



**Canadian
Federation of
Apartment
Associations**

**Fédération
Canadienne Des
Associations
De Propriétaires
Immobiliers**



May 2007

National Outlook

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Update from your CFAA President

By John Dickie, President, CFAA-FCAPI



Tax Deferral and Other
Income Tax Lobbying

As reported previously, CFAA worked hard to promote a tax deferral on sale and re-investment.

On January 11, 2007, in Toronto, CFAA met Minister Flaherty's budget planner and his tax policy advisor to promote the tax deferral proposal. We also met numerous Conservative and Liberal MPs, and the NDP finance critic, to promote the tax deferral proposal. In February, CFAA had a number of discussions with the Finance Minister's Office. While tax deferral and re-investment is CFAA's top priority, we also discussed other issues, including increasing CCA rates on residential rental buildings. By March the budget was fixed, and we could only wait to learn the outcome of our efforts and the government's political calculations.

Despite encouraging feedback from the Conservatives, Liberals and NDP on

CFAA's proposed tax deferral on the sale of a rental property and re-investment in another rental property, the 2007 Federal budget provided no such relief for landlords.

While the budget increased the CCA rates on manufacturing plant and other non-residential buildings, that relief was not extended to residential rental buildings.

The only tax relief benefiting the rental housing sector is the incentive provided for provinces to reduce or eliminate their capital taxes. That will benefit many major landlords in Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, and Nova Scotia. The remaining provinces have already eliminated their capital taxes.

CFAA will continue its efforts to achieve equitable tax treatment for Canada's residential landlords. Landlords know how difficult it can be to achieve sensible policies from the provincial and municipal government. Influencing the federal government has extra difficulties because the federal government is so

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Compte rendu du président

de John Dickie, président, FCAP-FCFAA

Le report fiscal et autres matières de lobbying liées à l'impôt sur le revenu

Comme nous vous l'avons mentionné auparavant, la FCAP-FCFAA a travaillé diligemment à la promotion du report fiscal sur les recettes de vente et de leur emploi. À Toronto, le 11 janvier dernier, la FCAP-FCFAA s'est entretenue avec le planificateur financier et le conseiller en matière de politique fiscale du ministre Flaherty dans le but de promouvoir sa proposition. Nous avons aussi rencontré plusieurs députés conservateurs et libéraux, ainsi que le critique

financier du NPD, pour faire connaître notre proposition sur le report fiscal. En février, la FCAP-FCFAA a eu de nombreuses discussions avec des représentants du bureau du ministre des Finances. Bien que le report fiscal des recettes de vente et de leur emploi soit la priorité absolue de la FCAP-FCFAA, nous avons aussi discuté d'autres problèmes, y compris les taux CCA sur les immeubles résidentiels locatifs. En mars, le budget a été établi et nous ne pouvions qu'attendre de connaître les résultats de nos efforts et des manœuvres politiques du

gouvernement.

Malgré les commentaires encourageants des députés conservateurs, libéraux et NPD sur le report fiscal des recettes de vente d'immeubles locatifs et de leur emploi dans une autre propriété locative, le budget fédéral 2007 n'a été d'aucun secours quelconque pour les propriétaires.

Tandis que le budget a augmenté les taux CCA applicables aux usines de fabrication et autres immeubles non

(suite à la page 5)

CFAA Invites you to its 2007 AGM & Conference—Edmonton, June 7 & 8

By John Dickie, President, CFAA-FCAPI

CFAA Tax Policy Conference

CFAA will be holding a tax policy conference in Edmonton on Friday, June 8, 2007. Landlord members of CFAA's member associations are welcome to attend that conference with no registration fees. The conference program is the following:

SPEAKERS:

10:45 am **Van Colaco, CA, and Jacyn Koski, CA, KPMG** - The tax disadvantages of rental housing, including lack of rollovers on sale and reinvestment, passive vs. active business income and CCA rates.

11:30 am **James Mckellar**, Associate Dean, External Relations and Director, Program in Real Property, Schulich School of Business, York University, Toronto - Why do we need tax reforms for income producing real estate? What are some of the options for tax reform? What are the major roadblocks to reform? What would it take to motivate political leadership to consider such reforms?

1:00 pm **Jim Brennan (CREA); John Dickie (CFAA); Chris Conway (REALpac)** What are groups doing about tax reform? What lessons have groups learned from past efforts?

