr>
</tbody>
</table>

Table 3.5: City of Vancouver: Proportion of RS-zoned properties with one suite, by assessed value, BCA 2009. Adapted from: City of Vancouver The role of secondary suites. Rental housing strategy, Study 4, (2009).

houses built since the year 2000 in the city have one secondary suite. Statistics Canada does not have a specific Census category for recording secondary suites as a distinct structural type of dwelling unit. However, significant improvements were made in 2006 with respect to the way secondary suites are enumerated, thanks to the introduction of a new category: the "apartment or flat in a detached duplex." The City of Vancouver's study utilized this category to complement its BCA-based analysis, in particular to derive an approximate portrait of accessory-apartment tenants. Planners obtained custom tabulations for renter-occupied "apartments or flats in a detached duplex" that have two rooms or less (they reasoned that the main unit in a detached house with secondary suite was likely to have three bedrooms or more), for all Enumeration Blocks that are zoned as single-family areas in the city. But the City's study does have at least two important limitations. First, approximately 28 percent of the city's total stock of detached houses is located in blocks that are zoned for mixed use, so these units were left out of the analysis.\(^7^5\) Secondly, detached houses with more than one suite are enumerated in the

\(^7^5\) *Ibid.*, 19.
Census as "apartment in building of less than five storeys," but the study did not take into account the incidence of this type of units in blocks zoned exclusively for single detached dwellings. Such limitations aside, the study's findings indicate that east side tenants of secondary suites are generally "more family-oriented and more stable than both those on the west-side and city renters as a whole," but with "fewer seniors and more households in the 35-54 age group." In addition, the study confirms the anecdotal observation that secondary suites on the east side of the city are "generally less expensive to rent than the city's rental stock as a whole, while those on the west-side are more expensive."

This brings us to the question of affordability. In Canada, affordability is usually measured using the so-called STIR, or Shelter To Income Ratio. Households that spend more than 30 percent of their before-tax employment income on housing -- owner payments or gross rents -- are considered to be experiencing a lack of housing affordability. The justification for this somewhat arbitrary measure is that households spending a larger proportion of income on housing would have little money left after shelter expenses to afford other expenses associated with the Canadian standard of living. Assuming the appropriateness of this measure, one might wish to ask: do the characteristics of the secondary suite stock and the average secondary suite tenant and homeowner translate into a direct relationship between housing affordability and the incidence of secondary suites?

There are reasons to believe things are not necessarily so. An owner-occupied dwelling with a low re-sale value is not automatically the same as a dwelling owned by a household above the affordability threshold. Similarly, secondary suites where rents are lower than average rents for the city are not necessarily occupied by tenants experiencing difficulties with housing affordability. The City's secondary suite study provides a first impression of what may be the motivation for homeowners and tenants to turn to the secondary suite market, but a more analytical investigation remains to be conducted.

Census 2006 microdata at the Enumeration Block scale are not available to the public, and the costs of purchasing access are prohibitive in the context of a dissertation.

Publicly available Cumulative Profile aggregate data at the Dissemination Area (DA)

76 Ibid., 4.
level can nevertheless be explored for my purposes, as variables for the number of secondary suites (classified together with the principal dwelling unit as "apartment in detached duplex" as I explained above) and the numbers of tenant and homeowner households above the affordability threshold (STIR above 30 percent) are included on the data set. The data do not provide information on individual households, but they allow us to conduct an analysis at a sufficiently fine geographical scale. Because I am using a larger scale of analysis than the Enumeration Block, I have not been able to replicate the exclusion of areas of the city that are not zoned exclusively for single detached dwellings as it was done in the City's study. Nevertheless, the total number of occupied houses with one suite in the city of Vancouver as a whole was the same as the City's Census-based figure for single detached-zoned areas only, at 21,380 (compare to the 25,000 that were counted in the BCA roll data).\footnote{Census data do not distinguish between the total number of secondary suites and the number of unauthorized ones, but given that the overwhelming majority of suites are considered illegal I will assume that a high incidence of suites in general is equivalent to a high incidence of unauthorized ones. Figure 3.5 provides a map of the distribution of secondary suite incidence in the city as measured by the 2006 Census.}

Recall that the typical explanation for the high incidence of unauthorized secondary suites in the city of Vancouver as discussed in the introduction to this chapter associates this phenomenon with a market supply and demand driven above all by affordability considerations on the part of both homeowners or tenants. If this assumption is true, we should expect high incidences of households renting secondary suites per Dissemination Area (DA) to be strongly related to high DA incidences of homeowner and tenant households with a STIR of more than 30 percent, and low incidences of the former to be strongly related to low incidences of the latter. By contrast, we should expect the incidence of suites to be more weakly or not at all associated with other characteristics of

\footnote{I arrived at this figure by dividing by two the total number of cases for the "apartment in detached duplex" variable for the city. The logic behind this calculation is that each "duplex" under this category has two apartments: one is the principal dwelling unit and the other is the secondary suite. It should be noted that the City study compared BCA to Census results and found that in the latter data set, approximately 3,500 "apartments in detached duplex" were unoccupied or occupied by non-permanent residents. See City of Vancouver, \textit{The Role of Secondary Suites}, p. 16.}
Figure 3.5: Incidence of secondary suites as percentage of the total number of dwelling units, City of Vancouver, per Census Dissemination Area (Source: Statistics Canada, Census 2006 Cumulative Profile)
the housing stock and the neighbourhood, in this case average dwelling values for owner-occupied dwellings, average gross rents, proportion of dwelling units that were built after 1960, and proportion of households that did not move to a new address between 2001 and 2006.

As a first step, I mapped the distribution of the independent variables and overlaid them with a dot-density representation of the incidence of secondary suites by DA. Each of the variables was broken into four categories: a) DAs where the variable's incidence falls within the first quartile (with the calculation of quartiles excluding DAs where the variables assume a value of zero); b) DAs where it falls within the interquartile; c) DAs where it falls within the fourth quartile; and d) DAs where the variable assumes a value of zero. Visual inspection of these maps does not suggest any clear spatial pattern of secondary suite density distribution relative to the distribution of affordability deficits for homeowners and tenants at the DA scale (Figure 3.6). The same can be said relative to the distribution of the distribution of average gross rents (Figure 3.7), dwellings units built after 1960 (Figure 3.8), and the distribution of households that did not move between 2001 and 2006 (i.e., the five years between Census enumerations) (Figure 3.8). By contrast, there seems to be a spatial pattern of secondary suite incidence relative to average dwelling values, although it is restricted to the city's East Side: here, DAs with average dwelling values in the interquartile appear to consistently have a high incidence of secondary suites (Figure 3.7). A more formal test, however, is required to verify the accuracy of these visual assessments.

One relevant test here is Cramer's V statistic, a measure of association for large N data sets based on Pearson's chi square. The association between a pair of variables is generally considered strong when V is above 0.500, and low when it is below 0.200. Contingency tables corresponding to the maps created in the first step are presented in Table 3.6, along with their respective chi square and Cramer's V scores (Table 3.6). These tests show first of all that, surprisingly, there is no statistically significant difference in the East-West distribution of DAs by incidence of secondary suites (p < 0.01). Secondly,

78 I have left out of this analysis any Dissemination Area where the number of ground-oriented dwelling structures -– the type of dwelling structure that could have a secondary suite -– is zero (90 DAs) and those where at least one of the variables under study showed suppressed values (41 DAs).
Figure 3.6: Homeowner and tenant households above the affordability threshold, as a percentage of all households, and secondary suite density, City of Vancouver; Census Dissemination Area (Source: Statistics Canada, Census 2006 Cumulative Profile)
Figure 3.7: Average dwelling values of owner-occupied dwelling units, average gross rents, and secondary suite density, City of Vancouver, Census Dissemination Area (Source: Statistics Canada, Census 2006 Cumulative Profile)
Figure 3.8: Infrequent mover households (percentage), dwellings units built after 1960 (percentage), and secondary suite density, City of Vancouver, Census Dissemination Area (Source: Statistics Canada, Census 2006 Cumulative Profile)
<table>
<thead>
<tr>
<th>No suites (121 DAs)</th>
<th>1st quartile* (183 DAs)</th>
<th>Interquartile* (363 DAs)</th>
<th>4th quartile* (182 DAs)</th>
<th>Total (849 DAs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographical distribution (column percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East side</td>
<td>69 (57%)</td>
<td>76 (41.5%)</td>
<td>186 (51.2%)</td>
<td>90 (49.5%)</td>
</tr>
<tr>
<td>West side</td>
<td>52 (43%)</td>
<td>107 (58.5%)</td>
<td>177 (48.8%)</td>
<td>92 (50.5%)</td>
</tr>
<tr>
<td>Pearson chi2(3) =  7.8277  ( P = 0.05 )  Cramér’s V = 0.0960</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner households above the affordability threshold (column percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>18 (14.9%)</td>
<td>11 (6%)</td>
<td>13 (3.6%)</td>
<td>3 (1.6%)</td>
</tr>
<tr>
<td>1st quartile*</td>
<td>20 (16.5%)</td>
<td>48 (26.2%)</td>
<td>114 (31.4%)</td>
<td>43 (23.6%)</td>
</tr>
<tr>
<td>Interquartile*</td>
<td>50 (41.3%)</td>
<td>83 (45.4%)</td>
<td>169 (46.6%)</td>
<td>77 (42.3%)</td>
</tr>
<tr>
<td>4th quartile*</td>
<td>33 (27.3%)</td>
<td>41 (22.4%)</td>
<td>67 (18.5%)</td>
<td>59 (32.4%)</td>
</tr>
<tr>
<td>Pearson chi2(9) =  47.8424  ( P &lt; 0.001 )  Cramér’s V = 0.1371</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenant households above the affordability threshold (column percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>3 (2.5%)</td>
<td>20 (10.9%)</td>
<td>28 (7.7%)</td>
<td>14 (7.7%)</td>
</tr>
<tr>
<td>1st quartile*</td>
<td>31 (25.6%)</td>
<td>30 (16.4%)</td>
<td>82 (22.6%)</td>
<td>64 (35.2%)</td>
</tr>
<tr>
<td>Interquartile*</td>
<td>57 (47.1%)</td>
<td>96 (52.5%)</td>
<td>160 (44.1%)</td>
<td>69 (37.9%)</td>
</tr>
<tr>
<td>4th quartile*</td>
<td>30 (24.8%)</td>
<td>37 (20.2%)</td>
<td>93 (25.6%)</td>
<td>35 (19.2%)</td>
</tr>
<tr>
<td>Pearson chi2(9) =  28.3001  ( P &lt; 0.001 )  Cramér’s V = 0.1054</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average dwelling value, owner-occupier households (column percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not reported</td>
<td>7 (5.8%)</td>
<td>5 (2.7%)</td>
<td>0 (0.0%)</td>
<td>0 (0.0%)</td>
</tr>
<tr>
<td>1st quartile*</td>
<td>74 (61.2%)</td>
<td>79 (43.2%)</td>
<td>44 (12.1%)</td>
<td>13 (7.1%)</td>
</tr>
<tr>
<td>Interquartile*</td>
<td>24 (19.8%)</td>
<td>36 (19.7%)</td>
<td>200 (55.1%)</td>
<td>158 (86.8%)</td>
</tr>
<tr>
<td>4th quartile*</td>
<td>16 (13.2%)</td>
<td>63 (34.4%)</td>
<td>119 (32.8%)</td>
<td>11 (6%)</td>
</tr>
<tr>
<td>Pearson chi2(9) =  319.8034  ( P &lt; 0.001 )  Cramér’s V = 0.3543</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average gross rent (column percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No rental housing</td>
<td>5 (4.1%)</td>
<td>20 (10.9%)</td>
<td>19 (5.2%)</td>
<td>1 (0.5%)</td>
</tr>
<tr>
<td>1st quartile*</td>
<td>21 (17.4%)</td>
<td>57 (31.1%)</td>
<td>82 (22.6%)</td>
<td>67 (36.8%)</td>
</tr>
<tr>
<td>Interquartile*</td>
<td>55 (45.5%)</td>
<td>62 (33.9%)</td>
<td>148 (40.8%)</td>
<td>100 (54.9%)</td>
</tr>
<tr>
<td>4th quartile*</td>
<td>40 (33.1%)</td>
<td>44 (24%)</td>
<td>114 (31.4%)</td>
<td>14 (7.7%)</td>
</tr>
<tr>
<td>Pearson chi2(9) =  74.7440  ( P &lt; 0.001 )  Cramér’s V = 0.1713</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households that did not move between 2001 and 2006:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st quartile</td>
<td>71 (58.7%)</td>
<td>79 (43.2%)</td>
<td>51 (14.1%)</td>
<td>12 (6.6%)</td>
</tr>
<tr>
<td>Interquartile</td>
<td>40 (33.1%)</td>
<td>74 (40.4%)</td>
<td>206 (56.8%)</td>
<td>104 (57.1%)</td>
</tr>
<tr>
<td>4th quartile</td>
<td>10 (8.3%)</td>
<td>30 (16.4%)</td>
<td>106 (29.2%)</td>
<td>66 (36.3%)</td>
</tr>
<tr>
<td>Pearson chi2(6) = 166.9948  ( P &lt; 0.001 )  Cramér’s V = 0.3136</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwelling units built since 1961 (column percent):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>0 (0%)</td>
<td>0 (0%)</td>
<td>1 (0.3%)</td>
<td>0 (0%)</td>
</tr>
<tr>
<td>1st quartile*</td>
<td>7 (5.8%)</td>
<td>36 (19.7%)</td>
<td>134 (36.9%)</td>
<td>36 (19.8%)</td>
</tr>
<tr>
<td>Interquartile*</td>
<td>39 (32.2%)</td>
<td>81 (44.3%)</td>
<td>188 (51.8%)</td>
<td>116 (63.7%)</td>
</tr>
<tr>
<td>4th quartile*</td>
<td>75 (62%)</td>
<td>66 (36.1%)</td>
<td>40 (11%)</td>
<td>30 (16.5%)</td>
</tr>
<tr>
<td>Pearson chi2(9) = 169.1563  ( P &lt; 0.001 )  Cramér’s V = 0.2577</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* starred quartiles do not include DAs with a value of 0 or suppressed values</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3.6: Incidence of secondary suites per Dissemination Area (cross-tabulations), City of Vancouver (2006). Source: Census 2006 Cumulative Profile by Dissemination Area.
we learn that the association in all the other variable pairings is statistically significant (p < 0.01), but the substantive relationship as measured by the Cramer's V statistic is weak to moderate. In particular, housing affordability measured as the incidence of households with STIR above 30 percent displays a statistically significant but weak association with incidence of secondary suites for both tenants and homeowners alike. Average gross rents also have a significant but substantively weak association to secondary suite incidence. A moderate statistically significant association is present in the pairings with average dwelling values of owner-occupier households, proportion of households that did not move between 2001 and 2006, and proportion of dwelling units built since 1961.

These descriptive bi-variate tests cast an initial shadow of doubt over the popular assumption that affordability considerations for either tenants or homeowners are the key factors explaining the proliferation of secondary suites in the city of Vancouver, thus inviting a more rigorous analysis capable of clarifying the nature of the relationship between secondary suite incidence and both homeowner affordability per DA and tenant affordability per DA while controlling for the other housing stock- and neighbourhood-characteristics variables. To this end, I plotted the variable pairings to visually inspect the linearity of the bi-variate associations noted above. The scattergrams (not shown) suggested that none of these relationships were linear, and this observation was confirmed by also plotting the residuals of an ordinary least squares regression line (not shown).

To corroborate these visual findings, I produced a Bonferroni-adjusted Spearman's rho correlation matrix for the variables transformed into ranks. The advantage of the Spearman's rho correlation is that the statistic does not rely on any assumption about the shape of the distributions of the variables. It can be used to ascertain whether the association between variables is monotonic, meaning that increases in the value of the secondary suites variable are consistently associated with increases (or decreases) in each of the independent variables. By applying a Bonferroni multiple-comparisons procedure, the probability estimates for each correlation are adjusted to take into account the correlations between all the other variables in the matrix. This matrix is presented in Table 3.7.
<table>
<thead>
<tr>
<th>% secondary suites (rank)</th>
<th>% East/West location (rank)</th>
<th>% tenant hhlds. with STIR &gt; 30% (rank)</th>
<th>% owner hhlds. with STIR &gt; 30% (rank)</th>
<th>Avg. dwelling value (rank)</th>
<th>Avg. gross rent (rank)</th>
<th>% non-mover hhlds. (rank)</th>
<th>% built after 1960 (rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% secondary suites (rank)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% East/West location (rank)</td>
<td>0.0144</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% tenant hhlds. with STIR &gt; 30% (rank)</td>
<td>-0.0865</td>
<td>-0.0323</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% owner hhlds. with STIR &gt; 30% (rank)</td>
<td>0.0693</td>
<td>0.0487</td>
<td>0.0233</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg. dwelling value (rank)</td>
<td><strong>0.2221</strong></td>
<td>0.0707</td>
<td>0.0117</td>
<td>-0.1217**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg. gross rent (rank)</td>
<td>-0.1168**</td>
<td>0.0685</td>
<td><strong>0.1551</strong></td>
<td>-0.0180</td>
<td><strong>0.2779</strong></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>% non-mover hhlds. (rank)</td>
<td><strong>0.4328</strong></td>
<td>-0.0359</td>
<td>-0.1031</td>
<td><strong>-0.1702</strong></td>
<td><strong>0.3364</strong></td>
<td><strong>-0.1417</strong></td>
<td>1</td>
</tr>
<tr>
<td>% built after 1960 (rank)</td>
<td><strong>-0.2844</strong></td>
<td><strong>-0.1300</strong></td>
<td>-0.0343</td>
<td><strong>0.1220</strong></td>
<td><strong>-0.4609</strong></td>
<td><strong>-0.1261</strong></td>
<td><strong>-0.2505</strong></td>
</tr>
</tbody>
</table>

* P < 0.01   ** P < 0.05   N = 849

Table 3.7: Spearman’s rho correlations (Bonferroni-adjusted) for ranked variables, City of Vancouver. Data source: Statistics Canada, Census 2006 Cumulative Profile at the Dissemination Area scale.

The main finding here is that there is no statistically significant monotonic (i.e., consistent) relationship between the ranks of secondary suite incidence and those of the affordability variables for both homeowners and tenants. However, the matrix suggests that the relationships between incidence of secondary suites and each of average dwelling value, proportion of households that did not move between 2001 and 2006, and proportion of dwelling units built since 1961 is statistically significant, though their correlations suggest these relationships are not particularly strong (Table 3.7). For our purposes, however, it is also worth noting that the statistically significant relationship
between incidence of suites and proportion of non-mover households is stronger than it is with average dwelling value.\textsuperscript{79}

These findings provide strong evidence against the assumption that the proportions of homeowner and tenant households above the affordability threshold can explain the incidence of secondary suites in the city of Vancouver. They thus challenge the widely held belief that affordability considerations on the part of either tenants or homeowners (or both) are what drives the proliferation of secondary suites in the city. While it is possible that rental income from a secondary suite effectively pulls a considerable number of homeowners below the affordability threshold, Census data cannot tell us how often this is the case because the income measure used in the calculation of household STIR is \textit{employment} income, which does not include investment and other income such as rents. Low employment income (meaning income before secondary suite rental revenue) relative to house prices and mortgage payment levels therefore does not appear to determine the decision to build and rent a secondary suite. Similarly, low employment income relative to local rents does not appear to determine the decision to rent a secondary suite rather than other forms of rental housing. By contrast, neighbourhood and housing stock characteristics such as the proportion of infrequent movers and the proportion of dwelling units built after 1961 appear to do a statistically significant better job at explaining higher or lower incidences of suites in given areas of the city than the affordability and average gross rent measures and the average dwelling value measure (which is statistically related but has a weaker explanatory power). All of this seems to point to one conclusion: against the most popular assumptions about the reasons behind the high incidence of secondary suites in the city of Vancouver, we should recognize that there is more to this locally widespread phenomenon than simply the push and pull of market forces.

\textsuperscript{79} This should not be interpreted as an indication that there is a higher proportion of secondary suites in DAs with high proportions of non-mover households than in DAs with high average dwelling values. For this to be the case, these variables would have to have the same variance, which they do not.
3.5. Closing comments

There are of course caveats to this analysis. One is that I have not considered the potential effects of spatial autocorrelation on these results. The lack of a linear relationship between the variables prior to the ranking procedure renders analysis of such potential effects more complicated than in cases where parametric tests are available and would require analytical strategies that are beyond the scope of this dissertation. But perhaps the most important caveat relates to the problem of ecological fallacy that may result from the use of macro-data aggregated on the basis of spatial units. Analysis of Census micro-data may find that the relationship between presence of a secondary suite in a detached dwelling unit and tenant and homeowner affordability are statistically significant at the individual level. Nevertheless, the fact that these plausible relationships do not carry up to the DA scale provides in itself a check to the unquestioning adoption of strictly housing market explanations of the phenomenon, particularly in relation to the role secondary suites play in shaping the city's residential landscape.

The brief account I provided earlier of various legislative and regulatory landmarks that today enable City officials to determine what is a legal and illegal use of urban land put the emphasis squarely on what David Delaney terms the "nomosphere," the arena where space, law, meaning and power engage in dynamic interplay to shape the world. But such developments in land use control were all also caught up in their own economic realities, from the financial inability of the Crown to enforce its proclaimed territorial rule in the Colony of British Columbia to the City's unwillingness to enforce its occupancy bylaws and building regulations in the middle of a protracted shortage of affordable rental housing. Legal and economic processes join together with the concerns of formal authorities and their centralized powers as well as the pursuits of residents and their informal networks of interaction. To get at these processual entanglements and the ways they shape and are shaped by urban space, we should not limit ourselves to asking

"why" but also "how." How do people come to build and live in houses with unauthorized suites, or to rent and occupy these? How do they shape their socio-spatial relations in such seemingly peculiar circumstances?

But we must also consider how the overly economistic social mindset that enables such market-centric explanations to continue to circulate is not only responsible for the widespread adoption of an erroneous opinion but, more importantly, it fails society by restricting the public's sense of inquiry. Our domains of understanding, and the kinds of questions that we ask, remain foreclosed by the habits of thinking and established methods of representation that this narrow mindset foster and upon which we have come to rely. To ask why someone might join thousands of other property owners in an illegal form of land use or why somebody else would imitate thousands of other tenants in renting an unauthorized basement apartment certainly requires that we pay attention to the economic forces shaping real estate markets. But there is a danger in placing the emphasis on that part of what should be a broader kind of analysis, a patent risk of missing out on other important questions about the ways in which household members mobilize and are mobilized by their relationships to arrive at their particular housing outcomes. Economic factors undoubtedly play an important role, but there are also legal and other processes and dynamics to which we should devote more attention. The following chapters explore some possible ways of doing that.

Chapter 4: Secondary suites as commodities and the enforcement of building regulations

4.1. Introduction

In May of 1993, *The Vancouver Sun* newspaper ran a story about Varinia Munoz, a single mother living with her five-year-old daughter and her sister in a basement apartment on Vancouver's east side.¹ Asked about what had happened in her apartment, Varinia replied: "What didn't happen?" Journalist Elizabeth Aird recounts Varinia's ordeal:

The pipes upstairs leaked so badly they ruined her sister's bed. The toilet cracked in half. The bathroom pipes exploded in the middle of the night. The landlord blamed everything on the tenants.

The article cites a representative from the Tenants' Rights Action Coalition (TRAC), an organization that ran a tenant assistance telephone hotline, explaining that Varinia's unfortunate experience was not uncommon in the city's unauthorized secondary-suite rental market. Have things changed much since the time of this story? In some respects, the answer is yes: unlike the early 1990s, the City of Vancouver nowadays allows secondary suites to be rented out provided the apartments comply with a series of local regulations, particularly the building standards code.² But a series of interviews that I recently conducted with more than 50 secondary-suite tenants and homeowner-landlords in the city suggests that other things have not changed as much as one might have expected.³

One thing these interviews reveal is that not all unauthorized secondary suites are in a sorry state of repair, but they also make clear that many still are. Substandard

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³ See the Introduction to this dissertation for details about these interviews.
secondary suites continue to represent a significant problem. One tenant I interviewed recounted how the ceiling of her suite collapsed in front of her as she sat in her living room. And many homeowners told me about the deplorable conditions of secondary suites they saw when looking for a house to buy in the city: oppressively low ceilings, walls with holes and in need of repair, rotting carpets, evidence of vermin infestations, dangerous overuse of extension cords to compensate for the lack of electrical outlets, and so on.

The problem of egregiously substandard secondary suites in Metropolitan Vancouver is not exclusive to the central area. A government-assisted refugee from an African country recently recounted spending two long winter months in a Surrey, B.C., hospital being treated for liquid lodged in his lungs, the outcome of a severe case of pneumonia he contracted from sleeping in an illegal basement suite that did not have a heating system installed.4 And on January 26, 2009, three young adults lost their lives in a Calgary, Alberta basement suite when, according to the Calgary Herald, "a space heater caught fire and filled the basement with smoke. At issue," the Herald's report continued, "is the [smoke] alarm which was not functioning properly and a window that was covered with metal bars that prevented an easy exit."5

If dangerously substandard secondary suites are an ongoing problem in the city of Vancouver and elsewhere in metropolitan Canada, it is in part due to the fact that their owners can rent them out and face little risk of being penalized by local authorities. As I explained in chapter 2, it is estimated that almost four out of every five of the approximately 26,000 secondary suites in the city of Vancouver are occupied without a license, typically because their owners built them without permits and in violation of one or more rules in the building standards code. Not all of these violations are as potentially hazardous as those that result in the kind of health and safety concerns I heard about in my interviews, but clearly many of them are. Despite this well-known fact, however, the City of Vancouver has repeatedly renewed its commitment to a years-old policy of not

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4 Jenny Francis and Daniel Hiebert, Shaky foundations: Precarious housing and hidden homelessness among refugees, asylum seekers, and immigrants in Metro Vancouver (Ottawa: HRSDC, Forthcoming).
enforcing its building standards code in the case of secondary suites unless a complaint is filed by tenants or neighbours who are directly affected by a problem suite.\(^6\)

This contradictory policy, City authorities argue, is necessary for two reasons.\(^7\) First, the cost to City Hall of inspecting all secondary suites for habitability rules violations is thought to be too high to justify the effort; secondly, the fact that unauthorized secondary suites are believed to violate precisely the rules that are the most expensive for homeowners to follow—low ceiling heights, separate electrical panel installations, and a hard-wired smoke alarm interconnected throughout and between the principal dwelling and the secondary suite—means there is a high risk that most suites would be permanently shut down if inspected, putting thousands of tenant households on the street and likely forcing thousands of homeowners (those who depend on the rental revenue to afford their mortgage) to sell their property.

As compelling as these justifications are, they still leave important questions unanswered. First, how do we explain that in a place like Vancouver, where the notion of rule of law is highly valued as an institutional norm, a local government explicitly adopts a policy of contingent enforcement of its own regulations? And secondly, how do we explain that only a fraction of all secondary-suite landlords in the city take full advantage of a policy that makes it easier to minimize their costs by simply providing the lowest standards of housing that the market will bear?

To many observers, the answer to these questions may seem painfully obvious. A tight local market for both rental and owner-occupied housing in a highly desirable city like Vancouver puts City authorities at the mercy of larger market forces, and leaves them no other option but to facilitate any new and existing private sources of housing supply. This results in a highly segmented residential landscape, where the most unscrupulous landlords take advantage of the opportunity to achieve high financial returns against minimal investment by catering to tenants desperate enough to rent anything they can afford within city bounds.

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\(^7\) See for example City of Vancouver, *Study No.4 - The Role of Secondary Suites* (Vancouver: City of Vancouver, 2009).
While this explanation is based on an accurate description of the local residential market, it has several problems. One is that it inadvertently accepts the view that dangerously substandard secondary suites are just another product in the market place, like skinny jeans or Sport-Utility Vehicles: one that some of us may not like but whose existence ultimately depends on whether or not there is a corresponding demand for it. Implicit in this view is a privileging -- above other pressing social concerns -- of the interests (and vulnerabilities) of private owners and their right to own property. More generally, this seemingly incontrovertible explanation of the City's lenient enforcement policy construes the market as the fundamental mediator of relations between people, and as a field of force that subjects impotent society to its ruthless logic.

In this chapter, I want to argue against such a market-centric perspective -- and against its application to regulatory questions regarding secondary suites in particular -- by turning to the field of socio-legal scholarship. Answering a call by Nicholas Blomley and others for a closer engagement between geography and the law, I explore how a series of legal arguments about commodification, legal pluralism and legal consciousness can inform our understanding of the regulation of residential space in the city.\(^8\)

The chapter is divided into four substantive sections. The first section examines the changing uses of homes in North America over the past forty years, reflecting a growing awareness and interest among households in the potential exchange value of the home. The second and third sections grapple more generally with the question of commodification, particularly as it has been developed by legal scholar Margaret Radin in her work on incomplete commodification.\(^9\) Radin's concept of incomplete commodification is meant to provide a conceptual strategy for dealing with real world cases where there is social debate over whether a given good or service should be allowed to be traded as any other form of private property. But Radin's framework, I argue, is also useful in helping us complicate common understandings of instances in which this debate appears to be already settled. It is in these sections of the chapter that I propose a different answer to the first question in this introduction (why local

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government adopts a lenient policy of enforcement of secondary suite violations). Finally, the fourth and final substantive section of the chapter turns to the literature on legal or normative pluralism and on legal consciousness to address the second question (why housing standards do not fall to the minimum the market will bear given this lenient approach to regulatory enforcement). I conclude with some comments on what these proposed answers tell us about the situation of tenants who are exposed to a local market in dangerously substandard secondary suites.

The way this chapter is organized could also be described as follows: the first half will engage with questions of law and the market, while the other half will seek to leave those themes behind to tackle other social perspectives. This thematic separation in fact mirrors the structure of this dissertation as whole: one half is devoted to thinking through questions of economy and regulation, while the other half examines alternative social and cultural aspects of the secondary suite phenomenon.

Before launching the discussion, it will be helpful to remind the reader of the overall aim of this dissertation and explain how this chapter fits. As I explained in the introductory chapter, the commonplace understanding of the reasons for the City's policy of tolerating unauthorized suites is a market-based explanation relating to questions of local housing prices and affordability, housing demand, and housing supply. But there are clearly other dynamics at work that this explanation ignores, and which provide alternative explanations for this City policy. Renters may learn about the legal process and become aware of their rights, demanding politicians to act in ways that will affect policy decision making. Local politicians and experts in the field of planning will likely have other, non-market based perspectives on the problem of unauthorized suites and which may bear on their decisions, including the need to respond to political pressures from a variety of actors. Building inspectors in turn may also have their own moral or professional reasons for being selective on how to apply and enforce existing regulations, and this could also have an impact on the regulatory process. While all of these dynamics are important in terms of their potential influence on policy, there is one thing that they do not do: to challenge directly the market-based logics that have made possible the
singular commonplace understanding of the reasons for the City's lenient enforcement policy.

My dissertation is an attempt to challenge, complicate, and develop a critique of this market-based emphasis. The previous two chapters showed how a market and law perspective is not necessarily unhelpful, for it can show us for example the role of unauthorized secondary suites in the larger economy, the historical basis for existing regulatory frameworks, and the possibility of non-market motivations among homeowners and tenants for building, renting out, and living in this type of housing. In this chapter, I tackle the market-based logic head on, and propose a way of thinking of the City's enforcement policy from a non-market-based perspective.

