

Tapestry

Community Bondholders Survey

March 2025



The background features a light blue color with a pattern of white line-art icons. These icons include stylized buildings, human profiles, hands, and other symbols representing community, social interaction, and urban development.

Executive Summary

Tapestry set out to understand the community bondholders' motivations, hesitations, and future plans for investment.

In December 2024 and January 2025, Tapestry worked with six community bond issuers to survey their investors. The participating issuers were Kensington Market Community Land Trust (KMCLT), Propolis Co-operative Housing Society, Indwell, Ottawa Community Land Trust (OCLT), Brique par brique, and Redwood Park Communities.

The vast majority of respondents indicated that their primary reason for investing was to support local projects or align their investments with their personal values, with none citing financial return as their primary motivation. In line with this, 97 respondents expressed a desire for more regular updates on the impact of their investments, emphasizing a need for more transparency and opportunities for investors to connect to project outcomes.

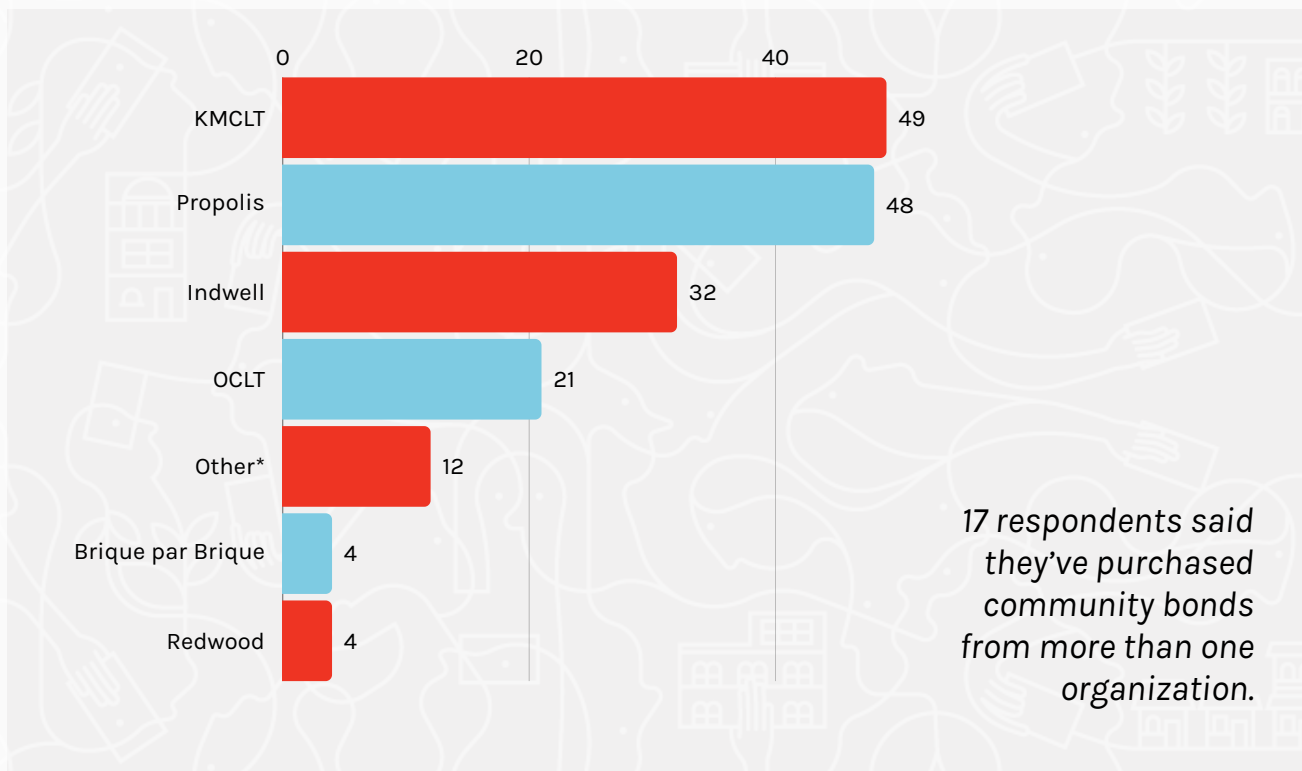
While values-driven, nearly half of the investors noted that higher financial returns would encourage them to add more community bonds to their portfolios, indicating that while social returns are their primary motivation, financial returns are far from irrelevant.

Demographically, the survey mirrored expected trends in age, income, and gender, but an overwhelming majority of respondents identified as white. This represents an opportunity to engage more proactively with investors of colour, ensuring that the potential for community economic development offered by community bonds reaches everyone.

