

**COMMON INTEREST DEVELOPMENTS IN CANADA:
PRIVATE COMMUNITIES AND THE FUTURE
OF CANADIAN CITIES**

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Paul Hesse

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Common Interest Developments in Canada: Private Communities and the Future of Canadian Cities

Paul Hesse¹

Abstract

This paper examines the phenomenon of Common Interest Developments (CIDs), more commonly known as “gated communities”, within the Canadian context. Comparing Canadian CIDs to their US counterparts. The author notes that Canadian developments are more likely to target seniors, tend to have fewer security features and are usually developed on a smaller scale. The author cautions that the proliferation of CIDs may have significant implications for local politics and Canadian cities. CID residents in the US are gaining political clout through well-organized homeowner associations, which constitute an effective lobbying force. Such associations are increasingly advocating measures such as tax rebates for their constituency, arguing for an end to what they call “double taxation” since CID residents pay both municipal taxes and monthly fees to the CID. The paper argues that CIDs are exclusionary by nature, fostering homogeneity in age, race, and income group, and that the proliferation of such development will lead to greater segregation in Canadian cities.

Common Interest Developments in Canada

“We’re all Sandycovers!”

Sandycove Acres, Ontario’s largest Adult Lifestyle Community, trumpets itself as “the perfect retirement community”. In Sandycove, just outside of Barrie, Ontario, you will find that:

Peace of mind comes with knowing that the managers will maintain the community character of Sandycove Acres just as it is today. From Architectural Control, to upkeep of the community, to control of maintenance and operating costs, the Private Community concept helps to ensure that Sandycove Acres will change very little over the years. (Sandycove Acres Limited, n.d. a)

Residents aren’t just buying a home, they are buying into a planned community. This is evidently a popular message. Since its establishment, Sandycove has been home to over 3,000 retirement-age families (Sandycove Acres Limited, n.d. a).

Communities like Sandycove Acres are known as common interest developments (CIDs). While every CID is different, there are common features. The appeal of communities like Sandycove Acres comes from their privacy. In almost all the cases, the perimeter of the community is walled, and

¹ Paul Hesse is the winner of the Institute of Urban Studies Student Paper Award, 2001.

all residents must enter through a gate. No visitor may enter without permission and there are limits on how long grandchildren or other visitors may stay. As friendly as the residents are, communities like Sandycove are no place for outsiders.

Common interest developments are comparable to private governments and provide, as exclusive rights, what have traditionally been considered basic public services. As these communities grow and gain in political influence, the logical next step would be a movement to pay less municipal taxes. In the United States, homeowner associations have become lobbyists calling for an end to what they refer to as “double taxation”. American CID residents have grown tired of paying for private as well as public services. Their solution has been to opt out. This is what Robert Reich, former Secretary of Labor to President Clinton, calls the “secession of the successful” (Mackenzie 1994: 23). Homeowners in CIDs have seceded from society by living behind gates and walls, and abdicated their civic responsibility by refusing to pay for public roads and municipal services. If Canadian CIDs follow their American counterparts, Canadian homeowner associations, too, will soon be a powerful political force.

Currently there is little academic work on common interest developments in Canada. Indeed, in researching this paper, it was first necessary to determine whether CIDs exist in Canada. In fact, they do. CIDs can be found in British Columbia and Ontario. One is being planned in Québec, just north of Ottawa-Hull, and the City of Calgary recently rejected the plan of one developer to create a gated community within city limits. Even in the prairies, a gated community has recently been built just north of Winnipeg, in East St. Paul.

This paper is among the first to examine the rapidly-growing phenomenon of common interest developments in the Canadian context. The author is heavily indebted to the groundbreaking work of Evan McKenzie’s *Privatopia*, which discusses American CIDs. This paper will define CIDs and discuss their main characteristics. A number of examples of Canadian CIDs will be described and compared with their American counterparts. The paper will discuss the likely consequences of this phenomenon for Canadian cities.

CIDs have the potential to change the physical structure of Canadian municipalities, as well as their politics. Tension between developers and their allies ! the homeowner associations ! and local governments is unavoidable in the long run. This paper will shed light on the ill-understood phenomenon of CIDs in Canada.

