



NATIONAL OUTLOOK

DIGITAL EDITION

CFAA RENTAL HOUSING CONFERENCE ADDRESSES KEY ISSUES FOR LANDLORDS



The CFAA Rental Housing Conference 2013, held in Toronto during June, attracted over 275 delegates, who received insights from more than 50 speakers. The CFAA Conference provides education and networking opportunities for the landlords and suppliers who make up the Canadian rental housing

industry, while the net proceeds help to fund the industry's lobbying efforts.

Shelley Wittal, Director of Property Management (Eastern Region) at Gateway Property Management, told RHB Magazine, "At the CFAA Rental Housing Conference 2013, the education topics were fresh and aimed at current challenges which had not been recently addressed."

The conference took place from June 11 to 13, starting with the Building Innovations Bus Tour on June 11. Delegates who took the building tour saw innovative en-suite and entrance renovations to a mature building by Timbercreek, a modernized pool and fitness facility by Greenrock in one building,

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LATEST POVERTY FIGURES SHOW HOUSING ALLOWANCES A GOOD BET

BY JOHN DICKIE, CFAA PRESIDENT

Housing policy for low-income Canadians has changed dramatically over the last 15 years. Fifteen or 20 years ago a great deal of money was being spent on constructing new social housing, and relatively little money was being spent on direct assistance for low-income in the form of rent supplements or housing allowances. Over

the last 12 years, relatively little has been spent on constructing new social housing and several provinces have initiated housing allowance programs or expanded them substantially (especially for families and seniors.) What has happened to poverty over that time?

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LES DERNIERS CHIFFRES SUR LA PAUVRETÉ DÉMONTRENT LA PERTINENCE DES INDEMNITÉS DE LOGEMENT

DE JOHN DICKIE, PRÉSIDENT, FCAPI

La politique du logement visant les Canadiens à faible revenu a considérablement évolué au cours des 15 dernières années. Il y a 15 ou 20 ans, énormément d'argent était investi dans la construction de nouveaux logements sociaux alors que relativement peu d'argent était consacré en aide directe aux personnes à faible revenu sous forme d'indemnités ou de suppléments de

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CFAA RENTAL HOUSING CONFERENCE *continued from page 1*

and a sculpture garden and rental office renovation in another, as well as a brand new building built to condo standards by KG Group. John Shnier, Greenrock's architect, added value to the tour by addressing the issues involved in optimizing the phased work.

During the Investment Conference on June 12, several key themes were discussed, including:

- The likely future course of interest rates
- Current pricing of rental housing assets
- Emerging developments affecting revenue and costs
- Student housing

Among other issues, keynote speaker Benjamin Tal, of CIBC World Markets, discussed world economic trends and the likely future of the Canadian economy, rental demand and interest rates. The Executive Round Table panelists commented Tal's presentation and the impact of likely interest rate changes on the rental housing industry.

Asset values were addressed not only by Benjamin Tal and the Executive Round table panelists, but also during the sessions on Major Rental Housing Sales. Delegates appreciated the speakers' attention to specifics and the differing rental asset values among cities. Delegates also liked the use of clear and concise graphics and statistics to support discussions, and the representation of the large players in the various topic discussions.

Within the theme of developments affecting revenue and costs fell sessions on developing trends and issues, landlord licensing, and housing finance. Delegates found especially interesting the information on government thinking on rent control, and the various approaches CFAA members associations are using to seek to avoid licensing.

A discussion on student housing closed out the day and constituted the final theme. Besides speakers from Waterloo, Ruth Buckle of Killam Properties gave an overview of many interesting initiatives which her company has taken to address that often overlooked niche market.

On June 13, the discussion topics revolved around rental operations, and featured themes including:

- Human resources
- Communications with tenants and the media
- Innovations, both in building science and management

Delegates heard from human resources and legal specialists about employment law, the labour

market for the next 10 years, and employee compensation. Delegates found the discussions on employment contracts and their importance helpful. They also said that the compensation and labour market discussions provided important insight for senior managers into the expectations of the younger generation of employees.

