



**Canadian
Federation of
Apartment
Associations**

**Fédération
Canadienne Des
Associations
De Propriétaires
Immobiliers**



February 2007

National Outlook



President's Update

By John Dickie, President, CFAA-FCAPI

As reported previously, CFAA continues to work with the Canadian Real Estate Association (CREA), other national groups and the Montreal Real Estate Board to promote support for a tax deferral on the sale of and re-investment in rental property. In the Fall of 2006, CFAA met Minister Flaherty's tax policy advisor on several occasions. We also met a number of Conservative MPs to seek support from the Conservative caucus. We were very well received. We also met

Liberal Finance Critic John McCallum, who was open to CFAA's tax deferral proposal. On January 11, 2007, in Toronto, CFAA met Minister Flaherty's budget planner and his tax policy advisor to promote the tax deferral proposal. In January and February, CFAA met Liberal MPs John MacKay and Ralph Goodale, and Judy Wasylycia-Leis, the NDP Finance critic. John McCallum and John

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Invitation to CFAA's 2007 AGM & Conference—Edmonton, June 7 & 8

All CFAA members are invited to attend CFAA's 2007 AGM & Conference in Edmonton, Alberta, on June 7 & 8.

Besides regular AGM business, we will:

- summarize developments affecting landlords across Canada
- learn how landlord associations can best serve members
- participate in a Tax Policy Conference to advance CFAA's next tax reform goal. Why are we badly treated? What

are other key groups doing about tax reform? What can we do to obtain tax reform?

Members representing their associations pay no registration fee.

Take in two days of great information for the cost of your travel to Edmonton ! We hope to see you there.

For more information, contact CFAA Executive Vice-President June Carter at executive.vp@cfaa-fcapi.org.

Compte rendu du président

de John Dickie, président, FCAP-FCFAA

Comme nous l'avons signalé auparavant, la FCAP-FCFAA continue de travailler étroitement avec l'Association canadienne de l'immeuble et d'autres groupes nationaux, ainsi qu'avec la Chambre immobilière du Grand Montréal. À l'automne 2006, la FCAP-FCFAA a rencontré à plusieurs reprises le conseiller du ministre Flaherty en matière de politique fiscale. Nous avons aussi eu des entretiens avec bon nombre de députés

conservateurs afin d'obtenir le soutien de leur caucus. Ils nous ont bien reçus. Nous avons également rencontré M. John McCallum, porte-parole de l'opposition libérale en matière de finances, qui se dit ouvert au report fiscal tel que proposé par la FCAP-FCFAA.

Dans le but de promouvoir sa proposition, la FCAP-FCFAA s'est entretenue, le 12 janvier dernier à Toronto, avec le planificateur financier et le conseiller en

matière de politique fiscale du ministre Flaherty. En janvier et en février, la FCAP-FCFAA a aussi rencontré messieurs John MacKay et Ralph Goodale, députés libéraux, et madame Judy Wasylycia-Leis, porte-parole du Nouveau Parti démocratique en matière de finances. MM. McCallum et MacKay rédigeront la plateforme fiscale du Parti libéral.

La FCAP-FCFAA a aussi communiqué avec le

(suite à la page 8)

Canada's New Government Commits \$526 Million to Combat Homelessness and Extend Funding for Renovation Programs

CMHC News Release, December 19, 2006, available at <http://www.cmhc-schl.gc.ca/en/corp/nero/nere/2006/2006-12-19-1500.cfm>

OTTAWA, ONTARIO, December 19, 2006 — Today, the Honourable Diane Finley, Minister of Human Resources and Social Development, announced \$526 million for the new Homelessness Partnering Strategy (HPS), a strategy aimed at combating homelessness in communities across Canada and extending CMHC's renovation programs.

The new Homelessness Partnering Strategy (HPS) will be funded at \$270 million over two years.

