

# NATIONAL OUTLOOK

DIGITAL EDITION

## LANDLORDS' ROLES IN THE SYRIAN REFUGEE RESETTLEMENT PROGRAMS

BY JOHN DICKIE, CFAA PRESIDENT

More than four million Syrian refugees are registered with the United Nations High Commissioner for Refugees in various countries in the Middle East, mostly in Lebanon, Jordan and Turkey. The Government of Canada intends to bring 25,000 of those refugees to Canada in the near future. That will probably represent between 6,000 and 8,000 households.

The current plan appears to be to admit about 900 refugees per day and house them temporarily at centres near Montreal and Toronto. The temporary centres will include military bases and temporary rented accommodation such as conference centres or recently closed colleges. Then, over the next three or four months, the refugees will be relocated across Canada to homes which are meant to

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## RÔLE DES PROPRIÉTAIRES DANS LE PROGRAMME DE RÉINSTALLATION DES RÉFUGIÉS SYRIENS

PAR JOHN DICKIE, PRÉSIDENT DE LA FÉDÉRATION CANADIENNE DES ASSOCIATIONS DE PROPRIÉTAIRES IMMOBILIERS (FCAPI)

Rôle des propriétaires dans le programme de réinstallation des réfugiés syriens

Plus de quatre millions de réfugiés syriens sont inscrits auprès du Haut-Commissariat des Nations Unies pour les réfugiés dans différents pays du Moyen-Orient, essentiellement le Liban, la Jordanie et la Turquie. Le gouvernement du Canada envisage d'accueillir 25 000 de ces réfugiés dans un avenir proche, ce qui représentera probablement de 6 000 à 8 000 ménages.

Le plan actuel semble porter sur l'accueil d'environ 900 réfugiés par jour et leur hébergement temporaire dans des centres situés près de Montréal et de Toronto. Au nombre de ces centres temporaires, on compte des bases militaires et des endroits loués pour l'occasion, comme des centres de conférences ou des collèges qui viennent de fermer leurs portes. Ensuite, au cours des trois ou quatre mois qui vont suivre, les réfugiés seront relocalisés à l'échelle du Canada, dans des foyers conçus pour offrir un certain degré de permanence.

La Fédération canadienne des associations de propriétaires immobiliers (FCAPI) est en relation avec le gouvernement du Canada pour fournir à ce dernier de l'information et mettre sur pied une chaîne de contact avec les propriétaires canadiens. La Federation of Rental-Housing Providers of Ontario (FRPO)

assure la liaison avec le gouvernement de l'Ontario pour partager son expertise, ses ressources et l'information qu'elle détient. D'autres associations de propriétaires d'appartements communiquent aussi avec le gouvernement et les agences d'établissement là où elles sont implantées.

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# LANDLORDS' ROLES IN THE SYRIAN REFUGEE RESETTLEMENT PROGRAMS

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offer some degree of permanence.

The Canadian Federation of Apartment Associations (CFAA) is in touch with the Government of Canada to provide information and a chain of contact with Canada's landlords. The Federation of Rental Housing-providers of Ontario (FRPO) is in touch with the Government of Ontario to share its expertise, information and resources. LandlordBC and other regional apartment associations are also in touch with government and settlement agencies in their locations.

CFAA and FRPO will address what the governments can do to help the refugees access suitable rental housing that they can afford.

In entering into any tenancy agreement, landlords are concerned to know that the rent will be paid, the premises will not be damaged, and the new tenants will not disturb other tenants or neighbours. All of these concerns will be in play when landlords decide whether to offer a rental home to a refugee or refugee family.

Governments and settlement agencies can help with

many of those issues, through effective orientation programs, support services, and guarantees (or backstops) concerning the rent and any damage to the premises.

Many people and communities are stepping forward to help the refugees. CFAA and FRPO stand ready to help, and so do many landlords. However, everyone needs to be mindful of the impact of the influx of refugees on Canadian residents who need assistance to afford housing.

In its recent Bulletin to members, FRPO stated, "Through FRPO, [Ontario's rental housing providers have] reached out to provincial officials and pledged to support the government in efforts they make to balance the immediate needs of those in crisis with the longer term needs of those Ontarians who wait for affordable housing." ■

Readers who want to assist should check for updates on the CFAA website at [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org).

## A NEW MINISTER FOR HOUSING: HOW WILL HE IMPLEMENT LIBERAL PARTY PROMISES?



Jean-Yves Duclos is Canada's newly elected Minister of Families, Children and Social Development. The portfolio name is new, representing a somewhat new departmental configuration, but that ministry is responsible for

CMHC and federal housing policy.

