

ACORN's National Housing Campaign

Demands & Next steps!

Last 3 Years ACORN Pushing Federal Gov.

State of Renters during the Pandemic - REPORT!

Many Actions

Local actions connected to the federal

**ACORN has really helped raise the visibility of the problems with housing
(repair, affordability and more)**

But now we need action!!!

ACORN's action

#RENTBREAK



acorncanada.org



More than 3000 submissions!



Affordable for WHO?

- Billions of \$\$\$ through National Housing Strategy going into building luxury condos!
- CMHC - to spend \$3.7 billion over 10 yrs from 2018-2028 to create “affordable housing”. BUT its not affordable
- CMHC often using median household income of the area where the dev is taking place.
- For example Toronto - 141% more than the average Market rent!
- Housing to be kept “affordable” to max ONLY 20 yrs!

Demand: All public money supporting the creation of affordable housing should target tenants in core housing need.

Feds revised the affordability definition under one of the main NHS prog (RCFI) to less than 80% Average Market Rent

Stop Financialized Housing

- **Financialized landlords - Starlight, CAPREIT, etc. making billions, forcing tenants to live with mold, bedbugs etc.**
 - **AGIs in Ontario - 19% in buildings owned by financialized landlords vs. 5-8% owned by others.**
 - **REITS enjoy massive tax exemptions.**
- **Feds commit to revisiting the tax treatment for REITs.**
 - **HUMA committee to conduct a study based on the research conducted by ACORN and others as part of the Larger OFHA research.**

National Housing Council - Review Panel

- Human-rights based accountability mechanism established under the National Housing Strategy Act
 - ◆ To request a review panel on a systemic housing issue.
- The Minister must respond to a report submitted by a review panel within 120 days after the day on which it is received.

OPPORTUNITY FOR ACTION!

- **Review panel on Financialization of Housing - First ever panel since the establishment of the OFHA**
- **Written hearing - March-April 2023**
- **Oral hearings - June 2023**

Stop Financialized Housing - Demands

- Disclosure of property ownership
- Banning financialized landlords from acquiring residential housing (Like Berlin or right for first refusal in Montreal).
- Non-profit Acquisition Strategy
- Stop tax exemptions to REITs.
- Any CMHC financing/ federal funding to financialized landlords should be tied to certain conditions such as:
 - No Displacement Guarantee
 - Money to create affordable housing to target tenants in core housing need.
 - Minimum maintenance and energy efficiency standards.

ACORN action!



THE IMPACT OF FINANCIALIZATION ON TENANTS

FINDINGS FROM A NATIONAL SURVEY OF ACORN MEMBERS

A Report for the Office of the Federal Housing Advocate

ACORN Canada, June 2022



ACORN Canada protests Public Sector Pension Investment Board's stakes in 'exploitative financialized housing'

By KEVIN PHILIPPILLAI JULY 5, 2022

Affordable housing advocates say pension funds are part of a trend of investment capital rushing into the rental housing sector after the 2007-2008 U.S. financial crisis, in ways that are causing problems for tenants.

FINDINGS: ACORN CANADA SURVEY IMPACT OF FINANCIALIZATION OF HOUSING ON TENANTS 2022

Financialization of rental housing has seen a massive growth over the last few years and is intensifying Canada's affordable housing crisis, affecting hundreds of thousands of tenants across the country.

Financialization of housing happens when housing is treated as a commodity and not a home or a right. Real Estate Investment Trusts (REITs), Asset Management Companies, Private Equity Funds, Pension Funds, Hedge Funds are aggressively buying up massive stock of apartment buildings that were once affordable to transform them into a financial investment.

Priority of these firms: maximum profit, flipping units and/or renovating tenants to take advantage of weak rent control laws, repackaging the units by adding fees and extra charges, cutting costs by not doing repairs.

Thousands of ACORN members live in apartment buildings owned by financialized landlords. We undertook a national survey to understand the impact of financialization of housing on low- and moderate-income tenants. This survey focused on how financialized landlords compare with other landlords when it comes to issues such as rent and maintenance and rent increases. A total of 606 renters responded to the survey.

Out of 606 tenants who responded to the survey, we were able to categorize the landlord for 365 tenants. For 235 of tenants, the information about the landlord could not be located because of lack of transparency about the landlord for some of the tenants, the address was not complete.

For analysis, landlords were classified as following categories - financialized landlord, large - private/family-owned/corporate landlord, small - private/family-owned landlord and non-profit / co-op housing / social housing. Financialized landlords constituted 1% of the total data collected through this survey.

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ACORN's 2022 - Study on Financialized Housing

ABOUT THE SURVEY

- Online survey October-November 2021.
- 606 renters responded
- Out of 606 respondents, **385 people identified their landlord**
- Key challenge - to identify the landlord. **Many tenants didn't know who their landlord is - named property management company as their landlord.**

Breakdown:

- **17% - Tenants with financialized landlord - 17%**
- **12% Large - Private/family-owned/corporate landlord**
- 27% Private/Family-owned landlord (27%),
- Non-profit / co-op housing/ social housing (8%),
Insufficient info (36%).

