

# ANNUAL REPORT 2 0 0 5

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# Year-at-a-Glance

It has been a year full of activity here at FRPO. We have many achievements to celebrate!

Here are a few highlights:

## Government Relations

Ongoing input into Ontario's Rent Reform Consultation

Defended industry interests in the *Municipal Act* and the *City of Toronto Act* discussions of proposed changes

Provided input to provincial consultations on affordable housing

Participated, in conjunction with the CFAA, in the consultations for the \$602 million Canada-Ontario Affordable Housing Agreement

Developed a response to the Human Rights Commission Family Consultation

Pre-budget submission to the Ministry of Finance

Led a Request for Review regarding ORHT Karoli decision, where a Tribunal adjudicator attempted to overturn the *Tenant Protection Act* by mistakenly suggesting it violates the Human Rights Code

## Reports and Research

Developed policy paper on rent supplements, distributed to both the federal and provincial governments

Developed paper on the affordability of housing in Ontario, which defeated many myths surrounding affordable housing in the province

Developed a policy paper on the myths and realities of the impact of conversions and demolitions policies

## Events

Participated in province-wide food drive - the single largest one-day food drive in Ontario

Our 1<sup>st</sup> annual golf tournament was sold out and a huge success! With our members' support, we raised \$10,000 for our charity Second Base

Hosted numerous popular and informative member seminars on market conditions, leasing & investment

## Membership and Member Benefit Programs

New advertising program provides significant discounts on print and internet advertising for members

New discount program with Home Depot will provide savings for the membership

Continued popularity for Color Your World discount program

Significant savings for members of the FRPO Natural Gas Purchasing Plan this past year – and sold out the Plan for next year!

Free landlord-tenant consultation

Continued access to Rent Check Group Plan

Online vacancy listings

Success of new and improved Fair Exchange Magazine

Continued growth of our membership

Successful AGM and awards ceremony – Congratulations 2005 winners!



## Message from the Chair

### Tom Schwartz

Looking back on our activities this past year, it becomes very clear just how much progress we have made as an industry. Two years ago, we were facing a real and tangible threat that could have returned us to the dark days of punitive rent control in the province of Ontario. Many of the proposals put forth by the Ontario government would have been severely detrimental to the development of the rental-housing industry and tremendously unfair to property owners and managers. It was difficult to imagine how we could prevent their implementation.

Yet, with a strong and concerted effort throughout 2005, we have successfully managed to participate in a dialogue with the province and have played an active role communicating the virtues and benefits of Ontario's vital rental-housing market to key elected officials and civil servants. As a part of our government relations strategy, we have participated in provincial consultations on affordable housing, as well as presented our industry's interests in the discussions on the changes to the *Municipal Act* and the *City of Toronto Act*. We participated in the Joint Ontario Business Sector (JOBS) Coalition to represent private-sector interests in these very discussions, to voice concern over the extensive and potentially punitive regulatory powers under consideration with municipalities. We have also presented a number of papers addressing rent supplements, housing affordability, and conversions and demolitions, to name but a few. All of which served to consistently deliver our key messages for developing a thriving and vital rental-housing market in Ontario.

As a result of our efforts, it appears that we have had some influence on avoiding a sudden introduction of punitive legislation. However, there is still much work to do. The inequity of multi-residential property tax assessment remains, as do onerous and laborious procedures with the Ontario Rental Housing Tribunal. Not only must we protect the gains we have made, we must help ensure that the interests of rental property owners, and the impact of regulatory and legislative changes on the stability of the market, are taken into consideration.

While reforms to the *Tenant Protection Act* and the *City of Toronto Act* will likely move forward, I am confident that we have at the very least become an important stakeholder with whom the Ontario government confers on issues in the rental-housing industry. The credit to this achievement must be extended to a vast group of members, staff, and key advisors, who effectively helped keep us together as a unified voice and ensured that our concerns were consistently communicated to policy-makers.

Beyond FRPO's headway with the provincial government, we have had enormous success in delivering benefit programs to our membership. With the hard work from the Committee and FRPO's own Cynthia Bentley, we have seen our membership continue to grow in 2005. And, without a doubt, members truly value the seminars and discount programs we have introduced, and are taking advantage of the savings provided through our gas plan.

After two years of serving as FRPO Chair, I must also extend my sincerest thank you and appreciation to the Board and staff. With their hard work and dedication, we have many accomplishments for which to be very proud. It has been a pleasure to serve in this capacity and I look forward to working with the incoming Chair and Vice-Chair in 2006.



