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COMMUNITY. CAMPUS. COLLABORATION. 

# AN OVERVIEW OF MODELS, GRANTS AND FUNDING STRUCTURES OF SHARED SPACE/COWORKING ORGANIZATIONS

AUGUST 2015

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In support of the 10 Carden Expansion Project

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## INTRODUCTION

The following report is a compilation of work conducted for 10 Carden from March 2015 to August 2015 in support of their ongoing expansion project. 10 Carden is a shared space organization in the Guelph community. The 10 Carden vision:

*10 Carden and its members will inspire people to break new ground through collaborations fueled by effective relationships, entrepreneurial spirit and dynamic research. We will spark new ways to imagine, think, behave and work together – putting Guelph on the map for community-driven social change (<http://10carden.ca/about-10-carden/about/>)*

Since 2008, 10 Carden has been working to realize this vision through ongoing collaborations and community-engaged work. Over the past year, 10 Carden has been envisioning new ways of meeting the needs of the community by adjusting their space and exploring new avenues for engagement. In March 2015, Julia Grady, one of the founders of 10 Carden, approached the Research Shop for assistance in gathering resources about options for space ownership and funding in support of their work toward expansion. We established two immediate goals for the project:

1. To determine promising practices from existing models of community ownership/shared spaces, particularly for organizations supporting not-for-profits, and
2. To identify existing grant opportunities to support an increase in 10 Carden's capacity. Information collected will be used to facilitate 10 Carden's expansion project.

An intern (Faiza Omar) and project manager (Andrea LaMarre) worked to identify best practices in shared space organizations by conducting a scan of the grey literature (primarily web-based) around models of co-working and space sharing in (primarily) the not-for-profit sector. The results of this scan are reported in part one of this report.

Faiza and Andrea also identified potential funding avenues for 10 Carden to pursue, including grant opportunities. The results of this funding scan, including information about available grants and deadlines, as well as their fit with 10 Carden, are reported in part two of this report.



While the models document (part one) provided some interesting information about the kinds of models shared spaces are using in day to day operation, Julia wanted to know more about how shared space organizations *began* and *continued* to operate. She was interested in learning more about whether not-for-profits have collaborated to rent or purchase space, how they manage ongoing costs, and what kinds of options exist for financing collaborative not-for-profit organizations. In order to meet the community partner's needs, another Research Shop intern (Yuriko) worked with Andrea to conduct several informational interviews with similar organizations. The interview questions, names of organizations contacted, and responses are reported in part three of the report.

Finally, Yuriko summarized key documents related to social purpose real estate, a form of real estate ownership suited to community organizations, and to the model used by the Center for Social Innovation in Toronto, a key player on the Canadian shared space scene. Summaries of three key documents are reported in part four of this report.

This report was prompted by and organized around the specific needs of 10 Carden, but the information presented is of potential use to any similar shared space organizations or those wanting to learn more about various models and opportunities.



## PART ONE: EXISTING MODELS OF COMMUNITY OWNERSHIP / SHARED SPACES

### INTRODUCTION

Shared spaces and co-working are innovative and collaborative workplaces wherein individuals or groups from multiple sectors come together to work on their respective projects and network with other like-minded organizations for social change (10 Carden, 2015).

This section of the report provides insights into promising practices of existing models of co-working and shared spaces in Canada. The goal of this literature scan is to inform 10 Carden's expansion project by identifying potential ways to increase and maximize its space and services. The report highlights some key models, programs, and services that may be of interest to 10 Carden as they undertake their expansion. It is based on an in-depth review of reports and online articles of over 80 shared space organizations.

### EXISTING MODELS

#### Community Bonds

"The Community Bond is an innovation in social finance that allows a nonprofit or charity to leverage its community of supporters to pursue its mission, build its resiliency, and create more vibrant communities" (Centre for Social Innovation, 2015b).

Community bonds are debt securities where the individual or organization issuing the bond owes the bond holder money they have invested. The bond issuer is required to pay the debt owed to the bond holder with interest, according to the agreed interest rate at the time the bond was created for the specific bond's term. Depending on the agreement, the issuer may also be required to repay the principal amount borrowed from the holder at a later time. Before the bond issuer can make a claim on any of the company assets, they must pay interest to the bond holder; further, "there is no ownership component or voting/decision making rights attached to a bond" (Capacity Build Consulting, 2013, p.9)

The Centre for social innovation (CSI) provides co-working spaces for social mission projects and organizations (Centre for Social Innovation, 2015a). As part of its models, CSI offers bonds to acquire real estate spaces for social innovation. CSI recently bought the "64,000 sq. ft. Murray Building, located right across the street from CSI Spadina at



192 Spadina, and is currently offering a new real estate investment for social impact” (Centre for Social Innovation, 2015b; Centre for Social Innovation, 2015c)

10 Carden may consider community bonds to support the acquisition of new buildings to increase its physical space. One way of bringing in the concept of community bonds would be to begin a “space project” to identify suitable buildings or spaces in Guelph. An expression of interest could be sent out to attract investments from interested community members who support 10 Carden’s vision and mission for social innovation and change. Another option would be to collaborate with other shared spaces to buy real estate space through community bonds. Either of these options, or a combination thereof, might help to identify those in the community interested in providing financial support for 10 Carden’s expansion using an innovative model that has been highly successful for the CSI. Of course, given that Guelph is a much smaller community than Toronto, a community bond model may be more or less successful. On the one hand, it may be easier to identify individuals and/or organizations who may share 10 Carden’s values due to the tight-knit Guelph community. On the other hand, we often face the challenge of encountering the same individuals or groups in social services collaborations who may already be financially stretched. For this reason, this could be an interesting opportunity to reach beyond the “usual players” to discover other potential supporters in the Guelph community who may want to become more involved in 10 Carden’s vision of inspiring people to collaborate for change.

### **Collaboration with Other Shared Spaces**

Several shared spaces exist in the Toronto area, including Creative Blueprint, Foundry and Coworking Toronto. These organizations have collaborated with each other and other co-working spaces to provide a wide range of services and programs to clients (Creative Blueprint, 2012b; Foundry, 2011; Coworking Toronto, 2015). With the Co-working visa program, for instance, members of Coworking Ontario can access the Creative Blueprint’s program for artists or the Foundry’s art gallery for a limited period of time.

To expand space and increase services, 10 Carden may consider collaborating with other co-working spaces in Guelph-Wellington, Kitchener, Waterloo, and Cambridge area to share best practices and innovation. Potential options 10 Carden may wish to consider in expanding the range of programs and services provided to members include



the *Coworking Visa*, *Innovation Lab*'s business models, and *Art House*'s artistic focus and generative space model.

**Coworking Visa Program:** Provides members of one space access to other collaborated coworking spaces within a limited time or period (usually 3 days), free of charge. A coworking visa map is usually provided with the spaces available to members (<http://www.coworkingvisamap.com>).

**Innovation Labs:** In addition to its coworking space, the Gizmolabs provides services in business idea analysis and business development through its *Innovation Labs*. When a client presents a business idea to Gizmolabs, they analyze the ideas for customer insights, strategic foresight, brand and growth strategy, and market forces, and give feedback to the client. They also provide continuous support such as web designing, consulting and training, social marketing strategy throughout the client's business or project life (Gizmolabs, 2015).