The History of Common Interest Developments

Common Interest Developments have existed in the United States since the mid-19th century in the form of neighbourhoods for the privileged. Restrictive covenants limited who could live in the neighbourhood and how houses could look. One of the first such developments was Gramercy Park in New York City. This luxury development included private parks and lakes that were owned in common by the residents. In 1831, the neighbourhood created an association that attached restrictive covenants to the land and imposed private taxes for the parks' upkeep (Mackenzie 1994: 9). The first CIDs, such as Gramercy Park, were the exclusive domain of the wealthy. Starting in the 1960s, CIDs have been built *en masse* for the middle class. Since then, CIDs have been a major American housing phenomenon.

Beginning in the 1960's, rising land prices and a growing population were putting pressure on suburban developers to conserve land. One answer was to create smaller lots backing on to common areas with parks, lakes, swimming pools and other luxuries. This allowed the construction of more housing units per acre without compromising the perceived quality of the neighbourhood. Residents were able to enjoy services that they would not have been able to afford individually. Walls and gates were built to limit access to these private amenities, and homeowner associations were created to maintain the common areas and to preserve the appeal of the neighbourhood.

Local governments in the United States encouraged the development of CIDs. As federal aid to cities declined in the 1970's, CIDs offered municipalities a cheap way to grow (Mackenzie 1994: 178). Private developers built private roads, installed sewer lines and built private parks at little cost to the public purse, all the while increasing the tax base. The United States Federal Government was a major booster in promoting the growth of CIDs. In the summer of 1963, the Federal Housing Administration (FHA) reversed its position on CIDs, and insured mortgages in such developments for the first time. That year the FHA also allowed, without the usual review or critical analysis, the Urban Land Institute's publication of a blueprint for the creation of CIDs, in the form of a 400-page document outlining how to create homeowner associations (Mackenzie 1994: 92).

The only voices of dissent came from academia. There was concern that such communities would effectively constitute private governments, with policies to exclude those considered undesirable. As Mackenzie notes, "Policies of exclusiveness are only thinly veiled as efforts to 'maintain high standards,' or 'insure property values' or provide a 'private community'" (1994: 93). Almost thirty years later, the predictions ring true. The number of American homeowner associations

exploded from under 500 in 1963 to over 150,000 in 1992 (Mackenzie 1994: 10). In the latter year alone, over 32 million Americans had retreated behind gates with other like-minded individuals sharing a “common interest” in homogeneity and the protection of property values.

Common Interest Developments Defined

What exactly are common interest developments? There is no one factor. Evan McKenzie lists a number of defining characteristics in *Privatopia*. First of all, CIDs are private communities. Almost all are gated with walls of varying height, although some have barbed wire fences. The gate, through which all residents and visitors must pass, may be manned by a security guard, activated by a code known only to residents, or opened simply by pushing a button. Some barriers serve a dual purpose. At Desert Cove Estates in Vernon, British Columbia, the barbed wire fence serves to keep grazing livestock away from the houses. In many places, the walls or fences are sufficiently high to serve as security against invaders, while in others they are essentially cosmetic and serve as a psychological barrier separating a community from the outside.

Cosmetic walls that help to define “*lifestyle communities*” (Blakely and Snyder 1997: 46) are the most common in Canada. In Winnipeg, such symbolic markers can be found leading into Armstrong Point, and along Waverley Street, at the entrance to Linden Woods. The walls help to create a private country club atmosphere of exclusivity. “*Prestige communities*” use walls and gates to signal the status and wealth of their residents. They often have “ostentatious entrances and showy facades,” along with carefully landscaped grounds, to create an image of success (Blakely and Snyder 1997: 75). Almost fifty percent of Americans earning over \$100,000 consider living in an exclusive neighbourhood to be a status symbol (Blakely and Snyder 1997: 76).

The walls and gates of “*security zone communities*” are built for protection. Residents of such communities place a very high value on protection from real or perceived threats to security. There are regular security patrols, and no one is allowed on the premises without authorization. These communities have been described as “enclaves of fear” (Blakely and Snyder 1997: 99). This is the least common pattern in Canada. All of the Canadian CIDs researched for this paper fit into the categories of “lifestyle” or “prestige” communities.

