

Private Housing Rehabilitation in a Low Rent Area

Huntly Douglas Duff

Private Rehabilitation in a Low Rent Area:

Landlord-Tenant Relations and Other

Non-Market Factors

Department of Sociology

M.A.

In this study of how an ethnic invasion and an accompanying complex of social relations, especially between landlords and tenants, upgraded a neighbourhood close to the centre of Montreal are shown some of the difficulties involved in providing modernized housing for low-income citizens. It is explained that good low-income housing is not provided through market structures as the price of improving older housing using goods and services purchased from the market economy is too high to gain an adequate return rate from low-rent housing. On the other hand, it is demonstrated that good housing is provided by those who can circumvent the high price of market labour and expertise by calling on the advice, experience and labour of friends and relatives and by contributing their own labour and expertise.

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Cette étude d'une invasion ethnique, et le complexe de relations sociales qui l'accompagnait (surtout entre propriétaire et locataire), qui a causée l'amélioration d'un quartier délabré près du centre ville de Montréal expose quelques obstacles qui empêchent la fourniture d'habitations modernisées pour les citoyens à revenus modestes. On explique que le marché ne fournit pas de bons logements à loyer modéré parce que le prix du réaménagement des édifices vétustes en utilisant des matériaux et de la main d'oeuvre achetée sur le marché est trop élevée pour rapporter un bénéfice acceptable. Or, on démontre que des bons logements sont fournis par ceux qui peuvent éviter les prix élevés de la main d'oeuvre et des conseils techniques achetés sur le marché libre en utilisant les conseils, l'expérience et la force manuelle de leurs amis et parents, et en se fiant à leurs propres efforts et connaissances.

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by

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CHAPTER I

INTRODUCTION

This is a study of how an ethnic invasion and an accompanying complex of social relations, especially between landlords and tenants, upgraded a neighbourhood close to the centre of Montreal. Government agencies are making heroic efforts to reverse the process of housing decay, often without success. Yet without any direct government or private intervention, within a period of ten years, the process of housing deterioration which reached a peak in the late fifties in the St. Louis Square area¹ has been halted and to a certain extent reversed.

Landlord-tenant relationships were examined as one of the forces which shaped the personal strategies of both parties. This focus on the general strategies open to landlords and tenants made it possible to show how owners' orientations to their buildings and tenants' personal needs and reactions to conditions in the area have affected the quality of local housing.

Located on the Northern edge of Montreal's business and entertainment centre, the area is a classical "Zone of Transition"² its inhabitants too poor or otherwise unable to compete for better dwellings.

Many of the Portuguese, who have recently settled in the area, though lacking in market resources which would enable them to afford housing in better areas, had non-market resources which enable

¹ So named because St. Louis Square is the dominant landmark in the area.

² The concept was introduced by Robert E. Park and Ernest W. Burgess: 1925.

them to transform the area's housing. Their non-market resources were building skills, a willingness to exchange labour - both skilled and unskilled - access to information on renovation methods and materials, and in some instances cheap access to the materials themselves. A further non-market resource existed in the manner in which information networks within the area could be used to obtain good tenants. The landlord who could tap kinship and friendship networks was practically guaranteed a supply of trustworthy tenants.

Housing in the St. Louis Square Area and in Montreal

The viability of present strategies can only be appreciated by understanding the economic, social and ecological forces which have acted upon the area and on the city in general. The St. Louis Square area (officially designated as census tract 137) is bounded by St. Lawrence Boulevard on the West, by Laval Street five blocks to the east, Sherbrooke Street on the South and Pine Avenue two blocks to the North. The area is on the southern section of the immigrant corridor which stretches northward on either side of St. Lawrence Boulevard to the Rivière des Prairies. The housing in the area is typical of the type of working class housing found in Greater Montreal.

The housing in the area and in most of the city owes its peculiar nature to the manner in which Montreal developed. From a financial and commercial centre with a numerically unimportant lower class, the city quickly grew into a major manufacturing centre. Claude Langlois' description of this transformation of the city is directly applicable to

the area.

The development of the manufacturing industry attracted a large number of immigrants from surrounding rural areas and immigrants from abroad.

The social structure changed rapidly as the lower-class working population grew in importance and soon became predominant. This large influx of people had to be housed quickly: more than 150,000 dwellings had to be supplied to the new city dwellers between 1901 and 1931. The lack of initial capital and the low income of the newcomers prevented them from becoming home owners. At the same time, those who had funds, being motivated by the values of sound investment which was the outgrowth of their rural background, and seeing the profit opportunity, invested in multi-unit buildings. Houses erected during that period were generally of the row type, three stories high, with exterior stairs. Because of this particular situation Montreal now holds a unique characteristic for North American cities; it is built predominantly with rental units. In fact, seventy percent of the 500,000 dwellings in Greater Montreal are occupied by tenants. Furthermore, of these 350,000 rental dwelling units, over 200,000 are in buildings containing fewer than six units, while only 135,000 are apartment units proper. (Langlois:1961:p.5)

Two streets in the research area were chosen for their representativeness. Using data provided by the Department of Public Works of the City of Montreal, Table 1 was drawn up to show how closely the proportion of rental units of various sizes resembles the pattern in the city as a whole. Fifty-eight percent of rental units in the area are in buildings with less than six units, compared with fifty-seven percent for the city as a whole.

TABLE 1

NUMBER OF DWELLING UNITS PER BUILDING IN THE AREA AND IN THE CITY

Number of Units	S t . L o u i s S q u a r e A r e a		M o n t r e a l
	Number of Buildings	Percent of Rental Units	Percent of Rentals
Single family	28	-	-
Rooming house	7	-	-
2-5 units	109	58%	57%
6 or more units	26	42%	43%
Vacant	5	-	-
Total	175	100%	100%

Source: Map of "Occupations du Sol", Service des Travaux Publics, Cité de Montreal, October, 1970

Given the similarity in number of units per building between Montreal and the St. Louis Square area it is probable that Langlois' history of Montreal applies to the research area.

Change in the Area

Previous Degeneration

To understand the degree of change one must appreciate the extent of previous housing decay. The 1961 Census gave a clear picture of deteriorated housing and an economically weak, unstable resident population. Seventy-one percent of the buildings were built before 1920 (25% for Montreal), and eighteen percent were in need of repairs (2.7% for Montreal). In twenty-four percent of the buildings the number of persons exceeded the number of rooms occupied - the census definition of crowded - (only 16.5% of dwellings were considered "crowded" in the city of Montreal). Over a third of the tenants had been living in their flats for less than a year and over one quarter had been living in the same apartment for one to two years. (Montreal figures: 1<yr.--19%, 1-2 yrs.--23%). Such residence patterns indicate a high degree of instability. The residents' lack of market resources is reflected in the low incomes in the area. The average family income for the census tract was the seventh lowest of the 440 census tracts in the Metropolitan Montreal area. (\$3,317 vs. \$5,292 for Montreal). The proportion of incomes spent on rent was also one of the highest in the city (18.5% vs. 15.4% for the city). The area was clearly an immigrant area, 65.8% of the population being of neither French nor English ethnic origin. The census data indicates that the

number of resident owners was insignificant. The more precise water tax records show a dozen resident owners within the census tract in 1961.

The Area Today

Although there is no current census data to allow direct comparisons of conditions in the area, other evidence suggests that the area no longer resembles an area of threatened housing and exploited immigrants as recorded in the 1961 Census Report. The most striking evidence is visual. Houses with badly maintained exteriors are the exception. Looking down a block on a Saturday morning one can commonly see half a dozen groups of men or individuals working on the exteriors of houses.

Professionals servicing the area gave useful information on residents of the area. Policemen and social workers indicated that the area had long been occupied by a varied mix of immigrants. The police officially designate the area as "un quartier cosmopolite". Social workers at the local settlement house more perceptively commented that the heterogeneous ethnic character of the neighbourhood has recently given away to the increasing dominance of the Portuguese immigrants. Many others involved in the area stressed the increase in the number of Portuguese in the area.

There fortunately does exist a source of hard data from which an index of ethnic change could be drawn. Table 2 shows that the Portuguese have recently become the predominant ethnic group in the area.

Table 3 shows that the turnover of residents in the area is higher than ten years ago. In 1970 only twenty-eight percent of residents had

lived in the same apartment for more than two years, whereas thirty-nine percent had more than two years residence in the same apartment in 1961.

TABLE 2

PERCENT OF EACH DOMINANT ETHNIC GROUP IN THE AREA IN 1964 AND 1970

E t h n i c i t y	Y e a r	
	1964	1970
Portuguese	16%	41%
French	16%	16%
Eastern European	39%	14%
Other	29%	29%
Total units inhabited	223	228
Total units vacant	21	7

Source: Derived from water tax roles. Included are only those units which were inhabitable in 1970 for which the tenant, not the owner, was responsible for paying water tax. Ethnicity was identified by a panel of four. Ethnicity of identifiers--Polish, Ukrainian-Russian, Portuguese, Bilingual Quebecer.

TABLE 3

LENGTH OF RESIDENCE IN 1961 AND 1970

Y e a r	Percent of Residents Who Have Lived in Present Apt. for:			
	Less than 1 year	1-2 years	More	Total
1961	35%	26%	39%	100%
1971	39%	33%	28%	100%

Source: 1961.--1961 Census data for census tract 137
1971.--Water tax data for 1968, 1969, 1970, 1971

Table 4 shows that, as might be expected, the recent Portuguese immigrants have spent the least time in their apartments. Although the short residences of the Portuguese reflect the newness of the Portuguese to the area itself, it is clear from Table 5 that Portuguese indeed tend to stay in an apartment for a short period of time. Although such a pattern

of short residence would be troublesome and expensive for landlords under most circumstances, the regularity with which Portuguese tenants find tenants to replace themselves when they move out has eliminated the high cost to landlords (and to housing in the area) of such turnover. The landlord is never left with a vacant apartment, nor with the bother and possible expense of finding a new tenant. In this respect the Portuguese are unique, and the importance of this unique dependability is increased by their now being the most numerous ethnic group in the area. Note also in Table 2, that the number of vacancies in 1970 was one-third the number in 1964.

TABLE 4

ETHNICITY AND LENGTH OF APARTMENT RESIDENCE

E t h n i c i t y	L e n g t h o f R e s i d e n c e			N (100%)
	New-2 yrs.	5-9 yrs.	Over 12 yrs.	
Portuguese	84%	16%	0%	99
French	60%	13%	27%	38
East European	53%	12%	35%	34
Other	66%	18%	16%	66

Source: Water tax data as in Table 2

Another indicator of an increasing Portuguese presence in the area is derived from sales data. Table 6 shows that the number of sales to members of the major ethnic groups in the area has been gradually shifting to favour the Portuguese.

TABLE 5

THOSE WHO HAVE VACATED THEIR APARTMENT SINCE 1964.....

Ethnicity	Percent of Each Group Living in the Area in 1964 Who Are:		
	In the same apartment	Have moved	N (100%)
Portuguese	37%	63%	36
French	42%	58%	36
East European	19%	81%	86
Other	35%	65%	65
Total N	73	150	223

Source: Water tax records for 1964 and 1970

TABLE 6

TRENDS IN PURCHASES BY ETHNIC GROUP

Y e a r s	Portuguese	French	East Europe	Jewish	Other	N (100%)
1947-54	0.0	33.96	50.00	10.38	5.66	106
1955-62	3.31	37.76	40.82	13.27	5.10	98
1963-70	35.71	26.19	23.81	2.38	11.90	42
Total						246

Source: Teela Market Surveys of
Deed Registry Office

Notice that the absolute number of sales per year has been decreasing steadily. The high turnover in the fifties was a result of speculation. The present low number of sales reflects the joint forces of little demand for buildings coupled with owners' satisfaction with present returns on their buildings. This somewhat paradoxical state of affairs will be explained during the course of the paper.

While no Portuguese bought any buildings before 1954, by 1970 seventy-five percent of annual sales were to Portuguese buyers. Meanwhile the sales to members of other ethnic groups has been decreasing. This

indicates a trend of increasing hegemony by Portuguese owners in the area.

It is thus evident that concurrent with improvements in housing in the area the Portuguese have become the dominant ethnic group. It will be shown that the unusual resources of the Portuguese landlords and the housing attitudes and social relationships of Portuguese tenants were central in the upgrading of the area.

Explanation of Change

There are two opposite processes which must be explained, the previous degeneration of housing in the area and the recent regeneration. The behaviour of property owners leading to the degeneration of the area's housing can be explained by classical economical theory. Behaviour leading to recent regeneration of the area can best be understood by considering relationships governed by social rather than market forces.

Degeneration

As previously mentioned the area has been, until recently, a "zone of transition". St. Lawrence Boulevard on the western border of the St. Louis Square area is the official (and linguistic) dividing line between (French) East and (English) West Montreal. The boulevard is lined with light industry, warehousing, wholesalers, and discount and regular retailers. The area is nine blocks north of Montreal City Hall, the Court House, and the heart of Montreal's old financial centre on St. James Street. The area is three blocks north of Ste. Catherine Street, the core of Montreal's shopping and night club district. In the 1950's

the intersection of St. Lawrence and Ste. Catherine Streets was the heart of Montreal's entertainment district. It only seemed a matter of time before the business district would spread north and engulf the area (see map).

The Ravages of Speculation

The effects of the strategies of speculators have been well documented by sociologists (Robert E. Park and Ernest W. Burgess: 1925, and Paul Hatt and Albert J. Reiss, Jr.: 1957). Many of those who bought property in the area in the 1950's must have done so with an eye to the possible expansion of the central business district. Anticipating the higher rents and prices that this expansion would bring, owners would have tended to withhold any major investment in their properties, minimized maintenance costs and awaited the "inevitable" engulfment of the area by business and commerce.

A definite indication of the degree of speculative buying exists in the records of deed registrations kept by Teela Market Surveys. A graph of the change in average sales price over time, shown in Table 8, indicates that in the years 1946, 1954, 1955 and 1956 the average annual increase in prices for all buildings bought before or during any one of those four particular years and sold during or after that year increased by more than twenty percent.

In the late fifties a further impetus for an even sharper burst of short term speculation occurred. The area is directly north of what was once Montreal's most notorious slum. The area was the target for Montreal's first "Slum Clearance" project. In the late fifties all housing in the area to the south was razed and eventually replaced by

