

August 2004



CANADIAN FEDERATION OF APARTMENT ASSOCIATIONS

FÉDÉRATION CANADIENNE DES ASSOCIATIONS DE PROPRIÉTAIRES IMMOBILIERS



National Outlook

Inside this issue:

Alberta to Proclaim New RTA Regina Tax Gap Lessened Saskatoon Reassessment Numbers	2
Gov't Relations Cont'd Ontario Update Saskatoon Cont'd	3
CMHC Vacancy vs. Availability Survey 2004 Interest Deductibility Cont'd	4
Associate Member Profile Interest Cont'd Ontario Update Cont'd	5
MB & BC Set Rent Control Limits Quebec Update	6
Thank You to 2004 Sponsors PPMA Hosts AGM	7

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From the Chair

By David McIlveen, Calgary Apartment Association

It's a new year at the CFAA-FCAPI. Our organization is fresh from a revitalizing Annual Conference and AGM in August and we are excited about the prospects of moving our agenda forward in Ottawa over the next year. We exist to serve our members and give the residential rental industry a voice with the federal government.

This is my first edition of the CFAA-FCAPI newsletter as incoming Chair and I am glad for the opportunity to make an observation or two. The political action that our leaders and President took in the past year was extremely important in

building our government relationships; I am truly excited about the plans to build on that success in the coming year. We have a powerful combination of timing, focus and positioning in our favour. We have a solid presence in Ottawa. We have a strategic focus on key issues that dramatically effect on our industry. We have a government that is forced to consider all stakeholders. We have positions that can be demonstrated to be in the best interest of our nation (and our industry).

I am confident that the leaders on our volunteer board, the administrative support, and our CFAA-FCAPI President will work together to deliver great results in 2004-2005!

Government Relations Goals '04-'05

Other major CFAA-FCAPI goals are

At the 9th annual CFAA-FCAPI AGM & Conference in Winnipeg, the CFAA Board discussed the strategic priorities for the organization in the coming year. The Board agreed to continue with the following long term political goals:

1. Obtaining more favourable tax policies for the rental housing industry.
2. Restricting government funding of social housing to "special needs" housing that cannot be met by the private sector.
3. Increasing funding for housing allowances or other demand side solutions for housing affordability issues.

improved information sharing among CFAA-FCAPI member organizations, increased funding for the association's government relations activities, and raising the profile of CFAA-FCAPI both within our associations and with the public.

For the next 12 months, CFAA-FCAPI will focus its government relations on restoring capital cost rollover provisions and obtaining flexibility for the provinces in how they spend federal funds for housing. (Currently, those federal funds may only be used for capital costs or renovation programs, not for housing allowances.)

Over the last 20 or 30 years, many negative tax

(Continued on page 3)

Proposed New Interest Deductibility Rules

By Arthur Azana, D&H Group, Chartered Accountants

When is Interest Deductible?

When the amount borrowed is used for the purpose of earning income from a business or property. For example, an amount borrowed is used to buy a rental apartment building. Please note, that it is the use of the borrowed money, not the secured asset, which governs the deductibility of interest.

For now, at least, income for the purposes of the interest deductibility rules refers to gross income. For example, money borrowed at 5% interest is

used to purchase an apartment building that has an op-

erating loss of \$10,000. Even though the building operates at a loss, the interest should still be fully deductible. However, you have to watch out for the new REOP rules.

Why Do We Want Interest to be Deductible?

The effective after-tax cost of your interest expense is lower if it is actually deductible. For a high rate (43.7%) taxpayer resident in B.C., the effective after-tax cost of a 5.0% interest rate is:

(Continued on page 4)

Alberta is the second province to achieve fair and balanced changes to their Residential Tenancy Act.

However, there are still pending amendments, which will make it a complete document, such as:

- **Method of return of security deposit monies**
- **Rental payment objections**
- **Notice of Termination for failure to comply with Public Health Orders**
- **Implementation of an Alternate Dispute Resolution Mechanism.**

Regina takes the lead in eliminating the gap between multi-family and single-family/condo property tax rates.