Management of Common Interest Developments

Another defining feature of common interest developments is the presence of a homeowner

association. Homeowner associations are generally composed of a board of directors, elected by the homeowners. These boards enforce and amend the bylaws of the community, which were initially drafted by the developers. In many respects, a homeowner association is *de facto* private government. By owning a home within a CID, one automatically becomes a member of the association. All homeowners are assessed a levy which pays for their share of the common property costs. The associations exert a phenomenal amount of control over residents within, and in some cases even beyond, their boundaries. In one notable case, the owner of a farmhouse in Pennsylvania was deemed to be part of a homeowner association despite the fact that her purchase predated the development of a CID beside her lot. Because her residence was officially part of the CID, the association levied maintenance fees. When she refused to pay, the woman was fined. The association eventually obtained a lien on her home and attempted to sell her cars (Mackenzie 1994: 17). This growing amount of control is worrisome, particularly since in some American states such as California and Florida there are increasingly fewer alternatives as CIDs are the most common form of new development (Mackenzie 1994: 17).

There are a few variations to the model described above. Homeowner associations are not always responsible for enforcing the bylaws and CC&Rs of the CID. In its land lease development, Sandycove Acres advertises that:

...as management we handle the daily operations of the community and make the tough management decisions that need to be made from time to time. It is our responsibility to ensure the community retains a first class appearance. If that means we have to tell your neighbour three doors down that he has to cut his lawn, then ... well that's our problem, not yours. (Sandycove Acres Limited, n.d. a)

In Sandycove Acres, the original developers still own the land and enforce the restrictive covenants.

Restrictive Covenants

Whether enforced by management or by the homeowner association, CIDs have restrictive covenants and conditions which limit the range of what is permissible within their walls. Community is defined by exclusion, strengthened by homogeneity and enforced by law. Such bylaws, or deed restrictions, include a series of covenants, conditions and restrictions (CC&Rs) on the use of land, and are included in the deeds of each house. This allows the developers of the land to have a major voice

in deciding how the land is used in perpetuity. The restrictions are tied to the land and may only be changed by amending the bylaws (Mackenzie 1994: 20). American CIDs usually require a “super majority” of either two-thirds or even three-quarters of eligible voters to amend a bylaw. Generally, homeowners may vote while renters are disenfranchised (Mackenzie 1994: 127). Canadian CIDs are hesitant to discuss their homeowner associations with outsiders, though it was revealed that amendments generally have to be approved by the developers or management team (from conversation with a representative of Desert Cove Estates).

The CC&Rs imposed on land use vary widely. Some CC&Rs are cosmetic, imposing restrictions (i.e. architectural) and enforcing bylaws which euphemistically “preserve the integrity of the community”. These restrictions vary by community and even between phases of construction within a CID. Rancho Bernardo, a sprawling CID just north of San Diego, California, imposes many restrictions. Gardens are frowned upon, but tolerated if not visible to neighbours. Fences, hedges and walls may not exceed three feet in height and must be approved by the association. Trees must not be taller than the roofs of houses, which must be covered in red tiles. Visits by grandchildren are limited. In some of the wealthier neighbourhoods of Rancho Bernardo, curtain colours are regulated. A CID is no place for uniqueness. Difference is often a punishable offence.

There is considerable, but by no means universal, support for restrictive CC&Rs among CID residents. The restrictions are usually enforced by the homeowner association, though occasionally by management. Fines are levied for non-compliance and there are numerous instances of court challenges. Many residents undoubtedly find the restrictions comforting, while others find them completely unreasonable. A case arose in Fort Lauderdale, Florida after the management of a CID ordered a couple to stop entering and leaving by the back door. Managers were concerned that the couple was leaving an unsightly path in the lawn by taking a shortcut. In response, the couple hired an attorney who cited their right to use their own back door (Mackenzie 1994: 15).

Some restrictive covenants are dangerous. In Delaware County, Pennsylvania a homeowner association took a man to court for building a four-foot fence of black fabric in his back yard. He had built the fence to prevent his young son from falling off a 400-foot cliff (Mackenzie 1994:17). A court ruled in the man’s favour.

Covenants are not necessarily the will of the community. Close to Philadelphia, Pennsylvania, a family bought a metal swing set for their child. One year later, in spite of no written rules against swing sets, the association ordered the family to take it down. New rules were written requiring that

all swing sets be wooden. Three-quarters of the community signed a petition supporting the family, and the family provided an Environmental Protection Agency document citing the dangers that poisonous chemicals in pressure-treated swing sets posed to children. The association was unbending and imposed a fine of \$10 per day until the set was removed (Mackenzie 1994: 17). One neighbour was quoted asking “Who are these little Hitlers making these rules?” (McCullough 1991).