Map of Area Surrounding St. Louis Square

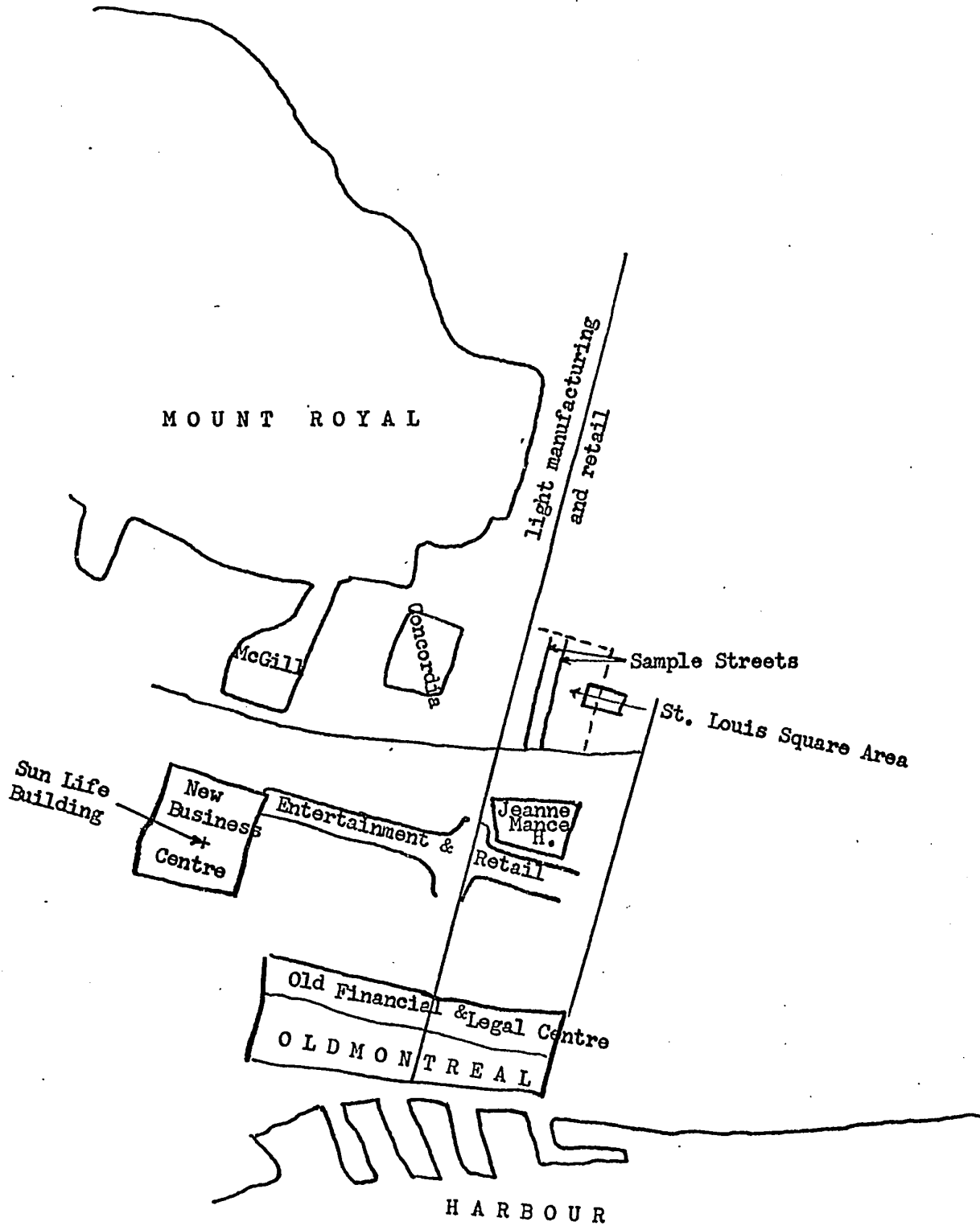
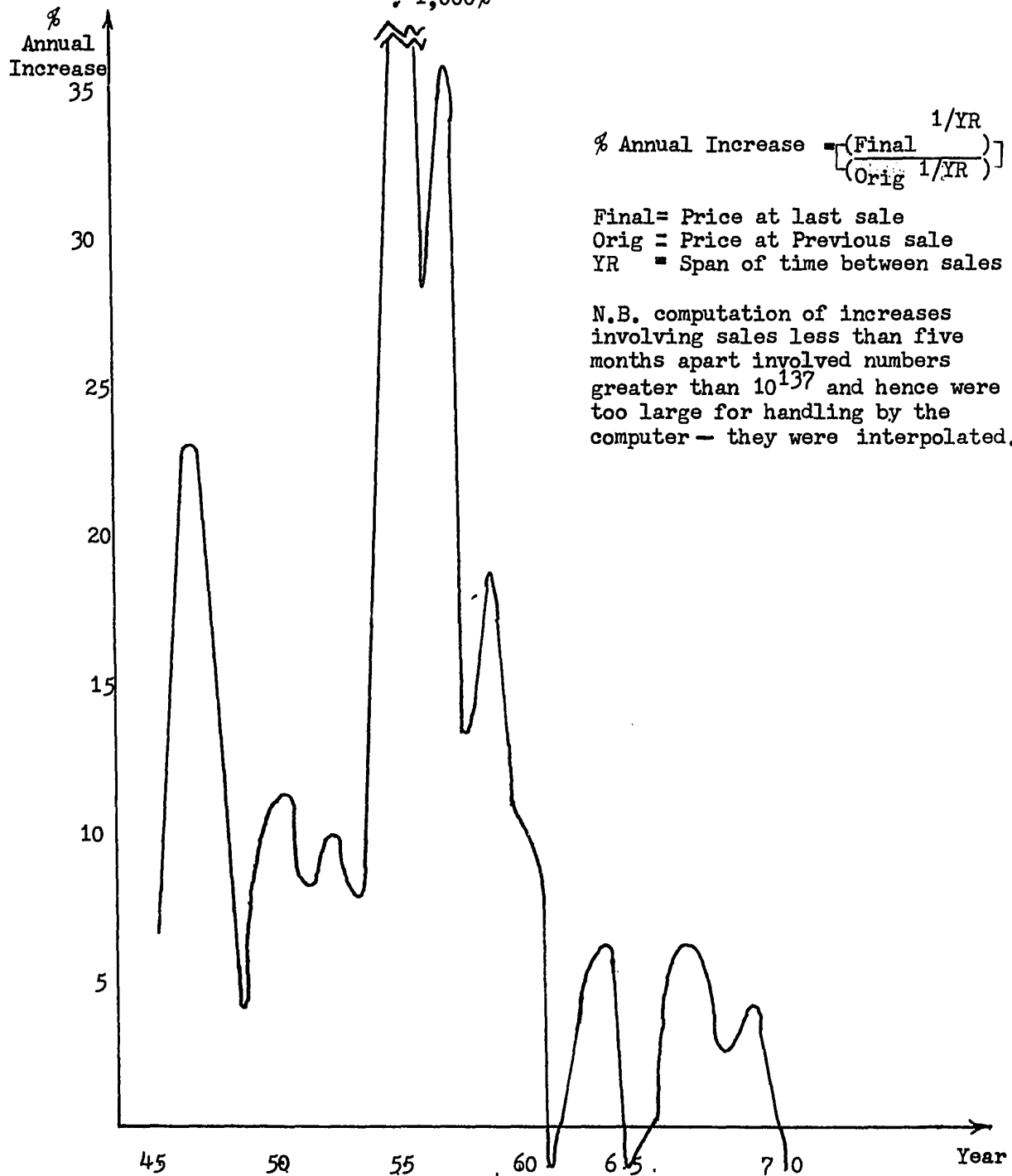


TABLE 8

AVERAGE ANNUAL INCREASE IN SALES PRICE OF ALL RESIDENTIAL BUILDINGS
ON COLONIAL & DEBULLION
· 1,000%



government subsidized low-income housing, first available for occupancy in October of 1959. The whole project was completed late in 1961. The displaced residents flooded into the surrounding area. This added to the housing shortages in the area being studied. Rent control kept prices from skyrocketing, (average rents for the census tract were \$51) but long time residents tell of paying up to \$550 for worthless furniture or exorbitant prices in "key money" in order to rent an apartment.

Quite a few investors speculated that the urban renewal project would come further north. Rumours of an expressway passing through the area further boosted speculation. It is quite evident that the building deterioration reflected in the 1961 Census Report was brought on by ... overcrowding and speculation.

The short term bubble burst when it became clear that the government would not be clearing the area. By 1961 buildings were being sold at a loss. In that year out of a total of nine sales, eight buildings, all bought after 1952, were sold at a loss. Comparing analogous data for the Ste. Famille area to the west and for lower Westmount, it is evident that the extent of the drop is greater than would be expected from the political unrest of the period.¹ Evidently the long term speculators were taking another look at their investments. Two factors slowed the northward expansion of the business sector, thus making the area less attractive for speculators. First and

1

The Ste. Famille sales data are from data compiled by Marilyn Roberts, and the Westmount figures were compiled by Mitchell Pressman. Moreover the first price decline occurred before the first terrorist bombings which ushered in the most recent separatist era.

foremost the business expansion of the sixties was abruptly drawn west by the development of Place Ville Marie, the Hydro Québec Building, C.I.L. House, the Imperial Bank Building and the Queen Elizabeth Hotel. Secondly, these skyscrapers set a new trend for Montreal documented by Claude Langlois.

Alors que dans le passé les cités grandissait selon l'horizontale, de nos jours, la tendance est l'accroissement vertical et l'expansion dans l'espace des utilisations non-residentielles dans les quartiers du centre est beaucoup plus lente qu'elle avait l'habitude de l'être. (Langlois: 1964: p.19)

The expected northward expansion of the business district was thus dissipated westwards and upwards leaving no forces to intensify the economic uses of land and hence drive up land prices in the area for the benefit of speculators. According to several owners interviewed, and the sales data (graphed in Table 8) the result of this change was a weakening of the market for buildings in the area.

Although the degeneration brought on by speculative ownership has been alleviated for the time being by the elimination of the forces which feed speculative ownership, this does not sufficiently explain changes in the area. In fact a study by George Sternlieb (1966) has shown that a weakening in the market for buildings in Newark produced degeneration of housing conditions. To understand why a weakening in the market leads to degeneration in Newark but coincides with housing improvement in the St. Louis Square area the first step is to examine Sternlieb's findings.

Sternlieb's Study

Sternlieb found that in deteriorating neighbourhoods the White resident owners were being replaced by Black resident owners, and areas previously taken over by Blacks were being increasingly dominated by White large scale slum landlords. This trend to ownership by outside investors increased the number of owners charging high rents but performing little maintenance.

He found that the weak sellers market discouraged conventional lending sources, such as banks and saving and loan institutions from playing a significant role in the financing of the purchase of buildings in the area. The bulk of buildings are therefore financed by mortgages given by the vendor of the building for a short term, rarely more than eight years. This situation puts a cash squeeze on owners for the first several years. Owners thus lack money to make improvements when they first buy. To make matters worse, owners are very naïve about home-improvements and tend to get taken by unscrupulous home-improvement contractors.

Vacancy rates are high. Landlords react by reducing maintenance to keep returns steady rather than reducing rents to attract tenants. In addition, weak resale and the previously mentioned financing difficulties inhibit rehabilitation efforts because owners cannot expect to recoup investments when the building is sold.

Taxes are the landlord's largest operating expense. The pre-dominance of tax costs inhibits owners from making improvements for fear of reassessments that would increase taxes.

Studies by Fleming (1970) and Tiller (1969) and the present research were aimed at discovering the extent to which this vicious cycle, discovered by Sternlieb, influenced the landlords in Montreal and ultimately affected the quality of local housing.

Previous Montreal Studies by Fleming & Tiller

In the two areas of Montreal previously studied the weak market for flats, reflected in the difficulties landlords had in getting tenants, led some landlords to act in the same manner found so destructive in Newark. However, a significant number did not operate in order to maximize returns and adopted strategies which allowed them to maintain their buildings in good repair.

The first Montreal area studied was in Eastern Outremont. In this declining middle class neighbourhood of white collar workers the established French-Canadians and English speaking Jews were gradually being replaced by immigrants. It was found that building decline is retarded and resident stability enhanced by certain landlords who operate in order to fulfill goals other than monetary profit. For such owners - especially the resident landlord - rental housing is not an investment in the purely economic sense. Home ownership often confers status on the owner, gives him a sense of permanence and is a hedge against the uncertainties he faces in most of his relationships with the market economy. (Tiller: 1969: pp.27-29)

The immigrant landlords helped the area as they maintained their

buildings and kept their tenants' apartments in as good condition as their finances permitted. Their ability to stem the tide of decline is contingent on their getting responsible tenants. These owners had no way of selecting tenants. Getting good tenants for them was a matter of luck. As long as they and other landlords who kept up their buildings could get good tenants they would remain a force in the neighbourhood. Tiller's evidence indicates that the immigrant landlords' best tenants were thinking of moving. "If they do move, they may loosen the owners and precipitate another outflow of the successful like that of the 1950's. The neighbourhood and the buildings, already 50 to 100 years old probably could not survive this." (Tiller and Krohn: 1969: pp.30-31)

In the second Montreal area studied, Pointe St. Charles, the non-economic (non-investment) oriented owner was found to be even more important for the provision of reasonable housing. It was found that the few owners from outside the area, operating under the conditions of the main Canadian economy with its nationally determined interest rates and expectations of investment return could not operate "efficiently" in the Pointe economy. The strategies of low maintenance adopted in an attempt to gain an acceptable return rate were bad for housing in the area. Compared to such owners, the non-investment oriented owners were the salvation of the area.

Fleming's area was similar to Sternlieb's in that the housing market was weak both in the sense of difficulty in raising rents and in terms of resale possibilities. The pressure of increased taxes,

again the largest single operating expense, could not be passed on the tenants, and buyers were difficult to find. "The general response to a weak market is, as Sternlieb sees it, to lower maintenance and services. In [the Pointe], there is a crucial difference between Home and Inherited owners [non-investment-oriented], who together comprise eighty-two percent of the sample. The Home owners' reaction to the weak market is to reduce their return even further in order to keep their 'good' tenantry." (Fleming: 1970: p.90)

Failure to raise rents in the face of rising costs leads to lower returns but assures good tenants and thus preserves the flats in good condition. Owners who have inherited their buildings also charge low rents, but maintain higher returns than "Home" owners by skimping on maintenance. This strategy leads to conflict with tenants which in turn breeds careless and even destructive tenant behaviour and a high turn-over of tenants.

Forces Shaping Landlord Behaviour in St. Louis Square Area

Reviewing the effects of market forces on the St. Louis Square area, it is evident that speculation on the eventual expansion of the central business sector and the concurrent demand for housing by tenants displaced by public housing led to building deterioration. The price decline resulting from the Westward and skyward shift of the central commercial district which precluded business expansion northward into the St. Louis Square area, and indications that public housing would not be extended northward into the area has made housing improvement possible.

This turn of events is contrary to the predictions of classical ecological and economic land use theory which suggests that increasing property prices, after an initial period of decay, eventually force the building of new buildings to bring a higher return from the land. (Ratcliff: 1949: Ch. 10-13) Housing improvements concurrent with price decline is also contrary to the findings of George Sternlieb (ibid) whose study of housing in Newark showed that a decline in the market for housing led to deterioration of buildings in the area.

How then can anyone in the area upgrade housing in the face of the economic forces working against him? Although the Portuguese are clearly involved in improvements it would be wrong to attribute the improvements to a peculiar ethnic desire for housing or to some stereotype of the hard-working immigrant. The Portuguese have not overcome the market forces working against the rehabilitation of the area, they have mobilized different economic forces. These "other" economic forces can be identified through the perspective of economic anthropology.

Theoretical Perspective

The tradition of economic anthropology from which the theoretical perspective of this paper is drawn stems ultimately from the classic works from Malinowski (1922), Marcel Mauss (1925), Karl Polanyi (1944), and from more recent books by M.D. Sahlins (1965), Belshaw (1965), and Nash (1966). Malinowski was the first to extensively explore and analyze the exchange and production systems of a non-market society. Marcel Mauss developed an analytic framework to explain the widespread

role of "gifts"¹ in social relationships in a large number of societies from ancient Rome to present day Melanesia. Through careful historical analysis Karl Polanyi exploded myths which suggested that market economy was the most natural social context of exchange and production. His Trade and Markets in the Early Empires shows that in all previous societies economic exchange and production were an inseparable and normally subordinate facet of social relations. In The Great Transformation he shows that the crises often today regarded as struggles to liberate the market system from artificial feudal shackles, were the result of imposing this brand new market order on society. Both Nash and Belshaw summarize a wide spectrum of ethnographic material which supports the evolving perspective of the relationship between traditional exchange and modern markets.

The application of this perspective from economic anthropology was suggested in part by the works of Blau (1955 and 1964), Melville Dalton (1959). They have shown how personal relationships growing out of "gift-type" exchange (not their vocabulary) in bureaucratic organizations take precedence over official relationships in many instances. Both writers point out the extent to which formal relations based on "rational" concepts of employment contract and bureaucratic administration mask relationships which more closely resemble relationships in non-market societies.

An understanding of M.D. Sahlins' conception of reciprocity provides a basis for appreciating the perspective. Sahlins' discussion

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(A gift is) essentially a good or service exchanged through generalized reciprocity, see Sahlins below

of the complex feedback between social relations and material transactions is particularly relevant to the housing transactions investigated in the St. Louis Square area. Evidence to be presented in Chapter III indicates that legal sanctions traditionally used to bind trading partners in market society are not invoked by landlords and tenants in the area. In primitive societies which similarly lack centralized social controls the tendency to seek control through exchange relationships is common. For Sahlins,

The indicative condition of primitive society is the absence of a public and sovereign power; persons and (especially) groups confront each other not merely as distinct interests but with the possible inclination and certain right to physically prosecute these interests. Force is decentralized. Legitimately held in severalty, the social compact has yet to be drawn, the state non-existent. So peacemaking is not a sporadic intersocietal event, it is a continuous process within society itself. (Sahlins: 1965: . . p. 140)

In primitive society "the spirit of exchange swings from disinterested concern for the other through mutuality to self interest. The spectrum of reciprocities proposed for general use is defined by its extremes and mid-point." (Sahlins: *ibid*: p.146) Generalized reciprocity is the solidary extreme; balanced reciprocity, the midpoint; and negative reciprocity, the unsociable extreme. A relationship in which a gift type exchange is embedded in a social relationship is known as generalized reciprocity. At the extreme, a one-way material flow can be sustained by prevailing social relations. The material aspects of the relationship are subordinate to the social. Strict accounting of debt is not kept. Receiving foods lays on a diffuse obligation to reciprocate when necessary to the donor and/or possible

for the recipient. At any given time one partner is always in the other's debt. It is not "balanced" at any point as is exchange in the market place. The debt may be repaid in any form in any sphere of social relations; giving rise to the name "generalized".

Sahlins called relationships of direct exchange "balanced reciprocity". The relationship is universalistic and recognized as existing solely or mainly for the purpose of making the exchange. Unlike generalized reciprocity, balanced reciprocity cannot tolerate one way flows over a long period of time.

Relationships involving a flow of material goods in the absence of any positive social ties are known as negative reciprocity. "Negative reciprocity is the attempt to get something for nothing with impunity... The participants confront each other as opposed interests each looking to maximize utility at the other's expense." (Sahlins: *ibid*: p.148)

Sahlins' typology describes the range of relationships that one can have with other individuals. One's position in the social and exchange structure is dictated by a complex of many such diadic relationships.

Many residents of the area opt out of legally regulated market exchange in favour of such diadic relationships. The reasons for opting out of market-type relationships for the fulfillment of housing needs can best be understood by looking at an individual's market resources and the resources which stem from his social relationships. One's supply of money, the universal market resource, stems from one's possession of skills or goods demanded on the market. Non-market

resources stem from directly utilizable skills and one's ability to develop balanced and generalized reciprocity. It will be shown that those unable financially to buy good housing can buy poor housing and through personal effort and by calling on the help of friends and relatives cheaply make substantial improvements. In the language of economic anthropology - those lacking market resources which would enable them to afford the housing they desire can invoke and employ obligations derived from relationships of generalized reciprocity to fulfill housing needs using only limited financial or "market" resources.

Market and Non-Market Relation Applied to Low Income Housing

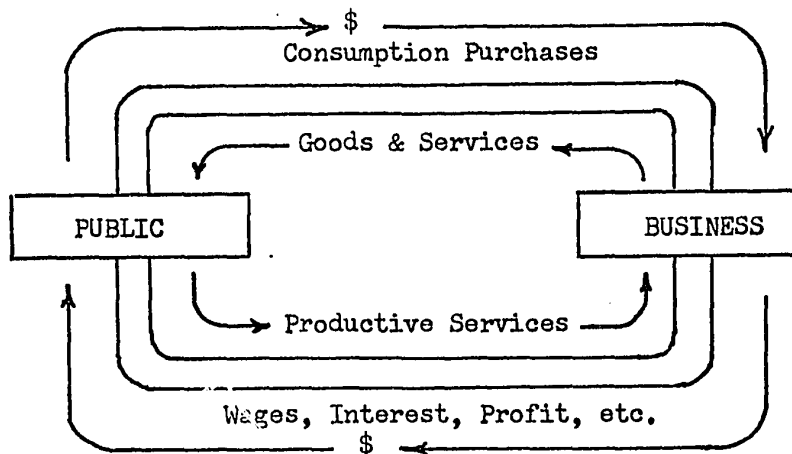
An understanding of the above described perspective forces a re-evaluation of the studies by Tiller and Fleming. Both Tiller and Fleming were aware that many owners were not operating to maximize returns. Nor were they following the "rules of success" outlined in standard economic textbooks.

