



# NATIONAL OUTLOOK

DIGITAL EDITION

## HOUSING POLICY GOING CRITICAL AS FCM, CFAA AND OTHERS LOBBY HARD

BY JOHN DICKIE, CFAA PRESIDENT

The Federation of Canadian Municipalities (FCM) is the organization through which most Canadian municipalities lobby the federal government. FCM has launched a national campaign calling on all orders of government in Canada to address the high cost of housing, which it calls the most urgent financial issue facing Canadians.

Both FCM and the Big City Mayors' Caucus are calling for all orders of government to work together on a long-term plan that will relieve what they call Canada's "housing crunch" — a long-term plan that will:

- address the rising costs of housing

- improve predictability of support for social housing
- address the scarcity of rental housing
- ensure renewal of the expiring federal dollars for affordable housing
- fulfill the 2013 budget commitment to work with FCM to reduce homelessness.

Other groups are also taking a new interest in housing policy, including prominent and respected groups relatively new to the rental housing file, such as the Canadian Medical Association and the Canadian Bankers Association. It is important for CFAA to spend time educating these groups about

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## SAVE THE DATE! CFAA 2014 CONFERENCE DATES CONFIRMED

Save the dates June 9 to 11, 2014, for the CFAA Rental Housing Conference! The Conference is returning to Vancouver, and will be held at the Sheraton Vancouver Hotel - Wall Centre, a new venue for CFAA.

The conference will open on Monday, June 9, with an afternoon tour of innovative rental buildings in

Vancouver. On June 10, the sessions will address Investment in rental housing. The keynote speaker is to be the always-engaging and ever-insightful Benjamin Tal of CIBC World Markets. Tuesday evening delegates can network at a fun social event. The conference will wrap up on Wednesday with a day discussing Rental Operations.

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## LA POLITIQUE DU LOGEMENT DEVIENT CRITIQUE ALORS QUE LA FCM ET LA FCAPI MULTIPLIENT LES INTERVENTIONS

DE JOHN DICKIE, PRÉSIDENT, FCAPI

La Fédération canadienne des municipalités (FCM) représente la plupart des municipalités canadiennes auprès du gouvernement fédéral. La FCM a lancé une campagne nationale pour demander à tous les ordres de gouvernement au Canada d'aborder la question des coûts élevés du logement, qu'elle qualifie d'enjeu le plus important

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# HOUSING POLICY GOING CRITICAL *continued from page 1*

rental housing policy issues since the received wisdom is often not well aligned with reality or the needs of for-profit rental housing providers.



*Larry O'Brien, Ottawa Mayor, 2006-2010*

To illustrate the need for education, here is what a businessman turned Mayor of Ottawa said --- in all seriousness --- about the 10,000 households on the City's social housing waiting list: "All we have to do is build 10,000 rental units for them." He completely missed the fact that the vast bulk of those households already live in rental housing; their problem is that they are paying an uncomfortably high portion of their income on their rent. And in fact, 2,500 of the households are already living in subsidized social housing; they just want to transfer to a different unit.

Imagine the negative impact on occupancy in the private rental market if that "solution" were to be adopted across Canada.

Imagine the impact on property and other taxes if the governments adopt the out-moded strategy of building tens of thousands of new social housing units, when much of the problem is not with the supply of housing, and the best solutions lie with direct assistance to tenants, social service supports, and reduced government charges and taxes to stimulate housing supply.

Imagine the negative impact if "addressing the rising costs of housing" includes calls for more or tighter rent control.

### **Conservatives form Housing Caucus**

The federal Conservative Caucus is also becoming active on the housing file. The caucus as a whole has formed a new group known as the "Housing and Construction Caucus," with about 20 MPs as members.

The Chair of the new Caucus is Phil McColeman, MP for Brant. Prior to entering politics, Mr. McColeman

owned and operated property development and construction companies that specialized in residential and commercial renovation work. He served as President for both the Brantford and the Ontario Home Builder's Associations.

In announcing the formation of the Caucus, Mr. McColeman said, "The housing industry is a key driver of our local economy. When our housing sector is healthy and succeeding, it means good paying jobs and spin-off benefits for all of Brant; not to mention quality and affordable homes for our families."

