

Rental Housing Protection By-law Review

Engagement Sessions

March 2026

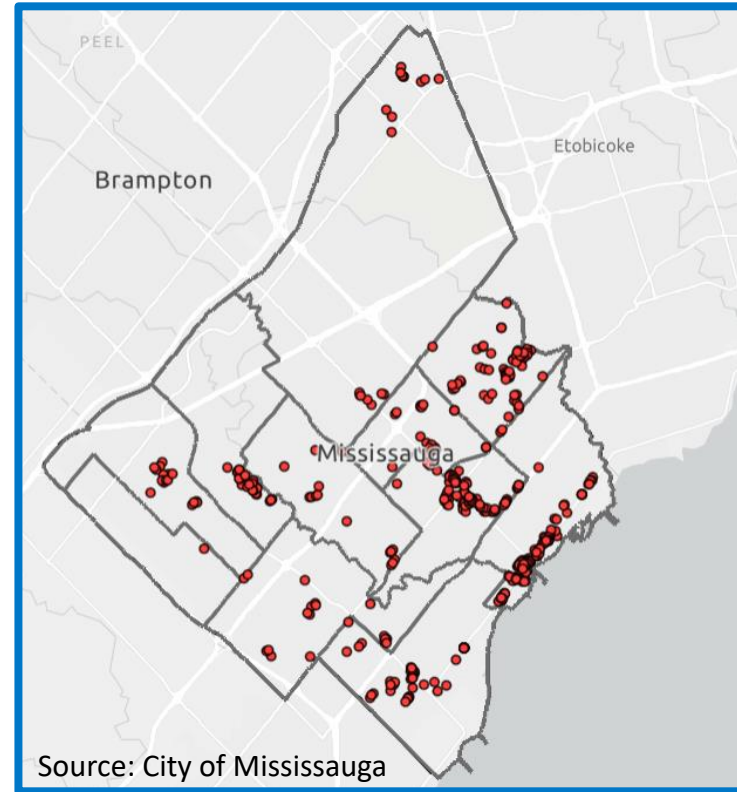


The background features a white triangle on the left side, which is partially overlaid by a large, dark blue triangle pointing downwards from the top right. To the right of the white triangle, there are two overlapping triangles: a medium blue one on top and a lighter blue one on the bottom, both pointing downwards.

Study Purpose and Objectives

Existing Rental in Mississauga

- 361 existing rental buildings with 6 or more units
- 86% of buildings were built before 1990
- In 2025, the average market rent (AMR) of occupied units was \$1,830 and vacant units was \$2,270



