

CANADA MORTGAGE AND HOUSING CORPORATION

# Assisted Housing Business Supplement

**SECOND QUARTER**  
June 30, 2018

To supplement CMHC's consolidated financial statements, which are prepared in accordance with IFRS, CMHC uses non-IFRS measures to analyze its performance. The following Assisted Housing Business Supplement is prepared for the second quarter ending June 30, 2018, and is intended to help readers better understand CMHC's Assisted Housing activity. CMHC believes that this business supplement provides meaningful information that enables greater transparency and clarity with respect to CMHC's Assisted Housing activity.

## HOUSING PROGRAMS EXPENDITURES

(in thousands)	Three months ended 30 June 2018	Six months ended 30 June 2018
<b>Assistance for Housing Needs</b>		
Cooperatives Housing	17,166	30,426
Investment in Affordable Housing	50,458	162,243
Limited Dividend	469	1,783
Non Profit Housing	35,200	82,318
On Reserve Housing	27,759	60,378
Public Housing	60,730	86,142
Rent Assistance	28,964	44,459
Transferred Programs (SHA)	175,948	444,142
Rural and Native Housing	2,909	9,522
Urban Native Housing	6,337	21,539
Other	2,592	18,780
Social Infrastructure Fund – Budget 2016**	987	403,681
Pyrrhotite*	0	10,000
<b>Total</b>	<b>409,519</b>	<b>1,375,413</b>
<b>Financing for Housing</b>		
Prepayment Flexibility*	6,724	12,992
Rental Construction Financing Initiative	0	1,205
<b>Total</b>	<b>6,724</b>	<b>14,197</b>
<b>Housing Expertise and Capacity Development</b>		
Social Infrastructure Fund (Capacity Development) – Budget 2016	0	2,060
On Reserve Housing***	552	6,916
Housing Policy, Research and Information Transfer	1,046	2,984
<b>Total</b>	<b>1,598</b>	<b>11,960</b>
Administration Expenses (Operating Expenses)	45,099	87,535
<b>Total Spending</b>	<b>462,940</b>	<b>1,489,106</b>

\* Spending authority provided from initiatives announced through Budget 2015, 2016 and 2017.

\*\* SIF (Budget 2016) includes Renovation and Retrofit (CMHC and Province/Territory Delivered), Investments in Affordable housing and On-Reserve Renovation Programs.

\*\*\* On Reserve Housing includes Housing Internships for First Nation and Inuit Youth.



## HOUSING PROGRAMS HOUSEHOLDS ASSISTED

In 2017, CMHC provided support to 518,000 lower-income households living in social housing (including in First Nations communities).

Households Assisted (Calendar Year)	2016	2017*
<b>Subject to Social Housing Agreement (SHA)</b>	354,200	343,000
<b>Subject to existing arrangements</b>		
First Nation Housing (On Reserve)	25,600	24,300
Affordable Housing (Off Reserve)	156,300	150,700
<b>Total</b>	<b>536,100</b>	<b>518,000</b>

\*The social housing portfolio is maturing as a result of no new delivery with the exception of the On-Reserve Non-Profit Housing program which is delivered annually.