Minister Duclos is the first Liberal MP to represent his riding of Quebec (City), since Gilles Lamontagne left in 1984 to become the Lieutenant Governor of Quebec. This is Minister Duclos' first term as a Member of Parliament. He won his seat with 29% of the vote in a tight four way race against the NDP, the Conservatives and the Bloc Quebecois. Minister Duclos does not

have much experience as a politician, but he has a background that more than qualifies him for the position.

Minister Duclos earned an undergraduate degree in economics from the University of Alberta followed by a doctorate from the London School of Economics. Before becoming an MP, he was Chair of the Economics Department at Laval University in Quebec City. An author of many academic papers about taxation, inequality and the elderly, Dr. Duclos is an expert on the impact of public policies on the poor. He is president-elect of the Canadian Economics Association, although he is now unlikely to take up that position. In 2014, he was made a fellow of the Royal Society of Canada, the highest honour given to Canadian researchers.

Many people consider housing to be a social

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# A NEW MINISTER FOR HOUSING: HOW WILL HE IMPLEMENT LIBERAL PARTY PROMISES?

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issue, when in actuality housing is best seen as a complex set of inter-connected markets, with policy challenges relating to different market segments. As the core of their discipline, economists study markets and how they work. An economist is best positioned to recognize the value of the housing markets, and to implement positive policy change. From that perspective, Minister Duclos is highly qualified to be the person for responsible for housing.

Over the years, several economists have served in cabinet. William Watson, columnist for the *Financial Post* and chair of McGill University's Economics Department from 2005 to 2010, believes that Minister Duclos is the most qualified academic economist to be appointed to the cabinet in Canada. In his column of November 4, 2015, Watson describes Minister Duclos' work as "acute intelligence acutely applied." Academic economists work with models that sometimes over simplify reality. The danger of this can be that reality is not so easily manipulated, but Watson is confident that Minister Duclos understands these difficulties.

In his 2006 Innes Lecture to the Canadian Economics Association titled, "Equity and Equality," Dr. Duclos examined society's understanding of equity and equality, and addressed the difference. In examining various theories of equity, he spoke of the importance of freedom of choice. "To be treated with respect and to lead a good life requires that we not be forced into lifestyle choices that are against our conceptions of ourselves," he said.

In that lecture on "Equity and Equality," Dr. Duclos spoke of an example drawn from child care policy, praising the then-government's policy of giving cash to parents to spend on the childcare method of their choice. This shows appreciation of the benefits of the free-market approach and the choices it provides. Landlords can hope that the desire to support choice will extend to housing policy decisions, such as the allocation of federal funding between social housing (in which low income people are essentially assigned to rental units), and portable housing allowances (which provide recipients with choice.)

Starting in 1979, segments of the federal Liberal Party have supported portable housing allowances as an important and under-used housing policy tool. More recently, in "The Pink Book: A Policy Framework for Canada's Future", volume 2, the Liberal Women's Caucus endorsed a portable shelter subsidy as the best tool to provide housing assistance to newly separated women and their children. With their ease and speed of access, and the substantial element of choice left for recipients, portable housing allowances are an excellent tool to assist most low-income people with their housing needs.

Time will tell whether Minister Duclos is willing and able to implement portable housing allowances to expand choice for the recipients of federally funded housing support. ■

## Key Ministry official responsible for housing

Minister Duclos' newly-appointed Chief of Staff, Jennifer Robson, also has an impressive academic record. She holds a PhD in Public Policy and degrees in Political Science and Psychology. Dr. Robson was director of policy for the non-profit SEDI (now Prosper Canada), a senior research officer with Policy Horizons, and a senior associate with the Social Research and Demonstration Corporation. At different times, Dr. Robson was chair of the Task Force on Family and Social Policy for the Liberal Party of Canada's Renewal Commission, and previously served as a political assistant to the Minister of Intergovernmental Affairs, the Minister of Human Resources and Skills Development and as a policy assistant in the Office of the Prime Minister.





# THE IMPACT OF IMMIGRANTS AND REFUGEES ON THE RENTAL MARKET

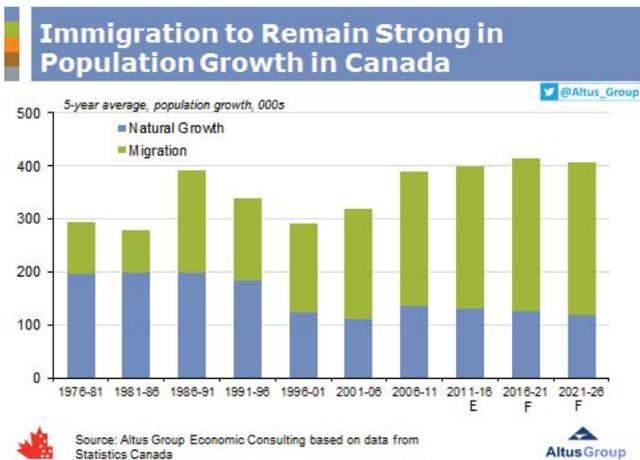
BY JOHN DICKIE, CFAA PRESIDENT

Every year Canada receives about 250,000 immigrants (including refugees), which is eight-tenths of one per cent of Canada’s current population.

