



Housing Services Notice

Date: September 27, 2016

HSN#: 2016-06

This applicable legislation/policy is to be implemented effective this date by the housing provider(s) under the following programs:

Please note, if your program is **not checked**, this change is **not applicable** to your project.

- Federal Non-Profit Housing Program
- Federal Section 26/27 Housing Program
- Federal Urban Native Non-Profit Housing Program
- Private Non-Profit Housing Program
- Municipal Non-Profit Housing Program (Pre-1986)
- Local Housing Corporation
- Local Housing Corporation—Rent Supplement Programs
- Nipissing District Housing Registry

Subject: 2017 Market Rent Index Table
2017 Indices for Mixed Non-Profit Projects
2017 Indices for 100% RGI Non-Profit Projects

Reference:

- *Ministry of Municipal Affairs and Housing Social Housing Notification Release 16-02*

Background:

The Ministry of Housing provides indices for costs and revenues to calculate subsidies under the Housing Services Act, 2011 (HSA) on an annual basis. The indices which need to be used in the calculation of subsidies for 2017 are in the tables attached to this Housing Services Notice. Also attached are guidelines for their use.

Action:

These indices for costs and revenues will be used to calculate subsidies for fiscal years beginning between January 1st, 2017 and ending December 31st, 2017.

2016 Market Rent Index Table

	Apartments	Townhouses
North Bay CA	0.015%	-1.7%
West Nipissing Town	0.015%	0 %

If you have any questions or concerns regarding this or any other Housing Services Notice, please contact the Housing Services Administrator assigned to your portfolio:

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Attachments: Attachment A – 2016 Market Rent Index
 Attachment B – 2016 Indices for Mixed Non-Profit Projects
 Attachment C – 2016 Indices for 100% RGI Non-Profit Projects
 Attachment D – Guide for 2016 Market Rent Index
 Attachment E – Guide for 2016 Indices for Mixed Non-Profit and 100% RGI Projects

2017 Market Rent Index Table

Name	District (CA, CMA, Zone)	RMS CMHC 2014-15 % change		(Row) Townhouse Average Rent	
		RMS CMHC 2014-15 % change	RMS CMHC 2014-15 % change	2014-15	2015-16
Kitchener	Zone 4 - Waterloo City	5.9%	1.5%	2.6%	1.5%
Kitchener	Zone 5 - Cambridge City	-0.1%	1.5%	1.5%	1.5%
Kitchener	Zone 6 - Two Townships	31.4%	1.5%	0.0%	1.5%
Lambton Shores City	Lambton Shores City	24.9%	1.5%	0.0%	1.5%
Leamington CA	Leamington CA	3.7%	1.5%	0.0%	1.5%
London	London CMA	1.7%	1.5%	2.6%	1.5%
London	Zone 1 - Downtown North	0.6%	1.5%	0.0%	1.5%
London	Zone 2 - Northeast	2.3%	1.5%	4.4%	1.5%
London	Zone 3 - North	-5.0%	1.5%	0.0%	1.5%
London	Zone 4 - Northwest	1.8%	1.5%	0.0%	1.5%
London	Zone 5 - Southwest	5.7%	1.5%	4.4%	1.5%
London	Zone 6 - South Central	3.1%	1.5%	0.0%	1.5%
London	Zone 7 - South	2.9%	1.5%	0.0%	1.5%
London	Zone 8 - East	3.7%	1.5%	1.5%	1.5%
London	Zone 9 - St. Thomas	2.6%	1.5%	0.0%	1.5%
London	Zone 10 - Strathroy-Caradoc	0.8%	1.5%	0.0%	1.5%
London	Zone 11 - Rest of CMA	5.2%	1.5%	0.0%	1.5%
Midland CA	Midland CA	-0.1%	1.5%	0.0%	1.5%
Mississippi Mills Town	Mississippi Mills Town	0.0%	1.5%	3.5%	1.5%
Norfolk CA	Norfolk CA	1.5%	1.5%	0.0%	1.5%
North Bay CA	North Bay CA	4.2%	1.5%	-1.7%	1.5%
North Perth Town	North Perth Town	0.8%	1.5%	0.0%	1.5%
Orillia CA	Orillia CA	3.6%	1.5%	0.0%	1.5%
Oshawa	Oshawa CMA	2.4%	1.5%	2.0%	1.5%
Oshawa	Zone 1 - Oshawa (North)	0.8%	1.5%	0.2%	1.5%
Oshawa	Zone 2 - Oshawa (S./Central)	4.3%	1.5%	4.0%	1.5%
Oshawa	Oshawa City (Zone 1-2)	2.8%	1.5%	1.8%	1.5%