The Vice-Chair of the Caucus is Brad Butt, MP for Mississauga-Streetsville, formerly the President and CEO of the Greater Toronto Apartment Association (GTAA), CFAA's affiliate in Toronto, and a CFAA director. Prior to leading GTAA, Brad was a residential property manager.



The Executive Committee for the Caucus consists of Phil McColeman, Brad Butt, Peter Goldring (MP – Edmonton East), Chris Warkentin (MP – Peace River) and Joe Preston (MP – Elgin Middlesex-London).

As in the case of the new associations taking an interest in housing, it is critical for CFAA to inform the new Caucus about the rental housing file, since much of the conventional wisdom is inaccurate and unhelpful to the rental housing industry. As this is being written, CFAA is to address the Housing and Construction Caucus on November 18.



## LA POLITIQUE DU LOGEMENT DEVIENT CRITIQUE ALORS QUE LA FCM ET LA FCAPL MULTIPLIENT LES INTERVENTIONS *suite de la page 1*

auquel sont confrontés les Canadiens.

Ainsi, tant la FCM que le caucus des maires des grandes villes exigent que tous les ordres de gouvernement travaillent ensemble afin d'élaborer un plan à long terme pour résoudre la « crise du logement » et :

- atténuer les coûts croissants du logement;
- améliorer la prévisibilité du soutien aux logements sociaux;
- aborder la pénurie de logements locatifs;
- assurer le renouvellement des programmes fédéraux du logement abordable;
- respecter l'engagement budgétaire de 2013 pour combattre l'itinérance en collaboration avec la FCM.

D'ailleurs, la FCM cherche à créer un forum d'organisations qui s'intéressent au logement pour partager de l'information et intervenir auprès des gouvernements afin qu'ils agissent en tenant compte de leurs intérêts communs. En tant que l'unique porte-parole de l'industrie du logement à but lucratif, la FCAPL joue un rôle de premier plan dans les discussions qui mèneront à la création du forum et cherche à influencer la définition de leurs « intérêts communs ». Sa collaboration avec la FCM amène la FCAPL à travailler avec l'Association canadienne des constructeurs d'habitations et l'Association canadienne de l'immeuble.

La FCAPL est disposée à appuyer la création d'un

forum du logement pourvu que les positions du forum concordent avec les principes clés suivants :

- la fourniture de logements locatifs à but lucratif est valable puisqu'elle assure aux consommateurs une liberté de choix et favorise la répartition efficace des ressources;
- les locataires à faible revenu qui reçoivent des indemnités de logement devraient pouvoir choisir le type de logement qu'ils souhaitent occuper;
- l'assistance directe aux locataires sous forme de programmes d'indemnité de logement ou de suppléments de loyer transférables est un moyen tout aussi valable que le logement social;
- les mesures pour préserver le parc locatif ou l'abordabilité des logements doivent rendre ce type d'investissement plus concurrentiel par rapport à d'autres formes d'investissement; cela est préférable aux interdictions de démolir ou autres mesures coercitives.

Depuis peu, d'autres regroupements s'intéressent également à la politique du logement, y compris des groupes importants et respectés comme l'Association médicale canadienne et l'Association des banquiers canadiens. Il est important pour la FCAPL de prendre le temps nécessaire pour éduquer ces regroupements quant aux enjeux liés à la politique du logement, puisque les idées reçues ne correspondent pas à la réalité ou aux besoins des

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## HAMILTON APARTMENT ASSOCIATION STOPS RENTAL LICENSING FOR NOW

Thanks to much work by Arun Pathak, President, and many members of the Hamilton & District Apartment Association (HDAA), and the Realtors Association of Hamilton-Burlington, and some timely assistance from the Federation of Rental Housing Providers of Ontario and CFAA, rental licensing has been put aside in Hamilton.

Instead, the City of Hamilton will use proactive enforcement and other measures to address tenant behaviour and unregistered units. In Hamilton a large number of rental units in former single family homes are not legal under the zoning bylaws. For decades the City turned a blind eye to the subdivision of houses into two suites, which often both came

to be rented. That is a large part of the supply of affordable housing in Hamilton. Through a sudden application of the zoning bylaws to those units, rental licensing could have had a huge negative effect of the supply of rental housing. The hope is that the unregistered units will be addressed through a new, streamlined re-zoning process.

