

NEWSLETTER

September 17, 2015

CFAA Election Guide 2015

This fall, on October 19, Canadians will go to the polls in a federal election. Prime Minister Stephen Harper, called the election on August 2, making this the longest election campaign in modern Canadian history. At the time of writing, public opinion polls show a very close race among the Conservatives, the NDP and the Liberals. The closeness and volatility of the polls, and new and redrawn federal electoral districts, are making this election tough to call.

This article addresses the main parties' positions as they potentially affect the rental housing sector. For updated information, and election participation rules, visit www.cfaa-fcapi.org.

Taxation

The Conservatives are campaigning against tax increases. They also promised a reduction in the federal income tax

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rate for small businesses, and a review of the test for a business to qualify as an active business. Landlords want the test to be reformed so that more landlords can qualify.

The NDP has expressed support for the reduction in the small business tax rate. However, the NDP is promising to fund new programs by raising corporate taxes, other than

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CFAA Rental Housing Conference 2016 - Save the date and budget now!

CFAA Rental Housing Conference 2016 will take place in Toronto from June 7 to 9, offering topic streams for property managers, regional managers, marketing, HR and building science managers, investors, executives and hands-on owner-operators.

Benjamin Tal will speak again to CFAA in Toronto, on Thursday, June 9, 2016.

At CFAA Rental Housing Conference 2016, learn what you and your key people need to know about:

- building retrofits
- marketing & leasing
- managing employees
- retaining tenants
- cap rates, valuations and sales
- rental demand and interest rates
- other key, current issues facing rental housing providers

CFAA decided to hold the Conference in Toronto again in 2016 to build on the success of the expanded streams for rental and operational managers on both days. We expect to return to Vancouver in June 2017, and to continue presenting sessions in the West on a regular rotation.

Program of events

Tuesday, June 7	Opening Social Event
Wednesday, June 8	Education Day 1
Wednesday, June 8	Main Social Event
Thursday, June 9	Education Day 2

Build CFAA Rental Housing Conference 2016 into your schedule and your budget so you and your key people don't miss out!

See page 4 for a recap of CFAA Rental Housing Conference 2015.

Ottawa Ridings, Candidates & Likely Results

Ottawa's western ridings

Carleton



The incumbent is **Pierre Poilievre**, who is now Minister of Employment and Social Development, responsible for CMHC and most federal housing issues. Pierre has held the riding since 2004. In 2011, he received 54% of the vote as compared with 25% for his Liberal opponent and 16% for the NDP candidate. This election, Pierre faces

Chris Rodgers of the Liberals and Kc Larocque of the NDP. Pierre is almost certain to retain the seat.

Kanata-Carleton



The riding consists of much of the former riding of Carleton-Mississippi Mills and a small portion formerly part of Nepean-Carleton. In 2011, the polls making up the new riding voted 54% Conservative, 26% Liberal and 15% NDP. The Conservative candidate is **Walter Pamic**, a small

businessman who has lived in the riding since 1986, and who is running in his first federal election. His Liberal opponent is Karen McCrimmon, while John Hansen is running for the NDP. Walter is almost certain to win the seat.

Nepean



The riding is new as of this election. In 2011, the polls making up the new riding voted 51% Conservative, 27% Liberal and 18% NDP. The Conservative candidate is **Andy Wang**, a former executive assistant to Pierre Poilievre. His Liberal opponent is Chandra Arya, while Sean Devine is running for the NDP. Andy is most likely to win the seat.

