SPACE FOR COMMUNITY

Final Report, April 2021

Understanding the Real Estate Challenges Affecting the Social Purpose Sector in BC

Prepared By:

CapacityBuild Consulting

For:

The Real Estate Institute of British Columbia

Social Purpose Real Estate Collaborative

Acknowledgements

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Social Purpose

The Real Estate Institute of British Columbia

On behalf of the Social Purpose Real Estate Collaborative (SPRE) and the Real Estate Institute of BC (REIBC), we are delighted to release this important study ***Space for Community: Understanding the Real Estate Challenges Affecting the Social Purpose Sector in BC.***

We know that individuals, families and businesses are all touched by the work of not-for-profits and social enterprises, and that these organizations are compromised when real estate market forces challenge their ability to secure affordable, suitable space for programs and services. Whether an arts, culture or environmental group, health, community or social service organization, childcare or other not-for-profit or social enterprise—society risks losing its 'community glue' and economic, social, cultural and environmental power when social purpose organizations are hindered in their work.

Space for Community is a multi-year project comprised of a background Research Study and Online Survey of over 630 social purpose sites in BC. By turning anecdote into evidence, ***Space for Community*** creates a shared understanding of the real estate challenges impacting the sector in the affordability challenged regions of this Province. With this study, in-depth findings and targeted recommendations are now available to build capacity and inform policy discussions to preserve and create space for community.

Space for Community expands upon the research completed in 2013, when SPRE and REIBC first commissioned the landmark ***RENT LEASE OWN: Understanding the Real Estate Challenges Affecting the Not-for-profit, Social Purpose and Cultural Sectors in Metro Vancouver***. These studies represent close to a decade of research invested in supporting not-for-profits and social enterprises with their real estate needs. While improvements have been made, the crisis in affordable, suitable space continues—made worse by the 2020 Covid-19 Pandemic and ongoing issues of racism and discrimination. There is much work to be done. SPRE with REIBC's support, is committed to bringing research, awareness and capacity building, policy reform and ultimately change, to improve the situation for not-for-profits and social enterprises in BC.

Such studies are the work of many and SPRE and REIBC would like to acknowledge and thank our funders and members who contributed to the project. Enormous amounts of in-kind time was provided by the Steering Committee, outside advisors, focus group and survey participants. The project research, survey and analysis was admirably led by Scott Hughes and Marla Steinberg of CapacityBuild Consulting. It is not an easy task to run a community study and survey during a pandemic. Their efforts went above and beyond and are sincerely appreciated.

We hope you will make use of the ***Space for Community*** Study—it will make a difference.

Jacqueline Gijssen
Project Director
Social Purpose Real Estate Collaborative

Brenda Southam
Executive Officer
Real Estate Institute of BC

The Social Purpose Real Estate Collaborative & the Real Estate Institute of BC are grateful to work within the traditional, ancestral and unceded lands of the Indigenous Peoples in this place now called Canada

A note on equity, inclusion and reconciliation in social purpose real estate

"The Social Purpose Real Estate Collaborative (SPRE) has embarked on a learning journey to understand and reflect on the bias and discrimination long existing in the Real Estate sector. The aim of this journey is to understand the harm that has been, and is, created through such bias and discrimination, and to support the social purpose sector, its allies and partners, to create alternative real estate structures / systems that are committed to the principles of equity, inclusion and reconciliation for all peoples. SPRE seeks to enable a culture for the sector and itself guided by equity, inclusion and reconciliation." [1]

While social purpose organizations and the real estate spaces they use to deliver their programs and services, are generally at the leading edge of trying to improve the lives of individuals, families, communities and populations—reflection and action is required to ensure that SPRE, the Real Estate Institute of BC (REIBC), and the social purpose sector do not inadvertently perpetuate systems or actions of bias, discrimination, inequality or colonizing practices.

Towards that end, it is recognized and acknowledged that the 2021 Space for Community Study and Survey has only just begun this hard work and as yet, holds limited data to craft deep insight into the situation. In order to understand and better balance the Space for Community Study with perspectives of oft silenced voices and those not commonly represented in this work, SPRE recently completed a parallel research project into land use through the lens of equity, inclusion and reconciliation. Although too late for inclusion in the Space for Community Study narrative, it is one in a series of steps in SPRE's and REIBC's journeys towards an equitable and inclusive society.

To access SPRE's annotated Bibliography *"Building Community Well Being Inclusivity & Sustainability Through the Lens of Equity, Inclusion and Reconciliation"* go to Building Community Well Being Inclusivity & Sustainability.

[1] ***Building Community Well-Being, Inclusivity & Sustainability Through Social Purpose Real Estate. Real Estate Through the Lens of Equity, Inclusion and Reconciliation.*** Danielle Ferraz Bizinelli, UBC Sustainability Scholar, 2021 © 2021 Social Purpose Real Estate Collaborative and the University of British Columbia.

Executive Summary

The Space for Community: Understanding the Real Estate Challenges Affecting the Social Purpose Sector in BC Study (also referred to as the S4C Study) is sponsored by the Social Purpose Real Estate Collaborative (SPRE) https://www.socialpurposerealestate.net/about and the Real Estate Institute of BC (REIBC) https://www.reibc.org/about_us.html, to explore issues of affordability, suitability, security of tenure and long term sustainability of space for not-for-profit and social enterprise organizations and artists. The study also investigates barriers to accessing space for social purpose organizations and opportunities to improve the situation going forward.

The Social Purpose Real Estate Collaborative defines social purpose real estate as "property and facilities owned and operated by mission-driven organizations and investors for the purpose of community benefit, and to achieve blended value returns". In more general terms, social purpose real estate includes any space owned and or operated by not-for-profits (including those with charitable status) and social enterprises, for community benefit.

Over recent decades, changes in BC's real estate market - from Vancouver to Squamish, adjacent municipalities, Victoria, parts of Vancouver Island and the Okanagan - have created extreme challenges not only for housing, but for space for non-profits, social enterprises and organizations with a core mission to serve the needs of community. Issues of affordability, suitability, security of tenure and long-term sustainability of space are placing communities under pressure and are displacing vital organizations, programs and services.

The 2021 S4C Study builds on the ground-breaking work of the 2013 study: *RENT-LEASE-OWN: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver*[2], and seeks to further our understanding of the challenges facing social purpose organizations within the context of the commercial real estate market, and to build capacity within these sectors and beyond.

The 2021 S4C Study has two primary components. Firstly, a research project was conducted in 2020 to review existing literature, policy, needs assessment studies and assess the conditions in the commercial real estate market.

Following this work, and with a pause during the initial months of the COVID-19 pandemic, a sector wide survey was conducted in the fall of 2020 through an online survey platform. The 2020 S4C Survey gathered responses and data from a wide geographical and sectoral reach from across BC, (43% of respondents located in Vancouver, and 57% of respondents from outside of Vancouver) with a focus on SPRE's six member municipalities (the cities of Vancouver, North Vancouver, Richmond, Surrey, Victoria,

[2] City Spaces for the SPRE Collaborative and the Real Estate Institute of BC (2013). Rent Lease Own: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver. https://www.socialpurposerealestate.net/sites/default/files/resource_file/REIBC_SPRE_Report_FINAL1.pdf

and Nanaimo). Close to 600 unique respondents participated in the 2020 S4C Survey (n=592) and provided information on 632 different facility locations,.

Insights into the data were gathered by comparing findings across social purpose sector groupings, across affordability areas, the six SPRE member municipalities, various respondent groupings, and by comparisons to the 2013 survey findings.

The findings from these two primary pieces of work plus extensive consultation with the SPRE Collaborative and members of the social purpose sector have been gathered into this comprehensive report.

Primary Social Purpose Sector Groupings:

1. Independent artists
2. Arts & cultural organizations (excluding independent artists)
3. Social and community organizations
4. All other social purpose organizations

In the 2020 analysis, a significant factor was identified in the impacts of donated/subsidized space for social purpose organizations. These spaces are provided at a lower price than what a for-profit, private owner would charge, given the local market conditions. Just over half of the respondents in subsidized or donated space were in Vancouver (52%), with 17% located in Richmond, with the balance spread across the other locations.

Value of the Sector

The social purpose sector is essential to the successful growth and development of communities across Canada. The sector provides expertise and support in social and community services, arts and culture, healthcare, education, the environment, and housing, among others. Economic activity in the Canadian not-for-profit sector totaled $169.2 billion in 2017, representing 8.5% of Canada's GDP.[3] With over 170,000 not-for-profit organizations in Canada, 85,000 of which are registered charities, the charitable and not-for-profit sector employs 2 million Canadians, and relies on 13 million volunteers.[4]

From positive impacts on communities, maintaining a thriving arts and culture sector, to major contributions to the economic well being of the province, BC's non-profit and social enterprise sector clearly is of immense impact and value. One need look no further than the recent mobilization of social purpose organizations which have pivoted in response to the COVID-19 pandemic, to provide supports in community for individuals isolated and struggling to make ends meet, and to mitigate health and pandemic impacts.

Key Study Findings

- Not-for-profit organizations provide employment to over 100,000 British Columbians, engage 150,000 people (62% of British Columbians) through volunteer opportunities and generate over $6 billion in economic activity

[3] Statistics Canada (2019). Non-profit institutions and volunteering: Economic contribution, 2007 to 2017. https://www150.statcan.gc.ca/n1/daily- quotidien/190305/dq190305a-eng.htm

[4] Imagine Canada. Sector Impact. http://sectorsource.ca/research-and-impact/sector-impact

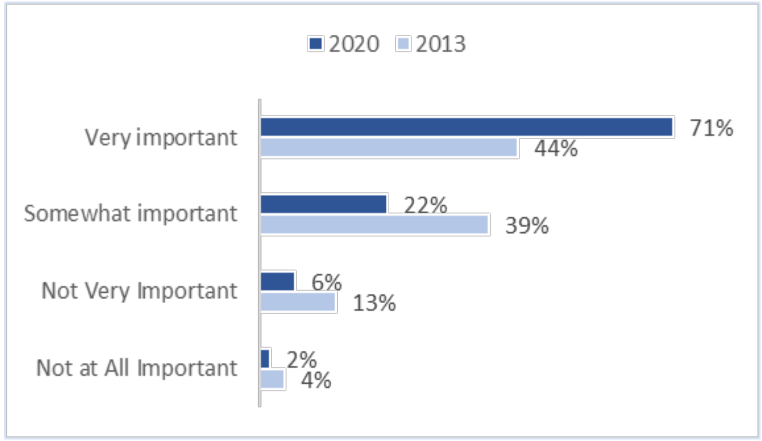
- If not-for-profits are unable to secure space, the loss of these programs to the community will have a significant impact on the many residents, families, businesses and visitors who rely on these services
- 71% of Survey respondents report that their current location is “very important” to their mandate, function, or effectiveness
- 16% of Survey respondents indicated they were owners of their space, with most of the owners in the community or social service sector
- 61% of owners of their space make space available for other social purpose organizations or artists to use, with the majority subsidizing rent charged to other social purpose organizations using space within their facility
- 53% of respondents are in spaces where the current **tenure** does not fully meet their needs
- From a vacancy rate over 10% in mid 2015, the Greater Vancouver office vacancy rate has continued to fall, driving increases in real estate purchase pricing and office rental rates
- Increases in office Net Lease rates ranging from 15% - 35% have occurred across Lower Mainland markets since 2013
- Over 50% of Survey respondents chose “lack of affordable space” and “lack of suitable space” as their top challenges
- For Artists and Community or Social Services organizations, only 20% of respondents report that the **amount** of space they currently have fully meets their needs
- Social purpose organizations in donated or subsidized space are realizing lease costs that are a fraction (from 25% - 50%) of the equivalent market rental rate
- For only 29% of social purpose organizations and artists in market rate lease space does the **cost** of space "fully meet needs"
- 87% of Independent Artists rely on earned revenue or fee-for-service income while 58% of independent artists spend more than 30% of their operating budget on real estate-related costs
- 35% of Survey respondents reported that they share space with other individuals or organizations outside of a dedicated space sharing hub
- 40% of respondents who are not currently in shared spaces report an interest in sharing space
- The most financially attainable space for not-for-profit and social enterprise organizations exists in poorly located buildings requiring substantial renovations
- Indicative of the condition of current facilities, 30% of organizations based in Victoria and the Capital Regional District either urgently or very urgently need serious repairs, renovations or upgrades to their building

Noted Changes from the 2013 Survey Findings

The results from the 2020 S4C Survey show much stronger sentiments than in the 2013 findings about the importance of the location of the space they have. 93% of respondents in 2020 indicate that location is very or somewhat important to their organization.

58% of respondents to the 2020 S4C Survey indicated that they anticipated the need to move locations, which has increased since 2013, when 43% of 2013 Survey respondents indicated a need to move.

Importance of Current Location



Since the previous study findings in 2013, the Lower Mainland real estate market has experienced continued decreasing vacancy rates which has resulted in increases in average rents across Metro Vancouver since 2013 ranging from 14% - 35%.

A marked increase in office Net Lease rates is evident, across all markets, since the 2013 Study data. Rates in the chart below confirm the dramatic increase across all listed markets.

Office Net Lease Rates Comparison for Various Municipalities 2013-2020

Office Net Lease Rates ($/sq ft)	2013 Rates	2020 Rates	Change	% Change
Surrey	$17.10	$23.00	$5.90	34.5%
North Shore	$19.08	$21.90	$2.82	14.8%
New Westminster	$17.26	$19.78	$2.52	14.6%
Richmond	$13.40	$17.54	$4.14	30.9%
Burnaby	$19.28	$23.76	$4.48	23.2%
Vancouver, Broadway Corridor	$22.30	$27.14	$4.84	21.7%
Sub-Urban Vancouver	$18.41	$21.96	$3.55	19.3%
Downtown Vancouver	$28.59	$36.75	$8.16	28.5%
AVERAGE Net Lease Rate	$19.43	$27.04	$7.61	39.2%

Figures drawn from Colliers Office Market Reports: Q4 2012 and Q1 2020

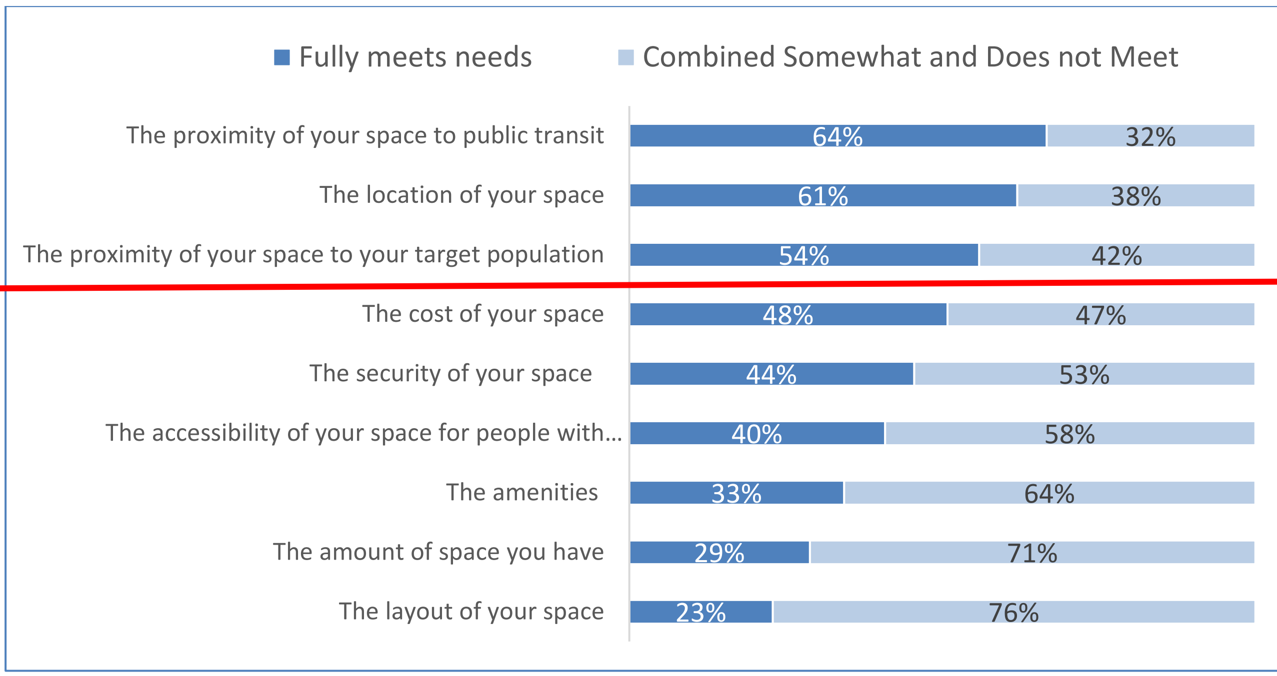
A comparison of results on the sense of security of tenure of social purpose organizations by sector between the 2013 findings and the 2020 findings shows less confidence and lower satisfaction with the security of tenure in 2020. However, the overall time horizon across all sectors for lease terms outside of month-to-month arrangements has been pushed out to longer lease periods in the 2020 data, which is encouraging.

Space Needs and Suitability

Suitability of space is dependent on a number of elements such as location, type of space, amenities and size of space. Across all of the research, focus groups and feedback from the SPRE Collaborative, there is consensus that the crisis in space has been, and continues to be, extremely challenging, and is only getting worse.

For key suitability elements measured in the 2020 S4C Survey such as the cost of space, security of space, accessibility, amenities, and the amount or layout of space, the majority of respondents reported that their needs were not fully met. A lack of sufficient financial resources for real estate funding in not-for-profit and social enterprise organizations often requires them to locate in lower quality buildings, frequently poorly located and requiring substantial renovations. Suitability ratings by Survey respondents across a range of criteria are shown below.

Suitability Ratings



For over half of the Survey respondents in the arts & culture sector, including Independent artists, their current location does not fully meet their needs. Fully 55% of survey respondents reported some type of restriction within their occupancy agreement. Common types of restrictions include limitations on the number of people in the space at one time, limitations on hours of operation and use restrictions on the space.

A common theme through the research and Survey findings was the need for increased focus by municipal governments on sustaining existing space and creating new community space. The process of redevelopment for municipalities is not yet consistently promoting replacement social purpose space in replacement buildings.

Results from the 2020 S4C Survey indicate that for those respondents occupying donated or subsidized space, the cost of space factor of suitability meets respondents needs significantly more effectively, and is a primary factor in an organization's sense of overall suitability of space.

Affordability

In the current market situation, particularly in the affordability challenged areas of BC, market forces are rapidly reducing the supply of affordable office and other commercial real estate. Real estate pressures are market and profit driven and not-for-profits and social enterprise organizations are facing ever increasing land, rent and real estate related expenses.

The research indicates that not-for-profit funding is typically focused on delivery of services in community, with very limited resources being made available for overhead expenses such as rent or occupancy costs. Across the full Survey sample, 77% of respondents spend less than 30% of their operating budgets on real-estate related costs. For independent artists, however, 26% spend between 30-50% of their budget on facility costs, and 32% spend more than 50% of their operating budgets on real estate related costs.

The trend in the BC commercial real estate market has been one of strong demand and market sales in all markets and across all property types from 2015 through to 2018, driving prices higher and vacancy rates lower. Rapidly rising land prices are exacerbating the cost of space issue. From a high of over 10% in mid 2015, the office vacancy rate in Greater Vancouver has continued to fall ever since. This excess of demand over supply of office space is at the root of related increases in purchase pricing and office rental rates.

The commercial real estate market analysis indicates that since 2013 there has been a marked increase in office Net Lease rates across all markets.

Office Net Lease Rates Comparison for Various Municipalities 2013-2020

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Figures drawn from Colliers Office Market Reports: Q4 2012 and Q1 2020

Focus group participants confirmed that skyrocketing land values in certain commercial districts, seen as the result of speculative buying or rezoning allowing greater density, have pushed assessment values and property tax bills up, which are then passed from landlords to their commercial tenants.

Data gathered on actual lease rates for Survey respondents confirms the increasing cost of space for social purpose organizations, with a significant difference in evidence between market rent rates and average subsidized rent rates. Independent artists have the highest average cost per sq foot at 29.06/sq ft while arts and culture organizations have the lowest average cost at $16.41/sq ft.

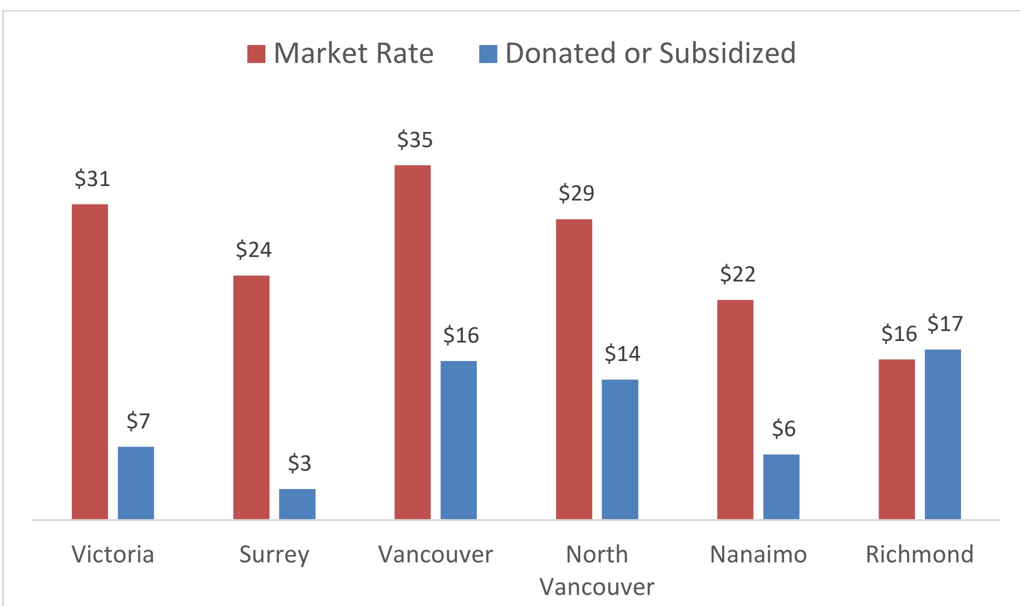
Average Gross Lease Cost per Sq Ft Reported by Sector

	N	Avg Gross Cost Per Sq Ft	Cost for Donated/ Subsidized Space	Cost for Market Rate Space
Independent Artists	23	$ 29.06	$ 12	$ 33
Community and Social Services	100	$ 21.65	$ 13	$ 28
Other Social Purpose Organizations	71	$ 21.61	$ 10	$ 38
Arts and Culture	58	$ 16.41	$ 11	$ 23

It is noted that construction costs in BC are escalating at alarming rates which further raises the ultimate cost of space for social purpose organizations. Facility renovation and development processes with municipalities are onerous, complex and take far too long to complete

Many organizations identified donated space (space paid for at a nominal price, $1 - $10/year) and subsidized space (low or below market rent), as key to their survival and operations. Social purpose organizations often remain dependent on benevolent landlords (be they private sector, government or foundations), key community partnerships and employing other approaches to reduce space costs. Not surprisingly, those survey respondents in donated or subsidized spaces are more likely to say that the costs of their space "fully" meet their needs, by a wide margin.

Cost of Donated/Subsidized Space vs. Market Rate by Municipality



Innovations in space use such as shared work space, co-working, co-location and social or creative hubs, are becoming an increasingly popular option to confront soaring real estate prices. Examples demonstrate how shared work spaces are a viable strategy to overcome the challenge of unaffordable office space that push many not-for-profits and social enterprises into challenging real estate situations.

Emerging and promising examples of government real estate policy are highlighted and include property tax exemptions, Community Amenity Agreements (CAC's) and Density Bonusing, which exist in several municipalities. There is also a critical need for more funding for the social purpose sector targeted at real estate operating costs, in addition to increases in funding for preplanning and capital projects.

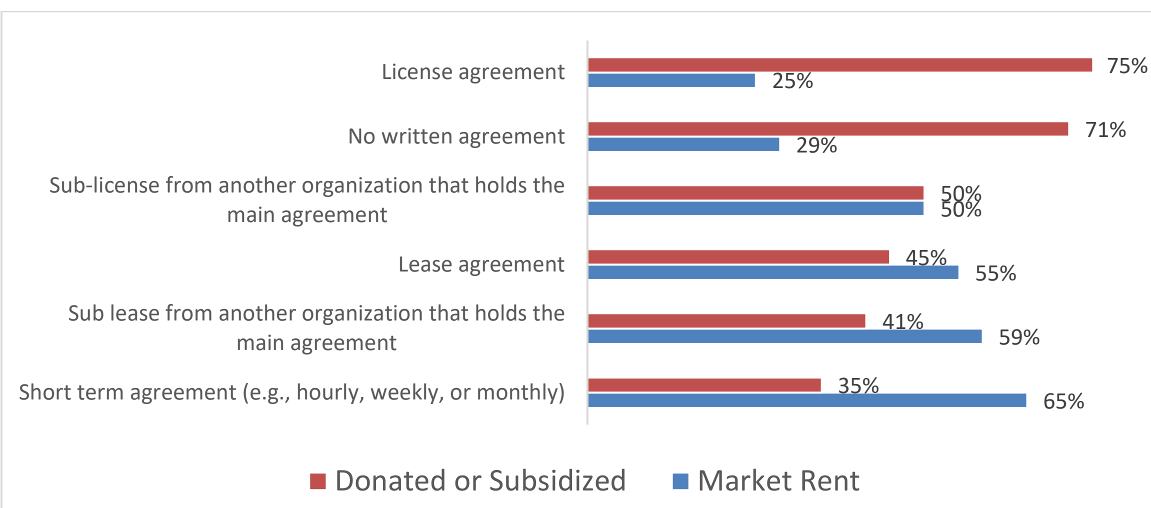
Tenure

Tenure of space refers to the type of agreement held between the building owner and an occupant, which provides the terms and conditions of access to use a space and accompanying length of term, rights and obligations of both parties. The ability for the user of space - the social purpose organization - to plan and budget, make capital investments to improve the suitability of the space, or establish a long term presence in the community, is directly related to their confidence in being able to stay, and afford to stay, in the space well into the future.

80% of the space represented by Survey respondents is equally divided in ownership between public and private ownership, which is then leased or otherwise made available to the social purpose tenants. The balance of ownership (20%) is in the hands of not-for-profit organizations or Foundations.

The majority of tenant organizations (66%) operate under a lease agreement. Only 25% of Survey respondents have an agreement with a remaining length from 3 - 5 years, and about one in five respondents operate under month-to-month arrangements. A preponderance of shorter term tenure arrangements, heavily skewed to month-to-month arrangements and lease terms with less than 5 years remaining, demonstrates a precarious situation for social purpose organizations in BC.

Type of Agreement for Donated/Subsidized vs. Market Rate Space



With such a short committed time horizon in front of many social purpose organizations, forward planning, space renovation and management, and security of staying in the communities they serve, becomes very tenuous. Without security of tenure, the business case for investing in building improvements, or that location, or that community, is compromised.

The higher possibility of redevelopment and building replacement remains a significant concern for any social purpose organization situated in a lower grade building located in an area heavily impacted by affordability. Driven by rising land values and real estate development pressures, social purpose organizations become vulnerable when they have to live with prospect of being abruptly forced out of their space due to property sale or redevelopment, or has had its rents/taxes increased exponentially.

58% of respondents to the 2020 S4C Survey indicated they will need to move within the next five years. Tenants paying market rate were more likely to say they will need to move within the next 5 years than tenants in donated or subsidized spaces.

Government policy can play an important role in the retention and creation of space for social purpose organizations. Many local governments include planning policies in their official community plans (OCP) that support positive economic, social and cultural, and environmental outcomes.

Several positive examples of real estate ownership are highlighted, including the promotion of third party ownership (transfer ownership of assets to appropriate not-for-profit/charitable organizations), community land trusts, building capacity in publicly owned property, and encouraging the creation of co-location and collaboration centres.

A sub-segment of the social purpose sector with unique characteristics was identified as places of worship and community serving spaces (including such buildings as places of worship and community buildings owned by groups such as Kiwanis or Royal Canadian Legion). 80% of owners of places of worship make space available for 1 - 5 organizations and on average provide up to 50% of their spaces for other social purpose organizations to use.

COVID-19 Impacts

During the spring and summer of 2020, a significant array of COVID-19 pandemic specific social purpose sector surveys were conducted across Canadian provinces, federally in Canada and in the US. The most commonly cited challenge for not-for-profit organizations and social enterprises across the range of COVID-19 specific surveys reviewed, was reduced revenue, noting "74% of respondents were experiencing reduced revenue from fundraising and 59% were seeing reduced revenue from declining earned revenues. Arts and culture organizations were the most concerned about reduced revenue from fundraising from donors, cancelled events, from earned income (e.g. sales and/or fees)"[5].

Other key challenges from the impact of COVID-19 included human resources difficulties, the need to invest in personal protective equipment, changes to the delivery of programs, and temporarily stopping

[5] https://www.thevantagepoint.ca/sites/default/files/no-immunity-report-hi-res.pdf

programs. Abundant feedback about general concern over meeting financial obligations (including rent or lease payments) was clear. The results of detailed analysis on these impacts is included in the COVID-19 specific segment of the Final Report.

Noting the anticipated COVID-19 impacts on space and facilities, the 2020 S4C Survey included a series of questions asking about the impact of the pandemic and COVID-19 supports provided by various levels of government and agencies. Mirroring the initial COVID-19 survey findings, the most frequently reported impacts of COVID-19 in the 2020 S4C Survey were decreasing revenues, increasing expenses, and increasing demand for services. Close to half of all owners, sub-tenants and short term agreement holders indicated that their ability to meet space costs had decreased due to the pandemic. Arts and cultural organizations and independent artists more frequently reported decreased expenses and demands for services, decreased space needs and decreased revenue.

Recommendations

The range of issues and challenges for social purpose organizations seeking to find or stay in suitable, affordable and secure space, has been extensively explored. With the assistance of the SPRE Collaborative members and Steering Committee review process, these recommendations are intended to provide strong guidance for those seeking to take the work forward. Separated into groupings according to the players who might action each of the recommendations, this is not intended as a limitation on who is ultimately responsible for change in the sector, but rather an initial pathway to navigate focus for each group.

Social Purpose Sector *(including not-for-profits, social enterprises, SPRE and allied agencies):*

1. **Raise awareness and advocate** for the value and importance of the social purpose sector
2. **Build capacity** for real estate work by the social purpose sector
3. **Build/broaden partnerships with allied sectors to:** advance awareness, grow real estate supports, and advance development projects that include space for social purpose use
4. **Convene, connect, continue research and/or needs assessments**
5. **Focus on specific areas of need/opportunity:**
    a. private sector relationships
    b. smaller organizations and independent artists
    c. populations affected by equity, inclusion and reconciliation
6. **Encourage innovations in ownership and operations**
7. **Increase the secure supply of affordable, suitable social purpose spaces**

Funders and Investors:

8. **Provide/increase operating grants**
9. **Provide/increase capital grants**
10. **Provide/increase donated/subsidized social purpose spaces**
11. **Leverage Foundation and other capital**

Government:

12. **Prioritize community space** in private sector development, government real estate projects and existing public buildings
13. **Improve municipal land use policies**
14. **Enact legislative changes to create a supportive property tax environment**

Real Estate Sector: (including real estate owners, agents, developers, and managers)

15. **Invest in building knowledge, skills and broader real estate capacity** in the SP sector
16. **Support the supply of affordable spaces for use by the social purpose sector**

Contents

Section 1 – Background and Context

The Space for Community Study (also referred to as the S4C Study) is sponsored by the Social Purpose Real Estate Collaborative (SPRE)[6] https://www.socialpurposerealestate.net/about and the Real Estate Institute of BC (REIBC) https://www.reibc.org/about_us.html, to explore issues of affordability, suitability, security of tenure and long term sustainability of space for not for profit and social enterprise organizations and artists. The study also investigates barriers to accessing space for social purpose organizations and opportunities to improve the situation going forward.

SPRE is a group of funders and investors (including government) that strategically engages with and supports social purpose real estate in BC, helping not-for-profits and social enterprises with their real estate needs. REIBC is an organization of diversified real estate professionals whose mission is "to promote our diverse RI designated members as distinguished real estate professionals that are trusted, educated and experienced". Co-chairs of the SPRE S4C Study Steering Committee, Steering Committee Members, staff and consultants involved in the S4C Study are listed in Appendix A.

Firstly, it is important to be clear on what really is Social Purpose Real Estate. The Social Purpose Real Estate Collaborative defines social purpose real estate as "property and facilities owned and operated by mission-driven organizations and investors for the purpose of community benefit, and to achieve blended value returns".[7] A set of definitions for the social purpose sector can be found in Appendix B.

In more general terms, social purpose real estate includes any space owned and or operated by not-for-profits (including those with charitable status) and social enterprises, for community benefit. The ability to own and operate space for the benefit of community and community organizations is not limited to only these types of organizations, however. More recently, many different and previously unseen partnerships are emerging between not-for-profits and for-profit entities. SPRE is interested in the full spectrum of facilities and organizations from renters of short term spaces to those in longer term lease or license arrangements, as well those who own their own land, facilities and space.[8]

To better understand the social enterprise structure, the following definition is offered. Social enterprises are businesses operated by not-for-profit organizations or mission driven for-profit organizations, for the dual purpose of generating income from the sales of goods or services to customers and creating a social, environmental or cultural purpose. They blend a social and financial return on investment.

[6] This report refers to the Social Purpose Real Estate Collaborative as "SPRE" https://www.socialpurposerealestate.net/about

[7] The definition of Social Purpose Real Estate can be found at https://www.socialpurposerealestate.net/about/what-is-spre

[8] SPRE focuses primarily on space for not-for-profits and social enterprises, engaging with non-market housing issues, opportunities and projects when they are part of larger mixed use developments that include spaces for community; or where common advocacy, capacity building and other joint activities benefit the social purpose sector as a whole.

Figure 1: Segments of the Social Purpose Sector

** Graphic prepared by the Social Purpose Real Estate Collaborative.*

Goals of the Research

Over recent decades, changes in BC's real estate market - from Vancouver to Squamish, adjacent municipalities, Victoria, parts of Vancouver Island and the Okanagan - have created extreme challenges not only for housing, but for space for not-for-profits, social enterprises and organizations with a core mission to serve the needs of community. Issues of affordability, suitability, security of tenure and long-term sustainability of space are placing communities under pressure and are displacing vital organizations, programs and services.

With a particular focus on the most affordability-challenged areas of British Columbia, the Lower Mainland and southern Vancouver Island, this S4C Study builds on the ground-breaking work of the 2013 study: *RENT-LEASE-OWN: Understanding the Real Estate Challenges Affecting the Not-For-Profit,* *Social Purpose and Cultural Sectors in Metro Vancouver*[9]. This current study seeks to further our understanding of the challenges facing social purpose organizations within the context of the commercial real estate market, and to build capacity within these sectors and beyond. Land use and other policies that preserve space for community are needed—the intention of this study is to knit together research, programs, policies, provide up to-date data, and outline strategies for action.

The 2021 S4C Study brings into one place a significant body of work and reporting which has been done around the space needs and challenges of social purpose organizations, and draws out the primary conclusions and findings. This Report is the result of integrated findings from a comprehensive Research Report together with findings from an extensive survey of the sector conducted in the fall of 2020, and detailed work with staff and members of the SPRE Collaborative. It is intended that this final report effectively surfaces the issues and challenges for social purpose organizations in their quest for suitable, affordable space, and supports advocacy and positive policy changes in communities around BC.

Consistent with the 2013 RENT LEASE OWN study, the 2021 S4C Study seeks to:

- Build knowledge and understanding of the rates and terms for not-for-profit real estate in BC in the context of the commercial real estate market
- Increase the ability to develop knowledge in the social purpose sector, and from that skills and capacity to successfully engage in real estate activities
- Create a credible research document which supports engagement with real estate sector professionals
- Inform targeted land use policy at the local government level with more contemporary tools that address barriers to social purpose sector community land use
- Create a case for support for funders and investors to invest in social purpose real estate
- Enhance sustainable real estate and land use practices to enable overall community and social sustainability

Existing literature reveals that the social purpose sector plays a valuable and essential role in communities providing expertise and support in social and community services, arts and culture, healthcare, education, the environment, and housing. The social purpose sector also builds individual and community resiliency and growth, neighbourhood pride and economic sustainability. A primary outcome of this study is to underscore the significance of the role of social purpose organizations, a role which has become only more pronounced with the recent COVID-19 pandemic and the impacts it has had on communities in BC, across Canada, and indeed, around the world.

Critical research goals of the 2021 S4C Study included the following:

1. Understanding the current situation for the social purpose sector seeking space for their programs and services within a challenging real estate context
2. Identifying trends between the situation today and that of eight years ago when the 2013 RENT LEASE OWN Study was completed

[9] City Spaces for the SPRE Collaborative and the Real Estate Institute of BC (2013). Rent Lease Own: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver. https://www.socialpurposerealestate.net/sites/default/files/resource_file/REIBC_SPRE_Report_FINAL1.pdf

3. Exploring the value that social purpose organizations bring to communities and society at large
4. Identifying trends/needs in real estate for the social purpose sector going forward
5. Sourcing best-practice examples from other jurisdictions which could be adapted to the BC context
6. Identifying the knowledge, skills, and abilities needed by social purpose organizations to succeed in the real estate market, with regards to renting, leasing, owning and (re)developing space
7. Defining the requirements for a sustainable social purpose real estate sector, including solutions to existing challenges and existing opportunities that could be deepened

The outcomes of this study are intended to be used by a wide range of organizations interested in and connected to the social purpose sector in BC. As primary sponsors of this work, SPRE and REIBC will be a primary audience for the research and survey findings. As a 19 member Collaborative, members of SPRE all have a vested interest in supporting, funding and shaping the situation for social purpose organizations and will seek to draw from the findings of the study.

Beyond these key collaborators, the study will be of benefit to many other social purpose sector participants, both those seeking space, and for those who are owners or holders of space appropriate for social purpose use. Government involvement in the sector is already significant and City planners and policy analysts will be able to leverage the extensive knowledge, information and sector feedback contained in the research as they work to support social purpose organizations to remain and thrive in their municipalities.

Further, investors and funders who are aligned with supporting the presence of social purpose organizations can learn from the information and examples of different approaches, and gain a deeper appreciation of what social purpose sector organizations have as priorities for funding and space supports. Beyond these specific groups mentioned above, researchers, members of the academic community, partner agencies, and umbrella and advocacy organizations will all benefit from the findings contained in this report.

2013 RENT LEASE OWN Study

The 2013 RENT LEASE OWN Study included background research and a sector survey which formed the basis of a first-ever examination into the specific challenges being experienced by social purpose organizations in BC in their quest to find suitable, affordable and secure space in which to operate. The 2021 S4C Study provides the opportunity to measure trends in market and real estate conditions since the 2013 Study was completed, and to measure changes which may have occurred in the situation for social purpose organizations since that time.

It is noted that the vast majority of respondents to the 2013 study (over 86%) were located within the City of Vancouver. In terms of social purpose sector representation, over 66% of respondents in 2013 self-identified as Arts and Culture as their primary activity. Another 17% identified as Community or Social Service organizations, with the remaining 16% (advocacy, employment and training, health services, housing, recreation and sport, other) comprising the balance of respondents.

Given the predominance of Vancouver based respondents in the 2013 study, the summary of survey results included only those respondents located within the City of Vancouver and were therefore not representative of Metro Vancouver as a whole or more broadly across BC. Additionally, the 2013 study had limited information on the specific real estate related costs being experienced by social purpose organizations, so comparative analysis for this affordability aspect of the study is limited.

Financial Workshop Series

Coming out of a recommendation from the 2013 RENT LEASE OWN Study, a parallel piece of work conducted by SPRE during the period of this 2021 Study was to host a series of financial capacity building workshops with social purpose organizations. Learning from the 2013 Study confirmed that capacity building is one of the tools required for the social purpose sector to advance their engagement with real estate topics including successfully securing accessible, affordable and suitable spaces in which to operate.

The goal of the Financial Workshop Series was to increase knowledge, real estate industry awareness, and greater exposure for social purpose organizations, to the breadth of financial structures, terms and agreements involved in renting, leasing, and licensing space.

Section 2 - Research Methodology

The 2021 Space for Community (S4C) Study has two primary components. Firstly, a research project was conducted in 2020 to review existing literature, policy, needs assessment studies and assess the conditions in the commercial real estate market. Following this work, and with a pause during the initial months of the COVID-19 pandemic, a sector wide survey was conducted in the fall of 2020 through an online survey platform. The findings from these two primary pieces of work plus extensive consultation with the SPRE Collaborative and members of the social purpose sector have been gathered into this comprehensive report. Engagement with the social purpose sector has been a constant throughout the research and survey work, commencing in 2019, and will carry through beyond the release of the final report as the findings and recommendations are brought to life.

Research Report Process and Sources

The accompanying 2021 S4C Research Report (link can be found in Appendix C), digs deep into existing literature on the subject of social purpose real estate, explores a number of Space Needs Assessment reports that have been undertaken since 2013, and includes an extensive policy review relevant to the topic of social purpose real estate, as well as a real estate commercial market assessment and summary of focus group discussions. The focus of this research work was to update the research information which was available in 2013, to explore other space needs assessment studies and to knit together the findings into the overarching Research Report document.

A Literature Review, conducted by SPRE in 2019 in preparation for this Study, identified 59 literary resources, including relevant articles, books, papers, industry reports & publications, planning and policy documents, as well as references with respect to the gentrification of neighbourhoods and the impact on social purpose space (link found in Appendix D). Detailed analysis of many of these resources was used to inform the Research Report, with key information points brought forward into this Final Report.

The Space Needs Studies review included in-depth review of seven robust and detailed studies completed by municipalities and organizations which are involved with, and support, the capacity of social purpose organizations in BC. One of the studies was prepared by the Non-profit Centres Networks organization based in Denver, Colorado, which has 30% of its members located across Canada. Please see Appendix E for a listing of these and other Space Needs Assessment reports which have informed the analysis for this Final Report.

A thorough scan of municipal policy was conducted for key affordability challenged areas identified in BC. The objective was to surface and better understand recent policy action being taken, or considered by BC municipalities to counteract some of the market challenges for social purpose organizations. Examples of successful policy initiatives are highlighted in the Research Report and this Final Report.

An additional component of the research work included hosting of a series of key informant focus-group interviews with experts from the identified geographic regions and within critical knowledge areas of not-for-profit and social enterprise real estate. Focus group participants included representatives from 12 of the SPRE members, identified local experts and sector participants. The goal was to delve deeper into the issues for social purpose organizations than is possible in an online survey context. Ten focus groups were developed around specific geographic areas of interest, and by specific real estate topic areas. A list of focus group participants can be found in Appendix F.

Detailed outcomes from the focus group interviews is contained in the Research Report document.

To better understand the real estate market context, a structured real estate analysis was conducted to dig deeper into current real estate market conditions across BC's Lower Mainland and Vancouver Island markets, and to provide a sense of where market shifts have occurred since the 2013 study. Further analysis of the commercial market can be found in the S4C Research Report.

Survey

As part of the 2021 S4C Study, a significant, multifaceted survey was developed and deployed across BC in the fall of 2020. Findings from the survey have been organized by the main areas of interest for this study: space suitability, space affordability and space tenure. Further analysis delves into particular areas of interest and areas where noticeable variation is in evidence in the survey findings.

While the S4C Research Study and Survey sought to encompass data and learnings from across the Province, the crisis in BC in real estate for social purpose organizations is generally more strongly felt in the Lower Mainland/lower Vancouver Island areas. The SPRE Collaborative welcomes any funder or investor of social purpose real estate and is proud to include six municipalities at this time. These six, comprising the cities of Nanaimo, North Vancouver, Richmond, Surrey, Vancouver, and Victoria, worked to get the word out regarding the S4C Survey to not-for-profits and social enterprises in their regions and beyond. While this report contains select findings on S4C Survey results from these six municipalities, further analysis on data specific to each resides with those municipalities.

2020 Space for Community Survey

- Organizational Profile
- Suitability of Space
- Affordability of Space
- Security of Tenure
- Challenges
- Solutions
- Impact of COVID-19

Content

The 2020 online S4C Survey was specifically designed to deepen and expand the information obtained from the inaugural 2013 RENT LEASE OWN Study. The 2020 S4C Survey included both closed and open-ended questions and comprised 81 questions divided into seven sections (see sideboard), in comparison to the 2013 Survey which was made up of 30 questions. Unlike the 2013 Survey, the 2020 S4C Survey allowed respondents to report on up to three different sites. While the 2013 Study had a majority of respondents from Vancouver-based social purpose organizations and artists (86%), the 2020 S4C Survey gathered responses and data from a much wider geographical and sectoral reach from across BC, with a focus on the SPRE's six member municipalities (the cities of Vancouver, North Vancouver, Richmond, Surrey, Victoria, and Nanaimo).

The expanded 2020 S4C Survey question set was based on a number of resources including the 2013 survey, various COVID-19 focused surveys, findings from the S4C Research Report, and guidance from SPRE staff and Collaborative members, and evaluation experts. The survey was pilot-tested with representatives from 15 social purpose organizations prior to its broader public release. Responses from the 15 pilot-testers were included within the data set for the survey analysis. Access to the full set of Survey questions can found through the link in Appendix G.

Survey Deployment

The survey was initially planned to be released in March 2020, however, and unfortunately, that timing coincided with the imposition of COVID-19 pandemic measures across BC, and across the world. Given the stress and uncertainly the pandemic placed on the social purpose sector, the decision was taken to postpone the launch of the survey until the fall of 2020. The survey was open for responses from October 1, 2020 to November 22, 2020.

Survey Distribution

A multi-pronged approach was used to promote the survey:

- The survey link was posted on the SPRE website and promoted through the SPRE E-newsletter
- SPRE members were asked to support and distribute the link to their individual networks
- E-mail communication was sent to a list of social purpose organizations compiled by SPRE members
- Direct e-mails were sent by SPRE staff and Collaborative members and Capacity Build Consulting to their personal connections
- A weekly social media messaging campaign was deployed to further expose the opportunity to complete the survey, and to underscore the importance of participation
- Follow-up reminder notifications were distributed at two points during the course of the survey
- Reminder notes were sent to respondents who had commenced, but not completed the survey, to encourage full completion
- A survey completion date extension was applied to provide the opportunity for maximum survey participation

Sample Size

Close to 600 unique respondents participated in the 2020 S4C Survey (n=592) and provided information on 632 different facility locations. Fully complete survey responses were received on 329 sites. The analysis of the 2020 S4C Survey respondents shows that the 2020 S4C Survey did, indeed, expand beyond the 2013 respondents. For a listing of the organizations that participated in the 2020 S4C Survey, see Appendix H. For reasons of privacy, the names of independent artists who completed the survey have not been included.

