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Workforce Housing: Public Sector Problem...Or Private Sector Opportunity?

By **Mark Bergman**, *President, Denmar Real Estate*

Ever wonder where the person who works at your local coffee shop lives? Or where downtown retail staff call home? Turns out the answer to that question can have a profound impact on HRM's competitiveness – and as a result, growth in jobs and your real estate business.

In Fall 2013, IPOANS gathered together top industry, government, and not-for-profit stakeholders to work towards a strategy for "workforce" rental housing - in other words, housing for lower income working individuals located relatively close to their places of work. The purpose of this first meeting was to discuss key issues, challenges, and potential solutions.

Reasons why workforce housing should matter to IPOANS members

Improves HRM's Competitiveness for New Jobs

When international and regional companies look for a place to locate operations, one of their key questions is the cost of living for their employees. The cost of living impacts the 'net compensation' received by their employees. If housing (and taxes, good and services, etc) are more expensive in one city over another, the company may need to spend more on wages to compete for labour, thereby driving up the company's costs. Or they may not be able to attract the right talent at all if prospective employees find the right housing options don't exist. Similarly, employee morale and turnover can be impacted by the cost of living in a particular city. Availability of quality workforce housing is one factor that can attract and retain investment in HRM. And more investment in HRM means more jobs and a healthy housing industry for IPOANS members.



Reduce Vacancy, while also lending a hand to our Community

There is clear potential to use existing vacant rental stock to meet workforce and "supported housing" needs. With vacancy fluctuating between 3% and 4%, HRM always has anywhere between 1,200 and 1,600 units sitting idle. If we combine even a portion of these vacancies with simple government (or non government) "rent supplements" and "housing support" programs, we become an active and valuable partner in solving some of HRM's affordable housing issues, while reducing our own vacancy at the same time. It's a clear win-win.

For example, over the past five years, Killam Properties has partnered with seven different non-profit housing agencies (Mental Health, Shelter NS, Phoenix House, etc) and currently has approximately seventy units under its Supported Housing program. Killam provides a subsidy of between \$50-\$200/month to about half of these tenants, while the government subsidizes the other half through rent subs to the housing agencies. The agencies provide the case management support for the tenant/client. Surprising to some, tenancy in these supported housing models outperforms Killam's standard tenancy because of the supports these client- tenants receive. Workforce housing would work the same, except candidates would likely only need the financial support (and not case management services).

Provide Opportunities for Developers

If the government gets the new construction piece right, they will use established, private sector developers (not bureaucrats) to construct buildings. These buildings could be fully, or in part, dedicated to workforce housing. That means efficient, cost-effective quality outcomes for tax payers - and opportunities for developers.



President's Message

Re-acting and Pro-acting... words we've been living by at IPOANS

Over the last six months, we've seen a steady stream of property owner issues and items hitting the hallways of government and making media headlines, thus requiring IPOANS' active engagement. From our well publicized and

continued battle with Halifax Water, to the more recent public and private consultation sessions with HRM Waste Management, to the very recent issue relating to the potential of further regulating small landlords through licensing, IPOANS has been front and center. Our involvement has taken various forms including radio, print and television interviews, to a multitude of stakeholder meetings.

Beyond these burning items where we are asked to "react", comment, and participate in various forms, IPOANS has also been "pro-active" in the increasing dialogue on affordable housing. In fact, we have taken the lead in one particular element of the affordable housing continuum, that being, affordable workforce rental housing.

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Workforce Housing *cont.*

Improve the 'Landlord' image in HRM

When IPOANS engages in various affordable housing initiatives and champions the needs of lower income tenants, the media and HRM residents, in general, take note. The benefits of IPOANS being actively engaged in these affordable housing initiatives are twofold: IPOANS' efforts can (a) help change the attitude of some tenants and governments regarding the landlord community in Nova Scotia; and b) bolster our credibility when we do have to push back hard for improved treatment, policies, or laws that relate to our sector.