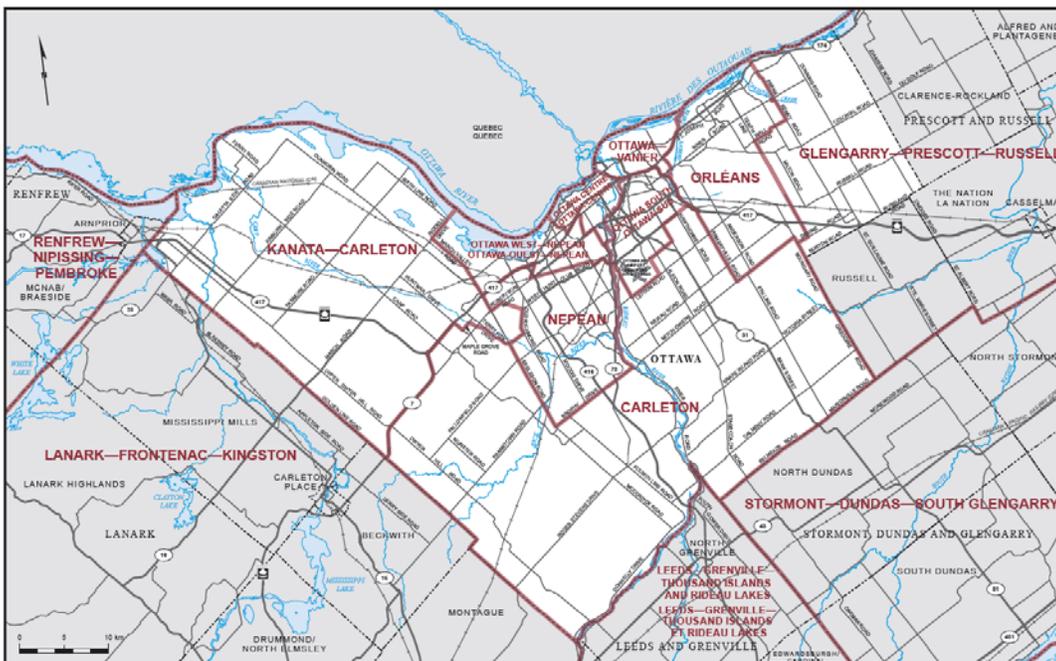
Ottawa-West Nepean



Abdul Abdi is in a tight race against Anita Vandenbeld

From 2006 to 2015, the riding was represented by John Baird, a senior Conservative cabinet minister. In 2011, he received 44% of the vote as compared with 32% for his Liberal opponent, Anita Vandenbeld, and 20% for the NDP candidate, Marlene Rivier. Both Anita and Marlene are running again in 2015. The Conservative candidate is **Abdul Abdi**, an Ottawa police officer, who received support from Senator and former Ottawa Police Chief Vern White.

The past results and current national polls suggest Abdul will win narrowly, but **Anita Vandenbeld** could take the seat if the Liberals gain more nationally. A victory by Marlene Rivier for the NDP is a long shot, but not impossible.



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Ottawa's Federal Electoral Districts

Rent increase guideline for 2016

For rent increases that take place between January 1, 2016, and December 31, 2016, the rent increase guideline has been set at 2.0%.

Ninety days notice must be given using the approved form.

Spring 2015 EOLO Networking Event

Our previous Spring Networking Event, held in March 2015, was a great success for EOLO's landlord and associate members.

EOLO would like to thank all of the landlords and suppliers who were in attendance. If you are interested in joining EOLO in order to attend future events, please contact the Membership Services Coordinator at (613) 235-9792 or by email at admin@eolo.ca.

March 2015 Networking Event Sponsors:

Our Host Sponsor:

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Our Gold Sponsors:

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Hydro Ottawa

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Giant Commercial Flooring

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Rogers

Canadian Federal Election 2015

Advance voting: October 9-12

Election day: October 19

EOLO Thanks our Fall 2015 Networking Event Sponsors:

Our Host Sponsor:



Our Gold Sponsors:



Our Food Station Sponsors:



CFAA Rental Conference 2015 provides great, profit raising ideas

This past June, in Toronto, CFAA held its 7th annual Rental Housing Conference. More than three hundred attendees heard from 70 speakers on both investment and operational issues. A number of EOLO members attended, including Geoff Younghusband, Kelly Kerrigan, Whit Fraser, Catherine McConkey, Wendy Canci, Nick Canci and others.