That concern about affordable housing helped defeat rental licensing for now. However, landlords cannot let down their guard since the City will evaluate the success of the alternate measures. Consideration of rental licensing could come back. HDAA plans to continue its work to keep rental licensing at bay. ■

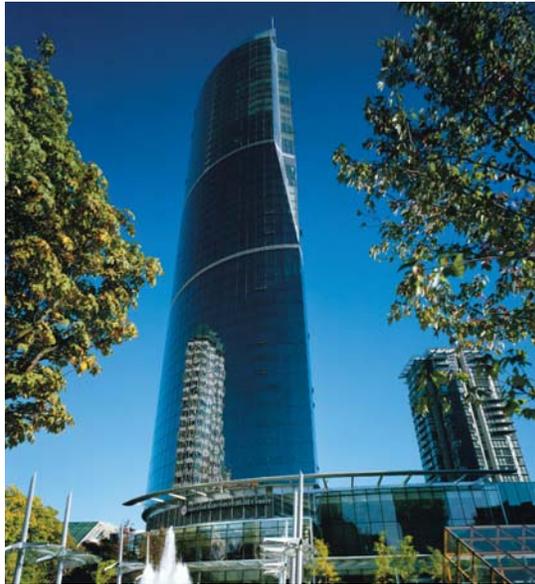


# SAVE THE DATE! CFAA 2014 CONFERENCE DATES CONFIRMED

*continued from page 1*

Shelley Wittal, Director of Property Management (Eastern Region) at Gateway, said this about the CFAA Rental Housing Conference 2013, "The education topics were fresh and aimed at current challenges which had not been recently addressed. I especially enjoyed the topics geared towards employment and Human Resource challenges. I found the conference very helpful, and am looking forward to the next CFAA Conference."

CFAA is working hard to achieve that high degree of topic relevance again in 2014. The next issue



of National Outlook will include details of the educational topics to be addressed.

Hotel room group rates for the conference start at \$195 per night. The Sheraton - Wall Centre is conveniently located downtown, with easy access to shopping, dining and entertainment on Robson Street and Yaletown. While visiting Vancouver, the possibilities are endless. Enhance your conference stay with an afternoon spent whale watching, a horse-drawn tour of Stanley Park, or a visit to the public market at Granville Island, all while enjoying the breathtaking views of the mountains and ocean. ■

*If you are interested in participating in the conference, as a speaker, a sponsor or a delegate, watch the CFAA website at [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org) for details or contact CFAA today at [admin@cfaa-fcapi.org](mailto:admin@cfaa-fcapi.org)*

## KEY LINKS BETWEEN RENTAL RATES, INCOME AND AGE

***This article includes additional material since its publication in National Outlook - RHB Edition. See the note on the next page for where the new material starts.***

Statistics Canada performed a National Household Survey in 2011, and released the Homeownership and Shelter Costs in Canada report in September 2013. The report discusses trends in the propensity to rent ("rental rates"), in homeownership and in shelter costs in Canada.

According to the report:

- Almost one third (31%) of households in Canada are renters.
- The rate was similar to that in the 2006 Census indicating that the rental housing market has stabilized after a period of decline between 1991 and 2006.
- About one quarter of all households spent 30% or more of their total income on shelter – which is the main threshold CMHC uses to measure housing affordability.

Age and level of income affect rental rates substantially. Renters are more likely to be under 35 years of age, with a family income of \$60,000

or less. As either age and income level increases, people are more likely to buy their homes.

Looking more closely at the statistics and categorizing people based on income level alone, we find that as income increases, rental rates decrease:

**Rental rate by income**

| Household Income    | % Renters |
|---------------------|-----------|
| Under \$20,000      | 63.0%     |
| \$20,000 - \$39,000 | 48.2%     |
| \$40,000 - \$59,000 | 34.8%     |
| \$60,000 - \$79,000 | 24.1%     |
| \$80,000 - \$99,000 | 17.1%     |
| \$100,000 and over  | 9.4%      |

Rental rates also decrease as the household maintainer ages, except for the two senior age

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## KEY LINKS BETWEEN RENTAL RATES, INCOME AND AGE

*continued from page 4*

groups. As the primary household maintainer ages, he or she is less likely to be a tenant.