Age Restrictions

The Canadian CIDs described in this paper are mostly adult communities with a minimum age requirement for residency. In those communities, all residents must be at least 40 or 45 years old. Children are not allowed to live there, but may come for short visits. Generally, visitors are not allowed to stay for more than two weeks. These restrictions are strictly enforced. In researching this paper, no evidence was found of court challenges to age restrictions in Canada. However, a homeowner association in Monroe, New Jersey took a married couple to court because the 45-year-old wife was three years short of the minimum age requirement. A court supported the association and ordered the 60-year-old man to sell or rent his condo, or to live without his wife (McKenzie 1994: 15).

Discrimination

Some CC&Rs are inconvenient, some are dangerous, and others are explicitly discriminatory. Early covenants in 19th-century America included racial restrictions. Private “street associations” in St. Louis, Missouri included race restrictive covenants in their legal document dating back to the mid-1800’s. Racially restrictive covenants were standard in projects in the late 1920s (McKenzie 1994: 9). Today, CC&Rs in Canadian CIDs are not explicitly racially discriminatory. However, there are conditions and implicit barriers which exclude potential residents by age, income and class. High housing prices and walls are two means of keeping undesirables out; CC&Rs are another. Euphemisms such as “preserving the integrity of the community” serve to restrict membership in a CID by race or class (McKenzie 1994: 78). In the 12-minute video advertising Sandycove Acres, the sense of community was repeatedly highlighted. However, only white residents over the age of 55 were shown (Sandycove Acres Limited, n.d. c).

Adult communities are by definition exclusive and discriminatory. Whether it is legal to discriminate in this manner in Canada is unclear. Section 15. (1) of *the Canadian Charter of Rights*

and Freedoms states that:

Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

It is possible that a court or human rights tribunal might find an age restriction to be unconstitutional. While all Canadian CIDs discussed here have age restrictions, none openly discriminated on the basis of race or religion.

Housing Prices

The absence of explicit discrimination policies (other than the age restrictions) does not suggest that housing prices, occupancy laws and other CC&Rs are not meant to narrow the range of prospective homebuyers. Each CID has been created with a certain market in mind and the housing prices reflect that target group. In Sandycove Acres, Ontario, trailers can be bought for as little as \$60,000. Close by, in the exclusive Avalon development, houses wired for the latest in Internet technology cost considerably more. For the most part, housing prices in Canadian CIDs (not including ownership of land) range between \$120,000 and \$170,000. Almost all target retirement-aged Canadians, although Golden Beach Estates has recently added a development that targets families with children. Additional monthly maintenance fees range between \$170 and \$500 (plus GST). Housing costs may be lower in Canadian CIDs than in many of their American counterparts, but they are by no means affordable to all. The average yearly income of elderly couples in Canada is \$42,360; a retired single male has an average income of \$22,983, while a retired single female has an average income of \$19,552 (Statistics Canada, a). Most Canadian seniors may find it difficult to buy into Privatopia.

Key Differences between Canadian and US Common Interest Developments

In the United States, common interest developments have been built for a variety of demographics. Some target families with young children, while others appeal to childless professionals or retired couples. In Canada, the vast majority of the CIDs studied targeted retired and near-retirement age couples without children living at home. That may be changing, however. Golden Beach Estates, for instance, is no longer an adult-only community. Future CIDs in Canada may cater

to a wider variety of prospective homebuyers than they do at present.

Canadian CIDs are also considerably smaller than the largest American developments. Rancho Bernardo and Leisure World, both in California, have tens of thousands of residents each. Sandycove Acres, the biggest CID in Ontario, is home to almost 1,900 residents. Another major feature of Canadian CIDs is the universal use of land leases. By buying a home in a Canadian CID, one leases the land for life (or in the case of Rice Developments, for 20 years). Canadian CIDs may be too expensive for some, but have lower up-front costs than if residents bought the land beneath their homes. Canadian CIDs follow a pattern of leasing rather than selling land.

Canadian Common Interest Developments

The following provides an overview of Canadian CIDs researched for this paper.

