

Toronto Community Housing



Review of Q1 2024 Financial Results

Item 11d

June 25, 2024

Board of Directors

Report: TCHC:2024-32

To: Board of Directors (the “Board”)

From: Building Investment, Finance and Audit Committee
 (“BIFAC”)

Date: May 28, 2024

PURPOSE:

This report provides an update on Toronto Community Housing Corporation’s (“TCHC”) financial results as of Q1 2024.

RECOMMENDATIONS:

It is recommended that the Board receive this report for its information.

REASONS FOR RECOMMENDATIONS:

At the 2021 year-end BIFAC meeting, TCHC Finance committed to providing BIFAC with quarterly updates on TCHC’s financial results, including its capital spend. Going forward, reporting will then be forwarded on to the Board.

Pursuant to this, a summary presentation of Q1 2024’s results have been prepared (see Attachment 1).

Summary Of Financial Results as of Q1 2024

Table 1 provides a summary of TCHC’s Q1 year-to-date results.

Table 1: TCHC Expenditures compared to Budget Q1 2024

(In \$000s)	Q1 2024 Actuals	Q1 2024 Budget	Variance \$
Q1 Results (TCHC only)	2,548	(11,616)	14,164
Q1 Results (TCHC and TSHC)	503	(15,429)	15,932
SOGR Capital (in-year spend)	81,936	87,500	5,564
Development Capital Spend	14,132	37,954	23,822
Swansea Mews	133	500	367

IMPLICATIONS AND RISKS:**Operational Spend Highlights**

The Q1 YTD with a surplus of \$2.55M (excluding TSHC spend) is due to the culmination of numerous factors, including:

- Favourable variance of RGI revenue of \$1.2M, resulting from cleaning up the outstanding rent review and rent was calculated based on latest RGI households' income.
- Savings from:
 - Utilities of \$1.78M on natural gas, due to lower average rates and consumption, as well as lower commercial consumption on hydro and water.
 - Operations of \$4.8M, mainly due to timing of repairs for the Regions; vacancies savings on Community Safety Units (e.g. primarily on Special Constables); and Programs & Partnerships (e.g. receipt of external funding on youth programs).
 - Facilities Management of \$1.6M due to vacancies and timing on maintenance work vs. budget
 - Corporate Services of \$3M, driven by vacancies and timing on various project spending (e.g. Legal \$0.8M, Strat. Planning & Communications \$0.6M; Human Resources \$0.5M and Information Technology \$0.4M).

- Other Expense of \$1.8M resulting from a favourable prior year adjustment (e.g. reversal of an accrual related to AC program).

The operational cost containment strategies commenced in July 2023 by the Budget Task Force are continued in 2024 with the focus on developing cost containment strategies and engaging all the divisional teams in this ongoing work.

State of Good Repairs Building Capital Spend

The Q1 results of \$43.4M for Planned Capital is \$1M above budget. Compared to the same time last year, we are \$21.8M above the 2023 spend rate, which reflects the current commitments that were made in 2023 and their planned impact in 2024.

The Demand Capital of \$32.8M is lower compared to budget and this reflects the ongoing review and work of the cross-divisional Demand working group's plans for managing Demand Capital. Ongoing monitoring will continue.

The Energy Capital is lower compared to the budget by \$3M, which aligns with the current plan. Energy projects are expected to impact actual to budget variances in May to August and are forecasted to land above target.

Development Capital Highlights

The overall development spend is \$23.8M below YTD budget for 2024, variances are attributed to the active projects under construction or planning: Alexandra Park (Phase 2), Lawrence Heights (Phase 1), Regent Park (Phase 3), and Swansea Mews.

SIGNATURE:

"Lily Chen"

Lily Chen
Chief Financial Officer & Treasurer

ATTACHMENT:

1. Q1 2024 Financial Results Presentation
2. Confidential Attachment: Q1 2024 Developmental Capital Spend Variances

**Reason for
Confidential
Attachment:**

This document deals with matters that the Board is permitted consider in a closed meeting including but not limited to commercial and financial information that belongs to TCHC and has monetary or potential monetary value.

STAFF CONTACT:

Michael Buchert, Director Financial Planning & Analysis and Decision Support

416-981-4332

Michael.Buchert@torontohousing.ca

Raj Atma, Director, Property Accounting

(416) 981-4054

Raj.Atma@torontohousing.ca

Toronto Community Housing



2024 Q1 Financial Performance Update

Board

June 25, 2024

Q1/2024 – Operating Results Highlights

TCHC (excluding TSHC) ended March/2024 with a surplus of \$2.55M

Revenue:

- Favorable variance of RGI revenue \$1.2M mainly resulting from cleaning up the outstanding rent review and rent was calculated based on latest RGI households' income, will continue to monitor for stability in rental revenue.
offset with
- Unfavorable on Other Revenue of (\$0.1M) due to the delayed receipt of consulting fee from Leslie Nymark and HST refund did not materialize and
- RPEI Plant Revenue under by (\$0.5M) compared to the budget primarily driven by overall lower consumption for hot water energy and capacity charges.

Expenses:

- Cost savings from:
 - Utilities \$1.78M primarily from natural gas with lower consumption due to warmer winter than expected, and lower Commercial Account consumption on Hydro and Water compared to budget
 - Operations \$4.8M driven by:
 - ✓ The 3 Regions \$2.3M due to timing of repairs compared to budget;
 - ✓ Community Safety Units \$0.9M savings on vacancies & external security guard;
 - ✓ Programs & Partnerships \$0.7M due to external funding received to offset expenses later in the year.

Q1/2024 – Operating Results Highlights (Cont'd)

- Facilities Management \$1.6M due to vacancies savings and timing on maintenance work vs. budget
- Corporate Services \$3M due to vacancies and timing on various spending (e.g. Legal \$0.8M; Strat. Planning & Communications \$0.6M; People & Culture \$0.5M and Information Technology Services \$0.4M).
- Other Expense \$1.8M resulting from a favorable prior year adjustment (e.g. reversal of an accrual related to A/C program)
- RPEI Operating Expenditure of \$0.6M, due to underspend in natural gas boiler fuel from reduced consumption and lower average rate than budgeted.