Alberta Gets New RTA

By Barry Wiedman, Edmonton Apartment Association

In May of this year, the Edmonton Apartment Association, Calgary Apartment Association and the Medicine Hat Landlord Association jointly sent a letter to Minister of Government Services, David Coumts. We requested a meeting to discuss a few remaining issues with the new Residential Tenancies Act (RTA), which will be proclaimed law on November 1st, 2004. On August 30th, representatives from all three apartment associations were granted a meeting with government staff and the Minister.

Our outstanding issues include a requirement in the pending RTA to return security deposits personally, or by registered or certified mail. In Alberta, security deposits are normally returned by regular mail without problems, yet this new requirement places an unnecessary burden on property owners/managers. It also makes receiving the refund more difficult for many residents.

Another important issue to the apartment industry is that residents will have the carte blanche right to object to paying rent under the pending RTA. Under current legislation, a property owner/managers's right to collect the rent is fundamental and the resident cannot legally refuse to pay it when it is due.

To each of the above concerns, we were assured that there will be an amendment made in the near future to correct these problems. Unfortunately, the new Act will be proclaimed before any amendments can be made. Nevertheless, there will be no enforcement of these provisions while we await the amendments. This promise not to enforce these two provisions does not extend to the courts and justices who must enforce the law as it is written. Although we were told that six months would be a reasonable

time period before the amendment Act kicks in to correct these problems, there will almost certainly be an election in the meantime. Hopefully, the amendments will stay on track with the help of government staffers who are currently working on the corrections.

Our other issue was that residents will have the right to provide a 14-day 'Notice of Termination' to the property owner/manager for failing to comply with a Public Health Order. The section of the Act dealing with this is badly flawed and unworkable and would create problems for both parties. Indeed, the Alberta Residential Tenancy Advisory Committee (ARTAC), that is made up of representatives of government, tenant groups and landlord organizations recommended in January of 2004 that this section not be included in Bill 16. It is unclear at this point what, if any, headway was made on this particular point. It is possible that the government will remove this section, but it is also possible that it will be rewritten or left unchanged.

Also, during our meeting there was discussion of an Alternate Dispute Resolution mechanism (similar to the one in Saskatchewan) that the new RTA provides for. This mechanism is expected to streamline disputes that arise between a property owner/manager and a resident by avoiding the time and expense of using the courts. It is under consideration that Edmonton will be the testing ground, so to speak, for the introduction of the ADR. There is no definitive start date for this new process, but it would seem that it may not be too far away.

Although there are a few wrinkles to deal with, the process the Alberta government employed for updating the RTA was impressive. Instead of drafting new laws behind closed doors, they involved the primary stakeholders when they formed the ARTAC committee and through that committee, there was input and consensus building that led to what is, on the whole, fair and balanced legislation.

Regina Set to Eliminate Multi-Family Property Tax Gap

By Chanda Mitchell, SRHIA Executive Officer

In April of this year, Regina's City Council approved in principle the elimination of the gap between multi-family property tax rates and single-family/condominium property tax rates. Multi-family property tax rates are currently 44% higher than that for single-family and condominium properties. The challenge now is to ensure that this "principle" is actually implemented in 2005.

The City's Administration will be presenting 2005 reassessment information to City Council in September and a decision will be made in October. Any move to implement this change will likely involve a phase-in period. SRHIA has been involved in this process for the past several years and will continue to work with Regina property owners & managers this fall in convincing the City of Regina

Saskatoon 2005 Reassessment Numbers Released

By Chanda Mitchell, SHRIA Executive Officer

to proceed.