Discussion Groups (divided by possible tax reform goal)

2:00 pm The benefits of a particular tax reform, and the roadblocks and ways around them;

3:10 pm The pros and cons of seeking that particular tax reform and how to seek it; and

Plenary Discussion:

4:00 pm Plenary discussion of lessons learned and steps from here.

5:00 pm Conference concludes.

For more information, contact president@cfaa-fcapi.org. Come and join other landlords across Canada as we work to create CFAA's strategy and tactics to achieve tax reform for the rental housing industry !

CFAA Association Conference

The tax policy conference is being held in conjunction with CFAA's internal association conference. Again, landlord members of CFAA's member associations can attend with no registration fees. The program for that conference is the following:

Wednesday, June 6 – 6 p.m. Opening Dinner

Thursday, June 7

8:45 am - Reports on CFAA's business for the year past, discussion and ideas for the future; election of the new Board of Directors

1:00 pm – **Developments from across Canada that may affect landlords in your city**

3:00 pm – How can associations offer more and better service to their members? – *advice services for landlords; and networking events*

6:00 pm Drinks and dinner with your colleagues across Canada

Friday, June 8

8:45 am – How can associations offer more and better service to their members? – *recognizing member achievements; and providing value to supplier members*

10:45 am – Tax policy conference (see above)

Please join your colleagues across Canada at the conference, to get ahead of what is happening in the landlord business, in association work and in income tax policy. Contact your local association for a registration form.

CFAA Thanks its 2007 Conference and AGM Sponsors!

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There are still sponsorship opportunities available! For more information, please contact CFAA Executive Vice-President, June Carter, at executive.vp@cfaa-fcapi.org

New Energy Subsidies—Applications Accepted Starting June 15, 2007

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

Under the Federal Government's new ecoENERGY retrofit incentive programs, the first call for proposals starts on June 15, with a deadline of September 15, 2007. Funding is limited, so it is best to apply early.

Retrofit Incentives for Smaller Rental Buildings (known as ecoEnergy Retrofit - Homes)

The program applies to houses and multi-unit residential buildings with fewer than four storeys and a footprint of less than 600 square metres, as well as mobile homes on a permanent foundation. The maximum grant is \$5,000 per home or building.

Unfortunately, unlike in the case of RRAP administered by CMHC, the maximum grant amount does not take into account the number of units in a building. Thus the utility of the program for mid-sized buildings is severely compromised.

To qualify, the homes must first go through a residential energy efficiency

assessment by an NRCan-licensed energy advisor. The grant will be available to owners who carry out energy efficiency retrofits based on the energy advisors' recommendations. Only homes that have pre- and post-retrofit evaluations from the energy advisor are eligible.

The grant amount is based on each of the recommended retrofits that are completed, and the relative impact on the energy efficiency of your home. You can only apply once per property. The work must be done within 18 months of your pre-retrofit evaluation.

Retrofit Incentives for Larger Rental Buildings (known as ecoEnergy Retrofit for Buildings)

The program applies to multi-unit residential buildings with four or more storeys and with a maximum floor space of 10,000 square metres. (The program also applies to certain commercial and institutional buildings.) You can qualify for up to \$10 per gigajoule of energy saved and

up to 25 percent of eligible project costs, to a maximum of \$50,000 per proposal. The incentive will be provided after the project has been completed and the work is verified.

Before applying, applicants must obtain a technical energy analysis at their own expense. That cost is not eligible for the subsidy. Buildings in which you have started or completed retrofits within the last year are not eligible, as the program requires 12 months of pre-retrofit energy bills to establish the eligible savings from the proposed project.

Priority will be given to first-time applicants, projects using innovative technologies or renewable resources, projects with complex energy efficiency measures, and projects with technical issues beyond the capability of the owners.

For more details on the new programs, see oee.nrcan.gc.ca or ecoaction.gc.ca.

Les Nouvelles subventions d'énergie - Commencez à s'appliquer, 15 juin 2007

Par June Carter, vice-président exécutif, FCAPI-CFAA

Dans le nouveau programme du gouvernement fédéral, l'écoÉNERGIE Rénovation, le premier appel pour les propositions commence le 15 juin, avec une date-limite de 15 septembre, 2007. Le placement dans le programme est limité, ainsi il est meilleur pour s'appliquer tôt.

