

Cooperative Housing Federation of Canada

Annual Meeting

**FREDERICTON**

**2026**

June 11-13  
Deep roots.  
Renewed growth.

**Member Education Forum**

**Securing your co-op's future: preserving our co-op homes**

Caroline Chapman, Manager, Asset and Financial Planning Services, CHF Canada

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**Land Acknowledgement**

We respectfully acknowledge that New Brunswick is situated on the unceded and unsundered territories of the Wolastoqey, Mi'gmaw, and Peskotomuhkati peoples. We seek to repair and rebuild meaningful relationships with Indigenous peoples and honour these lands which hold the hopes of future generations.

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Introductions and learning goals

Ice breaker

Long term planning introduction and importance

Quiz: operating vs. capital repairs

Assessing your co-op's needs

Developing strategies for success

Managing resources and funding options

Creating solutions and improving lives


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## Learning goals

**By the end of this session, you'll:**

- Understand why long-term asset and financial planning is essential to maintain co-op buildings while maintaining affordability
- Identify and plan for major capital repairs, balancing present and future member needs
- Understand the different funding options for co-ops
- Learn about the borrowing process and what lenders look for



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## Ice breaker

One Wish for Your Co-op's Future:

If you could wave a magic wand and improve one thing about your co-op's building or operations, what would it be?


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## A co-op is a housing business

- Financial and capital planning is critical
- No money no co-op. No matter how strong the community
- Co-ops must manage and communicate financial information to stake-holders and members to guide decision making
- Sound planning provides a road map that guides the co-op to balance current and future needs



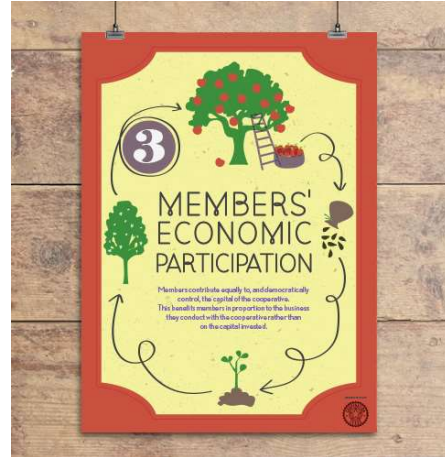
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## Principle 3: Members Economic Participation

- Members contribute financially to the co-op and share in the benefits of membership
- Members contribute fairly to:
  - Operating costs
  - Maintenance
  - Long-term replacements
  - Reserves
- Without member engagement:
  - Planning can become difficult
  - Financial decisions may be resisted
  - Buildings may deteriorate



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## Why long-term Asset and Financial Planning?

To support long-term **financial stability** and sustainability

To support informed **decision-making** about the cooperative's future

To protect and **maintain** co-op **homes** now and for the future

To maximize **living standards** for co-op members

To ensure proactive **management** of major **building systems**

To ensure the co-op is free of **safety hazards**

To avoid sudden **housing charge** increases and **unexpected** emergency repairs

To ensure **continuity in leadership**

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## What is a Capital Asset?

- Long-lasting resource
- Used to generate value over time
- Examples:
  - Buildings
  - Equipment
  - Infrastructure
  - Land



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## What are Capital Reserves?

A financial account separate from the co-op's operating fund

- Money in this account is used for replacing or paying for capital assets or **capital repairs**



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## What is the Operating budget and expenses?

- Minor or routine repairs
- Keep the property and systems functioning properly on a day-to-day basis
- Funded from maintenance part of the operating budget
- Do not significantly increase the value or extend the life of the asset
- Recurring and predictable

**Examples:** Leaking faucets, broken door handle, hallway repainting, HVAC service



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## Quiz: How much do you know?

- Operating Fund (OF)?
- Reserve Fund (RF)?
- It Depends (ID)?




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**A. Replacing 30% of windows**

Operating Fund (OF)?

Reserve Fund (RF)?

It Depends (ID)?



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This slide features a dark blue background with a white rounded rectangle containing text. To the left of the text are three purple rectangular bars. On the right is a photograph of a man in a blue t-shirt and a tan cap, working on a white window frame. The bottom of the slide has a light blue bar with the text 'FREDERICTON | MEF 2026' and the number '13'.