Minimize Traffic

As lower income workers find suitable housing closer to their places of work, they spend less time commuting. This can have a positive impact on traffic and Co2 emissions. In many cases, residents may opt not to own a vehicle and instead rely on public transit, thus boosting ridership and revenues in a city desperately in need of improved public transit.

A New Government, A New Strategy?

The strategy for workforce housing in HRM is still taking shape. With a new Provincial government elected in late 2013, the jury is still out on whether they can take effective action to make a difference without wasting taxpayer dollars. IPOANS remains hopeful that the Province will focus on partnering with the private sector rather than going it alone to the detriment of tax payers and end users. This means the government needs to...

Partner with Industry to Fill Existing Vacancies

Provide further rent supplements to leverage existing vacant apartments and fill these with qualified workforce residents. The benefits? Government (and taxpayers) pay only \$50-\$200 per month to place a resident in a well-managed building among a diverse base of working residents. The private sector benefits by filling some of the thousands of vacant apartment units in HRM. And best of all, workforce residents benefit by living in an area and building they can be proud of within close proximity of their work. These residents could even 'port' or move their rent supplement to a different building or area if their place of work changes.

Partner with Developers on New Buildings

The private sector builds higher quality buildings far faster and cheaper than the government. And many future private sector developments can simply contain a component of workforce housing if the government feels new units are required. Density bonusing is one simple example where developers add affordable units as part of a development agreement in exchange for more density or other incentives. Similarly, if the government envisions a new building, they should use a developer with the experience and credibility to come in on budget and on time. The bottom line – any new construction should either be done exclusively by or in close partnership with Nova Scotia's world-class builders.

Next Steps

IPOANS will continue to press the government to tap into the vast resources of the professional builders and apartment operators in Nova Scotia to most cost effectively provide quality workforce housing. Stay tuned as we again bring the key stakeholders together in 2014 to ensure private sector partnerships are front and center.



MESSAGE FROM OUR SPONSOR

Tenants Insurance? Why is this my problem?

with Jamie Reid

More and more today we are seeing residential property owners require their tenants to carry insurance. If you're not, what do these owners know that you don't?

1. Over 30% of all insurance claims filed by apartment building owners are for damages caused by tenants. This means that you are paying more for your insurance today than you should be. If every tenant today carried insurance, premiums for property owners everywhere would be substantially less.
2. Ask any property owner who has suffered a major fire or other claim. Dealing with un-insured tenants is a tenant and public relations nightmare. The news media love to sensationalize apartment building fires and the story always turns towards the unfortunate tenants who have nowhere to go. Although finding replacement accommodations is not the property owner's responsibility, your tenant thinks it is, and the media and public always want to look for a villain, and there you are waiting to be singled out.
3. Insisting on coverage and enforcing a Tenants Insurance Requirement is much easier than you think. Tenants today are getting used to having this requirement. Coverage is easier to obtain and less expensive than you think, and thanks to tools like ZipSure.ca you can even monitor which tenants have insurance without keeping files or asking for copies.

Think about this... If you're the only property owner in your neighbourhood who isn't insisting on Tenants Coverage, will you really attract all the best tenants you want, or will you attract the tenants the other guys don't want?

Your uninsured tenants are costing you money every day through your higher insurance premiums, and if there is a major claim at some point in the future, you'll wish you had taken a stand.

Talk to us today about how we can help get all of your tenants insured and how we can improve your insurance coverage and save you money.



Jamie Reid is the president of A.P. Reid Insurance Stores and co-founder of ZipSure.ca; and specializes in the insurance needs of property owners and tenants. Jamie is also a property owner himself with a small portfolio of rentals in Dartmouth. RealtyGuard and ZipTenant, which are now available nationally, were originally designed specifically for IPOANS and its members.

IPOANS Golfers Unite!

