

Housing Services Notice No: 23-08

APPLICABLE TO:

DATE: August 28, 2023

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

x	Mandatory
	For Information

SUBJECT: 2024 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 **2024**. 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:

2024 Rent Inflation Factor: 2.5% **2024 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 **2023** to determine the minimum market rent for **2024**.

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 **2024** 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.