



NATIONAL OUTLOOK

CFAA PRE-BUDGET SUBMISSION 2014

This year for the pre-budget submissions for the 2014 budget, the House of Commons Standing Committee on Finance asked interested parties to propose between one and three recommendations. The committee also asked for details on the expected cost or savings, how the proposal could be funded, who would benefit and what the impact would be on Canadians generally.

CFAA recommended:

- Tax deferral on the sale of rental property and reinvestment in other property
- Improved tax treatment to encourage major building retrofits which save energy
- Provide direct assistance to low-income renters, using the savings from the expiry of the social housing operating agreements

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FOR INFORMATION AND CONNECTIONS, CFAA RENTAL HOUSING CONFERENCE SCORES

Through its Rental Housing Conference, CFAA offers industry professionals, both large and small, the opportunity to hear from top executives, experienced operations managers, and other cutting edge rental housing experts.

On June 12 and 13, CFAA welcomed more than 275 attendees to the Westin Prince Hotel in Toronto for two days of panel discussions relating to Investment and Rental Operations.

Overall feedback from conference delegates was extremely positive. Shelley Whittal, Director of

Property Management (Eastern Region) at Gateway Property Management said, "The conference was great this year, I'm extremely glad I was able to attend. ... I especially enjoyed the topics geared towards employment and Human Resource challenges."

On June 11, the conference kicked off with the Building Innovations Tour. Delegates visited Kingston Estates, 77 Davisville/45 Balliol and the Harrison. The first three buildings showed what can be done with a mature building to raise

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LA FÉDÉRATION RÉCLAME PLUS D'AIDE DIRECTE POUR LES LOCATAIRES À FAIBLE REVENU

Cette année, le Comité permanent des finances de la Chambre des communes a demandé aux parties intéressées de lui proposer d'une à trois recommandations dans le cadre des consultations prébudgétaires de 2014.

Dans son mémoire, la Fédération a proposé ce qui suit:

- permettre le report fiscal sur la vente de

suite à la page 4

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RENTAL HOUSING EMPLOYEE COMPENSATION SURVEY

Rental housing providers across Canada can obtain preferred access to the one and only employee compensation survey for this industry by registering immediately.

The 2013 CFAA Employee Compensation Survey is new and improved. The 2013 survey will address 30 rental housing positions, consisting of 12 building positions and 18 head office or corporate positions.

Survey contents

For all positions and all cities, the 2013 survey will provide 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 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 Employee Compensation Survey will cover over 6,000 employees of landlords of various sizes.

Survey timing

The data will be collected in June and July, analyzed over August, and the reports issued in September.

In October, the survey consultant, 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.

Survey pricing – participate and save!

To encourage maximum survey participation, survey participants who provide their employee data received sharply discounted prices, as shown in the table.

Additional information

Custom cuts of the data will be available from Pal Benefits at an additional charge.

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 by filling out and faxing in the order form found in the compensation survey section at www.cfaa-fcapi.org.

As long as you have at least one employee, landlords will want to participate in the rental housing industry’s employee compensation survey! Get the data you need to pay right, and maximize your returns! ■

Survey Results	Survey Participant	Non-Participant	
	Compensation & Benefits Survey	Compensation & Benefits Survey	Compensation Survey ONLY
Greater Toronto Area (Full report)	\$350	\$950	\$825
Halifax, Montreal, Ottawa, Calgary, Edmonton, Vancouver, Toronto (a restricted report)	\$250 each city	\$750 each city	\$625 each city
Quebec City, Kingston, Hamilton/Burlington, London, Ontario smaller centres, Waterloo Region, Winnipeg, Saskatoon/Regina, Victoria	\$175 each city	\$525 each city	\$425 each city

CFAA PRE-BUDGET SUBMISSION 2014 *continued from page 1*

Tax deferral on the sale of rental property and reinvestment in other property

CFAA advocates tax deferral on the capital gain and recaptured depreciation (CCA) which currently is taxable on the sale of a rental property, provided a replacement property is purchased within 12 months. That would level the playing field with business properties, and with rental properties in the United States.

After the offsets from increased investment in rental housing, the cost of this reform should be less than \$200M per year in the initial few years, declining to a minimal cost or a net positive once the tax revenue from new investment increases over time.

