

**BC Housing**

**2024/25**  
**Annual Service Plan Report**

**August 2025**



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## Board Chair's Accountability Statement



The BC Housing 2024/25 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2024/25 – 2026/27 Service Plan published in 2024. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in blue ink, appearing to read "Allan Seckel".

Allan Seckel, KC  
Board Chair, BC Housing  
August 11, 2025

# Table of Contents

Board Chair’s Accountability Statement .....3

Letter from the Board Chair & CEO .....5

Purpose of the Annual Service Plan Report .....6

Strategic Direction.....6

Purpose of the Organization .....6

Operating Environment.....7

Economic Statement .....8

Report on Performance: Goals, Objectives, and Results .....9

Financial Report.....19

Appendix A: Progress on Mandate Letter Priorities .....23

Appendix B: Consolidated Financial Summary .....28

Appendix C: Auditor’s Report and Audited Financial Statements .....29

## Letter from the Board Chair & CEO

We are pleased to share BC Housing's Annual Service Plan Report for 2024/25, highlighting our achievements on our 2024/25 Service Plan goals and the Government of British Columbia's housing priorities.

This year BC Housing moved forward in our mission to provide access to safe, quality and accessible affordable housing for British Columbians. While there is much more work to be done, we are pleased with our progress, achieved by accelerating delivery of homes and housing services while taking steps to strengthen and streamline operations to meet the province's future housing needs.

BC Housing completed 4,565 units of affordable and supportive housing in 2024/25— a 29% increase over 2023/24 — through ongoing and new programs providing a range of housing options for people in British Columbia. This year the provincial government launched BC Builds to speed up development of rental housing for middle-income households. BC Housing partnered with non-profits, local governments, First Nations, and the development sector to reach 3,753 BC Builds units at the initiation, development or construction stage at year end.

Together with governments and communities, BC Housing also enhanced support for people experiencing homelessness to move indoors and remain stably housed by increasing supportive and complex care housing and resolving complex homeless encampments in priority communities.

Beyond creating new units BC Housing prioritized renewal of existing housing stock to ensure it remains in good condition for current and future residents. These efforts extend building life and enhance sustainability and resilience while generating cost savings over time. BC Housing also continued to adapt programs, policies and strategies to meet the diverse needs of the people it serves, working in partnership to integrate the principles of Indigenous reconciliation and embed equity, diversity, inclusion and belonging into service delivery.

By the end of 2024/25, BC Housing had completed 61% of the accepted recommendations from the Ernst & Young 2022 Financial Systems and Operations Review and 2023 Forensic Engagement, strengthening corporate governance, internal financial management and oversight of non-profit providers. Effective systems, processes and tools support BC Housing to continuously improve its performance and fulfill its mandate.

BC Housing's 2024/25 results were made possible by the provincial government's sustained investment in housing programs and the dedication of staff and housing providers to building strong, inclusive communities where people can thrive.



Vincent Tong  
CEO, BC Housing  
August 11, 2025



Allan Seckel  
Board Chair  
August 11, 2025

## Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the *Budget Transparency and Accountability Act* (BTAA), which sets out the legislative framework for planning, reporting and accountability for government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

## Strategic Direction

The strategic direction set by government in 2020 and expanded upon in the board chair's [2023 Mandate Letter](#) from the minister responsible shaped the goals, objectives, performance measures and financial plan outlined in the BC Housing [2024/25 – 2026/27 Service Plan](#) and the actual results reported on in this annual report.

## Purpose of the Organization

BC Housing was created in 1967 through an order-in-council under the [Ministry of Lands, Parks and Housing Act](#) to deliver on the provincial government's commitment to the development, management and administration of housing. Under the [Homeowner Protection Act](#), BC Housing also has responsibilities related to licensing of residential builders, administering owner-builder authorizations, overseeing home-warranty insurance, and carrying out research and education to improve the quality of residential construction and strengthen consumer protection for buyers of new homes. BC Housing has a board of commissioners that is responsible for corporate governance and an organizational structure with eight branches. More information about BC Housing's corporate governance as well as the organization's mandate, mission, vision, and values can be found on the [BC Housing website](#).

As the lead agency for social and affordable housing, it is crucial for BC Housing to build deep partnerships with Indigenous Peoples and organizations to create more housing and to support self-determination in the Indigenous housing sector. BC Housing is committed to addressing the systemic inequities experienced by Indigenous Peoples through Indigenous reconciliation and by collaborating with Indigenous and community partners to provide culturally safe and inclusive programs and services. Led by its Office of Equity, Diversity, Inclusion and Belonging (OEDIB), BC Housing strives to embed Indigenous reconciliation, anti-racism, intersectional analysis, and EDIB into all work to improve housing outcomes for everyone, and particularly for equity and rights-seeking communities. Through its sustainability and resiliency practices, BC Housing aims to protect its staff, tenants and investments from climate change shocks and support healthy communities for generations to come.

## Operating Environment

The size and scope of BC Housing's activities continued to expand in 2024/25, supported by major investments from the Government of British Columbia to address the housing crisis. In 2024/25, BC Housing began implementing BC Builds, a new housing program to speed up the development of new homes for middle-income working people as part of the Province's [Homes for People](#) housing strategy. Housing stood out as a top priority in both provincial and federal elections this fiscal year, highlighting the urgent need for homes and housing services in communities across the country.

Although an increase in rental units helped to moderate rent growth in 2024/25 and vacancy rates began to increase in many communities, vacancy rates remained below healthy levels and the demand for housing remained high throughout the province. British Columbia continued to experience high rental prices, particularly in major urban centres like Vancouver and Victoria, with affordability remaining a significant concern for many renters.

Lower interest rates and slower population growth in 2024/25 helped ease some of the pressure on B.C.'s housing market. At the same time, shifting U.S. trade policies and continuing supply chain issues and construction labour shortages made it harder and more expensive for BC Housing and its partners to build and maintain affordable housing.

The ongoing toxic drug crisis, high homelessness rates, and effects of climate change create challenges that disproportionately impact Indigenous, racialized, 2SLGBTQIA+, and persons with disabilities. Mental-health and addiction issues continue to increase the need for supportive and complex care services. BC Housing continued to collaborate with non-profits, health and government partners to design and deliver support services for people across different communities, and to implement [Belonging in BC](#), the Province's plan to prevent and reduce homelessness.

In recent years, B.C. has faced significant challenges from extreme weather caused by climate change, including evacuations, deaths due to extreme temperatures, damage from floods and wildfires, and poor air quality due to wildfire smoke. In 2024 these trends continued and included atmospheric river events that lead to flooding and landslides, as well as many days with poor air quality due to wildfire smoke. BC Housing manages climate risk by working to reduce greenhouse gas (GHG) emissions and make its buildings more resilient. It also collaborates with ministries, health authorities, agencies, and residents to prepare for and respond to extreme weather. This work advances the Province's [Clean BC Roadmap to 2030](#) and [Climate Preparedness and Adaptation Strategy](#).

To strengthen BC Housing's ability to address these challenges and fulfill government priorities, in 2024/25 BC Housing began development of longer-term strategies to modernize the organization, increase accountability, and improve service delivery. These strategies build on the significant progress made towards implementing the recommendations and actions from the 2022 Financial Systems and Operations Review and the 2023 Forensic Engagement. Work to complete remaining actions over the longer term will be supported by a BC Housing Strategic Transformation Team established this year.

## Economic Statement

After several years of strong growth, economic activity in British Columbia moderated in 2024 amid high interest rates, persistent price pressures, and ongoing global economic uncertainty. B.C.'s real GDP increased by 1.2 per cent in 2024 and ranked 8th (tied with Ontario) among the provinces following growth of 2.4 per cent in 2023. Last year, economic growth was driven by B.C.'s service-producing industries such as real estate, rental and leasing; health care and social assistance services; transportation and warehousing; public administration; and educational services. Output for goods-producing industries declined in 2024 due to lower construction and manufacturing activity, which was partly offset by growth in the mining, quarrying and oil and gas extraction; utilities; and agriculture, forestry, fishing and hunting sectors.

B.C.'s labour market continued to expand in 2024. Employment in B.C. increased by 66,100 jobs (+2.3 per cent), supported by high immigration, and wages and salaries rose by 6.3 per cent. B.C.'s unemployment rate averaged 5.6 per cent in 2024, up from 5.2 per cent in 2023 as strong population and labour force growth outpaced job gains. Elevated interest rates, rising construction costs, and ongoing labour shortages weighed on the construction sector last year. Housing starts totaled 45,828 units in 2024, down 9.2 per cent from the record high in 2023, but remained above the ten-year historical average. B.C. home sales increased by 2.1 per cent and the average home sale price increased by 1.0 per cent compared to 2023. Price pressures in B.C. continued to broadly moderate last year, but shelter price growth remained elevated. Overall, B.C.'s inflation rate averaged 2.6 per cent in 2024, down from 3.9 per cent in 2023. Despite strong population growth, nominal retail sales increased by just 0.6 per cent in 2024, following a 0.1 per cent decline in 2023. On the trade front, weak global demand and lower commodity prices (primarily natural gas and coal prices) last year contributed to a 2.7 per cent decline in B.C.'s merchandise exports relative to 2023 despite increased exports to non-U.S. destinations including China, South Korea, and Australia.



# Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2024/25 – 2026/27 service plan. For forward-looking planning information, including current and future performance targets, please see BC Housing's [Service Plan 2025-2028](#).

## Goal 1: People in British Columbia have access to attainable and affordable housing

BC Housing is committed to helping address the homelessness and housing affordability challenges in B.C. through implementing innovative solutions to develop new housing adapted to diverse needs and improving the quality of both new and existing housing stock.

### Objective 1.1: Increase the supply of affordable sustainable housing for people with low to middle incomes

#### Key results

- Completed 4,565 units of affordable housing and supportive housing across the province.
- Allocated 100% of the 2024/25 fiscal commitment for the BC Builds Rental Supply Program and entered into an agreement with Canada Mortgage and Housing Corporation (CMHC) for an additional \$2 billion in financing for more BC Builds projects.
- Selected 41 new on- and off-reserve projects under the Indigenous Housing Fund, supporting Indigenous providers to develop more than 1,600 new rental homes for Indigenous people on and off reserve.
- Continued working with 22 First Nations communities on assessing the condition of housing stock on First Nation lands and co-developing shared best practices on management and maintenance of housing over the long-term.
- Launched a Construction Project Management Office to enhance oversight of delivery

#### Summary of progress made in 2024/25.

In 2024/25, BC Housing continued investments in programs under [Building BC](#) (such as the [Community Housing Fund \(CHF\)](#), [Indigenous Housing Fund \(IHF\)](#), the [Women's Transition Housing Fund](#) (WTHF) and the [Supportive Housing Fund](#)) and [BC Builds](#). BC Housing also continued to deliver rental assistance for low-income households in the private market through the Shelter Aid For Elderly Renters (SAFER) program, Rental Assistance Program (RAP) and Canada-BC Housing Benefit (CBCHB) program. Together, these programs increased the

supply of, access to, and security of affordable and sustainable housing for individuals, families, seniors, youth, 2SLGBTQIA+ people, persons with disabilities, Indigenous people, and those with underrepresented and marginalized identities and experiences.

In its first year of implementation, BC Builds has been actively partnering with non-profits, local governments, First Nations, and the development sector to identify land opportunities, provide financing and grant funding, and accelerate development timelines to create more rental housing for middle-income households. As of March 31, 2025, a total of 3,753 homes are complete or underway through the program, with more than a thousand in the program pipeline.

BC Housing partners with Indigenous Peoples and organizations to support, manage, and develop housing on and off-reserve. While all BC Housing funding streams are open to Indigenous housing providers, the IHF is specifically aimed at supporting partnerships with Indigenous housing providers to develop affordable rental homes for Indigenous families, individuals, Elders, and persons with disabilities, on and off reserve. As of March 31, 2025, 3,260 homes were open or underway under the fund.

