CITY OF MISSISSAUGA
GUIDELINES FOR APPLICATION REVIEW
RENTAL HOUSING DEMOLITION OR CONVERSION

Endorsed by Mississauga City Council at its meeting on
June 5, 2019

Updated July 31, 2026

City Planning Strategies Division
Planning and Building Department

MISSISSAUGA

Contents

GUIDELINES FOR APPLICATION REVIEW
RENTAL HOUSING DEMOLITION OR CONVERSION

Purpose

These Guidelines for Application Review – Rental Housing Demolition or Conversion (Guidelines) provide an overview of how to proceed when an application is made for a demolition or conversion of a residential rental property, either independent of, or in conjunction with a development application. The Guidelines support the administration of the Rental Housing Protection By-law 121-2018 (By-law) approved June 20, 2018 and in effect June 1, 2019. The Guidelines were endorsed by Council on June 5, 2019. The Commissioner of Planning & Building is delegated the authority to develop and revise these Guidelines under s. 8(2) of the By-law.

In June 2026, the By-law was updated to include modifications to tenant applicability and replacement unit requirements, as well as the addition of new tenant assistance and accommodation requirements. These Guidelines were updated to address the new requirements.

Authority

The By-law was approved under the authority of Section 99.1 of the *Municipal Act, 2001.* This allows cities to regulate the demolition and conversion of residential rental properties containing six or more units. Applications to demolish or convert more than six dwelling units will require a Section 99.1 Permit. In most cases, a Section 99.1 Permit will require Council approval. This By-law is consistent with Mississauga Official Plan Policy 5.3.4.2, which prohibits demolitions and conversions if the supply of affordable rental housing is adversely affected.

Background

Purpose-built rental housing is an important part of the City's housing supply. The loss of rental housing that is affordable to low- and moderate-income households (or less than 1.25 times the vacant unit average market rent) has become a growing concern in recent years. As the City continues to grow there is an ongoing need to protect affordable rental housing to ensure that diverse housing options remain in Mississauga.

The existing purpose-built rental housing supply comprises approximately 30,000 units in over 350 apartment buildings and townhouse developments. The supply is older, with most units built nearly 50 years ago. The development of new rental buildings has only recently accelerated after decades of slow growth.

The Rental Housing Protection By-law implements Actions 12 and 13 of the City's Housing Strategy and Action Plan, Making Room for the Middle.

Objectives

Rental housing provides stable housing options for low- and middle-income households when home ownership is not financially feasible or where rental tenure is preferred. The objectives of the Rental Housing Protection By-law are to:

1. Continue to ensure that the stock of existing rental units (affordable up to the 6th renter income decile) is replaced and retained as affordable in the redevelopment for a defined term
2. Support existing tenants through the transition while the building is redeveloped
3. Protect existing tenants' right to return to replacement rental units
4. Ensure that any replacement rental units that fall vacant over the defined term continue to remain at similar affordability levels
5. Address the required technical guidance for developers and tenant organizations to ensure process efficiencies.

These Guidelines provide a range of options for applicants to meet the objective of no net loss of affordable rental units because of a development proposal.

Determining when the By-law applies

- The By-law applies to proposals to demolish (or convert to condominium/ownership tenure) residential rental properties containing six or more dwelling units. This includes apartments or townhouses that were built at the outset as rental housing.
- The By-law does not apply to equity co-operatives, co-ownership properties, lodging homes, life lease projects and designated and non-profit housing projects owned, operated or managed by Peel Region or Peel Living.

Application Process & Information Required

- A proposal to demolish or convert residential rental properties where there are six or more dwelling units will trigger the need for a Section 99.1 Permit and a municipal review.

- The application form can be found on the City's Rental Housing Protection website: http://www.mississauga.ca/portal/residents/rental-housing-protection.

- Demolition and conversion applications are evaluated on a case-by-case basis.

