



	REPORT No.: 2018-51
MEETING DATE: SEPTEMBER 18, 2018	DATE PREPARED: JULY 23, 2018
SUBJECT: 2019 MARKET RENT INCREASE	

RECOMMENDATION

THAT with respect to Report No. 2018-51 (Housing Services Division) we, The District of Thunder Bay Social Services Administration Board, approve the 2019 market rents as outlined in Confidential Attachment #1 of Report No. 2018-51, presented in Closed Session;

AND THAT any approved market rent increase be effective February 1, 2019.

REPORT SUMMARY

To present information to The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) for approval of the 2019 market rents for TBDSSAB units.

BACKGROUND

The 2019 Rent Increase Guideline from the Ministry of Municipal Affairs and Housing (MMAH) received June 25, 2018, advises that the maximum rate of allowable rent increase for 2019 is 1.8%. Legislation was passed on June 13, 2012 to amend the *Residential Tenancies Act, 2006* to ensure that the Rent Increase Guideline is capped at 2.5% annually, with an exemption for social housing. The Annual Rent Increase Guideline continues to be based on the Ontario's Consumer Price Index (CPI), Statistics Canada tool that measures inflation and economic conditions over a year. Data from June to May is used to determine the guideline for the following year. The average yearly increase in Ontario from 2004-2018 was 2.0%. The 2019 guideline applies to rent increased between January 1 and December 31, 2019.

Market rents and any recommended market rent increases are provided to the Board for review and approval on an annual basis. Previously, the annual increase has mainly followed the Rent Increase Guideline, however in 2015 a request to increase the market rent at Andras Court beyond the Rent Increase Guideline was presented by Administration in order to ensure parity in the market.

TBDSSAB completed a Market Rent Study in 2016 to establish current market rental rates for the District of Thunder Bay so that TBDSSAB could ensure rates charged reflect local market conditions and provide fair rates to all participants.

COMMENTS

As per Confidential Attachment 1, proposed market rent increases for 2019 for all properties do not exceed the rent increase guideline.

Market rent comparisons were completed with a review of the TBDSSAB 2016 Market Rent Study and current Rent Supplement market rents. Approval of the 2019 increases will continue to allow the TBDSSAB market rents to be in the lower to mid-range of the market.

The *Rental Fairness Act*, (the "RFA") is part of Ontario's Fair Housing Plan, a strategy released in April 2017 to promote affordable housing in Toronto. The RFA, which received Royal Assent on May 30, 2017, eliminates the exemption to rent increase rules and requires landlords to compensate tenants if they wish to terminate a tenancy for personal use. Landlords can no longer impose above guideline rent increases on account of higher utility costs as part of the amended Act. Private landlords associated with the Rent Supplement Program will be held to the *Rental Fairness Act*, however units within the social housing portfolio are exempt from these legislative changes.

Approval of the increase ensures that TBDSSAB market rents maintain an equitable relationship to the indexed benchmark and would not have a negative financial impact on the corporation. As of July, 2018 approximately 162 TBDSSAB tenants were paying market rent and would possibly be affected by the increase. Tenants paying rent geared to income would not be affected by the increase.

Administration has identified that of the 162 market tenants (25 are from communities outside the City of Thunder Bay), 93 are seniors, 35 are singles, 19 are families and 15 are singles receiving support at Andras Court.

FINANCIAL IMPLICATIONS



Based on the number of market tenants and Rent Geared to Income tenants paying market rent as of July 2018, Administration estimated potential additional revenue of approximately \$26,962 for 2019 using the 1.8% guideline increase.

CONCLUSION

It is concluded that properties in the TBDSSAB service area receive the recommended rate increase for 2019 to keep TBDSSAB market rent amounts aligned with comparable local accommodations in the respective areas.

REFERENCE MATERIALS ATTACHED

Attachment 1: 2019 TBDSSAB Market Rents (Confidential)

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