



Impact of Financialization on Low- and Moderate-Income Tenants
#ACORNFightsBack

About ACORN Canada



160,000+ members, 24+ neighbourhood chapters in 9 cities

ACORN (Association of Community Organizations for Reform Now) Canada is a **multi-issue, membership-based community union** of low- and moderate-income people. We believe that social and economic justice can best be achieved by building community power for change. Each member has a vote, and only members speak for the organization and have the authority to set the policy and determine the tactics of each group.



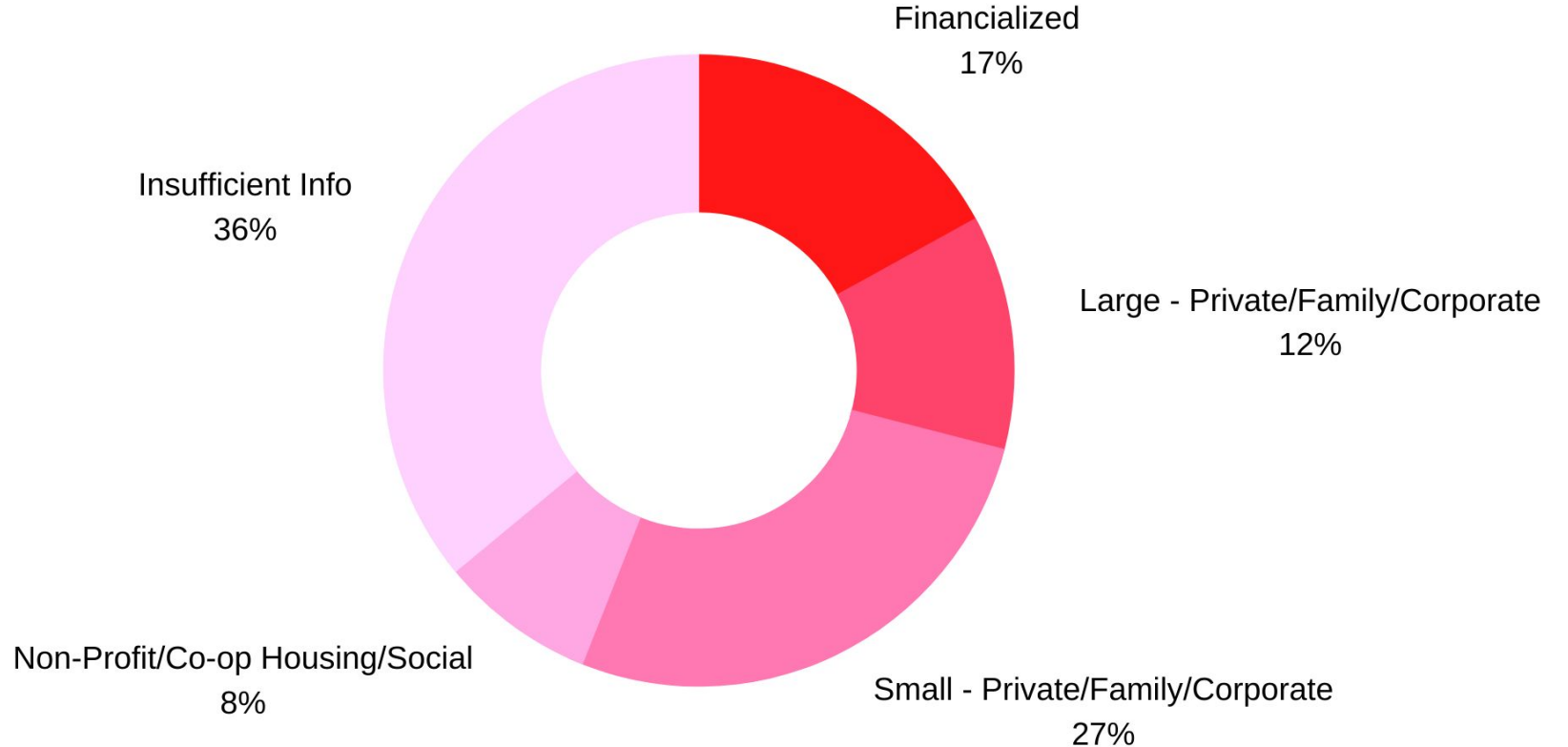
ACORN HOUSING SURVEY

- Online survey conducted in October-November 2021.
- Sections in the survey - Personal information, Building/unit, Rent increases, Eviction
- Response from 606 renters, irrespective of the landlord type.
- Out of 606 respondents, information about the landlord identified for **385 respondents.**
- Key challenge – to identify the landlord – **both tenants and researchers faced difficulties in identifying who the landlords is. Many tenants didn't know who their landlord is – named property management company as their landlord.**

TYPE OF LANDLORD

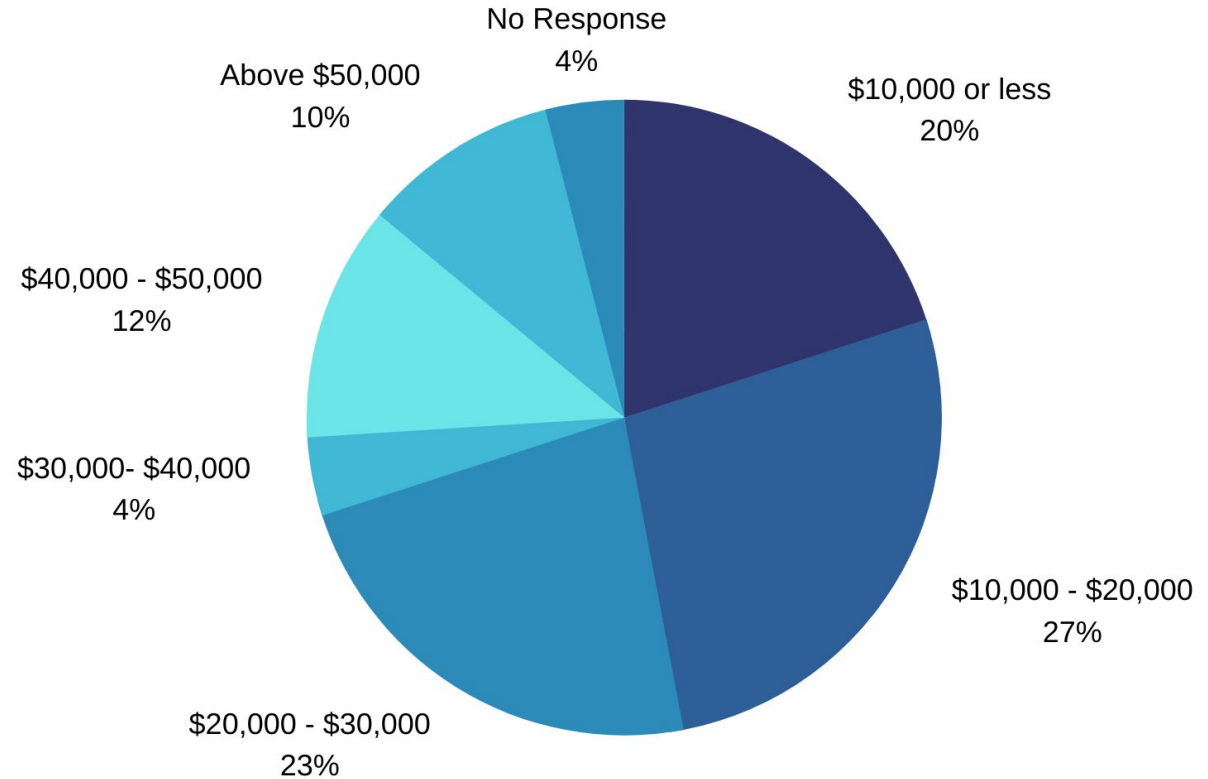
- Financialized landlord (17%)
- Large - Private/family-owned/corporate landlord (12%)
- Small - Private/Family-owned landlord (27%)
- Non-profit / co-op housing/ social housing (8%)

Type of landlord



- 70% reported their average annual income range below \$30,000.
- The income profile of tenants in financialized housing did not differ significantly in comparison to the rest of respondents.