- As outlined under s. 9 of the By-law, applications for a Section 99.1 Permit shall include the following information:

    - description of the proposed demolition or conversion;
    - the number of existing dwelling units;
    - the number of existing and proposed rental units by unit type, including number of bedroom and floor area;
    - the rent roll(s) including utilities for each of the existing rental units within the residential rental property, categorized by unit type;
    - a list containing the names and mailing addresses of the tenants of the residential rental property proposed for demolition or conversion;
    - identification of any related planning applications;
    - where applicable, a proposal for the replacement or retention of the rental units proposed for demolition or conversion;
    - a proposal for tenant engagement by the owner or applicant, including consultation and education;
    - any additional information or documentation required to evaluate the application, as specified by the Commissioner; and,
    - applicable fees (Note: there are no additional fees for this Section 99.1 Permit application process).

- The application process will determine the number of units that are protected under the By-law, and the types of conditions that may be imposed on the Section 99.1 Permit. Applicants will be required to fill out a form that includes data on existing unit types and rents (Attachment A).

- Section 99.1 Permits may be granted based on conditions such as giving existing tenants the right of first refusal to return and retaining or replacing affordable rental units, to be secured by a legal agreement registered on property title.

Evaluation of Applications

The evaluation process will rely on CMHC data for existing rents to determine when the replacement or retention of rental units is required. This data will be updated yearly and contained in the Guidelines (below) and posted on the City's Rental Housing Protection website:
http://www.mississauga.ca/portal/residents/rental-housing-protection.
If you have any questions, please contact RHP@mississauga.ca.

Purpose-built rental units must be replaced or retained when existing rents for the units are less than the affordable rate of 1.25 times the vacant unit average market rent (see table below for rents by unit type).

2025 Average Rents – City of Mississauga		
	Vacant Unit Average Market Rent	1.25 x Vacant Unit Average Market Rent
Apartment		
Bachelor	$1,695	$2,119
1 Bedroom	$2,033	$2,541
2 Bedroom	$2,472	$3,090
3 Bedroom +	$2,923	$3,654
*Based on based on table 3.1.9, Zones 18-20, in the CMHC Rental Market Survey.		

When rent levels are <u>at or below</u> 1.25 times vacant unit average market rent, a Section 99.1 Permit for demolition or conversion is required and <u>may be</u> issued subject to appropriate conditions for replacement or retention of rental units to be secured by an agreement registered on title.

Replacement of Rental Units (Demolitions)

Where demolitions of rental units are proposed and replacement of the existing rental units is required, the City and the applicant will be required to enter into legal agreement(s) registered on title to secure the replacement conditions, which will be based on the following as outlined under s. 21 of the By-law:

- Requirements securing eligible tenants' right to return to the replaced or retained rental units at similar rents, and associated notification requirements.

- One-to-one (100%) replacement of rental units, to be retained as rental tenure for a period of 20 years.

- Replacement units will have similar rents[1] for a period of 10 years.

- Each affordable rental unit will be replaced with the same unit type (unit type is defined by the number of bedrooms) and within 8% of the original unit's Gross Floor Area.

- Requirements for the owner to provide financial compensation payable to eligible tenant(s), in addition to any compensation required under the *Residential Tenancies Act, 2006.*

- Requirements that the owner provide assistance to eligible tenant(s) to find an alternative unit that meets their needs, prior to the eligible tenant(s) vacating a rental unit proposed for demolition.

- Requirements that the owner ensures eligible tenant(s)' accessibility needs are considered and prioritized when assigning the replaced rental units.

- Affordable rental units may be replaced on-site, off-site or through a cash-in-lieu contribution associated with replacement or retention requirements (see below sections for details).

Tenant Assistance

- Within 14 days of the submission of a complete application to the City, tenants must be provided with notice of the application by the property owner.

- The owners will be required to inform tenants of their rights and provide consultations.

- The City will require proof that tenants have been informed of the application, have demonstrated they understand their rights and eligible tenants have retained or waived their right of first refusal to return to the replacement affordable rental units. Eligible tenants are those living in

[1] Similar rents are defined as the last rent paid by the tenant with an increase no higher than the annual Provincial Guideline.

the building (with a legal tenancy agreement) at the time that the notice of the application is delivered and who stay until the notice to vacate is delivered.

