



NATIONAL OUTLOOK

DIGITAL EDITION

REGISTER NOW FOR THE CFAA RENTAL HOUSING CONFERENCE

HEAR GREAT SPEAKERS! TAKE PART IN GREAT NETWORKING!

Following very successful conferences last year in Vancouver, and two years ago in Toronto, the 2013 CFAA Rental Housing Conference is returning to Toronto, June 11-13. This national event will take place at the Westin Prince Hotel.

Rental housing executives, investors, property managers, hands-on owners, communications people and maintenance managers will be in attendance to hear presentations from over 50 speakers over the course of two days.



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UPDATING SUBURBAN APARTMENT LIVING FOR EVERYONE'S BENEFIT

BY JOHN DICKIE, CFAA PRESIDENT

The *Globe and Mail* recently reported that Canadians are the world leaders in suburban apartment dwelling (March 30, 2013). Ottawa has more apartment buildings than Dallas; Edmonton has more than Boston; each a city more than three times as populous; and many of Canada's apartment buildings are outside the city core. Nearly one million people live in the suburban apartments of Greater Toronto, or one in five residents.

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ACTUALISER LA VIE EN APPARTEMENT EN BANLIEUE POUR LE MIEUX-ÊTRE DE TOUS

DE JOHN DICKIE, PRÉSIDENT, FCAPI

Le *Globe and Mail* a récemment révélé que les Canadiens sont les champions mondiaux de la vie en appartement en banlieue (30 mars 2013). Ottawa compte plus d'immeubles à logement que Dallas. Montréal en a deux fois plus que Boston. Et de nombreux immeubles au Canada sont situés à l'extérieur des centres-villes.

Or, il y a quelque chose qui cloche. Ce que l'on peut faire tant à l'intérieur qu'à l'extérieur de ces tours d'habitation est

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In addition to learning opportunities at the education sessions, delegates will enjoy networking opportunities at Building Innovations Tour on Tuesday, June 11, and the Hockey Hall of Fame Supper and Wyse After Party, on Wednesday, June 12.

Register now in the CFAA conference section at www.cfaa-fcapi.org. A number of registration packages are available to suit the needs of all conference delegates. Delegates can register to attend the entire conference and all social events, or pick and choose.

For the best conference access, out of town delegates are encouraged to stay on-site at the Westin Prince Hotel. To attend this year's conference, please register online at www.cfaa-fcapi.org, or contact CFAA with your inquiries at admin@cfaa-fcapi.org or (613) 235-0101. See page 3 for the education program in brief. See the CFAA website for more details. ■

Confirmed speakers at 2013 Conference as of May 16

Speakers at the Investment Conference on June 12 will include Benjamin Tal, CIBC World Markets; Vince Brescia, FRPO; Ruth Buckle, Killam Properties; Avrom Charach, Kay Four Properties; John Dickie, CFAA; Will Dunning, Will Dunning Inc.; Robert Fleet, First National; Tom Gerard, Cushman & Wakefield; Michael Huber, Blackline Management; Jeremy Jackson, Killam Properties; Al Kemp, ROMS BC; Mark Kenney, CAPREIT; Ryan King, Univeristy of Waterloo; Frank Malone, TD Canada Trust; Tony Manganiello, Cushman & Wakefield; Barry Remai, Remai Group; BJ Santavy, Skyline Apartment REIT; Tyler Seaman, Oxford Properties; Tim Sommer, Cushman & Wakefield; John Stang, Minto; Stephen Stewart, Centurion Apartment REIT; and Bill Zigomanis, Boardwalk.

Speakers at the Rental Operations Conference on June 13 will include Peter Altobelli, Yardi; Paul Belanger, Belanger Engineering; Kris Boyce, Greenwin; Daniel Chodos, Whitten & Lublin LLP; Daryl Chong, GTAA; Drew Coles, Oxford Properties; John Dickie, CFAA; Bob Doumani, Aird & Berlis; Darren Henry, National Efficiency Systems; Bonnie Hoy, Bonnie Hoy & Associates; Debbie Johnson, Gateway; Kristin Ley, Cohen, Highley; Andrew Lowe, Oxford Properties; Allen Lyte, Halsall Associates; Vladimir Maleev, Halsall Associates; Maureen McMahon, Gateway; Steven Osiel, PAL Benefits; David Polisi, Manaya Marketing Solutions; Patrick Postrehovsky, RentMoola; Danny Roth, Brandon Communications; Paul Smith, DMS Property Management; Wayne Tuck, Centurion Apartment REIT; and Martin Zegray, Realstar.

