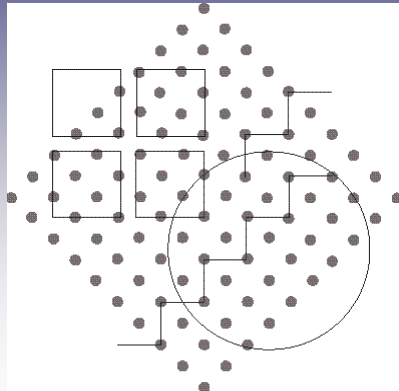




L'Agence des coopératives d'habitation  
The Agency for Co-operative Housing

CHF Canada

2008 Federations Conference



## Hopes and Fears: Two fingers on the irregular pulse of co-op housing

Olga Tasci  
Dave Howard  
Joanne Mick

[www.agency.coop](http://www.agency.coop)



## Agency Portfolio

### Outline

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The View from 40,000 Feet

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Data Set

---

Risk Profile

---

Vacancy Losses

---

Arrears and Bad Debts

---

Directors in Arrears

---

Capital Replacement Reserves

2

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### The View from 40,000 Feet

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Agency portfolio as a whole is healthy

---

Typical housing co-op:

fully compliant with operating agreement

good liquidity

good earnings

good physical condition

housing charges below market

3



### The View from 40,000 Feet

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Vacancy losses are below 1% of gross housing charge potential

---

Arrears and bad debts together equal less than 1% of annual charges to members

---

Administration costs are a respectable 6% of expenses

---

Co-op's assets are properly insured

4



## The View from 40,000 Feet

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Capital replacement reserve median is \$3,152 per unit

---

Won't pay for any significant repairs or replacements

---

Monthly contributions to the reserve not keeping up with spending

---

A closer look at the portfolio reveals a more complex picture.

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## Data Set

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**2007**

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461 of 515 Agency clients (90%)

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**2008**

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306 of 520 Agency clients (59%)

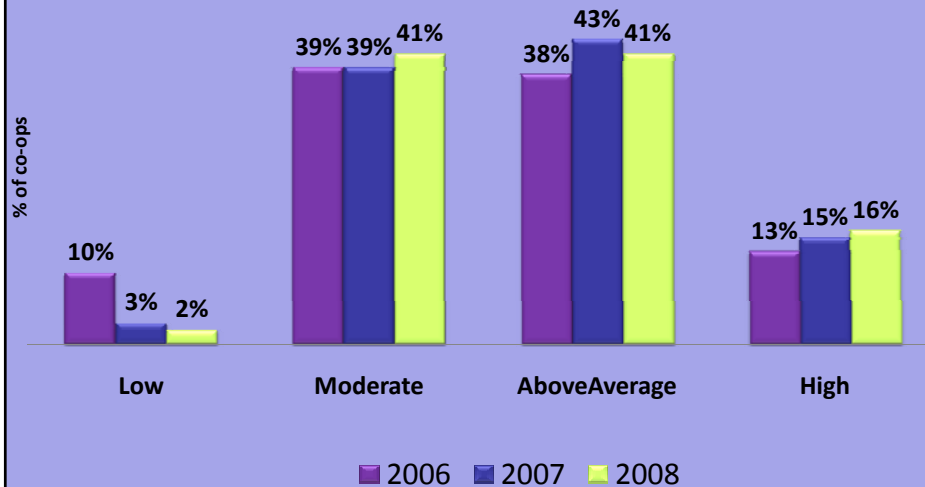
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## Agency Portfolio

### Composite Risk Rating Trend



## Agency Portfolio

### % of Co-ops with Further Indicators of Risk

Insurance	34%
Directors in Arrears	25%
Contingent Liabilities	12%
Internal Controls	9%
Audit Opinion - Qualified	4%
Property Tax Arrears	2%
Mortgage Arrears	1%



**% of Co-ops with Further Indicators of Risk by Province**

	Mortgage Arrears	Property Tax Arrears	Audit Opinion Denial	Audit Opinion- Qualified
Alberta	-	-	-	3%
BC	-	4%	12%	5%
Ontario	3%	-	12%	12%

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**% of Co-ops with Further Indicators of Risk by Province**

	Insurance	Liabilities	Director Arrears	Internal Controls
Alberta	38%	15%	9%	15%
BC	33%	12%	4%	-
Ontario	38%	12%	4%	3%