The new Homelessness Partnering Strategy (HPS) includes:

- Consulting with stakeholders from the private and non-profit sectors and listening to their concerns;
- Partnering with the provinces and territories in the new year to determine how funding will be effectively allocated across Canada, thereby addressing the unique needs of many Canadian communities similar to the Canada-Quebec Agreement model;
- Providing greater access to support networks appropriate to individual needs of homeless people (such as skills training, health and substance abuse treatment) to help them attain self-sufficiency and full participation in Canadian society;
- Requiring that funding be specifically targeted at the development of transitional and supportive housing; and
- Tracking progress in the prevention and reduction of homelessness.

"This announcement will help The

Salvation Army give hope today and everyday by investing in the future of marginalized and overlooked people in communities across Canada," said Commissioner of The Salvation Army, Christine MacMillan. "We are extremely grateful for the generous support of the federal government and we value this partnership and their commitment to supporting vulnerable Canadians."

"This new Homelessness Partnering Strategy will allow for important partnerships to develop solutions to reducing homelessness," said John Dickie, President of the Canadian Federation of Apartment Associations.

"Canada's New Government is delivering on its commitment to help those who are homeless and those at risk of becoming homeless," said Minister Finley. "We consulted with stakeholders - those on the front lines giving assistance everyday to families in need - and listened to their concerns. In the New Year, we will bring the provinces and territories to the table to better address the needs of particular regions and communities. But most importantly, this Homelessness Partnering Strategy gives hope to the homeless with sustainable solutions to become active members of Canadian society."

"Today's announcement is good news for Quebec," said Minister Cannon. "Our new Homelessness Partnering

Strategy will help ensure that funding is provided for the next two years to help those who need it most, and will build on the existing Canada-Quebec Agreement."

"This new Homelessness Partnering Strategy will allow for important partnerships to develop solutions to reducing homelessness," said John Dickie, President of the Canadian Federation of Apartment Associations.

As a part of this \$526 million investment, Minister Finley announced \$256 million for the two-year extension of Canada Mortgage and Housing Corporation's (CMHC) renovation programs for low-income households. These home modifications help seniors and persons with disabilities remain independent in their homes, and preserve the housing for people who are at risk of homelessness. These programs will help improve the living conditions for some 38,000 low-income people including seniors, persons with disabilities, victims of family violence and Aboriginal peoples.

To help ensure Canadians have safe, adequate and affordable housing, Canada's New Government also announced an investment of \$1.4 billion in Budget 2006. This investment is being made through the establishment of three housing trusts for the provinces and territories to invest in affordable housing.

Human Resources and Social Development Canada's Homelessness Partnering Strategy will take effect April 1, 2007.

CFAA Welcomes New Landlord Members

CFAA welcomes the Kingston Rental Property Owners Association (KRPOA), from Kingston, Ontario, as a new member of CFAA. Kingston is located at the southerly end of the Rideau Canal and was a candidate to be the capital of Canada, but was considered to be too close the United States. KRPOA holds 8 member meet-

ings a year with informative guest speakers. KRPOA also provides their members with a free rental listing website. See www.kingstonrentals.com.

CFAA also welcomes landlords from Fredericton and Moncton, New Brunswick. The Saint John Apartment Owners Association (SJAOA) has been a member for several years. In the Fall

of 2006, the SJAOA merged with the associations in Moncton and Fredericton to form the New Brunswick Apartment Owners Association (NBAOA). While the merge has not increased the number of member associations in CFAA, it has increased our coverage across Canada. We wish the NBAOA every success. See www.nbaoa.com for more information.

Le nouveau gouvernement du Canada s'engage à investir 526 millions de dollars pour combattre l'itinérance et prolonger le financement accordé aux programmes de rénovation

<http://www.cmhc-schl.gc.ca/fr/inso/sapr/co/2006/2006-12-19-1500.cfm>

OTTAWA, le 19 décembre 2006 –

L'honorable Diane Finley, ministre des Ressources humaines et du Développement social, a annoncé aujourd'hui le versement de 526 millions de dollars pour la nouvelle Stratégie des partenariats de lutte contre l'itinérance, une stratégie visant à réduire l'itinérance dans des collectivités de partout au Canada ainsi qu'à prolonger les programmes de rénovation de la Société canadienne d'hypothèques et de logement.

