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Keeping Things in Focus

In 2016, the IPOANS team continues to focus on a few key traditional areas including, lobbying for change within the Residential Tenancy Act, fighting for a fair deal with Halifax Waste and continuing its work for Tax Cap reform.



Aside from these traditional advocacy activities, IPOANS is evolving into a valued and active partner in various government led Affordable Housing initiatives. From our leadership on donating and subsidizing housing to many Syrian families, to our active involvement in the Homeless and Housing partnership, to our partnership with 211, we are positively engaged in our community.

On the RTA, we have met with key government officials and continue to push for amendments in the fall sitting of the Provincial Legislature. Many of you have provided us your top priorities, which include improving wait times, NTQ changes, storage of abandoned property and improper use of medical notes, to name a few, and we will continue to push that agenda.

On Halifax Waste, in 2015 our members had some excellent savings relating to its waste management costs in the 30%-40% range, due in large part to our lobby efforts. Having said that, the reality is that our IPOANS legal counsel, Board, and many members, feel we have a strong case for apartments being removed entirely from the ICI sector, which would then remove all remaining waste management costs. Granted, the battle does come with \$60-\$100k in legal costs, but offers significant long term savings to our membership and thus we will continue to pursue.

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Separation Anxiety

Brenda Roscoe, Property Administrator – Southwest Properties Limited

For those of us who have lived in Nova Scotia and, particularly, Halifax for the last decade or so, the requirements for proper waste separation ought to be second nature. However, as landlords, we are often dealing with residents who are new to the province and, in a lot of cases, to Canada. This can present numerous problems in getting the co-operation of residents who are not used to our separation requirements. We all know how improper separation can result in extra costs from rejected loads by our waste haulers. We believe proper signage on receptacles and education are the keys to having residents conform to what is required.

Your building's waste facilities and proper function of the various receptacles should be reviewed with each new resident at move in. All residents should be encouraged to ask questions rather than guess about waste they are not



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CFAA Rental Housing Conference 2016

By **John Dickie, President, CFAA**

From June 7 to June 9, CFAA Rental Housing Conference 2016 will offer more than 30 education sessions, with more than 60 speakers, on rental investment issues, building repairs and retrofits, apartment marketing and leasing solutions, revenue management and employee management solutions.

The three keynote speakers:

Greg Millen, former NHL goaltender and hockey commentator, on the latest research on leadership, with examples from the NHL.

Alicia Whalen on how prospects search for rentals today, how to improve marketing conversions and how to make renting units quicker and easier.

Benjamin Tal on the economy, interest rates and rental demand in Canada in the new environment of low oil prices and government stimulus.

Special events include the Building Innovation Bus Tour during the afternoon of Tuesday, June 7, the networking reception, CFAA Awards Dinner and Wyse After-Party, all on Wednesday, June 8.

Plan to visit Toronto and attend CFAA Rental Housing Conference 2016. Register at: www.cfaa-fcapi.org



TORONTO

CFAA Rental Housing Conference 2016
JUNE 7 to 9 - The Westin Prince Toronto
Early Registration Ends April 15

Executive Director's Message

Good training can help with morale and retention. Employees who are engaged in their jobs and careers want to know more about their company and industry and to learn skills that will improve their performance. Employers who want to harness the full value of their employees and foster loyalty and retention will find training is a winning prospect for all involved.



We are proud to say that 100+ students have enrolled in the "ICAM" program since its inception six years ago. Over the years, students have said that the ICAM program provided them with a better understanding of how their work fits into their company's structure and how their role impacts achievements. Students have also indicated they felt valued, as employees, and became more motivated and excited about their work, as they better understand how what they do matters to the success of the organization.

In the real estate industry, many employees are in their roles to develop a career. Training helps employees realize their goals by giving them the education they need not only to do their jobs better, but to learn about new aspects of business and higher level skills they can use in future.

When companies offer training and education to their employees, they indicate that they value their people and the contributions they make, as well as their careers. Make an investment in your company by giving your employees the tools and education to achieve their potential and foster enthusiasm.

The next ICAM semester will begin in January 2017. Let your employees know they are valued.

