



City Guideline – 2025-4: Factors to be used in 2026 Fiscal Year to Calculate Subsidies - Market & 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
	Rent Supplement agreements with the City of Toronto
	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, 2011*, 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 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.

Please see the City of Toronto's [RGI Administration Manual](#) for more details on applicant households.

Table 1 - 2026 Indices for Benchmark Costs for Mixed Non-Profit Projects

Item	Index Description	2026 Index
Administration and maintenance	Ontario CPI - All items	1.65 %
Insurance	Ontario CPI - Homeowners' home and mortgage insurance sub-index	5.31 %
Bad debt	Market Rent Index	See MRI Table 3 below
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 %

Table 2 - 2026 Indices for Benchmark Revenues for Mixed Non-Profit Projects

Item	Index Description	2026 Index
Indexed market rent	Market Rent index	See MRI Table 3 below
Vacancy loss	Market Rent Index	See MRI Table 3 below
Non-rental revenue	Factor of 1	Factor of 1

What you should know about Market Rent Indices

- There are different Market Rent Indices (MRI) for each of the rent districts in Toronto.
- Apartments and townhouses each have separate MRI tables.
- Housing providers are required to use the correct MRI to calculate their subsidy.
- There are no MRI for stacked row housing, for any units considered to be stacked row housing, providers should use the apartment MRI.

Table 3 - 2026 Toronto Market Rent Indices (MRI)

Toronto District	Rent District Codes	Apartment Average Rent	(Row)Townhouse Average Rent
		2026 Market Rent Index	2026 Market Rent Index
Toronto Zone 1 - Former City of Toronto (Central)	M1A1	-1.0 %	2.1 %
Toronto Zone 2 - Former City of Toronto (East)	M1A2	2.1 %	2.1 %
Toronto Zone 3 - Former City of Toronto (North)	M1A3	-2.0 %	2.1 %
Toronto Zone 4 - Former City of Toronto (West)	M1A4	-0.4 %	2.1 %

Toronto Zone 5 - Etobicoke (South)	M1C1	2.1 %	2.1 %
Toronto Zone 6 - Etobicoke (Central)	M1C2	-9.0 %	-10.1 %
Toronto Zone 7 - Etobicoke (North)	M1C3	2.1 %	2.1 %
Toronto Zone 8 - York	M1F	2.1 %	2.1 %
Toronto Zone 9 - East York	M1B	2.1 %	2.1 %
Toronto Zone 10 - Scarborough (Central)	M1E1	-3.0 %	2.1 %
Toronto Zone 11 - Scarborough (North)	M1E2	2.1 %	2.1 %
Toronto Zone 12 - Scarborough (East)	M1E3	-5.2 %	2.1 %
Toronto Zone 13 - North York (Southeast)	M1D1	2.1 %	-7.8 %
Toronto Zone 14 - North York (Northeast)	M1D2	2.1 %	-2.5 %
Toronto Zone 15 - North York (Southwest)	M1D3	2.1 %	2.1 %
Toronto Zone 16 - North York (North Central)	M1D5	2.1 %	2.1 %
Toronto Zone 17 - North York (Northwest)	M1D4	-1.8 %	-1.7 %

Actions required

All Part VII, Market and Rent-Geared-to-Income, Section 78 Housing Providers must use the indices indicated in Tables 1, 2 and 3 to calculate the indicated cost items and revenues, as well as their operating and RGI subsidies for their fiscal year beginning in 2026.

Questions

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

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