

Putting a dollar value on doing *good things* for community



COMMUNITY  
REPORT  
2015



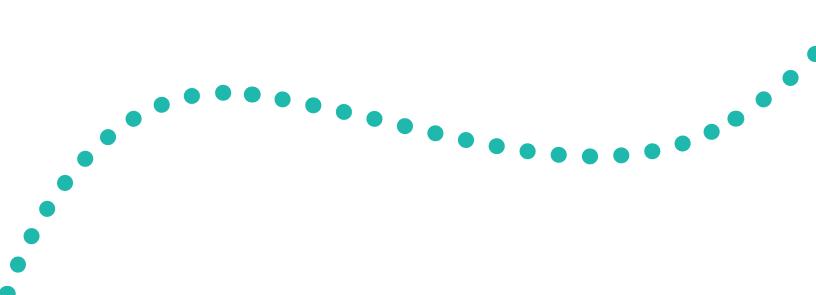
**Central City**  
Foundation

[www.centralcityfoundation.ca](http://www.centralcityfoundation.ca)



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# Executive Summary

Central City Foundation has been bringing neighbours together for more than 100 years to improve the lives of people in need in Vancouver's inner city through grants, sustainable social purpose real estate and investments in facilities and programs. We invest more than 40% of our capital directly in our mission, through social purpose real estate investments and grants to community partners.

We believe that our investment model can stand as an example to others, so we commissioned a report to measure the Social Return on Investment (SROI) of our foundation, which serves as the basis of this community report. This is the first analysis of SROI of social purpose real estate in Canada. We've proven that our model works, that investors and communities can see a tangible return when significant investments are made in social purpose real estate.

## ► What is Social Purpose Real Estate and why does it matter?

When property or facilities are owned and operated by mission-based and not-for-profit organizations or investors for the purpose of community benefit and to achieve blended value returns, this is called social purpose real estate.

Central City Foundation (CCF) is a leader in Canada in social purpose real estate and invests its capital in buildings and facilities that provide low income housing and space and place for community organizations that are improving lives through unique early learning and education programs, daycares, health and family services, addiction treatment centres, and social enterprise. Our unique model of investing in real estate to house other community organizations who further our mission to improve lives is working. The blended financial and social return on these investments is remarkable and our donors see impressive community impact.

## ► What is SROI?

Social Return on Investment (SROI) is a way of measuring the value of the benefit society derives from social outcomes of an activity or an organization, by putting a dollar value on the economic impacts of its actions. More than just counting how many people have been served through a program, SROI goes further to capture the external economic impact of outcomes that a service facilitates.

With real estate unaffordability rising in BC, social purpose real estate stands as an exemplary model that offers solutions which can help us build a community of hope to help our neighbours in need. Being able to prove that this model has financial and blended value returns will help non profit organizations address the affordability crisis of acquiring and maintaining space to offer programs and services.

## ► How we measured SROI

Beginning with a standardized SROI model, modified slightly to accommodate our focus on social purpose real estate, we further adapted the model to ensure that we weren't attributing value to Central City Foundation that would be more properly attributed to our community partners who provide services at our buildings. We ensured the model did not lump together direct, indirect and induced benefits to ensure we did not overstate the social return on our investments in social purpose real estate. This gave us a model that distinguished between direct and indirect social benefit, and we measured the economic impact of direct social benefit three different ways.

After developing outcomes and establishing impact, proxies from academic sources that best quantified the economic effects of certain types of outcomes were researched. In using a proxy, the researchers find appropriate studies that demonstrate the economic impacts of undertaking certain social purpose activities, such as early childhood education, and match the activities and outcomes of the group being measured to that similar study.

## ► Results

For **every dollar** spent, Central City Foundation creates **\$3.90** in social benefits. The overall social return on our capital investment (**SROI**) in social purpose real estate (**SPRE**) is **18 per cent**, with **\$2.4** to **\$3.4** million in direct community value created each year, and **\$4** to **\$11** million in indirect community value created each year. Results for each of Central City Foundation's properties vary, but that reflects the uniqueness of CCF's portfolio.

