

December 2013

LPMAnews



London Property Management Association

President's Message

The Community and Protective Services Committee (CAPS) supported a change to By-law F-6 that allows the fire department to charge property owners for "extraordinary costs" if the property owner fails to take steps to prevent a fire. There is a public participation meeting on Dec. 16 to set the fees for the by-law and we encourage all of you to attend. Go to www.lpma.ca for more details regarding the by-law and the public meeting.



On Nov. 27, Bill 77, the Hawkins Gignac Act, 2013, unanimously passed third reading at the Ontario Legislative Assembly. This is a private member's bill that requires carbon monoxide detectors to be installed in all residences with gas appliances or attached garages.

This Act was enacted following the deaths of the Hawkins/Gignac family in Woodstock. Carbon monoxide is known as the silent killer and is a colourless, odourless, tasteless gas. CO2 alarms are currently required in homes built after August 2001.

The Legislative Assembly is working on drafting regulations that will set out the strict requirements for multi-residential buildings. At this point in time, it is unclear what the regulations will be, although we anticipate that the regulations will mirror some of the laws currently set in other municipalities. Once we are fully aware of the implications for landlords, we will provide an update.

The law will take effect once it receives royal assent.

Have a safe and happy holiday season.

Emma Sims

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1st Vice President's Message

Thanks to all members for supporting our dinner meetings in 2013. Back by popular demand, we will be continuing with these in 2014 with our first being held Jan. 14 at the Lamplighter Inn. Networking is from 5:15-5:45 pm followed by dinner, 5:45-6:45 pm. Don't miss out on a great opportunity to meet fellow members as well as your board of directors. Can't make dinner? Join us for the general meeting at 6:45-9 pm. Registration forms are available on the Calendar of Events page at www.lpma.ca or by calling Brenda at 519-672-6999.



Register before Jan. 2 to ensure early bird pricing of \$35. Pricing will increase to \$40 after that date (non-members \$55). There is no charge to attend the general meeting portion only. Dinners are also planned for March 18 and May 13, 2014. Speaker details will follow.

We look forward to 2014 and seeing many of you at one or more of these events.

Jody McRae

2nd Vice President's Message

A night to mingle with jingle – the upcoming December event will be our final gathering of 2013. Please remember that this year's Christmas event has a new venue and will be held at Riverbend Golf Club on Dec. 10 from 5 pm to 8 pm. The Christmas event is fully funded by sponsorship from our associate members.



When members need products or services we ask that they support our associate members. A list of our associate members can be found in the Suppliers section of our website, www.lpma.ca.

We would like to thank everyone who helped our association in the past and to all those who contribute their time and money. We appreciate the support given to the Salvation Army Toy Drive, helping to make some less fortunate children enjoy Christmas, too. We hope to see all of our members and associates at the Christmas event for a cheerful time, with entertainment by Mike Fagan.

Shirley Griger

Landlords Helping Others

Minto's Lisa Smith reached out to a fellow LPMA member with unexpected results

When Lisa Smith learned of a fellow property management professional who needed assistance, she took the only possible course of action: she extended a helping hand.

In the process, she gained a greater appreciation for the charitable work being done by her LPMA counterpart.

Smith, a property manager with Minto Properties, began mentoring a staff member at Youth Opportunities Unlimited (YOU) last April. A non-profit organization that guides youth and helps them to finish their education and find housing and employment, YOU didn't have the funding to retain a property manager to oversee the organization's 30 transitional and affordable housing units for youth. The units, which are located in The Cornerstone – an historic building at 332 Richmond St. – house young people who are registered in, or who have graduated from, YOU programs.

Mirella Bryant, manager, transition services for YOU, contacted LPMA administrator Brenda Davidson, hoping to find a mentor who would help the organization manage the apartments and understand their rights and responsibilities as landlords. Bryant also requested support in overseeing an annual maintenance schedule, assistance in interpreting service contracts and selecting contractors. "Going into this somewhat new was a little bit scary," Bryant recalls.

Davidson put Bryant's request on the agenda of a board of directors' meeting and Smith, a director, volunteered.

"They were stuck – they just needed help and I came forward," Smith says. Smith's background is in facility management, which includes maintenance and repairs "and so I thought I would be perfect for it. They just needed the guidance, which ended up turning into a relationship between YOU and Minto."

Smith met with Bryant three or four times to go over the maintenance schedule and the elevator contracts to ensure the pricing was reasonable. Bryant introduced Smith to Devon Trowell, the superintendent of the apartments and a former student who was helped by YOU. Smith then put Trowell in touch with a staff member from Minto, who showed her how to resolve maintenance issues, such as leaks and electrical problems. Smith continues to mentor



Lisa Smith mentors two staff members from Youth Opportunities Unlimited.

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Landlords Helping Others (Continued)



The Cornerstone houses young people who are registered in, or who have graduated from YOU programs.

Trowell and responds to her questions, usually by e-mail, every few weeks. "This group (Minto) has taken what I asked for above and beyond," Bryant says. "Lisa has been fabulous."

The feelings, for Smith, are mutual. Although Smith lent her expertise to YOU, she received in return a completely different view of disadvantaged youth.

