

NEWSLETTER

March 2014

www.EOLO.ca

EOLO's work on student rental housing

Recently, several aspects of student housing have been in the news. EOLO has been hard, but quietly, at work to seek positive outcomes for Ottawa landlords. Working on student rental housing issues ties in closely with EOLO'S vision statement, which is

To promote a positive environment for rental housing, and to facilitate the responsible and effective management and ownership of residential rental property, in Eastern Ontario.

Homeowners who live near the universities and colleges have become angry at disturbances from students or other renters. They have called for bans on conversions, for a City-wide Student Housing Policy and for more controls on to whom, and under what conditions, property owners can rent their properties. Some homeowners and at least one

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Councillor want landlord licensing.

EOLO has been at work to seek to solve or mitigate the problems, while avoiding more controls on landlords, or minimizing them. Much of this work has been in Sandy Hill, including active membership in the Sandy Hill Town & Gown Committee. For seven years EOLO has been working closely with the City's Bylaw Services and with the Solid Waste

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CFAA Rental Housing Conference - critical information for investing or managing in 2014

At its Rental Housing Conference 2014, from June 9 to 11, the Canadian Federation of Apartment Associations (CFAA) is taking a new approach. Instead of addressing rental investment on day 1 and rental operations on day 2, this year's conference covers both broad topics on both days. Instead of two streams of topics per day, there will be three. For details of the topic streams see the CFAA conference flyer, or go to www.cfaa-fcapi.org.

As well, CFAA will be presenting four keynote speakers, who all have something important to say to the rental housing industry.

Benjamin Tal will update investors on the economy, and the likely path of rental demand and interest rates. Benjamin is the Deputy Chief Economist of CIBC World Markets. He meets with the head of the Bank of Canada

and key finance officials, who sometimes use his forecasts. Benjamin always engages the audience, and offers fresh insights on the economic forces that buoy or buffet the rental housing industry.

Benjamin's speech will be the high point of the investment topics streams on June 10, which will also cover major rental sales, expected financing conditions, rental demand, the condo market and other key topics.



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CFAA Housing Policy Update *By John Dickie, President CFAA*

The Canadian Federation of Apartment Associations (CFAA) is making progress on reforms to federal housing policy to make it better for private landlords of all sizes. At the same time, the reforms will make housing policy better for tenants.

Specifically, CFAA is gaining significant support for:

- more use of direct financial assistance for tenants (portable housing allowances or rent supplements)
- reduced taxes on the income from residential rental property.

Those changes would:

- make more efficient use of taxpayers' money
- support more low-income tenants in a more equitable way
- give tenants more choice
- raise the demand for private rental housing
- raise after-tax returns on rental housing
- encourage more rental supply in an expanding rental housing sector.

CFAA has long had the support of the Canadian Home Builders' Association, and the Canadian Real Estate Association (Canada's realtors) for those measures, and that support continues.

New support comes from the Federation of Canadian Municipalities, the Canadian Housing & Renewal Association, the Co-operative Housing Federation and the Canadian Medical Association. These are groups working together in a new Housing Forum.

As well, CFAA has met with Candice Bergen, Minister of State for Social Development. Minister Bergen has the lead on the issue of the expiring operating agreements for social housing. It is the expiry of those agreements which is creating the opportunity for a new look at housing policy, and a better housing policy for the future.



CFAA has also met the new Conservative Housing and

Construction Caucus, discussed in *National Outlook* (which is available at www.cfaa-fcapi.org.) The Chair of that Caucus, Phil McColeman, is also Chair of the House of Commons Committee on Human Resources, Skills and Social Development and Status of Persons with Disabilities, known for short as the "HUMA Committee."

CFAA received a warm reception from Minister Bergen and the Conservative Housing Caucus.