Sessions on communicating with prospects and residents, and handling a public relations crisis, gave delegates a crash course in communications techniques. Danny Roth of Brandon Communications had valuable input for the group during the presentation on crisis communications. He offered useful strategies for consideration, and key information on how the media and tenants react during times of crisis.

Delegates also learned about innovations in rental housing in building science and technology. Martin Zegray of Realstar led the building science update panel and provided tie-ins to what property managers should take away from the engineers' presentations.

The panel on innovations in rental operations discussed what's new in tech based management, provided good technical explanations and addressed the desire of the current generation for instant gratification. A panel on learning from the hotel industry provided food for thought on a possible paradigm shift in operations.

"The 2013 CFAA conference was extremely valuable on many levels. The education sessions were informative, providing leading edge insights with regard to current challenges," said Ruth Buckle, Vice President of Property Management at Killam. "If you can only attend one rental housing conference next year, the CFAA Rental Housing conference is the one to attend."

As to the networking at the CFAA Conference, Shelley Wittal of Gateway added, "The supper at the Hockey Hall of Fame was well organized and the dinner choices were amazing. Overall, it was a great evening of fun with friends and colleagues. I found the conference very helpful, and am very much looking forward to the next CFAA conference."



The next CFAA Canadian Rental Housing Conference will take place in Vancouver from June 9 to 11, 2014. For more details, please visit www.cfaa-fcapi.org. To be placed on CFAA's e-mail list for conference updates, or for 2014 partnership opportunities, please e-mail communication@cfaa-fcapi.org.



LES DERNIERS CHIFFRES SUR LA PAUVRETÉ *suite de la page 1*

logement. Depuis 12 ans, il y a eu plutôt peu d'investissements dans la construction de nouveaux logements sociaux et plusieurs provinces ont lancé ou bonifié substantiellement leur programme d'indemnités de logement (particulièrement à l'intention des familles et des personnes âgées). Qu'advient-il de la pauvreté depuis ce temps?

Dans son rapport « Le revenu des Canadiens, 2011 », diffusé le 27 juin 2013, Statistique Canada a révélé une baisse marquée de la pauvreté relative pendant cette période de 12 ans. Le pourcentage de la population vivant sous les seuils de faible revenu (SFR) a chuté de 11,2 % à 8,8 % de 2001 à 2012, soit une baisse de 21 %. En ce qui a trait aux ménages de famille monoparentale ayant à sa tête une femme, le taux de pauvreté relative est passé de 37,4 % à 23,0 %, soit une baisse de 38 %.

Puisque les locataires résidentiels desservent un secteur du marché du logement qui est composé d'un nombre disproportionné de personnes à faible revenu, nous souhaitons que celles-ci soient aptes à s'héberger de façon satisfaisante (ce que nous pouvons faire).

En tant que président de la Fédération et dirigeant de la principale association de locataires d'Ottawa, je rencontre souvent des représentants de groupes anti-pauvreté et des défenseurs du droit au logement. Au cours des cinq dernières années, on entend beaucoup parler de l'inégalité croissante des revenus. J'exprime parfois mon doute à cet égard, mais chaque représentant et chaque défenseur s'en tiennent à la sagesse populaire et affirment que l'inégalité des revenus augmente au Canada (comme cela peut être le cas aux États-Unis).

Le 27 juin, le rapport de Statistique Canada aurait dû gommer cette sagesse populaire. Mais ce n'est pas le cas, puisque la sagesse populaire est particulièrement résistante aux faits. Voici donc les faits, tels que rapportés par Statistique Canada.