écoÉNERGIE Rénovation – Subventions et mesures incitatives (pour les propriétaires)

Le programme s'applique aux maisons et aux bâtiments multi-résidentiels avec moins de quatre étages et à une empreinte de pas de moins de 600 mètres carrés, et aussi les maisons mobiles sur une base permanente. La concession maximum est \$5.000 par maison ou bâtiment. Malheureusement, à la différence de dans le cas de RRAP qui était administré par CMHC, la quantité maximum de concession ne tient pas compte du nombre d'unités

dans un bâtiment. Ainsi l'utilité du programme pour les bâtiments mi-classés est sévèrement réduit.

Pour qualifier, les maisons doivent d'abord passer une évaluation résidentielle d'efficacité énergétique par un conseiller d'énergie de NRCan. La concession sera à la disposition des propriétaires qui effectuent des modifications d'efficacité énergétique basées sur les recommandations des conseillers d'énergie. Seulement les maisons qui ont reçu leur évaluations avant et après leur évaluation avec le conseiller d'énergie sont éligibles.

La quantité de concession est basée sur chacun des modifications recommandées qui sont accomplies, et de l'impact relatif sur l'efficacité énergétique de votre maison. Vous pouvez seulement vous appliquer une fois par propriété. Le travail doit être effectué dans les 18 mois de votre évaluation de pré-

modification.

écoÉNERGIE Rénovation – Les mesures incitatives pour les grands bâtiments

Le programme s'applique aux bâtiments multi-résidentiels avec quatre étages ou plus et avec une surface au sol maximum de 10.000 mètres carrés. (le programme s'applique également à certains bâtiments commerciaux et institutionnels.) Vous pouvez qualifier pour jusqu'à \$10 par gigajoule et jusqu'à 25% d'énergie de coûts éligibles de projet, à un maximum de \$50.000 par proposition. L'incitation sera fournie après que le projet ait été accompli et le travail est vérifié.

Avant l'application, les demandeurs doivent obtenir une analyse technique d'énergie à leurs propres frais. Ce coût n'est pas habilité à la subvention. Les bâtiments dans lesquels vous avez

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Rental Residential Rehabilitation Assistance Program — Rental RRAP

Reproduced from www.cmhc-schl.gc.ca/en/co/prfinas/prfinas_008.cfm

Editor's note: In December 2006, the Federal government announced the extension of CMHC's renovation programs for low-income households, including Rental RRAP. CFAA had been calling for the renewal of RRAP.

The Rental Residential Rehabilitation Program (Rental RRAP) offers financial assistance to landlords of affordable housing to pay for mandatory repairs to self-contained units occupied by low-income tenants. Mandatory repairs are those required to bring properties up to minimum levels of health and safety.

Who is eligible?

Owners (landlords) of affordable self-contained housing units may apply if:

- the household incomes of their tenants are at or below the established ceilings (these vary based on household size and area of the country).
- the projects have pre- and post-RRAP rents at or below the median market rent for the local area. CMHC can assist with market rent information.
- the property lacks basic facilities

or requires major repair in one or more of the following five categories: structural, electrical, plumbing, heating and fire safety.

- tenants are not family relatives of the owner.

What assistance is available?

The assistance is a fully forgivable loan covering up to 100 percent of the cost of mandatory repairs with certain conditions attached. Landlords must also:

- agree to place a ceiling on the rents that may be charged after the repairs are completed
- limit rent increases during the term of the agreement
- agree to limit new occupancy to tenants with incomes at or below the income ceiling
- cover cost of mandatory repairs above the maximum forgivable loan available.

Zone 1: Southern areas of Canada
\$24,000/unit

Zone 2: Northern areas of Canada
\$28,000/unit

Zone 3: Far northern areas, Yukon and Northwest Territories, Labrador and northern Quebec

\$36,000/unit

Additional assistance may be available in areas defined as remote.

IMPORTANT: Work carried out before the loan is approved in writing is not eligible for funding under this program.

Other CMHC programs are available to assist eligible Canadians with repairs to substandard housing, accessibility modifications and adaptations for persons with disabilities and seniors.

In some areas of Canada, funding for these or similar programs is provided jointly by the Government of Canada, and the provincial or territorial government. In these areas, the provincial or territorial housing agency may be responsible for delivery of the programs. Program variations may also exist in these areas.

For more information on Rental RRAP and other programs and financial assistance, go to www.cmhc-schl.gc.ca/en/co/prfinas/index.cfm.