### Rental rate by age

| Age of "Household Maintainer" | % Renters |
|-------------------------------|-----------|
| Under 25 years                | 76.2%     |
| 25 to 29 years                | 55.9%     |
| 30 to 34 years                | 40.8%     |
| 35 to 44 years                | 30.9%     |
| 45 to 54 years                | 25.3%     |
| 55 to 64 years                | 22.9%     |
| 65 to 74 years                | 23.8%     |
| 75 years and over             | 29.5%     |

When both income and age are taken into account, the difference is dramatic. For example, the highest propensity to rent (86.8%) is found among households where the primary maintainer is under 25 years of age, and has an income of less than \$20,000. In comparison, the lowest propensity to rent (6.8%) is found among households with incomes in excess of \$100,000, headed by a person aged between 65 and 74.

Notably, the two biggest declines in the propensity to rent occur when people reach the ages of 25 and then 30. Between their mid-twenties and their early-thirties, most people complete their education and enter the working world, gaining experience and therefore increasing their income level.

Also of note, homeownership peaks when the primary maintainer reaches the age of 55 to 64. As homeowners age beyond 64, they sometimes choose to sell and return to renting. This may be for a number of reasons, including health concerns, lower income because of retirement, a desire for less responsibility for home maintenance and upkeep, less need for space, or a desire to cash in on equity of the home. For these reasons and more, renting may become more attractive than owning for some seniors.

### What does this mean for the rental housing industry?

As landlords it is important to recognize the demographics of the tenants in your community. Communities where the amenities within walking

distance include a health care centre, a pharmacy and a grocery store will be more likely to attract seniors than a downtown highrise with a night club next door. On the flipside, rental housing units with parks, schools and libraries nearby will be more attractive to the twenty and thirty-somethings who are starting families.

Knowing the demographics of who is renting also impacts the design of your units. The under 35's are more technology savvy and will want particular amenities and a modern design and finishes.

In a seniors community, the considerations are different. A retired couple who is downsizing and has sold their home will likely be more interested in a one or two-bedroom apartment unit that requires less upkeep than a larger unit or a townhome. They will also be more concerned with accessibility, less interested in technology, and want different amenities.

***New text starts here.***

### Inter-provincial differences

There are also differences across different provinces. As shown in the table, Quebec has the highest rental rate of all the provinces. This is a long standing historical situation driven largely by cultural factors. Across the English-speaking provinces, the rental rate varies from a low of 22.5% in Newfoundland & Labrador to a high of 30% in BC.

### Rental rate by province

| Province                | Rental Rate |
|-------------------------|-------------|
| Newfoundland & Labrador | 22.5%       |
| PEI                     | 26.6%       |
| Nova Scotia             | 29.2%       |
| New Brunswick           | 24.3%       |
| Quebec                  | 38.2%       |
| Ontario                 | 28.6%       |
| Manitoba                | 29.9%       |
| Saskatchewan            | 27.4%       |
| Alberta                 | 26.4%       |
| B.C                     | 30.0%       |
| Canadian Average        | 31.0%       |

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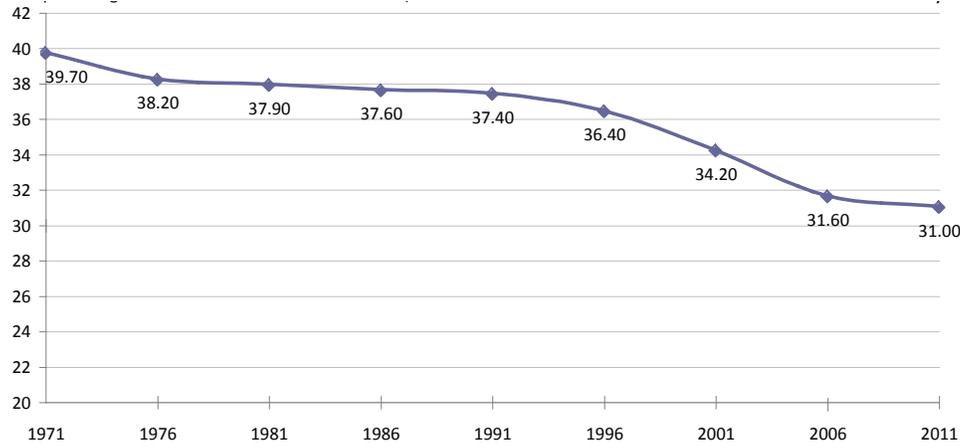