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2013 EMPLOYEE COMPENSATION SURVEY – NEW & IMPROVED

Since employee satisfaction impacts strongly on tenant satisfaction, landlords need to balance their employee costs against tenant satisfaction and retention levels in order to maximize their net rental income. The CFAA Employee Compensation Survey gives landlords important data to assist in achieving the highest overall success and profitability.

In 2009 and 2011, CFAA worked with Pal Benefits Inc. to survey rental housing employers across Canada. We reported city specific data for a number of building positions, ranging from three in Victoria, four in Kingston, and five in Saskatoon and Quebec City, through 10 in Edmonton and Vancouver to 14 in Toronto, but we were not able to report on all positions outside the largest centres due to the high level of protection of confidentiality provided.

Many more positions to be covered

For 2013, the survey will report on 14 building positions, providing Canada-wide data and provincial or regional data, as well as actual city data, or a statistical estimate of city wages for the positions for which there is not enough local data. In addition, the survey will address 18 head office positions. For a complete list of the positions being covered, see the compensation survey section at www.cfaa-fcapi.org.

For several positions, the data will be reported showing the compensation driven by building size. The survey will also provide information on benefit programs, pension plans, turnover rates, and other HR practices. The CFAA rental housing employee benefits and compensation survey will cover over 6,000 employees of landlords of various sizes.

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CFAA RENTAL HOUSING CONFERENCE 2013

Investment Conference – Wednesday, June 12

The topics, speakers and schedule are subject to change.

The first day of the conference will feature presentations focused on investment in the rental housing industry. A return favorite, and conference highlight, will be the economic update by Benjamin Tal, of CIBC World Markets. Benjamin’s presentation will address housing prices, interest rates, and vacancies and rents. He’ll also discuss the economic climate in China, Europe and the US and how Canada will be impacted.

At any time slot delegates can choose either panel. For the confirmed speakers, see page 2. For featured topics, see the schedule below.

| Time | Stream A | Stream B |
|----------|---|---|
| 8:45 am | Major Rental Housing Sales in Ontario, Quebec and Atlantic Canada | Developing national trends and issues |
| 9:45 | Landlord Licensing – causes and new adopters | Major Rental Housing Sales in Western Canada |
| BREAK | | |
| 10:45 | Executive Round Table – Where do REITS, pension funds and private companies see rental investment opportunities and risks across Canada? | |
| LUNCH | | |
| 12:45 pm | Economic Update by Benjamin Tal | |
| 1:45 | Economic outlook commentary | |
| BREAK | | |
| 2:45 | Where is housing-finance going? What about rental development? | Student Housing – repositioning and operating housing for students |

Rental Operations Conference - Thursday, June 13

Rental Operations will be the focus for the second conference day. For the topics to be addressed June 13 see the schedule below.

| Time | Stream A | Stream B |
|---------|---|---|
| 8:45 am | A building science update (what’s new in repair techniques) | Employment law update – for head office and site staff |
| BREAK | | |
| 10:00 | The labour market for the next 10 years: Where are your employees coming from, how do you grow them and keep them happy? | |
| 11:00 | Innovations in Rental Operations | Employee compensation strategies |
| LUNCH | | |
| 1:00 pm | Communicating with prospects and residents – what do today’s prospects and tenants expect? | What can rental housing providers learn from the hotel industry? |
| BREAK | | |
| 2:45 | Handling a public relations crisis | Update on landlord-tenant law, development issues and waste handling |



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But there is something seriously wrong with these apartment towers. What can be done in them and around them is severely limited. Under the zoning rules currently in place, only very limited commercial activities can take place, often limited to a tuck shop and a hairdressing salon. Nothing can be built around the buildings because the site density was maxed out upon construction 30 or 40 or 50 years ago.

As well, the residents are currently often poor, and economic opportunities are not handy. The path of starting a small business out of their homes, often used by immigrants to advance, is foreclosed because of the zoning rules. Poverty is more concentrated since there is little diversity of housing types and dwelling age.

The city zoning rules that limit the use of sites to residential only, and that require green space as if the mere sight of it produced healthy living, have been rethought and revised for new developments. In new developments, much more commercial activity takes place and the lower floors of the developments often include commercial space so that services are handy and there is pedestrian

traffic at varied times. That makes for jobs near living accommodation, better safety, a way up for immigrants, and a vibrant feel much appreciated by residents and especially by younger residents.

Unfortunately, the revised approach has not yet come to apartment living in the vast bulk of buildings which are 30 or 40 or 50 years old. However, some steps are being taken to open up apartment towers for new development. Under Toronto's Mayor Rob Ford, the "Tower Renewal" office has been brought under the social development department, and is seeking solutions.

