STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

Full Analysis

Toronto Community Housing Corp.

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Table Of Contents

Table Of Contents (cont.)

Toronto Community Housing Corp.

Major Rating Factors

Issuer Credit Rating
AA-/Stable/--

Strengths:

- Very strong liquidity owing to good cash generation and cash and investment balances
- Significant improvement in debt metrics in 2012
- Solid enterprise profile
- Strengthening operating and EBITDA margins and solid EBITDA growth
- Supportive relationship historically with the company's owner, the City of Toronto

Weaknesses:

- Sizable and growing state-of-good-repair backlog

Rationale

The ratings on Toronto Community Housing Authority (TCHC) reflect Standard & Poor's Ratings Services' assessment of TCHC's very strong liquidity, relatively low debt levels, improving debt metrics, solid enterprise profile (including positive changes to board governance and management), strengthening operating and EBITDA margins, and historically supportive relationship with its owner, the City of Toronto. In our opinion, the company's increasing state-of-good-repair backlog offsets these strengths somewhat.

We rate TCHC in accordance with Standard & Poor's government-related entities (GRE) methodology. Accordingly, we view the likelihood of the company receiving extraordinary government support as "moderately high." This view reflects our assessment of TCHC's "important" role in being the city's chief provider of social housing and its "strong" link with the city. City council's heightened interest in the state-of-good-repair backlog is evidence of this. We believe that the company has a "strong" link with Toronto, with clear corporate governance arrangements and unanimous city council approval of its 10-year capital plan.

TCHC's debt metrics improved significantly in 2012 as debt returned to 2008 levels. At year-end 2012, the EBITDA gross interest coverage ratio (Standard & Poor's-calculated) was 3.5x, up from 2.9x at the end of 2012. Similarly, the funds from operations gross interest coverage ratio improved to 1.8x (1.4x in 2011). The debt-to-EBITDA ratio also improved substantially, falling to 5.2x from 6.3x the year before. The improvement came with strengthened EBITDA and a reduction in debt outstanding. The company's debt, which we consider to be low, fell to C$1.3 billion in 2012, down about C$115 million a year earlier. Most of this reduction came from the near-elimination of TCHC's short-term debt, which fell to only C$4 million by year-end 2012 from C$71 million in 2011. Debt should range from C$1.3 billion-C$1.4 billion by the end of 2014, and we believe coverage ratios are not likely to change substantially.

We consider the company's enterprise profile to be solid. Thanks to robust growth and a considerable differential between the market rents and rents geared to income (RGI), TCHC has what we view as very good economic fundamentals. The waiting list for units, which has been above 80,000 applicants, shows this. Our assessment of the company's strategy and management has improved with positive changes to governance and management. Furthermore, a relatively low vacancy rate (2.8% in 2012) and a moderate average portfolio age of about 56 years boost the profile.

Both EBITDA and margins strengthened in 2012. The EBITDA margin improved markedly, to 39% from 32% in 2011. Similarly, the operating margin improved to 19% from 15% a year earlier. The net margin was 9% in 2012 (compared with 4% in 2011). The improvements came on strengthening EBITDA and lower debt service costs. EBITDA increased to C$248 million, up 12%, from C$220 million in 2011, and was the highest it has ever been. Net income rose substantially, to C$60 million from C$26 million in 2011, as lower interest costs offset higher depreciation expense. The company has what we view as a good track record of producing robust and stable financial results, and we expect that EBITDA margins will remain above 30% in 2013 and 2014.

TCHC's relationship with the city continues to be supportive after a period of turbulence more than two years ago. We expect this will continue over the next two years. Toronto has provided the company with a stable multiyear funding formula and clear operating direction that changes to senior management and the board two years ago did not affect. The city recently amended its shareholder direction and operating agreement with TCHC. The amendments were not extensive, in our view, and represent refinements of Toronto's long-standing approach to overseeing the company.

In our opinion, a sizable state-of-good-repair backlog somewhat offsets the company's business risk profile. The backlog increased again in 2012. It has increased steadily despite considerable annual reinvestment in the portfolio. It is estimated at C$860 million but projected to increase by a further C$2.6 billion by the end of 2022 if unaddressed. Council has approved a 10-year capital plan that is intended to reduce the backlog to an acceptable level. According to the plan, which is a tripartite arrangement involving the city and provincial and federal governments, the company and Toronto would jointly provide about C$860 million in new capital funding over the 10 years for its one-third share. There is a possibility that TCHC could issue debt in the next few years to further reduce the backlog (beyond the city's share) if the plan is not accepted. This could diminish the company's strong financial risk profile somewhat if the new debt issuance is large enough and Toronto does not provide new subsidies for debt service costs.