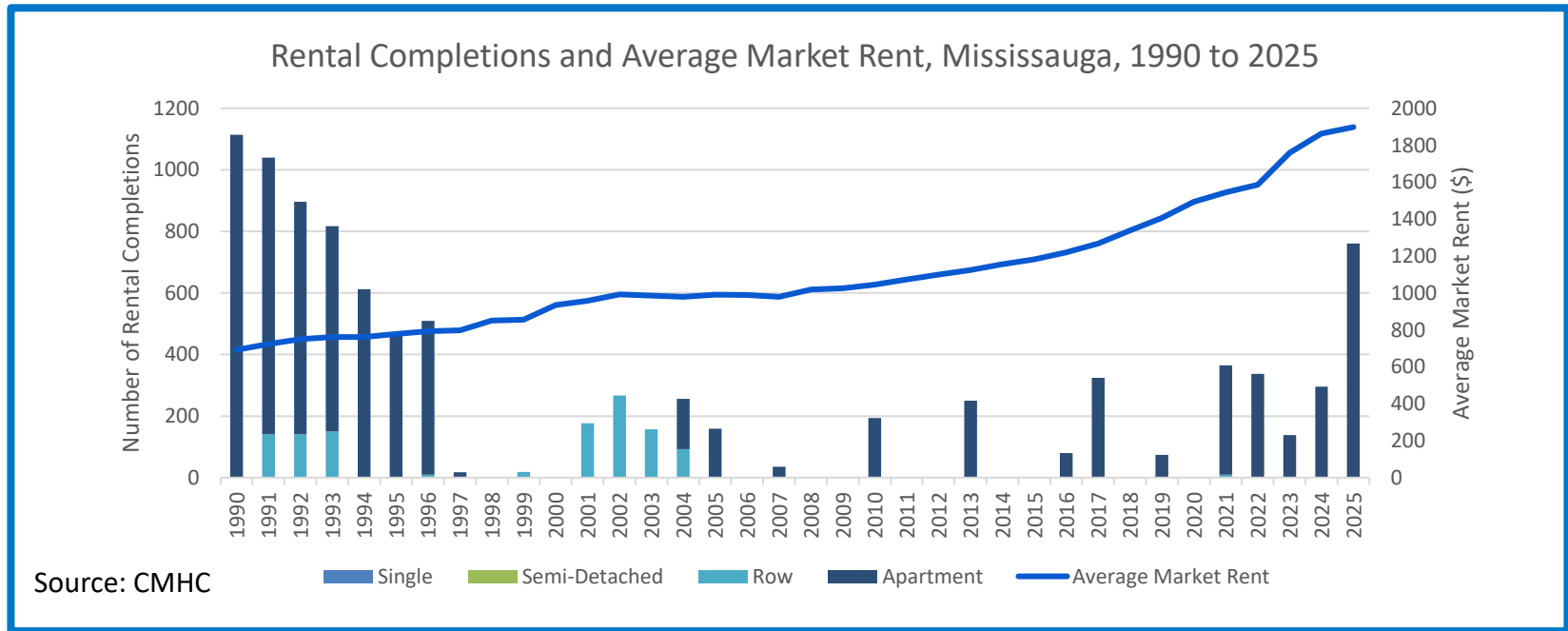
Renter Household Income & Affordability

- In the Toronto Census Metropolitan Area, about 43% of renter households pay rent that exceeds 30% of their income.
- In Mississauga, 6th income decile households can afford up to \$2,570 in rent

Renter Income Deciles	Household Income, 2025	Affordable Rent, 2025
Decile 1	\$28,200	\$710
Decile 2	\$43,100	\$1,080
Decile 3	\$58,000	\$1,450
Decile 4	\$72,300	\$1,810
Decile 5	\$86,700	\$2,170
Decile 6	\$102,800	\$2,570
Decile 7	\$122,600	\$3,070
Decile 8	\$144,900	\$3,620
Decile 9	\$185,800	\$4,650

Source: Statistics Canada and City of Mississauga

Completions and Rent Prices Increase

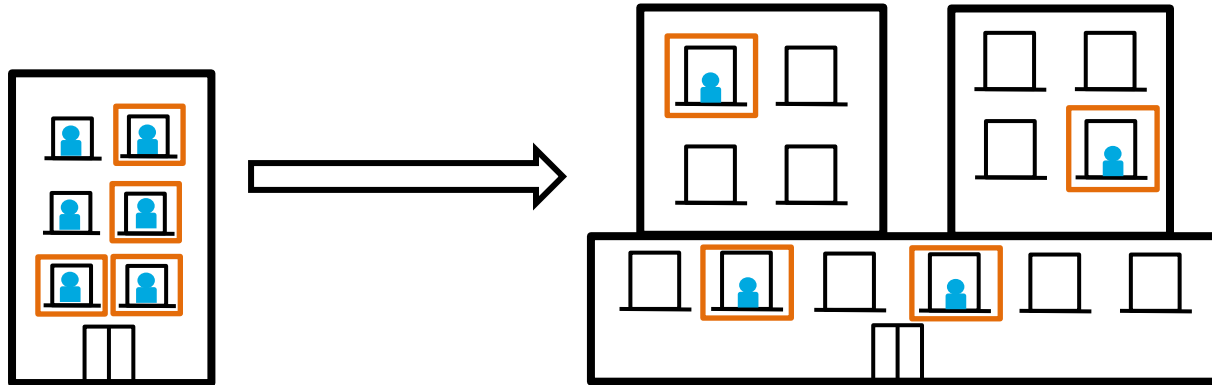


City Incentives

- **\$44 million** in incentives to build new affordable and below market rental units through the Affordable Rental Housing Community Improvement Plan (CIP). (Recommendation to increase this to **\$69 million** on Mar 30, 2026)
- Development Charge (DC) incentives for new rental units which helps support viability of CIP projects

RHP By-law Current Requirements

- For properties with 6 or more rental units, certain units must be retained or replaced at similar rents through redevelopment
- Current tenants have first right of refusal for replacement units



RHP By-law Timeline

**June
2018**

- By-law was enacted by council.
- Protects a renter's right to return to a unit of similar rent and number of bedrooms.

**March
2025**

- By-law was updated to align with other local rental protection by-laws related to vacancy rate.
- Council directed staff to review the By-law and conduct industry engagement.