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**B. Changing a light bulb**

Operating Fund (OF)?

Reserve Fund (RF)?

It Depends (ID)?



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This slide features a dark blue background with a white rounded rectangle containing text. To the left of the text are three purple rectangular bars. On the right is a photograph of a hand holding a white light bulb in front of a circular ceiling light fixture. The bottom of the slide has a light blue bar with the text 'FREDERICTON | MEF 2026' and the number '14'.

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### C. Exterior caulking

Operating Fund (OF)?

Reserve Fund (RF)?

It Depends (ID)?



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### E. Replacing unit flooring

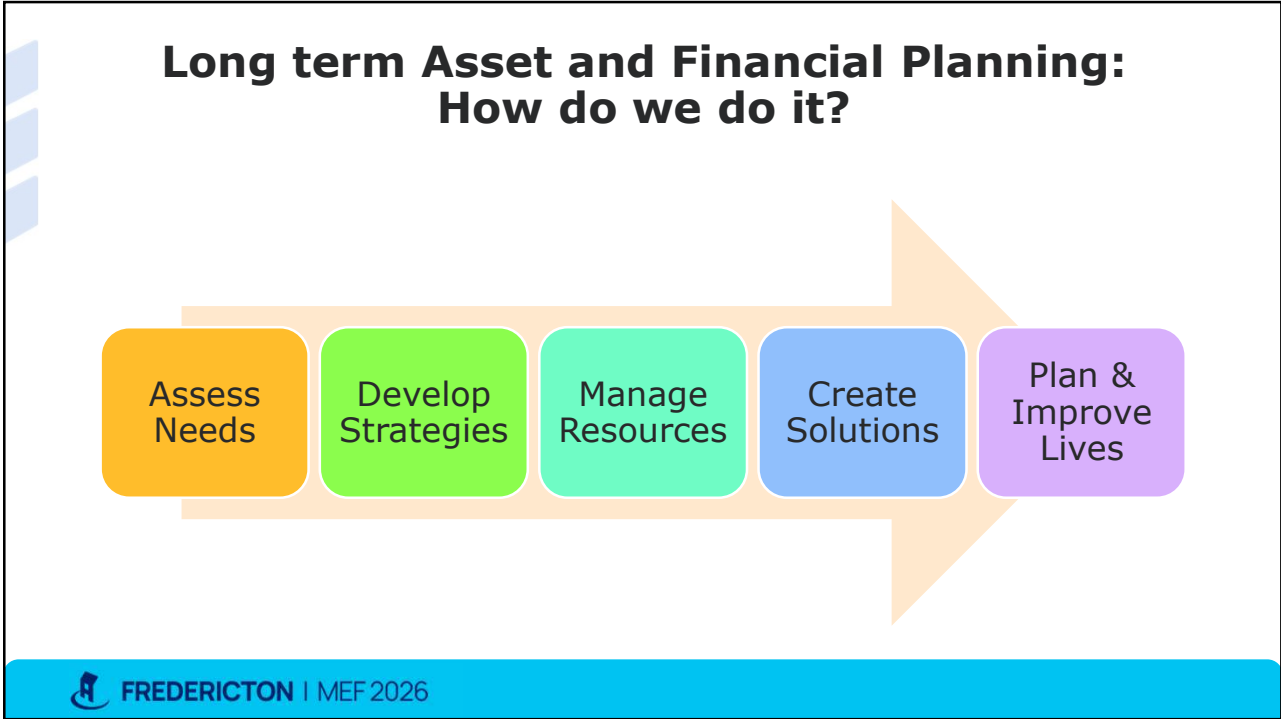
Operating Fund (OF)?

Reserve Fund (RF)?

It Depends (ID)?



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## Assess Needs Workshop: Understand the scale of your co-op's capital needs



- Brainstorm the typical capital needs or expenses at your co-op

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## Assess Needs: Building Condition Assessment (BCA)

To create a detailed understanding of the buildings and find out the real condition of your buildings

To measure the functional condition of co-ops' facilities and when to replace them

To take the guesswork out of capital planning



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## Assess Needs: Reserve Fund Study (RFS)

A financial analysis completed to ensure that adequate funding will be available for the major repair or replacement of the common assets:

How much the co-op will need to spend each year on capital items, after inflation

How much the co-op can expect to earn on capital reserve savings

How much money the co-op should be putting into the capital reserve each year



## Assess Needs: Reflection Questions



- Does your co-op have an up-to-date BCA?
- Which technical reports could support better planning for your co-op?
- Is your co-op actively implementing the recommendations from its technical reports?