The initial benefit would be to rental owners, but the increase in the supply of rental housing would transfer a portion of the benefits to renters at all



CFAA PRE-BUDGET SUBMISSION 2014 *continued from page 2*

income levels. Increased investment would also create jobs, especially in the short and medium term.

The impact on Canadians generally would also be positive. Under the current income tax system, rental housing (and thus renters) pays income tax and capital gains tax which owner-occupiers do not pay. That results in over-investment in owner-occupied homes, and under-investment in rental housing, which:

- places a drag on labour mobility and employment
- inhibits a vigorous supply response to economic booms
- diminishes tenure choice and housing options for Canadians.

At a slightly reduced effective tax rate, a larger rental housing industry would pay a similar amount of tax as the current smaller industry pays now at higher rates. A larger rental housing industry would also provide many more benefits to the economy and to Canadian workers and their families.

Improved tax treatment to encourage major building retrofits which save energy

Along with other members of the Building Energy Efficiency Coalition, CFAA is advocating for improved tax treatment for major energy saving building retrofits, such as new high-efficiency boilers, in order to encourage energy conservation.

The tax revenue foregone should be in the order of \$30M in the first year and \$60M in the second year. Offsetting revenue from increased earnings in the energy retrofit sector should be in the order of \$20M to \$30M per year, reducing the net cost substantially. After the initial few years, the impact on government revenue should turn positive, due to the increased tax revenue from the increased taxable income resulting from the energy savings.

The initial benefits would be to the businesses and skilled workers who manufacture and install enhanced energy saving equipment (such as boilers and chillers), and who perform the necessary building renovations to accommodate equipment which is more energy efficient. The effects would include:

- More jobs in the energy retrofit sector
- More business and more profit in the building construction and boiler manufacturing sectors
- Increased profitability in the commercial, industrial and multi-family building sectors

Canadians generally would benefit from reduced greenhouse gas emissions, lower pollution and less energy usage, thereby achieving greater sustainability in Canada and the world.

Provide direct assistance to low-income renters, using the savings from the expiry of the social housing operating agreements

Previous federal governments have been loath to provide funding for such direct assistance. Instead, they subsidized the construction of social housing with the view that when the mortgages were paid off, the social housing would be available as an asset to house low-income Canadians.

However, the mortgages are coming to their end, and with them the operating subsidy agreements, but the social housing providers are now asking for the extension of the subsidies since their repair costs and operating costs exceed their revenues. (In many cases, moderate or even high income residents received or now receive the benefit of reduced housing charges, but the social housing providers want continued government subsidies to assist those residents who are of low or moderate income.)

In CFAA's opinion, rather than continued subsidies to specific social housing units, the better approach would be to use the savings to provide direct financial assistance to low-income renters. That would enable the assistance to be targeted to those in the greatest need.

By making the direct assistance portable within and between provinces, expanded housing allowance programs would also encourage labour mobility, and allow renters to choose their housing to suit their needs.

Besides enabling workers to relocate to take work, other renters would benefit from increased mobility. Tenants should be able to take their subsidy with them if they find their social housing unit is not well maintained or does not suit their needs.

By using the program savings from the expiry of the operating agreements with CMHC, the new cost to the federal government would be zero.

Conclusion

CFAA will be advocating these reforms to the government, including MPs, Finance Department officials, the Finance Minister and the Prime Minister's office. Rental housing providers should recommend these measures to their contacts, for the benefit of the rental housing sector, renters, Canadian workers, and the economy. ■



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propriétés à logements et le réinvestissement dans d'autres propriétés;

- favoriser les rénovations majeures d'immeubles afin d'économiser de l'énergie en améliorant les modalités d'imposition;
- utiliser les économies réalisées à l'échéance des accords d'exploitation de logements sociaux pour financer les locataires à faible revenu.

Les deux premières recommandations ont été proposées à de nombreuses reprises par la Fédération. Elles ont été abordées dans des numéros antérieurs du *Perspective Nationale*.

Aide directe aux locataires à faible revenu

L'aide directe aux locataires est également une politique de longue date de la Fédération. Le Québec, ainsi que la Colombie-Britannique et le Manitoba, privilégie l'aide directe depuis plus de trois décennies dans le cadre de programmes d'indemnités de logement. Toutefois, le gouvernement fédéral n'est pas du tout disposé à financer une telle aide directe.