**2025 -
2026**

- Staff are conducting engagement and a review of the By-law.
- Staff will present their finding and recommendations to PDC and Council.

RHP By-law Review Objectives



1. Continue to ensure the retention of **affordable rental housing stock**



2. Support **existing tenants** through the reconstruction phase



3. Protect **existing tenants' right to return** to replacement rental units



4. Ensure replacement units **remain affordable** over a defined term



5. Address **technical guidance** for developers and tenants

Update Overview

Tenant Compensation

- Options for rent gap compensation during construction period
- Moving contributions
- Assistance finding alternative accommodations

Applicability

- “Eligible tenant” definition
- Vacancy rate requirement
- Affordability threshold requirement

Replacement Rents

- Options for replacement unit rents for eligible returning tenants

The background consists of several overlapping triangles in various shades of blue (dark blue, medium blue, and light blue) and white. The triangles are arranged in a way that creates a dynamic, geometric pattern. The text 'Tenant Compensation' is centered horizontally and partially overlaps the white and light blue areas.

Tenant Compensation

Rent Gap Compensation

- Ideally, landlords to find acceptable alternate units for tenants during the construction period, with no financial compensation
- Rent gap compensation to apply if alternate units cannot be found. Acts as a top-up payment to help tenants afford market rate rents while they are displaced
- Typically paid in a lump-sum, for the duration of construction

Rent Gap Options

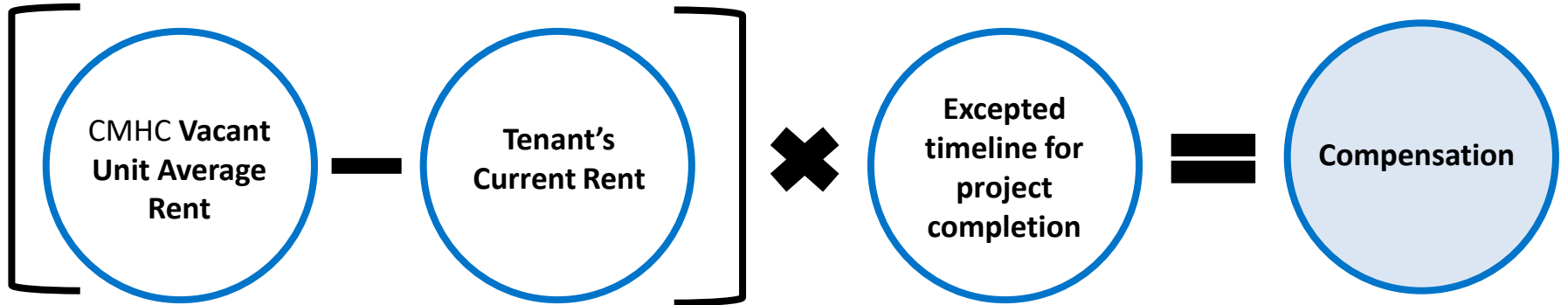
Current Rent-based

- Difference between the rent the tenant currently pays and average market rent for vacant units
- Provides continuity for expected expenses for the tenant and the landlord

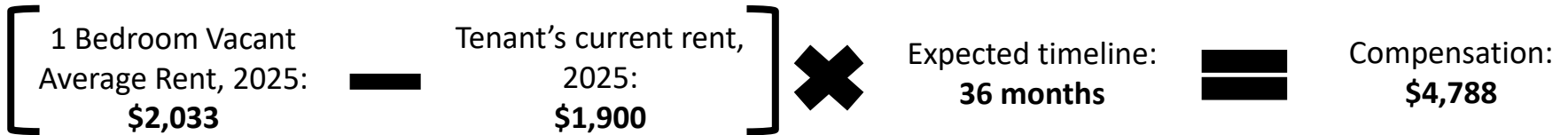
Income-based

- Difference between the affordable rent based on the tenant's income and average market rent for vacant units
- Provides a more equitable approach, where households are compensated based on need

