



# COMMUNITY IMPACT REAL ESTATE

## ANNUAL REPORT 2019



# INTRODUCTIONS

**Community Impact Real Estate Society (CIRES)** was established in 2017 to contribute to the efforts of building an inclusive local economy in Vancouver's Inner-city by using the space in our portfolio to provide affordable goods, services, social service support and employment opportunities for the residents in the communities within which we work.

To achieve this goal, CIRES leases just over 100,000 square feet of commercial and retail space from BC Housing. The portfolio is a mix of space leased below market rates to non-profit and social enterprise tenants, and market rates to others.



As we enter into the second year of operations, CIRES is in the process of further identifying and clarifying the Social Impact and Performance Measurement Framework metrics and report model. The measurement framework will identify key indicators that demonstrates the social and economic value the current commercial portfolio generates. The framework includes data that is currently available and accessible. A deeper social return on investment analysis based on data collected from the sub-tenants' economic, employment and social activities is in design and will be launched towards the end of 2019.

**Thanks to help from CIRES, the Overdose Prevention Society has a warm, safe, dry space out of the rain and cold with bathrooms for people in the DTES to get the help they need during the overdose crisis. Our organization sees up to 600 people daily and have saved 1000's of lives during Canada's worst health crisis.**

*– Sarah Blyth, Overdose Prevention Society,  
CIRES Subtenant since December 2017*

## OUR GOALS

1. Curate a blended commercial property portfolio that brings social and economic benefits to low income residents of the inner-city.
2. Grow and diversify the amount of commercial space in the CIRES portfolio.
3. Lead and support initiatives that create economic opportunities designed to provide social and economic benefits to low income residents living in the inner-city.
4. Strive for organizational excellence by operating a well governed and managed organization that is fiscally responsible and successful.

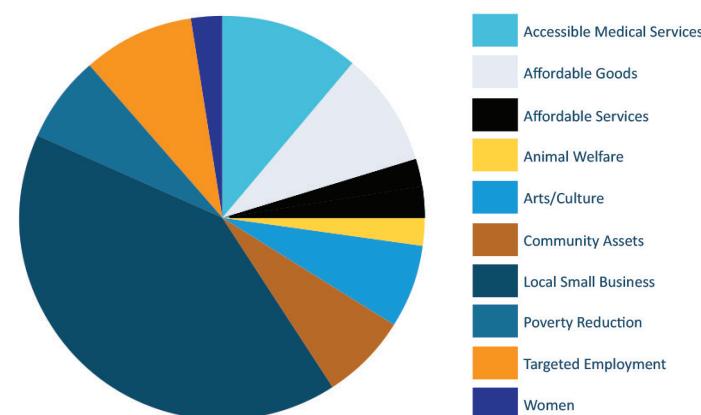
### Snapshot of Portfolio

		AS OF DECEMBER 1, 2017		AS OF MARCH 31, 2019		
	Total No. of Units	Square Feet	Share	Square feet	Share	Difference
Market	25	44,696	42%	50,921	50%	8%
Non Market	21	43,595	41%	42,207	42%	1%
Vacant	6	18,115	17%	8,505	8%	-10%
Total	52	106,406	100%	101,633	100%	

## COMMERCIAL AREA BY AREA OF SOCIAL AND ECONOMIC IMPACT

The business of buying, selling and offering community services is transactional. Every transaction generates a social, economic, environmental and/or cultural impact. All of the independent businesses and non-profits operating out of the commercial spaces in the portfolio are owned by companies based in Metro Vancouver and are local serving. While the small market-based local businesses create jobs which generates positive economic impacts, the non-market uses generate a variety of impacts that include accessible health-related services, affordable goods and targeted employment for those facing barriers to employment.

Out of the 46 commercial retail units generating impact, eight are social enterprises – organizations purposed to achieve social, cultural or environmental results through participation in the market economy: buying and selling goods or services.



## COMMERCIAL PROPERTY MANAGEMENT

Cires is committed to following commercial and property management best practice that includes a transparent and accountable tenant selection process and providing excellent Subtenant service. Our Subtenants are provided prompt service, clear communication and treated with respect and fairness.

Cires's subtenant selection process is based on community need and market opportunities. Interested parties are required to complete an Expression of Interest Application. This application includes a number of questions to determine the community benefits that the prospective Subtenant will provide such as targeted employment, local procurement, financials, special discounts for resident of the building/neighbourhood if the space is in a mixed-use building with housing and others. Special consideration is given to legacy businesses and health services addressing the current opioid crisis.