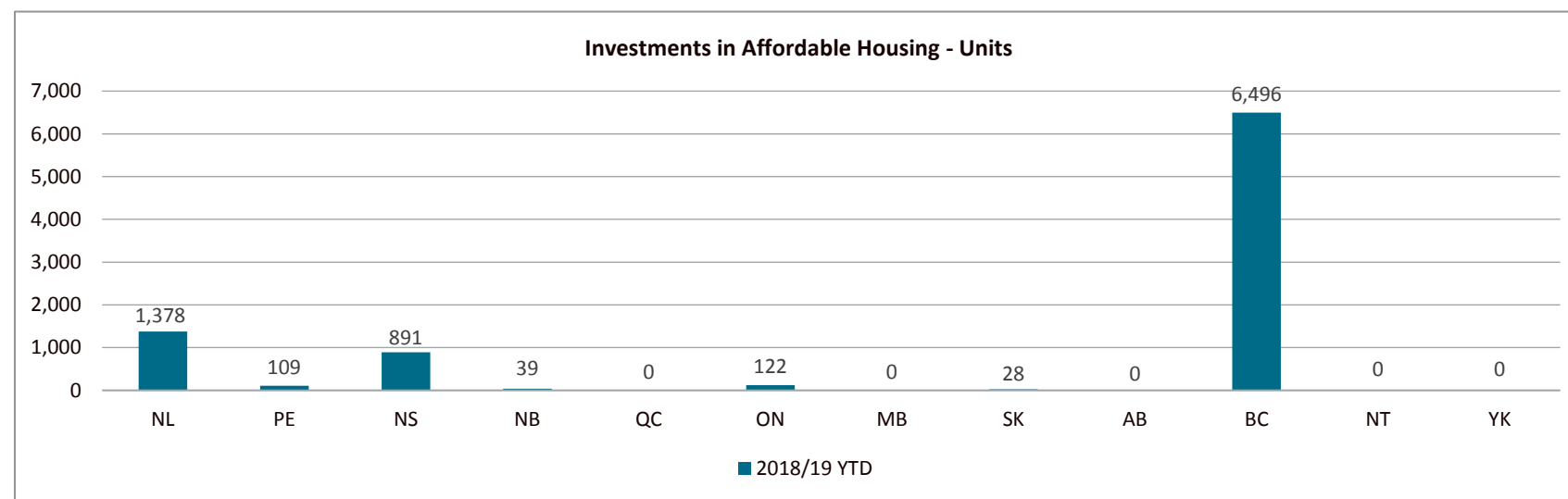
## FIRST NATION HOUSING UNITS

From April 1, 2018 to June 30, 2018, 53 units received new funding through the Non-Profit Housing program and Renovation Programs.

First Nation Housing Programs (Fiscal Year)	2017/18	2018/19 YTD
Non-Profit Housing	897	11
Renovation Programs	552	42
Renovation and Retrofit (Budget 2016)	2,417	n.a.

## INVESTMENTS IN AFFORDABLE HOUSING (IAH) UNITS

From April 1, 2018 to June 30, 2018, over 9,000 households benefitted from the Investment in Affordable Housing funding.



## LENDING PORTFOLIO

### LOAN PORTFOLIO

By Program*	30-Jun-18		31-Dec-17		30-Jun-17	
	No. of Loans*	O/S Loan Balance (\$M)**	No. of Loans*	O/S Loan Balance (\$M)**	No. of Loans*	O/S Loan Balance (\$M)**
Direct Lending Programs	8,467	3,756.9	8,630	3,955	8,891	4,184.6
Social Housing	4,414	1,530.6	4,013	1,582	4,686	1,888.2
Housing Support	519	1,267.0	565	1,243	611	1,459.7
Municipal Infrastructure Lending Program (MILP)	272	1,159.4	272	1,238	272	1,320.3
Sewage Treatment Program (STP)	247	107.6	293	126	339	139.4
Shelter Enhancement Program	80	6.4	75	6	80	5.7
Renovation Programs	9,089	111.5	10,233	148	10,188	224.7
<b>Total</b>	<b>22,569</b>	<b>6,672.4</b>	<b>23,516</b>	<b>7,054</b>	<b>24,456</b>	<b>7,762.9</b>

\* The pay down in loans is a result of anticipated maturities and the prepayment initiative.

\*\* The amounts exclude the Rental Construction Financing Initiative (RCFI).

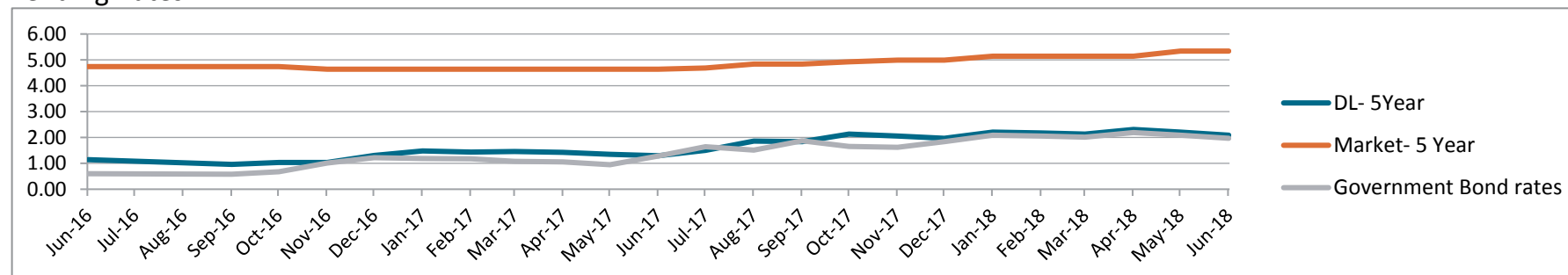
### ARREARS REPORT\*\*

By Program*	30-Jun-18		30-Jun-18		30-Jun-17	
	No. of Loans in Arrears > 1 day	Arrears Rate	No. of Loans in Arrears > 90 days	Arrears Rate	No. of Loans in Arrears > 90 days	Arrears Rate
Direct Lending Programs	52	0.39%	30	0.29%	26	0.25%
Social Housing	5	0.03%	3	0.03%	3	0.00%
Renovation Programs	0	0.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>57</b>	<b>0.42%</b>	<b>33</b>	<b>0.32%</b>	<b>29</b>	<b>0.25%</b>

\* There were no arrears under the Housing Support programs or the Shelter Enhancement Programs.