Blue Water Country

Blue Water Country in Sarnia, Ontario advertises itself as “Adult Leisure Living”. All of its residents are over the age of 50, with well-understood limits on visits of children and grandchildren. The 127 homes are part of a gated community where residents enter an access code to open the gates at the main entrance. Residents own their homes but lease the land from Blue Water Country. Most new houses are built with two bedrooms and two bathrooms and cost between \$123,900 and \$132,900 for 1,100- to 1,300-square-foot bungalows (Blue Water Country, n.d.). The elected homeowner association deals with residents’ complaints, brings concerns to management and can amend bylaws drafted by the developers (Conversation with sales agent at Blue Water Country). There are also other homeowner committees, such as a recreation committee that plans special events like barbeques, picnics and dances.

Blue Water Country is responsible for snow removal, grass cutting, garbage removal three times a week and interior road maintenance. The developers charge monthly rent of \$220 to \$250, plus a \$95 maintenance fee per month. This fee pays for the services mentioned above, for water and sewage services provided by Sarnia, and for the upkeep of the Clubhouse. The Clubhouse, the pride and joy of Blue Water Country, cost over \$1 million to build. It contains an indoor pool, whirlpool, games room, woodworking shop, crafts room, library, exercise room and a lounge area. There is also a large hall that is used for dinners, dances, card nights and other events. Other outdoor facilities include a barbeque area, horseshoes, shuffleboard and tennis courts, a whirlpool and a garden. These

luxuries are the exclusive property of those living within the walls of Blue Water Country.

Desert Cove Estates

Desert Cove Estates is found in the Okanagan Valley (British Columbia), on the outskirts of Vernon. Desert Cove is built on a First Nations Reserve, and has leased the land from the federal government for 49 years. Along the highway is a 900-foot-long wall, and the rest of the development is protected by barbed wire fence. Its gate can be opened simply by pushing a button, and the barbed wire fence is intended primarily as a deterrent to roaming livestock and wildlife. Neither cattle nor prospective buyers under the age of forty are welcome here. The minimum age requirement is strictly enforced, although children may visit for up to two weeks. There are just under 160 homes, with a capacity for up to 600 homes. The average house costs approximately \$120,000 for a 1,500-square-foot bungalow (All information drawn from a conversation with a representative of Desert Cove Estates). Land is not included in the housing price, but is a life-lease.

Desert Cove Estates is organized similarly to Blue Water Country. There is an elected homeowner association responsible for amending bylaws, as well as small improvements. The association has recently built a small golf course, planted trees, and is continually planning special events. Residents pay between \$140 and \$147 per month in rent. This sum includes maintenance of the private roads, street lighting, water and garbage removal. All other utilities are paid separately. The fee also includes upkeep of the recreation centre, which has a pool, hot tub, game room, lounge, kitchen, library and crafts room. The community also has a volunteer fire department and one fire engine. There are no stores as of yet. There are restrictive covenants, such as the requirement that recreational vehicles not be parked in front of houses, but rather in the special parking lot beside the recreation centre.

Rice Development

Rice Development, a family-owned firm dating back to 1918, specializes in building CIDs in southern Ontario. Rice Development has created four CIDs to date, namely Wilmot Creek, Avalon, Sandycove Acres and Golden Beach Estates. Each is an adult community designed for a certain target market. No children are allowed in any of the four communities.

Wilmot Creek was built along 1.5 miles of Lake Ontario shoreline, east of Oshawa. It

advertises its free golf course and proximity to Toronto. The development has six distinct types of bungalows ranging from 1,080 square feet to 1,800 square feet. The houses cost between \$110,000 and \$170,000, and the land is leased. Included in the monthly rental fee are water and sewer, snow removal, maintenance of common areas, a variety of outdoor and indoor activities, unlimited golfing, and use of the 28,000-square-foot clubhouse. Other features of Wilmot Creek are a beauty salon, a library, a Royal Bank and the walls that keep outsiders where they belong.

Two of Rice Development's communities have been built in the rapidly-growing area around Barrie, Ontario. Situated between Toronto and the popular cottage area of Muskoka, the region is one of the fastest-growing in Ontario.

Avalon is the newest Rice Development community, and targets childless, near-retirement-age professionals and entrepreneurs. It is a luxury development in a town with an average income six percent (6%) below the Ontario average (Statistics Canada, b). The CID advertises its "state-of-the-art Social and Recreation complex", its Executive Business Centre catering to the self-employed, and its "smart homes" wired for the latest information technology (Avalon Community, n.d.). It also has a nine-hole golf course as well as all the standard luxuries found in Rice's other CIDs. The houses, which do not include the land, are considerably more expensive than the average homes in the area (Statistics Canada, c).

