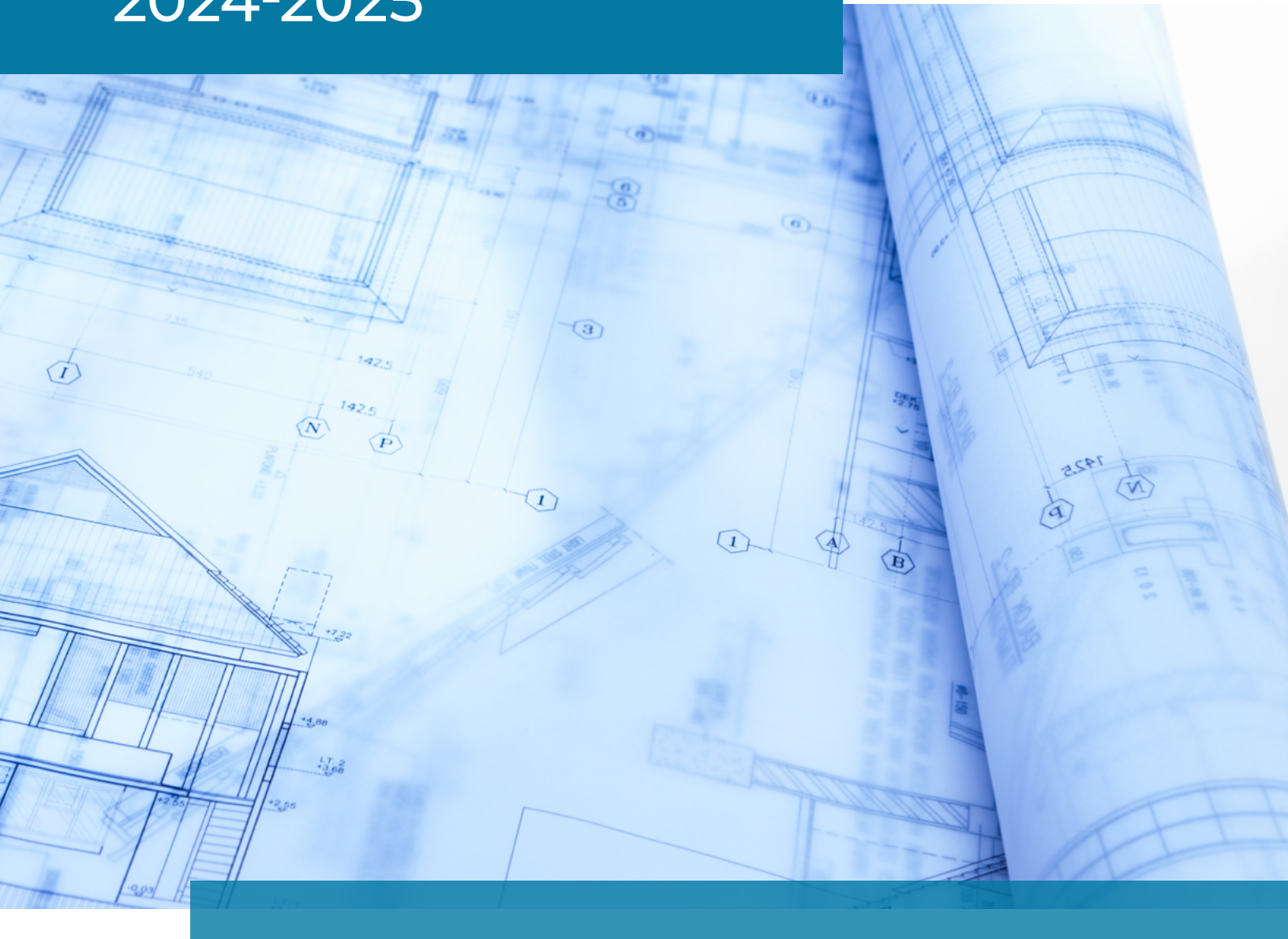




National
Defence

Défense
nationale

CANADIAN FORCES HOUSING AGENCY
ANNUAL REPORT
2024-2025



Canada 



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TABLE OF CONTENTS

01.	THE YEAR IN REVIEW FROM THE CHIEF EXECUTIVE OFFICER	2
02.	ABOUT THE AGENCY	6
03.	DELIVERING RESULTS.....	10
04.	DISTRIBUTION OF FUNDS.....	21
05.	FINANCIAL STATEMENTS	22

CONTACT US

Canadian Forces Housing Agency
Major-General Georges R. Pearkes Building
101 Colonel By Drive, Ottawa ON K1A 0K2

Telephone: 1-888-459-CFHA (2342)

Email: cfha-alfc@forces.gc.ca

Canada.ca/military-housing

Follow us on:

 @CFHA_ALFC

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01

THE YEAR IN REVIEW FROM THE CHIEF EXECUTIVE OFFICER

It is with great pride and optimism that I present the Canadian Forces Housing Agency's (CFHA's) Annual Report for fiscal year (FY) 2024-25.

Amid a rapidly evolving economic landscape and a renewed national commitment to defence investment, this past year has been one of progress and transformation where CFHA focused on setting the stage to deliver the Defence Residential Housing Program in the years to come.

Highlights of our key accomplishments for the year include:



Paola Zurro
CEO, CFHA

Release of Building Our Future: Strategic Plan 2025-2030

The release of [*Building Our Future: Strategic Plan 2025-2030*](#), marked a defining moment for the Agency. We adopted a revised mandate to provide housing solutions to support the current and future needs of the Canadian Armed Forces (CAF), and to ensure assets are well-maintained. We also revised our mission to meet the evolving housing needs of the CAF and contribute to the quality of life of CAF members and their families. This forward-looking plan charts our course toward becoming a leader in the provision of diverse and sustainable Crown housing solutions. It introduces four strategic pillars—*meeting the current and future housing needs of the CAF, elevating customer experience, enhancing the employee experience, and modernizing the business*—that will guide every decision and action we take. Grounded in our core values of customer-centred service, commitment, teamwork, respect, and agility, and driven by our new guiding principles of leadership and innovation, the plan provides a clear roadmap to learn, evolve, and thrive. I am incredibly proud of the work that went into shaping this vision and of the passionate, committed team that will bring it to life.

Mobilization of the Residential Portfolio Capital Investment Plan Construction Program Phase 1

In FY 2024-25, we officially mobilized Phase 1 of the Residential Portfolio Capital Investment Plan Construction Program. Initially targeting 668 new units at nine priority locations over five years, the target has since increased to more than 800 RHUs. As of March 31, 2025, more than 86% of applications are for one- and two-bedroom units, highlighting a clear and growing need for smaller unit sizes. The program will expand the diversity of housing options including a mix of housing types that will respond to the changing demographic and household characteristics of the CAF. I am happy to share that construction began early in the FY on the first six two-bedroom apartment buildings in Edmonton for a total of 36 Residential Housing Units (RHU), with completion expected

by spring 2026. These units represent a major milestone as they are the first net-zero-emissions-ready apartment buildings constructed by the Government of Canada, marking an important step forward in modernizing federal residential housing infrastructure. Beyond this initial milestone, we made significant progress on pre-construction activities for all priority sites, including design work, site studies, and procurement planning. We successfully awarded the design phase for our first-ever regional modified design build (MDB) contract, for the construction of 200 units in Ontario at three locations – Petawawa, Kingston, and Borden. We also awarded the design phase through the use of MDB contracts in Esquimalt (120 RHUs) and Galetown (40 RHUs). These foundational efforts are critical to enable increased and accelerated construction activity in the years ahead to deliver on our long-term housing commitments.

Exploration of alternative approaches to increasing the housing supply

CFHA continued to explore alternative approaches to increasing the housing supply beyond traditional construction. This included optimizing the use of existing units, pursuing innovative partnerships, and collaborating with other government departments to identify flexible, sustainable solutions that support the evolving needs of the CAF. A major success in this area was the administrative transfer of 189 RHUs in Yellowknife from Public Services and Procurement Canada, officially added to our national portfolio on November 1, 2024. This marked a significant expansion of our footprint north of the 60th parallel and demonstrated the potential of strategic transfers to strengthen our ability to meet the housing needs of the CAF.