IPOANS had another successful Golf Tournament in Fall 2013 at the beautiful Chester Golf Club. The weather cooperated and we had 99 golfers, great food and networking, and some pretty stellar performances. Congrats to the WBLI team with an impressive 8 under par score! The WBLI team included Julie MacPherson, Sean Stewart, Peter Zed, and Nick Fudge. Thanks to our generous event sponsor Bell Aliant (for the second year in a row)! And thanks to our expert organizer Rex MacLaine for another fabulous event. Be sure to attend our 2014 Golf Tournament – stay tuned for details!

Executive Director's Message

Another year has flown by, especially the second half of 2013 as your new Executive Director. I've had the pleasure of meeting and/or speaking with quite a number of you and I think we all agree that Rex MacLaine left behind a very large pair of shoes to fill.

My journey, in this new role, has been fast-paced and very rewarding. Reflecting on the year, I am amazed at our accomplishments. I say that because IPOANS is driven by volunteers. And we are fortunate to have a small group of volunteers whose passion and dedication are the driving force behind our Association. These individuals are known as the 'working' committee and they have been busy.

Over the year, IPOANS intervened in the Halifax Water Commission rate increase application and lobbied for water conservation initiatives, which will be an ongoing effort. We continued our popular ICAM Educational Program in partnership with NSCC and we are looking to expand on that program in 2014. We continued to lobby for changes to the Residential Tenancies Act (RTA) and we hosted our first "Affordable Market Rate Workforce Housing Symposium". We also hosted Energy Savings and Waste Management Workshops and finished off the year hosting HRM's Solid Waste Resources "Let's Sort It Out" Workshop. Thanks to our communications committee, we also published two iNSight Newsletters, sent out Bulletins, and completely redesigned our website.

One of my roles, as Executive Director, is to create sub-committees to drive initiatives such as these and to address issues as they arise. It has, at times, been one of the most daunting tasks. We need your help and I'm asking you to step up and participate. We have a number of committees in need of your support. Please contact me today at association@ipoans.ca.

Wishing you the best in 2014!

Rose Marie Howell
Executive Director

Congrats to our 2013 Award Recipients!

During our Spring 2013 Awards Gala, IPOANS honored a number of outstanding members for their achievements. Congrats again to our 2013 Award Winners!

Employee of the Year –
Donna and Victor Pye (Property Managers with Polycorp)

Income Property Owner of the Year (100 units or less) –
R&S Realty, Jason McIvor, President

Income Property Owner of the Year (100 units +) -
Oxford Properties

Apartment Development of the Year -
The Grainery Lofts by Southwest Properties

Pillar of the Community: The Lawen Group

Be sure to attend IPOANS' 2014 Annual General Meeting & Awards Gala in Spring 2014 where we will showcase and honor more industry talent. For more info or to nominate someone, contact Erin Sparrow at Erin@ParamountManagement.ca.

President's Message *cont.*

By definition workforce housing is generally understood to mean "affordable housing for households with earned income that is insufficient to secure quality housing in reasonable proximity to the workplace." In real terms, it relates to those people who are in the workforce (not on social assistance or welfare), making at, or near minimum wage, oftentimes having to work two jobs to make ends meet. These folks may be serving you coffee at your favorite café, possibly some working as junior office administrators, or perhaps hotel maintenance and cleaning staff, etc. These folks are finding it exceedingly difficult to find safe, affordable housing "near" where they work and this is a segment of population where IPOANS wants to lead the charge as we are clearly a part of any solution relating to this group.

In an effort to draw attention to this very real issue and to begin developing real solutions, IPOANS held the 1st Annual Workforce Rental Housing Symposium in late September. We assembled the Mayor, several of his senior City staff, senior officials from the Province of Nova Scotia, leaders from the IPOANS community and the affordable non-profit sector, as well as senior economists to come together. We had a series of short presentations, then broke out into strategically assembled tables to discuss and recommend the TOP 5 public-private initiatives that could be taken forward in the next 6-12 months that would help drive change and increase the number of affordable workforce rental housing options. Feedback was overwhelmingly positive and plans are to now help drive a number of these initiatives through to fruition.