The impact of the 2005 reassessment of properties in the City of Saskatoon has been determined and released – the average increase in value since 2001 is 10% for condominium, 13% for single-family homes and 14% for multi-family properties. The reassessment process is a revenue-neutral one and only results in the tax burden being shifted among properties. Remember the 14% rule of thumb when examining your reassessed value – if your value went up by more than 14% then your taxes are going up as a result of reassessment, if your value went up by less than 14% or went down, your taxes are going down due to reassessment.

(Continued on page 3)

Government Relations Cont'd

(Continued from page 1)

changes have reduced private investment in rental housing. For more details, see the letters we sent to Members of Parliament, as set out in our May 2004 newsletter at www.cfaa-fcapi.org.

Unfair tax treatment has a negative impact on private investment. Lack of private investment leads to increased public investment. Public investment tends to be directed largely to the building of social housing, which is extremely costly and not affordable in practice. Moreover, by competing with the private sector, public spending crowds out much of the private investment that would still take place. Since three new social housing units may stop two private units from being built or restored, the public spending is even less cost-effective than it appears.

CFAA-FCAPI supports federal funding for housing allowances, which are much less costly, can be spread among far more needy tenants, provide

maximum choice, allow tenants to stay where they are, and directly and immediately address affordability problems.

In our view, CFAA-FCAPI's policies would lead to a better situation for residents, property owners/managers and taxpayers. Residents would see more choice and better maintenance and services through private competition. Property owners and managers would see better after-tax returns, more investment opportunities, and a greater ability to buy or sell as their investment goals change. Taxpayers would save money because the cost of helping residents directly with their affordability problems is far less than the cost of the government subsidizing the building of new social housing.

Through the member associations, CFAA-FCAPI will be asking you to help in promoting good sense in Canada's housing policies. Please help us, in order to help yourself as a property owner/manager, and to help residents and taxpayers see the benefits of sound housing policies.

Ontario Update

By John Dickie, Chair, Eastern Ontario Landlord Organization

In April, the Ontario government released a discussion paper outlining its proposed changes to Ontario's residential tenancy legislation. The Liberal government reaffirmed its campaign promise to "bring back real protection for tenants", and has held public consultations throughout the province to get input on how to tighten rent controls, not on whether the government should.

The government expects to introduce its new residential tenancy legislation in late October, and there will likely be public hearings on it. The government is aiming to have the new legislation come into effect on January 1, 2005.

Ontario Property Owners/Managers have had vacancy decontrol (the ability to agree on a new rent with a new tenant) since 1998. The government seems intent on removing that ability. The Federation of Rental-housing Providers of Ontario (FRPO), the Greater Toronto Apartment Association (GTAA), the London Property Management Association (LPMA), and the Eastern Ontario Landlord Organization (EOLO) are still

working to preserve vacancy decontrol.

The ability to negotiate rents on turnover is what has made rent controls work for the last six years. It is the hallmark of what economists refer to as moderate rent controls. To eliminate the ability to negotiate rents on turnover would move Ontario back to tight rent controls, a failed housing policy that the rest of the world is moving away from.

The government also spoke of doing away with the default process for evictions, but the lack of funds points to that process being kept. Currently, the notice of termination for non-payment gives Residents 14 days to pay the rent arrears. If they do not pay and the landlord applies to the Ontario Rental Housing Tribunal (ORHT), a resident has 5 days to file a written dispute. If the resident does not do so, the ORHT issues an order without a hearing, i.e. a default order. The government will likely lengthen the 5 days to 8 or 10 days. We are asking for the notice period for non-payment to be shortened so that the total period from serving the notice to obtaining the default order remains the same.

We are also pushing for a reduction in the fees for eviction applications (now \$150), and above-guideline increase applications (now \$500 to \$1,000). Both property owners/managers and residents have argued that the eviction fees are too high. When the ORHT makes an eviction order, the resident can keep the tenancy by paying the rent arrears and the landlord's costs (including the application fee). Since 70% of eviction orders do not lead to actual evictions, residents end up paying the bulk of the application fees.