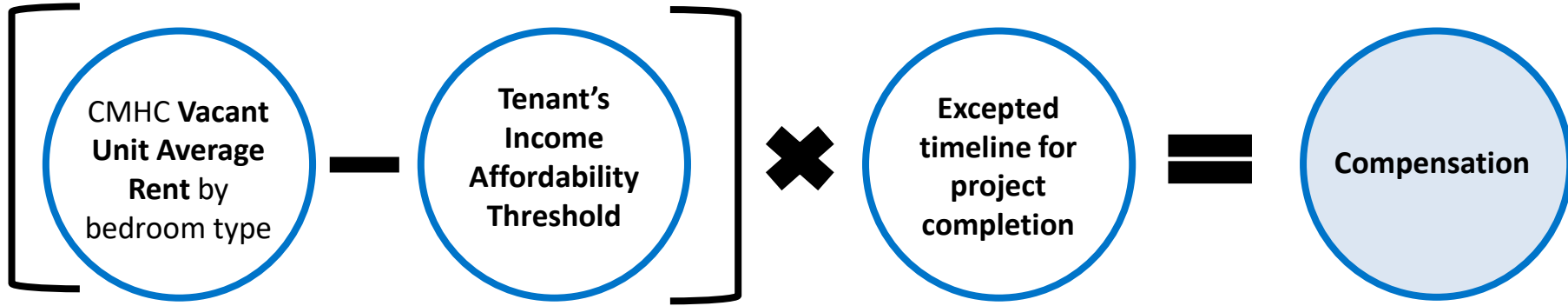
Current Rent-based Calculation



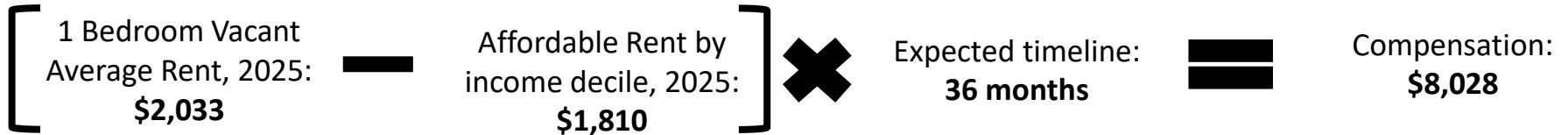
EXAMPLE: 1 Bedroom unit with a tenant household currently paying \$1,900 a month



Income-Based Calculation



EXAMPLE: 1 Bedroom unit with a tenant household in the 4th income decile



Income-Based Compensation (Mississauga, 2025)

Tenant Decile (Household income)	Affordable Rent (30% of income/ month)	Compensation		
		1 bedroom unit (\$2,033)	2 bedroom unit (\$2,472)	3 bedroom unit (\$2,923)
Decile 1 (Up to \$28,200)	\$710	\$47,628	\$63,432	\$79,668
Decile 2 (\$43,100)	\$1,080	\$34,308	\$50,112	\$66,348
Decile 3 (\$58,000)	\$1,450	\$20,988	\$36,792	\$53,028
Decile 4 (\$72,300)	\$1,810	\$8,028	\$23,832	\$40,068
Decile 5 (\$86,700)	\$2,170	\$0	\$10,872	\$27,108
Decile 6 (\$102,000)	\$2,570	\$0	\$0	\$12,708

Current Rent-based

Advantages

- Provides continuity & predictability for tenant and landlord budgeting
- Commonly used in other cities

Challenges

- Does not take tenant household's true affordability needs into account
- May be an adjustment for landlord if current rents are very low

Income-based

Advantages

- Takes individual tenant household affordability needs into account

Challenges

- Tenant household income verification
- May be an adjustment in tenant and landlord costs & budgeting
- Unpredictable to forecast

Moving Assistance

In addition to rent gap compensation, the update will also include:

- **Moving Cost Contribution**
 - \$1,000 for units 750 sq feet or less
 - \$1,500 for units 751 sq feet or more
- Assistance to help tenants find temporary accommodations

The background features a white triangle on the left side, which is partially overlapped by a large, dark blue triangle on the right. This dark blue triangle is further overlapped by a lighter blue triangle in the bottom right corner. The overall composition is minimalist and geometric.