4.2. The changing uses of home

The 1960s were a time of profound transformation in North America's social, cultural, and political arenas. Looking back to an era that Life magazine fittingly labelled "a decade of tumult and change," a long series of writers in and outside the academy have examined the deep political and cultural shifts that punctuated a quarter century of postwar economic and demographic growth. Much of this work seeks not only to document historical events but also to understand the significance of the broader changes that were taking place. David Farber, for example, highlights in particular the emergence of

\[\text{[n]ew kinds of authorities like macro-economists, public policy analysts, foreign area experts, marketing specialists, and education consultants—a whole class of professional people that exploded after World War II—[who] entered the corridors of power and rethought the capacities of the federal government, as well as those of universities, business corporations, and other large-scale institutions, in order to shape daily life in America and the world.}\]

These were momentous institutional transformations, but as David Ley has argued, they were met in the mid- to late-1960s with an explosion of "[a]nti-authoritarian protest . . .

waged against the sclerotic educational, political, military, and economic institutions of a 
corporate society, with the cry for the empowering freedom of self-management, the 
liberation of human creativity from the regimentation of an over-regulated society across 
the totality of everyday life."\textsuperscript{12}

In practice, this spirit of revolt manifested itself in the form of contestation and 
strife within what John Judis characterizes as "new areas of concern," including 
"affirmative action, abortion, homosexuality, drugs, rock lyrics, air pollution, endangered 
species, toxic waste dumps, and automobile safety."\textsuperscript{13} These new domains of protest, as 
Judis asserts, helped expand "the scope of politics by adding new issues and 
constituencies to the traditional mix created by business and labor."\textsuperscript{14} The back cover of 
Stephen Macedo's edited collection of essays, \textit{Reassessing the Sixties}, succinctly sums up 
many of the key changes that powerfully marked this era and "continue to define our 
politics: more egalitarian race and gender relations; a new openness with respect to 
sexuality; greater concern for the environment; higher rates of divorce [and drug abuse]; 
and a greater willingness to challenge authorities of all sorts."\textsuperscript{15}

To this list we could add another far-reaching transformation: the change in North 
Americans' views of the home, particularly the owner-occupied home. It is well known, 
for instance, that the rate of homeownership in both Canada and the United States had 
been rising since the end of World War II, signalling a long-term shift in the importance 
that was socially attached to the purchase and ownership of a house. But after the 1950s, 
as Richard Harris observes, the rise in house prices began to outpace the rise in incomes. 
Homeownership suddenly "seemed to offer exceptional opportunities for investment . . . 
Home ownership was not just a safe repository for savings, but the centrepiece of an 
investment portfolio."\textsuperscript{16} Large numbers of North Americans began to conceive of housing

\textsuperscript{12} David Ley, \textit{The New Middle Class and the Remaking of the Central City} (Oxford: Oxford University 
\textsuperscript{14} \textit{Ibid.}, p. 27.
\textsuperscript{15} Stephen Macedo (ed.), \textit{Reassessing the Sixties: Debating the Political and Cultural Legacy} (New York: 
W. W. Norton & Company, 1997).
\textsuperscript{16} Richard Harris, "The birth of the housing consumer in the United States, 1918–1960." \textit{International 
not only in terms of its consumption as a "materialization of home," but also as a "good" and even an investment asset that can be potentially traded at a profit.17

According to Harris, "[i]t is not clear how soon people came to perceive this as a fact."18 Chris Hamnett nevertheless provides some evidence that the 1960s were a significant turning point. During the two and a half decades following the end of the war, Hamnett explains, sociologists and social policy specialists studying homeownership in the global north had typically focused on "questions of living and space standards, access to housing and social differentiation of the housing market," leaving to economists the study of "user costs of housing and the stream of benefits to its occupants, as well as the nature of housing as an asset."19 But in the early 1970s, Hamnett argues, scholars began to recognize that an important social shift had taken place, with "long-term house price inflation and the growing significance of capital gains and housing wealth" impacting on "the way in which housing is viewed."20 As David Thorns explained, "the increasing value of housing since the 1960s has had an effect in developing people's awareness of the exchange value of property as well as its use value. Thus people began to consciously develop their housing as a form of capital gain which they could reap through a house sale."21

4.2.1. The contradictions of use and exchange value in the home

The use value to which Thorns refers in the above quotation derives not only from a house's function as shelter but also from its ability to fulfill a household's need "for security and a setting for family and community life."22 This is another way of formulating the idea that houses are used as home, which as Alison Blunt and Robyn

18 Harris, "The birth of the housing consumer", p. 529.
20 Ibid., p. 146.
Dowling remind us, is both "a site and a set of meanings/emotions."\textsuperscript{23} Contemporary analyses of the meanings of home, Shelley Mallet observes, prominently feature "ideas about privacy, intimacy, domesticity and comfort," emphasizing the multiplicity of use values in housing.\textsuperscript{24} But other meanings of home, particularly those that "concern status, position, power, and personal identity," are typically related to its exchange value.\textsuperscript{25} The higher the rent or price of a house, for example, the more it is seen as conveying a sense of social status to its holder. This suggests that the exchange value of housing is important to households in at least two ways: one is as a signpost of where a household expects to be along a social hierarchy, as John Adams argues, and the other as a potential source of financial gain and therefore a prospective means of material advancement, as both Hamnett and Thorns suggest.\textsuperscript{26}

The intensified recognition of the exchange value of housing by households over the past three decades can also be attributed to the rise and spread of neoliberalism since the late 1970s. The persistent effort to roll back the state's commitment to social spending—from pensions and employment insurance to the provision of education and health coverage—has left many households scrambling to find a private way to replace it. The equity accumulated in their home has often become key. Remarking that "the more fungible housing wealth becomes the more eligible it is to form an asset base for welfare," Susan Smith and Beverley Searle argue that this particular reassignment of the role of the home "became apparent in the 1980s, when even older regimes of housing equity withdrawal were implicated in a process of welfare restructuring by which personal (housing) assets would substitute for state safety nets."\textsuperscript{27} According to Fiona Allon,

[i]n the everyday spaces of society and labor markets, individuals must now take control of their own economic lives and equip themselves with

\begin{footnotesize}

\textsuperscript{26} Adams, "The meaning of housing in America;" Hamnett, \textit{Winners and Losers}; Thorns, "Owner occupation."
\textsuperscript{27} Smith and Searle, "Dematerializing money?", p. 40.
\end{footnotesize}
the entrepreneurial capacities necessary to negotiate the intensified individual competition and market pressures of a flexible and deregulated economy. Homeowners are, as to be expected, quite rationally seeing their homes as assets, investments, and sources of income for consumption. Without the guarantee of state-funded pensions, and with the move toward privately managed superannuation, education, health care, and social security more widely, households have in effect been forced into viewing increasingly liquid housing wealth as a form of asset-based welfare.28

We might add that as more people take heed of the investment possibilities of their home, the potential contradictions between the use and exchange value of housing become increasingly heightened.

One example of this aggravated tension can be found in contemporary manifestations of the mortgage equity withdrawal (MEW) phenomenon. In research conducted during the mid-2000s in the UK (although the findings arguably reflect the situation in Canada and the United States, too), Smith and Searle have shown how "home buyers look to housing wealth as a safety net against a range of unexpected life events, as well as for loan consolidation, income smoothing, wealth transfers and intergenerational and other family support needs."29 But these benefits may also turn into liabilities, they suggest, as "these welfare needs compete against home maintenance and repair, and against the appeal of leisure, lifestyle and more general portfolio diversification, for the proceeds of MEW."30 The authors in fact identify a growing trend in housing wealth use "away from reinvestment in housing and towards the consumption of other things," which in the medium to long term may have a detrimental effect on the ability of a residential property to function as a store of wealth and a vehicle for accumulation.31

The intensified contradictions between the use and exchange values of housing have also been noted in the context of the recent subprime mortgage credit crisis in the United States, particularly—though not only—for African-American and Hispanic


30 Ibid.

31 Ibid., p. 21. In their article, the authors also reflect on the effects of such potential disinvestment on the housing stock at the national scale.
homeowners. The expectation of ever-increasing house prices helped entice millions of lower-income households to take out mortgages with unreasonable terms in order to purchase a house or to carry out major repairs or renovations on their existing home. As the impossibility of repayment began to materialize for growing numbers of them, and as house prices began to collapse in reaction to the rise in mortgage defaults, a massive foreclosure crisis was unleashed across the nation. Its ongoing personal and social effects have not surprisingly been devastating:

[W]hen families lose their homes through foreclosure they no longer have the shelter of that home, and they may lose some other associated use-values such as privacy, a central location (close to work, shopping, social services, organizations, social networks, and schools), status, and a site of resistance from daily racial or economic assaults. . . . A foreclosure means that families lose any wealth that they may have accumulated in the home along with any chances to transform that wealth into educational, investment, and/or retirement assets. . . . [For] every vacant house on a block, the property value (or exchange-value) of a home decreases by thousands of dollars. In addition, large numbers of vacant homes could affect the tax base and money spent on schools and other public services.33

Peter Marcuse sums up this contradiction when he asks: "Is the right to a house a property right to its exchange value, or should the law recognise a difference when property rules are applied to an essential human use value, shelter?"34 Writing about UK jurisprudence, legal scholar Lorna Fox argues that the courts have traditionally sided with the former view:

Not only does the central core of strict logic and rationality in (property) law tend to favour the objectively measurable (in money terms) interests of creditors, over and above the subjective, intangible, non-financial "home" interests of occupiers, but the values by which this rationality is tempered also tend towards the financial interests of commercial parties rather than the non-financial, social, psychological or emotional "home" claims of occupiers.35

The result, Fox argues, is a dismissive approach to the idea of home in current foreclosure law, which regards it as merely "an intangible, irrational and indefinable relationship with property, of little relevance to the "hard-nosed" business of legal decision making."\textsuperscript{36}

At the other end of the housing market, cities with rapidly rising house prices reveal other negative aspects of the heightened contradiction between use and exchange values in a context of intensified popular fascination with the investment character of housing. For example, the increases in property taxes that accompany soaring house prices may force older homeowners on fixed incomes to sell a home they might have otherwise liked to continue to occupy. Or, as in the case of Vancouver, some homeowners may feel compelled to convert part of their home into residential rental space as a means to supplement their income and make homeownership more affordable. These examples make it clear that a house is always both a commodity and a non-commodity.

\textbf{4.3. Universal commodification and universal noncommodification}

Legal scholar Margaret Radin argues that the concept of commodity in modern market society has given rise to two opposing visions of the ideal world. She calls these idealizations "universal commodification" and "universal noncommodification."\textsuperscript{37} For those who subscribe to universal commodification as an ideal, the best of all possible worlds is one where anything that people desire or value—from a bottle of soda or a tool kit, to human organs or the functions of government—would be regarded as alienable property (except in cases where such treatment would lead to inefficient outcomes known as "market failure").\textsuperscript{38}

\begin{itemize}
\item Lorna Fox, "The idea of home in law." \textit{Home Cultures} 2(1): 25-50 (2005), p. 40. The general principles and reasoning Fox identifies in the UK context clearly also apply in a North American anglophone one.\textsuperscript{36}
\item See Margaret Radin, \textit{Contested Commodities} (Harvard University Press: Cambridge, MA, 1996). The ideas explored in this chapter attempt to follow Radin's arguments closely. I thank Noah Quastel for encouraging me to think about the questions I raised in this chapter through her work.\textsuperscript{37}
\item It should be noted, however, that the concept of "market failure" is not understood in the same way by all economists, and debates about its definition have drawn an axis of disagreement across the political spectrum in the discipline.\textsuperscript{38}
\end{itemize}
Under this efficiency maximizing worldview—championed most notably by economics Nobel Prize winner Gary Becker and legal scholar and judge Richard Posner—all social interactions can and should in principle be conceived of in terms of free market exchanges.\(^{39}\) This includes for example the exchange of money for a loaf of bread, but also the act of giving a gift and—more controversially—the exercise of justice, the expression of racial or sexual prejudice, and even the perpetration of crimes such as rape. From this standpoint, gifts are understood as the exchange of a feeling of generosity in the giver (expressed in monetized terms) for a gift object to which she has attached a lower monetized value (the giver is then seen as having successfully maximized the utility that this gift held for her); justice is understood as imposing a price to the possibility of incurring a liability, thus introducing an incentive for fair behaviour; racial or sexual prejudice is regarded as the manifestation of a "taste for discrimination," communicating a monetizable preference "no different from any others"; and rape is interpreted as theft of a woman's property rights over her own bodily integrity.\(^{40}\) As Radin explains,

> [u]niversal commodification assimilates personal attributes, relations, and desired states of affairs to the realm of objects by assuming that all human attributes are possessions bearing a value characterizable in money terms, and by implying that all these possessions can and should be separable from persons to be exchanged through the free market.\(^{41}\)

For adherents of this worldview, everything is in theory reducible to some exchange value.

How, then, would proponents of universal commodification interpret the market in unauthorized secondary suites? The tenant who rents an unauthorized suite would be viewed as a free agent making a decision on the basis of her assessment of personal costs and benefits measured in dollar terms, and the dollar value of the tenant's self-perceived


\(^{40}\) On universal commodification as worldview and its corresponding interpretation of gift giving, see Radin, *Contested Commodities*, p. 2 and 93; of justice, see p. 226 fn. 9; of racial or sexual prejudice, see p. 160; of rape, see p. 92.

benefits would be seen as outweighing the dollar value she attaches to any foreseeable drawbacks associated with that choice. If the rent for this illegal suite is the same as the rent charged for other comparable housing options in the formal market and the tenant still opts to rent it, it may be that the suite is situated in a preferred location—in which case the location itself would be regarded as a commodity over which economic agents set out to make a rational decision.

A more troubling interpretation would follow from this way of reasoning in the case of grievously substandard suite rentals such as the ones described in the introduction to this chapter. Tenants here would be construed as putting a price on their dignity and their physical integrity, which they would then exchange for a substandard secondary suite if the sum of this self-assigned price and the substandard-suite rent was lower than the rent for dwelling units in reasonable condition and state of repairs. A tenant would in this case be seen as exchanging her monetized dignity and physical integrity for lower-cost housing located in a preferred location.

4.3.1. Universal commodification and the regulation of commodities

Not all neoclassical economists and law-and-economics scholars regard universal commodification as an ideal to be realized in practice, and most of them recognize that people do not generally conceive of everything they value as commensurable and fungible. Nevertheless, they all generally hold that treating all valued aspects of the world metaphorically as commodities is an effective way of making predictions about human behaviour—the latter being a necessary element in the development of policy, the writing of laws and regulations, and the administration of justice. For those who espouse this view, as legal scholar Andrew Altman notes, the implication is that the principles of economics—particularly the notion that cost-benefit rationality and the pursuit of efficiency constitute the primary grounds for human action and for the adoption of rules and institutions—should be seen normatively as providing "the best way to describe, explain and evaluate" not only the decisions made by individuals but also "the rules of any system of positive law."\footnote{Andrew Altman, "Law and economics." In his \textit{Arguing About Law. An Introduction to Legal Philosophy}, Second Edition, pp. 170-198 (Belmont: Wadsworth Publishing Company, 2001), p. 170.}
From the universal commodification standpoint, therefore, policies and regulations are understood as unnecessary except in cases where the benefits of their implementation outweigh their costs. The idea is that policies and regulations that are adopted to address certain societal problems are justifiable not because of their net benefits to particular members of society but rather because the overall balance of economic costs and benefits would be seen as leaning toward the benefits side: that of economic efficiency. Richard Posner uses the example of welfare to explain this reasoning.43 He argues that poor people are more likely to turn to criminal activity if they are unable to secure food, shelter and health care. Because the prevention of crime carries high economic costs for individuals (seeking safety by staying home, spending money on security systems, etc.) and society (increased public spending on policing, criminal prosecution, prisons, and so on), it would be more efficient to adopt some mechanism to ensure that poor people can feed themselves. Posner argues that a private system of charity would be economically inefficient; his reasoning here is that a person who is financially capable of making a donation would have no way of knowing whether enough donations have already been made by others, and this uncertainty would in turn create an economic incentive for the many people who make this same calculation to refrain from contributing to the system (the so-called free-rider problem). The only way to prevent an underfunded system, Posner concludes, is for government to create a welfare program financed by taxes, which the law obliges us all to pay.

A similar reasoning can be applied to the regulation of secondary suites to ensure habitability standards are consistently met. A policy analyst who adopts the universal commodification standpoint might argue that a proliferation of substandard suites would be economically inefficient, because it would lead on the one hand to increased public spending on health care for tenants afflicted by pulmonary diseases or injured in a substandard suite, and on the other to increased private spending by homeowners whose houses undergo accelerated deterioration or might for example burn down due to faulty electrical wiring in the secondary suite. A building standards code and the imposition of heavy fines or even suite closures on homeowners who fail to comply would be

43 Posner, *Economic Analysis of Law*. This example is discussed in Altman, *Arguing About Law*. 
interpreted here as creating an economic disincentive to the placing of substandard secondary suites on the rental market, and justifiable in the name of the expected overall economic efficiency gains for society.

The logic of maximizing economic efficiency has also been used by the City of Vancouver to justify its policy of enforcing secondary suite regulations on a case-by-case basis and only if a complaint is filed at City Hall. For example, a 2004 report prepared by staff to support the recommendation to Council to allow secondary suites in all single-dwelling zoned areas includes the following statement:

For the most part the City has chosen not to undertake aggressive enforcement of suites, but has generally limited enforcement to a complaint based system. Considering staff resources and legalities this approach is sensible and is recommended. . . . The onus is on the City to prove the existence of an illegal unit and as such the ability to obtain the necessary evidence can be difficult.44

While in other City documents an argument is built around the services provided by secondary suites, here it is legal difficulties and staffing costs associated with enforcing secondary-suite regulations that are invoked as a sensible justification "not to undertake aggressive enforcement." A similar intent can be found in a report to Council prepared by City staff to recommend allowing a type of detached secondary suite known as a laneway house as permitted land use:

Proposal: Confirm in the Building By-law that no upgrades to the existing house will be triggered by adding a LWH [laneway house]. . . . This clause . . . is intended to support retention of the existing home and deal with homeowners concerns that their existing house would need to be brought into conformance with the current Building By-law. . . . This particular measure of not requiring upgrades to the main house is a key measure that assists in both retention and in enabling homeowners to actually build a LWH.45

By adding this clause to the Building By-law, Council agreed not to inspect the existing building when a homeowner is applying for a laneway house on her rear yard, ensuring

that in cases where an unauthorized secondary suite already exists in the main building, the owner would not be required to bring it up to standards. The stated goal of this ordinance is to discourage homeowners from simply demolishing older properties to capitalize on rising land values, which would put further pressure on the city's already expensive real estate market. The laneway house policy of "not requiring upgrades to the main house"—a decision that further entrenches the City's commitment to a lenient approach to the enforcement of its secondary suite regulations—is seen as contributing to release some of the upward pressure on local land prices, thus helping minimize the exodus of middle-income households to the suburbs. It is seen, in other words, as an attempt to maximize overall economic efficiency (and not just the local housing market's) through the retention of a full range of workers within city bounds.

But the application of this universal commodification reasoning to Vancouver's unauthorized secondary suites phenomenon results in an intriguing paradox. The goal of maximizing economic efficiency by adopting a lenient secondary-suite enforcement policy runs counter to the goal of maximizing economic efficiency by legally requiring homeowners to abide by local building standards when creating and maintaining a rental secondary suite. By not proactively enforcing its secondary suite regulations, the City is making it easier for residents to ignore them. As a planner who worked for some time for the City on the issue of secondary suites admitted,

PR01: When a homeowner gets caught [with an unauthorized secondary suite], inspectors typically focus on the most dangerous violations. So [to many homeowners] that's preferable than getting a permit.

From a universal commodification perspective, there is also the question of the fiscal capacities of the state and the appropriate level of public funds to allocate to regulatory enforcement. Are the economic benefits of occasional enforcement greater than the economic costs of systematic enforcement? As the same planner commented,

PR01: Another thing is staff resources. Just think of the leaky condo fiasco, the whole issue about the frequency of inspections. To what do you devote limited staff time?
More broadly, we might ask whether the savings in public funds derived from limiting enforcement are greater than secondary-suite-related tenants' health care costs and homeowners' property damage costs. A policy analyst who is committed to the universal commodification worldview would say that the City's policy is only justified if the answer to the question above is yes. (Perhaps City authorities are not concerned with tenants' health care costs, this analyst might suggest, because in Canada these are the responsibility of a higher jurisdiction of government.) But even if the financial and practical considerations related to the collection of all relevant data to make such a decision were surmountable, most of us (and this likely includes many of the staff members and politicians at City Hall) would find such a cool and detached arithmetic troubling, for it establishes a monetized equivalence between a person's health and a bureaucracy's administrative process. Can we think, therefore, of a different explanation for the City's enforcement policy?

4.3.2. Universal noncommodification

The opposite of universal commodification as a vision of the ideal state of affairs is, in Radin's terms, "universal noncommodification," a worldview that is most readily associated with Karl Marx and with humanist Marxist thinkers such as Georg Lukacs. Here, the world is conceptualized as a constellation of processes rather than as an aggregate of people and external things. Under capitalist rationality, Lukacs argues, commodity relations are abstracted from broader social processes through objectification, by which he means that the outcomes of such relations are made to appear, "on the hand, as abstract members of a species identical by definition with its other members and, on the other hand, as isolated objects the possession or nonpossession of which depends on rational calculations."46 For example, the outcome of the labour process—both the commodities produced but also the expended labour power involved in their production—are objectified into "things" with equivalences in other "things," and therefore tradable for money as exchange values. From a universal noncommodification standpoint, Radin

explains, "[c]apitalist buying and selling stunts humanity through its organization of production, distribution, and consumption because it creates and maintains persons as objects of trade (workers) and self-aggrandizing profit- and preference-maximizers (owners)." Human life and nature in general are debased when every aspect of the world, including people's sense of dignity and their self-activity in the form of labour, are susceptible to reduction to mere exchange values.

Commodities and their exchange, Scott Prudham reminds us, are not unique to capitalism. "While all commodities are embodied social relations, capitalist commodities are embodied capitalist relations (albeit in myriad specific forms)." Paraphrasing Marx, Prudham observes that "what distinguishes capitalist commodification [from noncapitalist commodity relations,] is the general and expanding character of commodity production and circulation by capitalists who deploy wage labour in doing so." Marxist critiques of capitalist commodification are for this reason typically based on problematizing the exploitative mixing of labour power with an ever widening domain of socio-natural processes for the purposes of accumulation. But as Prudham equally notes (citing the work of Photis Lysandrou), commodification in general—in its capitalist and noncapitalist forms alike—is itself also necessarily expansive, and is so in two interconnected ways: firstly in the sense that it "stretches" or expands "the spatial reach of particular commodities into new or larger markets," and secondly in so far as it "deepens" the realm of processes and relations that come to be regarded as commodities. The historical rise of capitalism can be thought of in this way, as noncapitalist commodification gradually extended into the realm of self-activity and gave rise to the commodity labour power.\textsuperscript{51}

\textsuperscript{47} Radin, \textit{Contested Commodities}, p. 79.
\textsuperscript{49} \textit{Ibid.}
Lysandrou's analysis of commodification in general—particularly the mode of expansion he describes as a "deepening" of commodification—raises the issue of the relationship between the ways we apprehend the world and the ways in which it is constituted. Is it possible, or even advisable, to conceive of a "sharp divide between the literal and the metaphorical . . . between the nature of a transaction and the conceptual scheme or discursive framework in which we understand it"?52 From the standpoint of universal noncommodification, Radin argues, the answer would be a resolute no: "[t]he rhetoric, the discourse in which we conceive of our world, affects what we are and what our world is. . . . For Lukacs, thought and reality are inextricably linked. Discourse matters for what it is."53 Such an understanding of words and thought as material and concrete implies that seeing social and natural processes as commodities is not only an effect of structural contexts but also (and relatedly) the product of our own mental and practical activity. This dialectical reasoning explains why the ideal world, from the universal noncommodification standpoint, is one where nothing would be a commodity, precisely because it would be a world where—in Lukacs' words—"every phenomenon is recognised to be a process."54

The universal noncommodification archetype deeply troubles the economic-efficiency understanding of the City of Vancouver's lenient approach to the enforcement of its secondary suite regulations. It suggests that using the economic efficiency argument as a justification for the City's enforcement policy amounts to arguing that low-income people should be allowed to debase themselves physically and morally in order to obtain lower-cost housing by putting a price to their own dignity and bodily integrity. Because words and thoughts are conceived as being intricately linked to the material world, such an argument would then be seen as actually construing persons as objects, reduced to mere collections of attributes that can be treated as fungible. To the extent that the universal noncommodification standpoint is correct, the universal commodification interpretation of the City's policy turns real people -- particularly poor people (those with the least power to influence fiscal and budgetary policies) -- into exchange values.

52 Radin, Contested Commodities, p. 2.
53 Ibid., pp. 82-83.
54 Lukacs, "Reification," p. 184, quoted in Radin, Contested Commodities, p. 83. Italics in original.
4.4. Incomplete commodification

One of the goals of this chapter is to understand how, in a place like Vancouver where the notion of the rule of law is strongly embraced, City Hall can have certain regulations in its books but at the same time have a lenient approach to their enforcement. One explanation, as we have seen, attributes this contradiction to the pursuit of economic efficiency. But this explanation risks giving too much credence to universal commodification, inadvertently bringing us closer to an idealized vision of the world that is often harmful to our conceptions of personhood. Interpreting the City of Vancouver's secondary suite enforcement policy in this way, moreover, ignores the conflicted coexistence in nonideal society of commodified and noncommodified understandings of the world.

The regulatory regime I am investigating here is an inconsistent one: it lacks the purity and determinacy of ideal circumstances. In contrast, what Radin calls universal commodification and universal noncommodification are concepts that function as opposing archetypes or, more radically, as idealized worldviews. The world we live in today is far from either of these universalistic visions. Contrary to the universal noncommodification archetype, it is a world that most of us readily apprehend in terms of things and people, and rarely in terms of processes. And counter to the universal commodification archetype, it is also a world where most of us cannot countenance the notion that everything we care for and value—including gift giving, justice, or our bodily integrity—can be thought of or should be treated as mere commodities. In this nonideal world, we do not always find it easy to set apart ways of relating to things and people strictly on the basis of their suitability to commodity treatment. In modern society as we know it, our views on commodification are conflicted: we do not see people and things as processes, which in turn makes them all susceptible to a universal commodification kind of gaze, yet we do not wish to see people and all things as mere commodities.

4.4.1. Commodification as a continuum

Conflicting understandings of commodification at times take the form of what Radin calls a contested concept: "When we have a contested concept, conflicting understandings are
well crystallized. Some people adhere unambivalently to one and some to the other . . . [For example, our] understanding of a transaction such as adoption is a contested concept when a commodified understanding (for some people) coexists with a noncommodified understanding (for others).n55 Contested concepts reflect a social conflict over the categorical appropriateness of particular instances of commodification. But conflicting understandings can also take the form of what Radin calls (internally) plural meanings. This occurs when a given interaction is understood by the same person "in different, and conflicting, ways. . . . [For example, the person] can both feel a painting is priceless yet have it appraised for insurance purposes."n56 Internally plural meanings reflect cases where our individual sense of the appropriateness of treating our relationships with things or people (including ourselves) in commodity terms is contingent on a variety of contextual elements.

Given our nonideal circumstances, Radin argues, it is not possible to compartmentalize all aspects of the world neatly into either a "definitely commodifiable" category or a "definitely not" one. She proposes instead to think of commodification as a continuum, with the archetype of universal commodification at one end and that of universal noncommodification at the other.57 "Complete noncommodification and complete commodification can be seen as largely hypothetical end points of a continuum of possible meanings and corresponding policy choices. To think of the problem of the market domain as simply drawing a boundary line between a completely nonmarket realm and a laissez-faire market realm ignores the continuum."58

55 Radin, Contested Commodities, p.102.
56 Ibid., p. 103. Another more or less related example of internally plural meanings can be found in the arguments made by progressive mainstream economists in the United States against the regressive mortgage interest tax reduction, a fiscal policy that arguably only provides benefits to the wealthiest homeowners. Their critical arguments turned around the notion of "imputed rent" -- the simultaneous function of an owner-occupied house as an investment that also provides cost-free shelter and therefore results in financial benefits net of rental costs. In this case, the nature of these scholars' field required them to work within the discipline's established language and strict constraints, but they also felt compelled by the empirics of their findings (observed under conditions that simply do not fit the assumptions and models of mainstream economics), to struggle with the limits imposed by a complete commodification framework. I thank Elvin Wyly for bringing this example to my attention.
57 Other terms that may apply to Radin's idea of incomplete commodification are "contradictory commodification" or "dialectical commodification," reflecting the conceptually contested and internally conflicted nature of the notion of commodification.
58 Ibid., p. 104.
Equally important, then, is what lies between these two poles. This is what Radin calls "incomplete commodification"—that is, ways of thinking about and enacting our relationships with things and people in which commodification is regarded to various degrees as desirable or acceptable, but only under certain circumstances. "Where different meanings coexist in society as a whole or in persons in themselves . . . it becomes important to recognize both our social division over commodification and the nonmarket aspect of many transactions that can be conceived of in market terms."59 Incomplete commodification expresses our acceptance of the commodity form applied to many aspects of our nonideal world, but also our wish to impose limits on it.

Among other examples, Radin uses work (both as concept and practice) to illustrate the meaning of incomplete commodification. We know that when we like the work we do, we enjoy spending time doing that activity, and we also know that in our nonideal world, money is required to obtain many of life's necessities; under such nonideal circumstances, it makes sense to want to be paid to do work that "we would do anyway, without money, if somehow by other means our necessities of life were taken care of."60 In other words, it makes sense in such instances to see our work as an incomplete commodity. Even if we derive non-monetizable enjoyment and fulfillment from doing the work we do, we are prepared—in the absence of more favourable options—to treat our own labour power as a commodity.

We can similarly apply the concept of incomplete commodification to the idea and practice of renting out a secondary suite at home. Home is an example of something that most of us do not apprehend as a commodity. We know, however, that under certain circumstances households may treat a portion of their home as simply housing and convert it into a commodity, as in the case of secondary suites for rent. The owner then sees his home as incompletely commodified, in the sense that part of the house is now involved in a monetized transaction while the rest of it continues to be his home. For the landlord, the move from use value to exchange value in this case is incomplete, both in rhetoric and in practice.

59 Ibid., p.103.
60 Ibid., p. 104-105.
4.4.2. Regulation as incomplete commodification

Radin identifies two distinct aspects of her concept of incomplete commodification. The "participant aspect" refers to the micro-scale of the individual. It applies to the conflicted understandings that a given interaction holds for its participants. The "social aspect" of incomplete commodification scales the concept upwards: it refers to the social policy choices that reflect the contested understanding of certain interactions as commodities. "For those things that we accept as being appropriately identified with the person, a range of protections exists to shield them from market forces and wrongful treatment as fungible. . . . Some regulation, then, can be seen as socially structured incomplete commodification . . . that is, socially mandated deviations from the laissez-faire market regime for many things that are bought and sold."61 Work and rental housing again provide helpful examples:

Reforms such as collective bargaining, minimum-wage requirements, maximum-hour limitations, health and safety requirements, unemployment insurance, retirement benefits, prohibition of child labor, and antidiscrimination requirements reflect an incompletely commodified understanding of work. The regulation of residential tenancies also reflects an incompletely commodified understanding. Rent control, habitability requirements, restrictions upon termination of tenancies, and antidiscrimination requirements can be all be seen as indicia [sic] of incomplete commodification.62

In our nonideal world, work and housing have plural meanings: most people understand them as having both commodity and noncommodity aspects. The noncommodity aspects are tied to our sense of identity and our bodily integrity, which these regulations are meant to protect.