The CHF invests in new subsidized homes for families, individuals, seniors, persons with disabilities, and Indigenous people with low to moderate incomes. As of March 31, 2025, 1,889 homes were completed in 2024/25 under the CHF, for a total of 13,454 homes open or underway through the program since its launch in 2018.

BC Housing launched the Secondary Suite Incentive Program (SSIP) in April 2024 to provide financial assistance to eligible homeowners to create below-market rental units on their property. Due to the low volume of applications submitted in 2024/25, uncertain economic times, and a federal government commitment to implementing a similar program, the pilot program was wound down in March 2025. SSIP funding will now go to other BC Housing programs and services, including BC Builds.

New homes in BC must be registered before a building permit is issued, making registrations a leading indicator of housing activity. In total, registrations increased by 2.5% in 2024 over 2023, with 46,196 new homes registered (5,860 single detached and 40,336 multi-unit homes). This includes 18,430 rental home registrations, the second highest year on record since 2002 though a decline of 3.9% compared to 2023.

## Objective 1.2: Improve housing quality to ensure it remains in good condition for current and future residents

### Key results

- Advanced the renewal of aging non-market BC Housing stock through the Provincial Redevelopment Program (PRP) by committing 342 units of housing. Another 13 redevelopment sites were in the municipal approval process.

- Improved the quality, sustainability, resiliency, safety, and accessibility of existing social housing stock through 600 projects completed or underway through the Capital Renewal Fund.
- Updated BC Housing's Design Guidelines and Construction Standards to include passive design strategies and overheating analysis using updated weather data adjusted for global warming. This promotes increased occupant safety and enhances building climate resilience.
- Piloted Climate Resilience Assessment Framework (CRAF), an award-winning tool created for BC Housing, in four new construction projects to incorporate climate risk management into building design and promote climate resiliency with affordability. Findings will help assess the feasibility of implementing CRAF across all new development and renovation projects.

### **Summary of progress made in 2024/25**

Ensuring that housing stock continues to meet the needs of BC Housing's diverse population and improving livability for residents are essential elements of a sustainable social housing program. As housing stock ages, major components must be replaced, repaired or upgraded to ensure buildings remain in good condition and resilient to the effects of climate change.

BC Housing is committed to changing practices to build climate resiliency. In 2024/25, BC Housing continued to implement its [Sustainability and Resilience Strategy](#) collaborating with partners, staff, and tenants to increase tenant resilience and emergency preparedness, share technical knowledge with the residential construction sector and reduce GHG emissions through energy efficiency programs and implementing low carbon and resilient approaches in new design and major retrofits. The Energy Efficiency Retrofit Program enabled 11 electric energy retrofit projects at BC Housing and non-profit partner sites for a total estimated savings of 603,575 kWh.

Under the [Homeowner Protection Act](#), BC Housing is mandated to enhance the quality of residential construction in B.C. by licensing residential builders and conducting research and education in the sector. In 2024/25, 7,002 building industry professionals registered for BC Housing's online courses, generating over \$565,000 in revenue. These funds are reinvested into further research and education for the industry.

To help meet the Province's goal of ensuring all new construction is net-zero energy ready by 2032, BC Housing requires residential builders to demonstrate competency in building to Step 3 of the BC Energy Step Code as a condition of licence renewal. Builders can meet this requirement through relevant experience or by completing training offered by BC Housing or equivalent programs. By March 31, 2025, 4,548 Licensed General Contractors (71%) had met this requirement—up from 25% from the previous year.

## Performance measure(s) and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[1a] Number of affordable and supportive housing homes completed <sup>1</sup>	3,535 <sup>1</sup>	4,500	4,565
[1b] Facility Condition Index (FCI) of BC Housing's Portfolio <sup>2</sup>	18%	Less than 21%	18%
[1c] Percent reduction in greenhouse gas emissions from 2010 levels	16%	Reduction of 25% to 30%	22%

Data source:

[1a] BC Housing's Central Property System database for measures, April 1, 2024 – March 31, 2025. Programs included in measure are Affordable Rental Housing; BC Builds (includes legacy HousingHub programs); CMHC Rapid Housing Initiative; Community Housing Fund; Group Home program; Homeless Encampment Action Response Team, Homeless Encampment Action Response Temporary Housing and Encampment Strategy; Homelessness Action Plan; Homelessness Action Plan-Enhanced; Housing Endowment Fund; Indigenous Housing Fund; Investment in Housing Innovation; Permanent Housing Plan; Provincial Investment in Affordable Housing; Shovel-Ready Housing; Supportive Housing Fund; Women's Transition Housing Fund, and other legacy programs.

[1b] Physical building condition assessments of building systems, sub-systems and components are tracked by BC Housing and used to calculate the FCI.

[1c] Provided directly from utility companies and compiled by an external consultant. The targets for this measure are based on calendar year, in accordance with legislative requirements under the *Climate Change Accountability Act*.

<sup>1</sup>1PM [1a] was revised in the 2024/25 Service Plan to include units tracked under a separate "Number of homes completed – other capital" measure in the 2023/24 Service Plan. The actuals for 2023/24 reported as 3,178 in the *2023/24 Annual Service Plan Report* have therefore been restated here to include the 357 units reported under that separate measure.

<sup>2</sup>The FCI calculation is the cost of a building's renewal and replacement needs divided by its replacement cost, expressed as a percentage. A lower percentage corresponds to a better building condition. Without adequate continued investment in the existing social housing stock, its long-term sustainability decreases and the FCI rises over time.

BC Housing completed 4,565 affordable and supportive housing homes in 2024/25, exceeding the target of 4,500 homes completed under Building BC, BC Builds, and related programs launched since 2017 (Measure 1a).

BC Housing's portfolio FCI, Measure 1b, was 18% in 2024/25, within the targeted range. This overall result includes 23% for the directly managed portfolio and 17% for the non-profit portfolio. Key factors contributing to achieving the target include improvements in the quality of life and safety of homes for residents throughout the province; ongoing capital spending on building rehabilitation; adding new units to the portfolio, and work by BC Housing and BC Non-Profit Housing Association (BCNHPA) to increase capacity for asset management and facility maintenance.

At 22% lower than the 2010 baseline, BC Housing fell short of the target for Measure 1(c), emitting 32,500 tonnes GHG emissions in 2024 from all buildings owned or leased by the Provincial Rental Housing Corporation (PRHC), from BC Housing vehicles, and office paper. Emissions from heat, hot water and electricity for buildings comprised 32,189 tonnes of the total.

At the same time, total emissions declined this year compared to 2023 despite adding more units to the portfolio, demonstrating the impact of efforts to reduce emissions over the past eight years. Units added over that period accounted for nearly 30% of total emissions in 2024.

Buildings acquired post 2010 contribute to an increase in current emissions relative to that baseline year, particularly when they are less energy efficient, and pose a challenge for BC Housing to meet its emissions reduction targets. BC Housing considers the impact on emissions when making purchasing decisions, but this may be outweighed by other factors when addressing a community's urgent housing needs.

BC Housing uses GHG data in its work with partners, staff, and tenants to create lasting energy performance in existing and new housing stock and meet lower emission targets. These actions are detailed in its annual [Climate Change Accountability Report](#).

## Goal 2: Housing services are reliable, responsive, equitable, and accessible

BC Housing works collaboratively with governments and partner organizations to deliver services to clients throughout the province. Through engagement, research, and knowledge mobilization, BC Housing continuously reviews services to support equitable outcomes, ensuring that services and programs meet the needs of diverse populations, and are accessible and inclusive for everyone.

### Objective 2.1: Enhance services delivered to clients and tenants

#### Key results

- Completed approximately 500 units of temporary shelter or supportive housing for funding through Homeless Encampment Action Response Temporary Housing (HEARTH) program, contributing to a total of 802 completed and 340 units approved at March 31, 2025.
- Working with municipal, community and ministry partners on Homeless Encampment Action Response Team (HEART), resolved nine complex encampments in priority communities.
- Committed 1,195 rent supplements to non-profit providers through the Supported Rent Supplement Program (SRSP). The SRSP helps people remain stably housed in market rental units by providing a coordinated network of services to eligible people receiving the CBCHB.
- Began integrating [BC Housing's Extreme Heat and Wildfire Smoke](#) response into the organization's Disaster Preparedness and Business Continuity Plans, and delivered educational sessions for non-profit housing providers, to protect tenants and unsheltered populations from the negative impacts of climate change.

## **Summary of progress made in 2024/25**

BC Housing provides services to multiple client groups and partners, including tenants, applicants for housing programs, and vulnerable populations (such as those experiencing or at risk of homelessness), as well as government agencies, non-profit partners and private developers. BC Housing aims to continuously improve services to meet clients' needs.

Enhancing support for people experiencing homelessness to move indoors and remain stably housed is a BC Housing and Ministry of Housing and Municipal Affairs priority. BC Housing and the ministry continued to collaborate with priority local communities on HEART and HEARTH to implement integrated services and supports while rapidly deploying temporary housing at 19 sites in 10 communities by March 31, 2025.

Purpose-built supportive housing and complex care housing (CCH) that provides integrated health, social, and cultural services is critical to breaking the cycle of homelessness. As of March 31, 2025, BC Housing added 1,176 new units of permanent and temporary supportive housing. This year BC Housing also continued to work with the Ministry of Health on CCH to provide individuals with significant health needs access to deeply affordable homes with supports, working to identify locations for 200 CCH units in 11 communities. An additional 40 units will be Indigenous-led, and the Province is working with Indigenous groups to identify partners and priority communities.

Effective and efficient reviews of providers support improved service delivery. To facilitate provider participation in BC Housing's new operational review process this year, BC Housing launched PartnerHub, an online platform for providers to streamline work and deliver supports like online courses. BC Housing also began work to transform the financial review process. This year BC Housing began developing new budget frameworks and provided non-profits with interim budget guidelines to increase the pace and transparency of the reviews.

BC Housing holds regular training sessions on information technology for non-profit providers. In 2024/ 2025, BC Housing also awarded 290 housing providers a one-time Non-Profit Housing Provider Information Technology Grant to enhance cybersecurity, mitigate risks associated with outdated hardware, and improve business processes. The Aboriginal Housing Management Association (AHMA) distributed a portion of the funding to providers within their portfolio, awarding grants to 48 providers.

## Performance measures and related discussion

Performance Measure	2022/23 Baseline	2023/24 Actual	2024/25 Target	2024/25 Actual
[2a] Number of households receiving rental assistance	30,355	30,552	35,000	32,629
[2b] Percentage of homeless individuals who accessed housing and remained housed after six months	92%	95%	93%	94%
[2c] Percentage of clients reporting satisfaction with the quality, accessibility, and safety of their housing	76%	71%	75% or higher	N/A

Data source:

[2a] BC Housing's Subsidy Management and Assisted Rental Tool (SMART) database. Programs reflected in measure include the SAFER program, the RAP, and the CBCHB.

[2b] The Housing Registry's Housing Connections software.

[2c] BC Housing's biennial tenant engagement survey.

As of March 31, 2025, BC Housing provided a total of 32,629 households with rental assistance primarily in the non-subsidized rental market, including 23,797 households through SAFER, 2,971 under RAP, 5,017 under CBCHB, and 844 under CBCHB – Survivors of Gender Based Violence. The Province increased SAFER income eligibility thresholds and benefits in 2024/25, leading to higher enrollments though not enough to meet this year's target. Additional enhancements to SAFER and RAP to expand eligibility and increase benefits for both programs, developed this year for launch in April 2025, should further increase enrollment in 2025/26.

In 2024/25, 94% of people previously experiencing homelessness remained housed six months after placement, exceeding the target for Measure 2b. This measure focusses on housing stability as key to breaking the cycle of homelessness, recognizing that people face barriers to staying housed due to a lack of supports. Results on this measure reflect BC Housing's collaboration with non-profit housing providers, health authorities, governments and other partners to bring needed supports to residents who are exiting homelessness.

Measure 2c focuses on whether tenants living in BC Housing directly managed buildings are satisfied with their housing and receiving the services and support they need. Feedback is obtained through a survey conducted by a third party that occurs every two years. The next survey will be conducted in Fall 2025.

