

2023 Social Purpose Real Estate Webinar Series

Key Takeaways



WORKING WITH
COMMUNITIES IN
PEEL, TORONTO &
YORK REGION

1. Introduction to Social Purpose Real Estate (SPRE)

Panelists: Kendra Fry, Yinnon Geva, Erika Hennebury

SPRE de-centers profit as the primary driver of a development project

Our panelists agree that while capital helps to achieve the social mission of SPRE projects, these projects are unique because profit does not function as their main purpose. SPRE creatively reframes what real estate development can look like by “fulfilling a social mission alongside profit,” in Kendra’s words. For Erika, emphasizing culture in our planning processes has the potential to facilitate development without displacement. Grassroots, community-led spaces hold positive impacts on local economic development but can also create and maintain a sense of place and community cohesion, which is often lost through traditional real estate development.

A lack of funding sources and financial experience are the biggest obstacles to developing SPRE

When it comes to creating a pro forma or accessing funding sources, many non-profits simply do not know where to begin. Network building, mentorship, and training programs can all help in boosting the social sector’s capacity to build SPRE. However, even as the social sector gains knowledge of financing, there is simply not enough funding available for SPRE projects. Innovation is required to develop new methods of funding SPRE and improve the institutional knowledge of builders outside of the private sector. Perhaps most importantly, Yinnon explains that greater ambition at the political level is necessary to streamline knowledge, quicken the pace of SPRE projects and, ultimately, provide more financial resources to socially driven projects.

Partnerships are both a challenge and an opportunity

SPRE “exists at the intersection of very different actors and mindsets,” according to Yinnon. Where the worlds of social development and real estate speak entirely different languages, SPRE helps to create a shared language. Our panelists emphasized pros and cons of partnering with both the private sector, which brings capital and development capacity, as well as the non-profit sector, where stronger value alignment may lead to more sustainable long-term partnerships. In either case, Kendra states that SPRE leads to “the encountering of the other” by encouraging people to interact through co-creation. While a sense of inclusion can be found through co-design, writing formal agreements around governance structures, maintenance, and the shared use of the space is also integral to ensuring sustained, mutually beneficial partnerships.

Resources

- [ArtsBuild Ontario](#)
- [Akin Collective](#)
- [Urban Arts Toronto](#)
- [Community & Cultural Spaces Trust](#)
- [Toronto Arts Council](#)
- [221A Vancouver](#)
- [Clarks Centre for the Arts Scarborough](#)
- [Case studies](#)
- [Trinity Centres Foundation](#)
- [Ontario Nonprofit Housing Association](#)

2. Developing board buy-in

Panelists: Tracy McManus, Joanna Rodrigues, Manny Wong

Know where the finish line is, but create shorter-term milestones along the way

One of the most common challenges to developing a new SPRE project is making the decision to take on a new risk of this magnitude. Panelists shared that it has been helpful to think of a project like a marathon – it's a long process, with a clear finish line, but there are markers along the way. It's important to play out different scenarios early on in the process, and celebrate the progress made along the way, before shovels are in the ground.

Alignment isn't a one-time thing - it needs to happen at every stage

Manny and Tracy from the Christie Refugee Welcome Centre share that alignment isn't a one-time goal, rather, it needs to be an ongoing conversation. In order to be successful with addressing and mitigating risk, difficult conversations need to be had at every phase of the process, and alignment needs to be achieved at each milestone. This will support organizations with staying on track with a project and feeling more confident with their ability to make decisions regarding taking on risk and determining capacity to move forward at each phase. Another component of this is having well-defined roles associated with a project, which will support more efficient, effective and transparent decision-making processes.

Direct experience, board diversity and a strong risk management process are key to success

Joanna notes that it's common for boards to build capacity by focusing on recruiting new members with accounting and legal expertise. While important, Joanna notes that designations alone don't translate into understanding the specifics of risk management associated with a specific project. Additionally, it's important to build the capacity of a board by building on the diversity of experiences – of individual board members as well as their professional experiences. It has been found that more diverse boards make better decisions, a finding that is foundational to the development of CivicAction's BoardShift program.

In addition, it's imperative that an organization considering a major project has a strong risk management process and plan in place. This will help your organization to identify what the appetite and capacity for risk might be at each phase. Even without a major project, it's important to revisit this plan yearly, and every time a new major project is taken on. Boards with a "growth mind-set" will understand that risks provide opportunity, but you'll need to continue to review and evaluate the risks as they progress.

