



BC Non-Profit Housing Association

Backgrounder: Expiry of Operating Agreements

What is expiry of operating agreements?

- Operating agreements are contracts that define the amount, duration, and conditions of government subsidy for non-profit housing providers to operate affordable housing
- When these agreements expire, the associated subsidies end
- While some providers may remain financially viable after subsidies end, others may face operating pressures that could affect their ability to maintain affordable rents

How many affordable homes are expiring?¹

- **13,000 affordable homes** have operating agreements ending in the next 5 years, in almost **90 communities in BC**

What happens if non-profit housing is not viable without ongoing subsidy?

- Loss of affordable housing supply
- Reduced services for tenants
- Higher costs to replace affordable housing
- Tenant displacement
- Building deterioration

Why does expiry of operating agreements matter to local governments?

- **Communities may lose deeply affordable housing**, making it harder for low-income households to find safe, affordable, and suitable housing
- **Pressure on municipal and community services may increase**, including homelessness services, outreach programs, and emergency supports
- **Local employers may have difficulty attracting and retaining workers** if low-income and essential workers cannot afford to live in the community
- Reduced housing stability **affects community well-being and local economic vitality**

¹ Source: Prepared by BC Housing's Research Centre March 2025. (Unit Count Reporting Model)



BC Non-Profit Housing Association

What can local governments do to support housing providers facing expiry of operating agreements?

- ➔ Know which non-profit housing developments are facing expiry
- ➔ Incorporate operating agreement expiry risks into housing needs reports and housing strategies
- ➔ Support renewals and redevelopment of aging non-profit housing, including:
 - Fast tracking approval and permitting processes
 - Local government funding programs for renewals and energy retrofits
- ➔ Consider local incentives that preserve long-term affordability, including:
 - Waiving property taxes for deeply affordable housing to reduce operating costs
- ➔ Partner with housing providers to:
 - Advocate to senior government to continue subsidies where needed to protect existing affordable housing in the community
 - Be a champion for non-market housing by speaking to the positive impacts for the community

Expiry of operating agreements is a community issue. Without ongoing supports, some deeply affordable housing is at risk, creating impacts for residents, employers, community services, and local governments.