

FRPO 2007 Annual Report

Setting the Standard.





FRPO Chair Mitchell Abrahams



Message from the Chair

FRPO is Looking Ahead to Tomorrow's Challenges

It has been an honour to represent FRPO as its Chair over the past year.

Times are indeed exciting when we can really say that we are on the brink of meaningful, positive change for the future. It's a good time to be a landlord, and an even better time to be a FRPO member.

Certification

The public perception of rental housing is about to dramatically change for the better. Over the past year, FRPO has taken the final steps towards launching the Certified Rental Building accreditation program. This initiative is important for rental housing providers as it allows professional landlords and managers to differentiate and market their buildings in a whole new way.

With a program that ensures building owners have strong business practices in place and a confirmed level of education and training, our industry will have a new avenue for demonstrating a high level of performance in all the key aspects of our industry, from physical standards, to safety procedures to customer relations. FRPO members have a lot to gain: marketing benefits; an opportunity to distance our selves from poorly run buildings and an improved image for the overall industry.

Affordable Housing

For many years FRPO has advocated in support of a portable housing allowance program as the most effective policy for helping lowincome households in core housing need. Such a program would address the ongoing unfairness in the current rationing of assistance through Ontario's costly social housing programs.

In a major step forward, this year Ontario announced a \$185 million, five-year housing allowance program for over 27,000 households. As little as five years ago, the goal of a broad housing allowance program seemed unattainable. This program will become a direct benefit to many eligible low-income tenants and will help to reduce instances of rental defaults. FRPO is eager to watch this program succeed.

A Strong Economic Sector

2007 has continued the trend of falling rents and high vacancy rates in Ontario. This setting has forced competition within the industry, and many landlords and managers are responding to the challenge. In spite of lower rents and higher vacancy rates, industry fundamentals are strong. Demand for multi-family properties is healthy and a premium is being placed on well-run and properly maintained rental buildings.

Purpose built rental starts continue at a level well above pre-1997 levels. There is still more to be done to level the regulatory and tax playing field to stimulate this part of our industry.

Sustainability

Energy efficiency and environmental sustainability are playing a larger role than ever before in rental building design and management practices. Landlords are taking the lead in energy conservation measures with initiatives like smart sub-metering, which should help to reduce electricity demand and remove part of a variable and upward tending price component from our rents. When right legislation is in place, the entire sector will likely implement smart meters quickly.

Challenges Ahead

We expect continued stability in legislation over the next few years. The Residential Tenancies Act, 2006, created many new challenges for the rental housing sector. Efforts by FRPO helped to minimize the potential damage and helped members to transition toward operating their businesses under this new framework.

With less time spent defending against changing legislation, we have the opportunity to build our strategies, promote our policy positions, and strengthen ourselves as an industry association. Legislative stability does not allow FRPO to lower its guard. We must prepare for the next challenge.



FRPO President Vince Brescia

Report on Objectives

2007 saw FRPO work proactively in a number of key areas to help the rental housing industry meet tomorrow's challenges. Highlights from 2007 include:

Government Relations

Provided extensive input to the numerous changes to the new Landlord Tenant Board forms, rules and guidelines

Met with over two-dozen Members of Provincial Parliament from all three major political parties at Queen's Park to raise awareness of key rental housing issues

Developed public relations strategies on key matters such as property tax inequity

Continued meetings and discussions on the Ministry of Labour's new asbestos management regulation while educating owners and managers on the new requirements

Conducted extensive discussions with the Ontario Power Authority on developing an energy conservation program for the private rental housing sector

Met with Ontario's new Fire Marshall regarding the Ontario Fire Code and other fire safety issues

Supported the Canadian Federation of Apartment Association's federal lobbying efforts on rental housing tax issues

Played a key role in Ontario Human Rights Commission public consultations on rental housing discrimination issues

Met with the provincial Minister of Finance to offer pre-budget advice on rental housing property tax inequity, housing allowances and prohibiting new municipal fees

Participated in public consultations to improve the design of Ontario's new \$185 million housing allowance program

Voiced concerns through extensive media coverage on the need for landlords to have choice over nosmoking policies in rental buildings

Meetings with the Landlord Tenant Board Chair regarding impact of the new Residential Tenancies Act