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For more information about CFAA, our goals and policies, and for papers on housing and tax issues, visit our website at:

www.cfaa-fcapi.org

Rent Controls Narrowly Avoided in Alberta

By John Dickie, President, CFAA-FCAPI

Because of the dramatic rent increases in Calgary and Edmonton brought on by Alberta's strong economic growth, numerous Alberta politicians of all parties began to promote some form of rent control or "rent stabilization". Despite the best efforts of the Edmonton Apartment Association (EAA) and the Calgary Apartment Association (CAA), some members of the Province's Housing Task Force advocated rent control for a "temporary period of two years".

CAA and EAA went to work on the politicians, and succeeded in turning back rent controls and conversion controls. The Alberta government recognizes that rent controls make shortages worse, both by discouraging additional supply and interfering with demand management.

Rent increases will be limited to once per year (instead of the current twice per year), and one year's notice needs to be given for termination for condo conversions (with a prohibition on rent

increases during the notice period). However, no limit has been placed on the amount of rent increases.

Alberta landlords are greatly relieved, but will not let down their guard. Landlords across Canada should take heart from Alberta's decision to put long term economic sense ahead of short term political expediency.

See page 7 for EAA's submission to the Housing Task Force.

How to Write a Letter to the Editor

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

Before writing a Letter to the Editor, it is important to consider the purpose of your letter and whether it is worthwhile to even do so. Are you writing to correct an error? To get your point of view into the debate? To start a debate?

Landlords are often portrayed negatively in the media. However, it does not always help our image to respond to a negative portrayal. Before writing your letter, consider whether or not it is worthwhile to continue or start the debate. Sometimes it is better to let at-

tacks on the industry fade out rather than to keep the debate going. And if you are starting a debate, make sure it is a debate that you can win in the eyes of the general public.

When you do decide that a letter is worth writing, here are some pointers for getting it published:

1. Keep it short and stay on point. Stick to 250 words or less. Limit it to one or two points.
2. Make your points without a personal attack on the editor or writer

of the article you are responding to.

3. The more you can help the reader to relate to the point, the better.
4. Catch the reader's attention in the first line. Make your best point in the first sentence.
5. Submit your letter quickly. If your letter is not timely, you may have lost your chance for publication.
6. Put your contact information on your letter. If the media source cannot contact you, they will not publish your letter.

Compte rendu du président, cont'u

(suite de la page 1)

résidentiels, cette hausse n'a pas été élargie pour inclure les immeubles résidentiels locatifs.

Seul allègement fiscal avantageux pour le secteur du logement locatif : une mesure incitative à l'intention des provinces pour la réduction ou l'élimination de leur impôt sur le capital. De nombreux grands propriétaires d'immeubles de la Saskatchewan, du Manitoba, de l'Ontario, du Québec et du Nouveau-Brunswick bénéficieront de cette mesure. Les autres provinces ont déjà éliminé leur impôt sur le capital.

La FCAPI poursuivra ses efforts afin d'obtenir des modalités d'imposition équitables pour les propriétaires d'immeubles résidentiels canadiens. Les propriétaires savent à quel point il est difficile de négocier des politiques raisonnables avec les gouvernements provinciaux et les autorités municipales. Dans le cadre de nos lobbies auprès du gouvernement fédéral, nous sommes confrontés à des difficultés supplémentaires en raison de sa taille beaucoup plus imposante que celles des gouvernements provinciaux et des nombreux ministères prenant part aux décisions. Généralement, des efforts soutenus pendant de nombreuses années sont nécessaires pour réorienter une politique fédérale.

Les fonctionnaires fédéraux du ministère des Finances protègent vigoureu-

sement les sources de revenus du gouvernement, ce qui rend difficile la réforme fiscale que souhaite ardemment les propriétaires. Seuls des efforts ciblés et soutenus nous permettront de réussir. La FCAPI soutient de tels efforts et nous sommes convaincus que nous atteindrons avec succès nos objectifs clés au cours des prochaines années.

Vous pouvez appuyer le travail de la FCAPI en participant à notre conférence sur la politique fiscale qui se tiendra à Edmonton le vendredi 8 juin 2007, de 10 h 30 à 17 h. (Consultez la page 2 pour de plus amples renseignements.)

Évolution de la politique du logement

Le 19 mars dernier, le budget fédéral n'a pas fourni d'argent nouveau pour le logement social, ni pour toute autre initiative en matière de logement. Des crédits d'impôt à l'habitation pour les personnes à faible revenu ont été annoncés plus tôt cette année et nous supposons qu'ils seront accordés comme prévu.