Analysis

All survey responses were used in the analysis regardless of whether or not the respondent completed the full survey. This is consistent with prescribed survey practice, provided that the analysis for different elements of the survey recognizes variations in the number of responses for specific questions. Descriptive statistics were used to summarize the quantitative data and the qualitative data was analyzed using a general inductive approach.[10]

Primary Sector Groupings:

5. Independent artists
6. Arts & cultural organizations (excluding independent artists)
7. Social and community organizations
8. All other social purpose organizations

Affordability Groupings	Location Selected on Survey
Vancouver	City of Vancouver
Victoria/CRD	City of Victoria
	Capital Regional District
Other Affordability Municipalities	City of Richmond
	City of Surrey
	City of North Vancouver
	North Shore
Other Metro Vancouver Areas	Metro Vancouver *
Regional Affordability Areas	City of Nanaimo
	Regional District of Nanaimo
	Vancouver Island
	Sunshine Coast
	Sea-to-Sky Corridor
	Okanagan

* Includes all Metro municipalities except for the individual municipalities listed above.

[10] Thomas, D.R. (2006). A General Inductive Approach for Analyzing Qualitative Evaluation Data. American Journal of Evaluation, 27 (2), 237-246.

Insights into the data were gathered by comparing findings across sector groupings (as was done in the 2013 survey report), affordability areas, the six municipalities, various respondent groupings (i.e., tenants in donated or subsidized spaces, owners), and by comparisons to the 2013 survey findings. To prevent the identification of individual survey respondents, only responses of 6 or more are presented.

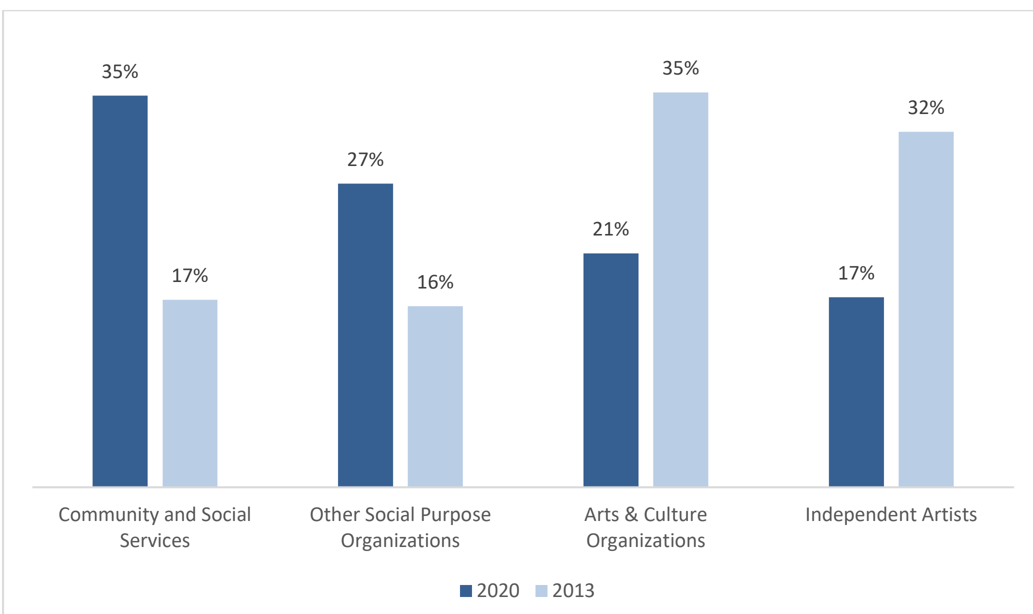
Limitations

A measure of the total size of the social purpose sector within the six municipalities or across the full sample has not been taken. The large sample size of close to 600 respondents provides a significant and robust source of information for analysis purposes, however the statistical representativeness of the survey respondents as compared to the total population is not known. Because of small sample sizes for some of the question categories and sub-analysis definitions, it has not been possible in some areas to conduct full analyses on the areas of interest. Some of the findings, therefore, do not present the full categories which were available to survey respondents.

Sector Representation

The 2020 S4C Survey respondents were more evenly divided across the main sector groupings than the 2013 sample. As shown in Figure 2, the largest group of respondents were from the community and social services sector (35%). Arts and culture organizations and independent artists made up 21% and 17% of the 2020 sample. In 2013, arts and culture organizations and independent artists made up 72% of the sample.

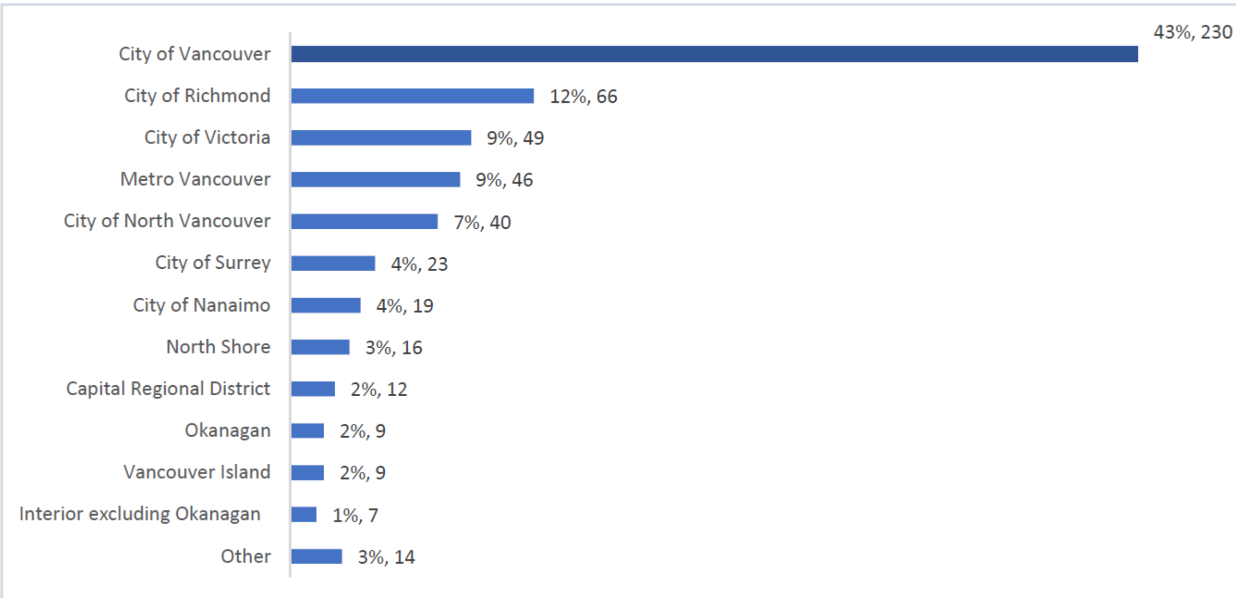
Figure 2: Representation across Sector Groupings 2020 vs 2013



Representation from Municipalities

The 2020 S4C Survey was also successful in expanding the reach of the survey well beyond Vancouver. In 2013, 86% of responses were from Vancouver. Even though Vancouver respondents still represent the largest group of respondents in the 2020 S4C Survey (43%), as can be seen in Figure 3, 57% of respondents were from outside of Vancouver.

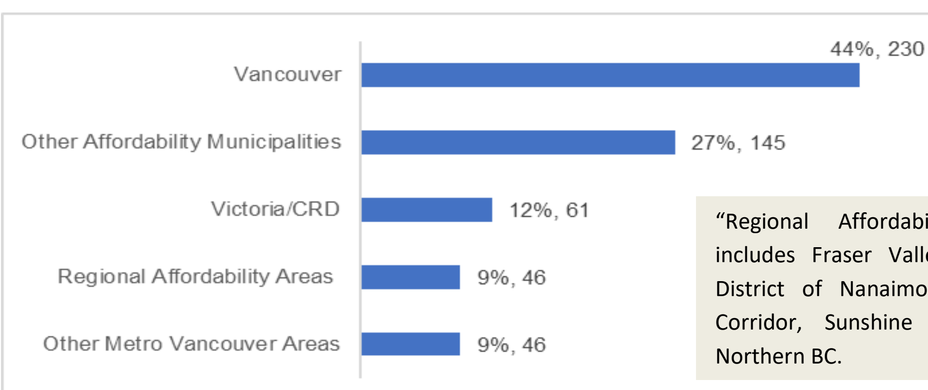
Figure 3: Location of Respondents 2020



Representation from Affordability Areas

Location, location, location. We know that location significantly affects affordability and availability of real estate. The broadened reach of the 2020 S4C Survey permits analysis by the six SPRE member municipalities and by additional affordability areas. These affordability groupings are intended to highlight the unique situations faced by respondents in areas with known price and availability challenges, permitting a more fine-grained analysis of the difference location can make. Amongst the five affordability groupings that were created, their distribution across respondents is shown in Figure 4:

Figure 4: Representation by Affordability Areas

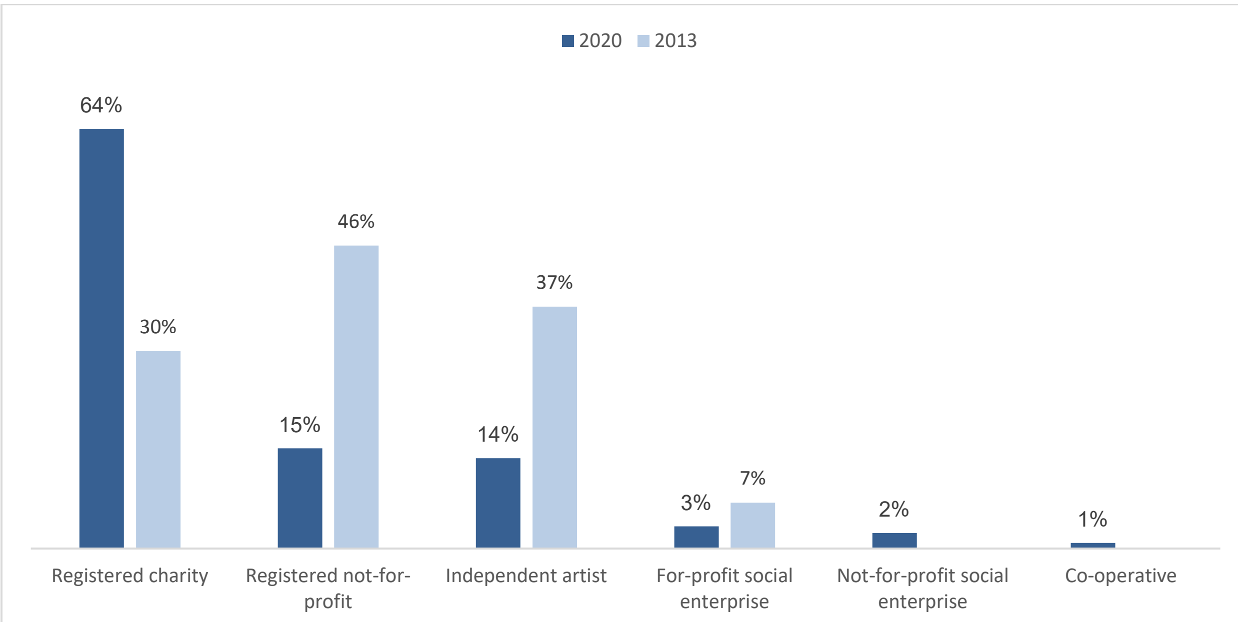


"Regional Affordability Areas" includes Fraser Valley, Regional District of Nanaimo, Sea-to-Sky Corridor, Sunshine Coast, and Northern BC.

Organizational Representation

The majority of organizations participating in the 2020 S4C Survey are registered charities. This differs from the 2013 sample when the majority of organizations were registered-not-for-profits as shown in Figure 5.

Figure 5: Type of Organization 2020 vs 2013



Comparisons to 2013 Findings

The 2021 S4C Study expands the study scope beyond 2013 to include a larger portion of the Metro Vancouver area, incorporating Nanaimo and Victoria areas on Vancouver Island as well. While covering a much broader territory, many examples have been drawn from Vancouver as the region that first faced the affordability crises, and has undergone significant work in analyzing and including the social purpose sector in local documents, plans and strategies.

Where feasible, and where the information aligns with that gathered in 2013, comparisons to the 2013 findings are presented to provide a sense of underlying trends. Shifts in real estate market conditions and changes over time provide a meaningful view to the significance of challenges in the sector.

In the 2013 RENT LEASE OWN Study, 11 literature references were used. Noting the growth in attention and awareness of the subject since 2013, the 2021 S4C Study accessed a total of 59 literature resources in the process of preparing the Research Report document which informs this 2020 report.

A significant point of differentiation between the 2013 Study and the 2020 Study was the level of data collected on the costs associated with real estate occupancy. The 2013 study, through a survey follow-up process, gathered responses on facility costs from 26 organizations in Vancouver (of which 21 were sufficiently completed to be used in the analysis).

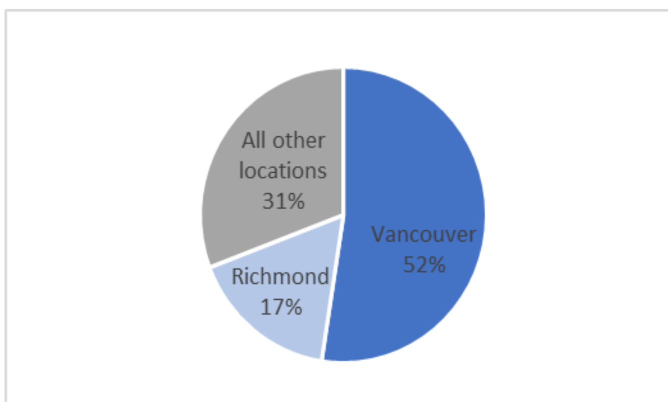
To better address this information need, the 2020 S4C Survey included a comprehensive set of questions for respondents with clarity on gross versus net lease cost factors, and received information on 632 individual sites (some organizations were able to report on more than one site) from across the geographic area of the study. The ability for social purpose organizations to respond reflects the growth by the social purpose sector around financial aspects of renting, leasing and owning real estate, and the need for such data.

Presence of Donated or Subsidized Space

A significant factor identified in the 2013 Study was the presence of donated or subsidized space as a prominent and influential factor affecting social purpose organizations. In the 2020 analysis, the impacts of donated/subsidized space have been more fully analyzed, with the findings presented throughout this report. The presence of subsidized space for social purpose organizations results from a variety of landlords, some being government or community minded organizations, who have similar objectives in providing services or arts offerings to community. They provide space at a lower price than what a for-profit, private owner would charge, given the local market conditions. The subsidized price may be anywhere from a modest 30% discount from market rent, all the way to space provided at no charge (or nominal charge, ie: $10/year) to the social purpose organization.

The S4C Survey had 143 respondents or 49% of the respondents answering the question reporting they were in donated or subsidized spaces. Just over half of them were in Vancouver (52%), 17% were in Richmond (24 respondents) and the rest were spread across the other locations as shown in Figure 6. By social purpose sector, organizations in donated/subsidized space are fairly equally split between three sectors: Arts and culture (28%), community and social services (35%) and other (31%). Only 8 independent artists reported being in donated or subsidized spaces.

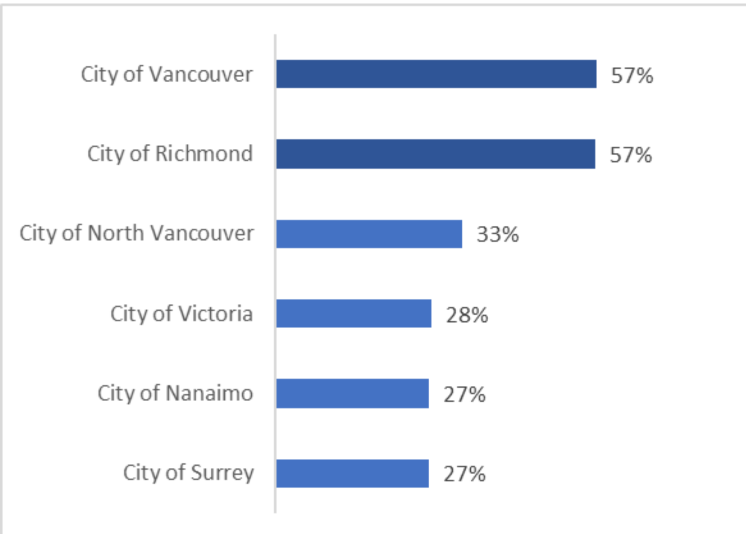
Figure 6: Distribution of Respondents in Donated or Subsidized Spaces

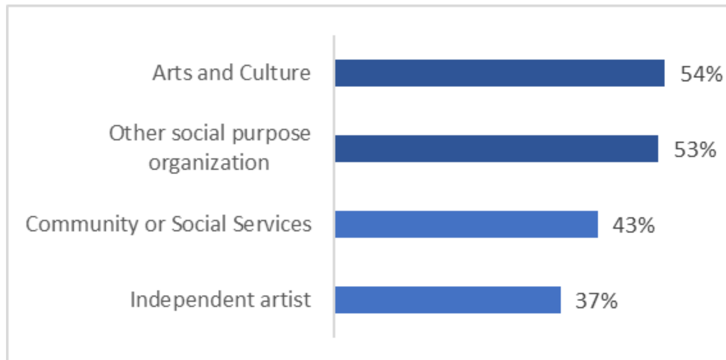


Donated or subsidized space is seen to make a difference in aspects of security and particularly affordability, however, little impact was shown on the element of suitability, beyond the cost element of suitability. Access to donated or subsidized space also appeared to affect the types of challenges being reported.

The distribution of donated or subsidized spaces differs across municipalities and sectors. As shown in Figure 7, over half the respondents from Vancouver and Richmond were in subsidized or donated spaces however for Richmond this represented only 24 respondents. Similarly, when viewed by sector, arts and culture and other social purpose organizations were more likely to be in donated or subsidized spaces than other sectors.

Figure 7: Donated Space by Municipality, and by Sector:





Section 3 – Value of the Sector

Statistical References

The social purpose sector is essential to the successful growth and development of communities across Canada. The sector provides expertise and support in social and community services, arts and culture, healthcare, education, the environment, and housing, among others. In 2019 Statistics Canada released a report examining not-for-profit organizations' economic contributions in Canada from 2007 to 2017. The report provides important data on the sector that recognizes not-for-profits as key contributors to the economy, as well as providing social, cultural, and environmental outcomes.

For example:

- Economic activity in the Canadian not-for-profit sector totaled $169.2 billion in 2017, representing 8.5% of Canada's GDP.[11]

According to Imagine Canada:

- There are over 170,000 not-for-profit organizations in Canada, 85,000 of which are registered charities.[12]
- The charitable and not-for-profit sector employs 2 million Canadians
- It depends on 13 million volunteers.[13]

It is noted that similar statistics cited in the 2013 RENT LEASE OWN study indicated that at the time, there were over 161,000 not-for-profit organizations in Canada and some 20,000 in BC.

In another report commissioned by the Victoria Foundation and conducted by the University of Victoria in 2018, researchers revealed that registered charities contributed over $4 billion in local economic activity in one year alone. The report states that:

> "…this sector infuses $4 billion of direct income into our local economy. With multiplier effects (considering that people who receive the revenue make purchases of their own), this impact exceeds $6.8 billion. About 87 percent of this impact is attributable to 31 organizations with more than 100 employees, including UVic, but the other 952 organizations are also economically important as their spending supports the equivalent of 17,505 full-time jobs in the region." [14]

[11] Statistics Canada (2019). Non-profit institutions and volunteering: Economic contribution, 2007 to 2017. https://www150.statcan.gc.ca/n1/daily- quotidien/190305/dq190305a-eng.htm

[12] Imagine Canada. Sector Impact. http://sectorsource.ca/research-and-impact/sector-impact

[13] Ibid.

[14] Victoria Foundation (2018). *Civil Society Impact: Measuring Economic and Social Activity In The Victoria Capital Region*. https://victoriafoundation.bc.ca/wp-content/uploads/2018/11/21204-Charity-Impact-Report-FINAL_Low-res2.pdf

Specific to BC, the 2013 StepUp Report[15] determined that the not-for-profit sector is one of British Columbia's largest employers and works with the government to deliver $6.1 billion in programs and services.[16] Such studies demonstrate that the social purpose sector provides an equally significant economic contribution as other sectors and industries in BC, with the added value of its contributions to the social wellbeing of society and community resiliency. A recent Vantage Point report[17] indicates the following not-for-profit sector statistics for BC, shown in Figure 8, with Canadian statistics for ease of comparison:

Figure 8: Statistics as Reported in 2020 Vantage Point Report

	British Columbia	Canada
No. of not-for-profit Societies	25,000 (Dec 2019)	170,000 (2017)
Sector Employment	117,131	2,000,000
Contribution to GDP	$6.4 billion	$169.2 billion
Volunteerism	62% of British Columbians	13,000,000 people
Volunteer Equivalency	146,711 F/T jobs	
Volunteer Economic Impact	$6 billion	
Participation in earned revenue activities	83% of organizations	45.1% of income comes from earned revenue

To understand the economic value of the not-for-profit sector as comparable to other industries in BC,[18] a 2016 fact sheet produce by the City of Vancouver noted the following BC wide statistics:

[15] StepUp BC (2014). Characteristics of the Labour Market in British Columbia's Non-Profit Sector. https://docplayer.net/13830765-Characteristics-of-the-labour-market-in-british-columbia-s-non-profit-sector.html

[16] Ibid

[17] Vantage Point (2020). *No Immunity - BC Non-Profits and the Impacts of COVID-19 - An Early Impact Summary Report.*https://www.thevantagepoint.ca/sites/default/files/no-immunity-report-hi-res.pdf

[18] City of Vancouver. Employment Lands & Economic Review Factsheet, Profile of Sector: Non-Profit Organizations. https://vancouver.ca/files/cov/other-sectors-non-profit.pdf

Industry	Total GDP ($ Billions)*
Utilities	$5.4B
Agriculture, forestry, fishing and hunting	$5.9B
Non-Profit Sector[i]	$6.4B
Mining, quarrying, and oil and gas extractions	$7.1B
Accommodation and food services	$7.8B
Information and communication technology	$10.1B
Retail and Trade	$14.5B

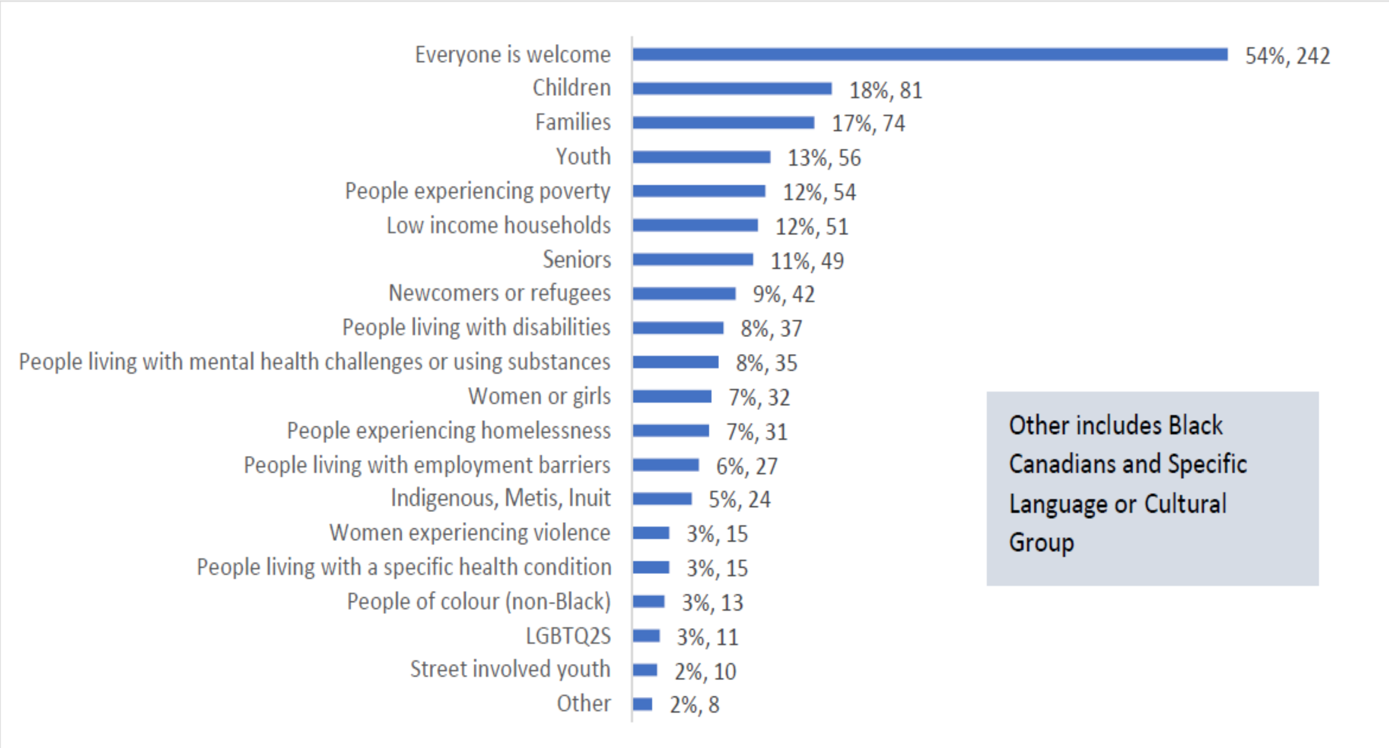
*Source of chart: City of Vancouver. Employment Lands & Economic Review Factsheet, Profile of Sector: Non-Profit Organizations. https://vancouver.ca/files/cov/other-sectors-non-profit.pdf

i Note that these figures do include the GDP of art, culture and music production generated within not-for-profit organizations.

Populations Served

Organizations participating in the 2020 Space for Community (S4C) Survey serve a variety of populations. The largest group of respondents do not target specific populations, as shown in Figure 9.

Figure 9: Percentage of Organizations Serving Specific Populations - 2020



People Employed, Engaged and Served

The 2020 S4C Survey respondents reported the following impact measures as a result of their work:

Criteria	Impact
Employment	Close to 11,000 people
Volunteer engagement	44,077
Program, performance, event attendance	6,000,000 people annually
Website traffic	10,000,000+ web visitors
Total Space Occupied	3,874,092 sq ft

Other Community Impacts

With regard to the social enterprise sector, the 2019 Buy Social Impact Report states that social enterprises have become a key player in Vancouver's local economy with $37 million in gross revenues,

$26.5 million in sales, and $18.4 million in salary expense in the past year.[19] Beyond the financial contributions of the social enterprise sector, this report also highlights other types of social value that social enterprises create: training and education; housing, support for victims of violence, space and resources for indigenous community, community art space; community with nature and the land.[20]

In 2015, Central City Foundation (CCF) partnered with Urban Matters to produce a report evaluating the Social Return on Investment (SROI) of their portfolio. CCF is a $50-million foundation that exemplifies a unique model of investing close to 50% of their capital in social purpose real estate. The SROI's benefit is in being able to 'prove' the financial and non-financial benefits of CCF's work. CCF found that for every $1 they invest in social purpose real estate, they created $3.90 in social benefit.[21] Within CCF's 18% combined social and financial return on invested capital, they created a further $11 million in indirect community benefit each year.[22]

As quoted in a recent City of Vancouver Social Planning Mapping exercise of Vancouver social infrastructure: "Infrastructure is an essential part of the character and the identity of this city: it helps all members of the community achieve health and well-being, and therefore helps the city become socially sustainable into the future."[23]

Conclusions

From positive impacts on communities, maintaining a thriving arts and culture sector, to major contributions to the economic well being of the province, BC's not-for-profit and social enterprise sector clearly is of immense impact and value. One need look no further than the recent mobilization of social purpose organizations which have pivoted in response to the COVID-19 pandemic, to provide supports in community for individuals isolated and struggling to make ends meet, and to mitigate health and pandemic impacts.

Through the process of providing community services and supports, and sustaining a thriving arts sector, not-for-profit organizations provide employment to over 100,000 British Columbians, and engage a further 150,000 people (62% of British Columbians) through volunteer opportunities. Generating over $6 billion in economic activity, the not-for-profit sector is comparable in impact to other top 5 industry segments in the province. The sector is impactful, substantial and essential to the well being of communities across BC.

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[19] Buy Social Impact (2019). Downtown Eastside Social Enterprise Impact Report 2019. https://prismic-io.s3.amazonaws.com/buy-social-canada/79443e9c-cfac-4370-9962-2c97fd33c254_Buy+Social+Impact+Report+7mb+web.pdf

[20] Ibid.

[21] Central City Foundation (2015). Putting a Dollar Value on Doing Good Things for Community https://www.centralcityfoundation.ca/media/2015-community-report/

[22] Ibid.

[23] City of Vancouver (2017). Social Infrastructure Mapping, Vancouver Baseline Inventory Mapping[presentation slides]. City of Vancouver Healthy City Strategy.

Section 4 – Space Needs and Suitability

Organizational Requirements

The suitability of space is dependent on a number of elements: location vis a vis target population or audience, type of space occupied, amenities, size of space, security of tenure, and costs of space. Location, type of space, amenities and size of space are explored in this section regarding overall suitability of social purpose space. Security of tenure and the cost of space will each be explored in detail in later sections of the report.

Across all of the research, focus groups and feedback from the SPRE Collaborative, there is consensus that the crisis in space has been, and continues to be, extremely challenging, and is only getting worse. It is affecting the ability for social purpose organizations to remain in community to provide the range of needed community services and supports. It was also noted that social purpose organizations have a history of "making do" for their real estate needs, sometimes to the detriment of their organization's programs and services.

Type of Spaces Occupied by Social Purpose Organizations

Of the possible types of commercial property, the most commonly used type for not-for-profit and social enterprise activities is classified as office. This was identified as the case in the 2013 RENT LEASE OWN study and reiterates the use of space for such activities as administrative functions by all social purpose organizations, childcare, social services or counseling services and education or training activities, among others.

To a lesser degree, space designated as retail is used by organizations which require street-front presence and ease of access by the public. This type of space could include uses consistent with such social purpose activities as public health centres, public interface of social services, art galleries, etc. A third type of space, industrial (and typically a light industrial designation) is often fitted out for use by arts organizations for purposes of music, theatre or dance rehearsal or artist studios, or may be required for production and storage for social enterprise organizations.

The type of space occupied by social purpose organizations varies by sector and generally reflects the nature of the organization. From the 2020 Space for Community (S4C) Survey, Figure 10 shows the most common space typology by sector. The majority of community or social service organizations use office space (38%), and the majority of arts and cultural organizations use presentation spaces (37%). The majority of independent artists occupy residential or housing spaces: 29% of independent artists are in the spaces provided in affordable/non-marketing housing, and 25% are in private residences.

Figure 10: 2020 S4C Survey - Type of Space Occupied by Sector

2020 S4C Survey	Type of Social Purpose Organization			
Type of Space	Community/ Social Services	Arts and Culture	Other SP Organizations	Independent Artists
Office Space	38%		21%	
Place of Worship		11%	23%	
Multi-functional Space	16%			
Public Institution (incl space within a school, hospital, university)		16%	17%	
Arts Presentation Space		37%		
Retail	10%			
Non-market Housing Space				29%
Residential Buildings				25%

Results from the 2013 study, shown in Figure 11, show similar space typologies. Primary type of space as indicated by survey respondents in the 2013 survey are:

Figure 11: 2013 Study - Type of Space Occupied by Sector

2013 RENT LEASE OWN Study	Type of Social Purpose Organization			
Type of Space	Community/ Social Services	Arts and Culture	Other SP Organizations	Independent Artists
Office Space	32%	24%	46%	
Community Facilities	23%	11%	11%	
Residential Buildings	15%	23%	11%	32%
Light Industrial/Warehouse				34%
Other Space Types				12%

Suitability of Current Space

Suitability of space refers to matching the use of the space with the right type of space. It involves things like zoning and building code and making sure they and other attributes support the intended uses of the space—from basic life safety to restrictions on assembly and how many people can be in a space. Suitability also relates to the 'quality' of the space—is it in good condition or does it require extensive retrofitting/renovations? The size of a space, 'right sizing', and the 'fit out' with appropriate sound proofing, equipment or connectivity can also play roles in the suitability of a space for not-for-profit and social enterprise use.

The 2019 report by HeroWork, Study and Assessment Report on Charity Buildings, emphasizes that 30% of organizations based in Victoria and the Capital Regional District either urgently or very urgently need serious repairs, renovations or upgrades to their building.[24] Their data for organizations that own, have shared ownership, or long-term leases, shows that 55% of organizations believe that a renovation would increase their ability to deliver services more effectively.[25]

The commercial market real estate analysis performed as part of the Research Report identified that a lack of sufficient financial resources for real estate funding in not-for-profit and social enterprise organizations often requires them to locate in poorer quality (Class B or very often, Class C) buildings. Generally speaking, the most financially attainable space for not-for-profit and social enterprise organizations exists in poorly located buildings requiring substantial renovations. Heavier investment is required in building system upgrades, interior fit-out, code required improvements, security systems, accessibility improvements and unique interior requirements. These investments are often at risk with the pace of re-development being experienced in the most challenging affordability areas, and the short tenure arrangements many not-for-profit and social enterprises organizations are experiencing.

That said, based on the 2020 S4C Survey results, there is a reasonably high level of satisfaction amongst respondents with respect to some of the suitability criteria as shown in Figure 12. The proximity of space to public transit, location of space, and proximity of space to target population all have more than half of respondents indicating that their current space fully meets their specific needs (criteria situated above the red line). However, for each of the other elements in this criteria, the majority of respondents reported that their needs were not fully met. It is noteworthy that the "amount of space" was the second most frequently reported aspect of space that does not meet respondent needs, and finally, satisfaction with the "layout of your space" was the aspect that received the least "fully meets needs" ratings.

[24] HeroWork (2019). Study and Assessment of Charity Buildings Full Report. https://www.herowork.com/study/
[25] HeroWork (2019). Study and Assessment of Charity Buildings Full Report. https://www.herowork.com/study/

Figure 12: Suitability Ratings

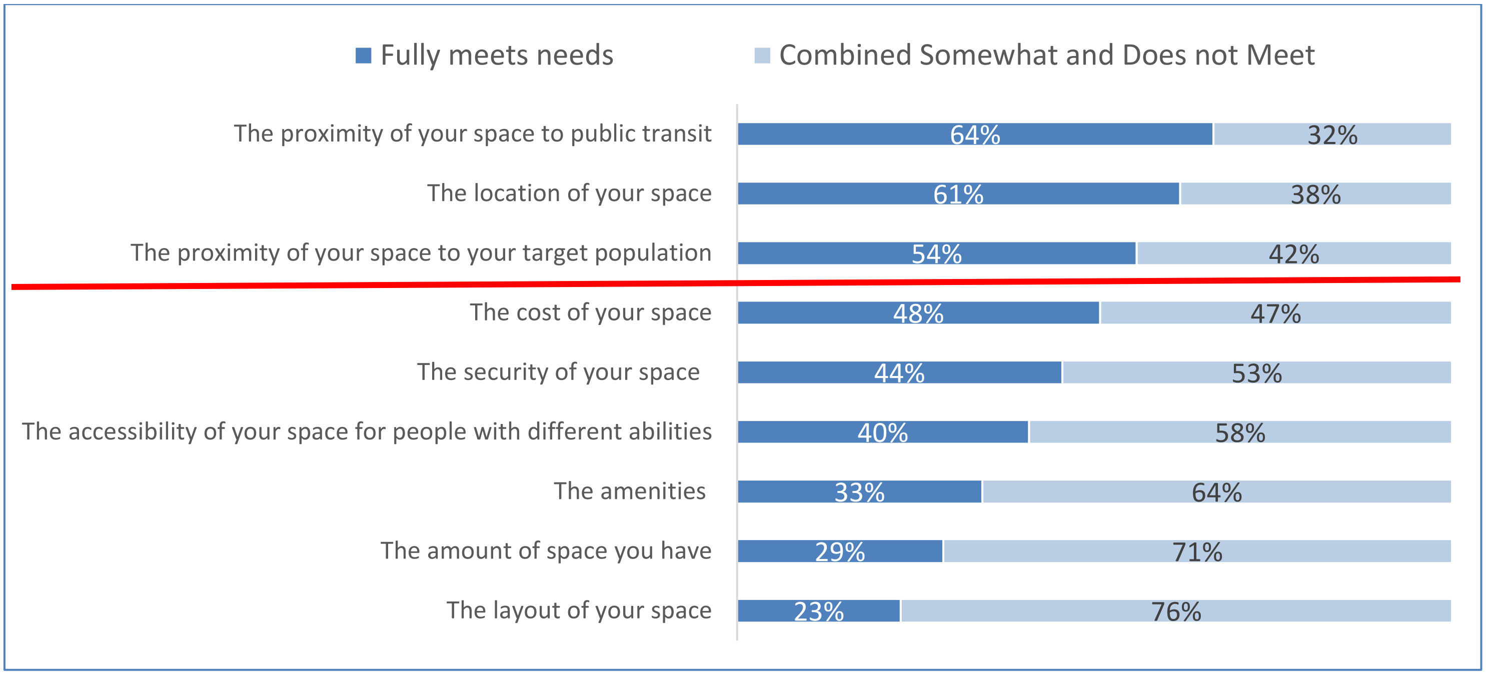
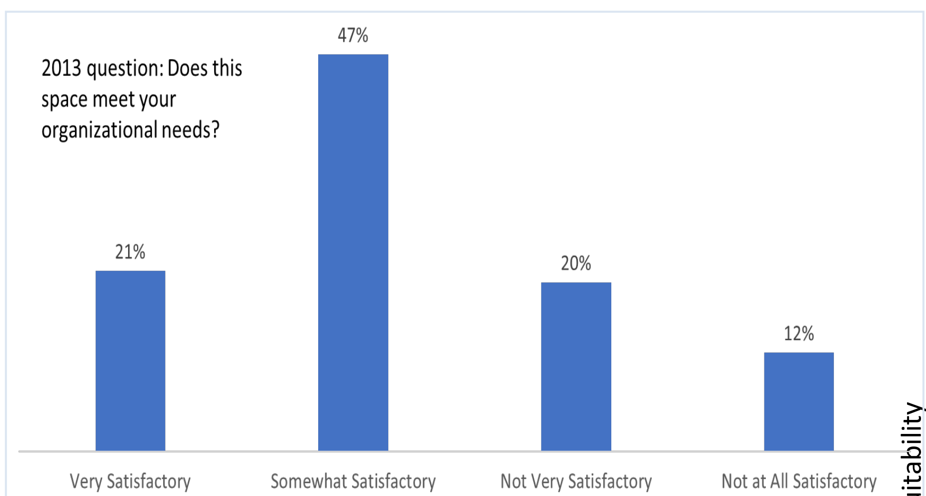


Figure 13: Satisfaction Ratings 2013



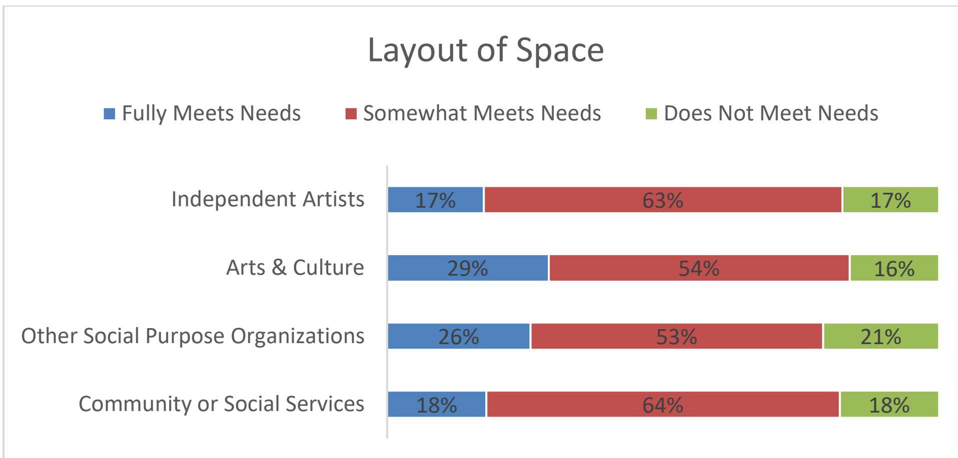
Comparison of responses on the suitability of space between 2020 results and 2013 results is difficult due to the way in which the question was asked in 2013. In 2013, respondents were asked a single question: "Does this space meet your organizational needs?" and were given four response options ranging from "very satisfactory" to "not at all satisfactory" (see Figure 13) . The 2013 data show that the majority of respondents were "somewhat satisfied" (47%), with another 21% indicating they were "very satisfied" with their space overall. Given the higher level of detail and disaggregated responses for satisfaction on various space characteristics in the 2020 S4C Survey, it is not possible to know how individual respondents would weigh the importance of each characteristic, and therefore how it would translate to total satisfaction.

Suitability by Sector

There were some noted differences between sectors in the degree to which current spaces meet respondent needs. The sector which most frequently differed from the others in terms of their current space fully meeting their needs was in the grouping of independent artists.

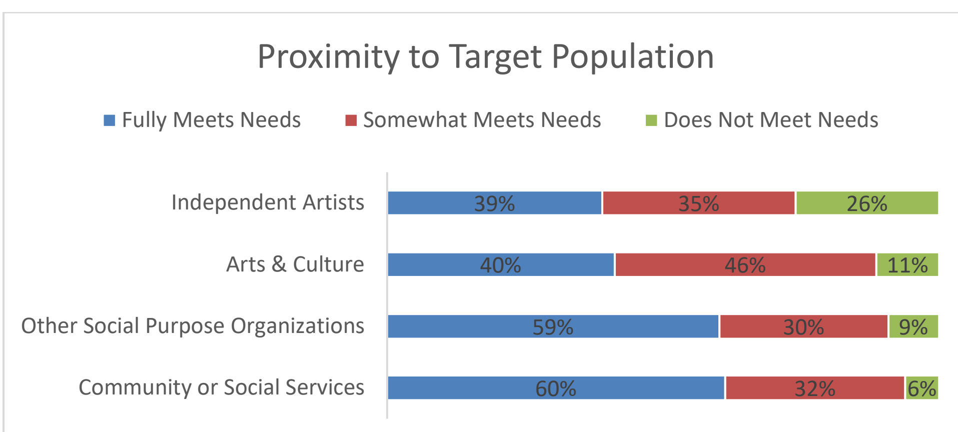
As seen in Figure 14 the layout of space does not fully meet the needs of any sector in their current premises. The data would suggest that the principle of "making do" is evident from the predominance of somewhat meets needs being selected across all sectors.

Figure 14: Suitability of Space Layout



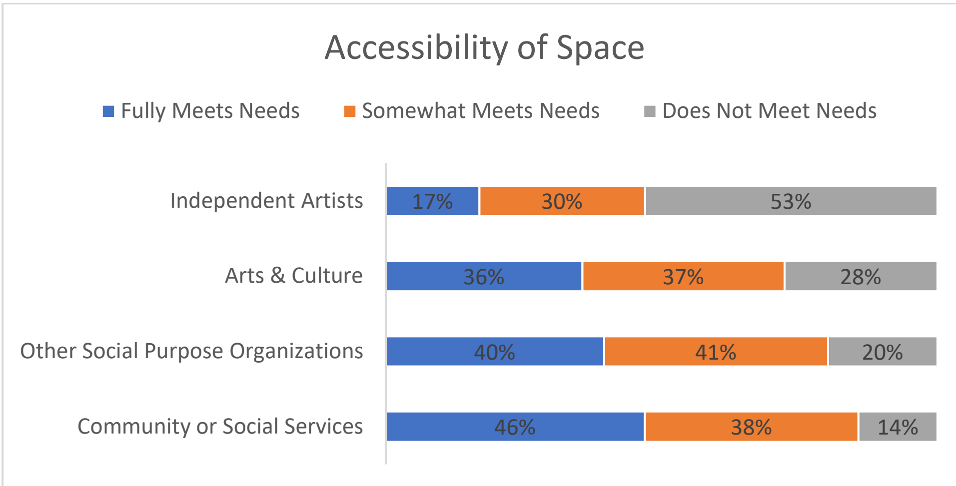
With respect to the suitability of being located close to the target population served by the social purpose organization, the data shown in Figure 15 suggests that for the Arts & Culture sector, including independent artists, it is difficult to find space that fully meets the needs of being in proximity to their target population. For the other social purpose sector groupings, 60% of respondents are fully satisfied with being situated in proximity to their target populations served.

Figure 15: Suitability of Proximity to Target Population



An additional area where differences were in evidence across different sectors, was in the accessibility of the space for people with different abilities (see Figure 16Figure 16). Here the majority of independent artists indicated their space did not meet their needs. The community and social service sector was the only sector where the highest number of respondents occurred in the "fully meets needs" category, representing only 46% of respondents in this sector.

Figure 16: Suitability of Accessibility of Space



Size of Spaces

As shown in Figure 17, survey responses indicate that the size of space occupied by social purpose organizations differs by sector. Community and Social service organizations tend to occupy larger spaces and independent artists occupy the smallest spaces (note highlighted cells). This appears to be entirely consistent with the nature of the work being done by these very different types of groups. Arts and culture organizations and Other Social Purpose Organizations have a more balanced need for space (as indicated by current spaces occupied).

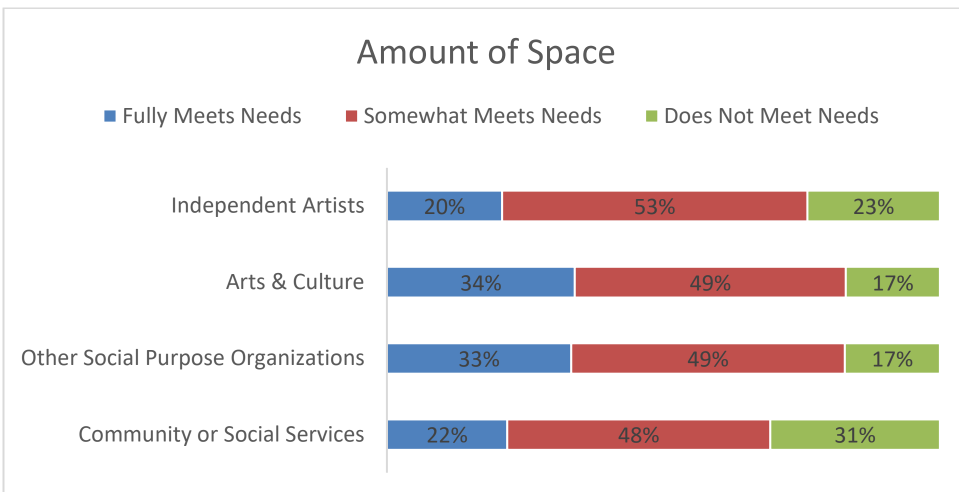
Figure 17: Size of Spaces Occupied - by Sector

2020 S4C Survey Sector Groupings	**<250**	**250-499**	**500-699**	**700-999**	**1,000-1,999**	**2,000-4,999**	**>5,000**	**Grand Total**
	Square Feet							
Arts and Culture	7%	11%	5%	10%	18%	27%	22%	100%
Community or Social Services	2%	2%	2%	4%	20%	24%	45%	100%
Independent Artists	34%	17%	14%	21%	10%	0%	3%	100%
Other Social Purpose Organizations	9%	1%	2%	10%	17%	28%	32%	100%
Full Sample	**8%**	**5%**	**4%**	**9%**	**18%**	**24%**	**33%**	**100%**

In the 2013 results, a similar profile of space sizes by sector was in evidence with the same size gradations being used. Community and Social Services organizations were heavily skewed to the larger space end of the scale (45% greater than 2000 sq ft), while 48% of Independent Artists had spaces less than 500 sq ft. Arts and Culture organizations were more evenly distributed across the size spectrum, while Other Social Purpose Organizations tended to weight either end of the scale with limited presence in the middle size range.