As a result of that review, the City of Toronto has just approved a new zoning category known as "residential apartment commercial" which will permit the variety of uses now found in new developments. Daryl Chong is the President and CEO of the Greater Toronto Apartment Association, the CFAA member association in Toronto. He advocated strongly for that change.

Daryl explains that there are three tiers to the plan. Tier 1 is the permission to use existing space for new uses, including the live-work model for professionals like accountants. That will be some advance; however, the existing space often has limitations regarding height or access, and city policy certainly does not encourage the conversion of residential units into commercial ones.

Tier 2 is about allowing one story additions into the former green space that lines the driveways and forms the grounds of many buildings. Uses for the new commercial space could be internet cafes, small grocery stores, commercial day-cares or the like.

Tier 3 is about allowing another residential tower. Such a tower could be a condominium, or rental, or a mix of the two. Either way it would add to the income mix in the community, and provide a market for new and improved commercial enterprises.

A relaxation of the current zoning rules would create value for owners and investors, put jobs and shopping next to where people live, and improve the opportunities and lives of high-rise residents. The restructuring of the suburban environment could also be the jump start the economy needs to return to substantial growth, in an environmentally friendly way. ■

CFAA ALLIED MEMBERS:

Gold

| | |
|-----------------------|----------------------|
| Enercare Connections | RHB Magazine |
| Gottarent.com | Yardi Systems |
| My Ideal Home Network | Wyse Meter Solutions |

Silver

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|---------------------------|-------------------------|
| Cohen Highley LLP | Noble Building Supplies |
| Excel Collection Services | Places4Students.com |
| Landlord Web Solutions | RentMoola |

Bronze

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|--|--------------------------|
| Burlington Corporate Apparel and Promotional | Orkin Canada |
| Bentall Kennedy (Canada) LP | Pattison OneStop |
| Carma Industries | Rent Check Credit Bureau |
| Enbridge Gas Distribution | Rogers Communications |
| Coinamatic | Sparkle Solutions |
| H&S Buildings Supplies | Suite Collections |
| Insinkerator | Water Matrix |
| | ZipSure.ca |



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extrêmement limité. En raison des règlements de zonage en vigueur, très peu d'activités commerciales peuvent s'y dérouler et, le plus souvent, celles-ci se limitent à un comptoir à provisions ou à un salon de coiffure. Rien ne peut être construit à proximité des



immeubles à logement puisque les sites ont été suraménagés lors de leur construction il y a 30, 40 ou même 50 ans.

En outre, les résidents actuels sont souvent pauvres et les possibilités économiques minimales. Souvent privilégié par les immigrants pour améliorer leur sort, le lancement d'une petite entreprise à domicile est impossible à cause des règlements de zonage. La pauvreté y est plus concentrée en raison du peu de diversité des types d'habitation et de la vétusté des logements.

Les règlements de zonage municipaux, qui restreignent l'utilisation des sites à des fins strictement résidentielles et qui exigent des espaces verts comme si le simple fait de les regarder favorisait une vie saine, ont été repensés et amendés en prévision des nouveaux aménagements. Ainsi, les nouveaux complexes d'habitation génèrent beaucoup plus d'activités commerciales et les étages inférieurs sont souvent aménagés en locaux commerciaux pour accueillir des services, ce qui augmente la circulation piétonne à certaines heures. Cela crée des emplois à proximité des habitations, accroît la sécurité, favorise le mieux-être des immigrants, et stimule la « vie de quartier » recherchée par les résidents, particulièrement les plus jeunes.

Malheureusement, la vie en appartement dans la plupart des immeubles à logement de 30, 40 ou 50 ans n'a encore pas fait l'objet d'une nouvelle approche. Or, certaines mesures ont été prises pour permettre le réaménagement de tours d'habitation

existantes.

La Ville de Toronto a récemment approuvé une nouvelle catégorie de zonage qui se traduit à peu près par « immeubles résidentiels commerciaux » (Residential Apartment Commercial—RAC) afin d'étendre la diversification de l'utilisation des nouveaux aménagements aux immeubles à logement plus vieux.

Daryl Chong est le président et chef de la direction de la Greater Toronto Apartment Association (GTAA), qui représente Toronto au sein de la Fédération. Il a fermement appuyé cette nouvelle catégorie de zonage qui comporte trois volets.

Le premier volet porte sur l'utilisation de l'espace à de nouvelles fins, y compris l'intégration du modèle de travail à domicile pour professionnels (comme celui des comptables). Toutefois, il s'agit de bien peu puisque l'accès ou les dimensions des locaux existants sont souvent limités et que les règlements municipaux n'encouragent certainement pas la conversion de logements en locaux commerciaux.

