



NATIONAL OUTLOOK

RHB EDITION

CFAA'S POLICY FOCUS SHIFTS

BY JOHN DICKIE, CFAA PRESIDENT

The world price of oil has fallen from its peak of US\$107 per barrel to a 10-year-low of US\$45 per barrel as of late January 2015. In turn, the value of the Canadian dollar has fallen by 20% over the last year. Those dramatic economic changes have changed the economic outlook right across Canada. The fall in the price of oil has also impacted government revenue, putting the expected federal surplus into doubt.

In August 2014, before the major decline in oil prices, CFAA received credible advice that it is unrealistic for landlords to seek broad-based tax reductions on the rental housing sector. That is due to the federal government's view that the housing markets are working adequately, and the limits on how many issues government can tackle at any time. Based on that advice, CFAA had decided to seek smaller tax reforms which also tie in with other government objectives, such as ending homelessness.



However, the downturn in the price of oil makes it unlikely that there will be any tax reforms for the rental housing sector. CFAA will continue to be vigilant to ward off federal regulatory changes that would negatively impact rental housing. For example, with reduced oil and natural gas prices, there is less of an economic case for increased energy efficiency.

continued on page 3

INSIDE THIS ISSUE

Employee Compensation p. 6

IN NATIONAL OUTLOOK - DIGITAL EDITION available at www.cfaa-fcapi.org

Statement from John Puderak, CFAA Chair

Facing Employee Issues?

CFAA RENTAL HOUSING CONFERENCE 2015 TO ADDRESS KEY INDUSTRY ISSUES

This year the CFAA Rental Housing Conference returns to Toronto on June 10, 11 and 12, 2015. The conference education program will consist of more than 35 sessions addressing the following topic streams:

- Rental housing investment issues
- Employee management issues
- Regulations and politics
- Revenue management
- Building repairs and renovations
- Marketing and leasing

continued on page 4

CFAA'S POLICY FOCUS SHIFTS

continued from page 1

CFAA will seek to ensure that property owners can still make rational economic choices about energy efficiency, without being forced to make uneconomic investments for spurious reasons of government policy.

Housing policy issues

At the same time, the social housing operating agreements are still expiring. Those are the agreements under which CMHC provided subsidies to pay for mortgages for social housing providers, on the understanding that when the mortgages expired those providers would be able to provide below-market rentals in perpetuity.

Instead, it turns out that many of the social housing providers need substantial continued subsidies, or alternately the people who are being housed need continued subsidies. CFAA has been working on that issue for over a year, seeking to encourage the government to replace subsidies tied to the buildings with subsidies tied to the people who need them.

The expansion of portable housing allowances for low-income Canadians has been a long-standing CFAA objective, although when tax reform looked like it might be within reach, that took priority.

If well designed from a public policy point of view, programs to help tenants pay their rents will not raise rents, but rather free up money for other necessities. Even that is good for landlords because it should reduce losses from bad-debts and from turnover. In numerous situations the assistance to tenants will also help to relieve political pressure for tighter rent control, and such relief can be very important to landlords.

Helping tenants pay their rents also supports the private rental market, and potentially raises the demand for private rental housing. That is much better for private market rental housing providers than the construction of new social housing, which draws renters away from the private market.

Other benefits of portable housing allowances are the following. For tenants, portable housing allowances:

- allow tenants a wide choice of where to live;
- achieve income mixing without the cost of subsidizing middle-income tenants;
- use the existing economical housing stock, rather than newly built (and therefore expensive) housing;
- allow the available funding to be spread more equitably among more low-income tenants;
- allow the provision of assistance quickly;

- can eliminate deep core need regardless of a household's place on a chronological waiting list;
- allow tenants to keep their housing assistance when they move to take a new job (which is good for them and the economy);
- avoid the stigma often associated with public housing;

As benefits for government, portable housing allowances:

- allow more people to be helped with any given amount of funding
- allow flexibility in program design to respond to different regional needs and provincial budgets;
- can easily be used in rural areas and small towns where there are no large rental buildings;
- are seen by recipients through a cheque or direct deposit; and
- can be administered at very low cost.