Au lieu, le gouvernement fédéral a subventionné la construction de logements sociaux en supposant que, lorsque les hypothèques auront été remboursées, les logements sociaux serviraient d'actifs pour loger des Canadiens à faible revenu.

Cependant, alors que les hypothèques de logements sociaux arrivent à terme (ainsi que les subventions liées aux accords d'exploitation de ces mêmes logements), les fournisseurs de logements sociaux exigent la reconduction des subventions puisque les coûts de réparation et d'exploitation dépassent leurs revenus. (Dans de nombreux cas, des résidents à revenu modéré et même à

revenu élevé ont bénéficié ou bénéficient encore de frais locatifs réduits, mais les fournisseurs de logements sociaux souhaitent la reconduction des subventions gouvernementales afin d'aider les résidents à revenu faible ou modéré.)

D'après la Fédération, plutôt que de reconduire les subventions à des logements sociaux spécifiques, une meilleure approche serait d'investir les économies de façon à fournir directement une aide financière aux locataires à faible revenu. Cela permettrait de cibler l'aide et de l'offrir à ceux qui en ont le plus grand besoin.

En rendant les indemnités de logement transférables au sein des provinces et entre elles, les programmes d'indemnités de logement favoriseraient la mobilité de la main-d'oeuvre et permettraient aux locataires de choisir un logement en fonction de leurs besoins.

En utilisant les économies réalisées à l'échéance des accords d'exploitation conclus avec la SCHL, le coût du nouveau programme fédéral serait de zéro.

Conclusion

La Fédération revendiquera ces réformes auprès du gouvernement, y compris les députés, les représentants du ministère des Finances, le ministre des Finances, et le bureau du Premier ministre. Les fournisseurs de logements locatifs devraient recommander ces mesures à l'ensemble de leurs relations au bénéfice de l'industrie de l'habitation, des locataires, des travailleurs et de l'économie, tant au Québec que partout au Canada. ■

BC ELECTORAL NEWS FOR LANDLORDS

In BC, for-profit rental housing providers were quite concerned about the Spring election. The NDP had led the polls for two years up to the election, and the NDP is typically not favourably disposed toward private landlords. The roots of the NDP and its supporters tend to bring with them suspicion of the profit motive, and tend to discount the benefits of the free market in ensuring efficiency and providing consumer choice.

BC landlords were concerned that an NDP election win would be followed by tighter rent control and potentially adverse changes in the landlord and tenant regime.

However, under Christy Clark, the BC Liberal party won a majority in the May 14 general election, even

though Ms. Clark did not win her own riding. She has now been elected in a by-election in Westside-Kelowna, winning 10,666 votes compared with 5,045 votes for the NDP candidate.

In Christy Clark's new cabinet, Rich Coleman was appointed deputy premier and minister of natural gas development and minister responsible for housing. For the past decade, Minister Coleman has kept the housing portfolio as he has moved among ministries. Under him, BC has the most positive rent control guideline of any province with rent control, and pays the highest housing allowances of any province. (BC also supports social housing.) ■



CFAA RENTAL HOUSING CONFERENCE SCORES *continued from page 1*

their rents and retention rates, both through en-suite renovations and improved common areas and amenities. A talk from the architect, John Shnier, showed how a staged program of work can be tied together for superior results. The Harrison represents an inviting, brand new building built to condo standards, both as to amenities and suite finishes.



Benjamin Tal of CIBC World Markets

The Investment Conference on June 12 featured an Economic Update from Benjamin Tal of CIBC World Markets. Tal's presentation was well received, and a conference highlight. A panel of industry executives provided insight into the risks and opportunities perceived by major investors, and provided commentary on Tal's presentation. Other topics included major rental housing sales, landlord licensing, developing trends and issues, housing finance and student housing. Besides one or more outside expert, most panels included one or more landlords to give the landlord perspective.

After a full day of education sessions on June 12, many delegates attended the Hockey Hall of Fame Supper and Wyse After-Party. Amidst the memorabilia of Canada's national sport, delegates watched a game of the Stanley Cup Finals on the big screen, participated in hockey-themed games and got photos taken with the Stanley Cup. Shelley



Hockey Hall of Fame Reception and Supper

Wittal was enthusiastic about the Hockey Hall of Fame Supper, "The event was well organized; the food choices were amazing, and overall was a great evening of fun with friends and colleagues."