CFAA's message to federal decision makers includes the following key points:

- The rental housing supply includes a wide variety of housing types at a wide variety of rent levels
- Most low-income Canadians live in private rental housing
- Portable housing allowances are less costly than building new social housing
- Portable housing allowances allow renters choice and enhance labour market participation
- Renters ultimately pay the taxes on rental property, so that lower taxes on landlords will mitigate upward pressure on rents
- Reducing the excessive taxes on existing rental property is the best way to encourage new rental supply
- New rental supply also mitigates upward pressure on rents because when renters move into new rental units, existing lower-cost rental units become available to those who need them.

CFAA is to meet the Conservative Housing Caucus again in the near future to discuss CFAA's policy proposals in more detail. CFAA looks forward to working more with the Conservative Housing Caucus, and the all-party HUMA Committee, to promote CFAA's housing and tax policy proposals. We believe those policies are the optimal way to proceed for the benefit of taxpayers, tenants and landlords alike.

A better climate for rental investment, through better tax treatment of existing rental buildings, is one of those key policies. Such a better investment climate could lead to a renaissance in apartment development in Ottawa and other cities, while existing buildings are continually renewed and made more profitable and better for landlords, tenants and the broader community.



**Residential Tenancies Act
2014 Refresher course**

SIGN UP NOW

8:00am – 12:00pm
includes full breakfast

April 15th Ottawa - Hampton Inn Conference Centre
April 16th Kingston - Donald Gordon Conference Centre

This refresher course will cover starting a tenancy right, ending a tenancy and case law update.

Special EOLO member pricing at \$149.99 per person plus taxes

To register, please contact Lynzi Michal at lmichal@frpo.org or 1-877-688-1960 Extension 22.

**Fall 2013
EOLO Networking Event**

Our previous Fall Networking Event, held in September 2013, 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 Spencer Kenney at (613) 235-9792 or by email at eolo@magma.ca.

Fall 2013 Networking Event Sponsors:

Our Bar Sponsor:

Enbridge

Our Gold Sponsors:

- Coinamatic
- Colliers International
- Phelps Smart Laundry
- Superior Pool Spa & Leisure
- Yardi

Additional Sponsors:

- EnerCare
- Gottarent.com
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**EOLO Thanks our
Spring 2014
Networking Event Sponsors:**

Our Host Sponsor



Our Bar Sponsor:



Our Gold Sponsors:



Our Education Sponsor:



Our Food Station Sponsors:



EOLO's work on student rental housing (cont'd)

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Department to address garbage problems. A significant EOLO contribution has been the distribution of a garbage flyer twice a year.

More recently, EOLO has been working closely with the City's Bylaw Services over the noise bylaw, and the distribution of a noise flyer. There was a move to make landlords liable to fines if their tenants make too much noise. EOLO pushed back and defeated that move. However, individual landlords can be in trouble if they take no steps to control their tenants' behaviour.

As a group, landlords are also likely to face more restrictions, unless as a group we do a better job of controlling tenants' behaviour.

EOLO works with the City staff to achieve realistic reforms which responsible landlords can comply with, without undue additional work. We cannot protect landlords who are actually irresponsible. (We often point out the difficulties landlords face, such as the limitations on our power under the *Residential Tenancies Act*, as a way of showing that even responsible landlords, acting diligently, cannot avoid all problems. The public is free with the accusation that a landlord has been irresponsible, and EOLO often pushes back to show that the landlord has not been irresponsible.)

Conversions

More recently, rental housing issues flared up in the form of conversions of single family homes into four-unit buildings with up to 20 student-renters, and little common space for those 20 student-renters.

When it came to conversions, EOLO faced a difficult decision. It would be better for many landlords if such conversions could take place, because that would add to the sale value of investment real estate. As well, we believe in free markets, and that rental housing is best provided by the private sector, free from government controls.

However, conversions were a flash point for the neighbourhoods, and had the potential to create much more anger at rentals to students and much more demand for landlord licensing. Moves in that direction are strongly opposed by all EOLO members for fear of the paper burden and the licensing fees that other municipalities are levying (up to \$1,000 per rental unit per year in some cases.)