## ► What our results mean for other non profit organizations

By investing a significant proportion of our core financial base in social purpose real estate, Central City Foundation is able to amplify our impact within the community. Similarly, many related organizations are looking for opportunities for program related investments and this report provides a useful framework for evaluating the return on potential SPRE investments.

## ► What our results mean for other funders, investors and developers

With an understanding of the SROI of social purpose real estate, more projects could receive investment interest and innovative investment vehicles could be developed to proactively draw capital to social purpose real estate projects. With a more profound understanding of SROI, more social purpose real estate projects could be incentivized and approval agencies could be more explicit in incentivizing SPRE projects.

## ► Next steps

Our study on measuring the SROI of Central City Foundation is a starting point in quantifying the community impact of our property and program investments and showing how such value can be quantified. We hope that our study sparks other studies that also measure the economic impact of social purpose real estate. Measuring SROI and establishing concrete methods to show the economic value of SPRE is very new, but our hope is that soon ours will be just one study among many that prove the value of investing in social purpose real estate to create true value for investors and community.

# Foreword



## For more than 100 years,

Central City Foundation has been bringing neighbours together to build a community of hope. We improve the lives of people in need in Vancouver's inner city through grants, sustainable social purpose real estate and investments in facilities and programs. Unlike other organizations that might focus on a single concern, we look at the many interconnected elements that come together in a community where hope can triumph over despair.

Most foundations in Canada invest their capital to maximize income, a portion of which (3.5% on average) is then disbursed to community in support of their charitable mission. But Central City Foundation (CCF) is unique in that we invest our capital as well as a portion of our income in our mission to improve lives. Currently 40% of our capital is invested in our mission through social purpose real estate, to generate maximum community benefit as well as financial return. For non profit organizations that are victims of rising rents and real estate costs in BC, having us as their landlords offers a security of tenure that leaves them space to thrive, and to innovate and take risks in programming that benefit their clients and our community.

We believe that our investment model can stand as an example to others – foundations, developers, philanthropists and government partners – as a reliable method to put money where it is needed while generating both a financial and measurable social return on that investment. But we understand the need for reliable measurements of that return on investment. That's why we commissioned a report to measure the Social Return on Investment (SROI) of our foundation, which serves as the basis of this community report.

This is the first analysis of SROI of social purpose real estate in Canada. We've proven that our model works, that investors and communities can see a tangible return when significant investments are made in social purpose real estate.

We are very grateful to Ken Gauthier and *Urban Matters* for partnering with us on this important research project.

It is our hope that this community report sparks increased dialogue about how all of us – funders, government, non profits, donors and all neighbours – can direct assets so we can work together to build a community in which people are safe, fed and adequately sheltered, well-educated, employed, healthy and empowered to participate in the decisions that affect their lives.

**Jennifer Johnstone**  
PRESIDENT AND CEO

**Julie McGill**  
CHAIRPERSON

# What is Social Purpose Real Estate and why does it matter?

When property or facilities are owned and operated by mission-based and not-for-profit organizations or investors for the purpose of community benefit and to achieve blended value returns, this is called social purpose real estate (SPRE).

In the non profit sector, SPRE makes it possible for organizations to have greater sustainability, build more capacity and enhance their financial and social assets. When organizations have space to call their own, they can worry less about securing a place for their people and programs and can instead build equity and leverage resources, experience cost savings, and foster collaboration and innovations with other organizations.

Investing in social purpose real estate provides tangible benefits to society and to non profit organizations, but also provides real returns, both financial and social, on that investment.

Central City Foundation is a leader in Canada in social purpose real estate and invests its capital in buildings and facilities that provide low income housing and space and place for community organizations that are improving lives through unique early learning and education programs, daycares, health and family services, addiction treatment centres, and social enterprises. Our unique model of investing in real estate to house other community organizations who further our mission to improve lives is working. The blended financial and social return on these investments is remarkable and our donors see impressive community impact.