Sustainment of the current portfolio

As indicated in our financial statements, we are investing more than in previous years, a total of \$185 million in new builds and housing services, including renovations and repairs at more than 3,500 RHUs across the country. Continuing to sustain and renovate our existing portfolio, which is made up primarily of aging homes built in the 1950s and 1960s, is essential to keep houses available for allocation at a moment of increased demand across the country. As these units continued to age, we invested over \$82 million in renovations, including those aimed at improving energy efficiency and functionality, with the goal of keeping our portfolio well maintained.

With increased funding, we now have a unique opportunity to tackle deferred maintenance, enhance the quality of our housing portfolio, and expand our availability to better meet the needs of CAF members and their families. This momentum brings both promise and responsibility. To make the most of it, we must strengthen communication and coordination across all teams. Smart investment decisions depend on clear, timely information from every level of the organization. Now, it's up to all of us at CFHA to ensure those dollars are spent where they're needed most.

Advancing environmental stewardship

CFHA continued to strengthen its environmental leadership through strategic collaboration with Natural Resources Canada (NRCan), advancing initiatives focused on energy efficiency, emissions reduction, and data-driven planning. A major milestone this year was the signing of a two-year Memorandum of Understanding to begin onboarding the

Department of National Defence's entire housing portfolio into the RETScreen platform, a clean energy management software used to monitor and analyze energy performance. This will enable more effective tracking of energy use and greenhouse gas emissions as well as a reduction of utility bills for our occupants. Finally, CFHA supported the [2 Billion Trees](#) initiative led by NRCan with planting projects in Trenton, Shilo, Wainwright, Moose Jaw, and Dundurn.

New electronic prioritization and waitlist allocation system

In FY 2024-25, CFHA adopted a new electronic prioritization and waitlist allocation system, fully aligned with the updated Living Accommodation Instruction which took effect on December 1, 2024. Previously managed at the local level, the waitlist is now administered through a single, nation-wide system. The new system enables real-time tracking of waitlists and priority categories, reduces manual administrative work, and improves reporting capabilities.

Strengthening our culture of excellence

In these dynamic and often uncertain times, the strength of our organization lies in our people. I want to extend my deepest gratitude to the entire CFHA team for their unwavering commitment, professionalism, and focus. Our dedication to innovation isn't just a guiding principle, it's embedded in everything we do. Through our partnership with Excellence Canada, we continue to foster a culture of learning, continuous improvement, and meaningful change. Having achieved Platinum Certification in Excellence, Innovation, and Wellness, we are now working toward the Order of Excellence, the final step in this journey. By investing in our workforce and nurturing a supportive, growth-oriented environment, we are ensuring CFHA remains an employer of choice and that our team is equipped to manage the largest housing portfolio within the Government of Canada.

This past year has been one of progress and transformation for CFHA. The road ahead is ambitious, but so are we. Although many uncertainties lie ahead, viewing these challenges as a pivotal moment to adapt and improve our services will be key to excelling in our mandate to support military members and their families, and to contribute to solidifying CAF readiness. With a strong foundation and clear vision, we are well-positioned to navigate change and seize the opportunities that lie ahead.

Paola Zurro

Chief Executive Officer
Canadian Forces Housing Agency



Did you know? CFHA is evolving its housing strategy to reflect changing demographics and diverse family structures within the CAF, ensuring future housing solutions are inclusive and resilient.

02

ABOUT THE AGENCY

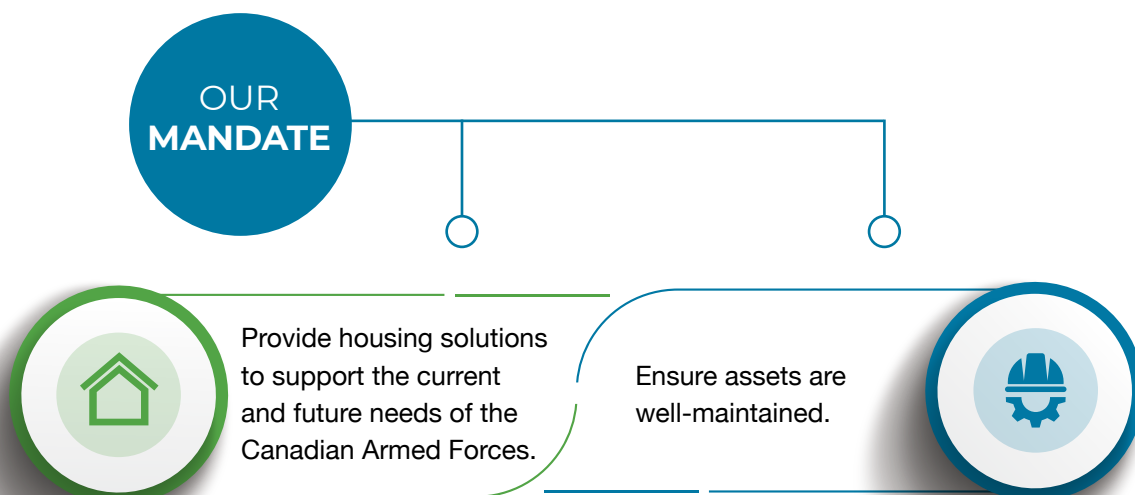
The Canadian Forces Housing Agency (CFHA) is a Special Operating Agency (SOA) established in 1995 to deliver the Defence Residential Housing Program. The Agency operates entirely within the Department of National Defence (DND), with increased authorities and administrative flexibilities granted under its Treasury Board-approved SOA Charter, in return for agreed upon levels of performance and results. The Agency's strategic priorities form the foundation for its operations, while a set of core values and guiding principles support CFHA personnel in delivering on its mandate and advancing its vision to be a leader in the provision of diverse and sustainable Crown housing solutions.

CFHA integrates real property management with housing services delivery. Its operations include housing allocation, shelter charge collection, asset maintenance, strategic planning, and the delivery of real property projects. Operational expenses, including routine maintenance and repairs, are financed by net shelter charge revenue collected from occupants, while capital expenditures for new construction and renovations are funded by the department.

CFHA's SOA status is a critical enabler for the organization to operate with greater flexibility, agility, and efficiency in delivering on its mandate. The SOA status, along with the provisions of the Charter, provide an opportunity for CFHA to modernize and innovate.

Mandate, mission and vision

The release of [*Building Our Future: Strategic Plan 2025–2030*](#), introduced a revised mission mandate, and vision, that reinforce CFHA's commitment to meeting the evolving housing needs of the Canadian Armed Forces (CAF). This renewed direction strengthens the Agency's focus on being future-proofed and agile in the delivery of a diverse and sustainable portfolio of housing solutions. that contributes to the quality of life of CAF members and their families.



OUR MISSION

To meet the evolving needs of the Canadian Armed Forces (CAF) and contribute to the quality of life of CAF members and their families.

OUR VISION

To be a leader in the provision of diverse and sustainable Crown housing.

Organizational structure

CFHA maintains and operates military housing at 27 housing locations at CAF bases and wings across Canada. The DND Crown-owned residential housing portfolio currently consists of 11,734 Residential Housing Units (RHU), across 6,821 residential buildings, many of which contain multiple units, such as apartment buildings and duplexes. This represents a significant proportion of the buildings in DND's Real Property portfolio.