"What they're doing there has inspired me to look at youth differently," Smith says. "I used to look at them in terms of 'they're not going to go anywhere.' YOU is pushing them to succeed and that's what's inspired me about Mirella and Devon. Looking at Devon and where she was and where she is now has really inspired me to help them in any manner we can."

Minto has raised money for YOU through staff events, such as hot dog lunches, car washes and picnics, with staffing help provided by the young people from YOU. The \$1,300 in donations raised at the events for 2013 will help fund basic needs for youth at The Cornerstone. In addition, Minto donates furniture left behind by former tenants to the young people from YOU who are just starting out in their first apartments.

Minto also hosts a weekly Cruise Night in the parking lot at Cherryhill Village Mall during the warm-weather months. Dozens of antique and vintage vehicles are on display, with the money collected benefitting local charities.

Bryant says that YOU's membership in the LPMA coincides with the organization's vision of a community beyond YOU that embraces young people.

"When we see that other people in the community are helping us help youth, that's really what our vision is – a community that embraces our youth. It's important for the staff to know that we've got support, but it's more important that the youth know that the community is behind them."

Smith believes that property management companies and even smaller landlords need to appreciate that they're not providing just bricks-and-mortar shelter for their residents: it's a matter of caring for residents and the community around them.

"Because we care, we need to ensure that the whole community around our residents is making them feel good," Smith notes.

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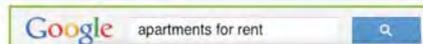


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Hamilton Rejects Landlord Licensing: Here's Why

By Joe Hoffer, Cohen Highley LLP

Hamilton rejected landlord licensing because members of council listened to stakeholders and thoughtfully considered what they heard before making an informed decision. This is in sharp contrast to London's members of council, who ignored stakeholders and focused instead on creating more work projects for municipal staff at the expense of taxpayers.

Members of Hamilton council had enough intelligence and objectivity to recognize that their own city staffers were trying to justify a "make-work" project to allow the hiring of several new municipal employees. Council recognized that tenants would ultimately pay the fee; that landlords who actually applied for licenses were not the ones whose tenants occupied substandard housing; and that implementation of licensing would reduce the affordable housing supply and drive many rental operations underground.

We represented the Hamilton and District Apartment Association (HDAA) in making submissions to Hamilton city council. We provided Hamilton council with the examples of licensing in London (more than \$1 million wasted on municipal employee costs and less than 50 per cent compliance) and the experience in Waterloo (licensing costs averaging between \$600 and \$1,000 per unit with less than 50 per cent compliance). Council also noted the increased evictions from affordable housing as a result of implementation of licensing in both municipalities.



In Waterloo, the base fee averages \$400 per unit.



Joe Hoffer of Cohen Highley represented HDAA.

Ultimately, council took the approach adopted in more sophisticated municipalities, like Ottawa and Toronto, and elected to use enforcement of its existing zoning, fire code, building code, and property standards by-laws to address sub-standard housing issues.

Meanwhile, in Waterloo, the city has now targeted large townhouse rental operations with work orders demanding licensing compliance. The base fee, before mandatory inspections, averages \$400 per unit. This fee is a "municipal charge" which can be passed through to tenants in the rents, but which means landlords must file an application for an Above Guideline Increase with the Landlord and Tenant Board, and deal with the fallout from tenants who vacate rather than pay rent increases which are about five times the province's Rent Control Guideline (0.8% for 2014).

In London, city council rushed through another by-law (over LPMA's objections) which will allow the fire service to invoice property owners for "avoidable fires" to be levied at the discretion of the fire service. Since most fires are "avoidable," landlords can expect to become an even bigger cash cow to support London's out-of-control fire service budget.

Is there a solution? You may want to consider doing business in Hamilton or in some other municipality where the council and municipal staff do not pick the pockets of local entrepreneurs. As usual, London's city council remains hostile to business interests.

For more information, contact Joe Hoffer at Cohen Highley LLP,

hoffer@cohenhighley.com or 519-672-9330.

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The Audibility of Older Fire Alarm Systems

The bells that warn tenants of a fire must be loud enough to allow them to escape

Newer apartment buildings have one distinct advantage over their older counterparts: their fire alarm systems are louder, giving tenants a better chance of evacuating their buildings during a fire.

Jim Jessop, deputy fire chief of the London Fire Department, says in a few cases the audibility of older fire alarm systems may not be acceptable. For example, the volume of the alerting devices, including the horns and bells that warn residents of a fire in their building, may not be loud enough to give them enough time to escape.

Dating back to the 1990s, it was suspected that older fire alarm systems, through age or design, were not providing residents with an equal level of protection enjoyed by residents of newer apartment buildings where the fire alarm systems were louder, Jessop says. Following fires in the late 1980s and early 1990s in downtown Toronto, the coroner's inquests heard evidence from tenants that they didn't evacuate their units because they couldn't hear the bells warning them to leave.

As a result, the Office of the Ontario Fire Marshal released a technical guideline, Fire Alarm Audibility in Existing Residential Occupancies, in 1998. Municipal fire departments may use the guideline when assessing the audibility of fire alarm systems in older residential buildings. If the decibel levels are below what the Office of the Ontario Fire Marshal recommends, municipal fire departments have the discretionary authority to order upgrades.