In terms of the extent to which the current size of space meets the needs of social purpose organizations, Figure 18 indicates that for Artists and Community or Social Services organizations, the amount of space only fully meets needs for approximately 20% of respondents. For Arts & Culture and Other Social Purpose organizations there is a slightly higher number of organizations where the amount of space fully meets their needs, however only one third of organizations responding have space that fully meets their needs.

Figure 18: Suitability of the Amount of Space Occupied - by Sector



It is noted that a City of Richmond 2019 Report, Non-Profit Social Service Agency Current and Future Space Needs [26] indicates that approximately 52,000 to 105,000 additional square feet of agency space will be needed in the Richmond community over the next 15 years.

[26] City of Richmond (2019). Non-Profit Social Service Agency Current and Future Space Needs. https://www.richmond.ca/_shared/assets/14_Non_Profit_Social_Service_Agency_Future_Space_Needs_CNCL_10151954700.pdf

Importance of Current Location

In the 2020 S4C Survey, the majority of respondents serve clients or draw audience members from the city or region in which they are located. This is very similar to the result seen in 2013, with the exception of 2013 having a strong "National" component for audience draw, as shown in Figure 19. This data suggests that moving to a different municipality or region to secure more suitable or affordable space would adversely affect these organizations and their reach to their clientele.

Figure 19: Clientele for Organizations

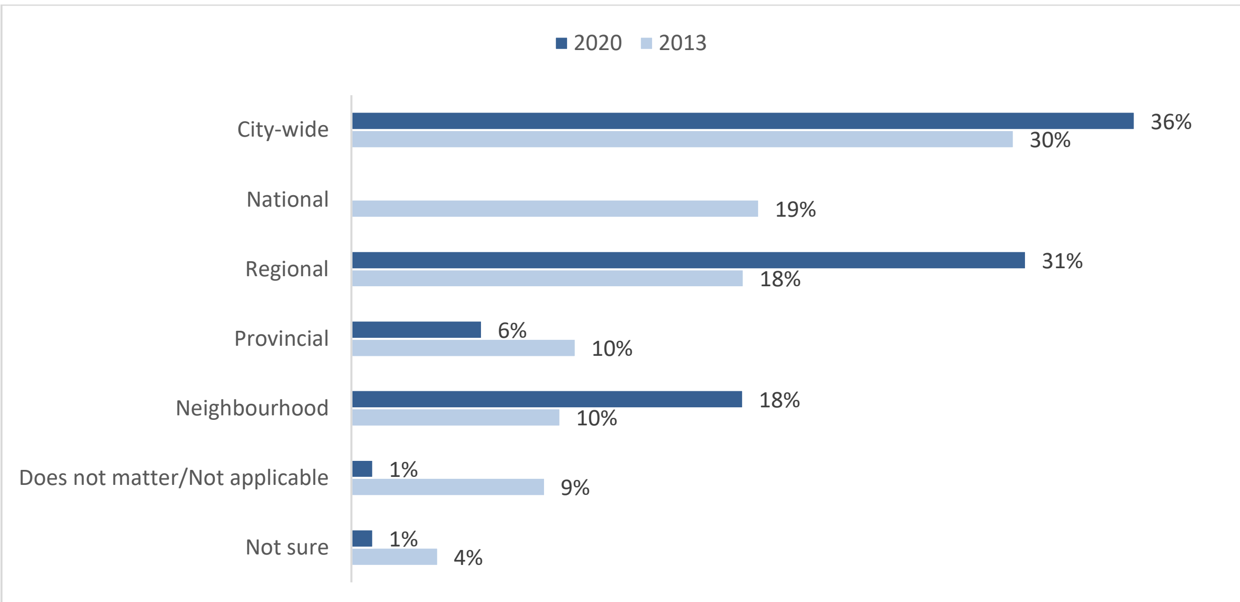
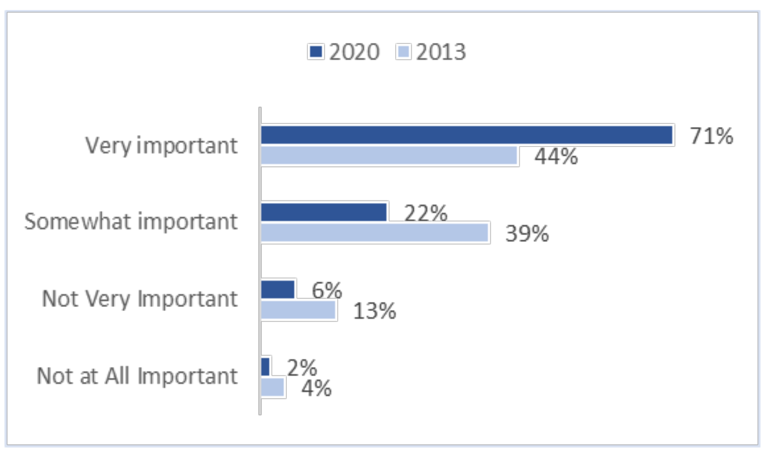


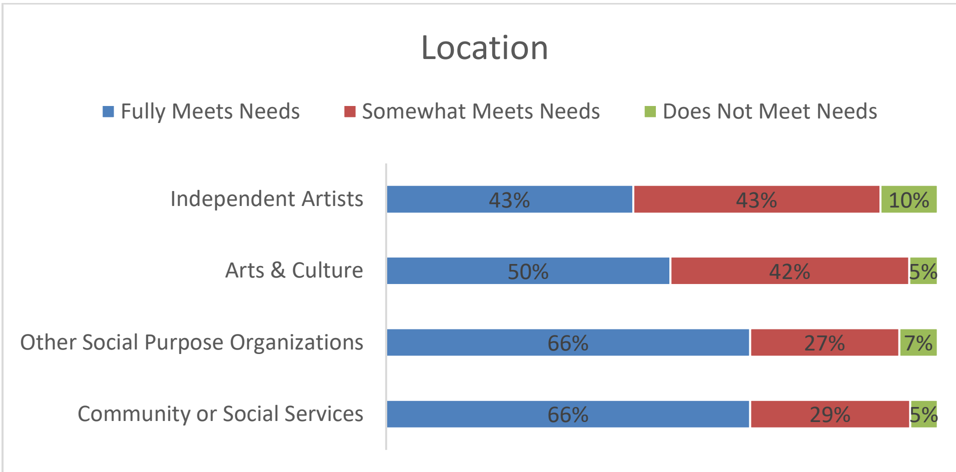
Figure 20: Importance of Current Location



Most 2020 S4C Survey respondents (71%) report that their current location is "very important" to their mandate, function, or effectiveness, as shown in Figure 20. The results from the 2020 S4C Survey show much stronger sentiments than in the 2013 findings about the significant importance of the location of the space they have. 93% of respondents in 2020 indicate that location is very or somewhat important to their organization.

In terms of the extent to which current location meets the needs of the social purpose organization, Figure 21Figure 21 indicates that for the Arts & Culture sector, including Independent Artists, the current location fully meets the needs of less than half of the survey respondents.

Figure 21: Suitability of Location - by Sector



Suitability of Donated or Subsidized Space

The results from the 2020 S4C Survey indicate that occupying donated or subsidized space has limited impact on the suitability of most elements of space that were defined in the survey question, as can be seen in Figure 22. The primary area where a difference is seen in the chart is in the extent to which real estate costs meet respondent needs. Amongst the various factors of suitability, the marked difference between market rate and donated/subsidized space in meeting respondent's needs with respect to the cost of space identifies the cost of space (affordability) as a primary factor in an organization's sense of overall suitability.

Figure 22: Suitability of Space Donated vs Market Rent

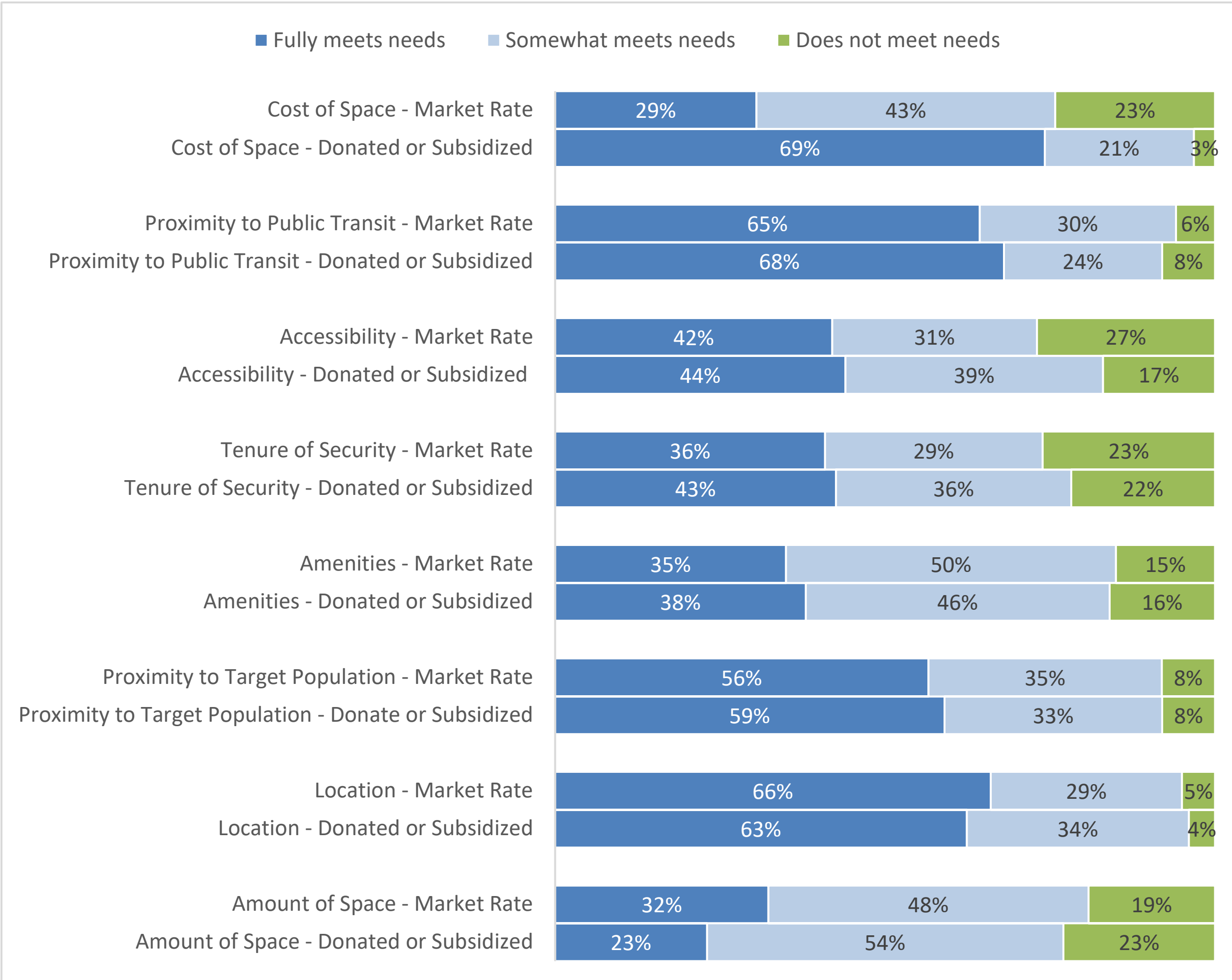
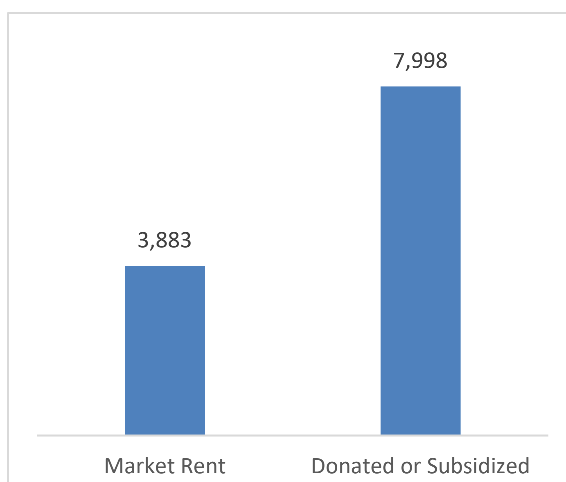
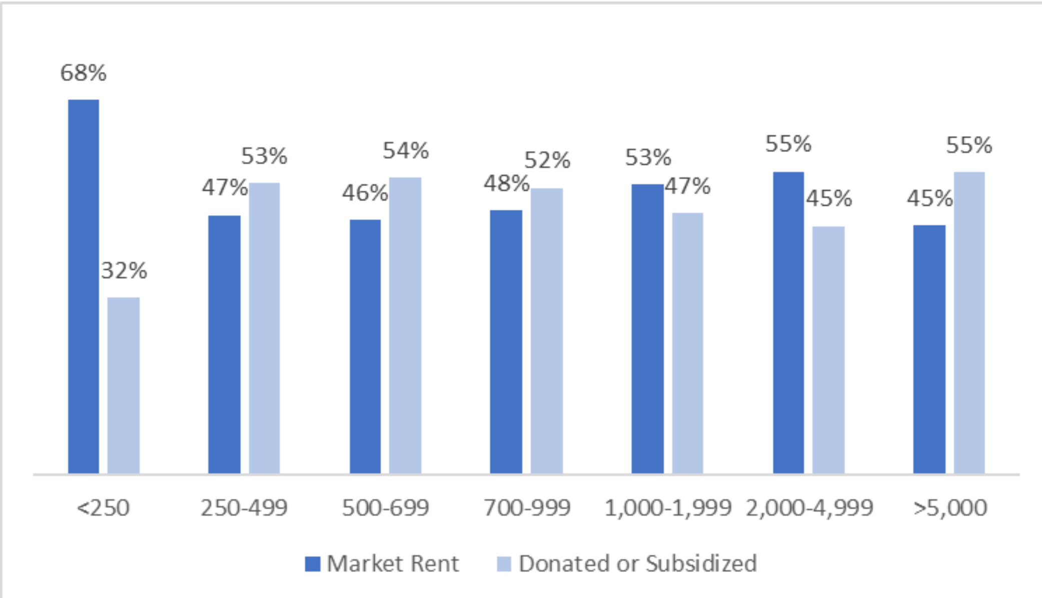


Figure 23: Average Sq Ft Donated vs Subsidized



Occupying donated or subsidized space also appears to make a difference to the size of space as shown in Figure 23, where respondents in donated spaces report on average about twice as much space as respondents in spaces where they pay market rent. This is largely impacted by the smallest space category (under 250 sq ft) where two-thirds of respondents in this category pay market rent (see Figure 24).

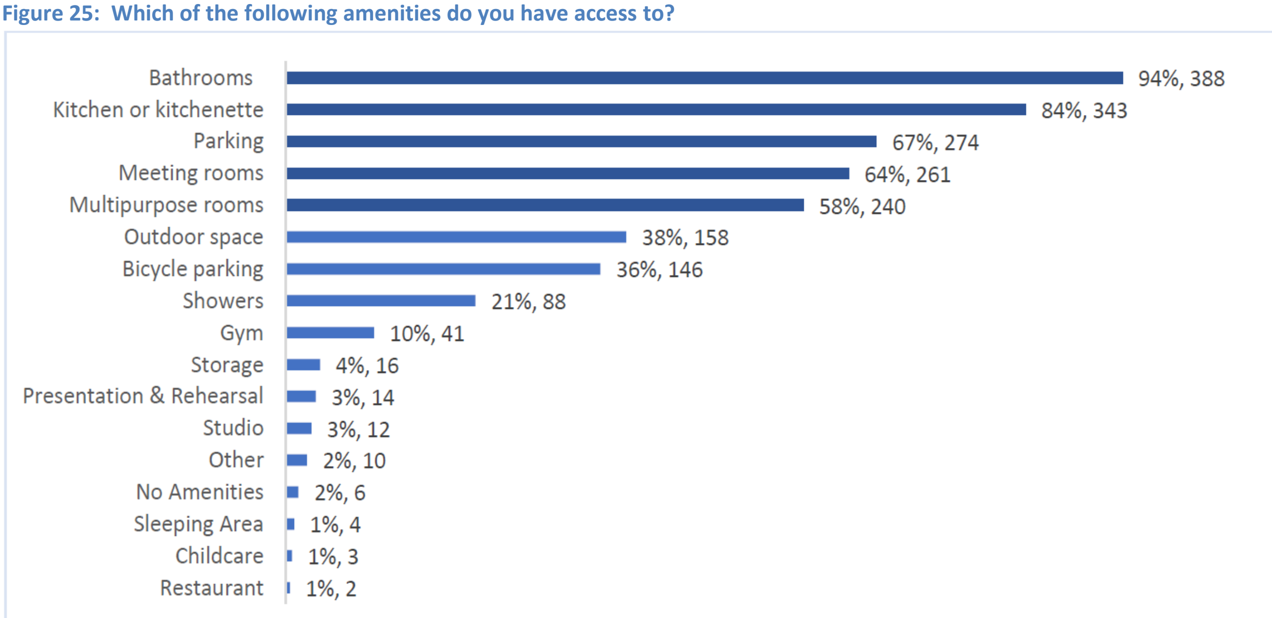
Figure 24: Size of Space for Donated vs Market Rent



Amenities

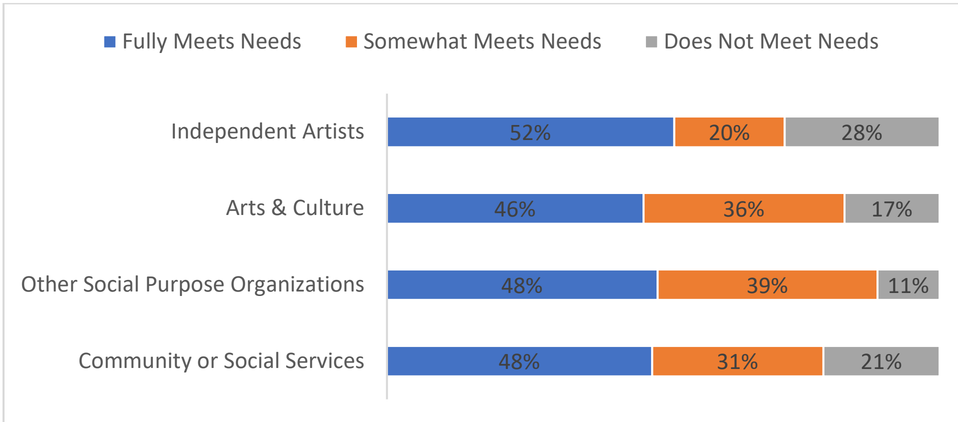
Not surprisingly, the most common amenities reported across the full sample are bathrooms, kitchens, parking, meetings rooms, and multi-purpose rooms. Presentation and rehearsal space were only reported by arts and cultural organizations and childcare was reported only by community and social service organizations.

Figure 25: Which of the following amenities do you have access to?



Satisfaction with the level of amenities at current locations was fairly consistent across the different sectors as seen in Figure 26.

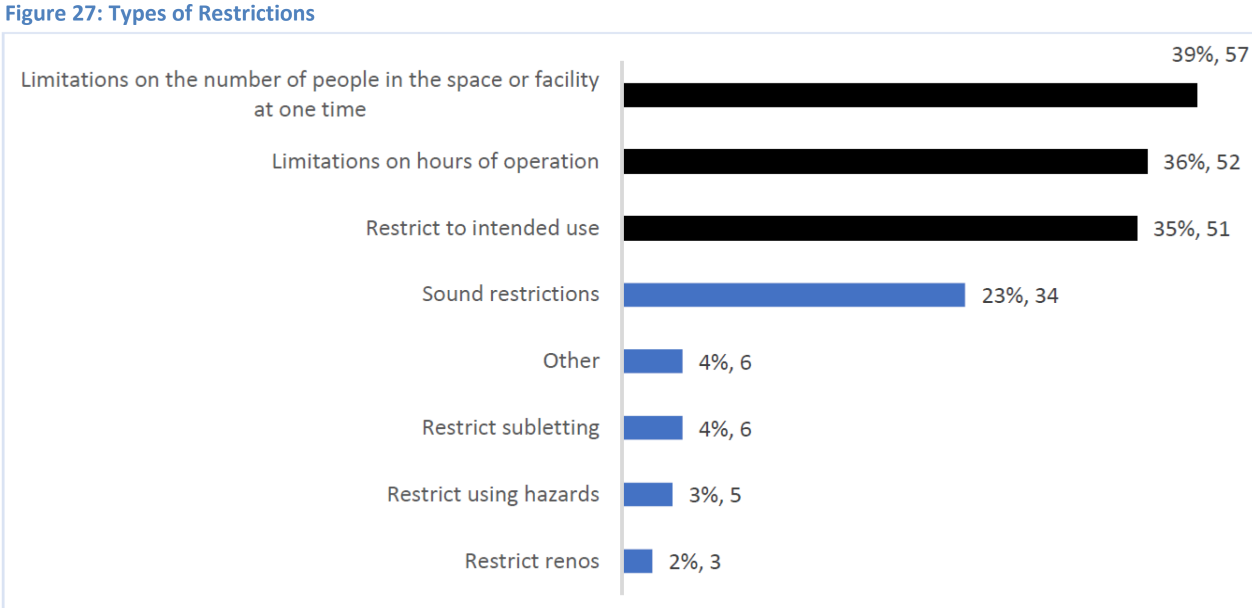
Figure 26: Extent to Which Available Amenities Meet your Needs



Restrictions in Space Use

Restrictions on space use are common with 55% of survey respondents reporting some type of restriction. The most common type of restriction is limitations on the number of people in the space or facility at one time, limitations on hours of operations, and use of the space being restricted to the intended use, as shown in Figure 27.

Figure 27: Types of Restrictions



The prevalence of different types of restrictions differs between sectors. Most notably, the most frequently reported restriction for independent artists is sound restrictions. No other sector reported this as a top three restriction.

As an example of Municipal policy that can hinder the use of space for not-for-profits and social enterprises, in Nanaimo, certain zoning bylaws inhibit not-for-profits and social enterprises from securing appropriate space. In Nanaimo, definitions for 'Social Services Centre' and 'Social Services Resource Centre' restrict organizations from evolving their programs and services.[27] Use of a Social Service Centre is restricted to administrative purposes, while a Social Service Resource Centre has a use of providing information, referral, counseling, and advocacy services. The ability for a not for profit tenant in a Social Service Resource Centre to expand and offer drop-in services is restricted because the zoning bylaw does not allow this type of usage.

Suitability Summary

Key findings from the S4C Survey responses related to the suitability of space for social purpose organizations are summarized below:

1. The location of their current space is very important to most respondents.
2. Most respondents serve clients or draw audience members from the city in which they are located.
3. The majority of survey respondents report that most aspects of their space do not fully meet their needs. The aspects of space that fully meet the majority of respondent needs include:
   - Proximity of space to public transit
   - Location of space
   - Proximity of space to target population
4. Five aspects do not fully meet the majority of respondents needs. These include:
   - Tenure of space
   - Accessibility of space for people with different abilities
   - Amenities
   - Amount of space, and
   - Layout of space
5. Independent artists were less satisfied than other groups with the location of their space, proximity of space to public transit, and cost of space than other sectors.

[27] The website for the City of Nanaimo Zoning Bylaw definitions can be found at https://www.nanaimo.ca/bylaws/ViewBylaw/4500.pdf

6. Community and social service organizations were more likely to report that the accessibility of their space fully meets their needs.
7. Just over half the respondents believe they will need to move within the next five years and this has increased from 2013. The main reason cited for moving is to get more space. This is consistent with the majority of respondents reporting that the amount of space they have does not fully meet their needs. Arts and cultural organizations were the least likely to report having to move within the next 5 years.

While there are some aspects of space that appear to fully meet the majority of respondents needs, the S4C Survey findings show that most aspects of space do not fully meet respondent needs.

Section 5 – Affordability

Budgets & Funding

In the current market situation, particularly in the affordability challenged areas of BC, market forces are rapidly reducing the supply of affordable office and other commercial real estate. Not-for-profits and social enterprise organizations are facing ever increasing land, rent and real estate related expenses. Every dollar spent by a social purpose organization on accessing affordable space is less funding to invest in direct community programming, and every hour spent trying to find affordable space, moving and re-establishing operations, is time not spent on that community programming. An additional hindrance is the fact that funders are frequently most interested in seeing their funding flow directly into service delivery, and not to support facility operating costs.

The affordability of space is a function of two factors: the costs of the space, and the ability to pay these costs. This section provides research and survey findings on the affordability of spaces used by social purpose organizations and presents contextual information that helps us better understand affordability.

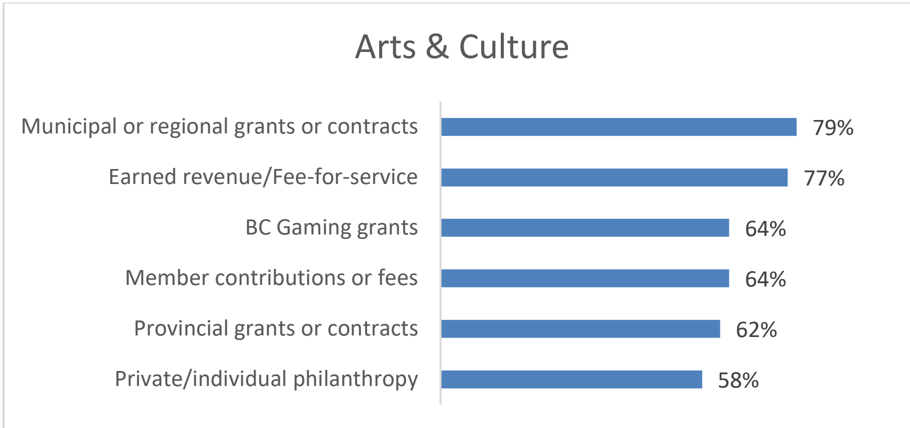
Not-for-profit funding is typically focused on the delivery of services in community, with very limited resources being made available for overhead expenses such as rent or occupancy costs. Further, there are often tight restrictions on how the funding can be spent. It is also true that not-for-profit and social purpose organizations have much less ability to pass on the costs of maintaining suitable real estate to the populations they serve. Not-for-profit funding is generally constrained to support services, which leaves insufficient resources in the budget of social purpose organizations to cover real estate costs. Feedback from focus group discussions confirms that the impact of real estate costs on the social purpose sector leads to lower pay for staff and cuts to program funding.

Sources of Funding

Not surprisingly, funding sources differ for social purpose organizations from different sectors. The top six funding sources identified in the 2020 Space for Community (S4C) Survey by social purpose sector are shown in the graphs that follow. For all sectors, except the Community and Social Services sector, earned revenues figure prominently as a significant funding source. Other than earned revenue, a fairly balanced combination of municipal, provincial funding and individual/private philanthropy round out the source of funding to meet the costs of securing suitable space in which to operate.

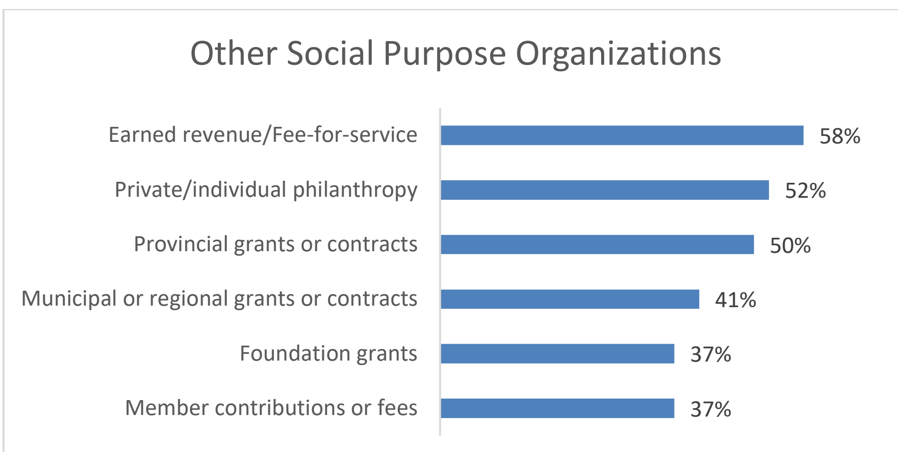
Figure 28 on the following page demonstrates the strong municipal support that Arts & Culture organizations receive, relative to other sources of funding.

Figure 28: Funding Sources for Arts & Culture Organizations



For Other Social Purpose Organizations, earned revenue and private philanthropy are the two primary sources of funding. Provincial grants or contracts follow closely behind, as seen in Figure 29 below.

Figure 29: Funding Sources for Other Social Purpose Organizations



In contrast to the other sectors, the vast majority of independent artists rely on earned revenue or fee-for-service income. To a much lesser degree, independent artists receive funding in the form of grants from provincial and federal governments (Figure 30).

Figure 30: Funding Sources for Independent Artists

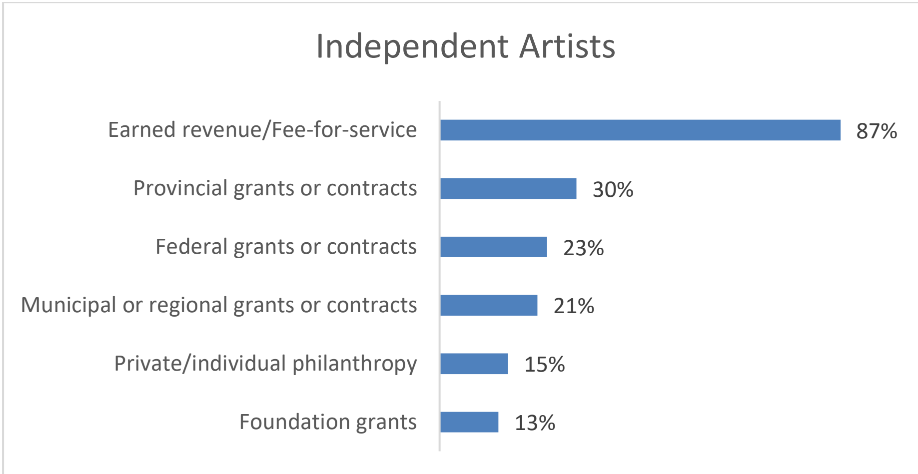
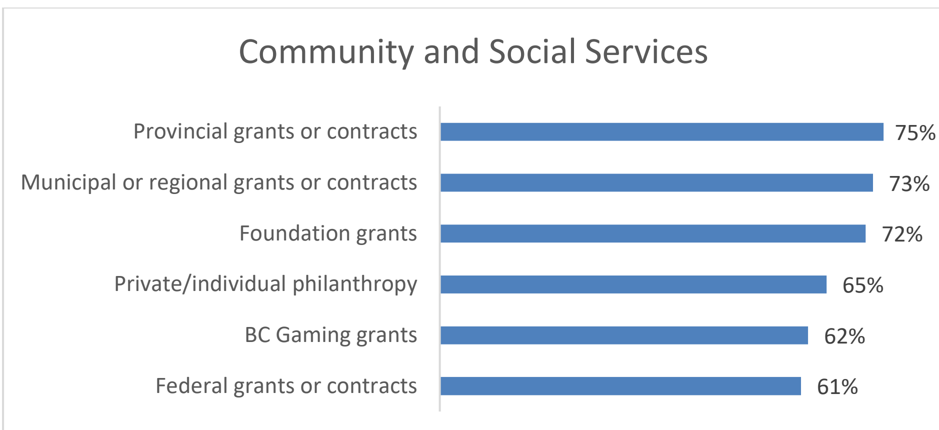


Figure 31 shows that the top funding sources for community and social service organizations are provincial grants or contracts, and municipal, regional, and foundation grants.

Figure 31: Funding Sources for Community and Social Services Organizations

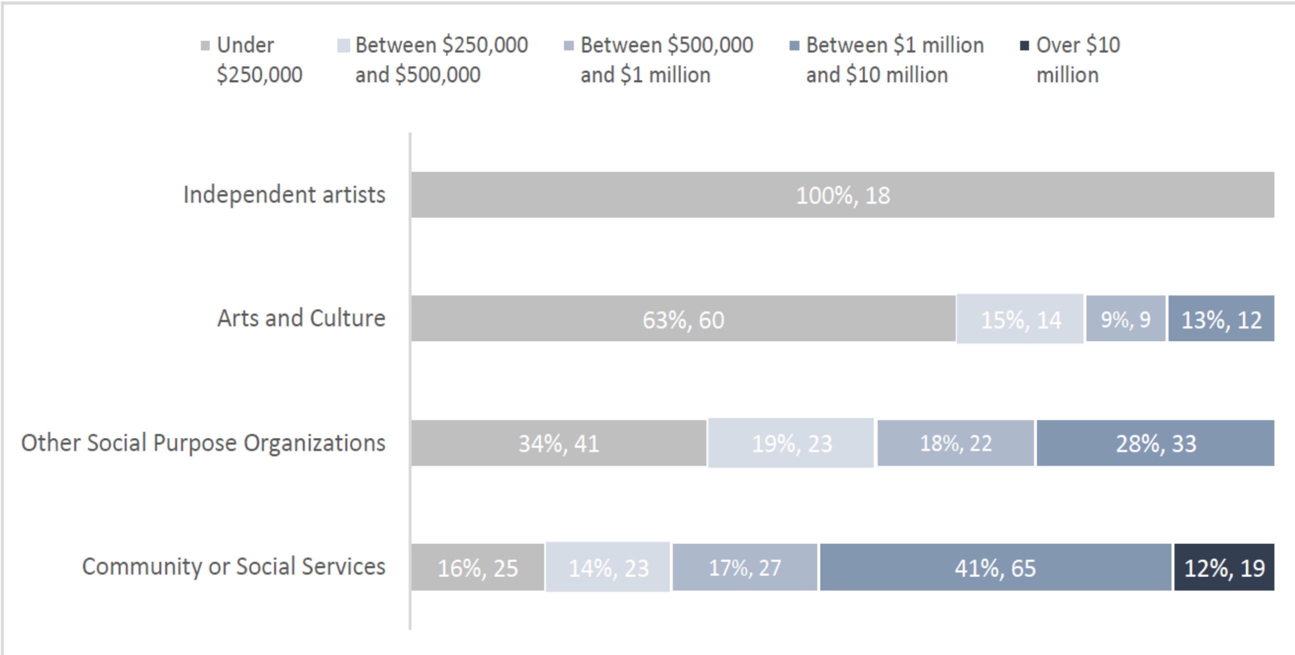


Operating Budgets

As can be seen in Figure 32, the majority of arts and culture organizations participating in the 2020 S4C Survey reported the smallest operating budgets. 63% of arts and culture organizations have operating budgets of less than $250,000. In contrast, the majority of community and social service organizations participating in the 2020 S4C Survey (41%) have operating budgets between $1 and $10 million.

With lower operating budgets, affordability is going to continue to be a challenge for arts and culture organizations, and potentially more so than for social purpose organizations in other sectors. With smaller budgets, these organizations will be using smaller spaces, which, at the very least, may be indicative of having less negotiating power with landlords, and the potential of a lesser ability to secure long lease terms.

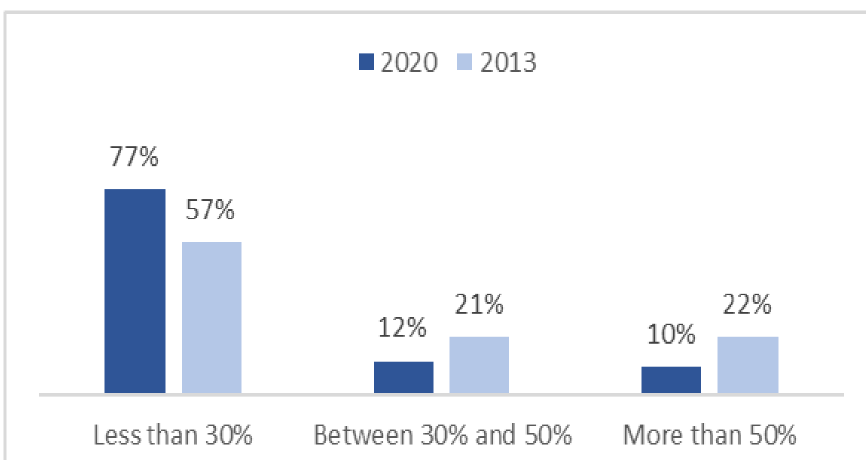
Figure 32: Size of Operating Budget by Sector



Percentage of Operating Budgets Spent on Real-Estate Related Costs

Across the full sample, the majority of respondents spend less than 30% of their operating budgets on real-estate related costs (77% of respondents). This situation has improved since 2013 when only 57% of survey respondents reported spending less than 30% of their operating budgets on real-estate related costs (see Figure 33).

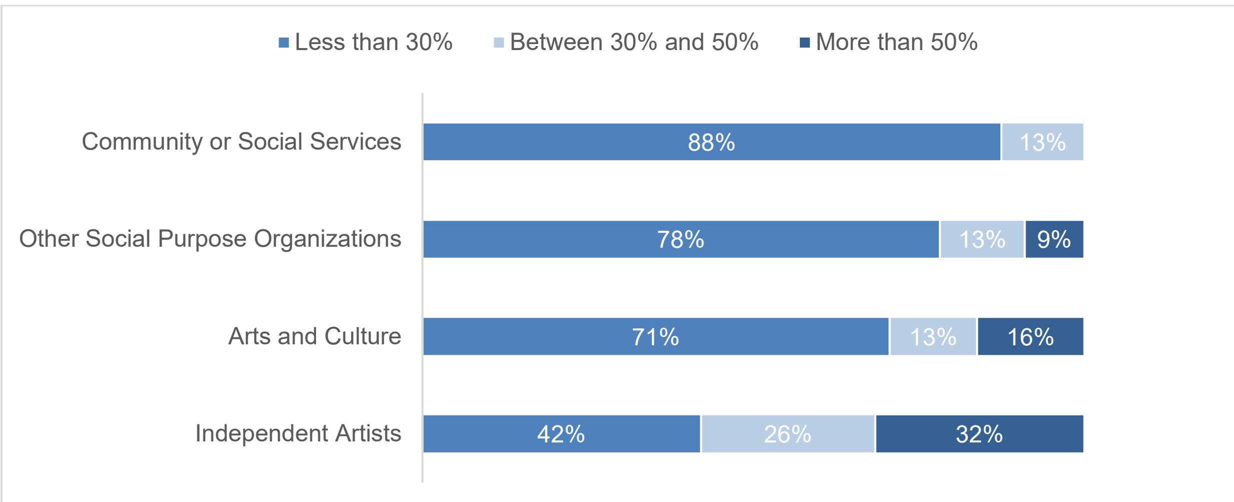
Figure 33: Percent of Operating Budgets Spent on Real Estate-Related Costs 2020 vs 2013



Sector Analysis

Across the four sector groupings, Figure 34 shows us that independent artists are the only group where the majority of respondents spend more than 30% of their operating budgets on real estate-related costs. For independent artists, 26% spend between 30-50% of their budget on facility costs, and 32% of independent artists spend more than 50% of their operating budgets on real estate related costs. This has the result of 58% of independent artists spending more than 30% of their operating budgets on real estate-related costs. This will be a factor either of high real estate costs, or low operating budget, but certainly related to the balance between these two factors.

Figure 34: Percent of Operating Budget Spent on Real Estate-Related Costs by Sector Groupings

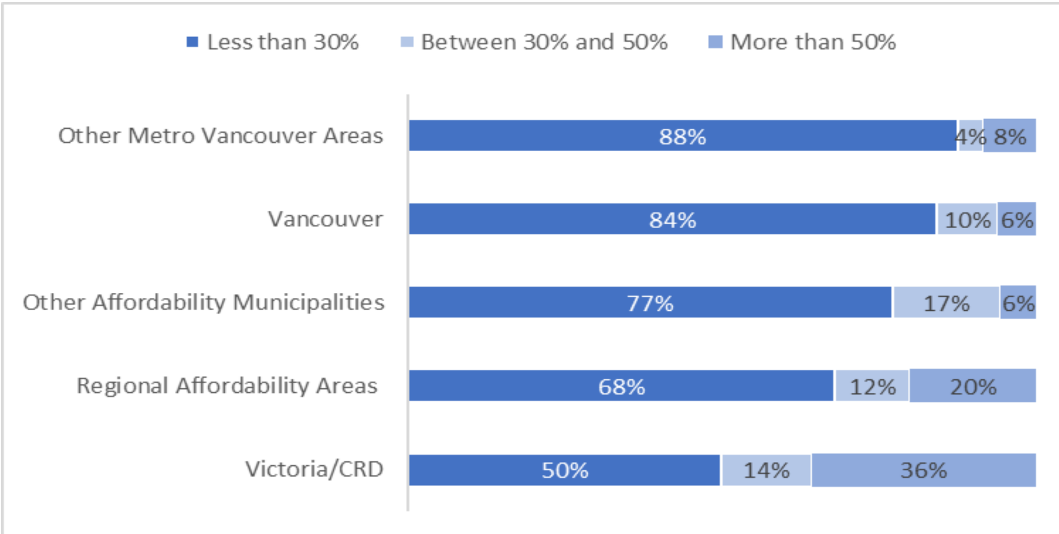


By way of comparison, there seems to be little change in the 2020 S4C Survey information from the 2013 study, wherein it was found that 85% of Community and Social Service organizations and 80% of Other Social Purpose Organizations paid less than 30% of their budget on facility related costs. Also similar to 2020 results, the 2013 study revealed that 21% of Arts and Culture organizations and 37% of Independent Artists were found to be paying more than 50% of their operating budgets for facility related costs.

Affordability Area Analysis

As can be seen in Figure 35Figure 35, Victoria/CRD is the only affordability area where the majority of respondents spend more than 30% of their operating budgets on real-estate related costs (see Section 2 for a definition of the Affordability Areas).

Figure 35: Percent of Operating Budget Spent on Real Estate-Related Costs by Affordability Area



Effect of Market Forces on Costs of Space

Over the last few decades, and alongside Vancouver, BC's reputation of being the second least affordable housing market in the world, as of 2019[28], the commercial real estate market has experienced equivalent increases in land and property values in all typologies of spaces (retail, office, industrial) in the past few decades. There is an increasing lack of affordable space for not-for-profit and social enterprise use. Rising real estate costs—be it in land value, availability of suitable spaces, costs of construction, massive redevelopment activity and resulting displacement—all have major implications for the social purpose sector.

Current needs analysis studies provide credible evidence on the crisis the social purpose sector is experiencing regarding uncertainty and insecurity of long term tenure of social purpose space and facilities. See Appendix E for a list of links to Space Needs Assessments. Noting that the majority of not-for-profit organizations occupy commercial spaces and occupy private real estate space, they are fully exposed to commercial real estate market forces.

Particular neighborhoods, such as industrial zones for example, can be accessible to independent artists by means of lower rent, but with the lower cost of occupancy, comes the threat of future redevelopment and tenant displacement. Focus group participants confirmed that skyrocketing land values in certain commercial districts, seen as the result of speculative buying or rezoning allowing

[28] Wendell Coc & Hugh Pavletich (2019).16th Annual Demographia International Housing Affordability Survey. http://demographia.com/dhi.pdf

greater density, have pushed assessment values and property tax bills up, which are then passed from landlords to their commercial tenants. The current costs of construction for renovation or new building construction have also seen dramatic increases in recent years.

In 2019, City of Vancouver staff reviewed property taxes for 11 of the known artist studio sites and found an average tax increase of more than 77% over the past five years.[29] The City of Vancouver report highlights that while local space capacity and collaboration have grown significantly through shared arts hub mechanisms such as the Mergatroid, and through not-for-profit space providers such as BCA, 221A, and the Arts Factory, the sector remains increasingly vulnerable with precarious short-term rentals, little community ownership, and clear evidence of displacement.

Focus group participants representing organizations that are users of space reported that it is very hard to find quality, affordable space that is well located and accessible to the public and staff. A recommendation from the North Vancouver focus group was for the City of North Vancouver to conduct a space needs assessment of not-for-profits in the municipality. Participants found that artists are leaving the City of North Vancouver for more affordable areas such as Squamish, the Sunshine Coast or the BC Interior. In Richmond, some social purpose organizations have moved to more affordable rent in the warehouse area in the City's periphery, where it is harder for clients and potential clients to get to. Social service organizations are being forced to move out of range from their clients; not in the core areas where visibility is better.

Not-for-profit real estate purchase activity represents a very small portion of total office real estate sales, which means that not-for-profits are relegated to accepting changes in the market which are driven by the much larger institutional and commercial real estate investing segment. The consensus of focus group participants was that downloading full, market based real estate costs to the social purpose sector does not recognize the critical value they bring given that their work, programs, and services meet a significant community need.

Not-for-profit and social enterprise organizations often remain dependent on benevolent landlords (be they private sector, government or foundations), key community partnerships and using other approaches to reduce space costs. Mechanisms such as access to in-kind or nominal lease arrangements, or space created through development, can be highly beneficial. Many organizations identified donated space (space paid for at a nominal price, generally $1 - $10/year) and subsidized space at low or below market, as key to their survival and operations."[30]

Current reporting on the retail segment of the real estate market indicates that real estate transactions in the retail segment are down markedly from the much higher transaction volumes which occurred through the years 2016 - 2018. Retail space is often located within residential developments which

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[29] City of Vancouver (2019). Making Space for Arts & Culture Vancouver Cultural Infrastructure Plan. https://council.vancouver.ca/20190910/documents/ACCS-RTS13175-_AppendixD-MakingSpaceforArtsandCulture.PDF

[30] Richmond Community Services Advisory Committee (2018). Phase 2 Non-Profit Social Purpose Space Needs Review Space Needs Review. https://www.rcsac.ca/images/pdf/Phase_2_Richmond_Non-Profit_Social_Purpose_Needs_Review.pdf

carry a high land price, thereby reducing renter appetite for retail space overall. The heavy cost burden from inflated land values of residential developments make it unaffordable to social purpose organizations.