Liquidity

TCHC's liquidity was what we view as very strong in 2012 and 2013 despite a drop in cash and investment holdings. The company had cash and investment holdings of about C$160 million at the end of 2012. Liquidity levels fell about one-third in 2012 as management used cash to reduce debt and fund capital. The company also had C$84 million in restricted reserves, held in the same instruments as unrestricted investments. In addition, TCHC generates a considerable amount of cash each year (more than C$100 million) from operations, which a C$200 million revolving credit facility (of which it had used only C$4 million at year-end 2012) supplements. In our opinion, the company has strong access to external liquidity, with two bond series and bank loans and a bank facility, as well as its ability to access debt markets during the recession. For 2013 and 2014, we expect that liquidity will remain strong.

Outlook

The stable outlook reflects our expectation that debt levels will remain low even with a potential increase in 2013 or 2014. In the next two years, we believe the EBITDA interest coverage ratio should remain above 3x and the debt-to-EBITDA ratio should stay below 6x. We expect that cash and investment balances will remain close to 2012 levels. TCHC's relationship with Toronto should remain supportive. A significant adverse change in the relationship with the city, a return of governance and management turbulence, marked deterioration of EBITDA or cash generated from operations with substantial declines in interest coverage ratios, or a significant reduction in cash and investment balances could place downward pressure on the ratings. Conversely, a material improvement in operating results or substantial reduction in debt could result in an upgrade during our two-year outlook horizon.

Government Support And GRE Methodology

In accordance with our GRE criteria, we view the likelihood of TCHC receiving extraordinary government support as "moderately high," based on our assessment of the "important" role in providing social housing and its "strong" link with Toronto. The "important" role reflects the requirement by the province for the city to provide social housing services to its citizens, which is reflected in the city's assistance in addressing its capital backlog and recent amendments to the shareholder direction concerning TCHC's mandate and shareholder principles. We believe that the company has a "strong" link with Toronto, as evidenced by TCHC's clear governance and contractual arrangements with the city, its reporting requirements, and the unanimous city council approval of a 10-year capital plan in 2013.

Contractual arrangements with Toronto and Ontario demonstrate a strong link and important role

Governing TCHC's role as a provider of social housing are its relationships and agreements with its sole shareholder (the City of Toronto) and the province (the senior level of government with jurisdiction over housing under the Canadian constitution).

The Social Housing Reform Act (SHRA) governs the provision of social housing in Ontario. The act designates selected municipalities, such as Toronto, to be service managers and makes them responsible for social housing within their jurisdictions. The company, acting as the administrator on the service manager's behalf, has the powers (subject to city approval) to purchase or acquire housing projects and land and to establish, fund, and administer housing programs. The act binds the service manager and the administrator to maintain a number of units for subsidized, high-need, and accessible housing. TCHC can collect rents and must establish arrangements for tenants in arrears.

The company's relationship with its shareholder is set out in four agreements: the shareholder direction; TCHC By-law No. 2, which establishes the company's governance and accountability model; TCHC By-laws No. 3 and 3A, which governs financial controls; and the operating agreement.

The shareholder direction sets out TCHC's objectives and principles that are to guide the company in fulfilling Toronto's responsibilities as the designated service manager for social housing. Specifically, the agreement bounds the scope of housing activities permitted to TCHC within the confines of traditional social housing and ancillary activities. The agreement also sets out the matters that require separate shareholder approval, such as additional indebtedness, disposal of property (real estate), and redevelopment. Finally, it establishes a tenant participation and policy framework about important issues such as eviction, complaint handling, accountability to tenants, accountability mechanisms for TCHC's corporate goals, and financial reporting (specifically the requirement for audited financial statements, a multiyear strategic plan, and annual reports).

The shareholder direction was recently amended with new principles for the establishment of financial risk management and the company's mandate was revised to include maintaining its stock of affordable and subsidized housing in a state-of-good-repair. TCHC will be required to report annually on its progress in achieving financial and operational targets and to use best practices in procurement.

TCHC By-law No. 2 spells out the number, composition, term, and roles of the board of directors; the officers' role and responsibilities; and restrictions on share transactions. More important, the by-law does not permit TCHC to pay dividends to the city. The financial control by-laws mandate the use of operating and capital budgets and establish financial limits for commitments by officers of the company and for write-offs and asset disposals, beyond which board approval is required.