"It's up to municipalities to take that balanced approach and try to ensure that we balance life safety while using good judgment and trying to work with the owners in getting these upgrades done," Jessop notes.

For example, if test results from a number of independent testers concern the London Fire Department, a fire inspector meets with the owner and goes over the test results "to try and come up with a mutually accepted game plan," Jessop says.

If the test results aren't close to what the province recommends, a fire inspector may write an order and work out a time frame with the owner for completing the upgrades, based on the cost, the size of the building, the number of occupants and other considerations. For instance, in an old building with decibel levels that were undetectable to the residents, the upgrade would have to be done quickly. If the tests were close to the province's recommendations, and the owner planned to upgrade the audibility anyway, an inspector would work with him or her.

"Every case is different," Jessop says, adding that the fire department isn't currently assessing fire alarm audibility in residential buildings and has no plans to do so. "If we discover situations as a result of a fire, the situation will be evaluated on a case-by-case basis."

If an owner believes the time frame is unreasonable or disputes the need to upgrade, he or she has the right to appeal an order. The first level of review is to the Ontario Fire Marshal's Office. After reviewing the evidence, the office makes a decision to amend, rescind or alter the order.



Newer apartment buildings have louder fire alarm systems.

Continued next page

Fire Alarm Systems (Continued)



Municipal fire departments have the discretionary authority to order upgrades.

The owner has a second right of appeal to the Fire Safety Commission, an independent quasi-judicial body set up by the provincial government that could also amend, rescind or alter the order.

In the third scenario, if either party doesn't agree with the commission's decision, that party can appeal to the Divisional Court. "That's not common, but it has happened in the past," Jessop says. "There really are a lot of checks and balances in the system."

Municipalities have successfully been sued a number of times, Jessop says, and found liable when they don't enforce the fire code and charge owners for violations. If a local fire department noted violations during an inspection and gave the owner too much time to rectify the problem or didn't write an order at all, and a resident was injured during a fire, the courts have said fire departments are liable "and assume part of the liability the minute that they know about a violation and don't

exercise all of their authority to correct it," Jessop observes.

"At the end of the day, we want owners to be successful. But we have to balance that out with our statutory duties to protect the public."

However, London lawyer Joe Hoffer says the London Fire Department has been actively charging landlords with offences for problems that don't affect life safety and seeking fines "that they know or should know will never be directed by a justice of the peace, but are demanding it anyway." In the process, multi-residential landlords are incurring significant expense to go through the legal process only to have the charges dismissed or dropped or the fines substantially reduced.

Hoffer believes the process drives a wedge between the fire service and multi-residential landlords. In previous years, a fire inspector and a landlord would work together to remedy a situation that the fire inspector deemed unsafe within a specified timeline.

"The landlord would correct it and everybody would move on," Hoffer says. "Now, it's 'Here are the problems, correct them and by the way, we're charging you and we're seeking maximum fines.' It's a real difference in strategy now," he adds. "Instead of working with the owners, they work against them."

Hoffer says the problem with the technical guideline used to assess the audibility of fire alarm systems is, in effect, treated as if it is retrofit legislation but it isn't; furthermore, it is applied inconsistently according to the discretion of individual fire inspectors. The rental housing industry's position is that landlords will comply with retrofit legislation, but it should be determined by elected officials and not by fire inspectors in different cities who apply different standards.

"To try to regulate the building industry based on individual fire inspectors' exercise of discretion really is a form of chaos," Hoffer says.

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2013 CFAA Employee Compensation and Benefits Report – Now Available!

As in 2009 and 2011, CFAA engaged Pal Benefits Inc. to produce a Rental Housing Employee Compensation and Benefits Report. The report provides information on hourly wages, salaries, benefit programs, pension plans, turnover rates, and other HR practices within the rental housing industry.

The 2013 reports have been greatly improved from 2011, because this year:

- 27 total positions are reported on (12 building-based positions and 15 head-office positions).
- Data is given for every position, in every report.

Reports are available for London, Waterloo Region, Hamilton/Burlington, Toronto and the GTA, Ottawa, Kingston and smaller centres in Ontario, as well as other centres and areas across Canada. The price varies with the size of the centre.

For more information on ordering a copy of the survey report(s), contact Spencer Kenney at 613-235-0101 or email admin@cfaa-fcapi.org.

CFAA 2014 Rental Housing Conference - On June 9-11, CFAA will host the 2014 Rental Housing Conference at the Sheraton Vancouver - Wall Centre Hotel in downtown Vancouver.

The conference begins on Monday, June 9 with a tour of innovative rental buildings in Vancouver. On Tuesday, June 10, presentations will focus on investment in rental housing, including Benjamin Tal's annual economic update. On Tuesday evening, delegates are invited to a social event. The conference concludes on Wednesday, June 11 with a day focusing on rental operations.

Speaking after the 2013 conference, Shelley Wittal of Gateway Property Management, said, "The conference was great this year. I'm extremely glad I was able to attend. The education topics were fresh and aimed at current challenges which had not been recently addressed. I am very much looking forward to the next CFAA conference."

