



	REPORT No.: 2021-34
MEETING DATE: SEPTEMBER 16, 2021	DATE PREPARED: JULY 19, 2021
SUBJECT: 2022 MARKET RENT REPORT	

RECOMMENDATION

THAT with respect to Report No. 2021-34 (Integrated Social Services), we, The District of Thunder Bay Social Services Administration Board, approve the 2022 market rents as outlined in Confidential Attachment #1 of Report No. 2021-34, presented in Closed Session.

AND THAT any approved market rent increase be effective February 1, 2022.

REPORT SUMMARY

To present information to The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) and recommend approval of the 2022 market rents for TBDSSAB owned units.

BACKGROUND

The 2022 Rent Increase Guideline from the Ministry of Municipal Affairs and Housing (MMAH) received in June, 2021 directs that the maximum rate of allowable rent increase for 2022 is 1.2%. 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 Ontario's Consumer Price Index (CPI), a 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 2004-2020 was 2.0%. The 2022 guideline would apply to rents increased between January 1 and December 31, 2022.

In September 2020, legislation was introduced to propose a freeze to the Ontario market rent rates previously determined for 2021 by the Ministry of Municipal Affairs and Housing (MMAH). The intent was to reduce the burden on renters due to the COVID-19 pandemic. The *Helping Tenants and Small Businesses Act* froze rents in 2021 over a one-year period for tenants of most rent-controlled and non-rent-controlled residential units. This includes municipally funded community housing rental units. This legislation was passed and came into effect January 1, 2021.

With this legislation approved, TBDSSAB did not increase rents for 2021 and maintained the Board approved 2020 rates.

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 of July, 2021, 200 of TBDSSAB's more than 2,400 tenants were paying market rent and would possibly be affected by an approved increase. Tenants paying rent geared to income will not be affected by the increase.

Administration has identified that of the 200 market tenants, 115 are seniors, 39 are singles and 28 are families within the City of Thunder Bay. Outside of Thunder Bay, 16 are seniors and 2 are families. Rent rates for these 200 tenants will increase by 1.2% for 2022, if the recommended increase is approved.

FINANCIAL IMPLICATIONS



Based on the number of market tenants and Rent Geared to Income tenants paying market rent as of July 2021, Administration estimated potential additional revenue of approximately \$25,342 for 2022 using the 1.2% guideline increase.

CONCLUSION

It is concluded that properties in the TBDSSAB service area receive the recommended rate increase for 2022 to keep TBDSSAB market rent amounts aligned with comparable local accommodations in the respective areas.

REFERENCE MATERIALS ATTACHED

Attachment #1 [2022 TBDSSAB Market Rents \(Confidential\)](#)

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