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Toronto Community Housing Corp.

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Toronto Community Housing Corp.

Major Rating Factors

Issuer Credit Rating
AA-/Stable/--

Strengths:

- Low industry risk related to social housing
- Very strong economic fundamentals
- Solid market position, with strong operational performance
- Experienced management team and adequate financial policies
- Strong liquidity

Weaknesses:

- Sizable and increasing state-of-good-repair backlog and its resulting impact on operating performance and demands on liquidity

Rationale

The ratings on Toronto Community Housing Corp. (TCHC) reflect TCHC's stand-alone credit profile (SACP), which Standard & Poor's Rating Services assesses at 'aa-'. The ratings also reflect our opinion of a "moderately high" likelihood that the City of Toronto would provide extraordinary support to the company in the event of financial distress.

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 executing the province's public policy mandate in the city to provide social housing. We believe that the company has a "strong" link with Toronto, with the city's clear corporate governance arrangements with TCHC and unanimous city council approval of its 10-year capital financing plan to address the state-of-good repair backlog.

The rating also reflects our assessment of TCHC's very strong enterprise risk profile, with low industry risk; very strong economic fundamentals of the market in which TCHC operates; and a solid market position, with strong asset quality and operational performance, as well as sound strategy and management. In addition, we view the company's adequate financial performance and policies, strong liquidity, and low debt as contributing to TCHC's very strong financial profile. In our opinion, the company's increasing state-of-good-repair backlog, and its potential impact on the company's financial profile, offsets these strengths somewhat.

We characterize TCHC's industry risk as low. We characterize the cyclicality and volatility of growth and margins as low and fairly stable. In addition, in the industry, competition and the threat of substitution are low risk and, in our opinion, barriers to entry are high in many jurisdictions.

We consider the company's economic fundamentals and market dependencies to be very strong. Demand for housing, social or market, typically increases every year, mainly due to demographics. The city's population has increased steadily as a result. According to Statistics Canada, the population of the Toronto Census metropolitan area rose at an average of 1.0% a year from 2009-2013. Thanks to robust growth and a considerable difference between 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 nearing 90,000 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 (2.3% in 2013) and a moderate average portfolio age of about 57 years boost the company's solid market position. In our opinion, TCHC's large property portfolio of 59,032 units helps increase its diversity and somewhat limit property-specific exposure. Nevertheless, although TCHC is trying to address the issue in its 10-year capital financing plan, the large and increasing capital backlog could negatively affect asset quality if investment is below required levels.

In our view, TCHC's financial performance is adequate. In 2013, the company's EBITDA as a percent of revenue was relatively stable compared with that of the previous year, at about 39%. It 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 2014 and 2015.

Despite a modest increase in debt levels, in 2013, TCHC's debt metrics also remained relatively stable. At year-end 2013, the EBITDA gross interest coverage ratio (Standard & Poor's-calculated) was 3.6x, up modestly from 3.5x at the end of 2012. Similarly, the funds from operations gross interest coverage ratio improved to 1.9x (from 1.8x in 2012). The debt-to-EBITDA ratio increased modestly to 5.6x from 5.2x the year before. The company's debt level, which we consider to be low, increased to C$1.32 billion in 2013, up about C$45 million from a year earlier. In the next two years, we expect that debt will continue to increase modestly in 2014 and more meaningfully in 2015, reaching about C$1.51 billion by year-end 2015. Despite this additional issuance, we believe coverage ratios will remain strong.

TCHC's relationship with the city continues to be supportive. Toronto has provided the company with a stable multiyear funding formula and clear operating direction. In 2013, the city amended its shareholder direction with TCHC. The amendments were not extensive, in our view, and represented refinements of Toronto's long-standing approach to overseeing the company.