Offset by

- Municipal taxes overspend by (\$0.6M), primarily from False Fire year-to-date overspend compared to budget

2. **Full Year Forecast** is expecting a surplus of \$6.6M; \$2.3M favorable to budget based on the known information and the timing of the spend.

The main driver of this variance is due to:

- Revenue trending to be favorable on RGI revenue of \$1.3M and Bad Debt of \$0.2M. Will continue to monitor favorable revenue related to RGI to ensure that it remains sustainable.
- Underspend in the various Divisional operating expenditures

Q1/2024 YTD – Operating Results

(in \$000's)	YTD Actual			YTD Budget			Actual vs Budget		Prior Year Actual (March 2023)				Actual vs PY Actual	
	TCHC	TSHC	Total	TCHC	TSHC	Total	TCHC \$ Change	TCHC % Change	TCHC	TSHC	COVID Expenses	Total	TCHC \$ Change	TCHC % Change
CASH INFLOWS														
Residential rent - RGI	48,528	21,394	69,922	47,252	20,778	68,030	1,275	3%	46,267	20,304	-	66,571	2,261	5%
Residential rent - Market	21,555	1,264	22,820	21,709	1,145	22,854	(154)	-1%	21,234	1,118	-	22,352	321	2%
Bad Debt Expense	(1,465)	(177)	(1,642)	(1,462)	(454)	(1,916)	(4)	0%	(23)	(7)	(1,429)	(1,460)	(1,442)	6193%
Subsidies - City	66,611	10,088	76,699	66,611	10,088	76,699	0	0%	63,109	9,347	-	72,455	3,502	6%
Subsidies - Regent Park	614	-	614	614	-	614	-	0%	614	-	-	614	-	0%
Subsidies - City (one-time)	7,312	1,083	8,395	7,312	1,083	8,395	-	0%	-	-	-	-	7,312	100%
Parking, laundry and cable fees	3,921	479	4,400	3,946	464	4,410	(25)	-1%	4,598	498	(554)	4,542	(677)	-15%
Commercial rent	4,859	-	4,859	4,818	-	4,818	42	1%	4,628	-	-	4,628	232	5%
Other revenue	404	45	450	525	30	554	(120)	-23%	476	22	-	498	(71)	-15%
RPEI revenue	1,742	-	1,742	2,178	-	2,178	(437)	-20%	1,936	-	-	1,936	(194)	-10%
	154,081	34,176	188,257	153,503	33,133	186,636	578	0%	142,838	31,282	(1,983)	172,137	11,243	8%
CASH OUTFLOWS														
Utilities	34,721	6,541	41,261	36,505	5,760	42,265	1,785	5%	35,839	6,524	391	42,754	1,118	3%
Municipal taxes	5,827	156	5,983	5,239	72	5,311	(588)	-11%	4,609	65	-	4,674	(1,218)	-26%
Mortgage Interest & Principal	39,091	10,351	49,442	39,156	10,256	49,412	65	0%	38,575	10,193	-	48,768	(515)	-1%
Operations	43,904	2,694	46,598	48,739	3,353	52,092	4,835	10%	48,785	3,117	64	51,965	4,881	10%
Facilities Management	9,827	1,952	11,779	11,441	2,419	13,860	1,614	14%	9,446	1,959	(0)	11,405	(381)	-4%
Corporate	15,627	2,688	18,315	18,654	3,054	21,708	3,027	16%	14,608	2,280	-	16,888	(1,019)	-7%
Office of the Commissioner of Housing Equity	290	89	379	275	86	361	(15)	-6%	257	79	-	336	(33)	-13%
Senior Housing Unit	(1,250)	11,750	10,500	(1,250)	11,945	10,695	-	0%	-	9,230	124	9,353	1,250	-100%
Development	-	-	-	0	-	0	0	0%	(4)	-	-	(4)	(4)	100%
Swansea Mews	133	-	133	500	-	500	367	73%	1,023	-	-	1,023	890	87%
Other	1,842	-	1,842	3,703	-	3,703	1,861	50%	3,794	35	-	3,829	1,952	51%
IT/Corporate Capital	-	-	-	-	-	-	-	0%	816	251	-	1,067	816	100%
RPEI operating expenditure	1,522	-	1,522	2,158	-	2,158	636	29%	1,725	-	-	1,725	203	12%
	151,533	36,221	187,754	165,119	36,945	202,065	13,587	8%	159,474	33,733	578	193,785	7,941	5%
Total Cash Surplus (Shortfall)	2,548	(2,045)	503	(11,616)	(3,813)	(15,429)	14,164	122%	(16,636)	(2,451)	(2,561)	(21,648)	19,184	115%
IT and Corporate Capital**	1,278	-	1,278	1,550	-	1,550	272	18%	-	-	-	-	(1,278)	100%
IT capital	1,277	-	1,277	1,369	-	1,369	92	7%	-	-	-	-	(1,277)	100%
Corporate capital	1	-	1	181	-	181	181	100%	-	-	-	-	(1)	100%