Overall, respondents reported positive experiences with community bonds and indicated they would be willing to invest again – this means that together with issuers, we've built a strong foundation for continued growth in the sector.

Who did we survey?

We've collated survey responses from 148 community bondholders from across Canada, who've invested in six Tapestry-supported affordable housing organizations.

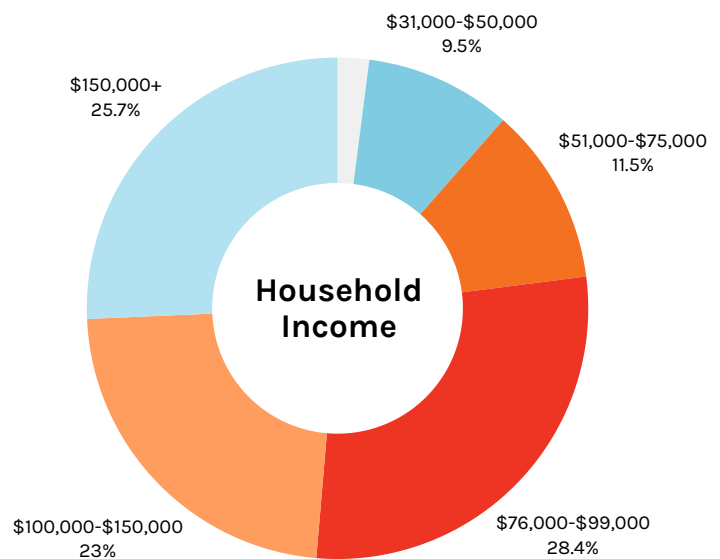
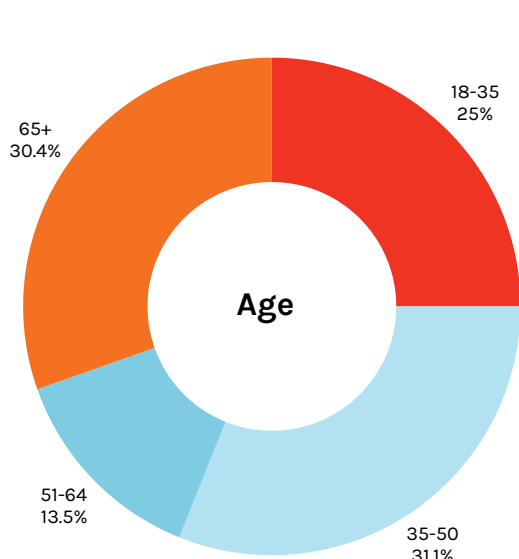


*These 12 respondents have purchased community bonds from issuers outside of this group of six housing providers.

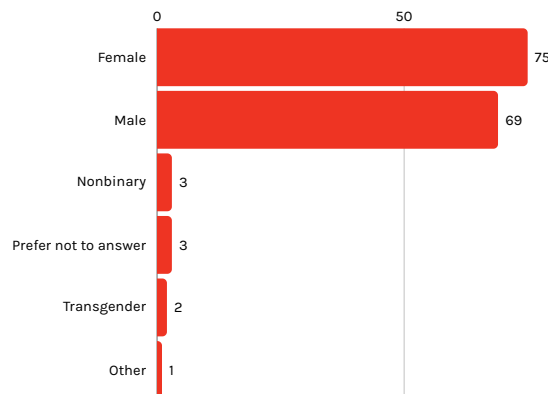
We conducted this research in order to gain insights on our Investing in Housing program, meaning all respondents to the survey have invested in an affordable housing project.

Bondholders' Demographics

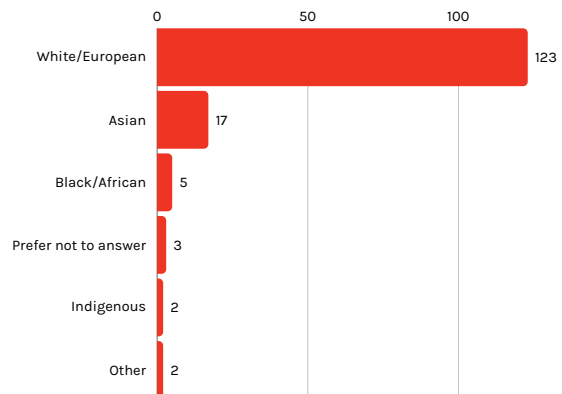
62.8% of respondents have some experience with investing; 19.5% have extensive experience; 17.6% are first-time investors.