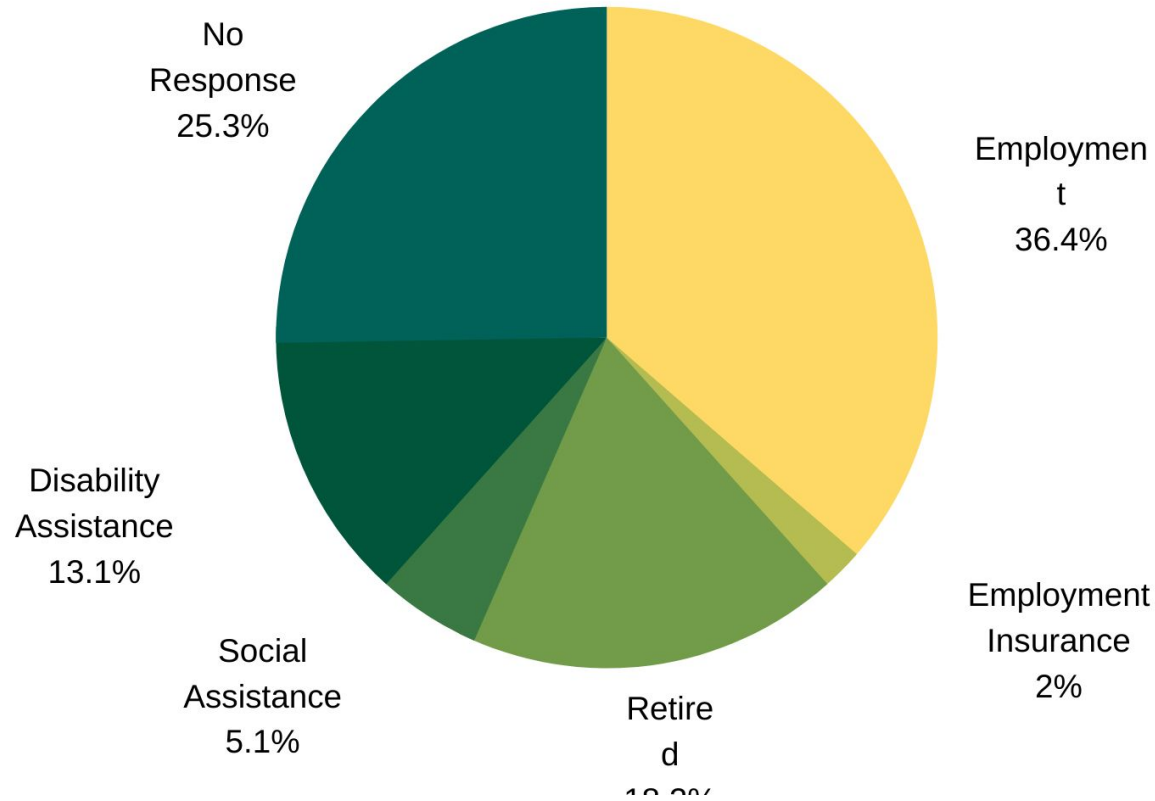
Average Annual Individual Income Range - All respondents



ANNUAL INDIVIDUAL INCOME RANGE



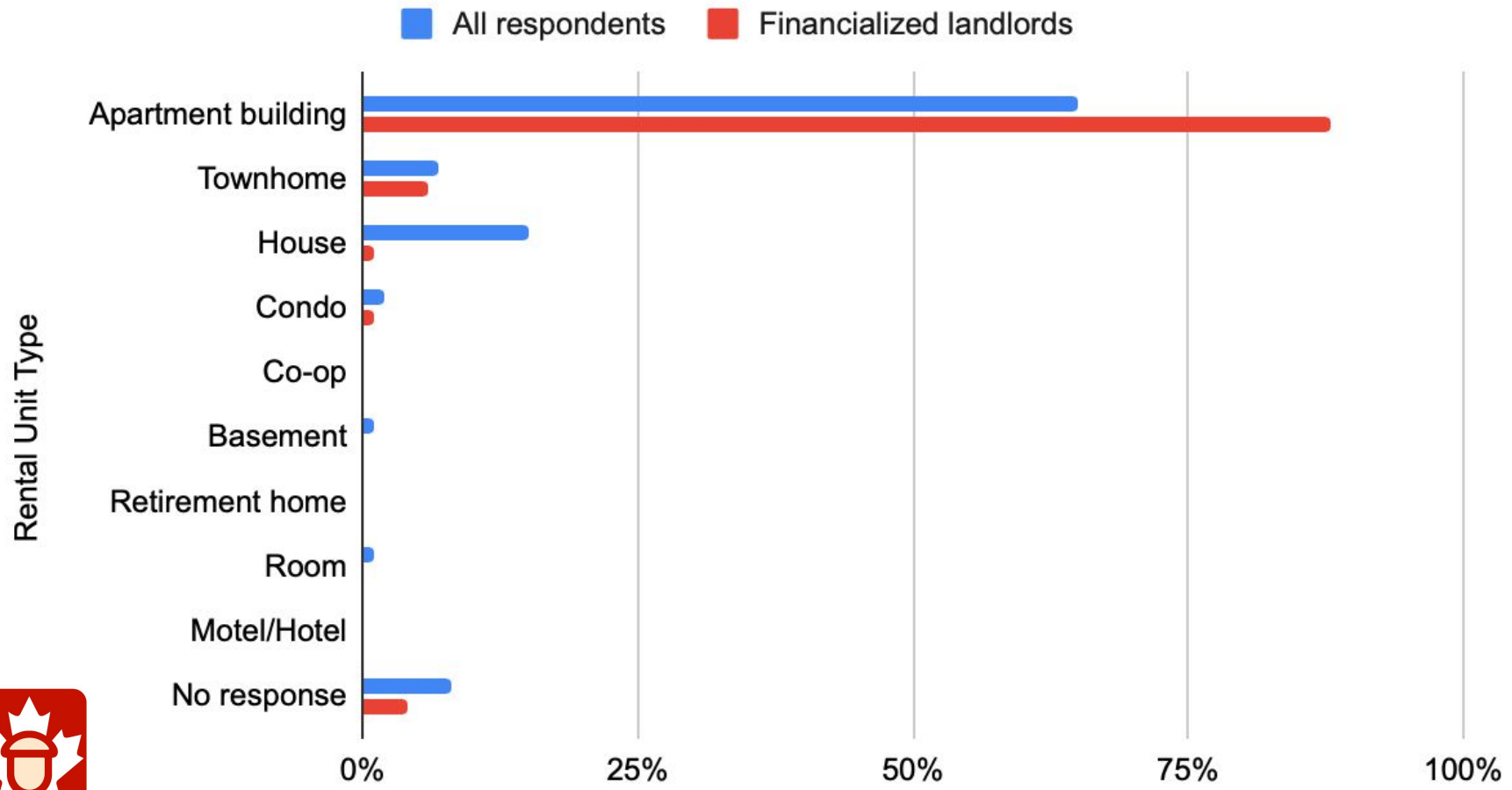
Source of Income - All respondents



- One-third of all respondents mentioned employment as their source of income as compared to 50% of those in financialized housing.
- 13% stated disability assistance as source of income.
- 5% of all respondents mentioned social assistance as source of income compared to 10% in financialized housing.
- Few reported employment insurance as their source of income.

SOURCE OF INCOME

TYPE OF RENTAL UNIT



- Close to 90% of the tenants in financialized housing reported living in an apartment building compared to 65% of tenants overall who responded to the survey.
- Few tenants with units owned by financialized housing reported living in a house as compared to 15% of the total respondents.



DURATION OF STAY IN THE CURRENT UNIT

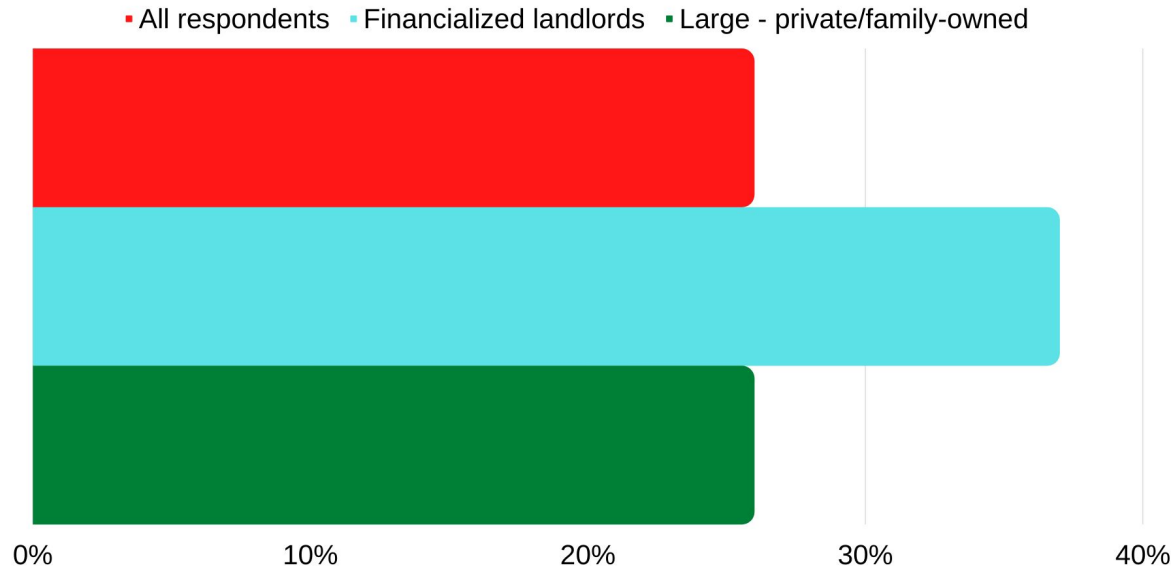
- No significant difference notable in tenants living in financialized housing and those with other types of landlords.
- 1-4 years - 26%
- 5-9 years - 29%
- 10-14 years - 12%
- One in ten respondents reported living in the unit for more than 15 years or less than a year.





CHANGE IN LANDLORD/PROPERTY MANAGEMENT COMPANY

% of tenants who have seen their landlord change in the last 5 years



- 37% of tenants with financialized landlords saw their landlord change in the last 5 years – compared to 26% with large - private/family-owned landlords.