**Art House:** Art House Penticton is an initiative by *Cowork Penticton* that provides studios and common workspace for artists to work and collaborate. This program is more explicitly arts-based, but the collective provides some interesting initiatives, including studio tours and exhibitions in which members can participate. The space itself is designed for creativity, allowing its professional artist members to create and collaborate in the same space (Art House Penticton, 2015; Cowork Penticton, 2015).

### Venture Acceleration Programs (VAP)

VAP is the Kamloops Innovation Centre's "structured venture development program that helps early-stage entrepreneurs in BC grow their companies" (Kamloops Innovation, 2015). Entrepreneurs are assigned a local *Entrepreneur-in-Residence (EiR)*, who are experienced professionals working on contract with the VAP, to "guide and coach early-stage companies through defining business models for sustained growth" (Kamloops Innovation, 2015; BC Venture Acceleration Program, 2015). The VAP is based on a four-stage model that defines the growth processes for startups: **Product Validation, Market Validation, Market Penetration, and Market Expansion** (BC Venture Acceleration Program, 2015). Entrepreneurs pay a fee of \$200 per month to participate in the Kamloops Innovation's VAP, companies maintain their autonomy and are "free to grow on their own terms because Kamloops Innovation does not take equity stakes" (Kamloops Innovation, 2015).





If interested in a business-enhancing model for some co-workers, 10 Carden may consider building a similar program with experienced entrepreneurs and businesses in Ontario to support the growth of small businesses and startups. For example, a major focus could be on social ventures and coaching of the new entrepreneurs, and may be done remotely or on-site. Some potential models to inform growth processes include the *Steve Blank's Customer Development Model* (<http://steveblank.com>) and *Eric Ries' Lean Startup framework*

(<http://theleanstartup.com>), on which the VAP based their four-stage approach. Another potential avenue for increasing business development would be to tap into existing Guelph-based social innovation models, including Innovation Guelph, to exchange knowledge and expertise.

### **Constellation Governance Model**

Different models of governance also offer potential avenues for expansion. One example is the Constellation model, “a complexity-inspired governance framework for multi-organizational collaboration” (Surman, 2006, p. 1). Individuals or groups from multiple sectors who share a common vision for a particular social change issue come together to work towards achieving that vision “without having to create a new organization” to advocate for the issue (Surman, 2006, p. 1). The key to a successful model is that partners are able to preserve their organizational autonomy while collaborating with others to work on their areas of interest towards a joint outcome based on “lightweight governance, action focused teams and third-party coordination” (Surman & Surman, 2008, p. 26). Figure 1 shows the structure of the Constellation model. The model serves many purposes, including “joint fundraising, joint and coordinated projects, shared voice, campaigns, health promotion, service delivery and research” (Surman, 2006, p. 1).

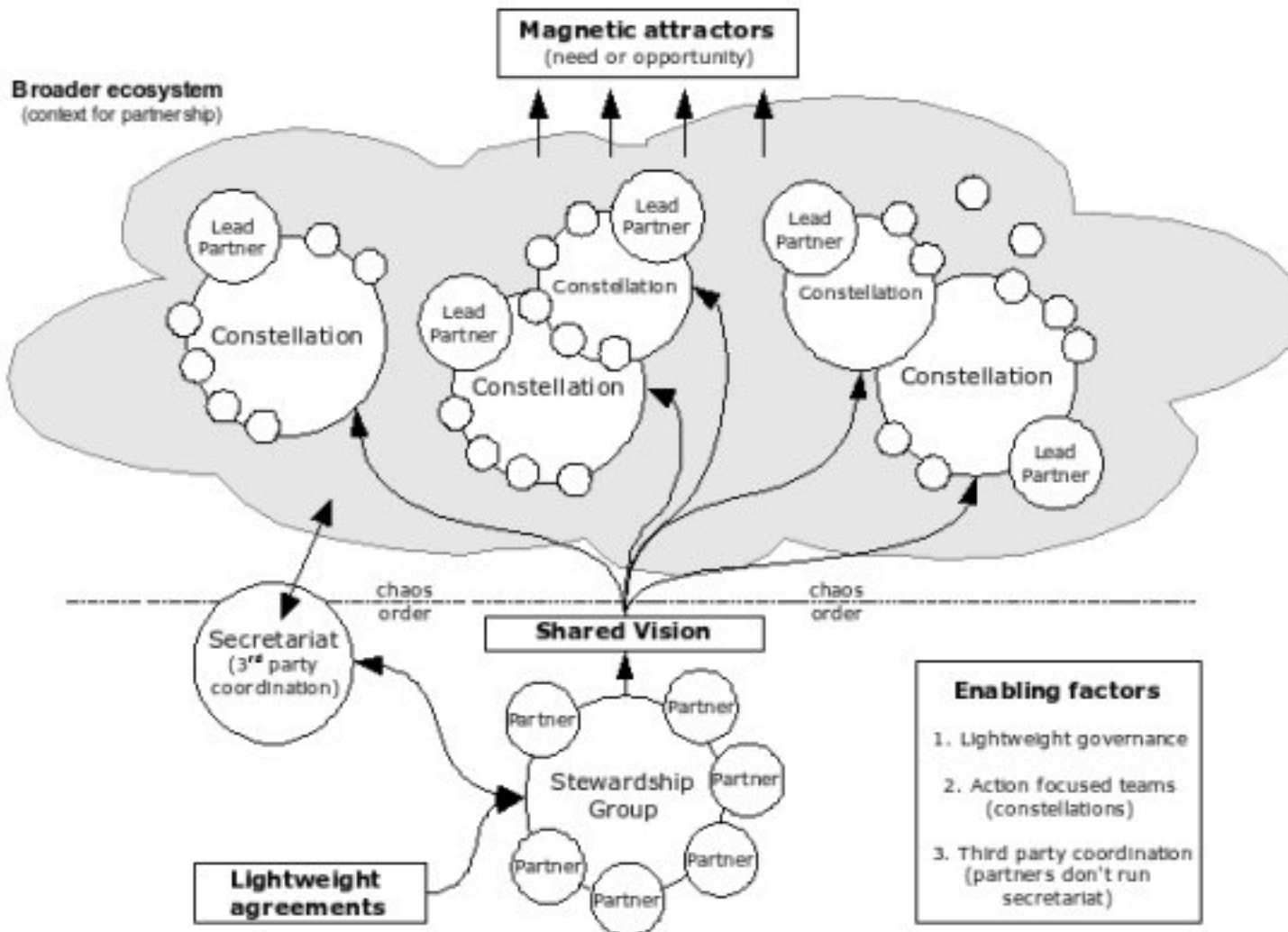
The Constellation model was created out of the need to support the Canadian Partnership for Children’s Health and the Environment, a partnership of 11 small groups of Non-Governmental Organizations, working on children’s exposure to environmental hazards (Surman & Surman, 2008, p. 25; Centre for Social Innovation, 2015c). The Centre for Social Innovation has adapted the model in collaboration with *the Ontario Nonprofit Network* and the *ONN Governance Model* (Centre for Social Innovation, 2015d).



# The Research Shop FUNDING OPPORTUNITIES

With 10 Carden's vision to contribute to social change in Guelph through collaboration, the Constellation model may be a beneficial model to consider in working with other community organizations, not-for-profits, and social enterprises, to advocate for specific agendas and emerging issues in Guelph.

Figure 1: The Constellation Model





Source: Open Sourcing Social Change: Inside the Constellation Model by Tonya Surman and Mark Surman, September 2008, <http://timreview.ca/node/183>

## OTHER SERVICES

The following services have been successfully provided to those using shared space models and may be of interest as 10 Carden seeks to expand and attract coworkers with diverse interests, skills, and visions.