Gender



Ethnicity

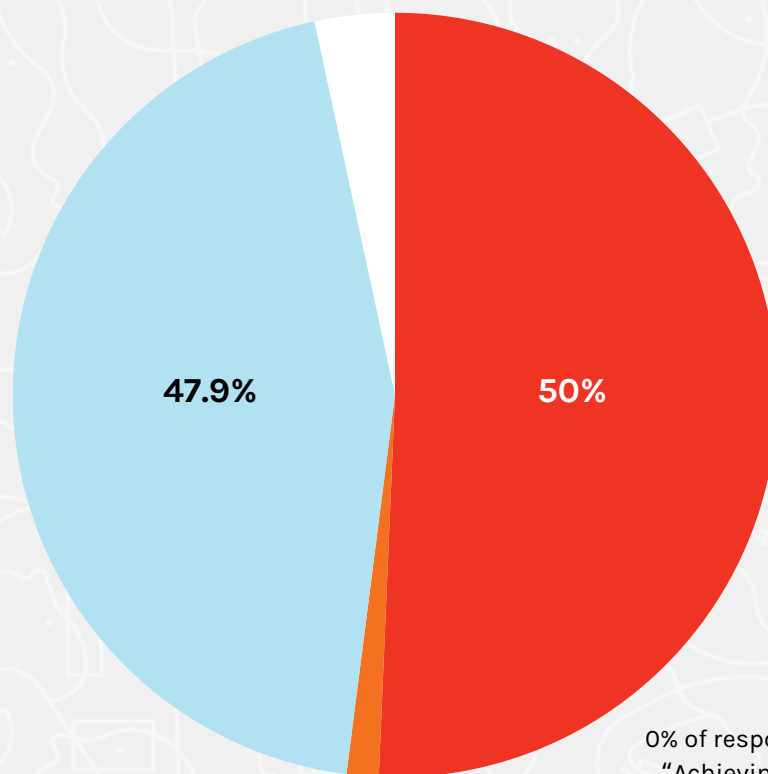


Bondholders' motivations

The results of the survey suggest community bondholders value social returns over financial returns.

What's your primary reason for buying community bonds?

- Supporting local projects or causes
- Diversifying my investment portfolio
- Aligning my investments with my values
- Other

