



Notice

No: 07-23

APPLICABLE TO:

DATE: November 29, 2007

- Municipal & Private Non Profit
- Co-operatives
- Federal Non Profits
- OCHAP/CSHP
- Rent Supplement

- Mandatory
- For Information

SUBJECT: 2008 Minimum Market Rent and Cost Factor for Municipal 1978 (Section 95) Housing Providers

BACKGROUND

The Province has released the minimum market rent and cost factor for 2008. An annual rent inflation factor is used to determine the Minimum Market Rent that is expected to be charged. The cost factor is a regional inflationary factor which is used in the calculation of operating subsidy in the budgets of municipal non-profit housing corporations.

Implementation:

Outlined below are the applicable figures:

2008 Rent Inflation Factor: 1.4%

2008 Cost Factor: 2.07%

The rent inflation factor is inserted on line 441, page 3A of the Municipal NP Operating Budget Form 819(01/95). When used in the budget, the factor is expressed as 1 plus a decimal number. The rent inflation factor is then multiplied by the actual market rents charged in 2007 to determine the minimum market rent for 2008.

If a provider feels that it cannot charge market rents at this minimum level, an application may be made to NRH for an exemption when the 2008 budget is submitted. The application must include supporting evidence to clearly demonstrate the inability to charge the minimum market rent.

The cost factor is inserted in line 432 and line 532 of the Municipal NP Operating Budget Form 819(01/95). When used in the budget form, the cost factor is expressed as 1 plus a decimal number.

If you have any questions or concerns regarding this notice, please contact your Housing Administrator at (905) 682-9201.

Lora Beckwith, General Manager