Ménages sous les SFR

Type de ménage	2001	Moyenne 2001-2004	2010	2011
Toutes les personnes	11,2	11,4	9,0	8,8
Personnes moins de 18	12,2	12,4	8,2	8,5
<18, ménages avec deux parents	8,3	8,0	5,7	5,9
<18 femmes, parentes seules	37,4	41,5	21,8	23,0
Célibataires, <65	35,3	34,3	31,3	32,3
Célibataires, >65	18,1	17,6	14,3	14,9

Source : Statistique Canada, « Le revenu des Canadiens, 2011 », *Le Quotidien*, 27 juin 2013.

Les seuils de faible revenu (SFR) sont des mesures qui servent à établir les taux de pauvreté. Les SFR ne sont pas des mesures de la pauvreté absolue et effectivement, selon les normes historiques ou internationales, la pauvreté absolue au Canada touche très peu de gens. Les SFR ne sont pas non plus des mesures rigoureuses de l'inégalité. Toutefois, pendant des douzaines d'années, les groupes anti-pauvreté qualifient les SFR comme des seuils de pauvreté.

Lorsqu'ils ont été utilisés pour la première fois en 1965, 25 % des Canadiens vivaient sous les SFR. D'après le plus récent rapport de Statistique Canada, ce nombre se chiffre aujourd'hui à 8,8 %.

La politique du logement visant les personnes à faible revenu fait ou devrait faire en sorte que les personnes à faible revenu soient en mesure de subvenir à leurs besoins fondamentaux. En tenant compte des divers programmes de logement lancés au cours des 12 dernières années et du rapport de Statistique Canada, nous pouvons tirer deux conclusions préliminaires clés :

- les subventions pour construire de nouveaux logements sociaux ne sont pas nécessaires pour réduire la pauvreté;
- les dépenses en aide directe aux personnes à faible revenu (indemnités et suppléments de logement) peuvent s'avérer très utiles pour combattre la pauvreté.

D'autres études seraient nécessaires pour analyser les changements particuliers en matière de dépenses et de revenus des ménages à faible revenu, ceux-là mêmes qui ont contribué à la remarquable réduction de la pauvreté relative telle que constatée au Canada. Grâce à cette recherche, ces conclusions préliminaires pourraient se transformer en conclusions définitives.

Entretemps, les données de Statistique Canada soutiennent les positions de la Fédération et d'associations du logement du Québec, de l'Ontario, de la Colombie-Britannique et d'autres provinces, qui ont fermement préconisé l'aide directe aux locataires comme étant la meilleure politique du logement que pourrait appliquer le gouvernement afin de venir en aide aux ménages à faible revenu. ■



LATEST POVERTY FIGURES SHOW HOUSING ALLOWANCES A GOOD

BET *continued from page 1*

In its report "Income of Canadians, 2011", issued on June 27, 2013, Statistics Canada reported on a dramatic fall in relative poverty over that 12 year period. The percentage of the population below the Low Income cut off (LICO) fell from 11.2% to 8.8% from 2001 to 2011, a drop of 21%. For households headed by female single parents, the rate of relative poverty fell from 37.4% to 23.0%, a drop of 38%.

Since residential landlords serve a housing market sector made up disproportionately of low-income people, we want low income people to be able to afford satisfactory rental housing (which we can provide). As the President of CFAA and the head of Ottawa's main apartment association, I often meet with poverty and housing advocates. For the last five years there has been much talk about growing income inequality. I sometimes raise a note of doubt, but virtually every advocate has bought into a conventional wisdom that income inequality has been increasing in Canada (as it may have been doing in the United States.)

On June 27, the Stats Can report should have knocked that conventional wisdom flat. It has not, since conventional wisdom is remarkably resistant to the facts. Here are the facts as reported by Stats Can.