% of tenants who have seen their property management company change in the last 5 years



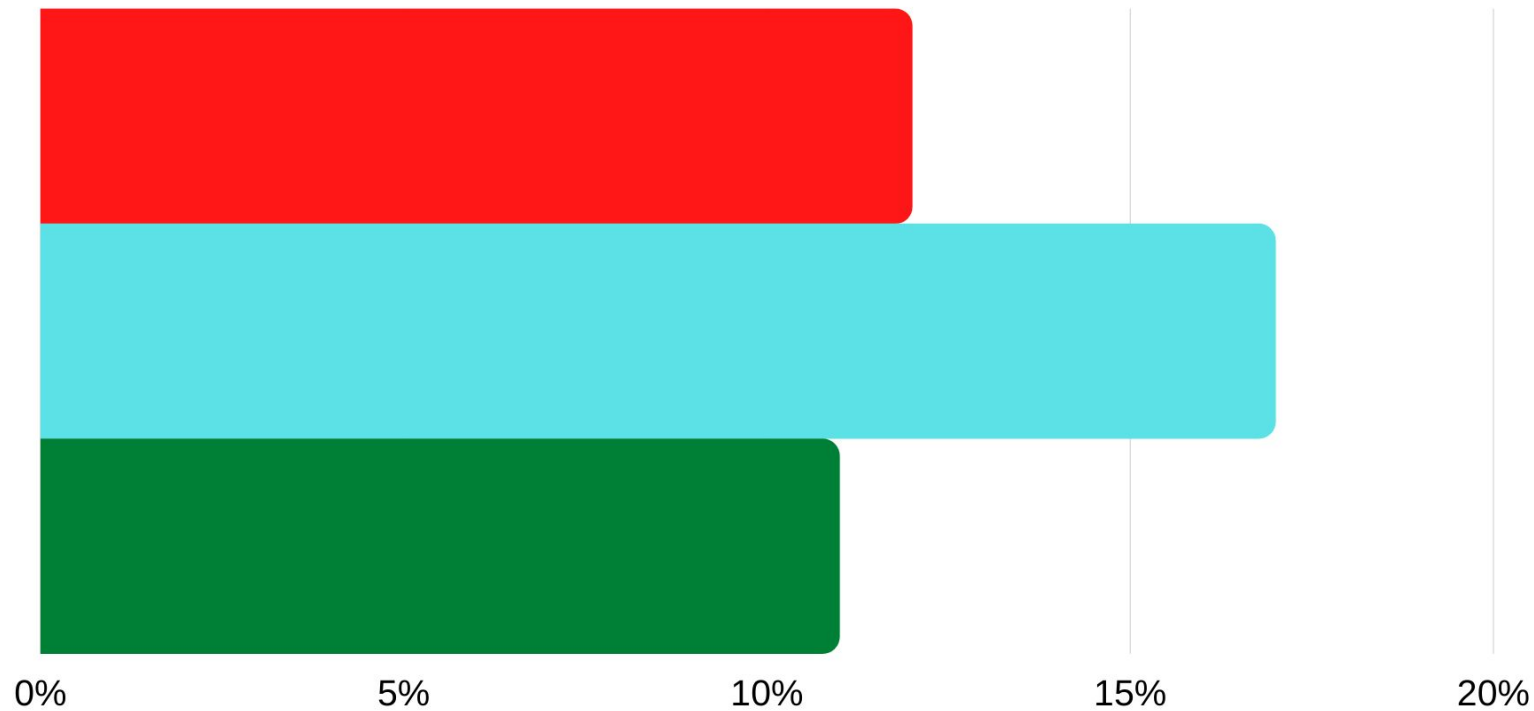
- 36% of tenants with financialized landlords saw their property management company change in the last 5 years. Lower at 23% for those with large - private/family-owned landlords.



CHANGE IN LANDLORD/PROPERTY MANAGEMENT COMPANY

% tenants who saw the unit's condition going worse where the landlord changed

■ All respondents ■ Financialized landlords ■ Large - Private/Family-owned

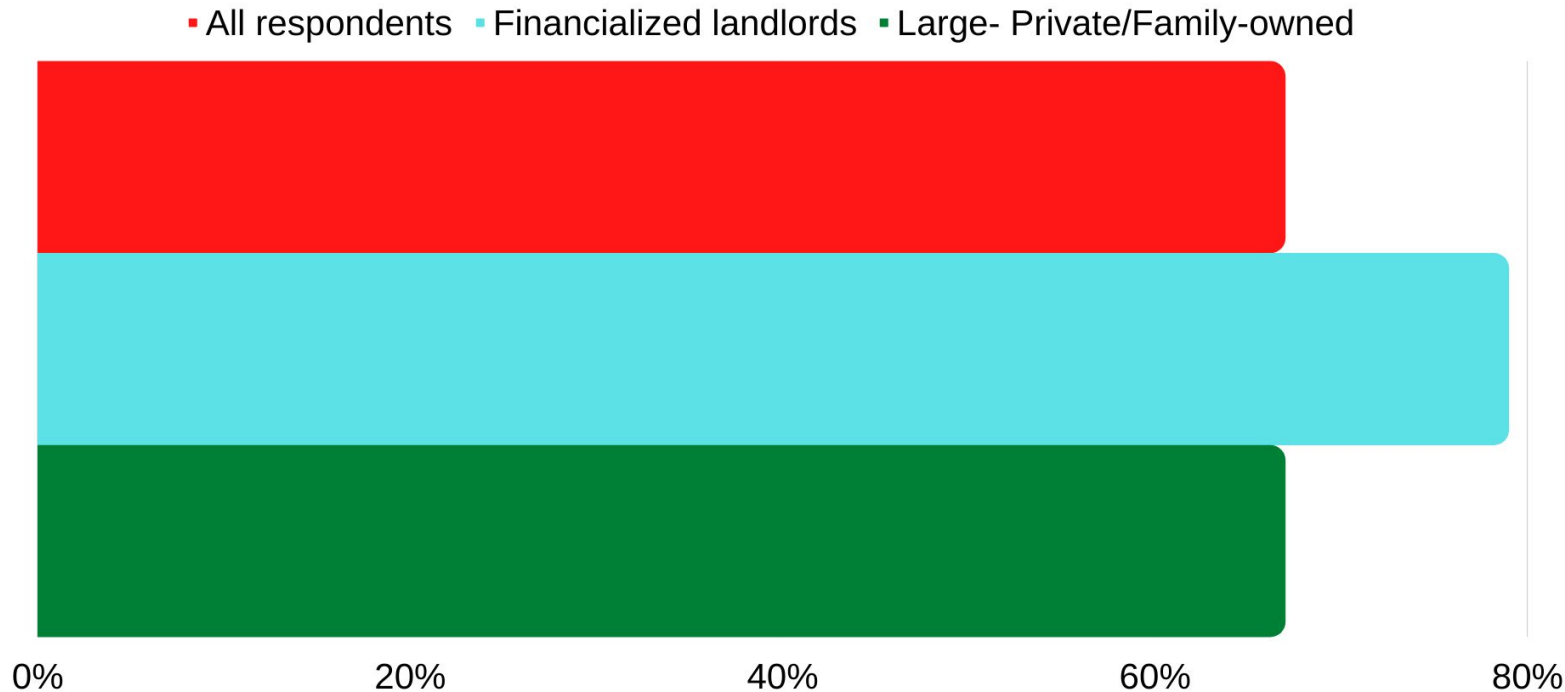


■ Higher % of tenants with financialized landlords saw the condition of their unit getting worse when the landlord changed.



CONDITION OF BUILDING/UNIT - Needs some or urgent maintenance

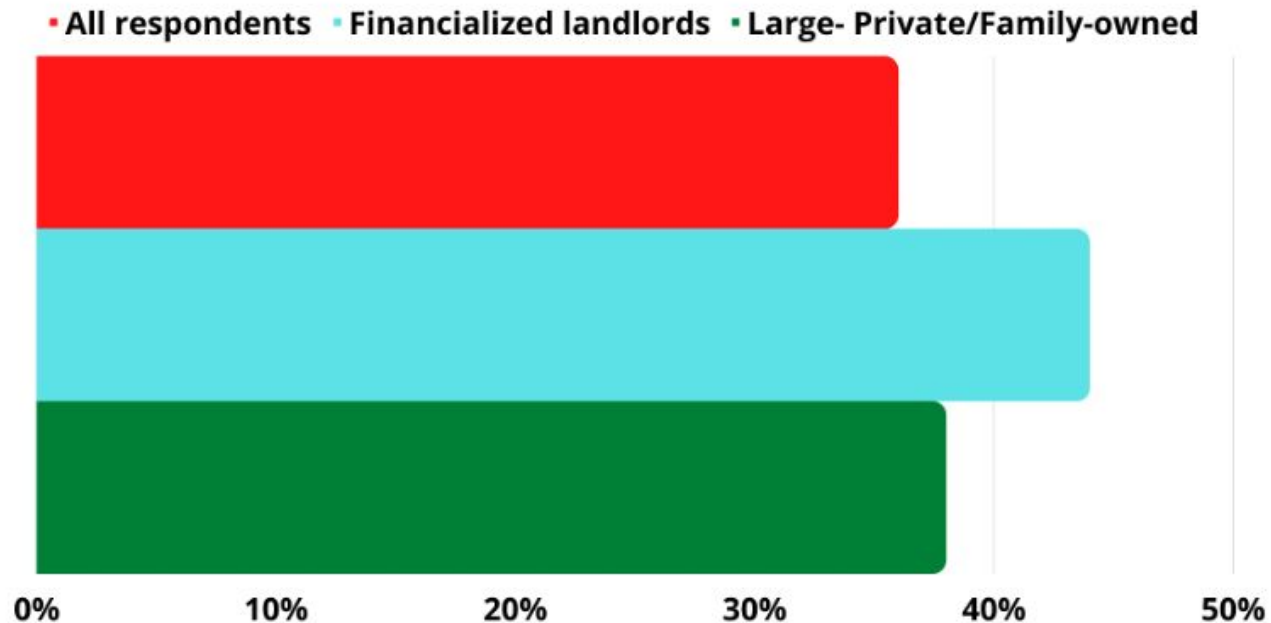
% tenants who say their unit needs some or urgent maintenance



- 67% of all respondents and those with large – private/family/corporate landlords said that their unit needs **some or urgent repair and maintenance** - % goes up to **80%** in the case of tenants in financialized housing.