As well, the strong opposition of the communities to the multi-unit conversions virtually guaranteed that there would have to be a municipal response. EOLO's leadership is of the view that the downsides of some limits on conversions are less than the downsides of landlord licensing.

A City-wide Student Housing Policy

EOLO monitored the request from a dozen community associations for a City-wide Student Housing Policy. Happily, Mayor Watson declared that the city would not pursue such a policy; rather student and other housing issues will be addressed as part of the planning processes which take place in each community, and the current enforcement processes will be tweaked but not dramatically increased.

All these issues tie in with EOLO's vision, and our Mission Statement, as shown in the box below.

In political advocacy, the trick is to recognize what is a lost cause, to minimize the work on lost causes, and to work vigorously on what can be kept positive for rental housing owners. EOLO's long standing, positive relations with City staff are also invaluable.

EOLO's Mission Statement

1. to create and maintain positive relationships with the City of Ottawa, the news media, business groups and other political decision makers in Ottawa;
2. to advocate fair and positive policies relating to rental housing from the City of Ottawa, including property tax policies, housing policies and municipal services policies;
3. to educate decision-makers and the public about the benefits of a healthy, free-market rental housing system for the economic and social well-being of Ontario;
4. to improve the public perception of rental housing providers in Eastern Ontario through media relations and education; and
5. to improve the knowledge and skills of rental housing providers in Eastern Ontario.

2014 Food Drive coming up on April 8

On April 8, landlords across Ontario will lead the 2014 Spring HOPE Tenant-Landlord Food Drive to collect non-perishable food and other donations.

In Ottawa, the 2013 Food Drive was a great success, collecting 118,000 pounds of food for the Ottawa Food Bank. More than 20 for-profit rental housing providers participated, covering more than 170 Ottawa apartment buildings. EOLO hopes we can do even better this year.

If you have not already registered and want to participate this April, please register at <http://ottawafoodbank.ca/> in

events (under the word "Bank") by March 28.

As of March 24, the following Ottawa landlords have agreed to take part in the 2014 Spring HOPE Tenant-Landlord Food Drive:

Arnon, Capital Properties, CLV Group, District Realty, Ferguslea, Globe General Agencies, Homestead, IPT Investments, Minto, Osgoode Properties, Paramount Property Management, Realstar, Rio Vista, Taggart Realty Management, The Regional Group, Timbercreek Asset Management, Urbandale and Vertica Resident Services.

Property tax impacts

As EOLO reported last year, Ottawa residential properties (including single family homes) saw total assessment increases averaging 26%. Multi-residential properties ("multi-res" of more than six units on a single roll number) went up an average of 52%. That assessment shift would result in substantial tax increases on multi-res property unless City Council adjusts the tax ratios.

In 2013, City Council approved "tax-neutral tax ratios" which cancelled the tax shift for that year. In doing that, Council reduced the multi-res tax ratio from 1.70 to 1.605. That means the tax rate on tenants is still 1.6 times what it is on homeowners (i.e. 60% higher), but at least the average tax burden on landlords and tenants did not increase. Landlords did not have to pay higher taxes, and then seek to collect them in tenants' rents.

Tenants and landlords should be grateful to Mayor Jim Watson, and all the City Councillors for addressing the property tax situation for 2013. However, a new decision is required each year.

EOLO is optimistic that Mayor Watson and Ottawa City Council will reduce the multi-res tax ratio from 1.6 to 1.53 in order to eliminate the 2014 tax shift. We will know the staff recommendation on March 26 and the recommendation of the Finance and Economic Development committee on April 1.



Tax Driven AGI's or Rent Reductions

If the property taxes on a property went up by more than 1.2% in 2013, then a landlord can apply for an above-guideline rent increase in 2014. (The threshold varies with the rent increase guideline.)

If the property taxes go down by more than 2.5%, then a landlord is required to reduce the rent at December 31. The City of Ottawa is required to mail out notices of rent reduction to the multi-res properties which see such tax decreases.

