



CANADIAN FEDERATION OF APARTMENT ASSOCIATIONS ANNUAL REPORT 2008 - 09

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1. Introduction

2008-09 was another busy year for CFAA. We provided information for landlords regarding the federal election, and addressed several different policy areas as opportunities presented themselves. More details are set out below.

Besides government relations, CFAA also continued its other main function, namely information exchange. CFAA is about to launch an employee compensation survey as a member service.

2. Housing policy

During the summer of 2008, CFAA was active in the CMHC review of the federal-provincial housing agreements which were to expire in March 2009. CFAA wanted to ensure that federal funding can flow into housing allowances and other income-based programs (such as rent supplements) rather than being restricted to subsidies for building new housing. (Rent supplements are paid to a landlord who agrees to rent certain units to tenants sent by the municipal or provincial housing authority. Portable housing allowances are paid to low-income tenants, who rent their units from any landlord willing to rent to them. The allowances can be used to pay the rent where the tenant lives now, or allow the tenant a broad choice of where to relocate to.) See CFAA's website at www.cfaa-fcapi.org for our policy statements on housing allowances and the benefits of housing allowances or rent supplements, as compared with subsidies for the construction of new "affordable" housing.

However, the federal election superceded the policy review when the Conservative government announced the continuation of the current programs, but no social housing expansion.

During the September-October federal election campaign, CFAA issued 5 one page reports for landlords on the parties' positions on housing policy, and on relevant tax and energy policies. CFAA's reports are still available on our website in the area called "Election Information".

CFAA also represented landlords at an informal provincial Housing Ministers meeting on October 8, 2008. CFAA's submission to the Housing Ministers is available in our website area called "Submissions to government". CFAA met the Minister and officials from Manitoba, and a key official from Saskatchewan, and advocated improved housing allowances to them. In the next few months both Manitoba and Saskatchewan improved their housing allowance programs. CFAA also met the Ontario Housing Minister, who told us we spoke against "everything he wants to do" (such as greenbelts and mandated "inclusionary zoning").

Between October and December 2008, the economic situation worsened dramatically. That led to an attempt by the Liberals and the NDP to replace the Conservative minority government with the support of the Bloc Quebecois.

CFAA's last big push on housing policy for the year came during the consultation process leading up to the "stimulus budget" of January 2009. CFAA advocated for a temporary federal housing allowance program and for tax deferral on reinvestment to fight the recession. See our submission in "Submission to Government" on our website. CFAA met key government officials and political staff to advocate for our goals, but without success.

3. Energy Policy

What did result from the stimulus budget was \$300M of additional funding for the ecoENERGY Retrofit Incentive for HOMES Program. That program is open to low rise rental properties, which constitute 70% of Canada's rental stock, but the programs design was biased in favour of single family homes. For example, the total incentive (subsidy) was limited to \$5,000 per building, whether the building consisted of one, six, 12 or 25 units. That meant that the per unit subsidy limit was \$5,000 for a single family home, \$833 per unit in a six-plex, \$417 per unit in a 12 unit building and \$200 per unit in a 25 unit building.

CFAA formed an Energy-Environmental Task Force to draw on volunteers' expertise regarding government energy programs and policies. CFAA made two submissions to the federal government, including key officials in Natural Resources Canada (NRCan) and key political staff in the Minister's office. As a result of CFAA's input, NRCan reformed the ecoENERGY Retrofit Incentive for HOMES Program, making it much more useful for low rise rental properties. For example, the subsidy limit was raised from \$5,000 per building to \$5,000 per dwelling unit. For additional details about the changes in favour of rental housing, see CFAA's press release dated March 31, 2009, which is available on our website in "Media Releases".

We owe a large vote of thanks to all member of the Task Force for providing much of the material for CFAA submissions. We also owe considerable thanks to many individual association members who answered CFAA's urgent survey about interest in energy

subsidies, and allowed CFAA to answer the government's question about likely take up rates at different subsidy levels.

4. Tax Policy

CFAA's campaign to obtain tax deferral on sale and reinvestment suffered a set back because the Conservative Party did not repeat its 2006 election promise to address capital gains taxation in the 2008 election campaign. In fact, the Tax Free Savings Accounts (TFSA) introduced in the 2008 budget may be intended to be the main move on capital gains. As they are currently designed, those accounts do not accommodate real estate investments, a fact which CFAA has drawn to the government's attention.

In the Fall of 2008, CFAA did some work with landlords in London and Ottawa to try to gain improvements in the GST treatment of new rental housing supply. Unfortunately, those efforts were overtaken by the Liberal/NDP attempt to replace the government, and the stimulus budget and its implementation. CFAA is now attempting to move forward with that issue.

5. Dealings with CMHC

CFAA has increased our interaction with CMHC, which considers us to be "tier one" stakeholder. CFAA has joined the National Housing Research Committee which meets for three days twice a year to coordinate research on housing policy and housing markets. This is another way in which it is clear that CFAA is now recognized as the voice of residential landlords at the national level.

6. CFAA Information Exchange and Annual Conference

In 2008-09 CFAA continued to assist member associations in exchanging information to address local and provincial issues.

CFAA's annual Association Conference will address the interconnected issues of creating value for members and engaging members. By tapping the experience and ideas of our member associations across Canada, each member apartment association should be better able to serve its current members, and also the new members each association would like to attract.

7. CFAA Rental Housing Employee Compensation Survey

Thanks to a generous sponsorship offer from Transglobe Property Management, CFAA is embarking on an employee compensation survey. The intention is to survey a large number of landlords in 12 to 15 cities across Canada. The reports should be available in the early Fall of 2009, and will be available at modest prices, either city by city or as a cross-Canada report.

8. Credit checks

As this report is being prepared, it looks as though we may be able to improve credit checks by persuading the national credit reporting companies to record more rental tribunal orders respecting non-payment of rent. Thanks go to Al Kemp who has moved that file forward.

9. Conclusion

During the 2008-2009 CFAA year, CFAA has worked very hard to advance the interest of landlords across Canada.

We achieved a substantial success in the reform of the ecoENERGY Retrofit Incentive for HOMES Program, making the program much more useful for low-rise rental property.

CFAA's work on housing policy is gradually improving housing policies for landlords and tenants by shifting attention toward housing allowances and rent supplements, and away from new social housing construction.

CFAA continues to facilitate information exchange about key issues our member associations face as they seek to promote the interests of residential landlords across Canada.

CFAA looks forward to providing a valuable service to landlords by means of the employee compensation survey, and improvements in inter-provincial credit checks.

We look forward to your continuing support as CFAA addresses key federal issues and supports your local association in its work.

On behalf of the CFAA Board of Directors

John Dickie
CFAA President

and

Avrom Charach
CFAA Chair

May 8, 2009