## STORIES OF IMPACT

### Transitioning to Adulthood With Help from Aunt Leah's

For more than 25 years, Aunt Leah's Place has strived to prevent children in foster care from becoming homeless and help young mothers in need from losing custody of their children. Their headquarters is a large, bright building in New Westminster owned by Central City Foundation and rented to Aunt Leah's Place under a subsidized lease. Recently renovated, Aunt Leah's Place now has more office space for their administrative and support staff, better soundproofing, a youth space, a beautiful kitchen, and the security of tenure to be able to provide services to young people.

"You can see the light in the space," says Aunt Leah's Executive Director

Gale Stewart. More importantly, and thanks to Central City Foundation donors, "we don't have to worry about moving again. We don't have to worry about price hikes."

The new space makes it easier for Aunt Leah's to continue supporting mothers and young people like Willow Tew, 19, who recently aged out of the foster care system.

"When you're 18 you're still a kid, I didn't really want to be fully independent at that point," says Willow. Aunt Leah's got Willow on track to adulthood through a weekly life skills class, a volunteer training program, and assistance from a support worker with essential domestic tasks like grocery shopping and budgeting.

# What is SROI?

Social Return on Investment (SROI) is a way of measuring the value of the benefit society derives from social outcomes of an activity (or an organization like Central City Foundation), by putting a dollar value on the economic impacts of its actions.

SROI tries to capture the economic impact of providing services to a target population. More than just counting how many people have been served through a program, SROI goes further to capture the external economic impact of outcomes that a service facilitates. For example, a housing agency may count the number of homes provided for people, but SROI goes further to measure the economic benefit of having those people housed rather than homeless and living in shelters or on the street.

There is a real hunger in the non profit world to quantify the impact of the programs and services offered in economic terms. Being able to show an economic return on investment can demonstrate to funders, donors and communities the value the non profit sector creates from grants, donations and tax incentives. With SROI, there is now a framework for valuing external economic impacts and finding a way to speak in financial terms about an organization's work in terms of benefits to cost. This is the business case for philanthropy and impact investing.

It is important to note that SROI is one way of approaching the question of measurement. It provides a framework that attempts to explicitly consider the economic impact of the social value being delivered. The proxies and tools developed to support it are still new but evolving quickly, and while it isn't perfect, it does start the conversation and provide a representative benchmark of social value.

For Central City Foundation, measuring our impact helps us understand how we're making a difference. But it also contributes invaluable information to our investment decisions and helps us "prove" the non-financial benefits of what we do, proving that we're having an exponential impact beyond traditional foundation funding by taking the pioneering investment approach we do. For this we need to be able to measure the full blended value return on our investment in SPRE.

# BC's rising real estate costs created an affordability crisis for non profits that SPRE can help solve

BC's skyrocketing real estate prices have major implications for the lives of people in the inner city, their communities and the non profit organizations that serve them. In 2013, Central City Foundation released "***Unaffordable Spaces***: How rising real estate prices are squeezing non profit organizations and the people they help" a community report which illustrated the ways that non profit organizations have adapted to this affordability crisis. We reported that:

1 Most non profits don't have enough space, and many have reduced services and program locations due to increases in occupancy expenses.



Not enough room

2 Most social enterprises are unable to expand their businesses because they do not have the appropriate space or location.



Social enterprises can't expand

3 Facilities are older and in need of renovations and upgrades, but there is little revenue to meet this need.



Spaces in need of upgrades/renovations

4 Paying market rents or having short notice periods on their leases leaves organizations feeling insecure about one or more of their facilities. Organizations that own their own space or lease from mission-based groups like Central City Foundation feel secure about their facilities.

5 A large number of non profit organizations share space with other non profits or enter partnerships to acquire program space, and others are forced to rely on temporary structures to relieve their space crunch.



Owning or leasing from mission-based organizations means security of space

Creative solutions to space crunch

## ► Social purpose real estate as a solution

With real estate unaffordability unlikely to change, social purpose real estate stands as an exemplary model that offers solutions that can help us build a community of hope to help our neighbours in need. Being able to prove that this model has financial and blended value returns will increase investment in SPRE in the long term, and help non profit organizations address the affordability crisis of acquiring and maintaining space to offer programs and services.