Most newcomers rent their homes. That is expected to continue. Any large, steady, incoming stream of renters is good for the rental housing market, and rental housing providers.

According to Census Canada 2011, two thirds of the people added to the population of Canada since 2006 have been immigrants. See chart 1 for the changes in the contribution to population growth since 1976, and forecasts out to 2026.

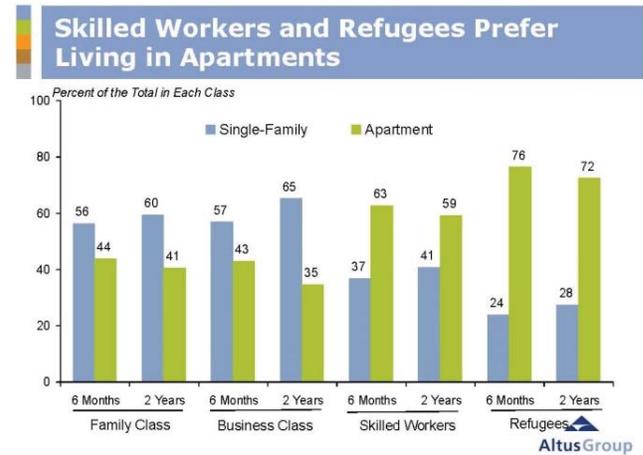
Chart 1



With an aging population and a declining birth rate, immigration has become a significant factor in our population growth. For several decades leading up to 1986, natural increase was the main driver for population growth in Canada. Then the birth rate fell and, immigration increased, so that two thirds of growth is now the result of immigration. Immigration is a key driver keeping the rental housing industry in a healthy situation going forward.

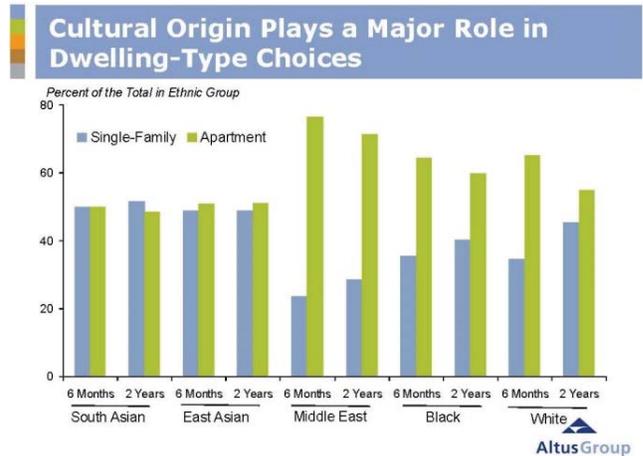
Immigrants fall into four classes: the family class, the business class, skilled workers and refugees. As shown in Chart 2, the majority of skilled workers and refugees choose to continue to live in apartments. Most of those apartments are rental apartments.

Chart 2



The country of origin also makes a difference in regards to housing preferences as shown in chart 3.

Chart 3



Based on those figures, it seems safe to assume that, after they leave the temporary reception centres, the vast bulk of all new Syrian refugees will live first in apartments, and will continue to live in apartments. Based on the figures shown in chart 4, those apartments will be rental apartments. (Other than in large cities, the refugees may live in low-rise housing, but that will be mostly low-rise rental housing.)

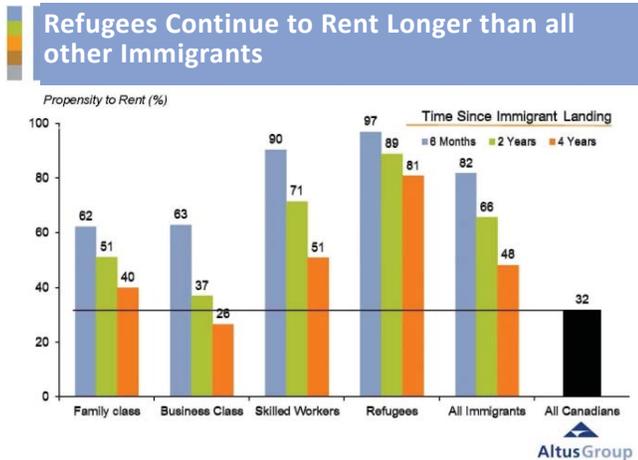
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# THE IMPACT OF IMMIGRANTS AND REFUGEES ON THE RENTAL MARKET

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Chart 4



If the current rate of immigration stays the same or continues to grow, the rental housing market will remain strong. An intake of refugees has a particularly strong positive impact on rental demand. This means the new federal government’s refugee initiative will help to maintain rental demand, as well as providing the refugees a safe life in Canada. ■

All charts courtesy of: “Who’s Moving In? Demographics and Rental Housing” by Peter Norman, MA, the Altus Group, based on data from Statistics Canada.

