

May 2004



CANADIAN FEDERATION OF APARTMENT ASSOCIATIONS  
FÉDÉRATION CANADIENNE DES ASSOCIATIONS DE PROPRIÉTAIRES IMMOBILIERS



# National Outlook

**Inside this issue:**

CMHC & RMS Pilot Project CRTC Decision Cont'd	2
CRTC Decision Cont'd EOLO—Rejoins CFAA	3
BC—New Residential Tenancies Act Ontario—TPA Update Manitoba—New Assoc. President New CFAA Reps in: - Edmonton - Saskatchewan - London, ON	4
Multiple Provincial Assoc. Explained Fix Leaks...Reap Savings	5
Recommendations for Housing Policies 9th Annual AGM & Conference	6

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## CFAA Restructuring

As of February 2004, the CFAA has restructured its top positions. **Vince Brescia** occupied the position of President and chaired the board of directors while overseeing the CFAA's operations. Vince continues with those functions, but his position's title has been changed to Chair of the CFAA.

For what is essentially a new position, **John Dickie has been appointed President of the CFAA**, with a view to raising the CFAA's profile to the Federal government in Ottawa, and undertaking specific government relations campaigns as directed by the Chair and the Board of Direc-

tors.

John Dickie is a lawyer practicing in Ottawa who has long roots in the landlord community and in landlord organizations. John acts for many of the largest residential landlords in Ottawa, as well as many landlords of medium and small sized buildings. John is the Chair of the Eastern Ontario Landlord Organization (EOLO), and Chair of the Rent Control Committee of the Fair Rental Policy Organization (the Ontario landlord organization).

John and his firm, Dickie & Lyman Lawyers LLP, are actively engaged in government relations at the local, provincial and federal levels,

*(Continued on page 5)*

## Election Participation

By John Dickie, CFAA President

When you receive this newsletter, a federal election will probably be coming up soon. It is in your interest to make contact now with your preferred local federal candidate, before the election. The successful candidate will remember the positive impression that you made before the election when you ask for their support once they are elected.

Here are some suggestions for making a positive impression that will pay off later:

1. Find out where the local candidates stand on the federal issues that affect our industry, namely: the income tax treatment of rental property; and the use of housing allowances, rather

than subsidizing the building of new "affordable" housing

2. Make personal contact with the candidate you prefer to offer your support
3. Offer information about the federal issues that affect our industry
4. Donate money to the campaign
5. Host a fundraiser with a focus on the rental housing industry (invite your local colleagues)
6. Lend equipment or space to the campaign
7. Volunteer for canvassing
8. Offer to put up signs at your properties, and encourage others to do the same (that is a huge benefit for the candidates and provides low cost "returns" for you)
9. Volunteer to help out on election day – help voters get to the polls or be a scrutineer.

## CRTC 2003-45 DECISION

By Lynda Pasacreta, BC AOMA

In June 2003, the CRTC came down with a decision on telephone access. Here are the highlights of the ruling as it affects multi-dwelling units, followed by an analysis of what it means.

All local telephone companies that wish to provide service must be able to gain access to customers in multi-dwelling units (MDUs) on a timely basis, by using re-sold or leased facilities

or via their own facilities, and under reasonable terms and conditions including fees. The CRTC has established principles and guidelines to assist local telephone companies and building owners to conclude MDU access agreements. These include:

- \* Exclusive or preferred access agreements are not permitted;
- \* Any fees charged to local telephone companies should be based on the principle of cost recovery.

*(Continued on page 2)*

In October 2003, the CMHC conducted a pilot project in four major centres across Canada, whose goal was to distinguish/determine “availability” of suites vs. “vacant” suites at the time of the survey.

Ian Moore, CMHC Survey Administration Officer for the Prairies, Nunavut and Northwest Territories said that CMHC, “...will be making...changes to our survey this year, increasing the sample size and hopefully should have availability data that can be made public late this year following our October, 2004 survey.”