# Why Central City Foundation is producing this community report

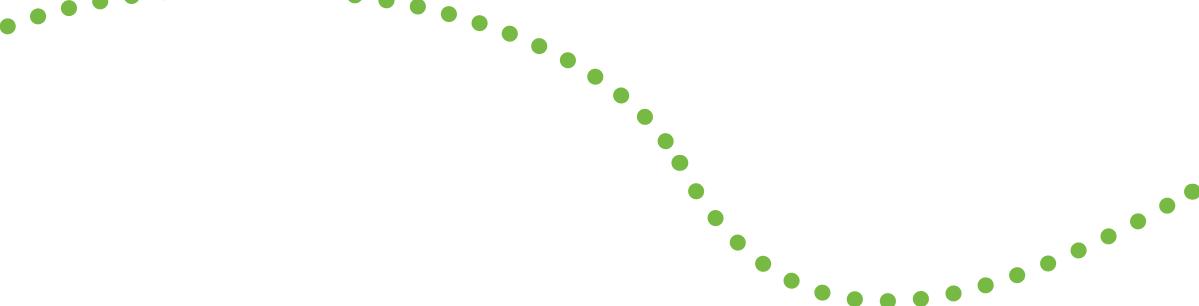
Central City Foundation's social purpose real estate portfolio provides significant community benefit and generates sustainable financial returns. We know that investing in social purpose real estate provides not just an investment in our community; it is also makes good financial sense, as our assets have continued to grow over the decades.

## ► Our Portfolio



We partnered with *[Urban Matters](#)* to demonstrate to communities and stakeholders the value we create through our investments in social purpose real estate. Their analysis of the SROI of our properties, using data from 2013, showed how Central City Foundation contributes to community well being in terms of a quantified (and reliable) economic impact, and forms the basis of this community report.

We put together this community report to better understand the blended value returns our portfolio offers, and to show in tangible terms what we already knew anecdotally – that our investment model can stand as a leader to others in Canada as one of the best ways to direct capital to create financial returns that also provide significant, quantifiable societal returns.



#### STORIES OF IMPACT

### Phil Bouvier Family Centre Provides Childcare with a Unique Aboriginal Focus

Chad Carpenter knew little about his culture growing up in Vancouver. His mother was from Lheidli T'enneh First Nation in Prince George, but he grew up in foster care. He was "embarrassed" to identify as Aboriginal, largely because of the racism he experienced in the school system. He later battled with addictions, and struggled to get his life on track. He learned to embrace his Aboriginal heritage and now the 35-year-old father of two is determined to give his children what he did not have.

His children attend the Aboriginal-focused daycare at the Phil Bouvier Family Centre, housed in a building owned by Central City Foundation. Operated by Vancouver Native Health Society, the Phil Bouvier Family

Centre is an integrated family service hub. As a multicultural childcare centre, all families are welcome, but Aboriginal values, beliefs and practices are incorporated into the programming as much as possible.

Carpenter and his wife are doing everything they can to stop the ripple effect of the long history of disenfranchisement and discrimination experienced by Aboriginal people. Although life isn't always easy, they're determined to give their children the best opportunities. And that includes exposure to Aboriginal culture.

"My kids are growing up, they don't know their culture, their nation's cultures, because I don't," Carpenter says. "But bring them to a place like the Phil Bouvier Family Centre and there are shared cultural values from nation to nation no matter where you go."

# How we measured SROI

Social Return on Investment (SROI) is an approach to quantifying the social outcomes of an activity in economic terms. It aims to translate the value that social programs and services generate into the language of modern economic and investment activity for ease of understanding to a broader audience.

It is important to note that there is a uniqueness to the Central City Foundation portfolio that makes typical approaches to SROI insufficient on their own. Our work includes a combination of direct services to clients (such as offering housing), which are more readily measured, as well as socially purposed real estate made available with some amount of subsidy to other organizations providing innovative (and risky) services that perhaps could not otherwise be offered in the inner city.



In looking at how to measure our impact at Central City Foundation, *Urban Matters* began with a standardized model, modified slightly to accommodate our focus on social purpose real estate.

We wanted to ensure that we weren't attributing value to Central City Foundation that would be more properly attributed to our community partners who provide services at our building. We therefore further modified the SROI model to avoid lumping together direct, indirect and induced benefits to ensure we did not overstate the social return on our investments in social purpose real estate.