Once the potential Subtenant is approved by the Landlord, Cires negotiates a Sublease on the Landlord's approved Sublease Form that includes a Social Benefit Covenant: the community benefit commitments. Each year, Subtenants are required to report back on how they have fulfilled their Social Benefit Covenant.

Cires has a service management contract with MacDonald Commercial Real Estate to perform rental property management duties as outlined in the Rules and Regulations of the Real Estate Services Act such as collecting rent, holding deposits, managing third party vendors, preparing budgets, annual reconciliations and other duties.

Cires's Tenant Relations policies and procedures guidelines are under development and cover leasing workflow, onboarding, communication approach, property management services, access to information and appeals process. A copy will be provided to BC Housing.



# MAXIMIZING THE SOCIAL AND ECONOMIC VALUE

## In-Kind Rent Contribution

All Subtenants pay rent. The in-kind economic value for non-market Subtenants is based on an exemption to pay Basic Rent. Non-market Subtenants include non-profits and social enterprises.

For market Subtenants, the in-kind value is derived from the difference between market value of Basic Rent and the amount of Basic Rent being charged. The discounts are offered for a variety of reasons – a financial incentive to act as a good neighbour with the housing operator and residents of the non-market units in mixed use buildings and as a tool to retain longstanding or legacy businesses in the community.

## Shift to Social Procurement for Common Area Maintenance

In our first year of operations, CIRES worked cooperatively and constructively with the many parties involved in common area maintenance (CAM) related to the buildings in the commercial portfolio to streamline the delivery of services. As a result, each building has clearly defined annual CAM specifications that identify who is responsible for each task with CIRES playing a key coordination and service procurement role.

Acting on social procurement values, CIRES has shifted over \$175,000 per year to building maintenance social enterprises located in the inner-city – MP Maintenance (MPM), CleanStart and The Cleaning Solution to name a few – who hire local residents and people facing barriers to employment.

MPM received the lion's share of the work. MP is a social enterprise, owned and operated by Mission Possible, a non-profit organization in Vancouver, that provides training and employment opportunities for people challenged by homelessness and poverty. MPM helps people experience dignity and purpose through meaningful work and creates jobs that lead people to lasting change. With \$140,000 awarded to MP Maintenance from this new work, CIRES has generated approximately 556 hours of transitional employee training hours.



## **Shared Services Office Space**

Located in the inner-city at 337 Gore Ave, CIRES purposely set up its office to include office space for other socially community minded businesses working to advance community economic development locally and beyond; an intentional collaboration to grow a local community economic development ecosystem.

Exchange Inner City (EIC) and Buy Social Canada (BSC) rent desk space and contribute to the provision of shared services at a reasonable rate. EIC is an inner-city initiative that collectively fosters a vibrant and inclusive local economy where all residents can prosper and live full and rewarding lives. BSC advances and promotes social procurement by bringing socially driven purchasers and social enterprise suppliers together, building business relationships that generate social benefits to communities across the country.

Value of colocation is expressed in the number of opportunities that arise through the cross pollination of networks and projects that have the similar desired outcomes – to improve the quality of life and standard of living for inner-city residents.



## **Social Enterprise Business Coaching and Development**

CIRE staff have years of community economic development and social enterprise executive management experience. Lessons learned and social enterprise business development best practises are shared in group and one-to-one coaching sessions to help grow and support existing employment based social enterprises operating in the inner-city. Providing them with access to coaching accelerates the pace of local social enterprise growth and development which, in turn, will improve the quality of life and standard of living of inner-city residents.

Below are just a sample of the social enterprises that CIRE has engaged with:

- Binner's Project
- HAVE Culinary Training Program
- Potluck
- Employment to Empower
- Flavours of Hope

**The experience that CIRE staff is bringing to the table is invaluable – giving informed advice based their experience running successful businesses with social values and a deep understanding of finances.**

**Thanks to CIRES's coaching, we've been able to amend our financial documents and build a long-term business model that will allow [us] to become a competitive social enterprise while remaining relevant to the needs of the community.**

*– Anna Godefroy, Executive Director, Binner's Project*

# GRANTS AND CONTRIBUTIONS

## Social Value Fund Contribution

Cires made a contribution to the National Social Value Fund (NSVF), a not-for-profit organization that provides resources to Canadian social enterprises and enterprising non-profits that have positive social, socio-economic, or environmental goals; through a model that empowers and provides learning opportunities for university-level students across Canada.

The grant capital will be managed by the student investment team now known as the Vancouver Social Value Fund (VSV), a subsidiary of NSVF. The student will apply the funds in alignment with Cires's mission to contribute to the efforts of building an inclusive local economy by supporting goods, services, social service support and employment opportunities for the residents in the communities within which we work.