**Funded through CAPEX in 2024

Q1/2024 – Full Year Forecast vs. Budget

(in \$000's)	Full Year Forecast			Full Year Budget			Forecast vs Budget		Prior Year Forecast (March 2023)				FY Fcst vs. PY Fcst	
	TCHC	TSHC	Total	TCHC	TSHC	Total	TCHC \$ Change	TCHC % Change	TCHC	TSHC	COVID Expenses	Total	TCHC \$ Change	TCHC % Change
CASH INFLOWS														
Residential rent - RGI	190,702	83,689	274,391	189,387	83,112	272,499	1,315	1%	187,069	82,095	-	269,165	3,632	2%
Residential rent - Market	86,970	4,577	91,547	87,003	4,579	91,582	(33)	0%	84,700	4,458	-	89,158	2,270	3%
Bad Debt Expense	(5,639)	(1,752)	(7,391)	(5,848)	(1,816)	(7,664)	209	4%	(2,053)	(638)	(5,767)	(8,458)	(3,586)	-175%
Subsidies - City	267,218	39,577	306,795	266,444	40,351	306,795	774	0%	252,417	37,384	-	289,802	14,801	6%
Subsidies - Regent Park	6,000	-	6,000	6,000	-	6,000	0	0%	2,456	-	-	2,456	3,544	144%
Subsidies - City (one-time)	29,248	4,332	33,580	29,248	4,332	33,580	-	0%	-	-	-	-	29,248	100%
Parking, laundry and cable fees	15,776	1,854	17,629	15,785	1,855	17,639	(9)	0%	17,460	1,893	(1,487)	17,865	(1,684)	-10%
Commercial rent	19,168	-	19,168	19,127	-	19,127	42	0%	18,418	-	-	18,418	751	4%
Other revenue	1,714	112	1,826	1,811	119	1,930	(98)	-5%	2,484	116	-	2,600	(770)	-31%
RPEI revenue	7,939	-	7,939	8,375	-	8,375	(437)	-5%	7,623	-	-	7,623	316	4%
	619,095	132,389	751,485	617,332	132,531	749,863	1,763	0%	570,573	125,309	(7,255)	688,628	48,522	9%
CASH OUTFLOWS														
Utilities	126,544	23,035	149,579	126,573	23,040	149,614	29	0%	124,407	22,646	1,443	148,496	(2,137)	-2%
Municipal taxes	21,610	307	21,917	20,956	289	21,245	(654)	-3%	19,623	279	-	19,902	(1,987)	-10%
Mortgage Interest & Principal	119,907	29,774	149,681	120,233	29,414	149,646	326	0%	113,730	27,877	-	141,606	(6,178)	-5%
Operations	200,526	13,853	214,379	201,011	13,411	214,422	485	0%	187,126	12,485	384	199,994	(13,401)	-7%
Facilities Management	47,368	9,677	57,044	47,368	9,677	57,044	-	0%	42,704	8,981	31	51,716	(4,664)	-11%
Corporate	76,208	11,498	87,706	75,936	12,217	88,152	(272)	0%	64,078	10,410	650	75,138	(12,130)	-19%
Office of the Commissioner of Housing Equity	1,137	349	1,487	1,123	345	1,468	(14)	-1%	1,085	333	-	1,419	(52)	-5%
Senior Housing Unit	(5,000)	48,249	43,249	(5,000)	48,480	43,480	-	0%	(5,000)	46,117	589	41,706	-	0%
Development	-	-	-	-	-	-	-	0%	(4)	-	-	(4)	(4)	100%
Swansea Mews	2,000	-	2,000	2,000	-	2,000	-	0%	4,293	-	-	4,293	2,293	53%
Other	14,791	-	14,791	14,809	-	14,809	18	0%	13,555	1,303	-	14,857	(1,236)	-9%
IT/Corporate Capital	-	-	-	-	-	-	-	0%	4,143	1,273	-	5,415	4,143	100%
RPEI operating expenditure	7,346	-	7,346	7,982	-	7,982	636	8%	7,441	-	-	7,441	95	1%
Reserve Withdrawal	-	-	-	-	-	-	-	0%	(13,000)	-	-	(13,000)	(13,000)	100%
	612,438	136,741	749,180	612,991	136,872	749,863	553	0%	564,179	131,703	3,097	698,979	(48,259)	-9%
Total Cash Surplus (Shortfall)	6,657	(4,351)	2,305	4,340	(4,340)	(0)	2,317	53%	6,393	(6,393)	(10,351)	(10,351)	263	4%
IT and Corporate Capital**	8,600	-	8,600	8,600	-	8,600	-	0%	-	-	-	-	(8,600)	100%
IT capital	7,875	-	7,875	7,875	-	7,875	-	0%	-	-	-	-	(7,875)	100%
Corporate capital	725	-	725	725	-	725	-	0%	-	-	-	-	(725)	100%

**Funded through CAPEX in 2024

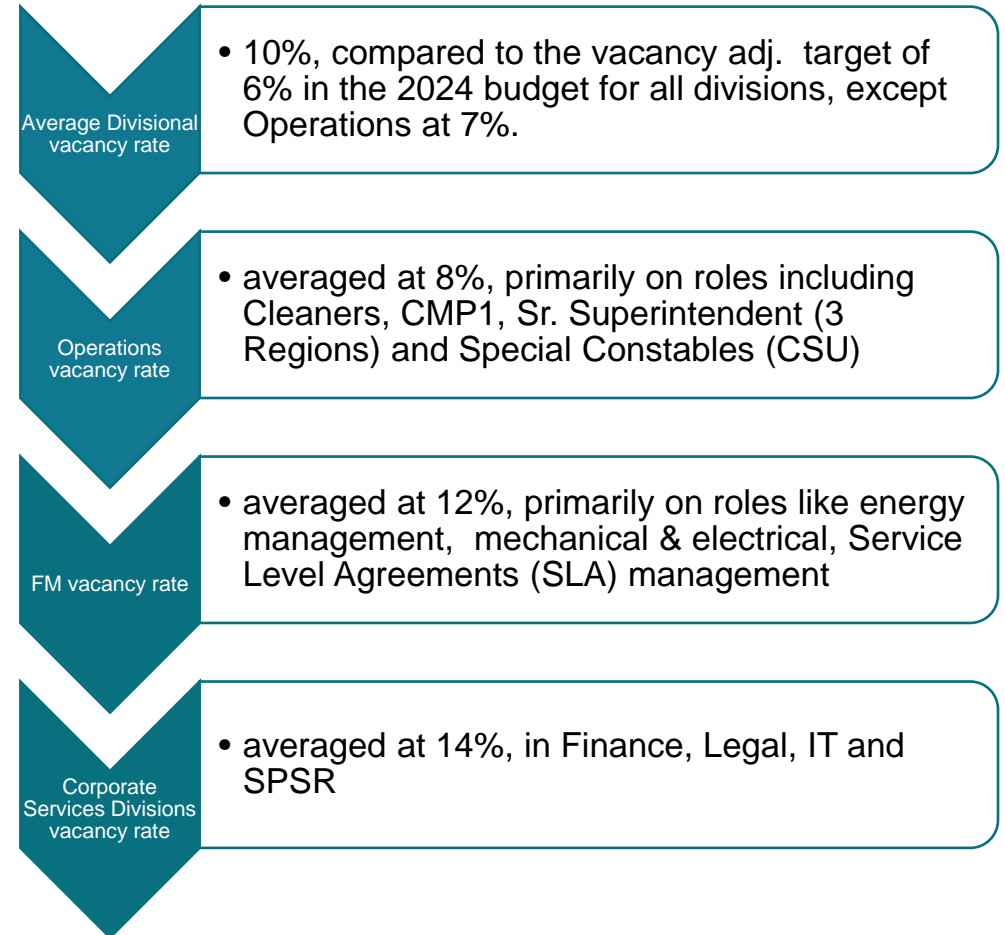
Q1/2024 YTD – Divisional Operating Expense Variances