DND HOUSING LOCATIONS



1 Bagotville 359	8 Gagetown 1,434	15 Moose Jaw 171	22 Trenton 548
2 Borden 675	9 Gander 70	16 Dundurn 28	23 Valcartier 710
3 Cold Lake 703	10 Goose Bay 231	17 North Bay 182	24 Wainwright 186
4 Comox 276	11 Greenwood 562	18 Ottawa 145	25 Winnipeg 474
5 Edmonton 504	12 Halifax 468	19 Petawawa 1,621	26 Yellowknife 189
6 Esquimalt 709	13 Kingston 473	20 Shilo 651	27 Iqaluit 3
7 Masset 6	14 Montreal 190	21 Suffield 175	

Defence Residential Housing Program



The Defence Residential Housing Program delivers housing solutions to support the current and future needs of the CAF at major military installations across the country. This program plays a vital role in enabling CAF operations by providing members and their families with move-in ready, well-maintained housing options that support military requirements.

In 2017, the Chief of the Defence Staff confirmed a need for military housing to support the unique lifestyle of CAF members, especially new entrants, and those on extended training. Providing Crown-owned housing helps these groups transition to military life, supports professional and operational training, and reduces stress on military families. Beyond operational needs, CFHA also supports isolated posts, designated residences, foreign military agreements, and areas where housing options are limited.

The current housing portfolio is insufficient to meet the CAF's needs, with gaps in both the quantity and variety of RHUs in certain locations. A 2018 analysis identified housing challenges for thousands of CAF members and recommended a layered response, including new construction, policy changes, compensation, and other forms of support.

The DND residential housing portfolio offers proximity to work, access to amenities, and a supportive community. Most of the housing portfolio consists of three- and four-bedroom houses built in the 1950s and 1960s, and as of March 31, 2025, more than 86% of applications are for one- and two-bedroom units, highlighting a clear and growing need for smaller unit sizes. Expanding the diversity of housing options and sustaining the overall condition of the portfolio remain central priorities.

Strategic priorities

Building Our Future: Strategic Plan 2025-2030 responds to a demanding, uncertain, and evolving environment and its impacts on the housing needs of the military community while aligning with government priorities and enhancing operational efficiency. It also sets the path for CFHA to become a leader in the provision of diverse and sustainable Crown housing solutions.

As part of this plan, CFHA established the following four strategic priorities, each supported by strategic objectives to guide implementation.



Figure 1: CFHA Strategic Pillars and Objectives – This visual outlines the four strategic priorities and associated objectives that guide the implementation of CFHA's Strategic Plan 2025-2030.

03

DELIVERING RESULTS



Meet current and future housing needs of the Canadian Armed Forces

Our North, Strong and Free, and Capital Funding

In April 2024, the Government of Canada introduced [*Our North, Strong and Free: A Renewed Vision for Canada's Defence Policy*](#), designed to respond to emerging global threats and reinforce Canada's sovereignty, particularly in the Arctic. Building on the foundation of *Strong, Secure, Engaged, Our North, Strong and Free* (ONSAF) sets a strategic direction for modernizing defence capabilities, strengthening support for military personnel and their families, and enhancing operational readiness across all domains.

Through ONSAF and Budget 2024, \$1.4 billion in funding over 20 years has been allocated to build and renovate military housing across Canada. This includes targets for the construction of 1,400 new RHUs and the renovation of 2,500 existing units. This will enable CFHA to accelerate the construction of new RHUs and comes at a time during Canada's housing crisis where there is an urgent need. These efforts are complemented by strategic partnerships with public and private sector organizations, which support alternate solutions to supplement traditional construction. Increasing the supply of on-base housing not only improves access for military families but also helps alleviate pressure on housing demand in surrounding communities.

As part of the implementation of the updated defence policy, CFHA introduced two new performance indicators in FY 2024-25.

Indicator	Planned	Actual Results FY 2024-25
Number of newly constructed Residential Housing Units Completed	0	0
Number of renovated Residential Housing Units Completed	461	502

Did you know? As a Special Operating Agency with operational autonomy, CFHA is fully integrated within DND, serving as the dedicated housing provider for CAF members and their families.

In FY 2024-25, CFHA officially mobilized its construction program at nine priority locations, marking the beginning of a multi-year effort to expand and modernize its housing portfolio. The program includes a mix of housing types tailored to the evolving demographics and household needs of Canadian Armed Forces (CAF) members. Construction began early in the fiscal year on the first six buildings in Edmonton, totaling 36 RHUs, with completion expected by the end of FY 2025-26. Significant progress was also made on pre-construction activities at the remaining priority sites.

In FY 2024-25, the Agency completed 502 renovations, significantly exceeding its annual target of 250. As part of CFHA's annual program review, 461 RHUs were approved for renovations with an additional 41 units added to various projects throughout the year as the opportunity arose, totaling 502 renovations. These included 310 exterior renovations, 160 interior renovations, and 32 whole-house renovations.



Departmental Results Framework

The Policy on Results outlines the fundamental requirements for federal accountability in relation to performance measurement and evaluation. It emphasizes the significance of results in guiding management decisions, allocating resources, and ensuring transparency through public reporting. The Departmental Results Framework presents a strategic overview of DND's mandate, outlining its key responsibilities and performance objectives. This framework supports Canadians and parliamentarians in understanding CFHA's activities, intended outcomes, and how success will be measured.

The Agency tracks and reports annually on the following performance indicators:

Indicator	Target	Actual Results FY 2023-24	Actual Results FY 2024-25
Degree to which Residential Housing was maintained (National average Condition Assessment)	At least 3	3.25	3.12
Number of Residential Housing Units that were assessed as being in 'Below Average' condition	At most 1,635	1,445	2,361
Net occupancy of Residential Housing Units	At least 88%	90%	89%

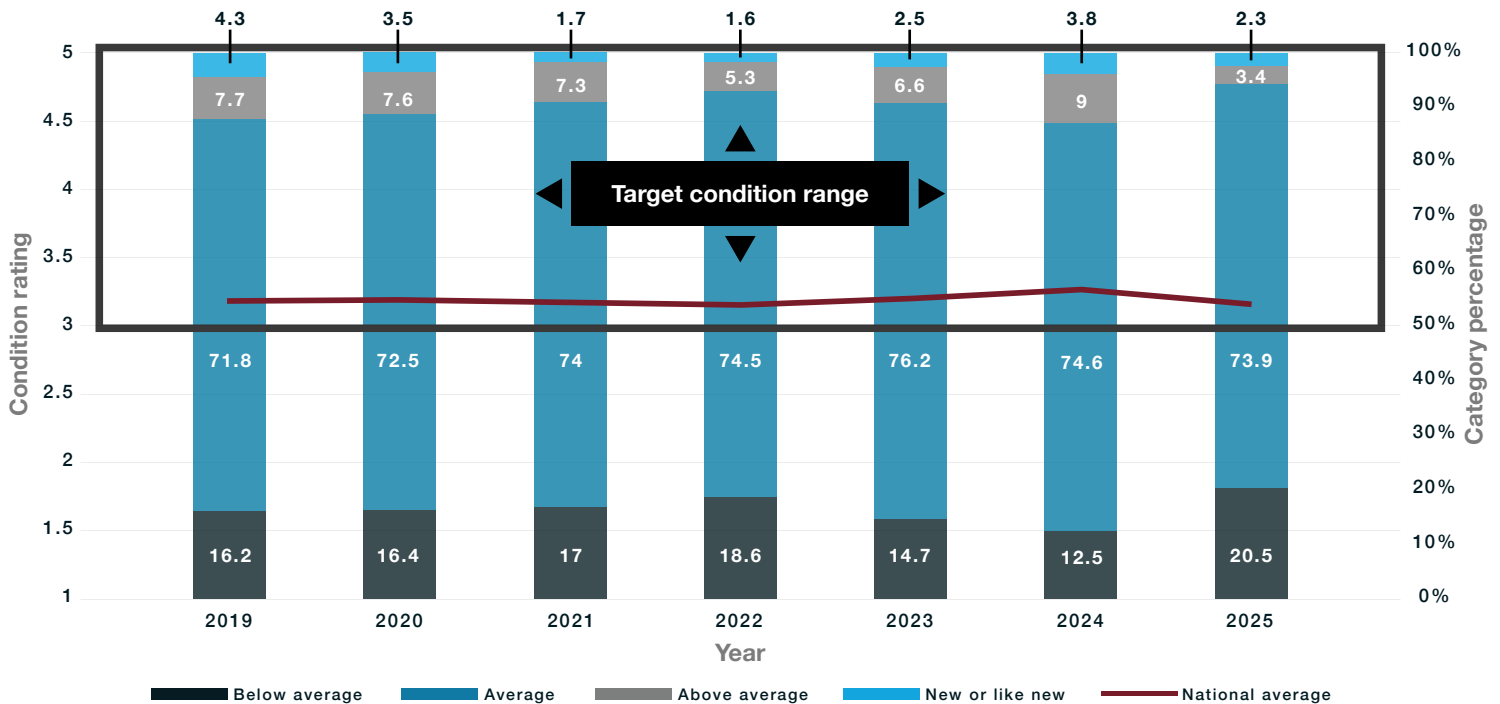
In FY 2024-25, the national condition assessment rating decreased slightly from 3.25 to 3.12, reflecting the continued aging of components across the portfolio. This rating remains within the target range, which CFHA strives to maintain. Given that most RHUs were built in the 1950s and 1960s, achieving and sustaining average condition, i.e., a target of 3 out of 5, is both realistic and appropriate. It indicates that homes are being maintained to a satisfactory standard through routine maintenance and planned upgrades. While condition ratings focus on the physical state of RHUs, they do not capture other improvements such as energy efficiency or modernization, making them just one part of a broader picture of asset management.