Given the downturn in oil prices, and thus in government revenue, the federal government will be reluctant to begin any major new programs. However, some pilot projects or modest reforms may still be within reach within the government response to the expiry of the operating agreements.

CFAA maintains a set of long-term goals, and focuses its attention on the goals which offer the best chance of being achieved at any given time.

The language needed

CFAA, regional apartment associations and landlords need to promote the benefits which tax reforms or housing policy changes have for tenants, and especially for low-income tenants. Reference can also usefully be made to benefits to the broader economy, such as economic growth, job creation or increased program efficiency for government. With some exceptions, politicians, government officials and the media are concerned with how reforms or new programs will affect low-income people and the economy, but not whether they will benefit landlords.

Fortunately, many reforms would benefit all three targets, namely low-income renters, the economy and landlords. Those benefits can best be achieved if we all talk the language that will resonate with decision makers, namely the benefits of reforms for government, for low-income renters and for the economy. ■

CFAA RENTAL HOUSING CONFERENCE 2015

continued from page 1



Economic update from Benjamin Tal

The always-engaging and renowned economist Benjamin Tal will give his economic update. Mr. Tal will provide insight into the US and World economies and how they will impact on Canada, and in particular how world economic forces will drive interest rates, house prices and rental demand in Canada. To many delegates at past CFAA conferences, hearing Benjamin Tal alone has been worth the price of admission.

Major rental housing executives will give their take on the risks and opportunities ahead. Independent rental owners of mid-size portfolios will discuss their concerns.

CFAA looks forward to presenting Tony Chapman and Lee-Ann McAlear as additional keynote speakers. See the description of their talks on page 8.

As at previous CFAA Rental Housing Conferences, delegates will be able to choose from many other sessions with outside experts, such as lawyers, consultants, engineers and service providers, as well as from landlords who have thought through the various issues and tried various approaches.

Do you supply the rental housing industry?

Then join these companies in exhibiting or sponsoring at the

CFAA Rental Housing Conference 2015

Exhibitors:



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CFAA Rental Housing Conference 2015

Wednesday, June 10, afternoon – Building Innovation Bus Tour

Thursday, June 11, 8:00 am to 4:00 pm

Stream 1	Stream 2	Stream 3	Stream 4
Rental Housing Investment issues	Regulations & Politics	Employee Management	Building repairs & renovations

Thursday, June 11, evening social event at CN Tower

Friday, June 12, 8:00 am to 4:00 pm

Stream 5	Stream 6	Stream 7	Stream 8
Rental Housing Investment issues	Revenue management	Employee Management	Apartment Marketing

Note: Streams 5 and 7 will consist of different topics than streams 1 and 3.

Delegates at the CFAA Rental Housing Conference 2014 made these comments: “This has been a very informative conference.” “Fantastic day!” “Great conference, great material.” “I particularly liked hearing the expert and then hearing the practical aspects from the landlord.” “Very good speakers, knowledgeable, enthusiastic and willing to share experiences.”

There will also be lots of opportunities to network with colleagues, during the education program, on the Building Innovation Bus Tour and at the social event.

The Building Innovation Bus Tour will feature The Roehampton, being built by the KG Group, and The Metropolitan newly renovated by Timbercreek. That tour will take place during the afternoon of Wednesday, June 10.

The main social event will be a networking reception and supper at the CN Tower on Thursday, June 11.

How to learn more

The CFAA Rental Housing Conference 2015 will begin with the Building Innovation Bus Tour on Wednesday afternoon, June 10. The education sessions will be presented at the Westin Prince Hotel on Thursday and Friday, June 11 and 12.

