



THE INVESTMENT PROPERTY OWNERS ASSOCIATION OF NOVA SCOTIA

INSIGHT

*The Positive Voice
for Landlords*



Living Large

A new program of renting to mental health clients is benefiting tenants and landlords alike.

By David Napier

It's an idea that takes some getting used to.

Former and existing patients of the provincial Mental Health system are being offered tenancy in reasonably priced, very well-appointed apartments. These are apartments that might otherwise not be available to these would-be renters based on their financial means and/or poor rental history.

"It's about finding people places to live, but it's also about teaching people how to be good tenants," says Sandra Hennigar, Special Projects Lead, Capital District Mental Health Program. "People need support in order to live well," adds the woman who helped launch the "250 Homes" initiative.

The program has immediate credibility given that 1-in-5 Canadians suffer from some form of mental illness. As such, landlords are already renting to many tenants who have been, or likely will be, part of the mental health system.



Capital Health's Liz Cleary and Vicki Kaiser visit Reg in his Killam property.

The 250 Homes idea was conceived in 2004 but started taking real shape in 2007 when Hennigar drafted a two-page proposal for the consideration of potential landlords. This document was then placed in front of a VP or two at Killam Properties Inc. in Halifax.

Hennigar hoped for the best but secretly feared the worst. After all, renting units to outpatients of the mental health system doesn't sound like the sort of idea most business-minded landlords would embrace, especially given that most units could rent for more than those on Income Assistance have at their disposal for accommodations.

Imagine the collective glee when Killam said yes.

"We saw it as a good fit: they had people and we had apartments," says Ruth Buckle-McIntosh, Vice President of Property Management at Killam.

In May of 2008, Killam filled four vacancies but quickly expanded their offering to "10 to 20" apartments, a number that has since ballooned to 30 units.

"Faces brighten up when they see the unit - and what their \$535 is getting them," says Tara Hood, a Property Manager with Killam, who insists that the most significant reason for the success of the program is that Capital Health has a dedicated staff person for tenancy issues.

Elizabeth ("Liz") Cleary, a Registered Nurse by training, is Program Coordinator. "I do a lot of everything," she laughs. Most important for landlords, Cleary is the point-person and sole contact if they have an issue with a tenant. "It's very important for landlords to have one source; one person to go to if they have an issue," Cleary explains, noting that 'an issue' could mean noise or even the need to evict.



PRESIDENT'S MESSAGE

Planning the Work... Working the Plan

Dear IPOANS member: IPOANS is in the midst of a major organizational revitalization. Since taking on the Presidency of the Association in mid-April, I have been busy working with our Board to re-energize and re-focus our organization.

When looking to rebuild and revitalize any organization the first step is confirming your overall mission, goals and objectives. I call this "Planning the Work". The Board has recently accomplished this through a series of planning sessions which culminated in our 2010 Strategic Plan, which focuses our association on: (1) Government and Legislative Advocacy, (2) Educational Services, and (3) Member Discounts.

Our Association's *raison d'être* remains unchanged - to be "a positive voice for landlords". That said, unfair property tax assessments, outdated and unfair elements to the Residential Tenancy Act and related policies, combined with a new government, speak to the need for a strong voice for landlords in our province.

The two other areas of focus are revamping our Educational Service program and revitalizing our member discount. On the educational programming side, we are in talks with NSCC regarding a partnership with them in delivering numerous Property Management programs. On the member discount side, we have begun discussions with numerous supplier-members in an effort to drive some real value in this area.

The "Working the Plan" element of our strategy has also begun in earnest. Witness our first *Insight* newsletter!

President's Message (Cont'd)

Also, in September, our Legislative Committee was very active in two areas. First, there was a need to provide specific feedback on the *Residential Tenancies Act* to the government's Service Nova Scotia Residential Tenancies Division as it was making recommendations to the new Minister. Led by committee Chair, Peter Polley, we were able to articulate our top five issues and propose changes. Our recommendations were largely accepted, but will not be tabled until the spring sitting of Government.