Sandy Cove Acres is a less pricey alternative to Avalon. Ontario's largest Adult Lifestyle Community advertises its "affordable and comfortable homes" (Sandy Cove Acres Limited, n.d. b). The houses are all bungalows or permanent trailer-like designs. Prices vary between \$60,000 and \$130,000 for 720- to 1,500-square-foot homes. As in all other Rice Developments, the land is leased and not owned by the homeowner. Monthly fees average \$500 and municipal taxes are generally between \$500 and \$1,000 (Sandy Cove Acres Limited, n.d. b) Sandy Cove Acres predates other Rice communities and is unique in that it is not completely gated. A private security firm patrols the development, but access is not restricted. The community has built private roads and parks along with a restricted-access clubhouse. By not completely restricting access, Sandy Cove Acres includes more public features than other CIDs. It has a post office, medical office, variety store and a bank branch. The community does, however, have a homeowner association, restrictive covenants including a

minimum age requirement for residency, and other common features of CIDs. All that is missing is the gate.

Golden Beach Estates, built along Rice Lake in Southern Ontario, is the lone family-friendly CID. It is made up of two separate developments. The first is targeted at retirees wanting to move to Rice Lake, while the second is marketed as a four-season Family Recreational Resort. Golden Beach Estates is located beside the decades-old Golden Beach Resort. The Estates are quite new, and the only cottages for sale are new factory-built custom designs. The final cost depends on the features desired, but prices start at \$100,000. The Estates is a land lease community. For a monthly fee of \$350, cottage owners enjoy the privilege of private groomed trails and a playground, as well as private roads, sewer and water services and common areas within the gated community. Residents of Golden Beach Estates may also enjoy unlimited use of the nearby Golden Beach Resort. The resort includes a marina, a pool and a variety of indoor and outdoor sports and activities. A clubhouse is being planned (Golden Beach Estates Limited, n.d.). While residents of the Estates may enjoy the amenities of the neighbouring resort, the amenities of the Golden Beach Estates remain the exclusive domain of those who live there.

Common Interest Developments and the Canadian City

It is difficult to foresee exactly how CIDs will change Canadian cities and local politics. The popularity and success of CIDs will likely be the deciding factor. As the population living within gates and paying privately for municipal services grows, so too will their power. In the United States, politicians are increasingly appealing to the CID constituency: “Every US president in the last four elections campaigned in Leisure World [a Californian CID]. . . . That goes for senators and governors, too. . . . They go to Leisure World rather than the cities” (McKenzie 1994: 194). The 20,000 voters in Leisure World have the attention of candidates and their campaign teams. As one strategist put it, “In California, the suburban voter is the common interest community voter” (McKenzie 1994: 195).

The 30 million Americans living in CIDs constitute a powerful political force in local politics. Their interests are clearly defined and are effectively promoted by their elected homeowner associations. The associations are a means of delivering thousands of votes to politicians savvy enough to capture the imaginations of CID residents. Homeowner associations have boards that meet regularly, have established means of passing information on to homeowners, and are experienced lobbyists. Residents of CIDs are generally wealthier than the American average and their board members come from a variety of professions (McKenzie 1994: 142 and 189). Homeowner associations are filled with rich and powerful voices. In some areas, such as Boston, Massachusetts, the presidents of homeowner associations have formed an organization to lobby for their collective interests (McKenzie 1994: 192). It is completely understandable that a constituency which numbers over 30 million should attempt to influence political decision making, and that politicians will listen. The main problem is that the interests of CID residents are in some ways the polar opposites of those of people living outside of their walls.

“Double taxation” and limiting growth in their vicinity are major issues for CID residents (Mackenzie 1994: 193). This paper will not discuss the “not in my backyard” (NIMBY) politics of CIDs. While NIMBY-ism is an important issue, residents of CIDs are not the only ones to oppose new developments in their vicinity. Organized homeowner associations, however, may be more effective in getting their positions heard at the planning level than other area residents.

