



BOARD REPORT

REPORT No.: 2022-50

MEETING DATE: SEPTEMBER 15, 2022

SUBJECT: 2023 TBDSSAB MARKET RENT REPORT

RECOMMENDATION

THAT with respect to Report No. 2022-50 (Integrated Social Services), we, The District of Thunder Bay Social Services Administration Board, approve the 2023 market rents for TBDSSAB properties as outlined in Confidential Attachment #1 of Report No. 2022-50, presented in Closed Session.

AND THAT any approved market rent increase be effective February 1, 2023.

REPORT SUMMARY

To present information to The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) and recommend approval of the 2023 market rents for TBDSSAB owned units.

BACKGROUND

The 2023 Rent Increase Guideline from the Ministry of Municipal Affairs and Housing (MMAH) received in June, 2022, advises that the maximum rate of allowable rent increase for 2023 is 2.5%. 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 2004-2022 was 2.0%. The 2023 guideline would apply to rents increased between January 1 and December 31, 2023.

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. Any increased determined throughout 2021 were then applied to tenants in January of 2022.

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 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 to ensure parity in the market. The Andras Court increase was based on TBDSSAB's completion of a Market Rent Study in 2016 to establish current market rental rates for the District of Thunder Bay.

In early 2022 TBDSSAB again completed a Market Rent Study report, so it could ensure rates charged reflect local market conditions and provide fair rates to all participants. It was determined that although TBDSSAB rates are lower than the average market rates, some unit categories were much lower based on unit size and age demographic or family composition. Market rent rates within the district were determined to have the lowest comparators with the current rates TBDSSAB is charging. With these comparators determined, Administration is proposing to increase 2023 market rents by 3.0% for the residences within the City of Thunder Bay to support aligning TBDSSAB units with the private rates while maintaining rates at the low end of market. Market rates for TBDSSAB properties outside the City of Thunder Bay are proposed to increase 3.5%, to position those rates to a more comparable amount, yet still meet the low-end of market, making parity gains due to years of status quo rates.

COMMENTS

As of July, 2022, 194 of TBDSSAB's more than 2,400 tenants were paying market rent and would be affected by the increase. Tenants paying rent geared to income will not be affected by the increase.

Administration has identified that of the 194 market tenants, 73 are seniors, 89 are singles and 21 are families within the City of Thunder Bay. Outside of Thunder Bay, 8 are seniors and 3 are families. Should the recommendation be approved, rent rates for these 194 tenants would increase by 3.0% for those within the City of Thunder Bay and by 3.5% for those outside the city for 2023.

STRATEGIC PLAN IMPACT

This report supports the Strategic Plan visions of establishing flexible, inclusive services through the management of relevant diverse housing and financial stewardship.

FINANCIAL IMPLICATIONS



Based on the number of market tenants and RGI tenants paying market rent as of July 2022, Administration estimates potential additional revenue of approximately \$43,123 for 2023 using the recommended 3.0% and 3.5% increases.

CONCLUSION

It is concluded that the recommended rate increase for 2023 for TBDSSAB-owned properties in the TBDSSAB service area would keep TBDSSAB market rent amounts aligned with comparable local accommodations in the respective areas.

REFERENCE MATERIALS

Attachment #1 [2023 TBDSSAB Market Rents \(Confidential\)](#)

PREPARED BY:	Crystal Simeoni, Manager, Housing Programs
SIGNATURE	
APPROVED BY	Ken Ranta, Director, Integrated Social Services Division
SIGNATURE	
SUBMITTED BY:	William (Bill) Bradica, Chief Administrative Officer