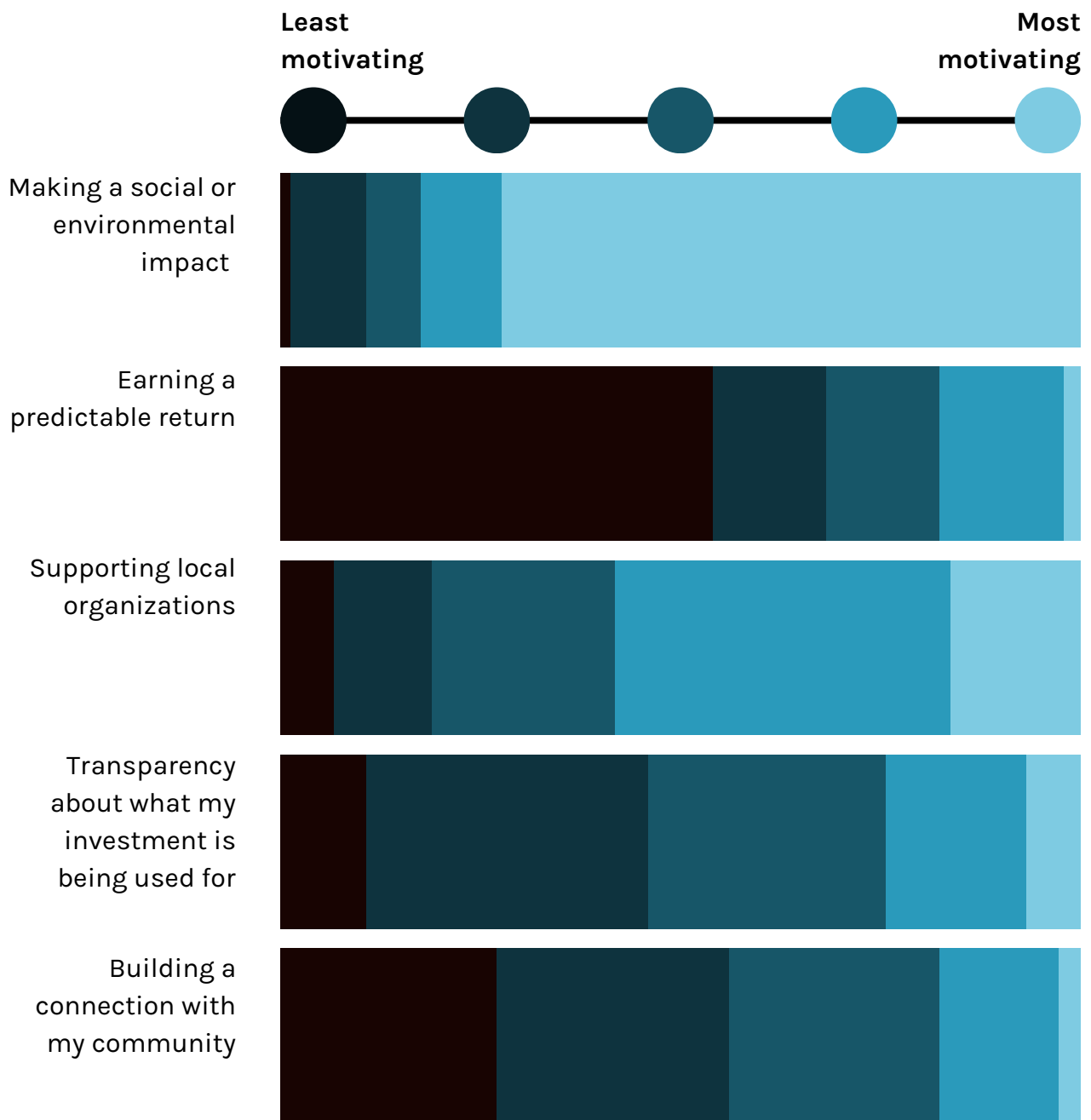


0% of respondents said "Achieving a financial return"

Motivations ranked

We asked respondents to rank five motivations for investing in community bonds on a five-point scale, in order of those they find least motivating to most motivating.

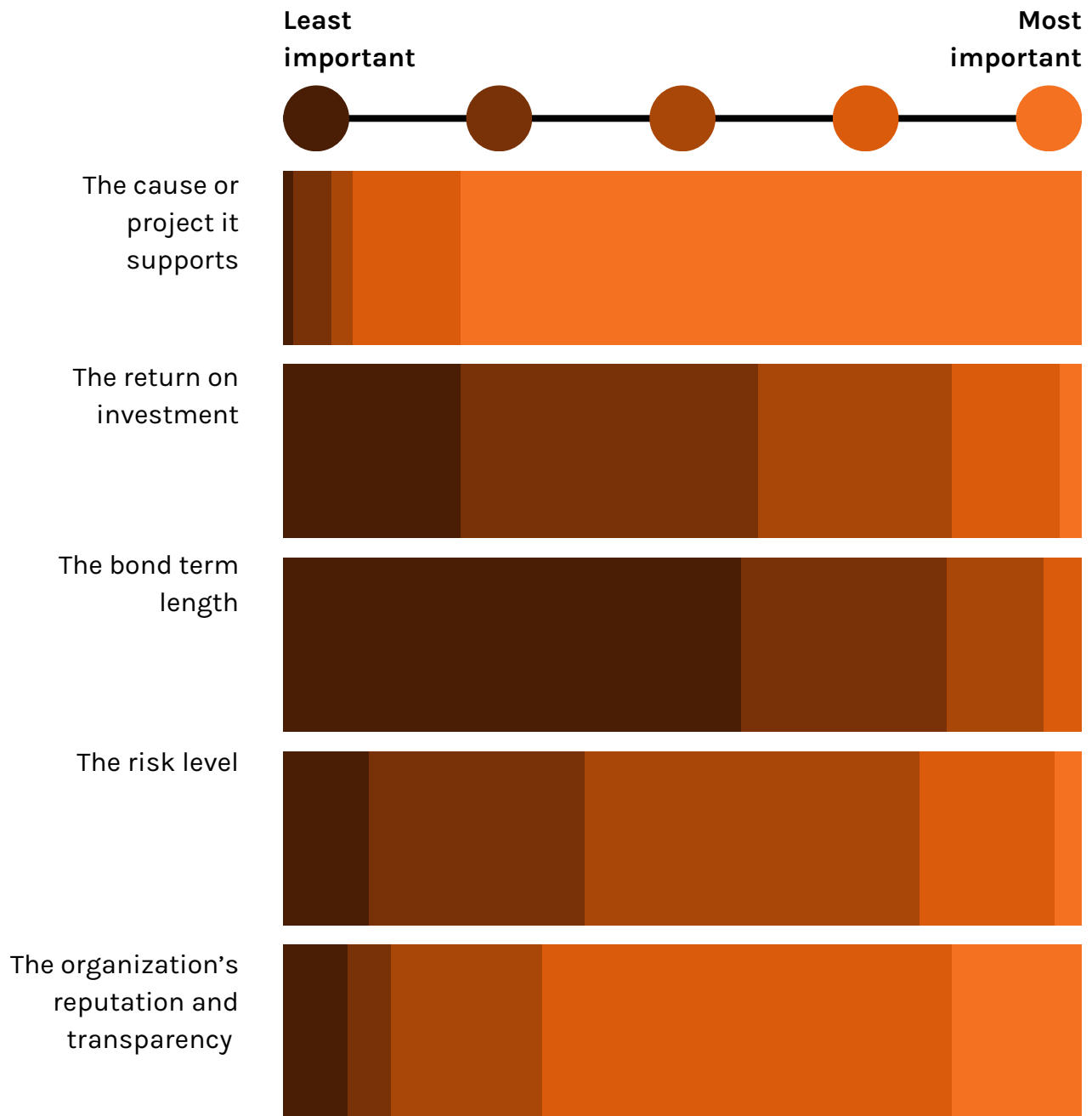
Social/environmental impact and supporting local organizations were **most** commonly chosen as most motivating or second-most motivating factors, while 54% of respondents said earning a predictable return was **least** motivating.



