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# Housing Services Notice **No: 20-09**

## **Revised**

### APPLICABLE TO:

<input checked="" type="checkbox"/>	Municipal & Private Non Profit
<input checked="" type="checkbox"/>	Co-operatives
<input type="checkbox"/>	Federal Non Profits
<input type="checkbox"/>	OCHAP/CSHP
<input type="checkbox"/>	Rent Supplement

DATE: June 9, 2021

<input checked="" type="checkbox"/>	Mandatory
<input type="checkbox"/>	For Information

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**SUBJECT: 2021 Market Rent, Cost and Revenue Indices for Housing Providers  
REVISED**

Bill 204, Helping Tenants and Small Businesses Act, 2020 received Royal Assent on October 1, 2020. The Act amends the Residential Tenancies Act, 2006 (RTA) and Sections of the Housing Services Act (HSA) to deliver on the commitment to freeze residential rent increases in 2021 and to give Ontario tenants some relief and financial security as we continue to recover from the pandemic.

It was previously communicated that the rent control guideline and market rent index for co-operative housing providers would remain at 1.5%. **Upon further clarification, the amended rent control guideline, and therefore the market rent index, for 2021 is 0.0% for all non-profit and co-operative housing providers, as amended in O.Reg. 369/11.**

### Background

On an annual basis, the Ministry of Municipal Affairs & Housing provides indices for costs and revenues to calculate subsidies under the *Housing Services Act, 2011*.

### Market Rent Indices

The Ministry has released the **2021** market rent indices, as shown on Appendix A. The market rent index is calculated as the lesser of the rent control guideline and the change in local average rents, by zone within Niagara Region Housing Services' service area.

Housing providers should use the market rent index to develop their operating budget for **2021**.

## Cost and Revenue Indices

Two Index Tables are shown on the attached Appendix B – one for 100% RGI non-profit providers and one for non-profit providers with mixed Income portfolios (RGI and market).

The numbers provided in Appendices A & B are percentages. To apply these indices in the subsidy calculation process, convert the number into an index factor by expressing the index as a decimal figure and adding 1.0. For example, 1.5% converts to a factor of 1.015.

### **Service Manager's Role**

Niagara Region Housing Services will calculate housing providers' **2021** operating budget using the **2021** indices for both 100% RGI Non-Profit projects and Mixed (RGI & Market) Non-Profit projects.

**All 2021 co-operative housing provider operating budgets that had already been completed and distributed will be revised and reissued by Niagara Region Housing Services as soon as possible to reflect the 0% market rent index.**

### **Housing Provider's Role**

Housing providers are required to develop and/or revise their **2021** operating budget in accordance with the **2021** indices as attached.

Housing providers are also reminded that the following information is required to be forwarded to NRHS 90 days prior to the start of their fiscal year:

- Market rents/housing charges for fiscal **2021**
- Estimated total RGI revenue
- Estimated property taxes (include copy of final 2019 tax bill)
- Estimated mortgage payments

If you have any questions regarding the **2021** market rent indices, please contact your Housing Program Accountant or your Housing Administrator.

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Donna Woiceshyn, Director Housing Services

Enclosure:

1. Appendix A - 2021 Market Rent Index by Area and Unit Type
2. Appendix B - 2021 Indices

## Appendix A

### 2021 Market Rent Index by Area and Unit Type

<b>Apartment Units</b>			
<b>Area</b>	<b>% Change per CMHC</b>	<b>2021 Rent Control Guideline</b>	<b>NRH 2021 Market Rent Index</b>
Fort Erie	1.5%	0.0%	<b>0.0%</b>
Niagara Falls Non-Core	1.9%	0.0%	<b>0.0%</b>
Niagara Falls Core & Non-Core (combined average)	4.95%	0.0%	<b>0.0%</b>
St. Catharines Core	6.5%	0.0%	<b>0.0%</b>
St. Catharines Non-Core	5.95%	0.0%	<b>0.0%</b>
Welland	3.7%	0.0%	<b>0.0%</b>
Smithville	5.4%	0.0%	<b>0.0%</b>

<b>Townhouse Units</b>			
<b>Area</b>	<b>% Change per CMHC</b>	<b>2021 Rent Control Guideline</b>	<b>NRH 2021 Market Rent Index</b>
Niagara Falls Non-Core	10.5%	0.0%	<b>0.0%</b>
St. Catharines Non-Core	5.65%	0.0%	<b>0.0%</b>
St. Catharines Core	10.5%	0.0%	<b>0.0%</b>
Welland	10.5%	0.0%	<b>0.0%</b>
Smithville	10.5%	0.0%	<b>0.0%</b>

<b>Mixed Unit Portfolio</b>			
<b>Area</b>	<b>% Change per CMHC</b>	<b>2021 Rent Control Guideline</b>	<b>NRH 2021 Market Rent Index</b>
Fort Erie	6.0%	0.0%	<b>0.0%</b>
Niagara Falls Non-Core	6.2%	0.0%	<b>0.0%</b>
Niagara Falls Core & Non-Core (combined average)	7.7%	0.0%	<b>0.0%</b>
St. Catharines Non-Core	5.8%	0.0%	<b>0.0%</b>
St. Catharines Core	8.5%	0.0%	<b>0.0%</b>
Thorold	7.95%	1.5%	<b>0.0%</b>
Welland	7.1%	1.5%	<b>0.0%</b>
Beamsville	7.95%	1.5%	<b>0.0%</b>
Crystal Beach	6.0%	1.5%	<b>0.0%</b>
Port Colborne	7.95%	1.5%	<b>0.0%</b>

## Appendix B

### 2021 Indices for Mixed (RGI/Market) Non Profit Projects (HSA O.Reg. 369/11,s.6(1) )

Benchmark Costs	Item	Description	2021 Index
Benchmark Costs	Administration and maintenance	Ontario CPI all items	<b>-0.43%</b>
	Insurance	Ontario CPI – homeowner’s home and mortgage insurance sub-index	<b>5.92%</b>
	Bad Debt	Market Rent Index	<b>Appendix A</b>
	Electricity	Ontario CPI – Electricity sub-index	<b>-13.07%</b>
	Water	Ontario CPI – Water sub-index	<b>3.01%</b>
	Natural Gas	Ontario CPI – Natural Gas sub-index	<b>-5.57%</b>
	Oil and Other Fuel	Ontario CPI – Oil and other fuel sub-index	<b>-26.83%</b>
	Capital Reserves	Ontario CPI all items	<b>-0.43%</b>
Benchmark Revenues	Indexed Market Rent	Market Rent Index	<b>Appendix A</b>
	Vacancy Loss	Market Rent Index	<b>Appendix A</b>
	Non Rental Revenue	Factor of 1	<b>Factor of 1</b>

### 2021 Indices 100% RGI Non Profit Projects HSA O.Reg. 369/11,s13( 1)

Benchmark Costs	Item	Description	2021 Index
Benchmark Costs	Administration and Maintenance	Ontario CPI all items	<b>-0.43%</b>
	Insurance	Ontario CPI – Homeowner’s home and mortgage insurance sub-index	<b>5.92%</b>
	Bad Debt	Ontario CPI all items	<b>-0.43%</b>
	Electricity	Ontario CPI – Electricity sub-index	<b>-13.07%</b>
	Water	Ontario CPI – Water sub-index	<b>3.01%</b>
	Natural Gas	Ontario CPI – Natural Gas sub-index	<b>-5.57%</b>
	Oil and Other Fuel	Ontario CPI – Oil and other fuel sub-index	<b>-26.83%</b>
	Capital Reserves	Ontario CPI all items	<b>-0.43%</b>