Vancity Community Foundation

Submission to the National Housing Council Review Panel on the Financialization of Purpose-Built Rental Housing

August 31, 2023

Introduction

Please accept the following submission on behalf of Vancity Community Foundation to inform your consultation on the Financialization of Purpose-Built Rental Housing. Vancity Community Foundation (VCF) is a public charity established by Canada's largest credit union, Vancity Credit Union. We help communities thrive and prosper by using and leveraging financial tools and providing direct support to community organizations in innovative ways to address systemic poverty and to support financial resilience and affordability, while working to embed principles of anti-racism and Truth and Reconciliation.

The financialization of purpose-built rental housing relates to many areas of our work. VCF has direct experience with housing security issues including building up a provincial network of local community-based rent banks (B.C. Rent Bank), administering the Reaching Home strategy in our region in a partnership with Lu'ma Native Housing Society, and by investing in non-profits, co-operatives, and Indigenous organizations to undertake affordable housing development and acquisition projects. Since 2011, nearly 40 organizations have benefited from over $31 million in pre-development financing in support of 64 affordable housing projects through the Vancity Affordable Community Housing Program + Accelerator Fund. For this submission, we draw on these networks and experiences to be able to inform the Panel's work and make recommendations to address this issue and the specific questions of interest to the panel. We focus on the following questions:

- How does the financialization of purpose-built rental housing interfere with the right to adequate housing?
- How have actions or inactions by the Government of Canada contributed to the financialization of purpose-built rental housing?
- What could the Government of Canada do to address the impacts of the financialization of purpose-built rental housing and advance the progressive realization of the right to adequate housing? What would successful solutions to this issue look like?

How does the financialization of purpose-built rental housing interfere with the right to adequate housing?

The United Nations Committee on Economic, Social and Cultural Rights has underlined that the right to adequate housing should be seen as the right to live somewhere in security, peace, and dignity.[1] The financialization of purpose-built rental housing interferes with key aspects of this right – namely affordability and security of tenure. To have a realized right to affordable housing, renters must have both affordability and security of tenure. The constant threat of eviction and cost of housing compromise this and other human rights. With high eviction rates and low vacancy rates, renters are frequently displaced and pushed into inadequate housing in unsuitable locations that don't meet their basic needs.

[1] Office of the United Nations High Commissioner for Human Rights, *The Right to Adequate Housing*, Human Rights Fact Sheet No.22, Rev 1 (Geneva, Switzerland: United Nations, 2009), 3.

In Metro Vancouver where we are based, and in British Columbia more generally, the stock of affordable rental housing is disappearing at a very fast rate. Steve Pomeroy's analysis of the most recent Census data showed that within B.C. alone, 31,620 affordable units under $750/month (6.1%) were lost in 5 years between 2016 and 2021.[2] This is similar to the loss experienced in the five years previous. A new update of the Canadian Rental Housing Index found that 16% of households that rent in B.C. spent more than 50% of their income to cover rent and utilities.[3]

While the factors that drive these trends and how they occur are multi-faceted, municipalities in B.C. have witnessed growing financialization in the residential property market. Housing costs have not been proportionate to income since 1996, and this imbalance has accelerated since 2003.[4] Financialized investors are becoming more active in purpose-built rental housing and are buying significant shares of the purpose-built apartment rental building stock that comes available for sale. Data from 1999-2021 in Metro Vancouver show that financialized investors purchased a total of 25% of all available apartment units in this period (28,200 in total). This trend has intensified in the past five years in which an average of 2,000 units per year have been purchased by Real Estate Investment Trusts (REITs), private equity firms, and financial asset management corporations.[5]