## Assess Needs: Capital Reserve Plan

The plan tells you:



Which capital items you need to replace each year



How much money replacements will cost each year



How much money you need to set aside each year

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## Develop Strategies

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## Develop Strategies Workshop: Prioritize the capital needs at your co-op



- Each group will be provided with a co-op and a list of capital repairs
- Work together as a team prioritize the repairs

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## Develop Strategies: Setting spending priorities

<b>Critical Safety and Compliance Needs:</b>	<ul style="list-style-type: none"> <li>• Health &amp; safety, could cause major property damage</li> <li>• Legal compliance (required by law, regulation, or insurance)</li> <li>• Preventing damage (failure of essential systems)</li> <li>• Energy conservation measures</li> </ul>
<b>Maintain Core Building Systems</b>	<ul style="list-style-type: none"> <li>• Prevents failure of major systems; avoids expensive emergency repairs</li> <li>• Invest in preventative work to protect core infrastructure</li> <li>• Prioritize items that extend the life of major systems</li> </ul>
<b>Non-Essential Capital Projects</b>	<ul style="list-style-type: none"> <li>• Non urgent Improvements</li> <li>• Don't affect safety or system performance</li> <li>• Nice to have, but can wait</li> </ul>

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## Develop Strategies Workshop: Identify the gap

- Reflect on the list of prioritized repairs from the previous activity
- Identify the funding gap
- Emergency repair: broken furnace
- Determine if the co-op will have enough funds to pay for the capital repairs


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## Develop Strategies: Reserve Funds

**Reserves:**

- What are our current reserves?
- Are they fully funded? (Do we have the cash to match the liability?)
- What is our annual contribution to the reserves?
- Do we transfer any surplus to the reserves?



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## Develop Strategies--Phasing in repairs Pros & Cons



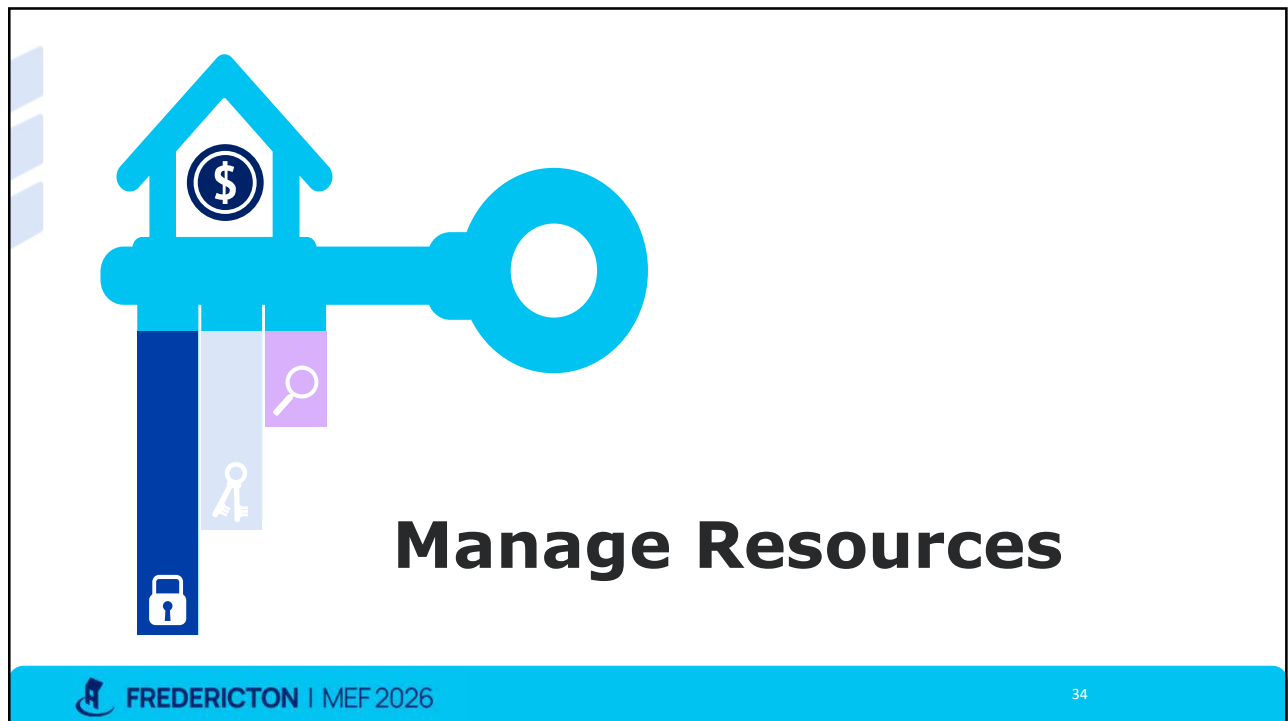
- Some units receive immediate improvement (example: aging in place improvements, new flooring etc.)
- Overhead costs improve, slowly
- Standard of living improves over time (approx. 20 year implementation)
- Allows the co-op to remain mortgage free
- Requires human resources
- Projects are disruptive
- Increases costs
- Overhead costs improve **s. l. o. w. l. y.**
- Some units can be below average standard
- Current cash flow pays for future living standards
- Long term plans subject to annual board decisions
- Standard of living improves over time (approx. 20 yrs.)