(in \$000's)	March 2024				March 2023	Mar 2024 vs. Mar 2023	
	Actuals \$	Budget \$	Variance \$	Variance %	Actuals \$	Variance \$	Variance %
Operations	43,904	48,739	4,835	10%	48,785	(4,881)	-10%
Facilities Management	9,827	11,441	1,614	14%	9,446	381	4%
Corporate Services	15,627	18,654	3,027	16%	14,608	1,019	7%
Office of the Commissioner of Housing Equity	290	275	(15)	-6%	257	33	13%
Total Operating Expenses (All Divisions)	69,647	79,108	9,461	12%	73,095	(3,448)	-5%

- The favorable variance in Operations is mainly contributed by the 3 Regions of \$2.3M, Community Safety Unit \$0.9M and funding in Program and partnership \$0.7M, which will be utilized in the balance of the year. The Q1 results continue to reflect the focus and the work of the task force.
- As part of this, Operations is undertaking a conservative approach related to work order management, which involves prioritizing urgent and emergency work orders that address health, safety, and security concerns. As Operations continues to gain a better understanding of its expenses and demands throughout the balance of the year, it will be able to address and complete non-urgent and non-emergency work orders.
- Savings in Corporate Services is mainly driven by Legal (e.g. timing on legal fees spending), Information Technology (e.g. timing on invoicing for Computer Hardware, Cell Phone and Internet, etc....) and Strat. Planning & Communication (e.g. vacancies savings and timing on legal fees for the sale of scattered homes).
- Favorable variance in Facilities Management due to vacancies savings and timing on maintenance work vs. budget.

Headcount Report by Division

Division	March 2024				Full Year Budget
	Actual	Budget	Vacancies	Vacancy %	
OPERATIONS	1,458	1,578	120	8%	1,590
Regional Operation East	326	354	28	8%	354
Regional Operation West	365	387	22	6%	387
Regional Operation Central	370	384	14	4%	384
Tenancy Resolution Office	27	31	4	13%	31
Engagement Refresh	3	3	-	0%	3
Programs and Partnerships	40	40	-	0%	52
Business Operations	97	115	18	16%	115
Chief Operating Office	3	3	-	0%	3
Community Safety Unit	227	261	34	13%	261
FACILITY MANAGEMENT	262	299	37	12%	299
Facility Management	254	290	36	12%	290
Commercial	8	9	1	11%	9
CORPORATE	314	365	51	14%	366
Legal	48	57	9	16%	57
People & Culture	61	67	6	9%	67
Information technology (IT)	70	79	9	11%	80
Finance	91	103	12	12%	103
Chief Executive Office	1	6	5	83%	6
Centre for Advancing Interests of Black People	9	11	2	18%	11
Strat. Planning & Communication	34	42	8	19%	42
OFFICE of the COMMISSIONER of HOUSING EQUITY	12	12	-	0%	12
DEVELOPMENT	50	63	13	21%	63
TOTAL DIVISIONAL HEADCOUNT	2,096	2,317	221	10%	2,330
Trades	54	58	4	7%	58
Summer Hires/Intern	28	27	(1)	-4%	212
Programs and Partnerships	-	-	-	-	185
Regional Operation East	6	-	(6)	-	-
Regional Operation Central	3	4	1	-	4
Regional Operation West	6	6	-	-	6
Facility Management	13	17	4	-	17
Maternity Leave	44	-	(44)	0%	-
TOTAL HEADCOUNT	2,222	2,402	180	7%	2,600



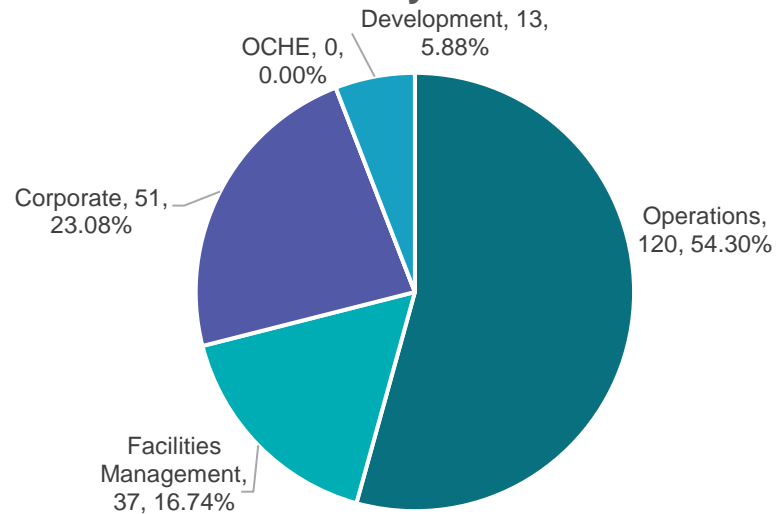
Please note the difference between March budget and full year budget reflects seasonality (e.g. Programs and Partnerships had 185 Interns/Youth Workers/Senior Program Leaders) to be hired later in the year.