Households below LICO

Household type	2001	Ave 2001-2004	2010	2011
All persons	11.2	11.4	9	8.8
Persons under 18	12.2	12.4	8.2	8.5
<18, two parent households	8.3	8	5.7	5.9
<18 female, lone parents	37.4	41.5	21.8	23
Singles, <65	35.3	34.3	31.3	32.3
Singles, >65	18.1	17.6	14.3	14.9

Source: Statistics Canada, "Income of Canadians, 2011", *The Daily*, June 27, 2013

The Low Income Cut Off ("LICO") is a measure of the extent of relative poverty. For each household type, LICO is computed as follows:

1. Determine the amount of income spent on necessities (food, housing and clothing) by the median household as a percentage of its after-tax and after-transfer income (say it is 55%.)

2. Add 20% to that figure (in our example, that makes 75%.)
3. Determine what percentage of households have to spend more than 20% more than the median to buy necessities.
4. That percentage of households of the particular type fall below the Low Income Cut Off line.

LICO is not a measure of absolute poverty, and indeed by historical or world standards, absolute poverty in Canada affects very few people. LICO is not a pure measure of inequality either, such a measure is the Gini index. LICO measures relative poverty based on the arbitrary 20% difference factor. For decades, poverty advocates have referred to LICO as the poverty line.

When it was first calculated in 1965, 25% of Canadians fell below LICO. Based on the latest Stats Canada report, that number is now 8.8%.

Housing policy for low income people is, or should be, about enabling low income people to afford the necessities of life. Based on the housing program activity of the last 12 years, and the recent Stats Can info, we can draw two key tentative conclusions:

- Subsidies to construct new social housing are not necessary to reduce poverty.
- Spending on direct assistance to low income people (housing allowances and rent supplements) may be very helpful to reduce poverty.

Further research would be in order to clarify the specific changes in the spending and incomes of low income households, which have been reflected in the remarkable reduction in relative poverty Canada has seen. With that research, we may be able to move those conclusions from tentative to confirmed.

In the meantime, the Stats Can data certainly support the positions taken by CFAA and member associations in Ontario, BC and other provinces, which have strongly advocated direct assistance to tenants as the best housing policy for government to follow to support low income households. ■



CREATING WEALTH THROUGH RENTING OR OWNING

BY JOHN DICKIE, CFAA PRESIDENT

Popular wisdom in Canada and the United States suggests that a person is better off to buy a home than to rent, especially if the goal is to build wealth. A number of studies suggest the contrary. One was by Tsur Somerville and others.¹

More recently, on May 16, 2013, the Globe and Mail published an article by Rob Carrick in which he reported on an exercise Professor Frank Tristani assigns each year to his finance students at McMaster University. Professor Tristani told Rob Carrick that “over six years no one has been able to substantiate buying as creating more wealth over the long term.”

This article will present the results obtained from the parameters reported in the Carrick column based on the latest version of the exercise Professor Tristani used in his class, and also from what this author, the CFAA President, considers to be more realistic parameters. In both scenarios, renting is a better path to financial gains than home ownership, despite the popular perception to the contrary.

Professor Tristani presents the exercise in Hamilton where house prices are much lower than they are in Toronto or Vancouver. However, the price he uses is realistic for Canada as a whole.

At 3%, the inflation figure is higher than inflation for the last 10 years, but lower than inflation for the last 20 or 30 years. In any event, the key issue is the relation between the inflation rate and the rate of increase of house prices and the mortgage interest rate. Professor Tristani assumes house prices will increase at the rate of inflation, which has been well documented as their

Item	Professor Tristani	CFAA
Purchase price	\$400,000	\$400,000
Inflation in house prices	3%	3%
Mortgage interest rate	3.99%	5%
Mortgage payment (per month)	\$1,576	\$1,745
Property taxes, maintenance & renovations	4% of value	3% of value
Realtor's commission on sale	0%	4%
Rent for equivalent property	\$1,500	\$1,500
Annual rent increase	1.5%	3%
Investment return	6%	6%

long term trend line. A mortgage rate of only 1% over inflation is abnormally low; therefore, after the first five

years CFAA has used a mortgage interest rate of 5%, 2% above the rate of inflation (which is still relatively low.)