Later in September, IPOANS Executive Director Rex MacLaine and Board members, Angela MacDonald, Priscilla Lotherington and I participated in a Residential Tenancy Officers' workshop in Truro. You were very well represented at this lively session where we gave the RTO's a sense of a "day in the life of a residential landlord" (both the large corporate and "mom and pop" perspectives were articulated). Both sides felt this was an excellent exercise

and there was a desire for more of this type of communication.

Speaking of communication, our November Information Session will look closely at the housing for Mental Health initiative, featured in this edition of *InSight*.

Finally, we had a great day at our annual September Golf Tourney at Lost Creek!

I strongly encourage you to read our (your!) Strategic Plan, and welcome your feedback.

IPOANS will grow, but we require your ongoing support and a willingness to lend-a-hand in the second and most important aspect of our program: **"Working the Plan"!**

Yours truly,
Jeremy Jackson

Living Large (Cont'd)

In the latter case, should a tenant prove consistently unruly, he or she can be immediately removed from the apartment without any third-party involvement, including Residential Tenancy Officers. "Under normal circumstances, if I have an issue I call the tenant, but in this situation I call Liz and she sorts it out," Buckle-McIntosh says.

The Program has been almost incident-free (one noise violation leading to an eviction) largely because Cleary works closely with tenants to make their apartment life enjoyable and productive. She sits down with each and every potential tenant and explains the terms of tenancy and then actively encourages new residents to manage their own affairs and grow into long-term tenants.

"It's about holding people accountable," explains Cleary, whose role is offset by an on-call weekend and evening mental health support team that includes a Mobile Crisis unit that will conduct "wellness checks" should a pressing or volatile situation arise.

This hands-on approach attracted Atlantic Living Property Management to the program in May of 2009. "They approached us as a rental manager with middle-income units," explains Tracey MacDonald, Property Manager, whose units typically rent for between \$500 and \$700, and has already filled 11 units with mental health clients.

"I wasn't scared of getting involved because I knew the support was there," says MacDonald, who runs the rental side of Atlantic Living, noting it helps that rents can be paid directly to the landlord via Community Services.

So while there is an altruistic aspect to program, it makes business sense given the rents collected and reduced vacancy rates. The point at which the program becomes downright ingenious is where the tenants come in — literally. Far from being a risk, they have proven to be some of the landlords' best tenants.

"I am really, really glad we tried it," says Buckle-McIntosh. "I honestly cannot remember why we would have been worried about it."

IPOANS will be holding an Information Session on Housing and Mental Health on Thursday, November 19th at 7pm in The Delta Barrington's Sackville Room.



Strength in Numbers

By Rex MacLaine, Executive Director

We've been busy at IPOANS this Fall. And, while 'busy' and 'productive' are not always synonymous, we've made headway on a number of pressing issues of late, not the least of which has been improving the lines of communication between our association and the folks at Residential Tenancies (see the President's Letter).

The now-disbanded HRM Tax Committee recommended significant changes to the property tax system that would have had negative results with respect to tax costs for multi-unit residential rental properties. IPOANS had meetings with Committee members, the Mayor and HRM Councilors, and attended the Committee's information sessions to express its concern. I feel that our input had a significant impact upon the thinking of all stake-holders, leading them to realize that any increased costs would ultimately result in increased rent.

I am also happy to report that IPOANS has moved the yardsticks as an active member of a committee of stake-holders developed by Capital Health to deal with making smoke-free, multi-unit buildings a reality. I believe we have convinced the committee that building owners are already responding to the demand for smoke-free accommodations by constructing new, smoke-free buildings and arranging to properly convert existing buildings to smoke-free status, without legislation. The Director of Residential Tenancies has assured me that smoke-free building regulations will be supported by his Department if included in the terms of the lease agreement.

Here are a few other initiatives that have been keeping us busy, on your behalf, over the past few months. If you want to hear about the full list of activities, projects and meetings, I hope you will call or write to me.

- IPOANS participated in a stake-holder's meeting along with Gerald Hashey, in his capacity as the Director of Residential Tenancies, his staff, tenants associations (including Dalhousie Legal Aid and Megan Leslie, who has since been elected to the House of Commons), representatives of the Manufactured Homes industry, and four members of our Board.