Access agreements will become very important. CIPREC has a standard form access agreement on their website ([www.ciprec.ca](http://www.ciprec.ca)), which landlords believe complies with the CRTC Decision 2003-45. More standard form access agreements are likely to evolve in the marketplace.

## CMHC Rental Market Survey & Pilot Project Results

In October 2003, the CMHC conducted a pilot project at the same time as their annual Rental Market Survey. The goal of the pilot project was to distinguish/determine “availability” of suites vs. “vacant” suites at the time of the survey. The pilot project was conducted in four major centres across Canada.

Ian Moore, CMHC Survey Administration Officer for the Prairies, Nunavut and Northwest Territories, advised Tonya Moreton, Canadian Federation of Apartment Associations (CFAA), Administrative Officer in early March of this year that, “The report discussed how the conduct of the pilot survey was, what some of the challenges were and what could we do to improve the study.” And although the results were analyzed by CMHC for all centres in Canada, “...these (are) not going to be released publicly as it was simply a pilot study and the level of sampling we did prevented us from making these figures public.”

Mr. Moore went on to say that CMHC, “...will be making the required changes to our survey this year, increasing the sample size and hopefully should have availability data that can be made public late this year following our October, 2004 survey.”

Vacancy and availability information on rental properties continue to be a valuable tool used by many, such as real estate professionals to determine market values and government decision makers to develop social housing policies.

At our April Director’s conference call, CFAA Chair Vince Brescia reported that he had also been in discussions with Francois Boulaine, another of CMHC’s Senior Survey Administrators. Vince advised Mr. Boulaine that the CFAA Board had discussed the 2003 pilot survey and its potential use again in 2004. Vince stated that the CFAA would like to see the availability indicator become a meas-

urement tool in as many areas of the country as possible and that we are supportive of any efforts the CMHC can make to introduce the indicator in as many markets as possible.

Budget considerations of the CMHC will impact on:

⇒How many markets are included for the new variable

⇒Possibly surveying buildings with 50+ units only

The CFAA supports the use of the top 11 CMAs as a starting point and would be happy to see more if possible. Vince advised that there is a concern with using only buildings with 50+ units, as it is believed that in some markets with few such buildings (Victoria for example), the data could be distorted. The CFAA would like to see a strategy that is more flexible, which covers many markets and provides representative data.

Vince also advised Mr. Boulaine that there are issues in Quebec with respect to the annual moving dates and therefore the relevancy of the data.

Related to this, if the CMHC wanted to explore an alternative date for the whole survey, members of the CFAA-FCAPI would be amenable to such a discussion as feedback from our member associations indicates that October is not the best month to conduct the survey for a variety of reasons.

Whatever the outcome of direction, date and content of future surveys and pilot projects, the CFAA urges all members to cooperate fully by providing full and accurate information if you are contacted by CMHC for their 2004 Survey.

(Continued from page 1)

- ery;
- \* Local telephone companies should be able to install, replace or upgrade their facilities in MDUs, and will be responsible for the associated costs; and
- \* During the construction of an MDU, local telephone companies should be allowed access to install any wiring or other related facilities.

The CRTC also ruled that

- \* Where a telephone company cannot negotiate reasonable terms and conditions on access in a timely basis, the CRTC is prepared to order access.
- \* Every local telephone company must disclose MDU access agreements on its website to assist other local telephone companies to negotiate equitable terms and conditions, including fees.
- \* Local telephone companies will be able to connect

to and use existing copper wire controlled by another local telephone company in an MDU at no charge. (Previously, a telephone company gaining this access could be charged the interim rate set by the CRTC of \$1 per connection per month.)

Source: Canadian Radio-television and Telecommunications Commission

### Rental Apartments and the New Telecom Ruling: What It Means

Canadian Institute of Public and Private Real Estate Companies (CIPPREC) and the Building Owners and Managers Association (BOMA) of Canada have joined forces to appeal the recent decision by the CRTC that basically allows any telephone company, large or small, access into multi-unit buildings on demand. The appeal will

(Continued on page 3)

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be heard sometime late this spring or this summer. You, as the landlord, cannot refuse this access.