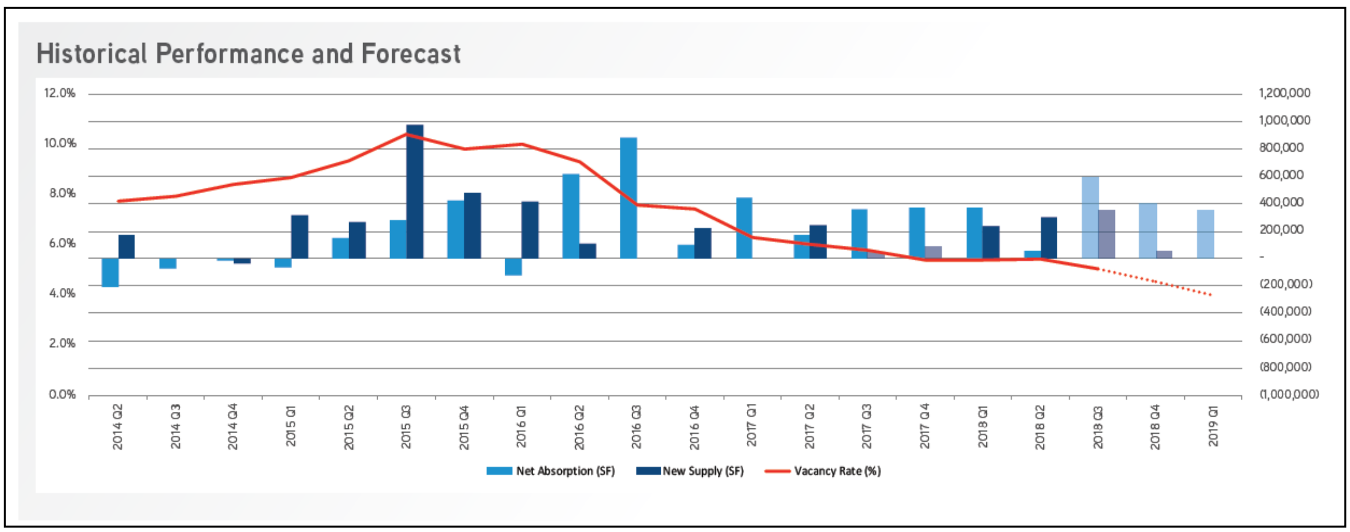
Current low market vacancy rates, particularly in the affordability challenged areas of BC, have had the effect of pushing lease and rental rates to new high levels, and have created a real shortage of affordable space (and space of any type) for not-for-profit and social purpose organizations, particularly in the center of urban areas. This has resulted in distancing social purpose organizations from the people and communities that they are created to serve.

Trends over time

The trend in BC real estate has been one of strong demand and market sales in all markets and across all property types from 2015 through to 2018, driving prices higher and vacancy rates lower. In 2019, the trend continued, despite market turbulence. Metro Vancouver particularly, continued to experience high demand for office space, with the greatest demand seen in the downtown Vancouver core.

Focusing in on the office market in Metro Vancouver, the long term shift since 2014 is shown in Figure 36 below. The balance of New Supply and annual Net Absorption[31] over time has been driving the market vacancy rate consistently lower over the 5 year period.

Figure 36: Metro Vancouver Office Vacancy Trends 2014-2019



Source: Colliers Q2 2018 Metro Vancouver Office Market Report

[31] Net Absorption refers to the amount of space taken up by tenants during the period, less any space which has been vacated during the same period. In periods of positive Net Absorption, more space is taken up than vacated, which has the effect of reducing overall available space (lower vacancy rate) and typically forces rental rates in the market to move higher.

From a high of over 10% in mid 2015, the office vacancy rate has continued to fall ever since in Greater Vancouver. Analysis of the commercial real estate market vacancy rate shifts since the 2013 RENT LEASE OWN Study indicate that, despite an ever increasing supply of new office space, demand has continued to outstrip the supply, creating the following comparison shown in Figure 37, between 2013 and 2020 vacancy rates.

Figure 37: Comparison of Office Vacancy Rates between 2013 and 2020

Office Vacancy Rate by Municipality (%)	2013 Rates	2020 Rates	Change
Surrey	13.0%	4.3%	-8.7%
North Shore	5.8%	1.6%	-4.2%
New Westminster	7.2%	2.8%	-4.4%
Richmond	21.1%	6.9%	-14.2%
Burnaby	7.4%	4.6%	-2.8%
Vancouver, Broadway Corridor	3.5%	2.3%	-1.2%
Sub-Urban Vancouver	8.5%	4.1%	-4.4%
Downtown Vancouver	4.0%	1.4%	-2.6%
AVERAGE Vacancy Rate	8.8%	2.7%	-6.1%

Figures drawn from Colliers Office Market Reports: Q4 2012 and Q1 2020

A significant drop in the vacancy rate is evidenced all listed markets, with a noticeably larger drop in Richmond (from the 21% seen in 2013). It is noted that the long term impacts of the COVID-19 pandemic on the commercial real estate market and vacancy rates is, as yet, unknown. Space related impacts of COVID-19 are explored in more detail in Section 10 of the Report wherein we see demand for space increasing for some sectors, and decreasing for others, as a direct result of pandemic impacts.

This excess of demand over supply of office space is at the root of related increases in purchase pricing and office rental rates. In Figure 38, a marked increase in office Net Lease rates is evident, across all markets, since the 2013 Study data. Rates in the chart are quoted in $/sq ft of space per year (monthly base rent cost would equal $/sq ft X total area, divided by 12).

Figure 38: Office Net Lease Rates Comparison for Various Municipalities 2013-2020

Office Net Lease Rates ($/sq ft)	2013 Rates	2020 Rates	Change	% Change
Surrey	$17.10	$23.00	$5.90	34.5%
North Shore	$19.08	$21.90	$2.82	14.8%
New Westminster	$17.26	$19.78	$2.52	14.6%
Richmond	$13.40	$17.54	$4.14	30.9%
Burnaby	$19.28	$23.76	$4.48	23.2%
Vancouver, Broadway Corridor	$22.30	$27.14	$4.84	21.7%
Sub-Urban Vancouver	$18.41	$21.96	$3.55	19.3%
Downtown Vancouver	$28.59	$36.75	$8.16	28.5%
AVERAGE Net Lease Rate	$19.43	$27.04	$7.61	39.2%

Figures drawn from Colliers Office Market Reports: Q4 2012 and Q1 2020

With increases in average rents across Metro Vancouver since 2013 ranging from 14% - 35%, the challenge for not-for-profit and social enterprise organizations, a large portion of which are renters, is clear. Note that Net Lease rates do not include the full cost of leasing a space. See the following section for Gross Lease rates reported by 2020 S4C Survey respondents.

Space Cost Calculations

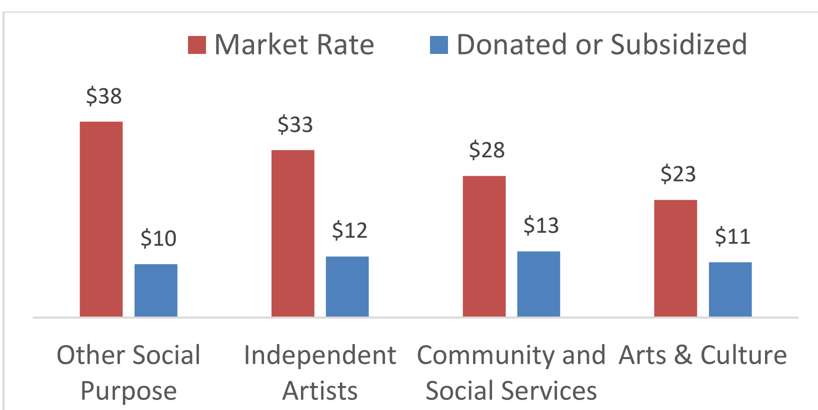
Results of reported space costs from across the entire survey respondent sample indicate that the average Gross Lease cost (includes base rent + additional occupancy costs - taxes, utilities, insurance - paid by the tenant) is $21 per sq foot. As shown in Figure 39, independent artists have the highest average cost per sq foot at 29.06/sq ft while arts and culture organizations have the lowest average cost at $16.41/sq ft. There are many contributing factors including the size of individual rental spaces (smaller spaces typically attract higher rates /sq ft), and the level of subsidized space in a particular sector.

Figure 39: Average Gross Lease Cost per Sq Ft Reported by Sector

	N	Avg Gross Cost Per Sq Ft	Cost for Donated/ Subsidized Space	Cost for Market Rate Space
Independent Artists	23	$ 29.06	$ 12	$ 33
Community and Social Services	100	$ 21.65	$ 13	$ 28
Other Social Purpose Organizations	71	$ 21.61	$ 10	$ 38
Arts and Culture	58	$ 16.41	$ 11	$ 23

The impact of donated or subsidized space for social purpose organizations is strongly evident in the chart above. Depending on the sector in which they operate, social purpose organizations in donated or subsidized space are realizing lease costs that are a fraction (from 25% - 50%) of the equivalent market rental rate. The relevant market rate listed in the chart is the rate being paid by survey respondents who did not indicate that they are receiving a subsidized or reduced rent (ie: more than 30% lower than what they would be paying for a similar space in their current location). The average rate paid for subsidized or donated space by survey respondents vis-a-vis market rate is shown in Figure 40.

Figure 40: Cost of Donated/Subsidized Space vs. Market Rate Reported by Sector



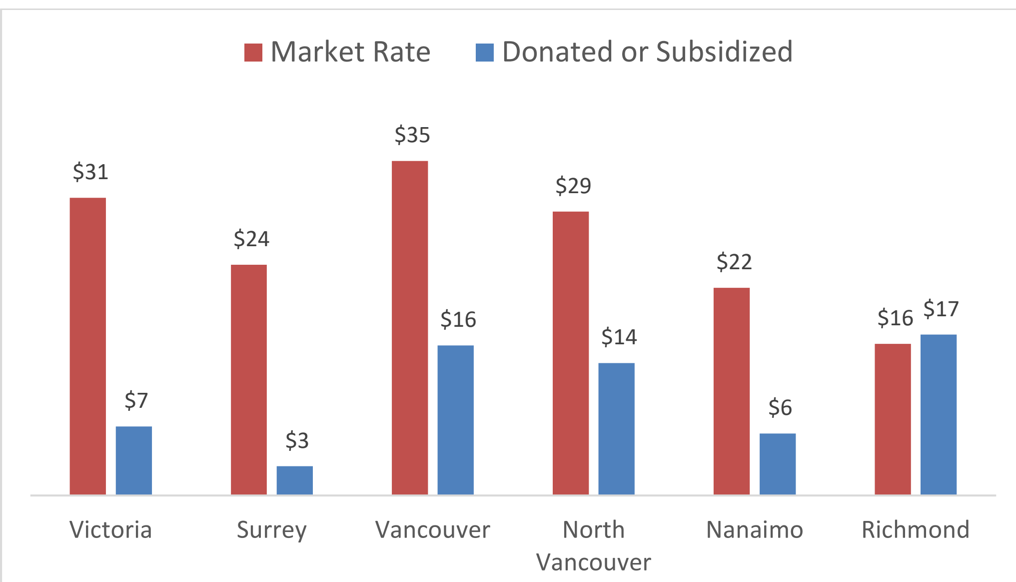
When we examine the Gross Lease rates reported by Survey respondents (Figure 41) for each of the six participating municipalities, we see low numbers of respondents in some municipalities for organizations in donated spaces (ie: 3 organizations in Nanaimo) meaning the data may not be indicative of the overall cost of subsidized or donated space in that municipality.

Figure 41: Average Gross Lease Cost per Sq Ft by Municipality

	N	Avg Gross Cost Per Sq Ft	Avg Cost for Donated/ Subsidized Space	Avg Cost for Market Rate Space
City of Victoria	21	$ 28.08	$ 7	$ 31
City of North Vancouver	25	$ 23.94	$ 14	$ 29
City of Vancouver	120	$ 23.35	$ 16	$ 35
City of Richmond	33	$ 17.53	$ 17	$ 16
City of Surrey	16	$ 17.43	$ 3	$ 24
City of Nanaimo	9	$ 15.97	$ 6	$ 22

A range of average Gross Lease rates were reported by S4C Survey respondents from $15.97/sq ft in Nanaimo to a high of $28.08/sq ft in Victoria. The lease cost difference between market rate space and subsidized space as reported by S4C Survey respondents is shown by municipality in Figure 42.

Figure 42: Cost of Donated/Subsidized Space vs. Market Rate by Municipality



A comparison of market lease rate changes, as reported by Colliers, since the 2013 RENT LEASE OWN Study is shown in Figure 43. Lease rates for office Gross Leases have jumped in all urban areas indicated, except for Richmond, which has seen a slight decline. Based on the total market average Gross Lease rate, the change for social purpose organizations over the 2013-2020 period has been a 36.2% increase. Alongside the market rates shown below, are the results from the 2020 S4C Survey, also presented on a Gross Lease basis for comparison. The average rate for each municipal area is shown as an overall figure, as well as for organizations in subsidized space, and for the group of organizations in market rate lease space.

Figure 43: Comparison of Gross Lease Rate Trends by Municipality - 2013-2020

					2020 Space 4 Community Survey		
Office Gross Lease Rates ($/sq ft)	2013 Rates	2020 Rates	Change	% Change	Average SP Rates	Subsidized Rate	Market Rate
Surrey	$26.10	$34.95	$8.85	33.9%	$17.43	$3.00	$24.00
North Shore	$29.94	$36.99	$7.05	23.5%	$23.94	$14.00	$29.00
New Westminster	$29.17	$34.52	$5.35	18.3%			
Richmond	$29.98	$28.72	-$1.26	-4.2%	$17.53	$17.00	$16.00
Burnaby	$32.24	$38.59	$6.35	19.7%			
Vancouver, Broadway Corridor	$37.28	$45.90	$8.62	23.1%	$23.35	$16.00	$35.00
Sub-Urban Vancouver	$29.79	$35.35	$5.56	18.7%			
Downtown Vancouver	$45.17	$56.64	$11.47	25.4%			
AVERAGE Gross Lease Rate	$31.43	$42.81	$11.38	36.2%	$20.56	$12.50	$26.00

Figures drawn from Colliers Office Market Reports: Q4 2012 and Q1 2020, and from the 2020 S4C Survey

An interesting point, highlighted in Figure 44 below, is that lease rates indicated by 2020 S4C Survey respondents as being market rates, are below the reported 2020 office Gross Lease rates published in Colliers market reporting. The published market rates are a combination of different classes of office space which exist in the market. The presence of lower market rate lease costs reported by social purpose organizations, may well confirm the feedback of sector participants that often social purpose organizations are forced to accept poorer quality spaces in order to secure lower rental rates and manage overall costs of occupancy.

Figure 44: 2020 Market Lease Rates by Municipality Compared to Social Purpose Org Market Rates

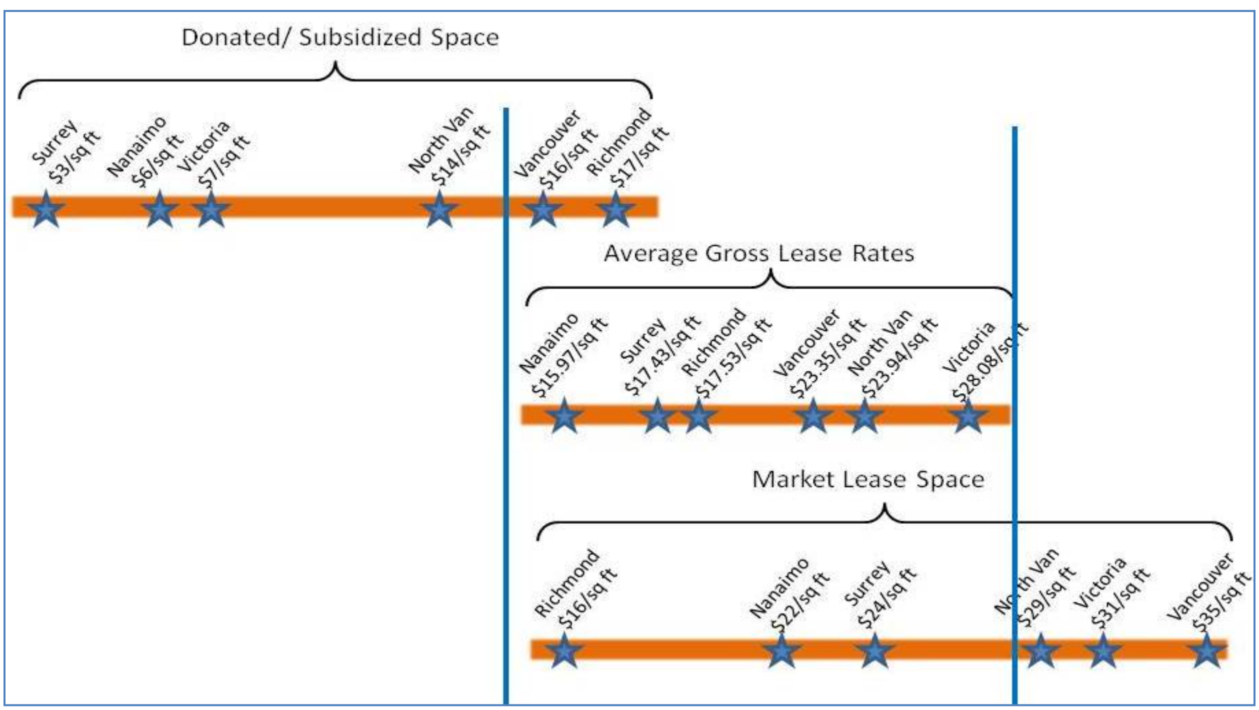
Office Gross Lease Rates ($/sq ft)	2020 Rates	Space 4 Community Market Rate
Surrey	$34.95	$24.00
North Shore	$36.99	$29.00
New Westminster	$34.52	
Richmond	$28.72	$16.00
Burnaby	$38.59	
Vancouver, Broadway Corridor	$45.90	$35.00
Sub-Urban Vancouver	$35.35	
Downtown Vancouver	$56.64	
AVERAGE Gross Lease Rate	$42.81	

Figures drawn from Colliers Office Market Reports: Q4 2012 and Q1 2020, and from the 2020 S4C Survey

For further information on the commercial real estate market and deeper analysis on the relationship and impact on social purpose space, please see the full 2020 S4C Research Report (link to the Report can be found in Appendix C).

A visual representation of the scale of affordability of rental space by municipality is shown in Figure 45. The upper range shows the rates for subsidized/donated space costs reported by S4C Survey respondents. The middle bar shows the tighter cluster of average overall rents reported by S4C Survey respondents (acknowledging that both market and subsidized rent rates are included in this figure). The bottom bar sets out the lease rates paid by social purpose organizations which do not consider that they are receiving a subsidized lease rate.

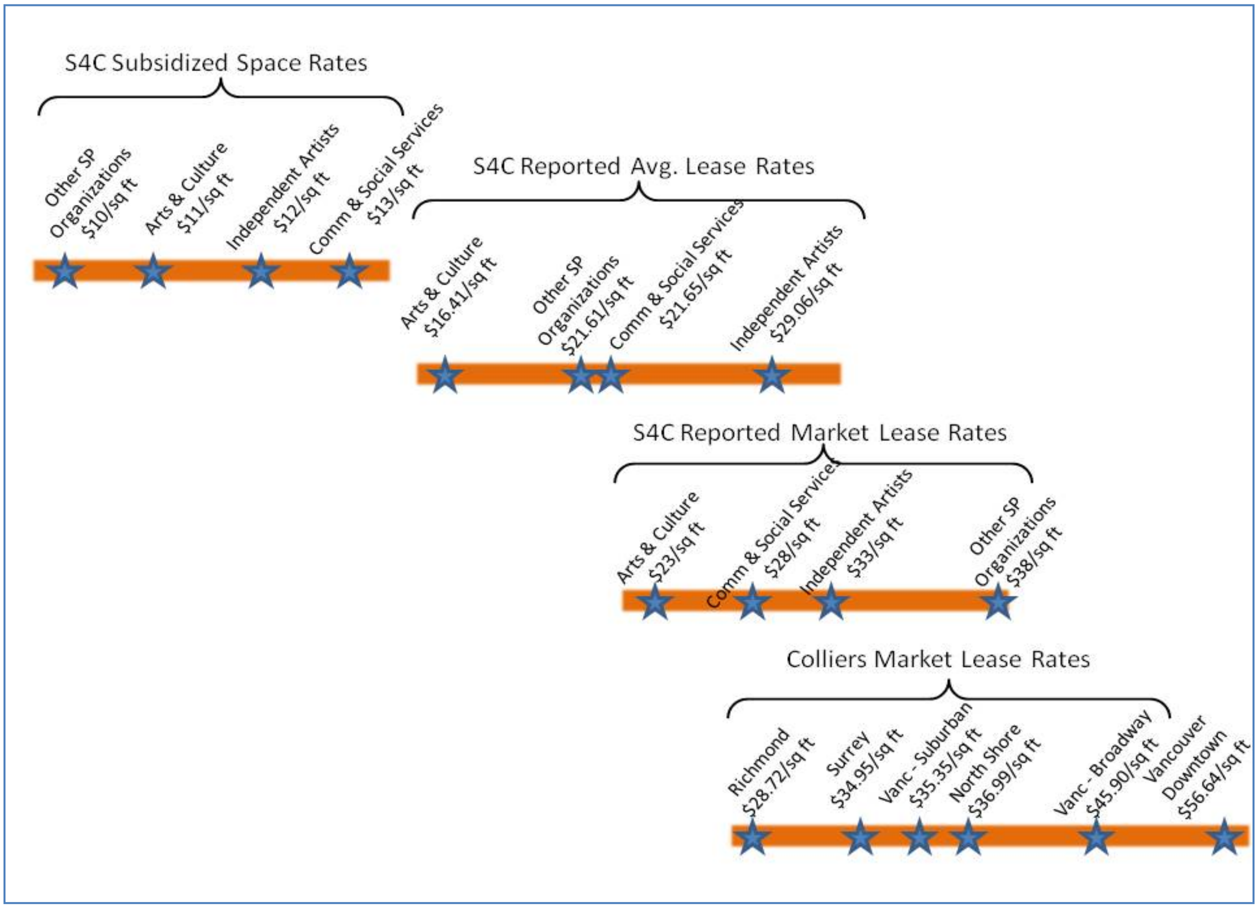
Figure 45: Comparison of Gross Lease Rates by Municipality as reported by 2020 S4C Survey Respondents



A similar view, but cross section by social purpose sector, is shown in Figure 46. It is interesting to view the relative positioning of each sub-sector within each lease rate framework. Other Social Purpose organizations appear to benefit the most from access to subsidized lease rates, however they also are on the top end of the market lease rate scale. This may be the result of the wider variety of types of organizations within this broader category.

Arts and culture organizations sustain the lowest average lease rates amongst the four sector groupings through a combination of attractive subsidized lease rates, together with market rents on the lower end of the spectrum.

Figure 46: Comparison of Gross Lease Rates by Sector as reported by 2020 S4C Survey Respondents



* Note that commercial real estate market reporting on Gross Lease rates for Nanaimo and Victoria were not available in equivalent reporting formats for inclusion here.

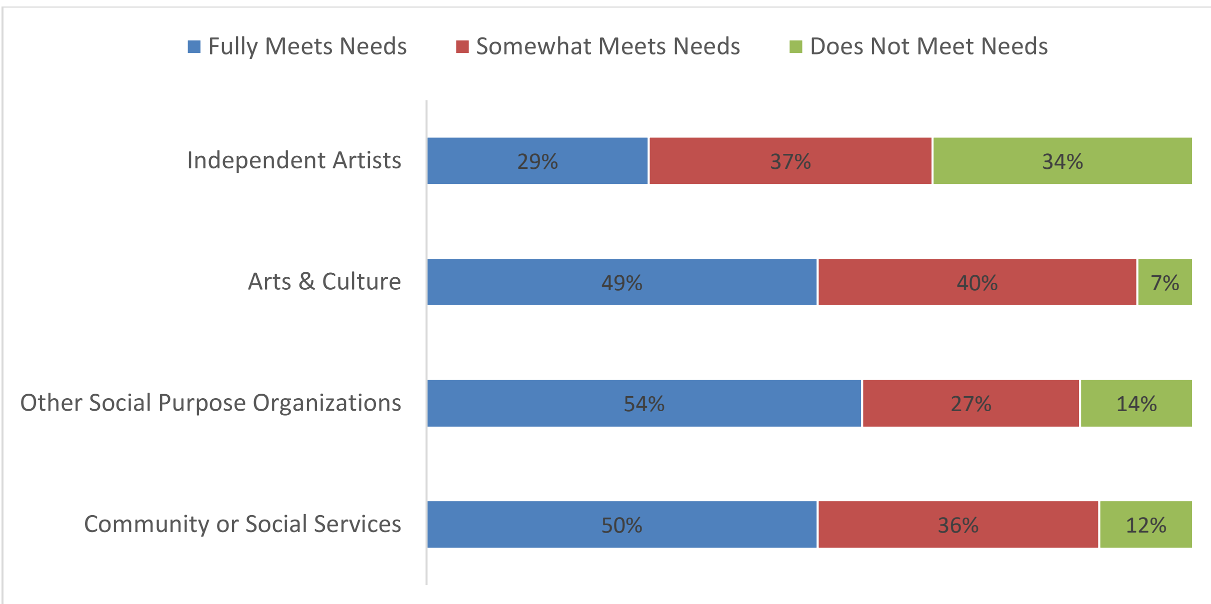
Comparisons to the 2013 Study results are challenging with respect to lease rates paid by social purpose organizations. The 2013 Study required a follow-up reach out to respondents to gather accurate lease data. Total response sample size was limited to 21 accurate responses. All lease rate respondents were located in the municipality of Vancouver and data was presented on a net lease basis, rather than the gross lease basis used for gathering data in 2020. Further, respondents in donated or subsidized space were excluded in the 2013 lease rate analysis results, which means comparison with the 2020 data would not provide meaningful conclusions.

Analysis of Satisfaction with the Cost of Space

When we look across the various populations of interest, we can clearly see which groups are more challenged by affordability. We saw in Figure 34 earlier in this report section, that independent artists are the least able to afford their spaces. The majority of independent artists spend more than 30% of their operating budgets on real estate related costs.

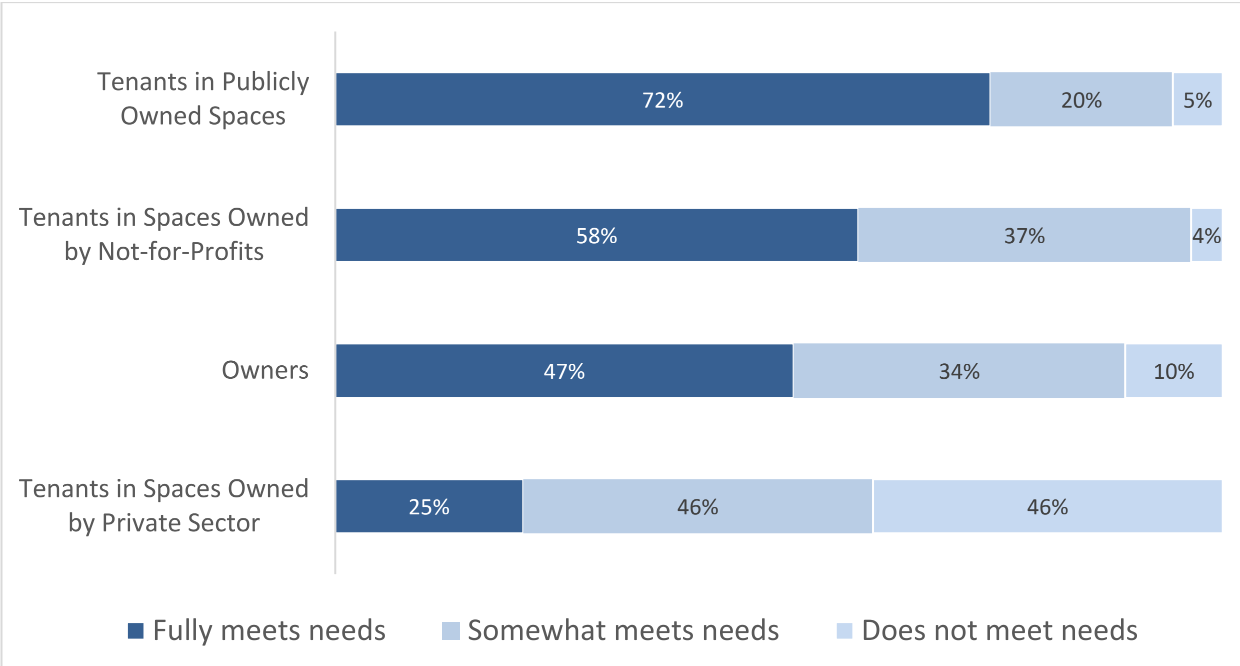
Likewise, the majority of independent artists report the cost of their space does not fully meet their needs as shown in Figure 47.

Figure 47: Extent to which Cost of Space meets Needs by Sector



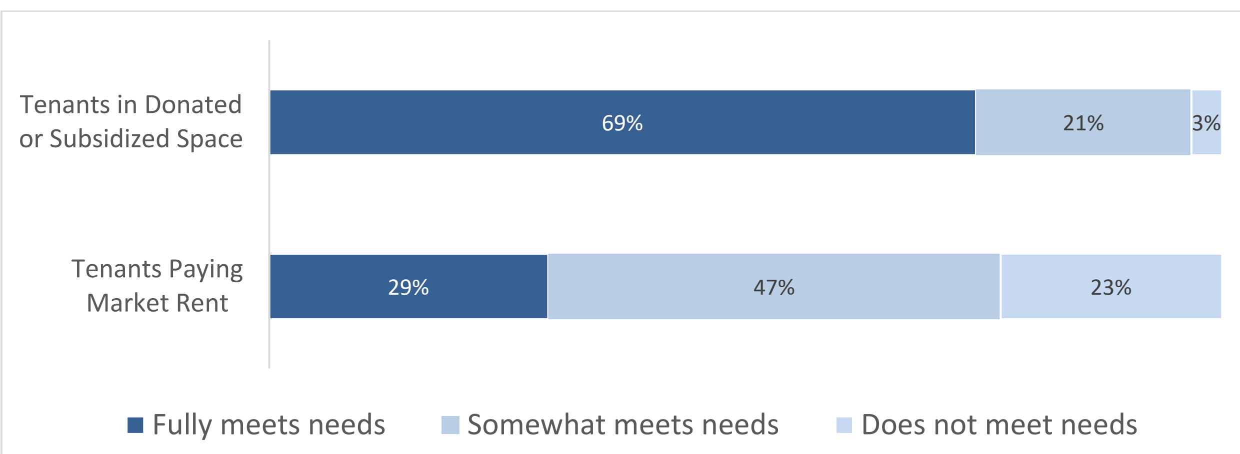
To more deeply understand the linkages between satisfaction with the cost of space for social purpose organizations and other real estate parameters, several different views are shown in the figures which follow. Figure 48 confirms that for the full sample of S4C Survey respondent organizations, those which are tenants of private sector landlords are least satisfied with the cost of their space. 72% of those in publicly owned spaces, however, find that the cost of their space fully meets their needs. This speaks to the value of public ownerships of spaces, and the higher potential for subsidization in publicly owned buildings.

Figure 48: Extent to which Cost of Space Meets Needs by Tenure



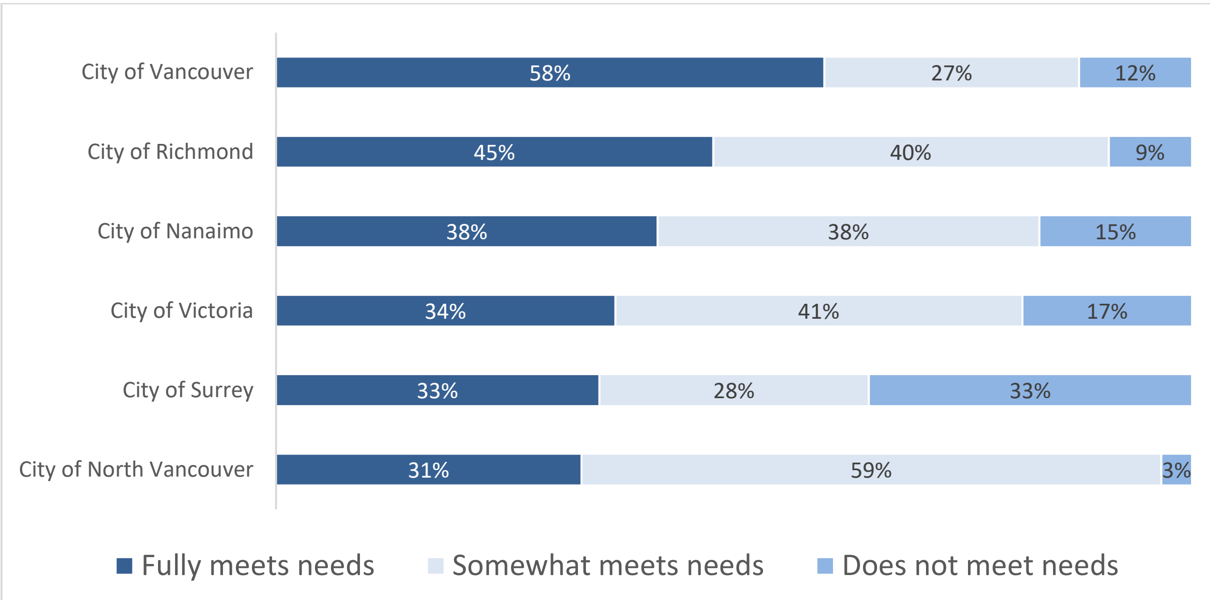
In Figure 49, the difference in satisfaction of social purpose tenants between those in donated or subsidized spaces and those in market rent spaces is shown. Not surprisingly, those in subsidized spaces are more likely to say that the costs of their space "fully" meet their needs, by a wide margin.

Figure 49: Difference in Satisfaction between Subsidized Space and Market Rate Space



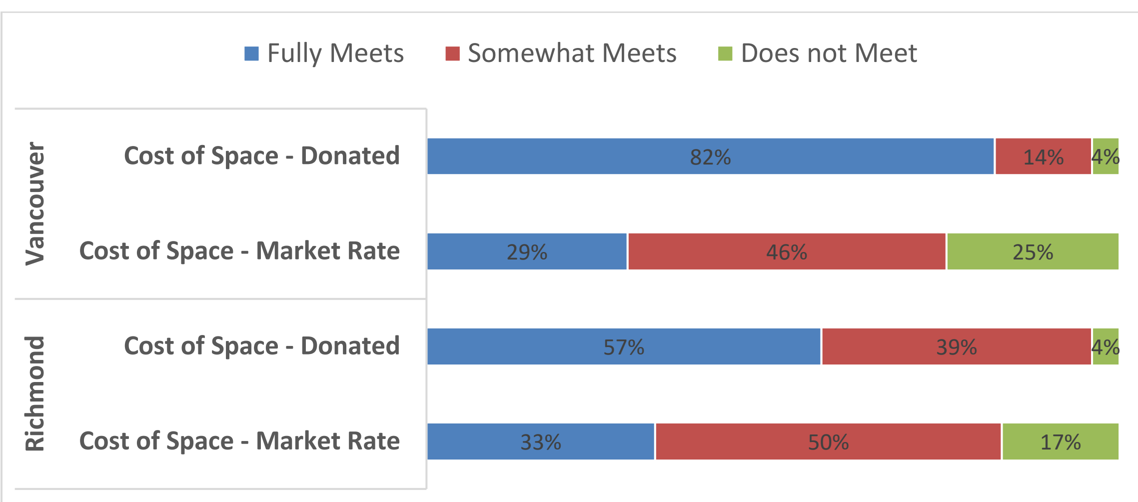
Across municipalities, Vancouver received the highest proportion of organizations satisfied with the costs of their space at 58% of organizations fully satisfied (Figure 50). Richmond is second with 45% of organizations satisfied with the cost of their space. It is noted that Vancouver and Richmond had the highest proportion of donated/subsidized space at 57% of respondents for each municipality.

Figure 50: Extent to Which Cost of Space Meets Organization Needs by Municipality



When we overlay the impact of donated or subsidized space, Figure 51 shows the difference in how the cost of space meets the needs of social purpose organizations for the two municipalities where there was sufficient data regarding subsidized spaces for analysis. The data indicates the significance of the benefit to social purpose organizations when they are able to secure space for which lease rates are below the market rate for comparable space.

Figure 51: Extent to Which Cost of Space Meets Organization Needs in Donated/Subsidized Space by Municipality



Affordability Summary

On an aggregate basis, S4C Survey respondents were almost equally divided between those who said the cost of their space "fully" meets their needs and those who reported the cost of space as not meeting their needs. Affordability is affected by a number of factors, including rental rates charged by owners. Almost half the survey respondents report their space is donated or their rent is subsidized, which makes a significant difference with respect to the attribute of affordability of the space. Tenants in donated or subsidized spaces were much more likely to report the cost of their space fully meets their needs than tenants paying market rent (72% vs 29%). This likely explains the blended, higher satisfaction level indicated in the full sample.

With another indicator of affordability, the portion of operating budget spent on real estate related costs, the majority of respondents from arts and culture organizations, community and social service, and other social purpose organizations spent less than 30% of their budgets on real estate-related costs. This has improved since 2013. Independent artists are the only group where the majority of respondents spend more than 30% of their operating budgets on real estate related costs. It is not surprising therefore that independent artists report the highest average cost per sq foot.

When analyzed by location, the majority of respondents in most areas spend less than 30% of their budgets on real estate related costs, except in Victoria/CRD where 50% of respondents spend more than 30% of their operating budgets on real estate-related costs. The majority of Nanaimo, Victoria, Surrey, and North Vancouver respondents report the cost of their space does not fully meet their needs. Given the known affordability issues in Vancouver, it may seem surprising that affordability is less of an issue for Vancouver respondents, but this is explained by the high rate of donated and subsidized space among Vancouver respondents (about 50%).

Section 6 – Space Tenure

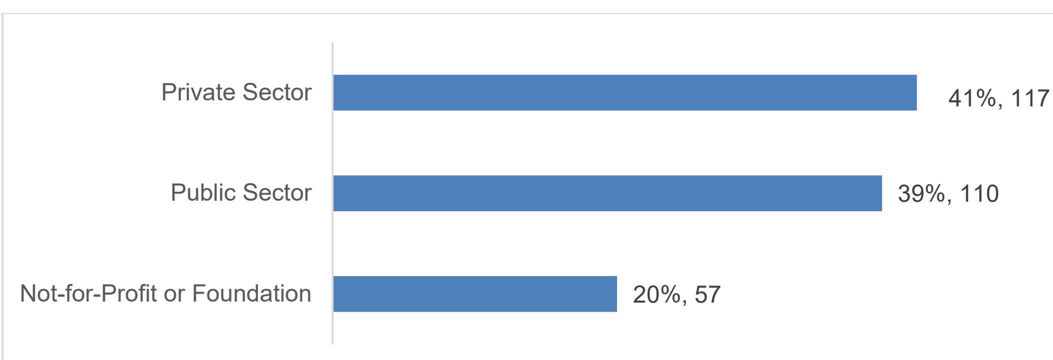
Tenure of space refers to the type of agreement held between the building owner and an occupant, which provides the terms and conditions of access to use a space and accompanying length of term, rights and obligations of both parties. It can range from outright ownership, a long term lease on the space, all the way to informal month-to-month arrangements with no written agreement in place. The ability for the user of space - the social purpose organization - to plan and budget, make capital investments to improve the suitability of the space, or establish a long term presence in the community, is directly related to their confidence in being able to stay, and afford to stay, in the space well into the future.

Appropriate security of tenure means that the space the not-for-profit or social enterprise is using is secure for the length of time that is suitable to the organization for its purposes, programs and services; without constant threat of having to move, find new space, or find additional resources to remain in the space. Some rental/license/lease terms are purposefully short by mutual agreement of the landlord and tenant. But security of tenure is vitally important where a longer term is needed and desired.

Type of Owner

Feedback from the 2020 S4C Research Report and the 2020 Space for Community (S4C) Survey findings confirm that there are a wide range of owners of space that is currently used by social purpose organizations in BC. Figure 52 below, shows the vast majority (80%) of the space is equally divided in ownership between public or private ownership, which is then leased or otherwise made available to the social purpose tenants. The balance of ownership (20%) is in the hands of not-for-profit organizations or Foundations . The importance of this third ownership category to providing subsidized or donated space, thus lease rates and supporting the needs of other not-for-profit organizations as tenants, was evident in the analysis on affordability in Section 5 of the report.

Figure 52: Type of Owner

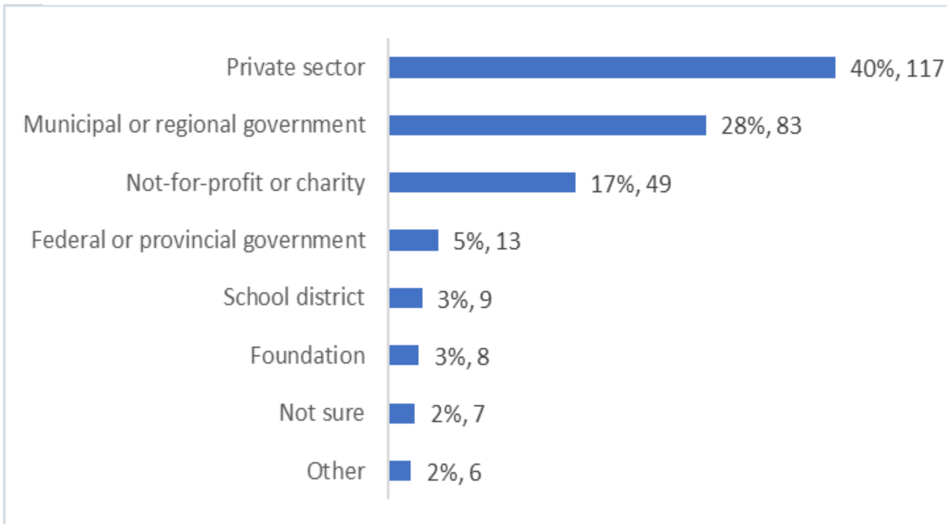


Ownership by not for profits or social enterprises is the most secure form of tenure. Leasing from mission-based organizations (other not-for-profits, foundations, etc.), which, through their commitment to the space and program, is also shown to be a stronger security of tenure for the social purpose space user (sub-tenants).

Owners of Tenanted Spaces

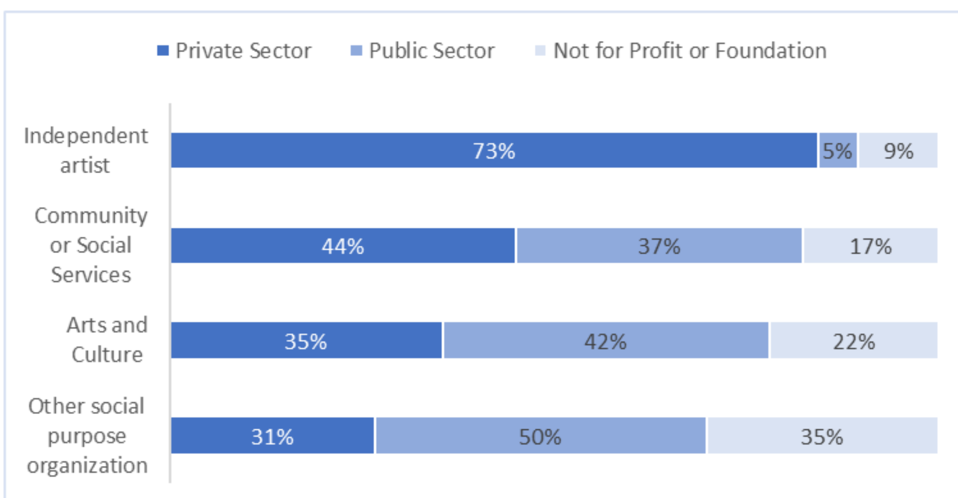
The majority of tenants who completed the survey are in spaces owned by either the private sector or, at an equivalent level, the public sector (see Figure 53). The public sector includes spaces owned by all levels of government (federal, provincial, regional, and municipal) and school districts. An examination of the breakdown of public sector owners reveals the balance amongst different government agencies in their role as landlord to social purpose organizations, as shown in Figure 53.

Figure 53: Breakdown of Owners



The sector analysis (Figure 54) reveals that independent artists are more likely to be in privately owned spaces, and these spaces are often their own residences.

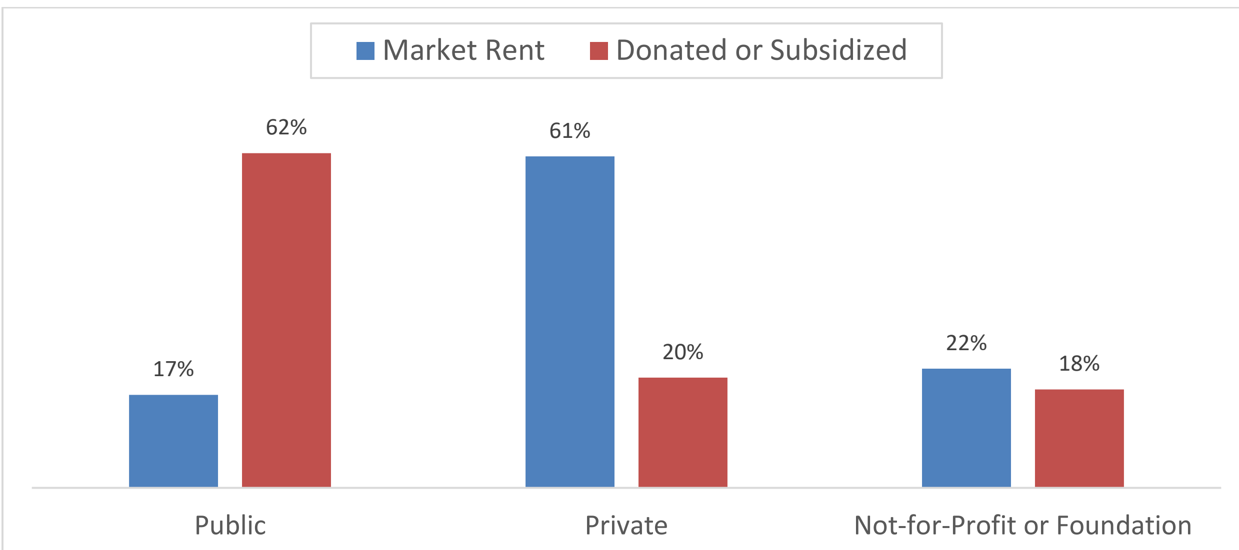
Figure 54: Owners of Tenanted Spaces by Sector



A critical factor in the arrangements between social purpose tenants and their landlord (be it public, private, or not-for-profit ownership) is whether the cost of the space is based on the market rate for similar space, or if there is a reduction in rent rate by way of subsidization or donation of the space to the social purpose tenant.

