

HOUSING

Report puts a value on social returns on capital investments

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Real estate costs in B.C. are a rising cost that everyone must manage, including non-profit organizations.

What if there was a recognized model for assessing returns on real estate investments that factored in the social gains of putting money into buildings that included facilities such as child care and treatment centres for young people?

A new report shows that for every dollar spent on real estate, Vancouver-based Central City Foundation creates \$3.90 in social benefits.

The \$36-million foundation, which has served inner city interests since 1907, released a report Monday that is a first step in setting out a model.

The agency puts about 40 per cent of its assets toward real

estate, making it different from other foundations that are more likely to look to stocks and bonds for investments. Most of the foundation's so-called "social purpose real estate investments" focus on five buildings: two that provide affordable units to 150 Downtown Eastside residents, and three others that operate community organizations with education programs, daycares, health and family services and addiction treatment centres.

The report found the overall social return on capital investment for the foundation is 18 per cent, with an estimated \$2.4 to \$3.4 million in direct community value and \$4 to \$11 million in indirect value. "Social purpose real estate stands as an exemplary model that offers solutions that can help us build a community of hope," said Jennifer Johnstone, CEO of the Central City Foundation.

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