If you are interested in participating in the conference as a speaker, or a sponsor, please contact CFAA today at admin@cfaa-fcapi.org. To attend, please check the CFAA website at www.cfaa-fcapi.org. Registration will open in February.



CFAA will host the 2014 Rental Housing Conference in Vancouver on June 9-11.

JOE HOFFER ▪ KRISTIN LEY ▪ LAURA MCKEEN

Lawyers

PAUL CAPP

Rent Control Consultant/Licensed Paralegal

EMMA SIMS ▪ SHANNON KIEKENS ▪ GAIL KUKOR LANG

RACHEL HENDERSON ▪ LINDSAY MILLS

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Conservatives Launch New Housing Caucus

By John Dickie, CFAA President

In October, the federal Conservative caucus launched a Housing and Construction Caucus to address new home and rental construction and social housing. The chair is Phil McColeman (MP for Brant). The vice-chairs are Brad Butt (MP for Mississauga-Streetsville) and Ron Cannan, (MP for Kelowna-Lake Country).

In speaking with CFAA, Phil McColeman said, "The housing industry is a key driver of the Canadian economy. When our housing sector is healthy and succeeding, it means good-paying jobs and spin-off benefits for communities across Canada, not to mention quality and affordable homes for our families. Rental housing is also a very important part of the mix since it serves new workers in growing communities, and low- and moderate-income Canadians."

Brad Butt is the former president and CEO of the Greater Toronto Apartment Association, and vice-chair of the caucus. Brad told CFAA, "Our role [as a caucus] is to advise the government on things we can do to make sure Canada has a strong housing market -- in all sectors and regions -- and that Canadians have choice and affordability. Our work with important stakeholders like the CFAA will ... help us make solid recommendations to ministers and agencies responsible for housing issues."

Another caucus member, Peter Goldring, MP Edmonton East, told CFAA, "Multi-unit construction had flat-lined for 20 years, which has serious implications for many people across Canada at all rent levels. In particular, we have a great need for more housing which is affordable. I think the government should look seriously at a capital gains rollover."

CFAA looks forward to establishing a productive relationship with the Conservative Housing Caucus.

CFAA's key goals - CFAA's key advocacy goal is to improve the tax treatment of existing rental housing. Before recent decades and the changes to the tax system, which increased the tax burden on rental properties, substantial amounts of rental housing were built across Canada.

London is unusual in that substantial numbers of new rental units have been built recently under the current tax regime. However, unless there is an improvement in the tax treatment of existing rental housing, there is a danger that there will be a surplus. In other words, with little new tenant demand, and new units competing with old units, the rents of old units will fall or there will be higher vacancy rates. The least attractive units would no longer be economically viable, their values will fall and they would tend to fall out of the rental market through conversion or demolition.

CFAA wants to make sure that new construction does not result in the crowding out of existing rental housing, since that hurts existing landlords. To avoid that CFAA advocates:

- * improvements in the tax treatment of existing

rental housing; and

- * greater use of direct financial assistance to low-income households so that they can rent in the private market if they choose, rather than move into social housing.

Aside from helping the tenants, direct assistance for low-income tenants would help sustain demand for private rental units even if more are built.

The caucus will also look at social housing, including the expiry of the social housing operating agreements. Achieving housing policies that work well is something that matters to private landlords, not just to tenants and social-housing providers. Improving tax policy matters more and CFAA looks forward to working with the new Conservative Housing Caucus on both issues.

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



CFAA's key advocacy goal is to improve the tax treatment of existing rental housing.

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City Proposes Granny Flat Regulations

Landlords fear they won't be able to rent out their units

London's planning department is considering a proposal to legalize secondary dwelling units – sometimes referred to as granny flats – in all areas of the city except in a large section of north London.

Staff say the proposal will increase housing opportunities for landlords and tenants, but landlord advocates are concerned evictions could result.

The proposal, in the form of a staff report, recommends that the units not be permitted in the Near Campus Neighbourhood Area that is bounded by Dundas Street, Clarke Road, Fanshawe Park Road and Aldersbrook Road.

Eric Lalonde, a policy planner from the city who authored the report, says its intent is to allow a plan – developed by stakeholders from Western University, Fanshawe College and residents – to take shape. The plan indicates how growth, intensification and redevelopment should unfold in that area.

“We're trying to avoid the potential that the policies for the secondary dwelling units would undermine the intent of the Near Campus Neighbourhood Plan,” Lalonde says.

However, London lawyer Joe Hoffer says the proposal could reduce the numbers of units that currently provide affordable housing for many tenants, including elderly parents and young people who can't afford to move out on their own. The self-contained suites, which contain a kitchen and bathroom, are connected to a main dwelling.

“As a consequence of the proposals by the City of London, you may well see evictions,” Hoffer says.

The numbers of units are unknown because they are not registered. Those that are registered were built during a one-year time frame in the early 1990s when the province permitted them as long as a property was correctly zoned to allow the primary dwelling.

“If they were constructed after that brief time period allowed by the province, then they wouldn't be legal units,” Lalonde says, adding there is an opportunity through the planning process to bring a unit into compliance with the bylaw.