Le deuxième volet vise la construction d'un rez-de-chaussée là où se trouvent les espaces verts qui longent les entrées et servent de cours aux immeubles. Ces nouveaux locaux peuvent accueillir un café Internet, une petite épicerie, une garderie ou autre chose encore.

Le troisième volet prévoit la construction de tours d'habitation additionnelles. Il pourrait s'agir d'un immeuble en copropriétés ou à logements ou d'une combinaison des deux. Peu importe, cela diversifierait les revenus de la collectivité et offrirait de nouveaux débouchés à des activités commerciales innovatrices.

L'assouplissement des règlements de zonage créerait de la valeur pour les propriétaires et les investisseurs, des emplois et des commerces là où les gens vivent, en plus d'améliorer les perspectives d'avenir et la qualité de vie des résidents. Le réaménagement de la banlieue pourrait également servir de catalyseur à l'économie qui en a grandement besoin pour renouer avec une croissance soutenue et écologique. ■



**Canadian
Federation of
Apartment
Associations**

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CFAA Rental Housing Conference 2013

June 11 - 13

Westin Prince Hotel, Toronto

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Best of all, CFAA will be providing all this additional data to survey participants at the same price as we charged in 2011.

The data will be collected between now and June, analyzed over July and August, and the reports issued in September. In October, Pal Benefits will host a seminar in Toronto, and a webinar, to present the findings and answer questions on how to make the best use of the survey.

As long as you have at least one employee, we urge landlords to participate in the rental housing industry's employee compensation survey!

Survey pricing – participate and save!

For Vancouver, Calgary, Edmonton, Ottawa, Montreal and Halifax, survey participants who provide their data will receive their City report for only \$250. Non-participants will be charged \$625 for the compensation report, and \$750 for the combined compensation and benefits report. HST or GST is in addition.

Slightly higher prices apply for the full Toronto report, which includes the most extensive local data.

For Victoria, Saskatoon/Regina, Winnipeg, London, Waterloo Region, Hamilton/Burlington, Quebec City and smaller Ontario centres, survey participants who provide their data will receive their city report for only \$175, plus HST. Non-participants will be charged \$425 for the compensation report, and \$525 for the combined compensation and benefits report.

Additional services with the survey

A national report is also available. Custom cuts of the data will be available from Pal Benefits at an additional charge.

Pal Benefits will also provide guidance on completing the survey data submission requirements. Pal Benefits will keep the data completely confidential, and not share it with anyone, including CFAA, other than through the reports which always aggregate landlords and employees to protect privacy.

Sign up today to participate in and buy the compensation survey, by e-mailing CFAA at admin@cfaa-fcapi.org, or filling out and faxing in the order form found under compensation survey at www.cfaa-fcapi.org. ■

SPRING HOPE FOOD DRIVE 2013

The Spring HOPE Food Drive is an annual event organized by rental housing industry associations across Canada to collect donations for local food banks at a time of high need. After all of the generous donations at Christmas time, many local food banks often find their shelves are almost bare by early spring. The Spring HOPE Food drive has grown over the years to become the largest door-to-door food drive in the country. The local food banks count on it to replenish their supplies.

This year the drive expanded into BC with ROMS BC and BCAOMA hosting a food drive on March 21. In BC, proceeds from the Spring Hope Food Drive benefited the Mustard Seed Food Bank in Victoria, the Loaves and Fishes Food Bank in Nanaimo, and the Greater Vancouver Food Bank Society in the lower mainland.

The Ontario drive took place on April 23 with several member associations participating including FRPO, GTAA, LPMA, HDAA, WRAMA and EOLO. Donations collected in Ontario went to help various local food banks, including the Daily

Bread Food Bank (in Toronto), the Mississauga Food Bank, the North York Harvest Food Bank and the Ottawa Food Bank.

CFAA would like to thank all of the landlords and tenants who participated in making this year's drive such a success. If you are interested in participating in next year's event, please contact your local apartment association to see how you can become involved. ■





2013 FEDERAL BUDGET – TAX WORRIES FOR LANDLORDS AND MONEY FOR TENANTS & CITIES

BY JOHN DICKIE, CFAA PRESIDENT



Minister of Finance Jim Flaherty delivered the 2013 federal budget on March 21 in Ottawa.

The 2013 federal budget does not include any tax reform measures directed at rental housing providers specifically, either positively or negatively.

