

# Co-location Description

**The Co-location will see the mixed-use property development securing office space for leading not-for-profit organizations and businesses that want to have a positive social impact.**

## *Defining Characteristics of this Co-location*

**Tenancy:** Not-for-profits, social enterprises, artists groups and socially and environmentally responsible businesses will populate the Co-location. Some affordable housing may be included in the development as well.

**Ownership Model:** Initially purchased by a developer or not-for-profit the property will be developed then sold to tenant-occupants. Each tenant owner buys in with equity shares and then contributes to both the debt financing and property management costs via a strata corporation.

**Shared space and services:** There will be a single organization responsible for property management as well as shared programming and services. These services may include:

- Shared reception and clerical services;
- Integrated staffing services;
- Resource sharing and pooling;
- Collective communications and outreach;
- In-person community and professional development.

**Location:** The co-location will be located in . The space required will likely range from 200 to 3000 square feet for each tenant, totaling between 15,000 and 30,000 sq ft.

## *Demand for a Co-location*

The time for a co-location is long overdue. Not-for-profits, social enterprises and artists groups are, now more than ever, facing increasing office space costs and the real possibility of displacement.

In 2006, the **[Non-profit project leader]** conducted a survey of potential tenants. Based on their input, the co-location could include 10-15 organizations, social enterprises and for-profit entities that have social responsibility as a part of their profit mandate.

The ability of not-for-profits, social enterprises, artists groups and for-profits to serve quality affordable social impact depends heavily on their ability to develop and maintain crucial infrastructure resources. They need adequate, cost effective office facilities and operating resources.

## **Key Challenges**

### **Increasingly Competitive Real Estate Market**

The real estate market in the \_\_\_\_\_ region is among the highest priced and most competitive in North America. Here are some of the ironies we are facing:

- Limited available stock with significant vacancy
- A wealth-driven development community looking for opportunities to have a positive impact
- Planning for urban development that is inclusive hasn't shown outcomes for the lower-income entities and people living in low income areas

### **Financing Acquisition**

The total square footage will be in the area of 10,000 to 30,000 and an asking price in the range of \$2 - \$5 million plus development and operative costs. The ability of these types of tenant-occupants to acquire sufficient financing is dependent on these issues:

- Available, non-allocated, non-restricted capital to use for down payments, upfront investments, purchasing costs, etc.
- Small to medium-sized entities may face unstable revenue sources to pay debt service and additional building, operations or administration costs.
- Traditional lending standards are prohibitive.

### **Governance and Management**

Given the complexity of a co-location proposal, development and implementation it is critical that the leadership within be stable, strong and driven with a clear vision. Accompanying these leaders will need to be a supportive community of advisors from the real estate, development, not-for-profit and banking sectors.

## **Support from the Community, Business and Public Sector**

Several potential tenant-occupants have expressed interest and commitment to this project.

An advisory group has been assembled to advise on and support this process as it moves forward.

The Business Collective is keen to partner on this type of development and includes construction and development managers, social venture equity investors, and other businesses that are intent on having a positive social impact.

## **More information:**

Please contact \_\_\_\_\_