

# Massive property transfer planned from BC Housing to non-profit agencies

## Ownership of 350 parcels worth \$500 million to change hands

BY BETHANY LINDSAY, VANCOUVER SUN OCTOBER 17, 2014



West End Manor is a 50-unit affordable housing project for seniors that sits on land owned by the province.

**Photograph by:** Jenelle Schneider, SUN

---

BC Housing appears to be charting an exit from the business of owning non-profit housing.

Over the next three years, the province plans to transfer ownership of 350 parcels of land worth an estimated \$500 million to the non-profit agencies that run housing developments on the sites. Giving the non-profits ownership of the properties will allow them to borrow against their assets for building upgrades or partner with private developers to rebuild.

BC Housing has promised that no social housing will be lost in the deals.

“I think the province has come around to agreeing with a view that has been put forward by non-profit housing providers for decades, which is they should just have ownership of the land their projects sit on, as opposed to leasing it from the Crown,” said Mike Walker, a Vancouver lawyer who is familiar with the asset transfer program.

“Many have felt that the leasing arrangements have been paternalistic and also squelched creativity.”

The deals will also free the province from properties that could become liabilities in the future. The

housing projects are all aging and are poor sources of revenue because of the low rents paid by tenants.

“What you do with properties like this at the end of their life can be challenging,” Walker said. “The provincial government might not be best situated to address those things creatively.”

The province says the properties will be transferred at fair market value, but according to Walker, but non-profit housing operators have been told the government will provide them with funds to make the mortgage payments.

BC Housing did not respond to questions about the total number of social housing units that will change hands in these deals, their locations and the average age of the buildings involved. Rich Coleman, the minister responsible for housing, was not made available to comment on the land transfers despite multiple requests over several days.

For housing non-profits that stand to gain huge swaths of land in these deals, the asset transfer program is exciting news that was a long time coming.

One of those non-profits is Affordable Housing Societies, which could soon be the owner of about \$30 million worth of property across the Lower Mainland.

“It’s something that we’ve been lobbying the government to do for a number of years,” said CEO Bob Nicklin.

The 25 social housing projects that Affordable Housing Societies operates on provincial land are mostly leased on 60-year terms. Having title to the land will allow the non-profit to make plans without having to consider the possibility that the lease could be taken away from them within a few decades.

“As the building gets older, and it gets closer to the end of the lease term, you start to have to make decisions on how much money you’re going to invest in the property and whether you should be looking at some redevelopment, or adding on to the building to get better use,” Nicklin said. “If it’s a leased property, you’re going to be making different decisions than if you own it.”

He added that big changes could be a possibility for the Affordable Housing Societies in the decades to come, but for now, there are no plans to redevelop any of its affordable housing projects.

About 115 properties in total are expected to change hands by March 31; Nicklin hopes to complete the AHS transfers within the next few months.

Tony Roy, executive director of the BC Non-Profit Housing Association, calls the land transfer program “really big news.” He estimates the total value of the land involved in these deals at something approaching half a billion dollars.

“The transfer of these assets could be one of the most capacity-building endeavours that the government ever goes through for the non-profit sector,” he said.

Besides the opportunities these deals offer for non-profits to access money for upgrades or build more housing on their properties, the societies will also be freed from what Roy describes as micro-

management by BC Housing.

“We see a huge contrast in our own non-profits that own the land where they run the site, and those that are on Crown land, in terms of their ability to be innovative, to work with the private sector,” he said.

He hopes that some non-profits will choose to team up with developers to expand their housing complexes or create projects that mix social housing with condos or market-rate rentals.

“These kinds of mixed-use developments are good for a community, they’re good for a society, and it allows us to provide affordable housing without going back to the taxpayer for as much money.”

But Roy cautions that the transfers will mean new financial responsibilities for the non-profits, which could need some help getting up to speed.

“I think we’re going to have to do some work in the year ahead to build knowledge of what this means for the sector, and I think one of the things we’re planning on doing in the next year is developing some education for our members in how to run themselves with some of these new opportunities, as well as education, governance and financial risk management,” he said.

[blindsay@vancouversun.com](mailto:blindsay@vancouversun.com)

**Follow me:** [@BethanyLindsay](#)

© Copyright (c) The Vancouver Sun