Financial landlords own four times more rental units in Montreal than previously thought

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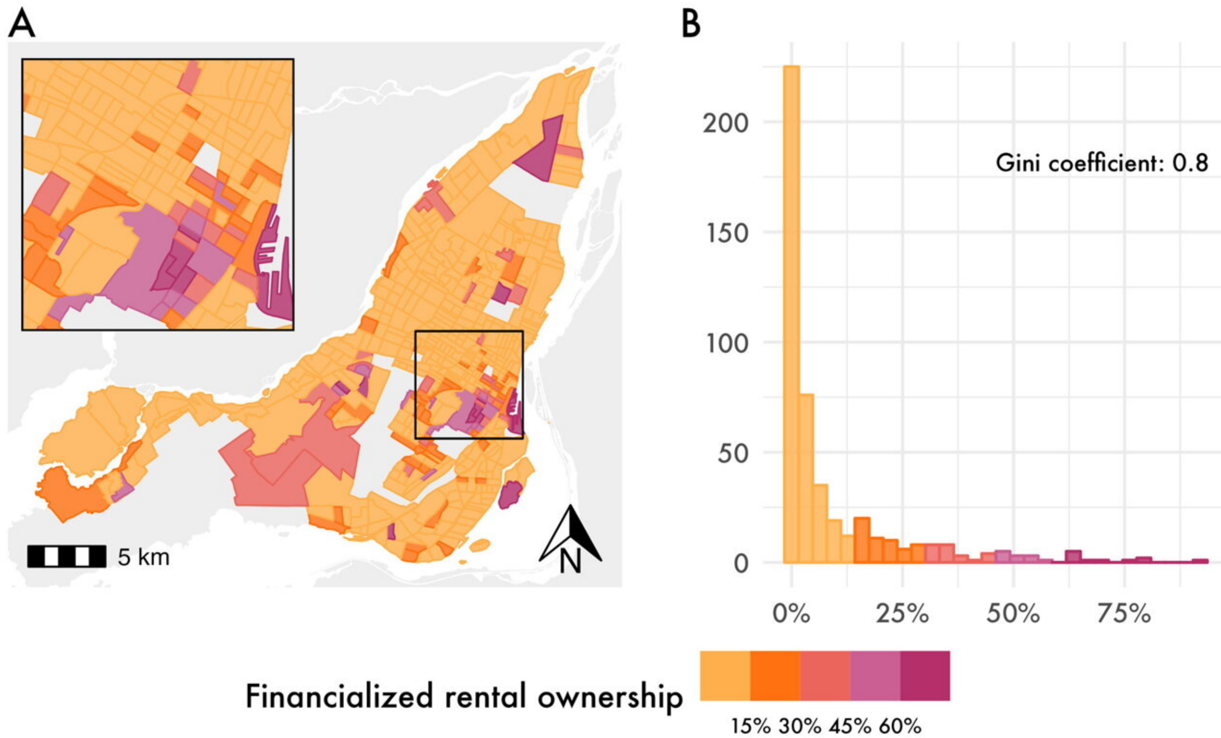

Percentage of financialized rental ownership by census tract as (A) a map and (B) a histogram. Credit: *Journal of the American Planning Association* (2023). DOI: 10.1080/01944363.2022.2126382

New research indicates that a small percentage of financial landlords, like private equity firms and institutional investors, own four times more of Montreal's rental housing stock than was previously estimated. Neighborhoods with more financial landlords are also experiencing higher housing stress levels.

In the first comprehensive analysis of its kind in a North American city, researchers from the University of Waterloo and McGill University developed a new method of identifying networks of property ownership lurking behind anonymous numbered companies to establish the extent of rental units owned by financial landlords.

Montreal has historically been known as a renter's paradise with low rents, ample supply, and solid tenant rights, but the researchers discovered that financial landlords are taking over the housing market.

"We discovered that financial landlords own almost one in eight Montreal rentals," said Cloé St-Hilaire, Ph.D. student in Waterloo's School of Planning. "In central neighborhoods, like Ville-Marie and Le Plateau-Mont-Royal, their stake in the market is even higher."

Previous research has connected financial landlords to gentrification, displacement, aggressive rent increases, and eviction practices. But, while this trend in the housing market is becoming widely recognized, research in this field has been limited due to the lack of comprehensive, publicly available data sets and the opacity of corporate ownership structures hiding behind multiple layers of anonymous numbered companies for each of their properties. The researchers overcame these hurdles by combining public census data with four sources of publicly available but difficult-to-access data sets—property ownership data from the City of Montreal, business registry data from the Province of Quebec, and private rental market advertisements from Craigslist and Kijiji.

"We found two groups that were most exposed to financial landlords—one precarious, racialized, and student group, and another more affluent group located in newer rental units," said St-Hilaire, the study's lead author. "The impacts on these groups are real, and our research highlights the contradiction between the landlords' profit expectations and housing's primary purpose to fulfill the human need for shelter."

The study underscores the need for accessible and transparent data to understand the rental housing sector, plan for urban development, and protect tenants. Moving forward, the researchers hope the method can be adapted in other North American cities.

"Ongoing research in this area will help identify local and global patterns of financial ownership and equip policymakers, planners and advocates with information to better regulate rental housing markets," said Martine August, associate professor in Waterloo's School of Planning. "However, this will require governments to make property ownership information publicly accessible to facilitate public scrutiny of residential land use."

The study, High Rises and Housing Stress: A Spatial Big Data Analysis of Rental Housing Financialization, appears in the *Journal of American Planning Association*.

More information: Cloé St-Hilaire et al, High Rises and Housing Stress, *Journal of the American Planning Association* (2023). DOI: 10.1080/01944363.2022.2126382

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