Rose Marie Howell
Executive Director

Keeping in Focus, continued

Between the potential cost to pursue the Halifax Waste battle and to engage further in our Tax Cap lobby, we need to fill the advocacy war chest, otherwise known as the "Call to Action" fund. With input and agreement from many members back in 2014, we have created a fair and simple model, based on members contributing 1% of their security deposits, annually, to IPOANS. I trust we will all contribute to this fund because we all benefit from its outcomes!

Finally, our association continues to build strong and positive ties within our community. As mentioned above, many of our members stepped up in a big way and donated or heavily subsidized well over 100 apartments to the Syrian housing relief efforts within Nova Scotia and beyond. And as one of our senior members said, "It is simply the right thing to do".

Let's keep the ball rolling!

Jeremy Jackson, President

A Happy Front-Line, is a Happy Bottom-Line

By: **Erin McNutt**, Office Manager, Paramount Management

There is no denying the importance of employee engagement in today's marketplace. The rental market is extremely competitive and inventory is abundant. If you are having trouble finding quality tenants, the solution starts with you and your employees. Employee engagement and empowerment are extremely effective and cost effective. Employee Engagement has been defined as the emotional commitment a person has to an organization and its goals. Here are five suggestions on where you can start.

Talk to and get to know your team

How often do you provide feedback? If it is only once a year at review time, you're missing the boat. The feedback loses its value the older it gets. Shorten the feedback time and make it a two way street. Let your team know that they are vital to the company and their opinions and suggestions matter.

Transparency, communicate your goals

Does your team know the company mission statement and goals? People become extremely invested when they feel part of an inner circle. When we are invested our pride of ownership rises and performance follows. Share things like future projects and occupancy goals. Invest in your team; find out their goals and where they see themselves in the future.

Recognize your team publicly and privately

How often do you send an employee an email saying "Thank you"? We all appreciate a pat on the back; it does amazing things for our pride and self-worth. Show your team they are more than just staff. Celebrate birthdays monthly, recognize anniversaries and individual accomplishments.

Encourage employees to recognize each other

All of the work doesn't fall to the managers and business owners. Given the opportunity team members give recognition naturally. You can establish a recognition program based on your company's values. The team can give shout outs through email, social media or even a simple card or brag board.

The number one reason most people leave their jobs is that they don't feel appreciated for their efforts. The more a team member believes in the product they are representing the more likely they are to stay and the more likely they are to attract like-minded individuals. This can translate to future tenants or team members, both priceless commodities in this day and age. What would be more effective for leasing apartments; someone engaged and proud of the company they work for or someone who is there simply for the paycheck?

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Separation Anxiety, continued

sure about. There is a host of printed material and signage available through the HRM and RRFB Nova Scotia (websites at bottom of article) which can be supplied, as requested, or downloaded and printed directly from the websites. In Halifax, the 'What Goes Where – Apartment Guide' is very comprehensive and should be issued and reviewed with each new move in. Often, with foreign students or new immigrants, the language barrier is an issue and this guide is now available in Chinese and Arabic. Similar guides are also available in other jurisdictions (check the RRFB site for your area). And, as they say today – there 'is an App for that' – downloadable apps are available through the Apple Store or Google Play that can provide you and your residents with resource and separation information.

Most electronics have been banned from disposal in Nova Scotia landfills since 2008, and it is up to the individual user to properly dispose of them. The EPRA - Electronic Products Recycling Association- manages unwanted electronic products, excluding cell phones, and have 'Drop-off Centre' locations throughout the province. To assist your residents in disposing of such items, visit

the EPRA website at: www.eprassociation.ca to compile a list of nearby disposal sites for residents to use and provide with move in information.

As promoted earlier by IPOANS, there is a convenient battery and cell phone recycling program in place that can be used by landlords. Visit www.call2recycle.ca for more information. If your property is not large enough to support a Call 2 Recycle box, a number of large retail businesses have dead battery and cell phone drop off boxes. Find out where and provide the information to your residents.