In our opinion, a sizable state-of-good-repair backlog somewhat offsets TCHC's business risk profile. The backlog increased again in 2013. It has increased steadily despite considerable annual reinvestment in the portfolio. It is estimated at C$860 million but projected to increase to about C$2.6 billion by the end of 2022 if unaddressed. In 2012, council approved a 10-year capital financing plan that is intended to reduce the backlog to an acceptable level. According to the plan, a tripartite arrangement involving federal and provincial governments, the company jointly with the City of Toronto would provide about C$2.6 billion in new capital funding in 10 years. As of the date of this report, the company, through the city, has secured C$900 million out of the C$2.6 billion. 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 strong in 2013 despite a drop in cash and investment holdings. The company had cash and investment holdings of about C$137 million at the end of 2013. Liquidity fell about 15% as management used cash to reduce debt and fund capital. In 2013, sources of liquidity exceeded used about 2x. TCHC also had C$198 million in restricted reserves, held largely in the same instruments as unrestricted investments. In addition, it generates a considerable amount of cash each year (more than C$100 million) from operations, which a C$200 million revolving credit facility (which was undrawn at year-end 2013) supplements. In our opinion, the company has strong access to external liquidity, as two bond series, bank loans and a bank facility, as well as its ability to access debt markets during the recession all show.

For 2014, we expect that liquidity will be strong. Nevertheless, with the company's higher capital funding needs, in 2015, we expect that TCHC's liquidity may come under pressure.

Outlook

The stable outlook reflects our expectation that debt levels will remain low even with forecast increases in the next two years. In that time, we believe the EBITDA interest coverage ratio should remain above 2.5x and the debt-to-EBITDA ratio should stay below 10x. We also expect that TCHC's role and link with Toronto will remain stable in the outlook horizon. A change in our rating on Toronto will not affect those on TCHC. A reduction in liquidity such that in the next 12 months, sources of cash represent less than 1.25x the uses of cash, will result in a negative rating action. In addition, a significant adverse change in the relationship with the city, a return of governance and management turbulence such as what the company experienced in the recent past, or marked deterioration of EBITDA such that it represents less than 30% of revenues could place downward pressure on the ratings. Conversely, although unlikely, a material improvement in operating results and 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, with 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) and the province (the senior level of government with jurisdiction over housing under the Canadian constitution).

The Housing Services Act (HSA) governs 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, 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 amended in 2013 with new principles to establish 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 company officers' commitments 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 HSA 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 provisions. 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 was also 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 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 59,032 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 5,974, or about 10% of its 59,032 units, generate market rents.

The company has a staff of about 1,641, of which approximately 340 are management. A number of unions, largely from the public sector, represent non-management staff.

Solid Enterprise Profile

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.

Low industry risk

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, on RatingsDirect), 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 Greater Toronto Area 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 increased steadily as a result. According to Statistics Canada, the population of the Toronto CMA has risen an average of 1.0% a year from 2009-2013.

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 approached 90,000 applicants as of this year. The waiting list has been more than 80,000 for many years.

TCHC rents remain very attractive. The attractiveness of RGI compared with 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$1,035 for a one-bedroom apartment, C$1,225 for a two-bedroom, and C$1,471 for a three-bedroom as of October 2014, which is little changed from our most recent review. We estimate that the average rent for a TCHC unit should be about C$490 monthly in 2014, which represents about 40% of average market rent for a two-bedroom apartment. About 10% of 59,032 units, generate market rents.

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 almost 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 Treasurer, the General Counsel and members responsible for operations, development, planning, human resources, 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. Strengthening the organization's foundations is a key focus of the strategic plan. More specifically, the strategic plan 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 nonrental revenues, maximizing investment income, reducing turnaround times, and operating cost reduction, among many others. In our opinion, management has strategies that are consistent with its capabilities and has demonstrated a track record of success, market leadership and innovation when executing on its plans. Risk management is also a strategic goal and TCHC is continuously implementing risk management systems company-wide.

Low vacancy rate in 2012

Portfolio age is moderate but likely to fall slowly. TCHC's large portfolio, which ranges from houses to high-rise 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 the 59,032 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 57 years as of October 2014. 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 billion, which provides a guide for valuation.