La nouvelle Stratégie des partenariats de lutte contre l'itinérance disposera de 270 millions de dollars répartis sur deux ans.

La nouvelle stratégie prévoit les mesures suivantes :

- Consulter les intervenants des secteurs privé et sans but lucratif et écouter leurs préoccupations;
- Établir des partenariats avec les provinces et les territoires au cours de la nouvelle année pour déterminer la façon dont les fonds peuvent être répartis efficacement dans toutes les régions du pays, de sorte à répondre aux besoins uniques des nombreuses collectivités canadiennes (en s'inspirant du modèle Canada-Québec);
- Accroître l'accès aux mesures de soutien nécessaires pour répondre aux

besoins particuliers des sans-abri (notamment l'accès à de la formation axée sur les compétences, à des services de soins de santé ou de traitement de la toxicomanie) pour les aider à devenir autonomes et à participer activement à la société canadienne;

- S'assurer que les fonds du gouvernement fédéral servent principalement à établir des logements de transition et de soutien;
- Mesurer les progrès effectués en matière de prévention et de réduction de l'itinérance.

« Grâce aux fonds accordés, l'Armée du Salut continue de donner de l'espoir aux personnes marginalisées et négligées de collectivités de partout au Canada, a indiqué la commissaire de l'Armée du Salut, Mme Christine MacMillan. Nous sommes extrêmement reconnaissants du généreux soutien offert par le gouvernement fédéral, et nous valorisons grandement le partenariat établi et l'engagement du gouvernement à soutenir les Canadiens dans le besoin. »

« Le nouveau gouvernement du Canada remplit son engagement continu de venir en aide aux Canadiens sans-abri et à ceux à risque de le devenir, a indiqué la ministre Finley. Nous avons consulté les

intervenants – le personnel de première ligne qui offre chaque jour du soutien aux familles dans le besoin – et nous avons écouté leurs préoccupations. Au début de la nouvelle année, nous inviterons les provinces et les territoires à s'asseoir avec nous pour bien cerner les besoins de chaque région et collectivité. En outre, le plus important, c'est que la Stratégie des partenariats de lutte contre l'itinérance donne de l'espoir aux sans-abri en leur offrant des solutions durables qui les aideront à devenir des membres à part entière de la société canadienne. »

« L'annonce d'aujourd'hui constitue une bonne nouvelle pour le Québec, a affirmé le ministre Cannon. Notre nouvelle Stratégie de partenariats de lutte contre l'itinérance nous aidera à veiller à ce que les fonds versés au cours des deux prochaines années aident ceux qui en ont le plus besoin, et prendra appui sur l'entente Canada Québec déjà en vigueur. »

« La nouvelle Stratégie des partenariats de lutte contre l'itinérance permettra l'établissement de partenariats essentiels pour trouver des solutions à l'itinérance, a souligné John Dickie, président de la

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Federal Government Extends RRAP

By Al Kemp, Rental Owners and Managers Society of British Columbia (ROMS-BC)

On December 19, the government announced that it would be extending the Residential Rehabilitation Assistance Program (RRAP) for a further two years (see p.2). Of relevance to our industry, funds are available in the form of grants from CMHC for a variety of renovation/upgrading of rental units. In making the announcement, CMHC stated more than 750,000 households have benefited from previous version of RRAP since it was introduced in 1973.

There are various categories under which funding is available; these are the ones that apply to our industry:

Persons with Disabilities—Rental property owners who make a rental unit ac-

cessible for low-income persons with disabilities can receive funding assistance up to \$24,000 per unit.

Substandard Units—Owners of substandard rental units may also be eligible for up to \$24,000 per unit to upgrade the unit to a minimum level of health and safety.

Secondary Suites—Provided zoning permits secondary suites, financial assistance is available to create suites for low-income seniors or disabled adults.

Seniors—Assistance is also available where adaptations are being made to a suite to extend the time a low-income senior can live in the unit independently. Grants of up to \$3,500 per unit are available.