### Virtual Assistant (VA)

VA is a “virtual administrative and business management” service provided to shared space members or clients (Beach Business Hub, 2015). Virtual Office and Virtual Assistant services include, but are not limited to, the following: data entry, research and writing, event planning, accounting, business management, professional mailing address and delivery, and professional telephone services (Beach Business Hub, 2015; Workplace One, 2015a). The Beach Business Hub provides VA services to its members with *German accuracy and British flair*.

In addition to the professional mail services 10 Carden provides to members, 10 Carden could increase its organizational member benefit by providing VA services to members in different administrative areas and languages (English and French) according to client needs. A feasibility study can be conducted to determine the potential niche market for this service, as capital investment would be required to establish the VA program.

### Coworking Health Insurance Plan (COHIP)

COHIP provides members of **Coworking Ontario** with “options for Health, Dental, Disability, Term Life and Travel Insurance, Prescription Drug Coverage, and Extended Health Benefits” (Coworking Ontario, 2013a). The plan also provides members with unlimited legal advice and discounts on health services, fitness centers and spas. COHIP coverage is available to individuals, couples and families.

Coworking Ontario is a collaboration of shared spaces in Ontario who learn from one another and share best practices to improve the Co-working community (Coworking Ontario, 2013b). The Camaraderie and the Creative Blueprint for instance are members of Coworking Ontario and are participating in the COHIP plan to provide health and dental coverage to their members (Camaraderie, 2015; Creative Blueprint, 2012a). As part of its plan to provide more co-working opportunities to members, and as a member



of Coworking Ontario, 10 Carden could participate in the COHIP to provide health insurance services to its co-working members. This may be very attractive to coworkers without access to health insurance through other avenues.

### Flex Space

10 Carden may consider providing a *Flex Space* service where clients pay for a desk or a private office without prior booking or registration. This is a drop in service, space is available on first come first serve basis within the office working hours, and the service is ideal for business travellers spending a limited time in Guelph (Workplace One, 2015b). A minimum of one-hour service could be provided within the official hours of work at 10 Carden, this could be part of 10 Carden's *Hot-desking* services. This is similar to the hot-desk system, but would not require membership for participation.

### Communication

Acme Works provides its members with online access to top business publications, such as Harvard Business review and Marketing Magazine (Acme Works, 2015). If coworkers of 10 Carden indicate an interest, the organization may consider providing members with similar access to online information through subscriptions to publications in different areas or comparable publications in the not-for profit sector in addition to its current communications services.. Instead of access to business oriented publications, the service could offer access to certain key peer-reviewed journals in the coworkers' respective fields of interest.



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## OTHER USEFUL ONLINE RESOURCES

- <http://www.coworkingcanada.ca/spaces/>
- <http://www.innovationguelph.ca/resources/>
- <http://www.innovationguelph.ca/coworking/>
- <http://www.espace-360.com/st-urbain/en/>
- <http://www.espace-360.com/waverly/en/>
- <http://www.station-c.com>
- <http://rpm.startupcentre.ca>
- <http://www.nexusmontreal.com/en/About>



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- <http://exeko.org/en>
- <http://www.3rdsphere.ca>
- <http://www.forgesudbury.ca/coworking-visa-map>
- <http://socialinteraction.ca>
- <https://atthespace.ca/services/>
- <http://ottawa.the-hub.net>
- <http://betacollective.ca>
- <http://www.hivevancouver.com>



## PART TWO: GRANT OPPORTUNITIES

The following are granting opportunities available to not-for-profit organizations in Canada, including local, provincial, and federal opportunities.

### EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA

*Eligibility:* for Enabling Accessibility in Communities Grants through Employment and Social Development Canada:

Projects must be directly related to removing barriers and increasing accessibility for people with disabilities in Canadian communities.

All projects must also meet the specific eligibility criteria identified in the calls for proposals, including support from the community.

- Max project duration of 52 weeks (one year);
- \$50,000 or less
- Contributions equal to or greater than 35% of the total eligible cost of the project must be provided through sources other than the federal government (which can include the applicant's own organization- both cash and in-kind contributions by the applicant organization or funding partner(s) will be accepted as leveraged funding
- Applicants must demonstrate community support for their project

Not-for-profit organizations are eligible.

In this call, priority areas are for children, veterans, and seniors with disabilities.

### Grant Information:

The Community Accessibility Stream of the Enabling Accessibility Fund is designed to provide funding to eligible recipients for projects that improve accessibility in communities across Canada. Projects may include:

- Renovating, retrofitting or constructing community facilities where programs and/or services are offered to people with disabilities;
- Retrofitting motor vehicles used as community-based transportation; and,





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- Providing information and communications technologies to make them more accessible for the community

Includes building or structure barriers such as stairs, doorways, the width of hallways and levelled room layouts, or equipment and aids that were not set up or designed with accessibility in mind.

### *Use of funds:*

- Professional fees, including consultants, technical expertise and construction contractors;
- The costs of renovation/retrofit/construction of a building, including materials, supplies and labour costs;
- The costs of the purchase or rental of tools, equipment or machinery;
- The costs of the purchase of information and communications technologies; and,
- Other costs necessary to support the purpose of the project, as approved by ESDC.

**Deadline is April 27th at 11:50pm EST**

*More info:* <http://www.esdc.gc.ca/eng/disability/eaf/community.shtml>

## **INFRASTRUCTURE CANADA**

*Eligibility:* for New Building Canada Fund: Provincial-Territorial Infrastructure Component National and Regional Projects includes private sector body, including for-profit organizations and not-for-profit organizations. However, not for profit organizations need to be in partnership with either:

- A public sector body established by or under provincial statute or by regulation/wholly owned by a province, territory, municipal or regional government
- A public or not-for-profit institution directly/indirectly authorized, under the terms of provincial, territorial or federal statute, or Royal Charter, to deliver post-secondary courses or programs that lead to recognized and transferable post-secondary credentials, or a public or not-for-profit Aboriginal-controlled post-secondary institution
- A province or territory, or a municipal or regional government



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- A band council within the meaning of section 2 of the Indian Act;

*Contact for Ontario:* Ministry of Economic Development, Employment and Infrastructure

*General info:* [info@infc.gc.ca](mailto:info@infc.gc.ca)

### **Grant Information:**

Funding to support infrastructure projects of national, regional and local significance that contribute to objectives related to:

- Economic growth
- A clean environment
- Stronger communities

Many categories do not apply but potential areas that apply to 10 Carden:

- **Green energy**
- **Innovation**

*Administration of funds:* Projects federally cost-shared on a one-third basis; maximum federal contribution of 25%

*More info:* <http://www.infrastructure.gc.ca/plan/nrp-pnr-prog-eng.html>

### **ONTARIO TRILLIUM FOUNDATION**

*Eligibility:* Community space organization in Ontario, looking to increase capacity of services and space

*Contact:* 1 800 263 2887 or [otf@otf.ca](mailto:otf@otf.ca)

**Capital Grants:** Funding for community space projects in Ontario.

*Uses of funds:* renovations, installations, equipment costs, construction, acquisition of new spaces/buildings

*Amount:* \$5,000 to \$150,000

*Length:* up to 1 year

- 90% provided at beginning



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- 10% upon review of final project report

*More info:* <http://www.otf.ca/what-we-fund/investment-streams/capital-grants>

### **Grow Grants:** Capacity building

*Uses of funds:* increase capacity for existing projects; replicate/adapt models (proven) of existing projects

*Amount:* \$50,000 to \$250,000 per year

*Length:* 2-3 years

- 90% provided at beginning
- 10% of funding upon review of final report.

