

Housing Services Notice No: 24-04

APPLICABLE TO:

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

DATE: September 12, 2024

X	Mandatory
	For Information

SUBJECT: Market Rent, Cost and Revenue Indices for Housing Providers 2025

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*.

PROCESS

Market Rent Indices

The Ministry has released the **2025** 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' (NRHS) service area.

Housing Providers should use the market rent index to develop their operating budget for **2025**.

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, 2.5% converts to a factor of 1.025.

Housing Provider's Role

Housing Providers are required to develop their **2025** operating budget in accordance with the **2025** 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 **2025**
- Estimated total RGI revenue
- Estimated property taxes (include copy of the latest final tax bill)
- Estimated mortgage payments

Service Manager's Role

NRHS will calculate Housing Providers' **2025** operating budget using the **2025** indices for both 100% RGI Non-Profit projects and Mixed (RGI & Market) Non-Profit projects.

If you have any questions regarding the **2025** market rent indices, please contact your Housing Program Accountant or your Housing Administrator at 905-980-6000.

Cameron Banach, Director Housing Services

Enclosure:

1. Appendix A - 2025 Market Rent Index by Area and Unit Type
2. Appendix B - 2025 Indices

Appendix A

2025 Market Rent Index by Area and Unit Type

Apartment Units			
Area	% Change per CMHC	2025 Rent Control Guideline	NRHS 2025 Market Rent Index
Fort Erie	-0.7%	2.5%	-0.7%
Niagara Falls Non-Core	12.6%	2.5%	2.5%
Niagara Falls Core & Non-Core (combined average)	8.0%	2.5%	2.5%
St. Catharines Core	14.2%	2.5%	2.5%
St. Catharines Non-Core	15.2%	2.5%	2.5%
Welland	5.8%	2.5%	2.5%
Smithville	1.6%	2.5%	1.6%

Townhouse Units			
Area	% Change per CMHC	2025 Rent Control Guideline	NRHS 2025 Market Rent Index
Niagara Falls Non-Core	*	2.5%	2.5%
St. Catharines Core	*	2.5%	2.5%
St. Catharines Non-Core	*	2.5%	2.5%
Welland	*	2.5%	2.5%
Smithville	*	2.5%	2.5%

* Data is not available

Mixed Unit Portfolio			
Area	% Change per CMHC	2025 Rent Control Guideline	NRHS 2025 Market Rent Index
Fort Erie	0.9%	2.5%	0.9%
Niagara Falls Non-Core	7.6%	2.5%	2.5%
Niagara Falls Core & Non-Core (combined average)	5.3%	2.5%	2.5%
St. Catharines Core	8.4%	2.5%	2.5%
St. Catharines Non-Core	8.9%	2.5%	2.5%
Thorold	2.1%	2.5%	2.1%
Welland	4.2%	2.5%	2.5%
Beamsville	2.1%	2.5%	2.1%
Crystal Beach	0.9%	2.5%	0.9%
Port Colborne	2.1%	2.5%	2.1%

Appendix B
2025 Indices for Mixed (RGI/Market) Non Profit Projects
(HSA O.Reg. 369/11, s.6 (1))

Benchmark Costs	Item	Description	2025 Index
Benchmark Costs	Administration and maintenance	Ontario CPI all items	2.97%
	Insurance	Ontario CPI – homeowner’s home and mortgage insurance sub-index	8.78%
	Bad Debt	Market Rent Index	Appendix A
	Electricity	Ontario CPI – Electricity sub-index	6.02%
	Water	Ontario CPI – Water sub-index	4.62%
	Natural Gas	Ontario CPI – Natural Gas sub-index	-2.79%
	Oil and Other Fuel	Ontario CPI – Oil and other fuel sub-index	4.66%
	Capital Reserves	Ontario CPI all items	2.97%
Benchmark Revenues	Indexed Market Rent	Market Rent Index	Appendix A
	Vacancy Loss	Market Rent Index	Appendix A
	Non-Rental Revenue	Factor of 1	Factor of 1

2025 Indices 100% RGI Non Profit Projects
(HSA O.Reg. 369/11, s.13 (1))

Benchmark Costs	Item	Description	2024 Index
Benchmark Costs	Administration and Maintenance	Ontario CPI all items	2.97%
	Insurance	Ontario CPI – Homeowner’s home and mortgage insurance sub-index	8.78%
	Bad Debt	Ontario CPI – All-items	2.97%
	Electricity	Ontario CPI – Electricity sub-index	6.02%
	Water	Ontario CPI – Water sub-index	4.62%
	Natural Gas	Ontario CPI – Natural Gas sub-index	-2.79%
	Oil and Other Fuel	Ontario CPI – Oil and other fuel sub-index	4.66%
	Capital Reserves	Ontario CPI – All items	2.97%