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## Committees



## Executive Committee

### Chair Tom Schwartz, CAP REIT

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

Members: Mitchell Abrahams, Malen Capital Corp., Robin Bookbinder, Pinedale Properties Ltd., Paul Chisholm, Berkley Property Management Inc., Alan Greenberg, Minto Developments Inc., Rob Herman, Robinwood Management, Clark McDaniel, Williams & McDaniel, Florence Minz, M&R and Park Willow



## Finance Committee

### Chair Paul Chisholm, Berkley Property Management Inc.

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, and financial reporting matters. Once again, Harris Chong & Crewe LLP, independent accountants, has been retained to examine FRPO's financial statements. The 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.

Members: Tony Allen, Ozz Corporation, Robin Bookbinder, Pinedale Properties Ltd., Tom Schwartz, CAP REIT



## Political Action/New Supply and Capital Committee

### Chairs Alan Greenberg, Minto Developments Inc. and Florence Minz, M&R and Park Willow

With all of the activity at Queen's Park in 2005, the Political Action Committee was kept busy coordinating and developing FRPO's communications and government relations strategies. In addition to continuing to participate in a dialogue with the province on rent reform, the Committee worked tirelessly to provide the province with the industry's views on proposed legislative changes to the *City of Toronto Act* and the *Municipal Act*.

Committee members also provided strategic advice on other issues, including: consultations on affordable housing and the Canada-Ontario affordable housing agreement with the CFAA; a pre-budget submission to the Ministry of Finance; Ontario Rental Housing Tribunal procedures; electricity sub-metering; conversions and demolitions; industry accreditation; property tax equalization; and, vacancy rate and availability research.

Members: Mitchell Abrahams, Malen Capital Corp., Robin Bookbinder, Pinedale Properties Ltd., Paul Fish, Altus Group, Rob Goodall, Canadian Mortgage Capital Corporation, Peter A. Goring, Minto Developments Inc., Ken Kirsh, Sterling Silver Development Corporation, Clark McDaniel, Williams and McDaniel, Brent Merrill, Met Cap Living, Stephen Price, GWL Realty Advisors Inc., Rustom Satchu, Satco Realty Inc., Tom Schwartz, CAP REIT, Lawrence Smith, High Value Consultants Limited, Allan Weinbaum, W.J. Properties

## Strategy Committee

### Chair Tom Schwartz, CAP REIT

Created in 2004 as a sub-group of the Political Action Committee, members are tasked with developing and managing a strategy for dealing with the government during the legislative drafting phases. This year, the Strategy Committee continued to provide crucial advice and direction for helping to avoid the sudden introduction of punitive rent reform amendments by the province. As required, Committee members are responsible for ensuring that the industry's positions are clearly and strategically communicated to government officials, media, and the membership. They are also involved in the creation of submissions and correspondence, the preparation for meetings with government officials, directing the efforts of FRPO consultants, polling, and developing alliances with other supportive groups.

Members: Mitchell Abrahams, Malen Capital Corp., Alan Greenberg, Minto Developments Inc., Florence Minz, M&R and Park Willow



# Landlord & Tenant Committee



## Chair Joe Hoffer, Cohen Highley LLP

The Landlord and Tenant Committee (L/T) was created in 2004 to address matters relating specifically to security of tenure and other landlord and tenant relationship issues. Throughout this year, the L/T Committee has monitored the following issues in the province:

- Proposed legislative or regulatory amendments to the landlord & tenant provisions of the *Tenant Protection Act*;
- Amendments to the *Municipal Act* and the *City of Toronto Act* which may adversely affect the right of landlords to demolish, renovate, or otherwise redevelop existing residential complexes;
- Amendments to the *City of Toronto Act* which may adversely affect the substantive rights of landlords to expeditiously resolve landlord and tenant disputes;
- General legislative amendments which may adversely affect landlords in their dealings with tenants (i.e.: new asbestos abatement regulation; water testing regulations);
- Ontario Rental Housing Tribunal (ORHT) procedures in processing landlord and tenant applications;
- Proposed changes in ORHT policies or policies of the Ministry of Municipal Affairs and Housing which may adversely affect the industry;
- ORHT and Court decisions which may adversely affect landlords.

In fact, given a recent ORHT adjudicator's decision, TNL-68501, FRPO has decided to submit a request for review with the Tribunal. While FRPO does not normally get involved in individual Tribunal decisions, as they are neither precedent-setting nor binding on other adjudicators, the prominence of this decision compelled FRPO to pursue this avenue. Given potential consequences of having adjudicators using their discretion to, in effect, make broad, sweeping changes to provincial legislation and Tribunal practices, Committee Chair Joe Hoffer led the challenge on behalf of FRPO members. At this time, the matter remains before the Tribunal.