We expect that the interest payable to residents on the last month's rent deposit will be reduced from

(Continued on page 5)

While most governments (SK, BC, AB) are relaxing or eliminating rent controls, Ontario takes a huge step backwards by tightening controls.

CFAA-FCAPI continues to fight for fair and equitable tax treatment of rental housing industry. Small changes such as:

- restoring capital cost rollover provisions; and
 - obtaining flexibility for the provinces in how they spend federal funds for housing
- promise big rewards for residents, property owners/managers, Canadian tax payers as well as provincial and the federal government.**

Saskatoon Reassessment Cont'd

The City of Saskatoon will be sending preview letters to all property owners this Summer comparing your old value to your 2005 value. A web site is also being set up that will allow you to gain access to your property profile so you can check it for errors. Information on sales of comparable properties that were used to help assess your property will also be available.

CMHC annual rental market survey to include availability stats with vacancy stats after this October's survey.

When is interest deductible? When the amount borrowed is used for the purpose of earning income from a business or property.

Why do we want interest to be deductible?

The effective after-tax cost of your interest expense is lower if it is actually deductible.

Can you make your interest deductible after the fact?

If you restructure your financing to satisfy a direct tracing of the borrowed funds to an eligible current use.

CFAA-FCAPI Achieves Goal of Change to Rental Market Survey

By Tonya Moreton, Administrative Officer

Over the course of the past year the CFAA-FCAPI has been working hard to affect change to the CMHC's annual Rental Market Survey. Their definition of "vacant" is a "unit that is physically unoccupied and available for immediate rental." However, as important to Property Owners & Managers is "availability" information, which is defined as a "suite that is occupied or unoccupied and is available for rent."

At the AGM & Conference in August, Dianne Himbault of CMHC reported that while the results

of the first Pilot Project of Vacancy vs. Availability could not be released due to the limited scope of the project (it was only performed in five select markets), CMHC is dedicated to expanding the project to all 28 CMAs in their survey this October and those results, once compiled and analyzed, would be made available to CFAA-FCAPI by the end of 2004.

Now it falls to our member associations to promote the survey and encourage our members to participate fully when contacted.

Interest Deductibility Cont'd

(Continued from page 1)

- 5.000% where the interest is non-deductible
- 2.815% where the interest is deductible

First, the Good News

Can you make your interest deductible after the fact? For example, if you have borrowed money for some personal purpose, is it too late to make the interest deductible.

Referring to the *Singleton* case, we will look at the use of borrowed money. Pursuant to old case law, there must be a direct tracing of the borrowed funds to an eligible current use. The *Singleton* decision says that you can simply restructure your financing to satisfy this direct tracing test. The following is an example:

- \$ Mr. A owns 1,000 shares of B Corp., and a personal condo with a mortgage on it.
- \$ Mr. A sells the 1,000 shares of B Corp. and uses the proceeds to pay off the mortgage.
- \$ Mr. A re-mortgages the condo and uses the borrowings to buy 1,000 shares of B Corp.
- \$ The interest on the new mortgage is now deductible since the new mortgage was used to acquire shares.

How Does the CRA Feel About the Singleton Decision?

The Canada Revenue Agency has accepted the *Singleton* decision, and even refers to it in their draft Interpretation Bulletin dealing with the deductibility of interest (IT-533 released October 31, 2003).

Singleton – Trap

Watch transactions going the other way, such as selling off an old home, paying off the mortgage that *has* deductible interest, and taking out a new mortgage to purchase a new home. We are always concerned about the current/most recent use. As a result, the interest on the new mortgage, used to purchase the new home, is no longer deductible.

The Bad News – the New REOP Rules

New rules were announced October 31, 2003 by the

Department of Finance. The rules are in draft, for public comment. The rules will be applicable to taxation years beginning after 2004. These rules are commonly referred to as the "New Interest Deductibility Rules". Unfortunately, the rules do not just apply to interest deductions – they effectively apply to any and all deductions that result in a loss.