For those things that we accept as being appropriately identified with the person, a range of protections exists to shield them from market forces and wrongful treatment as fungible. . . . Although complete decommodification of work or housing is not now possible, these social incomplete commodifications can be seen as responses in our nonideal

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61 Ibid., p. 109-110.
62 Ibid., p. 108.
world to the harm to personhood caused by complete commodification of work and housing.\textsuperscript{63}

This reading of regulation in the context of commodification departs significantly from the economic efficiency interpretation discussed earlier. For one thing, Radin argues, many of these employment and housing regulations—notably rent control in the case of housing—would fail the justificatory test of economic efficiency maximization. More importantly, however, Radin's conceptualization of regulation as incomplete commodification recognizes the fact that in a nonideal world, many people are unwilling to treat certain relationships, ideas and things as completely commodified or completely noncommodified. The efficiency view of regulation erases this political and cultural source of difference, requiring everyone to submit to the universal commodification worldview. As Radin shows,

there is another way to view regulation of many things that are important to human personhood and community, and that is as incomplete commodification. To the extent that we are stubbornly committed to the idea that these things that are very important to human life, health, and self- and community- development ought not to be completely commodified, regulation that does not (theoretically) meet an efficiency test can in principle be justified.\textsuperscript{64}

The efficiency maximization interpretation of regulation may thus end up giving too much credence to universal commodification, inadvertently bringing us closer to its universalistic vision of the ideal world. Interpreting regulation in this way, moreover, ignores the coexistence of commodified and noncommodified understandings of the social and natural realms.

Radin is also critical of another common interpretation of commodity regulation, one that seeks to split the world into a pure market sphere, where money and all commodifiable "things" would belong, and a pure sphere of security and welfare, where all other "things" would be protected from commodification.\textsuperscript{65} In this view, social justice

\textsuperscript{63} Ibid., p. 109.
\textsuperscript{64} Ibid., p. 110. Italics added.
is achieved through policies and regulations that organize the distribution of "things" from the latter sphere following the principle of need, and according to the principle of the free-market in the case of the former. But this view similarly fails to recognize the coexistence of commodified and noncommodified understandings in a nonideal world. Rather than theorizing a neat separation as it intends, this compartmentalizing standpoint may thus be unwittingly advocating a universalization of the market.

4.4.3. The double bind

As I have presented it so far, Radin's conceptualization of regulation as the social aspect of incomplete commodification does not explain the adoption by a local government of a policy not to enforce specific regulations, such as the one adopted by the City of Vancouver in the case of secondary suites. To address this unsolved puzzle, we need to consider in some detail what Radin calls "the double bind."

I have discussed how our world is far removed from an ideal that some imagine as universal commodification and others as universal noncommodification. But there is another, perhaps more obvious sense in which the world we live in is less than ideal, one that confronts us daily in myriad ways. Among its most egregious manifestations are the complex and multifaceted forms of oppression and poverty that deprive millions of people of the opportunity to access in a timely manner sufficient and adequate food, shelter, and health care, and more generally strip them of the ability "to lead a humane life." 66 This aspect of our nonideal world is also evident for example in the persistent pay gap between men and women and in other forms of gender but also racial discrimination. If we define the ideal of social justice as the avoidance of "all significant harms to personhood and community," it is clear that in this respect, too, our world is far from ideal.

Commodification can be harmful to personhood in at least two ways. One of them results from treating personal attributes that we deem inseparable from the person as fungible objects. "A fungible object can pass in and out of the person's possession without

66 Radin. Contested Commodities, p. 117.
effect on the person as long as its market equivalent is given in exchange.”\textsuperscript{67} But personal attributes such as a person's dignity or bodily integrity cannot be detached from her without degrading or harmfully devaluing her: treating personal attributes as fungible objects is to treat their bearer not as a person but as merely a collection of attributes.

Because of the separability that is implicit in the concept of fungibility, commodification may also be harmful to personhood if "the bearer of the attribute, right, or thing internalizes the commodified conception."\textsuperscript{68} Radin argues that people in this case experience "disorientation of the self" from "the distortion of its own personhood," as intimate aspects of their being or daily life become disassociated "from their own self-conception." The discourse of commodification, moreover, may harm personhood even if it is not internalized, in the sense that it still "creates alienation between those who use the discourse and those whose personhood they wrong in doing so."\textsuperscript{69} The failure to be recognized as a whole person can be just as disorienting and anxiety-producing as the internalized commodification discourse.

The harms to personhood may also scale up to the level of the community, partly as an effect of the links between rhetoric and practice. As Radin explains, our visions of a better world are shaped by our current nonideal circumstances, which means that "[as] we change our circumstances, our visions of the ideal will also change."\textsuperscript{70} As the discourse of commodification becomes increasingly pervasive, we may no longer be able to recognize as harmful much of the disorientation and alienation that it produces, and our personal as well as our societal response through policy and regulation may dissolve through complacency. Harms to personhood thus become also harms to community.

From this analysis we might conclude that whenever the commodification of certain aspects of our world may result in harm to personhood and community, policies of noncommodification should be pursued. As Radin argues, however, this is not always the best response. Under certain circumstances, particularly when wrongful subordination and maldistribution of wealth are present, noncommodification may lead—at least for

\textsuperscript{67} Ibid., p. 87.
\textsuperscript{68} Ibid., p. 93.
\textsuperscript{69} Ibid.
\textsuperscript{70} Ibid., p. 124.
poor and oppressed people—to equally adverse results. Radin calls this "the double bind."

The New Oxford American Dictionary defines double bind as "a situation in which a person is confronted with two irreconcilable demands or a choice between two undesirable courses of action." The social aspect of incomplete commodification may present us with this kind of situation. Radin discusses (among others) the example of prostitution to illustrate this point. The commodification of sex poses a threat of harm to personhood and community by treating personal attributes deemed inseparable from the person as fungible objects, thus debasing the person's integrity and self-conception. In our nonideal world, however, people who suffer poverty may feel compelled to engage in prostitution if they are unable to envision a reasonable alternative. This state of affairs creates a double bind: the spectre of harm to personhood and community raised by the commodification of sex might call for its prohibition, but if legally enforced noncommodification is indeed the societal response, then these already-marginalized people become further deprived of the "opportunity" that this trade provides to improve their standing in the market allocation of basic necessities such as food and shelter. Here, incomplete commodification and complete commodification/ noncommodification are both undesirable courses of action.

Radin remarks that the double bind "throws into relief the results of inequalities of wealth and distribution. . . . Thus," she surmises, "it appears that the solution to the double bind is not to solve but to dissolve it: remove the oppressive circumstances." But until that happens, she argues, "[w]e must look carefully at the nonideal circumstances in each case and decide which horn of the dilemma is better (or less bad), and we must keep redeciding as time goes on. At the same time, we must look for ways to escape seeing our choices as limited in this binary way." If we agree with Radin, this means that the way to address the double bind will not be invariably tied to the nature of each particular contested commodity: rather, each instance of the double bind will require its own

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72 Ibid., p. 126-127.
73 Ibid., p. 127-128.
decision in recognition of its particular spatio-temporal context, and as that context changes, each approach will also need to be revised.

4.4.4. Habitability rules and a lenient enforcement policy

We are now in a better position to address the first question raised in the introduction to this chapter, regarding the contradictory regulatory regime that applies to secondary suites in the City of Vancouver. How do we explain the apparent dissonance between a government's necessary commitment to the rule of law and the adoption of a policy of strictly contingent enforcement of certain regulations? Radin's conceptualization of regulation as the social aspect of incomplete commodification provides us with a way of analyzing this perplexing regulatory structure without assuming a dehumanization of tenants by City authorities (the efficiency maximization interpretation of regulation) or that there is a clean separation between a market realm and a welfare-and-security one (the compartmentalization view of regulation). Given the situations I describe in the introduction to this chapter, it seems appropriate to examine more closely the City of Vancouver's explicit policy of contingent enforcement regarding secondary-suite regulations.

The complex issue of enforcement as an important element of the regulation of urban space deserves closer attention than it has often received. Only a small number of studies exist in the geographic literature, and its emphasis has generally been the place-specific nature of regulatory enforcement. In the 1980s, for example, Nicholas Blomley studied the uneven enforcement of the laws that governed the hours and conditions of retail employment and operation in England and Wales. He found these laws were enforced more vigorously by some city councils than others, reflecting "the coming together of a range of institutional, commercial, and ideological factors, the exact combination of which is inevitably 'place specific'." 74 He also noted variation in enforcement practices within specific localities, and related these inconsistencies in part to the discretionary power of the officials in charge of enforcing the laws on the ground. 75

The geographies of discretionary enforcement by street-level bureaucrats have also been

the subject of more recent research, including Steve Herbert's ethnographies of police officers in Los Angeles and Jesse Proudfoot and Eugene McCann's study of health, liquor and property inspectors in Vancouver.76

While discretion is no doubt also exercised by the City inspectors in charge of enforcing habitability standards in secondary suites upon complaint, the issue that I am examining in this chapter relates to the broader enforcement policy adopted by City Hall as an integral element of its secondary-suite regulatory regime. Residential space in North America is an incomplete commodity in the sense developed by Radin: given that the commodification of home as a materialization of housing is a contested concept and that individual homeowners hold conflicted understandings of home, society has in response imposed on its commodification a variety of constraints in the form of governmental regulatory systems. These regulatory systems change from place to place and over time, and even within specific places at a given time they are bound to vary from one type of dwelling unit to another. This is reflected in the peculiarity of the regulatory regime that applies to secondary suites in the city of Vancouver.

The housing supply situation in the city is an important contextual element in this unusual regulatory structure. As I explained in the first chapters of this dissertation, the large demand for single detached houses puts enormous upward pressure on housing prices, while the demand for rental housing has for decades been greater than the trickling supply of new purpose-built rental housing. The high demand for owner-occupied single detached dwellings and rental units, paired with the insufficiency of the existing stock, has contributed to a long-standing affordability problem. Because these housing market dynamics are related among other things to broader transnational processes and provincial and federal policies and funding arrangements, local authorities at the City of Vancouver feel restricted in their ability to effectively intervene in ways that

would increase the local housing supply and improve affordability.\footnote{77} In response, households with access to financial resources and the requisite entrepreneurial disposition have resorted to buying single detached dwellings where a rental secondary suite can be (or has already been) set up, as a way of generating supplementary income to assist with mortgage costs and other ownership expenses. Tenants in need of housing in the city have helped turn this ownership-facilitating practice into a viable rental market.\footnote{78}

Should these secondary-suite rentals be permitted? If laws and regulations are to be understood as reflections of underlying social values within a given jurisdiction, then the answer should perhaps be "yes." Over the past decade, their social acceptability has become widespread throughout the city; official estimates place the number of secondary suites at 26,000, equivalent to approximately 10 percent of all housing units in the city.\footnote{79} Militating against this answer, however, is the fact that a paucity of proactive legal controls has enabled many owners to rent out suites that fall below generally recognized standards of habitability in Canada, in order to reduce their costs and maximize their rental revenue—even if this means charging lower rents than the owners of standards-complying suites. At least some of these owners have reduced their costs to a minimum by setting up rental suites that lack proper heating systems, electricity hook-ups, wired-in smoke alarms and adequate ventilation and sound and weather insulation. Desperate housing market conditions in the city conspire to make such units marketable despite their unhealthiness or dangerous state of repair.

This combination of nonideal circumstances confronts the City with a double bind. On the one hand, relaxing enforcement of secondary-suite regulations puts many tenants (particularly those with the lowest incomes and who thus have fewer housing

\footnote{77} City of Vancouver, \textit{Administrative Report to Council, October 14} (Vancouver: City of Vancouver, 2008), p. 3.

\footnote{78} A similar argument could perhaps be made about what in the United Kingdom is called the "buy-to-let" market (see for example Shaun French and Andrew Leyshon, "We All Live in a Robbie Fowler House: The Geographies of the Buy to Let Market in the UK," \textit{British Journal of Politics and International Relations} 11 (3): 1369-1481 (2009)). In the city of Vancouver, this is perhaps most relevant in the context of the many condominium apartments bought by investors for speculative purposes and never intending to live in the properties themselves. See CitySpaces Consulting, \textit{Vancouver Condominium Rental Study. Prepared for the City of Vancouver} (Vancouver: CitySpaces, 2009). Last accessed: October 9, 2010 at: http://vancouver.ca/commsvc/Housing/pdf/RentalHousing/Final_Report/STUDY3.pdf

\footnote{79} City of Vancouver, \textit{Study No.4 - The Role of Secondary Suites} (Vancouver: City of Vancouver, 2009).
options) in the position of having to exchange their dignity and even bodily integrity for a lower cost housing unit of substandard quality. On the other hand, aggressively enforcing habitability requirements on these suites would deprive the owners of these units (including those whose unauthorized suites are of better quality) from the opportunity to afford an owner-occupied detached dwelling in the city while also preventing low-income tenants from accessing the local housing they need and are more able to afford.

This double bind was discussed in a public forum on secondary suites a few years back by Marvin Hunt, a city councillor in the Greater Vancouver municipality of Surrey. Here's an excerpt from a newspaper report on that forum:

Marvin Hunt, speaking at a conference organized by Smart Growth B.C. on secondary suites, said Surrey has lost the battle when it comes to the suites issue. "We've tried everything under the sun to absolutely no effect," he said. . . . If [municipal authorities] don't try to force owners to meet building-code rules, they run the risk of being held liable if there is a life-threatening problem. If they do force owners to legalize, they run the risk of creating a housing disaster as landlords are forced to shut down what has become a major source of affordable housing. "If we shut them all down tomorrow, we would have a huge crisis in affordability," Hunt told about 200 conference attendees. "And these people are an important part of our workforce and local economy."\(^\text{81}\)

Secondary suites raise the problem of the double-bind from a spatial perspective, but it is useful to think about it in a temporal register as well. City authorities -- and the public more generally -- may have more sympathy for the perspective of marginal owners, for example, early on in their housing career when they are struggling to break in to the ownership market and want to use secondary suites to help them do so. Even some of the secondary-suite tenants that I interviewed were prepared to see things this way, especially when they viewed their landlords as friends:

\(^{80}\) As I explained earlier, not all unauthorized secondary suites in the city are dangerously or uncomfortably substandard, but tenants without an expansive social network of friends, relatives and acquaintances in the city, the most egregiously substandard secondary suites are generally the lowest cost housing option on the market.

\(^{81}\) Frances Bula, "Illegal suites in majority after 30 years of debate." The Vancouver Sun, April 12: A3 (2003).
T05: And I guess the way people sometimes come up and say a little judgementally or whatever: “So you're paying your friend's mortgage,” that kind of thing. That doesn't particularly bother me, I just don't see it that way.

But over time, the public's evaluation of these homeowners' choices might change, especially if they are building up very large stores of wealth but still willing to commodify poorly retrofitted spaces within their home in ways that force tenants to exchange dignity for housing in the market. There is an accumulation trajectory that needs to shape our understanding of incomplete commodification and incomplete commodifiers, so I will return to this temporal aspect of the double bind later in this chapter.

4.4.5. Devolving the double bind?

City authorities have responded to this thorny state of affairs by making a regulatory compromise, which consists of allowing secondary suites to be a commodity subject to a certain grey area of regulation. Rather than actively taking up the enforcement of habitability rules in the context of secondary suites as its exclusive responsibility, City Hall has adopted a policy of only enforcing these regulations after a complaint is made by directly affected tenants or neighbours of a non-compliant suite. This regulatory regime departs significantly from the typical regulatory systems that apply to other kinds of housing unit both locally and outside the city. For one thing, it means that City Hall has sought to confront the double bind in an invariable way, rather than by recognizing the particular spatio-temporal dimensions of this incomplete commodity. City officials have understandably placed the emphasis on the situation of households early in their housing career, but less justifiably have ignored those that have accumulated over the years -- and, in the current housing market environment, continue to accumulate -- considerable wealth, from substandard suites, and in some cases from dangerously substandard ones. Perhaps more importantly, a key effect of the City's regulatory regime has been to transfer much of the responsibility for enforcing its own regulations to homeowner-landlords, secondary-suite tenants, and their neighbours. This regulatory regime amounts
in practice to a scaling down of the regulatory role from the societal level (City authorities) to that of the individual (homeowners and tenants).

This scaling down of regulation evokes processes of devolution as described by scholars of neoliberalization. A growing literature sees processes of regulatory devolution to the private sector as part of the neoliberal shift from "government" to "governance." In her discussion of voluntary food labels, for example, Julie Guthman argues that product labels such as "organic," "fair trade" and "local" reinforce neoliberalism's political economic project not only by devolving the codification and verification of standards to "multiple regional, non-state, and/or informal regulatory networks at various nodes on their supply chains," but also by putting "regulatory control at the site of the cash register." There, she argues, consumers become themselves "a mechanism of neoliberal governance" by using their dollars to make "regulatory decisions about ecological and public health risk, working conditions and remuneration, and even what sort of producers of what commodities should be favored in the world market," based on the limited knowledge they gain from these corporate labelling practices.

Neoliberalism has indeed imposed a strong motivation on the City to adopt this peculiar regulatory regime with regard to secondary suites. But it would be a mistake to assume that this is the only reason behind it. Ignoring the incomplete commodity interpretation in favour of this type of analysis in some ways brings us closer to the universal commodification realm envisioned by the Chicago school neoclassical economists and their followers, because it compels us to think about it narrowly in market-related terms. This is precisely the outcome that Radin is trying to avoid.


84 Ibid.
There is also another reason for attending to Radin's analytical framework, and it relates to the issue of resistance to the City's regulatory regime. The neoliberal devolution thesis may provide us with a complex set of arguments to help us understand the scaling down of regulation as a state strategy to open up local (and even transnational) markets in housing. Where this thesis is less effective, though, is at explaining why the City's regulatory approach to secondary suites has essentially remained unchallenged in the public sphere. By contrast, Radin's framework provides, via the concept of the double bind, a suggestive avenue for interpreting the informal support this enforcement policy enjoys from a tacit and unlikely "coalition" of social activist organizations and property owners. Up until the early 1990s, a variety of homeowners' organizations and ad-hoc homeowners' groups vocally called for City Hall to shut down all unauthorized secondary suites, while social organizations like the Tenants' Rights Action Coalition (TRAC) and Smart Growth BC actively campaigned between the mid-1980s and the early 2000s for the regularization of, and the implementation of standards of maintenance for, this type of housing unit.\(^{85}\) Since then, however, homeowners and the two social organizations have put an end to their respective campaigns.

Read through the lens of Radin's incomplete commodification framework, this dramatic change in the social response to the secondary suite issue can be interpreted as a recognition by these social actors of the contested concept of secondary suite commodification, and in particular of the double bind which characterizes it locally. The social organizations appear to see the City's grey-area approach to regulation as a reasonable compromise, while homeowners seem to have accepted it because they are able to obtain two kinds of financial benefit from it: first, in the case of homeowners who rent out suites, they are receiving a rental revenue that reduces their homeownership costs; and secondly, both the homeowners who have suites for rent and those who do not are recognizing that secondary suites are not detracting from their property values, in large part because the market conditions that drive the demand for secondary suites today are the same market conditions that drive home prices sky-high. Secondary suites in this sense provide a way of resolving the typical contradiction of house prices, in which a

\(^{85}\) City of Vancouver, *Study No.4 - The Role of Secondary Suites.*
rising market favours existing homeowners while acting as a barrier to households that want to be owners but have not yet managed to attain that goal.\textsuperscript{86} Reflecting the characteristics of a contested concept, the issue of secondary suites in the city of Vancouver is haunted by the social coexistence of commitments to both complete and incomplete commodification.

When faced with a double bind, Radin notes, "[t]he issue becomes how to structure an incomplete commodification that takes account of our nonideal world \textit{yet does not foreclose progress to a better world}."\textsuperscript{87} Radin's conceptualization of incomplete commodification, as a theoretical effort to escape universalist efficiency-maximizing interpretations of regulation and of social relations in general, may or may not reflect the actual deliberations of City staff who help develop regulatory regimes and of the local politicians who adopt them on behalf of the city's residents.\textsuperscript{88} Nevertheless, it serves as an interpretive framework that allows us to reassess policies and regulations as circumstances change, in terms that do not assume the fungibility of human endowments, attributes, products and possessions, and therefore in ways that help us move toward a world free of harms to personhood and community.

In contrast to the City's own arguments about the constraints imposed by the market (including the ones voiced by Surrey Councillor Hunt or those noted in the City of Vancouver's policy reports, as quoted above), Radin's incomplete commodification framework provides us with useful tools to develop a less market-dependent interpretation of the City of Vancouver's contradictory regime of regulation with respect to secondary suites. Under Radin's framework, this policy is not seen as being forced upon the City by the market, but is seen instead as a place- and time-specific political and administrative response to a double-bind. This distinction matters, because it provides an

\begin{itemize}
  \item This function of secondary suites is likely to be a feature of housing markets like Vancouver's, where prices have continued to grow rapidly and consistently. It is probable that local policies that encourage secondary suites would enjoy far less support where regional house prices do not exhibit such a trajectory. A question to be investigated empirically in the future is whether middle-ground cities tend to display stronger resistance to secondary suites among existing owners compared to Vancouver.
  \item Radin, \textit{Contested Commodities}, p. 134.
  \item Radin also wants to avoid the standpoint of public choice theory ("the economic theory of democracy") and its view of regulation as the egoistic, rent-seeking behaviour of legislators, administrators and judges acting rationally as utility maximizers to serve the interest of their group or their own. See \textit{Contested Commodities}, p. 207-208.
\end{itemize}
avenue for evaluating the policy (or revisiting a later stage) as a deliberate response to a particular dilemma rather than as an inevitable outcome of the laws of supply and demand.

4.5. Government regulation and the role of social norms

But the approach that Radin's framework provides does not automatically explain the implications of adopting a lenient policy of enforcement. In particular, the fact that this regime entails a regulatory grey area—constituted by the problematic distance between the City's commitment to ensure habitability standards through the enactment of specific rules and its commitment to the active enforcement of such rules—raises a second question: why is it that only some homeowner-landlords take advantage of this regulatory ambiguity to reap the maximum net financial benefits that the market will bear? Or, to phrase it differently, why aren't most secondary suites in as poor condition as the ones I described in the introduction to this chapter, given the low risk of penalty to their owners?

One possible answer follows a complete commodification perspective, and posits that the current number of egregiously substandard suites reflects an equilibrium between supply and demand, so that any additional suites in poor state of repair that might be brought into the market would remain vacant. All tenant households in search for housing are assumed to prefer leaving the city to giving away their dignity in exchange for lower-cost but barely inhabitable housing. This market equilibrium perspective would also explain the existence of secondary suites that are in much better physical condition even if they also are considered to be illegal: their owners are simply meeting an existing demand for better quality suites. Under this explanation, however, any harms to personhood that result from the trade of the secondary suite commodity are to be understood as the expression of market preferences. If we accept that the complete commodification should be rejected if we are to protect the integrity of the person, this explanation is unsatisfactory at best.

Another way to answer this question is to approach it in moral terms, and there is a long tradition of legal scholarship that examines and evaluates the words, intentions and
actions of participants in an interaction according to ideas of natural law. From this standpoint, people are seen as behaving in a just manner when they abide by certain moral principles—even when doing so requires breaking certain laws. Taking this view, one might venture as an answer to this question that the outcome of the City's enforcement policy will depend on the number of homeowner-landlords who are morally committed to providing a decent degree of habitability in their suites, in spite of their lack of strict compliance with existing regulations.

But my goal here is not to distinguish between homeowners who are morally right and those who are morally wrong; instead, I want to better understand the institutional context in which the city of Vancouver's secondary-suite landlord-tenant relationship is embedded. What are landlords responding to when they do or do not treat the City's lenient enforcement policy as an opportunity to invest little time and money in the physical condition of their rental suites? As we have seen, this institutional context involves among other things a set of deeply held social views on homeownership and the meaning of home (buttressed by the property industry's marketing and lobbying efforts and a complex series of governmental incentives), an ongoing expansion of neoliberal mechanisms of governance, and an extremely tight and high-cost local market for both owner-occupied and rental housing. It is within this particular context that City Hall adopted its regulatory regime for secondary suites, comprised of legal habitability rules on the one hand and, on the other, a policy of transferring much of the responsibility for enforcement of these rules to homeowner-landlords and their tenants.

The scaling down of secondary-suite regulation, however, is not only a transfer of regulatory responsibility; more importantly, it is also a means of devolving to individual homeowners the double bind itself. Here is how we can interpret, according to Radin's framework, what these homeowners must then confront: secondary suites are an incomplete commodity, which makes them subject to certain habitability rules; if a homeowner commits to abiding by these, she treats substandard suites as

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noncommodifiable and therefore avoids harms to personhood and community—but she may then be unable to afford owning a house in the first place. If she opts not to abide by those rules, she exposes herself to only a very small probability of having her suite shut down by the City authorities, but she would then be treating substandard suites as complete commodities—risking therefore to cause harms to personhood and community. (At the same time, she may find some comfort in the idea that she is helping address the city's rental housing deficit or the sustainability movement's call to increase local residential densities.)

The decision of how to deal with this dilemma is left to the individual homeowner-landlord. Unfortunately, Radin does not elaborate on how individuals might respond when they are themselves confronted with the double bind. Her conception of the social aspect of incomplete commodification as regulation is developed strictly in terms of government regulation: whether governments should permit the buying and selling of blood or human organs for transplant, for example, or whether they should ban the trade in sexual and reproductive services, or even whether the law should preclude specific performance of free contracts and/or allow damage remedy with regard to these and other contested "goods."

But as socio-legal scholars working in the tradition of legal pluralism—or what some legal scholars refer to as "normative pluralism"—have shown, government regulation is not the only mechanism by which economic activity is regulated. Human societies, Brian Tamanaha reminds us, have long been understood by sociologists and anthropologists as being "filled with a multiplicity of normative orders or regulatory orders," not all of which are governmental. Research on consumer complaints and corporate regulation in the automobile and other mass consumer industries provides a classic example:

As any active consumer knows, consumer complaints are handled not only by government regulatory agencies but by elected political officials, trade

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associations, professional societies, independent businesses, voluntary organizations, and individuals. . . . Although regulatory agencies have generated numerous rules, their power to enforce these is limited, for they are often coopted by the organizations they are supposed to regulate. In addition, the sheer numbers of government agencies have made them inaccessible to consumers with complaints. . . . [This] suggests the correctness of Max Weber's view that in some instances there are groups whose systems of rules are stronger than those of the state. 92

The question of regulation, and its corollary issues of enforcement, therefore should not be analyzed exclusively in relation to explicitly mandated government laws and official rules, but should incorporate other social and individual dimensions as well.

While the injunction to look beyond the lens of governmental regulation is useful for our purposes, existing studies on corporate regulation are of limited usefulness here. Such studies are obviously focused on broad consumer product industries and entire economic sectors. Due to the large-scale nature of their research subjects, these studies provide little guidance on how we might think of the non-governmental regulation of residential space in an urban environment characterized by a fragmented landlord sector—one that is made up of thousands of homeowners operating their rental dwelling units as small-scale, unincorporated non-professional landlords. Such is the case of Vancouver's scattered and unorganized secondary-suite rental market: secondary-suite landlords in the city are not formally organized, and are therefore far from being able to approach non-governmental regulation through sophisticated sectoral strategies.

4.5.1. The concept of legal consciousness

The issue becomes even more complex when we consider that homeowners often do not see themselves as part of a group -- except perhaps in the case of homeowner associations. Given the more fragmented and individualized structure in the local secondary suite market, various theories of self-regulation may seem to be more appropriate—from the ethic of self-discipline dissected by Weber to the self-sufficient subject of neoliberal governmentality. Staying more closely within the domain of legal

studies that has informed my analysis so far, I turn to a well-established theoretical apparatus that is geared toward the examination of people's "aptitude, competence or awareness of the law" as well as their "perceptions or images of law," and which is based on the concept of legal consciousness.\footnote{David Engel, "How does law matter in the constitution of legal consciousness?" In Bryant Garth and Austin Sarat (eds.), \textit{How Does Law Matter?}, pp. 109-144 (Evanston: Northwestern University Press, 1998), cited in Marc Hertogh, "A 'European' conception of legal consciousness: rediscovering Eugen Ehrlich." \textit{Journal of Law and Society} 31(4): 457-481 (2004), p. 461. I thank Nick Blomley for directing my attention to the concept of legal consciousness.}

One of the early insights of scholarship on this concept is the idea that legal consciousness—people's own perceptions and understandings about what law is, what it is for and how it works—varies from person to person, within and between social groups, and between time periods and places.\footnote{See for example Sally Engle Merry, "Concepts of law and justice among working class Americans." \textit{Legal Studies Forum} 9: 59-71 (1985).} In an influential study that helped further our understanding of this variability, Patricia Ewick and Susan Silbey proposed a three-pronged framework to describe and analyze the range of people's legal consciousness. They termed these three schemas "before the law," "with the law" and "against the law."\footnote{Patricia Ewick and Susan Silbey, \textit{The Common Place of Law: Stories from Everyday Life} (Chicago: University of Chicago Press, 1998).} The before-the-law schema applies to cases where people are in awe of the power of the law and respect its legitimacy. The with-the-law schema pertains to cases where people regard the law instrumentally as a toolbox from which to draw the appropriate legal devices as needed. Finally, the against-the-law schema concerns those cases where the person is disenchanted with the law and rejects its legitimacy. As Ewick and Silbey argued and Marc Hertogh has more recently shown, these three schemas should not be regarded as mutually exclusive or incompatible: for example, people can be "against the law" with respect to one specific piece of legislation and "with the law" or "before the law" with regard to other fields of law.\footnote{Marc Hertogh, "Crime and custom in the Dutch construction industry." Working paper (2010). Last accessed October 31, 2010 at: \texttt{http://ssrn.com/abstract=1532182}}

Less influential but no less important for our purposes is Erik Larson's interpretation of the sources of variability in legal consciousness. Larson studied legal consciousness in a very specific context, namely the financial securities exchanges in Fiji.
and Ghana. His findings regarding the practices and interactions of participants in these two institutional marketplaces suggest more generally that whenever people confront unpredictability and contradiction in law, they formulate a response to the resulting ambiguity either by adhering closely to the existing repertoire of formal rules or by privileging social norms, thus engaging in the moulding of their own legal consciousness.97

This argument is consistent with the long-held view in anthropology of law which holds that social norms play an important role in contexts where the law does not square with people's own conceptions of justice or their experience with the legal system.98 Sophie Day's study of prostitution in London provides a helpful example. Day found that sex workers in the city consider themselves to be unjustly persecuted by the law; they see their work as unfairly targeted by a legal system that permits the purchase but prohibits the sale of sexual services.99 Nevertheless, many of these workers prefer the status quo to legal reform, for fear of losing the independence they perceive in the informal character of their work and due to the threat of a drop in their earnings should the sale of sexual services be legalized. Day reports that these workers tend to see themselves as operating a freelance business, compensating for the ambiguity in their own views about these laws through the adoption of an identity that fits in with the city's exalted entrepreneurial culture. Casting themselves in terms that reflect mainstream societal values enables them to substitute (existentially, at least) a widely recognized social norm for the law.