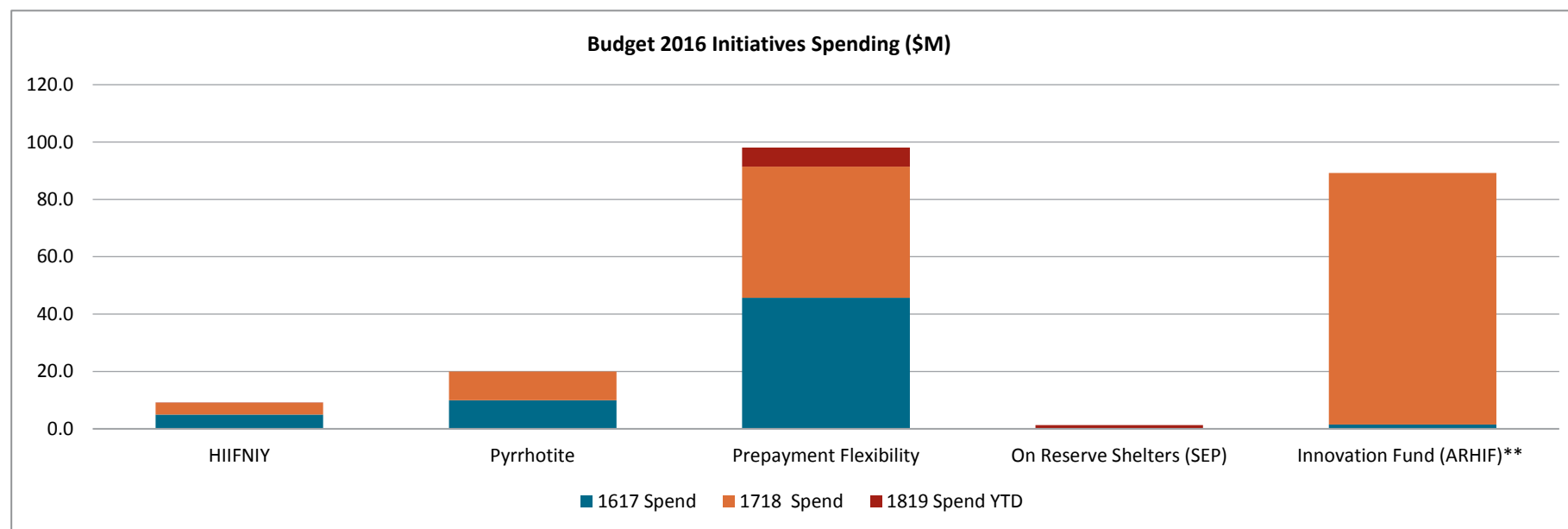
\*\*The ratio of all loans that are typically more than 90 days past due to the number of outstanding insured loans.

### Lending Rates



## BUDGET 2016 INITIATIVES

Budget 2016 Social Infrastructure Initiatives were launched successfully and many of the initiatives reached their sunset date on March 31, 2018. CMHC's Housing Internship for First Nations and Inuit Youth (HIIFNIY) program supports internships for indigenous youth by providing work experience and on-the-job training. CMHC also provides up to \$30 million over three years to help homeowners in Québec dealing with costly structural problems in their homes as a result of the presence of the mineral pyrrhotite in their foundations. Up to \$150 million is provided over four years under the Prepayment Flexibility to allow social housing providers (coops and non-profits) to prepay long-term non-renewable CMHC mortgages without penalty. Budget 2016 provided additional investments to improve housing capacity in First Nation communities and create new shelters for victims of family violence. An investment of \$208.3 million is provided over 5 years under the Innovation Fund which encourages new funding models and innovative building techniques in the rental housing market. All figures are reported on a fiscal basis starting April 1 and ending on March 31 and exclude operating expenditures



Budget Initiatives	2016/17 Spending (\$M)	2016/17 Take-Up	2017/18 Spending (\$M)	2017/18 Take-up	2018/19 YTD Spending (\$M)	2018/19 Take-Up	Units YTD Fiscal (cumulative)	Cumulative Unit Take-Up (Since 2016-17)	Projects - YTD Fiscal (Cumulative)
Housing Internship for First Nations and Inuit Youth*	5.0	100.0%	4.1	100.0%	0.1	2.0%	907	74.8%	427
Pyrrhotite	10.0	100.0%	10.0	100.0%	0.0	0.0%	305	76.3%	305
Prepayment Flexibility	45.7	91.5%	45.7	91.4%	6.7	26.8%	n/a	n/a	400
Innovation Fund (ARHIF)**	1.5	15.0%	87.7	125.3%	0.0	0.0%	7,385	184.6%	13
On-Reserve Shelters (SEP)	0.0	0.0%	0.0	0.0%	0.6	5.8%	5	100.0%	5

