Asset Management reinvestment plan Housing Support

Peel owned affordable housing stock is relatively new. However, intensive use of the facilities requires that ongoing investments continue to maintain a liveable environment for residents and to blend with the surrounding community.

The shelters and homelessness support facilities are achieving the desired outcome of supporting safe, secure, temporary living services. Homelessness has reached critical levels, and Peel Region is at the forefront, addressing this urgent need. The rise in asylum claimants seeking shelter has placed additional strain on an already overburdened system. As a result, regular and proactive maintenance is essential to ensure that facilities remain in good condition.

10 year summary

Table 1. Current state and 10 year plan (in $ millions)

Current rating	Current replacement value	10 year forecasted SoGR reinvestment needs	10 year SoGR Capital Plan reinvestments	10 year forecasted rating
Very Good	639.2	48.5	52.8	Very Good

Table 1 shows that the current overall infrastructure state for the Housing Support is 'Very Good'. The estimated replacement value of these assets is $639.2 million, based on 2024 values. The 10 year Capital Plan includes reinvestments of $52.8 million to maintain the infrastructure in a SoGR. These planned investments are higher than the forecasted needs of $48.5 million over the same period. Higher reinvestment is driven by the reprioritization of SoGR investments due to faster than expected asset degradation.

20 year SoGR outlook

Figure 1. 20 Year outlook of infrastructure reinvestment needs

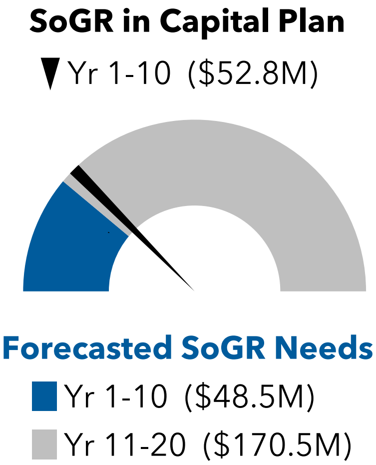


Figure 1 presents a 20 year outlook of infrastructure reinvestment needs to maintain the infrastructure in a SoGR. For the first 10 years, the planned reinvestments of $52.8 million are higher than the forecasted needs of $48.5 million, driven by the reprioritization of SoGR investments due to faster than expected asset degradation. The chart also shows that SoGR needs are expected to increase significantly in the following 10 years, driven by aging assets.

State of the infrastructure

Current infrastructure

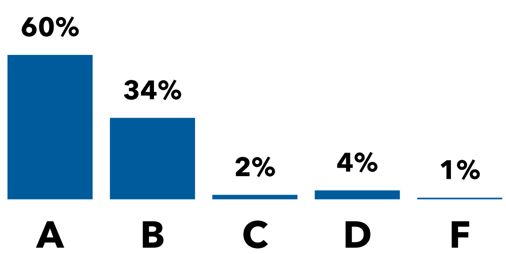
Housing Support infrastructure includes 10 affordable housing buildings and 5 homeless shelters. The average asset age of the assets is 22 years. The average age of Affordable Housing assets is 11 years, and Homelessness Support assets is 33 years.

Replacement value

The total replacement value of assets for the Housing Support is estimated at $639.2 million, based on 2024 values.

Condition[1] of the Infrastructure

Figure 2. Asset condition grading



Building conditions are evaluated through detailed assessments.

Figure 2 shows:

- 60% of assets are rated Grade A, representing new or like new condition.
- 34% are rated Grade B, representing in a state of good repair.
- 2% are rated Grade C, indicating non critical defects and some critical repairs expected soon.
- 4% are rated Grade D, indicating some critical defects and many critical repairs expected soon.
- 1% are rated Grade F, indicating many critical defects requiring immediate repairs and replacements.

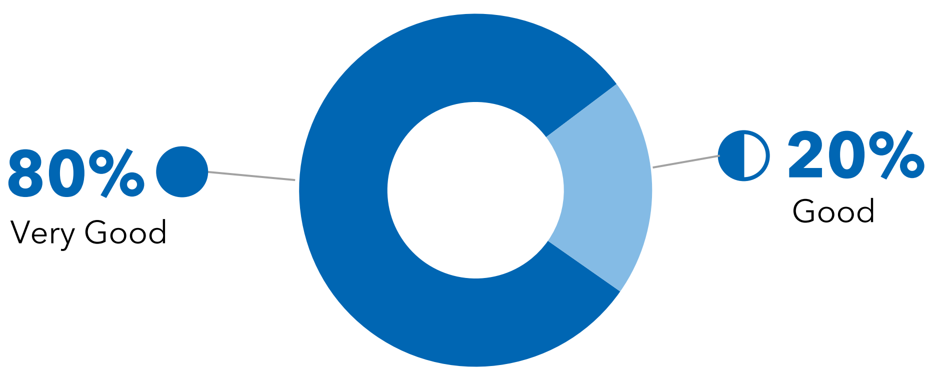
[1] Descriptions of the Condition Rating are included in Appendix II Reading Guide

Current infrastructure Risk Management Rating

The current overall 2025 infrastructure Risk Management Rating for the Housing Support is 'Very Good'. Figure 3 illustrates that within the portfolio:

- 80% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 20% of asset classes are in Good state, indicating that most assets are achieving the desired targets.
- There are no asset classes in Fair, Poor, or Very Poor state.

Figure 3. Current infrastructure Risk Management Rating



Target customer level of service[2]

Our customers should expect:

- Ensure properties are well maintained, safe, and compliant with all legislative requirements, providing a comfortable living environment.
- Offer immediate, 24 hour access to safe, secure emergency shelters that meet all legislative requirements, providing basic needs, protection, referrals, and trauma alleviation.

[2] Definition of Customer Level of Service is included in Appendix III The Enterprise Asset Management Strategy

Infrastructure reinvestment plan

Table 2. 10 year state of good repair reinvestments

Forecasted needs	Capital Plan
$48.5 million	$52.8 million

Table 2 shows that reinvestments of $52.8 million are included in the 10 year Capital Plan to maintain infrastructure in a SoGR. These planned reinvestments are higher than the forecasted needs of $48.5 million over the same period. The difference is primarily driven by reprioritization of SoGR projects due to faster degradation of the assets than expected.

Table 3. Operations and maintenance expenses

Annual expenditure	Re investment rate
$5.7 million	0.9%

Table 3 shows that operations and maintenance expenses for Housing Support are approximately $5.7 million per year, representing 0.9% of the asset replacement value. These expenses support facility operations and maintenance activities. As part of the whole lifecycle strategy, these costs are regularly reviewed and will be optimized over time as asset management tools and technology improve.

10 year infrastructure Risk Management Rating with Capital Plan reinvestments

In 10 years (2035), the overall infrastructure Risk Management Rating for the Housing Support is forecasted to remain 'Very Good.'

Error! Reference source not found. illustrates that within the portfolio:

- 80% of asset classes are in Very Good state, indicating that almost all assets are achieving the desired targets.
- 20% of asset classes are in Good state, indicating that most assets are achieving the desired targets.
- There are no asset classes in Fair, Poor, or Very Poor state.

Figure 4. 10 year infrastructure Risk Management Rating