- We're constantly working to change the fact that multi-unit residential is the only type of property excluded from the Assessment Cap legislation. Check out the IPOANS website to see the professional videos that were produced and distributed, illustrating the impact of excluding residential rental properties from qualifying for the Assessment Cap.

- We ran an information session for our members with the Department of Justice, Policing and Victim Services concerning the *Safer Neighborhoods and Communities Act*, which allows for the eviction of tenants and closure of buildings housing those engaged in criminal activities. This speeds up the process of eviction compared with going the Residential Tenancies route.

As you can see, we're making progress, but there is still plenty of work to be done.

Meantime, tell a friend or associate about IPOANS and encourage them to join. There is, as they say, strength in numbers. One of the best places for prospective members to see what the Association is up to is the new IPOANS website (www.ipoans.ns.ca). It has been overhauled and is full of fresh information, as well as links of interest to both members and suppliers.

Cheers,
Rex
association@ipoans.ns.ca

Old School Meets New Urbanism

With an inherited passion for property, Louie Lawen and his brothers are slowly changing the face of HRM.

By David Napier

Seated in a small trailer adjacent to his latest building project, Louie Lawen reveals that he is 39 but has been in the property business for more than 40 years. It seems like faulty math until he explains, "Unofficially I have been in the business since before I was born."

Lawen's father George started acquiring modest rental properties before his eldest son's birth, which is how Lawen got his ridiculously early start in what has become a multi-generational endeavour.

After completing his Engineering degree in 1994, Louie closed his ears to the siren call of Toronto and opted into partnership with his brothers, John and Peter, and created The Lawen Group. Over the past 12 or so years, the property rental company has expanded into design and construction, with eight architectural assets – including Tower Apartments, Hillside Suites, and W Suites – and more on the way.

Presently, the Lawens are redeveloping a pair of historic properties, one in Halifax and the other in Dartmouth.

Our interview takes place at the former Greenvale school on Ochterloney Street in Dartmouth which is being transformed by an army of tradesmen into "The Lofts at Greenvale".

The original Andrew J. Cobb-designed structure (constructed in 1915 after a fire destroyed a building that had been erected there in 1891) is being revitalized, with the help of acclaimed local architect Michael Napier (*no relation*), into a 36-unit, 40,000-square-foot complex that Lawen feels will be "one of the nicest buildings in HRM." This sounds like a small boast until



Louie Lawen (R) and a visitor on site at The Lofts at Greenvale

Lawen says, "There's not a single modern building of any significance in the city."

In the case of The Lofts at Greenvale, the old brick façade of the school is gone (much to the chagrin of heritage die-hards), but the building remains as handsome as it is historic. Twinned Tuscan columns frame a small but stately entrance that leads into a blend of one- and two-bedroom units, including a pair of showcase spaces with dramatic 17-foot ceilings, 5' x 10' arched windows, and exposed brick interiors (the original stuff).

The properties in the Lawen portfolio have unique architectural signatures. The only common trait between each building is that they do not impose themselves on their respective neighbourhoods. Rather, they compliment their surroundings, often replacing a missing piece of a larger residential puzzle.

This approach has worked for the Lawens since 1997 when they started building the Waterford on Hollis street in Halifax, and expanded from the rental market into property development. "It was terrifying," admits Lawen of that first construction job.

The Lawen properties are unique, but compliment their surroundings.

Next up is Victoria Suites, which will replace the decrepit wooden apartment building that looms over the intersection of Morris and Hollis. "It will be a very modern tower," says Lawen, referring to the "sleek" building-to-be which will include red glass balconies.

Lawen's inspiration is largely drawn from the "new urbanism" movement which promotes walkable neighbourhoods with a range of housing and jobs. "It's very important for people to have a sense of belonging, and where you live is a big aspect of that," explains the husband and father of three, whose fourth child is due in January.