Resources

- [EPIC Leadership](#)
- [BoardShift](#)

3. Alternative routes to acquisition

Panelists: Nathan Domenie, Richard Marsella, Nat Pace

Be vocal about your space needs. Transparent dialogue is essential

The acquisition and development of new and existing community spaces needs to happen in collaboration with community, respecting the complexities of community interests. No two projects will be the same, whether space is being acquired through a partnership with a municipality, private donor, or in collaboration with a diverse group of community members, transparent dialogue regarding the intended uses of the site is needed to secure a space that will meet its social purpose. Additionally, having a well-articulated vision for a new space will strengthen calls for support in acquiring a space – whether that be soliciting donations, discussing options with a local Councilor, or in collaboration with a private developer.

Major donations and acquisitions are currently making sustainable access to community space possible, but there are barriers and challenges

Whether it's major donations of capital or land, all panelists in this discussion shared the significance that major donations have had on the development of sustainable community land trusts and community spaces across Canada. For the Community Music Schools of Toronto, a recent major donation by an anonymous donor has enabled them to start planning a new development project and leverage this support to attract new investors and fill the funding gap. For community land trusts, the transfer of land from either public or private donors has supported the development of many of the land trusts that have been successful in acquiring, maintaining and operating projects. Both Richard and Nat express that community foundations and major philanthropic donations are currently the force behind the acquisition of space for community ownership & use.

Collaboration and resource-sharing is needed

New Social Purpose Real Estate projects require major resources, internal capacity and commitment from all members of an organization. There are advantages for organizations that are able to acquire and develop a space intended for their sole use, however, this level of capacity and access to resources is unachievable for many organizations. In addition to increasing resources and capital to acquire a space of their own, increasing opportunities for collaboration and resource-sharing amongst organizations has the potential to make a significant impact in creating greater access to space for social purpose. Nathan shared that this is an approach currently being explored by the City of Calgary, serving as the facilitator – and Nat shared that this would be of benefit for community land trusts as well.

Resources

- [Article: Analysing MURA](#)
- [Upper Hammonds Community Land Trust](#)
- [Article: Proposed changes to Income Tax Act to support land trusts](#)
- [Canadian Network of Community Land Trusts - Newsletter](#)
- [Community & Cultural Spaces Trust](#)

4. Building successful partnerships

Panelists: Dean Fortin, Bob Goulais, Matti Siemiatycki

The collaborative advantage achieved through partnerships will require each partner to sacrifice some of their individual goals

By working together, ideally each partner in a SPRE project can achieve more than they could alone, with both the financial viability and overall social benefit of a project being optimized through their collaboration. However, this collaborative advantage also requires tradeoffs on behalf of the partners to achieve a desired shared outcome. Often people are very aware of their own dreams and quick to express them, but Dean notes that the key to success is in also recognizing what potential partners want from the relationship and seeing how your organization's goals can be reshaped to accommodate this.

Partnerships with First Nations as constitutional rights-holders

Bob reminds us that every part of Canada is traditional territory and while title to all land here has been historically held by Indigenous people, these communities only have access to just 2% of this land today. As such, First Nations must be regarded as constitutional rights holders and not grouped into the category of a general community stakeholder. The duty to consult with First Nations should be treated as a bare minimum by those seeking to build partnerships with Indigenous people, with efforts that extend far beyond what is constitutionally mandated. For SPRE to align with reconciliation, partnerships must seek to return equity back to Indigenous people, treating every partnership as unique.

While formal contracts and agreements are essential, don't forget the value of informal idea sharing and relationship building

Understanding partner compatibility, building trust, and establishing functional methods for working together takes time and SPRE projects last for decades, so you are not only building a project but a relationship. For Matti, your arrangements should ultimately be strong enough so that conflict can be resolved through conversation rather than litigation, but if someone is regularly pointing to a contract this could be a sign that a partnership is fragile. A non-contractual, informal agreement such as a non-binding memorandum of understanding (MOU) can be a healthy way to get used to working together and demonstrate value-alignment prior to writing a comprehensive contract.

Resources

- [Anishnawbe Health Toronto \(aht.ca\)](https://aht.ca)
- [New Victoria Fire Department Headquarters Officially Opens | Victoria](#)
- [Home - Na Me Res](#)