Conversions—Up to \$24,000 per unit is available to convert non-residential properties into affordable, self-contained rental units.

The RRAP program is essentially targeted to providing or improving housing for low-income households, seniors and persons with disabilities. You may be contemplating an upgrading or conversion to one of those uses, but the economic payback is questionable or not viable. Factoring in the RRAP assistance may make your decision feasible.

For more information, visit the CMHC website at www.cmhc-schl.gc.ca and search for "RRAP".

Ontario Update—The Residential Tenancies Act, 2006

By Mike Chopowick, Federation of Rental-housing Providers of Ontario (FRPO)

In Ontario, January 31, 2007, saw the eight-year rule of the *Tenant Protection Act (TPA)* come to an end, to be replaced by the new *Residential Tenancies Act (RTA)*. The *RTA* regulates virtually every aspect of Ontario's rental housing sector. FRPO lobbied aggressively against what amounted to one of the most damaging regulatory attacks on our industry in over a dozen years.

There are few positive aspects of the *RTA*, an example of politics trumping policy. The new law will make it harder for landlords to carry out capital work, worsen landlord-tenant relations, reduce the choice and quality that tenants expect, and create an adjudicative backlog at Ontario's Landlord and Tenant Board.

FRPO's battle began with the election of a new provincial Liberal government in Ontario that promised voters to bring back "real rent control". As an industry, we maintained that rent reforms were far from necessary: vacancies were increasing, annual rental starts were climbing, and rental affordability was improving. In fact, the rental market was flourishing under the existing *TPA* legislation, which brought in vacancy decontrol-recontrol.

After first musing about a convoluted rent reform proposal that would have seen regional rent control in areas with low vacancy rates, the government left most of the general rent control rules alone, but implemented numerous other measures that promise to introduce instability for the rental housing industry.

Some of the key features of Ontario's *Residential Tenancies Act, 2006* are:

RENTS

Vacancy Decontrol-Recontrol

No change. The current system that allows owners and new tenants to negotiate a market rent on turnover will remain in place. Once the rent is set, rent increases are limited to the guideline by the *RTA*, as they were by the *TPA*.

Annual Rent Increase Guideline

It is now the Consumers Price Index (CPI). Was previously set by a formula of different operating cost factors.

Last Month's Rent (LMR) Deposit Interest

The new interest rate on the last month's rent deposit will be CPI, as opposed to the previous 6%. Owners will be able to deduct from annual interest payments the amount needed to top up LMR to the new rent level.

Above-Guideline Increases (AGIs) for Capital

A new version of "costs no-longer borne" was introduced. When a landlord finishes paying for a capital expense, tenants who received the above guideline increase for that expense will have their rent reduced. This does not apply to tenants who moved into the building after the above guideline rent increase took effect.

The amount that can be passed through in one year for an AGI will be 3%, for a maximum 3 years, as opposed to 4% per year for as long as required. There are more limitations on what qualifies for an AGI.

Above Guideline Increases for Utilities

If they take an above guideline increase for higher utility costs, landlords must inform their tenants of the utility costs every year for five years and they must reduce the rents if utility costs go down.

Rent Discounts

Will be able to offer up to three months as "rent free periods", up from one month. A prompt payment discount of 2% remains available.

THE ADJUDICATION PROCESS

New Board

The Ontario Rental Housing Tribunal is renamed the Landlord and Tenant Board.

Eviction Process

The default eviction process is eliminated. Previously, if a tenant had failed to dispute an eviction application within five days of being served with a

hearing notice, the Tribunal would order an eviction without holding a hearing. This process was used in about half of all Tribunal applications. Now a hearing is required in every application. Long case backlogs and hearing delays will be the result of this new rule.

Trial by Ambush

Tenants will be entitled to raise maintenance or other issues during the course of a hearing for non-payment, without notice to the landlord, and the matter will be heard in conjunction with the eviction application. The Board will be able to make orders as though the tenant had made a separate application.