Investment and executive sessions

A highlight for Nick and many other landlords was the presentation by Benjamin Tal, Deputy Chief Economist at CIBC World Markets, and an expert on the Canadian housing markets. Benjamin's talk toured the world and then told us what it all means for rental housing in Canada. Among his predictions are these:

- World oil prices are likely to remain relatively low, and more importantly quite volatile.
- The U.S economy will expand for another three or four years, raising demand for Canadian exports.
- Interest rates in the U.S, and Canada will rise very slowly.
- Prices for low-end condos in Toronto and Vancouver will fall (probably when interest rates rise).
- Across Canada, overall house prices will stand up well to increases in interest rates.

Other investment topics included secondary markets, interest rates and lending conditions, an Executive Round Table, and population and rental demand projections across Canada.

Lee-Anne McAlear, Program Director, Centre of Excellence in Applied Innovation Management for the Schulich Executive Education Centre, York University, gave a keynote speech on Resilient Leadership. Lee-Anne followed it up with a workshop on employee engagement entitled, "How to make your employees love to work with you." The workshop received an average rating of 4.8 out of 5.0!

Rental operations sessions

CFAA presented an Operations Round Table featuring Geoff Younghusband from Ottawa, Ruth Buckle from Nova Scotia, Adam Krehm from Toronto and Avrom Charach from Winnipeg. Among them, the moderator and panelists have more than 100 years of experience managing rental housing across eight provinces. That panel was also rated very highly. Kelly Kerrigan said it was a "great panel."

Within that one session, the sub-topics addressed included:

- Rising water costs/conservation ideas
- Where sub-metering electricity works best and how to

bring it in with little fuss

- Aging buildings - Drone technology for high-rise building envelope inspections
- Tenant quality issues
- The new wave of employees and what they demand
- The pros & cons of technology, including work order tracking systems.

Over the two education days the operational topic streams included employee management, building science, revenue management and marketing.

Some of the highlights in employee management were the following:

- Addressing workplace harassment
- New extensions of human rights laws to time-off requests for family events
- Trends in compensation and benefits
- Key questions for selection interviews
- Employee performance management and development.

In the building science stream, attendees learned how to plan energy conservation projects to maximize incentives, and how to avoid expensive pipe replacement projects. The session on finding invisible building problems and repairing pinhole leaks was very well received. It is being replayed as a video at the EOLO Education Session on September 17.

Other building science topics included:

- Asbestos and new CO detectors rules
- Emergency power
- Capex planning and the tendering process
- 6 storey wood-frame construction.

Videos of most of the building science topics are available by contacting admin@eolo.ca.

Yet another conference stream took a detailed look at revenue management. System users and vendors explained what is needed to make revenue management work, how the leading systems differ, and the substantial revenue lift which is available, even in markets with vacancy de-control/re-control such as Ontario.

Finally, the conference addressed key marketing topics. In a thought provoking and inspiring keynote speech, marketing guru Tony Chapman addressed the emerging

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Ottawa Ridings, Candidates & Likely Results (cont'd)

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Ottawa's central and eastern ridings

Ottawa Centre



The incumbent is **Paul Dewar**, a leading NDPer who made a strong run to succeed Jack Layton as NDP leader. Paul has held the riding since 2006 when he succeeded Ed Broadbent. In 2011, Paul won 52% of the vote, defeating the Conservative candidate, Damian Konstantinakos, who won 21.6% of the vote, and the Liberal who won 20%.

Damian is running again, along with the new Liberal candidate, Catherine McKenna. However, Paul is almost certain to retain the seat.

Ottawa South



The incumbent is **David McGuinty**, brother of former Ontario Premier Dalton McGuinty. David has held the riding since 2004, when he succeeded retiring Liberal John Manley. In 2011, David won 44% of the vote, defeating the Conservative candidate, who won 33.3% of the vote, and the NDP

candidate who won 18%. The new Conservative candidate is Dev Balkissoon, while the NDP candidate is George Brown, an Ottawa lawyer who has represented ACORN. David is almost certain to retain the seat.