Applicability

Eligible Tenants

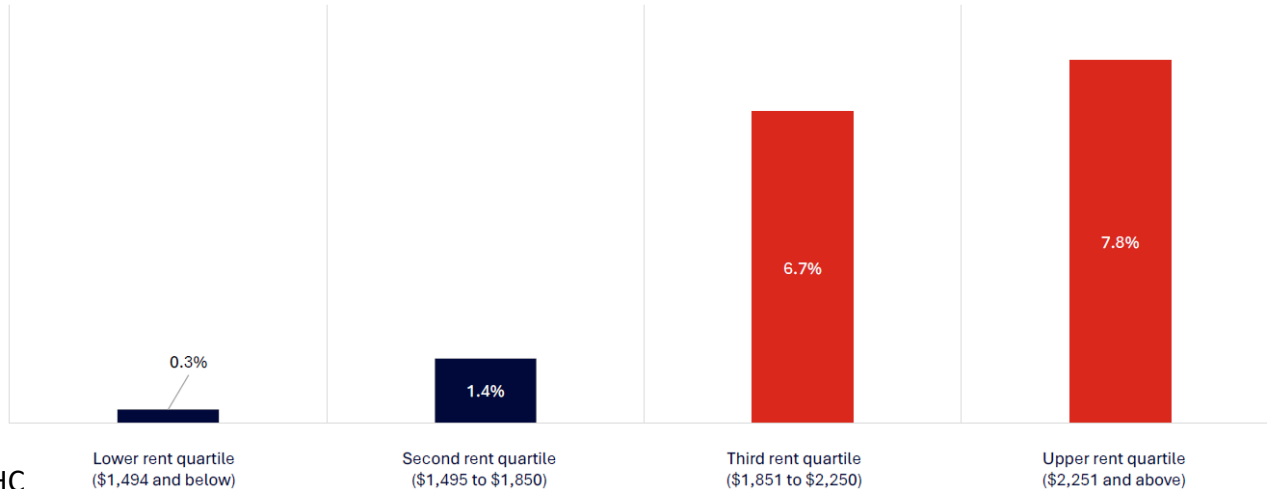
- The following will be eligible for replacement units and rent compensation:
 - Tenants residing in their units when the City receives a rental housing protection by-law application; AND
 - Residing in their unit with a legal lease when a **Notice to Vacate (N13)** is delivered.

Vacancy Rate Requirement

- By-law currently applies when the vacancy rate is above 3% for 3 years
- Mississauga's vacancy rate has been above 3% for the past 2 years, and CMHC expects this trend to continue
- Most vacancies existing in the luxury rental market
- By-law ensuring retention of affordable units so vacancy rate for affordable units is also pertinent