2017 Market Rent Index Table

Name	District (CA, CMA, Zone)	RMS CMHC 2014-15 % change		(Row) Townhouse Average Rent	
		RMS CMHC 2014-15 % change	RMS CMHC 2014-15 % change	RMS CMHC 2014-15 % change	RMS CMHC 2014-15 % change
Toronto	Zone 28 - Pickering/Ajax/Uxbridge	1.0%	1.5%	0.0%	1.5%
Toronto	Zone 29 - Milton, Halton Hills	3.1%	1.5%	0.0%	1.5%
Toronto	Zone 30 - Orangeville	-0.5%	1.5%	0.0%	1.5%
Toronto	Zone 31 - Bradford, W. Gwillimbury	1.6%	1.5%	0.0%	1.5%
West Nipissing Town	West Nipissing Town	5.6%	1.5%	0.0%	1.5%
Windsor	Windsor CMA	3.8%	1.5%	3.7%	1.5%
Windsor	Zone 1 - Centre	3.3%	1.5%	6.2%	1.5%
Windsor	Zone 2 - East Inner	5.6%	1.5%	0.0%	1.5%
Windsor	Zone 3 - East Outer	3.3%	1.5%	4.1%	1.5%
Windsor	Zone 4 - West	3.6%	1.5%	-2.0%	1.5%
Windsor	Zone 5 - Amherstburg Township	2.8%	1.5%	0.0%	1.5%
Windsor	Zone 6 - Remainder	5.9%	1.5%	0.0%	1.5%
Woodstock CA	Woodstock CA	4.4%	1.5%	4.9%	1.5%

Note: in most cases, 0.0% implies no units exist, no change in average price for the area or data for the area is suppressed by CMHC to protect confidentiality.

Attachment B

2017 Indices for Mixed Non-Profit Projects HSA O. Reg. 369			
	Item	Index Description	2017 Index
Benchmark Costs	<i>Administration and maintenance</i>	Ontario CPI All-items	1.88%
	<i>Insurance</i>	Ontario CPI - homeowner's home and mortgage insurance sub-index	3.74%
	<i>Bad Debt</i>	Market Rent Index	MRI* Table
	<i>Electricity</i>	Ontario CPI – Electricity sub-index	15.38%
	<i>Water</i>	Ontario CPI – Water sub-index	5.73%
	<i>Natural Gas</i>	Ontario CPI – Natural gas sub-index	-10.50%
	<i>Oil and Other Fuel</i>	Ontario CPI – Oil and other fuel sub-index	-16.52%
	<i>Capital Reserves</i>	Ontario CPI All-items	1.88%
Benchmark Revenues	<i>Indexed Market Rent</i>	Market Rent Index	MRI Table
	<i>Vacancy Loss</i>	Market Rent Index	MRI Table
	<i>Non-Rental Revenue</i>	Factor of 1	Factor of 1