- The tenants will be provided with an acceptable alternative replacement unit by the owner or will receive rent-gap compensation during the construction period. The amount of compensation will be the difference between the tenant's current rent and Vacant Unit AMR, for every month the tenant is out of their unit.
- Tenants will also receive a moving cost contribution from the owner in the amount of $1,000 for units up to 750 sq ft. and $1,500 for units over 750sq ft.
- The owner will be required to hire a real estate service or housing support worker to help tenants find temporary units that meet their needs during the construction period. Meaning that, housing should be within the tenants' budget, units have the same number of bedrooms and are within a similar geographic area (i.e. same school district if they have children). The owner will ensure eligible tenant(s)' accessibility needs are considered and prioritized when finding temporary units.

Tenant Matching for Vacant Units

Vacant units may occur in situations where a tenant chooses not to return after construction, or where tenants leave within the 10-year affordability period. Vacant units need to be maintained at similar rents as the most recent tenant paid. New tenants for these units will be selected based on the tenant's household income, which will be matched to the affordability level (using renter income deciles) of the vacant unit's rent.

Tenant matching for the vacant units will be an administrative role that will be undertaken by the Region of Peel under its Below Market Housing Administration Program, or by qualified non-profit organizations under a similar program.

Off-site Replacement of Rental Units

The off-site replacement of affordable rental units may be considered when the applicant has demonstrated to the satisfaction of the Commissioner of Planning & Building that on-site replacement is not feasible or appropriate, or that off-site replacement in a comparable location is preferred.

As outlined under s. 25 of the By-law, comparable locations include but are not limited to consideration of the following factors:

- type of residential rental property (apartment or townhouse);

- proximity to existing and proposed transportation options, including transit service;
- proximity to community infrastructure such as, recreational facilities, libraries, police stations, schools and places of religious assembly;
- proximity to commercial services and amenities; and,
- the timeframe when the new affordable rental units will be available for occupancy.

The applicant will provide a rationale to justify that the location is comparable.

Cash-in-lieu Replacement of Rental Units

Cash-in-lieu contributions for the replacement value of the units may be considered where units cannot be replaced as specified in the Rental Housing Protection By-law.

Cash-in-lieu contributions include the cost to acquire land and construct the unit, exclusive of parking. The requirement to include parking costs will be determined on a case-by-case basis and can range from $40,000 to above $70,000 per parking space.

Calculation of Value Methodology

Cash-in-lieu values by unit type will be determined through a market assessment. The methodology for the replacement value will include calculations of:

- Hard construction costs using prototypical construction cost estimates from the Altus Canadian Cost Guide.
- Soft development costs using the Altus Canadian Cost Guide and observations from N. Barry Lyon Consultants (NBLC) research firm.
- Land value using average transaction prices from mid- and high-rise apartments during the last 2 years.

Construction costs can vary significantly from property to property and can be influenced by a wide range of factors. The market assessment includes a high-level range of prototypical development costs and uses the midpoint of each cost range for hard and soft costs and land value.

These contributions will not be permitted where affordable rental units are located:

- along Hurontario Street and Dundas Street; or,

- within designated Major Transit Station Areas.

Cash-in-lieu contributions will be directed to the City's Housing Reserve Fund that will be used for the development of new rental units. Every opportunity will be taken to ensure these funds are applied to the community from which the units are removed. These funds are distinct from any other contributions that might be secured for community benefits.

Retention of Rental Units (Conversions)

Where conversions of rental units to condominium or other ownership tenures is proposed and retention of the affordable rental units is required, agreements will be needed to retain the units based on the following:

- One-to-one (100%) retention of affordable rental units for a period of 20 years.
- Retained units will maintain similar rents for a period of 10 years.[2]
- A cash-in-lieu contribution to the City's Housing Reserve Fund may be permitted in-lieu of retention associated with retention requirements.

Section 99.1 Process (Step-by-Step)

- The decision to approve applications that demolish/convert less than six rental units is delegated to the Commissioner of Planning and Building.
- The decision to approve applications that demolish/convert six or more units is made by Council.

Demolition Step-by-Step

- Pre-consultation – applicant informed of City's Rental Housing Protection By-law and the requirements to replace residential rental units on-site, off-site or by cash-in-lieu where applicable.
- Complete Application – submission to include information on current rent rolls and number of units, consultation with tenants and proof that tenants are aware of the application and their rights.
- Circulation and review of application.
- Identification of the number of units to be replaced as rental and

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[2] Similar rents are defined as the last rent paid by the tenant with an increase no higher than the annual Provincial Guideline.

recommended terms (including list of eligible tenants, tenant compensation during the construction period, rents to be charged upon return and timelines).