CONDITION OF BUILDING/UNIT - Needs some or urgent maintenance

Fig 11: Tenants (%) not satisfied with the level of cleaning in the building



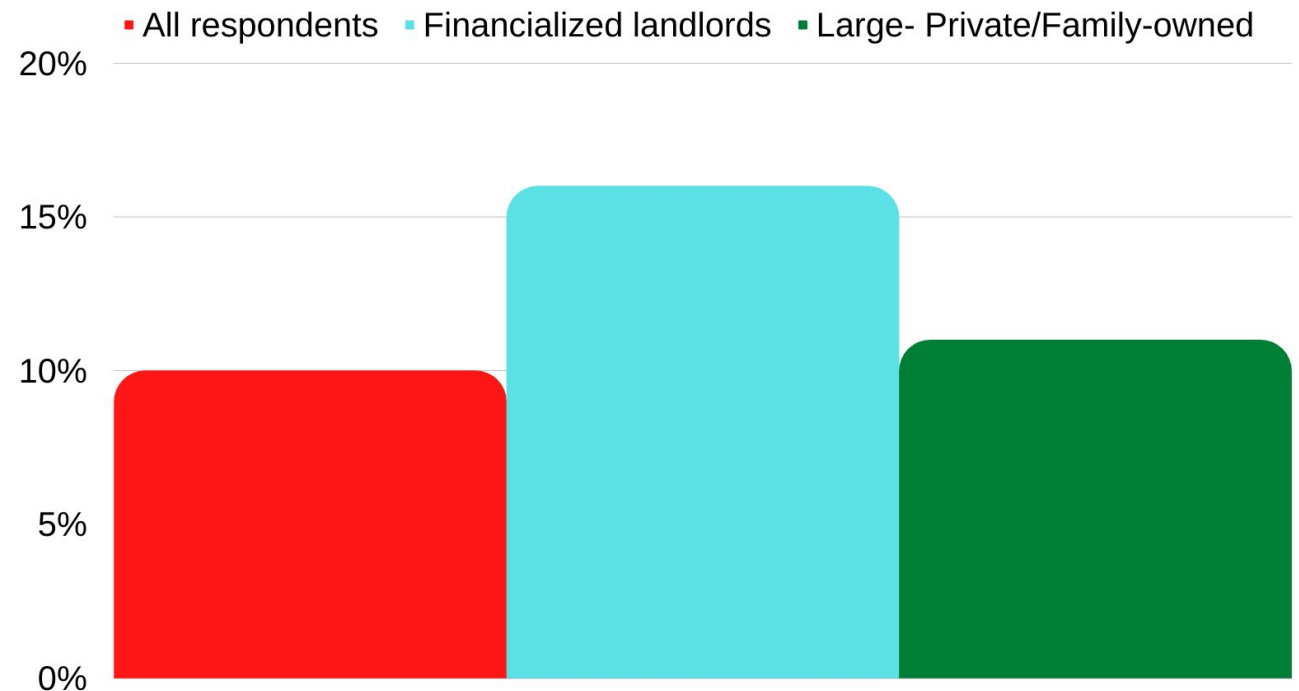
- 44% in financialized housing aren't satisfied with **the level of cleaning** in their building and 36% aren't satisfied with the precautions that their landlord/property management company is taking to keep the **building safe during the pandemic**.
- For all respondents – 36% and 28% respectively.
- Tenants with large - private/family-owned landlords: 38% and 32% respectively.

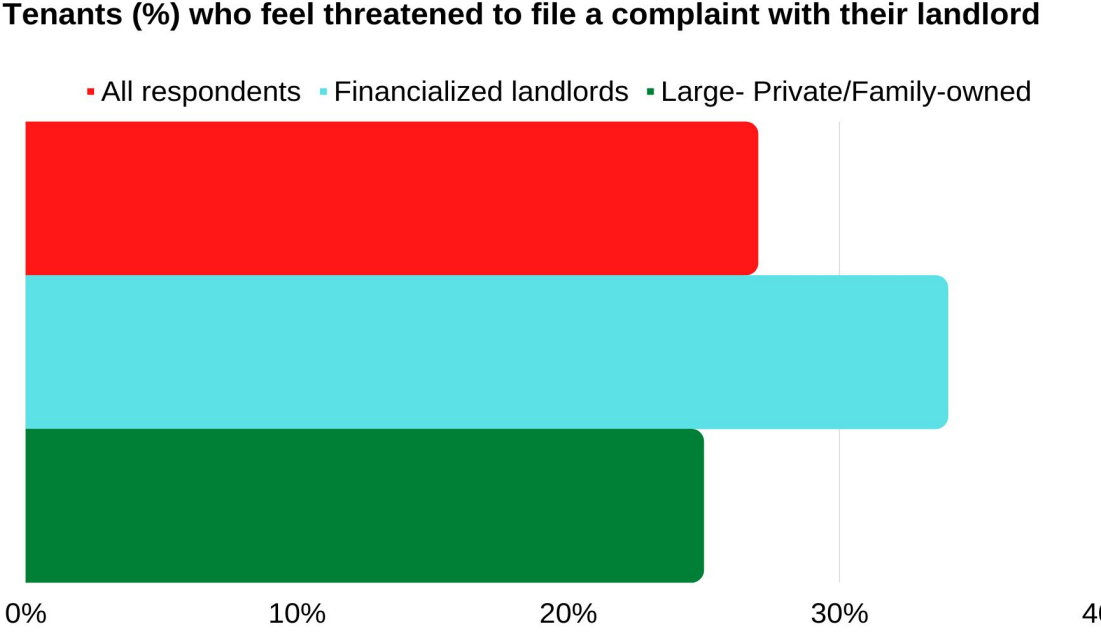
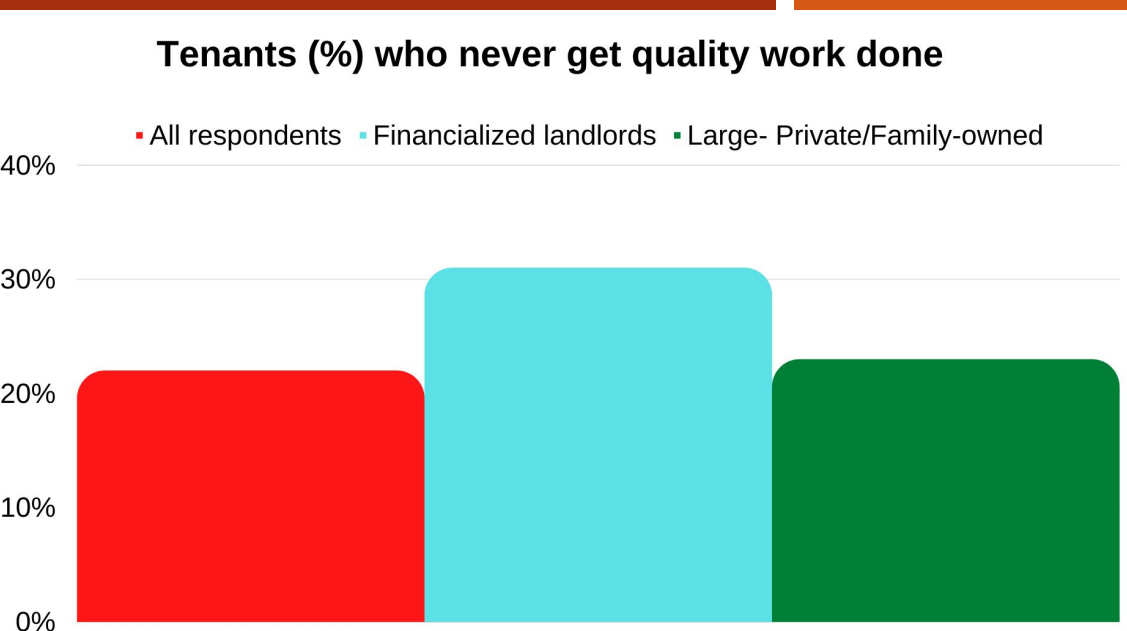


GETTING REPAIR WORK DONE

- Comparatively greater number of respondents living in units owned by financialized landlords reported not getting work done in time.
- Much larger proportion of tenants in financialized housing said that they don't get quality repair work done as compared to all respondents or large-private/family-owned landlords.
- Slightly more than a third of respondents feel threatened to file a complaint with their financialized landlords as compared to 27% in case of all respondents.