Fast Track Eviction Process

A faster eviction process will be added for tenants who cause wilful damage to a unit (a 10-day notice of termination, reduced from 20-days), though it remains to be seen how "fast" this will actually be if the tenant refuses to leave and the landlord must apply to the Board.

Payment to avoid Eviction

Tenants who have received an eviction order and reached the date the order is enforceable can avoid eviction by paying all the outstanding rent and related costs, right up until the sheriff enforces the eviction. Tenants can only exercise this provision once during a tenancy.

OTHER PROVISIONS

Information Pamphlet

When they move in, tenants must be given a pamphlet with information on the responsibilities of landlords and tenants, the role of the Board and contact information. Landlords will need to download the pamphlet from the Landlord and Tenant Board website (www.ltb.gov.on.ca).

Definition of Tenant

The definition of tenant is broadened to include the spouse of the tenant if the tenant dies or if the tenant leaves, and the spouse has up to 30 or 60 days

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The London Housing Registry—Helping Tenants Gain Access to Affordable Housing

Reproduced with permission from the LPMANews, December 2006

The London Housing Registry functions at a grassroots level: it provides low-income earners with access to safe, affordable housing and landlords with a steady clientele of tenants who meet their criteria.

The housing registry, which is located at 379 Dundas St. in London, Ontario, maintains a database of units that are listed, free of charge, through landlords, property management companies and homeowners. The registry's clients include single parents with children, youth, newcomers to Canada, recipients of social assistance, the working poor, people living on the street and staying in emergency shelters, and those coming from hospitals and correctional centres.

Shelley Milos, executive director of the registry, says the agency has received "unbelievable support" from landlords who belong to the London Property Management Association.

"A year and a half ago when we weren't sure about our core funding, the outpouring of support from the landlords was phenomenal," Milos recalls. "I think it's the relationship the registry has had with the landlords over the years and they trust our judgment. When clients come in, we're doing the best we can trying to match them up with the criteria they (landlords) are looking for."

Those criteria include being able to provide first and last month's rent, providing two reputable references, a willingness to sign a year's lease, and having a good credit rating, or a cosigner who will be responsible if a tenant defaults on the rent.

If tenants lack some qualifications, registry staff advise them to be honest with a prospective landlord.

Kim Walker, a property manager with Medallion Corp., has been listing units in her buildings at Easton Manor on Adelaide Street North on the registry's database since 1998. She says the registry is invaluable in helping tenants who have housing-related problems.

Landlords also appreciate the efforts of registry staff to make tenants more marketable by ensuring they're aware of the criteria they need to meet. "It's putting tenants on notice in advance so that they don't miss an opportunity to rent," Walker notes. "As landlords we appreciate what they (registry staff) do in identifying some of the requirements we have.

"We're in the business of renting and there's a process that needs to be respected in order to make sure we're protecting the best interests of the value of the property we either own or manage. We're happy to rent to people who meet our criteria but, without it,

we're hesitant to do so."

Every month, Milos updates the database by calling superintendents and rental agents to determine which units are still available and if there are any new apartments to list. She also looks for units throughout the city that aren't advertised, and calls landlords to see if they are willing to list their apartments with the registry.

Milos inspects the units to ensure they're in good repair, that homeowners who have a room to rent are responsible, stable individuals, and that the space in their home is suitable.

The housing registry, which is funded by the city, also operates a resource centre. It was established last year through funding from the Government of Canada's Supporting Communities Partnership Initiative.

The centre provides clients with information about current landlord-tenant legislation; city bylaws that pertain to housing, and fact sheets that suggest questions tenants should ask landlords about a unit.

An education advocate co-ordinator mediates and intervenes on the tenant's behalf to resolve problems between a landlord and a tenant.

For more information about the London Housing Registry, visit their website, www.londonhousingregistry.com.

Ontario Update, cont'd

(Continued from page 4)

to vacate or not. FRPO believes this provision will cause hardship for landlords and prospective new tenants (who may only find out at the last-minute before they would have moved in that a spouse has decided to remain in a unit).

Vital Services

Between September 1 and June 15, heat is considered a vital service and must be provided at a minimum temperature of 20 degrees Celsius.