Choosing a bond

We asked respondents to rank five factors that would determine their choice between two comparable community bonds, in order of importance to their decision.

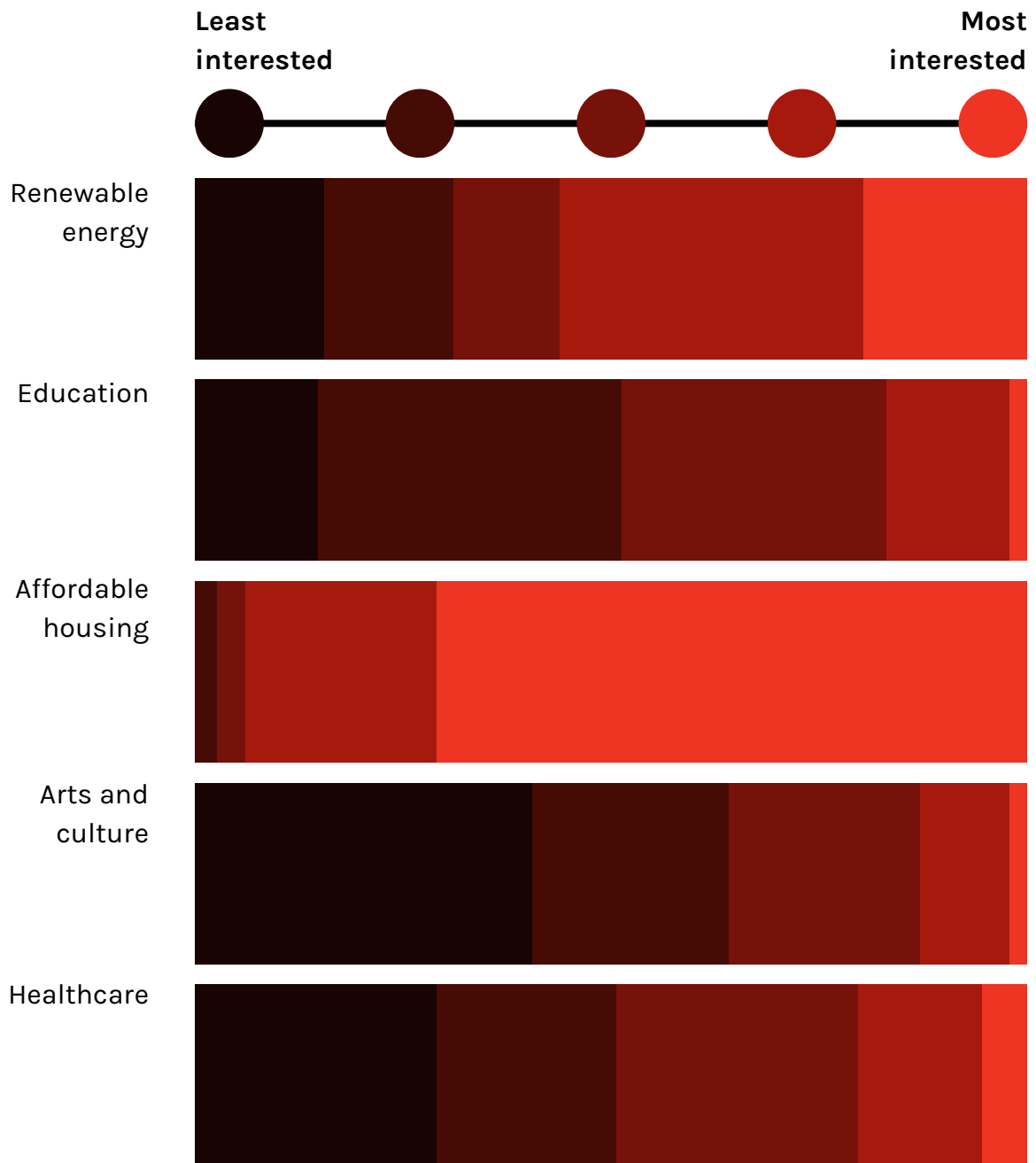
The cause or project a bond supports was ranked **most** important by 77% of respondents, with the issuing organization's reputation and transparency most commonly ranked **second most** important.