As a prime example, the first loan utilizing a portion of CIRE's contribution from the fund was to CleanStart, a Vancouver social enterprise that provides top quality junk removal and pest control services while also offering employment opportunities to people who experience barriers to employment, such as poverty and disability, to support their business expansion.

## Bursary Fund for Groundswell Education Society

Cires's contribution to bolster a bursary fund for Groundswell Education Society's social entrepreneurship programs will help support inner-city students who need financial support to participate in Groundswell's programs.

Groundswell is a non-profit in the heart of Vancouver supporting the creation of fulfilling employment and social businesses, non-profits and cooperatives by providing space for young ideas and ventures to grow, connect and flourish.

This bursary fund ties in perfectly to Cires's goal of contributing to the efforts of building an inclusive local economy and employment opportunities for residents in the communities within which we work.



## Thank You Note from Common Thread (formerly Craftworks)

Since 1966, Common Thread has been working to reduce the stigma that people with disabilities face through the art of sewing and hand crafts. Craftworks supports adults with disabilities through skills development and socialization to empower and to engage individuals and to facilitate access to earnings, where participants earn supplemental income in an inclusive environment that respects the challenges of traditional employment.

Cires's bursary fund to Common Thread is in alignment with Cires's vision; one of healthy, empowered communities that value social inclusion, have thriving local serving economies and provide dignity and opportunity to all residents regardless of ability and income level. This bursary fund will enable Common Thread to offer bursaries to three students who will start their next course in early April.



## Scaling Up - Clean Collective

Cires, in partnership with Vancity Community Foundation, provides a \$110,000 grant (\$60,000 from Cires) to the Clean Collective, a front facing full service interior and exterior building maintenance group comprised of award winning social enterprises: MP Maintenance, CleanStart and The Cleaning Solution. These social enterprises have come together to offer Metro Vancouver property managers, building owners and leaseholders a seamless one-stop shop for taking care of all building and property maintenance needs.

Cires and Vancity Community Foundation's contribution supports a sales position that will increase sales and help get these inner-city building maintenance social enterprises to scale and compete with the major private sector players in the market.

# GRANTS AND CONTRIBUTIONS

## Community Benefit Agreement (CBA) Strategic Project

Cires has funded Exchange Inner City's CBA Working Group to support a St. Paul's Hospital multi-party CBA advocacy process. The multi-party CBA engagement process will help communities better prepare and deliver the range of materials, labour and services that the St. Paul's Hospital development will be required to do under a CBA.

This St. Paul's Hospital CBA Strategy project aligns well with Cires's mandate to contribute to the efforts of building an inclusive local economy by working to ensure this generational development provides employment opportunities for local residents, procurement preferences for local social enterprises and using local social services resources to provide necessary training and resources through the CBA process.

Exchange Inner City's CBA Working Group will allocate these funds to coordinate and operate this project over the next two years (2019 to 2021).



## Portfolio Investments

Cires has made investments in our non-market Subtenant's space that are outside the expectations of traditional Landlord's Work. These additional investments enable the non-market subtenants to use more of their scarce resources to deliver and focus on their core social purpose mission.

**The addition of new flooring, strong and resilient, easy to clean and easy on the eyes is appreciated by everyone at the Molson OPS. The folk feel special knowing that they are valued enough to be presented with what feels like a new space.**

**Thank you from all of us.**

*– Doug Ferris, OPS Coordinator,  
Portland Housing Society*

CIRES set aside \$25,000 to organize Community Learning Events to provide social entrepreneurs and innovators making a positive difference in the inner-city opportunities to learn from industry leaders, understand the social and economic dynamics that frame their work and get to know each other and the work they're doing.

### A Conversation with Nancy Neamtan

March 21st marked the beginning of CIRES's Community Learning Events with one of Canada's leading experts in building social economies and social innovation ecosystems, Nancy Neamtan: an expert in the field of social and solidarity economy, social finance and local development.

After having led RESO, a Montreal-based community economic development corporation, from 1989 to 1996, Nancy was a founder and CEO of the Chantier of the Social Economy - an organization devoted to the promotion and development of the social economy in Quebec, from 1996 to 2015. Internationally she is actively involved in the development of CITIES, an international knowledge transfer center in and in the Global Social Economy Forum (GSEF).

Nancy shared her experiences with eight young women, leaders in the social economy sector in Vancouver, whom also had the opportunity to share their story and ask words of advice.