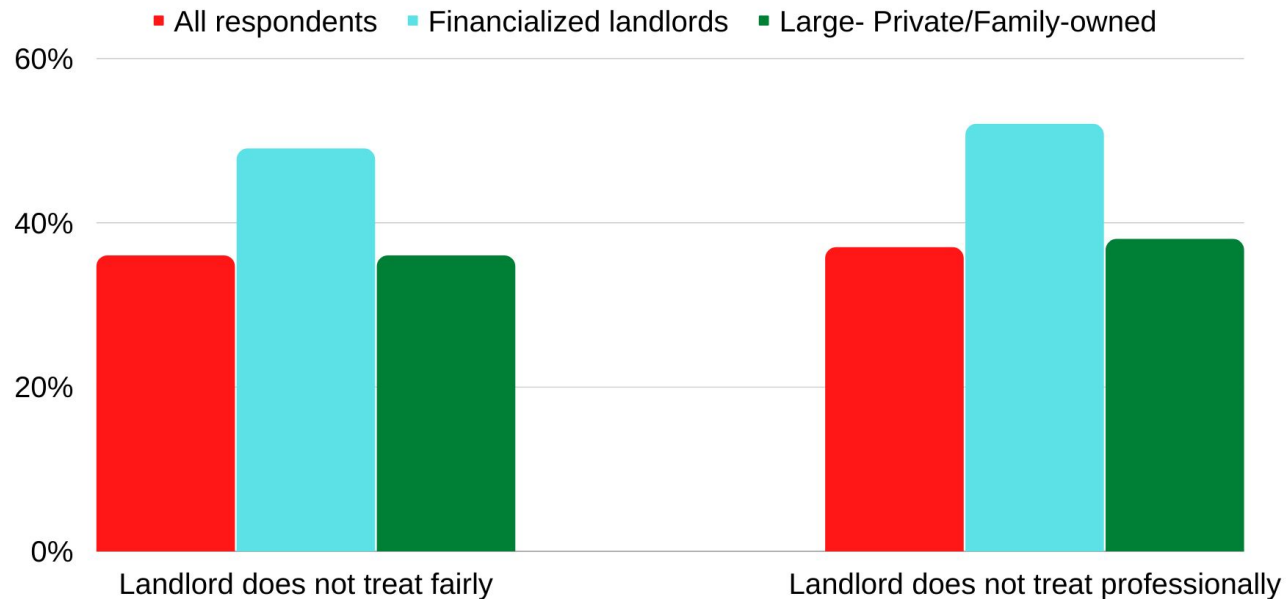
Tenants (%) who never get repairs done in time





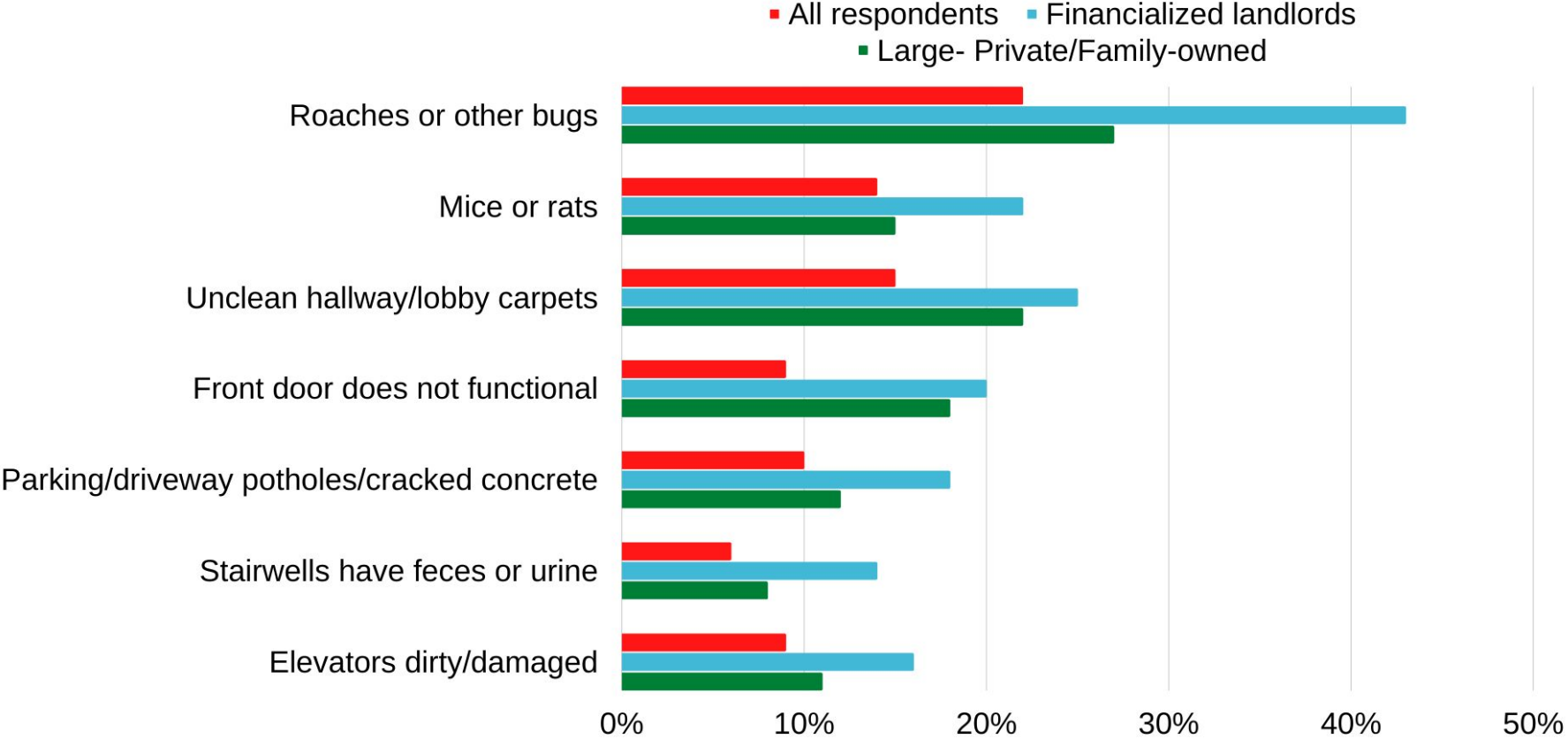
LANDLORD TREATS FAIRLY/PROFESSIONALLY

% of tenants who say their landlords do not treat them fairly/professionally



- Almost half of the tenants who live in units owned by financialized landlords said that their landlord/property management company does not treat them fairly and professionally.
- For both - all respondents and large-private/family landlords, these percentages are lower at 36-37 percent.