* MRI = Market Rent Index

Attachment C

2017 Indices 100% RGI Non-Profit Project HSA O. Reg. 369			
	Item	Index Description	2017 Index
Benchmark Costs	<i>Administration and Maintenance</i>	Ontario CPI All-items	1.88%
	<i>Insurance</i>	Ontario CPI - Homeowner's Home and Mortgage Insurance sub-index	3.74%
	<i>Bad Debt</i>	Ontario CPI All-items	1.88%
	<i>Electricity</i>	Ontario CPI – Electricity sub-index	15.38%
	<i>Water</i>	Ontario CPI – Water sub-index	5.73%
	<i>Natural Gas</i>	Ontario CPI – Natural Gas sub-index	-10.50%
	<i>Oil and Other Fuel</i>	Ontario CPI – Oil and Other Fuel sub-index	-16.52%
	<i>Capital Reserves</i>	Ontario CPI All-items	1.88%

Guide for 2017 Market Rent Index Table

The **2017 Market Rent Index Table** is similar in structure to the Market Rent Index Table issued by the ministry in the past. The following notes outline how to identify the applicable market rent index for zones within each Service Manager's service area.

Using the "2017 Market Rent Index Table" to Identify Applicable MRI

- The ministry has provided the final 2017 market rent index for all Service Managers in the "**2017 Market Rent Index Table.**"
- The 2017 market rent index can be identified in the highlighted columns titled:
 - "Apartment" **2017 Market Rent Index**
 - "Row (Townhouse)" **2017 Market Rent Index**
- Service Managers will then identify the applicable market rent index for the **respective service area**, according to the CA, CMA or zone provided in the 2017 Market Rent Index Table.
- The applicable CA, CMA or zone for apartments or row (townhouses) will be selected by the Service Managers from either:
 - The CA, CMA or zone encompassing the service area in question, or
 - The CA, CMA or zone that is closest to the service area in question, as identified by the service manager.

How to Identify Boundaries for Zones listed in 2017 Market Rent Index Table

- Many of the Rental Market Reports published by the Canada Mortgage and Housing Corporation (CMHC) include descriptions of the boundaries of the surveyed zones. Please see the CMHC website under "rental market surveys/Ontario" to access the free reports.

How to apply the "2017 Market Rent Index Table" as Populated

- The final figure for the 2017 market rent index is the lesser of the Rent Control Guideline and the percentage change in the local average rent.
- If CMHC data is not available at the zone level, the missing data should be replaced with data from the applicable CA or CMA level.

Attachment D

- If CMHC data is not available at the zone, CA or CMA level, the missing data should be replaced with the average Ontario-wide statistic.
 - Ontario-wide weighted average rental change used in 2017 table:
 - i. Apartments: 1.5%
 - ii. Townhouses: 1.5%
- Note: The 2017 Market Rent Index can be zero, a positive or negative number in accordance with the funding formula outlined in the Ontario Regulation 369/11.

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Guide for 2017 Index Tables

The following notes describe two documents provided by the ministry for application in the Housing Services Act, 2011 (HSA) subsidy calculation:

- 2017 Mixed Non-Profit Index Table
- 2017 100% RGI Non-Profit Index Table

2017 Index Table – Mixed Non-Profit Projects

The **2017 Mixed Non-Profit Index Table** presents a combination of indices for costs and revenues for non-profit projects. Please note that the indices for the non-profit revenue items are listed in the **2017 Market Rent Index Table** due for release in September.

2017 Index Table – 100% RGI Non-Profit Projects

The 2017 100% RGI Non-Profit Index Table presents a list of indices for individual costs items for 100% RGI non-profit projects.

Applying the Indices

The numbers provided in the 2017 tables are percentages. To apply these indices in the subsidy calculation process, the number provided in the table will need to be converted into an “index factor,” as instructed in HSA O. Reg. 369/11 Section 6.1.

For example: 2.34% converts to a “factor” of 1.0234

This factor is calculated by applying the following:

- Express the cost index as a decimal figure
- Add 1.0 to the decimal figure

For example:

- Index = 2.34%
- Decimal = 0.0234 plus 1.0
- Index factor = 1.0234

Attachment E

Or conversely (for a negative index):

For example:

- Index = -2.34%
- Decimal = -0.0234 plus 1.0
- Index factor = 0.977

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