The operating agreement sets out several key frameworks, including the number of subsidized units, income testing methodology, compliance with SHRA and federal operating agreements, a multiyear funding framework, and definition of events triggering default. TCHC is not permitted to reduce the number of subsidized (RGI) units it provides to the public, which is set at a minimum of 50,174 units. The company can raise that number, but the multiyear funding formula clearly constrains any increase in RGI provision. The operating agreement prohibits TCHC from committing the city to new funding requirements without approval. The operating agreement was also recently amended to reflect the amendments to the shareholder direction.

The multiyear funding formula, which has recently been amended, provides for long-term stability in the city's grant stream to the company. The funding formula has two components: a mortgage subsidy and operating cost subsidy. The mortgage subsidy is a straightforward recapture of TCHC's mortgage costs. The operating cost subsidy has a cost escalation mechanism that is intended to ensure that this funding component remains robust from year to year. As a result of municipal approval to make a majority of TCHC properties tax exempt, a new rent supplement model to fund the company, based on the differential of market rents to actual rents received, is emerging.

TCHC Is The Largest Public Housing Provider In Canada

TCHC is a share-held, not-for-profit corporation registered under the Ontario Business Corporations Act. The company was established on Dec. 14, 2000, under the name of Metro Toronto Housing Corp. through the amalgamation of two local social housing companies. The City of Toronto owns all TCHC shares.

The company provides social and market-based housing services to about 6% of the city's population living in 58,882 housing units in Toronto, Canada's largest city. TCHC is the largest social housing provider in the country and one of the largest in North America. It serves seniors, families, single people, people with special needs, and newcomers, more than 90% of whom receive rental subsidies in the form of RGI. About 5,725, or 10% of its 58,882 units, generate market rents.

The company has a staff of about 1,640, of which approximately 330 are management. A number of unions, largely from the public sector, represent nonmanagement staff.

Enterprise Profile Solid

In our view, TCHC has a solid enterprise profile owing to its low industry risk; very strong economic fundamentals; and solid asset quality, board governance and management, and operational performance.

Industry Risk Low

We currently view industry risk as low for social housing providers. Economic cycles can sometimes affect social housing providers more than other types of social services because real estate fluctuations can change asset values. Real estate markets can be overbuilt, leading to depressed occupancy rates, rentals, and property values. That said, residential rental markets typically pose less risk relative to other property classes (see "Key Credit Factors For The Real Estate Industry," published Nov. 19, 2013), and social housing providers' focus on affordable housing typically lends further stability. Competitive risk is fairly low owing to effective barriers to entry in many jurisdictions, minimal risk of substitution, and overall stable trends in growth and margins. Although differences exist across countries, ongoing government subsidies, other support, and oversight generally limit volatility, with the overall importance of the service delivered limiting the potential for negative government intervention.

Economic Fundamentals Are Very Strong

Demand and supply conditions remain favorable

Demand for housing, social or market, typically increases every year, mainly due to demographics. The Toronto Census Metropolitan Area (CMA) is the primary magnet for immigrants to Canada, accounting for about 40% of all newcomers in any year. As many as 90,000 new immigrants settle in the GTA each year. Within the CMA, the city itself is a highly attractive destination because of its established immigrant communities; job opportunities; transit system; and wide variety of housing options, including social housing. The city's population has grown steadily as a result. According to the Statistics Canada, the population of the Toronto CMA has grown at an average annual rate of 1.7% from 2009-2012.

Social housing is a strong consideration for many newcomers because of the gearing of rent to incomes. The economics of the social rental market in major Canadian cities virtually ensure that private developers will build, at most, a very limited amount of new social housing in any year. As a consequence, demand for social housing in the city has been very strong. The active waiting list for subsidized housing stood at more than 85,000 applicants as of this year. The waiting list has been above 80,000 for many years.

TCHC rents remain very attractive

The attractiveness of RGI versus market rents explains the magnitude of the waiting list. According to recent Canada Mortgage and Housing Corp. data, the average rents in the CMA were C$1,009 for a one-bedroom apartment, C$1,180 for a two-bedroom, and C$1,384 for a three-bedroom, as of October 2012, which is little changed from our last review.

We estimate that the average rent for a TCHC unit should be about C$400 monthly in 2013, which represents about one-third of average market rent for a two-bedroom apartment.