## Balancing member needs, funding & building condition





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## Manage Resources: Housing Charges

- Do our current housing charges create an annual surplus?
- Do our housing charges keep up with inflation?
- How do our housing charges compare to local market?



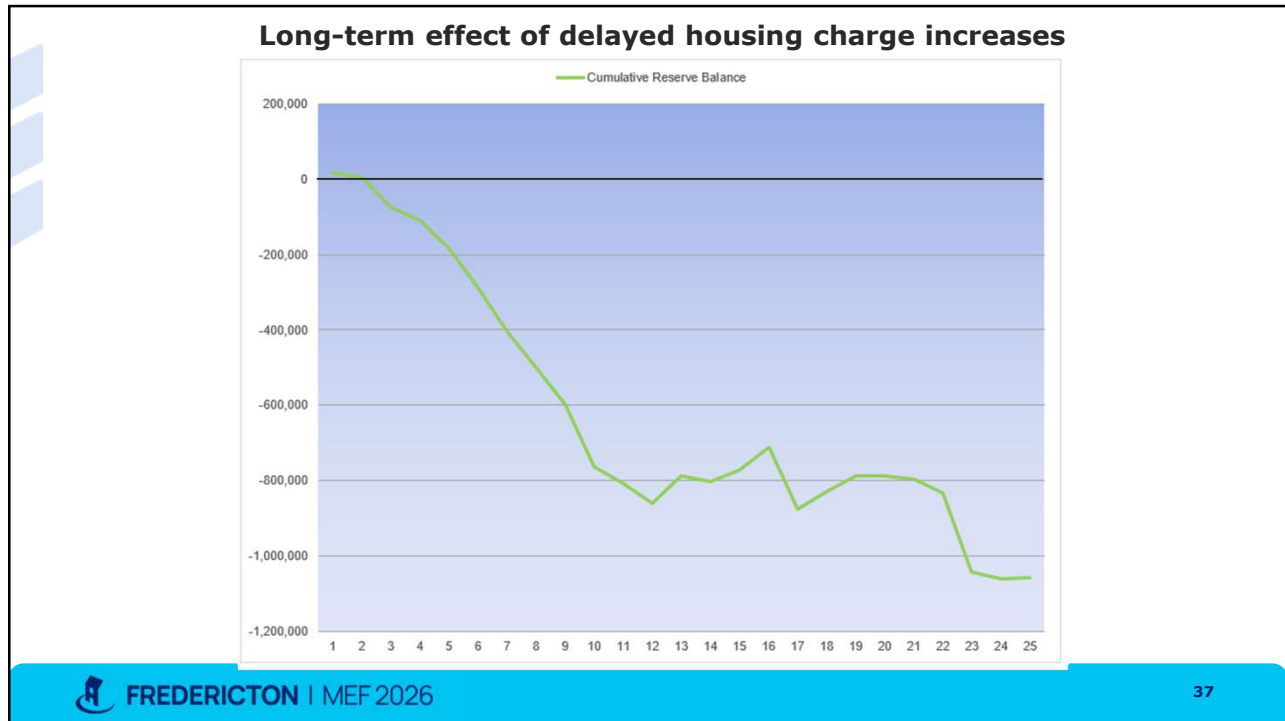