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## Agency Portfolio

### % of Co-ops Incurring No Vacancy Losses

2007	2008
26%	31%

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## Agency Portfolio

### % of Co-ops Incurring No Vacancy Losses (2008)

Alberta	41%
BC	47%
Ontario	14%

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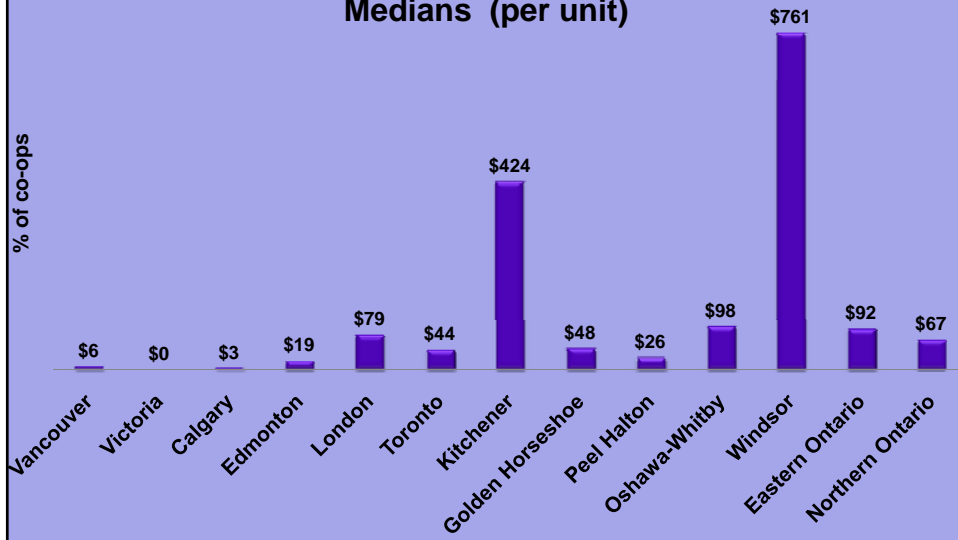
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## Agency Portfolio

### 2008 Vacancy Loss Medians (per unit)

% of co-ops



## Agency Portfolio

### New Agency Tools

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Marketing template

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Monthly monitoring plan

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### Arrears and Bad Debts (2007)

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**0.82%** is the median value of arrears and bad debts as % occupant share of housing charges

---

18% of co-ops have no arrears

---

3% of co-ops have arrears and bad debts as % occupant share of housing charges of more than 10%

---

15% of co-ops have arrears and bad debts between 3% and 9.9%

15



### Arrears and Bad Debts (2008)

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**0.75%** is the median value of arrears and bad debts as % occupant share of housing charges

---

19% of co-ops have no arrears

---

2% of co-ops have arrears and bad debts as % occupant share of housing charges of more than 10%

---

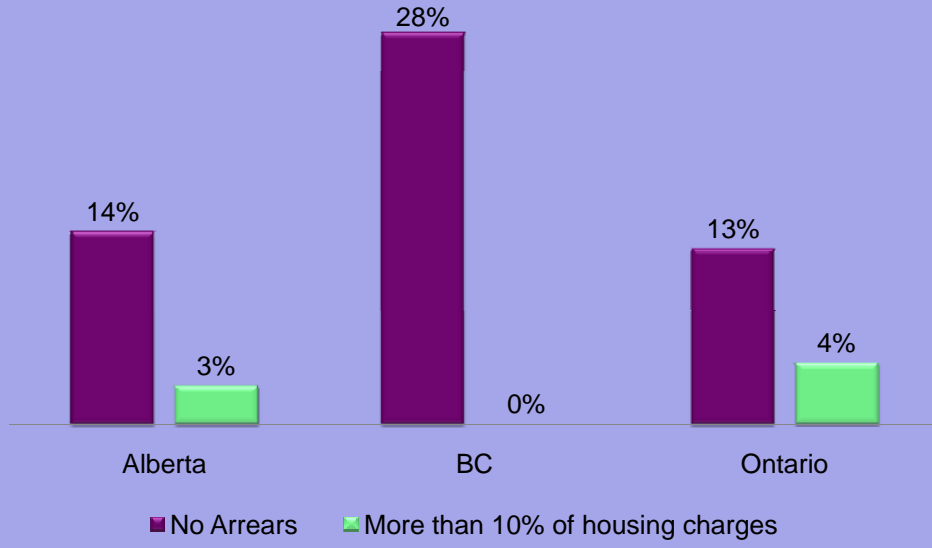
15% of co-ops have arrears and bad debts between 3% and 9.9%

16



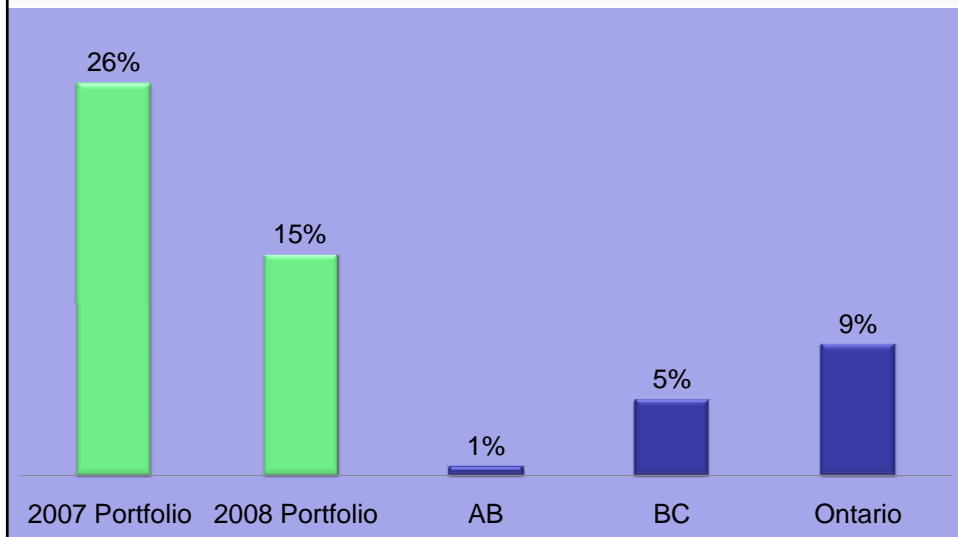
## Agency Portfolio

### Arrears and Bad Debts



## Agency Portfolio

### % of Co-ops with Directors in Arrears





### 2008 Capital Replacement Reserve Balance

(per unit)