- Applicant proposal received and evaluated.
- Report to Council – City staff recommendation report to Council, if required.
- Council Conditional Approval (or Commissioner by delegated authority), including any conditions on an approved permit.
- Applicant and staff collaborate to clear conditions (i.e. Legal agreements executed and registered on title, compensation paid, etc.)

Important Timelines and Milestones for Tenants

TIMELINE	MILESTONE	DETAILS
14 days after the property owner makes a Section 99.1 Permit application to the City	*Notice of Complete Application* sent to all tenants	Informs tenants that an application to demolish/convert their units has been received by the City and informs them of their rights and estimated timelines.
6-12 months after the owner submits application (can vary by application and site)	Staff review the application and write a Corporate Report to City Council (approval in principle)	Tenant engagement will be conducted, the application reviewed, and City staff will write a report recommending conditions for the Section 99.1 Permit (including replacement rents, tenant compensation, etc). City Council will then approve or deny the Section 99.1 Permit with appropriate conditions.
6 months before tenants need to vacate their units for demolition	*Notice to eligible tenants* (notice to vacate) sent to all eligible tenants	The owner will provide information to tenants including their move out date, alternative unit options or compensation owing to the tenant (including moving contributions) and provide them with the *Tenant Intention Form.*
125 days after Notice to eligible tenants delivered	Tenants to return *Tenant Intention Form* to owner	Tenants will indicate their preference whether to return to a replacement unit on site or waive their right to return (move somewhere else).

TIMELINE	MILESTONE	DETAILS
4 months before re-occupancy (replacement units ready for move-in)	*Occupancy Information Notice* sent to eligible tenants	Owner will provide information to tenants on their move-in date and the rents to be charged for the replacement unit.
30-60 days before re-occupancy	*Tenancy Agreement Clauses* signed by eligible tenants	New lease signed by tenants.
Every year after re-occupancy	Annual Declaration Forms	Tenants and owner sign and submit annual declaration forms that state the affordable rents that are being charged in the new units.

Conversion (to condominium/ownership tenure) Step-By-Step

- Pre-consultation – applicant informed of City's Rental Housing Protection By-law and the requirements to retain residential rental units.
- Complete Application – information on current rent rolls and number of units, consultation with tenants and proof that tenants are aware of the application and their rights.
- Circulation and review of application.
- Identification of number of units to be retained as rental and recommended terms.
- Applicant proposal received and evaluated.
- Report to Council – City staff recommendation report to Council, if required.
- Council Decision (or Commissioner by delegated authority), including any conditions on an approved permit.
- Applicant and staff collaborate to clear conditions (i.e. Agreements to retain affordable rental units executed, etc.)

Attachment A: Rental Information Table

Table to be completed for application to demolish or convert rental units.