Maintenance Inspections

With proper notice, landlords are per-

mitted to conduct basic maintenance inspections, not just enter for emergencies or repairs. FRPO is advising members to take advantage of this provision to ensure units are being looked after, and are not being used for illegal activity.

Maintenance

If the Landlord and Tenant Board decides a building has serious maintenance issues or serious outstanding work orders, a tenant can apply to the Board to stop all rent increases, including annual rent increases and above guideline increases, until all the serious maintenance issues are resolved.

Electrical Metering

The RTA contains new rules dealing with electricity smart meters and "ratio billing" of smaller buildings (dividing or "apportioning" utilities among tenants). These new rules are complicated and costly for landlords and defeat the Ontario government's objective of encouraging energy conservation. As it turns out, the government decided that the sections of the RTA dealing with smart meters and ratio billing would not be proclaimed with the rest of the Act. Currently those sections are not in force.

CMHC Reorganization

By John Dickie, President, CFAA-FCAPI

On January 25, 2007, Canada Mortgage and Housing Corporation (CMHC) announced a reorganization and expansion of its Policy and Research arm. In the new structure, there will be Directors responsible for

- Strategic Policy Co-ordination
- Housing Finance and Capital Markets

- Sustainable Housing and Communities
- Housing Needs Policy and Research

In addition, there will be a new Aboriginal Housing Policy Unit headed by a Manager, and an additional Senior Analyst for federal-provincial territorial relations. The announcement says,

“[a]s most federal low-income housing assistance is provided in partnerships with provinces and territories, the Senior Advisor will continue to be the policy lead for the development of low-income housing assistance programs.”

CFAA looks forward to connecting with the new key players once the staff are in place in the new organization.

Federal Funding for New Energy Initiatives

By June Carter, Executive Vice-President, CFAA-FCAPI

In January 2007, the Federal government announced \$300M in funding over four years for the ecoENERGY Efficiency Initiative, to start in April 2007.

Two programs under the new initiative will benefit rental housing providers:

- ecoENERGY for Buildings and Houses
- ecoENERGY Retrofit

ecoENERGY for Buildings and Houses will encourage the construction, operation and retrofit of more energy-efficient buildings using activities such as rating, labelling and training. \$60M will be invested in this program to generate new design tools and training for new technologies, energy rating and labelling systems, and on working with other levels of government to adopt more stringent building energy codes.

ecoENERGY Retrofit will provide financial incentives to building owners to speed up action on energy-saving projects. The incentives will be designed to help homeowners and small and medium-sized businesses, industry and public institutions invest in energy and pollution-saving upgrades.

Further details are expected to be available shortly. For more information, visit www.oee.nrcan.gc.ca

ACORN Calls for Rent Escrow Accounts for Apartments

Reproduced with Permission from the Greater Toronto Apartment Association (GTAA)

The Association of Community Organization for Reform Now (ACORN) has asked Toronto City Council to establish a “Rent Escrow Account” for apartment buildings with serious maintenance problems as part of a new licensing regime that Council is considering.

ACORN cites Los Angeles where the tenants pay a portion of their rent in escrow rather than to the landlord while the apartment license is in suspension due to maintenance issues.

The Los Angeles model uses a three pronged approach of a Rent Escrow Account Program (REAP), an Urgent Repair Program (URP), and a Habitability Enforcement Program (HEP).

The REAP program permits tenants, in cited substandard buildings which have been referred to the housing department by citing agencies for continued non-compliance with City codes, to pay rent into an escrow account operated by the

City to create economic pressure on property owners to force repairs.

Under the URP program, Building and Safety, Housing, Fire or Health Inspectors identify a building with life-threatening conditions, they immediately refer that property to the URP. If a building is referred to URP, the property owner is ordered to repair the condition within 48 hours. If the property is not brought into compliance and the property owner has not displayed due diligence to effect the repairs, the housing department makes the repairs through pre-selected contractors and places the building into the REAP. The building is not released from REAP until the City has recovered the cost of the repairs (plus 40% for administrative fees) through rents paid by tenants directly to the City.

