

REPORT TO COUNTY COUNCIL

Oxford County Community Housing – Maximum Rent Increases for 2025 - 2027

To: Warden and Members of County Council

From: Director of Human Services

RECOMMENDATION

1. That County Council approve a multi-year increase to the maximum rents of all County owned Community Housing buildings, being 10% in January 2025, 10% in January 2026, and an additional 2.9% added to the rent control guideline in 2027, as outlined in Report HS 2024-10.

REPORT HIGHLIGHTS

- The 2025 rent increase guideline has been set by the province at 2.5%, which applies to most private residential rental units covered by the *Residential Tenancy Act, 2006*, but not community housing providers that fall under the *Housing Services Act, 2011*, including all County owned housing.
- The County's Community Housing maximum rents were last increased in 2024, with the previous increase taking place in 2012 and remain to be well below current private rental market rents, offering deeply affordable rents to residents.
- County Community Housing units are 100% rent-geared-to-income where tenants pay rent equal to or less than 30% of their income, regardless of the maximum rent amount that is applicable.

IMPLEMENTATION POINTS

Upon County Council approval of the proposed multi-year rent increases, staff will make the changes in pertinent resources, documents and in our property management system. Tenant rents that would be impacted would be implemented at scheduled annual reviews in the given year.

Financial Impact

There will not be any impact to the 2024 budget as the proposed maximum rent increases will be implemented throughout 2025-2027. The proposed rent increase will result in the potential for additional revenue of approximately \$7,000 in 2025, which will assist to offset increased operational/maintenance costs for the Oxford County Housing portfolio.

Communications




Information about Oxford County rents are posted on the County’s website. Upon County Council approval, documents will be updated and posted on the website, as well as circulated to staff and community partners to make them aware of maximum rent increases for 2025.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
<p>Goal 1.1 – 100% Housed</p> <p>Goal 1.2 – Sustainable infrastructure and development</p>		

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

The Ministry of Municipal Affairs and Housing (MMAH) releases rent control guidelines each year that prescribe the maximum percentage landlords can increase the rent for a rental unit that is not exempt from rent control, or the subject of an above-guideline rent increase application to the Landlord Tenant Board. For 2025, the maximum rent increase has been set at 2.5%, which is below the average inflation rate of 3.1%. Market or maximum rent may be increased once every 12 months and must be preceded by a proper written notice that is given a minimum of 90 days in advance of the increase. The rental increase cap does not apply to rental units first occupied after November 15, 2018.

The guideline is based on Ontario's Consumer Price Index, a measure of inflation calculated by Statistics Canada using data that reflects economic conditions over the past year. Under the *Residential Tenancies Act*, the guideline for 2025 is capped at 2.5% in an effort to help protect tenants from rising interest rates that would result in higher rent. Without the cap, the recent rate of inflation would have resulted in an increase of 3.1% in 2025.

Oxford County Community Housing units are legislated to be all rent-geared-to-income (RGI) which means that rents are determined based on a formula capping rents at 30% of household income, or for social assistance recipients a rent table based on household size determines rental amounts. Oxford County units have maximum rents that are well below current private market rents as outlined in Table 1. Prior to the 2.5% increase approved by Council for 2024, the maximum rents for Oxford County units had not been increased since 2012.

Comments

The County's housing portfolio consists of 135 family units and 501 bachelor/1 bedroom units, which are all RGI.

Once a year, on a tenant's move-in date, household income is reviewed and, if applicable, adjustments to the tenant's rent are applied. This could be an increase or a decrease depending on the tenant's income, household size or other factors. If there are no changes to the tenant household and income, there are no changes to the rent in those situations.

Eligibility for RGI uses income limits established by the Ministry of Municipal Affairs and Housing (MMAH). An RGI household pays equivalent to the maximum rent when their income increases resulting in an RGI rent amount equal to or above the maximum rent. In these instances, the RGI household is still not paying more than 30% of their income on rent and often is paying less than 30% on shelter costs.

A household can pay the maximum rent for 24 consecutive months before losing their RGI eligibility. A household paying maximum rent during the 24-month period is still considered to be an RGI household and must comply with all RGI eligibility criteria. The household can receive RGI assistance again if their income decreases during the 24-month period. Once the household continues to pay market rent for 24 consecutive months the household becomes ineligible for RGI, and Oxford County staff must notify the household in writing of their ineligibility for RGI and their right to request a review before the end of the 24-month period.

Market Rent Comparison

Table 1 outlines the current maximum rents for County RGI Housing buildings, the Average Market Rent (80% AMR) for affordable housing, as set by MMAH, and the actual rents in the private market as of June 2024. The table shows the rents of each type of housing to illustrate the rental gaps along the housing continuum. While community housing typically has market/maximum rents lower than the private market you can see that over time Oxford County has fallen well behind in maintaining rents in alignment with market conditions.