## Goal 3: BC Housing is a high performing, flexible, agile and inclusive organization

BC Housing is committed to leveraging opportunities to adapt, scale, and improve corporate governance structures, operating systems, and digital tools.

## Objective 3.1 Embed the principles of reconciliation, equity, diversity, inclusion, and belonging into BC Housing's work

### Key results

- Advanced development of Indigenous Housing Design Guidelines (IHDG) and engagement practices and completed an Indigenous procurement project recommending practice enhancements for BC Housing.
- Began implementation of an internal Equity Action Plan as part of a multi-phased approach to creating BC Housing's Equity Strategy. The plan sets out 19 actions to further integrate equity and intersectional analyses into BC Housing's operations, programs, policies, and strategies.
- Continued implementation of BC Housing's short-term [Accessibility plan](#) including engaging with tenants and housing sector partners to inform the development of a Strategic Framework for Accessibility.

### Summary of progress made in 2024/25

BC Housing promotes safe, accessible and inclusive environments, working with non-profit partners to ensure services and programs reflect diverse needs and operationalize the principles of accessibility, Indigenous reconciliation, and EDIB.

Reconciliation with Indigenous Peoples is part of BC Housing's commitment to implement the *Declaration on the Rights of Indigenous Peoples Act*. This requires a deep reckoning with the truth, and ongoing efforts to build relationships that enable substantive change.

In 2024/25, BC Housing continued to respond to recommendations from the 2021 [Moving Forward Together Report](#) by taking steps to advance equitable Indigenous procurement and develop IHDG. The IHDG initiative is guided by an Indigenous Advisory Committee that is validating the technical requirements of incorporating Indigenous cultural design elements into housing projects and sharing culturally appropriate engagement practices.

BC Housing continued to align its work with supporting legislation, including the *Accessibility British Columbia Act*, the *Anti-Racism Data Act* and the *Anti-Racism Act*. BC Housing advanced the collection of self-identified racial and ethnic data in the Homeless Individuals and Families Information System (HIFIS), a system for shelter and outreach programs. BC Housing also began building consistency in disaggregated data collection on surveys and other feedback tools, and initiated work to invite employees to share their racial and ethnic identity(ies).

Work to embed equity in recruitment progressed this year as BC Housing built a framework for a new persons with disabilities recruitment and retention strategy. BC Housing also took steps to strengthen inclusion, safety, and accessibility in the workplace through staff training and reviewing and enhancing benefits and supports with an equity lens. New training this year focussed on accessibility in the workplace and Trauma Informed Practice.



## Objective 3.2 Modernize and strengthen corporate governance and operating systems

### Key results

- Established a strategic transformation function to coordinate organizational initiatives to strengthen BC Housing's budget management practices, data strategy, non-profit oversight and capital delivery.
- Began implementation of an enterprise Cashflow and Financial Forecasting (CFF) application to streamline forecasting and increase data integrity and forecast reliability, as part of BC Housing's IT strategic roadmap.

### Summary of progress made in 2024/25

In response to internal and external reviews, and with the support of the Ministry of Housing and Municipal Affairs, BC Housing is committed to modernizing processes, systems, and tools to better meet the needs of clients, partners, and stakeholders.

In 2024/25, BC Housing created a Strategic Transformation Team, establishing transformation as an ongoing organizational practice. The team supports BC Housing to take an intentional, planned approach to modernizing operations.

BC Housing continued to address recommendations from the [2022 Ernst & Young Financial Systems and Operations Review](#) and the [2023 Ernst & Young Forensic Engagement](#) (EY-FE). As of March 31, 2025, a total of 15 out of 20 recommendations from EY-FE and 23 out of 42 accepted recommendations from the Financial Systems and Operations Review were complete, with progress made on key recommendations around corporate governance, internal financial management and oversight of non-profit providers.

To build on this progress and improve performance over the longer term, this year BC Housing engaged with employees, the ministry, housing providers, and communities, and reviewed internal and inter-jurisdictional data, to identify strategies to address priority challenges facing the organization and the sector. BC Housing also initiated development of an organizational performance measurement framework, conducting research and documenting current key performance indicators (KPIs). An enhanced framework will align and strengthen BC Housing's KPIs and establish the processes and systems to support BC Housing to accurately and meaningfully track, report, and respond to results, driving service improvements.

BC Housing's IT strategic roadmap is designed to help modernize services, enable data-driven decision making and reporting, and increase cybersecurity. Following completion of the roadmap, this year BC Housing also released an identity and access management solution for Partner Portal and Citizen Portal applications, supporting efficient and secure service delivery.

## Performance measure(s) and related discussion

Performance Measure	2022/23 Baseline	2023/24 Actual	2024/25 Target	2024/25 Actual
[3a] Partnership Accreditation in Indigenous Relations certification <sup>1</sup>	Gold status	Not applicable	Gold status	Gold status
[3b] Employee Engagement index	Top Quartile of benchmarked employers	Top Quartile of benchmarked employers	Top Quartile of benchmarked employers	Top Quartile of benchmarked employers

Data source:

[3a] The Canadian Council for Indigenous Relations, formerly called Canadian Council for Aboriginal Business. Certification is valid for the three-year period

[3b] BC Housing's annual employee engagement survey.

<sup>1</sup> Formerly called Progressive Aboriginal Relations certification.

In September 2024, the Canadian Council for Indigenous Relations' (CCIR) awarded BC Housing gold status in their Partnership Accreditation in Indigenous Relations (PAIR) Certification. The CCIR assesses commitment to the Indigenous sector in four areas: leadership; employment; business development; and community relationships. Assessment results are certified at a bronze, silver, or gold level. BC Housing is the only social housing provider in Canada to be certified under the PAIR program.

Carrying out initiatives to meet the PAIR Certification assists BC Housing in advancing relationships with Indigenous Peoples and communities across the province. Although the certification process occurs every three years, work to promote stronger Indigenous partnerships is ongoing in all business areas and is informed by the recommendations from the [Reconciliation: Moving Forward Together](#) report.

Performance metric 3b measures BC Housing's annual employee engagement through a survey conducted by a third party to gauge the extent to which BC Housing has been successful in building a culture of employee engagement and to identify opportunities for improvement. In 2024/25, 85% of staff participated in the survey, reporting 79% agreement with key indicators of engagement. The result is stable over 2023/24 and maintains BC Housing's place in the top quartile of benchmarked employers.

The survey explores five key indicators of engagement: meaningful work; talent, skill, and knowledge; equity, safety and belonging; autonomy and impact; and balance, trust, and respect. Employees rated BC Housing highly for positive relationships within teams and with managers, respectful and inclusive workplaces, commitment to employee safety and wellbeing, and a shared commitment to meaningful work. Areas identified for improvement included managing work volume, improving processes and systems, and increasing transparency and information sharing.

## Financial Report

For the auditor's report and audited financial statements, see [Appendix C](#). These documents can also be found on the [BC Housing website](#).

## Discussion of Results

In 2024/25, BC Housing's revenues totaled \$2.86 billion, an increase of \$229.0 million over 2023/24. Out of these revenues, \$2.51 billion were received from the provincial government:

- \$1.46 billion through the Ministry of Housing and Municipal Affairs;
- \$1.00 billion through the Housing Priority Initiatives Special Account;
- \$12.9 million through the Housing Endowment Fund Special Account; and
- \$30.4 million through other partnering ministries/agencies.

The federal government, through CMHC, provided \$191.6 million under the [Social Housing Agreement](#) and the [CMHC - BC Bilateral Agreement](#) under the 2017 [National Housing Strategy](#).

The remaining \$158.7 million of revenue mainly comprised of rent/commercial revenue paid directly to BC Housing, earnings from financial activities, fees charged to builders/developers, and contributions from other funding partners.

In 2024/25, BC Housing's expenses totaled \$2.86 billion, an increase of \$229.0 million over 2023/24. BC Housing continues to provide financial support to various housing programs that are either managed by non-profit housing providers or BC Housing directly. The expenses in most categories increased year over year due to new projects coming online and inflationary operating costs in the existing housing portfolio.

## Financial Summary<sup>1,2</sup>

(\$000s)	2023/24 Actual	2024/25 Budget	2024/25 Actual	2024/25 Variance <sup>3</sup>
<b>Revenues</b>				
Provincial Contributions	2,330,234	2,794,984	2,509,419	(285,565)
Federal Contributions	179,718	203,446	191,640	(11,806)
Other	120,787	117,021	158,699	41,678
<b>Total Revenue</b>	<b>2,630,738</b>	<b>3,115,451</b>	<b>2,859,758</b>	<b>(255,693)</b>
<b>Expenses</b>				
Grants	1,266,410	1,766,565	1,401,188	(365,377)
Housing Subsidies	933,299	900,544	1,008,559	108,015
Rental Assistance	116,148	136,094	120,317	(15,777)
Salaries and Labour	109,883	119,608	139,361	19,753
Operating Expenses	80,280	63,836	63,345	(491)
Interest Expense	51,592	50,784	48,154	(2,630)
Building Maintenance	27,501	30,609	29,800	(809)
Office and Overhead	22,772	21,678	22,975	1,297
Utilities	11,250	13,014	11,495	(1,519)
Grants in lieu of Property Taxes	10,472	11,604	12,109	505
Research and Education	1,105	1,115	2,427	1,312
<b>Total Expenses</b>	<b>2,630,712</b>	<b>3,115,451</b>	<b>2,859,730</b>	<b>(255,721)</b>
<b>Annual surplus</b>	<b>26</b>	<b>-</b>	<b>28</b>	<b>28</b>
<b>Total Liabilities</b>	<b>2,847,409</b>	<b>2,714,672</b>	<b>3,445,528</b>	<b>730,856</b>
<b>Capital Expenditures</b>	<b>12,081</b>	<b>5,000</b>	<b>7,900</b>	<b>2,900</b>
<b>Accumulated Surplus</b>	<b>214,316</b>	<b>208,344</b>	<b>207,416</b>	<b>(928)</b>

<sup>1</sup> The above financial information was prepared based on current Generally Accepted Accounting Principles.

<sup>2</sup> The numbers represent BC Housing's operation during 2024/25 before consolidating with Provincial Rental Housing Corporation.

<sup>3</sup> 2024/25 Actuals compared to 2024/25 Budget.

## Variance and Trend Analysis

### Major Variances in Revenues

The Financial Summary table shows BC Housing's actual revenues totalled \$2.86 billion in 2024/25, a decrease of \$255.7 million from the 2024/25 budget, and an increase of \$229.0 million from the 2023/24 actuals. These variances reflect changes in provincial revenue, federal revenue, and other revenue.

Provincial revenues were lower than the 2024/25 budget, mainly due to the re-allocation of capital funding to future years according to updated construction schedules.

Federal revenues were lower than the 2024/25 budget by \$11.8 million. This is primarily due to the re-allocation of Federal Community Housing Initiative grants to future years to align with construction schedules.

Other revenue increased by \$41.7 million compared to the 2024/25 budget. This increase mainly due to a one-time investment gain from portfolio reprofiling, higher-than-expected interest revenues charged to interim construction financing, and funding received for energy retrofit pilot projects.

### Major Variances in Expenditures

The Financial Summary table shows BC Housing's actual expenditures totalled \$2.86 billion in 2024/25, reflecting a decrease of \$255.7 million from the 2024/25 budget and an increase of \$229.0 million from the 2023/24 actuals. Significant variances include:

Grants were \$365.4 million lower than the 2024/25 budget. These are capital grants, and construction activities fluctuate depending on the readiness of projects entering into the construction phase. This variance is a result of aligning the funding allocation with current progress in various non-profit-led and provincially owned programs and has no impact to the overall funding available for the programs.

Housing Subsidies were \$108.0 million higher than the 2024/25 budget. This variance was primarily the result of one-time funding to support the non-profit sector in facilitating unit turnover and improving their IT system by enhancing cybersecurity and operating efficiency, increased subsidies to address wage cost increases incurred by non-profit housing providers and addressing various encampments in Vancouver and Victoria.