Causes and industries of interest

We asked respondents to rank five causes and industries on a five-point scale, in order of those they're least interested in supporting with their investments to those they're most interested in supporting.

Considering all respondents have already invested in affordable housing projects, it's not surprising that affordable housing was ranked most interesting by 70%. Renewable energy appears to be the second-most interesting cause to respondents.

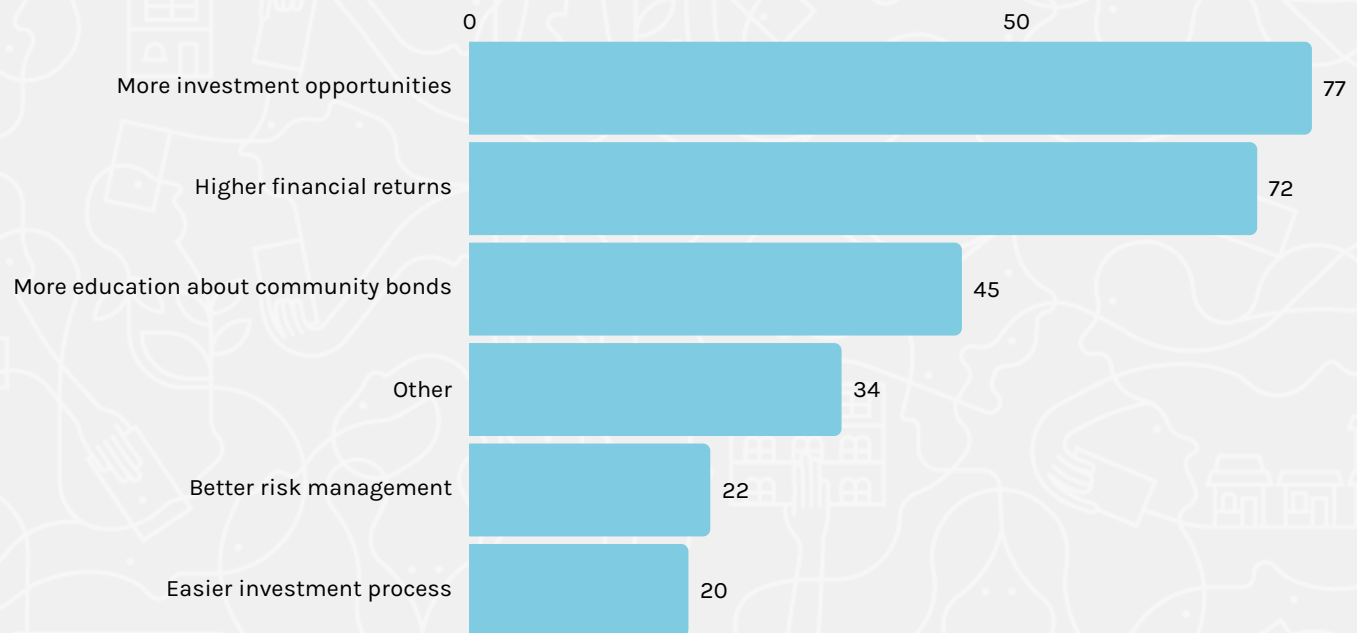


Factors in the amount invested

While respondents overall value the social over financial returns community bonds have offered them, nearly half said higher financial returns would encourage them to invest more of their money in community bonds.

Of respondents who chose “other” and shared their own factors, the two most common themes were more available capital to invest (or higher income) and more ongoing information about how their investments would be used. A few shared that their experience with their first community bond investment will determine whether they continue to purchase community bonds.

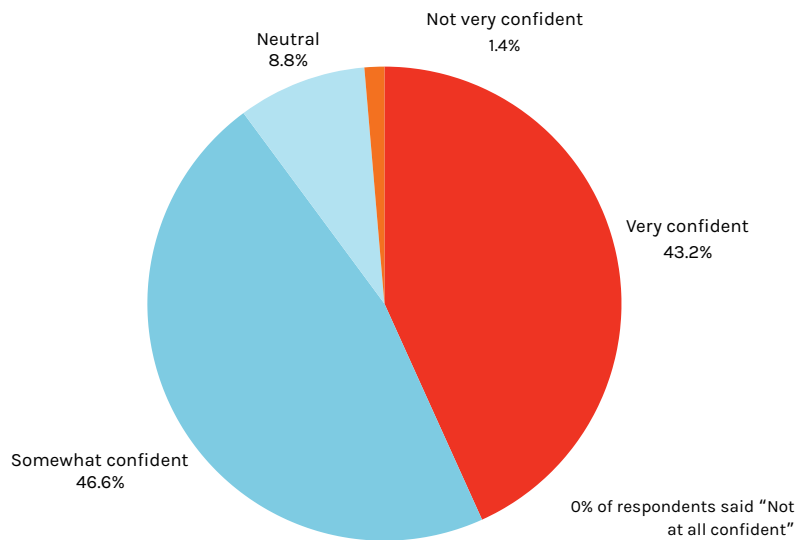
What would encourage you to invest more in community bonds?