Financialized landlords increase revenues by expanding the number of units and increasing rents and associated fees.[6] "Rent uplift on turnover" or "unit turns" is a core business strategy of financialized landlords. During the COVID-19 pandemic in 2020, for example, CAPREIT, one of Canada's largest REITs, "turned" nearly one-fifth of its suites in Canada (approximately 8,500 suites) and increased rents by an average of eight per cent (or $107 per month).[7] More recently, CAPREIT's 2022 Annual Report to Investors, describes that they experienced their "highest growth in rent on turnover to date, at 24% and 15% for the fourth quarter and year ended December 31, 2022 respectively, confirming the increasingly constructive fundamentals of the Canadian residential market."[8] This "remarkable' rise in revenue helped to drive a 6.6% increase in net operating income to $650 million for the year.[9]

In B.C., the rental increase from a unit turn can be significant. Canada Mortgage and Housing Corporation (CMHC)'s rental survey data for October 2022 now includes an indicator for both average monthly rents for

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[2] A similar number of units were lost for units between $750-$999. Steve Pomeroy, *Updating Analysis on Erosion of Lower Rent Stock From 2021 Census*, *Canadian Housing Evidence Collaborative*, (Hamilton: McMaster University, 2022).
[3] The Canadian Rental Housing Index is a database of rental housing statistics developed by the B.C. Non-Profit Housing Association (BCNPHA), in partnership with Vancity. www.rentalhousingindex.ca
[4] Mark Lee, *From Housing Market to Human Right: A View from Metro Vancouv*er, Submission to the Government of Canada, National Housing Strategy Public Consultations, (Vancouver, B.C.: Canadian Centre for Policy Alternatives, B.C. Office, 2018), 2.
[5] Emily Power, Research Poster: "Financialization of Vancouver's Apartment Stock" Published on research project website, *Tracking the Sale of Multi-Family Rental Buildings to Financialized Landlords in Vancouver,* Principal Investigator: Alan Walks (U of T), Co-Investigators: Craig Jones (UBC), Dr. Nemoy Lewis (Toronto Metropolitan University), Balanced Supply of Housing Research Partnership, N.D. [https://housingresearch.ubc.ca/research/tracking-sale-multi-family-rental-buildings-financialized-landlords-vancouver]
[6] Martine August, "The Rise of Financial Landlords has Turned Rental Apartments into a Vehicle for Profit," *Policy Options*. June 11, 2021. [https://policyoptions.irpp.org/magazines/june-2021/the-rise-of-financial-landlords-has-turned-rental-apartments-into-a-vehicle-for-profit/.
[7] August, "Rise of Financial Landlords.."
[8] Canadian Apartment Properties REIT, *2022 Annual Report,* (Toronto Ontario, 2023), 11. [https://s25.q4cdn.com/722916301/files/doc_financials/2022/ar/CAPREIT-Annual-Report-2022.pdf]
[9] Net operating income is a key profitability indicator used in the industry.

turnover units (occupancy <12 months) and non-turnover units (occupancy >12 months). For a 2-bedroom apartment in Vancouver this was $2,325 and $1,847 respectively, which is a $478 difference.

A large number of tenants in B.C. are evicted. Canadian Housing Survey (CHS) data for 2021 showed that more than one in 10 renter households in B.C. reported being evicted in the five previous years, significantly higher than any other province or territory in Canada.[10] The majority, 85%, were 'no-fault,' meaning tenants were evicted for landlords' own purposes (e.g., sale of property, own use of unit, major repairs/renovations), again a rate higher than the rest of Canada.[11] While this is the first year that CHS data tracked the reasons for eviction, other research suggests an increase in the number of no-fault evictions over time that coincides with increasing financialization of rental housing.[12] CHS data are differentiated by private, government, non-profit, and co-operative ownership structures, but are not broken down within those categories to distinguish financialized landlords. [13]

As noted previously, the stock of affordable housing is rapidly disappearing in B.C. The vacancy rate in Vancouver and other municipalities is exceedingly low. The five largest REITs in Canada recently created the coalition, *Canadian Rental Housing Providers for Affordable Housing* (foraffordable.ca), that "sets out the facts on how residential REITs operate in Canada's rental market" as well as " their ideas for helping to solve Canada's housing supply and affordability crisis."[14] Not included in the coalition's website content is an accounting of the impact of profit-generating strategies, such as 'rent uplift on turnover', on the existing supply of affordable rental units. The coalition's goal to increase housing supply also presents an interesting paradox that runs counter to the shareholders and regulatory filings of its members that disclose housing supply as a financial risk.[15] More housing supply and a lower vacancy rate increase options for tenants for housing and would reduce their willingness to pay high rents, thus lowering financial returns.