This gave us a model that distinguished between direct and indirect social benefit, and we measured the economic impact of direct social benefit three different ways:

- 1 For programs run by Central City Foundation through its subsidiary organization Central City Housing Society, we measured the economic impact of the program operations internally financed by CCF.
- 2 For programs run by other organizations in Central City Foundation subsidized space, we measured the economic impact of the subsidy provided by CCF.
- 3 For social enterprise services employed in the management of Central City Foundation's social purpose property, we measured the economic impact of awarding contracts to a social enterprise.

The additional value created by the programs and services provided by the community organizations lodged in Central City Foundation properties are separately accounted for in the indirect social benefit calculation.

Furthermore, in order to reliably capture the social value created through the CCF social purpose real estate portfolio, we were really careful about what we monetized. We understand that some things are easier to measure than others, such as reduced hospital visits for people living in safe housing rather than on the street, so we focused primarily on reduced social and health service use by the populations served in CCF properties. We are keenly aware that these measures do not capture the comprehensive value that CCF generates for all its stakeholders, but this approach resulted in greater internal consistency and a credible measure of social value.

### ► Using economic proxies

To measure SROI, economic proxies are chosen that most closely match a program's outcomes. Proxies are the most widely used way of mapping outcomes to quantifiable economic benefits of social services.

In using a proxy, the researchers find appropriate studies that demonstrate the economic impacts of undertaking certain social purpose activities such as early childhood education, and match the activities and outcomes of the group being measured to that similar study. In other words, because we cannot measure every aspect of each service offered, we find the nearest comparable study and map the services we are measuring to the ones that were studied to obtain a reasonable proxy that can put a dollar value to what we want quantified.

To best reflect how a proxy shows the values being measured, results in the Urban Matters report show the strength of the proxy (how well it compares to what we are trying to measure) on a scale of 0-10, and are expressed in both the lowest case, where the proxy shows the lowest social return on investment achieved, and highest case, where it shows the likely maximum value of SROI. The strength of a proxy is directly related to the strength of the underlying research study and the relative comparability of the outcomes in the study to those we are measuring in our social purpose real estate.

#### \*THE CROSSING AT KEREMEOS

Due to a breakdown in negotiations between the operator and the Provincial Health Services Authority (PHSA), the youth residential treatment centre at The Crossing at Keremeos was closed in March 2015. Central City Foundation is still committed to providing the site, rent-free, to serve this critical need. Central City Foundation, its donors and partners remain committed to children, youth and families in BC who are struggling with the challenges of addiction, and are actively working to reopen the centre as soon as possible.

# Results

"We are generating at least a 4:1 return on investment. Just having this awareness has the potential for profound change."

**Jennifer Johnstone, President and CEO,  
CENTRAL CITY FOUNDATION**



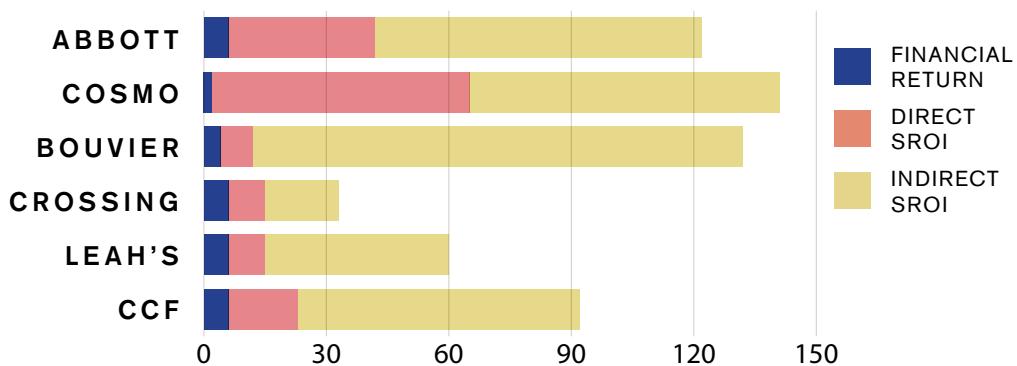
The results of the SROI study completed by Urban Matters for Central City Foundation showcase some impressive results.