Besides the rent reductions required by provincial law, EOLO's major members have agreed to reduce rents if their property taxes have gone down by a percentage less than 2.5%, provided the average rent reduction in a building is more than one dollar.

We have always told City Council that it is the tenants who ultimately pay the property taxes, and that is why City Council has addressed the multi-res property tax inequity. These voluntary rent reductions are a way of making sure more people, both tenants and Councillors, understand the key fact that tenants pay the property taxes.

For more information on the property tax situation, check the EOLO website. For assistance with property tax concerns, contact David Lyman, EOLO Vice-President at 613-235-9792 or at 613-235-0101.

CFAA Rental Housing Conference (cont'd)

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Michelle Ray will address multigenerational workforce and customer base. Michelle is a highly sought-after business speaker, author and educator. From thousands of entries received Michelle recently reached the Top Ten of "North America's Next Greatest Speaker" contest.

Michelle will address the issues faced by property managers, executives and leasing personnel in dealing with Gen Y and Millennials. Michelle's talk will speak to the benefits of "leading yourself first", and how to attract young people without putting off older people, both prospective tenants and employees. Hear how to satisfy Gen Y employees and customers, while also keeping older people productive, happy and renewing! Michelle will add vision to a full topic stream on hiring and managing employees, also on June 10.



On June 11, **Lisa Trosien**, the Apartment Expert, will speak about the Human Factor in Leasing. Lisa is an expert in apartment marketing who acts as a performance coach in the apartment industry. Lisa captivates her audience with her fast-paced and witty approach. Lisa's talk will compliment a topic stream addressing social marketing, which will continue with two sessions on tenant selection.



Michael Geller will address the development of new rental housing, including new ideas and incentive programs and the impact of new development on existing rental housing. Michael is an architect, planner and real estate consultant and developer, who is often asked to comment on housing issues in the media.



Michael's talk will be the capstone to a topic stream for

investors and executives on June 11, which will include new techniques for less expensive construction, succession planning, organization and compensation trends in rental housing, and new ways to maximize revenue.

Vancouver Lookout Supper and Wyse After-Party

On Tuesday, June 10, CFAA Conference delegates are invited to join their colleagues at the Vancouver Lookout Supper and Wyse After-Party.



Guests will be treated to an evening filled with food, entertainment and networking, while enjoying the 360° aerial view of Vancouver. The adventure starts with a 40 second glass elevator ride, whisking guests 553 feet (169 meters) skyward to the panoramic observation deck.

Three different guided tours will each be offered at several times throughout the evening, both in daylight and darkness, namely the general tour, the Rental Housing tour and the Crimes and Ghosts tour.

Running from 7:30 to 10:30 pm, the Wyse After-Party includes the views from the Vancouver Lookout, a choice of the three guided tours, a host bar, snacks and networking with your colleagues.

In addition to the guided tours, the Lookout Tower has four 60-inch television screens allowing for the viewing of a Stanley Cup game, an historic hockey game or highlights.

Transportation will be provided between the Sheraton Vancouver - Wall Centre Hotel and the Vancouver Lookout Tower.

Besides the keynote speakers, CFAA will present more than 50 experienced landlords, consultants and suppliers.

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CFAA Rental Housing Conference (cont'd)

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Delegates will hear from senior executives, hands-on landlords, HR heads, lawyers, accountants, engineers, appraisers, real estate brokers, marketing experts, lenders, CMHC, apartment association leaders and others. Speakers will address topics of relevance to landlords of all sizes.

Topics for independent rental owners

By popular request, the conference will address topics for independent rental owners (hands on landlords) such as:

- How to grow a portfolio
- Due diligence for purchases
- How CMHC decide on a mortgage insurance application
- Rental housing sales in non-major markets
- What to expect from property management
- Independent Rental Owners Round Table

For more information or to register

For the latest updates, or to register, go to the conference page at www.cfaa-fcapi.org.

An early registration discount is available until May 1. Companies registering more than three delegates can obtain a discount code from CFAA at 613-235-0101.