Salaries and Labour were \$19.8 million higher than the 2024/25 budget. The new collective agreements with BC Housing union employees were ratified, covering 2022/23 to 2024/25. As a result, retroactive payments were made during this fiscal year.

Rental Assistance was \$15.8 million lower than the 2024/25 budget due to the slow uptake in the federal-funded Canada-BC Housing Benefit program.

## Risks and Uncertainties

The affordable housing crisis, due to high housing costs and limited supply, continues to impact many British Columbians with low to moderate income. BC Housing, through initiatives like BC Builds and Building BC, is aiming to increase the supply of rental housing for households at various income levels. Continuous collaboration among all levels of government, the private sector, and non-profit housing providers are essential to creating more housing options that are accessible and affordable for all British Columbians.

BC Housing and its partners in the construction industry are facing significant uncertainty as the United States has imposed tariffs on the importation of steel, aluminum, and other goods. The tariff, compounded by potential retaliatory measures from Canada, is expected to further increase construction material costs beyond inflation, resulting in potential project delays or cancellations, and disruption to the existing supply chain, which may hinder BC Housing's commitment to delivering its unit target. BC Housing will continuously monitor and assess the impact and work with our development partners to minimize the impact through value engineering.

Inflationary pressure on operating costs has been easing over the past 12 months, however the rising operating costs continued to negatively impact BC Housing and its non-profit partners in managing the housing stock with affordable rent and providing support services to the most vulnerable. A new collective agreement negotiation between the Province and the unionized housing provider employees will commence in the new fiscal year, which if ratified, is expected to further increase the operating costs of the existing housing stock and future-completed projects. BC Housing will work closely with the ministry and the Treasury Board securing sufficient funding to ensure services are not negatively impact by these increased costs.

## Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2025
<p>In coordination with the Ministry Responsible and the Crown Agency Secretariat, continue to implement, support and report on BC Housing programs included in Homes for B.C.</p> <p>A 30-Point Plan for Housing Affordability in British Columbia as well as subsequent government commitments in Budgets 2019 and 2020 to create more permanent affordable and social housing, including those with the 10-year targets under the <a href="#">Building BC</a> programs:</p> <ul style="list-style-type: none"> <li>• 14,350 units through the Community Housing Fund</li> <li>• 1,500 units through the Women's Transition Housing Fund</li> <li>• 1,750 units through the Indigenous Housing Fund</li> <li>• 2,500 units through the Supportive Housing Fund</li> </ul>	<p>In 2023, Building BC programs were expanded, and targets raised. New ten-year targets, inclusive of the previous targets, are:</p> <ul style="list-style-type: none"> <li>• 20,350 units through the Community Housing Fund</li> <li>• 3,000 new units through the Women's Transition Housing Fund</li> <li>• 3,500 new units through the Indigenous Housing Fund</li> <li>• 5,700 units through the Supportive Housing Fund</li> </ul> <p>BC Housing's progress at March 31, 2025, is as follows:</p> <ul style="list-style-type: none"> <li>• 13,454 homes open or underway through the Community Housing Fund</li> <li>• 1,214 homes open or underway for new units through the Women's Transition Housing Fund</li> <li>• 3,260 homes open or underway for new units through the Indigenous Housing Fund</li> <li>• 4,731 homes open or underway for units through the Supportive Housing Fund</li> </ul>
<p>Support the Ministry Responsible in collaboration with other relevant ministries, in the development and implementation of a homelessness strategy – including development and continued delivery of permanent supportive housing, emergency shelter and homelessness outreach programs.</p>	<ul style="list-style-type: none"> <li>• BC Housing continued to support the Ministry of Housing and Municipal Affairs and other relevant ministries in the development and implementation of Belonging in BC homelessness plan (see HEART and HEARTH and Complex Care Housing program progress below).</li> </ul>

2021/22 Mandate Letter Priority	Status as of March 31, 2025
<p>Deliver more affordable housing through HousingHub partnerships by:</p> <ul style="list-style-type: none"> <li>• Providing low-interest construction loans</li> <li>• Expanding partnerships with non-profit and co-op housing providers to acquire and preserve existing rental buildings</li> </ul> <p>Developing new home ownership program streams through the affordable homeownership program (AHOP), and other new equity-building programs.</p>	<ul style="list-style-type: none"> <li>• BC Housing continued to work with partners to facilitate the creation of rental housing options for middle-income British Columbians. In January 2025, BC Builds entered into an agreement with CMHC for an additional \$2 billion in financing for BC Builds projects through CMHC's Apartment Construction Loan Program.</li> </ul>
<p>Support the Ministry Responsible in their work with the Ministry of Mental Health and Addictions and other ministries and partners to explore and develop new models of higher intensity supports than those currently provided in supportive housing.</p>	<ul style="list-style-type: none"> <li>• Continued to support the Ministry of Housing and Municipal Affairs, the Ministry of Health and other ministries and partners to develop Complex Care Housing, a new model that provides an enhanced level of health, cultural and social supports for people with significant mental health, addictions, or concurrent issues. As of March 31, 2025, BC Housing has a total of 40 units in different phases of development.</li> </ul>



2023 Mandate Letter Priority	Status as of March 31, 2025
<p>Deliver BC Housing priorities to implement, and report on, progress related to the Homes for People action plan, and the Belonging in BC: A collaborative plan to prevent and reduce homelessness. This includes:</p> <ul style="list-style-type: none"> <li>• Supporting the establishment of BC Builds to build housing for middle-income families, individuals, and seniors.</li> <li>• Continued development and delivery of Building BC programs and priorities.</li> <li>• Support the delivery of more homes and services near transit.</li> <li>• Supporting development and leading delivery of the Secondary Suites program.</li> <li>• Revitalizing and densifying aging BC Housing social housing stock.</li> </ul>	<p>BC Housing continued to make progress in delivering on the Homes for People action plan and the Belonging in BC: A collaborative plan to prevent and reduce homelessness, including:</p> <ul style="list-style-type: none"> <li>• Completed 4,565 affordable and supportive housing homes, exceeding the 2024/25 target for homes completed under Building BC, BC Builds and related new housing programs.</li> <li>• In 2024/25, under the Provincial Redevelopment Program, two redevelopment projects with 342 units were committed and another 13 redevelopment (multi-phased) sites continue to advance design, estimating, and work through the municipal entitlement processes for project approvals in future years.</li> <li>• In 2024/25, funded over 600 capital renewal projects at various stages from initiation to completion to improve the quality, sustainability, resiliency, safety, and accessibility of existing social housing stock.</li> </ul>

2023 Mandate Letter Priority	Status as of March 31, 2025
<ul style="list-style-type: none"> <li>Developing and delivering supports and services as outlined in the Belonging in BC homelessness plan including playing a key role in the delivery of the Supported Rent Supplement Program including accompanying non-clinical aspects of the Integrated Support Framework.</li> <li>Partner in the implementation of Encampment Response Framework that includes the Homeless Encampment Actions Response Teams (HEART) and Homeless Encampment Action Response Temporary Housing (HEARTH), through partnerships and through continuing to deliver permanent supportive housing, emergency shelter and homeless outreach programs.</li> <li>Supporting the Ministry of Mental Health and Addictions and the Ministry of Housing in the development and delivery of Complex Care Housing.</li> </ul>	<ul style="list-style-type: none"> <li>As of March 31, 2025, BC Housing has committed 1,195 rent supplements to non-profit providers across the province through the SRSP.</li> <li>Identified 10 priority communities for HEART and HEARTH, with housing being delivered at 19 sites across these communities by March 31, 2025.</li> <li>Completed approximately 500 units in 2024/25. As of March 31, 2025, 802 HEARTH units were completed, with an additional 340 underway.</li> <li>BC Housing continued to identify locations for 200 units of Complex Care Housing in 11 communities. An additional 40 units will be Indigenous-led, and the Province is working with Indigenous groups to identify partners and priority communities.</li> </ul>
<p>Develop and implement a new governance framework and oversight tools.</p> <ul style="list-style-type: none"> <li>Address the outcomes and recommendations of the organizational and financial reviews of BC Housing, strengthen and enhance accountability, clarify roles and responsibilities, and position BC Housing and the Ministry of Housing to deliver on the Government's strategic housing priorities.</li> </ul> <p>Deliver on key priorities of the Business Transformation Program, including improving operational systems and financial controls within the organization.</p>	<ul style="list-style-type: none"> <li>As of March 31, 2025, completed a total of 15 out of 20 recommendations from EY-FE and 23 out of 42 accepted recommendations from the Financial Systems and Operations Review, with progress made on key recommendations around corporate governance, internal financial management and oversight of non-profit providers.</li> </ul>

2023 Mandate Letter Priority	Status as of March 31, 2025
<p>Work with Indigenous partners, in collaboration with the Ministry of Housing and other relevant ministries, to support access to housing and cultural supports, address housing needs, and deliver Indigenous housing priorities.</p>	<ul style="list-style-type: none"> <li>• This is an ongoing priority on which BC Housing continues to make progress. The IHF call closed in May 2024 with a total of 41 new projects, providing 1,662 new rental homes selected to move forward. As of March 31, 2025, 3,260 homes were completed or underway under the fund.</li> <li>• BC Housing also continued activities related to five MOUs in partnerships with First Nations, on asset management initiatives in their communities. Completed 527 Indigenous-focused units under the CHF.</li> </ul>
<p>Improve outcomes for people living in Vancouver's Downtown Eastside, including implementation of the Supporting the Downtown Eastside: Provincial Partnership Plan in collaboration with other relevant partners.</p>	<ul style="list-style-type: none"> <li>• In 2024/25, renovation/repair-related work led by BC Housing on both PRHC and non-profit portfolios advanced Single Room Occupancy capital projects to improve fire-life safety, habitability, operational function and bringing residents indoors. These projects are currently in varying design-development, project development, construction, and permitting stages.</li> </ul>

## Appendix B: Consolidated Financial Summary

The B.C. Housing Management Commission gained control of the Provincial Rental Housing Corporation on January 26, 2024. The corporation holds property and land for social and other low-cost housing for the Province of British Columbia.

<b>(\$000s)</b>	<b>2023/24 Actual<sup>1</sup></b>	<b>2024/25 Budget<sup>2</sup></b>	<b>2024/25 Actual</b>	<b>2024/25 Variance</b>
Total Revenues	2,630,738	3,115,451	2,589,659	(525,792)
Total Expenses	2,630,712	3,115,451	2,507,676	(607,775)
Annual Surplus (Deficit)	26	-	81,983	81,983
Total Liabilities	5,377,028	2,714,672	6,274,872	3,560,200
Capital Expenditures	12,081	5,000	\$602,824	594,567
Accumulated Surplus (Deficit)	1,596,370	208,344	1,671,425	1,463,081

<sup>1</sup> Effective January 26, 2024, BC Housing gained control of the Provincial Rental Housing Corporation (the Corporation) and consolidated the Corporation effective March 31, 2024.

<sup>2</sup> Due to the timing of the consolidation of BC Housing and PRHC, the 2024/25 budget was prepared on a standalone basis.

## **Appendix C: Auditor's Report and Audited Financial Statements**

# **British Columbia Housing Management Commission**

## **Consolidated Financial Statements**

March 31, 2025

## Contents

	<b><u>Page</u></b>
Statement of Management Responsibility	2
Independent Auditor's Report	3 - 5
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Cash Flows	8
Consolidated Statement of Remeasurement Losses	9
Consolidated Statement of Changes in Net Financial Assets	9
Notes to the Consolidated Financial Statements	10 – 28

# British Columbia Housing Management Commission

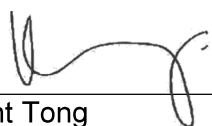
## Statement of Management Responsibility

The consolidated financial statements of the British Columbia Housing Management Commission (the Commission) are the responsibility of management and have been prepared in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, consistently applied and appropriate in the circumstances. The preparation of consolidated financial statements necessarily involves the use of estimates which have been made using careful judgment. In management's opinion, the consolidated financial statements have been properly prepared within the framework of the accounting policies summarized in the consolidated financial statements and incorporate, within reasonable limits of materiality, all information available on May 30, 2025. The consolidated financial statements have also been reviewed by the Audit and Risk Management Committee and approved by the Board of Commissioners.