For **every dollar** spent, Central City Foundation creates **\$3.90** in social benefits. The overall social return on our capital investment (**SROI**) in social purpose real estate (**SPRE**) is **18 per cent**, with **\$2.4** to **\$3.4** million in direct community value created each year, and **\$4** to **\$11** million in indirect community value created each year.



\***SROI 18% = DIRECT 2.4 TO 3.4 \$ Million/Year • INDIRECT 4.0 TO 11.0 \$ Million/Year**

Results for each of Central City Foundation's properties vary, but that reflects the uniqueness of CCF's portfolio. Where an established social program is delivered, the SROI results are higher. This is balanced by smaller scale and perhaps riskier investments and pilot projects CCF undertakes in emerging or underserved areas of social need. For these investments, we see a much greater indirect social benefit being generated in the short term that reflects this unmet community need. These programs are slowly working toward scale deployment, and it is precisely this kind of pioneering investment that is required to nurture them.



## COSMOPOLITAN

CCF operating expenditures	<b>TOTAL \$139,559</b>
CCF capital invested	<b>TOTAL \$545,751</b>
	<b>LOWEST CASE      HIGHEST CASE</b>
<b>\$1 SPENT/YEAR GENERATES IN SOCIAL BENEFIT</b>	<b>\$2.5      \$4.4</b>
Social Return on Investment*	<b>39.5%      86.5%</b>
Social benefit DIRECT	<b>\$350,715      \$607,251</b>
INDIRECT	<b>\$48,849      \$97,699</b>

## ABBOTT

CCF operating expenditures	<b>TOTAL \$473,080</b>
CCF capital invested	<b>TOTAL \$2,045,054</b>
	<b>LOWEST CASE      HIGHEST CASE</b>
<b>\$1 SPENT/YEAR GENERATES IN SOCIAL BENEFIT</b>	<b>\$1.7      \$3.1</b>
Social Return on Investment*	<b>19.3%      52.2%</b>
Social benefit DIRECT	<b>\$814,290      \$1,486,974</b>
INDIRECT	<b>\$236,301      \$1,559,587</b>

Using the rate of tenancy in each building Urban Matters determined how many individuals were kept out of the shelter system and street homelessness. Using proxies from academic sources that best quantified the economic effects of these outcomes, we learned that keeping people out of the shelter system is highly cost effective and results in large external benefits to society relative to the costs of providing housing. There were also indirect savings associated with the operations of the clinics as improved health outcomes for the people served.

\$1

## PHIL BOUVIER FAMILY CENTRE

CCF operating expenditures	<b>TOTAL \$39,426</b>
CCF capital invested	<b>TOTAL \$3,766,036</b>
	<b>LOWEST CASE      HIGHEST CASE</b>
<b>\$1 SPENT/YEAR GENERATES IN SOCIAL BENEFIT</b>	<b>\$4.8      \$8.9</b>
Social Return on Investment*	<b>5.4%      9.7%</b>
Social benefit DIRECT	<b>\$188,092      \$352,198</b>
INDIRECT	<b>\$1,816,283      \$6,634,993</b>

The Centre creates direct external economic value through the daycare, literacy programs, parenting supports and other programming. While the direct value attributed to CCF in this case is only proportionate to the value of the rental subsidy provided, the indirect economic impact of holding this piece of property is very large. While proxy studies to calculate the indirect economic value of the Centre's culturally appropriate education programs are not great matches, the results are strong enough to assume there is a lot of additional value we couldn't capture at this time.

\$1

## AUNT LEAH'S PLACE

CCF operating expenditures	<b>TOTAL \$66,451</b>
CCF capital invested	<b>TOTAL \$928,447</b>
	<b>LOWEST CASE      HIGHEST CASE</b>
<b>\$1 SPENT/YEAR GENERATES IN SOCIAL BENEFIT</b>	<b>\$0.7      \$1.0</b>
Social Return on Investment*	<b>1.6%      3.5%</b>
Social benefit DIRECT	<b>\$46,467      \$64,972</b>
INDIRECT	<b>\$189,469      \$427,417</b>

Direct outcomes from Aunt Leah's programs include housing and supporting at-risk mothers, children being kept out of the foster care system, and the value of their training programs.