At its core, financialized landlords have a very specific focus to maximize investor returns and do not have incentives or requirements to maintain or create affordable housing, unless such incentives or requirements are explicitly created. This was noted over 20 years ago in a paper commissioned by CMHC to look at ways to incentivize the creation of more REITs in Canada.[16] Financialized landlords instead eliminate affordable housing as a business strategy to provide financial returns on investment through unit turns and other methods. These

[10] S. Xuereb, A. Craig, and C. Jones (2021), *Understanding Evictions in Canada through the Canadian Housing Survey*, (Vancouver, B.C: Balanced Supply of Housing Research Partnership, 2021).
[11] S. Xuereb and C. Jones, *Estimating No-Fault Evictions in Canada: Understanding B.C.'s Disproportionate Eviction Rate in the 2021 Canadian Housing Survey*, (Vancouver, B.C: Balanced Supply of Housing Research Partnership, 2021).
[12] N Blomley, N Perez and A Yan (2018) Evictions in the private rental housing market in Metro Vancouver - preliminary findings. https://www.sfu.ca/people/blomley/publications.html
[13] The rate of evictions in privately owned rental units is double that of other types of ownership structures. Data showed that 6.8% of renter households with private landlords were evicted in the five years prior to data collection, significantly more than any other landlord type. The five-year eviction rate was only 2.6% to 3.6% for households with co-operative, non-profit, government, or other landlords. Xuareb and Jones, *Estimating No Fault Evictions,* 4.
[14] "Five Major Residential Rental REITs launch ForAffordable." November 15, 2022. News release, CAPREIT website. [https://www.capreit.ca/canadian-rental-housing-providers-for-affordable-housing/]
[15] Alex Hemingway, "Five Reasons Supply Matters to the Housing Crisis," Policy Note, September 14, 2022, Canadian Centre for Policy Alternatives. [https://www.policynote.ca/housing-supply/].

[16] Unless the government also moved to create a system of revenue guarantees for new construction; and created a system of rental subsidies. D. W. Conklin, D. A. Robertson and D. J.L. Jones, *Understanding the Relative Underdevelopment of REITs in Canada,* Socio-economic series 107. Ottawa: Canada Mortgage and Housing Corporation, 2002).

strategies pay well. The four largest REITs in Canada disbursed more than $2 billion in profits to their investors between 2015 and 2020.[17]

Impacts on People and Community

Data from a local community-based project, *the B.C. Eviction Mapping,* gathers information on the impacts of evictions and sheds light on the challenges faced by households who must leave an affordable rental unit:

For tenants whose eviction notices listed "Landlord's Use" as a reason for eviction:

- *12% had not found a new place to live.*
- *79% of those who did find a new place to live faced rent increases, including 15% who faced rent increases of more than $1,000 per month.*
- *74% were displaced from their neighbourhood.*

Tenants who were evicted for Landlord's Use reported a variety of detrimental impacts, including:

- *Homelessness*
- *Drastically increased rent*
- *Family separation*
- *Stress, anxiety, depression, suicidality, and similar impacts on children*
- *Increased commute time*
- *Disruptions to children's schooling, social life, relationships*
- *Involuntary co-living situations*

First United (2023) B.C. Eviction Mapping: Interim Report May 2023

Data from the CHS also provide insights into the disruption caused by eviction. After controlling for sociodemographic characteristics, self-reported life satisfaction and mental health were significantly lower for tenants who had experienced an eviction within the five years prior to data collection than for tenants who had not.[18]

While these data do not distinguish purpose-built rentals owned by financialized investors, it speaks to the disruption faced by tenants from evictions, recalling that unit turnover is an explicit financial strategy to generate more revenues from rental units. A factor that is unique about financialized investors is the scale at which they can access capital to renovate substantial number of units at once and the large amount of displacement that may result, exasperating housing instability and homelessness.

