



## Financialized landlords target racialized communities

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Financialized landlords, like Real Estate Investment Trusts (REITs), were responsible for 65 per cent of the real estate transactions involving multi-family units in Toronto from January 1995 through to December 2022, according to new data revealed by Toronto Metropolitan University Prof. Nemoey Lewis.

Financialized landlords were also responsible for 41 per cent of the city's 63,000 monetary evictions between Jan. 1, 2018 and Dec. 31, 2021, primarily in three racialized, low-income communities in the northwestern corner of the city, said Dr. Lewis, an assistant professor in the School of Urban and Regional Planning and a part of the Balance of Housing Node within the Collaborative Housing Research Network (CHRN).

“These stats show the adverse influence of financialized landlords on urban rentals markets in regards to evictions,” Dr. Lewis explained.

He said financialized landlords are highly motivated to keep rents high and quickly evict non-paying tenants to deliver “unprecedented” returns to investors and shareholders. To avoid eviction, tenants are increasingly relying on food and clothing banks. Others simply have to leave large, expensive, cities like Toronto.

“The management practices of financialized landlords are leading to a banishment of economically disenfranchised households and racialized people from major urban centres, producing income polarized cities across the country (where only the wealthy can afford to live in cities like Toronto and Vancouver).

Financialization refers to use of housing as a commodity for profit rather than its



traditional role as a place to live. Its roots lie in the 2008-2009 financial crisis when U.S. financial institutions, REITs and pension funds began buying up housing in depressed communities largely occupied by Blacks who had fallen victim to the sub-prime mortgage scandal. The trend quickly spread to Canada and around the world.

The research follows up on work Dr. Lewis did for his report on The Uneven Racialized Impacts Of Financialization for the Office of the Federal Housing Advocate in June, 2022 in which he linked rising housing affordability problems to financialization.

“This is in large part because the home began to take shape as not only a place that provides shelter, security, and comfort but also an “object of speculation” that could be used to procure profits through financial channels on international capital markets,” Lewis wrote in the 2022 report.

Dr. Lewis said the growth and influence of these companies should be of concern to policymakers and the members of financial institutions like pension funds that help fund the financialization of housing in low-income, racialized, communities.

Read the full report here:

<https://www.homelesshub.ca/sites/default/files/attachments/Lewis-Financialization-Racialized-Impacts-ofha-en.pdf>