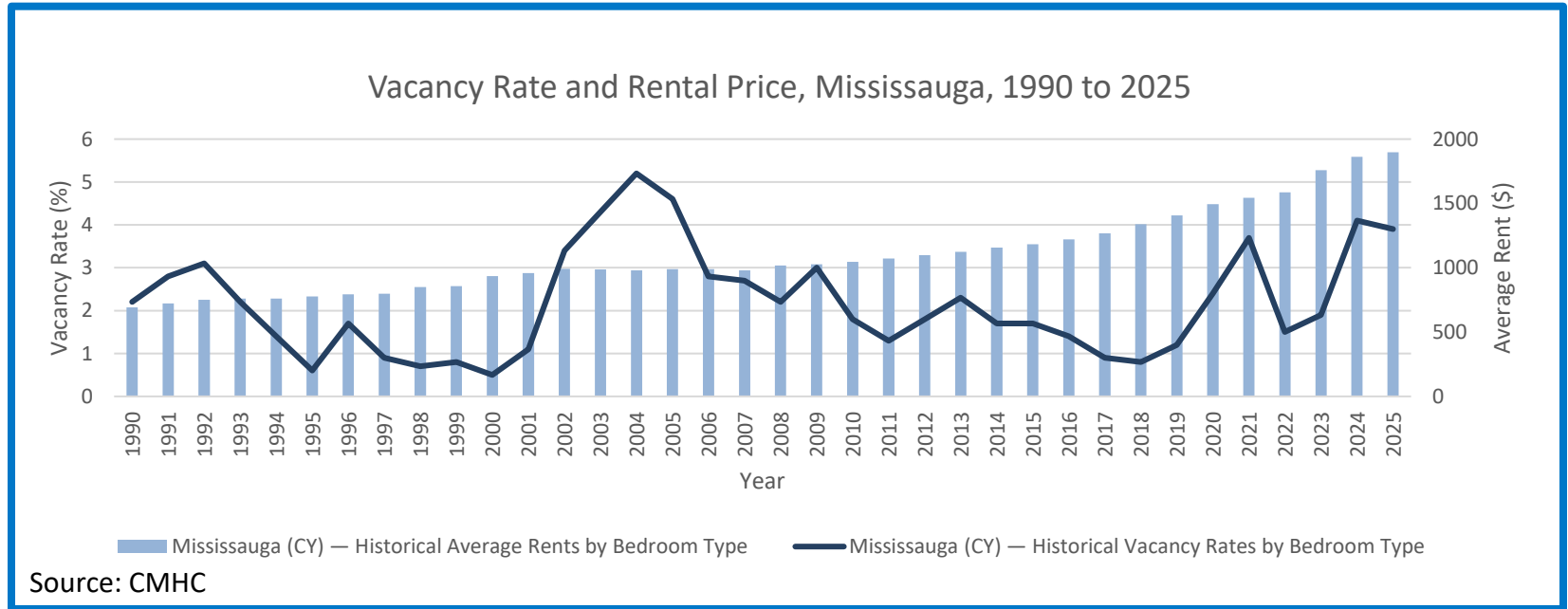
Lack of Affordable Vacant Units

Purpose-built rental apartment vacancy rates by rent quartile
(City of Mississauga, 2025 Q4, all bedroom types)



Source: CMHC

Historical Vacancy Rate and Rent Price



Affordable Unit Threshold

- The objective of the by-law was to apply to units in the 6th income decile: in 2018 this equated to 1.75x AMR
- Currently 1.75x Average Market Rent (AMR) (\$3,355 in 2025) aligns with affordability for 7th income decile
- Staff are exploring rephrasing the requirement, with possible options including:
 - Adjusting to affordability threshold for the 6th income decile (\$102,000 in income)
 - Adjusting to CMHC vacant unit average rent

The background features a white triangle on the left side, which is partially overlaid by a large, dark blue triangle pointing downwards from the top right. To the right of the white triangle, there are two overlapping triangles: a medium blue one on top and a lighter blue one on the bottom, both pointing downwards.

Replacement Unit Rents

Replacement Unit Rents

In the current by-law:

- Rents that returning tenants will have to pay once replacement units are completed and ready for occupancy in the new building
- All eligible tenants have the right to return to a unit with the same number of bedrooms and with a similar rent

Replacement Unit Rent Scenarios

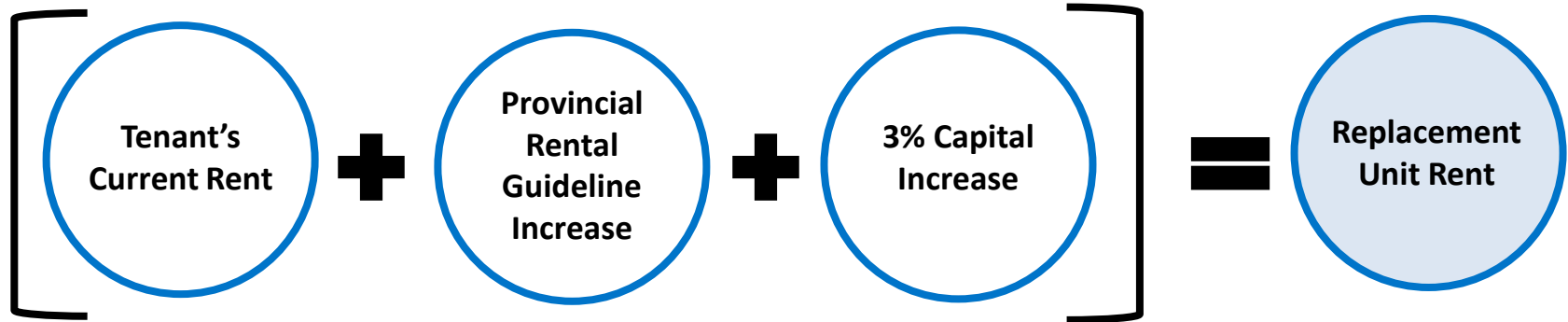
Similar Rents

- Replacement rent is based on the last paid rent by the tenant, with an increase no higher than the annual Provincial Guideline and a one-time capital allowance of 3%

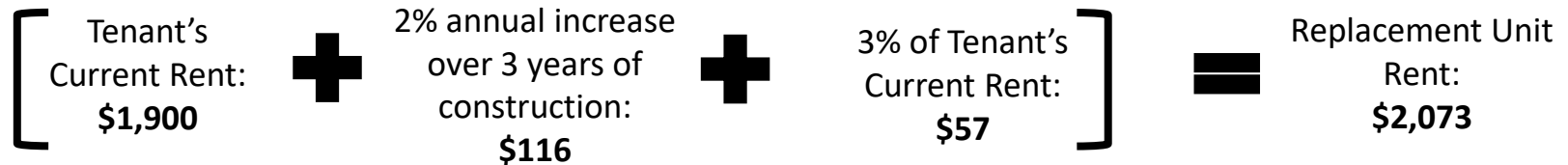
Income-based Rents

- Replacement rent is based on tenant household affordability threshold, which is 30% of the tenant household's pre-tax income

