

ACTO Webinar

Priced Out: Challenging the Financialization of Housing in Canada

The Financialization of Student Housing in Canada

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de la recherche
scientifique

The lay of the land

- Private, purpose-built student accommodations (PBSA)
- Involvement of private investors in university residences

- Typically new or freshly redeveloped
- High-amenity: games rooms, fitness centres, study spaces, etc....
- Security features appeal to parents

The lay of the land



Canada's Largest Private PBSA Markets, 2018

City	Beds
1. Waterloo ON	17,516
2. London ON	4,096
3. Montréal QC	2,206
4. Kelowna BC	2,014
5. Oshawa ON	1,815
6. St. Catharines-Niagara ON	1,783
7. Ottawa ON	1,527
8. Toronto ON	1,455
9. Kingston ON	1,248
10. Hamilton ON	1,052
11. Kitchener ON	1,016
12. Barrie ON	993
13. Guelph ON	949
14. Greater Vancouver BC	832
15. Québec QC	686
All other cities	1,555
Total	41,629

The lay of the land



Student Housing Platform

Woodbourne Canada Partners III, LP Woodbourne Canada Partners IV, LP

Woodbourne owns a portfolio of seven operating student housing properties with three projects under development across Ontario. Totaling 5,543 beds, the properties house students attending Queen's University in Kingston, Georgian College in Barrie, Ontario Tech and Durham College in Oshawa, Brock University in St. Catharines, Fanshawe College in London, and Carleton University in Ottawa. The portfolio seeks to capitalize on the lack of high-end purpose-built student housing located within close proximity to premier Canadian universities and colleges.

Stabilized / Under Development

[PROPERTY WEBSITE >](#)



THE MARQ

student communities

a **Centurion** property

ALIGNVEST | **STUDENT HOUSING**

Since its inception in June 2018, Alignvest Student Housing REIT has raised over \$270 million of equity capital and is now the largest university-focused PBSA owner/operator in Canada by bed count with a ~\$700 million portfolio comprised of 4,717 beds across eleven properties in five university markets.



**CANADIAN
STUDENT LIVING**
A NEW CHAPTER IN STUDENT LIVING

Student demand for housing vs. Investor demand for assets

- Growth of student population
- Lack of institutional supply
- New sector, new geographies
- Submarket differentiation enables higher returns





An appealing asset...

- By-the-bed leasing
- Parental guarantors
- More tenants per kitchen/living area
- Smaller bedrooms
- Perceived as “recession-proof”
- High tenant turnover
- Sometimes, stability provided by university partnerships

An appealing asset...

- Assumption that parents pay the rent

“Mom and Dad get shaken down to pay more rent because the kid wants a better place closer to the school, right?”

-Real estate consultant & broker

Outcomes

- Business model based on squeezing money from students (or parents)
- High-cost accommodations; do not address needs for affordability
- Segregation of students from broader community
- Segregation of wealthier students from peers

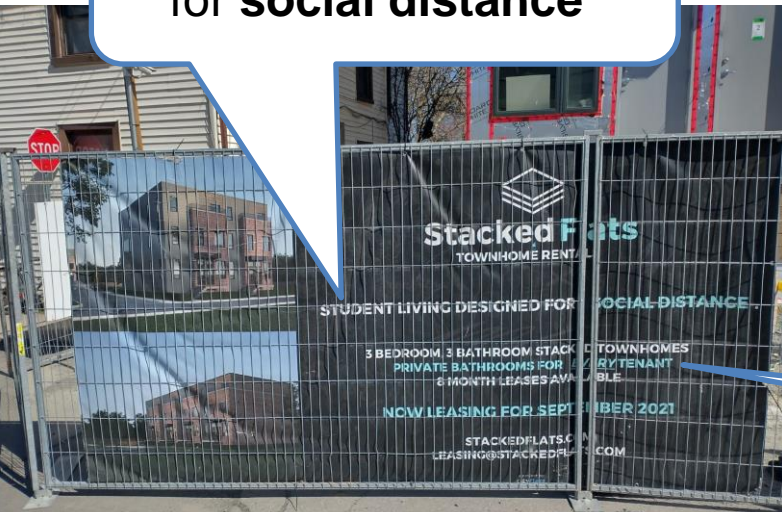


Post-pandemic PBSA

“Student living designed for **social distance**”

- Continued investment optimism
- Smaller, pricier “COVID-safe” facilities
- University partnerships more attractive?
- Acceleration of pre-pandemic trends

“Private bathrooms for **every tenant**”



Moving forward

- Recognize shared housing struggles of students and other tenants
- Provincial, federal funding for affordable student accommodation
- Co-operative and social-economy models





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Thank you!

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