Of greater interest here is the issue of “double taxation”. Since CID residents pay levies to their homeowner associations for snow removal, street repairs, garbage pickup and other services usually provided by the municipality, they feel that they should not be charged municipal property taxes for these services. Homeowner associations have brought the issues forward to city councils and

state legislatures. How powerful are the lobbying efforts of homeowner associations? The state of New Jersey has responded by requiring all cities to fully reimburse CIDs for services such as grass cutting, snow removal, street lighting, recycling, and garbage pickup. If they do not pay, municipalities must provide these services “in the same fashion as the municipality provides these services on public roads and streets” (MacKenzie 1994: 195). This is not only true in New Jersey. Houston, Kansas City, Montgomery County, and Maryland all rebate property taxes to residents of CIDs.

How legitimate are the “double taxation” complaints of homeowner associations? There is a concern by municipal officials that their solvency will be threatened by rebates to CIDs. There is also the question of equity. Homeowner associations have argued that theirs is a campaign for fairness. They have already paid for their services and should not have to pay twice. However, what goes unsaid is that the residents made a choice to live in a private community. The roads, parks, swimming pools, libraries, clubhouses and services that they enjoy are not available to the public. They are private services which are privately consumed and should be paid for privately. They are not available to the public and should not be used as tax-deductible expenses. On the other hand, municipal services are public goods and are enjoyed by all. A neighbourhood’s roads are free for all to use, as are its parks. After all, CID residents still drive on municipal roads and have the use of all municipal services once they leave the gates of their development. Why should they not have to pay?

Individuals and couples choosing to live in CIDs have made a choice. They have chosen to live in a private community, complete with restrictions and conditions on how they may live and what they may do with their homes. They may do so for a number of reasons. They may prefer the sense of togetherness that a private, restricted community offers. They may be fearful of crime, and are willing to tolerate greater order at the price of individuality. They may enjoy the lifestyle, including the country club, golf course and the chance to share hobbies with friends. They are free to make that choice, but that should not allow them to opt out of the community outside their gates.

Buying a home in a CID cannot excuse one from civic responsibilities. Residents of CIDs have not traded one community for another. They may have chosen to become Sandycovers or to move to Avalon, but every time they leave the gates they are still privy to all the benefits of the community outside. They drive on the municipal streets, drink the water, enjoy the parks and benefit from fire and police protection. However, individuals living outside of CIDs do not enjoy the added amenities that these developments provide to their residents. Residents of neighbouring Innisfil may not enter the gates of Avalon and stroll through its parks or use its Executive Business Centre. The difference

between the exclusive enjoyment of private services and the universal access to public services is why residents of CIDs should not be allowed to evade municipal taxes.

CIDs pose the problem, as Robert Reich has penned, of the “secession of the successful”. He writes that in many American cities and towns “the wealthy have in effect withdrawn their dollars from the support of public spaces and institutions shared by all and dedicated the savings to their own private services” (Reich 1991: 42) If the Canadian middle class is given the chance to avoid paying for public services, the quality of those services will deteriorate. What is now a slow trickle to CIDs could well become a torrent as the middle class abandons existing neighbourhoods. Stripped of their tax base, cities would become undesirable to the many, and the sole option of the poor. The secession will be complete.

The problem with CIDs is not only financial but sociological. CIDs create a sense of community built on exclusion. Private communities are defined by who is not allowed within the gates. Housing prices, age restrictions and CC&Rs are all means of limiting membership. Someone, whether young, poor or otherwise undesirable, is always unwelcome. What sort of society does that make us? In the *Tropic of Capricorn* Henry Miller condemns Americans for having become exclusive and no longer tolerant of differences: “If you dream something different you are not in America, of America, American, but a Hottentot in Africa or a Kalmuck, or a chimpanzee. The moment you have a “different” thought you cease to be an American” (1961: 57). CIDs are intolerant of difference and of diversity. Is this what we want as Canadians?

Residents of CIDs are retreating behind walls and gates and occasionally refusing to pay for municipal services. Such shirking of financial responsibility does not bode well for a shared sense of responsibility in the greater community in which they live. Charles Murray writes: “I am trying to envision what happens when 10 or 20 percent of the population has enough income to bypass the social institutions it doesn’t like in ways that only the top fraction of one percent used to be able to” (McKenzie 1994: 187). The vision is ominous. Urban decay in undesirable neighbourhoods will intensify, and middle class residents will begin a slow exodus from older neighbourhoods. Many non-gated neighbourhoods will develop characteristics of ghettos, threatening the relative integrity and safety of Canadian cities. Urban renewal projects will become increasingly difficult. If CID residents refuse to pay for the roads outside their gates, why would they support other municipal projects such as downtown rejuvenation or renewal efforts in a decayed neighbourhood? Canadians of means will be behind protected walls, having abandoned the other neighbourhoods of their cities; a chiaroscuro

of gated prosperity right next to urban decay. Civic activists should take note. There is an inevitable divergence between the interests of homeowner associations and the cities outside their walls. Sandycove Acres, Ontario's largest CID, is home to eight percent of the residents of the greater Innisfil area.² As Sandycove, and communities like it, grow, so too will their political power.