4.5.2. Social norms and the homeowner's personal double bind

In the case of secondary suites in Vancouver, the City's building-standards code provides homeowners with specific rules that, when followed, result in dwelling units that are legally (and socially) recognized as safe and dignified residential spaces. These official rules also function as a guide to homeowners or prospective home buyers who have

access to sufficient capital to carry out the costly process of legally retrofitting a basement. For these homeowners, the double bind I have been discussing becomes irrelevant when they build a secondary suite that abides by the City's rules of habitability.

But homeowners who are unable to meet these official standards due to the high cost of compliance must face the double bind directly: build a rental suite at a cost they can afford and which will therefore be illegal and to varying extents substandard, or forego the collection of rent and perhaps the opportunity to own the house they desire in the city they like. Homeowners who have tenants in an unauthorized secondary suite at home must also personally confront the double bind anew every time a tenant moves out. As the introduction to this chapter suggests, some of these homeowners confront this personal double bind by treating secondary suites as if these were complete commodities: they ignore existing habitability rules and set up egregiously substandard suites that they rent to tenants in a desperate need for local housing. They may continue to do so every time a tenant moves out, or they may at some point remove the secondary suite from the market. The City's lenient policy of enforcement of suite regulations facilitates this choice. Others seek to solve this personal double bind by devising their own type of compromise: having opted to buy a house and rent a non-compliant suite within it, these home buyers find a way to materialize their own version of incomplete commodification by falling back to an extra-legal social norm—one that, as I explain below, is widely believed to specify in plain terms what a dignified unauthorized secondary suite should be. This extra-legal social norm may also be at some point adopted by homeowner-landlords with substandard suites, perhaps as a result of an improvement in their financial position.

This social norms approach to the homeowner's personal double bind is illustrated by my analysis of the 32 interviews that were conducted with homeowner-landlords of unauthorized secondary suites in the city of Vancouver.100 Some of the homeowners that I interviewed mentioned the fact that they would be unable to afford the renovations that would be required in order to make their secondary suite legal:

100 See the Introduction to this dissertation for details about these interviews.
**HL12:** Our contractor told us we'd be required to dig out the basement floor to raise the house, it would just be insanity. Thousands of thousands of thousands of dollars more. High requirements like time, inspections, slowing the whole thing down.

**HL16:** It's our understanding that to get it to be a legal suite, we would actually have to have a larger clearance from the floor to the ceiling. We have the main beam that runs across the house, that's basically the only thing that's too low in the apartment. . . . I think the easiest way would be to dig down. We'd have to dig down and then underpin the foundation. We thought about it but it doesn't make any sense, it was too expensive to do.

Some homeowners I interviewed had actively looked for houses with legal suites, or at least with basements that could be affordably converted into a legal secondary suite:

**HL17:** One of the other houses we looked at, it was really old. . . . The suite was absolutely horrible. . . . There were spots where my head would brush, so you couldn't legalize it. It wasn't an option.

Others attempted to legalize their suite once they moved into their new home, but were put off by the costs and what they saw as the unreasonableness of the City's official requirements:

**HL15:** We submitted plans to the City and we said it was going to be a duplex, and so we went through almost all of the hoops. And we had inspectors coming in to look at the wiring and all that kind of stuff. Where we really balked, finally, was they wanted us... The regulations for duplexes say that you have to have a separate door; you have to have a separate entrance. And it was supposed to have a solid steel door at the top of the stairs, and this was to be the fire protection for the people living there. And I thought, given that the rest of the house is made out of wood, the fire would go up everywhere except through the steel door, and the only thing that would be left standing would be the steel door. And I said, “that is totally ridiculous.” So we just sort of said to them, “oh yeah, oh yeah,” and just never did anything.

In other cases, homeowners seemed to respond to this situation by simply seeing the issue of legality from an economic standpoint:

**HL18:** I guess in order to legalize [my suite], it would have to be economical. If I'm going to have to put X amount of dollars into it and not
be able to pay that off for a considerable number of years, then it's not going to be worth it.

And yet there was something else that made this economistic perspective more like an an instance of incomplete commodification, and that was a concern with the living conditions of tenants:

HL18: Obviously there's a big problem if [the City starts to] enforce legalization, it's going to push thousands of people out of suites and suites will get shut down, etc. But, I mean, on the flip side of that, there's a lot of suites out there that are in pretty rough shape, and people living in terrible situations, because they feel like they don't have much of a choice. . . . That's sort of the detrimental side to this. Obviously it's great that there's a lot of suites, but I think there's a flip side to it as well. [When I was] looking at houses, I saw a couple of places that were trying to pass off as suites and they were pretty scary.

The personal double bind then takes the form on the one hand of a need to break local regulations if homeownership is to be attained, and on the other hand a concern for the housing conditions of prospective tenants in unauthorized suites. For some homeowners, the solution involves what appears to be a local social norm in the process of emergence. This was evident in several of the interviews I conducted with homeowner-landlords, in which a recurring assertion from interviewees was that they would not rent out their secondary suites unless they were nice enough for them to live in:

HL02: I said “If we’re going to buy a house with a suite, it has to be a place that we would feel comfortable living in ourselves.” Because frankly, most of the basement suites that we had looked at were shitholes.

HL12: Our standard was to make a place that we could see ourselves living in, if we were to live in a one bedroom like basement suite. We wanted it to be nice enough that we’d walk in there and say “I'd live here.”

Nearly a third of the homeowner households I interviewed mentioned their commitment to this extra-legal "rule of thumb" unprompted, and they all used similar wording.101

101 I did not have a specific question on this issue. The statement was typically made in interviews where the discussion turned to the sorry state of many of Vancouver's secondary suites, or when homeowners discussed in detail the investment in work and money that were required to retrofit their basement into a suite. I should also mention that a small number of interviewed homeowners mentioned or implied that they would not want to live in their suites, but did not go into details.
Adopting it was clearly seen as a means of doing the right thing, a way of distinguishing themselves from the type of homeowner that would unscrupulously provide the lowest quality of housing that the market will bear -- the ones, in other words, that treat secondary suites as complete commodities.

I call attention to these statements about the self-evaluated livability of an unauthorized suite because this unofficial criterion seems to function as a readily available norm of habitability, internalized by home buyers who feel they cannot afford to abide by the official building-standards regulations yet do not feel prepared to treat secondary suites as complete commodities. Interviewees talked about this rule of thumb as a common sense auto-directive, which suggests that its perceived legitimacy and social acceptability derives from its seemingly natural and self-evident reasonableness.

**HL29:** We weren’t going to buy a house that had something horrible in the basement. It had to be something that I at least could have lived in.

**HL27:** I wouldn’t want to rent out a space in my house that isn’t suitable for someone to live in…that I didn’t want to live in. Even though it’s small it needs to be clean and freshly painted and reasonably looking.

Relying on this rule of thumb as a *bona fide* social norm provides home buyers with an alternative way out of their personal double bind. It also provides an alternative explanation to both the "market equilibrium" and "moral subjects" interpretations of why not all secondary suite rentals in the city are in a poor state of repair despite City Hall's lenient enforcement policy. Recognition of this social norm in the context of the secondary suite market in turn confirms the legal pluralism literature's basic insight regarding the important role of social norms as non-governmental forms of regulation. The formula "I would not rent it out unless it was nice enough for me to live in it" acts as an unofficial injunction not to rent out secondary suites that fall below a certain standard of habitability, albeit a subjectively defined one.

Given the ambiguity introduced by the City's contradictory regulatory regime, the appeal of a social norm that takes the place of a less appealing set of legal rules is consistent with the legal consciousness literature. On the one hand, homeowners may respond to this ambiguity by situating themselves "before the law" in general but "against
the law" with regard to the City's habitability requirements for secondary suites, especially when there is a readily available social norm that they regard as fulfilling the same function. For example, a few homeowners told me (unprompted) that they declared the rental revenue for taxation purposes, even though their suites were illegal.

Interviewer: Do you have a license for the suite?
HL01: No. But we do declare it with Revenue Canada.

HL02: Our gross revenue is $10,000 for the year from the suite, which we declare as revenue income and we pay tax on.

HL11: I get my taxes done professionally and, of course, I declare the income from the suite.

On the other hand, homeowners may respond to the legal ambiguity by placing themselves simultaneously "against the law" and "with the law" with regard to the City's secondary suite regulations. For example, some homeowners mentioned that even though they had not obtained permits and did not fully comply with the City's building standards code, they nevertheless used the code as a guide to help them ensure their unauthorized suite would be "good enough for them to live in":

HL16: We didn’t get an inspector come in because we didn’t want the City to know about it, but we did everything by the building code. We got the building code book, and we also have the electrical code book. So everything that we did, we did to the building code, except for I think there is... The plumbing, at one point I think there’s a bit of the plumbing that’s half a foot too long, but that’s the only thing, that and the beam that’s too low. Everything else is to code.

For some homeowners, the decision to place the secondary suite on the rental market may be dropped at some point as the needs of the household evolve or the stress associated with being a small-scale landlord wears them out, as one interviewee told me:

HL28: We just stopped in December. We used to rent it out as a suite but at the end of November the tenant moved out, so we decided to take the space back for ourselves. [...] That was the tenant we had the stress over the rent, and in the end he decided to start another chapter in his life and to move on and do something else. So with him up to date with the rent and all, we just parted and it was fine. He gave us proper notice and said, "I am
moving out" and that was fine. That was about it, as far as that goes. Then at that point we decided we'd rather take back the space for ourselves, because at this point our sons were growing and we needed more space and all that. So we decided not to continue with a tenancy.

Together with the high symbolic value attached to homeownership, the intense housing market conditions in the city, the complex scales of governmental responsibility for various aspects of the housing question, and the extended neoliberalization of governance, this extra-legal habitability norm must then be seen as one more important aspect of the relationship between homeowner-landlords and secondary-suite tenants, the ambiguous institutional context within which it takes place, and the variegated ways in which residential urban space is regulated.

4.6. Conclusion

In this chapter, I have sought to show how an incomplete commodification framework can help us go beyond purely market-based understandings of the regulation of residential space in a North American urban context. In particular, I have argued that the City of Vancouver's lenient approach to the enforcement of its habitability regulations in regard to secondary suites can be interpreted as a compromise decision in the face of an institutional double bind. This double bind—that proper regulation would lead to thousands of suite closures (and thus thousands of tenant evictions) while no regulation would make dangerously substandard suites fully commodifiable—emerges out of an institutional context that, I have argued, also helps shape the City's and homeowners' response to it. It appears that both neighbourhood associations and tenants' rights groups, formerly critical (for different reasons) of City policy, now give tacit endorsement to this compromise.

The fact that the number of dangerously substandard secondary suites is not greater than it currently is (in spite of the City's diffident enforcement policy) can in turn be interpreted as an expression of a simultaneous "with the law" and "against the law" legal consciousness among many homeowner-landlords. My point has been that the availability of a social norm appearing to dictate socially acceptable standards of
habitatibility—the formula "I wouldn't rent it out unless it was good enough for me to live in it"—provides home buyers and owners with a mechanism to address their own experience of a personal double bind. In Radin's framework, these home buyers and owners do not see secondary suites as universal commodities; feeling they have little option but to engage in a tolerated violation of legal habitability rules to realize their goal of homeownership, they fall back on this social norm—which enables them at the same time to treat secondary suites as incomplete commodities. Extra-legal social norms matter, I have argued, and must be taken seriously in analyses of the regulation of residential space.

But a policy of reliance on a readily available extra-legal social norm in lieu of legal regulations is not without problems, particularly for tenants of unauthorized secondary suites. For one thing, the City's reliance on self-regulation by homeowners contributes to further the neoliberal governance ethos by individualizing the issue of residential habitability standards. I have argued here that seeking to understand all social problems through the critique of neoliberal governance is not always the best way to keep alive the possibility of moving towards a better world. But neoliberalization must nevertheless be taken seriously. We should consider, for example, whether the City's policy of devolving the double bind to homeowners is operating as a sort of social pressure valve, diffusing much pent up opposition to the neoliberal approach to housing policy at various levels of government. One could argue, in fact, that the City is effectively enlisting homeowners (at least some of them struggling in spite of the supplementary rental revenue) to address the housing affordability crisis by assuming the work, inconveniences and risks of running a small rental housing business out of their home. Another important issue with the individualization of enforcement is that different people have different notions of what is a residential space that is "good enough" for them to possibly live in it -- and some people, moreover, do not even have that subjective yardstick. The purpose of centralizing the regulation of standards, after all, is to make them represent as closely as possible the general well-being aims of society, which in turn

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might require these to be enforceable—particularly in an institutional context where individuals experience pressure to lower them.

This bleeds into questions that arise out of the relative novelty of this social norm. The efficacy of established social norms as forms of control derives to a large extent from their ability to induce social actors to comply with them, partly through their informal enforcement mechanisms and partly because of their informal systems of dispute resolution. But the formula "good enough for me to live in" is still rather weak in these two respects, and particularly so in the latter. Tenants who disagree with the extra-legal habitability benchmark that is established by their landlords must rely on dialogue under uneven circumstances to address any problem with their suite, or else file an official complaint with the City and/or the Residential Tenancy Board. But the official complaint options are often not pursued by tenants who are part of marginalized groups because, as Mario Berti argues, people who are socially marginalized tend to experience the law "as a force that applies against them but does not work for them." Tenants more generally are unlikely to make use of the City's secondary suite complaint option because it would likely lead to suite closure and therefore to eviction.

We must also consider how the widespread substitution of an extra-legal social norm for legal habitability regulations contributes to shaping the city's housing relations and built environment. Proudfoot and McCann argue that "spatial discourses dealing with local spaces are always tied—often in the same sentence—with representations of the market and capital at the global level." As the image of Vancouver as a global city becomes further established through transnational flows of investment, people and ideas, it is possible that the self-regulating functions of a widespread local social norm will lose their effectiveness through further pluralization of the ways it is interpreted. In a fast changing multicultural city, the prospect for diverse norms is even larger. Research is needed, for example, to ascertain whether immigrant owners who moved to Canada from oppressive housing conditions in other countries are more likely to approach the "would I

live in it?" test in a way that would be considered more permissive by those who have
grown up accustomed to the local housing standards. If people's housing trajectories are
indeed shaped by their prior residential locations, then this would constitute an important
additional temporal dimension complicating the double bind. The legal or normative
pluralism literature suggests that multiple forms of rules and norms can coexist in the
same place at a particular point in time, but when a plurally interpreted extra-legal norm
—rather than a set of legal rules—is effectively left in charge of determining social
standards of habitability, the dilution of normative hegemony can lead to a new series of
challenges.

All of this might be exacerbated by the practice of "forum shopping." The phrase
is used in the legal pluralism literature to describe a situation where actors search among
various regulatory enforcement and dispute resolution options for the one that best
enables them to achieve their goals.\textsuperscript{106} It is possible that the continuation of a lenient
approach to the enforcement of secondary suite regulations by City Hall might encourage
such a practice: rather than abiding by the existing legal standards, growing numbers of
households may opt for the subjective flexibility of an informally condoned social norm.

Despite these caveats, I maintain that an incomplete commodification interpretation of
the City of Vancouver's contradictory regime of secondary suite regulation is a helpful
one, because it allows us to see regulatory decisions such as enforcement policies as
political responses to a social dilemma rather than as inevitable outcomes of "market
forces." It then becomes possible to evaluate and revisit policies in particular contexts,
rather than assuming that there is no alternative to their adoption. An incomplete
commodification framework therefore helps us see more clearly many of the dilemmas
associated with the relationship between home and markets that a policy of lenient
enforcement either gives rise to or else fails to address or even take into account. As
Radin argues, the real solution to a double bind is to work towards changing the
circumstances that create the dilemma in the first place, and an incomplete
commodification approach should always take this into account. Some of the

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\textsuperscript{106} Keebet von Benda-Beckmann, "Forum Shopping and Shopping Forums. Dispute Settlement in a
transformational outcomes of the 1960s—despite the problems and contradictions associated with that decade—suggest that undertaking profound transformational efforts can have many important and long lasting beneficial impacts. But if we start to see the current situation as reflecting some sort of market-ordained equilibrium, that work may just not ever get started.
Chapter 5: Encounters with difference in the subdivided house

5.1. Introduction

In July of 2009, Vancouver City Council approved a new set of bylaws to allow the construction of a specific type of secondary suite in most detached houses in the city. This "laneway housing" (LWH)—so called because it is built at the back of the house along the lane—differs from the typical secondary suite in Vancouver in that it is detached from the principal dwelling and, unlike basement suites, it is built at grade (Figure 5.1). There are nevertheless many similarities between these two types of secondary suite, not least their popularity among local residents who see a subdivided house as a practical way of achieving access to the use, exchange and symbolic value of an owned home. Writing in his web-blog a few days after Council's decision to adopt the laneway housing bylaws, Brent Toderian, the City's Director of Planning, said:

[Laneway] housing has strong pent-up interest in many neighbourhoods, and we expect many applications in short order. This housing has also been called granny-suites, garden cottages, and coach-houses (I've also called them "Fonzie suites", for those who remember the Happy Days sitcom—not just because it sounds cool, but because The Fonz was a renter, and it's important to think of this housing type as more than just an opportunity for family members).

Toderian's reference to the television programme Happy Days quickly took hold of the media's imagination, and the term "Fonzie suites" is now a common informal moniker for this type of housing in the city. In Happy Days, which ran from the mid-1970s to the mid-1980s, Fonzie (or "The Fonz," as Toderian calls him) was a working class twenty-something who lived as a tenant in a secondary suite. His landlords were the Cunninghams, a stereotypical white, middle-class nuclear family living in an American

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middle-class suburb. The everyday, socially mixed encounters between Fonzie and his landlords' family and friends provided the premise for the programme's episodes, but these fictional "encounters with difference," to use Gill Valentine's phrase, also help explain Toderian's reference to the Fonzie character in this blog post. Toderian relies on a popular culture reference to communicate the view that the benefits of a policy enabling homeowners to intensify the use of their property should, in the public interest, not flow exclusively to homeowners and their relatives but should be extended to tenants as well.

While Toderian did not issue these comments through the City's official channels, it is worth reflecting on the message he was seeking to convey by making them public through other means. One could, for example, take a cynical view of this blog post: given that it is clearly in the interest of the Director of Planning to gain the public's acceptance of policies that his office is responsible for administering, his words might be interpreted as mere propaganda. By contrast, a second possible reading would see these comments as a level-headed, pragmatic assessment of the merits of the new LWH policy and its ability

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to simultaneously benefit homeowners, tenants, and the city in general by helping address both local rental housing shortages and continuing affordability challenges.

A third way of reading Toderian's words is to interpret them as an echo of the planning profession's concern for social inclusion—an ethical preoccupation that has often been noted in the planning literature.3 Hosted on a website targeted at urban planners, the blog post may be seen as evoking this concern in two ways. First, the comments appear to implicitly communicate a preoccupation with the socio-economic gap between renters and homeowners; if, as it is so widely believed, homeownership is the bedrock of one's economic security and one's identity as a responsible and deserving member of society, then what about those who do not own their home? Secondly, Toderian's blog post seems to reflect the view that spatial fairness in the context of land-use policy requires that the benefits (and costs) of a particular policy should be equitably distributed rather than favour one group at the expense of others.4 If the City's LWH policy passes this ethical test, then the distribution of its benefits can be expected to help improve, or at least prevent the deterioration of, the socio-economic relations between tenants and homeowners in the city. In this sense, the Director of Planning's comments can be seen as an optimistic assessment of the relative power of these policies to help ameliorate or at least check Vancouver's increasingly unequal social landscape.

Ultimately, however, I believe that the most interesting thing about this weblog post is not so much what Toderian said but rather what he did not. Like much of the discussion on Vancouver's secondary suites in general, Toderian's comment seems to take for granted the presumed benefits to both tenants and homeowner-landlords of this type of housing arrangement. It is assumed that securing access to housing, regardless of its practical form, is what matters in the end. This assumption, it seems to me, has prevented City Hall from giving much consideration in its reports and public statements on LWH to

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4 Partly for this reason, the City's laneway housing policy does not permit homeowners who build such an apartment in their property to sell the added unit separately from the principal residence on the land parcel.
an important question: what kinds of contact or encounter with one another can homeowners and tenants expect out of the spatial proximity that results from LWHs?

This question interests me in the context of this dissertation because it has not been raised by the authors of official reports or in media articles about unauthorized suites located inside a principal dwelling. In fact, I believe the question may be even more important in this latter case, due to the greater proximity between landlord and tenant compared to LWH, and because such suites are often illegal and more affordable to lower income residents than LWH (which can only be built legally -- and therefore at a much higher financial cost -- due to their high level of visibility along the lane, pushing their rental rates upwards in a significant way). Greater physical proximity and the potential for more pronounced differences in socio-economic class between landlords and tenants raise the possibility of a wider range of types of interaction in houses with unauthorized basement apartment rentals compared to LWH rentals.

The goal of this chapter is to develop an answer to this important question about the nature of tenant/landlord encounters in the specific context of the illegally subdivided house. I begin by examining some of the key socioeconomic differences that exist between tenants and homeowners in North America, based on aggregate data from official surveys and the census for Canada and the United States. I then discuss the geographies of encounter with difference that are likely to be produced out of rental secondary suites (including laneway apartments) in owner-occupied houses, first through a brief review of the literature on tenure and social mixing in North American housing policy, and secondly through an analysis of 52 interviews I conducted with Vancouver residents who have experience as tenants or homeowner-landlords of secondary suites in the city.5 Building on a growing body of literature that finds little evidence of extensive contact between tenants and homeowners who live in close proximity to one another, I argue that it is necessary to understand not only the quantity but also the quality of encounters between these two housing tenure groups. This complementary focus to the literature, I believe, can help us understand the processes and circumstances that shape

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5 Some people attach a negative connotation to the term "encounters." As we will see in a moment, the term has been used in geography more broadly, so that the quality or valence of an encounter is defined by appending an additional term, as in "conflictive encounter" and "respectful encounter."
the kinds of relationships evolving from the encounter between homeowners and tenants in shared space. Elaborating on recent work by social geographer Gill Valentine, I identify and discuss three separate geographies of contact associated with both legal and illegal subdivided homes. These are: spaces of conflictive encounter, spaces of tolerant encounter, and spaces of respectful encounter. I conclude this chapter with some observations regarding certain social limitations of the City of Vancouver's current policies on secondary suites.

5.2. Tenure as a marker of difference

The idea that differences in housing tenure status constitute a specific form of social separation was at the heart of John Rex and Robert Moore's concept of housing classes, which they elaborated in the 1960s with the goal of conceptualizing access to private housing as a struggle. Sociologist Peter Saunders revisited Rex and Moore's concept in the late 1970s to argue that homeownership constituted a significant element in the formation of social class, only to later modify his position by re-situating homeownership itself as an axis of social stratification at par with, and perhaps more important than, social class. Rex and Moore's concept of housing classes and Saunder's shifting views proved highly controversial, in part because they attempted to blend Weberian and Marxist conceptualizations of class that most scholars found to be fundamentally incompatible, and in part due to the concept's apparent empirical intractability -- as scholars studying different cities and using a diversity methodologies seemed always able to find evidence that contradicted each others' findings. This helps explain why the housing classes concept has largely fallen out of use. What is more generally accepted,

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however, is the notion that housing tenure constitutes a marker of social difference. Donald Krueckeberg finds telling ways in which the identification of a naturalized difference between tenants and homeowners has seeped into our everyday language about housing. "Some people," he comments, "live in units in complexes. They’re called tenants. Other people live in homes in neighborhoods or communities. They’re called residents. Why?"

There is strong evidence that in the aggregate, tenure differences in socio-economic attainment in North America are pronounced. In the U.S., the American Community Survey provides some quantitative indication of the extent to which tenure status matters in relation to economic outcomes (Table 5.1). Nationally, the median income of owner households was $63,306 in 2009, while for renter households it was $30,576. In Canada, other estimates suggest a similarly dramatic economic distancing between renters and homeowners. Estimates from the 2006 Census place the 2005 median household income of owner households at $67,522, compared to $31,423 for renter households. And analyzing data from the 1999 Survey of Financial Security, David Hulchanski found that the median income of owner-occupying households was more than double the income of tenant households (208 percent), while the wealth of the former was 70 times that of the latter. These outcomes in addition reveal a growing gap between owners and renters relative to 1984 (Table 5.2). Similar disparities are also apparent in Canadian statistics on the proportion of before-tax household income spent on major shelter costs: in 2005, almost two (1.8) out of ten owner households spent more than 30 percent on housing, while the equivalent ratio for renter households was four out of ten (Table 5.1).

11 Calculations by the author based on American Community Survey public access tables, and Census of Canada cumulative profile tables and Public Use Microdata Files (Individuals).
<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>Measure</th>
<th>Owner households</th>
<th>Renter households</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>2009</td>
<td>Median household income</td>
<td>US$63,306</td>
<td>US$30,576</td>
</tr>
<tr>
<td>Canada</td>
<td>2005</td>
<td>Median household income</td>
<td>C$67,522</td>
<td>C$31,423</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Proportion of households spending at least 30% of income on housing</td>
<td>18%</td>
<td>40.00%</td>
</tr>
</tbody>
</table>

Table 5.1: Measures of income inequality by tenure, United States and Canada (nominal dollars). Sources: 2009 American Community Survey (public access tables); 2006 Census of Canada (Public Use Microdata Files and cumulative profile tables).

In interpreting these figures, one should bear in mind that in the long run, not all households remain part of the low-income population. It is possible for example that the relative economic status of a household at either end of the age spectrum is simply a reflection of her or his particular stage in life, with younger persons and those past retirement age typically earning lower incomes than those who are nearing retirement age. But there is some evidence that for a considerable number of households these differences persist through their entire life course. Canadian Census figures for the period of 1986 to 2006 show that the rate of residency in an owner-occupied home consistently peaks with individuals in the 50-to-59-years-of-age or 60-to-69-years-of-age groups, at approximately 78 to 81 percent (Table 5.3). By this measure, the percent of all individuals who permanently reside in Canada and will never live in a dwelling unit owned by a member of their household could be as high as 18.5 to 20 percent. Given the current economic environment of increased inequality and diminishing state support for people at the bottom of the socioeconomic hierarchy, the considerable differences in income and wealth between tenants and homeowners may create an enduring and frustratingly difficult-to-bridge social gap.

12 Pablo Mendez, *Priced Out: A Portrait of Tenant Households and Their Capacity to Enter Homeownership in Metropolitan Canada*. Master of Arts thesis, Department of Geography, University of British Columbia.

<table>
<thead>
<tr>
<th>Year</th>
<th>Median income</th>
<th>Median Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owners</td>
<td>Renters</td>
</tr>
<tr>
<td>1984</td>
<td>$41,380</td>
<td>$21,554</td>
</tr>
<tr>
<td>1999</td>
<td>$43,478</td>
<td>$20,947</td>
</tr>
<tr>
<td>% change</td>
<td>5.1%</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>


These tenure-related differences, it should be added, are indicative of how the private property regime contributes to the production of social difference. On the one hand, income precludes some tenants from accessing the kind of relative security of tenure and degree of autonomy enjoyed by owners. On the other hand, a lack of knowledge and understanding of the social norms and cultural practices of the home-owning middle class may prevent lower income tenants from enacting forms of what Craig Young and colleagues call "acceptable difference." In such cases, homeowners and landlords may see these tenants as undesirable neighbours, closing off their access to housing in certain neighbourhoods. For some homeowners, however, tenure status constitutes at most a tenuous mode of social differentiation, particularly in those cases when attaining or maintaining ownership is dependent on the rental revenue derived from a secondary suite. The employment income of a home-owning household renting a suite out of their home is not always significantly larger than their tenant's; under such circumstances, the social difference between tenant and owner may be based not so much on income, type of employment, level of education, or other such socioeconomic characteristics but rather on the ability to access enough money—through inheritance or a parental transfer, for example—to afford a down payment for a home purchase and to help qualify for a mortgage on a house with a suite. As the controversial housing classes literature persuasively argued, this tenuous level of social differentiation can stabilize over time and become (in this case with the help of the rental revenue from the secondary suite) a more durable form of economic disparity thanks to the equity that is accumulated by the owning household.

<table>
<thead>
<tr>
<th>Census year</th>
<th>Age group</th>
<th>Owner-occupied</th>
<th>Rented or Band housing</th>
<th>Not applicable/ Not available</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>30-39</td>
<td>68.3%</td>
<td>30.4%</td>
<td>1.3%</td>
<td>4,185,600</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>77.2%</td>
<td>21.4%</td>
<td>1.4%</td>
<td>3,207,300</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>78.8%</td>
<td>19.9%</td>
<td>1.3%</td>
<td>2,409,250</td>
</tr>
<tr>
<td></td>
<td>60-69</td>
<td>75.0%</td>
<td>23.5%</td>
<td>1.5%</td>
<td>2,026,000</td>
</tr>
<tr>
<td>1991</td>
<td>30-39</td>
<td>67.1%</td>
<td>32.4%</td>
<td>0.5%</td>
<td>4,745,195</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>77.4%</td>
<td>22.2%</td>
<td>0.5%</td>
<td>3,709,563</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>79.6%</td>
<td>19.8%</td>
<td>0.6%</td>
<td>2,543,031</td>
</tr>
<tr>
<td></td>
<td>60-69</td>
<td>78.2%</td>
<td>21.1%</td>
<td>0.7%</td>
<td>1,166,432</td>
</tr>
<tr>
<td>1996</td>
<td>30-39</td>
<td>66.4%</td>
<td>33.0%</td>
<td>0.5%</td>
<td>5,460,984</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>75.7%</td>
<td>23.7%</td>
<td>0.6%</td>
<td>4,414,104</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td>79.3%</td>
<td>20.1%</td>
<td>0.6%</td>
<td>2,910,132</td>
</tr>
<tr>
<td></td>
<td>60-69</td>
<td><strong>79.5%</strong></td>
<td><strong>20.0%</strong></td>
<td>0.5%</td>
<td>1,184,832</td>
</tr>
<tr>
<td>2001</td>
<td>30-39</td>
<td>67.2%</td>
<td>32.8%</td>
<td>0.0%</td>
<td>4,577,181</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>76.5%</td>
<td>23.5%</td>
<td>0.0%</td>
<td>4,880,223</td>
</tr>
<tr>
<td></td>
<td>50-59</td>
<td><strong>80.4%</strong></td>
<td><strong>19.6%</strong></td>
<td>0.0%</td>
<td>3,637,081</td>
</tr>
<tr>
<td></td>
<td>60-69</td>
<td>80.3%</td>
<td>19.7%</td>
<td>0.0%</td>
<td>2,369,179</td>
</tr>
<tr>
<td>2006</td>
<td>30-39</td>
<td>68.6%</td>
<td>30.5%</td>
<td>0.9%</td>
<td>4,216,864</td>
</tr>
<tr>
<td></td>
<td>40-49</td>
<td>77.2%</td>
<td>21.9%</td>
<td>0.9%</td>
<td>5,191,449</td>
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<tr>
<td></td>
<td>50-59</td>
<td><strong>80.4%</strong></td>
<td><strong>18.5%</strong></td>
<td>1.0%</td>
<td>4,411,307</td>
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<tr>
<td></td>
<td>60-69</td>
<td><strong>80.4%</strong></td>
<td><strong>18.5%</strong></td>
<td>1.2%</td>
<td>2,793,830</td>
</tr>
</tbody>
</table>

Table 5.3: Individuals permanently residing in the country, by age group and tenure, Canada 1986-2006. Source: Census Public Use Microdata Files.