TCHC has a state-of-good-repair backlog that it estimates to be about C$862 million now, and C$2.6 billion in 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 will fund capital spending to reduce the backlog. The company sold six homes in 2012 and 26 homes in 2013 that provided C$5 million and C$12.2 million, respectively, for the State of Good Repair Fund. In addition, TCHC expects to sell about 43 homes in 2014, which should raise about C$30 million for the fund.

The vacancy rate continues to decline modestly

As of October 2014, the company's vacancy rate was 2.07% year-to-date, down from the 2.32% annual rate for 2013. TCHC's rate is higher than rates in the city and the CMA. As of April 2014, the CMA overall vacancy rate was 1.9%, up slightly from 1.6% a year earlier; the vacancy rate for two-bedroom units as of April 2014 was 1.6%, up slightly from a year earlier (1.5%). Two factors work to increase TCHC's structural vacancy compared to market vacancy: an internal transfer policy, which permits existing tenants to transfer with 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, reaching 7.2% as of September 2014, which is relatively stable compared with that of the previous year and down from a high of 9.8% in 2008.

Financial Profile Is Very Strong

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

Operating results remained stable

The company's EBITDA margin remained relatively stable in 2013, at 39%. EBITDA decreased modestly to C$238 million, down 4% from C$248 million in 2012. It is the highest it has ever been. The improvement was the result of a number of factors. TCHC's EBITDA benefitted from an amendment to its funding framework in 2012. It has been exempted from paying property taxes on more than half the properties it owns -- in exchange, Toronto 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. Declines in subsidies and income from the company's redevelopment joint ventures were enough to mitigate increases in residential and commercial rents. Falling municipal taxes, and rent supplement expenditure costs offset a modest increase in administration and residential services.

With slightly lower EBITDA, net income modestly declined to C$54.6 million in 2013, from C$60.1 million in 2012. In addition, TCHC recorded a slight decrease in operating margins in 2013, to 17.8% from 19.3% a year earlier. The net margin remained at about 9% year-over-year. Overall, TCHC's operating ratios compare favorably with those of similarly rated peers. In our opinion, the company has a good track record of producing adequate and stable financial results.

Total revenues dropped 4.5% in 2013 because subsidies fell about 7% with the implementation of the property tax exemption. Increases in residential and commercial rents of 3% and 8%, respectively, offset the fall in subsidies somewhat. Service fees and interest income declined by 5% and 6%, respectively. In addition, income from the company's redevelopment joint ventures significantly dropped to less than C$1 million from almost C$14 million in 2012. 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 4.8% in 2013 due to reduced municipal taxes, which fell by 55%, and rent supplement expense, which decreased 14%. Notably, operating and maintenance (O&M) expenditures remained relatively stable compared to the previous year. TCHC's biggest expenses are O&M costs, administration, and municipal taxes, constituting at least 75% of annual operating spending. Depreciation costs are important contributors to total expenses and have been rising steadily with the portfolio's renewal.

In the next two years, we expect that expenditures will grow faster than revenues, with a more pronounced differential in 2015, leading to a decrease of both EBITDA and net income than those recorded in 2013.

Modest debt increase in 2013

TCHC's debt levels are low, in our opinion. At the end of 2013, debt stood at C$1.33 billion, up about C$45 million from a year earlier. Most of this increase came from new project financing that exceeded repayments. Debt per unit increased in 2013, to C$22,496 from C$21,840 in the previous year.

The company's capital platform consists of mortgages, debentures, various loans, and a revolving credit facility. Mortgagors are split approximately 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 payable to Infrastructure Ontario (about C$154.2 million), a loan from the city (about C$47.5 million), a construction bridge facility (about C$35.4 million), and a capital lease facility (C$4.6 million). For the near term, TCHC has a revolving credit facility of C$200 million, which remained undrawn at the end of 2013.

Debt ratios are indicative of debt levels we consider to be low. At the end of 2013, the EBITDA gross interest coverage ratio (Standard & Poor's-calculated) was 3.6x, which was up modestly from 3.5% at the end of 2012. Similarly, the funds from operations gross interest coverage ratio saw modest improvement to 1.9x (1.8x in 2012). The company's debt-to-EBITDA ratio increased moderately to 5.6x from 5.2x the year before.