Tiller recognized that rental housing in Outremont "is in the hands of independent, small-time operators who are neither financially very secure nor economically rational." He reports that in such circumstances "rental relations usually take on an individualistic, intuitive character..." (Tiller: 1969: p.84) Fleming also discovered that ownership and rental of property in Pointe St. Charles was not carried out to maximize profits. (Fleming: 1970: p.89) Both then, recognized that landlords in the areas they studied operated in a different manner from professional real estate operators. The St. Louis

Square area study shows that there are two dimensions to the difference between commercial operators and scale owners of rental flats. The most striking is still the low returns earned on all the rental units studied. The second difference derives from the inputs the owner receives from the main commercial system, through job or property ownership. In Outremont the older owners were retired and no longer had a strong cash inflow. The immigrant owners in Outremont and in the St. Louis Square area had low-paying or unstable jobs as did the owners in Pointe St. Charles. The weak position of these landlords within the market economy leads to strategies which emphasize social rather than cash transactions.

The tie between an individual and the rest of the economy is often represented by a variant of Diagram 1. In order for an individual

DIAGRAM 1



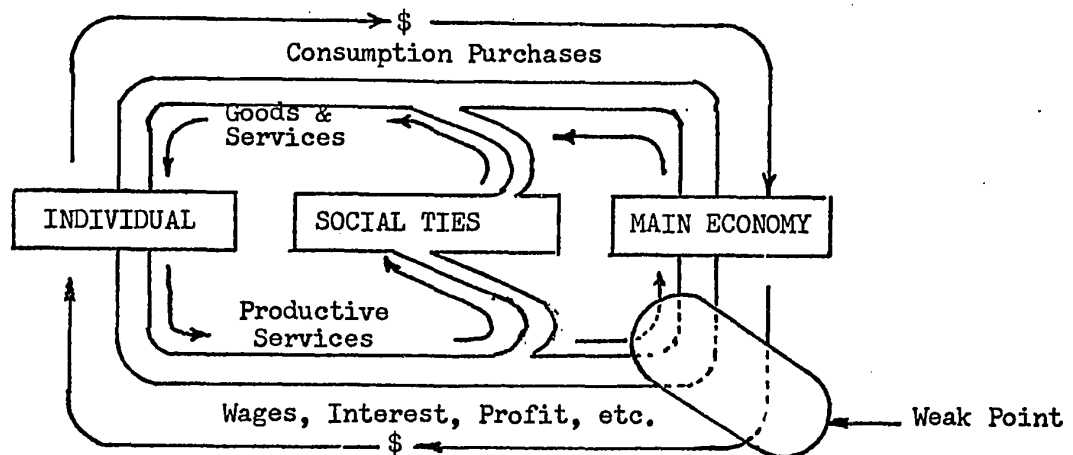
Source: Samuelson & Scott:1966:p.195

(one of the "Public") to obtain "Goods and services" from the main economy ("Business") he must have "\$" which he can obtain by providing "Productive Services" to the main economy. If his services are in low or sporadic demand his resource inputs (cash) from the main economy are tenuous. Given the weakness of this important tie with the main economy it is in such an individual's interest to divorce from the the main economy, as much as possible, the important goods and services he needs - such as housing.

The homeowner with a multi-unit dwelling has several ties with the main economy. Two ties, the financing of the building and the recruitment of tenants are under his control in certain respects. Mortgages can be paid off quickly while the owner still has a job to provide income. (Five owners stated that a paid up building was a hedge against sickness or loss of job.) The link with tenants is cushioned from the market in many instances by social ties. A third tie - taxes and certain expenses brought on by municipal or provincial authorities are beyond the control of landlords in the areas studied.

The by-passing of the main economy through interpersonal channels can be visualized as in Diagram 2.

DIAGRAM 2
BY-PASSING THE MAIN ECONOMY



The ultimate bypass of the main economy is for the owner to improve the building using his own labour, relying of course, on social ties or the market economy to obtain the necessary materials. However, as will be seen, those most successful had relied on the advice and labour of others. The lone improvers complained of how difficult the work had been and how they had been forced to rely on professionals for the jobs for which they lacked tools and equipment. The Portuguese who received help, spoke happily of the improvement experience and always managed to obtain the necessary tools.

In the St. Louis Square area avoiding the market system involved both the replacement of market relationships by generalized reciprocity in the case of housing improvement and the shaping or controlling of the market through information networks, particularly with respect to the recruitment of tenants. It is important to realize however, that the

replacement of market mechanisms was not as pervasive as the sustaining of low returns. Although almost all owners earn half the return commercially expected from real estate ownership, not all replace impersonal market relationships with special non-market relationships.

The reasons for these differences and a more thorough exposition of the nature of non-market exchanges will be given in the following chapters. The uniqueness of economic conditions in the area and their importance for the maintenance and improvement of housing in the St. Louis Square area becomes apparent in the following description of its residents.

CHAPTER II

OWNERS AND TENANTS

This chapter focuses on the characteristics of owners and tenants which affect building care in the area. However, as the Portuguese, both owners and tenants, are such a dominant force in the area, an understanding of the special characteristics of the Portuguese is a prerequisite to understanding the behaviour which has led to the most significant changes in the area. Therefore before separately discussing the landlord types and the characteristics of tenants, the Portuguese of the area will be introduced. This chapter then describes landlord resources and strategies of building care, and tenant types.

The Portuguese

As the first chapter shows, at the same time improvements in housing conditions became noticeable, the Portuguese became prominent in the area. As owners, Portuguese possess the skills, knowledge, contacts and attitudes to improve their property. Some landlords of other ethnicities have similar resources which allow improvements, but not to the same striking degree as the Portuguese. It is significant that neither financial resources, nor real estate or financial expertise nor political influence are among the resources possessed by those who make improvements in the area.

Even more distinctive than the Portuguese landlords are the

Portuguese tenants. Their view of landlord-tenant relations as co-operative rather than exploitative, and their high value on a well kept home make them ideal tenants. In addition, although they do not stay for long periods in the same flat, personal information networks make possible the widespread practice of giving over apartments to others rather than simply abandoning them when the lease is up. This practice saves the landlord the bother and possible expense of finding new tenants. It also saves the landlords from vacancies. The resulting increase in revenues can, in certain cases, leave the landlord with more money for repairs or make improvements possible.

Portuguese immigrants to Canada have a generally high level of manual skills. The first wave of Portuguese immigrants arrived during a period of high selectivity by the Canadian government. Those with the highest skill levels were accepted first. Immigration statistics for 1969 (see appendix) indicate that thirty-six percent of Portuguese immigrants were skilled in construction trades, and eleven percent indicated farming skills. Many of the residents interviewed had been peasant farmers who had owned their own land in Portugal. Such people are skilled in performing odd jobs and repairs with a minimum of specialized materials.

Interviews indicate that the Portuguese were very different from the refugees of some earlier immigrant waves.¹ For most, the move to Canada was carefully considered before leaving Portugal. Unlike many previous immigrants they were not driven penniless from their homeland

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Pointed out by Professor Malcolm Spector of the Department of Sociology, McGill.

as a result of political or economic upheavals. (Although some have come partly to save their sons from being conscripted into the Portuguese army fighting in Africa). Many also maintained ties in Portugal against their possible return. For instance, two landlords bought buildings five to ten years after arriving in Canada. They very recently sold their property in Portugal to aid in financing the purchase of their buildings. One had sold a small sawmill, the other a tavern and a farm. Several tenants and owners still own tiny farms in Portugal partly because they could not get the price they wanted, and partly because they contemplate returning to Portugal for retirement. One tenant had been an important wine merchant in Portugal. He had closed his business to avoid bankruptcy and come to Canada eventually to work as a night shift office cleaner at Place Ville Marie to pay off his debts.

The high proportion of peasants with conservative views and rural patterns of reciprocity, interspersed with skilled craftsmen from the urban areas and a few entrepreneurial types, some with a small amount of capital, seem a mix ideally suited to participating in the upgrading of an area.

It is not enough, however, to know that the Portuguese are equipped to uplift the area; there must be a reason for their settlement in the particular area.

On the surface, the decision of a group of people seeking good housing to stay in an area of run-down buildings is paradoxical. Martin, whose father owns two buildings in the area, and has lived in the area for eight years speaks of his neighbourhood:

As you can see it is not a very nice place to live. It's almost a slum. Most of the Portuguese live here so that they can save money to better themselves. It's a sort of a launching pad for the newly arrived immigrants. They live here because it is cheap. That way they can save up for some project to better themselves.

This suggests Jane Jacob's image of an area of degenerating housing, whose residents leave as soon as possible, and whose tenants lack commitment. Those who stay are economically or socially weak. Landlords are not inclined, or not able because of low returns, high vacancy rates and rent skipping to make improvements. In turn such properties have no attraction for stable tenants. Jacobs feels that this vicious cycle can only be reversed if residents decide to stay in the area. Most often it is the diversity of the area that causes those responsible for "unslumming" to,

stay in the area by choice, after it is no longer economically necessary ...[The choice] has much to do with the slum dwellers' personal attachments to other people, with the regard in which they believe they are held in the neighbourhood and with their sense of values as to what is of greater and what is of lesser importance in their lives. (Jane Jacobs: 1961: p.279)

Both the Portuguese youth and Jane Jacobs raise an important issue: why do immigrants come to an area and what causes them to stay?

Attraction of the Area

Forces that Bring Portuguese to the Area

Information networks and social ties are the specific forces which introduce Portuguese to the area. However, they probably would not be drawn to the area if the housing in the area did not suit their needs. The spacious flats at reasonable prices are certainly attractive.

They are not the sole attraction of the area, however, as other areas offer similar housing at comparable prices. When asked "How did you find this particular apartment?" Portuguese typically answer thus, "It was too small for my sister, we have only one son so we moved in her place." Recent arrivals are particularly likely to move into an apartment vacated by a friend or relative. A young, recently married woman explained, "We lived across the road in a nicer place, but we gave it to my sister. Neither she nor her husband, who just arrived from Portugal, speak any English or French. Some friends passed this apartment to us." New arrivals from Portugal may spend their first few days in a relative's apartment, or even, as one family reported, the first five years. Coming to the area, then, depends strongly on having contacts in the area.

Not all Portuguese immigrants move into the area. The inter-
preter observed:

I think there are at least three kinds of Portuguese who come to Canada. Those who speak both English and French when they arrive will move anywhere. Now these would probably be intellectuals or professional sorts. They often move to the suburbs. Then there are those who have relatives in the suburbs. Even if they only speak Portuguese they will move out to the suburbs with their friends or relatives. Then the third kind has relatives in here, and can't speak English or French. Also, those with no relatives here and only Portuguese will often move here. That is a fourth type.

What Makes People Stay

The most universally stated reason for staying in the area was the desire to stay close to relatives living in the area. Proximity to work is also mentioned. Although seldom clearly articulated by the

Portuguese, the abundance of spacious apartments at reasonable rents is also a factor. This is implicit in their recognition that the areas that they might prefer would be beyond their budget. In contrast, the Canadians living in the area clearly recognize the reasonably priced housing as the most important attraction. In general, though, the failure to specifically mention the favourable rents in the area stems from a scanty knowledge of rental conditions outside the Portuguese area. Several distinctly stated that housing conditions in the area were typical for the city and one respondent, in reference to a question about redecoration and repairs stated, "Oui, j'ai peinturé les murs. Ici, au Canada, c'est partout la même chose. C'est moi qui fait tout."

Few are attracted by the actual physical environment of the neighbourhood. Most find the area noisy and dirty and dream of moving to a quiet neighbourhood. The following excerpt from an interview with the twenty year old daughter of a Portuguese tenant shows the nature of such dreams.

Interviewer (I): How did they [her parents] find this apartment?

Respondent (R): All right compared to some that I have seen, but it is not the best. We're planning to move.

I: When?

R: In the near future, maybe next year or so.

I: What would you like to get?

R: This neighbourhood is not very interesting. It's not a peaceful neighbourhood. We'd like our own backyard.

I: So where do you think you would move to?

R: I don't know -- a bit outside the city--

I: Do you know if you would move to where other Portuguese are?

R: No, not particularly; but we wouldn't want to move to an area in which we didn't know anybody.

I: What about your parents - that must be quite important to them.

R: No not really -- because we live in a Portuguese community and we hardly -- I don't visit any of these neighbours.

I: What about your mother?

R: She doesn't either. She comes home from work and she doesn't have time.

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I: I still don't understand why you want to move.

R: Well I'm not saying we will definitely because we said we would this year and we didn't. It's just the streets are very dirty and many kids around and it's not a peaceful area. You know -- go outside and stay in peace. Because we like the house -- except it's old. We'd like a better house too.

I: A newer one?

R: Ya, sort of.

I: What's wrong with this one?

R: Well the walls are cracked, so we would just like to have a better house.

I: Have you parents looked around a bit?

R: Well, once we did.

I: Have they gone to the suburbs to look at houses to rent?

R: To look to rent we never did, but we looked around.

I: So how do you know there will be a nicer place?

R: Well because we've gone around and we've seen nice places. Still, at the moment we don't have any idea.

I: Do you think it would cost much more to live elsewhere?

R: It would cost a bit more.

I: Is there anything good about this district?

R: I don't know. I don't have much to complain. I mean nobody ever bothers us here. I don't have any problems. You know everybody here -- because you're Portuguese, and everybody else is Portuguese, you're not kind of scared or anything.

Some have more definite attitudes towards the area; perhaps because of their situations. I was talking to Martin. As he was telling me how he would like to leave the area and how crazy his father was to buy in the area we were joined by his friend José.

(To his friend) Martin: This gentleman is here to do a study or survey or something. He's come here to study the Porks and the other immies.

(To me) Martin: José's father is buying a house in the country. That's what I would like. To get out of here into the country.

Jose: I don't know, I feel really attached to this place. I plan

to come back whenever I can.

Interviewer: That sure is different from what he says (pointing to Martin). Are you putting me on?

José: No I really feel I grew up here. I've lived in this neighbourhood since I was a little kid. I have friends here and everything. I like it here.

Knowledge of French and English

For two reasons language skills may determine whether a family will stay in the area. Knowledge of French or English allows the immigrant access to more stable higher paying jobs and frees him from Portuguese information networks. They are thus aware of other housing opportunities and are socially and economically competent to take advantage of them. This independence from the Portuguese community can also be achieved if the unmarried children gain access to good white collar jobs which require Portuguese as well as French and English. Only those with a Canadian education and sufficient Portuguese contacts can gain such jobs. (e.g., Portuguese exporters, airline and shipping companies, social agencies). Such children know of better areas and can help pay the rent in a more expensive area.

Those who do move away do not lose contact with the area as it still fulfills the social needs of the parents and the practical needs of the family. A boy whose family moved away was asked,

Q: Are there lots of special Portuguese stores in the area?

A: There are hundreds of stores. Portuguese come from all over the city to buy their food here. Especially the fish stores.

The reasons for staying are a close weave of social and economic factors. Many do not know of other areas with similar rental

conditions. Even if they did know of such housing there would be no point in leaving the Portuguese community for similar housing. It is not surprising then that those who cannot afford better housing stay in the area. What is striking is that those who can afford to move to another area also remain. The following conversation with the only Portuguese real estate agent in the city sums up their reasons for staying.

Interviewer: In what area do the Portuguese usually buy?

Agent: In this central area.

Interviewer: Why is that?

Agent: Well I have tried to interest some of them in buying more in the suburbs like LaSalle or Ahuntsic and Montréal Nord, but often they don't speak English or French and they feel lost in such communities. Also there are Portuguese stores and they have built up a community here. They say to me, "Why should we move and leave all this, we like where we live now."

Interviewer: Are many of them moving to the suburbs?

Agent: I would say about five percent are moving out to the suburbs.

The Portuguese have a strikingly high level of manual skills. They participate in information networks which lead them to the spacious, reasonably priced housing in the area. The Portuguese hegemony in the area provides additional attractions. They naturally feel more secure and at ease in an area dominated by those of the same culture, with stores catering specifically to their needs. Particularly for those unable to speak French or English, the "services" formally and informally offered in the area are very important.

The following discussion of landlords and the subsequent sections on tenants and landlord-tenant relations will show specific-

ally how these social assets of the Portuguese contribute to housing improvements in the area.

Landlord Resources and Strategies of Building Care

The building-care strategies of owners ranged from extensive renovation to virtual neglect depending on the goals and resources. Those who bought their buildings as residents made the most improvements. The important resources were not, significantly, those generally considered necessary for success in advanced industrial society. Expertise in real estate or finance, financial and political power did not appear important for the rehabilitation of the old and damaged buildings in the area. On the other hand, resources flowing from the personal experience and social relations of individual owners were mobilized by those with limited financial resources. For those willing to utilize such resources, the improvement strategy provides an acceptable return. If market resources were used, for the same improvements any increased return would not normally meet the additional costs. Improvement is therefore not undertaken by those investment oriented owners able to accurately predict the marginal increase in return.

The landlord's ability to keep his units constantly rented to good tenants also plays an important role in making improvements practical. The manner in which this is achieved is explained in the following chapter.

Typology of Building Care

Landlords had a pretty clear idea of the strategy they would adopt toward their building when they made the decision to buy the property. Those resident owners who bought buildings in poor condition planned significant improvements. Absentees however, made improvements only when they despaired of getting tenants any other way. Those who bought houses which had been kept up or renovated by previous owners maintained. An investor and an inherited landlord acquired badly maintained buildings and continued the previous policy of neglect. There were thus three types of building care noted in the area:

Improve, Maintain, and Neglect.