- Many tenants in financialized housing saw their landlord change in the last 5 years and the condition of the unit declining.
- Higher % of tenants in financialized housing are facing repair and maintenance issues.
- Higher % of tenants in financialized housing face pest problems in the building & the unit.
- The longer a tenant lives in a unit, harder it gets to get any repair work done - especially true in case of financialized landlords.
- **ONTARIO: 19%** of tenants with financialized landlords mentioned getting AGIs compared to 5-8% tenants with any other type of landlord/

Commitments in the Mandate Letter of Minister of Housing

Develop a Fairness in Real Estate Action Plan that includes:

- Review of, and possible reforms to, the tax treatment of REITs.
- Develop policies to curb excessive profits in investment properties.
- Prevent “renovictions”.

Invest in a new **Housing Accelerator Fund** to support municipalities in increasing the housing supply

Liberal - NDP Agreement (March 22, 2022)

- Re-focusing the Rental Construction Financing Initiative on affordable units (under 80% AMR) and use **80% AMR or below as definition of affordable housing.**
- Moving forward on launching a Housing Accelerator Fund.
- Tackling the **financialization of the housing market** by the end of 2023.
- Including a \$500 one-time top-up to Canada Housing Benefit in 2022 which would be renewed in coming years if cost of living challenges remain.
- Moving forward in 2022 on home energy efficiency programs that both enhance energy affordability for Canadians and reduce emissions, with investments to support multiple streams including **low-income and multi-unit residential apartments.**

ACORNs Demands

Mandate: A moratorium on acquisition of properties by financialized landlords and disclosure of property owners.

Create: A non-profit acquisition strategy that would immediately enable non-profit, co-op and land trust organizations to purchase at-risk rental buildings when they are for sale.

Limit: how much housing financialized landlords can buy. In Berlin, corporations cannot own more than 3,000 apartment suites.

Stop: Tax exemptions to REITs and any public benefit to corporate landlords that is not conditional on full rent control, creation/maintenance of deep affordable housing & ensuring maintenance standards.

Regulate: Banks, CMHC and Public Sector Pensions Investment Board to stop financing corporate landlords who purchase with the intent to increase rents and displace people. Require they maintain at least 30% targeted to people in core housing need. Require them to implement full rent control including on vacant units.

Disclosure - who is my landlord

Core Housing Need Definition

A household is in core housing need if

- Spending 30% or more of its before-tax household income to access local housing that meets all three standards.



13% of Canadian households were in core housing need in 2016

27% of renters in core housing need, **91% of which were facing affordability issues.**

Small Group Campaign Exercise

Elements of a Campaign - Handout

Campaign Planning Worksheet

The END



Slides below have been modified

Commitments in the Mandate Letter of Min of Housing

Develop a Fairness in Real Estate Action Plan that includes:

- Amendments to the *Income Tax Act* to require landlords to disclose in their tax filings the rent they receive pre- and post-renovation and to pay a proportional surtax if the increase in rent is excessive.
- An anti-flipping tax on residential properties, requiring properties to be held for at least 12 months.
- A temporary ban on foreign buyers of non-recreational residential property.
- Review of, and possible reforms to, the tax treatment of REITs.
- Develop policies to curb excessive profits in investment properties.
- Prevent “renovictions”.

Invest in a new **Housing Accelerator Fund** to support municipalities in increasing the housing supply
HUMA committee - drafted a report to recommend the design of the Housing Accelerator Fund - Oct 2022.

Expand the eligibility requirements of the deep retrofit loan program.

Affordable for WHO?

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- CMHC - to spend \$3.7 billion over 10 yrs from 2018-2028 to create “affordable housing”.
- Rents offered in dev funded through these prog based on median household income of the area where the dev is taking place.
- For Toronto - 141% more than the AMR!
- Housing to be kept “affordable” to max 20 yrs!

ACORN takes action: Series of online actions targeting CMHC & Policy brief

Demand: All public money supporting the creation of affordable housing should target tenants in core housing need.

WIN: Feds revised the affordability definition under one of the main NHS prog (RCFI) to less than 80% AMR

National Housing Council - Review Panel

- Human-rights based accountability mechanism established under the National Housing Strategy Act (NHS Act).
- OFHA can request the National Housing Council to establish a review panel on a systemic housing issue.
- Review panels may include written and/or oral hearings to hear directly from the public.
- The Minister must respond to a report submitted by a review panel within 120 days after the day on which it is received.

OPPORTUNITY FOR ACTION!

- Review panel on Financialization of Housing - First ever panel since the establishment of the OFHA
- Members selected from the NHC.
- Members of the Financialization of Housing Review Panel- Sam Watts, Maya Roy and Ann McAfee
- Written hearing - March-April 2023
- Oral hearings - June 2023