Depuis le 1^{er} avril, la Stratégie des partenariats de lutte contre l'itinérance (SPLI), dotée de 270 millions de dollars échelonnés sur deux ans, remplace l'Initiative nationale pour les sans-abri (INSA). Contrairement à l'INSA, la SPLI favorise davantage les solutions permanentes et moins les études sur l'itinérance. Le gouvernement fédéral a informé la FCAPI d'un financement disponible pour subventionner les loge-

ments locatifs privés des sans-abri.

Ces dernières années, grâce au lobbying de la FCAPI lié au logement, le gouvernement fédéral fait preuve de flexibilité dans l'attribution des fonds de logement fédéraux. Cela a permis aux provinces de solliciter des fonds de logement fédéraux pour des programmes d'indemnités de logement ou de suppléments de loyer.

La Colombie-Britannique, l'Alberta, la Saskatchewan, le Manitoba et le Québec ont élargi leurs programmes d'indemnités de logement ou de suppléments de loyer au cours des 18 derniers mois. Plus récente, la décision de la Colombie-Britannique hausse de 20 000 \$ à 28 000 \$ le seuil du revenu annuel des familles bénéficiaires des indemnités de logement. Dans son budget déposé en mars, l'Ontario a mis sur pied un nouveau programme d'indemnités de logement transférables qui sera administré par la province.

Comme nous l'avions expliqué précédemment, les indemnités de logement viennent en aide aux locataires à moindre coût pour les contribuables. Les indemnités de logement aident les locataires à payer leur loyer dans un immeuble à logements privé, et ce, dans l'intérêt supérieur de tous concernés.

Nous sommes heureux des résultats positifs de nos efforts pour influencer la politique fédérale de logement, alors même que nous travaillons ardemment pour étendre ces résultats positifs à la réforme fiscale fédérale.

Update from the London Property Managers Association

By Paul Cappa, President, London Property Management Association (LPMA)

The City of London has directed staff to prepare amendments to the Property Standards Bylaw to impose conditions specific to buildings that have been designated as "heritage properties" or are located in one of three "heritage" districts.

The amendments would force property owners to provide a minimum level of heat and ventilation to properties that have been abandoned or vacated pending re-development. The conditions in the bylaw are designed to ensure that heritage attributes are preserved re-

gardless of the actual use the property is put to. Landlords have expressed concern about the enhanced standards being applied to relatively newer buildings that do not have heritage features but are located within a "heritage district".

City staff have also been asked by local politicians to prepare a report dealing with student housing. The report is expected to comment on the possibilities for licensing rental properties and to address issues about overcrowding and property standards.

A symposium sponsored by the Town and Gown Association of Ontario is being held on May 10-11 in London. It is expected to examine ways to regulate student housing.

LPMA is opposed to licensing of multi-residential properties. Municipalities already have the tools necessary through the Building Code and Property Standards Bylaw to address maintenance and overcrowding issues. Landlords are concerned that they will be held accountable for the behaviour of student renters.

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- My Ideal Home Rentals - www.myidealhomerentals.com
- Telus—www.telus.ca

BC Minister Speaks on Portable Housing Allowances

By Al Kemp, CFAA Director and CEO, Rental Owners and Managers Association of BC

Honourable Rich Coleman, British Columbia's Minister of Forests and Range and Minister Responsible for Housing was guest speaker at a general meeting of the BC Apartment Owners and Managers Association in March. Serving first as Solicitor General, Mr. Coleman has been the Minister responsible for the Residential Tenancy Act since May 2001 and was instrumental in enabling BC's two rental industry associations to have significant input into the new Residential Tenancy Act that came into effect in January 2004.

Last October he introduced an innovative six-part program called "Housing Matters BC." It is aimed at virtually all facets of housing, from those homeless and in need of supportive housing, to development partnerships with communities to expand affordable housing. One of the most significant components was the introduction of portable housing allowances for families – allowances for eligible families housed in private sector housing, but whose low incomes make it

difficult for them to afford life's necessities, thus making them vulnerable to eviction if they can't pay their rent. (B.C. has had a housing allowance program for seniors since the late 1970's, but this is B.C.'s first use of the program for non-seniors.)

The portable housing allowance is paid directly to the renters, who retain their eligibility if they move to a different home or community. When Minister Coleman consulted us, we emphasized the importance of the allowance going directly to renters, not to landlords, because of the importance of people not being "labelled" as receiving assistance from government.