Similar Rents Scenario



EXAMPLE: Replacement unit rent for a tenant who currently pays \$1,900 a month



Income-based Rents Scenario

- Replacement rents are based on tenant household affordability threshold
- Calculated based on the tenant's household spending 30% of their pre-tax annual income on rent

Tenant Decile (Household Income – all earners)	Replacement Rent (30% of income)
Decile 1 (\$0 to \$28,200)	\$710
Decile 2 (\$43,100)	\$1,080
Decile 3 (\$58,000)	\$1,450
Decile 4 (\$72,300)	\$1,810
Decile 5 (\$86,700)	\$2,170
Decile 6 (\$102,000)	\$2,570

Source: Statistics Canada and City of Mississauga, 2025

Similar Rents Scenario

Advantages

- Provides continuity & predictability for tenant and landlord budgeting
- Easier administration
- Commonly used in other cities

Challenges

- May be more costly for developers to provide if existing tenants are in higher income deciles
- May reward longer-tenure tenants (with existing lower rents) over others

Income-based Rents Scenario

Advantages

- Higher benefit for lower income households
- May be less costly for developers- slightly greater incentive for redevelopment

Challenges

- Administration: Annual tenant household income verification needed
- May disincentivize landlords from renting to lower-income tenants

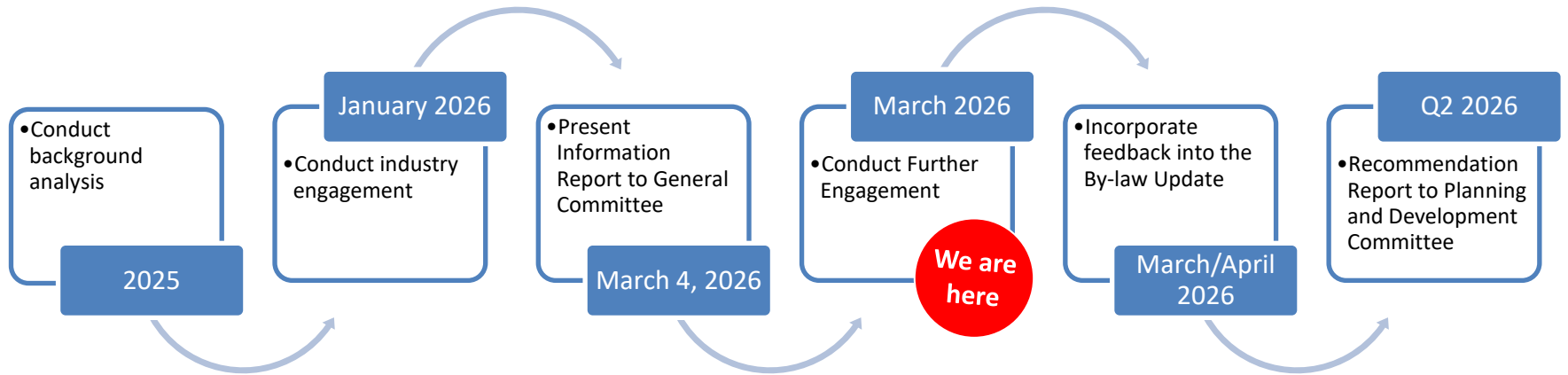
Administration of Income-based Approaches

- Canada based third party systems for administration
- Models include
 - Tenant application screening
 - Income verification
 - Equifax credit reporting
 - Criminal record reporting
 - Inspection & unit turnover services

The background features a white space on the left and a blue geometric design on the right. The blue design consists of several overlapping triangular and quadrilateral shapes in various shades of blue, ranging from a deep navy to a bright cyan. The text 'Next Steps' is positioned in the white area on the left side of the slide.

Next Steps

Next Steps



Survey

- Survey link: <https://arcg.is/jXDTq2>
- Deadline: April 21, 2026



Stay informed

Visit our project page:

www.mississauga.ca/publication/rental-housing-protection-by-law/



Submit your question or comments to

RHP@mississauga.ca

Thank you