In addition to the foregoing, the Landlord & Tenant Committee will continue to make recommendations to the FRPO Board and to formulate policies for consideration by the Board in relation to landlord and tenant issues.

Members: John Andrade, Andrade Consulting Group Ltd., Paul Cappa, Cohen Highley LLP, Robert Doumani, Aird & Berlis LLP, Jane L. Ferguson, Jane L. Ferguson, Barrister & Solicitor, Debra Fine, Debra Fine Barrister & Solicitor, Tom Halinski, Aird & Berlis LLP, David Lyman, Dickie & Lyman LLP, Jim Moak, Stormont Dundas & Glengarry Landlord Association, Joy Overtveld, Milton, Geller LLP, Neil Sigler, Parkway Realty Ltd., Brenda Trineer, Tricar Group, Allan Weinbaum, W.J. Properties, Martin Zarnett, Sandler, Gordon Barrister & Solicitors



## Rent Control Committee

### Chair John Dickie, Dickie & Lyman LLP

Having developed the industry's response to the 2004 provincial "Rent Reform Consultation," the Rent Control Committee had a less demanding year in 2005. The Committee provided input on the practical issues in removing utilities or property taxes from rents, so that residential rents could become net rents like most commercial rents. The Committee also addressed proposals from the Administrative Justice Working Group for reforms to the process of appointing adjudicators and for a consultation process for the Ontario Rental Housing Tribunal (ORHT). Committee members also recommended a strong FRPO response to the ORHT Karoli decision, in which an adjudicator held that the 5-day default period violated the Human Rights Code. Finally, the Committee assisted FRPO President, Vince Brescia, in formulating and supporting the industry's position on the possible "download" of rent control to Toronto or municipalities in general. FRPO is still awaiting the provincial rent control reforms, and hopes to deal with a revised province-wide system in the near future, while it is still crystal clear that vacancy decontrol has brought most of the benefits of a free market in rental-housing to Ontario.

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, Joy Overtveld, Milton, Geller LLP, Heather Waese, SPAR Property Consultants Ltd., Allan Weinbaum, W.J. Properties

## Legislation and Regulations Committee

### Chair Allan Weinbaum, W.J. Properties

The Legislation and Regulations Committee is tasked with addressing legislation that may impact our industry, beyond the scope of residential tenancy legislation. Members continue to assist in forming FRPO's strategic positions on numerous matters, including: improving accessibility to the disabled by developing standards; uncovering marijuana grow operations and managing the rental-housing provider liability; pit bull ban and other aggressive pet behaviour; tenant public utility arrears; and licensing of rental-housing providers and/or property.

Members: Robert Doumani, Aird & Berlis LLP, Jane L. Ferguson, Jane L. Ferguson, Barrister & Solicitor, Debra Fine, Debra Fine, Barrister & Solicitor, Joe Hoffer, Cohen Highley LLP, Clark McDaniel, Williams and McDaniel, Joy Overtveld, Milton, Geller LLP, Heather Waese, SPAR Property Consultants Ltd., Martin Zarnett, Sandler, Gordon Barrister & Solicitors





# Regional Associations Committee



## Chair Arun Pathak, Hamilton and District Apartment Association

Throughout 2005, the Regional Associations Committee continued to meet regularly to exchange information from the various regions of the province. This allowed FRPO to provide up-to-date information to local members on the priorities and activities of our association. In addition, this created 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.

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 Regional Apartment Managers' Association, Glenn Trachsel, Waterloo Regional Apartment Managers' Association

# Utilities Committee



## Chair Tony Allen, Ozz Corporation

Created in 2004, the Utilities Committee continued its efforts this year in addressing the increasing importance of energy-related issues affecting our industry. Following last year's strategy of floating on the spot market until prices came down, the Committee was instrumental in providing members of the 2005 Natural Gas Purchasing Plan with great savings by locking-in at a lower rate than current market prices. With this year's level of success, the Plan has sold out for the coming year! The Committee will continue to review the pricing on a go-forward basis in an effort to provide FRPO members with access to the finest membership benefit programs.

Additionally, the Committee has worked diligently in communicating the industry's position on mandatory smart-metering in high-rise buildings in Ontario. The province has introduced legislation that commits to having smart meters installed in all homes and businesses by 2010. The Committee is, as always, instrumental in ensuring that the rental-housing industry has a voice in dealings with the Ministry of Energy, helping to ensure that member interests are represented.