Management maintains systems of internal controls designed to provide reasonable assurance that assets are safeguarded and that reliable financial information is available on a timely basis. These systems include formal written policies and procedures, careful selection and training of qualified personnel, appropriate delegation of authority, and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit and Risk Management Committee.

The consolidated financial statements have been examined by an independent external auditor. The external auditor's responsibility is to express their opinion on whether the consolidated financial statements are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. The Independent Auditor's Report, which follows, outlines the scope of their examination and their opinion.

The Board of Commissioners, through the Audit and Risk Management Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit and Risk Management Committee meets regularly with the external auditors, the internal auditors and management to satisfy itself that each group has properly discharged its responsibility to review the consolidated financial statements before recommending approval by the Board of Commissioners. The Audit and Risk Management Committee also recommends the appointment of an external auditor to the Board of Commissioners. The external auditor has full and open access to the Audit and Risk Management Committee, with and without the presence of management.



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Vincent Tong  
Chief Executive Officer



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David Sherwood  
Vice President, Finance

May 30, 2025





## Independent auditor's report

To the Board of Commissioners of British Columbia Housing Management Commission and Minister of Housing, Province of British Columbia

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### Our opinion

In our opinion, the accompanying consolidated financial statements of British Columbia Housing Management Commission and its subsidiary (together, the Commission) as at March 31, 2025 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### What we have audited

The Commission's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2025;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of remeasurement gains (losses) for the year then ended;
- the consolidated statement of changes in net debt for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP  
PwC Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7  
T.: +1 604 806 7000, F.: +1 604 806 7806, Fax to mail: ca\_vancouver\_main\_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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### **Emphasis of matter – basis of accounting**

We draw attention to note 2(a) to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 25 to the consolidated financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

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### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation of the consolidated financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

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### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Commission as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
May 30, 2025

# British Columbia Housing Management Commission

## Consolidated Statement of Financial Position

	March 31 2025 (\$000's)	March 31 2024 (\$000's)
<b>Financial Assets</b>		
Cash	\$ 59,291	\$ 105,442
Portfolio investments (Note 3)	141,157	127,840
Receivables (Note 4a)	28,049	31,617
Long-term receivables (Note 4b)	240,526	236,632
Construction loans to housing projects (Note 4c)	1,437,766	1,318,950
Due from Province of British Columbia (Note 20)	1,702,895	1,302,810
Due from Canada Mortgage and Housing Corporation	67,328	50,965
Mortgages and loans receivable (Note 5)	42,099	32,492
	<u>3,719,111</u>	<u>3,206,748</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	269,264	280,825
Tenants' prepaid rent	1,902	1,659
Due to Provincial Treasury (Note 6)	1,033,223	955,827
Long-term debt (Note 7)	199,413	214,894
Society funds held on deposit (Note 8)	53,954	41,673
Social Housing Agreement reserves	5,516	4,989
Asset retirement obligations (Note 9)	289,712	278,832
Site contamination (Note 10)	6,087	6,159
Unearned lease revenue	27,112	28,043
Deferred contributions (Note 11)	394,655	277,219
Deferred capital contributions (Note 12)	2,307,393	2,001,601
Construction grants payable (Note 13)	1,686,641	1,285,307
	<u>6,274,872</u>	<u>5,377,028</u>
<b>Net debt</b>	<u>(2,555,761)</u>	<u>(2,170,280)</u>
<b>Non-financial assets</b>		
Prepaid expenses and housing subsidies	5,165	6,064
Housing and projects under construction (Note 14a)	4,123,351	3,666,595
Semiq we2ele (Riverview Lands) redevelopment (Note 14b)	77,888	75,059
Tangible capital assets (Note 14c)	20,782	18,932
	<u>4,227,186</u>	<u>3,766,650</u>
<b>Accumulated surplus</b>	<u>1,671,425</u>	<u>1,596,370</u>
Accumulated surplus comprises:		
Accumulated surplus from operations	1,665,433	1,583,450
Accumulated remeasurement gains	5,992	12,920
	<u>\$ 1,671,425</u>	<u>\$ 1,596,370</u>

Commitments (Note 19)  
Contingencies (Note 22)

On behalf of the Board of Commissioners:

Allan Seckel, Chair

See accompanying notes to the consolidated financial statements

# British Columbia Housing Management Commission

## Consolidated Statement of Operations

Year Ended March 31	2025 Budget (\$000's) (Note 15)	2025 Actuals (\$000's)	2024 Actuals (\$000's) (Note 1)
<b>Revenue</b>			
Provincial contributions	\$ 2,794,984	\$ 2,182,743	\$ 2,330,234
Federal contributions	203,446	142,565	179,718
Amortization of deferred capital contributions (Note 12)	-	98,138	-
Tenant rent	40,779	43,482	40,183
Investment and interest income	63,387	96,991	62,890
Gain from disposition of properties	-	2,438	-
Other (Note 16)	12,855	23,302	17,713
	<u>3,115,451</u>	<u>2,589,659</u>	<u>2,630,738</u>
<b>Expenses</b>			
Grants	1,766,565	925,343	1,266,410
Housing subsidies	900,543	977,067	933,299
Depreciation of buildings	-	128,924	-
Salaries and labour	119,608	139,361	109,883
Rental assistance	136,094	120,317	116,148
Interest	50,784	55,048	51,592
Operating expenses	63,836	62,558	80,280
Building maintenance	30,610	40,154	27,501
Office and overhead	21,678	22,975	22,772
Utilities	13,014	11,495	11,250
Grants in lieu of property taxes (Note 17)	11,604	12,109	10,472
Accretion expense on asset retirement obligation	-	9,898	-
Research and education	1,115	2,427	1,105
	<u>3,115,451</u>	<u>2,507,676</u>	<u>2,630,712</u>
<b>Surplus from operations before the undernoted</b>		<u>81,983</u>	<u>26</u>
Accumulated surplus from consolidation of the Corporation (Note 20b)		<u>-</u>	<u>1,382,054</u>
<b>Annual surplus from operations</b>		<u>81,983</u>	<u>1,382,080</u>
Accumulated surplus from operations at beginning of year		<u>1,583,450</u>	<u>201,370</u>
<b>Accumulated surplus from operations at end of year</b>		<u>\$ 1,665,433</u>	<u>\$ 1,583,450</u>

See accompanying notes to the consolidated financial statements.

# British Columbia Housing Management Commission

## Consolidated Statement of Cash Flows

Year Ended March 31	2025 (\$000's)	2024 (\$000's)
Cash flows provided by (used in)		
<b>Operating transactions</b>		
Annual surplus from operations	\$ 81,983	\$ 1,382,080
Non cash Items:		
Accumulated surplus from consolidation of the Corporation (Note 20b)	-	(1,382,054)
Depreciation of tangible capital assets	134,935	4,724
Accretion expense on asset	9,898	-
Amortization of deferred capital contributions	(98,138)	-
Changes in non-cash working capital (Note 18)	(304,880)	(136,141)
Investment income	(19,858)	(5,396)
Little Mountain interest adjustment	(3,894)	-
Amortization of unearned lease revenue	(931)	-
Gain on sale of tangible capital assets	(2,438)	-
Discount on loans receivable	-	(140)
	<u>(203,323)</u>	<u>(136,927)</u>
<b>Capital transactions</b>		
Tangible capital asset additions	(599,567)	(12,081)
Proceeds on disposal of tangible capital assets	8,892	-
Semiq we2ele (Riverview Lands) development projects	(3,257)	-
	<u>(593,932)</u>	<u>(12,081)</u>
<b>Investing transactions</b>		
Construction loans provided to housing projects	(129,922)	(96,368)
Cash redemption from short-term investments	124,588	21,567
Cash used for short-term investments	(124,448)	(21,039)
New mortgages provided	-	(17,713)
Mortgages payments received	1,499	3,429
Cash from consolidation of the Corporation	-	1
	<u>(128,283)</u>	<u>(110,123)</u>
<b>Financing transactions</b>		
Grants received for construction	1,349,746	1,241,280
Grants used for construction	(948,412)	(933,172)
Loans provided by Provincial Treasury	3,131,306	2,759,145
Repayment to Provincial Treasury	(3,053,910)	(2,802,979)
Long-term debt financing	10,558	-
Long-term debt repayment	(26,039)	-
Deferred capital contributions received	403,929	-
Additions to society funds	26,774	14,301
Society funds used for projects	(14,493)	(3,394)
Social Housing Agreement reserves	-	(13)
Site contamination	(72)	-
	<u>879,387</u>	<u>275,168</u>
(Decrease) increase in cash	(46,151)	16,037
Cash, beginning of year	105,442	89,405
Cash, end of year	\$ 59,291	\$ 105,442

See accompanying notes to the consolidated financial statements

# British Columbia Housing Management Commission

## Consolidated Statement of Remeasurement Gains (Losses)

Year Ended March 31	2025 (\$000's)	2024 (\$000's)
Accumulated remeasurement gains, beginning of year	\$ 12,920	\$ 6,974
Realized gains released to statement of operations	(12,908)	(1,798)
Unrealized gains attributable to portfolio investments	5,980	7,744
Net remeasurement changes for the year	(6,928)	5,946
Accumulated remeasurement gains, end of year	\$ 5,992	\$ 12,920

## Consolidated Statement of Changes in Net Debt

Year Ended March 31	Budget (\$000's) (Note 15)	2025 (\$000's)	2024 (\$000's) (Note 1)
<b>Annual surplus from operations</b>		\$ 81,983	\$ 1,382,080
Net remeasurement changes for the year		(6,928)	5,946
		<u>75,055</u>	<u>1,388,026</u>
Depreciation of tangible capital assets		134,935	4,724
Acquisition of tangible capital assets	\$ (5,000)	(599,567)	(12,081)
Disposal of tangible capital assets		6,454	-
Housing and projects under construction from consolidation of the Corporation		-	(3,666,595)
Semiq we2ele (Riverview Lands) redevelopment		(3,257)	(75,059)
		<u>(461,435)</u>	<u>(3,749,011)</u>
Acquisition of prepaid expenses		(11,868)	(17,455)
Use of prepaid expenses		12,767	15,935
		<u>899</u>	<u>(1,520)</u>
<b>Changes in net financial assets for the year</b>		<b>(385,481)</b>	<b>(2,362,505)</b>
<b>Net financial assets (debt), beginning of year</b>		<b>(2,170,280)</b>	<b>192,225</b>
<b>Net debt, end of the year</b>		<b>\$ (2,555,761)</b>	<b>\$ (2,170,280)</b>

See accompanying notes to the consolidated financial statements

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 1. General

The British Columbia Housing Management Commission (the Commission) is a Crown agency established in 1967 to deliver on the provincial government's commitment to the development, management and administration of subsidized housing throughout the Province of British Columbia (the Province). This includes developing and facilitating new social housing, administering rental assistance programs, and a variety of other federal and/or provincial housing programs.

Provincial Rental Housing Corporation (the Corporation) holds property for social and other low-cost housing initiatives for the Province. It also holds land under long-term leases to housing providers.

Effective January 26, 2024, the Province changed the governance structure, including the appointment process of the Corporation's board of directors, and as a result, the Commission gained control of the Corporation as of that date. The Commission has decided to consolidate the Corporation effective March 31, 2024. Prior to becoming a controlled entity, the Corporation was a related entity to the Commission.

The Commission consolidated the assets, liabilities and accumulated surplus of the Corporation as of March 31, 2024, into its Statement of Financial Position (Note 20b), while the Statement of Operations for the year then ended reflects only the Commission's revenues and expenditures.

The Commission is exempt from federal and provincial income taxes.

### 2. Significant Accounting Policies

#### a) Basis of Presentation

These consolidated financial statements have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which requires that financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to accounting for government transfers as set out in Note 25.

#### b) Basis of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Commission and, from March 31, 2024, its subsidiary, the Corporation. All balances and transactions between the Commission and the Corporation after this date have been eliminated on consolidation.