The impacts from evictions are not the same for all. According to the *First United* Mapping project, Indigenous respondents faced homelessness after eviction at a rate almost double that of respondents in general. For Indigenous respondents, 45% reported that they "did not find a new place to live" after eviction, compared to 27% of tenants overall. Respondents with disabilities also faced homelessness at a higher rate (34%) as well as respondents who are people of colour (31%).[19]

As noted previously, the supply of low cost, affordable, and suitable housing units is becoming increasingly limited despite significant investment of new supply. In partnering to deliver the federal Reaching Home funding

[17] S. Luck, M. Pierce, I. Angelovski, S. Malik, "Why Canada is losing affordable rental housing faster than it's being built," · CBC News website, March 22, 2022, [https://www.cbc.ca/news/canada/financialization-and-canadian-renters-1.6378257]
[18] S. Xuereb and C. Jones, Estimating No-Fault Evictions, 4.
[19] First United, B.C. Eviction Mapping: Interim Report, (Vancouver, B.C.: First United, 2023).

for Metro Vancouver, Vancity Community Foundation staff have learned that the lack of affordable, adequate, safe housing units is a significant challenge that community organizations experience in successfully placing individuals in housing.

The adequacy of housing in the future may also be affected if more units are owned by financialized landlords. Research by ACORN Canada suggests that units owned by financialized landlords may not be maintained as well or that tenants are not treated as fairly and professionally compared to other types of landlords.[20] This specifically relates to unresolved repair issues, condition of the unit, communication challenges, and the ability to make a complaint.

How have actions or inactions by the Government of Canada contributed to the financialization of purpose-built rental housing?

The role of the federal government in shaping the present-day housing system and in encouraging greater financialization is well documented. Federal housing policy has generally emphasized home ownership through mortgage lending and insurance institutions. It has also included a program of funding for social housing and support for the development of private rental housing. This support was provided through a combination of grants, preferential loans, and taxation concessions, particularly from the 1950s through the early 1970s. The federal government began to withdraw from this role starting in the mid-1970s. Very little purpose-built rental housing stock has been built after this period, while the stock built up to that point has continued to serve as a valuable source of affordable rental housing, but which is now being lost.[21]

Canada has inherited a housing system that is fundamentally market-based and well positioned for the rapid financialization of purpose-built rental housing stock that we are witnessing. The federal government contributed to this financialization by enabling investment in real estate through financial markets. For example, they established REITs and facilitated pension fund investments in real estate and private equity.[22]

In considering the Panel's work, it is also critical to highlight how the financialization of housing in Canada, including that of purpose-built renting, is directly connected to the disruption and elimination of Indigenous ways of knowing and living.[23] Federal Housing Advocate, Marie-Josée Houle, in a keynote address at a recent First Nations Housing Forum, describes how the Canadian government has not been able to ensure the right to housing for Indigenous peoples and how the current housing and homelessness crises in Canada is a direct result of the colonial policies that dispossessed Indigenous peoples of their lands and homes.

> "Solutions to inadequate housing and homelessness must be grounded in human rights, including First Nations rights and more action is required to ensure that existing affordable housing is protected off-

[20] ACORN Canada, *The Impact of Financialization on Tenants: Findings from a National Survey of ACORN Members,* (Ottawa: Office of the Federal Housing Advocate, 2022).