Market Position Is Strong

Strategy and management is solid

TCHC's board is composed of 13 members, including three Toronto councilors; the mayor (or a designate); and nine citizens, two of whom are TCHC tenants. The city appoints all board members and it has no involvement in the company's day-to-day activities. The board appoints the CEO, who then is responsible for all other staff appointments. The current board has been in place since 2011. A number of board members have extensive real estate experience. TCHC's senior management team consists of the CEO, the CFO, and members responsible for operations, development, planning, human relations, and communications.

TCHC's guiding principles, objectives, and accountability mechanisms are established in the shareholder direction, which the company incorporates in its three-year strategic plan, the Community Management Plan (CMP). Strengthening the organization's foundations is a key focus of the CMP. More specifically, the CMP establishes specific financial and operational goals, many of which are measurable. Staff report quarterly to the board on progress relative to plan. Financial and operational goals include increasing non-rental revenues, maximizing investment income, reducing turnaround times, and operating cost reduction, among many others. Risk management is also strategic goal and TCHC continuously implements risk management systems companywide.

Low Vacancy Rate In 2012

Portfolio age is moderate but falling slowly

TCHC's large portfolio, which ranges from houses to high-rise multi-unit buildings, is of moderate age in our view. High-rise buildings (eight floors or more) constitute a small proportion of buildings but a large share of units. The opposite is true of house form buildings (townhouses, walkups, and houses). Low-rise and mid-rise buildings make up the balance. High-, mid-, and low-rise buildings are relatively young and house form buildings relatively older. The weighted average age of the portfolio was unchanged at 56 years as of 2013. We expect that average ages will trend down as planned large-scale revitalization projects are completed and single-family homes are sold. Currently, the portfolio is estimated to have a replacement cost value of about C$9.0 billion, which provides a guide for valuation.

TCHC has a state-of-good-repair backlog that it estimates to be about C$860 million at present, and grows by C$2.6 billion over the next 10 years. It has been working for more than a decade to bring all of its stock up to a uniform state of good repair and has spent more than C$800 million from 2006-2012.

City Council has approved the sale of 90 homes, the proceeds from which are to be used to fund capital spending that reduces the backlog. The company sold six homes in 2012 that provided C$5 million for the State of Good Repair Fund. TCHC expects to sell about 25 homes in 2013, which should raise about C$9 million for the fund.

The vacancy rate was 2.8% in 2012

As of September of 2013, the company's vacancy rate was 2.4% year-to-date, which is down from the 2.8% annual rate for 2012. TCHC's rate is higher than the rates in the city and the CMA. As of April 2013, the CMA vacancy rate was 1.6%, up slightly from 1.5% a year earlier. Vacancy rates in the city itself have also been low. Both the overall vacancy rate and the vacancy rate for two-bedroom units for 2012 were 1.7%, both up slightly from a year earlier. Two factors work to increase TCHC's structural vacancy: an internal transfer policy, which permits existing tenants to transfer within the portfolio; and a longer average duration of tenancy within units that results in higher levels of capital repair (wear and tear) when units turnover.

Unit turnover rates have been falling slowly over the long term and reached 7.4% in 2013, which is down from 8.3% in 2010, 8.6% in 2009, and 9.8% in 2008. Bad debt write-offs are C$2.4 million for 2013 year-to-date (September). Write-offs remain relatively minor compared with revenues, representing about 0.4% of projected 2013 revenues.

Financial Risk Profile Is Very Strong

In our view, TCHC has a strong financial profile owing to its adequate financial performances, low debt levels, very strong liquidity, and adequate financial policies.

2012 Operating Results Improve Significantly

Margins strengthened in 2012

The company's EBITDA margin improved markedly in 2012 rising to 39% from 32% a year earlier. EBITDA increased to C$248 million, up 12%, from C$221 million in 2011 and was the highest it has ever been. The improvement was the result of a number of factors. Revenues received a boost on good increases in residential and commercial rents and income from the company's redevelopment joint venture, which was enough to offset a decline in investment income. Declines in administration and rent supplement expenditure costs offset a small increase in operating and maintenance (O&M) spending. As well, EBITDA benefitted from an amendment to TCHC's funding framework. TCHC has been exempted from paying property taxes on more than half the properties it owns -- in exchange, the city will reduce its operating subsidies. However, the decline in property taxes paid will be somewhat larger than the decrease in the city's operating subsidy received resulting in a modest boost to EBITDA. This boost amounted to about C$8 million in 2012 -- we expect the gain to increase to about C$9 million annually in 2013 and thereafter.