Met with the Minister of Energy and staff to support improved conditions for landlords to implement smart submetering

Submissions to Government

Recommendations to the Ontario Power Authority on the new Multi-Family Building (MFB) Energy Conservation Program, May 2007

Submission to the Ministry of Municipal Affairs and Housing on the ROOF Housing Allowance Program, June 2007

Submission to the Ontario Energy Board in support of enhancing competition in the market of the provision of energy services, July 2007

Submission to the Ontario Human Rights Commission on Human Rights and Rental Housing, August 2007

Recommendations to the Minister of Energy on Implementation of Smart Submetering in the Rental Housing Sector, November 2007

Events

Collected more than 500,000 pounds of food across Ontario for the needy during FRPO's April 2007 door-to-door Food Drive

Held 3rd Annual FRPO Spring Golf Classic at the Lionhead Golf and Country Club, raising \$8,000 for Interval House

Hosted informative education seminars for members on new lease forms, rent discounts, financing, submetering and other important matters

Held a Welcome Reception for New Members

Membership Services and Benefits

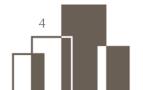
Hired a new Director of Certification to ensure successful launch of the Certified Rental Building accreditation program

Provided members with up-to-date electronic bulletins on rental market conditions, legislative updates and other urgent industry notices

Kept members informed of emerging issues around implementation of the new Residential Tenancies Act

Provided members with new lease agreements, rental applications and other forms that conform to new legislation

Continued growth in membership and Fair Exchange magazine subscriber-ship



Special Report on Certification



From vision to reality, FRPO's industry-leading Certification initiative - the "Certified Rental-Building" (CRB) program – is set to launch before year-end. With its inauguration, FRPO's members will forever change how Ontario rental-housing consumers make their rental decision choice. The CRB logo will be their visual sign that members' buildings have met the rigorous standards of industry Certification.

Property Managers/Owners who sign their buildings up for the program and successfully meet CRB standards, will reap the benefits by being able to positively differentiate themselves in the marketplace.

In April, we appointed Martin Tovey, as Chair of the Certification Committee and hired Ted Whitehead, as our new Director of Certification. Over the past few months a few design changes have been made to the program to strengthen it and ensure a compelling respectability with stakeholder communities. Among these changes was the decision to conduct first-time building audits; employ a credible third-party Auditor to conduct member building audits; and, the establishment of Governance Committee to consist of member and non-member industry stakeholders. As well, a CRB Property Manager Training program has been developed to assist members in understanding "needs to know" for each standard and the respective audit requirements.

At the very heart of the program is "making a positive difference with customers" - the Ontario rental-housing consumers. Consumer acceptance is the key to driving market differentiation, building long term stakeholder acceptance, and providing tangible bottom-line benefits for members. The focus on the rental-housing consumers is clearly stated in the Certification program objectives which will be published on its own website.

Program Objectives

- To clearly identify and delineate for consumers, multi-residential apartment buildings that meet a defined set of industry standards for quality building operations, safety measures, fair practices and customer service.
- To clearly identify for consumers "good buildings from bad buildings" and "good landlords from bad landlords".

2008 will be an exciting time for FRPO and its members as our industry Certification program paves the way to significantly change public perception of the rental-housing industry and establish quality standards that will make a positive difference with the rental housing consumer for years to come. Be the first to sign-up for the marketing advantage of the "Certified Rental-Building" program with your customers.

FRPO Committee Reports



Executive Committee

Chair: Mitchell Abrahams, Malen Capital Corp

Executive Committee Members:

Paul Chisholm, Berkley Property Management Corp; Alan Greenberg, Minto Developments Inc; Rob Herman, Robinwood Management; David Horwood, Effort Trust; Florence Minz, M&R Property Management; Stephen Price, GWL Realty Advisors Inc; Bill Zigomanis, TD Canada Trust Multi-Unit Residential Mortgages

The Executive Committee is responsible for managing activity and providing strategic direction at FRPO between Board of Directors meetings. Members have continued to make key policy decisions regarding financial statements and to monitor the activities of FRPO committees.