\$1

## THE CROSSING

CCF operating expenditures	<b>TOTAL \$28,578</b>
CCF capital invested	<b>TOTAL \$7,272,499</b>
	<b>LOWEST CASE      HIGHEST CASE</b>
<b>\$1 SPENT/YEAR GENERATES IN SOCIAL BENEFIT</b>	<b>\$2.2      \$15.1</b>
Social Return on Investment*	<b>1%      5.9%</b>
Social benefit DIRECT	<b>\$62,420      \$431,960</b>
INDIRECT	<b>\$(1,683,227)      \$2,560,255</b>

There is wide variability in research data on the costs of addiction, so our results are also variable. However they do demonstrate value being created through the provision of supports for youth facing substance abuse challenges. Despite these impressive results, the government canceled its lease for the program at the Crossing in 2015. Central City Foundation is working with the Ministry of Health and community organizations to reestablish long term treatment for youth in BC and we hope that The Crossing will be reopened soon. See more details on page 12.

\$1

\*The range of results relates to the strength of the underlying proxies. The figures reported at the low end, the lowest case, had stronger proxy value and at the high end, the highest case, had lower proxy value. For more details, see the full report by Urban Matters at <https://www.centralcityfoundation.ca/news-and-reports/exploring-sroi-at-central-city-foundation/>.

## Cosmopolitan Hotel

**42-room SRO**  
**LEASED SPACE TO**  
Vancouver Women's Health Outreach Clinic  
**HELPING**  
DTES Women

## Abbott Mansion

**72-unit SRO housing 100+ individuals**  
**LEASED SPACE TO**  
Crosstown Clinic  
**HELPING**  
Individuals with chronic heroin addiction  
**PROVIDING**  
Individuals with health care, harm reduction and addiction treatment

## BOTH

- ◀ **OWNED**  
Central City Foundation
- ◀ **OPERATED**  
Central City Housing Society
- ◀ **HOUSING INDIVIDUALS**  
On social assistance  
On limited incomes  
Unemployed  
With disability and health problems  
With addictions and mental health



## Aunt Leah's Place

### Phil Bouvier Family Centre

**BUILT AND OWNED BY**  
Central City Foundation

**OPERATED BY**  
Vancouver Native Health Society with rent subsidy and grants from CCF

**PROVIDING**  
Integrated family services and Aboriginal-focused childcare education teaching language, culture and traditions

## Aunt Leah's Place

**OWNED BY**  
Central City Foundation

**OPERATED BY**  
Aunt Leah's Place with rent subsidy and grants from CCF

**PROVIDING**  
Support services to at-risk youth, young mothers and young adults

- Reducing homelessness
- Keeping children out of the foster care system
- Employment training programs

## The Crossing

**BUILT AND OWNED BY**  
Central City Foundation

**SITE:** 58-acres housing multiple buildings for up to 42 residents

**PROVIDING**  
Long-term residential addiction treatment for youth and educational programs to develop skills and work habits to complete high school and find employment



# Getting excited about measuring SROI

This study of Social Return on Investment (SROI) in social purpose real estate is the first of its kind, and we hope it lays the groundwork for others. By showing how our investment portfolio can generate substantial returns, we have proven that investing in social purpose real estate generates SROI.

We are proud that Central City Foundation is leading the way, and hope that this community report enhances discussions among investors, funders, governments and non profit organizations about the value of social purpose real estate, and about the impact that can be created when a large percentage of an organization's funds are invested directly in the group's mission.

**"Despite the numerical results, it is this **pioneering approach to anchoring some of the core capital** of Central City Foundation within the sphere of socially purposed real estate to animate innovation in social service programming and delivery that is perhaps its most valuable contribution to the community."**

***Urban Matters***

## ► What our results mean for other non profit organizations

By investing a significant proportion of our core financial base in social purpose real estate, Central City Foundation is able to amplify our impact within the community. Similarly, many related organizations are looking for opportunities for program related investments and this report provides a useful framework for evaluating the return on potential SPRE investments.