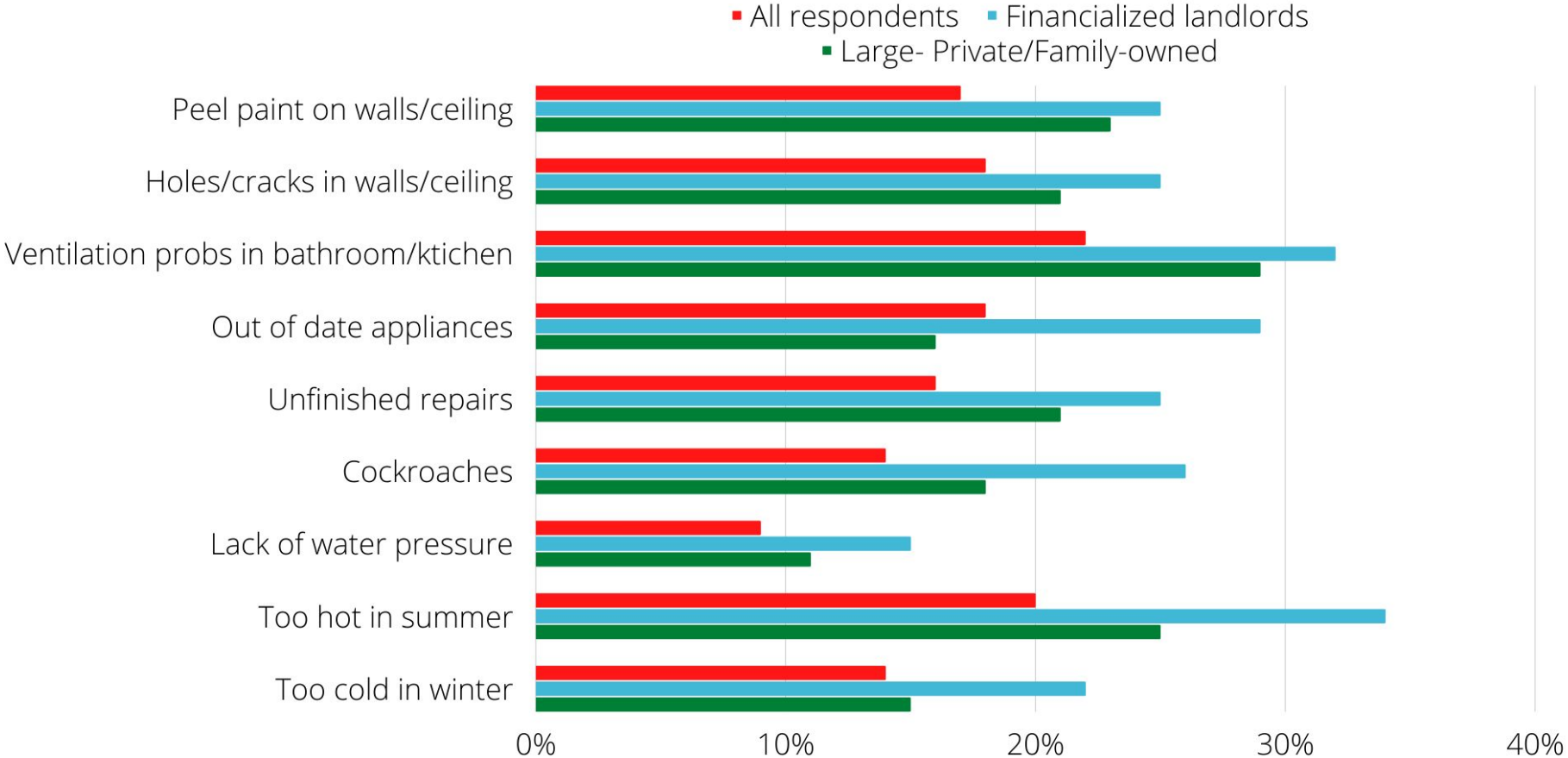
Problems in the building



PROBLEMS IN THE BUILDING



Problems in the unit



PROBLEMS IN THE UNIT





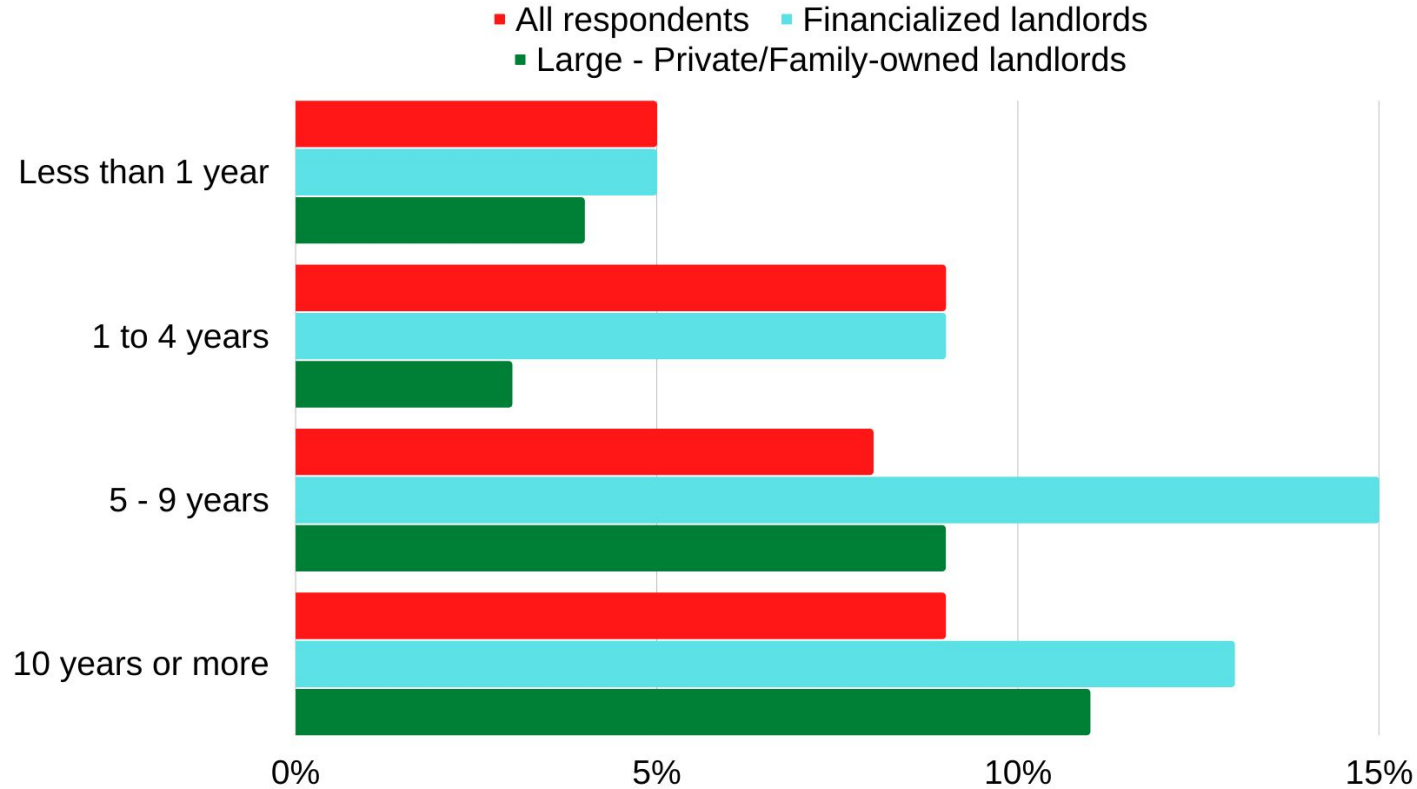
LENGTH OF STAY IN THE UNIT AND THE CONDITION OF THE UNITS

- Regardless of the type of the landlord, higher number of tenants who have lived more than 5 years in the building reported feeling threatened filing a complaint, never getting quality repair work done or their unit requiring some or urgent repair and maintenance.
- When a comparison is made in relation to the type of the landlord, tenants living more than 5 years in **financialized housing are likely to face worse issues.**



LENGTH OF STAY IN THE UNIT AND THE CONDITION OF THE UNIT

% of tenants who feel threatened to file a complaint with their landlord by years lived in the unit

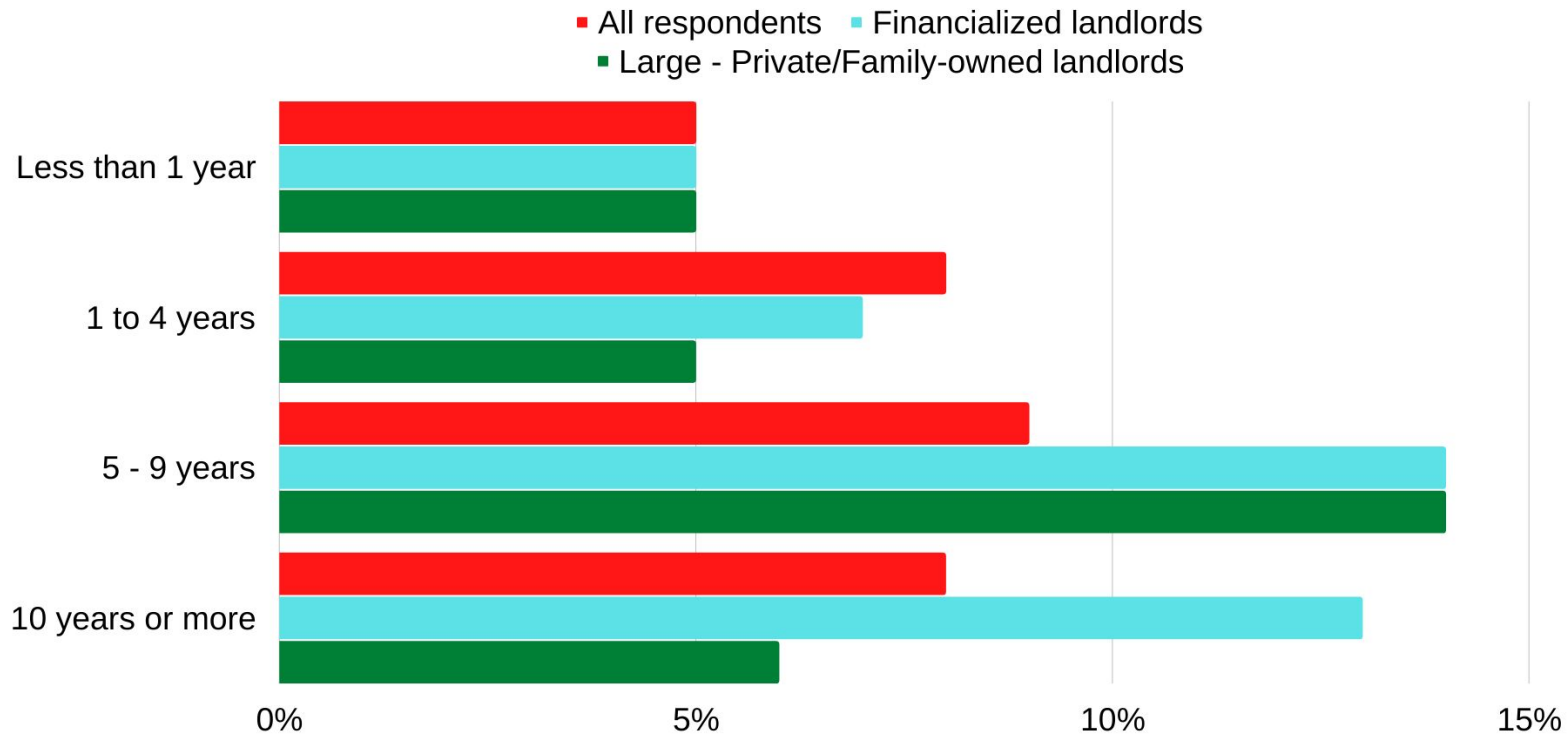


28% of tenants in financialized housing who have lived more than 5 years reported feeling threatened to file a complaint vis-à-vis 17-20% in case of all respondents and large-private/family-owned landlords.