**Economic participation**

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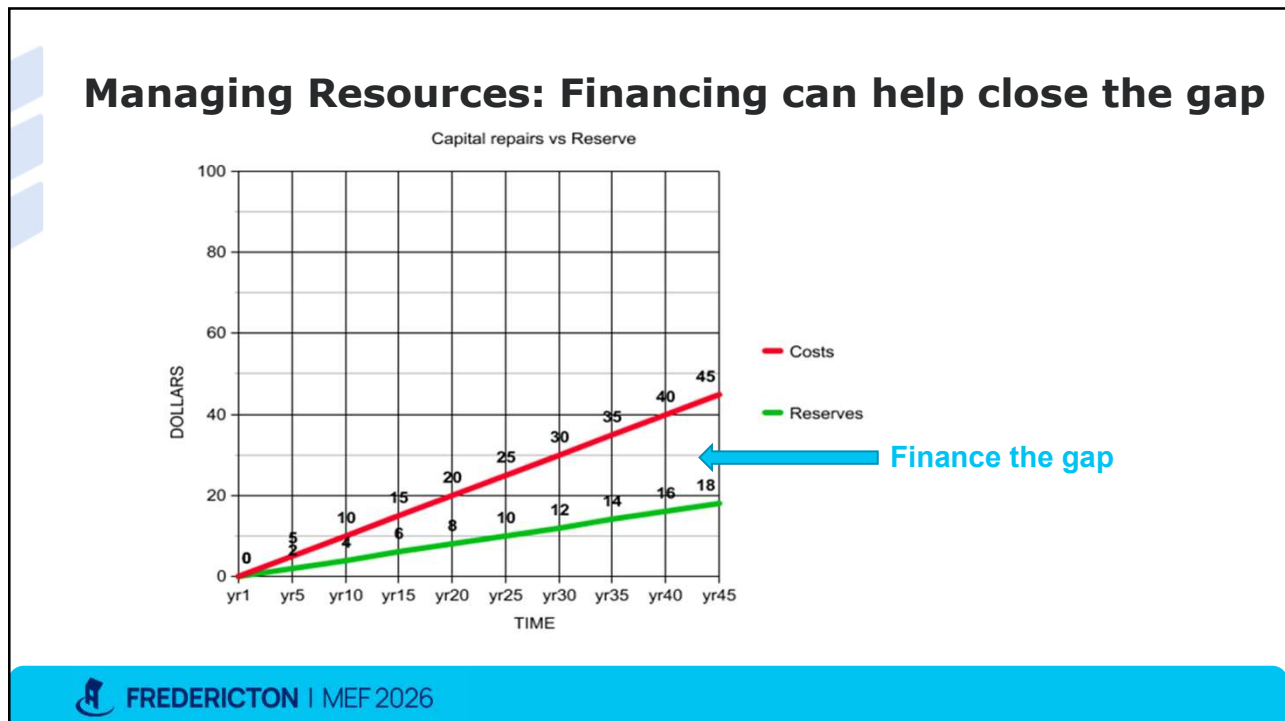
## Long-term effect of early housing charge increases



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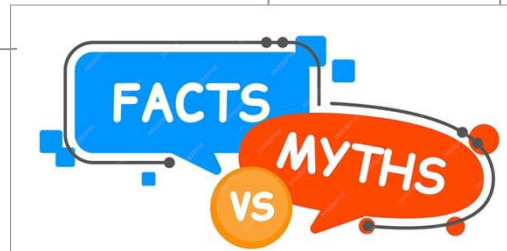
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## Activity: Myth or Reality?

Consider each statement. Is it a myth or reality?