Those who made improvements were primarily interested in home ownership. Maintainers were only slightly more likely to own the building as an investment than as a residence. Those who neglected their building expected to take advantage of increases in land value. Table 9 shows that resident landlords were twice as likely to make improvements as absentee landlords. Eight out of the thirteen who did not make improvements were absentees.

TABLE 9
IMPROVEMENT STRATEGY BY RESIDENCE

Residence	Building Care		
	Improve	Maintain	Neglect
Resident	10	5	0
Absentee	5	6	2

$$\chi^2 = 3.62, \text{ significant at } .20 \text{ level}$$

Whether a landlord owned the building as an investment or as a resident had an important effect on the extent of work done and the length of time taken to improve the building. Except for one owner who renovated while still a resident, the absentees who made improvements did so while the units were empty, and the work was completed in a relatively short time. As the resident owners (and one ex-resident) worked in their spare time and did not buy materials for improvements on credit, the process was drawn out over a period of several years. Depending on his resources and the type of building, a resident owner either worked on the whole building at one time, or on one unit at a time. The strategies adopted to accomplish improvements fall into three categories --renewal of the owners flat, renewal of all flats one at a time, and renewal of the whole building.

Renewal of Owner's Flat

Three of the fifteen improvement oriented owners have only renovated one flat and paid little or no attention to others. One of these was an absentee owner. The most recent purchaser has renovated his own apartment and repaired and redecorated the two remaining units. To create a handsome residence out of a derelict flat he refinished all the floors, built a modern bathroom, rearranged partitions to enlarge some rooms and create cupboard space. He replaced the old plumbing, installed new doors and frames in each room and rewired the whole flat. In the flat of the tenant interviewed he helped patch and paint the walls and (with the help of the tenant) rebuilt the front entryway with

gyprock.

The owner who bought a better maintained building improved his own apartment by rebuilding the kitchen, replacing the plumbing and re-decorating the rest of the apartment.

Flat by Flat Renovation

Four owners moved into one flat and some time after it had been renovated moved into another flat and repeated the process. Until moving into a flat the owners made only small improvements or neglected it totally. Two such owners report having renovated their first flat solely for their own use. The move to improve another flat was a change in their original strategy. It is possible that those who have renovated only one flat may eventually make a change in strategy and renovate other flats in their buildings.

Renewal of the Whole Building

Five of the eight who renewed the whole building owned cottages and rented out rooms and lived in the building while renovating. (In the sense that the whole building in such cases is really one large unit, these owners' strategy resembles that of the simple improvement of the owner's personal flats.) It was a slow room by room process for resident owners. Absentees who renovated their buildings while vacant had the work done as quickly as possible to avoid lost revenue. For resident owners who faced no revenue loss, it was a slow room by room

process. Two absentee owners of rooming houses renewed all the rooms together. The eighth owner, an absentee, renewed all six of the furnished apartments in his building at one time.

These patterns are interesting in that they show how resident owners' desire for improved housing has eventually led them to provide improved housing for others in eight out of ten cases. They also indicate that the two newest and deviant resident improvers may eventually follow suit.

Reason for Improving

Except for one ex-resident Portuguese landlord, the absentee landlords renovated their buildings to improve profits. The two apartment owners did so in a somewhat desperate attempt to eliminate losses, and the two rooming house owners to increase profits.

The resident landlord's first reason for improving his building is to provide for himself the standard of dwelling he desires without overextending his budget. The reasons for moving into another unit and improving it in turn are more diverse and obscure. Pride and the pleasure derived from renovating a flat seem as important as any prospects for increased return.

Landlord Resources

The landlord's improvement strategy is closely limited by the resources at his disposal. Regardless of the reason for improving a building it is clear that only those possessing certain resources are

able to carry out improvements successfully. Minimal financial resources and the interpersonal resources to skirt the market mechanisms are the prerequisites for improvements. The nature of such resources and an analytic framework to understand such systems were discussed in Chapter I. We are now in a position to apply the perspective to the unusual exchange relationships involved in low income housing in the St. Louis area.

As outlined in the first chapter, special relationships allow access to low cost building materials, the help of skilled tradesmen at low rates or for free, and access to information on the best methods of carrying out renovations and repairs. In one exceptional case an owner obtained a mortgage of \$5,000 to cover the cost of renovation from friends at 7 1/2 percent -- well below the 9-12 mortgage rates offered by financial institutions at the time.

Much "free" labour can also be obtained through such relationships. Among the Portuguese it is taken for granted that good friends and relatives will help with renovations. One afternoon the interviewer and the translator were sitting in the dining room of a house in the process of being renovated, waiting for the owner to return from work. The owner's wife was asked if her husband had done all the work himself.

She: Up until now he worked alone; now he has hired a man. He can't do the more specialized things like an electrician does.
 --Just then the door bell rings. We are introduced to the new arrival.--

She: This is my brother. He comes to help paint the house.

In fact the owner "works alone" with the help of his brother-in-law. Relatives that help with the renovations may not even be

mentioned unless specifically referred to by the interviewer.

Now, all these resources are free of direct financial expense, but there is a cost involved. Although housing help is imbedded in the social relationship, and is given in the name of friendship (or kinship) no help would be forthcoming if the owner presently in need of help, had not been generous in the past. Thus some who help are repaying past "social debts" and others help, knowing that the owner has a reputation for helping his friends. Simply stated, the owner who helps others when asked is well liked, and those who help him do not feel they are "being used", and enjoy helping him.

An absentee Greek landlord explained that he kept his improvement cost down,

because I acted as my own contractor. I hired Greek craftsmen who work twice as hard as they would for Anglo-Saxons because they are friends. If they weren't friends they would slack off one quarter of the time. For a friend they work all the time they are paid. I also get my supplies wholesale. In fact cheaper than the average contractor. [I bought my supplies from friends.] They gave me a price such that they only make about 3% profit. They couldn't afford to give such prices to a contractor who buys in really large quantities. [I also get better prices because I am more flexible.] If I need three-by-fours and they have a lot of two-by-fours, then they'll give me a special deal only on the two-by-fours and I can take it because I am doing my own work.

A further resource which is important for anyone to consider before renovating is the ability to get good tenants who will not undo improvements, skip out, or otherwise make the proposition expensive. The nature of this resource will be considered at length in the discussion of landlord-tenant relations in the following chapter.

There is a strong correlation between a man's occupation and

his ability to circumvent the market. The skilled worker is used to dealing with tools and materials. The white collar and professional worker may have knowledge of financial techniques, but is less familiar with tools. The members of different occupations make different contacts in their work life. The type of personal contacts available effects the strategy owners can adopt towards their property. Table 10 shows that blue collar workers are twice as likely to make improvements as those of other professions.

TABLE 10
OCCUPATION AND IMPROVEMENT STRATEGY

Occupation	Building Care	
	Improve	Maintain & Neglect
Blue collar	10	3
White collar & prof.	2	8
Retired	3	2

$\chi^2 = 7.48$, significant at .05 level

The owner who uses his occupationally derived skills to improve his building is completely short circuiting the market mechanism. For the six construction workers who improved their buildings the strategy was particularly suited to their occupation. By the very nature of the construction industry (Goldenberg: 1967) the men with housing skills have periods of free time to work on their own dwellings.

Personal skills, the ability to call on the skills, labour and knowledge of others and access to tenant recruitment networks are all

prerequisites to successful housing improvement. Table 11 shows that access to such market-circumventing resources is strongly related to the likelihood of an owner adopting an improvement strategy.

TABLE 11
IMPROVEMENT STRATEGY AND NON-MARKET RESOURCES

Building Care	Availability of Non-Market Resources	
	Yes	No
Improve	13	2
Maintain or Neglect	3	10

$\chi^2 = 11.59$, significant at .001 level

The two improvers without non-market resources operate rooming houses in the area. Although non-market resources were not available to them, they continued to operate the houses successfully because they had learned to modify market relationships with roomers. These two rooming house operators adopted a strategy which closely parallels the Pratik of Haitian traders.

In the stern competition of Haitian markets, a trader trying to break in needs to establish personal relationships of a client-patron sort to insure steady customers. The bond of pratik is created by granting concessions of credit, by reducing prices, or by giving the baker's dozen to favoured buyers. Pratik sets up obligations between buyers and sellers which transcend the impersonal market forces and provide some hedge against risk and some mitigation of unbridled competition. (Manning Nash: 1966:p.88)

The dominant characteristic of such peasant markets is the large number of small transactions made. Similarly the operation of a rooming house

is based on weekly contracts. The significance of the difference between many small deals and the once a year or biennial lease common in flat rentals will be developed in the chapter on landlord-tenant relations. For the present argument it is enough to point out that the returns to capital of over twenty percent received by the rooming house operators are difficult to maintain unless vacancy rates are kept low. The owners do this by developing personal loyalties with roomers by doing special favours. A trusted roomer may go for several months without paying his weekly rent. Owners report several ways in which such strategies pay off. Roomers return to these owners when they again need a room in the area, and take better care of the owner's property. This situation does not hold true for landlords renting by the year as too few "business" transactions are available for manipulation over the few years that most tenants have been renting.

Landlord Ties with the Main Economy

Although non-market relationships are very important for the rehabilitation of housing in the area, renovating owners are obviously not completely independent from the market economy. For those who do not have the cash to buy a house outright, the availability of mortgages at a rate of interest they can afford and the ability to get a job providing the steady wages needed to pay off a mortgage are market facts.

A man's wage income constrains the housing strategy he can successfully adopt. Too limited a demand for his particular skills brings low wages or underemployment and makes it impossible to contem-

plate owning a home. On the other hand, those who earn enough to afford a building in good condition would not bother with a building needing extensive improvements. For those with an income falling between these two levels a building in poor condition is within their range. The individual within this income range, but without personal skills and the aid of friends would be limited to the rather substandard housing he could afford. For the man possessing both these minimal financial resources and non-market resources, badly cared for buildings are an excellent source of good housing.

Mortgages to finance the purchase of a building are even further removed from the control of narrow social networks. Few within the sphere of buyers' social relations have money to lend. Money must come either from financial institutions or from the vendor. The willingness of a vendor to offer a mortgage to a given buyer is heavily a function of why he is selling, how quickly he wants to sell, and the availability of other buyers with the cash or the ability and willingness to pay commercial mortgage rates.

Sternlieb suggested that the policies of government and private lending institutions toward mortgages and loans in "blighted" areas was a contributing factor towards their continued degeneration. Similarly, only seven of the twenty owners who reported their financing arrangements financed the purchase of their building through lending institutions.¹ However, the low participation of lending institutions seems not to

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Three owners inherited their buildings and could give no information on financing. Five owners refused to reveal financing arrangements.

have discouraged building care, as there was no relationship between source of mortgage and building care.

Three methods of financing were reported. Four purchasers paid cash, seven obtained mortgages from financial institutions and nine obtained mortgages from the vendor. Three of the eight Maintainers and one Improver paid cash. Mortgages from financial institutions were more expensive than those from previous owners. The rates of lending institutions for first mortgages ranged from 7.5 to 9.25 percent and averaged 8.3 percent. Previous owners charged between six and seven percent and the average such rate was 6.5 percent. No resident owners obtained second mortgages. Two absentee owners paid twelve and eighteen percent for second mortgages.

Profitability of Each Strategy

Because most owners in the area do not keep accurate accounts of costs, and because many avoid market relationships as much as possible in operating and improving their housing, it is difficult to calculate the economic measures of success, return rates. Thus, the major difficulty in assessing profitability stems not from lack of co-operation on the part of respondents but rather from the manner in which they manage their properties.

The first problem was to determine the price of improvements to be added to the value of the building. At first an attempt was made to base the increase on the sum of the cost of materials and the labour

involved. Although those who had made systematic and extensive renovations could state a figure to the nearest thousand dollars of the total cost of materials and the incidental skilled labour hired, they had no idea of how much time they and their friends and relatives had put in. Most were also indefinite about the actual cost of materials. At the beginning of an interview one owner mentioned he had spent \$11,000 on renovations, later he stated that they had cost him \$6,000.¹

Another problem of this method lay in the difficulty of putting a cash value on an owner's surplus labour. Particularly if a man is underemployed, the market value of his labour is very low. If an owner has a skilled friend who comes and works for friendship and a beer, what price should be accounted for his labour? Given these problems and the nature of the data, this method was clearly unworkable.

It was finally decided to use the Charleston Rehabilitation Price Book, (B.R.A.: 1971) to estimate the price of improvements to the building under the fiction that the material and labour had been bought on the market and that the project had been carried out by a contractor. This method had the advantage of not only pricing the materials and labour used but also effectively adding into the final price a market value for the "non-market resources" used (in a sense a price factor for the use of non-market mechanisms).

A further difficulty arose in using rate of return to assess the economic viability of each strategy. In order to judge this "market

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He originally thought I was interested in buying and may have exaggerated his estimate accordingly, nevertheless, such inconsistencies made estimations based on reported cost very tenuous.

rationality" it was necessary to put absentee and resident owned buildings on the same footing by "charging" the owner a fictitious rent for the apartment which he occupied in his own building at the average rent charged the tenants of his building.

Consequently the net return brought by the building was the sum of rents collected for the year, plus the assessed rent of the resident owner's apartment, minus the cost of taxes, insurance, maintenance, and any other costs. The rate of return was based on the value of the building arrived at by adding the estimated price of renovations to the original price of the building.

Table 12

RETURN RATES OF BUILDING CARE STRATEGIES

Rate of Return	Building Care Strategy			Total
	Improve	Maintain	Neglect	
Under 9%	8	0	1	9
Over 9 %	5	11	1	17
Average rate	7.3%	12.0%	7.0%	10.3%

$\chi^2 = 15.63$, significant at .01 level

The above table excludes the two rooming house operators from the improve column. Their returns of 21.43% and 25.90% respectively, distort the profits for the improvement category (9.5% if they are

included. Table 12 clearly shows that improved buildings bring lower returns than maintained buildings.

The figures show that few of the buildings studied would be particularly attractive for professional investors.

The most common investor today is a knowledgeable hard headed business or professional man who demands a return of 10% after all debt service - and by debt service we mean interest and capital repayments. (Corporation of Real Estate Brokers, Province of Quebec: November, 1967: pp.7-8)

Clearly anyone restricted to market resources and aiming at monetary benefits would be unwise to improve buildings in the area. Even the return available on maintained buildings would not attract such "hard headed" investors. Similarly, the lack of viability of the neglect strategy is indicated both by the low rate of return and by the infrequent use of this strategy.

Financial Attitudes, Real Estate Expertise and Housing Behaviour

In the light of the above discussion on rates of return it is not surprising that the lack of participation of local owners within the main economy is balanced by a lack of participation in the area by those professionally involved in real estate. Only five out of the twenty-eight landlords interviewed were recognized as possessing real estate expertise¹--all were absentees. Significantly four out of the five market oriented owners made no improvements. The one exception (to be discussed below) did not rely on purely market ties to improve his

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This judgment was based on their involvement and experience with rental buildings and on the manner in which they based their rate of return on their own equity and compared it to the returns available through other uses of capital.

building.

There was only one really "professional operator" in the sample.

A young man with a family, he made his living by operating residential buildings. He was the only landlord who specifically mentioned the desirability of keeping his equity as low as possible in each property he owned. The seven other absentee landlords without real estate expertise were primarily interested in a secure income. For example,

I am a working man, and if I get sick or something I still have to look after myself and my wife and kids. Insurance is not enough, I want an income which I can fall back on.

The resident owner's prime interest is in a residence. The difficulty even the English speaking owners had in understanding the interviewer's questions on rate of return indicates that this concept is unimportant for resident landlords. The following table indicates that only one of those who improved their building had real estate expertise. This renovator was the only absentee owner who possessed both real estate expertise and non-market resources. He obviously had ample real estate experience as, in addition to owning several furnished apartment buildings, he had contracts for the operation and maintenance of several large office buildings. This deviant case highlights the difference between non-market resources used in building improvements and those used in the recruitment of tenants. The owner's experience and contacts in the Greek community enabled him to save greatly on labour and materials involved in improving his building. However, he had no position in any informal tenant recruitment network and up to

TABLE 13

REAL ESTATE EXPERTISE AND IMPROVEMENT STRATEGY

Strategy	Possession of Real Estate Expertise	
	Yes	No
Improve	1	14
Maintain	4	7
Neglect	0	2

Chi² = 4.3, significant at .20 level.

the time he was interviewed had not been able to gain access to one.¹ A Portuguese grocer whose store is in the adjoining building shows the furnished apartments to those attracted by newspaper advertisements or a sign in the store window. There is no lease and rental is on a monthly basis. He finds that on the average it takes two weeks to find a new tenant in the winter and up to three months in the summer. With no vacancies the building would earn him nine percent on his investment. (Which he considers breaking even.) With his present vacancy rate he netted only two hundred dollars last year and experienced a loss the year before that. Although monthly agreements without a lease for furnished apartments are unusual in the area and do not in themselves tend to attract long term tenants, his experience strongly underscores the importance of a good source of tenants.

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The recent engagement of the neighbouring Portuguese grocer to find tenants on a commission basis is an attempt to do so.

The Non-Market Extreme: The Portuguese Landlord

The first clue to the social sources of building renovation that professional investors cannot tap lies in the ethnicity of the improvers. The important contribution of the Portuguese landlords to housing improvement in the area stems from their unusual resources. As will be shown in the section on tenants, it is primarily the Portuguese who find apartments through informal networks. We might therefore expect the Portuguese landlord to be more closely plugged into an information network than other landlords. Table 14 shows that ten out of eleven Portuguese owners recruit by informal market-avoiding means.

TABLE 14
ETHNICITY AND TENANT RECRUITMENT

Tenant Recruitment	Landlord Ethnicity	
	Portuguese	Other
Market	1	12
Non-market	10	5

$\chi^2 = 9.8$, significant at .01 level

In addition we find that Portuguese have the types of jobs conducive to the possession of non-market resources such as skills and access to information on home improvement. Table 15 shows that eight out of eleven Portuguese worked in blue collar jobs in contrast to five out of seventeen "others".