5.3. The return of tenure-mix policies

The global spread of neoliberal governance rationalities has had a profound impact in reshaping the organization of urban space. Over the past three decades, as property industry interests have found an increasingly receptive environment for the promotion of profit-oriented regeneration strategies, streets and parks and commercial districts in cities around the world have lost some of their public qualities. In the global North, social
housing estates have been targets of privatization or demolition, while many residential
neighbourhoods have seen their landscapes and ambience refashioned in the name of
security. The North American urban literature now includes important studies dealing for
example with a variety of local ordinances adopted since the 1990s to regulate begging in
a growing number of cities (a trend some critics have located within a broader series of
public and private efforts to "cleanse the streets of those left behind by globalization and
other secular changes in the economy");\(^{15}\) with the proliferation of what Stephen Flusty
calls "interdictory spaces" where propinquity is tightly controlled through surveillance
cameras, 'code of conduct' signs, fences and other architectural elements incorporated
directly into the design of public and semi-public spaces;\(^{16}\) and with the homogenization
of residential spaces resulting from gentrification-induced displacement and, in suburbs,
the global spread of the 'gated community' phenomenon.\(^{17}\)

By eroding possibilities for contact across social difference, these transformations
in the social organization of urban space run counter to some of the oldest values in the
modern Anglophone urbanist tradition. The desirability and practicality of living together
with difference were already among the central concerns of early twentieth-century urban
reformers like John Nolen and Clarence Stein in the U.S. and Thomas Adams in
Canada.\(^{18}\) In the 1920s and 1930s, Chicago School sociologists Robert Park and Louis
Wirth approached this theme through an ecological lens, defining the city in terms of its
dynamism, density and heterogeneity, though often emphasizing the socially harmful


aspects of urban life.¹⁹ In the 1960s, their approach gave way to a celebration of the relationship between urbanity and difference—exemplified most notably by the widely circulated writings of Jane Jacobs.²⁰ Jacobs was writing at the height of the modernist era of urban development, a time when the neighbourhood diversity she celebrated in her books and articles was threatened by a proliferation of mega-projects that destroyed communities of difference in the name of efficiency and modern organization. Her defence of the actual and potential benefits of social contact across difference has had a lasting influence, though it has often been taken out of the particular context in which she originally formulated it.

By the 1980s, a string of studies of class and racial/ethnic segregation in the United States prompted a sweeping re-evaluation of the realities of social relations in the city. Seeking to document and theorize the growth of concentrated poverty during the economic restructuring of the 1970s through 1990s, sociologists like William Julius Wilson, Douglas Massey and Nancy Denton turned their attention to the increasing social isolation experienced by low-income African Americans during that period.²¹ The sprawling literature to which their work gave rise has in some cases been controversial—particularly where it relies on the notion of a "culture of poverty" as an explanatory factor—but its influence has extended beyond academia into the sphere of housing policy.²² The search for effective responses to the racialized and gendered socio-spatial marginalization of low-income households in the United States (and to a lesser extent in


Canada) has led to a pronounced shift in policy discourse, with income mixing now championed as a self-evident strategy to de-concentrate poverty.\(^23\) It is here that de-contextualized readings of Jane Jacobs loom particularly large, given her emphasis on urban "diversity" and the social virtues she attributed to its preservation and promotion.\(^24\) Equally influential are widely shared assumptions (originally popularized in the nineteenth century by British social activists like Octavia Hill) regarding the benefits to poor households of exposure to middle-class values, including the belief that, as Kathy Arthurson phrased it, "the presence of middle-income residents [would] instill a work ethic in the working classes and [...] educate them with middle-class standards of behavior."\(^25\)

5.3.1 The concept of housing tenure mix

The goal of de-concentrating poverty by increasing income mix has injected new life to another idea with a long history, namely the planned diversification of housing tenure. A number of scholars and policy makers have sought to go beyond the task of critiquing the norms, processes and practices that exclude from various urban spaces those who do not own their home, by formulating proposals to make residential blocks or neighbourhoods more socially inclusive than they currently are. Housing tenure mixing has been the most commonly proposed vehicle to attain this goal. As Ade Kearns and Phil Mason explain, housing tenure mixing is seen in this context "as a key element in convincing people that areas are changing, visibly in terms of the quality of the built environment, socially in terms of the type of people who live there, and economically in terms of the viability of the local housing market."\(^26\)

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24 Ellen Berrey counted more than 140 occurrences of the word diversity in Jacob's seminal book The Death and Life of Great American Cities. See Berrey's How Diversity Transforms the Project of Racial Equality. PhD Dissertation (Evanston: Northwestern University, 2008).


Two main planning strategies are consistent with this logic and have been implemented in several North American cities. One involves the regeneration of existing low-income housing developments with the goal of attracting middle-class home buyers and thus increase income and tenure mix in the area. The other strategy entails dispersing low-income residents from a particular social housing complex, typically into neighbourhoods with higher rates of owner-occupancy. More generally, it is argued that tenure mixing policies can lead to four sets of benefits for low-income households and communities, which Kearns and Mason summarize as follows: first, an improvement in the quality and quantity of public and private services and sources of employment available; second, an increase in residential stability, levels of social interaction, and sense of community; third, a reduction in the incidence of anti-social behaviour and a raising of personal aspirations and educational attainment; and fourth, a reduction in the stigmatization of the area and an enhancement of residents' social networks.

But these arguments in support of income and tenure mixing have typically relied on deductive reasoning rather than empirical analysis, taking as their starting point the literature on the negative effects of concentrated poverty. Seeking to reverse the social, economic and political isolation that has repeatedly been associated with spatial segregation, scholars and policy makers began to embrace the assumption that promoting income and tenure mixing is the logical course of action, and policies that seek to increase tenure mix have been widely adopted on the basis of "their potential benefits" to low-income households.

More recently, this uncorroborated assumption has given rise to a critical literature consisting of empirical analyses of social and tenure mix in practice; researchers have examined examples of new tenure mix developments, of dispersal programs, and of neighbourhoods where tenure mix was not deliberately planned. Such studies have yielded little evidence in support of the presumed effects of income and


28 Kearns and Mason, "Mixed Tenure Communities and Neighbourhood Quality."
tenure mixing. Reviewing findings on the critical issue of interactions between residents with different tenure status, Laura Marie Tach reports that in communities redeveloped to achieve tenure diversification, "the amount of social mixing and interaction between income groups tends to be relatively modest." 29 Similarly, Joseph and Chaskin note that "a key finding across several studies is that there are low levels of social interaction among residents of different backgrounds, particularly at a level that might lead to the social benefits, such as access to information and jobs, that are proposed in theory." 30 In his extensive review of the literature, moreover, Thomas Thomson finds a combination of positive and negative effects of social mixing across different examples of such redevelopment programs in the U.S. and Canada, leading him to conclude that any success observed in a particular project is "likely context-dependent and therefore should not be over-generalized." 31 Speaking more generally of both dispersal and regeneration programs in the U.S., Sako Musterd and Roger Andersson conclude that "it is far from evident that the American programs really are effective. Even though successes could be shown, there still are substantial doubts about the effectiveness of that policy." 32 The general conclusion, as Mark Joseph and Robert Chaskin point out, is that "empirical evidence of such impact is so far quite limited." 33

This important finding, however, carries an important caveat—one that authors working on this question have generally failed to note. It relates to the fact that the empirical studies which have produced these findings have more usually focused on measuring the frequency of contact between low-income tenants and middle-class homeowners, which is seen as being related to the social outcomes of living in a mixed tenure environment. Narrowing the analysis in this way has at least two critical epistemological and methodological consequences. The first is that questions of relationality have not been pursued as extensively as they could. The few studies on the quality of contact between tenure groups that have been conducted so far typically focused on the experiences and outcomes of low-income tenants, and only an even smaller number have examined the experiences and attitudes of the middle-class homeowners residing in mixed tenure neighbourhoods.  

Scholars have rarely sought to study responses from members of these two groups collected in the same site or neighbourhood, and as a result we still have an incomplete idea about the nature of their inter-relations. A second consequence of the literature's narrow focus is that in their efforts to test the assumptions of the income and tenure mix thesis based on the notion of frequency of encounters, researchers have inadvertently reproduced one of its central limitations, namely the emphasis placed on the quantity—at the expense of the quality—of the encounters with difference that tenure mixing hopes to facilitate.

An unfortunate result of these two limitations is that we still lack an understanding of what actually goes on when those infrequent instances of contact do take place. This gap in the literature forecloses the possibility of reflection on how the practical realities of living with difference may contribute (or act as a barrier) to addressing the structural conditions underpinning socioeconomic inequality in the first place. To begin to address these two interrelated limitations, in the following section I undertake an exploration of the nature of contact or encounters with difference in tenure mixed residential space by shifting the scale of analysis down from the city and its residential neighbourhoods to the dwelling unit itself, and more specifically to the detached house with unauthorized secondary suite rentals. The empirical material I turn

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34 For the latter in particular, see Tach, *Beyond Concentrated Poverty.*
to is a set of 52 semi-structured interviews I conducted with homeowners and tenants who have experience of living in illegally subdivided detached houses in the city of Vancouver.\textsuperscript{35}

5.4. Geographies of encounter in the subdivided single-family house

As I mentioned in the previous section, the tenure mix literature has been primarily concerned with the formulation and evaluation of policies to de-concentrate poverty and, to a lesser extent, with the analysis of unplanned instances of mixed tenure.\textsuperscript{36} But there is yet another site for the study of tenure mixing, one that has remained largely unnoticed in urban scholarship: the subdivided single-family house. Owner-occupied homes that have been legally or illegally subdivided for rental purposes (by retrofitting a basement or building a laneway apartment, for example) become sites where people of different tenure status—with all the social and economic differences this often implies—live in close proximity to each other. With proximity comes an increased possibility of contact, such as when the tenant calls on the homeowner-landlord to pay the rent or to ask for repairs. Contact in the subdivided house, moreover, does not require an actual meeting of bodies in space: encounters between tenants and homeowners in subdivided homes can take place \textit{via} sounds and cooking smells as they travel between the sectioned spaces of the house.\textsuperscript{37}

In thinking about the question of the nature of these encounters with difference, I have found Gill Valentine's work particularly helpful—especially her writing on what she has recently termed "geographies of encounter." In the context of research on how to

\textsuperscript{35} While LWH are a version of secondary suite, there are issues relating for example to sounds and smells may be attenuated by the greater physical distance separating the principal dwelling from the secondary unit. Moreover, given the much higher cost of building a legal LWH compared to an illegal basement suite, LWH rents are much higher than unauthorized basement suite rents; this implies even if illegal secondary suites are occupied by renters in a wide range of socio-economic class positions, LWH may be more commonly occupied by renters in better financial situations. Because the analysis is based on the unauthorized secondary suite market, only some of its findings are applicable to licensed laneway houses. For details about these interviews, see the methodology section in the Introduction to this dissertation.

\textsuperscript{36} Tach, \textit{Beyond Concentrated Poverty}.

forge what she calls "a civic culture out of difference," Valentine has developed a useful descriptive typology of encounters with difference in the city, alternatively conceptualizing urban space as a site of conflict, tolerance, and respect. While her discussion is framed at the larger scale of the city and its streets and neighbourhoods, Valentine's typology can be productively adapted to the study of encounters with difference within houses with secondary suites, by construing such houses as home spaces where notions of conflict, tolerance, and respect define the nature of the uneven contact between tenants and homeowner-landlords.

5.4.1. *Subdivided houses as spaces of conflictive encounter*

Valentine's starting point is the observation that "many everyday moments of contact between different individuals or groups in the city do not really count as encounters at all;" Valentine mentions for example Deborah Cameron's research on mobile telephone use in public spaces, and particularly a study in which she shows how encounters that take place without the recognition of a shared presence may "contribute to incivility in public space."38 Encounters between tenants and homeowners in subdivided houses can in some instances be described in similar terms, as this quotation from a homeowner-landlord couple talking about a former tenant suggests:

*HL12a:* His friends were using [the suite] as a crash pad—they lived in the suburbs and they'd come from Port Coquitlam [a suburban municipality in metropolitan Vancouver] when he wasn't there. He'd be at work and they would crash there.

*HL12b:* He worked at night as a security guard.

*HL12a:* Once, he left his key and broke in through the screen window.

*HL12b:* Just to get in! [...] And you'd walk in and kick pizza boxes, and the door would be open...

*HL12a:* We'd have to clean up the garbage...

I heard a number of similar stories in my interviews. For example, another homeowner recounted how

*LH22:* We had trouble with the noise and undergraduate students one summer when I was in [working abroad] and [my spouse] rented to them

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on a short term basis, and it was terrible for the house and terrible for the
neighbours and the neighbourhood because they were partying all night.

Combining findings from the literature and quotes taken from interviews and focus group
sessions, Valentine begins to describe her typology of geographies of encounter with
difference "in the neighbourhood or elsewhere" by introducing a first type of spatial
contact: one defined by tension and conflict between groups of differing backgrounds.39
Houses with secondary suites can be sites for the production of such spaces of conflictive
encounter between difference, as is the case when contact between tenants and their
homeowner-landlords is the result of misunderstandings leading to tensions between
them. This quotation from a secondary-suite tenant captures some sense of the potential
for such kinds of spatial conflict in the subdivided house:

_T10:_ I was sitting outside in [the front yard], [...] sitting in a very small
corner reading and she [the landlady] came out, sat down on the step and
talked to me as if I was seven years old, very, very quietly and said, 'You
can't sit here.' And so began an unfortunate dispute.

This tenant then recounted how an instance of what Rowland Atkinson describes in a
different context as "[differences in] class and cultural interpretations of whom a place is
'for'" resulted in an outright dispute over who was entitled to use which areas of the
property.40 Katie Willis uses the phrase "social collision" to describe this type of
encounter, characterized by a situation in which "one group is viewed as ‘invading’ the
space of another group and thus being 'out of place'."41

Differences in lifestyle can also become sources of conflict between landlords-at-
home and tenants in secondary suites. One homeowner I interviewed recounted how one
of her tenants

_LH15:_ really wanted to compost. I don't compost because of the rats. You
know, they freak me out. I have to be as careful as I can. And it's very
hard to compost in a really rat-proof way. So, I – and she knew we had
rats, and said, “Please don't compost,” but she composted anyway. Which

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40 Rowland Atkinson, "Domestication by cappuccino or a revenge on urban space? Control and
41 Willis, "Social Collisions."
she was doing anyway and, of course, there's no compost in here, so she would keep her compost and take it to a friend's place nearby. And so, she would, she would leave it uncovered. And I would have to say, “There are rats. Please don't do that.” I don't think she believed me. And so then one day, when I told her about the little rat hanging off the security bars in her kitchen window, in front of her kitchen window, she was startled. And I said, “I told you we had rats, right?”

Tenants also told me about conflicts that arose from the incompatibility between the landlord's lifestyle and the practice of renting out a secondary suite:

_T08_: His garden was right out in front of my suite, so he was always right outside my window and he wasn't shy about looking into the windows. That was really weird. I thought it would be a safe place to move into because they were an elderly couple and they wouldn't make much noise. Well, boy, was I wrong about that. They had people over most nights of the week, and they'd stay up late and they would drink and have very animated, very loud, yelling, excited conversations.

However, the potential for conflict is not limited to the relationship between the tenant and the homeowner-landlord itself. Building and renting out a secondary suite in neighbourhoods where it is not permitted may upset neighbours and create disputes between homeowners about the presence of a tenant in the subdivided property. This quotation from a former homeowner-landlord in an illegally subdivided home provides an example of such a conflict:

_HL21_: When we had our friends [renting our suite] there, we had a neighbour who was apparently really interested in knowing why there were so many kids and people coming into the house, and suspected an illegal suite. And later, we received a visit from a City inspector.

Conflict may also erupt with other tenants when properties are subdivided to have more than one secondary suite. Such conflicts may be tinged with racial prejudice, as a story recounted to me by one immigrant tenant suggests. Upon moving to a new secondary suite apartment, the tenant discovered that the place was infested with fleas. The landlord would not call a professional exterminator, and the problem soon reached the tenant in the neighbouring suite.
T12: And then [the neighbour] just – I think she had some racial issues, too -- she said, “This place has always been clean, and there were never fleas till you guys moved in here. You brought the fleas.” [Laughs] And then she put a flag, a Canadian flag and an Irish flag on her, on the... the..., because she – this was her door [points to one side] and this was our door [points to the other side] and between, she put this flag, and she put – and she wrote, “Keep out.”

These incidents illustrate how, for multiple reasons and in a variety of ways, geographies of conflictive encounter with difference have the capacity to extend beyond the relationship between tenant and homeowner-landlord.

5.4.2. Subdivided houses as spaces of tolerant encounter

Valentine introduces a second geography of encounter with difference by advancing the following critical observation: "[B]ehaving in a civil or decent way in public, regardless of your privately held views and values," she states, "does not equate with an ethics of care and mutual respect for difference." Valentine argues that such civil encounters "represent a tolerance of others in shared space," a second type of geography of encounter.42 In the home spaces of the house with secondary suite rentals, conflict-free relationships between the homeowner-landlord and his tenants can in some instances fit this mould. I am thinking in particular of situations where home-owning households regard secondary suites as merely a contractual arrangement:

HL25: I don’t want to surprise people so I tell them directly how I live and I tell them I just don’t want them to lie to me. . . . And it’s always been quiet and I’ve had no problems. . . . They are not my best friends but it’s a good arrangement.

A tenant I interviewed recounted her experience with a landlady holding a similar attitude toward their relationship:

T09: [The landlady] had a porch above, [where] she mostly hung out ... She didn't hang around the back yard very much, so I'd probably see her two or three times a month. ... Very separated. She was very clear about that, she actually said to me, 'I don't want a new best friend.' That was fine by me.

Here, the landlady's expressed desire for distance creates a space of encounter that is very
different than a space of conflict, by communicating a willingness to tolerate the tenant's
presence in the property. But it is clearly also a desire riven with the unevenness of power
that results from the particular conditions of Vancouver's rental housing market (a
"landlords' market," as I described earlier in this dissertation). The tenant's assertion
"That was fine by me" suggests that it was a matter of luck that they both had wanted to
have the same kind of relationship, and that the power to decide the nature of her future
encounters with her landlady lay squarely on the latter's side. Tolerance, Valentine
explains, is "a dangerous concept" because of the way it can "obscure or leave untouched
[the] question of who has the power to tolerate."43

While tolerance may be welcomed functionally for its potential to reduce conflict
and violence, closer analysis of the concept reveals some of its important shortcomings.
In his recent book Violence, Slavoj Zizek traces the concept as we know it today to the
emergence of liberalism in Europe "after the catastrophe of the Thirty Years War between
Catholics and Protestants."44 Tolerance, he argues, was

an answer to the pressing questions of how people who differ in their
fundamental religious allegiances could coexist. It demanded from citizens
more than a condescending tolerance of diverging religions, more than
tolerance as a temporary compromise. It demanded that we respect other
religions not in spite of our innermost religious convictions but on account
of them—respect for others is proof of true belief.45

But in the last two decades of the twentieth century, as Wendy Brown critically argues,
tolerance became increasingly associated with liberal conceptions of identity and
difference rather than with matters of belief.46 Nowadays, Brown explains, "[p]olitical
and civic tolerance ... emerges when a group difference that poses a challenge ... must be
incorporated but also must be sustained as difference: regulated, managed, controlled."47
In other words, tolerance today "is less an extension toward a potentially intrusive or

45 Idem.
46 Wendy Brown, Regulating Aversion: Tolerance in the Age of Identity and Empire (Princeton: Princeton
University Press, 2006).
toxic difference than the management of the threat represented by that difference.\[48\] In
the process of regulating aversion, the discourse of tolerance reinforces the naturalization
of historically constructed differences, which in turn has the effect of depoliticizing
universal matters of social justice and equality by reducing them to private questions of
personal attitude or individual behaviour.

There are crucial parallels here between Brown's argument and the attitude of
toleration that might shape the socio-spatial relation between certain homeowner-
landlords and their secondary-suite tenants. These parallels start with the liberal ideal of
homeownership. When private property is normatively seen as a fundamental marker of
civic belonging (as it is in North America), homeownership becomes a form of self-
definition—a source of what Anthony Giddens calls "ontological security."\[49\] The
symbolic power attached to homeownership derives directly from this mode of
identification: what we own is seen not only as a reflection of what we have achieved as
active members of society—a demonstration of our willingness and ability to take
responsibility for our own well-being—but also as an important sign of who we are.
Many of the ideals associated with owned property are intricately linked to this dominant
identification, particularly the notion that private property is a domain over which its
holder has total mastery (even though certain state-imposed limits to what one can do
with one's property are generally recognized).\[50\] The idea that "my home is my castle"—a
space defined as the private realm, from which I can legitimately exclude the public and
which I can use entirely as I please—is undeniably an important element of homeowner
identity in North America.\[51\]

Given the power of the homeownership ideal in constructing tenure as a marker of
difference, some homeowner-landlords may regard a tenant residing in a secondary suite
within their property not only as somebody who is essentially different from them—a

\[48\] Idem., p. 28.
\[49\] Anthony Giddens, A Contemporary Critique of Historical Materialism. Volume I: Power, Property and
\[50\] Blomley, Unsettling the City.
\[51\] See for example Krueckeberg, "The grapes of rent." Rob Rowlands and Craig Gurney argue that this
view is prevalent in the UK as well. See their article "Young Peoples' Perceptions of Housing Tenure:
A Case Study in the Socialization of Tenure Prejudice." Housing, Theory and Society 17: 121–130
person stigmatized by the fact that she does not hold title to her own home—but potentially also as a threat to their own identity as masters of their private domain and absolute holders of the decision over how to use it. In order to obtain the benefits of her monthly rent, the landlord must incorporate the secondary-suite tenant into his private domain and allow her to use a portion of the property the way she pleases—a stipulation of the tenancy agreement which in legal terms is referred to as "quiet enjoyment." The fact that she cannot be evicted without reasonable cause and due process, and especially that as holder of the title to that property he cannot make use of that part of his house, may be perceived by some landlords as a negation of their idealized identity of homeowner. Those who feel ontologically threatened in this way by the practice of renting out a secondary suite in their property must then adopt some mechanism to counteract the perceived loss of control while retaining the ability to collect rental revenue.

For such homeowners, the adoption of an attitude of tolerance toward their tenants (rather than overt conflict or manifest prejudice) can be treated as a solution, providing "a gracious way of allowing one’s tastes to be violated. [An attitude of tolerance] offers a robe of modest superiority in exchange for yielding." But this is "precisely the danger that Brown identifies," as Davi Johnson puts it in his review of Brown's book *Regulating Aversion*: "the apparent gesture toward equality and liberation can be but an empty gesture that covertly sustains the hierarchies it purports to dismantle." The contemporary notion of tolerance, it seems, is always laden with an often quiet intolerance, and this contradiction undermines from within the liberal identities that sustain and are sustained by its discourse.

Of the 32 homeowner-landlords that I interviewed, none seemed to hold an attitude of mere tolerance toward their tenants. This is understandable, for I relied on a small non-random sample and therefore may not have captured the full range of

54 The total number of interviews adds up to 32 because, as I explained in Chapter 1, two of the people I interviewed as having had experience as tenants in a secondary suite in the city of Vancouver turned out to now be homeowner-landlords and agreed to also be interviewed in that capacity.
homeowner-landlord types in the city. It is also possible that those I did interview would have felt uncomfortable to admit holding such a view of their tenants if they actually did so. But the naturalized discursive difference between tenants and homeowners suggests that homeowner-landlords who do hold such an attitude are not an anomaly, and that subdivided houses with secondary suites can indeed take the form of spaces of tolerant encounter.\(^5\) The home spaces that are produced out of encounters between homeowners and secondary-suite tenants are always shaped by uneven power relations, and this unevenness is not meant to be dissolved in the case of relations built on the homeowner-landlord's tolerance of her tenants. Deljana Iossifova argues that tolerance "represents and manifests underlying power relations and unequal power distribution; the toleration of one group implies the existence of a dominant group holding the power to tolerate"—and, I would add, the power to be tolerated; some of the homeowner-landlords I interviewed expressed their awareness of such uneven dynamics in a local context where (as I discussed in Chapter 3) rental housing is extremely scarce.\(^6\) One of them said:

\[
HL02: \text{Our tenants have been very tolerant of the noise levels generated by our three young kids. I can only chalk that up to [the fact] that there's a power differential, the fact that we are landlords, and there's just a feeling on the part of the tenants that have been here, that they don't feel as though it's in their interests to hold us to our end of the bargain. }
\]

It is the presence of such asymmetries that leads Valentine to propose a third type of encounter with difference. She argues that the challenge of "living together with difference" entails finding ways to enable encounters that promote respectful relations between others, rather than merely tolerant ones. But if this sounds like a promising suggestion, Valentine unfortunately does not elaborate on what exactly she means by the word *respectful*.

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5. Echoing Krueckeberg's comment in the first section of this chapter, Nicholas Blomley remarks that "[o]ur very language suggests the distinction" between homeowners and tenants, as for example when "we describe owners of private property as living in 'homes,' located in 'residential communities,' while renters live in 'units of housing,' 'apartments,' or 'projects that are, if anything, a threat to 'community'." Nicholas Blomley, *Unsettling the City: Urban Land and the Politics of Property* (New York: Routledge, 2004), p. 89.

5.4.3. Subdivided houses as spaces of respectful encounter

Respect is an elusive concept. In his book *Respect in a World of Inequality*, for example, sociologist Richard Sennett does not provide a definition of the word, opting instead to communicate its meaning through the use of curious analogies such as performing music in an orchestra. In her article, Valentine similarly avoids outlining a definition of the term. However, I believe that some of the comments I collected from homeowners and tenants as part of my study can help trace the contours of, and add conceptual weight to, her idea of respectful encounter.

Many of the homeowner-landlords I interviewed reported charging an amount of rent that was much lower than market rents for comparable housing. For example:

_HL15:_ When other people ask me how much I charge for the suite and I tell them, they fall on the floor laughing or gasping in amazement. All right, then you know it's below market. Especially now. And when you see that I could be charging almost twice as much, and I would get it... It would be gouging at that point, but I would be able to get it because people are so desperate to find housing. It's awful.

_HL07:_ For the last fifteen years in Vancouver I'd shared different houses, so I kind of feel that I benefited from never paying over $400 a month in any of my accommodations. So how could I turn around then and charge —I think for the place, if we really wanted to, we could probably rent it out for $1,100 a month, but that would be almost 500 more that what we are charging.

Some interviewees also shared with me their awareness of being in an awkward position —a situation where they are able to perceive, as Valentine phrases it, "a gap" between their values and their practice: 58

_HL23:_ I just did not want to be a landlord. It seemed really unappealing to me and it was never my intention, because I just wanted a place to live. Then I realized that Vancouver really relies on basement apartments for housing and we've had so much response every time we put an ad, and people really need the space. I guess the thing is that I would not want to live in a basement and so I felt unhappy because I knew there were people living in the basement.

Some of these homeowners wanted to provide housing to those who could not afford market rents in the city, yet they were caught up in their own desires, financial capacities, and the material and psychic demands of the capitalist environment and the way it organizes the allocation of basic needs such as housing. This awareness was generally expressed as a deeply felt internal conflict between the "need" to have what many of them called "a mortgage-helper" and the recognition of the inequality that this practice helped to reinforce:

HL02: "[From people we knew] there was the 'Oh, you should gouge [your tenants]'. Those aren't the words they used but it's how it felt. I just said 'No.' Again, that was me still feeling conflicted about the whole situation, even with the finished suite that we'd just spent thousands of dollars on."

There is no romantic idealization of the encounter with tenure-related difference in statements of this sort—no discursive flattening of the very material hierarchies of the landlord-tenant relation. Instead there is an attempt to recognize tenants as more than a source of supplementary income.

One way of conceptualizing Valentine's idea of respect is therefore as the relational practice of seeing others as full human beings—not as nuisances that must be fought off or tolerated during their spell as a vehicle to help attain one's personal goals. The home spaces that are produced out of this way of relating to difference are perhaps the ideal that the Director of Planning had in mind when he stated that tenants should also have access to laneway apartments. This local housing strategy constitutes a form of social mixing that constructs secondary suites as spaces of encounter with difference in much preferable ways than uneven conflict or mere tolerance. But the City's policy is in fact premised on exactly the opposite terms. Given the housing affordability and availability deficits in Vancouver, the secondary suite policies that the City has pursued have on the one hand been geared toward the goal of facilitating the creation of unconventional rental housing, and on the other hand they have aimed at making homeownership more accessible by encouraging the use of secondary-suite rental revenue to offset high mortgage payments. These twin goals depend on the ability of homeowner-landlords and tenants to find a person who will act as a means to attain their
own ends—ends which the City is now also promoting: for tenants, it is finding a homeowner willing to rent an acceptably retrofitted basement apartment at a decent rate (in other words, a homeowner that will act as a means to find housing at a lower price than in the primary rental market), and for homeowners, it is finding a tenant who will serve as a "mortgage helper" (which is a means to making a detached house more affordable for purchase). The City's secondary suites policies, in other words, are inherently biased toward a means-and-ends type of relationship between secondary-suite tenants and their homeowners.

I have already shown that there are homeowner-landlords who, like the ones I quoted above, strive to see their tenants as full human beings and not only a means to an end. But the thesis that homeowner-landlords see their tenants simply as a means to an end suffers from a second, more important limitation, namely the way it privatizes what in fact are societal problems—such as the causes and effects of a chronic deficit of affordable housing or an environmentally unsustainable built environment. With respect to the former, for example, the tenant-homeowner relations that the City's secondary suite policies indirectly promote can only develop once the homeowners and tenants have successfully found housing that they may otherwise not have been able to find; and yet, by promoting such an individualized approach to the housing availability and affordability problems, these policies are in a sense contributing to deepen the economic gap between local tenants and homeowners by promoting the permanent transfer of a substantial portion of the former's income to the latter's accumulating equity.59 (Answering a question about the way she decided how much rent to charge for her secondary suite, one homeowner I interviewed for this project said: "the rent covers a third of my mortgage."60 I have also heard anecdotal evidence that suggests the rents collected by some homeowner-landlords, especially those with more than one suite in their house, are equivalent to 50 percent or more of their monthly mortgage payments.)

