



# REAL ESTATE INVESTMENT IN CANADA'S CHARITABLE SECTOR



**Mark S. Bonham**  
M.Sc.(Econ), B.Comm

Executive Director  
[mbonham@theveritasfoundation.com](mailto:mbonham@theveritasfoundation.com)

**Josh Sangha**

Intern Analyst  
[jsangha@veritascorp.com](mailto:jsangha@veritascorp.com)



## EXECUTIVE SUMMARY

Real Estate is an acceptable asset to be owned by Canadian Charities and Foundations. Real Estate's unique features and attributes, however, must be given due attention when a Charity or Foundation owns it or transacts in it. This report provides a concise overview of these issues and presents a statistical analysis on the prevalence of this asset in the charitable sector.

We begin by presenting the advantages and dis-advantages to a Charity of owning Real Estate or transacting in it. We also present several issues to be considered by a donor and a Charity when making or receiving a gift of land or property.

Fundraising is also often attached to the acquisition or development of real estate. We present the issues to be considered by a Charity when embarking on a Capital Campaign for this purpose.

We provide analytical insights through the following studies:

- The number and proportion of Charities which report owning Real Estate (2016 to 2020).
- The Total Value of Real Estate holdings held by Charities and growth in that asset class from 2016 to 2020.
- The Total Value of Real Estate holdings relative to Total Assets of those Charities and Foundations that report such holdings.
- The number and percentage of Charities which report earning Income from Land and Buildings.
- The Gross Rental Income from Land and Buildings reported by Charities for each of the five years from 2016 to 2020.
- The Total Rental Income from Land and Buildings as a proportion of Total Revenue for those organizations that report earning such income.
- For those Charities which report earning Income from Rental of Land and Buildings, the percentage of this revenue source relative to their Total Donations.
- A breakdown of Real Estate owned by Charities by Category of Charity.
- A breakdown of Rental Income from Land and Buildings by Category of Charity.
- A breakdown of Real Estate owned by Charities by Province.
- For those Charities which report owning Real Estate, the percentage of their Total Assets held in Real Estate for each of the five years from 2016 to 2020.
- For those Charities which report earning Income from Rental of Land and Buildings, the percentage of their Total Revenues which come from this revenue source.
- A listing of the Top 10 Large Charities and Top 20 Small Charities holding Real Estate.

### Principle conclusions of the Report

- Except for a marginal decline in 2019, the number of charities with Real Estate holdings has been on a steady increase over the five-year period 2016 to 2020 growing by 2.3 per cent over the period to 6,641 organizations.
- The percentage of Charities and Foundations holding Real Estate has held steady at the 21 per cent level except for a 28 basis point drop in the most recent reporting period of 2020. This is likely due to the global COVID health pandemic.
- The Total Value of Real Estate holdings reported in the sector has seen remarkable steady growth from 2016 to 2020 due primarily to buoyant real estate markets in Canada.
- The percentage of Real Estate Assets to Total Assets for Charities and Foundations which hold such assets has held steady between 2016 and 2020 at approximately 80 per cent.

- The average and median values of Real Estate holdings in a Charity or Foundation that reports such holdings has been growing steadily over the period from 2016 to 2020.
- The number of Charities and Foundations reporting revenue from Land and Buildings has been steady at approximately 4,100 organizations during the five-year period 2016 to 2020. The percentage of Charities and Foundations reporting Income from Land/Buildings declined in 2020.
- Total Income from Rental of Land and Buildings as a percentage of Total Revenue for those organizations that report earning such revenue is very small at approximately 2 per cent.
- The largest Category of Charity and Foundation to hold Real Estate is those involved in Relieving Poverty (47 per cent,) followed by Community Resource Charities and Core Health Care. We obtain the same results when analyzing Charities by Category reporting Income from Rental of Land/Buildings.
- The number of large and small charities reporting holding Real Estate in 2020 is almost evenly split. However, the breakdown in the Value of Real Estate holdings between large and small charities shows that large charities hold, by far, the biggest share of total Real Estate at 97.3 per cent.
- When reviewing Rental Income from Land/Buildings by size of Charity, we find a similar even split between the number of Charities in each category but Small Charities' share rises to 9.2 per cent.
- Quebec organizations are most likely to hold Real Estate, closely followed by Ontario. However, when reviewing the breakdown of charities reporting Income from Land/Buildings, Ontario is the dominant province with a material 47 per cent.
- The Total Value of Real Estate holdings by Province shows the dominance of the province of Ontario with \$52.7 billion (42 per cent). When looking at the Total Income from Land/Buildings, we find that Quebec drops to fourth place and British Columbia moves up to second place in the rankings.

Purchase your copy of this insightful, detailed Report today!  
 \$150 for a single issue copy

**PURCHASE HERE**

**SAVE MORE** - Subscribe to our monthly Research Reports.  
 \$1,500 for an Annual Subscription (12 monthly reports)

**SUBSCRIBE HERE**

## PREVIOUS RESEARCH REPORTS

June 2021: Overview of the Canadian Charitable Sector  
 July 2021: The Impact of COVID on Canada's Charitable Sector  
 August 2021: The Canadian Donor Advised Fund Market  
 September 2021: Measuring the Efficiency of the Canadian Charitable Sector  
 October 2021: The Veritas 500 Ranking of the Fastest Growing Charities in Canada  
 November 2021: Charitable Gifts-in-Kind: Donations with Impact  
 December 2021: The Use of External Fundraisers  
 January 2022: Analysis of Various Methods of Fundraising Used



## Our Vision

We will participate in a thriving Canadian philanthropic sector where the most impactful charities with the highest governance standards are celebrated and supported by donor capital.

## Our Mission

The Veritas Foundation aims to be Canada's authoritative source for participating in the country's charitable sector and evaluating its effectiveness and impact.



---

The Veritas Foundation  
TD West Tower  
100 Wellington Street West Suite 3110, PO Box 80  
Toronto, Ontario, Canada M5K 1E7

416.866.8783 1-866-860-8783  
[www.theveritasfoundation.com](http://www.theveritasfoundation.com)  
[info@theveritasfoundation.com](mailto:info@theveritasfoundation.com)