The decision prohibits landlords from charging access fees or forming exclusive or preferred agreements with a telephone company. The ruling further states that if, you, the landlord, refuse access to a telephone company, the CRTC will order you to allow the access. CIPPREC and BOMA's appeal questions the CRTC's foray into property rights.

The decision came about after a review of the terms and conditions that competitive local exchange carriers (CLECs) face in gaining access to some multi-unit buildings. The monopoly phone companies (known as ILECs) continue to dominate the market (Telus in BC) and have not had to face the same restrictive fees as their competitors. In our industry, landlords of single-family dwellings can choose the telephone company of their choice without interference by third parties. The CRTC made its ruling in accordance with its goal of fostering competition and customer choice in the marketplace.

To date, the CLECs have focused primarily on the commercial downtown office buildings and have avoided multi-unit residential properties. Our industry would certainly welcome more competition in the telecom business, as happened with the provision of cable service.

### **More Competition**

In the early days of deregulation of the telephone industry, many competitive companies emerged. The telecommunications industry is a very intensive capital business, requiring deep pockets. Many competing telephone companies failed in those days. Landlords will have to remain vigilant about the solvency of competitive companies.

The monopoly companies such as Telus are perceived to have lost the most with this new ruling. For example, before the decision Telus did not have to pay rent for the point of presence and associated space they occupy in a building. Under the

new ruling, they must do so. What will emerge will be Telus providing service in a building serviced by Bell Canada and vice versa.

Access agreements will become very important. The Canadian Federation of Apartment Associations has joined the CRTC working committee consisting of representatives from the ILECs, CLECs and the real estate industry. This group is currently working on the terms and conditions of the access agreement that will, we hope, be favourable to both sides. Important issues such as the installation and maintenance of the infrastructure, building security and safety, and cost recoveries need to be addressed.

CIPREC has a standard form access agreement on their website ([www.ciprec.ca](http://www.ciprec.ca)), which landlords believe complies with the CRTC Decision 2003-45. More standard form access agreements are likely to evolve in the marketplace. The CRTC cannot force a single standard access agreement on parties. Landlords may refuse to sign the CISC standard form and on other side, telco companies may give in and sign the CIPREC standard access form agreement.

Most landlords and telecom providers have successfully negotiated in good faith in the past and it is expected that the relationships will continue without the interference of the CRTC. Under the new ruling, the CRTC will step in as a last resort.

We have yet to see much happening in the residential rental market, but may see some competition begin in large multi-unit residential buildings in major urban centres.

The Decision also will affect owners constructing new multi unit developments, such that:

- \* Owners will be required to allow competitive telephone companies into their projects;
- \* Owners will not be allowed to charge new competitors for the cost of constructing telephone rooms and riser systems in their buildings;
- \* Owners of new development projects will also not be able to charge the new competitors with any profit mark-ups or overhead costs.

Council to take several steps toward tax equality so that the burden is now 2.15 times the residential rate.

Much work remains to be done on that issue in the upcoming months and years. EOLO has also been active before the municipal council and staff on other issues related to rental housing in the Ottawa area, as well as maintaining a visible presence in the local media.

*For more information on EOLO, please contact John Dickie at 613-235-0101 or [jdickie@dickieandlyman.com](mailto:jdickie@dickieandlyman.com).*

Principles and guidelines to assist local telephone companies and building owners to conclude MDU access agreements.

These include:

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- \* Any fees charged to local telephone companies should be based on the principle of cost recovery;
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During the construction of an MDU, local telephone companies should be allowed access to install any wiring or other related facilities.

## ***EOLO Rejoins the CFAA***

By John Dickie, EOLO

The **Eastern Ontario Landlord Organization** ("EOLO") is pleased to have re-joined the CFAA after a short absence. In the last few years EOLO has been very active in a campaign to convince Ottawa City Council to lower the property tax burden on multi-residential properties. In 2000, the municipal taxes on multi-residential properties were 2.33 times the residential rate. EOLO has convinced City Council to endorse the principle of lowering multi-residential taxes and has persuaded

BC's new Residential Tenancy Act came into effect January 1, 2004.