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59 While the issue of equity formation seemed to be very present in the mind of some of my interviewees, it only ever came up tangentially: some homeowner landlords mentioned it in the context of their concern with acquiring "real" value through title their own piece of land as opposed to a strata title, while others mentioned it in relation to the role it can play for people who lack adequate pension plans due to the nature of their employment. These homeowner-landlords' comments, however, were never directly tied to their discussion of their secondary suites and the revenue they derive from it.
60 Interview code HLII.
It is true that not all homeowners benefit equally from the wealth accumulation potential of homeownership because of price differentials associated with location and because of differences in financial returns linked to time of entry into and exit from the market.\textsuperscript{61} Also, I have discussed earlier how renting is for many households (but certainly not all) only a stage in a housing career that eventually culminates in homeownership. It should be noted also that the intensification of the wealth gap between tenants and homeowners is not exclusively a question of local housing and land use policy. The proliferation of secondary suites (and the intensification of the uneven financial arrangement on which it rests) is also fuelled, among other things, by the lack of a federal housing policy formulated in coordination with the provinces, by the erosion of the sense of security formerly provided by the Fordist state's safety net, and (as I argued in Chapter 2) by the banking sector's growing willingness to underwrite mortgages for home buyers wanting to rent a secondary suite in their newly acquired home. Nevertheless, Hulchanski's findings regarding the growing wealth gap between tenants and homeowners at the aggregate scale (Table 5.2 above) indicate the presence of a systemic problem requiring urgent attention, and that the introduction of policies that privatize the issue and contribute to magnify this severe "fault line," as Peter Saunders once called it in the context of the British housing market, are inadequate to the task at hand.\textsuperscript{62}

It seems clear, therefore, that we need a different way of thinking about spaces of respectful encounter, one that goes beyond Kantian critiques of a reductive means-and-ends logic. I believe that a much more fruitful way of thinking about this question can be found in the critiques of the contemporary discourse of liberal tolerance I discussed earlier. For both Brown and Zizek, two crucial points capture the essential problems of such a discourse. The first is that it helps sustain identities that are inherently unstable due to the dependence for their constitution on a never distant-enough Other; the second is that this discourse leads to the naturalization of historically constructed forms of difference, which in turn contributes to the personalization, and therefore the depoliticization, of social processes of differentiation. In the case of subdivided houses with secondary suites, not all homeowner-landlords think of the city's chronic housing

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\textsuperscript{61} Hamnett, \emph{Winners and Losers}. \\
\textsuperscript{62} Saunders, "Beyond housing classes," p. 203.
\end{flushleft}
affordability deficit or its environmentally unsustainable built environment as problems that negatively impact, however unevenly, all of Vancouver's (and the planet's) residents, regardless of tenure status, and that all must therefore join together to rectify. Those who do think that way, however, will be more likely to reject the identification with a homeowner persona that conceives of tenants as different in some fundamental way, but also as an ontological threat.

A space of respectful encounter, therefore, should not be conceptualized along the lines of a critique of a means-and-ends logic, for as we have seen this can have the same effect as falling back on the formula "let us tolerate our differences"—namely the privatization of matters that should instead be treated as urgent concerns within a very public politics. Rather, a space of respectful encounter might be best conceptualized as, to borrow Zizek's phrasing, "a pact between [what] undermines [a particular] identity from within, fights against its oppressive kernel."63 Fostering a space of respectful encounter with tenure-related difference in a subdivided house would then imply developing a relationship where homeowner-landlord and secondary-suite tenant both recognize and strive together—not in spite of their material and discursive differences but on account of them—against the societal problems that shape and are shaped by this socio-economic cleavage. It is only when this begins to happen at a significant scale that the spatial proximity implied by secondary suites will become the kind of relationship that can help address widening socioeconomic differences across tenure types.

The argument I have presented here rests upon a critique of the City's secondary suite policies. That critique would admittedly benefit from a more direct engagement with opinions held by homeowner-landlords and secondary-suite tenants about those policies—something that unfortunately I neglected to consider until well into the analysis stage of this project, when all interviews had already been conducted. But from an urban policy perspective, such a project would be well worth pursuing in the future. Kanishka Goonewardena and his colleagues argue that planners "have conventionally operated within a framework of equality," meaning that their goal "has been to identify the barriers

of access to urban services and opportunity for the city’s most socio-economically marginal groups, and to marshal the tools of land-use planning—zoning, density bonusing and so on—to eliminate socio-economic differences." Toderian's expressed interest in making laneway housing (and secondary suites more generally) available not only to homeowners and their relatives but also to tenants is laudable and can be recognized as part of that framework, but only to a certain degree. Advocating equal access in a broader political vacuum has the effect of replacing the goal of socio-economic equality with a watered-down substitute, namely that of equality of treatment. What planners and residents—regardless of tenure status—make of this fact and how they negotiate their own assessments of its outcomes is a question that awaits an empirical answer.

5.5. Conclusion

Earlier in this chapter, I sought to show that on average, there are marked economic differences between tenants and owners, and that these have been growing over the past decades. For decades, too, it has been argued that bringing tenants and homeowners together spatially would help bridge the economic differences between them, due to the assumed positive benefits of interclass contact. But as Kimberly Hoving argues, these assumptions "have largely been derived from studies on social behavior conducted without the intention of influencing housing policy." The empirical evidence suggests, by contrast, that policies which generate mixed tenure tend to result in little meaningful contact between tenants and owners. My analysis of the quality of that contact in the context of subdivided houses suggests that these spaces produce three kinds of encounter between tenants and homeowner-landlords: conflictive, tolerant, and respectful. Variation in the type of encounter, I should add, might be explained by differences within groups (not all tenants and not all homeowners enter into a relationship from a particularly

prescribed subjective position; it is important, in other words, to be cognizant of the "internal heterogeneity" of these two groups).  

In this chapter, I have also discussed how the policies that the City of Vancouver has adopted in recent years in order to encourage homeowners to create secondary suite rentals in their property have some obvious benefits for home buyers, tenants, and also the city and its municipal authorities. For homeowners, secondary suites provide supplementary revenue in the form of rent. For tenants, secondary suites provide an additional source of housing options in a tight rental market. For the City, secondary suites enable a more intense use of land and release some of the pressure on the local homeownership and rental housing markets.

But the benefits that owners and tenants respectively derive from policies that promote secondary suites are not evenly distributed. While both homeowners and tenants may suffer the negative consequences of the conflictive and tolerant geographies of subdivided homes, it is homeowners that seem to disproportionately benefit from such policies. The disparities of tenure-status difference are thus reinforced in three distinctive ways. First, the City's secondary suite policies are based on the logic of means and ends, and therefore do little to promote respectful encounters—often leading to conflict or else an attitude of mere toleration of tenants by their homeowner-landlords. Secondly, these policies are based on an income transfer from the tenant to the landlord in which the landlord, unlike the tenant, is able to build equity out of the space they both use as home. For this reason, it can be argued that such policies do very little in terms of helping to bridge the growing gap between tenants and owners. Finally, as with the case of gentrification through private mixed income development in formerly segregated areas or public housing blocks, whether this form of rental housing actually becomes available to tenants is ultimately an exercise in privilege by willing homeowners.  

By this, I am referring to the fact that at any point in time, it is the prerogative of homeowners to return

the suite to its original status as an extension of the principal dwelling or to use it to house a family member instead of placing it on the rental market. ⁶⁸

Ultimately, all of these problems can be reduced to one crucial limitation of the City of Vancouver's approach to secondary suites as a housing affordability and residential density strategy, and that is the fact that the creation of a legal framework to empower owners to build rental suites in their property cannot by itself address the larger structural sources of tenure inequality, in particular the organization of space around a private property regime and the ongoing reorganization of the global economy.

This chapter has focused on socioeconomic differences associated with housing tenure, but several other axes of difference need to be incorporated to the analysis of the geographies of encounter that are produced by legal and illegal secondary suites. These include for example gender and age differences as well as those related to racialization and ethnicization. One of my hopes in writing this chapter is that the analytical framework I have provided will encourage and enable further empirical research to address these gaps.

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⁶⁸ Provincial legislation permits the eviction of tenants with three months' notice in cases where the property is to be used by the landlord or an immediate family member. The legal status of the dwelling unit is irrelevant to this legislation.
Chapter 6: Secondary suites as objects and sites of knowledge production

6.1. Introduction

An important area of research in Science and Technology Studies (STS) has been the gap between the knowledge claims that scientists or other technical experts make about a given phenomenon and the way lay persons experience and understand it. One way to explain this gap is to treat it as an effect of the failure by experts to listen to the public, to recognize the lay knowledge its members possess, and to incorporate that knowledge into their research. But this explanation has an important limitation: What about the case of members of the public who do not possess relevant lay knowledge about that particular phenomenon because of a total lack of experience or familiarity with it? What can we say about the difference that emerges between the experts' claims and their own experience and understanding of the phenomenon when they eventually encounter it?

I raise these questions because of their relevance to my own concern with the consequences that implementing certain policies can have on people who do not possess the lay knowledge that others have contributed during the policy making process. More specifically, I want to discuss the potential negative effects for a particular group of home buyers -- those lacking lay knowledge about the practice of building and renting out a secondary suite -- of the City of Vancouver's approach to secondary suites. In particular, I focus on the City's shift from being critical about secondary suites toward speaking favourably about them as an affordability strategy and a sustainability measure, while at the same time continuing to tolerate illegal suites.\footnote{I discuss the history of this shift briefly in Chapter 3. See also Rob Whitlock, Policy Report on Secondary Suites, January 13 (Vancouver: City of Vancouver, 2004).} This shift was instituted by elected officials at City Hall in the early 2000s with support from expert opinion provided by planners among the City's staff; the planners' opinion, which I treat as an expert knowledge claim, was developed in consultation with the public. But as we will see, some home buyers who encounter the City's new stance on secondary suites do not have any familiarity with the actual practice of building and renting out such housing units.
This lack of insight on the practice raises the chances that they will fail to recognize a tacit element of the City's official stance, namely the fact that in order for a secondary suite to work as intended for their owners, the latter must possess or acquire a certain amount of lay knowledge beforehand. As we will see, the consequences of such a misunderstanding for unknowing home buyers can be financially and emotionally significant.

In this chapter, I approach these questions with the help of concepts taken from Science and Technology Studies (STS). In the first substantive section, I justify my choice of this literature by explaining its relevance to issues of lay and expert knowledge. This is followed by a discussion of the concept of interests in a particular branch of STS scholarship, as this concept in particular provides the theoretical foundation for the arguments I develop in the chapter. The third substantive section seeks to apply this idea of interests to the case of secondary suites in the city of Vancouver in general, while the fourth section takes a look at the negative experiences of two households that embark on the process of becoming homeowner-landlords at home for the first time and without sufficient lay knowledge about how to do this. The final substantive section discusses the important role of space and place-bound knowledge and how these help our understanding of the instance of expert and lay knowledge gap I identify in the chapter's opening paragraphs. The secondary suite, I argue, is not simply the object of investigation about which various kinds of knowledge are produced. It is also a site where knowledge is produced and put in circulation, turning homeowner-landlords into "lay experts."

6.2. Twentieth century traditions of scholarship on expert and lay knowledge

The nature or character of the divide between expert and lay knowledges has been a staple of Science and Technology Studies (STS) since the 1990s. According to Sergio Sismondo, STS can most simply be defined as a field of research that "investigates how scientific knowledge and technological artifacts are constructed, [exploring] the ways in which the material world is used by researchers in the production of knowledge." Not

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surprisingly, expertise as an aspect of scientific knowledge has garnered much attention within the field, particularly over the past decade or so. For Robert Evans and Harry Collins,

one of the most important outcomes of STS work has been to highlight the expertise or knowledge that exists outside the mainstream scientific community. As a result, we now know that expertise is often partial, that experts frequently emphasize some aspects of a problem but overlook others, and that, even if we could find the right experts, they may not have the answers.³

The twentieth century saw a number of theoretical engagements with questions about the partition of knowledge between experts and lay persons. Scholars in the social sciences and humanities will be familiar for example with Max Weber's analysis of cultural modernity, which he saw as the partition of a pre-modern epistemological heritage into various autonomous forms of rationality and which, he argued, served to elevate the culture of the professional expert above that of tradition and everyday life.⁴ Weber's ideas were influential in shaping another important theoretical tradition, namely Jurgen Habermas' analysis of instrumental reason and its separation from the hermeneutics of communication in the life-world -- a complex critique of modernism and its "exclusive concentration on one aspect of validity alone."⁵ Among urban scholars, such themes may bring to mind the forceful denunciation made by Jane Jacobs of the modernist bureaucratic city, as well as the contrasts she drew between the single public interest that is the focus of the urban planner's detached expertise and the neighbourhood diversity that mobilizes local knowledges to choreograph the "ballet of the street."⁶ Geographers in particular may also detect a number of parallels here with Henri Lefebvre's critique of the role of the spatial sciences and their expert knowledges in the colonization of the concrete space of everyday life by the abstract space of capital and the


state. But despite the substantive influence of these older intellectual projects, a younger generation of scholars has embraced STS as a fresh way to approach questions about expert and lay knowledges. Whether this constitutes the outcome of a careful evaluation of the comparative merits of each approach or the transitory stirrings of intellectual curiosity for a relatively novel field, its popularity among geographers and other scholars require an engagement with some of the challenges raised by its theoretical and empirical commitments.

The older traditions I mentioned above are still full of insight and are robust enough to provide what David Ley calls "standards of accountability." But these traditions share an important limitation: they all tend to over-emphasize the separation of knowledges. Their proponents painted a clear dividing line as having emerged with the rise of modernity, radically splitting the world into the wholly separate and uneven camps of the expert and the lay person. In this stratified epistemological landscape, the former was seen as having acquired an overwhelming power to autonomously shape (give and take a few important episodes of resistance by latter) the intellectual, cultural, and material structures of modern everyday life. While STS did not emerge specifically in response to this assumption, efforts in recent years to dispel the uni-directional thinking upon which those traditions are based have generated some of the most interesting work in that literature.

The growing recognition and close examination of the two-way flow that can occur between experts and lay persons in the production of knowledge gives STS an important advantage over the older traditions of knowledge scholarship. But STS has its own limitations. One such limitation, and the one that concerns me the most here, is that

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10 STS scholars regard the distinction that is established by the "expert/lay person" dichotomy as problematic, partly because it implies that lay persons are not themselves "experts" in various aspects of their everyday life. One of the arguments I wish to develop in this chapter, however, is that this "lay expertise" cannot be automatically assumed. For the sake of clarity, I will continue to use the term "expert" in reference to trained professionals in a particular field of science, commerce, governance or administration.
the perspective which is almost invariably adopted in the literature is ultimately that of the scientist or technical expert. Even when challenging the uni-directionality of expert/lay knowledge flows, the ultimate goal of these scholars tends to be the formulation of more effective ways of recognizing what scientists and policy makers can gain from paying more attention to lay knowledges in the production of expert knowledge or science policy, rather than being principally concerned with understanding the uneven production and distribution of those lay knowledges.

STS's emphasis on what is needed to address important limitations in the contemporary production of expert knowledge has certainly become an increasingly urgent matter, as rampant commercialization fuels a rapid expansion of scientific and technological development that challenges our ability to understand its ethical implications and socio-ecological consequences, and as growing numbers of commentators outside the sciences come to exert a powerful and often debilitating influence on public opinion about scientific expertise (witness in particular recent debates about the validity of scientific consensus on dangerous global warming). However, the exclusive orientation of STS toward the perspective of the experts and how they make use of lay knowledges (at the expense of seeking to learn about the ways lay experts acquire and circulate knowledge) also comes with significant risks. As growing numbers of young scholars in geography and other social sciences and humanities disciplines adopt methods and ideas from STS, its literature's over-identification with the perspective of the expert and the policy maker may shift important intellectual resources away from the urgent need in an increasingly polarized world to pay attention to that which is considered ordinary.

What is clear, then, is that both STS and the older traditions of scholarship and thought on the partition of knowledges have their strengths and weaknesses. But I believe it is possible to build upon the sounder aspects of both approaches while steering clear from their major limitations. What I am trying to do in this chapter is to take seriously the interest that the older traditions displayed for the lay person -- whose ways of knowing

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were devalued by the ascendancy of the experts' abstract rationality -- while recognizing that the traffic of knowledges between experts and lay persons, as the STS scholars have shown, takes place on a two-way street. I want to show, in other words, the uneven ways in which that two-way traffic is experienced from the perspective of the lay person.

The older traditions of scholarship on the partition of knowledge focused on the fact that the knowledge of experts was abstract knowledge. But their concern with the effects of abstraction inadvertently made them lose sight of the importance of place in the production of such abstract knowledge. Think for example of the terms that Jacobs or Habermas have critically used to contrast lay knowledges to the depersonalized, instrumental knowledge of experts: in the case of Jacobs it is "local knowledge," while for Habermas it is "traditional ecological knowledge;" the terms themselves seem to suggest that only the debased lay knowledge of everyday life was constitutively dependent on place and space. More generally, accounts of the process of scientific knowledge production by the pre-STS sociologists of knowledge sought uncritically to conceptually contain the multiplicity of sites and actors (including non-scientists) who were participants in the production of a fragment of knowledge. These sociologists did so by constructing science as timeless, placeless and universal, thus establishing an optimistic association between the mere existence of scientific knowledge production as a process and the possibilities for the reorganization of society in accordance with the idea of one objectively attainable Truth. But geographers who are explicitly concerned with the production of knowledge have already firmly established that this is not the case. All scientific and scholarly knowledge is produced somewhere and disseminated through space, touching down at various points in time and in specific places where it is generally reworked and thrown back into circulation.12

This is a fundamental lesson in the geography of knowledge production that STS scholarship has taken to heart. For this reason, STS has the advantage of enabling a

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discussion about expert and lay knowledges without dismissing their geographic
specificity. The literature from this field provides tools that allow me to examine how
expertise rarely remains bounded within expert communities. I will argue that expert
knowledge not only informs many varieties of lay knowledge, but -- more
problematically -- it can also be sometimes assumed by lay persons to be the most
adequate knowledge for the conduct of their everyday lives. As I will show, this
assumption may in some cases prove advantageous for some people, but for others it can
have painfully detrimental effects.

6.3. STS and the gap between expert claims and lay understandings

As I mentioned earlier, an important area of research in Science and Technology Studies
has been the gap that sometimes arises between the knowledge claims made by scientists
or technical experts about a given phenomenon and the way lay persons actually
experience it or understand it. The classic case study in the STS literature is Brian
Wynne's analysis of the negative impacts of the British government's response to the
Chernobyl nuclear fallout on Cumbrian sheep farmers and their herds. Following the
disaster, government scientists issued a series of directives that, as Wynne found, turned
out to be wrong for reasons that the farmers had anticipated on the basis of their local
knowledge of their fields and animals. The government's decisions were later found to
have been based on studies conducted in environments with very different types of soil
than those found in the Cumbrian hills. The scientists later admitted that taking the
farmers' local knowledge into account would have actually enriched their expert
knowledge.

Wynne's study could be interpreted as providing a good explanation for this
expert/lay person gap: when such a rift manifests itself, it may represent a failure by
experts to listen to members of the public, to recognize the validity of the public's local
knowledge, and to incorporate that lay knowledge into their research. This interpretation

13 Brian Wynne, "May the sheep safely graze? A reflexive view of the expert-lay knowledge divide." In
Scott Lash, Bronislaw Szerszynski and Brian Wynne (eds.), Risk, environment and modernity, pp. 44-
has its merits, but it also has an important shortcoming. While it provides for example strong support for normative claims about the production of scientific or technical knowledge that involves "lay experts" (particularly in cases where the public good is at stake) so as to make that knowledge more recognizable with their own experience, this explanation also skirts a crucial question: what about members of the public who do not have experience with or possess any knowledge about the phenomenon at issue? Would they be able to recognize the knowledge claims of scientists or technical experts? There is in fact, I argue, a real risk that these "uninformed" members of the public will misunderstand the experts' claims, believing they recognize them without actually having the capacity to comprehend their implications. In the case of Vancouver's secondary-suite phenomenon, as I will show momentarily, when this risk materializes it can have significant emotional and financial impacts on the affected home buyers.

The STS literature provides a tool for deriving a better explanation of the expert/lay person gap exemplified by Wynne's case study -- an explanation that helps us make sense not only of instances where lay knowledge is either ignored or recognized by scientists or technical experts, but also of situations where people without the requisite lay knowledge are confronted with expert claims which they unwittingly think they fully understand. The tool is Michel Callon's concept of "translation." It comes from the idea that in order to make a successful knowledge claim (namely a widely accepted one), experts must in the first place recognize the need to involve in the process of its formulation a multiplicity of actors, all of whom have their own sets of interests and must therefore be convinced of the benefits of their participation in that knowledge-making process.14 Callon argues that the production of knowledge requires "the construction a network of relationships" between a multiplicity of actors with a stake on the claims that are being produced, and who "mutually control ... what they want."15 "Translation" here is

effectively a series of efforts to realign the interests of all actors ("what they want") in order to produce a knowledge claim that will be accepted by all parties -- a necessary condition to guarantee that all actors recognize the knowledge claim as true.\textsuperscript{16} Failure to transform into a shared set of interests the multiplicity of separate interests of all the parties with a stake on the expert's knowledge claim -- or, to put it differently, of all those whom the claim intends to represent -- may jeopardize its believability or acceptability.

Such a failure may occur at two points in time. One of them is the period when the expert is assembling the relevant actors and negotiating the realignment of interests to produce a given knowledge claim; here, the expert may fail to recognize the need to enrol certain (known or unknown) actors whose interests eventually clash against the claim, or she may fail to reconcile the interests of an actor whose participation is recognized as necessary to the knowledge-claim-making process but who for some reason or another resists being enrolled. An example of the former failure is the case of the Cumbrian sheep farmers studied by Wynne, while the latter is well illustrated by the case of the Challenger shuttle explosion in 1986. In her study of that tragic incident, Diane Vaughan shows the role that NASA's organizational culture played in their engineers' decision to treat as acceptable the risks of low-temperature sealing failure which the manufacturers of the shuttle's Solid Rocket Motor had identified as unacceptably high.\textsuperscript{17} The interests of Morton Thiokol-Wasatch and its engineers in delaying the launch until the O-ring seal problem was solved were ignored by NASA, even though it was the agency itself that had asked the company to evaluate the effects of various aspects of the launch on their motor.

\textsuperscript{16} One of the elements of Callon's concept of translation is what he calls "free association," namely "the abandonment of all a priori distinctions between the natural and the social." This leads him to consider non-human entities of all sorts as actors with their own interests and who must also be cajoled into participation in the process of formulating a given knowledge claim, an idea that also became central to Actor-Network Theory. My own views on this proposition tend to side with Simon Schaffer's skepticism about attributing interests and agency to the non-human for the purposes of explanation. Rather than adhering strictly to Callon's sociology of translation, I take a more pragmatic approach to theory by restricting my discussion of interests to human actors. The quotation in this footnote is from Callon, "Some elements of a sociology of translation," p. 1. On Schaffer's critique of "hylozoism" ("the heresy of ... attribution of purpose, will and life to inanimate matter, and of human interests to the nonhuman"), see his "The Eighteenth Brumaire of Bruno Latour." Studies in the History of Philosophy of Science 22(1): 174-192 (1991: 182).

NASA’s claim that the risks were within acceptable margins of probability turned out to be catastrophically wrong, as the resistant Thiokol engineers had argued.

The second moment at which the failure to align the interests of all relevant parties may occur is after the knowledge claim has been released and placed in circulation. This may be the result of an inability to sustain the consensual involvement of an actor whose interests begin to change, as is shown in Callon's analysis of a scientific attempt to set up a conservation project for scallops in St. Brieuc Bay. Local fishermen who had originally agreed to participate in the project effectively withdrew from it as the scientists' scallop domestication efforts began to increase the mollusk's population and the fishermen proceeded to over-harvest it. The scientists' efforts to interest fishermen in a long-term experimental project to save the scallop where not enough to prevent the latter's short-term interests from reasserting themselves, leading to the failure of the scientists' plan.

But a post-facto failure may also result from -- and this is key to the argument I will develop in this chapter -- the emergence of new interests that turn out to be in conflict with the expert's knowledge claim, as may be the case with actors that did not have any relevant interests in those issues at the time of the claim's formulation. Interests are not fixed, and lay persons with interests that do not bear on an experts' efforts to formulate a knowledge claim at one particular point in time may then experience a shift. Their new interests could then come into conflict with an expert claim that was developed prior to their emergence. It is precisely this type of situation that I will examine later in this chapter.

6.4. Joining separate interests

In the case of the planning profession, a critical question about the nature of the distinction between expert and lay knowledge can be phrased as follows: What is it exactly that members of the public can contribute to the development of urban policy if they have not been trained as professional planners? To a large extent, the answer here involves the fate of a clash of goals and interests between trained technical experts and the public. In the case of planning, professional experts are expected to be concerned with
"the public interest," while members of the public may be seen as narrowly oriented
toward their private interest. In the case of Vancouver's secondary suite issue, these
private interests are multiple and idiosyncratic, but for homeowner-landlords they are
likely to include a desire to secure the exchange and use and symbolic value of a
privately owned house in the city. And yet even though such interests are private, some
members of the public are recognized as having their own kind of expertise, developed
from experience with the issue at hand, and which can be helpful to planners in the
development of policy in the public interest.¹⁸ It is upon the successful reconciliation of
these divergent interests, however, that lay knowledge will enter into the formulation of
the planning expert's knowledge claim.

6.4.1. Planning experts and the public interest

As part of their duties as public servants, planners are required to carefully take into
account a variety of physical and social considerations. This requires them to collaborate
with developers and a variety of professional experts in other fields, including lawyers,
engineers, architects, economists, and accountants. With respect to secondary suites,
lawyers can for example draft the specific wording of bylaws, engineers can make
recommendations on building and fire safety standards, and architects can generate
scenarios for possible design guidelines.¹⁹ Through the coordination of these various
forms of professional expertise, planners follow direction from elected officials to
develop strategies for setting up and maintaining the social and physical infrastructure
that enables the city to operate according to modernist notions of efficiency and order. In
this sense, their expertise enables them to fulfill a specific set of functions that have
become crucial to sustaining the complex organization of contemporary capitalist society.

¹⁸ The public interest is not necessarily the only professional interest of planners. The City of Vancouver's
director of planning's weblog entries (see Chapter 5) may be interpreted as an expression of an interest
in furthering the knowledge of the profession through the sharing of knowledge produced through
practice. Planners will also need to negotiate their personal interests, including the desire for
professional development and career advancement or the balancing of work and off-work time. There
may also be financial or other types of conflict of interest that may or may not be recognized by
individual planners, as is also the case in other expert communities.

¹⁹ See for example Christopher Duerksen, Herbert Smith, Gregory Dale and Donald Elliott, The Citizen's
We should not forget that this is no small part of how planners are seen as serving the public interest.

There is another way in which planners seek to serve the public interest, however, and that is by paying attention to how local residents make use of the urban settings where their lives unfurl.20 But there is a reason why cities have been compared to perpetual motion machines or permanently evolving ecosystems, and due to the continuous variability that characterizes them, the needs of their residents (who themselves are also constantly undergoing change) are equally in a permanent state of flux. For this reason, an additional method through which planners come to learn about the changing ways in which residents carry out their lives in the city is through public consultation around specific issues targeted for policy intervention. Through the use of surveys, design charrettes, and public meetings, planners hear from members of the public about their needs and the issues that concern them privately in their everyday lives.21 This is achieved in part through professional training, and the formation of the planner involves taking courses for example in public participation techniques, working with diverse communities, and coalition building.22 The planner's work thus involves a reconciliation of expressed private concerns with the broader public interest.

To examine how the professional knowledge of urban planning experts seeks to reconcile the gaps between the public interest and the grounded and particular interests and experiences of others, including people living in a subdivided house, I conducted a content analysis of three key reports on secondary suites presented to the City of Vancouver Council between 2004 and 2009.23 These reports are significant in that they were prepared as tools for decision making by request of Vancouver's elected officials and with input from the City's in-house experts in a variety of fields. The first report was

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20 It is important to recognize here that public participation in planning is historically the result of political mobilization by residents. In the case of the city of Vancouver, David Ley provides an excellent account of that mobilization and its victories in the early 1970s. The success of residents' political action has made City officials and planners aware of the necessity to negotiate inclusion of their interests in the development of expert recommendations for policy making. David Ley, *The New Middle Class and the Remaking of the Central City* (Oxford: Oxford University Press, 1996).
submitted to City Council in January 2004 by the City's Director of the Housing Centre, in consultation with the Director of City Plans, the Chief Building Official, the Chief License Inspector and the Director of Legal Services, recommending the adoption of new bylaws to allow secondary suites throughout the city.24 The second report was submitted to council in June 2009 by the Director of Planning in consultation with the General Manager of Engineering Services, the Director of Development Services, the Manager of Sustainability, and the Chief Building Official, recommending the implementation of laneway housing in 95 percent of the city's residential areas.25 The third report was submitted to council in December 2009 as part of a series of studies to help the City develop a rental housing strategy, and was produced by the City's housing and statistical analysis experts.26

The main theme across the three reports is the positive role that secondary suites play in dealing with the problem of housing affordability. In a note contained within the first report, for example, the City's General Manager of Community Services recommends that the proposed zoning changes to allow secondary suites in most areas of the city be approved, "noting that secondary suites are an important component of the City’s affordable housing supply."27 But planners must also pay attention to neighbourhood concerns, housing standards, environmental issues, and building safety. The report on laneway housing, for example, provides some indication of the detailed

23 The descriptions that follow of the expert knowledge of planners (and other professions) are necessarily brief, for an exhaustive analysis of there is not the main purpose of this chapter. Such descriptions clearly could be extended, for example, if one wished to make a Habermasian argument about the ubiquitousness of instrumental reason in modern society. The point of this section is more modest, but it is nonetheless an important one. Complex societies intensify the division of labour in order to enable a growing number of highly sophisticated functions to be performed by actors who can acquire and develop the kinds of expertise that such functions require. My goal here is to show, albeit in abbreviated form, how the functions that this set of experts perform are manifestations of disparate (but nonetheless aligned) professional interests that have as collateral effect the formulation of knowledge claims as abstractions from very particular experiences related to owning and renting a secondary suite.


26 City of Vancouver, 'The role of secondary suites: Rental housing strategy - Study 4.' Vancouver: City of Vancouver (2009b).

consideration, with regards to fire prevention measures, that has been devoted to human
interaction with the spatial layout of the buildings and the physical materials they are
made of:

[S]taff developed a package of [legal] amendments that combine to
achieve adequate fire department access. [...] These features include
improved access path design, enhanced sprinkler protection, and improved
identification of the LWH [i.e., laneway suite] location for emergency
responders [through] the requirement that the LWH address be visible
from the street (on a gate or post at the front of the main) house, and a
requirement for an exterior strobe light that is electrically interconnected
with the smoke alarm in the LWH. 28

Here, various aspects of an emergency response situation have been taken into account
from separate expert perspectives -- from that of the engineer with knowledge of
materials, equipment and safety response practices, to that of the lawyers in charge of
drafting the bylaw amendments. Later in the report, some concrete implications of
increasing housing density are also considered with respect to its effects on parking:

Increasing floor space to an area without addressing on-site parking needs
will put pressure on and reduce on-street parking availability for the
existing residents. From our experience in neighbourhoods with parking
pressures, this will create conflict for residents who are not benefiting
from the laneway housing developments adjacent to their properties. 29

Some common experiences of people who live in secondary suites as tenants were also
taken into account: "[M]any suites were put in without any permits, and the suites created
may not be safe nor meet normal living standards. Tenants may be reluctant to complain
about conditions for fear of losing housing that they can afford." 30 Similarly, the report
reflected some common experiences of homeowners who do not legalize their suites:
"Owners may also wish to maintain the 'invisibility' of their suites, even though they are
now a permitted use, for taxation reasons or because their suite was put in without
permits." 31

29 Ibid., p. 13.
31 Ibid., p. 10.
Despite its engagement with certain practical aspects of living in or with a secondary suite, the professional expertise that is mobilized in the production of these reports is oriented more broadly towards the anticipation of urbanist opportunities and the prevention of collective problems associated with secondary suites. This is reflected for example in an interview I conducted with a City planner who worked for some time on the issue of secondary suites:

PR01: These changes [to the zoning bylaws and the building code] should have been implemented [back in 1988]. Think of all that new construction, it could all have legal suites now, or the possibility. That was a lost opportunity.

He added later:

PR01: Don't ignore the design issues. . . . [The changes] accommodate more density and use the design more effectively, and that helps [to deal with the problems of] neighbourliness.