With increased EBITDA, net income rose substantially to C$60 million, from C$26 million in 2011 as lower interest costs offset higher depreciation expense. The company has a good track record of producing adequate and stable financial results, in our view.

Much as the EBITDA margin improvement in 2011, TCHC's operating margin improved in 2012, although not as significantly. The operating margin rose to 19% in 2012 from 15% a year earlier. The net margin was 9% in 2012 from 4% in 2011. Overall, TCHC's operating ratios compare favorably with those of similarly rated peers.

Total revenues dropped 7% in 2012 as subsidies fell 20% with the implementation of the property tax exemption. The fall in subsidies was offset somewhat by increases in residential and commercial rents of 3% and 11%, respectively.

Service fees rose modestly but interest income dropped more than 20% as cash was used to reduce debt and fund capital. Subsidies and rental income remained the dominant revenue sources, constituting 84% of total revenues. In our view, the company has limited ability to substantially increase either of these sources.

Operating expenditures decreased 15% in 2012 on the reduction in municipal taxes, which fell by two-thirds. As well, administration expense fell 6%, rent supplement expense by 5%, and O&M costs by 0.1%. TCHC's biggest expenses are O&M costs, administration, and municipal taxes, constituting at least 80% of annual operating spending. Depreciation costs are important contributors to total expenses and have been rising steadily with the portfolio's renewal.

For 2013 and 2014, we expect both revenue and expenditure growth to be mostly flat (possibly even slightly negative in 2013) leading to EBITDA and net income that are in line or slightly better than those of 2012.

Debt fell in 2012

The company's debt levels are low in our opinion. At the end of 2012, debt stood at C$1.3 billion, down about C$115 million from a year earlier. Most of this reduction came from the near-elimination of TCHC's short-term debt, which fell to only C$4 million by year-end 2012 from C$71 million in 2011. Debt per unit dropped again in 2012, to C$21,840.

The company's capital platform consists of mortgages, debentures, various loans, and a revolving credit facility. Mortgagors are roughly split between the Canada Mortgage and Housing Corp. and commercial banks. The debentures consist of two series (totaling C$450 million) of 30-year bullet bonds. Loans consist of a long-term loan from the city (about C$44 million), a construction bridge facility (about C$38 million), a term loan (about C$12 million), and a capital lease facility (C$7 million). On the short-term side, the company has a revolving credit facility in the amount of C$200 million, of which about C$4 million was drawn at the end of 2011.

Debt ratios are indicative of debt levels we consider to be low. At the end of 2012, the EBITDA gross interest coverage ratio (Standard & Poor's-calculated) was 3.5x, which was up from 2.9x at the end of 2012. Similarly, the debt-to-EBITDA ratio improved substantially as it fell to 5.2x from 6.3x the year before. The funds from operations gross interest coverage ratio improved to 1.8x (1.4x in 2011). In 2012, debt ratios returned to 2008 levels.

TCHC has refinancing risk on its bullet bonds due in 2037 but has no currency exposure. Contingent liabilities are minor: for 2012, the company reported benefit obligations (injured workers' compensation payments, vested sick leave, severance obligations, and other postemployment benefits) of about C$50 million and an unfunded liability of C$27 million for a supplementary pension plan.

While the company's development and redevelopment projects continue, they should not require financing by TCHC. Currently, the company has six major projects underway. The projects expose TCHC to some significant risks, including construction, operational, and market risks but the company has demonstrated its ability to manage them. As well, the scope of development and redevelopment is small compared with the magnitude of TCHC's operations. Current redevelopment programs affect only 1,600 of about 58,882 units -- or slightly less than 3% of the entire housing stock.

TCHC has received Toronto Council approval for its new 10-year capital financing plan. It will require about C$2.6

billion over the next 10 years to keep its state-of-good-repair backlog at an acceptable level. According to the plan, which is a tripartite arrangement involving the city and provincial and federal governments, TCHC and the city would jointly provide about C$860 million. The company would generate its contribution from a dedicated portion of its operating cash flow, mortgage refinancings, and various other sources, such as property tax exemptions, development charges, and sales of single-family properties.

We expect that debt will have increased in 2013 as the company issued about C$155 million, of which C$60 million refinanced maturing debt. TCHC leveraged its equity by C$94 million, which will be used as capital funding for the state-of-good-repair backlog. We do not expect a significant increase in debt in 2014. Debt should range from C$1.3 billion-C$1.4 billion by year-end 2014. Coverage ratios are not likely to change substantially; we expect the EBITDA coverage ratio to remain above 3x by the end of 2014.