The rules are also commonly referred to as the "New REOP Rules". REOP means **Reasonable Expectation of Profit**. That is, is it reasonable to expect that (fill your investment or venture in here) will earn a cumulative profit in the long run?

If you have a REOP, it's business as usual. Profits are profits and losses are losses (which may be offset against other income, or carried over to offset profits in other years).

If you don't have a REOP, any losses you incur are simply denied, even though profits (whenever you have them) are still taxed:

- x No carry-over of denied losses;
- x No suspension of denied losses;
- x No reduction of profits that are taxed;
- x Losses are just disallowed and wasted.

Key Concepts for the REOP Rules:

- ⇒ Profit means net profit and does not include capital gains (or capital losses);
- ⇒ The rules apply to business or property;
- ⇒ The REOP test must be met each and every year;
- ⇒ Start-up losses are permitted because the profit test is cumulative, but how far into the future are you supposed to look?;
- ⇒ The REOP test is supposed to be objective and hindsight is not to be used.;
- ⇒ It doesn't matter if a taxpayer has an honest intent and belief that he/she will earn a profit.

Example from the Ministry of Finance

A taxpayer purchases a rental property. Normally, the property would have a REOP but it is highly leveraged so that the interest deductions result in losses. According to the Ministry of Finance, because the property is highly leveraged, there is no REOP. As a result, the annual losses are not de-

Associate Member Profile

Ecom Media Group Inc. provides three main rental listing products:

www.myidealhome.com,
www.homes4students.ca, and
www.offcampushousing.com.

We are the largest rental listing network in Canada. This rental listing service is designed to make it easier for landlords to directly market their rental properties to potential renters such as young professionals, families, students, prospective students, faculty and staff and the general public.

To help showcase rental property we have provided several advanced features such as the ability to add/modify a listings, add pictures instantly, provide detailed mapping and driving directions, 360o virtual tours, print feature sheets and a description box (HTML capable) to provide any additional information and details. All this can be performed from any Internet enabled PC 24 hours a day, 7 days a week.

The MyIdealHome network includes such websites as:

www.rentbc.com, www.rent-ontario.com,
www.rentmanitoba.com, and www.rentalberta.ca.

We also partner with such associations at ROMA BC and FRPO.

The Homes4Students product represents Universities and Colleges across Canada. This site



allows property managers to directly market to over 450,000 students across Canada. Through direct partnerships with Universities, Colleges, and Student Unions we bring together landlords, property managers, students, faculty,

and staff.

The OffCampusHousing101 product represents Universities and Colleges across the USA. This site has the same benefits as our Homes4Student product but to a much larger audience.

Ecom Media Group Inc. provides very unique products that help prospective renters find suitable housing through landlords and property management companies across Canada and the USA.

ECOM Media Group Inc. is the first associate member in the CFAA-FCAPI. We also provide hosting services for the association website at www.cfaa-fcapi.org and look forward to assisting the association to achieve its goals in the coming years.

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If you are interested in becoming a Supplier or Corporate member of the CFAA-FCAPI, please contact Tonya Moreton, Administrative Officer at 204-444-4832 or cfaa@mts.net or visit our website at www.cfaa-fcapi.org for more association information. If you are an association representing the interests of the residential rental industry in your region, you can become a Full member of the CFAA-FCAPI by contacting Tonya via the mediums listed above.

Interest Deductibility Cont'd

ductible.

What if, as a secondary intention, the taxpayer intends to profit by selling the property? According to the Ministry of Finance, the property might then have an overall REOP and the annual losses would be deductible. However, the gain on the sale would have to be on income account (rather than capital gain). Trade off of losses vs. capital gains treatment – are the two now mutually exclusive?

To Re-iterate:

- The new REOP rules are in draft, for public comment. As it stands, the new REOP rules

will apply only to taxation years beginning after 2004.