These statements reflect the planning profession's concern with social rather than private opportunities and potential problems.

Given the broader nature of these experts' interests, the extent to which localized experiences and processes pertaining to individual households are taken into account is necessarily limited. The subject is "the" owner or "the" tenant, and their practices are an abstract representation based on a generalization of the multiplicity of possible ways of interacting in and with such spaces. For this reason, the urban planner stays clear of a host of homeowner and tenant experiences and practices that are much too particular for the purposes of formulating policies geared to the public at large.32 As part of the resulting abstraction, the secondary suite policies coming out of the recommendations that planners formulate in consultation with the public end up promoting an idea of this type of housing unit as an almost natural solution to the housing affordability problems of the city.

Given the interest of the City's experts in the public rather than the private good, their claims about secondary suites as "mortgage-helpers" or "alternative" rental housing

32 Examples of such experiences and practices will be discussed in section 6.5.
are of course highly generalized and abstract. Nevertheless, they are recognizable to residents with sufficient lay knowledge about secondary suites to understand how this abstraction emerges out of particular experiences such as the ones with which they are already familiar -- and which have worked for them according to their own private interests. The planner's ability to formulate a generalized and abstract knowledge claim depends in part on having aligned her interests with those of the members of the public who participate in its ultimate formulation.

6.4.2. The interests of other professional expert groups

Since the early 2000s, the City has adopted three positions regarding secondary suites: making it relatively easier for homeowners to have a legal secondary suite in their house; speaking favourably about the practice of setting up and renting out a secondary suite -- both as a way of making housing more affordable for owners and renters and as a way of reaping the public benefits of increasing residential densities in so-called single-family neighbourhoods; and, in continuation with prior policy, tolerating the existence of unauthorized secondary suites. It is a position that knowledgeable residents now find consistent with their interests for reasons I have discussed in previous chapters, but also one that is in alignment with the interests of other professional expert groups such as real estate agents and mortgage lenders and brokers.

i) Mortgage specialists and brokers

The legal origins of mortgages as credit instruments has been traced back to the lenders' need for certainty regarding the ability to recover their capital in case of borrower arrears or default. This concern with managing lending risks also helps explain why financial institutions develop increasingly sophisticated systems to ensure that their employees do not approve loans to households with unprofitable risk scores. Mortgage representatives who deal with the public (and the supervisors in charge of authorizing loans) must

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therefore be trained to use their expertise in order to match the largest and best yielding possible mortgage to qualifying borrowers.

In Vancouver, some lending institutions take secondary suites into account when determining the loan size and terms for which a prospective borrower would qualify:

"A lot of people need the mortgage helper," Carolyn Heaney, manager of mortgage development in Vancouver for the Bank of Montreal, said in an interview. [...] Heaney said bank mortgage officers will take about 80 per cent of the gross rental income that a legal secondary suite in a home generates, and use that when considering their approval. [...] Heaney said that on a $580,000 mortgage, which is fairly typical for Vancouver, a buyer would need a family income of around $100,000 a year to carry the payments. However, throw in rental income of about $1,500 for a suite, and Heaney said the employment income a family would need to support that mortgage would drop below $60,000. The key, however, is that the suites are legal.35

The mention of the legal status of a secondary suite here is not surprising given that this was an on-the-record statement. In any event, not all financial institutions consider a secondary suite's lack of legal standing as an impediment for borrowers. Among the homeowner-landlords of unauthorized secondary suites that I interviewed for this dissertation, several reported being able to obtain a larger mortgage loan on the basis of the revenue expected from an illegal suite:

HL01: We also started exploring other credit unions and what they could offer. Right away, that one -- [name of credit union] -- was talking about: “You could get a place with one suite and you can have this much, with two suites you can have this much.” It was crazy, actually. For a one-bedroom, $450 can be added to your monthly income, and for a two-bedrooms it's $550 they'll consider, and so on. [...] That mortgage representative at [name of credit union] was definitely encouraging us to take on a larger mortgage: “it's more possible if you get a place with a secondary suite.”

It is the job of the mortgage specialists -- the title assigned by many lending institutions to their mortgage underwriting staff -- to handle the fine balance between selling the largest possible dollar amount of mortgage credit and applying the lender's standards to

35 Derrick Penner, "Nanny, granny or secondary suites are key for home ownership in Metro Vancouver." The Vancouver Sun October 13: C2 (2009).
determine whether the borrowers' characteristics qualify them for a loan of a given size and price. The credit union mentioned by this interviewee put a "price" on the risk of allowing this couple to borrow from it, and the mortgage specialist sought to sell them as much as possible of the institution's capital at exactly that price.

Even though this "price" changes from one financial institution to another and varies in relation to certain characteristics of the client and the property being mortgaged, it does not seem to depend on whether a borrower relies on rental income from a suite or not. All the mortgage brokers and specialists I interviewed emphasized that households are never charged an interest rate bonus when they require the supplementary revenue from a suite to qualify for a loan, although as one mortgage broker told me,

**PR13:** Some lenders won't allow rental income, so sometimes the lender pool is reduced -- which can indirectly cause a higher rate because our options [as brokers] are limited.

Moreover, as several mortgage brokers and specialists that I interviewed pointed out, households that depend on rental income to qualify for a loan do pay a certain "price" decided by the lending institution when it comes to the way rental revenue is recognized:

**PR04:** For the Metro Vancouver area, in general the lender will only recognize between 50 and 80 percent of the rent [from an unauthorized secondary suite] for non-CMHC loans [i.e., for mortgages that are not insured by the Canada Mortgage and Housing Corporation].

At one credit union, the mortgage specialist I interviewed reported that for qualifying purposes, they do not count rental income from a secondary suite regardless of its legal status. Instead, she explained,

**PR03:** What I would be recognizing is: you have a home, with rooms available for people to rent, therefore based on the rental amount that is appropriate for a room rental, meaning more like for students or people staying there... We don't take into consideration it's a full suite with all of the amenities it comes with. We usually use it more as rooms. That usually

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36 The Canada Mortgage and Housing Corporation (CMHC) is a government agency that insures residential mortgages in cases where the home buyer borrows more than 80 percent of the selling price of the property. Most lenders will require such borrowers to take this insurance. CMHC will insure the mortgage for a property that has a secondary suite only if the suite was legally built and is licensed for renting.
discounts the amount of rent I'm allowed or willing to put towards how much they qualify for. So instead of it being, let's say, a suite that may be quite nicely done and worth $1,000 a month to add into their income, I wouldn't do that. Instead I would say: No, there's two extra rooms in the house . . . and quite frankly I'm not going to utilize it as an actual suite so, maybe it's $300, $350 per month that you could get with students, let's say, to rent a room from you. . . . And I won't even use 100 percent of that rental income. Traditionally in the past we have used more like 50 percent.

Moreover, not every lending institution treats the legal status of the suite in the same way. For example, all the mortgage brokers I interviewed reported that

*PRO5: Some lending institutions will consider rental income [for qualifying purposes] even if the suite on the subject property is non-conforming. But for CMHC-insured loans, CMHC doesn't recognize it. They won't.*

The decision to approve a loan, then, comes down to the specialist's evaluation of the borrower's mortgage-carrying capacity as per the lending institution's policies, standards, and regulatory context. In other words, mortgage specialists must train their expertise at assessing the prospective home buyer's *potential* as a client for the financial institution that employs them. Their decisions are equivalent to expert claims formulated on the basis of an institutional decision-making framework, and these decisions are made in the interest of the institution. For lending institutions with a tolerance for the risks of underwriting mortgage loans to owners of unauthorized secondary suites, the existence of secondary suites in general is more important to their interests than their legality. Regardless of its legal status, a suite may lead to a mortgage loan that a client may not have obtained without being able to count on its rental revenue.

The emphasis on a mortgage applicant's "client potential" reflects a concern with the way in which the borrowed money will be used, precisely because the loan is priced on that basis. The homeowner in the above interview, for example, was contractually required to use the borrowed money to purchase a house in which a secondary suite could be expected to generate a predetermined amount of rent. The loan may not be used for other purposes because repayment is seen as depending on that rental revenue. Here, the concrete experiences of residents with subdivided houses as a shared living space,
experienced in particular ways by each side of the rental agreement, has been abstracted into a measurement of credit worthiness which, if the loan is approved, becomes further abstracted into the standardized format of clauses in a mortgage contract. The expertise of the mortgage specialist is necessarily "partial," to use Evans and Collin's term, in the sense that it reduces the process in which it is interested down to a standardized set of considerations and rules.\footnote{37}

To be clear, this observation is not meant to imply that this expertise should be anything other than partial. The mortgage specialist's expertise consists of creating or implementing algorithms and policies that provide efficient processing of as many applications as possible from prospective borrowers in very different circumstances.\footnote{38}

Abstract representations of applicants that render them as a set of financial characteristics are a necessary part of the business under current regulatory conditions in Canada. Such representations are essential to maintain the profitability that ensures the sector's willingness to fulfill the crucial function of facilitating the allocation of capital. It is by means of such abstractions that these mortgage specialists assert the interests of their institution. And for those who work in more risk-tolerant financial institutions, the proliferation of secondary suites, regardless of their legal status, is consistent with those interests.

**ii) Real estate agents**

Real estate agents often discuss with potential clients a wide variety of issues related not only to the purchase of a house but also to the experience of occupying it. Their training, professional experience with other home buyers, and their familiarity with the neighbourhoods in which they do business provides them with the specialized knowledge to recognize properties that possess a combination of features which accord with the prospective buyer's specifications.\footnote{39} Asked whether she had talked to her real estate agent about her interest in finding a house with a suite, one homeowner replied:

\footnote{37} Evans and Collins, "Expertise: From attribute to attribution and back again?" p. 609.
\footnote{38} Lea, "Innovation and the cost of mortgage credit."
**HL24:** Yes, because we were telling her our criteria. So she knew that we wanted a place with a suite or something easy to convert. Like, this house already had a kitchen and a bathroom downstairs. And I think she didn’t show us anything where the basement wasn’t easily converted.

As in the case of mortgage specialists, however, the real estate agents' knowledge of housing issues is also partial; for one thing, it is acquired with the specific goal of improving their skills as specialists in the retail side of the property trade. They therefore tend to regard questions about how to retrofit a basement into a suite or how to operate the space as a rental business as somebody else's area of expertise. As one real estate agent told me,

**PR12:** People know there's a secondary suite bylaw, most people know. I'm not sure that everybody understands it, so when people start asking "is it an authorized suite, or is it a legal suite?" I generally just refer them to the City website so that they can be really clear, so that they understand what it is. And if they are buying the house, and then they wanted to make any changes to the suite, that they would do it through the proper guidelines of the City if they felt that that was something that they needed to do. . . . It's the same as referring everybody to the Residential Tenancy Branch website when they want to get into more detailed questions about "Oh, how do we go about renting the suite? What's a tenancy agreement?" That's just past my area. Here's the tools, here's where you can get the information.

Of the 32 homeowner-landlords that I interviewed, none had received specific and accurate information from their real estate agent on what was (and how to deal with) the concrete experience of building a secondary suite or being landlords with tenants in their own home's basement, and none had been told about its most challenging aspects (which, as I show in chapter 5 and also later in this chapter, can be significant).

This is not surprising. Given the market-determined nature of this profession, it is in the interest of the agent to allocate her time between multiple potential buyers and sellers in such a way as to maximize her overall sales potential, and therefore the amount of time spent with any one individual client must be not more than what is strictly necessary to close a deal to everybody's satisfaction. In principle, this efficiency

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40 Only one of the real estate agents I interviewed explicitly argued that "building the relationship with the client" was not a reducible to devoting a specific amount of time to each one of them.
orientation would also benefit clients whose priority is to reduce the time they spend in the market.\textsuperscript{41} One of the real estate agents I interviewed explained,

\textit{PR02}: So that we don't waste my time and their time and all that time looking at properties, one of the first things I do when I'm working with new clients, if I haven't had a history with them, is to find out who have they done their pre-approval with, who's the lender and who's the representative or who is the broker that they are working with, and then check with that individual to make sure that they are qualified for the amount that they say they are qualified for, because sometimes an average buyer will go to the MLS website or RealtyLink and they will use the mortgage calculator and they will think that they have it figured out; but sometimes they are qualified for more, sometimes they are qualified for less, since each week the bank is changing its lending criteria with everything that's going on globally.

Part of a real estate agent's expertise is being able to assess the amount and type of attention that should be devoted to particular clients, in order to balance their need for time and information to make a purchase decision on the one hand and her own need for time to deal with other clients on the other.

For this reason, the real estate agent's professional knowledge of secondary suite issues often assumes an abstract view of the experience of being a homeowner in a house with an authorized or unauthorized rental suite. Through this abstraction, a household's search for a house to purchase becomes associated with the goal of finding a product in the market place that will fit its wants and needs, while the experience of living in a house with a secondary suite rental is reduced to an expected revenue flow. The following quotation, from another homeowner with an unauthorized rental suite in his basement, helps illustrate this point:

\textit{HL08}: Our realtor was very friendly, but she just kind of let us run with the ball. We're friends with her too. She owns a house with a suite that she rented temporarily, and then she decided not to rent it. They have a friend living in there, but they don't rent it for tenants anymore. She could afford without a suite. But she said, "if you need a suite then they are really easy to manage."

In this case, the real estate agent had personal knowledge of the more-than-economic nature of building and renting out a secondary suite at home. As a professional, however, this experience was refracted through the lens of her technical expertise and abstracted into the equivalent of a mere economic relationship to be managed like a small business enterprise. This is an abstracted view of suite rentals that can be quickly conveyed to a potential home buyer, but it is up to that particular client to interpret what following up on it in practice would imply emotionally and intellectually -- particularly whether she can indeed be an efficient small business operator, especially in the context of her own home. In this abstracted and de-localized representation of secondary suite rentals in an owner-occupied home, the complexities of potentially conflictive relationships (discussed in Chapter 5) -- or even the rewards of respectful ones -- are masked by the mobilization of an expert knowledge geared ultimately (and unsurprisingly) to closing real estate deals efficiently and to everyone's satisfaction.42 It is an abstraction, moreover, that may facilitate the sale of a property; in this sense, the proliferation of secondary suites regardless of their legality is consistent with their professional interests.

6.4.3. Reinforcing the City's position: the role of the media

For their own different reasons and in pursuit of their professional interests, all of these professions end up promoting an idea of secondary suites as always beneficial -- an almost natural solution to the housing affordability problems of the city. This abstract view of secondary suites as "mortgage-helpers" or "alternative" rental housing, moreover, is endlessly promoted by the press in articles that represent suites as an inevitable "fact of life."43 Statements like the ones I quote below, collected from editorials, reports, regular columns, and op-eds from the past ten years of issues of The Vancouver Sun (the local daily broadsheet with the largest circulation), misleadingly suggest that secondary suites are a solution that can be adopted easily and without fuss by anyone with enough income

42 In using the term "de-localized" here, I do not mean to imply that the knowledge claims of professional experts are placeless -- what Thomas Nagel has critically termed "the view from nowhere." The construction of knowledge, as we have now come to recognize, literally takes place somewhere (in the case of experimental science, for example, it takes place in the scientific laboratory). Thomas Nagel, The View from Nowhere (New York: Oxford University Press, 1989). See also Livingston, Putting Science in Its Place.

and savings to qualify for a modest mortgage (or, in the case of tenants, by anyone who is looking for an apartment to rent):

Help yourself along the way by looking for properties with built-in mortgage helpers. These are the in-law or secondary suites that many municipalities have now legalized. They help provide you with income, thus reducing your overall monthly cost of living in the property.44

The message is reinforced by constant allusions to the high price of detached houses in the city, a fact that virtually all local residents are by now well aware of:

They go by many names -- granny, nanny, in-law or student -- but secondary rental suites in homes have quickly provided more than a bit of assistance to homeowners in Metro Vancouver, Canada's most expensive real estate market.45

Even the question of the legality of a suite is expediently dealt with through parsimonious and seemingly impeccable reasoning:

The simple reason for illegal suites is cost. By the time a two-bedroom, $600-basement suite is retrofitted into legal compliance the landlord may have spent tens of thousands of dollars on rewiring, sprinklers and fire alarm systems, parking stalls and other requirements. In the end, he still owns a basement suite with about the same market value he started with. Not much return on investment there. And, as most secondary suites are built as mortgage helpers, owners are often already at the limit of bank-allowed debt and would have trouble finding the money to upgrade even if they were willing.46

Other journalists will emphasize the potential of secondary suites to act as a sort of Great Equalizer, supposedly bringing properties that were previously reserved for the wealthiest members of society within the range of most people's means:

Far more University of B.C. students rent suites in Point Grey houses than are accommodated in on-campus residences, and it was ever so. For that diminishing proportion of westsiders who did not inherit their homes or the fat fortunes needed to purchase them (average house prices west of

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44 Don Campbell, "How to own a home; Despite the affordability crisis, there are possibilities out there. But first, you have to do some, er, homework." The Vancouver Sun, July 5: A15 (2007).
45 Derrick Penner, "Nanny, granny or secondary suites are key for home ownership in Metro Vancouver." The Vancouver Sun, October 13: C2 (2009).
Granville now approach $700,000), renters with monthly cash are essential "mortgage-helpers."\(^{47}\)

Finally, the proverbial "voice of the people" is requisite for the purposes of making the same overall point:

"This is affordability from a number of vantage points," says Pakenham, a retiree and community activist. "It's comfortable accommodation in a small footprint for my renter, and it allows me to stay in my heritage home by adding revenue," he says.\(^{48}\)

The fact that renters still comprise half of the city of Vancouver's population suggests that homeownership attainment here is not as simple as these commentators would have it. But the growing number of secondary suites provides an indication of the dissemination and favourable reception of the message by many households. As we will see shortly, however, this is not always a decision that yields the promised returns.

As I stated earlier, this discussion was not meant to advance new understandings of the professional expertise of mortgage specialists, real estate agents, or urban planners. What these descriptions do, however, is show that this professional expertise is narrowly focused on how secondary suites can be used to solve certain kinds of problems -- namely those that are specifically associated with their professional sphere -- rather than on the localized and multifaceted processes and practices through which legal and illegal secondary suites are actually built and occupied. The important functions that these experts play in the production of urban space depend on conceptually apprehending different aspects of city life through abstraction and informed generalizations from the plurality of residents' experiences in such a way that they coincide with their professional interests. For these experts, professional knowledge necessarily involves the reduction of that multiplicity of experiences to a limited number of aggregate constructions representing "normal" types of engagement with spaces of everyday practice.

6.5. A heterogeneous public

In the case of city planning, some members of the public are recognized as having their own kind of expertise, developed from personal experience with the particular issue at hand, and which can in some cases can indeed be helpful to planners in the development of public policy. Conceptually, part of the challenge for planners consists in reconciling the divergence in interests with the knowledge contributions that each party can bring to the table with the goal of furthering the common good. One way to address this challenge is to acknowledge that the "public" is not a homogeneous body. In particular, the notion that all members of the public possess lay expertise that may be relevant to a given phenomenon cannot be accepted without question. For my purposes, it is helpful here to distinguish three groups of people that compose this abstract entity called "the public."

Two of these groups are composed of people who possess some degree of expertise on matters that are relevant to the policy issues in question. One such a group of lay experts holds what Harry Collins and Robert Evans call "contributory" expertise, meaning "enough expertise to contribute to the ... field being analysed." By holding such forms of expertise, these members of the public bring to the knowledge-claim development relationship more than just their private interests; the information they provide to the expert planner can help (or in some cases complicate) the latter's efforts to align the multiplicity of interests that are relevant to the matter at hand. In the case of Vancouver's secondary suites issue, planners have learned from the lay expert that secondary suites generally work for homeowners and for tenants, and based on this "discovery" they have come to adopt policies that help, directly and indirectly, encourage the proliferation of secondary suites as a tool for addressing many of the city's housing problems.

The second group of lay experts consists of people who have informally acquired what Collins and Evans call "interactional" expertise, meaning a level of knowledge that enables them "to interact interestingly with participants" who are versed on the issues that

can have an impact on policy formation.\textsuperscript{50} These lay experts may understand and use the vocabulary of the contributory professional and lay experts, or hold in store an array of anecdotes about secondary-suite-related practices acquired through interactions with many other local residents; but their knowledge is not novel and the way they frame their understanding of the issues is not suited to contributing new information that would be of use to the knowledge-claim formation network. For my purposes in this chapter, however, this type of lay expert is nevertheless important: members of the public who acquire interactional expertise on secondary suites -- even if they do so long after the expert planners formulated their knowledge claims and City officials instituted it as policy -- are less likely to fail to apprehend the private implications of the planners' expert claim that secondary suites are beneficial to potential home buyers.

Possession of these two types of expertise separates lay experts from a third group of members of the public, composed of those who lack direct experience and even much second-hand knowledge with the issue at hand -- in this case, the practice of setting up and renting out secondary suites in their home. Because of their lack of lay expertise on the matters at hand, these people are less likely to have much influence on the drafting and implementation of specific policies. In fact, as I discuss below, the existence of this second group of people has been largely ignored in the formulation and updating of secondary suite related policies.

The problem here in large measure revolves around the instability of actors' interests. Residents who may have had no direct interest in the issue of secondary suites at the time of the development of the planning experts' claims about their benefits can eventually come to develop an interest in it much later. Due to the particularity of their experience, this interest may turn out to be at odds with the aligned interests of the actors who came to agree with the planners' claim.

6.5.1. A failure to understand the planners' expert claims

The City's secondary suite positions since the early 2000s have faced opposition from a group of Vancouverites -- many of them homeowners -- whose experience with the

\textsuperscript{50} \textit{Ibid.}
presence of secondary suites in their neighbourhood has been unsatisfactory.\textsuperscript{51} But STS and other sociological approaches to the study of science have shown that an expert's knowledge claims can be deemed successful despite the existence of opposition -- a fact that is readily observable in scholarly communities whenever a particular knowledge claim is at the centre of an academic debate. The fact that a number of knowledgeable residents rejected the notion of secondary suites as a permitted or tolerated land use must have been deemed inconsequential to the formulation of a new official position on secondary suites by City Hall in the early 2000s. From an STS perspective, the alignment of many other interests seems to have overwhelmed, at least until now, the resistance of such residents.

The planners' knowledge claims are at times also contradicted by the negative experiences of some home buyers who do not possess the requisite lay knowledge to make a secondary suite function as proclaimed by the City's experts, in spite of their successful alignment of interests with lay experts at the time of their claim's formulation. In this case, the issue is not simply one of scholarly disagreement in the production of knowledge; the eventual emergence of a clash of interests can have serious repercussions for those who failed to understand that, in order to make the planners' claim about the benefits of building and renting out a secondary suite align with their own private interests, they must acquire a significant amount of lay knowledge about the practice.

What members of the public hear when they encounter such knowledge claims by a planning expert can vary according to whether or not they possess lay expertise about that particular practice. Some home buyers who lack this lay expertise may have difficulty interpreting the planning expert's claims in the way they are intended to be understood -- namely as abstractions from the very particular experiences of homeowners who have successfully made the practice work for them. At issue here is the matter of the effectiveness of the planners' efforts to align multiple interests, and more specifically the potential for a failure by lay persons to recognize how the interests that inform the knowledge claims of the expert differ from their own private interests. New home buyers

may not have had any prior interest in the issue of secondary suites, and for this reason they were not identified as relevant parties at the time of the production of the planning experts' claims about the appropriate policy to pursue. It is this kind of situation, in which a group of home buyers emerges outside the network built around the production and maintenance of a particular expert claim, that I identify as the final type of expert failure at the end of section 6.3 above.

Home buyers lacking lay expertise -- either interactional or contributory -- about secondary-suite related practices may fail to realize the extent to which abstraction is part of the planner's claim that relying on a secondary suite is something worth doing to facilitate homeownership. This misunderstanding results from not clearly grasping what adopting the practice would actually for them entail privately and in concrete terms. As I show below through transcriptions from some of my interviews, home buyers who lack lay expertise and who accept the planner's claim about the benefits of secondary suites without translating it to their own private context -- and their own very different aims and interests -- may then have a hard time trying to set up and rent out a secondary suite with success. When this happens, it is the result of having failed to understand an unspoken understanding of the planning experts' abstract claim, namely that home buyers need to acquire their own kind of lay expertise in order to make this practice work for them.

Professional statements of expertise relating to secondary suites (such as those I presented in the previous section, and in particular the planners' expert claim that secondary suites are beneficial to the city and its residents) can similarly be said to mask the elaborate work that others must perform in order to make such statements acquire the status of facts. Members of the public who listen to such statements, whether they are renters or (actual or aspiring) homeowners, may therefore fail to appreciate the amount of competence that a homeowner or tenant needs in order to make a secondary suite work adequately as a rental housing unit within an owner-occupied home. These actors might in such cases assume that secondary suites are a convenient and simple solution to their own housing affordability problem and seek to adopt this housing practice for themselves, without giving much thought to the wide ranging forms of practical
knowledge that they will inevitably need to develop or acquire in order to properly carry out all the physical, social and emotional work that secondary suite rentals imply.

In what follows, I want to discuss two examples of home-buyer households who took for granted this necessary competence and embarked on purchasing a house with the goal of converting their basement and renting it out as a "mortgage-helper" secondary suite. Through a discussion of excerpts from the interviews I conducted with them, I report on a series of barriers, mishaps and difficulties that rendered the project a largely negative experience. As I will try to show, the concrete practice of converting a space within the home and renting it out to strangers may run against home buyers' interests, by demanding much more work, money and expertise than these households ever suspected would be required.

6.5.2. "It's a learning process"

The first example comes from a home-owning couple with a child. They had originally set out to purchase an apartment, not a house, and had no intention to become landlords. But the idea was eventually proposed to them, in response to the lack of affordable apartment options, by a person whose opinion carried the authority of somebody who is a position of knowledge:

    Our realtor [...] found this house on the market for us and he's done renovations himself, so he suggested we bought this house [and put in a] rental suite, and it could be equivalent to having a two-bedroom apartment [in terms of monthly payments]. And the apartments we had been looking at the time were actually, for the value, really expensive.

Both the professional expertise and personal experience of the real estate agent reassured this couple of the feasibility of buying a home, building a suite in the basement, and renting it out. Like their real estate agent, both of them had some experience with housing renovations, and one of them was an architect who they felt could design a functional and

52 See the Introduction to this dissertation for details on the non-random sample from which these two interviews were extracted.
53 The interview from which this case is taken was labelled HL17 in the transcript.
aesthetically appealing small suite which, they hoped, would prove attractive to prospective tenants.

But the couple underestimated the difficulties of building a secondary suite out of a basement that was not designed to be used as a separate housing unit. Their original intention had been to build a legal secondary suite. Once they purchased a seemingly suitable house and set out to convert the basement, they discovered the City's arcane building code had reserved for them an unpleasant surprise. Building regulations require that secondary suites have at least 398 square feet of livable space; what was not clear to this household was that to meet this regulation, the space needs to be measured from the inside of the suite. Their design was based on 400 square feet, but measured from outside:

*Homeowner:* We thought [my architect spouse] could come up with a really good design, but it turned out it wasn't liveable by the City's standards.
*Interviewer:* Because of the by-law on the amount of liveable space?
*Homeowner:* Yes. And it's a full-height basement, and that's partly why we thought it would be livable, too.

Each round of permits and inspections with the City takes weeks to complete, on top of the time it takes to do the physical work of retrofitting the property. This couple was committed to doing most of the physical labour involved in the conversion with the goal of saving money on contractors, but they had to find the time to do this work on top of their employment obligations and parental commitments:

*Homeowner:* It was a big stretch for us to get into a house, so we thought, “well, we'll get the rental suite and then it will be much easier and will be equivalent to having an apartment.” And that was a year and a half ago. [...]  
*Interviewer:* How long did it take to get the suite ready?  
*Homeowner:* It's not yet.

In the end, after many months of work and negotiations with the City, the couple opted to build the suite illegally. But because the authorities were already aware of their intention to build a suite, they had to follow a different permitting process simply to finish the basement as part of the principal residence, not as a secondary suite. Once the inspectors
would approve the finished basement, more work would be required to turn it into an unauthorized suite. This of course implied further costs and delays.

In the meantime, the financial clock continued to tick. Even though the household had carefully budgeted the costs of building the suite, other unanticipated monetary considerations soon became a problem:

I don't think the overall cost of the renovations has been more [than we budgeted], but when we were creating the [cash flow] spreadsheets we obviously anticipated the tenant moving in about a year ago, and that money was calculated to offset the mortgage. So we've got a lot less spending money than we would have ever imagined. It's not cost more for the renovation, it's about where we thought. It will probably end up being a little bit more, but the big difference was not having a tenant and factoring that in. And then also the difference of the interest [payments] – thinking that we'd be quicker if the interest was still going. That's money that we hadn't been considering, so that will come off first. It's a learning process.

They also began to encounter problems with the physical building itself:

[T]he house has been more work than we anticipated. There's been more electrical and plumbing work, which has actually taken a long time. [...] A disadvantage is that the soundproofing in this house isn't very good, so I think potentially there could be noise issues, especially if the TV is on or the stereo, I don't think it would take much to hear. It's one of the things you learn. We thought the acoustic insulation would be enough but... We would have had to put the resilient channel on, separating the drywall from the structure for the extra soundproofing. We should have done the extra channel.

Unsurprisingly, this couple had a negative evaluation of the whole experience, even before they had actually rented out the suite and started to live with a tenant below them.

[N]ow, we're at the point now where we want to see if we can sell it. I think we might try to get that two-bedroom apartment we were originally looking at. After all that work. [Laughs] [...] We didn't know what we were getting into.

Reading this last sentence in my transcription of the interview was what first made me recognize the problem of the taken-for-granted competence that is required to successfully become a landlord at home. After asking this couple whether they would
engage in a similar project in the future -- now that they had gained so much knowledge about it -- I was told:

No. For us now, it's: get something smaller, like a townhouse or something nearby that's pretty new and is of a kind of comparable price to what our mortgage would be without the suite. I think now that we've had the time to realize, I think that's probably where we'd go. Just with our son -- we spent a lot of time doing things that aren't with him. For us, the next place wouldn't be a project.

Had they known from the start what they now know, they may never have embarked on this unpleasant adventure.

6.5.3. "It's a bit much per month for me"

The second case comes from an interview I conducted with a woman who had built and rented out an unauthorized secondary suite.\(^{54}\) She had encountered some challenges in converting her basement with the help of a friend and occasionally hiring contractors, but the biggest challenges only became clear once she began to rent out the space:

I've never been in the position of being a landlady, so it was pretty funny. I could hardly sleep the first week the people moved in downstairs, because I was so worried about them. (Laughs) "Oh, my God. I hope the place doesn't break down, down there. And what if they have a plumbing leak, what am I going to do? And if this happens, and...," blah, blah, blah. Just being able to maintain everything. You know? [...] And you know, because I own it by myself, it's like if I go away on holiday, I always try and find a friend or somebody that they could call while I'm away, you know, that should something happen, that there's somebody there they could phone. So it's a little bit-- Yeah. I think you just have to take care of people. [...] I guess it's a bit like having a dependent. You know?