Q1/2024 – Vacancies

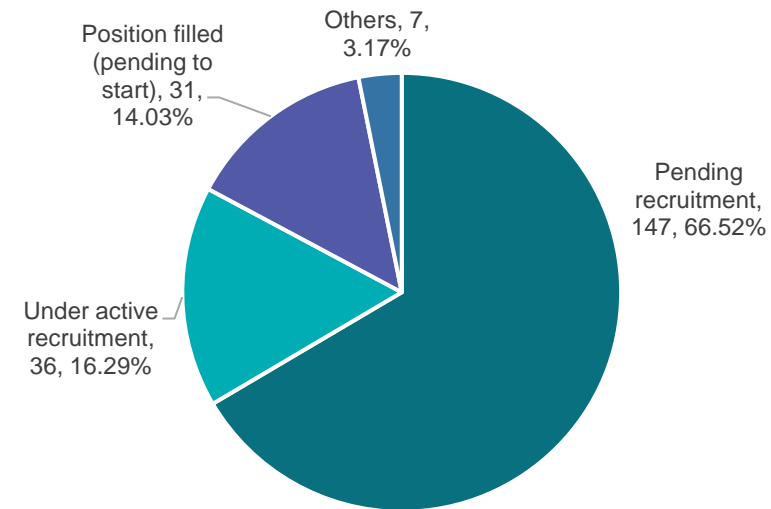
At the end of March, excluding TSHC, trades, summer/intern and maternity leave staff

- Total 221 vacancies compared to the budget. The charts below highlight vacancy data and recruitment status:
 - Q1 Vacancies by Business Area breaks down the 221 vacancies by major divisions
 - Q1 Vacancies Recruitment Status (based on People & Culture's report) shows the current recruitment status and pending recruitment reflects the positions not yet started the recruitment process

Q1 Vacancies by Business Area



Q1 Vacancies Recruitment Status



Q1/2024 – Swansea Mews Impact

Swansea Mews (Amount in \$000s)	Year-to-Date Actual	Balance of Year Forecast	Full Year Total	Total Financial Impact to date (since May 2022)
EXPENSES	133	1,867	2,000	21,610
Accommodation, per diem, moving and transportation	18	-	18	5,291
Security and Staff Overtime	70	430	500	2,063
Shoring, Abatement, Engineering	46	1,437	1,482	14,256
Capital Assets Write off	-	-	-	5,031
Total Income/(Loss)	133	1,867	2,000	26,641

- In July 2023, both BIFAC and the Board approved and authorized the Chief Executive Officer and/or General Counsel & Corporate Secretary (or designate) to proceed to engage with TCHC’s Insurer and pursue its claim for reimbursement in accordance with its policy entitlements. TCHC is in the process of finalizing the coverage components.
- On April 3, 2024, TCHC management met with representatives from HSC to discuss the position of TCHC’s insurers in relation to coverage of TCHC’s claim. HSC is still waiting for the external engineering report and will advise TCHC once the firm delivery date is confirmed.
- In addition, until such time that we can secure the permit to fully decommission the site, we are obligated to continue to provide security and other site safety related issues.

Q1/2024 – Building Renewal Capital Spend

SOGR (Amount in \$000s)	Year-to-Date				Forecast	Full Year	
	Actual	Budget	Variance	% Variance		Budget	% Budget **
Planned Capital	43,401	42,340	1,061	2%	166,794	169,359	26%
Demand Capital	32,809	36,163	(3,354)	-10%	144,650	144,650	23%
Energy	1,325	4,373	(3,048)	-230%	18,573	17,491	8%
Capital Other	4,402	4,625	(223)	-5%	18,500	18,500	24%
Total	81,936	87,500	(5,564)		348,517	350,000	
2023 Advancement	31,119	-	31,119		31,119	-	
Total Spend Against Adjusted Budget	113,055	87,500	25,555		379,636	350,000	

March 2023	Mar 2024 vs Mar 2023
Actual	Variance
21,559	21,842
47,148	(14,340)
2,499	(1,175)
4,550	(148)
75,756	6,180
11,191	
86,947	6,180

** % Budget refers to percentage complete based on the 2024 annualized budget.

Planned Capital spend is \$1M above budget. Comparing to the same period last year, we are \$21.8M above, which reflects the current commitments that were made in 2023 and the planned impact in 2024.

Demand Capital spend is lower compared to the budget for the end of Q1 2024. Comparing to same period prior year, we are under by approx. \$14.3M. This reflects the ongoing review and work of the cross-divisional Demand Working group's plans for managing Demand Capital. Ongoing monitoring will continue.

The Energy Capital is lower compared to the budget by \$3M which aligns with the current plan. Energy projects are expected to impact actual to budget variances in May to August and are forecasted to land above target.

The advance spend in capital at year-end is mainly driven by increased demand capital for 2023 and it is expected to carry forward to 2025 to allow for ensuring full funding utilization. The most current forecast for 2024 is \$379.6M.

Q1 2024 claim to the City and CMHC National Housing Co-Investment (NHCI) was \$99.1M of which \$5.1M was related to Q4 2023 NHCI.