Figure 55 shows the distribution of donated/subsidized space offered by each type of owner. There is a predominance of subsidized space offered in buildings owned by public bodies, an equivalent skew the opposite way for private landlords where they hold 61% of the market rate spaces, and then a more equal balance in the not-for-profit and foundation owned buildings between spaces offered at market rent and spaces offered on a subsidized or donated basis to social purpose organizations.

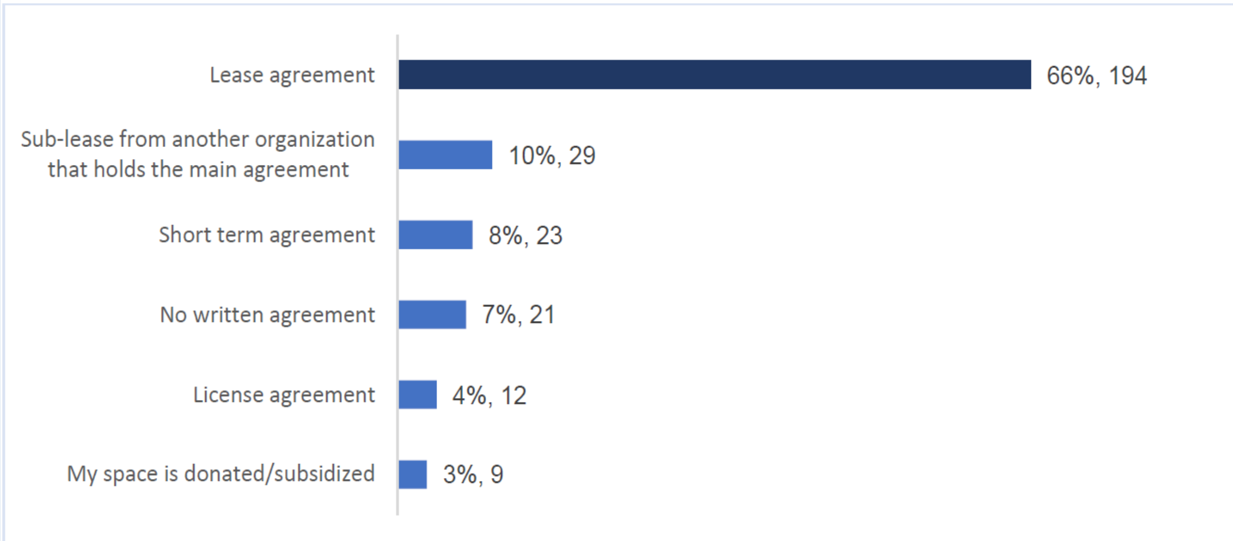
Figure 55: Portion of Total Donated/Subsidized Space by Owner Type



Type of Agreement

Lease agreements are most common across the full sample of survey respondents (see Figure 56Figure 56) and across sectors.

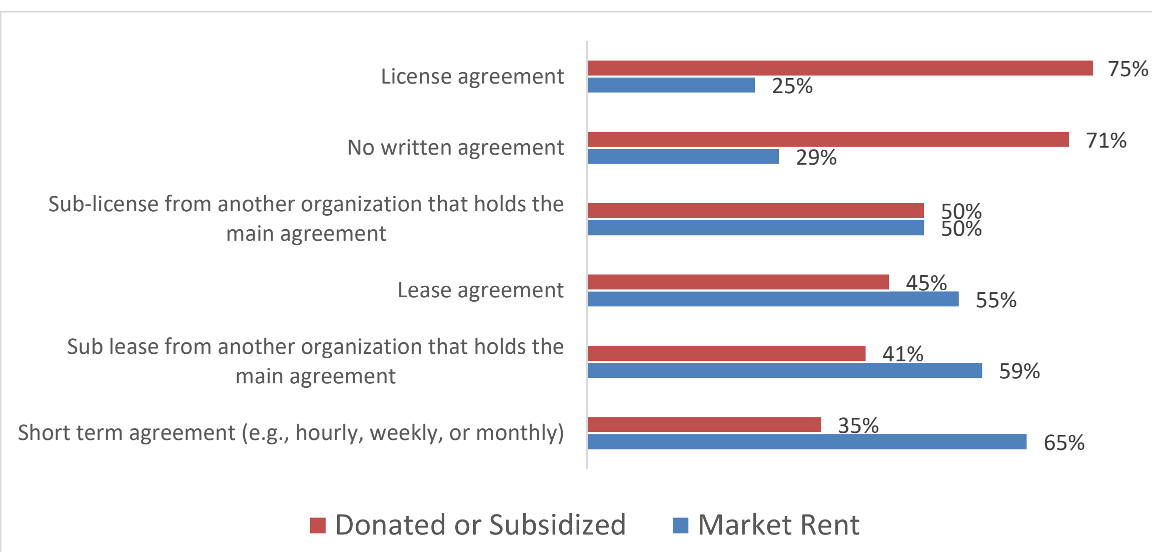
Figure 56: Which term best describes the Type of Agreement You Have



Interestingly, the nature of the agreement in place for donated or subsidized space is skewed towards specific types of agreements. Figure 57 below highlights that of all the licence agreements in place with survey respondents, fully 75% of them are for subsidized space. Similarly, for all situations where no written agreement is in place, 71% of those are connected to subsidized space. As we saw in Figure 56, lease agreements are by far the most common type of tenure agreement for social purpose organizations, and almost half (45%) of these are for space which is donated or subsidized by the owner.

Feedback from the SPRE Table confirms that government is increasingly using license agreements in renting out space in public buildings. The high level of subsidized rents in the category of license agreements is consistent with the finding that the largest provider of subsidized space is government.

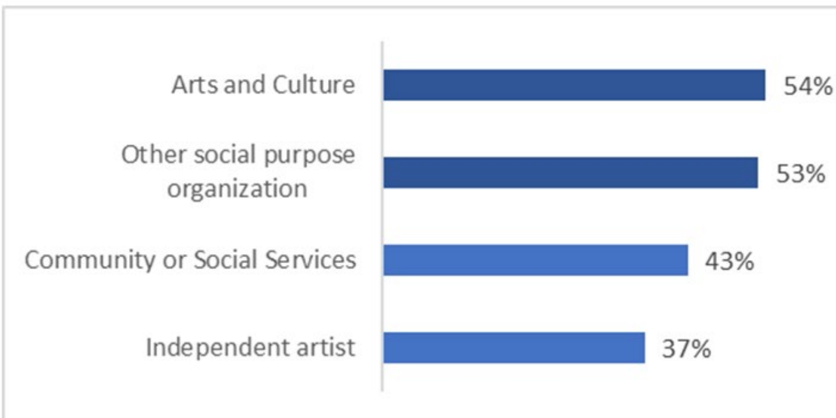
Figure 57: Type of Agreement for Donated/Subsidized vs. Market Rate Space



The 2013 Survey results are very consistent with those in the 2020 S4C Survey. Choices in the 2013 study included both rent and lease options (which may have been seen as quite similar) and did not offer licensing or short term agreement options to respondents. Comparability may be tenuous, however the combined rent/lease categories for all sectors ranged from 50% - 64% of the agreements in place which aligns very consistently with the 66% found in the 2020 S4C Survey for lease agreements.

Evidence of donated space in the 2013 survey was strongest for the Community and Social Services sector (24%), and less for Independent Artists (21%) and Arts & Culture organizations (12%), which is different than the 2020 findings, shown once again in Figure 58.

Figure 58: Donated or Subsidized Space by Sector - 2020 S4C Survey



Time frame for occupancy

As shown in Figure 59, most agreements for survey respondents are from three-to-five years (25%) but about one in five respondents (18%) have month-to-month arrangements. Independent artists are more likely to have the month-to-month arrangements as shown in Figure 60 which follows.

Figure 59: Length of Agreements - 2020 S4C Survey

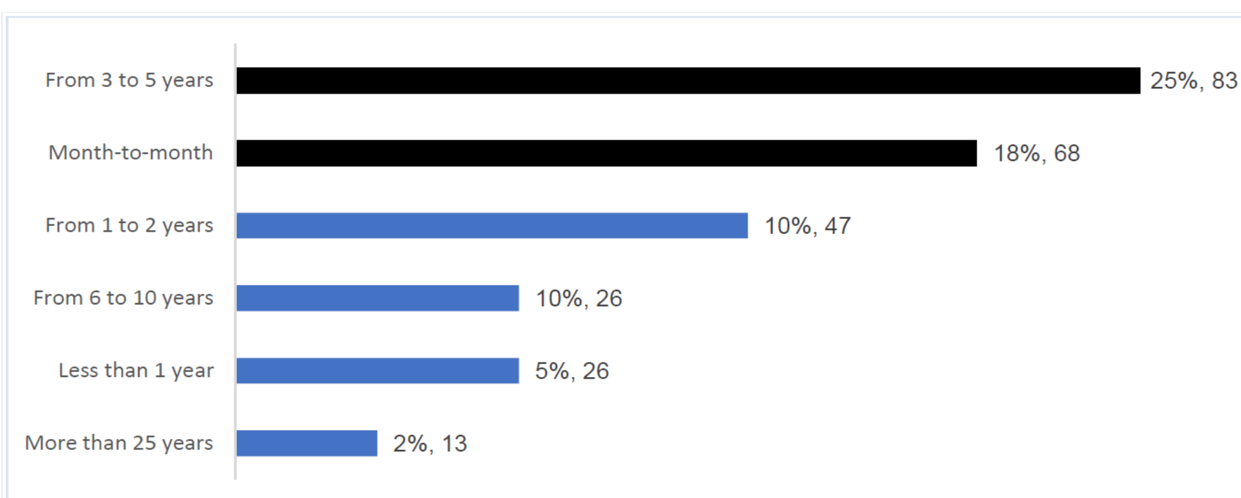


Figure 60: Type of Arrangement by Sector - 2020 S4C Survey

	Community & Social Services	Arts & Culture	Other SP Organizations	Independent Artists
Month-to-Month	18%	19%	25%	74%
Less than 1 year	5%	11%	15%	11%
1 - 2 years	18%	22%	18%	11%
3 - 5 years	41%	33%	21%	5%
6 - 10 years	13%	8%	9%	0%
11 - 25 years	0%	3%	5%	0%
More than 25 years	4%	5%	8%	0%

According to survey findings in a 2018 report by the Richmond Community Services Advisory Committee, *Phase 2 Non-Profit Social Purpose Space Needs Review,* over one-third of respondents (35%) are experiencing uncertainty about their tenure and may need to relocate.[32] Reasons include rental/lease expiration (26%), adding or expanding programs and services (26%), and other challenges including temporary space use and demolition clauses (26%) as well as financial uncertainty (5%).[33]

When comparing with the time frame for occupancy indicated in the 2013 Study, Figure 61 summarizes the findings by sector (data for Independent Artists was not reported) from that period. The data shows that month-to-month arrangements were at similarly high levels in 2013, with little change since that time. The overall time horizon across all sectors for lease terms outside of month-to-month arrangements, however, has been pushed out to somewhat longer lease periods in the 2020 data, which is encouraging.

Figure 61: Length of Tenure from 2013 RENT LEASE OWN Study Findings:

	Community & Social Services	Arts & Culture	Other SP Organizations
No Written Agreement	3%	8%	8%
Month-to-Month	21%	32%	21%
Less than 1 year	16%	12%	5%
1 - 2 years	24%	12%	31%
2 - 5 years	34%	17%	26%

32 Richmond Community Services Advisory Committee (2018). Phase 2 Non-Profit Social Purpose Space Needs Review. https://www.rcsac.ca/images/pdf/Phase_2_Richmond_Non-Profit_Social_Purpose_Needs_Review.pdf
33 Ibid.

More than 5 years	0%	9%	10%
Not Applicable	3%	8%	0%

Number of Years Left in Current Agreements

The majority of 2020 S4C Survey respondents reported they have one year left in their current agreements (48%) but as shown in Figure 62, almost as many (42%) have between two to five years. The sector analysis shown in Figure 63 reveals that Other Social Purpose Organizations have the shortest tenure left in their agreements

Figure 62: Number of Years Left in Current Agreement

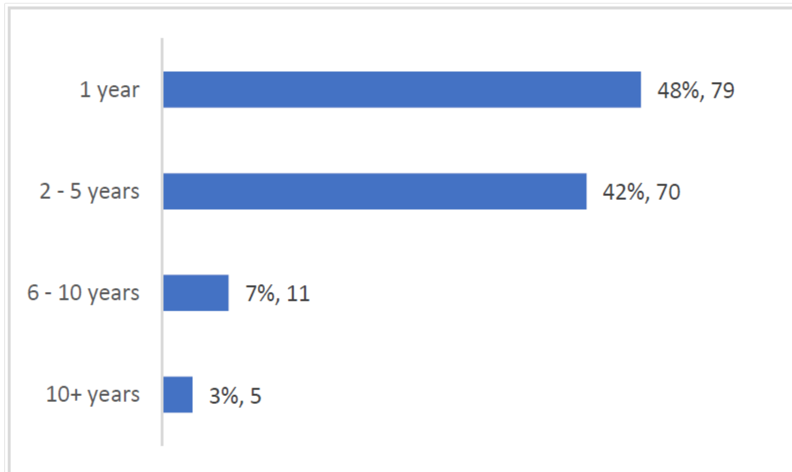


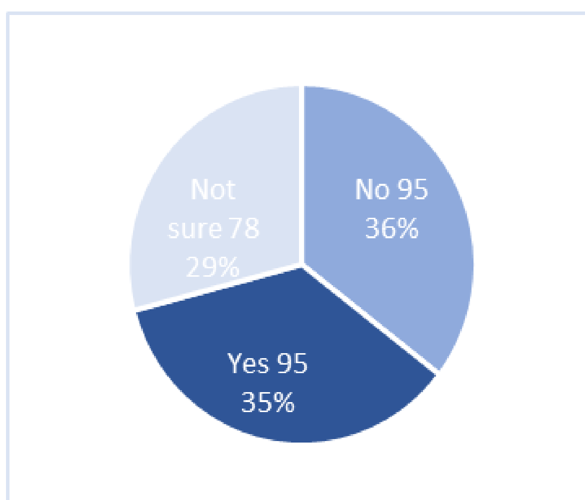
Figure 63: Years Left in Current Agreement by Sector

Sector	1 year	2 - 5 years	6 - 10 years	11+ years
Community or Social Services	18%	52%	6%	3%
Other Social Purpose Organizations	43%	39%	5%	5%
Arts and Culture	30%	30%	12%	2%

Renewal Terms

About the same number of respondents either have or don't have renewal terms in their agreements (35% of respondents). Because there was a high percentage of respondents (29%) who were not sure (see Figure 64), these findings may not accurately reflect the existence of renewal terms. However, even the 36% of organizations indicating they have no renewal terms is alarming. This may suggest a critical weakness in sector capacity to carry out their real estate activities, and therefore delivery on their mission, programs and services.

Figure 64: Agreements with Renewal Terms



The sector analysis shown below in Figure 65 indicates that community and social service organizations and arts and cultural organizations are more likely to have renewal terms.

Figure 65: Renewal Terms by Sector

Sector	No	Yes	Not sure	Total
Community or Social Services	31%	41%	29%	98
Other Social Purpose Organizations	45%	30%	25%	67
Arts and Culture	33%	41%	27%	64
Independent Artists	32%	11%	58%	19
Total	87	88	73	248

For the social purpose sectors shown in Figure 66 , the most common amount of time included in lease renewal terms is reported as 2 to 5 years.

Figure 66: Length of Renewal Terms by Sector

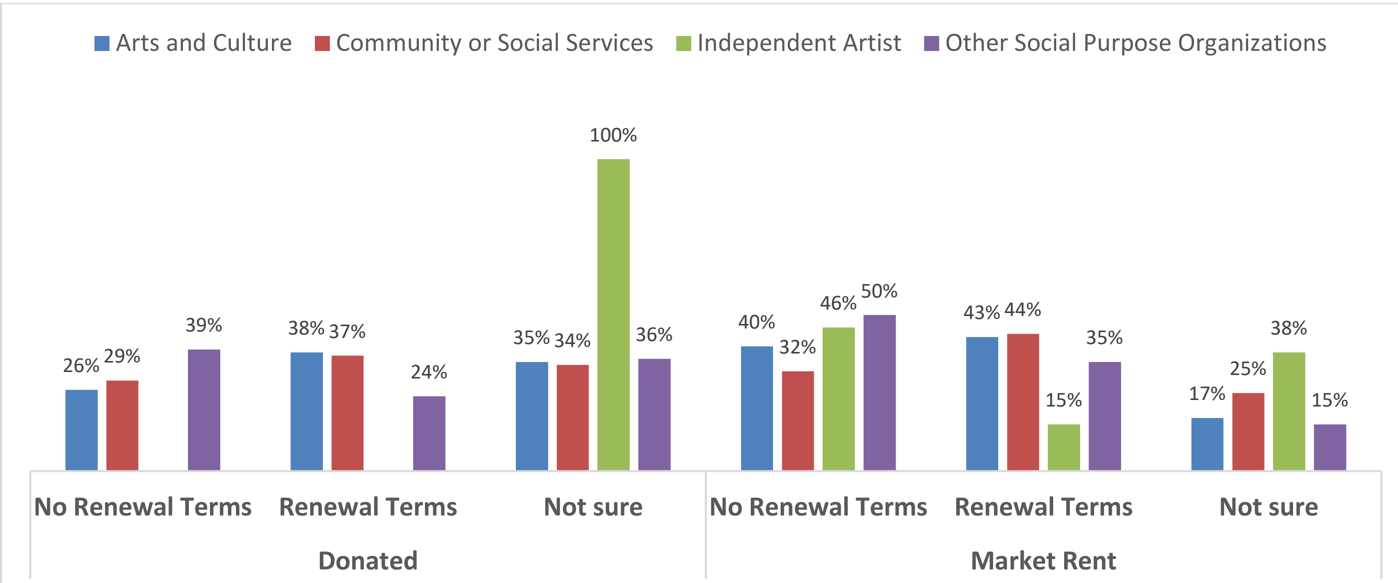
Years of Renewals	Arts and Culture	Community or Social Services	Other Social Purpose Organizations
1 year	22%	11%	15%
2 to 5 years	33%	46%	30%
6 to 10 years	19%	19%	25%
11 to 16 years	0%	5%	25%
16 to 20 years	15%	5%	0%
Over 20 years	11%	14%	5%

This preponderance of shorter term tenure arrangements, heavily skewed to month-to-month arrangements and lease terms with less than 5 years remaining, demonstrates a precarious situation for social purpose organizations in BC. With this short term time horizon in front of them, forward planning, space renovation and management, and security of remaining in the communities they serve, becomes very tenuous.

Focus group participants identified a number of specific areas of direct assistance or capacity building as important tools to build success in the social purpose sector for their real estate needs. Specifically, Executive Directors need support to navigate the leasing world. Access to a leasing expert for support/advice for negotiation on commercial lease arrangements was posited as being very helpful. Legal resources to assist in managing difficult real estate situations such as evictions were also identified as a needed support to the sector. These observations have also long been supported by the SPRE Collaborative, who has been providing such capacity training as vital to the sector.

The relationship between donated or subsidized space and the existence of renewal terms was also analyzed. Figure 67 sets out for each social purpose sector, and by donated/subsidized or market rate space, the percentage of organizations which have no renewal terms, those that have renewal terms in their agreement, and those that are not sure. Interesting to note the higher level of uncertainty amongst all sectors when they are occupying donated space, with particular emphasis on independent artists.

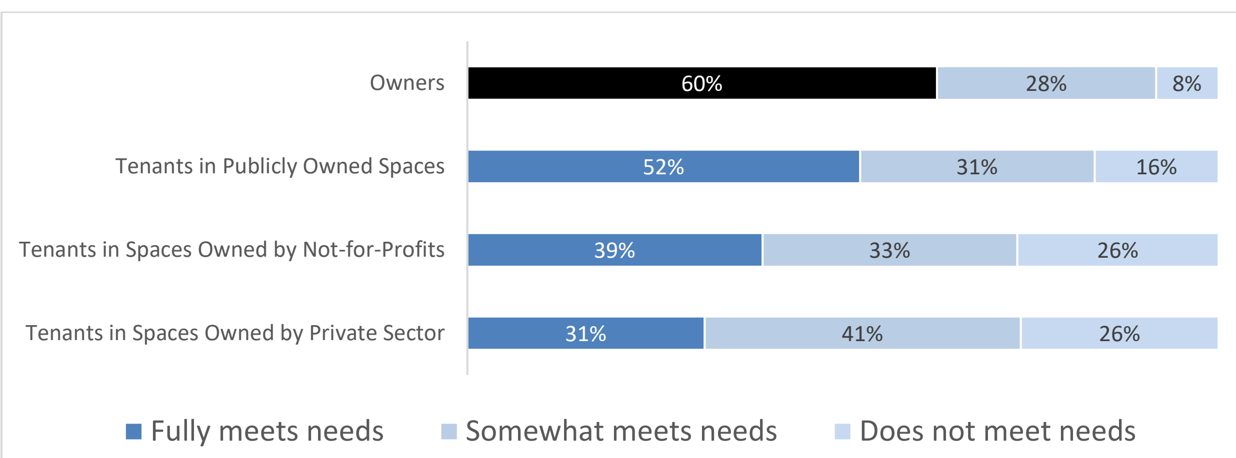
Figure 67: Renewal Terms by Sector by Donated vs Market Rate Space



Satisfaction with Security of Tenure

Analysis of the extent to which the tenure of current spaces meets respondent needs shows that social purpose owners of space most frequently report the tenure of their spaces "fully" meet their needs, while non-profits and social enterprises in all of the tenant categories are much less satisfied, with half or more reporting that the tenure of their space does not meet their needs. This can be seen in Figure 68.

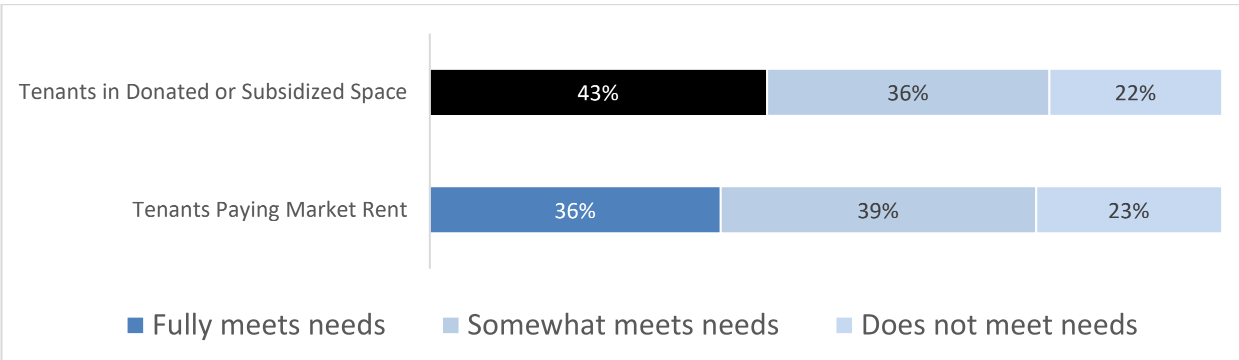
Figure 68: Extent to which Tenure of Spaces Meets Needs by Ownership Category



It is not surprising that while ownership comes with an array of costs and responsibilities, the security of tenure which ownership provides, particularly in markets heavily affected by affordability and redevelopment, makes ownership an important tenure arrangement for the social purpose sector.

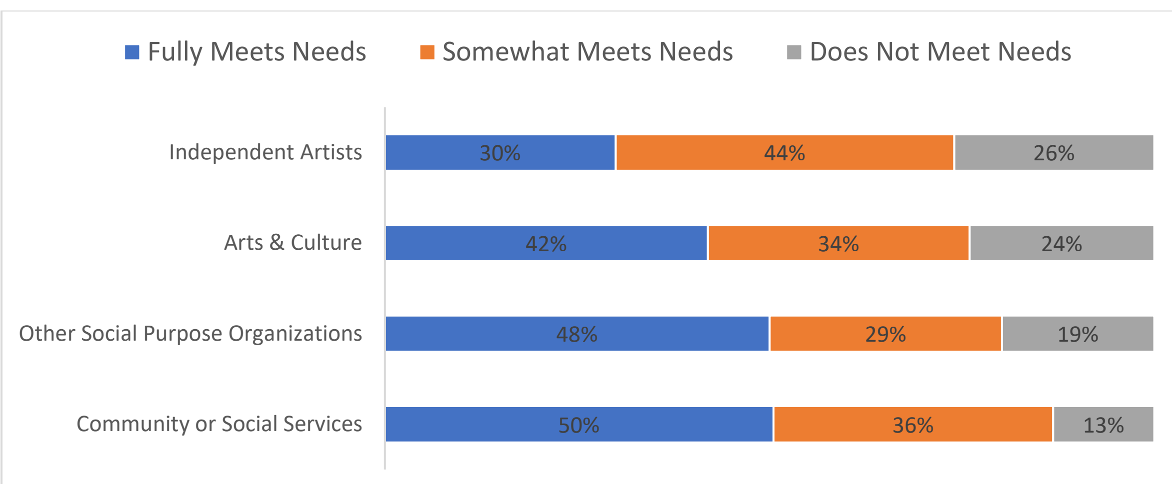
It is interesting to note that satisfaction levels regarding the tenure arrangements among tenant organizations in donated or subsidized space is not dramatically different than for those paying market rent (Figure 69 below). The data indicates that the security of tenure is less of a satisfaction criteria differential between donated/subsidized space and market rate space for social purpose organizations, than cost.

Figure 69: Extent to which Tenure of Spaces Meets Needs for those in Donated or Subsidized Space



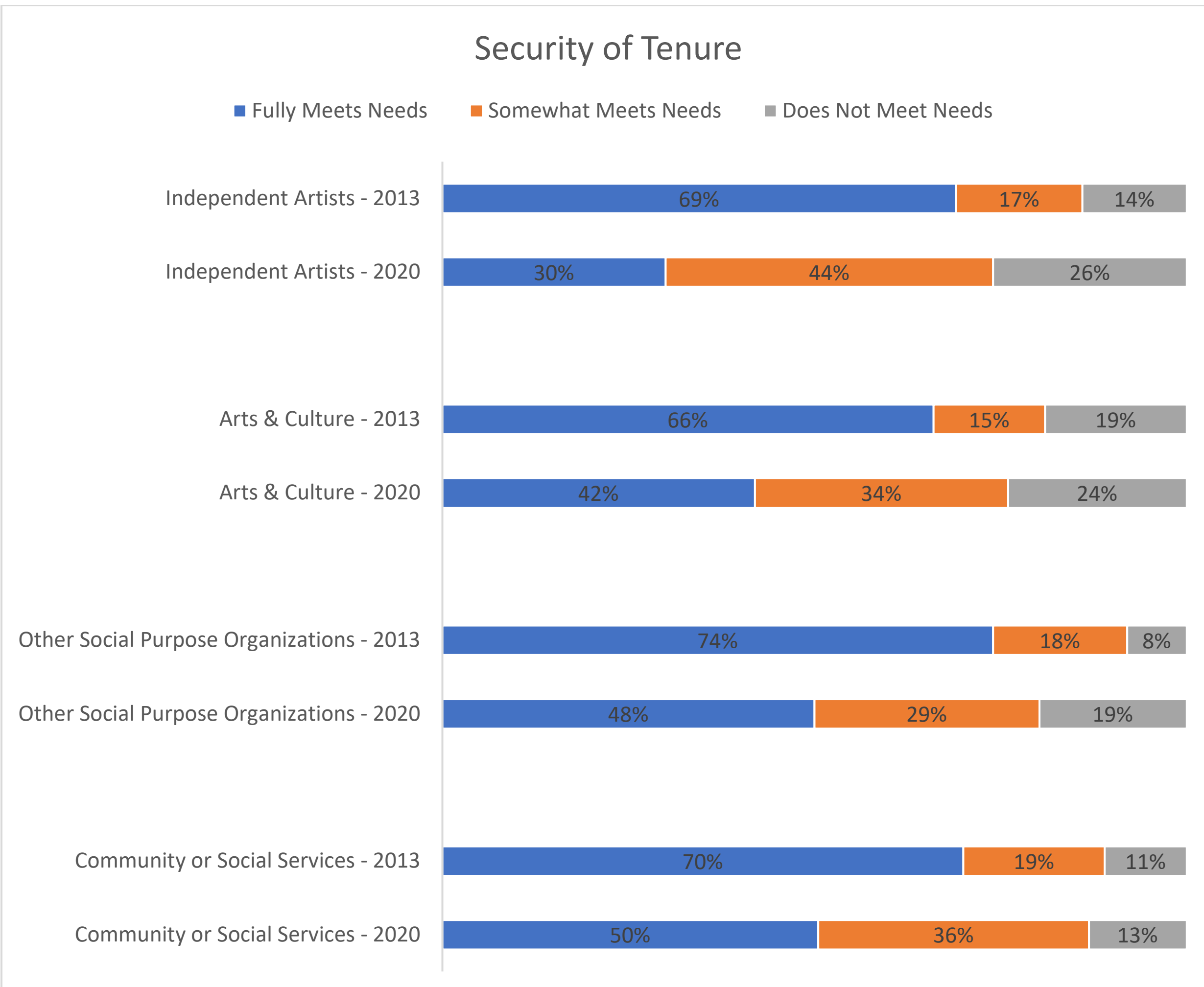
Looking at the differences across social purpose sectors with respect to satisfaction levels of the tenure of tenancy arrangements, we see in Figure 70 that Community or Social Services and Other Social Purpose Organizations rank this the highest at a 50% satisfaction level. Independent Artists are the least satisfied with their security of tenure.

Figure 70: Extent to which Tenure of Spaces Meets Needs by Sector



The results from the 2013 survey indicated this rating using the categories of "not secure at all", and "not very secure", which aligns with the "does not meet" and "somewhat meets" categories used in the 2020 S4C Survey. A comparison of results on this element by sector between the 2013 findings and the 2020 findings is shown in Figure 71. The data shows that in 2013 for all sectors, social purpose organizations felt that the tenure of their lease arrangements more fully met their needs. For all sectors then, the situation has trended towards less confidence and satisfaction with the security of tenure in 2020.

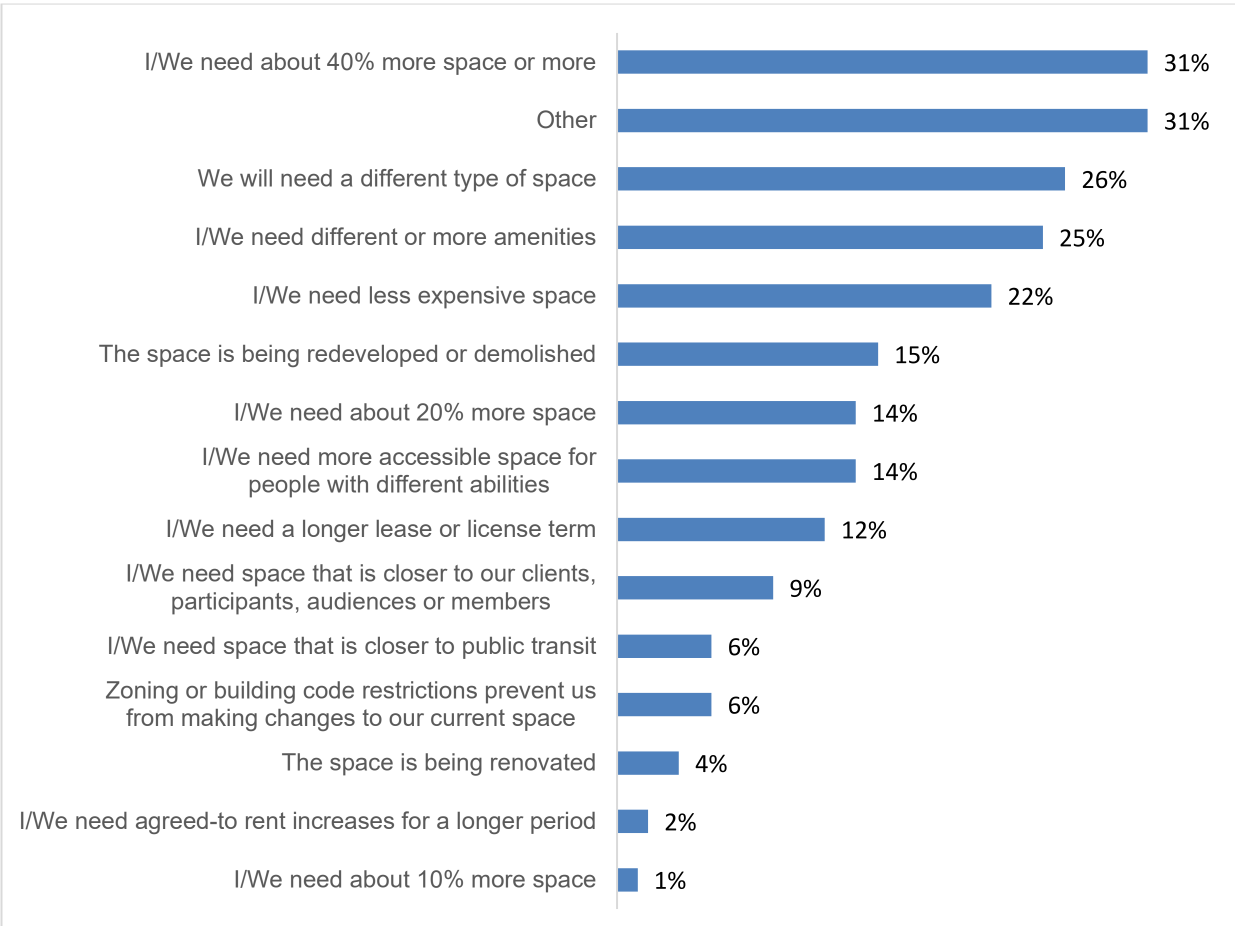
Figure 71: Comparative Satisfaction with Security of Tenure 2013-2020



Anticipated Need to Move

The majority of respondents to the 2020 S4C Survey indicated they will need to move within the next five years (58% of respondents). This has increased since 2013, when 43% of 2013 Survey respondents indicated a need to move. Just over one-third of the moves are fully or partially due to the COVID-19 pandemic. Figure 72 shows the impetus for this need to move.

Figure 72: Impetus for the Need to Move



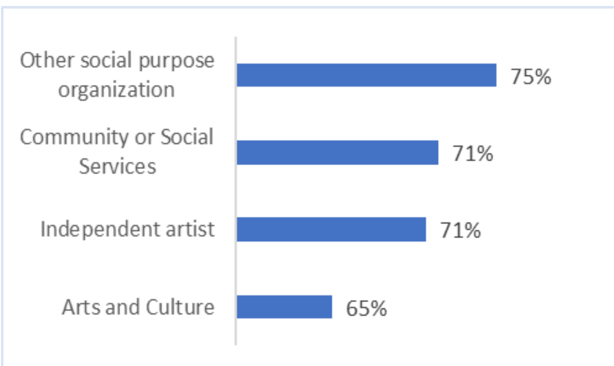
As can be seen in Figure 72 above, about one third of respondents reported "other" reasons for needing to move. A variety of other reasons were provided, including:

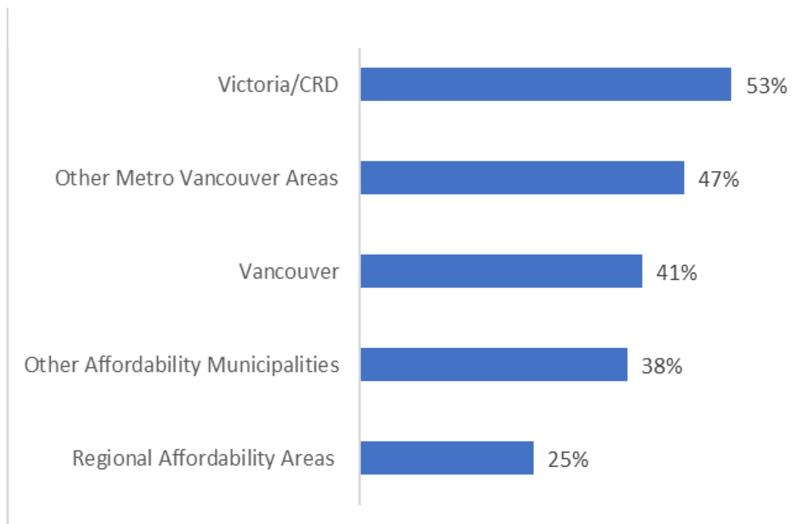
- Want to co-locate
- Condition of the space
- Configuration of the space
- Landlord related issues
- Need less space
- Move away from shared space
- Move to new building

- Need permanent space
- Space is being sold
- Want to own space

There were very few differences between sectors in reporting a need to move as shown in Figure 73, however, arts and cultural organizations were least likely to report having to move within the next five years. Differences were found when looking at affordability area groupings with higher moves anticipated for Victoria/CRD respondents than other areas. The Regional Affordability grouping had the lowest anticipated move likelihood, confirming that areas outside of the larger urban centers are less volatile around the need to change location.

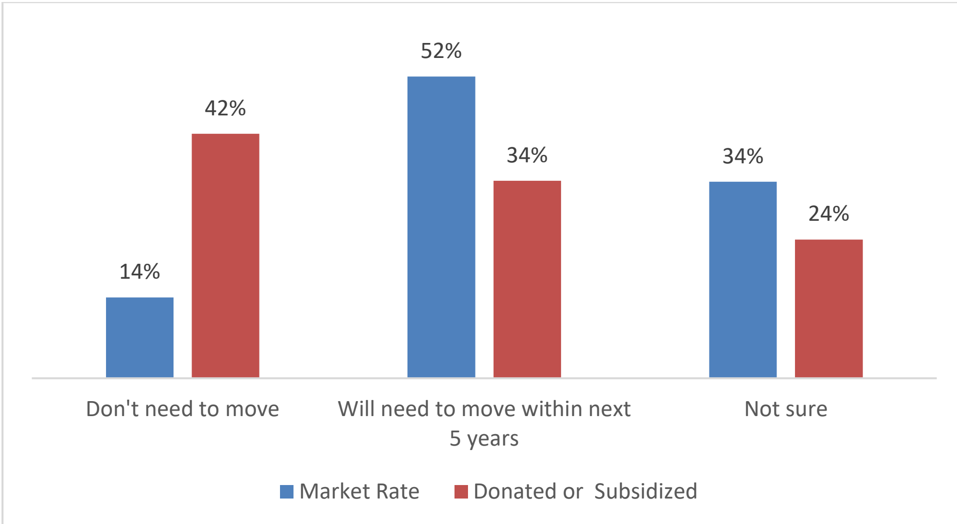
Figure 73: Need to Move by Sector and by Affordability Groupings





With respect to the anticipated need to move, the 2020 S4C Survey indicated that tenants paying market rate were more likely to say they will need to move within the next 5 years than tenants in donated or subsidized spaces (see Figure 74). However, there were no differences evident between market rate space and donated/subsidized space with respect to the length of agreements tenants enter into, or the extent to which security of tenure meets respondent needs. Taking these three data points into consideration, the result would indicate that the greater sense of stability for donated/ subsidized space situations is primarily due to the sense of confidence that the organization is less likely to need to move in the near future.

Figure 74: Need to Move for Donated vs Market Rent



Comparison with the 2013 results for the anticipated need to move shows many similar reasons for moving in both surveys. It is interesting to note, however, that the most frequently mentioned reason for moving in 2013 (proximity to related services or like-minded organizations) was not once listed by respondents in the 2020 S4C Survey as a motivation for moving. Other reasons named in 2013 including affordability issues, more space needed, and improved stability and security of tenure are echoed in the 2020 responses.

With respect to the need for more space, the 2013 survey indicated that 73% of Community and Social Service organizations, 70% of Arts and Culture organizations, and 66% of other SP organizations would require more space within the next 5 years. Lesser emphasized reasons for moving, however common to both surveys, included the opportunity to co-locate, and the ability to locate within closer proximity to public transportation.

Impacts of Redevelopment Activity

Identified within the S4C Research Report, redevelopment and building replacement remains a significant concern for any social purpose organization in a lower grade building in areas most heavily impacted by affordability such as Vancouver, particularly for arts and culture organizations. Driven by rising land values and development pressures, organizations become vulnerable when they have to live with prospects of being abruptly forced out of their space because a property is sold, going into redevelopment, or has had its rents/taxes increased exponentially. In order to create a uniquely designed program delivery space, possibly requiring extensive tenant improvements, the organization must have certainty of long term tenure in order to finance those costs of improvements.

As an example of this displacement risk, in a recent Community Serving Spaces Study, the City of Vancouver confirmed, that Vancouver was at risk or lost 17 active community-serving sites through rezoning applications submitted from 2012 to 2018.[34] These sites in places of worship or other community halls have for decades provided donated or subsidized spaces for some of the most vulnerable populations and small organizations such as Alcoholics Anonymous, youth programs and other programming for children and seniors.

Research findings in the City of Vancouver's *Making Space for Arts & Culture Report*, confirm that cultural spaces are extremely vulnerable to tenure security. Over the past year, more than 16 studios in industrial spaces housing ~300 artists have either closed or are under threat of displacement due to dramatic property tax, rent increases, competition with higher-value land uses and development pressure.[35]

A key influence identified by the SPRE Collaborative and reinforced through the S4C Research Report and focus group feedback is that the need for housing is so urgent in BC that it overshadows the equally important but less visible need for community space. The current and potentially long term focus on housing projects in BC presents important opportunities for social purpose and community oriented spaces. Delivering mixed use housing plus wrap around services, community spaces and space for not for profits and social enterprises would potentially have tremendous positive impact.

Evictions

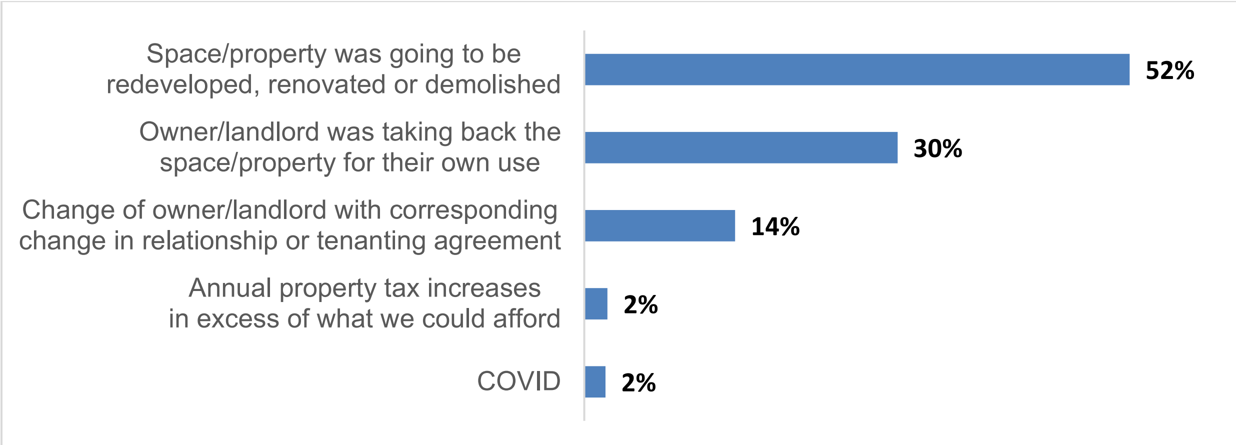
Ninety-one S4C Survey respondents (28% of respondents) reported having been evicted. Most evictions were caused by redevelopment, renovation, or demolitions, as shown in Figure 75. Even in spaces where tenants can return when renovation or redevelopment is completed, this may not be option, as revealed in the following quote from a S4C Survey respondent:

[We were evicted due to] "building renovation. We have the right to return in 2 years when project is complete but must raise $400K to outfit the shell space we will return to."

[34] Community Serving Spaces Study is an on-going study. Reports to draw from include the 2019 City of Vancouver Community-Serving Spaces Study: Places of Workshop Forum [presentation slides]; the 2019 CityGate Leadership Forum for the City of Vancouver, Community Serving Spaces Stakeholder Forums Summary Engagement Report; 2019 City of Vancouver Community-Serving Spaces: Recommending an Approach to Encourage Retention and Enhancement [presentation slides]

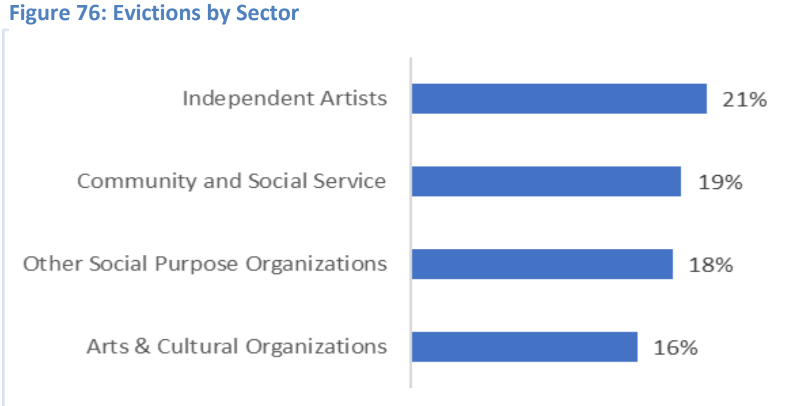
[35] City of Vancouver (2019). Making Space for Arts & Culture Vancouver Cultural Infrastructure Plan. https://council.vancouver.ca/20190910/documents/ACCS-RTS13175- AppendixD-MakingSpaceforArtsandCulture.PDF

Figure 75: Reasons for Evictions



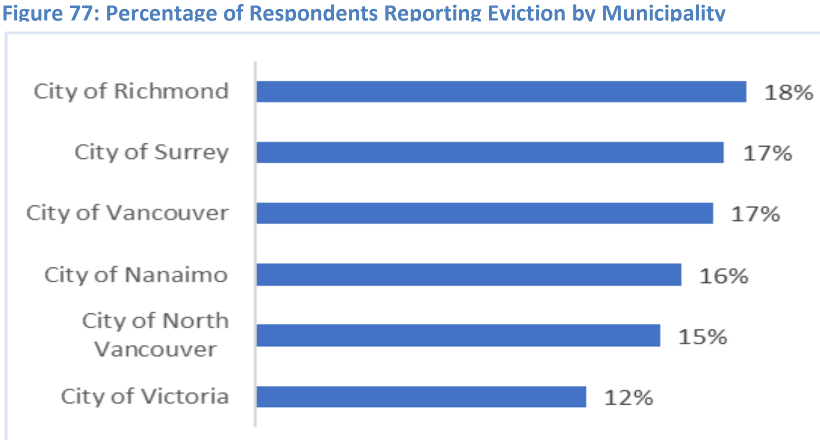
The survey data demonstrates that the experience of eviction does not differ all that much by sector. As shown in Figure 76, while independent artists experienced the highest level of evictions, it is not markedly higher than the levels experienced by other sectors.

