

Mitigating barriers to safe and affordable housing among Black Communities in British Columbia with Innovative solutions



HOGAN'S ALLEY SOCIETY'S SOLUTIONS LAB

PRESENTED ON November 9th, 2023 @ CAEH Conference, Halifax.

PARTNERS

The Hogan's Alley Housing Solutions Lab - Metro Vancouver's Black Communities Affordable Housing Needs Project is funded by the Canadian Mortgage and Housing Corporation (CMHC)



in partnership with BC Housing, the City of Vancouver, and Wood Buffalo Strategy Group.



OUTLINE

Presenters

Goals

Hogan's Alley Society

Project Background & Components

Research Methodology

Qualitative and Quantitative
Highlights



PRESENTERS



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Goals

- Understand the systemic, structural, interpersonal barriers, and experiences of Black communities
- Identify meaningful and affordable rental housing solutions
- Champion quality housing outcomes that improve the well-being of Black communities
- Create and promote economic, social and cultural opportunities for Black communities.

Hogan's Alley Society

A non-profit Black-led organization committed to raising awareness and advocating against:

- the legacies of systemic anti-Black racism
- displacement and marginalization endured by Black communities in Vancouver and across British Columbia.



**HOGAN'S
ALLEY
SOCIETY**



Project Background

- 1% of BC population - 40,000 people
- 52% reside in private rental market
- Predominantly low income
- Disproportionately represented in homeless count
- High rental cost

Project Components:

Research:

Quantitative & Qualitative

Design:

- Design/Development sessions
- Prototyping feasible solutions
- Roadmap of interventions

RESEARCH METHODOLOGY

Qualitative Methods	Quantitative Methods
<p data-bbox="443 943 1459 1301">Key Informant Interviews Metro Vancouver-Wide Survey Focus Group Co-Design Workshop</p>	<p data-bbox="1742 943 3085 1301">Metro Vancouver Apartment Transaction Data Analysis Census Cross-Tabulation Government policies and practices</p>



Online Survey Highlights

Housing

Affordable
Housing

- 6 in 10 respondents spend 70% of income on rent (>\$1500)
- 1 in 10 live in subsidized housing
- 2 in 10 missed rental payment in the past year
Leading to eviction for 18%
- 6 in 10 have experienced housing discrimination
Due to race, income, family status & gender.
Not reported in 92% of cases
- 7 in 10 live in overcrowded situations
- 3 in 10 have experienced forced move due to landlord disputes, landlord seeking occupancy of the unit, sale/renovation of property, and rent arrears.

FROM VANCOUVER'S BI
COMMUNITIES AFFORDA
TAL HOUSING NEEDS
VEY IS NOW LIVE!

HIGHLIGHTS

KEY INFORMANT INTERVIEWS

Emerging Themes

- Lack of Affordable Housing
- Lack of Housing Options
- Lack of Black Enclaves
- Anti-Black Racism: Housing and Workplace
- Discriminatory Government Policies
- Lack of Disaggregated Race-Based Data Collection



HIGHLIGHTS

FOCUS GROUP

What we Heard

- **Affordability Challenge:**
 - 100% of respondents stated they live in private rental housing, but not by choice
 - 67% were unemployed and stated they pay 60% of their income (government subsidies) on rent
- **Lack of Housing Options:**
 - 67% lived in overcrowded situations



PURPOS

E *Nothing About Us Without Us*

- Map out the problem, identify shared priorities, and generate insights on innovative solutions
- Utilized personas to reflect Black communities' experiences



HIGHLIGHTS

CO-DESIGN WORKSHOP

CO-DESIGN WORKSHOP

RECOMMENDATIONS

What we Heard

- **Housing**
 - All levels of government provide funding to build culturally appropriate housing.
- **Housing Discrimination**
 - Create a one-stop shop where renters can access assistance and support to address housing discrimination.
- **Policies**
 - Develop policies using a racial equity lens.
- **Data Collection**
 - Develop standard protocols for collecting and reporting disaggregated race-based data.