Q1/2024 – Development Capital Spend Variances (Outflows) / Inflow

Outflows

Projects (Amounts in \$000s)	Actual	March YTD Budget	Variance	Full Year (Amounts in \$000s)		
				Forecast	Budget	Variance
Total	14,132	37,954	23,822	113,536	135,436	21,900

Inflows

Projects (Amounts in \$000s)	Actual	Year-To-Date March YTD Budget	Variance	Full Year (Amounts in \$000s)		
				Forecast	Budget	Variance
Total	4,152	32,526	28,374	88,346	88,831	(485)

Outflow Commentary:

- The overall Development underspend is as a result of delayed demolition / construction in Alexandra Park Phase 2, Swansea and Regent Park 4/5,
- Overall projects remain on budget but schedule adjustments may be required resulting in reduced outflow in 2024 and budget allocations to 2025.

Inflow Commentary:

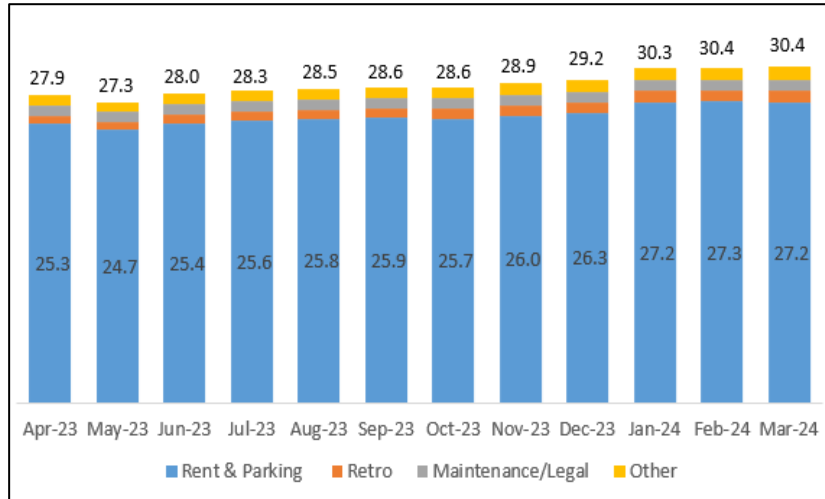
- The majority of variances in the inflows from projections are due to the delay of an infrastructure Ontario (IO) loan. That loan is now secured and inflows will be more accurately captured in Q2 reporting.
- Remaining variances are due to a shift in timing associated with budgeted land sales and revenues. Total budgeted inflows remain unchanged.

(Amounts in \$000s)	YTD Actual	YTD Budget
Dev Outflows	14,132	37,954
Dev Inflows	4,152	32,526
Net shortfall	(9,980)	(5,428)

*Additional information provided in the In-Camera package; item 15b – Confidential Attachment to Public Item 11d

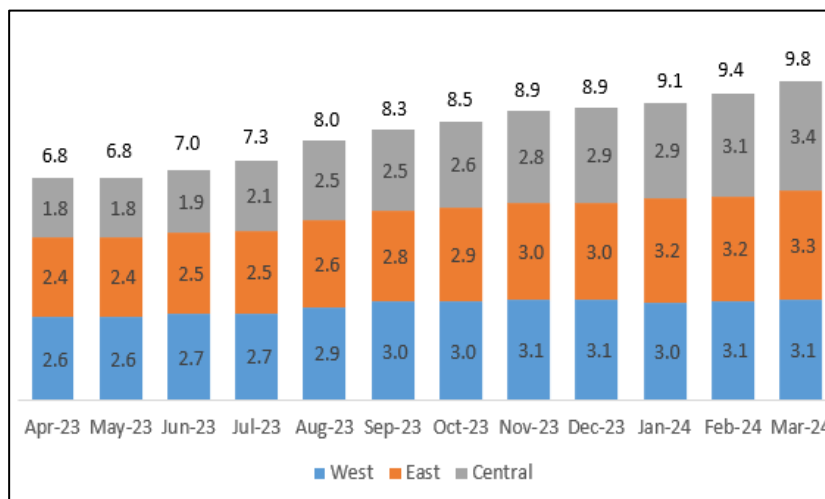
Q1/2024 – Current Arrears

Current Arrears (in \$M)