"We give it a B. That's a great mark for regulatory legislation!"

- Al Kemp,  
ROMA BC, CEO

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## BC Landlords Welcome New Residential Tenancy Act

By Al Kemp, ROMA BC

Over 700 members of the Rental Owners and Managers Association of BC (ROMA BC) participated in workshops on BC's new Residential Tenancy Act that came into effect January 1, 2004.

Over 20 workshops were held in various locations throughout the province and nearly all attendees lauded the new Act as being much more fair and balanced, recognizing both the rights and responsibilities of tenants and landlords.

Attendees universally welcomed provisions such as requiring tenants to participate in condition in-

spections and provide forwarding addresses in writing, or else lose their security deposits.

Al Kemp, ROMA BC, CEO, stated that he and the Minister responsible agreed four years ago that a new (not revised) Act was required, that it needed to be understandable by both landlords and tenants and that it needed to balance the rights and responsibilities of both.

And what is Al's comment now that the new Act is finally law? "We give it a B. That's a great mark for regulatory legislation!"

## Ontario Update

By Vince Brescia, FRPO

The new provincial Liberal government in Ontario has indicated they will release a consultation paper in April which discusses their platform commitment to "scrap the *Tenant Protection Act*" and "bring back real protection for tenants."

As you may surmise from the tone, there is nothing in the platform that will improve the investment climate for the rental housing industry: it is entirely a sop to tenants. Among the changes proposed is the elimination of vacancy decontrol—re-

control, the most successful market reform the Ontario market has seen since rent controls were introduced in 1975.

Another development has resulted from the new *Municipal Act* introduced in 2002. Unknown to the industry, municipalities were given the legislative authority to put the utility arrears of tenants on the property tax roll of the owner, even though the contract is with the tenant, for any municipally owned utilities. This change is grossly inequitable.

The Fair Rental Policy Organization is working with the provincial government to prevent both of the above noted changes from becoming law.

## PPMA Has New President

By Tonya Moreton, PPMA Executive Director

At their May 12, 2004 annual general meeting, the membership of the Professional Property Managers Association ratified several new board officer positions, subsequent to the resignation of Bob Shaer of A.S.H. Management Group Inc. as President.

The new board positions are as follows:

President: Shaun Parsons, Quality Management

Vice President: Avrom Charach, Kay Four Properties

Secretary: Laurie Socha, S.A.M. (Management) Inc.

In his farewell to the members, Bob said that, "It has been a pleasure and an honour to serve as the President of the PPMA during the past five years and I look forward to continuing to participate in the advancement of the goals of the Association." He went on to say that he, "... owes a huge debt of gratitude to Richard Morantz, his mentor." And that the PPMA is, "left with a very hard working board and the Association is in great hands."

Bob will act as the Past President and has been asked to act as spokesperson for the PPMA. Shaun Parsons looks forward to the challenges of his new role as President of the PPMA in the months ahead, including hosting the CFAA-FCAPI AGM and Conference in Winnipeg in August.

## New CFAA Appointments

Brenda Trineer resigned her position as CFAA contact for the London Property Managers Association (LPMA). Jonathan Brimmell of Boardwalk Equities has taken over her duties. Jonathan can be reached at 519-652-2599 or jonathanb@bwalk.com.

Ron Holland is no longer the Executive Director for

the Edmonton Apartment Association (EAA). EAA President Barry Wiedman will be acting as the CFAA contact and can be reached at barry@murrayhilldevelopments.com.

The Saskatchewan Rental Housing Industry Association (SHRIA) is also losing its E.D. at the end of May as Bobbi Smith is moving to Calgary. Please contact Chanda Mitchell at srhia@shaw.ca, until a replacement is found.

## Multiple Provincial Associations—Roles Explained

By Al Kemp, ROMA BC

Many provinces have more than one rental industry association, but what are the roles and responsibilities of these groups and how do they provide a unified voice for their members to the provincial governments and law makers?