Median:	\$3,305 (2007- \$3,152)
High	\$16,854
Low	\$4

19



### Capital Replacement Reserve Balance

(per unit)

<b>Alberta</b>	
Median	\$3,115
High	\$9,630
Low	\$257

20



### Capital Replacement Reserve Balance

(per unit)

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#### BC

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Median      \$3,466

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High         \$14,978

---

Low            \$4

21



### Capital Replacement Reserve Balance

(per unit)

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#### Ontario

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Median      \$3,400

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High         \$16,854

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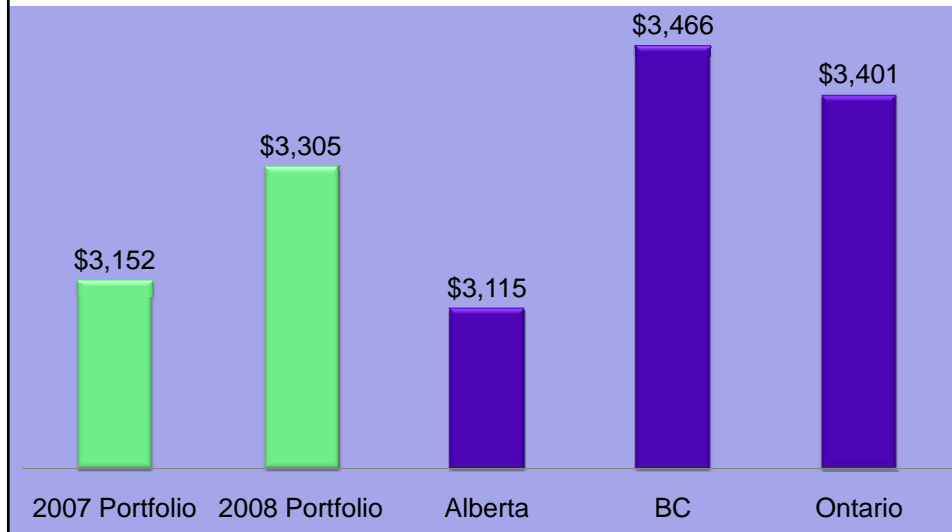
Low            \$29

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## Agency Portfolio

### Median Capital Replacement Reserve Balance (per unit)



## Agency Portfolio

### 2008 Capital Replacement Reserve Contributions (per unit per year)

#### Agency Portfolio

Median \$911 (2007-\$975)

High \$12,938

Low \$23

1% of co-ops made no contributions (2% in 2007)



**Capital Replacement Reserve Contributions** (per unit per year)

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**Alberta**

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Median          \$730

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High             \$2,260

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Low              \$0.90

---

25



**Capital Replacement Reserve Contributions** (per unit per year)

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**BC**

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Median          \$1,088

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High             \$2,642

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Low              \$193

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## Agency Portfolio

### Capital Replacement Reserve Contributions (per unit per year)

#### Ontario

Median \$837

High \$2,683

Low \$105

3% made no contributions

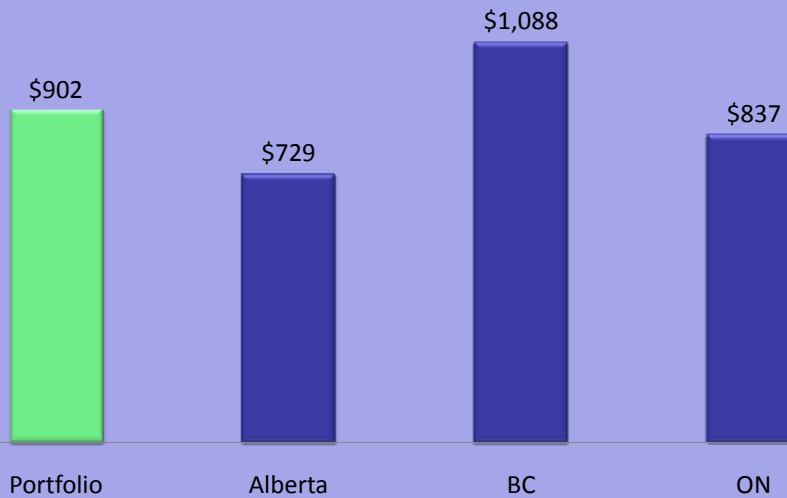
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## Agency Portfolio

### Median Contributions to Capital Replacement Reserve (per unit per year)





## Wrap-up

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