Owners of homes with a secondary dwelling unit would need to inform the city so the unit could be licensed under the landlord licensing bylaw. Lalonde says the owner would have to demonstrate that the unit was legal by providing the city with building permit information dating back to the time the unit was constructed.

However, Hoffer says owners of homes with the units are concerned that unless they can prove the unit is legal, they won't be able to rent it out. Often, landlords have had to prove the legality of their units through a Freedom of Information request to the city only to find the city had access to the records all along.

“It has cost landlords a lot of money to clear their names and prove their innocence,” Hoffer says.

The city will likely charge landlords for not complying with zoning or licensing and threaten them with a fine for every day they don't comply, Hoffer says. “The only way for the owner to comply is to evict.”

But Lalonde says because secondary dwelling units are not legal in any area of London – except for those allowed by the province in the 1990s – the city could crack down on them if they were reported. He believes by legalizing secondary dwelling units, the city is enabling housing opportunities that did not exist previously.

Lalonde says the city needs to include policies for secondary dwelling units in its Official Plan, which determines land-use matters within the city. The inclusion of the policies stems from amendments that came into effect in 2012 to the Planning Act through Bill 140, which established the Strong Communities Through Affordable Housing Act. To improve the affordable housing system, the province has stated that municipalities must have Official Plan and zoning bylaw policies that permit secondary dwelling units in homes in all zones of the city. However, the city is able to determine the policies and regulations in planning for secondary dwelling units, Lalonde says.

“That would include things such as geographical restrictions as well as other requirements that would be placed through site design.”

Hoffer disagrees. “The City of London is trying to avoid that responsibility (for allowing secondary units in all areas of the city) and that's a concern for homeowners generally but also for owners of rental properties who want to put one of those flats in their house and rent them out.”



Joe Hoffer says the proposal could reduce the number of affordable housing units.

Proposed Granny Flat Regulations (Continued)



The recommendations include a requirement that the owner occupy the primary dwelling if there is a secondary dwelling unit.

Lalande says policies were established in anticipation of provincial changes to allow for secondary dwelling units, but were never implemented by the province. The proposed policy is intended to allow secondary dwelling units within single-detached and semi-detached homes and townhouse dwellings (as long as the property was correctly zoned to allow those primary dwellings) and the owners wouldn't be required to go through the planning process.

A maximum of one secondary dwelling unit would be allowed per main dwelling and the secondary unit could be located in an accessory structure such as a garage or a coach house. There must be no more than one bedroom per secondary dwelling unit and no more than five bedrooms in the main house and the secondary dwelling unit combined.

The recommendations include a requirement that the owner occupy the primary dwelling if there is a secondary dwelling unit. Lalande says that arrangement helps the landlord or homeowner to pay for his or her mortgage or to accommodate an elderly parent who wants to live independently.

"That was the goal the province set out when they established the changes to the Planning Act and that's the approach we're taking with the policies," Lalande says.

There are other options, aside from secondary dwelling units, that allow two-unit dwellings on properties. For example, if a property owner in the Near Campus Neighbourhood Area wanted to use a home as an investment property, that individual would be allowed to do so as long as the home was permitted as a duplex. (An investment property falls under the definition of a duplex.) If not, the owner would have to go through the process of getting that provision applied.

"It's not that you can't do it; it's that there is a different framework that's already established for that area that would allow two-unit-style dwellings to exist," Lalande says. "They would be able to go through the planning process to apply to make a change. It would be up to council to decide on that matter."

In late November, the planning committee met and referred the report back to staff. Lalande says there will be a public participation meeting before staff prepare a new report, which will then be sent back to the committee for further input.



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Proactive Electrical Safety Inspections of Apartment Buildings Reveal Shocking Results

In early 2013, the Electrical Safety Authority conducted electrical safety inspections of dozens of multi-residential building owners across Ontario with some shocking results. Each of the 68 buildings had at least one electrical safety issue, and in nine of the buildings, inspectors found imminent safety hazards that could have had tragic consequences.

“The property owners we worked with recognized the importance of ensuring the safety of the people who work and live in their buildings. They also understood their obligations and saw the benefit in mitigating potential liability,” said Mark Taylor, ESA’s project manager for the initiative. “The serious problems we uncovered in nine buildings could have led to a serious or even fatal shock to a tenant, visitor or an employee, or might have caused an electrical fire.”

Taylor added that ESA provided each of the property owners with a detailed report of any deficiencies found, and ensured the necessary repairs were completed by a licensed electrical contractor or qualified individual.

The proactive inspections typically included a visual inspection of electrical equipment and components such as outlets and lighting in common areas and vacant units, as well as inspections of electrical panels, HVAC equipment, outdoor lighting and electrical room equipment. ESA inspectors identified safety issues ranging from missing outlet covers to live exposed wires in a boiler room.

Each year in Ontario, roughly 750 fires and four deaths are caused by problems with old wiring that hasn’t been properly maintained, or by misused or defective electrical equipment. Taylor noted that when ESA set out to do these inspections, it expected to see deficiencies in about 20 per cent of the buildings.

“The fact that electrical safety issues both large and small were found in all of the buildings ESA visited is definitely food for thought for property owners,” said Taylor, adding that the current Ontario Electrical Safety Code isn’t applied retroactively, but

requires that all electrical installations of any vintage be maintained in a safe operating condition. “Proactive electrical safety inspections aren’t about bringing old wiring up to the current code. They’re designed to identify problems in existing electrical systems that can lead to safety hazards – and potential liability.”