This reinforces results of studies by the Non Profit Centres Network that show that there are tangible positive impacts of having a landlord or co-tenants who share an organization's commitment to mission. This includes "increasing the availability and quality of services to local residents, supporting the revitalization of economically distressed areas...and serving as a catalyst for improved public policies." (from *Measuring Collaboration: The Benefits and Impacts of Nonprofit Centers*, 2011, [www.nonprofitcenters.org](http://www.nonprofitcenters.org))

Another study showed that when investing in social purpose real estate, many foundations in the US “experienced high returns on their initial financial investments, and all found that they were able to have greater positive impact on their local communities through the social and economic development offered through the centers.” (from *Planting a Seed: Foundations Build Communities with Shared Nonprofit Workspace*, 2010, [www.nonprofitcenters.org](http://www.nonprofitcenters.org))

As real estate costs in BC continue to climb beyond the reach of many non profit organizations and social service providers, our report shows that it is possible to find some solutions for the affordability crisis with innovative investing. As well, it is possible to measure results of what you do to show a solid return on those investments.

### ► What our results mean for other funders, investors and developers

Behind land development projects are investors seeking a return. There is an increasing market interest in blended value returns – a return that includes both a financial benefit to the investor as well as a quantifiable benefit to the community. With an understanding of the SROI of social purpose real estate, more projects could receive investment interest and innovative investment vehicles could be developed to proactively draw capital to social purpose real estate projects.

Land developers who build and shape our communities collect guidance and clues from approval agencies and develop complex investment strategies for successful projects. With a more profound understanding of SROI, more social purpose real estate projects could be incentivized and approval agencies could be more explicit in incentivizing SPRE projects.

“Social purpose real estate projects have a still untapped potential to benefit from mainstream financing and from newer social finance tools and investment.”

(from **Building Capacity, Sharing Values: Shared Spaces and Social Purpose Real Estate**, Tides Canada 2014)



#### STORIES OF IMPACT

### Clean, Quiet and Safe Housing on the Downtown Eastside

Before he moved into the Abbott Mansion, Rick lived in a building on Vancouver’s Downtown Eastside that he describes as dirty and dangerous. “It was pretty tough there, it was really bad,” the 60-year-old says.

In the past, Rick says he struggled with addiction and got into trouble with the law, but he now lives a quiet life. Two years ago he moved into a clean and peaceful apartment at the Abbott Mansion, a single resident occupancy (SRO) building owned by Central City Foundation and renovated in 1999. The Abbott provides clean, safe and reliable

housing for those with low incomes, with rents at or below the shelter allowance provided by social assistance. Management strives to keep the building free of the drug dealing, violence and harassment common in Downtown Eastside hotels, providing a safe haven for its tenants while serving as an example for other buildings in the neighbourhood.

Rick has been diagnosed with multiple illnesses, but since he moved into the Abbott, he says his health has gradually improved. “We have security at the doors,” Rick says. “The hallways and washrooms and everything are very clean here. They take very good care of the building.”



## Next steps

We know that our study on measuring the SROI of Central City Foundation is just a first step. This is a starting point in quantifying the community impact of Central City Foundation's property and program investments and showing how such value can be quantified. It helps us to assess, prove and recognize the full value of our stories of impact.

Our intent is to build on what we've done to date and update the data in the near future. We also hope that soon there will be other proxies available and other research techniques developed that can better measure more of the impact that CCF creates in the community.

We also hope that our study sparks other studies that also measure the economic impact of social purpose real estate. Measuring SROI and establishing concrete methods to show the economic value of SPRE is very new, but our hope is that soon ours will be just one study among many that prove the value of investing in social purpose real estate to create true value for investors and community.

# Thank You!

We acknowledge the generosity of:



We also thank our community partners/tenants for helping us with the research:

- **Atira Property Management Inc.**
- **Aunt Leah's Place**
- **Crosstown Clinic**
- **Portage Keremeos**
- **Vancouver Native Health Society**
- **Vancouver Women's Health Collective**

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