In BC, there are two large organizations and several smaller-community associations. Both the BC Apartment Owners and Managers Association (BCAOMA) and the Rental Owners and Managers Association of BC (ROMA BC) are provincial organizations. They work together on lobbying the government, major media campaigns, etc. and are in constant communication with each other to provide a unified front on various provincial issues. ROMA BC began as the Greater Victoria Apartment Owners Association and BCAOMA was originally the Greater Vancouver Apartment Owners Association, with offices still in those respective cities.

Neither association recruits members from the other's metropolitan area, although both will accept members who apply from the other's "turf."

They both have members throughout BC, plus ROMA BC has four affiliate member associations in Kelowna/Vernon, Prince George, Nelson and the provincial Manufactured Home Parks organization.

They each have about 1,100 members, however, BCAOMA represents about 100,000 units, while ROMA BC represents about 26,000, due to Vancouver's large companies and Victoria's restriction on large, multi-unit apartment buildings.

A similar situation exists in Ontario:

- \* Fair Rental Policy Org. (FRPO);
- \* London Property Managers Assoc. (LPMA);
- \* Greater Toronto Apartment Assoc. (GTAA);
- \* Eastern Ontario Landlords Org. (EOLO), and others.

And in Alberta:

- \* Edmonton Apartment Assoc. (EAA)
- \* Calgary Apartment Assoc. (CAA)

**Multiple provincial associations...**

**ONE unified voice!**

## Fix Leaks for Fast Savings

By Mike Meagher, City of Calgary Waterworks

Did you know you're dropping money on that drip? Leaks waste water and they make up about 14% of the average water use in a home. It is estimated that in multi-family housing leaks account for an even higher percentage of the water use. Most of this leakage is attributed to toilets; in fact, the average Calgary family can waste 28 bathtubs full of water each month (2,800 litres) if their leaky toilet goes undetected and un-repaired.

Multi-family complexes have a huge impact on Calgary's water supply. In a single family home a leak can often be detected by a spiked increase on your water meter. When multiple units are serviced by the same meter, leaks are harder to detect due to the large volume of water being used.

Getting property owners and managers aware of the effect of finding and fixing leaks is the first step towards saving money and water. Involving and educating Tenants to report leaking taps, showerheads and toilets is the next step.

"Not only is there a clear financial incentive for customers to fix water leaks in their homes, there's the added environmental bonus of saving water," says Mike Meagher with The City of Calgary Waterworks.

Detecting toilet leaks is a quick and easy process. Simply put a drop of food coloring in your toilet tank. If it seeps into the toilet bowl within the next couple minutes, you have a leak. The key sources

of toilet leaks include (1) aging flapper valves (2) worn ballcocks, refill valves, lift chains and rods (3) poorly sized replacement parts. Many leaks are silent which is why they often go undetected. Worn flappers are common and easy to replace with parts from the hardware store.

A plumber is recommended for fixing more difficult leaks. If you do decide to tackle the project on your own, proper procedures, tools and precaution should be given to ensure correct installation. Repair instructions can be found at [www.calgary.ca/waterworks](http://www.calgary.ca/waterworks).

Repairing and maintaining your toilets can save you money on your water bill, and help save the environment. So tackle that trickle, or in other words, find and fix your leaks.

*This article was supplied by Mike Meagher, ICI Coordinator, The City of Calgary Waterworks, and he can be reached at (403) 268-5862.*

*(Continued from page 1)*

with an emphasis on Ottawa.

John is pleased to have been appointed CFAA President, and looks forward to raising the CFAA's issues with the federal government; including income tax issues, housing allowances, CHMC practices and affordable housing initiatives.

For more information on the CFAA and its political action endeavours, please contact John Dickie at 613-235-0101 or [jdickie@dickieandlyman.com](mailto:jdickie@dickieandlyman.com)

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**New CFAA Reps:**  
**EAA—Barry Wiedman**  
**LPMA—Jonathan Brimmell**  
**SRHIA—Chanda Mitchell**

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## Recommendations for Effective Housing Policies for Canadians

The Canadian Federation of Apartment Associations (“CFAA”) represents the owners and managers of 800,000 residential rental suites in seven Canadian provinces and is the sole national organization representing the interests of Canada’s \$30 billion rental housing industry.