Ottawa Vanier



The incumbent is **Mauril Belanger**, who has held the riding since 1995, when he succeeded Liberal Jean-Robert Gauthier, who had been appointed to the Senate after holding the riding for 22 years. In 2011, Mauril won 38% of the vote, defeating the NDP candidate, who won 28.7% of the vote, and the

Conservative candidate who won 28.0%. The new NDP candidate is Emilie Taman, while the Conservative candidate is David Piccini. Mauril is almost certain to retain the seat.

Orleans



Incumbent Royal Galipeau (left) faces off against star Liberal candidate Andrew Leslie (right)

The incumbent is **Royal Galipeau**, a Conservative, who has held the riding since 2006 when he defeated the Liberal incumbent by 2% of the vote (41% to 39%). In 2011, Royal won 44.5% of the vote, defeating the Liberal candidate, David

Bertschi, who won 38.5% of the vote. In 2014, David Bertschi was disqualified from running for the nomination by the national campaign co-chairs of the Liberal Party.

Andrew Leslie, who became an advisor to Justin Trudeau after retiring from the Canadian Forces as a Lieutenant-General, was acclaimed as the Liberal candidate. (Andrew is the grandson of two leading Canadian soldiers who both became Liberal Ministers of National Defence, namely Andrew McNaughten and Brooke Claxton.) The NDP candidate is Nancy Tremblay.

Orleans promises to be a tight race between the Conservative with a strong history of winning the riding, and the star Liberal candidate.

CFAA Rental Housing Employee Compensation Survey now available

The CFAA Employee Compensation Survey reports for 2015 are now available for Ottawa and 16 other areas across Canada. The survey reports on the average and range of compensation for both building-based and head office positions. The Ottawa report presents detailed, actual Ottawa data for building superintendents, cleaners, leasing agents, maintenance technicians, property administrators and property managers. Head office positions are addressed through statistical estimates from the Canada-wide or Ontario-wide data, which is provided.

For more information and pricing, see the compensation survey section of the CFAA website at www.cfaa-fcapi.org.

CFAA Election Guide 2015 (cont'd)

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taxes on small business. The Liberals advocate higher income taxes on very high income individuals.

NDP leader Thomas Mulcair addressed the Federation of Canadian Municipalities on June 3. According to the Canadian Press, Mulcair promised "a tax-break to encourage construction of 10,000 affordable housing units over the next 10 years." CP went on to report, "He said an NDP government would work with CMHC on an income tax incentive that would allow people to avoid capital gains taxes if they plow money back into more 'affordable' rental housing investments. An aide to Mulcair said the program would cost Ottawa \$500 million annually." That is approximately the cost of a more general tax deferral program which CFAA has proposed.

The Liberals are promising to provide for-profit landlords \$125 million per year in tax incentives to renovate existing affordable rental housing, and to provide substantial funding for repairs to social housing. The Liberals also promise to eliminate the GST on new rental buildings, and to provide loans for new affordable rental housing.

Fairness between tenants and homeowners

The Conservatives are promoting homeownership in the election campaign. They have promised a home renovation tax credit (with no indication that the tax credit would apply to rental units.) The Conservatives have also promised an increase in the amount of money that can be borrowed from an RRSP to make a down payment on a house, from \$25,000 to \$35,000. The Conservatives have also pledged to find out what percentage of home purchasers are foreign residents, primarily to decide whether to address the perceived issue that foreign residents are driving up prices in Vancouver and Toronto.

The NDP are more inclined to see renting a home as an equally good life path rather than buying a home and property. The Liberals generally fall somewhere in the middle.

Housing policy & support for low-income tenants

The Liberals and the NDP are both promising a National Housing Strategy, with federal involvement in housing programs, whereas the Conservatives oppose the creation of such a strategy. Both the NDP and the Liberals may provide more money for social housing repairs and construction, while the Conservatives are restricting the amount of

federal money available for social housing programs, rent subsidies and homelessness measures.