However, several general corporate or trust tax changes may have some effect on some rental housing operations or investments:

- The dividend tax credit on active business income earned by a Canadian controlled private corporation (“CCPC”) is being decreased from 16.67% to 13%, in order to more accurately reflect the federal tax rate which is applied to active business income earned by a CCPC. Rental income does not qualify for the preferred active business income tax rate, but some landlords are able to flow some income through management corporations since income from management services was and is eligible.
- The limits on the deduction of interest paid to non-residents by “thinly capitalized” corporations will apply also to the deduction of interest paid to non-residents by “thinly capitalized” trusts. That change could in theory have a negative impact on Real Estate Investment Trusts (REITs), but only in limited circumstances.

- The government is continuing to study whether to tax corporate groups together by some mechanism.

Money for tenants

The 2013 federal budget includes a 5 year commitment to spend \$119M per year on the Homelessness Partnering Strategy (HPS), and \$253M per year on the Investment in Affordable Housing program. The HPS provides money for shelters and other services for the homeless. The amount budgeted is a \$16M annual decrease from the annual amounts spent in the immediate past. However, the commitment to on-going programs, given well before the end dates of the current programs, has been welcomed in the affordable and supportive housing sector.

Money for cities

Through indexing the contribution of gas tax revenue, and an incremental GST rebate for municipalities, a new Community Improvement Fund will provide money for municipal infrastructure work. That will provide a modest reduction in the pressure for increases in municipal property taxes, which are typically a landlord’s largest operating expense.

Without spending the rental industry’s limited political capital on them, CFAA expressed its support for such infrastructure support in our pre-budget submission.

Conclusion

CFAA will investigate whether the proposed trust tax changes will have a negative effect in practice. CFAA will monitor the possible changes to seek to avoid negative effects on corporations holding rental real estate. ■

Upcoming Events

May 29

FRPO – 2013 FRPO Golf Classic

June 11-13

CFAA – 2013 Rental Housing Conference

June 19

PPMA – 2013 Annual Golf Tournament

June 19

BCAOMA – Networking Dinner Cruise

June 24

HDAA – 2013 Golf Tournament



HOCKEY HALL OF FAME SUPPER AND WYSE AFTER PARTY

Hockey playoff time is upon us. Although there are no Canadian teams still in the playoffs, it is still an exciting time for hockey fans. What better place to celebrate Canada's game than at the Hockey Hall of Fame? Imagine watching the The Stanley Cup Finals at the Hockey Hall of Fame!

CFAA and Coinamatic will be hosting the Hockey Hall of Fame Supper followed by the Wyse After Party on Wednesday, June 12 as part of the CFAA 2013 Rental Housing Conference.

Guests will be immersed in the history and legends of the game and surrounded by genuine hockey

memorabilia. If a playoff game is scheduled for the evening of the event, it will be broadcast live at the Hockey Hall of Fame.

Immediately following the Supper is the Wyse After Party. This event, hosted by Wyse Meter Solutions will feature entertainment and refreshments.

Tickets can be purchased as an add on to conference registration at the CFAA website at www.cfaa-fcapi.org or by contacting admin@cfaa-fcapi.org.

BUILDING INNOVATIONS TOUR 2013 – SEE BOTH RENOVATIONS AND NEW CONSTRUCTION



The Building Innovations Tour is the opening event of the 2013 CFAA Rental Housing Conference. The tour takes place on June 11, 2013, departing from the Westin Prince Hotel at 1 pm and returning at approximately 4:30 pm. Along the way, tour goers will visit three buildings in Toronto and be treated to light refreshments.

The first building is Kingston Estates owned and operated by Timbercreek Asset Management. Kingston Estates won the 2012 FRPO MAC Award for the best suite renovation over \$5,000. Each suite has newly renovated and modernized kitchens, cabinets and bathrooms, and refinished hardwood floors. Those renovations have led to higher rents and less turnover.

The second stop on the tour is 77 Davisville and 45 Balliol owned and managed by Greenrock Property Management. Located near the intersection of Yonge and Davisville, 77 Davisville was awarded the 2012 FRPO MAC award for curb appeal.

45 Balliol received the 2010 MAC award for major upgrades to its common areas and amenities, which will also be on show, and which are driving higher rents and improved tenant retention.

The third stop of the tour is the "Harrison" by K & G Group, located in the Avonshire condominium community near Yonge and Sheppard. Completed in 2010, "Harrison" features state-of-the-amenities comparable to those found in premium condo properties, as well as the latest in suite finishes. It was built to be environmentally responsible, energy efficient and offer green-inspired amenities.

The Building Innovations Tour sponsor, Manaya Mobile Solutions, will provide a short demonstration at one of the building stops.

Conference delegates can participate in the bus tour either as part of a Conference Package or as an add-on when registering for a single day. Conference registration is available online at <http://cfaa-fcapi.org/Registration.php>. Register now so you don't miss out. ■