

Housing Services Notice

 No: 22-04

APPLICABLE TO:

DATE: September 23, 2022

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

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

**SUBJECT: 2023 Minimum Market Rent and Cost Factor for Municipal Non Profits
 (Section 95)**

BACKGROUND

The Province has released the minimum market rent and cost factor for **2023**. 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 developed under the former Section 95 Housing Program.

Implementation:

Outlined below are the applicable figures:

2023 Rent Inflation Factor: 2.5% **2023 Cost Factor: 3.06%**

The rent inflation factor is inserted on line 441, page 3A of the Niagara Region Housing Services (NRHS) Subsidy Calculation Form for Municipal operating Budgets. When used in the budget, the factor is expressed as 1 plus a decimal number (e.g. 2.5% would be expressed as 1.025). The rent inflation factor is then multiplied by the Prior Year Column C charged in **2022** to determine the minimum market rent for **2023**.

If a provider feels that it cannot charge market rents at this minimum level, an application may be made to NRHS for an exemption when the **2023** 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 of the NRHS Subsidy Calculation Form for Municipal operating budgets. When used in the budget form, the cost factor is expressed as 1 plus a decimal number (e.g. 3.06% would be expressed as 1.0306).

If you have any questions or concerns regarding this notice, please contact your Housing Program Accountant or your Housing Administrator at (905) 980-6000.

Donna Woiceshyn, Director Housing Services