To date there appears to be a lack of concern at the municipal level with regard to CIDs. Every Canadian CID examined was growing and selling new homes. The growing presence of CIDs in Canada shows that a considerable number of municipalities are not overly concerned by the existence of private communities within their boundaries.

That is not to say that Canadian cities have universally embraced CIDs. At least one Canadian municipality has blocked an attempt by developers to develop a gated community within its boundaries. Discovery Ridge was being planned within the western limits of an area annexed by the City of Calgary in 1995. The developer of Discovery Ridge wanted to put a guardhouse, but not gates, at the sole entrance to the community. The city's Planning Commission did not allow the guardhouse to be built since it would imply private land and limited access to the public. The Planning Commission's position towards gated communities is that:

(c)ommunities with public roads and public park space cannot be gated since the public has a legal right to access these amenities and roadways. The only way an area can be gated is if the development (usually just one cul-de-sac), is subdivided under the Province of Alberta's Municipal Government Act as a Bareland Condominium. Much like an apartment that is owned as a condo (share of the building), a Bareland Condo would be private, that is even the roadway is private, the sewer pipes, and no public parks. (Email correspondence with a representative of the City of Calgary)

This policy shows that the City of Calgary discourages the building of gates and walls around developments that have public services (such as roads and parks). However, it could allow exceptions in the case of a fully private community, even within its city limits. A city planner considers this to be an "extremely unlikely" scenario, but not impossible (Email correspondence with a representative of the City of Calgary). However, as we have seen, the scenario is not at all unlikely. Across North America, CIDs are being built. Calgary's policy allows for CIDs as long as they qualify as "bareland condominiums".

² Sandycove Acres has 1,900 residents. Innisfil, which includes Sandycove, had just over 24,000 residents in 1996 (Statistics Canada, d).

Municipalities should be more cautious in allowing private communities within their borders. In the short run, CIDs may appeal to planners. CIDs are planned and managed privately and pose relatively few coordination problems for municipal officials (McKenzie 1994: 181). The private developers build all the infrastructure within the gates. Moreover, the developments increase the tax base at little cost to the city. In the longer term, they pose a greater threat than previously imagined. They compete directly with the city for the most affluent of its citizens. If mobilized, a large CID population may well extract costly concessions from municipal or provincial politicians as they have done in the United States.

Sam Warner has written that “the successes and failures of American cities have depended upon the unplanned outcomes of the private market” (Warner 1968). Common interest developments are the major US housing phenomenon of our time. CIDs are the most common form of new development in states such as California and Florida, and are found from New England to the Pacific Coast (McKenzie 1994: 11). The question that we must ask ourselves as Canadians is whether we want to follow the same path. While CIDs appeal to many individual homeowners, they also pose a great threat to the health of our cities and communities.

This paper has critically examined the phenomenon of common interest developments from a Canadian perspective. Canadian CIDs are generally smaller and newer than their American counterparts. However, the targeted market for CIDs is widening in Canada. In select provinces, senior citizens, business people near retirement age and families with children can find CIDs to meet their needs and dreams. These dreams are built on exclusivity and exclusion. As new CIDs are built and the market grows, city planners will come to realize the consequences.

The interests of homeowner associations and the cities beyond the walls are divergent. The cries of “double taxation” and talk of a tax revolt by the associations are likely inevitable as the number of CIDs grows and their political power increase. Canadians, and especially municipal officials, must strive to understand the reason for CIDs’ appeal and respond in a way that does not threaten the integrity and health of the communities outside the gates.

A clear line must be drawn on the issue of making homeowners’ fees tax deductible. Common interest developments have met the needs of a housing market niche. This should not, however, allow homeowners to secede from society. Life does not end at the gate, and residents of CIDs cannot be allowed to evade responsibility. After all, we are not all Sandycovers.

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