\* HIIFNIY units represent number of youths employed

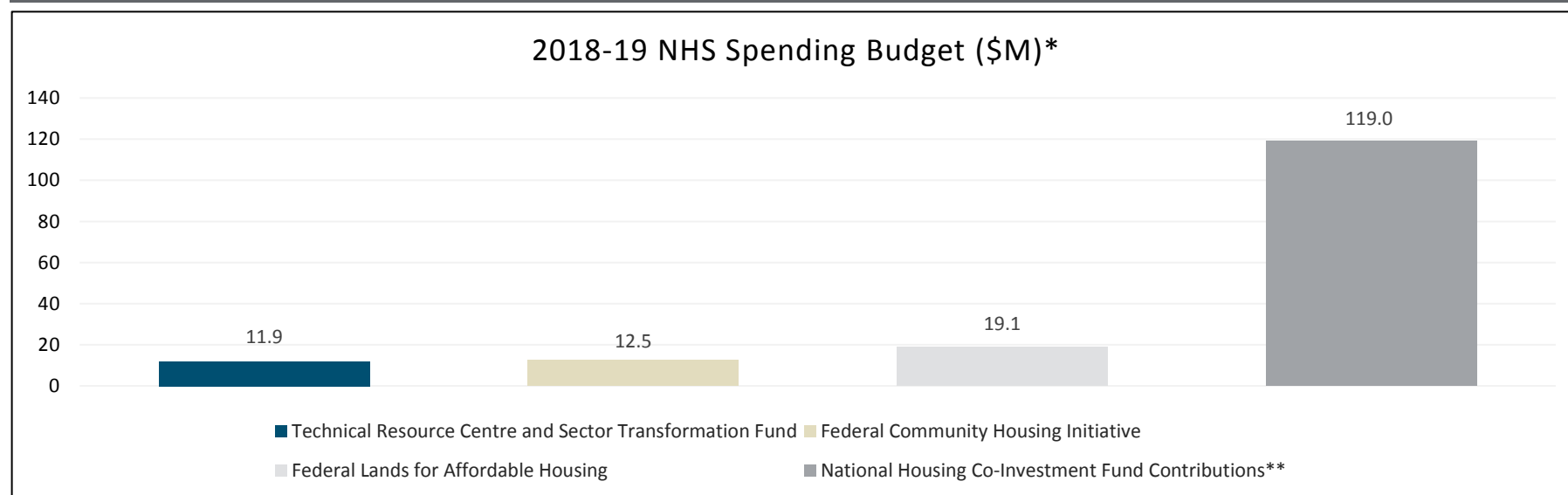
\*\* The Affordable Rental Housing Innovation Fund figures represent commitments made. The full \$150M in appropriations has been received and reported as an HP expense.



## NATIONAL HOUSING STRATEGY (NHS)

The implementation of the Budget 2017 National Housing Strategy (NHS) Initiatives is underway which includes a series of initiatives that contributes to reducing core housing need through repairing and maintaining the housing stock, building new affordable housing units and providing housing affordability allowances. The National Housing Co-Investment Fund (NHCF) will provide contributions and low-cost loans focusing on two key priority areas of the National Housing Strategy: new affordable housing supply and the repair and renewal of existing affordable and community housing supply. As of June 30, 2018 the first window of applications under the Co-Investment Fund (NHCF) have been received for both new construction and repairs/renewals and the prioritization of the applications are underway. Under the Federal Community Housing Initiative, new federal funding will be made available over a two-year period which began on April 1, 2018 to assist projects reaching their end of operating agreement (EOA) date. This funding will provide a temporary extension of subsidies in order to preserve affordability for vulnerable tenants. As of June 30, 2018, subsidy extension offers continue to be mailed out to projects reaching their end of operating agreement (EOA) dates. The Technical Resource Centre and Sector Transformation Fund will provide technical assistance, tools and resources to increase capacity of social housing providers and support a more efficient, resilient and effective sector. The Federal Lands for Affordable Housing initiative makes surplus federal lands and buildings available to housing providers for less than market value for the construction and renewal of affordable housing.

National Housing Strategy Initiative	Total Budget	Unit Targets
National Housing Co-Investment Fund	15.9B	At least 60,000 new units At least 240,000 repaired units
Federal Lands for Affordable Housing	200.0M	4,000 new units
PT Priority Funding	2.2B	National targets to be confirmed through negotiations
Federal Community Housing Initiative	500.0M	55,000 community housing units that will be continue to be offered
Technical Resource Centre	74.2M	Support capacity building, enhancement and modernization



\* Figures exclude operating expenditures

\*\* In addition to the contribution budget, the National Housing Co-Investment Fund has a loan budget of 200.0M in 2018-19.