*More info:* <http://www.otf.ca/what-we-fund/investment-streams/grow-grants>

### **Seed Grants:** Support projects at idea or conceptual stage

*Uses of funds:* launch new idea, conduct research/feasibility study, host events/discussions

*Amount:* \$5,000-\$75,000

*Length:* up to 1 year. 10% of funding held back until review of final report.

*More info:* <http://www.otf.ca/what-we-fund/investment-streams/seed-grants>

## **THE GUELPH COMMUNITY FOUNDATION**

*Eligibility:* Community organizations, agencies and institutions within Guelph and surrounding communities. Grants are disbursed to a wide range of registered charities and applicants must be recognized by the Canada Revenue Agency.

*More info:* <http://www.guelphcf.ca/CommunitybrOrganizations/Eligibility.aspx>

*Contact:*

46 Cork Street East, Guelph, ON N1H 2W8

Tel: 519.821.9216

Fax: 519.821.6525



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### **Community Grants Program**

Funding for Charitable organizations providing projects/activities in the following areas: Arts and Culture, Children and Youth, Recreation, Education, Environment, Health and Wellness, and Social Services. Applications are on yearly basis; the 2014 application is now closed. For 2014, a total of approximately \$50,000 is available. If approved, grants typically range between \$1,500 to \$3,000.

More info: <http://www.guelpohcf.ca/CommunitybrOrganizations/GrantPrograms.aspx>

## **LOANS AND FINANCING**

Several of the opportunities we related were loan and financing options; these require repayment but are often oriented toward shared cost systems and not-for-profit structures. 10 Carden may be more or less interested in the following options depending on other choices made during the expansion project.

### **SOUTHWESTERN ONTARIO DEVELOPMENT FUND**

*Eligibility:* 10 Carden might be able to fit into the regional stream, though unclear whether having private sector support would be something you would be interested in.

Regional stream eligibility:

- Focus on economic/business development and job creation in the area
- Align with provincial and regional priorities (e.g., introducing new forms of innovation, taking part in province-led economic development initiatives)
- Invest more than \$100,000
- Have private sector support
- Be used for activities that are new to the organization

10 Carden could likely fit into the “cultural industries” category

Eligibility checklist available; need to contact regional staff person as first point of contact.

Kitchener office:



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906-30 Duke St W

Kitchener ON N2H 3W5

Amy Britten, Senior Business Advisor, 519-571-6074

*More info:* <https://www.ontario.ca/business-and-economy/southwestern-ontario-development-fund>

### **BUSINESS DEVELOPMENT BANK OF CANADA**

*Eligibility:* Likely eligible if considered a business (eligibility terms do not seem very stringent; may be a matter of individual consultation with the business development bank to determine eligibility)

Loans available with flexible terms, long-term financing to be used for:

- Buying land
- Buying buildings
- Expanding buildings
- Renovating buildings

Small business loans of under \$50 000 also available

*More info:* <http://www.bdc.ca/EN/financing/business-loans/Pages/commercial-real-estate-financing.aspx>

### **THE ONTARIO CATAPULT MICROLOAN FUND FOR SOCIAL VENTURES**

*Eligibility:* Would need to become a “community member” of CSI- \$30/month

Other eligibility criteria:

- Headquartered in Ontario
- A permanent resident of Canada
- A member of the Centre for Social Innovation
- Addressing a social, environmental, economic or cultural needs
- Pursuing a sustainable, income-generating business activity



## The **Research Shop** FUNDING OPPORTUNITIES

- Fewer than 25 full-time employees
- Annual revenue under \$2 million

Makes investments in social ventures (nonprofit and for-profit) that are tenants or Community Members of CSI

- Low interest loans of \$5,000 - \$25,000
- A range of support to enable the social ventures succeed
- Full impact assessment of the investments over a 2-year period

Loans disbursed through Alterna Savings

- Rate: prime plus 2% - 6% (depending on your business and credit history)
- Term: up to a maximum of five years
- Fees: \$100 admin fee that can be incorporated or deducted from the loan
- Payment schedule: first payment must be made within 30 days after the initial disbursement
- Alterna Savings Membership: \$15 one-time membership fee

Application involves developing a “Social Enterprise Business Plan” (includes overall business plan, social impact, and information about and submitting it to [eve@socialinnovation.ca](mailto:eve@socialinnovation.ca))

More info: [www.socialinnovation.ca/catapult](http://www.socialinnovation.ca/catapult)

### **SOCIAL VENTURE EXCHANGE –SVX**

*Eligibility:* For organizations that are working toward sustainable social & environmental impact, including socially responsible business, social purpose business, co-operatives, enterprising non-profits, on-mission enterprising arm of a charity

Accessible to Ontario-based non-profit organizations & for-profit social purpose businesses, including co-operatives.

Contact: Adam Spence, Founder & CEO [aspence@marsdd.com](mailto:aspence@marsdd.com)

**The SVX investment model** links social enterprise organizations with investors to generate capital.



**Impact investing** - Growing movement looking to invest in ventures that create a positive social and environmental impact and that are financially sustainable. Investors (e.g. wealthy individuals, private foundations, financial institutions, etc.) either direct funds at thematic/social issue areas or work across themes/sectors

Models of funding vary but include:

- Community bonds
- Social impact bonds (for public-sector)
- Community investment (high-impact, modest rates of return)

*Types of funds:* loans, bonds, and/or debentures

To apply, sign up on website (approval takes 2-3 weeks); investors then have access to your profile; breakfasts/webinars also offered for networking

*More info:* <http://www.marsdd.com/mars-library/impact-investing/>

## COMMUNITY FORWARD FUND

*Eligibility:*

- Operating for at least 3 years
- Organizations incorporated as nonprofits or charities
- Revenues of over \$250,000 per year
- Cash flow that allows them to repay the loan (this can include as an alternative to rent in the case of buying a building, contracts or other revenue streams or a planned revenue generating operation)
- Able to note impact

*Use of funds:*

- Expand programs or grow earned income
- Purchase, build or renovate a building
- Purchase or upgrade needed equipment
- Manage timing of foundation or government grants or from donations, capital campaigns or other revenue such as ticket sales from arts exhibitions.



## The **Research Shop** FUNDING OPPORTUNITIES

*Amount:* \$35,000-\$250,000

*More info:* <http://www.communityforwardfund.ca/for-charities-nonprofits/loans/>

### ARTS-RELATED OPPORTUNITIES

The following opportunities are specifically arts-related and thus may or may not be of interest.

#### ONTARIO ARTS COUNCIL

##### Artists in the Community/ Workplace

*Eligibility:* Ontario-based, individual professional artists, groups of artists, community organizations, arts organizations and trade unions. Projects may take place in various communities or workplaces.

*Contact:* Kateri Gauthier, Interim Program Assistant [kgauthier@arts.on.ca](mailto:kgauthier@arts.on.ca).

416-969-7424; Toll free 1-800-387-0058 extension 7424

Open to community based organizations, individual or group of artists, trade unions that are interested in working with communities through a collaborative co-creative process.

*More info:* <http://www.arts.on.ca/Page95.aspx>

##### Art Service Projects

*Eligibility:* must be a collective of artists, arts professionals and /or arts organizations with a primary purpose of providing services to artists and/or arts organizations, a majority of whom are eligible for funding in one of OAC's disciplinary and/or multidisciplinary granting programs. At least

50% of the collective members must be located in Ontario.