Finance Committee

Chair: Paul Chisholm, Berkley Property Management Corp

Finance Committee Members:

Robin Bookbinder, Pinedale Properties Ltd; Tony Allen

The Finance Committee directs FRPO's financial management, as well as makes recommendations to the Board of Directors on pertinent issues. Continuing to uphold strong financial accountability for FRPO, the Committee meets regularly and privately with the accountants, the Board of Directors, and with FRPO management, to review accounting, auditing, internal controls, financial reporting matters. The committee also established a new book-keeping process to improve financial reporting of the organization. FRPO's annual audit is based on an examination conducted in accordance with generally accepted accounting standards, and includes a review of the internal control structure, as well as tests of accounting procedures and records.

Political Action/New Supply and Capital Committee

Chair: Alan Greenberg, Minto Developments Inc.

Political Action/New Supply & Capital Committee Members:

Mitchell Abrahams, Malen Capital Corp; Robin Bookbinder, Pinedale Properties Ltd; Brent Merrill, Metcap Living Management Ltd; Florence Minz, M&R Property Management; Stephen Price, GWL Realty Advisors Inc

The committee developed an overall strategy for achieving government and public relations progress on key industry issues. The committee developed critical input on FRPO's plan to publicly address challenges related to property tax inequity, promoting a healthy rental market, environmental sustainability, and rent regulation. The committee continued to work to ensure our industry's message is being properly and effectively conveyed to the media and the public.



Landlord and Tenant Committee

Chair: Joe Hoffer, Cohen Highley LLP

Landlord & Tenant Committee Members:

John Andrade, Andrade Consulting Group Ltd;

Paul Cappa, Cohen Highley LLP;

Robert Doumani, Aird & Berlis LLP;

Eric Ferguson, O'Shanter Development Inc;

Jane L. Ferguson, Jane L. Ferguson Barrister & Solicitor;

Debra Fine, Debra Fine Barrister & Solicitor;

Tom Halinski, Aird & Berlis LLP;

Jeff Hutchison, Timbercreek Asset Management;

David Lyman, Dickie & Lyman LLP;

Jim Moak, Paralegal Services Inc;

Joy Overtveld, Milton Geller LLP;

Neil Sigler, Parkway Realty Ltd;

Brenda Trineer, Tricar Group;

Allan Weinbaum, W.J. Properties;

Martin Zarnett, Sandlar Gordon Barristers & Solicitors

The Landlord and Tenant Committee addresses matters related to the security of tenure and other landlord and tenant relationship issues. The committee makes recommendations to FRPO's Board of Directors on policies related to the legislative, regulatory and legal issues that affect residential tenancy procedures, as well as the quality and fairness of the adjudication system that resolves landlord-tenant disputes. The committee played a valuable role to FRPO members through extensive consultation and input on numerous new forms, brochures, rules and guidelines of the new Landlord Tenant Board.





Chair: John Dickie, Dickie & Lyman LLP

Rent Control Committee Members:

John Andrade, Andrade Consulting Group Ltd; Paul Cappa, Cohen Highley LLP; Tom Deutsch, Parkway Realty Ltd; Robert Doumani, Aird & Berlis LLP; Tom Halinski, Aird & Berlis LLP; Joe Hoffer, Cohen Highley LLP; Jeff Hutchison, Timbercreek Asset Management; Joy Overtveld, Milton, Geller LLP; Heather Waese, SPAR Property Consultants Ltd; Allan Weinbaum, W.J. Properties

The Rent Control Committee helps FRPO develop policies that promote the benefits of free-market rental-housing for Ontario. Together with the Landlord and Tenant Committee, the Rent Control Committee provided comment and input on countless new changes at the Landlord Tenant Board, as well as new Residential Tenancy Act provisions related to rent discounts, deposits and other rules. Over the years, this committee has worked tirelessly to advocate for rent regulation policies that promote a healthy rental market.



Chair: Allan Weinbaum, W.J. Properties

Legislation and Regulations Committee Members:

Jane L. Ferguson, Jane L. Ferguson, Barrister & Solicitor; Debra Fine, Debra Fine, Barrister & Solicitor; Joe Hoffer, Cohen Highley LLP; Steve Weinrieb, Park Property Management

The Legislation and Regulations Committee proactively monitors and responds to legislative issues that impact our industry beyond the scope of residential tenancy legislation. Key issues addressed by this committee include those related to labour law and workplace safety, fire and building code regulations, crime and security and the legal liability of landlords, and responding to any provincial private members' bills that impact the rental housing sector.