Figure 76: Evictions by Sector



Similarly, there were not many differences in the experience of evictions on tenant organizations across the six SPRE member municipalities, as shown in Figure 77.

Figure 77: Percentage of Respondents Reporting Eviction by Municipality



Security of Tenure Summary

The majority of community and social service organizations and arts and cultural organizations are in agreements that last from 3 to 5 years. Other social purpose organizations and independent artists are most commonly in month-to-month arrangements. The majority of respondents (44%) reported that the tenure of their spaces fully meets their needs. However, when we combine respondents whose tenure "somewhat" or "does not meet" their needs, 53% of respondents are in spaces where the tenure does not fully meet their needs.

Just over one quarter of respondents reported being evicted. Most evictions were caused by redevelopment, renovations, or demolitions.

In sum, while different sectors have different tenures, the majority of respondents are not fully satisfied with the tenure of security. This is most pronounced for independent artists where just about 75% of respondents report that the tenure of security does not meet their needs. The only exceptions to this are owners and tenants in publicly owned spaces. Here the majority of respondents report the security of tenure fully meets their needs.

Independent Artists

There are a number of findings that point to unique challenges that independent artists face in meeting their real estate needs. In sum, the suitability of space used by independent artists, the affordability of their space, and the security of tenure for their space all appear to rank lower for independent artists than for the other social purpose sector groups.

Owners

The majority of property owners responding to the survey have owned their properties for a long time, over 25 years. Occupying a space that a social purpose organization owns and also shares appears to be a beneficial arrangement (for both owner and for the social purpose tenant). The majority of social purpose owners who provide spaces for other social purpose organizations (2/3 of respondents) subsidize the rent charged by providing a discount of more than 31% of market rate.

However, the security of social purpose owned space is uncertain. The majority of owners have considering redeveloping their space. When asked what will happen to their spaces in the next 10 years, 65% of owners say the space will increase or stay the same. About one in five say it will decrease or be sold.

In sum, ownership, and leasing from a social purpose organization which is an owner, seem to be good situations for social purpose organizations.

Places of Worship

Almost all the owners of places of worship make their spaces available to other social purpose organizations. These owners are more likely to make their spaces available than owners from other sectors. These owners predict a more stable future for their spaces than owners from other sectors.

Section 7 – Innovations in Supporting the Real Estate Needs of Social Purpose Organizations

In this Section, a number of examples of various models and emerging practices are highlighted which have been identified as innovative ways to tackle the issues around space for not for profits and social enterprises. While useful approaches are in no way limited to the examples presented here, these can serve to demonstrate opportunities to overcome affordability, suitability, and tenure issues and challenges for social purpose organizations.

Shared Spaces

Shared work space operating models, such as co-working, co-location and social or creative hubs, are becoming an increasingly popular option to confront soaring real estate prices, which make it difficult for smaller not-for-profits and social enterprises to find affordable workspace on their own. In response to the crisis in real estate, there has been incredible innovation around the shared work spaces typology that offers real potential for the sector to create more effective operating and program delivery models for social purpose organizations.

Newly published in 2019, "Shared Space and the New Nonprofit Workplace", demonstrates how shared work spaces are a strategy to overcome the challenge of unaffordable office space that push many not-for-profits and social enterprises into challenging real estate situations. This book outlines the benefits of co-working and offers a roadmap for the process of creating shared spaces, including guidance on ownership and financing, governance, and operations. In an excerpt from the book, the authors outline the powerful benefits of shared resources and shared spaces:

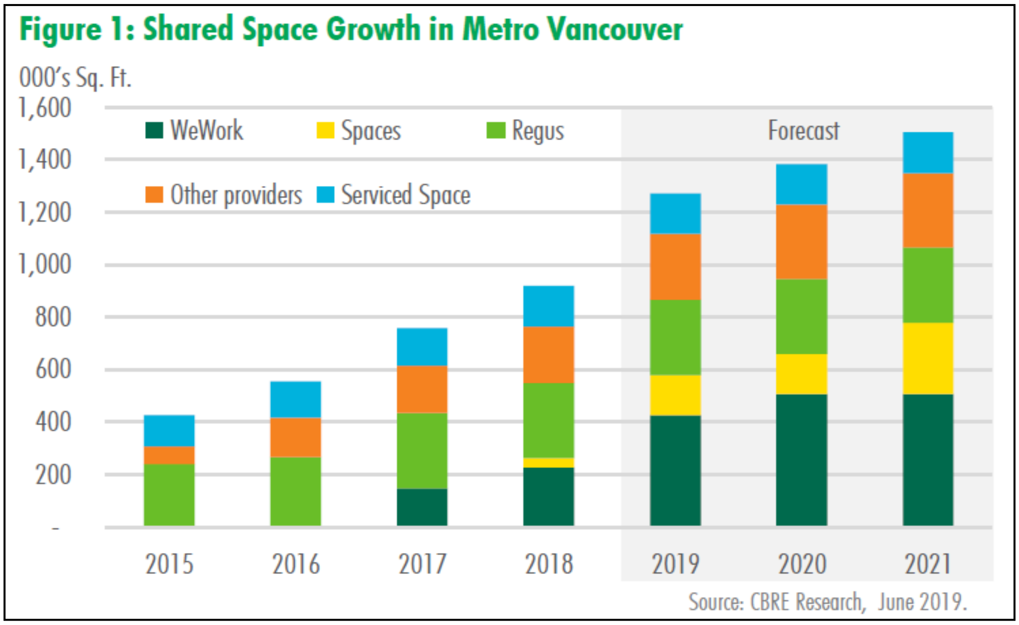
> "For individual organizations, shared space has been shown to create improved efficiency, effectiveness, and opportunities for collaboration along with operating cost savings and stability. Communities benefit from improved direct services, cultural spaces, hubs for civic engagement, and contributions to community-centered development"[36]

Shared spaces are not just limited to the social purpose sector, as a review of the commercial real estate market confirms a significant trend in recent years towards a proliferation of co-working sites. Primary motivations for these flexible work environments include the efficient and streamlined process to access space, the elimination of up-front capital expenditures and access to a community and vast network. Pressure from the traditional office market, low vacancy rates, and the changing nature of work force needs and interests have pushed the co-working practice to become very much main stream in recent years.

[36] China Brotsky, Eisinger, Sarah M. Eisinger, Diane Vinokur-Kaplan (2019). Shared Space and the New Nonprofit Workplace. Oxford University Press.

Vancouver currently holds about 21% of Canada's total flex office space (as co-location/co-working sites are known in the real estate industry). 1.5 million sq ft of space is situated in Metro Vancouver, 55% of which is located downtown, as indicated in Figure 78, demonstrates the rapid growth of shared space in Metro Vancouver in recent years. While the June 2019 CBRE forecast predicted a continued rapid rise going forward, it is strongly anticipated that the impacts of the COVID-19 pandemic recovery may significantly alter the direction of this strong recent trend.

Figure 78: Shared Space Growth in Metro Vancouver



In April 2014, Nanaimo City Council adopted a 2014-2020 Cultural Plan for a Creative Nanaimo.[37] Strategies related to space for arts and culture include developing innovative creative hubs or incubators that include shared workspaces for artists, creative professionals.

In SPRE's 2013 RENT LEASE OWN Study, many respondents indicated that they were addressing their space challenges by exploring co-location opportunities, building relationships with like-minded organizations, or seeking partners and funders.[38] There were several respondents who confirmed the need for more availability of co-location and community hub spaces, and advocated for more co-location development projects to be introduced by municipalities.

The Nonprofit Centres Network 2019 Report, State of the Shared Space Sector,[39] cites three surveys and accompanying reports in the past 9 years which provide strong evidence that not-for-profit centers are

[37] The 2014 City of Nanaimo Cultural Plan 2014 can be found at https://www.nanaimo.ca/docs/social-culture-environment/plan-culturalplanforacreativenanaimo.pdf

[38] City Spaces for the SPRE Collaborative and the Real Estate Institute of BC (2013). Rent Lease Own: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver. https://www.socialpurposerealestate.net/sites/default/files/resource_file/REIBC_SPRE_Report_FINAL1.pdf

[39] The Nonprofits Centre Networks (2019). State of the Shared Space Sector Report.

addressing the obstacles of higher rents, potential displacement, varying space needs and the many real estate tasks that can distract organizations from their missions. The report notes that not-for-profits are finding solutions to challenges around space, resources, collaboration and cost savings by co-locating.

Focus group feedback also confirmed that more organizations are looking at shared space opportunities, but that it can be hard to find an appropriate balance between shared workspace and private spaces for clients that require confidentiality in their work. Recognizing that co-location is a great opportunity to share space with other social purpose organizations, participants confirmed that this model works best when organizations are aligned and compatible. Having a community service building that has multiple social services organizations can be challenging if each social service organization has different needs. It was acknowledged that effective space sharing requires strong partnerships, which take hard work, over a long period of time.

There are many examples of shared space structures that are considered to be successful models of social purpose real estate ownership and operation. Examples include the BCA[40] (formerly BC Artscape) model as a lead organization securing space through a long term head lease, and then sub-leasing on favourable terms to organizations in the arts and culture sector. Another Vancouver model is the Post at 750[41], a four organization cooperative, intentionally established to lease, manage and rent space for not-for-profit organizations.

Sharing of space amongst social purpose organizations can take several different forms. As discussed above, intentional sites that are created to house many organizations in a shared space environment, and typically managed by the owner/lessee of the site, are considered to be "Dedicated Space Sharing Hubs". In addition to these forms of planned space sharing, which often include a variety of available office related services, many social purpose organizations occupy space in less formalized or structured space sharing environments. These are referred to as "Informal Space Sharing" arrangements, albeit many of these situations are governed by a full lease/license and well documented arrangements. The S4C Survey questions were structured to delve more deeply into the situation and nuances of these different and expanding space arrangements.

Shared Spaces Survey Findings

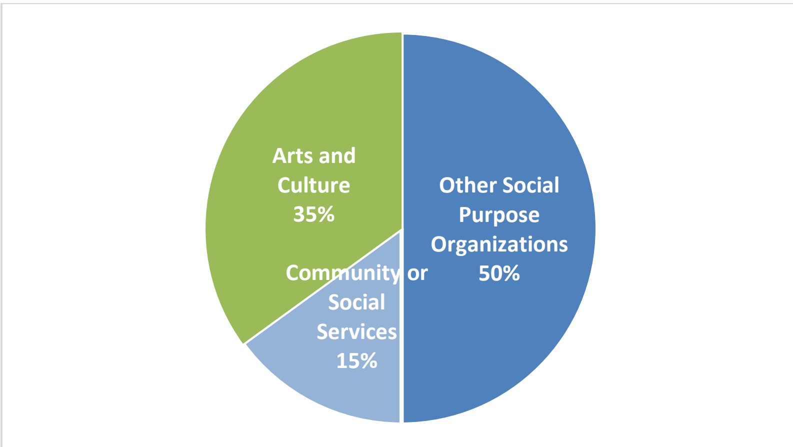
Dedicated Space Sharing Hubs

Twenty-one respondents of the 2020 Space for Community (S4C) Survey said they occupy a dedicated co-working hub (identified in the survey with the terms co-work/co-location/shared space/Hub). They use spaces that serve from 2 to over 50 different individuals or organizations. Almost all occupants of a dedicated space sharing hub, which completed the 2020 S4C Survey, are located within the City of Vancouver (16 out of 21).

[40] https://www.bcartscape.ca/
[41] https://thepostat750.ca/

As shown in Figure 79, the majority of respondents situated in a shared space hub are in the category of "Other Social Purpose Organizations" (50%). However, as the total number of survey respondents situated in a shared space hub was low, this data may not fully reflect actual shared space usage in the social purpose sector.

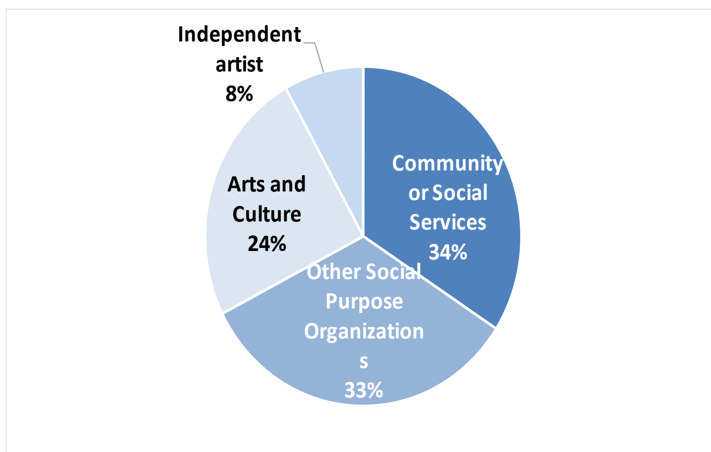
Figure 79: Shared Space Centre Tenants by Sector



Informal Space Sharing Arrangements

139 respondents to the 2020 S4C Survey reported that they share space with other individuals or organizations outside of a dedicated space sharing hub. This represents 35% of the overall survey sample. On average they share space with nine others, with the number involved in the sharing arrangement ranging from 1 to 500. This suggests that some of these respondents may actually be in more of a dedicated space sharing hub.

Figure 80: Informal Space Sharing by Sector



Sharing space was more common for community and social service organizations and other social purpose organizations than for arts and culture groups and independent artists as shown in Figure 80.

Space sharing also differed by municipality. Vancouver had the largest group of respondents in shared spaces (60% or 65 respondents). Richmond had the next highest number with 17 respondents, and City of North Vancouver, Victoria, Nanaimo, and Surrey also had a few respondents in shared spaces.

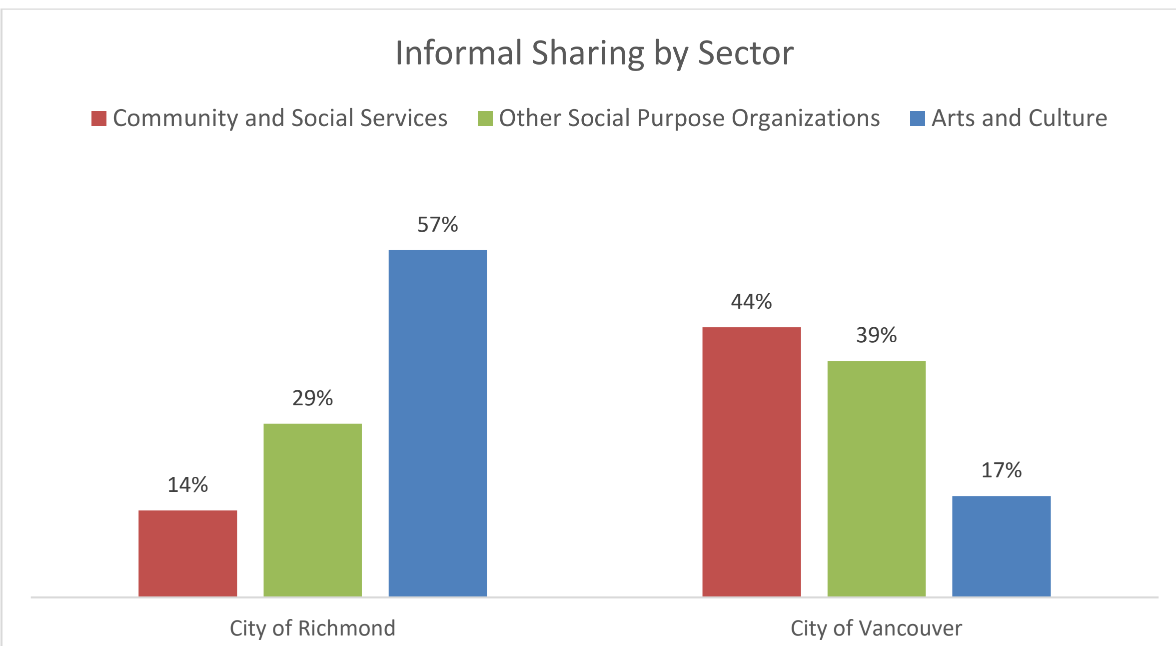
Comparing these results to the 2013 Study, it is noted that sector reporting of working in shared spaces in 2013 produced the following breakdown:

- 52% of Community and Social Service organizations share space
- 60% of Arts and Culture organizations share space
- 61% of Other SP organizations share space
- 55% of Independent Artists share space

Given that the respondents in the 2013 Study were primarily from the City of Vancouver, the higher proportion of respondents identifying as sharing space is consistent with the geographic finding in the 2020 S4C Survey wherein 16 of the 20 respondents in dedicated shared space hubs were located in Vancouver, and 60% of respondents in informal space sharing arrangements were located in Vancouver.

For the two municipalities in the 2020 S4C Survey where there is sufficient data for analysis (Vancouver and Richmond), Figure 81 sets out the breakdown.

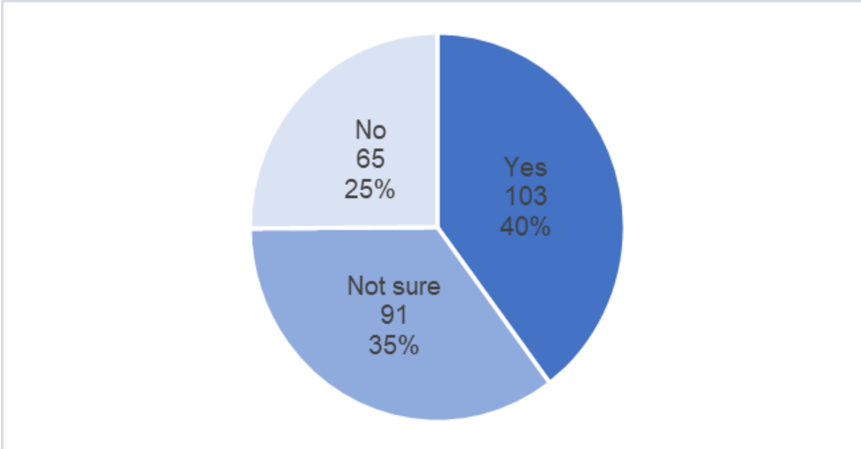
Figure 81: Sector Breakdown of Informal Sharing Arrangements for Select Municipalities



Interest in Sharing Space

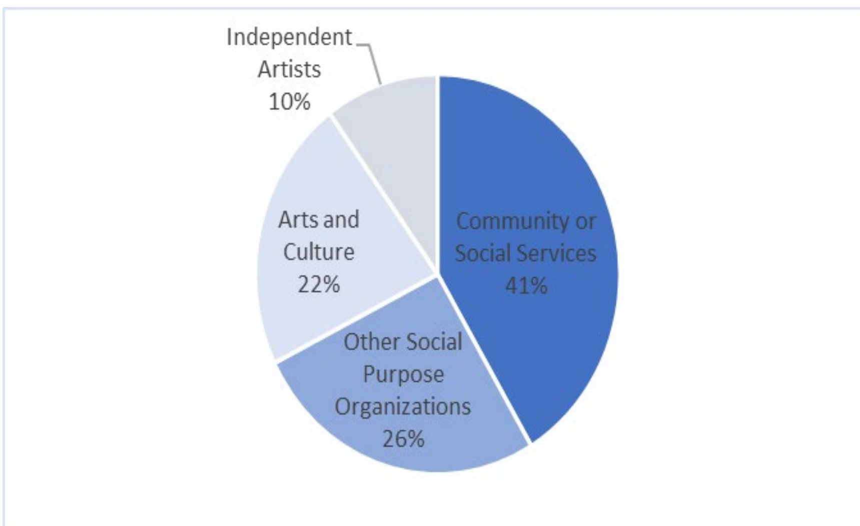
Interest in sharing spaces was strong, as shown in Figure 82, with 40% of the respondents who are not currently in shared spaces or formal co-location sites reporting an interest in sharing space. An additional 35% said they were not sure, which has the opportunity for further education and potential for increased interest. Only 25% of respondents indicated they are not interested in sharing space with other organizations.

Figure 82: Interest in Sharing Space



Interest in sharing also differed by sector with most interest from community and social service organizations and least interest from independent artists as shown in Figure 83. Not surprisingly, interest in space sharing by sector closely maps the results of current space sharing arrangements seen in Figure 80 previously.

Figure 83: Interest in Space Sharing by Sector



The municipalities with the highest interest in sharing were Victoria, North Vancouver, Vancouver, and Surrey as shown in Figure 84 below.

Figure 84: Interest in Sharing by Municipality

Municipality	Percent Interested in Sharing
City of Victoria	50%
City of North Vancouver	46%
City of Vancouver	43%
City of Surrey	42%
City of Richmond	31%
City of Nanaimo	22%

With respect to the willingness to share space, the 2013 RENT LEASE OWN study cited a US based study from as far back as 2002, *Survey Results: Facilities Needs of Not-For-Profit Organizations in the Seven-County Denver Metropolitan Area*[42], which considered the facility needs of not-for-profits in Denver. A large percentage of surveyed organizations at that time (70%) were willing to share space with similar not-for-profits. However, most of the surveyed organizations were not sure how to proceed and were looking for leadership in this regard.

The results of the 2013 RENT LEASE OWN survey showed strong support for consideration of co-location in a future move. 77% of Community and Social Service organizations, 72% of Arts and Culture, 65% of Other Social Purpose organizations and 60% of Independent Artists indicated they would consider co-location in a future move.

Government Real Estate Policy

In general, policies are guidelines or directions created by governments, businesses, foundations, agencies and others that articulate an entities' priorities as well as their processes for implementation. When policies are enabling, i.e. support the aims and needs of not-for-profits and social enterprises, they create a context for the sector to thrive—allowing them to focus on their programs and services and delivering impact for individuals, citizens and the community[43].

[42] Not-For-Profit Finance Fund and Technical Development Corporation (2002). Survey Results: Facilities Needs of Not-For-Profit Organizations in the Seven-County Denver Metropolitan Area http://www.denversharedspaces.org/_docs/Executive%20Summary%20Facilities%20needs%20of%20nonprofit%20organizations%20in%20Metro%20Denver.pdf

[43] Description provided by J.Gijssen for the Space for Community Research Report.

As an example of supportive policy, a report completed by the Eastside Cultural Crawl in 2019 recommends that the City of Vancouver pilot a strategy to increase the supply of artist spaces by providing tax break incentives for property owners providing space to artists on fixed-term leases in industrial lands.[44] This type of policy would be similar to the treatment of vacant lots that are turned over for community gardens until the time of redevelopment.

In response to the question of existing policies that are recognized as being supportive of the real estate needs of the social purpose sector, focus group participants, and SPRE Collaborative members and staff universally spoke of Community Amenity Contributions (CAC's) and Density Bonusing, which exist in several municipalities. These mechanisms or "land use tools" in new development can be used to fund the creation of community-oriented spaces, the development of non-market housing, and can be an effective tool for creating social purpose spaces. A strong desire was expressed to see the expansion of CAC's, and density bonusing resulting from new development.

In 2015, North Vancouver City Council endorsed a new Density Bonus and Community Benefits Policy (updated in 2018) that provides more certainty regarding the purpose and value of community benefit contributions that may occur in conjunction with development applications. The policy outlines the types of community benefits possible through development applications in conjunction with the 2014 Official Community Plan.[45]

Many local governments include planning policies in their official community plans (OCP) that support positive economic, social and cultural, and environmental outcomes. OCPs are important because they set the framework for long term land use, and can significantly affect the realization of spaces for social purpose use. The City of Nanaimo's OCP outlines a long term vision and includes policy to support the creation of culture/arts-oriented public space.[46] In particular, the Nanaimo OCP Creative Space Policy includes the need to create and maintain a cultural facilities development plan, and encourages investors to continue to facilitate the growth of the downtown 'cultural district' by locating new facilities or redeveloping facilities suited for cultural purposes.

Property Tax policy is an additional important area where municipal leaders can support social purpose organizations and the delivery of important community services. For renters in lease or license situations, the rental agreement outlines the property tax obligations, and many, if not most, commercial tenants are required to pay the taxes for the space they occupy. This also applies to not-for-profit organizations and social enterprises who rent, lease or license space.

In many municipalities, permissive tax exemptions are applied for properties used by a variety of not-for-profit organizations that provide services in the community, which City Council considers important

[44] Eastside Culture Crawl Society (2019). A City Without Art. https://issuu.com/culturecrawl/docs/citywithoutart%20

[45] See City of North Vancouver's summary of Density Bonusing. https://www.cnv.org/city-services/planning-and-policies/land-use/density-bonusing

[46] The City of Nanaimo's Official Community Plan can be found at https://www.nanaimo.ca/property-development/community-planning-land-use/community-plans/official-community-plan

or essential. This generally includes places of worship and, depending on the municipality, additional types of not-for-profit or charity spaces may be added. Both the Province through its "statutory" exemptions, and all municipalities through their annual "permissive property tax exemptions" have the ability to exempt not-for-profit or charitable organizations from paying all or some of the property tax levy.

Qualifying for a Property Tax Exemption can be very restrictive, but especially for not-for-profits that do not own their facility and therefore do not qualify to apply. A broader approach to tax exemption than is currently in place would be a significant improvement to supporting space for community. There is also a significant opportunity to engage with the Provincial body responsible for property categories for property tax purposes (BC Assessment Authority) to develop new categories, recognizing the value of social purpose organizations to community, which could then be taxed at preferential rates to reduce the property tax burden on these organizations.

The Province of BC, BC Assessment, and Metro Vancouver municipalities, have been working to identify viable options to create a Business Property Tax Relief Program that could benefit the social purpose sector. The Province is currently considering a Split Assessment through a New Commercial Sub-class approach. This approach would allow the splitting of the "development potential" value from the "existing use" value for underdeveloped properties that meet certain eligibility criteria. Local governments could then set a lower tax rate on "existing use" versus "development potential" relative to the current commercial tax rates.

This approach was brought forth in an open letter to Honorable John Horgan in September 2019 by an industry group that has been advocating on behalf of small businesses. They called for the BC Provincial Government to take bold action to help small businesses who are struggling to survive massive property tax increases.[47]

Example of a Successful Model of Property Tax Exemption

City of Vancouver

For the City of Vancouver, eligible properties designated as Supportive Housing (Class 3) are assessed at a nominal value and effectively exempt from property taxes. This property class was created by the Province pursuant to the Small Business and Revenue Statutes Amendment Act 2008. In 2018, 108 properties in Vancouver were designated as "Supportive Housing" and pay no taxes. While this represents additional financial subsidies from the City above and beyond the capital funding and land already committed to the development of supportive housing, as any forgone tax revenue is borne by all taxpayers, it is a critical underpinning to the long term sustainability of the 108 non market housing projects.

[47] Information on the Split Assessment using a "commercial sub-class" approach is found in the *Open letter to Honourable John Horgan* on Sept.23rd, 2019: https://static1.squarespace.com/static/5266d49be4b0bc5cd29ee8e0/t/5d8a4f4b5106d647d0ab8c8a/1569345372301/UBCM+Coalition+Open+Letter+to+Premier+2019-09-23.pdf

Another area of opportunity with respect to supportive municipal policy is in the area of Community Services Policies. The City of Richmond's Social Development Strategy includes a strategic direction to "Strengthen Richmond's Social Infrastructure", with recommended actions including preparing an enhanced policy framework for securing community amenities; establishing a clear, consistent City policy framework for assisting community agencies to secure space; and exploring opportunities to establish community service hubs.[48]

Vancouver is the first major city in Canada to introduce a formal Community Benefit Agreement (CBA) policy, which is a framework setting standards for development industry practices to ensure that real estate development brings short-term and long-term improvements in communities through local hiring, social procurement, and capacity building.

A key influence identified by the SPRE Collaborative and reinforced through the S4C Research Report and focus group feedback is the need for increased focus on sustaining and creating community space. The process of redevelopment is not yet consistently promoting replacement social purpose space in replacement buildings. However, a recent policy adopted by Richmond City Council seeks to change that with what equates to a "no net loss" policy for social or community spaces in redevelopment projects[49].

One of the objectives in the City of North Vancouver's Social Plan is to "ensure that existing and new public facilities and amenities are available for community use, and address local priority needs".[50] The City of North Vancouver leases community facilities on an ongoing basis to societies or groups that provide social, cultural, educational, and recreational benefits.[51]

Both the SPRE Collaborative and focus group participants noted that to effectively address the space issues for not-for-profit and social enterprise organizations, political support and stronger bureaucratic will are needed to enable these organizations to confront and address their real estate challenges. It was stressed that municipal government departments need to develop a clear understanding of social purpose space needs/ inventory in their communities so that these needs can be incorporated into key land-use decision-making, plans, and strategies.

Focus group participant commentary regarding working with developers provided insightful feedback regarding the key role developers can play. Noted, however, that the developer and the organization have to be working together from early stages to design an appropriate amenity package. The ability to work with a compatible developer who is keen and has experience working with not-for-profits makes a huge difference in developing social purpose real estate space. For those social sector experts who have

[48] The Social Development Strategy for Richmond can be found at https://www.richmond.ca/__shared/assets/socialdevstrategy34917.pdf

[49] City of Richmond Policy 5051: Non-Profit Organization Replacement and Accommodation Policy, Adopted by Council: November 9, 2020 https://www.richmond.ca/cityhall/council/agendas/council/2020/110920_minutes.htm

[50] See section 3-1 in the City of North Vancouver's Social Plan, which can be found at https://www.cnv.org/City-Services/Planning-and-Policies/Social-Plan

[51] Discussion with City of North Vancouver Staff, June 23rd, 2020

been actively involved in real estate construction or development projects, it was universally acknowledged that city processes are challenging to navigate (i.e., building permits, zoning, infrastructure upgrades, etc.), and that this is particularly difficult for social purpose organizations focused on delivering community services.

Ownership/Operations Models

Promote Third Party Ownership

An additional means to supporting the social purpose sector would be to transfer ownership of assets to appropriate not-for-profits/charitable organizations. The recommendation is for municipalities to consider gifting non-market units created through land use tools such as density bonusing, community amenity contributions, or development conditions to not-for-profits, as opposed to leasing them. Ownership of real estate assets by the not-for-profit sector provides needed long term security of tenure, and puts control of managing the real estate into the hands of the not-for-profit organization. This could also serve to enable not for profit fundraising, entrepreneurial and innovation skills to maximize space potential.

Community Land Trust

An interesting format of real estate ownership exists through the structure of a community land trust. A community land trust is a not-for-profit organization with a particular goal: to control, obtain, steward and hold land to solve problems with which pure markets often struggle. While many community land trusts today are geared towards the development of non-market housing or environmental protections, this community approach is entirely applicable to other social purpose spaces as part of comprehensive developments.

Build Community Capacity on Public Property

Community Impact Real Estate Society, CIRES[52], is a not-for-profit social enterprise business which holds a portfolio of 52 commercial units in 24 buildings in Vancouver's inner city for a total of 104,000 square feet. About 60% of the commercial units are leased below market rates to social enterprises and not-for-profit organizations. CIRES operates the ground floor commercial units on a long term lease from BC Housing which owns the properties and makes them available for this purpose.

[52] https://www.communityimpactrealestate.ca/

Co-location & Collaboration for Arts Groups, Freelancers and Artists

cSPACE[53] is an example of an innovative structure that owns, builds and operates a portfolio of large-scale multi-tenant creative workspaces. Its registration as a private company allowed for maximum flexibility in accessing different types of financing, but the facility's ongoing operations are self-sustained and do not receive government subsidies. The artists and organizations are given flexible leases, from one to 10 years, at below-market rental rates.

Financing/Funding Supports

The SPRE Collaborative has identified, and focus group participant feedback confirms, that the social purpose sector needs more funding opportunities targeted at real estate operating costs, in addition to increases in funding for preplanning and capital projects. The opportunity to marry together funding from different levels of government is seen as an important support step, alongside a general call for increased funding from all levels of government to maintain/ increase social purpose space in community.

At the municipal level, funding and support policies vary considerably between different cities. In addition to contributions of space, municipalities generally have a robust program of community oriented grant funding, however the vast majority of these funding channels are quite specific and directed towards organizational capacity, cultural programs and initiatives, and social and community service program delivery, with operating expense support permitted only in some grant programs. The risk of a lower commitment level of municipal grant initiatives specifically in support of preplanning, feasibility, renovation, development and long-term operation of spaces for some municipalities is a contributor to the overarching issue for social purpose organizations.

Beyond government funding policy, there are a wide range of private and public Foundations in BC which provide funding to social purpose organizations. Unfortunately, many community foundations, smaller private foundations and much of the donor advised funding held within community foundations typically provide only program and service related grants, rather than funding directed to address real estate issues. Funding policy that narrowly supports specific funder preferences rather than broader support to ensure security of operations for social purpose organizations, is deemed an important distinction towards a more supportive approach to be taken by funders.

Of note is the initiative of some Foundations to go beyond distribution of the annual income of the capital endowment, to include direct investment of funds from the core capital pool towards mission related social purpose real estate opportunities. Central City Foundation[54] in Vancouver is a leader in this important and promising area of growth for supporting social purpose real estate.

53 https://cspacekingedward.com/
54 https://www.centralcityfoundation.ca/

In the absence of having access to equity investment funding for not-for-profit and charity organizations (the structure of these types of organizations does not include any share capital), not-for-profit and social enterprise organizations do have available to them the full range of conventional loans and debt financing options. Within this emerging landscape of debt financing tools for social purpose organizations are a number of relevant tools.

A unique and relatively recent structure in BC (2013), the Community Contribution Company (C3)[55], was created to allow for an entity to have shares to raise capital, but formed with a core objective of community enhancing mission. There is a requirement to reinvest a large portion of any surplus back into the organization to enhance a stated community mission objective. A C3 is a taxable, non-charitable entity that is restricted to a cap of 40% on dividends to shareholders, in order to ensure that significant capital remains in company to further the social mission.

A further tool which social purpose organizations can access, leveraging their own constituency, is the Community Bond[56]. This community based form of debt financing can allow an organization greater flexibility over the terms and conditions of the loan. Money from a Community Bond is borrowed, however, the money is from members of the community through the mechanism of the Community Bond, with the terms and conditions of the loan, the interest rate and the repayment requirements set by the not-for-profit organization.

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[55] https://www.millerthomson.com/en/publications/communiques-and-updates/social-impact-newsletter/april-2013-social-impact-newsletter-formerly-the/british-columbia-community-contribution/

[56] CapacityBuild Consulting Inc. (2014). *Community Bonds: A Non-Profit Financing Tool - Review of Structure, Requirements and Process for Non-Profit Organizations Issuing Community Bonds in British Columbia* http://capacitybuild.ca/services/community-bonds/

Section 8 – Spotlight on Specific Groups of Interest

This section presents information on several populations of interest: facility owners; owners of places of worship; social enterprise organizations, and social purpose tenants who also provide space for other social purpose organizations.

Facility Owners

Ninety-two survey respondents indicated they were owners of their space. Most of the owners were in the community or social service sector as shown in Figure 85 , and Figure 86 shows that most owners in this survey are located in the City of Vancouver.

Figure 85: Owners by Sector 2020

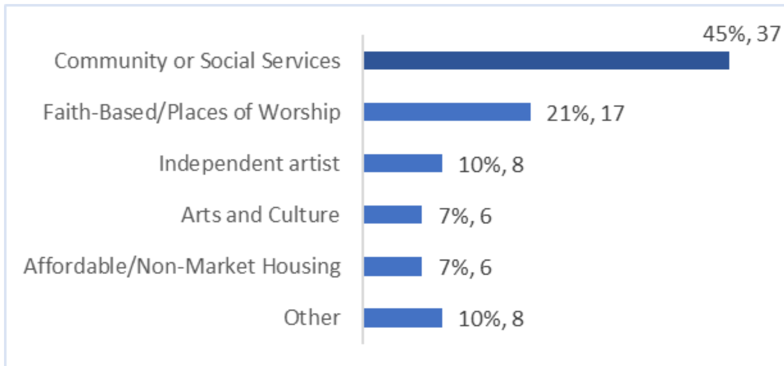
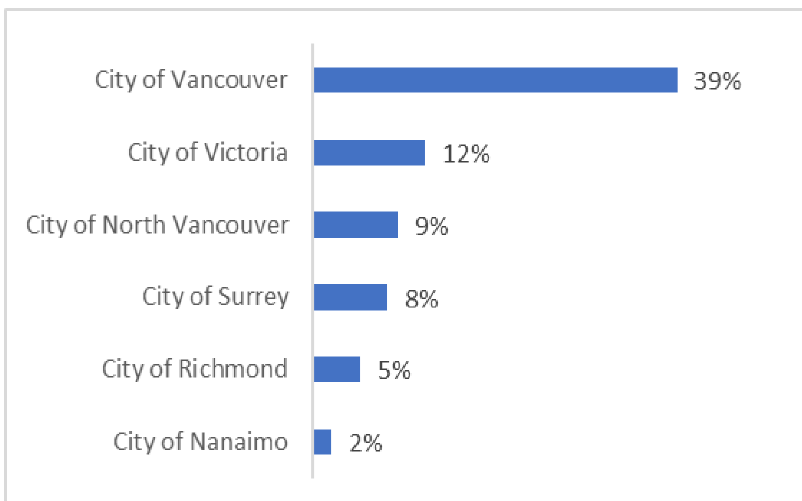


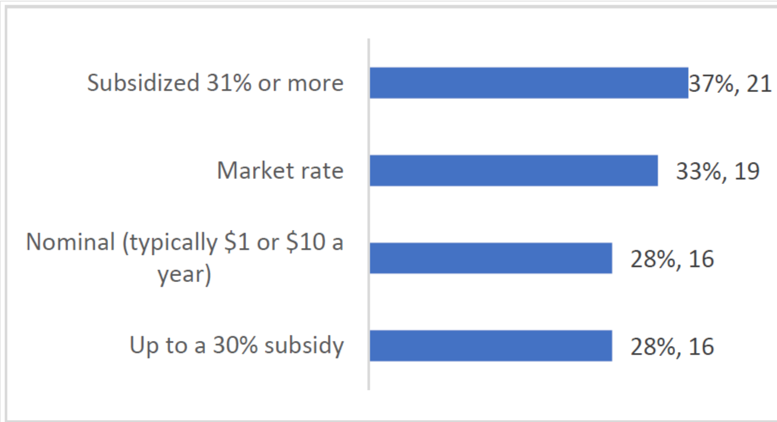
Figure 86: Location of Owners



Survey results indicated that half the owners (49%) have owned their property for more than 25 years. The majority (61%) of owners make space available in their facility for social purpose organizations or artists to use. On average, where space is available to social purpose tenants, the social purpose organizations and artists use 44% of the space within the host building. The majority of owners (76%) receive full or partial property tax reduction or exemption, underlining the relationship between support for social purpose real estate and the impact of property taxes.

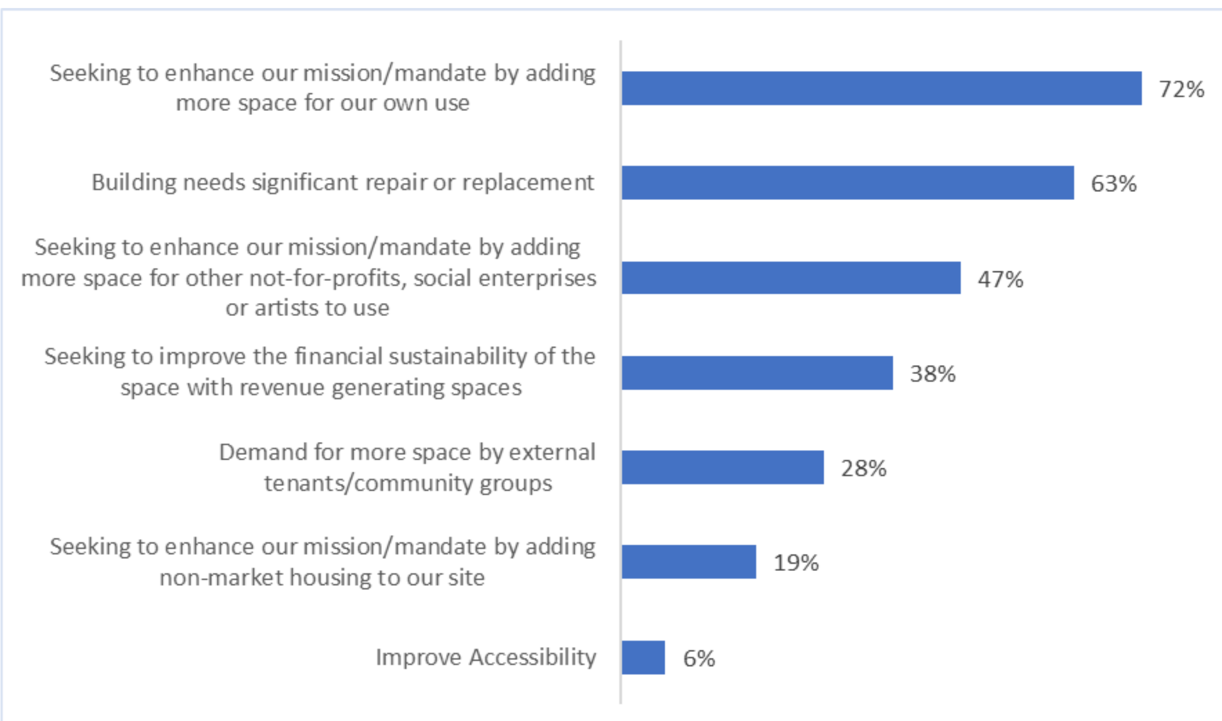
The majority of social purpose organizations, which own their buildings, subsidize the rent charged to other social purpose organizations using space within their facility. As shown in Figure 87, only 33% of the social purpose owners charge full market rate rent to their social purpose tenants.

Figure 87: Rental Rate Charged by Owners



However, the security of owner space looks uncertain. 58% of owners who provide space for other social purpose organizations have considered redeveloping their spaces. The most frequent reason for considering redevelopment is to add more space for their own use, as shown in Figure 88. The second most common response, the need for significant building repair or replacement, echoes findings from the 2019 HeroWork study including 87 organizations in Victoria wherein, " significant facts from the study found that 46% of not-for-profits have buildings that are 60 plus years of age and 36% of charities

Figure 88: Reasons Owners Who Provide Space for Social Purpose Organizations Have Considered Redevelopment



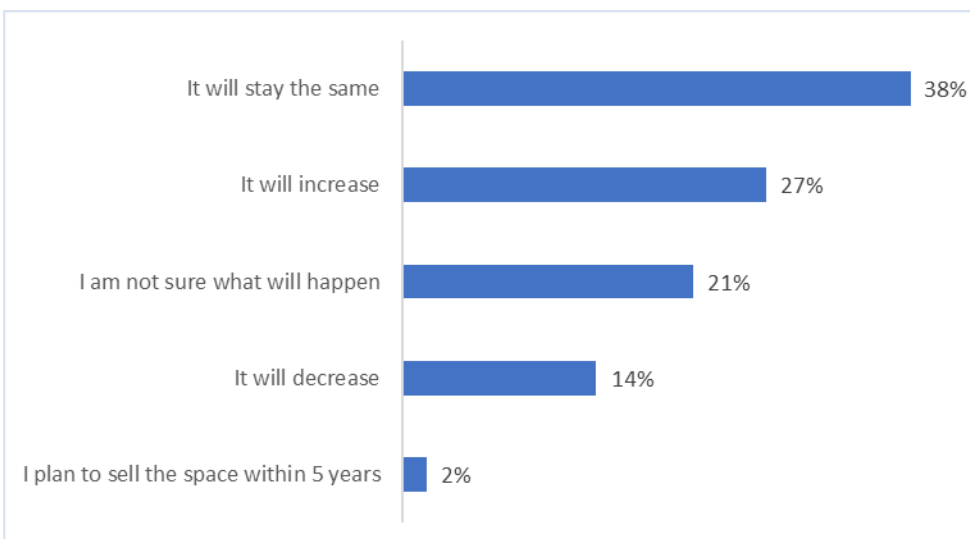
indicate that they require renovations either urgently or very urgently."[57] These two data points strongly underscore the immense vulnerability of the social purpose sector in sustaining the use of their facilities.

The 2013 RENT LEASE OWN Survey findings indicated that there was an equivalent, strong appetite to consider renovation amongst social purpose building owners. Key reasons stated included the need to better suit their needs, and to potentially collaborate with other organizations interested in co-location projects. By sector, 50% of Community or Social Services organizations, 57% of Arts and Culture organizations, and 56% of Other Social Purpose Organizations stated they would consider redevelopment of the site they own.

When owners who provide space for other social purpose organizations, were asked in the 2020 S4C Survey what will happen to their spaces in the next 10 years, Figure 89 shows that the largest group (38%) said the space will stay the same. However, at the same time, 16% of these respondents said the space will decrease or be sold. This represents about one in five spaces.

Better understanding of the issues affecting owners and their needs for space would be worth pursuing. It is clear from the S4C Research Report and community consultation, that municipal policy has the greatest potential to address loss and or reductions in space, particularly if the risk of loss occurs through a redevelopment process.

Figure 89: The Future of Spaces Owners Provide for Other Social Purpose Organizations



[57] HeroWork (2019). Study and Assessment of Charity Buildings Full Report. https://www.herowork.com/study/

Places of Worship & Community Serving Spaces

In addition to the more common property types which include office, retail and industrial spaces, not-for-profit and social enterprise organizations utilize a variety of more unique types of space. Properties in this category have less market information available than for more common types of transactions and include such buildings as places of worship, community buildings owned by groups such as Kiwanis or Royal Canadian Legion, arts and culture presentation facilities (theatres, music venues), and large recreation facilities. These more specialized and less common space typologies are often harder to find in the market and usually have a unique set of development costs, given their less common design and construction formats and the unique interior layouts. An active market does exist for these properties which have many unique characteristics.

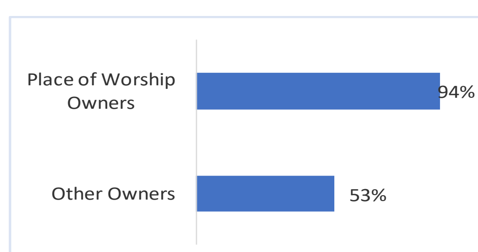
As an important place of community gathering, and one which very often provides space to other not-for-profit and social enterprise organizations on a subsidized basis, this type of real estate plays an important role. By sheer quantity of space alone, this market is significant, with the United Church of Canada owning 117 sites in the BC areas of the Lower Mainland (66), Southern Vancouver Island (27) and Thompson Okanagan (24). Many other denominations own similar levels of real estate. These are important sites for a variety of social purposes including daycares, pre-schools, community music and theatre production, programs serving vulnerable populations and a wide range of community social services (food bank distribution, community meetings, etc.). In addition, places of worship are geographically distributed across different neighbourhoods (as opposed to being aggregated in areas of retail, office or industrial properties) and therefore are important to well- distributed social purpose programs and services in communities.