- On August 11, 2004, BCAOMA sent a submission to the Department of Finance strongly opposing these proposed changes to the REOP rules.
- On August 16, 2004, the CFAA-FCAPI sent a letter to the Department of Finance supporting the BCAOMA submission and opposing the proposed new REOP rules.

Reprinted with permission from Arthur Azana, D & H Group, Chartered Accountants and a BC Apartment Owners and Managers Association (BC AOMA) Associate member in Vancouver.

Ontario Update Cont'd

(Continued from page 3)

the current rate of 6%.

We further expect that the formula for the annual increase that property owners/managers can take without an application (the "guideline" increase) will be amended, and likely reduced from the previous formula. From 1987 to 2004, the guideline was calculated by taking a base amount of 2% and adding 55% of the average inflationary increases in

building operating costs.

The government recently amended the law to remove the 2% for 2005. Even though property owners/managers' costs have increased by 2.7%, the 2005 guideline is only 1.5%, the lowest guideline ever in Ontario. The new guideline formula should be better than the 2005 formula.

The Ontario members of CFAA, namely FRPO, GTAA, LPMA and EOLO, are working hard to minimize the proposed negative changes to the current rent control system.

When do the new rules apply? They are in draft for public comment and will be applicable to taxation years beginning after 2004.

Overhaul of Rent Control Under Study by Province

By Mia Rabson, Winnipeg Free Press (Friday, September 3, 2004)

Manitoba and Quebec residential rental property owners and managers remain hopeful that their government will follow the lead of provinces like BC and Alberta while investigating possible changes to their Residential Tenancies Act (RTA). The former two provinces were able, through full and open discussions with industry stakeholders such as resident, owner/manager groups and other parties to strike balanced and fair legislation.

BC's Rent Control limit set at 3.8% for 2005. While Ontario and Manitoba both set their limit at 1.5%.

The Manitoba government is studying possible changes to its rent-control provisions to help spur rental renovations and construction.

Finance Minister Greg Selinger, who announced the annual rent-control allowance yesterday, said a committee comprising representatives of government, tenants and property owners began looking at rent control a couple of months ago.

"We want to make it fair for everybody," Selinger said. He said the group is trying to come to a consensus on possible proposals to improve, but not remove, rent control.

He wouldn't say what proposals are on the table, noting the committee is being chaired by his deputy minister and will report to him with recommendations. "I haven't given them a hard deadline," he said.

For 2005, the provincial guideline for rent increases was set at 1.5 per cent yesterday. That is the maximum allowable rent increase for units renting for less than \$1,000 a month, including apartments, single rooms, houses and duplexes.

New units that came on line after April 9, 2001 are exempt from rent control for 15 years as a way to spur new rental-property construction.

Property owners can apply for bigger increases if they have proof that 1.5 per cent would not be enough to cover their cost increases.

Tenants must be given three months' written notice of a rent increase.

Shaun Parsons, president of the Professional

Property Managers Association in Manitoba, said his organization would like to see the annual rent increase ceiling brought into line with the Consumer Price Index. He said that between 1982 and 2004, there is a 17 per cent difference between the CPI and Manitoba's rent-control allowances.

He said the CPI would put property owners a lot closer to their cost increases for items such as natural gas. That would leave more money for renovations and capital improvements.

"I don't think you'll ever see an end to rent control in an NDP or a Conservative government," Parsons said. "It's a political hot potato. But the government really needs to involve us and realize the system is broken."

He said that most often he needs between three and six per cent rent increases to keep up with costs and make capital improvements to the properties. Although there is a dispute mechanism to apply for a bigger increase, he said the property owner doesn't have input into the final number; it's determined by the Rental Tenancies Board.

Manitoba's residential rental vacancy rate in 2003 was 1.3 per cent. Canada Mortgage and Housing Corp. reports that in 2003 in Winnipeg, there were 54,095 private rental units that rented for an average of \$554 a month. The average rent for a one-bedroom apartment was \$508 a month, and for a two-bedroom it was \$645.