Did you know? The shelter charges collected from occupants funds all CFHA operations, while capital funding is needed for new construction and recapitalizations.

In 2025, a process issue was identified and corrected, which resulted in a higher-than-usual number of components being downgraded. This led to a noticeable increase in the number of RHUs assessed as being in “below average” condition, rising from 1,445 units in FY 2023-24 to 2,361 units in FY 2024-25, well above the target of 1,635. While this shift is notable, it reflects a more accurate picture of aging components across the portfolio. CFHA continues to maintain the portfolio, and the issue no longer affects future reporting. CFHA will continue to prioritize RHUs with below-average condition ratings to help bring the portfolio back in line with targets. These targeted interventions, delivered through lifecycle programming and minor capital renovations, will support improved functionality, safety, regulatory compliance, and long-term sustainability across the housing portfolio.

Condition breakdown of RHUs by category



The net occupancy rate is a performance outcome indicator that reflects the overall utilization of RHUs across CFHA's portfolio. In FY 2024-25, the net occupancy rate was 89%, slightly below last year's result of 90% but still above the target of 88%. Maintaining high net occupancy remains a priority, given the high demand for military housing. At the same time, CFHA must balance this priority with the need to sustain its assets through planned renovations and lifecycle work, which require some units to be temporarily taken offline. Formal reporting to the department began this fiscal year, and CFHA will continue to monitor this indicator annually to ensure that a substantial proportion of available units remain in active use.



Sustainability initiatives

CFHA continued to advance its sustainability agenda through strategic partnerships with Natural Resources Canada (NRCan), focusing on energy efficiency, emissions reduction, and data-driven decision-making.

The ongoing Letter of Agreement with NRCan's CanmetEnergy, renewed annually since 2019, supported a broad range of initiatives this fiscal year. This collaboration has evolved significantly, expanding from technical support to a comprehensive suite of activities. Key initiatives included evaluating energy use and greenhouse gas (GHG) emissions across CFHA's housing portfolio, identifying opportunities for emissions reduction, and integrating building performance requirements into CFHA Design Standards. The partnership also supported the implementation of highly energy-efficient whole-house renovations in Esquimalt, Trenton, and Valcartier, and contributed to the development of a building science training course for CFHA staff. Additionally, NRCan provided technical reviews of project designs and guidance on tracking energy consumption and onboarding to RETScreen.

Further strengthening CFHA's data capabilities, a new two-year Memorandum of Understanding was signed with NRCan's CanmetENERGY Varennes in FY 2024-25. This initiative aims to onboard CFHA's portfolio of 11,734 RHUs into the RETScreen platform. RETScreen is a software tool developed by NRCan that helps organizations track and analyze energy use, greenhouse gas emissions, and other sustainability metrics across their buildings. The integration will enable CFHA to monitor the impact of energy improvements over time, access baseline energy models and GHG calculations for annual reporting, and track broader sustainability metrics such as water and waste, as data becomes available.

CFHA continued to modernize and green its vehicle fleet. Building on previous years' efforts, the Agency expanded its use of plug-in hybrid electric vehicles (PHEVs), receiving four new PHEVs this fiscal year, along with four mono-fuel models. Notably, CFHA also integrated its first fully electric, zero-emission vehicle (ZEV), marking an important milestone in its transition toward low-emission transportation. By the end of the fiscal year, CFHA's fleet consisted of 81 vehicles across 24 sites, with a growing mix of hybrid and electric models. These additions reflect CFHA's alignment with federal greening targets and its sustained efforts to reduce greenhouse gas emissions from operations.

Together, these initiatives reflect CFHA's commitment to evidence-based sustainability planning and continuous improvement in environmental performance across its housing portfolio and operational activities.



Did you know? In 2017, the Chief of the Defence Staff confirmed the need for military housing to support CAF members, especially new entrants and those in extended training, helping them transition to military life and easing family stress.

Indigenous procurement

In collaboration with Defence Construction Canada (DCC), CFHA awarded 3.14% of contracts to Indigenous businesses this year, falling short of the 5% target. To improve these outcomes, the Agency is actively working with DCC and Public Services and Procurement Canada (PSPC) to enhance outreach and engagement with Indigenous communities.

Current initiatives to establish Standing Offers at 19 locations include Indigenous components, and CFHA continues to collaborate with Procurement Assistance Canada to advance inclusive procurement strategies. CFHA is committed to building respectful, long-term partnerships with Indigenous businesses and communities, and is confident that ongoing efforts will lead to more meaningful and representative procurement outcomes.





Elevate the customer experience

In FY 2024-25, CFHA continued to advance its efforts to improve the housing experience for its occupants, guided by its strategic commitment to elevate the customer experience.

The Agency made progress in improving the customer service program by implementing enhancements to the complaint resolution process and expanding feedback channels. Expanded feedback channel initiatives included:

- The ongoing distribution of seasonal newsletters.
- The creation of new Notices to Occupants to advise of policy changes.
- The release of standardized Occupancy Management email templates to support consistent communication across all sites.
- New posters featuring CFHA Stars, and QR codes to quickly provide occupants with access to online services.
- The introduction of a new phone system that converts voicemails from occupants into emails sent directly to the customer service inbox.

Delivering consistent, high-quality housing services remained a top priority for CFHA in FY 2024-25. The Agency strengthened its oversight by regularly monitoring contractor performance through automated reporting tools, with a particular focus on the timeliness of work completion. These reporting tools provide Housing Services Centre (HSC) staff with clear, real-time data, enabling them to quickly identify and address performance issues. In addition, occupants were asked to rate their satisfaction with work completed. Together, these insights supported CFHA's efforts to respond to concerns more effectively and to enhance overall satisfaction with housing services.

CFHA continues to foster a culture in which every team member prioritizes the customer experience. Through internal workshops, journey mapping, and recognition programs, customer-centric values are being embedded throughout the organization. This ongoing cultural focus empowers staff to foster meaningful, two-way engagement with occupants, creating a more positive and consistent customer service experience at every touchpoint.



Did you know? A temporary shelter charge reduction may be requested if a serious maintenance issue in DND housing remains unresolved for more than 30 days after being reported in writing and the delay is beyond the occupant's control.



Enhance the employee experience

In response to high operational demands, 42 new employees joined CFHA over the course of the year. This influx of new talent contributed to a net increase of 14 full-time equivalent positions, reflecting the Agency's strategic growth. In addition, CFHA supported the development of future talent by hiring 41 students through the Federal Student Work Experience Program and co-op programs. These students brought fresh perspectives and contributed meaningfully to the Agency's work across various regions and functions.