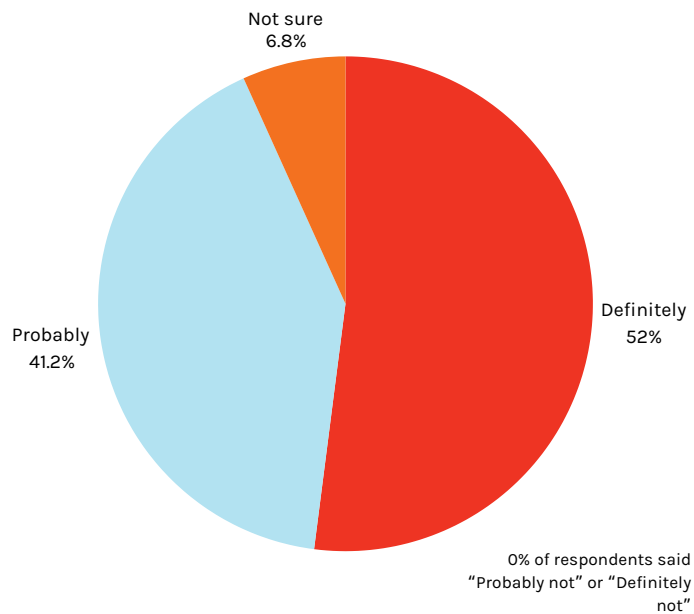
Looking to the future

Most respondents were somewhat or very confident in the financial return of their investments. Of those who responded “neutral” or “not very confident” three said they’re “not sure” if they’d invest in community bonds again. Eight said they “probably” would, and two said they “definitely would.”

How confident are you in the financial return of your community bond investment(s)?