- Mortgage-free ≠ expense-free
- If we don't have a mortgage, we're financially secure
- Financing means we're in financial trouble
- Borrowing always increases housing charges
- Major repairs can always be handled when they happen
- A new mortgage can spread costs fairly across generations
- We could choose not to borrow at all
- Buildings age
- Big repairs don't arrive evenly
- Financing provides structure for directors

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## Getting a Lender to Work with your co-op



A lender is looking for good answers to these fundamental questions:

1. Will the co-op pay me back? (can they service the debt?)
2. Can the co-op maintain the property for the whole amortization period?
3. What do I get if they don't pay me back? What is my security?
4. Does the co-op have good governance/management?

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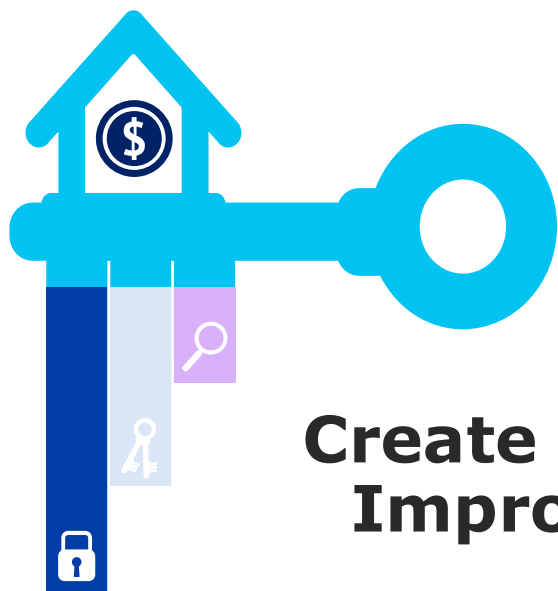
## What changes for members if the co-op borrows?

### Consider the impacts on:

- Quality of housing/building condition
- Housing charges
- Reserves
- Future members
- Long-term stability for the community
- Decision-making discipline
- Flexibility



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**Create Solutions  
Improve lives**



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## Create Solutions for:



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## Create Solutions: Capital Replacement Plan

### How will you use your capital replacement plan?

- To make **annual budget** decisions
- To set **replacement reserve contributions**
- To set adequate **housing charges**
- To decide what **capital work** to do each year
- To identify **preventive maintenance**
- To create a long-term **financial plan**
- To consider **new lending** (financing)



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## Create Solutions & Improve Lives

- Investing in green infrastructure and **energy efficiency**
- Improving site and building **accessibility**
- Modifying units to meet changing **member needs**
- Developing **new infrastructures** or **considering growth**
- Recruiting and retaining **members**



## Questions



# CHF Canada's Asset & Financial Planning Services Team

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## How CHF Canada assist co-ops along the way

- Assist in Procuring Technical Reports
- Review Reports and ensure quality delivery of final reports
- Meet with the Co-op and get inputs
- Develop Asset Management Plans (AMP)
- Reconcile reports with AMP recommendation
- Assist in Financing
- Assist in Project Mgmt.

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## Asset Management Plan



Combining key reports



Creating a 30-year plan



Showing how much you will need to spend and when



Showing how to manage your money for capital repairs

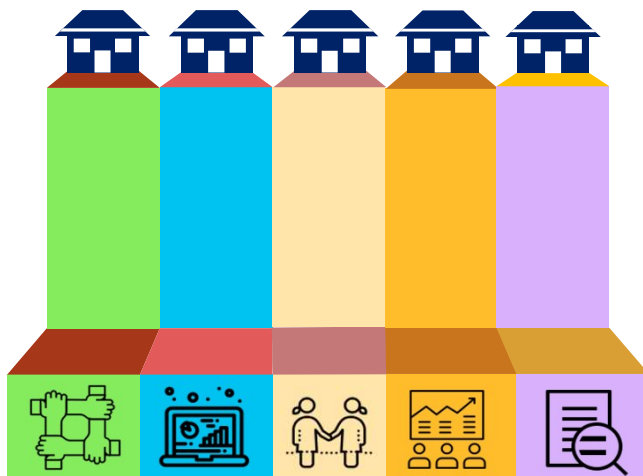


Recommending financial schedules





Taking into consideration your members' needs


## Why partner with CHF Canada




 By the sector for the sector

 Collaborative approach

 Plain language analysis

 Ongoing assistance

 Realistic recommendations

## CHF Canada – Contact Information



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