CFHA also continued to invest in the development of its workforce, with a particular emphasis on change management. Targeted training efforts throughout the year helped equip managers with the knowledge and tools needed to effectively implement organizational changes across the Agency. This approach supported CFHA in navigating several key change initiatives, including the restructuring of its Housing Operations division from three to four regions.



Modernize the business

CFHA advanced its digital modernization and technology-enabled service delivery, in alignment with the Government of Canada's Digital Ambition and the Department of National Defence (DND) defence policy update. Through strategic investments in information management and information technology planning activities, such as innovation planning, organizational alignment, technical configuration, and upskilling, CFHA laid the foundation for more visible changes like new digital tools, automated workflows, and improved customer service channels, in order to modernize its business operations to better support CAF members and their families.

To support this transformation, CFHA undertook key discovery, foundational, and planning activities aimed at enabling the future adoption of cloud-based platforms, integrating greater automation into business processes, and enhancing data analytics and digitization across customer service channels.

As part of the ongoing modernization efforts, CFHA introduced a new electronic prioritization and waitlist allocation system, which became mandatory across all sites in fall 2024 to coincide with the implementation of the updated Living Accommodation Instruction. Previously managed at the local level, the waitlist is now administered through a single, nation-wide system. The system enhances CFHA's ability to manage housing allocation by enabling real-time tracking of waitlists and priority categories, reducing manual administrative work, and improving reporting capabilities. These improvements help streamline operations and provide more accurate data to support planning and decision-making across the portfolio.

These efforts laid the groundwork for the next phase of implementation, which will focus on concrete actions to improve operational efficiency, support data-driven decision-making, and enhance the overall customer experience.

Feature projects

Edmonton construction progress

CFHA is proud to be leading a transformative shift in federal housing infrastructure with the construction of six net-zero-emissions-ready apartment buildings at Canadian Forces Base (CFB) Edmonton. These buildings, each containing six two-bedroom units, represent the first net-zero-emissions-ready residential buildings built by a federal organization in Canada, setting a new standard for sustainable Crown housing. Construction of the Edmonton six-plexes began in spring 2024 and is progressing well, with completion expected by the end of FY 2025-26.

Designed to meet Tier 4 of the National Building Code, meaning they will be at least 40% more energy efficient than a typical new build with advanced insulation, airtight construction, and high-efficiency systems, the buildings are engineered to significantly reduce energy consumption and lower monthly utility costs for occupants. Each unit will include electric vehicle plug-ins, and the buildings are designed to allow for the future installation of solar panels and other energy-reducing measures.

In line with the release of Treasury Board's [Greening Government Strategy](#) and the [Defence Climate and Sustainability Strategy](#), the Edmonton apartment project is the first of many to come with higher energy efficiency standards. These designs are important for CFHA's construction plans as they will be adapted for future six-unit buildings in other sites, helping to scale energy-efficient housing nationwide and providing occupants with lower utility bills.



Image 1: Edmonton construction update, January 2025.



Image 2: Edmonton construction update, February 2025.

Transfer of Residential Housing Units in Yellowknife

On November 1, 2024, CFHA officially added 189 RHUs in Yellowknife to its national portfolio. As a result of an administrative transfer which had been years in the making, DND acquired the Crown-owned housing from PSPC, who ceased housing operations on behalf of the Government of Canada in the area. This transfer marked a significant change not only to the Agency's housing portfolio but for the occupants they serve north of the 60th parallel, including its role in supporting CAF operations related to the North Atlantic Treaty Organization (NATO) and the North American Aerospace Defense Command (NORAD).

Of the 189 RHUs acquired, CFHA is managing 186 units for occupants. The other three units are serving different purposes: one is being used as DND quarters, one as the local Military Family Resource Centre office, and one unit is being renovated to serve as the local CFHA office. These three units will be managed by Assistant Deputy Minister (Infrastructure and Environment) (ADM(IE))'s Real Property Operations.

CFHA successfully provided a seamless transition and uninterrupted housing services to members of the CAF and the Royal Canadian Mounted Police (RCMP) and their families already living in the RHUs. In view of the RCMP's continued need for housing in Yellowknife, the Agency secured an agreement with the national police service to allocate and manage 65 units for RCMP personnel in Yellowknife, ensuring their housing needs are met alongside those of the CAF community.

It took an incredible effort from many teams across the Agency who worked tirelessly to make this transfer move along as smoothly as possible. The transfer would not have been possible without the support of various partners and stakeholders within ADM(IE), the Joint Task Force North command team and the Office of the National Defence and Canadian Forces Legal Advisor.

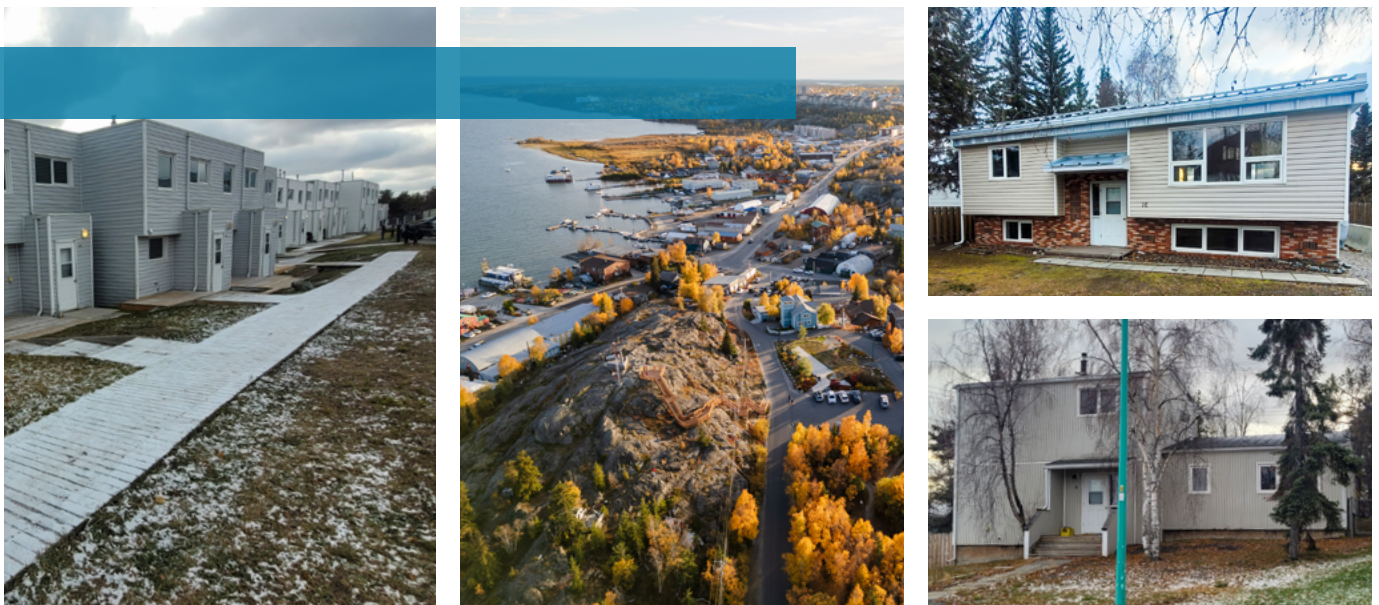


Image 3: Newly acquired, Crown-owned RHUs in Yellowknife managed by CFHA on behalf of DND, and an aerial view of Yellowknife Bay and Old Town in autumn.

Tree planting initiative update

CFHA continued its partnership with NRCan to support tree planting at residential housing sites across Canada. As part of the Government of Canada's 2 Billion Trees (2BT) commitment, CFHA has planted a total of 7,043 trees since the initiative began in May 2022.

In FY 2024-25, CFHA planted 2,291 trees at HSC Moose Jaw and Shilo. Next year, planting is planned at HSC Shilo, Petawawa, and Montreal, marking CFHA's final year of participation in the 2BT program. Participation in this program has helped CFHA contribute to the *Greening Government Strategy* objectives, reducing noise pollution and soil erosion, providing shade and windbreaks for RHUs, and supporting occupant well-being and satisfaction.