Finally, wherever possible, encourage your residents to donate items such as clothing and furniture, that is still in good shape, to charity organizations such as the Diabetic Society, Big Brothers Big Sisters, Value Village, etc. To make it easier for residents, provide them with a list of contact information for local charitable organizations, along with the electronic recycling drop off centres.

www.halifax.ca/recycle

www.putwasteinitsplace.ca

Efforts to Reduce Members Waste Costs, Pays Off in 2015

By: **Kevin Russell**, IPOANS Working Committee Member

IPOANS' members enjoyed a significant waste cost saving win in 2015 after Halifax City Council voted in favour of allowing the ICI waste sector to export waste outside municipal boundaries. As predicted and reported by members, lower out of town tipping fees for large volume members resulted in waste cost savings of 30% to 40%. Small volume waste members experienced no increase in waste costs as in-town tipping fees remained at \$125 per tonne instead of the city staff recommended cost increase of \$175 per tonne, a \$50 per tonne saving. With the win behind us IPOANS is focused on securing further waste cost savings for members in 2016.

IPOANS continues to contest that apartments do not belong in the ICI sector, but rather belongs in the same category as condominiums whose residents have waste pick up included in the building's property tax. IPOANS maintains the belief that "Residents who live in apartments should not be discriminated against just because they chose to live in apartment structures greater than six units that are not registered as condominium structures."

IPOANS secured a legal opinion from the law firm Stewart McKelvey that favours our position and severely criticizes discriminatory practices with respect to solid waste management services for non-condominium registered apartment structures greater than six units. As stated by our lawyer, Robert Grant "But for condos and apartments the uses are essentially the same and will generate the same amounts and types of solid waste. Distinguishing the two is no less objectionable than choosing which residences obtain garbage pickup on the basis of the race, religion or eye colour of the occupants."



Pursuing a legal solution is not without risk. With case law supporting our position increasing the probability of success above 50% combined with significant member savings expected, IPOANS is preparing to mount a legal challenge to overturn a policy that is arbitrary, illogical and doesn't stand up to the most cursory review.

It has been publicly reported in allNovaScotia.com, February 4, 2016 edition that Otter Lake Waste Facility's owner, Mirror Nova Scotia,

has filed a "Notice of Action" against the city to have last year's amendment quashed. If successful, would mean all waste produced in Halifax would revert back to Otter Lake. Savings, as a result of the 2015 amendment, may be lost to the ICI sector. Therefore it is expected that cost savings gained will be nullified or, worst yet, the \$175 per tonne city staff recommended tipping fee being implemented thus significantly impacting apartment owners' waste expenses. This threat is yet another

reason for apartment owners to segregate from the ICI sector, aligning with condominiums as a preferred and more appropriate category.

This latest legal development in Halifax puts urgency on IPOANS to launch a legal challenge. Legal fees to pursue this worthy cost saving cause are estimated to be in the \$40-\$60,000 range with an added \$40,000 for appeals. Legal costs will be paid from drawing upon the IPOANS members' sponsored "Call to Action" fund. Pursuing legal action to its final conclusion is dependent on members' financial support. Please ensure you are honouring your Call to Action fund commitment by contributing appropriately.



Legislative Update

Editorial by: **Peter Polley**, IPOANS Vice President

Halifax Water

New Halifax Water rates came into effect on April 1, 2016 having been approved in early 2015 at the UARB as part of a two year application. Water and wastewater cost of water will rise by 9.9% [from \$2.483 to \$2.729 per cubic meter]. Discussions with Cathie O'Toole at Halifax Water indicate that they expect water and wastewater rates to be stable for at least two years with no plans to make any applications for rate increases in the foreseeable future. A Stormwater Discharge Rate Design Hearing was held by the UARB in February 2016 to refine rate details for stormwater discharge into the Halifax Water system. A decision is expected from the UARB in coming months.

Residential Tenancies Act Update

Discussions are ongoing with senior management at Service Nova Scotia regarding ongoing issues with Nova Scotia's Residential Tenancies Act, Regulations, Policies, procedures and service levels at the department. Management has indicated a willingness to approach the legislature in 2016 with a short list of priority items.

We surveyed IPOANS membership and received responses from a good cross section of our membership, including a strong number of large owners, in order to ensure that IPOANS response was consistent with member concerns. IPOANS maintains an approximately ten page long detailed analysis of the Act and Regulations problems and inconsistencies.

