



## City Guideline – 2025-5: Factors to be used in 2026 Fiscal Year to Calculate Subsidies – 100% RGI

Date issued	Effective date
August 18, 2025	Immediately

### Applicability to Social Housing Programs

The City Guideline is applicable to the programs indicated in the table below.

#### Applicability Program

	Housing Services Act, Part VII Housing Projects, Market and Rent-Geared-to-Income, Section 78
✓	Housing Services Act, Part VII Housing Projects, 100% Rent-Geared-to-Income, Section 78
	Other alternative mandated units
	Federal non-profit housing buildings, Section 26/27
	Federal non-profit housing buildings, Section 95
	Rent Supplement programs, including for Sections 26, 27, 95, Affordable housing buildings, and commercial rent supplement units
	Toronto Community Housing Corporation
	Toronto Seniors Housing Corporation

If your program is not checked in the Applicability column, this City Guideline does not apply.

### About City Guidelines

Under the authority of the Housing Services Act, the City of Toronto, Housing Secretariat, City Guidelines and Rent-Geared-to-Income (RGI) Manual are the authority for housing administration and RGI administration for social housing providers in the City of Toronto.

City Guidelines are the City of Toronto's mandatory policies and procedures that social housing providers must follow. City Guidelines are most often issued when a Local Rule is established by the City of Toronto, the Rent-Geared-to-Income (RGI) manual is updated, or other relevant legislative changes or operational requirements occur. City Guidelines which impact RGI have been incorporated into the RGI Manual.

Please see [www.toronto.ca/socialhousing](http://www.toronto.ca/socialhousing) for more information.

## Background

The [Ministry of Municipal Affairs and Housing](#) provides indices for costs and revenues used to calculate subsidies under the *Housing Services Act, 2011* (HSA) on an annual basis.

## What you should know about Cost Factors

Cost factors are inflationary factors used to calculate:

- the indexed Benchmark operating costs within the operating subsidy calculation; and
- capital replacement reserve fund allocations.

Housing providers must use the following cost factors when calculating their subsidies for fiscal years beginning in 2026.

**Table 1 - 2026 Indices for Benchmark Costs for 100% RGI Non-Profit Projects**

Item	Index Description	2026 Index
Administration and maintenance	Ontario CPI - All items	1.65 %
Insurance	Ontario CPI - Homeowner's home and mortgage insurance sub-index	5.31 %
Bad debt	Ontario CPI All-items	1.65 %
Electricity	Ontario CPI - Electricity sub-index	0.35 %
Water	Ontario CPI - Water sub-index	4.33 %
Natural gas	Ontario CPI - Natural gas sub-index	-13.98 %
Oil and other fuel	Ontario CPI - Oil and other fuel sub-index	-7.64 %
Capital reserves	Ontario CPI - All items	1.65 %

## Actions required

All Part VII, 100% Rent-Geared-to-Income, Section 78 Housing Providers must use the indices indicated in Table 1 to calculate the indicated benchmark costs items for fiscal years beginning in 2026.

## Questions

If you have any questions, please contact your Housing Consultant or HSS:

### **Housing Stability Services**

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### ***ORIGINAL SIGNED***

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Housing Stability Services

August 14, 2025