Image 4: A mixture of deciduous and coniferous trees planted at CFB Moose Jaw in support of biodiversity, increased productivity and carbon sequestration.

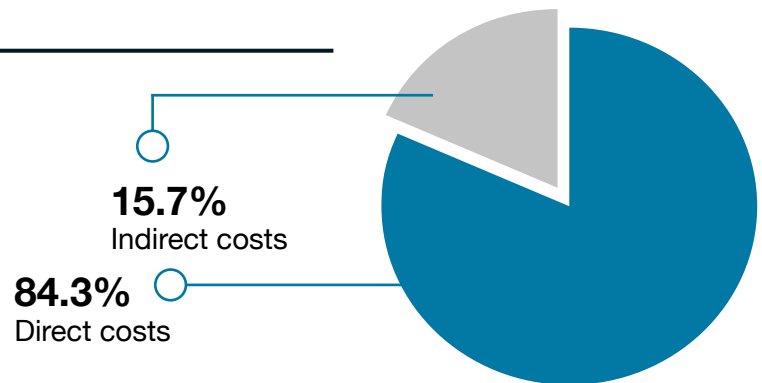


Image 5: One of the trees planted in an RHU yard as a measure to improve site aesthetics, air quality, and occupants' overall well-being.



Did you know? CFHA also provides housing for isolated posts, designated residences, foreign military agreements, and areas with limited housing options.

04

DISTRIBUTION
OF FUNDS

Direct costs		Indirect costs	
41.7%	Capital and betterment New construction and recapitalization, or work completed to improve asset.	7.4%	Operational salaries Salaries for Housing Services Centre personnel.
20.9%	Lifecycle and maintenance Activities that maintain the useful life of the asset or its components (e.g., roof replacement, siding replacement, furnace replacement).	6%	Corporate salaries Salaries for head office personnel.
10.1%	Repairs Activities that address breakages of the asset, response to failures, or unforeseen events (e.g., concrete repairs, electrical repairs, plumbing repairs, heating, ventilation and air conditioning repairs).	1.9%	Corporate overhead Lease and utilities, supplies, training, professional services, travel for head office employees, market studies, and strategic site plans.
11.5%	Housing operations Activities directly attributable to regular/periodic upkeep of the housing units (e.g., snow removal, grass cutting, and general maintenance between occupancy) and management of vacant units.	0.4%	Housing Services Centre overhead Recurring activities required in running site offices (e.g., office lease and utilities, supplies, training, and travel for Housing Services Centre employees).
0.1%	Demolition Activities related to the disposal of housing asset that are non-capital.		

05

FINANCIAL STATEMENTS

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2025 and all information contained in these statements rests with the management of the Canadian Forces Housing Agency (CFHA). These financial statements have been prepared by management in accordance with the accounting policies set out in Note 2 of the statements, on a basis consistent with that of the preceding year.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Department of National Defence (DND) *Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded, and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislations, regulations, authorities, and policies.

Management also seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; and through communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Agency.

The CFHA financial statements have not been audited.

Approved by:



Paola Zurro, ing., P.Eng.
Chief Executive Officer,
Canadian Forces Housing Agency



Anthony Soares, CPA, CA
General Manager,
Finance, Procurement, and Resource
Management

Date: August 26, 2025

Statement of Financial Position (Unaudited)

As at March 31, 2025

(in thousands of dollars)	2025	2024 (Restated Note 12)
Liabilities		
Accounts payable and accrued liabilities (Note 4)	73,179	72,285
Vacation pay and compensatory leave	1,656	1,554
Environmental liabilities and asset retirement obligations (Note 5)	235,983	221,731
Employee future benefits (Note 6)	689	704
Total liabilities	311,507	296,274
Financial assets		
Accounts receivable (Note 7)	179	255
Total financial assets	179	255
Net debt	311,328	296,019
Non-financial assets		
Tangible capital assets (Note 8)	664,172	588,210
Total non-financial assets	664,172	588,210
Net financial position	352,844	292,191

The accompanying notes form an integral part of these financial statements.



Paola Zurro, ing., P.Eng.
Chief Executive Officer,
Canadian Forces Housing Agency



Anthony Soares, CPA, CA
General Manager,
Finance, Procurement, and Resource
Management

Date: August 26, 2025

Statement of Operations and Net Financial Position (Unaudited)

For the Year Ended March 31, 2025

(in thousands of dollars)	2025	2024 (Restated Note 12)
Expenses		
Strategic housing portfolio planning	2,328	812
Real property housing programs	47,459	22,785
Housing operations and customer services programs	113,871	104,811
Military housing program support, control and coordination	11,967	11,406
Total expenses	175,625	139,814
Revenues		
Shelter charges	115,917	107,595
Miscellaneous revenues	7,366	6,976
Total revenues	123,283	114,571
Net cost of operations	52,342	25,243
Government funding and transfers		
Net cash provided by government	110,422	71,610
Services provided without charge by other government departments (Note 10)	2,573	2,842
Net cost of operations after government funding and transfers	(60,653)	(49,209)
Net financial position — beginning of year	292,191	242,982
Net financial position — end of year	352,844	292,191

Segmented information (Note 11).

The accompanying notes form an integral part of these financial statements.

Statement of Change in Net Debt (Unaudited)

For the Year Ended March 31, 2025

(in thousands of dollars)	2025	2024 (Restated Note 12)
Net cost of operations after government funding and transfers	(60,653)	(49,209)
Change due to tangible capital assets		
Acquisition of tangible capital assets (Note 8)	111,149	63,489
Amortization of tangible capital assets (Note 8)	(27,845)	(14,537)
Adjustments of tangible capital assets	(7,342)	(16,753)
Total change due to tangible capital assets	75,962	32,199
Net increase (decrease) in net debt	15,309	(17,010)
Net debt — beginning of year	296,019	313,029
Net debt — end of year	311,328	296,019

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flow (Unaudited)

For the Year Ended March 31, 2025

(in thousands of dollars)	2025	2024 (Restated Note 12)
Operating activities		
Net cost of operations	52,342	25,243
Non-cash items		
Amortization of tangible capital assets (Note 8)	(27,845)	(14,537)
Adjustments of tangible capital assets	(7,342)	(16,753)
Services provided without charge by other government departments (Note 10)	(2,573)	(2,842)
Variations in statement of financial position		
Increase (decrease) in accounts receivable	(76)	103
Decrease (increase) in accounts payable and accrued liabilities	(894)	4,141
Decrease (increase) in vacation pay and compensatory leave	(102)	(202)
Decrease (increase) in environmental liabilities and asset retirement obligations	(14,252)	13,036
Decrease (increase) in employee future benefits	15	(68)
Cash used by operating activities	(727)	8,121
Capital investment activities		
Acquisitions of tangible capital assets (Note 8)	111,149	63,489
Cash used by capital investment activities	111,149	63,489
Net cash provided by Government of Canada	110,422	71,610

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statement (Unaudited)

1. Authority and objectives

CFHA was established as a provisional Special Operating Agency (SOA) of DND in October 1995. In March 2004, it received permanent SOA status. DND is granted revenue spending authority from Parliament through the approval of an Appropriation Act. DND funds CFHA's operating activities from vote-netted revenues generated by shelter charges collected from the housing portfolio and credited to the Defence appropriation. The capital investment program of the Agency is funded through departmental appropriations.

CFHA manages Crown-controlled residential accommodation assets for DND, to ensure that those assets, occupied or available to be occupied, are maintained to a suitable standard. CFHA also develops and implements plans to meet the future residential needs of members of the Canadian Armed Forces (CAF).

The Departmental Results Framework (DRF) is structured by the following five core responsibilities and internal services:

(a) Strategic housing portfolio planning - DRF 6.4.1

Conduct strategic portfolio planning and program development activities, analyze and determine housing requirements and issue program direction.