The HEP program allows tenants of rent stabilized units or an enforcement agency to initiate a complaint with the housing department for rent reduction

when certain habitability violations are found to exist in their units, as described in Section 1941.1 of the California Civil Code. Applicable violations include a reduction or elimination of the following services: elevators, security gates and air conditions if contracted by the tenant, or if provided to the tenant at the time of move in.

“The problem with the ACORN proposal is that you simply cannot compare the jurisdictions of Los Angeles and Toronto. In Ontario, we have over arching provincial legislation – the Residential Tenancies Act – where in California there is no such rent regulation legislation at the State level,” reacted Brad Butt, President, Greater Toronto Apartment Association. “Some municipalities in the United States have gone this route because there is no senior level of government regulating rental housing like we have in Ontario.”

Landlord Perception—Are you Helping or Hurting?

Reproduced with permission from the Calgary Apartment Association (CAA)

Editors Note: Between October 2005 and October 2006, the average rent in Calgary increased by 19.5%, the largest increase every recorded by CMHC. The increase was driven by Calgary's economic boom. Despite Alberta's accurate image as Canada's haven of free enterprise, numerous politicians have called for the imposition of rent controls and prohibitions on conversions of rental apartments to condominiums. The following is the lead article from the Rental Review, the newsletter of the Calgary Apartment Association.

We are in a very sensitive time in our industry, and it has never been more important for all of us to carefully consider the ramifications of our actions as they affect our industry as a whole.

As the rental market continues to tighten in Calgary and it becomes easier to implement rent increases, we must at the same time be cognizant of the perception that we as an industry create – especially once the media becomes aware of more and more instances of what it considers to be unfair increases.

Recently, a building was featured in a newspaper article where the current rents were doubled, and the increase notices were given along with notices to vacate for condominium conversion. The ensuing tenant revolt got to the level of the area Alderman, and ultimately the landlord rolled back the rents and even offered incentives and other assistance for tenants. Naturally, the media had no interest in reporting the latter turn of events, and certainly the landlord could have approached the situation differently. The ultimate result might have been achieved with a lot less time, effort and grief.

During the past five years the local media carried numerous stories about how difficult the rental housing market was for landlords as we felt the effects of high vacancies and reduced rents. The media also commented on the increasing costs that landlords faced and

noted that these costs could not be passed on to the tenants because of the market conditions.

The sudden, dramatic and unforeseen shift in the rental market this year has seen most, but not all, landlords increase their rents. As a result, what has been portrayed repeatedly in the past few months, both in the newspaper and on television, has been the “poor tenant” being gouged by the “greedy landlord”. While usually this is not the case, the more that members of the municipal and provincial government hear this, the more attention becomes focused on our industry. Because there are more tenants than landlords (hence more votes from tenants) it is the side of the tenant that the government historically takes – which means that government looks for ways to control our industry. In the past, this has meant rent controls.

We need to collectively minimize, if not eliminate, negative publicity. Significant increases should be avoided, particularly when it comes to using huge increases to force tenants to move out, whether this be for conversion to condominiums, or to force turnover so that rents can be increased further. These actions, as we have seen in recent months, bring very negative attention to our industry, and lately have prompted requests for and discussions about rent controls and a moratorium on the conversion of rental buildings to condominiums. Neither of these is good for landlords en masse, and rent controls have historically not been good for tenants either. They just don't work.

The Board of Directors of the Calgary Apartment Association (CAA) is aware that there have been some calls for rent controls and a condo conversion moratorium, and every time there is a story in the paper or on television about a perceived unfair rent increase, it serves as further ammunition for such controls.

So what can we do? First and most important, rent increases should not be used to circumvent the Residential Tenancy

Act and force tenants to move out. Beyond this, we all must think carefully and logically, and consider how increases you are contemplating will be perceived. A \$100 increase against a \$500 rent is equivalent to 20%, which can be manipulated to sound excessive, even if a rent moving from \$500 to \$600 is really still a bargain. Calculate the amount of the increase as a percentage and determine whether it is reasonable or justifiable compared to the percentage increases for costs you have experienced.