HIGHLIGHTS

QUANTITATIVE

Quantitative Methods

Metro Vancouver Apartment Transaction Data
Analysis

Census Cross-Tabulation
Government policies and practices



Census Custom Tabulation - Metro Vancouver Black renters

Rent Burden

Variable	Year	
	2016	2021
Total Black renters (Metro Vancouver)	18,075	20,040
Count and % - Black renters spending >30% income on rent	7,080 (39%)	7,715 (30%)
Count and % - person living alone spending >30% income on rent	1,455 (54%)	1,995 (50%)

Black renters making <\$40,000 after-tax

Household Type	% with after-tax income <\$40k	
	2016	2021
Member of a couple	69%	49%
Female lone parent	75%	48%
Person living alone	71%	51%

HIGHLIGHTS

Multi-family
apartment ownership

Landlord
Categorization

What is *financialization*?

*The increasing **dominance** of financial actors, markets, and practices, measurements, and narrative, at various scales, resulting in a **structural transformation** of economies, firms (including financial institutions), states and households”- Manuel Albers (2017)*

Financialized

Landlords

A purchasing company either privately held (asset manager) or publicly traded (REIT), which acquires rental properties at scale, applying financial logics, metrics, and priorities to generate returns for shareholders and investors. This category of landlords includes: asset management firms, private equity, pension fund managers, insurance companies, family offices, and REITs (both public and private).