#### c) Use of Estimates

In preparing these consolidated financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the collectability of receivables, construction loans to housing projects, mortgages receivable, asset retirement obligations and land contamination liability, as well as the useful lives of tangible capital assets. Actual results could differ from those estimates.

#### d) Revenue Recognition

The Commission is funded primarily by the Province and the Canada Mortgage Housing Corporation (CMHC).



# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

Tenant rent and other Revenues are recognized on an accrual basis in the period in which the transactions or events that gave rise to the revenues occur. The amounts are considered to be collectible and can be reasonably estimated.

Tenant rent revenue represents rent charged to residents and is determined as the lesser of market rent and a percentage of each resident's income.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral. Eligibility criteria are the criteria that the Commission must meet in order to receive the contributions, including authorization by the transferring entity.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized in the year related expenses are recognized in the consolidated statement of operations.

### e) Deferred Contributions

Canadian public sector accounting standards require that government transfers be recognized when approved and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized over the period that the liability is extinguished.

However, consistent with the Province of British Columbia, Ministry of Finance regulation 198/2011, funding received from the Province for the acquisition or construction of depreciable capital assets is recorded as a liability (deferred capital contribution) and is recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal periods during which the tangible capital asset is used to provide services.

### f) Tangible Capital Assets

The Commission capitalizes its tangible capital assets at cost.

#### i. Land, building and construction in progress.

Land is not depreciated, and buildings are depreciated using the straight-line method as follows:

- Newly constructed buildings are depreciated over a 40-year amortization period;
- Purchases of older buildings are depreciated over the remaining estimated useful life of the building; and,
- Betterments to buildings are depreciated over the extended remaining life of the building.

Construction in progress is not subject to depreciation until the project is complete and transferred to buildings.

#### ii. Other tangible capital assets

Other tangible capital assets are depreciated over their estimated useful life (see Note 14). Computer software includes desktop applications, server applications, and enterprise applications, which are depreciated over an amortization period ranging from three to ten years. Computer hardware includes photocopier hardware, server hardware, data Centre hardware, and communication hardware and is depreciated over a three-year amortization period. Tenant improvements are amortized over their respective lease terms. All other capital assets are depreciated over a five-year amortization period.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

- iii. Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the Commission to provide services or when the value of future economic benefits is less than their net book value. The write-downs are accounted for as expenses in the consolidated statement of operations. Write-downs are not subsequently reversed.

### g) Capitalization of Public-Private Partnership Projects

Public-private partnership (P3) projects are delivered by private sector partners selected to design, build, finance, and maintain the assets. The costs of the assets are estimated at fair value, based on construction progress verified by an independent certifier, and include other costs incurred directly by the Corporation. The asset cost includes development and financing fees estimated at fair value, which require the extraction of cost information from the financial model embedded in the project agreement. Interest during construction is also included in the asset cost and is calculated on the P3 asset value, less contributions received during the construction term. The interest rate used is the project's internal rate of return. Upon completion, the project assets are amortized over their estimated useful lives. Correspondingly, an obligation net of the contributions received is recorded as a liability and included in long-term debt. Upon substantial completion, the private sector partner receives monthly payments to cover the partner's operating costs, financing costs and a return of their capital.

### h) Səmiqwəʔelə (Riverview Lands) Redevelopment

Costs associated with the redevelopment that meet capitalization criteria are capitalized, including carrying costs, construction, net operating income or losses, financing, demolition, land planning and incidental carrying costs net of any revenue generated at the site. Costs are capitalized until the completion of the redevelopment. The net amount recoverable from the redevelopment is considered sufficient to recover the capitalized costs.

### i) Property Leases

The Corporation leases property used for housing to housing providers. These 60-year leases are prepaid by the housing providers when the housing projects are completed and ready for occupancy. The Corporation amortizes the amount as lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

### j) Financial Instruments

The Commission's financial instruments consist of cash, portfolio investments, receivables, long-term receivables, due from the Province of British Columbia, due from Canada Mortgage and Housing Corporation, construction loans to housing projects, mortgages and loans receivable, accounts payable and accrued liabilities, due to Provincial Treasury, Society funds held on deposit, construction grants payable and long-term debt.

Equity instruments quoted in an active market (portfolio investments) are measured at fair value upon inception and subsequent to initial recognition. These financial instruments are not reclassified into another measurement category for the duration of their holding period. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Realized gains and losses are recognized in the consolidated statement of operations, and unrealized gains/losses from changes in fair value are recorded in the consolidated statement of remeasurement losses.

All other financial assets and financial liabilities are measured at cost or amortized cost subsequent to initial recognition.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

The classification of financial instruments is determined upon their initial recognition. Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category as described below:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

All financial assets are assessed annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Transaction costs for financial instruments measured at fair value are expensed when incurred.

A financial liability or its part is derecognized when it is extinguished.

### k) Asset Retirement Obligations

The Commission's asset retirement activities include decommissioning or dismantling a tangible capital asset that was acquired, constructed, or developed, the abatement of hazardous materials in buildings, i.e. asbestos, lead paint, etc, and the dismantling of leasehold improvements as required in the respective lease agreements. The estimated timing for all hazardous materials removal is based on the end of the buildings' remaining useful lives, while the estimated timing for dismantling leasehold improvements is based on the end of current lease terms.

The asset retirement obligation at the consolidated financial statement date is measured based on the Commission's estimate of the amount required to retire its tangible capital asset at the balance sheet date. This was performed using unit cost estimations provided by a third-party consultant. The asset retirement cost is calculated using a discount rate of 3.60% (2024: 3.49%), which is the effective interest rate on the taxpayer-supported debt that is updated quarterly by the Provincial Treasury.

### l) Government transfers

The Commission records government transfers (including grants and housing subsidies) as expenses during the period the transfer is authorized, and the recipient has met all eligibility criteria.

### m) Employee Benefit Plans

The public service's employees and employers contribute to the Public Service Pension Plan (the Plan), a jointly trustee pension plan. The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for overseeing the plan's management, including investing assets and administering benefits. The Plan is a multi-employer contributory defined benefits pension plan, and pension benefits are expensed as incurred. The Plan has approximately 76,000 active plan members and approximately 57,000 retired plan members.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

An actuarial valuation is performed every three years to assess the financial position of the Plan and the adequacy of plan funding. The latest valuation, as of March 31, 2023, indicated an actuarial surplus of \$4.49 billion for basic pension benefits. The actuary does not attribute portions of the unfunded liability or surplus to individual employers. The Commission paid \$11,074,000 for employer contributions to the Plan in fiscal 2024/2025 (2023/2024: \$8,086,000).

### 3. Portfolio Investments

On April 30, 2024, BC Housing transferred the management of its investment portfolio to British Columbia Investment Management Corporation (BCI), with the portfolio investments held in pooled investments. Income derived from the investments is reinvested into the portfolio. Management meets periodically with BCI to review the fund's performance and ensure compliance with the BC Housing investment policy. Quarterly reports are provided to the BC Housing Board of Commissioners.

The Commission had investment income totaling \$19,858,000 in fiscal 2024/2025.

### 4. Receivables and Construction Loans to Housing Projects

#### a) Receivables

Receivables are recorded at cost less an amount for allowance of doubtful accounts. The allowance is determined on the basis of past collection experience. As of March 31, 2025, the allowance totaled \$10,335,000 (2024: \$7,173,000). Changes in the valuation allowance are recognized in the consolidated statement of operations.

#### b) Long-term Receivables

The Corporation completed a sale of the Little Mountain property on July 2, 2013, for proceeds of \$333,957,000. The purchaser is required to provide the Corporation with 234 non-market housing units and to pay the balance of the purchase price based on the proportion of the site developed in phases over time. The current receivable is adjusted based on the updated cash flow forecast, and it is equal to the net present value of the remaining expected future payments, discounted at 2.31 percent, and the fixed value of the remaining 181 social housing units.

		2025 March 31 (\$000's)
Balance, beginning of year	\$	236,632
Interest Adjustment		3,894
Balance, end of period	\$	240,526

#### c) Construction Loans to Housing Projects

In its capacity as a *National Housing Act* (NHA) approved lender, the Commission advances approved interim construction loan draws to non-profit housing providers, First Nations, and developers under various social housing and market rental housing programs. The loan advances are repaid upon project construction completion, and arrangement of long-term takeout mortgages with CMHC and/or NHA-approved lenders. Borrowers are charged a variable interim interest at the Province's weighted average borrowing rate for short-term funds, plus administration costs. The average yield for the year 2024/2025 is 4.86% (2023/2024: 5.41%). The allowance for construction loans to housing projects for the year 2024/2025 totaled \$5,752,000 (2023/2024: \$7,190,000).

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 5. Mortgages and loans receivable

#### a) Non-profit Housing Provider Mortgages Receivable

The Commission periodically continues to hold construction financing mortgages receivable after construction is completed. In all but rare situations, these mortgages are secured either by a collateral mortgage or evidenced by a promissory note or non-collateral loan agreement. As of March 31, 2025, the carrying amount of construction financing mortgages receivable was \$36,882,000 (2024: \$25,969,000). These receivables are secured by mortgages and/or promissory notes.

#### b) BC HOME Partnership Loans Receivable

Through the BC Home Owner Mortgage and Equity Partnership (BC HOME Partnership), the Commission assisted eligible first-time homebuyers by providing repayable down payment assistance loans. The loans, secured as a second mortgage by property, are interest and payment-free for the first five years, after which interest at prime plus 0.5% will begin to accrue, and principal and interest payments will be amortized over 20 years. The initial interest rate is set when the loan is conditionally approved and will be reset at the Royal Bank of Canada Prime Rate plus 0.5% at each of the 10<sup>th</sup>, 15<sup>th</sup>, and 20<sup>th</sup> anniversary dates.

The program stopped accepting new applications on March 31, 2018. As of March 31, 2025, the carrying amount of the loans receivable was \$5,141,000 (2024: \$6,447,000).

#### c) Other Loans Receivable

\$76,000 in other loan receivables are for the projects managed by other government entities.

### 6. Due to Provincial Treasury

Amounts represent short-term funds borrowed from the Province for the purpose of facilitating the construction or renovation of affordable housing and for the BC Builds program. In accordance with the amended Memorandum of Understanding (MOU) dated July 19, 2024, BC Builds replaces HousingHub as the housing program administered by the Commission. The maximum amount is not to exceed \$1.639 billion for the construction or renovation of affordable housing and \$2 billion for BC Builds. Amounts drawn bear interest at a rate charged by the provincial Ministry of Finance. The debt is available by way of a series of rolling short-term promissory notes (that, when due, can be rolled into further short-term promissory notes).

As of March 31, 2025, the total amount borrowed by the Commission for construction/renovation was \$423,200,000 (2024: \$522,110,000). The total amount borrowed by the Commission for BC Builds projects was \$610,023,000 (2024: \$433,717,000), with interest rates ranging from 2.47% to 4.90%.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 7. Long-Term Debt

	<b>2025</b>		<b>2024</b>
	<b>March 31</b>		<b>March 31</b>
	<b>(\$000's)</b>		<b>(\$000's)</b>
Canada Mortgage and Housing Corporation (CMHC) Debenture mortgages repayable at the end of each year, maturing between the years 2026 and 2029, with a weighted average rate of 8.36% (2024: 8.11%) and secured by unregistered first mortgages on properties of the Corporation.	<b>\$ 5,953</b>	\$	11,371
Chartered banks and CMHC Mortgages repayable monthly over terms of up to 35 years, with an average rate of 3.17% (2024: 3.19%), secured by registered first mortgages on properties of the Corporation.	<b>149,003</b>		153,007
Public-Private Partnership Obligations SRO Renewal Initiative, 18-year contract until January 2031 with Habitat Housing Initiative, monthly payments including interest at 6.73% per annum, payable in accordance with the project agreement terms commencing July 2014.	<b>44,457</b>		50,516
	<b>\$ 199,413</b>	\$	214,894

The aggregate principal repayments required in each of the next five fiscal years and thereafter are estimated to be as follows:

	<b>(\$000's)</b>
2025	<b>30,121</b>
2026	<b>37,203</b>
2027	<b>37,804</b>
2028	<b>16,371</b>
2029	<b>34,619</b>
Thereafter	<b>43,295</b>
	<b>\$ 199,413</b>

There is no change to the terms of the Public-Private Partnership arrangement occurring during the reporting period.