[21] Summary is based on Ann McAffee, "Housing and Housing Policy." Canadian Encyclopedia [https://www.thecanadianencyclopedia.ca/en/article/housing-and-housing-policy], For a good discussion of the federal government role in housing policy see: J. David Hulchanski, "What Factors Shape Canadian Housing Policy? The Intergovernmental Role in Canada's Housing System," Conference on Municipal-Federal-Provincial Relations in Canada, Queen's University, Kingston, 2003.

[22] August Martine, The Financialization of Multi-Family Rental Housing in Canada: A Report for the Office of the Federal Housing Advocate, (Ottawa: The Office of the Federal Housing Advocate, 2022).

[23] Keepers of the Circle, Homeless on Homelands: Upholding Housing as a Human Right for Indigenous Women, Girls, Two-Spirit, and Gender-Diverse People Submission to the Federal Housing Advocate on Behalf of the National Indigenous Feminist Housing Working Group, 2022.

community and that truly affordable housing is built and protected in perpetuity for low-income people.”[24]

What could the Government of Canada do to address the impacts of the financialization of purpose-built rental housing and advance the progressive realization of the right to adequate housing? What would successful solutions to this issue look like?

The Government of Canada could do more directly to: 1) link tax-payer funded incentives to the right to housing, 2) increase the availability of affordable housing through acquisition and new housing development; 3) enable and strengthen alternative investment and tax-planning tools that can direct land and capital for affordable purpose-built rental housing; 4) provide coordination and support to scale and replicate promising practices by other levels of government across Canada. We describe measures that relate to these areas in more detail below:

1. **Link taxpayer-funded subsidies to the right to housing.** Currently, financialized landlords benefit from favourable tax treatment, preferred finance, and other financial support available from the Federal Government**.** On a federal level, a REIT is not taxed on income and gains from its rental properties in the Income Tax Act. Financialized landlords are also able to access CMHC preferred financing, mortgage insurance, and subsidies through National Housing Strategy programs. Federal subsidies, whether they are enacted through the tax system or directly through various programs should be linked to the public good and the right to housing, and specifically to zero displacement and eviction prevention measures.
2. **Increase the availability of affordable housing through acquisition and new housing development, with a significantly stronger role for non-market housing.** The loss of affordable housing is occurring at a tremendously high rate and current National Housing Strategy (NHS) initiatives will not be sufficient to maintain or expand affordable units.[25] An analysis commissioned by the National Housing Council Secretariat, CMHC, shows that NHS’s unilateral housing programs have produced over 115,000 new units of housing as of September 2022, but that the vast majority of this housing is not affordable to Canadian households that are in core housing need, nor will these homes be affordable in perpetuity.[26] The federal government must do more to provide both leadership and investment in affordable housing. This should include:
    - *The acquisition of existing affordable housing by non-profit, co-operative, and Indigenous housing organizations***.** Measures to increase ownership by non-profit housing organization and

[24] Marie-Josée Houle, “Reimagining housing policy in Canada: First Nations leadership, vision and voices. Speaking Notes,” Federal Housing Advocate, Office of the Federal Housing Advocate, Keynote Address to the 5th National First Nations Housing Forum, March 22-23, 2022. [https://www.chrc-ccdp.gc.ca/en/resources/reimagining-housing-policy-canada-first-nations-leadership-vision-and-voices]

[25] Steve Pomeroy, Updating Analysis on Erosion of Lower Rent Stock from 2021 Census, (Hamilton: Canadian Housing Evidence Collaborative, McMaster University, 2022).