These reactive and proactive efforts highlight how IPOANS is increasingly recognized by municipal and provincial government leaders and not-for-profit housing groups as a key solution-oriented ally in developing and implementing policy that works. We have become the trusted authority in the province on landlord-related issues with the credibility and relationships required to get the right people in the room to drive change in the best interests of our members and our communities. We will keep you posted on these efforts!

Finally, on behalf of the entire IPOANS community I wanted to extend my sincerest thanks and best wishes to our recently retired, and long-standing Executive Director, Rex MacLaine. Rex continues to help IPOANS in a part time role and to provide support to our new Executive Director, Rose Marie Howell. As a long standing IPOANS Board and Committee member, Rose Marie's transition to the E.D. role has been seamless! Congratulations and best wishes to Rose Marie in her new role!

Jeremy Jackson is the President of IPOANS and Vice President of Marketing at Killam Properties.

IPOANS Certified Apartment Manager (CAM) Course 2014

IPOANS is pleased to partner with NSCC to launch another 15-week CAM course starting in January 2014. This popular course fills up fast and is ideal for professional apartment managers, owner-operators, and various other industry professionals. Students work through a 15-week rigorous course that 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 hands-on experience and they create an interactive environment with plenty of case studies, student discussion, and sharing of best practices. A formal graduation ceremony is planned for the IPOANS Annual General Meeting in late spring. The 15-week course is conducted in weekly three-hour evening sessions starting 6 PM on Tuesday January 7, 2014 at the Leeds Street NSCC. For more information, visit coned.nsc.ca or email dobbelha@gmail.com.



August 2013 Realty Housing Business Magazine cover featuring: **Rose Marie Howell**, IPOANS Executive Director; flanked by **Robert Richardson**, CFO, Killam Properties Inc., and **Jeremy Jackson**, President IPOANS

Legislative Committee Update

By Peter Polley

Halifax Water

As a result of the Spring 2013 NSUARB hearing which IPOANS participated in, new rates came into effect as of July 1, 2013 with a second phase of increases to take effect July 1, 2014. Overall, rates approved by the UARB were reduced significantly as a result of the IPOANS intervention. The actual cost savings vary based on exact property specifics, but some properties which were facing 55%+ increases will only see increases in the 30% range over the two year period. Reductions were seen in the volumetric rate, sprinkler rates and stormwater discharge rates. It is expected that the next round of rate increase applications would be in late 2014, to be effective in 2015. IPOANS will continue to monitor the situation.

Collections

IPOANS has met – again – with the Province to discuss the issues and problems with the inability to assign residential tenancies obligations to collection agencies without an Order of the Director. IPOANS is hopeful that the Province can be brought onside to reverse the administrative policy order issued a few years ago which unnecessarily created this problem.

Residential Tenancies Act

IPOANS is in the process of surveying membership to gain feedback on the changes made to the Residential Tenancies Act in the Fall of 2012. Feedback is required to be able to establish a formal position by IPOANS in future discussions with the Province on the effectiveness of the new 15+15 day Notice to Quit procedure, the new expedited hearing process for simple rental arrears situations, and the introduction of mandatory tenure. IPOANS has a long shopping cart list of additional changes that the association would like to make to the Act, and we are planning to move forward with an approach to the Province to restart the process to make more changes that are much overdue.

Landlord Licensing

IPOANS has expressed concern with HRM staff regarding the proposed new landlord licensing [for properties <6 units] and “mandatory regular inspection program” proposed at a recent HRM council meeting. IPOANS position is that legislation already exists at multiple levels to deal with the items which are indicated as being problematic. Improved and increased enforcement of existing legislation is the solution – not more bylaws. A registration system could quickly become a bureaucratic boondoggle similar to the overbudget National Gun Registry that spiraled out of control before being terminated. IPOANS is planning to actively participate in this discussion.



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