OCCUPATION AND ETHNICITY

Occupation	Landlord Ethnicity	
	Portuguese	Other
Blue collar	8	5
White collar and professional	3	7
Retired	0	5

$\chi^2 = 6.29$, significant at .05 level

It is not surprising, then, that the following table shows that nine out of eleven Portuguese adopted the improvement strategies while only six out of the seventeen of other ethnic origins have made improvements.

TABLE 16

ETHNICITY AND IMPROVEMENT STRATEGY

Ethnicity	Improvement Strategy	
	Improve	Maintain and neglect
Portuguese	9	2
Other	6	11

$\chi^2 = 5.82$, significant at .02 level

Degree of Improvement and Occupation

In understanding the process of improvement it is useful to distinguish the degree of improvement. There was a marked dividing line between owners high on the scale of improvements and those who made few

improvements. Thus improvements could be easily classified into either the category of Rejuvenated, or the category of Renovated. Rejuvenated buildings were less intensively improved as they were generally in better condition when bought than the more thoroughly improved Renovated buildings. In most Rejuvenated buildings the previous owner had completed one or two major steps, such as rewiring or installing new plumbing, and the present owner had completed the modernization of the units. Owners of Renovated buildings had such basic improvements to make in addition to other changes.¹

The distinct difference between Rejuvenated and Renovated stems not so much from the original condition of the building as from basic differences in the occupation based resources of owners. Although there was no distinction in improvement between retired, white collar and blue collar workers, if the retired and white collar workers are omitted there is a distinct difference between the strategies of skilled and unskilled blue collar workers. All the six blue-collar workers who renovated were skilled. Only one of the four blue-collar Rejuvenators were skilled.

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Although most cases were clearly a case of renovation or rejuvenation there were several borderline cases. Using the Charleston Rehabilitation Price Book, (B.R.A.: 1971), the value of improvements to buildings was calculated on the basis of the cost of actual changes had the materials and labour been bought on the market. (The book is used by Architects and Contractors in Montreal to predict rehabilitation costs.) None of the obvious cases of Renovation fell below \$3,000 per building, and no clear cases of Rejuvenation were evaluated at over \$3,000. Thus, owners making improvements valued at over \$3,000 were classed in the Renovation category. The greatest improvement was valued at \$9,000 and the average was about \$6,000.

All three manual workers interviewed worked for an office cleaning contractor. They made a steady \$80 per week. The seven skilled workers generally earned more but were subject to periodic layoffs. Having a greater but less stable income, Renovating landlords tended to pay off their mortgages more quickly than Rejuvenators.¹ Four of the six Renovators paid off their mortgages in less than four years. Only one of the four Rejuvenators did so.

Although these landlords resemble those of Sternlieb's (1966) study of Newark in that they paid off mortgages very quickly, they differed markedly in that this heavy initial drain on cash flow did not prevent landlords from making improvements soon after purchasing the property. Although further explanation is given later, the contradiction is partly explained by the differences in building skills between Newark owners and the owners interviewed. Sternlieb found that Newark home-owners were so ignorant about housing care that they were commonly cheated by home-improvement racketeers. This difference underscores the consequences of dependence on the market for housing improvements in areas such as central Newark and St. Louis Square.

Within the St. Louis Square area evidence suggests that those with the greatest skills made the greatest improvements in the area. Those with greater skills bought buildings in the poorest condition and

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From experience such workers know that the high income of today may in the near future be no income at all. While he has the available cash he will put it towards the paying off of the mortgage. In this manner an unstable dollar-input tie with the macro-market economy is countered by removing housing ties (the mortgage) with the main economy as fast as possible.

Renovated them. For this reason, buildings in the best present state of repair were purchased for the lowest price. Two-thirds of the Renovators paid less than \$12,000 while the two-thirds of the Rejuvenators paid over \$12,000 for buildings of an equivalent size. Moreover, the \$1,000 lower average price paid by Renovators bought buildings averaging 600 square feet more floor space. This meant that Renovators paid \$5.65 per square foot whereas Rejuvenators paid an average of \$6.64 per square foot for their buildings - Renovators bought cheaper buildings in a worse state of repair.

TABLE 17

COST PER SQUARE FOOT BY
IMPROVEMENT STRATEGY

Cost per Square Foot	Improvement Strategy Renovate	Rejuvenate
\$1-\$4	5	1
Over \$4	4	5
Average	\$5.65	\$6.64

χ^2 - 2.27, significant at .20 level

TABLE 18

COST PER UNIT BY IMPROVEMENT
STRATEGY

Cost per Unit	Improvement Strategy Renovate	Rejuvenate
\$1,000-\$4,000	7	2
Over \$4,000	2	4
Average Cost per Unit	\$4,581	\$6,389

χ^2 = 6.41, significant at .02 level

Although in several cases the Renovators and Rejuvenators end up with the same quality housing the particular resources of the Renovating landlord make it advantageous for him to buy a house in poor condition and make extensive renovations. The Rejuvenator's resources dictate closer reliance on the market economy.

Future Plans of Owners

As shown in Chapter I, the turnover of houses is very slow at the present time. No one is eager to buy in the area at the prices Sellers are willing to accept. Although three absentee-maintain-owners have For Sale signs on their buildings owners are not particularly eager to sell.

I'm keeping it as a revenue - for two reasons. You can't sell today, and I'm not so miserable with it. I collect my rent.

During another interview--

Question: That For Sale sign looks pretty old, is the building still for sale?

Landlord: Yes, but I won't sell unless I get my price,- I get my ten percent.

Two resident maintainers intend to sell. A Portuguese grocer is selling his house to finance the recent purchase of a combination grocery store and residence in the area. Another Portuguese owner is vaguely contemplating selling, as a recently expanded fish-packing plant next door has driven away all his "good Portuguese" tenants.

Neither resident nor absentee owners are eager to sell. Residents are content with the area, while Portuguese tenants have propped up the demand for rental housing giving absentee owners an acceptable return. Absentee owners with Portuguese tenants will not

sell unless the transaction involves a substantial capital gain. As long as there are no prospects for the conversion of the area to higher use, ownership for rental return will remain more viable than purely speculative ownership.

Tenants

Among tenants interviewed, only the Portuguese stood out as a unique and self-consistent group. Unlike other tenants who are attracted to the cheap, roomy housing, the Portuguese are primarily attracted by the presence of friends and relatives in the area. Many were limited to interaction with fellow Portuguese through lack of language skills. Portuguese were also more inclined to find apartments through acquaintances than from the usual signs and newspaper advertisements.

The Portuguese tenants were also uniquely reliable, which eliminated much of the risk involved in the ownership of rental housing. This situation supports owners interested in maintaining a steady return by keeping up their property and drives out those interested in high-risk, high-returns as they cannot attract tenants. Moreover, Portuguese tenants repair and maintain flats of those owners speculating on increases in land prices, which also softens the effect of the the poor maintenance of these owners.

The following analysis of interviews with 19 tenants shows how Portuguese differ from other tenants in the forces which brought

them to the area, and which keep them there.

Attraction of the Area

Tenants were asked why they chose to live in the area. Forty-two percent liked the area for the spacious and reasonably priced housing. Thirty-two percent could not clearly articulate reasons for preferring the area. Twenty-six percent had chosen to live there because they had relatives or friends in the area.

TABLE 19
ETHNICITY & REASON FOR PREFERRING AREA

Ethnicity	Housing	Friends & relations	Don't know
Portuguese	1	5	4
"Other"	7	0	2

²
 $\chi^2 = 20.37$, significant at less than .001 level

Table 19 shows that, excluding those who didn't know why they prefer the area, five out of six Portuguese live in the area to be near friends and relatives whereas all seven of the "Other" tenants are attracted to the area by the housing. Some of those who could not answer were ignorant of conditions, or lacked experience in other areas. Three of the four Portuguese who could not articulate a reason were unable to speak either English or French. Five of the six who had "no reason" had lived in the area before moving into their present apartment or had arrived directly from Portugal. Probably,

even when not stated, the presence of relatives in the area was a strong attraction for Portuguese tenants. Ninety percent of the Portuguese had relatives in the neighbourhood; none of the "Others" had any.

As previously discussed, those limited to the Portuguese language are dependent on others for social and practical needs. Six out of the ten Portuguese spoke neither French nor English. Three spoke French and one spoke English. With the exception of one unilingual Yugoslav, all of the "Others" spoke French (3) or English (5).

Manner in Which Apartment Found

The presence of relatives in the area and language dependence reinforced social networks as a means of bringing landlords and tenants together. Five of the ten Portuguese tenants took over their present apartment from a friend or relative or heard of it from such a person while only one of the nine "Others" did so. Six "Others" as opposed to three Portuguese learned of their apartment from a sign placed outside.¹ In the following chapter the informal methods used by the Portuguese to find apartments will be seen to play an important part in the improvement of housing conditions in the area.

Moving Intentions

A tenant's attachment to his apartment and to his neighbourhood is indicated by his moving intentions. The moving intentions of tenants were classified as "soon", someday", or "none".

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Two of the "Others" had a new landlord since moving into their flat and were thus not included in this tally. One of the Portuguese was in this situation.

TABLE 20
MOVING INTENTIONS BY TENANT ETHNICITY

Ethnicity	Moving Intentions			Total
	Soon	Someday	None	
Portuguese	3	5	2	10
Other	5	0	4	9

$\chi^2 = 6.30$, significant at .05 level

The "Other" tenants have more definite moving plans. Over half intend to move soon while half the Portuguese express only vague discontent and intend to move "someday". However, twice as many "Other" as Portuguese intend definitely to stay in their present apartment. The Portuguese who do intend to move are not dissatisfied with the area. One is moving into a more favourable apartment in the same building, a second has bought a house in the area, and a third intends to return to Europe because "there is not enough work in Canada".

The Portuguese who wanted to move "someday" thought it might be nice to move into a better building west of Guy or in the suburbs. They admitted they would probably be unable to afford such a move. In essence they had not seriously considered a move, they were simply expressing dreams which they never really hoped to achieve.

While it is the application of personal skills and social resources which enables landlords to achieve good housing at a reasonable price, it is reliable Portuguese tenants in the area who make

improved buildings practical. Their intention to stay in the area encourages landlords to believe that the cost of their improvements may be recouped when the building is sold.

However, the mere presence of Portuguese tenants in the area is not enough to enable landlords to improve (or even maintain) successfully. The tenants must be recruited. The manner in which this is done is the subject of the following chapter on landlord-tenant relations.

CHAPTER III

LANDLORD-TENANT RELATIONS

Having introduced our principals, landlords and tenants, we can now view the dynamics of their relations. The social character of the relationship is especially dominant in the St. Louis Square area as the principals confront each other directly, without the mediation of an effective legal definition or even a common social definition of landlord-tenant relations. Although most landlords require tenants to sign a lease, the legal system is not at their effective disposal. Landlords therefore seek tenants they can trust. Even more than trust, however, landlords seek out tenants with a common definition of landlord-tenant relations. Where a common definition does not exist at the beginning of the relationship the actual terms of the relationship must be worked out during the rental period. The resident-improve landlord who is unwilling to risk the trouble of such an accommodation process seeks a tenant he can understand and trust; otherwise it is not reasonable to rent out the unit he originally so carefully improved for his own enjoyment.

Defining the Relationship

The Lease: A Legal Definition

The lease is the accepted method of defining the legal obligations

of landlords and tenants in Canada. Except for relatives and landlords, all tenants renting flats in the area signed a one year lease. However, any legal contract is only as strong as the legal system which upholds it. In the case of rental contracts the court system is complex, and the aid of lawyers too expensive to be of service to either landlords or tenants in the area. Thus, lack of knowledge and lack of funds to pay legal costs leaves both landlords and tenants effectively outside the legal system designed to uphold contracts.

Both the provincial and municipal laws regulate landlord-tenant relations. These laws play no part in the definition of landlord-tenant relations in the area as they, like the lease, are not operational without the machinery of the legal system.¹ Only one tenant interviewed had heard of or contacted the Rental Control Board, a government agency designed to intervene in landlord-tenant disputes. She had not found it useful in solving her problem.

Among small scale landlords in the area, even those who know about the legal system do not use it. The son of one owner is a lawyer. He explains:

My parents have had much more luck with the buildings on Colonial than they had with the buildings on Esplanade. Up until recently it was paying for itself. But now we have had some hippie types here. The first group was fine. They painted the place nicely and paid the rent on time. We had no trouble with them. Then we got in another group of hippies. We had a verbal agreement with them. They paid the rent all right, then some of their friends moved in after ten months. There were a whole lot of them. They paid the rent alright, but they were really damaging the apartment. My mother said they should leave. They wouldn't so my mother took a big stick one day and just smashed the window to show that she meant business. They left within a couple of days. You know the tenant has all the legal breaks. You can't get rid of them if you want to. We have a

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Quebec Civil Code. Revised Statutes of the Province of Quebec. Bylaws of the City of Montreal, Quebec Bill 7: An Act to Promote Conciliation between Lessees and Property owners.

fellow on the lower floor of the building you are talking about. He is a welfare type. He knows all about the rental control board. We haven't had any trouble with him, but he is all keen on organizing the tenants and telling them their rights. If he wanted to stay we could never get rid of him. There is only one thing you can legally do. If you send the tenant a letter absolving him from paying all the rent he owes, he must leave within five days. Now, no one can leave within five days. So at the end of that time you can send the bailiff in to seize all but one thousand dollars of their household goods. We did that once and they left. I have gone before the rent control board for my mother several times. I really feel that the laws are loaded against the landlord.

Another owner telling of the problems he had with a tenant who paid no rent was asked:

What would you have done if he hadn't left?

Landlord: I would have gone over with a couple of strong friends and we would have thrown him out. I told him when I rented him the apartment that I expected him to act as the contract stipulated. If he didn't I would throw him out and I wouldn't waste my money with a lawyer. I have had experience with lawyers. In this building there was quite a nice man. He worked for a construction company. But the company went bankrupt. He came to me and asked if I could advance him the rent until he got a new job. Well I let him stay, and all the while he kept his shiney car and lived quite well but didn't get a new job. I called a lawyer, and we had the furniture seized. Well, you know what happened - he moved to another place, and then declared himself bankrupt. The furniture was in his wife's name. So there I lost all the six months rent and \$200 of lawyers' fees as well. I don't use a lawyer any more. I've learned my lesson. If they're one month behind in the rent, out they go and I don't worry about the lost rent.

Force or the threat of force is used by the tenants as well as by the landlords in the absence of recourse to the legal system. One evening the living room ceiling fell down upon a Portuguese tenant and his family. He called two of his biggest friends and went over to see the landlord that very night. Four days later, the landlord sent someone over to repair the ceiling. The tenant felt that the landlord's past performance indicated that a show of force was the only method of getting

a quick response, if any at all.

The main function of the lease is ceremonial. Beyond looking at the rent and the dates before signing most tenants do not even read the lease before signing. Many Portuguese and members of other groups could not understand it if they did. The lease is regarded by most as a ceremony which clinches the agreement over the period of occupancy and the amount of rent. Verbal agreements made on such an occasion with respect to reddecorations are not always respected by landlords. In two cases (out of all interviews), such agreements were reported broken.

The practical limitations of the lease to the narrow field of rent and time leaves much of the relationship undefined. In an area of cultural homogeneity, one would expect many remaining aspects of the relationship to be defined by social convention. This assumption is in fact made by several tenants. Such tenants believe that the rental experiences they have had are typical of rental relationships throughout Canada. One tenant stated, "Ici au Canada c'est partout pareil, c'est le locataire qui fait tout." Because his landlord and the few landlords he had heard about never reddecorated the apartments of their tenants, and because he put all non-Portuguese together as "Canadians", he believed this an accepted Canadian arrangement.

However, a shared definition of landlord and tenant obligations does not exist in the area. The diverse patterns of relationships and the heterogeneous ethnic population explain why no neighbourhood definition of landlord-tenant relations exists.

The Importance of a Common Definition of the Relationship

Although the partners may not share common definitions to start with, if interaction is to continue smoothly, a set of common definitions must eventually be worked out. The bridging of disparate definitions was in several cases, a conflictual process. Two examples of such conflicts are discussed below.

The Portuguese expect the landlord to provide a clean apartment in good repair. A Portuguese tenant was at first quite shocked by the behaviour of his absentee landlord who, despite glowing promises before signing the lease, regarded anything short of a leak in the roof as the tenant's responsibility. Because he imagined the landlord to be typical of all Canadians, the tenant eventually changed his expectations, and spent \$200 in materials putting the apartment in what he considered an adequate condition.

Portuguese and "hippies" differ widely on their conceptions of proper housing behaviour. Portuguese in Montreal value order, cleanliness, sober public behaviour, and place a high value on a well-kept home. They place a high value on prompt payment of bills and abhor indebtedness. The "hippie" by definition holds such values in low esteem. One Portuguese landlord, despairing of finding a good tenant, rented to a "hippie". The tenant was late in paying rent, stayed up all night playing loud Rock music, drove nails into a newly plastered wall and tore down a plaster wall because he felt the exposed brick wall was aesthetically pleasing. The owner vowed never to accept such a long-haired

tenant again. However, after several months of waiting for a "good Portuguese" tenant he finally accepted a "hippie", but charged him \$10 more per month than he would have charged a more "desirable" tenant.

Landlords try as much as possible to eliminate such uncertainties by trying to anticipate the tenant's definition of the relationship. Four major categories are used by landlords to judge potential tenants. Three types are easy to recognize, the fourth is a residual category of people requiring further screening. Landlords are confident in their ability to predict the housing behaviour of Portuguese, relatives and "hippies". They found that Portuguese tenants were reliable, that relatives were convenient and that "hippies" were often a liability. Both Portuguese and non-Portuguese, resident and absentee preferred Portuguese tenants for their reliability. Only the Portuguese landlords rented to relatives who were frequently siblings, and less often siblings-in-law, children, or parents of the owner. In one case a cousin was expected to arrive shortly from Portugal to take up residence in one of the owner's flats. "Hippies" are people exhibiting the uniform of the "counter culture", and to be avoided as tenants if at all possible. Six landlords reported personal bad experiences with "hippie" tenants. Several others could report the experience of other landlords. This aversion was universal enough that only one landlord (already mentioned) had "hippies", and only because he could not get "good" tenants.