[26] National Housing Council (April 2023), Renewing Canada's National Housing Strategy. A Report to the Minister of Housing and Diversity and Inclusion on the National Housing Strategy, p. 2. The unilateral and bilateral funded programs analysed are the Rental Construction Financing Initiative (RCF), National Housing Co-Investment Fund (NHCF) and Rapid Housing Initiative (RHI), Canada Community Housing Initiative (CCHI), the Provincial/Territorial Priorities Funding Priorities (PTPF), the Canada Housing Benefit (CHB), the Northern Housing Initiative (NHI) and the Federal Community Housing Initiative (FCHI). A definition of core housing need can be found at: https://www23.statcan.gc.ca/imdb/p3Var.pl?Function=DEC&Id=1230313

other non-market entities would prevent further erosion of the existing rental stock that is affordable. Non-profit owners are better positioned to provide long term affordability. In February 2023, Vancity Community Foundation, one of the 40 leading foundations from across Canada, called on the Government of Canada to investing in a *Rental Housing Preservation Program*. This program would offer deferred loans (in the amount of $300 million) to non-profit organizations to help finance the acquisition of multi-family residential rental properties.[27] This submission written by New Market Funds Society for the pre-budget consultations should be considered as a solution for this panel's submission. An acquisition fund should be accompanied by other measures at various levels of government that support this goal, such as a non-profit right of first refusal (ROFR) to purchase properties, incentives to sell to non-profit buyers, and programs that support renovation and rehabilitation cost as necessary.

- *The redesign of National Housing Strategy initiatives.* Funding and financing programs need to be stable, predictable, reliable, accessible, and be focused on providing and maintaining affordable housing for those who need it most. This should relate to the NHS's key target to remove 530,000 Canadian families from housing need and reduce chronic homelessness by half before 2028. The Government of Canada should follow-up on the recommended changes to the strategy in the report submitted in April 2023 to the Minister of Housing and Diversity and Inclusion by the National Housing Council.

- *More support for community-based housing organizations – non-profits, co-operative and Indigenous housing organizations, land trusts, and non-profit developers – to create new housing supply*. The Federal Housing Advocate describes why and how non-market housing must be an integral player in addressing the housing crisis in the section, "On the Need to Expand Non Market Housing."[28] Building significantly more non-market housing is also a key recommendation in the National Accord on Housing a group of housing experts from the private and non-profit sectors, including investors, developers, owners, and policy experts.[29]

  Vancity Community Foundation (VCF) has had over ten years of experience with the Vancity Affordable Community Housing Program and Accelerator Fund. In partnership with Vancity Credit Union, the program and fund demonstrate that there is significant potential for the community housing sector to develop new affordable projects by leveraging private, public, and non-profit capital. Since 2011, the development of over 4,500 affordable rental homes in B.C. (mainly Metro Vancouver and Capital region) has been directly supported through pre-development loans. In addition, we support community-based organizations to advance affordable housing project ideas to concrete planning - we have supported more than 100 housing projects since 2011. These projects can benefit significantly from increased federal funding support to meet equity gaps, particularly given current interest rates and construction

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[27] New Market Funds Society, The Rental Housing Preservation Program: Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Project. Contact: Hadley Nelles, hnelles@newcommons.ca / Dana Granofsky, dana@bgmstrategygroup.com

[28] National Housing Council, Renewing Canada's National Housing Strategy. A Report to the Minister of Housing and Diversity and Inclusion on the National Housing Strategy. National Housing Council, 2023, 53-55. [https://cms.nhc-cnl.ca/media/PDFs/NHS_Report-FINAL.pdf

[29] The National Housing Accord, https://www.nationalhousingaccord.ca/.

costs. VCF's program can also be scaled and replicated beyond its current reach. For more information about this program, see www.vahaf.ca.

3. **Enable and strengthen alternative investment and tax-planning tools that can direct land and capital for affordable purpose-built rental housing**. This includes equity sharing models, impact investing, social finance, community bonds, and community land trusts. The growth of in the use of community land trusts for affordable housing could be greatly enhanced if the Government of Canada allows a capital gain tax exemption like that provided to donations of ecologically sensitive land, but for affordable housing. For instance, from 2006-2016, close to $1 billion worth of ecological land has been donated for conservation efforts.[30]

4. **Provide coordination and support to scale and replicate promising practices by other levels of government across Canada.** This includes zoning and development policies, financial tools, and tenant rights at the municipal, regional, and provincial level that that have a role in addressing the impacts of the financialization of purpose-built rental housing and that advance the progressive realization of the right to adequate housing.

