



Date: September 29, 2020

Report to: Board of Directors
CityHousing Hamilton Corporation

Submitted by: Tom Hunter
Chief Executive
Officer/Secretary

Prepared by: Tracy Murphy
Manager, Tenancy
Administration

Subject: **2021 Market Rents (Report #20012)**

RECOMMENDATION:

That Report #20012 be received for information

A handwritten signature in blue ink that reads "Tom Hunter".

Tom Hunter
Chief Executive Officer/Secretary

BACKGROUND:

In July 2020, the Ontario Government announced a rent increase guideline of 1.5% for 2021. The new rate increase guideline applies to rent increases effective January 1, 2021 to December 31, 2021. The guideline is based on the Ontario Consumer Price Index (CPI) a measure of inflation calculated by Statistics Canada that reflects economic conditions over the past year.

The guideline is the maximum amount that landlords can increase a resident's rent during the year and is governed by the Residential Tenancies Act. CityHousing Hamilton, as a social housing provider, is exempt from legislation with respect to rent increases.

Our practice is to use this guideline, along with data supplied by Canada Mortgage and Housing Corporation, advertising, history and consultation with Tenant Placement staff on rent-up trends to determine market rents.

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DISCUSSION:

All market rent charges are noted in Appendix A - 2021 Market Rents.

Most residents housed by CHH are not affected by market rent as they receive a subsidy based on Rent-Geared-to-Income (RGI) formulas.

On August 28, 2020, an announcement was made that the Ontario Government would be bringing forward legislation to freeze rent in 2021. If this legislation is brought forward and is passed the market rents for 2021 will remain the same as the market rents for 2020.

Market rent becomes a factor in several cases:

- Residents who rent from CHH at “market” rent (i.e. without a subsidy, much as they would rent from any other landlord). Approximately fourteen percent of CityHousing Hamilton residents reside in market rent units.
- RGI residents whose income has increased to the point they are above the income limit for subsidy. Rent can be raised to the market level, but not any higher.
- RGI residents who become ineligible for subsidy because they have failed to fulfill legislated requirements of RGI housing (i.e. not providing income verification).

CONCLUSION:

All 2021 market rent increases will follow the Ontario guidelines of a 1.5% increase unless the legislation to freeze the 2021 rents is passed in which case the market rents will remain the same as they were in 2020.

ALIGNMENT TO THE 2017-2021 STRATEGIC PLAN:

This report implements:

Economic Prosperity and Growth

CityHousing Hamilton believes that residents reach their full potential when they have access to employment, entrepreneurship or education opportunities that will contribute to the growth and prosperity of the City of Hamilton.

TH/tm

Mission: We provide affordable housing that is safe, well maintained and cost effective and that supports the diverse needs of our many communities.