OR

An Ontario-based not-for-profit arts organization, eligible for funding in one of OAC's disciplinary and/or multidisciplinary granting programs, governed by a board of directors or an advisory board.

*Contact:* Nina Charest, Program Assistant, [ncharest@arts.on.ca](mailto:ncharest@arts.on.ca)





## The **Research Shop** FUNDING OPPORTUNITIES

416-969-7417, toll free 1-800-387-0058 extension 7417

Federal funding for art-based spaces. The fund is for non-profit arts and heritage organizations that would like to improve, renovate or construct art spaces.

*More info:* <http://www.pch.gc.ca/eng/1267728945673>

### **ALTERNATIVE MODELS**

Alternative sources of funding include crowdfunding, through sites such as Indiegogo and Kickstarter. Another option for crowdfunding with a specific social justice/community change slant:

#### **MILLION MAN MISSION**

Specialized crowdfunding for “anyone who wants to make a difference in the world.” Funding is all or nothing (so, need to set goal one can meet); may take up to 12 weeks for the submission to be processed, if cause is refused need to wait 6 months before re-submitting.

*More info:* <https://www.millionmanmission.org/about-us/>

### **ADDITIONAL RESOURCES**

#### **LOCATING GRANTS**

Grant Connect Tool: <http://www.imaginecanada.ca/grant-connect>

- Fee for service; \$509 per year for basic
- Able to be accessed in partial form from libraries

#### **SOCIAL PURPOSE REAL ESTATE**

Social Purpose Real Estate Collaborative:

<http://www.socialpurposerealestate.net/social-purpose-real-estate-resources>

Information about determining how much your organization can afford to borrow:

<http://www.socialpurposerealestate.net/documents/SPRE%20Toolkit%20%20Determining%20How%20Much%20Your%20Organization%20Can%20Borrow.pdf>



## The **Research Shop** FUNDING OPPORTUNITIES

Fundamentals of purchasing real estate:

<http://www.socialpurposerealestate.net/documents/SPRE%20Toolkit%203%20Fundamentals%20of%20Purchasing%20Real%20Estate.pdf>

Projecting occupancy budget: <http://www.socialpurposerealestate.net/wp-content/uploads/SPRE-Toolkit-4-Projecting-Your-New-Occupancy-Budget.pdf>

More information about community bonds: <http://www.socialpurposerealestate.net/wp-content/uploads/Community-Bonds-White-Paper-final-Jan-2013.pdf>

### **SUPPORT ORGANIZATIONS FOR SOCIAL ENTERPRISE**

<http://www.socialenterpriseCanada.ca>

<http://www.imagineCanada.ca>

<http://www.sigeneration.ca>

<http://www.marsdd.com>

<http://www.futurpreneur.ca/en/resources/social-purpose-business/>

<http://www.desjardins.com/ca/co-opme/business/tip-sheets/>

### **GOVERNMENT GRANTS AND FINANCING**

<http://www.canadabusiness.ca/eng/page/2848/>

### **START AND GROW YOUR SOCIAL ENTERPRISE**

<http://www.canadabusiness.ca/eng/page/4337/>

### **BUSINESS SUPPORT ORGANIZATIONS**

<http://www.canadabusiness.ca/eng/page/2793/>



#### **INSTITUTE for COMMUNITY ENGAGED SCHOLARSHIP**

College of Social and Applied Human Sciences  
University of Guelph Guelph, Ontario Canada N1G 2W1  
phone: 519 / 824.4120 Ext. 53829 | email: ices@uoguelph.ca  
[www.theresearchshop.ca](http://www.theresearchshop.ca)



## PART THREE: INFORMATIONAL INTERVIEWS

Informational interviews were conducted with several shared space organizations to determine which models they use for ownership. We asked the following questions:

1. How did you gather the capital funds to launch your organization?
2. What did this process look like in terms of steps toward coming to be what you are today, from idea to practice?
3. Do you rent or own the building in which you are located at present?
4. Have you changed your model of funding and/or rent/own status as you have progressed or expanded?
5. Do you share renting/mortgage costs among several member organizations or is the lease/ownership through one key organization?
6. [If shared purchase] In legal terms, are you structured as another not-for-profit, or have you formed a co-operative to make this possible?
7. Do you rent out your space to others? How do you manage this flow of funds?
8. If you rent the building, who is responsible for investing in/renovating/operating the building?

Though significant efforts were made to reach a diverse group of not-for-profit organizations using shared spaces, we experienced a low response rate. We suspect that this reflects the amount of work required to keep a not-for-profit organization running. In order to not become a burden to these organizations, if they did not wish to respond we attempted a maximum of three times before moving on to the next organization. Results are reported below, summarized as bullet points in response to questions:

### **CHRISTINE ANDREWS, FOUNDER AND OPERATOR, ACME WORKS**

#### **How did you gather the capital funds to launch your organization?**

- Partnership with client who owned a building and occupied second floor but needed someone new to move into the first floor space, a raw industrial space in need of renovation (May 2013)



## The **Research Shop** FUNDING OPPORTUNITIES

- Developed and presented a detailed business plan to open a coworking space (October 2013)
- Business plan was approved by the board in November 2013
- Took over space in January 2013
- Renovation took place over 6 months
- Client provided capital funds for renovation and rent forbearance when necessary
- Acme Works opened in June 2014
- Christine provided sweat equity for the first year and a reduced salary in the second year
- Profits were split 50/50

**What did this process look like in terms of steps toward coming to be what you are today, from idea to practice?**

- I pay rent to my landlord/financial partner.

**Do you rent or own the building in which you are located at present?**

- No

**Have you changed your model of funding and/or rent/own status as you have progressed or expanded?**

- No

**Do you share renting/mortgage costs among several member organizations or is the lease/ownership through one key organization?**

- Members pay Membership Fees
- Members sign Membership Agreement; the agreement governs their behavior and outlines which services they pay for
- The agreement makes it possible to remove members when necessary
- Packages are generally month to month
- Private office packages are minimum 6 month commitments



## The **Research Shop** FUNDING OPPORTUNITIES

- Members do not sign a lease
- Money gathered from memberships goes toward a business account used to pay rent

**[If shared purchase] In legal terms, are you structured as another not-for-profit, or have you formed a co-operative to make this possible?**

- Landlord is responsible for building maintenance
- E.g., Recently encountered an issue (leak in the roof); landlord hired and paid the for repair
- Tenant pays for a cleaning service for weekly cleaning, as well as small, day-to-day maintenance (e.g., burnt out light bulb or clogged toilet)
- Tenant pays for wifi/network and security system on the door (elective systems installed by tenant)
- Larger building systems, e.g., smoke detectors, connected to landlord's security system

**Do you rent out your space to others? How do you manage this flow of funds?**

- Those looking to raise funds to buy a building should speak to the Center for Social Innovation (CSI)
- CSI has had success using community bonds to fund purchase of their buildings

### **ASHLEY PROCTOR, MANAGER, THE FOUNDERY**

**How did you gather the capital funds to launch your organization?**

- Founder Investment
- Private Loans
- Began with \$50 and a business plan
- Organization has been growing slowly and steadily over 10 years

**What did this process look like in terms of steps toward coming to be what you are today, from idea to practice?**

- Own & Rent



## The **Research Shop** FUNDING OPPORTUNITIES

- Multiple locations

### Do you rent or own the building in which you are located at present?

- Over time has moved toward ownership more often than renting
- The aim is to combine communities in one place

### Have you changed your model of funding and/or rent/own status as you have progressed or expanded?

- For-profit model
- Mission-driven, unlike traditional for-profit businesses
- Services include coworking space, support designed to inspire and empower artists and entrepreneurs

### Do you share renting/mortgage costs among several member organizations or is the lease/ownership through one key organization?