The Conservatives are open to allowing the available federal money to be used for direct tenant rental subsidies, while the Liberals only sometimes support tenant rental subsidies. The NDP is generally reluctant to support rental subsidies paid to tenants directly instead of social housing. However, the NDP does generally favour increased income support for low-income residents, which is a positive policy for landlords since it helps tenants pay their rents.

Energy and the environment

Several years ago, the Conservative government rejected rules that would have mandated high-efficiency furnace and boiler replacements. They also remodelled an energy retrofit program to improve it for landlords and tenants, before discontinuing the program for both rental property and owner-occupied housing. Both the NDP and the Liberals advocate policies and regulations that aim to reduce pollution and greenhouse gases.

As for putting a price on carbon, the Conservatives are now opposed to "job killing carbon taxes." The NDP advocates a cap and trade system, in order to create a competitive market for carbon in which the revenue generated would be reinvested in green economies. The Liberals promise to set national carbon emissions pricing, and work with the provinces to establish carbon reduction goals.

Lending rules and CMHC

Beginning a decade ago, the Conservatives allowed CMHC to increase amortization periods and reduce down payments for home buyers. More recently, the Conservatives reversed those changes to reduce the risk of default by new homebuyers, and to try to avoid a housing bubble, achieving a soft landing for house prices. CMHC is gradually reducing the public liability for mortgage defaults, stepping out of the market for loans on homes bought for more than one million dollars for example. Both the Liberals and the NDP may see a role for CMHC to use its profits from mortgage insurance to fund social housing repair and construction.

Conclusion

CFAA works to influence all the main parties, both in government and in opposition, so that landlords' interests are protected. That often means advocating for measures which also help tenants, since the interests of landlords and tenants often align.

CMHC Annual Rental Market survey to take place in October

Canada Mortgage and Housing Corporation (CMHC) will be conducting its Fall **Rental Market Survey** during the first two weeks of October, 2015.

The CMHC Rental Market Survey is important for landlords, as it provides up-to-date, accurate, and comprehensive information on rental markets across Canada. CFAA encourages owners and property managers to provide your rental data to CMHC survey enumerators when they contact you. All survey data gathered is strictly confidential and CMHC does not disclose building specific information to third parties.

CFAA has been successful in working with CMHC to ensure key data of interest is collected, including availability rates, vacancy rates and average rents.

The survey results are available at various levels of detail, including size of building and number of bedrooms.

CMHC's Rental Market Survey reports will be available in December 2015. You can sign up for convenient FREE subscriptions to the survey reports, or you can download electronic reports on the day of release. Visit www.cmhc.ca.

For more information about the **CMHC Rental Market Survey**, please contact:

Pierre A. Lanciault,
National Manager Housing Market Surveys (CMHC)
at planciau@cmhc-schl.gc.ca or by phone at 613-748-2356.

CFAA Conference 2015 (cont'd)

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trend in marketing which taps into how each market segment or person sees your product as enhancing their life. That approach avoids the race to the bottom of mass marketing, which results in rents being driven down. Nick rated him as an excellent speaker. Another delegate commented, "Tony made me re-think how I run my business." Tony also moderated a panel of in-house marketing heads addressing the implications of the new marketing for landlords.

Other speakers addressed digital marketing and social media, earning rave reviews from Nick and others for the good ideas they provided and the quality of the presentations.

Delegates also enjoyed the Building Innovations Bus Tour, as well as the CFAA Reception and Dinner and Wyse After-Party at the CN Tower.

See page 1 to save the dates for CFAA Rental Housing Conference 2016.

ELO 2015 Associate Members Directory

ADVERTISING/Marketing

Rentseeker.ca
416-800-7572
contact@rentseeker.ca

APPLIANCES/LAUNDRY

Coinamatic
Bob Lyons
613-738-1211
www.coinamatic.com

Debsel Inc.
Howard Wallace
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www.debsel.com

Keyesbury Distributors

Ian Morrison
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www.keyesbury.com

COMMUNICATIONS

Bell Canada
Mark Wallace
mark.wallace@bell.ca
www.bell.ca

Rogers Communications
Tarcy Nascimento
613-759-8506
www.rogers.com

CONSTRUCTION & RESTORATION

All Professional Trades Inc.