Because of the overall low property values in Hamilton, property taxes approach 2% of the value of a house, and then repairs and renovations are on top of that. CFAA has chosen to use 3% to reflect lower average property taxes across Canada, and some “sweat equity” in the form of owner performed repairs and renovations.

In his exercise, Professor Tristani suggested a rent of \$1,500, equal to the mortgage payment at 3.99%. CFAA agrees with that initial rent for a home worth \$400,000. However, Professor Tristani inflates rents at 1.5%, which is half the rate of inflation he assumes. CFAA believes it would be more likely that rents would increase at the rate of inflation, namely 3% in the model. Professor Tristani assumed a \$300 per month payment for utilities and renter’s insurance, which he inflated at 3%. CFAA agrees.

Professor Tristani assumed a \$100,000 down payment. For the renter household he assumed a \$100,000 investment in the stock market, and a return on investment of 6%. Six per cent may seem high, but 9% was the norm over the last 30 years, and 6% appears still to be realistic for good dividend paying stocks, such as utilities or railroads. Such dividends also bring with them the dividend tax credit so that the dividends are essentially tax free in the hands of an ordinary Canadian.

Shown above are the outcomes of the model for the two sets of assumptions. A negative shows cash out; a positive figure shows cash in. CFAA accounts for a real estate commission of 4% on the sale of the owner-occupied home. (Much more than that would be paid if the investor buys and sells several homes over the course of the comparative investment horizon.)

With different reasonable assumptions, both Professor Tristani and the CFAA author come to the same conclusion: renting allows the accumulation of more wealth than home ownership. In fact, the difference in favour of renting is almost half a million dollars in total: \$483,168 according to Professor Tristani’s assumptions, and \$414,143 according to CFAA’s.

The key difference between buying and renting is

¹ T. Somerville, L. Qiang and others, entitled “Are Renters Being Left Behind? Homeownership, Renting, and Wealth Accumulation,” Centre for Urban Economics and Real Estate: Sauder School of Business. 29 Jan. 2007.

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CFAA GROWS ITS DIRECT MEMBERSHIP FOR BETTER RESULTS

In the rental housing sector, the federal government: collects 42% of the total taxes, provides 37% of the housing subsidies and benefits, and used to provide 28% of the energy retrofit incentives. But the rental housing industry allocates only 5% of its association resources at the federal level. To achieve more, landlords need to do more, and to work together more, especially at the federal level.

Do you have tenants who are struggling to pay their rent?

CFAA advocates for government to provide direct financial assistance to tenants to enable them to pay their rent. Over the past 10 years CFAA has caused CMHC to credentialize housing allowances for low-income tenants. BC and Manitoba have expanded their housing allowance programs; and Ontario, Alberta and Saskatchewan have started to use direct assistance to tenants.

Do you have a building built 40 or 50 or 60 years ago that was not designed for a high-efficiency heating plant?

CFAA stopped the federal government from insisting on high-efficiency heating plants in buildings not designed for them. As a result, you can still choose the heating plant best suited to your building.

Have you worked out, or found out, the income tax you will have to pay on capital gains and recaptured depreciation if you sell your building?

CFAA is working hard to try to get the government to allow a rollover, so that tax on capital gains and recapture will be deferred if a person sells one rental building and buys another one anywhere in Canada.