### 8. Society Funds Held on Deposit

These funds represent the balance of mortgage advances held to cover various non-profit society construction and soft costs required to complete their projects. Interest accrues on the society funds at the prime rate minus 1.8%.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 9. Asset Retirement Obligations

The asset retirement obligations include:

- The abatement of hazardous materials in buildings, i.e. asbestos, lead paint, etc.
- Leasehold obligation, which includes dismantling of leasehold improvements and returning the land to the original condition as required in the lease agreements.

		<b>2025</b>
		<b>March 31</b>
		<b>(\$000's)</b>
Balance, beginning of year	\$	<b>278,832</b>
Add: Additional obligation		<b>6,946</b>
Minus: Liability settled		<b>(5,964)</b>
Add: Accretion expense		<b>9,898</b>
Balance, end of period	\$	<b>289,712</b>

### 10. Site Contamination

The Ministry of Citizens' Services and the Ministry of Health transferred \$7,420,000 to the Corporation in February 2015 for the remediation of contaminated sites at Səmiqwe?elə (Riverview Lands) project site. As of March 31, 2025, the total liability is \$6,087,000.

The contamination and cost of remediation over the life of the projects are under regular review, and the liability is adjusted as information is available. As of March 31, 2025, the liability amount is enough to cover the present value of remediation costs required; any portion of the amount transferred that proves to exceed the actual amount required will be repayable by the Commission to the Ministry of Citizens' Services.

### 11. Deferred Contributions

Deferred contributions represent restricted contributions for the Commission's specific programs or restrictions on using the contributions in future periods.

	<b>2024</b>		<b>Contributions</b>		<b>Revenue</b>		<b>2025</b>
	<b>31-Mar</b>		<b>Received</b>		<b>Recognized</b>		<b>31-Mar</b>
	<b>(\$000's)</b>		<b>(\$000's)</b>		<b>(\$000's)</b>		<b>(\$000's)</b>
Provincial Contributions	\$ 16,183	\$	1,424,612	\$	(1,380,763)	\$	60,032
Federal Contribution	250,496		265,506		(191,640)		324,362
Other Agencies	10,540		8,487		(8,766)		10,261
	\$ 277,219	\$	1,698,605	\$	(1,581,169)	\$	394,655

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 12. Deferred Capital Contributions

Deferred capital contributions are grants received that are restricted for the purchase and/or development of tangible capital assets, such as new social housing projects or the major rehabilitation of buildings.

		<b>2025</b>
		<b>March 31</b>
		<b>(\$000's)</b>
Balance, beginning of year	\$	<b>2,001,601</b>
Receipts		<b>403,929</b>
Amortization		<b>(98,138)</b>
Balance, end of period	\$	<b>2,307,393</b>

### 13. Construction Grants Payable

Grants for construction represent liabilities to individual projects in advance of construction. The remaining balance will be paid as construction progresses.

	<b>2025</b>	<b>2024</b>
	<b>31-Mar</b>	<b>31-Mar</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>
Deepening Affordability	<b>11,461</b>	16,469
Community Housing Fund	<b>702,756</b>	445,565
Indigenous Housing Fund	<b>223,071</b>	175,837
MOU Metro Vancouver Housing Corp	<b>119,908</b>	119,974
Capital Renewal Funding	<b>203,645</b>	151,125
Investment in Housing Innovation	<b>2,900</b>	7,876
BC PHI Provincial Matching	<b>-</b>	5,634
Mental Health Housing Initiative	<b>230</b>	230
Shovel-Ready Housing Grant	<b>165,774</b>	195,469
Cost Pressure Grant	<b>51,426</b>	116,203
BC Builds Grant	<b>85,502</b>	-
Provincial Redevelopment Program	<b>78,796</b>	-
Other Project Grants	<b>14,470</b>	17,299
Federal Bilateral Agreement	<b>24,143</b>	31,064
Federal Rapid Housing Initiative	<b>2,517</b>	2,517
Other Federal funding	<b>42</b>	45
	<b>\$ 1,686,641</b>	<b>\$ 1,285,307</b>



# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 14. Non-Financial Assets

#### a) Housing and projects under construction

<b>Cost</b>	<b>2024</b>				<b>2025</b>	
	March 31	Tangible Asset	ARO	Tangible Asset	ARO Disposals	March 31
	(\$000's)	Additions	Additions	Disposals		(\$000's)
Land	\$ 1,012,683	\$ 81,546		\$ (288)		\$ 1,093,941
Buildings	3,212,502	366,492	6,946	(16,340)	(10,885)	3,558,715
Construction in progress	443,254	136,683		(1,410)		578,527
	\$ 4,668,439	\$ 584,721	\$ 6,946	\$ (18,038)	\$ (10,885)	\$ 5,231,183

<b>Depreciation</b>	Accumulated Depreciation	Expense	ARO Expense	Disposals Adjustments	ARO Disposals Adjustments	Accumulated Depreciation
Buildings	\$ 1,001,844	\$ 114,738	\$ 13,758	\$ (11,906)	\$ (10,602)	\$ 1,107,832

<b>Net Book Value</b>	Beginning	Ending
Land	\$ 1,012,683	\$ 1,093,941
Buildings	2,210,658	2,450,883
Construction in progress	443,254	578,527
	\$ 3,666,595	\$ 4,123,351

#### b) Səmiqwəʔelə (Riverview Lands) redevelopment

On February 2, 2015, ownership of Səmiqwəʔelə (Riverview Lands) was transferred to the Corporation from the Ministry of Citizens' Services. The land is to be redeveloped over the next several years. The proceeds from the redevelopment, including lease and film revenues, will fund the development costs.

	<b>2024</b>		<b>2025</b>	
	March 31	Additions	March 31	
	(\$000's)		(\$000's)	
<b>Land</b>	\$ 3,788	\$ -	\$ 3,788	
<b>Buildings</b>	13,752	-	13,752	
<b>Depreciation - Buildings</b>	(3,647)	(428)	(4,075)	
<b>Construction in Progress</b>	61,166	3,257	64,423	
	\$ 75,059	\$ 2,829	\$ 77,888	

kʷikwəʔəḷəm First Nation (KFN) asserted their aboriginal title to a collection of lands, including səmiqwəʔelə (Riverview), through the filing of a civil land claim in 2016, naming the Commission and the Corporation. In 2021, the Commission, the Corporation and KFN, and all other named parties in the land claim agreed to a Reconciliation Agreement (RA) process led by the Ministry of Indigenous Relations & Reconciliation (MIRR). The purpose of the RA is to provide a non-litigation means of resolving KFN's assertion of aboriginal title. The land claim is currently in adjournment, with anticipated agreements expected in fiscal 2026. The Commission, the Corporation and MIRR are collaborating with KFN to co-determine an ownership outcome for səmiqwəʔelə that would resolve KFN's claim.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### c) Tangible Capital Assets

<b>Cost</b>	<b>2024</b>			<b>2025</b>	
	<b>March 31</b>	<b>Additions</b>	<b>Disposals</b>	<b>March 31</b>	
	<b>(\$000's)</b>			<b>(\$000's)</b>	
Computer software	\$ 39,239	\$ 7,626	\$ -	\$ 46,865	
Computer hardware	74	-	-	74	
Tenant improvements	14,573	175	(39)	14,709	
Office furniture	3,162	-	-	3,162	
Office equipment	129	-	-	129	
Vehicles	2,842	99	(198)	2,743	
Grounds equipment	2,387	-	-	2,387	
	\$ 62,406	\$ 7,900	\$ (237)	\$ 70,069	

<b>Depreciation</b>	<b>Accumulated</b>			<b>Accumulated</b>	
	<b>Depreciation</b>	<b>Depreciation</b>	<b>Disposals</b>	<b>Depreciation</b>	
Computer software	\$ 24,164	\$ 4,628	\$ -	\$ 28,792	
Computer hardware	74	-	-	74	
Tenant improvements	12,189	717	-	12,906	
Office furniture	3,163	-	-	3,163	
Office equipment	100	10	-	110	
Vehicles	2,069	269	(198)	2,140	
Grounds equipment	1,715	387	-	2,102	
	\$ 43,474	\$ 6,011	\$ (198)	\$ 49,287	

<b>Net Book Value</b>	\$ 18,932			\$ 20,782	
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### 15. Budget Figures

Budgeted figures align with the budget presented in the 2024/2025 – 2026/2027 Service Plan that was released in February 2024. A budget has not been prepared for the Corporation on a standalone basis and as such, budget amounts presented in these consolidated financial statements represent the budget approved for the non-consolidated accounts of the Commission.

### 16. Other Revenue

	<b>2025</b>	<b>2024</b>
	<b>March 31</b>	<b>March 31</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>
Licensing & Consumer Service Revenue	\$ 5,843	\$ 5,608
Commercial Rent/Lease Revenue	3,021	2,519
Operational Contribution Special Projects	7,820	3,564
Miscellaneous Revenue	6,618	6,022
<b>Total Other Revenue</b>	<b>\$ 23,302</b>	<b>\$ 17,713</b>

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 17. Grants in Lieu of Property Taxes

The Commission, on behalf of the Province, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects managed.

### 18. Changes in Non-Cash Working Capital

	<b>2025</b>	2024
	<b>March 31</b>	March 31
	<b>(\$000's)</b>	(\$000's)
Accounts payable and accrued liabilities	\$ (10,578)	\$ 90,574
Deferred revenue	117,436	50,436
Due from Canada Mortgage and Housing Corporation	(16,363)	(9,223)
Due from Province of British Columbia	(400,085)	(295,707)
Due from (to) Provincial Rental Housing Corporation	-	30,425
Prepaid expenses and housing subsidies	899	(1,520)
Receivables	3,568	(1,112)
Tenants' prepaid rent	243	(14)
	<b>\$ (304,880)</b>	<b>\$ (136,141)</b>

### 19. Commitments

#### a) Rental Obligations

The Commission has minimum rental obligations under operating leases for office space over the next five years and beyond as follows:

	(\$000's)
2026	\$ 6,460
2027	6,694
2028	6,818
2029	2,031
2030	1,843
Beyond	836
<b>Total</b>	<b>\$ 24,682</b>

#### b) Contractual Obligations- Housing Subsidies

The Commission has significant contractual obligations with non-profit housing societies for the provision of annual subsidies. These contracts are reviewed annually to evaluate the level of commitment. The forecasted amount over the next five years and beyond as follows:

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

		(\$000's)
2026	\$	816,415
2027		374,206
2028		293,346
2029		236,033
2030		189,208
Beyond		5,349,517
<b>Total</b>	<b>\$</b>	<b>7,258,725</b>

### c) Contractual Obligations - Construction

The Commission entered into construction contracts to build or renovate 490 projects owned by the Corporation. Total construction commitments as of March 31, 2025, were \$117,796,000. As construction progresses, the asset values are recorded as work in progress (WIP) in the Corporation. Upon construction completion, WIP will be transferred to capital assets, and depreciation will commence.

### d) Public-Private Partnership Commitments

The Corporation has entered into a public-private partnership project (P3) with Habitat Housing Initiative (HHI) to renovate 13 single-room occupancy Hotels in Vancouver's Downtown Eastside. The information provided below shows the anticipated cash outflow, net of federal contributions provided during construction, for future obligations under the contract with HHI for the capital cost and financing, the facility maintenance and lifecycle costs as defined in the Project Agreement. Payments to the private partner are contingent on specified performance criteria and include an estimation of inflation where applicable.

As construction progressed, the asset values are recorded as tangible capital assets (see Note 14), and the obligation was recorded as a liability and included in long-term debt (see Note 7). Upon construction completion, the obligation is met through the capital component of the monthly service payments over the term of the Project Agreement, which is paid directly by the Commission.