LENGTH OF STAY IN THE UNIT AND THE CONDITION OF THE UNIT

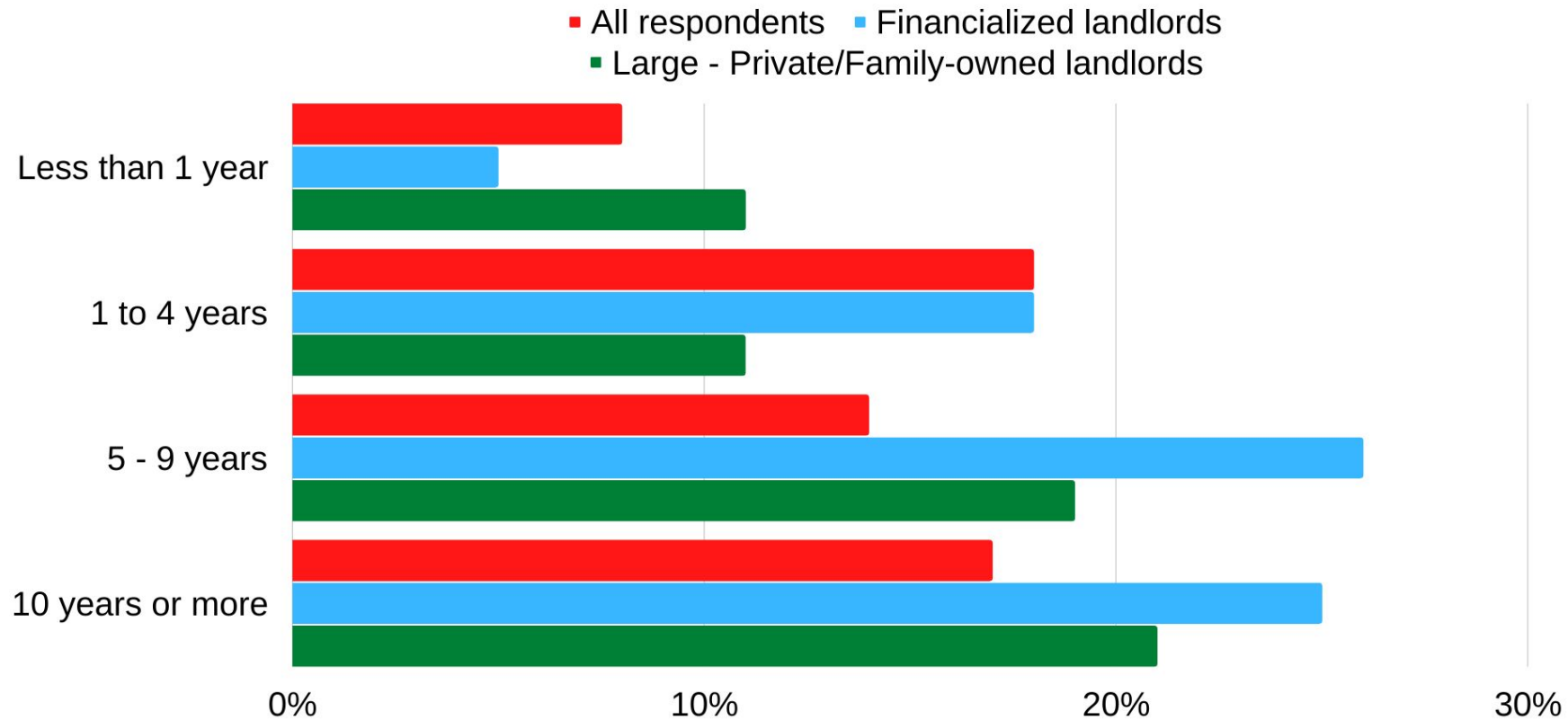
% of tenants who never get quality work done by years lived in the unit



27% of tenants with length of stay more than 5 years living in financialized housing compared to 17-20% of all respondents and those with large-private/family- owned landlords said that they never get quality work done.



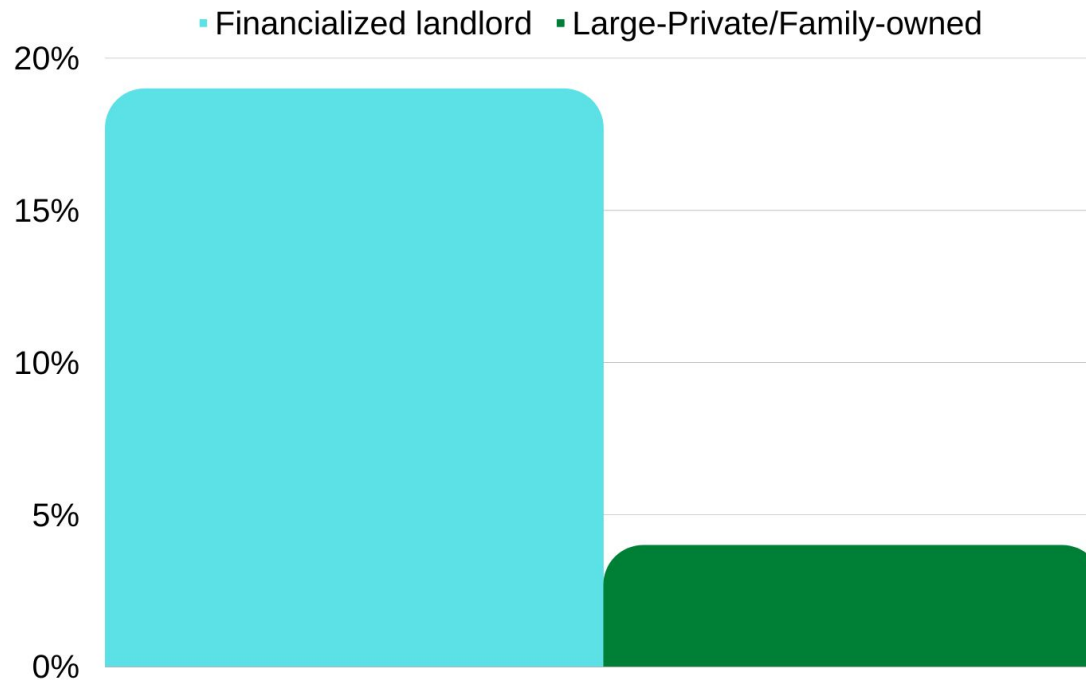
Needs some or urgent repair and maintenance by years lived in unit



Half of the tenants in financialized housing reported some or urgent repair and maintenance as compared to 31 and 40 percent in case of all respondents and units owned by large-private/family-owned landlords respectively.