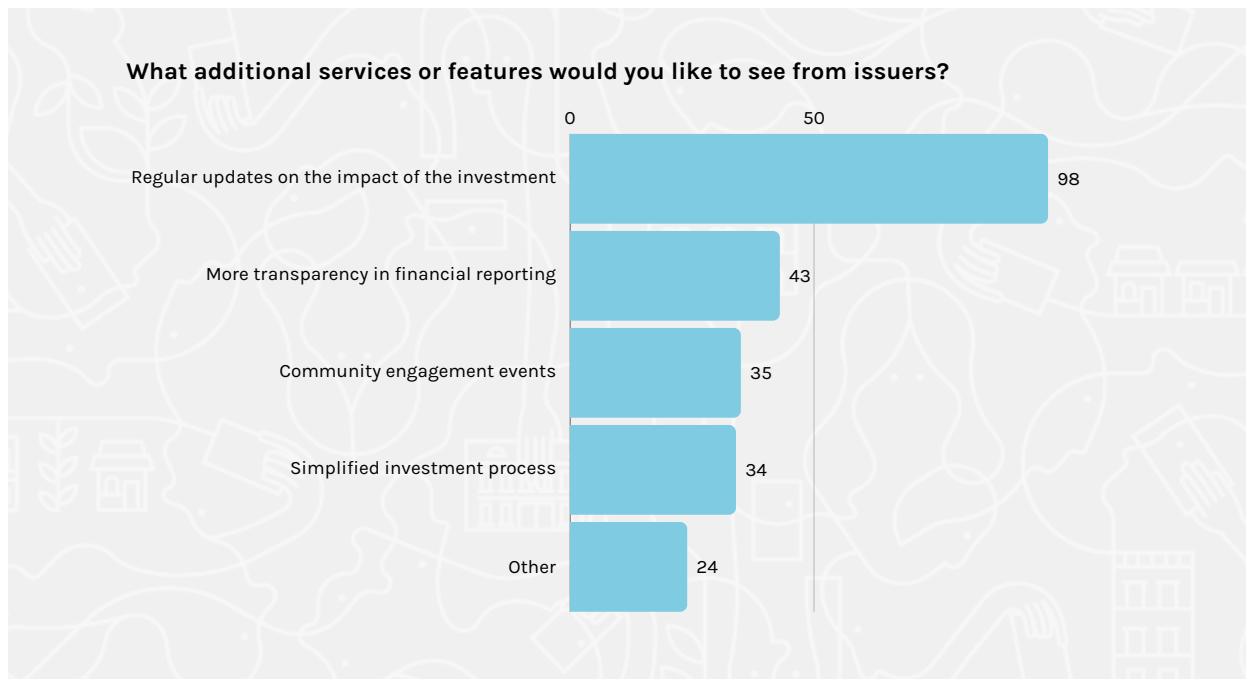
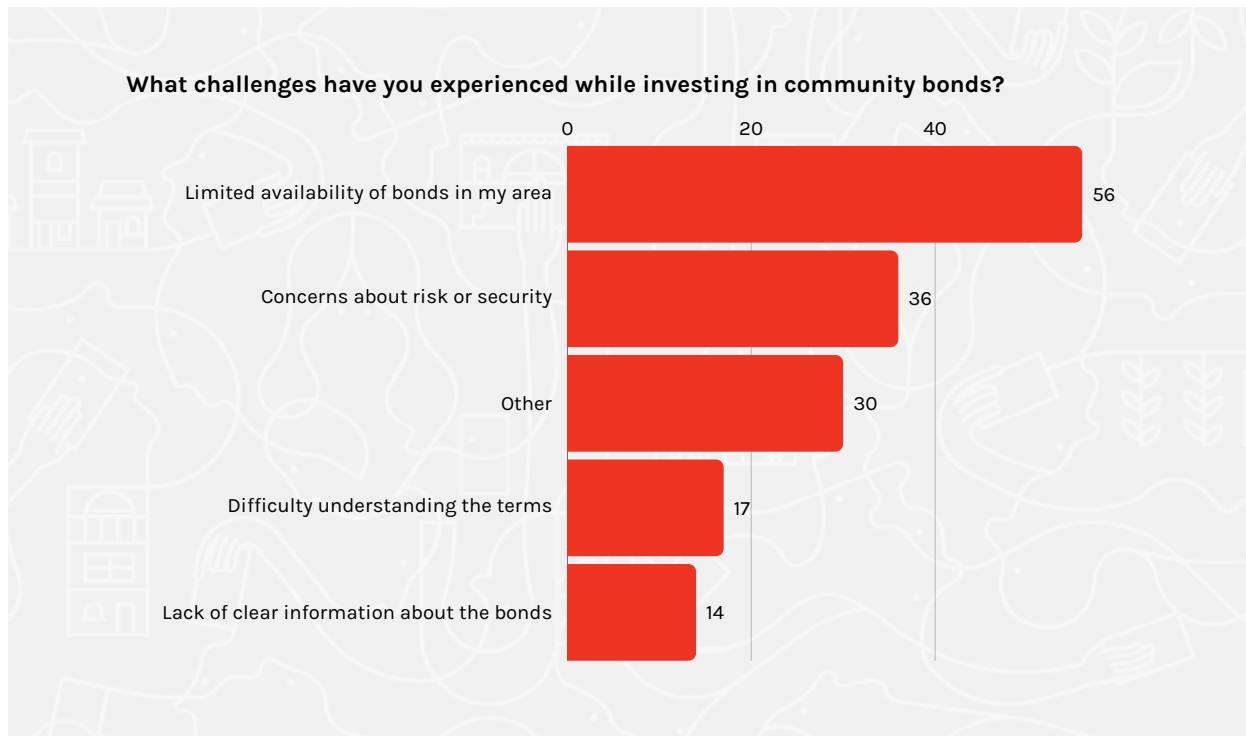
Would you invest in community bonds again?



Improving the investment experience

More investment opportunities combined with regular updates on the impact of existing community bond investments could encourage bondholders to invest again.

We offered respondents an opportunity to share challenges and requests of issuers that weren't on the list. Most commonly, those who chose "other" shared that they haven't experienced any challenges and there are no additional services or features they'd like issuers to offer.





Key takeaways

The results of the survey give us key insights into the mindset of the average community bondholder invested in affordable housing.

01 **Bondholders value social over financial return**

At every opportunity throughout the survey, respondents ranked social returns like supporting an important cause or local organizations as most important.

02 **Amount invested may be limited by financial return**

While investors prioritize social return over financial return, many said higher financial returns would encourage them to invest more.

03 **Bondholders want to be updated about impact**

Perhaps unsurprisingly given investors' primary motivations, investors are keen to learn more on an ongoing basis about the impact their investments are making.

04 **Opportunity to engage investors of colour**

The vast majority of respondents to the survey are white, meaning Tapestry should explore ways of more proactively engaging communities of colour with investment opportunities.