	Capital (\$000's)	Facility Maintenance and Lifecycle (\$000's)	Total Payments (\$000's)
2026	9,461	2,040	<b>11,501</b>
2027	9,461	1,840	<b>11,301</b>
2028	9,461	1,994	<b>11,455</b>
2029	9,461	2,218	<b>11,679</b>
2030	9,461	2,171	<b>11,632</b>
Thereafter	7,884	1,486	<b>9,370</b>
<b>Total</b>	<b>\$ 55,189</b>	<b>\$ 11,749</b>	<b>\$ 66,938</b>

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### e) Loan Insurance Agreement

CMHC provides loan insurance under the *NHA*. The CMHC-BC Housing Loan Insurance Agreement allows the Commission to arrange long-term CMHC loan-insured mortgages on behalf of non-profit housing providers and First Nations. In the event of a loan default, the Commission is required to rectify the default and fully reimburse CMHC for claims paid to CMHC/approved lenders. Since the establishment of the Loan Insurance Agreement in January 1993, the Commission has never had a claim made against the Loan Insurance Agreement. The Commission underwrites the mortgages in accordance with CMHC Handbook for multi-unit properties, registers a collateral mortgage, section 219 covenant and Option To Purchase (if applicable) on title. The Commission also enters into an Operating Agreement with the borrower to ensure access to property, ongoing operational compliance and access to borrower's financial information.

The maximum value of mortgages that can be insured under this agreement is \$4.5 billion. As of March 31, 2025, the total value of outstanding CMHC insured mortgages was \$3,790,410,000 (2024: \$3,385,550,000). No claim is expected on this portfolio, and the Commission has not recorded a provision for loss.

### f) Contractual Obligation – Property Acquisition

As at March 31, 2025, the Commission signed two purchase agreements that are expected to close in fiscal 2026 for total consideration of \$16,125,000.

## 20. Related Party Transactions

### a) BC Government Reporting Entities

The Commission is related through common control to all Province of BC ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are considered to be in the normal course of operations and are recorded at the exchanged amount, which is the amount of consideration established and agreed to by the related parties. Funds are due on receipt of the invoice and bear no interest. As of March 31, 2025, the total due from the Province was \$1,702,895,000 (2024: \$1,302,810,000).

### b) Provincial Rental Housing Corporation (the Corporation)

As at March 31, 2024, the Commission accounted for its control in the Corporation (see Note 1). As a result, the following assets and liabilities have been consolidated in the Commission's financial statements at their carrying amounts at that date.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

	March 31 2024 (\$000's)
<b>Financial assets</b>	
Cash	\$ 1
Debenture subsidy receivable	839
Long-term receivables	236,632
	<u>237,472</u>
<b>Liabilities</b>	
Interest payable	90
Deferred capital contributions	2,001,601
Due to BC Housing Management Commission	67,453
Unearned lease revenue	28,043
Site contamination	6,159
Long-term debt	214,894
Asset retirement obligations	278,832
	<u>2,597,072</u>
<b>Net debt</b>	<u>(2,359,600)</u>
<b>Non-financial assets</b>	
Housing and projects under construction	3,666,595
Riverview Lands redevelopment	75,059
	<u>3,741,654</u>
<b>Accumulated surplus</b>	<u>\$ 1,382,054</u>

All intercompany balances, transactions, income, and expenses are eliminated in full in these consolidated financial statements. This arrangement has been accounted for under PS 3420 – Inter-entity Transactions and PS 2200 – Related Party Transactions.

## 21. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. The Commission has contractual rights to receive payments under the following agreements or to receive lease payments as follows:

Contractual right with:	Description	2026 (\$000's)	2027 (\$000's)	2028 (\$000's)	2029 (\$000's)	2030 (\$000's)	Thereafter (\$000's)
CMHC	Annual funding under the Social Housing Agreement (SHA)	\$ 51,422	\$ 37,306	\$ 23,295	\$ 13,564	\$ 7,413	6,087
CMHC	Annual funding under Bilateral Agreement	108,690	135,310	159,549	-	-	-
Non-profit housing providers	Land/and or building lease payments on properties owned by the Corporation	2,258	2,207	2,073	1,697	1,354	12,713
<b>Total</b>		<b>\$ 162,370</b>	<b>\$ 174,823</b>	<b>\$ 184,917</b>	<b>\$ 15,261</b>	<b>\$ 8,767</b>	<b>\$ 18,800</b>

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### 22. Contingencies

#### a) Letters of Credit

As of March 31, 2025, the Commission was contingently liable with respect to letters of credit totaling \$18,369,000 (2024: \$17,798,000) for municipal development cost charges.

#### b) Legal Claims

The nature of the Commission's activities is such that there will be litigation pending or in progress at any time. With respect to claims on March 31, 2025, management is of the opinion that it has valid defenses and appropriate insurance coverage in place, or if there is an unfunded risk, such claims are not expected to have a material effect on the Commission's financial position. Outstanding contingencies are reviewed on an ongoing basis and are provided for based on management's best estimate of the ultimate settlement.

### 23. Financial Instrument Risks

The Commission, through its financial assets and liabilities, is exposed to credit risk, interest rate risk, market risk and liquidity risk. The following analysis provides a measurement of those risks on March 31, 2025:

#### a) Credit Risk

Credit risk is the potential financial loss that the Commission may incur due to the failure by its debtors to meet their contractual obligations in accordance with agreed terms. Financial instruments that potentially subject the Commission to credit risk consist primarily of cash and portfolio investments, receivables due from the Province of British Columbia, due from Canada Mortgage and Housing Corporation, mortgages and/or loans receivable and interim construction loans to housing projects.

Credit risk associated with cash is managed by investing these financial assets in instruments held with reputable Canadian chartered banks. Credit risk associated with portfolio investments is managed by investing in pooled funds that have a well-diversified portfolio of securities.

With respect to interim construction loans to housing projects, during the development phase, a project may encounter potential credit risk due to uncertainty in municipal zoning approval, the management and financial capacity of non-profit housing providers, and funding availability. During this development phase, credit risk is mitigated by an assessment of collectability. Furthermore, construction loans granted to housing projects owned by non-profit housing providers are secured by property and repaid upon construction completion or when project achieves stabilized income (see Note 4).

With respect to mortgages and loan receivables, credit risk is mitigated as these receivables are also secured by property (see Note 5).

To reduce the risk associated with long-term receivables, the Corporation periodically evaluates the collectability of its accounts receivable and adjusts it to reflect the true value of the receivable when necessary.

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

The Commission is exposed to credit risk with respect to letters of credit for municipal development cost charges which act as financial guarantees. The letter of credit amount is accounted for in the project's capital budget. Once the requested site or servicing works have been completed, the municipality will return the original letter of credit to the issuing bank and the letter of credit will then be cancelled. It is an "in and out" cost within the project's capital budget, hence, the risk of default by the municipality is reasonably low.

The Commission is also exposed to credit risk through its CMHC indemnifications as in the event of a loan default, the Commission is required to rectify mortgage payment default and fully reimburse CMHC for claims paid and approved to lenders. This is further disclosed in note 19 (e). The Commission mitigates this risk by identifying and sourcing a replacement housing provider to own the asset, continue the operation and assume the loan obligation. Since the establishment of the Loan Insurance Agreement in January 1993, the Commission has never had a claim made against the Loan Insurance Agreement.

The Commission is not significantly exposed to credit risk on its receivables from the Province.

### b) Market Risk

Market risk is comprised of currency risk, interest rate risk and other price risk.

#### Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Construction loans bear interest at the Province's weighted average borrowing rate, however this risk is mitigated due to the relatively stable Provincial borrowing rate and the fact that these loans are relatively short term in nature (within two years). Investments bear some interest rate risk, but these risks are mitigated through the diversification of the portfolio.

The Commission is subject to interest rate risk when refinancing its long-term debt portfolio. The Commission mitigates this risk by maximizing its borrowing from CMHC and seeking competitive interest rates from financial institutions. The Commission is also able to mitigate short- and long-term interest rate changes through the Commission's ability to borrow directly from the Provincial Treasury.

#### Other price risk

Other price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Commission has an investment policy to ensure investments are managed appropriately and invested in diversified funds to secure the preservation of capital and the availability of liquid funds. The Commission has also retained qualified investment firms to invest surplus funds in accordance with its investment policy.

Currency risk - Currency risk is the risk arising from change in price of one currency in relation to another. The Commission is not exposed to currency risk.



# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### c) Liquidity Risk

Liquidity risk is the risk that the Commission will not be able to meet its obligations as they fall due. The Commission maintains adequate levels of working capital to ensure all its obligations can be met as they become due. To further manage liquidity risk, the Commission has a borrowing limit of up to \$2.8 billion with the Province, including an additional approved \$2 billion borrowing limit for the BC Builds program. The debt is available by way of a series of rolling short-term promissory notes. The Commission therefore can access further financing through these promissory notes as they are repaid in stages through the receipt of cash on construction loans receivable. Further financing can also be obtained through transfers and grants from the Province to mitigate this risk. The Commission has the option to sell its portfolio investments.

The majority of the Commission's financial assets and liabilities are current, maturing within one year. The table below shows the various financial assets and liabilities that mature after one year.

#### 2025 March 31

<b>Financial assets</b>	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	<b>Total (\$000's)</b>
Construction loans to housing projects	\$ 920,078	\$ 517,688	\$ -	\$ 1,437,766
Mortgages and loans receivable	2,384	24,914	14,801	42,099
Long-term receivables	23,316	138,106	79,104	240,526
<b>Total</b>	<b>\$ 945,778</b>	<b>\$ 680,708</b>	<b>\$ 93,905</b>	<b>\$ 1,720,391</b>

<b>Financial liabilities</b>	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	<b>Total (\$000's)</b>
Society funds held on deposit	\$ 3,630	8,569	41,755	\$ 53,954
Long-term debt	30,121	125,997	43,295	199,413
<b>Total</b>	<b>\$ 33,751</b>	<b>\$ 134,566</b>	<b>\$ 85,050</b>	<b>\$ 253,367</b>

#### 2024 March 31

<b>Financial assets</b>	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	<b>Total (\$000's)</b>
Construction loans to housing projects	\$ 1,131,653	\$ 187,297	\$ -	\$ 1,318,950
Mortgages and loans receivable	616	2,498	29,378	32,492
Long-term receivables	23,316	44,752	168,564	236,632
<b>Total</b>	<b>\$ 1,155,585</b>	<b>\$ 234,547</b>	<b>\$ 197,942</b>	<b>\$ 1,588,074</b>

<b>Financial liabilities</b>	Up to 1 year (\$000's)	1 to 5 years (\$000's)	Over 5 years (\$000's)	<b>Total (\$000's)</b>
Society funds held on deposit	\$ 4,548	8,166	28,959	\$ 41,673
Long-term debt	52,197	109,269	53,428	214,894
<b>Total</b>	<b>\$ 56,745</b>	<b>\$ 117,435</b>	<b>\$ 82,387</b>	<b>\$ 256,567</b>

# British Columbia Housing Management Commission

## Notes to the Consolidated Financial Statements

March 31, 2025

### **24. Impact of Accounting for Government Transfers in accordance with the Budget Transparency and Accounting Act**

As noted in the significant accounting policies (see Note 2), section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia and its related regulations require the Corporation to account for government transfers for capital assets by deferring and recognizing them in revenue at the same rate that amortization of the related capital asset is recorded. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be reported in income immediately. If government transfers were accounted for under Canadian public sector accounting standards, the impact of this difference on the financial statements of the Corporation is as follows:

- a) For the year ended March 31, 2024, an increase to the annual surplus of \$313,905,000; and,
- b) On March 31, 2024, there was an increase in accumulated surplus and a decrease in contributions of \$1,932,723,000.
- c) For the year ended March 31, 2025, an increase to the annual surplus of \$247,995,000; and,
- d) On March 31, 2025, there was an increase in accumulated surplus and a decrease in contributions of \$2,180,718,000.