HIGHLIGHTS

**Strategies
employed by Metro
Vancouver's
largest private
landlords**

"**Acquire under-managed assets** and deploy best-in-class asset management to **reposition the property**"

(Starlight Investments, 2023)

"Hollyburn invests in older, poorly managed buildings. It renovates and upgrade the buildings' infrastructure and **transforms the suites into high-end rental suites**, making them desirable for the upscale urban demographic"

(Canadian Apartment Magazine, 2012)

"An important component of CAPREIT's property capital investment strategy is to **acquire properties significantly below current replacement cost** and improve their operating performance... This ensures sustainable growth to **maximize the portfolio's future rental income-generating potential**"(CAPREIT, 2022)

"After renovation, **suites are re-positioned in the market at higher rents** and attractive features for credit-worthy tenants. With the increase in rental income and reduction in vacancy and operating costs, cash flow increases significantly"

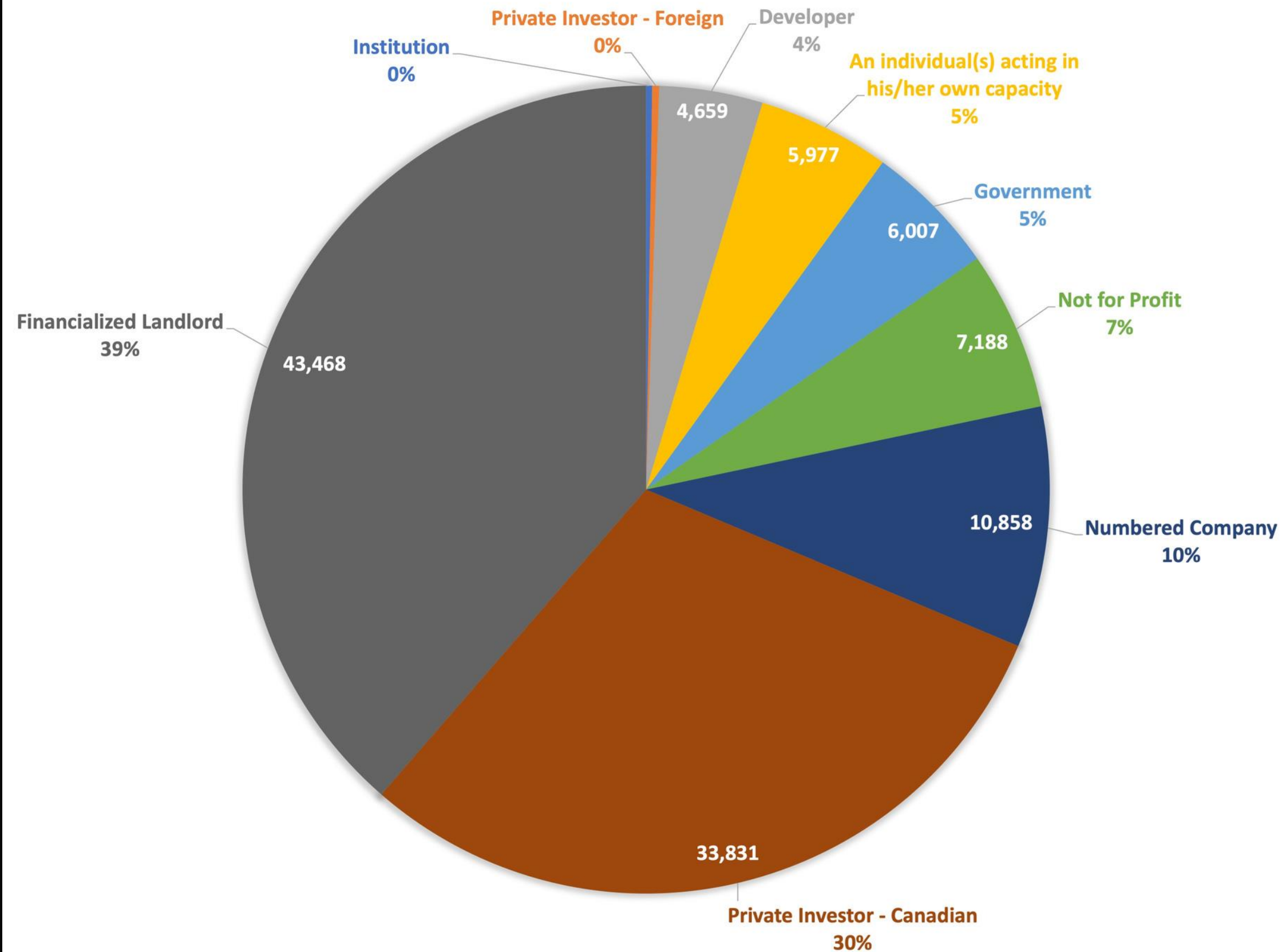
(Mainstreet Equity, 2023)