Electrical Safety Tips for Building

Owners:

- Licensed electrical contractors or individuals whose employer has designated as qualified are the only ones legally allowed to do electrical work for hire in Ontario. If you’re hiring an electrical contractor, make sure you ask to see their ESA/ECRA licence.
- Look for broken outlet covers, frayed wiring, breakers that constantly trip, and flickering lights – these can all represent potential electrical safety issues.
- Don’t ignore that “burning smell” when you can’t find the source – it could be electrical components overheating, which could lead to a fire.
- In wet areas such as laundry rooms, pools or near sinks, ESA strongly recommends installing receptacles that are protected by a Ground Fault Circuit Interrupter (GFCI) to prevent shock or electrocution.
- When replacing older, two-pronged receptacles, make sure they’re replaced with a three-pronged, GFCI receptacle.
- Properly maintaining your electrical service equipment can help avoid disruptions to all tenants.
- Refer to www.esasafe.com for more information and safety tips.



ESA strongly recommends installing Ground Fault Circuit Interrupter (GFCI) receptacles in wet areas.

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FRPO Report: Rental Housing Licensing is Not the Answer

The Federation of Rental-housing Providers of Ontario (FRPO) has consistently maintained that licensing rental apartments fails to improve housing quality, results in higher housing costs to tenants and has a negative impact on housing supply, the local economy and municipal finances. A new report commissioned by FRPO and written by Michael Fenn (a former Deputy Minister of Housing) provides new evidence that apartment licensing is, in fact, not the best solution to regulate rental housing, and instead creates its own set of problems.

Since changes to Ontario's *Municipal Act* were enacted in 2007, several municipalities across the province have considered using new powers to license rental housing properties. FRPO strongly opposed these changes. As licensing powers were granted to municipalities as a "revenue tool," it was evident that licensing apartments would result in new charges being passed on to tenants, along with a new administrative burden on Ontario's already heavily regulated landlords.

Fenn's report, "**A Review of the Effectiveness and Implications of Municipal Licensing of Residential Apartments**," (available at: www.frpo.org/submissions) outlines the reasons why municipalities consider licensing rental housing. These reasons include:

- A revenue source to the municipality;
- Regulating off-campus student housing;
- Managing new rental units in existing neighbourhoods;
- Enforcing property standards;
- Performing better than adjudication at the Landlord and Tenant Board; and
- Helping to manage and sustain the rental housing marketplace.

The FRPO-Fenn report outlines evidence that suggests that apartment licensing is not the best solution to any of the major issues it is meant to resolve. Cities such as Toronto, Ottawa, Regina, Milwaukee, and others have carefully examined the experience in a number of jurisdictions and then decided against licensing. Their research and findings are illustrative and generally support the report's conclusions.

Some of the most persuasive points Fenn offers include:

Apartment licensing fails to provide "profitable" revenue to municipalities - The very nature of apartment licensing, with municipal responsibility for administration, inspections and enforcement, means that it is a net cost for municipalities, failing to generate additional net revenues.

Enforcement of existing standards is more effective and less costly than licensing. Some municipalities have used licensing in response to property standards complaints about off-campus student housing. In practice, intensive and targeted enforcement on specific properties is more efficient than comprehensive, geographically extensive, bureaucratic measures like licensing.

The Landlord Tenant Board (LTB) is the best tool for resolving tenant complaints - Some have argued that the LTB is an ineffective forum for dealing with tenant complaints for such matters as maintenance concerns and rent rebates. However, data from the LTB shows that over 6,000 tenants per year file applications against their landlords. Staffed with specialized adjudicators and mediators, the LTB has legal jurisdiction to issue orders that impose compliance obligations, significant fines or rent reductions on landlords who fail to meet the requirements of the Residential Tenancies Act.

Loss of rental housing due to licensing - One of the consequences of licensing residential rental units is the resulting "business decision" taken by the property owner either to comply with new licensing requirements, or to discontinue the rental use. In a city like Hamilton, it is estimated that there are as many as 23,000 such individual "unregistered" rental units. If licensing contributes to a loss of these units in the regional housing market (Hamilton city staff estimated a 30 per cent "shrinkage"), the consequences are significant for the supply of rental units available to serve low-income individuals, couples and families, and university and college students, as well as for the higher rental rates demanded for the remaining units.

If apartment licensing is not the answer, what is? - Overall, the evidence suggests that apartment licensing is not the best solution to any of the major ills it aims to resolve. Apartment licensing is not an efficient source of "net new" municipal revenues. Far from protecting tenants, licensing tends to put pressure on rents, reduces housing choices and discourages property owners from providing rental housing. Licensing fails to improve housing quality and property standards as well, and is less cost-effective than existing municipal enforcement tools and the LTB.

Better application of existing municipal and provincial regulations, and more targeted enforcement on the small number of properties that are the source of problems and complaints is the ideal solution. Apartment licensing is not the answer.