- Costs are shared; revenue is also generated via renting workspaces, meeting rooms, gallery and event spaces

### Do you rent out your space to others? How do you manage this flow of funds?

- Centrally managed (by Ashley)

## **KARINE JAOUICH, DIRECTOR OF FINANCE AND SPECIAL PROJECTS, CENTRE FOR SOCIAL INNOVATION**

[Note: some information below taken from the CSI website]

### How did you gather the capital funds to launch your organization?

- CSI began in 2003 in Toronto
- Founded by a group of entrepreneurs: Tonya Surman of the Commons Group, Margie Zeidler of Urbanspace Property Group, Mary Rowe of Ideas That Matter, Pat Tobin of Heritage Canada and Eric Meerkamper of DECODE
- Designed as a workspace for social innovators
- Canadian Heritage provided \$15,000 for feasibility study of a shared spaces venture



## The **Research Shop** FUNDING OPPORTUNITIES

- Principals were already convinced of the feasibility and used the infusion of cash from Canadian Heritage to draw up concrete plans to back up their vision
- Firm plans in place by January 2004; Zeidler family offered to pay for leasehold improvements in a 6,000 sq. ft. space on the first floor of 215 Spadina Avenue
- Margie Zeidler provided lower rent, didn't require that CSI start paying rent until they had members
- Additional funding secured for core operations to help with start-up and operational costs from The Ontario Trillium Foundation and the Harbinger Foundation
- Urbanspace Property Group underwrote build-out of the space and start-up for CSI tenancy, including partial support of the salary of the Executive Director and half the salary of an administrator for the first year
- Urbanspace Property Group also provided an interest-free loan of \$52,000; in total, their initial investment totaled over \$250,000
- Tonya provided sweat equity, bring in her successful consulting practice and its revenue into the Centre, and continued to take on consulting work until CSI's fourth year of operation
- CSI was created on a cost-recovery model: a plan according to which there would be enough revenue from the rents to cover operating expenses
- Tonya developed marketing materials in January and February 2004
- Founding members sent out an email, relying on their existing networks, announcing the availability of member spaces in the CSI
- At the same time, Tonya and the board also fleshed out financial projections, pricing models, space designs, member recruitment guidelines, and a whole host of other documents that were essential to starting up
- The Centre was registered as a nonprofit on March 22, 2004.
- Opportunity to assume more space in the building came up in late 2006; the Centre took over an additional 14,000 sq ft.
- In March 2007, the Centre for Social Innovation had become home to over 180 social mission groups in sectors ranging from arts and environment to social justice and education



**What did this process look like in terms of steps toward coming to be what you are today, from idea to practice?**

- CSI bought a building in 2010
- This big step was fueled by their innovation in social finance: The Community Bond
- With the support of their community network, they purchased, renovated and filled the Centre for Social Innovation Annex, a 36,000 sq ft building filled from top to bottom with world-changing social entrepreneurs
- In September 2012, they opened a 10,000 sq ft space in Regent Park, Canada's largest public housing community, currently undergoing Canada's largest community revitalization

**Do you rent or own the building in which you are located at present?**

- From renting to owning
- CSI rents space to members

**Have you changed your model of funding and/or rent/own status as you have progressed or expanded?**

- CSI espouses animation, as opposed to programming
- Animation is about enabling community rather than directly trying to create it: it's a philosophy of supporting and fostering an environment in which collaboration emerges naturally rather than intervening to try to instigate collaboration by sheer force of will
- Rather than working directly to form new relationships between members the Centre decided it would act as a facilitator, clearing logistical questions (phones, fax and internet connections) off small organizations' desks, thereby freeing them up to pursue their goals as creatively as possible
- Animation is the idea of curating an environment - a physical environment, a social environment, a psychological environment
- The goal is to spark instigation among CSI members rather than for CSI to be that instigating force itself





**Do you share renting/mortgage costs among several member organizations or is the lease/ownership through one key organization?**

- CSI rents out space
- The Centre itself, rather than any members' collective, assumes responsibility for basic office functions
- It takes care of everything from copiers to cleaning, phone lines to parties
- The vast majority of mundane, time and money consuming details are managed by CSI
- This allows CSI to afford its members the latitude and ability to enhance and program the space they shared, since members were freed of the need to expend energy on the space's basic maintenance.

**[If shared purchase] In legal terms, are you structured as another not-for-profit, or have you formed a co-operative to make this possible?**

- CSI is structured as an NFP



## PART FOUR: SUMMARY OF KEY DOCUMENTS

### BUILDING CAPACITY, SHARING VALUES: SHARED SPACES AND SOCIAL PURPOSE REAL ESTATE

**Introduction:** A strong real estate market, demographic shifts and reduction of government spending have created a ripe environment for the growth of social purpose real estate and shared spaces in Canada. This paper seeks to answer the question, “Is there potential for an intentional, pan-Canadian learning community dedicated to shared spaces?” (p.9). The author gathered information from interviews and site visits at different shared spaced organizations in order to assess the viability and sustainability of a network of shared space initiatives across the country. The author reports that building the capacity and field of social purpose real estate initiatives through a network will indeed fill a gap, as well as create opportunities. However, there are also challenges that need to be taken into consideration in order to move forward with its successful implementation.

In order to address the central question, two sub-questions were formulated: what is already known about shared spaces, and how can it implemented to effectively nurture their growth? As such, the scan section documents the trends, the players, common challenges, and models that already exist in the social purpose real estate sector. Interviewees include not-for-profit (NFP) organizations, social enterprises, financial, and real estate sectors as well as municipal and provincial governments. The discussion section argues for a national learning platform that widens the definition of shared spaces in order to encourage inclusivity, which in turn fosters increased innovation and exchange. The author then puts forward a two-pronged approach, focusing on the practitioners and the environment, in order to build the capacity and field of this burgeoning sector. Finally, the paper also outlines several national learning platform options that could be explored.

**Definitions of shared space:** Social purpose real estate refers to “property and facilities owned and operated by mission based organizations and investors for the purpose of community benefit, and to achieve blended value returns” (p.4). As a part of social purpose real estate, shared space promotes the idea that by using a share-based model, businesses can directly produce social gains by shaving off unnecessary and duplicated overhead. Three terms that are associated with shared space are *co-working*, *community hubs*, and *colocation*. Co-working refers to co-working spaces,



which provide workspace and community to people who are often working on their own. Similarly, community hubs service larger areas such as neighbourhoods and towns. Colocation refers to the deliberate amalgamation of organizations in the same space.

**Why are they beneficial, and when implemented do they work?** The number of real estate assets dedicated to co-location and shared spaces is growing and their positive impacts are becoming widely publicised. However, consistent measurement frameworks for social purpose real estate and shared spaces are still nascent. In theory, they create assets, leverage existing rents, attract mixed funding and investment, and recycle off-market and non-traditional properties. As such, many proponents argue that shared spaces have strong balance sheets and/or utilize existent properties. Many proponents of shared space projects further point out that social spaces have financial, social and environmental returns. In reality, measurement of the benefits of shared space is complex, and still need to go through rigorous testing.