The possibility exists that TCHC could issue a significant amount of new debt beyond that planned through refinancings if senior governments do not contribute in line with the 10-year capital financing plan.

Liquidity remained very strong at year-end 2012

TCHC's liquidity is strong in our view. The company had cash and investments holdings of about C$160 million, excluding C$84 million of internally and externally restricted funds, at the end of 2012. Liquidity levels fell about one-third in 2012 as cash was used to reduce debt and fund capital. Cash and investments were held in fixed income securities and an interest-bearing account. In addition to investment holdings, TCHC held C$84 million in restricted reserves, which were held in the same instruments as unrestricted investments.

In addition to cash and investments, the company generates a considerable amount of cash each year (more than C$100 million) from operations. The funds from operations gross interest coverage ratio was 1.8x in 2012 and should stay at that level or improve in 2013. TCHC maintains a C$200 million revolving credit facility, of which it had used only C$4 million at year-end 2012.

In our opinion, TCHC has strong access to external liquidity as evidenced by its two bond series and bank loans and bank facility, as well as its ability to borrow through the last recession. As well, the domestic bond market is deep and liquid and the domestic banking sector is strong. The company has a very limited exposure to derivatives -- one interest rate swap with a notional value of about C$38 million.

For 2013 and 2014, we expect that liquidity will remain strong despite increased capital funding needs.

Financial Policies: Good Transparency And Disclosure

The company's transparency and disclosure policies and practices are high in our opinion. TCHC is required by its shareholder agreement to produce audited financial statements. Those statements are prepared in accordance with public sector accounting standards. All wholly owned subsidiaries are fully consolidated; joint ventures are reported on a proportional equity method. Under recent amendments to the company's shareholder directive, TCHC is required to provide an annual accounting of its progress in achieving service and financial targets and explanation of variances.

In the past, reserve policies on all of TCHC's investments have been less formal but more formalized policies are in process. The company has restrictions and a policy in place for the establishment and use of restricted reserve funds. Cash management is centralized and there has been no formal policy link between the use of reserves and weekly cash management but we understand this is changing. TCHC has a multiyear financial and operational planning process. Long-term financial plans underpin the financial goals of the CMP, including multiyear capital plans. There is no formal link between the CMP and multiyear budgeting. TCHC annually reports its one-year operating budget and will report annually on its rolling 10-year capital plan. The company has an informal debt management policy, based on debt service costs. TCHC's debt is limited by the city and can only be used for the acquisition of capital.

Toronto Community Housing Corp. -- Financial Statistics

	--Year ended Dec. 31--					
(Mil. C$)	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Revenues	641.4	686.2	680.7	654.0	650.5	640.0
EBITDA	247.7	221.4	211.2	197.5	225.7	218.1
Interest expense	69.8	75.5	74.1	65.7	71.1	69.7
Total assets	2,898.1	2,934.8	2,929.6	2,664.1	2,502.9	2,438.5
Gross debt	1,283.0	1,399.0	1,470.1	1,271.0	1,295.4	1,282.5
Cash and equivalents	161.9	244.9	331.0	150.1	226.7	287.5
EBITDA margin (%)	38.6	32.3	31.0	30.2	34.7	34.1
Operating margin (%)	19.3	14.8	14.9	15.2	20.7	21.6
EBITDA gross interest coverage (x)	3.5	2.9	2.9	3.0	3.2	3.1
Leverage ratio (%)	61.7	65.5	67.4	64.9	67.1	67.3
Debt to EBITDA (x)	5.2	6.3	7.0	6.4	5.7	5.9
Number of units	58,753	58,750	58,342	58,342	58,342	58,341
Operating surplus per unit (C$)	4,216	3,768	3,621	3,385	3,869	3,738
Debt per unit (C$)	21,838	23,812	25,198	21,785	22,203	21,983
Vacancy rate (%)	2.8	3.0	3.1	2.9	2.8	2.4

Related Criteria And Research

Related Criteria

- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010
- Public And Nonprofit Social Housing Providers: Methodology And Assumptions, July 11, 2012

Ratings Detail (As Of March 3, 2014)	
Toronto Community Housing Corp.	
Issuer Credit Rating	AA-/Stable/--
Issuer Credit Ratings History	
23-Oct-2006	AA-/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.