The Federation of Rental-Housing Providers of Ontario (FRPO) represents those who own, manage, build and finance residential rental properties. With more than 2,200 members in every area of Ontario, and with more than 350,000 homes, FRPO represents the full spectrum of the industry in Ontario. Michael Fenn's Report on Apartment Licensing can be found at www.frpo.org.



The FRPO-Fenn report outlines evidence that suggests that apartment licensing is not the best solution.

LPMA Members Honoured

Impact Junk Solutions Wins Best of London Award

On Feb. 25, the London Free Press presented Impact Junk Solutions with the Best of London award for the Best Junk Removal/Recycler in the city. Impact Junk Solutions was chosen as the winner by a poll of the newspaper's readers based on the readers' experiences working with Impact Junk Solutions in the previous 12 months.

Impact Junk Solutions is a social enterprise of WOTCH Community Mental Health Services. The social enterprise of WOTCH is a business with a social purpose. The social purpose of the Impact Junk Solutions is to hire people with mental illness who face significant barriers when participating in the labour market.



Impact Junk Solutions was presented with the Best of London Award.

Cohen Highley Presented With Ontario Leader in Accessible Employment Award



Joe Hoffer receives the award from Dr. Eric Hoskins, Minister of Citizenship and Immigration for Ontario.

Cohen Highley LLP was presented with the Ontario Leader in Accessible Employment Award at the Ontario Chamber of Commerce's Business Achievement Awards Gala on Nov. 20. Sponsored by the Government of Ontario, this award is given to an innovative business that has shown leadership by creating an accessible work environment; values the contribution of persons with disabilities; and promotes the development of an inclusive workplace culture for all.

The competition for the award included businesses from across the province of Ontario, including thousands of businesses in the GTA. Cohen Highley recognizes that all employees, including those with disabilities, play an integral role in achieving the firm's goals. The firm has successfully employed a number of people with disabilities and has been committed to the successful and long-term employment of these individuals.



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The Importance of Maintaining Smoke Alarms

Landlords can be fined heavily if tenants intentionally disable their smoke alarms

It goes without saying that responsible landlords do their best to ensure the safety of their tenants. However, their task becomes difficult when tenants intentionally disable their smoke alarms by removing the batteries, endangering their lives and the lives of those around them – and increasing their landlord's liability.

Tampering with a smoke alarm is unlawful and the consequences of tenants' actions to landlords can be severe: If a fire occurs, a municipal fire department can charge the owner of the property under the Provincial Offences Act. The fines are up to \$50,000 for an individual and \$100,000 for a corporation. If the fines aren't paid, the city is able to recover the costs by applying them to the owner's municipal property tax bill.

Jim Jessop, deputy fire chief of the London Fire Department, says the decision to charge a property owner is determined by the Ontario Fire Code, which is a provincial law. "The provincial law is very clear that the owner is responsible for complying with the Ontario Fire Code," he says.

The current fire marshal and his two predecessors have directed municipal fire chiefs to adopt a zero tolerance approach to all violations of the fire code that have an immediate impact on life safety, Jessop says. That means property owners will be charged with violations that are noted following a fire and that stem from tenants' complaints. Typical complaints concern smoke alarms that aren't working or fire exits that are blocked. "The kinds of violations that could pose an immediate threat to life to both firefighters and the occupants of buildings," Jessop says.

The Office of the Ontario Fire Marshal and the National Fire Protection Association state that in more than 60 per cent of all fire-related deaths in residential buildings, smoke alarms were either not maintained in operating condition or were not installed.

Jessop says the London Fire Department has received complaints from landlords about tenants who have disabled their smoke alarms and has sent inspectors to investigate. (The law states that fire departments must conduct inspections as a result of a complaint or a request to ensure a building complies with the fire code.)

"When warranted, and when there's a reasonable expectation of a conviction, we have charged tenants for intentionally disabling smoke alarms. We recognize that there are always two sides to a story," Jessop says.

Jessop recommends that landlords call the fire department if tenants are intentionally disabling smoke alarms. An inspector will conduct an inspection and will charge the tenant if appropriate. There is no fee for inspections conducted under these circumstances, Jessop says.

"The message we have to all the landlords and property owners in the City of London is we would rather they called us and we worked with them first to ensure they were in compliance rather than our showing up after a fire or an injury and finding they're not, because we will be enforcing the law at that point."

The fire department advises landlords to inspect their tenants' apartments at least twice a year and to document their inspections in writing. Keeping accurate records is critical, Jessop says.

London lawyer Joe Hoffer says landlords need to post a 24-hour notice informing tenants that they will be inspecting the smoke alarms. If tenants aren't home, landlords can still enter the units and conduct the inspections.

He says it's best for landlords to complete and sign a smoke alarm maintenance checklist, such as the one that is available at www.lpma.ca under Helpful Links. The checklist confirms that they followed a set protocol in checking the smoke alarms in every suite on a certain date. The superintendent should also make a note of smoke alarms that were disabled and that the situation would be corrected.

"I think that's the best practice to follow in those circumstances in order to protect the landlord," Hoffer says.

Because not all tenants will be at home when landlords enter, Hoffer says it's impractical for landlords to obtain tenants' signatures confirming the smoke alarms were in good working order when he or she checked them. Having some tenants sign and not others can work against landlords if a case went to court. A prosecutor might imply that the landlord can't be trusted to have checked the smoke alarms in all of the units if not all of the tenants signed.