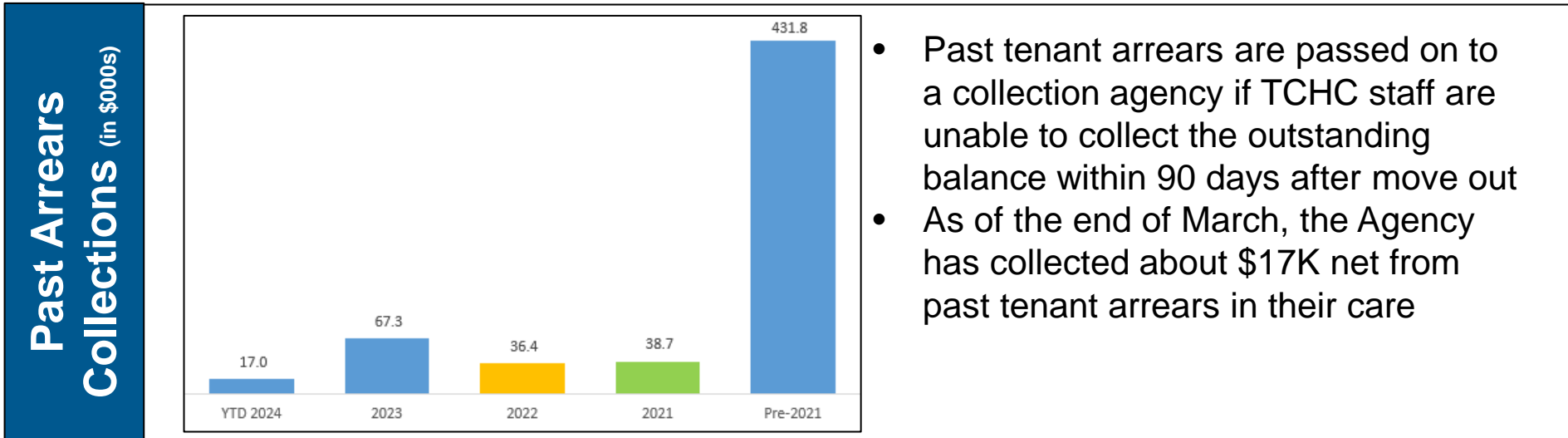
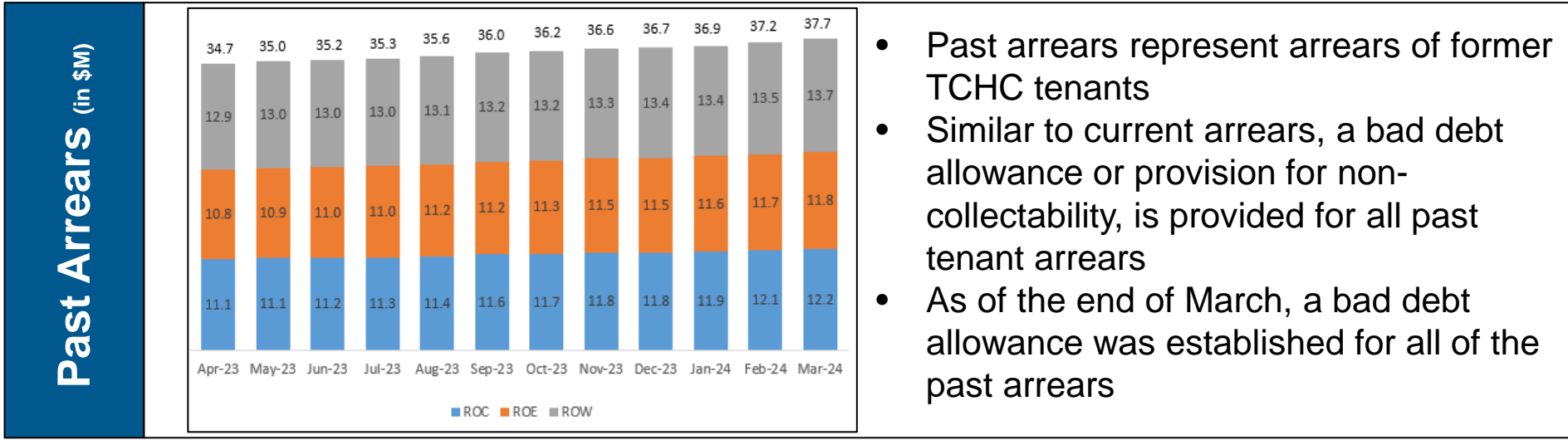
- Current arrears represent arrears of active TCHC tenants
- A bad debt allowance or provision for non-collectability, is provided for all current arrears greater than 45 days old
- As of the end of March, an allowance for bad debt was provided for \$22.9M of the current arrears

Managed Arrears (in \$M)



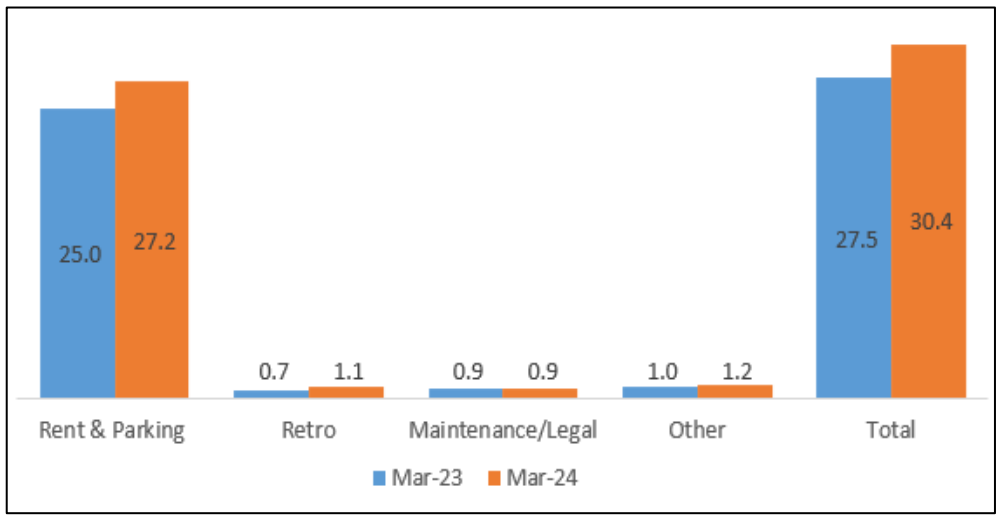
- Managed Arrears represent arrears of active TCHC tenants which have entered into a repayment agreement
- Amounts collected are used to reduce the total current arrears and thus the bad debt allowance / provision for non-collectability

Q1/2024 – Past Arrears

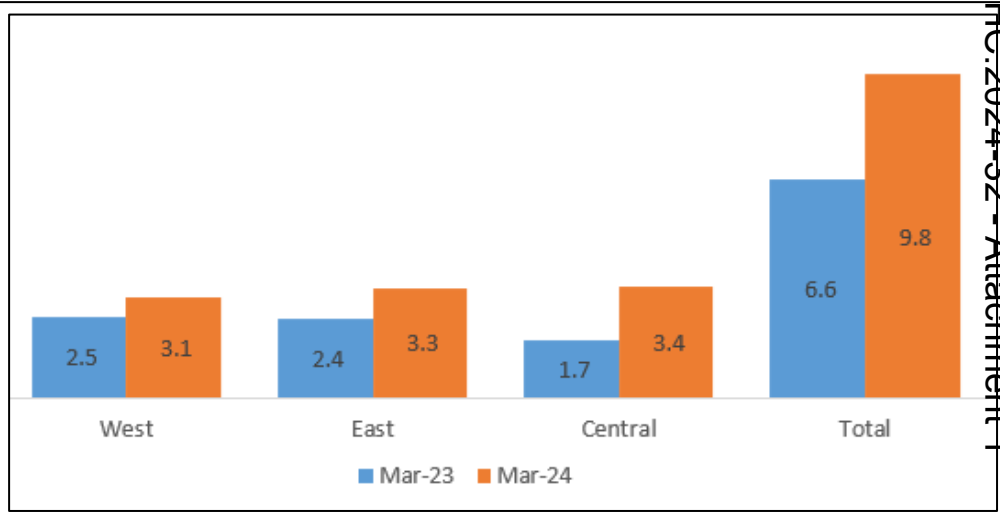


Q1/2024 – Current & Past Arrears (vs. Q1/2023)