Members: Robin Bookbinder, Pinedale Properties Ltd., Paul Chisholm, Berkley Property Management, Jason Craig, ECNG Limited Partnership, Haroon Gafur, M&R Property Management, Clark McDaniel, Williams & McDaniel, Mike McGee, Energy Profiles, Wendy Mortson, Wirebury Connections Inc., Dan Pastoric, ECNG Limited Partnership, Justin Taylor, Global Luxury Living, Martin Tovey, Minto Management Inc.



## Membership and Member Services

### Chair Enio Tersigni, Teren Realty Corp.

The Membership and Member Services Committee pursued and developed 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. Further benefits consisted of free member legal service, rent and credit checks, and property insurance, to name a few. FRPO members were also given access to numerous bulk purchase programs ranging from Color Your World and Home Depot to Vacancy Advertising.

The Committee also maintains its strong focus on recruiting new members to FRPO. Part of this year's strategy included a Board member referral campaign, direct mail distribution program and frequent networking opportunities. 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.

Members: 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, Christine Zacchigna, Mediapeach, Bill Zigomanis, TD Canada Trust



## Accreditation Committee

### Chair Rob Herman, Robinwood Management

As a part of FRPO's ongoing efforts to raise standards in the industry and to assist in building a positive reputation of members with the general public, policy-makers, and government representatives, the Accreditation Committee was formed to examine the design, development and possible implementation of a new accreditation system for members. The purpose of this method of self-regulation is to help demonstrate a real commitment to professionalism within the industry and to help improve management and building standards for all members. The Committee was formed following a province-wide consultation with the membership.

The Committee is currently developing a 5-year implementation plan. This includes the development of a broad framework to assist members with a strengthened code of conduct through a self-assessment accreditation process. This is based on extensive research on best practices of effective and successful rental management organizations. The Committee has also developed vital educational materials to provide members with all the tools needed to achieve success in meeting the proposed new standards. The Committee is also working on a plan to communicate and consult with members prior to implementation.

Members: Justin Taylor, Global Luxury Living, Alan Auyang, GWL Realty Advisors Inc., Martin Tovey, Minto Management Inc., Jonathan Krehm, O'Shanter Development, Inc., Yehudi Hendler, Y. L. Hendler Ltd.



# Board of Directors 2005

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<b>Chair</b>	<b>Tom Schwartz, President and CEO, CAP REIT</b>
<b>Vice-President</b>	<b>Mitchell Abrahams, Malen Capital Corp.</b>
<b>Treasurer</b>	<b>Paul Chisholm, Berkley Property Management Inc.</b>

Tony Allen, OZZ Corporation

Peter Altobelli, Yardi Systems Inc.

John Andrade, Andrade Consulting Group Limited

Robin Bookbinder, Pinedale Properties Ltd.

John Dickie, Dickie & Lyman, LLP

Leonard Drimmer, TransGlobe Property Management Services

Barry Green, Greenwin Property Management Inc.

Alan Greenberg, Minto Developments Inc.

Robert Herman, Robinwood Management Corp. Ltd.

David Horwood, The Effort Trust Company

Harvey Katz, Esam Group

Clark McDaniel, Williams & McDaniel

Brent Merrill, MetCap Living Management Inc.

Florence Minz, M&R Property Management

Arun Pathak, SMAR Holdings Ltd.

Stephen Price, GWL Realty Advisors Inc.

Rustom Satchu, Satco Realty Inc.

Larry Smith, Professor Emeritus of Economics, University of Toronto

John Stang, Minto Developments Inc.

Heather Waese, SPAR Property Consultants Ltd.

Allan Weinbaum, W.J. Properties

Martin Zegray, Realstar Management Partnership

Bill Zigomanis, Multi-Unit Residential Mortgages, TD Canada Trust

# FRPO In Profile

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## History

Founded in 1985 by an astute group of forward-thinking rental investors, the Federation of Rental-housing Providers of Ontario (FRPO) (formerly the Fair Rental Policy Organization) is the only province-wide association for apartment owners and managers. Membership has been growing steadily, as an increasing number of residential landlords recognize that belonging to FRPO is one of the smartest investments they can make for their business today and into the future!

From our public education campaigns on the damage caused by rent controls and other government policies, to our expert seminars and bulletins on important building management issues, members are kept well informed and competitive.

## Our Mission

Promote the need for decent housing for every Ontarian

Represent the interests of private sector rental-housing providers

Promote industry professionalism and fair conduct

Establish and advance industry maintenance standards

Enhance industry communication and information-sharing

Cultivate a vital and on-going role for the private sector in the supply of rental accommodation

## Our Objective

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

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