By assuming the responsibility of being a landlady, she had also acquired a seemingly inexhaustible source of stress. The materiality of the physical elements of the building and of the relations she had entered into as a result of renting out her converted basement weighed heavily on her mind. As it turned out, she had reasons to worry about it:

And sure enough, yeah, things started to happen. [...] In September, we had kind of a big leak and I had to cut apart the whole bathroom. It was

\(^{54}\) The interview from which this case is taken was labelled *HL19* in the transcript.
big. We had to kind of cut into the bedroom and run new piping through there. Yeah. It's just an old house and old piping. It was quite an inconvenience to them. You know, there's one time where I had another leak down there, and I deducted a chunk of rent one time. I gave them movie passes for the last big repair that they just had to go through (laughs). [...] Then the tenant downstairs, who's down there right now, did start to smoke. That was before I had the "No Smoking" clause on the agreement. That was a little tense. She was like, "No." What are we going to do here? She denied that she was smoking. And so it got a little tense. Finally she said, “Okay. Okay. I'm going to stop. I can stop. I can do this.” And she stopped.

As was the case with the couple interviewed in the case above, this homeowner had opted to rely on the rental revenue from a secondary suite without much knowledge of what it would actually entail in practice, not only in terms of legally managing the relationship with her tenant, but also from a financial standpoint:

It's a little bit-- For me, the whole thing is a little bit of a financial stretch. You know? Just in terms of-- You know, when I figure all the costs, the property taxes, the insurance, the mortgage, heating costs. I don't charge the downstairs for heating or hot water, it's included in the rent. And it's a little bit-- It's a bit much per month for me.

Ethically compelled not to treat her relationship with the secondary suite tenant abstractly -- as merely a business relationship -- this homeowner was keeping the rent she charged for the suite at a level that did not adequately reflect the expense of running it as a so-called mortgage helper. Despite having received the approval of the financial experts at her banking institution, she felt that her combined employment income and rental revenue were insufficient to cover her house and other expenses. The mortgage specialists who extended her a loan considered the highly particular practice of renting out a secondary suite in a partial way -- that is, in the abstract, de-localized fashion that enables them to underwrite multiple mortgages every day to potentially large numbers of borrowers with highly differing individual characteristics and circumstances. But at the time she signed the loan agreement, this homeowner did not have enough knowledge to anticipate what having a secondary suite rental would actually entail as a housing practice. Unwittingly, she too had assumed that the information she acquired through her interactions with professional experts provided her with the competence required to
successfully derive benefits from that practice. Given her limited knowledge about it at the time of her decision to buy a house, the amount of work, money and emotional energy that renting a secondary suite required in practice was more than she was interested in devoting to it.

6.6. Place, space, and the production and circulation of knowledge

So far, the discussion in this chapter has emphasized the partition of knowledge between experts and lay persons, and the ways in which planners as experts seek -- in some ways successfully but in others not -- to reconcile it by realigning the interests of a multiplicity of relevant actors. In the previous section, I discussed instances of the concrete practices of building and renting out a secondary suite run against the interests of homeowners who lacked sufficient knowledge at the outset, in a manner that the abstract claims from professional experts like planners, real estate agents, and mortgage specialists do not explicitly reflect. Emerging from this closer level of attention to space is a sense of the intense diversity of interests which home-owners, renters and professional experts have in the place-bound phenomenon of the secondary suite rental differ widely from each other. The way these professional experts represent certain aspects of the world in their professional capacities can distinguish them from the people to whom they are connected through an interest in the secondary suite phenomenon, even though this interest is differently shaped by the type of experience with the object of their respective expertise.

In the field of STS, scholars have noted similar differences between the respective interests of scientists and lay persons in a given site. Anne Secord for example shows how nineteenth-century pubs in Lancashire were sites where working class botanists would meet to share knowledge, purchase botanical manuals, and even exchange specimens with academic botanists; the latter, however, were becoming increasingly successful in defining the laboratory and the experimental station as the legitimate sites of scientific practice. In the process, Secord explains, popular science -- in this case the "artisan" botany practised at the pub -- slowly became marginalized due in large part to the sites in which its practice took place. While academic botanists continued to frequent

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the pubs to obtain specimens from their lay counterparts, the interest that these two types
of botanist shared in the pub as a physical site began to radically diverge.55

A second example can be found in Christopher Henke's work on field-based
experiments conducted in the 1990s by agricultural scientists on Califormian farmers'
land.56 While the scientists' intention was to convince the growers to adopt new ways of
farming, their attempts to maintain control of the site to enable the universalizing
generalizations upon which their expert knowledge depends did not always conform with
the local knowledge and place-based experience of the latter. Here again, the two sets of
actors had diverging interests in the site, despite their shared interest in good farming
practices. But Henke's study is also illuminating in a second way. While the farmers in
his study clearly valued their own knowledge of their fields, they could also see some
value in the knowledge that was brought by and produced with their help by the
scientists. For example, while discussing how one of the scientists measured the number
of pests per plant for each of the different pest control treatments that were applied, a
grower told Henke:

[One] grower can look up there and go, 'Well, to me, five per [plant] is
what I'm shooting for - that's acceptable to me, so that's gonna be the best
treatment for me'. Whereas another grower might go, 'God, I don't know. I
haven't heard any problems from our harvesting guys and I know I'm
using [treatment X], so twenty per [plant] must be acceptable'. And they're
able to then gauge, on their own standard, how their practice is
appropriate.57

For my purposes, what is important to note here is that the experts' knowledge was useful
to the growers only to the extent that they were able to adapt it to their own concrete
private practices and in accordance with their own place-bound knowledge. In other
words, the growers were able to use the knowledge of the scientists to produce their own
new localized understandings of the socio-natural processes in their fields and of their
own farming practices.

55 Anne Secord, "Science in the pub: Artisan botanists in early nineteenth-century Lancashire." History of
56 Christopher Henke, "Making a place for science: The field trial." Social Studies of Science 30(4): 483-
511 (2000).
57 Ibid., p. 503.
My interviews with homeowners suggest that a similar process of local knowledge production takes place in the subdivided home. Mixing the advice of various types of expert -- real estate agents, building permit and inspection officials at City Hall, home renovation contractors, and other homeowners -- with their own knowledge and concrete experience as dwellers and landlords in a house with a rental suite, homeowners are able to reduce the possibilities of a negative experience building and renting out a secondary suite in their home. The areas of expertise which they can tap into are broad, ranging from the selection of the appropriate house to buy and subdivide to dealing with technical issues relating to the renovations, and from finding and selecting tenants to the handling of difficult landlord-tenant relationships. While expert knowledges are never sufficient for their purposes, some of the homeowners I interviewed were able to minimize the challenges of becoming landlords at home by localizing some of the expertise provided by urban planners and real estate agents, refracting it through the lens of their own experience and needs. One interviewee for example commented on what he learned from a City staff member at the building permits office:

**HL17:** When I went in to apply for the permit for an electrical upgrade, I said “I've got a friend who's an electrician,” and the guy said, “You just told me your brother-in-law was helping you, right?” And I said “What? No, a friend.” And he's like -- he must have thought I was a bit dense -- and he said “You didn't tell me that your friend was helping you.” So you can't have a friend do it. If you have a friend [work on it], an electrician has to pull it [and you have to go through a more involved permitting process], so [I got] a homeowner permit. But [my electrician friend] was able to make sure that [I did everything right].

Other sources of borrowed expert knowledge were architects and contractors who specialized on certain aspects of the building process:

**HL25:** I have a lot of friends who are architects and builders who say "Oh yeah, that should cost X." I have good resources.

**HL08:** [About the sound insulation, we] researched ourselves before we went in, and we were getting the house insulated, so we had the insulation people in and they described how they would do it for us [and then we did the work ourselves].
Real estate agents were also regarded in some cases as valuable sources of directly applicable professional expertise:

*HL16:* Our realtor definitely knew that we were interested in having something that either had a suite or had suite potential. She definitely -- when she went through the houses with us -- would comment on either how hard or easy it would be to change something to a suite. She also gave us an idea of how much she thought it would probably cost, as well, to convert into a suite, so she gave us lots of information.

*HL08:* Well, our neighbours also have a suite, and I was told what they get and what they think we can get -- just to know the extremes of the market -- and then we have gone on Craigslist, our realtor gave us an opinion... And all these opinions come -- from all these sources -- within a couple hundred dollars of each other.

This last comment I think best reflects the ways in which homeowners respond to their highly particular concerns about the process of building and renting out a suite by producing localized knowledge, combining as needed the professional expertise of their real estate agent, their own experience (as former tenants, they knew Craigslist was a source of rental housing postings), and the knowledge that other homeowners have acquired through their own experience as homeowner-landlords.

**6.6.1. Learning from other homeowner-landlords**

That other homeowner-landlords can act as sources of borrowed expertise is worth some comment. Through their own practice and the production of localized knowledge (as described above), homeowners begin to acquire a kind of grounded expertise that differs from the abstract version held by real estate agents, mortgage brokers, and the City's planners. Rather than being oriented at understanding potential iterations of housing processes, the expertise developed by homeowners is geared at understanding the particularity of their situated practice as homeowners, mortgage holders, and landlords.

Much of this localized expertise is made up of what Michael Polanyi called "tacit knowledge" -- an embodied form of knowledge acquired through practice and difficult to
codify into formal expressions.\textsuperscript{58} But there remain many aspects of this lay expertise that can be verbally transmitted to other homeowners, whether they are experienced "landlords-at-home" or are only starting to be involved in this housing practice. One area covered by this circulating lay expertise pertains to the initial decision of which house to buy:

\textbf{HL12}: We talked to other landlords, yeah, who have houses all around. They said “this being so close to [a main commercial thoroughfare], it's prime rental market.” You have everything you want, the shopping, the transit. People are willing to pay more because they won't have a car, potentially, they don't need to have a car. They also told us to always, to get... If you buy a place and want to have a suite, make sure it's near public transit. By the time it goes south, which it always will, you know, they sell the car but they keep paying rent. But if you're near transit and shopping on foot, then everything you need here is two blocks walk away. So people love it... There's no vacant suites around here.

Other homeowners reported benefiting from lay knowledge shared by other homeowner-landlords about advertising their secondary suite to potential tenants:

\textbf{HL08}: [To find a tenant, we] thought we would just do it on Craiglist, then our neighbours two doors down said it was, like... Craigslis will bring far too many people. They said: "just tell a couple of people that you are looking for someone and you'll get it. It will just work like that. We'll try that first. [...] When their first tenant left, or maybe when they found the first tenant, they used Craigslist and then got too many calls. And then when they looked for a new tenant, then they just used word of mouth.

Similarly, learning how to choose a tenant was also a subject covered by other homeowners' lay knowledge:

\textbf{HL16}: [My co-worker who lives two blocks from here] also recommended to get a tenant who has very similar working hours as the family, because that was her problem: she was on maternity leave and at home all day, and then the tenant needed to sleep at that time because they worked the night shift. So there was a real conflict there. So yes, when people found out we were putting the suite in, I got a lot of advice. How to find a tenant and what questions to ask and things like that.

Once a tenant moves in, managing the relationship can be challenging (as I have shown in Chapter 5). Here again the circulation of homeowners' lay knowledge could be of assistance to new entrants:

\[\text{HL28: It’s more like if someone is having a difficulty, we ask,"what would you do?" or "what was your experience?" or "do you have good tenants or bad tenants?" or something like that.}\]

Homeowners who rent out secondary suites in their home may in this way come to participate in what Jean Lave and Etienne Wenger have termed a "community of practice," namely a collective of people where knowledge is co-produced and circulated specifically through the practices that they all have in common.\(^{59}\) As Wenger and colleagues explain, what makes the sharing of specialized (and especially tacit) knowledge possible is "the existence of a shared practice -- a common set of situations, problems and perspectives."\(^{60}\) These are precisely what homeowners who are (or are becoming) landlords-at-home share, and whose interests the professional experts (such as real estate agents and urban planners) cannot incorporate into their expert representations of the secondary suite rental process. The abstract perspectives of these professional experts allow them to share and co-produce certain kinds of specialized knowledge with their colleagues, although there are also fragments of useful knowledge that they can share or co-produce with homeowners about the secondary suite experience. The same can be said of course of the inverse relationship.

The broader point here is that knowledge is not only produced by experts with specialized professional training, but also by lay persons engaged in sorting out the concrete particularity of their everyday practice in specific spaces. Because of the

\(^{59}\) Jean Lave and Etienne Wenger, \textit{Situated learning: Legitimate peripheral participation} (New York: Cambridge University Press, 1991). Cited in Paul Duguid, "The Art of Knowing": Social and Tacit Dimensions of Knowledge and the Limits of the Community of Practice' \textit{The Information Society} 21(2): 109-118 (2005). One important question that my interviews did not address in any substantial way relates to the formation of such communities among homeowners. Many of the respondents in my interviews, however, did indicate that they knew and communicated with other people who had one or more rental suites at home (for example relatives, co-workers, neighbours and friends). This is an issue that would deserve further research.

localized character of this knowledge, lay persons will have a better grasp of highly particular place-bound processes and practices than professionally trained experts. In the case of the secondary suite rentals phenomenon, households must learn about the challenges and complexities of becoming a landlord-at-home, and which professional experts must generalize to produce their abstract knowledge claims -- as these statements by interviewees who have lived as tenants in secondary suites suggest:

712: [I wouldn't want to do it] because I have a lot of friends who tried to be landlords in secondary suites, and they have had a lot of bad experiences. This is the thing, when you don't know... One of my friends, for example, he rented to a person who was fine, had a job, but then she had a mental breakdown after she separated, while in the suite. And she destroyed it. It was not her, it was her illness. And my friend, who is alone, living at the top, didn't know what to do. And this again, it's not knowing, not treating it as a business.

709: It sounds like [my secondary suite landlady] had a lot of problems with tenants before. She kept apologizing for making me sign a lease. And making me sign a piece of paper that said: "I will only use the laundry two days a week." She kept apologizing, saying that, "you know, I have been [taken advantage of] before."

Last but not least, it is important to note the role of the legal or illegal secondary suite (and the subdivided home more generally) in the production of urban housing knowledge. For the planning expert, the secondary suite is an object of knowledge production, about which they can produce expert claims to assist in the informed formulation of urban policy. Under closer examination, however, the secondary suite reveals itself to be also a site of knowledge production -- a place where homeowners, tenants and in some cases professional experts themselves engage in the co-production of a different kind of place-bound expertise.

In the case of the home buyer who starts out without any kind of expertise about secondary suite practices, the production of lay knowledge about building such units and renting them out involves in turn a realignment of their own interests and the interests of planners and other professional experts as well as other homeowners who have made

61 Brian Wynne makes a similar point in his research on the Cumbrian sheep farmers and the British government's response to the Chernobyl disaster. Wynne, "May the sheep safely graze?"
secondary suites work for them as intended. Or, to put differently, they must produce or acquire lay knowledge in a way that will make their own placed experience with secondary suites -- and their own future claims about the benefits of secondary suites in general -- coincide with the interests that planning experts and other homeowner lay experts have in converting those claims into a Truth about housing in the city of Vancouver.

6.7. Conclusion

In the course of the interviews I conducted as part of this dissertation, I met several households for whom the experience of building and renting out secondary suites (or living as tenants in them) has involved a multiplicity of unexpected problems, many of which are unique to this often illegal form of housing. The unanticipated difficulties make them realize that the knowledge they needed to make it work as intended is much more extensive than what they had anticipated. This emotionally and financially taxing experience contrasts dramatically with the way secondary suites are typically represented by real estate agents, mortgage specialists, journalists, and city planners in their own expert claims about secondary suites -- namely as a self-evident, almost natural solution to the problems of housing supply, affordability, and insufficient density in the city. These professional experts talk in abstract terms about secondary suites as beneficial, for such suites indeed provide a private solution that can be implemented by residents themselves rather than requiring the direct intervention of government or large-scale investment by private real estate developers. One effect of the abstractions that these expert claims entail, however, is to make them sound as if the practice of building and renting out a secondary suite can work equally well for everybody in practice.

In this chapter, I have borrowed insights from the STS literature to argue that the distance between these experts' representations and the lay person's potentially negative experience of building and renting secondary suites is a product of the way the technical expertise of the former abstracts away from particular housing practices through a process of realigning a diversity of local interests. Unlike the experts who come to portray housing as an abstract entity, households have no choice but to deal directly on a
day-to-day basis with the concrete particularity of their own home. Accepting in naked
form the abstract views of the housing experts leads in some cases to negative emotional
and financial outcomes for uninformed households, as reflected in the experience of
several homeowners I interviewed and in particular in the two cases I discuss in more
detail in this chapter.

Most critiques of expertise as an experience-abstracting force have portrayed it in
a circumscribed fashion as the imposition of its logic over the world it attempts to
represent. Such critiques have led many intellectuals to narrowly see expertise as the
instrumentalization of knowledge, a calculated objectification of "Nature"-- including
"Human Nature" -- which can only serve to irrevocably distance us from it. From this
perspective, expertise becomes exclusively a means to manipulate nature and society, and
its much vaunted potential to help us understand the life-world can only be regarded as a
mirage or vain hope.62 The argument I have presented here departs from this
Heideggerian view: my goal is not to put down or suggest we do away with the
knowledge of experts; rather, I believe it is important to recognize how different forms of
expertise -- and not only formal expertise -- can help us apprehend in various ways a
richer sense of the world as we concretely experience it in own idiosyncratic ways.

Using responses from my interviews with tenants and landlords of owner-
occupied houses with secondary suites, I have shown how a successful experience with
secondary suites is an exercise in the production of local or "placed" experts, who learn to
distill and combine their experiences with various types of professional expert knowledge
(and other people's lay knowledge) on secondary suites in a way that engages more
directly with individual and particular experiences of the shared space of a particular
subdivided house. Seen in this light, secondary suites become not only spaces about
which knowledge is produced by professional experts, but also emotionally charged sites
where knowledge is itself continuously produced and put in circulation -- and where lay
people themselves become "local experts."

62 See in particular Martin Heidegger, "The Question Concerning Technology." In Martin Heidegger,
Chapter 7: Who done it? Reframing the phenomenon of secondary suites in the city of Vancouver

7.1. Searching questions

Whether we rely on local wisdom or the estimates from the 2006 Census or the 2009 BC Assessment Rolls, it is evident that unauthorized secondary suites are a common phenomenon in the city of Vancouver. So common, in fact, that their proliferation over the past three decades has not been deemed worthy of much attention from geographers or researchers in other academic disciplines. This dearth of scholarly research on the topic poses a problem for those who, like me, wish to study the phenomenon. Unlike topics that have generated a substantive number of articles, monographs and books, this one lacks an established set of debates and questions around which one can frame a research project.

In response, I decided to follow what I thought was the most reasonable course of action, which was to start by investigating the explanations of the phenomenon that were most often provided by urban planners, city desk journalists, and local residents. Surprisingly, these explanations boiled down to two main themes, namely that homeowners and tenants rely on unauthorized secondary suites (a) because of the inhospitable conditions of the local housing markets, and/or (b) because of City Hall's lenient policy of enforcement of its suite regulations -- itself understood also as a product of those market forces. My project could then become a study of whether these two popular intuitions were in fact right. In that case, my research question could be formulated in the way of the classic detective novel: who done it? Or, in more sociological terms, who or what was responsible for this peculiar housing phenomenon? And could it be that its effects (or "victims") held the answer to that question?

But there were reasons to be wary of that analogy. In the 1980s and 1990s, urban theorist Mike Davis and geographer Derek Gregory relied on the *noir* genre as a running
metaphor -- in Davis' case to develop an analysis of the transformation of Los Angeles and in Gregory's case to critique Edward Soja's book *Postmodern Geographies* -- only to be rebuked by feminist scholars such as Rosalyn Deutsche for the theoretical and empirical blind spots that the metaphor's masculinist overtones had encouraged.¹ I decided to put the metaphor aside, but I could not entirely shake off the themes that gave rise to it in my mind. They became, after much deliberation, a guiding track in the initial stages of my research. Inevitably, the project took many twists and turns, leading eventually to the five chapters that make up the substance of this dissertation. Today, having completed the project, I am reminded of the detective novel analogy and feel compelled to revisit it briefly in my concluding comments.

### 7.2. Who done it?

One way in which the "who done it" question parallels popular ways of thinking about secondary suites is quite literal. Most people with whom I have discussed the topic over the past ten years -- first as a housing advocate and later as a graduate student -- have a clearly formed answer to the questions "who lives in a secondary suite?" and "who are the homeowners that rent them?" The typical secondary-suite tenant households are widely believed to be either middle-aged and impoverished singles or else young persons renting the space with a flat mate, while the typical homeowner household is portrayed as a young couple starting a family and struggling to gain a foothold in the local housing market. Representative empirical evidence to confirm or deny this popular idea is not immediately available or easy to produce, because most suites are illegal and we therefore lack a centralized register to tap into in order to find out. But my interviews with tenants and resident-owners of subdivided houses, though limited in number and based on a non-random sample, suggest that things are not so simple. The interviews revealed several instances of tenant families with children, and while some tenants were middle-aged, single, and with poor prospects of ever attaining homeownership in the city,

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others had by the time of the interview become homeowners themselves. In terms of homeowner-landlords, some had young families but others were middle-aged and with grown children. And while some of the interviewed homeowners reported they would not have qualified for the mortgage they needed to buy a detached house in the city without counting on the rental revenue from a secondary suite, many of them had secured their loan based only on their employment income and savings or family transfers, and in some cases did not build and rent a suite in their home for a few years following its purchase. The identity of the owner and tenant cannot be easily reduced to a small number of socio-demographic characteristics.

Another way in which the question of who did it is commonly approached is as an answer to the question of what is responsible for the proliferation of secondary suites in the city. By far the most usual answer here is that the market is to blame. Upon closer examination, however, this answer proves highly unsatisfactory. To see why this is the case, we can start by introducing another suspect: the law. I have examined in this dissertation three potential motives to support this accusation. The first, which I discuss in Chapter 2, relates to the fact that the system of housing allocation in the city of Vancouver is largely based on the idea of private property, and is therefore a system that is highly dependent on the law in the sense that a sophisticated set of legal norms is needed to guarantee the sanctity of private property and to regulate the competing interests of different property owners. Secondly, as I explain in Chapter 2, housing access in Canada over the past six decades has become highly dependent on mortgage credit, which itself is subject to a complex set of legal regulations. Even if lenders for some obscure reason wanted to advance mortgaged money to an ever increasing number of borrowers, Canadian banking regulations would prevent them from doing it in order to protect the integrity of the national financial system and prevent the kind of meltdown triggered by the deregularization of mortgage securitization and the subprime mortgage sector in the United States. Finally, there is the matter of enforcement: as I discussed in Chapter 3, City Hall's lenient approach to the enforcement of its own building code standards and zoning regulations creates incentives for some people to turn to unauthorized secondary suites as sources of revenue.
So the theory that the market "did it" -- or, rather, that the market did it on its own -- is unsatisfactory, just as it is unsatisfactory to conclude that the law did it alone: for example, banks are not only governed by legal regulations but also by the imperatives of profit in the market. Indiscriminate lending would eventually result in higher rates of default than the recipients of expected mortgage-based streams of revenue would be able to countenance financially. And even if unregulated finance somehow made mortgage credit universally accessible to all Vancouver households, the pool of tenants that makes "mortgage helper" suites possible would be quickly wiped out or, perhaps more likely, house prices would be pushed up to even higher levels by the resulting intensified competition for residential properties.

Can we conclude then that a conspiracy of the market and the law did it? This theory is equally unsatisfactory. The confluence of regulatory environment and market circumstances has led to the widespread belief that the lack of affordable housing to rent or buy is what pushes (or pulls) people to rely on secondary suites, legally or illegally, as a means to secure access to housing. The implication is that the incidence of households with affordability difficulties should be strongly linked to the incidence of secondary suites. And yet what we find from the available evidence, as I show in Chapter 2, is that at the neighbourhood scale, the relationship between high (or low) proportions of homeowner households with shelter costs over 30 percent of their employment income is not consistently, if at all, related to high (or low) levels of secondary suite incidence in a neighbourhood. More surprisingly, perhaps, low-income tenants experiencing affordability stress were not found to be more likely to live in neighbourhoods with a high incidence of secondary suites than in ones where that incidence was low. The experience (for both tenants and owners) of housing affordability stress at the neighbourhood scale does not seem to statistically explain the geography of secondary suite proliferation. And so the plot thickens, and the suspected size of the conspirator network grows.

Were this a detective novel, and intrigued by the unexpected turn of the investigation, some readers might at this point begin to bite their nails in suspense. But other readers may simply start to wonder whether "who done it?" is really the point of the
story. Reflexivity might lead them to ponder the question of why we tend to almost
instinctively presume the identity of the responsible party from the very start. In this
dissertation, the equivalent reflexive question is: why do we simply assume that the
market or the City's peculiar regulatory approach to secondary suites are the ones to
blame? The story makes us realize that conventional explanations for the secondary suite
phenomenon in the city have too many limitations and that perhaps our received ideas
about the law and the market are what requires our attention. Can we think of
unauthorized secondary suites as more than mere commodities, or as more than nodes in
a larger network (theorized in Chapter 1 of this dissertation) of money, labour and land
title exchanges linking individual lives, the local built environment, and the "glocal"
circulation of revenues and capital through the legal and illegal economic practices of
differently regulated households and corporations? In other words, is there more to this
story than the search for its causes or culprits?

I have sought to show through the themes of Chapters 3, 4 and 5 that the answer
to this question is yes. In his essay "In defense of the detective novel," G.K. Chesterton
praised this so-called low-brow literary genre by arguing that "we must give fair credit to
the popular literature which ... declines to regard the present as prosaic or the common as
commonplace." While Chesterton's essay ends in an unfortunate Hobbesian tone, I like
the way this line captures my reasons for revisiting in these pages the detective novel
analogy. Margaret Radin's work on commodification, which I examine in some detail in
Chapter 3, argues that reducing the life-world to the commonplace of the market is not
only limiting but dangerous, for it poses a creeping threat to the integrity of the person.
My reading of Radin's work suggests that we have not devoted enough effort to devising
proper ways of redeeming the intrinsic value of the seemingly mundane aspects of the
world, in spite of their obvious but crucial role in the definition of who and what we are.

In this dissertation, I have turned to the seemingly trivial phenomenon of the city
of Vancouver's ubiquitous illegal secondary suite to show that over and above the
important role of the law and the markets in shaping the geography of housing and social

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2 G. K. Chesterton, "In defense of the detective novel" (1901). Last accessed on July 6, 2011 at:
www.online-literature.com/chesterton/the-defendant/15/
relations locally (and in its modest ways also globally), unorthodox home spaces are not only commodities and loci of regulatory complexity but also, among many other things, emotion-laden sites of knowledge production as discussed in Chapter 5 and expressions of the human capacity to overcome, as I argued in Chapter 4, the challenges of living together in shared space. Certainly there is much that has been left out of the multi-perspective analysis I offered in these pages. A glaring omission is any discussion of the environmental aspects of unauthorized secondary suites in the city. There has been for example much popular suspicion of the City's recent attempts to reformulate its decades-long intentions to increase building densities in terms of ecological sustainability, but the environmental dimensions of unauthorized secondary suites are clearly an issue worth closer investigation. In addition, as Deutsche and others would rightly point out, I failed to address explicitly the gendered aspects of the creation and habitation of these shared home spaces. That work remains to be done, but it will require seeing secondary suites as more than only a conspiracy of the law and the market, and it will no doubt also demand a research approach that can incorporate various modes of producing geographical knowledge through situated practice.

Attentive readers will notice that I did not fully solve the mystery of "who done it" -- of what it is that, in addition to the law and the market, explains the local phenomenon of secondary suites in the city of Vancouver. But the best detective novels point to many other questions which they cannot solve either, and yet we still appreciate them for making us think about much larger matters such as the systemic lag between social institutions and the life-world, the search for (social) justice, and the tension between our simultaneous desires for connectedness and autonomy. Such questions emerge from their multi-dimensional plots, which enable readers to see the story from a variety of angles that refract the real world in all kinds of thought-provoking ways. My own attempt to reproduce this sort of multi-dimensionality involved the use of several

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sub-disciplinary framings of the unauthorized secondary suite phenomenon. I believe this approach deserves some further comment.

When we as scholars think about the notion of multiple perspectives, we usually think about the importance of incorporating into our research and analysis the perspectives of the different sets of actors who have stakes in the phenomenon we are investigating. But there is another way of thinking about multiple perspectives. Different sub-fields in the discipline and different researchers within each sub-field tend to approach any given object of geographical research from a different perspective. This plurality of perspectives leads in each case to different questions, findings and interpretations, all of which help in turn to improve our overall understanding of the topic in case. In this dissertation, examining the same phenomenon from perspectives tied to different sub-fields in the discipline of Human Geography has been fruitful along several registers. First, such an approach led me to employ multiple research methods, from quantitative to qualitative ones, to reach a fuller understanding of the unauthorized secondary suite phenomenon. There is growing recognition in our discipline of the importance of combining research methods and triangulating findings, and I believe my ability to achieve this in my research was in part an effect of following a multiple perspectives approach. Adopting this approach also had a second but related advantage, relating specifically to the matter of content. Not only did the adoption of multiple sub-disciplinary perspectives expand the quantity and quality of empirical material that I could analyze and report on, but it also broadened conceptually the range of questions that one may deem worthy of consideration. In addition, assuming multiple perspectives was particularly helpful in tackling a topic for which there is not an established set of debates and which lacks already-agreed-upon ways of problematizing it. Another advantage of this approach is that it helped me take my inquiries beyond the popular notion that market forces are the sole determinant of the incidence of unauthorized secondary suites in Vancouver. In this sense, a multiple perspectives approach can act as an antidote to the reductionist appeal of this and other various kinds of single-bullet understandings of any given phenomenon.
But one must also recognize that this methodological approach comes with significant caveats. For one thing, it requires from the researcher an enormous amount of reading to achieve a fair degree of mastery of diverse scholarly literatures, and a certain type of analytical dexterity to weave the findings and conclusions of each sub-disciplinary framing into a more or less coherent whole. This implies as well that the approach carries a certain amount of risk, for the findings and conclusions may not yield to any single connecting thread -- and may even turn out to be contradictory when juxtaposed in one single document; as Wyly suggests, many scholars "have warned of the dangers of a mix-and-match eclecticism; there are some features of alternative epistemologies and methodologies that simply cannot be reconciled." In the case of this dissertation, a unifying theme fortunately did emerge from my research -- namely the idea that, while the law and the market must be taken seriously, paying attention to people and their practices subverts any single, closed causal interpretation of urban phenomena. Embedding this idea into the structure of the dissertation, I was able to "curate" my chapters into the ordered series of arguments and conclusions that I outline in some detail in Chapter 1 (see also Figure 7.1). One could say, therefore, that mimicking in some sense the unbounded curiosity of the reader of detective novels, I productively adopted a plurally engaged "multiple-perspectives approach" based on intentionally sequencing diverse perspectives from various sub-fields of Geography in a knowledge-coordinating way. I hope this effort has helped the reader gain a broader understanding of the multiple geographies associated with the unauthorized secondary suite phenomenon. More generally, I hope this will encourage more researchers to grant the everyday landscapes and practices of urbanism the concerted and multifaceted attention they deserve.

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4 Elvin Wyly, "Strategic Positivism," The Professional Geographer 61(3): 310–32 (2009), p. 319. Wyly's article proposes an alternative approach, involving collaborations between scholars from different backgrounds and built on trust in each individual collaborator's specialized knowledge and skills. I recognize that such collaborations may constitute the safest means of avoiding the risks entailed by the multiple perspectives approach I have employed in this dissertation. As Wyly argues, they "are the only way to fuse the very best from different traditions, literatures, and methods that each take years of hard work to learn" (p. 319, emphasis added).
Figure 7.1: The structure of this dissertation: Curating the findings and conclusions of multiple sub-disciplinary perspectives.
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