Many of these sites are currently being redeveloped, often with replacement worship space or housing. It is less known whether important community serving space is being lost through this redevelopment process or through sale of the sites and repurposing for other uses, including private sector use.

The City of Vancouver social policy and cultural staff, echoed by the SPRE Collaborative and focus group feedback, indicates an alarming level of re-zoning enquiries currently being received on sites where community organizations such as churches and legions are hosting social purpose organizations within their existing facilities. There is a strong sentiment that the replacement developments being built, which include commercial spaces, are going to be very unaffordable for social purpose organizations to rent, or access at all.

S4C Survey responses include social purpose organizations which occupy space within places of worship. Seventeen owners of places of worship responded to the survey. All have owned their spaces for more than 25 years. Eleven are located in Vancouver and the rest are in 4 other municipalities. Figure 90 shows that 16 out of the 17 make space available for other social purpose organizations (94%). These owners are more likely to make their spaces available to other social purpose organizations than owners from other sectors.

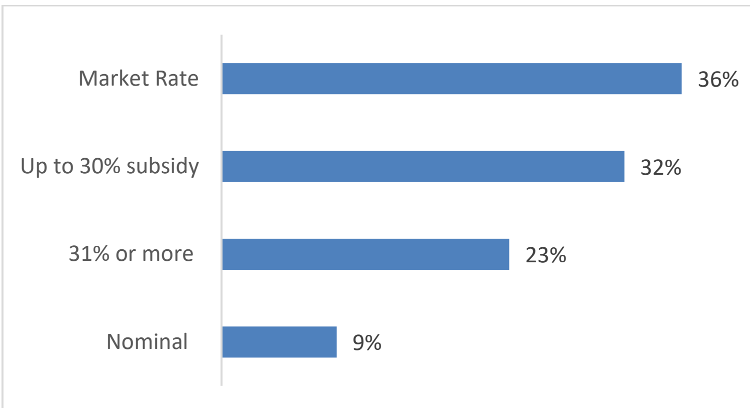
Figure 90: Percentage of Owners Making Spaces Available for other Social Purpose Organizations



The majority of owners of places of worship make space available for one to five organizations (80%) and on average provide up to 50% of their spaces for other social purpose organizations to use.

Figure 91 shows that one third charge market rent and two thirds charge a reduced or subsidized rental rate. With 36% of the owners collecting market level rent, and another 32% offering a modestly reduced rent, the other side of the equation (a source of real estate income for these social purpose real estate owners) is also a significant element of the social purpose real estate balance.

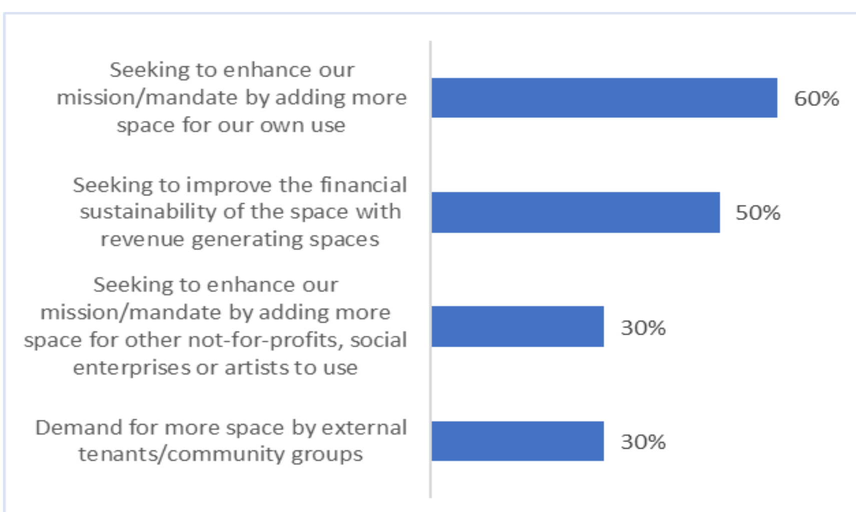
Figure 91:Rental Rates Charged by Owners of Places of Worship



The future of these spaces looks promising with just under half the owners (7/16) saying the space will increase and 5 saying it will stay the same. None of the owners of places of worship indicated they plan to sell the facility in the next 5 or 10 years.

With respect to the possibility of redevelopment, however (as per the City of Vancouver re-zoning concern), it is noted that 10 of the owners indicated that they have considered redeveloping their space. The most common reason indicated in the survey for redevelopment is to add more space for their own use as shown in Figure 92.

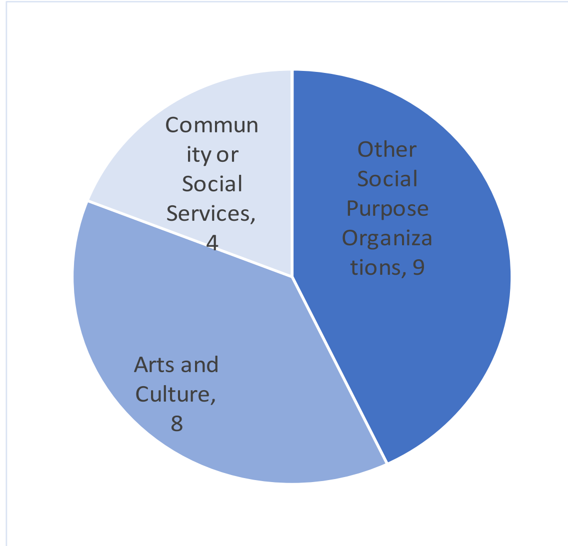
Figure 92: Reasons for Considering Redevelopment by Owners of Places of Worship



Social Enterprise Space

Thirty-four survey respondents indicated they represent a social enterprise organization. Of these, 14 respondents are not-for-profit organizations (operating a social enterprise), and 20 are for-profit organizations (with a mission based in supporting community objectives). The largest grouping of social enterprise organizations is located in Vancouver (12), with others being spread amongst other geographic areas (15).

Figure 93: Sector Representation of Social Enterprises



The social enterprise organizations responding to the survey equally represent the arts and culture sector and other social purpose organizations, with fewer respondents from the community and social service sector, as shown in Figure 93.

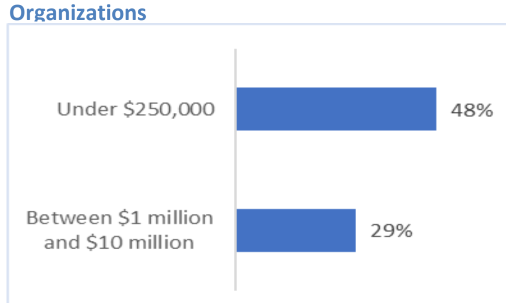
The social enterprises occupy a variety of types of spaces including:

- Arts and culture presentation space (i.e., theatre, gallery, outdoor space, etc.)
- Community Hall, Legion or other similar type of space
- Co-Work/Co-location/Shared Space/Hub
- Light Industrial / Warehouse (including studios)
- Office (including meeting rooms or classrooms)
- Place of worship (i.e., space within a church, synagogue, mosque, etc.)
- Private Residence
- Retail (i.e., ground-oriented commercial, food services), and
- Space within a school, hospital, university or college, or other public institution.

The largest group (6) are in publicly owned spaces and five are in donated or subsidized spaces.

The largest number of social enterprise organizations have operating budgets of less than $250k, but a reasonably high number also have quite large operating budgets in excess of $1,000,000, as shown in Figure 94. Similar to other social purpose organizations, 71% of social enterprises spent less than 30% of their operating budget on real estate-related costs.

Figure 94: Operating Budgets of Social Enterprise Organizations



The top three challenges reported by social enterprise organizations were identified to be:

1. Lack of suitable space/cost of repair or maintenance too high
2. Lack of suitable space for my/our needs and the needs of our users, members or audiences
3. Lack of affordable space

Six social enterprise organizations indicated they will need to move within the next 5 years.

The top five solutions endorsed by social purpose organizations were:

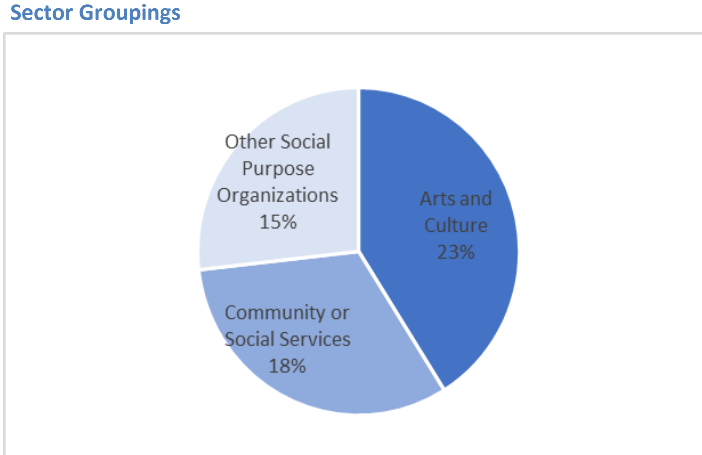
1. Improve municipal land use policies to better support spaces/facilities for not-for-profits, social enterprises, and artists - 32% of respondents.
2. Raise awareness/advocate for the importance and value of the sector and the spaces we require – 21% of respondents.
3. Facilitate sharing spaces – 18% of respondents.
4. Encourage the retention and replacement of not-for profit, social enterprise and artist spaces in redevelopment – 18% of respondents.
5. Increase the supply of affordable spaces owned by not-for-profits, land trusts, coops, foundations, or governments for used by not-for-profits, social enterprises, and artists – 15% of respondents.

These solutions are in keeping with the solutions mentioned by the full survey sample of social purpose organizations (see Section 11 for full listing of S4C Survey respondent solution recommendations). However, social enterprise organizations were more likely to endorse sharing spaces and encouraging the retention and replacement of spaces in redevelopment than the full survey sample.

Sub-Leasing by Social Purpose Tenants

Forty-eight tenants said they provide space for other social purpose organizations. Most of these spaces are located in Vancouver (67%) with the rest spread across 9 other locations. They are pretty evenly divided across three sectors with slightly more in the arts and culture sector as shown in Figure 95.

Figure 95: SP Organizations Providing Space to Other SP Organizations by Sector Groupings

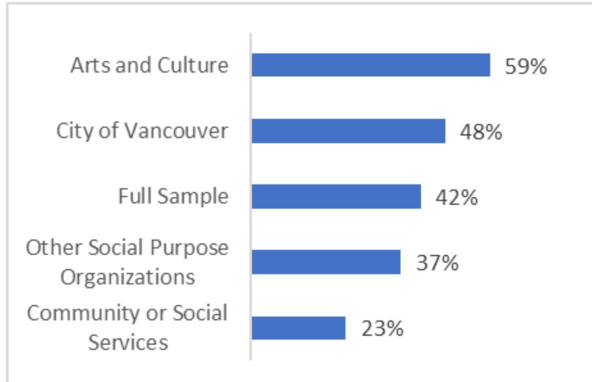


The spaces are predominately owned by municipal or regional government (44% of spaces) or by the private sector (42% of spaces), and leased or licensed to a primary tenant, who then sub-leases to other social purpose organizations.

Most of these primary tenant organizations across sectors and locations offer their spaces to one to five other organizations.

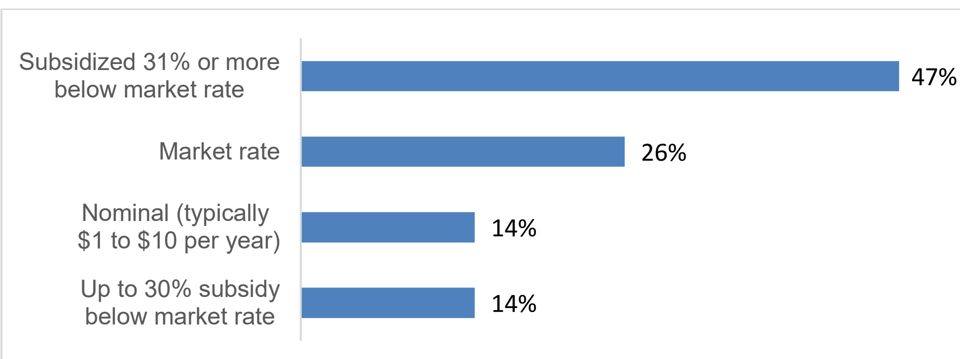
The amount of space made available differs by sector and location as shown in Figure 96. On average for the full survey respondent sample, 42% of space is made available however, arts and culture organizations and organizations in Vancouver make a larger portion of their spaces available. Community and social service organizations on average, make the least amount of space available.

Figure 96: Average Proportion of Space Made Available



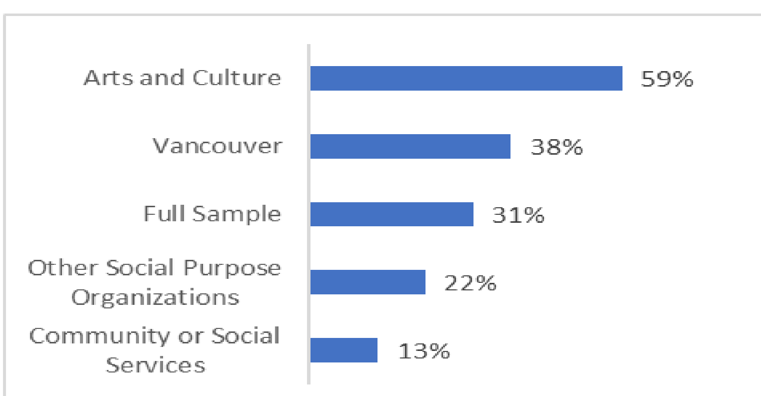
The majority of organizations in Vancouver and across sectors which make space available to other social purpose organizations on a subsidized basis, charge a discounted rent rate with the discount being greater than 30% below the market rate. Figure 97 shows the level of subsidization provided to other social purpose organizations who are sub-tenants.

Figure 97 Rental Rate Charged by Non-Owners who Provide Space for SP Organizations or Artists



For the landlord (head tenant), on average, facility costs collected from the sub-tenants covers 31% of the related facility expenses. However, this differs by sector and for Vancouver as shown in Figure 98.

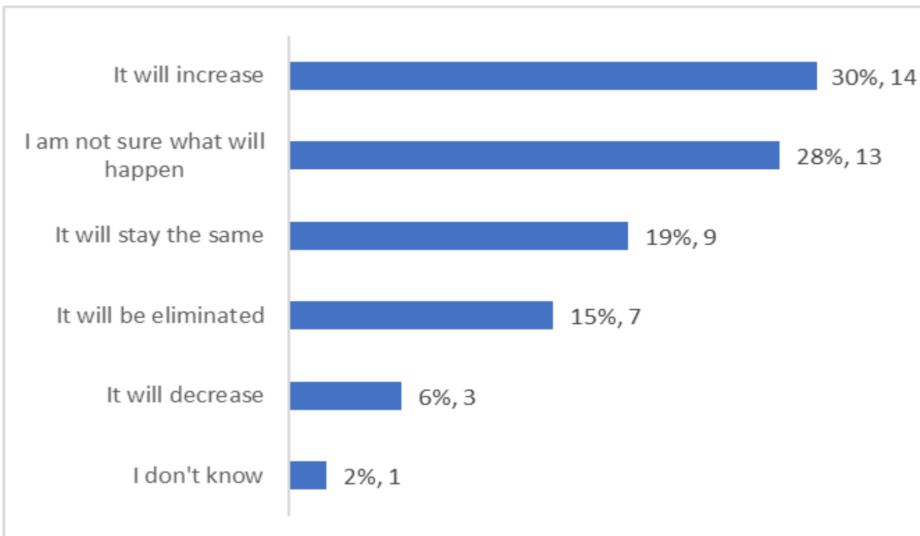
Figure 98: Average Proportion of Expenses Covered by Tenants



Based on the responses to the survey question "what will happen to these spaces in the future", the mix of responses in Figure 99 for Vancouver based organizations does not provide a conclusive pattern going forward. While the largest group of respondents indicated these spaces will increase over the next ten years, almost as many said they were not sure what would happen. 30% of respondents indicated the space will increase, but almost as many were not sure (28%).

About one in five said the space will be eliminated. Given the predominance of organizations based in Vancouver, these findings are reflective of Vancouver spaces. However, organizations in the community and social service sector were more likely to say the space will decrease or be eliminated (39% of respondents).

Figure 99: The Future of Space Provided by SP Tenants in Vancouver



Section 9 – Summary of Real Estate Challenges Experienced by Social Purpose Organizations

As has been demonstrated in detail in the previous Report sections, the challenges for not for profit and social enterprise organizations are many. To capture a more fulsome picture of the situation for these social purpose organizations, drawing from the combined sources of the 2020 Space for Community (S4C) Research Report (Literature Review, Space Needs Assessment studies, Focus Group participant feedback, and Policy Review), and the 2020 S4C Survey findings, the primary recurring challenges are set out below.

- ***Sector is Undervalued:***
  - The immense value and contribution of social purpose organizations and the work they do in community need to be more widely recognized, in order to increase the level of support which will ensure their continued access to space within the communities they serve
  - If not-for-profits are unable to secure space, the loss of these programs to the community will have a significant impact on the many residents, families, businesses and visitors who rely on these services

- ***Uncertainty of Tenure:***
  - Not-for-profit and social enterprise organizations are experiencing a high degree of uncertainty/vulnerability regarding the security of their tenures and the ability to stay in their current spaces
  - Lack of tenure security is a significant risk for not-for-profits and social enterprises facing possible displacement from their space
  - Social purpose organizations are feeling "insecure about one or more of their facilities because they have leases with short notice period or because they are charged unaffordable market rental rates which are subject to increases".[58]
  - Organizations become vulnerable when they have to live with prospects of being abruptly forced out of their space because a property sold, is going into redevelopment, or has had its rents/taxes increase exponentially
  - Without security of tenure, the business case for investing in building improvements, or that location, or that community, is compromised

- ***Affordability/Displacement***
  - Many markets in BC have a significant level of redevelopment activity which often results in communities losing spaces which have historically been used by social purpose organizations
  - Organizations are being forced financially to move away from key market areas where services are needed
  - Need a better understanding of what "affordable" means with respect to commercial space, in the context of the value that social purpose organizations bring

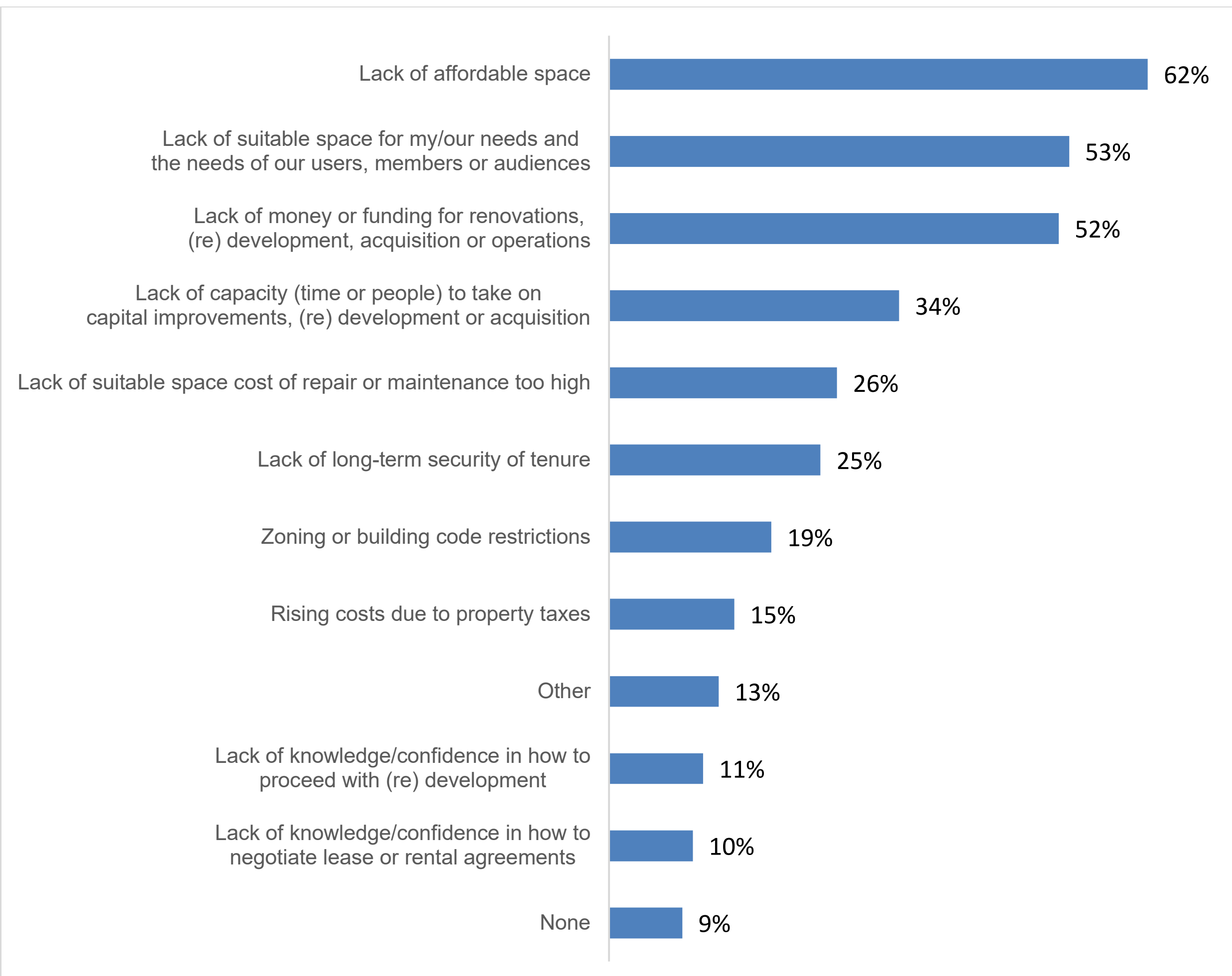
[58] Central City Foundation (2013). Unaffordable Spaces: How rising real estate prices are squeezing non profit organizations and the people they help. https://www.centralcityfoundation.ca/wp-content/uploads/2014/05/CCF-Community-Report-_low-res.pdf

- Shrinking supply of industrial land has led to significant displacement of artists and cultural producers
- Redevelopment is taking away many older/more affordable sites and pushing social purpose organizations to cheaper locations on the periphery
- Market pressures for building owners to redevelop the property leading to displacement of current tenants
- Private property owners have few incentives to support or retain arts and cultural spaces
- Rising property values and associated property taxes and the cost of upgrading existing private buildings drive property owners to focus on redevelopment and upgrades that allow for much higher rents from other types of tenants than social purpose organizations

From the S4C Survey, the most commonly reported challenges, as shown in Figure 100, were:

- Lack of affordable space (reported by 62% of respondents)
- Lack of suitable space (reported by 53% of respondents, and
- Lack of funding for renovations, redevelopment, acquisitions, or operations (reported by 52% of respondents)

Figure 100: Real Estate Challenges Reported by Respondents



These were also the most frequently reported challenges for each sector and each municipality with the exception of Richmond and Vancouver. In Richmond, "lack of money or funding for renovations, (re) development, acquisition or operations" while the 3rd most frequently reported challenge, was reported by only 33% of Richmond based respondents. In Vancouver, "lack of capacity (time or people) to take on capital improvements, (re) development or acquisition" was the 3rd most frequently reported challenge and it was reported by 38% of respondents.

These results are completely consistent with several other key challenges identified through Needs Assessment studies, existing literature and from focus group feedback:

- ***Rising Occupancy Costs***
  - Escalating operating expenses are rising rapidly and making suitable space increasingly unaffordable for social purpose organizations
  - Property taxes are a key element of rising occupancy costs
  - High rent cost and the risk of further increasing rent costs in the future
  - Significant increases in land values in certain commercial districts – often the result of speculative buying or rezoning allowing greater density – have pushed assessment values and property tax bills up, which are then passed from landlords to tenants

- ***Funding Challenges***
  - Lack of facility/space operational funding
  - Lack of funding for pre-planning and feasibility studies
  - Restrictive funding programs and lack of coordinated, integrated funding programs
  - Lack of significant philanthropic funding in BC
  - Low levels of capital reserve held by not-for-profit organizations
  - Lack of capital funding in smaller municipalities and at senior levels of government, in particular at the provincial level

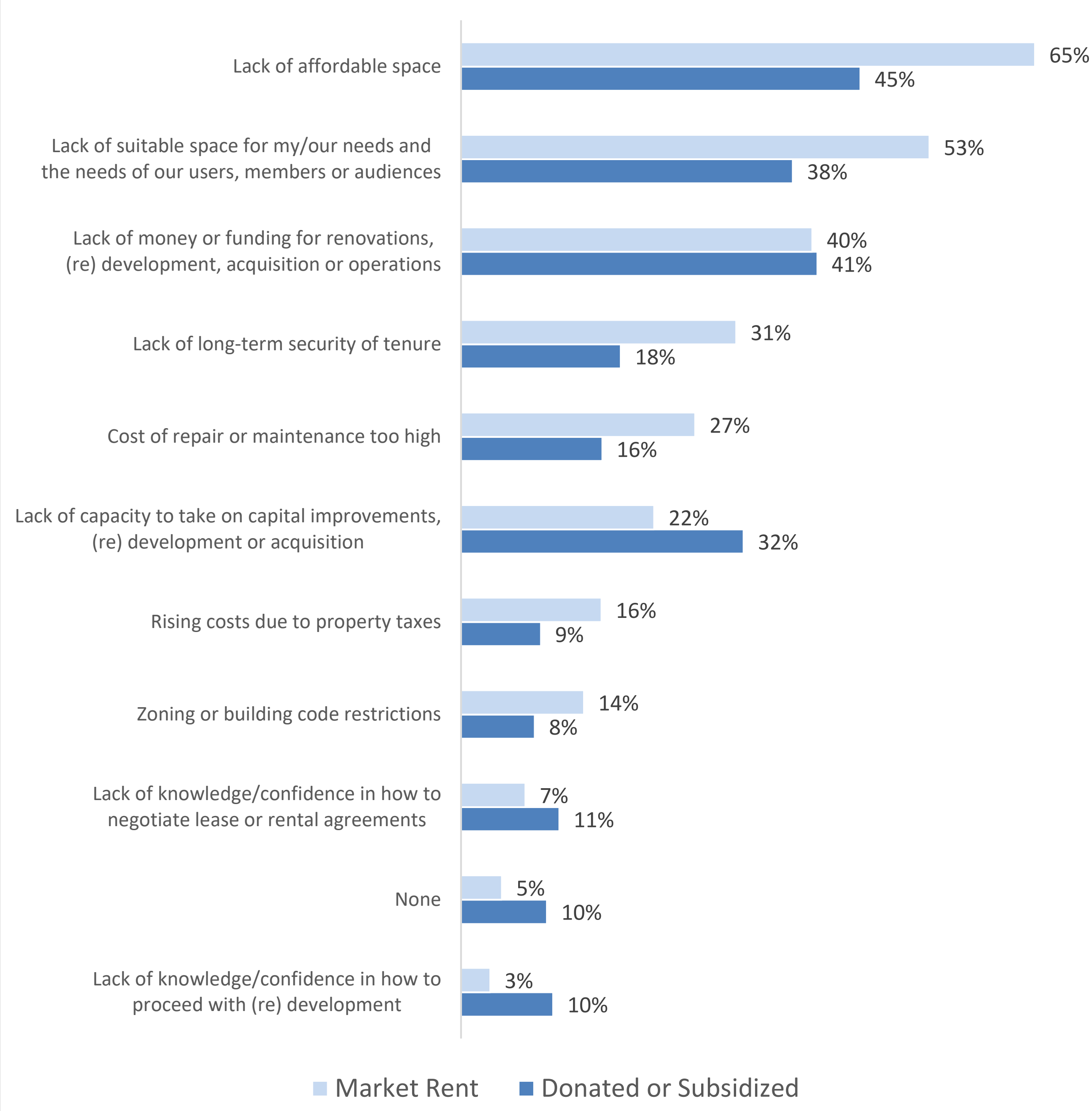
- ***Lack of Sufficient Space for Growth***
  - In order to accommodate programs, services, administration, storage and other staff and client needs, there is a clear need for access to increased amounts of suitable space. This is in response to both existing unmet need for space, and new demands for space coming from organizational and population growths.

The S4C Survey finding, across the full sample of Survey respondents, that over 50% of respondents chose "lack of affordable space" and "lack of suitable space" as their top challenges, may appear somewhat at odds with the ratings respondents provided as reported earlier in this report in Section 4 - Space Needs and Suitability, around the extent to which the cost of the space and other aspects of suitability meet their needs. It was observed in Section 4 that 48% of the full sample of respondents found that the cost of space "fully met their needs", with a rating higher than 54% for fully satisfied on some of the other aspects such as location, proximity to transit and proximity to population served.

However, other suitability criteria such as security of tenure and amount of space were rated much lower. Not explicitly taken into consideration is the relative weighting of various aspects of suitability for social purpose organizations. While Figure 100 presents responses from the full sample of S4C respondents, analysis of satisfaction with cost of space for organizations in donated/subsidized space requires further exploration.

By comparison, for organizations located in donated or subsidized spaces, differences are observed in the primary challenges reported. As can be seen in Figure 101, tenants in donated or subsidized spaces were less likely to report challenges in: lack of affordable spaces, lack of suitable space, lack of long-term security, or that costs of repair or maintenance were too high.

Figure 101:Challenges Reported for Donated vs Market Rent



Additional challenges were identified from market forces present in the real estate markets, and with the condition of many buildings that social purpose organizations currently occupy:

- ***Real Estate Market Pressures:***
    - From a high of over 10% in mid 2015, the office vacancy rate has continued to fall ever since in Greater Vancouver. Vacancy rates in 2020 confirm the steady decline, falling to a level below 3%, with the associated rise in office rents
    - With increases in average rents across Metro Vancouver regions since 2013 ranging from 14% - 35%, the challenge for not-for-profit and social enterprise organizations is clear
    - Comparing the average rent across the region in 2020 to the average in 2013 demonstrates an increase of almost 40%
    - Construction costs are escalating at alarming rates
    - Real estate pressures are market and profit driven
    - Rapidly rising land prices are exacerbating the cost of space issue
    - Current land economics rely on commercial space tenants to pay market rates
    - Renovation/development processes with municipalities are onerous, complex and take far too long to complete

- ***Aging Buildings***
    - Many in the social purpose sector occupy aging buildings badly in need of repairs, renovation, safety and environmental upgrades. There is a significant gap in deferred maintenance infrastructure upgrade work needed.

And finally, while many social purpose organizations have developed strong skill sets in managing real estate related work, a commonly cited aspect to long term success for social purpose organizations in accessing long term suitable, affordable space is to further develop the requisite knowledge and skills and to have access to adequate resources:

- ***Capacity Gaps***
    - There is a gap in social purpose sector capacity (knowledge, experience and capital) to take on building infrastructure projects—both small and large.
    - Real estate is not generally an area of strength for social purpose organizations, nor is it their core purpose
    - Skills in financial aspects of renting, leasing and owning space are a strong and important need across all sub-sectors

Section 10 – Impact of COVID-19 on Social Purpose Organizations

During the spring and summer of 2020, a significant array of COVID-19 pandemic specific social purpose sector surveys were conducted across Canadian provinces, federally in Canada and in the US. An early BC pulse check was done through a May 2020 survey by Vantage Point, Vancouver Foundation and the Victoria Foundation (with distribution by the City of Vancouver) of 1119 BC not-for-profits, wherein 78% of respondents indicated a disruption of services to clients and communities, while 52% were seeing increased demand for services.[59]

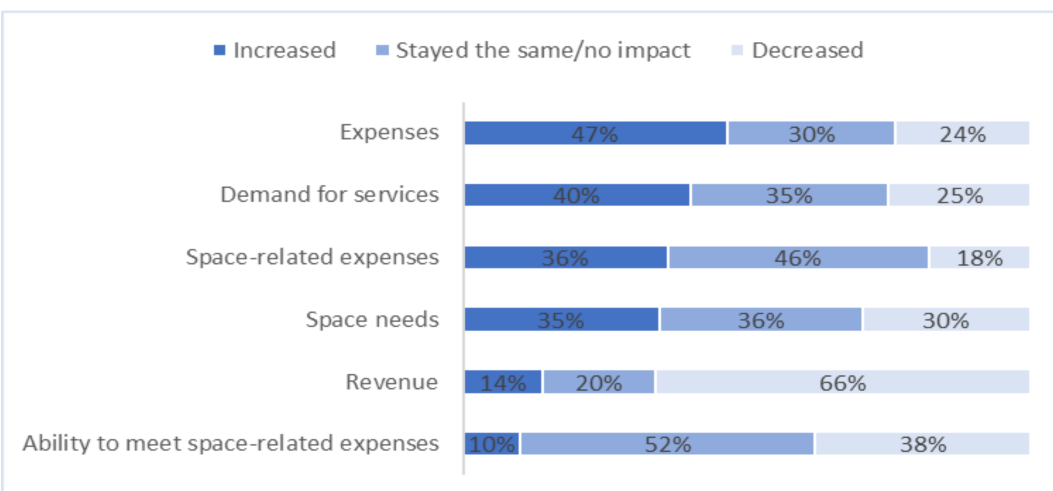
The most commonly cited challenge for not-for-profit organizations and social enterprises across the range of COVID-19 specific surveys reviewed, was reduced revenue. In a spring 2020 not-for-profit sector survey conducted by Vantage Point (based in Vancouver), "74% of respondents were experiencing reduced revenue from fundraising and 59% were seeing reduced revenue from declining earned revenues. Arts and culture organizations are the most concerned about reduced revenue from fundraising from donors, cancelled events, from earned income (e.g. sales and/or fees)"[60].

Likewise, Imagine Canada's May 2020 survey of Canadian not-for-profits concluded that "charities are experiencing significant and broad-based declines in revenue (greater than the 2008/9 financial crisis).[61]

Noting the anticipated impacts on space and facilities, the S4C Survey included a series of questions asking about the impact of the pandemic and COVID-19 supports provided by various levels of government and agencies.

Mirroring the initial COVID-19 survey findings, the most frequently reported impacts of COVID-19 in the S4C Survey were decreasing revenues, increasing expenses, and increasing demand for services as shown in Figure 102.

Figure 102: Impact of COVID-19

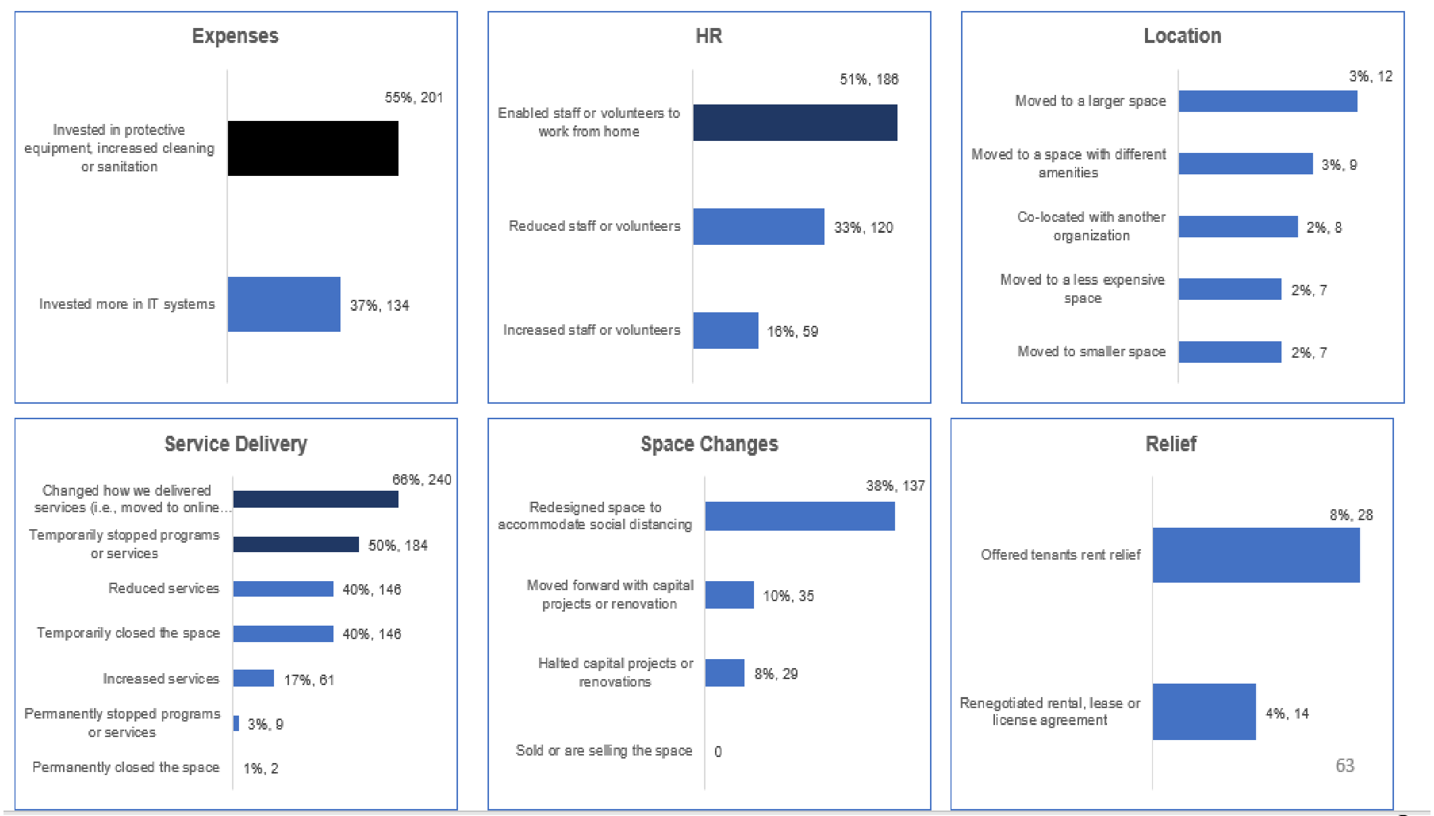


[59] https://www.thevantagepoint.ca/sites/default/files/no-immunity-report-hi-res.pdf
[60] https://www.thevantagepoint.ca/sites/default/files/no-immunity-report-hi-res.pdf
[61] https://imaginecanada.ca/sites/default/files/COVID-19%20Sector%20Monitor%20Report%20ENGLISH_0.pdf

A second major challenge for not-for-profit organizations was reported to be in the area of human resources, with the April 2020 Ontario Non-profit Networks survey indicating "One third (36%) of respondents indicated that their organization has either reduced hours for workers or have had to lay off staff. The pandemic and state of emergency have been particularly devastating for workers in arts and culture, sports and recreation, child care, and non-profit social enterprises"[62].

In the S4C Survey, the ways in which COVID-19 affected various elements of operations was examined (Figure 103). It can be seen that the most frequently reported areas were expenses, human resources, and service delivery. In expenses, 55% of respondents reported investing in personal protective equipment and cleaning or sanitation. In human resources, 51% of respondents enable staff or volunteers to work from home. Frequently reported service impacts included changes to the delivery of programs (reported by 66% of respondents) and temporarily stopping programs (reported by 50% of respondents). It is also noteworthy that very few respondents (owners or head tenants) reported offering tenant rent relief or renegotiation of tenant agreements.

Figure 103: Impacts of COVID-19 in Specific Areas



While the link to whether a significant reduction in revenues puts not-for-profit organizations at risk of not being able to continue to meet rent or space related payment was not expressly asked in the various not-for-profit surveys, or stated in the feedback comments, it is clearly one of the potential outcomes.

62 https://theonn.ca/wp-content/uploads/2020/04/ONNs-COVID-19-Flash-Survey-Report-April-6-2020-1_compressed.pdf

Abundant feedback about concern over meeting financial obligations more generally (including rent or lease payments) is clear. The Vantage Point survey indicated that "5% of respondents have indicated they will not be able to retain their space through the crisis, with another 17% being unsure about retaining their space. Further, a higher proportion of smaller organizations feel they are at risk of losing their space during the crisis"[63].

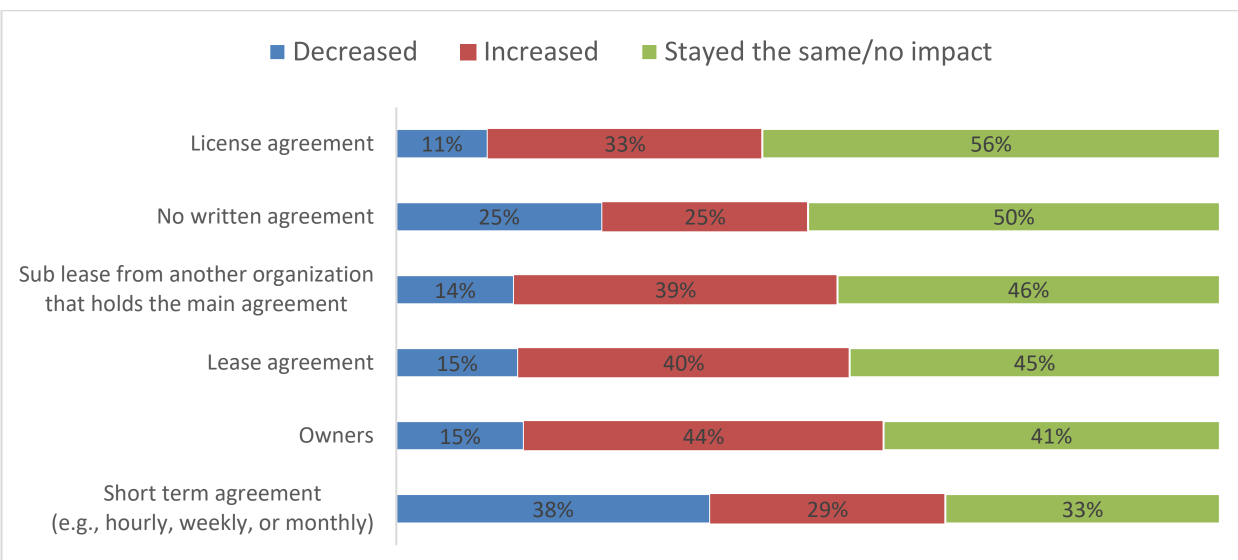
Space Related Impacts of COVID-19

A Colliers: Not-for-Profit Group survey of 100 not-for-profit organizations in Canada reported that organizational leaders anticipate physical changes to office space going forward will include:

- decreased space due to work-from-home increases (40% of respondents)
- increased space due to social distancing requirements (23% of respondents)
- sharing of space with other not-for-profit organizations (20% of respondents)
- decreased space due to lower funding (14% of respondents)[64]

In the S4C Survey, respondents indicated a range of expectations with respect to the anticipated level of space related expenses due to the impacts of COVID-19. Those organizations in short term agreements for space had the largest percentage anticipating a decrease in space costs (38%) as seen in Figure 104 below. The flexibility of these short term arrangements means they can be cancelled, or not booked as circumstances change. On the other hand, for the most common form of tenure, that of lease agreement, fully 40% of respondents in lease situations felt there had been an increase in space related expenses.

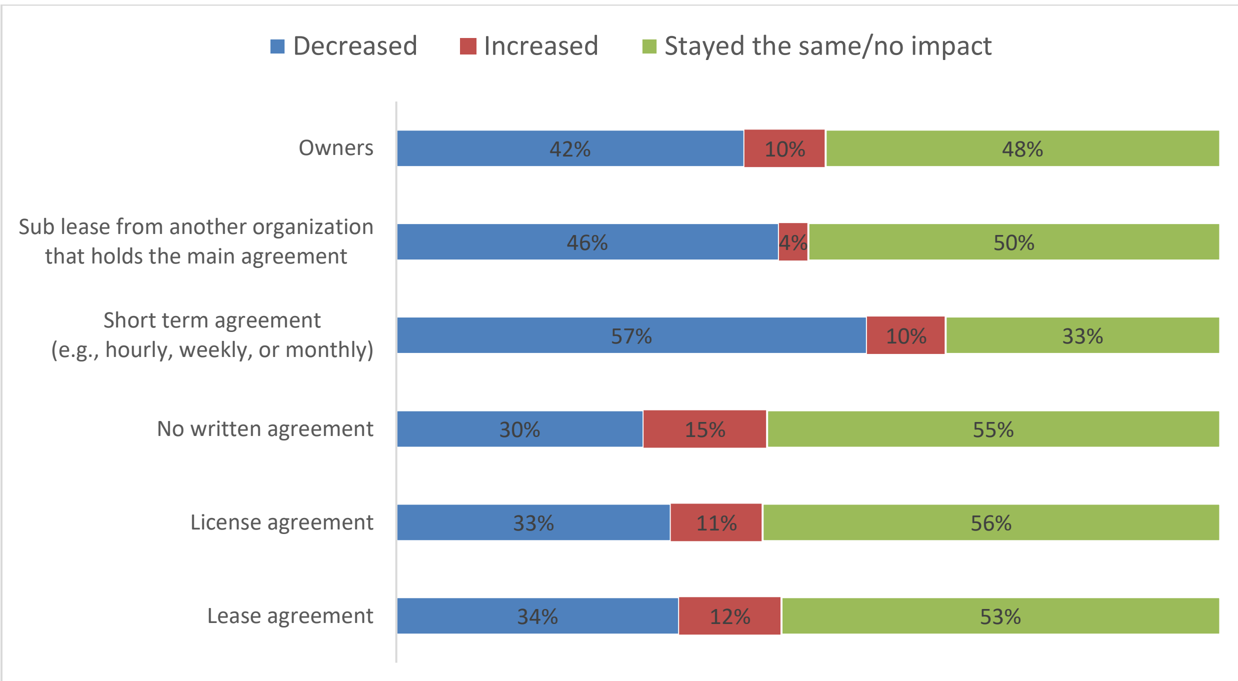
Figure 104: Affect of COVID-19 on Space Related Expenses by Tenure Agreement



[63] https://www.thevantagepoint.ca/sites/default/files/no-immunity-report-hi-res.pdf
[64] https://www.youtube.com/watch?v=vxvo48LLSKU

With many organizations experiencing a rise in space related expenses due to the pandemic, the S4C Survey asked them to assess their ability to meet space related costs going forward. This element also took into account potential losses in revenue at the same time as space related expenses may be climbing. Figure 105 which follows, shows that very few respondents felt their ability to meet space related costs had increased. Close to half of all Owners, sub-tenants and short term agreement holders indicated that their ability to meet space costs had decreased due to the pandemic. Once again, the most common form of tenure, that of lease agreement indicated a somewhat higher degree of stability in meeting space related costs, with only 34% reporting a decreased ability to meet expenses. Even so, only half (53%) of respondents felt there would be no impact from COVID-19 pressures.