The education sessions will be held at the Sheraton Vancouver Wall Centre Hotel, in the heart of downtown Vancouver. Discounted hotel rooms are available until 4:00 pm on May 19. Be sure to book your hotel room through the CFAA website!

EOLO is a member of the Canadian Federation of Apartment Associations, which is the sole national organization representing the interests of Canada's \$480 billion dollar private rental housing industry, providing homes for more than eight million Canadians. Learn more at www.cfaa-fcapi.org.

EOLO 2014 Associate Member Directory

ADVERTISING/Marketing

Gottarent.com
Genevieve Delaney
416-857-4914
www.gottarent.com

Ottawa Citizen
1-800-267-6100
www.ottawacitizen.com

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

ACCOUNTING

Welch LLP
Denna Griffatong
613-236-9191
dgriffatong@welchllp.com
<http://www.welchllp.com>

APPLIANCES/LAUNDRY

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

Debsel Inc.
Howard Wallace
1-877-481-0215

Keyesbury Distributors
Ian Morrison
613-257-8100

Phelps Laundry
Alain Belanger
514-766-4666
www.phelpslaundry.ca

Communications

Bell Canada
Marco Valencia
613-742-1188
www.bell.ca

Rogers Communications

Tarcy Nascimento
613-759-8509
www.rogers.com

CONSTRUCTION & RESTORATION

The BYNG Group
Rob Settino
613-739-1022
www.thebynggroup.com

Pyper Construction
Rick Pyper
613-523-1430
www.pyperconstruction.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.hdsupply.ca

All Professional Trades Inc.
Jeff Moore
519-673-2001
www.allprofessionaltrades.com

ASSOCIATE MEMBERS CONTINUE ON PAGE 8

EOLO 2014 Associate Member Directory

ENERGY & SERVICES

Demtroys Technologies

Jean-Sébastien Cyr
819-780-4272 x101
www.demtroys.com

Enbridge Gas Distribution

Chuck McCloskey
613-748-6794
www.enbridge.com

Enercare Connections

Barry Zeidenberg
416-649-1873
www.stratacon.ca

Hydro Ottawa

Christopher Kelly
613-738-5499 x244
www.hydroottawa.com

Multilogic Energy Solutions

905-727-2001
www.multilogicenergy.com

Property Power

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

Wyse Meter Solutions Inc.

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

ENGINEERING & CONSULTANTS

Alliance Engineering

613-791-8360
www.allianceengineering.com

Cleland Jardine Engineering Ltd

Robert Jardine
613-591-1533
www.clelandjardine.com

Halsall Associates

Shawn Carr
613-237-2462
www.halsall.com

FLOORING

Connolly & Son Flooring Ltd

Dan Connolly
613-733-9117

Giant Carpet & Flooring

Neil Piltzmaker
613-723-1555
www.giantcarpet.com

LEGAL SERVICES

Dickie & Lyman Lawyers LLP

David Lyman
613-235-0101
www.dickieandlyman.com

MECHANICAL CONTRACTORS

Optimum Mechanical Solutions

613-228-9500
www.optimummech.com

Lar-Mex Inc.

613-747-1563
www.lar-mex.ca

MORTGAGE SERVICES

CMLS Financial

David Arntfield, Steve
McEwen or James Scarrow
613-237-8111
www.cmls.ca

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.superiorpool.com

PROPERTY MAINTENANCE

Goodbye Graffiti

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

Nutri-lawn Ottawa

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

REAL ESTATE APPRAISAL & CONSULTING

Altus Group Ltd

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

PROPERTY MANAGEMENT SOFTWARE

Yardi Systems

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

SIGNAGE & PAVEMENT MARKINGS

All-Signs

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

WASTE MANAGEMENT

WSG – Waste Solutions Group

Rob Perry
613-742-7222
www.wastesolutions.ca

WINDOWS/DOORS

Norstar Windows & Doors

John Vacca
1-800-363-4810
www.norstarwindows.com

Eastern Ontario Landlord
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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 Spencer Kenney at 613.235.9792