Jeff Moore
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www.allprofessionaltrades.com

The Byng Group

Rob Settino
613-739-1022
www.thebynggroup.com

Vincent Spirito & Sons Ltd.

Robert Spirito
613-745-4630
robert@spirito.ca

CONSTRUCTION SUPPLIES

A.Potvin Construction

613-446-5181
www.potvinconst.com

HD Supply

Mike Budge
1-800-782-0557
www.hdsupplysolutions.ca

**ASSOCIATE MEMBERS
CONTINUE ON PAGE 8**

EOLO 2015 Associate Member Directory

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Cricket Energy

David Walton
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www.cricketenergy.com

Demtroys Technologies

Jean-Sébastien Cyr
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www.demtroys.com

Enbridge

Luigi Pisani
613-748-6789
www.enbridgegas.com

Enercare Connections

David Turk
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www.enercare.ca

Hydro Ottawa

Grace McConnachie
613-738-5499 x7493
www.hydroottawa.com

K3D Automated Heat Control Systems

Glen Doe
905-979-1664
glen.doe@K3D.ca

Leapfrog Lighting

Jim Armitage
613-270-7877
www.leapfroglighting.com

Lightenco

Steve Hubbard
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www.lightenco.com

Property Power

Mike Bromstein
1-866-796-7460
www.propowercorp.com

Wyse Meter Solutions Inc.

Leah Werry
647-272-9430
lwerry@wysemeter.com
wysemeter.com

ENGINEERING & CONSULTANTS

WSP Group

www.wspgroup.com/WSP-Canada/ (WSP Group recently acquired Halsall)

FIRE SERVICES

Douglas Fire Safety Systems Ltd.

Dave Abson
613-733-5348
Dabson@dougfire.com

FLOORING

Connolly & Son Flooring Ltd.

Dan Connolly
613-733-9117
www.connollyandsonflooring.com

Giant Carpet & Flooring

Neil Piltzmaker
613-228-2285
www.giantcarpet.ca

LEGAL SERVICES

Dickie & Lyman Lawyers LLP

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www.dickieandlyman.com

MECHANICAL

Optimum Mechanical Solutions

613-228-9500
www.optimummech.com

PLUMBING/HARDWARE

Giant Plumbing & Hardware

Andy Brule
613-723-3190
www.giantwholesale.ca

POOLS

Superior Pool, Spa & Leisure Ltd

Perry Hart
613-228-1212
www.superiorpoolottawa.com

PROPERTY MAINTENANCE

Goodbye Graffiti

Michael West
613-235-4747
www.goodbye graffiti.com

Nutri-Lawn Ottawa

Thom Bourne
613-739-3399
www.nutrilawnottawa.com

PROPERTY MANAGEMENT SOFTWARE

Yardi Systems

Ron Piccoli
1-888-569-2734
www.yardi.com

REAL ESTATE APPRAISAL & CONSULTING

Altus Group Ltd

Jeff Arnott
613-721-1333
www.altusgroup.com

Stronghold Commercial Real Estate Inc.

Shawn Parkinson
1-877-354-7776
shawn@strongholdinc.com

SIGNAGE & PAVEMENT MARKING

All-Signs

Dave Western
613-835-3910
www.allsigns.ca

WASTE MANAGEMENT

Miller Waste Solutions Group

Jason Tower
613-742-7222
www.millergroup.ca

WINDOWS/DOORS

Norstar Windows & Doors

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If you have any questions about the issues raised in this bulletin, please contact John Dickie (Chair) or David Lyman (Vice-President) at 613.235.9792, or Luigi Caparelli (President) at 613.723.6169.

If you are interested in membership or advertising opportunities, please contact the EOLO Membership Services Coordinator at 613.235.9792