Figure 105: Ability to Meet Space Related Expenses Given the Impact of COVID-19 by Type of Tenure Agreement



Sector Analysis

The impacts of COVID-19 did differ by sector. Figure 106 indicates whether the majority of sector respondents reported an increase, decrease, or no change in each of the areas. As can be seen, arts and cultural organizations and independent artists had similar impacts which differed in most areas from community and social service and other social purpose organizations. Arts and cultural organizations and independent artists more frequently reported decreased expenses and demands for services, decreased space needs and decreased revenue. These findings reflect the impact of COVID-19 public health measures to decrease the demand for services for the arts sector, but increase service demands for community and social service sectors.

Figure 106: Sector Specific COVID-19 Impacts

	Community and Social Services	Other Social Purpose Organizations	Arts and Cultural Organizations	Independent Artists
Expenses	Increased	Increased	Decreased	Stayed the same
Demand for services	Increased	Increased	Decreased	Decreased
Space-related expenses	Stayed the same	Stayed the same	Stayed the same	Stayed the same
Space needs	Increased	Increased	Decreased	Stayed the same
Revenue	Decreased	Decreased	Decreased	Decreased
Ability to meet space-related expenses	Stayed the same	Stayed the same	Decreased	Stayed the same

Key Pandemic Impacts

The primary affects of the pandemic, as measured in surveys across the social purpose sector, can be categorized in two areas: the impact on organizations, finances and the overall economy, and secondly, the ways in which space is used by social purpose organizations has been impacted. Highlights of these impacts are presented below[65]:

Overall Pandemic Impacts:

- **Uncertainty & financial strain -** rent, taxes, negotiating with landlords, cost continuing even though spaces vacant
- Massive need for **increase in IT** functionality
- **Capital projects halted** in mid stream / in limbo
- Small organizations & renters more **vulnerable to** losing space
- Real Estate Development pivoting from **commercial space to residential** (reduced office space needs)
- Potential **land sales** by:
  - Projects which have become no longer viable
  - Entities looking to liquidate assets to cover pandemic debts
- Revealed **critical value of NPOs in a crisis,** and the need for affordable, suitable, secure adaptable spaces
- Opportunity to **reframe systemic barriers** in real estate with equity-based recovery plan

[65] Adapted from Jacqueline Gijssen Presentation to Metro Vancouver Social Issues subcommittee, 2020. Source S4C Research Report and additional pandemic personal communications.

Pandemic Impacts on Space Use:

- **Increased need for space due to:**
  - Physical distancing requirements of staff and clients
  - Increased demand for services
- **Decreased need for space due to:**
  - reductions in employees / volunteers
  - closure of programs and reduction of services
  - employees shifting to work at home
  - lack of funds to support the previous level of space
- **Need for different types of space**
- **Increase in space costs -** cleaning and sanitization, renovations
- **Increase in sharing of space**
- **Increase in digital connectivity**
- **Loss of community spaces** for gathering, socializing, exchange, learning
- **Changes in the ecosystem** with temporary & permanent closure of spaces

It is clear that the COVID-19 pandemic has had a major negative impact on the social purpose sector, initially causing significant revenue declines and human resource issues, with related concerns over the ability to continue to meet lease and other real estate expenses. Despite the significant short term challenges however, sentiment in the sector for long term sustainability was indicated as positive amongst some of the social purpose sector.

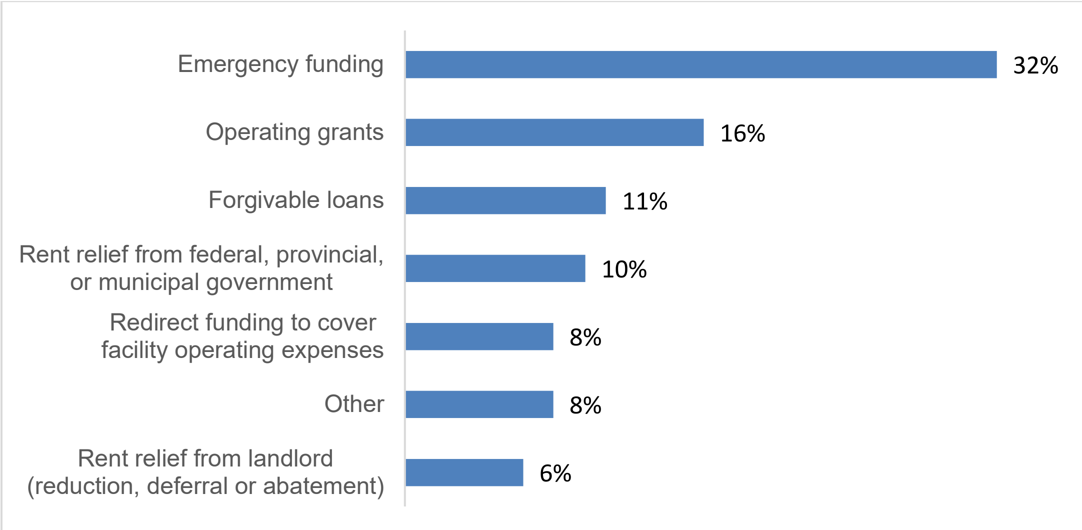
COVID-19 Supports

There have been a number of government supports announced since the start of the pandemic. However, feedback indicates that "of the federal funding support programs offered (considered by respondents as modest support): almost two-thirds of Canadian not-for-profits (65%) did not benefit from any of these federal measures"[66].

COVID-19 supports, however, were not widely reported in survey responses. As shown in Figure 107, the largest group of respondents (32% of respondents) reported receiving emergency funding. All other supports were reported by less than 16% of the respondents answering this question.

[66] https://theonn.ca/wp-content/uploads/2020/08/Final_-English_-Three-months-into-COVID-1.pdf

Figure 107 COVID-19 Supports

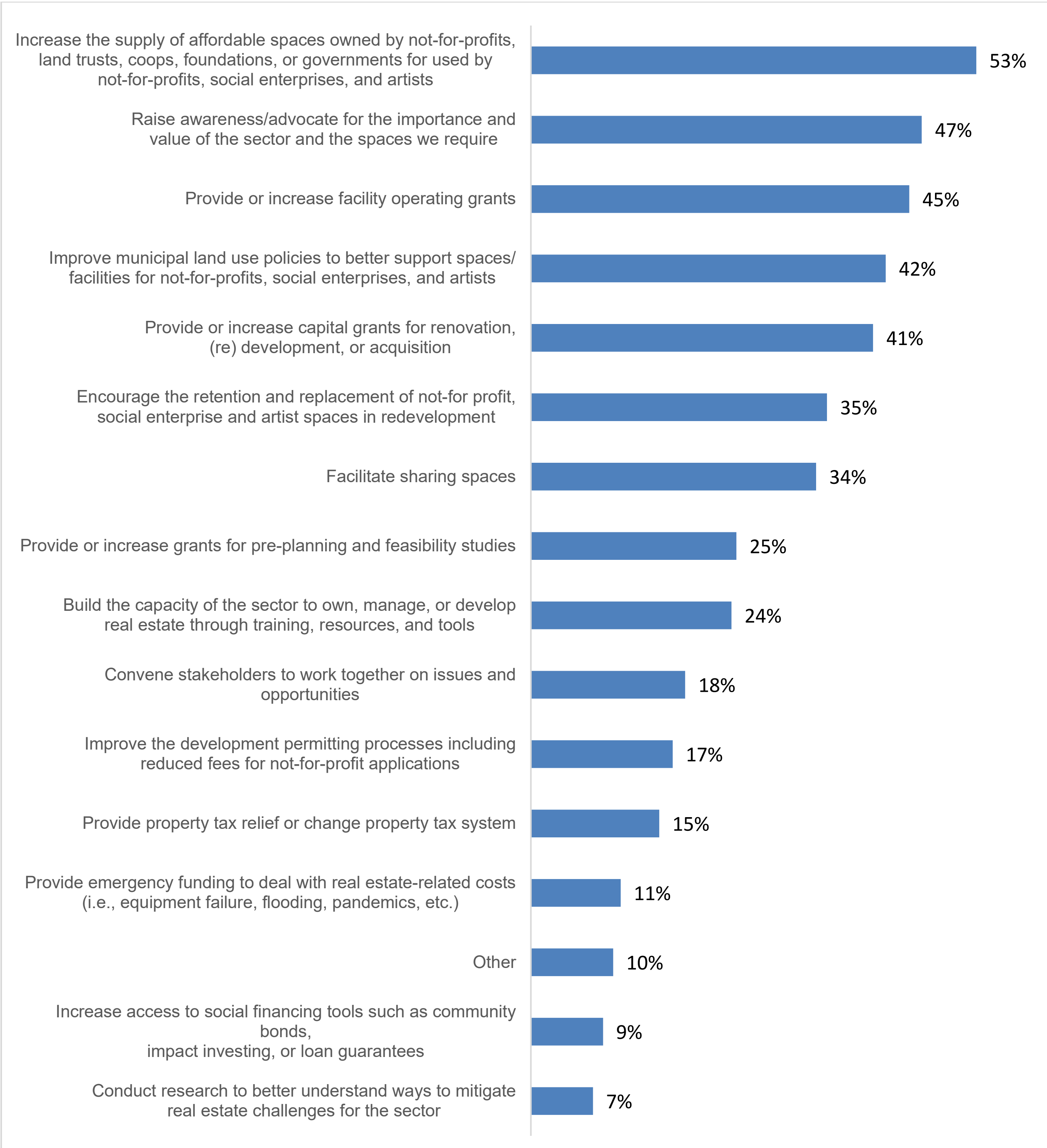


The majority of respondents answering this question reported they had space related COVID-19 costs (79%). The majority (73%) needed help with their space-related costs and the majority (72%) were able to get help. However, 18% or about one-in-five respondents were not able to get any help with their space-related COVID-19 costs.

Section 11 – Supports for Addressing Space-Related Needs

The S4C Survey provided a list of possible actions to support the social purpose sector with their real estate-related needs. Responses in order of most commonly indicated are shown in Figure 108.

Figure 108: Solutions to Support the Real Estate Needs of Social Purpose Organizations



The most frequently endorsed action was to increase the supply of affordable spaces owned by not-for-profits, land trusts, coops, foundations, or governments for use by not-for-profits, social enterprises, and artists. As shown in Figure 108, this option was selected by 53% of the respondents (173 responses) who answered this question. Also included in the top five solutions were:

2. Raise awareness/advocate for the importance and value of the sector and the spaces we require.
3. Provide or increase facility operating grants.
4. Improve municipal land use policies to better support spaces/facilities for not-for-profits, social enterprises, and artists, and
5. Provide or increase capital grants for renovation, (re) development, or acquisition.

Sector Analysis

The solutions endorsed by sectors differed somewhat from the aggregated responses and from each other. Shown in Figure 109, are the top three solutions chosen by each sector and the percentage of respondents selecting that solution. Respondents were asked to select their top five choices, however the top three are reported here as they represent the most sizable numbers of respondents.

Figure 109: Frequency of Recommended Actions for Solution

Community and Social Service	Other Social Purpose Organizations	Arts & Cultural Groups	Independent Artists
Provide or increase capital grants (58%)	Increase the supply of affordable spaces (51%)	Increase the supply of affordable spaces (56%)	Raise awareness/ advocate (62%)
Provide or increase facility operating grants (51%)	Improve municipal land use policies (41%)	Raise awareness/ advocate (54%)	Retention and replacement in redevelopment (49%)
Raise awareness/ advocate (42%)	Provide or increase capital grants (40%) and, Raise awareness/ advocate (40%)	Provide or increase facility operating grants (54%)	Facilitate sharing spaces (46%)

Every sector had "raise awareness" in their top three solutions. All sectors except independent artists also supported the need for additional grant funding (either capital grants or facility operating grants). Arts and cultural groups and other social purpose organizations endorsed increasing the supply of affordable spaces, while independent artists endorsed encouraging retention and replacement of social purpose spaces in redevelopment. Independent artists were the only group who's top three responses included facilitate sharing spaces, demonstrating a propensity to seek co-location opportunities going forward.

In sum, across the four sectors, the most commonly endorsed solutions are increased grants, increasing the supply of affordable spaces, raising sector awareness, and the facilitation of shared space. Specific suggestions under each category are shown below.

Increased Grants:

1. Provide or increase capital grants for renovation, (re) development, or acquisition.
2. Provide or increase facility operating grants.

Increase the supply of affordable spaces:

3. Increase the supply of affordable spaces owned by not-for-profits, land trusts, coops, foundations, or governments for used by not-for-profits, social enterprises, and artists.
4. Improve municipal land use policies to better support spaces/facilities for not-for-profits, social enterprises, and artists.
5. Encourage the retention and replacement of not-for profit, social enterprise and artist spaces in redevelopment.

Raise awareness/advocate for the value of the sector:

6. Raise awareness/advocate for the importance and value of the sector and the spaces we require.

Shared spaces:

7. Facilitate the availability of shared space for social purpose organizations.

Municipal Analysis

Figure 110 shows the endorsement of solutions across the six SPRE member municipalities. The three most endorsed solutions for each municipality are shaded in. This table enables the identification of commonalities across municipalities but also shows that across all six municipalities, there were few widely endorsed solutions. The exception to this is in Surrey, where 52% of Surrey respondents endorsed capital grants for redevelopment.

Figure 110: Solution Endorsement by Municipality

Solution	City of Nanaimo	City of North Vancouver	City of Richmond	City of Surrey	City of Vancouver	City of Victoria
Raise awareness/advocate	26%	33%	38%	30%	23%	41%
Increase the supply of affordable spaces	37%	38%	33%	35%	31%	29%
Retention and replacement in redevelopment	11%	30%	30%	22%	19%	24%
Improve municipal land use policies	16%	38%	23%	30%	26%	18%
Improve development permitting	5%	10%	8%	22%	11%	6%
Social financing tools	11%	5%	6%	9%	5%	6%
Property tax relief	16%	10%	6%	9%	10%	6%
Emergency funding	5%	3%	9%	17%	7%	4%
Provide or increase facility operating grants	21%	43%	21%	30%	25%	27%
Provide or increase capital grants	32%	28%	20%	52%	23%	20%
Grants for pre-planning	16%	13%	9%	22%	17%	6%
Facilitate sharing spaces	26%	25%	20%	13%	19%	29%
Build the capacity of the sector	5%	10%	8%	35%	16%	16%
Convene collaborators	0%	20%	11%	13%	11%	6%
Conduct research	0%	3%	8%	0%	5%	4%

Sector Capacity Building

Acknowledging that there are many individuals in the social purpose sector which have strong skills and knowledge in managing complex real estate dealings, there remains a clear requirement for broad capacity building for social purpose organizations in all areas of real estate. Social purpose organizations have primary expertise in their work serving community and often real estate activities remain outside of their core purpose and require additional resource support.

SPRE Collaborative and focus group participant feedback is clear that there are many not-for-profit organizations which have minimal expertise in real estate matters, particularly in areas such as leases, renovation processes or managing high operating costs. Other specific gaps exist for social purpose leaders in the areas of legal, tax, planning, internal systems, and real estate transactions. Support to negotiate leases and increase not for profit expertise in other areas of real estate is considered an important support mechanism.

Phase 2 of the HeroWork 2019 Study confirmed that "many of the responding charities indicated a lack of fiscal capacity to undergo renewal, a lack of capacity and knowledge on best practices on how to engage in a system of developers, construction professionals, government, etc, and a need for professional development and capacity to take on renovation and renewal projects."[67]

[67] HeroWork (2019). Study and Assessment of Charity Buildings Full Report. https://www.herowork.com/study/

Section 12 – Recommendations

The range of issues and challenges for social purpose organizations seeking to find or stay in suitable, affordable and secure space in order to continue to provide services in value to community has been extensively explored. By pulling from a vast array of existing literature, space needs studies, surveys, policy document review, real estate market analysis and industry expert input, a thorough understanding of the situation and space needs of the social purpose sector was developed. Building on this work, a rigorous survey of social purpose organizations was developed and deployed in BC to confirm understanding, update previous findings and delve into specific aspects of the current real estate situation.

From the aggregate findings of this significant body of work, distilling to a handful of key and most significant recommendations for sector participants is not a simple task. With the assistance of the SPRE Collaborative members and Steering Committee review process, the recommendations which follow are intended to provide strong guidance for those seeking to take the work forward. Separated into groupings according to the players who might action each of the recommendations, this is not intended as a limitation on who is ultimately responsible for change in the sector, but rather an initial pathway to navigate focus for each group. These recommendations also echo the outcomes of the "Land for Community Benefit" discussion hosted by SPRE and The Housing Research Collaborative in June 2020.[68]

It is also apparent through this work, that there are other populations which have suffered historically through bias, misrepresentation, and discrimination, including indigenous peoples and peoples of diverse abilities, and of colour. It is acknowledged that alongside the recommendations below, and work to improve access to suitable space for social purpose organizations, further work is needed to understand the various ways in which real estate challenges have negatively affected these diverse populations, and to develop actions that will change that trajectory going forward.

Social Purpose Sector *(including not-for-profits, social enterprises, SPRE and allied agencies):*

1. **Raise awareness and advocate** for the value and importance of the social purpose sector
2. **Build capacity** (knowledge, skills, abilities, time, resources) for real estate work by the social purpose sector
3. **Build/broaden partnerships with allied sectors to:**
    a. Advance awareness of social purpose real estate opportunities with not-for-profit management, architecture, planning, development, real estate and intergovernmental agencies
    b. Grow real estate supports for the social purpose sector amongst multi-jurisdictional partners
    c. Advance development projects that include space for social purpose use and organizations

[68] See full Summary Document found at: https://www.socialpurposerealestate.net/sites/default/files/resource_file/LandComBenefit_Event%20Notes_FINAL.pdf

4. **Convene, connect, continue research / needs assessment** to monitor changes in opportunities, challenges and needs for social purpose real estate

5. **Focus on specific areas of need/opportunity:**
    a. **Private sector relationships** and engaging them in the value and benefit from supporting social purpose space
    b. **Smaller organizations, independent artists** to better understand the differential impact of real estate challenges on them and to action improvements going forward
    c. **Populations affected by equity, inclusion and reconciliation** and real estate bias's and discrimination that have impacted them

6. **Encourage innovations in ownership and operations** including:
    a. Shared space / co-location
    b. Co-ops, Community Contribution Companies
    c. Operating agencies

7. **Increase the secure supply of affordable, suitable social purpose spaces** thru:
    a. Working with government, real estate and private sectors to realize secured long term ownership
    b. Encouraging community based / community serving organizations (places of worship, services clubs, not-for-profit owned spaces) to continue providing social purpose space in existing, (re)developed and new properties

Funders and Investors:

8. **Provide/increase operating grants** to support necessary facility-related costs of operating social purpose space

9. **Provide/increase capital grants** for the preplanning, (re) development, renovation, expansion of social purpose spaces

10. **Provide/increase donated/subsidized social purpose spaces** noting the significant impact this makes on social purpose organizational stability and effectiveness

11. **Leverage Foundation and other capital** to support social purpose real estate

Government:

12. **Prioritize community space in:**
    a. Private sector real estate development activities
    b. Government real estate projects
    c. Existing publicly owned buildings

13. **Improve municipal land use policies** to support real estate that provides space for social purpose organizations through:
    a. Land use policy to retain or replace existing social purpose space lost through redevelopment
    b. Enabling programs including improvements to development and permitting processes, timelines, fees, and service roles that help social purpose organizations navigate 'city hall'
14. **Enact legislative changes to create a supportive property tax environment** for social purpose real estate, including recognition and support for valuable work of social purpose organizations in communities:
    a. Broadening "highest and best use" to include social value
    b. Expanding permissive property tax exemptions for various types of not-for-profit owners
    c. Creation of new not-for-profit property tax classification(s)
    d. Making the commercial "split" classification a province-wide expectation for municipalities

Real Estate Sector: (including real estate owners, agents, developers, and managers)

15. **Invest in building knowledge, skills and broader real estate capacity** in the social purpose sector
16. **Support the supply of affordable spaces for use by the social purpose sector** through various forms of secured long term arrangements including:
    a. Ownership by NPOs themselves or in partnership arrangements
    b. Secure long term tenant arrangements
    c. Ownership within and by coops, land trusts, foundations, and government

Appendices

Appendix A - Space for Community Steering Committee, Staff and Consultants

Co – Chairs:

- Karen Hemmingson – BC Housing
- Lance Jakubec – Canada Mortgage & Housing Corp
- Brenda Southam – Real Estate Institute of BC

Members:

- Jennifer Johnstone – Central City Foundation
- Karin Kronstal & Chris Sholberg – City of Nanaimo
- Heather Evans & Coreen Alexander – City of North Vancouver
- Lesley Sherlock & Liesl Jauk – City of Richmond
- Liane Davison & Aileen Murphy – City of Surrey
- Cathy Buckham, Ada Chan Russell & Zarina Mulla, James O'Neil & Alix Sales – City of Vancouver
- Nichola Reddington & Ammar Mahimwalla – City of Victoria
- Shaugn Schwartz – Community Impact Real Estate Society
- Alex Taylor – Metro Vancouver
- Irene Gannitsos – Vancity Community Foundation
- Lilian Chau – formerly of Vancity Credit Union

Staff:

- Jacqueline Gijssen – Social Purpose Real Estate Collaborative
- Brenda Southam – Real Estate Institute of BC
- Liana Glass, Intern – Mitac/UBC School of Community & Regional Planning / Social Purpose Real Estate Collaborative
- Lesley Anderson – Social Purpose Real Estate Collaborative

Consultants:

- Scott Hughes – CapacityBuild Consulting
- Marla Steinberg – CapacityBuild Consulting
- Zanny Venner – CapacityBuild Consulting

Social Purpose Sector Definitions:

Arts/Culture - Organizations engaged in performing (music, dance, theatre), visual, media, literary, interdisciplinary arts, craft and cultural activities.

Advocacy - Organizations engaged in supporting civil and other rights, and social and political interests of general or special constituents.

Childcare - Organizations engaged in the delivery of services for children under the age of 12 years - includes daycare, pre-school, child minding, early childhood education (excluding formal private or public elementary school systems).

Community/Social Services - Organizations engaged in the delivery of services that support individuals and communities in areas such as health and wellness, social engagement, learning, and community activities.

Education - Organizations engaged in learning and educational opportunities (excluding formal private or public elementary, secondary, university or college school systems).

Employment/Training - Organizations engaged in training, skills development and employment readiness supports.

Environment - Organizations engaged in environmental protection/stewardship, conservation/education, pollution control and prevention, and animal protection.

Faith-Based/Place of worship - Organizations promoting religious beliefs, administering religious services and providing community services, who may also provide space for community use such as art/culture, childcare, community social services, meeting or recreational space.

Health - Organizations engaged in general and specialized health and health support services (excluding public or private institutions such as hospitals, assisted living care centres, etc.).

Non-Market Housing - Organizations engaged in provision of shelter, supportive, below market and co-op housing.

Professional Association - Organizations engaged in promoting, regulating and safeguarding business, professional and labour interests.

Recreation/Sport - Organizations engaged in activities in generalized or specialized fields of sports and recreation.

Space Provider/Developer - Organizations which own or lease space purposefully designated for use by others including not-for-profits, social enterprises, individual artists or social entrepreneurs.

Other - Organizations engaged in activities not otherwise included in the above categories such as philanthropy, volunteerism or international aid, etc.

Appendix C - Space for Community Research Report

Research Report can be found at:

2020 Space for Community RESEARCH REPORT

Appendix D - SPRE Literature Review

SPRE Literature Review can be found at:

[SPRE Literature Review 2020]

Appendix E - List of Space Needs Assessments

1) East Side Cultural Crawl Society 2019 Report, A City Without Art [69]

2) HeroWork 2019 Report, Study and Assessment Report on Charity Buildings[70]

3) AMS Planning & Research Corporation 2018 Report, City of Vancouver Update to Key Gaps in Cultural Infrastructure [71]

4) City of Vancouver (2018), Social Infrastructure Plan Supporting the Places and Programs that Connect Us[72] and Community Serving Spaces Study (in progress)[73]

5) The Nonprofits Centre Networks 2019 Report, State of the Shared Space Sector[74]

6) Richmond Community Services Advisory Committee 2018 Report, Phase 2 Non-Profit Social Purpose Space Needs Review Space Needs Review[75]

7) City of Richmond 2019 Report, Non-Profit Social Service Agency Current and Future Space Needs [76]

8) Cultural Trends. Independent artist-run centres: an empirical analysis of the Montreal non-profit visual arts field[77]

9) The Emergence of New Strategies and Alliances Among Community-Based Non-Profit Organizations in a Gentrifying Inner-City Neighbourhood: A Case Study of Non-Profit Organizations in Vancouver's Downtown Eastside.[78]

10) Central City Foundation. (2015). *Putting a Dollar Value on Doing Good Things for Community.*[79]

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69 Eastside Culture Crawl Society (2019). A City Without Art. https://issuu.com/culturecrawl/docs/citywithoutart%20

70 HeroWork (2019). Study and Assessment of Charity Buildings Full Report. https://www.herowork.com/study/

71 AMS Planning & Research Corp. (2018). *City of Vancouver Update to Key Gaps in Cultural Infrastructure.* Retrieved from https://vancouver.ca/files/cov/making-space-for-arts-and-culture-appendix-a-key-gaps.pdf

72 City of Vancouver (2018). Social Infrastructure Plan Supporting the Places and Programs that Connect Us. Presentation to CLT. City of Vancouver Healthy City Strategy.

73 Community Serving Spaces Study is an on-going study. Reports to draw from include the 2019 City of Vancouver Community-Serving Spaces Study: Places of Workshop Forum [presentation slides]; the 2019 CityGate Leadership Forum for the City of Vancouver, Community Serving Spaces Stakeholder Forums Summary Engagement Report; 2019 City of Vancouver Community-Serving Spaces: Recommending an Approach to Encourage Retention and Enhancement [presentation slides]

74 The Nonprofits Centre Networks (2019). State of the Shared Space Sector Report.

75 Richmond Community Services Advisory Committee (2018). Phase 2 Non-Profit Social Purpose Space Needs Review. https://www.rcsac.ca/images/pdf/Phase_2_Richmond_Non-Profit_Social_Purpose_Needs_Review.pdf

76 City of Richmond (2019). Non-Profit Social Service Agency Current and Future Space Needs. https://www.richmond.ca/_shared/assets/14_Non_Profit_Social_Service_Agency_Future_Space_Needs_CNCL_10151954700.pdf

77 Blessi, G.T., Sacco, P. L., Pilati, T. (2011). Independent artist-run centres: an empirical analysis of the Montreal non-profit visual arts field. Cultural Trends. Retrieved from https://www.tandfonline.com/doi/abs/10.1080/09548963.2011.563907

78 Weinshenker, A. (2009). *The Emergence of New Strategies and Alliances Among Community-Based Non-Profit Organizations in a Gentrifying Inner-City Neighbourhood: A Case Study of Non-Profit Organizations in Vancouver's Downtown Eastside*. Retrieved from https://search-proquest-com.ezproxy.library.ubc.ca/docview/305056711?pq-origsite=summon

79 Central City Foundation. (2015). *Putting a Dollar Value on Doing Good Things for Community.* Retrieved from https://www.centralcityfoundation.ca/wp-content/uploads/2015/10/CCF-Community-Report-2015.pdf

11) Central City Foundation. (2013). Unaffordable Spaces: How rising real estate prices are squeezing non-profit organizations and the people they help.[80]

12) *Rent Lease Own: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver.*[81]

13) Creative City. (2017). Cultural Infrastructure: An Integral Component of Canadian Communities.[82]

14) *State of the Shared Space Sector Survey* - Edwards, K., Long. R. (2015).[83]

15) Faith & the Common Good. (2020). Community Spaces Faith Places Survey Result.[84]

16) *Building Capacity, Sharing Values: Shared Spaces and Social Purpose Real Estate: A Scan and Discussion Paper of What is Happening and Could Happen in Canada* - Girvan, L. (2014).[85]

17) Inventory of Community Meeting Spaces. Policzer, I. (2003).[86]

18) *Making Space for Culture*: *Community Consultation Summaries*. City of Toronto. (2014).[87]

19) *King-Spadina Cultural Spaces Retention Study: Strengthening the Creative Economy in Toronto's Downtown Core.* R.E. Millward + Associates. (2017).[88]

20) *Arts Space: Demand and Needs Analysis.* Sheppard Case Architects, Schick Shiner Associates. (2012).[89]

21) *Vancouver Music Ecosystem Study*. Sound Diplomacy, Secret Study Projects. (2018).[90]

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[80] Central City Foundation. (2013). *Unaffordable Spaces: How rising real estate prices are squeezing non-profit organizations and the people they help.* Retrieved from https://www.centralcityfoundation.ca/wp-content/uploads/2017/11/CCF-Community-Report-_low-res.pdf

[81] City Spaces for the Social Purpose Real Estate Collaborative and the Real Estate Institute of BC. (2013). *Rent Lease Own: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver.* Retrieved from https://www.socialpurposerealestate.net/sites/default/files/resource_file/REIBC_SPRE_Report_FINAL1.pdf

[82] Creative City. (2017). Cultural Infrastructure: An Integral Component of Canadian Communities. *Creative City Network News*. Retrieved from https://www.creativecity.ca/database/files/library/News_5_E.pdf

[83] Edwards, K., Long. R. (2015). *State of the Shared Space Sector Survey.* Retrieved from http://www.nonprofitcenters.org/state-of-the-sector-report.pdf

[84] Faith & the Common Good. (2020). Community Spaces Faith Places Survey Result. Retrieved from https://www.faithcommongood.org/community_spaces_faith_places_survey_results

[85] Girvan, L. (2014). *Building Capacity, Sharing Values: Shared Spaces and Social Purpose Real Estate: A Scan and Discussion Paper of What is Happening and Could Happen in Canada.* Retrieved from http://tidescanada.org/wp-content/uploads/2015/04/Building-Capacity-Sharing-Values-Shared-Spaces-and-Social-Purpose-Real-Estate-Final.pdf

[86] Policzer, I. (2003). Inventory of Community Meeting Spaces. Retrieved from https://www.mosaicbc.org/wp-content/uploads/2017/01/Inventory-of-Community-Meeting-Places.pdf

[87] City of Toronto. (2014). *Making Space for Culture*: *Community Consultation Summaries*. Retrieved from https://www.toronto.ca/legdocs/mmis/2014/ed/bgrd/backgroundfile-69273.pdf

[88] R.E. Millward + Associates. (2017). *King-Spadina Cultural Spaces Retention Study: Strengthening the Creative Economy in Toronto's Downtown Core.* Retrieved from https://www.toronto.ca/wp-content/uploads/2017/10/90a0-City-Planning-TOcore-REM_Cultural-Spaces.pdf

[89] Sheppard Case Architects, Schick Shiner Associates. (2012). *Arts Space: Demand and Needs Analysis.* Retrieved from http://www.stjohns.ca/sites/default/files/files/publication/Arts%20Space%20Study_March%202013.pdf

[90] Sound Diplomacy, Secret Study Projects. (2018). *Vancouver Music Ecosystem Study*. Retrieved from http://www.musicbc.org/wp-content/uploads/2017/04/714-SOUND-DIPLOMACY-A4-Vancouver-Executive-Summary_V6.pdf

Appendix F - Space for Community Focus Groups

Focus Group: City of Vancouver

Participants:
James O'Neill, *Social Planner, City of Vancouver*
Ada Chan Russell, *Social Planner, City of Vancouver*
Catherine Buckham, *Cultural Planner, City of Vancouver*
Yvonne Hii, *Cultural Planner, City of Vancouver*
Jacquie Gijssen, *Project Director, Social Purpose Real Estate Collaborative*

Focus Group: City of North Vancouver

Participants:
Heather Evans, *Community Planner, Planning & Development Department, City of North Vancouver*
John Rice, *Cultural Services Officer, City of North Vancouver*
Larry Orr, *Manager of Business and Community Partnerships, City of North Vancouver*
Allyson Muir, *Executive Director, Sanford Housing Society*
Laurie Kohl, *Director of Community & Provincial Programs, Family Services of the North Shore*
Shannon DeSouza*, Sales & Marketing Strategist, MBET*
Nancy Cottingham-Powell, *Executive Director, North Vancouver Arts Council*
Julia Kaisla*, Executive Director, Canadian Mental Health Association North Vancouver*

Focus Group: City of Nanaimo

Participants:
Karin Kronstal, *Social Planner*, *Community & Cultural Planning, City of Nanaimo*
Chris Sholberg, *Culture & Heritage Planner, City of Nanaimo*
Chantale Rollands, *Executive Director, Society for Equity, Inclusion, and Advocacy Vancouver Island*
Kix Chicone*, Executive Director, Nanaimo Brain Society*
Peter Sinclair*, Executive Director, Loaves & Fishes Community Food Bank Office and Warehouse*
Laurie Bienert, *Executive Director, Nanaimo Foundation*

Focus Group: City of Victoria

Participants:
Nichola Reddington, *Senior Culture Planner, City of Victoria*
Paul Latour, *CEO, HeroWork Foundation*
Joan Kotarski, *Past Executive Director, Fairfield Gonzales Community Association*
Derek Gent, *CEO, YMCA Victoria*
Kaye Melliship, *Executive Director, Greater Victoria Housing Society*

Focus Group: City of Surrey

Participants:
Aileen Murphy, *Social Planner, City of Surrey*
Kevin Kapenda, *Culture Planning Researcher, City of Surrey*
Iain Marjoribanks*, Facility Development Project Manager, Fraser Region Aboriginal Friendship Centre Association (FRAFCA)*
Vera LeFranc, *CEO, Elizabeth Fry Society*
Bonnie Burnside, CEO, *Downtown Surrey BIA*

Focus Group: City of Richmond

Participants:
Ella Huang, *Executive Director, Richmond Centre of Disability*
Julie Halfnights, *Board Member, Richmond Community Foundation*
Jane Fernyhough, *Former Director, Arts & Culture, City of Richmond*
Janice Lambert, *Executive Director, Richmond Family Place*
Sara Louie, Director, *Atira Women's Resource Society*
Brenda Plant, *Executive Director of Turning Point Recovery Society*
Rich Dubras, *Executive Director, Richmond Addiction Services*
Lesley Sherlock, *Social Planner, City of Richmond*
Liesl Jauck, *Manager of Arts Services, City of Richmond*
Belinda Boyd, *Board Member, Richmond Caring Place Society*

Focus Group: Social Enterprise Focus

Participants:
David LePage, *Managing Director, Buy Social Canada (previously Executive Director of Community Impact Real Estate Society & Enterprising Non-Profits)*
Alisha Masongsong, *Acting Director, Exchange Inner City*
Irene Gannitsos, *Senior Manager Strategic Initiatives and Investment, Vancity Community Foundation*

Focus Group: Ownership

Participants:
Katrina May, *VP, Catalyst Community Development Society*
Jennifer Johnstone, *President and CEO, Central City Foundation*
Tellison Glover*, Director for Mission and Ministry Development, Anglican Diocese of New Westminster*
Bob Prenovost*, CEO, Association of Neighbourhood Houses of B.C.*
Catherine Tableau*, Executive Director, Société Maison de la francophonie*
Karen Millard*, Lead Minister, Centre Point United Church*

Focus Group: Space Users

Participants:
Justina Loh, *Executive Director, Disability Alliance of BC*
Esther Rausenberg, *Executive Director, Eastside Culture Crawl Society*

Focus Group: Space Providers

Participants:
Stephanie Allen, *Associate VP, Strategic Business Operations & Performance, BC Housing*
Sebastian Lippa, *Manager of Planning & Development, Granville Island*
Sean Condon, *Managing Director, 312 Main/Vancity Community Foundation*
Marietta Kozack, *General Manager, Arts Factory*
Caitlin Jones, *Executive Director, BC Artscape*

Appendix G - Space for Community Survey Questions

Space for Community Survey Questions can be found at:

[2020 Space for Community SURVEY QUESTIONS]

Appendix H - Space for Community Survey Participant Organizations

Kitsilano Neighbourhood House
221A Artist Run Centre Society
312 Main (VCF)
Age Friendly Nanaimo
Agur Lake Camp Society
Alder Grove Heritage Society
Alexandra Neighbourhood House
AlleyCATS Alliance
ANHBC
APEAH
arc.hive artist run centre
art gallery of greater victoria
ARTHRITIS RESEARCH CANADA/ARTHRITE-RECHERCHE CANADA
Arts Council of New Westminster
Arts Factory
asds
ASK Friendship Society
Association of Book Publishers of BC
Athletics for KIds
Atira Women's Resource Society
Aunt Leah's Independent Lifeskills Society
Aunt Leah's Place
AutismBC
Avalon Recovery Society
Backpack Buddies
BC Association of Farmers' Markets
BC Bonsai Society
BC libraries Coop
BC Organization of Caribbean Cultural Associations
BCA
BCABC
Belfry Theatre
Bella Coola Valley Sustainable Agricultural Society
Belweder North Shore Polish Association
Bema Productions
Big Sisters of BC Lower Mainland
Blue Bridge Theatre
Boys and Girls Clubs of South Coast BC
Britannia Shipyards National Historic Site Society
Burnaby Arts Council
Burnaby Family Life
BWSS Battered Women's Support Services
Cameray Child & Family Services
Canadian YC Chinese Orchestra Association
Capilano Christian Community
Capilano Community Services Society
Caravan Stage Society
Cedar Cottage Neighbourhood House
Central City Foundation
Central Okanagan Elizabeth Fry Society
Centre for Seniors Information
centre of Integration for African Immigrants
Charlford House Society for Women
Chimo Community Services
Church on Five (Food For Life meal)
Cinevolution Media Arts Society
CleanStart BC
Cloudscape Comics Society
CMHA North and West Vancouver
Collingwood Neighbourhood House
Community Futures Sunshine Coast
Community Impact Real Estate Society
Company 605
Congregation Beth Israel
Connections Community Services Society (Part of Federation Plan of BC)
Cool Arts Society
Cowichan Energy Alternatives Society
craft council of bc
creative minds early learning
Creator's Arts Centre
Crimson Coast Dance
CSI Kamloops
Curiosity Corner Preschool
Dalai Lama Center for Peace and Education
Dan's Legacy Foundation
D'Aquila
Deer Crossing The Art Farm
Developmental Disabilities Assn
Direct Theatre Collective

Disability Alliance BC
DIVERSEcity Community Resources Society
Downtown Eastside Neighbourhood House
Downtown Eastside SRO Collaborative
Downtown Eastside Women's Centre
DSF
DTES HIV/IDU Consumers Board
Dunbar Village Community Services Society
Eastside Culture Crawl Society
Eastside Family Place
Elizabeth Fry Society
EMBERS
Employ to Empower
Encompass Support Services Society
EPFC North
Equitas
Esquimalt Community Arts Hub
Ethos Lab Educational Society
Extra Steps Preschool
Faith Community Christian Church
Family Services of Greater Vancouver
First United Church Community Ministry Society
Food Stash Foundation
Foolish Operations Society
Four Directions Trading Post
Fresh Roots Urban Farm Society
Friend 2 Friend Social Learning Society
Frog Hollow Neighbourhood House
Georgia Strait Alliance
Grandview Woodland Food Connection
Greater Victoria Shakespeare Festival
Habitat for Humanity Vancouver Island North
Hallmark Heritage Society
Harbour City Theatre Alliance Society
Harvest Project
Hastings Community Association
Hastings Crossing Business Improvement Association
Hastings Preschool
HAVE Culinary Training Society
Haven Foundation
HeroWork Program Society
Hessey Consulting + Architecture Inc.
Historic Joy Kogawa House Society
Hogan's Alley Society
Hollyburn Family Services Society
Hope for Freedom Society
http://nalt.bc.ca/
Hudson Out of School Care Society
Hyad Society
Impulse Theatre
ISSofBC
Japanese Canadian Citizens' Association
Japanese Community Volunteers Association (Tonari Gumi)
Jewish family services
Journey Home Community
JustWork Economic Initiative
Karis Support Society
Keats Camps
KH Photography, Inc.
Kickstart Disability Arts & Culture
Kinbrace Community Society
Kinsight Community Society
Kitsilano Neighbourhood House
Kiwassa Neighborhood House
Langley Arts Council
Langley Community Services Society
Langley Quilters Guild
Last Door Recovery Society
Latincouver
Launching Pad Addictions Rehabilitation Society
Law Students' Legal Advice Program
Literacy central Vancouver Island
Little People's Community Preschool
Living Systems Network Society
LMNH
Loaves and Fishes Community Food Bank
LOCO Business Network Society of BC
London Heritage Farm Society
Longhouse Ministry
Lookout Housing and Health Society

Lynn Valley Services Society
Lyric Choirs of Surrey
Magazine Association of BC
MakeWay Charitable Society - Binners' Project
Marineview Housing Society
Megaphone
Minerva BC
MISCELLANEOUS PRODUCTIONS SOCIETY
Mission Possible
MOFP
MOSAIC MONTESSORI PRESCHOOL
Mount Pleasant Child Care Society
Mount Pleasant Community Centre Association
Mount Pleasant Family Centre Society
Mount Pleasant Neighbourhood House
Muslim Food Bank
My Artist's Corner Society, BC
Nada
Naked Stage Productions Society
Nanaimo 7-10 Club Society
Nanaimo Brain Injury Society
Nanaimo ChapterFederation if Canadian Artists
Nanaimo Search and Rescue
Nanaimo Volunteer & Information Centre Society
Nelson Fine Art Centre Society
Nestworks
New Hope Childcare
New Hope Community Services Society
New View Society
New West Artists Society
Neworld Theatre
North Shore Alliance Church
North Shore Community Foundation
North Shore Community Resources
North Shore Crisis Services Society
North Shore Meals on Wheels
North Shore Multicultural Society
North Shore Table Tennis Society
North Shore Women's Centre
North Van Arts
North Vancouver Museum & Archives
NSGSC
NVCL
Oakridge Adventist Church
Okanagan Festival Singers
Oncore Seniors Society
ONE TO ONE Literacy
Open Space Arts Society
OUR ECOVILLAGE
Our Lady of Guadalupe Tonantzin Community Society
Out Innerspace Dance Theatre
Outdoor Recreation Council of BC
PACE Society
Pacific AIDS Network
Pacific Community Resources Society
Pacific Parklands Foundation
Pacific Post Partum Support Society
Pacific Spirit Choir
Parent Support Services of BC
Parish of Holy Trinity
Parks Board
PCRS
Phoenix Chamber Choir
PHS Community Services Society
Pi Theatre
PLEA Community Services Society of BC
Potluck Cafe (2003) Society
Presentation House Theatre
PRINT - Victoria Society of Print Artists
Project Literacy Central Okanagan Society
PTC
QMUNITY
Quadra Daycare Society
Rainbow Refugee
rice & beans theatre
Richmond Addiction Services Society
Richmond Art Gallery Association
Richmond Artists Guild
Richmond Arts Coalition
Richmond Centre for Disability

Richmond Chinese Community Society
Richmond Community Concert Band
Richmond Delta Youth Orchestra
Richmond Family Place Society
Richmond Food Bank Society
Richmond Gateway Theatre Society
Richmond Mental Health Consumer and Friends Society
Richmond Multicultural Community Services
Richmond Photo Club
Richmond Potters Club
Richmond Poverty Reduction Coalition
Richmond Presbyterian church
Richmond Singers
Richmond Society for Community Living
Richmond Therapeutic Riding Association
Richmond weavers and spinners guild
Richmond Women's Resource Centre
Richmond Youth Honour Choir
RIFCB
Rise Women's Legal Centre
SARA for Women Society
Sea Island Heritage Society
Sea to Sky Community Services
Seniors Services Society of BC
Sharing Abundance Association
Shepherd of the Valley Lutheran Church
Shirley Loves Music
Silver Harbour Seniors' Activity Centre
Société Maison de la francophonie de Vancouver
Soroptimist International of Vancouver, B.C.
Sources Community Resources Society
South End Community Association (Nanaimo)
South Granville Seniors Centre
South Hill Child Care Society
South Vancouver Family Place
South Vancouver Neighbourhood House
Sprouts Academy
Squamish Nation
Squamish United Church
SRO Collaborative
St Andrew's presbyterian
St. Alban's Anglican Church
St. Andrew's United Church
St. Andrew's Wesley United Church
St. Faith's Anglican Church
St. Mary's Parish, Vancouver
Steveston Historical Society
Story Theatre Productions Society
Stream of Dreams Murals Society
Strive Living Society
SUCCESS
Summerland Museum and Archives Society
Sunset Community Association
Surrey Food Bank
Surrey German Language School Society
Surrey Urban Mission Society
SurreyCares Community Foundation
Sweetpea Gallery
Tara Cheyenne Performance
Terrapartners
Textile Arts Guild of Richmond (TAGOR)
The Dance Centre
The Dugout Drop-In Centre Society
The Family Education and Support Centre
the fifty fifty arts collective
The Immigrant Services Society Of British Columbia
The Kettle Friendship Society
The Laurier
The North Shore Restorative Justice Society
The Polygon Gallery
The Salvation Army, Nanaimo Ministries
THE VICTORIA CHORAL SOCIETY
Theatre SKAM
TheatreOne
Thunderbird Neighbourhood Association
Tickle Me Pickle Theatre Sports Improv Society
Together We Can Drug & Alcohol Society
Tomorrow's Topkids Child Care Society
Touchstone family Association
Tradewind Books

True North Performance
Turning Point Recovery Society
UDC Studio
Umbrella Multicultural Health Co-op
Umbrella Society
Umoja Operation Compassion Society
Union Gospel Mission
United Church of Canada
Urban Horse Project Society
Uzume Taiko Drum Group Society
Vancity Community Foundation
Vancouver Adaptive Snow Sports
Vancouver Buddhist Temple
Vancouver Creative Space Society
Vancouver Japanese Language School & Japanese Hall
Vancouver Second Mile Society
Vancouver Women's Health Collective
Vantage Point
Victoria Arts Council
Victoria Drive Gospel Hall
VIFF
Vines Art Festival
Watari Research Association operating as Watari Counselling and Support Services
WAVAW Rape Crisis Centre
Wavefront Centre for Communication Accessibility
West Coast Christian Fellowship
West End Seniors' Network
West Point Grey Daycare
West Side Family Place Society
Westcoast Child Care Resource Centre
Westside Church
White Rock City Orchestra
Wisteria Community Association
Working Gear
Yoga Buggy Assn.
Your Local Farmers Market Society
Zero Ceiling

Appendix I - List of Figures Included in the Report