## LIBERAL CAMPAIGN PROMISES AFFECTING RENTAL HOUSING

During the recent election campaign, the Liberals promised improved economic security for the middle class, a fight on poverty, and more affordable housing. Their campaign promises and the resulting policies and initiatives may have a significant impact on the rental housing industry. Landlords generally benefit when low-income people gain more income, since the low-income people are likely to rent their homes, and the extra income helps them pay their rents in full and on time.

Here are some of the positive promises made in the Liberal election platform, “Real Change”:

- Income splitting for seniors will be retained.
- Age 65 will be restored for eligibility for Old Age Security and Guaranteed Income Supplement
- The Guaranteed Income Supplement for low income seniors will be increased by 10% (almost \$1,000 more each year.)
- The Child Tax Benefit will no longer be universal, but rather linked to income.
- Family income for a typical family of four will be increased by \$2,500 per year, tax free.

However, private market landlords are often side-swiped by housing programs which fund new social housing. When tenants move to the new social housing, that reduces the demand for private rental units, raising vacancies and reducing rents. As a result, marginal buildings are demolished or converted. The new social

housing “crowds out” market rental housing.

Here are relevant promises from “Real Change about rental construction or repairs”:

- Renew federal leadership in housing starting with a 10 year investment in social infrastructure.
- Prioritize investments in affordable housing and seniors’ facilities, build more new housing units and refurbish old. Support municipalities to maintain rent geared to income subsidies in co-ops. Give communities money for Housing First initiatives for the homeless.
- Encourage construction of new rental housing by removing GST on new capital investments in affordable rental housing. (The Liberals believe that will provide \$125 million per year to grow and renovate the supply of rental housing.)
- Provide financing to support the construction of affordable rental housing for middle and low income Canadians. (We can hope that much of that will be private-market rental housing.)

The danger of investing into social housing alone is that vacancy rates can be affected and rents suppressed in private-market units. For government policy to result in more actual housing that is affordable, the better policy is to provide portable housing allowances to tenants so that they can afford to rent the housing they need. Portable housing allowances make tenants better off, while supporting the existing housing stock. A higher

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# LIBERAL CAMPAIGN PROMISES AFFECTING RENTAL HOUSING

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demand for rental housing tends to draw out more housing supply.

The Liberals may execute a positive set of policies, but some of their platform statements on housing are

cause for concern. CFAA will continue to monitor and advocate for the best policies for Canadians and the rental industry. ■

# RÔLE DES PROPRIÉTAIRES DANS LE PROGRAMME DE RÉINSTALLATION DES RÉFUGIÉS SYRIENS

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La FCAPI et la FRPO aborderont les mesures que les gouvernements peuvent prendre pour aider les réfugiés à avoir accès à des logements locatifs adaptés à leurs besoins et à leur budget.

Quand ils concluent une convention de location, les propriétaires veulent avoir la certitude que le montant du loyer leur sera bien payé, que les lieux ne seront pas endommagés et que les nouveaux locataires ne dérangeront pas les autres locataires ou leurs voisins. Toutes ces préoccupations entrent en jeu quand un propriétaire choisit de proposer un logement locatif à un réfugié ou à une famille de réfugiés.

Les gouvernements et les agences d'établissement peuvent contribuer à régler bon nombre de ces questions grâce à des programmes d'orientation efficaces, à des services de soutien et à des garanties (ou filets de sécurité) quant au paiement du loyer et aux éventuels dommages que subirait l'unité.

Bon nombre de personnes et de collectivités se proposent d'aider les réfugiés. La FCAPI et la FRPO sont prêtes, elles aussi, à mettre la main à la pâte, comme de nombreux propriétaires. Tout le monde doit cependant garder présente à l'esprit l'incidence de cet afflux de réfugiés sur les résidents canadiens qui ont besoin d'aide pour s'offrir un logement.

Dans un bulletin récent destiné à leurs membres, les responsables de la FRPO déclaraient : « Par l'entremise de la FRPO [les fournisseurs de logements locatifs de l'Ontario ont] communiqué avec les responsables provinciaux et se sont engagés à soutenir les efforts du gouvernement pour équilibrer les besoins immédiats des personnes en situation de crise et les besoins à plus long terme de la population ontarienne qui attend de pouvoir s'offrir un logement abordable. » [traduction libre]

Vous souhaitez, vous aussi, apporter votre aide? Vérifiez les mises à jour sur le site Web de la FCAPI, à : [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org). ■

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