# KEY LINKS BETWEEN RENTAL RATES, INCOME AND AGE

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## Rental Rate %

Sources: 1971 to 2006 Census and 2011 National Household Survey



### Other rental housing trends

Over the last 40 years the overall rental rate in Canada has fallen from 39.7% to 31%. As shown in the graph, the decline in the propensity to rent has not been even over that time period. Over the first 25 years, until 1996, the rental rate fell 3.3% to 36.4%. Then over the next 10 years the rental rate fell by almost 5% to 31.6%. Over the last 5 years the decline has been only 0.6%.

Among other factors, the decline in the rental rate reflects the growth of condominiums. Of high-rise apartments built since 2001, 45% are occupied by renters, while 55% are occupied by owners. For high-rise apartments built before 1971, 91% are occupied by renters, while only 9% are occupied by owners. The apartments occupied by owners in those apartment buildings are presumably mostly located in buildings that were converted to condominium ownership well after construction.

### Single family home rentals

It is also interesting to note the substantial number of single detached houses which are rented. Among such houses built within the last 10 years 6.4% are rented, while among such houses built before 1960, 10.9% are rented. As a percentage that seems low, but because such a high proportion of the total

housing stock consists of single detached houses, there are a total of 550,000 such rentals, or about 14% of the total private rentals in Canada.

### Apartment buildings of 5 storeys or more ('High-rises')

| Period of construction               | Rental rate | Ownership rate |
|--------------------------------------|-------------|----------------|
| 2001 to 2011                         | 44.8%       | 55.2%          |
| 1991 to 2000                         | 54.7%       | 45.3%          |
| 1981 to 1990                         | 64.3%       | 35.7%          |
| 1971 to 1980                         | 78.9%       | 21.1%          |
| 1961 to 1970                         | 91.7%       | 8.3%           |
| 1960 or prior                        | 90.8%       | 9.2%           |
| All apartment buildings (5+ storeys) | 70.9%       | 29.1%          |

For more in depth information, visit the CFAA website at [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org) for the link to the Statistics Canada report and copies of the tables from which the information in this article has been extracted. Note that Statistics Canada generally reports homeownership rates, whereas this article has for the most part reported rental rates, which are the reciprocal of homeownership rates. ■

### Upcoming Events

**Nov 19**  
Rental Housing Council of BC – Industry Forum in Victoria

**Nov 20**  
PPMA – General Membership Meeting

**Dec 5**  
FRPO – MAC Awards Gala

**Dec 4-6**  
PM Expo

**Mar 2-9, 2014**  
2014 Real Estate Conference in the Sun

**June 9-11, 2014**  
CFAA Rental Housing Conference



## CFAA RENTAL HOUSING POLICY ADVICE TO GOVERNMENTS

1. Make investing in the existing rental supply attractive, thereby encouraging the preservation of the existing rental supply and the creation of new rental supply.

For example, provide a tax deferral on sale and reinvestment, which would enable turnover and facilitate renewal. See past submissions by CFAA and CREA.

2. Address housing affordability for low-income Canadians primarily through direct assistance to tenants (e.g. portable housing allowances or rent supplements.)

Households move into and out of housing need very quickly, and housing allowances can be given fast and stopped fast when no longer needed. See past submissions by CFAA and CHBA.

3. Focus new social housing construction on special needs housing, such as accessible housing for the disabled and supportive housing.

The private market often cannot well serve renters with particular special needs, but the social and public sector can.

4. Maintain existing social housing, while encouraging reforms to enable social housing



renters to become more mobile.

Greater mobility will improve labour force attachment, and help renters transition out of poverty whenever possible.

5. In making investing in new rental construction more attractive and more competitive with alternative investment opportunities, offer measures that are accessible to developers of all sizes, and open to new rental housing at any price point, including full market and high rent levels.