In addition to advocacy, CFAA is a networking and communications resources for landlords. CFAA:

- Publishes articles in member association newsletters and magazines
- Assembles and provides rental housing information, such as industry-specific compensation and benefits data
- Co-ordinates strategies for fighting bad policy initiatives in cities and provinces across Canada
- Leads information sharing among member associations and landlords

The main benefits of direct landlord membership are:

- Stronger federal advocacy
- Stronger advocacy to reduce the spread of municipal and provincial measures contrary to the interests of rental housing providers
- Quicker, direct, notice of changes to government programs
- Direct, advance notice of CFAA events
- Direct, advance notice of CFAA service offerings, such as the CFAA Employee Compensation Survey

As John Stang of Minto Properties says, "Rental housing owners and managers face many significant political issues at the federal level, including taxes, energy regulations, government's approach to housing subsidies, and CMHC's financing rules. To represent landlords in the strongest way possible, CFAA needs the support of landlords through direct membership from coast to coast." ■

To join CFAA as a direct member, visit the CFAA website at: <http://cfaa-fcapi.org/DirectMembership.php> or contact Spencer Kenney at: admin@cfaa-fcapi.org

CFAA COMPENSATION AND BENEFITS SURVEY

With the support of its 13 member associations, CFAA and our consultant have gathered the data for CFAA's third Canada-wide Rental Housing Employee Compensation and Benefits Survey. The goal of the survey is to help landlords important data to assist in achieve the highest overall success and profitability.

Get your copy now!

Copies of the report may be purchased nationally or separately for one or more major cities. The national report covers 16 cities across Canada.

Reports are also available for individual cities across the country. The cities surveyed include Toronto and the GTA, Vancouver, Calgary, Ottawa, and Montreal, as well as other centres and areas. Full pricing details and an order form are available in the Compensation Survey Section of the CFAA website at www.cfaa-fcapi.org.

The 2013 survey reports on 12 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. For a

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CFAA COMPENSATION AND BENEFITS SURVEY *continued from page 6*

complete list of the positions being covered, see the compensation survey section at www.cfaa-fcapi.org.

The 2013 survey also addresses 15 head office positions. It gives rental housing providers, the ability to compare their wages and benefit packages with what other landlords are paying.

The data was collected in the Spring and Summer of 2013, and analyzed over August and September by Steven Osiel of Pal Benefits Inc. The reports will be issued in mid October. Later 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.

Thank you to our survey participants

CFAA extends its thanks to all the owners and

managers who participated in the survey. That includes many small and medium-sized landlords across Canada, as well as national and major landlords such as Bentall Kennedy, Boardwalk, CAPREIT, Centurion Property Associates, DMS, Gateway, Greenwin, Homestead, Killam, Maclab, Minto, Morguard, Osgoode, Oxford, Park Properties, Remai Group, Skyline, Sterling-Karamar, Summerhill, Timbercreek, Vertica and others landlords. ■

To inquire about the survey or purchase it, please contact Spencer Kenney at 613-235-0101 or at admin@cfaa-fcapi.org. The survey will be available on October 18, and can be ordered now for the earliest possible delivery.

BC APARTMENT ASSOCIATIONS MERGE

In July 2013, BC's largest apartment associations merged under the name: Rental Housing Council of British Columbia. Last year, the BC Apartment Owners and Managers Association (BCAOMA) and the Rental Owners and Managers Society of BC (ROMS BC) created the Rental Housing Council of BC to provide one public voice. Now, those associations have merged to form one organization.

The new association will be governed by a board of directors comprised of ten volunteers. Andrew Bekes of AGB Properties is currently chairing that board. An executive management team consisting of Valerie MacLean and Amy Spencer will head up the Council from as the key paid staff.

Valerie MacLean has been named Chief Executive Officer, responsible for operations and administration. Valerie joined BCAOMA as Executive Director in October 2012.

Amy Spencer, former head of the Rental Housing

Council, will handle government and media relations as the President and Chief Communication Officer.

Former ROMS BC CEO, Al Kemp, stepped down on June 28, 2013. The offices in Vancouver and Victoria will both remain open to serve the more than 3,500 association members.

According to Board Chair Andrew Bekes, "This is an exciting step forward. ... We now have a unified group across the province that will work together to further professionalize the residential rental industry."

The expectation is that unification will strengthen the voice of the rental housing industry with the BC government and the public, while also providing services more efficiently.