HIGHLIGHTS

Apartment Acquisitions 1999-2022

Metro Vancouver

METRO VANCOUVER APARTMENT ACQUISITIONS BY UNITS AND LANDLORD TYPE
1999-2022
TOTAL UNITS TRANSACTED = 112,574



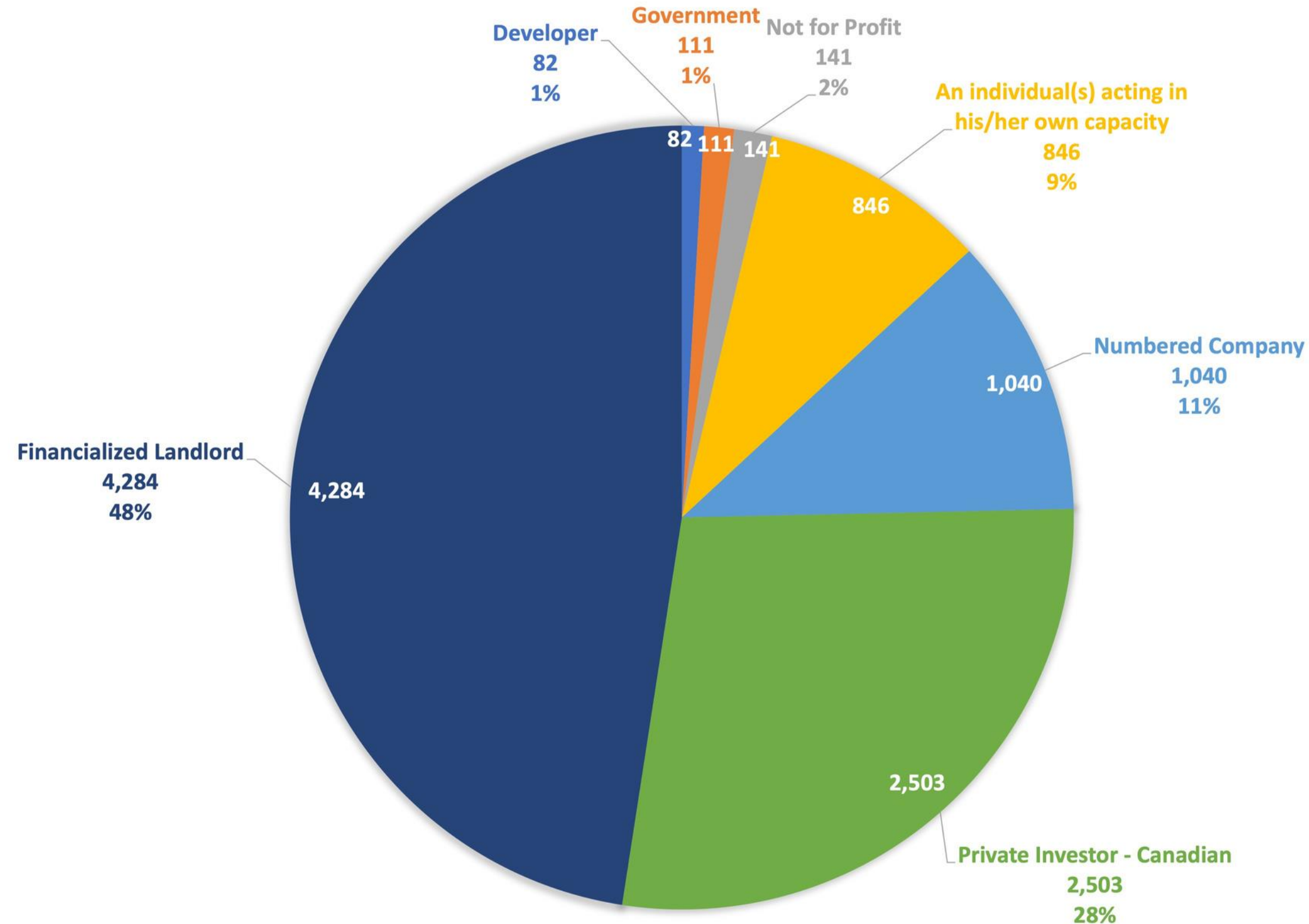
HIGHLIGHTS

Apartment Acquisitions 1999-2022

New Westminster

NEW WESTMINSTER APARTMENT ACQUISITIONS BY UNITS AND LANDLORD TYPE
1999-2022

TOTAL UNITS TRANSACTED = 9,015



HIGHLIGHTS

Policy Changes Additional Rental Increase (ARI)

"Hollyburn invests in older, poorly managed buildings. It renovates and upgrade the buildings' infrastructure and **transforms the suites into high-end rental suites**, making them desirable for the upscale urban demographic"
(Canadian Apartment Magazine, 2012)

- As of July 1st, 2021 landlords were able to apply for additional rent increases above the guideline when they've completed repairs to the rental unit or building
- Changes will "encourage landlords to invest in their rental property by allowing them to recover some of those costs" (RTB, 2021)
- Tenants bear the cost of these expenditures through a maximum increase of **9% rent increase spread over 3 years**
- Rent increases remain in place **in perpetuity**
- According to LandlordBC (2021), they're organization "led much of the conversation with the RTB to address landlord costs for necessary capital expenditures" **after the government changed the province's annual rent increase formula**
- Observations by the Vancouver Tenants Union suggest landlords like Hollyburn and Starlight are those already taking advantage of this policy (VTU, 2022)