Regional Committee

Chair: Arun Pathak, Hamilton and District **Apartment Association**

Regional Committee Members:

Brad Butt, Greater Toronto Apartment Association; Paul Cappa, London Property Management Association; John Dickie, Eastern Ontario Landlord Organization; Bruce Henderson, Dawson Properties Ltd. (Thunder Bay); Anthony Koziol, Hirsch Habitats Ltd. (North Bay); Charles Lumley, Quinte District Landlords' Association; Steven Manders, Kingston Rental Property Owners; Doug Simmons, Sudbury District Landlords' Association; Larry Smith, Waterloo Reg. Apartment Managers' Association; Glenn Trachsel, Waterloo Reg. Apartment Managers' Association

The Regional Associations Committee continued to meet regularly to exchange information from the various regions of the province. As a province-wide organization, FRPO is committed to providing up-todate information to local members across Ontario on the priorities and activities of our association. In addition, the Regional Committee creates an open forum for associations to provide the Committee with feedback and updates at a local level. The information exchange through the Committee assists FRPO in developing its policy positions and responses to issues as they arise throughout the year. The meetings also provide opportunities for local associations to offer advice, support and assistance to one another in addressing common concerns and challenges in the industry.





Utilities Committee

Chair: David Horwood, Effort Trust

Utilities Committee Members:

Tony Allen;

Robin Bookbinder, Pinedale Properties Ltd;

Paul Chisholm, Berkley Property Management;

Jason Craig, ECNG Limited Partnership;

Haroon Gafur, M&R Property Management;

Mike McGee, Energy Profiles;

Peter Mills, Stratacon;

Wendy Mortson, Enbridge Electric Connections;

Dan Pastoric, ECNG Limited Partnership;

John Sirilas, Timbercreek Funds;

Martin Tovey, Minto Management Inc

The Utilities Committee assists FRPO in addressing the increasing importance of issues related to electricity, gas, water, waste management services and any other matter impacting energy conservation and environmental sustainability in our industry. In 2007, the Committee was focused on advocating for effective smart meter legislation, and an energy conservation program for rental housing. The committee also developed a soon-to-be launched appliance replacement program for FRPO members that should greatly reduce energy costs across the sector.



Accreditation Committee

Chair: Martin Tovey, Minto Management Limited / Stephen Price, GWL Realty Advisors Inc.

Accreditation Committee Members:

Heather Waese, Spar Property Consultants Ltd.;

Yehudi Hendler, Y. L. Hendler Ltd;

Rob Herman, Robinwood Management;

Jeff Hutchinson, Timbercreek Asset Management Inc.;

Jonathan Krehm, O'Shanter Development Inc;

Justin Taylor, Bank of Nova Scotia;

Kevin Gorrie, Oxford Properties Group;

Ted Whitehead, Director of Certification

With the program standards in place and the strategic direction set, the Certification Committee's efforts over the past few months have been focused on getting the program operational. Ted Whitehead, our new Director of Certification, joined FRPO in late spring and has been given the management mandate to lead and implement the program.

The implementation project was divided into 12 "bite-size" components - Member Certification Process, Property Manager Training, Audit Management, Member Dispute Resolution, Member Marketing, Customer Service/Marketing, Governance & Reporting, Public Relations Strategy, Brand Strategy & Management, Communications Management, Program Administration, and Program Standards. Committee members have worked diligently over the summer and fall months to review and finalize the processes/procedures associated with these components.

For our program to have credibility and respectability with the Ontario rental-housing consumer and external industry stakeholders, we needed a respectable third-party auditor to conduct building audits. The selection of FRPO's "Certified Rental-Building" program's auditor has just been made and contract negotiations are being finalized.

The Committee is pleased that we have been able to significantly strengthen the quality of Certified Rental-Building program while keeping the program's registration fees reasonably-priced.