Table 1: Comparison of County Rents for RGI, 80% AMR for Affordable Housing and Actual Private Market Rents

Municipality	Unit size	County Maximum Rent for RGI	80% AMR for Affordable Housing	Actual Private Market Rents
Ingersoll	1 bedroom	\$652	\$949	\$1,295
	2 bedroom	\$800	\$1,106	\$1,590
	3 bedroom	\$889	\$1,592	\$2,148
	4 bedroom	\$947	NA*	NA*
Norwich	bachelor	\$506	\$749	\$1,650
	1 bedroom	\$652	\$949	\$1,732
Tavistock	1 bedroom	\$652	\$949	\$1,732
Thamesford	1 bedroom	\$652	\$949	\$1,732
Tillsonburg	Bachelor	\$506	\$749	\$1,650
	1 bedroom	\$675	\$949	\$1,619
	2 bedroom	\$829	\$1,106	\$1,664
	3 bedroom	\$917	\$1,592	NA*
	4 bedroom	\$978	NA*	NA*

Municipality	Unit size	County Maximum Rent for RGI	80% AMR for Affordable Housing	Actual Private Market Rents
Woodstock	Bachelor	\$525	\$749	\$1,650
	1 bedroom	\$699	\$949	\$1,732
	2 bedroom	\$859	\$1,106	\$2,064
	3 bedroom	\$947	\$1,592	\$2,475
	4 bedroom	\$1,008	NA*	NA*

*Note NA indicates that the data is suppressed and not available

Table 2 outlines the rent control guidelines increases for market rents since 2013 as set by MMAH, representing a total increase of 22.9% applied over the 13 years.

Table 2: Rent Control Guidelines for Market Rent Increase

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
%	2.5	0.8	1.6	2.0	1.5	1.8	1.8	2.2	0.0	1.2	2.5	2.5	2.5

Proposed Multi-Year Rent Increase

Community Housing providers such as Oxford County Community Housing are exempt from the rental control guidelines and can implement an above-guideline increase to the maximum rents. It is being proposed to implement a multi-year increase over the next 3 years for increasing the maximum rents for the Oxford County housing buildings. The proposed phased approach will see rents align with what they would have been, had rent increases been applied annually since 2013. Community Housing units will typically have rents on the lower side of market rents to offer deeply affordable units to residents in need. Oxford County Community Housing maximum rents will continue to be well below the private market rental rates. A multi-year approach to phase in rent increases over three years will minimize any impacts to tenants.

Table 3 outlines the current maximum rents for Oxford County Community Housing buildings and the impact of a multi-year approach for increasing the maximum rents over a 3-year period starting in 2025. Approximately 75 tenants (or 12% of tenants) are currently paying maximum rent and would potentially see an increase to their monthly rental costs. 43 (or 7%) of the market rent paying tenants have been paying market rent for longer than 24 months. It is important to note that any RGI tenant will not pay greater than 30% of their income on rent, therefore maximum rent increases have a minimal impact on RGI tenants.

Table 3: Multi-Year Increase Impact on Maximum Rents for Oxford County Housing Buildings

Municipality	Unit size	2024 Maximum Rent	2025 Maximum Rents (10%)	2026 Maximum Rents (10%)	2027 Maximum Rents (2.9% + Rent Control Guideline for 2027)
Ingersoll	1 bedroom	\$652	\$717	\$788	TBD
	2 bedroom	\$800	\$880	\$968	TBD
	3 bedroom	\$889	\$977	\$1,074	TBD
	4+ bedroom	\$947	\$1,041	\$1,145	TBD
Norwich	bachelor	\$506	\$556	\$611	TBD
	1 bedroom	\$652	\$717	\$788	TBD
Tavistock	1 bedroom	\$652	\$717	\$788	TBD
Thamesford	1 bedroom	\$652	\$717	\$788	TBD
Tillsonburg	Bachelor	\$506	\$556	\$611	TBD
	1 bedroom	\$675	\$742	\$816	TBD
	2 bedroom	\$829	\$911	\$1,002	TBD
	3 bedroom	\$917	\$1,008	\$1,108	TBD
	4+ bedroom	\$978	\$1,075	\$1,182	TBD
Woodstock	Bachelor	\$525	\$577	\$634	TBD
	1 bedroom	\$699	\$768	\$844	TBD
	2 bedroom	\$859	\$944	\$1,038	TBD
	3 bedroom	\$947	\$1,041	\$1,145	TBD
	4+ bedroom	\$1,008	\$1,108	\$1,218	TBD

Over the past several years Oxford County Community Housing is seeing an increasing number of tenants who become market tenants remain in the RGI unit rather than moving into the private market. It is understandable as the County's maximum rents are well below the rents in the private market. Under legislation, the County is not able to move someone out of an RGI unit when the household income exceeds the income limit. If a market rent paying tenant remains in an RGI unit paying market rent this removes that deeply affordable unit from the inventory. Should Oxford County Community Housing have maximum rents that align more with private market rents, there is the potential for the market rent paying tenants in RGI units to move into the private market making that subsidized unit accessible to a household who needs

it. As of August 2024, there are over 2,000 eligible applicants on the central wait list for an RGI unit.

The potential of increased revenue from applying the rent increase of 10% in 2025 can offset some of the operational costs related to the buildings such as utilities which continue to increase each year. In 2025 budget planning, it is projected that the hydro costs will increase by approximately 9.34% (or \$49,300), water costs will increase by 2.75% (or \$6,300) and heating costs will decrease by approximately 8.35% (or \$26,900) compared to the 2024 budget. The overall utility costs for 2025 are estimated to be \$28,700 more than the 2024 budget. While the increase in maximum rents will not cover all of these costs it will be able to offset some increases in the expenses for the housing portfolio.

CONCLUSIONS

Staff are recommending a multi-year increase of 10% in 2024, 10% in 2025 and 2.9% in 2026 to allow for Oxford County Community Housing rents to catch up to prior years' increases. It is good practice to implement the rent control guideline each year to support increased operational costs for the housing buildings and to maintain alignment to lower end market rents. Oxford County has not applied the rent increase annually over the past several years which has resulted in maximum rents well below market conditions.

SIGNATURES

Departmental approval:

Original signed by

Kelly Black
Director of Human Services

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer