



# NATIONAL OUTLOOK

DIGITAL EDITION

## MENTAL HEALTH REPORT SUPPORTS RENT SUPPLEMENTS

In April of this year, the Mental Health Commission of Canada (MHCC) issued its reports on the At Home/Chez Soi project. At Home/Chez Soi was a research demonstration project, which cost the federal government close to \$110 million. The goal was to evaluate the Housing First approach to helping people experiencing serious mental illness and homeless in Canada.

Along with groups of stakeholders in each city, the MHCC instituted controlled field trials of Housing First in Vancouver, Winnipeg, Toronto, Montreal and Moncton.

The study used a random selection approach to compare the results achieved by "treatment as usual" and Housing First. Within the group of homeless people selected for Housing First, two approaches were taken to the provision of supports.

People with high needs received "Assertive Community Treatment" (ACT), with a staff to participant ratio of 1:10,

and 24/7 crisis coverage, while people with moderate needs received Intensive Case Management (ICM) with a ratio ranging from 1:20 to 1:16, and service availability 12 hours per day seven days a week.

Different versions of Housing First were provided and studied, resulting in a finding that better results were obtained from programs which stuck closer to the Housing First principles.

### Housing First principles

1. Immediate access to housing with no housing readiness conditions
2. Consumer choice and self-determination
3. Recovery orientation
4. Individualized and person-driven supports
5. Social and community integration

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## CFAA RENTAL HOUSING CONFERENCE 2015

Save the dates June 10 to 12, 2015, for the CFAA Rental Housing Conference 2015! The Conference is returning to the Westin Prince Hotel in Toronto. Hotel room group rates for the conference start at \$158 per night.

The conference will open on Wednesday, June 10, with an afternoon tour of innovative rental buildings in Toronto. CFAA

expects that the featured buildings will be The Metropolitan, newly renovated by Timbercreek; the Roehampton, newly constructed by KG Group; and a third building to be decided.

On Thursday, June 11, two streams of sessions will address Investment in rental housing while one stream addresses Rental Operations. The always-engaging and ever-insightful

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## LA RAPPORT SUR LA SANTÉ MENTALE CONFIRME LA PERTINENCE DES SUPPLÉMENTS AU LOYER

DE JOHN DICKIE, PRÉSIDENT, FCAPI

En avril dernier, la Commission de la santé mentale du Canada (CSMC) a dévoilé les conclusions de son étude phare sur le projet Chez Soi/At Home, réalisé grâce à des investissements de près de 110 millions de dollars du gouvernement fédéral. L'objectif était d'évaluer l'efficacité de l'approche Logement d'abord pour venir en aide aux personnes itinérantes aux prises avec des problèmes de santé mentale.

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## MENTAL HEALTH REPORT SUPPORTS RENT SUPPLEMENTS

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Housing First is not “housing only.” Along with housing, come substantial support services, organized by the case management worker, but delivered by various community services.

In any form, permanent housing provides a better basis for treatment since the stress of living on the street or in a shelter is eliminated. During the trials, a small number of participants needed to transfer to congregate living arrangements (“supportive housing”).

However, for most participants a significant positive factor was being given the ability to exercise real choice over where they would live. They could choose location, amenities and other aspects of their living arrangements, just as tenants do who are not receiving mental health supports.

Rent supplements enabled the participants to exercise those choices, while renting self-contained apartments at a net cost they could afford. The reports states specifically, “Given a choice, many prefer to live in independent permanent housing over congregate/social housing models”; and “housing choice improves housing stability and quality of life.” (p. 33)

Across the five study locations, over 260 landlords provided more than 1,200 rental units for the At Home/Chez Soi program. Only a few of the landlords opted to leave the program. The majority stayed involved with the program. While there were some housing challenges, the landlord experience was reported to be largely positive.

The At Home/Chez Soi study also evaluated the costs and cost savings of Housing First. Largely because of the dedicated case management supports, Housing First is costly. However, there are significant savings in other services

For the high needs participants, the savings were concentrated

in a reduction in medical office visits and hospitalizations for physical reasons.

Among the 10% of participants with the highest service costs at program entry, the savings were concentrated in reduced psychiatric hospitalizations and fewer non-study home visits. For those most costly participants, Housing First avoided costs of \$21.72 for every \$10 spent.

The study also found that Housing First rapidly ends homelessness, and results in less returning to homelessness than occurs under other current treatment approaches.

The federal government has directed that each community allocate at least 65% of its annual federal homelessness funding to provide Housing First programming.

Addressing chronic homelessness is the best way to reduce homelessness and the demand for shelters. Despite being a very low percentage of total shelter users, chronic homeless people use a large proportion of shelter beds-nights, and many of those people suffer from mental illness of some kind.

Other shelter users are people who are temporarily homeless, due for example to a fire, or to fleeing abuse. They make up a large proportion of the 200,000 people who use shelters each year in Canada, but they use a low percentage of the bed-nights since they rapidly find new housing for themselves without needing much or anything in the way of social service supports.

CFAA has long advocated mental health supports for homeless people who need them, along with rent supplements and housing allowances to enable them to choose their housing at a cost affordable to them and to the taxpayer. ■

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## CONTROLLING PROSTITUTION IN RENTAL BUILDINGS

BY JOHN DICKIE, CFAA PRESIDENT

In December 2013, the Supreme Court of Canada struck down a large part of Canada anti-prostitution laws. However, the Court delayed the effect of its ruling until the end of the year 2014 so that Parliament can enact a new prostitution law. The government has just introduced a bill which it intends to put through Parliament. What impact will the new law have on landlords?

In provinces other than Ontario, the change in the law will have relatively little effect on landlords, because in those provinces landlords can enforce a provision in their lease that limits the use of the property to a residential use. In

Ontario, lease provisions in themselves do not permit an eviction; rather, the landlord has to identify a breach of the Residential Tenancies Act (RTA).

Ontario landlords have had the authority to prevent sex work from taking place on their properties under section 61(1) of the RTA, which allows a landlord to terminate a tenancy because the tenant or another occupant committed an illegal act or carried on an illegal trade, business, or occupation on the rented premises or in the complex or permitted a person to do so. The other provinces all have similar provisions.

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## LA RAPPORT SUR LA SANTÉ MENTALE CONFIRME LA PERTINENCE DES SUPPLÉMENTS AU LOYER *suite de la page 1*

La CSMC a mené des essais sur le terrain afin de mettre à l'épreuve l'approche Logement d'abord à Vancouver, Winnipeg, Toronto, Montréal et Moncton avec l'appui de groupes d'intervenants dans chaque ville.

Un plan d'étude à répartition aléatoire a été utilisé pour comparer les résultats de l'approche Logement d'abord avec ceux des services habituels. Deux modes d'intervention ont été utilisés pour venir en aide aux personnes itinérantes choisies pour y participer.

Ainsi, les participants ayant des besoins élevés ont bénéficié du suivi intensif dans le milieu (SIM) grâce à un ratio intervenant-clients de 1:10 et un soutien 24 heures sur 24 en situation de crise, tandis que les participants ayant des besoins modérés ont reçu un soutien d'intensité variable (SIV) avec un ratio intervenant-clients variant de 1:20 à 1:16 et un soutien 12 heures par jour, sept jours par semaine.

Des projets similaires au modèle d'intervention Logement d'abord ont également été étudiés. Ceux-ci ont permis de conclure que ceux qui se rapprochaient le plus des principes du modèle Logement d'abord (voir l'encadré) obtenaient de meilleurs résultats.

### Principes de l'approche Logement d'abord

1. Accès immédiat à un logement sans avoir à se plier à des conditions
2. Liberté de choisir et autodétermination du client
3. Rétablissement comme objectif
4. Services individualisés, orientés par la personne
5. Intégration sociale et communautaire

L'approche Logement d'abord ne se résume pas à offrir un toit. Outre un logement, les personnes itinérantes reçoivent d'importants services de soutien organisés par leur intervenant et offerts par divers services communautaires.

Peu importe le type de logement, la stabilité résidentielle est plus propice au traitement puisqu'on élimine le stress de la vie en refuge ou dans la rue. Pendant les essais, un petit groupe de participants a dû être transféré dans une habitation collective (logements supervisés).

Toutefois, pour la plupart des participants, l'un des facteurs positifs importants a été de pouvoir choisir librement un appartement qui correspondait à leurs préférences. Ainsi, ils ont choisi l'emplacement, l'aménagement et d'autres aspects de leur logement, comme le font les autres locataires qui ne reçoivent pas de soutien en santé mentale.

Les suppléments au loyer ont permis aux participants d'exercer ces choix et de louer un logement à un coût

abordable. D'après le rapport, « le choix au logement améliore la stabilité résidentielle et la qualité de vie et que, s'ils ont le choix, nombreux sont ceux qui opteront pour une habitation permanente indépendante de préférence à l'habitation collective ou au logement social ». (p. 33)

Dans les cinq villes où s'est déroulée l'étude, plus de 260 propriétaires d'immeubles locatifs ont fourni plus de 1 200 appartements aux participants du projet Chez Soi/At Home. Seule une minorité de propriétaires ont quitté le projet. Bien qu'il y ait eu des défis, l'expérience des propriétaires qui ont continué de participer au projet a été largement positive.

L'étude démontre que l'approche Logement d'abord met fin rapidement à l'itinérance et que le retour à l'itinérance est moins fréquent que dans le cadre d'autres programmes de traitement.



Le gouvernement fédéral a demandé aux groupes d'intervenants de chaque localité d'allouer au moins 65 % de leur financement annuel visant l'itinérance à l'approche Logement d'abord.

Bien qu'elles constituent un très faible pourcentage du nombre global des utilisateurs de refuge, les personnes itinérantes chroniques utilisent une part importante des lits de refuges et la majorité d'entre elles souffrent de maladies mentales. Lutter contre l'itinérance chronique est la meilleure façon de réduire les besoins de lits de refuge et l'approche Logement d'abord s'avère un moyen concret pour y arriver.

La Fédération revendique depuis longtemps les services en santé mentale auprès des personnes itinérantes, ainsi que les suppléments au loyer ou l'aide au logement afin qu'elles puissent choisir leur appartement à un coût abordable — tant pour eux que pour les contribuables.

Pour consulter le rapport final du projet Chez Soi/At Home, visitez : <http://www.mentalhealthcommission.ca/Francais/document/24381/national-homechez-soi-final-report?terminal=25>. ■



## CFAA RENTAL HOUSING CONFERENCE 2015

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Benjamin Tal of CIBC World Markets will be the main keynote speaker that day. Thursday evening, delegates can network at a fun social event.

The conference will wrap up on Friday, June 12 with two streams of topics on Rental Operations, and one on Investment issues. As we did in Vancouver in 2014, but new to Toronto, CFAA plans to include three additional keynote speakers to add insight and energy to the conference.

Again for 2015, CFAA is working hard to achieve the high

degree of topic relevance we achieved in 2013 and 2014. Future issues of National Outlook will include details of the educational topics.

If you are interested in participating in the conference, as a speaker, a sponsor or a delegate, watch the CFAA website at [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org) for details, or contact CFAA today at [admin@cfaa-fcapi.org](mailto:admin@cfaa-fcapi.org). ■

## BANK OF CANADA EXPECTS A SOFT LANDING

BY DAVID GARGARO

According to recent interviews, Stephen Poloz, Governor of the Bank of Canada, expects a soft landing in residential real estate, rather than the crash that some experts have predicted. He also stated that Canadians are more responsible with their spending than they appear, and consumers' debt burden will continue to stabilize. Interest rates are expected to stay low for the foreseeable future, which will continue to make borrowing affordable for homebuyers. However, Mr. Poloz declared that there are elevated "imbalances" in the housing market, so Canadians could be vulnerable to another economic shock.

Mr. Poloz stated that most homebuyers who opt to purchase a home are spending less than they qualify for, so they are not overextending themselves in reliance on current low interest rates. Banks are also being more careful in underwriting loans, so homebuyers will still be able to service their debts if interest rates increase. According to Statistics Canada, the key measure of household credit, market-debt-to-disposable income, declined in the fourth quarter of 2013, and the measure of debt servicing is also declining, which tends to support Mr. Poloz's opinion.

Mr. Poloz was appointed Governor of the Bank of Canada, and Chairman of the Bank's Board of Directors, on June 3, 2013. His name is pronounced "Poe-Laws." He has more than 30 years of public and private sector experience in financial markets, forecasting and economic policy. He joined the Bank of Canada in 1981, and served in increasingly senior positions over a period of 14 years, which culminated in the position of Chief of the Bank's Research Department in 1992.



In 1995, Mr. Poloz joined BCA Research, and became the editor of *The International Bank Credit Analyst*. In 1999, he joined Export Development Canada (EDC) as Vice-President and Chief Economist. He was later promoted to Senior Vice-President, Corporate Affairs and Chief Economist. From 2008 to 2010, Mr. Poloz held the role of Senior Vice-President, Financing, leading the EDC's lending programs, as well as the Economics and Corporate and International Trade Intelligence groups. In January 2011, he was appointed EDC's President and CEO.

Mr. Poloz has a Bachelor of Economics degree from Queen's University, and a Master's degree and PhD in Economics from the University of Western Ontario. He taught Economics at the University of Western Ontario, Concordia University and Queen's School of Business. He is also past president of the Ottawa Economics Association. ■



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# CONTROLLING PROSTITUTION IN RENTAL BUILDINGS

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However, the Supreme Court struck down the current Criminal Code prohibitions against:

- Keeping, being inmate of, being in, or knowingly permitting use of a place as a common bawdy house
- Living off the avails of prostitution
- Communicating in public for the purposes of engaging in prostitution or obtaining sexual services of a prostitute.

The government's new bill proposes to make it an offence to buy sex for money (even though it will not be an offence to sell it.) This is a modified version of the "Nordic model", in which sex workers are viewed as the victims, and only the buyers or "johns" are subject to criminal prosecution.

That will allow Ontario landlords to proceed much as they are able to do now, since in the usual transaction the prostitute-tenant would be permitting someone to perform an illegal act in the rental unit. In other provinces, most landlords can probably proceed as they do now, or use the illegal act provisions of their residential tenancy laws. ■

## CMHC UNDERWRITING VOLUME DOWN SLIGHTLY

As part of a new move toward more disclosure, CMHC recently issued a report entitled "Mortgage Loan Insurance Business Supplement" for the first quarter of 2014.

The report provides the following information:

- For loans insured during the period
  - o Total insured volume (in units, divided among homeowners, portfolio and Multi-unit)
  - o Total insured volume (in \$M, divided as above)
- Insurance in force at March 31, 2014, and December 31, 2013
- Breakdowns by loan-to-value ratios
  - o at origination
  - o based on updated property values (for homeowner and portfolio, not multi-unit)
- Breakdowns by
  - o amortization period
  - o province
  - o arrears by product
  - o credit scores
  - o volumes by loan amount
  - o gross debt service ratios

At March 31, 2014, total insurance in force was down \$2 billion from the \$557B in force at December 31, 2013. The multi-unit residential component remained constant at \$50B; transactional homeowner volume remained constant at \$288B, while the portfolio component declined from \$219B to \$217B.