**Who are the proponents of shared spaces and which trends exist?** Shared spaces include non-profit organizations, arts and cultural organizations, social enterprises, innovators and entrepreneurs, United Way/centraides, foundations, social housing providers, landlords/commercial property owners, developers, municipal/provincial jurisdictions, universities, university partnerships, financial institutions and investors.

The findings demonstrate that the use of shared space is growing. The amount of social finance used toward social innovation and enterprise is increasing and is channelled through grassroots organizations at one end of the spectrum, to the federal government at the other. Relatedly, hybridization of profit/social/non-profit organizations is also occurring; and, coinciding with this trend, individuals are increasingly undertaking multiple livelihoods that require multifaceted spaces. It is becoming recognized that placemaking is a process *and* product that contains unique knowledge, values, and expertise. Group dynamics fostered in shared spaces allow for people to work side-by-side to frame issues, prototype options, and roll out solutions, resulting in collective impacts.

**What are the challenges and opportunities of shared spaces?** The paper groups the challenges and opportunities into the areas of proponent capacity, financial capacity, and enabling ecosystem. Regarding proponent capacity, the findings demonstrate that multiple responsibilities, lack of exposure to knowledge, time, stamina, know-how, and support present significant barriers. The importance of utilizing a board as a decision maker which incorporates outside perspectives and competencies is



underscored. Relatedly, a strong network would need to build relationships, in order to inform policy, practice, and investment. Viable real estate options, diverse capacity, longevity, sustainability, and honest evaluations are also needed. Regarding financial capacity, the findings point to the necessity of gaining capital through key financing vehicles: predevelopment funding and long-term patient capital. The need for more income through means other than rent, recorded returns on investment, strong balance sheets and equity for organizations were also noted as imperative for network success. Regarding the enabling environment, shared spaces require practical civic assets that can be transformed into appropriate and tenable organizations. The ability to navigate rules concerning real estate, corporate status, tax, regulations, and practices was also documented as essential for a robust network. Furthermore, standards or benchmarks that outline the benefits and social impacts of shared spaces are also key elements of the enabling environment. Finally, another challenge is to ensure that community infrastructure can be integrated into other infrastructure planning, such as transit.

**A pan-Canadian learning strategy:** Through the exploration of other models, the author finds that in order to organize a successful and sustainable network, several other factors need to be taken into consideration. A pan-Canadian network *does not* need to be national; it *does* need to be intentionally inclusive in its culture; it *must* take into account the diversity of Canada; peer exchange *can* occur with the United States; it *must* balance relationships with other organizations while maintaining a strong identity and expert leadership; it *should* have various modalities of membership, and strategically utilize partnerships effectively; fee-for-service opportunities *should* be explored; and finally, a targeted audience *should* be chosen. In order to create a pan-Canadian model, the pillars of capacity building and collective field building would address proponent level and system-level opportunities. The paper concludes by discussing two goals, and presenting preliminary activities and models that can be achieved. Three options and timeframes for achieving the stated goals are presented as a jumping point for further discussion.

#### Reference:

Girvan, L. (2014). Building Capacity, Sharing Values: Shared Spaces and Social Purpose Real Estate. Commissioned by Tides Canada. <http://tidescanada.org/wp-content/uploads/2015/04/Building-Capacity-Sharing-Values-Shared-Spaces-and-Social-Purpose-Real-Estate-Final.pdf>



## EMERGENCE - THE STORY OF THE CENTRE FOR SOCIAL INNOVATION

**Why are shared spaces emerging?** For-profit and non-profit strategies and shared spaces and their members have much in common. Social issues can no longer be addressed singularly or in isolation. Cost-sharing is an important avenue for diversifying ways to meet community and client needs; real estate costs are too much for many groups to bear on their own. Space is being recognized as an important component of work.

**Theory of change:** CSI envisions their space as a pyramid in which the base is the physical structure, the middle is the community and the top is innovation.

**A three-pronged movement:** Co-location, co-working and incubation are the three main channels of activity in shared spaces. Co-location refers to stable and lasting sharing of space among groups. Co-working generally refers to the movement of part-time sharing by 'independent' workers who tend to work in tech and design. Incubation generally refers to the support (programming, trusteeship, shared services, investment and financial back-end services) that is given to social change projects in their early stages.

**The CSI Twist:** CSI focuses on the importance and value of social change, small groups, physical spaces, and community animation. Community animation refers to the dynamic in which a community is enabled to emerge naturally, rather than purposively. CSI promotes community animation by acting as the facilitator of community: it provides the atmosphere and facilities needed to foster relationships.

**Members:** CSI members come from diverse sectors and backgrounds.

**How did CSI start?** CSI was created through the emergent ideas of Eric Meerkamper, Mary Rowe, Margie Zeidler, Tonya Surman and Pat Tobin. Once the decision to go ahead was made in January 2004, the Zeidler family stepped up and offered to pay for the leasehold improvements in a 6,000 sq. ft. space on the first floor of 215 Spadina Avenue. Margie Zeidler was able to provide a space at a lower cost of rent which was implemented after CSI accumulated members. CSI was created on a cost-recovery model, meaning that revenue from rents would go towards covering operating expenses. The Ontario Trillium Foundation and the Harbinger Foundation stepped forward with core operating grants to help with start-up and operational costs. Urbanspace Property Group provided an initial investment totalling over \$250,000 and



## The **Research Shop** FUNDING OPPORTUNITIES

the Executive Director, Tonya Surman, continued her own consulting work to provide financial support in the first four years.

**The workspace:** The physical aspects that CSI founders value are open spaces, natural light, natural air, and the centrality of the kitchen.

**Recruitment:** The five founders recruited the initial 14 members through their networks, email, and information sessions. The founders emphasized the importance of diversity of organizations, at different stages in their development and sector, coming into CSI.

**Governance: Role of CSI and members:** One issue that surfaced was the structure of the relationship between CSI and its members. Would CSI alleviate or add responsibility? CSI decided that the Centre would be responsible for basic office functions. In that way, the members could join in as much or as little as they wanted to in the functioning of the Centre. At the beginning stage, CSI hired one administrative staff to aid in this respect.

**Evolution of CSI:** The founders knew that growth was necessary in order to self-sustain. The location in which CSI started could only generate 60% of revenue needed at full capacity. After acquiring the fourth floor of the building they were already in, CSI began expanding into incubation for social change, policy advocacy and promotion of social enterprise.

**What's next?** Looking into the future, CSI intends to continue fostering social mission organizations. In 2010, they acquired a City of Toronto Loan guarantee, a mortgage for 75% of the building's projected value, and \$1.7 million in private debt financing and opened the Centre for Social Innovation Annex. In September 2012, they opened a 10,000 square foot space in Regent Park, Canada's largest public housing community, currently undergoing Canada's largest community revitalization.

### Reference:

The Centre for Social Innovation. (n.d.) Emergence: The Story of the Centre for Social Innovation.