While the measures above relate to what the Government of Canada can do to counteract the dramatic loss of purpose-built affordable rental homes across the country and restore access to affordable and secure purpose-built rental housing, **it is critical to do more to address the hardship faced by individuals who are at risk of losing their homes or who have lost them**. To this end we also recommend that the Government of Canada:

- *Strengthen and scale B.C.'s successful Rent Bank model which enabled coverage to 100% of all tenants in the province by building out a network of local rent banks.*[31] Rent banks provide a range of financial and other support services to tenants to prevent homelessness when they are in or approaching a housing crisis.

- *Provide immediate financial support to households to manage rent costs.* This could encompass creating a new Homelessness Prevention and Housing Benefit to provide immediate rental relief to up to 385,000 households at imminent risk of homelessness and help over 50,000 people leave homelessness. The existing Canada Housing Benefit can also be redesigned to a Portable Housing Benefit to better respond to households' level of need.[32]

- Address shortcomings and recommendations to improve Reaching Home, Canada's Homelessness Strategy, which have been identified in recent evaluations, reports, and audits by the Auditor General (2022), Employment and Social Development Canada (2023), and the Office of the Federal Housing Advocate (2023).[33]

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[30] Kamloops and District Chamber of Commerce, Is a Land Trust Initiative the Answer to Affordable Housing in Canada? Blog post, 2020 [https://kamloopschamber.ca/is-a-land-trust-initiative-the-answer-to-affordable-housing-in-canada/]

[31] Vancity Community Foundation manages the Rent Bank https://bcrentbank.ca/

[32] Both of these recommendations are included by 'the National Housing Accord', a group of housing experts from the private and non-profit sectors, including investors, developers, owners and policy experts. https://www.nationalhousingaccord.ca/.

[33] Office of the Auditor General of Canada (2022) *Report 5 Chronic Homelessness*. Independent Auditor's Report, Reports of the Auditor General of Canada to the Parliament of Canada; Employment and Social Development Canada (2023), *Evaluation of Reaching Home: Canada's Homelessness Strategy, 2019-2021;* National Housing Council (2023), *Renewing*

Conclusion

We cannot afford to see even more of Canada's existing affordable rental homes be consolidated by financialized landlords, which already stands at nearly 20 percent of Canada's total purpose-built rental stock.[34] This phenomenon has intensified over the past decade. The Government of Canada has a significant role in creating this situation, both by stepping away from creating affordable, purpose-built rental homes in the past fifty years, and by encouraging the treatment of housing as a vehicle for wealth and investment, through the encouragement of REITs and other investment pathways. Income generated for investors has been impressive, encouraging rapid growth in these types of investments. Meanwhile the scale of rent increases, housing instability, and homelessness in Canada is unprecedented. When housing shows up as an asset class in someone's investment portfolio rather than as a home, the people living in the home are far-removed. As the affordability crisis threatens the well-being of people, families, and communities, ultimately impacting economic stability and our future as a nation, all Canadians lose. The Government of Canada must act meaningfully and urgently to address this situation. Inclusive, fair, just, and equitable values and commitments must be implemented in all efforts to ensure that outcomes meet the needs of the most affected communities.

In closing, we strongly support efforts to address the financialization of purpose-built rental housing as discussed in the response above.

Should you require any further information or be interested in speaking with us, do not hesitate to contact us.

Sincerely,

Genesa Greening
Chief Executive Officer

Alvin Singh
Director of Communications & Advocacy

Bryn Sadownik
Senior Manager of Research & Evaluation

Canada's National Housing Strategy. A Report to the Minister of Housing and Diversity and Inclusion on the National Housing Strategy.

[34] The largest 25 financial landlords (REITs and other types of firms) held about 330,000 suites last year – nearly 20 per cent of the country's private, purpose-built stock of rental apartments. M. August, "The Rise of Financial Landlords"