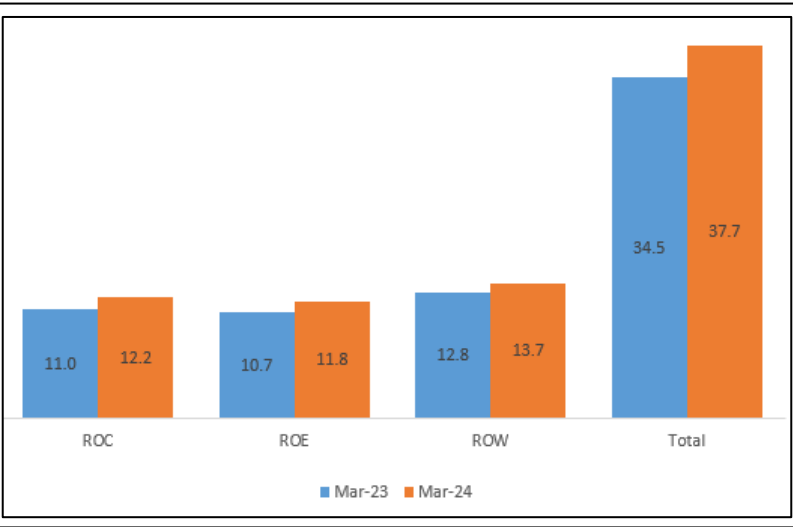
Current Arrears (in \$M)



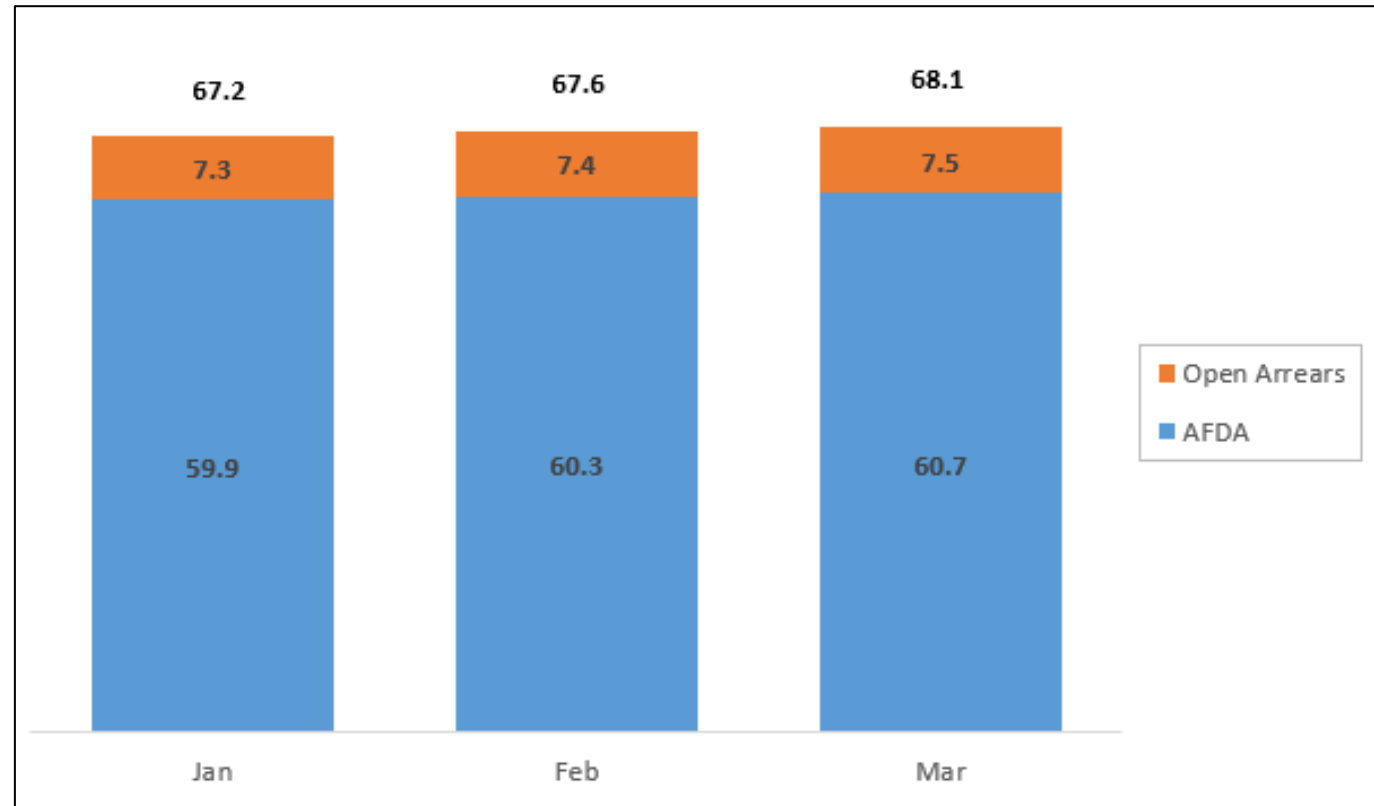
Managed Arrears (in \$M)



Past Arrears (in \$M)



Q1/2024 – Allowance for Doubtful Accounts (AFDA) (\$M)



- All past tenant arrears (\$37.7M) as well as current tenant arrears greater than 45 days old (\$30.4M) has been recorded as potential Bad Debt
- Bad debt expense for Q1 2024 is at 2.07% of the total rent revenue.