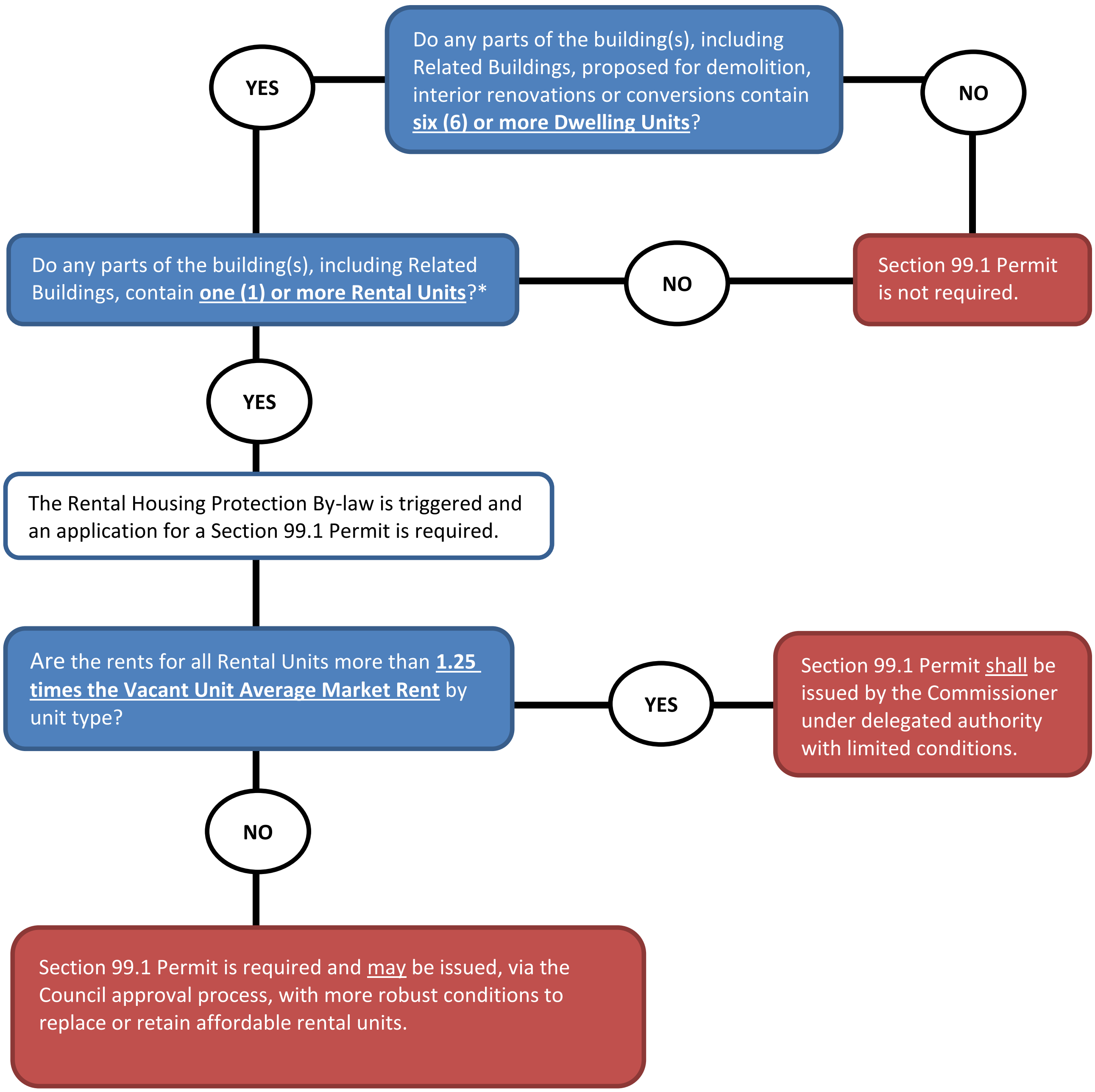
Summary of Existing Rental Unit Types and Rent					
Unit Type	Vacant Unit Average Market Rent*	Number of Units Below Affordable Threshold (Less than 125% of Vacant Unit AMR)	Affordable Threshold (125% of Vacant Unit AMR)	Number of Units Above Affordable Threshold (Greater than 125% of Vacant Unit AMR)	Total Units
Apartment					
Bachelor	$1,695		$2,119		
1-Bedroom	$2,033		$2,541		
2-Bedroom	$2,472		$3,090		
3-Bedroom +	$2,923		$3,654		

*Based on based on table 3.1.9, Zones 18-20, in the CMHC Rental Market Survey.

**Ensure that the totals for all columns are noted and that the grand total comprises 100% of the existing rental units for the property.

Attachment B: Flowchart illustrating when the By-law applies

The following flowchart is for general information only and is not intended to be determinative. Prospective applicants should discuss their proposal directly with City staff to determine the need to apply for a Section 99.1 Permit.



***Rental Unit** means a dwelling unit used, or intended for use, for residential rental purposes. This includes a dwelling unit that has been used for residential rental purposes and is vacant.

Note: the Commissioner is authorized to approve an application when the Residential Rental Property at the time of the application has six or more Rental Units, and: (a) The combined number of existing Rental Units affected by the proposed Demolition or Conversion and any previous Demolition or Conversion activities within the preceding five-year period is less than six; and (b) The proposed Demolition or Conversion will not reduce the number of Rental Units to less than six.