The top legislative changes requested by IPOANS include the following:

- Damage deposits levels to be increased;
- Service of documents to tenants to be simplified;
- Medical Notice to Quit to be curtailed from abuse;
- Notice to Quit – 15 days simplified system for simple arrears situations;
- Abandoned personal property – “if it’s left behind, it’s junk”, and,
- Collection Agencies – owners want the authority to send items to collection agencies without requiring an order from The Director.

IPOANS will be aggressively pursuing this agenda in Spring / Summer 2016.

Construction Mitigation and the Deep Black Hole at City Hall

Editorial By **Jordi Morgan**, Vice President, Atlantic CFIB

Development is a big money maker. Not only for those taking risks, investing and building but also for municipal governments. As anyone in the industry knows, developers can be charged tens to hundreds of thousands of dollars for permits, encroachment fees and other charges related to their projects.

After the developer finds the money, buys the land, creates the plan, hires consultants, architects and contractors, it's time then to apply and pay for demolition permits, building permits, plumbing fees, development permit fees, occupancy permits, lot grading fees, solid waste charges, blasting permits, streets and service fees and deposits and inspection fees. These are on top of regional development charges, capital cost contributions (CCCs) and the list goes on and on, ad nauseam.

These taxes, fees and development charges are, in principle, meant to offset costs to the city for administration, service delivery and in the case of CCCs, to ensure development related to growth should pay for itself and not impose a burden on existing residents. However, it's time to ask if we are actually meeting any real policy objective with the imposition of these taxes, fees and charges? If there indeed is any identifiable policy objective, how are these monies being applied to achieve it and is the money trail transparent?

Recently, due in large part to experiences in HRM, CFIB has been creating a national Construction Mitigation Best Practices Guide to provide more clarity around the responsibilities of municipalities, developers and construction companies to better protect small businesses from the impact of adjacent major private construction and public infrastructure projects.

As part of this, we think the arbitrary costs now imposed by HRM must be reduced so builders can use that money, which now amount to little more than fines and taxes, to create a less damaging or undesirable environment adjacent construction sites.

We believe in clear, outcome-based regulation and only when necessary. That means less red tape, not more. We also feel the city must ensure money being collected from development is being used to meet well defined policy objectives and not simply being poured into the black hole of general revenues.

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Are you covered?

An insurance perspective

By: **Timothy Branson, BBA, AIIIC, CCIB** – A. P. Reid Commercial Lines Director

When was the last time you reviewed your commercial policy or took your account to market to “shop for your insurance?” If so, did you find the process daunting talking to different brokers offering a variety of different options? So long as the limits of insurance, deductibles and limits of liability are similar to your current policy, did you simply choose the cheapest price?

While this process can be time consuming, you want to work with a broker who will make you aware of the terms and conditions of your policy to ensure it is meeting your expectations. After all, should you experience an insurance claim, you want the confidence and peace of mind to know your policy will respond.

While the following is certainly not exhaustive, it does address some important areas of coverage and/or conditions that you, as the property owner, should be aware of.

Co-insurance

Most policies carry a co-insurance clause. This clause requires you carry adequate limits of insurance on your property to satisfy this clause. If not, in the event of a claim, you may find yourself as a co-payer on the loss with your insurance company.

Debris Removal Expense

Most policies do provide coverage for debris removal as the result of a claim. The amount is usually a sub limit based on a percentage of the building limit (10%-25%). However, the limit available does not increase the amount of insurance available.

Equipment Breakdown

Equipment breakdown is usually excluded under a property policy and requires separate coverage for claims resulting from specified types of mechanical, electrical and pressure equipment such as heating and air conditioning systems.

Environmental

Virtually all property policies exclude pollution losses. If you heat with oil, then you should have an environmental policy.

Rental Income

In the event of a claim, there are still fixed costs to be paid so if there is no rental income then you should have this coverage to preserve your cash flow.

Cyber Risk

Current property policies were not intended to pick up this newer but increasing exposure. Affordable coverage is available offering business interruption coverage, notification expense, public relations services and credit and fraud monitoring for affected customers.

Your A.P. Reid insurance representative is always available to address your questions on this issue or any other insurance matter.