Hoffer advises landlords to purchase the same type of smoke alarm to ensure consistency. They should also give the instructions on operating it to tenants with their leasing package. Instructions on how to operate a smoke



Deputy Fire Chief Jim Jessop says charging property owners and tenants for disabling a smoke alarm is a last resort.

Continued next page

Maintaining Smoke Alarms (Continued)



Landlords and property owners can be liable for a \$200-per unit fine if they don't give the instructions for smoke alarms to their tenants.

alarm are on the LPMA website, as well, under Helpful Links. Under the fire code, landlords and property owners can be liable for \$200-per-unit fine if they don't give the instructions to their tenants.

Jessop says that charging property owners and tenants for disabling a smoke alarm is a last resort.

"Our first preference is always education. But what the public, and landlords, need to understand is the judiciary and the courts across Ontario have been awarding substantial penalties especially where there have been fires and smoke alarms that have not been installed. Landlords have been sent to jail and fined thousands and thousands of dollars."

Hoffer believes there is greater financial motivation for fire inspectors to charge landlords for disabling a smoke alarm instead of their tenants.

"That's really a product of their zero tolerance approach," Hoffer says. "In Toronto, that is not the approach the fire inspectors take. It's the approach in smaller municipalities and it's very short sighted. It makes it difficult to work towards public safety because it discourages landlords from inviting fire inspectors into their buildings. Invariably, a door will

be propped open. You can't prove who did it – by default, the landlord is liable. It's something that is a real sore point."

Upcoming Events

January 14, 2014 Dinner & General Meeting Lamplighter Inn, 591 Wellington Road, London

Dinner Registration/Networking: 5:15 to 5:45 pm
Dinner: 5:45 pm to 6:45 pm
Cost for Dinner: \$35 for members by Jan. 2
 \$55 for non-members
To Register for Dinner: www.lpma.ca
Meeting Registration/Networking: 6:45 to 7:00 pm
General Meeting 7:00 to 9:00 pm
Cost for General Meeting: No charge and no pre-registration required.

March 18, 2014 Dinner & General Meeting Lamplighter Inn, 591 Wellington Road, London

Dinner Registration/Networking: 5:15 to 5:45 pm
Dinner: 5:45 pm to 6:45 pm
Cost for Dinner: \$35 for members by March 4
 \$55 for non-members
To Register for Dinner: www.lpma.ca
Meeting Registration/Networking: 6:45 to 7:00 pm
General Meeting 7:00 to 9:00 pm
Cost for General Meeting: No charge and no pre-registration required.

April 15, 2014 Trade Show Lamplighter Inn, 591 Wellington Road, London 6 to 8 pm

Free Admission. All are welcome.
Door prizes, complimentary food and drinks.

To Exhibit: Registration opens Jan. 2.

May 13, 2014 Dinner/General Meeting/Elections Lamplighter Inn, 591 Wellington Road, London

Dinner Registration/Networking: 5:15 to 5:45 pm
Dinner: 5:45 pm to 6:45 pm
Cost for Dinner: \$35 for members by May 2
 \$55 for non-members
To Register for Dinner: www.lpma.ca
Meeting Registration/Networking: 6:45 to 7:00 pm
General Meeting 7:00 to 9:00 pm
Cost for General Meeting: No charge and no pre-registration required.

LPMAnews

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Any comments about LPMAnews or requests to submit articles may be made by email to info@lpma.ca.

LPMA Contact Information

460 Berkshire Drive, Unit 102
London, Ontario N6J 3S1
Phone (519) 672-6999*Fax (519) 672-6462
Email: info@lpma.ca

Office Hours - Monday to Friday, 8:30 am to 12:30 pm
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www.lpma.ca

Landlording 101

This feature includes answers to frequently asked questions. It is not intended as legal advice.

Question - Do I have to pay my tenant interest on his last month's rent deposit?

Answer - Yes, landlords in Ontario are required to pay their tenant interest on the last month's rent deposit once per year at a rate equal to the Rent Increase Guideline that is in effect at the time the payment becomes due.

The annual Rent Increase Guideline is a calculation based on the Ontario Consumer Price Index (CPI), which is calculated by Statistics Canada. CPI is a measure of inflation, or the rate of price change for goods and services bought by consumers.

The guideline was 3.1 per cent in 2012, 2.5 per cent for 2013 and it will be 0.8 per cent for 2014.

A landlord may hold back some or all of the tenant's interest to "top up" his/her last month's rent deposit.

The next year, the landlord would pay interest on the "topped up" amount.

If you have a question for Landlording 101, please email it to info@lpma.ca.



Welcome New Members

Gail & Ronald Allin, Lloy Adams, Kim Cabral, Enercare Connections Inc. (Associate), Slavka & Lubo Kasc, Janet & Joshua Lampkin, Janice McCarter, Jim & Karen Mulligan, Powerhouse Property Mgt, Massoud Rafiei, Richard Miller-Realty Executives Brokerage (Dual Member), Dwayne Stone, Chris Urbaniak, Kimberley Woodcock