"There's huge value in what people are getting in Halifax," adds Lawen, noting that Halifax's vacancy rates are among the lowest in the country. As for bringing value to the tenants of his properties, he says the key is being hands-on in terms of day-to-day operations. "That's the key to success, whether you own a duplex or a 200-unit building."

As our interview draws to a close, Lawen offers a tour. Amidst the din of hammers in full swing and saws at full bore, a small elderly man with a rich olive complexion and a scuffed hardhat with "George" inked on the side wanders by. Lawen introduces us: "This is my father."

We shake hands and I suggest that he must be very proud of what his sons are accomplishing. "Just finish it," says the elder Lawen, punching his fist into the palm of his other weathered hand.

Louie Lawen explains that his father cares about craftsmanship, quality and the finishing touches that could make The Lofts at Greenvale as attractive as anything being built in Toronto or New York these days. "But," he adds, "my father has a saying: 'It's better to finish one job than start a hundred and never finish any of them.'"

I look to George Lawen for confirmation. The patriarch is smiling.

LETTER FROM CAPE BRETON

By Priscilla Lotherington, President of IPOACB

The last four years of my tenure as President have been extremely busy. I started getting a guest speaker related to tenancy, legal and other issues affecting landlords to attend almost every Board meeting. This has been such a great success that we've started to hold free educational seminars for the IPOACB general membership, which represents about 250 landlords. The seminars are very well attended. The legislative committee is actively pursuing our government to restore the landlord's right to place the names of tenants who left owing outstanding balances with the credit bureau. As well, I am working closely with IPOANS legislative committee to make changes to the Residential Tenancy Act. As always, our discount committee has secured huge savings especially on oil and paint, which is appreciated by the entire membership.

For more information, check out our website at www.ipoacb.ca

Ask an Expert

By **Eric Bourque** FCIP CRM Manager,
Corporate Client Services A.P. Reid Insurance Stores

7 GOOD REASONS TO INSIST ON TENANT'S INSURANCE

#1 Saving money. How many claims have you paid out of your pocket that should have been paid for by a tenant's insurance policy?

Our statistics show that 30% of all RealtyGuard claims originate with tenants. When you consider that approximately 75% of all tenants do not carry Tenant's Insurance, this is a huge number of claims that you, the landlord, are paying for under your own insurance policy. If all tenants carried Tenant's Insurance, that would reduce overall claims against your policies by a large percentage - which in turn will help reduce your premium.

#2 You may feel comfortable in carrying a larger deductible (which in turn lowers your overall annual premium) when you are assured that each of your tenants carry valuable tenant fire legal liability insurance as part of their Tenant's Insurance program.

#3 Tenant's Insurance includes valuable "emergency living expense money". If your tenants are forced out of their apartment due to a building fire, for example, their Tenant's Insurance policy will pick up the tab for reasonable expenses they've incurred for temporary living expenses. You are not responsible for providing additional expenses to your tenant in this situation, but if they do not carry a tenant's policy they will certainly look to you for these additional expenses.

#4 Explaining and insisting on tenant coverage as part of your leasing practices affirms the fact that you are not responsible for their possessions (which many renters mistakenly believe to be the case).

#5 Picture this: headlines and television images of tenants huddled in the local arena with no place to go and no possessions left because the apartment building has suffered a major fire. A misinformed public often thinks the responsibility lies with the landlord when tenants are uninsured.

#6 Insurance premium savings. If you insist and collect evidence of Tenant's Insurance from each of your tenants, RealtyGuard will provide you with up to 20% in annual premium discounts, per building.

#7 Better relationships and happier tenants. In an instance where insurance becomes an issue, a tenant carrying their own insurance removes you from the situation, leaving the tenant to deal directly with their insurance company. This will help maintain a good relationship between you and your tenant.

Upcoming Events

November 19, 2009
General Meeting and Information Night
Mental Health Rental Units
Where: Delta Barrington Sackville Room
Time: 7:00 PM to 9:00 PM

December 10, 2009
Christmas Reception
Where: Courtyard Marriott
Time: 6:00 PM to 8:00 PM

March 2010
Annual General Meeting & Trade Show
Location and time TBA

Visit www.ipoans.ns.ca for more information

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