(b) Real property housing programs - DRF 6.4.2

Manage housing real property programs including residential housing unit construction, recapitalization, betterment and housing portfolio rationalization and disposal projects.

(c) Housing operations and customer service programs - DRF 6.4.3

Manage housing operations, asset lifecycle, maintenance and repairs programs. Housing operations includes snow removal, grass cutting and janitorial, landscaping, pest control, and utility payments. Lifecycle includes the replacement of major components or assemblies that are at or near the end of their useful life. Repairs are to restore damaged or worn-out property to normal operating conditions.

Provide housing services to CAF members including housing allocation, shelter-charge setting and collection, move-in/move-out coordination, customer relations, terms of occupancy and licence agreements and maintenance requests.

(d) Military housing program support, control and coordination - DRF 6.4.4

Manage, control and monitor the Defence Residential Housing Program to achieve expected program outcomes. Includes program support activities such as corporate services, financial management, planning, procurement, human resource services, IT services and infrastructure, governance, performance measurement, reporting relationship and partnership management, and advice relating to DND and CAF housing.

(e) Revenues - DRF 6.4.5

Rental revenues generated from shelter charges for residential housing units and miscellaneous recoveries including recoveries for damages.

2. Summary of significant accounting policies

These financial statements have been prepared using the government's accounting policies stated below, which are based on Canadian Public Sector Accounting Standards.

Significant accounting policies are as follows:

(a) Net voting authority

CFHA receives authority to operate net voting from Parliament with the approval of an Appropriation Act. Net Voting is the authority to expend generated revenues to offset related expenditures.

The Agency also receives additional funding from departmental appropriations to provide DND-directed activities.

(b) Net cash provided by Government of Canada

The Agency operates within the CRF, which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund

The change in net position in the Consolidated Revenue Fund (CRF) is the difference between the net cash provided by Government and vote-netted revenues plus additional funding used in a year, excluding the amount of non-respendable revenue recorded by the Agency. It results from timing differences between when a transaction affects vote-netted revenues and when it is processed through the CRF.

(d) Revenues

Revenues from shelter charges are recognized in the accounts based on the services provided in the year.

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses

Expenses are recorded on the accrual basis:

- (i) vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- (ii) services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits**(i) Pension benefits**

Eligible civilian employees participate in the Public Service Pension Plan (the Plan), a multi-employer plan administered by the Government of Canada. The Department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The department's responsibility with regard to the Plan is limited to its contributions.

(ii) Severance benefits

Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the government as a whole.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits of termination from the public service.

(g) Accounts receivable

Receivables are stated at amounts expected to be ultimately realized; an allowance for doubtful accounts is made for receivables where recovery is considered uncertain. The allowance for doubtful accounts represents management's best estimate of probable losses in receivables. The allowance is determined based on an analysis of historic loss experience and an assessment of current condition.

(h) Tangible capital assets

All tangible capital assets, having an initial cost of \$10,000 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Buildings (new construction)	40 years
Buildings (betterment)	20 years
Work in progress	Once in service, in accordance with asset class
Vehicles	6 years

(i) Environmental liabilities and asset retirement obligations

An environmental liability for the remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination. If the likelihood of the government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated statements.

An asset retirement obligation is recognized when all of the following criteria are satisfied: there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past event or transaction giving rise to the retirement liability has occurred, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The costs to retire an asset are normally capitalized and amortized over the asset's estimated remaining useful life. An asset retirement obligation may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed. The measurement of the liability is the government's best estimate of the amount required to retire a tangible capital asset. When the future cash flows required to settle or otherwise extinguish a liability are estimable, predictable, and expected to occur over extended future periods, a present value technique is used. The discount rate used reflects the government's cost of borrowing, associated with the estimated number of years to complete remediation. The recorded liabilities are adjusted each year, for present value adjustments, inflation, new obligations, changes in management estimates and actual costs incurred.

(j) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the remediation liabilities, the liability for employee future benefits, the allowance for doubtful accounts, and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

Asset retirement obligations (ARO) are recognized and measured in accordance with applicable accounting standards. There are inherent uncertainties related to identifying and quantifying obligations, assessing the timing and magnitude of future cash flows, and determining appropriate discount rates. The recorded asset retirement obligations disclosed in Note 5 of these financial statements may be subject to revisions in subsequent periods as additional information becomes available and as the estimation process is refined. Management will continue to evaluate and update measurements as necessary based on new developments and changing circumstances.

(k) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following:

- (i) services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- (ii) certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

3. Parliamentary authorities

The Agency receives a portion of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used:

(in thousands of dollars)	2025	2024 (Restated Note 12)
Net cost of operations before government funding and transfers	52,342	25,243
Adjustments for items affecting net cost of operations but not affecting authorities		
Amortization of tangible capital assets (Note 8)	(27,845)	(14,537)
Services provided without charge by other government departments (Note 10)	(2,573)	(2,842)
(Increase) decrease in employee future benefits	15	(68)
Decrease (increase) in environmental liabilities and asset retirement obligations	(14,252)	13,036
(Increase) decrease in vacation pay and compensatory leave	(102)	(202)
Adjustments to previous year's accounts payable	(3)	(27)
Adjustments of tangible capital assets	(7,342)	(16,753)
Other adjustments	(829)	195
Total items affecting net cost of operations but not affecting authorities	(52,931)	(21,198)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets (Note 8)	111,149	63,489
Total items not affecting net cost of operations but affecting authorities	111,149	63,489
Current year authorities used	110,560	67,534

(b) Authorities provided and used:

(in thousands of dollars)	2025	2024 (Restated Note 12)
Net cash provided by government	110,422	71,610
Revenue not available for spending		
Change in net position in the Consolidated Revenue Fund		
(Increase) decrease in accounts receivable	76	(103)
(Decrease) increase in accounts payable, accrued liabilities	894	(4,141)
Adjustments to previous year's accounts payable	(3)	(27)
Other adjustments	(829)	195
Current year authorities used	110,560	67,534

4. Accounts payable and accrued liabilities

The following table presents details of the Agency's accounts payable and accrued liabilities:

(in thousands of dollars)	2025	2024
Accounts payable - other government departments and agencies	5,318	5,658
Accounts payable - external parties	64,634	64,281
Total accounts payable	69,952	69,939
Other liabilities	3,227	2,346
Total accounts payable and accrued liabilities	73,179	72,285

5. Environmental liabilities and asset retirement obligations

Environmental liabilities and asset retirement obligation include:

(in thousands of dollars)	2025	2024
Remediation liability for contaminated sites	797	969
Asset retirement obligations	235,186	220,762
Total environmental liabilities and asset retirement obligations	235,983	221,731

(a) Remediation of contaminated sites

The government's *A Federal Approach to Contaminated Sites*, sets out a framework for management of contaminated sites using a risk-based approach. Under this approach the government has inventoried the contaminated sites identified on federal lands, allowing them to be classified, managed and recorded in a consistent manner. This systematic approach aids in identification of the high risk sites in order to prioritize allocation of limited resources to those sites which pose the highest risk to the environment and human health.

The Agency has identified approximately 12 units (10 units in 2023–24) where contamination may exist and assessment, remediation and monitoring may be required. The Agency has recorded a gross liability of \$797 thousand (\$969 thousand in 2023–24) for these units. This liability estimate has been determined based on site assessments performed by environmental experts reviewing the results of site assessments, and proposing possible remediation solutions.

No further units have been identified at this time and no liability has been recognized. Liabilities will be reported as soon as a reasonable estimate can be determined.

(b) Asset retirement obligation

The Agency has recorded asset retirement obligations for the removal of asbestos and other hazardous materials in buildings.

The changes in asset retirement obligations during the year are as follows:

(in thousands of dollars)	2025	2024
Opening balance	220,762	233,728
Liabilities incurred	1,474	-
Revisions in estimates	5,512	(20,011)
Accretion expense*	7,438	7,045
Closing balance	235,186	220,762

* Accretion expense is the increase in the carrying amount of an asset retirement obligation due to the passage of time.