Canada is very urbanized and is becoming even more so. Healthy cities go hand in hand with our national well-being and economic prosperity. A key component to a healthy city is affordable housing. Unaided, the market provides plentiful housing at the “high” price range. The issue is how to get a good housing supply at moderate and lower prices. The most affordable housing is rental housing, as that requires no down payment from the occupant.

### Federal tax policy

Before 1975, Canada had a thriving rental housing industry, producing between 50,000 to 70,000 rental units annually; however for the last 10 years, fewer than 10,000 rental units have been added to the

supply each year. A number of federal tax changes have resulted in major reduction in rental housing investment nationally. Some of the changes have resulted in the industry being treated unfairly in comparison to other industries.

The federal government should immediately move to:

- √ Restore rollover provisions for the calculation of CCA;
- √ Eliminate the GST on rental housing operations;
- √ Eliminate the capital tax;
- √ Allow rental housing to qualify for small business tax treatment; and
- √ Allow CCA deductions against other income.

### Affordable housing

To house the 1.1 million households in “Core Need” in Canada through new social housing would cost much more money than governments have available. But the vast majority of these households already live in suitable low cost housing. Their problem is that they cannot easily afford even that low cost housing.

Housing allowances have the following advantages over building social housing:

- √ They are much less costly.
- √ They provide horizontal equity, as assistance can go to all needy tenants.
- √ They provide maximum choice.
- √ Tenants don’t need to move.
- √ Affordability is immediately and directly addressed.

All future federal government affordable housing initiatives should be focussed on housing allowances, rather than expensive, inefficient and unfair new construction initiatives.

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*What you see above are quotes from the letter which the CFAA sent to 117 Members of Parliament and candidates for major urban areas in early May. After the expected election, we will follow up with the MPs who are appointed to portfolios affecting rental housing, and with opposition critics for those portfolios. CFAA looks forward to raising our profile and to intensifying our government relations work with the Federal government to promote income tax relief and housing allowances.*

## PPMA to Host 9th Annual CFAA-FCAPI AGM & Conference

By now most of our CFAA members are aware that planning is underway for the 9th annual CFAA-FCAPI AGM & Conference, which is being held in Winnipeg for the first time.

Dates for the event, which is being hosted by the Professional Property Managers Association (PPMA) are August 12-14h and two venues are being considered:

- Canad Inn Polo Park; and
- Historic Hotel Fort Garry

Room and meal costs are considerations that the conference committee, which is comprised of CFAA Administrative Officer, Tonya Moreton, PPMA President, Shaun Parsons and PPMA Vice President, Avrom Charach, that will determine the

final destination for the event.

Special activities being planned for delegates in attendance include a guided tour of three Folklorama venues, shopping and dinner at the historic Forks Market and a river boat cruise on one of the famous River Rouge paddle boats.

Topics for discussion at this year’s AGM will focus on our political action/lobbying campaign in light of the Spring/Summer election, membership growth, association direction and much more.

We are also hoping to secure Glen Murray, the former City of Winnipeg Mayor as our guest speaker. Glen is a rising star on the national political landscape who has strong opinions on affordable housing and urban

# PPMA

Professional Property Managers Association  
“20 Years of Suite Living 1984-2004”

development initiatives, with a focus on downtown revitalization.

If you are interested in attending what promises to be the best CFAA AGM & Conference in a number of years, please contact Tonya at 204-444-4832 or cfaa@mts.net for more details. All associations are encouraged to send at least one, if not two, representatives.

CFAA-FCAPI sponsorship packages will be sent out shortly as well.

SEE YOU IN AUGUST!!

**CANADIAN FEDERATION OF  
APARTMENT ASSOCIATIONS**  
**FÉDÉRATION CANADIENNE DES  
ASSOCIATIONS DE PROPRIÉTAIRES  
IMMOBILIERS**



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