In speaking to various groups as he developed this program, Minister Coleman would mention that about 13,000 BC families were on social housing waiting lists, and then pose the question, "Where are they living now?" The answer of course is they are living in private sector accommodation, but cannot afford rent, food and clothing;

and so, they saw subsidized rents in social housing as a solution – not that they necessarily wanted to move into social housing.

This all sounds great, but is the portable housing allowance program working? Minister Coleman addressed that in his speech. Since October last year, over 4000 families have qualified to receive these allowances. He is projecting about 9000 will be receiving the allowances by the end of this year – 9000 families, the vast majority of whom are desirable tenants who will now not have to fear losing their homes because they can't afford their rents.

The Minister concluded his remarks to about 250 landlords, stating, "These people have a better quality of life in your buildings because we are concentrating on people, not on stigmatization or ghettoization."

Thanks, Mr. Minister; we agree with you!

Alberta Affordable Housing Task Force Review

Excerpt from a submission by the Edmonton Apartment Association (EAA), February 2007

Editor's Note: The following is an excerpt from a submission by the Edmonton Apartment Association to the Municipal Affairs and Housing, Secretariat/Affordable Housing Task Force.

We offer the following reflections for your assessment in reaching conclusions as to how to deal with the questions of providing affordable housing and housing for the homeless. Our focus is on the former. ...

We suggest that the solutions should all reflect a long-term perspective and address the matter of supply. Those solutions are best driven by market conditions, not by artificial intervention. To be quite blunt, the solutions attempted in some other provinces in Canada in the past, in the form of rent controls or rent increase controls, will not solve the supply problem. They will make the problem worse.

Similarly, the thought that condominium conversions are somehow part of the problem or somehow part of the solution if they were made more difficult would completely miss the point. Conversions do not reduce supply, they do not take housing units off the market. Our members' experience as apartment owners is that the vast majority of persons buying condominium conversions are investors: average Albertans trying to participate in the rental housing market. The remainder are persons who are moving into starter homes at relatively inexpensive levels (inexpensive relative to the cost of development of new housing). The investors continue to rent and the housing pool is not affected.

So we recommend that the government focus on finding ways to encourage the development of additional supply. We believe that such development can be achieved with the use of already existing tools and reliance upon the normal operation of market conditions. ...

More active encouragement of portable housing and secondary suites on a realistic and practical basis will also help deal with affordable-housing supply

conditions.

Recently proclaimed regulations in respect of secondary suites set high standards, which is from many perspectives a good idea; however, if the standards are set too high increased development of secondary housing simply will not happen. ...

Standards are part of the problem as well, particularly in the Capital Region. In Edmonton, the constant pressure from authorities such as the Capital Health Authority and the Emergency Response Department to upgrade existing housing to meet current standards (which is not required under municipal government law) makes housing in this City more costly and less available. The added costs inevitably fall back to the tenants. The same is true of the archaic split mill rate that applies in the City of Edmonton. Those costs also fall back on the tenant. The tenant ultimately is the one who has to pay for these realities in the Capital Region; and his or her housing is rendered more expensive.

Further, the standards applied to rental situations are higher than those that apply to owner-occupant situations. This is particularly apparent in basement housing; but also in other properties such as condominiums. There is illogic in "health or safety standards" being focussed on rentals when they somehow magically are not a concern for owner-occupants. This inconsistency adversely affects supply.

We believe that the "limited dividend" concepts that were developed with CMHC support in the '50s and '60s were very successful in developing expanded affordable housing. Those efforts were "grounded" somewhat a few years ago as a result of a Supreme Court of Canada ruling in a case called *Wheeler Holdings*. That was because the law in Alberta does not allow the imposition of long-term restrictions against the freedom to dispose of land. Other jurisdictions in North America are able to address such limitations by

specific legislation that allows for long-term restrictions that require affordable housing to be kept within a constrained pool. Alberta should consider adopting similar concepts to facilitate long-term lock-in of perpetually affordable housing. Reassessment of rental housing standards and other requirements under the *Residential Tenancies Act* in respect of perpetually affordable housing would also help.

Finally, we believe that one of the best ways to encourage development of new rental housing is to make the tax environment more supportive. The concept, developed at the federal apartment association level, of allowing rollover of apartment investment into new apartments without recapture or capital gains treatment would significantly help the development of new supply.

