THE REGIONAL MUNICIPALITY OF YORK

Housing York Inc.
January 14, 2004
Report of the
General Manager

2004 MARKET RENTS

1. RECOMMENDATION

It is recommended that:

1. Housing York Inc. approve the 2004 market rents, effective May 1, 2004, as outlined in *Attachment 1* of this report.

2. PURPOSE

The purpose of this report is to set market rental rates for Housing York Inc (HYI) for 2004.

3. BACKGROUND

Housing York Inc. owns and manages 1,753 townhouses and apartments within 27 housing communities located in eight area municipalities within York Region. The Regional Municipality of York continues to directly manage the operations of this corporation under the terms of a property services agreement.

Rent charges are evaluated annually to ensure market rent charges are in line with current conditions in the local rental housing market. Market rent charges are based on a survey of the neighbouring landlords surrounding our communities, as well as information provided by the Ministry of Municipal Affairs and Housing.

4. ANALYSIS AND OPTIONS

The annual market rent survey takes into account location, age of buildings, amenities and the size of units among other factors. Market rents are determined through local ads in newspapers for rental housing, the Housing Help Centre, and contact with landlords of other similar buildings within the private and non-profit housing sector. Other sources are taken into consideration such as rent control guidelines and the Unit Rent Factor (URF) as set by the Ministry of Municipal Affairs and Housing.

The URF is the Provincial assessment of local rents for housing types in an area.

The provincial rent increase guideline is 2.9% effective January 1, 2004. The rent increase guideline establishes the maximum amount that private sector landlords may increase rent for current residential tenants without applying to the Ontario Rental Housing Tribunal. Under the *Tenant Protection Act*, a landlord may increase a current tenant's rent once a year by an amount not to exceed the guideline.

The HYI property market rents are currently quite consistent with private sector rents for similar properties. It is therefore proposed that the general rent increase for 2004 be consistent with the private sector guidelines of 2.9%.

Attachment 1 presents the proposed 2004 market rents by community as per the 2.9% guideline. The market rents for 37/39 North Street and 190 Church Street in the Town of Georgina however, will remain the same as 2003, in order to equalize the rents between the Region's two housing programs.

5. FINANCIAL IMPLICATIONS

The Municipal Non Profit Housing Program properties maintains a target of 76% rent-geared-to-income units and 24% market units, as per its operating framework under the *Social Housing Reform Act, 2000*. In 2002, the Region rented 257 units at the market rate and 243 market units in 2003. HYI is projecting 229 market rent units by 2004 year-end.

The gross operating budget of the Municipal Non Profit Housing Program for 2003 was $10,868,141 (amortization $6,924,200). Table 1 shows the breakdown.

Table 1
Source of Funding

	Amount
Region of York	$5,334,109
Federal Government	0
Resident rents	5,374,782
Other revenue	159,250
Total	**$10,868,141**

The Public Housing Program units are 100% rent geared-to-income (RGI). Rents are based on 30% of the total gross household income. This portfolio of buildings is exclusively seniors apartments, with the exception of 10 family townhouses in Sutton in the Town of Georgina.

There are however, a small number of tenants whose incomes merit a market rent. A market rent occurs when the adjusted rent (the geared-to-income-rent after any charges and allowances are applied) is greater than the established market rent for the unit.

The operating budget of the Public Housing Program for 2003 was $4,663,810 (amortization $0). Table 2 shows the breakdown.

Table 2
Source of Funding

	Amount
Region of York	$ 339,235
Federal Government	0
Resident rents	4,243,325
Other revenue	81,250
Total	**$4,663,810**

6. LOCAL MUNICIPAL IMPACT

Local municipalities continue to benefit from affordable housing offered at competitive market rents in their communities.

7. CONCLUSION

Housing York Inc. is committed to managing its housing portfolio including market units in the most cost-effective manner possible. This includes the establishment of market rents in line with the local community.

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The Senior Management Group has reviewed this report.

Prepared by:	Reviewed by:
for Terry McErlean Senior Property Manager	Sylvia Patterson Assistant General Manager
Recommended by:	Approved for Submission:
Joann Simmons General Manager	Michael R. Garrett President

December 18, 2003

Attachment - 1
TM/dm

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