Through "move ups" into new high-end rental units, "filtering" will make moderate and low end rental units available to those who need them. ■

## RENTAL HOUSING COMPENSATION & BENEFITS SURVEY AVAILABLE

The 2013 CFAA Compensation and Benefits Survey is now available for purchase. The 2013 survey includes much more information than was included in the 2009 and 2011 surveys. The participants cover a wide range of company sizes, right across Canada.

The survey covers 17 cities and areas across Canada, including 12 building-based positions, and 15 head office positions. Either actual data or statistical estimates are given for all building positions in all cities or regions.

Owners, property managers or Human Resources heads can use the survey as a recruitment tool, to offer compensation and benefits packages that are competitive within their specific markets. The results are set out within cities by building size for building superintendents (i.e. resident managers),

and by portfolio size for property managers and regional managers.

The survey can also be used for human resources policy matters, including establishing salary levels or deciding on regional differentials.

The report can be purchased nationally or separately for one or more of the surveyed centres. This year the surveyed centres include Greater Toronto, Vancouver, Edmonton, Calgary, Ottawa and Montreal, as well as eleven other centres and areas across Canada. The full list of available reports, pricing and an order form are available in the Compensation Survey Section of the CFAA website at [www.cfaa-fcapi.org](http://www.cfaa-fcapi.org). ■

*To inquire about the survey or purchase it, please contact Spencer Kenney at 613-235-0101 or at [admin@cfaa-fcapi.org](mailto:admin@cfaa-fcapi.org).*



## HOUSING POLICY GOING CRITICAL *continued from page 2*

### FCM's Forum on Housing and the National Economy

FCM is seeking to draw together a Forum of organizations interested in housing to share information and to advocate for government action in accordance with the common interests of the associations. As the sole national voice of the for-profit rental housing sector, CFAA is taking an active part in the discussions concerning forming a Forum, and seeking to influence what the "common interests" will consist of.

CFAA is willing to support a Housing Forum provided that the Forum's positions are consistent with the following key principles:

- For-profit provision of rental housing is valuable since it provides consumer choice and promotes an efficient allocation of resources.
- Low-income tenants should retain choice when they receive a housing subsidy.
- Direct assistance to tenants in the form of portable housing allowances or rent supplements

is as valid a way to deliver housing assistance as social housing.

- Measures to preserve rental housing, or rental housing affordability, should be measures that make this type of investment more competitive with other opportunities, not prohibitions on demolition or other coercive means.

In these matters, CFAA is working in frequent communication with the Canadian Home Builders' Association (CHBA) and the Canadian Real Estate Association (CREA), who are also being invited to take part in the FCM-led Housing Forum.

CFAA invites our members to support us in seeking housing policy that works for landlords, tenants and taxpayers. Now is an important time to be active and to speak up about housing policy. CFAA will gladly provide speaking points for any consultations or forums which take place in your community. ■

*See also "CFAA Rental Housing Policy Advice to Governments", on page 7*

## LA POLITIQUE DU LOGEMENT DEVIENT CRITIQUE ALORS QUE LA FCM ET LA FCAPL MULTIPLIENT LES INTERVENTIONS *suite de la page 3*

fournisseurs de logements locatifs à but lucratif.

Le caucus conservateur fédéral s'active également dans le dossier du logement. Il a mis sur pied le caucus du logement et de la construction qui regroupe environ 20 députés conservateurs.

Le président du nouveau caucus est Phil McColeman, député de Brant, qui a oeuvré dans le secteur des constructeurs d'habitation. Le vice-président est Brad Butt, député de Mississauga-Streetsville, anciennement président et chef de la direction de la Greater Toronto Apartment Association (GTAA), affiliée à la FCAPL. Avant de diriger la GTAA, Brad a été gestionnaire d'immeubles résidentiels locatifs. Le comité exécutif du caucus réunit également Peter Goldring (député d'Edmonton Est), Chris Warkentin (député de Peace River) et Joe Preston (député d'Elgin Middlesex-London).

La FCAPL interviendra devant le comité du caucus conservateur du logement et de la construction le 18 novembre prochain. ■

### 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               |