[http://socialinnovation.ca/sites/socialinnovation.ca/files/Emergence\\_The\\_Story\\_of\\_the\\_Centre\\_for\\_Social\\_Innovation.pdf](http://socialinnovation.ca/sites/socialinnovation.ca/files/Emergence_The_Story_of_the_Centre_for_Social_Innovation.pdf)



## **RENT-LEASE-OWN: UNDERSTANDING THE REAL ESTATE CHALLENGES AFFECTING THE NOT-FOR-PROFIT, SOCIAL PURPOSE AND CULTURAL SECTORS IN METRO VANCOUVER**

### **Introduction: The Purpose and Objectives**

The RENT-LEASE-OWN study was conducted by the Real Estate Institute of British Columbia (REIBC) and the Social Purpose Real Estate Collaborative (SPREC). This report presents information from a survey of nearly 600 social purpose (SP) organizations in Metro Vancouver, focusing on real estate space needs, tenure and stability, location needs, and affordability. The main aim of the study was to understand how real estate dynamics impact delivery of programs and services. Main areas of focus included: types of models, affordability challenges, size, capacity and resources, financing, and reconfiguration of real estate.

The survey data helped authors understand and present the opportunities and challenges that SP organizations encounter. An increase in SP sector knowledge will allow supporters of the SP sector (including funders, agencies, government officials, and SP organizations themselves) to better understand how SP organizations can move from rent to lease and lease to own, engage with real estate sector professionals and local government, increase support for SPRE initiatives, and enhance sustainable real estate in order to enable community.

### **What is SPRE?**

SPRE are the spaces used by mission-based and not-for-profit organizations who provide community benefits, and who rent, lease, or own real estate. SPRE generally aims to support, provide opportunities, and increase community-owned assets and shared spaces. It also:

- Produces and disseminates knowledge, resources, and information
- Supports research that focuses on the needs, opportunities and investment possibilities in the SP sector

In this study, SPRE includes:

- Community and social services
- Independent artists



## The **Research Shop** FUNDING OPPORTUNITIES

- Arts and culture organizations
- All other SP organizations (advocacy, employment and training, health services, housing, recreation and sport, and other categories)

### Why is it important?

In Canada, there are over 161,000 not-for-profit organizations, mostly at the municipal level; Canada has a huge not-for-profit sector, making it an essential part of our society. Diverse services exist and diverse people use them. The SP sector engages citizens both as providers and users. It also raises and channels donations, and contributes to employment.

It is therefore important to understand the real estate related challenges faced by the SP sector. Secure, appropriate, and affordable spaces are needed for the provision of essential services and community vitality. The most vulnerable areas of SP organizations include limited ownership, limited programs or sources of funds for facility maintenance and operation, and limited programs or sources of funds for recapitalization.

### Going about the Research

Prior to conducting the surveys, the researchers reviewed the literature on SP organizations. The following points, among others, informed their survey design:

- Diverse groups and space needs mean there is a need for multiple approaches and strategies (both short-time and long-term)
- Organizations often lack the expertise to develop, analyze, and implement real estate solutions on their own, creating a pressing need for entrepreneurial thinking
- There is also a need for policy-based approaches, such as set-asides for not-for-profits in commercial development projects and creating not-for-profit enterprise zones
- Funders should consider low-interest loan capital and technical assistance for raising funds and purchasing buildings
- Cost, location, and quality of space were considered overwhelmingly more important than opportunities for collaboration or shared services





- Some not-for-profits were concerned about co-locating in a building strongly associated with one particular foundation or group and becoming overly identified with that group themselves
- Some not-for-profits reported difficulty finding space for board meetings, workshops, and special events
- Goals and missions should guide projects
- There are several different ownership models and relationship configurations for multi-tenant buildings or shared spaces
- It is important to have an organizational structure that is conducive to banks/financial institutions' loans
- Board member assets for multi-tenant buildings include: experience in real estate development, legal expertise, financial management, project management, and not-for-profit management
- Shared services may only be a secondary benefit of co-location

The report further outlines the commercial real estate market and the policy landscape in Vancouver, as key contextual factors contributing to the opportunities and challenges faced by SP organizations.

### Survey Format and Data

With this background information, the survey was designed to understand if SP organizations are secure in their current space and/or location, or if real estate, space, funding, or other challenges are pressuring them to leave their current location, and why. Main areas of focus were:

- Location and space needs
- Tenure and stability
- Affordability

Report authors received 592 responses (407 fully complete).

Highlights of the survey:



### Not-for-profit versus for-profit

- 73% of community and social service organizations are registered not-for-profits, and 63% are also registered charities
- 63% of arts and culture organizations are registered not-for-profits, 33 % are also registered charities, and 22% are for-profit entities
- 71% of other SP organizations are registered not-for-profits, 52% are registered charities, and 14% are for-profit social enterprises

### Sharing space status

- 52% of community and social service organizations currently share space
- 60% of arts and culture organizations currently share space
- 61% of other SP organizations currently share space

### Space size and type

- The majority of SP organizations operate from one site, and typically occupy small unit spaces ranging from less than 250 square feet to 5,000 square feet
- A large number of SP organizations already share space with another organization
- Community and social service organizations typically occupy more space compared to arts and cultural organizations
- 37% of community and social service organizations occupy less than 1,000 square feet.
- 59% of arts and culture organizations occupy less than 1,000 square feet
- 36% of other SP organizations occupy less than 1,000 square feet
- Office space is the preferred and predominant space type

### Space satisfaction and needs

- Most survey respondents are at least somewhat satisfied with their current space. Arts and culture organizations have the highest proportion of respondents who are not at all satisfied with their space



## The **Research Shop** FUNDING OPPORTUNITIES

- The majority of survey respondents require more space, but not a large amount. Most respondents are looking for less than 1,000 square feet to meet their space needs.

### Tenure

- Most SP organizations are renters or leasers on short-term agreements, with a higher proportion of community and social service and other SP organizations occupying donated/subsidized space. Ownership only exists to a small degree.
- Organizations with tenure agreements less than a year are more vulnerable to the real estate market. The high proportion of month-to-month agreements suggests that insecurity and instability occur.
- Nearly 1/3 of survey respondents indicate tenure insecurity and have less confidence in their ability to renew their lease or maintain their space.

### Moving

- A high amount of uncertainty with respect to organizational strategic planning, or the inability to plan due to uncertainty of funding, lease agreements, etc. likely exists
- Co-location is a key motivating factor for SP organizations considering a move within the City of Vancouver
- Proximity to related services and affordability issues are key drivers for survey respondents to consider relocating, potentially to co-locate with other similar groups
- Acquiring more space is the most important feature

### Re-development

- Owners are willing to redevelop their sites to better suit their needs, and potentially collaborate with other organizations interested in co-location projects.

### Costs

- Arts and culture organizations tend to pay more towards their space costs compared to community and social service and other SP organizations

### Affordability

- Researchers found that the SP sector typically occupies office space; and, on average, typically do not spend more than \$20 per square foot.

**Next steps: Initial opportunities that can be explored**

In order to support the viability and sustainability of the current and future SP sector, the researchers suggest the implementation of:

- An SP organizational database
- A data collection program
- A reformulation of the definition of “social purpose” and “social purpose real estate”
- A comprehensive social purpose policy study
- Knowledge building through mentoring and/or training programs
- A co-location online information system pilot project
- An expansion of the SPRE toolkit series
- An expansion of revenue generation
- A real estate sector workshop
- The communication of key elements of study to relevant professional organizations
- A municipal tools page for SPRE website

**Reference:**

Real Estate Institute of B.C. and the Social Purpose Real Estate Collaborative. (2013). Rent-Lease-Own: Understanding the Real Estate Challenges Affecting the Not-for-Profit, Social Purpose and Cultural Sectors in Metro Vancouver.

<http://vancouver.ca/files/cov/understanding-real-estate-challenges-affecting-non-profit-social-purpose-cultural-sectors-vancouver.pdf>