ABOVE THE GUIDELINE RENT INCREASES (AGIs) - ONTARIO

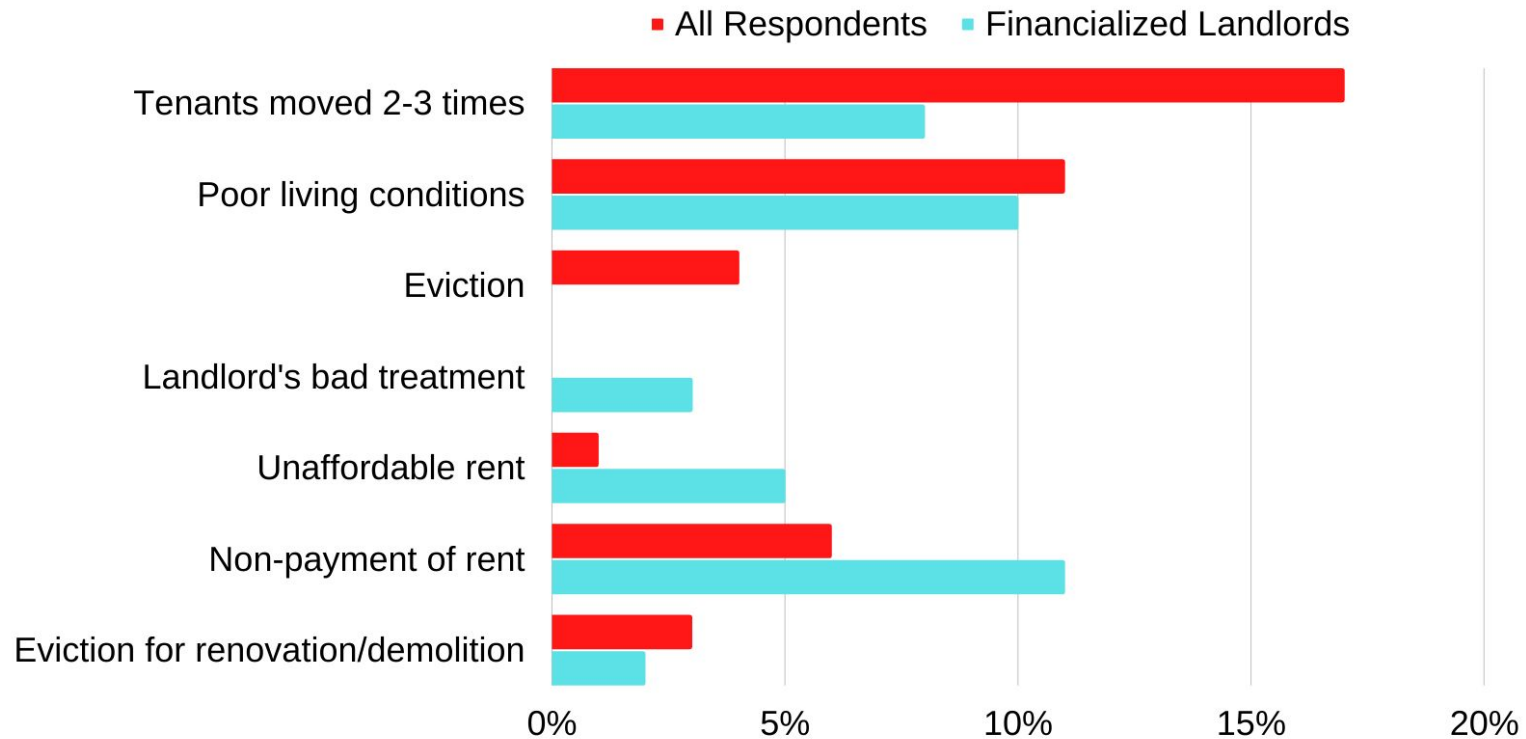
AGIs in Ontario



- Reasons for AGIs - major capital improvements or change in property taxes.
- Common tool that landlords use to raise the rent.
- 19% of tenants in financialized housing mentioned getting an AGI in 2021.

YEARS AND THE REASON FOR MOVING

Reasons for moving in the last 5 years



“We have got above the guideline rent increases in the last 3 years...I have gone there many times now and challenged the rent increase each time and successfully got them to reduce it from 3% to 2%”.

“I couldn't find anything close to what I was paying in Herongate - when I was evicted, I was paying \$1,300/month and now I'm paying \$1,700/month”.

“Except for the last year when they could not, they raise the rent every year by \$50. Raise it every year by 50, except for last year. Despite the regulation by the province, they evicted people during the pandemic who couldn't pay rent”.

“I have been renting this apartment since 2015 and have always paid \$1,230. They are railroading me. They are sharks, they have big lawyers, we are fighting against a giant. It is not a fair fight”.



COMMONALITIES

- Many tenants have experienced a change in the landlord and the condition of the building/unit has gotten worse.
- Whole host of repair and maintenance issues from bed bugs to cockroaches to mold making the unit completely uninhabitable with serious health consequences. Nearly impossible to get issues fixed. Majority of tenants shared staff turnover which makes it even more difficult to get anything done.
- Tenants feel helpless against wealthy corporate landlords who can afford legal representatives at formal hearings.
- Rent increases every year. Landlords would increase the rent every year without making any effort to make the unit more habitable. Especially in Ontario, tenants getting AGIs back-to-back.
- Financialized landlords only there to make profit. When pushed out, long-standing tenants faced with finding a new home in a much more expensive rental market and end up paying significantly higher rent.
- Most tenants expressed stress and anxiety, adverse effects on themselves and their children, fear of displacement and inability to find adequate housing due to paucity of resources.



CONCLUSION

- Study clearly points to a larger trend - **financialized landlords fare worst** in almost all counts when it comes to providing affordable and habitable homes for tenants.
- Tenants in financialized housing are living under the threat of eviction which is closely linked to their security of tenure - another important condition under the right to adequate housing.
- AGIs – a common tool to raise the rent.
- 19% of tenants in financialized housing mentioned getting an AGI in 2021 as compared to only 5-8% of tenants living in units owned by other landlords.



**ACORN is doing actions across the country to stop
Financialization of Housing. Power in numbers!**



**ACORN CAPREIT
TENANT UNION**

PLATFORM

CAPREIT Tenants have united to form the ACORN CAPREIT Tenant Union (ACTU) and launch a national coordinated campaign to overhaul CAPREIT's business practices. As tenants, we know that drastic changes are needed in the way REITs do business, not only to ensure that they have healthy and affordable housing long-term, but that the country as a whole does.

CAPREIT is playing a leading role in the loss of affordable housing in Canada; and it is shocking to learn what CAPREIT is getting away with. Below we outline their exploitative business model of financialized housing that relies on sweetheart tax treatment and reducing affordable housing stock; and the solutions tenant leaders in the ACTU demand to see!

CAPREIT IS HUGE!

CAPREIT - Canadian Apartment Properties Real Estate Investment Trust - is the largest REIT in Canada. They own 285 apartment buildings in Canada with a total of 45,120 units, 72 land lease sites (trailer parks) with a total of 11,683 lots for manufactured homes, and even own 131 apartment buildings in the Netherlands. Their business strategy is providing housing for over 100,000 low- and moderate-income Canadians, while using aggressive tactics to maximise profits. They are also continually looking to buy up more low-income apartments to expand their portfolio.

Contact ACORN at:
canadaacorn@acorncanada.org or
416-996-6401 to arrange a meeting
with ACORN CAPREIT Tenant Union
leadership.



**REIN IN
THE REITS**

ACORN Canada, is a multi-issue, membership based community union of low-and-moderate income people. We believe that social and economic justice can best be achieved by building community power for change. With 140,000+ members in 20+ neighbourhood chapters across 9 cities, our central purpose is to effectively represent and champion the interests of Canada's low-and-moderate income citizens on the critical issues of social and economic justice.



Key Highlights:

The rapid growth of Real Estate Investment Trusts or REITs is creating and fuelling the existing housing crisis. **Federal government should immediately re-evaluate this tax loophole and make the tax rate for REITs based on how much affordable housing they are providing / or destroying.**

6,000
**FEDERAL GOVERNMENT
SUPPORTED HOUSING UNITS**

Each year the federal government's National Co-Investment Fund builds 6,000 units and CAPREIT alone flips approximately 14,000 to get the maximum rent possible, pulling them out of more affordable priced units.

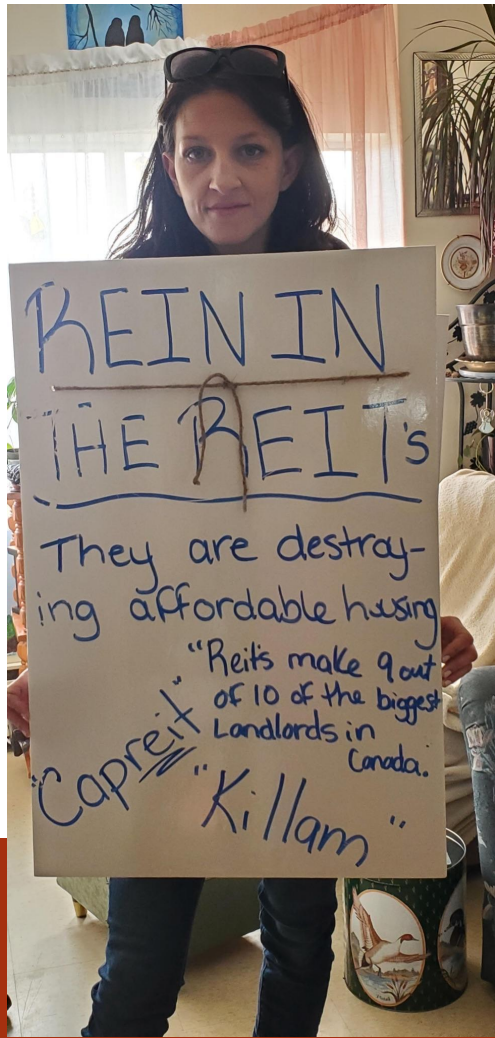
\$1.2B
**AMOUNT LOST IN LAST 10
YEARS**

Analysis of seven residential REITs shows that if they were taxed at the same rate as non-REIT Canadian corporations, they would have paid over \$1.2 billion more in taxes since 2010.

\$425M
**TAX MONEY LOST THROUGH
CAPREIT**

CAPREIT would have paid over \$425 million more in taxes, since 2010.

Rein in the REITs campaign
Federal Government losing Billions of \$\$\$ in tax exemptions.



30 MP Pickets all across the country!

ACORN wins federal commitment to revisit the tax loophole!



Loads of local actions targeting financialized landlords

ACORN members win repairs, are able to retain their homes!



**Peel ACORN action at my own housing complex in Brampton!
Tenants fight back Starlight Investments!**



**200+ ACORN members at the PSP Action in Montreal
Public Sector Pension Fund - Investing Billions of \$\$\$ in
financialized landlords - Starlight, CAPREIT, Killam n more!**



ACORN continues to fight to stop the financialization of housing!

Join us to organize and fight back!
organize@acorncanada.org