

SH *notification*

social housing

Subject: 2019 Minimum Market Rent for Municipal Non-Profits (Section 95)

Legislation/Regulation

Release 18-02

Operational

The annual Rent Inflation Factor is used in the calculation of subsidy for projects subsidized under the Municipal Non-Profit Program (1978-1985). The Rent Inflation Factor is used to determine the Minimum Market Rent that is expected to be charged. If a non-profit housing provider does not increase market rents by this Rent Inflation Factor, they will be subject to a reduction in subsidy.

PROCEDURE

The Rent Inflation Factor, from the attached 2019 list, is inserted on Line 441, page 3A, of the Municipal NP Operating Budget Form 819(01/95). When used in the budget, the factor is expressed as 1 plus a decimal number (e.g. 2.1% would be expressed as 1.021). The Rent Inflation Factor is then multiplied by the actual market rents charged in 2017 to determine the Minimum Market Rent for 2019.

If a provider feels that it cannot charge market rents at this Minimum Market Rent level, an application may be made to the Service Manager for an exemption when the 2019 budget is submitted. The application must include supporting evidence to clearly demonstrate the inability to charge the Minimum Market Rent.

ACTION REQUIRED

- Municipal Non-Profit Housing Providers (1978 - 1985) are to use the attached 2019 Rent Inflation Factors to determine the Minimum Market Rent level for the 2019 market rents.
- If an exemption from the Minimum Market Rent level is required, an application must be submitted along with the 2019 budget. The application must include evidence to clearly support the inability to charge the Minimum Market Rent.

If you have any questions, please contact your respective Service Manager.

For additional information about the rent factors, please contact:

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Attachment: [2019 Rent Inflation Factors](#)