The last thing the CAA wants to be perceived of doing is in anyway asking you to limit your income, or attempt to dictate how you should operate. We are only asking for you to be careful and strategic when increasing rents. For example, one way to realize quick gains to rents in a market such as today's is through turnover – when a suite is vacated, this is the time to raise the rent to market levels, as opposed to raising a tenant's rent to market level in one increase period. Also, once the rents that new tenants are paying become known throughout your building, increases will be received in a different light and come as less of a shock. Increased rents can also be compared to rents new tenants are paying, and the fact that they are usually lower helps further justify the amount of an increase.

Another important consideration is the condition of the property and what tenants may or may not be getting for their money at the time of the increase – if there are simple ways to improve a property's appearance and/or function that are not being done, the likelihood of an ill-received increase is greater, while if there are few things for tenants to complain about, the opposite is true.

Above all – consider your actions carefully, imagine the situation of your building, your company, your name in the newspaper or on television, and decide how it would look to the public, to government, and how it might fuel special interest groups. Let's try to think of our industry as a whole in such exceptional economic times.

Combattre l'itinérance (cont'u)

(suite de la page 3)

Fédération canadienne des associations de propriétaires immobiliers. »

Dans le cadre de cet investissement de 526 millions de dollars, la ministre Finley a annoncé 256 millions de dollars qui serviront à prolonger de deux ans les programmes de rénovation de la Société canadienne d'hypothèques et de logement à l'intention des ménages à faible revenu. Les rénovations apportées au domicile permettent aux personnes âgées et aux

personnes handicapées d'être autonomes dans leur propre maison. Elles permettent aussi de préserver les logements des personnes à risque de sombrer dans l'itinérance. Ces programmes contribueront à améliorer les conditions de vie de près de 38 000 personnes à faible revenu, dont des personnes âgées, des personnes handicapées, des victimes de violence familiale et des Autochtones.

Afin de s'assurer que les Canadiens et les Canadiennes aient accès à des logements sécuritaires, adéquats et abord-

ables, le nouveau gouvernement du Canada a aussi annoncé un investissement de 1,4 milliard de dollars dans le budget de 2006. Ces fonds ont été versés dans trois fiducies de logement permettant aux provinces et aux territoires d'investir dans le logement abordable.

La Stratégie des partenariats de lutte contre l'itinérance de Ressources humaines et Développement social Canada entrera en vigueur le 1^{er} avril 2007.

President's Update, cont'd

(Continued from page 1)

MacKay will author the Liberal party tax platform. CFAA was also in contact with the Prime Minister's office about CFAA's tax deferral proposal. Everyone contacted was either supportive of the tax deferral proposal, or at least open to it.

CFAA is cautiously optimistic regarding the inclusion of capital gains tax relief in the Spring Budget as CFAA has requested. CFAA's policy statement on tax deferral is available at www.cfaa-fcapi.org by clicking on Policy Goals & Statements. We urge all CFAA members to promote tax de-

ferred on sale and reinvestment in rental property to all MPs and all other federal decision makers. Please contact president@cfaa-fcapi.org if you would like talking points to use.

Compte rendu du président, cont'u

(suite de la page 1)

bureau du premier ministre pour discuter de sa proposition sur le report fiscal. Toutes les personnes approchées soutenaient la proposition ou, à tout le moins, se disaient favorables à celle-ci.

La FCAPI affiche un optimisme prudent

quant à l'inclusion, à sa demande, d'un allègement fiscal des gains en capital dans le budget du printemps. L'énoncé de notre politique sur le report fiscal se trouve sur le site www.cfaa-fcapi.org (voir sous Policy Goals and Statements). Nous incitons tous les membres de la FCAPI à promouvoir le re-

port fiscal des recettes de ventes de propriétés à logements et leur emploi. N'hésitez pas à communiquer avec le président (president@cfaa-fcapi.org) pour discuter des points à soulever lors de vos rencontres.

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