On June 13, the Rental Operations Conference addressed building science updates, employment and human resources issues, innovations in operating software, and communications issues, both with tenants and with the media.

The day opened with simultaneous panels on Building Science and Employment Law. The day continued with sessions on finding, retaining and motivating employees, innovations in rental operations, employee compensation strategies and tactics, communicating with prospects and residents, what rental housing providers can learn from the hotel industry, handling a public relations



crisis, and updates on landlord-tenant law, development issues and waste handling by-laws.

As Canada's national apartment association, CFAA seeks to create connections between rental housing providers across Canada, not only to establish a united political front, but also to provide a network that owners and managers can draw upon for their information needs.

"The 2013 CFAA conference was extremely valuable on many levels. The education sessions were informative, providing leading edge insights with regard to current challenges. The connections made with both suppliers and peers were very useful," 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."

For more details on the 2014 CFAA Rental Housing Conference to be held in Vancouver, 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. ■



CFAA RENTAL HOUSING CONFERENCE 2013: EXHIBITORS

BCAP

Burlington Business Forms Inc. and BCAP are full-service printing/promotional and fulfillment services companies headquartered in Ontario. With over 15 years experience, BCAP has become an industry leader from coast to coast.

CARMA Industries

CARMA Industries is a Canadian owned and operated manufacturer and distributor of submetering and billing solutions. CARMA has helped numerous building owners take control of their electricity, water and natural gas costs.

Cohen Highley LLP

Cohen Highley LLP provides legal services to rental industry clients throughout Ontario and Canada. The firm's legal advisors have a proven track record as innovative and effective advocates for landlords in the area of residential tenancies law.

Coinamatic (HHOF Supper Sponsor)

Coinamatic is the leading provider of outsourced laundry equipment and service to the multi-unit housing industry, and provides sustainable laundry solutions to over 15,000 customer locations in 525 communities across Canada. It offers ultimate customer service with a 24/7 multilingual live voice call centre supported by a coast-to-coast national service team.

Enbridge

Enbridge Gas Distribution delivers safe, reliable natural gas to 2 million customers in Ontario. Enbridge provides customers with energy efficiency programs to help them use energy wisely and save money.

Enercare Connections

 EnerCare Connections is a full service sub-metering and water management company serving multi-residential and commercial markets in Alberta, Ontario and elsewhere in Canada. EnerCare provides clients with a no-capital cost approach to conserving electricity in multi-residential buildings through the fair allocation of electricity costs between individual consumers. EnerCare offers utility analysis, meter installation, online consumption information for consumers, bill presentation and collection, project monitoring and verification.

Gottarent.com



Gottarent.com offers landlords and property managers a full suite of communication tools and solutions to deliver high quality tenants. Through the use of lead generation, branding, SEO, SEM, Google AdWords and advertising measurement across all mediums including social media, Gottarent.com achieves great results for their clients. Gottarent.com's network of sites includes Gottarent.com, 247apartments.com, gsrentals.com, apartmentcorner.com, yourclassifieds.ca and the MIH Network and has extensive reach through Metroland Media's Community sites. Gottarent.com promotes your listings and brand on all of its sites. Gottarent Network works to give its clients a broad reach with 1.2 million viewers a month.

InSinkErator

InSinkErator is a leading advocate of responsible food waste management. Its food waste disposers provide a convenient and environmentally friendly alternative to transporting food scraps to landfills.

Landlord Web Solutions

Landlord Web Solutions Inc. is Canada's only online marketing and website development company working exclusively for the rental industry. LWS has developed over 40 websites for landlords representing 1,400+ properties. LWS has a solution for every size of portfolio and budget.

Manaya Mobile Marketing

Manaya is a mobile marketing company that provides instant rental information through its Text for Info service. Potential renters who pass by your property rental sign can send a text message using any mobile device and view detailed rental information and videos instantly. Companies that use Manaya's service see 55% of inquiries take place outside office hours (35% on the weekend).

My Ideal Home Network

My Ideal Home Rental Network is an established, reputable leader in the online vacancy rental advertising market. It finds, develops, and implements programs and products that enable landlords and renters to find each other in the most efficient manner possible while maximizing the owner's/landlord's corporate exposure and profile.

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Orkin Canada

Orkin Canada is Canada's largest pest control provider and a leader in developing fast, effective and environmentally responsible pest control solutions. Orkin's customized programs are backed by the industry's most comprehensive guarantees.