Membership and Member Services

Chair: Enio Tersigni, Teren Realty Corp

Membership and Member Services Members:

Christine Tonus, Mediapeach;

Tony Allen, Ozz Corporation; Peter Altobelli, Yardi Systems Inc; Robin Bookbinder, Pinedale Properties Ltd; Paul Chisholm, Berkley Property Management; Robert Goodall, Canadian Mortgage Capital Corporation;

Bill Zigomanis, TD Canada Trust Multi-Unit Residential Mortgages

The Membership and Member Services Committee pursues and develops additional member programs and services to help property owners and managers improve their buildings and businesses. Overall, these benefits included various seminars, social events, and membership information sessions. Especially successful were the 2007 FRPO Golf Classic, which raised over \$8,000 for the Interval House shelter, and the Annual Dinner and Awards Ceremony, which last year attracted a record number of award nominations. 2007 saw the committee help FRPO deliver a series of education seminars on apartment financing, smart metering, understanding new lease agreements, rent discounts, energy efficiency and continued education on the Residential Tenancy Act.

With the assistance and support of our current members, FRPO looks forward to the continued growth of the membership in years to come. This allows us to continue to positively impact our industry to the benefit of landlords and tenants.

FRPO

The Federation of Rentalhousing Providers of Ontario



President & CEO vbrescia@frpo.org



Ted Whitehead Director of Certification twhitehead@frpo.org



Mike Chopowick Manager of Policy mchopowick@frpo.org



Cynthia Bentley **Operations** Manager cbentley@frpo.org



Laurie Cooper, Administrative Coordinator lcooper@frpo.org

Contact:

Toll Free: 1 877 688 1960 Phone: 416 385 1100 Fax: 416 385 7112 www.frpo.org

FRPO

20 Upjohn Road, Suite 105 Toronto, Ontario M3B 2V9

FRPO Board of Directors

Chair Mitchell Abrahams, Malen Capital Corp

Vice-President Stephen Price, GWL Realty Advisors Inc

> Paul Chisholm, **Treasurer**

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Peter Altobelli, Yardi Systems Inc

John Andrade, Andrade Consulting Group Limited

Mike Bolahood, Greenwin Property Management

Robin Bookbinder. Pinedale Properties Ltd

John Dickie, Dickie & Lyman, LLP Larry Dinally, Morguard Properties Ltd

Leonard Drimmer, TransGlobe Property Management Services

Alan Greenberg, Minto Developments Inc

Robert Herman, Robinwood Management Corp Ltd

David Horwood, The Effort Trust Company

Brent Merrill, MetCap Living Management Inc

Larry Dinally, Morguard Residential Inc

Florence Minz, M&R Property Management

Kim O'Brien, Boardwalk Rental Communities

Arun Pathak. SMAR Holdings Ltd Rustom Satchu, Satco Realty Inc

Tyler Seaman, Oxford Proeprties Group

Larry Smith, Professor Emeritus of Economics,

University of Toronto

John Stang, Minto Developments Inc

Glenn Trachsel, Waterloo Regional Apartment Manager's Association

Heather Waese, SPAR Property Consultants Ltd

Allan Weinbaum, W.J. Properties

Bill Zigomanis, Multi-Unit Residential Mortgages,

TD Canada Trust



The Federation of Rental-housing Providers of Ontario

Profile

The Federation of Rental-housing Providers of Ontario (FRPO) is the province's leading advocate for quality rental housing. We represent a wide range of multi-residential housing providers, from the smallest landlords to the largest property management firms, as well as related industry suppliers and professionals from across Ontario. FRPO represents over 800 members who supply and manage homes for over 250,000 households.

We are promoting a healthy and competitive rental housing industry by ensuring the impact of legislative and regulatory changes serve the best interests of landlords and tenants.

Our Mission

Our mission is to provide the highest quality services to our members through education, policy development and advocacy. We will do this through:

- Upholding public policies that support the availability of quality housing
- Protecting the rights of private sector landlords and property managers while helping them profit from their investment in multi-residential real estate
- Informative and educational training sessions on regulatory issues and industry best practices
- Promoting industry best practices, fair conduct and professional standards of our members
- Fostering better communication and information sharing among members
- Educating government, the media and general public on the critical role of the private sector in the supply of well-managed and maintained rental accommodation

Our Objective

A balanced and healthy housing market with a vital private rental-housing industry, choice for consumers, adequate government assistance for low-income households and private sector solutions to rental-housing needs.