Whatever your portfolio size, the CFAA Rental Housing Conference 2015 will provide valuable information to help you make your business more rewarding, both for yourself and for your company. ■

To learn more or to register, visit the conference section of www.cfaa-fcapi.org or telephone CFAA at 613-235-0101.



Tony Chapman

Tony Chapman is one of the youngest people ever inducted into the Marketing Hall of Legends. He will share his thoughts on our industry and how we can capture the consumers’ attention and persuade them to rent from us rather than buy. The consumer is moving from mass brands to “MY brand” that enables MY life and MY family’s life. Hear about innovative ways to connect with your customers, and grow your business by moving the conversation from telling your story to becoming a part of theirs.



Lee-Anne McAlear

Lee-Anne McAlear is Program Director of Schulich’s Centre of Excellence in Innovation Management at York University, as well as a highly regarded consultant, facilitator, speaker and training specialist, with experience with Fortune 500 companies in a broad range of industries. As a consultant, Lee-Anne designs and facilitates initiatives in leadership and team development, creativity, innovation and change management. Learn how to lead your company or group to achieve service excellence.

EMPLOYEE COMPENSATION – TOO MUCH, TOO LITTLE OR JUST RIGHT?

It seems obvious that paying employees too much can cut into profits, but paying too little can too! If your employees turn over too quickly, customer service is compromised, and that will raise tenant turnover, vacancies and turnover costs. A major cause of excess employee turnover is not paying enough.

To find out how your company fits into the market for rental housing employees, participate in the CFAA 2015 Employee Compensation Survey!

A separate survey report is available for each major city across Canada. The reports provide as much specific local data as possible, as well as Canada-wide data and Region-wide data (and adjustment factors) for the West, Ontario or the East, as applicable.

The survey also covers fifteen head office positions on a Canada-wide or Region-wide basis.

The survey reports will provide data for the following property-based positions.

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EnerCare Connections	Visa
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RHB Magazine	

Silver

Coinamatic	Landlord Web Solutions
IRC Building Sciences Group	Places4Students.com
	RentMoola

Bronze

4Rent.ca	InSinkErator
Assured Thermal	Lumenix
BCAP	Orkin Canada
Belanger Engineering	Rainmaker LRO
Bentall Kennedy (Canada) LP	Rent Check Credit Bureau
Carma Industries	Renters Guide
CMLS Financial	Sparkle Solutions
Cohen Highley LLP	Suite Collections
Enbridge Gas Distribution	Telus
Excel Collection Services	Wall2Wall Media Inc.
FIXO	Water Matrix
H&S Building Supplies	Winmar Property Restoration
Humphreys & Partners Architects, L.P.	

Property Based Staff:

Building Superintendent	Maintenance Technician
Maintenance Coordinator	Maintenance Manager
Cleaner	Property Manager
Property Assistant Manager	Property Administrator
Leasing Agent	Property Accountant
Security Guard	Doorman/Concierge

The CFAA survey is the most comprehensive survey of rental housing employees anywhere in Canada. It uses the position descriptions residential landlords use in their operations.

Don't fall behind your competitors. Join the 70 landlords who participated in the three previous surveys. Find out what others pay so that you can decide how to pay in relation to the market.

Survey participants will have access to the survey report at a substantially lower price than landlords who do not provide their wage data. (Most participants can buy the report for their city for less than one percent of the average pay of a single superintendent.) Non-participants are not guaranteed access, and will pay much more to buy the survey.

The data collection and analysis will be performed by Accompass, a firm specializing in compensation, benefits, and pension consulting. (Accompass was formerly known as Pal Benefits Inc., the firm which performed the three past surveys.) Accompass will receive the data and report only averages or percentiles. All compensation and benefits information will be kept strictly confidential. CFAA does not see the data for any landlord or any employee. ■

For more information or to participate, please contact Anna Flood of CFAA at 1-613-235-0101 or admin@cfaa-fcapi.org or visit the compensation survey area of www.cfaa-fcapi.org. Act today!