For loans issued during the first three months of 2014, 64.8% of the homeowner loans were at between 90 and 94.9% of value, with 22.1% between 85 and 89.9% of value, with the rest at lower ratios.



Of the multi-unit residential loans, 30.4% were at 80 to 84.9% of value, 6.3% were at 75 to 79.9% of value, 42.0% were at 70 to 74.9% of value, and the rest were at lower ratios.

For more details go to [http://www.cmhc.ca/en/corp/about/core/upload/CMHC-Mortgage-Loan-Insurance-Business-Supplement\\_Q1-2014\\_EN.pdf](http://www.cmhc.ca/en/corp/about/core/upload/CMHC-Mortgage-Loan-Insurance-Business-Supplement_Q1-2014_EN.pdf).

### Other minor changes

In a review of its mortgage insurance business released on June 6, CMHC reported that it has discontinued insurance for multi-unit condominium construction financing, and will align its low-ratio transaction product with the high-ratio product. CMHC notes that it had no take-up of the condominium construction product since 2011, and that only 3% of the low ratio business had been outside the new parameters. Those parameters are a lending value less than \$1M, an amortization period of 25 years or less, a gross debt service ratio of less than 39%, and a total debt service ratio of less than 44%. ■



# CMHC'S TAKE ON THE HOUSING MARKET

BY DAVID GARGARO

Evan W. Siddall has been President and CEO of Canada Mortgage and Housing Corporation (CMHC) since January 1, 2014.

On April 4, 2014, Mr. Siddall spoke at the 71st annual conference of the Canadian Home Builders' Association. He addressed the differences between the Canadian and US housing markets, particularly how CMHC differs from the Fannie Mae and Freddie Mac business model that contributed to the collapse of the US housing market. Fannie and Freddie had an implicit government guarantee, but were private entities

driven to maximize profit. Due to that motivation and a lack of oversight, they underwrote sub-prime mortgages, or even NINJA mortgages where borrowers had "No Income, No Job or Assets."

CMHC does not have the same profit-maximization goal, and is tasked with providing mortgage loan insurance to qualified borrowers across Canada, including rural and smaller markets, for all types of housing. Going forward, CMHC will be working toward improving its mortgage loan insurance and securitization programs with the goal of reducing taxpayers' exposure and promoting the effective operation and competitiveness of the housing finance market.

The speech can be viewed at <http://www.cmhc-schl.gc.ca/en/corp/nero/sp/2014/2014-04-04-1155.cfm>.

Robert (Bob) Kelly was appointed CMHC's Chairperson of the Board of Directors on May 3, 2013.

At CMHC's annual public meeting, on May 22, 2013, Mr. Kelly discussed the CMHC's mandate to improve housing quality, choice and affordability for Canadians. This includes ensuring access to cost-effective housing financing and providing housing assistance to people in need. According to CMHC's research, 80 per cent of Canadians can meet their housing needs through the marketplace without direct government assistance, but many of them use CMHC's "housing finance tools" (CMHC-insured mortgages).

CMHC's mortgage loan insurance products enable qualified homebuyers to provide down payments that are less than 20 per cent of the property's value of a property. These tools also support various housing options, including rental housing and nursing and retirement homes. CMHC's securitization programs support mortgage funding for lenders, which provides borrowers with more choice and lower interest rates and/or fees.

Since those statements were made, modest moves have been made to reduce the risk faced by the government through its 100 per cent backstop of CMHC (and the 90 per cent backstop of the two private mortgage insurers).

CFAA continues to monitor the government's position on CMHC's roles and responsibilities, to seek to ensure continued access to CMHC insurance for loans on multi-family investment properties.

The speech can be viewed at [http://www.cmhc-schl.gc.ca/en/corp/about/cogo/cogo\\_040.cfm](http://www.cmhc-schl.gc.ca/en/corp/about/cogo/cogo_040.cfm). ■

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