The following excerpts from interviews show how these categories were seen by landlords.

Interviewer: How do you find new tenants?

Jewish Absentee Landlord: You see over there there is mostly Portuguese people and they sublet. They decide to go somewhere else they sublet. I never had trouble.

Another Jewish Absentee Landlord was asked:

Are you kind of choosy about the tenants you get?

Landlord: Once I have them and they are reasonable I don't rent. They pick up the tenants for me. It's usually somebody downstairs who doesn't want somebody upstairs. So I say, 'Fine you pick the tenant, and you call me.' --and invariably it works. Rather than put a sign outside, because the district is infested with hippies. Hippies, let's use the word loosely - bums. If you let one of them in your building you're in big trouble. I've done that several times being kind hearted - and it doesn't work."

The same two landlords were asked if they had noticed any change in the area.

Landlord 1: It used to be more French, occupied by French, now it's Portuguese. They are good people the Portuguese. They take good care. They keep nice inside. They pay the rent well.

Interviewer: The others were sometimes a little late?

Landlord 1: A lot, a lot of times, but it's long ago. I tell you, I have confidence. With these people you don't have to be afraid. Because today they are honest people the Portuguese. They know they have to pay their rent. But five years ago when I had French people I wasn't happy. I lost rent. But now the neighbourhood has switched: and these Portuguese newcomers, they obligated to pay the rent - with them no problem.

Landlord 2: There has been a fantastic change. Once the French are gone; you have a very poor class of French in the area. I guess it is because the Portuguese and the Spanish are there. The French that do remain are not the most desirable kind. In fact I have one French tenant in all my property because he works for me. Otherwise I won't take them. I took several French tenants - impossible - absolutely impossible.

Interviewer: What Happened?

Landlord 2: I got some bad ones, social welfare types, they drink - never have drunkenness among the Portuguese; but they must drink! They don't fight, there's no drinking in the halls, there is no stealing or thievery. I've seen something I never thought was possible.

You come to collect rent and the man's got \$40 in his pocket and the rent is \$50. He'll ring the doorbell next door - 'Can I borrow \$10?' - Now this among poor people. You won't get a French Canadian like that. You're living in an apartment and to go next door and say 'Can I borrow \$10'- and it's not a relative, and not a thought.

The Building of a Common Definition

Frederick Barth (1966) has shown that in a situation in which the partners do not share a common system of moral constraints and incentives the terms of a relationship agreed upon at the beginning of the relationship, will probably be found disadvantageous by at least one member of the diad. Only after renegotiations in the light of a clear understanding of what is involved can the costs and benefits be balanced by those involved.

Landlords who do not find tenants with the same definitions of the landlord-tenant relationship are in such a position. Although landlords and tenants generally must wait until the lease is up before renegotiating the rent, a certain amount of negotiation goes on with respect to repairs, damage done by tenants, late rent payments and smaller incidental aspects of the relationship. If the costs of the relationship are too high, the landlord can only try to get rid of the tenant and the tenant can only leave. (In St. Louis Square area such actions are taken without recourse to the legal system, the lease is simply ignored.)

The Portuguese landlord who could not attract Portuguese tenants did not at first realize the full value of having a "respectable"

tenant who looked after his apartment, until he had rented to tenants lacking these qualities. Only by actually renting out the apartment to such people could he begin to gauge the equivalence. At the time he was interviewed the landlord in question doubted whether the increased rent compensated for his trouble. Only the actual renting experience thoroughly conveys each party's definition of the relationship, and only then can each party calculate the price he is willing to pay in order for aspects of his own definition to prevail.

It is to avoid this uncertain groping for common ground that landlords develop the three previously discussed categories. Tenants naturally also tend to develop stereotypes, not always accurate. For instance, some Portuguese tenants with experience with Neglect landlords believe that Canadian landlords do not provide an acceptable apartment and adjust what they will pay and how they will act accordingly.

How much better if one could really accurately predict the behaviour of a landlord or a tenant before making an agreement. In fact, an information network exists in the area and is used for exactly this purpose. On the surface the system is simply a method of acquainting the two parties with their mutual needs. However, in most cases the referral system does more than simply bring landlords and tenants together. First, people using an information network are likely to share a common definition of the rental relationship. Secondly, it provides the parties with information on each other's reliability and therefore provides a basis for trust. Thirdly, the

same network serves as an instrument of social control. Both the landlord and tenant know that if they wish to use the information network again they must behave properly. In addition those who formed the links in the information chain have a stake in the behaviour of those they brought together. Their credibility (and perhaps their reputation in general) may be jeopardized by the poor behaviour of those whom they have sponsored. They might exert pressure to ensure that a tenant lives up to their expectations.¹ Finally, the social network can often procure a tenant when open market recruitment fails.

Landlords who had put immense effort into creating an attractive flat were even more eager to find a tenant who would not damage his apartment, drive away other good tenants, or make life unpleasant for him. For this reason, eight out of ten resident-Improvers rented to relatives or to tenants who learned of the apartment by personal contact. Conversely, absentee-Maintainers were less likely to recruit through social networks; four out of six recruited tenants through newspaper advertisements or by posting a sign outside the flat to be rented. Table 21 shows that all five absentee landlords with Improved buildings can rely on the open market recruitment of tenants, whereas both of those with Neglected housing must rely on informal methods. These landlords being in a weak position because they offer only poorly maintained apartments gain no information about tenants. They must simply trust tenants to find reasonable

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The research of Boissevain (1969) in Malta, Kenny (1961) in Spain and Paine (1970) in Norway shows that information networks destroy anonymity and exert social control.

TABLE 21
BUILDING CARE, LANDLORD RESIDENCE
AND TENANT RECRUITMENT

Tenant Recruitment	Building Care and Landlord's Residence				
	Improves housing resident absentee		Maintains housing resident absentee		Neglects housing absentee
Open Market	2	5	2	4	0
Social Network	8	0	3	2	2

replacements. The system works well because tenants are moving into a clearly defined situation - a low rent in exchange for low maintenance. Because such dwellings are in demand by those who can afford nothing else in the area, previous tenants pass them on to friends as a favour.

The referral network carries a bad reputation as reliably as a good one. The previously mentioned landlord who could only get "hippie" tenants is reasonably well-known within the Portuguese community, and reportedly keeps his apartment in good condition. The researcher's visit to a tenant's apartment confirmed this. But both his Portuguese tenants recently left, giving weak excuses for leaving. Thereafter he could get no Portuguese tenants. No Portuguese responded to the sign he placed outside. Here, the communication network appears to have worked against him. He suspects that his unpopularity stems from the recently developed fish-packing plant next door, which he complains is smelly and noisy and is constantly fronted by trucks. The fish plant however, operates only intermittently and is not so

obvious that it would be noticed by the average apartment hunter. Whereas others benefit from the network he seems to be the victim.

The Asymetry of Information Flow
in Non-Market Recruitment

Information does not always flow in both directions. The Neglect landlord does not learn about his potential tenant, while the tenant is filled in on the landlord's behaviour. Similarly, the tenants of absentee maintainers were told what to expect from their landlords, but the owner received no information on the tenants. This is probably because information flow is impeded at ethnic boundaries because few Portuguese have friends, and even fewer have kinship ties, to transmit messages outside the ethnic group. Portuguese landlords always recruited Portuguese tenants by informal means, but never recruited "Others" by this method.

TABLE 22

MODE OF RECRUITMENT, ETHNICITY
OF LANDLORD & TENANT

Recruitment	L a n d l o r d		E t h n i c i t y	
	Portuguese tenant ethnicity	Other tenant ethnicity	Portuguese	Other
Market	0	1	1	11
Non-market	10	0	3	2

Although non-Portuguese landlords who recruited Portuguese tenants by word of mouth received no information about potential

tenants, they have learned to trust the network from past experience.

Question: How do you usually get tenants?

Maintain Landlord: From referrals by the people who live there. If they are happy with you they are happy to bring in brothers, sisters - whoever comes in is a brother, but it may not even be a brother, it may be a close friend but it is classed as a brother. So it is always through a referral.

Question: I see, so you have no troubles with vacancies?

Landlord: I have one on Colonial, it's the first one I ever had in five years. I'm waiting because I am sure they'll bring me somebody else. If you're patient maybe somebody will come in from Spain."

In summary, neither the legal system nor the local social conventions provide a working definition of landlord-tenant relations. Neither the landlord nor the tenant can assume that the other shares his definition of legitimate behaviour. The referral network can provide this information. The Improvement landlord who strongly feels the need for reliable tenants would be quite insecure if he had to rely on public advertising for the recruitment of his tenants. He needs more valid and personal information about tenants and can virtually eliminate uncertainty by relying on his private recruitment network. Those who are not plugged into such a system must rely on a faulty screening process.

Factors which Govern the Expansion of Market Exchange into Generalized Inter-Personal Exchange

In investigating the non-market aspects of landlord-tenant exchange it is useful to compare the forms of relationships evolved by landlords and tenants in urban situations such as those found in

the St. Louis Square area, with similar forms of exchange found in other societies. By examining similar exchanges in non-market societies it is possible to predict the existence of parallel situations among landlords or tenants attempting to escape market structures in Montréal. Fleming and Tiller have compared the generalized exchange involved in urban rental housing to that found in peasant economies. The comparison, although suggestive was not entirely fruitful as neither referred to any particular peasant economy, nor did they specify sufficiently the common characteristics of peasant economies relevant to their comparison. However, the present analysis found some of the more specific findings of economic anthropologists in certain societies as well as the general cross culturally identified human relationships to be useful for the analysis of landlord-tenant relations in the St. Louis Square area.

For example, it has become axiomatic that social relationships are built up through a continued exchange of prestations. (Malinowski: 1922; Mauss: 1925). In Haiti, the previously mentioned "Pratik" relationships are built up through many small "special deals" over an extended period of time. This is normally not possible in the case of the exchange of rental housing in the area studied. The deal is made once a year at the uppermost, and the common institution of automatically renewed leases may further reduce the number of business transactions which can be manipulated to invoke social ties.

A closer analysis of the nature of social ties shows the importance of the number and size of transactions. The key-stone to social ties, relevant to this discussion, is trust. Failing binding ties

through third parties, or other outside ties, trust between two individuals is normally built up in the following manner. One individual does a small favour for the other who eventually reciprocates. As faith in the other's willingness to reciprocate is built up the value of favours or goods exchanged may escalate rapidly. Studies of exchange relations by Malinowski (1922), Mauss (1925), Homans (1958) and Dalton (1959) all indicate that a small first exchange is followed later, as the partners gain confidence, by larger exchanges. The case of rooming houses in which diffuse social ties do grow out of housing exchange was discussed in Chapter II. The rooming house owner has fifty-two chances per year to make "special deals" through which the business relationship could develop into a "human bond". He can thus start by making small concessions and gradually escalate. The regular landlord-tenant relation starts off with an agreement of relatively large dimensions. Later interaction is limited to paying the rent and arranging the occasional repair. Repairs may be needed relatively often, but not once a week. Thus the landlord renting flats with a yearly lease has only one bargaining occasion per year. The consequences of misplaced trust last but one week for the rooming house operator, but such consequences for the flat owner must be endured for a whole year, and stakes are much larger as the rent for a large flat is greater than for a single room.

It must be remembered, however, that progressive changes in the behaviour of the partners is not necessarily an indication of a more generalized exchange relationship. It also results from the process of

working out a common definition of those aspects of the relationship which were not understood or even discussed when the lease was signed. The bargaining over specific details such as repairs is simply part of creating a common definition and does not lead to the formation of new social ties. Any other relationships arising out of interaction between the two parties are suppressed. Social ties do not normally grow out of the exchange of housing as they do out of business deals made in Haitian markets.

Behaviour which might otherwise be construed as an attempt to gain loyalty of tenants is better interpreted as a reflection of the importance of trust and common definition for the landlord. The landlord who postpones a rent raise to keep a tenant is not aiming to strengthen a social relationship. Other factors far outweigh this possibility. The first is trust. The landlord knows he can trust the tenant to uphold his end of the bargain. Secondly, the landlord knows that the tenant shares his definition of the responsibilities of each partner. The loss of revenue resulting from a postponed raise in rent is far outweighed by the risks involved in getting a new tenant and working out the norms of reciprocity. In contrast, the landlord who takes hippies in desperation charges \$10 extra per month as a hedge against the uncertainty of the relationship.

This does not rule out the importance of social ties in landlord-tenant relations. The important qualification is that social ties do not normally develop out of housing exchange. The order may, however,

be reversed and those developed in another sphere can be used to facilitate housing exchange. Kinship ties are heavily invoked by Portuguese in this way. Six out of the ten Portuguese in the sample rented to relatives. No other social ties were noted to have existed between landlords and tenants prior to the housing relationship.¹

There were only two contrary cases, where since moving into the building of Portuguese resident landlords, tenants had developed social ties with the landlord. However, both landlords flatly stated that although their wives and their tenant's wives looked after each other's children and visited often, they still regarded their housing relationship as simply a business. This suggests that social ties developed after the start of a housing relationship through social exchange other than the actual housing exchange cannot be converted into the sphere of housing exchange.

But from housing exchange to other (social) exchange.

Rate of Exchange and Time Span Necessary for the Development of Generalized Reciprocity

In adapting Mintz's model of the development of Pratik to landlord-tenant relations it is necessary to focus more precisely on the time factor. In the Haitian model, the creation of social bonds in a market situation is through many small favours within the market sphere over an extended period of time. A parallel exists only among the two rooming house operators interviewed. Thus, except for those in rooming houses, landlords and tenants cannot extend generalized reci-

¹ Ibid.

The role of social ties in recruitment must not, however, be forgotten. Although informal recruitment does not necessarily imply a previous social bond, the access to a common information network binds those involved more than they would be if they had met through anonymous market channels.

procuity to involve the housing relationship.¹ The key difference between rooming house and flat rental lies in the number of exchanges made in a given period of time. Since the number of exchanges made in a given time period is much higher in the rooming house case, Pratik can be developed within a reasonably short period of time. Its development is therefore directly related to the number of balanced reciprocities that can be treated in such a way as to create a bond. It is thus possible that over a long period of time generalized reciprocity could be established within the housing relationship. Thus although the landlord offers to maintain the same rent as a practical manoeuvre to keep the tenant, the tenant may feel some obligation toward the landlord. This feeling of debt could be repaid by the tenant within the housing sphere thus setting up the possibility of increasingly generalized reciprocity over the years.

Only three of the tenants in this study had lived in the same apartment for over five years. The Outremont study did, however, include some long term tenants. Tiller found that "Relations take on a more personal dimension when, a) the owner and the tenant are relatives or b) when the tenant has been renting for a long time and he and his owner prove compatible." Otherwise, "[owners] do not become involved in the maintenance of tenants' flats, and also avoid close social relationships.

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This is in accordance with the general findings of economic sociology. Among the Trobrianders the main reason for the Kula voyage was for the exchange of Vagua (valuables). Gimwali (commodity) exchange occurred on the side, but was totally divorced from the main exchange. A "gift" of Vagua would never be repaid in Gimwali, and vice versa. (Malinowski: 1922) Similarly among the Tiv, the conversion of goods from the sphere of prestige exchange to a lower one was avoided. A man who had to exchange copper bars for subsistence goods was "on the skids". (Bohannon: 1955)

On the other hand, they accept low rents, and are co-operative in other ways." Krohn & Tiller: 1969: p.23).

The exchange relationship may be expressed as a function of time as in the following equation.

EQUATION 1

$$\left[\frac{E}{T} \cdot T \right] + P = \text{Degree of Reciprocity}$$

where: E=Number of exchanges $\frac{E}{T}$ = Rate of exchange
 T=Length of relationship (time)
 P=any apriori ties between Landlord + Tenant

In the rooming house situation the rate of exchange is high; in Eastern Outremont and Pointe St. Charles the length of the rental relationship may be long. Where the rate of balanced exchanges is high (rooming houses) generalized reciprocity can be developed in a relatively short period of time. Where the rate of exchange is very slow (flat rental) it takes a long time before generalized reciprocity can develop.¹

Summary of Chapter

Due to lack of legal and socially accepted definitions of landlord-tenant behaviour, the rental relationship is primarily influenced by the degree of common definition and trust between the two parties.

¹

Taken to the limit $T \longrightarrow 0$, the relationship would be:

$$\frac{dE}{dT} T + P = \text{Degree of Reciprocity}$$

Also, the reader will recognize that if time (T) is factored out of equation 1 the degree of reciprocity will be proportional directly to the absolute number of exchanges made over the span of the rental relationship.

Because year leases are long and rental relationships relatively short, the development of generalized reciprocity out of landlord-tenant relations themselves is not prevalent in the area. Although this is possible in circumstances where gradual escalation of obligations can occur, the low number of balanced exchanges involving relatively large agreements allows little possibility for "special deals" to accumulate into ties of generalized reciprocity. Reciprocities and social ties may develop between landlords and tenants, but ties developed outside the housing exchange itself, can only be converted into the housing sphere if they precede the rental relationship.

CHAPTER IV

COMPARISONS AND CONCLUSIONS

Three comparisons made in this concluding chapter show the strength of the non-market resources used by building improvers in the St. Louis Square area to escape market constraints. The first comparison shows the similarities and differences between the St. Louis Square area and the area of Newark studied by Sternlieb. The second comparison, between the small improving owner and a powerful real estate company show that market power is not as useful as non-market resources for the rehabilitation of housing in the area. Finally a parallel will be drawn between the resources of Improvement landlords and those supplied to landlords by an agency sponsoring rehabilitation in Rochester, New York.