Parsons said Winnipeg's hot real estate market, spurred by low interest rates, has kept the rental vacancy rate a bit higher as people choose to buy instead of rent.

BC Sets Rent Control Limit

By Al Kemp, ROMA BC

With the new Residential Tenancy Act that came into effect January 1, 2004, BC's Liberal government brought in rent controls, setting the limit for 2004 at 4.6%. In late August the government announced the rent control limit for calendar 2005 will be 3.8%. The government uses a formula that calculates the average BC consumer price index increase over two years, and then adds

two percentage points to that number.

BC's Act allows Residents and Property Owners/Managers to agree in writing to an increase above the rent control limit. Also, Property Owners/Managers can seek an increase above the limit by applying for arbitration.

However, the criteria that must be met in the latter case are both numerous and difficult to meet, making the 3.8% the likely maximum in 99% of rent increases in BC next year.

Quebec Update

Following suit with many other provinces, property owners and managers are in negotiations with the Quebec government regarding their rental legislation and a number of requested changes to make the system fair and equitable to all parties.

The property owners and managers are asking the province for vacancy decontrol-recontrol, similar to

the system instituted by Ontario in the late 1990s.

All parties are also asking for more funds for a permanent shelter allowance program, as well as an improved process for renovation funds recapture through the current rent control system.

Another major issue that came out of Government feedback from advocates is that the eviction process is problematic.

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PPMA Hosts CFAA-FCAPI AGM & Conference

By Tonya Moreton, CFAA-FCAPI Administrative Officer & PPMA Executive Director

From August 12-14th, 18 delegates from across Canada attended the 9th annual CFAA-FCAPI AGM & Conference in Winnipeg. This was the best attended event in our history and the first time Winnipeg has played host. The event began with a welcome dinner at the Royal Crown Revolving Restaurant that sits atop the Fort Garry Place Apartment Tower. Delegates were treated to a bird's eye view of the city coupled with 'tour guide narration' provided by Shaun Parsons, Avrom Charach and Tonya Moreton of the PPMA.

On Friday the formal conference began with a provincial welcome address by Andrew Swan, MP Minto, formerly of the Manitoba Residential Tenancies Commission. Then progressed into a round table discussion of the current issues in each region. It proved a very enlightening morning for everyone at the table, including our sponsor delegates, who were invited to attend with the intention of gaining a better understanding

of the various national and regional association issues.

Interspersed with CFAA-FCAPI business, delegates enjoyed product/service presentations by Jeremy Robinson of Shaw Cable, Wally Ruban of Coinamatic Canada, Bill Zigomanis of TD Canada Trust and Dianne Himbault of CMHC.

The presentation by CMHC focused on the current rental market vacancy rates for each region. Dianne was also pleased to announce that the Vacancy vs. Availability Pilot Project, that was undertaken in conjunction with last year's Rental Market Survey, would be expanded to all 28 CMAs and that the results of this year's survey would be released to the CFAA-FCAPI by year's end.

On Friday evening delegates relaxed aboard the Paddlewheel Queen riverboat for a three-hour dinner tour of the Red and Assiniboine Rivers, hosted by TD Canada

Trust. It was a great opportunity for socializing while cruising Manitoba's most important historic trade routes.

Saturday saw the formal AGM business in which our out-going Chair Vince Brescia was replaced by David McIlveen of the CAA, with Jean-Francois Bigras of CORPIQ as Vice Chair. In the early morning our political action plans and board governance issues were discussed and in the later part of the morning the action plans and committee chairs were defined. We are also very pleased to continue with John Dickie as our President. His focus will remain political lobbying in Ottawa.

The CFAA-FCAPI has some very ambitious goals for 2004-2005, which you will all hear about shortly in direct communications from the CFAA-FCAPI office. All delegates and board members are excited about the future of the organization. We hope you will be too and that when called upon you will do your part to further the association in its endeavours.

CANADIAN FEDERATION OF APARTMENT ASSOCIATIONS

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