TCHC has refinancing risk on its bullet bonds due in 2037 but has no currency exposure. Contingent liabilities are minor: for 2013, 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$28 million for a supplementary pension plan. Of note, in 2014, the company instituted new internally restricted reserves that establish a sinking fund for the debentures as well as funding for the supplementary pension plan.

Although TCHC's development and redevelopment projects continue, they should not require company financing. It has five 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 1,380 of about 59,032 units -- or slightly less than 3% of the housing stock.

In 2013, the company received council approval for its new 10-year capital financing plan. It will require about C$2.6 billion in the next 10 years to keep its state-of-good-repair backlog at an acceptable level. According to the plan, which is a tri-partite 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.

In the next two years, we expect that debt will continue to increase modestly in 2014 and more meaningfully in 2015, reaching about C$1.51 billion by year-end 2015. Coverage ratios are not likely to change substantially; we expect the EBITDA coverage ratio and debt to EBITDA to remain above 2.5x and less than 10x, respectively, by the end of 2015.

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 strong

TCHC's liquidity is strong, in our view. The company had cash and investments holdings of about C$137 million, excluding C$198 million of internally and externally restricted funds, at the end of 2013. Liquidity levels fell about 15% in 2013 as cash was used to fund capital requirements. Of note, the company's reserve levels, particularly investment for internally restricted purposes, more than doubled. Cash and investments were held in fixed income securities and an interest-bearing account while restricted reserves followed TCHC's investment policy, which largely invests 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 and maintains a C$200 million revolving credit facility, which remained undrawn at year-end 2013.

In our opinion, TCHC has strong access to external liquidity as its two bond series, bank loans, and bank facility; and its ability to borrow through the recession all show. As well, we believe 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$35.4 million.

For 2014, we expect that liquidity will be strong, with sources of cash exceeding uses of cash by more than 1.25x. Nevertheless, with higher capital funding needs, in 2015, we expect that TCHC's liquidity will come under pressure.

Financial policies: Good transparency and disclosure

The company's transparency and disclosure policies and practices are high, in our opinion. The shareholder agreement requires TCHC to produce both quarterly and annual audited financial statements. It prepares those statements 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 shareholder directive, the company 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 now in place. The company has an investment policy in place for the establishment and use of internally 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 strategic plan's financial goals, including multiyear capital plans. Until recently, there was no formal link between the strategic plan and multiyear financial planning, but the revised shareholder direction requires the company to submit at least a four-year financial plan. The company annually reports its one-year operating budget and will report annually on its rolling 10-year capital plan. It has an informal debt management policy, based on debt service costs. The city limits TCHC's debt, which the company can use only to acquire capital.

Toronto Community Housing Corp. -- Key Indicators And Financial Statistics

	--Fiscal year ended Dec. 31--				
(C$000,000)	**2013**	**2012**	**2011**	**2010**	**2009**
Revenues	612.8	641.4	686.2	680.7	654.0
EBITDA	238.0	247.7	221.4	211.2	197.5
Interest expense	66.8	69.8	75.5	74.1	65.7
Total assets	2,970.4	2,898.1	2,934.8	2,929.6	2,664.1
Gross debt	1,328.0	1,283.0	1,399.0	1,470.1	1,271.0
Cash and equivalents	137.0	161.9	244.9	331.0	150.1
EBITDA/revenues (%)	38.8	38.6	32.3	31.0	30.2
EBITDA interest coverage (x)	3.6	3.5	2.9	2.9	3.0
Debt to EBITDA (x)	5.6	5.2	6.3	7.0	6.4
Number of units	59,032	58,882	58,750	58,342	58,342
Debt per unit (C$)	22,496	21,790	23,812	25,198	21,785
Vacancy rate (%)	2.3	2.8	3.0	3.1	2.9

Related Criteria And Research

Related Criteria

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

Ratings Detail (As Of December 12, 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.