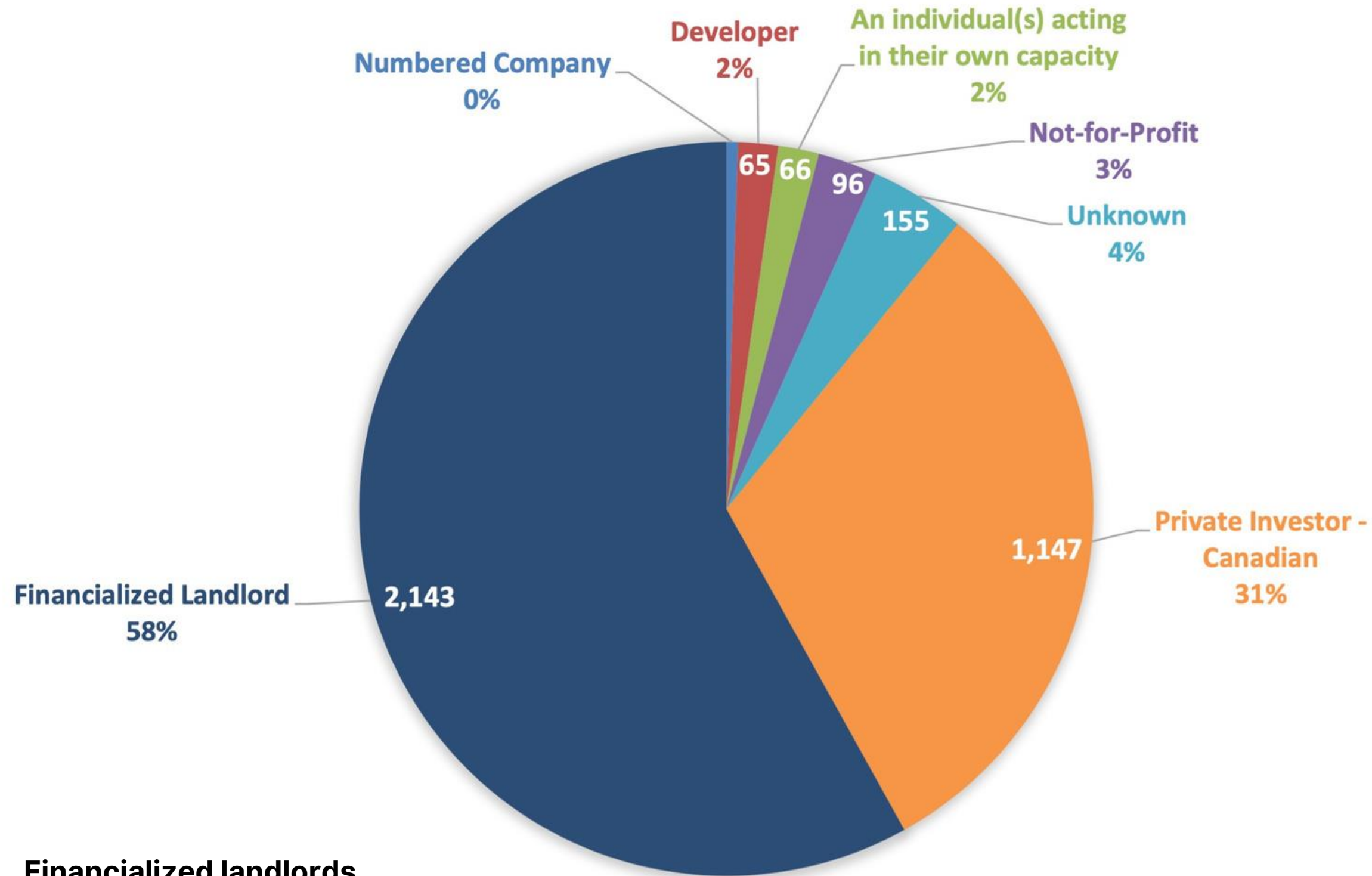
HIGHLIGHTS

Policy Changes Additional Rental Increase (ARI)

Top 3 Landlords by ARIs Granted, Metro Van 2021-2023

Landlord	# of ARIs granted	# of units impacted
Hollyburn Properties	8	472
RealStar Group	5	285
BCIMC Realty Corp.	4	785

APPROVED ARI IMPACTED UNITS BY LANDLORD TYPE
METRO VANCOUVER, 2021-2023
TOTAL UNITS = 3,691



Financialized landlords account for 25 of 63 ARI applications granted

Sources: British Columbia Residential Tenancy Branch and Altus Group

RECOMMENDATIONS

- Addressing the Impact of the Financialization of Rental Housing
- Resolving the Ensuing Eviction Crisis and Lack of Data in Metro Vancouver
- Legislation Prohibiting Pension Fund Investment
- Implementing Vacancy control
- Legislative Policies Prohibiting Domestic and International Financial Institutions, Pensions Funds, Insurance Companies, and Sovereign Wealth Funds from Lending to Financialized Landlords



THANK YOU!
Q & A