St. Louis Square vs. Newark

Sternlieb's analysis of Newark uncovered the importance of resident landlords in stemming the destruction of housing. In the St. Louis Square area, we have also found this to be true, but contrary to the Newark situation, the number of resident landlords is increasing. Neither is there a takeover by "large scale slum landlords" as in Newark.

The financing of housing shows another such contrast within a general similarity. In neither area do lending sources such as banks and savings and loan institutions play a major role.¹ However, the

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Such owners receive little support from government mortgage programmes in either country. CMHC reports that only 2% of NHA guaranteed loans benefit those in the lower third income group.

private mortgages obtained by St. Louis Square owners are at lower interest rates than those of conventional lending sources. In Newark, private sources charge high interest rates. In St. Louis Square, mortgages were typically of an even shorter term than the predominant eight year term for loans in Newark, but this heavy burden on cash flow did not deter St. Louis Square landlords from making improvements as it had in Newark. This was mainly because the non-market resources of St. Louis Square landlords facilitated improvement strategies that did not in themselves put a heavy squeeze on owners' cash positions. Finally, unlike Newark home owners, St. Louis Square resident owners had access to sound improvement advice and many are themselves well-versed in renovation techniques.

The supply of good tenants is in contrast with the high vacancy rates and high proportion of careless tenants found in Newark. Although several landlords commented on the improvements in returns brought on by the arrival of reliable Portuguese tenants in the St. Louis Square area there is really no way of judging whether this has led them to change toward a strategy of better maintenance. It has clearly made improvements possible for those who acquired buildings more recently.

Although those who are trying to sell have commented on the weakness of the resale market, the increased return resulting from good tenantry has prevented vendors from lowering prices drastically. This firm demand for rental units on the part of tenants may partly counter the improvement process by limiting the supply of buildings of the

sort that improvement oriented residents would buy. According to vendors, Portuguese have made low offers for such buildings. If such offers were accepted the evidence suggests that these new owners would improve their housing. The unwillingness of owners making a good return to sell buildings at a price that would make improvement rational may cut down on the number of those who buy to make improvements.

Taxes are the landlord's largest operating expense both in Newark and in St. Louis Square. Four Montreal landlords report significant tax increases as a result of improvements. Several owners have expressed fear of tax increases and urban renewal as reasons for not making improvements. However, other evidence suggests that they lack both the necessary cash and the requisite non-market resources to improve their buildings.

The strategies of owners in the Montreal area differ from those of owners in Newark because of differences in the availability of mortgages, tenants and non-market resources. Although Sternlieb gives a picture of the forces shaping strategies in the areas of Newark studied, he developed no systematic account of the non-market resources of those involved in housing. This possibly stems from the lack of such resources in the areas of Newark studied, but may also be a result of his approach. Sternlieb set out to determine how American public policy in housing affected property owners in Newark. His research, designed to explore how government controls on the market and corporate planning influence owners, was not equipped to focus on how owners escaped these constraints.

Large Real Estate Company

The comparisons made between market and non-market relationships dealt with small owners who operate under conditions of near-perfect competition. As economists recognize, this is somewhat of a rarity in modern industrial society. Monopoly and oligopoly are common features of the Canadian economy. Would very powerful economic interests make up for their lack of non-market resources with their immense power in the market place?

It happened that one of Quebec's largest real estate companies owned eleven separate buildings on the two sample streets. Three of the buildings are vacant. The remaining eight house thirty-four separate families. The extent of the French Real Estate Company's (pseudonym) market power is shown in Table 23 and their holding in the area are described in Table 24.

TABLE 23

FINANCIAL POSITION OF
FRENCH REAL ESTATE COMPANY

Year Ended December 31:	1971	*1970
	-----	-----
	\$000	
Total revenue	24,904	19,395
Net Income	3,806	2,780
Earnings per common share	\$4.44	\$3.25
Fixed assets (net)	8,527	8,621
Total corporate assets	324,807	257,009

*Restated to 1971 basis

Source: Financial Post summary of Annual Report: P. 24, 1 July, 1972

TABLE 24

HOLDINGS OF FRENCH REAL ESTATE COMPANY
IN THE RESEARCH AREA

Category of Building	Assessed Value	Number of Buildings	Number of Units	Average Rent	Profit
Abandoned	\$16,400	3	9	-	-
Neglected	\$21,300	3	9	\$34.15	8.64%
Maintain (Old)	\$13,000	1	4	\$44.50	7.31%
Recently Built(1950)	\$39,000*	2	12	\$71.00	8.23%

*Includes 3 buildings or 13 units outside the area sampled.

Profit was calculated by dividing the net return on the company books by the assessed value of the building. Naturally there are no financing costs.

Source: Company Records

There are four possible policies for the company:

1--Buildings could be renovated.

2--They can be maintained.

3--Buildings can be neglected until they are no longer inhabitable.

At this point two alternate strategies present themselves. The

vacant buildings can be a) sold for the land, or

b) torn down to make way for the building
of a new one.

4--At any point the building could be sold.

Alternate Policies

1--French Real Estate Company officials insist that it is not economical to renovate or improve their buildings in the area. To see why this is true, let us compare the steps taken by a commercial

organization with the procedures of a resident owner.

Large Scale Organization

Resident Owner with Non-Market
Resources

1--The unit must lie vacant

The owner lives in the flat while working on it.

2--An architect is hired to design the changes to be made, and to specify materials

The owner designs his own changes.

3--A contractor is hired to coordinate the work, obtain materials and hire workers.

The owner acts as his own contractor.

4--Although the contractor (or the organization) may have close money-saving ties with material suppliers he must buy the materials specified.

The owner can adjust his project to take advantage of market conditions or the position of an individual supplier. He can get good quality materials at a saving because of his own flexibility.

5--The contractor must pay union wages, or subcontract to building craftsmen.

The owner does much of the work himself. Some is done by others, for free, or for a minimal fee. Only the most difficult work is done by fully paid skilled workers.

2--Maintenance is "only in proportion to the revenue that they [the buildings] bring in."¹ As Table 24 shows, only four flats which were in an old building fell into this category. Tenants seemed happy with the rental situation. A tenant who recently turned her maintained apartment over to her sister states,

Chaque fois que nous leur demandions quelque chose ils étaient bien gentils. La compagnie envoie des hommes pour arranger toutes les choses - très gentille. J'ai bien aimée l'appartement;

¹

The Secretary of the French Real Estate Company.

ils sont très gentils. Ils ont monté le loyer seulement à \$38 l'an dernier.

3--Neglect: As shown in Table 24, the company neglects three three-unit buildings. The company has been trying to sell these properties and at the same time has been exploring the possibilities of replacing them with new buildings. The executive secretary states,

We tried to develop that property. But as you can see, the parcel is very narrow. So we tried to buy the parcels to the north and south. To the north is an old Chinese fellow. He just wouldn't sell. He said "I live here happily with my family. I'm content. Why should I move from here?"

3a--Three buildings were allowed to deteriorate until the city declared them uninhabitable and shut them down. These buildings were sold to the city, which plans to tear them down and replace them with subsidized housing.

3b-- The company succeeded in replacing some old buildings about twenty years ago. The new buildings were somewhat of an experiment in the area. The project was not considered entirely successful. The secretary explained:

It was quite difficult. We had to buy that property on Pine Avenue in order to have enough terrain for the building. In such an area you don't find people who are willing to pay \$200 per month. "Birds of a feather flock together." So you can't charge very high rents if you expect to get people living in your building. They are doing it over on Jeanne Mance and Milton, but you're really cut off from the main market. McGill University is a real barrier. It's just as if you had a railroad track and we were on the wrong side."

The profit column of Table 24 indicates which strategy the company would adopt in the short run. The neglect option has the highest return rate, but eventually leads to abandonment. For a large company

abandonment is not an extremely expensive proposition.

We still have to heat the building and carry out certain minimal repairs. Insurance costs for such a building are usually high, but it doesn't set us back that much. You see we have a master policy. As long as we inform the insurance agent about the change it is all right. As long as it is on the list there is only a slight increase.

4--Selling the building is always a possibility,

... if offered the right price. You see, because of taxes these buildings have a low book value. We would have to get quite a bit more than the assessed value in order not to take a loss in selling them.

Present trends in the neighbourhood do not indicate that such an opportunity is very likely.

If company planners are to bring any improvements to the area it will not be in the form of improvements to existing structures. The most reasonable policy for them is to let a building deteriorate until it is uninhabitable. A vacant building is an eyesore and a fire hazard. One owner whose building is adjacent to an abandoned building reported that he could get neither fire nor theft insurance because of the possibility of children setting fire to the abandoned buildings and because thieves had already broken through the wall of the adjacent building and ransacked his building. The existence of vacant buildings might make it easier to purchase a neighbouring building in order to gain sufficient land to build a new building.

Rebuilding is more rational for the company than renovation because of the different mixes of labour and capital in the two processes. Renovation is heavily labour intensive. On the other hand the Canadian National Research Council found that the cost of labour amounts to only

13.8% of the sale price of a new residence.¹ Large scale certainly gives a company the advantage in buying large quantities of materials, but the large scale company attracts the countervailing power of labour unions. The small owner cannot match the large company in rebuilding, but he certainly has the advantage in the improvement of existing structures.

Institutional Manipulation of Market vs.
Individual Avoidance of Market

Similar reasons for the high cost of relying on market resources for the rehabilitation of low-income housing have been recognized by Better Rochester Living, an organization based in Rochester, New York. Rolph Goetze (1971) explains the necessity for intervention in the market providing housing for lower income central city residents.

Many separate actors are involved in the delivery of housing services. Owner, manager, tenant, financier, and various service suppliers each have potentially separate roles and act individually, each to obtain his own benefits. In principle, markets handle the complex interrelationships among these many roles and interests. But where market processes fail to meet the needs of the low income consumer, intervention is called for.

The complex content of the "intervention" is revealed in Goetze's comparison of two agencies providing housing for low-income inner city residents.

One approach, espoused by Better Rochester Living, Inc., made dweller participation and "sweat equity" a cornerstone in a social program facilitating homeownership. Families eagerly self selected themselves into this program because they saw it offering more than just rehabilitated houses. The other approach, developed

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Laval Industrial Relations Review, Sept., 1968: Laval University, Quebec

by the C.P.T. Housing Corp., rehabilitated houses under conventional contracting procedures. These houses were only shown after completion to the applicants for rental. The C.P.T. approach attained physical results that were substantially similar at the outset, but were much more short-lived as poor tenant living practices hastened the subsequent deterioration of the units. (Goetze:1971: p.3)

"Sweat equity" is similarly important for resident owners in the St. Louis Square area. But the similarity goes far deeper. The B.R.L. program provided information and contacts thus fulfilling the role of the Portuguese owner's information network. Just as the Portuguese information network is not cut off as soon as the renovation is complete, so the volunteer advisors from B.R.L. continue to advise owners on maintenance and any further modifications. Although most of those starting off in the B.R.L. programme start off with few building skills, after completing the initial renovation of their homes under the guidance of B.R.L., they are capable of handling most home-repair jobs.

In sum, the B.R.L. owner does not perceive maintenance as a problem. He accepts routine repairs, even enjoys them as part of owning his home. (Goetz: 1971: p.21)

In Rochester, B.R.L. combines diverging roles in the housing rehabilitation process to unify objectives and hence lower costs. In St. Louis Square, social networks and social ties perform this function.

Summary of Comparisons

Although the financing of building purchases and the tax situation were similar in Newark and in the St. Louis Square area, the residents of the areas were very different. The Black tenants were weaker both socially and economically than the Portuguese tenants in

the St. Louis Square area, and had less developed interpersonal support structures which left them open to exploitation by landlords. This situation coupled with the high reliability of Portuguese tenants minimized risks of vacancy and building damage, making lower returns more acceptable and building maintenance more viable than in Newark. In addition resident owners in the St. Louis Square area had personal and socially based resources for housing rehabilitation not evident among owners in Newark. The examination of the French Real Estate Company showed that such resources were more important than financial power for the improvement of buildings. The B.R.L. study shows that the personal and collective resources of the Portuguese can be stimulated institutionally to provide better housing improvements than can be achieved through direct expenditure within the market system.

Parallel Institutions

Using the knowledge of naturally occurring non-market structures which provide viable alternatives to failing market systems in the St. Louis Square area it is possible to construct a model of an institution to fulfill the functions of the unusual resources found in the Portuguese community. Such a model could be applied in an area in which residents lack both the financial resources for better housing and the non-market resources used in housing rehabilitation in the St. Louis Square area.

An agency could be set up to fulfill the functions of the Portuguese social networks by advising residents on renovation techniques

and sources of tools and materials. The consequences of lack of access to information networks is illustrated by a skilled owner - he was German - who said that he would have repointed the brickwork and renewed the flashing on the front of his house if he had owned a scaffold. Not knowing that scaffolds could be rented, he had hired a contractor to do the work requiring a scaffold and did the lower brick work himself.

Particularly in areas of underemployment, a labour exchange system would be useful. Participants could exchange labour rather than having each owner spend income from marketing his own unskilled labour to pay for the labour of others. It is probable that such low-income residents would be unable to obtain jobs at a net hourly rate as high as the rate for hiring workers to help with rehabilitation.

Such an exchange system might be in the form of a labour bank, (like Blood Bank Systems employed in some hospitals such as the Royal Victoria Hospital, Montreal) as those needing labour would not be in the position to pay it back immediately. This would parallel the function of generalized reciprocity which stores the value of a prestation until the giver needs a return favour and the receiver of the original prestation is in a position to reciprocate.

Advisors might be made available to identify jobs which should be done by professionals (for insurance reasons or because of hidden difficulties) and classes might be given to explain how to perform medium-skilled jobs such as repointing, replastering, plumbing.

A pool of reliable skilled craftsmen should be available for electrical work and complicated plumbing.

A Tenant Information Network

Except for landlords who are part of an informal network providing information on tenants, the tenant information network does not directly facilitate housing improvement. It does, however, lower conflict between landlords as previous tenants can explain the relationship that has been worked out. In addition, the passing on of an apartment from one tenant to another eliminates advertising costs and lost revenue resulting from vacancies. The informal network also makes it possible for tenants to change apartments at a more convenient time than the established provincial moving dates of May first and October first.

An agency could be set up to perform the functions of the informal network. All tenants wishing to sublet or to find a new apartment would fill out a form describing the apartment and the rental relationship with the present landlord. A file of these apartment descriptions would be available to all participants. Direct exchanges or multiple exchanges of apartments would free tenants from the bonds of their lease without creating legal difficulties or vacancies so expensive to landlords. Tenants would have a better understanding of the exact nature of the relationship and thus the conflict of working out the working terms of the relationship could be avoided.

The above descriptions are not intended to specify working models of agencies to replace informal information and exchange networks, but are aimed at showing possible practical applications of our knowledge of social systems which are adapted to compensate for inadequacies of institutionalized markets.

A Final Summary

This paper has shown some of the difficulties in the provision of modernized housing for low-income citizens. We now see that good low-income housing is not provided through market structures as the price of improving older housing using goods and services purchased from the market economy is too high to gain an adequate return rate from low-rent housing. On the other hand, it is also clear that good housing is provided by those who can circumvent the high price of market labour and expertise by calling on the advice, experience and labour of friends and relatives, and by contributing their own labour. However, although these improvers are successful in their own terms, any investor used to current national return rates would be very unhappy with returns in the area unless he anticipated substantial capital gains. (Unlikely in the foreseeable future in the area.)

Further proof of the importance of social ties lies in the areas in which owners cannot call on close social ties (Newark, Eastern Outremont and Pte. St. Charles) to make improvements. The Better Rochester Living experience shows that the supportive social ties of the St. Louis Square area can be simulated by a supportive agency with

similar results.

The overriding importance of a reliable tenantry or some manner of controlling tenants (Newark) was evident in all previous studies. The reliability of the Portuguese tenantry should be appreciated as a force which encouraged landlords to maintain and improve in the St. Louis Square area. One should also realize the importance of informal networks in eliminating market uncertainties and making improvements viable.

It is thus evident that the use of social relationships both in the improvement process, and in the important tenant recruitment process is crucial for the success of those providing good housing in the St. Louis Square area.

APPENDICES

APPENDIX I

SELECTION OF THE RESEARCH AREA

Reasons for Selecting the St. Louis Square Area (Census Tract 137)

The original intent of the study was to examine landlord-tenant relations in an area which exhibited housing deterioration as found in Newark by Sternlieb. The Montreal equivalent of the exploitable Blacks of Newark were therefore sought. It was thought that the poorest and most recently arrived immigrants would be the most exploitable tenantry in Montreal. It was assumed that an exploitable tenantry would include a high proportion of immigrants, with a low average income, living for short periods of time in crowded dwellings with low average rent, in old buildings in need of repairs. A Census Tract exhibiting these characteristics was sought by considering all tracts in Greater Montreal in which the average family income was under \$4,000 according to the 1961 Census Report. Other indices of an area of deteriorating housing found in the 1961 Census Report were ordered as in Table 25. Table 26, a summing up of scores derived from a tract's position in Table 25 gives a more compact overview. From this the four areas of the worst housing conditions with high ratios of families to occupied dwellings were identified. (See Table 28 for ratios). Not only did residents of Census Tract 137 seem to stay in an apartment for short periods, but a high proportion were immigrants and paid high rents in proportion to their income as shown in Table 27.

Colonial and DeBullion streets were chosen as the interview streets because they exhibited the lowest average assessment values, and were representative of the types of housing in the tract. Within the limits of the census tract the two streets contained the variations in building age, size and assessed value characteristic of the Census Tract.