The undiscounted future expenditures, adjusted for inflation, for the planned projects comprising the liability are \$431,824 thousand (\$433,083 thousand as at March 31, 2024).

Key assumptions used in determining the provision are as follows:

	2025	2024
Discount rate	2.46-3.27%	3.29-4.53%
Discount period and timing of settlement	3 to 46 Years	1 to 47 Years
Long-term rate of inflation	2.00%	2.00%

The Agency's ongoing efforts to assess contaminated sites may result in additional environmental liabilities and asset retirement obligations.

6. Employee future benefit

(a) Pension benefits

The Agency's employees participate in the Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2% per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to *Economic Action Plan 2012*, employee contributors have been divided into two groups - Group 1 related to existing plan members as of December 31, 2012, and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2024-25 expense amounts to \$2,604 thousand (\$2,722 thousand in 2023-24). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2023-24) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023-24) the employee contributions.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

(in thousands of dollars)	2025	2024 (Restated)
Pension expenses	2,604	2,722

(b) Severance benefits

Severance benefits provided to the Agency's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees (completed by 2012). Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service.

The changes in the obligations during the year were as follows:

(in thousands of dollars)	2025	2024
Accrued benefit obligation - beginning of year	704	636
Expenses for the year	126	90
Benefits paid during the year	(141)	(22)
Accrued benefit obligation - end of year	689	704

7. Accounts receivable

The following table presents details of the Agency's accounts receivable balances:

(in thousands of dollars)	2025	2024
Receivables - external parties	664	652
Receivables - other government departments and agencies	2	-
Less: allowance for doubtful accounts on receivables from external parties	(487)	(397)
Net Receivables	179	255

8. Tangible capital assets

The following table presents details of the cost of tangible capital assets:

(in thousands of dollars)	Balance beginning of year	Adjustments	Acquisitions	Disposals and Write-offs	Balance end of year
Buildings and works					
Residential houses	617,382	103,755	18,986	-	740,123
Work in progress	192,051	(92,111)	91,766	-	191,706
Land	-	-	397	-	397
Vehicles	952	-	-	-	952
Gross tangible capital assets	810,385	11,644	111,149	-	933,178

The following table presents details of the amortization of tangible capital assets and its net book value:

(in thousands of dollars)	Balance beginning of year	Adjustments	Amortization	Disposals and write-offs	Balance end of year	Net book value	
						2025	2024 (Restated Note 12)
Buildings and works							
Residential houses	221,798	18,986	27,692	-	268,476	471,647	395,584
Work in progress	-	-	-	-	-	191,706	192,051
Land	-	-	-	-	-	397	-
Vehicles	377	-	153	-	530	422	575
Total	222,175	18,986	27,845	-	269,006	664,172	588,210

Amortization expenses for the year ended March 31, 2025, are \$27,845 thousand (\$14,537 thousand in 2023-24).

CFHA-managed residential housing assets were transferred from DND at the time of CFHA formation with "0" cost value, instead of the historical cost of the assets and fully amortized value. This is because the residential housing portfolio was more than 50 years old and there was a lack of accurate cost information dating back to that time.

9. Contractual obligations

The nature of the Agency's activities may result in some large multi-year contracts and obligations, whereby the Agency will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2025-26	2026-27	2027-28	2028-29 and thereafter	Total
Projects	112,578	48,032	10,510	-	171,120
Operating leases	1,262	873	301	-	2,436
Total	113,840	48,905	10,811	-	173,556

10. Related party transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. The Agency did not identify any material transactions that occurred at a value different from which would have been arrived at if the parties were unrelated.

(a) Common services provided without charge by other government departments

During the year, the Agency received services without charge from certain common service organizations, related to accommodation, legal services, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded in the Agency's Statement of Operations and Net Financial Position as follows:

(in thousands of dollars)	2025	2024
Employer's contributions to the health and dental insurance plans paid by Treasury Board Secretariat	2,573	2,842

(b) Other transactions with related parties

(in thousands of dollars)	2025	2024
Accounts payable to other government department and agencies	5,318	5,658

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).

11. Segmented information

The presentation by segment is based on the DRF as stated in Note 1 and is based on the accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred and revenues generated for the main result framework, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)	Strategic housing portfolio planning	Real property housing programs	Housing operations and customer services programs	Military housing program support, control and coordination	Revenues	2025	2024 (Restated Note 12)
Operating expenses							
Salaries and employee benefits	850	1,061	19,708	7,666	-	29,285	32,392
Professional and special services	1,441	206	6,253	1,061	-	8,961	7,876
Repair and maintenance	-	(366)	74,347	64	-	74,045	58,938
Amortization	-	46,724	-	-	-	46,724	23,122
Utilities, materials and supplies	1	-	8,784	79	-	8,864	7,877
Accommodation	-	-	3,073	712	-	3,785	5,420
Travel and relocation	36	11	442	222	-	711	636
Communication	-	-	26	168	-	194	196
Advertising, printing and related services	-	-	7	3	-	10	7
Equipment and other rentals	-	-	41	7	-	48	51
Other services	-	-	1,903	281	-	2,184	2,111
Expenses related to tangible assets	-	(180)	121	1,702	-	1,643	993
Bad debts	-	-	(860)	-	-	(860)	115
Other expenses	-	3	26	2	-	31	80
Total operating expenses	2,328	47,459	113,871	11,967	-	175,625	139,814
Revenues							
Shelter charges	-	-	-	-	115,917	115,917	107,595
Miscellaneous revenues	-	-	-	-	7,366	7,366	6,976
Total revenues	-	-	-	-	123,283	123,283	114,571
Net cost of operations	2,328	47,459	113,871	11,967	(123,283)	52,342	25,243

12. Adjustments to prior year's results

During the preparation of the 2024–25 financial statements, the Agency identified two material adjustments required to prior year figures to ensure accurate and transparent reporting.

1. Asset retirement obligations:

In fiscal years 2022–23 and 2023–24, reductions in ARO balances associated with retired assets were not reflected in the tangible capital asset values. As a result, tangible capital assets were overstated by \$31,386 thousand in 2022–23 and \$16,753 thousand in 2023–24. These adjustments have been applied retroactively, reducing the opening balances of tangible capital assets and net financial position in the comparative figures. The Agency continues to refine its ARO tracking processes to ensure timely and accurate recognition of asset retirements.

2. Bad debt expense:

An error was identified in the calculation of bad debt expense for fiscal year 2023–24. The originally reported amount of \$680 thousand has been corrected to \$115 thousand. This adjustment has been applied to the comparative figures for 2023–24 and improves the accuracy of prior year expense reporting and the net cost of operations. The Agency has strengthened its internal validation procedures to prevent similar errors in future periods.

(in thousands of dollars)	2024 As previously stated	Effect of the adjustment	2024 Restated
Statement of Financial Position			
Tangible capital assets (Note 8)	636,349	(48,139)	588,210
Total non-financial assets	636,349	(48,139)	588,210
Net financial position	340,330	(48,139)	292,191
Statement of Operations and Net Financial Position			
Housing operations and customer services programs	105,376	(565)	104,811
Total expenses	140,379	(565)	139,814
Net cost of operations	25,808	(565)	25,243
Net cash provided by government	88,928	(17,318)	71,610
Net cost of operations after government funding and transfers	(65,962)	16,753	(49,209)
Net financial position - beginning of year	274,368	(31,386)	242,982
Net financial position - end of year	340,330	(48,139)	292,191
Statement of Change in Net Debt			
Net cost of operations after government funding and transfers	(65,962)	16,753	(49,209)
Adjustments of tangible capital assets	-	(16,753)	(16,753)
Total change due to tangible capital assets	48,952	(16,753)	32,199
Statement of Cash Flow			
Net cost of operations	25,808	(565)	25,243
Adjustments of tangible capital assets	-	(7,342)	(7,342)
Cash used by operating activities	25,439	(17,318)	8,121
Net cash provided by Government of Canada	88,928	(17,318)	71,610