Pattison OneStop

Pattison Onestop's Residential Network is a first-of-its-kind communications and advertising medium that enables property managers to deliver timely and relevant building-specific messages to residents in heavy-traffic common areas.

Places4Students.com

Places4Students.com is the proven off-campus housing solution for college and university campuses. This rental property listing service helps landlords and property management companies to advertise their rental vacancies to students.

Rent Check Credit Bureau

Rent Check helps landlords to obtain access to millions of rental records, credit information from Equifax and/or TransUnion, as well as business credit and criminal reports. It provides user-friendly access to reports and qualification tools.

RentMoola

RentMoola is a mobile and online payment network that allows renters and condo owners to pay rent, condo fees and other bills with their credit cards. It provides cloud financial, transactional and accounting reports for seamless integration into accounting systems.

Rogers Communications

Rogers understands what the rental industry is looking for in a communications and entertainment provider. It ensures that tenants are completely satisfied with their innovative cable TV, Internet and home phone services.

Sparkle Solutions

Sparkle Solutions provides on-premise laundry services to the rental housing industry. Sparkle supplies, services and manages coin- and card-operated washers and dryers and helps customers to reduce operating costs.

Suite Collections

Suite Collections is committed to the professional collection of residential debts. Services include locating debtors, attending court, obtaining

judgments, garnishing wages and bank accounts, registering debts with credit agencies, and enforcing orders.

Water Matrix

Water Matrix is a leading provider of water efficiency products and services to multi-residential property owners and managers across Canada. Its water management retrofit programs can reduce water consumption by up to 40%.

Wyse Meter Solutions



Wyse Meter Solutions provides end-to-end sub-metering services to the Canadian multi-residential market.

Wyse helps property owners, developers, managers and residents get the most out of the efficiencies of sub-metering. Wyse brings best-in-class hardware and technology, installation, billing and reporting systems and customer service to deliver comprehensive turnkey smart metering solutions. Customers call Wyse for comprehensive sub-metering solutions, from hardware and installation to billing and ongoing service.

Yardi Systems



Yardi Systems is a leader in design, development and support of real

estate investment management and property management software. Yardi Voyager™ is an enterprise property management platform that can be extended with the Yardi Orion™ for SharePoint® business intelligence platform and smart additions from the Yardi Multifamily Suite™, including the RENTCafé Solutions platform with end-to-end property marketing, online leasing and resident services. Yardi is committed to serving Canada with the most comprehensive real estate software and services available. More information about Yardi products and services is available at www.yardi.com.

ZipSure.ca

ZipSure.ca provides affordable, accessible and easy-to-buy insurance for tenants and provides landlords with real-time proof of insurance. As Canada's only 100% online insurance brokerage, ZipSure.ca removes the hassles of traditional insurance distributors.

For more sponsors see box on page 8. ■



ONTARIO'S RENT CONTROL AND ELECTION STATUS

In Ontario, for-profit rental housing providers are quite concerned about the minority government situation. The Ontario Liberal Party is being kept in office by the NDP.

While it is not yet party policy, several NDP backbenchers are advocating the removal of the rent control exemption for buildings built after November 1, 1991. The NDP backbenchers refer to the exemption as a loophole, but it was introduced as deliberate policy to promote the construction of rental housing.

That policy succeeded. In the three years before the exemption was introduced, only 762 purpose-built rental units were constructed annually. For the past 10 years, an average of 4,022 such units have been built each year.

The Liberals do not seem inclined to tamper with the post-1991 exemption, and landlords hope they will maintain that position. At one point an election in the Spring of 2013 appeared likely, but now a new election will probably next become possible in the Spring of 2014, when the 2014 provincial budget will be a confidence vote. ■

CFAA THANKS OUR ADDITIONAL CONFERENCE SPONSORS

In addition to our exhibitors, CFAA would like to thank our additional conference sponsors. Without the support of all of the exhibitors and sponsors, the 2013 Rental Housing Conference would not have been such a great success.

President's Dinner Sponsor

- Rainmaker LRO

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- Manaya Mobile Marketing
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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

Check out the June 2013 RHB Edition of National Outlook in RHB Magazine for an article on Social Media and the Workplace by Daniel Chodos of Whitten and Lublin. For that and other articles in RHB Magazine, go to <http://www.rentalhousingbusiness.ca/>.