Other forms of incentives that do not take money directly out of the government's pocket but make the environment for investment better for the development and owner community would help. We know that in the '60s and '70s favourable tax treatment for multiple unit developments worked very effectively in increasing supply. This particular point requires action on the part of the federal government as well as the provincial government; but some push and direction from the provincial government may help get the results needed.

So, in sum, our Association believes that there is an urgent need to take active steps to encourage the development of a greater supply of housing. A greater supply of housing will inevitably increase the supply of affordable housing. Steps in that direction should focus on increase of supply and the positive inducement of that increase, and not on short term or stop-gap measures. The open market works best. Long-term planning that will induce workable increase in supply without artificial or politically expedient "quick fixes" is what we support.

President's Update, cont'd

(Continued from page 1)

much larger than the provincial governments, and there are so many different departments with their fingers in the action. Changing the direction of federal policy usually takes much effort over many years.

The federal Finance officials vigorously protect the government's revenue sources, which makes it difficult to achieve the tax reforms landlords would very much like to see. The only way to succeed is by continuous focused effort. CFAA is applying that effort, and we look forward to success on our key issues in the years to come.

You can help with CFAA's work by attending our Tax Policy Conference which will be held in Edmonton on Friday, June 8, 2007, from 10:30 am to 5:00 pm. (See p.2 for more details.)

Housing Policy Developments

The March 19 Federal budget provided no new money for social housing, nor for any other housing initiatives. Low-Income Housing Tax Credits were announced earlier, and we assume they will rollout as described.

The Homelessness Partnering Strategy (HPS) replaced SCPI as of the end of

March, and is funded at \$270 M over 2 years. Compared to SCPI, HPS has more emphasis on permanent solutions, and less on studies of homelessness. The federal government has told CFAA that funding will be available to subsidize the homeless in private rental units.

Through CFAA's housing lobbying in recent years, the federal government introduced flexibility in the application of federal housing funds. That opened the door for the provinces to apply federal housing money to housing allowance or rent supplement programs.

BC, Alberta, Saskatchewan, Manitoba and Quebec have all expanded their housing allowance or rent supplement programs within the last 18 months. The latest expansion was the BC decision to raise the threshold for its housing allowances for families from an income of \$20,000 per year to \$28,000 per year. In the March Provincial budget, Ontario created a new \$185M portable housing allowance program, to be administered by the Province.

As CFAA has explained in its material before, housing allowances provide assistance for tenants at the minimum cost to taxpayers. Housing allowances help tenants pay their rent in existing

private rental accommodation, which is better for all concerned.

CFAA is happy to see positive results from our federal housing policy work, even as we work hard to extend those positive results to federal tax reforms.

CMHC rental market survey for April 2007

CMHC has resumed the second annual vacancy and rental market survey, which will be done in April of each year. The survey took place in the first two weeks of April. In March CFAA distributed text about the April survey received from CMHC, asking member associations to e-mail it our and post it on your websites. CMHC appreciates the support to encourage landlords to provide the necessary information. CMHC had stopped doing the April survey about 15 years ago. CFAA had been seeking that additional survey work for several years. In addition the CMHC reports are now available free of charge. Landlords can sign up to receive the report for their City at: <http://www03.cmhc-schl.gc.ca/b2c/b2c/init.do?language=en> by clicking on "Housing Market Information".

Les Nouvelles subventions d'énergie, cont'u

(suite de la page 3)

commencé ou accompli une rénovation dans la dernière année ne sont pas éligibles, comme ils ont besoin de 12 mois de factures d'énergie de pré-modification établir l'épargne éligible du projet proposé.

La priorité sera accordée aux demandeurs pour la première fois, aux projets en utilisant des technologies innovatrices ou des ressources renouvelables, aux projets avec des mesures com-

plexes d'efficacité énergétique, et aux projets avec les issues techniques au delà des possibilités des propriétaires.

Pour plus de détails sur les nouveaux programmes, voir oeec.nrcan.gc.ca ou l'ecoaction.gc.ca.

Pour une liste pleine des concessions d'énergie, des remises, des escomptes, et d'autres incitations vont à http://www.incentivesandrebates.ca/gc_fi_search_fr.asp

CFAA's 2007 AGM and Tax Policy Conference

Edmonton, June 7 & 8

Join your colleagues across Canada at the conference, to get ahead of what is happening in the landlord business, in association work and in income tax policy.

For more information, see page 2.



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