The merger is being watched with keen interest by landlords in Ontario, where there are currently eight major apartment associations, rather than BC's two. ■

Upcoming Events

Oct 24

GTAA – 2013 AGM- Annual Meeting and Dinner at The Liberty Grand

Nov 4

LPMA - Property Management 101 - Property Management Basics

Nov 13

WRAMA – Dinner Seminar

Nov 13

HDAA – Dinner Meeting

Nov 18

LPMA – Property Management 101 Seminar

Nov 20

PPMA – General Membership Meeting

Dec 5

FRPO – MAC Awards Gala

Mar 2-9, 2014

2014 Real Estate Conference in the Sun

June 9-11, 2014

CFAA Rental Housing Conference



CREATING WEALTH THROUGH RENTING OR OWNING

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that over the long term, and on average, house values will rise at the rate of inflation, whereas an investment in a mix of companies traded in the stock market will generate returns of roughly twice the rate of inflation, or about 3% more than the rate of inflation.

Renters need not fear they are missing out. In fact, renters can gain diversification, whereas home owners are investing in one specific asset which may or may not turn out to be a good investment.

Landlords are invited to reproduce this article to provide to renters who are contemplating moving to home ownership. Abundant evidence indicates that such a move is not a clear win in financial terms.

Especially when owner-occupied homes are being bought and sold at high values, as they are today due to the current low interest rates, it is not a good time to buy a home if building wealth is an important goal. ■

Item	Professor Tristani	CFAA
FOR HOME OWNERSHIP		
Down payment	(\$100,000)	(\$100,000)
Mortgage payments	(\$472,929)	(\$532,500)
Property taxes, maintenance & renovations	(\$583,348)	(\$437,511)
Total Outlay	(\$1,156,277)	(\$1,061,011)
Proceeds received	\$837,511	\$804,001
Net position	(\$318,766)	(\$257,010)
FOR RENTING AND INVESTING THE KEY SAVINGS		
Investment	(\$100,000)	(\$100,000)
Rent	(\$541,134)	(\$656,267)
Renters utilities & insurance	(\$131,253)	(\$131,253)
Total Outlay	(\$772,387)	(\$887,520)
Value of \$100,000 after 25 years	\$429,187	\$429,187
Value of the maintenance cost difference - invested over 25 years	\$507,602	\$615,466
Proceeds received	\$936,789	\$1,044,653
Net position	\$164,402	\$157,133
ADVANTAGE TO RENTING	\$483,165	\$414,143

ONTARIO RENT GUIDELINE FOR 2014 IS 0.8%

The Ontario rent control guideline for 2014 is 0.8%, down from the 2013 guideline of 2.5%. The 2014 guideline applies to rent increases between January 1 and December 31, 2014. The guideline is based on the change in the Consumer Price Index (Ontario) between June 2012 and May 2013.

The guideline does not apply to vacant units, nor to units in buildings first occupied on or after November 1, 1991.

The new guideline means that a landlord can apply for an above guideline rent increase for a property tax increase of more than 1.2%, or an increase in utility costs of more than 1.2%. Heat, electricity and water are all taken into account together.

The interest rate on last month's rent deposits also changes to 0.8% for interest payable in 2014.

Landlords can use the interest earned on a last month's rent deposit to top up the tenant's last month's rent deposit, to keep the deposit up-to-date with the current monthly rent. ■

CFAA ALLIED MEMBERS:

Gold

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

Silver

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

Bronze

- | | |
|-----------------------------|--------------------------|
| bazinga! Technologies | Orkin Canada |
| BCAP | Pattison OneStop |
| Bentall Kennedy (Canada) LP | Rent Check Credit Bureau |
| Carma Industries | Rogers Communications |
| Enbridge Gas Distribution | Sparkle Solutions |
| Coinamatic | Suite Collections |
| H&S Building Supplies | Water Matrix |
| InSinkErator | Zipsure.ca |