IPOANS Certified Apartment Manager (ICAM) Course 2016

IPOANS is pleased to partner with NSCC in launching another 16-week ICAM course which started in January 2016. This popular course filled up fast again this year. The ICAM course is ideal for professional apartment managers, owner-operators, and various other industry professionals. The program touches on, virtually, every aspect of apartment management from finance to marketing to tenant relations to maintenance. Content is tailored to Nova Scotia with an emphasis on practical application. Course instructors are, themselves, industry experts with years of hands-on experience and they provide an interactive environment with plenty of case studies, student discussion, and sharing of best practices. A formal graduation ceremony will take place, and ICAM students will be acknowledged, at the IPOANS Annual General Meeting and Awards night on May 9th. The program is conducted in weekly three-hour sessions on Tuesday evenings at 6 PM. at the Leeds Street NSCC Campus. For more information email association@ipoans.ns.ca or call the IPOANS office at 902.425.3572.

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Federal Budget 2016

By: **John Dickie**, CFAA President

Released on March 22, Budget 2016 forecasts a deficit of \$29 billion. The budget includes much in the way of new spending, but little in the way of tax changes or new taxes.

Income Tax measures

Despite some earlier trial balloons about increasing it, no changes were introduced to the capital gains inclusion rate. The inclusion rate is currently 50%, which is justified by the risk of capital losses and by the fact that much of what appears to be a capital gain is actually just an increase in the current price of an asset driven by inflation. Due to inflation, a higher rate than 50% would often amount to a tax on capital. Such taxes are ruinous because they drive away investment in capital assets, like buildings.

No changes are to be made to the active/passive income rules at this time. As well, the small business tax rate on active business income will remain at 10.5%, rather than decreasing to 9% in 2019. The Liberal election platform promised to remove all GST on new capital investments in affordable housing, in order to grow and renovate the supply of rental housing. Budget 2016 did not make that change nor refer to it. CFAA remains optimistic that the tax reduction will be made within the term of this government.

Support for housing

Over the next two years, the following federal funds are budgeted for housing:

- \$504M for the Affordable Housing Initiative, which can be used for new social or supportive housing construction, forgivable loans for repairs to private housing or direct financial assistance to tenants.
- \$200M on seniors housing, including repairs and adaptations to owner-occupied homes.
- \$739M for indigenous peoples' housing.
- \$574M for repairs and energy retrofits to social housing (\$500M in this year.)
- \$90M for the repair and construction of emergency shelters for victims of domestic violence.
- \$112M for the Homelessness Partnering Strategy, supporting Housing First and other projects.

Under the Affordable Housing Initiative the federal government allows the provinces to decide what they will spend the money on. CFAA member associations are active in promoting landlord-friendly spending.

The government will also provide:

- low cost loans for the development of affordable market rental housing of up to \$500M per year for 5 years. (Such new housing makes lower cost units available as renters move into the new housing.)
- \$208M over 5 years for an Affordable Rental Housing Innovation Fund.

The Innovation Fund is expected to support the construction of up to 4,000 new affordable rental units over five years, many to be built by the private sector as part of market rent projects. Both the innovation fund and the development bonds are wins for the rental housing industry, and especially for those who develop rental housing.

Income support measures

As promised, the age of eligibility for Old Age Security (OAS) and Guaranteed Income Supplement (GIS) is to be returned to 65, and the age for Allowance benefits will be returned to 60. The GIS top-up benefit will increase by up to \$79 per month for single seniors starting in July 2016. Most seniors with incomes of about \$4,600 or less (apart from the OAS and GIS) will receive the whole increase.

The various Child Tax Benefits have been amalgamated into one program and rearranged to focus funding on families with low-incomes. The eligibility rules for Employment Insurance for new entrants and re-entrants will be relaxed, and in certain regions benefits will be temporarily enhanced.

Conclusion

Landlords should be generally pleased with the allocation of funding for housing, the support for development of affordable market rental housing, and the income support measures. Improving the incomes of low-income people and families is an excellent way to improve the housing that they can pay for.

IPOANS is a member of the Canadian Federation of Apartment Associations, the sole national organization representing the interests of Canada's \$480 billion dollar private rental housing industry, which provides homes for more than eight million Canadians.

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