

After 8 months of deliberation, the SGPS Council will be voting in January whether or not to establish a Housing Authority intended to oversee the administration and purchase of residential properties for the express purpose of increasing investment income in order to enhance current and future student services provided by the SGPS. The capital for the project will come from a portion of the SGPS financial reserves which currently total approximately \$250,000 that have been accrued by budget surpluses over the past 30 years of our existence.

Some in the membership have expressed concerns about the prudence of investing in real estate, so the Executive of the SGPS would like to summarize our discussions over the past eight months and demonstrate why we think this is a move in the right direction. Below are listed the primary concerns we held before initiating this project, and the conclusions we drew based on discussions in Executive and Council meetings.

### Concern 1

#### **Surpluses of the Society should be distributed back to the membership.**

While this may benefit our membership for a few years, we will no longer have assets or funds in the future to protect our interests when we are in a dire need to do so. Moreover, any benefits will be finite in nature and thus highly limited in their impact, while failing to address the original impetus for the project which was to increase revenue for services from this fund.

### Concern 2

#### **Purchasing real estate may be a misuse of our reserves.**

Creating the Housing Authority and investing in residential properties will not only increase our assets with rising property values, but also provide steadily increasing revenue for our operations. This revenue will enable our Society to enhance its administrative capabilities and augment our bursaries and grants. Increased administrative capabilities will allow us to lobby and represent member's interests more effectively to the university, the municipality, and the provincial and federal governments. The portion of the current reserves that is used towards the endeavor will not disappear or be squandered, but rather will be invested in a venue that will generate far greater revenue than that currently being provided.

## Concern 3

### **One residential property, housing four or five students, does not reflect a substantial benefit to our membership.**

The Student Housing Cooperative (formerly known as the Sci' 44 Co-ops) started in 1944 with one house. Today they own over 21 houses worth roughly \$13 million and provide quality affordable housing to over 250 students. Similarly, the Housing Authority is a 20 or 30 year strategic move rather than a short term investment enabling the SGPS to not only increase its revenue for services, but to increase the availability of housing that meets the needs of our members specifically, all the while increasing asset holdings of the SGPS.

## Concern 4

### **This is a high risk venture.**

Council investigated the proposal by striking a Housing Authority Task Force, a Housing Committee, hiring consultants, and deliberating on the issue for many months. Different investment/purchasing models were considered to minimize the risk, but more to the point, as a long term, not-for-profit venture, many of the normal risks associated with home ownership are minimized (eg: market fluctuations, taxation rates, etc.). Additionally, the implementation will involve further consultants, lawyers, advisors, and external parties familiar with housing services wanting to assist with the project.

## Concern 5

### **The SGPS should pursue other services vital to its membership.**

Many of these services, such as Health and Dental, grants and bursaries, ISIC, tax filing services, lobbying and representation are already offered by the SGPS. Other services such as cafes, pubs, printing services, and safety services important to the membership have long been administered by the AMS. The membership is a financial stakeholder in many of these services and the SGPS Executive and Council regularly review their performance to ensure that they meet the needs and demands of the membership. It would be imprudent to initiate services that already exist for the membership on campus and have been created long before the SGPS came into existence (the AMS is 100 years older than the SGPS). The housing Authority would provide a new service for members controlled by members while increasing the SGPS' ability to finance and support those services already in use by our members.

## Contact Us

We hope that this document will provide a rational case for the implementation of the Housing Authority. We strongly encourage you to once again endorse this endeavor and initiate its practical conception. If you have any questions or concerns, feel free to contact:

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<http://www.sgps.ca/council/downloads/SGPS-Council.pdf>

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Sincerely,  
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