Table 25
THIRTY-FOUR CENSUS TRACTS ORDERED FROM LEAST TO MOST
DESIRABLE

Family Tract	Wage Wage	Crowded Dwellings Tract Percent	Average Rent Tract Rent	L e n g t h of O c c u p a n c y Tract <one year	Tract 1-2 years	Built before 1920 Tract Percent	Need Repairs Tract Percent
53	\$2527	43 37.45	63 \$39	49 53.82%	53 36.70%	70 98.56	61 26.49
52	2856	63 32.72	40 39	53 50.67	48 31.31	45 97.35	70 26.04
49	2929	62 31.16	62 39	137 34.54	61 28.60	61 97.17	41 25.05
55	2936	61 27.98	43 41	62 33.28	124 26.00	48 96.01	55 24.02
61	3284	69 27.75	42 43	48 30.88	137 25.77	63 95.41	133 22.49
50	3287	70 25.47	70 44	47 29.51	122 25.76	138 92.28	62 22.34
137	3317	134 25.05	44 45	69 28.98	60 24.61	71 91.62	71 21.46
136	3337	41 24.03	69 45	70 28.49	123 24.06	50 91.35	39 21.29
54	3408	205 23.62	39 45	136 28.14	136 23.91	41 91.27	134 19.11
45	3430	136 23.48	41 45	124 27.87	138 13.53	55 89.74	40 18.75
70	3465	39 23.43	71 45	122 26.61	40 22.34	62 89.36	38 18.18
48	3475	137 23.27	52 46	60 26.56	39 21.29	40 88.83	137 18.04
47	3503	44 22.78	133 46	50 26.13	134 20.91	46 88.10	69 16.76
48	3475	55 22.71	38 47	135 25.08	49 20.85	39 86.84	136 14.91
70	3465	40 22.65	45 48	138 24.63	41 20.43	47 86.79	44 09.59
40	3576	71 21.31	136 48	134 24.21	70 20.29	60 86.72	54 00.00
41	3598	135 21.07	134 48	43 22.77	46 20.24	54 85.60	47 00.00
44	3642	123 20.97	50 50	71 22.08	133 20.06	44 84.96	60 00.00
122	3645	42 20.87	55 50	39 20.62	44 19.47	69 82.28	48 00.00
124	3655	38 20.78	53 50	44 20.20	54 19.33	123 82.23	43 00.00
63	3656	124 20.68	137 51	205 20.03	47 18.03	136 81.74	63 00.00
123	3661	47 20.54	47 51	41 19.20	205 16.52	42 81.00	50 00.00
135	3700	54 20.53	205 52	61 19.05	62 16.11	133 80.60	45 00.00
39	3706	133 19.21	61 52	54 18.93	42 16.04	43 77.02	53 00.00
42	3711	122 18.64	48 53	40 18.82	69 15.80	135 77.01	122 00.00
69	3712	49 17.38	46 53	133 17.99	71 14.69	38 74.84	123 00.00
62	3725	48 12.92	135 54	38 16.23	38 00.00	134 72.26	124 00.00
71	3807	60 10.25	54 54	123 16.12	61 00.00	124 71.51	42 00.00
60	3840	50 00.00	49 54	55 00.00	50 00.00	137 70.76	46 00.00
133	3870	52 00.00	122 58	52 00.00	52 00.00	52 70.68	135 00.00
205	3880	45 00.00	138 63	46 00.00	55 00.00	122 68.64	52 00.00
138	3884	53 00.00	60 65	42 00.00	45 00.00	205 60.65	49 00.00
46	3918	138 00.00	123 67	45 00.00	44 00.00	49 45.88	138 00.00
38	3972	46 00.00	124 69	63 00.00	63 00.00	53 34.85	205 00.00

TABLE 26

CENSUS TRACTS SCALED FOR RANK ORDER

Tract	Wage	Crowded Dwellings	Rent	Less than one year	1-2yrs.	Built Be- fore 1920	Needs Re- pairs	Average Score
38	34	20	14	27	N.A.	26	11	22.0
39	24	11	9	19	12	14	8	13.9
40	16	15	2	25	11	12	10	13.0
41	17	8	10	22	15	9	3	12.0
42	25	19	5	N.A.	24	22	N.A.	19.0
43	14	1	4	17	N.A.	24	N.A.	12.0
44	18	13	7	20	19	18	15	15.7
45	10	N.A.	15	N.A.	N.A.	2	N.A.	9.0
46	33	N.A.	26	N.A.	17	13	N.A.	22.3
47	13	22	22	6	21	15	N.A.	16.5
48	12	27	25	5	2	4	N.A.	12.5
49	3	26	29	1	14	33	N.A.	17.7
50	6	N.A.	18	13	N.A.	8	N.A.	11.2
52	2	N.A.	12	N.A.	N.A.	30	N.A.	14.7
53	1	N.A.	20	2	1	34	N.A.	11.6
54	9	23	28	24	20	17	N.A.	20.2
55	4	14	19	N.A.	N.A.	10	4	10.2
60	29	28	32	12	7	16	N.A.	20.6
61	5	4	24	23	N.A.	3	1	10.0
62	27	3	3	4	23	11	6	11.0
63	21	2	1	N.A.	N.A.	5	N.A.	7.3
69	26	5	8	7	25	19	7	14.7
70	11	6	6	8	16	1	2	7.1
71	28	16	11	18	26	7	7	16.1
122	19	25	30	11	6	31	N.A.	20.4
123	22	18	33	28	8	20	N.A.	21.5
124	20	21	34	10	4	28	N.A.	19.5
133	30	24	13	26	18	23	5	19.8
134	15	7	17	16	13	27	9	14.9
135	23	17	27	14	3	25	N.A.	18.2
136	8	10	16	9	9	21	14	12.4
137	7	12	21	3	5	29	12	12.4
138	32	9	23	21	22	32	N.A.	23.0
205	31	N.A.	31	15	10	6	N.A.	18.8

"N.A." signifies no incidence of this parameter

TABLE 27

SELECT RATIOS OF MOST UNSTABLE TRACTS ACCORDING TO TABLE 25

AND TABLE 26

Tract	Rent to Income Ratio Rent/ Averag. An. Income	Immigrant vs. French & English Ratio: Immigrants/ Total Pop.
137	18.50	65.8
70	15.20	32.0
62	12.06	10.6
41	15.06	3.4

TABLE 28

SELECT FAMILY TO OCCUPIED DWELLINGS RATIOS BY
CENSUS TRACT

Tract	Ratio (%)
53	72.1
52	87.2
49	65.2
55	76.5
61	90.3
50	65.5
137	74.1
70	84.6
62	80.0
41	84.4

Source: 1961 Census

APPENDIX II

SOURCES OF DATA

Census Data

Census data was used solely in the selection of the area, as noted above. Census data was of no use in identifying changes in ethnic composition as Portuguese are classed with "other European" in the census report.

Assessment Data

City records of the name and address of a building's owner, the area and assessed value of the land and the assessed value of the building are open to the public. Records for the 1959-1961 period and for the years 1962, 1966, 1970 and 1971 were examined. (Before 1962 the records were updated entirely every three years.) These data were used partially to identify various characteristics of buildings and owners and also in order to track down owners for interviews.

Water Tax Data

The city maintains records for water tax purposes based on an annual census of the civic address of each dwelling, the name, address, age and occupation of the individual paying water tax. These records were consulted for the years 1958, 1961, 1964, 1967 and 1960. These data, in conjunction with assessment data, were used to measure changes in ethnicity of residents.

Teela Market Surveys

A company called "Teela Market Surveys" maintains records of the name of the vendor, the name of the buyer and the price - and in some cases the amount of mortgages - for building sales in the Montréal area. The company obtains these data from the deed registration office. About 85 percent of ownership changes that can be noted in assessment records are reported in Teela data.

City Maps

The Department of Public Works of the City of Montréal issues maps based on aerial photographs. The maps show the area of buildings, the number of floors and the number of dwelling units.

APPENDIX III

SELECTION OF LANDLORDS

Using the assessment roles, the names and addresses of all owners in the census tract were identified. Absentee landlords were selected in the following manner. Landlords were grouped according to the area of the city in which they lived. The landlord nearest a convenient bus stop was visited first. Others in the area were visited in succession until a landlord was found at home. None of those contacted in this manner refused an interview.

Other methods tried were less successful. First, prior telephone contact had been made. Respondents either refused to be interviewed or demanded to be interviewed on the phone or not at all. Such telephone interviews were worthless as sufficient rapport could not be developed to get even the minimum questions answered. The policy of limiting the interview to one landlord per residential area was aimed at gaining a degree of ethnic and economic stratification.

Resident landlords were divided according to ethnicity, those who had done repair-work on their building and those that hadn't, and those who owned single cottages and larger buildings. The first landlord of each type found home was interviewed.

APPENDIX IV

CHARACTERISTICS OF LANDLORDS INTERVIEWED

Use of Building

Dwelling for owner only (no tenants)	1
Mainly a Dwelling - some rooms rented	4
Rooming House only (for profit only)	2
Absentee Landlords (1 or more tenants)	11
Resident Landlords (1 or more tenants)	11
Total	29

Sex of Manager

(either owner or owner's spouse)	
Men	24
Single or Divorced Female	2
Married Female	3

Ethnicity of Owner

Portuguese	11
Other	10
Jewish	6
French	2

Improvement Strategy

Improve	16
No Improvement	13

Employment

Manual Worker	4
Skilled Worker	11
White Collar	6
Professional	4
Retired	5

N.B. Three landlords interviewed and included in the above statistics were not included in most of analysis because of their peculiar nature. One was a company, one had no tenants and one gave unreliable responses.

APPENDIX V

LANDLORD INTERVIEW SCHEDULE

1. Do you own this building independently?
2. How long have you had this building?
3. How did you get it?
4. If resident landlord--where did you live before?
5. Why did you buy this building?
6. Is this still your reason for keeping it . . . If sale is hoped for how does he intend to sell?
7. Why did you buy in this particular area?
8. What do you find about owning property that gives you the most trouble?
9. Who else lives in the building?
10. How long have they been renting?
11. Are they Canadian?
12. How did you find each other?
13. How do you usually announce vacancies . . .with a sign outside?
14. When people come to look at the apartment, who shows them around?
15. Do you usually accept the first tenants willing to pay the rent asked?
16. What sort of tenant do you try to get?
17. What are your present tenants like?
18. Do you have a lease? . . . How long? . . . why?
19. Does it take long to find a new tenant? . . . Is the apartment ever empty between tenants?

20. Do you talk with many of your neighbours? . . .What do you usually talk about?
21. How do you like this area as a place to live?
22. Are you thinking of moving in the near future? . . .Why? . . .When?
23. Will you sell this building? . . . Why?
24. Has the character of this neighbourhood changed in recent years?
25. Do you think that urban renewal is likely in this area?
26. Is there anyone you talk to about the problems involved in running your building? . . . Do you know of any organization for property owners?
27. Do you own any other property?
28. Have you ever owned other property?. . .How do the returns compare?
29. What do you do? . . . (if retired) do you have any other income?
30. What are the rents for similar buildings in the area?
31. How do you collect the rent?
32. What do you do if someone is late in paying the rent?
33. How often do you redecorate or paint and repair each apartment?
34. Do you do this for all your tenants?
35. If the tenant wants to redecorate or paint and repair his apartment who pays and who does the work?
36. Who does repairs like plumbing, broken doors, windows and plaster?
37. Do you put such things in the lease, or do you discuss them with the tenants?
38. What do you tell the tenants about such matters, or do you talk about it with them?
39. Do you give the same lease to all tenants?

40. Has any painting or repair work been done inside or outside since you bought the building?
41. Have there been any major renovations?
42. What repairs have been done for your present tenants?
43. Do your tenants seem concerned with keeping the apartment in good shape?
44. How often do you talk to your tenants about the apartments?
45. Is your relationship with them businesslike or of a social nature?
46. Do you ever visit socially with your tenants?
47. Do you ever exchange or borrow things?
48. Has your assessment changed recently?
49. Has this affected your revenues or have you raised rents to cover the increase?
50. Have you ever hesitated to make renovations because you thought it would raise the assessment?
51. Have you ever lowered or not raised the rent for a tenant who might otherwise have left?
52. When was the last time you raised the rent?
53. What was the reaction?
54. Have you any plans for renovating your building? How do you plan to pay for it? Mortgage? Source? Would you raise rents?
55. Does living in the same building create any problems or is it a good thing?
56. Have you ever had one tenant complain about another?
57. What are the other landlords in the area like?

Address of Building_____

Owner's Name_____

Owner Supplies: Heat____, Hot Water____, Fridge____, Stove____?

Storage Space____, Parking____, Furniture____, Janitor____

Use of Garden____, Electricity____, Water Tax____, Gas____

Other_____

What was the original Cost of the building?_____

If you took out a mortgage what was the:

Downpayment\$_____, Mortgage\$_____ Interest Rate_____%
Length_____yrs. Source_____2nd Mortgage_____, Interest Rate_____% , Length_____yrs.
Source?_____

Last Year's Expenses

Fixed Expenses

Mortgage payments?_____
Property tax_____
School tax_____
(water tax)_____
Insurance_____
Janitor_____

total

Operating Expenses:

Maintenance\$_____
Heat\$_____
Electricity\$_____
Total_____

..... total Total_____

Monthly Rents:

x\$_____+ x\$_____+ x\$_____?+ X\$_____

Apts., Garage, etc.

Yearly Rental Income \$_____

Surplus, (loss)\$_____

Mortgage Left to Pay\$_____ (M)

Amount paid already (equity)_____ (EQ)

Foregone Interest._____ (F.i)

Return on Equity \$ $\frac{S}{EQ} \times 100 =$ _____ %Return on Mortgage: $\frac{S}{M} \times 100 =$ _____ %Return on Building $\frac{S}{\text{Building Cost}} \times 100 =$ _____ %

Last Major Expenditure?_____ Cost?_____ When?

APPENDIX VI

TENANT INTERVIEW SCHEDULE

1. How long have you lived in this apartment?
2. Where did you live before?
3. How many years have you lived in Montreal?
4. Why are you renting instead of buying?
5. Have you ever owned a dwelling?
6. How did you find this apartment?
7. Is there any other district you would prefer? . . . Why?
8. Did you have many friends or relatives living here?
9. Who showed you the apartment when you came to look?
10. Why did you take this apartment?
11. Did you bargain over or discuss about the rent, the lease (contract)
painting or repairs or anything before signing the lease?
12. How often do you see the landlord?
13. Is he difficult to reach?
14. What has been done since the last tenants by: You?
The landlord?
Hired help?
15. Is the landlord good at fixing things?
16. How quickly?
17. Is your relationship business or social?
18. Do you ever lend or borrow anything from each other?
19. Is your present landlord any better or worse from other landlords?
20. Tell me about the best landlord you ever had.

21. How does this housing compare to other housing you have lived in?
22. Have you had any difficulties or disagreements with your landlord?
23. When was the last time he raised the rent?
24. Would you move if he raised the rent five dollars?

If ethnicity or age not clear ask ethnicity or age . . .

APPENDIX VII

IMMIGRATION STATISTICS

TABLE 30

INTENDED OCCUPATION BY IMMIGRANT GROUP FOR ARRIVALS IN 1969

Intended Occupation	Immigrant Group		
	Greek	Polish	Portuguese
Managerial	31	1	4
Professional & Technical	173	98	41
Clerical	142	38	96
Transport trades	59	4	22
Commercial trades	4	1	1
Commercial sales	54	11	27
Finance sales	4	1	2
Service & Recreation	650	52	264
Farmers	68	25	245
Loggers	0	0	4
Fishing hunting & trapping	0	0	3
Mining	6	2	2
Construction trades	598	22	486
Manufacturing trades	1488	128	810
Labourers	872	6	113
Not stated	298	7	122
Total workers	4,448	369	2,242
Non workers-wives	1,083	198	1,745
children	985	144	2,575
other	421	121	620
Total non-workers	2,489	463	4,940
Total Immigration	6,037	859	7,182

Source: Canadian Department of Manpower and Immigration, Information Bulletin, 1969.

TABLE 31

IMMIGRANT GROUPS SETTLING IN QUEBEC FROM 1957-1970

Y e a r	I m m i g r a n t G r o u p		
	Greek	Polish	Portuguese
1957	2,581	594	1,687
1958	2,800	527	512
1959	2,587	566	1,035
1960	2,449	537	1,338
1961	1,764	428	629
1962	1,793	211	734
1963	2,348	285	988
1964	1,972	257	1,104
1965	2,390	215	1,114
1966	2,708	186	1,516
1967	3,642	210	1,587
1968	2,463	201	1,229
1969	2,383	128	1,175
1970	1,952	101	1,230

Source: Canadian Department of Manpower and Immigration, Information Bulletin, for the years 1957-1970

APPENDIX VIII
ALTERNATIVES TO INVESTMENT IN
HOUSING

What Money Earns

Alternatives	Yield	
	1972 %	1971 %
Federal government bonds		
Canada 4 1/4% due 1972	3.59	4.10
Do. 4 1/2% due 1983	7.19	7.11
Do. 5 1/4% due 1990	7.44	7.44
Long-term provincial bonds		
Ontario	7.98	7.99
Quebec	8.30	8.63
Manitoba	7.44	7.45
Long-term municipal bonds		
Toronto	8.10	8.50
Montreal	8.42	8.55
Long-term corporate bonds		
Bell Canada	8.14	8.63
Domtar Ltd.	8.30	8.57
Union Gas Co. of Canada	8.08	8.54
Stocks		
Av. yield 64 common industrial	3.47	3.85
Do. 18 preferred and A shs.	6.40	6.27
Real estate mortgages		
N.H.A single family	9-9 1/2	9-9 1/4
N.H.A. rental projects	9 1/4-9 1/2	9 1/2-9 3/4
Conventional	9 1/4-9 3/4	9 1/2
N.H.A. net investment yield	9.125	9.375
Savings Deposits		
Chartered Banks (chequable)	2 3/4-3	3
Do. (non-chequable)	4	4 1/2
Trust companies (non-chequable)	4 1/2-5	5-5 1/2
Term money (1-5 years)		
Trust and loan companies	6-8	5 3/4-8

Source: Financial Post, "What money earns now", July 29, 1972, p.20

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